

# STATE OF TEXAS

## CAPITAL EXPENDITURE PLAN

For Fiscal Years 2008-2009

Including Supplemental Information through Fiscal Year 2011



Submitted to

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

By

**Texas Bond Review Board**

September 1, 2006



**TEXAS BOND REVIEW BOARD**  
**FY 2007-2011**  
**CAPITAL PLANNING ANALYSIS AND OVERVIEW**

**Capital Planning Review and Approval Process**

The 79<sup>th</sup> Legislature, with the passage of Senate Bill 1, Article IX, Section 11.02, directed the Bond Review Board to produce the state's Capital Expenditure Plan (CEP) for the 2008-2009 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 million for a single state agency or institution of higher education; and (4) major information resources projects estimated to exceed \$1 million. With this year's report, we requested that all reporting agencies and institutions of higher education report any planned expenditures that would exceed the \$1 million reporting threshold for all categories.

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, Planning & Policy (GOBPP), 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, Planning & Policy, 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, Planning & Policy 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 (2008-2009). However, the CEP reports on the preceding year (2007) and the remaining two out years (2010-2011), 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 Coordinating 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](#).

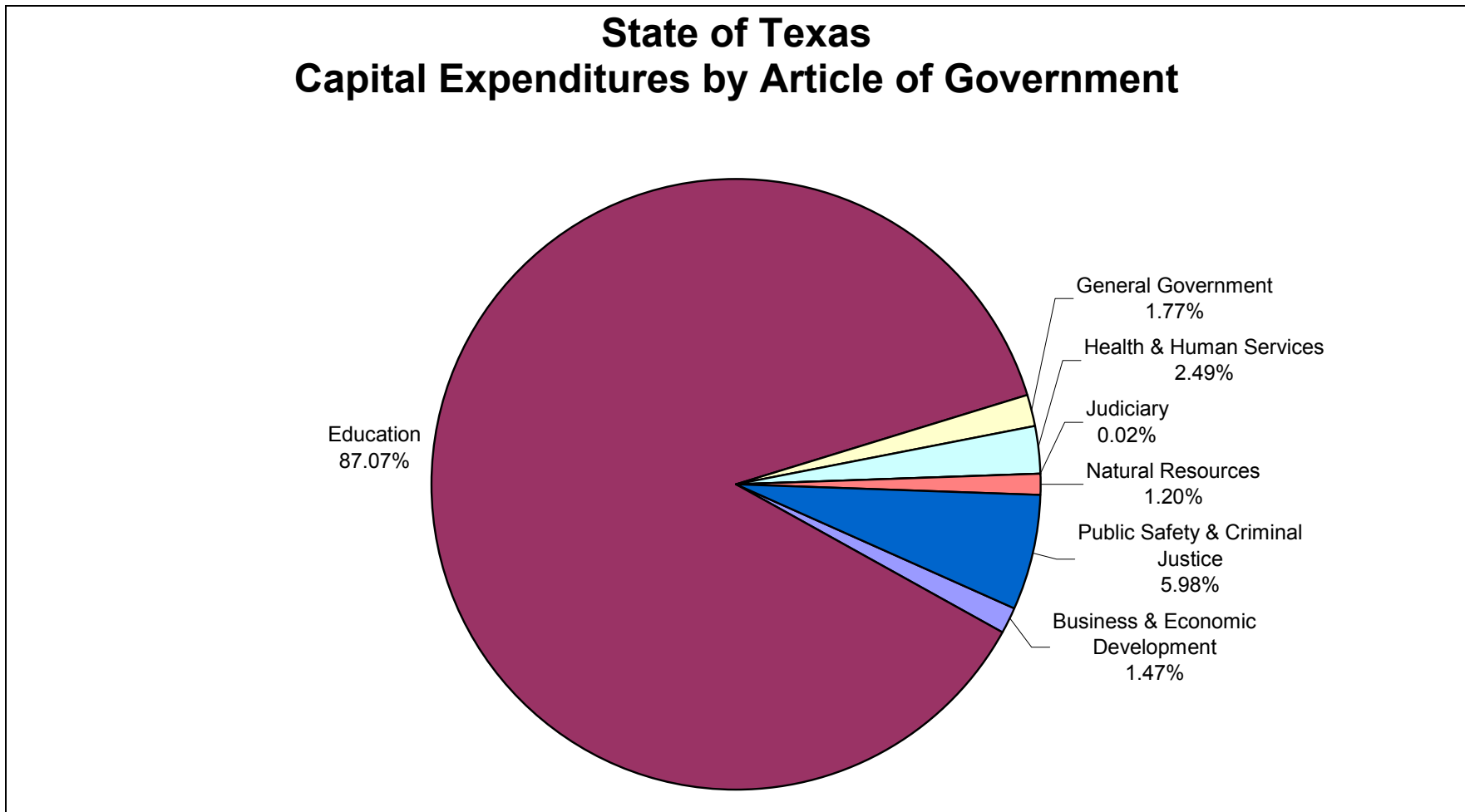
### **Capital Expenditure Plan for 2008-2009**

In developing the Capital Expenditure Plan for the fiscal biennium 2008-2009 with supplemental information through 2011, the Texas Bond Review Board received information from 69 state entities reporting 901 capital project request submissions totaling \$16.95 billion through 2011. Of this total, the CEP reports an estimated \$1.46 billion expenditures through 8/31/2007, \$3.15 billion through 8/31/2008, \$3.38 billion through 8/31/2009, and \$8.96 billion during fiscal years 2010, 2011 and beyond.

