

Section 1

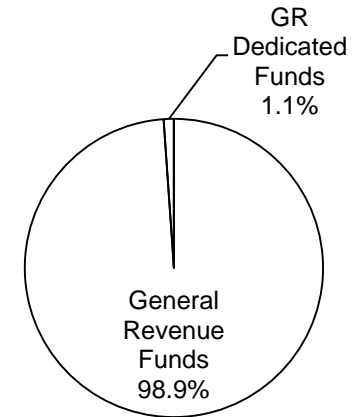
**Revenue Bonds for Lease Payments - End of Articles I - X
Summary of Recommendations - House**

Page: I-48
Harvey Hilderbran, Executive Director

Kevin Perez, LBB Analyst

Method of Financing	2014-15 Base	2016-17 Recommended	Biennial Change	% Change
General Revenue Funds	\$57,587,688	\$29,777,438	(\$27,810,250)	(48.3%)
GR Dedicated Funds	\$604,080	\$332,600	(\$271,480)	(44.9%)
<i>Total GR-Related Funds</i>	<i>\$58,191,768</i>	<i>\$30,110,038</i>	<i>(\$28,081,730)</i>	<i>(48.3%)</i>
Federal Funds	\$0	\$0	\$0	0.0%
Other	\$0	\$0	\$0	0.0%
All Funds	\$58,191,768	\$30,110,038	(\$28,081,730)	(48.3%)

RECOMMENDED FUNDING
BY METHOD OF FINANCING



The bill pattern for this agency (2016-17 Recommended) represents an estimated 100% of the agency's estimated total available funds for the 2016-17 biennium.

Section 1

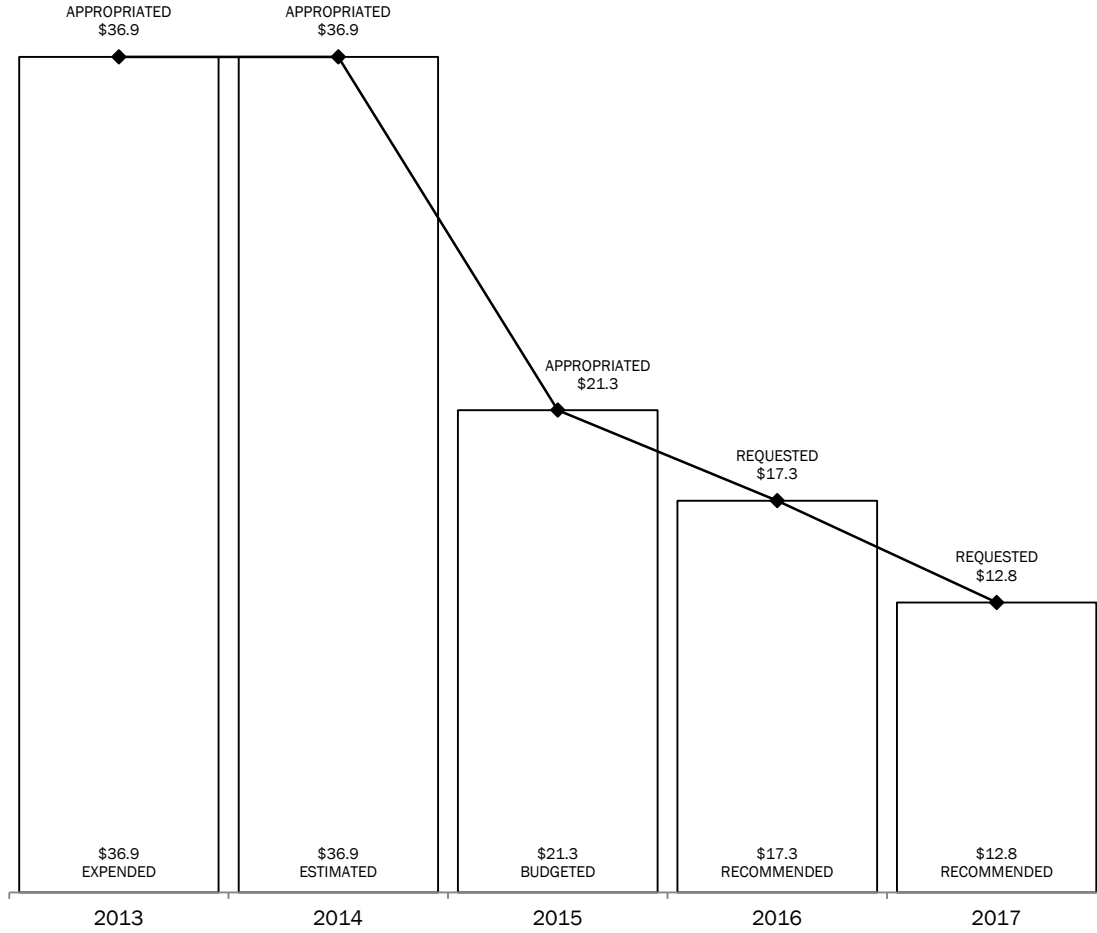
Revenue Bonds for Lease Payments - End of Articles I - X

