



UNIVERSITY OF
**NORTHERN
COLORADO**

Debt Overview, Market Update, and Tuition Pledge Discussion

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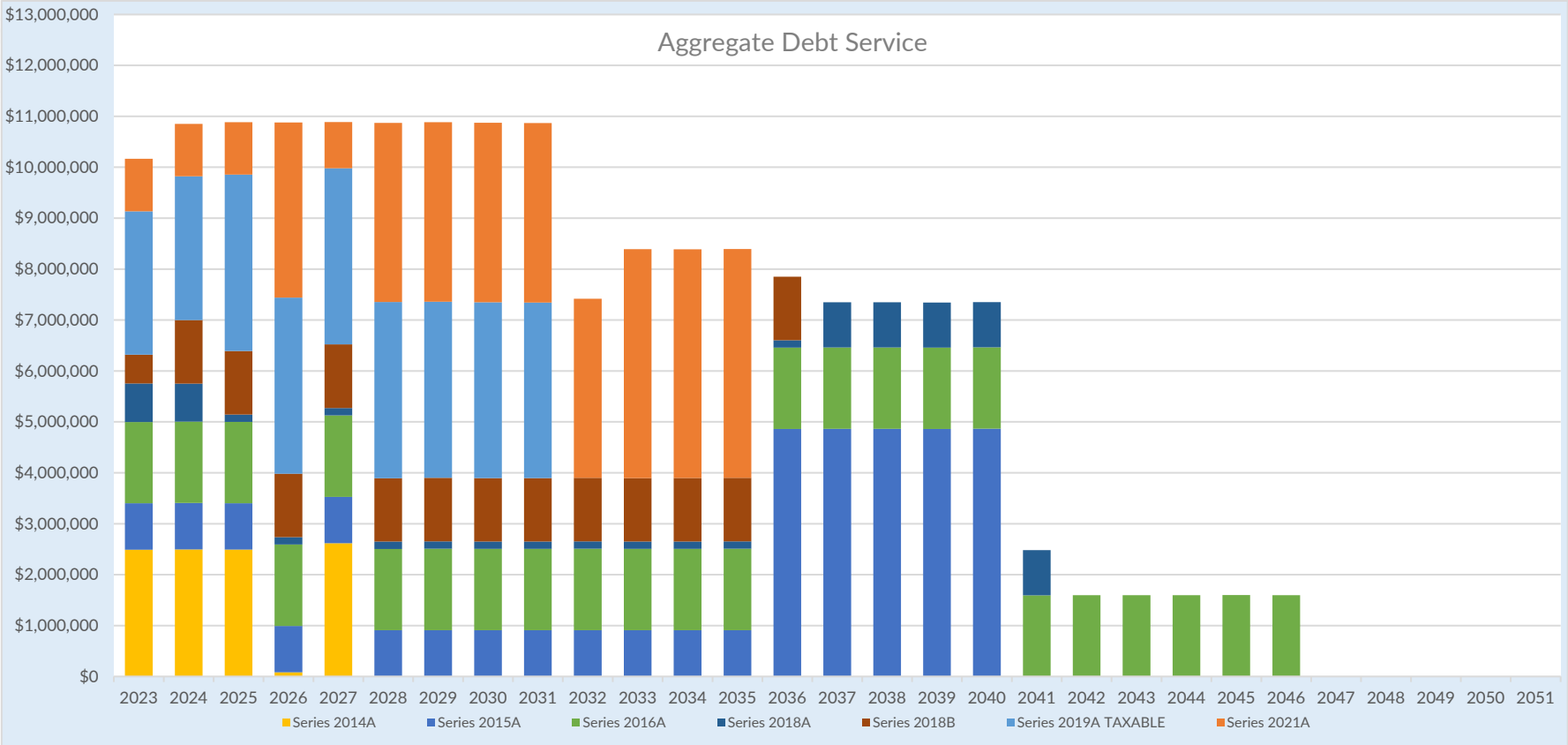
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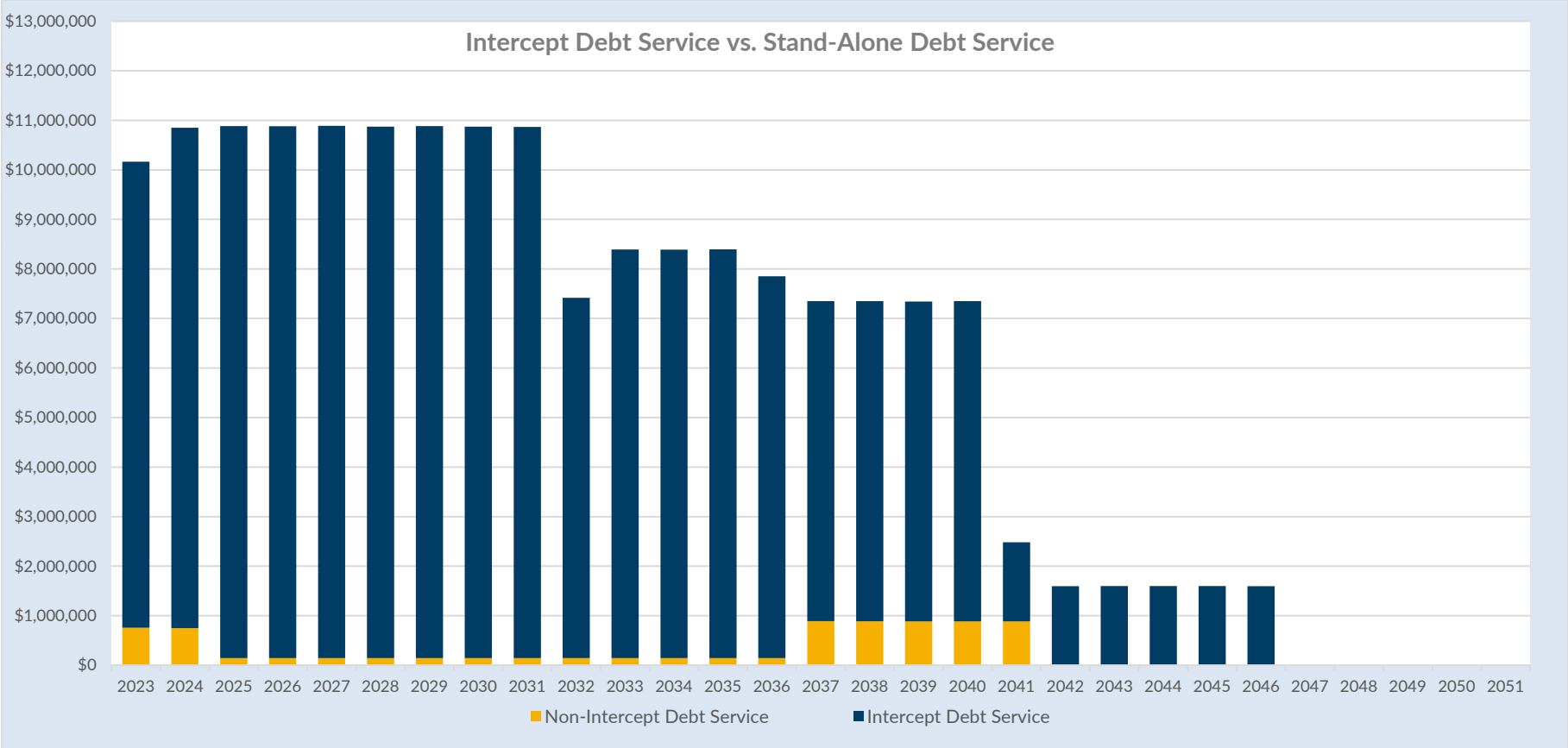
University of Northern Colorado's Debt Service Skyline

- UNC has seven series of bonds outstanding totaling just over **\$129 million**.
- The University's last "new money" borrowing was a \$23.5 million financing in 2016 for the Campus Commons Building.
- UNC is currently rated "A3" /"A-" by Moody's and S&P respectively.



