

Contact: Brad Berg

PROPOSED BOND ISSUANCE SCHEDULE FOR CALENDAR YEAR 2016

Actions Requested: Consider:

1. Establishment of a schedule for the issuance of bonds for calendar year 2016 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 \$132.2 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 or the Iowa State University 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 2016 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 2016

| <u>Month</u> | <u>Institution/Type of Issue</u> | <u>Estimated Amount of Bond Issue</u> |
|---------------------|---|--|
| February | UNI Dormitory Revenue Bonds | \$ 24,400,000 |
| April | Possible Refundings | TBD * |
| June | Possible Refundings | TBD * |
| August | SUI Utility System Revenue Bonds | 25,000,000 |
| September | SUI Dormitory Revenue Bonds | 34,800,000 |
| October | ISU Utility System Revenue Bonds | 13,000,000 |
| December | SUI Athletic Facilities Revenue Bonds | <u>35,000,000</u> |
| | Total | \$132,200,000 |

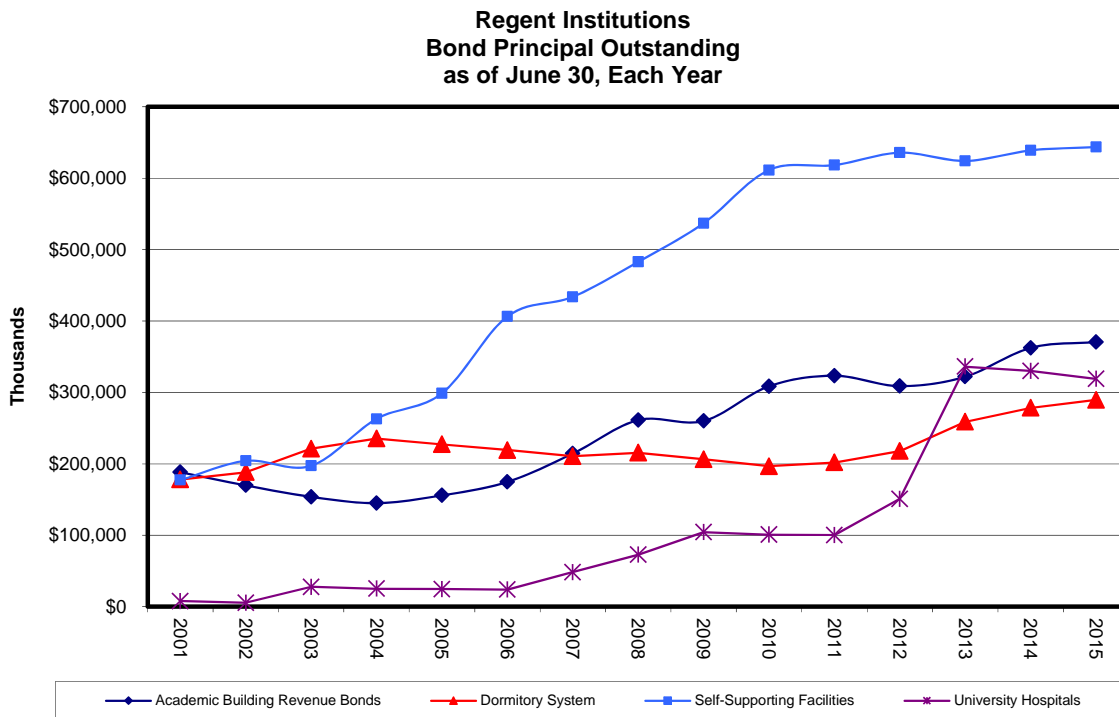
* To be Determined

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> |
|----------------------|-------------------------|-------------------------------|---------------------------|
| 2011 | 63,330,000 | 78,155,000 | 141,485,000 |
| 2012 | 311,140,000 | 49,575,000 | 360,715,000 |
| 2013 | 116,325,000 | 81,315,000 | 197,640,000 |
| 2014 | 116,495,000 | 40,640,000 | 157,135,000 |
| 2015* | 166,575,000 | 109,245,000 | 275,820,000 |

*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, 2015, the principal outstanding was \$1,622.6 million; an increase of \$798.5 million over the past ten years. 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 and more recently UIHC, as displayed in the graph below.



