Texas Bond Review Board

2022 ANNUAL REPORT

FISCAL YEAR ENDED AUGUST 31, 2022

Texas Bond Review Board
Annual Report 2022

Fiscal Year Ended August 31, 2022

Greg Abbott, Governor
Chairman

Dan Patrick, Lieutenant Governor

Dade Phelan, Speaker of the House of Representatives

Glenn Hegar, Comptroller of Public Accounts

Robert B. Latsha II
Executive Director

December 2022

Overview

Background
The Texas Bond Review Board (BRB) is responsible for the approval of all state debt issues (excluding Permanent University Fund debt, Tax and Revenue Anticipation Notes, State Highway Fund Revenue Anticipation Notes, and self-supporting debt issued by institutions of higher education with an unenhanced rating of AA- or higher) and lease purchase obligations with an initial principal amount greater than $250,000 or a term of longer than five years. The BRB is also responsible for the collection, analysis, and reporting of information on state debt as well as the debt of local political subdivisions in Texas. In addition, the BRB administers the state's Private Activity Bond Allocation Program. This report discusses the activities undertaken by the Board and related events of the past fiscal year.

Texas' general obligation (GO) debt is rated Aaa/AAA/AAA/AAA by the credit rating agencies Moody's Investors Service (Moody's), Standard & Poor's (S&P), Fitch Ratings (Fitch), and Kroll Bond Rating Agency (Kroll), respectively. All four rating agencies maintain their outlook as "stable."

On March 8, 2022, S&P reaffirmed its AA+ long-term debt rating for the United States and maintained its long-term outlook as stable. On March 25, 2022, Kroll reaffirmed a long-term rating of AAA for the United States with a stable outlook. The last time Moody's reaffirmed the U.S. government's Aaa rating and maintained its outlook as stable was on June 24, 2022. On July 8, 2022, Fitch reaffirmed its AAA rating for the United States with a stable outlook. Historically, Texas' GO borrowing costs have not been impacted by changes in U.S. credit ratings.

Texas ended fiscal year 2022 with a total consolidated general revenue fund cash balance of $33.74 billion, a 134.0 percent increase from the fiscal year 2021 year-end closing balance of $14.42 billion.

According to data provided in a Moody's Investors Service Report (specifically titled "States - US, Debt, Pension and OPEB liabilities all up in fiscal 2021"), released September 7, 2022, Texas ranked 31st among all states in state net tax-supported debt (NTSD) as a percent of own-source revenue. In its report, Moody's defines own-source revenue as the total governmental revenue, less funds received from federal sources plus net transfers in, as reported in states' audited financial statements. Based on the data provided in the Moody's report, Texas ranked 36th among all states in net tax-supported debt per capita. Texas had $682 in net tax-supported debt per capita compared to the national mean and median of $1,772 and $1,179, respectively.

Total not self-supporting debt, including revenue not self-supporting debt, increased from $4.84 billion at the end of fiscal year 2013 to $6.92 billion at the end of fiscal year 2022, an increase of 42.9 percent, and a decrease of 0.5 percent from the $6.96 billion outstanding in fiscal year 2021.

The most recent U.S. Census Bureau data for total state and local debt outstanding show that for census year 2020 (the most recent data available), Texas was the nation's second most populous state. Texas also ranked third among the 10 most populous states in terms of local debt per capita, seventh in state debt per capita, and fourth in total state and local debt per capita with 82.1 percent of the state's total debt burden at the local level.

Constitutional Debt Limit
As of August 31, 2022, Texas' constitutional debt limit (CDL) remained below the maximum of 5 percent with 1.11 percent calculated for debt outstanding and 1.14 percent calculated for authorized but unissued debt for a total of 2.25 percent. Included in the CDL is the $767.7 million and $475.2 million of revenue bonds authorized by the 84th Legislature and 86th Legislature, respectively, for the Texas Facilities Commission. Also included is an additional $3 billion for cancer research and $200 million for TWDB economically distressed areas program (EDAP) projects, both authorized by the voters in the November 2019 general election, as well as $200 million for TWDB state participation (SP) account projects. Additionally, $208.8 million and $23.7 million for HHSC deferred maintenance projects authorized by the 86th Legislature and 87th Legislature, respectively, and an $20 million authorized by the 87th Legislature for the Texas Bullion Depository are included. The CDL decreased 12.8 percent from the 2.58 percent calculated for outstanding and authorized but unissued debt for fiscal year 2021.

State Financings in Fiscal Year 2022
In fiscal year 2022, the state's total debt outstanding (including conduit debt) increased 1.9 percent to $64.40 billion, compared to $63.21 billion in fiscal year 2021 and $62.44 billion in fiscal year 2020. The $64.40 billion of total state debt outstanding for fiscal year 2022 includes $6.92 billion (10.7 percent) of not self-supporting debt, which is included in the state's CDL and $57.48 billion (89.3 percent) of self-supporting debt paid from various sources other than the state's general revenues.

Bonds issued by Texas state agencies, colleges, and universities during fiscal year 2022 increased by 9.9 percent to an aggregate total of $4.41 billion compared to $4.01 billion issued in fiscal year 2021. Fiscal year 2022 issues included $2.96 billion in new-money bonds and $1.45 billion in refunding bonds.

As of August 31, 2022, a total of $5.63 billion was authorized for state commercial paper (CP) or variable-rate note (VRN) programs. Of this amount, $3.05 billion was outstanding at fiscal year-end 2022, approximately $430.8 million more than the amount outstanding at fiscal year-end 2021.

Texas state issuers expect to issue approximately $11.00 billion in bonds, CP, and VRN during fiscal year 2023, a projected increase of $2.94 billion (36.6 percent) over the amount projected for fiscal year 2022.

Local Financings in Fiscal Year 2022
As of fiscal year-end 2022, Texas local governments (excluding conduit debt) had $284.15 billion in outstanding debt, an increase of $53.51 billion (23.2 percent) since fiscal year 2018. Of the 2022 total, 65.7 percent ($186.7 billion) is GO debt to be repaid from local ad valorem tax collections while the remaining 34.3 percent ($97.4 billion) will be repaid from revenues generated by various projects such as water, sewer and electric utility fees. Since fiscal year 2018, tax-supported debt outstanding increased 24.4 percent ($36.58 billion) and revenue debt outstanding increased 21.0 percent ($16.93 billion).

School Districts accounted for 36.7 percent ($104.21 billion) of all local debt outstanding and Cities accounted for 31.9 percent ($90.70 billion). Water Districts held the third highest percentage and accounted for 15.4 percent ($43.72 billion) of all local debt outstanding. The remaining 16.0 percent ($45.53 billion) was held by Other Special Districts, Counties, Community College Districts, and Health and Hospital Districts.

Texas issuance of local debt (excluding conduit debt and commercial paper) has fluctuated over the past decade from a low of $23.55 billion in fiscal year 2014 to a high of $47.45 billion in fiscal year 2021.

Over the past five fiscal years, new-money debt issuance totaled $115.08 billion and refunding debt totaled $79.15 billion. During that time, the top two issuers were School Districts and Cities that together comprised 69.5 percent ($80.03 billion) of the total new-money volume and 64.7 percent ($51.23 billion) of the total refunding transaction volume.

Issuance Costs
During fiscal year 2022, the weighted average of issuance costs for state bond issuers was $5.53 per $1,000, excluding issuances of conduit and private placement debt. In comparison, the same weighted average was $5.55 per $1,000 for fiscal year 2021. The issuances ranged in size from $13.2 million to $832.1 million.

Private Activity Bond Allocation Program and Other Bonding Authority
Texas again experienced an increase in volume cap for the Program Year 2022 Private Activity Bond (PAB) Allocation Program. The 2022 volume cap was set at $3.25 billion, an increase of $18.4 million (0.6 percent) over the calendar year 2021 cap. The total size of the PAB program, including the 2022 volume cap and carryforward, was $5.93 billion, a 4.4 percent decrease from the 2021 total. As of November 15, 2022, $2.24 billion had been allocated and application requests totaled $8.31 billion, an increase of 5.9 percent of the total application requests from Program Year 2021.

87th Legislature – Regular Session and 3rd Called Special Session
The 87th Legislature passed HB 2219, authorizing the Texas Transportation Commission (TTC) to issue new Texas Mobility Fund (TMF) obligations, before January 1, 2027, in an amount equal to 60 percent of the outstanding principal amount of TMF obligations existing on May 1, 2021. The amount authorized to be issued is estimated at $3.57 billion. The bill repeals statutory authority to issue TMF obligations to provide funding for publicly owned toll roads.

The 87th Legislature passed SB 1465, authorizing the continued operation of the Texas Leverage Fund Program under the new name of the Texas Small and Rural Community Success Fund Program. SB 1465 also authorizes the issuance of revenue bonds to provide funding for economic development purposes. Additionally, HB 1522 was passed, authorizing the transfer of Midwestern State University to the Texas Tech University System.

During the 87th Legislature, a rider was approved that authorized the Texas Agricultural Finance Authority (TAFA) to service debt, pay administrative costs, and cover any loan defaults through appropriations out of the Texas Agricultural Fund.

The 87th Legislature passed HB 1904, allowing the Texas Water Development Board Water Infrastructure Fund to be used to make transfers to the Financial Assistance Account for the purposes described in the Texas Constitution, Article III Section 49-d-8, other than for the purposes described in the Texas Water Code, Sections 17.957 (State Participation Account) and 17.958 (Economically Distressed Areas Program Account).

Additionally, the 87th Legislature passed SB 2230, authorizing the issuance of debt for the Comptroller of Public Accounts to purchase a building currently housing and to be operated by the Texas Bullion Depository. The Legislature appropriated $20,000,000 for this purpose to be issued by the Texas Public Finance Authority (TPFA) (House Bill 1, 87th Legislature, RS (2021)). The 87th Legislature appropriated $23,689,160 to the Health and Human Services Commission for deferred maintenance at state hospitals and state supported living centers. This amount is also to be financed through TPFA (House Bill 2, 87th Legislature, RS (2021)).

During the 87th Legislature, Third Called Special Session, SB 52 authorized approximately $3.35 billion in tuition revenue bonds for institutions of higher education to finance construction and improvement of infrastructure and related facilities.

Additional Detail

This report concludes with seven appendices. *Appendix A* provides a detailed description of each state bond transaction closed in fiscal year 2022. *Appendix B* reports on commercial paper and variable-rate debt programs used by state agencies and universities. *Appendix C* provides a background discussion of Texas Swap Programs and reports on swaps outstanding and debt-service requirements. While not a debt of the state, the aggregate notional amount of interest rate swaps outstanding at the state level was $5.42 billion at fiscal year-end 2022. *Appendix D* provides an overview of the costs of issuance and underwriting spread. *Appendix E* provides a brief description of each of the state's bond-issuing entities. *Appendix F* provides a brief overview of the Private Activity Bond Program. *Appendix G* provides a glossary of terms.

For limitations on the purpose and use of this report, see the disclosure preceding *Chapter 1*.

Contents

Figures

Tables

Cautionary Statements

Chapter 1231 of the Texas Government Code directs issuers of state securities to report their securities transactions to the Bond Review Board (BRB). Chapter 1231 also requires the BRB to report the data to the governor, lieutenant governor, the speaker of the house, and each member of the legislature in an annual report within 90 days of the end of each state fiscal year. This report is intended to satisfy these Chapter 1231 duties.

The data in this report and on the BRB's website is compiled from information reported to the BRB from various sources and has not been independently verified. The reported debt and defeasance data of state agencies may vary from actual debt outstanding, and the variance for a specific issuer could be substantial.

State debt data compiled does not include all installment purchase obligations, but certain lease-purchase obligations are included. In addition, the State Energy Conservation Office (SECO) LoanSTAR Revolving Loan Program and certain other revolving loan program debt and privately-placed loans are not included. Outstanding debt excludes debt for which sufficient funds have been escrowed to retire the debt either from proceeds of refunding debt or from other sources.

Future debt issuance is based on estimates supplied by each issuing agency. Future debt service on variable-rate, commercial paper, and other short-term and demand debt is estimated on the basis of interest rate and refinancing assumptions described in the report. Actual future data could be affected by changes in legislative and oversight direction, agency financing decisions, prevailing interest rates, market conditions, and other factors that cannot be predicted. Consequently, actual future data could differ from the estimates, and the difference could be substantial. The BRB assumes no obligation to update any such estimate of future data.

Historical data and trends presented are not intended to predict future events or continuing trends, and no representation is made that past experience will continue in the future.

This report refers to credit ratings. An explanation of the significance of the ratings may be obtained from the rating agencies furnishing the ratings. Ratings reflect only the respective views of each rating agency. In reporting ratings herein, the BRB does not intend to endorse the ratings or make any recommendation to buy, sell or hold securities.

This report is intended to meet Chapter 1231 requirements and inform the state leadership and the legislature. This report is not intended to inform investors in making a decision to buy, hold, or sell any securities, nor may it be relied upon as such. Data is provided as of the date indicated and may not reflect debt, debt service, population or other data as of any subsequent date. This data may have changed from the date as of which it is provided. For more detailed or more current information, see the issuers' websites or their filings at Electronic Municipal Market Access (EMMA®). The BRB does not control or make any representation regarding the accuracy, completeness, or currency of any such site, and no referenced site is incorporated herein by that reference or otherwise.

Chapter 1
Texas Debt in Perspective

Texas' general obligation (GO) debt is rated Aaa/AAA/AAA/AAA by the credit rating agencies Moody's Investors Service (Moody's), Standard & Poor's (S&P), Fitch Ratings (Fitch), and Kroll Bond Rating Agency (Kroll), respectively. All four rating agencies maintain their outlook as "stable." Table 1.2 provides a tier ranking of each state relative to the states rated AAA by the three major credit rating agencies.

On March 8, 2022, S&P reaffirmed its AA+ long-term debt rating for the United States and maintained its long-term outlook as stable. On March 25, 2022, the Kroll Bond Rating Agency reaffirmed a long-term rating of AAA for the United States with a stable outlook. The last time Moody's reaffirmed the U.S. government's Aaa rating and maintained its outlook as stable was on June 24, 2022. On July 8, 2022, Fitch reaffirmed its AAA rating for the United States with a stable outlook. Historically, Texas' GO borrowing costs have not been impacted by changes in U.S. credit ratings.

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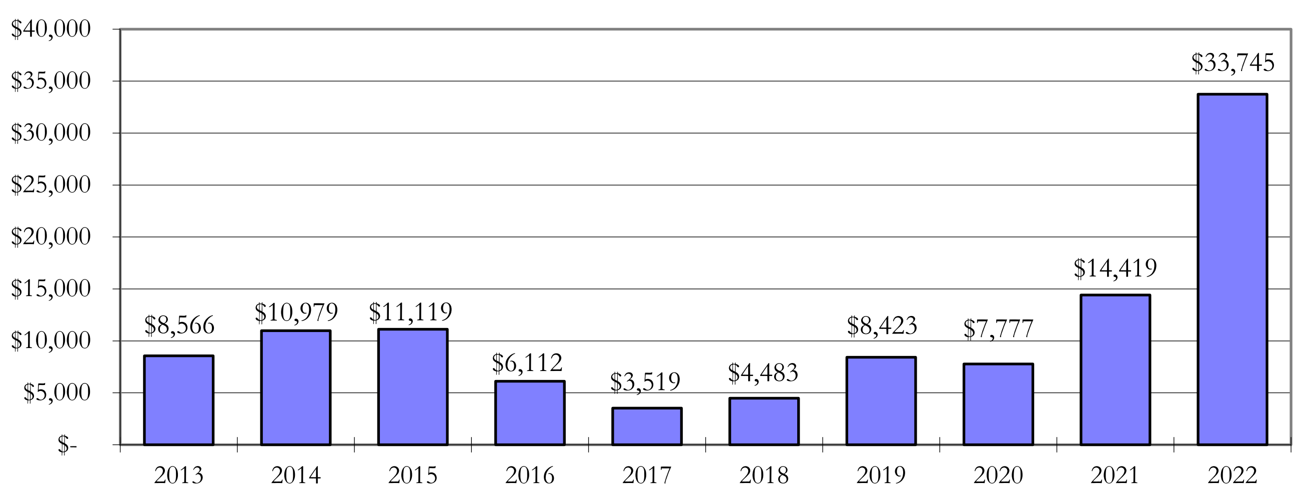
STATE DEBT

Texas' Financial Position

Texas ended fiscal year 2022 with a total consolidated general revenue fund cash balance of $33.74 billion (*Figure 1.1*), a 134.0 percent increase from the fiscal year 2021 year-

Figure 1.1
ENDING CASH BALANCE IN TEXAS' CONSOLIDATED GENERAL REVENUE FUND
(amounts in millions)



Source: Texas Comptroller of Public Accounts, Annual Cash Report, Table 1.

Table 1.1
STATEMENT OF CASH CONDITION
CONSOLIDATED GENERAL REVENUE FUND
(amounts in thousands)

	Fiscal Year 2021	Fiscal Year 2022	% Change
Revenues and Beginning Balance			
Beginning Balance, September 1st	$ 7,130,291	$ 14,419,329	102.2%
Tax Collections			
General Revenue Fund			
Sales Tax	34,825,905	41,584,104	19.4%
Motor Vehicle Sales/Rental Taxes	5,701,328	6,416,132	12.5%
Motor Fuel Taxes	3,596,892	3,783,904	5.2%
Franchise Tax	3,170,881	3,971,036	25.2%
Insurance Taxes	2,699,643	3,121,923	15.6%
Natural Gas Production Tax	1,568,542	4,469,945	185.0%
Cigarette and Tobacco Taxes	590,222	531,082	-10.0%
Alcoholic Beverages Taxes	1,257,444	1,643,972	30.7%
Oil Production and Regulation Taxes	3,449,132	6,361,687	84.4%
Utility Taxes	538,814	556,662	3.3%
Hotel Occupancy Tax	487,815	699,939	43.5%
Other Taxes	197,528	268,095	35.7%
Total Tax Collections	**$ 58,084,146**	**$ 73,408,481**	**26.4%**
Federal Income	43,299,358	52,621,930	21.5%
Licenses, Fees, Permits, Fines & Penalties	3,801,157	4,056,200	6.7%
State Health Service Fees and Rebates	6,794,088	10,284,816	51.4%
Interest and Investment Income	14,010	120,365	759.1%
Net Lottery Proceeds	2,954,627	3,058,251	3.5%
Escheated Estates	792,564	1,011,742	27.7%
Sales of Goods and Services	204,347	219,629	7.5%
Settlements of Claims	724,552	625,024	-13.7%
Land Income	43,172	18,714	-56.7%
Other Revenue Sources	3,446,434	4,188,734	21.5%
Interfund Transfers/Investment Transactions	40,980,988	46,701,246	14.0%
Total Net Revenue and Other Sources	**$ 161,139,443**	**$ 196,315,132**	**21.8%**
Expenditures and Ending Balance			
General Government	3,633,997	3,968,474	9.2%
Education	35,867,657	38,712,617	7.9%
Employee Benefits	3,810,115	4,550,624	19.4%
Health and Human Services	55,304,844	66,987,772	21.1%
Public Safety and Corrections	2,462,523	4,480,187	81.9%
Lottery Winnings Paid	766,764	751,830	-1.9%
Other Expenditures*	3,674,886	4,139,078	12.6%
Interfund Transfers / Investment Transactions**	48,329,594	53,399,409	10.5%
Total Expenditures and Other Uses	**$ 153,850,380**	**$ 176,989,991**	**15.0%**
Net Increase to Petty Cash Accounts	-25	315	**-25.0%**
Ending Balance, August 31st	**$ 14,419,329**	**$ 33,744,785**	**134.0%**

Totals may not sum due to rounding.
* Includes Transportation, Natural Resources/Recreational Services, Regulatory Services, Payment of Interest, and Capital Outlays.
** Includes Teacher and Employee Retirement Payments, Other Uses, Operating Fund Transfers, Department Transfers, and Payment of Principal.
Source: Texas Comptroller of Public Accounts, 2022 Cash Report, Tables 1 & 3 GR Consolidated Funds.

end closing balance of $14.42 billion.

Total tax collections increased 26.4 percent to $73.41 billion. Total net revenues and other sources increased 21.8 percent to $196.32 billion, and total expenditures and other uses increased 15.0 percent to $176.99 billion (*Table 1.1*).

The sales tax remained the state's primary source of revenue and accounted for 56.6 percent of total tax collections during fiscal year 2022. Sales tax revenue increased 19.4 percent ($6.76 billion) from the prior fiscal year to $41.58 billion. The oil production and regulation tax revenue increased 84.4 percent ($2.91 billion). The natural gas production tax revenue increased 185.0 percent ($2.90 billion), the franchise tax revenue increased 25.2 percent ($800.2 million), the insurance tax revenue increased 15.6 percent ($422.3 million), the alcoholic beverages tax revenue increased 30.7 percent ($386.5 million), the hotel occupancy tax revenue increased 43.5 percent ($212.1 million), and the state's motor vehicle sales/rental tax revenue and motor fuel tax revenue increased 12.5 percent ($714.8 million) and 5.2 percent ($187 million), respectively.

87th Legislature – Regular Session and Third Called Special Session

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Additionally, the 87th Legislature passed SB 2230 authorizing the issuance of debt for the Comptroller of Public Accounts to purchase a building currently housing and to be operated by the Texas Bullion Depository. The 87th Legislature appropriated $23,689,160 to the Health and Human Services Commission for deferred maintenance at state hospitals and state supported living centers. This amount is to be financed through the Texas Public Finance Authority (House Bill 2, 87th Legislature, RS (2021)).

During the 87th Legislature, Third Called Special Session, SB 52 authorized approximately $3.35 billion in tuition revenue bonds for institutions of higher education to finance construction and improvement of infrastructure and related facilities.

86th Legislature – Regular Session

The 86th Legislature authorized additional GO debt that was approved by the voters in the November 5, 2019, general election. This included HJR 12 for an additional $3 billion in bonding authority to finance cancer research, up to a maximum of $6 billion, and SJR 79 for $200 million in evergreen bonding authority to provide financial assistance for the development of certain water projects in economically distressed areas.

Additionally, the 86th Legislature passed HB 1052, authorizing the Texas Water Development Board (TWDB) to use the state participation (SP) account of the water development fund to provide financial assistance for the development of certain facilities in an amount not to exceed $200 million.

In the November 5, 2019, general election, the voters approved the use of a Flood Infrastructure Fund as a special fund in the State Treasury outside the general revenue fund to be used to provide financing for drainage, flood mitigation, or flood control projects. The Texas Legislature passed two related bills, SB 7 and SB 8, which address flood control and mitigation.

In the General Appropriations Act (GAA), the 86th Legislature authorized the issuance of $475.2 million of additional revenue bonds and appropriated those bond proceeds to the Texas Facilities Commission for phase two of the North Austin and Capitol Complex projects. The bonds are anticipated to be repaid with lease payments and are subject to biennial appropriation by the legislature of funds available for payment. Lease payments were appropriated to the Texas Facilities Commission for the 2020–21 biennium (GAA Rider 16, I-46).

The 86th Legislature also appropriated $208.8 million to the Health and Human Services Commission (HHSC) for deferred maintenance at state hospitals and state supported living centers, to be financed through the Texas Public Finance Authority (GAA Rider 2, II-48). Additionally, the Department of Transportation (TxDOT) was authorized to issue revenue bonds, not to exceed $326 million, to construct and equip the Austin Campus Consolidation project on land owned by the agency in southeast Austin. The bonds will be issued by the Texas Public Finance Authority (GAA Rider 42, VII-29).

Recent Credit Rating Agency Reports on Texas' General Obligation Debt

On August 5, 2022, Kroll affirmed its long-term rating of AAA with a stable outlook in its State of Texas Public Finance Surveillance Report of the same date. Kroll stated that: "The rating actions reflect the following key credit considerations: Credit positives include the state's broad and diverse economy has performed well through the pandemic and remains among the fastest growing in the Nation; conservative budget procedures and financial management practices support consistently strong reserve levels and operating flexibility; the debt burden is low in terms of direct debt per capita and debt expense as a percentage of expenditures.

Credit challenges include increasing fiscal pressure to fund the necessary infrastructure to keep up with economic and population growth, specifically in the areas of transportation and education.

The stable outlook reflects the state's accumulation of significant reserves, and its recent broad-based economic performance, which provide a framework for continued pandemic recovery and a buffer against potential recessionary pressures."

S&P's latest action on Texas' GO rating was to affirm its AAA rating and stable outlook on March 23, 2022. In its report of that date, titled "Texas Water Development Board; Appropriations; General Obligation; General

Obligation Equivalent Security," S&P stated that: "The rating reflects our view of the state's diverse and resilient economy, which has outpaced that of the nation in terms of economic output and job growth; strong revenue forecasting and cash management practices, including comprehensive monthly revenue and expenditure cash monitoring and willingness to maintain strong liquidity to meet constitutionally defined priorities; low overall net debt, although with elevated unfunded pension and long-term liabilities, which we believe will require continued active management to ensure that benefit costs remain affordable; and potential long-term budgetary pressures related to increasing public education expenses and modifications to the school funding formula in the 2019 legislative session that shifted a greater burden of the cost to the state.

We believe the state may experience challenges in shoring up and containing long-term liability growth related to pensions and retiree health care costs, although it took significant steps to curb growing pension pressures associated with ERS in its latest legislative session (2021).

In addition, we could lower the rating if officials fail to adopt timely corrective actions to address future budget gaps should they arise or if the economic recovery stumbles, leading to revenues shifting downward materially, resulting in substantial draws on the ESF, without a plan to replenish the amount."

On June 2, 2022, Moody's affirmed its Aaa rating and stable outlook of Texas' GO debt. In its report of that date, titled "Rating Action: Moody's assigns Aaa/VMIG 1 to Texas general obligation Veterans Bonds Series 2022; outlook stable," Moody's stated that: "The long-term Aaa general obligation rating, the same as Texas' Aaa issuer rating, reflects multiple strengths, including a strong economy that in the long run will outpace the nation, robust population growth, reserves that provide a very healthy buffer to economic and revenue downturns, strong fiscal management and governance, and low bonded debt, offset by high pension liabilities.

The outlook for the State of Texas is stable. The state's economic fundamentals and reserve position are strong, but balancing the budget competes with the demand for education, transportation, and pension funding in the fast-growing state."

On March 24, 2022, Fitch affirmed its AAA rating and stable outlook of Texas' GO debt. In its report of that date, titled "Fitch Rates Texas' $267MM GO Bonds 'AAA'; Outlook Stable," Fitch stated that "Texas' 'AAA' IDR and GO bond rating reflect its growth-oriented economy and the ample fiscal flexibility provided both by its conservative approach to financial operations and maintenance of substantial reserves, including, in its budgetary reserve, the economic stabilization fund (ESF)."

Factors Affecting the Rating of Texas' General Obligation Debt

Credit rating agencies consider four primary factors when rating a state's debt: economy, finances, debt, and management. Within economic factors, the agencies review the state's income, employment, infrastructure needs, economic diversity, and demographics. Financial factors considered are the state's revenues, cost structure, balance sheet health, and liquidity. Debt factors reviewed include debt ratios, debt security, and structure as well as the state's overall pension liability. Management factors include: budget development and management practices; constitutional constraints, initiatives, and referenda; executive branch controls; mandates to maintain a balanced budget; rainy day funds; and political polarization.

The sometimes overlapping conclusions reached by the rating agencies reflect their collective judgment that several challenges may arise if Texas is faced with a low-revenue environment. Among the most prominent and commonly cited of these problems are: 1) the state's heavy dependence on the sales tax without support from a state income tax; 2) issues related to unfunded pension liabilities, funding for public schools, and assistance programs such as Medicaid; and 3) the state's continued rapid population growth that will necessitate budget increases for operating costs as well as increases in capital expenditures for growing infrastructure needs, including transportation and water development.

Table 1.2 provides a tier ranking of each state's rating relative to states that are rated Triple-A by the three major credit rating agencies. Texas is one of 11 states that is rated Triple-A by Moody's, S&P, and Fitch.

Changes in State Bond Ratings

During the past year, seven states received a rating upgrade. Idaho was upgraded by Moody's and Fitch; Illinois and New Jersey were upgrade by Moody's, S&P, and Fitch; Louisiana, Minnesota, and New York were upgraded by Moody's only; and Michigan was upgraded by Fitch only. No states received rating downgrades (*Table 1.3*).

Texas' Debt Ratios Compared to Other States

According to data provided in a Moody's Investors Service Report (specifically titled "States - US, Debt, Pension and OPEB liabilities all up in fiscal 2021"), released on September 7, 2022, pension obligations remained the largest liability for most states by far and increased significantly in fiscal 2021, according to Moody's data on state long-term liabilities. Total net tax-supported debt (NTSD), the second largest liability for most states, also rose in fiscal 2021 (the most recent data available), but at a much slower pace. States' ability to service debt, pension, other post-employment benefits (OPEB) and other long-term obligations improved in fiscal 2021 as revenue increased following the pandemic lockdowns.

According to Moody's report, Texas ranked 31st among all states in fiscal year 2021 (the most recent data available) state net tax-supported debt (NTSD) as a percent of own-source revenue. In their report, Moody's defines own-source revenue as the total governmental revenue, less funds received from federal sources plus net transfers in, as reported in states' audited financial statements (*Table 1.4*).

Based on the data provided in the Moody's report, Texas ranked 36th among all states in fiscal year 2021 (the most recent data available) net tax-supported debt per capita. Texas had $682 in net tax-supported debt per capita compared to the national mean and median of $1,772 and $1,179, respectively.

When compared to the 10 other states also rated AAA by all three major credit rating agencies, Texas' 2021 personal income per capita (the most recent data available) of $59,865 was equal to the median among the states rated AAA, below the mean of $60,394, but above that of five other AAA states: Georgia, Missouri, North Carolina, Tennessee, and Utah.

According to the same Moody's report published on September 7, 2022, Texas ranked 10th among all states in fiscal year 2021 state adjusted net pension liability (ANPL) as a percent of own-source revenue at 188.7 percent. Texas' ANPL per capital was $5,954, compared to the national mean of $6,055 and median of $3,355. Texas' ANPL as a percent of personal income was 10.0 percent, compared to the nation mean of 9.6 percent and median of 5.9 percent (*Table 1.5*).

Moody's states that total ANPL across states' governmental activities rose 21 percent to $1.97 trillion, representing 139.3 percent of aggregate own-source revenue. Lower interest rates in 2020, the measurement date driving most states' fiscal 2021 pension reporting, contributed to the increase. The median ratio

Table 1.2

STATE BOND RATINGS as of September 2022

States With a General Obligation Rating

Steps from AAA Ranking	State	Moody's Investors Service	Standard & Poor's	Fitch Ratings
-	Delaware	Aaa	AAA	AAA
-	Florida	Aaa	AAA	AAA
-	Georgia	Aaa	AAA	AAA
-	Maryland	Aaa	AAA	AAA
-	Minnesota	Aaa	AAA	AAA
-	Missouri	Aaa	AAA	AAA
-	North Carolina	Aaa	AAA	AAA
-	Tennessee	Aaa	AAA	AAA
-	**TEXAS**	**Aaa**	**AAA**	**AAA**
-	Utah	Aaa	AAA	AAA
-	Virginia	Aaa	AAA	AAA
1	South Carolina	Aaa	AA+	AAA
2	Washington	Aaa	AA+	AA+
3	Arkansas	Aa1	AA	**
3	New York	Aa1	AA+	AA+
3	Nevada	Aa1	AA+	AA+
3	Ohio	Aa1	AA+	AA+
3	Oregon	Aa1	AA+	AA+
3	Vermont	Aa1	AA+	AA+
3	Wisconsin	Aa1	AA+	AA+
4	Alabama	Aa1	AA	AA+
4	Massachusetts	Aa1	AA	AA+
4	Michigan	Aa1	AA	AA+
4	Montana	Aa1	AA	AA+
4	New Hampshire	Aa1	AA	AA+
4	New Mexico	Aa2	AA	**
5	Hawaii	Aa2	AA+	AA
6	Maine	Aa2	AA	AA
6	Mississippi	Aa2	AA	AA
6	Oklahoma	Aa2*	AA	AA*
6	Rhode Island	Aa2	AA	AA
7	California	Aa2	AA-	AA
7	West Virginia	Aa2	AA-	AA
8	Louisiana	Aa2	AA-	AA-
10	Alaska	Aa3	AA-	A+
10	Connecticut	Aa3	A+	AA-
10	Pennsylvania	Aa3	A+	AA-
16	New Jersey	A2	A-	A
21	Illinois	Baa1	BBB+	BBB+
	States With Only an Issuer Credit Rating			
*	Arizona	Aa1	AA	**
*	Colorado	Aa1	AA	**
*	Idaho	Aaa	AA+	AAA
*	Indiana	Aaa	AAA	AAA
*	Iowa	Aaa	AAA	AAA
*	Kansas	Aa2	AA-	**
*	Kentucky	Aa3	A	AA-
*	Nebraska	Aa1	AAA	**
*	North Dakota	Aa1	AA+	**
*	South Dakota	Aaa	AAA	AAA
*	Wyoming	**	AA	**

* Issuer Credit Rating.

** Not rated.

Sources: Moody's Investors Service, Standard & Poor's (most recent release date Aug. 19, 2022), and Fitch Ratings.

Table 1.3 **CHANGES IN STATE BOND RATINGS** **September 2021 to September 2022**			
State	**Moody's**	**Standard & Poor's**	**Fitch**
Upgrades			
Idaho	Aa1 to Aaa		AA+ to AAA
Illinois	Baa2 to Baa1	BBB to BBB+	BBB- to BBB+
Louisiana	Aa3 to Aa2		
Michigan			AA to AA+
Minnesota	Aa1 to Aaa		
New Jersey	A3 to A2	BBB+ to A-	A- to A
New York	Aa2 to Aa1		
Downgrades			
None	N/A	N/A	N/A

Sources: Moody's Investors Service, Standard & Poor's, and Fitch Ratings.

of ANPL to own-source revenue was 92 percent. Fiscal 2022 ANPLs will decrease because of extraordinary investment returns in 2021.

The most recent U.S. Census Bureau data for total state and local debt outstanding show that for census year 2020 (the most recent data available), Texas was the nation's second most populous state and ranked third among the 10 most populous states in terms of local debt per capita, seventh in state debt per capita, and fourth in total state and local debt per capita (*Table 1.6*) with 82.1 percent of the state's total debt burden at the local level. Listed by decreasing amount outstanding, local debt is issued by: Public School Districts; Cities, Towns, and Villages; Water Districts; Special Districts; Counties; Community and Junior Colleges; and Health/Hospital Districts and Authorities.

Texas state and local debt outstanding as a percentage of gross state product has remained relatively constant, indicating that economic growth has kept pace with state and local debt outstanding (*Figure 1.2*).

Many communities throughout Texas are continuing to experience significant population growth with increasing demand for infrastructure, programs, and services. According to the U.S. Census Bureau, population growth in the state increased 4.4 percent (1.2 million) from 2017 to 2021 (the most recent data available), forcing many small- and medium-sized communities to increase financing for infrastructure such as roads, schools, water, and wastewater services to meet expanded needs. Based on projections of current demographic trends, Texas will continue to experience increasing demand for expenditures in these areas.

Increase in General Obligation Debt Over the Past Decade

General obligation (GO) debt pledges "the full faith and credit of the state" to back the payment of the debt. In the event that program or project revenue is insufficient to pay debt service on self-supporting debt, the first monies coming into the state treasury not otherwise constitutionally appropriated is used to pay the debt service.

Some GO debt, such as that issued by the Texas Veterans Land Board, is self-supporting, and other GO debt, such as that issued by the Texas Public Finance Authority to finance programs for the Cancer Prevention and Research Institution of Texas as well as the capital expenditure needs of various state agencies, is not self-supporting and must receive annual appropriations from the legislature for debt-service payments from the state's general revenue fund.

Total not self-supporting debt, including revenue not self-supporting debt, increased from $4.84 billion at the end of fiscal year 2013 to $6.92 billion at the end of fiscal year 2022, an increase of 42.9 percent, and a decrease of 0.5 percent from the $6.96 billion outstanding in fiscal year 2021. Estimated scheduled annual debt service as a percentage of unrestricted general revenue decreased in fiscal year 2022 to

Table 1.4

FISCAL 2021 STATE NET TAX-SUPPORTED DEBT (NTSD) METRICS

RANKING BASED ON FISCAL 2021 NTSD AS % OF OWN-SOURCE REVENUE

Rank	State	FY 2020 NTSD ($ thousands)	FY 2021 NTSD ($ thousands)	FY 2021 NTSD as % of own-source revenue	FY 2021 NTSD per capita	FY 2021 NTSD as % of personal income	FY 2021 NTSD as % of state GDP
1	Connecticut	$28,182,286	$28,894,722	119.6%	$8,014	9.8%	9.7%
2	Hawaii	$8,632,337	$9,932,624	114.0%	$6,890	11.4%	11.0%
3	Massachusetts	$46,172,568	$47,667,335	98.4%	$6,825	8.3%	7.5%
4	New Jersey	$46,335,039	$50,131,913	98.0%	$5,410	7.2%	7.5%
5	Washington	$24,111,262	$25,045,399	72.4%	$3,236	4.5%	3.8%
6	Rhode Island	$3,509,009	$3,402,892	64.5%	$3,106	5.0%	5.2%
7	Illinois	$36,007,973	$37,487,860	63.2%	$2,958	4.4%	4.0%
8	New York	$71,184,815	$76,775,955	59.8%	$3,871	5.1%	4.1%
9	Maryland	$16,865,373	$17,371,753	56.3%	$2,818	4.1%	4.0%
10	Mississippi	$5,769,251	$5,830,096	55.5%	$1,976	4.3%	4.7%
11	West Virginia	$4,710,992	$4,828,392	55.4%	$2,708	5.7%	5.5%
12	Delaware	$3,745,971	$4,156,829	53.9%	$4,143	7.0%	5.1%
13	Ohio	$20,057,898	$20,243,849	52.5%	$1,718	3.0%	2.7%
14	Oregon	$10,529,198	$10,952,413	51.2%	$2,579	4.3%	4.1%
15	Louisiana	$8,434,905	$8,023,754	49.5%	$1,735	3.2%	3.1%
16	Wisconsin	$11,244,335	$10,848,496	46.1%	$1,840	3.1%	3.0%
17	California*	$96,436,768	$96,436,768	45.2%	$2,458	3.2%	2.9%
18	Virginia	$14,003,100	$15,753,614	42.9%	$1,823	2.8%	2.7%
19	Kentucky	$7,960,576	$7,364,148	42.5%	$1,633	3.2%	3.1%
20	Pennsylvania	$19,312,691	$20,949,565	39.8%	$1,616	2.5%	2.5%
21	Georgia	$11,018,772	$11,743,971	37.7%	$1,087	2.0%	1.7%
22	Alabama	$4,763,855	$5,908,665	34.5%	$1,172	2.4%	2.4%
23	Nevada	$2,119,926	$2,151,708	33.9%	$684	1.2%	1.1%
24	Kansas	$4,469,440	$4,145,206	30.9%	$1,413	2.4%	2.2%
25	Florida	$17,316,854	$16,476,308	28.5%	$756	1.2%	1.3%
26	New Hampshire	$1,234,029	$1,226,181	28.4%	$883	1.2%	1.2%
27	Colorado	$4,253,928	$5,080,369	28.2%	$874	1.3%	1.2%
28	Minnesota	$8,363,998	$8,346,673	25.0%	$1,462	2.2%	2.0%
29	Maine	$1,447,497	$1,496,851	24.0%	$1,091	1.9%	2.0%
30	Utah	$3,385,598	$3,001,550	22.0%	$899	1.6%	1.4%
31	**Texas**	**$20,392,232**	**$20,128,257**	**21.6%**	**$682**	**1.1%**	**1.0%**
32	Arizona*	$4,111,696	$4,111,696	21.1%	$565	1.0%	1.0%
33	Michigan	$7,382,000	$8,376,200	20.7%	$833	1.5%	1.5%
34	North Carolina	$6,733,036	$7,236,690	19.7%	$686	1.2%	1.1%
35	Vermont	$725,718	$765,183	17.4%	$1,185	2.0%	2.1%
36	South Dakota	$524,117	$502,671	16.6%	$561	0.9%	0.8%
37	New Mexico	$2,420,408	$2,719,414	15.4%	$1,285	2.6%	2.5%
38	Missouri	$2,789,828	$2,455,447	15.4%	$398	0.7%	0.7%
39	South Carolina	$2,472,378	$2,257,799	11.9%	$435	0.8%	0.8%
40	Alaska	$1,245,699	$1,272,891	11.9%	$1,737	2.6%	2.3%
41	Oklahoma	$1,420,828	$1,572,272	11.3%	$394	0.7%	0.8%
42	Idaho	$888,954	$881,459	11.2%	$464	0.9%	0.9%
43	Iowa	$1,409,258	$1,301,529	10.8%	$408	0.7%	0.6%
44	Arkansas	$1,385,311	$1,199,696	10.4%	$396	0.8%	0.8%
45	Tennessee	$2,085,493	$1,990,960	8.2%	$285	0.5%	0.5%
46	Indiana	$1,716,813	$1,475,443	6.0%	$217	0.4%	0.4%
47	Montana	$148,023	$187,380	4.6%	$170	0.3%	0.3%
48	North Dakota	$35,018	$132,194	1.8%	$171	0.3%	0.2%
49	Nebraska	$31,430	$37,825	0.5%	$19	0.0%	0.0%
50	Wyoming	$13,982	$11,401	0.2%	$20	0.0%	0.0%
	TOTAL	$599,512,467	$620,292,267	43.80%	$1,873	3.00%	2.70%
	MEAN	$11,990,249	$12,405,845	36.20%	$1,772	2.80%	2.60%
	MEDIAN	$4,590,216	$4,954,380	28.40%	$1,179	2.10%	2.10%

*Arizona and California's fiscal 2021 NTSD reflects fiscal 2020 figures because these states did not have fiscal 2021 audited financial statements available as of the publication of this report.

Sources: State audited financial statements and Moody's Investors Service Report, States - US, Debt, Pension and OPEB liabilities all up in fiscal 2021 (released September 7, 2022)

Table 1.5

FISCAL 2021 STATE ADJUSTED NET PENSION LIABILITY (ANPL) METRICS
RANKING BASED ON ANPL AS A % OF OWN-SOURCE REVENUE

FY 2021 rank	State	ANPL as a % of own-source revenue	ANPL per capita	ANPL as a % of personal income	ANPL as a % of state GDP
1	Illinois	517.3%	$24,226	36.1%	32.7%
2	Connecticut	373.2%	$25,015	30.5%	30.4%
3	Kentucky	319.1%	$12,270	24.2%	23.6%
4	New Jersey	300.6%	$16,596	22.2%	22.9%
5	Massachusetts	238.3%	$16,532	20.0%	18.1%
6	Hawaii	224.5%	$13,566	22.5%	21.7%
7	Montana	218.6%	$8,129	14.3%	15.1%
8	Maryland	218.1%	$10,918	15.8%	15.4%
9	South Carolina	196.8%	$7,201	13.8%	13.8%
10	**Texas**	**188.7%**	**$5,954**	**10.0%**	**8.9%**
11	Pennsylvania	187.2%	$7,596	11.9%	11.7%
12	Vermont	175.4%	$11,939	20.0%	21.3%
13	Kansas	163.9%	$7,487	12.6%	11.4%
14	Nevada	162.1%	$3,269	5.6%	5.3%
15	West Virginia	150.9%	$7,381	15.4%	15.1%
16	California*	148.1%	$8,050	10.5%	9.4%
17	Maine	144.3%	$6,557	11.5%	11.8%
18	Alaska	136.2%	$19,968	29.7%	26.6%
19	Rhode Island	136.1%	$6,558	10.6%	10.9%
20	Michigan	124.7%	$5,027	9.0%	8.9%
21	Delaware	108.1%	$8,317	14.1%	10.3%
22	Louisiana	106.2%	$3,720	6.8%	6.7%
23	Missouri	104.9%	$2,713	4.9%	4.6%
24	Mississippi	96.6%	$3,441	7.6%	8.1%
25	Colorado	95.2%	$2,952	4.3%	4.1%
26	Washington	88.8%	$3,966	5.5%	4.6%
27	Indiana	84.0%	$3,021	5.4%	4.9%
28	Arkansas	82.0%	$3,131	6.1%	6.6%
29	Oregon	78.5%	$3,952	6.5%	6.3%
30	New Mexico	67.2%	$5,593	11.3%	10.9%
31	New Hampshire	66.5%	$2,067	2.9%	2.9%
32	Arizona*	63.3%	$1,697	3.1%	3.0%
33	Alabama	56.4%	$1,916	3.9%	3.9%
34	Florida	54.5%	$1,447	2.4%	2.6%
35	South Dakota	52.9%	$1,788	2.8%	2.6%
36	Ohio	52.5%	$1,718	3.0%	2.7%
37	Nebraska	50.4%	$2,080	3.4%	2.7%
38	Oklahoma	48.1%	$1,675	3.2%	3.2%
39	Georgia	46.8%	$1,348	2.4%	2.1%
40	Minnesota	43.5%	$2,542	3.9%	3.5%
41	Iowa	42.4%	$1,604	2.8%	2.3%
42	Utah	41.7%	$1,703	3.1%	2.6%
43	Virginia	41.5%	$1,760	2.7%	2.6%
44	New York	41.3%	$2,674	3.5%	2.9%
45	Idaho	40.9%	$1,689	3.3%	3.4%
46	North Carolina	40.7%	$1,414	2.6%	2.3%
47	Wyoming	40.4%	$3,257	5.0%	4.5%
48	Tennessee	38.6%	$1,342	2.4%	2.2%
49	Wisconsin	33.4%	$1,332	2.3%	2.1%
50	North Dakota	28.5%	$2,665	4.1%	3.3%
	TOTAL	139.3%	$5,963	9.4%	8.7%
	MEAN	123.2%	$6,055	9.6%	9.2%
	MEDIAN	92.0%	$3,355	5.9%	5.8%

*Metrics based on fiscal 2021 ANPL estimates because these states did not have fiscal 2021 audited financial statements available as of the publication of this report.

Sources: State financial statements, US Census Bureau, US Bureau of Economic Analysis and Moody's Investors Service Report, States - US, Debt, Pension and OPEB liabilities all up in fiscal 2021 (released September 7, 2022.)

0.93 percent (*Figure 1.3*).

Unrestricted general revenue increased 65.3 percent in fiscal year 2022 to $74.44 billion from $45.04 billion in fiscal year 2013 (*Figure 1.4*). Unrestricted general revenue is generally the most available funding source to make debt-service payments and to fund appropriations for state operations.

Authorized but Unissued Debt Increases

Authorized but unissued debt (debt that has been authorized by the legislature and may be issued at any time without further legislative action) increased very minimally by 0.03 percent from approximately $21.07 billion at the end of fiscal year 2021 to approximately $21.08 billion at the end of fiscal year 2022. While total GO bond authorization decreased during this period, the Permanent University Fund (PUF) revenue bond authorization increased, resulting in an overall net increase of $7.3 million among total GO and revenue authorized but unissued amounts.

Of the $21.08 billion of authorized but unissued debt remaining as of fiscal year-end 2022, approximately $16.04 billion is GO debt and $5.04 billion is non-GO debt. Approximately $5.10 billion of the authorized but unissued amount is considered not self-supporting and includes GO and non-GO debt payable from general revenue.

Texas' Constitutional Debt Limit and Debt Management Policy

In 1997, the 75th Legislature passed and voters approved HJR 59, which added Section 49-j to Article III of the Texas Constitution. This amendment states that additional tax-supported debt may not be authorized if the maximum annual debt service on debt payable from general revenue, including authorized but unissued debt, exceeds 5 percent of the average annual unrestricted General Revenue Fund revenues for the previous three fiscal years.

As of August 31, 2022, Texas' constitutional debt limit (CDL) remained below the maximum of 5 percent with 1.11 percent calculated for debt outstanding and 1.14 percent calculated for authorized but unissued debt for a total of 2.25 percent. Included in the CDL is $767.7 million and $475.2 million in revenue bonds authorized by the 84th Legislature and 86th Legislature, respectively, for the Texas Facilities Commission. Also included is an additional $3 billion for cancer research and $200 million for TWDB economically distressed areas program (EDAP) projects, both authorized by the voters in the November 2019 general election,

Table 1.6

TOTAL STATE AND LOCAL DEBT OUTSTANDING: 10 MOST POPULOUS STATES

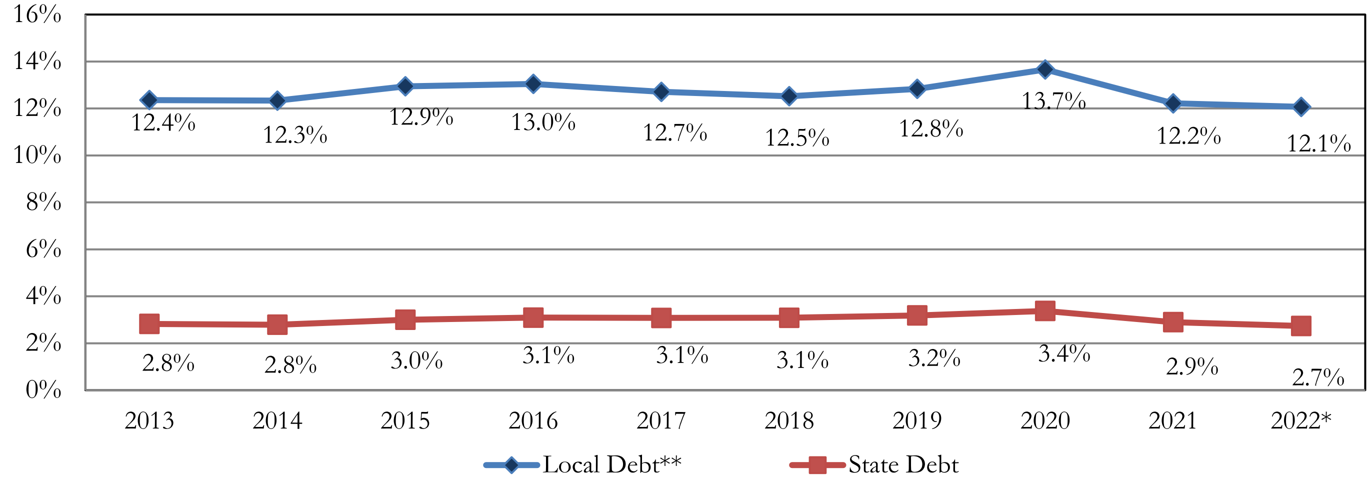
	Total State and Local Debt				State Debt				Local Debt			
State	Population (thousands)	Amount (millions)	Per Capita Amount	Per Capita Rank	Amount (millions)	% of Total Debt	Per Capita Amount	Per Capita Rank	Amount (millions)	% of Total Debt	Per Capita Amount	Per Capita Rank
New York	19,836	368,276	$18,566	1	156,004	42.4%	$7,865	1	212,272	57.6%	$10,701	1
California	39,238	519,537	13,241	2	144,041	27.7%	3,671	4	375,496	72.3%	9,570	2
Illinois	12,671	159,311	12,572	3	64,854	40.7%	5,118	2	94,457	59.3%	7,454	4
Texas	**29,528**	**324,213**	**10,980**	**4**	**57,887**	**17.9%**	**1,960**	**7**	**266,326**	**82.1%**	**9,019**	**3**
Pennsylvania	12,964	128,442	9,908	5	51,735	40.3%	3,991	3	76,707	59.7%	5,917	5
Michigan	10,051	81,886	8,147	6	34,403	42.0%	3,423	5	47,483	58.0%	4,724	8
Ohio	11,780	93,306	7,921	7	30,412	32.6%	2,582	6	62,894	67.4%	5,339	6
Florida	21,781	130,745	6,003	8	25,013	19.1%	1,148	10	105,732	80.9%	4,854	7
Georgia	10,800	62,963	5,830	9	14,116	22.4%	1,307	9	48,847	77.6%	4,523	9
North Carolina	10,551	47,759	4,526	10	15,099	31.6%	1,431	8	32,660	68.4%	3,095	10
MEAN		**$191,644**	**$9,769**		**$59,356**	**31.7%**	**$3,250**		**$132,287**	**68.3%**	**$6,520**	

Note: Detail may not add to total due to rounding.

