

# TEXAS PUBLIC FINANCE AUTHORITY

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## Supplemental Summary for the FY 2023 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 2022-2023 biennium, the Board 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, one (1) of which is a HUB firm. Under the Authority's contracts for legal services for Bond or Disclosure Counsel during the same period, the Board pre-qualified a pool of eight (8) law firms, two (2) of which are HUB's. During FY 2023, the Authority closed two (2) negotiated bond transactions. In accordance with its procedures for negotiated bond sales, underwriters are selected from the Authority's underwriting pool on a transaction-by-transaction basis. On one negotiated bond sale closing during this reporting period, two (2) DBE firms participated in the underwriting syndicate and received 75% of the overall underwriter compensation and on the second transaction, one (1) DBE firm participated in the underwriting syndicate and received 45.05% of the overall underwriter compensation paid. A HUB firm served as disclosure counsel on one (1) negotiated transaction and received 100% of legal fees paid for disclosure counsel services. Additionally, 100% of printing services were paid to a DBE firm for financial printing services on both transactions and received 100% of the compensation paid for their services, on each transaction. Finally, in FY 2023, the Authority issued RFPs to populate service provider pools for Underwriter for negotiated bond underwritings approved during the FY 2024-2025 biennium and for Financial Advisor for bond transactions approved during the FY 2024-2025 biennium. The board selected twenty-three (23) underwriting firms that includes eight (8) DBE's. Additionally, the Board selected a pool of three (3) Financial Advisors, one (1) of which is a HUB firm, for use during the same period.

During FY 2023, \$700,206.38 or 91.40% of the Authority's total expenditures were related to Costs of Issuance and the ongoing administration of bonds. These include expenses such as rating agency fees, paying agent fees, insurance premiums, and arbitrage compliance services to satisfy bond covenants, services that are only available from a few large service providers where HUB and/or DBE firms are not available or lack qualifications to perform required services.

The Authority is committed to purchasing goods and services from certified HUB's and minority-owned businesses and continues to utilize the CPA Central Master Bidders List to locate available HUB vendors. The Authority achieved 47.89% HUB participation from administrative expenditures during this period.

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

Lee Deviney  
Executive Director