



STATE OF TEXAS CAPITAL EXPENDITURE PLAN

For Fiscal Years 2018-2019

**Including Supplemental Information through
Fiscal Year 2021**

September 1, 2016

Submitted to

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

Texas Bond Review Board

TEXAS BOND REVIEW BOARD

Fiscal Years 2017-2021

CAPITAL PLANNING ANALYSIS AND OVERVIEW

Capital Planning Review and Approval Process

House Bill 1, Article IX, Section 11.03 of the 84th Legislature directed the Texas Bond Review Board (BRB) to produce the state's Capital Expenditure Plan (CEP) for the 2018-2019 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.

This year the LBB added the CEP report summary as an addendum to the Strategic Plan report.

Through the capital budgeting process, capital projects are approved for the two-year biennial period (2018-2019). However, the CEP reports on the preceding year (2017) and the remaining two out years (2020-2021) 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 2018-2019

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.texas.gov/programs_capital_planning.aspx.

In developing the CEP for the 2018-2019 biennium with supplemental information through 2021, the BRB received information from 86 state entities and institutions of higher education reporting 1138 capital project request submissions totaling \$76.97 billion through fiscal year 2021 and beyond. Of that amount, the CEP reports an estimated \$11.51 billion in expenditures in FY2017, \$17.24 billion in FY2018, \$16.85 billion in FY2019, \$13.71 billion in FY2020 and \$17.67 billion in FY2021 and beyond.

Anticipated total expenditures were \$58.30 billion in the 2016-2017 CEP as compared to \$76.97 billion in the 2018-2019 CEP.

Functional Areas of Government

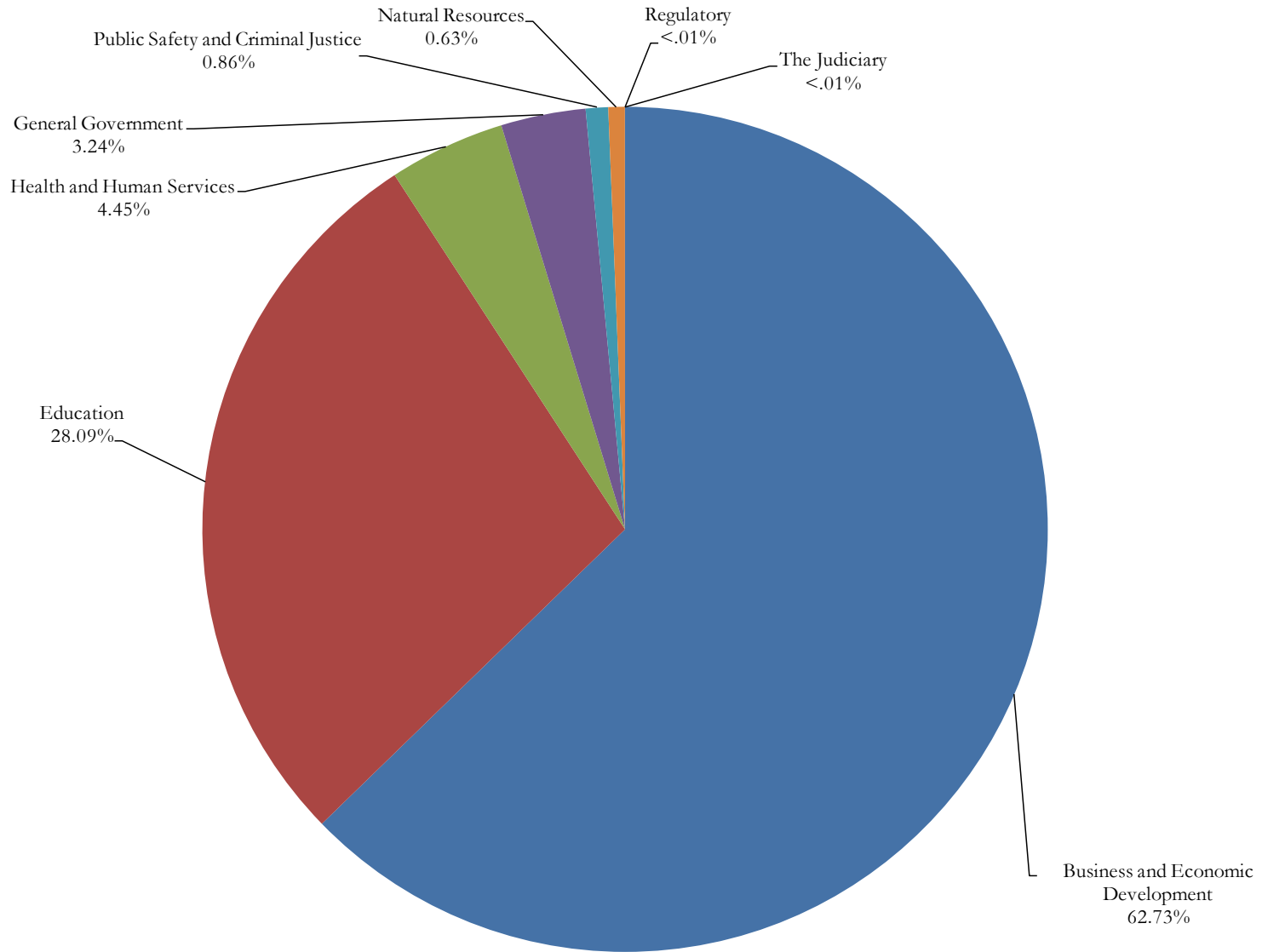
The state’s GAA separates Texas state agencies and institutions of higher education into eight different “Articles” that group government agencies into functional units. Two government functional areas reported 90.8 percent of the planned capital expenditures for FY2017-2021 reporting period: Business and Economic Development which includes the Texas Department of Transportation (TxDOT), accounts for the largest portion of expenditures at 62.7 percent, and Education comprises 28.1 percent of the total anticipated expenditures.

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

| Functional Area | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 & Beyond | Total Project Expenditures | % of Total |
|------------------------------------|--------------------------|-------------------------|--------------------------|--------------------------|--------------------------|----------------------------|-------------|
| Business and Economic Development | \$ 8,577,913,887 | \$12,361,749,815 | \$ 11,099,396,114 | \$ 8,052,537,594 | \$ 8,191,832,478 | \$ 48,283,429,888 | 62.73% |
| Education | 2,355,976,275 | 3,730,812,855 | 4,572,101,404 | 4,155,735,848 | 6,807,103,073 | 21,621,729,455 | 28.09% |
| General Government | 139,364,354 | 287,283,555 | 522,791,653 | 550,307,862 | 994,044,001 | 2,493,791,425 | 3.24% |
| Health and Human Services | 380,196,757 | 462,327,003 | 508,711,441 | 633,820,708 | 1,439,394,168 | 3,424,450,077 | 4.45% |
| Natural Resources | 22,899,645 | 155,558,814 | 37,663,682 | 246,220,068 | 23,457,689 | 485,799,898 | 0.63% |
| Public Safety and Criminal Justice | 34,171,319 | 237,934,911 | 108,310,945 | 66,730,000 | 210,950,000 | 658,097,175 | 0.86% |
| Regulatory | 620,000 | 1,468,000 | 732,000 | 200,000 | - | 3,020,000 | 0.00% |
| The Judiciary | - | - | - | - | - | - | 0.00% |
| Total | \$ 11,511,142,237 | \$17,237,134,953 | \$ 16,849,707,239 | \$ 13,705,552,080 | \$ 17,666,781,409 | \$ 76,970,317,918 | 100% |

