



TEXAS TECH UNIVERSITY SYSTEM

Strategic Plan for Facility Growth

Debt Capacity and Planning

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Vice Chancellor and Chief Financial Officer

October 10, 2014



Strategic Plan for Facility Growth

Debt Capacity and Planning



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Strategic Plan for Facility Growth

Debt Capacity and Planning



Funding History of Last Five Years - Capital Projects



Projects Completed in the Last Five Years

Texas Tech University



TTU	PROJECT	FUNCTION				Donor	Cash	HEAF-Cash	Student Fees	Revenues	BOND			TOTAL
		E&G	Ath	Aux	Rsrch						HEAF	TRB	Gifts	
	Engineering Expansion/Renovation Phase I	•									\$10,000,000		\$10,000,000	
	Art 3D Ceramics	•				\$1,100,000							\$1,100,000	
	Track Renovation		•									\$4,000,000	\$4,000,000	
	Center for Pulse Power & Power Electronics	•						\$1,500,000					\$1,500,000	
	Student Leisure Pool			•			\$1,500,000		\$6,000,000				\$7,500,000	
	High Performance Research Computing Facility	•					\$1,800,000						\$1,800,000	
	Jones AT&T Stadium East Side Expansion		•			\$18,830,000				\$2,000,000		\$13,800,000	\$34,630,000	
	Jones AT&T Stadium NEZ Expansion		•									\$6,000,000	\$6,000,000	
	Jones AT&T Stadium NEZ Facilities		•			\$18,830,000						\$1,300,000	\$20,130,000	
	Art 3D Annex Finish Out (Sculpture)	•									\$3,800,000		\$3,800,000	
	NRHC North Addition			•		\$1,833,000							\$1,833,000	
	Rawls College of Bus Admin	•				\$13,000,000		\$10,000,000	\$15,000,000			\$25,000,000	\$70,000,000	
	TT Baseball Park Improvements & Picnic Area		•						\$600,000			\$4,400,000	\$5,000,000	
	Admin Bldg Abatement & Renovation	•						\$3,850,000					\$3,850,000	
	Exp Sciences Build-Out	•									\$12,100,000		\$12,100,000	
	Printech (HESS) Bldg Renovation	•						\$3,200,000		\$4,000,000			\$7,200,000	
	Gerald Myers Indoor Soccer Facility		•			\$470,000						\$610,000	\$1,080,000	
	Kent R. Hance Chapel			•		\$3,464,447							\$3,464,447	
	Media and Communication	•										\$25,000,000	\$25,000,000	
	Creative Movement Studio	•						\$2,200,000					\$2,200,000	
	BSL3 Lab at TIEHH				•					\$2,400,000			\$2,400,000	
	Talkington Residence Hall and Dining Facility			•					\$47,000,000				\$47,000,000	
	Architecture Life Safety Upgrades	•									\$7,400,000		\$7,400,000	
	Petroleum Engineering and Research Bldg	•				\$2,800,000				\$20,000,000			\$22,800,000	
	Biological Sciences Bldg Life Safety Upgrades	•									\$8,300,000		\$8,300,000	
	Jones AT&T Stadium NEZ Colonnade & Infill Seating		•			\$3,100,000				\$2,250,000			\$5,350,000	
	Burkhart Ctr for Autism Education & Rsrch				•	\$8,573,852		\$1,233,800		\$1,000,000			\$10,807,652	
	Video Scoreboard		•						\$853,000	\$10,147,000			\$11,000,000	
	Track Team Building Renovation		•							\$1,295,627			\$1,295,627	
	West Village			•						\$54,800,000			\$54,800,000	
	Rawls Golf Course Clubhouse & Team Facility		•									\$3,700,000	\$3,700,000	
	Admin Bldg 3rd Floor Interior Finish-Out	•						\$2,400,000					\$2,400,000	
	SUBTOTAL	15	10	5	2	\$72,001,299	\$4,595,627	\$24,383,800	\$21,853,000	\$141,797,000	\$44,000,000	\$50,000,000	\$40,810,000	\$399,440,726

Total Gross Square Footage Added for **TTU** = 1,583,171 sq ft

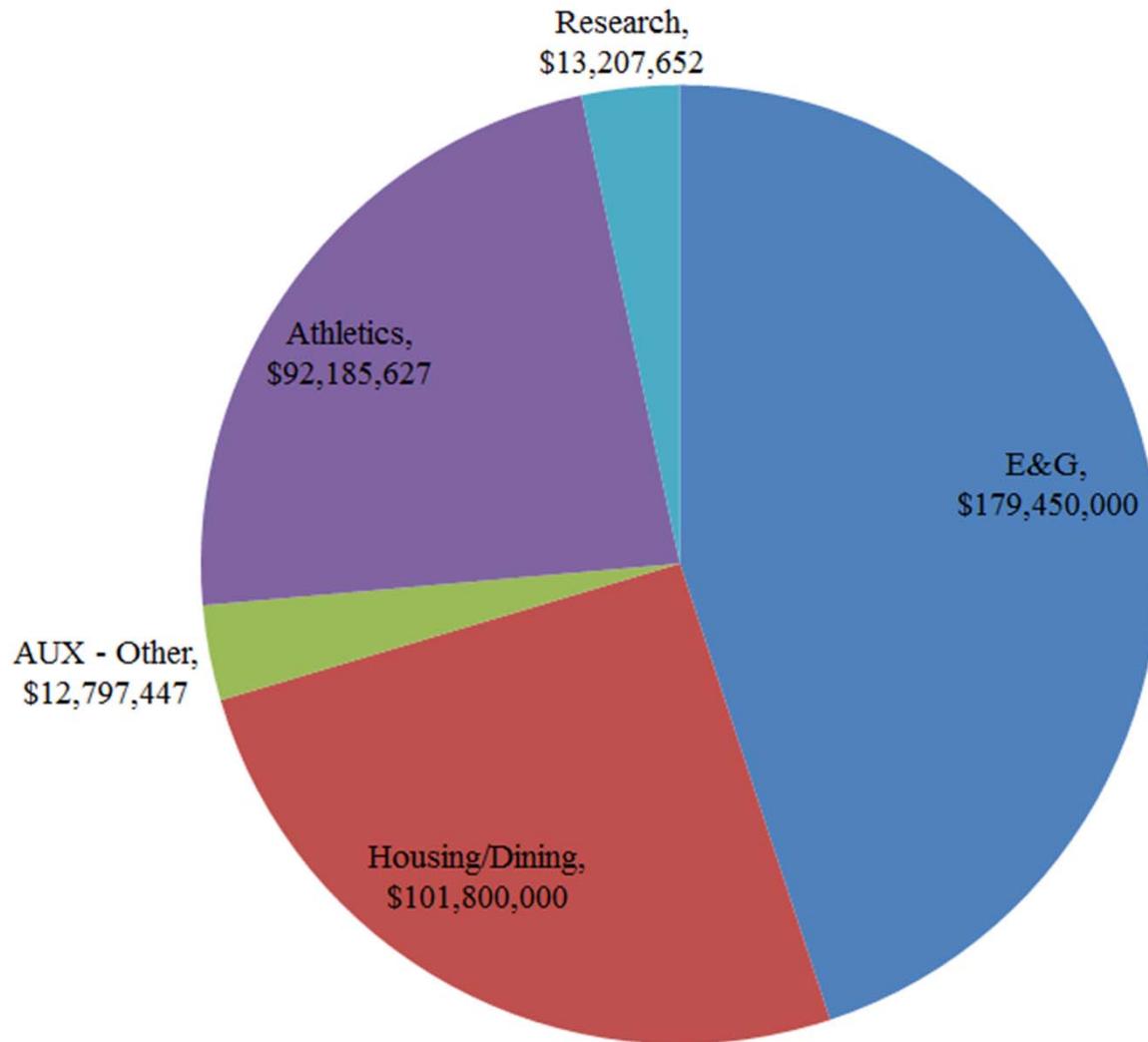
Total Enrollment for **TTU** Fall, 2009 = 30,049

