

Section 1

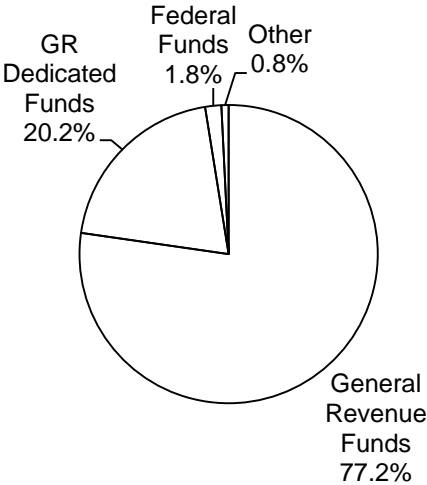
Texas Public Finance Authority - General Obligation (GO) Bond Debt Service  
Summary of Recommendations - Senate

Page: I-50  
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| Method of Financing    | 2012-13<br>Base | 2014-15<br>Recommended | Biennial<br>Change | %<br>Change |
|------------------------|-----------------|------------------------|--------------------|-------------|
| General Revenue Funds  | \$484,835,199   | \$531,221,084          | \$46,385,885       | 9.6%        |
| GR Dedicated Funds     | \$52,534,507    | \$138,803,995          | \$86,269,488       | 164.2%      |
| Total GR-Related Funds | \$537,369,706   | \$670,025,079          | \$132,655,373      | 24.7%       |
| Federal Funds          | \$12,039,960    | \$12,039,960           | \$0                | 0.0%        |
| Other                  | \$2,509,463     | \$5,359,434            | \$2,849,971        | 113.6%      |
| All Funds              | \$551,919,129   | \$687,424,473          | \$135,505,344      | 24.6%       |

RECOMMENDED FUNDING  
BY METHOD OF FINANCING

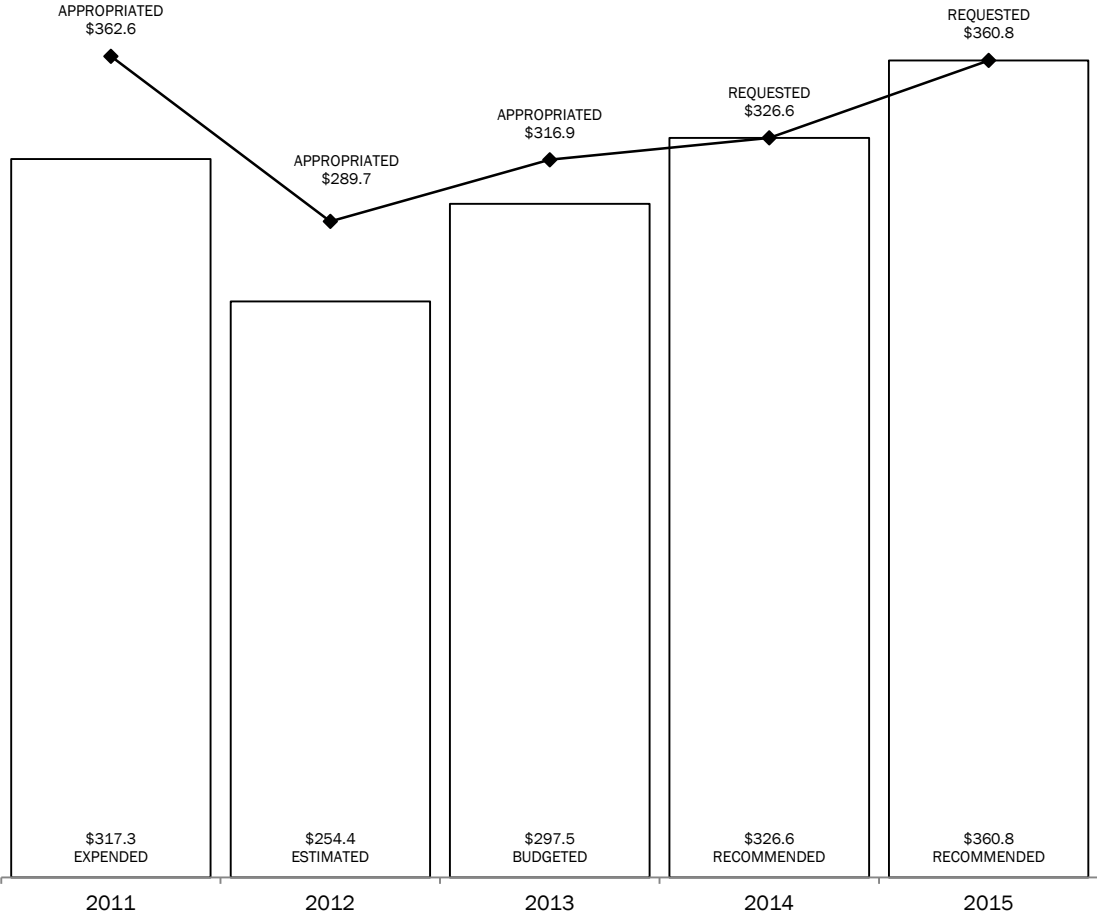


The bill pattern for this agency (2014-15 Recommended) represents an estimated 100% of the agency's estimated total available funds for the 2014-15 biennium.