Sources: U.S. Census Bureau, State and Local Government Finances by Level of Government and by State: 2020 (the most recent data available); July 2021 U.S. Census Bureau, Population Division (released in December 2021).

Figure 1.2

STATE AND LOCAL DEBT AS A PERCENT OF GROSS STATE PRODUCT



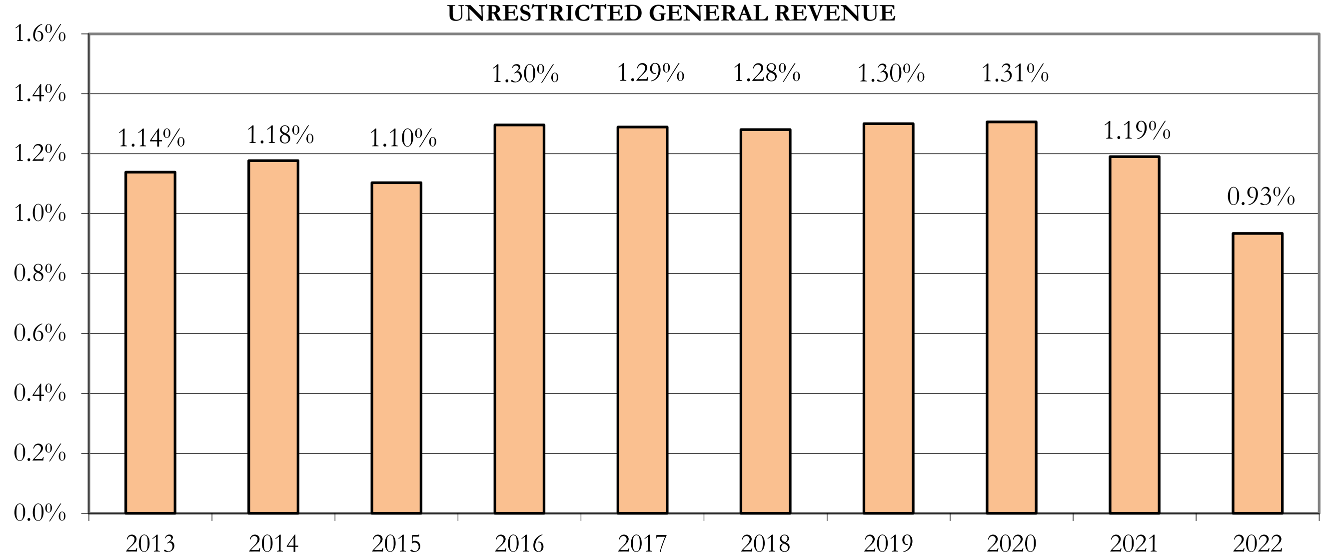
* Uses gross state product as reported for quarter two of 2022 (the most recent data available).
** Excludes conduit debt of local governments.
Sources: Texas Bond Review Board - Bond Finance Office; U.S Department of Commerce Bureau of Economic Analysis.

as well as $200 million for TWDB state participation (SP) account projects. Also included are $208.8 million and $23.7 million for HHSC deferred maintenance projects authorized by the 86th Legislature and 87th Legislature, respectively, and $20 million authorized by the 87th Legislature for the Texas Bullion Depository. The CDL decreased 12.8 percent from the 2.58 percent calculated for outstanding and authorized but unissued debt for fiscal year 2021.

HB 2190, passed in the 77th Legislature, directed the Bond Review Board (BRB) to adopt formal debt policies and issuer guidelines to provide guidance to issuers of state securities and to ensure that state debt is prudently managed. These policies and

Figure 1.3

ANNUAL NOT SELF-SUPPORTING SCHEDULED DEBT SERVICE AS A PERCENTAGE OF UNRESTRICTED GENERAL REVENUE



Sources: Texas Bond Review Board - Bond Finance Office; the Texas Comptroller of Public Accounts.

guidelines are posted on the agency's website. SB 1332, passed in the 80th Legislature, amended the agency's statutes to require the BRB to adopt a state policy related to the risks and effects of derivative agreements. This policy was adopted in fiscal year 2009 and is available on the agency's website.

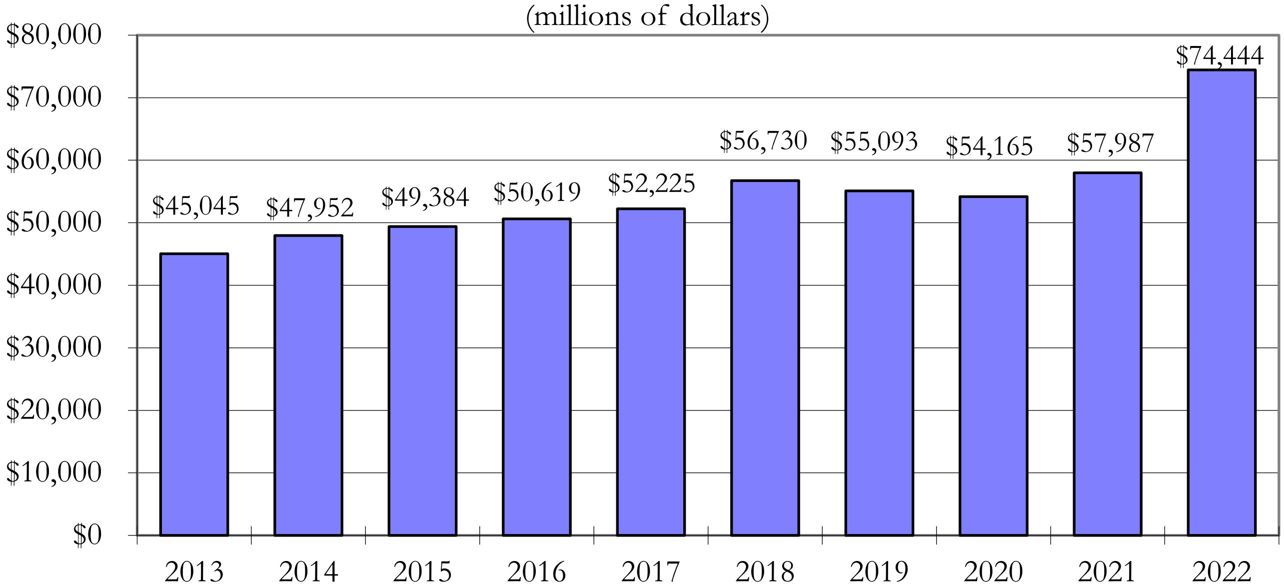
Capital Planning Review and Approval Process

The 76th Legislature (1999) passed legislation that directs the BRB to produce the state's Capital Expenditure Plan (CEP) biennially. The legislation specifies that all state agencies and higher education institutions appropriated funds by the General Appropriations Act (GAA) are required to report capital planning information for projects that fall within four specific project areas: 1) acquisition of land and other real property; 2) construction of buildings and facilities; 3) renovations of buildings and other facilities estimated to exceed $1 million for a single state agency or institution of higher education; and (4) major information resources projects estimated to exceed $1 million. In previous reports, the BRB requested that all planned expenditures exceeding $250,000 must be reported, but the threshold was adjusted to $1 million in 2006 for future reports.

From a budgetary and capital planning standpoint, a number of state agencies work together to coordinate the budgetary and capital reporting and approval process for state agencies. These include the Governor's Office of Budget, Planning & Policy (GOBPP), the Legislative Budget Board (LBB), the Texas Higher Education Coordinating Board, the Texas Facilities Commission, the Comptroller of Public Accounts, the House Committee on Appropriations (HAC), and the Senate Finance Committee (SFC).

The legislature defines the types of projects and cost thresholds to be reported in the CEP. The BRB coordinates the submission of capital projects through the CEP, develops the report, and determines the effect of the additional capital requests on the state's budget and debt capacity. The completed plan is then provided to the GOBPP and the LBB to develop

Figure 1.4
UNRESTRICTED GENERAL REVENUE
(millions of dollars)



Source: Texas Comptroller of Public Acounts.

recommendations for appropriations to the legislature.

The GOBPP and LBB also assess short-term and long-term budget needs. Through the HAC and SFC, the legislature makes the final decisions on projects to be funded for the two-year biennial period. Approved capital and operating budgets are integrated into the GAA that authorizes specific debt issuance for capital projects. Through the capital budgeting process, capital projects are approved for the two-year biennial period. Additionally, the CEP reports on the preceding year and the remaining two out years for identifying long-term needs of the state and for future planning purposes.

The 2024–25 CEP was released September 1, 2022, on the BRB website, pursuant to Senate Bill 1, Article IX, Section 11.03 of the 87th Legislature and covers the out years 2026–27. Historical CEP reports are available on the agency's website. The CEP is a management tool for state decision makers to use in assessing future individual capital expenditure requests within the framework of the state's overall financial position.

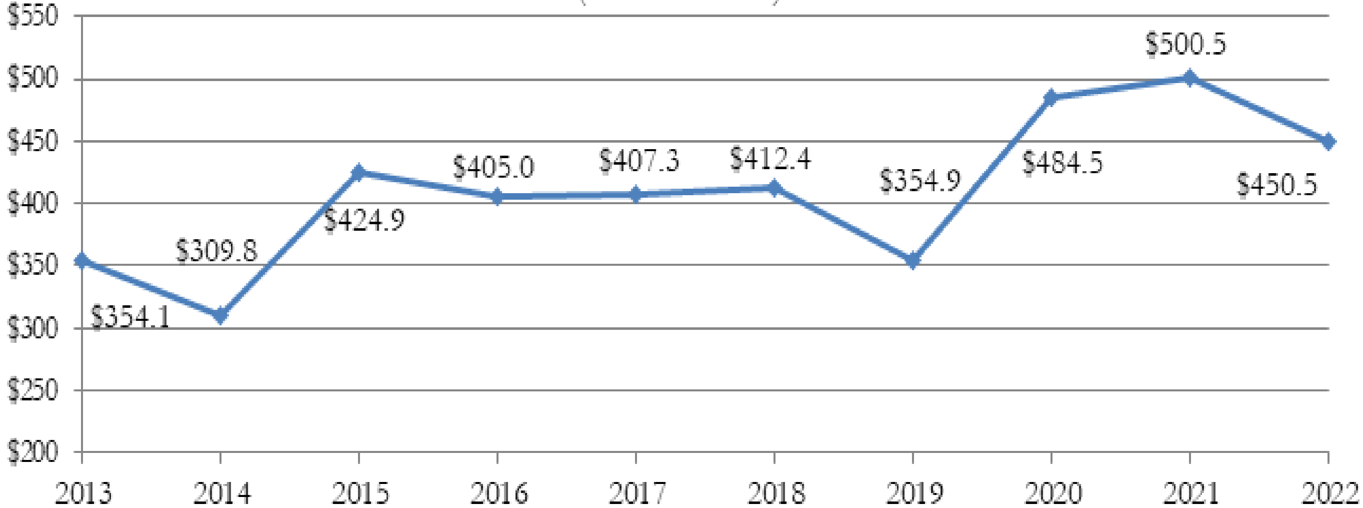
Debt Affordability Study
The state's Debt Affordability Study (DAS) is designed to provide the state leadership with an integrated approach to manage state debt by assessing historical debt use and analyzing the state's financial and economic resources in conjunction with long-term needs contained in the CEP. The BRB, LBB, and TPFA prepared the state's first DAS, released in February 2007. With the passage of SB 1332 in the 80th Legislature, the BRB, in conjunction with the LBB, is responsible for subsequent editions of the DAS. Historical DAS reports are available on the agency's website. The 2023 DAS will be released in February 2023.

LOCAL DEBT

Local Debt Issuance Process
Local governments in Texas issue debt to finance construction and renovation of government facilities (i.e., schools, public safety buildings, city halls, and county courthouses), public infrastructure (i.e., roads, water and sewer systems), and various other projects authorized by law. Key factors that affect a government's need and ability to borrow funds for infrastructure development include population changes, revenue sources, tax rates and levies, interest rates and construction costs. Local governments issue two main types of debt: tax (general obligation or GO) and revenue. General obligation debt is secured by the full faith and credit of the issuer's ad valorem tax revenue while revenue debt is secured by a specified revenue source.
State law sets limitations on certain local government debt issuers by setting maximum ad valorem tax rates per $100 of assessed property valuation. These rates vary by government type, but all must generate sufficient funds based on annual ad valorem tax collections to provide for the payment of the debt service on outstanding and projected ad valorem tax (GO) debt. Additionally, all public securities issued by local debt issuers must be approved by the Office of the Attorney General – Public Finance Division (OAG) and registered with the Texas Comptroller of Public Accounts. For reporting purposes, issuances that combine both tax-supported and revenue sources are categorized as tax-supported GO debt.

Texas Bond Review Board and Local Government Debt
The Texas Bond Review Board (BRB) has no direct oversight of local government debt issuance. Chapter 1231 of the Texas Government Code requires the BRB to prepare statistical reports on local government debt. This information on debt issued by political subdivisions is primarily collected by

Figure 1.5
NATIONWIDE GOVERNMENT DEBT ISSUANCE
(amounts in billions)



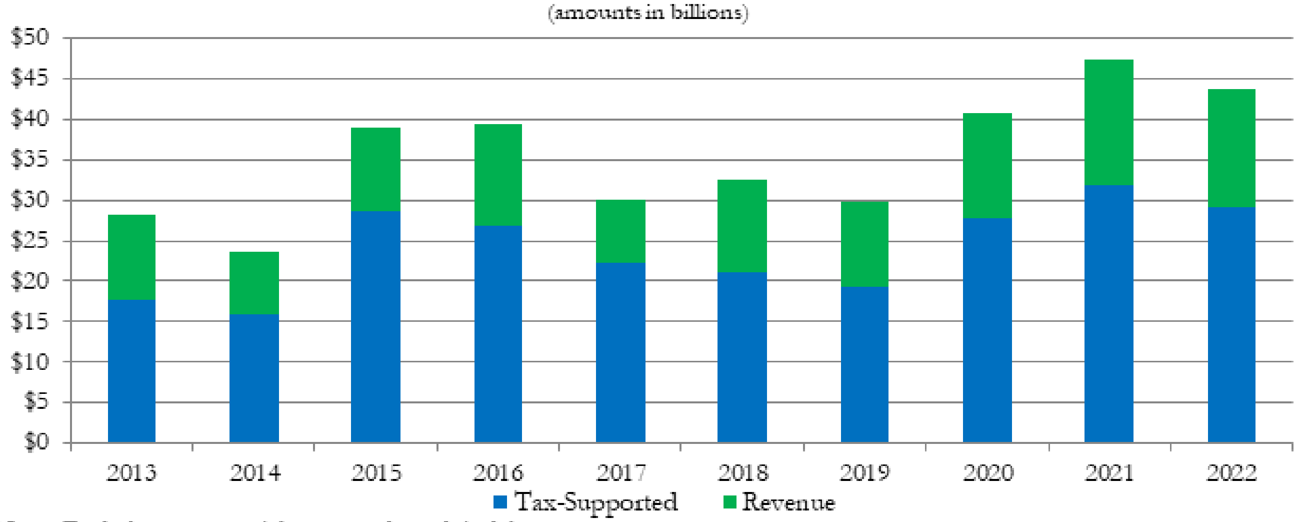
Sources: The Bond Buyer; Refinitiv Financial Solutions (based on data available on September 30, 2022).

the OAG in its review and approval of public securities under Chapter 1202 of the Texas Government Code and then forwarded to the BRB for its report on local debt statistics pursuant to Section 1202.008 of the Texas

Government Code. Conduit debt issued by nonprofit corporations as well as local indebtedness not approved by the OAG, such as certain short-term notes, certain bond anticipation notes, and certain lease purchase agreements for personal property, will not be reflected in this report.

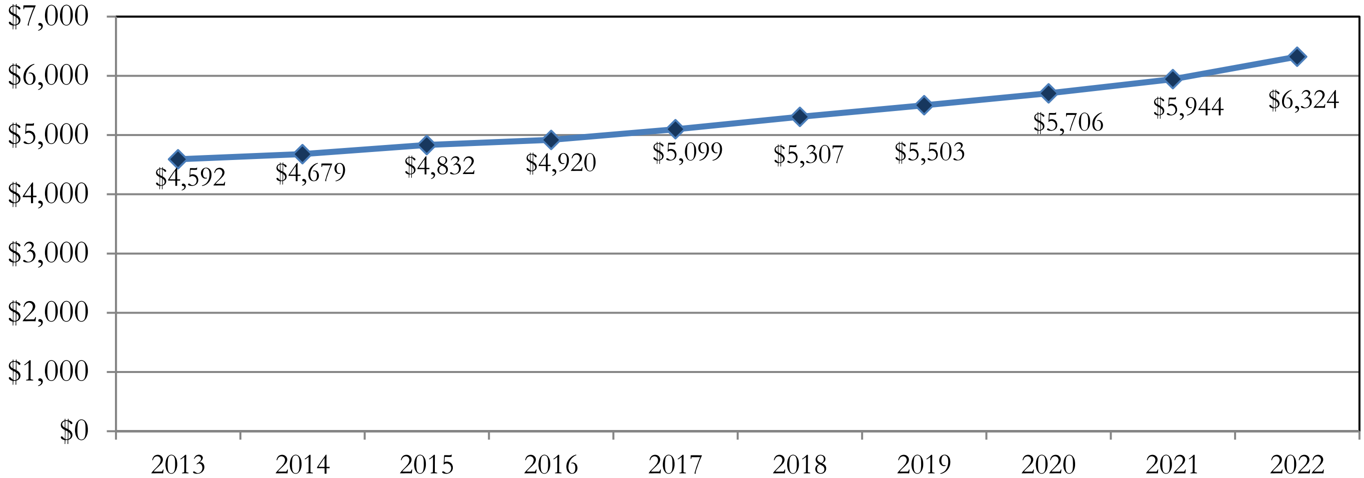
All reporting on local debt is presented on the agency's website, the Texas Open Data Portal, and the BRB Data Center website. Visitors to the BRB website can search databases and access the Data Portal to download spreadsheets that contain debt outstanding,

Figure 1.6
TEXAS LOCAL GOVERNMENT DEBT ISSUANCE
(amounts in billions)



Note: Excludes commercial paper and conduit debt.
Source: Texas Bond Review Board - Bond Finance Office.

Figure 1.7
TEXAS LOCAL GOVERNMENT
TOTAL TAX-SUPPORTED DEBT PER CAPITA*



*Includes debt secured by a combination of ad valorem taxes and other revenue sources. Excludes conduit debt.

Sources: Texas Bond Review Board - Bond Finance Office; July 1, 2021, Annual Estimates, U.S. Census Bureau, Population Division. (Population totals used are one year in arrears due to timing of census estimate release dates.)

debt ratios, and population data by government type at each fiscal year-end. Separately, the BRB Data Center website allows the user to search for state and local debt data via a dossier-style display. Users can view comparative graphs and charts integrating fees, debt issuance, and debt outstanding information onto one page, helping the user better understand the overall debt picture of each debt issuer. Users of the website can download xls/csv data for each graph and chart displayed. The BRB posts this information to its website, the Data Portal, and the Data Center annually within four months after the close of the fiscal year. In fiscal year 2022, a monthly average of approximately 4,541 unique users of the BRB's website downloaded various datasets containing Texas local government debt data.

The BRB separates the local government issuances into seven categories: Cities, Towns, Villages (Cities); Public School Districts (School Districts); Water Districts and Authorities (WD); Counties; Other Special Districts and Authorities (OSD); Community and Junior Colleges (CCD); and Health/Hospital Districts and Authorities (HHD).

The data in this report and on the website is compiled from information provided to the BRB from various sources and has not been independently verified.

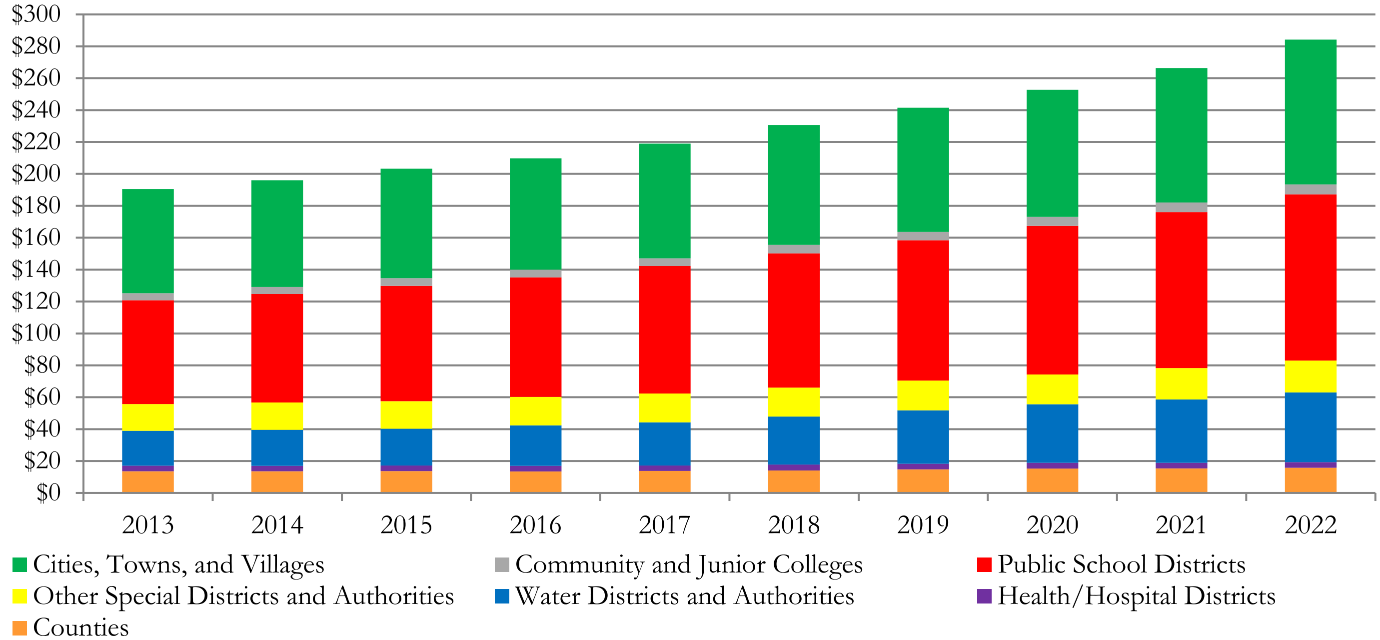
Nationwide Government Debt and Texas Local Debt Issuances

Over the past decade, nationwide issuance of government debt has fluctuated from issuances totaling $354.12 billion in fiscal year 2013 to a total of $450.49 billion issued in fiscal year 2022 *(Figure 1.5)*. Texas' issuance of local debt (excluding conduit debt and commercial paper) has fluctuated over the past decade from a low of $23.55 billion in fiscal year 2014 to a high of $47.45 billion in fiscal year 2021 *(Figure 1.6)*.

Majority of Local Debt Issuance Supports Educational Facilities and Equipment

During the five-year reporting period, 42.7 percent or $49.10 billion of Texas' new-money local debt issuance was used to finance educational facilities and equipment including school buses. Water-related financings were

Figure 1.8
TEXAS LOCAL GOVERNMENT
DEBT OUTSTANDING BY FISCAL YEAR
(amounts in billions)



Note: Excludes conduit debt.
Source: Texas Bond Review Board - Bond Finance Office.

the second highest use at 23.3 percent or $26.76 billion, and the third highest use at 16.9 percent or $19.48 billion was for general-purpose debt, which includes multiple purposes including public improvements. The fourth highest use at 5.8 percent or $6.72 billion was to finance transportation projects including roads, toll roads, bridges, parking facilities, airports, rapid transit, and other public transportation needs including the acquisition of hybrid diesel-electric buses.

The remaining 11.3 percent of local debt issuance was used for the following additional categories: utility systems, recreation, commerce, pension obligations, health related, toll roads, power, public safety, prison/detention centers, economic development, solid waste, computer technology, fire protection, and housing.

School Districts and Cities Account for 69.5 Percent of New-Money Transactions and 64.7 Percent of Refunding Transactions

Over the past five fiscal years, new-money debt issuance totaled $115.08 billion and refunding debt totaled $79.15 billion. During that time, the top two issuers were School Districts and Cities that together comprised 69.5 percent ($80.03 billion) of the total new-money volume and 64.7 percent ($51.23 billion) of the total refunding transaction volume.

Refunding debt issued in fiscal year 2022 totaled $14.5 billion, a decrease of 40.2 percent from the $24.2 billion issued during fiscal year 2021. Over the past five fiscal years, 92.3 percent of local governmental refundings achieved both a cash and net present value savings, 0.8 percent provided only a net present value savings with a cash loss, 0.1 percent provided a cash savings but a net present value

Table 1.7 **TEXAS LOCAL GOVERNMENT** **CAPITAL APPRECIATION BONDS PAR AMOUNT ISSUED BY FISCAL YEAR** (amounts in millions)					
	2018	**2019**	**2020**	**2021**	**2022**
Public School Districts	$16.3	$1.5	$91.7	$118.7	$49.9
Cities, Towns, and Villages	0.4	-	0.4	-	-
Water Districts and Authorities	0.6	0.3	1.2	3.7	0.7
Other Special Districts and Authorities	-	-	-	-	108.1
Counties	-	-	1.2	0.7	-
Community and Junior Colleges	-	-	0.3	1.7	3.1
Health/Hospital Districts and Authorities	-	-	-	-	-
Total CAB Par Amount Issued	**$17.3**	**$1.9**	**$94.8**	**$124.9**	**$161.8**
Total Par Amount Issued**	$32,624.6	$29,721.6	$40,826.7	$47,445.4	$43,606.5
CAB Par Amount % of Total	**0.05%**	**0.01%**	**0.23%**	**0.26%**	**0.37%**

** Includes current interest bonds; excludes commercial paper authorizations and conduit issuances.
Sums may not total due to rounding.
Source: Bond Review Board - Bond Finance Office.

loss, and 1.9 percent resulted in a loss in both. In the latter cases, the primary objective was to restructure debt-service requirements to more evenly match budget flows and avoid raising taxes during times of economic weakness. The remaining 4.9 percent includes refundings of commercial paper and variable-rate debt for which savings information was not provided.

Since fiscal year 2018, refundings for Texas local issuers achieved cash savings of $12.36 billion with a net present value savings of $9.53 billion, including $1.95 billion in cash savings and $1.45 billion in net present value savings realized in fiscal year 2022.

Capital Appreciation Bonds

During fiscal year 2022, local governments issued $161.8 million of capital appreciation bonds (CABs), an increase of 834.0 percent from the fiscal year 2018 issued amount of $17.3 million. Additionally, CABs only account for approximately 0.2 percent of the total par amount issued by Texas local governments during the last five fiscal years. School Districts and OSDs issued approximately 30.8 percent and 66.8 percent, respectively, of the total CABs issued by local governments during fiscal year 2022 (*Table 1.7*).

CABs are sold at a discounted price called the par amount. They are often sold in combination with current interest bonds (CIBs). While the debt service for CIBs is paid throughout the life of the obligation, principal and interest on CABs is paid at maturity. Interest on CABs compounds semiannually and accumulates over the life of the bond, and the amount paid at the maturity is called the maturity value. Interest rates for CABs are generally higher than for CIBs. The total debt outstanding figures are understated to the extent that CAB bonds are reported at their par issuance price rather than their maturity value.

Local governments issue more premium CABs than non-premium CABs. Premium CABs have lower initial stated par amounts to: 1) lessen the impact of an issuance on par-based debt limits (i.e., the “50-cent test” for school districts as provided in the Texas Education

Code, Section 45.0031), 2) increase the amount of proceeds not subject to debt limits, and 3) help local governments reach tax rate targets.

The 84th Legislature passed House Bill 114, effective September 1, 2015, which prohibits Texas local governments from issuing CABs secured by property taxes with terms of more than 20 years, and (with some exceptions) from refunding CABs to extend their maturity dates. It also limits each government's CAB debt to no more than 25 percent of its total outstanding bond debt including principal and interest. The 85th Legislature passed Senate Bill 295, which extends the allowed maturity date for CABs issued for refunding purposes and financing transportation projects.

Texas Local Governments: $284.15 Billion of Outstanding Debt

As of fiscal year-end 2022, Texas local governments (excluding conduit debt) had $284.15 billion in outstanding debt *(Table 1.8),* an increase of $53.51 billion (23.2 percent) since fiscal year 2018. Of the 2022 total, 65.7 percent ($186.7 billion) is GO debt to be repaid from local ad valorem tax collections while the remaining 34.3 percent ($97.4 billion) will be repaid from revenues generated by various projects such as water, sewer, and electric utility fees. Since fiscal year 2018, tax-supported debt outstanding increased 24.4 percent ($36.58 billion) and revenue debt outstanding increased 21.0 percent ($16.93 billion).

School Districts accounted for 36.7 percent ($104.21 billion) of all local debt outstanding, and Cities accounted for 31.9 percent ($90.70 billion). WDs held the third highest percentage and accounted for 15.4 percent ($43.72 billion) of all local debt outstanding. The remaining 16.0 percent ($45.53 billion) was held by OSDs, Counties, CCDs, and HHDs (*Table 1.8*).

The most recent U.S. Census Bureau data, for census year 2020 (the most recent data available), shows that Texas continued to be ranked second in population, third among the 10 most populous states in terms of local debt per capita, fourth in total state and local debt per capita, and seventh in state debt per capita.

Total tax-supported debt per capita increased by 6.4 percent from $5,944 in fiscal year 2021 to $6,324 in fiscal year 2022. Over the past 10 years, debt per capita has increased by 37.7 percent ($1,732) while the state's population has increased by 13.2 percent (3.4 million) (*Figure 1.7*).

Over the past decade, total local debt outstanding (excluding conduit debt) increased by 49.2 percent from $190.49 billion to $284.15 billion. Notable debt increases during this period include: WDs, which increased 99.7 percent from $21.89 billion to $43.72 billion; School Districts, which increased 59.9 percent from $65.17 billion to $104.21 billion; Community and Junior Colleges, which increased 42.0 percent from $4.37 billion to 6.20 billion; and Cities, which increased 38.9 percent from $65.28 billion to $90.70 billion (*Figure 1.8*).

Tax-Supported Debt Rises 24.4 Percent in Five Years

Total tax-supported debt has increased 24.4 percent from $150.15 billion in fiscal year 2018 to $186.73 billion in fiscal year 2022 *(Table 1.9).*

Tax-supported debt for School Districts increased over the past five years from $83.89 billion in fiscal year 2018 to $104.03 billion in fiscal year 2022 (24.0 percent). Tax-supported School District debt accounted for 55.7 percent of all tax-supported debt and is primarily used to finance instructional facilities. Only a handful of school districts carry revenue debt for constructing, improving, and equipping athletic/stadium facilities.

Over the five-year period, tax-supported debt carried by Cities has increased from $33.13 billion to $40.12 billion (21.1 percent) and accounted for 21.5 percent of all tax-supported debt.

During the past five fiscal years, tax-supported debt for WDs, including navigation and port districts, river authorities, municipal utility districts (MUDs), and municipal water authorities, increased from $14.81 billion to $21.57 billion (45.6 percent) and accounted for 11.6 percent of all tax-supported debt.

During the same period, Counties tax-supported debt increased from $11.56 billion to $13.25 billion (14.6 percent).

Tax-supported debt outstanding for CCDs increased from $4.08 billion to $5.15 billion (26.3 percent) during the same time period.

During the five-year period, tax-supported debt for HHDs decreased from $2.52 billion to $2.45 billion (2.5 percent), and tax-supported debt for OSDs decreased from $166.2 million to $156.6 million (5.8 percent). The majority of OSDs issuances are issued as revenue debt.

Revenue Debt – 21.0 Percent Increase in Five Years

Since fiscal year 2018, revenue debt has increased by 21.0 percent ($16.93 billion) from $80.50 billion to $97.42 billion *(Table 1.9)*.

City revenue debt increased by 20.3 percent from $42.03 billion to $50.58 billion in the five-year period, WD revenue debt increased 44.4 percent from $15.34 billion to $22.15 billion, and revenue debt for OSDs increased 10.6 percent from $17.96 billion to $19.87 billion. As the state's population increased by 4.4 percent (1.2 million) from 2017 to 2021 (the most recent data available), urban areas have experienced particularly rapid growth that has created the need for new infrastructure, including roads and construction for new and expanded water and sewer systems. The majority of city revenue debt has been used to finance utility-related projects, including water, wastewater, and, in some localities, electric utility systems.

HHDs revenue debt decreased 8.5 percent from $1.18 billion to $1.08 billion. CCDs revenue debt decreased by 10.8 percent from $1.18 billion to $1.06 billion, and revenue debt for Counties decreased 1.0 percent from $2.54 billion to $2.51 billion.

During the five-year period, revenue debt for School Districts decreased 33.9 percent, from $268.7 million to $177.6 million.

Table 1.8

TEXAS LOCAL GOVERNMENT

DEBT OUTSTANDING AS OF AUGUST 31, 2022

(amounts in millions)

Type of Issuer		Tax-Supported*	Revenue**	Total Debt
Public School Districts	Voter-approved tax	102,846.2		102,846.2
	Maintenance tax (ed. equipment)	1,187.8		1,187.8
	Lease-purchase contracts		176.4	176.4
	Revenue (athletic facilities)		1.2	1.2
	Subtotal	**$ 104,034.1**	**$ 177.6**	**$ 104,211.6**
Cities, Towns, Villages	Tax	40,121.2		40,121.2
	Revenue		50,465.9	50,465.9
	Sales Tax		112.5	112.5
	Subtotal	**$ 40,121.2**	**$ 50,578.4**	**$ 90,699.6**
Water Districts and Authorities	Tax	21,569.7		21,569.7
	Revenue		22,125.0	22,125.0
	Sales Tax		23.0	23.0
	Subtotal	**$ 21,569.7**	**$ 22,148.0**	**$ 43,717.7**
Other Special Districts and Authorities	Tax	156.6		156.6
	Revenue		14,144.0	14,144.0
	Sales Tax		5,703.4	5,703.4
	Lease-purchase contracts		27.2	27.2
	Subtotal	**$ 156.6**	**$ 19,874.6**	**$ 20,031.2**
Counties	Tax	13,248.0		13,248.0
	Revenue		2,485.3	2,485.3
	Lease-purchase contracts		27.5	27.5
	Subtotal	**$ 13,248.0**	**$ 2,512.9**	**$ 15,760.9**
Community and Junior Colleges	Tax	5,147.2		5,147.2
	Revenue		1,056.6	1,056.6
	Subtotal	**$ 5,147.2**	**$ 1,056.6**	**$ 6,203.8**
Health/Hospital Districts and Authorities	Tax	2,454.1		2,454.1
	Revenue		1,024.9	1,024.9
	Sales Tax		51.1	51.1
	Subtotal	**$ 2,454.1**	**$ 1,076.1**	**$ 3,530.1**
	Total Local Debt Outstanding	**$ 186,730.8**	**$ 97,424.1**	**$ 284,154.9**

*Includes debt secured by a combination of ad valorem taxes and other revenue sources.

**Excludes conduit debt.

Source: Texas Bond Review Board - Bond Finance Office

Table 1.9

TEXAS LOCAL GOVERNMENT
DEBT OUTSTANDING BY FISCAL YEAR

(amounts in millions)

	8/31/2018	8/31/2019	8/31/2020	8/31/2021	8/31/2022
Public School Districts					
Tax-Supported*	$83,887.0	$87,653.7	$92,889.4	$97,580.3	$104,034.1
Revenue**	268.7	258.8	219.4	196.3	177.6
Total	**$84,155.7**	**$87,912.5**	**$93,108.8**	**$97,776.6**	**$104,211.6**
Cities, Towns, Villages					
Tax-Supported*	$33,132.4	$34,759.8	$34,915.4	$37,357.5	$40,121.2
Revenue**	42,027.2	43,084.1	44,685.9	46,876.5	50,578.4
Total	**$75,159.6**	**$77,843.9**	**$79,601.3**	**$84,234.0**	**$90,699.6**
Water Districts and Authorities					
Tax-Supported*	$14,813.2	$16,153.4	$17,562.3	$19,259.2	$21,569.7
Revenue**	15,338.9	17,278.5	19,085.2	20,436.2	22,148.0
Total	**$30,152.1**	**$33,431.9**	**$36,647.5**	**$39,695.4**	**$43,717.7**
Other Special Districts and Authorities					
Tax-Supported*	$166.2	$159.3	$152.5	$157.5	$156.6
Revenue**	17,963.4	18,568.8	18,571.7	19,583.9	19,874.6
Total	**$18,129.6**	**$18,728.1**	**$18,724.3**	**$19,741.4**	**$20,031.2**
Counties					
Tax-Supported*	$11,558.6	$12,311.7	$12,798.3	$12,813.9	$13,248.0
Revenue**	2,538.8	2,486.3	2,485.3	2,577.2	2,512.9
Total	**$14,097.4**	**$14,798.1**	**$15,283.6**	**$15,391.2**	**$15,760.9**
Community and Junior Colleges					
Tax-Supported*	$4,076.6	$4,067.2	$4,606.8	$4,939.6	$5,147.2
Revenue**	1,184.4	1,181.2	1,080.3	1,078.6	1,056.6
Total	**$5,260.9**	**$5,248.4**	**$5,687.0**	**$6,018.2**	**$6,203.8**
Health/Hospital Districts and Authorities					
Tax-Supported*	$2,517.2	$2,427.8	$2,462.4	$2,408.6	$2,454.1
Revenue**	1,175.9	1,125.1	1,177.1	1,098.6	1,076.1
Total	**$3,693.0**	**$3,552.9**	**$3,639.5**	**$3,507.2**	**$3,530.1**
Total Tax-Supported*	$150,151.2	$157,532.8	$165,387.1	$174,516.7	$186,730.8
Total Revenue**	$80,497.2	$83,982.9	$87,304.9	$91,847.2	$97,424.1
Total Debt Outstanding	**$230,648.4**	**$241,515.7**	**$252,692.0**	**$266,363.9**	**$284,154.9**

*Includes debt secured by a combination of ad valorem taxes and other revenue sources.

**Excludes conduit debt.

Source: Texas Bond Review Board - Bond Finance Office

Chapter 2
State Debt Issued in Fiscal Year 2022 and Debt Outstanding

In fiscal year 2022, the state's total debt outstanding (including conduit debt) increased 1.9 percent to $64.40 billion compared to $63.21 billion in fiscal year 2021 and $62.44 billion in fiscal year 2020 (Table 2.3).

Bonds issued by Texas state agencies, colleges, and universities during fiscal year 2022 increased by 9.9 percent to an aggregate total of $4.41 billion compared to $4.01 billion issued in fiscal year 2021. Fiscal year 2022 issues included $2.96 billion in new-money and $1.45 billion in refunding bonds (Table 2.1). Other debt issued included $2.02 billion of commercial paper.

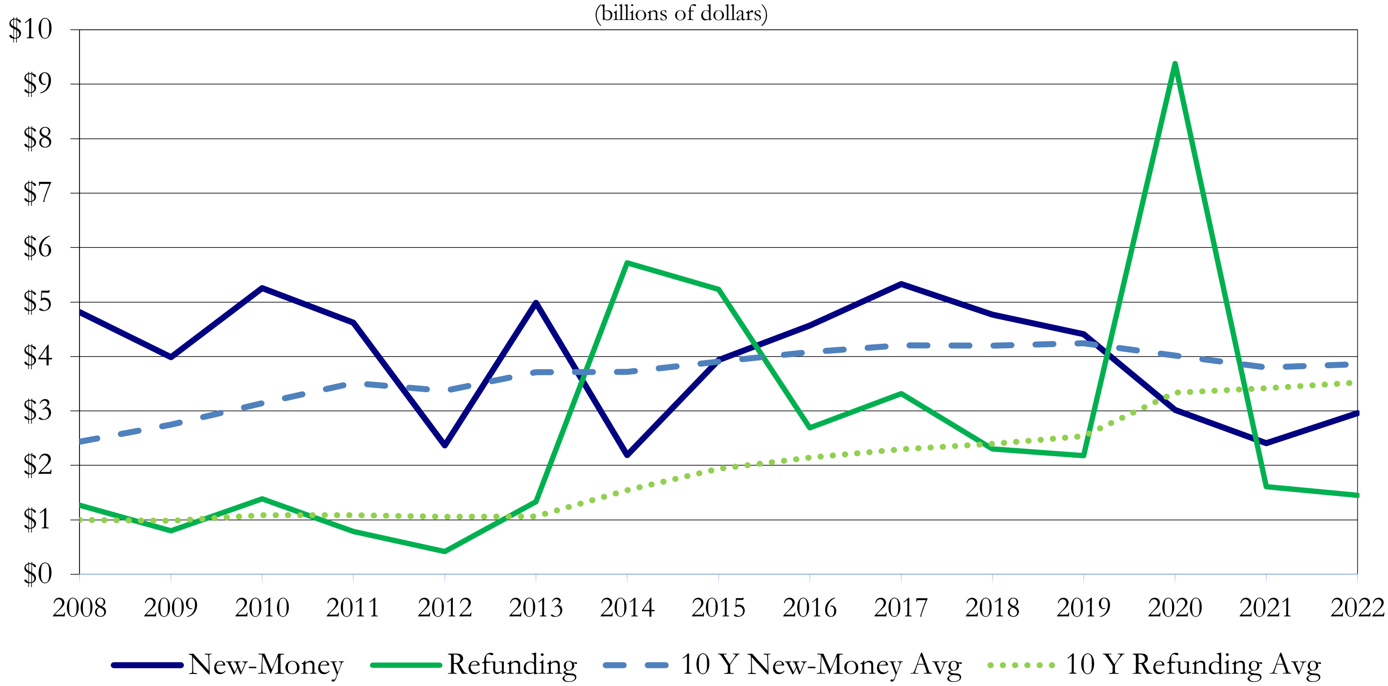
Details on bond transactions can be found in Appendix A, and details on commercial paper and variable-rate notes can be found in Appendix B.

New-Money and Refunding Issuances During Fiscal Year 2022

A total of $4.41 billion in bonds was issued in fiscal year 2022. Of that amount, $2.96 billion (67.2 percent) was issued as new-money bonds, an increase of $557.9 million (23.2 percent) from $2.41 billion issued during fiscal 2021. The remaining $1.45 billion (32.8 percent) was issued as refunding bonds, a decrease of $161.3 million (10.0 percent) from $1.61 billion issued during fiscal year 2021 (*Figure 2.1*). Overall, net present value savings from fiscal year 2022 refundings totaled $87.6 million.

Of the $2.96 billion in new-money bonds issued in fiscal year 2022, approximately $1.19 billion (40.2 percent) was issued by the Texas Water Development Board (TWDB), $747.6 million was issued by Texas Department of Housing and Community Affairs (TDHCA) (25.2 percent), $413 million (13.9 percent) was issued by the University of Houston System (UHS), and $250 million was issued by the Veterans Land Board (VLB) (8.4 percent).

Figure 2.1
TEXAS NEW-MONEY AND REFUNDING BOND ISSUES 2008-2022
(billions of dollars)



Source: Texas Bond Review Board - Bond Finance Office.

Table 2.1 TEXAS BONDS ISSUED DURING FISCAL YEAR 2022 SUMMARIZED BY ISSUER				
ISSUER	**REFUNDING BONDS**	**NEW-MONEY BONDS**	**TOTAL BONDS ISSUED**	**New-Money Use of Proceeds**
Texas Dept. of Housing and Comm. Affairs	$ 24,829,558	$ 747,550,000	$ 772,379,558	Single family mortgage bonds and multifamily housing
Texas Higher Education Coordinating Board	-	92,315,000	92,315,000	College Student Loan Program
Texas Public Finance Authority	685,945,000	146,170,000	832,115,000	Cancer prevention grants; DPS and TPWD projects
Texas State Affordable Housing Corporation	-	70,800,000	70,800,000	Multifamily housing
Texas State Technical College	18,935,000	-	18,935,000	N/A
Texas Veterans Land Board	-	250,000,000	250,000,000	Veteran's Home Loan Program
Texas Water Development Board	352,190,000	1,190,575,000	1,542,765,000	State Water Implementation Revenue Fund
Texas Woman's University	-	43,700,000	43,700,000	Acquire, construct, and equip various facilities
University of Houston System	17,628,000	412,992,000	430,620,000	Acquire, construct, and equip various facilities
University of North Texas System	91,713,000	9,842,000	101,555,000	Acquire, construct, and equip various facilities
University of Texas System	256,395,000	-	256,395,000	N/A
Total Texas Bonds Issued	**$ 1,447,635,558**	**$ 2,963,944,000**	**$ 4,411,579,558**	

Note: *Table 2.1* includes private placements. Excludes commercial paper and variable-rate notes. See *Table B1* for these issuances. Excludes lease purchases.
Source: Texas Bond Review Board - Bond Finance Office.

Of the $1.45 billion in refunding bonds issued in fiscal year 2022, the Texas Public Finance Authority (TPFA) issued $685.9 million (47.4 percent), the Texas Water Development Board issued $352.2 million (24.3 percent), University of Texas System (UTS) issued $256.4 million (17.7 percent), and University of North Texas System (UNTS) issued $91.7 million (6.3 percent) (*Table 2.1*).

Build America Bonds Outstanding for Fiscal Year 2022

In fiscal year 2009, the American Recovery and Reinvestment Act of 2009 (ARRA) created Build America Bonds (BABs) that could be issued as Tax Credit BABs or Direct-Payment BABs. Authority to issue BABs expired on December 31, 2010. As of August 31, 2022, Texas Transportation Commission (TTC) and UTS had $3.41 billion and $1.16 billion of BABs outstanding, respectively.

Under the Budget Control Act of 2011, across-the-board sequestration took effect on March 1, 2013, and direct-pay bonds such as BABs experienced an 8.7 percent reduction of the original 35 percent federal subsidy on BABs interest payments. The Internal Revenue Service reported that, effective October 1, 2014, issuers of BABs and other direct-pay bonds would have their subsidy payments processed in federal fiscal year 2015 reduced by 7.3 percent. In federal fiscal years 2017, 2018, and 2019, the subsidy payments were further reduced by 6.9 percent, 6.6 percent, and 6.2 percent, respectively. In federal fiscal year 2020, the subsidy payments were reduced by 5.9 percent. For fiscal years 2021 through 2030, the subsidy payments are reduced by 5.7 percent.

Interim Financing in Fiscal Year 2022

Several state agencies and institutions of higher education have established variable-rate debt financing programs that provide financing for equipment or capital projects or provide loans to eligible entities.

As of August 31, 2022, a total of $5.63 billion was authorized for state commercial paper (CP) or variable-rate note (VRN) programs. Of this amount, $3.05 billion was outstanding at fiscal year-end 2022 (*Table B1* in *Appendix B*), approximately $430.8 million more than the amount outstanding at fiscal year-end 2021.

Additional information about individual CP and VRN programs is included in *Appendix B*.

