★TEXAS BOND REVIEW BOARD★

2024 LOCAL GOVERNMENT ANNUAL REPORT

FISCAL YEAR ENDED AUGUST 31, 2024

Texas Bond Review Board
Annual Report 2024

Fiscal Year Ended August 31, 2024

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 2024

Overview

Background
The Texas Bond Review Board (BRB or The Board) 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 27, 2024, S&P reaffirmed its AA+ long-term debt rating for the United States and maintained its long-term outlook as stable. On March 22, 2024, the Kroll Bond Rating Agency reaffirmed a long-term rating of AAA for the United States with a stable outlook. On August 29, 2024, Fitch affirmed its rating for the United States at AA+ with a stable outlook. On November 10, 2023, Moody's changed its outlook to negative from stable and reaffirmed the U.S. government's Aaa rating. Historically, Texas' GO borrowing costs have not been impacted by changes in U.S. credit ratings

According to data provided in a Moody's Investors Service Report (titled "States - US Revenue growth and lower adjusted net pension liabilities (ANPL) boost capacity to manage long-term debt"), released on October 7, 2024, Texas ranked 32nd among all states in fiscal 2023 state net tax-supported debt (NTSD) as a percent of own-source revenue (the most recent data available). In its report, Moody's defines own-source revenue as the total governmental revenue, less funds received from federal sources, as reported in states' audited financial statements. Based on the data provided in the Moody's report, Texas ranked 37th among all states in NTSD per capita. Texas had $654 in NTSD per capita compared to the national mean and median of $1,807 and $1,189, respectively.

Total not self-supporting debt, including revenue not self-supporting debt, increased from $6.05 billion at the end of fiscal year 2015 to $6.80 billion at the end of fiscal year 2024, an increase of 12.4 percent, and an decrease of 2.1 percent from the $6.95 billion outstanding in fiscal year 2023.

The most recent U.S. Census Bureau data for total state and local debt outstanding show that for census year 2022 (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 third in total state and local debt per capita with 80.5 percent of the state's total debt burden at the local level.

Constitutional Debt Limit
As of August 31, 2024, Texas' constitutional debt limit (CDL) remained below the maximum of 5 percent with 0.92 percent calculated for debt outstanding and 0.78 percent calculated for authorized

but unissued debt for a total of 1.70 percent. Included in the CDL is $143.0 million in revenue bonds authorized by the 88th Legislature for the Department of Motor Vehicles Camp Hubbard Renewal Project, and $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 Texas Water Development Board (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. Also included are $208.8 million and $23.7 million for Health and Human Services Commission (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 1.95 percent calculated for outstanding and authorized but unissued debt for fiscal year 2023. This decrease is a result of a higher three-year average of annual unrestricted General Revenue Fund revenues calculated as of fiscal year-end 2024.

State Financings in Fiscal Year 2024

In fiscal year 2024, the state's total debt outstanding (including conduit debt) increased 3.0 percent to $73.03 billion compared to $70.94 billion in fiscal year 2023 and $64.40 billion in fiscal year 2022.

As of August 31, 2024, Texas had a total of $6.80 billion in GO and non-GO not self-supporting debt outstanding to be repaid from the state's general revenue compared to $6.95 billion outstanding at fiscal year-end 2023.

Excluding conduit and component debt, $42.97 billion (58.8 percent) of the state's $73.03 billion in total debt outstanding as of fiscal year-end 2024 was backed by non-GO revenue pledges, an increase of $2.86 billion (7.1 percent) from the $40.11 billion backed by non-GO revenue pledges at the end of fiscal year 2023. Colleges and universities are the largest issuer of revenue debt with $18.55 billion outstanding, excluding Permanent University Fund (PUF) debt.

Bonds issued by Texas state agencies, colleges, and universities during fiscal year 2024 decreased by 21.1 percent to an aggregate total of $8.35 billion compared to $10.58 billion issued in fiscal year 2023. Fiscal year 2024 debt issues included $3.43 billion in new-money bonds and $4.92 billion in refunding bonds (*Table 2.1*). Other debt issued included $1.83 billion of commercial paper (CP).

As of August 31, 2024, a total of $6.69 billion was authorized for state commercial paper or variable-rate note (VRN) programs. Of this amount, $2.99 billion was outstanding at fiscal year-end 2024, approximately $25.7 million more than the amount outstanding at fiscal year-end 2023.

Texas state issuers expect to issue approximately $10.59 billion in bonds, CP, and VRN during fiscal year 2025, a projected increase of $2.73 billion (34.7 percent) over the amount projected for fiscal year 2024.

Local Financings in Fiscal Year 2024

As of fiscal year-end 2024, Texas local governments had $333.34 billion in outstanding debt (excluding conduit debt), an increase of $81.97 billion (32.6 percent) since fiscal year 2020. Of the 2024 total, 68.8 percent ($229.24 billion) is GO debt to be repaid from local ad valorem tax collections while the remaining 31.2 percent ($104.10 billion) will be repaid from revenues generated by various projects such as water, sewer, and electric utility fees. Since fiscal year 2020, tax-supported debt outstanding increased 38.6 percent ($63.90 billion) and revenue debt outstanding increased 21.0 percent ($18.07 billion).).

Public School Districts (School Districts) accounted for 39.1 percent ($130.21 billion) of all local debt outstanding and Cities, Town, Villages (Cities) accounted for 31.0 percent ($103.28 billion). Water Districts and Authorities (WD) held the third highest percentage and accounted for 15.3 percent ($50.99 billion) of all local debt outstanding. The remaining 14.7 percent ($48.87 billion) was held by Other Special Districts and Authorities (OSDs), Counties, Community and Junior Colleges (CCDs), and Health/Hospital Districts and Authorities (HHDs).

Texas issuance of local debt (excluding conduit debt and commercial paper) has fluctuated over the past decade from $38.84 billion in fiscal year 2015 to $43.69 billion in fiscal year 2024.

Over the past five fiscal years, new-money debt issuance totaled $148.79 billion and refunding debt totaled $72.32 billion. During that time, the top two issuers were School Districts and Cities that together comprised 72.8 percent ($108.31 billion) of the total new-money volume and 70.0 percent ($50.65 billion) of the total refunding transaction volume.

Issuance Costs
During fiscal year 2024, the weighted average of issuance costs for state bond issuers was $5.28 per $1,000, excluding issuances of conduit and private placement debt. In comparison, the same weighted average was $5.69 per $1,000 for fiscal year 2023. The issuances ranged in size from $5.1 million to $1.02 billion.

Private Activity Bond Allocation Program and Other Bonding Authority
Texas again experienced an increase in volume cap for the Program Year 2024 Private Activity Bond (PAB) Allocation Program. The 2024 volume cap was set at $3.81 billion, an increase of $209.4 million (5.8 percent) over the calendar year 2023 cap. The total size of the PAB program, including the 2024 volume cap and carryforward, was $6.61 billion, a 4.8 percent increase from the 2023 total. As of November 15, 2024, $2.64 billion had been allocated and application requests totaled $8.74 billion, an increase of 11.5 percent of the total application requests from Program Year 2023.

88th Legislature – Regular Session
The 88th Legislature passed Senate Bill (SB) 28, which created the New Water Supply for Texas Fund, beginning on September 1, 2023. SB 28 also created the statewide water public awareness account, beginning on September 1, 2023, to educate residents of the state about water, including through supporting local and regional water education programs. Additionally, the bill created the Texas Water Fund to work with existing TWDB financing programs. Provisions of SB 28 relating to the Texas Water Fund were approved by the voters of a constitutional amendment in November 2023, under Senate Joint Resolution 75. These provisions were effective January 1, 2024.

The 88th Legislature appropriated $143.0 million to the Department of Motor Vehicles for the Camp Hubbard Renewal Project to be financed by the Texas Public Finance Authority (House Bill (HB) 1, 88th Legislature, RS (2023) Art VII-16, Rider 11).

On June 12, 2023, the Governor signed HB 1515 relating to the continuation and functions of the Texas Economic Development and Tourism Office and the winding up and liquidation of the Project Development and Small Business Incubator Program. Any money in the product development fund and small business fund may be used for debt service, bond redemption, or any costs associated with debt service or bond redemption. The bonds, previously issued to support product development and small businesses, were called on July 12, 2023.

On May 10, 2023, the Governor signed SB 1055 authorizing the creation of Stephen F. Austin State University, a member of The University of Texas System. Stephen F. Austin State University was abolished on September 1, 2023, and was re-created as Stephen F. Austin State University, a member of The University of Texas System. The board of regents of The University of Texas System was substituted for the board of regents of Stephen F. Austin State University on any contracts and obligations, including bonds, and acts in the place of the board of regents of Stephen F. Austin State University or the Texas Public Finance Authority, as applicable, to the extent permitted by law. Effective July 28, 2023, The University of Texas System's Board of Regents assumed management and operational control of Stephen F. Austin State University.