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



The three government functions that reported the most planned capital expenditures for the 2007-2011 period were education, public safety and criminal justice, and health and human services, with education making up 87.1 percent of all planned capital expenditures.

<b>Functional Areas</b>	<b>FY 2007</b>	<b>FY 2008</b>	<b>FY 2009</b>	<b>FY 2010</b>	<b>FY 2011 &amp; Beyond</b>	<b>Total Project Expenditures</b>	<b>% of Total</b>
General Government	\$12,000,000	\$31,249,700	\$45,559,000	\$39,232,000	\$172,648,300	\$300,689,000	1.77%
Health & Human Services	\$63,103,893	\$86,133,405	\$110,998,170	\$57,408,473	\$104,375,375	\$422,019,316	2.49%
Education	\$1,195,958,332	\$2,471,599,488	\$2,919,609,357	\$3,582,559,204	\$4,591,836,234	\$14,761,562,615	87.07%
Judiciary	\$0	\$2,000,000	\$1,400,000	\$0	\$0	\$3,400,000	0.02%
Public Safety & Criminal Justice	\$72,104,698	\$448,391,056	\$126,718,005	\$66,938,376	\$299,897,300	\$1,014,049,435	5.98%
Natural Resources	\$41,787,916	\$53,007,606	\$108,226,066	\$0	\$0	\$203,021,588	1.20%
Business & Economic Development	\$76,655,317	\$57,333,684	\$67,266,180	\$16,799,848	\$30,999,696	\$249,054,725	1.47%
Regulatory	\$0	\$0	\$0	\$0	\$0	\$0	0.00%
<b>Total</b>	<b>\$1,461,610,156</b>	<b>\$3,149,714,939</b>	<b>\$3,379,776,778</b>	<b>\$3,762,937,901</b>	<b>\$5,199,756,905</b>	<b>\$16,953,796,679</b>	<b>100.00%</b>

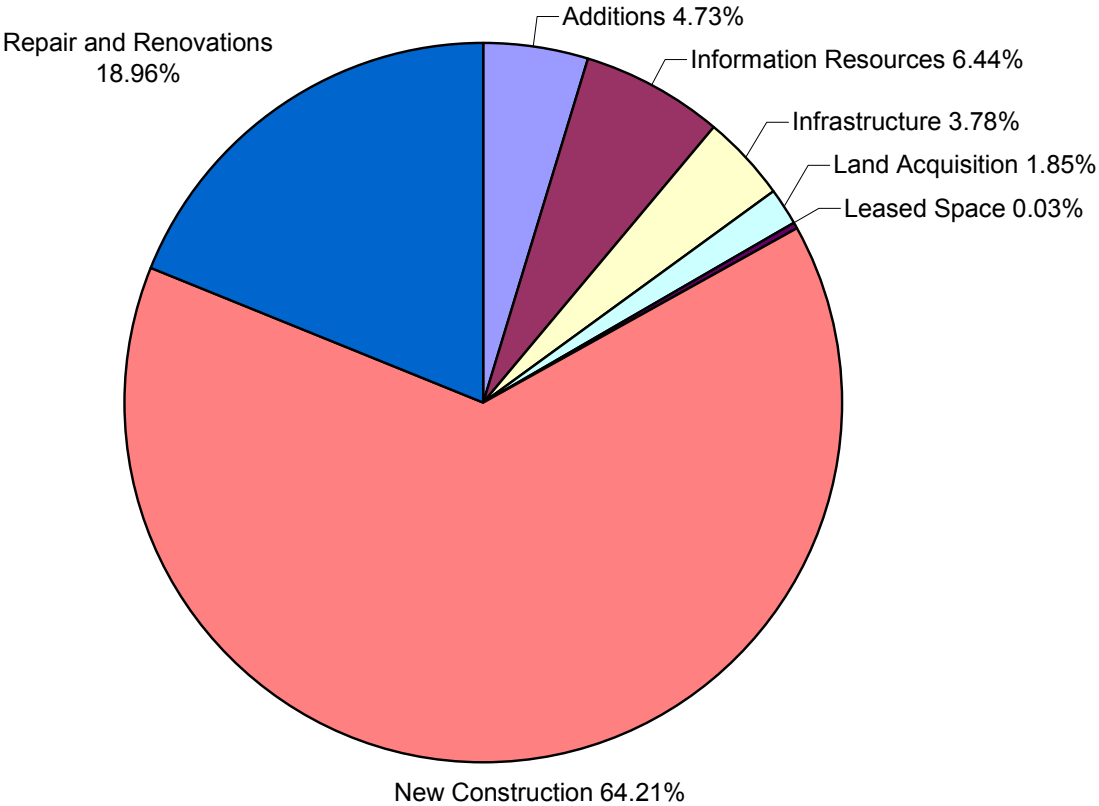
It should be noted that new construction will require additional maintenance and operation costs after the completion of the project. This report does not attempt to calculate what those costs will be. More research is needed on this issue.

