



March 8, 2022

Mr. Ronald Smith
Corporate Secretary
Municipal Securities Rulemaking Board
1300 I Street, N.W. Suite 1000
Washington, D.C. 20005

RE: MSRB Notice 2021-17 Request for Information on Environmental, Social and Governance (ESG) Practices in the Municipal Securities Market

Dear Mr. Smith,

The National Association of College and University Business Officers (NACUBO) is writing to respond to the Municipal Securities Rulemaking Board (MSRB) Notice 2021-17 Request for Information on Environmental, Social and Governance (ESG) Practices in the Municipal Securities Market. NACUBO represents college and university business officers at more than 1,700 public and private nonprofit colleges and universities. We are dedicated to sound fiscal and administrative practices at institutions of higher education.

NACUBO appreciates MSRB's interest in soliciting comments from municipal issuers and we recognize evidence of emerging practices and increasing interest in sustainability or climate-related goals and practices in higher education bond resolutions. It is no surprise as college and universities are often at the forefront of incubating innovative ideas and approaches to environmental improvement.

In addition to designing education, research, and public service to align with their charitable missions, colleges and universities have long been aligning business office practices with social good. Our concerns do not rest with demonstrating the sector's commitment to or engagement with ESG concerns.

For colleges and universities, debt represents a long-term commitment of serious financial resources and risk and has implications for future financial flexibility. The ability to issue debt is seen as a strategic resource. Whether a green bond or otherwise, debt is pursued judiciously and guided by an institutional debt policy.

We believe it is premature for MSRB to establish standardized disclosures for ESG practices. We urge MSRB to stay mission-focused: Any regulatory efforts taken up by MSRB should be in support of materiality to investor decisions.

NACUBO shares the concerns submitted in greater detail by the Disclosure Industry Workgroup:

- A bright line exists in practice between (i) the ESG risk-based disclosures that relate to and have a nexus to all credits and obligations, (ii) the process of issuing designated/labeled bonds, and (iii) the disclosures that relate to and are requested by investors for such designated/labeled bonds. It is important not to confuse or actively conflate these topics because each is different.
- MSRB should continue and expand its work on improving the overall EMMA system and should consider the enhancements to EMMA that promote the preparation and organized filing and access of all voluntary disclosures made by issuers, including relevant ESG factors.
- We are unaware of any critical market pressures or disruptions related to either of these topics that would currently warrant regulatory concern.

Please do not hesitate to contact NACUBO's policy team at advocacy@nacubo.org for further discussion.

Sincerely,



Elizabeth L. Clark
Vice President, Policy and Research

