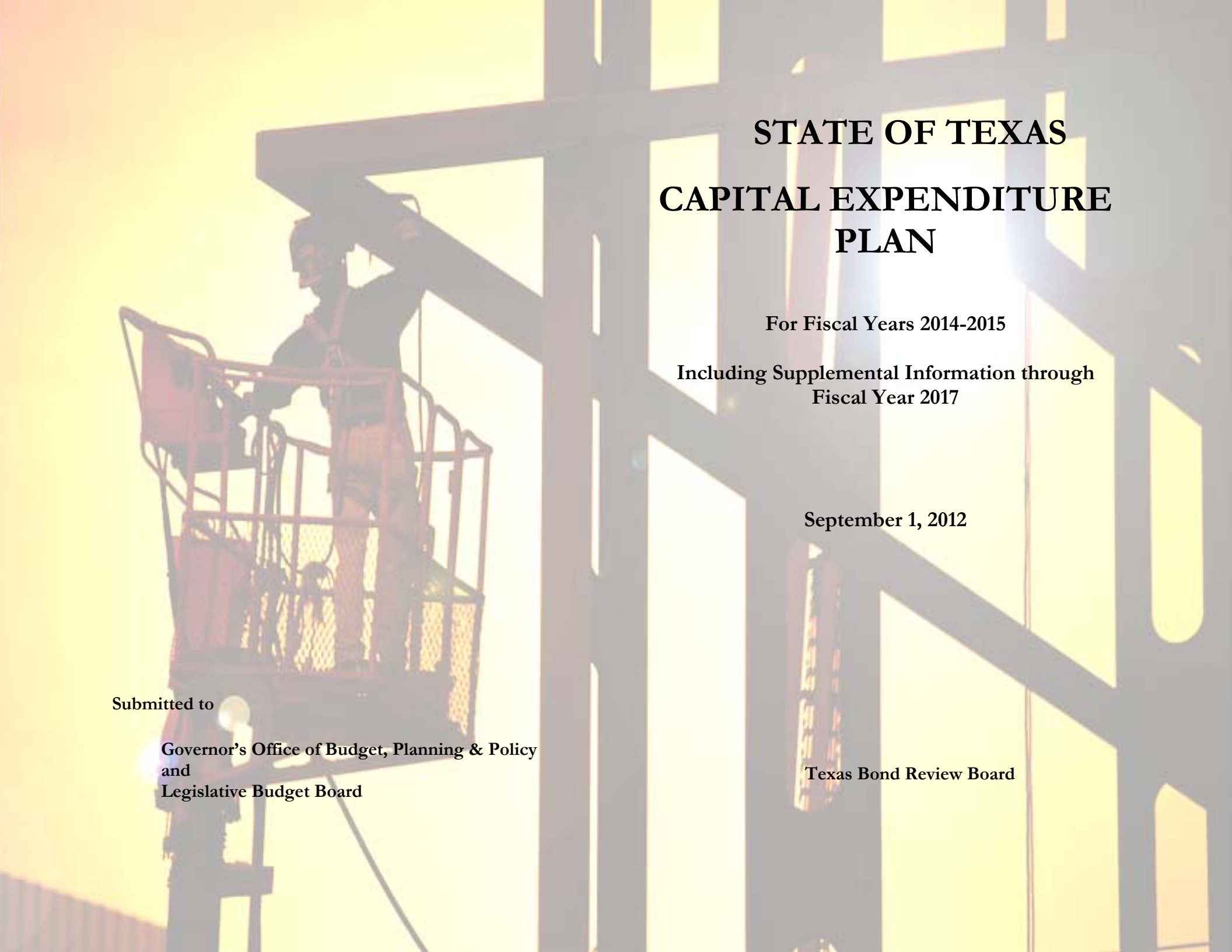


STATE OF TEXAS

CAPITAL EXPENDITURE PLAN

For Fiscal Years 2014-2015

Including Supplemental Information through Fiscal Year 2017

September 1, 2012

Submitted to

Governor's Office of Budget, Planning & Policy
and
Legislative Budget Board

Texas Bond Review Board

TEXAS BOND REVIEW BOARD

Fiscal Years 2013-2017
CAPITAL PLANNING ANALYSIS AND OVERVIEW

Capital Planning Review and Approval Process

House Bill 1, Article IX, Section 11.02 of the 82nd Legislature directed the Texas Bond Review Board (BRB) to produce the state's Capital Expenditure Plan (CEP) for the 2014-2015 fiscal biennium.

The legislation specifies that all state agencies and higher educational institutions appropriated funds by the General Appropriations Act (GAA) are required to report capital planning information for projects that fall within the following four specific project areas: (1) acquisition of land and other real property; (2) construction of buildings and facilities; (3) renovations of buildings and other facilities estimated to exceed $1 million for a single state agency or institution of higher education; and (4) major information resources projects estimated to exceed $1 million. In previous reports, the BRB requested that all planned expenditures exceeding $250,000 must be reported, but the threshold was adjusted to $1 million in 2006 for future reports.

The BRB developed program guidelines, instructions and a formal process for submission of capital projects based on the legislative mandate with the assistance of various state agencies including the Governor's Office of Budget, Planning & Policy (GOBPP), Legislative Budget Board (LBB), Texas Higher Education Coordinating Board (THECB), Texas Facilities Commission (TFC) and agency input from BRB staff.

From a budgetary and capital planning standpoint, a number of state agencies work together to coordinate the budgetary and capital reporting and approval process for state agencies. They include the GOBPP, LBB, THECB, TFC, Comptroller of Public Accounts (CPA), House Committee on Appropriations (HAC) and Senate Finance Committee (SFC).

The legislature defines the types of projects and cost thresholds to be reported in the CEP. The BRB coordinates the submission of capital projects for the CEP, develops the report and determines the effect of the additional capital requests on the state's budget and debt capacity. The completed plan is then provided to the GOBPP and the LBB to develop recommended appropriations to the legislature. The GOBPP and LBB also assess short-term and long-term budget needs. Through HAC and SFC, the legislature makes the final decisions on projects to be funded for the two-year biennial period. Approved capital and operating budgets are integrated into the GAA that authorizes specific debt issuance for capital projects.

Through the capital budgeting process, capital projects are approved for the two-year biennial period (2014-2015). However, the CEP reports on the preceding year (2013) and the remaining two out years (2016-2017) for identifying long-term needs of the state and for future planning purposes.

Inventory Control of Capital Assets

Individual state agencies and institutions of higher education maintain capital inventory listings on an annual basis. In addition to the CEP, the biennial report *The Facilities Master Plan* produced by TFC addresses current and projected office inventory and space needs as well as methods for meeting those needs in a cost-effective manner. This report is also used to assist with the development of appropriation requests in the state's budget cycle. Decisions on whether facilities should be purchased, constructed, sold, renovated or leased are supported in this document. The process also assesses capacity and determines the best use for existing facilities.

Additionally, the state maintains a complete inventory of capital assets for all state agencies that is updated annually. The CPA collects information provided by each reporting entity through the State Property Accounting System, and the State Auditor's Office monitors inventory and asset control systems as part of its management control and performance audits.

The THECB maintains a *Facilities Inventory* for institutions of higher education and identifies available square footage as well as the replacement value for that space. State institutions of higher education are also required to report annually to the THECB information on planned construction projects and deferred maintenance. The THECB uses this information to produce a five-year *Campus Master Plan* document which guides the agency in its evaluation and approval of campus construction and land acquisition projects.

Capital Expenditure Plan for 2014-2015

The CEP is divided into two main parts:

Part One compiles the data submitted by the agencies and institutions of higher education and presents them in four ways:

- Functional Area;
- Categories of Expenditures;
- Sources of Funding; and
- Debt Financing by Functional Area.

Part Two gives an overview of Texas' state debt and its general obligation ratings.

This report is meant to serve as a general overview of the data received from the reporting agencies. A searchable database that offers detail on specific projects is available online on the BRB's website at http://www.brb.state.tx.us/capital/capital.aspx.

