

Contact: Joan Racki

PROPOSED BOND ISSUANCE SCHEDULE FOR CALENDAR YEAR 2007

Actions Requested: Consider:

1. Establishment of a schedule for the issuance of bonds for calendar year 2007 as detailed in this memorandum.
2. Adoption of a resolution authorizing the Executive Director to fix the date or dates for the sale of Academic Building Revenue Bonds, refunding bonds, and other sales as may be authorized as a component of a Board approved financing plan for an identified capital project.

(ROLL CALL VOTE)

Executive Summary: Annually, the Board establishes a bond issuance schedule for the following calendar year. The proposed schedule, which totals \$140.6 million, is only a planning guide. The schedule does not include any bonds which would require additional legislative authorization, bonds which might be sold by the University of Iowa Facilities Corporation, nor does it specifically include refundings which may be possible due to relatively low interest rates.

The Board is also being asked to adopt a resolution which would authorize the Executive Director to fix the date or dates for the sale of Academic Building Revenue Bonds and refunding bonds and other sales which may be authorized as a component of a Board approved financing plan for a specific capital project. After adoption of the resolution, the Board would not necessarily need to approve, as a separate agenda item, a preliminary resolution for each Academic Building Revenue Bond sale.

Approval of the schedule does not indicate that the Board Office has reviewed or recommended approval of all projects to be financed from the proposed sales or that the Board will approve the projects and the bond sale amounts. The proposed schedule for calendar year 2007 is shown in the following table. The estimated amounts of the bond issues below include project costs, deposits to the reserve fund, and issuance costs. These amounts represent the best current estimates, but these amounts may be adjusted depending upon further-refined project and issuance costs.

Proposed Bond Issuance Schedule – Calendar Year 2007

<u>Month</u>	<u>Institution/Type of Issue</u>	<u>Estimated Amount of Bond Issue</u>
Feb 07	SUI Utility Enterprise	\$ 25,000,000
Mar 07	ISU Academic Bldg (Coover / Vet. Medicine)	18,000,000 *
Mar 07	UNI Academic Bldg (Sciences / Russell Hall Renov.)	7,800,000
May 07	SUI Academic Bldg (Chemistry/Art Ph. II Renov.)	25,000,000 *
June 07	Possible Refundings	TBD
Aug 07	SUI Recreation Center	26,000,000
Aug 07	ISU Jack Trice (taxable)	13,800,000
Oct 07	ISU Hilton and East Campus Dining	<u>25,000,000</u>
	Total	\$140,600,000 **

* To be determined.

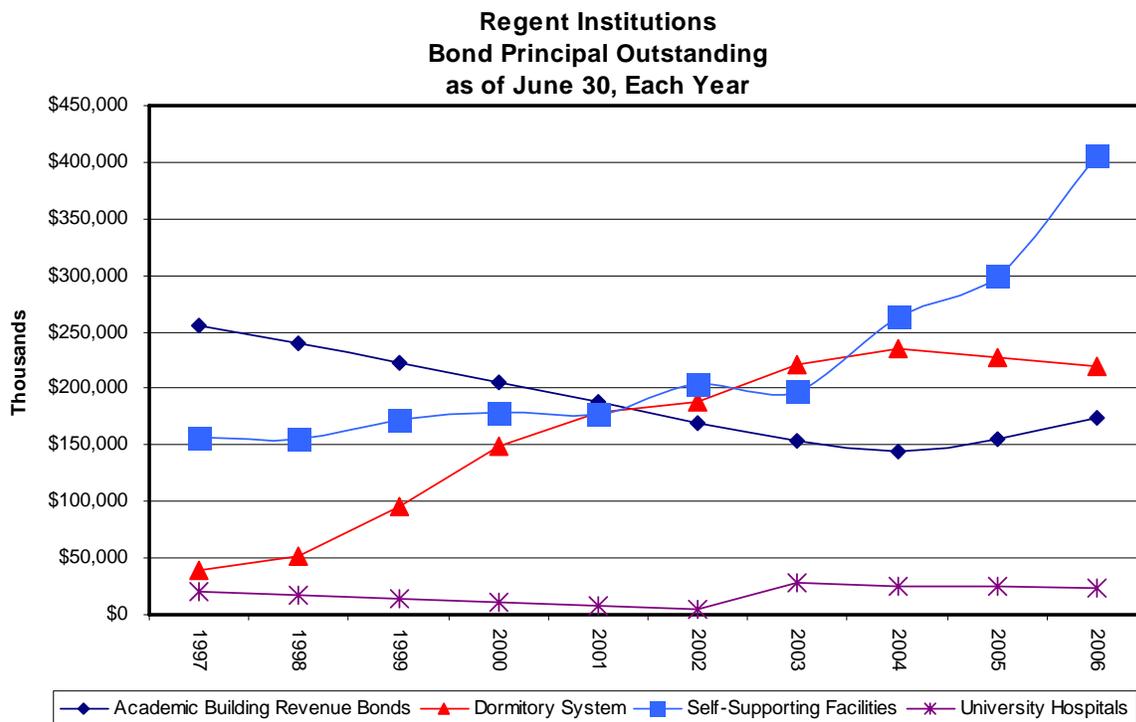
** Does not include amounts to be determined.

Additional Information: The following table summarizes Regent bond issues sold during the last five calendar years. (Bonds issued by the SUI Facilities Corporation are not included.)

