Legislative Appropriations Request

For Fiscal Years 2012 and 2013

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

by

Texas Bond Review Board

Board Members

Governor Rick Perry
Lieutenant Governor David Dewhurst
Speaker Joe Straus
Comptroller Susan Combs

Submitted August 2, 2010

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Submitted by: _____
Robert C. Kline
Executive Director

Approved by: _____
Ed Robertson, Alternate for
Governor Rick Perry, Chair

Texas Bond Review Board

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Agency code: **352** Agency name: **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 and certain lease-purchase transactions 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). Although each of the agency's goals is independent, each shares in its administration of expenses.

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, but at a declining rate. The state's population is expected to be approximately 31.8 million in 2030, an increase of 30.8% from the population of 24.3 million in 2010.

By age group, some major patterns emerge. The United States Census Bureau projects that Texas' school age population (ages 5-17) will grow by 13.9% from 2010-2030, but during the same time frame, the population 65 years of age and older will dramatically increase by 107.5% with the aging of baby boomers. Some estimates indicate that 1 in 6 or 16.5% of all Texans will be 65 or older by 2030. Should these long-term demographic patterns materialize, 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;
- If incarceration rates continue at present levels, the state will have a continuing need for new prison and detention center construction;
- Continued high growth in many suburban areas will result in continued new infrastructure needs in those locations;
- 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 health care and leisure-time activities.

State and Local Financing Update

After a record issuance in 2007 of $429.3 billion, a turbulent 2008 saw a slowing economy and a decrease in issuance to $391.2 billion. Nonetheless, municipal issuance rose to its second highest level with $410.2 billion issued in 2009 lead by the creation of the taxable Build America Bond (BAB) program. The BAB program increased taxable

issuances to 19.2% of all issuances for 2009 up from approximately 5% of the market historically. Through the first quarter of 2010 long-term municipal issuance totaled $103.7 billion, up 21.1% from the first quarter of 2009 but down 14.1% from the fourth quarter of 2009. Taxable issuance remained high and accounted for 32.6% of the total issuance. BABs are set to expire at the end of 2010, but proposed legislation could extend the program to 2013.

State Debt

During FY 2009 state issuers completed $3.99 billion in new-money financings including: $1.21 billion (30.3%) for the Texas Transportation Commission for voter-approved general obligation bonds to construct and expand state highways and other public transportation projects; $830.9 million (20.8%) for the University of Texas System; $752.6 million (18.9%) for the Texas Water Development Board water assistance programs; $267.9 million (6.7%) for the Texas A&M University System; $204.8 million (5.1%) to finance projects for various agencies through the Texas Public Finance Authority; $160.6 million (4.0%) for the University of Houston System; $126.1 million (3.2%) for the Texas Tech University System; $108.7 million (2.7%) for Texas Department of Housing and Community Affairs single family and multifamily housing programs; $86.7 million (2.2%) for the Texas State University System; $71.7 million (1.8%) for the Texas Higher Education Coordinating Board student loan programs; $100 million (2.5%) for housing and home improvement loans for eligible Texas veterans; $38.7 million (1.0%) for University of North Texas System; $20.4 million (0.5%) for Texas Woman's University; $10.2 million (0.3%) for Stephen F. Austin University; and $1 million (0.03%) for the Texas State Technical College System.

During FY 2009 the favorable interest rate climate also contributed to issuance of nearly $799.3 million in refundings of existing state debt. This included refundings for interest rate savings, restructuring existing debt and converting short-term maturities to long-term.

Through ten months of FY 2010 state issuers have closed approximately $2.37 billion in new-money transactions and approximately $525.5 million in refunding bonds.

Local Debt

During FY 2009 local entities in Texas issued $18.34 billion in new-money financings including: $6.89 billion (37.6%) designated for education purposes; $3.41 billion (18.6%) for transportation (including airport, bridge, road, toll road and public transportation projects) of which $2.86 billion (83.9%) was issued by four transportation authorities: Dallas Area Rapid Transit - $1.0 billion, North Texas Tollway Authority - $925.0 million, Metropolitan Transit Authority of Harris County - $715.6 million and Harris County Toll Road Authority - $215.5 million; $3.0 billion (16.4%) for water supply, water-quality enhancements and sewer systems; $671.5 million (3.7%) for combined municipal utility systems; $617.9 million (3.4%) for health-related facilities; $220.6 million (1.2%) for economic development projects (convention, conference, cultural, sports and tourism centers); $136.9 million (0.8%) for constructing prison/detention center facilities; and the remaining $3.39 billion (18.5%) was designated for: general purpose infrastructure projects, including parks and recreation; electric utilities; solid waste facilities; 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 latter total.

Local governments issued $7.74 billion in refunding bonds during FY 2009. Through ten months of FY 2010, local governments have issued approximately $5.59 billion in refunding bonds and $10.86 billion in new-money debt.

As of August 31, 2009 the state had a total of $34.08 billion in debt outstanding of which $31.01 billion (91.9%) was self-supporting and $3.07 billion (8.1%) was not self-supporting. Local entities had a total of $174.55 billion outstanding as of the same date.

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PAB Update

For calendar year 2009 the state received approximately $2.19 billion in authority for the Private Activity Bond Allocation Program. Requests totaled $3.42 billion in calendar 2009, 60% of which were received after the August 15th collapse date. Although market volatility and economic uncertainty experienced during the past 2 years have made it difficult for some issuers to close their bond transactions, overall demand for tax-exempt private activity bonds is expected to grow in calendar year 2010 and beyond.

On July 30, 2008 the President signed into law the Housing and Economic Recovery Act (HERA) of 2008 designed to help boost the struggling housing market. This legislation added $11 billion to the total volume cap for the nation and must be used solely for single and multifamily housing projects. Texas designated its $785 million share to various housing issuers, and at the end of calendar year 2009 approximately $448.5 million of unused HERA authority remained that must be used before December 31, 2010.

S.B. 2064 passed during the 81st Legislature amended the PAB program by: 1) adding emergency provisions that would make certain private activity bonding authority more accessible in times of emergencies; 2) increasing caps for selected issuers to permit a broader range of projects eligible for private activity bonding authority; 3) redefining the last day to apply for a reservation during the program year; 5) adding a fee for issuers that request carryforward; 6) allowing unencumbered volume cap to be granted at the end of the program year to any state issuer that requests it; and 7) removing certain set-aside restrictions to make more PAB allocation available earlier in the year.