## 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 2007-2011 reporting period, accounting for 64.2 percent of the total planned expenditures. Repair and Renovations account for the second largest planned expenditure at 18.9 percent, followed by information resources at 6.4 percent.

Category	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011 & Beyond	Total Category Expenditures	% of Total
Additions	\$55,330,790	\$202,206,311	\$208,903,884	\$191,221,252	\$145,000,000	\$802,662,237	4.73%
Information Resources	\$206,564,016	\$395,882,499	\$191,672,563	\$140,553,178	\$157,213,256	\$1,091,885,512	6.44%
Infrastructure	\$153,611,865	\$182,655,758	\$102,011,077	\$63,227,224	\$138,602,914	\$640,108,838	3.78%
Land Acquisition	\$73,717,804	\$62,520,640	\$66,991,268	\$23,264,577	\$86,654,972	\$313,149,261	1.85%
Leased Space	\$5,000,000	\$0	\$0	\$0	\$0	\$5,000,000	0.03%
New Construction	\$683,533,956	\$1,793,545,851	\$2,162,343,386	\$2,375,111,328	\$3,872,215,936	\$10,886,750,457	64.21%
Repair and Renovations	\$283,851,725	\$512,903,880	\$647,854,600	\$969,560,342	\$800,069,827	\$3,214,240,374	18.96%
<b>Total</b>	<b>\$1,461,610,156</b>	<b>\$3,149,714,939</b>	<b>\$3,379,776,778</b>	<b>\$3,762,937,901</b>	<b>\$5,199,756,905</b>	<b>\$16,953,796,679</b>	<b>100.00%</b>