In developing the CEP for the 2014-2015 biennium with supplemental information through 2017, the BRB received information from 75 state entities and institutions of higher education reporting 989 capital project request submissions totaling $53.39 billion through fiscal year 2017 and beyond. (Of the 989 projects submitted, costs for seven Texas Department of Public Safety projects were not yet available). Of that amount, the CEP reports an estimated $10.12 billion in expenditures in FY2013, $11.17 billion in FY2014, $11.10 billion in FY2015, $8.91 billion in FY2016 and $12.08 billion in FY2017 and beyond.

Anticipated total expenditures were $47.03 billion in the 2012-2013 CEP as compared to $53.39 billion in the 2014-2015 CEP.

Functional Areas of Government

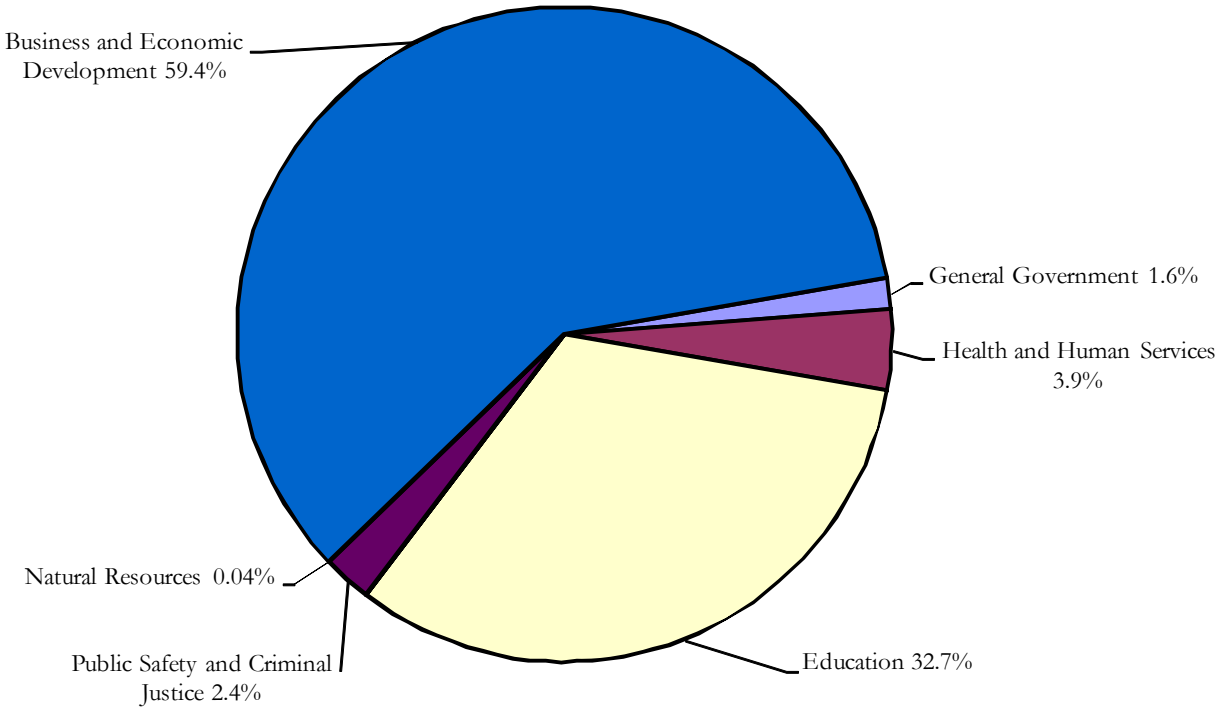
The state's GAA separates Texas state agencies and institutions of higher education into eight different "Articles" that group government agencies into functional units. Two government functional areas reported 92.1 percent of the planned capital expenditures for FY2011-2015 reporting period. Business and Economic Development which includes TxDOT, accounts for the largest portion of expenditures at 59.4 percent while Education comprises 32.7 percent of the total anticipated expenditures.

The following table and chart groups the planned capital expenditures by functional area.

Functional area	FY2013	FY2014	FY2015	FY2016	FY2017 & Beyond	Total Project Expenditures	% of Total
General Government	$54,641,678	$47,877,523	$76,879,180	$55,113,288	$613,724,438	$848,236,107	1.6%
Health and Human Services	737,976,090	332,971,114	291,250,250	262,116,890	457,177,244	2,081,491,588	3.9%
Education	1,395,569,848	2,740,407,867	3,539,292,172	3,233,823,509	6,537,771,886	17,446,865,282	32.7%
The Judiciary	-	-	-	-	-	-	0.0%
Public Safety and Criminal Justice	344,268,972	211,494,581	160,574,070	125,478,515	438,143,743	1,279,959,881	2.4%
Natural Resources	5,626,690	1,756,238	6,593,709	5,549,421	0	19,526,058	0.0%
Business and Economic Development	7,586,534,145	7,833,733,867	7,025,148,569	5,231,735,617	4,034,034,752	31,711,186,950	59.4%
Regulatory	-	-	-	-	-	-	0.0%
Total	**$10,124,617,423**	**$11,168,241,190**	**$11,099,737,950**	**$8,913,817,240**	**$12,080,852,063**	**$53,387,265,866**	**100.00%**

State of Texas
Capital Expenditures by Functional Areas of Government

Total Anticipated Expenditures $53,387,265,866



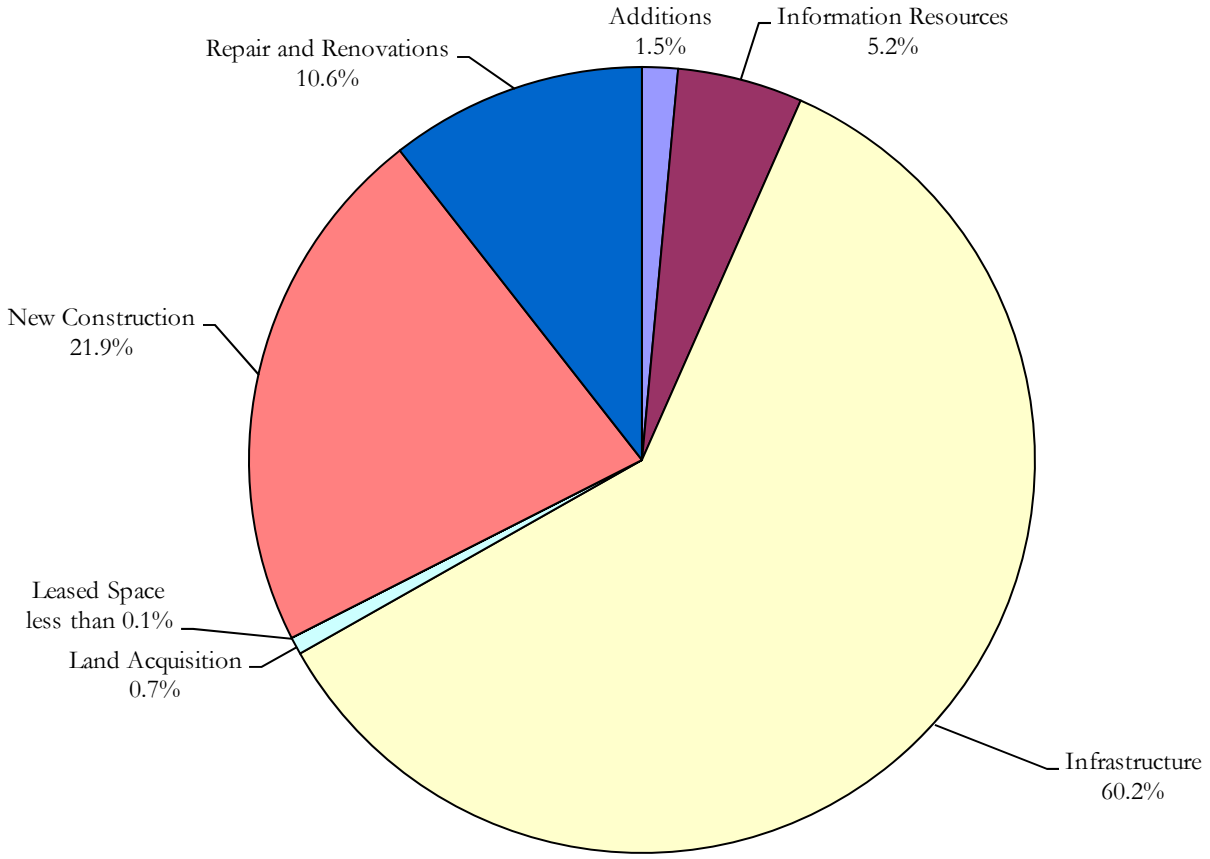
Categories of Expenditures

State agencies are required to report planned capital expenditures by categories as shown in the table below. Infrastructure is the largest category for the FY2011-2015 reporting period, accounting for 60.2 percent followed by New Construction at 21.9 percent. These two categories account for 82.1 percent of the total planned capital expenditures.