The 79th Legislature mandated the Bond Review Board to receive and evaluate certain PAB applications from TxDOT authorized by a new nationwide federal program available for the issuance of up to $15 billion in private activity bonds for highway facilities or surface-freight transfer facilities. This authority could provide billions in additional tax-exempt financing available to private construction companies in Texas. In response, TxDOT created the Texas Private Activity Bond Surface Transportation Corporation for conduit debt issuances. To date, the BRB has approved two transactions for TxDOT, the North Tarrant Express Project and the IH-635 Managed Lanes Project for the amounts of $400,000,000 and $700,000,000, respectively.

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 2009 the BFO reviewed 50 state debt issues, and staff estimates that approximately 60 issues will be reviewed in FY 2010. In addition to reviewing and providing recommendations on the applications submitted by state issuers, BFO staff maintains and analyzes issuance data submitted in the final reports for each transaction. The agency's state debt reports reflect this activity and identify trends and developments for evaluation by state and local leadership.

During FY 2009 the BFO analyzed 1,137 local debt issues, and staff estimates that approximately 1,200 issues will be reviewed in FY 2010. Staff maintains current data and reports on thousands of prior local debt issues, and as with state debt, the agency's local debt report reflects this activity and identifies trends and developments for evaluation by state and local leadership.

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Including carryforward, the private activity bond staff will administer nearly $5.41 billion in private activity bonding authority in calendar 2010, an increase of 108.1% over calendar 2005 ($2.60 billion). Since the IRS allows issuers three years to use carryforward, the projected increase in overall demand for PAB authority is expected to decrease the $3.18 billion of carryforward already designated to issuers from 2007, 2008 and 2009.

Internal Agency Concern: Turnover

The current number of approved FTEs is 9.5. As of August 1, 2010 the agency's staffing was 9.5 FTEs consisting of the Executive Director, seven professionals (six financial analysts and one Staff Services/Accountant VII) along with one full-time Administrative Assistant and one permanent half-time Accounting Technician who assists with the local government data workload.

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

According to the State Auditor's Office, the turnover rate for Texas state employees was 14.4 percent in 2009, the lowest rate the state has experienced in the last five fiscal years. By comparison, the BRB experienced an average turnover of 20 percent over the past five years, from a low of 12 percent during FY 2006 to a high of 50 percent during the third quarter of FY 2008. Strategic merit initiatives were implemented and slowed this trend, but salary limitations and the lack of opportunities for career growth though 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 problems become more acute when the agency must replace long-tenured employees. One staff member with irreplaceable experience in a key position and extensive institutional knowledge will retire in early FY 2011 after nearly 21 years of service.
Fiscal Aspects

Agency appropriations for each of fiscal years 2008 and 2009 totaled $596,423. Agency appropriations for fiscal years 2010 and 2011 totaled $612,540 for each year.

Although the agency is funded solely from the state's general revenue fund, it generates revenue through the receipt of application fees and closing fees associated with the Private Activity Bond Allocation Program. During the fiscal years 2008 and 2009 the state received as unappropriated General Revenue, receipts of $770,884 and $457,408, respectively in fees associated with this program. As of June 2010 the program had provided a total of only $487,973 in unappropriated General Revenue receipts, but application fees for fiscal 2012 and 2013 are anticipated to increase significantly.

The agency's appropriation is highly personnel sensitive with approximately 93% of its budget allocated for salaries. In the past agency cost reductions have been achieved by staff reductions through layoffs or attrition, disseminating the agency's information on the web, scaling back training and travel costs and reducing general operating costs wherever possible.

Appendix E of the agency's Strategic Plan includes a discussion about salary requirements for a responsive workforce.

Comment on a Possible 10% Reduction for Fiscal Years 2012-2013

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

The agency has assumed additional workload 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, the ongoing analyses of cost of issuance data and state issuers' use of derivatives, particularly swaps. SB 2064 (81st Legislature) mandates the agency to administer miscellaneous federal bonding authority programs such as the Hurricane Ike disaster area bond program, created and extended under the American Recovery and Reinvestment Act (ARRA) and future federal bonding programs that require state administration.

A 10% reduction in the agency's appropriation for the 2012-2013 biennium would force a reduction in staff. In the past five fiscal years the agency has experienced average turnover of 20% compared to 14.4% for the state in fiscal 2009. Additional staff reductions would compromise agency efficiency, the quality of its analyses and reports as well as its ability to maintain exemplary service to its customers. It would also result in increased training and workloads for remaining staff and thus encourage additional turnover.

