

EXECUTIVE SUMMARY

ITEM NAME: Allocation of Revised SPEED Financing Authority

Action Item Discussion Item Information Item

Issue: The Board is asked to allocate the revised financing authority that resulted from changes to the legislation that authorized the Stimulus Plan for Economic and Educational Development (SPEED). The total financing authority has been reduced 20% from \$1 billion to \$800 million.

Previous Board Action: July 24, 2008 Approval of SPEED Financing

Background:

- As part of its revisions to the state's FY 2009 budget, the Legislature amended the legislation that authorized the SPEED program. The total financing authority for SPEED was reduced from \$1 billion to \$800 million. Given this change, the Board needs to allocate the revised financing amount among the universities.

Changes to SPEED:

- *Changes to the SPEED legislation do not become effective until May 2, 2009.*
- The total authorized financing was reduced from \$1B to \$800M, or 20%.
- The allocation for the development of the Phoenix Biomedical Campus was reduced from \$470M to \$376M, or 20%.
- The annual financing limits changed as follows:
 - FY 2009 reduced from \$285M to \$167,671,200, which matches the amount of SPEED projects that have been submitted to JCCR
 - FY 2010 reduced from \$500M to \$400M, or 20%
 - After FY 2010, authority to issue any unused financing authority up to \$800M.
- Institutes a moratorium in FY 2009 on issuing any financing beyond the \$167,671,200 that has been submitted to JCCR.

Contact Information:

Lorenzo Martinez, ABOR Central Office, (602) 229-2525, Lorenzo.Martinez@azregents.edu

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Financing Allocations:

- The following table shows the original allocations and revised allocations based on an across-the-board 20% reduction.

	Original <u>Allocation</u>	Revised <u>Allocation</u>
Phoenix Biomedical Campus	\$470,000,000	\$376,000,000
ASU School of Construction	20,000,000	16,000,000
ASU Projects	170,000,000	136,000,000
NAU Projects	170,000,000	136,000,000
UA Projects	170,000,000	136,000,000
Total	<u>\$1,000,000,000</u>	<u>\$800,000,000</u>

Committee Review and Recommendation:

- The Capital Committee favorably reviewed the revised allocations and recommended Board approval. The Committee also directed staff to keep the Regents updated on each university's progress toward issuing SPEED bonds.

Recommendation:

That the Board approve the allocation of the revised SPEED financing authority as shown in this Executive Summary.