



TEXAS TECH UNIVERSITY SYSTEM™

Series 2020 Bond Issuance Update

Gary Barnes

Vice Chancellor and Chief Financial Officer

August 6th, 2020



Ratings Agency Updates



Updated Ratings – June/July 2020	
Standard & Poors	Moody's
AA+	Aa1

...the system's excellent strategic positioning which will enable it to withstand near term effects of the coronavirus. ...sizable and growing \$2 billion diverse scope of operations, with robust operating, debt service, and capital support from the Aaa-rated State of Texas. – Moody's

We assessed TTUS' financial profile as extremely strong, characterized by robust available resources and a manageable debt burden. – S&P

Ratings reaffirmed after adding about \$300 million in additional debt

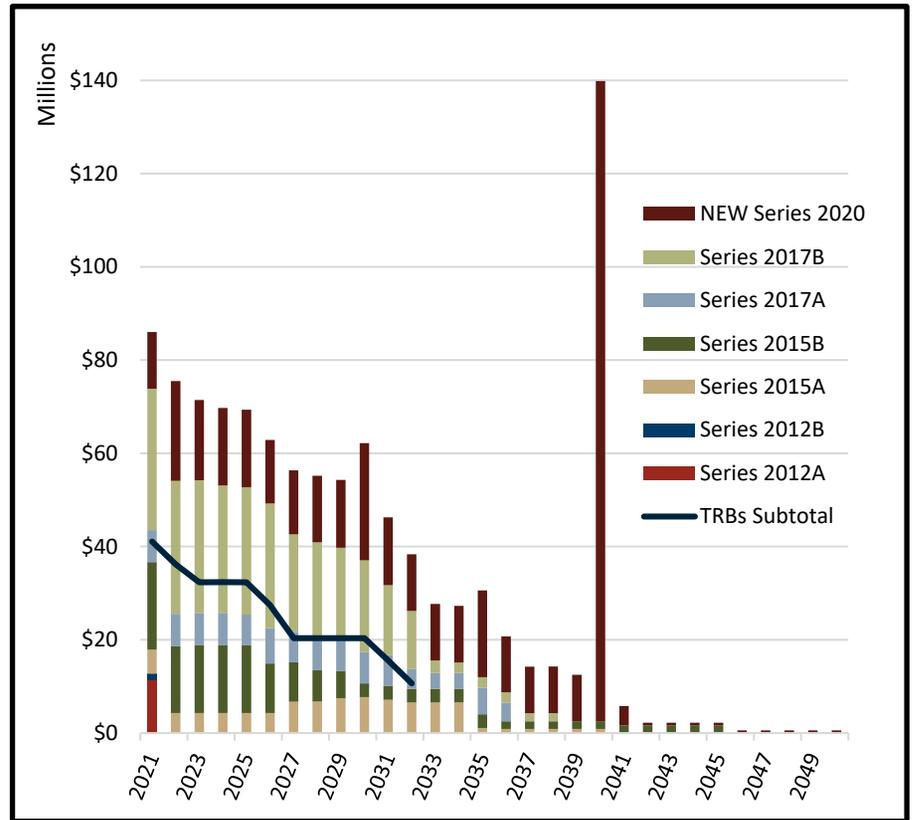
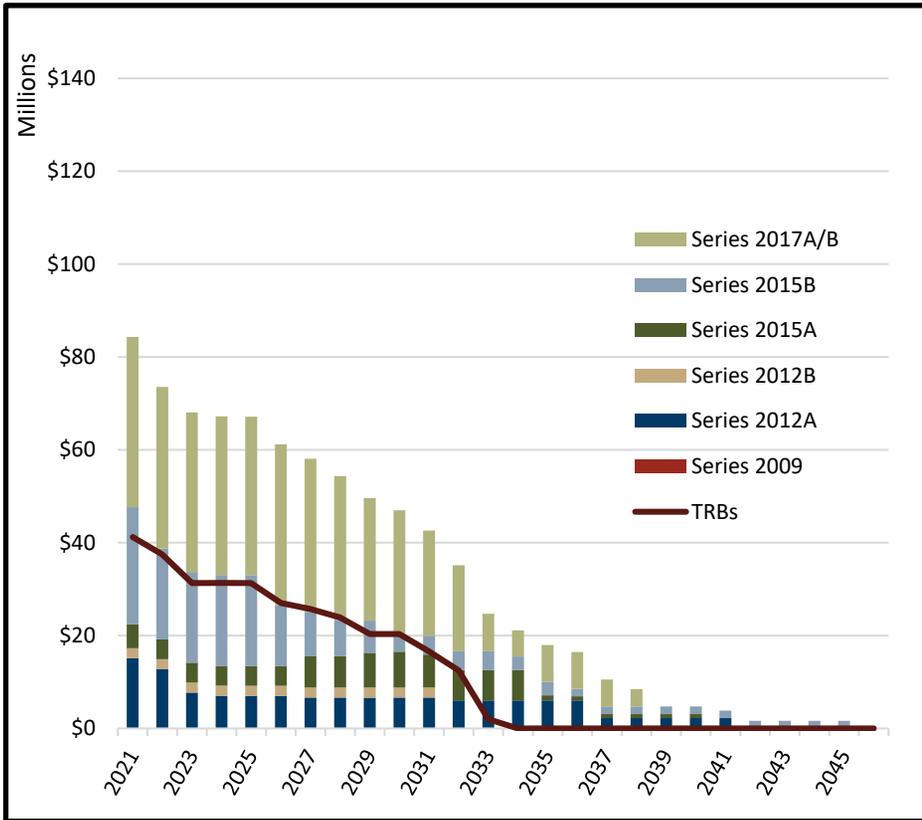