The Infrastructure and New Construction categories only capture the estimated amount of funds needed to complete each anticipated project but does not account for additional maintenance and operation costs after project completion.

Category	FY2013	FY2014	FY2015	FY2016	FY2017 & Beyond	Total Category Expenditures	% of Total
Additions	$110,673,019	$183,791,520	$182,120,000	$135,441,020	$171,450,000	$783,475,559	1.5%
Information Resources	969,830,372	618,332,289	425,111,303	288,521,914	447,899,413	2,749,695,291	5.1%
Infrastructure	7,526,721,605	7,832,591,626	7,130,449,723	5,350,367,190	4,291,709,001	32,131,839,145	60.2%
Land Acquisition	113,236,998	78,426,390	55,845,200	43,491,180	$91,346,130	382,345,898	0.7%
Leased Space	333,333	500,000	500,000	500,000	666,667	2,500,000	0.0%
New Construction	882,854,533	1,771,139,824	2,489,441,375	2,386,987,817	4,165,376,195	11,695,799,744	21.9%
Repair and Renovations	520,967,563	683,459,541	816,270,349	708,508,119	$2,912,404,657	5,641,610,229	10.6%
Total	**$10,124,617,423**	**$11,168,241,190**	**$11,099,737,950**	**$8,913,817,240**	**$12,080,852,063**	**$53,387,265,866**	**100.0%**

State of Texas
Capital Expenditures by Category of Expenditure
Total Anticipated Expenditures $53,387,265,866



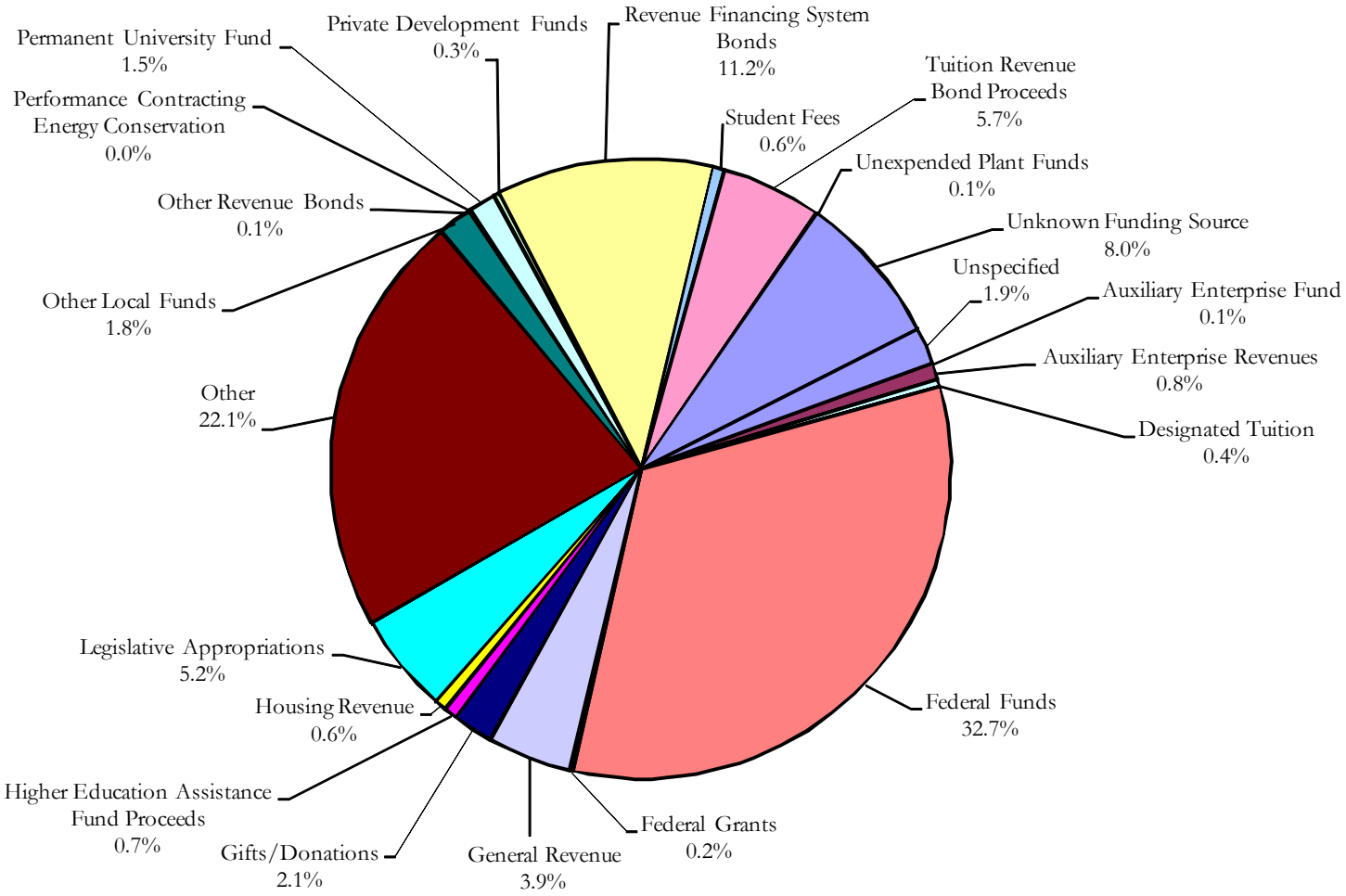
Sources of Funding

State agencies and institutions of higher education reported 25 funding sources to pay for their capital projects. Federal Funds comprised the largest portion of funding at 32.7 percent, and increase of more than 10% over the amount reported for FY2012-2013. The Other fund source category which includes sources such as indirect cost recoveries, institutional funds and hospital funds is the second largest source of funds for capital planning at 22.1 percent. Revenue Financing System Bonds comprised the third largest category at 11.2 percent.

