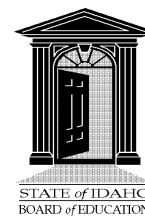


**STATE BOARD OF EDUCATION SPECIAL MEETING
January 6, 2011
Office of the State Board of Education
Len B. Jordan Building
650 W State Street, 3rd Floor
Boise, Idaho**



Teleconference Number: (877)322-9654, Public Participant Code: 897032

Thursday, January 6, 2011, 1:30 p.m. (MST),

BUSINESS AFFAIRS AND HUMAN RESOURCES

1. Boise State University – iStrategy Software Licensing & Maintenance
2. Boise State University – Lincoln Avenue Student Housing

While the Board attempts to address items in the listed order, some items may be addressed by the Board prior to or after the order listed.

**BUSINESS AFFAIRS AND HUMAN RESOURCES
JANUARY 6, 2011**

TAB	DESCRIPTION	ACTION
1	BOISE STATE UNIVERSITY iStrategy Software Licensing & Maintenance	Motion to approve
2	BOISE STATE UNIVERSITY Capital Project – Lincoln Ave. Student Housing	Motion to approve

BUSINESS AFFAIRS AND HUMAN RESOURCES
JANUARY 6, 2011

BOISE STATE UNIVERSITY

SUBJECT

Request to pay iStrategy one-time licensing and implementation fees and annual software maintenance fee.

APPLICABLE STATUTE, RULE, OR POLICY

Idaho State Board of Education Governing Policies & Procedures, Section V I.3.a.

BACKGROUND/DISCUSSION

Currently all institutional reporting is performed directly against PeopleSoft, Boise State University's ERP system. Because ERP systems are designed to provide transactional data, this process is complex and cumbersome and does not meet the University's needs for accurate, reliable information. Licensing and implementation of iStrategy, a software system that integrates with higher education ERP systems, would resolve these issues. Using widely adopted higher education metrics and best practices for analytics, iStrategy enables guided analysis through key performance indicators, visualization components, and interactive reports, giving users a clear picture of what is happening and why. iStrategy would provide a data warehouse and true reporting environment.

In 2007 the University implemented the student portion of the data warehouse using iStrategy. This request is to move forward with the licensing and implementation of the remaining HR/Payroll, Financial, and Financial Aid modules of the data warehouse for a one-time fee of \$330,000. The annual software maintenance fee for FY2011 is \$42,000. The licensing and service pricing are from the 2007 iStrategy Student Warehouse RFP process and represent a substantial discount from current pricing.

IMPACT

Moving to a consolidated data warehouse environment for reporting and analysis will allow the University to perform data mining, online analytical processing, market research and decision support to help meet the needs of the University. Major impacts and benefits are:

- Consistency in reporting through use of a common data model and source
- Data integrity is improved as inconsistencies are identified and resolved
- Access to data is improved because of simplification and enhanced toolset to better support data driven decisions
- Security is enhanced as it will be simplified and easier to administer
- Responsiveness is improved as reporting is done out of the data warehouse and not the transactional system
- Self-Service will be available through dashboards and pre-existing reports
- Additional ERP environments for reporting will be eliminated

BUSINESS AFFAIRS AND HUMAN RESOURCES
JANUARY 6, 2011

- Business intelligence is enhanced as analysis and decision support is simplified

ATTACHMENTS

Attachment 1 – iStrategy Cost Proposal Page 3
Attachment 2 – BSU iStrategy Purchase Delegated Authority Page 4

STAFF COMMENTS AND RECOMMENDATIONS

In September 2007 the Executive Director approved BSU's request to purchase a data warehouse and reporting system (iStrategy's student analytics module) at a cost of \$299,375. BSU is now seeking approval for licensing and annual maintenance fees for the Finance, Financial Aid and HR modules in the amount of \$372,000. Since the cumulative value of the project is in excess of \$500,000, Board Policy requires Board approval.

Board Policy V.I.3.b. provides that "[a]cquisition or development of new administrative software or systems that materially affect the administrative operations of the institution by adding new services must be reviewed with the executive director before beginning development. When feasible, such development will be undertaken as a joint endeavor by the four institutions and with overall coordination by the Office of the State Board of Education."


Staff has evaluated this request for approval in light of its ongoing work towards development of the postsecondary piece of a statewide longitudinal data system (SLDS). The forecasted needs for a reporting tool such as iStrategy for SLDS purposes are 1½ years out, so opportunities for collaboration with BSU at this time are not practicable. Furthermore, most of the other institutions also report directly against their ERP systems or pull data from those systems, load it into another database and use a third-party reporting tool to produce reports.

