Research Update:

Missouri State University Series 2016A, 2019A, And 2019B Bond Ratings Affirmed At 'A+'; Outlook Stable

November 6, 2026

Primary Contact

Vicky Stavropoulos
Chicago
1-3122337035
vicky.stavropoulos
@spglobal.com

Secondary Contact

Stephanie Wang
Harrisburg
+ 1 (212) 438 3841
stephanie.wang
@spglobal.com

Overview

- S&P Global Ratings affirmed its 'A+' long-term rating on Missouri State University's (MSU) series 2016A and series 2019A auxiliary enterprise revenue bonds.
- S&P Global Ratings also affirmed its 'A+' rating on Missouri Health and Educational Facilities Authority's (MOHEFA) series 2019B educational facilities revenue bonds, issued for MSU.
- The outlook is stable.

Rationale

Security

As of June 30, 2025, MSU's debt outstanding totaled $138 million. This includes $75 million of auxiliary enterprise system revenue bonds, $43.7 million of MOHEFA bonds, and $19.3 million in various leases. MSU's auxiliary enterprise bonds are secured by a pledge of net income from the university's auxiliary enterprise system that includes housing, dining, social, recreational, athletics, and parking facilities charges and fees. Among the revenue streams for the auxiliary enterprise system are mandatory fees for the student union, sports complex, health center, and shuttle system, which we consider to be equivalent to an unlimited student fee pledge. The university covenants to maintain net income of the auxiliary enterprise system of at least 1.1x annual debt service, which it is complying with as of fiscal year-end fiscal 2026. There is no debt service reserve. The revenue bonds issued by MOHEFA are general unsecured obligations of the university.

Credit highlights

We assessed MSU's enterprise risk profile as strong, characterized by a proactive leadership team and healthy retention rate, offset by a weak selectivity rate. We assessed the university's financial risk profile as very strong, with healthy financial resources and a low maximum annual debt service (MADS) burden, offset by deficit operations in recent years. We believe these credit factors, combined, lead to an anchor of 'a+' and a final rating of 'A+'.

The long-term rating reflects our view of the university's:

- Consistent and healthy retention rate at about 77%;

S&P Global Ratings. All rights reserved. No reprint or dissemination without S&P Global Ratings permission.
See terms of use/disclaimer on last page.

- Sufficient financial resource ratios for the rating category; and
- Manageable MADS burden of 3.1% when including leases, with a fairly front-loaded debt service schedule.

Offsetting factors, in our opinion, include MSU's:

- Decrease in enrollment in fall 2026 following several years of growth, reflecting competitive market pressures in the region and the university's largely in-state geographic draw;
- Deficit operations in recent years driven by increased capital spending, primarily funded by rising capital appropriations and contributions, with expectations for a more modest deficit in fiscal 2026; and
- Small endowment compared with the university's size, with low endowment per full-time equivalent (FTE) relative to those of rating category medians and peers.

MSU, founded in 1905, is one of 13 four-year public colleges and universities in Missouri and the state's second-leading university, after the University of Missouri. Under a state-recognized public affairs mission, MSU has various academic programs on three campuses in Springfield and West Plains, and Dalian, China. It operates one of the largest colleges of business in Missouri and participates in NCAA Division I athletics. The main Springfield campus is in southwest Missouri on a 225-acre site.

Outlook

The stable outlook reflects the university's solid financial resource ratios and manageable debt burden, which remain consistent with the rating despite deficit operations on a full-accrual basis. It also reflects consistent demand metrics. No additional debt is expected.

Downside scenario

We could take a negative rating action if MSU's operating deficits accelerate such that financial resources materially deteriorate from current levels. A trend of substantial declining enrollment or weakening demand metrics would be viewed negatively.

Upside scenario

We could take a positive rating action if enrollment and demand metrics improve to levels more comparable with those of higher-rated peers, operations are consistently positive apart from one-time funding, and financial resources show continued improvement.

Credit Opinion

Enterprise Risk Profile--Strong

Market position and demand

MSU's total FTE enrollment fell by 3% to 19,171 following several years of growth. Prior to fall 2026, enrollment had grown for three consecutive years. In fall 2026, new first-year enrollment fell to 2,551 from 2,684 the prior year, which contributed to some of the overall enrollment pressure. Applications declined modestly by 1.3% in fall 2026 following a 3.1% increase the

S&P Global Ratings. All rights reserved. No reprint or dissemination without S&P Global Ratings permission.
See terms of use/disclaimer on last page.

previous year. At the same time, the selectivity rate has been consistent at about 91%, which we consider weak for the rating category.