State of Texas Capital Expenditures by Article of Government

Total Anticipated Expenditures \$76,970,317,918



Categories of Expenditures

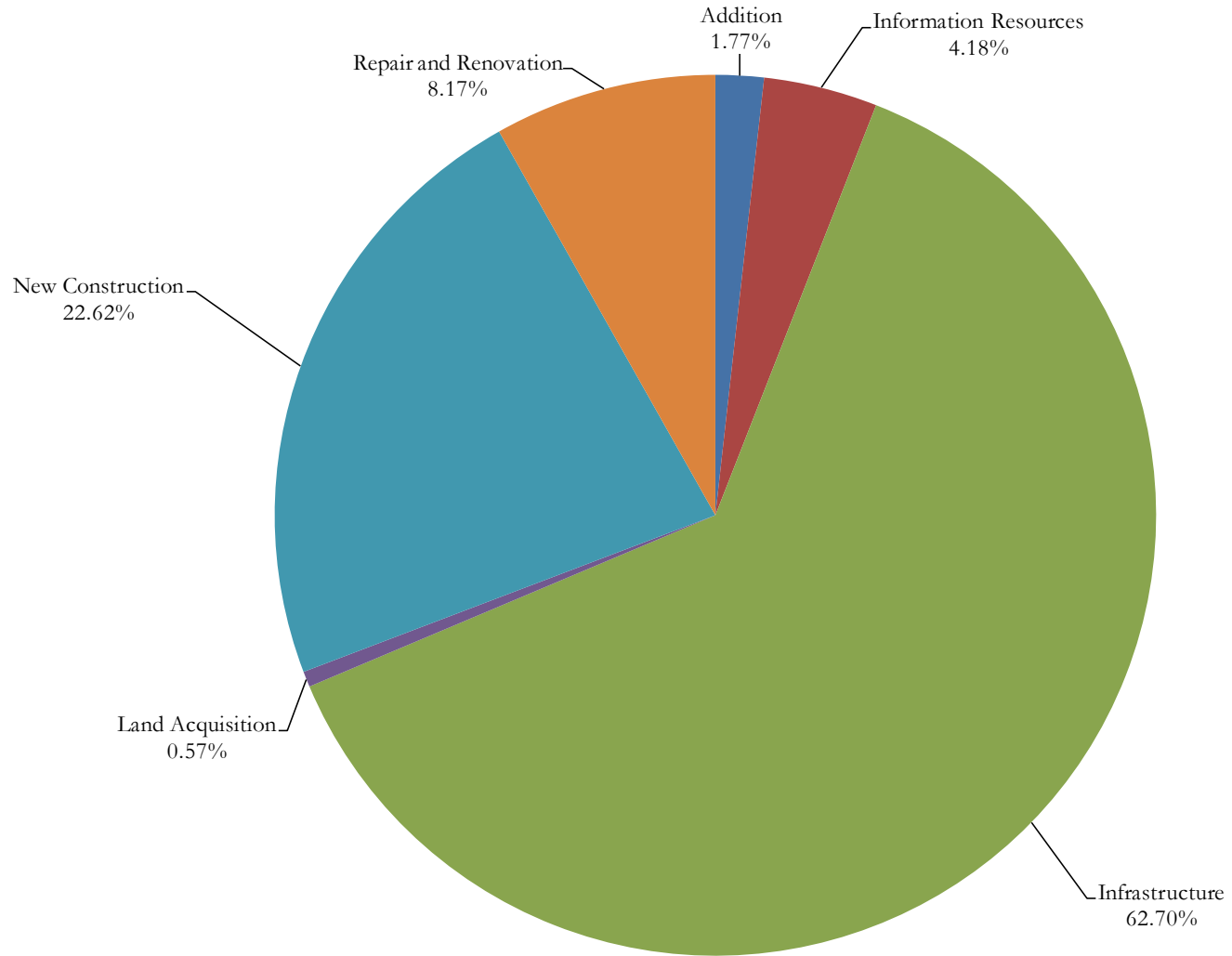
State agencies are required to report planned capital expenditures by categories as shown in the table below. Infrastructure is the largest category for the FY2017-2021 reporting period, accounting for 62.7 percent followed by New Construction at 22.6 percent. These two categories account for 85.3 percent 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 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 & Beyond | Total Project Expenditures | % of Total |
|-----------------------|--------------------------|-------------------------|-------------------------|--------------------------|--------------------------|----------------------------|----------------|
| Addition | \$ 98,252,300 | \$ 252,605,154 | \$ 480,043,374 | \$ 308,036,920 | \$ 222,049,074 | \$ 1,360,986,822 | 1.77% |
| Information Resources | 565,225,911 | 788,683,921 | 631,788,445 | 498,921,999 | 729,987,472 | 3,214,607,748 | 4.18% |
| Infrastructure | 8,653,836,264 | 12,247,389,512 | 10,907,870,647 | 8,194,672,706 | 8,254,329,859 | 48,258,098,988 | 62.70% |
| Land Acquisition | 128,031,830 | 114,079,950 | 53,537,450 | 38,482,450 | 104,909,167 | 439,040,847 | 0.57% |
| New Construction | 1,474,931,967 | 2,813,566,552 | 3,530,644,543 | 3,357,907,492 | 6,234,431,128 | 17,411,481,682 | 22.62% |
| Repair and Renovation | 590,863,965 | 1,020,809,864 | 1,245,822,780 | 1,307,530,513 | 2,121,074,709 | 6,286,101,831 | 8.17% |
| Total | \$ 11,511,142,237 | \$17,237,134,953 | \$16,849,707,239 | \$ 13,705,552,080 | \$ 17,666,781,409 | \$ 76,970,317,918 | 100.00% |

