

MEMORANDUM

To: Board of Regents
From: Board Office
Subject: Capital Improvement Budget Requests for FY 2004
Date: July 8, 2002

Recommended Actions:

1. Consider the FY 2004 capital improvement requests of the Regent institutions and the Board Office preliminary recommendations of \$65,737,000.
 2. Consider a preliminary FY 2004 tuition replacement appropriations request of \$23,793,797.
-

Executive Summary:

In September 2001, the Board approved a FY 2003 capital budget request of \$71.65 million; the institutions had requested funding of \$96.6 million. The 2002 General Assembly appropriated and the Governor approved funding of \$51.1 million for new projects.

The funded projects included the Board's first through fourth FY 2003 priorities plus funding to complete laboratories in the Carver Co-Laboratory project at Iowa State University and projects at the special schools. The funds were appropriated for FY 2003 – FY 2005.

The institutions and Lakeside Laboratory have requested capital funding of \$118.4 million for FY 2004. The institutional requests are summarized on Table 1 (page 10) of this docket memorandum.

The Board Office preliminary recommendation for the FY 2004 capital request totals \$65.7 million.

The recommendation focuses on the need to provide stewardship of resources, including facilities, consistent with the Board's Strategic Plan.

The Board has requested capital funding for correction of fire safety and deferred maintenance for a number of years, but it has not been the top priority since the FY 1999 request; funding has not been specifically received for these items since FY 1996.

Due to the FY 2002 state operating appropriations budget reductions and the institutional reductions in funding for the budget line - building repair, the institutions have indicated that the amount of deferred maintenance will likely increase.

Therefore, the Board Office recommends that funding for the correction of fire and environmental safety deficiencies and deferred maintenance be the number one priority of the FY 2004 capital budget request.

The Board Office preliminary recommendation in priority order, is as follows:

Preliminary
Recommendation

**Board Office Preliminary Recommendation
FY 2004 Capital Budget Request**

<u>Inst</u>	<u>Project</u>	<u>Dollars (000's)</u>
All	Fire, Environmental Safety and Deferred Maintenance	\$14,937
ISU	Coover Hall, Information Science	15,600
UNI	Electrical Distribution Loop System	7,000
SUI	Chemistry Building Renovation, Phase Ia	19,900
ISU	Veterinary Teaching / Diagnostic Lab - planning	2,600
UNI	Science Building Renovation, Phase Ia	<u>5,700</u>
Total		\$65,737

Tuition
Replacement

Tuition replacement appropriations represent an ongoing commitment of the state to meet the debt service cost of Academic Building Revenue Bonds. The Board is asked to consider the preliminary tuition replacement appropriations request of \$23,793,797 for FY 2004.

Strategic Plan:

Key Result Area 4.0 of the Board's Strategic Plan: Provide for the effective stewardship of the institutions' state, federal and private resources.

- Objective 4.3.0.0: Maintain and acquire physical facilities and equipment to meet stewardship responsibilities and changing institutional needs resulting from annual goal-setting and monitoring.
- Action Step 4.3.3.1: Review and recommend a list of capital needs for each institution in priority order, including funding.

Background:

Funding of Regent Capital Projects

Funding from the State of Iowa for improvements to academic facilities at the Regent universities changed in 1995.

Academic Building Revenue Bonds

Prior to that time, the General Assembly authorized and the Governor approved the issuance of Academic Building Revenue bonds for projects. Tuition and fee revenues are used for debt service payments on these bonds. The tuition replacement appropriation from the State replaces that revenue.

Rebuild Iowa Infrastructure Fund

The Rebuild Iowa Infrastructure Fund was established in 1995. The fund consists of appropriations made to the fund and transfers of interest, earnings, and moneys from other funds as provided by law. The largest source of revenue to this fund is the wagering tax.

Tobacco Bond Securitization

In 2001, the State securitized its future tobacco settlement payments due from the Master Settlement Agreement reached by 46 states with four major tobacco industry manufacturers.

