

# Legislative Appropriations Request

For Fiscal Years 2018 and 2019

Submitted to the Governor's Office of Budget, Planning and Policy  
And the Legislative Budget Board



by

**Texas Bond Review Board**

Board Members

Governor Greg Abbott

Lieutenant Governor Dan Patrick

Speaker Joe Straus

Comptroller Glenn Hegar

Submitted August 5, 2016

## Texas Bond Review Board

### Legislative Appropriations Request

For Fiscal Years 2018 and 2019

#### TABLE OF CONTENTS

|   |      |
|---|------|
| Administrator's Statement   | 1-5  |
| Organizational Chart  | 6    |
| Certificate of Dual Submissions   | 7    |
| Budget Overview – Biennial Amounts                                      | 8    |
| Summary of Base Request by Strategy                                     | 2.A. |
| Summary of Base Request by Method of Finance                            | 2.B. |
| Summary of Base Request by Object of Expense                            | 2.C. |
| Summary of Base Request by Objective Outcomes                           | 2.D. |
| Summary of Exceptional Items Request                                    | 2.E. |
| Summary of Total Request by Strategy                                    | 2.F. |
| Summary of Total Request by Objective Outcomes<br>Strategy Request      | 2.G. |
| Exceptional Item Request Schedule                                       | 3.A. |
| Exceptional Items Strategy Allocation Schedule                          | 4.A. |
| Exceptional Items Strategy Request                                      | 4.B. |
| General Revenue and General Revenue Dedicated Baseline Report           | 4.C. |
| HUB Supporting Schedule   | 1    |
| Current Biennium One-Time Expenditure Schedule                          | 6.A. |
| Allocation of the Biennial Ten Percent Reduction to Strategies Schedule | 6.B. |
| Indirect Administrative and Support Costs                               | 6.I. |
|   | 7.A. |

**352 Bond Review Board**

Overview

In 1987, the 70th Legislature established the Texas Bond Review Board. Statutory authority is found in Chapter 1231, Texas Government Code. The Board is comprised of the Governor as Chairman, the Lieutenant Governor, the Speaker of the House of Representatives and the Comptroller of Public Accounts. The Board has the responsibility and authority to approve the issuance of all state bonds and lease-purchase agreements with a principal amount greater than \$250,000 or a term longer than five years. Bonds backed by the Permanent University Fund, Tax and Revenue Anticipation Notes, State Highway Fund Revenue Anticipation Notes, certain lease-purchase transactions and debt issued by higher education institutions with a credit rating of AA- or higher do not require BRB approval.

Mission

The mission of the Bond Review Board covers three distinct aspects of state finance: (1) to ensure that state debt financing is used prudently to meet Texas' infrastructure needs and other public purposes; (2) to support and enhance the debt issuance and debt management functions of state and local entities by gathering, analyzing and reporting state and local debt information; and (3) to administer the state's Private Activity Bond Allocation Program (PAB).

Factors Affecting State and Local Debt Issuance in Texas

Long-term demographic trends for Texas will impact infrastructure needs and directly affect state debt financing. The Comptroller of Public Accounts' long-term demographic outlook for Texas suggests continued population growth. The state's population is expected to be approximately 40.1 million in 2040, an increase of 44.2% from the population of 27.8 million in 2016.

Should the state's population increase at this rate, the BRB expects the following effects on state and local debt issuance:

- Public school construction will increase, especially in high growth areas; and repair, renovation and replacement of temporary facilities with permanent facilities will become the focus of school construction;
- Continued high population growth in the state will result in continued growth in infrastructure needs;
- Construction and debt financing for water and sewer, transportation and general-purpose government facilities will continue unabated;
- Public support will continue to be needed for low-cost student loans, affordable housing and economic development;
- The rapidly increasing number of senior citizens, especially retiring baby boomers will dictate the need for new and expanded facilities for both healthcare and leisure-time activities.

State and Local Financing Update

The nation's total municipal debt issuance was \$397.71 billion for calendar 2015 which was the fourth highest amount issued in the last 10 years. Calendar 2011 had the lowest amount of issuance at \$287.72 billion. Through the first half of calendar year 2016, the nation's long-term municipal issuance totaled \$218.54 billion, a 3.4 percent decline from the first half of calendar 2015 (\$226.01 billion). National municipal debt issuance for 2016 is expected to increase to \$431.50 billion according to the SIFMA Municipal Survey.

State Debt

**352 Bond Review Board**

Over the past 10 fiscal years, total state debt outstanding including conduit debt increased 101.9 percent from \$23.32 billion in FY 2006 to \$47.09 billion in FY 2015.

During FY 2015 state issuers completed \$3.94 billion in new-money bond financings including:

- \$2.16 billion (54.8%) for the Texas Transportation Commission for highway improvement projects;
- \$500.0 million (12.7%) to finance projects for various agencies through the Texas Public Finance Authority;
- \$410.6 million (10.4%) for the Texas A&M University System;
- \$350.0 million (8.9%) for housing and home improvement loans for eligible Texas veterans;
- \$143.7 million (3.7%) for the Texas Tech University System;
- \$103.0 million (2.6%) for the Texas State University System;
- \$92.92 million (2.4%) for the Texas Water Development Board water assistance programs;
- \$83.34 million (2.1%) for Texas Public Finance Authority Charter School Finance Corporation;
- 68.13 million (1.7%) for the Texas Higher Education Coordinating Board for college student loan programs;
- \$24.8 (0.6%) for Texas State Affordable Housing Corporation single family housing programs.

The low interest rate climate during FY 2015 contributed to the issuance of \$5.23 billion in refundings of existing state debt to reduce interest costs, restructure existing debt and convert short-term maturities to long-term.

Through nine months of FY 2016 state issuers have closed approximately \$3.55 billion in new-money transactions and approximately \$1.76 billion in refunding bonds.

As of August 31, 2015 the state had a total of \$47.09 billion in debt outstanding of which \$6.05 billion (12.8%) was not self-supporting, \$34.92 billion (74.2%) was self-supporting, and \$6.11 billion (13.0%) was debt of conduit, component or related organizations.

**Local Debt**

Over the past 10 years, total local debt outstanding increased 67.5 percent from \$126.56 billion in FY 2006 to \$212.04 billion in FY 2015. During FY 2015 local entities in Texas issued \$15.63 billion in new-money financings including:

- \$7.98 billion (51.1%) for education purposes;
- \$3.09 billion (19.8%) for general purpose infrastructure projects, including parks and recreation; electric utilities; municipal building construction and renovation projects; fire and police department vehicles and equipment and for other capital equipment including computer technology. Projects related to commerce (ports and waterways/navigation) and bonds issued for pension obligations are also included in this total.
- \$2.28 billion (14.6%) for water supply, water-quality enhancements and sewer systems;
- \$1.20 billion (7.6%) for transportation (including airport, bridge, road, toll road and public transportation projects);
- \$403.5 million (2.6%) for combined municipal utility systems;
- \$213.7 million (1.3%) for recreation;
- \$165.1 million (1.0%) for health-related facilities;
- \$108.8 million (0.7%) for economic development projects (convention, conference, cultural, sports and tourism centers);
- \$92.2 million (0.6%) for prisons/detentions centers;
- \$57.1 million (0.4%) for public safety; and
- \$39.3 million (0.3%) for power, computer technology and fire purposes.

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**352 Bond Review Board**

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Local governments issued \$23.22 billion in refunding bonds during FY 2015.

As of August 31, 2015 local entities had total debt outstanding of \$212.04 billion of which \$130.37 billion was tax-supported and \$81.67 billion was revenue supported.

**PAB Update**

For calendar year 2015 the state received approximately \$2.70 billion in authority for the Private Activity Bond Allocation Program. Requests totaled \$4.37 billion in calendar 2015, 77.3% of which were received after the August 15th collapse date. At the beginning of calendar year 2016 the state had total PAB authority of \$6.56 billion including carryforward. Overall demand for tax-exempt private activity bonds is expected to grow in calendar year 2016 and beyond.

S.B. 2064 passed during the 81st Legislature amended the PAB program by:

- adding emergency provisions that would make certain private activity bonding authority more accessible in times of emergencies;
- increasing caps for selected issuers to permit a broader range of projects eligible for private activity bonding authority;
- redefining the last day to apply for a reservation during the program year;
- adding a fee for issuers that request carryforward;
- allowing unencumbered volume cap to be granted at the end of the program year to any state issuer that requests it;
- amending set-aside restrictions to make more PAB allocation available earlier in the year; and,
- granting to the BRB ministerial authority over federal bonding programs that require state administration.

**Bond Finance Office**

**Current Perspective**

To respond to legislative mandates, the Bond Finance Office is divided into three functional strategies, each associated with the agency's mission: state debt, local debt and private activity bond allocation. A member of the professional staff leads each strategic area.

During FY 2015 the BFO reviewed 26 state debt issues. Although staff had estimated that 35 issues would be reviewed in FY 2015, the actual number of state debt transactions reviewed was lower than expected due to reductions in state-wide appropriations for debt service, issuers combining multiple series of bonds into one application, and statute changes enacted during the 82nd Legislature that exempted transactions for higher education institutions with a rating of AA- or higher from BRB review. During the first nine months of FY 2016 staff reviewed 24 state debt issues.

In addition to reviewing and providing recommendations to the BRB on the applications submitted by state issuers, BFO staff also maintains issuance data submitted in final reports for each transaction. The agency's state debt reports summarize and analyze this activity and identify trends and developments for evaluation by state and local leadership.

During FY 2015 the BFO analyzed 1,703 local debt issues. Staff had estimated that it would process approximately 1,000 issues during FY 2015, but by mid-July the agency had received 1,400 local debt issues. Staff maintains current and historical data and reports on thousands of local debt issues, and, as with the state data, the

**352 Bond Review Board**

agency's local debt report summarizes and analyzes this activity and identifies trends and developments for evaluation by state and local leadership.

Including carryforward, the private activity bond staff will administer nearly \$6.56 billion in private activity bonding authority in calendar 2016, an increase of 1.5% (\$100.00 million) over calendar 2015. Carryforward over the past three years accounts for \$3.81 billion (58.1%) of the total 2016 volume cap. Demand for current year volume cap will not exceed supply.

In February, 2014 staff began working to create a turnkey solution for the migration and consolidation of agency databases into a new database with ad-hoc reporting capabilities that will facilitate real-time access to multiple years of current and historical debt data. In July 2016 staff began using the new database in tandem with the old system as part of its internal testing and verification process.

#### Internal Agency Concerns

##### Budget Reductions

The current number of approved positions is 10, and the agency is currently staffed with 10 FTEs including the Executive Director, one Director I – Finance, one Senior Financial Analyst, one Financial Analyst II, one Accountant VII, one Accountant II, two Accountant I and two Research Specialist I.

The agency's workload has increased as a result of recent legislative mandates. S.B. 1332 (80th Legislature) mandates the agency to assume responsibility for the state's Debt Affordability Study and the ongoing analyses of cost of issuance data as well as state issuers' use of derivatives, particularly swaps. SB 2064 (81st Legislature) mandates the agency to administer miscellaneous federal bonding authority programs such as the Qualified Energy Conservation Bond program and any future federal bonding programs that require state administration.

BRB staff continues to analyze and process increasingly complex state financing applications in the state debt strategy. The workload in the local debt strategy has increased because of the additional data BRB is collecting for each local debt issuance as well as the additional interest in the area generated with the increased amount of local debt issued over the years. Additionally, since FY 2011 the agency has prepared an annual report on local debt that was developed in response to increased requests for information from agency customers to provide greater detail and transparency on local debt issuance and total debt outstanding. The local debt report is not mandated by statute.

Staff salaries comprise 92% of the agency's budget. A reduction in appropriations for the 2018-2019 biennium would require a reduction in staff and require the agency to reduce the scope of its database upgrade project, either of which would compromise agency efficiency, the quality of its analyses and delay reports as well as negatively impact the agency's ability to maintain exemplary service to its customers (legislature, state and local leadership and general public).

##### Turnover

Because of the years of experience necessary to gain an understanding of the agency's work and become a contributing staff member, turnover problems are particularly problematic for the BRB. Finding and retaining experienced personnel is a continual challenge. As staff members gain experience and knowledge, they become more marketable and often obtain employment elsewhere to advance their careers.

According to the State Auditor's Office, the turnover rate for Texas state employees is 21.6 percent in 2015, the highest rate the state has experienced since FY 2009. By

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**352 Bond Review Board**

comparison, the BRB experienced an average turnover of 15 percent over the past five years. Strategic merit initiatives were implemented to reduce turnover, but salary limitations and the lack of opportunities for career growth through internal advancement inherent in a small agency are expected to continue to limit the agency's ability to attract and retain the most qualified employees, particularly at program administration and executive staff levels.

Turnover becomes more acute for the BRB when the agency must replace long-tenured employees. Two key staff members are eligible to retire. With combined state service of more than 30 years, they have extensive experience and irreplaceable institutional knowledge in two key positions.

#### Fiscal Aspects

Agency appropriations for fiscal years 2014 and 2015 totaled \$1,024,860 and \$865,910, respectively. Its Capital Budget for fiscal years 2014 and 2015 totaled \$341,300 and \$186,716 for IT upgrades to the agency's databases. Agency appropriations for fiscal years 2016 and 2017 totaled \$784,160 and \$815,161.