State of Texas Capital Expenditures by Category of Expenditures

Total Anticipated Expenditures \$76,970,317,918

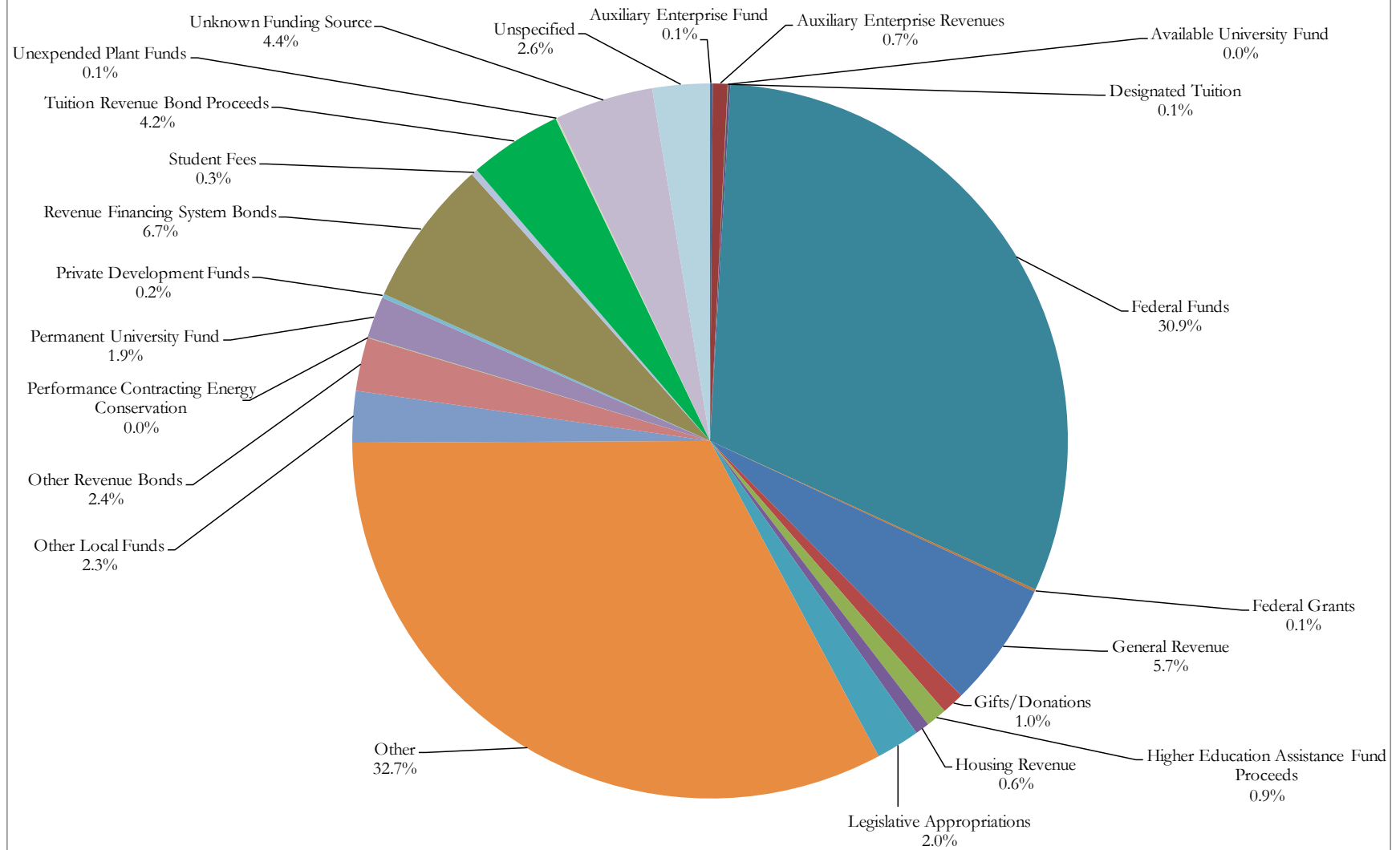


Sources of Funding

State agencies and institutions of higher education reported 23 funding sources to pay for their capital projects. The Other fund source category, which includes sources such as indirect cost recoveries, institutional funds and hospital funds, is the largest source of funds for capital planning at 32.7 percent. Federal Funds is the second largest portion of funding at 30.9 and Revenue Financing System Bonds sold by institutions of higher education comprised the third largest category at 6.7 percent.

| Source Funds | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 & Beyond | Total | % of Total |
|---|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|----------------|
| Auxiliary Enterprise Fund | \$ 27,500,000 | \$ 39,970,000 | \$ 22,000,000 | \$ 5,000,000 | \$ - | \$ 94,470,000 | 0.1% |
| Auxiliary Enterprise Revenues | 86,268,300 | 162,547,314 | 116,115,860 | 68,952,648 | 76,034,517 | 509,918,639 | 0.7% |
| Available University Fund | 11,000,000 | 6,800,000 | - | - | - | 17,800,000 | 0.0% |
| Designated Tuition | 17,714,240 | 21,814,240 | 20,214,240 | 3,858,440 | 11,993,040 | 75,594,200 | 0.1% |
| Federal Funds | 4,549,502,496 | 5,756,386,573 | 5,126,082,633 | 4,224,368,327 | 4,139,478,425 | 23,795,818,454 | 30.9% |
| Federal Grants | 15,357,577 | 17,036,296 | 11,125,340 | 11,480,800 | 24,000,000 | 79,000,013 | 0.1% |
| General Revenue | 805,329,286 | 676,993,402 | 553,283,756 | 675,387,418 | 1,669,584,399 | 4,380,578,261 | 5.7% |
| Gifts/Donations | 120,114,770 | 129,553,279 | 144,990,335 | 137,564,774 | 245,841,708 | 778,064,866 | 1.0% |
| Higher Education Assistance Fund Proceeds | 125,280,667 | 169,848,540 | 176,347,954 | 125,181,714 | 127,799,200 | 724,458,075 | 0.9% |
| Housing Revenue | 108,155,000 | 42,355,114 | 152,517,791 | 143,444,965 | 48,600,000 | 495,072,870 | 0.6% |
| Legislative Appropriations | 26,930,911 | 527,254,237 | 403,089,145 | 258,661,319 | 306,997,455 | 1,522,933,067 | 2.0% |
| Other | 3,710,395,316 | 6,585,242,559 | 6,017,440,332 | 4,127,486,831 | 4,754,507,159 | 25,195,072,197 | 32.7% |
| Other Local Funds | 224,774,892 | 447,877,440 | 466,709,590 | 387,410,670 | 259,467,000 | 1,786,239,592 | 2.3% |
| Other Revenue Bonds | 241,072,840 | 184,432,782 | 365,952,996 | 424,308,704 | 641,333,589 | 1,857,100,911 | 2.4% |
| Performance Contracting Energy Conservation | 6,000,000 | 8,000,000 | 8,000,000 | - | - | 22,000,000 | 0.0% |
| Permanent University Fund | 84,696,000 | 251,852,919 | 273,300,000 | 257,992,521 | 581,470,177 | 1,449,311,617 | 1.9% |
| Private Development Funds | 6,635,000 | 38,915,000 | 40,120,000 | 23,000,000 | 28,000,000 | 136,670,000 | 0.2% |
| Revenue Financing System Bonds | 421,918,577 | 784,791,155 | 1,035,127,009 | 1,044,269,334 | 1,834,516,185 | 5,120,622,260 | 6.7% |
| Student Fees | 41,004,515 | 65,182,946 | 49,300,433 | 36,312,500 | 35,412,500 | 227,212,894 | 0.3% |
| Tuition Revenue Bond Proceeds | 672,950,860 | 820,747,926 | 557,917,586 | 425,021,660 | 756,151,099 | 3,232,789,131 | 4.2% |
| Unexpended Plant Funds | 12,529,000 | 31,334,000 | 4,598,508 | 4,256,724 | 3,324,988 | 56,043,220 | 0.1% |
| Unknown Funding Source | 101,180,000 | 239,170,000 | 1,017,000,000 | 867,429,000 | 1,193,745,000 | 3,418,524,000 | 4.4% |
| Unspecified | 94,831,990 | 229,029,231 | 288,473,731 | 454,163,731 | 928,524,968 | 1,995,023,651 | 2.6% |
| Total | \$ 11,511,142,237 | \$ 17,237,134,953 | \$ 16,849,707,239 | \$ 13,705,552,080 | \$ 17,666,781,409 | \$ 76,970,317,918 | 100.00% |

State of Texas Sources of Funding for Capital Expenditures



General Revenue

General Revenue (GR) is estimated to provide \$4.38 billion or 5.7% of the total sources of funding for anticipated expenditures. Of this amount, state agencies accounted for \$4.33 billion (98.9%) including an estimated \$638.3 million for TxDOT's Proposition 12 Bond program which represented 14.6% of the total GR funding sources. Institutions of higher education accounted for \$48.6 million (1.1%).