Source Funds	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017 & Beyond	Total	% of Total
Auxiliary Enterprise Fund	$ 12,076,000	$ 18,088,000	$ 3,200,000	$ 2,370,000	$ 1,580,000	$ 37,314,000	0.1%
Auxiliary Enterprise Revenues	44,398,433	80,366,800	83,716,000	114,050,160	125,814,513	448,345,906	0.8%
Available University Fund	-	-	-	-	8,500,000	8,500,000	0.0%
Designated Tuition	20,300,733	24,600,282	23,605,398	13,195,000	125,556,972	207,258,385	0.4%
Federal Funds	3,892,581,193	4,187,816,831	3,937,751,582	2,768,195,721	2,689,830,169	17,476,175,496	32.7%
Federal Grants	57,469,313	48,973,081	5,398,289	4,260,000	3,140,000	119,240,683	0.2%
General Revenue	492,836,733	348,551,376	387,554,038	566,041,746	263,358,070	2,058,341,963	3.9%
Gifts/Donations	109,435,645	195,334,030	201,352,461	165,991,387	464,132,662	1,136,246,185	2.1%
Higher Education Assistance Fund Proceeds	87,450,240	98,585,953	69,594,000	33,155,891	61,835,277	350,621,361	0.7%
Housing Revenue	53,912,531	106,099,055	65,428,800	46,085,280	66,628,800	338,154,466	0.6%
Legislative Appropriations	503,863,324	418,487,035	389,296,274	261,867,875	1,188,488,358	2,762,002,866	5.2%
Master Lease Purchase Program	-	7,317,316	7,317,316	7,317,316	7,317,316	29,269,264	0.1%
Other	3,070,543,134	2,932,044,655	2,614,037,931	1,826,413,402	1,373,818,963	11,816,858,085	22.1%
Other Local Funds	207,562,522	166,202,747	161,092,998	206,830,238	194,097,851	935,786,356	1.8%
Other Revenue Bonds	10,000,000	-	1,500,000	6,000,000	25,500,000	43,000,000	0.1%
Performance Contracting Energy Conservation	-	-	7,000,000	9,000,000	-	16,000,000	0.0%
Permanent University Fund	135,702,585	149,074,553	159,374,553	96,794,553	242,527,984	783,474,228	1.5%
Private Development Funds	20,000,000	42,000,000	51,900,000	27,600,000	25,000,000	166,500,000	0.3%
Revenue Financing System Bonds	1,065,394,067	1,121,088,049	1,111,198,498	1,294,201,666	1,409,319,434	6,001,201,714	11.2%
Student Fees	34,675,000	90,362,000	118,598,616	39,100,000	44,100,000	326,835,616	0.6%
Tuition Revenue Bond Proceeds	88,287,800	499,423,304	821,224,543	729,513,091	899,544,756	3,037,993,494	5.7%
Unexpended Plant Funds	3,500,000	10,600,000	6,988,888	2,165,000	20,390,408	43,644,296	0.1%
Unknown Funding Source	132,775,000	451,752,000	648,690,000	465,580,000	2,557,385,000	4,256,182,000	8.0%
Unspecified	81,853,170	171,474,123	223,917,765	228,088,914	282,985,530	988,319,502	1.9%
Total	**$ 10,124,617,423**	**$ 11,168,241,190**	**$ 11,099,737,950**	**$ 8,913,817,240**	**$ 12,080,852,063**	**$ 53,387,265,866**	**100.0%**

State of Texas Sources of Funding for Capital Expenditures

Total Anticipated Expenditures $53,387,265,866



The following table lists the Source Funds with the largest changes for the 2014-2015 biennium compared to the 2012-2013 biennium:

Source Funds	FY 2012 - 2013	FY 2014 - 2015	Change	% Change
Federal Funds	$ 12,693,579,335	$ 17,476,175,496	$ 4,782,596,161	37.7%
Revenue Financing System Bonds	4,350,116,345	6,001,201,714	1,651,085,369	38.0%
Unknown Funding Source	3,331,116,750	4,256,182,000	925,065,250	27.8%
Other	10,990,871,491	11,816,858,085	825,986,594	7.5%
Legislative Appropriations	2,323,607,840	2,762,002,866	438,395,026	18.9%
Permanent University Fund	511,213,939	783,474,228	272,260,289	53.3%
Student Fees	153,185,009	326,835,616	173,650,607	113.4%
Total	$ 34,353,690,709	$ 43,422,730,005	$ 9,069,039,296	26.4%

General Revenue & Federal Funds

Anticipated expenditures from General Revenue (GR) decreased by $1.87 billion (-47.7%) from $3.93 billion in the 2012-2013 CEP to $2.06 billion in the 2014-2015 biennium. This decrease is offset by a corresponding increase in anticipated Federal Funds (FF) expenditures. State agencies accounted for $2.00 billion (97.3%) of anticipated GR expenditures and institutions of higher education accounted for $56.5 million (2.7%). TxDOT expects to fund its future road projects with approximately $16.49 billion in FF as compared to $11.97 billion reported in the 2012-2013 CEP. This accounts for most of the increase of $4.78 billion (37.7%) in use of federal funds to $17.48 billion reported for the 2014-2015 biennium.

Revenue Financing System Bonds, Permanent University Fund & Student Fees

Institutions of higher education reported an expected increase of Revenue Financing System (RFS) Bonds of $1.65 billion (38.0%). While RFS debt had the second highest absolute increase from the last report, Student Fees and Permanent University Fund expenditures had the first and second highest percentage change of 113.4% and 53.3%, respectively

Other

The Other source fund category increased from $10.99 billion in the 2012-2013 CEP to $11.82 billion (7.5%) for the 2014-2015 biennium, $11.32 billion of which is attributable to TxDOT.

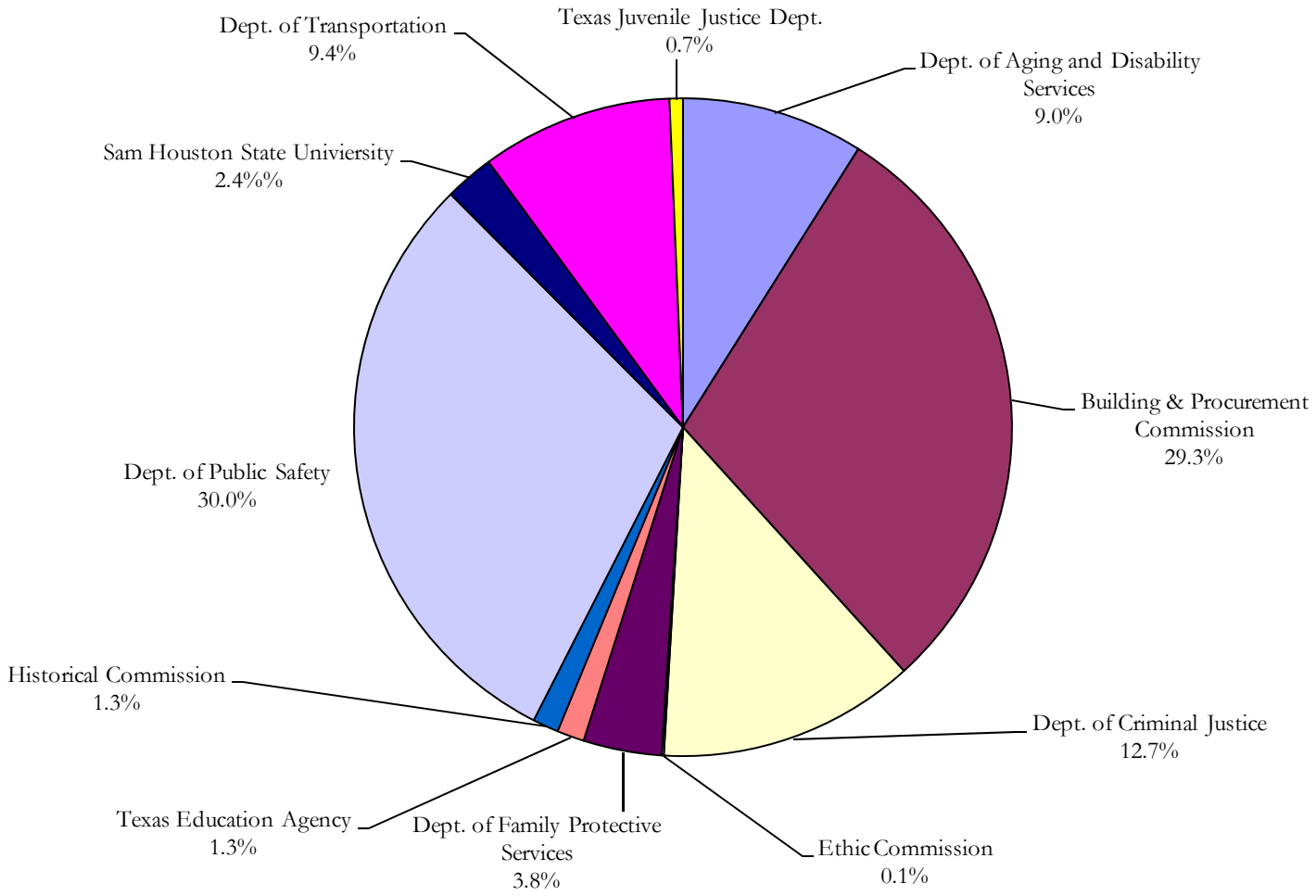
Legislative Appropriations

Anticipated expenditures from Legislative Appropriations increased $438.4 million (18.9%) from $2.32 billion reported in the 2012-2013 CEP to $2.76 billion reported for the 2014-2015 biennium. Eleven state agencies and institutions of higher education submitted project costs requiring Legislative Appropriations with the Department of Criminal Justice, the Department of Public Safety, Building and Procurement Commission and the Department of Transportation representing $2.24 billion (81.4%) of the total $2.76 billion.

