

**AGENDA ITEM BRIEFING**

**Submitted by:** Billy Hamilton, Deputy Chancellor and Chief Financial Officer  
The Texas A&M University System

**Subject:** Approval of System Capital Plan for FY 2025 – FY 2029

**Proposed Board Action:**

Approve the System Capital Plan for FY 2025 – FY 2029.

**Background Information:**

Members of The Texas A&M University System each prepare a five-year capital plan as part of the overall planning process. These plans are then compiled into a system capital plan. The system capital plan includes all Revenue Financing System (RFS) and Permanent University Fund (PUF) financed projects, repair/renovation projects costing \$4 million or more, new construction/addition projects costing \$4 million or more, and real property acquisitions costing more than \$1 million. Both the CEO and CFO of each system member have certified the information included in the system member's capital plan including the adequacy of the debt repayment revenue resources.

Per System Policy *51.01 Capital Planning*, the five-year capital plan for The Texas A&M University System is being presented to the Board of Regents for approval.

The \$5.1 billion system capital plan includes \$3.8 billion of previously approved projects that are either in design or construction. After cumulative expenditures of \$618.6 million through December 2023, the remaining balance to be expended on approved projects is \$3.2 billion. The system capital plan also includes \$1.3 billion in proposed future projects including \$449.5 million of RFS debt projects, \$212.2 million of PUF debt projects, and \$617.2 million of projects to be funded by cash sources including the Available University Fund (AUF), Higher Education Fund (HEF), interest income, federal grants, designated tuition, gifts, student fees, auxiliary enterprise funds, general revenue, and other local funds.

Prior to inclusion on the capital plan for FY 2025, projects have completed the preparation of the Program of Requirements (unless otherwise noted on the plan). Board approval of the system capital plan for FY 2025 – FY 2029 will constitute approval for initiation of the proposed projects indicated to start in FY 2025 along with approval of the identified funding sources and will authorize the appropriation of up to 10 percent of the planning amounts indicated for the FY 2025 projects for pre-construction activities. Pre-construction activities include work of the Architect/Engineer Design Team, design assistance from a Design-Build Contractor or Construction Manager at Risk, environmental surveys, site surveys, building and site demolition work, and any other activities required to design the project. In addition, approval will authorize the completion of FY 2025 minor construction, rehabilitation/renovation, and equipment/software procurement projects including the appropriation of PUF and RFS debt proceeds where indicated.

FY 2025 proposed projects total \$612.0 million and include \$127.8 million of RFS debt projects, \$198.0 million of PUF debt projects, and \$286.2 million of projects to be funded by cash sources

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Agenda Item Briefing

including AUF, HEF, interest income, federal grants, designated tuition, gifts, student fees, auxiliary enterprise funds, general revenue, and other local funds.

The initiated projects will be presented to the board for approval of construction when a scope and budget are more defined, prior to any construction contract award.

**A&M System Funding or Other Financial Implications:**

The board's approval of the system capital plan for FY 2025 – FY 2029 will authorize the appropriation of up to 10 percent of the planning amounts for FY 2025 proposed projects for pre-construction activities. As presented, requested appropriations for proposed FY 2025 projects would total up to \$61.2 million. In addition, the board's approval authorizes appropriation of PUF and RFS funds for the completion of FY 2025 minor construction, rehabilitation/renovation, equipment/software procurement, and other projects to be administered by the institutions or System Facilities Planning and Construction.

Authorization is requested to allow FY 2025 projects to proceed immediately upon the board's approval of the capital plan in May 2024 if all applicable Program of Requirements (POR), funding, and Legislative requirements are met.

**Strategic Plan Imperative(s) this Item Advances:**

This item advances Strategic Plan Imperative 6, which provides that "The A&M System, in adhering to the high standard of excellence and growth required in this strategic plan, will display prudent financial stewardship and sustainability."