The bond issuance schedule includes the possible sale of refunding bonds in April and June 2016, depending upon interest rates. Since calendar year 2001, the present value interest savings from the issuance of Board of Regents refunding bonds totals approximately \$54.5 million as shown on pages 4 and 5.

TABLE 1
BOND PRINCIPAL OUTSTANDING*
BOARD OF REGENTS, STATE OF IOWA

| | As of 30-Jun 2006 | As of 30-Jun 2007 | As of 30-Jun 2008 | As of 30-Jun 2009 | As of 30-Jun 2010 | As of 30-Jun 2011 | As of 30-Jun 2012 | As of 30-Jun 2013 | As of 30-Jun 2014 | As of 30-Jun 2015 |
|------------------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| University of Iowa | | | | | | | | | | |
| Academic Building Revenue Bonds | \$ 67,632,768 | \$ 89,293,693 | \$ 108,618,222 | \$ 103,200,672 | \$ 107,545,000 | \$ 101,170,000 | \$ 94,255,000 | \$ 114,740,000 | \$ 165,200,000 | \$ 184,020,000 |
| Project Notes - Academic Buildings | | | | | 27,025,000 | 27,025,000 | 27,025,000 | | | |
| Dormitory System | 57,170,000 | 53,740,000 | 51,190,000 | 48,520,000 | 45,830,000 | 42,320,000 | 37,955,000 | 63,555,000 | 86,860,000 | 81,005,000 |
| Self-Supporting Facilities | 283,660,000 | 320,775,000 | 356,825,000 | 392,890,000 | 450,385,000 | 463,895,000 | 468,215,000 | 467,110,000 | 463,340,000 | 470,480,000 |
| University Hospitals | 23,860,000 | 48,250,000 | 72,615,000 | 104,300,000 | 100,685,000 | 100,185,000 | 150,890,000 | 336,010,000 | 330,105,000 | 318,900,000 |
| Subtotal | \$ 432,322,768 | \$ 512,058,693 | \$ 589,248,222 | \$ 648,910,672 | \$ 731,470,000 | \$ 734,595,000 | \$ 778,330,000 | \$ 981,415,000 | \$ 1,045,505,000 | \$ 1,054,405,000 |
| Iowa State University | | | | | | | | | | |
| Academic Building Revenue Bonds | \$ 67,100,000 | \$ 79,950,000 | \$ 98,745,000 | \$ 92,245,000 | \$ 140,050,000 | \$ 164,965,000 | \$ 161,110,000 | \$ 157,485,000 | \$ 150,655,000 | \$ 143,335,000 |
| Project Notes - Academic Buildings | | | | | | | | | | |
| Dormitory System | 128,075,000 | 124,530,000 | 133,735,000 | 128,985,000 | 123,910,000 | 118,790,000 | 112,880,000 | 131,170,000 | 132,220,000 | 154,000,000 |
| Self-Supporting Facilities | 87,920,969 | 80,525,000 | 94,990,000 | 114,670,000 | 133,350,000 | 127,810,000 | 143,375,000 | 135,235,000 | 155,755,000 | 155,670,000 |
| Subtotal | \$ 283,095,969 | \$ 285,005,000 | \$ 327,470,000 | \$ 335,900,000 | \$ 397,310,000 | \$ 411,565,000 | \$ 417,365,000 | \$ 423,890,000 | \$ 438,630,000 | \$ 453,005,000 |
| University of Northern Iowa | | | | | | | | | | |
| Academic Building Revenue Bonds | \$ 39,854,127 | \$ 45,066,061 | \$ 53,843,758 | \$ 64,481,531 | \$ 61,016,902 | \$ 57,250,196 | \$ 53,422,084 | \$ 49,732,862 | \$ 46,481,736 | \$ 43,295,000 |
| Project Notes - Academic Buildings | | | | | | | | | | |
| Dormitory System | 34,040,000 | 32,355,000 | 30,590,000 | 28,750,000 | 26,765,000 | 40,670,000 | 67,025,000 | 64,115,000 | 59,295,000 | 54,400,000 |
| Self-Supporting Facilities | 34,740,000 | 32,550,000 | 31,005,000 | 29,410,000 | 27,750,000 | 26,580,000 | 24,125,000 | 21,845,000 | 19,835,000 | 17,475,000 |
| Subtotal | \$ 108,634,127 | \$ 109,971,061 | \$ 115,438,758 | \$ 122,641,531 | \$ 115,531,902 | \$ 124,500,196 | \$ 144,572,084 | \$ 135,692,862 | \$ 125,611,736 | \$ 115,170,000 |
| GRAND TOTAL | \$ 824,052,864 | \$ 907,034,754 | \$ 1,032,196,980 | \$ 1,107,452,203 | \$ 1,244,311,902 | \$ 1,270,660,196 | \$ 1,340,267,084 | \$ 1,540,997,862 | \$ 1,609,746,736 | \$ 1,622,580,000 |

