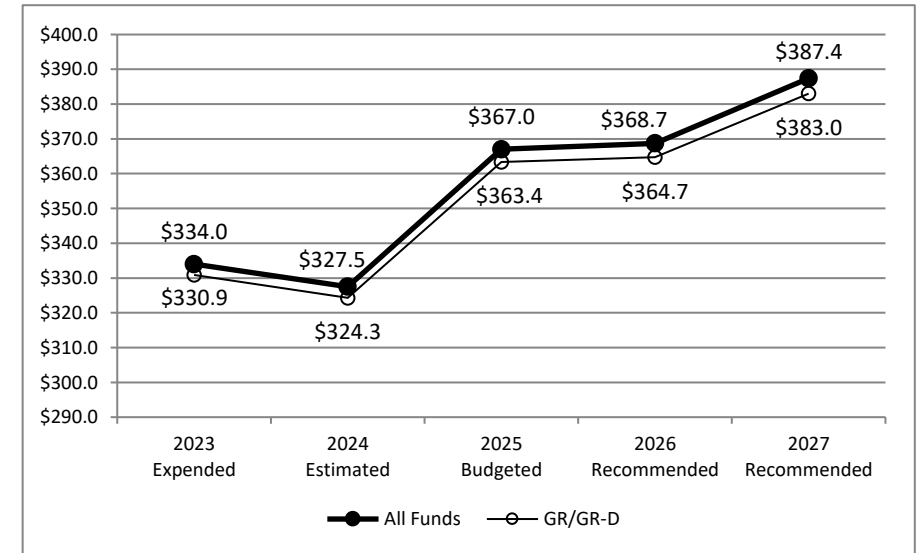


**Texas Public Finance Authority - General Obligation (GO) Bond Debt Service
Summary of Budget Recommendations - Senate**

Lee Deviney, Executive Director
KJ Curtiss, LBB Analyst

Method of Financing	2024-25 Base	2026-27 Recommended	Biennial Change (\$)	Biennial Change (%)
General Revenue Funds	\$678,956,235	\$731,189,292	\$52,233,057	7.7%
GR Dedicated Funds	\$8,703,763	\$16,492,137	\$7,788,374	89.5%
<i>Total GR-Related Funds</i>	<i>\$687,659,998</i>	<i>\$747,681,429</i>	<i>\$60,021,431</i>	<i>8.7%</i>
Federal Funds	\$4,722,308	\$4,722,308	\$0	0.0%
Other	\$2,091,344	\$3,674,565	\$1,583,221	75.7%
All Funds	\$694,473,650	\$756,078,302	\$61,604,652	8.9%

Historical Funding Levels (Millions)



The bill pattern for this agency (2026-27 Recommended) represents an estimated 100.0% of the agency's estimated total available funds for the 2026-27 biennium.

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

Funding Changes and Recommendations for the 2026-27 Biennium compared to the 2024-25 Base Spending Level (in millions)	General Revenue	GR-Dedicated	Federal Funds	Other Funds	All Funds	Strategy in Appendix A
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SIGNIFICANT Funding Changes and Recommendations (each issue is explained in Section 3 and additional details are provided in Appendix A):

A)	Increase of \$52,233,057 in General Revenue primarily related to new issuances of commercial paper for CPRIT debt.	\$52.2	\$0.0	\$0.0	\$0.0	\$52.2	A.1.1
B)	Increase of \$7,788,374 in General Revenue-Dedicated Texas Military Revolving Loan Account No. 5114 related to debt service for the Trusteed Programs Within the Office of the Governor.	\$0.0	\$7.8	\$0.0	\$0.0	\$7.8	A.1.1
C)	Increase of \$1,755,292 in Other Funds due to the availability of funds out of the Texas Agricultural Fund No 683 for Texas Department of Agriculture bond debt service.	\$0.0	\$0.0	\$0.0	\$1.8	\$1.8	A.1.1

OTHER Funding Changes and Recommendations (these issues are not addressed in Section 3 but details are provided in Appendix A):

D)	Decrease of \$172,071 in Other Funds due to the depletion of interest and sinking current fund balances.	\$0.0	\$0.0	\$0.0	(\$0.2)	(\$0.2)	A.1.1
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TOTAL SIGNIFICANT & OTHER Funding Changes and Recommendations (in millions)		\$52.2	\$7.8	\$0.0	\$1.6	\$61.6	As Listed
SIGNIFICANT & OTHER Funding Increases		\$52.2	\$7.8	\$0.0	\$1.8	\$61.8	As Listed
SIGNIFICANT & OTHER Funding Decreases		\$0.0	\$0.0	\$0.0	(\$0.2)	(\$0.2)	As Listed

NOTE: Totals may not sum due to rounding.