The following 3 charts represent the state entities and institutions of higher education that plan to utilize state and federal monies to finance ongoing and future projects.

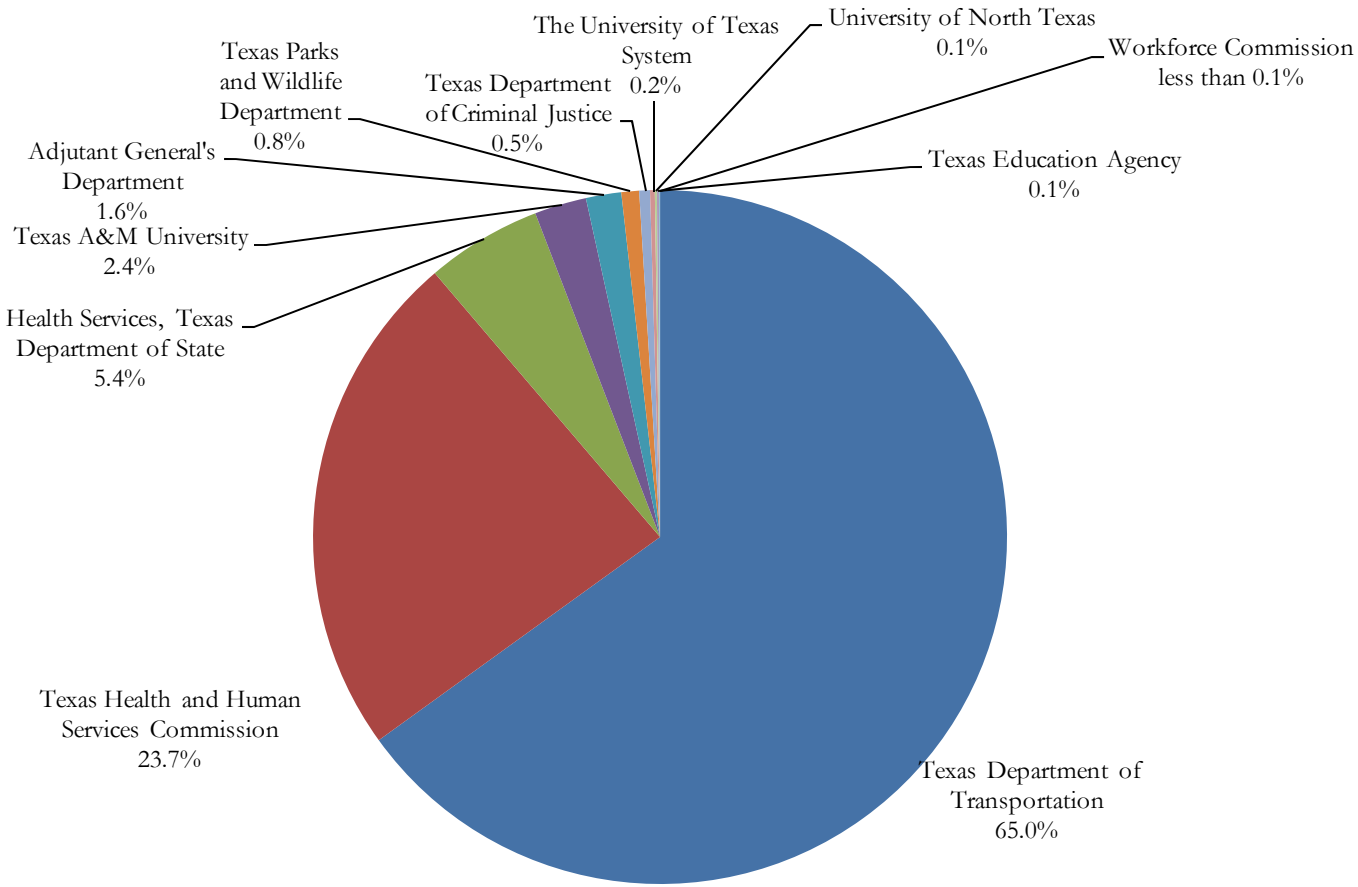
Legislative Appropriations

Total Anticipated Expenditures $2,762,002,866



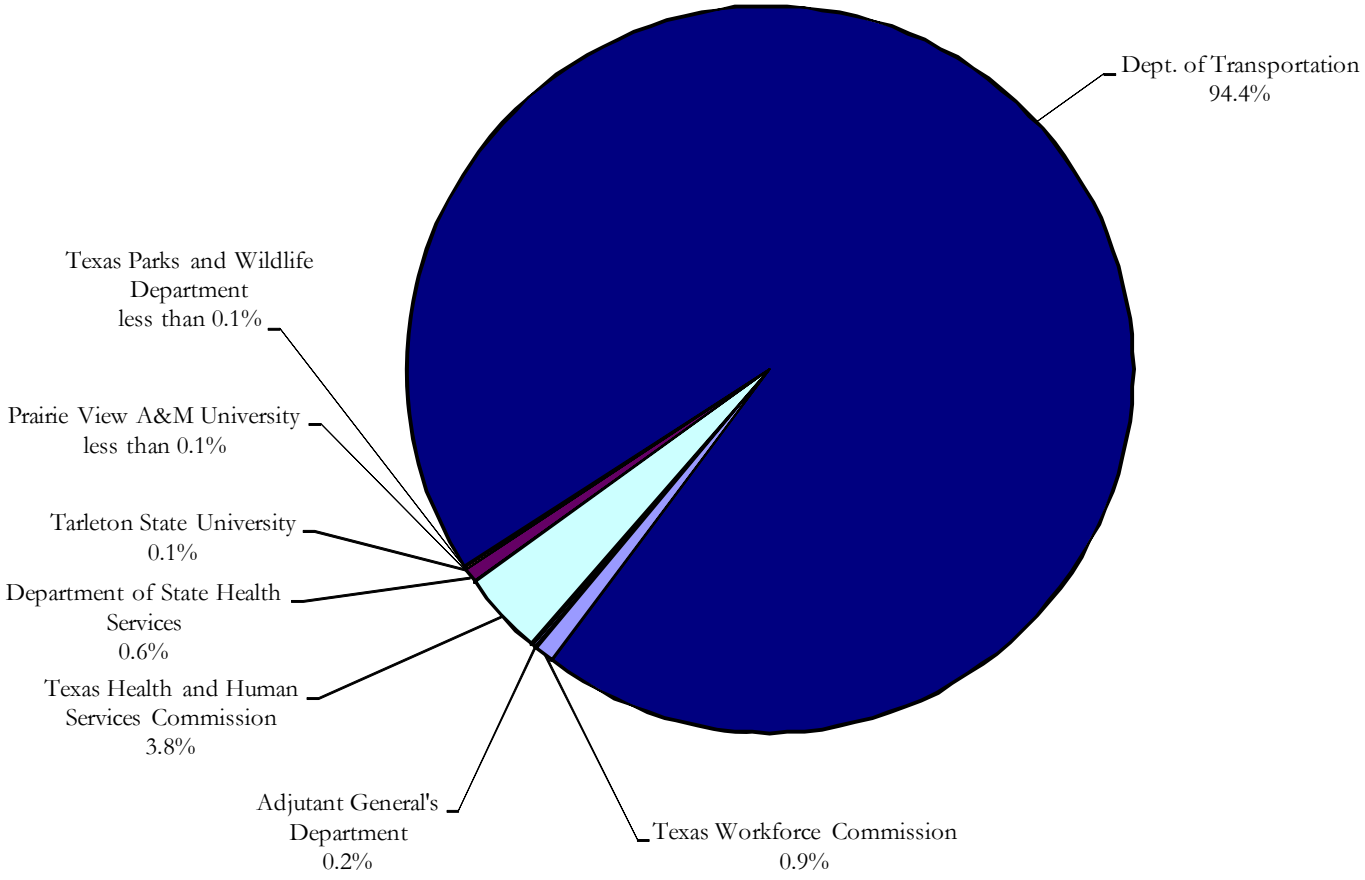
General Revenue

Total Anticipated Expenditures $2,058,341,963



Federal Funds

Total Aniticipated Expenditures $17,476,175,496



Debt Financing of Capital Projects

Texas ranks low in total tax-supported state debt outstanding at $612 per capita. Although most of the state's debt is non-general obligation self-supporting debt, a small portion is classified as general obligation not self-supporting debt and is used for certain projects including prisons, buildings and the like. This debt has increased steadily from slightly less than $400 million at August 31, 1986 to over $4.14 billion at August 31, 2011. Recent growth in both state population and debt authorizations requires additional review and analysis as provided by the state's Debt Affordability Study. This study focuses on general obligation not self-supporting debt and outlines the impact of additional debt on total debt outstanding, future debt-service requirements and the constitutional debt limit.

A total of 458 projects submitted in the 2014-2015 CEP will be financed through the issuance of debt. Debt service on these projects is $1.72 billion and $1.59 billion for FY2014 and FY2015, respectively. As described below, debt service over the life of all the capital projects reported to the BRB is expected to total $20.86 billion.

Functional Area	FY 2013 P&I	FY 2014 P&I	FY 2015 P&I	FY 2016 P&I	FY 2017 P&I & Beyond	Total Expected P&I	% of Total
General Government	$ 37,211,033	$ 57,415,535	$ 66,985,776	$ 82,934,207	$ 606,075,867	$ 850,622,418	4.1%
Health and Human Services	105,853,098	83,161,340	85,606,730	88,233,327	356,043,732	718,898,227	3.4%
Education	285,295,529	365,485,765	569,975,244	730,818,211	12,723,844,999	14,675,419,748	70.3%
The Judiciary	-	-	-	-	-	-	0.0%
Public Safety and Criminal Justice	192,621,109	110,643,364	51,267,912	49,317,850	283,091,915	686,942,150	3.3%
Natural Resources	137,972	495,269	1,016,378	1,629,217	23,594,897	26,873,733	0.1%
Business and Economic Development	1,094,636,438	972,740,472	806,371,421	787,704,501	242,650,831	3,904,103,663	18.7%
Regulatory	-	-	-	-	-	-	0.0%
Total	$ 1,715,755,179	$ 1,589,941,745	$ 1,581,223,461	$ 1,740,637,313	$ 14,235,302,241	$ 20,862,859,939	100.0%

State Debt Overview

The following table sets forth the state's total general obligation debt for which the full faith, credit and taxing power of the state are pledged and non-general obligation debt outstanding by self-supporting or not self-supporting categories as of February 29, 2012.

Debt Outstanding (Amounts in billions)		
	2/29/2012	
General Obligation Debt		
Self-Supporting	$10.31	*25.0%*
Not Self-Supporting	$3.78	*9.2%*
Total General Obligation Debt	**$14.09**	***34.2%***
Non-General Obligation Debt		
Self-Supporting	$26.77	*65.1%*
Not Self-Supporting	$0.30	*0.7%*
Total Non-General Obligation Debt	**$27.07**	***65.8%***
Total Debt Outstanding	**$41.16**	***100.0%***

Authorized but unissued debt may be issued at any time without further legislative action, but the issuance requires BRB approval. Certain authorized but unissued debt requires debt service appropriations prior to issuance. The following table sets forth the state's total general obligation and non-general obligation authorized but unissued debt by self-supporting or not self-supporting categories as of February 29, 2012.

Authorized But Unissued Debt (Amounts in billion)		
	2/29/2012	