Federal Funds

Federal Funds accounts for 30.9% of the total source of funding reported in the 2018-2019 CEP. Of the \$23.80 billion in federal funds, TxDOT represents 94.2% of the total with an estimated \$22.41 billion of anticipated expenditures. Maintenance contracts, construction grants and services, and constructions contracts comprise the majority of these projects with estimated costs \$11.54 billion, \$2.54 billion and \$4.67 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 \$5.12 billion, 6.7% of the total expected source of funds. Tuition Revenue Bond proceeds of \$3.23 billion are the second largest source of funds for higher education institutions and account for 4.2% of the total source of funds. Funding from the Permanent University Fund is estimated to be \$1.45 billion and Higher Education Assistance Fund proceeds are expected to be \$724.5 million.

Other

The Other fund source category increased 126.0% from \$11.15 billion in the 2016-2017 CEP to \$25.20 billion for the 2018-2019 biennium, \$24.12 billion of which is attributable to TxDOT.

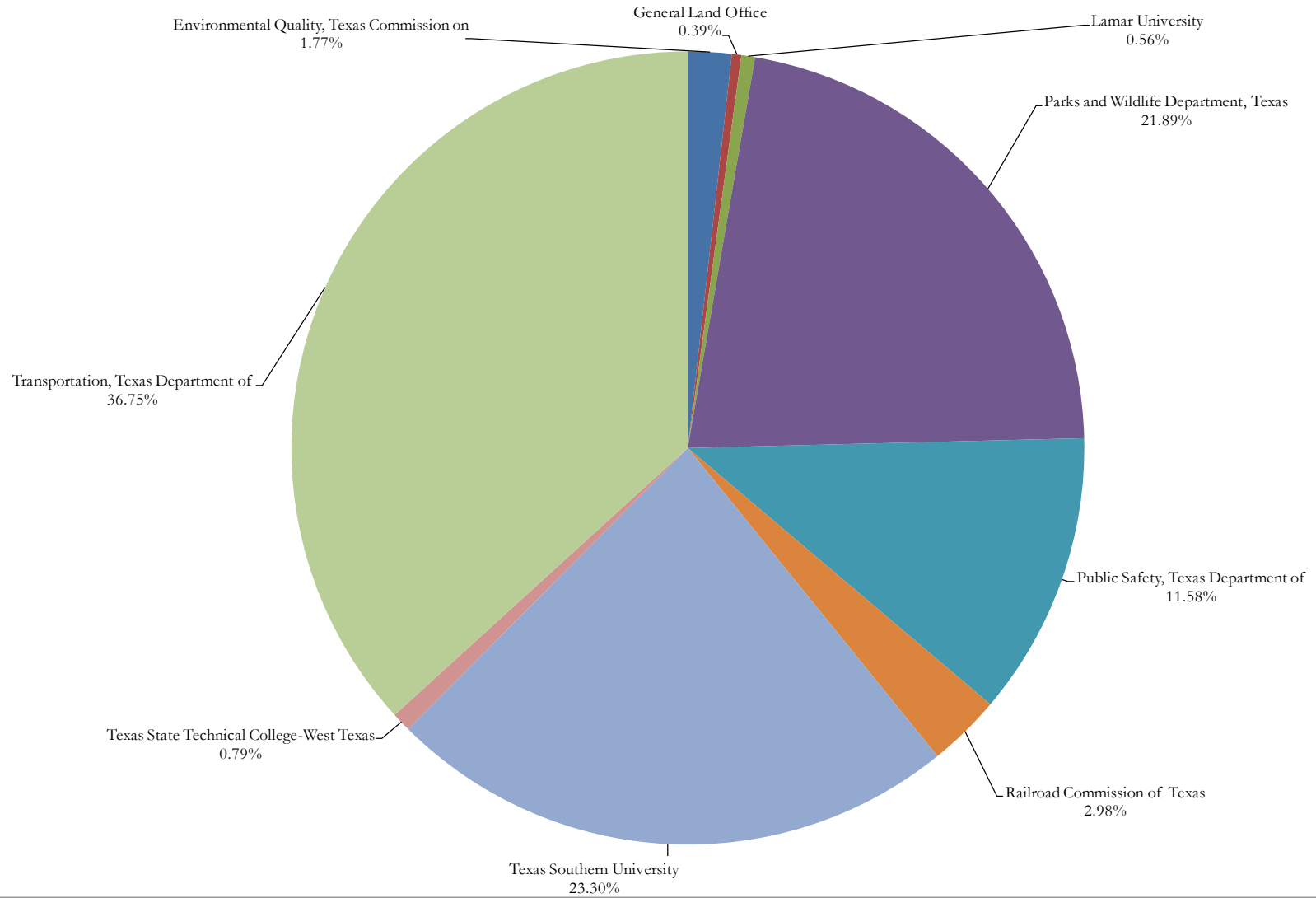
Legislative Appropriations

Anticipated expenditures from Legislative Appropriations are estimated to be \$1.52 billion. Nine state agencies and institutions of higher education submitted project costs requiring Legislative Appropriations. The Department of Transportation and the Department of Parks and Wildlife represent \$893.1 million (58.6%) of the total \$1.52 billion. Texas Southern University accounts for 23.3% of the total with an estimate of \$354.8 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.