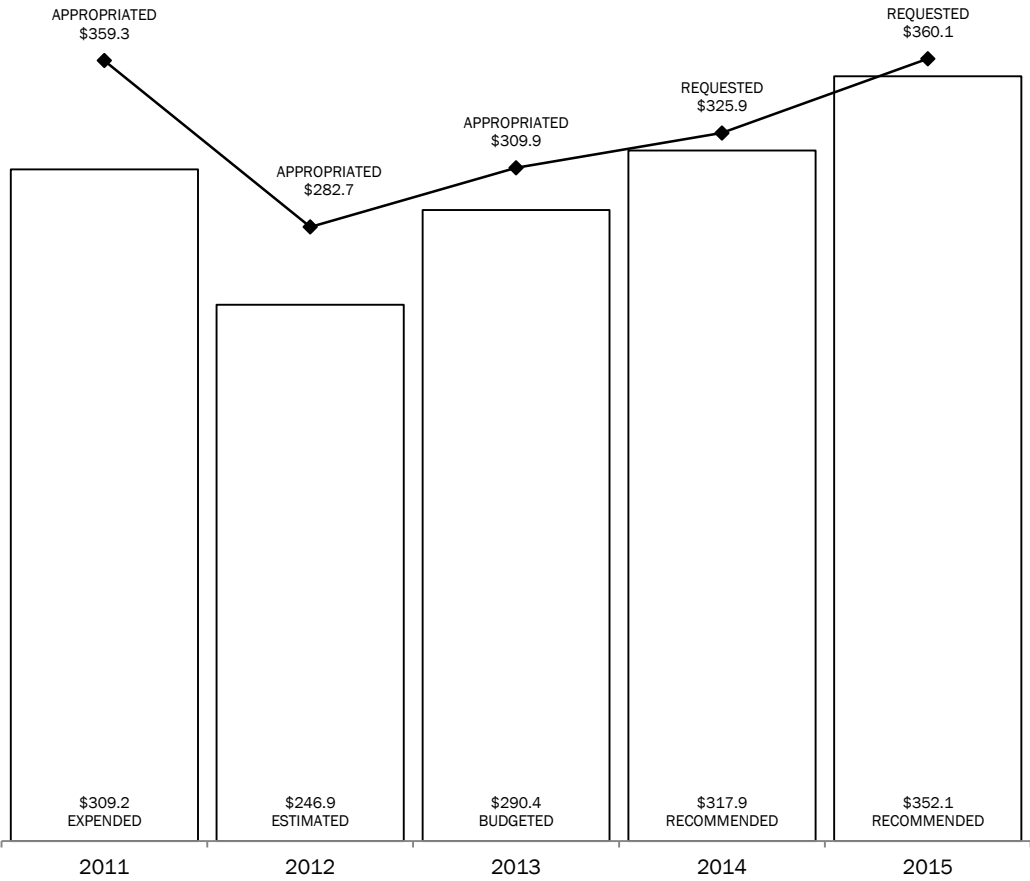
Section 1  
Texas Public Finance Authority - General Obligation (GO) Bond Debt Service  
2014-2015 BIENNIUM  
IN MILLIONS

TOTAL= \$687.4 MILLION

ALL FUNDS



GENERAL REVENUE AND  
GENERAL REVENUE-DEDICATED FUNDS



Section 2

Texas Public Finance Authority - General Obligation (GO) Bond Debt Service  
Summary of Recommendations - Senate, By Method of Finance -- ALL FUNDS

| Strategy/Goal                           | 2012-13<br>Base | 2014-15<br>Recommended | Biennial<br>Change | %<br>Change | Comments  |
|---|-----------------|------------------------|--------------------|-------------|---|
|   |                 |                        |                    |             | Recommendations provide for debt service on existing debt and general obligation bonds expected to be issued in fiscal year 2013.   |
|   |                 |                        |                    |             | The increase of \$135.5 million in debt service is related to delayed issuance of \$73.9 million in bonds for the Cancer Prevention and Research of Texas for cancer research and prevention grants, \$45.7 million related to Proposition 4 bonds appropriated in the 2012-13 biennium, \$3.6 million related to Colonias Roadway Bonds, and \$12.3 million related to expected issuance of Texas Military Value Revolving Loan bonds in fiscal year 2013. |
| BOND DEBT SERVICE A.1.1                 | \$551,919,129   | \$687,424,473          | \$135,505,344      | 24.6%       |   |
| Total, Goal A, FINANCE CAPITAL PROJECTS | \$551,919,129   | \$687,424,473          | \$135,505,344      | 24.6%       |   |
| Grand Total, All Strategies             | \$551,919,129   | \$687,424,473          | \$135,505,344      | 24.6%       |   |

