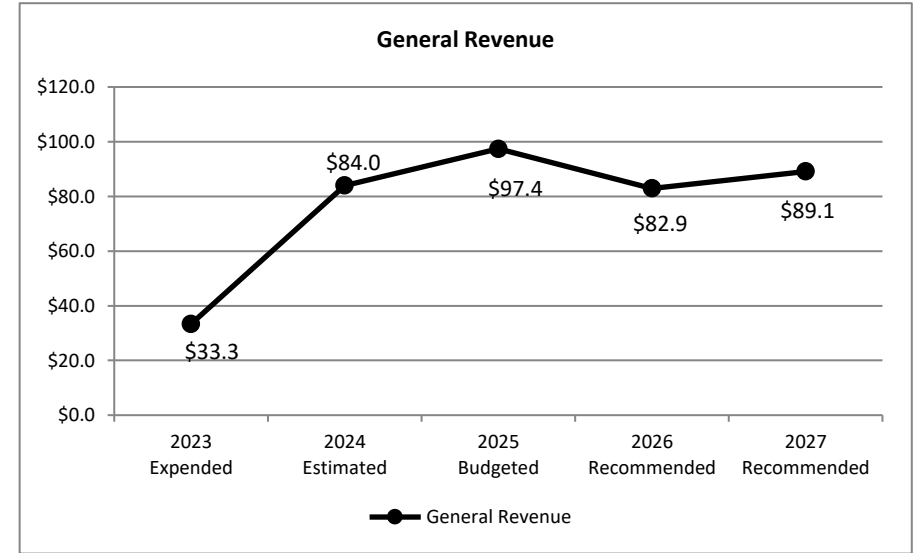


**Revenue Bonds for Lease Payments, Articles I-X
Summary of Budget Recommendations - Senate**

Mike Novak, Executive Director
George Purcell Jr, LBB Analyst

Method of Financing	2024-25 Base	2026-27 Recommended	Biennial Change (\$)	Biennial Change (%)
General Revenue Funds	\$181,391,144	\$172,046,642	(\$9,344,502)	(5.2%)
GR Dedicated Funds	\$0	\$0	\$0	0.0%
<i>Total GR-Related Funds</i>	<i>\$181,391,144</i>	<i>\$172,046,642</i>	<i>(\$9,344,502)</i>	<i>(5.2%)</i>
Federal Funds	\$0	\$0	\$0	0.0%
Other	\$0	\$0	\$0	0.0%
All Funds	\$181,391,144	\$172,046,642	(\$9,344,502)	(5.2%)

Historical Funding Levels (Millions)



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

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

Funding Changes and Recommendations for the 2026-27 Biennium compared to the 2024-25 Base Spending Level (in millions)	General Revenue	GR-Dedicated	Federal Funds	Other Funds	All Funds	Strategy in Appendix A
<i>SIGNIFICANT Funding Changes and Recommendations (each issue is explained in Section 3 and additional details are provided in Appendix A):</i>						
A) Net decrease in debt service payments in all Articles.	(\$9.3)	\$0.0	\$0.0	\$0.0	(\$9.3)	B.2.2
TOTAL SIGNIFICANT & OTHER Funding Changes and Recommendations (in millions)	(\$9.3)	\$0.0	\$0.0	\$0.0	(\$9.3)	As Listed
<i>SIGNIFICANT & OTHER Funding Increases</i>	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	As Listed
<i>SIGNIFICANT & OTHER Funding Decreases</i>	(\$9.3)	\$0.0	\$0.0	\$0.0	(\$9.3)	As Listed

NOTE: Totals may not sum due to rounding.

