



MICHIGAN STATE UNIVERSITY
BOARD OF TRUSTEES
Executive Action Summary

Budget and Finance-Attachment 2

Committee Name Budget and Finance

Date June 13, 2025

Agenda Item: Authorization to Issue Commercial Paper Notes

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Information

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Review

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Action

Resolution: See attached.

Recommendation:

The Trustee Committee on Budget and Finance recommends that the Board of Trustees authorize the issuance and delivery of commercial paper notes and adopt the resolution attached hereto.

Prior Action by BOT: The board authorized the issuance of commercial paper notes on February 12, 2021.

Responsible Officers: Lisa Frace, Senior Vice President, Chief Financial Officer, and Treasurer

Summary:

The resolution authorizes (1) the issuance of commercial paper notes to finance capital projects, provide additional liquidity for general operating purposes and other general corporate purposes of the University, refinance existing debt, and pay cost of issuance, (2) the maximum authorized amount of the notes outstanding at \$500 million, and (3) taxable commercial paper notes to be issued for general operating purposes.

Background Information:

The board previously authorized a \$250 million commercial paper program (the "Program"). The Program is primarily used as short-term financing for board approved projects that are (1) being funded by gift pledges and (2) approved after the Board's last long-term financing authorization.

The Program currently consists of two series of notes: taxable Series B Notes and tax-exempt Series G Notes. To maintain the tax-exempt status of a series of notes, the issuance of new tax-exempt notes for

any series is limited to an 18-month period following the original issue date of such series. As a result, the board is periodically asked to authorize a new series of tax-exempt notes to allow MSU to issue new tax-exempt notes. The resolution authorizes the issuance of tax-exempt Series H Notes, which will replace the Series G Notes.

The resolution also allows for the issuance of taxable Series I Notes, which will replace Series B Notes. In addition, the resolution allows taxable notes to be issued for general operating purposes (prior authorization was only for capital project financing). The resolution expands the Program from \$250 million to \$500 million to provide additional liquidity for capital and operating purposes.

The resolution also provides various delegations of authority needed to administer the Program.

Source of Funds: The notes are payable from and secured by a lien on General Revenues.

Resource Impact: The board has determined that having a \$500 million commercial paper program that is available for capital and operating purposes provides diversity in short-term financing options for the University.

RESOLUTION OF THE BOARD OF TRUSTEES OF MICHIGAN STATE UNIVERSITY
AUTHORIZING THE ISSUANCE AND DELIVERY OF
COMMERCIAL PAPER NOTES, SERIES H AND I, AND
PROVIDING FOR OTHER MATTERS RELATING THERETO

WHEREAS, the Board of Trustees of Michigan State University (the “Board”) is a body corporate created by and existing under the Constitution of the State of Michigan of 1963 with full constitutional authority over and general supervision of Michigan State University (the “University”) and control and direction of all expenditures from the University’s funds; and

WHEREAS, the Board has determined it is necessary and desirable to provide for the temporary or permanent financing of capital projects of the University, currently under way or to be undertaken, through the issuance of its Commercial Paper Notes, Series H (Tax-Exempt) (the “Series H Notes”); and

WHEREAS, the Board has determined it is necessary and desirable to provide for the temporary or permanent financing of capital projects of the University, currently under way or to be undertaken, and to provide additional liquidity for general operating purposes and other general corporate purposes of the University, through the issuance of its Commercial Paper Notes, Series I (Taxable) (the “Series I Notes,” and collectively with the Series H Notes, the “Notes”); and

WHEREAS, the Board has determined it is necessary and appropriate to refund (i) through the issuance of the Series H Notes, the outstanding balance of the Board’s Commercial Paper Notes, Series G (Tax-Exempt) (the “Prior Series G Notes”), and (ii) through the issuance of the Series H Notes and/or the Series I Notes, the outstanding balance of the Board’s Commercial Paper Notes, Series B (Taxable) (the “Prior Series B Notes,” and collectively with the Prior Series G Notes, the “Prior Notes”); and

WHEREAS, the Board has further determined that it may be economic and appropriate to refund certain other outstanding debt obligations of the Board from the proceeds of the Notes (such outstanding debt obligations, if any, to be refunded to be selected by an Authorized Officer (as hereinafter defined) and being herein called the “Bonds to be Refunded”); and

WHEREAS, the Board has approved certain capital projects to be financed and refinanced in whole or in part through the issuance of the Notes, and may approve additional projects to be so financed (all such projects, together with the projects financed or refinanced with the proceeds of the Prior Series B Notes and the Prior Series G Notes, being herein called the “Projects”); and