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

- GO Bond Debt Service Appropriations.** Recommendations reflect an overall increase of \$61.6 million in debt service requirements for the 2026-27 biennium. The sizeable increase is primarily related to new commercial paper issued on behalf of the Cancer Prevention and Research Institute of Texas, offset by a decrease related to paying off outstanding debt on other issuances.

Recommendations include payments of principal and interest, and ongoing issuance costs in each fiscal year for GO bonds issued and GO Bonds anticipated to be issued through fiscal year 2027.

Interest Rate Estimates for 2026-27 Biennium

FY	2024	2025	2026	2027
Commercial Paper				
Tax Exempt	4.25%	4.50%	4.50%	4.50%
Taxable	5.25%	5.50%	5.50%	5.50%
Bonds				
Tax Exempt	5.50%	5.75%	5.50%	5.50%
Taxable	6.75%	6.75%	6.50%	6.50%

Method of Finance Swap. Texas Public Finance Authority (TPFA) requested approximately \$737.2 million in General Revenue for debt service on outstanding GO bond debt and debt expected to be issued. Recommendations include \$731.2 million in General Revenue for debt service, a difference of \$6.0 million. Recommendations also include the following appropriations out of funds other than General Revenue to meet debt service requirements in the 2026-27 biennium:

- \$16.5 million in GR-D Texas Military Revolving Loan Amount No. 5114 for debt service related to the Trusteed Programs.
- \$2.4 million in Other Funds out of the Texas Agriculture Fund No. 683 for debt service related to the Texas Department of Agriculture.
- \$4.7 million in Federal Funds available for Health and Human Services debt service.
- \$1.2 million in receipts generated from Other Funds for the Health and Human Services debt service, also transferred from the Department of State Health Services.

Sporting Goods Sales Tax, State Parks Account No. 64. Not included in these estimates are funds from Sporting Goods Sales Tax (SGST), State Parks Account No. 64 for debt service on Parks and Wildlife improvements and repairs, which are estimated at \$11.4 million for the 2026-27 biennium. These funds are not appropriated to TPFA but rather transferred in a method of financing swap with General Revenue in accordance with Article IX, Sec. 17.07, Use of the Sporting Goods Sales Tax Transfer to the General Revenue-Dedicated State Parks Account No. 64.

- Outstanding General Obligation Bond Debt.** As of August 31, 2024, TPFA had approximately \$2,836 million in outstanding general obligation bond debt, including outstanding general obligation debt or long-term fixed rate debt and general obligation commercial paper or short-term debt. TPFA is the largest 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.

End of Article: Appropriations Compared to Base by Article / MOF Type and Code
89th Regular Session, LBB Recommended (Senate), Version 1

