

Contact: Joan Racki

**FIVE-YEAR CAPITAL PLANS,
INCLUDING FY 2008 CAPITAL REQUEST**

Actions Requested: Consider recommending to the Board:

1. Approval of the Five-Year State-Funded Capital Plan for FY 2008 – FY 2012 of \$491.5 million, including a capital request of \$132 million for FY 2008, to be funded by capital appropriations or Academic Building Revenue Bonds (Table 1, page 5).
2. Receipt of the Five-Year Capital Plan (FY 2008 – FY 2012) of \$88.1 million for the University of Iowa Hospitals and Clinics to be funded by Hospital Building Usage Funds and Hospital Revenue Bonds (Table 2, pages 6-7).
3. Receipt of the report on FY 2008 – FY 2012 capital plans of \$331.4 million for the universities and special schools to be funded by sources other than capital appropriations, Academic Building Revenue Bonds, or UIHC Funds (Table 3, pages 8-10).

Executive Summary: The Board is required by Iowa Code to submit its capital funding request for upcoming fiscal year by October 1st. As a result of legislation enacted during the 2005 session, the Board is no longer required to submit a Five-Year Plan for state funded facilities. However, consistent with the Board's focus on planning, a Five-Year Plan for state funding is submitted for consideration. It is understood that the Plan may be modified each year as the Board reviews capital requests.

Five-year plans for the University of Iowa Hospitals and Clinics and capital plans of the universities and special schools to be funded from "other" sources of funds (excluding requested capital appropriations and gifts to match these appropriations, and projects at the University of Iowa Hospitals and Clinics) are also included as required by the Board's Policy Manual.

The plans do not include projects enumerated in the FY 2007 Capital Plans presented to the Property & Facilities Committee in June 2006, nor do they include previously approved projects for which expenditures will be made during this five-year period.

Board action on the Five-Year Capital Plans does not constitute Board approval of specific projects, approval of the sources of funds, nor authorization for fundraising for the projects, but is an estimate of future capital needs. All projects listed on the Plans would be brought forward for specific project approval, including the source of funding, as required by Board procedures. Major projects will need to meet the evaluation criteria adopted by the Board in June 2003. Additional information on the projects included in the Plans is available from the Board Office.

The Five-Year Plan for state funds includes the recommended FY 2008 capital request. The proposed request, which totals \$132.4 million, includes additional funding for the three projects for which partial funding was appropriated for FY 2007. The request includes:

<u>Institution</u>	<u>Project</u>	<u>Amount (\$ thousands)</u>
ISU	Chemistry	\$53,900
UNI	Electrical Distribution System	5,800
SUI	College of Public Health	18,700

The recommended FY 2008 request also includes \$25 million to correct fire and environmental safety deficiencies and deferred maintenance, and provide campus safety improvements. This amount includes \$500,000 each for the special schools; the remainder of the \$25 million requested funding would be allocated among the three universities at a later date.

Other projects included in the recommended FY 2008 capital request are:

<u>Institution</u>	<u>Project</u>	<u>Amount (\$ thousands)</u>
UNI	Sabin Hall Renovation	\$11,800
SUI	Old Music Building Renovation	4,200
SUI	Pentacrest Renewal & HVAC Modernization	13,000

Five-Year State-Funded Capital Plan: The proposed Five-Year State-Funded Capital Plan (see Table 1, page 5) to be funded by capital appropriations or Academic Building Revenue bonds totals \$553.9 million, including \$491.5 million in state funds, and \$62.4 million in private or other funds. This Plan includes the FY 2008 capital appropriations request of \$132.4 million identified above. The Five-Year Plan incorporates the moratorium, approved by the Board at its June 2006 meeting, on requests for state capital funding for new buildings excluding those projects already receiving some state dollars, new infrastructure resulting from economic development initiatives, or where significant private funds have already been raised.