Management is focused on enhancing its admissions processes, including implementing a chatbot to respond quicker to applications, and it is targeting out-of-state students to help combat some competitive pressures within Missouri. Management reports it is reaching out earlier to high school students and implementing financial aid strategies including giving awards earlier in the process. Management also continues to expand employer partnerships, implement new graduate and other credential programs, and expand health science offerings and pathways through its Alliance for Healthcare Education. Also, the university was granted approval to independently offer doctorates in 2025, which management believes will support graduate enrollment. Retention is a priority for MSU, and, in fall 2026, was consistent at 77%, which we consider healthy for the rating.

Management and governance

A nine-member board of governors, appointed by the governor with the advice and consent of the Missouri legislature, governs MSU. Each member serves a six-year term. No major changes have occurred at the board level outside of normal rotations. Currently, there are four vacancies at the board level that the university anticipates will be filled by the governor in the near term.

Richard Williams has been president of MSU since July 2024 and has 25 years of leadership in higher education. Eric Schick was recently appointed as CFO in April 2026. Schick most recently served as vice president and CFO at the University of Tulsa and is a certified public accountant with more than 25 years of financial and operational leadership experience in higher education and healthcare. Aside from these changes, the university's senior management team remains stable. We view the leadership team to be proactive and experienced.

Under the current president, MSU recently developed a new strategic plan for 2025-2030, focused on five key pillars, including academic innovation, community partnerships and economic development, student alumni and experience, and branding and identity. Leadership is transparent about the various initiatives, publishing updates regularly on the website and measuring progress towards goals. Recently, the university transitioned to joining Conference USA, an athletic conference that management maintains is a key strategic priority.

We view management's financial practices as thorough, with conservative budget assumptions and good cash management. Decisions about whether to use reserves or debt to fund various capital needs are typically well-thought through, and market conditions are monitored to ensure all opportunities are considered. Management also produces efficiency reports that highlight specific financial risks for the organization and specific actions planned to mitigate or offset those risks, which we view positively.

Financial Risk Profile--Very Strong

Financial performance

Operations for fiscal 2025 were consistent over one year, with a slight deficit of 1.5% in fiscal 2025 relative to a 1.6% deficit the prior year. These results also include pension and other postemployment benefits (OPEB) contribution adjustments, net of expenses. Fiscal years 2024 and 2025 saw higher expenses spurred by capital projects funded by increased capital appropriations and contributions and grants. At the same time, revenues increased due to higher net tuition revenue as enrollment increased, as well as growing state appropriations of about

S&P Global Ratings. All rights reserved. No reprint or dissemination without S&P Global Ratings permission.
See terms of use/disclaimer on last page.

$110.3 million in fiscal 2025, from $106.6 million in fiscal 2024. Tuition discounting remains low for a public institution, at 29% for fiscal 2025, which has increased over one year from 27%. The university continues to benefit from good revenue diversity, with 49% of revenue generated from tuition and fees, 23% from state appropriations, and 11% from research grants and contracts.

Management budgets conservatively and is projecting a modest improvement in operations in fiscal 2026, with a deficit of about 0.5%. We would view continued moderation of operating deficits and maintenance of closer to breakeven operations favorably.

Financial resources

MSU has healthy financial resources relative to both operations and debt for the rating. Total cash and investments, including foundation net assets, accounted for 82% of operating expenses and 287% of debt, which is healthy relative to rating category medians. In 2022, MSU also completed a comprehensive campaign, raising more than $274 million, exceeding the $250 million goal, which we view positively. According to management, fundraising remains a top priority, and it is focused on raising funds for specific initiatives on campus.

As of June 30, 2025, the university foundation's market value was $130 million. Approximately $103 million can be liquidated within 30 days. MSU's endowment spending policy is a standard 4.5% of a rolling three-year market value average. Management reports that it does not anticipate any material changes to its asset allocation or endowment spending policy.

Debt and contingent liabilities

MSU's debt outstanding, as of June 30, 2025, totaled $138 million. As of fiscal year-end 2025, the university had $92.9 million in direct-purchase debt. Although we do not rate the direct-purchase bonds, we have looked at the legal documents and determined that the risks for default and remedies are the same as the publicly rated debt; therefore, there are no additional contingent risks. There are no plans for additional debt in the outlook period.

Pension plans and other postemployment benefits

MSU contributes to Missouri State Employees' Retirement System (MOSERS), a single-employer, defined-benefit public employees' pension plan administered by the state. As of fiscal year-end 2025, MOSERS has a funded status of 54%. OPEB, offered through a single-employer retiree benefit plan, is funded on a pay-as-you-go basis. MSU's pension and OPEB cost relative to adjusted operating expense is about 10%, which we view as moderately elevated.