Section 2

Texas Public Finance Authority - General Obligation (GO) Bond Debt Service  
Summary of Recommendations - Senate, By Method of Finance -- GENERAL REVENUE FUNDS

| Strategy/Goal                           | 2012-13<br>Base | 2014-15<br>Recommended | Biennial<br>Change | %<br>Change | Comments  |
|---|-----------------|------------------------|--------------------|-------------|---|
|   |                 |                        |                    |             | Recommendations include an increase of \$38.8 million in General Revenue for debt service related to bonds appropriated for various capital projects in the 2012-13 biennium that were issued in fiscal year 2012 and are expected to be issued in fiscal year 2013.  |
|   |                 |                        |                    |             | Recommendations include an increase of \$7.6 million in GR Account 400 - Sporting Goods Sales Tax - Transfer to State Parks Account No. 64 for debt services related to \$32.4 million in bonds appropriated to Texas Parks and Wildlife Department in the 2012-13 biennium that were issued in fiscal year 2012. |
| BOND DEBT SERVICE A.1.1                 | \$484,835,199   | \$531,221,084          | \$46,385,885       | 9.6%        |   |
| Total, Goal A, FINANCE CAPITAL PROJECTS | \$484,835,199   | \$531,221,084          | \$46,385,885       | 9.6%        |   |
| Grand Total, All Strategies             | \$484,835,199   | \$531,221,084          | \$46,385,885       | 9.6%        |   |

Section 2

Texas Public Finance Authority - General Obligation (GO) Bond Debt Service  
Summary of Recommendations - Senate, By Method of Finance -- GR DEDICATED

| Strategy/Goal                           | 2012-13<br>Base | 2014-15<br>Recommended | Biennial<br>Change | %<br>Change | Comments   |
|---|-----------------|------------------------|--------------------|-------------|--|
|   |                 |                        |                    |             | Recommendations include an increase of approximately \$73.9 million (\$37.0 million in General Revenue - Dedicated Account No. 5044, \$18.5 million in General Revenue - Dedicated Account No. 5045, and \$18.5 in General Revenue - Dedicated Account No. 5046) for debt service related to delays in issuances of bonds for grants for the Cancer Prevention and Research Institute of Texas (See Selected Fiscal and Policy Issues #3). House Bill 2251, Eighty-Second Legislature, 2011 amended statute to allow TPFA to issue bonds on behalf of CPRIT on an as needed basis which has led to delays in issuance. As a result, TPFA issues short-term debt based on CPRIT's expenditure schedule. |
|   |                 |                        |                    |             | Recommendations also include an increase of \$12.3 million in GR-Dedicated - Texas Military Revolving Loan Account No. 5114 for increased debt service requirements of \$49.5 million in outstanding bond proceeds issued in fiscal year 2007 and expected issuance of \$77.3 million in fiscal year 2013 for loans to defense communities for economic development projects.  |
|   |                 |                        |                    |             | Recommendations also continue estimated appropriation authority for debt service out of GR-Dedicated - Texas Military Value Revolving Loan Account No. 5114 for approximately \$123.1 million in remaining general obligation bond authority for the Texas Military Value Revolving Loan program at the Texas Military Preparedness Commission, a Trusteed Program within the Office of the Governor.  |
| BOND DEBT SERVICE A.1.1                 | \$52,534,507    | \$138,803,995          | \$86,269,488       | 164.2%      |  |
| Total, Goal A, FINANCE CAPITAL PROJECTS | \$52,534,507    | \$138,803,995          | \$86,269,488       | 164.2%      |  |
| Grand Total, All Strategies             | \$52,534,507    | \$138,803,995          | \$86,269,488       | 164.2%      |  |

Section 2

Texas Public Finance Authority - General Obligation (GO) Bond Debt Service  
Summary of Recommendations - Senate, By Method of Finance -- FEDERAL FUNDS

| Strategy/Goal                           | 2012-13<br>Base | 2014-15<br>Recommended | Biennial<br>Change | %<br>Change | Comments  |
|---|-----------------|------------------------|--------------------|-------------|---|
|   |                 |                        |                    |             | Recommendations maintain Federal Funds primarily related to debt service subsidy for the issuance of approximately \$181.6 million in general obligation Build America Bonds for various construction projects in fiscal year 2009. |
|   |                 |                        |                    |             | Note: The Build America Bonds debt service subsidy is subject to the sequestration provision of the Federal Budget Control Act (See Selected Fiscal and Policy Issue Item #4).  |
| BOND DEBT SERVICE A.1.1                 | \$12,039,960    | \$12,039,960           | \$0                | 0.0%        |   |
| Total, Goal A, FINANCE CAPITAL PROJECTS | \$12,039,960    | \$12,039,960           | \$0                | 0.0%        |   |
| Grand Total, All Strategies             | \$12,039,960    | \$12,039,960           | \$0                | 0.0%        |   |

Section 2

Texas Public Finance Authority - General Obligation (GO) Bond Debt Service  
Summary of Recommendations - Senate, By Method of Finance -- OTHER FUNDS

| Strategy/Goal                           | 2012-13<br>Base | 2014-15<br>Recommended | Biennial<br>Change | %<br>Change | Comments   |
|---|-----------------|------------------------|--------------------|-------------|--|
|   |                 |                        |                    |             | Recommendation include an increase of \$2.9 million for debt service primarily related to an increase in the availability of funds out of fund 8031 - MH Collections for Patient Support and Maintenance (\$717,682) and fund 8033 - MH Appropriated Receipts (\$2,647,578). This increase is offset by a decrease of \$515,289 in available Current Fund Balance. |
| BOND DEBT SERVICE A.1.1                 | \$2,509,463     | \$5,359,434            | \$2,849,971        | 113.6%      |  |
| Total, Goal A, FINANCE CAPITAL PROJECTS | \$2,509,463     | \$5,359,434            | \$2,849,971        | 113.6%      |  |
| Grand Total, All Strategies             | \$2,509,463     | \$5,359,434            | \$2,849,971        | 113.6%      |  |

