

Contact: Joan Racki

PROPOSED BOND ISSUANCE SCHEDULE FOR CALENDAR YEAR 2010

Actions Requested: Consider:

1. Establishment of a schedule for the issuance of bonds for calendar year 2010 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 \$157.0 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 2010 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 2010

<u>Month</u>	<u>Institution/Type of Issue</u>	<u>Estimated Amount of Bond Issue</u>
Feb 10	Possible Refundings	TBD *
Mar 10	SUI Acad. Bldg (Col of Public Health, Old Music, Flood) Recovery, Def Maint, F/S)	25,000,000
Apr 10	ISU Recreation Facilities	27,000,000
June 10	SUI Utilities	25,000,000
Aug 10	ISU Acad. Bldg (Chemistry, Vet Med., Def Maint, F/S)	28,000,000
Sept 10	SUI Athletics (Carver-Hawkeye)	20,000,000
Oct 10	SUI Telecommunications (Data Center)	19,000,000
Dec 10	UNI Dormitory (Apartment Housing)	13,000,000
	Total	\$157,000,000

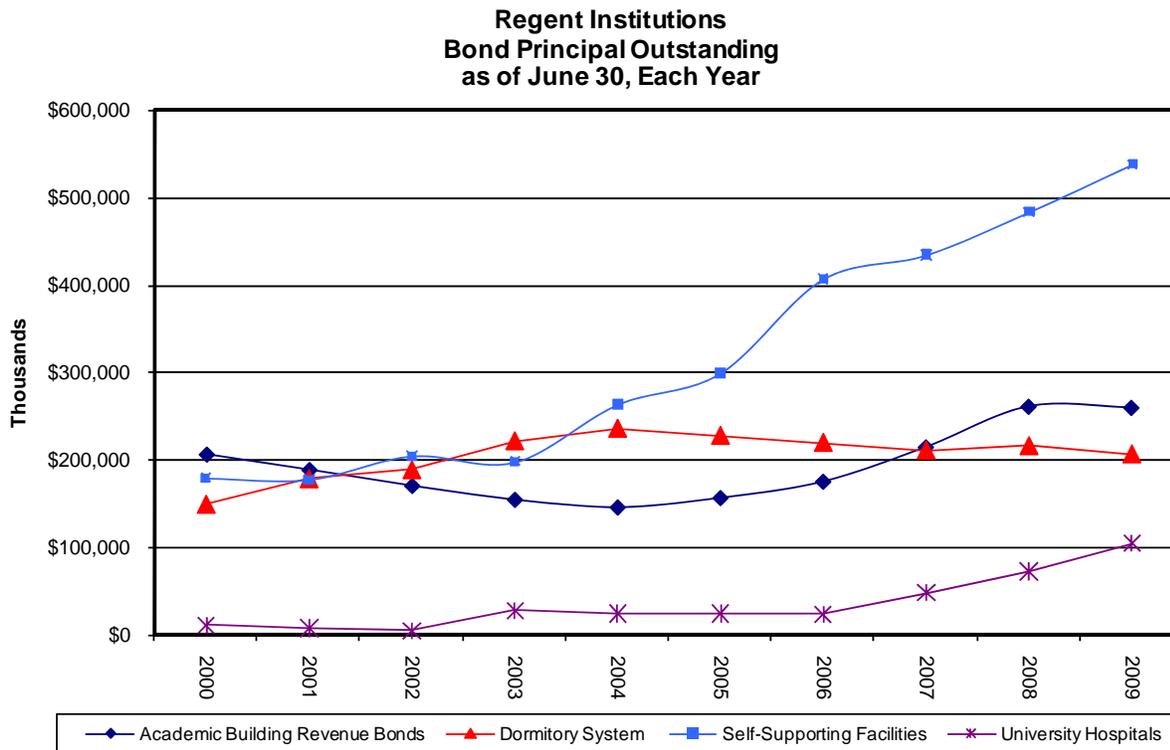
* To be Determined

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>
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	146,750,000	18,710,000	165,460,000
2009*	143,035,000	51,355,000	194,390,000

*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, 2009, the principal outstanding was \$1,107.5 million. Regent universities' debt has increased over the past ten years by \$562.3 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 self-supporting facilities, as displayed in the graph below.