Staff recommends approval.

BOARD ACTION

I move to approve the request by Boise State University for a one-time payment of iStrategy licensing and implementation fees of \$330,000 and an ongoing software maintenance fee of \$42,000 annually.

Moved by _____ Seconded by _____ Carried Yes ____ No ____

		HigherEd Analytics Price Quote		
		Customer:	Boise State University - <i>Current Pricing Schema</i>	
Quote Date:		December 20, 2010		
FTE Size:		>10K-20K	←←← Select	
Item	Price	Units	Total	
Perpetual License:				
Individual Modules:				
Student Analytics	\$ 200,000		\$ -	
Financial Management	\$ 70,000	1	\$ 70,000	
Human Resources (HR)	\$ 70,000	1	\$ 70,000	
Financial Aid	\$ 70,000	1	\$ 70,000	
			\$ -	
<i>Modules Previously Purchased (for Suite pricing)</i>				
Individual Module Subtotal			\$ 210,000	
License Subtotal				
Baseline Implementation	Allocated Days			
Student Analytics	30	\$ 45,000	\$ -	
Financial Management	30	\$ 45,000	\$ 45,000	
Human Resources (HR)	25	\$ 37,500	\$ 37,500	
Financial Aid	25	\$ 37,500	\$ 37,500	
	11	\$ 16,500	\$ -	
Subtotal Baseline Implementation			\$ 120,000	
Additional Consulting Services		Units/Days		
Advanced Technical Training (3 days)	\$ 4,800		\$ -	
Dimensional Data Model Training (1 day)	\$ 2,000			
Performance Point Dashboard Jump Start (5 days)	\$ 8,000		\$ -	
Microsoft Reporting Services Jump Start (5 days)	\$ 8,000		\$ -	
Additional Implementation Support (T&M Per Day)	\$ 1,600		\$ -	
Subtotal Additional Consulting			\$ -	
Support Option: Standard		←←← Select		
Total Cost*		First Year	Ongoing	
Subtotal Perpetual License		\$ 210,000	\$ -	
Subtotal Annual Support	20%	\$ 42,000	\$ 42,000	
Subtotal Implementation		\$ 120,000	\$ -	
Subtotal Additional Consulting		\$ -	\$ -	
Total Cost		\$ 372,000	\$ 42,000	

Terms & Conditions

*Pricing is based on iStrategy's RFP Response to Boise State University and is only applicable for Boise State

*Pricing subject to iStrategy standard agreement terms and conditions

*The pricing herein is for budgetary purposes. Actual pricing may vary based on the number of production installation instances, institutional entities and a validation of Student FTE Headcount.

*Baseline implementation costs are for a standard implementation and do not include any customizations. Actual implementation costs may vary based upon final agreed Scope of Work as specified in Services Work Order.

*Baseline implementation pricing noted above is for services only. All travel expenses will be billed at actual costs as incurred in addition to the service fees.

*Hardware, Microsoft SQL Servers Licenses, Microsoft ProClarity and other Reporting Tool Licenses are additional.

*The Software License Agreement (SLA) is a Perpetual License. Customer may modify application as desired; however, derived works are still subject to terms and conditions outlined in SLA.

*The iStrategy Perpetual Software License includes a fully functional Relational and OLAP Data Warehouse and is not subject to individual user licenses.

*Pricing is valid until January 22, 2011.

Billing and Payment Terms:

*All Payments Due Net 30 from Invoice Date

*Perpetual Software License Fee and First Year Support billed upon execution.

*Baseline Implementation Service Fee billed upon completion of baseline installation.

Price Schedule Effective Date: 07/07/2009



IDAHO STATE BOARD OF EDUCATION

650 W. State Street P.O. Box 83720 Boise, ID 83720-0037

208/334-2270 FAX: 208/334-2632

e-mail: board@osbe.idaho.gov

www.boardofed.idaho.gov

September 24, 2007

Stacy Pearson
Vice President for Finance and Administration
1910 University Drive
Boise, Idaho 83725

RE: Data Warehouse and Reporting System

Dear Ms. Pearson:

You requested approval to purchase a Data Warehouse & Reporting System. You indicate the total cost to be \$299,375.

The State Board of Education requires this approval for the purchase of equipment, data processing software and equipment, and all contracts for consulting or professional services in excess of \$250,000 and less than \$500,000.

