Bond Case Briefs

Municipal Finance Law Since 1971

Texas Tech University System: Fitch New Issue Report

Key Rating Drivers Revenue Defensibility: ‘aa’; Solid Demand and Revenue Diversity: TTUS’s ‘aa’ Revenue Defensibility assessment is supported by competitive demand indicators, moderate enrollment growth historically, with relatively steady state operating and capital support and well-balanced revenue diversity within a multi-institution system. The system’s FTE student population held stable in fall 2022 (fiscal 2023) at 54,265. TTUS management anticipates continued stability in its enrollment base through fall 2023 (fiscal 2024) based on YTD trends. Operating Risk: ‘aa’; Strong Cash Flow and Manageable Capital Plans: The ‘aa’ Operating Risk assessment reflects historically strong cash flow margins and capital flexibility. The adjusted cash flow margin for fiscal 2022 was up slightly to 13.6% from 12.1% in fiscal 2021. Federal stimulus funding, over $200 million system-wide, has supported operating performance in recent fiscal years. Nonetheless, Fitch views TTUS as having significant operating flexibility, including use of reserves. TTUS also benefits from a solid fundraising track record, with capital grants and gifts averaging about $53 million over the past five fiscal years (fiscals 2018-2022), and strong state support for capital projects in various forms. Financial Profile: ‘aa’; Strong Debt Leverage Ratios: TTUS’s strong financial profile supports an ‘aa’ assessment, in line with the rating category and through a Fitch-modeled stress scenario. All bonds are fixed rate with a relatively front-loaded debt service structure.

ACCESS REPORT

Tue 18 Jul, 2023

Copyright © 2026 Bond Case Briefs | bondcasebriefs.com