# State of Texas Capital Expenditures by Category of Expenditure



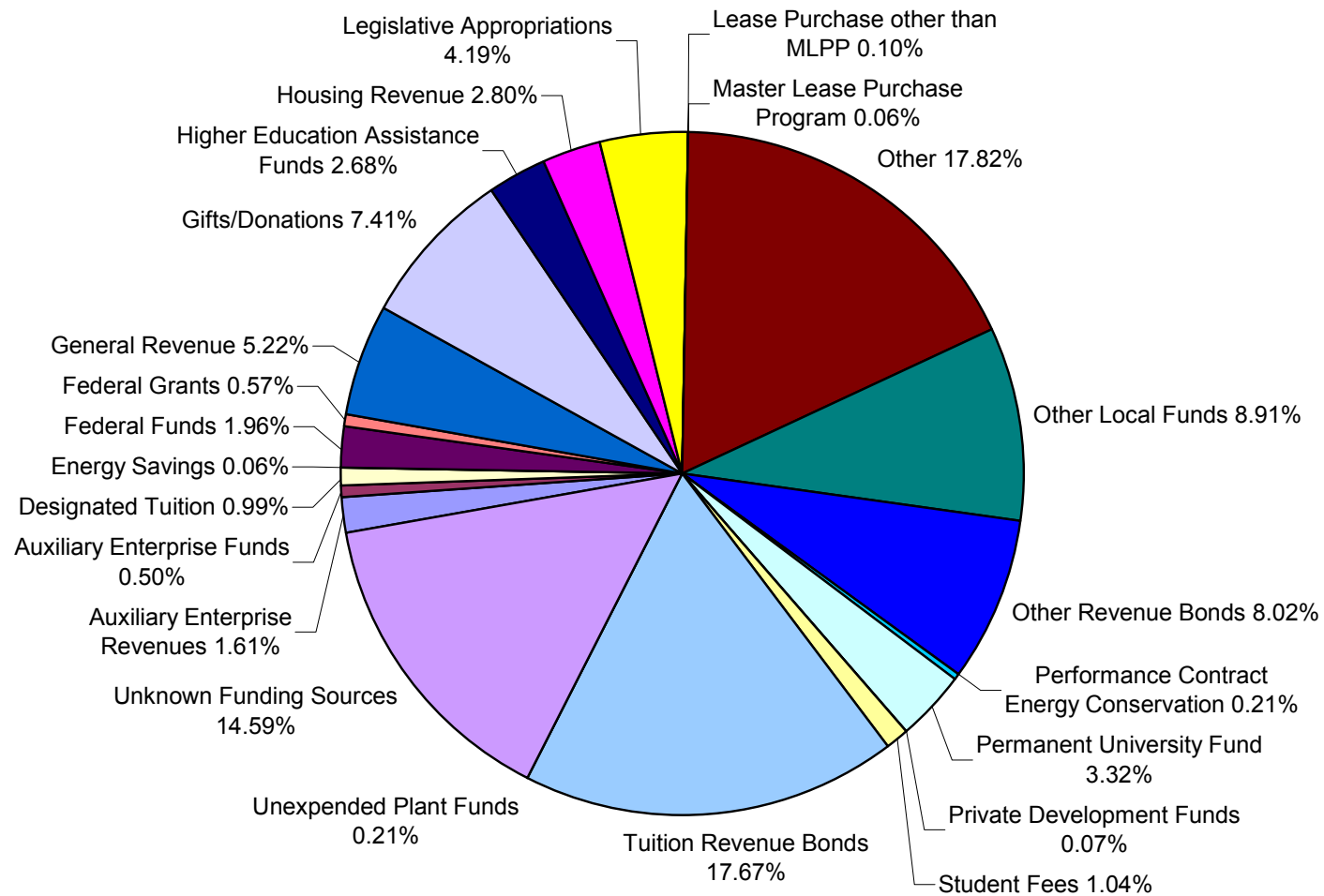


## Sources of Funding

State agencies reported a wide variety of funding sources that they expect to use to pay for their capital improvements. The source fund designated as Other made up the largest portion of capital planning source funds at 17.8 percent, followed by Tuition Revenue Bonds at 17.7 percent and Unknown Funding Sources at 14.6 percent.

Source Funds	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011 & Beyond	Total	% of Total
Auxiliary Enterprise Revenues	\$8,934,562	\$72,245,501	\$28,665,251	\$38,104,050	\$124,322,700	\$272,272,064	1.61%
Auxiliary Enterprise Funds	\$13,539,921	\$17,935,000	\$16,712,500	\$19,000,000	\$17,500,000	\$84,687,421	0.50%
Designated Tuition	\$21,494,980	\$26,769,300	\$56,050,038	\$36,777,790	\$26,215,000	\$167,307,108	0.99%
Energy Savings	\$0	\$0	\$2,000,000	\$6,000,000	\$2,000,000	\$10,000,000	0.06%
Federal Funds	\$61,904,698	\$91,994,197	\$94,872,303	\$36,453,861	\$46,383,509	\$331,608,568	1.96%
Federal Grants	\$7,000,000	\$30,815,500	\$10,677,666	\$20,438,834	\$28,000,000	\$96,932,000	0.57%
General Revenue	\$114,604,015	\$177,248,834	\$215,026,958	\$95,297,534	\$282,972,853	\$885,150,194	5.22%
Gifts/Donations	\$112,153,326	\$223,935,068	\$293,472,544	\$200,597,278	\$425,581,695	\$1,255,739,911	7.41%
Higher Education Assistance Funds	\$60,745,391	\$101,960,024	\$84,886,627	\$63,989,534	\$143,449,692	\$455,031,268	2.68%
Housing Revenue	\$26,230,036	\$79,232,698	\$58,358,466	\$93,440,000	\$217,883,000	\$475,144,200	2.80%
Legislative Appropriations	\$121,003,627	\$104,033,251	\$142,224,540	\$60,708,000	\$282,648,300	\$710,617,718	4.19%
Lease Purchase other than MLPP	\$0	\$0	\$0	\$12,825,000	\$4,275,000	\$17,100,000	0.10%
Master Lease Purchase Program	\$8,807,889	\$533,344	\$0	\$0	\$0	\$9,341,233	0.06%
Other	\$150,250,662	\$536,145,531	\$318,474,533	\$347,685,566	\$1,668,105,771	\$3,020,662,063	17.82%
Other Local Funds	\$134,146,915	\$289,285,473	\$196,722,896	\$231,688,118	\$658,971,636	\$1,510,815,038	8.91%
Other Revenue Bonds	\$182,266,213	\$384,822,073	\$313,706,584	\$191,053,308	\$288,645,341	\$1,360,493,519	8.02%
Performance Contract Energy Conservation	\$14,400,000	\$10,600,000	\$10,000,000	\$0	\$0	\$35,000,000	0.21%
Permanent University Fund	\$78,085,937	\$91,354,517	\$115,634,208	\$115,872,041	\$162,500,000	\$563,446,703	3.32%
Private Development Funds	\$3,000,000	\$2,500,000	\$4,200,000	\$1,800,000	\$0	\$11,500,000	0.07%
Student Fees	\$20,925,000	\$60,287,500	\$63,837,500	\$30,100,000	\$1,000,000	\$176,150,000	1.04%
Tuition Revenue Bonds	\$229,569,437	\$649,210,657	\$1,085,358,046	\$672,334,409	\$358,603,872	\$2,995,076,421	17.67%
Unexpended Plant Funds	\$13,211,360	\$8,224,283	\$2,861,466	\$5,490,297	\$5,944,782	\$35,732,188	0.21%
Unknown Funding Sources	\$79,336,187	\$190,582,188	\$266,034,652	\$1,483,282,281	\$454,753,754	\$2,473,989,062	14.59%
<b>Total</b>	<b>\$1,461,610,156</b>	<b>\$3,149,714,939</b>	<b>\$3,379,776,778</b>	<b>\$3,762,937,901</b>	<b>\$5,199,756,905</b>	<b>\$16,953,796,679</b>	<b>100.00%</b>

## State of Texas Sources of Funding for Capital Expenditures



## 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 \$3.145 billion in 2005. Texas, compared to other states, still ranks low in terms of outstanding state tax-supported debt per capita at \$279. 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 2007-2011 CEP will be financed through the issuance of debt. The expected principal and interest payments (P&I) on projects reported for the fiscal 2008-2009 biennium total \$325.4 million and \$484.9 million, respectively. Total debt financing costs for the capital projects reported to the Bond Review Board are expected to total \$12.74 billion over the life of the projects.

