

May 26-27, 2021

ITEM 194-2011-R0521

Request for Authorization to Amend its Bond Indenture; Montana State University

THAT

Montana State University requests authorization from the Montana Board of Regents of Higher Education to amend its bond indenture and execute transactions for a previously approved refunding of existing debt and a new money borrowing under the new indenture.

EXPLANATION

1. MSU's indenture was last updated in 1993.
 2. Item 187-2005-R0320 authorized Montana State University to issue Series G & H 2020 Facilities Refunding Revenue Bonds to refund all or a portion of outstanding Series N 2012, Series O 2012, Series A 2013, Series C 2016, and Series E 2018 in an amount not to exceed \$139 million (the "Refunding Bonds").
 3. Item 190-2012-R0920 authorized Montana State University to proceed with the issuance of facilities revenue bonds resulting in construction proceeds not to exceed \$24 million for the MSU Student Wellness Center Project (the "Wellness Center Bonds").
 4. The previously approved transactions have not yet been executed for reasons pertaining to fluctuations in the in the market and prevailing interest rates. Currently, the timing and volume of these transactions presents an opportunity for MSU to modernize the indenture with a broad pledge of unrestricted revenue that is expected to make MSU's debt portfolio more attractive to existing and potential future bondholders and should yield interest savings for the university.
 5. This item authorizes the Chair of the Board of Regents, the Commissioner of Higher Education, the President of Montana State University, and the Vice President for Administration and Finance of Montana State University to enter into the Amended and Restated Indenture of Trust in connection with the issuance of the previously authorized Refunding Bonds and the Wellness Center Bonds. This authorization to proceed is subject to final approval by the University and the Commissioner of Higher Education, who will determine whether and when to execute this transaction based on the prevailing interest rates.
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ATTACHMENTS

- Attachment #1: Amended and Restated Indenture of Trust
- Attachment #2: Bond resolutions confirming previously approved bonds to be issued under the Amended and Restated Indenture of Trust
- Attachment #3: Prior authorization for Refunding Bonds
- Attachment #4: Prior authorization for Wellness Center Bonds