**THE TEXAS A&M UNIVERSITY SYSTEM**  
**FACILITIES PLANNING AND CONSTRUCTION**  
Office of the Deputy Chancellor and Chief Financial Officer  
March 29, 2024

Members, Board of Regents  
The Texas A&M University System

Subject: Approval of System Capital Plan for FY 2025 – FY 2029

I recommend adoption of the following minute order:

**“The system capital plan for FY 2025 – FY 2029, as shown in the attached exhibit is approved and authorization to appropriate up to 10 percent of the planning amount indicated for all FY 2025 proposed projects is granted.**

**In addition, the appropriation of PUF and RFS funding is approved for FY 2025 minor construction, rehabilitation/renovation, and equipment/software procurement projects administered by the institutions or System Facilities Planning and Construction.**

**Proposed FY 2025 projects are authorized to proceed immediately if all applicable POR, funding, and Legislative requirements are met.**

**The Board of Regents of The Texas A&M University System (board) reasonably expects to incur debt in one or more obligations for these projects, and all or a portion of the proceeds received from the sale of such obligations is reasonably expected to be used to reimburse the account(s) for amounts previously appropriated and/or expended from such account(s).**

**To the extent that the system capital plan identifies projects for financing through the issuance of parity obligations secured by and payable from revenues of the Revenue Financing System, and as required by Section 5(a) of the Master Resolution of the Revenue Financing System, the board hereby determines that it will have sufficient funds to meet the financial obligations of The Texas A&M University System, including sufficient pledged revenues to satisfy the annual debt service requirements of the Revenue Financing System and to meet all financial obligations of the board relating to the Revenue Financing System and that the participants, on whose behalf the parity obligations are issued, possess the financial capacity to satisfy their direct obligations after taking into account such proposed additional Revenue**

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**Financing System parity obligations as are identified in the system capital plan.”**

Respectfully submitted,

[ORIGINAL SIGNED BY]

Billy Hamilton  
Deputy Chancellor and  
Chief Financial Officer

**Approval Recommended:**

[ORIGINAL SIGNED BY]

John Sharp  
Chancellor

**Approved for Legal Sufficiency:**

[ORIGINAL SIGNED BY]

Ray Bonilla  
General Counsel



**FY 2025 – FY 2029**  
**Capital Plan**  
**May 2024**

## **EXECUTIVE SUMMARY**

Members of The Texas A&M University System each prepare a five-year capital plan as part of the overall planning process. These plans are then compiled into a System Capital Plan. Both the CEO and CFO of each system member certify the information included in the system member's capital plan including the adequacy of the debt repayment revenue sources.

The \$5.1 billion System Capital Plan includes \$3.8 billion of previously approved projects that are either in design or under construction and \$1.3 billion in proposed future projects. After cumulative expenditures through December 2023 of \$618.6 million, the remaining balance to be expended on approved projects is \$3.2 billion. Included in the proposed future projects are \$449.5 million of Revenue Financing System debt projects, \$212.2 million of Permanent University Fund debt projects, and \$617.2 million of projects to be funded by cash sources including the Available University Fund (AUF), Higher Education Fund (HEF), interest income, federal grants, designated tuition, gifts, student fees, auxiliary enterprise funds, general revenue, and other local funds.

Fiscal year 2025 proposed projects total \$612.0 million and include \$127.8 million of RFS debt projects, \$198.0 million of PUF debt projects, and \$286.2 million of projects to be funded by cash sources including AUF, HEF, interest income, federal grants, designated tuition, gifts, student fees, auxiliary enterprise funds, general revenue, and other local funds.

**THE TEXAS A&M UNIVERSITY SYSTEM  
CAPITAL PLAN  
FY 2025 - FY 2029**

<b>System Member</b>	<b>Previously Approved Projects</b>	<b>Proposed Projects</b>	<b>Total Project Planning Amounts</b>
Texas A&M University	923,305,163	843,785,470	1,767,090,633
Texas A&M University at Galveston	161,642,125	-	161,642,125
Texas A&M Health Science Center	307,056,761	86,600,000	393,656,761
Prairie View A&M University	78,805,833	15,900,000	94,705,833
Tarleton State University	513,927,777	-	513,927,777
Texas A&M University - Corpus Christi	97,972,833	-	97,972,833
Texas A&M International University	77,420,000	-	77,420,000
Texas A&M University - Kingsville	45,172,833	-	45,172,833
West Texas A&M University	64,397,833	-	64,397,833
Texas A&M University - Texarkana	44,922,833	15,000,000	59,922,833
Texas A&M University - Commerce	162,153,333	31,000,000	193,153,333
Texas A&M University - Central Texas	64,537,484	-	64,537,484
Texas A&M University - San Antonio	149,906,686	13,396,000	163,302,686
Texas A&M AgriLife Research	139,817,813	127,104,906	266,922,719
Texas A&M AgriLife Extension Service	6,617,000	-	6,617,000
Texas A&M Forest Service	14,518,000	-	14,518,000
Texas A&M Engineering Experiment Station	112,591,381	20,000,000	132,591,381
Texas A&M Engineering Extension Service	58,300,000	-	58,300,000
Texas A&M Transportation Institute	12,815,753	-	12,815,753
System Offices	309,035,000	96,162,000	405,197,000
RELLIS	65,421,471	-	65,421,471
Texas Division of Emergency Management	423,241,463	29,900,000	453,141,463
	<u>3,833,579,375</u>	<u>1,278,848,376</u>	<u>5,112,427,751</u>