Functional Area	FY 2007 P&I	FY 2008 P&I	FY 2009 P&I	FY 2010 P&I	FY 2011 & Beyond P&I	Total Expected P&I	% of Total
General Government	\$315,000	\$949,500	\$2,772,500	\$2,995,500	\$60,517,500	\$67,550,000	0.53%
Health & Human Services	\$0	\$12,814,000	\$51,256,000	\$66,564,000	\$112,402,000	\$243,036,000	1.91%
Education	\$151,553,042	\$288,400,310	\$396,985,585	\$486,668,423	\$10,799,823,037	\$12,123,430,397	95.15%
Judiciary	\$0	\$0	\$0	\$0	\$0	\$0	0.00%
Public Safety & Criminal Justice	\$4,702,733	\$13,929,583	\$8,112,462	\$11,573,410	\$129,953,338	\$168,271,526	1.32%
Natural Resources	\$2,045,129	\$9,264,976	\$25,840,459	\$100,951,639	\$500,000	\$138,602,203	1.09%
Business & Economic Development	\$0	\$0	\$0	\$0	\$0	\$0	0.00%
Regulatory	\$0	\$0	\$0	\$0	\$0	\$0	0.00%
<b>Total</b>	<b>\$158,615,904</b>	<b>\$325,358,369</b>	<b>\$484,967,006</b>	<b>\$668,752,972</b>	<b>\$11,103,195,875</b>	<b>\$12,740,890,126</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 (2) 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, and 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**

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,

*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 (G.O.) debt is split-rated at Aa1/AA/AA+ by the three major credit rating agencies, Moody's Investors Service (Moody's), Standard & Poor's (S&P) and Fitch Ratings (Fitch), respectively. (The Moody's and Fitch ratings put the state's G.O. debt at one step below AAA while the S&P rating puts the debt at two steps below AAA.)

In June 1999, Moody's upgraded the state's G.O. debt from Aa2 to Aa1. The core factors that led to the higher rating were: (1) the state's economic expansion, (2) reduced dependence on oil and gas, (3) low debt ratios, (4) balanced state finances, (5) increasing cash balances, and (6) tobacco settlement funds targeted for health and higher education. Moody's assessed the risks associated with its credit rating of Texas' general obligation debt to include: (1) the future of internet taxation, (2) the state's modest fiscal reserves and (3) population growth.

Although Moody's elected to upgrade the state's debt rating, S&P downgraded the state's rating outlook from "positive" to "stable." S&P cited a modest level of financial reserves ("Rainy Day Fund") as the primary reason for the downgrade and concluded that "the state's financial flexibility could become impaired without adequate financial reserves supported by a financially sound budget."

#### Recent reports from the rating agencies

Moody's outlook for Texas' rating remains stable. Credit strengths cited by Moody's include the state's low debt ratios on a per capita and personal income basis, continued diversification, expansion of the state's economy and conservative revenue projections. Challenges cited by Moody's include concerns regarding public school finance, the state's growing population with relatively high poverty levels and a substantial need for increased public services and infrastructure.

S&P's outlook for the state's rating also remains stable. S&P's rationale for the state's outlook includes the low tax-supported debt burden, the state's growing and diversifying economy and adequate revenue growth and financial position. S&P states the stable outlook reflects "the expectation that the Texas Legislature's recent fiscal priorities will continue and that the state's financial reserves will remain modest. Without the flexibility provided by a significant increase in financial reserve levels, supported by a structurally sound budget, an upgrade is not expected." S&P also cites public school funding as a challenge.

In April 2006, a *Fitch* report assigned initial outlooks to state general obligation ratings. Fitch's outlook for Texas is stable and "reflects the state's strong economic and revenue growth and sizable balances." However, Fitch states that "credit improvement to the highest rating level is impeded by the increasing demands that rapid growth places on the state's consumption-based tax system and the lack of centralized debt issuance." Education funding reform and large transportation needs are cited as financial pressures. Fitch also states that "the specific state outlooks reflect economic and fiscal conditions that may have existed for some time and are not necessarily reactions to recent events such as proposed budgets under consideration. Nevertheless, future governmental decisions and economic events could determine rating directions."