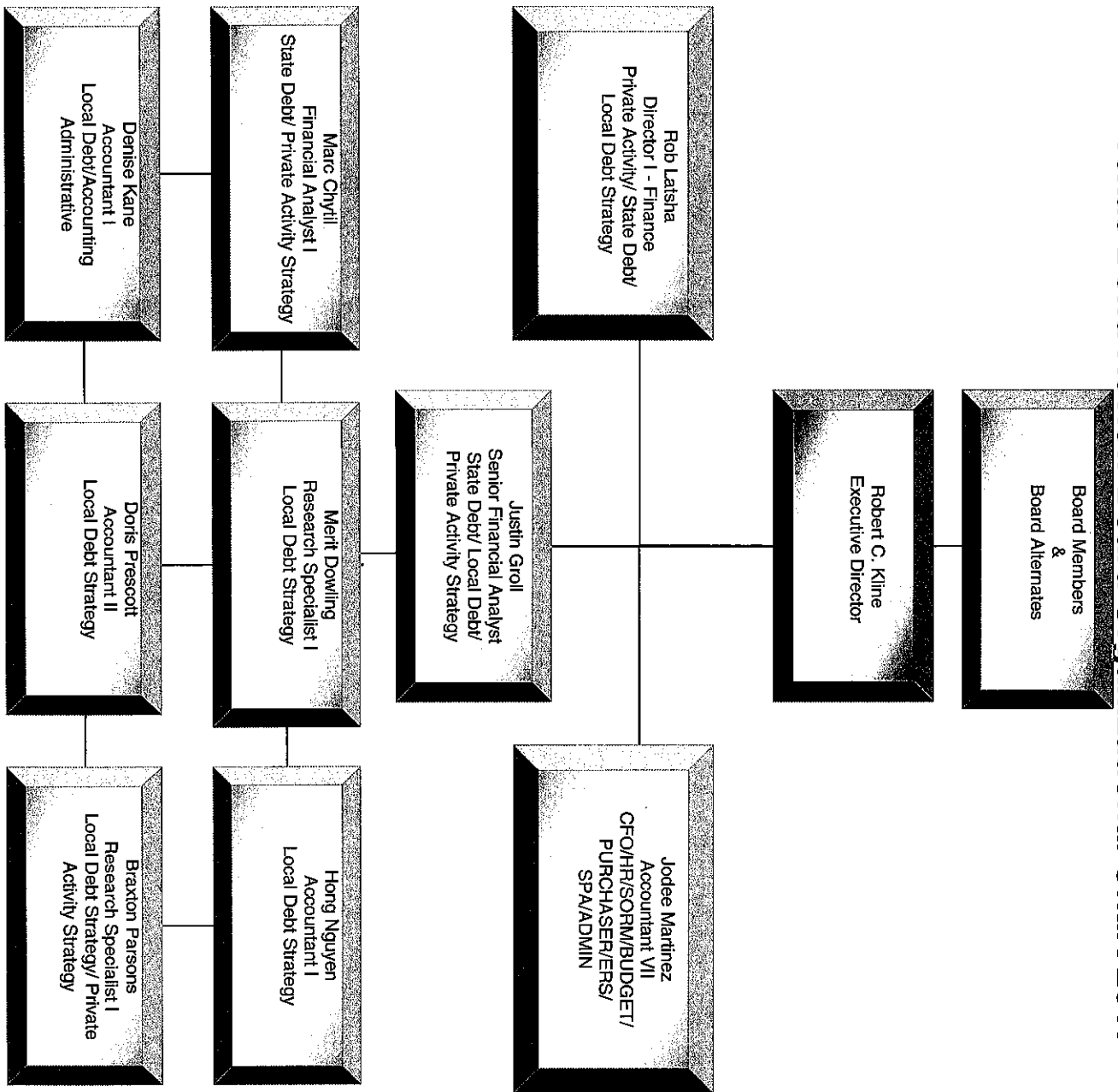
Although the agency is funded solely from the state's general revenue fund, it generates revenue through the receipt of application fees associated with the Private Activity Bond Allocation Program (PAB). During fiscal years 2014 and 2015 the state received unappropriated general revenue of \$438,485 and \$696,698, respectively in application fees associated with the PAB. As of June 2016 the program had provided a total of \$794,534 in unappropriated general revenue, and application fees for fiscal 2016 and 2017 are anticipated to exceed prior levels.

The 78th Legislature mandated the BRB to increase its fees associated with PAB multifamily housing applications. The larger fee is to be distributed with a \$1-\$4 split between the BRB and the Texas Department of Housing and Community Affairs (TDHCA), respectively. The BRB's portion is to be swept into general revenue while TDHCA's portion is to be used to fund a study on affordable housing. To date no funds have been appropriated for the study.

The agency must continue to maintain its own information resources network without the benefit of a dedicated IT position. Budget permitting, an interagency contract allows the agency to access a Systems Support Specialist employed by another agency on an as-needed basis. The Executive Director is the designated information resources manager, and a financial analyst assists in the day-to-day management of the network system in addition to other duties.

Bob Kline  
Executive Director

# Texas Bond Review Board Organizational Chart 2017





# Legislative Appropriations Request

For Fiscal Years 2018 and 2019

Submitted to the Governor's Office of Budget, Planning and Policy  
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**Texas Bond Review Board**

Board Members

Governor Greg Abbott  
Lieutenant Governor Dan Patrick  
Speaker Joe Straus  
Comptroller Glenn Hegar

Submitted August 5, 2016

Submitted by: \_\_\_\_\_

Robert C. Kline  
Executive Director

Approved by: \_\_\_\_\_

Ky Ash, Alternate for  
Governor Greg Abbot, Chair



## CERTIFICATE

**Agency Name** \_\_\_\_\_

This is to certify that the information contained in the agency Legislative Appropriation Request filed with the Legislative Budget Board (LBB) and the Office of the Governor, Budget Division, is accurate to the best of my knowledge and that the electronic submission to the LBB via the Automated Budget and Evaluation System of Texas (ABEST) and the PDF file submitted via the LBB Document Submission application are identical.

Additionally, should it become likely at any time that unexpended balances will accrue for any account, the LBB and the Governor's office will be notified in writing in accordance with Article IX, Section 7.01 (2016-17 GAA).

**Chief Executive Officer or Presiding Judge**

**Board or Commission Chair**

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Title

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

**Chief Financial Officer**

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date

**Budget Overview - Biennial Amounts**  
**85th Regular Session, Agency Submission, Version 1**  
Automated Budget and Evaluation System of Texas (ABEST)

| 352 Bond Review Board        |                       |         |              |         |               |         |             |         |           |         |             |
|------------------------------|-----------------------|---------|--------------|---------|---------------|---------|-------------|---------|-----------|---------|-------------|
| Appropriation Years: 2018-19 |                       |         |              |         |               |         |             |         |           |         |             |
|                              | 2016-17               | 2018-19 | 2016-17      | 2018-19 | 2016-17       | 2018-19 | 2016-17     | 2018-19 | 2016-17   | 2018-19 |             |
|                              | GENERAL REVENUE FUNDS |         | GR DEDICATED |         | FEDERAL FUNDS |         | OTHER FUNDS |         | ALL FUNDS |         | EXCEPTIONAL |
|                              |                       |         |              |         |               |         |             |         |           |         | ITEM        |
|                              |                       |         |              |         |               |         |             |         |           |         | FUNDS       |
|                              |                       |         |              |         |               |         |             |         |           |         | 2018-19     |

**Goal: 1. Issue Texas' Bonds Cost Effectively Using Sound Debt Mgmt. Policies**

|                           |                |                |  |  |  |  |  |  |                |                |               |
|---------------------------|----------------|----------------|--|--|--|--|--|--|----------------|----------------|---------------|
| 1.1.1. Review Bond Issues | 326,264        | 281,892        |  |  |  |  |  |  | 326,264        | 281,892        | 34,424        |
| 1.1.2. State Bond Debt    | 326,264        | 281,892        |  |  |  |  |  |  | 326,264        | 281,892        | 34,424        |
| <b>Total, Goal</b>        | <b>652,528</b> | <b>563,784</b> |  |  |  |  |  |  | <b>652,528</b> | <b>563,784</b> | <b>68,848</b> |

**Goal: 2. Ensure That Public Officials Have Current Info on Debt Management**

|                                |                |                |  |  |  |  |  |  |                |                |               |
|--------------------------------|----------------|----------------|--|--|--|--|--|--|----------------|----------------|---------------|
| 2.1.1. Analyze Local Bond Debt | 652,529        | 720,391        |  |  |  |  |  |  | 652,529        | 720,391        | 87,981        |
| <b>Total, Goal</b>             | <b>652,529</b> | <b>720,391</b> |  |  |  |  |  |  | <b>652,529</b> | <b>720,391</b> | <b>87,981</b> |

**Goal: 3. Equitably Administer the Private Activity Bond Allocation for Texas**

|  |                  |                  |  |  |  |  |  |  |                  |                  |                |
|--|------------------|------------------|--|--|--|--|--|--|------------------|------------------|----------------|
| 3.1.1. Administer Private Activity Bonds | 326,264          | 281,892          |  |  |  |  |  |  | 326,264          | 281,892          | 34,424         |
| <b>Total, Goal</b>                       | <b>326,264</b>   | <b>281,892</b>   |  |  |  |  |  |  | <b>326,264</b>   | <b>281,892</b>   | <b>34,424</b>  |
| <b>Total, Agency</b>                     | <b>1,631,321</b> | <b>1,566,067</b> |  |  |  |  |  |  | <b>1,631,321</b> | <b>1,566,067</b> | <b>191,253</b> |
| <b>Total FTEs</b>                        |                  |                  |  |  |  |  |  |  | <b>10.0</b>      | <b>10.0</b>      | <b>10.0</b>    |

**352 Bond Review Board**

| Goal / Objective / STRATEGY  | Exp 2015  | Est 2016  | Bud 2017  | Req 2018  | Req 2019  |
|--|-----------|-----------|-----------|-----------|-----------|
| <u>1</u> Issue Texas' Bonds Cost Effectively Using Sound Debt Mgmt. Policies           |           |           |           |           |           |
| <u>1</u> <i>Meet Highest Financial Feasibility Stds and Minimize Toll Borrowing</i>    |           |           |           |           |           |
| 1 REVIEW BOND ISSUES   | 306,637   | 160,032   | 166,232   | 140,946   | 140,946   |
| 2 STATE BOND DEBT  | 156,770   | 160,032   | 166,232   | 140,946   | 140,946   |
| TOTAL, GOAL  | 1         | 1         | 1         | 1         | 1         |
|  | \$463,407 | \$320,064 | \$332,464 | \$281,892 | \$281,892 |
| <u>2</u> Ensure That Public Officials Have Current Info on Debt Management             |           |           |           |           |           |
| <u>1</u> <i>Inform State and Local Officials on Debt Planning/Management</i>           |           |           |           |           |           |
| 1 ANALYZE LOCAL BOND DEBT  | 251,705   | 320,064   | 332,465   | 360,196   | 360,195   |
| TOTAL, GOAL  | 2         | 2         | 2         | 2         | 2         |
|  | \$251,705 | \$320,064 | \$332,465 | \$360,196 | \$360,195 |
| <u>3</u> Equitably Administer the Private Activity Bond Allocation for Texas           |           |           |           |           |           |
| <u>1</u> <i>Maximize the Public and Geographic Benefit from Private Activity Bonds</i> |           |           |           |           |           |
| 1 ADMINISTER PRIVATE ACTIVITY BONDS  | 163,172   | 160,032   | 166,232   | 140,946   | 140,946   |

352 Bond Review Board

| Goal / Objective / STRATEGY                 | Exp 2015  | Est 2016  | Bud 2017  | Req 2018  | Req 2019  |
|---|-----------|-----------|-----------|-----------|-----------|
| TOTAL, GOAL 3                               | \$163,172 | \$160,032 | \$166,232 | \$140,946 | \$140,946 |
| TOTAL, AGENCY STRATEGY REQUEST              | \$878,284 | \$800,160 | \$831,161 | \$783,034 | \$783,033 |
| TOTAL, AGENCY RIDER APPROPRIATIONS REQUEST* |           |           |           | \$0       | \$0       |
| GRAND TOTAL, AGENCY REQUEST                 | \$878,284 | \$800,160 | \$831,161 | \$783,034 | \$783,033 |
| METHOD OF FINANCING:                        |           |           |           |           |           |
| General Revenue Funds:                      |           |           |           |           |           |
| 1 General Revenue Fund                      | 878,284   | 800,160   | 831,161   | 783,034   | 783,033   |
| SUBTOTAL                                    | \$878,284 | \$800,160 | \$831,161 | \$783,034 | \$783,033 |
| TOTAL, METHOD OF FINANCING                  | \$878,284 | \$800,160 | \$831,161 | \$783,034 | \$783,033 |

\*Rider appropriations for the historical years are included in the strategy amounts.

2.B. Summary of Base Request by Method of Finance

8/4/2016 5:22:12AM

85th Regular Session, Agency Submission, Version 1  
Automated Budget and Evaluation System of Texas (ABEST)

Agency code: 352

Agency name: Bond Review Board

METHOD OF FINANCING

Exp 2015

Est 2016

Bud 2017

Req 2018

Req 2019

GENERAL REVENUE

1 General Revenue Fund

REGULAR APPROPRIATIONS

Regular Appropriations from MOF Table (2014-15 GAA)

\$613,301

\$0

\$0

\$0

\$0

Regular Appropriations from MOF Table (2016-17 GAA)

\$0

\$784,160

\$815,161

\$0

\$0

Regular Appropriations from MOF Table (2018-19 GAA)

\$0

\$0

\$0

\$783,034

\$783,033

RIDER APPROPRIATION

Article IX, SEC 18.33, Contingency for SB14

\$378,182

\$0

\$0

\$0

\$0

Rider 4, Contingency for Legislation Related to Annual Local Debt Report

\$(125,573)

\$0

\$0

\$0

\$0

TRANSFERS

Art IX, Sec 17.06 Salary Increase for General State Employees (2014-15 GAA)

**2.B. Summary of Base Request by Method of Finance**  
 85th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

Agency code: **352** Agency name: **Bond Review Board**

**METHOD OF FINANCING**      **Exp 2015**      **Est 2016**      **Bud 2017**      **Req 2018**      **Req 2019**

**GENERAL REVENUE**

|  |          |          |          |     |     |
|--|----------|----------|----------|-----|-----|
|  | \$13,241 | \$0      | \$0      | \$0 | \$0 |
| Art IX, Sec 18.02, Salary Increase for General State Employees (2016-17) | \$0      | \$16,000 | \$16,000 | \$0 | \$0 |

**LAPSED APPROPRIATIONS**

|   |         |     |     |     |     |
|---|---------|-----|-----|-----|-----|
| Regular Appropriations from MOF Table (2014-15 GAA) | \$(867) | \$0 | \$0 | \$0 | \$0 |
|---|---------|-----|-----|-----|-----|

|                                    |                  |                  |                  |                  |                  |
|------------------------------------|------------------|------------------|------------------|------------------|------------------|
| <b>TOTAL, General Revenue Fund</b> | <b>\$878,284</b> | <b>\$800,160</b> | <b>\$831,161</b> | <b>\$783,034</b> | <b>\$783,033</b> |
| <b>TOTAL, ALL GENERAL REVENUE</b>  | <b>\$878,284</b> | <b>\$800,160</b> | <b>\$831,161</b> | <b>\$783,034</b> | <b>\$783,033</b> |
| <b>GRAND TOTAL</b>                 | <b>\$878,284</b> | <b>\$800,160</b> | <b>\$831,161</b> | <b>\$783,034</b> | <b>\$783,033</b> |

2.B. Summary of Base Request by Method of Finance

8/4/2016 5:22:12AM

85th Regular Session, Agency Submission, Version 1  
Automated Budget and Evaluation System of Texas (ABEST)

Agency code: 352

Agency name: Bond Review Board

METHOD OF FINANCING      Exp 2015      Est 2016      Bud 2017      Req 2018      Req 2019

FULL-TIME-EQUIVALENT POSITIONS  
REGULAR APPROPRIATIONS

Regular Appropriations from MOF Table (2014-15 GAA)      9.5      0.0      0.0      0.0      0.0

Regular Appropriations from MOF Table (2016-17 GAA)      0.0      10.0      10.0      0.0      0.0