The Five-Year Capital Plan includes \$150 million to correct fire and environmental safety deficiencies and deferred maintenance, and provide campus security improvements. Appropriations totaling this amount would have a major impact on correcting the more than \$400 million in deficiencies reported to the Board in February 2006 as part of the Facilities Governance Report.

The proposal for state funds for the FY 2008 – FY 2012 Plan is summarized below:

<u>Institution</u>	<u>Totals (\$ thousands)</u>
All Regent Institutions	\$150,000
SUI	134,600
ISU	135,000
UNI	<u>71,900</u>
Total	\$491,500

University of Iowa Hospitals and Clinics Five-Year Plan:

The University of Iowa Hospitals and Clinics Five-Year Plan (FY 2008 - FY 2012) of capital projects, in the amount of \$88.1 million (see Table 2, pages 6-7), would be financed primarily by patient-generated funding although UIHC has included one project which would be partially funded by Hospital Revenue Bonds.

While the UIHC Plan includes no new construction, UIHC reports that the Strategic Facilities Planning process currently underway for FY 2006 – FY 2025 will very likely identify some new construction needs during the FY 2008 – FY 2012 period.

The projects for which approvals would be requested during the FY 2008 – FY 2012 period can be summarized by type, as follows:

	<u>(\$ Thousands)</u>
Fire & Environmental Safety Resolution	\$ 3,110
Remodeling/Renovation	<u>84,949</u>
Total	\$88,059

The remodeling / renovation projects include exterior building wall and window upgrades; floor covering replacement and wall refurbishment work; heating, ventilating and air-conditioning projects; and elevator replacements in addition to projects which will remodel space.

Other Funds: Capital plans of the universities and special schools to be funded from “other” sources of funds (excludes requested capital appropriations and gifts to match these appropriations, and projects at the University of Iowa Hospitals and Clinics).

The institutional five-year plans (FY 2008 – FY 2012) to be financed from sources other than state-funded requests or UIHC revenues total \$331.4 million. (see Table 3, pages 8-10) Included are projects for the residence, parking, utility and telecommunications systems, as well as improvements to be undertaken with general operating funds.

Other fund sources include: operating budget building repair funds, income from treasurer’s temporary investments, auxiliary service or enterprise bond funds (utility, telecommunications and residential systems), Iowa Department of Transportation institutional roads program, gifts and grants, and departmental renewal and replacement funds.

Amounts of other funds by institution and fiscal year are summarized below:

	<u>FY 2008</u>	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>Total</u>
SUI	\$24,439	\$33,559	\$49,503	\$80,316	\$52,403	\$240,220
ISU	23,131	10,682	12,253	10,421	15,839	72,326
UNI	2,875	3,150	3,310	4,010	4,750	18,095
ISD	100	100	100	100	100	500
IBSSS	<u>40</u>	<u>40</u>	<u>62</u>	<u>35</u>	<u>40</u>	<u>217</u>
Total	\$50,585	\$47,531	\$65,228	\$94,882	\$73,132	\$331,358

* NOTE: Excludes projects on the institutional FY 2007 Capital Plans presented to the Board in June 2006.

Additional Information:

Regent Facilities: Quality facilities are an integral part of the academic enterprise; they help ensure quality academic programs and the ability to attract and retain faculty and students. They are needed to compete for faculty, staff, and students, and improve the research productivity of the faculty.

Academic/research/administrative (general fund) facilities at the Regent institutions total approximately 16 million gross square feet of the total 33 million gross square feet of Regent enterprise facilities.

Recent Capital Appropriations / Bonding Authorization: Between 1995 and 2004, state financing for Regent capital projects was provided by state appropriations from the Rebuild Iowa Infrastructure Fund and Tobacco Bond Proceeds. During the 2004 legislative session, the Board received authorization for the sale of Academic Building Revenue Bonds to provide up to \$120 million in costs for specified projects. During the 2006 legislative session, the sum of \$10 million was appropriated for high priority projects at the three universities and the sum of \$36 million was appropriated to replace the facilities housing the University Hygienic Laboratory. Capital appropriations and Academic Building Revenue Bond authorization total more than \$450 million from FY 1996 – FY 2007 for the Regent enterprise.