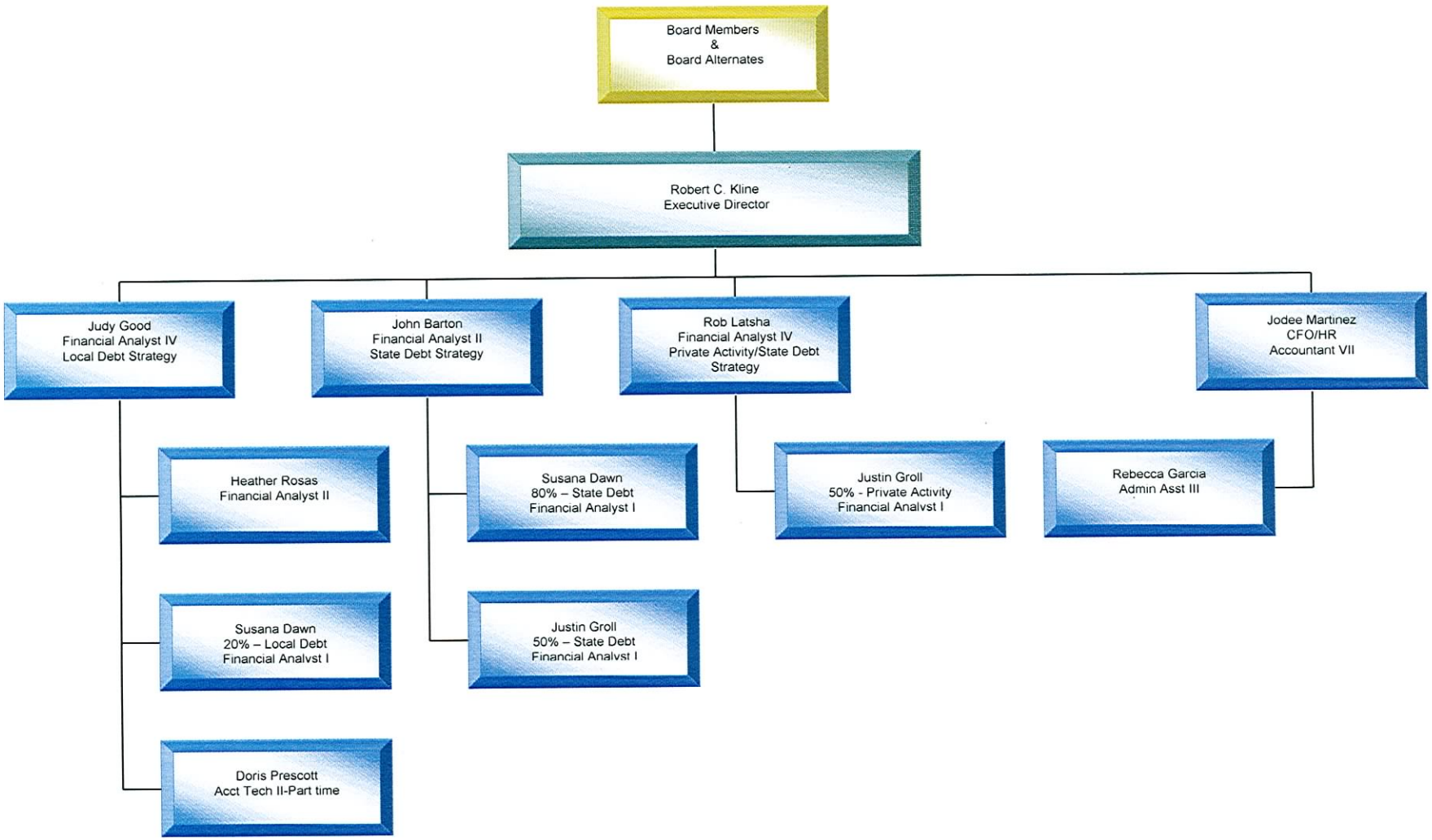
Conclusion

The agency faces several challenges in the upcoming biennium, the most important of which is turnover. Recent turnover has resulted in 30% of the agency's staff having longevity of just over 2 years. Further challenges include the retirement of a key staff member and a possible 10% reduction in appropriations leading to further staff reductions and increasing demands on the agency. As mentioned above, mandates with the passage of SB 1332 (80th Legislature) and SB 2064 (81st Legislature) have already increased staff workload.

Bob Kline
Executive Director

Texas Bond Review Board

Organizational Chart



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

Goal / *Objective* / STRATEGY	Exp 2009	Est 2010	Bud 2011	Req 2012	Req 2013
1 Issue Texas' Bonds Cost Effectively Using Sound Debt Mgmt. Policies					
1 *Meet Highest Financial Feasibility Stds and Minimize Totl Borrowing*					
1 REVIEW BOND ISSUES	227,302	164,650	161,222	162,936	162,937
2 STATE BOND DEBT	122,145	129,368	126,673	128,021	128,021
TOTAL, GOAL 1	**$349,447**	**$294,018**	**$287,895**	**$290,957**	**$290,958**
2 Ensure That Public Officials Have Current Info on Debt Management					
1 *Inform State and Local Officials on Debt Planning/Management*					
1 ANALYZE LOCAL BOND DEBT	143,285	147,010	143,947	145,478	145,478
TOTAL, GOAL 2	**$143,285**	**$147,010**	**$143,947**	**$145,478**	**$145,478**
3 Equitably Administer the Private Activity Bond Allocation for Texas					
1 *Maximize the Public and Geographic Benefit from Private Activity Bonds*					
1 ADMINISTER PRIVATE ACTIVITY BONDS	125,027	147,010	143,947	145,478	145,478
TOTAL, GOAL 3	**$125,027**	**$147,010**	**$143,947**	**$145,478**	**$145,478**
TOTAL, AGENCY STRATEGY REQUEST	**$617,759**	**$588,038**	**$575,789**	**$581,913**	**$581,914**
TOTAL, AGENCY RIDER APPROPRIATIONS REQUEST*				**$0**	**$0**
GRAND TOTAL, AGENCY REQUEST	**$617,759**	**$588,038**	**$575,789**	**$581,913**	**$581,914**

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

Goal / *Objective* / STRATEGY	Exp 2009	Est 2010	Bud 2011	Req 2012	Req 2013
METHOD OF FINANCING:					
General Revenue Funds:					
1 General Revenue Fund	617,759	588,038	575,789	581,913	581,914
SUBTOTAL	**$617,759**	**$588,038**	**$575,789**	**$581,913**	**$581,914**
TOTAL, METHOD OF FINANCING	**$617,759**	**$588,038**	**$575,789**	**$581,913**	**$581,914**

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

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METHOD OF FINANCING	Exp 2009	Est 2010	Bud 2011	Req 2012	Req 2013
GENERAL REVENUE					
1 General Revenue Fund					
REGULAR APPROPRIATIONS					
Regular Appropriations from MOF Table (2010-11 GAA)	$596,424	$612,540	$612,541	$581,913	$581,914
TRANSFERS					
Art IX, Sec 19.62(a), Salary Increase (2008-09 GAA)	$14,558	$0	$0	$0	$0
HB 4586, Sec 89, Retention Payments	$6,800	$0	$0	$0	$0
LAPSED APPROPRIATIONS					
Five Percent Reduction (2010-11 Biennium)	$0	$(24,502)	$(36,752)	$0	$0
Lapsed Appropriations 2009	$(23)	$0	$0	$0	$0
TOTAL, General Revenue Fund	**$617,759**	**$588,038**	**$575,789**	**$581,913**	**$581,914**
TOTAL, ALL GENERAL REVENUE	**$617,759**	**$588,038**	**$575,789**	**$581,913**	**$581,914**
GRAND TOTAL	**$617,759**	**$588,038**	**$575,789**	**$581,913**	**$581,914**

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

METHOD OF FINANCING	Exp 2009	Est 2010	Bud 2011	Req 2012	Req 2013
FULL-TIME-EQUIVALENT POSITIONS					
REGULAR APPROPRIATIONS					
Regular Appropriations from MOF Table (2008-09 GAA)	9.5	9.5	9.5	9.5	9.5
TOTAL, ADJUSTED FTES	**9.5**	**9.5**	**9.5**	**9.5**	**9.5**
NUMBER OF 100% FEDERALLY FUNDED FTEs	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