Qualified capital expenditures (debt service payments and capital projects) to be paid from tax exempt bond proceeds of the restricted capital funds account of the tobacco settlement trust fund are estimated to total more than \$500 million.

Appropriations Since 1995

Since 1995, the Iowa General Assembly has appropriated more than \$280 million from the Rebuild Infrastructure Fund and the restricted capital funds account of the tobacco settlement trust fund. A summary of appropriations by year is included in Appendix A (page 12).

2002 Session Appropriations

The following table summarizes the newly funded projects and the appropriations of the 2002 General Assembly; the appropriations were from the restricted tobacco capital funds.

<u>Project</u>	<u>Total Appropriation (FY 2003 – FY 2005)</u>
SUI - Classroom / Journalism Building	\$13,375,000
ISU - Classroom / Auditorium Renovation	14,238,500
Completion of Labs in Carver Co-Lab Bld.	4,148,000
UNI – Innovative Teaching Center	18,100,000
ISD – Utility System Replacement & Tuckpointing	435,000
IBSSS – HVAC Upgrade	450,000
Lakeside Laboratory	<u>390,000</u>
Total	\$51,136,500

Funding of Tuition Replacement Appropriations

Until FY 2002 tuition replacement appropriations were made from the State's General Fund.

A portion of the FY 2002 tuition replacement requirement was appropriated from the tax-exempt bond proceeds of the restricted capital funds account of the tobacco settlement trust fund based upon a schedule set up by the Tobacco Settlement Authority.

The FY 2003 appropriation included funds from the tobacco tax-exempt bond proceeds and from funds that were to have been deposited into the endowment for Iowa's health account of the tobacco settlement trust fund.

Building Repair Budgets

Impact of
Appropriations
Reductions

Last month, in the discussion of FY 2003 budget issues, it was noted that with the appropriations reductions of the most recent fiscal years, the Regent institutions have significantly reduced building repair budgets. This reduction is likely to increase deferred maintenance and hinder the institutions' ability to correct fire and environmental safety deficiencies. The inability to make needed repairs/replacement of roofs, exterior building envelopes, windows, plumbing and electrical systems can cause further damage to the facilities, thus increasing the cost of future repairs.

The following table illustrates the significant reductions in building repair expenditures that occurred during the FY 2002 budget reductions.

**General Fund Building Repair Expenditures
(FY 2001 Expenditures Compared to Last Revised FY 2002 Budget)**

<u>General Education</u>	<u>FY 2001</u>	<u>FY 2002*</u>	<u>\$ Decrease</u>	<u>% Decrease</u>
SUI	\$6,527,988	\$4,735,312	(\$1,792,676)	(27.5)%
ISU	9,420,081	3,357,647	(6,062,434)	(64.4)%
UNI	2,236,707	350,000	(1,886,707)	(84.4)%
ISD	741,221	250,000	(491,221)	(66.3)%
IBSSS	<u>417,608</u>	<u>110,257</u>	<u>(307,351)</u>	(73.6)%
Total	\$19,343,605	\$8,803,216	(\$10,540,389)	(54.5)%

* Budgeted expenditures included in the revised FY 2002 budgets as approved by the Board in May.

FY 2003 Building
Repair Budgets

While the FY 2003 operating budgets of the University of Iowa and Iowa State University include a partial restoration of building repair funds, their FY 2003 budgets are not yet equal to FY 2001 expenditures or the original FY 2002 budget, as approved by the Board in July 2001.

The budgets of the University of Northern Iowa, Iowa School for the Deaf and Iowa Braille and Sight Saving School will remain significantly below their FY 2001 expenditures.

In the meantime, the amount of square footage to be supported by these funds and construction costs have increased.