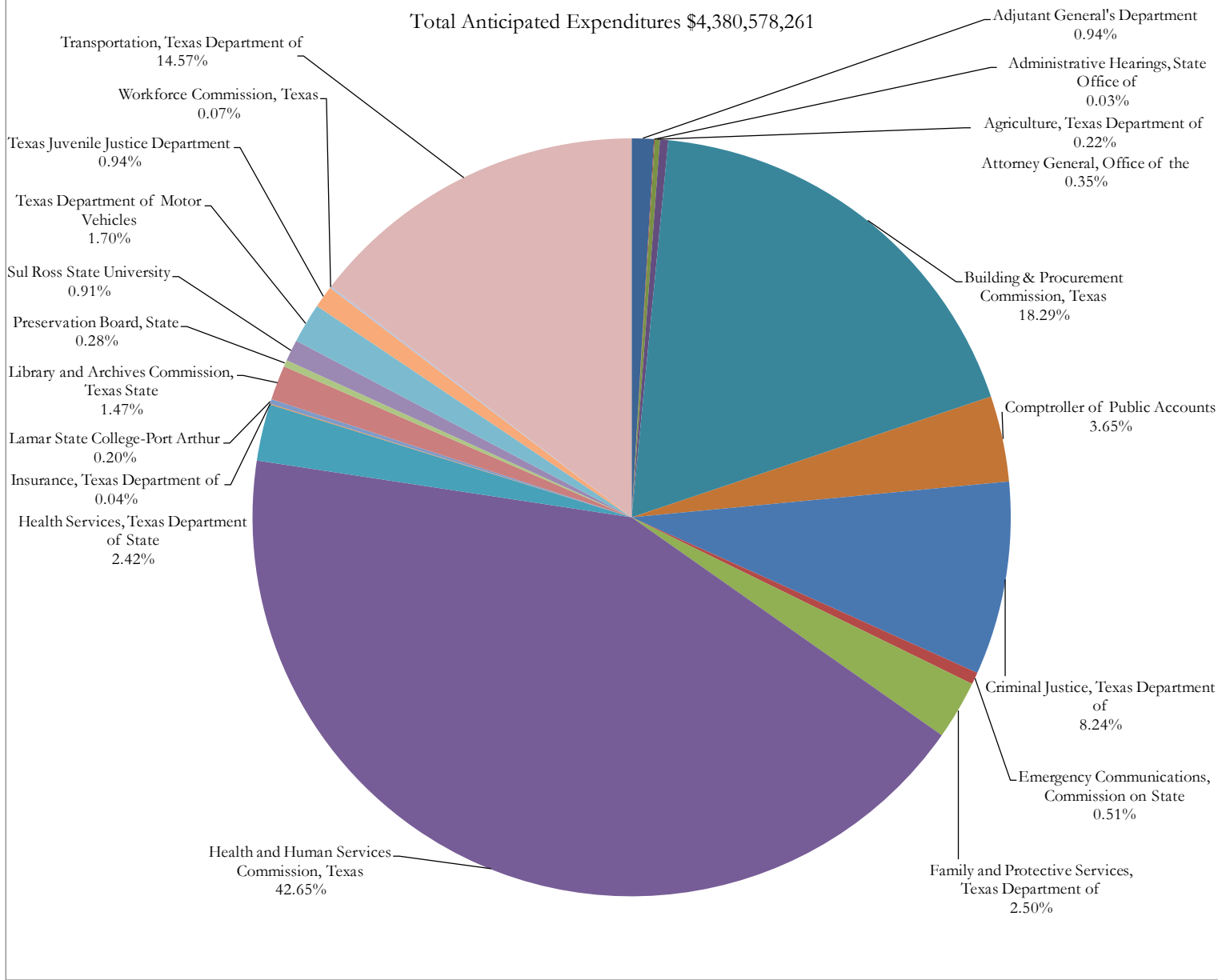
Legislative Appropriations

Total Anticipated Expenditures \$1,522,933,067



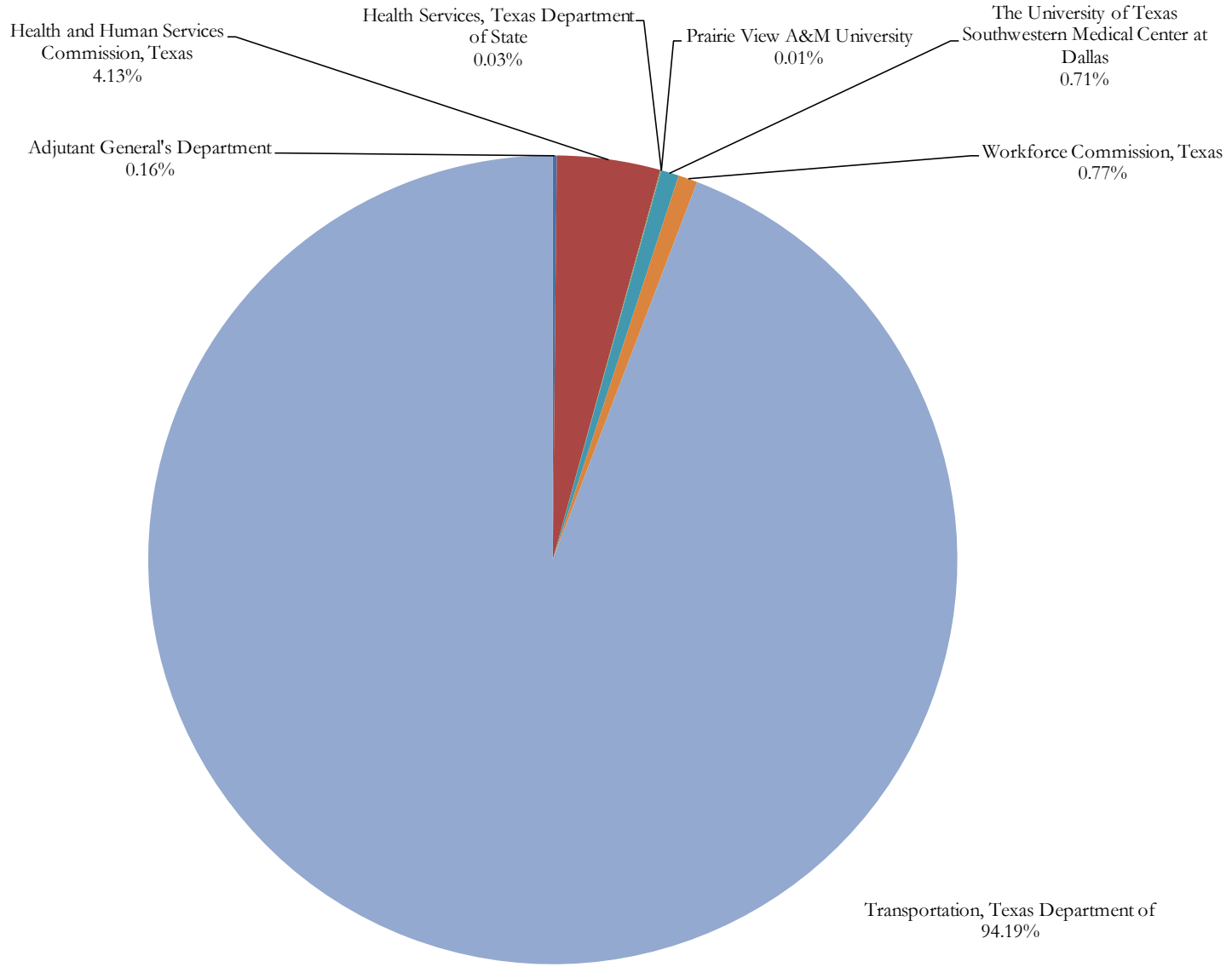
General Revenue

Total Anticipated Expenditures \$4,380,578,261



Federal Funds

Total Anticipated Expenditures \$23,795,818,454



Debt Financing of Capital Projects

Texas ranks low in total general obligation state debt outstanding at \$630 per capita. Although most of the state’s debt is non-general obligation self-supporting debt, a portion is classified as general obligation not self-supporting debt and is used for certain projects including transportation, water development, and cancer research. Total general obligation debt has increased steadily from slightly less than \$400 million at August 31, 1986 to over \$5.92 billion at August 31, 2015. 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 not self-supporting debt on total debt outstanding, future debt-service requirements and the constitutional debt limit.

