

**Public Finance Authority
Summary of Recommendations - House**

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Method of Financing	2018-19 Base	2020-21 Recommended	Biennial Change (\$)	Biennial Change (%)
General Revenue Funds	\$1,709,352	\$1,581,940	(\$127,412)	(7.5%)
GR Dedicated Funds	\$0	\$0	\$0	0.0%
<i>Total GR-Related Funds</i>	<i>\$1,709,352</i>	<i>\$1,581,940</i>	<i>(\$127,412)</i>	<i>(7.5%)</i>
Federal Funds	\$0	\$0	\$0	0.0%
Other	\$1,300,747	\$1,295,736	(\$5,011)	(0.4%)
All Funds	\$3,010,099	\$2,877,676	(\$132,423)	(4.4%)

	FY 2019 Budgeted	FY 2021 Recommended	Biennial Change	Percent Change
FTEs	15.0	14.0	(1.0)	(6.7%)

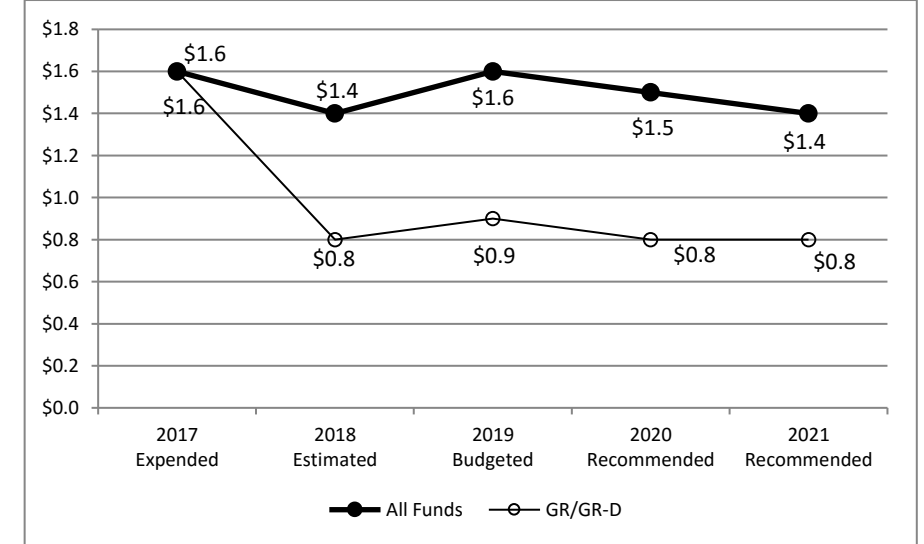
Agency Budget and Policy Issues and/or Highlights

- The Texas Public Finance Authority serves as a state issuer of general obligation and revenue bonds for designated state agencies primarily for capital projects. The agency also administers the Master Lease Purchase Program which is a revenue commercial paper program used to finance equipment acquisitions by state agencies.

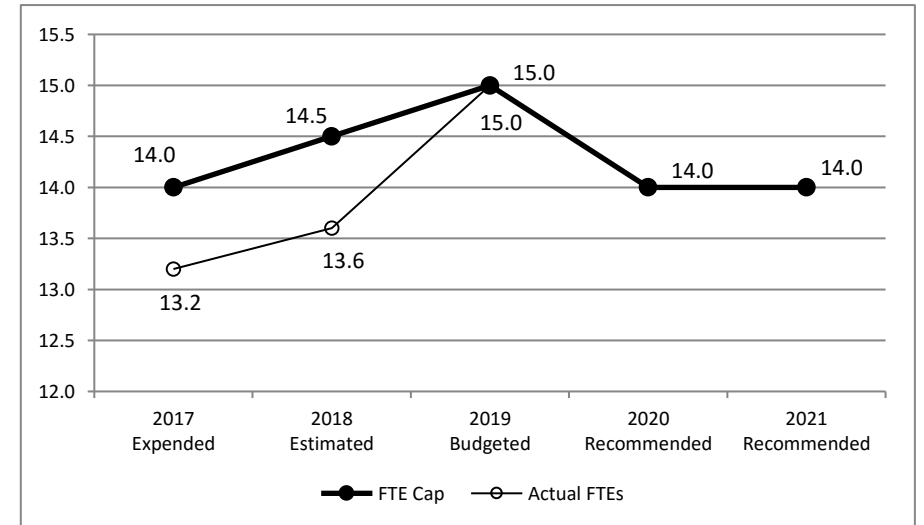
The bill pattern for this agency (2020-21 Recommended) represents an estimated 100% of the agency's estimated total available funds for the 2020-21 biennium.