The following table provides a comparison:

**General Fund Building Repair Budgets
(FY 2001 Expenditures, Original FY 2002 Budget, FY 2003 Budget)**

<u>General Education</u>	<u>FY 2001</u>	<u>FY 2002*</u>	<u>FY 2003**</u>	<u>\$ Change FY 03 - 01</u>
SUI	\$6,527,988	\$6,545,135	\$6,376,996	(\$ 150,992)
ISU	9,420,081	7,144,432	6,644,432	(2,775,649)
UNI	2,236,707	2,000,000	350,000	(1,886,707)
ISD	741,221	250,000	114,224	(626,997)
IBSSS	<u>417,608</u>	<u>110,257</u>	<u>110,257</u>	<u>(307,351)</u>
Total	\$19,343,605	\$16,049,824	\$13,595,909	(\$5,747,696)

*Original FY 2002 budgets as approved by the Board in July 2001.

** As presented in final operating budgets for FY 2003 (see July 2002, G.D. 6).

Deferred Maintenance

As noted above, the deferral of building repair and maintenance projects adds to the backlog of deferred maintenance. In November 2001, as part of the governance report on deferred maintenance, the institutions reported a total of \$146.4 million in deferred maintenance including:

- \$88.1 million in individual projects in general fund buildings and utilities; and
- \$58.3 million in components of major renovations included on the Five-Year Plan approved by the Board in September 2001.

Analysis:

FY 2004 Capital Improvement Recommendations

In making recommendations, the Board Office has considered the importance that the Board places on its strategic plan and stewardship of resources, including facilities, and the impact that the reductions of operating budget building repair funds can have on current and future operations of the institutions and its programs.

Top Priority

Consequently, the top priority is the sum of \$14,937,000 for fire and environmental safety and deferred maintenance projects at the universities, special schools and Lakeside Laboratory.

Projects In addition to funding to correct fire and environmental safety deficiencies and deferred maintenance, specific projects are recommended for funding.

Project Evaluation Criteria Criteria used in the review and priority ranking of recommended projects, which are similar to those used in past years, are:

- Priority order of projects in the Five-Year Plan approved by the Board for the prior five-year period with funded projects deleted from the list;
- Priority ranking of projects as submitted by the institutions;
- Prior appropriations for planning and / or construction;
- Consistency of the project with the campus master plan;
- Measure of equity among institutions since they all have demonstrated capital needs greater than the available level of funding; and
- Impact of projects on the state's economic development.

Project Priorities As illustrated in Table 1 (page 10), the Board Office preliminary recommendations for specific projects are generally consistent with the priority order of the Board's requests from the prior year, and with institutional project priority rankings.

The renovation projects recommended for funding include correction of deferred maintenance as components of these projects.

FY 2004 Recommendations Specific information on the FY 2004 recommendations is summarized below. Detailed descriptions are included in Appendix B (beginning on page 13).

Priority #1; \$14,937,000 **Regents – Fire and Environmental Safety and Deferred Maintenance**

This recommendation includes funding for correction of the following:

<u>Inst</u>	<u>Type</u>	<u>Amount</u>
SUI	Fire and Environmental Safety	\$ 1,000,000
SUI	Deferred Maintenance	4,000,000
ISU	Fire and Environmental Safety	1,000,000
ISU	Deferred Maintenance	4,000,000
UNI	Deferred Maintenance	4,000,000
ISD	Deferred Maintenance	435,000
IBSSS	Deferred Maintenance	200,000
Lakeside Lab	Deferred Maintenance – Lab Renovations	<u>302,000</u>
	Total	\$14,937,000

These funds would be used for items previously included on the institutional deferred maintenance and fire and environmental safety lists and not for renovations and would be subject to all necessary Board approvals.

Priority #2;
\$15,600,000

ISU – Coover Hall, Information Science

This project would renovate Coover Hall and construct an addition to upgrade space to provide modern instructional and research facilities for the Department of Electrical and Computer Engineering.

The state funds requested would be matched by \$10 million in gifts.

Priority #3;
\$7,000,000

UNI – Electrical Distribution Loop System / Load Break Switches

This project would replace portions of the aging campus electrical distribution system to increase its safety and reliability.