Table 2.2
TEXAS STATE DEBT ISSUES EXPECTED DURING FISCAL YEAR 2023

ISSUER	APPROXIMATE AMOUNT	PURPOSE	APPROXIMATE ISSUE DATE
General Obligation Debt			
Self-Supporting			
Texas Higher Education Coordinating Board	$150,000,000	College Student Loan Bonds	Jul-23
Texas Higher Education Coordinating Board	68,875,000	Refunding of certain outstanding college student loan bonds	Jul-23
Texas Veterans Land Board	250,000,000	Veterans' Housing Assistance Program	Mar-23
Texas Water Development Board	TBD	Water Financial Assistance and Refunding Bonds Dfund II	Apr-23
Texas Public Finance Authority	20,000,000	Texas Agricultural Finance Authority	TBD
Texas Public Finance Authority	30,000,000	Texas Military Preparedness Commission Bonds	TBD
Total Self-Supporting	**$518,875,000**		
Not Self-Supporting			
Texas Public Finance Authority	TBD	Cancer Prevention and Research Institute Commercial Paper	TBD
Texas Water Development Board	100,000,000	Water Financial Assistance Refunding Bonds EDAP	Jul-23
Total Not Self-Supporting	**$100,000,000**		
Total General Obligation Debt	**$618,875,000**		
Non-General Obligation Debt			
Self-Supporting			
Texas Dept. of Housing and Community Affairs	$175,000,000	Single Family First-Time Home Buyer Program	Sep-22
Texas Dept. of Housing and Community Affairs	175,000,000	Single Family First-Time Home Buyer Program	Dec-22
Texas Dept. of Housing and Community Affairs	175,000,000	Single Family First-Time Home Buyer Program	Jun-23
Texas Water Development Board	400,000,000	Clean Water and Drinking Water State Revolving Fund	May-23
Texas Water Development Board	1,004,860,000	State Water Implementation Revenue Fund for Texas (SWIRFT)	Oct-22
Grand Parkway Transportation Corp	298,030,000	Refunding	TBD
The Texas A&M University System - RFS	840,000,000	RFS Bonds/Commercial Paper for financing educational facilities	TBD
The Texas A&M University System - PUF	540,000,000	PUF Bonds/Commercial Paper for financing educational facilities	TBD
The University of Texas System - RFS	850,000,000	RFS Bonds/Commercial Paper for financing educational facilities	TBD
The University of Texas System - PUF	750,000,000	PUF Bonds/Commercial Paper for financing educational facilities	TBD
Texas Public Finance Authority	95,200,000	Texas Southern University various projects	TBD
Texas Public Finance Authority	44,922,833	Stephen F. Austin State University various projects	TBD
Texas Tech University System	499,434,902	Various projects	TBD
University of North Texas	307,700,000	Various projects	TBD
Texas Woman's University	93,525,000	Various projects	TBD
University of Houston System	297,760,000	Various projects	TBD
Total Self-Supporting	**$6,546,432,735**		
Not Self-Supporting			
Texas Public Finance Authority	TBD	Deferred Maintenance for HHSC 86th Leg and 87th Leg	TBD
Texas Public Finance Authority	TBD	TFC Capitol Complex financings	TBD
Texas Public Finance Authority	TBD	MLPP Commercial Paper Program	TBD
Total Not Self-Supporting	**$0**		
Total Non-General Obligation Debt	**$6,546,432,735**		
Conduit Debt			
Texas State Affordable Housing Corporation	$35,000,000	Bluff View Apartments Multifamily Bond Project	TBD
Texas State Affordable Housing Corporation	11,000,000	La Vista De Lopez Apartments Multifamily Bond Project	TBD
Texas State Affordable Housing Corporation	15,000,000	Eden Village Apartments Multifamily Bond Project	TBD
Texas State Affordable Housing Corporation	24,000,000	Juniper Creek Apartments Multifamily Bond Project	TBD
Texas State Affordable Housing Corporation	150,000,000	Single Family Bond Issuance	TBD
TPFA Charter School Finance Corporation	TBD	Charter School Financing	TBD
Texas Windstorm Insurance Association	TBD	Potential Texas Windstorm Insurance Association Post Event Bonds	TBD
Texas Natural Gas Securitization Finance Corporation	3,429,785,000	Customer Rate Relief Bonds	Dec-22
Texas Dept. of Housing and Comm Affairs	40,000,000	Palladium McKinney Multifamily Bond Project	TBD
Texas Dept. of Housing and Comm Affairs	12,500,000	North Grand Villas Multifamily Bond Project	TBD
Texas Dept. of Housing and Comm Affairs	10,250,000	Park Meadows Multifamily Bond Project	TBD
Texas Dept. of Housing and Comm Affairs	10,000,000	West Houston Senior Living Multifamily Bond Project	TBD
Texas Dept. of Housing and Comm Affairs	30,860,000	Worthington Point Multifamily Bond Project	TBD
Texas Dept. of Housing and Comm Affairs	27,000,000	The Reserves Multifamily Bond Project	TBD
Texas Dept. of Housing and Comm Affairs	35,000,000	The Rhett Multifamily Bond Project	TBD
Total Conduit	**$3,830,395,000**		
Total All Debt	**$10,995,702,735**		

Includes commercial paper and variable-rate notes.
Source: Texas Bond Review Board - Bond Finance Office.

Projected Issuances in Fiscal Year 2023

Texas state issuers expect to issue approximately $11.00 billion in bonds, CP, and VRN during fiscal year 2023 (*Table 2.2*), a projected increase of $2.94 billion (36.6 percent) over the amount projected for fiscal year 2022.

General Obligation Debt Outstanding Decreases in Fiscal Year 2022

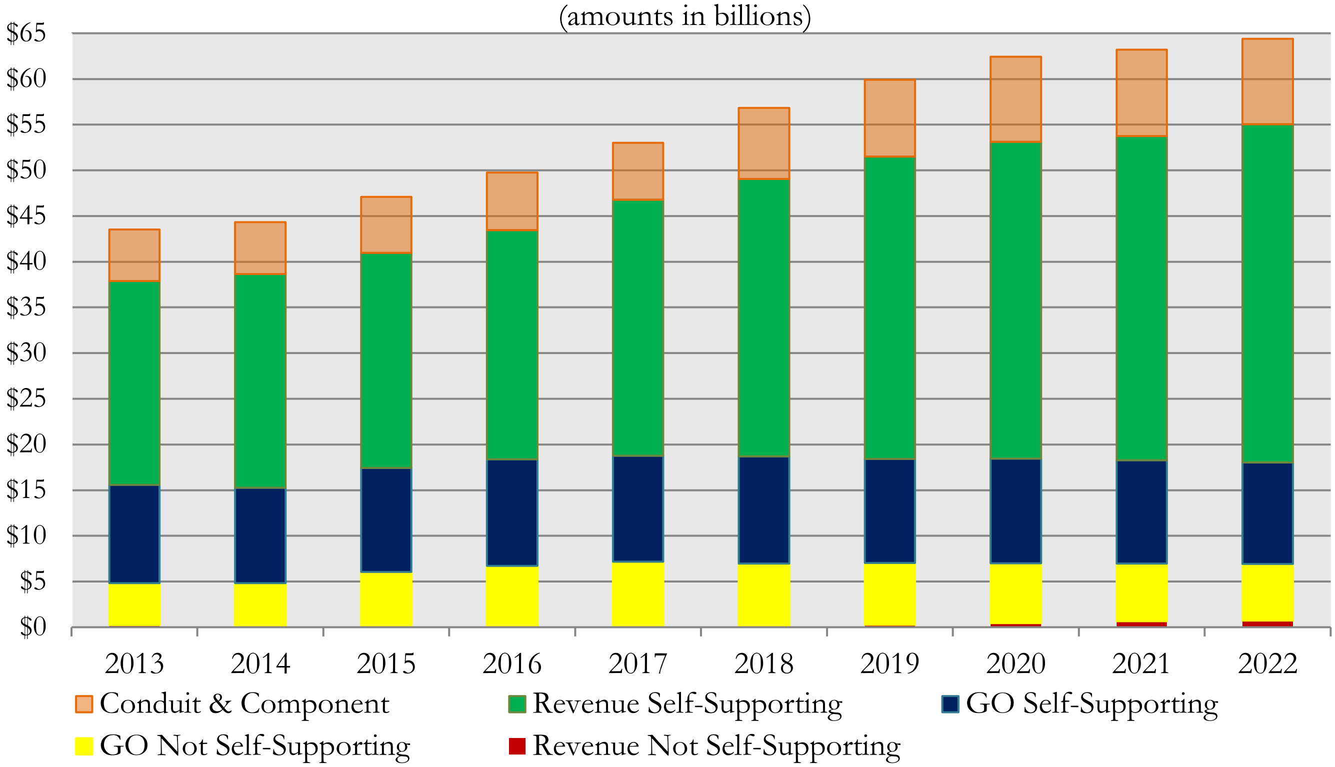
Texas General Obligation (GO) debt has a constitutional pledge of the full faith and credit of the state to repay the debt and requires passage of a proposition by a vote of two-thirds of both houses of the Texas Legislature and a majority of Texas voters.

As of fiscal year-end 2022, $17.29 billion (26.8 percent) of the state's $64.40 billion in total debt outstanding was backed by the state's GO pledge, a decrease of $318.4 million (1.8 percent) from the $17.61 billion backed by the GO pledge at the end of fiscal year 2021 (*Figure 2.2* and *Table 2.3*). During the fiscal year, the Texas Higher Education Coordinating Board (THECB) issued $92.3 million of GO student loan bonds, the VLB issued $250 million of GO housing bonds, and the Texas Public Finance Authority (TPFA) issued $146.2 million of GO new-money bonds for cancer prevention grants as well as DPS and TPWD projects.

Governmental Revenue Debt Outstanding Increases in Fiscal Year 2022

The repayment of revenue debt is dependent on project revenue or revenue from a designated fund. The Texas Constitution prohibits any pledge of state funds beyond the current biennium. Investors may require a higher rate of interest to compensate for the additional risks associated with revenue debt.

Figure 2.2
STATE OF TEXAS DEBT OUTSTANDING
(amounts in billions)



Source: Texas Bond Review Board - Bond Finance Office.

Excluding conduit and component debt, $37.75 billion (58.6 percent) of the state's $64.40 billion in total debt outstanding as of fiscal year-end 2022 was backed by non-GO revenue pledges, an increase of $1.61 billion (4.5 percent) from the $36.14 billion backed by non-GO revenue pledges at the end of fiscal year 2021 (*Figure 2.2* and *Table 2.3*).

Colleges and universities are the largest issuer of revenue debt with $16.37 billion outstanding, excluding Permanent University Fund (PUF) debt. See *Table 2.5* and *Table 2.6* for more details on college and university debt outstanding and debt service requirements.

Conduit Revenue and Component Debt

The state is authorized by statute to issue conduit debt for certain purposes, including charter schools, transportation, single family mortgages, multifamily dwellings, and economic development. Debt service for conduit debt is typically provided by project revenue and is secured by a third party.

Although conduit revenue debt obligations bear the name of the agency as the issuer, the agency is not financially liable for the debt beyond the revenues provided by a lease or loan with the third party on whose behalf they are issued. For example, the Texas Department of Housing and Community Affairs (TDHCA) is not liable for debt service for issuances of its multifamily mortgage revenue bonds beyond the revenues it receives from the borrower that is acquiring, constructing, or renovating the multifamily facility.

Component debt obligations are issued by legally separate units of the agency, and the agency is not financially liable for the debt. For example, the TPFA is not liable for debt service for issuances of the Texas Public Finance Authority Charter School Finance Corporation.

Of the state's $64.40 billion in debt outstanding as of fiscal year-end 2022, $9.36 billion (14.5 percent) was state conduit and component debt which includes $4.53 billion of debt outstanding by Grand Parkway Transportation Corporation (GPTC) (*Table 2.3*). As conduit debt, GPTC debt service is payable solely from payments received from transportation projects it finances. The $9.36 billion of conduit and component debt outstanding represents a decrease of $103.8 million (1.1 percent) from the $9.47 billion outstanding at the end of fiscal year 2021.

General Revenue Supported Debt Decreases in Fiscal Year 2022

All debt does not have the same financial impact on the state's general revenue. Self-supporting debt relies on sources other than the state's general revenue to pay debt service; thus, self-supporting debt does not directly impact state finances. Debt service for not self-supporting debt is primarily derived from the state's general revenue fund and thus draws on the same sources used by the legislature to finance state government.

As of August 31, 2022, Texas had a total of $6.92 billion in GO and non-GO not self-supporting debt outstanding to be repaid from the state's general revenue compared to $6.96 billion outstanding at fiscal year-end 2021. During fiscal year 2022, non-GO not self-supporting debt increased by $73 million but GO not self-supporting debt decreased by $110.5 million for a net decrease in not self-supporting debt of approximately $37.5 million (0.5 percent) (*Figure 2.3*).

Variable-Rate Debt Outstanding Increases in Fiscal Year 2022

State issuers and institutions of higher education have established variable-rate debt financing programs to provide financing for equipment and capital projects, provide loans to eligible entities, diversify their debt portfolio, and take advantage of lower short-term interest rates.

Table 2.3

STATE OF TEXAS DEBT OUTSTANDING

(amounts in thousands)

	8/31/2018	8/31/2019	8/31/2020	8/31/2021	8/31/2022
General Obligation Debt					
Self-Supporting					
Veterans' Land and Housing Bonds	$2,957,335	$2,950,180	$2,945,465	$2,978,775	$2,993,445
Water Development Bonds	1,229,720	966,300	915,315	841,165	814,985
Water Development Bonds - State Participation	102,035	89,265	72,240	69,835	44,920
Water Development Bonds - WIF	238,895	207,315	187,455	139,510	109,600
Economic Development Bank Bonds	45,000	45,000	45,000	45,000	45,000
College Student Loan Bonds	1,115,475	1,187,945	1,207,750	1,272,665	1,274,285
Texas Mobility Fund Bonds	6,024,765	5,943,130	6,048,930	5,943,200	5,801,490
Texas Public Finance Authority - TMVRLF	24,175	22,885	21,545	20,150	18,700
Total, Self-Supporting	**$11,737,400**	**$11,412,020**	**$11,443,700**	**$11,310,300**	**$11,102,425**
Not Self-Supporting [1]					
Higher Education Constitutional Bonds [2]	$22,080	$17,855	$15,560	$13,275	$10,875
Texas Public Finance Authority Bonds	1,182,845	1,049,025	961,090	855,085	1,333,980
Cancer Prevention and Research Institute of Texas	1,301,455	1,444,695	1,584,765	1,748,700	1,347,195
Park Development Bonds	1,465	725	0	0	0
Water Development Bonds - EDAP [3]	192,535	217,772	196,653	176,619	153,135
Water Development Bonds - WIF	275,190	249,570	190,070	24,240	0
TTC GO Transportation Bonds	3,876,440	3,747,065	3,613,990	3,478,555	3,340,800
Total, Not Self-Supporting	**$6,852,010**	**$6,726,707**	**$6,562,128**	**$6,296,474**	**$6,185,985**
Total General Obligation Debt	**$18,589,410**	**$18,138,727**	**$18,005,828**	**$17,606,774**	**$17,288,410**
Non-General Obligation Debt					
Self-Supporting					
Permanent University Fund Bonds					
The Texas A&M University System	$1,233,095	$1,258,580	$1,439,735	$1,389,210	$1,462,180
The University of Texas System	2,922,895	3,106,760	3,223,190	3,402,025	3,498,090
College and University Revenue Bonds [4]	15,266,896	15,526,283	15,863,247	15,984,579	16,370,694
TxDOT Toll Revenue Bonds [6]	2,714,721	2,955,531	2,941,885	2,928,821	2,912,238
Texas Dept. of Housing & Community Affairs - SF	471,578	874,549	984,507	991,993	1,371,797
Economic Development Program (Leverage Fund)	5,000	0	0	0	0
State Highway Fund	4,202,305	3,976,805	3,723,025	3,474,410	3,213,930
TPFA Revenue Bonds (TxDOT Austin Campus Project)	0	0	0	325,700	312,285
Water Development Bonds - State Revolving Fund	288,395	502,085	834,410	801,020	1,376,800
Water Development Bonds - SWIRFT	3,251,740	4,889,925	5,663,725	6,182,125	6,500,125
Total, Self-Supporting	**$30,356,625**	**$33,090,518**	**$34,673,724**	**$35,479,883**	**$37,018,139**
Not Self-Supporting [1]					
Texas Public Finance Authority Bonds	$75,910	$256,865	$403,670	$632,280	$690,800
TPFA Master Lease Purchase Program	33,650	24,390	26,900	26,390	41,700
Texas Military Facilities Commission Bonds	5,765	4,740	3,670	2,555	1,740
Parks and Wildlife Improvement Bonds	2,710	705	0	0	0
Total, Not Self-Supporting	**$118,035**	**$286,700**	**$434,240**	**$661,225**	**$734,240**
Conduit, Component and Related Organizations [5]					
Texas Windstorm Insurance Association	$368,500	$318,600	$227,200	$177,000	$0
Texas Dept. of Housing and Community Affairs - MF	973,529	937,790	1,043,686	1,275,236	1,379,353
Texas State Affordable Housing Corporation	224,673	277,708	333,722	387,503	387,818
Texas Grand Parkway Transportation Corporation [6]	4,491,734	4,491,734	4,561,330	4,546,895	4,528,410
Texas PAB Surface Transportation Corporation	1,561,665	2,215,530	3,018,405	2,947,940	2,947,940
TPFA Charter School Finance Corporation	149,309	146,562	141,506	131,705	118,995
Total Conduit, Component and Related Organizations	**$7,769,409**	**$8,387,924**	**$9,325,849**	**$9,466,278**	**$9,362,516**
Total Non-General Obligation Debt	**$38,244,069**	**$41,765,141**	**$44,433,813**	**$45,607,386**	**$47,114,895**
Total Debt Outstanding	**$56,833,479**	**$59,903,869**	**$62,439,641**	**$63,214,160**	**$64,403,305**

1 Not self-supporting debt (general obligation and non-general obligation) depends solely on the state's general revenue fund for debt service.

2 While not explicitly a general obligation or full faith and credit bond, the revenue pledge in Constitutional Bonds has the same effect.

3 Economically Distressed Areas Program (EDAP) bonds do not depend totally on the state's general revenue fund for debt service.

4 Tuition Revenue Bonds are included in these totals. See *Table 2.5* .

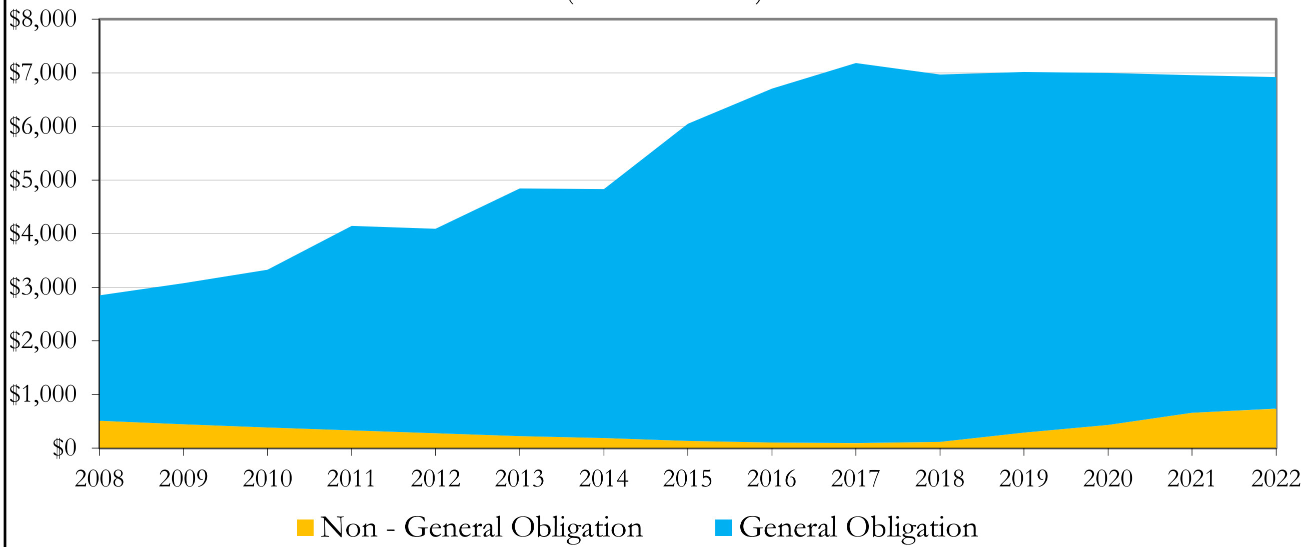
5 This section contains debt that is not a legal liability of the state but rather is backed by third party entities.

6 Includes TIFIA loan debt outstanding. Amortization schedule provided by TxDOT.

Note: Certain lease purchase, SECO LoanSTAR, and other revolving loan program debt is not included.

Source: Texas Bond Review Board - Bond Finance Office.

Figure 2.3
TEXAS STATE DEBT OUTSTANDING
BACKED BY GENERAL REVENUE (NOT SELF-SUPPORTING)
(amounts in millions)



Source: Texas Bond Review Board - Bond Finance Office.

Variable-rate debt outstanding totaled $8.94 billion in fiscal year 2022. Of this amount, approximately $3.05 billion (34.1 percent) was short-term CP or VRN, and the remaining $5.89 billion (65.9 percent) was long-term variable-rate debt. See *Table B1* in *Appendix B* for more information regarding CP and VRN programs.

Variable-rate debt increased by approximately $300.2 million (3.5 percent) in fiscal year 2022 to $8.94 billion compared with $8.64 billion outstanding in fiscal year 2021. Variable-rate GO debt accounted for $3.50 billion (39.2 percent), and revenue debt accounted for $5.43 billion (60.8 percent) of the total amount of variable-rate debt outstanding at the end of fiscal year 2022. Variable-rate GO debt decreased by $245.1 million (6.5 percent) and variable-rate revenue debt increased by $545.3 million (11.2 percent) from amounts outstanding at fiscal year-end 2021 (*Table 2.3A*). The largest issuers of variable-rate debt are: UTS with $3.48 billion outstanding, VLB with $2.99 billion outstanding, TxDOT with $925 million outstanding, and Texas A&M University System (TAMUS) with $421.8 million outstanding.

Scheduled Debt-Service Payments from General Revenue Increase for Fiscal Year 2023

During fiscal years 2020, 2021, and 2022, scheduled debt service from general revenue was $707.6 million, $690.4 million, and $695.4 million, respectively. Scheduled debt-service payments from general revenue are expected to increase by 0.6 percent to $699.7 million in fiscal year 2023 (*Figure 2.4*). (See *Table 2.4* for debt-service requirements by fiscal year for Texas state bonds.) See the State of Texas Annual Cash Report 2022, published by the Texas Comptroller of Public Accounts, for actual debt-service paid by the state from General Revenue.

Debt service for tuition revenue bond and capital construction assistance project, TRB and CCAP, respectively, debt is not included in this analysis. Although college and university revenue debt is payable from a pledge of certain "revenue funds" of the applicable

Table 2.3A

STATE OF TEXAS VARIABLE-RATE DEBT OUTSTANDING

(amounts in thousands)

	8/31/2018	8/31/2019	8/31/2020	8/31/2021	8/31/2022
General Obligation Debt					
Texas Department of Transportation	$400,000	$400,000	$400,000	$400,000	$400,000
Texas Economic Development Bank	45,000	45,000	45,000	45,000	45,000
Texas Public Finance Authority	255,550	176,925	62,000	319,675	66,300
Texas Tech University [1]	855	0	0	0	0
Texas Water Development Board	25,475	105,450	71,040	6,375	0
Veterans Land Board	2,834,010	2,899,270	2,945,465	2,978,775	2,993,445
Total General Obligation Variable-Rate Debt	**$3,560,890**	**$3,626,645**	**$3,523,505**	**$3,749,825**	**$3,504,745**
Revenue Debt					
Texas A&M University System	$325,461	$261,985	$176,075	$195,742	$421,778
Texas Department of Housing and Community Affairs	332,545	323,410	360,925	391,086	360,472
Texas Department of Transportation	614,370	614,370	614,370	614,370	525,000
Texas Economic Development Bank	5,000	0	0	0	0
Texas Grand Parkway Transportation Corporation	166,525	166,525	166,525	166,525	166,525
Texas Public Finance Authority	192,389	116,250	273,773	26,390	134,800
Texas State Affordable Housing Corporation	0	30,000	70,000	95,401	123,401
Texas State Technical College	2,535	2,201	1,860	509	0
Texas State University System	55,600	124,980	94,840	26,318	90,289
Texas Tech University System	51,830	50,795	28,978	48,844	75,912
TPFA Charter School Finance Corporation	0	0	0	0	0
University of Houston System	83,567	162,050	43,681	35,810	34,738
University of North Texas System	83,600	49,180	45,065	76,135	20,547
University of Texas System	2,590,228	2,866,727	2,762,838	3,212,138	3,481,110
Total Revenue Variable-Rate Debt	**$4,503,651**	**$4,768,473**	**$4,638,929**	**$4,889,268**	**$5,434,572**
Total Variable-Rate Debt	**$8,064,541**	**$8,395,118**	**$8,162,434**	**$8,639,093**	**$8,939,317**

[1] While not explicitly a general obligation or full faith and credit bond, the revenue pledge in Constitutional Bonds has the same effect.

Note: Includes commercial paper and variable-rate notes.

Source: Texas Bond Review Board - Bond Finance Office.

system or institution of higher education, pursuant to authorizations to individual institutions in Chapter 55, Texas Education Code, the legislature has historically appropriated funds in an amount equal to all or a portion of the debt service on tuition revenue debt issued. (For revenue debt outstanding and debt-service requirements for each system or institution, see *Tables 2.5* and *2.6*, respectively.)

Authorized but Unissued Debt Increases in Fiscal Year 2022

Authorized but unissued debt is defined as debt that may be issued without further legislative or voter action. As of August 31, 2022, Texas had $21.08 billion in authorized but unissued debt compared to $21.07 billion in fiscal year 2021 (*Table 2.7*).

Of the $21.08 billion authorized, $16.04 billion (76.1 percent) was GO debt. Of the GO debt, $11.98 billion (74.7 percent) was self-supporting and $4.06 billion (25.3 percent) was not self-supporting. Not self-supporting GO debt decreased $305 million to $4.06 billion at fiscal year-end 2022 compared to the total of $4.36 billion in not self-supporting authorized but unissued GO debt at fiscal year-end 2021.

Authorized but unissued not self-supporting revenue debt totaled $1.04 billion at the end of fiscal 2022 compared to $1.18 billion at fiscal year-end 2021. The remaining authorized but unissued revenue debt was self-supporting and increased from $3.39 billion to $3.99 billion (17.8 percent).

Table 2.4

DEBT-SERVICE REQUIREMENTS OF TEXAS STATE DEBT BY FISCAL YEAR

(amounts in thousands)

	2023	2024	2025	2026	2027	2028 & beyond
General Obligation Debt						
Self-Supporting						
Veterans' Land and Housing Bonds	$303,019	$305,404	$303,189	$281,075	$258,112	$2,041,908
Water Development Bonds	69,459	67,550	67,050	64,883	63,283	919,778
Water Development Bonds - State Participation	5,609	5,506	5,394	5,287	5,161	31,387
Water Development Bonds - WIF	22,860	23,261	23,664	24,069	23,435	10,889
Economic Development Bank Bonds	2,048	2,048	2,048	2,048	2,048	81,749
College Student Loan Bonds	120,694	121,988	129,743	125,946	107,304	1,187,479
Texas Mobility Fund Bonds	388,374	396,160	404,080	412,108	341,819	6,670,206
Texas Public Finance Authority - TMVRLF	2,132	2,136	2,132	2,129	2,128	11,648
Total Self-Supporting	**$914,195**	**$924,053**	**$937,298**	**$917,545**	**$803,289**	**$10,955,044**
Not Self-Supporting [1]						
Higher Education Constitutional Bonds [2]	$2,972	$2,977	$2,971	$2,973	$0	$0
Texas Public Finance Authority Bonds	177,928	168,733	139,326	141,421	132,455	866,597
Cancer Prevention and Research Institute of Texas	147,338	143,229	139,728	123,865	120,557	1,032,688
Water Development Bonds - EDAP [3]	25,482	24,166	20,247	17,247	14,739	91,018
TTC GO Transportation Bonds	281,974	277,431	272,858	268,255	262,433	3,544,811
Total Not Self-Supporting	**$635,694**	**$616,536**	**$575,132**	**$553,761**	**$530,184**	**$5,535,113**
Total General Obligation Debt Service	**$1,549,889**	**$1,540,589**	**$1,512,430**	**$1,471,306**	**$1,333,473**	**$16,490,157**
Non-General Obligation Debt						
Self-Supporting						
Permanent University Fund Bonds						
The Texas A&M University System	$115,153	$109,967	$109,992	$110,021	$110,138	$1,628,484
The University of Texas System	260,180	260,180	260,182	260,180	260,182	4,246,413
College and University Revenue Bonds	1,529,566	1,500,330	1,472,650	1,447,133	1,326,112	16,802,824
TxDOT Toll Revenue Bonds [4]	168,476	177,283	186,103	199,877	211,584	4,702,605
Texas Dept of Housing & Community Affairs - SF	74,414	82,032	81,902	81,868	91,931	2,041,482
State Highway Fund	419,895	418,737	418,386	418,846	420,542	1,959,368
TPFA Revenue Bonds (TXDOT Austin Campus Project)	20,644	20,643	20,641	20,642	20,643	288,977
Water Development Bonds - State Revolving Fund	119,584	119,583	119,593	119,604	119,597	1,397,577
Water Development Bonds - SWIRFT	413,166	412,566	411,374	416,422	386,746	9,051,665
Total Self-Supporting	**$3,121,077**	**$3,101,321**	**$3,080,821**	**$3,074,594**	**$2,947,475**	**$42,119,395**
Not Self-Supporting [1]						
Texas Public Finance Authority Bonds	$58,263	$57,679	$56,663	$55,610	$54,108	$607,407
TPFA Master Lease Purchase Program	4,810	4,323	4,093	4,070	3,772	47,027
Texas Military Facilities Commission Bonds	920	926	0	0	0	0
Total Not Self-Supporting	**$63,992**	**$62,927**	**$60,756**	**$59,680**	**$57,880**	**$654,435**
Conduit, Component and Related Organizations						
Texas Dept. of Housing & Community Affairs - MF	$86,215	$108,014	$138,321	$100,910	$69,508	$1,608,725
Texas State Affordable Housing Corporation	27,502	18,817	28,799	21,001	21,002	543,155
Texas Grand Parkway Transportation Corporation [4]	794,110	260,297	172,993	172,991	173,919	7,096,474
Texas PAB Surface Transportation Corporation	136,362	136,362	136,362	139,877	139,727	5,222,518
TPFA Charter School Finance Corporation	8,805	8,800	8,957	8,952	53,154	80,148
Total Conduit, Component, and Related Organizations	**$1,052,995**	**$532,290**	**$485,432**	**$443,731**	**$457,310**	**$14,551,020**
Total Non-General Obligation Debt Service	**$4,238,064**	**$3,696,538**	**$3,627,010**	**$3,578,004**	**$3,462,665**	**$57,324,849**
Total Debt Service	**$5,787,953**	**$5,237,127**	**$5,139,440**	**$5,049,311**	**$4,796,138**	**$73,815,007**

[1] Bonds that are not self-supporting (general obligation and non-general obligation) depend solely on the state's general revenue for debt service.

[2] While not explicitly a general obligation or full faith and credit bond, the revenue pledge contained in Constitutional Bonds has the same effect. Debt service is paid from annual constitutional appropriation to qualified institutions of higher education from first monies coming into the state treasury not otherwise dedicated by the Texas Constitution.

[3] Economically Distressed Areas Program (EDAP) bonds do not depend totally on the state's general revenue fund for debt service.

[4] Includes TIFIA loan debt outstanding. Amortization schedule provided by TxDOT.

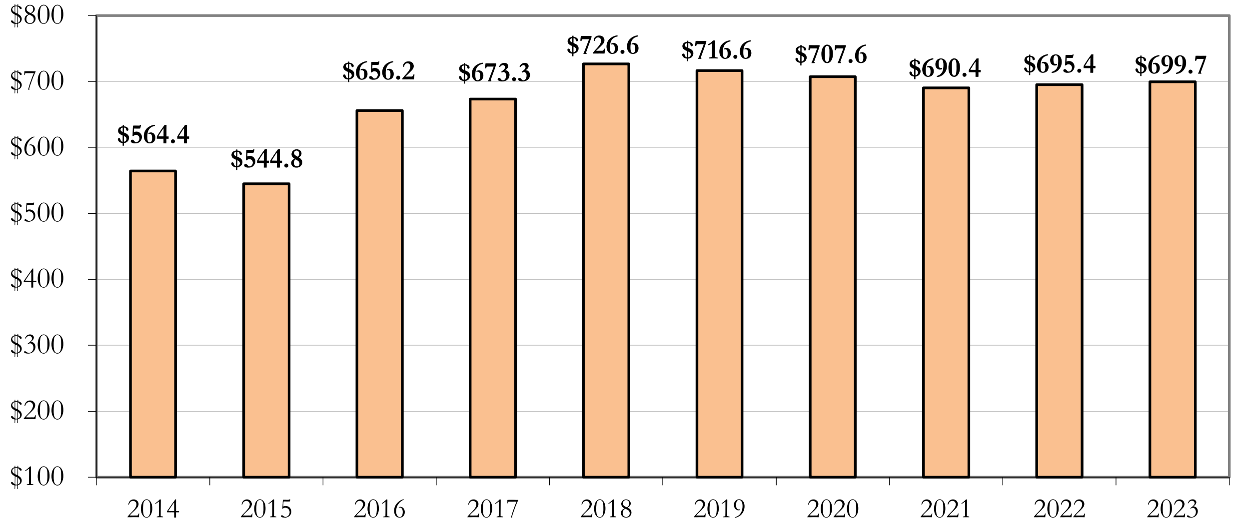
Note: The debt-service figures do not include the early redemption of bonds under the state's various loan programs or cash defeasances after August 31, 2022, or the Build America Bond subsidy payments. Certain lease purchase, SECO LoanSTAR, and other revolving loan program debt is not included.

All future debt-service payments are estimated. Future debt-service payments for variable-rate bonds are calculated based on information provided by the issuer. Future debt-service payments for commercial paper are calculated at 5 percent for a 20-year period.

Detail may not add to total due to rounding.

Source: Texas Bond Review Board - Bond Finance Office.

Figure 2.4
ANNUAL DEBT SERVICE SCHEDULED TO BE PAID FROM GENERAL REVENUE
(amounts in millions)



Source: Texas Bond Review Board - Bond Finance Office.

Not included in these totals is the $3.35 billion of TRB/CCAP authorization passed in SB 52 during the 87th Legislature, Third Called Special Session. SB 52 authorized certain institutions of higher education to finance construction and improvement of infrastructure and related facilities.

See *Table 2.8* for the total authorized by college and university system pursuant to SB 52. Of the $3.35 billion authorized, $3.01 billion remains unissued.

87th Legislature – Regular Session and Third Called Special Session

The 87th Legislature passed HB 2219, authorizing the TTC to issue new Texas Mobility Fund (TMF) obligations, before January 1, 2027, in an amount equal to 60 percent of the outstanding principal amount of TMF obligations existing on May 1, 2021. The amount authorized to be issued is estimated at $3.57 billion. The bill repeals statutory authority to issue TMF obligations to provide funding for publicly owned toll roads.

The 87th Legislature passed SB 1465 authorizing the continued operation of the Texas Leverage Fund Program under the new name of the Texas Small and Rural Community Success Fund Program. SB 1465 also authorizes the issuance of revenue bonds to provide funding for economic development purposes. HB 1522 was passed authorizing the transfer of Midwestern State University to the Texas Tech University System.

During the 87th Legislature, a rider was approved, authorizing the Texas Agricultural Finance Authority (TAFA) to service debt, pay administrative costs and cover any loan defaults through appropriations out of the Texas Agricultural Fund.

The 87th Legislature passed HB 1904, allowing the Texas Water Development Board Water Infrastructure Fund to be used to make transfers to the Financial Assistance Account for the purposes described in the Texas Constitution Article III Section 49-d-8, other than for the purposes described in the Texas Water Code, Sections 17.957 (State Participation Account) and 17.958

Table 2.5
TEXAS COLLEGE AND UNIVERSITY REVENUE DEBT OUTSTANDING
(amounts in thousands)

College and University Revenue Debt	FY 2020 RFS	FY 2020 TRB/CCAP	FY 2020 Total	FY 2021 RFS	FY 2021 TRB/CCAP	FY 2021 Total	FY 2022 RFS	FY 2022 TRB/CCAP	FY 2022 Total
Midwestern State University	$81,063	$49,195	$130,258	$83,386	$46,205	$129,591	$79,071	$43,695	$122,766
Stephen F. Austin State University	180,204	51,205	231,409	163,946	48,160	212,106	153,909	44,995	198,904
Texas Southern University	90,103	79,125	169,228	2,480	67,010	69,490	1,690	58,000	59,690
Texas State Technical College System	99,280	34,160	133,440	91,496	31,845	123,341	80,489	29,425	109,914
Texas State University System	885,373	229,777	1,115,150	854,918	207,425	1,062,343	868,849	183,405	1,052,254
Texas Tech University System	611,601	264,691	876,292	598,281	229,809	828,090	598,930	198,380	797,311
Texas Woman's University	98,780	41,290	140,070	108,580	36,695	145,275	145,290	31,935	177,225
The Texas A&M University System	2,527,503	836,400	3,363,903	2,853,290	759,060	3,612,350	3,028,038	679,275	3,707,313
The University of Texas System	6,316,130	983,023	7,299,153	6,667,560	830,578	7,498,138	6,831,563	669,427	7,500,990
University of Houston System	1,213,813	364,948	1,578,761	1,153,406	340,129	1,493,535	1,218,553	611,845	1,830,398
University of North Texas System	570,264	255,320	825,584	577,914	232,406	810,320	604,779	209,152	813,931
Total Revenue Debt Outstanding	**$12,674,114**	**$3,189,133**	**$15,863,247**	**$13,155,258**	**$2,829,321**	**$15,984,579**	**$13,611,160**	**$2,759,534**	**$16,370,694**

Legend: TRB = Tuition Revenue Bonds; CCAP=Capital Construction Assistance Projects
Note: No capital appreciation bonds outstanding as of fiscal years 2020, 2021, or 2022.

All college and university revenue bonds are equally secured by and payable from a pledge of all or a portion of certain "revenue funds" as defined in Chapter 55, Texas Education Code, as amended, of the applicable system or institution of higher education. Historically, however, the state has appropriated funds to the schools in an amount equal to all or a portion of the debt service on revenue bonds issued pursuant to certain specific authorizations to individual institutions in Chapter 55, Texas Education Code ("Tuition Revenue Bonds or Capital Construction Assistance Projects"). Includes commercial paper notes outstanding, lease purchases, and SECO loans. Excludes HEAF and PUF debt.
Source: Texas Bond Review Board - Bond Finance Office.

(Economically Distressed Areas Program Account).

Additionally, the 87th Legislature passed SB 2230, authorizing the issuance of debt for the Comptroller of Public Accounts to purchase a building housing and to be operated by the Texas Bullion Depository. The 87th Legislature appropriated $23,689,160 to the Health and Human Services Commission for deferred maintenance at state hospitals and state supported living centers, to be financed through the Texas Public Finance Authority (House Bill 2, 87th Legislature, RS (2021)).

During the 87th Legislature, Third Called Special Session, SB 52 authorized approximately $3.35 billion in tuition revenue bonds for institutions of higher education to finance construction and improvement of infrastructure and related facilities.

86th Legislature – Regular Session

The 86th Legislature authorized additional GO debt that was approved by the voters in the November 5, 2019, general election. This included HJR 12 for an additional $3 billion in bonding authority to finance cancer research up to a maximum of $6 billion and SJR 79 for $200 million in evergreen bonding authority to provide financial assistance for the development of certain water projects in economically distressed areas.

Additionally, the 86th Legislature passed HB 1052, authorizing the TWDB to use the state participation account of the water development fund to provide financial assistance for the development of certain facilities in an amount not to exceed $200 million.

In the November 5, 2019, general election, the voters approved the use of a Flood Infrastructure Fund, to be initially funded by the state's Economic Stabilization Fund, as a special fund in the State Treasury outside the general revenue fund to be used to provide financing for drainage, flood mitigation, or flood control projects. The Texas Legislature passed two related bills, SB 7 and SB 8, which addressed flood control and mitigation.

In the General Appropriations Act (GAA), the 86th Legislature authorized the issuance of $475.2 million of additional revenue bonds and appropriated those bond proceeds to the Texas

Table 2.6

DEBT-SERVICE REQUIREMENTS OF TEXAS COLLEGE AND UNIVERSITY REVENUE DEBT BY FISCAL YEAR

(amounts in thousands)

College and University Revenue Debt	2023	2024	2025	2026	2027	2028 & Beyond
The University of Texas System - RFS	$475,495	$472,129	$468,171	$511,915	$476,190	$8,620,902
The University of Texas System - TRB/CCAP	198,360	180,815	165,298	127,869	65,654	22,251
The University of Texas System - TOTAL*	$673,855	$652,944	$633,469	$639,784	$541,844	$8,643,153
The Texas A&M University System - RFS	$250,576	$248,338	$245,497	$236,246	$234,707	$3,034,849
The Texas A&M University System - TRB/CCAP	95,739	95,737	95,741	89,601	89,599	328,909
The Texas A&M University System - TOTAL	$346,315	$344,075	$341,238	$325,847	$324,306	$3,363,758
Texas Tech University System - RFS	$48,511	$50,179	$49,826	$43,897	$43,171	$571,054
Texas Tech University System - TRB/CCAP	34,039	30,650	30,641	27,442	20,339	87,267
Texas Tech University System - TOTAL	$82,550	$80,830	$80,467	$71,339	$63,510	$658,321
Texas State University System - RFS	$86,958	$86,184	$85,907	$85,909	$81,798	$757,191
Texas State University System - TRB/CCAP	27,707	26,610	26,606	26,611	26,618	98,531
Texas State University System - TOTAL	$114,665	$112,793	$112,513	$112,520	$108,416	$855,722
University of Houston System - RFS	$98,176	$96,703	$96,734	$95,594	$95,395	$1,292,607
University of Houston System - TRB/CCAP	57,401	57,380	57,379	57,359	55,068	604,487
University of Houston System - TOTAL	$155,577	$154,083	$154,113	$152,953	$150,463	$1,897,094
The University of North Texas System - RFS	$53,885	$54,251	$50,939	$48,383	$47,443	$699,864
The University of North Texas System - TRB/CCAP	29,273	29,289	29,050	27,837	26,860	115,919
The University of North Texas System - TOTAL	$83,158	$83,540	$79,989	$76,220	$74,303	$815,783
Texas Woman's University - RFS	$14,567	$14,545	$14,525	$14,493	$14,472	$130,920
Texas Woman's University - TRB/CCAP	4,844	4,841	4,480	4,483	4,481	15,781
Texas Woman's University - TOTAL	$19,411	$19,386	$19,005	$18,976	$18,952	$146,701
Texas State Technical College System - RFS	$8,541	$8,558	$8,559	$8,567	$8,577	$57,877
Texas State Technical College System - TRB/CCAP	2,985	2,715	2,714	2,713	2,713	24,399
Texas State Technical College System - TOTAL	$11,526	$11,274	$11,272	$11,280	$11,291	$82,275
Stephen F. Austin State University - RFS	$16,155	$17,276	$17,300	$15,525	$10,268	$155,863
Stephen F. Austin State University - TRB/CCAP	5,383	5,383	5,389	5,387	5,394	32,368
Stephen F. Austin State University - TOTAL	$21,538	$22,659	$22,689	$20,911	$15,662	$188,231
Midwestern State University - RFS	$7,462	$7,357	$7,389	$6,800	$6,848	$75,162
Midwestern State University - TRB/CCAP	4,502	4,501	4,494	4,500	4,508	34,513
Midwestern State University - TOTAL	$11,964	$11,859	$11,883	$11,300	$11,355	$109,675
Texas Southern University - RFS	$881	$877	$0	$0	$0	$0
Texas Southern University - TRB/CCAP	8,127	6,010	6,011	6,002	6,009	42,110
Texas Southern University - TOTAL	$9,008	$6,888	$6,011	$6,002	$6,009	$42,110
Total College and University Revenue Debt	**$1,529,566**	**$1,500,330**	**$1,472,650**	**$1,447,133**	**$1,326,112**	**$16,802,824**

*Excludes Build America Bond subsidy payments.

Legend: TRB = Tuition Revenue Bonds; CCAP = Capital Construction Assistance Projects

Note: All college and university revenue bonds are equally secured by and payable from a pledge of all or a portion of certain "revenue funds" as defined in Chapter 55, Texas Education Code, as amended, of the applicable system or institution of higher education. Historically, however, the state has appropriated funds to the schools in an amount equal to all or a portion of the debt service on revenue bonds issued pursuant to certain specific authorizations to individual institutions in Chapter 55, Texas Education Code ("Tuition Revenue Bonds or Capital Construction Assistance Projects"). The table includes commercial paper, lease purchases, and SECO loans, and excludes HEAF and PUF debt.

Source: Texas Bond Review Board - Bond Finance Office.

Table 2.7
TEXAS DEBT AUTHORIZED BUT UNISSUED
(amounts in thousands)

	8/31/2018	8/31/2019	8/31/2020	8/31/2021	8/31/2022
General Obligation Debt					
Self-Supporting					
Veterans' Land and Housing Bonds	$1,035,813	$1,046,456	$1,054,535	$1,021,225	$1,006,555
Water Development Bonds	5,937,044	5,945,878	5,951,486	5,957,281	5,819,999
Farm and Ranch Loan Bonds [1]	300,000	300,000	300,000	300,000	300,000
College Student Loan Bonds	1,020,015	947,545	927,740	862,825	861,205
Texas Agricultural Finance Authority Bonds	230,000	230,000	230,000	230,000	230,000
Texas Public Finance Authority - TMVRLF	200,405	200,405	200,405	200,405	200,405
Texas Mobility Fund Bonds	*	*	*	3,565,920	3,565,920
Texas Rail Relocation and Improvement Fund	*	*	*	*	*
Total Self-Supporting	**$8,723,277**	**$8,670,284**	**$8,664,166**	**$12,137,656**	**$11,984,084**
Not Self-Supporting [2]					
Agricultural Water Conservation Bonds	$164,840	$164,840	$164,840	$164,840	$164,840
Higher Education Constitutional Bonds	***	***	***	***	***
Texas Public Finance Authority [3]	1,535,487	1,315,937	4,067,837	3,798,137	3,493,127
Water Development Bonds - EDAP [4]	53,492	0	200,000	200,000	200,000
Water Development Bonds - State Participation	0	0	200,000	200,000	200,000
Total Not Self-Supporting	**$1,753,819**	**$1,480,777**	**$4,632,677**	**$4,362,977**	**$4,057,967**
Total General Obligation Debt	**$10,477,096**	**$10,151,061**	**$13,296,843**	**$16,500,633**	**$16,042,051**
Non-General Obligation Debt					
Self-Supporting					
Permanent University Fund Bonds [5]					
The Texas A&M University System	$589,676	$703,618	$634,354	$1,030,618	$1,215,276
The University of Texas System	722,647	817,635	924,988	1,437,631	1,856,822
College and University Revenue Bonds	**	**	**	**	**
Nursing Home Liability Insurance	75,000	75,000	75,000	75,000	75,000
FAIR Plan	75,000	75,000	75,000	75,000	75,000
TPFA Rev Bonds (TxDOT Austin Campus Project) [6]	0	0	326,000	0	0
Veterans' Financial Assistance Bonds	771,440	771,440	771,440	771,440	771,440
Total Self-Supporting	**$2,233,763**	**$2,442,693**	**$2,806,782**	**$3,389,689**	**$3,993,538**
Not Self-Supporting [2]					
Texas Public Finance Authority Bonds	$826,551	$631,551	$1,113,553	$907,242	$784,557
TPFA Master Lease Purchase Program	116,350	125,610	273,100	273,610	258,300
Total Not Self-Supporting	**$942,901**	**$757,161**	**$1,386,653**	**$1,180,852**	**$1,042,857**
Conduit					
Texas Windstorm Insurance Association	***	***	***	***	***
Texas Department of Housing & Community Affairs	**	**	**	**	**
Texas State Affordable Housing Corporation	**	**	**	**	**
Total, Conduit	**$0**	**$0**	**$0**	**$0**	**$0**
Total Non-General Obligation Debt	**$3,176,664**	**$3,199,854**	**$4,193,435**	**$4,570,541**	**$5,036,395**
Total Debt	**$13,653,760**	**$13,350,915**	**$17,490,278**	**$21,071,174**	**$21,078,446**

* H.B. 2219 (87th Leg) amended Transportation Code, section 201.943, to authorize the Commission to issue new TMF obligations. This bill is effective from 5/31/2021 – 1/1/2027. Debt service on all bonds issued and proposed to be issued pursuant to the Article III, Sections 49-k and 49-o of the Texas Constitution cannot be greater than the Comptroller's certified projection that the amount of money dedicated to the fund is equal to at least 110 percent of the debt-service requirements for as long as the obligations are outstanding.

** No issuance limit has been set by the Texas Constitution. Bonds may be issued by the agency without further authorization by the legislature. However, university bonds rated lower than AA- or its equivalent may not be issued without the approval of the Bond Review Board. All bonds must be approved by the Attorney General.

*** No bond issuance limit, but HECB debt service may not exceed $196.88 million per year; TWIA has an annual limit of $500 million in "Class 1," $250 million of "Class 2," and $250 million of "Class 3" public securities; and TWC may not exceed $2 billion per issuance.

1 Effective in November 1995, state voters authorized the use of $200 million of the existing $500 million Farm and Ranch Program Authority for the purposes of the Texas Agricultural Finance Authority (TAFA). Of the $200 million, the Bond Review Board has approved an initial amount of $25 million for the Texas Agricultural Fund Program of TAFA.

2 Bonds that are not self-supporting depend solely on the state's general revenue for debt service.

3 Includes $6 billion for cancer prevention that was authorized by voters, including $3 billion authorized in November 2007 and an additional $3 billion authorized in November 2019 of which $3.49 billion remains unissued.

4 Economically Distressed Areas Program (EDAP) bonds do not depend totally on the state's general revenue fund for debt service.

5 Issuance of PUF bonds by A&M is limited to 10 percent, and issuance by UT is limited to 20 percent of the cost value of investments and other assets of the PUF, except real estate. The PUF value used is as of August 31, 2022.

6 The Texas Public Finance Authority is authorized to issue revenue bonds or other obligations on behalf of the Department of Transportation. Future debt-service payments are expected to be paid out of the State Highway Fund towards the project.

Source: Texas Bond Review Board - Bond Finance Office.

Table 2.8 **TEXAS COLLEGE AND UNIVERSITY TUITION REVENUE BONDS/CAPITAL CONSTRUCTION ASSISTANCE PROJECTS AUTHORIZED BY SB 52 87TH LEGISLATURE, THIRD CALLED SPECIAL SESSION (AS OF AUGUST 31, 2022)** (amount in thousands)			
	Total Authorized	**Total Issued**	**Total Authorized but Unissued**
Texas A&M University System	$727,422	$0	$727,422
The University of Texas System	834,201	0	834,201
Texas Tech University System*	299,435	0	299,435
Texas Southern University	95,200	0	95,200
Stephen F. Austin State University	44,923	0	44,923
The Universtiy of Houston System	339,486	339,486	0
Universtiy of North Texas	273,297	0	273,297
Texas Woman's University	100,000	0	100,000
Texas State University System	422,638	0	422,638
Texas State Technical College System	208,500	0	208,500
Totals	**$3,345,101**	**$339,486**	**$3,005,616**

*Midwestern State University part of Texas Tech University System effective September 1, 2021.
Source: Texas Bond Review Board - Bond Finance Office.

Facilities Commission for phase two of the North Austin and Capitol Complex projects. The bonds are anticipated to be repaid with lease payments and are subject to biennial appropriation by the legislature of funds available for payment. Lease payments were appropriated to the Texas Facilities Commission for the 2020-2021 biennium (GAA Rider 16, I-46).

The 86th Legislature appropriated $208.8 million to HHSC for deferred maintenance at state hospitals and state supported living centers, to be financed through the Texas Public Finance Authority (GAA Rider 2, II-48). Also, TxDOT was authorized to issue revenue bonds, not to exceed $326 million, to construct and equip the Austin Campus Consolidation project on land owned by the agency in southeast Austin. The bonds are to be issued by the Texas Public Finance Authority (GAA Rider 42, VII-29).

Long-Term Contracts and Lease Purchases

Long-term contracts and lease or installment-purchase agreements can serve as cost-effective financing alternatives to the issuance of bonds. Like bonds, these agreements are a method of financing capital purchases over time, and payments on these contracts and agreements are generally subject to biennial legislative appropriations.