UNC Stand-Alone and Intercept-Backed Debt

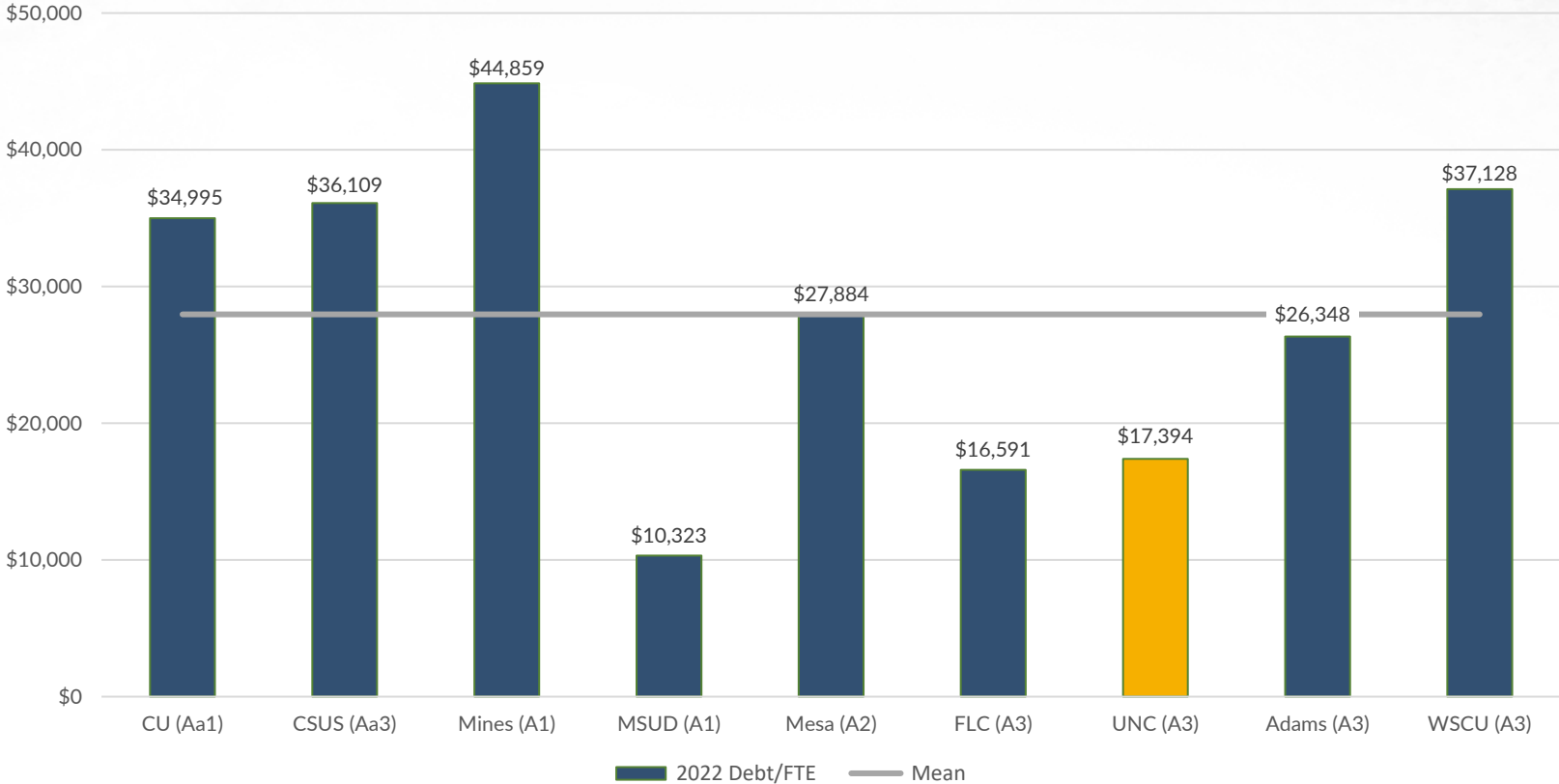
- **The State Intercept Program** provides a credit enhancement opportunity for all qualifying public universities/colleges in the State. Debt backed by the State Intercept Program carries the credit rating of the State of “Aa2”.
- **96%** of the University’s debt is backed by the Intercept program.