Priority #4;
\$19,900,000

SUI – Chemistry Building Renovation

This is the first year of a proposed multi-phase funding program to upgrade the Chemistry Building; a feasibility study was recently completed to determine the needs for the building.

The first phase of the project will include the renovation of the northeast and central portions of the building, space recently vacated by the Botany Program, which has relocated to the Biological Sciences Complex.

Additional funding for the renovation is included in FY 2005 and FY 2006 of the Five-Year Capital Improvement Plan (see G.D. 11).

Priority #5;
\$2,600,000

ISU – Veterinary Teaching Hospital / Diagnostic Laboratory (planning)

Current facilities for the College of Veterinary Medicine were constructed in the 1970s, are outdated, jeopardize accreditation, are inadequate for academic training, and are not biosecure.

Planning funds are recommended for this project, which would remodel 95,000 gross square feet of space currently occupied by the Veterinary Teaching Hospital and the Veterinary Diagnostic Laboratory and construct 70,500 gross square feet of new space for the Veterinary Teaching Hospital.

Additional funding for the project is included in FY 2006 and FY 2007 of the Five-Year Capital Improvement Plan (see G.D. 11).

Priority #6;
\$5,700,000

UNI – Science Buildings Renovation, Phase 1a

This recommendation provides funding to begin the Phase 1 renovation of the Science Buildings. Phase 1, in total, would provide for the

complete renovation of the Physics Building and central campus greenhouse, planning for renovations and a fourth floor to McCollum Science Hall, and construction of the shell for the fourth floor addition to McCollum Science Hall.

Additional funding of \$5.2 million for the Phase 1 renovation is included in FY 2005 of the Five-Year Capital Plan (see G.D. 11).

Recurring
Operating Costs

The Board has expressed interest in knowing the on-going operating costs associated with capital projects. Table 2 (page 11) provides a summary of the estimated costs associated with the projects included in the Board Office preliminary recommendations.

These on-going costs are estimated at slightly more than \$500,000 annually and include operations and maintenance, and utility costs, as well as funding for future repairs and replacement of new space based upon one percent of the construction cost of this space. The estimated costs will be further refined during the planning process.

- The inclusion of funds for repair and replacement is consistent with Iowa Code §7E.5A, which directs that all departments of the executive branch in control of vertical infrastructure should identify funding needed to meet the projected maintenance, repair, and replacement needs of new vertical infrastructure projects.

Projects Deferred

Projects requested but not recommended for funding in FY 2004 include:

- Two utility projects at the University of Iowa, which were the lowest ranked institutional priorities; it is recommended that these projects be funded through the University of Iowa's Utility Enterprise System.
- Planning for the Snedecor Hall Addition and Remodeling at Iowa State University; planning and construction funds are recommended in FY 2005 of the Five-Year Capital Plan.

Tuition Replacement Appropriations

Debt Service

Tuition replacement appropriations represent an ongoing commitment of the state to meet the debt service cost of Academic Building Revenue Bonds.

Tuition and fee revenues are used for debt service payments on Academic Building Revenue Bonds. The tuition replacement appropriation replaces that university revenue.

The tuition replacement needs are comprised of debt service payments (principal and interest), less the net interest earned on the bonds' reserves and investment earnings on bond proceeds during construction.

The Board's financial advisor, Springsted, Inc., projects tuition replacement needs for each university based on known debt service obligations and the universities' estimates of investment earnings.

The tuition replacement appropriation request may require modification due to changing interest rates as reserve funds are reinvested or refundings are accomplished.

Preliminary
FY 2004 Request

The preliminary FY 2004 tuition replacement appropriation request is \$23,793,797.

No new Academic Building Revenue Bonds have been issued since 1995.

