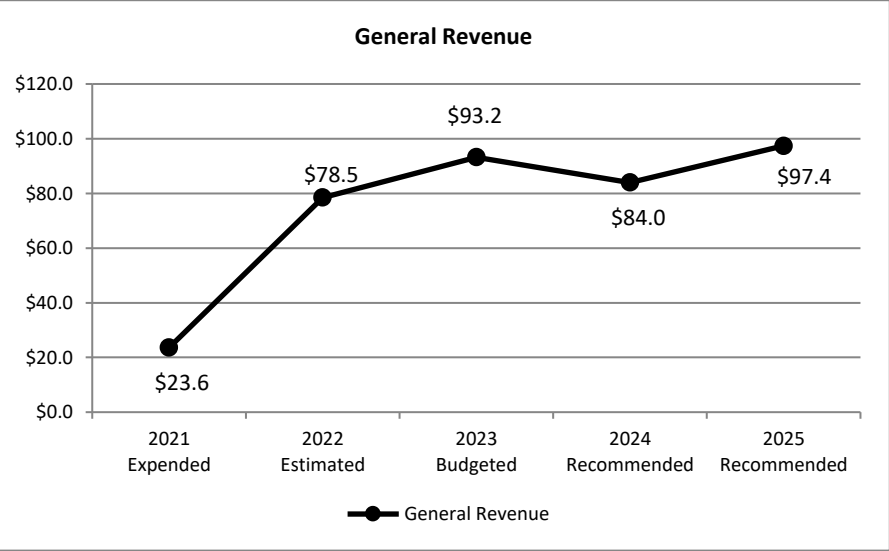


Revenue Bonds for Lease Payments, Articles I-X
Summary of Budget Recommendations - Senate

George Purcell Jr, LBB Analyst

Method of Financing	2022-23 Base	2024-25 Recommended	Biennial Change (\$)	Biennial Change (%)
General Revenue Funds	\$171,685,274	\$181,391,144	\$9,705,870	5.7%
GR Dedicated Funds	\$0	\$0	\$0	0.0%
Total GR-Related Funds	\$171,685,274	\$181,391,144	\$9,705,870	5.7%
Federal Funds	\$0	\$0	\$0	0.0%
Other	\$0	\$0	\$0	0.0%
All Funds	\$171,685,274	\$181,391,144	\$9,705,870	5.7%

Historical Funding Levels (Millions)



The bill pattern for this agency (2024-25 Recommended) represents an estimated 100.0% of the agency's estimated total available funds for the 2024-25 biennium.

Revenue Bonds for Lease Payments, Articles I-X
Summary of Funding Changes and Recommendations - Senate

Section 2

Funding Changes and Recommendations for the 2024-25 Biennium compared to the 2022-23 Base Spending Level (in millions)		General Revenue	GR-Dedicated	Federal Funds	Other Funds	All Funds	Strategy in Appendix A
SIGNIFICANT Funding Changes and Recommendations (each issue is explained in Section 3 and additional details are provided in Appendix A):							
A)	Net increase due to increased debt service payments in all Articles.	\$9.7	\$0.0	\$0.0	\$0.0	\$9.7	B.2.2
TOTAL SIGNIFICANT & OTHER Funding Changes and Recommendations (in millions)		\$9.7	\$0.0	\$0.0	\$0.0	\$9.7	As Listed
SIGNIFICANT & OTHER Funding Increases		\$9.7	\$0.0	\$0.0	\$0.0	\$9.7	As Listed
SIGNIFICANT & OTHER Funding Decreases		\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	As Listed

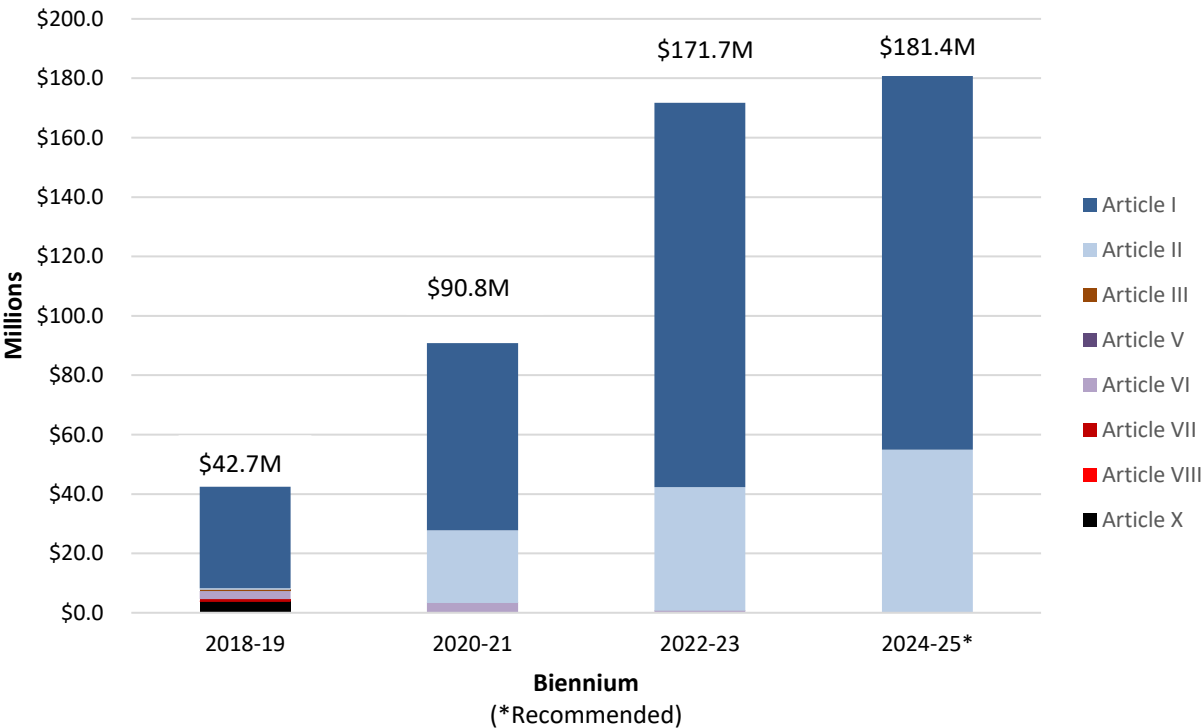
Revenue Bonds for Lease Payments, Articles I-X
Selected Fiscal and Policy Issues - Senate

