

September 18, 2025

INFORMATION ITEM**Intent to seek financing and project authority at the November 2025 Board of Regents meeting for multi-year, multi-phased projects related to energy performance contracts (EPC) and university student housing to address deferred maintenance; Montana State University**

1. MSU received prior authorization to conduct energy performance audits, contracting processes and EPC projects to address deferred maintenance per BOR ITEMS: 208-2008-R0923, 212-2004-R0524 and 212-2005-R0524.
2. MSU received prior authorization with BOR ITEM: 214-2003-R0924 for additional energy performance contracts as authorized by MCA 90-4-1114 for multi-year, multi-phased projects in academic, administrative and research facilities to address more than \$43,000,000 in deferred maintenance and system efficiencies.
3. Montana State University received prior authorization per BOR ITEM 203-2006-R1122 to conduct a campus-wide housing study to determine the viability of renovations of existing facilities and whether new housing is needed to address potential demand.
4. MSU completed the draft housing study in late 2024 and has been seeking to understand the local impacts of recent, private multifamily housing developments coming on board in Bozeman.
5. More time is needed to assess if/when MSU has a need for additional housing, but investment needs are immediate for addressing deferred maintenance in existing housing inventory. Failure to address the deferred maintenance may result in portion(s) of the housing inventory being uninhabitable with no flex space to accommodate displaced students.
6. MSU expects to finance these projects using 20-year bond financing (although, terms up to 30 years will be considered) which will be repaid with a combination of auxiliary revenues, student building fees, and maintenance funds. MSU will engage with bond counsel and OCHE to identify the most advantageous debt financing terms, timelines and legal requirements.
7. Total debt for these projects is not expected to exceed \$50,000,000. Annual debt service on that amount would be approximately \$3,800,000 per year, depending on final terms of financing.
8. Energy savings will fund a portion of the debt service for EPC projects and are anticipated to be \$1,000,000/year on average.
9. This information item is intended to notify the Board of Regents of MSU's intent to seek authority for these items at their November 2025 meeting.