Staff has reviewed the request, which appears to be consistent with the Board's policies and applicable legal requirements. Accordingly, pursuant to the authority delegated to the Executive Director via Board Policy V.I.3.a., this correspondence will confirm authorization for Boise State University to execute the contract as requested.

Please note that it is the intent of the State Board of Education to create a coordinated system of student data sharing that will facilitate tracking, transferring and follow-up of students. Please insure that the contract for this Data and Warehouse and Reporting System will facilitate the development of this data sharing.

Sincerely,

A handwritten signature in black ink, appearing to read "Mike Rush".

Mike Rush
Interim Executive Director
State Board of Education

SMC

BUSINESS AFFAIRS AND HUMAN RESOURCES
JANUARY 6, 2011

BOISE STATE UNIVERSITY

SUBJECT

Approval to construct student housing facilities on Lincoln Avenue

REFERENCE

February 2008	Board approved extension of Expansion Zone and Capital Projects update
June 2009	Board approved MOU with American Campus Communities
February 2010	Board reviewed summary of ground lease terms
April 2010	Board did not approve ground lease with American Campus Communities
June 2010	Board postpones approval for construction of housing facilities on Lincoln Avenue pending additional financial information
August 2010	Approval of resolution to MOU with American Campus Communities
December 2010	Information presented on the results of the student housing project bids, the impact on the University's debt capacity, the pro forma financials for the project and the housing system and the funding sources for the project

APPLICABLE STATUTE, RULE OR POLICY

Idaho State Board of Education Governing Policies & Procedures, Section V.K.2.

BACKGROUND/DISCUSSION

Demand for on-campus housing at Boise State University continues to grow and the 2005 University Master Plan identified locations adjacent to Lincoln Avenue as the proposed site for housing development.

The University has opted to construct townhouse style housing instead of traditional "dorm" style housing. The initial phase of this project will be approximately 360 beds of an 874 bed larger design. The remainder of the larger design may be completed at a later date as financial conditions permit.

Additional background is contained in the above referenced agenda items.

IMPACT

Based on the construction bids obtained on December 7, 2010, the total project costs including architectural and engineering fees, construction costs and contingencies, commissioning, testing, University costs and furnishings, fixtures and equipment are estimated to not exceed \$15,781,851. These costs do not include the \$2,948,796 ACC settlement costs incurred for the original project

BUSINESS AFFAIRS AND HUMAN RESOURCES
JANUARY 6, 2011

design and development costs, since this amount was previously approved by the Board and paid out to ACC. The source of funding for the settlement was University reserves but will be replenished by Housing operating revenues.

This project will be contracted and constructed utilizing the standard process through the State of Idaho Department of Public Works and/or the State of Idaho Department of Purchasing as appropriate. No State funding is included in this project.

The project will be funded with a combination of redirected bond proceeds resulting from savings from previous building projects as well as University and student housing reserves. The University will be repaid by Student Housing rental and other project revenues. The project will be funded as follows:

University Student Housing operating reserves	\$ 1,000,000
Redirected bond proceeds from Series 2007A and 2009A	10,530,000
<i>Housing will pay the associated debt service</i>	
<i>Proceeds are required to be spent on a Board approved capital project</i>	
<i>Proceeds are part of Restricted Net Assets</i>	
University Central reserves	<u>4,251,851</u>
<i>\$2,387,003 of designated reserves at June 30, 2010</i>	
<i>\$1,864,848 from facility fee collections in fall 2010</i>	
Total	<u>\$15,781,851</u>

ATTACHMENTS

Attachment 1 – Project Budget	Page 5
Attachment 2 – Project Summary	Page 6

Pro forma information provided to the Board in attachments on December 9, 2010 has not changed, but are provided as supplementary information.

Attachment 3 – Capital Project Tracking Sheet	Page 11
Attachment 4 – Lincoln Avenue Housing Pro Forma Budget	Page 12
Attachment 5 – University Housing System Pro Forma Budget	Page 13
Attachment 6 – Ten Year Debt Projection	Page 14
Attachment 7 – Debt Service Schedule	Page 15

STAFF COMMENTS AND RECOMMENDATIONS

At its August 2010 meeting the Board approved BSU's request to proceed with bidding of the new student housing facilities on Lincoln Avenue. BSU was directed to return to the Board with proposed financing terms after the project had been bid. BSU presented financial pro formas based on the bids to the Board at its December 2010 meeting. Since the low bid will only be held until

BUSINESS AFFAIRS AND HUMAN RESOURCES
JANUARY 6, 2011

January 21, 2011, BSU requested a special meeting of the Board for purposes of project approval.

