



MEETING OF THE BOARD OF GOVERNORS
Committee on Budget and Finance
October 30, 2017

AGENDA ITEM

A-4. Sale of Special Obligation Bonds – UNC Chapel Hill..... Jonathan Pruitt

Situation: The University of North Carolina at Chapel Hill (“UNC-CH”) requests that the Board authorize UNC-CH to finance under its existing commercial paper program all or a portion of the costs of the capital improvement projects previously approved by the Board and authorized by the General Assembly under SL 2017-141.

Background: The Board of Governors is authorized to issue special obligation bonds and bond anticipation notes for capital improvements projects that have been approved by the General Assembly. All projects in this request have been previously approved by the Board of Governors and were approved by the General Assembly under S.L. 2017-141.

Assessment: The Board previously issued The University of North Carolina at Chapel Hill General Revenue Bond, Series 2002A to establish a commercial paper program to provide interim financing for certain projects for UNC Chapel Hill. Amounts outstanding under the commercial paper program are repaid from time to time from fundraising receipts or from proceeds of long-term financings. This request would authorize UNC-CH to finance the projects approved under SL 2017-141 under its existing commercial paper program.

The University of North Carolina at Chapel Hill currently has an issuer credit rating of “Aaa” with a Stable Outlook by Moody’s Investor Service, an issuer credit rating of “AAA” with a Stable Outlook by S&P Global Ratings and an issuer credit rating of “AAA” with a Stable Outlook by Fitch Ratings. The transaction is expected to have no impact on the University’s credit ratings.

Action: This item requires a vote by the committee, with a vote by the full Board of Governors through the consent agenda.