

# STATE OF TEXAS CAPITAL EXPENDITURE PLAN

For Fiscal Years 2006-2008

Including Supplemental Information through Fiscal Year 2010



Submitted to

**Governor's Office of Budget and Planning  
and  
Legislative Budget Board**

by

**Texas Bond Review Board**



October 1, 2004

**TEXAS BOND REVIEW BOARD**  
**FY 2006-2010**  
**CAPITAL PLANNING ANALYSIS AND OVERVIEW**

**Capital Planning Review and Approval Process**

The 78<sup>th</sup> Legislature, with the passage of House Bill 1, Article 9, Section 6.35, directed the Bond Review Board to produce the state's Capital Expenditure Plan (CEP) for the 2006-2007 fiscal biennium.

The legislation specifies that all state agencies and higher educational institutions appropriated funds by the General Appropriations Act are required to report capital planning information for projects that fall within four specific project areas. Those categories are: (1) acquisition of land and other real property; (2) construction of buildings and facilities; (3) renovations of buildings and other facilities estimated to exceed \$1,000,000 for a single state agency or institution of higher education, and (4) major information resources projects estimated to exceed \$1,000,000.

The Texas Bond Review Board (BRB) is responsible for a formal development process for submission of capital projects from all state agencies. Various state agencies were involved in the development process including the Governor's Office of Budget and Planning (GOBP), Legislative Budget Board (LBB), Texas Higher Education Coordinating Board (THECB), Texas Building and Procurement Commission (TBPC), and agency input from staff of the Bond Review Board. Through this input, the BRB developed program guidelines, instructions and a formal application process for submitting capital project requests based on the legislative mandate.

From a budgetary and capital planning standpoint, there are a number of state agencies that work together in varying degrees in coordinating the budgetary and capital reporting and approval process of state agencies. They include the Governor's Office of Budget and Planning, Legislative Budget Board, Texas Higher Education Coordinating Board, Comptroller's Office, House Committee on Appropriations, Senate Finance Committee and the Texas Building and Procurement Commission.

Through the legislative process, the legislature defines the types of projects and cost thresholds to be reported in the CEP. The BRB coordinates the submission of capital projects through 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 forwarded to the Governor's Office of Budget and Planning and the Legislative Budget Board for use in their development of recommended appropriations to the Legislature. The Legislature, through the processes of the House Committee on Appropriations and the Senate Finance Committee, makes the final decision on which projects will be funded.

The Legislature determines priority needs through consideration of recommendations from the two budget offices. The two budget offices, with input from the requesting agencies or universities, also assess short-term and long-term needs.

Approved capital and operating budgets are integrated into the General Appropriations Act that authorizes specific debt issuance for capital projects. The statewide capital planning process and the Legislative Appropriations Request require identification of capital and operating costs on a multi-year basis.

Through the capital budgeting process as previously defined, capital projects are approved for the two-year biennial period. However, the CEP reports on the remaining three out years (2008-2010), 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 this CEP, the state's Building and Procurement Commission (TBPC) produces The Facilities Master Plan on a biennial basis. This document addresses the office inventory and space needs of state agencies and takes into account current and projected needs, as well as methods for meeting those needs in a cost-effective manner. This report is also used to aid in 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. Also, capacity and best use of existing facilities determinations are rendered through this process.

The Texas Higher Education Coordination Board 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 Coordinating Board, information on planned construction projects and deferred maintenance. The Coordinating Board 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.

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

### **Capital Expenditure Plan for 2006-2007**

In developing the Capital Expenditure Plan for the fiscal biennium 2006-2007 with supplemental information through 2010, the Texas Bond Review Board received information from 81 state entities reporting 1,843 capital project request submissions totaling \$11.7 billion through 2010. Of this total, the CEP reports an estimated \$3.5 billion expenditures through 8/31/2006, \$3.0 billion through 8/31/2007, and \$5.2 billion during the fiscal 2008-2010 period.

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 at the Bond Review Board’s website at <http://brb.state.tx.us/brbpages/bfo/capital.html>.

### Functional Areas of Government

The state’s General Appropriations Act separates Texas state agencies and institutions of higher education into eight different “Articles” that group government agencies into functional units. The table below groups the planned capital expenditures by functional area.