As outlined above, the sources of funds for this project are a combination of redirected bond proceeds, student housing reserves and University reserves. Since no new external debt will be issued, the University's debt service to operating budget ratio will not change. Student housing system revenue will pay the debt service associated with the redirected bonds. University reserves are eligible to be repaid by future bond issues. The Project Summary (Attachment 2) provides additional narrative in support of the project pro formas.

Conservative revenue assumptions for this project and for the housing system as a whole show positive net cash flow over the first ten years.

Staff recommends approval.

BOARD ACTION

I move to approve the request by Boise State University to proceed with construction of the new student housing facilities on Lincoln Avenue for a total project cost not to exceed \$15,781,851 million and to find that this housing project constitutes a project that is necessary for the proper operation of the University and is economically feasible pursuant to Chapter 38, Title 33, Idaho Code.

Moved by _____ Seconded by _____ Carried Yes _____ No _____

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**Boise State University
Lincoln St Student Housing
Townhomes--360 Beds**

Project Budget (Dec 7, 2010 bids)

Architecture and Design Fees	\$	536,000
Commissioning, testing, plan check, etc.	\$	171,533
Construction Costs	\$	11,286,660
Construction Contingency	\$	564,333
Subtotal	\$	<u>12,558,526</u>

University Costs	\$	1,198,569
Project Contingency	\$	872,756
Furnishings, Fixtures and Equipment (FFE)	\$	1,152,000
Project Total	\$	<u>15,781,851</u>

ACC Settlement (Previously approved and has been paid)	\$	<u>2,948,796</u>
Total	\$	<u><u>18,730,647</u></u>

Boise State University: Lincoln Avenue Housing**Project Summary****December 9, 2010****Bid summary:**

From a pool of 11 prequalified general contractors, 8 bids were received on Dec 7, 2010. The apparent low bidder is ESI Inc. with a total bid price of \$11,286,660, including six additive alternates. The total projected construction contract is nearly \$2 million less than the pre-bid estimate of \$13,255,000.

Project Budget summary (attachment 1):

1. Architectural Fees of \$536,000 include \$480,000 for design revision and construction administration under contract through DPW and \$56,000 for estimated reimbursable costs.
2. Commissioning, Testing, Plan Check, Etc. includes estimated cost of testing, document reproduction and commissioning services.
3. Construction Costs is the general contract for construction based on bids as described above.
4. Construction Contingency is used to pay for change orders during construction and is calculated at 5% of the general contract for construction.
5. University Costs are direct project cost to the university outside the general contract for construction and include utility and sewer line development paid directly to providers, demolition cost, project management, university OIT costs and facilities operations support such items as keying setup etc.
6. Project Contingency are funds budgeted for any additional unforeseen project costs beyond what can be covered by the construction change order contingency. This estimate is calculated at 7 percent of construction and design costs.
7. Furniture, Fixtures and Equipment (FF&E) is the estimated cost to furnish the project.
8. ACC Settlement of \$2,948,796 represents the costs paid to ACC under the Board approved settlement agreement and includes \$2,210,702 in reimbursement and \$738,094 in negotiated developer's fee. This settlement secures the rights for the full original ACC designed project and was funded using University reserves. (The \$2.2 was approved by the Board and accrued as a liability in 2010 and was not a part of the remaining Unrestricted Net Asset balance as of year-end. The remaining amount was approved by the Board in 2010 and shown as obligated net assets in the Net Asset analysis.)

The project budget being presented for Board approval is \$15,781,851. The **total** project budget includes the previously approved and paid ACC settlement of \$2,948,796, making the total \$18,730,647.

Project Funding Summary:

	Construction Project (for Approval)
University Student Housing operating reserves	\$ 1,000,000
Redirected bond proceeds from Series 2007A and 2009A	10,530,000
<i>Housing will pay the associated debt service Proceeds are required to be spent on a Board approved capital project Proceeds are part of Restricted Net Assets</i>	
University Central reserves	<u>4,251,851</u>
<i>For Construction: \$2,387,003 of designated reserves at June 30 2010 \$1,864,848 from facility fee collections in fall 2010</i>	
Total	<u>\$15,781,851</u>

The portion designated to be paid from facility fee collections will not be paid out for 15-18 months. FY2011 and FY2012 fees will be collected during this timeframe.