Total Enrollment for **TTU** Fall, 2014 = 35,204

*17% Enrollment increase for **TTU** since Fall, 2009

TTU Projects Completed in the Last Five Years

Total Project Cost by Function



Total Amount – TTU:
\$399,440,726

Projects Completed in the Last Five Years

HSC, ASU, System



HSC	PROJECT	FUNCTION				Donor	Cash	HEAF-Cash	Student Fees	Revenues	BOND			TOTAL
		E&G	Ath	Aux	Rsrch						HEAF	TRB	Gifts	
	Larry Combest Community Health & Wellness Center	•				\$5,108,500							\$5,108,500	
	Abilene School of Pharmacy	•				\$9,087,743							\$9,087,743	
	Abilene School of Nursing	•				\$12,635,000							\$12,635,000	
	F. Marie Hall SimLife Center	•				\$5,000,000	\$1,500,000						\$6,500,000	
	Amarillo School of Pharmacy Expansion	•									\$8,010,000		\$8,010,000	
	Amarillo Family Medicine Relocation	•					\$7,000,000						\$7,000,000	
	Amarillo Research Building				•						\$18,000,000		\$18,000,000	
	El Paso Medical Education Building	•									\$45,000,000		\$45,000,000	
	4C Cancer Research Lab				•		\$3,200,000						\$3,200,000	
	SUBTOTAL	7	-	-	2	\$14,087,743	\$17,743,500	\$11,700,000	\$0	\$0	\$0	\$71,010,000	\$0	\$114,541,243

Total Gross Square Footage Added for HSC = 310,849 sq ft

Total Enrollment for HSC Fall, 2009 = 3,250

Total Enrollment for HSC Fall, 2014 = 5,013

**54% Enrollment increase for HSC since Fall, 2009*

ASU	PROJECT	FUNCTION				Donor	Cash	HEAF-Cash	Student Fees	Revenues	BOND			TOTAL
		E&G	Ath	Aux	Rsrch						HEAF	TRB	Gifts	
	Rec/Wellness/CHP Expansion			•				\$7,000,000					\$7,000,000	
	ASU Plaza Verde Residence Hall Phase I			•					\$35,000,000				\$35,000,000	
	SUBTOTAL	-	-	2	-	\$0	\$0	\$0	\$7,000,000	\$35,000,000	\$0	\$0	\$0	\$42,000,000

Total Gross Square Footage Added for ASU = 175,726 sq ft

Total Enrollment for ASU Fall, 2009 = 6,376

Total Enrollment for ASU Fall, 2014 = 6,490

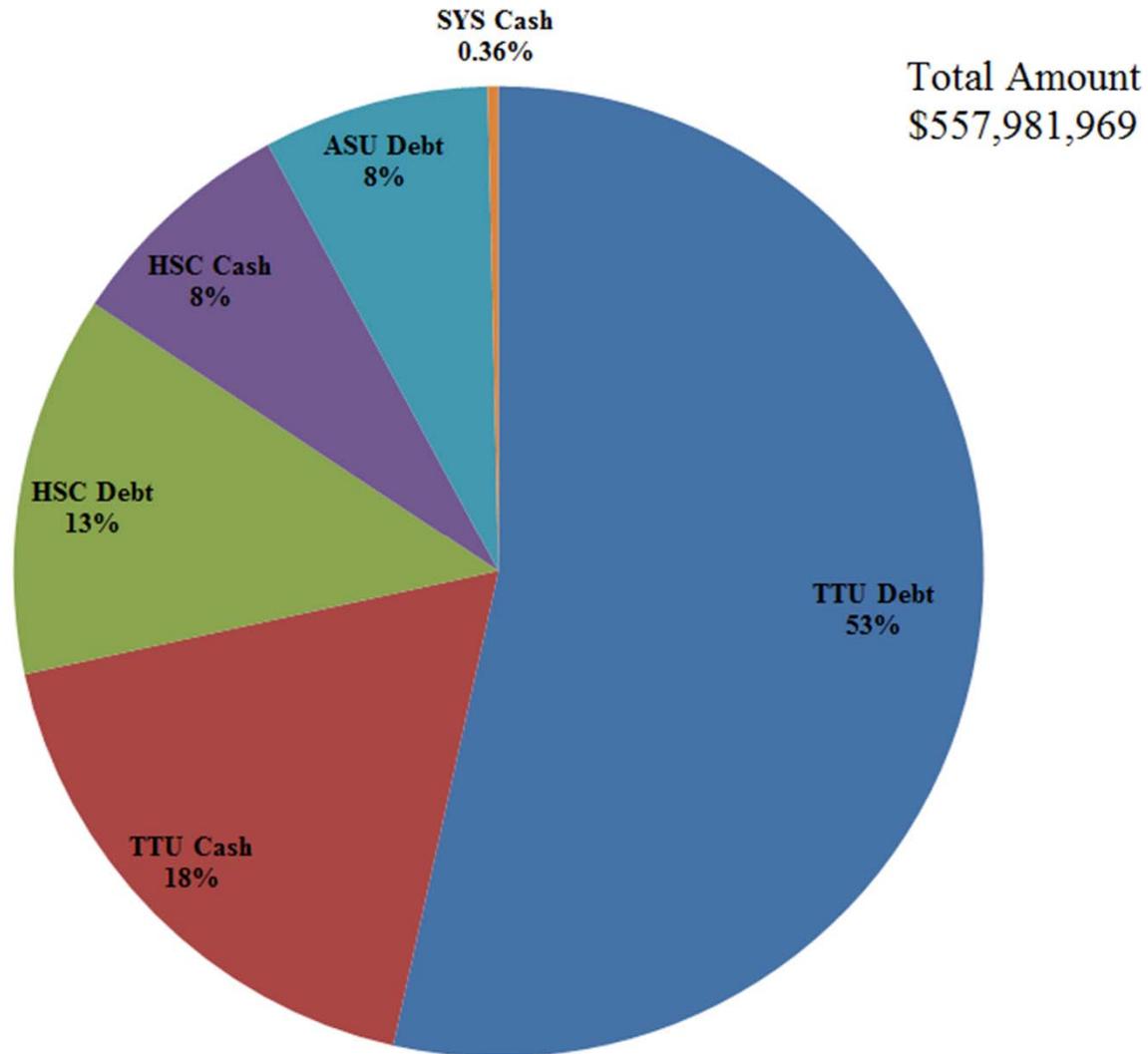
SYS	PROJECT	FUNCTION				Donor	Cash	HEAF-Cash	Student Fees	Revenues	BOND			TOTAL
		E&G	Ath	Aux	Rsrch						HEAF	TRB	Gifts	
	System Office Relocation (TT Plaza)	•						\$2,000,000					\$2,000,000	
	SUBTOTAL	1	-	-	-	\$0	\$0	\$2,000,000	\$0	\$0	\$0	\$0	\$0	\$2,000,000

GRAND TOTAL	\$86,089,042	\$22,339,127	\$38,083,800	\$28,853,000	\$176,797,000	\$44,000,000	\$121,010,000	\$40,810,000	\$557,981,969
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Total Gross Square Footage Added for System Administration = 51,141 sq ft