2.C. SUMMARY OF BASE REQUEST BY OBJECT OF EXPENSE

82nd Regular Session, Agency Submission, Version 1

Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/2/2010**

TIME: **9:20:26AM**

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

OBJECT OF EXPENSE	Exp 2009	Est 2010	Bud 2011	BL 2012	BL 2013
1001 SALARIES AND WAGES	$527,792	$552,000	$552,000	$552,000	$552,000
1002 OTHER PERSONNEL COSTS	$7,413	$10,000	$9,000	$12,000	$12,000
2001 PROFESSIONAL FEES AND SERVICES	$10,231	$4,000	$2,000	$3,000	$3,000
2003 CONSUMABLE SUPPLIES	$7,242	$1,500	$500	$1,000	$1,000
2005 TRAVEL	$2,520	$1,000	$1,000	$1,000	$1,000
2006 RENT - BUILDING	$2,109	$1,000	$500	$500	$500
2007 RENT - MACHINE AND OTHER	$4,757	$3,600	$4,200	$4,200	$4,200
2009 OTHER OPERATING EXPENSE	$55,695	$14,938	$6,589	$8,213	$8,214
OOE Total (Excluding Riders)	**$617,759**	**$588,038**	**$575,789**	**$581,913**	**$581,914**
OOE Total (Riders)					
Grand Total	**$617,759**	**$588,038**	**$575,789**	**$581,913**	**$581,914**

2.D. SUMMARY OF BASE REQUEST OBJECTIVE OUTCOMES

82nd Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation system of Texas (ABEST)

Date : **8/2/2010**
Time: **9:20:56AM**

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

Goal/ *Objective* / **Outcome**	**Exp 2009**	**Est 2010**	**Bud 2011**	**BL 2012**	**BL 2013**
1 Issue Texas' Bonds Cost Effectively Using Sound Debt Mgmt. Policies					
1 Meet Highest Financial Feasibility Stds and Minimize Totl Borrowing					
1 Percent of Agencies Complying with Capital Plan					
	0.00%	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					
	96.95	97.00	98.00	98.00	98.00

2.E. SUMMARY OF EXCEPTIONAL ITEMS REQUEST

DATE: **8/2/2010**
TIME : **9:21:14AM**

Automated Budget and Evaluation System of Texas (ABEST)

Agency code: **352**

Agency name:

Priority	Item	GR and GR/GR Dedicated	All Funds	FTEs	GR and GR Dedicated	All Funds	FTEs	Biennium GR and GR Dedicated	Biennium All Funds
Total, Exceptional Items Request									
Method of Financing									
General Revenue									
General Revenue - Dedicated									
Federal Funds									
Other Funds									
		$0			**$0**			**$0**	
Full Time Equivalent Positions									
Number of 100% Federally Funded FTEs				**0.0**			**0.0**		

2.F. SUMMARY OF TOTAL REQUEST BY STRATEGY

82nd Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

DATE : 8/2/2010
TIME : 9:21:33AM

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

Goal/*Objective*/STRATEGY	Base 2012	Base 2013	Exceptional 2012	Exceptional 2013	Total Request 2012	Total Request 2013
1 Issue Texas' Bonds Cost Effectively Using Sound Debt Mgmt. Policie						
1 *Meet Highest Financial Feasibility Stds and Minimize Totl Borrowin*						
1 REVIEW BOND ISSUES	$162,936	$162,937	$0	$0	$162,936	$162,937
2 STATE BOND DEBT	128,021	128,021	0	0	128,021	128,021
TOTAL, GOAL 1	**$290,957**	**$290,958**	**$0**	**$0**	**$290,957**	**$290,958**
2 Ensure That Public Officials Have Current Info on Debt Management						
1 *Inform State and Local Officials on Debt Planning/Management*						
1 ANALYZE LOCAL BOND DEBT	145,478	145,478	0	0	145,478	145,478
TOTAL, GOAL 2	**$145,478**	**$145,478**	**$0**	**$0**	**$145,478**	**$145,478**
3 Equitably Administer the Private Activity Bond Allocation for Texas						
1 *Maximize the Public and Geographic Benefit from Private Activity B*						
1 ADMINISTER PRIVATE ACTIVITY BONDS	145,478	145,478	0	0	145,478	145,478
TOTAL, GOAL 3	**$145,478**	**$145,478**	**$0**	**$0**	**$145,478**	**$145,478**
TOTAL, AGENCY STRATEGY REQUEST	**$581,913**	**$581,914**	**$0**	**$0**	**$581,913**	**$581,914**
TOTAL, AGENCY RIDER APPROPRIATIONS REQUEST						
GRAND TOTAL, AGENCY REQUEST	**$581,913**	**$581,914**	**$0**	**$0**	**$581,913**	**$581,914**

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

Goal/*Objective*/STRATEGY	Base 2012	Base 2013	Exceptional 2012	Exceptional 2013	Total Request 2012	Total Request 2013
General Revenue Funds:						
1 General Revenue Fund	$581,913	$581,914	$0	$0	$581,913	$581,914
	$581,913	**$581,914**	**$0**	**$0**	**$581,913**	**$581,914**
TOTAL, METHOD OF FINANCING	**$581,913**	**$581,914**	**$0**	**$0**	**$581,913**	**$581,914**
FULL TIME EQUIVALENT POSITIONS	**9.5**	**9.5**	**0.0**	**0.0**	**9.5**	**9.5**

2.G. SUMMARY OF TOTAL REQUEST OBJECTIVE OUTCOMES

82nd Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation system of Texas (ABEST)

Date : **8/2/2010**
Time: **9:22:21AM**

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

Goal/ *Objective* / **Outcome**	BL 2012	BL 2013	Excp 2012	Excp 2013	Total Request 2012	Total Request 2013
1 Issue Texas' Bonds Cost Effectively Using Sound Debt Mgmt. Policies						
1 *Meet Highest Financial Feasibility Stds and Minimize Totl Borrowing*						
1 Percent of Agencies Complying with Capital Plan						
	98.00%	0.00%	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	98.00	98.00