Projects in 2007A and 2009A bond issuances completed under budget. Projects were bonded prior to opening bids (parking), and also came in under bid budgets (parking and CESED).

Annual debt service of \$1,280,000 in project pro-forma is based on principle of \$17.7 million (total project cost of \$18.7 million less \$1 million housing reserves) using a blended rate of 5.5% over 28 years. 5.5% represents a weighted cost of capital for the University for long-term debt.

In actuality, the Housing system will be charged interest on redirected bond proceeds, then as cash is drawn from University reserves. Debt service will likely be less than projected within the pro forma. Bond proceeds will be spent first, followed by housing reserves and finally University reserves.

Project Pro-forma

Projected revenue (first full year of operations) – \$2,050,080 based on 87% occupancy for 360 beds at \$490/bed and other revenue such as vending. Rent per bed is consistent with original ACC model, which was market-based and appropriate to system portfolio mix.

Expenses – Salaries and Fringe, \$36,392, Operating Expenses, \$459,557, and Debt Service of \$1,280,000. Salaries are for student RA's living in the apartments. Current housing administrative and facility staff has capacity to add building without addition positions.

Net cash flow –Averages \$406,000 per year over the first ten years. Each year has positive net cash flow.

Capital outlay and reserves – Capital outlays are relatively minimal each of the first 6 years then escalate until they reach 1% of replacement cost in year 10 and continue to escalate each subsequent year. On average, the annual capital project cost is \$152k. Such expenses will not occur each year, but will accrue in a sinking fund to cover facility renewal in periodic larger capital projects.

Pro-Forma Assumptions:

Pro-formas provided in support of this project are:

- 1) Project only pro-forma, and
- 2) BSU Housing system-wide with project pro-forma

These pro-formas are developed with the following assumptions and both pro-formas indicate that the Housing system can support the additional costs in debt service and operations for this project.

Conservative assumptions include:

- 1) Revenues escalate at a reduced rate from expenses
- 2) 87% occupancy for the new project
- 3) 90% occupancy for all existing projects
- 4) Occupancy for the system has averaged approximately 95% historically, there has been variability when buildings opened mid-year or sections were taken off-line for renovation, but demand continues to exceed inventory and 90% is conservative.
- 5) Amounts modeled for renewal exceed historical spending.

Debt service to operating budget ratio will not change since no new external debt will be issued for this project. Current ratio is 6.5 percent.

Supplementary Information

Attachments Presented at December 9 2010 Board Meeting

Attachment 3 – Capital Project Tracking Sheet	Page 11
Attachment 4 – Lincoln Avenue Housing Pro Forma Budget	Page 12
Attachment 5 – University Housing System Pro Forma Budget	Page 13
Attachment 6 – Ten Year Debt Projection	Page 14
Attachment 7 – Debt Service Schedule	Page 15

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**Office of the Idaho State Board of Education
Capital Project Tracking Sheet
December 10, 2010**

History Narrative

1 **Institution/Agency:** Boise State University **Project:** Lincoln Ave Student Housing Facilities
 2 **Project Description:** Construction of new beds of student housing in the south campus expansion zone near Lincoln Ave.
 (Revision of original ACC public private partnership project of 864 bids)
 3 **Project Use:** To provide approximately 360 additional student housing beds
 4 **Project Size:** approximately 360 beds

	Sources of Funds				Use of Funds			
	PBF	ISBA	Other *	Total Sources	Planning	Use of Funds Const	Other	Total Uses
9 Initial Cost of Project - ACC Settlement	\$ -	\$ -	\$ 2,948,796	\$ 2,948,796			\$ 2,948,796	\$ 2,948,796
10 Revised Project Budget			\$ 15,781,851	\$ 15,781,851	\$ 707,533	\$ 11,286,660	\$ 3,787,658	\$ 15,781,851
22 Total Project Costs	\$ -	\$ -	\$ 18,730,647	\$ 18,730,647	\$ 707,533	\$ 11,286,660	\$ 6,736,454	\$ 18,730,647

History of Funding:	PBF	ISBA	* Other Sources of Funds-----				Total Other	Total Funding
			Institutional Funds	Student Revenue	Other	-		
26 ACC Settlement	\$ -	\$ -	\$ 2,948,796	\$ -	\$ -	\$ 2,948,796	\$ 2,948,796	
27 Revised Project Budget			\$ 15,781,851	\$ -	\$ -	\$ 15,781,851	\$ 15,781,851	
29 Total	\$ -	\$ -	\$ 18,730,647	\$ -	\$ -	\$ 18,730,647	\$ 18,730,647	

