



**STATE OF TEXAS  
CAPITAL EXPENDITURE  
PLAN**

**For Fiscal Years 2016-2017**

**Including Supplemental Information through  
Fiscal Year 2019**

**September 1, 2014**

**Submitted to**

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

**Texas Bond Review Board**



# TEXAS BOND REVIEW BOARD

Fiscal Years 2015-2019

## CAPITAL PLANNING ANALYSIS AND OVERVIEW

### Capital Planning Review and Approval Process

Senate Bill 1, Article IX, Section 11.02 of the 83<sup>rd</sup> Legislature directed the Texas Bond Review Board (BRB) to produce the state's Capital Expenditure Plan (CEP) for the 2016-2017 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 (2016-2017). However, the CEP reports on the preceding year (2015) and the remaining two out years (2018-2019) 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 2016-2017**

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 2016-2017 biennium with supplemental information through 2019, the BRB received information from 86 state entities and institutions of higher education reporting 1022 capital project request submissions totaling \$58.30 billion through fiscal year 2019 and beyond. (Of the 1022 projects submitted, costs for two Texas Department of Public Safety projects were not yet available). Of that amount, the CEP reports an estimated \$11.12 billion in expenditures in FY2015, \$11.60 billion in FY2016, \$11.38 billion in FY2017, \$10.37 billion in FY2018 and \$13.81 billion in FY2019 and beyond.

Anticipated total expenditures were \$53.39 billion in the 2014-2015 CEP as compared to \$58.30 billion in the 2016-2017 CEP.

### Functional Areas of Government

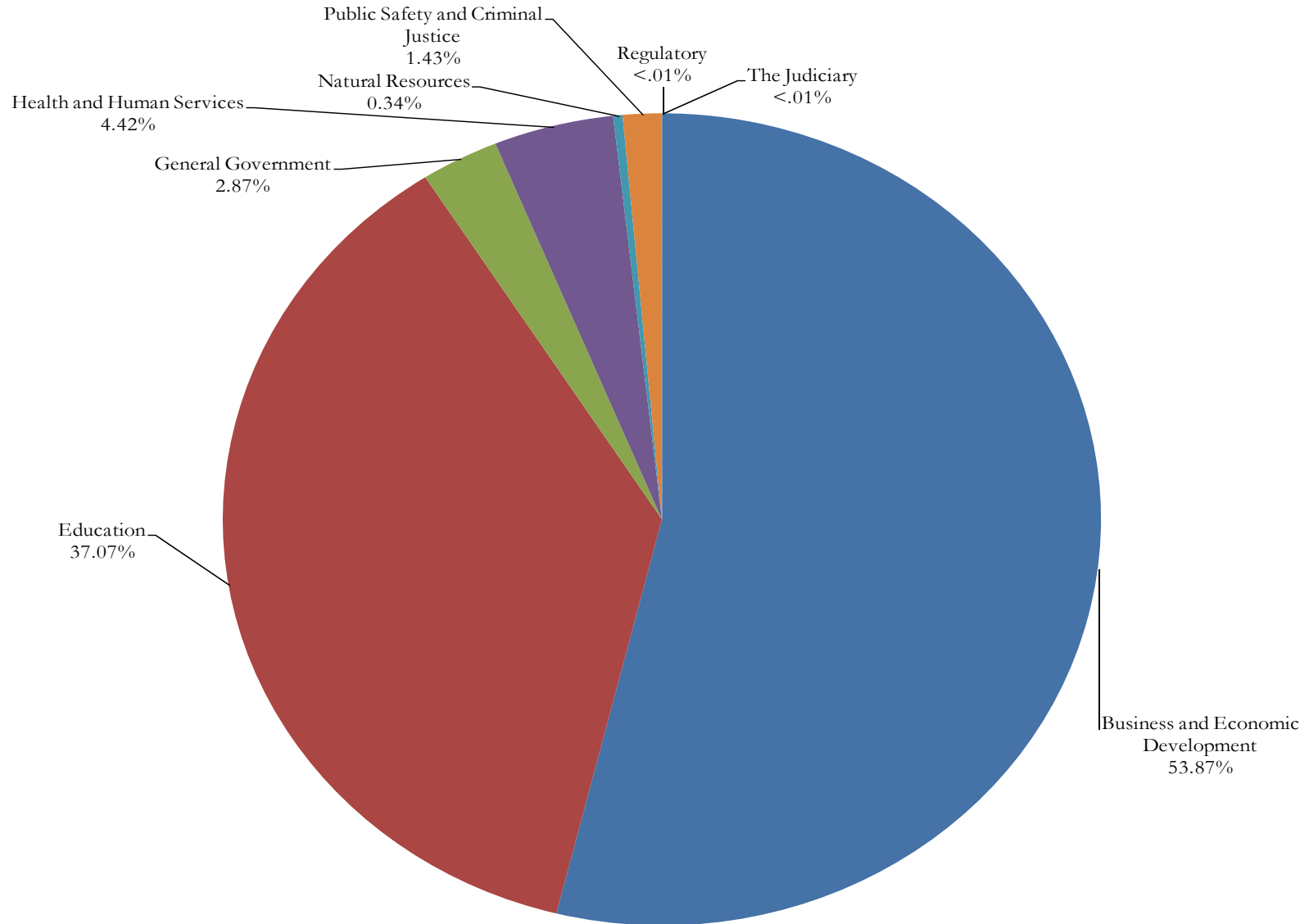
The state’s GAA separates Texas state agencies and institutions of higher education into eight different “Articles” that group government agencies into functional units. Two government functional areas reported 90.9 percent of the planned capital expenditures for FY2015-2019 reporting period: Business and Economic Development which includes the Texas Department of Transportation (TxDOT), accounts for the largest portion of expenditures at 53.8 percent, and Education comprises 37.1 percent of the total anticipated expenditures.

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

Functional Area	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019 & Beyond	Total Project Expenditures	% of Total
Business and Economic Development	\$ 7,403,077,827	\$ 7,380,188,081	\$ 6,312,352,517	\$ 5,637,636,014	\$ 4,673,857,398	\$ 31,407,111,837	53.87%
Education	2,065,629,174	3,471,394,722	4,414,340,131	3,981,405,657	7,682,335,478	21,615,105,162	37.07%
General Government	71,846,477	161,086,893	197,616,817	415,755,951	826,364,127	1,672,670,265	2.87%
Health and Human Services	1,214,491,813	348,455,474	320,357,117	277,478,688	416,716,097	2,577,499,189	4.42%
Natural Resources	115,021,774	33,985,637	46,920,530	2,311,075	-	198,239,016	0.34%
Public Safety and Criminal Justice	255,096,225	207,006,989	95,120,502	55,791,875	219,044,375	832,059,966	1.43%
Regulatory	-	-	-	-	-	-	0.00%
The Judiciary	150,000	2,350,000	-	-	-	2,500,000	0.00%
<b>Total</b>	<b>\$11,125,313,290</b>	<b>\$11,604,467,796</b>	<b>\$11,386,707,614</b>	<b>\$ 10,370,379,260</b>	<b>\$ 13,818,317,475</b>	<b>\$ 58,305,185,435</b>	<b>100%</b>