Additional Details

This report concludes with seven appendices. *Appendix A* provides a detailed description of each state bond transaction closed in fiscal year 2024. *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. *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*.

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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 1.1 *provides a tier ranking of each state relative to the states rated AAA by the three major credit rating agencies.*

On March 27, 2024, S&P reaffirmed its AA+ long-term debt rating for the United States and maintained its long-term outlook as stable. On March 22, 2024, the Kroll Bond Rating Agency reaffirmed a long-term rating of AAA for the United States with a stable outlook. On August 29, 2024, Fitch affirmed its rating for the United States at AA+ with a stable outlook. On November 10, 2023, Moody's changed its outlook to negative from stable and reaffirmed the U.S. government's Aaa rating. Historically, Texas' GO borrowing costs have not been impacted by changes in U.S. credit ratings.

According to data provided in a Moody's Investors Service Report (titled "States - US Revenue growth and lower adjusted net pension liabilities (ANPL) boost capacity to manage long-term debt"), released October 7, 2024, Texas ranked 32nd among all states in fiscal 2023 state net tax-supported debt (NTSD) as a percent of own-source revenue (most recent data available). In its report, Moody's defines own-source revenue as the total governmental revenue, less funds received from federal sources, as reported in states' audited financial statements. Based on the data provided in the Moody's report, Texas ranked 37th among all states in NTSD per capita. Texas had $654 in NTSD per capita compared to the national mean and median of $1,807 and $1,189, respectively.

STATE DEBT

Recent Credit Rating Agency Reports on Texas' General Obligation Debt

On January 26, 2024, Kroll affirmed its long-term rating of AAA with a stable outlook in its State of Texas – G.O. Public Finance Surveillance Report of the same date. Kroll states, as part of its Key Credit Considerations, that: "The State's broad and diverse economy is 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 strength of the State's broad and dynamic economy as well as its consistent maintenance of large reserves which position it well to weather the business and commodity price cycles."

S&P's latest action on Texas' GO rating was to affirm its AAA rating and stable outlook on August 15, 2024. In its report of that date, titled "Texas Transportation Commission; General Obligation," S&P stated that: "The 'AAA' rating reflects our view of the state's: Diversified and resilient economic base, with GSP and income metrics in line with the U.S. and our belief that Texas is poised for long-term growth that we expect will outperform the nation. This is partially fueled by favorable population trends and a relatively affordable cost of doing business that continues to attract investment and support employment growth; Resilient budget performance benefiting from significant sales tax and franchise tax growth in recent years and maintenance of high reserve balances in its ESF to manage evolving risks. In our view, Texas' continuing support of public education and health care expenditure growth could affect the state's ability to sustain positive operating results; Well-embedded management budgeting practices and policies, including a governmentwide capital improvement plan, comprehensive revenue forecasting and debt affordability plan, and cash-management practices, including comprehensive monthly revenue and expenditure cash monitoring, and the build-up of strong liquidity to meet constitutionally defined priorities; and A generally low debt burden, but with more elevated pension and OPEB liabilities, which we believe will require continued active management to ensure that benefit costs remain affordable relative to its budget. Texas has demonstrated flexibility to modify benefits that could support moderation of these metrics over time."

For a downside scenario, S&P states: "We could lower the rating if the state experiences challenges in containing long-term liability growth related to pensions and retiree health care costs. In addition, we could lower the rating if officials fail to adopt timely corrective actions in response to potential future budget gaps, resulting in substantial reliance on the ESF without a plan to replenish reserve levels, or if the state's economic growth reverses from recently favorable trends and metrics substantially decline compared with those of the U.S., leading to materially weaker revenue performance on a sustained basis."

For the rating outlook, S&P states: "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 August 9, 2024, Moody's affirmed its Aaa rating and stable outlook of Texas' GO debt. In its report of that date, titled "Moody's Ratings assigns Aaa/VMIG 1 to Texas GO Veterans Bonds, Series 2024A; outlook stable," Moody's states "The long-term rating reflects Texas's dynamic economy that will continue to surpass national growth; impressive population expansion that will well-outpace the nation and drive employment growth; substantial reserves that help safeguard against economic and revenue downturns; and strong fiscal management and governance. While bonded debt is low, this is offset by substantial long-term liabilities, largely a consequence of historical pension underfunding."

On October 16, 2023, Fitch affirmed its AAA rating and stable outlook of Texas' GO debt. In its report of that date, titled "Fitch Rates Texas' $300 million GO Bonds 'AAA'; Outlook Stable," Fitch states: "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, referenda, executive branch controls, mandates to maintain a balanced budget, rainy day funds, and political polarization.

In addition, rating agencies consider environmental, social, and governance (ESG) factors when assessing the credit quality of a debt issuer and assigning a public finance credit rating. Some examples of ESG factors a credit rating agency may consider include, but are not limited to, climate change adaptation, air pollution, energy efficiency, land use planning, clean water, education, public health, public safety, labor practices, transparency and accountability, housing, poverty, employment, long-term planning, and cybersecurity.

Table 1.1 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 12 states that is rated Triple-A by Moody's, S&P, and Fitch.

Changes in State Bond Ratings

During the past year, 10 states received a rating upgrade. Alaska, Louisiana, New Hampshire, and Ohio were upgraded by S&P; Kentucky, Maine, Ohio, Oklahoma, and Pennsylvania were upgraded by Moody's; Illinois, Kansas, and Pennsylvania were upgraded by Fitch. No states received rating downgrades (*Table 1.2*).

Texas' Debt Ratios Compared to Other States

According to data provided in a Moody's Investors Service Report (specifically titled "States - US Revenue growth and lower ANPLs boost capacity to manage long-term debt"), released October 7, 2024, "States' ability to service long-term liabilities further improved in fiscal 2023 as the sector saw moderate revenue growth, while adjusted net pension liabilities (ANPLs), the largest long-term liability for most states, declined because of higher interest rates. Total net tax-supported debt (NTSD), the second-largest liability for most states, fell slightly. Other post-employment benefit (OPEB) liabilities generally remained small compared with pension liabilities, though a number of states with high pension liabilities also have above-average OPEB liabilities."

According to Moody's report, Texas ranked 32nd among all states in fiscal year 2023 state net tax-supported debt (NTSD) as a percent of own-source revenue (the most recent data available). In its report, Moody's defines own-source revenue as the total governmental revenue, less funds received from federal sources, as reported in states' audited financial statements (*Table 1.3*).

Based on the data provided in the Moody's report, Texas ranked 37th among all states in fiscal year 2023 NTSD per capita (the most recent data available). Texas had $654 in NTSD per capita compared to the national mean and median of $1,807 and $1,189, respectively.

When compared to the 10 other states also rated AAA by all three major credit rating agencies, Texas' 2023 personal income per capita (the most recent data available) of $66,252 was above the median of $65,214 among the states rated AAA, slightly below the mean of $66,318, but above that of seven other AAA states: Georgia, Missouri, North Carolina, Ohio, Tennessee, and Utah.

Table 1.1

STATE BOND RATINGS as of September 2024

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
-	Ohio	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	Montana	Aa1	**	AA+
2	Washington	Aaa	AA+	AA+
3	Arkansas	Aa1	AA	**
3	Massachusetts	Aa1	AA+	AA+
3	Nevada	Aa1	AA+	AA+
3	New Hampshire	Aa1	AA+	AA+
3	New York	Aa1	AA+	AA+
3	Oregon	Aa1	AA+	AA+
3	Vermont	Aa1	AA+	AA+
3	Wisconsin	Aa1	AA+	AA+
4	Alabama	Aa1	AA	AA+
4	Michigan	Aa1	AA	AA+
4	New Mexico	Aa2	AA	**
5	Hawaii	Aa2	AA+	AA
5	Maine	Aa1	AA	AA
5	Oklahoma	Aa1*	AA	AA*
6	Mississippi	Aa2	AA	AA
6	Rhode Island	Aa2	AA	AA
7	California	Aa2	AA-	AA
7	Louisiana	Aa2	AA	AA-
7	West Virginia	Aa2	AA-	AA
8	Pennsylvania	Aa2	A+	AA
9	Alaska	Aa3	AA	A+
9	Connecticut	Aa3	AA-	AA-
13	New Jersey	A1	A	A+
18	Illinois	A3	A-	A-
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-	AA
*	Kentucky	Aa2	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 Oct. 10, 2024), and Fitch Ratings.

Table 1.2
CHANGES IN STATE BOND RATINGS
September 2023 to September 2024

State	Moody's	Standard & Poor's	Fitch
Upgrades			
Alaska		AA- to AA	
Illinois			BBB+ to A-
Kansas*			** to AA
Kentucky*	Aa3 to Aa2		
Louisiana		AA- to AA	
Maine	Aa2 to Aa1		
New Hampshir		AA to AA+	
Ohio	Aa1 to Aaa	AA+ to AAA	
Oklahoma	Aa2 to Aa1		
Pennsylvania	Aa3 to Aa2		AA- to AA
Downgrades			
None	N/A	N/A	N/A

* Issuer Credit Rating
** Not rated.
Sources: Moody's Investors Service, Standard & Poor's, and Fitch Ratings.

