Schedule D – Agency Workforce Plan

Agency Overview

The Texas Public Finance Authority (TPFA) was created by the Legislature in 1983 as the "Texas Public Building Authority" to provide funding for the construction and renovation of office buildings in Travis County through the issuance of revenue bonds. In 1987, the Legislature authorized the use of revenue bonds to purchase existing office buildings and the use of general obligation bonds to provide funding for prison, youth correction, and mental health facilities. In 1991, the Legislature further expanded the agency's mission through consolidation of bond issuance authority resulting in the reduction in the number of State agencies and institutions of higher education authorized to issue debt. TPFA was positioned to serve as the State's central debt issuer and primary resource for debt issuance and management expertise.

> **TPFA's Mission and Strategic Goal**
>
> - The agency's **mission** is to provide the most cost-effective financing available to fund capital projects, equipment acquisitions, and programs as authorized by the Texas Legislature.
> - The agency's primary **goal** is to provide financing for capital construction projects and equipment, as authorized by the Legislature, for client agencies to assist them in meeting their goals while ensuring those issuances are accomplished cost effectively.

Since its inception, TPFA has issued debt on behalf of over twenty-nine organizations. Additionally, the agency provides critical administrative support to two non-profit organizations: (1) the Texas Public Finance Authority Charter School Finance Corporation, which issues debt on behalf of eligible open-enrollment charter schools and administers a credit enhancement program to assist charter schools in financing their facilities; and, (2) the Texas Natural Gas Securitization Finance Corporation, which issued Customer Rate Relief Bonds in March of 2023, to finance certain extraordinary costs incurred by natural gas utilities related to Winter Storm Uri, pursuant to HB 1520, 87th Legislature, R.S.

Strategic Direction

TPFA consistently provides cost-effective and efficient capital financing for capital projects and equipment acquisitions to its client agencies, which include State agencies, universities and other legislatively designated entities on whose behalf the agency issues debt. To carry out its mission, the agency established the following objectives and strategies.

Strategic Objectives and Strategies	
Objective	**Strategy**
A.1. To provide timely and cost-effective funding for client agencies at the lowest possible cost.	A.1.1. Analyze and process applications for debt financing submitted by client agencies and issue debt to provide financing in an efficient and cost-effective manner.
A.2. To manage and monitor 100% of bond proceeds and covenants and to pay 100% of the outstanding debt service, which is due on time.	A.2.1. Manage bond proceeds and monitor covenants to ensure compliance.
	A.2.2. Make general obligations bond debt service payments on time.

Critical Functions

TPFA is responsible for the following critical functions:

- Analyze and process requests for financing from client agencies.
- Issue general obligation and revenue bonds and other debt instruments as authorized by the Legislature.
- Make accurate, on-time debt service payments.
- Monitor outstanding debt to ensure responsible, compliant administration of debt obligations.
- Monitor bond proceeds to ensure funds are spent appropriately on eligible projects and managed in accordance with State and federal requirements.
- Administer three commercial paper programs including the Master Lease Purchase Program, which provides low cost financing to State agencies and universities for their capital purchases.
- Provide administrative support to the Texas Public Finance Authority Charter School Finance Corporation and the Texas Natural Gas Securitization Finance Corporation.

The agency does not anticipate a change in strategic direction that would impact its critical functions. In recent years, TPFA has experienced a decrease in new State bond authorizations and corresponding reduction in outstanding debt. Entering the 90th legislative session, TPFA will continue to monitor potential capital projects that could be included in the 2028-29 statewide capital expenditure plan and require future bond authorization.

Workforce Analysis

Current Workforce Profile

In fulfilling its critical functions, TPFA employs individuals with expertise in municipal finance, accounting, budgeting, information systems, contract management, and legal matters. The agency makes every effort to recruit, hire and retain a qualified workforce and provides equal opportunities for employment, without regard to race, religion, color, national origin, citizenship, genetic information, sex, age, veteran status, or disability.