# State of Texas Capital Expenditures by Article of Government

Total Anticipated Expenditures \$58,305,185,435



### Categories of Expenditures

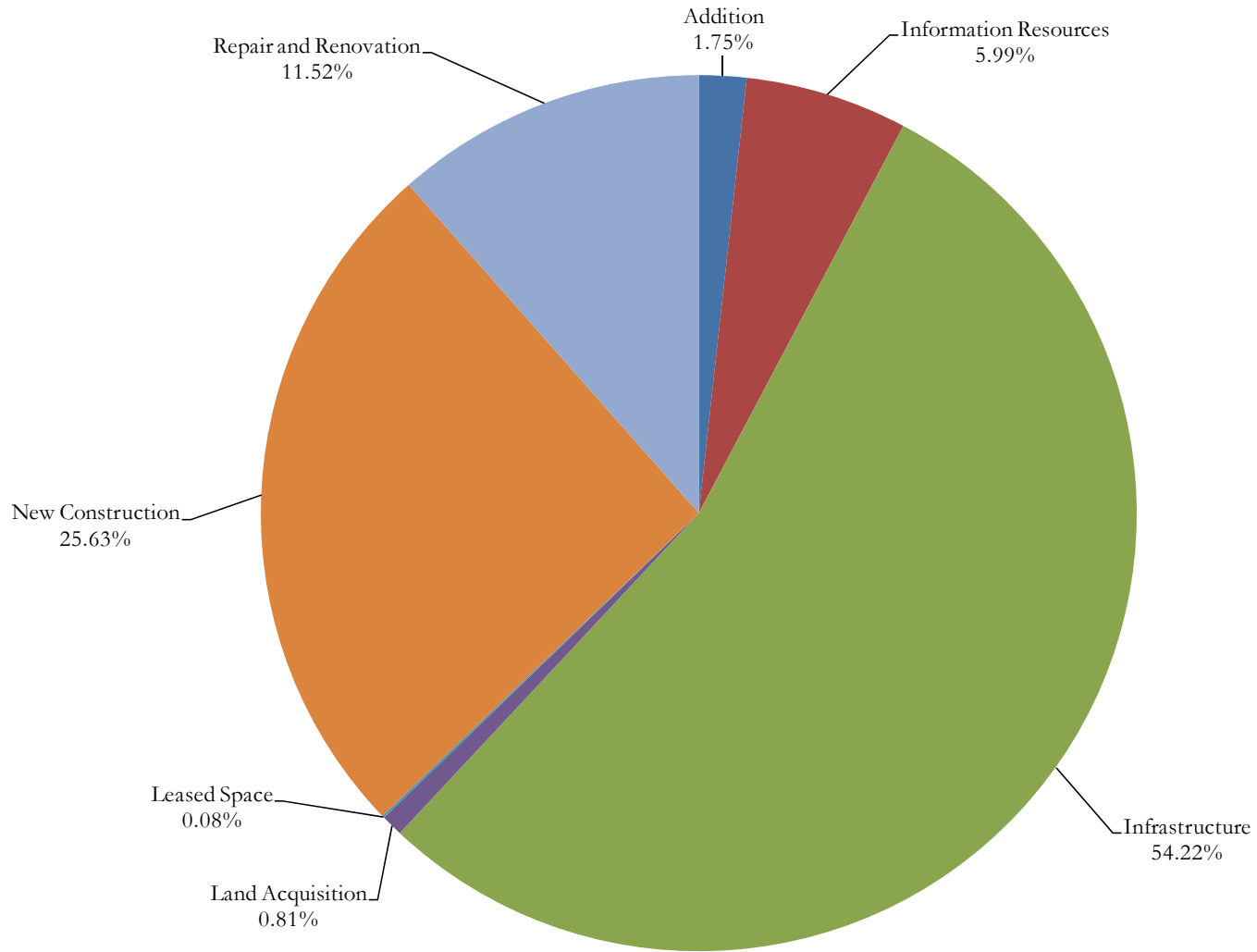
State agencies are required to report planned capital expenditures by categories as shown in the table below. Infrastructure is the largest category for the FY2015-2019 reporting period, accounting for 54.2 percent followed by New Construction at 25.6 percent. These two categories account for 79.8 percent 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	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019 & Beyond	Total Category Expenditures Expected	% of Total
Addition	\$ 102,260,000	\$ 164,974,704	\$ 140,334,380	\$ 134,161,119	\$ 477,037,592	\$ 1,018,767,795	1.75%
Information Resources	1,457,069,426	697,898,905	539,532,039	354,887,047	443,900,563	3,493,287,980	5.99%
Infrastructure	7,488,123,874	7,327,265,750	6,237,875,092	5,707,680,095	4,854,399,437	31,615,344,248	54.22%
Land Acquisition	64,789,476	112,212,598	82,846,246	64,090,493	146,766,866	470,705,679	0.81%
Leased Space	-	1,055,500	-	3,055,500	43,000,000	47,111,000	0.08%
New Construction	1,430,804,049	2,439,396,540	3,356,051,884	3,249,360,015	4,469,386,705	14,944,999,193	25.63%
Repair and Renovation	582,266,465	861,663,799	1,030,067,973	857,144,991	3,383,826,312	6,714,969,540	11.52%
<b>Total</b>	<b>\$ 11,125,313,290</b>	<b>\$11,604,467,796</b>	<b>\$ 11,386,707,614</b>	<b>\$ 10,370,379,260</b>	<b>\$ 13,818,317,475</b>	<b>\$ 58,305,185,435</b>	<b>100.00%</b>