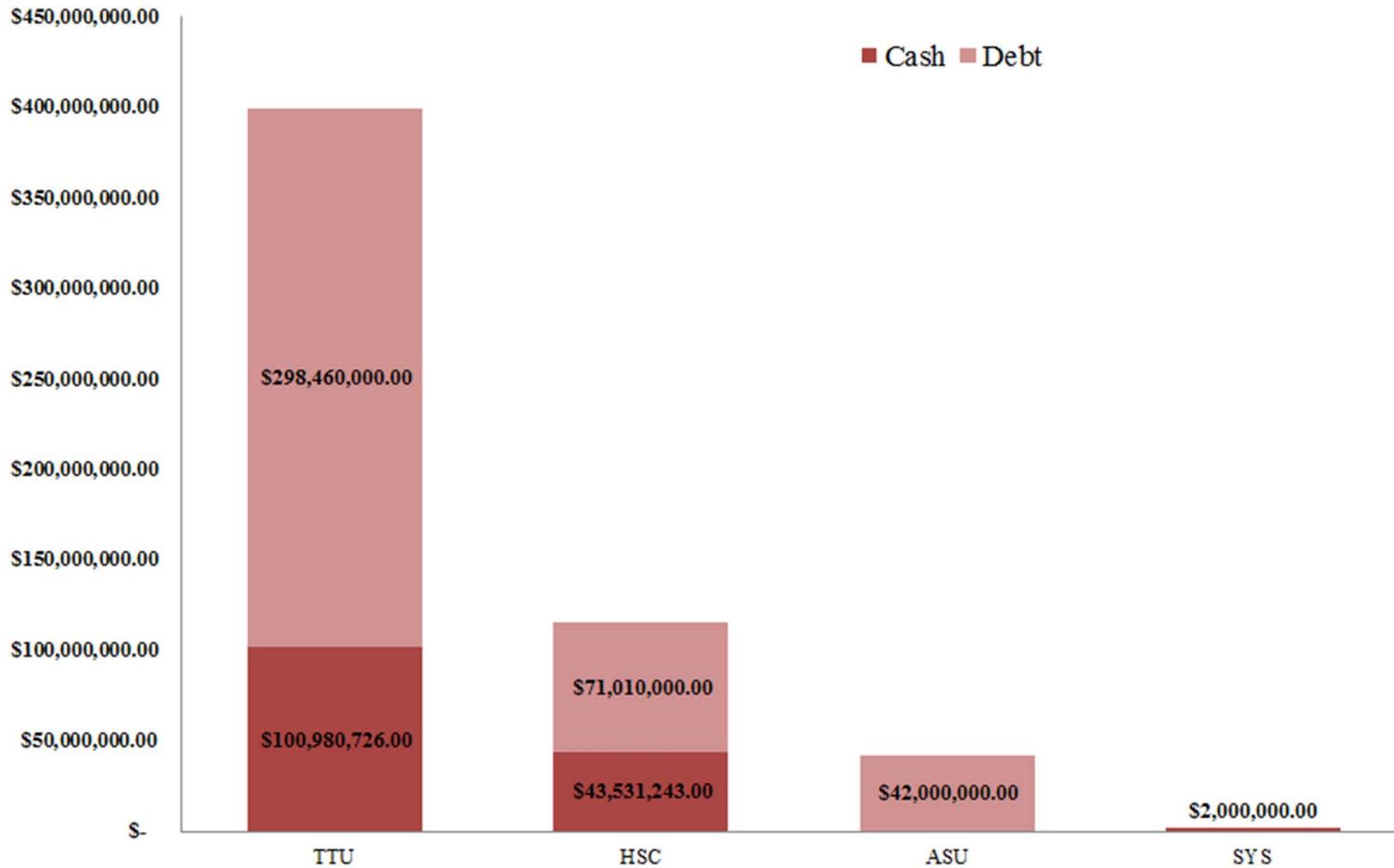
TTUS Projects Completed in the Last Five Years

Comparison of Cash to Debt Financing by Institution



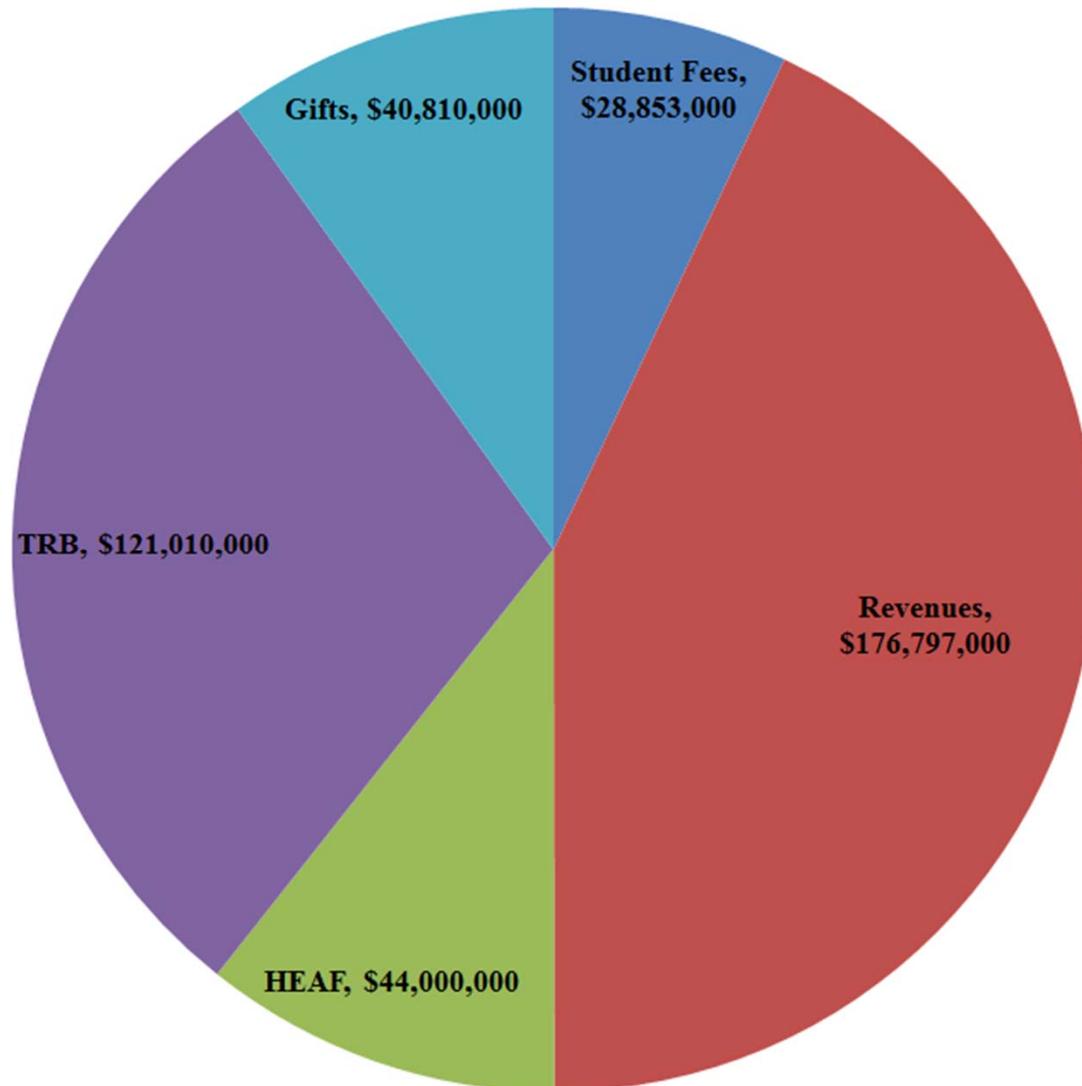
TTUS Projects Completed in the Last Five Years

