

Capital Liability Management Plan

FY 2018 - 2022

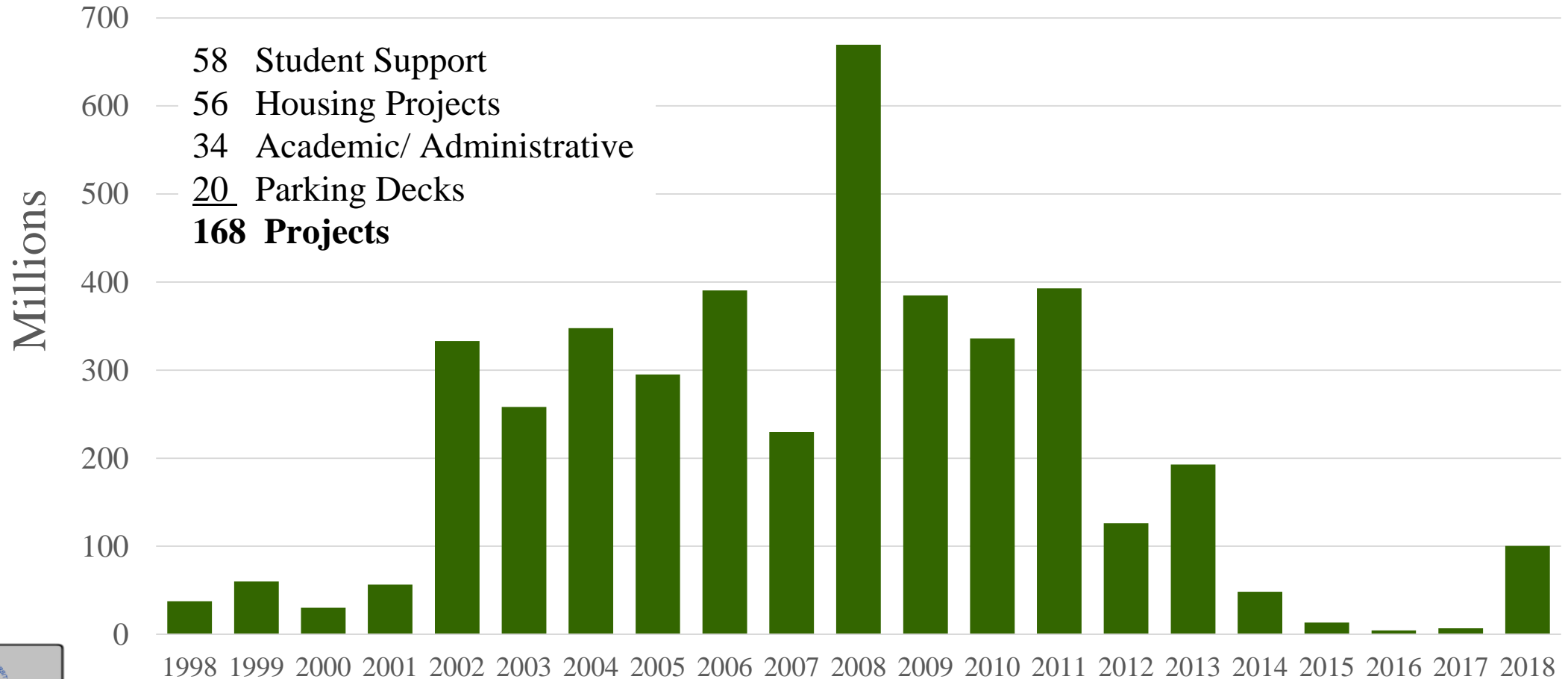
Cynthia Robinson Alexander
Executive Finance Director