1. Overview of Lease Payment Appropriations

Recommendations for 2024-25 Lease Payments include an increase of \$9.7 million in General Revenue (GR). This reflects an increase in debt service requirements for issued Revenue Bonds related to the Capitol Complex and North Austin Complex projects. The Texas Facilities Commission (TFC) is appropriated GR 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 after the Object-of-Expense Information Listing.

Revenue Bond Lease Payment Allocation by Article
2018-19 through 2024-25 Biennia



Beginning with the 2018-19 biennium, appropriations for Lease Payments have grown rapidly as payments for Revenue Bonds issued to finance the Capitol Complex and North Austin Complex construction projects have become due. This growth has been offset to a degree by the payoff of Revenue Bond payments for older facilities such as the R.E.J. Building in the 2024-25 biennium. Currently, appropriations for the new Lease Payments largely flow through TFC and Article I, as the chart above shows, to fund payments to bondholders as these buildings are constructed. Once tenant agencies begin to use these spaces appropriations will again be reallocated across Articles using this End of Article procedure through their respective bill patterns.

These recommendations fund Lease Payments at the levels calculated by TPFA.

End of Article: Appropriations Compared to Base by Article / MOF Type and Code
88th Regular Session, LBB Recommended, Version 1

END OF ARTICLE Appropriations: Lease Payments

	Exp 2021	Est 2022	Bud 2023	Total Biennium 2022-2023	Rec 2024	Rec 2025	Total Rec 2024-2025	Difference
ARTICLE I - GENERAL GOVERNMENT	\$5,445,636	\$58,822,783	\$70,585,545	\$129,408,328	\$58,133,754	\$68,310,949	\$126,444,703	\$(2,963,625)
ARTICLE II - HEALTH AND HUMAN SERVICES	\$16,752,394	\$18,872,853	\$22,642,624	\$41,515,477	\$25,856,906	\$29,089,535	\$54,946,441	\$13,430,964
ARTICLE V - PUBLIC SAFETY AND CRIMINAL JUSTICE	\$37,986	\$21,942	\$0	\$21,942	\$0	\$0	\$0	\$(21,942)
ARTICLE VI - NATURAL RESOURCES	\$1,331,148	\$739,527	\$0	\$739,527	\$0	\$0	\$0	\$(739,527)
ARTICLE VIII - REGULATORY	\$6,238	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total	\$23,573,402	\$78,457,105	\$93,228,169	\$171,685,274	\$83,990,660	\$97,400,484	\$181,391,144	\$9,705,870
METHOD OF FINANCING:								
General Revenue Funds								
1 General Revenue Fund	\$23,573,402	\$78,457,105	\$93,228,169	\$171,685,274	\$83,990,660	\$97,400,484	\$181,391,144	\$9,705,870
Subtotal, General Revenue Funds	\$23,573,402	\$78,457,105	\$93,228,169	\$171,685,274	\$83,990,660	\$97,400,484	\$181,391,144	\$9,705,870
Total, Method of Financing	\$23,573,402	\$78,457,105	\$93,228,169	\$171,685,274	\$83,990,660	\$97,400,484	\$181,391,144	\$9,705,870

Revenue Bonds for Lease Payments, Articles I-X
Appendices - Senate

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B	Summary of Federal Funds	*
C	FTE Highlights	*

* Appendix is not included - no significant information to report

Revenue Bonds for Lease Payments, Articles I-X					
Funding Changes and Recommendations by Strategy - Senate -- ALL FUNDS					
Strategy/Goal	2022-23 Base	2024-25 Recommended	Biennial Change	% Change	Comments
LEASE PAYMENTS 1.1.1	\$171,685,274	\$181,391,144	\$9,705,870	5.7%	Increase in General Revenue from increased debt service requirements in Articles I and II due to increases in Capitol Complex and North Austin Complex Revenue Bond payments (see Section 3).
Total, Goal 1, FINANCE CAPITAL PROJECTS	\$171,685,274	\$181,391,144	\$9,705,870	5.7%	
Grand Total, All Strategies	\$171,685,274	\$181,391,144	\$9,705,870	5.7%	