Comparison of Cash to Debt Financing by Institution



TTUS Projects Completed in the Last Five Years

Breakdown of Debt by Source of Fund



Total Debt
\$411,470,000

Strategic Plan for Facility Growth

Debt Capacity and Planning



Projects Awaiting Bond Debt Funding



Projects Awaiting Bond Debt Funding Currently in Short Term Debt



TTU College of Education Burkhart Center for Autism

• \$10,600,000

TTU Jones AT&T Stadium N. Colonnade 2013

• \$2,250,000

TTU Jones AT&T Stadium Scoreboard 2012

• \$9,600,000

TTU Petroleum Engineering Bldg 2013

• \$20,000,000

TTU West Housing Complex 2013

• \$54,800,000

TOTAL \$97,250,000

*Short Term Debt (Commercial Paper)
Awaiting Long Term Bond Debt Financing*

Strategic Plan for Facility Growth

Debt Capacity and Planning



New Projects Planned for Next Five Years

- Academic / Research / Res Halls
- Athletics' Projects
- Possible TRBs



TTUS New Projects Planned for Next Five Years

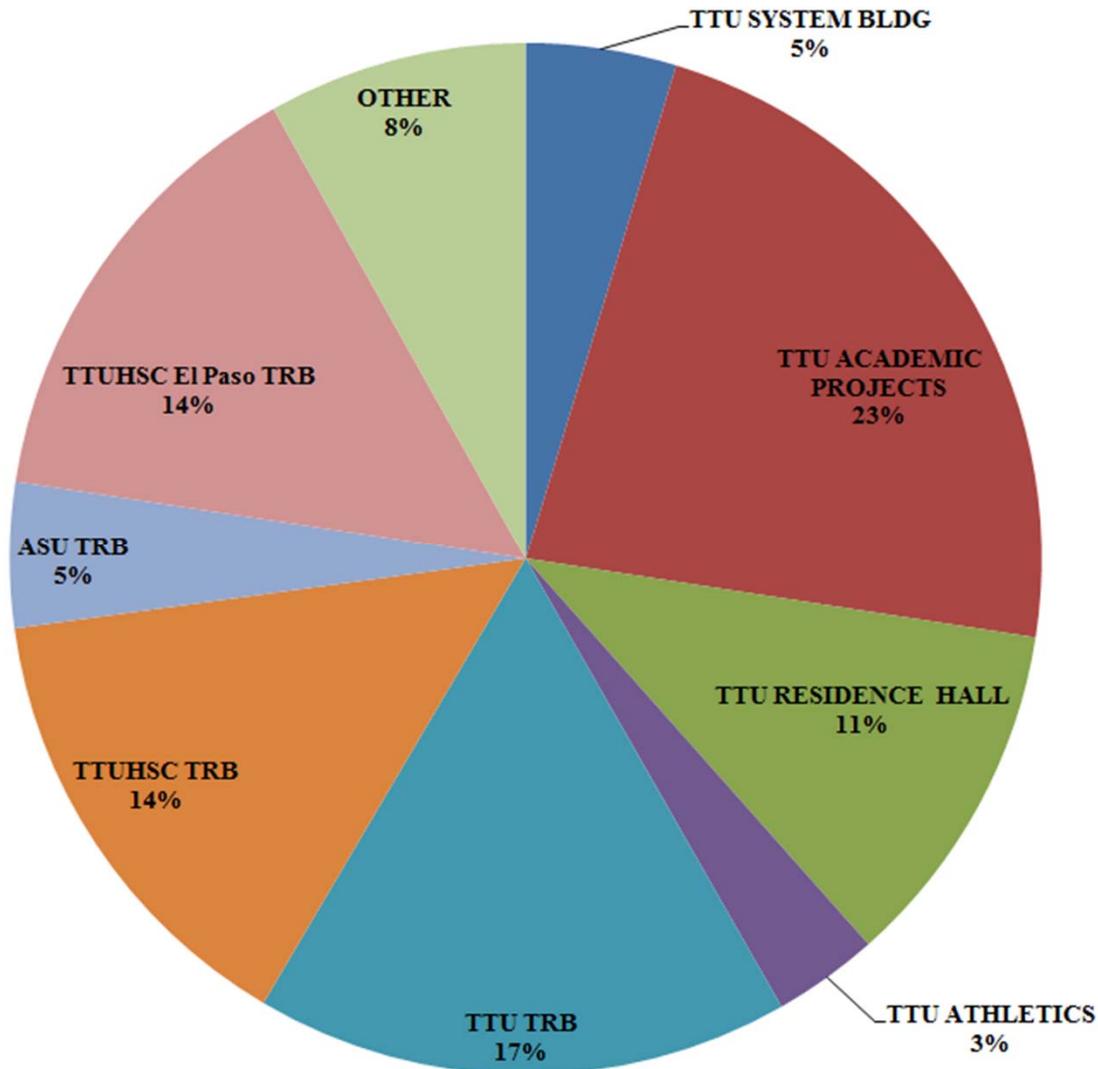


Project Description	*TRB	Approved by BOR	Pending BOR Approval
Research Building (ESB II)	*		97,700,000
TTUHSC at El Paso - Medical Sciences Building	*		84,400,000
TTUHSC - LBK Education Research and Technology Expansion	*		83,700,000
ASU - College of Health and Human Services	*		26,700,000
TTUHSC at El Paso - School of Nursing		11,000,000	
TTUSA - System Administration Building		27,500,000	
New Residence Hall II			50,000,000
Engineering & Materials Research Center Renovation		30,700,000	
TTU Research Technology Park		29,045,000	
Research Building II in Research Park			25,000,000
Rawls College of Business Addition			15,000,000
Bayer CropScience Bldg Addition		14,216,000	
Plant & Soil Sciences Building		13,600,000	
Childcare Facility			12,000,000
Minor Jones AT&T Stadium Projects			10,000,000
Stangel/Murdough Residence Halls Renovation			7,568,000
Utility Infrastructure Upgrade Phase II			6,750,000
Wall/Gates Residence Halls Renovations			6,550,000
Library Life Safety Upgrade			6,400,000
Synthetic Turf Recreation Fields		5,785,000	
Museum Life Safety Upgrade			5,500,000
University College Bldg Renov		5,100,000	
Other Athletics Projects			5,000,000
United Spirit Arena Renovations		4,300,000	
	TOTAL	\$141,246,000	\$442,268,000
		GRAND TOTAL	\$583,514,000