The equipment lease purchases approved by the Bond Review Board are typically financed through the Texas Public Finance Authority's Master Lease Purchase Program and are included in the state's total debt outstanding.

Texas Swaps Outstanding

At the end of fiscal year 2022, three state issuers had swap agreements in place. VLB, UTS, and TDHCA entered the swap market in 1994, 1999, and 2004, respectively.

As of August 31, 2022, the aggregate notional amount of swaps outstanding at the state level was $5.42 billion. Interest rate swaps are primarily used as financial-management tools to reduce interest expense and hedge against interest rate, tax, basis, and other risks. (See *Appendix C* for a background discussion of swaps and related data.)

State issuers are authorized to enter into swap agreements under the Texas Government Code, Section 1371, which grants special authority to enter into credit agreements. However, TDHCA and VLB have broad authority to enter into swaps under Section 2306.351 of the Texas Government Code and Sections 161.074, 162.052, and 164.010 of the Texas Natural Resources Code, respectively.

At the end of fiscal year 2022, VLB was a party to 52 pay-fixed, receive-variable rate (synthetic fixed-rate) swaps associated with its variable-rate demand bond issues. The total notional amount for these swaps was $2.77 billion at fiscal year-end 2022. UTS had seven Revenue Financing System (RFS) swap agreements and three PUF swap agreements totaling $1.77 billion in notional amount. TDHCA had two such swaps on single family bonds totaling $17.9 million in notional amount.

Additionally, at the end of fiscal year 2022, VLB had one outstanding basis rate (pay-variable, receive-variable) swap with $21.6 million in notional amount. UTS had three Revenue Financing System and three PUF basis rate agreements totaling $837.6 million in notional amount.

The Net Fair Values for the swap agreements in place at the end of fiscal year 2022 for the three state issuers were as follows: VLB, positive $27.0 million; UTS, positive $64.2 million; and TDHCA, negative $701,000. A negative fair value on a swap agreement indicates that the state issuer would owe its counterparty the amount indicated if the swaps were terminated. (See *Tables C1* and *C2* in *Appendix C* for details regarding Texas' interest rate swaps outstanding and fair value data at August 31, 2022.) VLB, UTS, and TDHCA have the unilateral option to terminate their swap agreements.

See *Table C3* and *Table C4* in *Appendix C* for debt-service requirements of variable-rate and fixed-rate debt outstanding and net interest rate swap payments. At fiscal year-end 2022, estimated variable-rate debt-service requirements and net swap payments for VLB's pay-fixed, receive-variable swaps (synthetic fixed-rate swaps) totaled $3.30 billion, and UTS totaled $2.06 billion. For TDHCA, the estimated variable-rate debt-service requirements and net swap payments totaled $26.6 million. UTS had six basis swaps outstanding, the estimated variable-rate and fixed rate debt-service requirements and net swap payments totaled $939.1 million. VLB had one basis swap outstanding for which the estimated variable-rate debt-service requirements and net swap payments totaled $24.5 million.

Chapter 3
State Bond Issuance Costs

During fiscal year 2022, the weighted average of issuance costs for state bond issuers was $5.53 per $1,000, excluding issuances of conduit and private placement debt. In comparison, the same weighted average was $5.55 per $1,000 for fiscal year 2021. The issuances ranged in size from $13.2 million to $832.1 million. Appendix A of this report details the issuance costs associated with each of these issues as well as the conduit and private placement issues. See last page of this chapter for an explanation of Box Plot Statistical Analysis charts used for Figures 3.4-3.7.

Issuance Costs for Texas Bond Issuers

In fiscal year 2022, the average issue size for Texas' state issuers increased to $195.1 million from $168 million in fiscal year 2021 (*Table 3.1*). Excluding conduit and private placement issues, 13 (61.9 percent) of the 21 transactions completed in fiscal year 2022 were $100 million or greater in size compared to 9 (50.0 percent) of the 18 transactions completed in fiscal year 2021.

In fiscal year 2022, the weighted average underwriting spread accounted for 61.7 percent of all issuance costs. The weighted average underwriting spread dollar amount increased 7.9 percent from fiscal year 2021, including takedown costs, spread expenses, and management fees. However, the weighted average underwriting spread per $1,000 of bonds issued decreased slightly to $3.41 in fiscal year 2022 from $3.68 in fiscal year 2021 (*Figure 3.1*). (See *Comparison of Issuance Costs by Transaction Size* below.)

During fiscal year 2022, fees per bond (cost per $1,000) generally remain the same compared to fiscal year 2021. Other Issuance Costs (bond counsel, financial advisor, rating agency, printing, and other costs) per $1,000 increased to an average of $2.12 compared to $1.87 in fiscal year 2021.

Table 3.1
WEIGHTED AVERAGE ISSUANCE COSTS FOR TEXAS BOND ISSUES
(Excludes Private Placements, Conduits, and Remarketings)

	Fiscal 2021			**Fiscal 2022**		
	Count	**Average Cost Per Bond Issue**	**Average Cost Per $1,000 of Bonds Issued**	**Count**	**Average Cost Per Bond Issue**	**Average Cost Per $1,000 of Bonds Issued**
Average Issue Size (In Millions)	18	$168.0		21	$195.1	
Costs of Issuance:						
Underwriter's Spread:						
Takedown	17	$572,694	$3.51	20	$609,873	$3.17
Spread Expenses	16	56,046	0.32	20	60,891	0.30
Underwriter's Counsel	14	35,857	0.18	20	36,160	0.18
Other Underwriter's Spread Costs*	8	53,323	0.43	4	143,295	0.97
Underwriter's Spread Subtotal	18	$617,293	$3.68	21	$666,118	$3.41
Other Issuance Costs:						
Bond Counsel	18	$89,157	$0.53	21	$97,167	$0.50
Financial Advisor	17	91,736	0.59	20	142,083	0.74
Printing	17	2,132	0.01	21	4,169	0.02
Other	18	47,110	0.28	21	76,068	0.39
Other Issuance Costs Subtotal	18	$224,919	$1.34	21	$312,721	$1.60
Major Rating Agencies:						
Moody's	16	$46,313	$0.31	17	$45,650	$0.35
Standard & Poor's	12	47,501	0.22	18	48,438	0.24
Fitch	8	36,938	0.19	12	39,817	0.19
Rating Agency Costs Subtotal	18	$89,251	$0.53	21	$101,225	$0.52
Total	18	$931,463	$5.55	21	$1,080,064	$5.53

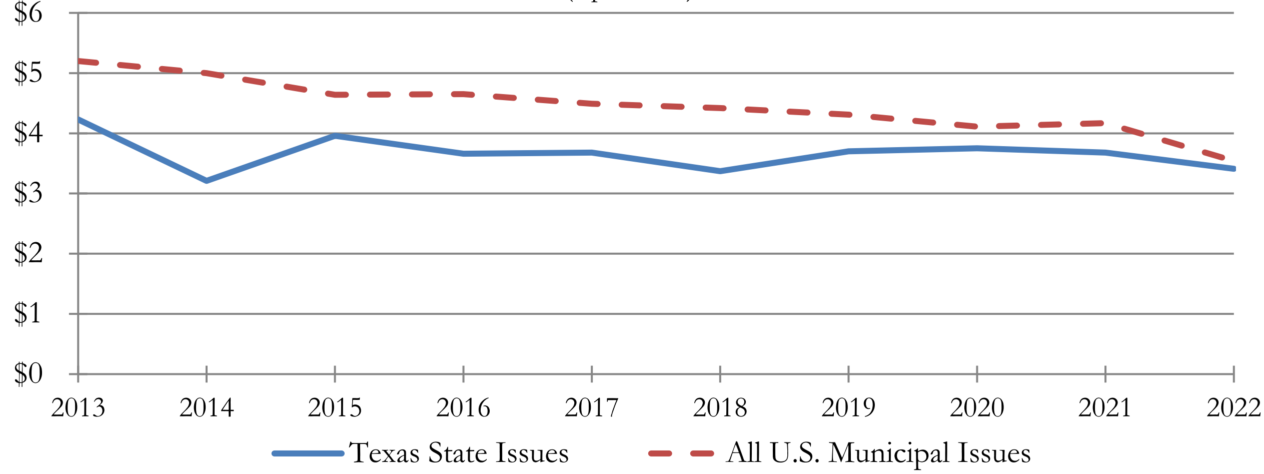
Note: Figures exclude bond insurance premiums.
* Management Fee, Structuring Fee, or Underwriter's Risk.
Source: Texas Bond Review Board.

Figure 3.1

GROSS UNDERWRITING SPREADS: 2013 - 2022

TEXAS STATE BOND ISSUES vs. ALL U.S. MUNICIPAL BOND ISSUES

($ per 1,000)



Note: 2022 municipal figures are through August 15, 2022. Amounts represent dollars per $1,000 face value of bond issues. Gross spreads include managers' fees, underwriting fees, average takedowns, and expenses. Private placements, conduits, short-term notes maturing in 13 months or less, and remarketings of variable-rate securities are excluded.

Sources: The Bond Buyer - 2022 in Statistics Midyear Review (08/15/22), Refinitiv Financial Solutions; the Texas Bond Review Board - Bond Finance Office.

Underwriting Costs for Texas Bond Issuers Compared to National Costs

Excluding conduit and private placement issuances, Texas' state bond issuers paid lower average underwriting fees compared to the national averages (*Figure 3.1*). This difference is primarily due to the generally higher credit quality of Texas issuers and the market's receptivity to Texas issues. Statistics published by Refinitiv Financial Solutions show that underwriting spreads nationally averaged $3.54 per $1,000 compared to Texas' average of $3.41 per $1,000 during fiscal year 2022.

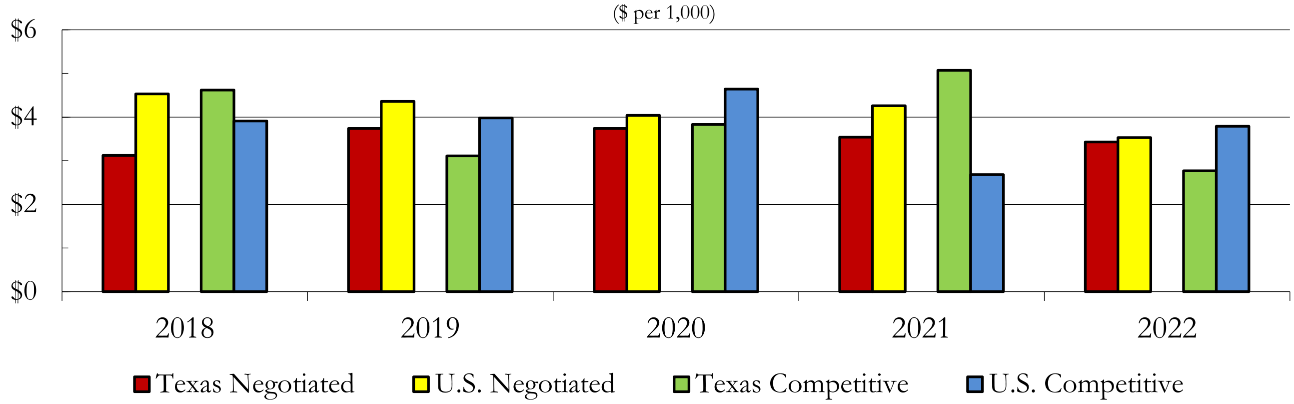
During fiscal year 2022, Texas issuers saw lower weighted average underwriting costs with negotiated transactions and competitive transactions when compared to the national averages as reported by Refinitiv Financial Solutions (*Figure 3.2*). Texas' average of $3.43 per $1,000 for negotiated sales and $2.77 per $1,000 for competitively bid sales were 2.8 percent lower and 29.9 percent lower than the national averages, respectively.

Comparison of Issuance Costs by Transaction Size

Larger bond issues usually have a lower cost per $1,000 because certain fixed costs of issuance, including some legal and financial advisory services and document drafting fees, do not vary proportionately with the size of the bond issue.

Texas' issuance costs increased overall in fiscal year 2022. Average cost per $1,000 generally remained the same when compared to fiscal year 2021. *Figure 3.3* shows fiscal year 2022 cost per $1,000 for each transaction (excluding conduit and private placements) compared to a trendline of previous costs per $1,000 experienced during fiscal years 2018–21 (*Figure 3.3*). *Appendix A* details the issuance costs for each transaction in fiscal year 2022.

Figure 3.2
GROSS UNDERWRITING SPREADS: 2018 - 2022
NEGOTIATED vs. COMPETITIVE MUNICIPAL ISSUES
(Excludes Private Placements, Conduits, and Remarketings; weighted averages)
($ per 1,000)



Note: 2022 US figures are through August 15, 2022. Amounts represent dollars per $1,000 face value of bond issues. Gross spreads include managers' fees, underwriting fees, average takedowns, and expenses. Private placements, conduits, short-term notes maturing in 13 months or less, and remarketings of variable-rate securities are excluded.

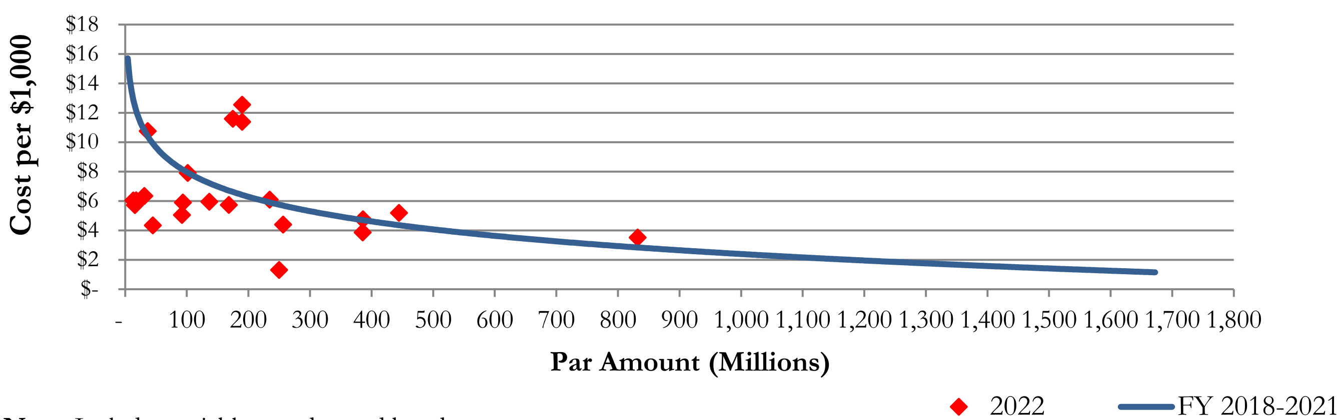
Sources: The Bond Buyer - 2022 in Statistics Midyear Review (08/15/22), Refinitiv Financial Solutions; the Texas Bond Review Board - Bond Finance Office.

Trends in State Bond Issuance Costs in Fiscal Year 2022

The characteristics of 21 non-conduit non-private placement bond transactions were reviewed to determine trends in issuance costs during fiscal year 2022. Of those, 20 were negotiated sales and one competitive sale. Of the 20 negotiated sales, seven were less than $100 million in size, nine were from $100-$300 million, three were from $300-$500 million, and one was greater than $500 million. The one competitive transaction was for $92.3 million. There was two non-conduit private placement issued during 2022.

In most cases, the total cost per $1,000 in fiscal year 2022 was lower and in some cases higher than the FY 2018-2021 trendline (*Figure 3.3*).

Figure 3.3
COSTS OF ISSUANCE: Fiscal Years 2018-2022
(Excludes Private Placements, Conduits, and Remarketings)

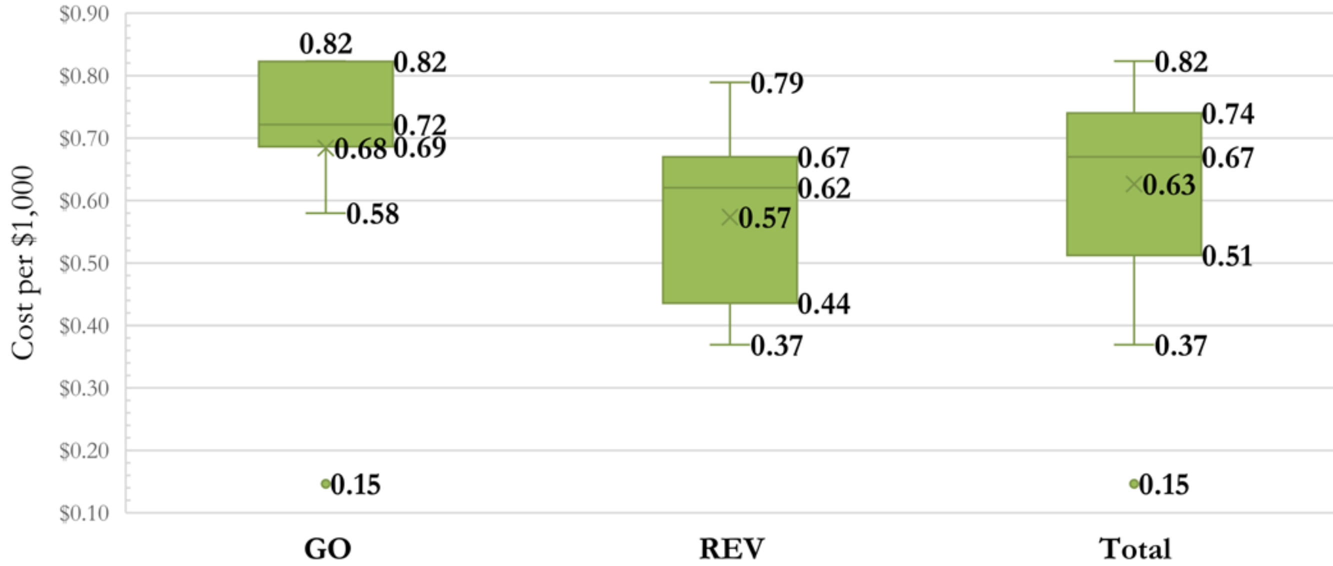


Note: Includes variable-rate demand bonds.
Source: Texas Bond Review Board - Bond Finance Office.

Figure 3.4

Range of Bond Counsel Fees for Fiscal Year 2022

(Excludes Private Placements, Conduits, and Remarketings)



Note: Includes co-bond counsel fees and variable-rate demand bonds.
Source: Texas Bond Review Board - Bond Finance Office.

Issuance Costs for State General Obligation and Revenue Bonds

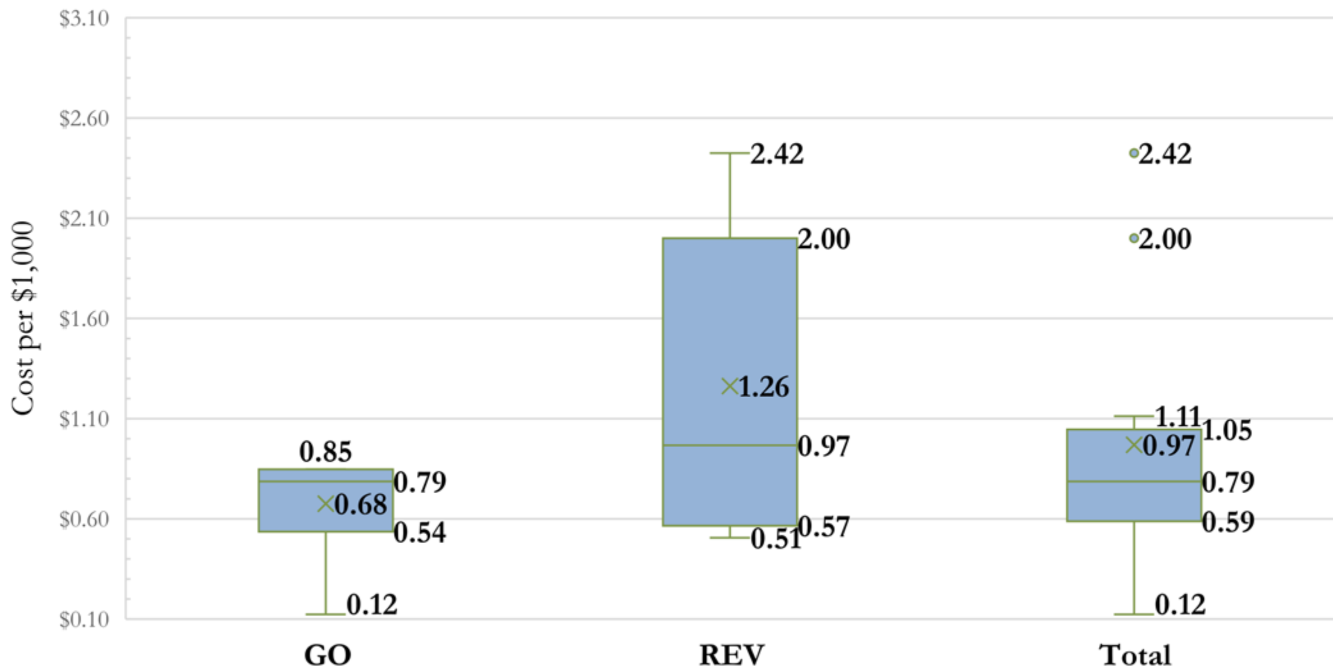
Four component fees comprise most of the costs of issuing bonds: bond counsel, financial advisor, underwriters' spread, and credit rating agencies. To analyze these fees on a cost per $1,000 basis for state general obligation (GO) and revenue issues, data from fiscal year 2022 is shown graphically in *Figures 3.4, 3.5, 3.6,* and *3.7*. Each cost of issuance component has been compared by bond type (GO vs. revenue) and by total bonds issued.

Cost of issuance data was obtained from 10 GO transactions and 11 revenue transactions representing five state agencies and four institutions of higher education.

Figure 3.4 shows the bond counsel cost per $1,000 for the 21 bonds issued during 2022. The total weighted average cost for bond counsel fees was $0.63 per $1,000, higher than the $0.53 per $1,000 for fiscal year 2021. During 2022, GO bonds had higher costs per $1,000 than revenue bonds with a weighted average cost of $0.68 per $1,000 compared to $0.57 per $1,000 for revenue bonds. Additionally, the fees for GO bonds had a larger variance than the fees for revenue bonds. The fees for GO bonds ranged from $0.15 to $0.82 per $1,000 while the fees for revenue bonds ranged from $0.37 to $0.79 per $1,000.

Figure 3.5 shows the cost per $1,000 for the 20 transactions with a financial advisor fee. The total weighted average cost for financial advisor fees was $0.97 per $1,000, an increase of $0.38 per $1,000 compared to $0.59 per $1,000 for fiscal year 2021. GO bonds had a weighted average cost of $0.68 per $1,000 compared to $1.26 per $1,000 for revenue bonds. The difference in the range of fees for financial advisor was greater for revenue bonds than GO bonds. GO transactions had a minimum fee of $0.12 and a maximum fee of $0.85 per $1,000, and revenue bonds had a minimum fee of $0.51 and a maximum fee of $2.42 per $1,000.

Figure 3.5
Range of Financial Advisor Fees for Fiscal Year 2022
(Excludes Private Placements, Conduits, and Remarketings)



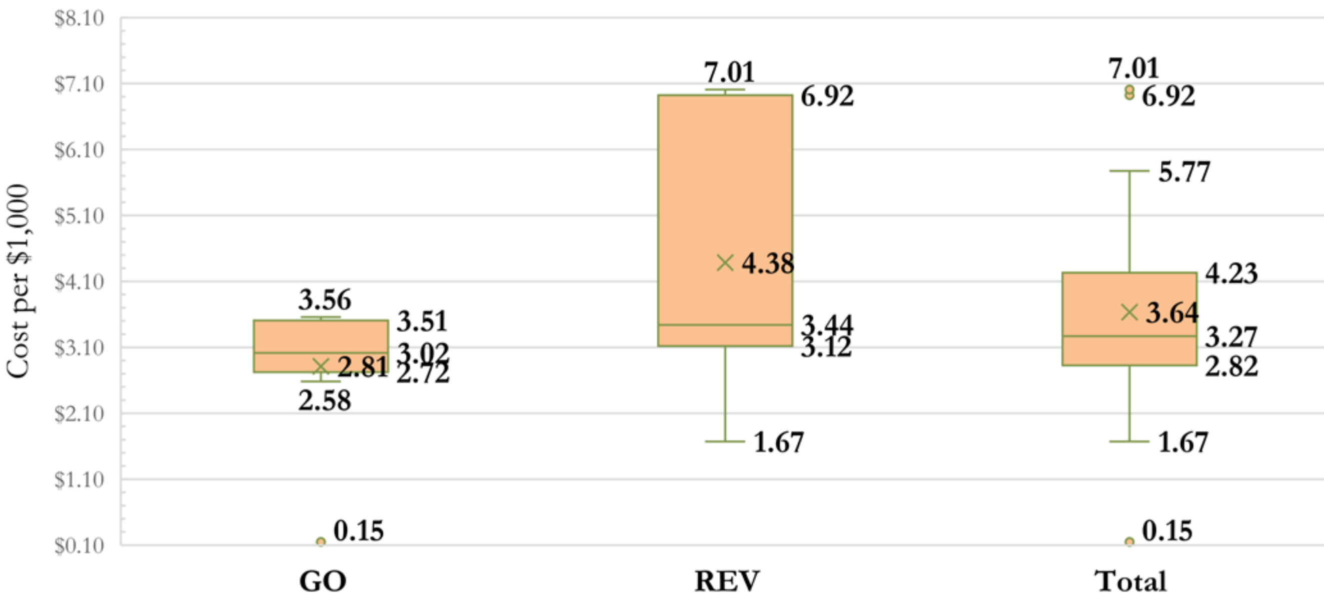
Note: Includes co-financial advisor fees and variable-rate demand bonds.
Source: Texas Bond Review Board - Bond Finance Office.

Figure 3.6 shows the total underwriters' spread for all transactions and includes the following: takedown, management, structuring fees, spread expenses, underwriting risk, and underwriter's counsel, as applicable. The total weighted average cost was $3.64 per $1,000, a decrease of $0.04 per $1,000 compared to $3.68 per $1,000 for fiscal year 2021. GO bonds had an average weighted cost of $2.81, and revenue bonds had an average weighted cost of $4.38 per $1,000. The fees for GO bonds ranged from a minimum fee of $0.15 to a maximum fee of $3.56 per $1,000. Revenue bonds ranged from $1.67 to $7.01 per $1,000.

Figure 3.7 shows the cost per $1,000 for rating agency fees. The total weighted average cost was $0.64 per $1,000, an increase of $0.11 per $1,000 compared to $0.53 per $1,000 for fiscal year 2021. The average weighted cost for GO bonds was higher at $0.43 per $1,000 compared to $0.21 per $1,000 for fiscal year 2021, and the average weighted cost for revenue bonds was also higher at $0.83 per $1,000 compared to $0.59 per $1,000 for fiscal year 2021.

Figure 3.6

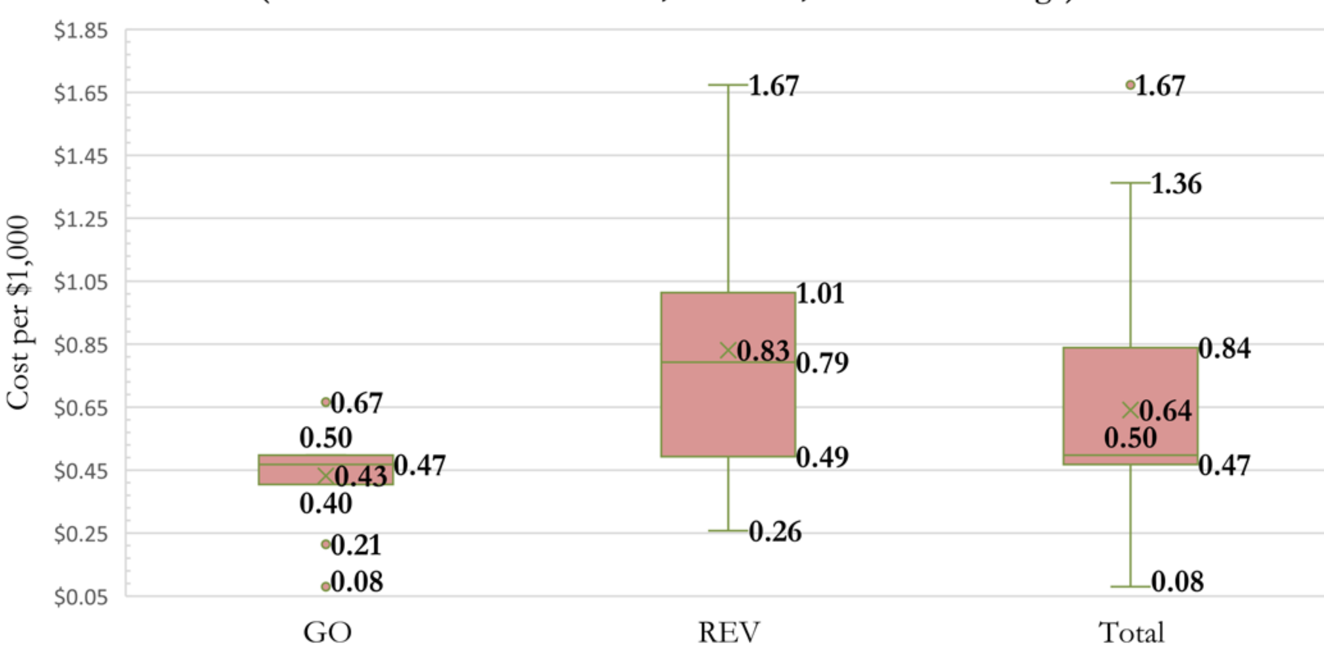
Range of Total Underwriter Spread for Fiscal Year 2022
(Excludes Private Placements, Conduits, and Remarketings)



Note: Includes variable-rate demand bonds. Total underwriter's spread includes takedown, spread expenses, management & structuring fees, underwriting risk, and underwriter's counsel.
Source: Texas Bond Review Board - Bond Finance Office.

Figure 3.7

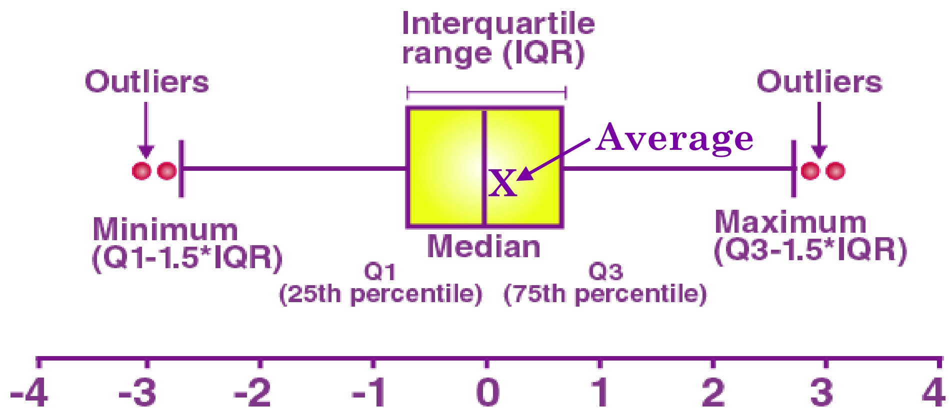
Range of Total Rating Fees for Fiscal Year 2022
(Excludes Private Placements, Conduits, and Remarketings)



Note: Includes variable-rate demand bonds. Total ratings fee may include ratings fees from Moody's, S&P, and Fitch.
Source: Texas Bond Review Board - Bond Finance Office.

Why Do We Use Box and Whisker Plot?

Box and Whisker diagrams allow us to read the data very effectively and easily. It summarizes the data from multiple sources and displays it in a single graph. It helps us to make an effective decision as it compares the data from different categories.



Elements of a Box and Whisker Plot

The elements required to construct a box and whisker plot outliers are given below.

Minimum value (Q_0 or 0th percentile)

First quartile (Q_1 or 25th percentile)

Median (Q_2 or 50th percentile)

Third quartile (Q_3 or 75th percentile)

Maximum value (Q_4 or 100th percentile)

Interquartile range

Average or Mean

Outliers or outlying values

The meaning of each of these elements is listed below.

- The minimum value in the dataset, which is displayed at the far left end of the diagram.
- The first quartile (Q_1) at the left side, which is in between the minimum value and median.
- The median value, represented by the line in the center of the box.
- The third quartile (Q_3) at the right side, which is in between the median and the maximum value.
- The maximum value in the dataset, which is displayed at the far right end of the diagram.
- Interquartile range (IQR) is the difference between upper and lower quartiles, i.e. Q_3 and Q_1.
- The average or mean value in the dataset is computed by dividing the sum of a set of values by the number of values in the set, which is indicated with an X

Outlying values (or "outliers") are any value in the dataset which are either below the Q_1-1.5*IQR threshold or above the Q_3+1.5*IQR threshold.

Source: https://byjus.com/maths/box-and-whisker-plot/

Chapter 4
Texas Private Activity Bond Allocation Program and Other Bonding Authority

Texas again experienced an increase in volume cap for the Program Year 2022 Private Activity Bond (PAB) Allocation Program. The 2022 volume cap was set at $3.25 billion, an increase of $18.4 million (0.6 percent) over the calendar year 2021 cap. The total size of the PAB program, including the 2022 volume cap and carryforward was $5.93 billion, a 4.4 percent decrease from the 2021 total. As of November 15, 2022, $2.24 billion had been allocated and application requests totaled $8.31 billion, an increase of 5.9 percent of the total application requests from Program Year 2021.

Volume Cap

Texas is second only to California in population and resulting volume cap. Texas experienced an increase in volume cap for the 2022 PAB Allocation Program. Based on its population, the 2022 volume cap was set at $3.25 billion, an increase of $18.4 million (0.6 percent) over the calendar year 2021 cap of $3.23 billion.

The volume cap increase can be attributed to the growth of the state's population. On December 20, 2000, federal legislation was passed that accelerated the increase in private activity volume cap, the first such increase since the Tax Reform Act of 1986. The cap phase-in began January 1, 2001, when the limit was increased from $50 per capita to $62.50 per capita. The second part of the plan occurred in January 2002, when the cap multiplier increased to $75 per capita or $225 million, whichever is greater. The multiplier was indexed to inflation beginning in 2003 resulting in increases in 2007, 2008, 2009, 2011, 2014, 2018, and 2021 to the current level of $110 per capita. The small state minimum was increased for the 2022 Program Year to $335.1 million from $325 million set in 2021.

Including 2022 volume cap and carryforward, for Program Year 2022, the state had a total of $5.93 billion of volume cap available among the five subceilings, of which $2.24 billion (37.7 percent) had been allocated as of November 15, 2022 (*Table 4.1*).

Total bonding authority demand increased by $461.6 million (5.9 percent) during the 2022 Program Year compared to the 2021 Program Year. As of November 15, 2022, 140.0 percent had been requested in 2022 compared to 126.4 percent in 2021 (*Table 4.3*).

Table 4.1
STATE OF TEXAS
PRIVATE ACTIVITY BOND ALLOCATION PROGRAM
2022 AVAILABLE VOLUME CAP vs. ALLOCATION AMOUNTS
(as of November 15, 2022)

SUBCEILING	AVAILABLE* VOLUME CAP	PERCENT OF TOTAL	ISSUED 2022 ALLOCATION	ISSUED CARRYFORWARD ALLOCATION	ISSUED PERCENT OF TOTAL
Single Family Housing	$ 2,725,676,409	45.9%	$ -	$ 558,585,658	9.4%
State-Voted Issues	324,807,351	5.5%	100,422,988	-	1.7%
Small Issue IDBs	64,961,470	1.1%	-	-	0.0%
Multifamily Housing	1,732,393,922	29.2%	962,153,861	540,761,202	25.3%
All Other Issues	1,086,556,685	18.3%	75,000,000	-	1.3%
TOTAL	**$ 5,934,395,837**	**100.0%**	**$ 1,137,576,849**	**$ 1,099,346,860**	**37.7%**

*Includes carryforward amounts. Carryforward is reserved volume cap from the prior three years.
Source: Texas Bond Review Board - Private Activity Bond Program.

Table 4.2 **STATE OF TEXAS** **PRIVATE ACTIVITY BOND ALLOCATION PROGRAM** **2022 REQUESTED VOLUME CAP** (as of November 15, 2022)			
SUBCEILINGS	**AVAILABLE VOLUME CAP***	**REQUESTED ALLOCATION**	**REQUESTS AS A % OF AVAILABILITY**
Mortgage Revenue Bonds	$ 2,725,676,409	$ 1,619,903,707	59.4%
State-Voted Issue Bonds	324,807,351	150,000,000	46.2%
Industrial Development Bonds	64,961,470	-	0.0%
Multifamily Rental Project Bonds	1,732,393,922	5,283,025,312	305.0%
All Other Bonds Requiring Allocation	1,086,556,685	1,255,500,342	115.5%
TOTALS	**$ 5,934,395,837**	**$ 8,308,429,361**	**140.0%**

*Includes carryforward amounts. Carryforward is reserved volume cap from the prior three years.
Source: Texas Bond Review Board - Private Activity Bond Program.

Additionally, after the August 15, 2021, collapse, the Bond Review Board (BRB) received $108 million in requests; after the August 15, 2022 collapse, the BRB received $1.16 billion in requests. Applications received for Program Year 2022, including carryforward requests, totaled $8.31 billion or 140.0 percent of the total available allocation of $5.93 billion (*Table 4.2*), a decrease of 4.4 percent from the $6.21 billion of the available allocation in 2021.

Current Allocation Trends

Excluding carryforward, as of November 15, 2022, $1.14 billion (35.0 percent) of Program Year 2022 volume cap had been allocated. As of the same date in Program Years 2019, 2020, and 2021 $244.1 million (8.1 percent), $933 million (30.6 percent), and $1.21 billion (37.4 percent), respectively, of total volume cap (excluding carryforward) had been allocated.

While most of the 2022 applications were for residential rental transactions and the amounts requested are limited by statute and scope, the number of applications increased for 2022 and the amount of volume cap requested increased (*Table 4.3*).

As of November 15, 2022, no mortgage revenue bonds (MRBs) or mortgage credit certificate (MCC) programs had closed utilizing Program Year 2022 volume cap and no volume cap had been converted.

The Texas Department of Housing and Community Affairs used $558.6 million of carryforward to close MRBs. Multifamily issuers closed 56 projects as of November 15, 2022, using $962.2 million of volume cap and $540.8 million of carryforward compared to 64 projects closing in 2021.

At the beginning of Program Year 2022, the carryforward amount of $2.69 billion was 82.7 percent of the 2022 Program Year volume cap of $3.25 billion. Many issuers that applied for a reservation were forced to use carryforward volume cap (as required by IRS Code) before using 2022 volume cap.

Table 4.3 **STATE OF TEXAS** **PRIVATE ACTIVITY BOND ALLOCATION PROGRAM** **2017 TO 2022 ISSUED ALLOCATION** (as of November 15 of each corresponding year)						
YEAR	**AVAILABLE ALLOCATION***	**REQUESTED ALLOCATION**	**ISSUED VOLUME CAP ALLOCATION**	**ISSUED CARRYFORWARD ALLOCATION**	**NUMBER OF APPLICATIONS RECEIVED**	**ISSUED AS A % OF AVAILABILITY**
2017	7,634,459,758	6,196,133,141	975,357,669	2,440,916,606	92	44.7%
2018	6,281,389,532	5,314,660,316	226,007,000	1,225,430,732	128	23.1%
2019	6,873,330,024	6,484,674,476	244,092,314	2,552,953,904	105	40.7%
2020	6,420,558,410	8,485,257,563	932,957,817	2,085,541,107	180	47.0%
2021	6,207,742,920	7,846,811,008	1,207,303,822	1,811,260,730	194	48.6%
2022	5,934,395,837	8,308,429,361	1,137,576,849	1,099,346,860	246	37.7%

*Includes carryforward amounts. Carryforward is reserved volume cap from the prior three years.
Source: Texas Bond Review Board - Private Activity Bond Program.

To date, less carryforward ($1.10 billion) was allocated than actual 2022 volume cap ($1.14 billion) during the Program Year (*Figure 4.1*). Project requests, after the August 15th collapse date, are not subject to subceiling limits. Because closing dates generally extend into the next Program Year, issuers can convert their reservations into carryforward. Issuers with carryforward will have to submit a new application for reservation during the Program Year, and those reservations must close on their carryforward volume cap before using current-year volume cap.

As of November 15, 2022, none of the state's 2022 PAB volume cap remained unencumbered. Any amounts returned will be converted to carryforward.

86th Legislature Changes
Senate Bill (SB) 1474 was a comprehensive modernization of the PAB program, along with additional cleanup language to assist in the administration of the program.

SB 1474 made the following changes both to the Program and to the responsibilities of the BRB:

- Subceiling 5 (student loan bonds) was eliminated. All student loan bond applications are now processed under the All Other subceiling.
- The volume cap previously assigned to subceiling 5 was redistributed to subceiling 1 (single family issues), subceiling 2 (state-voted issues), and subceiling 4 (multifamily issues). These subceilings now receive 32.25 percent, 10.0 percent, and 26.25 percent of the total program volume cap, respectively.
- The project limit for single family and multifamily issuers was increased to the greater of $50 million or 1.70 percent of the available state ceiling.
- The project limit for state-voted issues, other than the Texas Higher Education Coordinating Board (THECB) was increased to the greater of $100 million or 3.40 percent of the available state ceiling.
- The project limit for the THECB under state-voted issues was increased to the greater of $200 million or 6.8 percent of the available state ceiling.
- The project limit for the All Other issuers subceiling was increased to the greater of $100 million or 3.40 percent of the available state ceiling.
- A rural county was redefined as a county with a population less than

100,000, a 25,000 increase from the previous rural county definition.

- The requirement that no more than 50 percent of the set aside amounts for multifamily housing reside in a qualified census tract was removed.
- The subceiling 4 regional collapse was moved from May 1st to March 1st.
- The utilization percentage calculation will no longer be used for mortgage revenue bonds and mortgage credit certificate applications received after July 14th.
- The closing deadline for single family issues, state-voted issues, and student loan bonds was increased to 210 days.
- The closing deadline for multifamily issues was increased to 180 days.
- The closing deadline for Small Issue Industrial Development bonds and All Other issues was increased to 150 days.
- All debt issuers created on behalf of the state are now permitted to apply for unencumbered carryforward.
- Section 1372.074 Texas Government Code, Reassignment of Carryforward Designation, was created. This will allow traditional carryforward to be transferred to a different project by the issuer once it had been reserved for one year. Additionally, it will allow any remaining traditional carryforward after the reservation closes to be used for different projects by the issuer.

Prior Legislative Changes

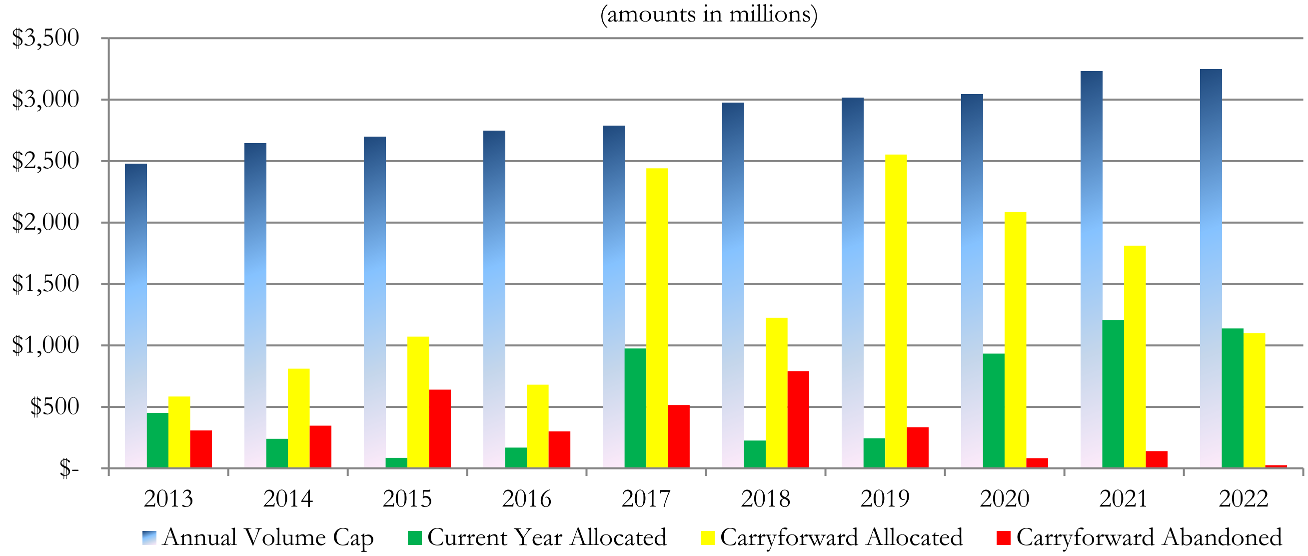
The 82nd Legislature (2011) passed House Bill (HB) 2911, simplifying the reservation process for Higher Education Authorities (HEAs). Prior to the change, HEAs were required to provide evidence of student loan need-based demand. HEAs that were able to show the greatest demand received weighted reservations and thus the largest allocations. HB 2911 redefined the assignment of student loan bond allocation to equal the total amount of the allocation for the student loan subceiling divided by the number of qualified HEAs thus removing the need-based provisions.

The 81st Legislature (2009) passed SB 2064 to provide issuers using PAB authority with increased flexibility during difficult market conditions such as those experienced in fiscal year 2009, and to respond to the announcement of new federal bond programs and new federal guidelines for the existing Program.

SB 2064 made the following changes both to the Program and to the responsibilities of the BRB:

- If designated by the applicable state official, the BRB is now authorized to administer other bond authority programs created by federal legislation.
- The BRB now has specific authority to administer and create rules for any additional state ceiling that may be created by federal legislation.
- Certain facilities, including sewage facilities, solid waste disposal, and qualified hazardous waste facilities, are now permitted to include multiple projects on one application but are still required to pay an application fee for each facility.
- Issuers subject to a utilization percentage will not be penalized if in a previous Program Year less than 50 percent of volume cap dedicated to single family issuers was not allocated for such purposes.
- The last day to apply for a reservation and to receive a reservation was changed from December 1st to November 15th.

Figure 4.1
STATE OF TEXAS
PRIVATE ACTIVITY BOND ALLOCATION PROGRAM
Current Year vs. Carryforward Allocated
(as of November 15, 2022)
(amounts in millions)



Source: Texas Bond Review Board - Private Activity Bond Program.

- Any unencumbered volume cap at the end of the Program Year may be granted to any state agency that requests it.

The 80th Legislature (2007) gave the Texas Economic Development Bank priority over all other issuers within subceiling 6 as well as all issuers with carryforward applications.

Hurricane Ike Bond Authority

In October 2008, the Heartland Disaster Tax Relief Act (HDTRA) of 2008 created $1.86 billion in tax-exempt bonding authority for 34 counties affected by Hurricane Ike. The authority to issue bonds for areas affected by Hurricane Ike expired at the end of 2012.

Hurricane Ike bonds were used for: 1) the acquisition, construction, renovation, and reconstruction of nonresidential real property; 2) the acquisition, construction, renovation, and reconstruction of qualified residential rental property; 3) financing the repair or reconstruction of public utility property; 4) rehabilitation projects at certain existing facilities; and 5) the issuance of qualified mortgage bonds.

HDTRA required the Governor of Texas to designate projects "on the basis of providing assistance to areas in the order in which assistance is most needed."

The 81st Legislature passed legislation authorizing the BRB to administer the qualified Hurricane Ike disaster area bond program under the direction of the Governor. As of the expiration of the program (January 1, 2013), approximately $1.86 billion of the total authority was allocated (99.6 percent).

Other Bonding Authority

In February 2009, the American Recovery and Reinvestment Act of 2009 (ARRA) created two new types of bonding authority: Build America Bonds (see *Chapter 2*) and Qualified School Construction Bonds (QSCB). In addition, ARRA expanded three existing authorities: Qualified Zone Academy Bonds

(QZAB), Qualified Energy Conservation Bonds (QECB), and Clean Renewable Energy Bonds (CREBs). All these programs have expired except for the QECB Program, which has no expiration date.

As a result of Section 13404 of the Tax Cuts and Jobs Act of 2017, all new CREBs, including QECBs, were eliminated.

Appendix A – Summary of State Bonds Issued During Fiscal Year 2022

This appendix details the issuance costs associated with each state bond transaction issued during fiscal year 2022 and is automatically generated based on information reported to the Bond Review Board (BRB) by each state debt issuer. Historically Underutilized Business (HUB) status and transaction costs are reported to the BRB by the issuing agencies and entities. For the purposes of this appendix, to identify the controlling ownership of firms based on race, gender, and ethnicity, the businesses are classified as Asian-Pacific American (AP), Black American (BA), Hispanic American (HA), Native American (NA), Woman-Owned (WO), Disabled-Veteran (DV), Veteran-Owned (VO), or not belonging to one of these categories. Although "HUB" is used in this appendix, it does not imply that the firms listed as such are certified with the Texas Comptroller of Public Accounts.

