



# Capital Liability Management Plan

**FY 2016 - 2020**

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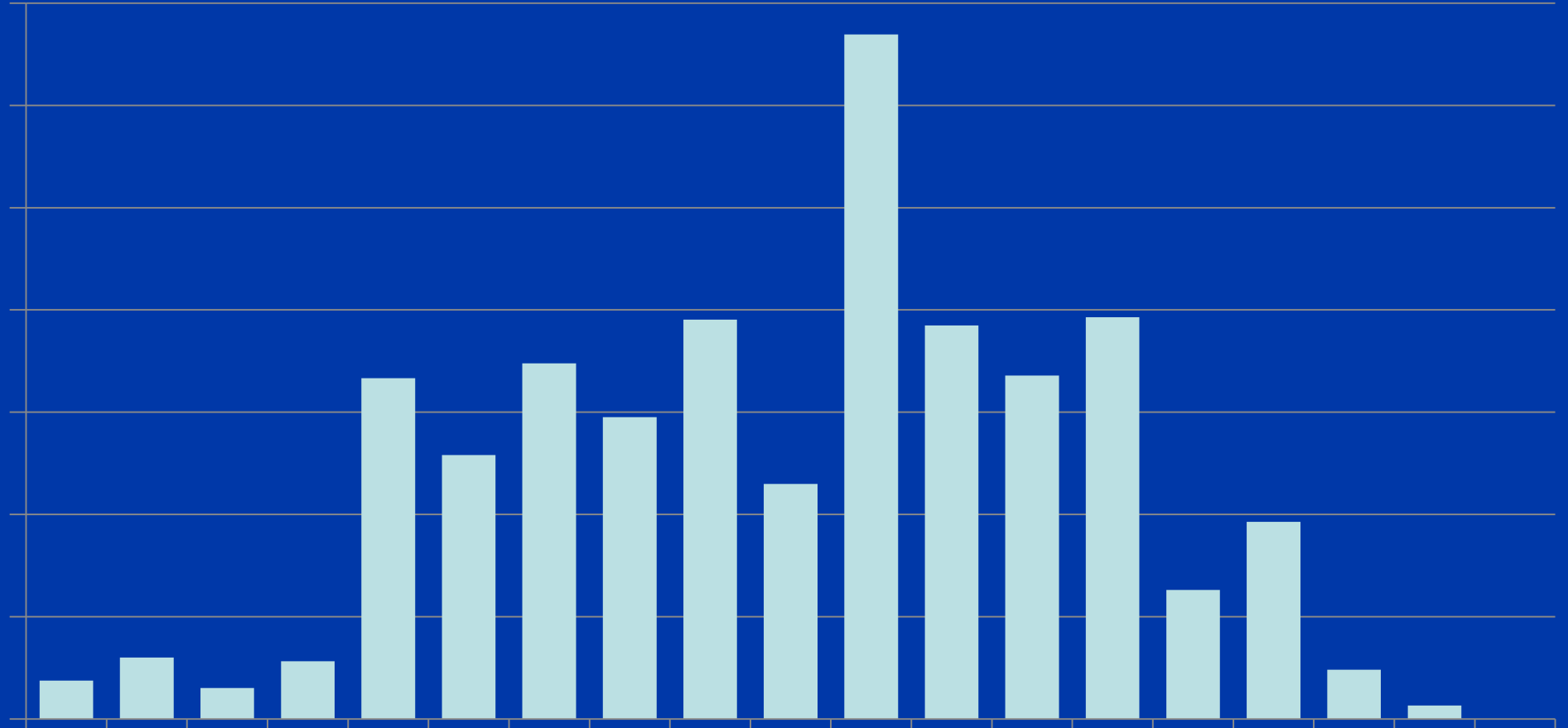