The three government functions that reported the most planned capital expenditures for the 2006-2010 period were education, public safety and criminal justice, and health and human services, with education making up almost 85 percent of all planned capital expenditures.

<b>Functional Areas</b>	<b>FY 2006</b>	<b>FY 2007</b>	<b>FY 2008-2010</b>	<b>Total 5 Year</b>	<b>% of 5 Year</b>
General Government	\$54,483,265	\$64,871,660	\$98,426,800	\$217,781,725	1.86%
Health & Human Services	110,645,519	109,074,416	67,012,614	286,732,549	2.45%
Education	2,692,972,130	2,571,842,443	4,658,357,397	9,923,171,970	84.85%
Judiciary	0	0	0	0	0.00%
Public Safety & Criminal Justice	465,106,675	122,036,535	275,409,150	862,552,360	7.38%
Natural Resources	58,546,013	59,909,773	37,528,916	155,984,702	1.33%
Business & Economic Development	100,325,453	99,523,954	49,054,330	248,903,737	2.13%
Regulatory	0	0	0	0	0.00%
<b>Total</b>	<b>\$3,482,079,055</b>	<b>\$3,027,258,781</b>	<b>\$5,185,789,207</b>	<b>\$11,695,127,043</b>	<b>100.00%</b>

### Categories of Expenditures

State agencies are required to report planned capital expenditures by categories. As can be seen from the table below, new construction is the largest planned capital expenditure for the FY 2006-2010 reporting period, accounting for 67 percent of the total planned expenditures. Repairs and renovations account for the second largest planned expenditure at 22 percent, followed by information resources at 4 percent.

Category	FY 2006	FY2007	FY 2008-2010	Total 5 Year	% of 5 Year
Additions	\$110,754,622	\$37,488,000	\$78,095,000	\$226,337,622	1.95%
Information Resources	228,356,938	134,861,206	104,874,675	468,092,819	4.00%
Infrastructure	163,564,957	134,932,248	142,394,583	440,891,788	3.77%
Land Acquisition	38,579,453	16,590,854	38,787,642	93,957,949	0.80%
Leased Space	17,661,170	8,875,346	27,655,206	54,191,722	0.46%
Repair & Renovations	1,054,974,229	618,516,252	953,626,971	2,627,117,452	22.46%
New Construction	1,868,187,686	2,075,994,875	3,840,355,130	7,784,537,691	66.56%
<b>Total</b>	<b>\$3,482,079,055</b>	<b>\$3,027,258,781</b>	<b>\$5,185,789,207</b>	<b>\$11,695,127,04</b>	<b>100.00%</b>

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## Sources of Funding

State agencies reported a wide variety of funding sources that they expect to use to pay for their capital improvements. Tuition revenue bonds made up the largest portion of capital planning source funds at 28 percent, followed by Unknown at 15 percent and Other Revenue Bonds at 12 percent.

Source Funds	FY 2006	FY 2007	FY 2008-2010	Total 5 Year	% of 5 Year
Auxiliary Enterprise Funds	\$226,579,452	\$163,135,027	\$187,162,549	\$576,877,028	4.93%
Federal Funds	42,833,921	30,108,909	52,770,991	125,713,821	1.07%
Federal Grants	132,148,844	70,296,564	43,244,225	245,689,633	2.10%
Gifts/Donations	150,546,095	259,249,675	360,463,703	770,259,473	6.59%
General Revenue	237,300,760	222,632,697	164,830,877	624,764,334	5.34%
Higher Ed. Assistance Funds (HEAF)	144,851,332	60,780,207	77,151,549	282,783,088	2.42%
Legislative Appropriations	60,874,342	88,902,449	99,854,520	249,631,311	2.13%
Other Local Funds	347,663,958	169,226,248	216,391,411	733,281,617	6.27%
Other Revenue Bonds	376,450,231	255,468,765	809,771,030	1,441,690,026	12.33%
Other	636,409,716	279,144,551	361,004,468	1,276,558,735	10.92%
Perform. Contracting Eng. Conservation	0	7,000,000	0	7,000,000	0.06%
Private Development	21,580,000	7,500,000	59,040,000	88,120,000	0.75%
Permanent University Fund	43,611,844	52,989,489	51,496,365	148,097,698	1.27%
Tuition Revenue Bonds	742,135,891	981,800,531	1,594,091,381	3,318,027,803	28.37%
Unknown	300,465,815	375,445,938	1,103,946,138	1,779,857,891	15.22%
Unexpended Plant Funds	18,626,854	3,577,731	4,570,000	26,774,585	0.23%
<b>Total</b>	<b>\$3,482,079,055</b>	<b>\$3,027,258,781</b>	<b>\$5,185,789,207</b>	<b>\$11,695,127,043</b>	<b>100.00%</b>