Of the 1,138 projects submitted for the 2018-2019 CEP, 448 (39.4%) will be financed through the issuance of debt. These projects are estimated to cost \$15.03 billion and account for 19.5% of total expenditures projected in the 2018-2019 CEP. Debt service on these projects totals \$1.04 billion and \$652.3 million for FY2017 and FY2018, respectively. As described below, debt service over the life of all the capital projects reported to the BRB is expected to total \$28.20 billion.

| Functional Area | FY 2017 P&I | FY 2018 P&I | FY 2019 P&I | FY 2020 P&I | FY 2021 P&I & Beyond | Total Expected P&I | % of Total |
|------------------------------------|-------------------------|-----------------------|-----------------------|-----------------------|--------------------------|--------------------------|---------------|
| Business and Economic Development | \$ 711,243,793 | \$ 144,457,716 | \$ - | \$ - | \$ - | \$ 855,701,509 | 3.0% |
| Education | 330,875,148 | 464,810,891 | 689,654,320 | 754,665,698 | 22,409,482,239 | 24,649,488,296 | 87.4% |
| General Government | - | 724,499 | 3,998,108 | 14,363,627 | 1,872,885,143 | 1,891,971,377 | 6.7% |
| Health and Human Services | - | 705,101 | 1,375,470 | 4,418,143 | 417,534,742 | 424,033,456 | 1.5% |
| Natural Resources | - | 20,996,403 | 22,496,402 | 25,196,408 | 261,878,478 | 330,567,691 | 1.2% |
| Public Safety and Criminal Justice | - | 20,600,651 | 20,600,646 | - | - | 41,201,297 | 0.1% |
| Regulatory | - | - | - | - | - | - | 0.0% |
| The Judiciary | - | - | - | - | - | - | 0.0% |
| Total | \$ 1,042,118,941 | \$ 652,295,261 | \$ 738,124,946 | \$ 798,643,876 | \$ 24,961,780,602 | \$ 28,192,963,626 | 100.0% |

State Debt Overview

The following table sets forth the state's total general obligation debt for which the full faith, credit and taxing power of the state are pledged, and non-general obligation debt outstanding sorted by self-supporting and not self-supporting categories as of February 29, 2016.

| Debt Outstanding (Amounts in billion) | | |
|---|------------------|---------------|
| | 2/29/2016 | |
| General Obligation Debt | | |
| Total Self-Supporting | \$ 11.86 | 24.2% |
| Total Not Self-Supporting | 5.87 | 12.0% |
| Total General Obligation Debt | \$ 17.73 | 36.3% |
| Non-General Obligation Debt | | |
| Total Self-Supporting | \$ 25.00 | 51.1% |
| Total Not Self-Supporting | 0.10 | 0.2% |
| Conduit Debt | 6.08 | 12.4% |
| Total Non-General Obligation Debt | \$ 31.18 | 63.7% |
| | | |
| Total Debt Outstanding | \$ 48.91 | 100.0% |

Authorized but unissued debt may be issued at any time without further legislative action, but the issuance requires BRB approval. Certain authorized but unissued debt requires debt service appropriations prior to issuance. The following table sets forth the state's total general obligation and non-general obligation authorized but unissued debt sorted by self-supporting and not self-supporting categories as of February 29, 2016.

| Authorized But Unissued Debt (Amounts in billion) | | |
|---|------------------|---------------|
| | 2/29/2016 | |
| General Obligation Debt | | |
| Total Self-Supporting | \$ 9.10 | 54.1% |
| Total Not Self-Supporting | 3.93 | 23.4% |
| Total General Obligation Debt | \$ 13.03 | 77.5% |
| Non-General Obligation Debt | | |
| Total Self-Supporting | \$ 2.78 | 16.5% |
| Total Not Self-Supporting | 1.00 | 5.9% |
| Total Non-General Obligation Debt | \$ 3.78 | 22.5% |
| | | |
| Total Authorized but Unissued Debt | \$ 16.81 | 100.0% |

The state's Constitutional Debt Limit provides that additional tax-supported debt may not be authorized if the maximum annual debt service on debt payable from general revenue, including authorized but unissued debt exceeds 5 percent of the average annual unrestricted general revenue for the previous three fiscal years. As of August 31, 2015, the constitutional debt limit stood at 2.65 percent, consisting of 1.38 percent for outstanding debt and 1.27 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.

Recent reports from the rating agencies

Moody's outlook for Texas' rating is stable. In March 2016 Moody's cited that "the Aaa rating reflects the strong fundamentals of the Texas economy; a 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 March 2016 S&P's rationale for the state's outlook "reflects Standard & Poor's expectation that Texas' economic performance will continue to support the revenue forecasts." 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 March 2016 Fitch's reaffirmed its outlook for Texas as stable and "reflects its low debt burden, conservative financial operations and an economy that continues to grow despite the severe contraction in the state's globally important energy sector. Rapid growth and demand for public services, including transportation, education and water, continue to pose long-term fiscal pressures."

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) issues related to unfunded pension liabilities, funding for public schools, and assistance programs such as Medicaid; and
- 3) the state's continued rapid population growth that will necessitate budget increases for operating costs as well as increases in capital expenditures for growing infrastructure needs including transportation and water development.

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 2018-2019 CEP is available online at the BRB's website at http://www.brb.texas.gov/programs_capital_planning.aspx.

| General Government | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 & Beyond | Total Project Expenditures |
|---|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|----------------------------|
| Attorney General, Office of The | \$ - | \$ 2,532,268 | \$ 5,664,879 | \$ 4,975,983 | \$ 2,306,147 | \$ 15,479,277 |
| Building & Procurement Commission, Texas | 93,394,132 | 205,622,289 | 446,728,788 | 513,331,879 | 959,737,854 | 2,218,814,942 |
| Comptroller of Public Accounts | 32,000,000 | 32,000,000 | 32,000,000 | 32,000,000 | 32,000,000 | 160,000,000 |
| Emergency Communications, Commission on State | 7,150,222 | 11,073,998 | 4,317,986 | - | - | 22,542,206 |
| Library and Archives Commission, Texas State | - | 32,500,000 | 32,000,000 | - | - | 64,500,000 |
| Preservation Board, State | 6,820,000 | 3,555,000 | 2,080,000 | - | - | 12,455,000 |
| Total | \$ 139,364,354 | \$ 287,283,555 | \$ 522,791,653 | \$ 550,307,862 | \$ 994,044,001 | \$ 2,493,791,425 |

| Health and Human Services | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 & Beyond | Total Project Expenditures |
|---|-----------------------|-----------------------|-----------------------|-----------------------|-------------------------|----------------------------|
| Family and Protective Services, Texas Department of | \$ 28,937,470 | \$ 32,065,562 | \$ 17,559,818 | \$ 16,259,818 | \$ 14,859,818 | \$ 109,682,486 |
| Health and Human Services Commission, Texas | 314,092,946 | 405,127,368 | 468,637,022 | 598,479,950 | 1,405,579,664 | 3,191,916,950 |
| Health Services, Texas Department of State | 37,166,341 | 25,134,073 | 22,514,601 | 19,080,940 | 18,954,686 | 122,850,641 |
| Total | \$ 380,196,757 | \$ 462,327,003 | \$ 508,711,441 | \$ 633,820,708 | \$ 1,439,394,168 | \$ 3,424,450,077 |