Use of Proceeds / Projects Funded

Entity	Project	Repayment Source	Approved Finance Total
ASU	Centennial Village Phase II	Aux-Housing Room Fees	\$11,360,000
ASU	Food Service Renovation	Aux-Dining Fees	4,510,000
ASU	Mayer Museum with Art Classrooms	Gifts/Pledges, HEF	17,095,000
TTU	Womble Basketball Practice Center	Gifts/Pledges	20,140,000
TTU	Cash Family Sports Nutrition Center	Gifts/Pledges, Quasi-End Funds	5,000,000
TTU	School of Veterinary Medicine Facilities	Gifts/Pledges	90,625,000
HSCelp	Dental Oral Health Clinic Bldg Renovation	MPIP Clinic Revenues	30,685,000
HSCelp	Dental School Learning Finish out MSB II	Institutional, HEF, MPIP	12,595,000
		Various Minor Projects	17,225,000
New Project Total			\$209,235,000
Refunding of Series 2012A & 2012B (Taxable)			105,510,000
Combined 2020 Issuance Total			\$314,745,000

Refunding Series 2012A & 2012B resulted in \$16.1 million or 16.49% NPV savings and average \$1 million Annual Debt Service Payment savings

Annual Debt Service Payments Before & After New Series 2020 Issuance





Previous Debt Issuance Cost Comparison

TTUS RFS Bonds	Total Interest Cost (%)	Average Bond Life (Years)
Series 2003 (TE)	4.87%	12.0
Series 2006 (TE)	4.43%	13.6
Series 2009 (TE)	4.25%	10.2
Series 2012A (TE)	3.24%	12.1
Series 2012B (Taxable)	3.81%	11.8
Series 2015A (TE)	4.26%	13.1
Series 2015B (Taxable)	3.09%	8.1
Series 2017A (TE)	3.18%	10.3
Series 2017B (Taxable)	3.36%	8.0
Series 2020 (Taxable)	2.51%	13.9

Weighted Average Yield on Outstanding Bonds

As of May 2020 – **3.25%**

As of August 2020 – **2.97%**

The 2020 Bond Issuance favorably reduced the System's Cost of Capital by **0.28% or 8.6% saved.**



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