TTU

TTUS New Projects Planned for Next Five Years

Breakdown by Project Type



Total Amount
\$583,514,000

New Projects Planned for Next Five Years

Academic / Research / Res Halls



Texas Tech University System Spending by Project

GENERAL PROJECT INFORMATION												
Priority	Bldg. No.	Project Description	BOR Approval	Total Project Cost	2014	2015	2016	2017	2018	2019	2020	TOTAL
4	322	Engineering & Materials Research Center Renovation	*	\$ 30,700,000		\$ 15,350,000	\$ 15,350,000					\$ 30,700,000
6	NEW	Plant & Soil Sciences Building	*	\$ 13,600,000	\$ 6,800,000	\$ 6,800,000						\$ 13,600,000
7	232/233	Stangel/Murdough Residence Halls Renovation		\$ 7,568,000		\$ 3,784,000	\$ 3,784,000					\$ 7,568,000
9	205	Library Life Safety Upgrade		\$ 6,400,000		\$ 3,200,000	\$ 3,200,000					\$ 6,400,000
10	245	Museum Life Safety Upgrade		\$ 5,500,000			\$ 2,750,000	\$ 2,750,000				\$ 5,500,000
13	IN	Utility Infrastructure Upgrade Phase II		\$ 6,750,000		\$ 3,375,000	\$ 3,375,000					\$ 6,750,000
16	IN	Synthetic Turf Recreation Fields	*	\$ 5,785,000		\$ 5,785,000						\$ 5,785,000
17	438	Rawls College of Business Addition		\$ 15,000,000		\$ 7,500,000	\$ 7,500,000					\$ 15,000,000
19	226/227	Wall/Gates Residence Halls Renovations		\$ 6,550,000		\$ 3,275,000	\$ 3,275,000					\$ 6,550,000
20	NEW	Research Building II in Research Park		\$ 25,000,000						\$ 12,500,000	\$ 12,500,000	\$ 25,000,000
22	NEW	New Residence Hall II		\$ 50,000,000			\$ 25,000,000	\$ 25,000,000				\$ 50,000,000
30		Childcare Facility		\$ 12,000,000		\$ 6,000,000	\$ 6,000,000					\$ 12,000,000
32		HSC El Paso School of Nursing	*	\$ 11,000,000		\$ 11,000,000						\$ 11,000,000
33		System Administration Building	*	\$ 27,500,000			\$ 13,750,000	\$ 13,750,000				\$ 27,500,000
34		TTU Research Technology Park	*	\$ 29,045,000		\$ 14,522,500	\$ 14,522,500					\$ 29,045,000
35		TTU University College Bldg Renov	*	\$ 5,100,000		\$ 5,100,000						\$ 5,100,000
36		TTU Bayer CropScience Bldg Addition	*	\$ 14,216,000		\$ 14,216,000						\$ 14,216,000
GRAND TOTAL				\$ 271,714,000								\$ 271,714,000
TOTAL NEW DEBT PER YEAR					\$ 6,800,000	\$ 99,907,500	\$ 98,506,500	\$ 41,500,000	\$ -	\$ 12,500,000	\$ 12,500,000	
CP-Underway						\$ 36,101,000						
CP-System Building								\$ 27,500,000				
CP (New Debt - 2017)								\$ 183,113,000				
CP (New Other Debt - 2019)										\$ 12,500,000		
CUMULATIVE NEW DEBT PER YEAR					\$ 6,800,000	\$ 70,606,500	\$ 169,113,000	\$ -	\$ -	\$ -	\$ 12,500,000	

New Projects Planned for Next Five Years

Athletics' Project



Texas Tech University Spending by Athletics' Project

GENERAL PROJECT INFORMATION												
Priority	Bldg. No.	Project Description	BOR Approval	Total Project Cost	2014	2015	2016	2017	2018	2019	2020	TOTAL
15	390	United Spirit Arena Renovations	*	\$ 4,300,000		\$4,300,000						\$ 4,300,000
		Minor Jones AT&T Stadium Projects		\$ 10,000,000			\$5,000,000	\$ 5,000,000				\$ 10,000,000
		Other Athletics Projects		\$ 5,000,000				\$ 2,500,000	\$2,500,000			\$ 5,000,000
GRAND TOTAL				\$ 19,300,000								\$ 19,300,000

TOTAL NEW DEBT PER YEAR	\$ -	\$4,300,000	\$5,000,000	\$ 7,500,000	\$2,500,000	\$ -	\$ -
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CP-Underway		\$4,300,000					
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CP (New Debt - 2017)				\$12,500,000			
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CP (New Other Debt - 2019)					\$2,500,000		
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CUMULATIVE NEW DEBT PER YEAR	\$ -	\$ -	\$5,000,000	\$ -	\$2,500,000	\$ -	\$ -
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Athletics has a major capital campaign underway. If these funds are realized, additional projects may be considered, specifically:

Football Indoor Project	\$20,000,000
Track Indoor Project	\$30,000,000
Jones AT&T Stadium End Zone Building and East Side Office Space	\$45,000,000

New Projects Planned for Next Five Years

Possible TRBs



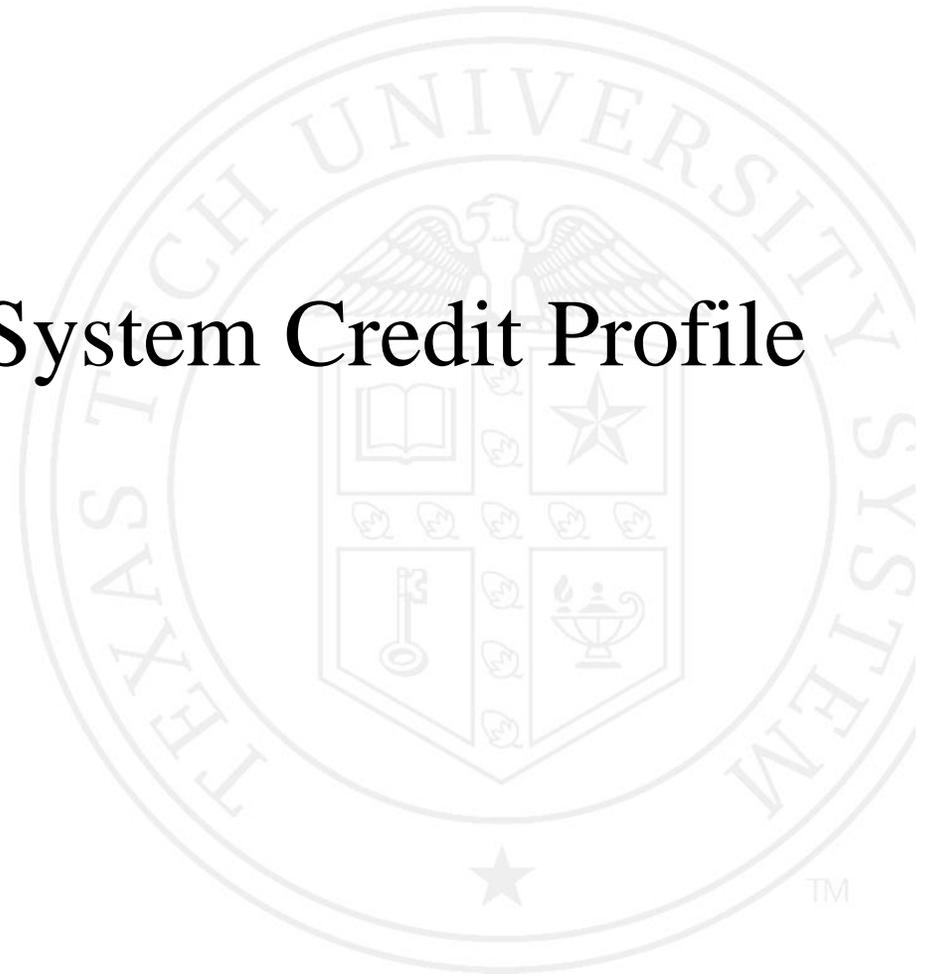
Texas Tech University System TRB Projects

GENERAL PROJECT INFORMATION												
Institution	Bldg. No.	Project Description	BOR Approval	Total Project Cost	2014	2015	2016	2017	2018	2019	2020	TOTAL
TTU	NEW	Research Building (ESB II)		\$ 97,700,000				\$24,425,000	\$ 48,850,000	\$ 24,425,000		\$ 97,700,000
ASU	206	College of Health and Human Services		\$ 26,700,000				\$ 6,675,000	\$ 13,350,000	\$ 6,675,000		\$ 26,700,000
TTUHSC	NEW	Lubbock Education Research and Technology Expansion		\$ 83,700,000				\$20,925,000	\$ 41,850,000	\$ 20,925,000		\$ 83,700,000
TTUHSC at El Paso	NEW	Medical Sciences Building		\$ 84,400,000				\$21,100,000	\$ 42,200,000	\$ 21,100,000		\$ 84,400,000
GRAND TOTAL				\$ 292,500,000								\$ 292,500,000
TOTAL NEW DEBT PER YEAR					\$ -	\$ -	\$ -	\$73,125,000	\$146,250,000	\$ 73,125,000	\$ -	
CP (New TRB Debt - 2019)										\$ 292,500,000		
CUMULATIVE NEW DEBT PER YEAR					\$ -	\$ -	\$ -	\$73,125,000	\$219,375,000	\$ -	\$ -	

