

# CASE STUDY

## FINANCING FOR HIGHER EDUCATION

FEBRUARY 15, 2024



### **\$167,325,000 | LOAN REVENUE BONDS | 2024**

Rowan University | School of Veterinary Medicine Project | Gloucester, New Jersey

#### **Client Profile**

Rowan University, founded in 1923 in South Jersey, has evolved into a comprehensive public research institution with a strong regional reputation, serving more than 15,000 students. Over the past decade, the University has significantly expanded its academic footprint, particularly in the health sciences.

In 2012, Rowan established the Cooper Medical School of Rowan University, marking its entry into allopathic medical education. A year later, it launched an osteopathic medical school, solidifying its role in training future health professionals. The University announced the creation of the Schreiber School of Veterinary Medicine in 2022, with plans to welcome its inaugural class in Fall 2025.

#### **The Project & Structure**

Stifel served as lead manager for Rowan University's new money bond issuance, which was used to fund the development of its new veterinary schools. In addition, Stifel served as sole manager on a refunding transaction aimed at generating interest savings on prior bonds.

The bonds carried strong credit ratings, A2/A (Moody's/S&P), which were based on Rowan's underlying credit portfolio. Bonds were also insured by Build America Mutual (BAM), enhancing ratings to AA and strengthening investor confidence.

#### **Pricing Results**

The transaction attracted broad investor interest, with 170 unique viewers on the roadshow presentation and engaging a mix of 45 institutional and separately managed accounts.

CPI was released two days prior to pricing, which resulted in volatility in the Treasury market. Retail sales released the morning of pricing were lower than projected, which provided for a positive market tone heading into the order periods. The new money transaction was the seventh largest by par pricing in the nation during the week and the largest in New Jersey State. 73 different accounts placed over 290 orders for the bonds, and total orders received were nearly \$2.3 billion (13.6x oversubscribed). The oversubscription allowed Stifel to suggest lowering yields in every maturity, ranging from 6-16 basis points.

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