According to the same Moody's report released October 7, 2024, Texas ranked 14th among all states in fiscal year 2023 state adjusted net pension liability (ANPL) as a percent of own-source revenue at 95.1 percent (most recent data available). Texas' ANPL per capital was $3,516, compared to the national mean of $4,091 and median of $2,522. Texas' ANPL as a percent of personal income was 5.3 percent, compared to the national mean of 5.9 percent and median of 3.8 percent (*Table 1.4*).

Total ANPL across states' governmental activities decreased by 23.3 percent to $1.3 trillion, representing 80.1 percent of aggregate own-source revenue. Higher interest rates have substantially reduced ANPLs. The median ratio of ANPL to own-source revenue was 54.6 percent in fiscal 2023, down from 79.8 percent in fiscal 2022. ANPLs are expected to decrease in fiscal 2024 reporting because of higher rates and will decline further in fiscal 2025 because of higher interest rates and strong investment performance in 2024.

The most recent U.S. Census Bureau data for total state and local debt outstanding show that for census year 2022 (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 third in total state and local debt per capita (*Table 1.5*) with 80.5 percent of the state's total debt burden at the local level.

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 1.1*).

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 5.2 percent (1.2 million) from 2019 to 2023 (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.

Table 1.3

FISCAL 2023 STATE NET TAX-SUPPORTED DEBT (NTSD) METRICS

RANKING BASED ON FISCAL 2023 NTSD AS % OF OWN-SOURCE REVENUE

Rank	State	FY 2022 NTSD ($ thousands)	FY 2023 NTSD ($ thousands)	FY 2023 NTSD as % of own-source revenue	FY 2023 NTSD per capita	FY 2023 NTSD as % of personal income	FY 2023 NTSD as % of state GDP
1	Connecticut	$28,967,901	$28,483,437	107.8%	$7,874	8.8%	8.2%
2	Massachusetts	$48,688,111	$48,519,859	86.7%	$6,930	7.6%	6.6%
3	Hawaii	$9,904,366	$9,857,635	78.9%	$6,869	10.4%	8.9%
4	New Jersey	$46,581,821	$44,098,292	72.9%	$4,746	5.8%	5.5%
5	Washington	$25,494,565	$27,366,335	68.0%	$3,503	4.3%	3.4%
6	Rhode Island	$3,394,343	$3,389,850	56.6%	$3,093	4.6%	4.4%
7	Maryland	$19,400,505	$18,244,719	52.8%	$2,952	3.9%	3.5%
8	Delaware	$4,344,115	$4,670,416	52.8%	$4,526	6.8%	4.8%
9	Oregon	$11,956,711	$13,095,466	50.9%	$3,093	4.6%	4.1%
10	Illinois*	$36,531,110	$36,000,000	50.7%	$2,869	4.0%	3.3%
11	Mississippi*	$5,866,806	$5,572,386	49.6%	$1,896	3.8%	3.7%
12	Louisiana	$8,305,730	$8,859,762	45.1%	$1,937	3.3%	2.8%
13	West Virginia	$4,709,400	$4,501,092	44.4%	$2,543	4.8%	4.4%
14	Wisconsin	$11,231,419	$11,113,288	43.9%	$1,880	2.9%	2.6%
15	Virginia	$17,774,641	$17,735,365	43.6%	$2,035	2.8%	2.5%
16	California*	$96,000,000	$98,000,000	42.6%	$2,515	3.1%	2.5%
17	Ohio	$19,300,823	$18,360,027	42.1%	$1,558	2.5%	2.1%
18	New York	$69,641,000	$67,573,000	41.3%	$3,453	4.2%	3.1%
19	Pennsylvania	$20,302,123	$19,744,826	32.3%	$1,523	2.2%	2.0%
20	Georgia	$12,482,932	$12,135,383	32.3%	$1,100	1.8%	1.5%
21	Kentucky	$6,615,245	$6,524,973	32.0%	$1,442	2.6%	2.3%
22	Alabama	$6,005,964	$5,738,690	29.4%	$1,123	2.1%	1.9%
23	Colorado	$6,120,137	$5,969,100	29.3%	$1,016	1.3%	1.1%
24	Kansas	$4,368,456	$3,981,960	24.9%	$1,354	2.0%	1.7%
25	Maine	$1,597,295	$1,732,247	24.2%	$1,241	1.9%	1.9%
26	Minnesota	$9,367,023	$8,850,170	23.1%	$1,542	2.1%	1.8%
27	Michigan	$8,684,100	$10,239,400	22.5%	$1,020	1.7%	1.5%
28	New Hampshire	$1,054,889	$1,058,626	22.0%	$755	1.0%	0.9%
29	Florida	$14,698,465	$16,070,098	21.6%	$711	1.0%	1.0%
30	Nevada	$2,063,386	$2,185,711	19.7%	$684	1.0%	0.9%
31	Idaho	$1,145,336	$1,539,887	18.4%	$784	1.3%	1.3%
32	**Texas**	**$20,425,440**	**$19,950,107**	**17.7%**	**$654**	**1.0%**	**0.8%**
33	North Carolina	$7,484,377	$6,875,856	16.1%	$635	1.0%	0.9%
34	New Mexico	$3,334,490	$3,573,969	15.7%	$1,690	3.1%	2.6%
35	Utah	$2,795,056	$2,367,452	14.8%	$693	1.1%	0.8%
36	Vermont	$758,936	$712,241	14.3%	$1,100	1.6%	1.6%
37	Missouri	$2,333,603	$2,459,794	13.0%	$397	0.6%	0.6%
38	Alaska	$1,424,266	$1,373,043	12.4%	$1,872	2.6%	2.0%
39	Oklahoma	$1,962,284	$1,905,185	11.8%	$470	0.8%	0.7%
40	North Dakota	$549,291	$891,033	11.2%	$1,137	1.6%	1.2%
41	South Carolina	$2,347,078	$2,263,546	10.6%	$421	0.7%	0.7%
42	Iowa	$1,254,406	$1,308,333	9.4%	$408	0.6%	0.5%
43	Arizona	$2,506,760	$2,226,292	8.5%	$300	0.5%	0.4%
44	Indiana	$2,498,277	$2,441,308	8.5%	$356	0.6%	0.5%
45	South Dakota	$506,431	$514,789	8.4%	$560	0.8%	0.7%
46	Arkansas	$1,080,622	$899,731	7.0%	$293	0.5%	0.5%
47	Tennessee	$2,076,326	$1,931,115	6.5%	$271	0.4%	0.4%
48	Wyoming	$119,565	$197,159	4.2%	$338	0.4%	0.4%
49	Montana	$322,421	$188,225	4.1%	$166	0.3%	0.3%
50	Nebraska	$77,989	$86,602	1.0%	$44	0.1%	0.0%
	TOTAL	$616,456,336	$613,377,779	37.00%	$1,835	2.60%	2.20%
	MEAN	$12,329,127	$12,267,556	31.20%	$1,807	2.60%	2.20%
	MEDIAN	$5,288,103	$5,121,401	23.70%	$1,189	2.00%	1.80%

*Fiscal 2023 debt and revenue figures are estimated by Moody's because the state's fiscal 2023 financial statements were not available as of the publication of this report.

Sources: State audited financial statements and unaudited draft statements (for Arizona and Nevada) and Moody's Investors Service Report, States - Revenue growth and lower ANPLs boost capacity to manage long-term debt (released October 7, 2024)