Strategic Plan for Facility Growth
Debt Capacity and Planning



Texas Tech University System Credit Profile



TTUS Credit Profile

Select Ratio Comparison



MOODY'S



	Texas A&M University System	Texas State University System	Texas Tech University System	University of North Texas System	University of Texas System	University of Houston System
RATINGS	<i>Aaa/AA+/AA+</i>	<i>Aa2/--/AA</i>	<i>--/AA/AA</i>	<i>Aa2/--/AA</i>	<i>Aaa/AAA/AAA</i>	<i>Aa2/AA/--</i>
Operating Margin (%)	2.3%	2.6%	2.6%	(3.5%)	2.5%	2.9%
RANKING:	5	2	2	6	4	1
Maximum Annual Debt Service to operations (%)	8.4%	8.0%	3.5%	5.5%	4.1%	6.8%
RANKING:	6	5	1	3	2	4
Expendable financial resources-to-comprehensive debt (x)	2.10x	0.52x	1.99x	0.67x	1.49x	0.75x
RANKING:	1	6	2	5	3	4
Expendable financial resources-to-operations (x)	1.47x	0.42x	0.79x	0.41x	0.85x	0.61x
RANKING:	1	5	3	6	2	4
<u>AVERAGE RANKING:</u>	<u>3.25</u>	<u>4.5</u>	<u>2</u>	<u>5</u>	<u>2.75</u>	<u>3.25</u>
	<u>3</u>	<u>5</u>	<u>1</u>	<u>6</u>	<u>2</u>	<u>3</u>

TTUS Credit Profile

Select Ratio Comparison – Big 12 Schools



	Iowa State University of Science & Tech	Kansas State University	Texas Tech University System	University of Kansas	University of Oklahoma	University of Texas System	West Virginia University
<u>General Entity Information</u>							
Current Senior Most Rating*	Aa2	Aa2	Aa2	Aa2	Aa3	Aaa	Aa3
Revenue Backed Rating Description	LT SR REV	Issuer LT RATING	LT SR REV	Issuer LT RATING	LT SR REV	LT SR REV	LT SR REV
Public/Private	Public	Public	Public	Public	Public	Public	Public
<u>Ratios: Balance Sheet Ratios</u>							
Expendable financial resources-to-operations (x)	0.62	0.77	0.79	1.07	0.47	0.85	0.24
Ranking:	5	4	3	1	6	2	7
<u>Ratios: Capital Ratios</u>							
Expendable financial resources-to-comprehensive debt (x)	1.25	1.65	1.9	3.19	0.48	1.49	0.31
Ranking:	5	3	2	1	6	4	7
Maximum Annual Debt Service to operations (%)	3.8	3.5	3.5	0	5	4.1	5.5
Ranking:	4	2	2	1	6	5	7
<u>Ratios: Operating Ratios</u>							
Operating margin (%)	4.8	3.9	2.6	-1.8	0.2	2.5	0.6
Ranking:	1	2	3	7	6	4	5
<u>AVERAGE RANKING:</u>	<u>3.75</u>	<u>2.75</u>	<u>2.5</u>	<u>2.5</u>	<u>6</u>	<u>3.75</u>	<u>6.5</u>
	<u>4/5</u>	<u>3</u>	<u>1/2</u>	<u>1/2</u>	<u>6</u>	<u>4/5</u>	<u>7</u>

TTUS Credit Review

Morgan Stanley



CREDIT REVIEW

Detailed Ranks by Scorecard Component

Public Higher Education Institutions

Scorecard Ranked by Category and Summary Total
Ranking Using Population of Top 40 Scorecard Scores (FY 2013)

Market Position			Operating Performance			Balance Sheet and Capital Investment			Total Scorecard			
Rank	School	Moody's Rating / Mkt Position	Rank	School	Moody's Rating / Op Perf	Rank	School	Moody's Rating / Bal Sheet & Cap Inv	Rank	School	Moody's Rating / Total Scorecard	Scorecard Rating
1	Florida State System	Aa2 0.45	1	Florida State System	Aa2 0.80	1	Penn State	Aa2 0.40	1	Penn State	Aa2 1.70	Aa1
2	Michigan	Aaa 0.50	2	Penn State	Aa2 0.80	2	Oklahoma Health Sciences	Aa3 0.50	2	Florida State System	Aa2 1.80	Aa1
3	Medical U of SC	A1 0.55	3	Pittsburgh	Aa1 0.80	3	Wyoming	Aa2 0.50	3	Oklahoma Health Sciences	Aa3 1.90	Aa1
4	U California	Aa2 0.55	4	U Texas	Aaa 0.80	4	Purdue	Aaa 0.50	4	U Washington	Aaa 1.95	Aa1
5	Georgia Health Sciences	A1 0.55	5	Vincennes	Aa3 0.80	5	Iowa	Aa1 0.55	5	Pittsburgh	Aa1 2.00	Aa1
6	U Washington	Aaa 0.60	6	NE Ohio	Baa1 0.80	6	Pittsburgh	Aa1 0.60	6	Michigan	Aaa 2.00	Aa1
7	Ohio State	Aa1 0.60	7	Oklahoma Health Sciences	Aa3 0.70	7	Michigan	Aaa 0.60	7	UNC Chapel Hill	Aaa 2.00	Aa1
8	Virginia	Aaa 0.60	8	UNC Chapel Hill	Aaa 0.70	8	Texas Tech	Aa2 0.60	8	Virginia	Aaa 2.10	Aa1
9	Georgia Tech	Aa3 0.60	9	Missouri	Aa1 0.70	9	Nebraska	Aa1 0.60	9	U Texas	Aaa 2.10	Aa1
10	UNC Chapel Hill	Aaa 0.65	10	Marshall	A1 0.70	10	Texas A&M	Aaa 0.60	10	Missouri	Aa1 2.15	Aa1
11	Penn State	Aa2 0.70	11	Texas Tech	Aa2 0.70	11	Maryland	Aa1 0.60	11	Texas Tech	Aa2 2.15	Aa1
12	Oklahoma Health Sciences	Aa3 0.70	12	Nebraska	Aa1 0.70	12	Florida State	Aa2 0.60	12	Nebraska	Aa1 2.15	Aa1
13	Minnesota	Aa1 0.75	13	Texas A&M	Aaa 0.70	13	UNC Chapel Hill	Aaa 0.65	13	Purdue	Aaa 2.25	Aa1
14	U Texas	Aaa 0.75	14	U Washington	Aaa 0.70	14	Missouri	Aa1 0.65	14	Texas A&M	Aaa 2.25	Aa1
15	U Georgia	Aa2 0.75	15	UNC Charlotte	Aa3 0.70	15	Indiana U	Aaa 0.65	15	U Illinois	Aa3 2.30	Aa1
16	LSU Health Sciences	A3 0.75	16	Wyoming	Aa2 0.80	16	U Florida	Aa2 0.65	16	Utah	Aa1 2.40	Aa1
17	Missouri	Aa1 0.80	17	Purdue	Aaa 0.80	17	Colorado	Aa2 0.65	17	Maryland	Aa1 2.50	Aa1
18	U Illinois	Aa3 0.80	18	Colorado	Aa2 0.80	18	Nevada System	Aa2 0.65	18	Indiana U	Aaa 2.50	Aa1
19	Pittsburgh	Aa1 0.80	19	Virginia	Aaa 0.80	19	U Washington	Aaa 0.65	19	U Florida	Aa2 2.50	Aa1
20	Michigan State	Aa1 0.80	20	U Illinois	Aa3 0.80	20	Utah	Aa1 0.65	20	Michigan State	Aa1 2.50	Aa1
21	Clemson	Aa2 0.80	21	Auburn	Aa2 0.80	21	Clemson	Aa2 0.65	21	Minnesota	Aa1 2.50	Aa1
22	Rutgers	Aa3 0.80	22	Alabama Huntsville	Aa3 0.80	22	Virginia	Aaa 0.70	22	Iowa	Aa1 2.55	Aa2
23	Temple	Aa3 0.80	23	Delaware	Aa1 0.80	23	U Illinois	Aa3 0.70	23	Auburn	Aa2 2.55	Aa2
24	Cincinnati	Aa3 0.85	24	Kansas State University, KS	Aa2 0.80	24	New Mexico M&T	A1 0.70	24	Ohio State	Aa1 2.55	Aa2
25	Texas Tech	Aa2 0.85	25	Iowa State	Aa2 0.80	25	Ball State U	Aa3 0.70	25	Delaware	Aa1 2.60	Aa2
26	Nebraska	Aa1 0.85	26	Missouri State	Aa3 0.80	26	Michigan State	Aa1 0.70	26	NC State Raleigh	Aa1 2.60	Aa2
27	NC State Raleigh	Aa1 0.85	27	Idaho State	A1 0.80	27	Auburn	Aa2 0.70	27	Georgia Tech	Aa3 2.60	Aa2
28	Utah	Aa1 0.85	28	Truman State	A1 0.80	28	Alabama Huntsville	Aa3 0.70	28	U Georgia	Aa2 2.60	Aa2
29	U Florida	Aa2 0.85	29	NC State Raleigh	Aa1 0.80	29	Texas Woman's University	Aa3 0.70	29	Clemson	Aa2 2.65	Aa2
30	Virginia Tech	Aa1 0.85	30	South Dakota Board of Regents, SD	Aa3 0.80	30	U Texas	Aaa 0.75	30	Iowa State	Aa2 2.65	Aa2
31	Maryland	Aa1 0.90	31	Georgia Tech	Aa3 0.80	31	Minnesota	Aa1 0.75	31	Florida State	Aa2 2.70	Aa2
32	U Alabama	Aa2 0.90	32	University of Idaho, ID	Aa3 0.80	32	Delaware	Aa1 0.75	32	Alabama Huntsville	Aa3 2.70	Aa2
33	Kentucky	Aa2 0.90	33	West Liberty State College, WV	A3 0.80	33	Kansas	Aa2 0.75	33	U Alabama	Aa2 2.75	Aa2
34	CUNY	Aa2 0.95	34	Wichita State	Aa3 0.90	34	Central Michigan	Aa3 0.75	34	Colorado	Aa2 2.80	Aa2
35	Texas A&M	Aaa 0.95	35	Iowa	Aa1 0.90	35	Florida State System	Aa2 0.75	35	New Mexico M&T	A1 2.80	Aa2
36	Purdue	Aaa 0.95	36	Michigan	Aa1 0.90	36	U Alabama	Aa2 0.75	36	Virginia Tech	Aa1 2.80	Aa2
37	Indiana U	Aaa 0.95	37	Indiana U	Aaa 0.90	37	Miami University	Aa3 0.75	37	U California	Aa2 2.80	Aa2
38	U Arizona	Aa2 0.95	38	Mississippi	Aa2 0.90	38	Ferris State	A1 0.75	38	Nevada System	Aa2 2.90	Aa2
39	VCU	Aa2 0.95	39	Montclair State	A1 0.90	39	Hastings College	A2 0.75	39	Medical U of South Carolina	A1 2.90	Aa2
40	UAB	Aa2 0.95	40	U Central Florida	Aa3 0.90	40	Kentucky	Aa2 0.80	40	Ball State U	Aa3 2.90	Aa2