## Debt Financing of Capital Projects

The state of Texas historically has had low levels of bonded indebtedness. Bonds have been issued to finance loan programs that generally are self-supporting. Regarding capital projects, the majority, such as prisons, buildings and other capital projects are financed through the general revenues of the state. Since 1986, this type of indebtedness has increased and the various types of projects financed through this mechanism have expanded.

Non self-supporting debt repaid with the state's general revenue has significantly increased in recent years from just under \$400 million in 1986 to over \$3.129 billion in 2003. Texas, compared to other states, still ranks low in terms of outstanding state debt per capita at \$246. However, recent growth in both state population and debt calls for additional review and analysis of how the approval of additional debt will impact the state's debt ratings, constitutional debt limit, and the potential impact this may have in obligating current and future generations of taxpayers.

Many of the projects submitted in the 2006-2010 CEP will be financed through the issuance of debt. Expected principal and interest payments (P&I) on projects reported for the fiscal 2006-2007 biennium total \$278.2 million and \$529.39 million, respectively. Total debt financing costs for the capital projects reported to the Bond Review Board are expected to total \$8.8 billion over the life of the projects.

Functional Area	FY 2006 P&I	FY 2007 P&I	FY 2008-2010 P&I	FY 2011 & Beyond P&I	Total P&I	% of Total P&I
General Government	\$1,444,553	\$3,811,007	\$0	\$9,545,530	\$14,801,090	0.17%
Health & Human Services	31,288,768	56,113,439	64,834,625	457,241,593	609,478,425	6.91%
Education	241,317,825	460,402,749	803,636,256	6,437,770,613	7,943,127,443	90.09%
Judiciary	0	0	0	0	0	0.00%
Public Safety & Criminal Justice	3,262,104	5,447,212	10,986,320	96,086,379	115,782,015	1.31%
Natural Resources	887,329	3,521,960	18,514,800	110,500,374	133,424,463	1.51%
Business & Economic Development	0	0	0	0	0	0.00%
Regulatory	0	0	0	0	0	0.00%
<b>Total</b>	<b>\$278,200,579</b>	<b>\$529,296,367</b>	<b>\$897,972,001</b>	<b>\$7,111,144,489</b>	<b>\$8,816,613,436</b>	<b>100.00%</b>

### State Debt Overview

Except as specifically authorized, the constitution generally prohibits the creation of debt by or on behalf of the state, with two exceptions: (1) debt created to supply casual deficiencies in revenues which do not total more than \$200,000 at any time, and (ii) debt to repel invasion, suppress insurrection, defend the state in war, or pay existing debt. In addition, the Constitution prohibits the Legislature from lending the credit of the state to any person, including municipalities, or pledging the credit of the state in any manner for the payment of the liabilities of any individual, association of individuals, corporation or municipality. The limitations of the constitution do not prohibit the issuance of revenue bonds, since the Texas courts, like most states, have held that certain obligations do not create a "debt" within the meaning of the constitution. The state and various state agencies have issued revenue bonds payable from the revenues produced by various facilities or from lease payments appropriated by the Legislature. Furthermore, obligations that are payable from funds expected to be available during the current budget period, do not constitute "debt" within the meaning of the constitution. Short-term obligations, like the Tax and Revenue Anticipation Notes issued by the Comptroller, mature within the biennial budget period in which they were issued, are not deemed to be debt within the meaning of the state constitutional prohibition.

At times, the voters of the state, by constitutional amendment, have authorized the issuance of general obligation indebtedness for which the full faith, credit, and taxing power of the state are pledged. In some cases, the authorized indebtedness may not be issued without the approval of the Legislature, but in other cases, the constitutional amendments are self-operating and the debt may be issued without specific legislative action.

