

LEWIS & CLARK DISCOVERY INITIATIVE

Fact Sheet

MOHELA

- One of the nation's largest student loan authorities even though many Missouri colleges and universities do not utilize MOHELA.
- Created by the General Assembly in the early 1980s to provide a secondary market for buying college loans from Missouri banks. The establishment of secondary lending entities was important to ensure that banks continued to maintain the reserves necessary to offer loans to students under the Federal Family Education Loan Program.
- Private companies, such as Sallie Mae and NelNet, Inc, now provide these same services.

Public-Private Partnership

- Joins MOHELA with private enterprise to benefit students and higher education.
- Goldman Sachs has estimated value of partnership between \$375 to \$425 million.
- Student loan holders and institutions receive equal if not improved service.
- Core functions of MOHELA can be maintained after a public-private partnership is realized without students or institutions noticing any significant changes.

One-Time Money for One-Time Expenditures

- \$300 million in capital improvement projects across the state. Designed to enhance Missouri's position as a global leader in science and technology research and education. \$300 million in state funds leverages \$236 million in matching funds for a total investment of \$536 million.
- Funds nine out of 14 capital improvement projects approved by the Coordinating Board for Higher Education without issuing bonds and incurring new debt.
- \$100 million endowment for new student scholarship program. Provides a minimum of \$5 million per year in perpetuity for Missouri students. Will grow with investment returns.
- \$5 million endowment to create Missouri Discovery Alliance. Designed to enhance growth and development of technology businesses near college campuses, adding high-quality employment opportunities and economic activity.
- \$20 million in matching funds for endowed professorships. \$500,000 from the state would be matched by \$500,000 from private donors to ensure world class professors stay in and are recruited to Missouri public institutions. State funds leverage \$20 million in matching contributions, totaling \$40 million to increase the research capacity of Missouri's public universities by creating 40 new endowed professorships.

Precedent

- Similar partnership created in Virginia, realizing \$61 million for that state.
- Other examples include Maine, Rhode Island, Washington, and Colorado.

Economic Growth and Jobs

- Research infrastructure, business incubators, commercialization funds, and endowed professorships will work in concert to provide¹:
 - 4,880 new jobs annually, paying an average wage of \$45,314;
 - \$554.2 million in new economic activity on average each year;
 - \$37.6 million annual return to General Revenue, or \$451.2 million over 12 years.

¹ Economic data provided by Missouri Economic Research and Information Center (MERIC).