See the agency’s organizational chart in ***Appendix A***. All agency personnel are based in the William P. Clements, Jr. State Office Building in Austin.

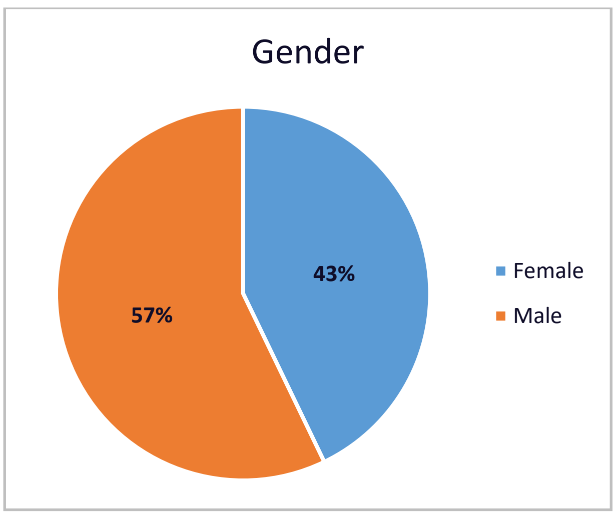
The agency is appropriated to fund 17 full-time equivalent (FTE) positions in various job classifications as seen in the table below.

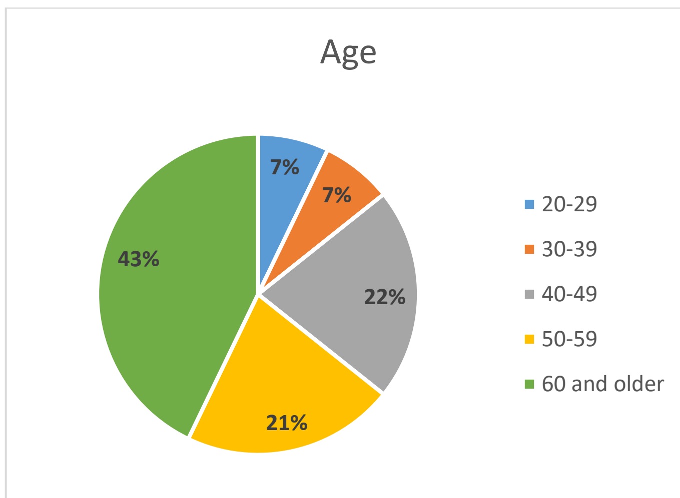
Current Workforce by Job Classifications	
Classification	**Count**
Accountant	5
Director	3
General Counsel	2
Financial Analyst	2
Programmer	1
Manager	1
Executive Assistant*	1
Analysts*	2
Total FTE's	17

*vacant positions as of June 2026

Demographics

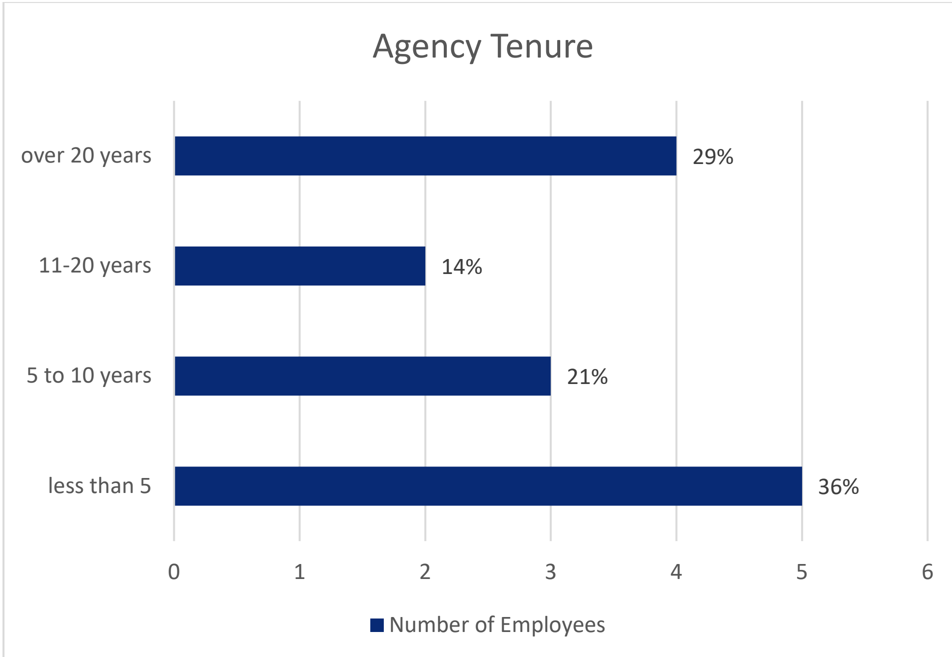
The following tables illustrate the demographics of agency personnel as of June 2026. The agency is fortunate to have qualified personnel with a variety of skills and expertise necessary to perform its critical functions.