**THE TEXAS A&M UNIVERSITY SYSTEM  
CAPITAL PLAN  
FY 2025 - FY 2029**

<b>System Member</b>	<b>Total Project Planning Amounts</b>	<b>Cumulative Prior Years Expenditures to 12/31/2023</b>	<b>Remaining Planning Amounts</b>
Texas A&M University	1,767,090,633	248,917,971	1,518,172,662
Texas A&M University at Galveston	161,642,125	10,570,147	151,071,978
Texas A&M Health Science Center	393,656,761	17,292,033	376,364,728
Prairie View A&M University	94,705,833	3,355,159	91,350,674
Tarleton State University	513,927,777	107,440,444	406,487,333
Texas A&M University - Corpus Christi	97,972,833	5,027,729	92,945,104
Texas A&M International University	77,420,000	5,270,970	72,149,030
Texas A&M University - Kingsville	45,172,833	5,642,532	39,530,301
West Texas A&M University	64,397,833	3,708,907	60,688,926
Texas A&M University - Texarkana	59,922,833	19,623	59,903,210
Texas A&M University - Commerce	193,153,333	9,649,356	183,503,977
Texas A&M University - Central Texas	64,537,484	6,788,718	57,748,766
Texas A&M University - San Antonio	163,302,686	31,255,195	132,047,491
Texas A&M AgriLife Research	266,922,719	31,435,972	235,486,747
Texas A&M AgriLife Extension Service	6,617,000	2,839,408	3,777,592
Texas A&M Forest Service	14,518,000	3,926,347	10,591,653
Texas A&M Engineering Experiment Station	132,591,381	59,492,151	73,099,230
Texas A&M Engineering Extension Service	58,300,000	794,590	57,505,410
Texas A&M Transportation Institute	12,815,753	1,675,375	11,140,378
System Offices	405,197,000	42,303,116	362,893,884
RELLIS	65,421,471	2,986,357	62,435,114
Texas Division of Emergency Management	453,141,463	18,172,234	434,969,229
	<u>5,112,427,751</u>	<u>618,564,334</u>	<u>4,493,863,417</u>



**THE TEXAS A&M UNIVERSITY SYSTEM  
CAPITAL PLAN  
PROPOSED PROJECTS - FISCAL YEAR 2025**

System Member	Planning Amounts	Resource Allocation		
		PUF Debt Proceeds	RFS Debt Proceeds	Other
Texas A&M University	300,985,470	100,000,000	77,385,470	123,600,000
Texas A&M Health Science Center	25,000,000			25,000,000
Prairie View A&M University	12,000,000	10,000,000		2,000,000
Texas A&M University - San Antonio	13,396,000	1,900,000	11,496,000	
Texas A&M AgriLife Research	114,604,906	25,000,000	28,900,000	60,704,906
Texas A&M Engineering Experiment Station	20,000,000			20,000,000
System Offices	96,162,000	61,162,000	10,000,000	25,000,000
Texas Division of Emergency Management	29,900,000			29,900,000
	<u>612,048,376</u>	<u>198,062,000</u>	<u>127,781,470</u>	<u>286,204,906</u>

THE TEXAS A&M UNIVERSITY SYSTEM  
Capital Plan

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Funding Codes

a	Available University Fund
b	Gifts
c	Contracts and Grants
e	E&G Unrestricted
f	Federal Funds
g	Designated Tuition
h	Housing Revenues
n	General Revenue
o	Other
p	Parking
r	Recreational Sports Fees
s	Student Fees
t	Capital Construction Assistance Project
u	Utility
v	Stadium Revenue Funds
w	Higher Education Funds
x	Auxiliary Enterprise Funds
y	Indirect Cost Recoveries