Regular Appropriations from MOF Table (2018-19 GAA)      0.0      0.0      0.0      10.0      10.0

RIDER APPROPRIATION  
ARTIX SEC. 18.33 CONTINGENCY FOR SB14 (2014-15 GAA)      2.0      0.0      0.0      0.0      0.0

RIDER 4, CONTINGENCY FOR LEGISLATION RELATED TO ANNUAL LOCAL REPORT (2014-15 GAA)  
LAPSED APPROPRIATIONS      (1.5)      0.0      0.0      0.0      0.0

Regular Appropriations from MOF Table (2014-15 GAA)      (0.2)      0.0      0.0      0.0      0.0

TOTAL, ADJUSTED FTES      9.8      10.0      10.0      10.0      10.0

NUMBER OF 100% FEDERALLY FUNDED FTES



352 Bond Review Board

| OBJECT OF EXPENSE                   | Exp 2015         | Est 2016         | Bud 2017         | BL 2018          | BL 2019          |
|-------------------------------------|------------------|------------------|------------------|------------------|------------------|
| 1001 SALARIES AND WAGES             | \$624,978        | \$683,000        | \$711,000        | \$690,000        | \$690,000        |
| 1002 OTHER PERSONNEL COSTS          | \$10,559         | \$18,000         | \$18,000         | \$12,000         | \$12,000         |
| 2001 PROFESSIONAL FEES AND SERVICES | \$195,548        | \$12,000         | \$15,000         | \$18,000         | \$18,000         |
| 2003 CONSUMABLE SUPPLIES            | \$3,082          | \$4,000          | \$4,000          | \$3,000          | \$3,000          |
| 2005 TRAVEL                         | \$372            | \$3,000          | \$3,000          | \$5,000          | \$5,000          |
| 2006 RENT - BUILDING                | \$150            | \$360            | \$361            | \$300            | \$300            |
| 2007 RENT - MACHINE AND OTHER       | \$3,962          | \$6,000          | \$6,000          | \$4,000          | \$4,000          |
| 2009 OTHER OPERATING EXPENSE        | \$39,633         | \$73,800         | \$73,800         | \$50,734         | \$50,733         |
| <b>OOE Total (Excluding Riders)</b> | <b>\$878,284</b> | <b>\$800,160</b> | <b>\$831,161</b> | <b>\$783,034</b> | <b>\$783,033</b> |
| <b>OOE Total (Riders)</b>           |                  |                  |                  |                  |                  |
| <b>Grand Total</b>                  | <b>\$878,284</b> | <b>\$800,160</b> | <b>\$831,161</b> | <b>\$783,034</b> | <b>\$783,033</b> |

**2.D. Summary of Base Request Objective Outcomes**  
 85th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation system of Texas (ABEST)

|                          |   | 352 Bond Review Board |          |          |         |         |
|--------------------------|---|-----------------------|----------|----------|---------|---------|
| Goal/Objective / Outcome |   | Exp 2015              | Est 2016 | Bud 2017 | BL 2018 | BL 2019 |
| 1                        | Issue Texas Bonds Cost Effectively Using Sound Debt Mgmt. Policies      |                       |          |          |         |         |
|                          | 1 Meet Highest Financial Feasibility Stds and Minimize Toll Borrowing   |                       |          |          |         |         |
|                          | 1 Percent of Agencies Complying with Capital Plan                       |                       |          |          |         |         |
|                          | 0.00%   |                       | 98.00%   |          | 98.00%  | 0.00%   |
| 2                        | Ensure That Public Officials Have Current Info on Debt Management       |                       |          |          |         |         |
|                          | 1 Inform State and Local Officials on Debt Planning/Management          |                       |          |          |         |         |
|                          | 1 % of Local Government Info Provided Electronically through Web Access |                       |          |          |         |         |
|                          | 97.90%  |                       | 98.00%   | 98.00%   | 98.00%  | 98.00%  |

**2.E. Summary of Exceptional Items Request**  
 85th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/4/2016  
 TIME : 5:22:13AM

Agency code: 352

Agency name: Bond Review Board

| Priority                                | Item                 | 2018                  |                 |             | 2019                |                 |             | Biennium            |                  |
|---|----------------------|-----------------------|-----------------|-------------|---------------------|-----------------|-------------|---------------------|------------------|
|   |                      | GR and GRGR Dedicated | All Funds       | FTEs        | GR and GR Dedicated | All Funds       | FTEs        | GR and GR Dedicated | All Funds        |
| 1                                       | Restore 4% Reduction | \$32,626              | \$32,626        | 0.0         | \$32,627            | \$32,627        | 0.0         | \$65,253            | \$65,253         |
| 2                                       | DATABASE MAINTENANCE | \$63,000              | \$63,000        | 10.0        | \$63,000            | \$63,000        | 10.0        | \$126,000           | \$126,000        |
| <b>Total, Exceptional Items Request</b> |                      | <b>\$95,626</b>       | <b>\$95,626</b> | <b>10.0</b> | <b>\$95,627</b>     | <b>\$95,627</b> | <b>10.0</b> | <b>\$191,253</b>    | <b>\$191,253</b> |

| Method of Financing         |  | 2018            | 2019            | Biennium         |
|-----------------------------|--|-----------------|-----------------|------------------|
| General Revenue             |  | \$95,626        | \$95,627        | \$191,253        |
| General Revenue - Dedicated |  |                 |                 |                  |
| Federal Funds               |  |                 |                 |                  |
| Other Funds                 |  |                 |                 |                  |
|                             |  | <b>\$95,626</b> | <b>\$95,627</b> | <b>\$191,253</b> |

Full Time Equivalent Positions

10.0

10.0

Number of 100% Federally Funded FTEs

**2.F. Summary of Total Request by Strategy**  
 85th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE : 8/4/2016  
 TIME : 5:22:13AM

| Agency code:   | 352              | Agency name:     | Bond Review Board |                  |                    |                    |  |  |
|--|------------------|------------------|-------------------|------------------|--------------------|--------------------|--|--|
| Goal/Objective/STRATEGY  | Base 2018        | Base 2019        | Exceptional 2018  | Exceptional 2019 | Total Request 2018 | Total Request 2019 |  |  |
| <b>1 Issue Texas' Bonds Cost Effectively Using Sound Debt Mgmt. Policies</b> |                  |                  |                   |                  |                    |                    |  |  |
| <b>1 Meet Highest Financial Feasibility Stds and Minimize Toll Borrowing</b> |                  |                  |                   |                  |                    |                    |  |  |
| 1 REVIEW BOND ISSUES   | \$140,946        | \$140,946        | \$17,212          | \$17,212         | \$158,158          | \$158,158          |  |  |
| 2 STATE BOND DEBT  | 140,946          | 140,946          | 17,212            | 17,212           | 158,158            | 158,158            |  |  |
| <b>TOTAL, GOAL 1</b>   | <b>\$281,892</b> | <b>\$281,892</b> | <b>\$34,424</b>   | <b>\$34,424</b>  | <b>\$316,316</b>   | <b>\$316,316</b>   |  |  |
| <b>2 Ensure That Public Officials Have Current Info on Debt Management</b>   |                  |                  |                   |                  |                    |                    |  |  |
| <b>1 Inform State and Local Officials on Debt Planning/Management</b>        |                  |                  |                   |                  |                    |                    |  |  |
| 1 ANALYZE LOCAL BOND DEBT  | 360,196          | 360,195          | 43,990            | 43,991           | 404,186            | 404,186            |  |  |
| <b>TOTAL, GOAL 2</b>   | <b>\$360,196</b> | <b>\$360,195</b> | <b>\$43,990</b>   | <b>\$43,991</b>  | <b>\$404,186</b>   | <b>\$404,186</b>   |  |  |
| <b>3 Equitably Administer the Private Activity Bond Allocation for Texas</b> |                  |                  |                   |                  |                    |                    |  |  |
| <b>1 Maximize the Public and Geographic Benefit from Private Activity B</b>  |                  |                  |                   |                  |                    |                    |  |  |
| 1 ADMINISTER PRIVATE ACTIVITY BONDS  | 140,946          | 140,946          | 17,212            | 17,212           | 158,158            | 158,158            |  |  |
| <b>TOTAL, GOAL 3</b>   | <b>\$140,946</b> | <b>\$140,946</b> | <b>\$17,212</b>   | <b>\$17,212</b>  | <b>\$158,158</b>   | <b>\$158,158</b>   |  |  |
| TOTAL, AGENCY STRATEGY REQUEST   | \$783,034        | \$783,033        | \$95,626          | \$95,627         | \$878,660          | \$878,660          |  |  |
| TOTAL, AGENCY RIDER APPROPRIATIONS REQUEST                                   |                  |                  |                   |                  |                    |                    |  |  |
| <b>GRAND TOTAL, AGENCY REQUEST</b>   | <b>\$783,034</b> | <b>\$783,033</b> | <b>\$95,626</b>   | <b>\$95,627</b>  | <b>\$878,660</b>   | <b>\$878,660</b>   |  |  |

**2.F. Summary of Total Request by Strategy**  
 85th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE : 8/4/2016  
 TIME : 5:22:13AM

Agency code: 352 Agency name: Bond Review Board

| Goal/Objective/STRATEGY | Base | Base | Exceptional | Exceptional | Total Request | Total Request |
|-------------------------|------|------|-------------|-------------|---------------|---------------|
|                         | 2018 | 2019 | 2018        | 2019        | 2018          | 2019          |

**General Revenue Funds:**

|                                       |                  |                  |                 |                 |                  |                  |
|---------------------------------------|------------------|------------------|-----------------|-----------------|------------------|------------------|
| 1 General Revenue Fund                | \$783,034        | \$783,033        | \$95,626        | \$95,627        | \$878,660        | \$878,660        |
| <b>TOTAL, METHOD OF FINANCING</b>     | <b>\$783,034</b> | <b>\$783,033</b> | <b>\$95,626</b> | <b>\$95,627</b> | <b>\$878,660</b> | <b>\$878,660</b> |
| <b>FULL TIME EQUIVALENT POSITIONS</b> | <b>10.0</b>      | <b>10.0</b>      | <b>10.0</b>     | <b>10.0</b>     | <b>20.0</b>      | <b>20.0</b>      |

2.G. Summary of Total Request Objective Outcomes  
 85th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation system of Texas (ABEST)

Date : 8/4/2016  
 Time: 5:22:13AM

Agency code: 352 Agency name: Bond Review Board

| Goal/ Objective / Outcome   | BL<br>2018 | BL<br>2019 | Excp<br>2018 | Excp<br>2019 | Total<br>Request<br>2018 | Total<br>Request<br>2019 |
|---|------------|------------|--------------|--------------|--------------------------|--------------------------|
| 1 Issue Texas' Bonds Cost Effectively Using Sound Debt Mgmt. Policies   |            |            |              |              |                          |                          |
| 1 Meet Highest Financial Feasibility Stds and Minimize Toll Borrowing   |            |            |              |              |                          |                          |
| 1 Percent of Agencies Complying with Capital Plan                       | 98.00%     | 0.00%      |              |              | 98.00%                   | 0.00%                    |
| 2 Ensure That Public Officials Have Current Info on Debt Management     |            |            |              |              |                          |                          |
| 1 Inform State and Local Officials on Debt Planning/Management          |            |            |              |              |                          |                          |
| 1 % of Local Government Info Provided Electronically through Web Access | 98.00%     | 98.00%     |              |              | 98.00%                   | 98.00%                   |

**352 Bond Review Board**

GOAL: 1 Issue Texas' Bonds Cost Effectively Using Sound Debt Mgmt. Policies  
 OBJECTIVE: 1 Meet Highest Financial Feasibility Stds and Minimize Toll Borrowing  
 STRATEGY: 1 Review Bond Issues to Assure Legality and Other Provisions

Service Categories:  
 Service: 05 Income: A.2 Age: B.3

| CODE | DESCRIPTION | Exp 2015 | Est 2016 | Bud 2017 | BL 2018 | BL 2019 |
|------|-------------|----------|----------|----------|---------|---------|
|------|-------------|----------|----------|----------|---------|---------|

**Output Measures:**  
 KEY 1 Number Bond Issues and Leases Reviewed 26.00 35.00 35.00 35.00 35.00

**Objects of Expense:**

|                                     |                  |                  |                  |                  |                  |
|-------------------------------------|------------------|------------------|------------------|------------------|------------------|
| 1001 SALARIES AND WAGES             | \$137,823        | \$136,600        | \$142,200        | \$124,200        | \$124,200        |
| 1002 OTHER PERSONNEL COSTS          | \$1,929          | \$3,600          | \$3,600          | \$2,160          | \$2,160          |
| 2001 PROFESSIONAL FEES AND SERVICES | \$157,883        | \$2,400          | \$3,000          | \$3,240          | \$3,240          |
| 2003 CONSUMABLE SUPPLIES            | \$700            | \$800            | \$800            | \$540            | \$540            |
| 2005 TRAVEL                         | \$282            | \$600            | \$600            | \$900            | \$900            |
| 2006 RENT - BUILDING                | \$30             | \$72             | \$72             | \$54             | \$54             |
| 2007 RENT - MACHINE AND OTHER       | \$792            | \$1,200          | \$1,200          | \$720            | \$720            |
| 2009 OTHER OPERATING EXPENSE        | \$7,198          | \$14,760         | \$14,760         | \$9,132          | \$9,132          |
| <b>TOTAL, OBJECT OF EXPENSE</b>     | <b>\$306,637</b> | <b>\$160,032</b> | <b>\$166,232</b> | <b>\$140,946</b> | <b>\$140,946</b> |

**Method of Financing:**

|  |                  |                  |                  |                  |                  |
|--|------------------|------------------|------------------|------------------|------------------|
| 1 General Revenue Fund                       | \$306,637        | \$160,032        | \$166,232        | \$140,946        | \$140,946        |
| <b>SUBTOTAL, MOF (GENERAL REVENUE FUNDS)</b> | <b>\$306,637</b> | <b>\$160,032</b> | <b>\$166,232</b> | <b>\$140,946</b> | <b>\$140,946</b> |

**352 Bond Review Board**

|                   |   |   |                 |                 |                 |                     |                |          |
|-------------------|---|---|-----------------|-----------------|-----------------|---------------------|----------------|----------|
| <b>GOAL:</b>      | 1 | Issue Texas' Bonds Cost Effectively Using Sound Debt Mgmt. Policies |                 |                 |                 |                     |                |          |
| <b>OBJECTIVE:</b> | 1 | Meet Highest Financial Feasibility Stds and Minimize Toll Borrowing |                 |                 |                 | Service Categories: |                |          |
| <b>STRATEGY:</b>  | 1 | Review Bond Issues to Assure Legality and Other Provisions          |                 |                 |                 | Service: 05         | Income: A.2    | Age: B.3 |
| <b>CODE</b>       |   | <b>DESCRIPTION</b>  | <b>Exp 2015</b> | <b>Est 2016</b> | <b>Bud 2017</b> | <b>BL 2018</b>      | <b>BL 2019</b> |          |

**TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)**

\$140,946

\$140,946

**TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)**

\$306,637

\$160,032

\$166,232

\$140,946

\$140,946

**FULL TIME EQUIVALENT POSITIONS:**

2.0

2.0

2.0

1.5

1.5

**STRATEGY DESCRIPTION AND JUSTIFICATION:**

The Board is mandated by statute (Chapter 1231, Texas Government Code) to review state bond issues. This strategy provides for the continuation of the Board's ongoing review procedures, including an analysis of the structuring and pricing of state bonds. The strategy will help the state achieve more cost-effective borrowing and wise use of public tax dollars. This strategy contributes to the Board's objective to protect the states credit rating and to ensure that bonds are issued in the most cost-effective manner possible using sound debt-management policies.

**EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:**

As of September 2013 Texas' general obligation (GO) debt was rated at Aaa/AAA/AAA by the three major credit rating agencies, Moody's Investors Service (Moody's), Standard & Poor's (S&P) and Fitch Ratings (Fitch), respectively. On September 24, 2013 S&P upgraded Texas' General Obligation Debt rating to AAA from Aa+ with a stable outlook. Moody's and Fitch also maintain their outlook as stable.

On June 10, 2013, S&P reaffirmed its Aa+ long-term debt rating for the United States and revised its long-term outlook to stable from negative. Similarly, on July 18 2013, Moody's affirmed the United States government Aaa rating and changed its outlook to stable from negative. In addition, on April 13, 2015, Fitch affirmed its AAA rating for the U.S. with a long-term outlook of stable. Texas' GO borrowing costs have not been significantly impacted by changes in U.S. credit ratings.



352 Bond Review Board

|            |   |   |          |          |          |  |
|------------|---|---|----------|----------|----------|--|
| GOAL:      | 1 | Issue Texas' Bonds Cost Effectively Using Sound Debt Mgmt. Policies |          |          |          |  |
| OBJECTIVE: | 1 | Meet Highest Financial Feasibility Stds and Minimize Totl Borrowing |          |          |          | Service Categories:                    |
| STRATEGY:  | 1 | Review Bond Issues to Assure Legality and Other Provisions          |          |          |          | Service: 05    Income: A.2    Age: B.3 |
| CODE       |   | DESCRIPTION   | Exp 2015 | Est 2016 | Bud 2017 | BL 2018    BL 2019                     |

EXPLANATION OF BIENNIAL CHANGE (includes Rider amounts):

| STRATEGY BIENNIAL TOTAL - ALL FUNDS | BIENNIAL CHANGE                      | EXPLANATION OF BIENNIAL CHANGE  |
|-------------------------------------|--------------------------------------|---|
| Base Spending (Est 2016 + Bud 2017) | Baseline Request (BL 2018 + BL 2019) | \$ Amount    Explanation(s) of Amount (must specify MOFs and FTEs)    |
| \$326,264                           | \$281,892                            | \$ (326,264)    Increase for 84th legislative session MOF and FTE (2) |
|                                     |                                      | \$140,946    85th 4% mandatory budget cut                             |
|                                     |                                      | 85th 4% mandatory budget cut  |
|                                     |                                      | <b>\$(44,372)    Total of Explanation of Biennial Change</b>          |

352 Bond Review Board

GOAL: 1 Issue Texas' Bonds Cost Effectively Using Sound Debt Mgmt. Policies  
 OBJECTIVE: 1 Meet Highest Financial Feasibility Stds and Minimize Totl Borrowing  
 STRATEGY: 2 Report to the Legislature on Debt Obligation and Policy Alternatives

Service Categories:  
 Service: 05 Income: A.2 Age: B.3

| CODE | DESCRIPTION | Exp 2015 | Est 2016 | Bud 2017 | BL 2018 | BL 2019 |
|------|-------------|----------|----------|----------|---------|---------|
|------|-------------|----------|----------|----------|---------|---------|

Output Measures:

|       |  |        |        |        |        |        |
|-------|--|--------|--------|--------|--------|--------|
| KEY 1 | Number of Responses to Debt Information Requests     | 210.00 | 125.00 | 175.00 | 125.00 | 175.00 |
| 2     | Number of Capital Expenditure Plan Projects Reviewed | 0.00   | 975.00 | 0.00   | 975.00 | 0.00   |

Explanatory/Input Measures:

|   |  |       |       |       |       |       |
|---|--|-------|-------|-------|-------|-------|
| 1 | Issuance Cost/\$1000 GO Debt                       | 4.17  | 6.50  | 6.50  | 6.50  | 6.50  |
| 2 | Percent of General Revenue for GO and Revenue Debt | 1.10% | 1.79% | 1.79% | 1.79% | 1.79% |
| 3 | Texas' GO Bond Rating                              | 1.00  | 1.00  | 1.00  | 1.00  | 1.00  |

Objects of Expense:

|                                 |                                |                  |                  |                  |                  |                  |
|---------------------------------|--------------------------------|------------------|------------------|------------------|------------------|------------------|
| 1001                            | SALARIES AND WAGES             | \$135,435        | \$136,600        | \$142,200        | \$124,200        | \$124,200        |
| 1002                            | OTHER PERSONNEL COSTS          | \$3,077          | \$3,600          | \$3,600          | \$2,160          | \$2,160          |
| 2001                            | PROFESSIONAL FEES AND SERVICES | \$9,104          | \$2,400          | \$3,000          | \$3,240          | \$3,240          |
| 2003                            | CONSUMABLE SUPPLIES            | \$956            | \$800            | \$800            | \$540            | \$540            |
| 2005                            | TRAVEL                         | \$30             | \$600            | \$600            | \$900            | \$900            |
| 2006                            | RENT - BUILDING                | \$30             | \$72             | \$72             | \$54             | \$54             |
| 2007                            | RENT - MACHINE AND OTHER       | \$793            | \$1,200          | \$1,200          | \$720            | \$720            |
| 2009                            | OTHER OPERATING EXPENSE        | \$7,345          | \$14,760         | \$14,760         | \$9,132          | \$9,132          |
| <b>TOTAL, OBJECT OF EXPENSE</b> |                                | <b>\$156,770</b> | <b>\$160,032</b> | <b>\$166,232</b> | <b>\$140,946</b> | <b>\$140,946</b> |

**352 Bond Review Board**

|            |   |  |          |          |          |         |         |  |
|------------|---|--|----------|----------|----------|---------|---------|--|
| GOAL:      | 1 | Issue Texas' Bonds Cost Effectively Using Sound Debt Mgmt. Policies  |          |          |          |         |         |  |
| OBJECTIVE: | 1 | Meet Highest Financial Feasibility Stds and Minimize Totl Borrowing  |          |          |          |         |         |  |
| STRATEGY:  | 2 | Report to the Legislature on Debt Obligation and Policy Alternatives |          |          |          |         |         |  |
| CODE       |   | DESCRIPTION  | Exp 2015 | Est 2016 | Bud 2017 | BL 2018 | BL 2019 |  |

**Method of Financing:**

|   |  |                  |                  |                  |                  |                  |
|---|--|------------------|------------------|------------------|------------------|------------------|
| 1 | General Revenue Fund                               | \$156,770        | \$160,032        | \$166,232        | \$140,946        | \$140,946        |
|   | <b>SUBTOTAL, MOF (GENERAL REVENUE FUNDS)</b>       | <b>\$156,770</b> | <b>\$160,032</b> | <b>\$166,232</b> | <b>\$140,946</b> | <b>\$140,946</b> |
|   | <b>TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)</b> | <b>\$156,770</b> | <b>\$160,032</b> | <b>\$166,232</b> | <b>\$140,946</b> | <b>\$140,946</b> |
|   | <b>FULL TIME EQUIVALENT POSITIONS:</b>             | <b>2.0</b>       | <b>2.0</b>       | <b>2.0</b>       | <b>1.5</b>       | <b>1.5</b>       |

**STRATEGY DESCRIPTION AND JUSTIFICATION:**

This strategy provides the analysis and reporting of the state's debt obligations, capital expenditure plan and creditworthiness to the Legislature and rating agencies. This strategy contributes to the Board's objective to attain the highest possible bond rating for the state and to ensure that bonds are issued in the most cost-effective manner using sound debt-management policies.

**EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:**

**352 Bond Review Board**

|                   |                    |  |                     |                 |                |                |
|-------------------|--------------------|--|---------------------|-----------------|----------------|----------------|
| <b>GOAL:</b>      | 1                  | Issue Texas' Bonds Cost Effectively Using Sound Debt Mgmt. Policies  |                     |                 |                |                |
| <b>OBJECTIVE:</b> | 1                  | Meet Highest Financial Feasibility Stds and Minimize Totl Borrowing  | Service Categories: |                 |                |                |
| <b>STRATEGY:</b>  | 2                  | Report to the Legislature on Debt Obligation and Policy Alternatives | Service: 05         | Income: A.2     | Age: B.3       |                |
| <b>CODE</b>       | <b>DESCRIPTION</b> | <b>Exp 2015</b>  | <b>Est 2016</b>     | <b>Bud 2017</b> | <b>BL 2018</b> | <b>BL 2019</b> |

While the state currently has a relatively low debt burden, the growth in state debt has increased significantly since 1986. If the state were to issue all authorized bonds, the state debt burden would increase considerably. Local governments in the state are faced with relatively high debt burdens and high tax burdens. These factors make it critical for the state to evaluate and implement means to lower borrowing costs and effectively manage the state's debt. Rating agencies have expressed concerns about budgetary pressures the state is experiencing related to its growth and funding sources. As mandated by the 76th Legislature, the statewide capital expenditure plan was implemented and a report is prepared biennially to assist the state's policymakers' efforts to effectively manage the state debt and positively impact the state's credit rating. The state's borrowing costs and credit rating are also effected by external factors such as the state's economy and finances that the Board cannot control.

**EXPLANATION OF BIENNIAL CHANGE (includes Rider amounts):**

| STRATEGY BIENNIAL TOTAL - ALL FUNDS | BIENNIAL CHANGE                      | EXPLANATION OF BIENNIAL CHANGE                                  |
|-------------------------------------|--------------------------------------|---|
| Base Spending (Est 2016 + Bud 2017) | Baseline Request (BL 2018 + BL 2019) | \$ Amount Explanation(s) of Amount (must specify MOFs and FTEs) |
| \$326,264                           | \$281,892                            | 84th Legislature increase MOF and FTE's(2)                      |
|                                     |                                      | \$140,946 85th 4% mandatory budget cut                          |
|                                     |                                      | 85th 4% mandatory budget cut                                    |
|                                     |                                      | <b>Total of Explanation of Biennial Change</b>                  |
|                                     |                                      | <b>\$(44,372)</b>   |

352 Bond Review Board

GOAL: 2 Ensure That Public Officials Have Current Info on Debt Management  
 OBJECTIVE: 1 Inform State and Local Officials on Debt Planning/Management  
 STRATEGY: 1 Analyze Data on Local Government Finance and Debt Management

Service Categories:  
 Service: 07 Income: A.2 Age: B.3

| CODE | DESCRIPTION | Exp 2015 | Est 2016 | Bud 2017 | BL 2018 | BL 2019 |
|------|-------------|----------|----------|----------|---------|---------|
|------|-------------|----------|----------|----------|---------|---------|

**Output Measures:**  
 KEY 1 Number of Local Government Financings Analyzed 1,685.00 1,200.00 1,200.00 1,200.00 1,200.00

**Efficiency Measures:**  
 1 Average Issuance Cost Per \$1,000 Debt Issued by Locals 13.35 15.50 15.50 15.50 15.50

**Explanatory/Input Measures:**  
 1 Number of Local Governments Issuing Debt 1,114.00 900.00 900.00 900.00 900.00

**Objects of Expense:**

|                                     |                  |                  |                  |                  |                  |
|-------------------------------------|------------------|------------------|------------------|------------------|------------------|
| 1001 SALARIES AND WAGES             | \$209,173        | \$273,200        | \$284,400        | \$317,400        | \$317,400        |
| 1002 OTHER PERSONNEL COSTS          | \$2,678          | \$7,200          | \$7,200          | \$5,520          | \$5,520          |
| 2001 PROFESSIONAL FEES AND SERVICES | \$19,256         | \$4,800          | \$6,000          | \$8,280          | \$8,280          |
| 2003 CONSUMABLE SUPPLIES            | \$906            | \$1,600          | \$1,600          | \$1,380          | \$1,380          |
| 2005 TRAVEL                         | \$30             | \$1,200          | \$1,200          | \$2,300          | \$2,300          |
| 2006 RENT - BUILDING                | \$0              | \$144            | \$145            | \$138            | \$138            |
| 2007 RENT - MACHINE AND OTHER       | \$1,585          | \$2,400          | \$2,400          | \$1,840          | \$1,840          |
| 2009 OTHER OPERATING EXPENSE        | \$18,077         | \$29,520         | \$29,520         | \$23,338         | \$23,337         |
| <b>TOTAL, OBJECT OF EXPENSE</b>     | <b>\$251,705</b> | <b>\$320,064</b> | <b>\$332,465</b> | <b>\$360,196</b> | <b>\$360,195</b> |

Method of Financing:

**352 Bond Review Board**

GOAL: 2 Ensure That Public Officials Have Current Info on Debt Management  
 OBJECTIVE: 1 Inform State and Local Officials on Debt Planning/Management  
 STRATEGY: 1 Analyze Data on Local Government Finance and Debt Management

Service Categories:  
 Service: 07 Income: A.2 Age: B.3

| CODE | DESCRIPTION  | Exp 2015         | Est 2016         | Bnd 2017         | BL 2018          | BL 2019          |
|------|--|------------------|------------------|------------------|------------------|------------------|
| 1    | General Revenue Fund                               | \$251,705        | \$320,064        | \$332,465        | \$360,196        | \$360,195        |
|      | <b>SUBTOTAL, MOF (GENERAL REVENUE FUNDS)</b>       | <b>\$251,705</b> | <b>\$320,064</b> | <b>\$332,465</b> | <b>\$360,196</b> | <b>\$360,195</b> |
|      | <b>TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)</b> |                  |                  |                  | \$360,196        | \$360,195        |
|      | <b>TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)</b> | <b>\$251,705</b> | <b>\$320,064</b> | <b>\$332,465</b> | <b>\$360,196</b> | <b>\$360,195</b> |
|      | <b>FULL TIME EQUIVALENT POSITIONS:</b>             | <b>3.8</b>       | <b>4.0</b>       | <b>4.0</b>       | <b>5.5</b>       | <b>5.5</b>       |

**STRATEGY DESCRIPTION AND JUSTIFICATION:**

The strategy for ensuring that public officials have access to current information regarding local government debt issuance, finance and debt management is to: collect, maintain, and analyze data on the current status of, and improvements to, local government debt issuance, finance and debt management; and to report findings to the Legislature, other state officials, and local policy makers. Chapter 1202 Texas Government Code, had greatly facilitated BRRB data collection efforts. This statute authorizes the Attorney General to collect information on bonds issued by political subdivisions of the state and to forward such information to the BRRB. Report of findings, including the outstanding debt of local governments, cost of issuance, volume of debt issued each fiscal year, and the results of bond refinancing will be distributed to state and local officials, rating agencies, and the public. The agency streamlined the local government debt databases with a simplified review and data entry process that enables staff to focus on improved analysis and communication efforts. Staff posts the searchable databases on the agency's website and updates them annually as well as provides expanded local government debt information giving website visitors the ability to download spreadsheets that contain debt outstanding, debt ratio and population data by government type at fiscal year end.

