

TEXAS PUBLIC FINANCE AUTHORITY

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Supplemental Summary for the FY 2021 Annual HUB Report for Agency 347

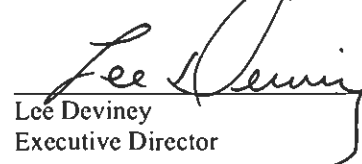
In compliance with Texas Government Code, Chapter 2161, the Board of the Authority has adopted the Comptroller's Statewide HUB Utilization Goals (34 TAC §20.284), as well as more detailed procedures for HUB participation goals in bond issues, in compliance with the published rules. These procedures are included in the Authority's strategic plan and reflected in its bond underwriting policies.

For negotiated bond underwritings approved during the FY 2020-2021 biennium, the Board has selected a pool of sixteen (16) underwriting firms that includes three disadvantaged business enterprise (DBE) firms. Additionally, the Board selected a pool of three (3) Financial Advisors that includes one (1) HUB firm. During this reporting period, the Authority completed three (3) negotiated bond sales. In accordance with its standing procedures for negotiated bond sales, underwriters are selected from the Authority's underwriting pool on a transaction-by-transaction-basis. On one (1) of the negotiated bond transactions, 55% of the overall takedown of underwriting fees was paid to two (2) DBE firms. On the second negotiated bond sale, two (2) DBE firms received 19.9% of the underwriter takedown and on the third and final negotiated bond transaction, one (1) DBE firm received 35% of the overall underwriting compensation. Underwriter fees are netted from bond proceeds before being deposited into the State treasury; therefore, such fees are not reflected in the Authority's overall expenditures. For legal services for the biennium ending August 31, 2021, the Board pre-qualified a pool of eight (8) law firms, two (2) of which are HUBs, to serve as Bond Counsel on the Authority's bond issues. Bond Counsel firms are selected on a transaction-by-transaction basis from the Authority's bond counsel pool. A HUB firm served as co bond counsel on one (1) of the negotiated bond transactions and is estimated to receive approximately 24% of the fees paid for bond counsel related legal services. A HUB firm served as disclosure counsel on the second negotiated bond sale and received 100% of fees paid for disclosure counsel related legal services. On one (1) of the negotiated bond transactions, a HUB firm served as Financial Advisor and received 100% of the compensation paid for financial advisory services. Finally, a DBE firm served as the Official Statement printer for all three negotiated transactions during FY 2021 and received 100% of the compensation paid for financial printing services on each of the three bond transactions. Costs of issuance expenditures related to bond issues are reported by the Authority to the Bond Review Board on a per issue basis, sixty (60) days after the closing of the bonds.

During FY 2021, approximately \$1.45 million or 94.27% of the Authority's total expenditures were related to Costs of Issuance and the ongoing administration of bonds. Included in these expenditures are fees for rating agencies, paying agents, escrow agents, and verification agents to satisfy bond covenants, services that are only available from a few large service providers where qualified HUB and/or DBE firms are not available to perform the required services.

The Authority is committed to purchasing goods and services from certified HUB's and minority-owned businesses and continues to utilize the Centralized Master Bidders List to locate available HUB vendors. The Authority achieved 30.51% HUB participation from administrative expenditures during this period.

Please contact me at (512) 463-5544 should you have any questions.


Lee Deviney
Executive Director