Table 1.4

FISCAL 2023 STATE ADJUSTED NET PENSION LIABILITY (ANPL) METRICS

RANKING BASED ON ANPL AS A % OF OWN-SOURCE REVENUE

FY 2023 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*	317.6%	$17,967	24.9%	20.5%
2	Connecticut	252.4%	$18,443	20.5%	19.3%
3	Kentucky	216.7%	$9,761	17.6%	15.8%
4	New Jersey	191.6%	$12,478	15.2%	14.4%
5	Massachusetts	135.4%	$10,818	11.9%	10.3%
6	Montana	129.4%	$5,200	8.0%	8.0%
7	South Carolina	124.0%	$4,918	8.6%	8.1%
8	Maryland	117.7%	$6,577	8.7%	7.9%
9	Vermont	114.9%	$8,819	13.2%	13.1%
10	Pennsylvania	113.5%	$5,347	7.8%	7.1%
11	Hawaii	105.0%	$9,144	13.8%	11.9%
12	Colorado	96.8%	$3,352	4.2%	3.7%
13	Kansas	95.9%	$5,213	7.9%	6.7%
14	**Texas**	**95.1%**	**$3,516**	**5.3%**	**4.2%**
15	Maine	91.9%	$4,717	7.2%	7.1%
16	California*	88.1%	$5,199	6.4%	5.2%
17	Rhode Island	86.7%	$4,738	7.0%	6.7%
18	West Virginia	78.0%	$4,468	8.5%	7.7%
19	Alaska	77.2%	$11,665	16.3%	12.6%
20	Nevada*	71.7%	$2,487	3.8%	3.2%
21	Missouri	69.0%	$2,100	3.4%	3.0%
22	Mississippi*	66.9%	$2,558	5.2%	5.0%
23	Michigan	62.7%	$2,844	4.7%	4.2%
24	Louisiana	61.0%	$2,620	4.5%	3.8%
25	Delaware	60.8%	$5,211	7.8%	5.5%
26	Indiana	48.4%	$2,020	3.3%	2.8%
27	Arkansas	46.8%	$1,952	3.4%	3.4%
28	Oregon	42.8%	$2,600	3.8%	3.5%
29	New Hampshire	39.9%	$1,371	1.7%	1.7%
30	New Mexico	38.2%	$4,114	7.4%	6.4%
31	Alabama	36.7%	$1,406	2.6%	2.4%
32	Georgia	34.2%	$1,167	1.9%	1.5%
33	Washington	29.9%	$1,542	1.9%	1.5%
34	Ohio	29.0%	$1,074	1.7%	1.4%
35	Nebraska	29.0%	$1,249	1.8%	1.4%
36	Arizona	25.9%	$909	1.5%	1.3%
37	Minnesota	25.4%	$1,692	2.3%	2.0%
38	Idaho	24.0%	$1,025	1.7%	1.7%
39	Florida	23.2%	$764	1.1%	1.1%
40	North Carolina	22.3%	$877	1.4%	1.2%
41	Virginia	22.1%	$1,035	1.4%	1.3%
42	Wyoming	21.9%	$1,777	2.2%	2.0%
43	New York	18.5%	$1,549	1.9%	1.4%
44	Oklahoma	18.3%	$729	1.2%	1.2%
45	North Dakota	17.4%	$1,756	2.4%	1.8%
46	Tennessee	17.1%	$715	1.1%	1.0%
47	Utah	17.0%	$800	1.2%	1.0%
48	Iowa	15.7%	$680	1.1%	0.9%
49	Wisconsin	15.0%	$642	1.0%	0.9%
50	South Dakota	14.3%	$946	1.3%	1.2%
TOTAL		80.1%	$3,979	5.7%	4.9%
MEAN		71.9%	$4,091	5.9%	5.2%
MEDIAN		54.6%	$2,522	3.8%	3.4%

*Fiscal 2023 debt and revenue figures are estimated by Moody's because the state's fiscal 2023 financial statements were not available as of the publication of this report.

Sources: State audited financial statements and unaudited draft statements (for Arizona and Nevada) and Moody's Investors Service Report, States - Revenue growth and lower ANPLs boost capacity to manage long-term debt (released October 7, 2024)

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.

Estimated scheduled annual debt service as a percentage of unrestricted general revenue (as reported in 2024 CPA Cash Report Table 11) decreased slightly in fiscal year 2024 to 0.88 percent (*Figure 1.2*).

Unrestricted general revenue increased 60.3 percent in fiscal year 2024 to $79.14 billion from $49.38 billion in fiscal year 2015 (*Figure 1.3*). Unrestricted general revenue is generally the most available funding source to make debt-service payments and to fund appropriations for state operations.

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 $5 million for a single state agency or institution of higher education; and (4) major information resources projects estimated to exceed $5 million. In previous reports, the BRB requested that all planned expenditures exceeding $1 million must be reported, but the threshold was adjusted to $5 million in the 2023 General Appropriations Bill for future reports.

From a budgetary and capital planning standpoint, several 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).

Table 1.5

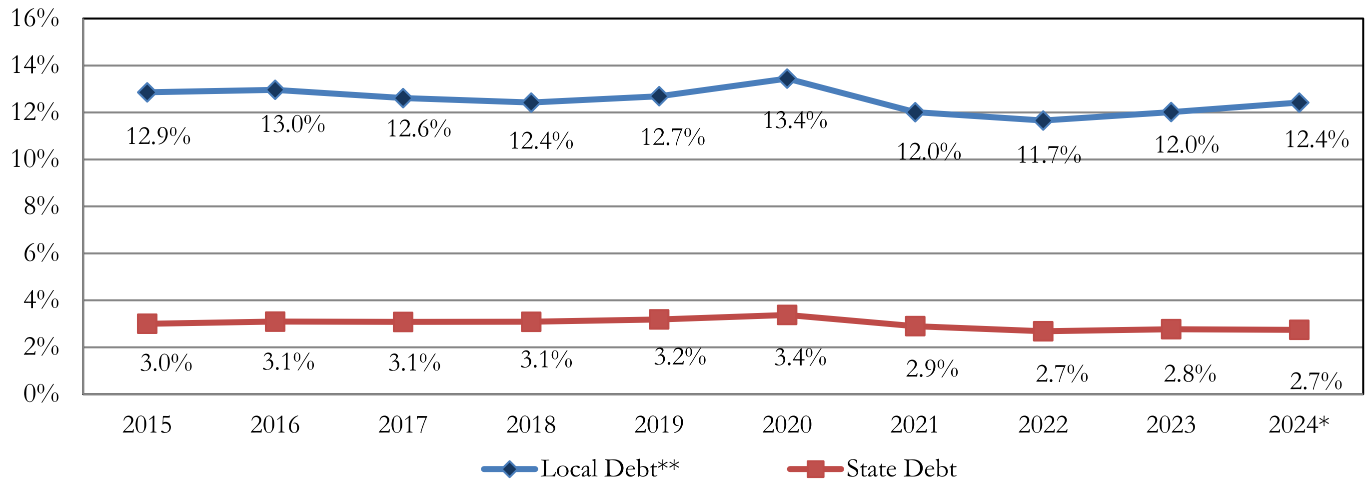
TOTAL STATE AND LOCAL DEBT OUTSTANDING: 10 MOST POPULOUS STATES

	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	19,571	352,923	$18,033	1	153,840	43.6%	$7,861	1	199,083	56.4%	$10,172	2
California	38,965	558,683	14,338	2	159,574	28.6%	4,095	2	399,110	71.4%	10,243	1
Illinois	12,550	133,896	10,669	4	41,804	31.2%	3,331	4	92,091	68.8%	7,338	4
Texas	30,503	**326,966**	**10,719**	**3**	**63,819**	**19.5%**	**2,092**	**7**	**263,147**	**80.5%**	**8,627**	**3**
Pennsylvania	12,962	114,901	8,865	5	47,544	41.4%	3,668	3	67,357	58.6%	5,197	5
Ohio	11,786	72,163	6,123	7	33,284	46.1%	2,824	5	38,879	53.9%	3,299	9
Michigan	10,037	71,519	7,125	6	26,158	36.6%	2,606	6	45,361	63.4%	4,519	7
Florida	22,611	126,867	5,611	8	22,344	17.6%	988	10	104,523	82.4%	4,623	6
Georgia	11,029	60,676	5,501	9	13,829	22.8%	1,254	9	46,847	77.2%	4,248	8
North Carolina	10,835	45,889	4,235	10	14,084	30.7%	1,300	8	31,805	69.3%	2,935	10
MEAN		**$186,448**	**$9,122**		**$57,628**	**31.8%**	**$3,002**		**$128,820**	**68.2%**	**$6,120**	

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: 2022 (the most recent data available); July 2023 U.S. Census Bureau, Population Division (released in December 2023).