Debt Per FTE Comparison

- UNC's debt load per FTE student is lower than all but two of its Colorado peers.
- At **\$17,394** in debt per student, UNC is **~\$10,600** below the average of \$27,900. As shown below, debt per student is not highly correlated to credit rating.

FY22 Debt Outstanding per Full Time Equivalent Student



SB22-121 Tuition Revenue Pledge Authority

- SB22-121 gives Colorado public higher education institutions the authority to pledge up to 100% of tuition revenue to bondholders.
- UNC currently pledges 10% of tuition revenue to bondholders.
- The following Colorado public universities have adopted a 100% tuition pledge:



- The following Colorado public universities have not yet adopted a 100% tuition pledge:



- Pledging 100% of tuition conforms with the national norm and is a credit positive that can counter-balance enrollment and budget headwinds.

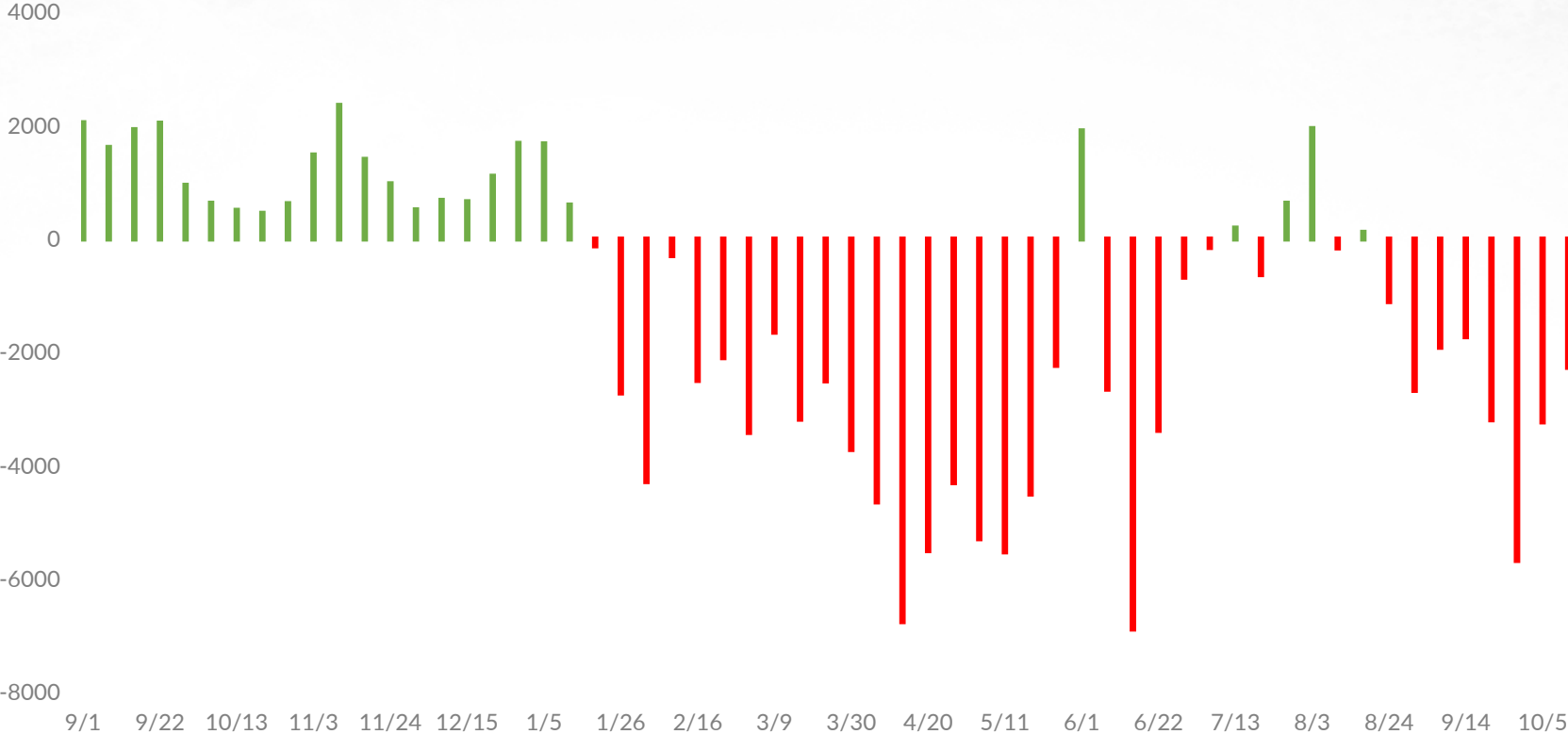
*CU had authority to pledge 100% of tuition prior to SB22-121

