



State of New Jersey
Department of the Treasury

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***Complex Financing that Restructured New Jersey's Medical
Higher Education System Honored by The Bond Buyer with 2013
Deal of the Year Award***

TRENTON – The financings that supported this year's sweeping overhaul of New Jersey's system of medical higher education have been named by *The Bond Buyer* as the winner of its 2013 Deal of the Year Award in the Healthcare Financing category.

The Bond Buyer, a leading media source for coverage of the municipal bond industry, announced today that the New Jersey Department of the Treasury, which led and coordinated the transactions, and the three investment firms that carried them out — Morgan Stanley, Raymond James and Barclays Capital — will share the award.

The Bond Buyer said the deal deserved recognition because of the complex challenges involved in dissolving the former University of Medicine & Dentistry of New Jersey (UMDNJ) and shifting ownership of its schools and other units to Rutgers and Rowan Universities, or in the case of University Hospital in Newark, to a new stand-alone status. Completing the restructuring, which was the largest higher education merger in U.S. history, had been a top priority for Governor Chris Christie.

"Winning the Deal of the Year Award means a great deal to our finance professionals at Treasury and our partner firms who worked hard to make this deal a reality and to make it possible to create a new and stronger medical higher education system in New Jersey," said State Treasurer Andrew Sidamon-Eristoff.

To complete the reorganization, decisions had to be made on the proper allocation of UMDNJ's assets and outstanding debt among the three successor institutions. As part of this process, \$668 million of taxable and tax exempt debt previously issued by UMDNJ was refinanced by Rutgers; the Camden County Improvement Authority, acting for the benefit of Rowan; and the New Jersey Health Care Facilities Financing Authority, acting for the benefit of University Hospital.

In addition, all the financial transactions had to be completed on a strict timeline to meet a July 1 deadline for completing the reorganization.

The deal terms were worked out by teams that included more than 70 professionals from government, banking, law and accounting. The teams made it possible to not only complete the merger on time, but also to achieve cash flow savings for both Rutgers and Rowan by releasing \$66.5 million in debt service reserves or funds that they had been holding.

The award will be presented at *The Bond Buyer's* 12th Annual Deal of the Year Awards Dinner at The Waldorf Astoria in New York City on December 5, 2013. As a category winner in this year's competition, the restructuring financing is also automatically a finalist for this year's national Deal of the Year Award. The winner of that award will be announced at the dinner.

The New Jersey Medical and Health Sciences Education Restructuring Act, which Governor Christie signed into law on August 22, 2012, set in motion a series of events with the goal of completely restructuring the delivery of medical and health sciences education and academic research in New Jersey.

The Act has significantly enhanced the academic and research standing of both Rutgers and Rowan Universities, and has ensured University Hospital's ability to continue to provide quality health care services to residents of New Jersey while also serving as the primary teaching hospital for Rutgers's Medical and Dental Schools in Newark.