# Lease Revenue Bond Issuance

**\$3.3 Billion Outstanding**

**FY16 Capital Lease Payments = \$272 Million**

**Millions**



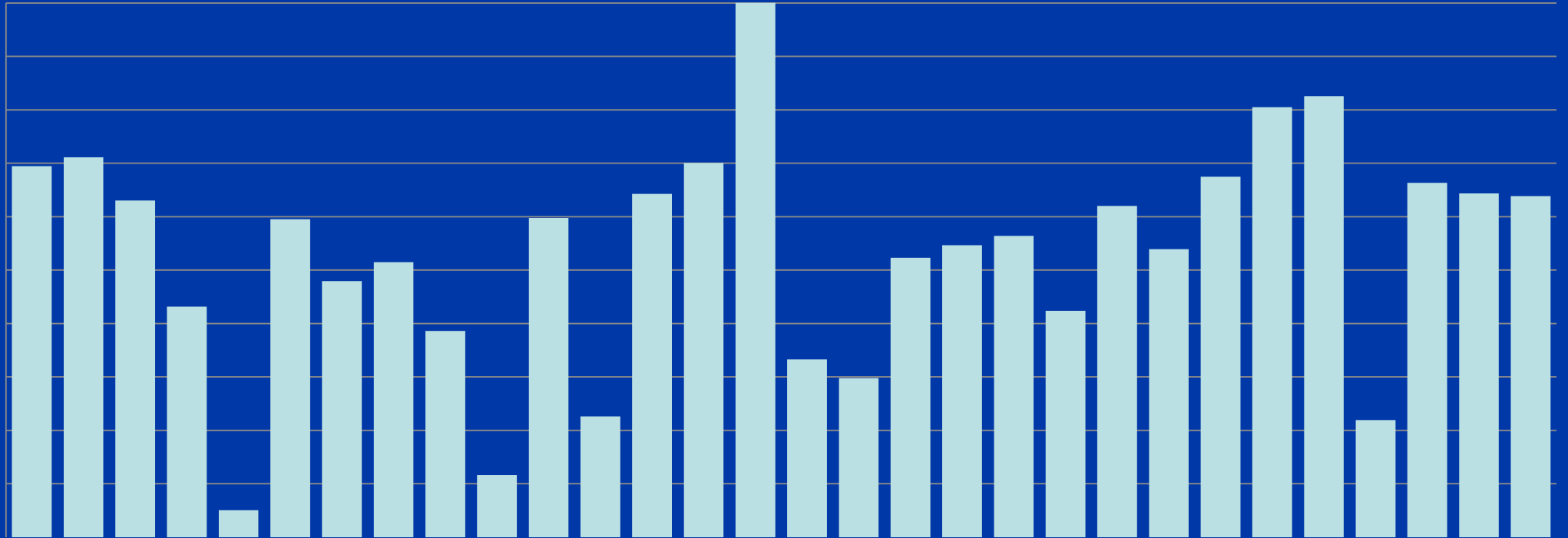
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# Institution Capital Liability Ratios

June 30, 2015\*

**USG: 3.6%**





# FY 2015 PPV Portfolio Performance

**32 out of 166 projects did not meet a 1.0x debt coverage ratio  
Project expenses exceeded project revenues**

- 18 Student Fee-Supported Projects
- 13 Housing Projects
- 1 Bookstore

**All lease payments made in full and on time**

## **Key Challenges**

- Lagging enrollment compared to pro-forma assumptions
- Increases in enrolled students who do not pay fees
- Higher expenses

## **Fall 2016 PPV-Related Fee Increases**

- CSU
- AMSC
- GHC
- GPC (GSU)



# Policy Implementation

## Capital Liability Management Reserve

- \$20.7 Million on deposit
- All institutions required to contribute 8% of annual lease payments
- No loans made to date
- Loans to SGSC, BSC and FVSU anticipated in FY 2017

# of Institutions	FY 16 Housing Occupancy
14	96 - 100%
6	90 - 95%
2	85 - 89%
3	70 - 84%
1	< 50%

## Housing Occupancy

- 60,218 available beds; 94.2% systemwide occupancy
- 26 institutions have on-campus housing
- 19 institutions have freshmen residency requirements



## Policy Implementation: FY 2016 Refinancing Update

6 bond series/projects refunded; 2 additional pending

\$9.44 million in total Net PV Savings with 100% of savings captured by the institutions

Refundings resulted in reduced annual lease payments and/or increases to the repair and replacement reserves.

### USDA Financing

- First USG application (FVSU) submitted in September 2015
- Draft letter of conditions received on March 10
- Formal approval expected soon at 2.875%
- Estimated savings in debt service approximately \$14 million

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# Multi-Year Contracts

## Office Leases and Energy Performance Contracts

FY 2015







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