

Public Finance Authority Summary of Budget Recommendations - Senate

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Method of Financing	2020-21 Base	2022-23 Recommended	Biennial Change (\$)	Biennial Change (%)
General Revenue Funds	\$1,541,983	\$1,541,983	\$0	0.0%
GR Dedicated Funds	\$0	\$0	\$0	0.0%
<i>Total GR-Related Funds</i>	<i>\$1,541,983</i>	<i>\$1,541,983</i>	<i>\$0</i>	<i>0.0%</i>
Federal Funds	\$0	\$0	\$0	0.0%
Other	\$1,490,641	\$1,487,536	(\$3,105)	(0.2%)
All Funds	\$3,032,624	\$3,029,519	(\$3,105)	(0.1%)

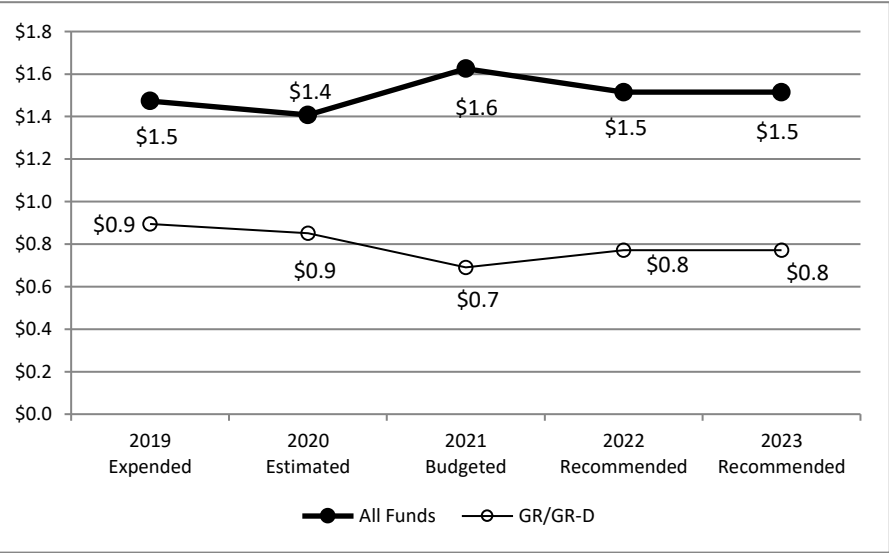
	FY 2021 Budgeted	FY 2023 Recommended	Biennial Change	Percent Change
FTEs	14.0	14.0	0.0	0.0%

Agency Budget and Policy Issues and/or Highlights

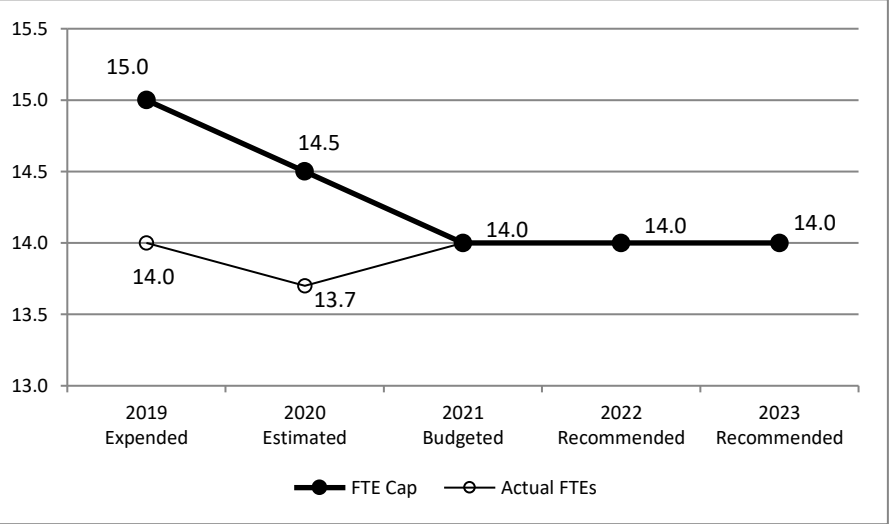
The Texas Public Finance Authority serves as a state issuer of general obligation and revenue bonds for designated state agencies primarily for the capital projects. The agency also maintains the Master Lease Purchase Program which is a revenue commercial paper program used to finance equipment acquisitions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

The bill pattern for this agency (2022-23 Recommended) represents an estimated 100.0% of the agency's estimated total available funds for the 2022-23 biennium.

Historical Funding Levels (Millions)



Historical Full-Time-Equivalent Employees (FTEs)



Public Finance Authority
Summary of Funding Changes and Recommendations - Senate

Section 2

Funding Changes and Recommendations for the 2022-23 Biennium compared to the 2020-21 Base Spending Level (in millions)		General Revenue	GR-Dedicated	Federal Funds	Other Funds	All Funds	Strategy in Appendix A
OTHER Funding Changes and Recommendations (these issues are not addressed in Section 3 but details are provided in Appendix A):							
A)	Reduction in Interagency Contracts by \$3,105 due to the removal of funding for the provision of IT services to the Bond Review Board. Funding is not assumed to continue.	\$0.0	\$0.0	\$0.0	(\$0.0)	(\$0.0)	A.1.1, A.2.1
TOTAL SIGNIFICANT & OTHER Funding Changes and Recommendations (in millions)		\$0.0	\$0.0	\$0.0	(\$0.0)	(\$0.0)	As Listed
SIGNIFICANT & OTHER Funding Increases		\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	As Listed
SIGNIFICANT & OTHER Funding Decreases		\$0.0	\$0.0	\$0.0	(\$0.0)	(\$0.0)	As Listed

NOTE: Totals may not sum due to rounding.