LINCOLN AVENUE HOUSING PROJECT

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Yr 11-15	Yr 16-20	Yr 21-25	Yr 26-30	30 Year Total
1 Revenue:															
2 Facility Usage & Rent Revenue	2,029,776	2,090,669	2,153,389	2,217,991	2,284,531	2,353,067	2,400,128	2,448,131	2,497,093	2,547,035	13,519,970	14,488,149	15,227,190	15,531,719	81,788,839
3 Other Revenue	20,304	20,913	21,541	22,187	22,852	23,538	24,009	24,489	24,979	25,478	135,241	144,926	152,319	155,365	818,140
4 Total Revenues	2,050,080	2,111,582	2,174,930	2,240,178	2,307,383	2,376,605	2,424,137	2,472,619	2,522,072	2,572,513	13,655,211	14,633,075	15,379,509	15,687,084	82,606,978
5															
6 Expenses:															
7 Salaries & Fringe Benefits	36,392	37,484	38,608	39,767	40,960	42,188	43,454	44,758	46,100	47,483	259,658	301,015	348,959	404,539	1,731,365
8 Operations	459,557	473,344	487,544	502,170	517,235	532,753	548,735	565,197	582,153	599,618	3,278,955	3,801,208	4,406,641	5,108,505	21,863,615
9 Total Operating Expenses	495,949	510,827	526,152	541,937	558,195	574,941	592,189	609,955	628,253	647,101	3,538,613	4,102,223	4,755,600	5,513,044	23,594,980
10															
11 Net Income from Operations	1,554,131	1,600,755	1,648,778	1,698,241	1,749,188	1,801,664	1,831,948	1,862,665	1,893,818	1,925,412	10,116,598	10,530,853	10,623,909	10,174,040	59,011,999
12															
13 Capital Outlay	30,000	30,000	40,000	40,000	50,000	50,000	100,000	100,000	120,000	140,000	765,577	887,514	1,028,872	1,192,745	4,574,708
14 Project Debt Service	1,280,000	1,280,000	1,280,000	1,280,000	1,280,000	1,280,000	1,280,000	1,280,000	1,280,000	1,280,000	6,400,000	6,400,000	6,400,000	3,840,000	35,840,000
15															
16 Net Cash Flow	244,131	290,755	328,778	378,241	419,188	471,664	451,948	482,665	493,818	505,412	2,951,021	3,243,338	3,195,037	5,141,295	18,597,291

18 Pro Forma Assumptions:

	Year 2-6	Year 7-15	Year 16-25	Year 26-30
19 Revenue Escalation	3%	2%	1%	0%
20 Occupancy of expansion is 87%, historical average of system has been approximately 95%				
21				
22 Expense Escalation	3%	3%	3%	3%

23 Capital Outlay is reduced in years 1-9 due to the facility being new. In year 10 it reaches 1% of construction cost and escalates at 3% each year through year 30.

24 Debt service represents Housings commitment to repay internal reserves as well as redirected bond proceeds. A total of \$17.7 million plus interest will be repaid by Housing. Interest was calculated using a 28 year life at a rate of 5.5%. Interest rates are representative of the University's overall cost of capital.

25 Under tax exempt bond rules, the University may choose to replenish reserves from a future bond issuance. Any such decision would be done with full board disclosure and approvals.

26 Results differ from the model presented in August 2010 for several reasons.

- 27 1. The amount borrowed by Housing reduced from \$22mm to \$17.7mm reducing debt service.
- 28 2. Revenue and Expense assumptions were modified from ACC projections based on BSU operational experience