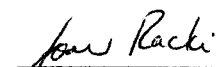
2002 General
Assembly Action

- However, the Second Extraordinary Session of the 2002 General Assembly transferred \$7 million of the 1997 appropriation from the Rebuild Iowa Infrastructure Fund for the Engineering Teaching and Research, Phase II project at Iowa State University to the FY 2002 General Fund.
- The legislation also authorizes the Board to issue Academic Building Revenue Bonds to complete the project and appropriates \$7 million from the Rebuild Iowa Infrastructure Fund for FY 2004 to repay the bonding.
- The Board will be issuing Academic Building Revenue Project Notes (see G.D. 8) at its July meeting to provide interim financing for the project; should Rebuild Iowa Infrastructure Funds not become available, Academic Building Revenue Bonds will be issued.

The General Assembly also passed legislation restricting the refunding of outstanding debt service that is scheduled to be paid from tobacco bond proceeds.

The amount needed for the tuition replacement appropriation is expected to continue to decline if no new Academic Building Revenue Bonds are issued.

The FY 2003 appropriations bill requires the Board of Regents, Department of Management and Legislative Fiscal Bureau to determine and agree upon, by November 15, 2002, the amount that needs to be appropriated for tuition replacement for FY 2004. Board Office staff will be working with the Department of Management and Legislative Fiscal Bureau to refine the FY 2004 estimate during fall 2002.


Joan Racki


Approved: 
Gregory S. Nichols

TABLE 1
A COMPARISON OF BOARD OF REGENTS, STATE OF IOWA PRIORITY ACTIONS
WITH INSTITUTIONAL FY 2004 PRELIMINARY REQUESTS (Submitted July 2002)
AND BOARD OFFICE FY 2004 PRELIMINARY RECOMMENDATIONS (July 2002)
(All \$ Thousands)

Inst.	Project	FY 2003 Request (approved 9/01)		FY 2004 Component of FY 2003 - FY 2007 Priority Plan (approved 9/01)		FY 2004 Institutional Requests and Board Office Preliminary Recommendations								
		Pri- ority	Amount	Pri- ority	Amount	SUI	ISU	UNI	Lakeside Lab ISD_IBSSS	Board Office Preliminary Recommendation				
Regents	Lakeside Laboratory Improvements	(1)	\$ 390	(5)	\$ 119									
ISU	Undergraduate Classrooms and Auditoriums	(2)	14,300											
UNI	Innovative Teaching Center	(3)	18,100											
SUI	Classroom Building / Journalism	(4)	13,375											
ISU	Coover Hall, Information Science	(5)	1,000	(2)	13,700									
UNI	Electrical Distribution Loop System / Load Break Switches	(6)	700	(3)	6,100									
SUI	Chemistry Building - Renovation	(7)	9,800	(4)	7,943									
ISU	Livestock Units, Swine & Cattle Research	(8)	5,100											
SUI	Art Building, Phase II (Renovation)			(1)	10,492									
ISU	Veterinary Teaching / Diagnostic Lab - planning			(6)	1,500									
UNI	Price Laboratory School Renovation / Addition			(7)	10,000									
ISU	Morrill Hall Deferred Maint. & Remodeling			(8)	4,300									
SUI	Steam Distribution Infrastructure													
ISU	Snedecor Hall Addition and Remodeling - planning													
UNI	Science Buildings Renovation, Phase I													
SUI	West Campus Chilled Water Plant Expansion													
	Subtotal		\$ 62,765		\$ 54,154									
	Fire and Environmental Safety		2,000		2,000									
	Deferred Maintenance		6,885		6,270									
	Total		\$ 71,650		\$ 62,424									
						Total FY 2004 Request =						\$ 118,437		
						Institutional Requests				Lakeside Lab ISD_IBSSS		Board Office Preliminary Recommendation		
						Pri- ority	Amount	Pri- ority	Amount	Pri- ority	Amount	Pri- ority	Amount	
						(4)	1,000	(3)	1,000	(2)	10,900	(6)	5,700	
						(5)	32,500	(3)	20,600	(2)	17,900	(6)	50,800	
						(1)	1,000	(1)	2,000	(1)	3,000	(1)	2,000	
						(2)	4,000	(3)	11,000	(3)	3,000	(1)	12,937	
						\$ 62,600	\$ 33,600	\$ 20,900	\$ 1,337	\$ 20,900	\$ 1,337	\$ 65,737		