WHEREAS, in order to provide for the issuance of the Notes, it will be necessary for the President; the Senior Vice President, Chief Financial Officer and Treasurer; and the Assistant Vice President for Treasury and Financial Management (each an “Authorized Officer”), or any one of them individually, to execute and deliver one or more Commercial Paper Issuance Certificates (collectively, the “Issuance Certificate”), one or more Commercial Paper Issuing and Paying Agent Agreements (collectively, the “Paying Agent Agreement”) with a bank or banks to be selected by an Authorized Officer, one or more Dealer Agreements (each a “Dealer Agreement”) with a dealer or dealers (each a “Dealer”) to be designated by an Authorized Officer, and, if deemed appropriate

by an Authorized Officer, an agreement or agreements relating to a liquidity or credit/liquidity facility; and

WHEREAS, the Notes are to be limited and not general obligations of the Board, payable from and secured by a pledge of General Revenues (as shall be defined in the Issuance Certificate in a manner generally consistent with the definition thereof set forth in that certain Trust Agreement, dated as of June 1, 2024, between the Board and The Bank of New York Mellon Trust Company, N.A., as trustee) and moneys from time to time on deposit in the Note Payment Fund or Funds to be created pursuant to the Issuance Certificate, and may be additionally payable from Available Investments (as shall be defined in the Issuance Certificate in a manner generally consistent with the definition thereof set forth in the Commercial Paper Issuance Certificates pursuant to which the Prior Notes were issued); and

WHEREAS, it is necessary for the Board to delegate to each of the Authorized Officers the power to designate certain Authorized Representatives and Authorized Persons (each as shall be defined in the Issuance Certificate or Paying Agent Agreement) to undertake certain actions with respect to the issuance of the Notes; and

WHEREAS, the Notes are to finally mature on or before the date thirty (30) years after the date of issuance of the first Notes under the Issuance Certificate, and in general are intended (to the extent not previously retired) to be replaced by permanent General Revenue financing on or prior to such final maturity date; and

WHEREAS, in the exercise of its constitutional duties, and in order to prudently control and direct expenditures from the University's funds, the Board determines it is necessary and desirable to authorize the issuance of the Notes to provide funds to finance and refinance all or part of the costs of the Projects, to refund the Prior Notes and the Bonds to be Refunded, if any, to provide additional liquidity for general operating purposes and other general corporate purposes of the University (but only from the proceeds of the Series I Notes), and to pay certain costs incurred in connection with the issuance and sale of the Notes and the refunding; and

WHEREAS, in order to be able to market and remarket the Notes, it is necessary for the Board to authorize an Authorized Officer to prepare, execute and deliver, on behalf of the Board, one or more Offering Memoranda (collectively, and as supplemented from time to time, the "Offering Memorandum") to be circulated and used in connection with the marketing, sale and delivery of the Notes, and to take, together with other appropriate officers, agents and representatives of the Board or the University, additional actions necessary to accomplish the sale and delivery of the Notes, the administration of the commercial paper program of which the Notes are a part, and the purposes hereof, all within the limitations set forth herein; and

WHEREAS, the issuance of the Notes for the purposes described herein will serve proper and appropriate public purposes; and

WHEREAS, the Board has full power under its constitutional authority for supervision of the University, and control and direction of expenditures from the University's funds, to authorize

and issue the Notes for the purposes described herein, to pledge the General Revenues of the University for payment of the Notes, and to covenant to pay the Notes from Available Investments.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF TRUSTEES OF MICHIGAN STATE UNIVERSITY, AS FOLLOWS:

1. The Board hereby authorizes the issuance, execution and delivery of the Notes of the Board, in multiple issuances on various dates, to be designated COMMERCIAL PAPER NOTES, SERIES H and COMMERCIAL PAPER NOTES, SERIES I (TAXABLE), in the aggregate principal amount outstanding from time to time as shall be designated by any one of the Authorized Officers, but not in excess of FIVE HUNDRED MILLION DOLLARS (\$500,000,000) at any time outstanding. The Series H Notes and the Series I Notes, respectively, may be issued in two or more sub-series, with appropriate additional or alternative series designations, as may be determined appropriate by an Authorized Officer.

The Series H Notes shall be dated as of a date of issuance of each Series H Note, or otherwise as shall be determined by an Authorized Officer, and shall be issued for the purposes of (a) financing and refinancing all or part of the costs of the Projects, (b) refunding the Prior Series G Notes and all or a portion of the Prior Series B Notes, as determined by an Authorized Officer, (c) refunding the Bonds to be Refunded, if any, as shall be determined by an Authorized Officer, and (d) paying all or part of the costs incidental to the issuance of the Series H Notes and the refunding. The Series I Notes shall be dated as of a date of issuance of each Series I Note, or otherwise as shall be determined by an Authorized Officer, and shall be issued for the purposes of (a) financing and refinancing all or part of the costs of the Projects, (b) refunding all or a portion of the Prior Series B Notes, as determined by an Authorized Officer, (c) refunding the Bonds to be Refunded, if any, as shall be determined by an Authorized Officer, (d) providing additional liquidity for general operating purposes and other general corporate purposes of the University, as may be determined necessary by an Authorized Officer, and (e) paying all or part of the costs incidental to the issuance of the Series I Notes and the refunding. The Projects as a whole are hereby determined by the Board to constitute a single governmental purpose of the Board.