2016-2017 BIENNIUM

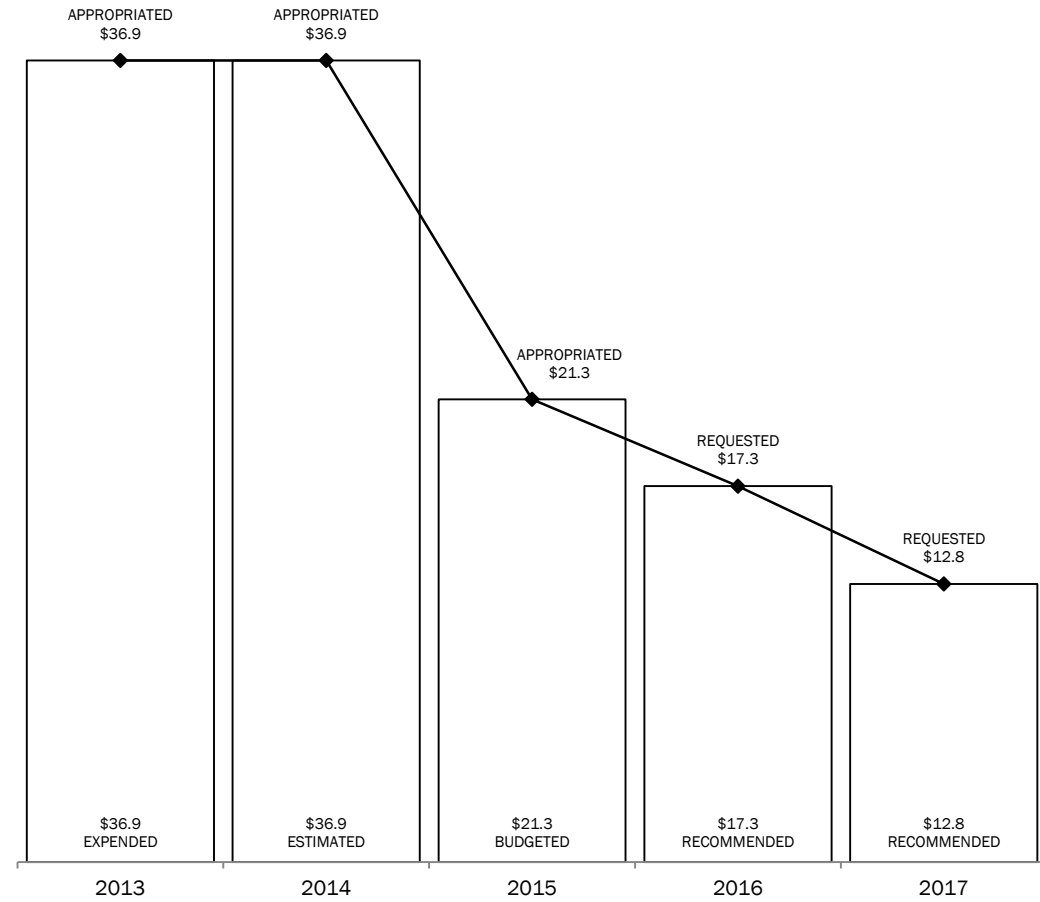
IN MILLIONS

TOTAL= \$30.1 MILLION

ALL FUNDS



**GENERAL REVENUE AND
GENERAL REVENUE-DEDICATED FUNDS**



Section 2

**Revenue Bonds for Lease Payments - End of Articles I - X
Summary of Recommendations - House, By Method of Finance -- ALL FUNDS**

Strategy/Goal	2014-15 Base	2016-17 Recommended	Biennial Change	% Change	Comments
LEASE PAYMENTS A.2.2	\$58,191,768	\$30,110,038	(\$28,081,730)	(48.3%)	
Total, Goal A, FINANCE CAPITAL PROJECTS	\$58,191,768	\$30,110,038	(\$28,081,730)	(48.3%)	
Grand Total, All Strategies	\$58,191,768	\$30,110,038	(\$28,081,730)	(48.3%)	Recommendations reflect a decrease of \$27.8 million in General Revenue and \$0.3 million in General Revenue - Dedicated Department of Insurance Operating Account No. 36 due to reduced debt service requirements in all Articles.

Section 3

**Revenue Bonds for Lease Payments – End of Article I - X
Selected Fiscal and Policy Issues - House**

1. Recommendations for 2016-17 Lease Payments reflect a decrease of \$28.1 million in All Funds related to reduced debt service requirements across all Articles. The Texas Facilities Commission (TFC) is appropriated General Revenue related funds at the end of each Article for Lease Payments that are to be transferred to the Texas Public Finance Authority (TPFA) for debt service on lease revenue bonds that were issued in prior biennia for acquisition, construction, repair or renovation of a facility. TPFA holds the title to the affected facilities but then leases the facility back to TFC.