Table 2

Projected Operations, Maintenance, Repair and Replacement Costs
Board Office Preliminary Recommendations
FY 2004 Capital Budget Requests

Inst	Project Title	Project Amount Recommended	Recurring Costs				Estimated Total (on-going)
			Opening Cost (non-recurring)	Operations & Maintenance	Utilities	Repairs / Replacement*	
All	Fire, Environmental Safety and Deferred Maintenance	\$ 14,937,000		\$ 153,100	\$ 193,300	\$ 117,000	\$ 498,400
ISU	Coover Hall, Information Science	15,600,000 *		-	-	-	-
UNI	Electrical Distribution Loop System / Load-Break Switches	7,000,000		-	-	-	-
SUI	Chemistry Building Renovation, Phase I	19,900,000		-	-	-	-
ISU	Veterinary Teaching / Diagnostic Lab - planning	2,600,000		-	-	-	-
UNI	Science Building Renovation, Phase Ia	5,700,000	\$ 9,300	6,800	-	-	6,800
	Total	\$ 65,737,000	\$ 9,300	\$ 159,900	\$ 193,300	\$ 117,000	\$ 505,200

costs to be included when construction funds recommended

* Also includes \$10 million in gifts.

** Based upon one percent of the construction cost for new space.

Appendix A
REGENT CAPITAL APPROPRIATIONS
1995 - 2002

<u>Year of Action</u>	<u>Dollar Amount</u>	<u>Fiscal Year of Appropriations</u>
1995	\$ 7.400 million	FY 1996
1996	66.100 million	FY 1997 - FY 1999
1997	70.400 million	FY 1998 - FY 2001
1998	0.335 million	FY 1999
1999	4.500 million	FY 2000
2000	43.200 million	FY 2001 - FY 2004
2001	40.500 million	FY 2002 - FY 2004
2002	<u>51.100</u> million	FY 2003 - FY 2005
Total:	\$ 283.535 million	

Appendix B
Project Descriptions

Brief descriptions of projects recommended for funding in FY 2004 are as follows:

**Regent Institutions
Fire and Environmental Safety and Deferred Maintenance
FY 2004 Priority #1
\$14,937,000**

This recommendation includes funding for correction of the following:

<u>Inst</u>	<u>Type</u>	<u>Amount</u>
SUI	Fire and Environmental Safety	\$1,000,000
SUI	Deferred Maintenance	4,000,000
ISU	Fire and Environmental Safety	1,000,000
ISU	Deferred Maintenance	4,000,000
UNI	Deferred Maintenance	4,000,000
ISD	Deferred Maintenance	435,000
IBSSS	Deferred Maintenance	200,000
Lakeside Lab	Deferred Maintenance – Lab Renovations	<u>302,000</u>
	Total	\$14,937,000

Fire and Environmental Safety

A number of fire and environmental safety deficiencies exist in Regent facilities. The State Fire Marshal and the institutions have documented these deficiencies. Each Regent institution cooperates with the State Fire Marshal in establishing fire safety priorities and each institution has a systematic method for determining the priority of fire safety improvements to be undertaken. The institutions provide a report to the Board each November on fire and environmental safety deficiencies.

While significant institutional funds have been committed for fire and environmental safety over the last few years, state capital funding is also needed. The sum of \$1,000,000 is recommended for both the University of Iowa and Iowa State University. These funds would be used for improved building safety including new fire alarms, improved lighting and exiting requirements, and installation of sprinkler systems.

Deferred Maintenance

Deferred maintenance projects are repair items which should have been completed but have not been due to insufficient levels of funding for normal and preventive maintenance. Continued insufficient funding in institutional operating budgets will

increase the backlog of deferred maintenance projects. The institutions submit their lists of deferred maintenance items to the Board each November as part of the governance report on deferred maintenance.