Morgan Stanley

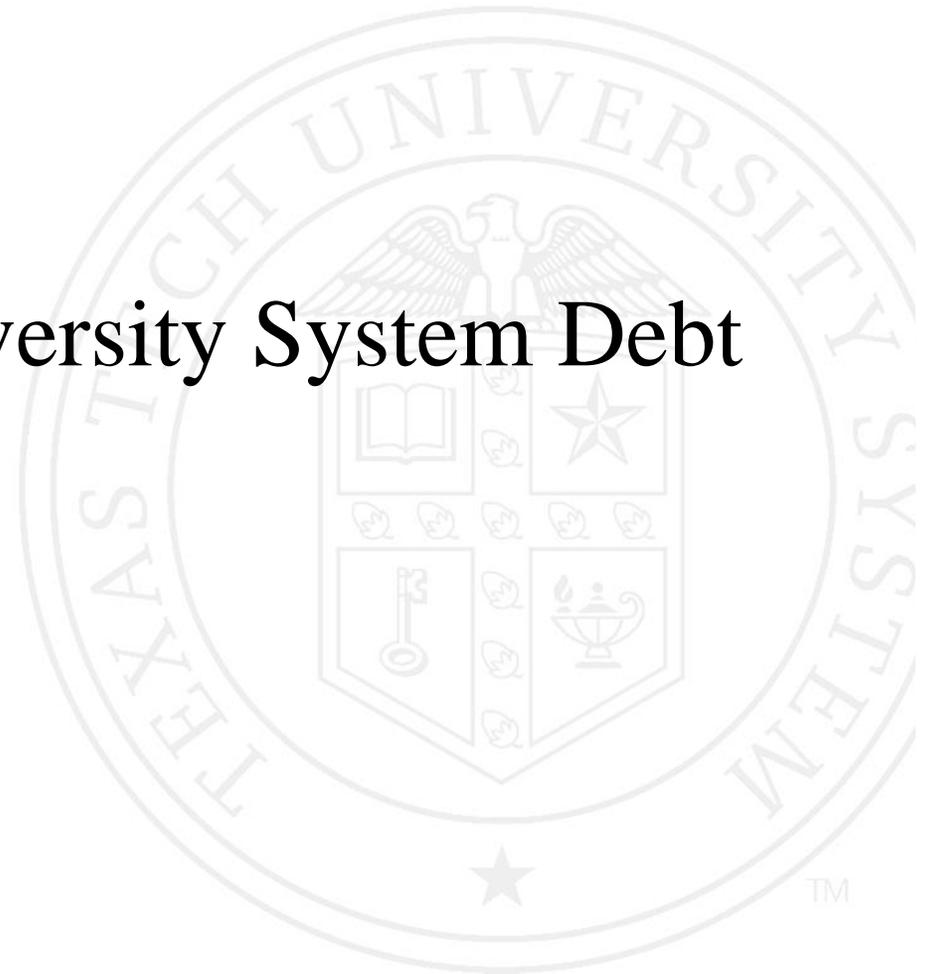
Aaa-rated universities

Strategic Plan for Facility Growth

Debt Capacity and Planning



Future Texas Tech University System Debt



TTUS Credit Profile

Impact on State Underlying Rating



Performance Ratio/Factor	TTUS FY 2013 AFR
Unrestricted Resources	\$ 760,757
Expendable Resources	\$ 1,154,307
Total Resources	\$ 1,735,355
Unrestricted Operating Expenses	\$ 1,466,338
Net Revenue From Operations	\$ 53,653
Annual Debt Service (MADS)	\$ 56,336

Performance Ratio/Factor	Debt Capacity Factor (Moody's Aa2 Medians)	Projected Debt Capacity Based on Moody's Medians	Assigned Weighting	Weighted Debt Capacity
Unrestricted Resources to Debt	0.49	\$ 1,552,566	45%	\$ 698,655
Expendable Resources to Debt	1.16	\$ 995,092	25%	\$ 248,773
Total Resources to Debt	1.74	\$ 997,330	5%	\$ 49,867
Debt Burden	3.7%	\$ 834,025	15%	\$ 125,104
Debt Service Coverage	2.9	\$ 289,396	10%	\$ 28,940
Calculated Total Debt Capacity		\$ 933,682	100%	\$ 1,151,338