END OF ARTICLE Appropriations: TPFA GO Bond Debt Service

	Exp 2023	Est 2024	Bud 2025	Total Biennium 2024-2025	Rec 2026	Rec 2027	Total Rec 2026-2027	Difference
ARTICLE I - GENERAL GOVERNMENT	\$222,452,242	\$223,260,016	\$286,715,391	\$509,975,407	\$295,198,327	\$319,171,562	\$614,369,889	\$104,394,482
ARTICLE II - HEALTH AND HUMAN SERVICES	\$21,581,859	\$19,987,713	\$15,974,989	\$35,962,702	\$14,166,805	\$12,922,219	\$27,089,024	\$(8,873,678)
ARTICLE III - AGENCIES OF EDUCATION	\$6,298,230	\$5,658,982	\$3,727,087	\$9,386,069	\$3,415,898	\$3,203,238	\$6,619,136	\$(2,766,933)
ARTICLE V - PUBLIC SAFETY AND CRIMINAL JUSTICE	\$62,857,759	\$58,500,746	\$43,670,238	\$102,170,984	\$39,851,746	\$36,749,915	\$76,601,661	\$(25,569,323)
ARTICLE VI - NATURAL RESOURCES	\$10,976,083	\$10,921,910	\$9,817,541	\$20,739,451	\$9,835,569	\$9,771,878	\$19,607,447	\$(1,132,004)
ARTICLE VII - BUSINESS AND ECONOMIC DEVELOPMENT	\$9,828,381	\$9,136,396	\$7,102,641	\$16,239,037	\$6,241,892	\$5,549,253	\$11,791,145	\$(4,447,892)
Total	\$333,994,554	\$327,465,763	\$367,007,887	\$694,473,650	\$368,710,237	\$387,368,065	\$756,078,302	\$61,604,652
METHOD OF FINANCING:								
General Revenue Funds								
1 General Revenue Fund	\$321,806,313	\$322,180,808	\$356,775,427	\$678,956,235	\$357,719,932	\$373,469,360	\$731,189,292	\$52,233,057
Subtotal, General Revenue Funds	\$321,806,313	\$322,180,808	\$356,775,427	\$678,956,235	\$357,719,932	\$373,469,360	\$731,189,292	\$52,233,057
Gr Dedicated								
64 State Parks Acct	\$6,915,526	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5114 Tx Military Revolving Loan Account	\$2,128,646	\$2,127,927	\$6,575,836	\$8,703,763	\$6,940,164	\$9,551,973	\$16,492,137	\$7,788,374
Subtotal, Gr Dedicated	\$9,044,172	\$2,127,927	\$6,575,836	\$8,703,763	\$6,940,164	\$9,551,973	\$16,492,137	\$7,788,374
Federal Funds								
555 Federal Funds	\$2,361,154	\$2,361,154	\$2,361,154	\$4,722,308	\$2,361,154	\$2,361,154	\$4,722,308	\$0
Subtotal, Federal Funds	\$2,361,154	\$2,361,154	\$2,361,154	\$4,722,308	\$2,361,154	\$2,361,154	\$4,722,308	\$0
Other Funds								
683 Texas Agricultural Fund	\$0	\$0	\$671,667	\$671,667	\$1,065,184	\$1,361,775	\$2,426,959	\$1,755,292
766 Current Fund Balance	\$159,112	\$172,071	\$0	\$172,071	\$0	\$0	\$0	\$(172,071)
8031 MH Collect-Pat Supp & Maint	\$470,963	\$470,963	\$470,963	\$941,926	\$470,963	\$470,963	\$941,926	\$0
8033 MH Appropriated Receipts	\$15,828	\$15,828	\$15,828	\$31,656	\$15,828	\$15,828	\$31,656	\$0
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

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	Exp 2023	Est 2024	Bud 2025	Total Biennium 2024-2025	Rec 2026	Rec 2027	Total Rec 2026-2027	Difference
Subtotal, Other Funds	\$782,915	\$795,874	\$1,295,470	\$2,091,344	\$1,688,987	\$1,985,578	\$3,674,565	\$1,583,221
Total, Method of Financing	\$333,994,554	\$327,465,763	\$367,007,887	\$694,473,650	\$368,710,237	\$387,368,065	\$756,078,302	\$61,604,652

**Texas Public Finance Authority - General Obligation (GO) Bond Debt Service
Funding Changes and Recommendations by Strategy - Senate -- ALL FUNDS**

Strategy/Goal	2024-25 Base	2026-27 Recommended	Biennial Change	% Change	Comments
BOND DEBT SERVICE A.1.1	\$694,473,650	\$756,078,302	\$61,604,652	8.9%	1) A net increase of \$52,233,057 in General Revenue primarily related to an increase in issued commercial paper for CPRIT. 2) Increase of \$7,788,374 in General Revenue-Dedicated Texas Military Revolving Loan Fund No. 5114 related to debt service for the Trusteed Programs Within the Office of the Governor. 3) Increase of \$1,755,292 in Other Funds Texas Agriculture Fund No. 683 related to bond issuances for rural economic development loans administered by the Texas Department of Agriculture. 4) Decrease of \$172,071 in Other Funds related to the depletion of the interest & sinking current fund balance.
Total, Goal A, FINANCE CAPITAL PROJECTS	\$694,473,650	\$756,078,302	\$61,604,652	8.9%	
Grand Total, All Strategies	\$694,473,650	\$756,078,302	\$61,604,652	8.9%	