



2023 Bond Issuance

James Mauldin, CPA, CTP

Vice Chancellor and Chief Financial Officer

May 4, 2023

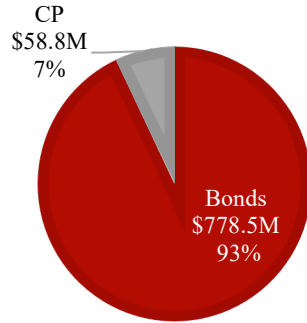


TTUS Total Debt Outstanding

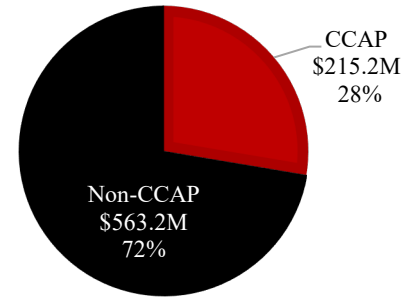
As of February 28, 2023



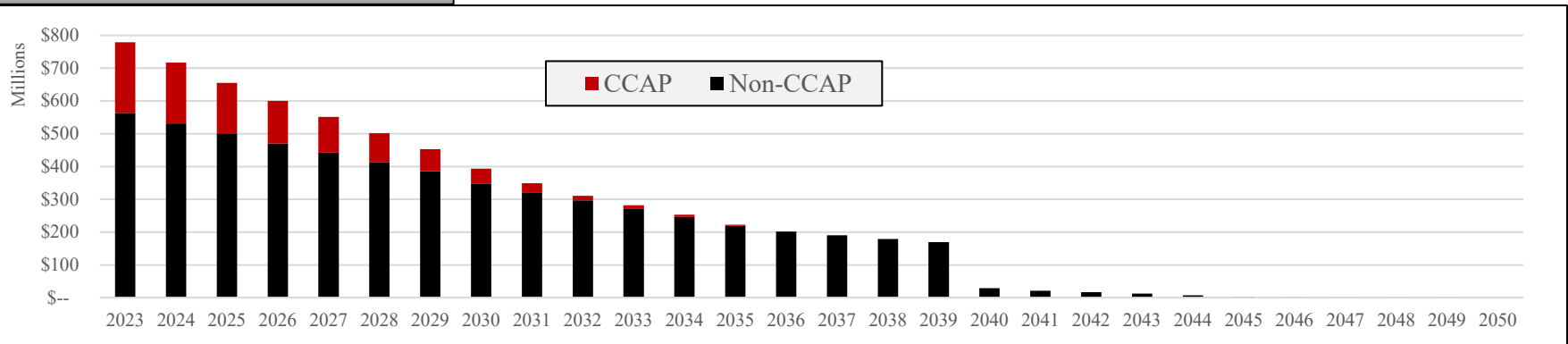
TOTAL DEBT OUTSTANDING = \$837.3M



TOTAL BOND DEBT OUTSTANDING = \$778.5M

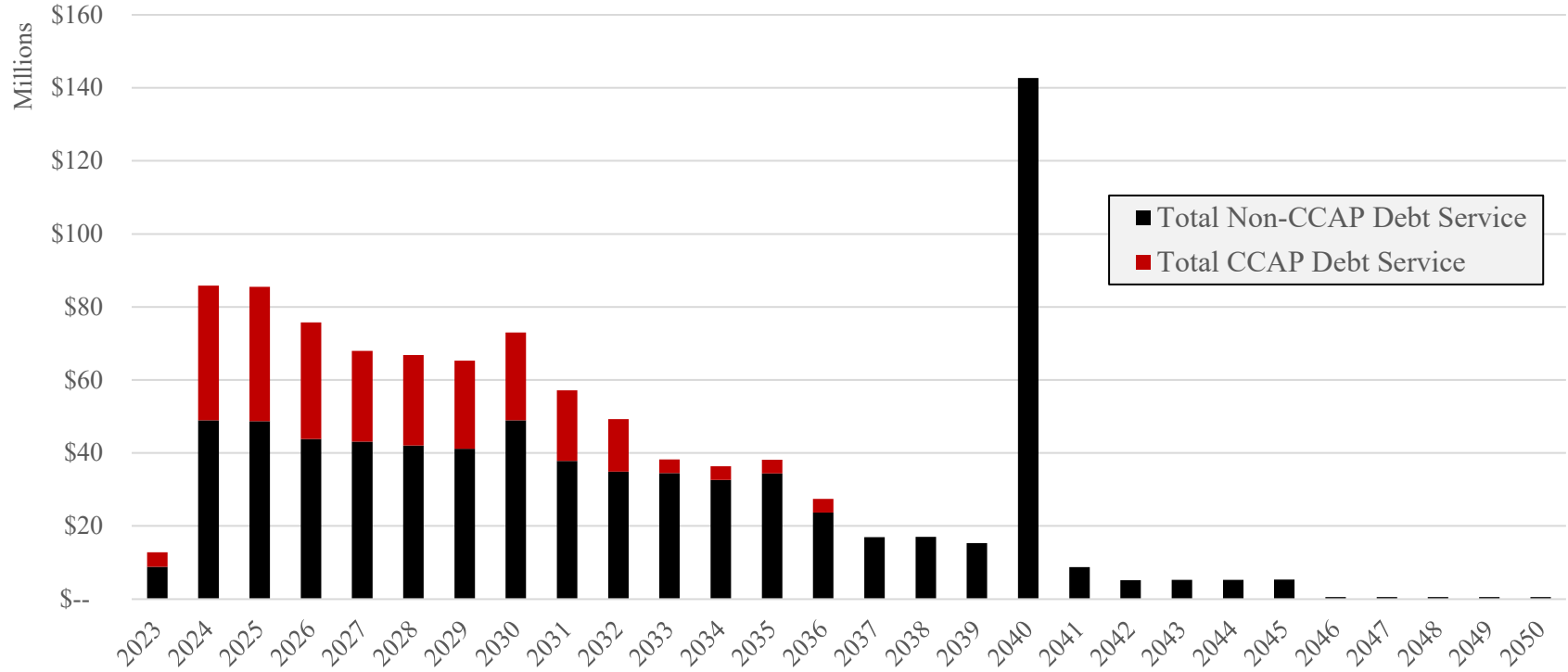


TOTAL BOND DEBT OUTSTANDING



TTUS Annual Debt Service on Bonds

As of February 28, 2023



Debt Service Reserves



	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
TTUS Debt Service Reserves	\$31,389,752	\$32,281,718	\$32,959,438	\$29,415,436	\$34,654,864

- **TTUS Regents' Rule on Debt Service Reserve Requirements**
 - Components are required to fund debt service at a ratio of 1.15x until the reserve is met
 - Applicable to all bond financed debt, excluding CCAP and HEF
 - Monitored by TTUS Office of Treasury

TTUS Financial Analysis

Review of Key Ratios



	FY 2019	FY 2020	FY 2021	FY 2022
Operating Revenues	\$1.96B	\$2.05B	\$2.10B	\$2.43B
Operating Cash Flow Margin (%)	10.43%	12.50%	15.11%	17.89%
Total Cash and Investments to Operating Expenses (x)	1.35x	1.37x	1.65x	1.54x
