

# BOARD OF GOVERNORS *of the* COLORADO STATE UNIVERSITY SYSTEM



## FOR IMMEDIATE RELEASE

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### **S&P boosts outlook, affirms Colorado State's A+ bond rating**

**DENVER – October 20, 2016** – Bolstered by record enrollment, record-breaking fundraising success and an ambitious plan to invest in significantly improving its campus, the Colorado State University System has received word that a leading bond rating agency has boosted its position on the university's financial outlook, while also maintaining the university's A+ overall rating.

Standard & Poor's Global Ratings, in an analysis released Oct. 20, affirmed the Colorado State University System's bond rating at the A+ level, and in the same report revised its outlook to "stable." CSU, which has invested more than \$1 billion in construction from a variety of sources over the past decade, has maintained its overall A+ rating over the past 10 years. But S&P previously had concerns over the amount of bonds issued and, in its last analysis, had cited these concerns in setting the outlook as negative. This report changes that back to stable.

The S&P report cited CSU's increased enrollment and record-breaking fundraising, and sound fiscal management, as the impetus for the outlook shift. University officials had briefed the Colorado State University Board of Governors

on the possibility of a rating downgrade tied to the \$200 million in new projects accepted at the board's Oct. 6 meeting.

“We are confident that our sound investment strategy is paying dividends through CSU’s remarkable success in growing our capacity to deliver – in the best ways possible – our mission of teaching, research and service,” CSU Chancellor Tony Frank said. “This analysis by S&P affirms that we are deploying our debt capacity in a financially sound way and seeing the very real results, from enrollment increases and generating more revenue and donations, to more alumni support and more research funding. It’s allowing us to build this campus in a way that is fiscally responsible, as a gift to future generations of Rams.”

### **Very strong outlook**

The S&P report cites the university’s financial management and planning, and the investments and efforts CSU has taken to upgrade its campus and to grow its enrollment and private financial support. “We have assessed the system’s enterprise profile as very strong, reflecting steady enrollment growth and solid demand metrics, as well as the system’s solid research presence,” the four-page report states.

CSU embarked on an ambitious capital improvement plan under Frank’s leadership, adding more than \$1 billion in infrastructure over the past several years. Buildings and improvements have touched all corners of campus, adding residential living space, academic and research buildings, showcases for the arts, athletics facilities and health-care partnerships.

The massive undertaking has been fueled by record-breaking fundraising. After reaching its goal of raising \$500 million in 2012 to complete its first comprehensive campaign, CSU embarked on a \$1 billion “State Your Purpose” campaign in February 2016 and already has raised more than \$700 million as it strives to reach its goal by 2020.

### **Record-breaking fundraising**

In July CSU announced record-breaking fundraising for fiscal year 2015-16, bringing in \$198 million – the most raised by any Colorado campus. The total set fundraising records for both academics (\$166 million) and athletics (\$31.8 million).

“This philanthropic success shows a deep level of generous support for the university,” said Brett Anderson, vice president for university advancement said. “Looking forward, the continuing generosity and enthusiasm among our supporters shows a bedrock of strong potential resources as the university shifts toward greater use of private funds in the financing mix for future investments.”

In September, CSU announced record enrollment of 33,261 students, including the largest freshman class (4,966 students) in school history.

Those successes in student recruitment and private fundraising, coupled with state and university funding, makes possible \$183 million of expanded space for classrooms, research labs and partnerships at CSU in Fort Collins. Those new on-campus investments make up the lion’s share of a \$208 million Plan of Finance, which CSU’s Board of Governors approved earlier this month.

“Philanthropic support is an increasingly important piece of the CSU System’s long-term plan to invest strategically in infrastructure, using donor funds while also strategically managing the debt load of the institution to deliver the very best environment for our students and faculty to succeed,” said Bill Mosher, chair of the Board of Governors.

### **Projects in the Plan of Finance**

#### *Michael Smith Natural Resources Building*

- \$20.2 million project adds classrooms, a student success center, and offices for the Warner College of Natural Resources.
- Of the total cost: \$11.9 million from donor commitments, \$5.8 million from the university General Fund, and \$2.5 million from the student facility fee.

#### *Richardson Design Center*

- \$16.5 million project to house a Maker’s Lab available to the entire campus community, as well as classroom and studio space for multidisciplinary design classes.
- Interior Design program will also occupy the Center.
- Of the total cost: \$11 million from donor commitments, \$5.5 million split equally between the university and the College of Health and Human Sciences through the use of the General Fund.

### *Institute for Biologic Therapies and Research Horse Barn*

- \$77.8 million Public Private Partnership (P3)
- The IBTT will provide state-of-the-art facilities for research and teaching in areas such as stem cells, engineered tissues and organs, regenerative therapies and biological therapies.
- Of the total cost: \$61.2 million from donor funding, \$7 million from State National Western Center Certificates of Participation, \$9.6 million from the university General Fund.

### *Chemistry Building match*

- \$55.6 million project to provide laboratory space for hood-intensive synthetic chemistry programs, as well as space for faculty and graduate research assistants.
- Of the total cost: \$51.2 million from the State of Colorado, \$5.4 million required CSU cash match from General Fund.
- The project is under construction and scheduled for occupancy in July 2017.

### *Shields and Elizabeth Streets Underpass*

- \$10.8 million bike and pedestrian underpass at Shields Street at Elizabeth Street, and on-grade crossing improvements. In recent years a large amount of student housing has been built west of Shields Street and the volume of bicycle and pedestrian traffic crossing at this intersection has increased.
- Evaluation in coordination with the City of Fort Collins determined that a grade-separated crossing would provide the highest level of bike and pedestrian safety.
- This project will be funded through the General Fund.

### *Global Food Innovation Center in honor of Gary and Kay Smith*

- \$13.1 million project to create an integrated facility to provide hands-on instruction for students in food animal handling and meat processing.
- Includes a meat processing facility, classroom and laboratory space, space for culinary research and sensory analysis, and a small retail store for meat sales.

- Also includes livestock holding area to replace the Stock Pavilion that was deconstructed for the new Chemistry Building.
- Of the total cost: \$11.5 million from donor contributions, \$1.6 million from the General Fund.

*CSU Pueblo Energy Performance Projects*

- \$14.1 million of energy efficiency projects.
- Includes replacing aging systems, installation of enterprise management control system.
- Bond financed over 20 years, funded through resulting energy savings.