Municipal Bond Outflows Impacting Demand for New Issues

- Since January, investors have liquidated more than **\$96 billion** from bond funds, weakening the demand for new bond issuances and driving up borrowing costs.
- Of the 43 trading weeks in 2022, only six weeks have produced positive inflows.

Municipal Bond Fund Flows

September 2021 to October 2022 in \$ mils

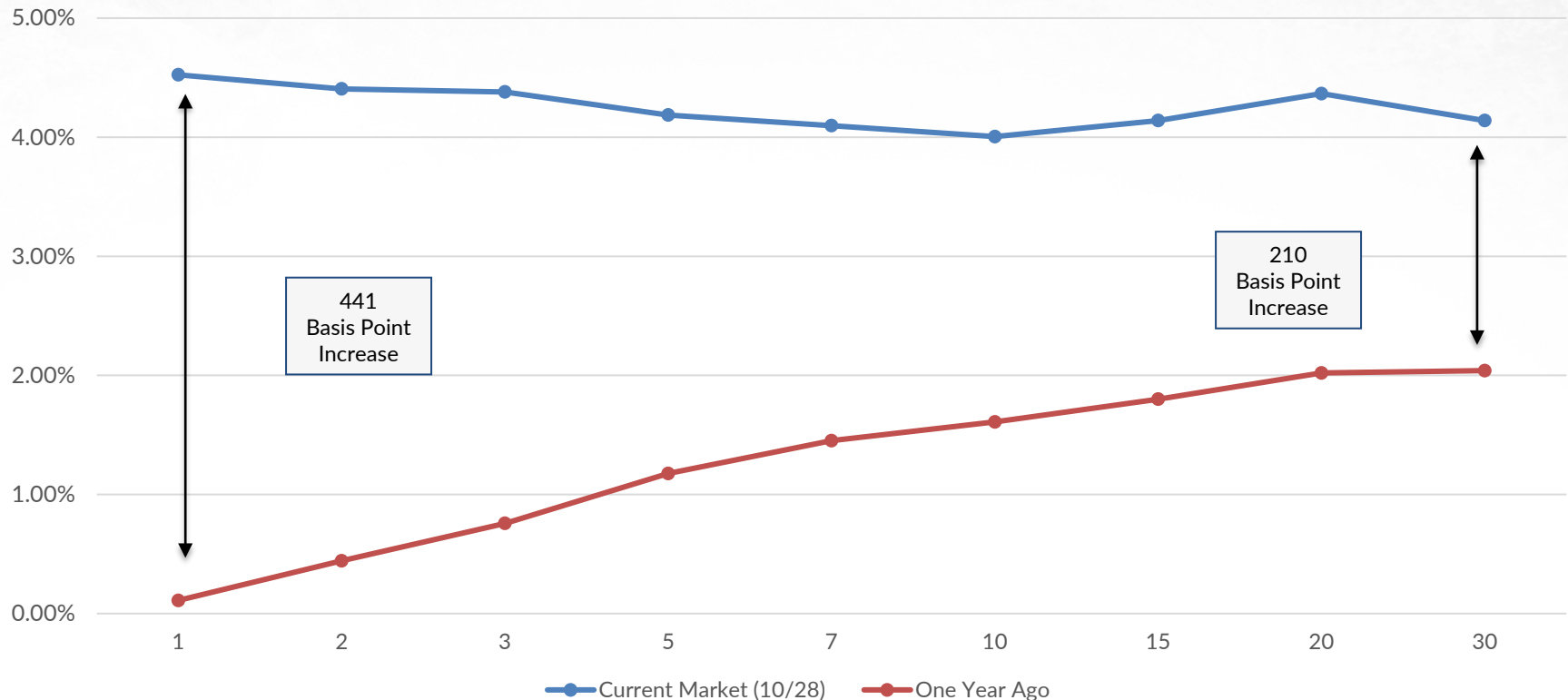