Housing System Pro Forma, With Expansion

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Yr 11-15	Yr 16-20	Yr 21-25	Yr 26-30	30 Year Total
1 Revenue:															
2 Facility Usage & Rent Revenue	9,777,155	10,070,470	10,372,584	10,683,761	11,004,274	11,334,402	11,561,091	11,792,312	12,028,159	12,268,722	65,123,859	69,787,445	73,203,444	74,667,441	393,675,119
3 Other Revenue	93,858	96,674	99,574	102,561	105,638	108,807	110,983	113,203	115,467	117,776	625,171	669,940	702,371	716,417	3,778,439
4 Total Revenues	9,871,013	10,167,143	10,472,158	10,786,322	11,109,912	11,443,210	11,672,074	11,905,515	12,143,625	12,386,498	65,749,030	70,457,385	73,905,815	75,383,858	397,453,558
5															
6 Expenses:															
7 Salaries & Fringe Benefits	2,542,417	2,618,690	2,697,250	2,778,168	2,861,513	2,947,358	3,035,779	3,126,852	3,220,658	3,317,278	18,140,233	21,029,502	24,378,957	28,261,892	120,956,546
8 Operations	3,287,524	3,386,150	3,487,734	3,592,366	3,700,137	3,811,141	3,925,476	4,043,240	4,164,537	4,289,473	23,456,597	27,192,625	31,523,705	36,544,614	156,405,321
9 Total Operating Expenses	5,829,941	6,004,839	6,184,984	6,370,534	6,561,650	6,758,499	6,961,254	7,170,092	7,385,195	7,606,751	41,596,831	48,222,127	55,902,662	64,806,507	277,361,867
10															
11 Net Income from Operations	4,041,072	4,162,304	4,287,173	4,415,789	4,548,262	4,684,710	4,710,819	4,735,423	4,758,431	4,779,747	24,152,199	22,235,257	18,003,153	10,577,351	120,091,691
12															
13 Capital Outlay	550,000	550,000	550,000	550,000	550,000	700,000	700,000	700,000	700,000	700,000	3,500,000	3,500,000	3,500,000	2,500,000	19,250,000
14 Current Debt Service	1,579,042	1,580,747	1,571,781	1,569,569	2,215,928	2,207,565	2,204,045	2,202,597	2,200,527	2,192,039	10,890,747	8,811,581	-	-	39,226,168
15 Debt Service for Lincoln Ave	1,280,000	1,280,000	1,280,000	1,280,000	1,280,000	1,280,000	1,280,000	1,280,000	1,280,000	1,280,000	6,400,000	6,400,000	6,400,000	3,840,000	35,840,000
16															
17 Net Cash Flow	632,030	751,557	885,392	1,016,220	502,334	497,145	526,774	552,826	577,904	607,708	3,361,452	3,523,676	8,103,153	4,237,351	25,775,523
18															
19 Ending Fund Balance	1,752,142	2,503,699	3,389,092	4,405,311	4,907,645	5,404,790	5,931,565	6,484,391	7,062,294	7,670,003	11,031,455	14,555,131	22,658,284	26,895,635	26,895,635

21 Pro Forma Assumptions:

	Year 2-6	Year 7-15	Year 16-25	Year 26-30
24 Revenue Escalation	3%	2%	1%	0%
25 Occupancy of expansion is 87%, occupancy of existing system is 90%, historical average of system has been approximately 95%				
27 Expense Escalation	3%	3%	3%	3%
29 Capital Outlay is approximately 1% of replacement value. This is significantly more than is currently being spent on renewal for the facilities today.				
32 Current Debt Service represents currently outstanding housing bonds. Additional debt service represents a combination of an internal loan to Housing and redirected bond proceeds for which Housing will assume the obligation.				