TFC Lease Payments agency allocations are based on the square footage occupied by an agency plus the agency’s portion of common space in the building. This allocation applies only to agencies occupying space in state-owned buildings that were purchased, constructed, repaired, or renovated with revenue bonds. Agency allocations are listed as an informational item within the “Estimated Allocations for Employee Benefits and Debt Service Appropriations Made Elsewhere in this Act” in each affected agency’s bill pattern before the Items of Appropriation.

Figure 1

Estimated Allocations for Employee Benefits and Debt Service Appropriations Made Elsewhere in this Act:			
<u>Employee Benefits</u>			
Retirement	\$	11,924,164	\$ 12,917,843
Group Insurance		30,199,396	32,671,763
Social Security		15,380,301	15,380,301
Benefits Replacement		<u>1,119,796</u>	<u>1,047,009</u>
Subtotal, Employee Benefits	\$	<u>58,623,657</u>	\$ <u>62,016,916</u>
<u>Debt Service</u>			
Lease Payments	\$	<u>5,383,627</u>	\$ <u>5,275,427</u>
Total, Estimated Allocations for Employee Benefits and Debt Service Appropriations Made Elsewhere in this Act	\$	<u>64,007,284</u>	\$ <u>67,292,343</u>

According to TPFA, as of August 31, 2014, outstanding revenue bond debt related to TFC- Lease Payments is estimated to be \$64.8 million and is expected to be paid off in fiscal year 2022.