| Education | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 & Beyond | Total Project Expenditures |
|------------------------------------|---------------|---------------|---------------|---------------|------------------|----------------------------|
| Angelo State University | \$ 42,930,000 | \$ 10,280,000 | \$ 29,900,000 | \$ 14,400,000 | \$ 2,200,000 | \$ 99,710,000 |
| Lamar Institute of Technology | 2,134,000 | 2,134,000 | 2,134,000 | 2,134,000 | 37,027,888 | 45,563,888 |
| Lamar State College - Orange | - | - | 1,000,000 | 20,000,000 | 2,450,000 | 23,450,000 |
| Lamar State College - Port Arthur | 50,000 | 50,000 | 4,371,116 | 4,371,116 | 50,000 | 8,892,232 |
| Lamar University | 37,800,000 | 77,800,000 | 89,739,355 | 78,963,581 | 67,215,937 | 351,518,873 |
| Midwestern State University | 2,000,000 | 13,750,000 | 10,916,000 | 18,584,000 | 81,750,000 | 127,000,000 |
| Prairie View A&M University | 59,635,781 | 42,125,500 | 6,700,000 | 16,950,000 | 20,000,000 | 145,411,281 |
| Sam Houston State University | 79,100,000 | 84,000,000 | 30,000,000 | 15,500,000 | 104,500,000 | 313,100,000 |
| Stephen F. Austin State University | 20,500,000 | 61,700,000 | 115,850,000 | 85,300,000 | 48,500,000 | 331,850,000 |
| Sul Ross State University | 11,466,534 | 21,027,000 | 5,820,000 | 7,100,000 | 32,807,925 | 78,221,459 |

| Education Continued | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 & Beyond | Total Project Expenditures |
|--|----------------|----------------|----------------|----------------|-----------------------------|-----------------------------------|
| Tarleton State University | 69,060,000 | 50,940,000 | 69,450,000 | 105,450,000 | 106,000,000 | 400,900,000 |
| Texas A&M International University | 23,940,000 | 44,980,000 | 43,180,000 | 16,700,000 | 84,200,000 | 213,000,000 |
| Texas A&M University | 216,437,068 | 195,277,350 | 142,153,492 | 63,260,000 | - | 617,127,910 |
| Texas A&M University - Central Texas | 14,800,000 | 16,200,000 | 5,000,000 | 17,000,000 | 68,000,000 | 121,000,000 |
| Texas A&M University - San Antonio | 15,900,000 | 31,800,000 | 42,941,828 | 50,760,000 | 158,400,000 | 299,801,828 |
| Texas A&M University Ag Experiment Station | 20,400,000 | 13,600,000 | - | - | - | 34,000,000 |
| Texas A&M University Engineer Experiment Station | - | 11,100,000 | 15,600,000 | 17,600,000 | 4,000,000 | 48,300,000 |
| Texas A&M University Engineer Extension Service | - | 6,750,000 | 11,250,000 | 3,500,000 | 15,500,000 | 37,000,000 |
| Texas A&M University System | 15,300,000 | 46,600,000 | 62,600,000 | 32,000,000 | - | 156,500,000 |
| Texas A&M University System Health Science Center | 47,760,000 | 147,245,000 | 157,245,000 | 64,725,000 | 44,725,000 | 461,700,000 |
| Texas A&M University Transportation Institute | 15,000,000 | 30,000,000 | 30,000,000 | - | - | 75,000,000 |
| Texas A&M University - Commerce | 25,200,000 | 32,600,000 | 48,600,000 | 37,500,000 | 92,500,000 | 236,400,000 |
| Texas A&M University - Corpus Christi | 57,850,000 | 102,850,000 | 124,100,000 | 130,100,000 | 205,650,000 | 620,550,000 |
| Texas A&M University - Galveston | 19,552,840 | 39,951,281 | 73,064,281 | 71,227,000 | 49,228,535 | 253,023,937 |
| Texas A&M University - Kingsville | 19,811,000 | 37,321,000 | 50,821,075 | 48,114,000 | 267,876,000 | 423,943,075 |
| Texas A&M University - Texarkana | 17,600,000 | 14,400,000 | 7,300,000 | 14,600,000 | 14,600,000 | 68,500,000 |
| Texas Southern University | 17,666,565 | 26,167,482 | 26,167,482 | 26,167,482 | 427,180,734 | 523,349,745 |
| Texas State Technical College System | 1,500,000 | 1,938,000 | 1,500,000 | - | - | 4,938,000 |
| Texas State Technical College - Harlingen | 12,250,000 | 112,000 | 400,000 | 800,000 | 13,045,000 | 26,607,000 |
| Texas State Technical College - Marshall | 1,000,000 | - | 4,650,000 | 23,960,000 | - | 29,610,000 |
| Texas State Technical College - Waco | 4,500,000 | 4,200,000 | 6,000,000 | 9,300,000 | 5,000,000 | 29,000,000 |
| Texas State Technical College - West Texas | 6,250,000 | 11,750,000 | - | - | - | 18,000,000 |
| Texas State University - San Marcos | 50,396,815 | 129,868,985 | 251,061,629 | 119,141,026 | 39,638,785 | 590,107,240 |
| Texas Tech University | 49,300,000 | 107,250,000 | 112,200,000 | 168,150,000 | 106,850,000 | 543,750,000 |
| Texas Tech University Health Sciences Center | 93,750,000 | 69,650,000 | 96,150,000 | 25,450,000 | 15,550,000 | 300,550,000 |
| Texas Tech University Health Sciences Center - El Paso | 57,250,000 | 69,350,000 | 165,650,000 | 66,650,000 | 28,650,000 | 387,550,000 |
| Texas Woman'S University | 34,747,066 | 62,797,066 | 34,997,066 | 4,047,066 | 40,358,736 | 176,947,000 |
| The University of Texas at Arlington | 79,938,000 | 94,100,000 | 137,300,000 | 112,000,000 | 213,762,000 | 637,100,000 |
| The University of Texas at Austin | 117,680,000 | 104,170,000 | 545,000,000 | 516,729,000 | 789,200,000 | 2,072,779,000 |
| The University of Texas at Dallas | 17,300,000 | 157,600,000 | 255,500,000 | 308,500,000 | 739,000,000 | 1,477,900,000 |
| The University of Texas at El Paso | 25,000,000 | 45,000,000 | 95,390,000 | 145,357,000 | 452,840,000 | 763,587,000 |
| The University of Texas at San Antonio | 49,233,000 | 106,503,000 | 128,341,500 | 181,595,500 | 346,462,000 | 812,135,000 |
| The University of Texas at Tyler | 3,500,000 | 76,000,000 | 2,000,000 | 57,600,000 | 19,700,000 | 158,800,000 |
| The University of Texas Health Center at Tyler | 1,200,000 | 1,127,000 | - | - | - | 2,327,000 |
| The University of Texas Health Science Center at Houston | - | 45,333,333 | 45,333,333 | 112,833,334 | 132,500,000 | 336,000,000 |