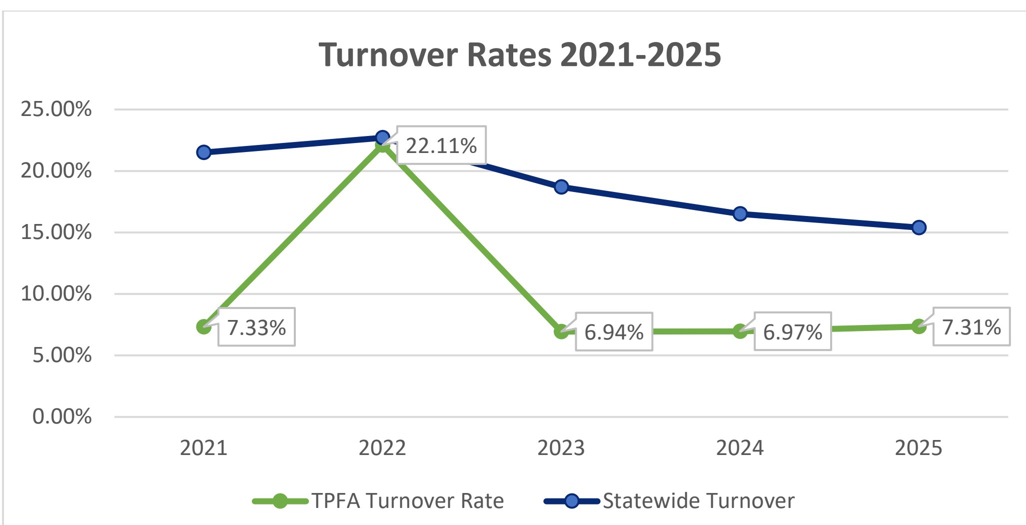


Turnover and Length of Service

Turnover is an important issue in any organization but can be especially critical in a small agency where employees perform responsibilities across functional areas. TPFA has several employees with long agency tenure, including 29% with more than 20 years of agency service. Turnover will become especially crucial to the agency in the next five to ten years as these tenured employees begin to retire. The following chart shows the length of time current employees have worked at TPFA.