**Texas Public Finance Authority – General Obligation (GO) Bond Debt  
Selected Fiscal and Policy Issues**

1. **TPFA General Obligation Bond Debt Service Recommendations.** Recommendations reflect an increase of \$135.5 million in debt service requirements for the 2014-15 biennium. This is related to delayed issuance of bonds for the Cancer Prevention and Research Institute of Texas (CPRIT) for cancer research and prevention grants and debt service (\$73.9 million), 2012-13 appropriation of \$182.4 million in proceeds out of Proposition 4 bonds (\$49.3 million), and expected issuance of \$77.3 million in Texas Military Value Revolving Loan Bonds in January 2013 (\$12.3 million).

Recommendations include payment of principal and interest and ongoing issuance costs in each fiscal year for General Obligation (GO) bonds issued and GO bonds anticipated to be issued through fiscal year 2013. (See attachment “Texas Public Finance Authority General Debt Service Outstanding and Appropriated and Unissued 2014-15 Biennium.”)

Amounts included in the recommendations are subject to change due to possible interest rate fluctuations for variable rate commercial paper and future issuances of fixed rate general obligation bonds. Interest rates used for debt service estimates are as follows:

- 6.0 percent in fiscal year 2014 and fiscal year 2015 for fixed rate GO bonds; and
- 4.5 percent in each fiscal year of the 2014-15 biennium for fixed rate tax-exempt GO Commercial Paper.

During fiscal year 2012, market conditions have provided a less than 0.3 percent interest rate for the issuance of GO commercial paper. However, due to the volatility of the bond market, interest rates are assumed at 4.5 percent for GO commercial paper as noted above.

TPFA requested approximately \$667.0 million in General Revenue for outstanding GO Bond debt service. LBB Recommendations include \$531.2 million in General Revenue for debt service, a difference of \$135.7 million. LBB recommendations for the increase include the following appropriations out of funds other than General Revenue:

- \$119.8 million in balances out of certain Tobacco Settlement Funds for CPRIT debt service;
- \$7.3 million in Federal Funds for federal subsidies related to Build America Bonds across all articles;
- \$4.7 out of Federal Funds available for Department of Aging and Disability Service and Department of State Health Services debt service; and
- \$3.9 million in receipts generated from Other Funds for Department of Aging and Disability Service and Department of State Health Services debt service.

2. **Substitution of Projects Funded with Bond Proceeds.** Recommendations include a provision to Art. IX, Sec. 17.02, Appropriation of Proposition 4 General Obligation Bond Proceeds, outlining a new project substitution process for agencies appropriated General Obligation bond proceeds. If an agency needs to substitute a project for a previously approved project, they must submit a letter to TPFA and the LBB requesting such substitution. TPFA will review the request to ensure compliance with all bond covenants. LBB staff will independently review the request and forward their review to the Board. If the Board does not issue a written disapproval within 15 business days from the date staff concludes their review, the request will be



considered approved. This process was updated in order to allow for a shortened approval time for small substitution requests. See also, Section 5, Rider Highlights.

3. **Certain Tobacco Settlement Funds for CPRIT Debt Service.** Sections 28.01-28.03 of Senate Bill 1 of the Eighty-Second Legislature, 1<sup>st</sup> Called Session, 2011, amended Texas Government Code Chapter 403, Sections 105, 1055, and 106 to allow certain Tobacco Settlement Funds to pay principal or interest for bonds issued for the Cancer Prevention and Research Institute of Texas (CPRIT). The appropriated amounts are transferred from three funds outside the treasury on an as needed basis. For the 2012-13 biennium, the legislature appropriated \$78.1 million combined out of these three funds in order to pay for debt service associated with CPRIT bonds. Debt service for CPRIT bonds for 2014-15 is estimated, by TPFA, to be \$119.8 million on existing bonds. LBB recommendations include approximately \$59.9 million out of General Revenue - Dedicated Account No. 5044, Permanent Fund for Health and Tobacco Education and Enforcement, and approximately \$30 million out of General Revenue - Dedicated Accounts No. 5045 and 5046, Permanent Fund for Children and Public Health and Permanent Fund for Emergency Medical Services and Trauma, respectively. The table below provides appropriation by fund for the 2012-13 biennium and recommended amounts for the 2014-15 biennium, as well as fund balance as of December 31, 2012.

| <b>General Revenue – Dedicated Fund</b>                                  | <b>Estimated Balance as of 8/31/2011</b> | <b>2012-13 Appropriation</b> | <b>2014-15 Estimated Debt Service Requirement in Recs (existing bonds)</b> | <b>Remaining Estimated Balance Available for 2014-15 Debt Service Related to CPRIT</b> |
|--|--|------------------------------|--|--|
| Permanent Fund for Health and Tobacco Education and Enforcement No. 5044 | \$178,286,264                            | \$23,006,739                 | \$59,901,273   | \$95,378,252   |
| Permanent Fund for Children and Public Health No. 5045                   | \$89,143,476                             | \$11,503,670                 | \$29,950,637   | \$47,689,169   |
| Permanent Fund for Emergency Medical Services and Trauma Care No. 5046   | \$89,143,457                             | \$11,503,670                 | \$29,950,636   | \$47,689,151   |
| <b>Total</b>   | <b>\$356,573,197</b>                     | <b>\$46,014,079</b>          | <b>\$119,802,546</b>   | <b>\$190,756,572</b>   |