Prior to 1995, the General Assembly authorized and the Governor specifically approved, for a number of years, the issuance of Academic Building Revenue Bonds for Regent university projects. Tuition and fee revenues are used for debt service payments on these bonds. The tuition replacement appropriation from the State replaces that revenue. This funding mechanism used by the Regent universities is unique among state entities and is authorized under Iowa Code §262A.

**TABLE 1
BOARD OF REGENTS, STATE OF IOWA
BOARD OFFICE RECOMMENDATION
FIVE-YEAR STATE-FUNDED CAPITAL PLAN
FISCAL YEARS 2008 THROUGH 2012
(\$ Thousands)**

Inst.	Project	FY 2008		FY 2009		FY 2010		FY 2011		FY 2012		TOTAL STATE REQUEST	PRIVATE/ OTHER FUNDS	TOTAL
		Priority	Amount	Priority	Amount	Priority	Amount	Priority	Amount	Priority	Amount			
All	Fire and Environmental Safety, Deferred Maintenance, Campus Security Improvements	(1)	\$ 25,000	(1)	\$ 50,000	(1)	\$ 25,000	(1)	\$ 25,000	(1)	\$ 25,000	\$ 150,000	\$ -	\$ 150,000
ISU	Chemistry Facilities (FY 2007 appropriation of \$5 million)	(2)	53,900									53,900	15,600	69,500
UNI	Electrical Distribution Loop System / Load Break, Phase 2 (FY 2007 appropriation of \$3 million)	(3)	5,800									5,800		5,800
SUI	College of Public Health Academic Building (FY 2007 appropriation of \$2 million)	(4)	18,700									18,700	24,000	42,700
UNI	Sabin Hall Renovation	(5)	11,800									11,800		11,800
SUI	Old Music Building Renovation	(6)	4,200									4,200		4,200
SUI	Pentacrest Renewal and HVAC Modernization	(7)	13,000			(2)	13,000					26,000		26,000
ISU	Agricultural & Biosystems Engineering					(3)	25,700	(2)	15,000	(2)	10,600	51,300	12,000	63,300
UNI	Baker Hall Renovation					(4)	12,500					12,500		12,500
SUI	Library System Renovations					(5)	12,500	(3)	12,500			25,000		25,000
ISU	Veterinary Medicine Remodeling					(6)	10,000	(4)	9,000			19,000		19,000
UNI	Commons Renovation							(5)	4,100			4,100		4,100
UNI	Science Buildings Renovation, Phase 2							(6)	14,400	(3)	10,100	24,500		24,500
SUI	Seashore Hall Area - Wing Replacement and Renovation							(7)	18,200	(4)	25,500	43,700		43,700
ISU	Electrical and Computer Engineering Building, Phase 2									(5)	10,800	10,800	10,800	21,600
UNI	Industrial Technology Center Renovation/Addition									(6)	13,200	13,200		13,200
SUI	Dental Science Building Renewal/Expansion									(7)	17,000	17,000		17,000
TOTAL			\$ 132,400		\$ 50,000		\$ 98,700		\$ 98,200		\$ 112,200	\$ 491,500	\$ 62,400	\$ 553,900

TABLE 2
UNIVERSITY OF IOWA HOSPITALS AND CLINICS
FY 2008 - FY 2012
FIVE-YEAR CAPITAL PROGRAM SUMMARY

The projects listed in the Five-Year Capital Plan include only those that are anticipated to be initiated during fiscal years 2008-2012. The plan does not include projects enumerated in the UIHC's FY 2007 Capital Plan or those with previously approved budgets for which expenditures will be made during the five year period.