Section 1

Historical Funding Levels (Millions)



Historical Full-Time-Equivalent Employees (FTEs)



Public Finance Authority
Summary of Funding Changes and Recommendations - House

Section 2

Funding Changes and Recommendations for the 2020-21 Biennium compared to the 2018-19 Base Spending Level	General Revenue	GR-Dedicated	Federal Funds	Other Funds	All Funds	Strategy in Appendix A
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<i>OTHER Funding Changes and Recommendations (these issues are not addressed in Section 3 but details are provided in Appendix A):</i>

A)	One-time appropriations for CAPPS in the 2018-19 biennium are removed from 2020-21.	(\$127,412)	\$0	\$0	\$0	(\$127,412)	A.1.1, A.2.1
B)	IT services provided to the Bond Review Board in the 2018-19 biennium through an interagency contract are not assumed to continue in 2020-21.	\$0	\$0	\$0	(\$5,011)	(\$5,011)	A.1.1, A.2.1

TOTAL SIGNIFICANT & OTHER Funding Changes and Recommendations	(\$127,412)	\$0	\$0	(\$5,011)	(\$132,423)	As Listed
<i>SIGNIFICANT & OTHER Funding Increases</i>	\$0	\$0	\$0	\$0	\$0	As Listed
<i>SIGNIFICANT & OTHER Funding Decreases</i>	(\$127,412)	\$0	\$0	(\$5,011)	(\$132,423)	As Listed

NOTE: Totals may not sum due to rounding.

**Public Finance Authority
Selected Fiscal and Policy Issues - House**

1. **Method of Finance for Agency Administration.** Recommendations continue funding of \$295,736 in Bond Revenue proceeds set-asides and \$1.0 million in TPFA Series B Master Lease Project Funds for the 2020-21 biennium.

For the 2020-2021 biennium, TPFA requests an additional \$753,800 in Revenue Bond proceed set-asides to fund agency administration offset by a \$400K decrease in requested appropriations from TPFA Series B Master Lease Project Fund and a decrease of \$5,011 in Interagency Contracts. The net \$348,789 request would fund the following agency operations:

- \$94,000 – Merit pool for staff salaries to provide promotions or merit raises
- \$132,000 – Exempt salary increase for the executive director up to \$200,000 from \$140,980
- \$18,500 – Computer refresh for two laptops, one Surface Pro tablet, and four Surface Book tablets
- \$79,300 – Debt Management System ongoing costs and enhancements
- \$24,989 – Renovation of office space to create additional office

The agency factors the amount needed for agency administration into revenue bond issuance costs for other agencies. Before the 2018-19 biennium in which the agency was appropriated \$295,736 in Bond Revenue proceeds set-asides, the agency last received this method of finance in the 76th Legislative session.

**Public Finance Authority
Rider Highlights - House**

Modification of Existing Riders

3. **Informational Listing of Appropriated Funds.** Recommendations revise this rider to reflect updated total debt service requirements of \$307.3 million in FY 2020 and \$323.0 million in FY 2021.
4. **Appropriation Transfer Authority of Interest and Sinking Funds for General Obligation Bond Debt Service Payments.** Recommendations revise this rider to align with current business practices of TPFA and the Comptroller.
11. **Information Listing Master Lease Purchase Program Lease Payments.** Recommendations revise this rider to reflect recommended Master Lease Purchase Program payments at affected agencies.

Deleted Riders

3. **Capital Budget.** Recommendations delete this rider as funding has been expended for the intended purpose.