Source: LBB, Texas Public Finance Authority, & Texas Treasury Safekeeping Trust Company

According to the Texas Treasury Safekeeping Trust Company, approximately 25 percent of all assets held within each fund are illiquid or include assets that cannot be exchanged for cash quickly or without a loss of value. Assuming no new issuances, estimates indicate that Tobacco Settlement Funds will not be sufficient to pay for CPRIT debt service beyond the 2014-15 biennium. Estimates for the 2014-15 and 2016-17 biennium assume no new appropriations in either biennium and interest rates of 6.0 percent through fiscal year 2015 and 7.5 percent interest thereafter. The remaining balance of \$92.5 million indicates the amount available to pay debt service on any new CPRIT bonds appropriated in the 2014-15 biennium. The Department of State Health Services (DSHS) receives appropriations out of Tobacco Settlement GR-D accounts noted above, which includes interest accrued from the corpus of the funds. Spending down the corpuses of these funds to pay for CPRIT debt service would decrease the amount of interest available for appropriation to DSHS to provide for certain public health services to communities and various grant programs.

4. **Build America Bonds.** Recommendations include approximately \$7.3 million out of Federal Funds related to a debt service subsidy for the issuance of approximately \$181.6 million in Build America Bonds (BAB) issued on behalf of several client agencies. The federal BAB program authorizes state and local governmental entities to issue two types of taxable bonds with federal subsidies to offset borrowing costs.
- The first type of BAB program provides federal tax credits to the bond buyers or investors in an amount equal to 35 percent of the total interest payments paid by the issuing agency.
  - The second type of BAB program provides a federal subsidy through a refundable tax credit paid directly to state or local governmental issuers in an amount equal to 35 percent of the total interest payment made to investors.

TPFA elected to receive a direct subsidy of 35 percent of the interest payments, estimated to be \$56.5 million over the 20-year life of the bonds, including \$5.8 million in the 2010-11 biennium and \$7.3 million in the 2012-13 biennium. However, continuation of the funding for the federal debt subsidy is subject to annual reauthorization by the U.S. Congress. Additionally, the federal Budget Control Act includes a provision that, if passed, would reduce BABs subsidies by up to 7.6 percent across the board. If passed, additional General Revenue appropriations of up to \$554,800 would be necessary to offset the decrease due to the Constitutional pledge that general obligation bond debt is backed by the full faith and credit of the state.

The federal Budget Control Act of 2011 does not include a provision to sequester Federal Funds appropriated to TPFA for debt service related to Department of Aging and Disability Services and Department of State Health Services.

5. **Remaining Bond Authority and Requests for Bond Proceeds.** Approximately \$146.2 million in Proposition 4 (SJR 65, Eightieth Legislature, 2007) general obligation bond authority is available for appropriation in the 2014-15 biennium. The Proposition 8 (HJR 97, Seventy-Seventh Legislature, 2001) general obligation bond authority of \$850 million was exhausted as a result of 2010-11 appropriations.

Several agencies eligible to receive Proposition 4 bonds have requested approximately \$ 623.9 million in bond proceeds for various capital projects. Agencies requesting GO bond proceeds for capital projects were asked to categorize projects into four categories: health & safety, deferred maintenance, maintenance, and new construction. (See attachment, “General Obligation Bonds and related Debt Service 2014-15 Biennium.”) The table below provides a summary of bonds requested by category.

**Summary of GO Bonds Requested for the 2014-15 Biennium**

| Category             | Bond Proceeds           | Debt Service        |
|----------------------|-------------------------|---------------------|
| Health & Safety      | \$395,712,345.00        | \$28,462,550        |
| Deferred Maintenance | \$93,790,213.00         | \$5,224,905         |
| Maintenance          | \$81,500,000.00         | \$9,234,508         |
| New Construction     | \$52,886,150.00         | \$5,879,854         |
| <b>Total</b>         | <b>\$623,888,708.00</b> | <b>\$48,801,817</b> |

If the Legislature were to pass a bill authorizing additional general obligation bonds and voters approved it, the new authorization would have an impact on the Constitutional Debt Limit (CDL). As a reminder, Article III, Section 49(j) of the Texas Constitution limits the authorization of additional state debt if in any fiscal year the resulting annual debt service payable from the unrestricted General Revenue Fund – excluding revenues constitutionally dedicated for purposes other than state debt payment – exceeds 5 percent of the average annual unrestricted General Revenue

Funds for the previous three years. As of August 31, 2012, the ratios were 1.34 percent for issued debt and 3.48 for issued and authorized but unissued debt. The table below provides three scenarios that estimate the impact new authorizations would have on the CDL, assuming no other changes to the components within the calculation.