(All of These Projects are Contingent Upon the Availability of Self-Generated UIHC Funding and/or UIHC Bond Revenue, Approval through UIHC's Annual Capital Budget Process, Conclusions/Recommendations Adopted in Developing UIHC's Strategic Facilities Plan for FY 2006-2025, and Approval of Each Project by the Board of Regents, State of Iowa)
(\$ in Thousands)

Project	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	Total	Source of Funds
<u>Fire and Environmental Safety Resolution</u>							
JCAHO Plan for Improvements (Multiple Projects)	\$ 400	\$ 400	\$ 400	\$ 400	\$ 400	\$ 2,000	9
Installation of Addressable Fire Alarm System - Phase C (Multiple Projects)	270	270	270	150	150	1,110	9, 11
Subtotal - Fire and Environmental Safety Resolution	\$ 670	\$ 670	\$ 670	\$ 550	\$ 550	\$ 3,110	
<u>New Construction</u>							
<u>Remodeling/Renovation/Rehabilitation</u>							
Air Handling Unit Replacements - Hospital Wide (Multiple Projects)	\$ 1,366	\$ 2,102	\$ 4,557	\$ 4,572	\$ 4,443	\$ 17,040	9
C-44 Renovation		250	160			410	9
Center for Digestive Diseases Clinic and Procedure Suite Renovation and Expansion (Multiple Projects)		300	1,700	1,015		3,015	9
Code Mandated Office and Classroom Relocations	625					625	9
Colloton Pavilion Piping and Mechanical System Renewal				500	680	1,180	9
Computer Room Chiller Installation	375					375	9
Development of an Expanded Ambulatory Renal Dialysis Suite		400	2,576	330		3,306	9
Former Microbiology Laboratory Redevelopment		300	390			690	9
General Hospital First Level East Utilities and HVAC Upgrades				69	391	460	9
General Hospital Piping and Mechanical System Renewal (Multiple Projects)		951	1,227	889		3,067	9
Holden Comprehensive Cancer Center Administrative Offices	100	250				350	9
Main Kitchen Renovation			200	3,000	1,800	5,000	9
Office Renovation and Development - Multi-Departmental (Multiple Projects)	700	800				1,500	9
Phased Carver Pavilion Inpatient Unit Renovations (Multiple Projects)			500	3,000	10,180	13,680	9
Phased Ceiling Refurbishment - UIHC Wide (Multiple Projects)	100	250	250	350	350	1,300	9
Phased Floor Covering Replacement and Wall Refurbishment - UIHC Wide (Multiple Projects)	1,000	1,500	1,500	1,500	1,500	7,000	9

TABLE 2
UNIVERSITY OF IOWA HOSPITALS AND CLINICS
FY 2008 - FY 2012
FIVE-YEAR CAPITAL PROGRAM SUMMARY

The projects listed in the Five-Year Capital Plan include only those that are anticipated to be initiated during fiscal years 2008-2012. The plan does not include projects enumerated in the UIHC's FY 2007 Capital Plan or those with previously approved budgets for which expenditures will be made during the five year period.

(All of These Projects are Contingent Upon the Availability of Self-Generated UIHC Funding and/or UIHC Bond Revenue, Approval through UIHC's Annual Capital Budget Process, Conclusions/Recommendations Adopted in Developing UIHC's Strategic Facilities Plan for FY 2006-2025, and Approval of Each Project by the Board of Regents, State of Iowa)
(\$ in Thousands)

Project	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	Total	Source of Funds
Renovation of Former Main Entrance Lobby (Multiple Projects)	200	700	675			1,575	9
Roof Replacements and Recovers - UIHC Wide (Multiple Projects)	1,800	450				2,250	9
Server Room Development	2,000	1,780				3,780	9
Staff Dining Room Renovation				500	475	975	9
"Temporary" Metal Building Removals	450					450	9
UI Heart and Vascular Care Clinic and Diagnostic Laboratories Renovation and Expansion (Multiple Projects)		500	2,500	2,025		5,025	9
UIHC Elevator Refurbishments (Multiple Projects)	210	1,393	954	415		2,972	9
UIHC Exterior Building Wall and Window Restoration and Upgrades (Multiple Projects)	1,443	1,323	1,575	1,948	1,645	7,934	9
Upgrade and Expand Internal Wayfinding - Hospital-Wide (Multiple Projects)		400	590			990	9
Subtotal Remodeling/Renovation/Rehabilitation	\$ 10,369	\$ 13,649	\$ 19,354	\$ 20,113	\$ 21,464	\$ 84,949	
Grand Total - UIHC	\$ 11,039	\$ 14,319	\$ 20,024	\$ 20,663	\$ 22,014	\$ 88,059	