#### Outlook for a AAA rating

The sometimes-overlapping conclusions reached by all three rating agencies reflect their collective judgment that several long-term, structural issues preclude an easy improvement in the state's ratings. Among the most prominent and commonly cited of these problems are:

- 1) the state's heavy dependence on the sales tax
- 2) unresolved issues related to public school funding
- 3) continued rapid population growth that will necessitate budget increases for operating costs as well as increases in capital expenditures for growing infrastructure needs
- 4) liquidity issues raised by the comparatively low balances in the state's reserve accounts, including the rainy day fund balances.

### **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, 2005, approximately \$1.074 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, 2005. With the inclusion of authorized but unissued debt, the ratio increases to 2.21 percent (8/31/05).

### **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, as 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 2007-2011 CEP is available online at the Bond Review Board’s website at <http://brb.state.tx.us/capital/capital.html>.

<b>General Government Detail</b>	<b>FY 2007</b>	<b>FY 2008</b>	<b>FY 2009</b>	<b>FY 2010</b>	<b>FY 2011 &amp; Beyond</b>	<b>Total Project Expenditures</b>
Dept. of Information Resources	\$1,400,000	\$1,400,000	\$1,400,000	\$0	\$0	\$4,200,000
Office of the Attorney General	\$1,600,000	\$2,000,000	\$1,000,000	\$0	\$0	\$4,600,000
Secretary of State	\$0	\$699,000	\$524,000	\$524,000	\$0	\$1,747,000
Texas Building & Procurement Commission	\$0	\$2,150,700	\$7,635,000	\$8,708,000	\$12,648,300	\$31,142,000
Texas Historical Commission	\$9,000,000	\$25,000,000	\$35,000,000	\$30,000,000	\$160,000,000	\$259,000,000
<b>Total</b>	<b>\$12,000,000</b>	<b>\$31,249,700</b>	<b>\$45,559,000</b>	<b>\$39,232,000</b>	<b>\$172,648,300</b>	<b>\$300,689,000</b>

<b>Health &amp; Human Services Detail</b>	<b>FY 2007</b>	<b>FY 2008</b>	<b>FY 2009</b>	<b>FY 2010</b>	<b>FY 2011 &amp; Beyond</b>	<b>Total Project Expenditures</b>
Dept. of Aging and Disability Services	\$0	\$26,194,592	\$55,924,977	\$24,648,236	\$60,108,707	\$166,876,512
Dept. of Assistive and Rehabilitative Services	\$4,977,227	\$3,641,361	\$2,839,346	\$2,840,000	\$5,680,000	\$19,977,934
Dept. of Family and Protective Services	\$23,081,350	\$21,942,598	\$21,942,595	\$21,942,595	\$21,942,594	\$110,851,732
Texas Health and Human Services Commission	\$35,045,316	\$34,354,854	\$30,291,252	\$7,977,642	\$16,644,074	\$124,313,138
<b>Total</b>	<b>\$63,103,893</b>	<b>\$86,133,405</b>	<b>\$110,998,170</b>	<b>\$57,408,473</b>	<b>\$104,375,375</b>	<b>\$422,019,316</b>

<b>Education Detail</b>	<b>FY 2007</b>	<b>FY 2008</b>	<b>FY 2009</b>	<b>FY 2010</b>	<b>FY 2011 &amp; Beyond</b>	<b>Total Project Expenditures</b>
Angelo State University	\$0	\$10,200,000	\$12,770,000	\$16,400,000	\$29,000,000	\$68,370,000
Lamar Institute of Technology	\$1,200,000	\$800,000	\$0	\$0	\$0	\$2,000,000
Lamar State College-Orange	\$759,000	\$1,373,280	\$1,949,318	\$7,469,272	\$3,400,000	\$14,950,870
Lamar State College-Port Arthur	\$0	\$2,370,000	\$5,855,000	\$2,330,000	\$0	\$10,555,000
Lamar University	\$3,100,000	\$32,900,000	\$38,900,000	\$25,500,000	\$31,100,000	\$131,500,000
Midwestern State University	\$0	\$15,750,000	\$35,000,000	\$30,000,000	\$22,000,000	\$102,750,000
Prairie View A&M University	\$1,525,000	\$6,727,894	\$10,015,440	\$10,164,083	\$10,164,083	\$38,596,500