# State of Texas Capital Expenditures by Category of Expenditures

Total Anticipated Expenditures \$58,305,185,435



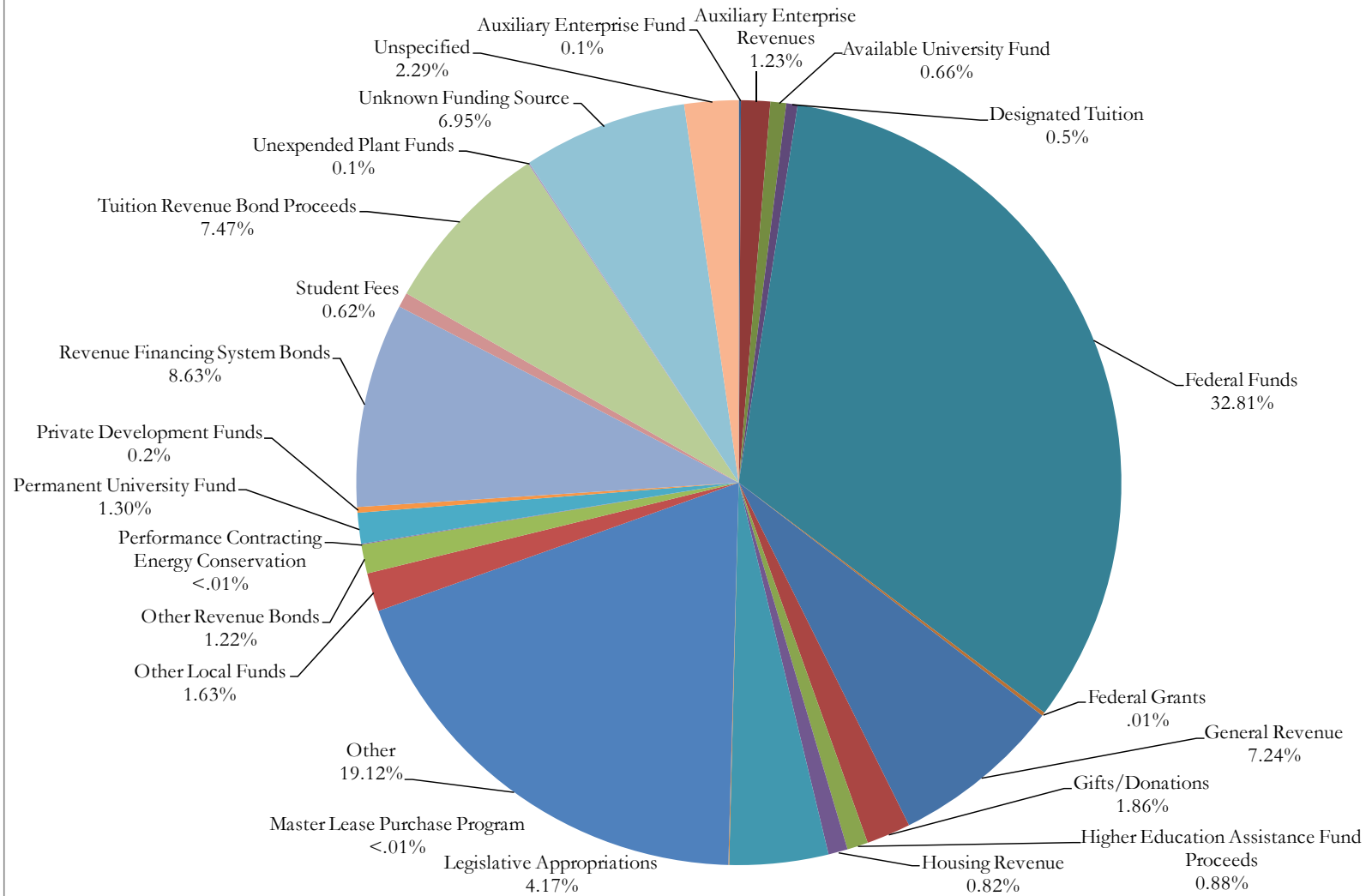


## Sources of Funding

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 32.8 percent, an increase of 9.4% over the amount reported for FY2014-2015. 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 19.1 percent. Revenue Financing System Bonds sold by institutions of higher education comprised the third largest category at 8.6 percent.

Source Funds	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019 & Beyond	Total	% of Total
Auxiliary Enterprise Fund	\$ 10,436,000	\$ 11,129,381	\$ 14,250,000	\$ 5,250,000	\$ 10,800,000	\$ 51,865,381	0.1%
Auxiliary Enterprise Revenues	160,019,050	190,991,487	187,231,158	106,982,148	73,001,411	718,225,254	1.2%
Available University Fund	157,578,513	184,179,665	43,844,167	1,123,349	500,000	387,225,694	0.7%
Designated Tuition	76,532,711	37,700,000	42,911,572	35,200,000	87,470,000	279,814,283	0.5%
Federal Funds	4,678,053,664	4,273,404,197	3,870,658,792	3,290,799,077	3,015,518,280	19,128,434,010	32.8%
Federal Grants	4,000,000	27,148,321	17,066,666	12,322,668	26,740,550	87,278,205	0.1%
General Revenue	1,417,008,238	1,228,309,975	657,856,943	391,853,002	527,029,695	4,222,057,853	7.2%
Gifts/Donations	166,542,024	194,059,621	319,503,284	162,786,957	243,575,349	1,086,467,235	1.9%
Higher Education Assistance Fund Proceeds	86,060,147	94,147,738	84,846,766	88,392,462	162,448,360	515,895,473	0.9%
Housing Revenue	30,420,801	102,160,255	82,119,000	62,941,000	198,200,000	475,841,056	0.8%
Legislative Appropriations	426,254,755	396,240,456	350,376,762	418,635,587	842,075,691	2,433,583,251	4.2%
Master Lease Purchase Program	20,221,194	0	0	0	0	20,221,194	0.0%
Other	2,487,536,344	2,349,869,286	2,164,164,126	2,314,236,288	1,833,835,577	11,149,641,621	19.1%
Other Local Funds	256,491,298	243,936,198	163,303,580	127,497,163	156,722,165	947,950,404	1.6%
Other Revenue Bonds	286,953,498	168,428,452	84,277,132	62,571,082	111,238,428	713,468,592	1.2%
Performance Contracting Energy Conservation	3,000,000	3,120,000	4,120,000	9,590,000	1,000,000	20,830,000	0.0%
Permanent University Fund	66,168,386	132,097,712	127,483,032	139,986,086	292,569,130	758,304,346	1.3%
Private Development Funds	60,000,000	27,050,000	11,900,000	3,050,000	38,000,000	140,000,000	0.2%
Revenue Financing System Bonds	376,340,292	754,698,113	1,256,884,294	1,297,543,659	1,348,797,684	5,034,264,042	8.6%
Student Fees	20,560,000	91,287,800	120,390,607	69,442,953	62,352,460	364,033,820	0.6%
Tuition Revenue Bond Proceeds	129,830,000	623,546,310	1,111,524,726	1,062,682,709	1,426,037,695	4,353,621,440	7.5%
Unexpended Plant Funds	7,700,000	10,378,545	11,477,082	4,000,000	0	33,555,627	0.1%
Unknown Funding Source	142,250,000	341,800,000	475,400,000	376,650,000	2,713,870,000	4,049,970,000	6.9%
Unspecified	55,356,375	118,784,284	185,117,925	326,843,070	646,535,000	1,332,636,654	2.3%
<b>Total</b>	<b>\$11,125,313,290</b>	<b>\$11,604,467,796</b>	<b>\$11,386,707,614</b>	<b>\$10,370,379,260</b>	<b>\$ 13,818,317,475</b>	<b>\$58,305,185,435</b>	<b>100.0%</b>

## State of Texas Sources of Funding for Capital Expenditures



### General Revenue

General Revenue (GR) is estimated to provide \$4.22 billion or 7.2% of the total sources of funding for anticipated expenditures. Of this amount, state agencies accounted for \$4.14 billion (98.2%) including an estimated \$2.49 billion for TxDOT's Proposition 12 Bond program which represented 59.2% of the total GR funding sources. Institutions of higher education accounted for \$77.1 million (1.8%).