STATE BONDS ISSUED

Issuance Name	Par Amount	Closing Date
Texas Department of Housing and Community Affairs Multifamily Governmental Lender Note (Fiji Lofts) Series 2021	$23,849,000	12/10/2021
Texas Department of Housing and Community Affairs Multifamily Governmental Lender Notes (380 Villas) Series 2022A and Series 2022B	$33,555,000	7/21/2022
Texas Department of Housing and Community Affairs Multifamily Housing Governmental Note (Champions Crossing) Series 2022	$14,054,000	7/7/2022
Texas Department of Housing and Community Affairs Multifamily Housing Governmental Note (Marine Park) Series 2022	$15,800,000	7/13/2022
Texas Department of Housing and Community Affairs Multifamily Housing Mortgage Revenue Bonds (Union Acres Project) Series 2022	$10,100,000	7/1/2022
Texas Department of Housing and Community Affairs Multifamily Housing Revenue Bonds (Meadowbrook Apartments) Series 2021	$30,000,000	11/23/2021
Texas Department of Housing and Community Affairs Multifamily Housing Revenue Bonds (Palladium East Berry Street) Series 2022	$26,092,000	7/14/2022
Texas Department of Housing and Community Affairs Multifamily Housing Revenue Bonds (Socorro Village) Series 2022	$6,350,000	7/15/2022
Texas Department of Housing and Community Affairs Multifamily Housing Revenue Bonds (The Park at Kirkstall) Series 2021	$26,750,000	12/10/2021
Texas Department of Housing and Community Affairs Multifamily Housing Revenue Bonds (Torrington Arcadia Trails Project) Series 2022	$31,000,000	6/22/2022
Texas Department of Housing and Community Affairs Single Family Mortgage Revenue Bonds 2022 Series A (Non-AMT) (Social Bonds)	$190,000,000	6/14/2022
Texas Department of Housing and Community Affairs Single Family Mortgage Revenue Bonds Series 2021A and Refunding Series 2021B	$174,829,558	9/1/2021
Texas Department of Housing and Community Affairs Single Family Residential Mortgage Revenue Bonds Series 2022A (Non-AMT) (Social Bonds)	$190,000,000	2/24/2022
Texas Higher Education Coordinating Board College Student Loan Bonds Series 2022	$92,315,000	6/9/2022
Texas Public Finance Authority General Obligation and Refunding Bonds Series 2021AB	$832,115,000	11/18/2021
Texas State Affordable Housing Corporation Multifamily Housing Revenue Notes (Riverstation) Series 2021	$28,000,000	9/1/2021
Texas State Affordable Housing Corporation Multifamily Mortgage Revenue Notes (Sandpiper Cove Apartments) Series 2022A-1 and Series 2022A-2	$28,800,000	2/4/2022
Texas State Affordable Housing Corporation Multifamily Mortgage Revenue Notes (W. Leo Daniels Towers) Series 2021A-1 and Series 2021A-2	$14,000,000	10/18/2021
Texas State Technical College Revenue Financing System Refunding Bonds Series 2022	$18,935,000	3/11/2022
Texas Veterans Land Board State of Texas Veterans Bonds Series 2022	$250,000,000	6/29/2022
Texas Water Development Board State Revolving Fund Revenue Bonds New Series 2021	$386,155,000	11/4/2021
Texas Water Development Board State Revolving Fund Revenue Bonds New Series 2022	$234,550,000	6/30/2022
Texas Water Development Board State Water Implementation Revenue Fund For Texas Revenue Bonds Series 2021 (Master Trust)	$444,735,000	10/13/2021
Texas Water Development Board Water Financial Assistance Bonds Series 2021A	$31,270,000	9/28/2021
Texas Water Development Board Water Financial Assistance Bonds Series 2022A	$93,865,000	5/10/2022
Texas Water Development Board Water Financial Assistance Refunding Bonds Series 2021B	$168,460,000	9/28/2021
Texas Water Development Board Water Financial Assistance Refunding Bonds Series 2021C (EDAP)	$15,785,000	9/28/2021
Texas Water Development Board Water Financial Assistance Refunding Bonds Series 2022B	$136,700,000	5/10/2022

Issuance Name	Par Amount	Closing Date
Texas Water Development Board Water Financial Assistance Refunding Bonds Series 2022C (EDAP)	$13,225,000	5/10/2022
Texas Water Development Board Water Financial Assistance Refunding Bonds Taxable Series 2022D (SPP)	$18,020,000	5/10/2022
Texas Woman's University Revenue Financing System Bonds Series 2021B	$7,000,000	9/2/2021
Texas Woman's University Revenue Financing System Bonds Series 2022	$36,700,000	4/28/2022
University of Houston System Consolidated Revenue and Refunding Bonds Series 2022A	$385,680,000	6/29/2022
University of Houston System Consolidated Revenue and Refunding Bonds Series 2022B (Txbl)	$44,940,000	6/29/2022
University of North Texas System Revenue Financing System Refunding and Improvement Bonds Series 2022	$101,555,000	3/29/2022
University of Texas System Revenue Financing System Bonds Series 2022A	$256,395,000	5/18/2022
Total	**$4,411,579,558**	

Issuer **Texas Department of Housing and Community Affairs Multifamily**

Issuance Governmental Lender Note (Fiji Lofts) Series 2021

Purpose The proceeds of the Note will be used for site acquisition, construction, and equipping of Fiji Lofts, a new 174-unit affordable multifamily residential rental development to be located at 301 Corinth St. Road, Dallas, Dallas County, Texas.

Actual Par $23,849,000
Sale Type Private Placement
Sale Date 12/3/2021
Closing Date 12/10/2021

Series Name	TIC	NIC	Is Variable
Governmental Lender Note (Fiji Lofts) Ser 2021	3.65%	3.65%	No

Fee Name	Firm Name	HUB	Actual Fee	$ Per 1000
Attorney General		NO	$9,500	0.40
Bond Counsel	Bracewell, LLP	NO	$135,000	5.66
Disclosure Counsel	McCall Parkhurst & Horton, LLP	NO	$6,500	0.27
Financial Advisor	Stifel	NO	$35,000	1.47
Issuer Fees	Texas Department of Housing & Community Affairs	NO	$3,480	0.15
Issuer Fees	Texas Department of Housing & Community Affairs	NO	$4,350	0.18
Issuer Fees	Texas Department of Housing & Community Affairs	NO	$47,433	1.99
Issuer Fees	Texas Department of Housing & Community Affairs	NO	$119,245	5.00
Private Activity Fee		NO	$11,250	0.47
Trustee	Wilmington Trust, NA	NO	$5,500	0.23
Trustee Counsel	Naman Howell Smith & Lee, PLLC	NO	$6,000	0.25
	Total		**$383,258**	**16.07**

Issuer **Texas Department of Housing and Community Affairs Multifamily**

Issuance Governmental Lender Notes (380 Villas) Series 2022A and Series 2022B

Purpose The proceeds of the Notes will be used for site acquisition, construction, and equipping of 380 Villas, a new 220-unit affordable multifamily residential rental development to be located at 1003 Throckmorton Street, in McKinney, Texas.

Actual Par $33,555,000
Sale Type Private Placement
Sale Date 7/7/2022
Closing Date 7/21/2022

Series Name	TIC	NIC	Is Variable
Governmental Lender Notes (380 Villas) Ser 2022A	5.23%	5.23%	No
Governmental Lender Notes (380 Villas) Ser 2022B			No

Fee Name	Firm Name	HUB	Actual Fee	$ Per 1000
Attorney General		NO	$9,500	0.28
Bond Counsel	Bracewell LLP	NO	$125,000	3.73
Disclosure Counsel	McCall Parkhurst & Horton, LLP	NO	$6,500	0.19
Financial Advisor	Stifel	NO	$35,000	1.04
Issuer Fees	Texas Department of Housing & Community Affairs	NO	$4,400	0.13
Issuer Fees	Texas Department of Housing & Community Affairs	NO	$5,500	0.16
Issuer Fees	Texas Department of Housing & Community Affairs	NO	$167,775	5.00
Private Activity Fee		NO	$13,389	0.40
Trustee	Wilmington Trust, NA	NO	$5,500	0.16
Trustee Counsel	Naman Howell Smith & Lee, PLLC	NO	$6,000	0.18
	Total		**$378,564**	**11.28**

Issuer **Texas Department of Housing and Community Affairs Multifamily**

Issuance Multifamily Housing Governmental Note (Champions Crossing) Series 2022

Purpose The proceeds of the Note will be used for the acquisition and rehabilitation of Champions Crossing, a 156-unit, affordable multifamily residential rental property located in San Marcos, Texas.

Actual Par $14,054,000
Sale Type Private Placement
Sale Date 6/28/2022
Closing Date 7/7/2022

Series Name	TIC	NIC	Is Variable
Multifamily Housing Governmental Note (Champions Crossing) Ser 2022	4.83%	4.83%	No

Fee Name	Firm Name	HUB	Actual Fee	$ Per 1000
Attorney General		NO	$9,500	0.68
Bond Counsel	Bracewell, LLP	NO	$125,000	8.89
Disclosure Counsel	McCall Parkhurst & Horton, LLP	NO	$6,500	0.46
Financial Advisor	Stifel	NO	$35,000	2.49
Issuer Fees	Texas Department of Housing & Community Affairs	NO	$3,120	0.22
Issuer Fees	Texas Department of Housing & Community Affairs	NO	$3,900	0.28
Issuer Fees	Texas Department of Housing & Community Affairs	NO	$70,270	5.00
Private Activity Fee		NO	$8,514	0.61
Trustee	BOKF, NA	NO	$8,000	0.57
Trustee Counsel	Naman Howell Smith & Lee, PLLC	NO	$7,000	0.50
	Total		**$276,804**	**19.70**

Issuer **Texas Department of Housing and Community Affairs Multifamily**

Issuance Multifamily Housing Governmental Note (Marine Park) Series 2022

Purpose The proceeds of the Note will be used for the acquisition and rehabilitation of Marine Park, an existing 124-unit residential rental property in Fort Worth, Texas.

Actual Par $15,800,000
Sale Type Private Placement
Sale Date 7/5/2022
Closing Date 7/13/2022

Series Name	TIC	NIC	Is Variable
Multifamily Housing Governmental Note (Marine Park) Ser 2022	4.40%	4.40%	No

Fee Name	Firm Name	HUB	Actual Fee	$ Per 1000
Attorney General		NO	$9,500	0.60
Bond Counsel	Bracewell, LLP	NO	$97,500	6.17
Disclosure Counsel	McCall Parkhurst & Horton, LLP	NO	$6,500	0.41
Financial Advisor	Stifel	NO	$35,000	2.22
Issuer Fees	Texas Department of Housing & Community Affairs	NO	$2,480	0.16
Issuer Fees	Texas Department of Housing & Community Affairs	NO	$3,100	0.20
Issuer Fees	Texas Department of Housing & Community Affairs	NO	$79,000	5.00
Private Activity Fee		NO	$8,950	0.57
Trustee	Wilmington Trust Company	NO	$7,000	0.44
Trustee Counsel	Naman Howell Smith & Lee, PLLC	NO	$6,000	0.38
	Total		**$255,030**	**16.14**

Issuer **Texas Department of Housing and Community Affairs Multifamily**

Issuance Multifamily Housing Mortgage Revenue Bonds (Union Acres Project) Series 2022

Purpose The proceeds of the Bonds will be used for the acquisition, rehabilitation, and equipping of Union Acres, an existing 100-unit affordable multifamily residential rental development located at 818 Cotton Ford Road, Center, Texas, Shelby County.

Actual Par $10,100,000
Sale Type Private Placement
Sale Date 6/23/2022
Closing Date 7/1/2022

Series Name	TIC	NIC	Is Variable
Multifamily Housing Mortgage Rev Bonds (Union Acres Project) Ser 2022	4.25%	4.25%	Yes

Fee Name	Firm Name	HUB	Actual Fee	$ Per 1000
Attorney General		NO	$9,500	0.94
Bond Counsel	Bracewell LLP	NO	$100,000	9.90
Disclosure Counsel	McCall Parkhurst & Horton, LLP	NO	$6,500	0.64
Financial Advisor	Stifel	NO	$35,000	3.47
Issuer Fees	Texas Department of Housing & Community Affairs	NO	$2,000	0.20
Issuer Fees	Texas Department of Housing & Community Affairs	NO	$2,500	0.25
Issuer Fees	Texas Department of Housing & Community Affairs	NO	$50,500	5.00
Private Activity Fee		NO	$7,525	0.75
Trustee	Wilmington Trust Company NA	NO	$6,500	0.64
Trustee Counsel	Naman Howell Smith & Lee PLLC	NO	$7,750	0.77
	Total		**$227,775**	**22.55**

Issuer **Texas Department of Housing and Community Affairs Multifamily**

Issuance Multifamily Housing Revenue Bonds (Meadowbrook Apartments) Series 2021

Purpose The proceeds of the bonds will be used to construct Meadowbrook, a new 180-unit affordable multifamily residential rental development in Dallas, Texas.

Actual Par $30,000,000
Sale Type Private Placement
Sale Date 11/16/2021
Closing Date 11/23/2021

Series Name	TIC	NIC	Is Variable
Multifamily Housing Rev Bonds (Meadowbrook Apartments) Ser 2021	4.25%	4.25%	No

Fee Name	Firm Name	HUB	Actual Fee	$ Per 1000
Attorney General		NO	$9,500	0.32
Bond Counsel	Bracewell, LLP	NO	$127,500	4.25
Disclosure Counsel	McCall Parkhurst & Horton, LLP	NO	$6,500	0.22
Financial Advisor	Stifel	NO	$35,000	1.17
Issuer Fees	Texas Department of Housing & Community Affairs	NO	$3,240	0.11
Issuer Fees	Texas Department of Housing & Community Affairs	NO	$4,050	0.14
Issuer Fees	Texas Department of Housing & Community Affairs	NO	$58,166	1.94
Issuer Fees	Texas Department of Housing & Community Affairs	NO	$150,000	5.00
Private Activity Fee		NO	$12,500	0.42
Trustee	BOKF, NA	NO	$5,000	0.17
Trustee Counsel	Naman Howell Smith & Lee, PLLC	NO	$7,000	0.23
	Total		**$418,456**	**13.95**

Issuer **Texas Department of Housing and Community Affairs Multifamily**

Issuance Multifamily Housing Revenue Bonds (Palladium East Berry Street) Series 2022

Purpose The proceeds of the bonds will be used to construct a new 240-unit affordable multifamily residential rental development in Fort Worth, Texas.

Actual Par $26,092,000
Sale Type Private Placement
Sale Date 7/6/2022
Closing Date 7/14/2022

Series Name	TIC	NIC	Is Variable
Multifamily Housing Rev Bonds (Palladium East Berry Street) Ser 2022	4.92%	4.92%	No

Fee Name	Firm Name	HUB	Actual Fee	$ Per 1000
Attorney General		NO	$9,500	0.36
Bond Counsel	Bracewell, LLP	NO	$125,000	4.79
Disclosure Counsel	McCall Parkhurst & Horton, LLP	NO	$6,500	0.25
Financial Advisor	Stifel	NO	$35,000	1.34
Issuer Fees	Texas Department of Housing & Community Affairs	NO	$4,800	0.18
Issuer Fees	Texas Department of Housing & Community Affairs	NO	$6,000	0.23
Issuer Fees	Texas Department of Housing & Community Affairs	NO	$130,460	5.00
Private Activity Fee		NO	$11,523	0.44
Trustee	Wilmington Trust Company	NO	$6,500	0.25
Trustee Counsel	Naman Howell Smith & Lee, PLLC	NO	$6,500	0.25
	Total		**$341,783**	**13.10**

Issuer **Texas Department of Housing and Community Affairs Multifamily**

Issuance Multifamily Housing Revenue Bonds (Socorro Village) Series 2022

Purpose The proceeds of the bonds will be used for the acquisition and rehabilitation of an existing 52-unit multifamily residential rental development.

Actual Par $6,350,000
Sale Type Negotiated
Sale Date 7/8/2022
Closing Date 7/15/2022

Series Name	TIC	NIC	Is Variable
Multifamily Housing Rev Bonds (Socorro Village) Ser 2022	2.80%	2.84%	No

Fee Name	Firm Name	HUB	Actual Fee	$ Per 1000
Attorney General		NO	$9,500	1.50
Bond Counsel	Bracewell LLP	NO	$95,000	14.96
Disclosure Counsel	McCall Parkhurst & Horton, LLP	NO	$6,500	1.02
Financial Advisor	Stifel	NO	$35,000	5.51
Issuer Fees	Texas Department of Housing & Community Affairs	NO	$1,040	0.16
Issuer Fees	Texas Department of Housing & Community Affairs	NO	$1,300	0.20
Issuer Fees	Texas Department of Housing & Community Affairs	NO	$31,750	5.00
Printing	ImageMaster	NO	$2,000	0.32
Trustee	Wilmington Trust, NA	NO	$6,500	1.02
Trustee Counsel	Naman Howell Smith & Lee, PLLC	NO	$6,500	1.02
	Total		**$195,090**	**30.72**

Fee Name	Rating Agency	Assigned Rating	Actual Fee	$ Per 1000
Rating Fee	Moody's	Aaa	$5,500	0.87
		Total	**$5,500**	**0.87**

Fee Name	Actual Fee	$ Per 1000
Management Fee	$66,000	10.39
Total	**$66,000**	**10.39**

Fee Name	Firm Name	HUB	Actual Fee	$ Per 1000	UW Paid
Underwriter Counsel	Tiber Hudson, LLC	NO	$45,000	7.09	No

Firm Name	HUB	% of Risk	Mgmt Fee %	Mgmt Fee $	Take Down %	Take Down $
Lument/OREC Securities	NO	100.00%	100.00%	$66,000		
		Total	**100%**	**$66,000**		

Issuer **Texas Department of Housing and Community Affairs Multifamily**

Issuance Multifamily Housing Revenue Bonds (The Park at Kirkstall) Series 2021

Purpose The proceeds of the bonds will be used for the acquisition and rehabilitation of an existing 240-unit multifamily residential rental development known as The Park at Kirkstall apartments.

Actual Par $26,750,000
Sale Type Negotiated
Sale Date 12/2/2021
Closing Date 12/10/2021

Series Name	TIC	NIC	Is Variable
Multifamily Housing Rev Bonds (The Park at Kirkstall) Ser 2021	0.65%	0.65%	No

Fee Name	Firm Name	HUB	Actual Fee	$ Per 1000
Attorney General		NO	$9,500	0.36
Bond Counsel	Bracewell LLP	NO	$134,999	5.05
Disclosure Counsel	McCall Parkhurst & Horton, LLP	NO	$6,500	0.24
Financial Advisor	Stifel	NO	$35,000	1.31
Issuer Fees	Texas Department of Housing & Community Affairs	NO	$4,800	0.18
Issuer Fees	Texas Department of Housing & Community Affairs	NO	$6,000	0.22
Issuer Fees	Texas Department of Housing & Community Affairs	NO	$53,202	1.99
Issuer Fees	Texas Department of Housing & Community Affairs	NO	$133,750	5.00
Printing	ImageMaster	NO	$2,000	0.07
Private Activity Fee		NO	$12,000	0.45
Trustee	Wilmington Trust, NA	NO	$7,250	0.27
Trustee Counsel	Naman Howell Smith & Lee, PLLC	NO	$6,500	0.24
	Total		**$411,501**	**15.38**

Fee Name	Rating Agency	Assigned Rating	Actual Fee	$ Per 1000
Rating Fee	Moody's	Aaa	$5,500	0.21
		Total	**$5,500**	**0.21**

Fee Name	Actual Fee	$ Per 1000
Management Fee	$167,187	6.25
Total	**$167,187**	**6.25**

Fee Name	Firm Name	HUB	Actual Fee	$ Per 1000	UW Paid
Underwriter Counsel	Tiber Hudson	NO	$75,000	2.80	No

Firm Name	HUB	% of Risk	Mgmt Fee %	Mgmt Fee $	Take Down %	Take Down $
Wells Fargo Corporate & Investment	NO	100.00%	100.00%	$167,187		
		Total	**100%**	**$167,187**		

Issuer **Texas Department of Housing and Community Affairs Multifamily**

Issuance Multifamily Housing Revenue Bonds (Torrington Arcadia Trails Project) Series 2022

Purpose The proceeds of the Bonds will be used for site acquisition, construction, and equipping of Torrington Arcadia Trails, a new 250-unit affordable multifamily residential rental development to be located at 3811 South Beltline Road in Balch Springs.

Actual Par $31,000,000
Sale Type Private Placement
Sale Date 6/15/2022
Closing Date 6/22/2022

Series Name	TIC	NIC	Is Variable
Multifamily Housing Rev Bonds (Torrington Arcadia Trails Project) Ser 2022	3.75%	3.75%	Yes

Fee Name	Firm Name	HUB	Actual Fee	$ Per 1000
Attorney General		NO	$9,500	0.31
Bond Counsel	Bracewell, LLP	NO	$130,000	4.19
Disclosure Counsel	McCall Parkhurst & Horton, LLP	NO	$6,500	0.21
Financial Advisor	Stifel	NO	$35,000	1.13
Issuer Fees	Texas Department of Housing & Community Affairs	NO	$5,000	0.16
Issuer Fees	Texas Department of Housing & Community Affairs	NO	$6,250	0.20
Issuer Fees	Texas Department of Housing & Community Affairs	NO	$155,000	5.00
Private Activity Fee	Texas Bond Review Board	NO	$12,750	0.41
Trustee	Wilmington Trust, NA	NO	$6,500	0.21
Trustee Counsel	Naman Howell Smith & Lee, PLLC	NO	$7,750	0.25
	Total		**$374,250**	**12.07**

Issuer **Texas Department of Housing and Community Affairs Single Family**

Issuance Single Family Mortgage Revenue Bonds 2022 Series A (Non-AMT) (Social Bonds)

Purpose Proceeds of the SFMRB Series 2022A bonds will be used to purchase Ginnie Mae mortgage-backed securities (MBS) backed by tax-exempt eligible mortgage loans, including down payment assistance second loans made to first-time homebuyers (with certain limited exceptions), of low, very low, and moderate income, who are acquiring moderately priced residences. Additionally, proceeds will be used to pay all or a portion of the costs of issuance related to the bonds and to finance a portion of the down payment assistance, lender compensation, and second loan servicing fees related to the underlying mortgage loans.

Actual Par $190,000,000
Sale Type Negotiated
Sale Date 5/4/2022
Closing Date 6/14/2022

Series Name	TIC	NIC	Is Variable
SF MRB 2022 Ser A (Non-AMT) (Social Bonds)	4.51%	4.65%	No

Fee Name	Firm Name	HUB	Actual Fee	$ Per 1000
Attorney General		NO	$9,500	0.05
Bond Counsel	Bracewell, LLP	NO	$149,916	0.79
Disclosure Counsel	McCall Parkhurst & Horton, LLP	NO	$55,000	0.29
Financial Advisor	Stifel	NO	$190,000	1.00
Issuer Fees	Texas Department of Housing & Community Affairs	NO	$190,000	1.00
Miscellaneous	Bond Link	NO	$13,800	0.07
Miscellaneous	Causey Demgen & Moore, PC	NO	$6,500	0.03
Miscellaneous	Kestrel	**WO**	$3,500	0.02
Printing	Image Master	NO	$3,750	0.02
Private Activity Fee		NO	$50,165	0.26
Trustee	The Bank of New York Mellon Trust Co, NA	NO	$5,000	0.03
Trustee Counsel	McGuire Craddock & Strother, PC	NO	$25,000	0.13
		Total	**$702,131**	**3.70**

Fee Name	Rating Agency	Assigned Rating	Actual Fee	$ Per 1000
Rating Fee	Moody's	Aaa	$93,000	0.49
Rating Fee	S&P	AA+	$78,750	0.41
		Total	**$171,750**	**0.90**

Fee Name	Actual Fee	$ Per 1000
Management Fee	$190,000	1.00
Spread Expenses	$74,469	0.39
Takedown	$1,054,756	5.55
Total	**$1,319,225**	**6.94**

Fee Name	Firm Name	HUB	Actual Fee	$ Per 1000	UW Paid
Underwriter Counsel	Chapman & Cutler, LLP	NO	$50,000	0.26	Yes

Firm Name	HUB	% of Risk	Mgmt Fee %	Mgmt Fee $	Take Down %	Take Down $
Jefferies, LLC	NO	70.00%	100.00%	$190,000	78.27%	$825,550
Ramirez & Co, Inc	**HA**	15.00%			21.36%	$225,263
Piper Sandler & Co	NO	15.00%			0.37%	$3,944
		Total	**100%**	**$190,000**	**100%**	**$1,054,756**

Issuer **Texas Department of Housing and Community Affairs Single Family**

Issuance Single Family Mortgage Revenue Bonds Series 2021A and Refunding Series 2021B

Purpose Proceeds of the Series 2021A bonds will be used to purchase Ginnie Mae mortgage-backed securities (MBS) backed by tax-exempt eligible mortgage loans, to pay all or a portion of the costs of issuance related to the Bonds, and to finance a portion of the down payment assistance, lender compensation, and second loan servicing fees related to the underlying mortgage loans. The 2021B Bonds will be used to refund the Department's 2004 Series B Single Family Variable Rate Mortgage Revenue Refunding Bonds and 2004 Series D Single Family Variable Rate Mortgage Revenue Bonds and may be used to pay a portion of the costs of issuance.

Actual Par $174,829,558
Sale Type Negotiated
Sale Date 7/27/2021
Closing Date 9/1/2021

Series Name	TIC	NIC	Is Variable
SF MRB Ref Ser 2021B (Txbl) (MBS Pass-Through Bonds)	1.56%	1.55%	No
SF MRB Ser 2021A (Non-AMT) (Social Bonds)	2.10%	2.17%	No

Fee Name	Firm Name	HUB	Actual Fee	$ Per 1000
Attorney General		NO	$19,000	0.11
Bond Counsel	Bracewell LLP	NO	$116,967	0.67
Disclosure Counsel	McCall Parkhurst & Horton, LLP	NO	$55,000	0.31
Financial Advisor	Stifel	NO	$174,830	1.00
Miscellaneous	Bond Link	NO	$13,497	0.08
Miscellaneous	Causey Demgen & Moore, PC	NO	$6,500	0.04
Miscellaneous	Kestrel	NO	$3,500	0.02
Printing	ImageMaster	NO	$3,750	0.02
Private Activity Fee		NO	$40,500	0.23
Trustee	Bank of New York Trust Co., NA	NO	$10,000	0.06
Trustee Counsel	McGuire Craddock & Strother, PC	NO	$20,000	0.11
		Total	**$463,544**	**2.65**

Fee Name	Rating Agency	Assigned Rating	Actual Fee	$ Per 1000
Rating Fee	Moody's	Aaa	$99,000	0.57
Rating Fee	S&P	AA+	$78,250	0.45
		Total	**$177,250**	**1.01**

Fee Name	Actual Fee	$ Per 1000
Management Fee	$174,830	1.00
Spread Expenses	$76,477	0.44
Takedown	$959,360	5.49
Total	**$1,210,667**	**6.92**

Fee Name	Firm Name	HUB	Actual Fee	$ Per 1000	UW Paid
Underwriter Counsel	Chapman & Cutler LLP	NO	$50,000	0.29	Yes

Firm Name	HUB	% of Risk	Mgmt Fee %	Mgmt Fee $	Take Down %	Take Down $
Barclays Capital, Inc	NO	55.68%	100.00%	$174,830	59.13%	$567,282
RBC Capital Markets, LLC	NO	13.64%			9.65%	$92,537
Morgan Stanley	NO	5.68%			9.13%	$87,612
Piper Sandler & Co	NO	5.68%			8.83%	$84,711
Jefferies, LLC	NO	13.65%			8.10%	$77,691
Ramirez & Co, Inc	**HA**	5.68%			5.16%	$49,527
		Total	**100%**	**$174,830**	**100%**	**$959,360**

Issuer **Texas Department of Housing and Community Affairs Single Family**

Issuance Residential Mortgage Revenue Bonds Series 2022A (Non-AMT) (Social Bonds)

Purpose The Series 2022A bonds will be used to finance the purchase of tax-exempt eligible mortgage loans, including down payment assistance second loans, made to first-time home buyers (with certain limited exceptions) of low, very low, and moderate income, who are acquiring moderately priced residences, and to pay a portion of the costs of issuance.

Actual Par $190,000,000
Sale Type Negotiated
Sale Date 1/20/2022
Closing Date 2/24/2022

Series Name	TIC	NIC	Is Variable
Residential Mortgage Rev Bonds Ser 2022A (Non-AMT) (Social Bonds)	2.78%	2.89%	No

Fee Name	Firm Name	HUB	Actual Fee	$ Per 1000
Attorney General		NO	$9,500	0.05
Bond Counsel	Bracewell, LLP	NO	$117,896	0.62
Disclosure Counsel	McCall Parkhurst & Horton, LLP	NO	$55,000	0.29
Financial Advisor	Stifel	NO	$190,000	1.00
Miscellaneous	Bond Link	NO	$13,800	0.07
Miscellaneous	Causey Demgen & Moore, PC	NO	$6,500	0.03
Miscellaneous	Kestrel	**WO**	$3,500	0.02
Printing	Image Master	NO	$3,500	0.02
Private Activity Fee		NO	$51,800	0.27
Trustee	The Bank of New York Mellon Trust Co, NA	NO	$6,500	0.03
Trustee Counsel	McGuire Craddock & Strother, PC	NO	$15,000	0.08
		Total	**$472,996**	**2.49**

Fee Name	Rating Agency	Assigned Rating	Actual Fee	$ Per 1000
Rating Fee	Moody's	Aaa	$90,000	0.47
Rating Fee	S&P	AA+	$78,250	0.41
		Total	**$168,250**	**0.89**

Fee Name	Actual Fee	$ Per 1000
Management Fee	$190,000	1.00
Spread Expenses	$75,898	0.40
Takedown	$1,065,800	5.61
Total	**$1,331,698**	**7.01**

Fee Name	Firm Name	HUB	Actual Fee	$ Per 1000	UW Paid
Underwriter Counsel	Chapman & Cutler, LLP	NO	$50,000	0.26	Yes

Firm Name	HUB	% of Risk	Mgmt Fee %	Mgmt Fee $	Take Down %	Take Down $
RBC Capital Markets, LLC	NO	55.00%	100.00%	$190,000	57.67%	$614,638
Morgan Stanley	NO	6.00%			9.91%	$105,616
Ramirez & Co, Inc	**HA**	6.00%			9.60%	$102,343
Barclays Capital, Inc	NO	13.50%			8.66%	$92,286

Piper Sandler & Co	NO	6.00%			7.33%	$78,136
Jefferies, LLC	NO	13.50%			6.83%	$72,781
		Total	**100%**	**$190,000**	**100%**	**$1,065,800**

Issuer **Texas Higher Education Coordinating Board**

Issuance College Student Loan Bonds Series 2022

Purpose Proceeds from the Series 2022 new money bonds will be used to fund new loans for the CAL Program during the 2022/2023 academic year to students seeking an undergraduate and/or graduate education.

Actual Par $92,315,000
Sale Type Competitive
Sale Date 5/25/2022
Closing Date 6/9/2022

Series Name	TIC	NIC	Is Variable
College Student Loan Bonds Ser 2022	3.61%	3.77%	No

Fee Name	Firm Name	HUB	Actual Fee	$ Per 1000
Attorney General		NO	$9,500	0.10
Bond Application Report Fee	Texas Bond Review Board	NO	$500	0.01
Bond Counsel	McCall Parkhurst & Horton, LLP	NO	$70,042	0.76
Financial Advisor	Hilltop Securities, Inc	NO	$55,233	0.60
Miscellaneous		NO	$33	0.00
Paying Agent/Registrar	Computershare Trust Company, NA	NO	$2,000	0.02
Printing	ImageMaster	NO	$2,155	0.02
Printing	McCall Parkhurst & Horton, LLP	NO	$9,500	0.10
	Total		**$148,963**	**1.61**

Fee Name	Rating Agency	Assigned Rating	Actual Fee	$ Per 1000
Rating Fee	Moody's	Aaa	$26,500	0.29
Rating Fee	S&P	AAA	$35,000	0.38
		Total	**$61,500**	**0.67**

Fee Name	Actual Fee	$ Per 1000
Takedown	$255,896	2.77
Total	**$255,896**	**2.77**

Firm Name	HUB	% of Risk	Mgmt Fee %	Mgmt Fee $	Take Down %	Take Down $
Jefferies, LLC	NO	100.00%			100.00%	$255,896
		Total			**100%**	**$255,896**

Issuer **Texas Public Finance Authority**

Issuance General Obligation and Refunding Bonds Series 2021AB

Purpose The proceeds of the bonds will be used to (1) currently refund all or a portion of the Series 2011 bonds for savings; (2) advance refund all or a portion of the Series 2014A and Taxable Series 2014B bonds for savings; (3) fund certain projects authorized under the Texas Constitution, Article III, Section 50-g, specifically the DPS Project and the Parks and Wildlife Project; (4) refund all or a portion of the outstanding CPRIT Series A Taxable GO commercial paper; (5) make grants for cancer research and prevention and pay for the administrative operations of CPRIT, as authorized by the Constitutional Provision; (6) refund certain outstanding GO commercial paper notes of the state issued by the Authority under the 2008 GO CP program.

Actual Par $832,115,000
Sale Type Negotiated
Sale Date 11/2/2021
Closing Date 11/18/2021

Series Name	TIC	NIC	Is Variable
GO & Ref Bonds Txbl Ser 2021A	2.10%	2.17%	No
GO & Ref Bonds Txbl Ser 2021B			No

Fee Name	Firm Name	HUB	Actual Fee	$ Per 1000
Attorney General		NO	$19,000	0.02
Bond Counsel	Norton Rose Fulbright US, LLP	NO	$121,778	0.15
Disclosure Counsel	Escamilla & Poneck, LLP	**HA**	$62,069	0.07
Escrow Agent	Robert Thomas CPA, LLC	**WO**	$2,250	0.00
Escrow Agent	Texas Treasury Safekeeping Trust Company	NO	$8,005	0.01
Financial Advisor	RBC Capital Markets, LLC	NO	$102,590	0.12
Miscellaneous		NO	$1,906	0.00
Printing	ImageMaster, LLC	NO	$2,291	0.00
		Total	**$319,889**	**0.38**

Fee Name	Rating Agency	Assigned Rating	Actual Fee	$ Per 1000
Rating Fee	Fitch	AAA	$85,000	0.10
Rating Fee	S&P	AAA	$93,192	0.11
		Total	**$178,192**	**0.21**

Fee Name	Actual Fee	$ Per 1000
Spread Expenses	$149,837	0.18
Takedown	$2,274,519	2.73
Total	**$2,424,356**	**2.91**

Fee Name	Firm Name	HUB	Actual Fee	$ Per 1000	UW Paid
Co-Underwriters Counsel	Hardwick Law Firm, LLC	**WO**	$12,000	0.01	Yes
Underwriter Counsel	Bracewell, LLP	NO	$28,000	0.03	Yes

Firm Name	HUB	% of Risk	Mgmt Fee %	Mgmt Fee $	Take Down %	Take Down $
Raymond James & Associates, Inc	NO	50.00%			50.08%	$1,139,056
SAMCO Capital Markets, Inc	NO	10.00%			9.98%	$227,093
Ramirez & Co, Inc	**HA**	10.00%			9.98%	$227,093

Piper Sandler & Co	NO	10.00%			9.98%	$227,093
Jefferies, LLC	NO	10.00%			9.98%	$227,093
Blaylock Van, LLC	**BA**	10.00%			9.98%	$227,093
		Total			**100%**	**$2,274,519**

Issuer **Texas State Affordable Housing Corporation Multifamily**

Issuance Multifamily Housing Revenue Notes (Riverstation) Series 2021

Purpose The proceeds of the Note will be used for the acquisition, rehabilitation, and equipping of an existing residential rental project known as Riverstation apartments located in Dallas, Texas.

Actual Par $28,000,000
Sale Type Private Placement
Sale Date 7/21/2021
Closing Date 9/1/2021

Series Name	TIC	NIC	Is Variable
Multifamily Housing Rev Notes (Riverstation) Ser 2021	3.98%	3.95%	Yes

Fee Name	Firm Name	HUB	Actual Fee	$ Per 1000
Bond Counsel	Norton Rose Fulbright US, LLP	NO	$265,000	9.46
Financial Advisor	PFM Financial Advisors, LLC	NO	$66,000	2.36
Issuer Counsel	Norton Rose Fulbright US, LLP	NO	$15,000	0.54
Issuer Fees	Texas State Affordable Housing Corp.	NO	$10,620	0.38
Issuer Fees	Texas State Affordable Housing Corp.	NO	$28,000	1.00
Issuer Fees	Texas State Affordable Housing Corp.	NO	$42,000	1.50
Trustee	BOKF, NA	NO	$7,000	0.25
	Total		**$433,620**	**15.49**

Issuer **Texas State Affordable Housing Corporation Multifamily**

Issuance Multifamily Mortgage Revenue Notes (Sandpiper Cove Apartments) Series 2022A-1 and Series 2022A-2

Purpose The proceeds of the Notes will be used for the acquisition, rehabilitation, and equipping of an existing two-story garden style qualified residential rental project serving low-income families known as Sandpiper Cove Apartments.

Actual Par $28,800,000
Sale Type Private Placement
Sale Date 2/1/2022
Closing Date 2/4/2022

Series Name	TIC	NIC	Is Variable
Multifamily Mortgage Rev Notes (Sandpiper Cove Apartments) Ser 2022A-1	4.24%	4.20%	No
Multifamily Mortgage Rev Notes (Sandpiper Cove Apartments) Ser 2022A-2	4.01%	3.98%	No

Fee Name	Firm Name	HUB	Actual Fee	$ Per 1000
Attorney General		NO	$9,500	0.33
Bond Counsel	Norton Rose Fulbright US, LLP	NO	$206,250	7.16
Financial Advisor	PFM Financial Advisors LLC	NO	$71,000	2.47
Issuer Counsel	Norton Rose Fulbright US, LLP	NO	$25,000	0.87
Issuer Fees	Texas State Affordable Housing Corp.	NO	$5,000	0.17
Issuer Fees	Texas State Affordable Housing Corp.	NO	$37,440	1.30
Issuer Fees	Texas State Affordable Housing Corp.	NO	$43,200	1.50
Trustee	Wilmington Trust Company NA	NO	$5,500	0.19
Trustee Counsel	Naman Howell Smith & Lee, PLLC	NO	$6,000	0.21
	Total		**$408,890**	**14.20**

Fee Name	Firm Name	HUB	Actual Fee	$ Per 1000	UW Paid
Underwriter Counsel		NO			No

Issuer **Texas State Affordable Housing Corporation Multifamily**

Issuance Mortgage Revenue Notes (W. Leo Daniels Towers) Series 2021A-1 and Series 2021A-2

Purpose The proceeds of the Notes will be used for the acquisition, rehabilitation, and equipping of an existing qualified residential rental project serving the senior population known as W. Leo Daniels Towers.

Actual Par $14,000,000
Sale Type Private Placement
Sale Date 10/14/2021
Closing Date 10/18/2021

Series Name	TIC	NIC	Is Variable
Mortgage Rev Notes (W. Leo Daniels Towers) Ser 2021A-1	4.51%	4.47%	No
Mortgage Rev Notes (W. Leo Daniels Towers) Ser 2021A-2	3.51%	3.48%	No

Fee Name	Firm Name	HUB	Actual Fee	$ Per 1000
Attorney General		NO	$9,500	0.68
Bond Counsel	Norton Rose Fulbright US, LLP	NO	$152,000	10.86
Financial Advisor	PFM Financial Advisors, LLC	NO	$38,000	2.71
Issuer Counsel	Norton Rose Fulbright US, LLP	NO	$25,000	1.79
Issuer Fees	Texas State Affordable Housing Corp.	NO	$5,000	0.36
Issuer Fees	Texas State Affordable Housing Corp.	NO	$18,500	1.32
Issuer Fees	Texas State Affordable Housing Corp.	NO	$21,000	1.50
Trustee	Wilmington Trust, NA	NO	$6,000	0.43
Trustee Counsel	Naman Howell Smith & Lee, PLLC	NO	$7,000	0.50
	Total		**$282,000**	**20.14**

Fee Name	Firm Name	HUB	Actual Fee	$ Per 1000	UW Paid
Underwriter Counsel		NO			No

Issuer **Texas State Technical College**

Issuance Revenue Financing System Refunding Bonds Series 2022

Purpose Bond proceeds will be used to refund the RFS Improvement & Ref Bonds Series 2011; and RFS Improvement Bonds Series 2011A.

Actual Par $18,935,000
Sale Type Private Placement
Sale Date 2/10/2022
Closing Date 3/11/2022

Series Name	TIC	NIC	Is Variable
RFS Ref Bonds Ser 2022	2.31%	2.31%	No

Fee Name	Firm Name	HUB	Actual Fee	$ Per 1000
Attorney General		NO	$9,500	0.50
Bank Counsel	Orrick Herrington & Sutcliffe, LLP	NO	$7,500	0.40
Bond Counsel	McCall Parkhurst & Horton, LLP	NO	$27,725	1.46
Financial Advisor	Hilltop Securities, Inc.	NO	$39,968	2.11
MAC Fee		NO	$2,294	0.12
Miscellaneous		NO	$1,264	0.07
Miscellaneous	The Bank of New York Mellon Trust Co, NA	NO	$1,000	0.05
Paying Agent/Registrar	Regions Bank	NO	$750	0.04
	Total		**$90,000**	**4.75**

Issuer **Texas Veterans Land Board**

Issuance State of Texas Veterans Bonds Series 2022

Purpose The proceeds of the bonds will be used to originate loans to eligible Texas veterans in the Veterans' Housing Assistance Fund II.

Actual Par $250,000,000
Sale Type Negotiated
Sale Date 6/28/2022
Closing Date 6/29/2022

Series Name	TIC	NIC	Is Variable
State of Texas Veterans Bonds Ser 2022			Yes

Fee Name	Firm Name	HUB	Actual Fee	$ Per 1000
Attorney General		NO	$9,500	0.04
Bond Counsel	Bracewell, LLP	NO	$145,000	0.58
Financial Advisor	Stifel	NO	$87,500	0.35
Liquidity Providers Counsel	Chapman & Cutler LLP	NO	$25,000	0.10
Liquidity Providers Counsel	Yumoto Ota & Miyazaki	NO	$1,676	0.01
Printing	island	NO	$250	0.00
	Total		**$268,926**	**1.08**

Fee Name	Rating Agency	Assigned Rating	Actual Fee	$ Per 1000
Rating Fee	Moody's	Aaa/VMIG-1	$20,000	0.08
		Total	**$20,000**	**0.08**

Fee Name	Actual Fee	$ Per 1000
Spread Expenses	$37,000	0.15
Total	**$37,000**	**0.15**

Fee Name	Firm Name	HUB	Actual Fee	$ Per 1000	UW Paid
Underwriter Counsel	Locke Lord LLP	NO	$30,000	0.12	Yes

Firm Name	HUB	% of Risk	Mgmt Fee %	Mgmt Fee $	Take Down %	Take Down $
Jefferies, LLC	NO	100.00%			100.00%	$37,000
		Total			**100%**	**$37,000**

Issuer **Texas Water Development Board**

Issuance State Revolving Fund Revenue Bonds New Series 2021

Purpose The Series 2021 Bonds are being issued to provide funds to the Water Resources Fund to augment the Clean Water State Revolving Fund (CWSRF) and the Drinking Water State Revolving Fund (DWSRF), and provide state matching funds to obtain federal capitalization grants relating to the CWSRF and the DWSRF.

Actual Par $386,155,000
Sale Type Negotiated
Sale Date 10/13/2021
Closing Date 11/4/2021

Series Name	TIC	NIC	Is Variable
State Revolving Fund Rev Bonds New Ser 2021	1.94%	2.11%	No

Fee Name	Firm Name	HUB	Actual Fee	$ Per 1000
Attorney General		NO	$9,500	0.02
Bond Counsel	McCall Parkhurst & Horton, LLP	NO	$181,000	0.47
Disclosure Counsel	Bracewell, LLP	NO	$50,000	0.13
Financial Advisor	Hilltop Securities, Inc.	NO	$260,000	0.67
Miscellaneous	BondLink	NO	$20,585	0.05
Paying Agent/Registrar	Bank of New York Mellon Trust Co., NA	NO	$183	0.00
Printing	Hilltop Holdings Print Shop	NO	$7,500	0.02
Printing	ImageMaster	NO	$3,234	0.01
		Total	**$532,002**	**1.38**

Fee Name	Rating Agency	Assigned Rating	Actual Fee	$ Per 1000
Rating Fee	Fitch	AAA	$70,000	0.18
Rating Fee	S&P	AAA	$29,325	0.08
		Total	**$99,325**	**0.26**

Fee Name	Actual Fee	$ Per 1000
Spread Expenses	$112,386	0.29
Takedown	$1,092,051	2.83
Total	**$1,204,437**	**3.12**

Fee Name	Firm Name	HUB	Actual Fee	$ Per 1000	UW Paid
Underwriter Counsel	Orrick Herrington & Sutcliffe, LLP	NO	$65,000	0.17	Yes

Firm Name	HUB	% of Risk	Mgmt Fee %	Mgmt Fee $	Take Down %	Take Down $
Jefferies, LLC	NO	49.90%			51.03%	$557,284
Piper Sandler & Co	NO	8.35%			10.07%	$109,941
Stifel Nicolaus & Co., Inc.	NO	8.35%			9.19%	$100,404
Siebert Williams Shank & Co, LLC	**BA**	8.35%			8.72%	$95,188
FHN Financial Capital Markets	NO	8.35%			7.26%	$79,303
Robert W Baird & Co., Inc.	NO	8.35%			7.08%	$77,266
UMB Bank, NA	NO	8.35%			6.65%	$72,665
		Total			**100%**	**$1,092,051**

Issuer **Texas Water Development Board**

Issuance State Revolving Fund Revenue Bonds New Series 2022

Purpose The Series 2022 Bonds are being issued to provide funds to the CWSRF and the DWSRF to finance the acquisition of political subdivision bonds, including state match requirements, and to pay costs of issuance.

Actual Par $234,550,000
Sale Type Negotiated
Sale Date 6/8/2022
Closing Date 6/30/2022

Series Name	TIC	NIC	Is Variable
SRF Rev Bonds New Ser 2022	3.40%	3.68%	No

Fee Name	Firm Name	HUB	Actual Fee	$ Per 1000
Attorney General		NO	$9,500	0.04
Bond Counsel	McCall Parkhurst & Horton, LLP	NO	$157,138	0.67
Disclosure Counsel	Bracewell LLP	NO	$50,000	0.21
Financial Advisor	Hilltop Securities, Inc	NO	$192,571	0.82
Miscellaneous	BondLink	NO	$16,037	0.07
Paying Agent/Registrar	The Bank of New York Mellon Trust Co, NA	NO	$444	0.00
Printing	Hilltop Securities, Inc	NO	$7,500	0.03
Printing	Image Master	NO	$2,360	0.01
	Total		**$435,549**	**1.86**

Fee Name	Rating Agency	Assigned Rating	Actual Fee	$ Per 1000
Rating Fee	Fitch		$75,000	0.32
Rating Fee	S&P		$110,925	0.47
		Total	**$185,925**	**0.79**

Fee Name	Actual Fee	$ Per 1000
Spread Expenses	$94,301	0.40
Takedown	$712,779	3.04
Total	**$807,080**	**3.44**

Fee Name	Firm Name	HUB	Actual Fee	$ Per 1000	UW Paid
Underwriter Counsel	Kassahn & Ortiz, PC	NO	$60,000	0.26	Yes

Firm Name	HUB	% of Risk	Mgmt Fee %	Mgmt Fee $	Take Down %	Take Down $
Piper Sandler & Co	NO	50.00%			50.19%	$357,752
Morgan Stanley	NO	12.50%			15.80%	$112,605
Jefferies, LLC	NO	12.50%			12.09%	$86,144
Baird	NO	12.50%			11.26%	$80,283
Mesirow Financial, Inc	NO	12.50%			10.66%	$75,995
		Total			**100%**	**$712,779**

Issuer **Texas Water Development Board**

Issuance State Water Implementation Revenue Fund For Texas Revenue Bonds Series 2021 (Master Trust)

Purpose The Series 2021 bonds are being issued to provide funds to purchase or enter into political subdivision obligations, the proceeds of which will be used to finance SWP projects within the SWIRFT and to pay costs of issuance.

Actual Par $444,735,000
Sale Type Negotiated
Sale Date 9/30/2021
Closing Date 10/13/2021

Series Name	TIC	NIC	Is Variable
State Water Implementation Revenue Fund For Texas Rev Bonds Ser 2021 (Master	2.75%	3.02%	No

Fee Name	Firm Name	HUB	Actual Fee	$ Per 1000
Attorney General		NO	$9,500	0.02
Bond Counsel	McCall Parkhurst & Horton, LLP	NO	$181,000	0.41
Disclosure Counsel	Bracewell, LLP	NO	$50,000	0.11
Financial Advisor	Hilltop Securities, Inc.	NO	$260,000	0.58
Miscellaneous	BondLink	NO	$22,343	0.05
Printing	Hilltop Holdings Print Shop	NO	$7,500	0.02
Printing	ImageMaster	NO	$4,337	0.01
Trustee	Bank of New York Mellon Trust Co., NA	NO	$81,531	0.18
	Total		**$616,211**	**1.39**

Fee Name	Rating Agency	Assigned Rating	Actual Fee	$ Per 1000
Rating Fee	Fitch	AAA	$85,000	0.19
Rating Fee	S&P	AAA	$126,000	0.28
		Total	**$211,000**	**0.47**

Fee Name	Actual Fee	$ Per 1000
Spread Expenses	$106,686	0.24
Takedown	$1,374,973	3.09
Total	**$1,481,659**	**3.33**

Fee Name	Firm Name	HUB	Actual Fee	$ Per 1000	UW Paid
Underwriter Counsel	Orrick Herrington & Sutcliffe LLP	NO	$65,000	0.15	Yes

Firm Name	HUB	% of Risk	Mgmt Fee %	Mgmt Fee $	Take Down %	Take Down $
Wells Fargo Securities	NO	49.95%			50.07%	$748,420
Morgan Stanley	NO	7.15%			6.92%	$91,220
BOK Financial Securities, Inc.	NO	7.15%			7.17%	$89,486
RBC Capital Markets, LLC	NO	7.15%			7.17%	$89,283
UMB Bank, NA	NO	7.15%			7.17%	$89,141
Ramirez & Co, Inc	**HA**	7.15%			7.17%	$89,141
Mesirow Financial, Inc	NO	7.15%			7.17%	$89,141
Frost Bank	NO	7.15%			7.17%	$89,141
		Total			**100%**	**$1,374,973**

Issuer **Texas Water Development Board**

Issuance Water Financial Assistance Bonds Series 2021A

Purpose The bonds are being issued to finance two projects for the Green Valley Special Utility District (SUD) and one project for the Greater Texoma Utility Authority (GTUA).

Actual Par $31,270,000
Sale Type Negotiated
Sale Date 9/15/2021
Closing Date 9/28/2021

Series Name	TIC	NIC	Is Variable
WFA Bonds Ser 2021A	2.03%	2.16%	No

Fee Name	Firm Name	HUB	Actual Fee	$ Per 1000
Attorney General		NO	$9,500	0.30
Bond Counsel	Orrick Herrington & Sutcliffe LLP	NO	$25,738	0.82
Disclosure Counsel	Bracewell, LLP	NO	$7,255	0.23
Financial Advisor	Hilltop Securities, Inc.	NO	$26,518	0.85
Miscellaneous	Bond Link	NO	$2,244	0.07
Paying Agent/Registrar	Bank of New York Mellon Trust Co., NA	NO	$259	0.01
Printing	Hilltop Securities Print Shop	NO	$1,088	0.03
Printing	ImageMaster	NO	$383	0.01
	Total		**$72,985**	**2.33**

Fee Name	Rating Agency	Assigned Rating	Actual Fee	$ Per 1000
Rating Fee	Fitch	AAA	$5,314	0.17
Rating Fee	Moody's	Aaa	$5,340	0.17
Rating Fee	S&P	AAA	$4,716	0.15
		Total	**$15,370**	**0.49**

Fee Name	Actual Fee	$ Per 1000
Spread Expenses	$12,703	0.41
Takedown	$97,135	3.11
Total	**$109,838**	**3.51**

Fee Name	Firm Name	HUB	Actual Fee	$ Per 1000	UW Paid
Underwriter Counsel	McCall Parkhurst & Horton, LLP	NO	$8,706	0.28	Yes

Firm Name	HUB	% of Risk	Mgmt Fee %	Mgmt Fee $	Take Down %	Take Down $
Raymond James & Associates, Inc	NO	50.00%			47.90%	$46,529
Stifel Nicolaus & Co., Inc.	NO	12.50%			15.45%	$15,012
Robert W Baird & Co., Inc.	NO	12.50%			13.38%	$12,992
Piper Sandler & Co	NO	12.50%			12.10%	$11,749
FHN Financial Capital Markets	NO	12.50%			11.17%	$10,854
		Total			**100%**	**$97,136**

Issuer **Texas Water Development Board**

Issuance Water Financial Assistance Bonds Series 2022A

Purpose The Series 2022A new money bonds are being issued to provide funds for the Financial Assistance Account for water assistance projects.