**End of Article: Appropriations Compared to Base by Article / MOF Type and Code
84th Regular Session**

Lease Payments - House

	Exp 2013	Est 2014	Bud 2015	Total Biennium 2014-2015	Rec 2016	Rec 2017	Total Rec 2016- 2017	Difference
ARTICLE I - GENERAL GOVERNMENT	\$10,632,385	\$10,480,964	\$2,556,179	\$13,037,143	\$2,137,861	\$2,036,402	\$4,174,263	\$(8,862,880)
ARTICLE II - HEALTH AND HUMAN SERVICES	\$6,111,287	\$6,206,356	\$2,483,243	\$8,689,599	\$1,968,785	\$1,456,596	\$3,425,381	\$(5,264,218)
ARTICLE III - AGENCIES OF EDUCATION	\$2,412,640	\$2,463,527	\$2,595,069	\$5,058,596	\$2,271,245	\$2,271,028	\$4,542,273	\$(516,323)
ARTICLE IV - THE JUDICIARY	\$2,285,746	\$2,290,175	\$0	\$2,290,175	\$82	\$0	\$82	\$(2,290,093)
ARTICLE V - PUBLIC SAFETY AND CRIMINAL JUSTICE	\$1,914,092	\$1,918,938	\$211,430	\$2,130,368	\$243,891	\$223,373	\$467,264	\$(1,663,104)
ARTICLE VI - NATURAL RESOURCES	\$3,208,295	\$3,101,408	\$2,917,477	\$6,018,885	\$2,261,632	\$2,240,817	\$4,502,449	\$(1,516,436)
ARTICLE VII - BUSINESS AND ECONOMIC DEVELOPMENT	\$1,036,887	\$942,413	\$725,852	\$1,668,265	\$706,168	\$679,811	\$1,385,979	\$(282,286)
ARTICLE VIII - REGULATORY	\$1,084,160	\$1,109,646	\$768,002	\$1,877,648	\$516,371	\$499,898	\$1,016,269	\$(861,379)
ARTICLE X - THE LEGISLATURE	\$8,249,049	\$8,428,047	\$8,993,042	\$17,421,089	\$7,243,209	\$3,352,869	\$10,596,078	\$(6,825,011)
Total	\$36,934,541	\$36,941,474	\$21,250,294	\$58,191,768	\$17,349,244	\$12,760,794	\$30,110,038	\$(28,081,730)
METHOD OF FINANCING:								
General Revenue Funds								
1 General Revenue Fund	\$36,679,135	\$36,664,878	\$20,922,810	\$57,587,688	\$17,184,178	\$12,593,260	\$29,777,438	\$(27,810,250)
Subtotal, General Revenue Funds	\$36,679,135	\$36,664,878	\$20,922,810	\$57,587,688	\$17,184,178	\$12,593,260	\$29,777,438	\$(27,810,250)
Gr Dedicated								
36 Dept Ins Operating Acct	\$255,406	\$276,596	\$327,484	\$604,080	\$165,066	\$167,534	\$332,600	\$(271,480)
Subtotal, Gr Dedicated	\$255,406	\$276,596	\$327,484	\$604,080	\$165,066	\$167,534	\$332,600	\$(271,480)
Total, Method of Financing	\$36,934,541	\$36,941,474	\$21,250,294	\$58,191,768	\$17,349,244	\$12,760,794	\$30,110,038	\$(28,081,730)

Revenue Bonds for Lease Payments - End of Articles I - X

Section 4

**Lease Payments on Revenue Bonds
Performance Review and Policy Report Highlights - House**

Reports & Recommendations	Savings/ (Cost)	Gain/ (Loss)	Fund Type	Included in Introduced Bill	Action Required During Session
---------------------------	--------------------	-----------------	--------------	--------------------------------	--------------------------------

NO RELATED RECOMMENDATIONS

Section 6

Lease Payments

Items not Included in the Recommendations - House

NONE

Section 7

**Lease Payments
Summary of 10 Percent Biennial Base Reduction Options - House**

Priority	Item	Description/Impact	Biennial Reduction Amounts				Reduction as % of Program GR/GR-D Total	Included in Intro Bill?
			GR and GR-Dedicated	All Funds	FTEs	Potential Revenue Loss		
TOTAL, 10% Reduction Options			<u>\$0</u>	<u>\$0</u>		<u>\$0</u>		

Revenue Bond Lease Payments are not subject to the 10% biennial base reduction exercise.