Source: Bloomberg WETFMBLT

What a Difference a Year Makes!

- Interest rates are up across the yield curve year over year, particularly on the short end as the Federal Open Market Committee (“FOMC”) marches short-term interest rates up to quell inflation.
- Continued FOMC rate increases are expected through 2022 and into 2023.

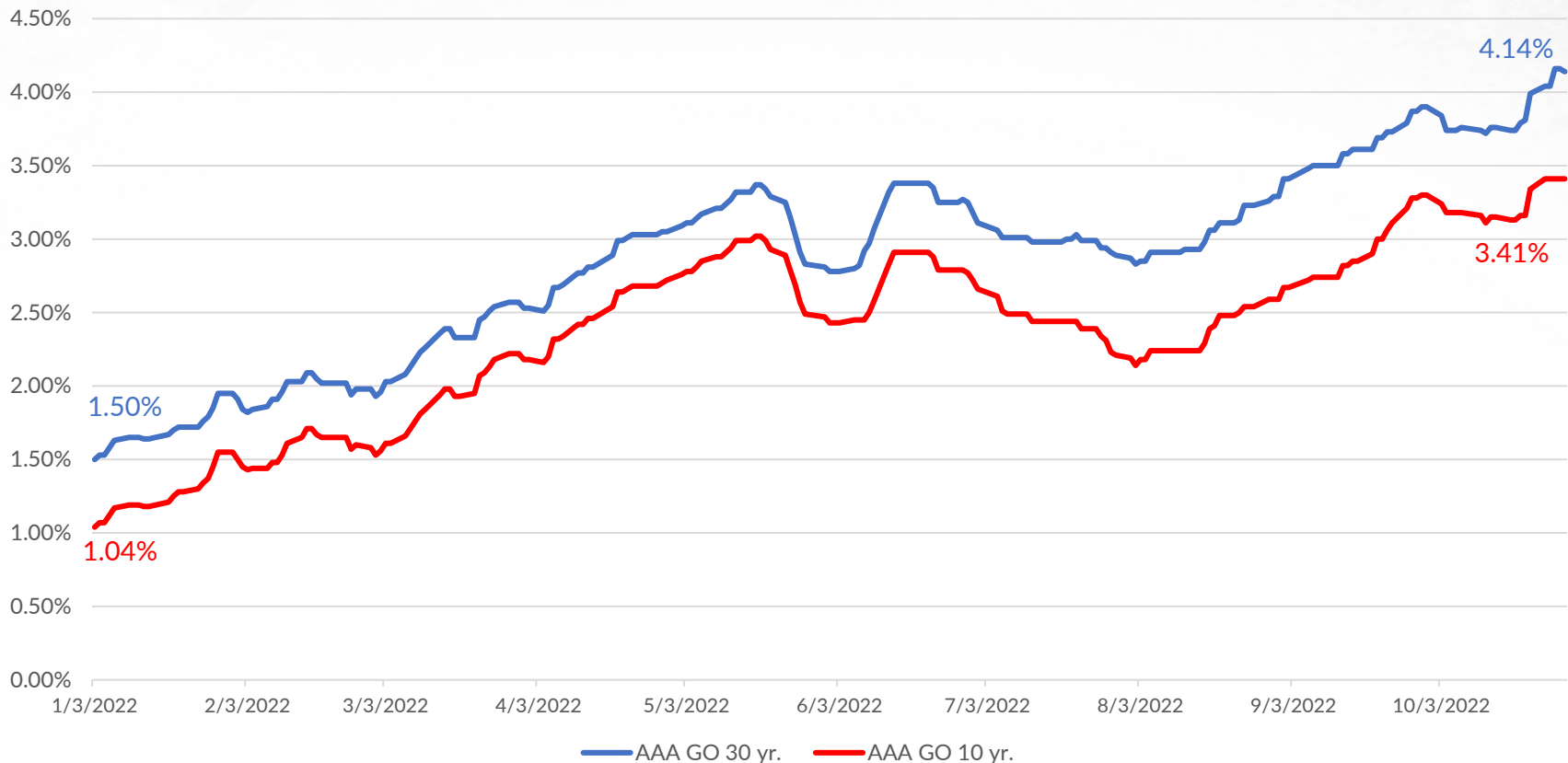
US Treasury Curve (%)