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

Statewide Goal/Benchmark: 8 10
Service Categories:
Service: 02 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2009	Est 2010	Bud 2011	BL 2012	BL 2013
Output Measures:						
KEY 1	Number Bond Issues and Leases Reviewed	50.00	65.00	65.00	60.00	60.00
Objects of Expense:						
1001	SALARIES AND WAGES	$206,560	$154,560	$154,560	$154,560	$154,560
1002	OTHER PERSONNEL COSTS	$1,820	$2,800	$2,520	$3,360	$3,360
2001	PROFESSIONAL FEES AND SERVICES	$1,145	$1,120	$560	$840	$840
2003	CONSUMABLE SUPPLIES	$2,751	$420	$140	$280	$280
2005	TRAVEL	$181	$280	$280	$280	$280
2006	RENT - BUILDING	$0	$280	$140	$140	$140
2007	RENT - MACHINE AND OTHER	$737	$1,008	$1,176	$1,176	$1,176
2009	OTHER OPERATING EXPENSE	$14,108	$4,182	$1,846	$2,300	$2,301
TOTAL, OBJECT OF EXPENSE		**$227,302**	**$164,650**	**$161,222**	**$162,936**	**$162,937**
Method of Financing:						
1	General Revenue Fund	$227,302	$164,650	$161,222	$162,936	$162,937
SUBTOTAL, MOF (GENERAL REVENUE FUNDS)		**$227,302**	**$164,650**	**$161,222**	**$162,936**	**$162,937**
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					**$162,936**	**$162,937**
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		**$227,302**	**$164,650**	**$161,222**	**$162,936**	**$162,937**
FULL TIME EQUIVALENT POSITIONS:		**2.0**	**2.0**	**2.0**	**2.0**	**2.0**

STRATEGY DESCRIPTION AND JUSTIFICATION:

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

GOAL: 1 Issue Texas' Bonds Cost Effectively Using Sound Debt Mgmt. Policies — Statewide Goal/Benchmark: 8 10

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: 02 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2009	Est 2010	Bud 2011	BL 2012	BL 2013

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 and strategy 01-01-02 contribute 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:

In August 2009 Standard and Poor's upgraded the state's GO rating from AA to AA+ citing the states diverse economy and projected surplus of $9.0 billion in the state's Rainy Day Fund. In March 2010 Fitch and Moody's recalibrated their municipal ratings that resulted in Texas receiving an upgrade to AAA for both rating agencies. Despite these upgrades rating agencies have cited the state's use of stimulus funds for near-term budget balances, population growth with relatively high poverty levels requiring public services, budgetary pressures related to growing proportion of school revenues that the state is required to fund and the difficulty in finding new sources of funding as ongoing concerns relating to the state's credit rating.

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

Statewide Goal/Benchmark: 8 11
Service Categories:
Service: 05 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2009	Est 2010	Bud 2011	BL 2012	BL 2013
Output Measures:						
KEY 1	Number of Responses to Debt Information Requests	126.00	125.00	250.00	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	6.06	7.50	7.50	6.50	6.50
2	Percent of General Revenue for GO and Revenue Debt	1.33 %	1.50 %	1.50 %	1.79 %	1.79 %
3	Texas' GO Bond Rating	2.33	2.00	2.00	1.33	1.33
Objects of Expense:						
1001	SALARIES AND WAGES	$85,191	$121,440	$121,440	$121,440	$121,440
1002	OTHER PERSONNEL COSTS	$673	$2,200	$1,980	$2,640	$2,640
2001	PROFESSIONAL FEES AND SERVICES	$4,440	$880	$440	$660	$660
2003	CONSUMABLE SUPPLIES	$1,640	$330	$110	$220	$220
2005	TRAVEL	$15	$220	$220	$220	$220
2006	RENT - BUILDING	$0	$220	$110	$110	$110
2007	RENT - MACHINE AND OTHER	$2,422	$792	$924	$924	$924
2009	OTHER OPERATING EXPENSE	$27,764	$3,286	$1,449	$1,807	$1,807
TOTAL, OBJECT OF EXPENSE		**$122,145**	**$129,368**	**$126,673**	**$128,021**	**$128,021**
Method of Financing:						
1	General Revenue Fund	$122,145	$129,368	$126,673	$128,021	$128,021
SUBTOTAL, MOF (GENERAL REVENUE FUNDS)		**$122,145**	**$129,368**	**$126,673**	**$128,021**	**$128,021**

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

Statewide Goal/Benchmark: 8 11
Service Categories:
Service: 05 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2009	Est 2010	Bud 2011	BL 2012	BL 2013
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					**$128,021**	**$128,021**
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		**$122,145**	**$129,368**	**$126,673**	**$128,021**	**$128,021**
FULL TIME EQUIVALENT POSITIONS:		**2.0**	**2.0**	**2.0**	**2.0**	**2.0**

STRATEGY DESCRIPTION AND JUSTIFICATION:

The Board's reporting responsibilities in this strategy are mandated by Texas Government Code, Chapter 1371 and the General Appropriations Act (SB 1), 77th Legislature (2001). 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 and strategy 01-01-01 contribute 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:

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 affected by external factors such as the state's economy and finances that the Board cannot control.

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

Statewide Goal/Benchmark: 8 4
Service Categories:
Service: 07 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2009	Est 2010	Bud 2011	BL 2012	BL 2013
Output Measures:						
KEY 1	Number of Local Government Financings Analyzed	1,137.00	1,200.00	1,200.00	1,225.00	1,225.00
Efficiency Measures:						
1	Average Issuance Cost Per $1,000 Debt Issued by Locals	14.48	14.00	14.00	14.50	14.50
Explanatory/Input Measures:						
1	Number of Local Governments Issuing Debt	727.00	675.00	700.00	750.00	750.00
Objects of Expense:						
1001	SALARIES AND WAGES	$128,112	$138,000	$138,000	$138,000	$138,000
1002	OTHER PERSONNEL COSTS	$2,520	$2,500	$2,250	$3,000	$3,000
2001	PROFESSIONAL FEES AND SERVICES	$930	$1,000	$500	$750	$750
2003	CONSUMABLE SUPPLIES	$1,581	$375	$125	$250	$250
2005	TRAVEL	$796	$250	$250	$250	$250
2006	RENT - BUILDING	$1,989	$250	$125	$125	$125
2007	RENT - MACHINE AND OTHER	$1,137	$900	$1,050	$1,050	$1,050
2009	OTHER OPERATING EXPENSE	$6,220	$3,735	$1,647	$2,053	$2,053
TOTAL, OBJECT OF EXPENSE		**$143,285**	**$147,010**	**$143,947**	**$145,478**	**$145,478**
Method of Financing:						
1	General Revenue Fund	$143,285	$147,010	$143,947	$145,478	$145,478
SUBTOTAL, MOF (GENERAL REVENUE FUNDS)		**$143,285**	**$147,010**	**$143,947**	**$145,478**	**$145,478**
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					**$145,478**	**$145,478**
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		**$143,285**	**$147,010**	**$143,947**	**$145,478**	**$145,478**
FULL TIME EQUIVALENT POSITIONS:		**3.5**	**3.5**	**3.5**	**3.5**	**3.5**

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

GOAL: 2 Ensure That Public Officials Have Current Info on Debt Management — Statewide Goal/Benchmark: 8 4

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 2009	Est 2010	Bud 2011	BL 2012	BL 2013

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, has greatly facilitated BRB 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 BRB.