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

1. **Methods of Finance for Agency Administration.** Recommendations continue funding of \$487,536 in Bond Revenue proceeds set-asides and \$1.0 million in TPFA Series B Master Lease Project Funds for the 2022-23 biennium.

For the 2022-23 biennium, TPFA requested, as part of their Legislative Appropriations Request, an additional \$266,042 in Revenue Bond proceed set-asides and an additional \$266,042 in TPFA Series B Master Lease Project Fund to fund agency administration. The \$532,084 request would fund the following agency operations:

- \$81,157 – Restoration of base funding removed through 5% reductions implemented during the 2020-21 biennium
- \$105,554 – Merit pool for staff salaries to provide promotions or merit raises
- \$106,573 – Exempt salary increase for the executive director up to \$200,000 from \$151,994
- \$164,800 – Addition of an Attorney I/II FTE
- \$60,000 – Continuity of Operations Plan (“COOP”) Department of Information Resources Data Center Services
- \$14,000 – Computer equipment refresh of tech resources to meet 5-year replacement cycle

The agency factors the amount needed for agency administration into revenue bond issuance costs for other agencies.

The above requests are subject to change based on what the agency includes as part of their updated exceptional item requests.

**Public Finance Authority
Rider Highlights - Senate**

Modification of Existing Riders

3. **Informational Listing of Appropriated Funds.** Recommendations revise the rider to reflect updated total debt service requirements of \$340.0 million in FY 2022 and \$347.3 million in FY 2023.
9. **General Obligation Bond Debt Service for the Texas Military Value Revolving Loan Bond Program.** Recommendations revised this rider to reflect recommended amounts for debt service relating to the Texas Military Value Revolving Loan Bond Program in the 2022-23 biennium.
10. **Informational Listings Master Lease Purchase Program Lease Payments.** Recommendations revise this rider to reflect recommended Master Lease Purchase Program payments at affected agencies.

Public Finance Authority
Items Not Included in Recommendations - Senate

	2022-23 Biennial Total			Information Technology Involved?	Contracting Involved?	Estimated Continued Cost 2024-25
	GR & GR-D	All Funds	FTEs			

Agency Exceptional Items Not Included (in agency priority order)

1)	Restoration of base funding removed through 5% reductions in 2020-21 biennium	\$0	\$81,157	0.0	No	No	\$81,158
2)	3% Merit Pool for Staff Salaries	\$0	\$105,554	0.0	No	No	\$140,642
3)	Exempt Salary Increase – Executive Director	\$0	\$106,573	0.0	No	No	\$106,574
4)	Legal Counsel (Attorney I/II) FTE	\$0	\$164,800	1.0	No	No	\$164,800
5)	Continuity of Operations Plan (“COOP”) – Department of Information Resources Data Center Services	\$0	\$60,000	0.0	Yes	Yes	\$120,000
6)	Computer Equipment Refresh	\$0	\$14,000	0.0	Yes	No	\$0
7)	Modify Rider 5, Appropriations and Transfer Authority for Revenue Commercial Paper Programs: Payments and Administrative Fees to allow UB authority and increased revenue commercial paper program funds to pay for agency administration.	\$0	\$0	0.0	No	No	\$0
8)	New Article IX rider to encourage state agencies and institutions of higher education to consider TPFA's Master Lease Purchase Program for capital asset financing.	\$0	\$0	0.0	No	No	\$0
9)	New Article IX rider for an appropriation of receipts associated with monitoring and administering the outstanding obligations associated with the Texas Windstorm Insurance Association.	\$0	\$0	0.0	No	No	\$0

TOTAL Items Not Included in Recommendations	\$0	\$532,084	1.0	\$613,174			
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At the time of printing, the agency has not submitted an updated list of exceptional item requests. The items in this section are based on the agency's 2022-23 Legislative Appropriations Request.

Public Finance Authority
Appendices - Senate

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* Appendix is not included - no significant information to report

Public Finance Authority
Funding Changes and Recommendations by Strategy - Senate -- ALL FUNDS

Strategy/Goal	2020-21 Base	2022-23 Recommended	Biennial Change	% Change	Comments
ANALYZE FINANCINGS AND ISSUE DEBT A.1.1	\$1,510,247	\$1,508,701	(\$1,546)	(0.1%)	Recommendations reflect a decrease of \$1,546 in Interagency Contracts with Bond Review Board for IT Services.
MANAGE BOND PROCEEDS A.2.1	\$1,522,377	\$1,520,818	(\$1,559)	(0.1%)	Recommendations reflect a decrease of \$1,559 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	\$3,032,624	\$3,029,519	(\$3,105)	(0.1%)	
Grand Total, All Strategies	\$3,032,624	\$3,029,519	(\$3,105)	(0.1%)	

Public Finance Authority
FTE Highlights - Senate

Full-Time-Equivalent Positions	Expended 2019	Actual 2020	Budgeted 2021	Recommended 2022	Recommended 2023
Cap	15.0	14.5	14.0	14.0	14.0
Actual/Budgeted	14.0	13.7	14.0	NA	NA

Schedule of Exempt Positions (Cap)					
Executive Director, Group 5	\$140,980	\$151,994	\$151,994	\$151,994	\$151,994

Notes:

- a) State Auditor's Office is the source for the FY 2019 and FY 2020 annual average (actual) FTE levels.
- b) The State Auditor's Report, Executive Compensation at State Agencies (Report No. 20-706, August 2020), indicates a a market average salary of \$159,825 for the Executive Director position at the Public Finance Authority. The agency is requesting an increase in authority and funding for the Executive Director exempt position from \$151,994 to \$200,000. The agency is also requesting a change from the current Group 5 classification to Group 6.