Municipal Borrowing Costs Up Sharply

- Since January 3, 2022, the bellwether AAA MMD 10-Yr. and 30-Yr. municipal borrowing rates are up 237 bps and 264 bps respectively.

AAA MMD 10-Yr. and 30-Yr.
January 3, 2022 to October 28, 2022



Recent Higher Education Financing Activity

Sale Date	Borrower	Principal		Ratings		Call Date	Final	Final	Structure
		Amount (in \$ Mils)	Tax-Status	(Moody's/S&P/F itch)	Maturity		Maturity		
27-Oct	Univ of Connecticut	52.575	TE	Aa3/A+/- NA	2029	5.00%	3.56%	7-Yr Amortizing Fixed Rate	
25-Oct	Texas State Tech College	298.750	TE	A2/-/A+	2032	2054	6.00%	5.25%	Fixed Rate Rev Bonds
25-Oct	York College of PA	7.105	TE	-/A/-	2024	2024	4.50%	4.50%	2-Yr Put Bond
19-Oct	Univ of South FL Financing Corp.	28.550	TE	A1/A+/-	2032	2052	5.25%	4.79%	Fixed Rate COPs
19-Oct	University of Arkansas	72.665	TE	Aa2/-/-	2032	2052	5.25%	4.32%	Fixed Rate Rev Bonds
18-Oct	Nevada State College	25.940	TE	-/-/-	2037	2060	5.00%	5.00%	Private Placement Bullet Maturity
6-Oct	Texas Women's University	93.955	TE	Aa3/-/-	2032	2052	5.00%	3.97%	Fixed Rate Rev Bonds
5-Oct	Capital University	37.110	TE	-/BBB/-	2030	2052	6.00%	5.90%	Fixed Rate Rev Bonds
27-Sep	Texas A&M University	208.520	TE	Aaa/AAA/AAA	2032	2052	4.75%	4.81%	Fixed Rate Rev Bonds
22-Sep	University of Chicago	155.950	TX	Aa2/AA-/AA+	Anytime	2042			Weekly Reset VR Bonds
TOTAL PRINCIPAL AMOUNT		981.120							

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RESOLUTION

WHEREAS, pursuant to the provisions of Sections 23-40-101 *et seq.*, Colorado Revised Statutes, as amended (the “Establishing Act”), the Board of Trustees for the University of Northern Colorado (the “Board”) is a body corporate under the laws of the State of Colorado (the “State”), is the governing authority for the University of Northern Colorado in Greeley, Colorado (the “University”) and has general supervision of the University and the control and direction of the funds and appropriations made thereto; and