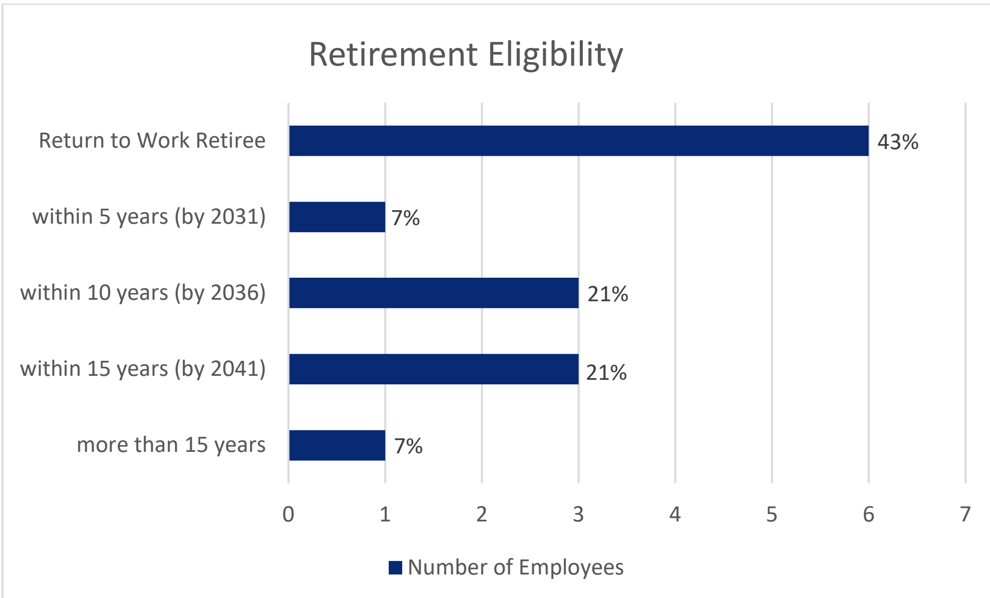


As shown in the graph below, TPFA's turnover has remained near or below the statewide turnover rate for the last five years. The agency experienced turnover of seven employees during this period. These separations included three retirements and one death, with the remaining employees leaving to pursue job opportunities that offered higher pay and a shorter commute. Management has been able to fill vacancies with qualified personnel to ensure the agency could continue to perform its mission.



Retirement Eligibility

Retirement will have a significant impact on agency operations as 43% of employees are return-to-work retirees who could retire at any time and another 28% will be eligible to retire in the next five to ten years. It is critical that TPFA have a strong succession plan that includes cross-training and mentoring efforts to avoid significant loss of institutional knowledge when separation occurs. The following chart shows the retirement eligibility for TPFA employees as of June 2026.



Employee Engagement

In February 2026, TPFA engaged the UT Institute for Organizational Excellence to conduct the biennial Survey of Employee Engagement (SEE). The agency had 100% employee participation and earned an overall score indicating a highly engaged workforce. Employee outlook related to pay, benefits, and employee development notably increased from the 2024 survey, while scores for workplace atmosphere and information systems decreased marginally. TPFA was pleased to report that 100% of employees are proud to tell people they work for TPFA and 93% believe they have a career with TPFA.

Future Workforce Profile

As a small agency, TPFA must remain flexible in its staffing and organizational structure to address changing demands, including client agency needs and legislative directives, and to provide meaningful professional development opportunities to its employees.

Anticipated Changes

TPFA does not anticipate significant changes to its financing programs or funding in the next five years; however, employee retirements, increased compliance monitoring responsibilities, and technological advancements, including the development of artificial intelligence (AI), will impact the agency's future workforce needs.

- *Employee Retirements* – The agency will likely experience turnover in multiple senior level and management roles in the foreseeable future. The agency must build and retain a bench of experienced and capable personnel who can move into these critical roles.

- *Increased Compliance Monitoring* – While TPFA has experienced a decrease in new State bond authorizations in recent years, the agency continues to manage over $4.26 billion in outstanding debt (as of June 2026). TPFA ensures compliance with federal tax regulations governing tax-exempt bonds by managing arbitrage requirements and IRS reporting in partnership with external experts. The agency also oversees issuer credit payments and monitors the use of bond-financed facilities to maintain their tax-exempt status. Agency personnel must possess the skills necessary to effectively manage debt service obligations and monitor bond proceeds to ensure ongoing compliance with applicable federal tax and securities laws.