**352 Bond Review Board**

|            |   |   |                     |             |          |                    |
|------------|---|---|---------------------|-------------|----------|--------------------|
| GOAL:      | 2 | Ensure That Public Officials Have Current Info on Debt Management |                     |             |          |                    |
| OBJECTIVE: | 1 | Inform State and Local Officials on Debt Planning/Management      | Service Categories: |             |          |                    |
| STRATEGY:  | 1 | Analyze Data on Local Government Finance and Debt Management      | Service: 07         | Income: A.2 | Age: B.3 |                    |
| CODE       |   | DESCRIPTION   | Exp 2015            | Est 2016    | Bud 2017 | BL 2018<br>BL 2019 |

**EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:**

There are over 4,500 local governments that have authority to issue debt in Texas. Tracking the outstanding debt, assessed values and tax rates on all of these entities requires that BRB staff allocate its time and resources efficiently. External factors that affect the work load of the Local Government Services staff include interest rate fluctuations. When interest rates are low, the number of bond refunding and workload of LGS will normally increase.

**EXPLANATION OF BIENNIAL CHANGE (includes Rider amounts):**

| STRATEGY BIENNIAL TOTAL - ALL FUNDS | BIENNIAL CHANGE                      | EXPLANATION OF BIENNIAL CHANGE                                    |
|-------------------------------------|--------------------------------------|---|
| Base Spending (Est 2016 + Bud 2017) | Baseline Request (BL 2018 + BL 2019) | \$ Amount - Explanation(s) of Amount (must specify MOFs and FTEs) |
| \$652,529                           | \$720,391                            | \$67,862  |
|                                     |                                      | increase 84 legislature MOF and FTEs (2)                          |
|                                     |                                      | \$360,196   |
|                                     |                                      | 85th 4% mandatory budget cut                                      |
|                                     |                                      | \$360,195   |
|                                     |                                      | 85th 4% mandatory budget cut                                      |
|                                     |                                      | <b>\$67,862 Total of Explanation of Biennial Change</b>           |

**352 Bond Review Board**

|            |   |  |          |          |          |         |         |  |
|------------|---|--|----------|----------|----------|---------|---------|--|
| GOAL:      | 3 | Equitably Administer the Private Activity Bond Allocation for Texas    |          |          |          |         |         |  |
| OBJECTIVE: | 1 | Maximize the Public and Geographic Benefit from Private Activity Bonds |          |          |          |         |         |  |
| STRATEGY:  | 1 | Effectively Administer the Private Activity Bond Allocation Program    |          |          |          |         |         |  |
| CODE       |   | DESCRIPTION  | Exp 2015 | Est 2016 | Bud 2017 | BL 2018 | BL 2019 |  |

|   |                      |           |           |           |           |           |  |
|---|----------------------|-----------|-----------|-----------|-----------|-----------|--|
| 1   | General Revenue Fund | \$163,172 | \$160,032 | \$166,232 | \$140,946 | \$140,946 |  |
| SUBTOTAL, MOF (GENERAL REVENUE FUNDS)       |                      | \$163,172 | \$160,032 | \$166,232 | \$140,946 | \$140,946 |  |
| TOTAL, METHOD OF FINANCE (INCLUDING RIDERS) |                      |           |           |           |           |           |  |
| TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS) |                      | \$163,172 | \$160,032 | \$166,232 | \$140,946 | \$140,946 |  |
| FULL TIME EQUIVALENT POSITIONS:             |                      | 2.0       | 2.0       | 2.0       | 1.5       | 1.5       |  |

**STRATEGY DESCRIPTION AND JUSTIFICATION:**

Administer the private activity bond allocation program efficiently and effectively to ensure the total utilization of the state's annual private activity bond allocation according to federal regulations and compile and analyze the results of each allocation in an annual report, including recommendations for statutory and/or rule changes to ensure that the program effectively addresses the needs of the state. (Statutory authorization for the Board's administration of the private activity bond allocation is found in Chapter 1372 of the Texas Government Code.)

**EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:**



**352 Bond Review Board**

GOAL: 3 Equitably Administer the Private Activity Bond Allocation for Texas  
 OBJECTIVE: 1 Maximize the Public and Geographic Benefit from Private Activity Bonds  
 STRATEGY: 1 Effectively Administer the Private Activity Bond Allocation Program

|      |             |          |          |          |         |         |
|------|-------------|----------|----------|----------|---------|---------|
| CODE | DESCRIPTION | Exp 2015 | Est 2016 | Bud 2017 | BL 2018 | BL 2019 |
|------|-------------|----------|----------|----------|---------|---------|

Federal Legislation determines the projects that qualify under the allocation program. Neither the Board nor agency staff has control over sunset provisions and tax laws. Additional increases in demand are expected due to the needs of private activity bond issuers and the effects of inflation. Beginning in 2003, the private activity volume cap was \$75 per capita and indexed to an inflationary factor for future years. Volume cap is currently \$100 per capita. Demand for the private activity is steady but is expected to be depressed for the short term due to difficulty in the single and multi-family housing programs, but also the restructuring of the student loan paradigm by federal legislation. Program receipts (unappropriated) totaled \$1.00 million for the 2012-2013 biennium and 1.14 million for the 2014-2015 biennium. As of June 2016 the program had provided a total of \$794,534 in unappropriated general revenue, and application fees for fiscal 2016 and 2017 are anticipated to exceed prior levels.

**EXPLANATION OF BIENNIAL CHANGE (includes Rider amounts):**

| <u>STRATEGY BIENNIAL TOTAL - ALL FUNDS</u> |   | <u>BIENNIAL CHANGE</u> |                  | <u>EXPLANATION OF BIENNIAL CHANGE</u>                        |                   |
|--|---|------------------------|------------------|--|-------------------|
| <u>Base Spending (Est 2016 + Bud 2017)</u> | <u>Baseline Request (BL 2018 + BL 2019)</u> | <u>CHANGE</u>          | <u>\$ Amount</u> | <u>Explanation(s) of Amount (must specify MOFs and FTES)</u> |                   |
| \$326,264                                  | \$281,892                                   | \$(44,372)             | \$(326,264)      | increase 84th legislature MOF and FTES (2)                   |                   |
|  |   |                        | \$140,946        | 85th 4% mandatory budget cut                                 |                   |
|  |   |                        |                  | 85th 4% mandatory budget cut                                 |                   |
|  |   |                        |                  | <b>Total of Explanation of Biennial Change</b>               | <b>\$(44,372)</b> |

SUMMARY TOTALS:

|  |           |           |           |           |           |
|--|-----------|-----------|-----------|-----------|-----------|
| OBJECTS OF EXPENSE:                    | \$878,284 | \$800,160 | \$831,161 | \$783,034 | \$783,033 |
| METHODS OF FINANCE (INCLUDING RIDERS): |           |           |           | \$783,034 | \$783,033 |
| METHODS OF FINANCE (EXCLUDING RIDERS): | \$878,284 | \$800,160 | \$831,161 | \$783,034 | \$783,033 |
| FULL TIME EQUIVALENT POSITIONS:        | 9.8       | 10.0      | 10.0      | 10.0      | 10.0      |

Agency code: 352

Agency name:

Bond Review Board

CODE DESCRIPTION

Excp 2018

Excp 2019

Item Name: Restore 4% Reduction of Agency funds.  
 Item Priority: 1  
 IT Component: No  
 Anticipated Out-year Costs: No  
 Involve Contracts > \$50,000: No

Includes Funding for the Following Strategy or Strategies:

|          |  |
|----------|--|
| 01-01-01 | Review Bond Issues to Assure Legality and Other Provisions           |
| 01-01-02 | Report to the Legislature on Debt Obligation and Policy Alternatives |
| 02-01-01 | Analyze Data on Local Government Finance and Debt Management         |
| 03-01-01 | Effectively Administer the Private Activity Bond Allocation Program  |

**OBJECTS OF EXPENSE:**

1001 SALARIES AND WAGES  
 1002 OTHER PERSONNEL COSTS

TOTAL, OBJECT OF EXPENSE

|                 |                 |
|-----------------|-----------------|
| 31,626          | 31,627          |
| 1,000           | 1,000           |
| <u>\$32,626</u> | <u>\$32,627</u> |

**METHOD OF FINANCING:**

1 General Revenue Fund

TOTAL, METHOD OF FINANCING

|                 |                 |
|-----------------|-----------------|
| 32,626          | 32,627          |
| <u>\$32,626</u> | <u>\$32,627</u> |

**DESCRIPTION / JUSTIFICATION:**

The BRB requests the biennial amount of \$65,253 to restore the 4% reduction of agency operating funds during the FY2018-2019 biennium. With 92% of the agency's budget allocated to salaries, reducing the agency's current operating budget by 4% would force a reduction in staff and compromise agency efficiency; the quality of its analyses, and delay reports as well as the agency's ability to maintain exemplary service to its customers (legislature, state and local leadership and general public). BRB staff continues to analyze and process increasingly complex state financing applications in the state debt strategy. The workload in the local debt strategy has increased because of the additional data BRB is collecting for each local debt issuance as well as the additional interest in the area generated with the increased amount of local debt issued over the years. In addition, overall demand for tax-exempt private activity bonds is expected to grow in calendar year 2016 and beyond. Restoring the 4% reduction back to the agency's operating budget would allow the agency to maintain its current service levels by ensuring the legislative mandates of the state, local and private activity bond strategies are handled in the most efficient and effective manner.

**EXTERNAL/INTERNAL FACTORS:**

The primary justification for this funding is to avoid a reduction in staff and thus ensure continued efficient operation of the BRB to fulfill the goals and mission of the agency.

Agency code: 352 Agency name: Bond Review Board

CODE DESCRIPTION Excp 2018 Excp 2019

Item Name: DATABASE MAINTENANCE, TRAINING AND ADDITIONAL DEVELOPMENT  
 Item Priority: 2  
 IT Component: No  
 Anticipated Out-Year Costs: No  
 Involve Contracts > \$50,000: No

Includes Funding for the Following Strategy or Strategies:  
 01-01-01 Review Bond Issues to Assure Legality and Other Provisions  
 01-01-02 Report to the Legislature on Debt Obligation and Policy Alternatives  
 02-01-01 Analyze Data on Local Government Finance and Debt Management  
 03-01-01 Effectively Administer the Private Activity Bond Allocation Program

OBJECTS OF EXPENSE:  
 2001 PROFESSIONAL FEES AND SERVICES  
 TOTAL, OBJECT OF EXPENSE \$63,000 \$63,000

METHOD OF FINANCING:  
 1 General Revenue Fund  
 TOTAL, METHOD OF FINANCING \$63,000 \$63,000  
 FULL-TIME EQUIVALENT POSITIONS (FTE): 10.00 10.00

DESCRIPTION / JUSTIFICATION:  
 The BRB requests the biennial amount of \$126,000 to perform ongoing maintenance activities for the agency's new custom-built relational database. This maintenance work is necessary to ensure the continued efficient operation of the system and can only be handled by a Sequel database administrator. Expected tasks include performing mandatory security patches and software upgrades. In addition, the new database improves the collection and reporting of state and local debt information and allows staff to respond more efficiently to ad-hoc data requests and conduct detailed forensic analysis searching for data anomalies. The BRB seeks funding to provide ongoing training to teach staff how to create sophisticated database queries and build detailed, longitudinal reports. The BRB will also use the funding for additional software development to further improve workflow efficiency.

EXTERNAL/INTERNAL FACTORS:  
 The primary justification for this funding is to ensure efficient ongoing operation and maximize the value of the newly developed relational-based database.

Agency code: 352 Agency name: Bond Review Board

Code Description Exp 2018 Exp 2019

Item Name: Restore 4% Reduction of Agency funds.

Allocation to Strategy: 1-1-1 Review Bond Issues to Assure Legality and Other Provisions

STRATEGY IMPACT ON OUTCOME MEASURES:

1 Percent of Agencies Complying with Capital Plan 98.00% 0.00%

OUTPUT MEASURES:

1 Number Bond Issues and Leases Reviewed 35.00 35.00

OBJECTS OF EXPENSE:

1001 SALARIES AND WAGES 5,692 5,692

1002 OTHER PERSONNEL COSTS 180 180

TOTAL, OBJECT OF EXPENSE \$5,872 \$5,872

METHOD OF FINANCING:

1 General Revenue Fund 5,872 5,872

TOTAL, METHOD OF FINANCING \$5,872 \$5,872

FULL-TIME EQUIVALENT POSITIONS (FTE): 0.0 0.0

Agency code: 352 Agency name: Bond Review Board

Code Description Exp 2018 Exp 2019

Item Name: Restore 4% Reduction of Agency funds.

Allocation to Strategy: 1-1-2 Report to the Legislature on Debt Obligation and Policy Alternatives

STRATEGY IMPACT ON OUTCOME MEASURES:

1 Percent of Agencies Complying with Capital Plan 98.00% 0.00%

OUTPUT MEASURES:

1 Number of Responses to Debt Information Requests 125.00 175.00

EXPLANATORY/INPUT MEASURES:

1 Issuance Cost/\$1000 GO Debt 6.50 6.50

2 Percent of General Revenue for GO and Revenue Debt 1.79% 1.79%

3 Texas' GO Bond Rating 1.00 1.00

OBJECTS OF EXPENSE:

1001 SALARIES AND WAGES 5,692 5,692

1002 OTHER PERSONNEL COSTS 180 180

TOTAL, OBJECT OF EXPENSE

\$5,872 \$5,872

METHOD OF FINANCING:

1 General Revenue Fund 5,872 5,872

TOTAL, METHOD OF FINANCING

\$5,872 \$5,872

FULL-TIME EQUIVALENT POSITIONS (FTE):

0.0 0.0

Agency code: 352 Agency name: Bond Review Board

Code Description Exp 2018 Exp 2019

Item Name: Restore 4% Reduction of Agency funds.