Much of the outstanding general obligation bonded indebtedness of the state is designed to be self-supporting, even though the full faith and credit of the state is pledged for its payment.

### **Developments Affecting State Debt**

In June 1999, Moody's Investors Service raised the rating on the state of Texas general obligation from Aa2 to Aa1. This upgrade affects self-supporting and non self-supporting general obligation debt issued by various state agencies. Additionally, the rating on lease-revenue debt was upgraded from A1 to Aa2, affecting approximately \$640 million in lease-revenue obligations.

In August 1999, Standard and Poor's revised its outlook on Texas to stable from positive and affirmed its AA rating on the state's outstanding general obligation debt. Their rating on Texas' general obligation debt reflects, " a steadily growing and diversified economy, solid long-term economic prospects, good trends of revenue growth supporting a balanced budget and a low tax-supported debt burden. The rating outlook is returned to stable from positive due to expectation that, while revenues will continue to grow with the economy, financial reserves will be kept at modest levels."

The state of Texas has been cited by the rating agencies as having a modest level of financial reserves. In addition, the rating agencies question the future of internet taxation in the state. Currently, the major credit rating agencies, Moody's, Standard and Poor's, and Fitch, rate Texas general obligation debt Aa1/AA/AA+, respectively. Texas' AAA rating was downgraded in 1987 due to the economic recession experienced by the state during the 1980s. Since that time, however, there has been considerable improvement in the diversification of the state's economic base. A steady transition from a mining (oil & gas) economy to one based increasingly on services and manufacturing has expanded the state's sources of revenue.

A rating increase could potentially result in a 4-10 basis point difference (savings) in interest rates. Hypothetically, a ratings increase could save the state \$96 million in interest costs over a 30-year term based on the approximately \$5.8 billion in general obligation debt outstanding as of 8/31/03.

### **Authorized but Unissued Bonds Could Add Substantially to Texas' Debt Burden**

Texas continues to have a moderate amount of authorized but unissued debt on the books. This is debt that has been authorized by the Legislature, but has not been issued. As of August 31, 2003, approximately \$1.3 billion in non self-supporting bonds had been authorized by the



Legislature but remained unissued. Some of these authorized but unissued bonds may be issued at any time without further legislative action, but would require Bond Review Board approval, and others would require a legislative appropriation of debt service prior to issuance.

### **Texas' Constitutional Debt Limit**

The 75<sup>th</sup> Legislature passed House Joint Resolution 59, which limits the amount of tax-supported debt that may be issued. The resolution called for a constitutional amendment that was placed on the ballot and approved by the voters in November 1997. This legislation states 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. The debt limit ratio is 1.51 percent for outstanding debt as of August 31, 2003. With the inclusion of authorized but unissued debt, the ratio increases to 2.37 percent (8/31/03).

### **Conclusion**

Texas' use of debt has always been conservative, but has grown along with the state's population and demand for services. Increased capital expenditures add to the state's financing costs, and well as maintenance and operations expenditures. It is crucial that the state plan for future growth through prioritization of projects. Spending wisely will allow the state to maintain the level of services that citizens demand while not burdening future generations with the costs of these projects.

## APPENDIX A

### Proposed Capital Expenditures by Functional Area of Government

This appendix offers 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 fiscal 2006-2010 CEP is available online at the Bond Review Board's website at <http://brb.state.tx.us/brbpages/bfo/capital.html>.

<b>General Government Detail</b>	<b>FY 2006</b>	<b>FY 2007</b>	<b>FY 2008-2010</b>	<b>Total 5 Year</b>
Department of Information Resources	\$1,356,105	\$548,500	\$2,501,800	\$4,406,405
Office of the Attorney General	9,000,000	0	0	9,000,000
State Preservation Board	1,500,000	0	0	1,500,000
Texas Building and Procurement Commission	0	21,696,000	20,925,000	42,621,000
Texas Historical Commission	42,627,160	42,627,160	75,000,000	160,254,320
<b>Total</b>	<b>\$54,483,265</b>	<b>\$64,871,660</b>	<b>\$98,426,800</b>	<b>\$217,781,725</b>

  