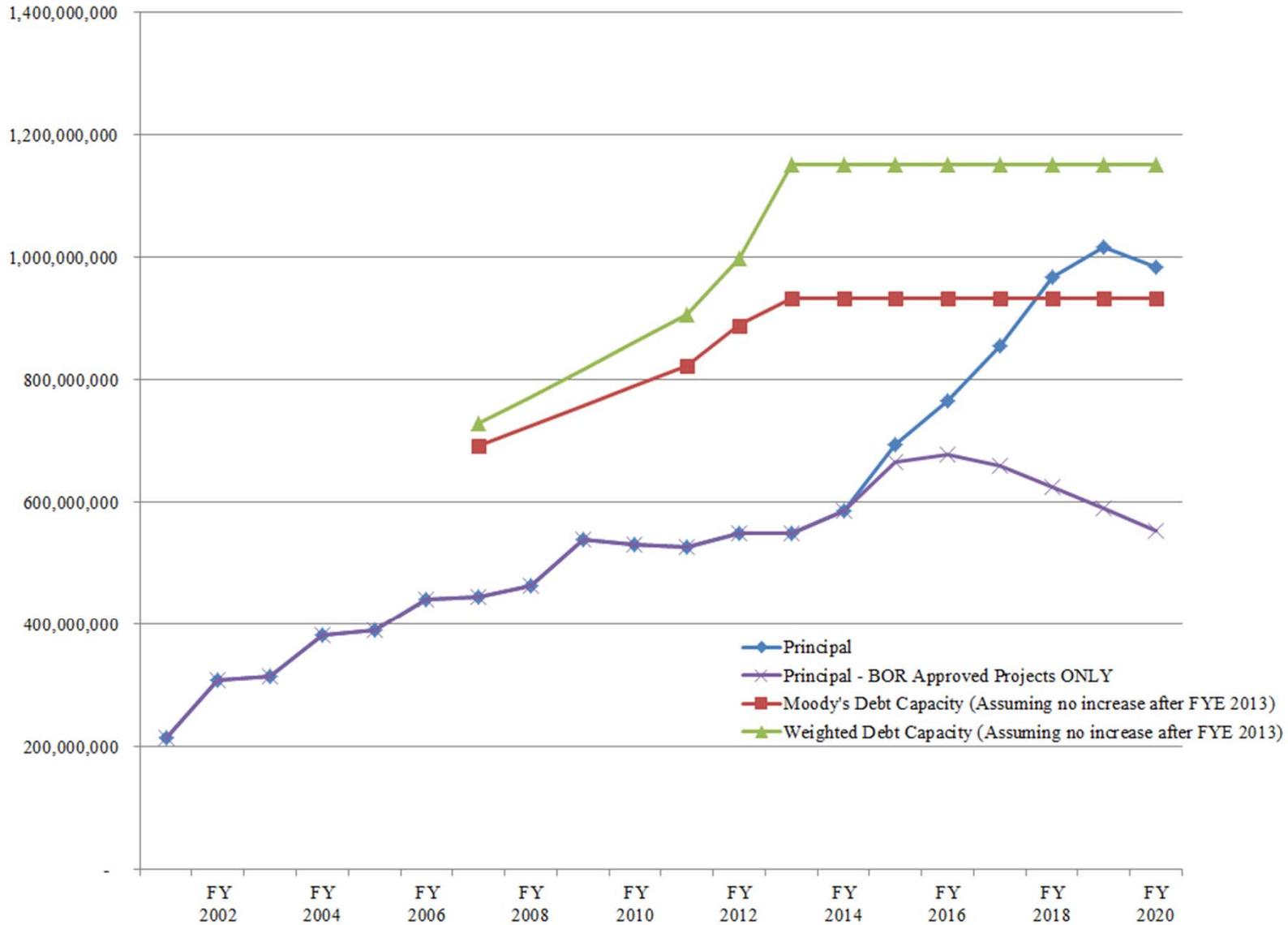
**Projected Debt Capacity Using FY 2013 Financial Data and FY 2013 Moody's "Aa2" Published Median Report 7/9/2014*

Debt Goal for Texas Tech University System:

- *Debt (principal) should not exceed the median ratios for similarly rated institutions*

TTUS Debt Capacity Analysis

Principal vs. Debt Capacity



TTUS Bond/Debt Schedule

FY 2012-2020



	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Old Principal	\$ 521,640,000.03	\$ 493,890,000.00	\$ 464,635,000.00	\$ 435,010,000.00	\$ 405,945,000.00	\$ 375,890,000.00	\$ 345,025,000.00	\$ 313,440,000.00	\$ 280,410,000.00
CP	\$ 27,159,000.00	\$ 55,614,000.00	\$ 114,963,000.00	\$ 50,000,000.00	\$ 50,000,000.00				
CP (Completed in 2014)				97,250,000	95,786,248	94,249,308	92,635,522	90,941,046	89,161,846
CP (Underway)				40,401,000	39,792,907	39,154,409	38,483,987	37,780,043	37,040,902
CP (System Building)						27,500,000	27,086,086	26,651,475	26,195,135
CP (New Debt - 2017)						195,613,000	192,668,744	189,577,274	186,331,232
CP (New TRB Debt - 2019)								292,500,000	288,097,455
CP (New Other Debt - 2019)								15,000,000	14,546,361
Total CP to LT Principal	\$ -	\$ -	\$ -	\$ 137,651,000.00	\$ 135,579,154.91	\$ 356,516,717.57	\$ 350,874,337.52	\$ 652,449,838.47	\$ 641,372,930.90
TTUS Cumulative New Debt			6,800,000	70,606,500	169,113,000				12,500,000
TTU Ath Cum New Debt					5,000,000		2,500,000		
TRBs Authorized - 2015						73,125,000	219,375,000		
Total Cumulative New Debt	\$ -	\$ -	\$ 6,800,000.00	\$ 70,606,500.00	\$ 174,113,000.00	\$ 73,125,000.00	\$ 221,875,000.00	\$ -	\$ 12,500,000.00
TOTAL	\$ 548,799,000.03	\$ 549,504,000.00	\$ 586,398,000.00	\$ 693,267,500.00	\$ 765,637,154.91	\$ 855,531,717.57	\$ 967,774,337.52	\$ 1,015,889,838.47	\$ 984,282,930.90

AMORTIZATION SCHEDULES

CP (New Debt - 2015)	98.49%	96.91%	95.26%	93.51%	91.68%
CP (New Debt - 2017)			98.49%	96.91%	95.26%
CP (New TRB Debt - 2019)					98.49%
CP (New Other Debt - 2019)					96.98%

Strategic Plan for Facility Growth

Debt Capacity and Planning



Housing System Fiscal Overview



Budget Analysis: Housing System

New Residence Halls FY 2014 – FY 2017



- Assumption: West Village Phase II is on-line Fall, 2017. This project and time table does not yet have board approval.
- In FY 2017, University Student Housing will make a net profit before transfers and debt service of \$23.7 million, with \$16.8 million from the older res halls and \$6.9 million from the newer res halls; Murray Hall, Talkington, and West Village.
- In FY 2017, the net after all transfers and debt service will be \$9.0 million.
- Total debt service in FY 2017 will be \$11.25 million, with \$7.7 million attributed to the new res halls. In FY 2017, the Carpenter-Wells debt service of \$1.2 million will be retired.
- The percent of the Housing Budget fixed by debt payments will increase from 18.1% (FY 2014) to 26.8% (FY 2018).
- West Village II coming on-line in FY 2017 will have:
 - Revenues \$3,000,000
 - Expenditures \$1,300,000
 - Debt Service \$3,700,000



TEXAS TECH UNIVERSITY SYSTEM™