

March 12, 2026

ITEM 223-2006-R0326

Request for Authorization to Execute the Refunding of the Series H 2021 Bonds; Montana State University

THAT

The Board of Regents adopts modifications to MSU's Bond Resolution approved by the board at the November 2025 meeting and authorizes MSU to refund any portion of Series H 2021 Facilities Revenue Bonds for Montana State University (MSU).

EXPLANATION

1. In March of 2020, the Board of Regents authorized the refunding of several different Facilities Revenue Bonds including portion of Series 2012N, Series 2013A, and Series 2012O which were originally issued for various parking, research, and residential facilities. Series H 2021 taxable bonds in the amount of \$72.15M were issued to refund those bonds.
2. In November of 2025, the Board of Regents authorized refunding of Series K-1 2024, Series E 2018, and Series G 2021 Facilities Revenue Bonds. Recently (early March), market conditions indicated that material savings may be realized by refunding at least a portion of the Series H 2021 bonds.
3. This item authorizes MSU and its financial advisors flexibility to execute the refunding of the Series H 2021 Facilities Revenue Bonds in addition to those approved at the November 2025 Board meeting, depending on market conditions:
 - a. Refunding all or a portion of the above mentioned series for savings by issuing a new series of bonds in a public offering or private placement transaction, either in a fixed or variable rate mode, as taxable or tax-exempt in which case the refunded bonds shall be retired and a new series of bonds will be issued for purposes of repaying the refunded bonds **provided the University's savings target of [3%] present value savings as a percent of refinanced principal (net of transaction costs) is met.**
4. The refunding is expected to be completed between April 2026 and June 2026.
 - a. Principal and interest payments will be scheduled over a period not to exceed the term of outstanding bonds from the closing date.
5. Bond issuance costs may include:
 - a. Bond counsel fees required to prepare a supplemental indenture, disclosure documents, authorizing resolutions, the bonds, closing documents and any other agreements or instruments required in connection with the financing, to prepare any swap necessary swap documentation, and to provide an opinion as to the tax-exempt status of debt.
 - b. Financial advisory fees to coordinate the public offering or private placement transaction, prepare schedules, and act as fiduciary in the University's best interest.
 - c. Underwriting fees and/or bank costs such as bank loan origination fees, interest rate spreads (points), and underwriter and/or bank counsel fees.
6. The bonds will be issued under and secured by the Indenture.

7. The Commissioner/Secretary and the MSU Vice President for Administration and Finance will determine the optimal method and time to execute the refunding of the Series H 2021 Bonds based on the prevailing interest rates. This authorizes the Chair and the Commissioner/Secretary to execute such documents as may be required to consummate the refunding of the above-mentioned series.
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ATTACHMENTS

Attachment #1: Revised Bond Resolution