The Notes may be issued as traditional commercial paper notes or extendable commercial paper notes, or a combination thereof, as shall be determined by an Authorized Officer in accordance with the terms of the Issuance Certificate and the Paying Agent Agreement. Each Note issued as a traditional commercial paper note shall mature not later than 270 days after its date of issuance, to be determined as shall be provided in the Issuance Certificate and the Paying Agent Agreement. Each Note issued as an extendable commercial paper note shall have an original maturity date to be determined as shall be provided in the Issuance Certificate and the Paying Agent Agreement, but in no event shall the original maturity date exceed the maximum original maturity date for extendable commercial paper notes as shall be established by an Authorized Officer and specified in the Issuance Certificate. In the event that any Note issued as an extendable commercial paper note is not remarketed on its original maturity date, the original maturity date may be extended to a final maturity date not later than 270 days after the date of its original issuance, as shall be provided in the Issuance Certificate. Notes issued as traditional commercial paper notes shall not be subject to redemption prior to maturity. Notes issued as extendable commercial paper notes may be subject to redemption prior to maturity at the times and prices and

in the manner as shall be established by an Authorized Officer and specified in the Issuance Certificate. All Notes must mature on or before the date thirty (30) years after the date of issuance of the first Notes under the Issuance Certificate.

The Series H Notes shall be issued on an interest-bearing basis and shall be payable at such times as shall be specified by an Authorized Officer, at the rate or rates of interest, not in excess of 12% per annum, to be determined as shall be provided in the Issuance Certificate and the Paying Agent Agreement. The Series H Notes shall be sold at par through the Dealer or Dealers selected by an Authorized Officer, pursuant to the Dealer Agreement(s). The Series I Notes may be issued on an interest-bearing basis or on a discount basis with payment of the face amount at maturity, or any combination thereof, as determined from time to time by and Authorized Officer, and shall be payable at such times as shall be specified by an Authorized Officer, at the rate or rates of interest (or, in the case of Series I Notes issued on a discount basis, effective interest rate) not in excess of 15% per annum, to be determined as shall be provided in the Issuance Certificate and the Paying Agent Agreement. The Series I Notes shall be sold at par or at a discount, as shall be provided in the Issuance Certificate and the Paying Agent Agreement, through the Dealer or Dealers selected by an Authorized Officer, pursuant to the Dealer Agreement(s). The Notes shall be issued in fully-registered form in the denominations, shall be subject to transfer and exchange, and shall be executed and authenticated, all as shall be provided in the Issuance Certificate.

2. The Notes shall be limited and not general obligations of the Board payable from and equally and ratably secured by a lien on General Revenues on a parity basis with the lien on General Revenues securing the Board's outstanding General Revenue Bonds, in several series, and other obligations secured by a first lien on General Revenues, now or hereafter outstanding, and by a lien on moneys from time to time on deposit in the Note Payment Fund or Funds to be created pursuant to the Issuance Certificate, as shall be provided therein. The Notes may also be payable from Available Investments, as may be provided in the Issuance Certificate.

In support of its obligation to repay the Notes, the Board may, if deemed appropriate by an Authorized Officer, enter into one or more letters of credit, lines of credit, note purchase agreements or other liquidity or credit/liquidity facilities (collectively, the "Liquidity Facility"). Any reimbursement obligation (including interest) for draws under the Liquidity Facility shall be a limited and not general obligation of the Board, payable from General Revenues, and may be secured by a pledge of General Revenues on a parity or subordinate basis to the lien on General Revenues securing the Notes. The Authorized Officers are, and any one of them is, authorized to negotiate, execute and deliver, for and on behalf of the Board, such agreement or agreements (collectively, the "Liquidity Agreement") as an Authorized Officer may deem appropriate to acquire the Liquidity Facility and to provide for the repayment of draws thereunder, as provided herein.

No recourse shall be had for the payment of the principal amount of or interest on the Notes, or under any Liquidity Agreement, or any claim based thereon, against the State of Michigan or against any member, officer or agent of the Board or of the University, as individuals, either directly or indirectly or, except as shall be provided in the Issuance Certificate and the Liquidity Agreement, if any, against the Board, nor shall the Notes and interest with respect thereto or the obligations under any Liquidity Agreement become a lien on or be secured by any property,

real, personal or mixed of the State of Michigan, the Board or the University, other than the General Revenues and the moneys from time to time on deposit in the Note Payment Fund or Funds to be created by the Issuance Certificate.