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

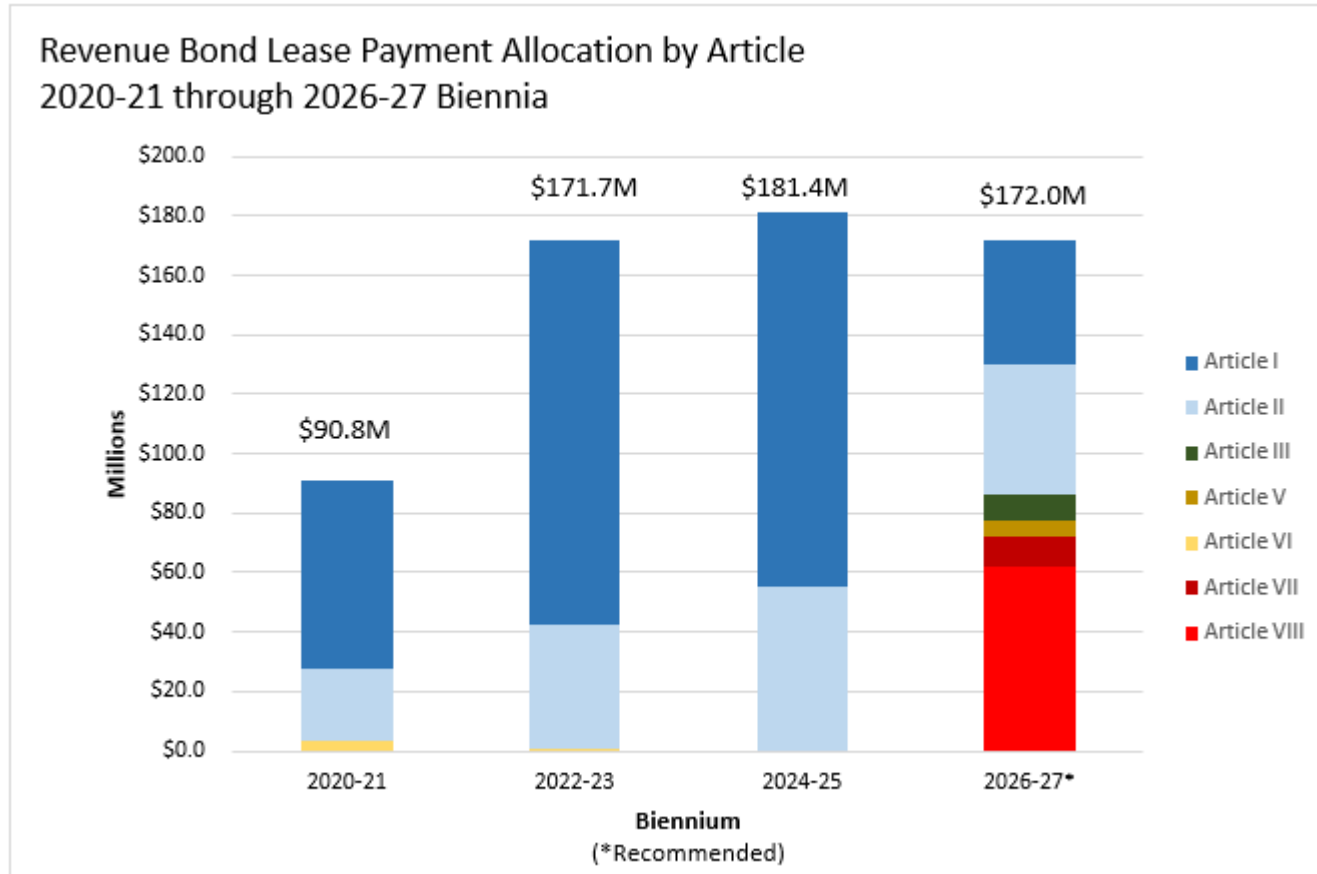
1. Overview of Lease Payment Appropriations

Recommendations for 2026-27 Lease Payments include a decrease of \$9.3 million in General Revenue (GR). This reflects a decrease in debt service requirements for issued Revenue Bonds related to the Capitol Complex and North Austin Complex projects. The Texas Facilities Commission (TFC) is appropriated GR at the end of each Article for Lease Payments that are to be transferred to the Texas Public Finance Authority (TPFA) for debt service on prior Revenue Bonds that were issued in prior biennia for acquisition, construction, repair, or renovation of a facility. TPFA holds the title to the affected facilities but then leases the facility back to TFC.