Figure 1.1
STATE AND LOCAL DEBT AS A PERCENT OF GROSS STATE PRODUCT

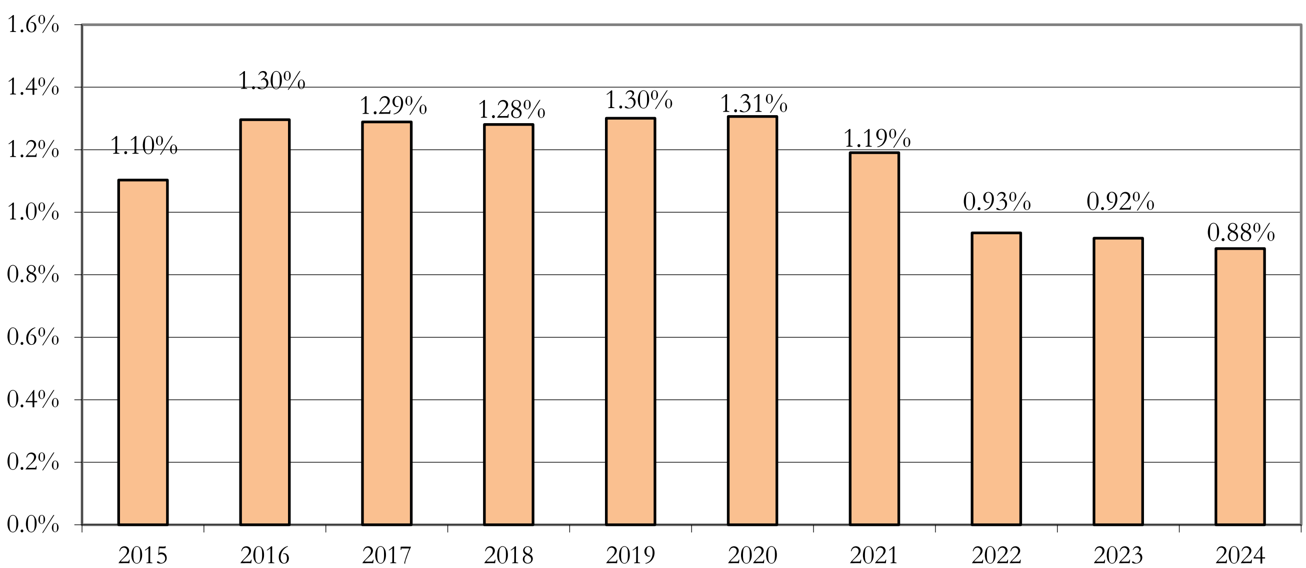


* Uses gross state product as reported for quarter one of 2023 (the most recent data available).
** Excludes conduit debt of local governments.
Sources: Texas Bond Review Board - Bond Finance Office; U.S Department of Commerce Bureau of Economic Analysis.

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 recommendations for appropriations to the legislature.

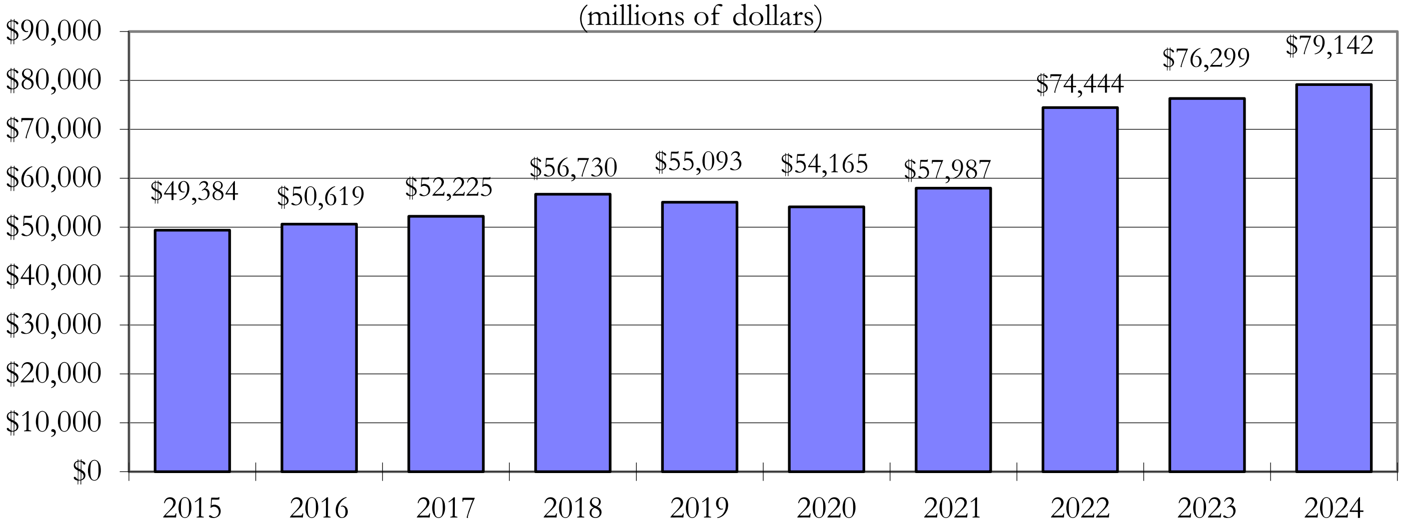
The GOBPP and LBB also assess short-term and long-term budget needs. Through the HAC and SFC, the legislature makes the final decisions on projects to be funded for the two-year biennial period. Approved capital and operating budgets are integrated into the GAA that authorizes specific debt issuance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

Figure 1.2
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.

Figure 1.3
UNRESTRICTED GENERAL REVENUE
(millions of dollars)



Source: Texas Comptroller of Public Acounts.

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 2026–27 CEP was released September 1, 2024, on the BRB website, pursuant to House Bill 1, Article IX, Section 11.03 of the 88th Legislature and covers the out years 2028–29. Anticipated total expenditures were $114.96 billion in the 2024-2025 CEP as compared to $133.49 billion reported in the 2026-2027 CEP.

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 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 2025 DAS will be released February 2025.

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, and 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: ad valorum tax (GO) and revenue. GO 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

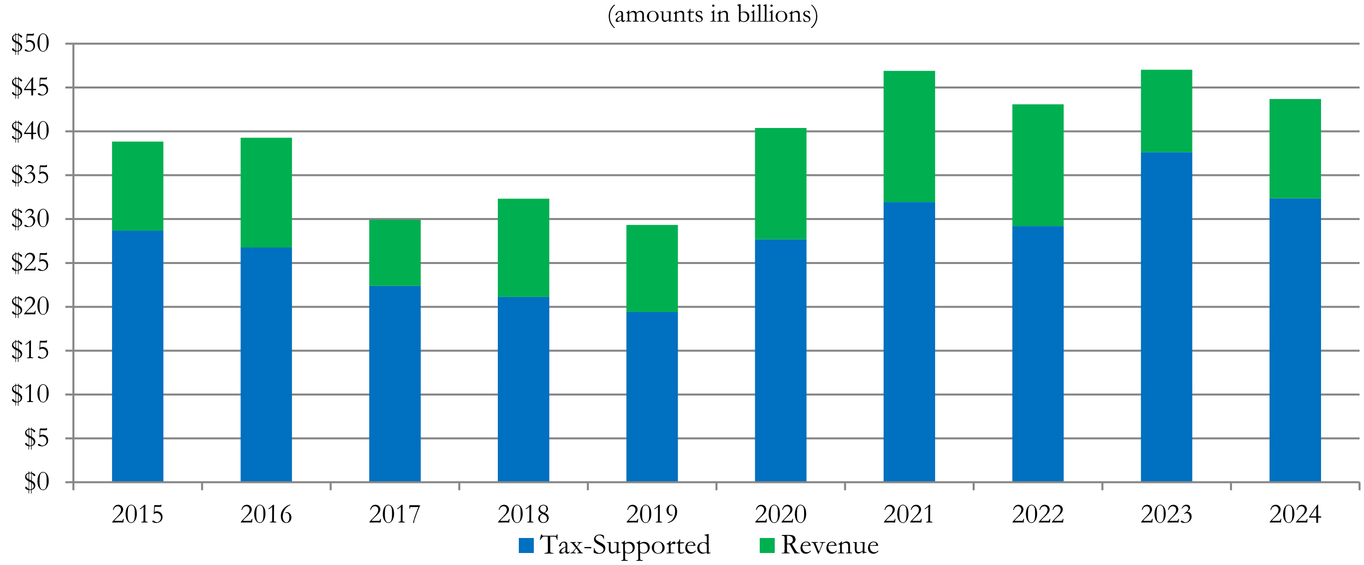
The BRB has no direct oversight of local government debt issuance. Chapter 1231 of the Texas Government Code requires the BRB to prepare statistical reports on local government debt. This information on debt issued by political subdivisions is collected by the OAG in its review and approval of public securities under Chapter 1202 of the Texas Government Code and provided 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, 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

Figure 1.4

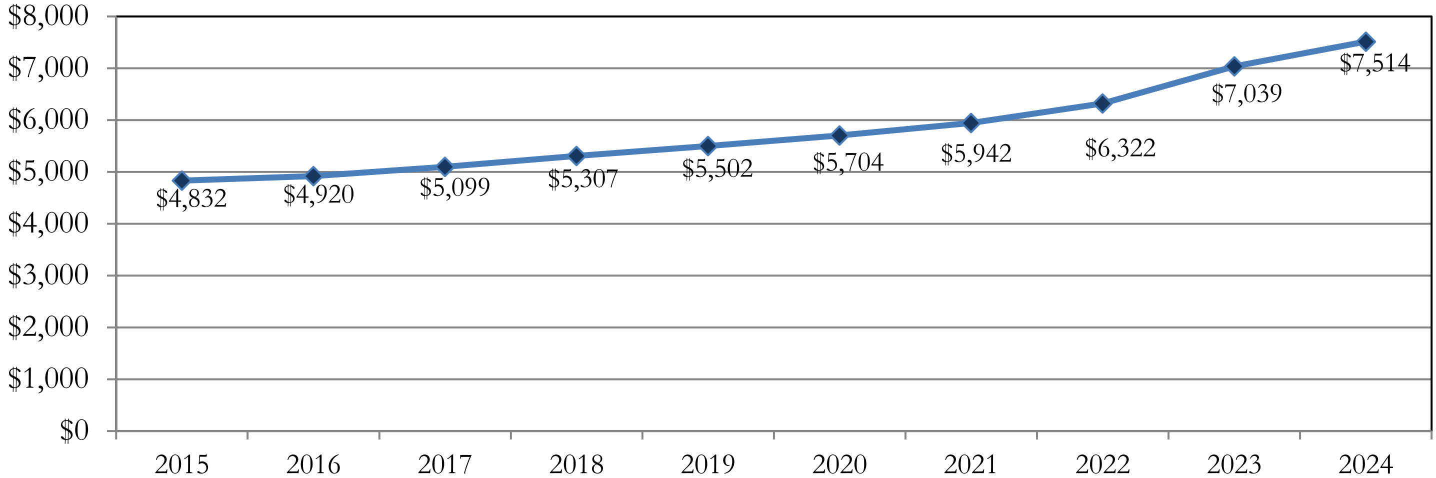
TEXAS LOCAL GOVERNMENT DEBT ISSUANCE

(amounts in billions)



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

Figure 1.5
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, 2023, Annual Estimates, U.S. Census Bureau, Population Division. (Population totals used are one year in arrears due to timing of census estimate release dates.)

