

AGENDA
ARKANSAS STATE UNIVERSITY SYSTEM
BOARD OF TRUSTEES
Monday, March 28, 2022
11:00 a.m.
By Zoom

I. Call to Order
Christy Clark, Chair

*II. Agenda

- Proposed ASU System Resolution
 - Resolution approving the ASU System to refund certain ASU-Jonesboro outstanding bonds through the issuance of refunding bonds and to execute an official statement, bond purchase agreement, supplemental trust indenture, and related documents

- Proposed Henderson State Resolution
 - Resolution requesting that the Board of Trustees consider the campus recommendation to certify a financial exigency

*III. Adjournment

* Action Item

EXECUTIVE SUMMARY

Contact: Jeff Hankins (501) 660-1004

ACTION ITEM: The Arkansas State University System (the "ASU System") requests approval to refund certain outstanding bonds through the issuance of refunding bonds and to execute an official statement, bond purchase agreement, supplemental trust indenture, and related documents.

ISSUE: The Board of Trustees of the Arkansas State University System (the "Board") is authorized under the Constitution and laws of the State of Arkansas, including particularly Act No. 62 of 1947, as amended (codified at Arkansas Code Annotated Sections 6-62-301 *et seq.*) (the "Act") to borrow money for the purpose of acquiring, constructing, and equipping capital improvements and to refund bonds issued under the Act to finance such capital improvements.

BACKGROUND:

- The Board has previously issued (a) its Student Fee Revenue Refunding Bonds (Jonesboro Campus), Series 2012A (Federally Taxable) (the "2012A Bonds"), in the original principal amount of \$5,340,000; (b) its Student Fee Revenue Bonds (Jonesboro Campus), Series 2013A (Federally Taxable) (the "2013A Bonds"), in the original principal amount of \$11,130,000; and (c) its Student Fee Revenue Bonds (Jonesboro Campus), Series 2013B (the "2013B Bonds"), in the original principal amount of \$14,685,000, under the Act, for the purpose of financing and refinancing capital improvements on or for the campus of Arkansas State University-Jonesboro ("ASU-Jonesboro").
- The 2012A Bonds are in the outstanding principal amount of \$3,305,000 and are subject to optional redemption without penalty at any time.
- The 2013A Bonds are in the outstanding principal amount of \$8,755,000 and are subject to optional redemption without penalty on and after December 1, 2023.
- The 2013B Bonds are in the outstanding principal amount of \$12,305,000 and are subject to optional redemption without penalty on and after December 1, 2023.
- The ASU System and ASU-Jonesboro have recommended the refunding of one or more of the 2012A Bonds, the 2013A Bonds, and the 2013B Bonds (collectively, the "Bonds Refunded"), and the Board

EXECUTIVE SUMMARY

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has determined that the refunding of one or more of the Bonds Refunded (the "Refunding") should be accomplished and financed through the issuance of the Board's Student Fee Revenue Refunding Bonds (Jonesboro Campus) (the "Bonds").

- The Bonds are to be secured pursuant to a Trust Indenture dated as of December 1, 2010, as supplemented, between the Board and The Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee").
- The Bonds are to be issued on the terms and in the form set forth in a Supplemental Trust Indenture (the "Supplemental Indenture").
- In order to proceed with the financing, it is necessary for the Board (i) to authorize the issuance and marketing of the Bonds; (ii) to authorize the President to deem final the Preliminary Official Statement and to authorize its use; (iii) to authorize the pricing of the Bonds and the execution of a Bond Purchase Agreement in connection therewith; and (iv) to authorize the execution of the Supplemental Indenture and related documents, all relating to the security and issuance of the Bonds.
- The Board intends to work with Friday, Eldredge & Clark, LLP as bond counsel and Stephens Inc. and Crews & Associates, Inc. as underwriters (collectively, the "Underwriters") for the Bonds.

RECOMMENDATION/RESOLUTION:

Be it resolved that, so long as the Refunding will produce an aggregate net present value savings of at least 4% of the aggregate refunded principal balance of the Bonds Refunded selected for the refunding, the Board hereby approves, authorizes, and directs the issuance, execution, and delivery of the Bonds in an aggregate principal amount not greater than the amount needed to accomplish the Refunding and to pay the costs of issuing the Bonds and accomplishing the Refunding. The Bonds shall mature not later than the final maturity date of the Bonds Refunded selected for the Refunding.

The Chair and Secretary of the Board and the President are hereby authorized to execute all documents necessary to the issuance of the Bonds, including without limitation:

EXECUTIVE SUMMARY

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- (a) the Supplemental Indenture, dated as of the date of the Bonds, between the Board and the Trustee, setting forth the terms and conditions of the Bonds and providing for the issuance of the Bonds;
- (b) a Bond Purchase Agreement, dated as of the date of execution, between the Board and the Underwriters, setting forth the purchase price (which shall include an Underwriters' discount not greater than 0.90%), and the other terms and conditions upon which the Bonds will be sold to the Underwriters; and
- (c) a Continuing Disclosure Agreement, dated as of the date of the Bonds, between the Board and the Trustee, setting forth certain obligations of the Board to make continuing disclosure of financial information and listed events to the secondary municipal marketplace, as set forth in Rule 15c2-12 of the Securities and Exchange Commission.