Allocation to Strategy: 2-1-1 Analyze Data on Local Government Finance and Debt Management

STRATEGY IMPACT ON OUTCOME MEASURES:

|   |   |        |        |
|---|---|--------|--------|
| 1 | % of Local Government Info Provided Electronically through Web Access | 98.00% | 98.00% |
|---|---|--------|--------|

OUTPUT MEASURES:

|   |  |          |          |
|---|--|----------|----------|
| 1 | Number of Local Government Financings Analyzed | 1,200.00 | 1,200.00 |
|---|--|----------|----------|

EFFICIENCY MEASURES:

|   |   |       |       |
|---|---|-------|-------|
| 1 | Average Issuance Cost Per \$1,000 Debt Issued by Locals | 15.50 | 15.50 |
|---|---|-------|-------|

EXPLANATORY/INPUT MEASURES:

|   |  |        |        |
|---|--|--------|--------|
| 1 | Number of Local Governments Issuing Debt | 900.00 | 900.00 |
|---|--|--------|--------|

OBJECTS OF EXPENSE:

|                                 |                       |                 |                 |
|---------------------------------|-----------------------|-----------------|-----------------|
| 1001                            | SALARIES AND WAGES    | 14,550          | 14,551          |
| 1002                            | OTHER PERSONNEL COSTS | 460             | 460             |
| <b>TOTAL, OBJECT OF EXPENSE</b> |                       | <b>\$15,010</b> | <b>\$15,011</b> |

METHOD OF FINANCING:

|                                   |                      |                 |                 |
|-----------------------------------|----------------------|-----------------|-----------------|
| 1                                 | General Revenue Fund | 15,010          | 15,011          |
| <b>TOTAL, METHOD OF FINANCING</b> |                      | <b>\$15,010</b> | <b>\$15,011</b> |

FULL-TIME EQUIVALENT POSITIONS (FTE): 0.0 0.0

Agency code: 352 Agency name: Bond Review Board

Code Description Exp 2018 Exp 2019

Item Name: Restore 4% Reduction of Agency funds.

Allocation to Strategy: 3-1-1 Effectively Administer the Private Activity Bond Allocation Program

OUTPUT MEASURES:

|   |                                 |                 |                 |
|---|---------------------------------|-----------------|-----------------|
| 1 | Number of Applications Reviewed | 60.00           | 60.00           |
| 2 | Number of Allocations Issued    | 40.00           | 40.00           |
| 3 | Amount of Allocation Issued     | ,150,000,000.00 | ,160,000,000.00 |

EXPLANATORY/INPUT MEASURES:

|   |   |                 |                 |
|---|---|-----------------|-----------------|
| 1 | Amount of Demand for Private Activity Bonds | ,000,000,000.00 | ,000,000,000.00 |
|---|---|-----------------|-----------------|

OBJECTS OF EXPENSE:

|                                 |                       |                |                |
|---------------------------------|-----------------------|----------------|----------------|
| 1001                            | SALARIES AND WAGES    | 5,692          | 5,692          |
| 1002                            | OTHER PERSONNEL COSTS | 180            | 180            |
| <b>TOTAL, OBJECT OF EXPENSE</b> |                       | <b>\$5,872</b> | <b>\$5,872</b> |

METHOD OF FINANCING:

|                                   |                      |                |                |
|-----------------------------------|----------------------|----------------|----------------|
| 1                                 | General Revenue Fund | 5,872          | 5,872          |
| <b>TOTAL, METHOD OF FINANCING</b> |                      | <b>\$5,872</b> | <b>\$5,872</b> |

FULL-TIME EQUIVALENT POSITIONS (FTE):

|  |  |     |     |
|--|--|-----|-----|
|  |  | 0.0 | 0.0 |
|--|--|-----|-----|



Agency code: 352 Agency name: Bond Review Board

Code Description Exp 2018 Exp 2019

|                                       |   |  |
|---------------------------------------|---|--|
| Item Name:                            | DATABASE MAINTENANCE, TRAINING AND ADDITIONAL DEVELOPMENT |  |
| Allocation to Strategy:               | 1-1-1   | Review Bond Issues to Assure Legality and Other Provisions |
| STRATEGY IMPACT ON OUTCOME MEASURES:  |   |  |
| 1                                     | Percent of Agencies Complying with Capital Plan           | 98.00%   |
| OUTPUT MEASURES:                      |   |  |
| 1                                     | Number Bond Issues and Leases Reviewed                    | 35.00  |
| OBJECTS OF EXPENSE:                   |   |  |
| 2001                                  | PROFESSIONAL FEES AND SERVICES                            | 11,340   |
| TOTAL, OBJECT OF EXPENSE              |   | <u>\$11,340</u>  |
| METHOD OF FINANCING:                  |   |  |
| 1                                     | General Revenue Fund                                      | 11,340   |
| TOTAL, METHOD OF FINANCING            |   | <u>\$11,340</u>  |
| FULL-TIME EQUIVALENT POSITIONS (FTE): | 1.5   | 1.5  |

Agency code: 352 Agency name: Bond Review Board

Code Description Excp 2018 Excp 2019

Item Name: DATABASE MAINTENANCE, TRAINING AND ADDITIONAL DEVELOPMENT

Allocation to Strategy: 1-1-2 Report to the Legislature on Debt Obligation and Policy Alternatives

STRATEGY IMPACT ON OUTCOME MEASURES:

|   |   |        |       |
|---|---|--------|-------|
| 1 | Percent of Agencies Complying with Capital Plan | 98.00% | 0.00% |
|---|---|--------|-------|

OUTPUT MEASURES:

|   |  |        |        |
|---|--|--------|--------|
| 1 | Number of Responses to Debt Information Requests | 125.00 | 175.00 |
|---|--|--------|--------|

EXPLANATORY/INPUT MEASURES:

|   |  |       |       |
|---|--|-------|-------|
| 1 | Issuance Cost/\$1000 GO Debt                       | 6.50  | 6.50  |
| 2 | Percent of General Revenue for GO and Revenue Debt | 1.79% | 1.79% |
| 3 | Texas' GO Bond Rating                              | 1.00  | 1.00  |

OBJECTS OF EXPENSE:

|      |                                |        |        |
|------|--------------------------------|--------|--------|
| 2001 | PROFESSIONAL FEES AND SERVICES | 11,340 | 11,340 |
|------|--------------------------------|--------|--------|

TOTAL, OBJECT OF EXPENSE

|  |          |          |
|--|----------|----------|
|  | \$11,340 | \$11,340 |
|--|----------|----------|

METHOD OF FINANCING:

|   |                      |        |        |
|---|----------------------|--------|--------|
| 1 | General Revenue Fund | 11,340 | 11,340 |
|---|----------------------|--------|--------|

TOTAL, METHOD OF FINANCING

|  |          |          |
|--|----------|----------|
|  | \$11,340 | \$11,340 |
|--|----------|----------|

FULL-TIME EQUIVALENT POSITIONS (FTE):

|  |     |     |
|--|-----|-----|
|  | 1.5 | 1.5 |
|--|-----|-----|

Agency code: 352 Agency name: Bond Review Board

Code Description Excp 2018 Excp 2019

Item Name: DATABASE MAINTENANCE, TRAINING AND ADDITIONAL DEVELOPMENT

Allocation to Strategy: 2-1-1 Analyze Data on Local Government Finance and Debt Management

STRATEGY IMPACT ON OUTCOME MEASURES:

|   |   |        |        |
|---|---|--------|--------|
| 1 | % of Local Government Info Provided Electronically through Web Access | 98.00% | 98.00% |
|---|---|--------|--------|

OUTPUT MEASURES:

|   |  |          |          |
|---|--|----------|----------|
| 1 | Number of Local Government Financings Analyzed | 1,200.00 | 1,200.00 |
|---|--|----------|----------|

EFFICIENCY MEASURES:

|   |   |       |       |
|---|---|-------|-------|
| 1 | Average Issuance Cost Per \$1,000 Debt Issued by Locals | 15.50 | 15.50 |
|---|---|-------|-------|

EXPLANATORY/INPUT MEASURES:

|   |  |        |        |
|---|--|--------|--------|
| 1 | Number of Local Governments Issuing Debt | 900.00 | 900.00 |
|---|--|--------|--------|

OBJECTS OF EXPENSE:

|      |                                |        |        |
|------|--------------------------------|--------|--------|
| 2001 | PROFESSIONAL FEES AND SERVICES | 28,980 | 28,980 |
|------|--------------------------------|--------|--------|

TOTAL, OBJECT OF EXPENSE

|  |  |                 |                 |
|--|--|-----------------|-----------------|
|  |  | <b>\$28,980</b> | <b>\$28,980</b> |
|--|--|-----------------|-----------------|

METHOD OF FINANCING:

|   |                      |        |        |
|---|----------------------|--------|--------|
| 1 | General Revenue Fund | 28,980 | 28,980 |
|---|----------------------|--------|--------|

TOTAL, METHOD OF FINANCING

|  |  |                 |                 |
|--|--|-----------------|-----------------|
|  |  | <b>\$28,980</b> | <b>\$28,980</b> |
|--|--|-----------------|-----------------|

FULL-TIME EQUIVALENT POSITIONS (FTE):

|     |  |  |     |
|-----|--|--|-----|
| 5.5 |  |  | 5.5 |
|-----|--|--|-----|

Agency code: 352 Agency name: Bond Review Board

Code Description: Excp 2018 Excp 2019

Item Name: DATABASE MAINTENANCE, TRAINING AND ADDITIONAL DEVELOPMENT

Allocation to Strategy: 3-1-1 Effectively Administer the Private Activity Bond Allocation Program

OUTPUT MEASURES:

|   |                                 |                 |                 |
|---|---------------------------------|-----------------|-----------------|
| 1 | Number of Applications Reviewed | 60.00           | 60.00           |
| 2 | Number of Allocations Issued    | 40.00           | 40.00           |
| 3 | Amount of Allocation Issued     | ,150,000,000.00 | ,160,000,000.00 |

EXPLANATORY/INPUT MEASURES:

|   |   |                 |                 |
|---|---|-----------------|-----------------|
| 1 | Amount of Demand for Private Activity Bonds | ,000,000,000.00 | ,000,000,000.00 |
|---|---|-----------------|-----------------|

OBJECTS OF EXPENSE:

|                                 |                                |                 |                 |
|---------------------------------|--------------------------------|-----------------|-----------------|
| 2001                            | PROFESSIONAL FEES AND SERVICES | 11,340          | 11,340          |
| <b>TOTAL, OBJECT OF EXPENSE</b> |                                | <b>\$11,340</b> | <b>\$11,340</b> |

METHOD OF FINANCING:

|                                   |                      |                 |                 |
|-----------------------------------|----------------------|-----------------|-----------------|
| 1                                 | General Revenue Fund | 11,340          | 11,340          |
| <b>TOTAL, METHOD OF FINANCING</b> |                      | <b>\$11,340</b> | <b>\$11,340</b> |

FULL-TIME EQUIVALENT POSITIONS (FTE):

|     |  |     |
|-----|--|-----|
| 1.5 |  | 1.5 |
|-----|--|-----|

**4.C. Exceptional Items Strategy Request**  
 85th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/4/2016  
 TIME: 5:22:20AM

Agency Code: **352** Agency name: **Bond Review Board**

GOAL: 1 Issue Texas' Bonds Cost Effectively Using Sound Debt Mgmt. Policies

OBJECTIVE: 1 Meet Highest Financial Feasibility Stds and Minimize Totl Borrowing

STRATEGY: 1 Review Bond Issues to Assure Legality and Other Provisions

Service Categories: Service: 05 Income: A.2 Age: B.3

**CODE DESCRIPTION** Excp 2018 Excp 2019

**OBJECTS OF EXPENSE:**

|                                     |                 |                 |
|-------------------------------------|-----------------|-----------------|
| 1001 SALARIES AND WAGES             | 5,692           | 5,692           |
| 1002 OTHER PERSONNEL COSTS          | 180             | 180             |
| 2001 PROFESSIONAL FEES AND SERVICES | 11,340          | 11,340          |
| <b>Total, Objects of Expense</b>    | <b>\$17,212</b> | <b>\$17,212</b> |

**METHOD OF FINANCING:**

|                                 |                 |                 |
|---------------------------------|-----------------|-----------------|
| 1 General Revenue Fund          | 17,212          | 17,212          |
| <b>Total, Method of Finance</b> | <b>\$17,212</b> | <b>\$17,212</b> |

**FULL-TIME EQUIVALENT POSITIONS (FTE):**

**EXCEPTIONAL ITEM(S) INCLUDED IN STRATEGY:**

Restore 4% Reduction of Agency funds.  
 DATABASE MAINTENANCE, TRAINING AND ADDITIONAL DEVELOPMENT

**4.C. Exceptional Items Strategy Request**  
 85th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/4/2016  
 TIME: 5:22:20AM

Agency Code: **352** Agency name: **Bond Review Board**

GOAL: 1 Issue Texas' Bonds Cost Effectively Using Sound Debt Mgmt. Policies

OBJECTIVE: 1 Meet Highest Financial Feasibility Stds and Minimize Toll Borrowing

STRATEGY: 2 Report to the Legislature on Debt Obligation and Policy Alternatives

CODE DESCRIPTION Excp 2018 Excp 2019

**OBJECTS OF EXPENSE:**

|                                     |                 |                 |
|-------------------------------------|-----------------|-----------------|
| 1001 SALARIES AND WAGES             | 5,692           | 5,692           |
| 1002 OTHER PERSONNEL COSTS          | 180             | 180             |
| 2001 PROFESSIONAL FEES AND SERVICES | 11,340          | 11,340          |
| <b>Total, Objects of Expense</b>    | <b>\$17,212</b> | <b>\$17,212</b> |

**METHOD OF FINANCING:**

|                                 |                 |                 |
|---------------------------------|-----------------|-----------------|
| 1 General Revenue Fund          | 17,212          | 17,212          |
| <b>Total, Method of Finance</b> | <b>\$17,212</b> | <b>\$17,212</b> |

**FULL-TIME EQUIVALENT POSITIONS (FTE):**

|     |     |
|-----|-----|
| 1.5 | 1.5 |
|-----|-----|

**EXCEPTIONAL ITEM(S) INCLUDED IN STRATEGY:**

Restore 4% Reduction of Agency funds.  
 DATABASE MAINTENANCE, TRAINING AND ADDITIONAL DEVELOPMENT

**4.C. Exceptional Items Strategy Request**  
 85th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

**DATE:** 8/4/2016  
**TIME:** 5:22:20AM

Agency Code: **352** Agency name: **Bond Review Board**

**GOAL:** 2 Ensure That Public Officials Have Current Info on Debt Management  
**OBJECTIVE:** 1 Inform State and Local Officials on Debt Planning/Management  
**STRATEGY:** 1 Analyze Data on Local Government Finance and Debt Management