General Obligation Debt		
Total Self-Supporting	$10.39	*48.2%*
Total Not Self-Supporting	7.69	*35.7%*
Total General Obligation Debt	**$18.07**	***83.9%***
Non-General Obligation Debt		
Total Self-Supporting	$3.26	*15.1%*
Total Not Self-Supporting	0.21	*1.0%*
Total Non-General Obligation Debt	**$3.47**	***16.1%***
Total Authorized but Unissued Debt	**$21.55**	***100.0%***

The state's Constitutional Debt Limit provides that additional tax-supported debt may not be authorized if the maximum annual debt service on debt payable from general revenue, including authorized but unissued debt exceeds 5 percent of the average annual unrestricted general revenue for the previous three fiscal years. As of August 31, 2011, the constitutional debt limit stood at 3.70 percent, consisting of 1.35 percent for outstanding debt and 2.35 percent for authorized but unissued debt.

Developments Affecting State Debt

The state's credit ratings are an important determinant of interest rates on the state's bond offerings and therefore directly affect the cost-effectiveness of the state's debt issuance. Credit rating agencies consider the following four primary factors when rating state debt:

- *Economic* - the state's income, employment, economic diversity and demographics;
- *Financial* - the state's revenues, cost structure, balance sheet health and liquidity;
- *Debt* - debt ratios and debt security and structure; and
- *Management* - budget development and management practices; constitutional constraints, initiatives and referenda; executive branch controls; mandates to maintain a balanced budget; rainy day funds and political polarization.

Texas' general obligation (GO) debt is split-rated at Aaa/AA+/AAA by the three major credit rating agencies, Moody's Investors Service (Moody's), Standard & Poor's (S&P) and Fitch Ratings (Fitch), respectively. The S&P rating is one step below AAA.

In April 2010 Moody's and Fitch began recalibrating their municipal rating scales to align with their global rating scales. Moody's rating for the state's GO was recalibrated from Aa1 to Aaa, and Fitch's rating was recalibrated from AA+ to AAA. Moody's recalibration was designed "to enhance the comparability of ratings across the Moody's rated universe," and Fitch's "intent of the recalibration is to ensure a greater degree of comparability across Fitch's global portfolio of credit ratings." Moody's also states that the recalibration should not be viewed as a rating upgrade but as a recalibration of ratings to a different rating scale.

S&P did not recalibrate their municipal bond rating scale because they have been using a global rating scale across the structural finance, corporate and government sectors. S&P believes that "comparability of ratings is important because it can serve as a common vocabulary for investors to use when comparing the credit risk of securities in different sectors."

Tax and Revenue Anticipation Notes (TRAN) Ratings

Since 1986 the CPA has sold TRANs before the beginning of each fiscal year to meet the state's short-term cash needs, particularly with the distribution of state funds to school districts. S&P, Moody's and Fitch rated Texas' 2012 Series TRANs SP-1+, MIG 1 and F1+, respectively, the highest short-term ratings issued by the three bond firms.

In an article entitled "Texas to Cover Schools' Cash Flow With $9.8 Billion of Notes" in the August 15, 2012 issue of the "Bond Buyer", Standard & Poor's was quoted as stating that "The state's tax collections continue to perform significantly stronger than forecast, with projected continued revenue stability through fiscal 2013. The 2012 TRAN was the Texas' second largest, only smaller than the 2011 TRAN.