Actual Par $93,865,000
Sale Type Negotiated
Sale Date 4/20/2022
Closing Date 5/10/2022

Series Name	TIC	NIC	Is Variable
WFA Bonds Ser 2022A	3.58%	3.76%	No

Fee Name	Firm Name	HUB	Actual Fee	$ Per 1000
Attorney General		NO	$9,500	0.10
Bond Counsel	Orrick Herrington & Sutcliffe LLP	NO	$67,744	0.72
Disclosure Counsel	Bracewell, LLP	NO	$19,571	0.21
Financial Advisor	Hilltop Securities Inc	NO	$73,822	0.79
Miscellaneous	BondLink	NO	$6,043	0.06
Paying Agent/Registrar	The Bank of New York Mellon Trust Co	NO	$549	0.01
Printing	Hilltop Securities Inc	NO	$2,689	0.03
Printing	Image Master	NO	$777	0.01
	Total		**$180,694**	**1.93**

Fee Name	Rating Agency	Assigned Rating	Actual Fee	$ Per 1000
Rating Fee	Fitch	AAA	$14,341	0.15
Rating Fee	Moody's	Aaa	$17,030	0.18
Rating Fee	S&P	AAA	$12,548	0.13
		Total	**$43,919**	**0.47**

Fee Name	Actual Fee	$ Per 1000
Spread Expenses	$34,058	0.36
Takedown	$294,930	3.14
Total	**$328,988**	**3.50**

Fee Name	Firm Name	HUB	Actual Fee	$ Per 1000	UW Paid
Underwriter Counsel	Kassahn & Ortiz, PC	**HA**	$19,719	0.21	Yes

Firm Name	HUB	% of Risk	Mgmt Fee %	Mgmt Fee $	Take Down %	Take Down $
Ramirez & Co, Inc	**HA**	49.00%			46.67%	$137,634
Raymond James & Associates, Inc	NO	17.00%			21.11%	$62,252
Siebert Williams Shank & Co, LLC	**BA**	17.00%			17.41%	$51,359
Frost Bank	NO	17.00%			14.81%	$43,686
		Total			**100%**	**$294,930**

Issuer **Texas Water Development Board**

Issuance Water Financial Assistance Refunding Bonds Series 2021B

Purpose The Series 2021B refunding bonds are being issued to currently refund a portion of the outstanding Series 2011B bonds and all outstanding 2012C bonds within the WFA Program.

Actual Par $168,460,000
Sale Type Negotiated
Sale Date 9/15/2021
Closing Date 9/28/2021

Series Name	TIC	NIC	Is Variable
WFA Ref Bonds Ser 2021B	1.97%	2.05%	No

Fee Name	Firm Name	HUB	Actual Fee	$ Per 1000
Attorney General		NO	$9,500	0.06
Bond Counsel	Orrick Herrington & Sutcliffe LLP	NO	$138,657	0.82
Disclosure Counsel	Bracewell, LLP	NO	$39,085	0.23
Escrow Agent	Bank of New York Mellon Trust Co., NA	NO	$750	0.00
Financial Advisor	Hilltop Securities, Inc.	NO	$142,861	0.85
Miscellaneous	BondLink	NO	$12,089	0.07
Paying Agent/Registrar	Bank of New York Mellon Trust Co., NA	NO	$2,259	0.01
Printing	Hilltop Holdings Print Shop	NO	$5,863	0.03
Printing	ImageMaster	NO	$2,065	0.01
	Total		**$353,129**	**2.10**

Fee Name	Rating Agency	Assigned Rating	Actual Fee	$ Per 1000
Rating Fee	Fitch	AAA	$29,705	0.18
Rating Fee	Moody's	Aaa	$28,767	0.17
Rating Fee	S&P	AAA	$25,405	0.15
		Total	**$83,877**	**0.50**

Fee Name	Actual Fee	$ Per 1000
Spread Expenses	$65,148	0.39
Takedown	$463,181	2.75
Total	**$528,329**	**3.14**

Fee Name	Firm Name	HUB	Actual Fee	$ Per 1000	UW Paid
Underwriter Counsel	McCall Parkhurst & Horton, LLP	NO	$46,900	0.28	Yes

Firm Name	HUB	% of Risk	Mgmt Fee %	Mgmt Fee $	Take Down %	Take Down $
Raymond James & Associates, Inc	NO	50.00%			47.14%	$218,323
Stifel Nicolaus & Co., Inc.	NO	12.50%			15.93%	$73,786
Piper Sandler & Co	NO	12.50%			13.55%	$62,769
FHN Financial Capital Markets	NO	12.50%			11.80%	$54,656
Robert W Baird & Co., Inc.	NO	12.50%			11.58%	$53,648
		Total			**100%**	**$463,182**

Issuer **Texas Water Development Board**

Issuance Water Financial Assistance Refunding Bonds Series 2021C (EDAP)

Purpose The Series 2021C refunding bonds are being issued to currently refund all outstanding Series 2010D bonds and all outstanding Series 2012B bonds within the EDAP Program.

Actual Par $15,785,000
Sale Type Negotiated
Sale Date 9/15/2021
Closing Date 9/28/2021

Series Name	TIC	NIC	Is Variable
WFA Ref Bonds Ser 2021C (EDAP)	0.52%	0.57%	No

Fee Name	Firm Name	HUB	Actual Fee	$ Per 1000
Attorney General		NO	$9,500	0.60
Bond Counsel	Orrick Herrington & Sutcliffe, LLP	NO	$12,984	0.82
Disclosure Counsel	Bracewell, LLP	NO	$3,660	0.23
Financial Advisor	Hilltop Securities, Inc.	NO	$13,378	0.85
Miscellaneous	BondLink	NO	$1,132	0.07
Paying Agent/Registrar	Bank of New York Mellon Trust Co., NA	NO	$259	0.02
Printing	Hilltop Holdings Print Shop	NO	$549	0.03
Printing	ImageMaster	NO	$193	0.01
	Total		**$41,655**	**2.64**

Fee Name	Rating Agency	Assigned Rating	Actual Fee	$ Per 1000
Rating Fee	Fitch	AAA	$2,782	0.18
Rating Fee	Moody's	Aaa	$2,694	0.17
Rating Fee	S&P	AAA	$2,379	0.15
		Total	**$7,855**	**0.50**

Fee Name	Actual Fee	$ Per 1000
Spread Expenses	$6,442	0.41
Takedown	$34,323	2.17
Total	**$40,765**	**2.58**

Fee Name	Firm Name	HUB	Actual Fee	$ Per 1000	UW Paid
Underwriter Counsel	McCall Parkhurst & Horton, LLP	NO	$4,395	0.28	Yes

Firm Name	HUB	% of Risk	Mgmt Fee %	Mgmt Fee $	Take Down %	Take Down $
Raymond James & Associates, Inc	NO	50.00%			61.85%	$21,224
Stifel Nicolaus & Co., Inc.	NO	12.50%			10.49%	$3,604
Piper Sandler & Co	NO	12.50%			9.95%	$3,414
Robert W Baird & Co., Inc.	NO	12.50%			8.92%	$3,061
FHN Financial Capital Markets	NO	12.50%			8.79%	$3,019
		Total			**100%**	**$34,322**

Issuer **Texas Water Development Board**

Issuance Water Financial Assistance Refunding Bonds Series 2022B

Purpose Bond proceeds will be used to refund the outstanding WFA Series 2012G Bonds.

Actual Par $136,700,000
Sale Type Negotiated
Sale Date 4/20/2022
Closing Date 5/10/2022

Series Name	TIC	NIC	Is Variable
WFA Ref Bonds Ser 2022B	4.47%	4.63%	No

Fee Name	Firm Name	HUB	Actual Fee	$ Per 1000
Attorney General		NO	$9,500	0.07
Bond Counsel	Orrick Herrington & Sutcliffe LLP	NO	$98,659	0.72
Disclosure Counsel	Bracewell LLP	NO	$28,503	0.21
Escrow Agent	The Bank of New York Mellon Trust Co	NO	$750	0.01
Escrow Verification	Public Finance Partners LLC	NO	$3,052	0.02
Financial Advisor	Hilltop Securities Inc	NO	$107,510	0.79
Miscellaneous	BondLink	NO	$8,800	0.06
Paying Agent/Registrar	The Bank of New York Mellon Trust Co	NO	$1,049	0.01
Printing	Hilltop Securities Inc	NO	$3,916	0.03
Printing	Image Master	NO	$1,132	0.01
	Total		**$262,870**	**1.92**

Fee Name	Rating Agency	Assigned Rating	Actual Fee	$ Per 1000
Rating Fee	Fitch	AAA	$20,885	0.15
Rating Fee	Moody's	Aaa	$24,801	0.18
Rating Fee	S&P	AAA	$18,275	0.13
		Total	**$63,961**	**0.47**

Fee Name	Actual Fee	$ Per 1000
Spread Expenses	$49,600	0.36
Takedown	$436,803	3.20
Total	**$486,402**	**3.56**

Fee Name	Firm Name	HUB	Actual Fee	$ Per 1000	UW Paid
Underwriter Counsel	Kassahn & Ortiz, PC	**HA**	$28,717	0.21	Yes

Firm Name	HUB	% of Risk	Mgmt Fee %	Mgmt Fee $	Take Down %	Take Down $
Ramirez & Co, Inc	**HA**	49.00%			50.03%	$218,539
Siebert Williams Shank & Co, LLC	**BA**	17.00%			17.83%	$77,879
Raymond James & Associates, Inc	NO	17.00%			17.64%	$77,039
Frost Bank	NO	17.00%			14.50%	$63,346
		Total			**100%**	**$436,803**

Issuer **Texas Water Development Board**

Issuance Water Financial Assistance Refunding Bonds Series 2022C (EDAP)

Purpose The Series 2022C refunding bonds are being issued to currently refund outstanding Series 2012F bonds.

Actual Par $13,225,000
Sale Type Negotiated
Sale Date 4/20/2022
Closing Date 5/10/2022

Series Name	TIC	NIC	Is Variable
WFA Ref Bonds Ser 2022C (EDAP)	2.83%	3.05%	No

Fee Name	Firm Name	HUB	Actual Fee	$ Per 1000
Attorney General		NO	$9,500	0.72
Bond Counsel	Orrick Herrington & Sutcliffe LLP	NO	$9,545	0.72
Disclosure Counsel	Bracewell LLP	NO	$2,757	0.21
Escrow Agent	The Bank of New York Mellon Trust Co, NA	NO	$750	0.06
Escrow Verification	Public Finance Partners LLC	NO	$295	0.02
Financial Advisor	Hilltop Securities Inc	NO	$10,401	0.79
Miscellaneous	BondLink	NO	$851	0.06
Paying Agent/Registrar	The Bank of New York Mellon Trust Co, NA	NO	$1,049	0.08
Printing	Hilltop Securities Inc	NO	$379	0.03
Printing	Image Master	NO	$109	0.01
	Total		**$35,637**	**2.69**

Fee Name	Rating Agency	Assigned Rating	Actual Fee	$ Per 1000
Rating Fee	Fitch	AAA	$2,021	0.15
Rating Fee	Moody's	Aaa	$2,399	0.18
Rating Fee	S&P	AAA	$1,768	0.13
		Total	**$6,188**	**0.47**

Fee Name	Actual Fee	$ Per 1000
Spread Expenses	$4,799	0.36
Takedown	$33,260	2.51
Total	**$38,059**	**2.88**

Fee Name	Firm Name	HUB	Actual Fee	$ Per 1000	UW Paid
Underwriter Counsel	Kassahn & Ortiz, PC	**HA**	$2,778	0.21	Yes

Firm Name	HUB	% of Risk	Mgmt Fee %	Mgmt Fee $	Take Down %	Take Down $
Ramirez & Co, Inc	**HA**	49.00%			47.32%	$15,739
Raymond James & Associates, Inc	NO	17.00%			20.19%	$6,715
Siebert Williams Shank & Co, LLC	**BA**	17.00%			18.32%	$6,092
Frost Bank	NO	17.00%			14.17%	$4,714
		Total			**100%**	**$33,260**

Issuer **Texas Water Development Board**

Issuance Water Financial Assistance Refunding Bonds Taxable Series 2022D (SPP)

Purpose The Taxable Series 2022D refunding bonds are being issued to currently refund outstanding Taxable Series 2013D bonds.

Actual Par $18,020,000
Sale Type Negotiated
Sale Date 4/20/2022
Closing Date 5/10/2022

Series Name	TIC	NIC	Is Variable
WFA Ref Bonds Txbl Ser 2022D (SPP)	3.74%	3.76%	No

Fee Name	Firm Name	HUB	Actual Fee	$ Per 1000
Attorney General		NO	$9,500	0.53
Bond Counsel	Orrick Herrington & Sutcliffe LLP	NO	$13,005	0.72
Disclosure Counsel	Bracewell LLP	NO	$3,757	0.21
Escrow Agent	The Bank of New York Mellon Trust Co	NO	$750	0.04
Escrow Verification	Public Finance Partners LLC	NO	$402	0.02
Financial Advisor	Hilltop Securities Inc	NO	$14,172	0.79
Miscellaneous	Bond Link	NO	$1,160	0.06
Paying Agent/Registrar	The Bank of New York Mellon Trust Co	NO	$1,049	0.06
Printing	Hilltop Securities Inc	NO	$516	0.03
Printing	Image Master	NO	$149	0.01
	Total		**$44,461**	**2.47**

Fee Name	Rating Agency	Assigned Rating	Actual Fee	$ Per 1000
Rating Fee	Fitch	AAA	$2,753	0.15
Rating Fee	Moody's	Aaa	$3,269	0.18
Rating Fee	S&P	AAA	$2,409	0.13
		Total	**$8,432**	**0.47**

Fee Name	Actual Fee	$ Per 1000
Spread Expenses	$6,538	0.36
Takedown	$49,643	2.75
Total	**$56,181**	**3.12**

Fee Name	Firm Name	HUB	Actual Fee	$ Per 1000	UW Paid
Underwriter Counsel	Kassahn & Ortiz, PC	**HA**	$3,786	0.21	Yes

Firm Name	HUB	% of Risk	Mgmt Fee %	Mgmt Fee $	Take Down %	Take Down $
Ramirez & Co, Inc	**HA**	49.00%			46.56%	$23,113
Raymond James & Associates, Inc	NO	17.00%			20.49%	$10,171
Frost Bank	NO	17.00%			16.64%	$8,259
Siebert Williams Shank & Co, LLC	**BA**	17.00%			16.31%	$8,101
		Total			**100%**	**$49,643**

Issuer **Texas Woman's University**

Issuance Revenue Financing System Bonds Series 2021B

Purpose The bonds are being issued for the purpose of acquiring, purchasing, constructing, improving, renovating, enlarging or equipping property, buildings, structures, activities, services, operations, or other facilities for the Texas Woman's University System.

Actual Par $7,000,000
Sale Type Private Placement
Sale Date 8/13/2021
Closing Date 9/2/2021

Series Name	TIC	NIC	Is Variable
RFS Bonds Ser 2021B	2.27%	2.27%	No

Fee Name	Firm Name	HUB	Actual Fee	$ Per 1000
Attorney General		NO	$7,000	1.00
Bond Counsel	McCall Parkhurst & Horton, LLP	NO	$15,000	2.14
Financial Advisor	RBC Capital Markets, LLC	NO	$27,000	3.86
Miscellaneous		NO	$700	0.10
Paying Agent/Registrar	BOKF, NA	NO	$300	0.04
Private Placement Counsel	Orrick Herrington & Sutcliffe, LLP	NO	$15,000	2.14
	Total		**$65,000**	**9.29**

Issuer **Texas Woman's University**

Issuance Revenue Financing System Bonds Series 2022

Purpose The proceeds from the sale of the Bonds will be used for the purpose of acquiring, purchasing, constructing, improving, renovating, enlarging or equipping property, buildings, structures, activities, services, operations or other facilities, including roads and related infrastructure, for the University System.

Actual Par $36,700,000
Sale Type Negotiated
Sale Date 4/5/2022
Closing Date 4/28/2022

Series Name	TIC	NIC	Is Variable
RFS Bonds Ser 2022	3.32%	3.68%	No

Fee Name	Firm Name	HUB	Actual Fee	$ Per 1000
Attorney General		NO	$9,500	0.26
Bond Counsel	McCall Parkhurst & Horton, LLP	NO	$24,731	0.67
Financial Advisor	RBC Capital Markets	NO	$88,990	2.42
Paying Agent/Registrar	BOK Financial, NA	NO	$400	0.01
Printing	Muni Hub	NO	$750	0.02
Travel		NO	$8,561	0.23
		Total	**$132,932**	**3.62**

Fee Name	Rating Agency	Assigned Rating	Actual Fee	$ Per 1000
Rating Fee	Moody's	Aa3	$50,000	1.36
		Total	**$50,000**	**1.36**

Fee Name	Actual Fee	$ Per 1000
Management Fee	$18,350	0.50
Spread Expenses	$35,781	0.98
Takedown	$157,809	4.30
Total	**$211,940**	**5.78**

Fee Name	Firm Name	HUB	Actual Fee	$ Per 1000	UW Paid
Underwriter Counsel	Orrick Herrington & Sutcliffe, LLP	NO	$25,000	0.68	Yes

Firm Name	HUB	% of Risk	Mgmt Fee %	Mgmt Fee $	Take Down %	Take Down $
Hilltop Securities, Inc	NO	100.00%	100.00%	$18,350	100.00%	$157,809
		Total	**100%**	**$18,350**	**100%**	**$157,809**

Issuer **University of Houston System**

Issuance Consolidated Revenue and Refunding Bonds Series 2022A

Purpose Bond proceeds will be used to finance the acquisition, purchase, construction, improvement, enlargement, and equipping of property, buildings, structures, activities, services, operations and other facilities, roads, or related infrastructure for or on behalf of the UH System; and to refund the Consolidated Revenue & Refunding Bonds Series 2013A.

Actual Par $385,680,000
Sale Type Negotiated
Sale Date 6/1/2022
Closing Date 6/29/2022

Series Name	TIC	NIC	Is Variable
Cons Rev & Ref Bonds Ser 2022A	3.53%	3.88%	No

Fee Name	Firm Name	HUB	Actual Fee	$ Per 1000
Attorney General		NO	$9,500	0.02
Bond Counsel	Holland & Knight LLP	NO	$214,410	0.56
Disclosure Counsel	Norton Rose Fulbright US LLP	NO	$107,477	0.28
Escrow Agent	Computershare Trust Company, NA	NO	$1,000	0.00
Escrow Verification	Public Finance Partners LLC	NO	$3,500	0.01
Financial Advisor	Masterson Advisors, LLC	NO	$194,926	0.51
Miscellaneous		NO	$2,000	0.01
Miscellaneous	Computershare Trust Company, NA	NO	$500	0.00
Paying Agent/Registrar	Computershare Trust Company, NA	NO	$1,000	0.00
Printing	Image Master	NO	$1,000	0.00
Printing	Image Master	NO	$3,478	0.01
		Total	**$538,791**	**1.40**

Fee Name	Rating Agency	Assigned Rating	Actual Fee	$ Per 1000
Rating Fee	Moody's	Aa2	$142,854	0.37
Rating Fee	S&P	AA	$104,790	0.27
		Total	**$247,644**	**0.64**

Fee Name	Actual Fee	$ Per 1000
Spread Expenses	$126,080	0.33
Takedown	$578,520	1.50
Total	**$704,600**	**1.83**

Fee Name	Firm Name	HUB	Actual Fee	$ Per 1000	UW Paid
Underwriter Counsel	Bracewell LLP	NO	$65,566	0.17	Yes

Firm Name	HUB	% of Risk	Mgmt Fee %	Mgmt Fee $	Take Down %	Take Down $
Jefferies, LLC	NO	50.00%			52.61%	$304,353
Loop Capital Markets, LLC	**BA**	10.00%			11.71%	$67,769
Cabrera Capital Markets, LLC	**HA**	10.00%			11.71%	$67,728
Citigroup	NO	10.00%			8.26%	$47,784
Piper Sandler & Co	NO	10.00%			8.19%	$47,394

Raymond James & Associates, Inc	NO	10.00%			7.52%	$43,492
		Total			**100%**	**$578,520**

Issuer **University of Houston System**

Issuance Consolidated Revenue and Refunding Bonds Series 2022B (Txbl)

Purpose Bond proceeds will be used to finance the acquisition, purchase, construction, improvement, enlargement, and equipping of property, buildings, structures, activities, services, operations and other facilities, roads, or related infrastructure for or on behalf of the UH System; and to refund the Consolidated Revenue Commercial Paper Notes Series A-2 (Taxable) in the amount of approximatly $938,000.

Actual Par $44,940,000
Sale Type Negotiated
Sale Date 6/1/2022
Closing Date 6/29/2022

Series Name	TIC	NIC	Is Variable
Cons Rev & Ref Bonds Ser 2022B (Txbl)	4.86%	4.86%	No

Fee Name	Firm Name	HUB	Actual Fee	$ Per 1000
Attorney General		NO	$9,500	0.21
Bond Counsel	Holland & Knight LLP	NO	$16,590	0.37
Disclosure Counsel	Norton Rose Fulbright US LLP	NO	$12,523	0.28
Financial Advisor	Masterson & Associates, Inc	NO	$50,000	1.11
Paying Agent/Registrar	Computershare Trust Company, NA	NO	$2,000	0.04
Printing	Image Master	NO	$522	0.01
	Total		**$91,135**	**2.03**

Fee Name	Rating Agency	Assigned Rating	Actual Fee	$ Per 1000
Rating Fee	Moody's	Aa2	$16,646	0.37
Rating Fee	S&P	AA	$12,210	0.27
		Total	**$28,856**	**0.64**

Fee Name	Actual Fee	$ Per 1000
Spread Expenses	$7,805	0.17
Takedown	$67,410	1.50
Total	**$75,215**	**1.67**

Fee Name	Firm Name	HUB	Actual Fee	$ Per 1000	UW Paid
Underwriter Counsel	Bracewell LLP	NO	$7,640	0.17	Yes

Firm Name	HUB	% of Risk	Mgmt Fee %	Mgmt Fee $	Take Down %	Take Down $
Jefferies, LLC	NO	50.00%			50.00%	$33,705
Loop Capital Markets, LLC	**BA**	10.00%			12.50%	$8,426
Cabrera Capital Markets, LLC	**HA**	10.00%			12.50%	$8,426
Citigroup	NO	10.00%			9.89%	$6,667
Raymond James & Associates, Inc	NO	10.00%			7.82%	$5,273
Piper Sandler & Co	NO	10.00%			7.29%	$4,912
		Total			**100%**	**$67,409**

Issuer **University of North Texas System**

Issuance Revenue Financing System Refunding and Improvement Bonds Series 2022

Purpose Bond proceeds will be used for the purpose of acquiring, purchasing, constructing, improving, renovating, enlarging or equipping property, buildings, structures, facilities, roads, or related infrastructure throughout the University System; and refunding all or a portion of the outstanding Series A Commercial Paper Notes ($39,653,000) and Series B Commercial Paper Notes ($52,060,000).

Actual Par $101,555,000
Sale Type Negotiated
Sale Date 3/10/2022
Closing Date 3/29/2022

Series Name	TIC	NIC	Is Variable
RFS Ref & Impr Bonds Ser 2022	3.52%	3.84%	No

Fee Name	Firm Name	HUB	Actual Fee	$ Per 1000
Attorney General		NO	$9,500	0.09
Bond Counsel	McCall Parkhurst & Horton, LLP	NO	$66,037	0.65
Financial Advisor	Hilltop Securities, Inc	NO	$51,528	0.51
Miscellaneous		NO	$3,255	0.03
Paying Agent/Registrar	BOK Financial, NA	NO	$400	0.00
Printing	Image Master	NO	$4,150	0.04
	Total		**$134,870**	**1.33**

Fee Name	Rating Agency	Assigned Rating	Actual Fee	$ Per 1000
Rating Fee	Fitch	AA	$85,000	0.84
Rating Fee	Moody's	Aa2	$85,000	0.84
		Total	**$170,000**	**1.67**

Fee Name	Actual Fee	$ Per 1000
Spread Expenses	$63,636	0.63
Takedown	$434,378	4.28
Total	**$498,014**	**4.90**

Fee Name	Firm Name	HUB	Actual Fee	$ Per 1000	UW Paid
Co-Underwriters Counsel	Kassahn & Ortiz, PC	**HA**	$12,500	0.12	Yes
Underwriter Counsel	Orrick Herrington & Sutcliffe, LLP	NO	$37,500	0.37	Yes

Firm Name	HUB	% of Risk	Mgmt Fee %	Mgmt Fee $	Take Down %	Take Down $
Barclays Capital, Inc	NO	65.00%			65.00%	$282,345
Ramirez & Co, Inc	**HA**	35.00%			35.00%	$152,032
		Total			**100%**	**$434,377**

Issuer **University of Texas System**

Issuance Revenue Financing System Bonds Series 2022A

Purpose Proceeds from the sale of the Bonds will be used for the purpose of refunding a portion of the Board's Revenue Financing System Commercial Paper Notes, Series A ($206,831,000) and refunding certain long-term Parity Debt (RFS Series 2012B bonds) for savings.

Actual Par $256,395,000
Sale Type Negotiated
Sale Date 4/5/2022
Closing Date 5/18/2022

Series Name	TIC	NIC	Is Variable
RFS Bonds Ser 2022A	3.14%	3.32%	No

Fee Name	Firm Name	HUB	Actual Fee	$ Per 1000
Attorney General		NO	$9,500	0.04
Bond Counsel	McCall Parkhurst & Horton LLP	NO	$111,679	0.44
Disclosure Counsel	McCall Parkhurst & Horton LLP	NO	$35,000	0.14
Escrow Agent	US Bank	NO	$500	0.00
Escrow Verification	Causey Demgen & Moore, PC	NO	$1,750	0.01
Paying Agent/Registrar	US Bank	NO	$4,000	0.02
Printing	McElwee & Quinn	**WO**	$210	0.00
Travel		NO	$309	0.00
	Total		**$162,948**	**0.64**

Fee Name	Rating Agency	Assigned Rating	Actual Fee	$ Per 1000
Rating Fee	Fitch	AAA	$0	0.00
Rating Fee	Moody's	Aaa	$68,750	0.27
Rating Fee	S&P	AAA	$57,689	0.23
		Total	**$126,439**	**0.49**

Fee Name	Actual Fee	$ Per 1000
Spread Expenses	$78,186	0.30
Takedown	$759,934	2.96
Total	**$838,119**	**3.27**

Fee Name	Firm Name	HUB	Actual Fee	$ Per 1000	UW Paid
Co-Underwriters Counsel	Kassahn & Ortiz, PC	**HA**	$12,500	0.05	Yes
Underwriter Counsel	Orrick Herrington & Sutcliffe LLP	NO	$37,500	0.15	Yes

Firm Name	HUB	% of Risk	Mgmt Fee %	Mgmt Fee $	Take Down %	Take Down $
Morgan Stanley	NO	50.00%			49.88%	$379,086
Piper Sandler & Co	NO	25.00%			24.92%	$189,377
Siebert Williams Shank & Co, LLC	**BA**	5.00%			7.50%	$57,026
Hilltop Securities, Inc	NO	5.00%			6.32%	$48,037
UBS Financial Services, Inc	NO	5.00%			5.94%	$45,048
Academy Securities	**VO**	5.00%			3.30%	$25,074

Estrada Hinojosa & Co, Inc	**HA**	5.00%			2.14%	$16,286
		Total			**100%**	**$759,934**

Appendix B
State Commercial Paper and Variable-Rate Note Programs

Several state agencies and institutions of higher education have established commercial paper and/or variable-rate debt financing programs that provide financing for equipment or capital projects or provide loans to eligible entities.

As of August 31, 2022, a total of $5.63 billion was authorized for state commercial paper or variable-rate note programs. Of this amount, $3.05 billion was outstanding as of the end of fiscal year 2022 (*Table B1*), approximately $430.8 million more than the amount outstanding at fiscal year-end 2021.

A summary of each commercial paper or variable-rate debt program is provided below.

Texas Department of Agriculture
In 1991, the Texas Agricultural Finance Authority (TAFA), a public authority within the Texas Department of Agriculture, was authorized to establish a taxable commercial paper note program. TAFA issues commercial paper to purchase and guarantee loans made to businesses involved in the production, processing, marketing, and exporting of Texas agricultural products. The commercial paper notes are a general obligation of the state; however, the program is designed to be self-supporting.

During fiscal year 1995, TAFA established a second general obligation taxable commercial paper note program to make funds available for the Farm and Ranch Finance Program. The program was established to provide loans and other financial assistance through local lending institutions to eligible borrowers for the purchase of farm or ranch land. The Texas Public Finance Authority is responsible for issuing commercial paper for TAFA.

Texas Department of Housing and Community Affairs
The Texas Department of Housing and Community Affairs (TDHCA) established a single family mortgage revenue commercial paper program in 1994. The program enables TDHCA to capture mortgage payments and prepayments and recycle them into mortgage loans. By issuing commercial paper notes to satisfy the mandatory redemption provisions of outstanding single family mortgage revenue bonds instead of using the payments and prepayments to redeem bonds, TDHCA is able to preserve the private activity volume cap and generate new mortgage loans.

While still legislatively authorized, the program was terminated in July 2009. TDHCA has no plans to use the authority, and reauthorization from the Bond Review Board (BRB) would be required to reestablish the program.

Texas Department of Transportation
In July 2005, the Texas Transportation Commission (the Commission), the governing body of the Texas Department of Transportation (TxDOT), authorized a commercial paper program to issue up to $500 million in commercial paper to carry out transportation functions.

In June 2013, the Commission suspended the commercial paper program and created the State Highway Fund Revenue Flexible Rate Revolving Notes Program. The State Highway Fund Revenue Flexible Rate Revolving Notes, Series B, were terminated on October 1, 2018. The Series B Notes were part of TxDOT's cash management program that was used to manage fluctuations in the balance of the State Highway Fund; however, it was no longer needed. TxDOT does not currently have an active commercial paper program.

Table B1

TEXAS COMMERCIAL PAPER AND VARIABLE-RATE NOTE PROGRAMS

(as of August 31, 2022)

ISSUER	TYPE OF PROGRAM	AMOUNT AUTHORIZED	AMOUNT ISSUED FISCAL YEAR 2022	AMOUNT OUTSTANDING
Texas Department of Agriculture [1]				
TAFA	Commercial Paper - Series A	$ 50,000,000	$ -	$ -
Farm and Ranch Loans	Commercial Paper - Series B	25,000,000	-	-
Texas Public Finance Authority				
Revenue	Commercial Paper - 2003*	-	-	-
Revenue	Commercial Paper - 2016A	1,242,855,581	93,100,000	93,100,000
	Commercial Paper - 2016B		-	-
Revenue	Commercial Paper - 2019A	300,000,000	21,000,000	41,700,000
	Commercial Paper - 2019B		-	-
General Obligation - Cancer Prevention	Commercial Paper - Series A	450,000,000	153,300,000	66,300,000
and Research Institute of Texas	Commercial Paper - Series B		-	-
Texas State University System	Commercial Paper	240,000,000	64,241,000	90,289,000
Texas Tech University System				
Revenue Financing System	Commercial Paper	150,000,000	41,532,921	75,911,722
The Texas A&M University System				
Permanent University Fund	Commercial Paper	125,000,000	175,000,000	125,000,000
Revenue Financing System	Commercial Paper	300,000,000	110,000,000	296,778,000
The University of Texas System				
Permanent University Fund [2]	Commercial Paper - Series A	1,250,000,000	245,000,000	829,000,000
Permanent University Fund [2]	Commercial Paper - Series B		280,000,000	421,000,000
Revenue Financing System [2]	Commercial Paper - Series A	1,250,000,000	373,388,000	541,950,000
Revenue Financing System [2]	Commercial Paper - Series B		410,000,000	414,500,000
University of Houston System				
Revenue Financing System	Commercial Paper - Series A-1	125,000,000	12,450,000	-
Revenue Financing System	Commercial Paper - Series A-2		938,000	34,738,000
University of North Texas System				
Revenue Financing System	Commercial Paper - Series A	50,000,000	12,887,715	20,547,000
Revenue Financing System	Commercial Paper - Series B	75,000,000	25,925,000	-
Total		**$ 5,632,855,581**	**$ 2,018,762,636**	**$ 3,050,813,722**

* Replaced by TPFA Series 2019A and Taxable Series 2019B CP Program.

(1) Represents the maximum amount authorized by the Bond Review Board; however, the Texas Agricultural Finance Authority (Department of Agriculture) has approved a $100 million program amount.

(2) Represents cumulative total amount for Series A (tax-exempt) & B (taxable) with no limitation on the amount issued in each series, provided that the total outstanding amount will not exceed the maximum authorization.

Source: Texas Bond Review Board - Bond Finance Office.

Texas Public Finance Authority

In 1992, the Texas Public Finance Authority (TPFA) established a Master Lease Purchase Program (MLPP) that is funded through commercial paper. The MLPP is used to finance the purchase of equipment with shorter useful lives, such as computers and telecommunications equipment. TPFA also has the authority to use the commercial paper to provide interim financing for capital projects undertaken on behalf of state agencies and institutions of higher education. The MLPP commercial paper is a special revenue obligation of the state, payable only from legislative appropriations to the participating state agencies and institutions of higher education for lease payments. The TPFA Board approved a resolution on November 8, 2019, to authorize issuance of the Series 2019A and Taxable Series 2019B commercial paper notes. The resolution amended the 2003 revenue commercial paper program to increase the program aggregate amount outstanding at any time from $150 million to $300 million and added a taxable series of notes, in conjunction with the existing tax-exempt notes. The transition to the Series 2019A tax-exempt notes was accomplished by issuing notes to pay off the outstanding Series 2003 tax-exempt notes as they mature. All future MLPP leases will be financed with the Series 2019A and Taxable Series 2019B notes. TPFA plans to use this MLPP commercial paper program to fund $208.8 million and $23.7 million of project costs authorized by the 86th Legislature and 87th Legislature, respectively, for the Health and Human Services Commission deferred maintenance at state hospitals and state supported living centers.

During fiscal year 1993, TPFA established a variable-rate financing program that is secured by the state's general obligation pledge. The proceeds are used to provide interim financing for capital projects that are authorized by the legislature and financed through general obligation bonds. In 2002, TPFA established a commercial paper program that is also secured by the state's general obligation pledge to provide financial assistance to border counties for roadways in colonias.

In 2008, TPFA established another commercial paper program that is also secured by the state's general obligation pledge to: (i) provide interim financing for maintenance, improvement, repair, construction, and equipment acquisition projects for state agencies; (ii) refund and refinance the notes; and (iii) pay the costs of issuance of the notes. Only a de minimum amount of the project authorization from the Series 2002 and Series 2008 programs remains unissued.

In the November 2007 general election, Texas voters authorized TPFA to issue $3 billion of general obligation debt to finance cancer research. During fiscal year 2009, TPFA established a commercial paper program that is also secured by the state's general obligation pledge to provide financing of certain projects for the Cancer Prevention and Research Institute of Texas. The first issuance occurred in September 2009. In the November 5, 2019, general election, the Texas voters authorized an additional $3 billion in bonding authority to finance cancer research, up to a maximum of $6 billion.

In the General Appropriations Act, the 84th Legislature authorized the issuance of $767.7 million of revenue bonds and appropriated those bond proceeds to the Texas Facilities Commission for phase one of the North Austin and Capitol Complex projects. In May 2016, TPFA established a commercial paper program to provide interim financing for this project. The 86th Legislature authorized the issuance of $475.2 million of additional revenue bonds and appropriated those bond proceeds to the Texas Facilities Commission for phase two of the North Austin and Capitol Complex projects.

Texas State University System

On May 22, 2014, the Texas State University System adopted the Eighteenth Supplemental Resolution to the Master Resolution Establishing the Texas State University System Revenue Financing System (RFS) Commercial Paper Program, Series A. The aggregate principal amount of commercial paper outstanding authorized by the resolution may not exceed $240 million.

Texas Tech University System

In November 1997, the Board of Regents of Texas Tech University System (the TTU System) authorized a RFS commercial paper program to provide interim financing for capital projects, including construction, acquisition, renovation, and equipment for facilities of the TTU System. The commercial paper is secured by a pledge of all legally available revenues of the TTU System, including pledged tuition fees, general fees, and other revenue sources and has a maximum authorization amount limited to $150 million.

The Texas A&M University System

The Texas A&M University System (the A&M System) previously authorized three variable-rate financing programs: a flexible-rate note program and a commercial paper program, both secured by the Permanent University Fund (PUF), as well as a commercial paper program secured by the A&M System revenues. The A&M System's PUF flexible-rate note program and the PUF commercial paper program were established in 1988 and 2008, respectively, to provide interim financing and equipping of facilities for eligible construction projects. The A&M System's total outstanding PUF commercial paper notes and flexible-rate notes may not exceed $125 million in principal amount at any time. The Board of Regents adopted a resolution to discontinue the authorization for the PUF flexible-rate notes program on September 3, 2015.

The A&M System's RFS Commercial Paper Program was established in 1992 to provide interim financing for capital projects, including construction, acquisition, and renovation or equipping of facilities throughout the A&M System. Outstanding RFS commercial paper may not exceed $300 million in principal amount at any time and is secured by a pledge of all legally available revenues to the A&M System, including pledged tuition revenue and fees, general fees, and other revenue sources. The A&M System has a self-liquidity facility for this program.

The University of Texas System

The University of Texas System (the UT System) has two primary interim financing programs: a RFS commercial paper note program and a PUF commercial paper note program, both of which feature taxable and tax-exempt commercial paper options.

The UT System's RFS commercial paper note program was established in 1990 to provide interim financing for capital projects, including construction, acquisition, and renovation or equipping of facilities. RFS commercial paper notes are secured by a pledge of all legally available revenues of the UT System, including pledged tuition fees, general fees, and other revenue sources. The UT System's aggregate amount of outstanding RFS commercial paper notes may not exceed $1.25 billion in principal amount at any time.

The UT System's PUF commercial paper note program was established in 2008 to replace a previously authorized $400 million PUF flexible-rate note program. The UT System expects to utilize the PUF commercial paper note program as its primary short-term financing vehicle for PUF-related projects. PUF commercial paper notes provide interim financing for eligible capital projects, including construction, acquisition, and renovation or equipping of facilities. PUF commercial paper notes are secured by the UT System's share of distributions with the A&M System from the total return on all PUF investments. The UT System's outstanding PUF commercial paper notes may not exceed $1.25 billion in principal amount at any time.

University of Houston System

In August 2006, the Board of Regents of the University of Houston System (the UH System) authorized a RFS commercial paper program. The program was established to provide interim financing for capital projects, including construction, acquisition, renovation, and equipment for facilities of the UH System. The commercial paper is secured by a pledge of all legally available revenues of the UH System, including pledged tuition fees, general fees, and other revenue sources and has a maximum authorization amount limited to $125 million.

University of North Texas System

In May 2004, the Board of Regents of the University of North Texas System (the UNT System) authorized a RFS commercial paper program in an initial amount not to exceed $50 million. The program was established to provide interim financing for capital projects, including construction, acquisition, renovation, and equipment for facilities of the UNT System. The commercial paper is secured by a pledge of all legally available revenues of the UNT System, including pledged tuition fees, general fees, and other revenue sources. In fiscal year 2008, the commercial paper program was increased to an amount not to exceed $100 million of which $25 million may be issued as taxable notes. In fiscal year 2017, the UNT System again increased the commercial paper program to an amount not to exceed $125 million with a maximum authorized amount limited to $50 million and $75 million for each of its Series A and Series B notes, respectively.

Other State Issuers of Variable-Rate Debt
Several other state issuers have the authority to issue debt in variable-rate form. State issuers may utilize variable-rate debt in order to diversify their debt portfolio and to take advantage of lower short-term interest rates, as available.

The Veterans Land Board is one example of a state issuer that currently issues variable-rate housing assistance bonds as part of its debt portfolio.

Comptroller of Public Accounts Liquidity Facility Provider Duties
The 73rd Legislature passed legislation that authorized the Comptroller of Public Accounts to enter into agreements to provide liquidity for obligations issued for governmental purposes by an agency of the state. Pursuant to Section 404.027 of the Texas Government Code, the Comptroller may enter into agreements to provide liquidity for agency obligations issued for governmental purposes if it does not conflict with the Treasury's liquidity needs. Eligible obligations include commercial paper, variable-rate demand obligations, and bonds. At fiscal year-end 2022, the Comptroller of Public Accounts provided daily liquidity commitments totaling $624.5 million out of a total of $1.11 billion in such commitments for state obligations.

Appendix C
State Issuers' Use of Swaps

Interest rate swaps are part of a larger class of financial instruments called derivatives whose value is based on the performance of an underlying financial asset, index, or other investment. While a variety of derivative products are available, Texas issuers most often use interest rate swaps. Swaps are primarily used as tools for financial management to reduce interest expense and hedge against interest rate, tax, basis, and other risks described below. Swaps can also increase financial flexibility and are used to achieve objectives consistent with the issuer's overall program goals and financial policies.

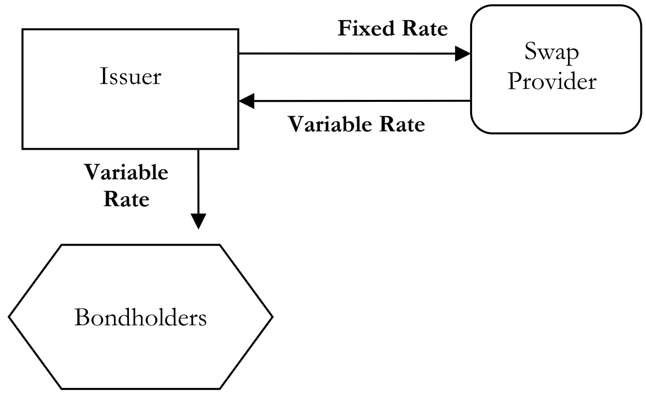
Swaps Used by State Issuers

An interest rate swap is created when a debt issuer and a financial institution, each referred to as a counterparty, enter into a contract to exchange interest payments. The types of swaps most often utilized by Texas issuers are pay-fixed, receive-variable and pay-variable, receive-variable (basis) interest rate swaps. As of August 31, 2022, pay-fixed, receive-variable swaps comprised approximately 84.1 percent ($4.56 billion) of the state's $5.42 billion in total notional amount of swaps outstanding. The balance were basis swaps. See *Table C1* for the total number of swaps outstanding by issuer at August 31, 2022.

<u>Pay-fixed, receive-variable swap (synthetic fixed-rate swap)</u>

By accepting certain risks with pay-fixed, receive-variable swaps, issuers may be able to lower their borrowing costs compared to issuing traditional, fixed-rate bonds. Under this arrangement, which creates *synthetic fixed-rate debt,* the issuer agrees to make fixed-rate payments to the swap counterparty and the swap counterparty agrees to pay the issuer variable, index-based rate payments that are expected to be comparable to the rates payable on the variable-rate debt associated with the swap agreement. This swap program is illustrated below.

Synthetic Fixed-Rate Swap



To structure such a transaction, issuers must analyze the impact of issuing either natural or synthetic fixed-rate debt. If the spread between the two is sufficient to compensate the issuer for accepting certain risks associated with synthetic fixed-rate debt, the issuer will execute the swap and issue the associated variable-rate debt. The issuer remains obligated to make debt-service payments to the variable-rate bond holders, even if the variable-rate payment received from the swap counterparty does not cover the variable-rate payment due on the associated bonds (see discussion on *Basis Risk* below).

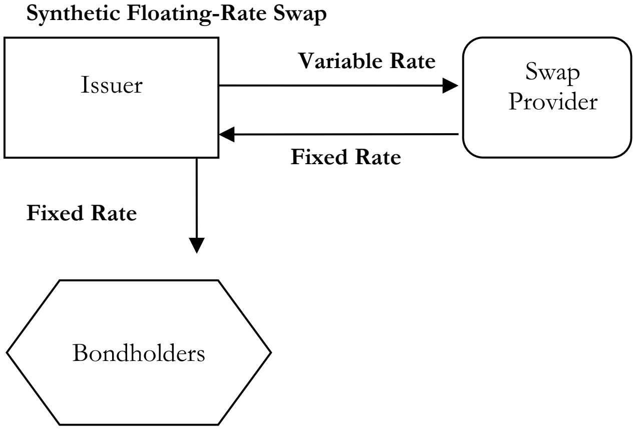
The variable rates received under most of the state's pay-fixed, receive-variable interest rate swaps are based on the London Interbank Offered Rates (LIBOR) taxable rate index. Effective January 2022, LIBOR is no longer used to issue new loans in the U.S. It was replaced by the Secured Overnight Financing Rate (SOFR). LIBOR will no longer be published on and after June 30, 2023. By then, swap parties will have to replace references to existing LIBOR rates with alternative reference rates and fallback rates.

Certain other of the state's pay-fixed, receive-variable interest rate swaps are based on the tax-exempt Securities Industries and Financial Market Association (SIFMA) Swap Index, formerly known as the BMA Swap Index, produced by Municipal Market Data (MMD).

During fiscal year 2022, VLB added a pay-fixed, receive-variable swap to its Series 2022 bonds with an initial notional amount of $248.1 million.

Pay-variable, receive-fixed swap (synthetic floating-rate swap)
Conversely, *synthetic floating-rate debt* is created when the issuer sells fixed-rate debt and enters into a fixed-to-floating rate swap. The issuer agrees to pay variable-rate payments to the counterparty and in exchange receives a fixed-rate payment from the swap counterparty. As with synthetic fixed-rate debt, the rate to be paid is tied to an underlying reference index such as the *taxable* SOFR or the *tax-exempt* SIFMA Index. This swap program is illustrated below.

Synthetic Floating-Rate Swap



During fiscal year 2011, VLB exercised its option to terminate its only synthetic floating rate swap due to the contract's favorable fair market value. As of August 31, 2022, no synthetic floating-rate swaps were outstanding.

Pay-variable, receive-variable swap (basis swap)
The pay-variable, receive-variable swaps (called *basis* swaps) are SOFR-to-SIFMA basis swaps that effectively convert the variable rate on the associated taxable variable-rate bond issues from a *taxable* SOFR-based rate to a *tax-exempt* SIFMA-based rate.

As of August 31, 2022, basis swaps comprised approximately 15.9 percent ($859.2 million) of the state's total notional amount of swaps outstanding. During fiscal year 2022, University of Texas System (UTS) added a pay-variable, receive-variable basis swap to its PUF Series 2008A-5 bonds with a total notional amount of $169.5 million and effective date of January 1, 2022.

Risk Analysis
State issuers considering entering into an interest-rate swap agreement must assess the risks associated with the transaction. Some issuers include contractual limitations or options that assist in reducing those risks. For example, the VLB has the option to terminate its swap agreements at any time. Generally, the risks associated with interest rate swaps fall into the following categories.

Termination Risk – the risk that an interest rate swap could be terminated prior to its scheduled termination date as a result of any of several events relating to either the issuer or its counterparty. The issuer or the counterparty may terminate a swap if the other party fails to perform under the terms of the swap agreement. If a swap has a negative fair value, the issuer would owe the respective counterparty a termination payment equal to the swap's fair value at the time of termination (see discussion on *Fair Value* below).

Credit Risk – the risk that either the counterparty or the issuer will not fulfill its obligations specified by the terms of the swap agreement. State issuers mitigate this risk by entering into transactions with highly rated counterparties. The issuers also mitigate concentrations of credit risk by diversifying their swap portfolios among different counterparties. Credit risk also includes the risk of the occurrence of an event that would modify the credit rating of an issuer or its counterparty.

Basis Risk – the risk of a shortfall between the interest payment received and the interest payment paid on the related debt issue. An issuer mitigates this risk by: 1) matching the swap's notional amount and amortization schedule to the associated bond issue's principal amount and amortization schedule and 2) selecting a variable-rate leg for the swap that is reasonably expected to match the interest rate on the associated variable-rate bonds over the life of the bond issue.

Rollover Risk – the risk associated with the counterparty's option to terminate the swap. If the swap is terminated by the counterparty, the associated variable-rate bonds would no longer have a synthetic fixed rate and would be subject to interest-rate risk to the extent the variable-rate bonds were not hedged with another swap or with variable-rate assets on the issuer's balance sheet.

Tax Risk – the risk associated with potential changes in the taxation of the issuer's tax-exempt, variable-rate bonds as a result of changes in marginal income tax rates and other changes in the federal and state tax systems.

Fair Value – the value of a swap estimated by using market-standard practice that includes a calculation of future net settlement payments required by the swap based on market expectations implied by the current yield curve for interest rate transactions. For a swap with embedded options, additional calculations are made to determine the value of the options.

When the fair value of a swap is positive, the counterparty is liable to the issuer for the fair value in the event of termination of the swap. In this instance, the issuer is exposed to counterparty credit risk; however, issuer swap agreements contain varying collateral agreements and insurance policies with counterparties to mitigate credit risk.

Due to the general rise in interest rates over the past several months, there are an increasing number of individual swaps with a positive net fair value as of August 31, 2022. However, there remains individual swaps with negative fair values. If a swap has a negative fair value, the Texas swap issuer would owe the respective counterparty a termination payment equal to the swap's fair value at the time of termination. If a swap has a positive fair value, the respective counterparty would owe the Texas swap issuer a termination payment equal to the swap's fair value at the time of termination. Texas issuers have achieved significant savings in interest costs by use of interest rate swaps. (See *Table C2* for the terms, counterparty credit ratings, and fair values for the state's swaps outstanding by issuer on August 31, 2022.)

Additional Derivative Products

In addition to interest rate swaps, additional derivative products used by Texas issuers include the following.

Options on Swaps – sale or purchase of options to commence or cancel interest rate swaps. Several of the VLB swaps contain embedded options called barrier options that provide for the VLB to be "knocked out" of the swaps by the respective counterparties for varying periods of time upon the breach of certain predetermined barriers. In each of these cases, the respective counterparties paid the VLB an up-front premium for the option.