Source of Funds Key:

- | | |
|---|---|
| 1 State Appropriation or Bonding Authorization | 7 Iowa DOT (Road Use Tax Funds) |
| 2 Building Renewal Funds | 8 Student Health Fees |
| 3 Income from Treasurer's Temporary Investments | 9 University Hospitals Building Usage Funds |
| 4 Gifts and Grants | 10 Center for Disabilities and Development Building Usage Funds |
| 5 Departmental Renewal and Replacement Funds | 11 UIHC Bonds |
| 6 Auxiliary Service or Enterprise Revenue Bonds | |

As previously noted, all of the projects identified in UIHC's Five Year Capital Plan are contingent on the availability of self-generated UI Hospitals and Clinics funding and/or UIHC bond revenue, approval through UIHC's annual capital budget process, conclusions and recommendations adopted in developing UIHC's strategic facility plan for FY 2006 - 2025, and approval of each project by the Board of Regents, State of Iowa. In addition, the "cutting edge" responsibility of the UIHC constantly brings about some revision in planning. While the foregoing enumeration includes all projects now envisioned for the FY 2008-2012 period, it is likely that the dynamics of clinical service-educational demands and corollary societal forces, and accreditation and regulatory requirements will mandate other projects as time moves on. In accord with long-standing practice, any such changes which arise will be fully documented for consideration and approval by the Board of Regents, State of Iowa.

TABLE 3
OTHER-FUNDS FIVE-YEAR CAPITAL PLANS
(\$ Thousands)

	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	Five Year Total	Source of Funds
University of Iowa							
Building C - Biomedical Laboratories				\$ 35,000		\$ 35,000	4, 6
Campus Repairs and Improvements	\$ 450	\$ 450	\$ 450	450	\$ 450	2,250	2,3
Deferred Maintenance	3,716	4,274	4,832	5,400	5,600	23,822	2,3
Fire Safety Projects	1,000	1,000	1,000	1,000	1,000	5,000	2,3
General Classroom / Laboratory Improvements	400	400	400	400	400	2,000	2
Institutional Roads Program	600	600	600	600	600	3,000	7
Parking System - Improvements & Replacements	2,800	3,500	2,800	3,500	2,800	15,400	5,6
Parking System - Parking Structure		7,000	8,000			15,000	6
Residence Services Improvements & Replacements	3,323	3,285	3,271	2,756	3,543	16,178	5
University Housing Door Access Systems	1,100	800				1,900	5
Rienow Hall - Renovate Restrooms		1,000	1,000			2,000	5
Daum Hall - Renovate Restrooms		1,000				1,000	5
Slater Hall - Renovate Restrooms			1,300	1,300	1,300	3,900	5
Stanley Hall - Renovate Restrooms			1,000	1,000	1,300	3,300	5
Daum Hall - Renovate Public Areas				1,510	1,510	3,020	5
Mayflower Hall - Renovate Lounges				1,000	1,000	2,000	5
Telecommunications Improvements	2,150	2,250	2,250	2,300	2,300	11,250	5
Utility Infrastructure Improvements	3,500	3,700	4,000	5,200	6,300	22,700	5
New Solid Fuel Boiler / Boiler 10 Scrubber*	5,400	4,300	18,600	18,900	24,300	71,500	5,6
Total - SUI	\$ 24,439	\$ 33,559	\$ 49,503	\$ 80,316	\$ 52,403	\$ 240,220	

Source of Funds Table:

- 1 State Appropriation or Bonding Authorization
- 2 General Fund Building Renewal
- 3 Income from Treasurer's Temporary Investments
- 4 Gifts and Grants

- 5 Departmental Renewal and Replacement Funds
- 6 Auxiliary Service or Enterprise Revenue Bonds
- 7 Iowa DOT (Road Use Tax Funds)

NOTES:

Excludes projects listed in the FY 2007 Capital Plan

*Project extends through 2014, total estimated cost is \$84.6 million.

