

Contact: Joan Racki

PROPOSED BOND ISSUANCE SCHEDULE FOR CALENDAR YEAR 2006

Action Requested: Consider establishing a schedule for the issuance of bonds for calendar year 2006 as detailed in this memorandum.

Executive Summary: Annually, the Board establishes a bond issuance schedule for the following calendar year. The proposed schedule, which totals \$172.9 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 University of Iowa and the University of Iowa Hospitals and Clinics have proposed that the Board consider the issuance of variable rate bonds for the University of Iowa Hospitals and Clinics. The University understands that the proposed sale needs to be reviewed in detail and approved by the Board. Variable rate bonds are bonds whose interest rate is not set at the time the bonds are originally issued in contrast to the fixed rate bonds that the Regents usually sell. Rather, the interest rate on variable rate bonds is set on a periodic basis, generally either daily or weekly.

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 2006 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 2006

<u>Month</u>	<u>Institution/Type of Issue</u>	<u>Estimated Amount of Bond Issue</u>
Feb 06	SUI Utility Enterprise	\$ 25,000,000
Mar 06	UIHC Variable Rate	75,000,000 *
Mar 06	ISU Utility Enterprise	7,400,000
Mar 06	Possible Refundings	TBD **
May 06	SUI Kinnick Stadium Renovation	27,500,000
June 06	ISU Hilton Coliseum Improvements	7,200,000
Aug 06	Possible Refundings	TBD **
Sep 06	SUI Kinnick Stadium Renovation	27,500,000
Nov 06	UNI Multimodal	<u>3,300,000</u>
	Total	\$172,900,000 ***

* The University understands that the proposal for the sale of variable rate bonds need to be reviewed in detail and approved by the Board.

** To be determined.

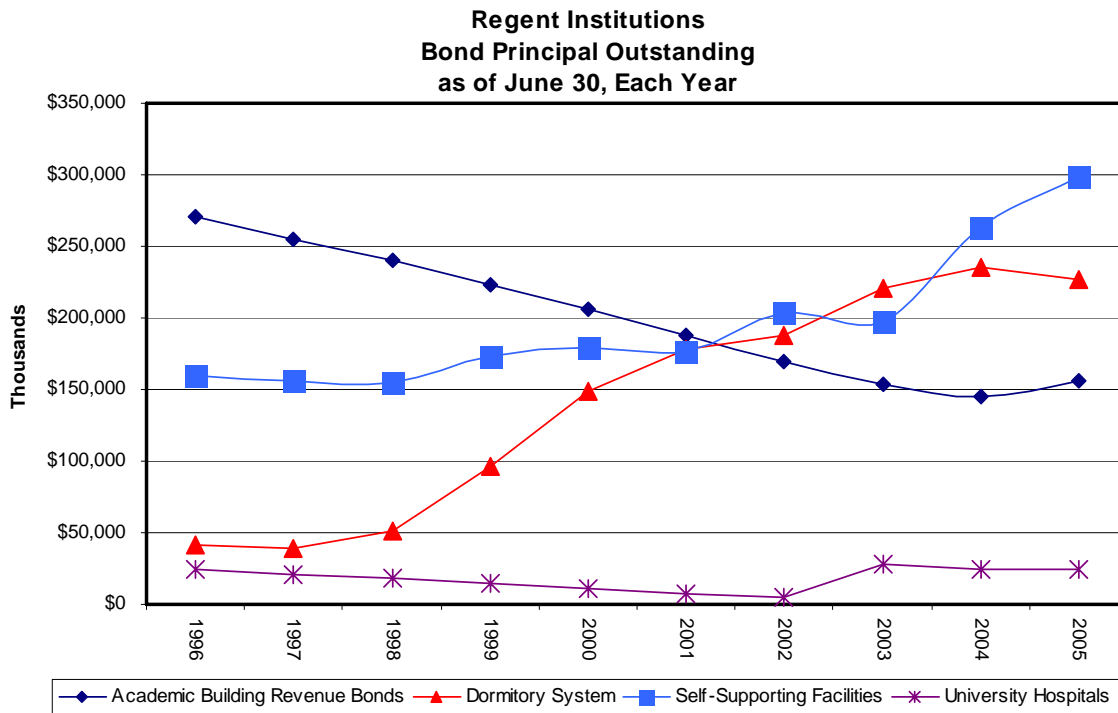
*** Does not include amounts to be determined.