### Federal Funds

Federal Funds accounts for 32.8% of the total source of funding reported in the 2016-2017 CEP. Of the \$19.12 billion in federal funds, TxDOT represents 93.4% of the total with an estimated \$17.87 billion of anticipated expenditures. Maintenance contracts, construction grants and services, and constructions contracts comprise the majority of these projects with estimated costs \$8.2 billion, \$2.8 billion and \$3.3 billion respectively.

### Revenue Financing System Bonds, Tuition Revenue Bonds, Permanent University Fund & Higher Education Assistance Funds

Institutions of higher education reported expected proceeds from Revenue Financing System (RFS) Bonds of \$5.04 billion, 8.6% of the total expected source of funds. Institutions in the Texas A&M University Systems and University of Texas Systems account for 75.4% of the proceeds from RFS bonds. Tuition Revenue Bond proceeds of \$4.36 billion are the second largest source of funds for higher education institutions and account for 7.5% of the total source of funds. Funding from the Permanent University Fund is estimated to be \$758.3 million and Higher Education Assistance Fund proceeds are expected to be \$515.9 million.

### Other

The Other fund source category decreased 5.6% from \$11.82 billion in the 2014-2015 CEP to \$11.14 billion for the 2016-2017 biennium, \$10.20 billion of which is attributable to TxDOT.

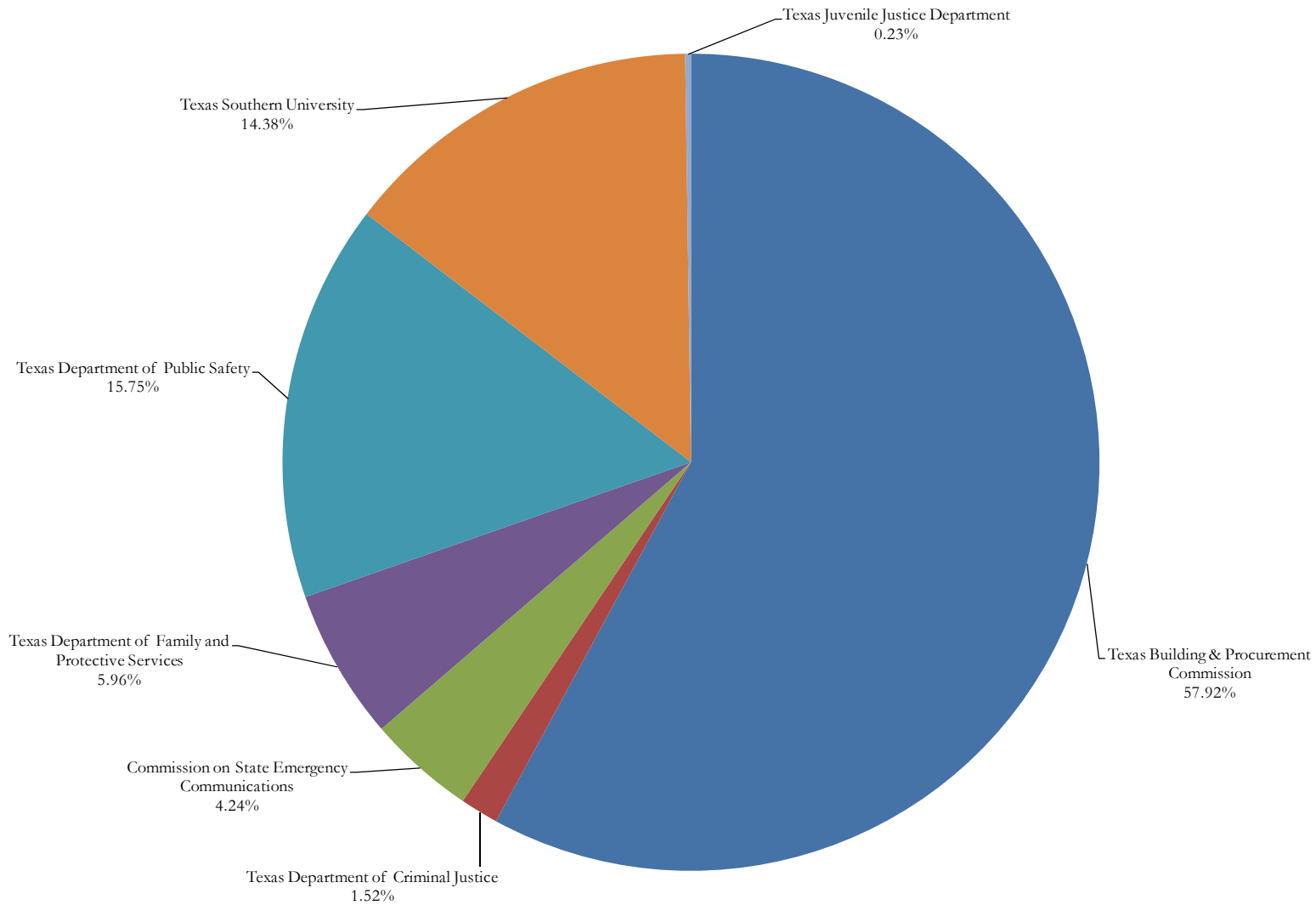
### Legislative Appropriations

Anticipated expenditures from Legislative Appropriations are estimated to be \$2.43 billion. Seven state agencies and institutions of higher education submitted project costs requiring Legislative Appropriations. The Department of Public Safety and the Building and Procurement Commission represent \$1.79 billion (73.7%) of the total \$2.43 billion. Texas Southern University accounts for 14.4% of the total with an estimate of \$350 million in Legislative Appropriations.

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.