<b>Education Detail (continued)</b>	<b>FY 2007</b>	<b>FY 2008</b>	<b>FY 2009</b>	<b>FY 2010</b>	<b>FY 2011 &amp; Beyond</b>	<b>Total Project Expenditures</b>
Sam Houston State University	\$7,550,000	\$44,700,000	\$59,800,000	\$48,000,000	\$55,780,000	\$215,830,000
School for the Blind and Visually Impaired	\$0	\$0	\$21,664,579	\$0	\$41,496,477	\$63,161,056
Stephen F. Austin State University	\$11,125,000	\$88,075,000	\$15,600,000	\$18,350,000	\$13,800,000	\$146,950,000
Sul Ross State University	\$700,000	\$4,150,000	\$4,850,000	\$3,800,000	\$2,145,000	\$15,645,000
Tarleton State University	\$8,514,430	\$16,497,620	\$17,634,820	\$12,622,268	\$201,092,922	\$256,362,060
Texas A&M International University	\$19,865,120	\$31,625,240	\$25,795,240	\$5,670,000	\$1,620,000	\$84,575,600
Texas A&M University	\$162,753,642	\$270,281,810	\$358,238,246	\$345,585,404	\$1,351,422,319	\$2,488,281,421
Texas A&M University System	\$28,700,000	\$69,500,000	\$81,608,000	\$71,607,000	\$30,000,000	\$281,415,000
Texas A&M University System Health Science Center	\$39,019,000	\$38,748,500	\$71,181,880	\$102,363,750	\$101,067,750	\$352,380,880
Texas A&M University-Commerce	\$23,246,400	\$33,458,100	\$36,825,012	\$21,675,590	\$17,112,800	\$132,317,902
Texas A&M University-Corpus Christi	\$4,134,729	\$13,313,504	\$32,913,504	\$36,500,000	\$59,900,000	\$146,761,737
Texas A&M University-Galveston	\$19,411,472	\$30,361,183	\$42,429,868	\$22,429,868	\$0	\$114,632,391
Texas A&M University-Kingsville	\$4,250,000	\$20,750,000	\$24,540,000	\$19,560,000	\$10,279,000	\$79,379,000
Texas A&M University-Texarkana	\$4,500,000	\$23,025,000	\$34,000,000	\$16,700,000	\$46,900,000	\$125,125,000
Texas Education Agency	\$7,016,061	\$5,168,704	\$4,836,734	\$4,263,148	\$4,261,672	\$25,546,319
Texas Higher Education Coordinating Board	\$5,513,088	\$0	\$0	\$0	\$0	\$5,513,088
Texas Southern University	\$41,756,230	\$15,000,000	\$31,500,000	\$181,000,000	\$0	\$269,256,230
Texas State University-San Marcos	\$38,332,232	\$51,649,326	\$111,962,957	\$89,356,637	\$146,545,407	\$437,846,559
Texas Tech University	\$27,436,925	\$40,097,896	\$80,613,869	\$82,224,018	\$5,131,917	\$235,504,625
Texas Tech University Health Sciences Center	\$15,711,250	\$51,796,122	\$67,410,024	\$47,947,517	\$111,432,087	\$294,297,000
Texas Tech University System	\$0	\$0	\$4,500,000	\$1,000,000	\$0	\$5,500,000
Texas Woman's University	\$8,370,207	\$6,181,721	\$23,415,523	\$44,400,000	\$12,739,712	\$95,107,163
The University of Texas at Arlington	\$75,177,245	\$25,838,700	\$32,172,000	\$40,215,000	\$0	\$173,402,945
The University of Texas at Austin	\$71,800,000	\$120,240,000	\$238,200,000	\$1,100,786,000	\$30,000,000	\$1,561,026,000
The University of Texas at Brownsville	\$0	\$75,800,000	\$70,000,000	\$55,625,000	\$0	\$201,425,000
The University of Texas at Dallas	\$12,000,000	\$76,650,000	\$22,650,000	\$34,312,000	\$173,908,000	\$319,520,000
The University of Texas at El Paso	\$20,996,000	\$80,678,500	\$122,524,792	\$74,588,834	\$1,000,000	\$299,788,126
The University of Texas at San Antonio	\$27,090,000	\$76,630,000	\$43,530,000	\$37,750,000	\$123,500,000	\$308,500,000
The University of Texas Health Center at Tyler	\$7,100,000	\$10,004,000	\$8,694,000	\$2,832,000	\$0	\$28,630,000
The University of Texas Health Science Center at Houston	\$15,600,000	\$60,600,000	\$83,500,000	\$46,180,000	\$15,000,000	\$220,880,000
The University of Texas Health Science Center at San Antonio	\$13,032,001	\$27,313,000	\$59,890,000	\$54,110,000	\$69,000,000	\$223,345,001