Interest Rate Caps – financial contracts called caps, collars, or floors limit or bound exposure to interest rate volatility.

Rate Locks – rate locks are often based on interest rate swaps and may be used to hedge against a rise in interest rates for an upcoming fixed-rate bond issue.

Management Policy

State issuers with swap transactions outstanding or those issuers contemplating entering into swap agreements have adopted derivative or swap management policies outlining the objectives, management, oversight, monitoring, selection, and restrictions for their derivative or swap agreements.

With the passage of Senate Bill 1332 during the 80th Legislature, the Bond Review Board's (BRB) statutes were modified to add a definition of interest rate management (derivative) agreements and to require the BRB to develop a related policy. In fiscal year 2009, the BRB engaged a swap advisor to assist with the development of a state interest rate management policy and analysis of interest rate management agreements. This policy can be found on the agency's website.

In fiscal year 2010, the BRB amended its administrative rules to require issuers that enter into derivative agreements to submit additional information for staff review, including a copy of all schedules to the Master Agreement and/or the Credit Support Annex and transaction confirmations. Additionally, issuers must notify the BRB within 10 days of material adverse changes involving the parties to derivative agreements.

Table C1

NOTIONAL AMOUNTS - INTEREST RATE SWAPS
as of August 31, 2022 (Unaudited)
(amounts in thousands)

	Original Notional Amount	Current Notional Amount	Current Fair Value	Total # of Swaps
Veterans Land Board				
Pay-Fixed, Receive-Variable Total	$4,282,690	$2,773,260	$27,106	52
Pay-Variable, Receive-Variable Total	40,000	21,615	-128	1
TOTAL VLB	**$4,282,730**	**$2,794,875**	**$26,978**	**53**
Texas Department of Housing and Community Affairs				
Pay-Fixed, Receive-Variable Total	$243,005	$17,850	-$701	2
TOTAL TDHCA	**$243,005**	**$17,850**	**-$701**	**2**
The University of Texas System				
Pay-Fixed, Receive-Variable Total	$2,172,191	$1,765,000	$37,497	10
Pay-Variable, Receive-Variable Total	951,188	837,600	26,696	6
TOTAL UTS	**$3,123,379**	**$2,602,600**	**$64,193**	**16**
Totals				
Pay-Fixed, Receive-Variable	$6,697,886	$4,556,110	$36,823	64
Pay-Variable, Receive-Variable (basis swaps)	951,228	859,215	26,696	7
TOTAL INTEREST RATE SWAPS	**$7,649,114**	**$5,415,325**	**$63,519**	**71**

Source: Texas Bond Review Board - Bond Finance Office.

Table C2

VETERANS LAND BOARD - INTEREST RATE SWAPS

as of August 31, 2022 (Unaudited)

(amounts in thousands)

PAY-FIXED, RECEIVE-VARIABLE (Synthetic Fixed Rate) Bond Issue	**Original Notional Amount**	**Current Notional Amount**	**Effective Date**	**Swap Termination Date**	**Fixed-Rate Paid**	**Variable-Rate Received**	**Counterparty Credit Ratings**	**Current Fair Value**
Vet Hsg Fund II Bds Ser 2001A-2	$20,000	$17,350	03/22/2001	12/01/2029	4.30%	68% of 1M LIBOR	A/A2	-$1,341
Vet Hsg Fund II Bds Ser 2001C-2	25,000	21,995	12/18/2001	12/01/2033	4.37%	68% of 1M LIBOR	AA-/Aa2	-3,325
Vet Land Bds Ser 2002	20,000	10,500	02/21/2002	12/01/2032	4.14%	68% of 1M LIBOR	A-/A1	-1,094
Vet Hsg Fund II Bds Ser 2002A-2	38,300	22,425	07/10/2002	06/01/2033	3.87%	68% of 1M LIBOR	A+/Aa2	-2,410
Vet Hsg Fund II Bds Ser 2003A	50,000	14,950	03/04/2003	06/01/2034	3.30%	68% of 1M LIBOR	A+/Aa2	-893
Vet Hsg Fund II Bds Ser 2003B	50,000	16,000	10/22/2003	06/01/2034	3.40%	64.5% of 1M LIBOR	AA-/Aa2	-1,048
Vet Hsg Fund II Bds Ser 2004B	50,000	18,115	09/15/2004	12/01/2034	3.68%	68% of 1M LIBOR	A+/Aa2	-1,510
Vet Hsg Fund II Bds Ser 2005A	50,000	17,850	02/24/2005	06/01/2035	3.28%	68% of 1M LIBOR	AA-/Aa2	-1,128
Vet Hsg Fund II Bds Ser 2006A	50,000	21,005	06/01/2006	12/01/2036	3.52%	68% of 1M LIBOR	AA/Aa3	-1,771
Vet Hsg Fund II Bds Ser 2006D	50,000	21,905	09/20/2006	12/01/2036	3.69%	68% of 1M LIBOR	A+/Aa3	-2,100
Vet Hsg Fund II Bds Ser 2007A	54,160	22,565	02/22/2007	06/01/2037	3.65%	68% of 1M LIBOR	AA-/Aa2	-2,251
Vet Hsg Fund II Bds Ser 2007B	50,000	23,110	06/26/2007	06/01/2038	3.71%	68% of 1M LIBOR	A+/Aa2	-2,374
Vet Hsg Fund II Bds Ser 2008A	50,000	23,840	03/26/2008	12/01/2038	3.19%	68% of 1M LIBOR	AA/Aa3	-1,694
Vet Hsg Fund II Bds Ser 2008B	50,000	24,925	09/11/2008	12/01/2038	3.23%	68% of 1M LIBOR	AA-/Aa2	-1,941
Vet Hsg Ser 2010C	74,995	43,655	08/20/2010	12/01/2040	2.31%	68% of 3M LIBOR	A-/A1	-166
Vet Hsg Ser 2011A	74,995	43,065	03/09/2011	06/01/2041	2.68%	68% of 3M LIBOR	AA-/Aa2	-1,330
Vet Hsg Ser 2011B	74,995	43,955	08/25/2011	12/01/2041	2.37%	68% of 3M LIBOR	AA-/Aa2	-385
Vet Hsg Ser 2011C	74,995	44,765	12/15/2011	06/01/2042	1.92%	68% of 3M LIBOR	AA-/Aa2	983
Vet Hsg Ser 2012A	74,995	44,180	05/23/2012	12/01/2042	1.69%	68% of 3M LIBOR	AA-/Aa2	1,609
Vet Hsg Ser 2012B	100,000	57,345	11/01/2012	12/01/2042	1.45%	68% of 3M LIBOR	AA-/Aa2	3,079
Vet Hsg Ser 2013A	99,995	63,660	03/20/2013	06/01/2043	1.70%	68% of 3M LIBOR	AA-/Aa2	2,464
Vet Hsg Ser 2013B	149,995	95,685	08/22/2013	12/01/2043	2.15%	68% of 1M LIBOR	AA-/Aa2	-327
Vet Hsg Tax Ref Bds Ser 2013C	39,560	18,175	12/01/2006	12/01/2026	5.46%	100% of 1M LIBOR	A+/Aa2	-1,072
Vet Hsg Tax Ref Bds Ser 2013C	50,000	24,360	12/01/2007	06/01/2029	4.66%	100% of 1M LIBOR	A+/Aa2	-2,361
Vet Hsg Tax Ref Bds Ser 2013C	65,845	39,825	12/01/2009	06/01/2031	5.45%	100% of 6M LIBOR	A+/Aa2	-4,120
Vet Hsg Ser 2014A	150,000	99,405	03/03/2014	06/01/2044	2.18%	68% of 1M LIBOR	A+/Aa2	-594
Vet Hsg Fund I Tax Ref Bds Ser 2014B-1	50,000	6,125	06/01/2004	12/01/2024	5.45%	100% of 6M LIBOR	A+/Aa2	-184
Vet Hsg Fund I Tax Ref Bds Ser 2014B-1	19,860	3,200	12/01/2005	12/01/2023	4.93%	100% of 1M LIBOR	A+/Aa2	-61
Vet Hsg Fd I / II Tax Ref Bds Ser 2014B-1 & C-2D	24,885	8,925	12/01/2005	06/01/2026	5.15%	100% of 1M LIBOR	A+/Aa2	-367
Vet Land Tax Ref Bds Ser 2014B-3	22,795	8,980	12/01/2005	12/01/2026	6.52%	100% of 6M LIBOR	A+/Aa2	-516
Vet Hsg Fund I Tax Ref Bds Ser 2014C-1	22,605	2,505	12/01/2002	06/01/2023	4.91%	100% of 6M LIBOR	AA-/Aa2	-38
Vet Hsg Fund I Tax Ref Bds Ser 2014C-1	21,795	15,810	08/01/2012	12/01/2033	3.76%	68% of 1M LIBOR	AA/Aa3	-1,804
Vet Hsg Fund II Tax Ref Bds Ser 2014C-2	38,570	17,245	06/01/2006	12/01/2026	5.83%	100% of 1M LIBOR	A+/Aa2	-1,018
Vet Hsg Fund II Tax Ref Bds Ser 2014C-2	22,325	9,245	06/01/2006	12/01/2027	5.79%	100% of 6M LIBOR	A+/Aa2	-609
Vet Hsg Fund II Tax Ref Bds Ser 2014C-2	66,720	42,875	06/01/2010	12/01/2031	5.40%	100% of 1M LIBOR	A+/Aa2	-5,589
Vet Hsg Fund II Tax Ref Bds Ser 2014C-2	49,995	13,550	12/01/2010	06/01/2032	2.79%	100% of 1M LIBOR	AA-/Aa2	286
Vet Land Tax Ref Bds Ser 2014C-3	50,000	12,590	06/01/2006	12/01/2027	6.54%	100% of 6M LIBOR	A+/Aa2	-1,161
Vet Land Tax Ref Bds Ser 2014C-3	16,480	9,735	12/01/2010	12/01/2030	5.21%	100% of 1M LIBOR	A+/Aa2	-1,011
Vet Land Tax Ref Bds Ser 2014C-4	50,000	3,735	12/01/2003	12/01/2023	5.12%	100% of 1M LIBOR	A+/Aa2	-49
Vet Land Tax Ref Bds Ser 2014C-4	24,755	6,180	12/01/2004	12/01/2024	5.46%	100% of 6M LIBOR	A-/A1	-183
Vet Land Tax Ref Bds Ser 2014C-4	31,030	9,050	06/01/2006	12/01/2026	4.61%	100% of 6M LIBOR	AA-/Aa2	-256
Vet Land Tax Ref Bds Ser 2014C-4	41,050	16,770	12/01/2006	12/01/2027	6.51%	100% of 1M LIBOR	A+/Aa2	-1,521
Vet Hsg Ser 2014D	100,000	67,500	09/10/2014	06/01/2045	1.94%	68% of 1M LIBOR	AA-/Aa2	710
Vet Hsg Ser 2015A	125,000	85,690	02/11/2015	06/01/2045	1.51%	68% of 1M LIBOR	AA-/Aa2	3,840
Vet Hsg Ser 2015B	125,000	90,640	07/22/2015	06/01/2046	1.77%	68% of 1M LIBOR	A+/Aa2	2,122
Vet Hsg Ser 2016	247,370	150,750	12/01/2016	12/01/2046	1.56%	68% of 1M LIBOR	A+/Aa2	4,949
Vet Hsg Ser 2017	249,690	166,510	08/01/2017	12/01/2047	1.18%	68% of 1M LIBOR + 0.085%	A+/Aa3	10,097
Vet Hsg Ser 2018	249,730	197,475	04/01/2019	12/01/2049	2.07%	72% of 1M LIBOR	AA-/Aa2	1,741
Vet Hsg Ser 2019	249,275	214,790	12/01/2019	06/01/2050	1.85%	65% of USD Fed Funds + 0.24%	A+/Aa3	3,915
Vet Hsg Ser 2020	249,850	228,210	09/01/2020	12/01/2050	1.08%	65% of USD Fed Funds + 0.24%	A+/Aa3	15,478
Vet Hsg Ser 2021	247,990	242,475	12/01/2021	12/01/2051	0.65%	66.5% of USD Fed Funds + 0.18%	AA-/Aa2	23,931
Vet Hsg Ser 2022	248,090	248,090	06/01/2023	06/01/2053	2.01%	65% of USD Fed Funds + 0.24%	AA-/Aa2	1,502
Pay-Fixed, Receive-Variable Total	**$4,282,690**	**$2,773,260**						**$27,106**

PAY-VARIABLE, RECEIVE-VARIABLE (Basis Swap) Bond Issue	**Original Notional Amount**	**Current Notional Amount**	**Effective Date**	**Swap Termination Date**	**Variable-Rate Paid**	**Variable-Rate Received**	**Counterparty Credit Ratings**	**Current Fair Value**
Vet Land Tax Ref Bds Ser 2014C-3	$40,000	$21,615	08/05/2002	12/01/2032	131.25% of SIFMA	100.00% of 1M LIBOR	A-/A1	-$128
Pay-Variable, Receive-Variable Total	**$40,000**	**$21,615**						**-$128**
TOTAL VLB INTEREST RATE SWAPS	**$4,282,730**	**$2,794,875**						**$26,978**

Source: Texas Bond Review Board - Bond Finance Office.

Table C2 (continued)

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS - INTEREST RATE SWAPS
as of August 31, 2022 (Unaudited)
(amounts in thousands)

PAY-FIXED, RECEIVE-VARIABLE (Synthetic Fixed Rate) Bond Issue	**Original Notional Amount**	**Current Notional Amount**	**Effective Date**	**Swap Termination Date**	**Fixed-Rate Paid**	**Variable-Rate Received**	**Counterparty Credit Ratings**	**Current Fair Value**
TDHCA SF Variable Rate Ref MRB Ser 2005A	100,000	9,515	08/01/2005	09/01/2036	4.01%	*	A+/Aa2/AA	-469
TDHCA SF Variable Rate Ref MRB Ser 2007A	143,005	8,335	06/05/2007	09/01/2038	4.01%	*	A+/Aa2/AA	-232
TOTAL TDHCA INTEREST RATE SWAPS	**$243,005**	**$17,850**						**-$701**

* Lesser of (a) or (b) where (a) equals the greater of (i) 65% of LIBOR or (ii) 56% of LIBOR + .45% and b) equals 1M LIBOR.

Note: TDHCA is not a party to the Multifamily swap agreements and therefore is not required to report market value on financial statements.

Source: Texas Bond Review Board - Bond Finance Office.

Table C2 (continued)

THE UNIVERSITY OF TEXAS SYSTEM - INTEREST RATE SWAPS
as of August 31, 2022 (Unaudited)
(amounts in thousands)

PAY-FIXED, RECEIVE-VARIABLE (Synthetic Fixed Rate) Bond Issue	**Original Notional Amount**	**Current Notional Amount**	**Effective Date**	**Swap Termination Date**	**Fixed-Rate Paid**	**Variable-Rate Received**	**Counterparty Credit Ratings**	**Current Fair Value**
UT RFS Refunding Bonds, Series 2007B-1	$172,730	$151,553	12/20/2007	08/01/2034	3.81%	SIFMA	Aa2/A+	-$10,823
UT RFS Refunding Bonds, Series 2007B-2	172,730	151,553	12/20/2007	08/01/2034	3.81%	SIFMA	Aa2/A+	-10,823
UT RFS Bonds, Series 2008B-1	155,000	99,205	03/18/2008	08/01/2036	3.90%	SIFMA	Aa2/A+	-9,462
UT RFS Bonds, Series 2008B-2	375,485	191,060	03/18/2008	08/01/2039	3.61%	SIFMA	Aa2/A+	-13,309
UT RFS Bonds, Series 2008B-3	155,000	99,205	03/18/2008	08/01/2036	3.90%	SIFMA	A1/A-	-9,462
UT PUF Bonds, Series 2008A-1	200,453	166,043	11/03/2008	07/01/2038	3.70%	SIFMA	Aa2/A+	-17,121
UT PUF Bonds, Series 2008A-2	200,453	166,043	11/03/2008	07/01/2038	3.66%	SIFMA	Aa3/A+	-16,511
UT RFS Bonds, Series 2016G	250,000	250,000	12/01/2016	08/01/2045	2.00%	100% of 1M LIBOR	Aa3/A+	32,632
UT RFS Bonds, Series 2020A	250,000	250,000	11/01/2020	08/01/2049	1.58%	100% of 1M LIBOR	Aa3/A+	48,369
UT PUF Bonds, Series 2014A-1	240,340	240,340	06/30/2023	07/01/2041	0.72%	80% of FF	Aa3/A+	44,006
Pay-Fixed, Receive-Variable Total	**$2,172,191**	**$1,765,000**						**$37,497**

PAY-VARIABLE, RECEIVE-VARIABLE (Basis Swap) Bond Issue	**Original Notional Amount**	**Current Notional Amount**	**Effective Date**	**Swap Termination Date**	**Variable-Rate Paid**	**Variable-Rate Received**	**Counterparty Credit Ratings**	**Current Fair Value**
UT PUF Bonds, Series 2008A-3	$198,113	$166,043	11/1/2011	07/01/2038	SIFMA	93.40% of 3M LIBOR	Aa2/A+	$4,697
UT RFS Bonds, Series 2008B-4	90,270	90,270	08/01/2009	08/01/2039	SIFMA	102.5% of 3M LIBOR	Aa1/AA-	5,529
UT RFS Bonds, Series 2008B-5	92,045	92,045	08/01/2009	08/01/2030	SIFMA	96% of 3M LIBOR	Aa1/AA-	2,717
UT RFS Bonds, Series 2008B-6	117,190	117,190	08/01/2009	08/01/2035	SIFMA	103% of 3M LIBOR	Aa1/AA-	6,513
UT PUF Bonds, Series 2006B	284,065	206,010	01/01/2009	07/01/2035	SIFMA	82.04% of 1M LIBOR	Aa2/A+	-974
UTS PUF Bonds, Series 2008A-5	169,505	166,043	01/01/2022	07/01/2038	SIFMA	100% of FF + 0.20%	Aa2/A+	8,215
Pay-Variable, Receive-Variable Total	**$951,188**	**$837,600**						**$26,696**
TOTAL UTS INTEREST RATE SWAPS	**$3,123,379**	**$2,602,600**						**$64,193**

Source: Texas Bond Review Board - Bond Finance Office.

Table C3

ESTIMATED DEBT-SERVICE REQUIREMENTS OF DEBT OUTSTANDING WITH SWAPS AND NET INTEREST RATE SWAP PAYMENTS

[EXCLUDES PAY-VARIABLE, RECEIVE-VARIABLE (BASIS) SWAPS]

as of August 31, 2022 (Unaudited)

(amounts in thousands)

Texas Department of Housing and Community Affairs

Fiscal Year	Variable-Rate Bonds*		Interest Rate	
Ending 8/31/22	Principal	Interest	Swaps, Net	Total
2023	$0	$221	$290	$512
2024	0	295	290	586
2025	0	294	290	584
2026	0	295	290	585
2027	0	295	290	585
2028-2032	0	1,473	1,452	2,925
2033-2037	11,935	1,296	1,459	14,689
2038-2042	5,915	75	107	6,098
Total Debt-Service and Net Interest Rate Swap Payments	**$17,850**	**$4,243**	**$4,470**	**$26,564**

*Does not indude multifamily bonds outstanding.

Source: Texas Department of Housing and Community Affairs.

The University of Texas System

Fiscal Year	Variable-Rate Bonds and CP		Interest Rate	
Ending 8/31/22	Principal	Interest (1)	Swaps, Net (2)	Total
2023	48,185	27,428	17,447	93,060
2024	49,785	26,674	16,443	92,902
2025	57,325	25,894	15,406	98,625
2026	50,360	24,993	14,208	89,561
2027	59,605	24,206	13,159	96,971
2028-2032	307,955	106,816	46,864	461,635
2033-2037	339,775	82,918	15,356	438,049
2038-2042	111,670	57,495	-16,739	152,426
2043-2047	250,000	43,961	-16,369	277,593
2048-2052	250,000	10,640	-4,887	255,752
Total Debt-Service and Net Interest Rate Swap Payments	**$1,524,660**	**$431,026**	**$100,889**	**$2,056,574**

(1) As required by GASB Statement No. 38, annual debt-service requirements are computed using the System's interest rates in effect on August 31, 2022, on its Series 2008A Bonds, Series 2007B Bonds, Series 2008B Bonds, Series 2016G Bonds, and Taxable Commerical Paper.

(2) Reflects net payments on pay-fixed, receive-variable interest rate swaps based on interest rates in effect on August 31, 2022, applied on the respective notional amounts of the swaps through their respective termination dates.

Source: The University of Texas System.

Veterans Land Board

Fiscal Year	Variable-Rate Bonds		Interest Rate	
Ending 8/31/22	Principal	Interest	Swaps, Net	Total
2023	$214,410	$41,891	$16,681	$272,982
2024	222,525	41,784	19,121	283,430
2025	226,175	37,751	17,037	280,963
2026	211,375	33,809	14,908	260,092
2027	193,945	30,101	12,878	236,924
2028-2032	785,950	106,215	41,767	933,932
2033-2037	475,830	53,346	17,256	546,432
2038-2042	295,670	23,095	7,349	326,114
2043-2047	118,855	6,191	3,088	128,134
2048-2052	27,700	914	702	29,316
2053-2057	825	8	9	842
Total Debt Service and Net Interest Rate Swap Payments	**$2,773,260**	**$375,105**	**$150,796**	**$3,299,161**

Source: Veterans Land Board.

Table C4

ESTIMATED DEBT-SERVICE REQUIREMENTS OF DEBT OUTSTANDING WITH SWAPS AND NET INTEREST RATE SWAP PAYMENTS [PAY-VARIABLE, RECEIVE-VARIABLE (BASIS) SWAPS ONLY] as of August 31, 2022 (Unaudited)

(amounts in thousands)

The University of Texas System

Fiscal Year	Variable Rate Bonds [1]		Interest Rate	
Ending 8/31/22	**Principal**	**Interest [2]**	**Swaps, Net [3]**	**Total**
2023	7,180	10,014	-7,477	9,717
2024	7,440	9,907	-7,409	9,938
2025	7,705	9,798	-7,339	10,163
2026	7,990	9,686	-7,267	10,409
2027	32,885	9,572	-7,191	35,266
2028-2032	158,125	40,478	-30,088	168,515
2033-2037	298,595	26,591	-18,756	306,431
2038-2042	111,670	1,959	-1,402	112,226
Total Debt-Service and Net Interest Rate Swap Payments	**$631,590**	**$118,005**	**-$86,929**	**$662,665**

(1) Includes principal and interest due on certain related bonds, which are also included in *Table C3*.

(2) As required by GASB Statement No. 38, annual debt-service requirements are computed using the System's interest rates in effect on August 31, 2022, on its Series 2008A Bonds and Series 2008B Bonds.

(3) Reflects net payments on pay-variable, receive-variable interest rate swaps based on interest rates in effect at August 31, 2022, applied on the respective notional amounts of the swaps through their respective termination dates.

Source: The University of Texas System.

The University of Texas System

PUF Bonds, Series 2006B

Fiscal Year	Fixed Rate Bonds [1]		Interest Rate	
Ending 8/31/22	**Principal**	**Interest**	**Swaps, Net [2]**	**Total**
2023	25,660	10,816	-875	35,600
2024	0	9,468	-766	8,702
2025	0	9,468	-766	8,702
2026	29,745	9,468	-766	38,447
2027	0	7,907	-640	7,267
2028-2032	104,045	23,333	-1,888	125,490
2033-2037	46,560	6,142	-497	52,205
Total Debt-Service and Net Interest Rate Swap Payments	**$206,010**	**$76,602**	**-$6,199**	**$276,414**

(1) Reflects scheduled principal and interest of Permanent University Fund Bonds, Series 2006B.

(2) Reflects net payments on pay-variable, receive-variable interest rate swaps based on interest rates in effect at August 31, 2022, applied on the respective notional amounts of the swaps through their respective termination dates.

Source: The University of Texas System.

Veterans Land Board

Fiscal Year	Variable-Rate Bonds		Interest Rate	
Ending 8/31/22	**Principal**	**Interest**	**Swaps, Net**	**Total**
2023	1,635	598	-75	2,158
2024	1,735	549	-69	2,215
2025	1,845	498	-63	2,280
2026	1,955	443	-56	2,342
2027	2,080	385	-48	2,417
2028-2032	12,365	846	-107	13,104
Total Debt-Service and Net Interest Rate Swap Payments	**$21,615**	**$3,319**	**-$418**	**$24,516**

Source: Veterans Land Board.

Appendix D
Debt Issuance Costs

Issuance costs are composed of the professional fees and expenses paid to service providers and underwriters to market bonds to investors. Professional services commonly used in the marketing of all types of municipal securities are listed below.[1]

• Underwriter – The underwriter or underwriting syndicate acts as a dealer that purchases a new issue of municipal securities from the issuer for resale to investors. The underwriter may acquire the securities either by negotiation with the issuer or by award on the basis of competitive bidding.

The largest portion of the costs associated with the issuance of bonds is the fee paid to the underwriter (or underwriting syndicate), known as the "underwriting spread." The spread is the underwriter's compensation for purchasing the bonds from the issuer and reselling them in the bond market. It consists of four components.

- Takedown – Represents the discount that the members of the syndicate receive when they purchase the bonds from the issuer.
- Management fee – Compensation to the underwriters for creating and implementing the financing package.
- Underwriting fee – A risk premium to compensate the underwriters for market risk of the underwriting.
- Expenses – Costs associated with the marketing of the bonds such as CUSIP, travel, printing, and underwriter's legal fees.

• Bond Counsel – Bond counsel is retained by the issuer to provide legal advice and a legal opinion that: 1) the issuer is authorized to issue the proposed securities; 2) the issuer has met all legal requirements necessary for issuance; and 3) if appropriate, the interest on the proposed securities is exempt from federal income taxation and, where applicable, from state and local taxation. Bond counsel prepares and/or reviews documentation and advises the issuer regarding: 1) authorizing resolutions or ordinances; 2) trust indentures; 3) official statements; 4) validation proceedings; 5) disclosure requirements; and 6) litigation.

• Financial Advisor – The financial advisor advises the issuer on matters pertinent to a proposed issue such as structure, timing, marketing, pricing, terms, and bond ratings. A financial advisor may also be employed to provide advice on subjects unrelated to a new issue of securities such as advising on cash flow and investment matters as well as the issuer's overall debt management policies.

• Disclosure Counsel – An attorney or law firm retained by the issuer to provide advice on issuer disclosure obligations and to prepare the official statement and/or continuing disclosure agreement.

• Credit Rating Agencies – Credit rating agencies provide public or private ratings on the credit quality of securities issues to help investors assess the probability of timely repayment of principal and interest on municipal securities. Ratings are initially released before issuance and are reviewed periodically after issuance and may be amended to reflect changes in the issuer's creditworthiness.

• Paying Agent/Registrar – The paying agent is responsible for transmitting payments of principal and interest from the issuer to the security holders and maintaining records of the owners of registered bonds on behalf of the issuer.

• Printer – The printer produces the official statement, notice of sale, and any bonds required to be transferred between the issuer and purchasers of the bonds.

Choosing the Method of Sale: Negotiated vs. Competitive

Selecting the method of sale is one of the most important decisions an issuer of securities must make. Both negotiated and competitive sales have distinct advantages and disadvantages described below.

[1] Definitions adapted from the Municipal Securities Rulemaking Board's *Glossary of Municipal Securities Terms.*

In a negotiated sale, an underwriter is chosen in advance of the sale and agrees to buy the bonds at a mutually agreed future date for resale. As part of the preparation for the underwriting at that future date, the underwriter actively markets the bonds to potential buyers to ensure a successful resale at the time of the underwriting. In more complicated financings, pre-sale marketing can be crucial to obtaining the lowest possible interest cost. In addition, the negotiated method of sale offers issuers greater timing and structural flexibility than competitive sales as well as more influence in directing bond distribution to selected underwriting firms and investors.

Disadvantages of negotiated sales are a lack of competition in pricing and the possible appearance of favoritism. These factors can result in wider fluctuations in underwriting spreads for negotiated transactions than for comparable competitive transactions.

Conditions that suggest a negotiated sale are market volatility and securities for which market demand is difficult to ascertain. Often called "story bonds," these include securities issued by an infrequent issuer or an issuer with weak or declining credit rating(s) or securities that contain innovative structuring, derivatives, or other complexities.

In a competitive sale, sealed or electronic bids from several underwriters are opened on a predetermined sale date and time. The bonds are then awarded to the underwriter submitting the lowest bid that meets the terms and conditions of the sale. Generally, underwriters that bid competitively perform less pre-sale marketing because they will not know if they have been awarded the underwriting contract until the day the bids are opened.

Advantages of the competitive bid include: 1) bids are developed in a competitive environment where market forces determine the price; 2) spreads are typically lower; and 3) the winning bid is developed in an open process among underwriters. Disadvantages of the competitive sale include: 1) limited flexibility in timing the sale and structuring the transaction; 2) limited pre-sale marketing; 3) minimum control over the distribution of bonds; and 4) the likelihood that underwriters' bids will include a risk premium to compensate for uncertainty regarding market demand.

Conditions that suggest a competitive sale are a stable, predictable market in which market demand for the securities can be relatively easily determined. Stable market conditions lessen the underwriters' risk of holding unsold balances.

Market demand is generally easier to assess for securities that: 1) are issued by well-known, highly rated issuers that regularly access the debt market; 2) are conventionally structured, such as serial and term coupon bonds; and 3) have a strong source of repayment and thus a high credit rating. These conditions will generally lead to aggressive bidding, resulting in lower costs of issuance since the underwriters will be able to more easily assess market demand without extensive pre-marketing activities.

In determining the method of sale, factors such as size, complexity, market conditions, and time frame most influence the issuer's decision. Issuers should focus primarily on how their bonds are being priced in the market and focus secondarily on the underwriting spread. For example, reducing the takedown (selling) component of the underwriters' spread to reduce costs may result in reducing the sales effort needed to successfully place the issue, which in turn could result in a lower price (higher yield) for the issue in aftermarket trading.

COLLEGE AND UNIVERSITY REVENUE BONDS

Statutory Authority: Section 55.13 of the Texas Education Code authorizes the governing boards of institutions of higher education to issue revenue bonds to provide funds to acquire, construct, improve, enlarge, and equip property, buildings, structures, or facilities.

The Texas Public Finance Authority (TPFA) acts as the exclusive issuer of revenue debt for Texas Southern University. Stephen F. Austin State University and Texas State Technical College System, and general academic teaching institutions, as defined by Section 61.003 of the Texas Education Code, have the option to use TPFA as the issuer. Effective September 1, 2021, Midwestern State University joined the Texas Tech University System, which will oversee future debt issuances.

The governing boards are required to obtain the approval of the Bond Review Board unless exempted under Sec. 1231.041 of the Texas Government Code. Approval by the Attorney General's Office prior to issuance is required on all transactions, and college and university revenue bond issuers are required to register their bonds with the Comptroller of Public Accounts.

Purpose: Proceeds are used to acquire, purchase, construct, improve, enlarge, and/or equip property, buildings, structures, activities, services, operations, or other facilities.

Security: The revenue bonds issued by the institutions' governing boards are secured by the income of the institutions and are not an obligation of the state of Texas. Neither the state's full faith and credit nor its taxing power is pledged toward payment of the bonds.

Dedicated/Project Revenue: Debt service is payable from the institution's pledged revenues. Pledged revenues include the pledged tuition and any or all of the revenues, funds, and balances lawfully available to the governing boards and derived from or attributable to any member of the Revenue Financing System.

Contact:
Individual colleges and universities.

COLLEGE STUDENT LOAN BONDS

Statutory/Constitutional Authority:
Article III, Sections 50b, 50b-1, 50b-2, 50b-3, 50b-4, 50b-5, 50b-6, and 50b-7, of the Texas Constitution, adopted in 1965, 1969, 1989, 1991, 1995, 1999, 2007, and 2011, respectively, authorize the issuance of general obligation bonds by the Texas Higher Education Coordinating Board (THECB). Sections 50b, 50b-1, 50b-2, and 50b-3, were subsequently repealed in 1999. Section 50b-7 authorizes the THECB to issue College Student Loan Bonds in an aggregate principal amount of outstanding bonds that at all times may not exceed $1.86 billion.

Chapter 52 of the Texas Education Code (the Act) authorizes the administration of various student loan programs and the related issuance of private activity bonds. Pursuant to the Act, the THECB administers the State of Texas College Student Loan Bonds Interest and Sinking Fund, which was established by the Act as a fund in the State Treasury. Money received by the Board in each fiscal year as repayment of student loans granted under the Act and interest thereon must first be deposited in the Interest and Sinking Fund in an amount sufficient to pay the interest on and principal of previously issued bonds, and any additional bonds coming due during the ensuing fiscal year.

The THECB is required to obtain the approval of the Attorney General's Office and the Bond Review Board prior to issuance and to register its bonds with the Comptroller of Public Accounts.

Purpose: Proceeds from the sale of bonds are used to make College Access Loans (CAL) to eligible students attending public or private colleges and universities in Texas. The CAL loan is an alternative educational loan that may be used to cover the amount of the student's cost of attendance that is not covered by other resources.

CAL loans are extended under this program by authority of the Act and the administrative rules of the THECB, found at Title 19 Texas Administrative Code, Chapter 22, Subchapter C.

Security: The first monies coming into the Comptroller of Public Accounts - Treasury Operations, not otherwise dedicated by the Constitution, are pledged to pay debt service on the general obligation bonds.

Dedicated/Project Revenue: Principal and interest repayments on the loans are pledged to pay debt service on the bonds issued by the Coordinating Board and related administrative costs. No draw on general revenue is anticipated.

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FARM AND RANCH LOAN BONDS

Statutory/Constitutional Authority: Article III, Section 49-f, of the Texas Constitution, adopted in 1985, authorizes the issuance of general obligation bonds by the Veterans Land Board. The program was transferred in 1993 from the Veterans Land Board to the Texas Agricultural Finance Authority with the passage of HB 1684 by the 73rd Legislature. In 1995, a constitutional amendment was approved that expanded the use of existing bond authority and allows no more than $200 million of the authority to be used for the purposes defined in Article III, Section 49-i, of the Texas Constitution and for other rural economic development programs. In 1997, HB 2499, 75th Legislature, increased the maximum loan amount available through the program to $250,000. In 2001, SB 716, 77th Legislature, authorized the Authority to provide a guarantee to a local lender for an eligible applicant.

Purpose: Proceeds from the sale of the general obligation bonds may be used to make loans of up to $250,000 to each eligible Texan for the purchase of farms and ranches.

Security: The bonds are general obligations of the state of Texas. The first monies coming into the Comptroller of Public Accounts - Treasury Operations, not otherwise dedicated by the Texas Constitution, are pledged to pay debt service on the bonds.

Dedicated/Project Revenue: Principal and interest payments on the farm and ranch loans are pledged to pay debt service on the bonds issued by the Texas Agricultural Finance Authority. The program is designed to be self-supporting; therefore, no draw on general revenue is anticipated.

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HIGHER EDUCATION CONSTITUTIONAL BONDS

Statutory/Constitutional Authority: Article VII, Section 17, of the Texas Constitution, adopted in 1985, authorizes the issuance of constitutional appropriation bonds, (generally referred to as Higher Education Fund or HEF bonds), by institutions of higher education not eligible to issue bonds payable from and secured by the income of the Permanent University Fund (PUF). Legislative approval of bond issues is not required; however, approval of the Bond Review Board and the Attorney General is required and the bonds must be registered with the Comptroller of Public Accounts.

Purpose: Proceeds from the sale of bonds are used by qualified institutions for library materials, land acquisition, new construction, major repairs, and renovations or equipment.

Security: The first $175 million coming into the Comptroller of Public Accounts - Treasury Operations, not otherwise dedicated by the Texas Constitution, goes to qualified institutions of higher education to fund certain land acquisition, construction and repair projects. In 2005, the 79th Legislature increased the total allocation to qualified institutions to $262.5 million beginning in fiscal year 2008. In 2015, the 84th Legislature increased the total allocation to $393.8 million beginning in fiscal year 2017. Fifty percent of this amount may be pledged to pay debt service on any bonds or notes issued. While not explicitly a general obligation or full-faith and credit bond, the stated pledge has the same effect.

Dedicated/Project Revenue: Debt service is payable solely from state General Revenue Fund appropriations to institutions of higher education.

Contact:
Individual colleges and universities.

PERMANENT UNIVERSITY FUND BONDS

Statutory/Constitutional Authority: Article VII, Section 18, of the Texas Constitution, initially adopted in 1947, as amended in November 1984, authorizes the Boards of Regents of The University of Texas and The Texas A&M University Systems to issue revenue bonds payable from and secured by the income of the Permanent University Fund (PUF). The constitutional amendment approved by voters on November 2, 1999, allows for distributions from the PUF to be based on the "total return" on all PUF investment assets, including current income as well as capital gains. Neither legislative approval nor Bond Review Board approval is required. Approval of the Attorney General is required and the bonds must be registered with the Comptroller of Public Accounts.

Purpose: Proceeds are used for acquiring land either with or without permanent improvements; constructing and equipping buildings or other permanent improvements; major repair and rehabilitation of buildings and other permanent improvements; acquiring capital equipment, library books, and library materials; and refunding PUF bonds or PUF notes.

Security: Bonds are equally and ratably secured by and payable from a first lien on and pledge of the interest of the UT System or the A&M System in the Available University Fund. The total amount of PUF bonds is subject to the constitutional limitation in that the aggregate amount of bonds payable from the Available University Fund cannot, at the time of issuance, exceed 30 percent of the cost value of investments and other assets of the PUF, exclusive of real estate.

The PUF bonds do not constitute general obligations of the UT Board or A&M Board, the Systems, the state of Texas or any political subdivision of the state of Texas. Neither the UT Board nor the A&M Board have taxing power, and neither the credit nor the taxing power of the state of Texas or any political subdivision thereof is pledged as security for the bonds.

Dedicated/Project Revenue: Bonds are repaid from the Available University Fund, which consists of distributions from the “total return” on all investment assets of the PUF, including the net income attributable to the surface of PUF land, in amounts determined by the UT Board.

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TEXAS AGRICULTURAL FINANCE AUTHORITY BONDS

Statutory/Constitutional Authority:
The Texas Public Finance Authority (the "Authority") is authorized to issue general obligation and revenue bonds on behalf of the Texas Agricultural Finance Authority ("TAFA") pursuant to Agriculture Code, Section 58.041. This authority was transferred from TAFA to the Authority, effective September 1, 2009. The issuance of general obligation debt for TAFA programs is authorized by the Texas Constitution, Article III, Sections 49-f and 49-i.

The 87th Legislature, 2021, appropriated to the Texas Agricultural Finance Authority, out of the Texas Agricultural Fund No. 683 each fiscal year, all necessary amounts required to pay principal and interest on bonds issued pursuant to Article III, Section 49-I, and Article III, Section 49-f, of the Texas Constitution, pay costs of administering such bonds, cover any defaults on loans referenced under Chapter 58, Subchapters C and E, Texas Agriculture Code, and make payments for the purpose of providing reduced interest rates on loans guaranteed to borrowers as authorized by Section 58.052(e), Texas Agriculture Code.

Purpose: Chapter 58 of the Texas Agriculture Code created TAFA under the Texas Agricultural Finance Act and authorizes TAFA to establish programs to support agricultural business in Texas. Under the Agricultural Finance Act, TAFA is authorized to use bond proceeds for loans and other financing assistance for the purchase of farm and ranch land. In addition, proceeds may be used to establish a Texas Agricultural Fund for rural economic development programs and a Rural Microenterprise Development Fund to fund programs that foster and stimulate the creation and expansion of small businesses in rural areas. TAFA may use the proceeds to provide loan guarantees, insurance, coinsurance, loans, and indirect loans or purchases or acceptances of assignments of loans or other obligations.

Security: In addition to general obligation bonds, TAFA may issue up to $500 million in revenue bonds for the purpose of providing money to carry out its programs. Before authorizing the issuance of any general obligation bonds for programs funded by the Texas Agricultural Development Fund or the Rural Microenterprise Development Fund, the TAFA board must determine that the issuance of revenue bonds is not an economically advisable alternative. TAFA's revenue bonds are secured by pledged revenues and liens on TAFA's property, revenues, income, or other resources of the authority, including mortgages or other interests in property financed with bond proceeds.

Dedicated/Project Revenue: Debt service on revenue debt issued by TAFA is not an obligation of the state and is payable solely from any loan repayments and other pledged revenue and assets of TAFA. Debt service on general obligation debt is payable from pledged repayments on loans made under a financial assistance program funded by bond proceeds, or state general revenue if income is insufficient to make debt-service payments.

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TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Statutory Authority: The Texas Low-Level Radioactive Waste Disposal Authority (the Disposal Authority) was created in 1981 (Texas Health and Safety Code, Chapter 402), and authorized to issue revenue bonds in 1987 to finance certain costs related to the creation of a radioactive waste disposal site. The Disposal Authority was required to obtain the approval of the Attorney General's Office and the Bond Review Board prior to issuance and to register its bonds with the Comptroller of Public Accounts. In 1997, HB 1077, 75th Legislature, authorized the Texas Public Finance Authority (TPFA) to issue the bonds on behalf of the Texas Low-Level Radioactive Waste Disposal Authority.

The 76th Legislature abolished the Disposal Authority effective September 1, 1999, and transferred all of its duties, responsibilities, and resources to the Texas Natural Resource Conservation Commission (the Commission), that has since been renamed the Texas Commission on Environmental Quality (TCEQ).

TCEQ has not requested TPFA to issue debt.

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TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS BONDS

Statutory Authority: The Texas Department of Housing and Community Affairs (the "Department") was created pursuant to Chapter 762, 1991 Tex. Sess. Law Serv. 2672, the Act, codified as Chapter 2306, Texas Government Code. The Department is the successor agency to the Texas Housing Agency (THA) and the Texas Department of Community Affairs, both of which were abolished by the Act with their functions and obligations transferred to the Department.

Pursuant to the Act, the Department may issue bonds, notes, or other obligations to finance or refinance residential housing and to refund bonds previously issued by the THA, the Department or certain other quasi-governmental issuers. The Act specifically provides that the revenue bonds of the THA become revenue bonds of the Department. Legislative approval of bond issues is not required; however, the Department is required to obtain the approval of the Bond Review Board and the Attorney General's Office prior to issuance and to register its bonds with the Comptroller of Public Accounts.

Purpose: Proceeds from the sale of bonds are used to provide assistance to individuals and families of low, very low, and moderate income and persons with special needs to obtain decent, safe, and sanitary housing.

Security: Any bonds issued are obligations of the Department and are payable solely from the revenues and funds pledged for the payment thereof. The Department's bonds are not an obligation of the state of Texas, and neither the state's full faith and credit nor its taxing power is pledged toward payment of the Department's bonds.

Dedicated/Project Revenue: Revenue received by the Department from the repayment of loans and investment of bond proceeds is pledged to the payment of principal and interest on bonds issued.

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TEXAS DEPARTMENT OF TRANSPORTATION BONDS

Statutory/Constitutional Authority: The Texas Transportation Commission ("Commission"), the governing body of the Texas Department of Transportation ("TxDOT") is authorized to issue both revenue and general obligation bonds.

In 1997, the Texas Turnpike Authority ("TTA") was established by SB 370, 75th Legislature (Texas Transportation Code, Chapter 361). Effective November 6, 2001, SB 342, 77th Legislature, abolished the TTA board and assigned all duties, including authority to issue bonds for toll projects to the Commission, which provides for all the management of the TTA's affairs as a division of TxDOT. The Commission's authority to issue toll revenue bonds is provided by Subchapter C of Chapter 228, Texas Transportation Code.

In 2001, voters approved Article III, Section 49-k, of the Texas Constitution, and Subchapter M of Chapter 201, Texas Transportation Code, which established the Texas Mobility Fund within the state treasury and authorized the Commission to issue general obligation bonds payable from the revenues of the fund.

In 2003, voters approved Proposition 14 which added Article III, Section 49-n, of the Texas Constitution which, along with the enabling legislation, Section 222.003, Texas Transportation Code, authorized the issuance of $3 billion in securities payable from the revenues of the State Highway Fund. In 2005, the program capacity was increased to $6 billion with a maximum annual issuance of $1.5 billion.

In 2007, voters approved Proposition 12 which added Article III, Section 49-p to the Texas Constitution. In 2009, HB 1, 81st Legislature, 1st Called Session, ratified Section 222.004 to the Texas Transportation Code which authorized the issuance of $5 billion in highway improvement general obligation bonds.

Purpose: Proceeds from the sale of toll revenue bonds may be used to pay for all or part of the cost of a toll project provided that they are only used to pay costs of the project for which they are issued. In 2002, the Commission issued the Central Texas Turnpike System Revenue Obligations to finance a portion of the planning, design, engineering, and construction of the initial phase of the Central Texas Turnpike System (SH 130 Segments 1 through 4, SH 45 North, and Loop 1).

Revenues and obligations secured by the Texas Mobility Fund may be used for acquisition, construction, maintenance, reconstruction, and expansion of state highways and the participation by the state in the costs of constructing other public transportation projects.

State Highway Fund Revenue bonds (Proposition 14 Bonds) may be used to finance state highway improvement projects that are eligible for funding with constitutionally dedicated revenues. Of the $6 billion currently authorized, $1.2 billion must be used to fund projects that improve highway safety.

Highway improvement general obligation bonds (Proposition 12 Bonds) may be used to pay all or part of the costs of highway improvement projects.

Security: Project revenue bonds issued pursuant to Chapter 228, Texas Transportation Code (including Central Texas Turnpike System bonds), are not an obligation of the Commission, TxDOT, nor the state and are payable solely from the revenues of the project for which the securities are issued or other eligible sources.

Obligations of the Texas Mobility Fund (the "Fund") are secured by and payable from a pledge of revenues dedicated to and on deposit in the Fund. Pledged revenues of the Fund primarily consist of driver's license fees, driver record information fees, motor vehicle inspection fees, and certificate of title fees (the equivalent amount of certificate of title fee revenues are being substituted by non-dedicated State Highway Fund revenues as of September 1, 2021). Bonds secured by the Fund may also carry the state's full faith and credit, pledging the state's taxing power toward payment of the bonds if the dedicated revenues in the Fund are insufficient for repayment of the bonds.

State Highway Fund Revenue bonds are payable from a lien on pledged revenues consisting primarily of certain fees and reimbursements deposited to the credit of the State Highway Fund. Major sources of revenue for the State Highway Fund consist of state motor fuels tax receipts, state motor vehicle registration fees, and federal reimbursements.

Highway improvement general obligation bonds carry the state's full faith and credit, pledging the state's taxing power toward payment of the bonds.

Dedicated/Project Revenue: Project revenue bonds are repaid from revenue of the project for which the bonds were issued. Debt service on Texas Mobility Fund bonds and State Highway Fund Revenue bonds is payable from the revenues dedicated to each fund except that Texas Mobility Fund bonds carry the state's general obligation pledge. Highway improvement general obligation bonds issued pursuant to Section 222.004, Texas Transportation Code, are payable from the state's general revenues, including Proposition 7 deposits to the State Highway Fund. In 2015, voters approved Proposition 7, which added Article VIII, Section 7-c, to the Texas Constitution and directs the Comptroller of Public Accounts to deposit in the State Highway Fund $2.5 billion of the net revenue from the state sales and use tax that exceeds the first $28 billion of that revenue coming into the state treasury in that fiscal year, beginning in FY 2018.

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TEXAS ECONOMIC DEVELOPMENT AND TOURISM BONDS

Statutory/Constitutional Authority: In 1989, specific authority was provided by Section 71, Article XVI, of the Texas Constitution to fund the Product Development and Small Business Incubator (PDSBI) program. As the successor office to the Texas Department of Economic Development, the Texas Economic Development and Tourism Office (the "Office") within the Office of the Governor was created by SB 275, 78th Legislature, which authorizes the Office to issue general obligation bonds. This legislation also provided the statutory authority for the Texas Economic

Development Bank to issue bonds to fund the PDSBI program.

Purpose: Proceeds from the sale of bonds are used to fund the PDSBI program. The money from these funds provides financial assistance to promote domestic business development through loans to finance the commercialization of new or improved products and processes and foster and stimulate the development of new or existing small businesses in the state.

Security:
The full faith and credit of the state is pledged for the payment of the bonds.

Dedicated/Project Revenue: Revenue of the Office, primarily from the repayment of loans, is pledged to the payment of principal and interest on bonds issued.

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TEXAS LEVERAGE FUND

Statutory/Constitutional Authority: Section 52-a of Article III of the Constitution of the State of Texas and Chapters 481 and 489 of the Texas Government Code authorize the Office of the Governor to issue revenue bonds or notes for the purpose of providing money to fund the economic development loan programs. In 1992, the Texas Bond Review Board and the Office of the Attorney General approved a commercial paper issuance of $25 million, which was issued pursuant to a First Supplemental Resolution authorized under a Master Resolution related to the program. There is currently no commercial paper outstanding in relation to this program. Currently the program is not actively enrolling new loans, but it is servicing legacy loans.

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TEXAS PRIVATE ACTIVITY BOND SURFACE TRANSPORTATION CORPORATION BONDS

Statutory Authority: The Texas Transportation Commission (Commission) is authorized pursuant to the authority in the Texas Transportation Code, Chapter 431, Subchapters A through C, to create transportation corporations to assist and act on behalf of the Commission to promote and develop new and expanded public transportation facilities and systems. Such transportation corporations are authorized to issue bonds for the same purpose for which they were created, including issuance of private activity bonds for public transportation facilities and systems to be developed pursuant to comprehensive development agreements entered into by the Texas Department of Transportation (TxDOT) as authorized by Subchapter E of Chapter 223, Texas Transportation Code. Pursuant to Chapter 431, the Commission created the Texas Private Activity Bond Surface Transportation Corporation (Corporation) as a conduit issuer of private activity bonds in 2008.

Purpose: Proceeds from the sale of the Corporation's revenue bonds may be used to carry out the purposes for which the Corporation was created, including the development and expansion of public transportation projects, provided that obligations are only used to pay costs of the project for which they are issued.

Security: Bonds issued are payable solely from the revenues, funds, and other sources pledged for the payment thereof. The Corporation's bonds are not obligations of the state, and neither the state's full faith and credit nor its taxing power is pledged toward the payment of the Corporation's bonds.

Dedicated/Project Revenue: Revenue received by the Corporation from the repayment of loans and investment of bond proceeds is pledged to the payment of principal and interest on the bonds issued.