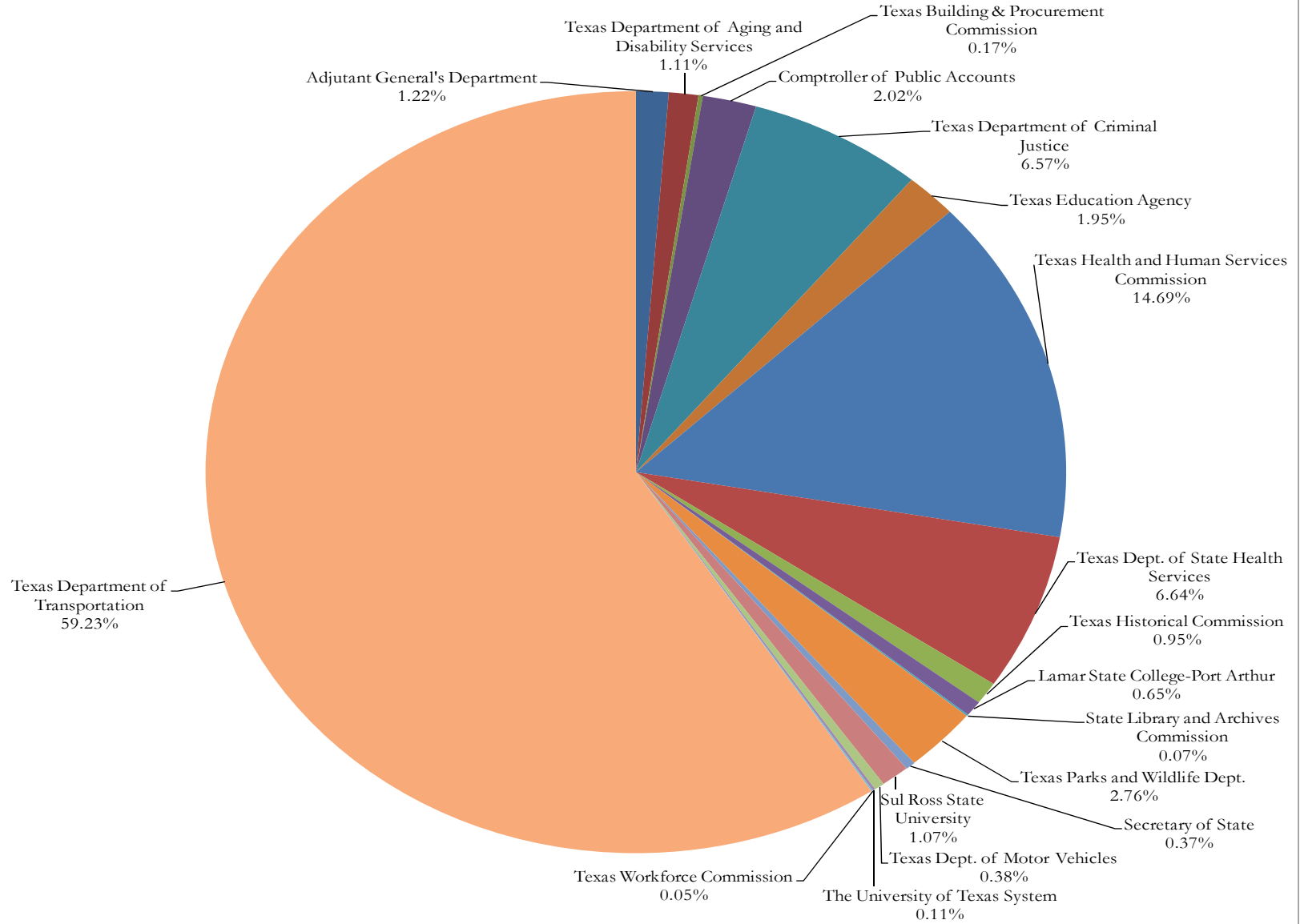
### Legislative Appropriations

Total Anticipated Expenditures \$2,433,583,251



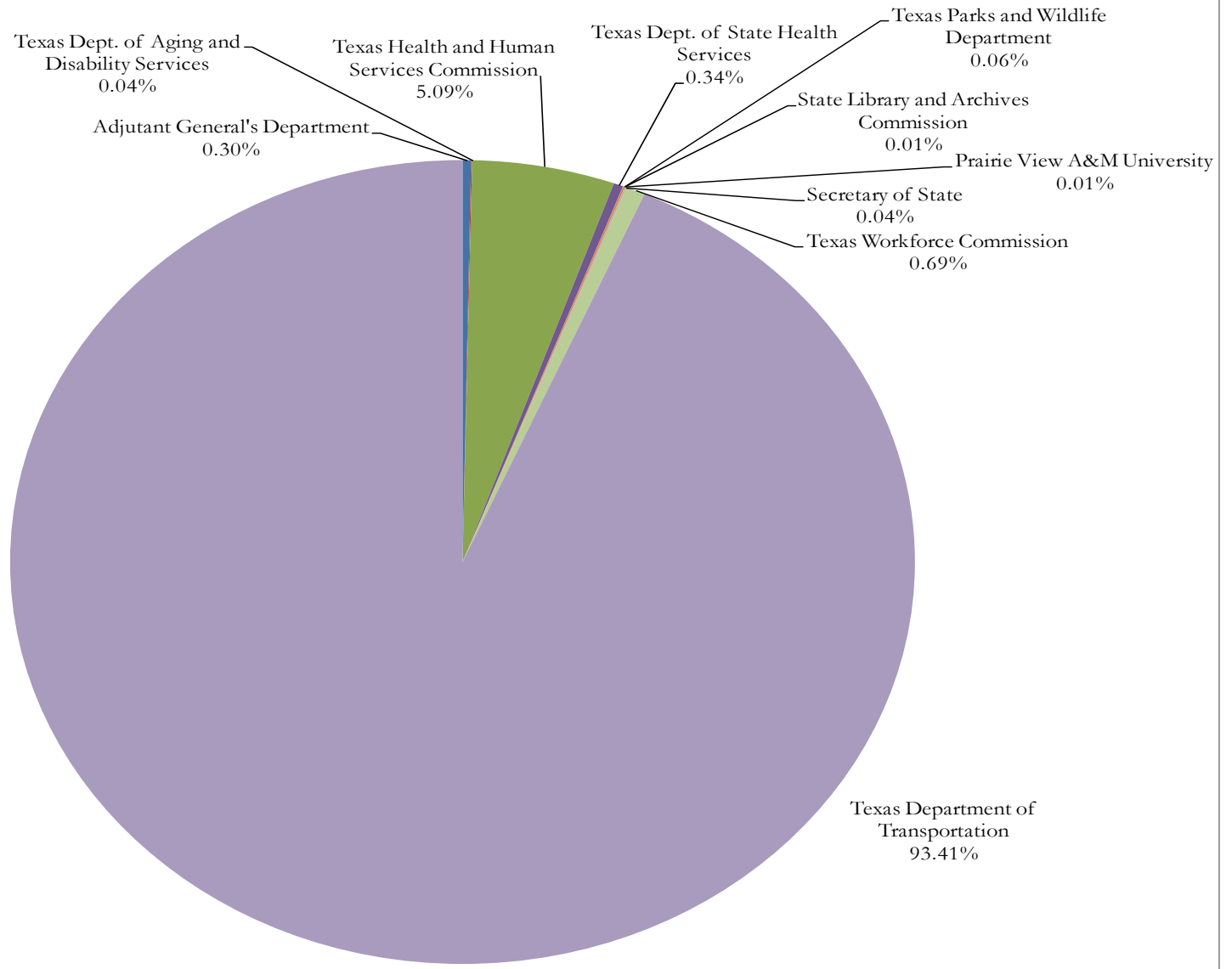
## General Revenue

Total Anticipated Expenditures \$4,222,057,853



## Federal Funds

Total Anticipated Expenditures \$19,128,434,010



### Debt Financing of Capital Projects

Texas ranks low in total tax-supported state debt outstanding at \$580 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 \$4.84 billion at August 31, 2013. 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.