Reports of findings, including the outstanding debt of local governments, costs of issuance, volume of debt issued each fiscal year, and the results of bond refinancings 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.

EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

There are over 4,400 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. Furthermore, SB 1 - 77th Legislature charged the agency to also offer debt issuance technical assistance to school districts. This rider places additional demands upon the staff allocated to that strategy.

External factors that affect the workload of the Local Government Services staff include interest rate fluctuations. When interest rates are low, the number of bond refundings will normally increase. Also bond issuance is expected to increase due to the American Recovery and Reinvestment Act of 2009 creating four new types of bonding authority and expanding authority under three existing programs. These factors make it difficult to gauge the number of bonds that will be issued in any given year.

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

Statewide Goal/Benchmark: 8 0
Service Categories:
Service: 13 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2009	Est 2010	Bud 2011	BL 2012	BL 2013
Output Measures:						
KEY 1	Number of Applications Reviewed	88.00	180.00	185.00	100.00	110.00
2	Number of Allocations Issued	40.00	85.00	90.00	51.00	55.00
3	Amount of Allocation Issued	804,240,000.00	2,000,000,000.00	2,000,000,000.00	1,050,000,000.00	1,300,000,000.00
Explanatory/Input Measures:						
1	Amount of Demand for Private Activity Bonds	4,584,000,000.00	3,000,000,000.00	3,000,000,000.00	3,000,000,000.00	3,300,000,000.00
Objects of Expense:						
1001	SALARIES AND WAGES	$107,929	$138,000	$138,000	$138,000	$138,000
1002	OTHER PERSONNEL COSTS	$2,400	$2,500	$2,250	$3,000	$3,000
2001	PROFESSIONAL FEES AND SERVICES	$3,716	$1,000	$500	$750	$750
2003	CONSUMABLE SUPPLIES	$1,270	$375	$125	$250	$250
2005	TRAVEL	$1,528	$250	$250	$250	$250
2006	RENT - BUILDING	$120	$250	$125	$125	$125
2007	RENT - MACHINE AND OTHER	$461	$900	$1,050	$1,050	$1,050
2009	OTHER OPERATING EXPENSE	$7,603	$3,735	$1,647	$2,053	$2,053
TOTAL, OBJECT OF EXPENSE		**$125,027**	**$147,010**	**$143,947**	**$145,478**	**$145,478**
Method of Financing:						
1	General Revenue Fund	$125,027	$147,010	$143,947	$145,478	$145,478
SUBTOTAL, MOF (GENERAL REVENUE FUNDS)		**$125,027**	**$147,010**	**$143,947**	**$145,478**	**$145,478**
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					**$145,478**	**$145,478**
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		**$125,027**	**$147,010**	**$143,947**	**$145,478**	**$145,478**
FULL TIME EQUIVALENT POSITIONS:		**2.0**	**2.0**	**2.0**	**2.0**	**2.0**

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

Statewide Goal/Benchmark: 8 0
Service Categories:
Service: 13 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2009	Est 2010	Bud 2011	BL 2012	BL 2013

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:

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 $75.00 per capita and will be indexed to an inflationary factor for future years. Volume cap is currently $90.00 per capita. Demand for the private activity is steady but is expected to be depressed for the short term, not only due to difficulties in the single and multifamily housing programs, but also the restructuring of the student loan paradigm by federal legislation. Program receipts (unappropriated) totaled $1.2 million for the 2008-2009 biennium. Receipts are expected to increase to $1.3 million in the 2010-2011 biennium and continue to rise in the 2012-2013 biennium caused by a better housing market and larger volume cap due to a larger population and increase in per capita volume cap.

SUMMARY TOTALS:

OBJECTS OF EXPENSE:	**$617,759**	**$588,038**	**$575,789**	**$581,913**	**$581,914**
METHODS OF FINANCE (INCLUDING RIDERS):				**$581,913**	**$581,914**
METHODS OF FINANCE (EXCLUDING RIDERS):	**$617,759**	**$588,038**	**$575,789**	**$581,913**	**$581,914**
FULL TIME EQUIVALENT POSITIONS:	**9.5**	**9.5**	**9.5**	**9.5**	**9.5**

4.A. EXCEPTIONAL ITEM REQUEST SCHEDULE

DATE: 8/2/2010
TIME: 9:22:55AM

Automated Budget and Evaluation System of Texas (ABEST)

Agency code: Agency name:

CODE DESCRIPTION

Item Name:
Item Priority:

DESCRIPTION / JUSTIFICATION:

EXTERNAL/INTERNAL FACTORS:

4.B. EXCEPTIONAL ITEMS STRATEGY ALLOCATION SCHEDULE

DATE: **8/2/2010**
TIME: **9:23:17AM**

Automated Budget and Evaluation System of Texas (ABEST)

Agency code: Agency name:

Code	Description

Item Name:

Allocation to Strategy: --

4.C. EXCEPTIONAL ITEMS STRATEGY REQUEST

DATE: 8/2/2010
TIME: 9:40:15AM

Automated Budget and Evaluation System of Texas (ABEST)

Agency Code: Agency name:

GOAL: Statewide Goal/Benchmark: -

OBJECTIVE: Service Categories:

STRATEGY: Service: Income: Age:

CODE	DESCRIPTION

GENERAL REVENUE (GR) & GENERAL REVENUE DEDICATED (GR-D) BASELINE REPORT

DATE: **8/2/2010**
TIME: **9:23:58AM**

82nd Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

.gency code: Agency name: **Bond Review Board**

GR Baseline Request Limit = $1,163,827

GR-D Baseline Request Limit = $1

Strategy/Strategy Option/Rider	2012 Funds			2013 Funds				Biennial	Biennial	
	FTEs	Total	GR	Ded	FTEs	Total	GR	Ded	Cumulative GR	Cumulative Ded	Page #
Strategy: 1 - 1 - 1 **Review Bond Issues to Assure Legality and Other Provisions**											
	2.0	162,936	162,936	0	2.0	162,937	162,937	0	325,873	0	_____
Strategy: 1 - 1 - 2 **Report to the Legislature on Debt Obligation and Policy Alternatives**											
	2.0	128,021	128,021	0	2.0	128,021	128,021	0	581,915	0	_____
Strategy: 2 - 1 - 1 **Analyze Data on Local Government Finance and Debt Management**											
	3.5	145,478	145,478	0	3.5	145,478	145,478	0	872,871	0	_____
Strategy: 3 - 1 - 1 **Effectively Administer the Private Activity Bond Allocation Program**											
	2.0	145,478	145,478	0	2.0	145,478	145,478	0	1,163,827	0	_____
	9.5	**$581,913**	**$581,913**	**$0**	**9.5**	**$581,914**	**$581,914**	**0**			