Capital Lease Obligations

FYE 2017 \$3.29 Billion Outstanding

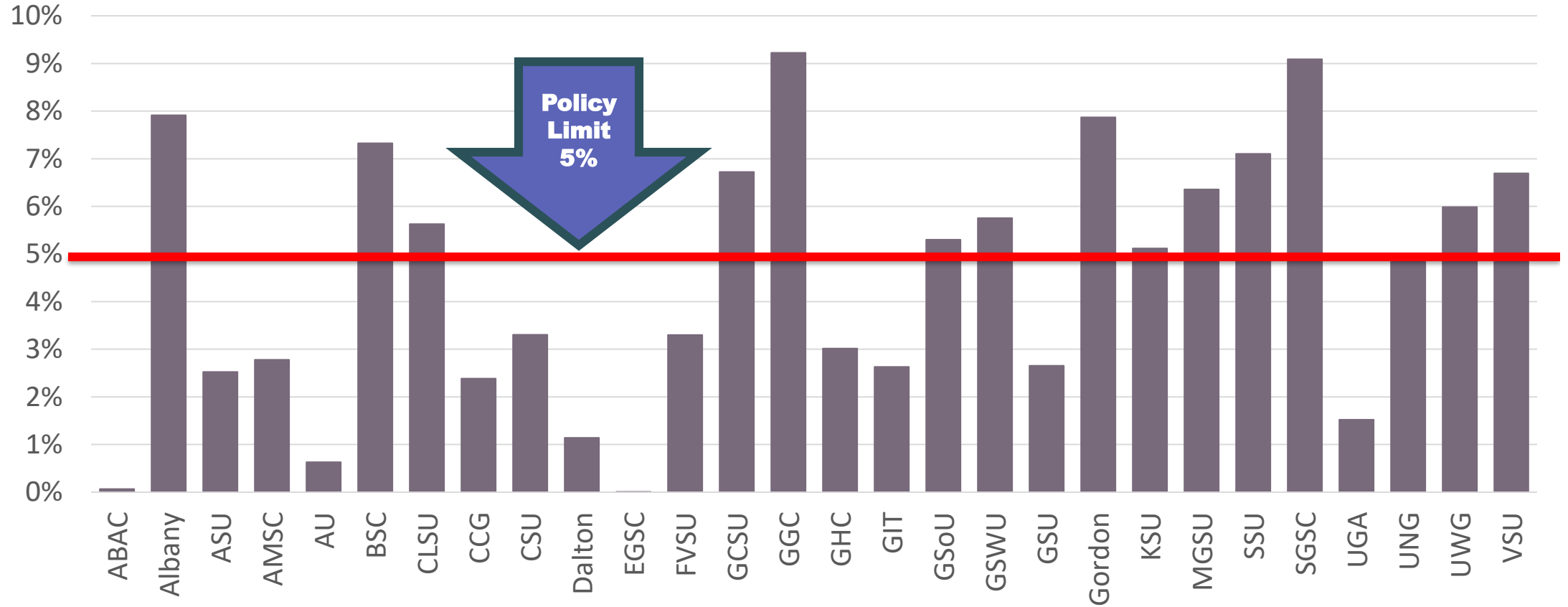
Capital Lease Payments = \$268.2 Million



Institution Capital Liability Ratios

June 30, 2017

USG: 3.38%



Capital Lease Portfolio

FY 2017 Cash Flow Performance

All lease payments paid in full and on time

- 23 projects did not meet a 1.0X coverage ratio
- Funding gaps typically covered from other auxiliaries
- Causes
 - Enrollment or occupancy trends
 - Expenses
 - Fee exemptions

Capital Liability Management Reserve

- \$20.2 Million on deposit
- SGSC \$700,000 loan repaid

Fall 2018 PPV-Related Fee Increases

Gordon State College –
Student Recreation Center

SSU – Student Center &
Stadium

UWG – Athletic Complex
& Campus Center

Refinancing Transactions

Savings Update

- **\$116.4** million in cash flow savings for FY 17
- **\$123.9** million in cash flow savings for FY 18 to date
 - 3 additional pending transaction with \$35.9 million in cash flow savings (GSC, GSW, MGSU)



USDA Direct Loan Update

Fort Valley State University



Wildcat Commons I Student Housing

USDA Loan Award: \$40.35 Million on July 2016 at 2.75%

Savings = \$11.2 Million

Fall 2017 Housing Occupancy 97.1%

South Georgia State College



Tiger Village I & II Housing, Clower Student Center & Dining Hall

USDA Loan Award: \$35.59 Million on September 2017 at 3.25%

Savings = \$3.7 Million

Fall 2017 Housing Occupancy 44.4%



FY 2018 -2022 USG Capital Liability Management Plan

(000's)

	<u>FY 2018</u>	<u>FY 2019</u>	<u>FY 2020</u>	<u>FY 2021</u>	<u>FY 2022</u>
Total Principal Outstanding - Beginning of Year	\$3,286,205	\$3,258,012	\$3,492,373	\$3,570,877	\$3,562,458
Projected New Issuance:					
PPV and/or GHEFA	98,153	216,115	175,000	100,000	184,500
Multi-Year Lease Contracts	2,326	128,970	15,000	15,000	15,000
Multi-Year Energy Performance Contracts	0	20,000	10,000	10,000	10,000
Scheduled Retirements	(128,673)	(130,723)	(121,496)	(133,419)	(143,974)
Total Principal Outstanding - End of Year	\$3,258,012	\$3,492,373	\$3,570,877	\$3,562,458	\$3,627,984
Total Capital Liability Obligations (incl. EPC)	268,188	292,458	310,564	326,420	333,307
USG Budgeted and Projected Operating Revenues	\$8,358,049	\$8,526,157	\$8,773,037	\$9,028,234	\$9,292,059
Capital Liability Payment Ratio (System Policy Limit of 5%)	3.2%	3.4%	3.5%	3.6%	3.6%

Energy Performance Contracts and Multi-Year Leases

	Energy Performance Contracts		Multi-Year Leases	
	Projected Use	Utilized	Authorized	Utilized
FY 2015	\$10,200,000	\$10,200,000 GIT/UGA	\$15,000,000	\$6,500,000 GIT
FY 2016	\$0	\$0	\$150,000,000	\$114,000,000 GIT
FY 2017	\$0	\$0	\$30,000,000	\$0
FY 2018	\$0	\$0	\$20,000,000	\$2,300,000
FY 2019	\$20,000,000		\$15,000,000	

Action Item

Recommended: That the Board approve by resolution a request to the Georgia State Financing and Investment Commission (GSFIC) for contract value authority of \$15 million for multi-year office leases for FY 2019.



Questions?