Service Categories:  
 Income: A.2 Age: B.3

**CODE DESCRIPTION** Exp 2018 Exp 2019

**OBJECTS OF EXPENSE:**

|                                     |                 |                 |
|-------------------------------------|-----------------|-----------------|
| 1001 SALARIES AND WAGES             | 14,550          | 14,551          |
| 1002 OTHER PERSONNEL COSTS          | 460             | 460             |
| 2001 PROFESSIONAL FEES AND SERVICES | 28,980          | 28,980          |
| <b>Total, Objects of Expense</b>    | <b>\$43,990</b> | <b>\$43,991</b> |

**METHOD OF FINANCING:**

|                                 |                 |                 |
|---------------------------------|-----------------|-----------------|
| 1 General Revenue Fund          | 43,990          | 43,991          |
| <b>Total, Method of Finance</b> | <b>\$43,990</b> | <b>\$43,991</b> |

**FULL-TIME EQUIVALENT POSITIONS (FTE):**

5.5 5.5

**EXCEPTIONAL ITEM(S) INCLUDED IN STRATEGY:**

Restore 4% Reduction of Agency funds.  
 DATABASE MAINTENANCE, TRAINING AND ADDITIONAL DEVELOPMENT

**4.C. Exceptional Items Strategy Request**  
 85th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

**DATE:** 8/4/2016  
**TIME:** 5:22:20AM

Agency Code: **352** Agency name: **Bond Review Board**

**GOAL:** 3 Equitably Administer the Private Activity Bond Allocation for Texas  
**OBJECTIVE:** 1 Maximize the Public and Geographic Benefit from Private Activity Bonds  
**STRATEGY:** 1 Effectively Administer the Private Activity Bond Allocation Program

Service Categories:  
 Service: 13 Income: A.2 Age: B.3

**CODE DESCRIPTION** Excp 2018 Excp 2019

**OBJECTS OF EXPENSE:**

|                                     |                 |                 |
|-------------------------------------|-----------------|-----------------|
| 1001 SALARIES AND WAGES             | 5,692           | 5,692           |
| 1002 OTHER PERSONNEL COSTS          | 180             | 180             |
| 2001 PROFESSIONAL FEES AND SERVICES | 11,340          | 11,340          |
| <b>Total, Objects of Expense</b>    | <b>\$17,212</b> | <b>\$17,212</b> |

**METHOD OF FINANCING:**

|                                 |                 |                 |
|---------------------------------|-----------------|-----------------|
| 1 General Revenue Fund          | 17,212          | 17,212          |
| <b>Total, Method of Finance</b> | <b>\$17,212</b> | <b>\$17,212</b> |

**FULL-TIME EQUIVALENT POSITIONS (FTE):** 1.5 1.5

**EXCEPTIONAL ITEM(S) INCLUDED IN STRATEGY:**  
 Restore 4% Reduction of Agency funds.  
 DATABASE MAINTENANCE, TRAINING AND ADDITIONAL DEVELOPMENT



**General Revenue (GR) & General Revenue Dedicated (GR-D) Baseline**

85th Regular Session, Agency Submission, Version 1  
Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/4/2016  
TIME: 6:22:21AM

Agency code: \_\_\_\_\_ Agency name: **Bond Review Board**

GR Baseline Request Limit = \$1,566,068  
GR-D Baseline Request Limit = \$0

| Strategy/Strategy Option/Rider                                       | 2018 Funds |         |         |     | 2019 Funds  |         |         |     | Biennial Cumulative GR | Biennial Cumulative Ded | Page # |
|--|------------|---------|---------|-----|-------------|---------|---------|-----|------------------------|-------------------------|--------|
|  | FTEs       | Total   | GR      | Ded | FTEs        | Total   | GR      | Ded |                        |                         |        |
| Strategy: 1 - 1 - 1  | 1.5        | 140,946 | 140,946 | 0   | 1.5         | 140,946 | 140,946 | 0   | 281,892                | 0                       |        |
| Review Bond Issues to Assure Legality and Other Provisions           |            |         |         |     |             |         |         |     |                        |                         |        |
| Strategy: 1 - 1 - 2  | 1.5        | 140,946 | 140,946 | 0   | 1.5         | 140,946 | 140,946 | 0   | 563,784                | 0                       |        |
| Report to the Legislature on Debt Obligation and Policy Alternatives |            |         |         |     |             |         |         |     |                        |                         |        |
| Strategy: 2 - 1 - 1  | 5.5        | 360,196 | 360,196 | 0   | 5.5         | 360,195 | 360,195 | 0   | 1,284,175              | 0                       |        |
| Analyze Data on Local Government Finance and Debt Management         |            |         |         |     |             |         |         |     |                        |                         |        |
| Strategy: 3 - 1 - 1  | 1.5        | 140,946 | 140,946 | 0   | 1.5         | 140,946 | 140,946 | 0   | 1,566,067              | 0                       |        |
| Effectively Administer the Private Activity Bond Allocation Program  |            |         |         |     |             |         |         |     |                        |                         |        |
| <b>10.0</b>  |            |         |         |     | <b>10.0</b> |         |         |     |                        |                         |        |
| *****GR Baseline Request Limit=\$1,566,068*****                      |            |         |         |     |             |         |         |     |                        |                         |        |
| Excp Item: 1   | 0.0        | 32,626  | 32,626  | 0   | 0.0         | 32,627  | 32,627  | 0   | 1,631,320              | 0                       |        |
| Restore 4% Reduction of Agency funds.                                |            |         |         |     |             |         |         |     |                        |                         |        |

| Strategy/Detail for Excp Item: 1                                     | FTEs | Total  | GR     | Ded | FTEs | Total  | GR     | Ded | Biennial Cumulative GR | Biennial Cumulative Ded | Page # |
|--|------|--------|--------|-----|------|--------|--------|-----|------------------------|-------------------------|--------|
| Strategy: 1 - 1 - 1  | 0.0  | 5,872  | 5,872  | 0   | 0.0  | 5,872  | 5,872  | 0   |                        |                         |        |
| Review Bond Issues to Assure Legality and Other Provisions           |      |        |        |     |      |        |        |     |                        |                         |        |
| Strategy: 1 - 1 - 2  | 0.0  | 5,872  | 5,872  | 0   | 0.0  | 5,872  | 5,872  | 0   |                        |                         |        |
| Report to the Legislature on Debt Obligation and Policy Alternatives |      |        |        |     |      |        |        |     |                        |                         |        |
| Strategy: 2 - 1 - 1  | 0.0  | 15,010 | 15,010 | 0   | 0.0  | 15,011 | 15,011 | 0   |                        |                         |        |
| Analyze Data on Local Government Finance and Debt Management         |      |        |        |     |      |        |        |     |                        |                         |        |
| Strategy: 3 - 1 - 1  | 0.0  | 5,872  | 5,872  | 0   | 0.0  | 5,872  | 5,872  | 0   |                        |                         |        |
| Effectively Administer the Private Activity Bond Allocation Program  |      |        |        |     |      |        |        |     |                        |                         |        |

| Excp Item: 2  | FTEs | Total  | GR     | Ded | FTEs | Total  | GR     | Ded | Biennial Cumulative GR | Biennial Cumulative Ded | Page # |
|---|------|--------|--------|-----|------|--------|--------|-----|------------------------|-------------------------|--------|
| DATABASE MAINTENANCE, TRAINING AND ADDITIONAL DEVELOPMENT | 10.0 | 63,000 | 63,000 | 0   | 10.0 | 63,000 | 63,000 | 0   | 1,757,320              | 0                       |        |

**General Revenue (GR) & General Revenue Dedicated (GR-D) Baseline**

DATE: 8/4/2016

85th Regular Session, Agency Submission, Version 1  
Automated Budget and Evaluation System of Texas (ABEST)

TIME: 6:22:21AM

Agency code:

Agency name: **Bond Review Board**

GR Baseline Request Limit = \$1,566,068

GR-D Baseline Request Limit = \$0

**Strategy/Strategy Option/Rider**

**2018 Funds**

**2019 Funds**

| Strategy Detail for Excep Item: 2   | 2018 Funds       |                  |            | 2019 Funds  |                  |                  | Biennial Cumulative GR | Biennial Cumulative Ded | Page # |
|---|------------------|------------------|------------|-------------|------------------|------------------|------------------------|-------------------------|--------|
|   | FTEs             | Total            | GR         | Ded         | FTEs             | Total            |                        |                         |        |
| Strategy: 1 - 1 - 1<br>Review Bond Issues to Assure Legality and Other Provisions           | 1.5              | 11,340           | 11,340     | 0           | 1.5              | 11,340           | 11,340                 | 0                       |        |
| Strategy: 1 - 1 - 2<br>Report to the Legislature on Debt Obligation and Policy Alternatives | 1.5              | 11,340           | 11,340     | 0           | 1.5              | 11,340           | 11,340                 | 0                       |        |
| Strategy: 2 - 1 - 1<br>Analyze Data on Local Government Finance and Debt Management         | 5.5              | 28,980           | 28,980     | 0           | 5.5              | 28,980           | 28,980                 | 0                       |        |
| Strategy: 3 - 1 - 1<br>Effectively Administer the Private Activity Bond Allocation Program  | 1.5              | 11,340           | 11,340     | 0           | 1.5              | 11,340           | 11,340                 | 0                       |        |
| <b>20.0</b>   | <b>\$878,660</b> | <b>\$878,660</b> | <b>\$0</b> | <b>20.0</b> | <b>\$878,660</b> | <b>\$878,660</b> | <b>\$0</b>             | <b>0</b>                |        |

Agency Code: 352 Agency: Bond Review Board

COMPARISON TO STATEWIDE HUB PROCUREMENT GOALS

A. Fiscal Year 2014 - 2015 HUB Expenditure Information

| Statewide HUB Goals | Procurement Category      | % Goal | HUB Expenditures FY 2014 |        | Total Expenditures FY 2014 |                      | HUB Expenditures FY 2015 |              | Total Expenditures FY 2015 |                |                      |
|---------------------|---------------------------|--------|--------------------------|--------|----------------------------|----------------------|--------------------------|--------------|----------------------------|----------------|----------------------|
|                     |                           |        | % Actual                 | Diff   | Actual \$                  | Expenditures FY 2014 | % Goal                   | % Actual     | Diff                       | Actual \$      | Expenditures FY 2015 |
| 26.0%               | Other Services            | 24.6%  | 7.6%                     | -17.0% | \$5,006                    | \$66,213             | 26.0%                    | 54.2%        | 28.2%                      | \$4,049        | \$7,464              |
| 21.1%               | Commodities               | 21.0%  | 4.3%                     | -16.7% | \$5,977                    | \$138,798            | 21.0%                    | 15.7%        | -5.3%                      | \$4,312        | \$27,398             |
|                     | <b>Total Expenditures</b> |        | <b>5.4%</b>              |        | <b>\$10,983</b>            | <b>\$205,011</b>     |                          | <b>24.0%</b> |                            | <b>\$8,361</b> | <b>\$34,862</b>      |

B. Assessment of Fiscal Year 2014 - 2015 Efforts to Meet HUB Procurement Goals

Attainment:

The BRB has set an objective to include underutilized businesses (HUB)'s in at least 30% of the total value of purchases and contracts awarded. The BRB tried to achieve this objective in FY2014 and FY2015.

Applicability:

The "Heavy Construction", and "Special Trade Construction", categories are applicable with agency operations.

Factors Affecting Attainment:

Discretionary acquisitions are extremely limited. Expenditures are primarily made directly with or through other agencies. Consumable items are normally obtained at TTBH's Supply Store and/or HUB vendor. Standard equipment items are obtained through CPA's automated purchasing program. The ultimate source for the acquisitions is often a HUB vendor. The BRB has no input in award of contracts.

"Good-Faith" Efforts:

The BRB's "Good Faith" efforts included: inclusion of HUB vendors for four out of five contact bids (formal of informal); clear and concise requests/specifications; and first selection from the CPA vendor list for spot purchasing.

## 6.B. Current Biennium Onetime Expenditure Schedule

|                            |  |                                       |                          |
|----------------------------|--|---------------------------------------|--------------------------|
| <b>Agency Code:</b><br>352 | <b>Agency Name:</b><br>TEXAS BOND REVIEW BOARD | <b>Prepared By:</b><br>JODEE MARTINEZ |                          |
| Item<br><br>NON-APPLICABLE | 2016-17 Est/Bud                                | MOF                                   | 2018-19 Baseline Request |
|                            | Amount   | Amount                                | MOF                      |
|                            |  |                                       |                          |

**6.I. Percent Biennial Base Reduction Options**  
**10% REDUCTION**  
 85th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

Date: 8/4/2016  
 Time: 6:21:18AM

Agency code: **352** Agency name: **Bond Review Board**

| Item Priority and Name/ Method of Financing | REVENUE LOSS |      | REDUCTION AMOUNT |      | TARGET |
|---|--------------|------|------------------|------|--------|
|   | 2018         | 2019 | Biennial Total   | 2018 |        |

**1 Programs – Service Reductions (FTEs-Layoffs)**

**Category:** Programs - Service Reductions (FTEs-Layoffs)

**Item Comment:** The agency's workload has also significantly increased as a result of increases in the number and complexity of local debt transactions processed. BRB now collects additional cost of issuance data for each local debt issuance. Requests for detailed local debt information has increased as a result of additional interest in the area generated from the growing amount of local debt issued over the years. Additionally, since FY 2011 the agency has prepared an annual local debt report that was developed in response to increased requests for information from agency customers to provide greater detail and transparency on local debt levels. The local debt report is not required by statute.

The agency's current number of approved positions is 10, and the agency is currently staffed with 10 FTEs including the Executive Director, Director I -- Finance, Senior Financial Analyst, Financial Analyst II, Accountant VII, one Accountant II, two Accountant I and two Research Specialist I. A budget reduction for the biennium of \$156,607 would require the agency to reduce the scope of its database upgrade project and force a reduction in staff, either of which would compromise agency efficiency, the quality of its analyses and delay reports as well as the agency's ability to maintain exemplary service to its customers (legislature, state and local leadership and general public).