<b>Health &amp; Human Services Detail</b>	<b>FY 2006</b>	<b>FY 2007</b>	<b>FY 2008-2010</b>	<b>Total 5 Year</b>
Department of Aging and Developmental Services	\$44,759,651	\$34,972,927	\$25,225,878	\$104,958,456
Department of Family and Protective Services	4,244,983	4,407,247	13,221,741	21,873,971
Department of Health	0	0	0	0
Department of Human Services	0	0	0	0
Department of Mental Health & Mental Retardation	3,208,013	0	0	3,208,013
Department of State Health Services	58,432,872	69,694,242	28,564,995	156,692,109
<b>Total</b>	<b>\$110,645,519</b>	<b>\$109,074,416</b>	<b>\$67,012,614</b>	<b>\$286,732,549</b>

<b>Education Detail</b>	<b>FY 2006</b>	<b>FY 2007</b>	<b>FY 2008-2010</b>	<b>Total 5 Year</b>
Angelo State University	\$1,000,000	\$0	\$0	\$1,000,000
Lamar Institute of Technology	0	0	0	0
Lamar State College-Orange	0	0	0	0
Lamar State College-Port Arthur	11,251,000	0	0	11,251,000
Lamar University	18,050,000	2,500,000	0	20,550,000
Midwestern State University	13,080,000	7,000,000	24,250,000	44,330,000
Prairie View A&M University	12,083,692	4,936,959	92,015,560	109,036,211
Sam Houston State University	26,815,000	1,200,000	10,300,000	38,315,000
Stephen F. Austin State University	61,297,697	78,184,166	63,135,300	202,617,163
Sul Ross State University	27,249,700	2,000,000	0	29,249,700
Sul Ross State University-Rio Grande College	0	0	0	0
Tarleton State University	23,015,666	36,699,012	99,433,792	159,148,470
Texas A&M International University	0	1,410,000	45,590,000	47,000,000
Texas A&M University	421,177,805	421,413,096	722,979,276	1,565,570,177
Texas A&M University Health Science Center	37,586,066	12,100,000	83,326,720	133,012,786
TEXAS A&M UNIVERSITY SYSTEM	900,000	4,800,000	24,300,000	30,000,000
Texas A&M University-Commerce	153,720,507	30,814,507	4,409,506	188,944,520
Texas A&M University-Corpus Christi	19,750,000	35,225,000	56,725,000	111,700,000
Texas A&M University-Galveston Campus	25,368,740	28,532,200	77,675,367	131,576,307
Texas A&M University-Kingsville	21,888,000	17,900,000	56,971,000	96,759,000
Texas A&M University-Texarkana	9,155,000	7,135,000	65,250,000	81,540,000
Texas Education Agency	20,335,686	3,002,994	12,508,020	35,846,700
Texas Forest Service	0	0	0	0
Texas Higher Education Coordinating Board	1,235,487	1,263,557	0	2,499,044
Texas School for the Blind and Visually Impaired	16,629,596	29,211,005	0	45,840,601
Texas School for the Deaf	816,000	1,089,500	1,300,500	3,206,000
Texas Southern University	51,640,000	31,500,000	0	83,140,000
Texas State Technical College - Marshall	3,305,000	2,750,000	15,062,305	21,117,305
Texas State Technical College-Harlingen	14,382,758	3,347,370	5,080,000	22,810,128
Texas State Technical College-Waco	6,000,000	7,525,000	7,100,000	20,625,000
Texas State Technical College-West Texas	2,416,643	3,600,286	4,913,643	10,930,572