Recent reports from the rating agencies

Moody's outlook for Texas' rating is stable. In May 2012 Moody's cited that "the long-term rating reflects the strong fundamentals of the Texas economy and the expectation that it will continue to perform more strongly than the nation; a notably large rainy day fund even after the state has used a portion of it to help balance the current biennium but that still provides a healthy budgetary cushion; and low debt levels."

S&P's outlook for the state's rating also remains stable. In June 2012 S&P's rationale for the state's outlook "reflects Standard & Poor's expectation that Texas' economic performance will continue to support the revenue forecast for the 2012-2013 biennium." S&P also states that "an upgrade is unlikely within the next two years absent the adoption of measures that solve the structural budget imbalance that resulted from the school funding changes approved in 2006."

In August 2012 Fitch's outlook for Texas is stable and "reflects its low debt burden, conservative financial operations and a growth-oriented economy that continues to outpace national averages. Financial pressures arise from the demand that rapid growth places on the state's consumption based tax system, including longer term transportation needs and the state's commitment to education."

Rating Challenges

The sometimes overlapping conclusions reached by all three rating agencies reflect their collective judgment that several challenges may arise if Texas is faced with a low revenue environment. Among the most prominent and commonly cited of these problems are:

1) the state's heavy dependence on the sales tax without support from a state income tax;
2) unresolved issues related to public school funding; and
3) continued rapid population growth that will necessitate budget increases for operating costs as well as increases in capital expenditures for growing infrastructure needs.

APPENDIX A

Proposed Capital Expenditures by Functional Area of Government

This appendix provides a breakout of proposed capital expenditures by Functional Area of Government along with the agency or institution of higher learning proposing the capital expenditure. A searchable database that offers further detail on specific projects submitted for the 2014-2015 CEP is available online at the BRB's website at http://www.brb.state.tx.us/capital/capital.aspx.

General Government Detail	FY2013	FY2014	FY2015	FY2016	FY2017 & Beyond	Total Project Expenditures
Building & Procurement Commission	$48,489,159	$32,060,523	$61,729,180	$54,113,288	$613,724,438	$810,116,588
Ethics Commission, Texas	-	2,000,000	1,000,000	-	-	3,000,000
Historical Commission, Texas	6,152,519	13,817,000	14,150,000	1,000,000	-	35,119,519
Total	**$ 54,641,678**	**$47,877,523**	**$76,879,180**	**$55,113,288**	**$613,724,438**	**$848,236,107**

Health & Human Services Detail	FY2013	FY2014	FY2015	FY2016	FY2017 & Beyond	Total Project Expenditures
Dept. of Aging and Disability Services	$14,833,333	$48,131,450	$67,748,651	$52,617,316	$93,185,286	$276,516,036
Dept. of Family and Protective Services	17,709,239	17,709,239	17,709,239	17,790,239	35,418,478	106,336,434
Dept. of State Health Services	69,745,981	93,218,256	91,019,981	83,857,585	75,855,308	413,697,111
Health and Human Services Commission	635,687,537	173,912,169	114,772,379	107,851,750	252,718,172	1,284,942,007
Total	**$737,976,090**	**$332,971,114**	**$291,250,250**	**$262,116,890**	**$457,177,244**	**$2,081,491,588**

Education Detail	FY2013	FY2014	FY2015	FY2016	FY2017 & Beyond	Total Project Expenditures
Angelo State University	$0	$1,000,000	$9,000,000	$48,400,000	$87,620,000	$146,020,000
Lamar Institute of Technology	2,800,000	1,920,000	1,920,000	1,920,000	26,447,610	35,007,610
Lamar State College-Orange	9,266,730	-	-	11,889,000	11,889,000	33,044,730
Lamar State College-Port Arthur	50,000	2,787,500	962,500	5,216,667	2,633,333	11,650,000
Lamar University	11,500,000	23,277,850	49,083,875	40,950,945	70,021,662	194,834,332
Midwestern State University	2,200,000	27,160,000	28,652,000	19,073,000	65,215,000	142,300,000
Prairie View A&M University	9,778,000	29,356,695	14,306,000	17,000,000	30,000,000	100,440,695
Education Detail (cont.)	**FY2013**	**FY2014**	**FY2015**	**FY2016**	**FY2017 & Beyond**	**Total Project Expenditures**

Sam Houston State University	31,002,000	38,816,307	94,984,291	126,031,000	175,391,953	466,225,551
Stephen F. Austin State University	3,300,000	19,200,000	30,000,000	59,450,000	172,700,000	284,650,000
Sul Ross State University	1,450,000	7,312,879	522,250	-	54,960,832	64,245,961
Tarleton State University	5,228,170	76,474,600	160,184,600	147,940,580	107,875,530	497,703,480
Texas A&M International University	11,750,000	32,300,000	66,900,000	69,200,000	28,000,000	208,150,000
Texas A&M University	92,211,017	138,878,848	142,361,000	120,206,000	57,018,000	550,674,865
Texas A&M University-Central Texas	-	-	10,000,000	20,000,000	20,000,000	50,000,000
Texas A&M University-San Antonio	-	20,300,000	59,300,000	96,600,000	111,800,000	288,000,000
Texas A&M University System Health Science Center	13,500,000	99,201,190	180,320,000	202,320,000	122,000,000	617,341,190
Texas A&M University Engineer Extension Service	6,800,000	2,000,000	4,000,000	6,000,000	8,000,000	26,800,000
Texas A&M University System	2,166,170	-	-	-	-	2,166,170
Texas A&M University-Commerce	4,860,000	14,820,000	35,220,000	41,100,000	20,300,000	116,300,000
Texas A&M University-Corpus Christi	10,825,000	26,175,000	18,725,000	34,725,000	217,600,000	308,050,000
Texas A&M University-Galveston	18,000,000	35,800,000	45,600,000	37,600,000	-	137,000,000
Texas A&M University-Kingsville	19,450,000	17,375,000	23,825,000	37,875,000	245,495,000	344,020,000
Texas A&M University-Texarkana	8,100,000	22,550,000	34,050,000	32,900,000	38,800,000	136,400,000
Texas Education Agency	4,431,955	7,962,458	7,446,045	6,313,233	12,673,357	38,827,048
Texas Southern University	63,459,400	71,000,400	71,000,400	64,040,000	61,332,800	33,833,000
Texas State Technical College -Harlingen	-	3,300,000	1,500,000	5,640,000	4,450,000	14,890,000
Texas State Technical College -Marshall	750,000	1,500,000	750,000	3,700,000	2,800,000	9,500,000
Texas State Technical College -Waco	-	500,000	11,500,000	7,000,000	6,750,000	25,750,000
Texas State Technical College -West Texas	-	2,650,000	1,046,040	-	-	3,696,040
Texas State University-San Marcos	54,685,885	124,563,873	213,828,080	127,918,440	124,323,168	645,319,446
Texas Tech University	77,175,000	155,920,000	220,650,000	136,155,000	204,750,000	794,650,000
Texas Tech University Health Sciences Center	31,900,000	141,268,500	227,240,000	95,350,000	37,890,000	533,648,500
Texas Tech University System	1,500,000	4,900,000	13,800,000	5,200,000	9,100,000	34,500,000
Texas Woman's University	27,216,186	48,238,230	41,173,616	19,550,000	11,700,000	147,878,032
The University of Texas - Arlington	2,200,000	16,050,000	99,950,000	114,600,000	56,000,000	288,800,000
The University of Texas - Austin	16,000,000	12,000,000	6,000,000	6,000,000	2,392,750,000	2,432,750,000
The University of Texas - Brownsville	5,000,000	5,000,000	12,399,028	17,265,799	226,788,125	266,452,952
The University of Texas - Dallas	128,200,000	140,800,000	192,000,000	226,000,000	337,000,000	1,024,000,000
The University of Texas - El Paso	35,400,000	74,133,333	130,558,165	136,133,334	227,750,000	603,974,832
The University of Texas - San Antonio	38,000,000	152,800,000	197,100,000	186,000,000	233,900,000	807,800,000