Strategy: 1-1-1 Review Bond Issues to Assure Legality and Other Provisions

| <u>General Revenue Funds</u> |                                    |     |     |          |          |          |
|------------------------------|------------------------------------|-----|-----|----------|----------|----------|
| 1                            | General Revenue Fund               | \$0 | \$0 | \$14,094 | \$14,095 | \$28,189 |
|                              | <b>General Revenue Funds Total</b> | \$0 | \$0 | \$14,094 | \$14,095 | \$28,189 |

Strategy: 1-1-2 Report to the Legislature on Debt Obligation and Policy Alternatives

| <u>General Revenue Funds</u> |                                    |     |     |          |          |          |
|------------------------------|------------------------------------|-----|-----|----------|----------|----------|
| 1                            | General Revenue Fund               | \$0 | \$0 | \$14,094 | \$14,094 | \$28,188 |
|                              | <b>General Revenue Funds Total</b> | \$0 | \$0 | \$14,094 | \$14,094 | \$28,188 |

Strategy: 2-1-1 Analyze Data on Local Government Finance and Debt Management

| <u>General Revenue Funds</u> |                                    |     |     |          |          |          |
|------------------------------|------------------------------------|-----|-----|----------|----------|----------|
| 1                            | General Revenue Fund               | \$0 | \$0 | \$36,021 | \$36,021 | \$72,042 |
|                              | <b>General Revenue Funds Total</b> | \$0 | \$0 | \$36,021 | \$36,021 | \$72,042 |

**6.1. Percent Biennial Base Reduction Options**  
**10 % REDUCTION**  
 85th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

Date: 8/4/2016  
 Time: 6:21:18AM

Agency code: 352 Agency name: Bond Review Board

| Item Priority and Name/ Method of Financing   | REVENUE LOSS |      | REDUCTION AMOUNT |          | TARGET    |           |
|---|--------------|------|------------------|----------|-----------|-----------|
|   | 2018         | 2019 | Biennial Total   | 2018     |           | 2019      |
| Strategy: 3-1-1 Effectively Administer the Private Activity Bond Allocation Program |              |      |                  |          |           |           |
| <u>General Revenue Funds</u>  |              |      |                  |          |           |           |
| 1 General Revenue Fund  | \$0          | \$0  | \$0              | \$14,094 | \$14,094  | \$28,188  |
| General Revenue Funds Total   | \$0          | \$0  | \$0              | \$14,094 | \$14,094  | \$28,188  |
| Item Total  | \$0          | \$0  | \$0              | \$78,303 | \$78,304  | \$156,607 |
| FTE Reductions (From FY 2018 and FY 2019 Base Request)                              |              |      | 2.0              |          |           | 2.0       |
| <b>AGENCY TOTALS</b>  |              |      |                  |          |           |           |
| General Revenue Total   |              |      | \$78,303         | \$78,304 | \$156,607 | \$156,607 |
| Agency Grand Total  | \$0          | \$0  | \$0              | \$78,303 | \$78,304  | \$156,607 |
| Difference, Options Total Less Target   |              |      |                  |          |           |           |
| Agency FTE Reductions (From FY 2018 and FY 2019 Base Request)                       |              |      | 2.0              |          |           | 2.0       |

352 Bond Review Board

| Strategy                         | Exp 2015   | Est 2016       | Bud 2017       | BL 2018        | BL 2019        |
|----------------------------------|--|----------------|----------------|----------------|----------------|
| 1-1-1                            | Review Bond Issues to Assure Legality and Other Provisions |                |                |                |                |
| <b>OBJECTS OF EXPENSE:</b>       |  |                |                |                |                |
| 1001                             | \$6,891  | \$ 6,830       | \$ 7,110       | \$ 6,210       | \$ 6,210       |
| 1002                             | 96   | 180            | 180            | 108            | 108            |
| 2001                             | 7,894  | 120            | 150            | 162            | 162            |
| 2003                             | 35   | 40             | 40             | 27             | 27             |
| 2005                             | 14   | 30             | 30             | 45             | 45             |
| 2006                             | 2  | 4              | 4              | 3              | 3              |
| 2007                             | 39   | 60             | 60             | 36             | 36             |
| 2009                             | 360  | 738            | 738            | 457            | 457            |
|                                  | <b>\$15,331</b>  | <b>\$8,002</b> | <b>\$8,312</b> | <b>\$7,048</b> | <b>\$7,048</b> |
| <b>Total, Objects of Expense</b> |  |                |                |                |                |

**METHOD OF FINANCING:**

|   |                                   |                 |                |                |                |                |
|---|-----------------------------------|-----------------|----------------|----------------|----------------|----------------|
| 1 | General Revenue Fund              | 15,331          | 8,002          | 8,312          | 7,048          | 7,048          |
|   | <b>Total, Method of Financing</b> | <b>\$15,331</b> | <b>\$8,002</b> | <b>\$8,312</b> | <b>\$7,048</b> | <b>\$7,048</b> |

**FULL TIME EQUIVALENT POSITIONS**

|     |  |     |     |     |     |
|-----|--|-----|-----|-----|-----|
| 0.1 |  | 0.1 | 0.1 | 0.1 | 0.1 |
|-----|--|-----|-----|-----|-----|

**Method of Allocation**

|  |  |  |  |  |  |
|--|--|--|--|--|--|
|  |  |  |  |  |  |
|--|--|--|--|--|--|

**7.A. Indirect Administrative and Support Costs**  
85th Regular Session, Agency Submission, Version 1  
Automated Budget and Evaluation System of Texas (ABEST)

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**352 Bond Review Board**

| <b>Strategy</b> | <b>Exp 2015</b> | <b>Est 2016</b> | <b>Bud 2017</b> | <b>BL 2018</b> | <b>BL 2019</b> |
|-----------------|-----------------|-----------------|-----------------|----------------|----------------|
|-----------------|-----------------|-----------------|-----------------|----------------|----------------|

This agency does not have indirect administrative goal. In general, indirect administrative and support costs are allocated proportionally among the four strategies on the basis of the actual budget size for each fiscal year. The percentage that applies to A.1.1 is 5% for FY2015-FY2019. This method was selected because this agency is general government and the administrative demands are closely related



352 Bond Review Board

Strategy Exp 2015 Est 2016 Bud 2017 BL 2018 BL 2019

1-1-2 Report to the Legislature on Debt Obligation and Policy Alternatives

OBJECTS OF EXPENSE:

|                                  |                                |                |                |                |                |                |
|----------------------------------|--------------------------------|----------------|----------------|----------------|----------------|----------------|
| 1001                             | SALARIES AND WAGES             | \$6,772        | \$ 6,830       | \$ 7,110       | \$ 6,210       | \$ 6,210       |
| 1002                             | OTHER PERSONNEL COSTS          | 154            | 180            | 180            | 108            | 108            |
| 2001                             | PROFESSIONAL FEES AND SERVICES | 455            | 120            | 150            | 162            | 162            |
| 2003                             | CONSUMABLE SUPPLIES            | 47             | 40             | 40             | 27             | 27             |
| 2005                             | TRAVEL                         | 2              | 30             | 30             | 45             | 45             |
| 2006                             | RENT - BUILDING                | 2              | 4              | 4              | 3              | 3              |
| 2007                             | RENT - MACHINE AND OTHER       | 40             | 60             | 60             | 36             | 36             |
| 2009                             | OTHER OPERATING EXPENSE        | 367            | 738            | 738            | 457            | 457            |
| <b>Total, Objects of Expense</b> |                                | <b>\$7,839</b> | <b>\$8,002</b> | <b>\$8,312</b> | <b>\$7,048</b> | <b>\$7,048</b> |

METHOD OF FINANCING:

|                                   |                      |                |                |                |                |                |
|-----------------------------------|----------------------|----------------|----------------|----------------|----------------|----------------|
| 1                                 | General Revenue Fund | 7,839          | 8,002          | 8,312          | 7,048          | 7,048          |
| <b>Total, Method of Financing</b> |                      | <b>\$7,839</b> | <b>\$8,002</b> | <b>\$8,312</b> | <b>\$7,048</b> | <b>\$7,048</b> |

FULL TIME EQUIVALENT POSITIONS

|     |  |     |     |     |     |     |
|-----|--|-----|-----|-----|-----|-----|
| 0.1 |  | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 |
|-----|--|-----|-----|-----|-----|-----|

Method of Allocation

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7.A. Indirect Administrative and Support Costs  
85th Regular Session, Agency Submission, Version 1  
Automated Budget and Evaluation System of Texas (ABEST)

352 Bond Review Board

| Strategy | Exp 2015 | Est 2016 | Bud 2017 | BL 2018 | BL 2019 |
|----------|----------|----------|----------|---------|---------|
|----------|----------|----------|----------|---------|---------|

This agency does not have indirect administrative goal. In general, indirect administrative and support costs are allocated proportionally among the four strategies on the basis of the actual budget size for each fiscal year. The percentage that applies to A.1.2 is 5% for FY2015-FY2019. This method was selected because this agency is general government and the administrative demands are closely related to budget size.

352 Bond Review Board

| Strategy   | Exp 2015        | Est 2016        | Bud 2017        | BL 2018         | BL 2019         |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|
| 2-1-1 Analyze Data on Local Government Finance and Debt Management |                 |                 |                 |                 |                 |
| <b>OBJECTS OF EXPENSE:</b>   |                 |                 |                 |                 |                 |
| 1001 SALARIES AND WAGES  | \$10,458        | \$13,660        | \$14,220        | \$15,870        | \$15,870        |
| 1002 OTHER PERSONNEL COSTS   | 134             | 360             | 360             | 276             | 276             |
| 2001 PROFESSIONAL FEES AND SERVICES                                | 963             | 240             | 300             | 414             | 414             |
| 2003 CONSUMABLE SUPPLIES   | 45              | 80              | 80              | 69              | 69              |
| 2005 TRAVEL  | 2               | 60              | 60              | 115             | 115             |
| 2006 RENT - BUILDING   | 0               | 8               | 8               | 7               | 7               |
| 2007 RENT - MACHINE AND OTHER                                      | 79              | 120             | 120             | 92              | 92              |
| 2009 OTHER OPERATING EXPENSE                                       | 904             | 1,476           | 1,476           | 1,167           | 1,167           |
| <b>Total, Objects of Expense</b>                                   | <b>\$12,585</b> | <b>\$16,004</b> | <b>\$16,624</b> | <b>\$18,010</b> | <b>\$18,010</b> |
| <b>METHOD OF FINANCING:</b>  |                 |                 |                 |                 |                 |
| 1 General Revenue Fund   | 12,585          | 16,004          | 16,624          | 18,010          | 18,010          |
| <b>Total, Method of Financing</b>                                  | <b>\$12,585</b> | <b>\$16,004</b> | <b>\$16,624</b> | <b>\$18,010</b> | <b>\$18,010</b> |
| <b>Method of Allocation</b>  |                 |                 |                 |                 |                 |

This agency does not have indirect administrative goal. In general, indirect administrative and support costs are allocated proportionally among the four strategies on the basis of the actual budget size for each fiscal year. The percentage that applies to B.1.1 is 5% for FY2015-FY2019. This method was selected because this agency is general government and the administrative demands are closely related to budget size.

352 Bond Review Board

| Strategy   | Exp 2015       | Est 2016       | Bud 2017       | BL 2018        | BL 2019        |
|--|----------------|----------------|----------------|----------------|----------------|
| <b>3-1-1 Effectively Administer the Private Activity Bond Allocation Program</b> |                |                |                |                |                |
| <b>OBJECTS OF EXPENSE:</b>   |                |                |                |                |                |
| 1001 SALARIES AND WAGES  | \$7,127        | \$6,830        | \$7,110        | \$6,210        | \$6,210        |
| 1002 OTHER PERSONNEL COSTS   | 144            | 180            | 180            | 108            | 108            |
| 2001 PROFESSIONAL FEES AND SERVICES  | 465            | 120            | 150            | 162            | 162            |
| 2003 CONSUMABLE SUPPLIES   | 26             | 40             | 40             | 27             | 27             |
| 2005 TRAVEL  | 2              | 30             | 30             | 45             | 45             |
| 2006 RENT - BUILDING   | 5              | 4              | 4              | 3              | 3              |
| 2007 RENT - MACHINE AND OTHER  | 39             | 60             | 60             | 36             | 36             |
| 2009 OTHER OPERATING EXPENSE   | 351            | 738            | 738            | 456            | 456            |
| <b>Total, Objects of Expense</b>   | <b>\$8,159</b> | <b>\$8,002</b> | <b>\$8,312</b> | <b>\$7,047</b> | <b>\$7,047</b> |
| <b>METHOD OF FINANCING:</b>  |                |                |                |                |                |
| 1 General Revenue Fund   | 8,159          | 8,002          | 8,312          | 7,047          | 7,047          |
| <b>Total, Method of Financing</b>  | <b>\$8,159</b> | <b>\$8,002</b> | <b>\$8,312</b> | <b>\$7,047</b> | <b>\$7,047</b> |
| <b>FULL TIME EQUIVALENT POSITIONS</b>  | <b>0.1</b>     | <b>0.1</b>     | <b>0.1</b>     | <b>0.1</b>     | <b>0.1</b>     |
| <b>Method of Allocation</b>  |                |                |                |                |                |

7.A. Indirect Administrative and Support Costs  
85th Regular Session, Agency Submission, Version 1  
Automated Budget and Evaluation System of Texas (ABEST)

352 Bond Review Board

Exp 2015      Est 2016      Bud 2017      BL 2018      BL 2019

This agency does not have indirect administrative goal. In general, indirect administrative and support costs are allocated proportionally among the four strategies on the basis of the actual budget size for each fiscal year. The percentage that applies to C.1.1 is 5% for FY2015-FY2019. This method was selected because this agency is general government and the administrative demands are closely related to budget size.

352 Bond Review Board

|   | Exp 2015        | Est 2016        | Bud 2017        | BL 2018         | BL 2019         |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|
| <b>GRAND TOTALS</b>                         |                 |                 |                 |                 |                 |
| <b>Objects of Expense</b>                   |                 |                 |                 |                 |                 |
| 1001 SALARIES AND WAGES                     | \$31,248        | \$34,150        | \$35,550        | \$34,500        | \$34,500        |
| 1002 OTHER PERSONNEL COSTS                  | \$528           | \$900           | \$900           | \$600           | \$600           |
| 2001 PROFESSIONAL FEES AND SERVICES         | \$9,777         | \$600           | \$750           | \$900           | \$900           |
| 2003 CONSUMABLE SUPPLIES                    | \$153           | \$200           | \$200           | \$150           | \$150           |
| 2005 TRAVEL                                 | \$20            | \$150           | \$150           | \$250           | \$250           |
| 2006 RENT - BUILDING                        | \$9             | \$20            | \$20            | \$16            | \$16            |
| 2007 RENT - MACHINE AND OTHER               | \$197           | \$300           | \$300           | \$200           | \$200           |
| 2009 OTHER OPERATING EXPENSE                | \$1,982         | \$3,690         | \$3,690         | \$2,537         | \$2,537         |
| <b>Total, Objects of Expense</b>            | <b>\$43,914</b> | <b>\$40,010</b> | <b>\$41,560</b> | <b>\$39,153</b> | <b>\$39,153</b> |
| <b>Method of Financing</b>                  |                 |                 |                 |                 |                 |
| 1 General Revenue Fund                      | \$43,914        | \$40,010        | \$41,560        | \$39,153        | \$39,153        |
| <b>Total, Method of Financing</b>           | <b>\$43,914</b> | <b>\$40,010</b> | <b>\$41,560</b> | <b>\$39,153</b> | <b>\$39,153</b> |
| <b>Full-Time-Equivalent Positions (FTE)</b> | <b>0.3</b>      | <b>0.3</b>      | <b>0.3</b>      | <b>0.3</b>      | <b>0.3</b>      |