3. The right is reserved to issue additional bonds, notes or other obligations payable from General Revenues and secured by a lien on General Revenues on a parity or subordinated basis with the lien thereon securing the Notes and other General Revenue bonds, notes and obligations, upon compliance with terms and conditions therefor as shall be set forth in the Issuance Certificate.

4. The Authorized Officers are, or any one of them is, hereby authorized and directed to select a bank or banks to be Issuing and Paying Agent, and one or more Dealers, and any one of the Authorized Officers is authorized and directed, in the name of the Board and as its corporate act and deed, to negotiate, execute and deliver the Issuance Certificate, the Paying Agent Agreement and one or more Dealer Agreements, consistent with the terms of this Resolution, as the Authorized Officer or Officers executing the same shall approve, which approval shall be conclusively evidenced by the execution of the respective documents.

5. The Authorized Officers are, and any one of them is, hereby authorized and directed to designate employees or agents of the Board or the University to act as Authorized Representatives with respect to the issuance of the Notes, and to designate Authorized Persons, who may be employees or agents of the Board or the University or employees or agents of the Dealer, to take certain actions with respect to the issuance of the Notes, all as shall be provided in the Issuance Certificate, the Paying Agent Agreement, or any Dealer Agreement.

6. The President of the University and the Senior Vice President, Chief Financial Officer and Treasurer are, and either one of them is, hereby authorized, empowered and directed, in the name and on behalf of the Board, and as its corporate act and deed, to execute the Notes (which may be evidenced by one or more master notes) by manual or facsimile signature and to cause the Notes to be delivered to the purchasers thereof in exchange for the purchase price thereof, as shall be provided in the Issuance Certificate and the Paying Agent Agreement. The Notes may be issued in the form of one or more master notes, as shall be provided in the Paying Agent Agreement.

7. The Authorized Officers are, and any one of them is, hereby authorized to cause to be prepared and circulated the Offering Memorandum with respect to the Notes, and to update, or cause to be updated, the Offering Memorandum, through supplements or otherwise, as an Authorized Officer shall deem appropriate, or as may be required by law. Any Dealer is authorized to circulate and use, in accordance with applicable law, the Offering Memorandum, as the same may have been updated or supplemented from time to time, in the offering, sale and delivery of the Notes.

8. The Authorized Officers are, and any one of them is, hereby authorized to select the portions of the Prior Notes to be refunded with the proceeds of the Series H Notes and the Series I Notes, respectively, and the portions, if any, of the Bonds to be Refunded to be refunded with the proceeds of the Notes, and to provide for the call for redemption of the Bonds to be

Refunded, and to take any and all actions necessary and appropriate to provide for the payment when due of all amounts with respect to the Prior Notes and the Bonds to be Refunded from the proceeds of the Notes or other available funds of the University. All of the Prior Notes not refunded from the proceeds of the Notes or other available funds of the Board shall be retired from other available funds of the University within 180 days of the first issuance of any Notes.

9. Each Authorized Officer, the Secretary and Chief of Staff to the Board of Trustees, the Vice President for Legal Affairs and General Counsel and any Associate or Assistant General Counsel, and all other appropriate officers or representatives of the Board or the University and each one of them are authorized to perform all acts and deeds and to execute and deliver for and on behalf of the Board all instruments and documents required by this Resolution or the documents authorized hereby (including a Letter or Letters of Representations among the Board, The Depository Trust Company and other necessary entities), or necessary, expedient and proper in connection with the issuance, sale and delivery of the Notes and the administration of the financing program represented by the Notes, from time to time, all as contemplated hereby or in connection with subsequent elections, approvals or determinations under the Issuance Certificate or other documents. Any reference to an officer of the Board or the University herein shall include any interim or acting officer occupying such position or having been assigned all or a portion of the functions of such position.

10. All resolutions or parts of resolutions or other proceedings of the Board in conflict herewith are hereby repealed insofar as such conflict exists.

I hereby certify that the attached is a true and complete copy of a resolution adopted by the Board of Trustees of Michigan State University at a meeting held on June 13, 2025, in accordance with applicable law, and that the minutes of the meeting at which the resolution was adopted were kept and will be or have been made available at the Office of the Secretary and Chief of Staff to the Board of Trustees of Michigan State University.

I further certify as follows:

1. Present at the meeting were the following Board members:

Absent from the meeting were the following Board members:

2. The following members of the Board voted for the adoption of the Resolution:

The following members of the Board voted against adoption of the Resolution:

RESOLUTION DECLARED ADOPTED.

Secretary and Chief of Staff
Board of Trustees of Michigan State University