Projects to be funded at the universities include roof and window replacements; modernization of elevators and heating, ventilating and air conditioning systems; and preservation of building envelopes, including tuckpointing.

The FY 2004 recommendations include the following projects at the Iowa School for the Deaf, the Iowa Braille and Sight Saving School, and the Iowa Lakeside Laboratory:

	<u>Amount</u>
Iowa School for the Deaf	
Utility System Replacement	\$250,000
Tuckpointing / Deferred Maintenance	<u>185,000</u>
Total	\$435,000
Iowa Braille and Sight Saving School	
General Deferred Maintenance	<u>\$200,000</u>
Total	\$200,000
Iowa Lakeside Laboratory	
Lab Renovations / Deferred Maintenance	<u>\$302,000</u>
Total	\$302,000

ISD – Utility System Replacement

This phase of a multi-year project to upgrade the utility system would provide for the replacement of the steam distribution mains and returns for Giangreco Hall. New modulation controls and convection units would be installed at the same time. The domestic hot and cold water piping would be replaced and new bathroom fixtures installed in the boys' residence area of the facility.

ISD – Tuckpointing / Deferred Maintenance

This project would provide for interior and exterior repairs for academic and dormitory buildings. Included would be window and door replacements, masonry repairs, roof replacements and upgrade of interior finishes.

IBSSS – General Deferred Maintenance

Funding is recommended for deferred maintenance, restoration, remodeling and refurbishing projects. Examples of items to be funded include exterior repairs such as roof repair/replacement, masonry repair, porch repair and restoration, tunnel repair,

painting, window and door glass reglazing, and trim restoration. Interior work could include floor coverings, window treatments, and improved lighting.

Lakeside Laboratory –Lab Renovations / Deferred Maintenance

Funding is recommended for improvements to Calvin and Bodine Labs, two of four main teaching laboratories / classrooms constructed in 1935 – 1936 by the Civilian Conservation Corps. The buildings have not been renovated or modernized since they were constructed almost 70 years ago; they are antiquated and substandard teaching facilities and suffer from extensive deferred maintenance. The report of an external review of the Laboratory conducted in February 2001 recognized the urgent need to upgrade the facilities.

Work would include provision for heating and cooling; insulation of the roofs; repair / replacement of windows; upgrade of electrical, plumbing and lighting systems; installation of safety showers and eye washes, modern laboratory benches and storage cabinets, and a fume hood; and construction of an accessible restroom.

ISU – Coover Hall, Information Science FY 2004 Priority #2; \$15,600,000

The Department of Electrical and Computer Engineering is leading efforts to move from instructor-based to student-based learning, from individualistic to team-based education, and from test-preparation education to life-long learning. Another objective is to provide multi-disciplinary research opportunities and build research partnerships with industrial, government and academic resources.

Coover Hall was built in 1948, with an addition in 1959 and is the main location for the Department of Electrical and Computer Engineering. The Department also occupies small quantities of space in Durham Hall (9,309 NASF) and Town Engineering (3,135 NASF).

A facilities feasibility study and a fundraising feasibility study have been completed. Of the three options considered, the University has recommended the option that provides for the selected demolition of portions of Coover Hall (Cyclone Lab built in 1959 and high-bay addition built in 1948), construction of a new addition (approximately 55,700 gross square feet) and partial renovation of the remaining space (53,000 gross square feet) in the building. Renovation work will include, among other items, roof and window replacement, masonry repair, new HVAC system, installation of an automatic fire suppression system, and restroom modifications.

The requested state funding would be matched by \$10 million in gifts.

**UNI – Electrical Distribution Loop System / Load Break Switches
FY 2004 Priority #3; \$7,000,000**

In 1991, the University began upgrading the electrical distribution system from 4,160 volts to 12,470 volts; the work was undertaken to replace the aging components and to increase the efficiency of the system. The existing 4,160 volt system ranges in age from 26 to 40 years.