- *Technological Advancements* – In 2026, TPFA began using technology infrastructure services provided by the Texas Department of Information Resources (DIR) Shared Technology Services. This transition created capacity for the agency to redirect its information technology resources to data analytics, process automation, and other opportunities to increase workforce productivity. TPFA is evaluating the use of AI to streamline repetitive tasks, improve process workflows, and more efficiently analyze data. Leveraging AI tools in this manner could allow employees to focus more on strategic decisions and critical review rather than routine tasks. Simultaneously, TPFA is establishing a foundation of responsible innovation by educating employees on AI risks and acceptable use policies. Looking to the future, agency personnel must have the ability to use automated tools effectively and responsibly and in accordance with State law and DIR guidance.

- *Statewide Technology Changes* – Beginning September 1, 2027, the State of Texas legacy accounting related systems, the Uniform Statewide Accounting System (USAS), Texas Identification Number System (TINS), and State Property Accounting System (SPA) will be replaced by CAPPS (Centralized Accounting and Payroll/Personnel System) STARR (State of Texas Accounting and Reporting Resource). The transition to STARR will require employees to complete necessary training, update relevant procedures, and develop necessary custom reports using the State's business intelligence tool. TPFA will need employees with proven capability to quickly gain proficiency in these new systems and facilitate this transition with minimal interruption to agency operations.

Gap Analysis

TPFA identified two key areas of opportunity to address potential gaps between the current workforce profile to future workforce needs. These are outlined below:

Succession Planning and Knowledge Transfer

TPFA is fortunate to have personnel with extensive expertise in finance, accounting, budgeting, information systems, and legal matters. As tenured employees retire, it is critical that the agency maintain this expertise through knowledge transfer and employee development. Employees stepping into senior level and management roles must be technically proficient in municipal finance and have the potential to competently:

- Ensure the agency's critical functions are thoroughly performed, including managing, directing and supervising personnel;
- provide the agency's board of directors and client agencies with sound financial advice for debt issuances and compliant bond administration; and
- represent the agency and the State when working with bond counsel, financial advisors, underwriters, rating agencies and other participants in the financial marketplace.

Because municipal finance is a specialized industry, it is challenging to recruit, hire, and retain high quality candidates. As a small agency, TPFA often struggles to offer career opportunities competitive with those at large State agencies, higher education institutions, or in the private sector.

Critical Skills and Expertise Needed

To address anticipated changes, TPFA would benefit from increasing the collective skills of agency personnel in the areas of data analytics, business intelligence, process automation, analytical thinking, and technical writing. This can be accomplished through training and development of current employees as well as through recruitment of candidates already possessing these skills and capabilities. Additionally, the agency can enhance its post-issuance compliance monitoring capabilities by assigning dedicated personnel to monitoring activities.

Workforce Strategy

To address potential gaps and future workforce needs, TPFA will complete the following actions:

Succession Planning

1. Update job profiles for critical agency roles to ensure they accurately reflect the knowledge, skills, capabilities, and attributes needed to perform those roles.
2. Crosstrain employees to perform critical functions including debt service payments and bond-related compliance. This will include updating standard operating procedures and job aids for critical tasks.
3. Identify future candidates who can step into critical roles and provide opportunities to develop the necessary skills through meaningful experience and mentorship.

Training and Development

1. Secure necessary funding for training and professional development opportunities for employees to develop the necessary skills to successfully fulfill their roles and step into future leadership roles. This may include tuition reimbursement and professional certification programs.
2. Provide in-house training for personnel to enhance awareness and proficiency in new and advancing technologies.
3. Train management in coaching and developing employees to their full potential.

Recruitment and Retention

1. Secure adequate funding to offer competitive compensation to attract and retain qualified candidates.
2. Leverage non-financial incentives for employees such as flexible work schedules and telework opportunities.
3. Partner with local colleges and universities to recruit students and recent graduates who may be candidates for internship and entry level positions.
4. Recruit candidates with critical skills and expertise needed, especially in the areas of data analytics, business intelligence, process automation, analytical thinking, and technical writing.

Appendix A – Agency Organizational Chart

Texas Public Finance Authority
Fiscal Years 2027-2028