Texas State University-San Marcos	\$42,895,000	\$88,500,000	\$166,557,728	\$297,952,728
Texas Tech University	182,173,090	137,800,000	227,450,000	547,423,090
Texas Tech University Health Sciences Center	61,586,767	45,160,000	114,240,000	220,986,767
TEXAS TECH UNIVERSITY SYSTEM	3,000,000	0	0	3,000,000
Texas Woman's University	33,784,130	13,864,090	9,578,145	57,226,365
The University of Texas at Arlington	30,211,070	120,852,463	54,822,126	205,885,659
The University of Texas at Austin	195,168,407	107,407,659	16,894,756	319,470,822
The University of Texas at Brownsville	26,345,284	82,636,028	25,825,043	134,806,355
The University of Texas at Dallas	55,611,457	77,871,164	26,611,431	160,094,052
The University of Texas at El Paso	59,331,993	60,439,833	53,000,001	172,771,827
The University of Texas at San Antonio	49,022,997	125,261,703	160,587,564	334,872,264
The University of Texas at Tyler	41,641,555	17,000,000	10,000,000	68,641,555
The University of Texas Health Science Center at Tyler	16,647,173	19,400,000	1	36,047,174
The University of Texas Health Science Center at Houston	110,159,733	141,408,496	100,830,550	352,398,779
The University of Texas Health Science Center at San Antonio	17,009,507	74,902,783	176,314,784	268,227,074
The University of Texas M.D. Anderson Cancer Center	173,041,554	143,797,558	621,016,078	937,855,190
The University of Texas Medical Branch at Galveston	125,315,742	159,307,869	174,480,682	459,104,293
The University of Texas of the Permian Basin	10,694,012	46,186,782	111,000,001	167,880,795
The University of Texas Southwestern Medical Center at Dallas	116,918,385	105,248,311	99,152,004	321,318,700
The University of Texas-Pan American	25,268,606	37,469,823	32,255,057	94,993,486
University of Houston	90,500,000	0	672,950,000	763,450,000
University of Houston System	0	0	148,000,000	148,000,000
University of Houston-Clear Lake	12,570,000	28,396,000	41,434,000	82,400,000
University of Houston-Downtown	38,800,000	35,400,000	5,631,250	79,831,250
University of Houston-Victoria	6,900,000	2,156,000	0	9,056,000
University of North Texas	148,344,833	116,133,333	99,483,334	363,961,500
University of North Texas Health Science Center at Fort Worth	0	1,000,000	14,000,000	15,000,000
West Texas A&M University	19,880,792	9,102,896	23,916,873	52,900,561
<b>Total</b>	<b>\$2,692,972,130</b>	<b>\$2,571,842,443</b>	<b>\$4,658,357,397</b>	<b>\$9,923,171,970</b>

### Judicial Detail – No Projects Reported

<b>Public Safety &amp; Criminal Justice Detail</b>	<b>FY 2006</b>	<b>FY 2007</b>	<b>FY 2008-2010</b>	<b>Total 5 Year</b>
Department of Criminal Justice	\$305,845,081	\$53,453,994	\$251,626,453	\$610,925,528
Department of Public Safety	148,062,709	42,118,957	23,782,697	213,964,363
Texas Military Facilities Commission	3,708,813	8,081,605	0	11,790,418
Texas Youth Commission	7,490,072	18,381,979	0	25,872,051
<b>Total</b>	<b>\$465,106,675</b>	<b>\$122,036,535</b>	<b>\$275,409,150</b>	<b>\$862,552,360</b>

<b>Natural Resources Detail</b>	<b>FY 2006</b>	<b>FY 2007</b>	<b>FY 2008-2010</b>	<b>Total 5 Year</b>
Texas Commission on Environmental Quality	\$5,769,531	\$3,978,271	\$0	\$9,747,802
Texas Department of Agriculture	0	0	0	0
Texas Parks and Wildlife Department	52,776,482	55,931,502	37,528,916	146,236,900
<b>Total</b>	<b>\$58,546,013</b>	<b>\$59,909,773</b>	<b>\$37,528,916</b>	<b>\$155,984,702</b>

<b>Business &amp; Economic Development Detail</b>	<b>FY 2006</b>	<b>FY 2007</b>	<b>FY 2008-2010</b>	<b>Total 5 Year</b>
Texas Department of Transportation	\$79,689,187	\$84,982,904	\$10,540,000	\$175,212,091
Texas Workforce Commission	20,636,266	14,541,050	38,514,330	73,691,646
<b>Total</b>	<b>\$100,325,453</b>	<b>\$99,523,954</b>	<b>\$49,054,330</b>	<b>\$248,903,737</b>

**Regulatory Detail – No Projects Reported.**

## **APPENDIX B**

### **Enabling Legislation – Capital Expenditure Plan**

#### **House Bill 1, Article 9, Section 6.35**

#### **78th Legislative Session, 2003**

#### **Sec. 6.35. Statewide Capital Planning**

(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 2006-07 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 2006-07 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, 2003. The Bond Review Board shall file copies of the capital expenditure plan for the period beginning September 1, 2005, with the Governor's Office and the Legislative Budget Board no later than September 1, 2004.

(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.