The bond issuance schedule includes the possible sale of refunding bonds in February 2010 depending upon interest rates. Since calendar year 2001, the present value interest savings from the issuance of Board of Regents refunding bonds totals approximately \$18.2 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>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>	As of 30-Jun <u>2009</u>
University of Iowa										
Academic Building Revenue Bonds	\$ 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	\$ 103,200,672
Project Notes - Academic Buildings										
Dormitory System	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	48,520,000
Self-Supporting Facilities	120,990,000	122,930,000	129,135,000	120,745,000	158,445,000	176,820,000	283,660,000	320,775,000	356,825,000	392,890,000
University Hospitals	<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>	<u>104,300,000</u>
Subtotal	\$ 249,457,467	\$ 238,227,653	\$ 244,598,990	\$ 249,223,897	\$ 300,902,964	\$ 334,944,170	\$ 432,322,768	\$ 512,058,693	\$ 589,248,222	\$ 648,910,672
Iowa State University										
Academic Building Revenue Bonds	\$ 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	\$ 92,245,000
Project Notes - Academic Buildings				7,000,000						
Dormitory System	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	128,985,000
Self-Supporting Facilities	<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>94,990,000</u>	<u>114,670,000</u>
Subtotal	\$ 210,565,000	\$ 232,030,000	\$ 227,780,000	\$ 258,140,000	\$ 258,990,000	\$ 268,970,000	\$ 283,095,969	\$ 285,005,000	\$ 327,470,000	\$ 335,900,000
University of Northern Iowa										
Academic Building Revenue Bonds	\$ 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	\$ 64,481,531
Project Notes - Academic Buildings										
Dormitory System	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	28,750,000
Self-Supporting Facilities	<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>	<u>29,410,000</u>
Subtotal	\$ 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	\$ 122,641,531
GRAND TOTAL	\$ 545,110,408	\$ 551,194,007	\$ 567,381,708	\$ 606,651,079	\$ 668,223,018	\$ 706,306,918	\$ 824,052,864	\$ 907,034,754	\$ 1,032,156,980	\$ 1,107,452,203

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

Savings from Refunding Bonds Issued: Calendar Years 2001 – 2009 (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	1,578,496
		Subtotal – Academic Build. Rev. Bond Present Value Interest Savings		<u>\$3,970,525</u>
SUI	\$4,835,000	Iowa Memorial Union Refunding Bonds, Series 2001	Nov-01	\$436,743
SUI	6,080,000	Utility System 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	505,353
SUI	6,255,000	Parking System Revenue Refunding Bonds, Series 2009	June-09	389,434
SUI	19,010,000	Utility System Revenue Refunding Bonds, Series 2009	Aug-09	1,849,727
		SUI – Grand Total Present Value of Interest Savings		<u>\$8,124,525</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	312,774
ISU	15,165,000	Academic Building Revenue Refunding Bonds, Series 2009	Aug-09	336,489
		Subtotal – Academic Build. Rev. Bond Present Value Interest Savings		<u>\$3,159,404</u>
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	705,258
ISU	10,925,000	Dormitory Revenue Refunding Bonds, Series 2009	Apr-09	717,537
		ISU – Grand Total Present Value of Interest Savings		<u>\$6,416,881</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	619,797
		Subtotal – Academic Build. Rev. Bond Present Value Interest Savings		<u>\$2,258,089</u>
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	453,327
		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>\$18,205,648</u>
Present Value Savings by Type of Bond Issue				
<i>Academic Building Revenue Refunding Bonds</i>				\$9,388,018
<i>All Other Refunding Bonds</i>				8,817,630
Grand Total				<u>\$18,205,648</u>

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