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>
2001	41,025,000	27,990,000	69,015,000
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

*Includes November 2005 sale amount.

Table 1 (page 3) provides a summary of the outstanding Regent university debt. As of June 30, 2005, the principal outstanding was \$706.3 million. Regent universities' debt has increased over the past ten years by more than \$210 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>1996</u>	As of 30-Jun <u>1997</u>	As of 30-Jun <u>1998</u>	As of 30-Dec <u>1998</u>	As of 30-Jun <u>1999</u>	As of 2-Nov <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>
University of Iowa												
Academic Building Revenue Bonds	\$ 110,876,428	\$ 104,120,575	\$ 97,006,254	\$ 97,006,254	\$ 89,664,075	\$ 89,664,075	\$ 82,112,467	\$ 74,302,653	\$ 66,158,990	\$ 59,823,897	\$ 53,802,964	\$ 73,199,170
Project Notes - Academic Buildings												
Dormitory System	15,005,000	13,645,000	12,220,000	12,220,000	20,730,000	20,730,000	35,155,000	33,220,000	44,030,000	40,980,000	63,655,000	60,485,000
Self-Supporting Facilities	99,470,000	98,110,000	91,955,000	104,650,000	112,165,000	109,585,000	120,990,000	122,930,000	129,135,000	120,745,000	158,445,000	176,820,000
University Hospitals	<u>24,150,000</u>	<u>21,025,000</u>	<u>17,825,000</u>	<u>14,550,000</u>	<u>14,550,000</u>	<u>11,200,000</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>
Subtotal	\$ 249,501,428	\$ 236,900,575	\$ 219,006,254	\$ 228,426,254	\$ 237,109,075	\$ 231,179,075	\$ 249,457,467	\$ 238,227,653	\$ 244,598,990	\$ 249,223,897	\$ 300,902,964	\$ 334,944,170
Iowa State University												
Academic Building Revenue Bonds	\$ 105,195,000	\$ 98,710,000	\$ 93,090,000	\$ 93,090,000	\$ 86,465,000	\$ 86,465,000	\$ 79,550,000	\$ 72,405,000	\$ 65,105,000	\$ 58,205,000	\$ 58,330,000	\$ 52,690,000
Project Notes - Academic Buildings										7,000,000		
Dormitory System	12,845,000	11,870,000	26,610,000	40,610,000	56,455,000	56,455,000	81,820,000	113,710,000	114,205,000	142,170,000	134,750,000	131,110,000
Self-Supporting Facilities	<u>58,610,000</u>	<u>49,185,000</u>	<u>54,240,000</u>	<u>53,390,000</u>	<u>51,740,000</u>	<u>51,110,000</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>
Subtotal	\$ 176,650,000	\$ 159,765,000	\$ 173,940,000	\$ 187,090,000	\$ 194,660,000	\$ 194,030,000	\$ 210,565,000	\$ 232,030,000	\$ 227,780,000	\$ 258,140,000	\$ 258,990,000	\$ 268,970,000
University of Northern Iowa												
Academic Building Revenue Bonds	\$ 54,351,461	\$ 52,121,461	\$ 49,633,468	\$ 49,633,468	\$ 46,963,661	\$ 46,963,661	\$ 44,307,941	\$ 41,436,354	\$ 38,497,718	\$ 35,707,182	\$ 32,780,054	\$ 29,937,748
Project Notes - Academic Buildings												
Dormitory System	13,845,000	13,115,000	12,750,000	12,750,000	18,965,000	18,965,000	32,195,000	31,135,000	29,990,000	37,930,000	36,915,000	35,655,000
Self-Supporting Facilities	<u>1,315,000</u>	<u>9,150,000</u>	<u>8,995,000</u>	<u>8,995,000</u>	<u>8,795,000</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>
Subtotal	\$ 69,511,461	\$ 74,386,461	\$ 71,378,468	\$ 71,378,468	\$ 74,723,661	\$ 74,723,661	\$ 85,087,941	\$ 80,936,354	\$ 95,002,718	\$ 99,287,182	\$ 108,330,054	\$ 102,392,748
GRAND TOTAL	\$ 495,662,889	\$ 471,052,036	\$ 464,324,722	\$ 486,894,722	\$ 506,492,736	\$ 499,932,736	\$ 545,110,408	\$ 551,194,007	\$ 567,381,708	\$ 606,651,079	\$ 668,223,018	\$ 706,306,918

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