TABLE 3
OTHER-FUNDS FIVE-YEAR CAPITAL PLANS
(\$ Thousands)

	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	Five Year Total	Source of Funds
<u>Iowa State University</u>							
Utilities - Power Plant Station Power Improvements	\$ 1,090					\$ 1,090	6
Utilities - Haber Road Substation Transformer		\$ 1,800				1,800	6
Utilities - Boiler 5 Baghouse	2,000	5,000				7,000	6
Veenker Memorial Golf Course Club House - New Const			\$ 3,800			3,800	4
Memorial Union Remodeling					\$ 11,300	11,300	4
Telecommunications Improvements	3,816	3,282	2,953	\$ 9,821	3,939	23,811	6
North Campus Parking Structure	15,625					15,625	6
Iowa State Center Parking Improvements			4,900			4,900	6
Institutional Roads Program	600	600	600	600	600	3,000	7
Total - ISU	\$ 23,131	\$ 10,682	\$ 12,253	\$ 10,421	\$ 15,839	\$ 72,326	
<u>University of Northern Iowa</u>							
Institutional Roads	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300	\$ 1,500	7
Residence System - Window Replacement	850			500		1,350	6
Residence System - Tuckpointing	525	450	450	450	450	2,325	6
Residence System - Bathroom Repairs / Replacement		1,000	960	960	2,000	4,920	6
Campus Building Repairs (General Fund)	1,200	1,400	1,600	1,800	2,000	8,000	2
Total - UNI	\$ 2,875	\$ 3,150	\$ 3,310	\$ 4,010	\$ 4,750	\$ 18,095	

Source of Funds Table:

1 Capital Appropriation or Bonding Authorization
2 Building Renewal Funds
3 Income from Treasurer's Temporary Investments
4 Gifts and Grants

5 Departmental Renewal and Replacement Funds
6 Auxiliary Service or Enterprise Revenue Bonds
7 Institutional Roads Funds (Iowa DOT)

NOTE:

Excludes projects listed in the FY 2007 Capital Plan.

TABLE 3
OTHER-FUNDS FIVE-YEAR CAPITAL PLANS
(\$ Thousands)

	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	Five Year Total	Source of Funds
<u>Iowa School for the Deaf</u>							
Interior Finishes & Tuckpointing				\$ 100		\$ 100	2
Dormitory Renovation	\$ 100					100	2
Academic Building Renovation		\$ 100			\$ 100	200	2
Academic Building Windows Replacement			\$ 100			100	2
Total - ISD	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 500	
<u>Iowa Braille and Sight Saving School</u>							
Exterior Repair - Campus Buildings	\$ 20	\$ 20		\$ 20		\$ 60	2
Interior Renovation / Remodeling	20	20	\$ 20		20	80	2
HVAC, Electrical, Plumbing Upgrades	-	-	42	15	20	77	2
Total - IBSSS	\$ 40	\$ 40	\$ 62	\$ 35	\$ 40	\$ 217	
GRAND TOTAL	\$ 50,585	\$ 47,531	\$ 65,228	\$ 94,882	\$ 73,132	\$ 331,358	

Source of Funds Table:

- 1 State Appropriation or Bonding Authorization
- 2 Building Renewal Funds
- 3 Income from Treasurer's Temporary Investments
- 4 Gifts and Grants

- 5 Departmental Renewal and Replacement Funds
- 6 Auxiliary Service or Enterprise Revenue Bonds
- 7 Iowa DOT (Road Use Tax Funds)

NOTE:

Excludes projects listed in the FY 2007 Capital Plan.