The Supplemental Indenture, the Bond Purchase Agreement, and the Continuing Disclosure Agreement shall be in substantially the form presented to the Board, but with such changes therein as shall be approved by the Chair or the President. The Board recognizes that certain revisions may be made to the Supplemental Indenture, the Bond Purchase Agreement, and the Continuing Disclosure Agreement prior to the issuance of the Bonds, and hereby authorizes the Chair or President to approve and accept such revisions, their signatures on each of such documents to constitute proof of their acceptance of such revisions. Specifically, the President is hereby authorized to (i) accept the final maturity schedule and interest rates for the Bonds, if he deems such rates and maturity schedule to be appropriate and within the authority granted by this Resolution, and execute the final Bond Purchase Agreement; and (ii) execute the Continuing Disclosure Agreement.

The Board hereby authorizes and ratifies the use of a Preliminary Official Statement in the marketing of the Bonds. The Preliminary Official Statement for the Bonds is hereby approved in substantially the form presented to the Board. The Board hereby authorizes the President to "deem final" for purposes of Rule 15c2-12 of the Securities and Exchange Commission the Preliminary Official Statement with such revisions as may be accepted by the President. The Board hereby further authorizes and approves the production of a final Official Statement and authorizes and directs the President to execute and deliver the Official Statement, in such form as he deems acceptable and necessary to accomplish the issuance of the Bonds.

EXECUTIVE SUMMARY

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The Chair and Secretary of the Board, the President, the Executive Vice President, and the Executive Vice Chancellor for Finance and Administration of ASU-Jonesboro are hereby authorized and directed to do any and all lawful things to effect the execution and delivery of the Bonds, the performance of all obligations of the Board and of ASU-Jonesboro, and the execution and delivery of all papers, documents, certificates, and other instruments of whatever nature that may be necessary or desirable for carrying out the authority conferred by this Resolution or evidencing the authority and its exercise. The Secretary of the Board is hereby authorized to acknowledge and attest the signatures of the Chair and to execute such other documents as may be required in connection with the issuance of the Bonds.

Resolution 22-04, adopted on March 11, 2022, is hereby repealed.

Niel Crowson, Secretary

Christy Clark, Chair

EXECUTIVE SUMMARY

Contact: Jeff Hankins (501) 660-1004

ACTION ITEM: The Chancellor of Henderson State University (HSU) requests that the Board of Trustees consider the campus recommendation to certify a financial exigency.

ISSUE: Pursuant to the Henderson State Faculty Handbook, the Board of Trustees must decide whether to certify a financial exigency.

BACKGROUND:

- The Henderson State University Faculty Handbook sets forth the procedures required to be followed to certify financial exigency for the HSU campus.
- These procedures state that the Chancellor of the HSU campus may propose a situation constituting financial exigency. Once such an exigency is proposed, concurrences are required to be sought from the Faculty Senate, the Provost, and academic administrative personnel.
- Once those concurrences are obtained, the Chancellor is charged with sharing the recommendations of the Faculty Senate and the academic administrative personnel with the Board of Trustees. The Chancellor is charged with sharing his own recommendation, as well.
- On February 3, 2022, the Chancellor of HSU formally determined a condition of financial exigency, and sent this finding to the HSU Faculty Senate.
- On February 11, 2022, the HSU Faculty Senate concurred that the financial exigency existed.
- On February 16, 2022, the Provost and the academic administrative personnel concurred that the financial exigency existed.
- Documents pertaining to the financial condition at HSU have been provided to the Board of Trustees.
- On March 18, 2022, the Chancellor forwarded the aforementioned recommendations to the Board of Trustees, along with his own recommendation. That communication is attached to this resolution.

RECOMMENDATION/RESOLUTION:

Be it resolved that the Board of Trustees certifies that a financial exigency exists at HSU, pursuant to the process outlined in the Faculty Handbook of Henderson State University.

Niel Crowson, Secretary

Christy Clark, Chair



March 18, 2022

Dear President Welch and Members of the Arkansas State University System Board of Trustees,

On February 3, 2022, I recommended to the Henderson State University Faculty Senate a situation of financial exigency. Pursuant with the University's Faculty Handbook, the Faculty Senate along with the academic leadership concurred that a situation of financial exigency does exist. Following the 30-day period for review, I am now recommending that this situation be approved by the Arkansas State University Board of Trustees.

I have attached my February 3 recommendation of financial exigency to the Faculty Senate. The Faculty Senate and academic leadership have concurred with this recommendation, and I have attached their response.

Thank you for your consideration of this recommendation. We are ready to work throughout the remainder of this semester to build a sustainable academic program that transforms the way we serve our students for many years to come.

Joining you in service,

Chuck Ambrose
Chancellor