**Boise State University
Ten Year Debt Projection
December 2010**

Attachment 6

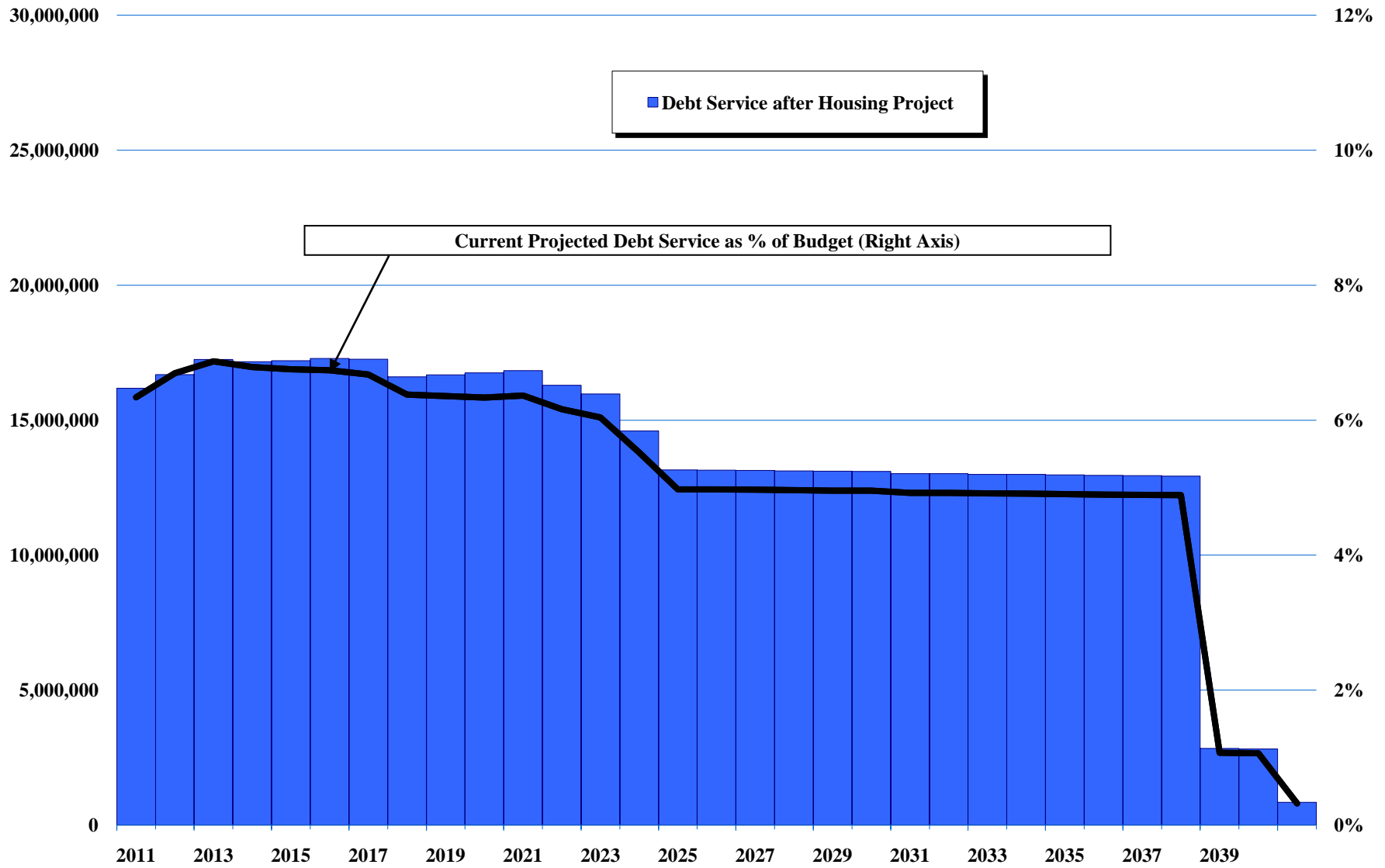
	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	Total
1 Future Buildings											
2 Housing - Townhouse project			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3											
4											
5 Future Debt Financing	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
6 Current University Debt Service	\$16,688,619	\$17,242,188	\$17,278,274	\$17,218,527	\$17,296,614	\$17,395,702	\$17,289,100	\$16,682,665	\$16,752,426	\$16,830,173	\$170,674,288
7 Total Projected Debt Service after Housing project	\$16,688,619	\$17,242,188	\$17,278,274	\$17,218,527	\$17,296,614	\$17,395,702	\$17,289,100	\$16,682,665	\$16,752,426	\$16,830,173	\$170,674,288
8 Operating Budget (less direct loans, 0% growth in State support)	\$255,227,759	\$249,264,273	\$251,501,475	\$253,304,457	\$255,143,499	\$257,019,321	\$258,932,660	\$260,884,266	\$262,874,904	\$264,905,355	
9 Current Debt Service as a % of Operating Budget (6/8)	6.5%	6.9%	6.9%	6.8%	6.8%	6.8%	6.7%	6.4%	6.4%	6.4%	
10 8% is the University's planned cap.											

6.9%	7.1%	7.0%	7.0%	7.0%	6.9%	6.6%	6.6%	6.5%
<i>-impact of rolling the \$7.2 of central reserves loaned to Housing into a future bond issuance on the debt ratio</i>								

Assumptions:

- 11 Student Revenue 1. 2% student growth from student fees, plus \$25 SFF fee in 2012
- 12 General Fund 2. 10% base reduction in 2012, no increase in appropriated funds in future
- 13 Donations, Sales 3. Gifts and auxilliary revenues hold at 2011 levels
- 14 4. Loss of stimulus funding in 2012
- 15 5. Annual budget reduced by \$10 million to ensure conservative calculations
- 16 6. New Housing project to be by reallocating \$10.5 million of bond proceeds, \$1 million in payments already made from Housing
- 17 reserves and a loan from University central reserves, central reserves are eligible to be replenished by future bond issues.
- 18

Boise State University Debt Service to Budget after Housing Project Updated December 2010



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