

TEXAS PUBLIC FINANCE AUTHORITY

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Supplemental Summary for the FY 2020 Semi-Annual HUB Report for Agency 347

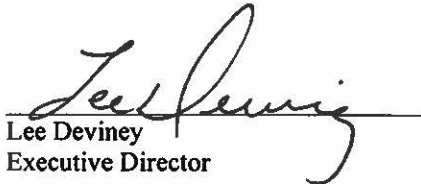
In compliance with Texas Government Code, Chapter 2161, the Board of the Authority has adopted the Comptroller's Statewide HUB Utilization Goals (34 TAC §20.284), as well as more detailed procedures for HUB participation goals in bond issues, in compliance with the published rules. These procedures are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

During FY 2019, the Authority issued Requests for Proposals (RFP's) for Underwriters, Bond Counsel and Financial Advisors to ascertain highly qualified candidates to provide the most cost-effective financing for the State. In FY 2020, the Board selected a pool of sixteen (16) underwriting firms that includes three disadvantaged business enterprise (DBE) firms for negotiated bond underwritings approved during the 2020-2021 biennium. Under the Authority's contracts for legal services for Bond Counsel during the same period, the Board pre-qualified a pool of eight (8) law firms, two (2) of which are HUB's. Lastly, the Board selected a pool of three (3) Financial Advisors that includes one (1) HUB firm. During the FY 2020 Semi-Annual reporting period, the Authority closed on the TPFA Commercial Paper Revenue Program, Series 2019A (Taxable) and 2019B (Tax-Exempt) (the "Series 2019A&B"), replacing the former Master Lease Purchase Program (MLPP) Revenue Commercial Paper, Series 2003. From the FY 2020-2021 Underwriting Pool, one (1) DBE firm was added as a second remarketing agent for the Series 2019A&B program. The Authority reports expenditures related to bond issues to the Bond Review Board on a per issue basis, sixty (60) days after closing.

For the first six months of FY 2020, \$262,381 or 72% 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, paying agent, escrow agent, 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 and minority-owned businesses and continues to utilize the CPA Central Master Bidders List to locate available HUB vendors. The Authority achieved 16.98% HUB participation from administrative expenditures during this period.

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



Lee Deviney
Executive Director