Estimate of CDL Impact for Various GO Bond Authorizations

| Authorization | Incremental Impact | Potential CDL Impact |
|---------------|--------------------|----------------------|
| \$2 billion   | 0.46 percent       | 3.94 percent         |
| \$1 billion   | 0.23 percent       | 3.71 percent         |
| \$500 million | 0.11 percent       | 3.59 percent         |

Source: LBB

6. **Outstanding General Obligation Bond Debt.** As of August 31, 2012, TPFA had approximately \$2,130.4 million in outstanding general obligation bond debt including \$1,954.6 million in outstanding general obligation bond debt or long-term fixed rate debt, and \$175.8 million in general obligation commercial paper or short-term debt. TPFA is the largest state issuer of general obligation debt which is backed by the full faith and credit of the state. TPFA utilizes both long-term and short-term debt instruments for the issuance of debt on behalf of its client agencies. Long-term debt instruments provide for fixed or variable rate debt for five or more years. Short-term or commercial paper debt instruments provide for variable rate debt for 1 to 270 days. If no new debt is issued, TPFA would pay of all general obligation bond debt by fiscal year 2032.

| Agency  | 2012-13<br>Appropriation | 2014-15<br>Requested Bond<br>Proceeds | Debt Service for<br>Requested Bond<br>Proceeds | Adopted 2014-15<br>Biennial Total<br>for Bond<br>Proceeds | Adopted 2014-15<br>Biennial Total for<br>Debt Service |
|---|--------------------------|---------------------------------------|--|---|---|
| <b>Texas Facilities Commission</b>                      |                          |                                       |  |   |   |
| Deferred Maintenance for Facilities                     | \$ 60,000,000            | \$ -                                  | \$ -   | NA  | NA  |
| Health and Safety                                       | \$ -                     | \$ 175,625,600                        | \$ 17,562,560                                  | NA  | NA  |
| Deferred Maintenance                                    | \$ -                     | \$ 5,631,000                          | \$ 563,100                                     | NA  | NA  |
| <b>Texas Historical Commission</b>                      |                          |                                       |  |   |   |
| Repair and renovation of courthouses                    | \$ 20,000,000            | \$ -                                  | \$ -   | NA  | NA  |
| New Construction - Repair and renovation of courthouses | \$ -                     | \$ 20,000,000                         | \$ 2,832,671                                   | NA  | NA  |
| <b>Department of State Health Services</b>              |                          |                                       |  |   |   |
| Critical Repairs to Moreton Building                    | \$ 20,000,000            | \$ -                                  | \$ -   | NA  | NA  |
| Health and Safety                                       | \$ -                     | \$ 54,841,143                         | \$ 2,737,470                                   | NA  | NA  |
| Deferred Maintenance                                    | \$ -                     | \$ 21,525,748                         | \$ 396,119                                     | NA  | NA  |
| <b>Department of Aging and Disability Services</b>      |                          |                                       |  |   |   |
| New Construction  |                          | \$ 3,565,000                          | \$ 45,208                                      | NA  | NA  |
| Health and Safety                                       | \$ -                     | \$ 65,803,394                         | \$ 834,460                                     | NA  | NA  |
| Deferred Maintenance                                    | \$ -                     | \$ 19,176,576                         | \$ 243,002                                     | NA  | NA  |
| <b>Adjutant General's Department</b>                    |                          |                                       |  |   |   |
| Deferred Maintenance                                    | \$ -                     | \$ 22,500,000                         | \$ 3,228,750                                   | NA  | NA  |
| <b>Department of Criminal Justice</b>                   |                          |                                       |  |   |   |
| Repair and rehabilitation of facilities                 | \$ 50,000,000            | \$ -                                  | \$ -   | NA  | NA  |
| New Construction  | \$ -                     | \$ 17,500,000                         | \$ 2,413,861                                   |   |   |
| Health and Safety                                       | \$ -                     | \$ 75,030,000                         | \$ 6,862,804                                   | NA  | NA  |
| Deferred Maintenance                                    | \$ -                     | \$ 4,970,000                          | \$ 454,593                                     | NA  | NA  |

| Agency   | 2012-13<br>Appropriation | 2014-15<br>Requested Bond<br>Proceeds | Debt Service for<br>Requested Bond<br>Proceeds | Adopted 2014-15<br>Biennial Total<br>for Bond<br>Proceeds | Adopted 2014-15<br>Biennial Total for<br>Debt Service |
|--|--------------------------|---------------------------------------|--|---|---|
| <b>Department of Public Safety</b>             |                          |                                       |  |   |   |
| New Construction                               | \$ -                     | \$ 2,800,000                          | \$ 396,574                                     | NA  | NA  |
| Maintenance                                    | \$ -                     | \$ 81,500,000                         | \$ 9,234,508                                   | NA  | NA  |
| <b>Texas Juvenile Justice Department</b>       |                          |                                       |  |   |   |
| New Construction                               | \$ -                     | \$ 5,089,150                          | \$ 143,200                                     |   |   |
| Health and Safety                              | \$ -                     | \$ 10,422,208                         | \$ 293,263                                     | NA  | NA  |
| Deferred Maintenance                           | \$ -                     | \$ 5,908,889                          | \$ 166,266                                     | NA  | NA  |
| <b>Texas Parks and Wildlife Department</b>     |                          |                                       |  |   |   |
| Repair and replacement of statewide facilities | \$ 32,350,000            | \$ -                                  | \$ -   | NA  | NA  |
| New Construction                               | \$ -                     | \$ 3,932,000                          | \$ 48,340                                      | NA  | NA  |
| Health and Safety                              | \$ -                     | \$ 13,990,000                         | \$ 171,993                                     | NA  | NA  |
| Deferred Maintenance                           | \$ -                     | \$ 14,078,000                         | \$ 173,075                                     | NA  | NA  |
| <b>Total</b>                                   | <b>\$ 182,350,000</b>    | <b>\$ 623,888,708</b>                 | <b>\$ 48,801,817</b>                           | <b>NA</b>   | <b>NA</b>   |