**TEXAS A&M UNIVERSITY**  
**FY 2025 - FY 2029 CAPITAL PLAN**  
**SUMMARY INFORMATION**

Project #	Projected FY Start Date for Proposed Projects	Project Name	Total Planning Amount	Funding Sources			Cumulative Expenditures Prior Years to 12/31/2023
				PUF Debt Proceeds	RFS Debt Proceeds	Other	
<b>APPROVED PROJECTS</b>							
2-3279		Business Education Complex	84,197,309	54,000,000	14,378,795	15,818,514	35,984,759
2-3343		Bright Area Development	237,735,550		154,900,000	82,835,550	161,167,754
2-3345		CUP Generator Replacement	26,500,000		26,500,000		555,726
2-3404		West Campus Player Development Center & Ellis Field Renovations	28,200,000		28,200,000		-
2-3378		Clinical Veterinary Teaching & Research Complex	175,000,000	69,897,111	82,302,304	22,800,585	-
2-3417		* Space Collaboration Facility (Houston)	200,000,000			200,000,000	-
		Utility Plant Control Upgrade	7,500,000		7,500,000		-
		HVAC System Walton Hall	8,794,068		8,794,068		5,734,422
		CUP Structural Repairs	6,700,000		6,700,000		6,709,330
		Interior Finishes Renovations Dunn Hall Phase II	6,947,609			6,947,609	326,785
		Railroad Quiet Zone	5,500,000				330,329
		Outdoor Competition Throws and Warmup Track	9,559,456			9,559,456	4,608,199
		Moses Hall HVAC Renovations	9,218,500		9,218,500		6,911,168
		Davis-Gary Hall HVAC Renovations	9,218,500		9,218,500		-
		Academic Building Renovations	9,800,000	9,800,000			-
		Physical Plant Projects/Equipment/Other	98,434,171	37,334,171	50,100,000	11,000,000	26,589,499
		Total Construction/Acquisitions in Progress	923,305,163	171,031,282	397,812,167	354,461,714	248,917,971

\* Project will not move forward until POR is complete.

**TEXAS A&M UNIVERSITY**  
**FY 2025 - FY 2029 CAPITAL PLAN**  
**SUMMARY INFORMATION**

Project #	Projected FY Start Date for Proposed Projects	Project Name	Total Planning Amount	Funding Sources			Cumulative Expenditures Prior Years to 12/31/2023
				PUF Debt Proceeds	RFS Debt Proceeds	Other	
<b>PROPOSED PROJECTS</b>							
2025		Railroad Quiet Zone (Addition)	3,000,000		3,000,000 o		
2025		Clinical Veterinary Teaching & Research Complex (Addition)	6,000,000		6,000,000 b		
2025		Underwood Hall Shower Replacements & Fire Alarm System Upgrade	5,600,000		5,600,000 h		
2025		Penberthy Road Expansion and Multi-Use Path	5,635,000		5,635,000 p		
2025		Wastewater Treatment Plant (WWTP) Improvements	6,500,000		6,500,000 u		
2025		HVAC System Hart Hall	9,450,470		9,450,470 h		
2025		* Aplin Center	250,000,000	100,000,000	35,000,000 g	115,000,000 g,o,x	
2026		Olsen Field at Blue Bell Park Renovations	80,000,000		80,000,000 v		
2026		Domestic Water Loop Extension	5,000,000		5,000,000 u		
2026		Medical Sciences Library 2nd Floor Renovations	7,500,000		7,500,000 g		
2026		HEEP Laboratory Building Renovations	8,900,000		8,900,000 s		
2026		Heldenfels 4th Floor Instructional Lab Renovation	12,000,000		12,000,000 a		
2026		Doherty Building Renovations	13,000,000	1,000,000	12,000,000 s		
2026		Academic Building Renovations - Phase II	25,200,000		25,200,000 g,s		
2026		Satellite Utility Plant 1 (SUP1) Expansion	30,000,000		30,000,000 u		
2026		Visualization, Fine and Performing Arts Building	295,000,000		128,000,000 g	167,000,000 b	
2027		Entrepreneurship Building	65,000,000		65,000,000 b		
		Physical Plant Projects/Equipment/Other	16,000,000		16,000,000		
		<b>Total Proposed Construction/Acquisitions</b>	<b>843,785,470</b>	<b>101,000,000</b>	<b>321,585,470</b>	<b>421,200,000</b>	<b>-</b>
		<b>TOTAL CAPITAL PLAN</b>	<b>1,767,090,633</b>	<b>272,031,282</b>	<b>719,397,637</b>	<b>775,661,714</b>	<b>248,917,971</b>
		Unfunded Capital Needs: 2026	175,000,000				

\* Project will not move forward until POR is complete.