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 2024, a total of 7,025 unique users were identified as using the BRB website.

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.

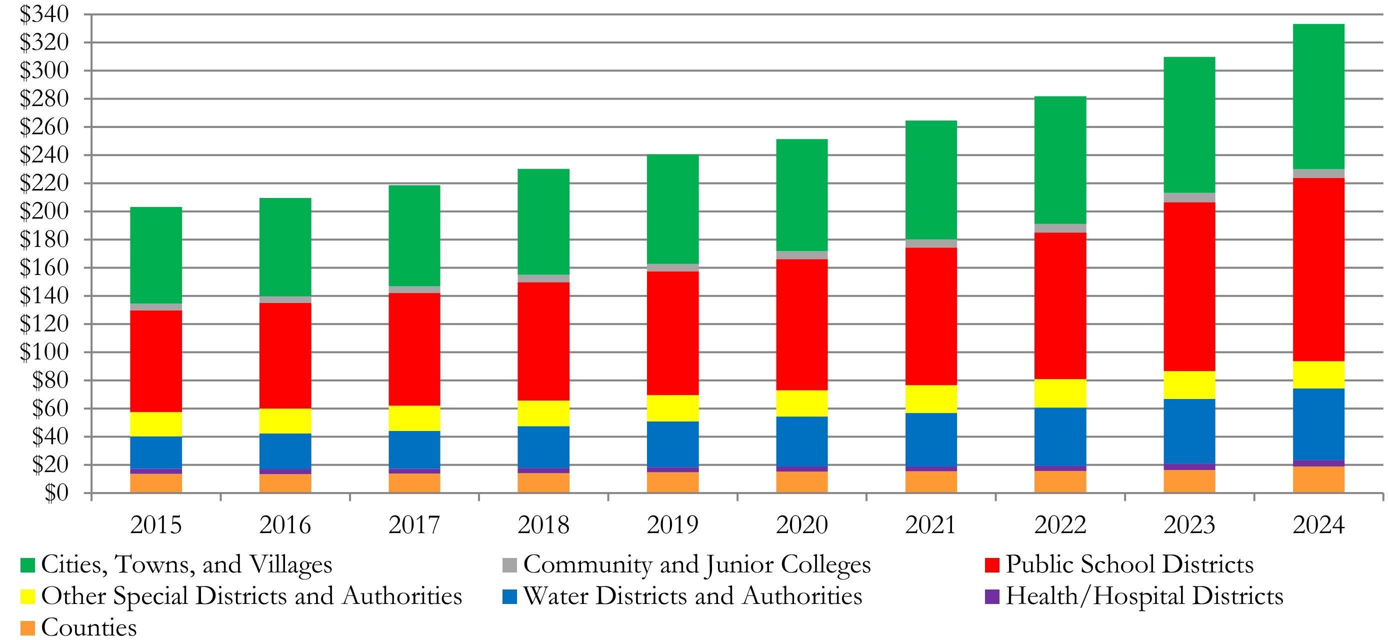
Nationwide Debt Issuance Over the Past Decade

Texas issuance of local debt (excluding conduit debt and commercial paper) has fluctuated over the past decade from $38.84 billion in fiscal year 2015 to $43.69 billion in fiscal year 2024 *(Figure 1.4)*.

Majority of Local Debt Issuance Supports Educational Facilities and Equipment

During the five-year reporting period, 47.6 percent or $70.84 billion of Texas' new-money local debt issuance was used to finance educational facilities and equipment, including school buses. Water-related financings were the second highest use at 25.0 percent or $37.20 billion, and the third highest use at 11.7 percent or $17.39 billion was for general-purpose debt, which includes multiple purposes such as public improvements. The fourth highest use at 5.2 percent or $7.80 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.

Figure 1.6
TEXAS LOCAL GOVERNMENT
DEBT OUTSTANDING BY FISCAL YEAR
(amounts in billions)



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

The remaining 10.5 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 72.8 Percent of New-Money Transactions and 70.0 Percent of Refunding Transactions

Over the past five fiscal years, new-money debt issuance totaled $148.79 billion and refunding debt totaled $72.32 billion. During that time, the top two issuers were school districts and cities that together comprised 72.8 percent ($108.31 billion) of the total new-money volume and 70.0 percent ($50.65 billion) of the total refunding transaction volume.

Refunding debt issued in fiscal year 2024 totaled $9.20 billion, an increase of 51.9 percent from the $6.05 billion issued during fiscal year 2023. Over the past five fiscal years, 91.5 percent of local governmental refundings achieved both cash and net present value savings, 0.6 percent provided only a net present value savings with a cash loss, 0.2 percent provided a cash savings but a net present value loss, and 1.8 percent resulted in a loss in both. In the latter cases, the primary objective was to restructure debt-service requirements to match budget flows more evenly and thus avoid raising taxes during times of economic weakness. The remaining 5.9 percent includes refundings of commercial paper and variable-rate debt for which savings information was not provided.

Since fiscal year 2020, refundings for Texas local issuers achieved cash savings of $10.42

Table 1.6 **TEXAS LOCAL GOVERNMENT** **CAPITAL APPRECIATION BONDS PAR AMOUNT ISSUED BY FISCAL YEAR** (amounts in millions)					
	2020	**2021**	**2022**	**2023**	**2024**
Public School Districts	$91.7	$118.7	$49.9	$3.4	$0.0
Cities, Towns, and Villages	0.4	-	-	-	-
Water Districts and Authorities	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	**$94.8**	**$124.9**	**$161.8**	**$3.4**	**$0.0**
Total Par Amount Issued**	$40,391.8	$46,902.7	$43,096.6	$47,022.9	$43,690.9
CAB Par Amount % of Total	**0.23%**	**0.27%**	**0.38%**	**0.01%**	**0.00%**

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

billion with a net present value savings of $8.10 billion, including $672.7 million in cash savings and $381.3 million in net present value savings realized in fiscal year 2024.

Capital Appreciation Bonds

During fiscal year 2024, local governments did not issue capital appreciation bonds (CABs), a decrease of 100.0 percent from the fiscal year 2023 issued amount of $3.4 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. (*Table 1.6*).

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.

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: $333.32 Billion of Outstanding Debt

As of fiscal year-end 2024, Texas local

governments had $333.32 billion in outstanding debt (excluding conduit debt), an increase of $81.94 billion (32.6 percent) since fiscal year 2020. Of the 2024 total, 68.8 percent ($229.22 billion) is GO debt to be repaid from local ad valorem tax collections while the remaining 31.2 percent ($104.10 billion) will be repaid from revenues generated by various projects such as water, sewer, and electric utility fees. Since fiscal year 2020, tax-supported debt outstanding increased 38.6 percent ($63.87 billion) and revenue debt outstanding increased 21.0 percent ($18.07 billion).