6.A. HISTORICALLY UNDERUTILIZED BUSINESS SUPPORTING SCHEDULE

82nd Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Date: **8/2/2010**
Time: **9:24:27AM**

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

COMPARISON TO STATEWIDE HUB PROCUREMENT GOALS

A. Fiscal Year 2008 - 2009 HUB Expenditure Information

Statewide HUB Goals	Procurement Category	HUB Expenditures FY 2008 % Goal	% Actual	Diff	Actual $	Total Expenditures FY 2008	HUB Expenditures FY 2009 % Goal	% Actual	Diff	Actual $	Total Expenditures FY 2009
33.0%	Other Services	39.6 %	39.6%	0.0%	$4,225	$10,665	83.2 %	83.3%	0.1%	$5,241	$6,293
12.6%	Commodities	61.2 %	61.2%	0.0%	$14,918	$24,360	30.0 %	30.0%	0.0%	$8,588	$28,625
	Total Expenditures		**54.7%**		**$19,143**	**$35,025**		**39.6%**		**$13,829**	**$34,918**

B. Assessment of Fiscal Year 2008 - 2009 Efforts to Meet HUB Procurement Goals

Attainment:

The BRB has set an objective to include underutilized businessess (HUB's) in at least 30% of the total value of purchases and contract awarded. The BRB achieved this objective in FY2008 and FY2009.

Applicability:

The "Heavy Construction", and "Special Trade Construction"' categories are not applicable with agency operations.

Factors Affecting Attainment:

Discretionary acquistions are extremely limited. Expenditures are primarily made directly with or through other agencies. Consumable items are normally obtained at TIBH's Sypply Storeand/or HUB vendor. Standard equipment items are obtained through CPA's automated purchasing program. The ultimate source for the auquistions is often a HUB vendor. The BRB has no imput in award of contracts.

FY08-39.6% of Other Services were HUB vendors. 61.2% Commodities were HUB vendors.
FY09-83.2% of Other Services were HUB vendors. 30.0% Commodities were HUB vendors.

"Good-Faith" Efforts:

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

6.B. Current Biennium One-time Expenditure Schedule

Agency Code:	Agency Name:	Prepared By:	Date:
352	TEXAS BOND REVIEW BOARD	JODEE MARTINEZ	6/1/2010

Item	2010-2011		2012-2013	
	Amount	MOF	Amount	MOF
The Bond Review Board has no current One-Time Expenditure Schedule.				

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

	REVENUE LOSS			REDUCTION AMOUNT			TARGET
Item Priority and Name/ Method of Financing	**2012**	**2013**	**Biennial Total**	**2012**	**2013**	**Biennial Total**	
1 Program Service Reduction							
Category: Programs - Service Reductions (FTEs-Layoffs)							
Item Comment: "A 10% reduction of $116,383 in the agency's appropriation for the 2012-2013 biennium would force staff reductions. In the past five fiscal years the agency has experienced an average turnover rate of 20%. Additional staff reductions will result in heavier training and workloads for remaining staff and thus encourage further turnover. This turnover would compromise agency efficiency, the quality of its analyses and reports as well as its ability to maintain exemplary service to its customers. It would particularly impair the agency's effectiveness in executing the state strategy that has experienced additional workload with the mandates included in SB 1332 (80th Legislature) such as responsibility for the state's Debt Affordability Study, the ongoing analyses of cost of issuance data and state issuers' use of derivatives, particularly swaps, and the mandates included in SB 2064 (81st Legislature) requiring the agency to administer additional federal bonding authority."							
Strategy: 1-1-1 Review Bond Issues to Assure Legality and Other Provisions							
General Revenue Funds							
1 General Revenue Fund	$0	$0	$0	$29,096	$29,095	$58,191	
General Revenue Funds Total	**$0**	**$0**	**$0**	**$29,096**	**$29,095**	**$58,191**	
Strategy: 1-1-2 Report to the Legislature on Debt Obligation and Policy Alternatives							
General Revenue Funds							
1 General Revenue Fund	$0	$0	$0	$29,096	$29,096	$58,192	
General Revenue Funds Total	**$0**	**$0**	**$0**	**$29,096**	**$29,096**	**$58,192**	
Item Total	**$0**	**$0**	**$0**	**$58,192**	**$58,191**	**$116,383**	
FTE Reductions (From FY 2012 and FY 2013 Base Request)				**2.0**	**2.0**		
AGENCY TOTALS							
General Revenue Total				**$58,192**	**$58,191**	**$116,383**	**$116,383**
Agency Grand Total	**$0**	**$0**	**$0**	**$58,192**	**$58,191**	**$116,383**	
Difference, Options Total Less Target							
Agency FTE Reductions (From FY 2012 and FY 2013 Base Request)				**2.0**	**2.0**		

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

	REVENUE LOSS			REDUCTION AMOUNT			TARGET
Item Priority and Name/ Method of Financing	**2012**	**2013**	**Biennial Total**	**2012**	**2013**	**Biennial Total**	

7.A. INDIRECT ADMINISTRATIVE AND SUPPORT COSTS

82nd Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

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

Strategy		Exp 2009	Est 2010	Bud 2011	BL 2012	BL 2013
1-1-1	**Review Bond Issues to Assure Legality and Other Provisions**					
OBJECTS OF EXPENSE:						
1001	SALARIES AND WAGES	$ 10,328	$ 7,728	$ 7,728	$ 7,728	$ 7,728
1002	OTHER PERSONNEL COSTS	91	140	126	168	168
2001	PROFESSIONAL FEES AND SERVICES	57	56	28	42	42
2003	CONSUMABLE SUPPLIES	137	21	7	14	14
2005	TRAVEL	9	14	14	14	14
2006	RENT - BUILDING	0	14	7	7	7
2007	RENT - MACHINE AND OTHER	36	50	59	59	59
2009	OTHER OPERATING EXPENSE	705	209	92	115	115
	Total, Objects of Expense	**$ 11,363**	**$ 8,232**	**$ 8,061**	**$ 8,147**	**$ 8,147**
METHOD OF FINANCING:						
1	General Revenue Fund	11,363	8,232	8,061	8,147	8,147
	Total, Method of Financing	**$ 11,363**	**$ 8,232**	**$ 8,061**	**$ 8,147**	**$ 8,147**
FULL TIME EQUIVALENT POSITIONS		**0.1**	**0.1**	**0.1**	**0.1**	**0.1**

Method of Allocation

This agency does not have an indirect administrative goal. In general, indirect administrative and support costs are allocated proportionately 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 FY2009-FY2013. This method was selected because this agency is general government and the administrative demands are closely related to budget size.

