

Contact: Joan Racki

PROPOSED BOND ISSUANCE SCHEDULE FOR CALENDAR YEAR 2009

Actions Requested: Consider:

1. Establishment of a schedule for the issuance of bonds for calendar year 2009 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 \$166.6 million, is only a planning guide. The schedule does not include any bonds which would require additional legislative authorization or bonds which might be sold by the University of Iowa Facilities Corporation.

The Board is also asked to adopt a resolution which would authorize the Executive Director to fix the date(s) 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 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 2009 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 2009

<u>Month</u>	<u>Institution/Type of Issue</u>	<u>Estimated Amount of Bond Issue</u>
Feb 09	Possible Refundings	TBD *
Mar 09	UNI Acad. Bldg (Elect Dist, Sabin Hall, Def Maint, F/S)	12,000,000
Apr 09	ISU Recreation Facilities	26,600,000 **
June 09	SUI Recreational Facilities	26,000,000
Aug 09	SUI Acad. Bldg (Col of Public Health, Old Music, Pentacrest, Flood Recovery, Def Maint, F/S)	26,000,000
Sept 09	ISU Acad. Bldg (Chemistry, Def Maint, F/S))	25,000,000
Oct 09	SUI Athletics (Carver-Hawkeye)	26,000,000
Dec 09	SUI Data Center	<u>25,000,000</u>
Total		\$166,600,000

* To be Determined

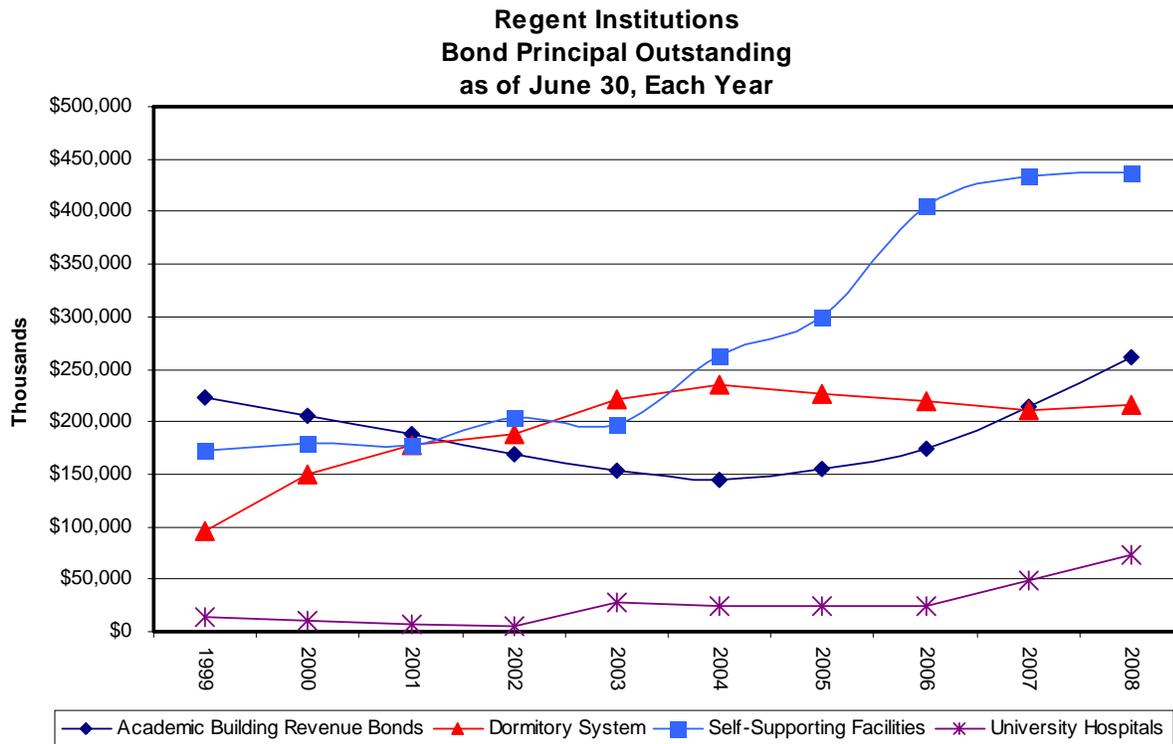
** Subject to approval of the financing plan in Agenda Item 12

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>
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
2007	213,270,000	0	213,270,000
2008*	146,850,000	18,710,000	165,560,000

*Includes anticipated sale amounts for remainder of calendar year.