Public Finance Authority
Items Not Included in Recommendations - House

Section 5

		2020-21 Biennial Total					
		GR & GR-D	All Funds	FTEs	Information Technology Involved?	Contracting Involved?	Estimated Continued Cost 2022-23
Agency Exceptional Items - In Agency Priority Order							
1)	Additional funding and related FTE to complete CAPPS implementation.	\$41,200	\$0	0.5	No	No	\$0
2)	Merit pool funds for staff promotions and merit increases.	\$0	\$94,000	0.0	No	No	\$97,300
3)	Authority and funding for Executive Director salary increase. The agency is requesting an increase in authority and funding for the Executive Director Exempt position from \$140,980 to \$200,000 per year. The agency is also requesting a change from the current Group 4 classification to Group 6.	\$0	\$132,000	0.0	No	No	\$132,000
4)	Funds for Debt Management System procurement, installation, data migration, and training.	\$0	\$79,300	0.0	Yes	No	\$63,000
5)	Funds for the replacement of computers at the end of their 5-year life cycle.	\$0	\$18,500	0.0	Yes	Yes	\$0
6)	Modification to Rider 6, Appropriation and Transfer Authority for Revenue Commercial Paper Programs: Payments and Administrative Fees to allow unexpended balances and increased revenue commercial paper program funds to pay for agency administration.	\$0	\$0	0.0	No	No	\$0
TOTAL Items Not Included in Recommendations		\$41,200	\$323,800	0.5	\$292,300		

**Public Finance Authority
Appendices - House**

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* Appendix is not included - no significant information to report

Public Finance Authority					
Funding Changes and Recommendations - House, by Strategy -- ALL FUNDS					
Strategy/Goal	2018-19 Base	2020-21 Recommended	Biennial Change	% Change	Comments
ANALYZE FINANCINGS AND ISSUE DEBT A.1.1	\$1,499,029	\$1,433,081	(\$65,948)	(4.4%)	Recommendations reflect a decrease of \$63,453 in CAPPs-related funding appropriated in the 2018-19 biennium and a decrease of \$2,495 in Interagency Contracts with Bond Review Board for IT services.
MANAGE BOND PROCEEDS A.2.1	\$1,511,070	\$1,444,595	(\$66,475)	(4.4%)	Recommendations reflect a decrease of \$63,959 in CAPPs-related funding appropriated in the 2018-19 biennium and a decrease of \$2,516 in Interagency Contracts with Bond Review Board for IT services.
BOND DEBT SERVICE PAYMENTS A.2.2	\$0	\$0	\$0	0.0%	
Total, Goal A, FINANCE CAPITAL PROJECTS	\$3,010,099	\$2,877,676	(\$132,423)	(4.4%)	
Grand Total, All Strategies	\$3,010,099	\$2,877,676	(\$132,423)	(4.4%)	

Public Finance Authority
FTE Highlights - House

Full-Time-Equivalent Positions	Expended 2017	Estimated 2018	Budgeted 2019	Recommended 2020	Recommended 2021
Cap	14.0	14.5	15.0	14.0	14.0
Actual/Budgeted	13.2	13.6	15.0	NA	NA

Schedule of Exempt Positions (Cap)					
Executive Director, Group 4	\$130,091	\$140,980	\$140,980	\$140,980	\$140,980

Notes:

a) The State Auditor's Office Report, Executive Compensation at State Agencies (Report No. 18-705, August 2018), indicates a market average salary of \$159,994 for the Executive Director position at the Public Finance Authority and recommends a change from the current Group 4 classification to Group 5. The agency is requesting additional funding to increase the salary cap for the Executive Director Position from \$140,980 to \$200,000 and authority to change this exempt position from the current Group 4 classification to Group 6.

Public Finance Authority
Summary of Ten Percent Biennial Base Reduction Options Recommendations - House

Priority	Item	Description/Impact	Biennial Reduction Amounts			Potential Revenue Loss	Reduction as % of Program GR/GR-D Total	Program GR/GR-D Total	Included in Introduced Bill?
			GR & GR-D	All Funds	FTEs				
1)	Elimination of 1 FTE for Analyzing Agency Financing Applications and Issuing Debt	Reduction will eliminate salaries and other personnel costs for one FTE, staff training and related travel, and reduces travel for TPFA board members.	\$85,126	\$85,126	1.0	\$0	6%	\$1,433,082	No
2)	Elimination of 1 FTE for Managing Bond Proceeds and Monitoring Covenants to Ensure Compliance	Reduction will eliminate salaries and other personnel costs for one FTE, staff training and related travel, and reduces travel for TPFA board members.	\$85,809	\$85,809	1.0	\$0	6%	\$1,444,595	No
TOTAL, 10% Reduction Options			\$170,935	\$170,935	2.0	\$0			