Education Detail (cont.)	FY2013	FY2014	FY2015	FY2016	FY2017 & Beyond	Total Project Expenditures
The University of Texas - Tyler	10,000,000	61,250,000	64,500,000	23,500,000	8,950,000	168,200,000
The University of Texas Health Center at Tyler	40,194,471	-	-	-	-	40,194,471
The University of Texas Health Science Center at Houston	14,374,999	81,227,678	70,227,679	54,915,178	62,915,182	283,660,716
The University of Texas Health Science Center at San Antonio	81,200,000	94,000,000	48,000,000	17,000,000	-	240,200,000
The University of Texas MD Anderson Cancer Center	147,465,671	126,922,826	118,811,503	126,850,000	152,900,000	672,950,000
The University of Texas Medical Branch at Galveston	1,000,000	-	6,000,000	23,000,000	61,000,000	91,000,000
The University of Texas of the Permian Basin	12,750,000	58,700,000	37,300,000	8,000,000	-	116,750,000
The University of Texas Southwestern Medical Center at Dallas	72,150,000	38,150,000	13,950,000	50,750,000	14,800,000	189,800,000
The University of Texas System	10,000,000	2,500,000	500,000	-	-	13,000,000
The University of Texas-Pan American	32,507,861	73,130,000	69,826,000	6,480,000	480,000	182,423,861
University of Houston	94,833,000	243,833,000	280,834,000	191,500,000	82,000,000	893,000,000
University of Houston-Clear Lake	5,108,333	9,537,400	23,147,600	60,378,000	62,834,667	161,006,000
University of Houston-Downtown	14,860,000	27,376,800	31,050,000	23,762,333	2,966,667	100,015,800
University of Houston-Sugarland	-	-	-	9,000,000	-	9,000,000
University of Houston-Victoria	7,350,000	38,387,500	33,512,500	24,800,000	17,300,000	121,350,000
University of North Texas	91,120,000	205,600,000	166,025,000	151,050,000	203,575,000	817,370,000
University of North Texas - Dallas	-	1,500,000	7,200,000	49,975,000	169,325,000	228,000,000
University of North Texas Health Science Center at Fort Worth	1,500,000	27,000,000	59,500,000	30,000,000	8,000,000	126,000,000
University of North Texas System	2,000,000	34,000,000	27,300,000	24,600,000	-	87,900,000
West Texas A&M University	7,000,000	18,000,000	23,750,000	25,000,000	67,000,000	140,750,000
Total	**$1,395,569,848**	**$2,740,407,867**	**$3,539,292,172**	**$3,233,823,509**	**$6,537,771,886**	**$17,446,865,282**

Judicial Detail – No Projects Reported.

Public Safety & Criminal Justice Detail	FY2013	FY2014	FY2015	FY2016	FY2017 & Beyond	Total Project Expenditures
Adjutant General's Department	$2,200,000	$10,869,724	$19,155,090	$18,127,400	$22,339,628	$72,691,842

Dept. of Criminal Justice	77,969,600	47,140,322	43,142,393	40,000,000	151,453,000	359,705,315
Dept. of Public Safety	261,560,123	148,052,014	88,045,010	67,351,115	264,351,115	829,359,377
Texas Juvenile Justice Department	2,539,249	5,432,521	10,231,577	-	-	18,203,347
Total	**$344,268,972**	**$211,494,581**	**$160,574,070**	**$125,478,515**	**$438,143,743**	**$1,279,959,881**

Natural Resources Detail	**FY2013**	**FY2014**	**FY2015**	**FY2016**	**FY2017 & Beyond**	**Total Project Expenditures**
Texas Parks and Wildlife Department	$5,626,690	$1,756,238	$6,593,709	$5,549,421	$0	$19,526,058
Total	**$5,626,690**	**$1,756,238**	**$6,593,709**	**$5,549,421**	**$0**	**$19,526,058**

Business & Economic Development Detail	**FY2013**	**FY2014**	**FY2015**	**FY2016**	**FY2017 & Beyond**	**Total Project Expenditures**
Dept. of Motor Vehicles	$43,198,180	$53,033,000	$ 5,690,000	$ 4,950,000	$ 4,950,000	$ 111,821,180
Texas Department of Transportation	7,501,352,918	7,749,166,173	6,991,443,603	5,199,690,207	4,003,164,352	31,444,817,253
Texas Workforce Commission	41,983,047	31,534,694	28,014,966	27,095,410	25,920,400	154,548,517
Total	**$7,586,534,145**	**$7,783,333,867**	**$7,025,148,569**	**$5,231,735,617**	**$4,034,034,752**	**$31,711,187,050**

Regulatory Detail – No Projects Reported.

Total Expenditures	**FY2013**	**FY2014**	**FY2015**	**FY2016**	**FY2017 & Beyond**	**Total Project Expenditures**
	$10,391,991,023	$11,103,857,450	$11,035,486,535	$8,854,068,701	$12,020,032,228	$53,405,435,937

APPENDIX B

Enabling Legislation – Capital Expenditure Plan

House Bill 1, Article IX, Section 11.02
82nd Legislature, Regular Session – 2011

(a) An agency or institution of higher education appropriated funds by this Act shall supply to the Bond Review Board capital planning information relating to projects subject to this section and financing options for the 2014-15 fiscal biennium in a format and according to guidelines developed by the Bond Review Board. Such information shall include:

(1) a description of the project or acquisition;
(2) the cost of the project;
(3) the anticipated useful life of the project;
(4) the timing of the capital need;
(5) a proposed source of funds (method of financing);
(6) a proposed type of financing; and
(7) any additional related information requested by the Bond Review Board.

(b) The Bond Review Board shall compile a statewide capital expenditure plan for the 2014-15 fiscal biennium from the information submitted by agencies and institutions in accordance with the capital planning guidelines. Copies of the guidelines shall be filed with the Governor and the Legislative Budget Board no later than December 31, 2011 The Bond Review Board shall file copies of the capital expenditure plan for the period beginning September 1, 2013 with the Governor and the Legislative Budget Board no later than September 1, 2012.

(c) The statewide capital plan required by this section shall identify the state's capital needs and alternatives to finance these needs. The Bond Review Board shall review input from all state agencies and institutions regarding the agencies' and institutions' current and future capital needs as part of the strategic planning process. The Bond Review Board shall inform the Legislature on the possible budget impact of the capital plan on the state's debt capacity.

(d) This section applies to each anticipated state project requiring capital expenditures for:

(1) land acquisition;
(2) construction of building and other facilities;
(3) renovations of buildings and other facilities estimated to exceed $1 million in the aggregate for a single state agency or institution of higher education; or

(4) major information resources projects estimated to exceed $1 million.

(e) The Higher Education Coordinating Board and the Bond Review Board shall eliminate redundant reporting by consolidating this report and the Higher Education Coordinating Board's Master Plan report, to the greatest extent possible.

APPENDIX C

Notes on the Fiscal 2014-2015 – Capital Expenditure Plan

- Data collection was handled by using an online reporting system developed and managed by the Texas Higher Education Coordinating Board (THECB). The staff of the Bond Review Board sincerely appreciates the hard work and professionalism of the staff of the THECB.

- In an effort to improve reporting by state agencies and institutions of higher education, the reporting threshold for all categories of expenditures was raised to $1 million in 2006. The prior reporting threshold was $250,000.

- For a second time TxDOT accounts for a large portion of the total capital expenditures because the 2014-2015 CEP is taking into account anticipated expenditures for new road projects for the first time. Prior to the 2012-13 CEP report, TxDOT aligned the CEP reporting to the LAR. However, the LAR does not take into account new road projects. To capture a more accurate picture of future capital expenditures, the BRB requested that TxDOT submit estimated project cost for future road expenditures for the current CEP report.

- Texas Department of Public Safety reported seven projects with immeasurable dollar amounts. The agency is waiting for the Texas Facilities Commission to provide them with their cost analyses for these projects.