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

Savings from Refunding Bonds Issued: Calendar Years 2001 – 2015 (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 |
| SUI | \$ 18,780,000 | Academic Building Revenue Refunding Bonds, Series 2013 | Aug-13 | <u>1,438,395</u> |
| | | Subtotal – Academic Build. Rev. Bond Present Value Interest Savings | | \$ 5,408,920 |
| 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 | Jun-08 | 505,353 |
| SUI | 6,255,000 | Parking System Revenue Refunding Bonds, Series 2009 | Jun-09 | 389,434 |
| SUI | 19,010,000 | Utility System Revenue Refunding Bonds, Series 2009 | Aug-09 | 1,849,727 |
| SUI | 20,015,000 | Dormitory Revenue Refunding Bonds, Series 2010 | Mar-10 | 1,479,280 |
| SUI | 5,120,000 | Dormitory Revenue Refunding Bonds, Series 2011 | Mar-11 | 591,946 |
| SUI | 10,195,000 | Utility System Revenue Refunding Bonds, Series 2011 | Aug-11 | 1,043,552 |
| SUI | 20,355,000 | Hospital Revenue Refunding Bonds, Series 2011A | Oct-11 | 1,433,719 |
| SUI | 16,340,000 | Dormitory Revenue Refunding Bonds, Series 2012 | Jun-12 | 1,416,212 |
| SUI | 12,010,000 | Parking System Revenue Refunding bonds, Series 2013 | Jan-13 | 1,860,563 |
| SUI | 13,620,000 | Utility System Revenue Refunding Bonds, Series 2013 | Jun-13 | 1,906,929 |
| SUI | 6,420,000 | Iowa Memorial Union Revenue Refunding Bonds, Series 2014 | Apr-14 | 549,941 |
| SUI | 17,905,000 | Utility System Revenue Refunding Bonds, Series 2014 | Apr-14 | 1,204,508 |
| SUI | 20,885,000 | Athletic Facilities Revenue Refunding Bonds, Series 2015 | Mar-15 | 1,332,646 |
| SUI | 19,315,000 | Athletic Facilities Revenue Refunding Bonds, Series 2015A | Jun-15 | 1,638,481 |
| SUI | \$ 12,130,000 | Athletic Facilities Revenue Refunding Bonds, Series 2015B | Aug-15 | 1,303,268 |
| | | SUI – Grand Total Present Value of Interest Savings | | <u>\$ 25,323,965</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 |
| ISU | 6,000,000 | Academic Building Revenue Refunding Bonds, Series 2013 | Dec-13 | 555,526 |
| ISU | \$ 16,315,000 | Academic Building Revenue Refunding Bonds, Series 2014 | Apr-14 | <u>1,681,002</u> |
| | | Subtotal – Academic Build. Rev. Bond Present Value Interest Savings | | \$ 5,395,932 |
| 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 | 13,065,000 | Dormitory Revenue Refunding Bonds, Series 2010 | Apr-10 | 988,671 |
| ISU | 17,295,000 | Dormitory Revenue Refunding Bonds, Series 2011 | Apr-11 | 1,983,695 |
| ISU | 12,565,000 | Dormitory Revenue Refunding Bonds, Series 2011A | Jun-11 | 859,471 |
| ISU | 3,485,000 | Athletic Facilities Revenue Bonds, Series 2012** | Feb-12 | 408,181 |
| ISU | 3,485,000 | Parking System Revenue Refunding Bonds, Series 2012 | Apr-12 | 571,854 |
| ISU | 16,580,000 | Dormitory Revenue Refunding Bonds, Series 2013 | Jan-13 | 2,675,301 |
| ISU | 20,055,624 | Memorial Union Revenue Refunding Bonds, Series 2013 | Apr-13 | 2,055,624 |
| ISU | 2,755,000 | Regulated Materials Facility Revenue Refunding Bonds, Series 2013 | Apr-13 | 350,184 |
| ISU | 5,350,000 | Dormitory Revenue Refunding Bonds, Series 2013B | Jun-13 | 559,315 |
| ISU | 7,405,000 | Utility System Revenue Refunding Bonds, Series 2013 | Jun-13 | 1,108,831 |
| ISU | \$ 11,760,000 | Athletic Facilities Revenue Refunding Bonds, Series 2015 | Mar-15 | 821,581 |
| | | ISU – Grand Total Present Value of Interest Savings | | <u>\$ 21,036,117</u> |