Table 1 (page 3) provides a summary of the outstanding Regent university debt. As of June 30, 2008, the principal outstanding was \$985.8 million. Regent universities' debt has increased over the past ten years by \$479.3 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.



The bond issuance schedule includes the possible sale of refunding bonds in February 2009 depending upon interest rates. Since calendar year 2001, the present value interest savings from the issuance of Board of Regents refunding bonds totals approximately \$14.9 million as shown on Page 4.

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>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>	As of 30-Jun <u>2007</u>	As of 30-Jun <u>2008</u>
University of Iowa										
Academic Building Revenue Bonds	\$ 89,664,075	\$ 82,112,467	\$ 74,302,653	\$ 66,158,990	\$ 59,823,897	\$ 53,802,964	\$ 73,199,170	\$ 67,632,768	\$ 89,293,693	\$ 108,618,222
Project Notes - Academic Buildings										
Dormitory System	20,730,000	35,155,000	33,220,000	44,030,000	40,980,000	63,655,000	60,485,000	57,170,000	53,740,000	51,190,000
Self-Supporting Facilities	112,165,000	120,990,000	122,930,000	129,135,000	120,745,000	158,445,000	176,820,000	283,660,000	320,775,000	330,825,000
University Hospitals	<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>	<u>48,250,000</u>	<u>72,615,000</u>
Subtotal	\$ 237,109,075	\$ 249,457,467	\$ 238,227,653	\$ 244,598,990	\$ 249,223,897	\$ 300,902,964	\$ 334,944,170	\$ 432,322,768	\$ 512,058,693	\$ 563,248,222
Iowa State University										
Academic Building Revenue Bonds	\$ 86,465,000	\$ 79,550,000	\$ 72,405,000	\$ 65,105,000	\$ 58,205,000	\$ 58,330,000	\$ 52,690,000	\$ 67,100,000	\$ 79,950,000	\$ 98,745,000
Project Notes - Academic Buildings					7,000,000					
Dormitory System	56,455,000	81,820,000	113,710,000	114,205,000	142,170,000	134,750,000	131,110,000	128,075,000	124,530,000	133,735,000
Self-Supporting Facilities	<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>	<u>80,525,000</u>	<u>74,595,000</u>
Subtotal	\$ 194,660,000	\$ 210,565,000	\$ 232,030,000	\$ 227,780,000	\$ 258,140,000	\$ 258,990,000	\$ 268,970,000	\$ 283,095,969	\$ 285,005,000	\$ 307,075,000
University of Northern Iowa										
Academic Building Revenue Bonds	\$ 46,963,661	\$ 44,307,941	\$ 41,436,354	\$ 38,497,718	\$ 35,707,182	\$ 32,780,054	\$ 29,937,748	\$ 39,854,127	\$ 45,066,061	\$ 53,843,758
Project Notes - Academic Buildings										
Dormitory System	18,965,000	32,195,000	31,135,000	29,990,000	37,930,000	36,915,000	35,655,000	34,040,000	32,355,000	30,590,000
Self-Supporting Facilities	<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>	<u>32,550,000</u>	<u>31,005,000</u>
Subtotal	\$ 74,723,661	\$ 85,087,941	\$ 80,936,354	\$ 95,002,718	\$ 99,287,182	\$ 108,330,054	\$ 102,392,748	\$ 108,634,127	\$ 109,971,061	\$ 115,438,758
GRAND TOTAL	\$ 506,492,736	\$ 545,110,408	\$ 551,194,007	\$ 567,381,708	\$ 606,651,079	\$ 668,223,018	\$ 706,306,918	\$ 824,052,864	\$ 907,034,754	\$ 985,761,980