Annual Debt Service Coverage	2.37x	3.01x	3.45x	4.11x

S&P Global Ratings of TTUS

Report Published March 20, 2023



➤ Affirmed AA+ Rating with Stable Outlook

- Increasing FTE enrollment subsequent to the addition of MSU
- Stable Matriculation and retention rates
- Experienced Management team
- Stable operating performance and robust available resources

➤ Noted Strengths of TTUS

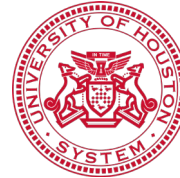
- Comprehensive course offerings and increasingly diverse operations with five component institutions
- Significant and increasing student demand as characterized by increasing freshman applications
- History of positive operations, albeit with recent small full-accrual deficit in fiscal 2022
- Healthy available resources and sizable endowments

➤ Weaknesses

- Regional geographic draw compared with peers
- High pro forma maximum annual debt service (MADS) burden of 10.9% of expenses in fiscal 2025

TTUS Peer Comparisons

State of Texas Systems



	UT System	A&M System	TTU System	UH System	Texas State System	UNT System	TWU System
Moody's	Aaa	Aaa	Aa1	Aa2	Aa2	Aa2	Aa3
S&P	AAA	AAA	AA+	AA	-	-	-
Fitch	AAA	AAA	AA+	-	AA	AA	-