Of the 1022 projects submitted for the 2016-2017 CEP, 485 (47.5%) will be financed through the issuance of debt. These projects are estimated to cost \$19.78 billion and account for 33.9% of total expenditures projected in the 2016-2017 CEP. Debt service on these projects totals \$942 million and \$1.22 billion for FY2015 and FY2016, respectively. As described below, debt service over the life of all the capital projects reported to the BRB is expected to total \$42.49 billion.

Functional Area	FY 2015 P&I	FY 2016 P&I	FY 2017 P&I	FY 2018 P&I	FY 2019 P&I & Beyond	Total Expected P&I	% of Total
Business and Economic Development	\$ 732,724,451	\$ 727,265,756	\$ 737,613,050	\$ 740,926,071	\$ 16,164,635,388	\$ 19,103,164,716	45.0%
Education	126,701,085	456,015,975	659,856,307	929,265,732	18,476,052,388	20,647,891,487	48.6%
General Government	-	2,229,569	6,418,956	15,919,655	1,570,813,026	1,595,381,206	3.8%
Health and Human Services	31,226,991	1,475,471	16,665,656	27,355,556	481,787,214	558,510,888	1.3%
Natural Resources	7,446,748	5,489,736	6,321,116	6,910,509	75,118,646	101,286,755	0.2%
Public Safety and Criminal Justice	43,995,060	28,728,651	28,089,298	27,289,645	352,517,568	480,620,222	1.1%
Regulatory	-	-	-	-	-	-	0.0%
The Judiciary	-	-	-	-	-	-	0.0%
<b>Total</b>	<b>\$ 942,094,335</b>	<b>\$ 1,221,205,158</b>	<b>\$ 1,454,964,383</b>	<b>\$ 1,747,667,168</b>	<b>\$ 37,120,924,230</b>	<b>\$ 42,486,855,274</b>	<b>100.0%</b>

### 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 sorted by self-supporting and not self-supporting categories as of February 28, 2014.

<b>Debt Outstanding</b> (Amounts in billion)		
	<b>2/28/2014</b>	
<b>General Obligation Debt</b>		
Total Self-Supporting	\$ 10.90	24.5%
Total Not Self-Supporting	4.61	10.4%
<b>Total General Obligation Debt</b>	<b>\$ 15.51</b>	<b>34.8%</b>
<b>Non-General Obligation Debt</b>		
Total Self-Supporting	\$ 25.85	58.1%
Total Not Self-Supporting	0.18	0.4%
<b>Conduit Debt</b>	2.98	6.7%
<b>Total Non-General Obligation Debt</b>	<b>\$ 29.01</b>	<b>65.2%</b>
<b>Total Debt Outstanding</b>	<b>\$ 44.52</b>	<b>100.0%</b>

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 sorted by self-supporting and not self-supporting categories as of February 28, 2014.

<b>Authorized But Unissued Debt</b> (Amounts in billion)		
	<b>2/28/2014</b>	
<b>General Obligation Debt</b>		
Total Self-Supporting	\$ 9.87	50.3%
Total Not Self-Supporting	6.06	30.9%
<b>Total General Obligation Debt</b>	<b>\$ 15.93</b>	<b>81.2%</b>
<b>Non-General Obligation Debt</b>		
Total Self-Supporting	\$ 3.48	17.7%
Total Not Self-Supporting	0.21	1.1%
<b>Total Non-General Obligation Debt</b>	<b>\$ 3.69</b>	<b>18.8%</b>
<b>Total Authorized but Unissued Debt</b>	<b>\$ 19.62</b>	<b>100.0%</b>



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, 2013, the constitutional debt limit stood at 3.04 percent, consisting of 1.34 percent for outstanding debt and 1.70 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 rated Aaa/AAA/AAA by the three major credit rating agencies, Moody's Investors Service (Moody's), Standard & Poor's (S&P) and Fitch Ratings (Fitch), respectively. All three rating agencies maintain their outlook as stable.

In September 2013, S&P upgraded Texas' General Obligation Debt rating to AAA from AA+. Subsequently, in October 2013, S&P upgraded the ratings of GO Debt from AA+ to AAA for the following agencies and university: The Texas Public Finance Authority, the Texas Economic Development Bank, Texas Transportation Commission, Texas Veterans Land Board, Texas Water Development Board and Stephen F. Austin University (Constitutional Appropriation Bonds).

### *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' 2014 Series TRANs SP-1+, MIG 1 and F1+, respectively, the highest short-term ratings issued by the three bond firms.

Texas' 2014 Series TRANs, in a par amount of \$5.4 billion, is the lowest par amount borrowed since 2008, reflecting Texas's strong economic and revenue performance in recent years. Ratings agencies cite the State's overall creditworthiness, conservative operations and forecasting, and ample debt coverage as factors affecting the TRAN.

### Recent reports from the rating agencies

Moody's outlook for Texas' rating is stable. In June 2014 Moody's cited that "the Aaa 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 that provides a healthy budgetary cushion; and low bonded debt levels."

S&P's outlook for the state's rating also remains stable. In May 2014 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 2014-2015 biennium." S&P also states that "the outlook also reflects anticipation that the state leadership will adhere to the budget and cash management discipline that has enabled the state to maintain a strong level of reserves through periods of economic decline."

In August 2014 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 demands placed on the state's consumption-based tax system by its rapid growth, including transportation, education and water needs."

### 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) growing unfunded pension liability;
- 3) unresolved issues related to public school funding; and
- 4) 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 2016-2017 CEP is available online at the BRB's website at <http://www.brb.state.tx.us/capital/capital.aspx>.

<b>General Government</b>	<b>FY 2015</b>	<b>FY 2016</b>	<b>FY 2017</b>	<b>FY 2018</b>	<b>FY 2019 &amp; Beyond</b>	<b>Total Project Expenditures</b>
Building & Procurement Commission, Texas	\$ 37,159,477	\$ 73,852,324	\$ 160,165,641	\$ 372,458,791	\$ 772,874,037	\$ 1,416,510,270
Comptroller of Public Accounts	17,028,186	17,028,186	17,028,186	17,028,186	17,028,186	85,140,930
Emergency Communications, Commission on State	13,451,992	25,798,908	17,766,000	23,921,600	22,338,000	103,276,500
Historical Commission, Texas	-	40,000,000	-	-	-	40,000,000
Library and Archives Commission, Texas State	1,748,655	1,423,975	456,990	147,374	923,904	4,700,898
Secretary of State	2,458,167	2,983,500	2,200,000	2,200,000	13,200,000	23,041,667
<b>Total</b>	<b>\$ 71,846,477</b>	<b>\$ 161,086,893</b>	<b>\$ 197,616,817</b>	<b>\$ 415,755,951</b>	<b>\$ 826,364,127</b>	<b>\$ 1,672,670,265</b>