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GRAND PARKWAY TRANSPORTATION CORPORATION BONDS

Statutory Authority: The Texas Transportation Commission ("Commission") is authorized pursuant to the authority in the Texas Transportation Code, Chapter 431, Subchapters A through C ("Chapter 431"), to create transportation corporations to assist and act on behalf of the Commission to promote and develop new and expanded public transportation facilities and systems. Such transportation corporations are authorized to issue bonds for the same purpose for which they were created, including issuance of bonds for public transportation facilities and systems to be developed pursuant to comprehensive development agreements entered into by the Texas Department of Transportation ("TxDOT") as authorized by Subchapter E of Chapter 223, Texas Transportation Code. Pursuant to Chapter 431, the Commission created the Grand Parkway Transportation Corporation ("Corporation") in 2012 to develop, finance, refinance, design, construct, reconstruct, expand, operate, or maintain some or all of the segments of the State Highway 99 (Grand Parkway) toll project that are to be developed by TxDOT.

Purpose: Proceeds from the sale of the Corporation's toll revenue bonds may be used to carry out the purposes for which the Corporation was created, in particular developing, financing, refinancing, designing, constructing, reconstructing, expanding, operating, or maintaining some or all of the segments of the Grand Parkway toll project to be developed by TxDOT.

Security: Bonds issued are secured by the Trust Estate created and pledged pursuant to the Master Trust Agreement, as supplemented, which includes the toll revenues, funds, and other sources pledged as part of the Trust Estate. The Corporation and TxDOT have entered into a Toll Equity Loan Agreement ("TELA"), as amended, that makes support available for eligible costs of the Grand Parkway through advances by TxDOT if toll revenues and certain fund balances are insufficient to pay certain expenses, including debt service on TELA supported bonds. The Corporation's bonds are not obligations of the state, and neither the state's full faith and credit nor its taxing power is pledged toward the payment of the Corporation's bonds.

Dedicated/Project Revenue: Corporation bonds are supported by the Trust Estate pursuant to the Master Trust Agreement, as supplemented, including tolls and other revenues of the Grand Parkway System (currently comprised of Segment D in Harris County and Segments E, F-1, F-2, G, H, I-1, I-2A, and I-2B in Harris and Montgomery Counties) and certain other funds held by the trustee under the Master Trust Agreement.

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TEXAS MILITARY FACILITIES COMMISSION BONDS

Statutory Authority: The Texas Military Facilities Commission (the "Commission") was created in 1997 by SB 352, 75th Legislature, as the successor agency to the National Guard Armory Board, which was created as a state agency in 1935 (Texas Government Code, Chapter 435) and authorized to issue long-term debt. Legislative approval of bond issues is not required; however, the Commission is required to obtain the approval of the Bond Review Board and the Attorney General's Office prior to issuance and to register its bonds with the Comptroller of Public Accounts.

In 1991, SB 3, 72nd Legislature, authorized the Texas Public Finance Authority (the "Authority") to issue bonds on behalf of the Texas Military Facilities Commission (Texas Government Code, Section 435.041).

SB 1724, 80th Legislature (2007) abolished the Commission and transferred all its duties, responsibilities, property, and assets to the Adjutant General's Department. To preserve the pledged revenue stream and meet the state's obligations under the bonds, the Commission's title to facilities, the rental, and other income of which is pledged to the bonds, was transferred to the Texas Public Finance Authority effective September 1, 2007. The Authority will continue leasing the facilities to the Adjutant General's Department, which is obligated to continue making rental payments until the bonds are retired after which the Authority will transfer title to the facilities to the Adjutant General.

Name changed from Adjutant General's Department to Texas Military Department and recodified under Texas Government Code, Section 437 by SB 1536, 83rd Legislature, Regular Session.

Purpose: Proceeds from the sale of bonds are used to acquire land, and to construct, remodel, repair, or equip buildings for the Texas National Guard.

Security: Any bonds issued are obligations of the Authority and are payable from "rents, issues, and profits" of the facilities leased to the Texas Military Department. The bonds are not general obligations of the state of Texas and neither the state's full faith and credit nor its taxing power is pledged toward payment of the bonds.

Dedicated/Project Revenue: The rent payments used to retire the bonds are paid by the Texas Military Department primarily with general revenue funds appropriated by the legislature. Independent project revenue, in the form of other income from properties owned by the Texas Military Department, is also used to pay a small portion of debt service.

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TEXAS PARKS AND WILDLIFE DEPARTMENT BONDS

Statutory/Constitutional Authority: Article III, Section 49-e, of the Texas Constitution, adopted in 1967, authorized the Texas Parks and Wildlife Department (the Department) to issue general obligation bonds to acquire and develop state parks. In 1991, SB 3, 72nd Legislature, authorized the Texas Public Finance Authority (the Authority) to issue bonds on behalf of the Department. In 1997, HB 3189, 75th Legislature, codified in the Texas Parks and Wildlife Code, Section 13.0045, authorized the Authority to issue revenue bonds or other revenue obligations not to exceed $60.0 million in the aggregate on behalf of the Department for construction and renovation projects for parks and wildlife facilities.

Purpose: Proceeds from the sale of general obligation bonds are used to purchase and develop state park lands. Proceeds from the sale of revenue bonds are used to finance the repair, renovation, improvement, and equipping of parks and wildlife facilities.

Security: General obligation debt issued on behalf of the Department is payable from revenues and income of the Department. In the event that such income is insufficient to repay the debt, the first monies coming into the Comptroller of Public Accounts - Treasury Operations, not otherwise dedicated by the Constitution, are pledged to pay debt service on the bonds.

Revenue obligations issued on behalf of the Department are to be repaid from rent payments made by the Department to the Authority. The Department may receive legislative appropriations of general revenue for its required rental payments.

Dedicated/Project Revenue: Debt service on general obligation park development bonds is payable from entrance fees to state parks. Additionally, sporting goods sales tax revenue may also be used to pay debt service on general obligation park development bonds.

The Department's lease obligations to the Authority for revenue bonds are repaid from the Department's general revenue appropriation for lease payments.

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TEXAS PUBLIC FINANCE AUTHORITY BONDS

Statutory/Constitutional Authority: The Texas Public Finance Authority (the "Authority") is authorized to issue both revenue and general obligation bonds.

The Authority was initially created by the legislature in 1983, by Texas Revised Civil Statutes Ann., Article 601d (now Chapter 1232, Texas Government Code) and was authorized to issue revenue bonds to finance state office buildings.

Article III, Section 49-h, of the Texas Constitution, adopted in 1987, authorized the Authority to issue general obligation bonds for correctional and mental health facilities.

In 1989, the Authority was authorized to establish a Master Lease Purchase Program. This program was created to finance the purchase of equipment on behalf of various state agencies at tax-exempt interest rates.

In 1991, the Authority was given the responsibility of issuing revenue bonds for the Texas Workers' Compensation Fund under Subchapter G, Chapter 5, of the Texas Insurance Code.

The 73rd Legislature authorized the Authority, effective January 1, 1992, to issue bonds on behalf of the Texas Military Facilities Commission, Texas National Research Laboratory Commission, Texas Parks and Wildlife Department, and the Texas State Technical College. In 1993, the Authority was authorized to issue bonds or other obligations to finance alternative fuels equipment and infrastructure projects for state agencies, institutions of higher education, and political subdivisions.

The 74th Legislature authorized the Authority to issue building revenue bonds on behalf of the Texas Department of State Health Services (formerly the Texas Department of Health) for financing a Public Health Laboratory in Travis County and general obligation bonds on behalf of the Texas Juvenile Probation Commission (now the Texas Juvenile Justice Department).

The 75th Legislature authorized the Authority to issue bonds on behalf of the Texas Low-Level Radioactive Waste Disposal Authority (see Texas Commission on Environmental Quality, *supra*), Midwestern State University, Texas Southern University, and Stephen F. Austin State University. Other legislation passed by the 75th Legislature authorized the Authority to issue revenue bonds on behalf of the Texas Health and Human Services Commission and the Texas Parks and Wildlife Department. The legislature also authorized the Authority to issue bonds to finance the Texas State History Museum on behalf of the State Preservation Board.

The 76th Legislature authorized the Authority to issue revenue obligations to finance automated information systems for the Texas Department of Human Services' electronic benefits transfer (EBT) and integrated eligibility (TIERS) programs.

In 2001, constitutional amendments were adopted authorizing the issuance of: 1) up to $850 million of general obligation bonds to finance construction, renovation, and equipment acquisitions for 13 state agencies (Texas Constitution, Article III, Section 50-f); and 2) up to $175 million of general obligation bonds to finance assistance to border counties for roadways in colonias (Texas Constitution, Article III, Section 49-l). Additionally, the 77th Legislature authorized the Authority to issue bonds to finance nursing home liability insurance and to establish a corporation to issue bonds for charter schools. Bonds issued for charter schools do not constitute state debt.

In 2003, the 78th Legislature authorized the Authority to issue revenue bonds on behalf of the Texas Workforce Commission to fund the unemployment compensation program. (See the Texas Labor Code, Chapter 203, Subchapter F.) The 78th Legislature also authorized: 1) the Authority's issuance of general obligation bonds to finance assistance to local governments for economic development projects to enhance the military value of military facilities. Texas voters approved SJR 55 on September 13, 2003, and amended the Texas Constitution, Article III, Section 49-n, and Texas Government Code, Chapter 436; and 2) the Authority's issuance of up to $75 million of revenue bonds to fund the FAIR Plan, which provides residential property insurance of last resort. The 86th Legislature authorized the use of loan proceeds to pay other debt incurred for the purpose of financing the project.

The 79th Legislature authorized the Authority to issue revenue bonds to finance building improvements for the Texas Department of Transportation (HB 2702) and refinance certain of the Texas Building and Procurement Commission's (now the Texas Facilities Commission) lease-purchase agreements.

The 80th Legislature authorized the Authority to issue $3 billion of general obligation debt to finance cancer research (Texas Constitution, Article III, Section 67) and $1 billion to finance capital projects for certain state agencies (Texas Constitution, Article III, Section 50-g).

In 2011, the Sunset Advisory Commission conducted a review of the Authority pursuant to the Texas Government Code, Chapter 325. HB 2251, 82nd Legislature, Regular Session (2011) became effective June 17, 2011, authorizing the continuation of the Authority for another 12 years. The legislation also authorized Stephen F. Austin State University to issue debt on its own (under prior law the Authority was the exclusive issuer of debt for that university) and authorized Texas State Technical College System and other general academic teaching institutions to contract with the Authority to issue or refund debt on their behalf.

The 84th Legislature authorized the Authority to issue $767 million in building revenue bonds on behalf of the Texas Facilities Commission for financing Phase I of its construction of state office buildings and parking garages in the Capitol Complex and North Austin Campus.

The 86th Legislature authorized the Authority to issue an additional $475 million in building revenue bonds on behalf of the Texas Facilities Commission for financing Phase II of its construction of state office buildings and parking garages in the Capitol Complex and North Austin Campus. Additionally, the Authority was authorized to issue $326 million in building revenue bonds on behalf of the Texas Department of Transportation for its Campus Consolidation Project. The Authority was also authorized to issue $208 million in revenue bonds for the Health and Human Services Commission for deferred facilities maintenance. The Legislature passed House Joint Resolution 12, and on November 5, 2019, voters approved an amendment to the Texas Constitution that increased the general obligation bond authorization for CPRIT to $6.0 billion from $3.0 billion.

The 87th Legislature authorized the Authority to issue $23,689,160 in revenue bonds for the Health and Human Services Commission for deferred facilities maintenance. The Authority was also authorized to issue $20 million in revenue bonds on behalf of the Texas Comptroller of Public Accounts to finance the acquisition or construction of buildings to operate the Texas Bullion Depository. The Legislature passed House Bill 1520, which directs TPFA to create an issuing financing entity to finance customer rate relief bonds as directed by the Railroad Commission of Texas in a Financing Order. House Bill 1522 transferred Midwestern State University to the Texas Tech University System who will oversee future debt issuances. Senate Bill 713 moved TPFA's next sunset review from 2023 to 2027.

The Authority is required to obtain the approval of the Bond Review Board and the Attorney General's Office prior to issuance and to register its bonds with the Comptroller of Public Accounts. The issuance of not self-supporting debt for Texas Constitution, Article III, Sections 50-f and 50-g, authorizations also require Legislative Budget Board approval.

Purpose: Proceeds from the sale of general obligation bonds issued under Article III, Section 49-h, are used to finance the cost of constructing, acquiring, and/or renovating prison facilities, youth correction facilities, and mental health/mental retardation facilities. Proceeds of obligations issued under Article III, Section 50-f, are used for state agency renovation, construction, and equipment acquisition projects. Proceeds of obligations issued under Article III, Section 49-l, are used to provide assistance to border counties for colonia roadway projects. Proceeds from the sale of general obligation bonds issued under Article III, Section 67, are used to finance grants for cancer research and the operation of the Cancer Prevention and Research Institute of Texas. Proceeds from the sale of building revenue bonds are used to purchase, construct, renovate, and maintain state buildings. Proceeds of bonds issued under Article III, Section 49-n, are used to fund the Texas Military Value Revolving Loan Fund to make loans to certain defense communities for improved military value or economic development projects. Proceeds from the sale of bonds for the Workers' Compensation Fund were used to fund the Workers' Compensation Insurance Fund. Proceeds from the issuance of commercial paper under the Master Lease Purchase Program are used to finance equipment purchases of state agencies. (For a description of the use of funds for bonds issued on behalf of the Texas Military Facilities Commission [now the Texas Military Department], the Texas Parks and Wildlife Department, and the Texas state colleges and universities that are clients of the Authority, see the applicable sections in this Appendix.) Proceeds of bonds issued on behalf of the Texas National Research Laboratory Commission were used to finance costs of the Superconducting Super Collider; however, the project was canceled in 1995. The revenue bonds issued for the project were defeased in 1995, and the general obligation bonds were economically defeased in November 1999.

Security: Building revenue bonds are obligations of the Authority and are payable from "rents, issues, and profits" resulting from leasing projects to state agencies. These sources of revenue come primarily from legislative appropriations. The general obligation bonds pledge the first monies not otherwise appropriated by the Constitution that come into the state treasury each fiscal year to pay debt service on the bonds. Revenue debt issued for the Unemployment Compensation Insurance Fund was secured by a special obligation assessment imposed on Texas employers by the Texas Workforce Commission. Revenue bonds issued for the Master Lease Purchase Program are secured by lease payments from state agencies, which come from state appropriations.

Dedicated/Project Revenue: Debt service on general obligation bonds has generally been payable from the state's General Revenue Fund. Loan repayments paid by participating defense communities to the Texas Military Preparedness Commission are used to pay debt on the outstanding bonds.

Debt service on the revenue bonds is payable from lease payments, which are primarily general revenue funds appropriated to the respective agencies and institutions by the legislature. The legislature, however, may appropriate lease payments to be used for debt service on the bonds from any source of funds that is lawfully available. University revenue bonds are repaid from pledged revenue such as tuition and fees. The university bonds are self-supporting, and the state's credit is not pledged for their repayment.

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TEXAS PUBLIC FINANCE AUTHORITY/TEXAS WINDSTORM INSURANCE ASSOCIATION BONDS

Statutory/Constitutional Authority: In the event of a catastrophe, the Texas Public Finance Authority (the Authority) is authorized to issue revenue obligations for the Texas Windstorm Insurance Association (the Association) pursuant to Subchapters B-1 and M, Chapter 2210 of the Texas Insurance Code (the Act).

The Authority and the Association are required to obtain the approval of the State Insurance Commissioner, the Bond Review Board, and the Attorney General's Office prior to issuance and to register its bonds with the Comptroller of Public Accounts.

Purpose: Proceeds from the sale of revenue bonds issued may be used, to pay incurred claims and operating expenses of the Association; for the purchase of reinsurance for the Association; to provide a reserve fund; and to pay capitalized interest and principal on the public securities for the period determined necessary by the Association.

Security: The bonds are special obligations of the Authority and the Association equally and ratably secured solely by and payable solely from a pledge of and lien on the Pledged

Revenues. Pledged Revenues consist of premium revenues received by the Association or from the assessment of the surcharges pursuant to the Authorizing Law, amounts on deposit in the Obligation Revenue Fund and accounts created therein, and in the Program Fund and accounts created therein, including all derived investment income.

Dedicated/Project Revenue: Debt service on bonds issued by the Association is payable from any one or a combination of the premiums and other revenue of the Association as well as premium surcharges on property insurance policies in the catastrophe area.

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TEXAS PUBLIC FINANCE AUTHORITY CHARTER SCHOOL FINANCE CORPORATION

Statutory/Constitutional Authority: The Texas Public Finance Authority Charter School Finance Corporation (the Corporation or Issuer) is a public, nonprofit corporation created by the Texas Public Finance Authority (the Authority or Sponsoring Entity) and exists as an instrumentality of the state pursuant to Texas Education Code, Section 53.351, as amended (the Act). The Corporation is required to obtain the approval of the Bond Review Board and the Attorney General's Office prior to issuance and to register its bonds with the Comptroller of Public Accounts.

Purpose: Pursuant to the Act, the Issuer is authorized to issue revenue bonds and to lend the proceeds thereof to authorized charter schools for the purpose of aiding such schools in financing or refinancing "educational facilities" (as such term is defined in the Act) and facilities that are incidental, subordinate, or related thereto or appropriate in connection therewith.

Security: The bonds are special and limited obligations of the Issuer, payable solely from revenues to be derived under the loan agreement, the Issuer Master Notes, and in certain circumstances, out of amounts secured through the exercise of remedies provided in the Indenture, the loan agreement, the deed of trust, and the Issuer Master Notes. The bonds are not obligations of the state of Texas or any entity other than the Issuer. The Issuer has no taxing power.

Dedicated/Project Revenue: The Issuer issues the bonds and loans the proceeds to the Borrower (an eligible open-enrollment charter school) to finance education facilities of the Borrower. The Borrower's obligations under the Loan Agreement are expected to be paid primarily from the state general revenue allocation the Borrower receives as a charter school, pursuant to Chapter 12 of the Texas Education Code.

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TEXAS SMALL AND RURAL COMMUNITY SUCCESS FUND

Statutory/Constitutional Authority: Section 52-a of Article III of the Constitution of the State of Texas and Chapters 481 and 489 of the Texas Government Code authorize the Office of the Governor to issue revenue bonds or notes for the purpose of providing money to fund the economic development loan programs.

Purpose: Proceeds from the sale of revenue-based bonds may be used to make loans to economic development corporations for eligible projects as authorized by Chapters 501, 504, and 505 of the Local Government Code. The proceeds for the loans will provide assistance to promote local economic development.

Security:
The local economic development sales and use tax revenues will be pledged for the payment of the bonds.

Dedicated/Project Revenue: Primarily from the repayment of loans, is pledged to the payment of principal and interest on bonds issued.

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TEXAS SMALL BUSINESS INDUSTRIAL DEVELOPMENT CORPORATION BONDS

Statutory Authority: The Texas Small Business Industrial Development Corporation (TSBIDC) was created as a private nonprofit corporation in 1983 (Title 83, Article 5190.6, Sections 4-37, Tex. Rev. Civ. Stat. Ann., as codified in the Local Government Code, Chapter 503) pursuant to the Development Corporation Act of 1979, and was authorized to issue revenue bonds. The authority of TSBIDC to issue bonds was repealed by the legislature, effective September 1, 1987. HB 2667, as an act of the 84th Legislature, repealed Chapter 503 of the Texas Local Government Code and Subchapter N, chapter 481, Texas Government Code, which terminated the program.

Purpose: Proceeds from the sale of the TSBIDC bonds were used to provide financing to state and local governments and to businesses and nonprofit corporations for the purchase of land, facilities, and equipment for economic development.

Security: The bonds were obligations of the Corporation. The Corporation's bonds were not an obligation of the state of Texas or any political subdivision of the state. All Texas Small Business Industrial Development Corporation Bonds have been defeased as of January 2014.

Dedicated/Project Revenue: Debt service on bonds issued by the TSBIDC were payable from the repayment of loans made from bond proceeds and investment earnings on bond proceeds.

Contact:
NA

TEXAS STATE AFFORDABLE HOUSING CORPORATION

Statutory Authority: Chapter 2306, Subchapter Y of the Texas Government Code, authorizes the Texas State Affordable Housing Corporation (the Corporation) to issue bonds. In accordance with the Texas Government Code, as amended, the Corporation is authorized to issue statewide 501(c)(3) bonds, qualified residential rental project bonds, and qualified mortgage revenue bonds under Sections 2306.553 and 2306.555. The 77th Legislature established the Professional Educators Home Loan Program under Section 2306.562. The 78th Legislature authorized the Fire Fighter, Law Enforcement or Security Officer, and Emergency Medical Services Personnel Home Loan Program under Section 2306.5621. The 83rd Legislature reauthorized both of the Corporation's profession-specific single family programs by adding all eligible occupations under the Professional Educators Home Loan Program to the Homes for Texas Heroes (formerly known as the Fire Fighter, Law Enforcement or Security Officer, and Emergency Medical Services Personnel) Home Loan Program, creating a single program under Section 2306.5621.

The Corporation is required to obtain the approval of the Bond Review Board and the Attorney General's Office prior to issuance and to register its bonds with the Comptroller of Public Accounts.

Purpose: The Corporation's primary public purpose is to facilitate the provision of housing and the making of affordable loans to individuals and families of low, very low, and extremely low income for eligible participants under its programs. The Corporation is required to perform such activities and services that will promote and facilitate the public health, safety, and welfare through the provision of adequate, safe, and sanitary housing for individuals and families of low, very low, and extremely low income.

Security: Any bonds issued are payable solely from the revenues and funds pledged for the payment thereof. The Corporation's bonds are not obligations of the state of Texas, and neither the state's full faith and credit nor its taxing power is pledged toward the payment of the Corporation's bonds.

Dedicated/Project Revenue: Revenue received by the Corporation from the repayment of loans and investment of bond proceeds is pledged to the payment of principal and interest on the bonds issued.

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TEXAS WATER DEVELOPMENT BONDS

Statutory/Constitutional Authority: The Texas Water Development Board (the Board) is authorized to issue both revenue and general obligation bonds.

General Obligation: The Board issues self-supporting general obligation bonds for the Development Fund, State Participation (SP), and Rural Water Assistance Fund financial assistance programs. The Board may issue not self-supporting general obligation bonds for the SP, Water Infrastructure Fund (WIF), Economically Distressed Areas Program (EDAP), and the Agricultural Water Conservation Loan Program.

General Obligation Authority: Article III, Sections 49-c, 49-d, 49-d-1, 49-d-2, 49-d-4, 49-d-6, 49-d-7, 49-d-8, 49-d-9, 49-d-10, 49-d-11, 49-d-14, and 50-d, of the Texas Constitution, initially adopted in 1957, contain the authorization for the issuance of general obligation bonds by the Board.

The 71st Legislature (1989) passed comprehensive legislation that established the EDAP. Article III, Section 49-d-7(b), provides for subsidized loans and grants from the proceeds of bonds authorized by this section. The 80th Legislature authorized an additional $250 million in general obligation bonds in Article III, Section 49-d-10, and the 86th Legislature authorized $200 million in evergreen bonding authority in Section 49-d-14 to provide funds for the EDAP.

General Obligation Approval: Legislative appropriation and voter approval are required for the issuance of general obligation debt. Legislative appropriation is required for not self-supporting debt, while no further legislative action is required for self-supporting debt. The issuance of not self-supporting debt also requires Legislative Budget Board review. The Board is required to obtain the approval of the Bond Review Board and the Attorney General's Office prior to issuance and to register its bonds with the Comptroller of Public Accounts.

General Obligation Purpose: Proceeds from the sale of the general obligation bonds are used to make loans (and grants under the

EDAP) to political subdivisions of Texas through the purchase of bonds or execution of Loan Agreements or Master Agreements for the performance of various projects related to water conservation, transportation, storage, and treatment.

General Obligation Security: The general obligation bonds are secured by the first monies coming into the Comptroller of Public Accounts - Treasury Operations not otherwise dedicated by the Texas Constitution but are paid with program revenues to the extent available. The Development Fund Program is designed to be self-supporting. No general revenue draw has been made on this program since 1980. All outstanding series of the SP and WIF Programs are considered self-supporting. The last general revenue draw for SP bonds and WIF bonds was in 2010 and 2022, respectively. No general revenue draw has been made on this program since 2010.

The EDAP is anticipated to have general revenue draws. The WIF Program includes certain series that are self-supporting and others that are not self-supporting. The not self-supporting series are anticipated to have general revenue draws.

Revenue Debt Authority: The Texas Water Resources Fund administered by the Board was created in 1987 by the 70th Legislature (Texas Water Code, Section 17.853), to issue revenue bonds that facilitate the conservation of water resources.

The State Water Implementation Revenue Fund for Texas (SWIRFT), administered by the Board, was created in 2013 by the 83rd Legislature (Texas Water Code, Chapter 15, Subchapter H), to issue revenue bonds to provide financing or refinancing for projects included in the state water plan. Constitutional related provisions applicable to the SWIRFT are detailed in Article III, Section 49-d-13, of the Texas Constitution.

Revenue Debt Approval: Further legislative approval of specific bond issues is not required; however, the Board is required to obtain the approval of the Bond Review Board and the Attorney General's Office prior to issuance and to register its bonds with the Comptroller of Public Accounts. For the SWIRFT, the Texas Constitution requires that the Board provide written notice to the Legislative Budget Board for approval before issuing a revenue bond.

Revenue Debt Purpose: Proceeds from the sale of revenue bonds authorized under the Texas Water Code, Section 17.853, are used to provide funds to the State Water Pollution Control Revolving Fund (also known as the Clean Water State Revolving Loan Fund) or any other state revolving fund that is created under Subchapter J, Chapter 15 of the Texas Water Code, including the Drinking Water State Revolving Fund, and to provide financial assistance to local government jurisdictions through the acquisition of their obligations.

SWIRFT bond proceeds are used to provide financial assistance to local government jurisdictions through acquisition of their obligations for the purpose of financing state water plan projects.

Revenue Debt Security: Any revenue bonds issued are obligations of the Board and are payable solely from the income of the program, including the repayment of bonds and other obligations owed to the Board by political subdivisions. Principal and interest payments due on such obligations are pledged to pay debt service on the revenue debt issued by the Board.

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TEXAS WATER RESOURCES FINANCE AUTHORITY BONDS

Statutory Authority: The Texas Water Resources Finance Authority (the Authority) was created in 1987 (Texas Water Code, Chapter 20) and given the authority to issue revenue bonds. The Authority is required to obtain the approval of the Bond Review Board and the Attorney General's Office prior to issuance and to register its bonds with the Comptroller of Public Accounts. No such bonds are currently outstanding.

Purpose: Proceeds from the sale of bonds are used to finance the acquisition of the bonds of local government jurisdictions, including local jurisdiction bonds that are owned by the Texas Water Development Board.

Security: Issued bonds are obligations of the Authority and payable from funds of the Authority. The Authority's bonds are not an obligation of the state of Texas. Neither the state's full faith and credit nor its taxing power is pledged toward payment of Authority bonds.

Dedicated/Project Revenue: Revenue from the payment of principal and interest on local jurisdiction bonds acquired is pledged to the payment of principal and interest on bonds issued.

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VETERANS' LAND AND HOUSING ASSISTANCE BONDS

Statutory/Constitutional Authority:
Article III, Section 49-b, of the Texas Constitution, initially adopted in 1946, authorized the issuance of general obligation bonds to finance the Veterans Land Program. Article III, Section 49-b-1, of the Texas Constitution, adopted in 1983, authorized additional land bonds and created the Veterans' Housing Assistance Program and established the Veterans' Housing Assistance Fund within the program. Article III, Section 49-b-2, of the Texas Constitution, adopted in 1993, authorized additional land bonds and the issuance of general obligation bonds to finance the Veterans' Housing Assistance Program, Fund II. Article III, Section 49-b, amended in 2001 and 2003, also authorizes the Veterans Land Board to use assets from the Veterans' Land Fund, the Veterans' Housing Assistance Fund, or the Veterans' Housing Assistance Fund II in connection with veterans' cemeteries and veterans' long-term care facilities. Chapter 164 of the Texas Natural Resources Code authorized the Veterans Land Board to issue revenue bonds for its programs including the financing of veterans' long-term care facilities.

Purpose: Proceeds from the sale of the general obligation bonds are loaned to eligible Texas veterans for the purchase of land, housing, and home improvements. Proceeds from the sale of revenue bonds are used to make land loans to veterans, to make home mortgage loans to veterans, or to provide for veterans' skilled nursing-care homes. Additionally, funds are used to provide cemeteries for veterans.

Security: In addition to program revenues, the general obligation bonds pledge the first monies coming into the Comptroller of Public Accounts - Treasury Operations not otherwise dedicated by the Constitution. The revenue bonds issued under Chapter 164 are special obligations of the Board and payable only from and secured by the revenue and assets pledged to secure payment of the bonds under the Texas Constitution and Chapter 164. The revenue bonds do not create or constitute a pledge, gift, or loan of the full faith, credit, or taxing authority of the state.

Dedicated/Project Revenue: Debt service on the general obligation bonds is payable from principal and interest payments on the underlying loans to veterans. Debt service for the revenue bonds is paid from all available revenue from the projects financed, which is pledged as security for the bonds. The programs are designed to be self-supporting and have never had to rely on the General Revenue Fund.

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Appendix F
The Private Activity Bond Program

Since the passage of the Tax Reform Act of 1986 (the "Tax Act"), federal law has limited the use of tax-exempt financing for private activities. Tax-exempt private activity bonds may be used to finance certain privately owned projects that serve a public purpose and meet the following tests: 1) Private Business Use Test — more than 10 percent of the proceeds are to be used for any private business use; 2) Private Security or Payment Test — payment on principal or interest of more than 10 percent of the proceeds is to be directly or indirectly secured by, or payments are to be derived from a private business use; and 3) Private Loan Financing Test — proceeds are to be used to make or finance loans to persons other than governmental units.

Section 146(e) of the Internal Revenue Code provides for each state to devise an allocation formula or a process for allocating the state's volume cap. This provision gives each state the ability to allocate this limited resource in a manner consistent with its own specific needs.

The Tax Act imposes a volume ceiling (or cap) on the aggregate principal amount of tax-exempt private activity bonds that may be issued within each state during any calendar year. For calendar year 2022, the volume cap was the greater of $110 per capita or $335.1 million. Based on the per capita amount, the state's volume cap for calendar year 2022 was $3.25 billion.

Chapter 1372 of the Texas Government Code authorizes the issuance of five types (subceilings) of private activity bond issues: 1) single family housing projects permitted to issue qualified mortgage revenue bonds (MRB) or mortgage credit certificates (MCC); 2) certain state-voted bond issues; 3) qualified small-issue industrial revenue bonds (IRBs) or enterprise zone bonds (EZBs); 4) multifamily residential rental projects; and 5) all other issues that include a variety of exempt facilities such as sewage facilities and solid and hazardous waste disposal facilities. The 86th Legislature (2019) passed Senate Bill (SB) 1474, which, among other changes, eliminated the HEA student loan bond subceiling and combined those issuers into the "all other issues" subceiling. In recent years, a widening variety of projects have been permitted to utilize tax-exempt private activity bonds, including transportation facilities, environmental enhancements to hydroelectric generating facilities, and qualified public educational facilities. Broadband projects and Carbon Dioxide Capture Facilities were recently added during the 2022 Program Year.

Chapter 1372 of the Texas Government Code mandates the allocation process for the state of Texas. The Private Activity Bond Allocation Program (PAB or Program) regulates the volume cap and monitors the amount of demand and use of private activity bonds each year. The BRB has administered the Program since January 1, 1992.

The federal government determines the state's private activity ceiling, but historically, the demand for financing for qualified private activities outstrips the supply of available volume cap. To address the excess demand over supply for most types of PAB financing, the legislature devised a lottery system that ensures an allocation opportunity for each eligible project type.

Reservations of state ceilings are initially allocated by lottery for applications received from October 5th through October 20th of the preceding program year, and thereafter on a first-come, first-served basis. Single family housing has a separate priority system based on prior applications received and prior bond issues. Reservations are made under each subceiling, as applicable, from January through August 14th of each year. On August 15th (the collapse date), all unreserved allocation from all subceilings is combined and redistributed by lottery number or on a first-come, first-served basis, if all applicants from the lottery have received a reservation.

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Appendix G
Glossary

Advance Refunding – A refunding in which the refunded obligation remains outstanding for a period of more than 90 days after the issuance of the refunding issue. The Tax Cuts and Jobs Act of 2017 eliminated the option of issuing a tax-exempt advanced refunding of a tax-exempt municipal debt after December 31, 2017.

Allocation – The amount of private activity bond authority obtained from the state ceiling and assigned to a bond issuer using the issuance proceeds for a private activity that qualifies for exemption from federal income tax under the IRS Code.

Allotment – Amount of securities distributed to each member of the underwriting syndicate to fill orders.

Authorized but Unissued – Debt that has been authorized for a specific purpose by the voters and/or the legislature but has not yet been issued. Authorized but unissued debt can be issued without the need for further legislative action.

Bond – A debt instrument in which an investor loans money to the issuer that specifies when the loan is due ("term" or "maturity" such as 20 years), the interest rate the borrower will pay (such as 5 percent), when the debt-service payments will be made (such as monthly, semi-annually, or annually), and the revenue source pledged to make the payments.

Bond Counsel – Attorney retained by the issuer to give a legal opinion that the issuer is authorized to issue the proposed securities, the legal requirements necessary for issuance have been met, and the proposed securities will be exempt from federal income taxation and state and local taxation where applicable.

Bond Insurance – A legal commitment by an insurance company to make timely payments of principal and interest in the event that the issuer of the debt is unable to make the payments.

Bond Proceeds – The money paid to the issuer by the purchaser or underwriter of a new issue of municipal securities. These funds are used to finance the project or other purpose for which the securities were issued and to pay certain costs of issuance as may be provided in the bond contract or bond purchase agreement.

Build America Bonds (BABs) – A debt instrument created by the American Recovery and Reinvestment Act of 2009 (ARRA) that could be issued as Tax Credit BABs or Direct-Payment BABs. Tax Credit BABs provide a tax credit to investors equal to 35 percent of the interest payable by the issuer. Direct-Payment BABs provide a direct federal subsidy payment to state and local governmental issuers equal to 35 percent of the interest payable. With the implementation of the Budget Control Act of 2011, the BAB subsidies have been reduced. Authority to issue BABs expired in December 2010.

Federal Fiscal Year (October 1st thru September 30th)	Sequestration Rate Reduction
2021-2030	5.7%
2020	5.9%
2019	6.2%
2018	6.6%
2017	6.9%
2016	6.8%
2015	7.3%
2014	7.2%
2013	8.7%

Capital Appreciation Bonds (CABs) – A municipal security in which the investment return (interest) on an initial principal amount is reinvested at a stated compounded rate until maturity. At maturity, the investor receives a single payment (the "maturity value") representing both the initial principal amount and the total investment return.

CAB Maturity Amount – The single payment for a capital appreciation bond an investor receives at maturity, representing both the initial principal amount and interest. For capital appreciation bonds, compound accreted values are calculated as interest in the year of maturity.

CAB Par Amount – The face amount assigned to a capital appreciation bond at issuance and paid to the investor at maturity.

CAB Premium – The amount by which the price paid for a (CAB) security exceeds par value.

Carryforward – A private activity bond term for the three types of state ceiling that can be carried over for use by an issuer in the subsequent three years. The three types are:

1) Traditional Carryforward - The amount of the state ceiling not reserved before November 15 and any amount previously reserved that becomes available on or after that date because of a reservation cancellation.
2) Non-Traditional Carryforward - The amount of state ceiling reserved by an issuer for a specific purpose and for which the closing date extends beyond the year in which the reservation was granted.
3) Unencumbered Carryforward - The amount of state ceiling at the end of the year that is not reserved nor designated as carryforward, and for which no application for carryforward is pending.

Certificate of Obligation (CO) – A obligation issued by a city, county, or certain hospital districts without the approval of voters to finance public projects. Although voter approval is not required, the sale can be stopped if 5 percent of the total voters in the taxing area sign a petition and submit it prior to approval of the ordinance to sell such certificates.

Certificate of Participation (COP) – A tax-exempt, lease-financing agreement used by a municipality or local government in which an investor buys a share or participation in the revenue generated from the lease-purchase of the property or equipment to which the COP is tied. COPs do not require voter approval.

Charter School – Charter schools were created by the Texas Legislature in 1995 as part of the public school system. Under Texas Education Code, Chapter 12, the purpose of charter schools is to improve student learning, increase the choice of learning opportunities within the public school system, create professional opportunities that will attract new teachers to the public school system, establish a new form of accountability for public schools, and encourage different and innovative learning methods.

Commercial Paper – Short-term, unsecured promissory notes that mature within 270 days and are backed by a liquidity provider (usually a bank) that stands by to provide liquidity in the event the notes are not remarketed or redeemed at maturity.

Competitive Sale – A sale in which the issuer solicits bids from underwriting firms and sells the securities to the underwriter or syndicate offering the most favorable bid that meets the specifications of the notice of sale.

Component Unit (CU) – A legally separate entity for which the elected officials of the primary government (PG) are financially accountable. The nature and significance of the CUs relationship with the PG is such that exclusion from the PG's financial reports would be misleading or create incomplete financial statements.

Conduit Debt – Per the Governmental Accounting Standards Board (GASB), conduit debt obligations are issued by a state or local governmental entity for the express purpose of providing financing for a specific third party that is usually not a part of the issuer's financial reporting entity. GASB's most recent development of its definition of a conduit debt obligation states the key characteristic should be that there are at least three participants: the government issuer, the third-party borrower, and the bondholder. Although conduit debt obligations bear the name of the governmental issuer, the issuer has no obligation for such debt beyond the resources provided by a lease or loan with the third party on whose behalf they are issued.

Conduit Issuer – An issuer, usually a government agency, that issues municipal securities to finance revenue-generating projects in which the funds generated are usually used by a third party (known as the conduit borrower or obligor) for debt-service payments.

Costs of Issuance – The expenses associated with the sale of a new issue of municipal securities, including underwriting costs, legal fees, rating agency fees, and other fees associated with the transaction.

Counterparty Risk – The risk to each party in a swap contract that the counterparty will not fulfill its contractual obligations.

Coupon – The interest rate paid on a security.

Current Interest Bond (CIB) – A bond in which interest payments are made on a periodic basis throughout the life of the bond as opposed to a bond (such as a capital appreciation bond) that pays interest only at maturity. This term is most often used in the context of a combination issuance of bonds that includes both capital appreciation bonds and current interest bonds.

Current Refunding – A refunding transaction in which the municipal securities being refunded will mature or be redeemed within 90 days or less from the date of issuance of the refunding issue.

CUSIP – A unique nine-character identification for each class of security approved for trading in the United States. CUSIPs are used to facilitate clearing and settlement for market trades.

Dealer Fee – Cost of underwriting, trading, or selling securities.

Debt Outstanding – The amount of unpaid principal on a debt that will continue to generate interest until paid off.

Debt per Capita – A measurement of the value of a government's debt expressed in terms of the amount attributable to each citizen under the government's jurisdiction. The formula is the debt outstanding as of August 31 divided by the estimated residential population of the issuer.

Debt Service – The amount that is required to cover the repayment of principal and interest on a debt for a particular period.

Defeasance – A provision that voids a debt when the borrower sets aside cash, securities, or investments sufficient to service the borrower's debt.

Derivative – A financial instrument whose value is based on one or more underlying assets. An example is a swap contract between two counterparties that specifies conditions (especially the dates, underlying variables, and notional amounts) under which payments are to be made between the parties.

Disclosure – The act of releasing accurately and completely all material information to investors and the securities markets for outstanding or to be issued securities.

Disclosure Counsel – An attorney or law firm retained by the issuer to provide advice on issuer disclosure obligations and to prepare the official statement and/or continuing disclosure agreement.

Discount – The amount by which the price paid for a security is less than its par value.

Escrow – Fund established to hold monies or securities pledged to pay debt service.

Escrow Agent – Commercial bank or trust company retained to hold the investments purchased with the proceeds of an advance refunding and to use the invested funds to pay debt service on the refunded debt.

Financial Advisor – A securities firm that assists an issuer on matters pertaining to a proposed issue such as structuring, timing, marketing, fairness of pricing, terms, and debt ratings.

Fiscal Year – Information is sorted on the fiscal year of the state, September 1 through August 31. Debt-service adjustments have been made for local governments with different fiscal years. Information is provided on cash, not accrual basis.

Fixed Rate – An interest rate that does not change during the entire term of the obligation.

Forward or Forward Contract – A contract (variously known as a forward contract, forward delivery agreement, or forward purchase contract) wherein the buyer and seller agree to settle their respective obligations at some specified future date based upon the current market price at the time the contract is executed. A forward may be used for any number of purposes. For example, a forward may provide for the delivery of specific types of securities on specified future dates at fixed yields for the purpose of optimizing the investment of a debt-service reserve fund. A forward may provide for an issuer to issue and an underwriter to purchase an issue of bonds on a specified date in the future for the purpose of effecting a refunding of an outstanding issue that cannot be advance refunded.

General Obligation (GO) Debt – Debt legally secured by a constitutional pledge of the first monies coming into the State Treasury not otherwise constitutionally dedicated for another purpose. General obligation debt must be approved by a two-thirds vote of both houses of the Texas Legislature and by a majority of the voters.

General Revenue (GR) – The amount of total state tax collections and federal monies distributed to the state for its operations.

Higher Education Fund (HEF) – Appropriations that became available beginning in 1985 through Constitutional Amendment to fund permanent capital improvements for certain public higher education institutions. This term may refer either to Higher Education Assistance Fund (HEAF) Treasury Funds (funds reimbursed from the State HEAF appropriation for university expenditures) or HEAF Bond Funds (monies received through the issuance of bonds and secured by HEAF Treasury Funds).

Indenture – Deed or contract, which may be in the form of a resolution, that sets forth the legal obligations between the issuer and the securities holders. The indenture also names the trustee that represents the interests of the securities holders.

Issuer – A legal entity that sells securities for the purpose of financing its operations. Issuers are legally responsible for the obligations of the issue and for reporting financial conditions, material developments, and any other operational activities.

Lease Purchase – Financing the purchase of an asset over time through lease payments that include principal and interest. Lease purchases can be financed through a private vendor or through one of the state's pool programs such as the Texas Public Finance Authority's Master Lease Purchase Program.

Lease-Revenue Bonds – Bonds issued by a nonprofit corporation or government issuer, that are secured by lease payments made by the government or third-party borrower for use of specified property.

Letter of Credit – A credit enhancement used by an issuer to secure a higher rating for its securities. A letter of credit is usually a contractual agreement between a major financial institution and the issuer consisting of an unconditional pledge of the institution's credit to make debt-service payments in the event of a default.

Liquidity – The relative ability of a security to be readily traded or converted into cash without substantial transaction costs or loss in value.

Liquidity Provider – A financial institution that facilitates the trading of a security by insuring that it will be purchased if tendered to the issuer or its agent because it cannot be immediately remarketed to new investors.

Management Fee – A component of the underwriting spread that compensates the underwriters for assistance in creating and implementing the financing.

Maturity Date – The date principal is due and payable to the security holder.

Mortgage Credit Certificate – A certificate issued by certain state or local governments that allows a taxpayer to claim a tax credit for some portion of the mortgage interest paid during a given tax year.

Municipal Bond – A debt security issued to finance projects for a state or local government issuer. Municipal securities are typically exempt from federal taxes and from most state and local taxes.

Negotiated Sale – A sale in which an issuer selects an underwriting firm or syndicate to assist with the issuance process. At the time of sale, the issuer negotiates a purchase price for its securities with that underwriting firm or syndicate.

Not Self-Supporting Debt – Either general obligation or revenue debt intended to be repaid with state general revenues.

Notice of Sale – Publication by an issuer describing the terms of sale of an anticipated new offering of municipal securities.

Official Statement – The document published by the issuer that provides complete and accurate material information to investors on a new issue of municipal securities, including the purposes of the issue, repayment provisions, and the financial, economic, and social characteristics of the issuing government.

Par – The face value of a security that is due at maturity. A "par bond" is a bond selling at its face value.

Paying Agent – The entity responsible for processing debt-service payments from the issuer to the security holders.

Permanent School Fund (PSF) – The PSF was created in 1854 by the 5th Legislature expressly for the benefit of public schools. In addition, the Texas Constitution of 1876 stipulated that certain lands and proceeds from the sale of those lands would also be dedicated to the PSF. The Texas Constitution requires that distributions from the returns on the PSF be made to the Available School Fund to be used for the benefit of public and charter schools and allows the PSF to be used to guarantee bonds issued by public and charter schools.

Permanent School Fund Bond Guarantee Program (BGP) – The BGP was created in 1983 as an alternative for school districts to avoid the cost of private bond insurance by obtaining a PSF guarantee for voter-approved public school bond issuances. To qualify for the BGP guarantee, school districts and charter schools must be accredited by the state, have investment-grade bond ratings (but below AAA), and have their applications approved by the Commissioner of Education. Bonds guaranteed by the BGP are rated AAA.

Permanent University Fund (PUF) – The PUF is a state endowment contributing to the support of 21 institutions and certain agencies of The University of Texas System and The Texas A&M University System. The PUF was established by the Texas Constitution in 1876 with land grants ultimately totaling 2.1 million acres primarily in West Texas (PUF Lands).

Premium – The amount by which the price paid for a security exceeds par value.

Premium Capital Appreciation Bond (PCAB) – A type of CAB that has a stated yield or accretion rate that is higher than its actual current yield to investors. This difference results in a lower initial stated par amount, which preserves debt capacity.

Principal – The face value of a bond, exclusive of interest.

Printer – A business that produces the official statement, notice of sale, and any bonds required to be transferred between the issuer and purchasers of the bonds. The costs associated with a printer are typically rolled into the Costs of Issuance.

Private Activity Bond (PAB) – A tax-exempt bond issued by or on behalf of local or state government for the purpose of financing the project of a private user, and generally, the government does not pledge its credit.

Private Placement – A securities sale in which an issuer sells its securities directly to investors through a placement agent without a public offering.

Put Bond – A bond that allows the holder to force the issuer to repurchase the security at specified dates before maturity. The repurchase price is set at the time of issue and is usually par value.

Qualified Energy Conservation Bonds (QECB) – A bond that enables qualified state, tribal, and local government issuers to borrow money at attractive rates to fund energy conservation projects. While not a grant, a QECB is among the lowest cost public financing tools available because the U.S. Department of the Treasury subsidizes the issuer's borrowing costs.

Rating Agency – An entity that provides publicly available ratings of the credit quality of securities issuers, measuring the probability of the timely repayment of principal and interest on municipal securities.

Refunding Bond – A bond issued to retire or defease all or a portion of outstanding bonds.

Registrar – An entity responsible for maintaining ownership records on behalf of the issuer.

Remarketing Fee – Compensation to an agent for remarketing a secondary offering of short-term securities, usually for a mandatory or optional redemption or put (return of the security to the issuer).

Reservation – The notice given by the BRB to a private activity bond issuer reserving a specific amount of the state ceiling for a specific issue of bonds for 120 to 180 days, depending on the type of bond issuance.

Revenue Debt – Debt that is legally secured by a specified revenue source(s). Revenue debt does not require voter approval and usually has a maturity based on the life of the project to be financed.

Self-Supporting Debt – Debt that is designed to be repaid with revenues other than state general revenues. Self-supporting debt can be either general obligation debt or revenue debt.

Selling Group – Group of municipal securities brokers and dealers who assist in the distribution of a new issue of securities.

Serial Bond – A bond issue in which a portion of the outstanding bonds matures at regular intervals until all of the bonds have matured.

Spread Expenses – A component of the underwriting spread representing the costs of operating the syndicate such as financial advisors, legal counsel, travel, printing, day loans, wire fees, and other associated fees.

State Ceiling – The amount of private activity bond authority granted to a state under the IRS Code to issue tax-exempt private activity bonds during a calendar year.

Structuring Fee – A component of the underwriting spread that compensates the underwriters for assistance with developing a marketable securities offering within the issuer's legal and financial constraints.

Swap – A derivative in which counterparties exchange cash flows of one party's financial instrument for those of the other party's financial instrument.

Syndicate – A group of underwriters formed to purchase a new issue of securities from the issuer and offer it for resale to investors.

Takedown – A component of the underwriting spread representing the discount that the members of the syndicate receive when they purchase the securities from the issuer. Takedown is also known as the selling concession.

Tax and Revenue Anticipation Notes (TRAN) – Short-term loans that the state uses to address cash flow needs created when expenditures must be incurred before tax revenues are received.

Term Bond – A bond issue in which all or a large part of the issue comes due in a single maturity. Term bond issuers make periodic payments into a sinking fund for mandatory redemption of term bonds before maturity or for payment at maturity.

Trustee – A bank or trust company designated by the issuer or borrower under the indenture or resolution as the custodian of funds. The trustee represents the interests of the security holders, including making debt-service payments.

Tuition Revenue Bonds (TRB) – Revenue bonds issued by the revenue finance systems of institutions of higher education or the Texas Public Finance Authority (on behalf of certain institutions) for new building construction or renovation. The legislature has to authorize the projects in statute, and the TRBs cannot be used for auxiliary space, such as dormitories. All college and university revenue bonds are equally secured by and payable from a pledge of all or a portion of certain "revenue funds" as defined in the Texas Education Code, Chapter 55. Though legally secured through an institution's tuition and fee revenue, historically, the state has used general revenue to reimburse the universities for debt service for these bonds.

Unrestricted General Revenue (UGR) – The net amount of general revenue remaining after deducting all constitutional allocations and other restricted revenue from total general revenue.

Underwriter – An investment banking firm that purchases securities directly from the issuer and resells them to investors.

Underwriter's Counsel – Attorney who prepares or reviews the issuer's offering documents on behalf of the underwriter and prepares documentation for the underwriting agreement and the agreement among underwriters.

Underwriter's Risk – The risk of loss that could arise due to overestimated demand for an issuance or due to sudden fluctuations in market conditions borne by the underwriters until resale.

Underwriting Risk Fee – A portion of the underwriting spread designed to compensate the underwriter for the risk associated with market shifts and interest rate fluctuations.

Underwriting Spread – The amount representing the difference between the price at which securities are bought from the issuer by the underwriter and the price at which they are re-offered to the investor. The underwriting spread generally includes the takedown, management fee, expenses, and underwriting risk fee.

Variable Rate – An interest rate that fluctuates based on market conditions or a predetermined index or formula. (Fixed rates do not change during the life of the obligation.)

Years to Maturity – The period of time for which a financial instrument remains outstanding. Maturity refers to a finite time period at the end of which the financial instrument will cease to exist and the principal is repaid with interest.

Yield – The investor's rate of return.

Zero Coupon Bond – A bond that is issued at a deep discount to its face value but pays no interest.

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