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

Strategy		Exp 2009	Est 2010	Bud 2011	BL 2012	BL 2013
1-1-2	**Report to the Legislature on Debt Obligation and Policy Alternatives**					
OBJECTS OF EXPENSE:						
1001	SALARIES AND WAGES	$ 4,259	$ 6,072	$ 6,072	$ 6,072	$ 6,072
1002	OTHER PERSONNEL COSTS	34	110	99	132	132
2001	PROFESSIONAL FEES AND SERVICES	222	44	22	33	33
2003	CONSUMABLE SUPPLIES	82	16	5	11	11
2005	TRAVEL	1	11	11	11	11
2006	RENT - BUILDING	0	11	5	5	5
2007	RENT - MACHINE AND OTHER	121	40	46	46	46
2009	OTHER OPERATING EXPENSE	1,388	164	72	90	90
	Total, Objects of Expense	**$ 6,107**	**$ 6,468**	**$ 6,332**	**$ 6,400**	**$ 6,400**
METHOD OF FINANCING:						
1	General Revenue Fund	6,107	6,468	6,332	6,400	6,400
	Total, Method of Financing	**$ 6,107**	**$ 6,468**	**$ 6,332**	**$ 6,400**	**$ 6,400**
FULL TIME EQUIVALENT POSITIONS		**0.1**	**0.1**	**0.1**	**0.1**	**0.1**

Method of Allocation

This agency does not have an indirect administrative goal. In general, indirect administrative and support costs are allocated proportionately 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 FY2009-FY2013. This method was selected because this agency is general government and the administrative demands are closely related to budget size.

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

Strategy		Exp 2009	Est 2010	Bud 2011	BL 2012	BL 2013
2-1-1	**Analyze Data on Local Government Finance and Debt Management**					
OBJECTS OF EXPENSE:						
1001	SALARIES AND WAGES	$ 6,406	$ 6,900	$ 6,900	$ 6,900	$ 6,900
1002	OTHER PERSONNEL COSTS	126	125	112	150	150
2001	PROFESSIONAL FEES AND SERVICES	46	50	25	37	37
2003	CONSUMABLE SUPPLIES	79	19	6	12	12
2005	TRAVEL	39	12	12	12	12
2006	RENT - BUILDING	99	12	6	6	6
2007	RENT - MACHINE AND OTHER	57	45	52	52	52
2009	OTHER OPERATING EXPENSE	311	187	82	102	102
	Total, Objects of Expense	**$ 7,163**	**$ 7,350**	**$ 7,195**	**$ 7,271**	**$ 7,271**
METHOD OF FINANCING:						
1	General Revenue Fund	7,163	7,350	7,195	7,271	7,271
	Total, Method of Financing	**$ 7,163**	**$ 7,350**	**$ 7,195**	**$ 7,271**	**$ 7,271**
FULL TIME EQUIVALENT POSITIONS		**0.1**	**0.1**	**0.1**	**0.1**	**0.1**

Method of Allocation

This agency does not have an indirect administrative goal. In general, indirect administrative and support costs are allocated proportionately 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 FY2009-FY2013. This method was selected because this agency is general government and the administrative demands are closely related to budget size.

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

Strategy		Exp 2009	Est 2010	Bud 2011	BL 2012	BL 2013
3-1-1	**Effectively Administer the Private Activity Bond Allocation Program**					
OBJECTS OF EXPENSE:						
1001	SALARIES AND WAGES	$ 5,396	$ 6,900	$ 6,900	$ 6,900	$ 6,900
1002	OTHER PERSONNEL COSTS	120	125	112	150	150
2001	PROFESSIONAL FEES AND SERVICES	185	50	25	37	37
2003	CONSUMABLE SUPPLIES	63	19	6	12	12
2005	TRAVEL	76	12	12	12	12
2007	RENT - MACHINE AND OTHER	6	12	6	6	6
2009	OTHER OPERATING EXPENSE	23	45	52	52	52
	Total, Objects of Expense	**$ 5,869**	**$ 7,163**	**$ 7,113**	**$ 7,169**	**$ 7,169**
METHOD OF FINANCING:						
1	General Revenue Fund	5,869	7,163	7,113	7,169	7,169
	Total, Method of Financing	**$ 5,869**	**$ 7,163**	**$ 7,113**	**$ 7,169**	**$ 7,169**
FULL TIME EQUIVALENT POSITIONS		**0.1**	**0.1**	**0.1**	**0.1**	**0.1**

Method of Allocation

This agency does not have an indirect administrative goal. In general, indirect administrative and support costs are allocated proportionately 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 FY2009-FY2013. This method was selected because this agency is general government and the administrative demands are closely related to budget size.

Agency code: **352**

Agency name: **Bond Review Board**

		Exp 2009	Est 2010	Bud 2011	BL 2012	BL 2013
GRAND TOTALS						
Objects of Expense						
1001	SALARIES AND WAGES	$26,389	$27,600	$27,600	$27,600	$27,600
1002	OTHER PERSONNEL COSTS	$371	$500	$449	$600	$600
2001	PROFESSIONAL FEES AND SERVICES	$510	$200	$100	$149	$149
2003	CONSUMABLE SUPPLIES	$361	$75	$24	$49	$49
2005	TRAVEL	$125	$49	$49	$49	$49
2006	RENT - BUILDING	$99	$37	$18	$18	$18
2007	RENT - MACHINE AND OTHER	$220	$147	$163	$163	$163
2009	OTHER OPERATING EXPENSE	$2,427	$605	$298	$359	$359
	Total, Objects of Expense	**$30,502**	**$29,213**	**$28,701**	**$28,987**	**$28,987**
Method of Financing						
1	General Revenue Fund	$30,502	$29,213	$28,701	$28,987	$28,987
	Total, Method of Financing	**$30,502**	**$29,213**	**$28,701**	**$28,987**	**$28,987**
	Full-Time-Equivalent Positions (FTE)	**0.4**	**0.4**	**0.4**	**0.4**	**0.4**