<b>Health and Human Services</b>	<b>FY 2015</b>	<b>FY 2016</b>	<b>FY 2017</b>	<b>FY 2018</b>	<b>FY 2019 &amp; Beyond</b>	<b>Total Project Expenditures</b>
Aging and Disability Services, Texas Department of	\$ 16,549,001	\$ 35,170,296	\$ 60,272,096	\$ 49,780,367	\$ 96,046,587	\$ 257,818,347
Family and Protective Services, Texas Department of	33,751,941	42,227,004	27,880,835	20,640,050	20,640,050	145,139,880
Health and Human Services Commission, Texas	1,099,423,466	200,767,245	158,507,025	139,915,727	229,095,714	1,827,709,177
Health Services, Texas Department of State	64,767,405	70,290,929	73,697,161	67,142,544	70,933,746	346,831,785
<b>Total</b>	<b>\$ 1,214,491,813</b>	<b>\$ 348,455,474</b>	<b>\$ 320,357,117</b>	<b>\$ 277,478,688</b>	<b>\$ 416,716,097</b>	<b>\$ 2,577,499,189</b>

<b>Education</b>	<b>FY 2015</b>	<b>FY 2016</b>	<b>FY 2017</b>	<b>FY 2018</b>	<b>FY 2019 &amp; Beyond</b>	<b>Total Project Expenditures</b>
Angelo State University	\$ 3,300,000	\$ 12,400,000	\$ 43,100,000	\$ 34,100,000	\$ 9,100,000	\$ 102,000,000
Education Agency, Texas	7,362,287	15,782,835	15,782,835	14,418,231	28,836,462	82,182,650
Lamar Institute of Technology	500,000	1,920,000	1,920,000	1,920,000	26,447,610	32,707,610
Lamar State College-Orange	-	6,250,000	6,250,000	-	-	12,500,000
Lamar State College-Port Arthur	50,000	9,033,467	13,577,420	5,474,314	50,000	28,185,201
Lamar University	6,620,000	44,519,698	84,995,504	70,995,508	59,620,193	266,750,903
Midwestern State University	15,350,000	48,450,000	33,200,000	26,000,000	42,000,000	165,000,000
Prairie View A&M University	30,983,000	60,141,000	23,866,000	1,000,000	1,000,000	116,990,000
Sam Houston State University	57,328,978	121,438,113	119,830,351	135,119,517	136,419,714	570,136,673
Stephen F. Austin State University	5,250,000	7,950,000	52,850,000	107,150,000	110,100,000	283,300,000
Sul Ross State University	50,000	3,048,871	18,808,717	26,081,802	34,039,608	82,028,998

<b>Education continued</b>	<b>FY 2015</b>	<b>FY 2016</b>	<b>FY 2017</b>	<b>FY 2018</b>	<b>FY 2019 &amp; Beyond</b>	<b>Total Project Expenditures</b>
Tarleton State University	26,000,000	50,219,060	72,905,900	80,373,070	98,000,000	327,498,030
Texas A&M International University	13,998,000	40,500,000	71,500,000	92,800,000	71,200,000	289,998,000
Texas A&M University	224,000,999	226,444,000	222,344,000	93,600,000	-	766,388,999
Texas A&M University-Central Texas	-	8,000,000	16,000,000	16,000,000	-	40,000,000
Texas A&M University-San Antonio	-	25,100,000	86,000,000	121,800,000	71,600,000	304,500,000
Texas A&M University Ag Experiment Station	6,500,000	13,500,000	12,500,000	-	-	32,500,000
Texas A&M University Engineer Experiment Station	1,000,000	13,000,000	26,000,000	26,000,000	-	66,000,000
Texas A&M University Engineer Extension Service	2,016,198	3,016,198	900,000	900,000	900,000	7,732,396
Texas A&M University System Health Science Center	-	51,163,416	125,200,000	167,550,000	273,950,000	617,863,416
Texas A&M University System Transportation Institute	1,600,000	-	-	-	-	1,600,000
Texas A&M University Veterinary Medical Diagnostic Lab	30,000,000	20,000,000	-	-	-	50,000,000
Texas A&M University-Commerce	-	24,360,000	48,360,000	48,360,000	720,000	121,800,000
Texas A&M University-Corpus Christi	-	5,000,000	55,000,000	128,000,000	203,750,000	391,750,000
Texas A&M University-Galveston	-	40,300,000	79,850,000	84,849,800	20,000,000	224,999,800
Texas A&M University-Kingsville	11,125,000	21,425,000	60,475,000	89,125,000	267,750,000	449,900,000
Texas A&M University-Texarkana	-	15,500,000	20,000,000	28,000,000	16,000,000	79,500,000
Texas Southern University	107,016,314	107,016,314	107,016,314	2,415,146	26,566,604	350,030,692
Texas State Technical College-Harlingen	400,000	10,850,000	16,900,000	10,000,000	4,500,000	42,650,000
Texas State Technical College-Marshall	-	12,000,000	4,800,000	5,000,000	8,500,000	30,300,000
Texas State Technical College System	-	1,000,000	1,000,000	-	-	2,000,000
Texas State Technical College-Waco	1,500,000	15,881,333	30,431,333	15,481,334	8,800,000	72,094,000
Texas State Technical College-West Texas	-	2,600,000	16,377,380	200,000	-	19,177,380
Texas State University-San Marcos	51,179,425	94,938,112	259,166,239	254,877,611	155,154,631	815,316,018
Texas Tech University	141,289,315	86,875,000	100,600,000	174,200,000	196,950,000	699,914,315
Texas Tech University Health Sciences Center	33,100,000	148,075,000	139,975,000	87,250,000	76,900,000	485,300,000
Texas Tech University Health Sciences Center-El Paso	3,000,000	12,350,000	118,500,000	41,950,000	31,000,000	206,800,000
Texas Tech University System	20,000,000	7,500,000	-	-	-	27,500,000
Texas Woman'S University	19,368,801	92,570,255	97,305,143	17,300,000	-	226,544,199
The University Of Texas At Arlington	8,000,000	66,700,000	136,300,000	96,800,000	111,000,000	418,800,000
The University Of Texas At Austin	404,120,000	261,813,428	22,316,572	4,000,000	2,407,770,000	3,100,020,000
The University Of Texas At Brownsville	849,130	10,691,116	25,468,977	75,993,544	270,112,106	383,114,873
The University Of Texas At Dallas	50,400,000	107,750,000	174,500,000	223,000,000	568,500,000	1,124,150,000
The University Of Texas At El Paso	-	29,000,000	154,500,000	200,025,000	396,030,000	779,555,000
The University Of Texas At San Antonio	84,100,000	108,700,000	127,200,000	201,310,000	341,135,000	862,445,000
The University Of Texas At Tyler	55,700,000	47,100,000	29,700,000	26,000,000	-	158,500,000
The University Of Texas Health Center At Tyler	7,100,000	5,100,000	280,000	-	-	12,480,000
The University Of Texas Health Science Center At Houston	-	44,250,000	117,250,000	109,250,000	44,250,000	315,000,000