Chapter 2
State Debt Issued in Fiscal Year 2024 and Debt Outstanding

*In fiscal year 2024, the state's total debt outstanding, including conduit debt, increased 3.0 percent to $73.03 billion compared to $70.94 billion in fiscal year 2023 and $64.40 billion in fiscal year 2022 (*Table 2.3*).*

*Bonds issued by Texas state agencies, colleges, and universities during fiscal year 2024 decreased by 21.1 percent to an aggregate total of $8.35 billion compared to $10.58 billion issued in fiscal year 2023. Fiscal year 2024 issues included $3.43 billion in new-money bonds and $4.92 billion in refunding bonds (*Table 2.1*). Other debt issued included $1.83 billion of commercial paper.*

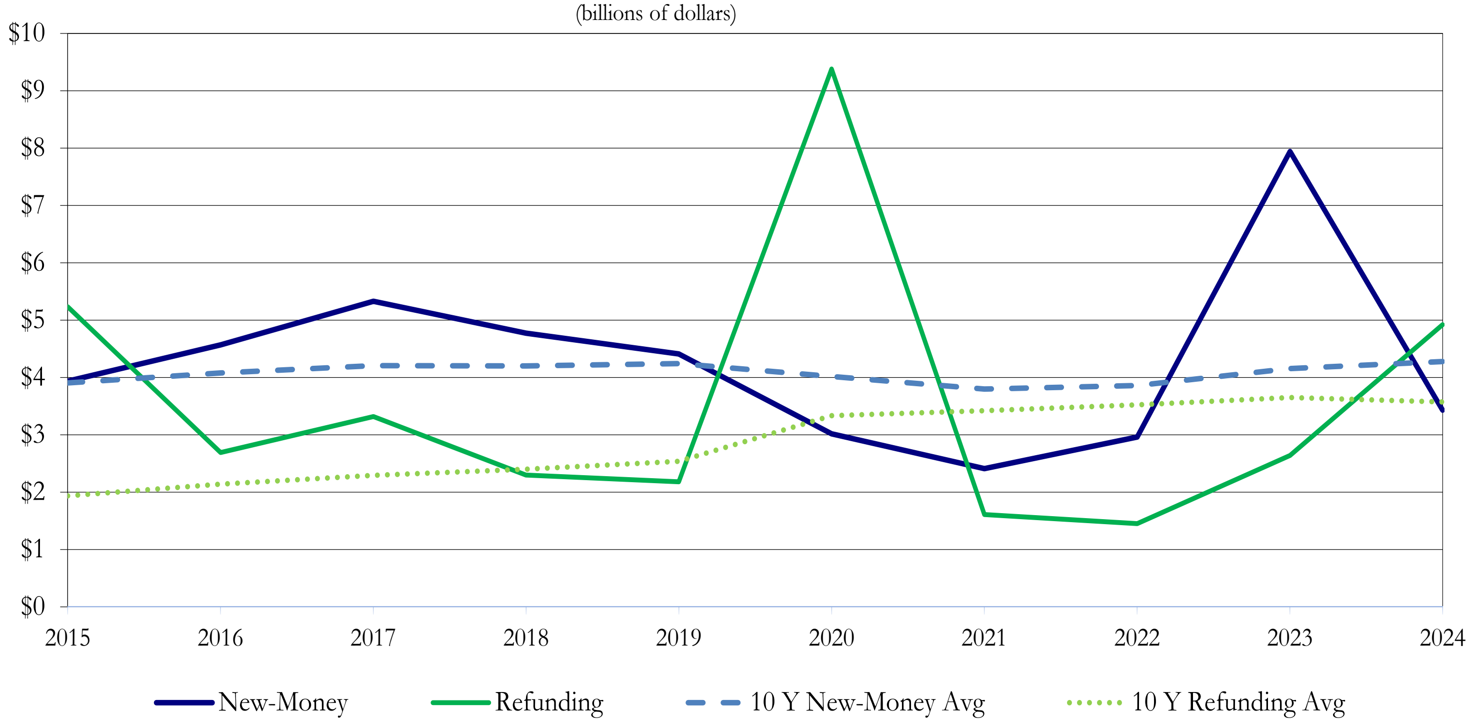
Details on bond transactions can be found in Appendix A*, and details on commercial paper and variable-rate notes can be found in* Appendix B.

New-Money and Refunding Issuances During Fiscal Year 2024

A total of $8.35 billion in bonds was issued in fiscal year 2024. Of that amount, $3.43 billion (41.1 percent) was issued as new-money bonds, a decrease of $4.51 billion (56.8 percent) from $7.94 billion issued during fiscal 2023. The remaining $4.92 billion (58.9 percent) was issued as refunding bonds, an increase of $2.28 billion (86.3 percent) from $2.64 billion issued during fiscal year 2023 (*Figure 2.1*). Overall, net present value savings from fiscal year 2024 refundings totaled $401.6 million.

Among the $3.43 billion in new-money bonds issued in fiscal year 2024, approximately $1.06 billion (30.9 percent) was issued by the Texas Department of Housing and Community Affairs (TDHCA), $1.01 billion (29.5 percent) was issued by the Texas Water Development Board (TWDB), and $581.0 million (16.9 percent) was issued by Texas State University System (TSUS).

Figure 2.1
TEXAS NEW-MONEY AND REFUNDING BOND ISSUES 2015-2024
(billions of dollars)



Source: Texas Bond Review Board - Bond Finance Office.

Table 2.1 **TEXAS BONDS ISSUED DURING FISCAL YEAR 2024** **SUMMARIZED BY ISSUER**				
ISSUER	**REFUNDING BONDS**	**NEW-MONEY BONDS**	**TOTAL BONDS ISSUED**	**New-Money Use of Proceeds**
Texas A&M University System	$ 84,552,000	$ 342,843,000	$ 427,395,000	Acquire, construct, and equip various facilities
Texas Dept. of Housing and Comm. Affairs	10,000,000	1,059,000,000	1,069,000,000	Single family mortgage bonds and multifamily housing
Texas Higher Education Coordinating Board	-	105,785,000	105,785,000	College student loan bonds
Texas State University System	28,425,000	581,000,000	609,425,000	Acquire, construct, and equip various facilities
Texas Public Finance Authority	92,800,000	205,600,000	298,400,000	Cancer prevention grants
Texas State Affordable Housing Corporation	-	121,226,000	121,226,000	Single family mortgage bonds and multifamily housing
Texas Transportation Commission	2,676,770,000	-	2,676,770,000	N/A
PAB Surface Transportation Corporation	265,850,000	-	265,850,000	N/A
Texas Veterans Land Board	135,000,000	-	135,000,000	N/A
Texas Water Development Board	-	1,012,570,000	1,012,570,000	SWIRFT bonds
University of Texas System	1,627,535,000	-	1,627,535,000	N/A
Total Texas Bonds Issued	**$ 4,920,932,000**	**$ 3,428,024,000**	**$ 8,348,956,000**	
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.				

Among the $4.92 billion in refunding bonds issued in fiscal year 2024, the Texas Transportation Commission (TTC) issued $2.68 billion (54.4 percent), The University of Texas System (UTS) issued $1.63 billion (33.1 percent), and the Private Activity Bond Surface Transportation Corporation (PABSTC) issued $265.9 million (5.4 percent) (*Table 2.1*).

Build America Bonds Outstanding for Fiscal Year 2024

In fiscal year 2009, the American Recovery and Reinvestment Act of 2009 (ARRA) created Build America Bonds (BABs), which could be issued as Tax Credit BABs or Direct-Payment BABs. Authority to issue BABs expired on December 31, 2010. As of August 31, 2024, TTC and UTS had $3.19 billion and $1.09 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. For fiscal years 2021 through 2030, the subsidy payments are reduced by 5.7 percent.

Interim Financing in Fiscal Year 2024

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, 2024, a total of $6.69 billion was authorized for state commercial paper (CP) or variable-rate note (VRN) programs. Of this amount, $2.99 billion was outstanding at fiscal year-end 2024 (*Table B1* in *Appendix B*), approximately $25.7 million more than the amount outstanding at fiscal year-end 2023.

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

Projected Issuances in Fiscal Year 2025

Texas state issuers expect to issue approximately $10.59 billion in bonds, CP, and VRN during fiscal year 2025 (*Table 2.2*), a projected increase of $2.73 billion (34.7 percent) over the amount projected for fiscal year 2024.