<u>Calendar Year</u>	<u>New Bonds Issued</u>	<u>Refunding Bonds Issued</u>	<u>Total Bonds Issued</u>
2002	\$ 73,845,000	\$ 29,005,000	\$102,850,000
2003	95,575,000	46,950,000	142,525,000
2004	116,345,000	21,470,000	137,815,000
2005	108,760,000	27,775,000	136,535,000
2006*	109,975,000	31,495,000	141,470,000

*Includes November 2006 sale amount.

Table 1 (page 3) provides a summary of the outstanding Regent university debt. As of June 30, 2006, the principal outstanding was \$824.1 million. Regent universities' debt has increased over the past ten years by \$353 million. There has been a shift in the proportion of the debt among the types of bond issues, with significant increases in the debt of the dormitory systems and the debt of other self-supporting facilities, as displayed in the graph below.



Further information on the projects to be financed from the proposed bond issues is available from the Board Office.

**TABLE 1
BOND PRINCIPAL OUTSTANDING*
BOARD OF REGENTS, STATE OF IOWA**

	As of 30-Jun <u>1997</u>	As of 30-Jun <u>1998</u>	As of 30-Jun <u>1999</u>	As of 30-Jun <u>2000</u>	As of 30-Jun <u>2001</u>	As of 30-Jun <u>2002</u>	As of 30-Jun <u>2003</u>	As of 30-Jun <u>2004</u>	As of 30-Jun <u>2005</u>	As of 30-Jun <u>2006</u>
University of Iowa										
Academic Building Revenue Bonds	\$ 104,120,575	\$ 97,006,254	\$ 89,664,075	\$ 82,112,467	\$ 74,302,653	\$ 66,158,990	\$ 59,823,897	\$ 53,802,964	\$ 73,199,170	\$ 67,632,768
Project Notes - Academic Buildings										
Dormitory System	13,645,000	12,220,000	20,730,000	35,155,000	33,220,000	44,030,000	40,980,000	63,655,000	60,485,000	57,170,000
Self-Supporting Facilities	98,110,000	91,955,000	112,165,000	120,990,000	122,930,000	129,135,000	120,745,000	158,445,000	176,820,000	283,660,000
University Hospitals	<u>21,025,000</u>	<u>17,825,000</u>	<u>14,550,000</u>	<u>11,200,000</u>	<u>7,775,000</u>	<u>5,275,000</u>	<u>27,675,000</u>	<u>25,000,000</u>	<u>24,440,000</u>	<u>23,860,000</u>
Subtotal	\$ 236,900,575	\$ 219,006,254	\$ 237,109,075	\$ 249,457,467	\$ 238,227,653	\$ 244,598,990	\$ 249,223,897	\$ 300,902,964	\$ 334,944,170	\$ 432,322,768
Iowa State University										
Academic Building Revenue Bonds	\$ 98,710,000	\$ 93,090,000	\$ 86,465,000	\$ 79,550,000	\$ 72,405,000	\$ 65,105,000	\$ 58,205,000	\$ 58,330,000	\$ 52,690,000	\$ 67,100,000
Project Notes - Academic Buildings							7,000,000			
Dormitory System	11,870,000	26,610,000	56,455,000	81,820,000	113,710,000	114,205,000	142,170,000	134,750,000	131,110,000	128,075,000
Self-Supporting Facilities	<u>49,185,000</u>	<u>54,240,000</u>	<u>51,740,000</u>	<u>49,195,000</u>	<u>45,915,000</u>	<u>48,470,000</u>	<u>50,765,000</u>	<u>65,910,000</u>	<u>85,170,000</u>	<u>87,920,969</u>
Subtotal	\$ 159,765,000	\$ 173,940,000	\$ 194,660,000	\$ 210,565,000	\$ 232,030,000	\$ 227,780,000	\$ 258,140,000	\$ 258,990,000	\$ 268,970,000	\$ 283,095,969
University of Northern Iowa										
Academic Building Revenue Bonds	\$ 52,121,461	\$ 49,633,468	\$ 46,963,661	\$ 44,307,941	\$ 41,436,354	\$ 38,497,718	\$ 35,707,182	\$ 32,780,054	\$ 29,937,748	\$ 39,854,127
Project Notes - Academic Buildings										
Dormitory System	13,115,000	12,750,000	18,965,000	32,195,000	31,135,000	29,990,000	37,930,000	36,915,000	35,655,000	34,040,000
Self-Supporting Facilities	<u>9,150,000</u>	<u>8,995,000</u>	<u>8,795,000</u>	<u>8,585,000</u>	<u>8,365,000</u>	<u>26,515,000</u>	<u>25,650,000</u>	<u>38,635,000</u>	<u>36,800,000</u>	<u>34,740,000</u>
Subtotal	\$ 74,386,461	\$ 71,378,468	\$ 74,723,661	\$ 85,087,941	\$ 80,936,354	\$ 95,002,718	\$ 99,287,182	\$ 108,330,054	\$ 102,392,748	\$ 108,634,127
GRAND TOTAL	\$ 471,052,036	\$ 464,324,722	\$ 506,492,736	\$ 545,110,408	\$ 551,194,007	\$ 567,381,708	\$ 606,651,079	\$ 668,223,018	\$ 706,306,918	\$ 824,052,864

* July 1 principal payments are not included in June 30th balances.