<b>Education continued</b>	<b>FY 2015</b>	<b>FY 2016</b>	<b>FY 2017</b>	<b>FY 2018</b>	<b>FY 2019 &amp; Beyond</b>	<b>Total Project Expenditures</b>
The University Of Texas Health Science Center At San Antonio	16,750,000	92,200,000	74,450,000	37,250,000	250,000	220,900,000
The University Of Texas Md Anderson Cancer Center	173,273,100	195,181,000	139,012,500	124,975,000	160,700,000	793,141,600
The University Of Texas Medical Branch At Galveston	23,350,000	64,270,000	70,700,000	60,639,000	39,400,000	258,359,000
The University Of Texas Of The Permian Basin	3,000,000	3,000,000	3,000,000	3,000,000	48,000,000	60,000,000
The University Of Texas Southwestern Medical Center At Dallas	64,989,256	129,327,712	182,682,752	119,980,280	102,060,000	599,040,000
The University Of Texas System	12,506,224	49,066,237	45,344,167	-	-	106,916,628
The University Of Texas-Pan American	15,831,697	73,378,306	90,272,002	76,950,000	5,000,000	261,432,005
University Of Houston	117,196,450	234,266,000	236,729,000	81,000,000	553,294,550	1,222,486,000
University Of Houston-Cinco Ranch	-	22,000,000	10,353,000	18,270,000	7,917,000	58,540,000
University Of Houston-Clear Lake	5,320,000	75,800,000	85,120,000	65,726,000	86,372,000	318,338,000
University Of Houston-Downtown	17,000,000	92,350,000	71,775,000	25,000,000	20,000,000	226,125,000
University Of Houston-Sugarland	-	39,788,751	49,727,025	19,792,500	-	109,308,276
University Of Houston-Victoria	9,225,000	26,414,500	54,982,000	60,793,000	28,420,000	179,834,500
University Of North Texas	102,030,000	135,580,000	200,040,000	201,660,000	318,470,000	957,780,000
University Of North Texas Dallas	5,000,000	23,000,000	32,500,000	38,500,000	128,000,000	227,000,000
University Of North Texas Health Science Center At Fort Worth	18,000,000	9,400,000	30,100,000	48,700,000	10,800,000	117,000,000
University Of North Texas System	29,000,000	28,150,000	27,250,000	20,000,000	10,000,000	114,400,000
West Texas A&M University	23,000,000	17,000,000	19,500,000	34,500,000	45,000,000	139,000,000
<b>Total</b>	<b>\$ 2,065,629,174</b>	<b>\$ 3,471,394,722</b>	<b>\$ 4,414,340,131</b>	<b>\$ 3,981,405,657</b>	<b>\$ 7,682,335,478</b>	<b>\$ 21,615,105,162</b>

<b>The Judiciary</b>	<b>FY 2015</b>	<b>FY 2016</b>	<b>FY 2017</b>	<b>FY 2018</b>	<b>FY 2019 &amp; Beyond</b>	<b>Total Project Expenditures</b>
Tenth Court of Appeals	\$ 150,000	\$ 2,350,000	\$ -	\$ -	\$ -	\$ 2,500,000
<b>Total</b>	<b>\$ 150,000</b>	<b>\$ 2,350,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,500,000</b>

<b>Public Safety and Criminal Justice</b>	<b>FY 2015</b>	<b>FY 2016</b>	<b>FY 2017</b>	<b>FY 2018</b>	<b>FY 2019 &amp; Beyond</b>	<b>Total Project Expenditures</b>
Adjutant General's Department	\$ -	\$ 15,631,875	\$ 15,751,875	\$ 15,791,875	\$ 61,574,375	\$ 108,750,000
Criminal Justice, Texas Department of	36,923,000	40,000,000	40,000,000	40,000,000	157,470,000	314,393,000
Public Safety, Texas Department of	216,523,225	148,600,114	38,293,627	-	-	403,416,966
Texas Juvenile Justice Department	1,650,000.00	2,775,000.00	1,075,000.00	-	-	5,500,000
<b>Total</b>	<b>\$ 255,096,225</b>	<b>\$ 207,006,989</b>	<b>\$ 95,120,502</b>	<b>\$ 55,791,875</b>	<b>\$ 219,044,375</b>	<b>\$ 832,059,966</b>

<b>Natural Resources</b>	<b>FY 2015</b>	<b>FY 2016</b>	<b>FY 2017</b>	<b>FY 2018</b>	<b>FY 2019 &amp; Beyond</b>	<b>Total Project Expenditures</b>
General Land Office	\$ -	\$ 13,125,623	\$ -	\$ -	\$ -	\$ 13,125,623
Texas Parks and Wildlife Department	115,021,774	20,860,014	46,920,530	2,311,075	-	185,113,393
<b>Total</b>	<b>\$ 115,021,774</b>	<b>\$ 33,985,637</b>	<b>\$ 46,920,530</b>	<b>\$ 2,311,075</b>	<b>\$ -</b>	<b>\$ 198,239,016</b>

<b>Business and Economic Development</b>	<b>FY 2015</b>	<b>FY 2016</b>	<b>FY 2017</b>	<b>FY 2018</b>	<b>FY 2019 &amp; Beyond</b>	<b>Total Project Expenditures</b>
Department of Motor Vehicles	\$ 23,592,813	\$ 63,654,862	\$ 18,283,839	\$ 12,252,813	\$ 6,500,000	\$ 124,284,327
Department of Transportation	7,351,146,256.00	7,287,101,617.00	6,268,981,945.00	5,597,535,644.00	4,643,513,036.00	31,148,278,498
Texas Workforce Commission	28,338,758	29,431,602	25,086,733	27,847,557	23,844,362	134,549,012
<b>Total</b>	<b>\$ 7,403,077,827</b>	<b>\$ 7,380,188,081</b>	<b>\$ 6,312,352,517</b>	<b>\$ 5,637,636,014</b>	<b>\$ 4,673,857,398</b>	<b>\$ 31,407,111,837</b>

*Regulatory Detail – No Projects Reported.*

<b>Total State Expenditures</b>	<b>FY 2015</b>	<b>FY 2016</b>	<b>FY 2017</b>	<b>FY 2018</b>	<b>FY 2019 &amp; Beyond</b>	<b>Total Project Expenditures</b>
	<b>\$ 11,125,313,290</b>	<b>\$11,604,467,796</b>	<b>\$ 11,386,707,614</b>	<b>\$10,370,379,260</b>	<b>\$ 13,818,317,475</b>	<b>\$ 58,305,185,435</b>

## APPENDIX B

### Enabling Legislation – Capital Expenditure Plan

#### Senate Bill 1, Article IX, Section 11.02 83<sup>rd</sup> Legislature, Regular Session – 2013

- (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 2016-17 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 2016-17 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, 2013. The Bond Review Board shall file copies of the capital expenditure plan for the period beginning September 1, 2015 with the Governor and the Legislative Budget Board no later than September 1, 2014.
- (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 2016-2017 – 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 the third time TxDOT accounts for a large portion of the total capital expenditures because the 2016-2017 CEP took into account anticipated expenditures for new road projects. 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 two projects with immeasurable dollar amounts. The agency is waiting for the Texas Facilities Commission to provide them with their cost analyses for these projects.