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

Savings from Refunding Bonds Issued: Calendar Years 2001 – 2008 (year-to-date)

<u>Inst.</u>	<u>Refunding Bond Amount</u>	<u>Issue</u>	<u>Issue Date</u>	<u>Present Value Savings</u>
SUI	\$14,580,000	Academic Building Revenue Refunding Bonds, Series 2002	Apr-02	\$ 1,500,022
SUI	10,530,000	Academic Building Revenue Refunding Bonds, Series 2003	Apr-03	633,705
SUI	6,695,000	Academic Building Revenue Refunding Bonds, Series 2004	Apr-04	258,302
SUI	15,200,000	Academic Building Revenue Refunding Bonds, Series 2005	Mar 05	<u>1,578,496</u>
		Subtotal – Academic Build. Rev. Bond Present Value Interest Savings		\$ 3,970,525
SUI	\$ 4,835,000	Iowa Memorial Union Refunding Bonds, Series 2001	Nov-01	436,743
SUI	6,080,000	Utility Revenue Refunding Bonds, Series 2003	Feb-03	487,374
SUI	14,060,000*	Telecommunications Facilities Revenue Refunding Bonds, Series 2003	Nov-03	485,369
SUI	8,210,000	Telecommunications Facilities Revenue Refunding Bonds, Series 2008	June-08	<u>505,353</u>
		SUI – Grand Total Present Value of Interest Savings		<u>\$ 5,885,364</u>
ISU	\$ 9,805,000	Academic Building Revenue Refunding Bonds, Series 2001A	Apr-01	\$ 917,782
ISU	13,350,000	Academic Building Revenue Refunding Bonds, Series 2001B	Apr-01	1,044,900
ISU	5,430,000	Academic Building Revenue Refunding Bonds, Series 2004A	Apr-04	418,823
ISU	3,135,000	Academic Building Revenue Refunding Bonds, Series 2004B	Apr-04	128,636
ISU	5,510,000	Academic Building Revenue Refunding Bonds, Series 2006	Aug-06	<u>312,774</u>
		Subtotal – Academic Build. Rev. Bond Present Value Interest Savings		\$ 2,822,915
ISU	\$ 6,210,000	Recreational Facility Revenue Refunding Bonds, Series 2004	Apr-04	167,579
ISU	16,785,000	Dormitory Revenue Refunding Bonds, Series 2006	Mar-06	1,053,922
ISU	9,200,000	Dormitory Revenue Refunding Bonds, Series 2006A	May-06	613,181
ISU	10,500,000	Dormitory Revenue Refunding Bonds, Series 2008	Mar-08	<u>705,258</u>
		ISU – Grand Total Present Value of Interest Savings		<u>\$ 5,362,855</u>
UNI	\$ 4,890,000	Academic Building Revenue Refunding Bonds, Series 2002	Apr-02	\$ 461,282
UNI	8,465,000	Academic Building Revenue Refunding Bonds, Series 2003	Apr-03	887,899
UNI	4,225,000	Academic Building Revenue Refunding Bonds, Series 2003	Jul-03	289,111
UNI	5,110,000	Academic Building Revenue Refunding Bonds, Series 2005	Mar 05	<u>619,797</u>
		Subtotal – Academic Build. Rev. Bond Present Value Interest Savings		\$ 2,258,089
UNI	\$ 9,535,000	Dormitory Revenue Refunding Bonds, Series 2002	Oct-02	952,826
UNI	7,465,000	Field House Revenue Refunding Bonds, Series 2005	Apr-05	<u>453,327</u>
		UNI – Grand Total Present Value of Interest Savings		<u>\$ 3,664,242</u>
Grand Total - Present Value Interest Savings from Refunding Bonds Issued since 2001:				<u>\$14,912,461</u>
Present Value Savings by Type of Bond Issue				
<i>Academic Building Revenue Refunding Bonds</i>				\$9,051,529
<i>All Other Refunding Bonds</i>				<u>5,860,932</u>
Grand Total				<u>\$14,912,461</u>

*Includes \$4,100,000 in new funds to purchase telecommunications switching equipment.