<b>Education Detail (continued)</b>	<b>FY 2007</b>	<b>FY 2008</b>	<b>FY 2009</b>	<b>FY 2010</b>	<b>FY 2011 &amp; Beyond</b>	<b>Total Project Expenditures</b>
The University of Texas MD Anderson Cancer Center	\$173,282,000	\$362,100,000	\$311,690,000	\$289,618,000	\$603,100,000	\$1,739,790,000
The University of Texas Medical Branch at Galveston	\$52,018,626	\$88,884,767	\$64,689,523	\$61,195,448	\$55,731,636	\$322,520,000
The University of Texas of the Permian Basin	\$14,600,000	\$31,000,000	\$35,000,000	\$21,000,000	\$39,000,000	\$140,600,000
The University of Texas Southwestern Medical Center at Dallas	\$5,322,400	\$87,000,000	\$13,500,000	\$76,600,000	\$631,800,000	\$814,222,400
The University of Texas-Pan American	\$7,750,000	\$62,250,000	\$41,150,000	\$4,250,000	\$0	\$115,400,000
University of Houston	\$94,913,526	\$130,111,840	\$202,002,474	\$139,550,000	\$189,666,160	\$756,244,000
University of Houston-Clear Lake	\$6,899,746	\$8,735,197	\$30,901,669	\$28,165,000	\$4,275,000	\$78,976,612
University of Houston-Downtown	\$1,159,000	\$12,058,333	\$33,790,634	\$42,448,367	\$42,588,666	\$132,045,000
University of Houston-Victoria	\$0	\$0	\$16,550,000	\$36,900,000	\$4,550,000	\$58,000,000
University of North Texas	\$33,700,002	\$140,580,001	\$139,990,001	\$101,690,000	\$253,950,626	\$669,910,630
University of North Texas Health Science Center at Fort Worth	\$18,068,000	\$11,534,000	\$6,534,000	\$24,375,000	\$24,375,000	\$84,886,000
University of North Texas System	\$4,000,000	\$43,600,000	\$73,400,000	\$40,000,000	\$0	\$161,000,000
West Texas A&M University	\$56,960,000	\$15,490,250	\$13,440,250	\$3,450,000	\$22,000,000	\$111,340,500
<b>Total</b>	<b>\$1,195,958,332</b>	<b>\$2,471,599,488</b>	<b>\$2,919,609,357</b>	<b>\$3,582,559,204</b>	<b>\$4,591,836,234</b>	<b>\$14,761,562,615</b>

<b>Judicial Detail</b>	<b>FY 2007</b>	<b>FY 2008</b>	<b>FY 2009</b>	<b>FY 2010</b>	<b>FY 2011 &amp; Beyond</b>	<b>Total Project Expenditures</b>
State Office of Court Administration	\$0	\$2,000,000	\$1,400,000	\$0	\$0	\$3,400,000
<b>Total</b>	<b>\$0</b>	<b>\$2,000,000</b>	<b>\$1,400,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$3,400,000</b>

<b>Public Safety &amp; Criminal Justice Detail</b>	<b>FY 2007</b>	<b>FY 2008</b>	<b>FY 2009</b>	<b>FY 2010</b>	<b>FY 2011 &amp; Beyond</b>	<b>Total Project Expenditures</b>
Adjutant General's Department	\$3,186,000	\$37,774,100	\$29,635,668	\$7,623,272	\$641,341	\$78,860,381
Dept. of Criminal Justice	\$60,110,809	\$50,970,113	\$43,715,000	\$57,261,570	\$289,328,891	\$501,386,383
Dept. of Public Safety	\$8,807,889	\$343,264,237	\$7,873,534	\$2,053,534	\$9,927,068	\$371,926,262
Texas Youth Commission	\$0	\$16,382,606	\$45,493,803	\$0	\$0	\$61,876,409
<b>Total</b>	<b>\$72,104,698</b>	<b>\$448,391,056</b>	<b>\$126,718,005</b>	<b>\$66,938,376</b>	<b>\$299,897,300</b>	<b>\$1,014,049,435</b>

<b>Natural Resources Detail</b>	<b>FY 2007</b>	<b>FY 2008</b>	<b>FY 2009</b>	<b>FY 2010</b>	<b>FY 2011 &amp; Beyond</b>	<b>Total Project Expenditures</b>
Commission on Environmental Quality	\$0	\$4,957,288	\$4,150,732	\$0	\$0	\$9,108,020
Texas Parks and Wildlife Department	\$41,787,916	\$48,050,318	\$104,075,334	\$0	\$0	\$193,913,568
<b>Total</b>	\$41,787,916	\$53,007,606	\$108,226,066	\$0	\$0	\$203,021,588

<b>Business &amp; Economic Development Detail</b>	<b>FY 2007</b>	<b>FY 2008</b>	<b>FY 2009</b>	<b>FY 2010</b>	<b>FY 2011 &amp; Beyond</b>	<b>Total Project Expenditures</b>
Texas Department of Transportation	\$48,499,413	\$40,455,696	\$54,260,832	\$2,000,000	\$2,000,000	\$147,215,941
Texas Workforce Commission	\$28,155,904	\$16,877,988	\$13,005,348	\$14,799,848	\$28,999,696	\$101,838,784
<b>Total</b>	\$76,655,317	\$57,333,684	\$67,266,180	\$16,799,848	\$30,999,696	\$249,054,725

**Regulatory Detail – No Projects Reported.**

## APPENDIX B

### Enabling Legislation – Capital Expenditure Plan

#### Senate Bill 1, Article IX, Section 11.02 79th Legislature, Regular Session - 2005 Sec. 11.02. 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 2008-09 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 2008-09 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, 2005. The Bond Review Board shall file copies of the capital expenditure plan for the period beginning September 1, 2007, with the Governor and the Legislative Budget Board no later than September 1, 2006.

(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 2008-2009 – Capital Expenditure Plan**

1. Data collection was handled by using an online reporting system developed and managed by the Texas Higher Education Coordinating Board. The staff of the Bond Review Board sincerely appreciates the hard work and professionalism of the staff of the THECB.
2. Previous CEPs prepared by the Bond Review Board had a reporting threshold of \$250,000. 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 for this report.