Bond Issuance Authorization Request



- The 20th Supplemental Bond Resolution requests authorization for the sale and delivery of “Board of Regents of TTUS RFS Refunding and Improvement Bonds, Series 2023” tax-exempt and taxable bonds in the maximum aggregate amount of **\$715 million**. Such delegated authority **expires 365 days** from date of adoption of the resolution.
 - July/August 2023 Anticipated Issuance: **\$275M**
 - 2024 Possible Additional Issuance: **\$440M**

Summary of Projects in 2023 Bond Issuance



FY 2023 Issuance: CCAP Projects

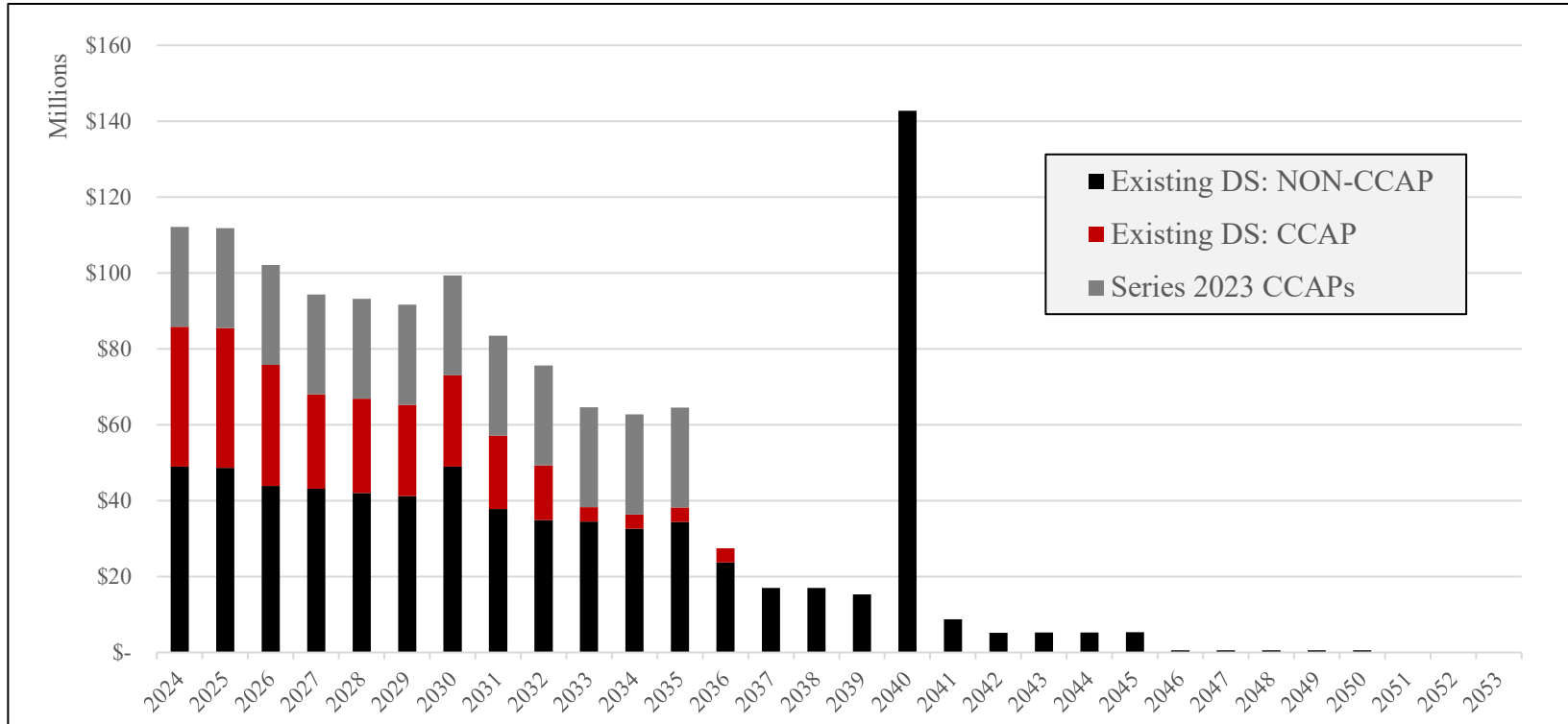
Campus	Description of Projects
ASU	Central plant maintenance and renovation.
MSU	Renovations to an existing building and other campus infrastructure upgrades.
TTU	Renovations and Deferred Maintenance for Campus Buildings. Maintenance and Program Enhancements for Junction Campus.
TTUHSC	Maintenance and renovation of an existing facility. Construction and equipment of Physician Assistant facility for Midland Campus.
TTUHSC – El Paso	Clinical facility.