| Education Continued | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 & Beyond | Total Project Expenditures |
|---|-------------------------|-------------------------|-------------------------|-------------------------|-----------------------------|-----------------------------------|
| The University of Texas Health Science Center at San Antonio | 14,250,000 | 59,250,000 | 76,750,000 | 72,900,000 | 238,250,000 | 461,400,000 |
| The University of Texas Md Anderson Cancer Center | 277,252,000 | 472,052,000 | 454,092,700 | 388,937,000 | 262,467,000 | 1,854,800,700 |
| The University of Texas Medical Branch at Galveston | 111,000,000 | 147,030,000 | 183,740,000 | 110,330,000 | 247,100,000 | 799,200,000 |
| The University of Texas of the Permian Basin | 26,750,000 | 32,125,000 | 13,375,000 | - | - | 72,250,000 |
| The University of Texas Southwestern Medical Center at Dallas | 124,700,000 | 195,850,000 | 181,000,000 | 182,000,000 | 452,500,000 | 1,136,050,000 |
| The University of Texas System | 1,500,000 | 3,000,000 | - | - | - | 4,500,000 |
| The University of Texas - Pan American | 4,856,939 | 16,095,858 | 34,766,000 | 33,221,521 | 257,830,697 | 346,771,015 |
| University of Houston | 136,645,667 | 203,960,500 | 206,935,047 | 226,115,722 | 156,598,336 | 930,255,272 |
| University of Houston System | 14,000,000 | 18,832,000 | 14,000,000 | - | - | 46,832,000 |
| University of Houston - Clear Lake | 20,075,000 | 14,295,000 | 18,000,000 | 21,600,000 | 86,376,000 | 160,346,000 |
| University of Houston - Downtown | 25,500,000 | 50,312,500 | 54,312,500 | 27,312,500 | 25,312,500 | 182,750,000 |
| University of Houston - Sugarland | - | 3,000,000 | 3,003,000 | - | - | 6,003,000 |
| University of Houston - Victoria | 16,900,000 | 35,585,000 | - | - | - | 52,485,000 |
| University of North Texas | 42,970,000 | 142,500,000 | 104,950,000 | 73,500,000 | 94,750,000 | 458,670,000 |
| University of North Texas Dallas | - | 5,000,000 | 58,500,000 | 138,500,000 | 84,000,000 | 286,000,000 |
| University of North Texas Health Science Center at Fort Worth | 6,200,000 | 10,800,000 | 5,500,000 | 6,500,000 | 5,000,000 | 34,000,000 |
| University of North Texas System | - | 3,000,000 | 7,250,000 | 3,150,000 | - | 13,400,000 |
| West Texas A&M University | 76,688,000 | 70,727,000 | 68,550,000 | 57,550,000 | 20,000,000 | 293,515,000 |
| Total | \$ 2,355,976,275 | \$ 3,730,812,855 | \$ 4,572,101,404 | \$ 4,155,735,848 | \$ 6,807,103,073 | \$ 21,621,729,455 |

| Regulatory | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 & Beyond | Total Project Expenditures |
|--|-------------------|---------------------|-------------------|-------------------|-----------------------------|-----------------------------------|
| Administrative Hearings, State Office of | \$ 120,000 | \$ 368,000 | \$ 732,000 | \$ 200,000 | \$ - | \$ 1,420,000 |
| Insurance, Texas Department of | 500,000 | 1,100,000 | - | - | - | 1,600,000 |
| Total | \$ 620,000 | \$ 1,468,000 | \$ 732,000 | \$ 200,000 | \$ - | \$ 3,020,000 |

| Public Safety and Criminal Justice | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 & Beyond | Total Project Expenditures |
|---|----------------------|-----------------------|-----------------------|----------------------|-----------------------------|-----------------------------------|
| Adjutant General's Department | \$ 3,400,000 | \$ 12,550,000 | \$ 20,450,000 | \$ 16,900,000 | \$ 26,200,000 | \$ 79,500,000 |
| Criminal Justice, Texas Department of | 30,771,319 | 48,495,000 | 47,225,000 | 49,830,000 | 184,750,000 | 361,071,319 |
| Public Safety, Texas Department of | - | 156,289,260 | 20,035,299 | - | - | 176,324,559 |
| Texas Juvenile Justice Department | - | 20,600,651 | 20,600,646 | - | - | 41,201,297 |
| Total | \$ 34,171,319 | \$ 237,934,911 | \$ 108,310,945 | \$ 66,730,000 | \$ 210,950,000 | \$ 658,097,175 |

| Natural Resources | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 & Beyond | Total Project Expenditures |
|--|----------------------|-----------------------|----------------------|-----------------------|-----------------------------|-----------------------------------|
| Agriculture, Texas Department of | \$ - | \$ 6,750,000 | \$ 4,500,000 | \$ 4,250,000 | \$ - | \$ 15,500,000 |
| Environmental Quality, Texas Commission on | - | 5,000,000 | 5,000,000 | 4,850,000 | 12,150,000 | 27,000,000 |
| General Land Office | 22,899,645 | 23,717,417 | 14,635,161 | 2,550,000 | 800,000 | 64,602,223 |
| Parks and Wildlife Department, Texas | - | 107,989,213 | - | 225,377,478 | - | 333,366,691 |
| Railroad Commission of Texas | - | 12,102,184 | 13,528,521 | 9,192,590 | 10,507,689 | 45,330,984 |
| Total | \$ 22,899,645 | \$ 155,558,814 | \$ 37,663,682 | \$ 246,220,068 | \$ 23,457,689 | \$ 485,799,898 |

| Business and Economic Development | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 & Beyond | Total Project Expenditures |
|--|-------------------------|--------------------------|--------------------------|-------------------------|-----------------------------|-----------------------------------|
| Department of Motor Vehicles | \$ 5,500,000 | \$ 97,932,156 | \$ 5,500,000 | \$ 28,932,156 | \$ 5,500,000 | \$ 143,364,312 |
| Department of Transportation | 8,537,760,125 | 12,218,171,593 | 11,058,250,042 | 7,987,815,479 | 8,150,542,533 | 47,952,539,772 |
| Texas Workforce Commission | 34,653,762 | 45,646,066 | 35,646,072 | 35,789,959 | 35,789,945 | 187,525,804 |
| Total | \$ 8,577,913,887 | \$ 12,361,749,815 | \$ 11,099,396,114 | \$ 8,052,537,594 | \$ 8,191,832,478 | \$ 48,283,429,888 |

Judicial Detail – No Projects Reported.

| Total State Expenditures | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 & Beyond | Total Project Expenditures |
|---------------------------------|--------------------------|-------------------------|-------------------------|-------------------------|-----------------------------|-----------------------------------|
| | \$ 11,511,142,237 | \$17,237,134,953 | \$16,849,707,239 | \$13,705,552,080 | \$ 17,666,781,409 | \$ 76,970,317,918 |

APPENDIX B

Enabling Legislation – Capital Expenditure Plan

House Bill 1, Article IX, Section 11.03 84th Legislature, Regular Session – 2015

- (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 2018-19 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 2018-19 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, 2015. The Bond Review Board shall file copies of the capital expenditure plan for the period beginning September 1, 2017 with the Governor and the Legislative Budget Board no later than September 1, 2016.
- (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 2018-2019 – 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 2018-2019 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.