**Summary**  
**Total General Obligation Bonds Available for Appropriation**

|  | <u>GO Bond Proceeds</u> | <u>GO Bond Debt Service</u> |
|--|-------------------------|-----------------------------|
| Proposition 8 (HJR 97, 77th Legislature, 2001) | \$ -                    | \$ -                        |
| Proposition 4 (SJR 65, 80th Legislature, 2007) | \$ 146,247,705          | \$ 20,986,546               |
|  | <u>\$ 146,247,705</u>   | <u>\$ 20,986,546</u>        |

Summary of GO Bonds Requested for 2014-15

|                      |                       |                      |
|----------------------|-----------------------|----------------------|
| Health and Safety    | \$ 395,712,345        | \$ 28,462,550        |
| Deferred Maintenance | \$ 93,790,213         | \$ 5,224,905         |
| Maintenance          | \$ 81,500,000         | \$ 9,234,508         |
| New Construction     | \$ 52,886,150         | \$ 5,879,854         |
|                      | <u>\$ 623,888,708</u> | <u>\$ 48,801,817</u> |

Note: Debt Service for approved projects funded with bond proceeds would be appropriated to the Texas Public Finance Authority.  
 In accordance with Article IX, Sec. 18.01 (GAA 2012-13 Biennium), projects funded with GO bond proceeds in the 2012-13 biennium have been approved by the LBB.

Section 4

TPFA - General Obligation Bonds  
Performance Review and Policy Report Highlights

| Reports & Recommendations | Report<br>Page | Savings/<br>(Cost) | Gain/<br>(Loss) | Fund<br>Type | Included<br>in Introduced Bill | Action Required During Session |
|---------------------------|----------------|--------------------|-----------------|--------------|--------------------------------|--------------------------------|
|---------------------------|----------------|--------------------|-----------------|--------------|--------------------------------|--------------------------------|

NO RELATED RECOMMENDATIONS

**Texas Public Finance Authority – General Obligation (GO) Bond Debt  
Rider Highlights**

- Art. **(Revise) Appropriation of Proposition 4 General Obligation Bond Proceeds.** Revise Article IX, Section 17.02 to identify bond proceeds appropriated in agency's bill patterns by the Eighty-third Legislature and continue LBB approval process prior to issuance of bonds by TPFA.
- IX, Include additional language to allow agencies to submit a written request to the LBB to substitute projects funded with bond proceeds and
- Sec. 17.02 substitutions would be considered approved if the LBB does not provide written disapproval within 15 business days.
- Art. **(Old) Transfer Authority for General Obligation Bond Debt Service.** Delete rider allowing transfer authority for TPFA GO Bond debt service
- IX, from fiscal year 2013 into fiscal year 2012.
- Sec. 18.10

**Section 6**

**Bond Debt**

**Items not Included in the Recommendations - Senate**

NONE



83rd Regular Session, LBB Recommended (House), Version 1  
TPFA GO Bond Debt Service

