Capital Liability Management Plan
FY 2017 - 2021

Susan H. Ridley
Associate Vice Chancellor For Fiscal Affairs, Finance Director
Lease Revenue Bond Issuance

$3.2 Billion Outstanding

FY17 Capital Lease Payments = $266 Million

- 58 Student Support
- 56 Housing Projects
- 32 Academic/ Administrative
- 20 Parking Decks
- 166 Projects
Institution Capital Liability Ratios
June 30, 2016
USG: 3.32%
Lease Revenue Bond Portfolio

Cash Flow Performance (FY 2016)
All lease payments paid in full and on time

- 17% of portfolio (29 out of 166 projects) did not meet a 1.0 coverage ratio
  - 17 Student Fee-Supported Projects
  - 10 Housing Projects
  - 1 Bookstore, 1 Dining Hall
- Funding gaps typically covered from other auxiliaries
- Causes
  - Fee exemptions
  - Enrollment or occupancy trends
  - Expenses

Capital Liability Management Reserve
- $20.7 Million on deposit
- A loan up to $750,000 will be made to SGSC

Fall 2017
PPV-Related Fee Increases
VSU projects
Health Facility
Student Center
Athletic Fieldhouse
Policy Implementation

Refinancings
• $62.9 million in cash flow savings
• 13 transactions for 8 institutions
• 4 additional pending (GGC, GSU (GPC), GSoU)

Housing Occupancy
• 63,760 available beds
• 94.5% system-wide occupancy

<table>
<thead>
<tr>
<th># of Institutions</th>
<th>Fall 2016 Housing Occupancy</th>
</tr>
</thead>
<tbody>
<tr>
<td>13</td>
<td>95 - 100%</td>
</tr>
<tr>
<td>4</td>
<td>90 - 94%</td>
</tr>
<tr>
<td>6</td>
<td>80 - 89%</td>
</tr>
<tr>
<td>2</td>
<td>65 - 79%</td>
</tr>
<tr>
<td>1</td>
<td>&lt; 40%</td>
</tr>
</tbody>
</table>
USDA Direct Loan Update
Fort Valley State University

– July 2016: Loan Obligation of $40.4M, 2.75%
– October 2016: Short-term 2 yr. Notes: $40.4 M, 1.2%
– October 2018: Loan Closing
– Savings = $11.2 Million

– Acquisition by USG REF LLC IV of Wildcat Commons I
– Retired 2007 tax-exempt bonds

South Georgia State College: Application submitted

GSWU, Gordon + MGU (Cochran and Eastman): Application in development
## Multi-Year Leases and Energy Performance Contracts

<table>
<thead>
<tr>
<th>Year</th>
<th>Multi-Year Leases</th>
<th>Energy Performance Contracts</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 2015</td>
<td>$15 million MYL authorized; $6.5 million for GIT (Technology Enterprise Park)</td>
<td>$10.2 million EPC authorized; $7.8 million for GIT $2.4 million for UGA</td>
</tr>
<tr>
<td>FY 2016</td>
<td>$150 million MYL authorized; $114 million for GIT (commencing in FY 2019)</td>
<td>$0</td>
</tr>
<tr>
<td>FY 2017</td>
<td>$30 million requested; $0 utilized</td>
<td>$0</td>
</tr>
<tr>
<td>FY 2018</td>
<td>$20 million requested</td>
<td>$0</td>
</tr>
</tbody>
</table>
# FY 2017 - 2021 USG Capital Liability Management Plan

*(000’s)*

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Principal Outstanding - Beginning of Year</strong></td>
<td>$3,222,792</td>
<td>$3,137,995</td>
<td>$3,260,305</td>
<td>$3,457,491</td>
<td>$3,456,939</td>
</tr>
<tr>
<td><strong>Projected New Issuance:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PPV and/or GHEFA</td>
<td>13,070</td>
<td>200,000</td>
<td>175,500</td>
<td>100,000</td>
<td>100,000</td>
</tr>
<tr>
<td>Multi-Year Lease Contracts</td>
<td>0</td>
<td>20,000</td>
<td>128,970</td>
<td>15,000</td>
<td>15,000</td>
</tr>
<tr>
<td>Multi-Year Energy Performance Contracts</td>
<td>0</td>
<td>0</td>
<td>10,000</td>
<td>10,000</td>
<td>10,000</td>
</tr>
<tr>
<td>Scheduled Retirements</td>
<td>(97,867)</td>
<td>(97,690)</td>
<td>(117,284)</td>
<td>(125,552)</td>
<td>(135,867)</td>
</tr>
<tr>
<td><strong>Total Principal Outstanding - End of Year</strong></td>
<td>$3,137,995</td>
<td>$3,260,305</td>
<td>$3,457,491</td>
<td>$3,456,939</td>
<td>$3,446,072</td>
</tr>
</tbody>
</table>

- **USG Budgeted and Projected Operating Revenues**
  - $7,898,579
  - $8,154,598
  - $8,402,255
  - $8,658,957
  - $8,925,080

- **Capital Liability Ratios (System Policy Limit of 5%)**
  - Capital Liability Payment Ratio (With Multi-Year Leases): 3.4% 3.3% 3.6% 3.7% 3.7%
  - Capital Liability Payment Ratio (Without Multi-Year Leases): 3.4% 3.3% 3.4% 3.5% 3.5%
Action Item

Request to the Georgia State Financing and Investment Commission for multi-year leasing contract authority for FY 2018 in the amount of $20 million.
Questions?