TFC Lease Payments agency allocations are based on the square footage occupied by an agency plus the agency's portion of common space in the building. This allocation applies only to agencies occupying space in state-owned buildings that were purchased, constructed, repaired, or renovated with Revenue Bonds. Agency allocations are listed as an informational item within the "Estimated Allocations for Employee Benefits and Debt Service Appropriations Made Elsewhere in this Act" in each affected agency's bill pattern before the riders.

Beginning with the 2020-21 biennium, appropriations for Lease Payments grew rapidly as payments for Revenue Bonds issued to finance the Capitol Complex and North Austin Complex construction projects became due. With no new anticipated Revenue Bonds, these payments will decline over time as the funding obligations are fulfilled. Beginning with the 2026-27 biennia, lease costs are now allocated to tenant agencies in the new buildings.

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



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

END OF ARTICLE Appropriations: Lease Payments

	Exp 2023	Est 2024	Bud 2025	Total Biennium 2024-2025	Rec 2026	Rec 2027	Total Rec 2026-2027	Difference
ARTICLE I - GENERAL GOVERNMENT	\$25,250,003	\$58,133,754	\$68,310,949	\$126,444,703	\$20,271,924	\$21,797,932	\$42,069,856	\$(84,374,847)
ARTICLE II - HEALTH AND HUMAN SERVICES	\$8,099,765	\$25,856,906	\$29,089,535	\$54,946,441	\$20,994,534	\$22,574,938	\$43,569,472	\$(11,376,969)
ARTICLE III - AGENCIES OF EDUCATION	\$0	\$0	\$0	\$0	\$4,302,734	\$4,626,630	\$8,929,364	\$8,929,364
ARTICLE IV - THE JUDICIARY	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
ARTICLE V - PUBLIC SAFETY AND CRIMINAL JUSTICE	\$0	\$0	\$0	\$0	\$2,587,497	\$2,782,276	\$5,369,773	\$5,369,773
ARTICLE VI - NATURAL RESOURCES	\$0	\$0	\$0	\$0	\$133,516	\$143,566	\$277,082	\$277,082
ARTICLE VII - BUSINESS AND ECONOMIC DEVELOPMENT	\$0	\$0	\$0	\$0	\$4,670,217	\$5,021,777	\$9,691,994	\$9,691,994
ARTICLE VIII - REGULATORY	\$0	\$0	\$0	\$0	\$29,942,559	\$32,196,542	\$62,139,101	\$62,139,101
Total	\$33,349,768	\$83,990,660	\$97,400,484	\$181,391,144	\$82,902,981	\$89,143,661	\$172,046,642	\$(9,344,502)
METHOD OF FINANCING:								
General Revenue Funds								
1 General Revenue Fund	\$33,349,768	\$83,990,660	\$97,400,484	\$181,391,144	\$82,902,981	\$89,143,661	\$172,046,642	\$(9,344,502)
Subtotal, General Revenue Funds	\$33,349,768	\$83,990,660	\$97,400,484	\$181,391,144	\$82,902,981	\$89,143,661	\$172,046,642	\$(9,344,502)
Total, Method of Financing	\$33,349,768	\$83,990,660	\$97,400,484	\$181,391,144	\$82,902,981	\$89,143,661	\$172,046,642	\$(9,344,502)

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

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C	FTE Highlights	*

* Appendix is not included - no significant information to report

**Revenue Bonds for Lease Payments, Articles I-X
Funding Changes and Recommendations by Strategy - Senate -- ALL FUNDS**

Strategy/Goal	2024-25 Base	2026-27 Recommended	Biennial Change	% Change	Comments
LEASE PAYMENTS B.2.2	\$181,391,144	\$172,046,642	(\$9,344,502)	(5.2%)	Decrease in General Revenue from repayment of bonds issued for the completion of the Capitol and North Austin complexes (see Section 3).
Total, Goal A, FINANCE CAPITAL PROJECTS	\$181,391,144	\$172,046,642	(\$9,344,502)	(5.2%)	
Grand Total, All Strategies	\$181,391,144	\$172,046,642	(\$9,344,502)	(5.2%)	