|   | Exp 2011             | Est 2012             | Bud 2013             | Total Biennium<br>2012-2013 | Rec 2014             | Rec 2015             | Total Rec<br>2014-2015 | Difference           |
|---|----------------------|----------------------|----------------------|-----------------------------|----------------------|----------------------|------------------------|----------------------|
| ARTICLE I - GENERAL GOVERNMENT                  | \$25,008,993         | \$28,848,581         | \$70,042,854         | \$98,891,435                | \$91,398,202         | \$113,469,036        | \$204,867,238          | \$105,975,803        |
| ARTICLE II - HEALTH AND HUMAN SERVICES          | \$31,807,114         | \$25,693,711         | \$30,129,810         | \$55,823,521                | \$26,561,343         | \$29,508,594         | \$56,069,937           | \$246,416            |
| ARTICLE III - AGENCIES OF EDUCATION             | \$5,008,699          | \$5,878,304          | \$8,069,547          | \$13,947,851                | \$10,459,445         | \$12,247,942         | \$22,707,387           | \$8,759,536          |
| ARTICLE V - PUBLIC SAFETY AND CRIMINAL JUSTICE  | \$239,600,679        | \$176,045,156        | \$164,997,941        | \$341,043,097               | \$171,035,628        | \$174,335,632        | \$345,371,260          | \$4,328,163          |
| ARTICLE VI - NATURAL RESOURCES                  | \$6,282,849          | \$7,437,722          | \$10,328,878         | \$17,766,600                | \$14,272,589         | \$16,087,914         | \$30,360,503           | \$12,593,903         |
| ARTICLE VII - BUSINESS AND ECONOMIC DEVELOPMENT | \$9,616,702          | \$10,546,194         | \$13,900,431         | \$24,446,625                | \$12,869,737         | \$15,178,411         | \$28,048,148           | \$3,601,523          |
| <b>Total</b>                                    | <b>\$317,325,036</b> | <b>\$254,449,668</b> | <b>\$297,469,461</b> | <b>\$551,919,129</b>        | <b>\$326,596,944</b> | <b>\$360,827,529</b> | <b>\$687,424,473</b>   | <b>\$135,505,344</b> |
| <b>METHOD OF FINANCING:</b>                     |                      |                      |                      |                             |                      |                      |                        |                      |
| <b>General Revenue Funds</b>                    |                      |                      |                      |                             |                      |                      |                        |                      |
| 1 General Revenue Fund                          | \$304,116,252        | \$235,182,785        | \$243,741,040        | \$478,923,825               | \$251,551,158        | \$266,136,925        | \$517,688,083          | \$38,764,258         |
| 400 Sporting Good Tax-State                     | \$1,466,516          | \$2,202,225          | \$3,709,149          | \$5,911,374                 | \$6,685,086          | \$6,847,915          | \$13,533,001           | \$7,621,627          |
| 8900 81(R) Supp: General Revenue Fund           | \$666,920            | \$0                  | \$0                  | \$0                         | \$0                  | \$0                  | \$0                    | \$0                  |
| Subtotal, General Revenue Funds                 | \$306,249,688        | \$237,385,010        | \$247,450,189        | \$484,835,199               | \$258,236,244        | \$272,984,840        | \$531,221,084          | \$46,385,885         |
| <b>Gr Dedicated</b>                             |                      |                      |                      |                             |                      |                      |                        |                      |
| 5044 Tobacco Education/Enforce                  | \$0                  | \$3,298,206          | \$19,638,929         | \$22,937,135                | \$25,651,570         | \$34,249,703         | \$59,901,273           | \$36,964,138         |
| 5045 Children & Public Health                   | \$0                  | \$1,649,104          | \$9,819,464          | \$11,468,568                | \$12,825,785         | \$17,124,852         | \$29,950,637           | \$18,482,069         |
| 5046 Ems & Trauma Care Account                  | \$0                  | \$1,649,104          | \$9,819,464          | \$11,468,568                | \$12,825,785         | \$17,124,851         | \$29,950,636           | \$18,482,068         |
| 5114 Tx Military Revolving Loan Account         | \$2,945,063          | \$2,941,763          | \$3,718,473          | \$6,660,236                 | \$8,357,113          | \$10,644,336         | \$19,001,449           | \$12,341,213         |
| Subtotal, Gr Dedicated                          | \$2,945,063          | \$9,538,177          | \$42,996,330         | \$52,534,507                | \$59,660,253         | \$79,143,742         | \$138,803,995          | \$86,269,488         |
| <b>Federal Funds</b>                            |                      |                      |                      |                             |                      |                      |                        |                      |
| 555 Federal Funds                               | \$6,019,980          | \$6,019,980          | \$6,019,980          | \$12,039,960                | \$6,019,980          | \$6,019,980          | \$12,039,960           | \$0                  |
| Subtotal, Federal Funds                         | \$6,019,980          | \$6,019,980          | \$6,019,980          | \$12,039,960                | \$6,019,980          | \$6,019,980          | \$12,039,960           | \$0                  |
| <b>Other Funds</b>                              |                      |                      |                      |                             |                      |                      |                        |                      |
| 766 Current Fund Balance                        | \$1,845,343          | \$1,241,539          | \$738,000            | \$1,979,539                 | \$732,875            | \$731,375            | \$1,464,250            | \$(515,289)          |
| 8031 MH Collect-Pat Supp & Maint                | \$112,122            | \$112,122            | \$112,122            | \$224,244                   | \$470,963            | \$470,963            | \$941,926              | \$717,682            |
| 8033 MH Appropriated Receipts                   | \$15,828             | \$15,828             | \$15,828             | \$31,656                    | \$1,339,617          | \$1,339,617          | \$2,679,234            | \$2,647,578          |
| 8095 ID Collect-Pat Supp & Maint                | \$120,063            | \$120,063            | \$120,063            | \$240,126                   | \$120,063            | \$120,063            | \$240,126              | \$0                  |
| 8096 ID Appropriated Receipts                   | \$16,949             | \$16,949             | \$16,949             | \$33,898                    | \$16,949             | \$16,949             | \$33,898               | \$0                  |
| Subtotal, Other Funds                           | \$2,110,305          | \$1,506,501          | \$1,002,962          | \$2,509,463                 | \$2,680,467          | \$2,678,967          | \$5,359,434            | \$2,849,971          |
| <b>Total, Method of Financing</b>               | <b>\$317,325,036</b> | <b>\$254,449,668</b> | <b>\$297,469,461</b> | <b>\$551,919,129</b>        | <b>\$326,596,944</b> | <b>\$360,827,529</b> | <b>\$687,424,473</b>   | <b>\$135,505,344</b> |