

APPROPRIATIONS

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161

SENATE FILE

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Passed Senate, Date _____ Passed House, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act relating to an appropriation to the state board of regents
2 for fiscal year 2000-2001, providing bonding authorization to
3 the state board of regents for specific capital projects, and
4 providing effective dates.

5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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1 DIVISION I

2 STATE BOARD OF REGENTS CAPITAL PROJECTS

3 Section 1. STATE BOARD OF REGENTS BONDING.

4 1. FINDINGS. The general assembly finds that:

5 a. Pursuant to section 262A.3, the state board of regents
6 prepared and within seven days after the convening of the
7 Seventy-ninth General Assembly of the State of Iowa, First
8 Session, submitted to the Seventy-ninth General Assembly,
9 First Session, for approval the proposed five-year building
10 program for each institution of higher learning under the
11 jurisdiction of the board, containing a list of the buildings
12 and facilities which the board deems necessary to further the
13 educational objectives of the institutions, together with an
14 estimate of the cost of each of the buildings and facilities
15 and an estimate of the maximum amount of revenue bonds which
16 the board expects to issue under chapter 262A for the fiscal
17 period beginning July 1, 2001, and ending June 30, 2003.

18 b. The projects contained in the capital improvement
19 program are deemed necessary for the proper performance of the
20 instructional, research, and service functions of the
21 institutions.

22 c. Section 262A.4 provides that the state board of
23 regents, after authorization by a constitutional majority of
24 each house of the general assembly and approval by the
25 governor, may undertake and carry out at the institutions of
26 higher learning under the jurisdiction of the board any
27 project as defined in chapter 262A.

28 d. Chapter 262A authorizes the state board of regents to
29 borrow moneys and to issue and sell negotiable revenue bonds
30 to pay all or any part of the cost of carrying out projects at
31 any institution payable solely from and secured by an
32 irrevocable pledge of a sufficient portion of the student fees
33 and charges and institutional income received by the
34 particular institution.

35 e. To further the educational objectives of the

1 institutions, the state board of regents requests
2 authorization to undertake and carry out certain projects at
3 this time and to finance their costs by borrowing moneys and
4 issuing negotiable bonds under chapter 262A in a total amount
5 provided in this Act, the remaining costs of the projects to
6 be financed by appropriations or by federal or other funds
7 lawfully available.

8 2. APPROVAL -- LIMITS.

9 a. The proposed five-year building program submitted by
10 the state board of regents for each institution of higher
11 learning under its jurisdiction is approved and no commitment
12 is implied or intended by approval to fund any portion of the
13 proposed five-year building program submitted by the state
14 board of regents beyond the portion that is financed and
15 approved by the Seventy-ninth General Assembly, First Session,
16 and the governor.

17 b. During the fiscal period that commences July 1, 2001,
18 and that ends June 30, 2003, the maximum amount of bonds which
19 the state board of regents expects to issue under chapter
20 262A, unless additional bonding is authorized, is set forth in
21 this Act, all or any part of which may be issued during the
22 fiscal year ending June 30, 2002, and if all of that amount is
23 not issued during that fiscal year, any remaining balance may
24 be issued during the fiscal year ending June 30, 2003, and
25 this plan of financing is approved.

26 3. PROJECTS. The state board of regents is authorized to
27 undertake, plan, construct, equip, and otherwise carry out the
28 following projects at the institutions of higher learning
29 under the jurisdiction of the board, and the general assembly
30 authorizes the state board of regents to borrow moneys and to
31 issue and sell negotiable revenue bonds in the manner provided
32 in sections 262A.5 and 262A.6 in order to pay all or any part
33 of the costs of carrying out the projects at the institutions
34 as follows:

35 a. Iowa state university of science and technology

1 Construction of a building for the college of business
 2 project costs:
 3 \$ 10,900,000
 4 b. State university of Iowa
 5 Construction of a building for the school of art and art
 6 history project costs:
 7 \$ 16,016,000
 8 c. University of northern Iowa
 9 Replacement of the steam distribution system, phase 1
 10 project costs:
 11 \$ 12,700,000
 12 Total \$ 39,616,000

13 4. BOND AMOUNTS EXCEED COSTS. If the amount of bonds
 14 issued under this section exceeds the actual costs of projects
 15 approved in this section, the amount of the difference shall
 16 be used to pay the principal and interest due on bonds issued
 17 under chapter 262A.

18 5. CAPITALIZATION OF RESERVE FUNDS. The state board of
 19 regents may capitalize the issuance costs and bond reserve
 20 fund equal to eleven percent of each bond issue with respect
 21 to bonds authorized pursuant to this section and may increase
 22 the amount of the bonds issued under this section to that
 23 extent.