Savings from Refunding Bonds Issued: Calendar Years 2001 – 2015 (year-to-date)

| <u>Inst.</u> | <u>Refunding Bond Amount</u> | <u>Issue</u> | <u>Issue Date</u> | <u>Present Value Savings</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 | 453,327 |
| UNI | 4,255,000 | Dormitory Revenue Refunding Bonds, Series 2010 | Apr-10 | 312,956 |
| UNI | 10,160,000 | Dormitory Revenue Refunding Bonds, Series 2010B | Dec-10 | 733,328 |
| UNI | 3,610,000 | Field House Revenue Refunding Bonds, Series 2011 | Jun-11 | 350,651 |
| UNI | 8,425,000 | Student Union Revenue Refunding Bonds, Series 2011 | Aug-11 | 859,711 |
| UNI | 8,910,000 | Dormitory Revenue Bonds, Series 2012 (only refunding component) | Apr-12 | 1,069,626 |
| UNI | 2,435,000 | Student Health System Revenue Refunding Bonds, Series UNI 2013 | Apr-13 | 301,872 |
| UNI | 4,815,000 | Field House Revenue Refunding Bonds, Series 2013 | Apr-13 | 564,750 |
| UNI | \$ 3,460,000 | Field House Revenue Refunding Bonds, Series 2015 | Mar-15 | <u>263,955</u> |
| | | UNI – Grand Total Present Value of Interest Savings | | <u>\$ 8,121,091</u> |
| Grand Total - Present Value Interest Savings from Refunding Bonds Issued since 2001: | | | | <u>\$ 54,481,173</u> |
| Present Value Savings by Type of Bond Issue | | | | |
| <i>Academic Building Revenue Refunding Bonds</i> | | | | \$ 13,062,941 |
| <i>All Other Refunding Bonds</i> | | | | <u>\$ 41,418,232</u> |
| Grand Total | | | | <u>\$ 54,481,173</u> |

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

**Refunding component of bond sale