Missouri State University--Enterprise and financial statistics

	--Fiscal year ended June 30--					Medians for 'A' category rated public colleges and universities
	2027	2026	2025	2024	2023	2025
Enrollment and demand						
Full-time-equivalent enrollment	19,171	19,813	19,772	18,958	18,105	12,786
Undergraduates as a % of total enrollment	76.4	75.7	75.8	76.0	76.6	83.3
First-year acceptance rate (%)	91.5	89.8	90.5	91.1	92.6	82.2
First-year matriculation rate (%)	23.6	25.0	25.6	26.2	26.2	19.1
First-year retention rate (%)	76.9	76.5	77.3	79.0	76.0	78.2
Six-year graduation rate (%)	59.2	59.8	58.0	57.0	59.6	57.9

S&P Global Ratings. All rights reserved. No reprint or dissemination without S&P Global Ratings permission.
See terms of use/disclaimer on last page.

Missouri State University--Enterprise and financial statistics

	--Fiscal year ended June 30--					Medians for 'A' category rated public colleges and universities
	2027	2026	2025	2024	2023	2025
Financial performance						
Adjusted operating revenue ($000s)	N.A.	N.A.	477,138	454,779	425,579	MNR
Adjusted operating expense ($000s)	N.A.	N.A.	484,228	462,369	428,345	MNR
Net adjusted operating margin (%)	N.A.	N.A.	(1.5)	(1.6)	(0.6)	(1.0)
Estimated operating gain/loss before depreciation ($000s)	N.A.	N.A.	27,574	27,757	30,674	MNR
Tuition discount (%)	N.A.	N.A.	28.7	26.6	25.0	35.6
Student dependence (%)	N.A.	N.A.	48.7	49.0	49.2	46.7
State appropriations to revenue (%)	N.A.	N.A.	23.1	23.4	24.1	24.1
Health care operations dependence (%)	N.A.	N.A.	N.A.	N.A.	N.A.	MNR
Research dependence (%)	N.A.	N.A.	10.8	10.7	11.2	11.0
Financial resources						
Endowment market value ($000s)	N.A.	N.A.	130,180	120,071	113,245	204,525
Related foundation market value ($000s)	N.A.	N.A.	223,140	203,952	182,283	MNR
Cash and investments including foundation ($000s)	N.A.	N.A.	396,179	394,562	373,243	530,641
Cash and investments including foundation to operations (%)	N.A.	N.A.	81.8	85.3	87.1	98.8
Cash and investments including foundation to debt (%)	N.A.	N.A.	286.9	260.0	227.5	246.8
Cash and investments including foundation to pro forma debt (%)	N.A.	N.A.	N.A.	N.A.	N.A.	MNR
Debt						
Foundation debt ($000s)	N.A.	N.A.	N.A.	N.A.	N.A.	MNR
Total debt with foundation ($000s)	N.A.	N.A.	138,084	151,775	164,084	235,087
Proposed debt ($000s)	N.A.	N.A.	N.A.	N.A.	N.A.	MNR
Total pro forma debt ($000s)	N.A.	N.A.	N.A.	N.A.	N.A.	MNR
Current MADS burden (%)	N.A.	N.A.	3.1	3.1	3.3	4.4
Pro forma MADS burden (%)	N.A.	N.A.	N.A.	N.A.	N.A.	MNR
Average age of plant (years)	N.A.	N.A.	16.7	15.1	15.6	15.5

Total adjusted operating revenue = unrestricted revenue less realized and unrealized gains/losses and financial aid. Total adjusted operating expense = unrestricted expense plus financial aid expense. Net operating margin = 100*(net adjusted operating income/adjusted operating expense). Student dependence = 100*(gross tuition revenue + auxiliary revenue) / adjusted operating revenue. Current MADS burden = 100*(maximum annual debt service expense/adjusted operating expenses). Cash and investments = cash + short-term and long-term investments. Average age of plant = accumulated depreciation/depreciation and amortization expense. N.A.--Not available. MNR--Median not reported. MADS--Maximum annual debt service.

Ratings List	
Ratings Affirmed	
Education	
Missouri St Univ, MO Unlimited Student Fees	A+/Stable

S&P Global Ratings. All rights reserved. No reprint or dissemination without S&P Global Ratings permission.
See terms of use/disclaimer on last page.

The ratings appearing below the new issues represent an aggregation of debt issues (ASID) associated with related maturities. The maturities similarly reflect our opinion about the creditworthiness of the U.S. Public Finance obligor's legal pledge for payment of the financial obligation. Nevertheless, these maturities may have different credit ratings than the rating presented next to the ASID depending on whether or not additional legal pledge(s) support the specific maturity's payment obligation, such as credit enhancement, as a result of defeasance, or other factors.