24 DIVISION II

25 SUPPLEMENTAL PROVISIONS

26 Sec. 2. 2000 Iowa Acts, chapter 1225, section 15, is
 27 amended to read as follows:

28 SEC. 15. There is appropriated from the rebuild Iowa
 29 infrastructure fund to the state board of regents for the
 30 fiscal period year beginning July 1, 2000, and ending June 30,
 31 ~~2003~~ 2001, the following amounts, or so much thereof as is
 32 necessary, to be used for the purposes designated:

33 1. For improvements to Gilman hall at Iowa state
 34 university of science and technology, including the
 35 replacement of the heating, ventilation, and air conditioning

1 system, replacement of the fume hood exhaust system, and the
 2 construction of an addition to house mechanical equipment:
 3 FY 2000-2001..... \$ 8,500,000
 4 FY 2001-2002..... \$ 2,500,000
 5 FY 2002-2003..... \$ 0

6 2. For continued renovation of the biological sciences
 7 facility at the state university of Iowa:
 8 FY 2000-2001..... \$ 4,400,000
 9 ~~FY-2001-2002..... \$ 7,300,000~~
 10 ~~FY-2002-2003..... \$ 3,000,000~~

11 3. For construction of an addition to McCollum science
 12 hall at the university of northern Iowa:
 13 FY 2000-2001..... \$ 2,700,000
 14 ~~FY-2001-2002..... \$ 5,800,000~~
 15 ~~FY-2002-2003..... \$ 8,400,000~~

16 4. For planning and design of a new business college
 17 building at Iowa state university of science and technology,
 18 notwithstanding section 8.57, subsection 5, paragraph "c":
 19 FY 2000-2001..... \$ 300,000
 20 FY 2001-2002..... \$ 0
 21 FY 2002-2003..... \$ 0

22 5. For improvements to or replacement of the water system
 23 at the school for the deaf:
 24 \$ 250,000

25 The state board of regents is authorized to enter into
 26 contracts for the full cost of carrying out the projects
 27 listed in subsections 1 through 3, for which appropriations
 28 are made in those subsections. The state shall not be
 29 obligated for costs associated with contracts identified in
 30 this paragraph in excess of the funds appropriated by the
 31 general assembly.

32 Sec. 3. BONDING AUTHORIZATION.

33 1. Notwithstanding the provisions of section 263A.3, for
 34 the fiscal year beginning July 1, 2000, and ending June 30,
 35 2001, the general assembly declares that the state board of

1 regents has met the general assembly's requirements regarding
2 the preparation and submission to the general assembly of the
3 proposed five-year building program for the fiscal period
4 beginning July 1, 2000, and ending June 30, 2005, for each
5 institution of higher learning under the jurisdiction of the
6 state board of regents, and the general assembly hereby
7 approves that five-year building program as submitted. The
8 general assembly finds that the projects contained in the
9 building program are deemed necessary for the proper
10 performance of the instructional, research, and service
11 functions of the institutions, pursuant to section 262A.4.

12 2. To further the educational objectives of the
13 institutions, the general assembly authorizes the state board
14 of regents to undertake, plan, construct, equip, and otherwise
15 carry out at the institutions of higher learning under the
16 jurisdiction of the board the following projects:

- 17 a. Iowa state university of science and technology
18 System upgrade of Gilman hall project costs:
19 \$ 2,500,000
20 b. State university of Iowa
21 Renovation of biological sciences buildings project costs:
22 \$ 10,300,000
23 c. University of northern Iowa
24 Addition to McCollum science hall project costs:
25 \$ 14,200,000
26 Total \$ 27,000,000

27 3. The general assembly authorizes the state board of
28 regents to borrow moneys and to issue and sell negotiable
29 revenue bonds in the manner provided in sections 262A.5 and
30 262A.6, in order to pay all or any part of the costs of
31 carrying out the projects. The negotiable revenue bonds shall
32 be payable solely from and secured by an irrevocable pledge of
33 a sufficient portion of the student fees and charges and
34 institutional income received by the particular institution.

35 4. The state board of regents may capitalize the issuance

1 costs and the bond reserve fund equal to eleven percent of
2 each bond issue with respect to bonds authorized pursuant to
3 this Act and may increase the amount of the bonds issued under
4 this Act to that extent. If the amount of bonds issued under
5 this Act exceeds the actual costs of projects approved in this
6 Act, the amount of the difference shall be used to pay the
7 principal and interest due on bonds issued under chapter 262A.

8 Sec. 4. The state board of regents is authorized to enter
9 into contracts for the full costs of carrying out the projects
10 listed in this division and for which appropriations are made
11 and bonding authorization provided pursuant to this division.
12 The state shall not be obligated for costs associated with
13 contracts identified in this division in excess of the funds
14 appropriated and bonds authorized by the general assembly.

15 Sec. 5. CONTINGENT EFFECTIVENESS. Section 2 of this Act
16 takes effect only upon the enactment, during the Seventy-ninth
17 General Assembly, First Regular Session, of bonding authority,
18 in lieu of appropriations struck pursuant to section 2, as set
19 forth and provided in section 3 of this Act.

20 Sec. 6. EFFECTIVE DATE. Division II of this Act, being
21 deemed of immediate importance, takes effect upon enactment,
22 subject to the provisions of section 5.

23 EXPLANATION

24 This bill authorizes the state board of regents to issue
25 bonds in the sum of \$39,616,000 for a five-year building
26 program for the fiscal period beginning July 1, 2001, and
27 ending June 30, 2003. The bill amends chapter 1225 of the
28 2000 Iowa Acts to shorten the two-year fiscal period for which
29 the general assembly appropriated moneys for state board of
30 regents capital projects, to the fiscal year ending June 30,
31 2001, and to strike \$27 million from the appropriation from
32 the rebuild Iowa infrastructure fund to the state board of
33 regents for capital projects. The provisions amending chapter
34 1225 of the 2000 Iowa Acts and providing bonding authority for
35 the fiscal year beginning July 1, 2000, take effect upon

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1 enactment, but the enactment of the provision amending chapter
2 1225 is contingent upon the enactment of the bonding authority
3 provision in the sum of \$27 million for capital projects.

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