This project, which would continue the replacement of the 4,160 volt system with a new 12,470 volt system, is needed to reduce outage time, accommodate increasing electrical loads, and eliminate potential hazards to University personnel. The work would be prioritized and completed based on need as determined from an updated campus Electrical Distribution System Master Plan. Work that could not be accomplished in this phase would be addressed in future phases of the project.

**SUI – Chemistry Building Renovation, Phase 1
FY 2004 Priority #4; \$19,900,000**

This project would begin the renovation of the northeast and central portions of the Chemistry building, including space vacated by the relocation of the Botany Program, a two-story lecture room and temporary relocation of the Chemistry Library to space outside the building. The renovation of these spaces will provide 19,000 net square feet of chemistry teaching laboratories, 23,000 net square feet of chemistry research laboratories, offices and support facilities, and departmental offices.

Phase I will also include building wide upgrades to correct code deficiencies, new windows for the entire building, renovation of the Chemical Stores area and a new ADA (Americans with Disabilities Act) accessible elevator. Mechanical, electrical, plumbing and communications infrastructure upgrades for this phase and Phase II, as well as the demolition of the existing roof-top greenhouse and the annex building in the north courtyard are also included.

There is a heavy demand for chemistry courses and the general classrooms in the Chemistry Building are used extensively. Almost all of the science majors available to undergraduates in the College of Liberal Arts require Chemistry courses. Undergraduates in Engineering, Nursing, and in the Clinical Medical Sciences program take Chemistry courses, as do Pharmacy students. Many other students take Chemistry courses to complete the general education program natural science component, or as part of the science requirement for teacher certification. Graduate students in many programs also take chemistry courses as part of their degree requirements.

Due to the extensive use of the building and the demand for Chemistry courses, construction work would need to be phased. Funding for the remainder of Phase I is

included in FY 2005 of the Five-Year Capital Plan (see G.D. 11) and funding for Phase II is included in FY 2006.

**ISU – Veterinary Teaching Hospital / Diagnostic Lab - planning
FY 2004 Priority #5; \$2,600,000**

The evolving mission of the College of Veterinary Medicine resulted in the recent completion of a feasibility study to determine the facility needs of the Veterinary Diagnostic Laboratory (VDL) and the Veterinary Teaching Hospital (VTH). For the VDL, the changing mission involves recognition of increasing infectious disease risks throughout the nation and the State of Iowa. For the VTH, three major changes have occurred: a shift in large animal veterinary service demand from food animals to equine, a demand for more extensive and invasive procedures for small animals, and continued demand for new technologies.

The study concluded that additional space is required for large animal surgery, large animal imaging, theriogenology and equine specialties, and most of the small animal areas.

The proposed project would remodel a portion of the current space occupied by the Veterinary Teaching Hospital and Veterinary Diagnostic Laboratory (approximately 95,000 gross square feet) and would construct new space (approximately 70,500 gross square feet) to house an expanded Veterinary Teaching Hospital.

Initial planning funds are recommended for FY 2004; additional planning funds and construction funds are recommended for funding in FY 2006 and FY 2007 of the Five-Year Capital Plan (see G.D. 11).

The estimated project budget also includes \$7 million in gift funds.

**UNI – Science Buildings Renovation, Phase 1a
FY 2004 Priority #6; \$5,700,000**

This recommendation provides funding to begin the Phase 1 renovation of the Science Buildings. Phase 1, in total, would provide for the complete renovation of the Physics Building (constructed in 1906) and the central campus greenhouse (constructed in 1938 and 1961).

Phase 1 also includes planning for renovations and a fourth floor to McCollum Science Hall (planned to accommodate this additional floor when the building was constructed in 1968), and construction of the shell for the addition. The conceptual design for the fourth floor was presented to the Board during the schematic design presentation for the McCollum Science Hall addition currently under construction.