Certain terms used in this report, particularly certain adjectives used to express our view on rating relevant factors, have specific meanings ascribed to them in our criteria, and should therefore be read in conjunction with such criteria. Please see Ratings Criteria at https://disclosure.spglobal.com/ratings/en/regulatory/ratings-criteria for further information. A description of each of S&P Global Ratings' rating categories is contained in "S&P Global Ratings Definitions" at https://disclosure.spglobal.com/ratings/en/regulatory/article/-/view/sourceId/504352. Complete ratings information is available to RatingsDirect subscribers at www.capitaliq.com. All ratings referenced herein can be found on S&P Global Ratings' public website at www.spglobal.com/ratings.

S&P Global Ratings. All rights reserved. No reprint or dissemination without S&P Global Ratings permission.
See terms of use/disclaimer on last page.

Copyright ©2026 by Standard & Poor's Financial Services LLC. All rights reserved.

No content (including ratings, credit-related analyses and data, valuations, model, software, or other application or output therefrom) or any part thereof (Content) may be modified, reverse engineered, reproduced, or distributed in any form by any means, or stored in a database or retrieval system, without the prior written permission of Standard & Poor's Financial Services LLC or its affiliates (collectively, S&P). The Content shall not be used for any unlawful or unauthorized purposes. S&P and any third-party providers, as well as their directors, officers, shareholders, employees, or agents (collectively S&P Parties) do not guarantee the accuracy, completeness, timeliness, or availability of the Content. S&P Parties are not responsible for any errors or omissions (negligent or otherwise), regardless of the cause, for the results obtained from the use of the Content, or for the security or maintenance of any data input by the user. The Content is provided on an "as is" basis. S&P PARTIES DISCLAIM ANY AND ALL EXPRESS OR IMPLIED WARRANTIES, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE, FREEDOM FROM BUGS, SOFTWARE ERRORS OR DEFECTS, THAT THE CONTENT'S FUNCTIONING WILL BE UNINTERRUPTED, OR THAT THE CONTENT WILL OPERATE WITH ANY SOFTWARE OR HARDWARE CONFIGURATION. In no event shall S&P Parties be liable to any party for any direct, indirect, incidental, exemplary, compensatory, punitive, special or consequential damages, costs, expenses, legal fees, or losses (including, without limitation, lost income or lost profits and opportunity costs or losses caused by negligence) in connection with any use of the Content even if advised of the possibility of such damages.

Some of the Content may have been created with the assistance of an artificial intelligence (AI) tool. Published Content created or processed using AI is composed, reviewed, edited, and approved by S&P personnel.

Credit-related and other analyses, including ratings, and statements in the Content are statements of opinion as of the date they are expressed and not statements of fact. S&P's opinions, analyses, and rating acknowledgment decisions (described below) are not recommendations to purchase, hold, or sell any securities or to make any investment decisions, and do not address the suitability of any security. S&P assumes no obligation to update the Content following publication in any form or format. The Content should not be relied on and is not a substitute for the skill, judgment, and experience of the user, its management, employees, advisors, and/or clients when making investment and other business decisions. S&P does not act as a fiduciary or an investment advisor except where registered as such. While S&P has obtained information from sources it believes to be reliable, S&P does not perform an audit and undertakes no duty of due diligence or independent verification of any information it receives. Rating-related publications may be published for a variety of reasons that are not necessarily dependent on action by rating committees, including, but not limited to, the publication of a periodic update on a credit rating and related analyses.

To the extent that regulatory authorities allow a rating agency to acknowledge in one jurisdiction a rating issued in another jurisdiction for certain regulatory purposes, S&P reserves the right to assign, withdraw, or suspend such acknowledgement at any time and in its sole discretion. S&P Parties disclaim any duty whatsoever arising out of the assignment, withdrawal, or suspension of an acknowledgment as well as any liability for any damage alleged to have been suffered on account thereof.

S&P keeps certain activities of its business units separate from each other in order to preserve the independence and objectivity of their respective activities. As a result, certain business units of S&P may have information that is not available to other S&P business units. S&P has established policies and procedures to maintain the confidentiality of certain nonpublic information received in connection with each analytical process.

S&P may receive compensation for its ratings and certain analyses, normally from issuers or underwriters of securities or from obligors. S&P reserves the right to disseminate its opinions and analyses. S&P's public ratings and analyses are made available on its Web sites, www.spglobal.com/ratings (free of charge) and www.ratingsdirect.com (subscription) and may be distributed through other means, including via S&P publications and third-party redistributors. Additional information about our ratings fees is available at www.spglobal.com/usratingsfees.

S&P Global Ratings. All rights reserved. No reprint or dissemination without S&P Global Ratings permission.
See terms of use/disclaimer on last page.