FY 2024 Possible Issuance

Campus	Description of Projects
Various	Academic Sciences Building, RRF Facilities, Various Other Board-Approved Projects

Proforma Debt Service Profile: Option 1

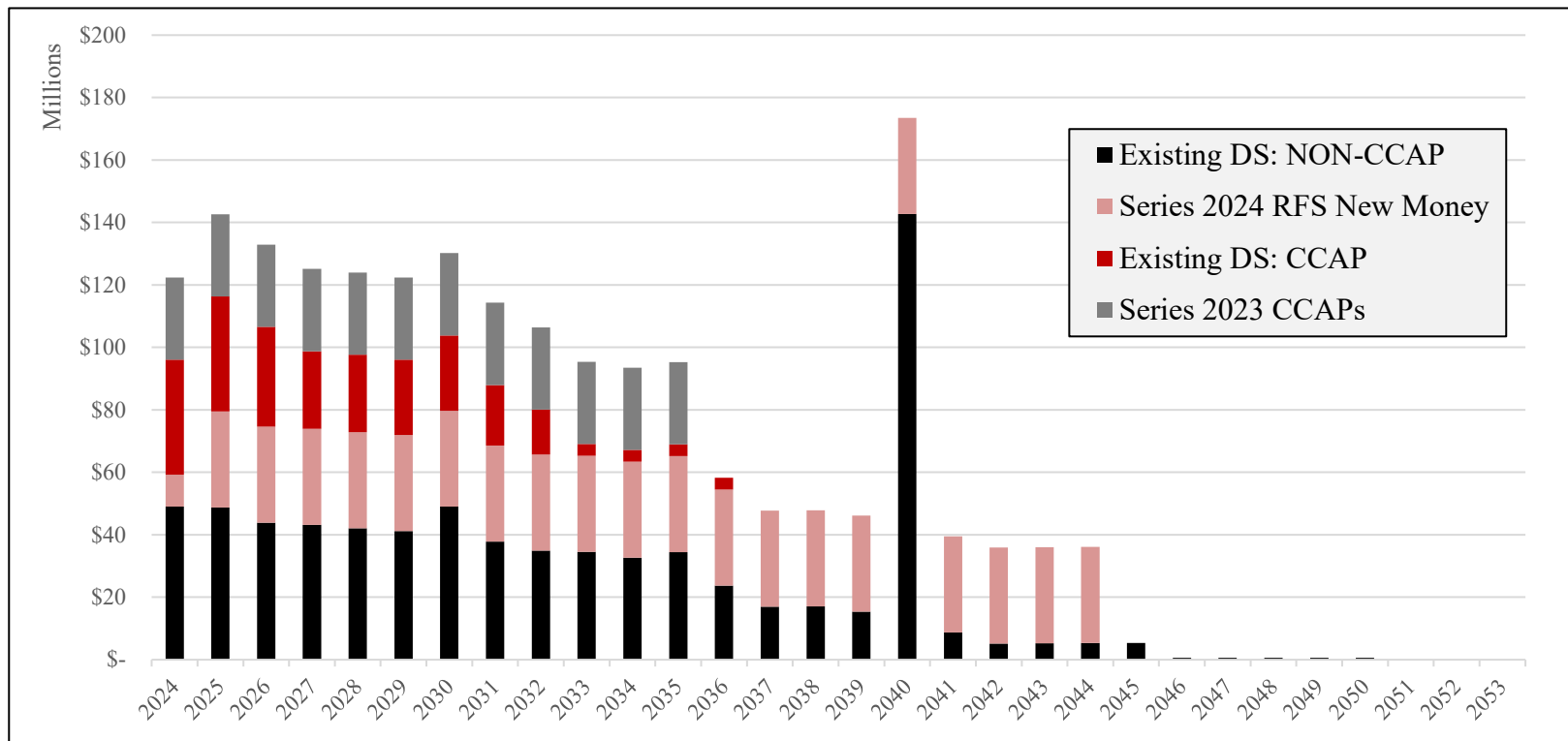
Issue \$270M for CCAPS, 12-yr debt service



Proforma Debt Service Profile: Option 2

July/Aug 2023: Issue \$270M for CCAPS, 12-yr debt service

2024: Issue \$445M New Money (RRFF, TTU Academic Sciences, Misc.), 20-yr debt service





Questions?



TEXAS TECH UNIVERSITY SYSTEM™