WHEREAS, the Board previously adopted a Master Bond Resolution on January 28, 2010, as previously amended and supplemented (collectively, the “Master Resolution”); and

WHEREAS, terms used but not defined herein shall have the meanings set forth in the Master Resolution, as previously amended and supplemented; and

WHEREAS, Senate Bill 22-121, codified in pertinent part at Section 23-5-103, Colorado Revised Statutes, as amended (“SB22-121”), authorizes the Board to pledge one hundred percent of its Tuition Revenues (as defined in the Master Resolution); and

WHEREAS, pursuant to SB22-121, the Board desires to amend the definition of Gross Revenues so that one hundred percent of its Tuition Revenues (as defined in the Master Resolution) are pledged under the Master Resolution;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF TRUSTEES FOR THE UNIVERSITY OF NORTHERN COLORADO:

Section 1.01. Amendment of the Definition of Revenues. The definition of Gross Revenues in the Master Resolution is hereby amended and restated in its entirety as follows:

“Gross Revenues” means (a) the income and revenues derived by the Institutional Enterprise from the Facilities; (b) all revenues derived from any special fee (or that portion of any general fee) now or hereafter assessed against students with respect to any facility which is at the time included within the applicable definition of Facilities and any other fee, rate or other charge assessed against employees or any other persons, for the privilege of using or otherwise relating to any applicable Facility; (c) all revenues accruing to the University from “overhead” charges on research contracts performed within the University facilities (“indirect cost recoveries”); (d) all revenues, net of operation and maintenance expenses, from the provision of continuing education or extended studies services by the University; (e) 100% of Tuition Revenues; (f) all revenues derived from Facilities Construction Fees; (g) all earnings on all funds and accounts, if any, created under this Master Resolution or any Supplemental Resolution (excluding the Rebate Fund); and (h) such other income, fees and revenues as the Board hereafter determines, by resolution and without further consideration from the owners of the Bonds, to include in Gross Revenues, pursuant to law then in effect and not in conflict with the provisions and limitations of the Master Resolution or any Supplemental Resolution. The term Gross Revenues does not however, include (A) any Released Revenues in respect of which there have been filed with the Secretary of the Board the documents contemplated in the definition of “Released Revenues”; or (B) any general

fund moneys appropriated by the State General Assembly or any moneys derived from any general (ad valorem) tax levied against property by the State or any instrumentality thereof.

Section 1.02. Ratification. All action (not inconsistent with the provisions of this Resolution) heretofore taken by the Board and the officers of the University directed toward accomplishing such purposes as contemplated by this Resolution is hereby ratified, approved and confirmed.

Section 1.03. Authorization of Resolution. The provisions of the Master Resolution necessary for adoption of this Resolution have been satisfied.

Section 1.04. Severability. If any provision of this Resolution shall be determined to be unenforceable, that shall not affect any other provision of this Resolution.

Section 1.05. Governing Law. This Resolution shall be governed by and construed in accordance with the laws of the State.

Section 1.06. Captions. The captions in this Resolution are for convenience only and do not define or limit the scope or intent of any provisions or Sections of this Resolution.

Section 1.07. Counterparts. This Resolution may be signed in several counterparts. Each will be an original, but all of them together constitute the same instrument.

Section 1.08. Section 1.08. Effective Date. The provisions of this Resolution shall be effective upon passage.

ADOPTED AND APPROVED this 11th day of November, 2022.

BOARD OF TRUSTEES FOR THE UNIVERSITY
OF NORTHERN COLORADO

By _____
Chair

Attest:

By _____
President

The undersigned Secretary of the Board of Trustees for the University of Northern Colorado, hereby certifies that the foregoing Resolution was duly approved by a majority of the members of the Board of Trustees for the University of Northern Colorado and became effective as of the date set forth herein.

IN WITNESS WHEREOF, I have hereunto set my hand as of the date set forth herein.

[SEAL]

By _____
Secretary