Table 2.2

TEXAS STATE DEBT ISSUES EXPECTED DURING FISCAL YEAR 2025

ISSUER	APPROXIMATE AMOUNT	PURPOSE	APPROXIMATE ISSUE DATE
General Obligation Debt			
Self-Supporting			
Texas Higher Education Coordinating Board	311,270,000	College Access Loans/Refunding	Jul-25
Texas Veterans Land Board	250,000,000	Veterans' Housing Assistance Program	TBD
Texas Public Finance Authority	TBD	Agricultural Finance Authority loans	TBD
Texas Public Finance Authority	TBD	Military Preparedness Commission	TBD
Texas Transportation Commission	1,468,487,570	Mobility Fund refunding bonds	Oct-24
Total Self-Supporting	**$2,029,757,570**		
Not Self-Supporting			
Texas Public Finance Authority	$300,000,000	Cancer research grants	TBD
Texas Water Development Board	TBD	EDAP water projects	Apr-25
Total Not Self-Supporting	**$300,000,000**		
Total General Obligation Debt	**$2,329,757,570**		
Non-General Obligation Debt			
Self-Supporting			
Texas Dept. of Housing and Community Affairs	250,000,000	First-Time Home Buyer Program	Jan-25
Texas Dept. of Housing and Community Affairs	125,000,000	First-Time Home Buyer Program	Jun-25
Texas Dept. of Housing and Community Affairs	100,000,000	First-Time Home Buyer Program	Aug-25
Texas Water Development Board	1,650,015,000	SWIRFT water projects	Oct-24
Office of the Governor	50,000,000	Small and Rural Community Success Fund	TBD
The Texas A&M University System - RFS	467,000,000	Various projects	TBD
The Texas A&M University System - PUF	590,000,000	Various projects	TBD
The University of Texas System - RFS	500,000,000	Various projects	Oct-24
The University of Texas System - PUF	975,000,000	Various projects	TBD
Texas Tech University System	600,000,000	Various projects	TBD
University of North Texas	288,000,000	Various projects	Jan-25
University of Houston System	267,000,000	Various projects	Sep-24
Texas State Technical College System	50,000,000	Various projects	Oct-24
Total Self-Supporting	**$5,912,015,000**		
Not Self-Supporting			
Texas Public Finance Authority	TBD	DMV CP refunding	TBD
Texas Public Finance Authority	TBD	HHSC 86th Leg and 87th Leg CP refunding	TBD
Texas Public Finance Authority	102,900,000	TFC Capitol Complex CP refunding	Oct-24
Texas Public Finance Authority	TBD	MLPP Commercial Paper Program	TBD
Total Not Self-Supporting	**$102,900,000**		
Total Non-General Obligation Debt	**$6,014,915,000**		
Conduit Debt			
Texas State Affordable Housing Corporation	21,600,000	Burleson Studios Apts	Sep-24
Texas State Affordable Housing Corporation	23,500,000	Cairn Point Montopolis Apts	Feb-25
Texas State Affordable Housing Corporation	31,000,000	Bluffs at Nelms Apts	Feb-25
Texas State Affordable Housing Corporation	10,000,000	Grocer Lofts	Feb-25
TPFA Charter School Finance Corporation	TBD	Charter School Financing	TBD
Texas Windstorm Insurance Association	TBD	Potential TWIA Post Event Bonds	TBD
Texas Transportation Finance Corporation	2,065,419,972	Acquire SH 288 toll road project	Oct-24
Grand Parkway Transportation Corporation	TBD	Refunding	TBD
Texas Dept. of Housing and Comm Affairs	35,000,000	Palladium Old FM 471 W Apts	Sep-24
Texas Dept. of Housing and Comm Affairs	27,500,000	Airport Commerce Multifamily Apts	Feb-25
Texas Dept. of Housing and Comm Affairs	12,000,000	Morningstar Square Apts	Feb-25
Texas Dept. of Housing and Comm Affairs	20,000,000	The Preserve at Dominion Park Apts	Feb-25
Total Conduit	**$2,246,019,972**		
Total All Debt	**$10,590,692,542**		

Includes commercial paper and variable-rate notes. All amounts are estimates. May not be comprehensive. Subject to change.

Source: Texas Bond Review Board - Bond Finance Office.

General Obligation Debt Outstanding Deceases in Fiscal Year 2024

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.

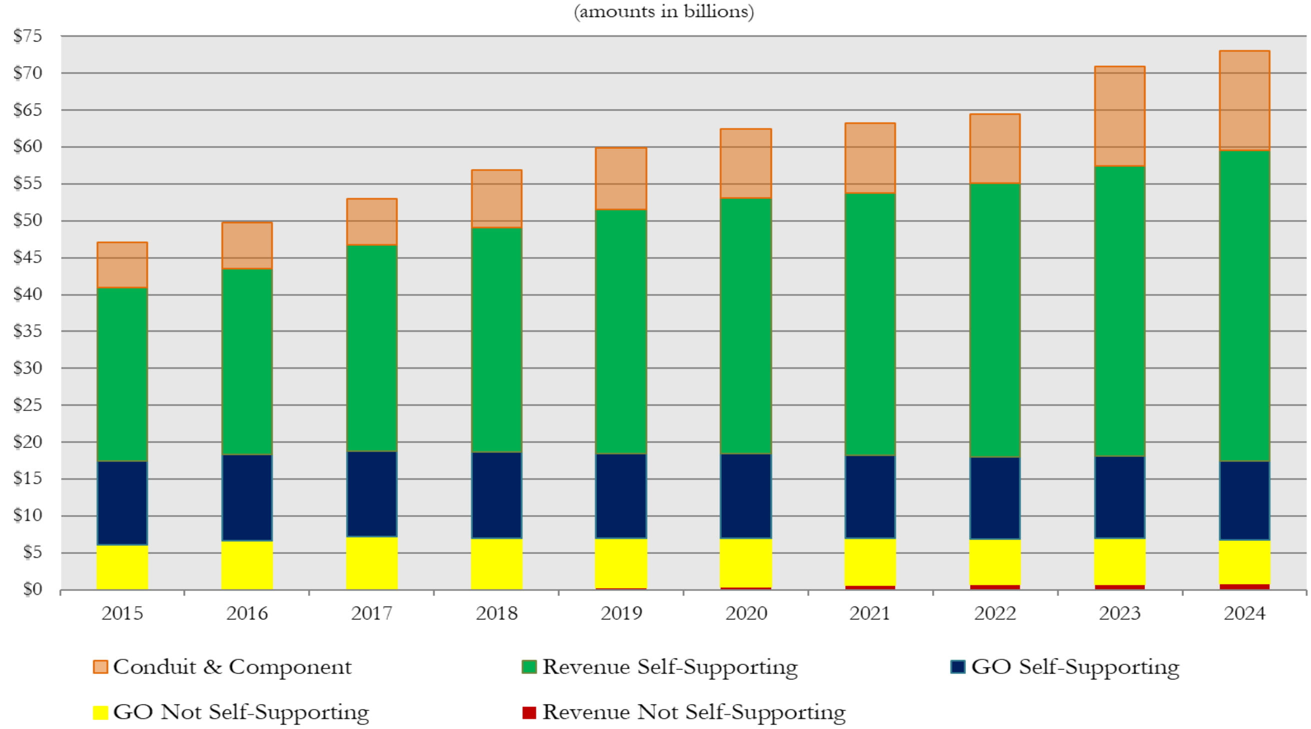
As of fiscal year-end 2024, $16.61 billion (22.7 percent) of the state's $73.03 billion in total debt outstanding was backed by the state's GO pledge, a decrease of $726.2 million (4.2 percent) from the $17.34 billion backed by the GO pledge at the end of fiscal year 2023 (*Figure 2.2* and *Table 2.3*). Bonds issued by TTC to refund outstanding Mobility Fund and highway improvement bonds helped to reduce the amount of principal outstanding during fiscal year 2024.

Governmental Revenue Debt Outstanding Increases in Fiscal Year 2024

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. Excluding conduit and component debt, $42.97 billion (58.8 percent) of the state's $73.03 billion in total debt outstanding as of fiscal year-end 2024 was backed by non-GO revenue pledges, an increase of $2.86 billion (7.1 percent) from the $40.11 billion backed by non-GO revenue pledges at the end of fiscal year 2023 (*Figure 2.2* and *Table 2.3*).

Colleges and universities are the largest issuer of revenue debt with $18.55 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.

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



Source: Texas Bond Review Board - Bond Finance Office.

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, 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, TPFA is not liable for debt service for issuances of the Texas Public Finance Authority Charter School Finance Corporation.

Of the state's $73.03 billion in debt outstanding as of fiscal year-end 2024, $13.45 billion (18.4 percent) was state conduit and component debt, which includes $4.46 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 $13.45 billion of conduit and component debt outstanding represents a decrease of $37.1 million (0.3 percent) from the $13.49 billion outstanding at the end of fiscal year 2023.

General Revenue Supported Debt Decreases in Fiscal Year 2024

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, 2024, Texas had a total of $6.80 billion in GO and non-GO not self-supporting debt outstanding to be repaid from the state's general revenue compared to $6.95 billion outstanding at fiscal year-end 2023. During fiscal year 2024, non-GO not self-supporting debt increased by $61.0 million but GO not self-supporting debt decreased by $210.2 million for a net decrease in not self-supporting debt of approximately $149.2 million (2.1 percent) (*Figure 2.3*).

Table 2.3

STATE OF TEXAS DEBT OUTSTANDING

(amounts in thousands)

	8/31/2020	8/31/2021	8/31/2022	8/31/2023	8/31/2024
General Obligation Debt					
Self-Supporting					
Veterans' Land and Housing Bonds	$2,945,465	$2,978,775	$2,993,445	$3,227,350	$2,976,885
Water Development Bonds	915,315	841,165	814,985	801,325	767,390
Water Development Bonds - State Participation	72,240	69,835	44,920	30,390	27,250
Water Development Bonds - WIF	187,455	139,510	109,600	92,220	0
Economic Development Bank Bonds	45,000	45,000	45,000	0	0
College Student Loan Bonds	1,207,750	1,272,665	1,274,285	1,343,070	1,379,060
Texas Mobility Fund Bonds	6,048,930	5,943,200	5,801,490	5,645,770	5,475,180
Texas Public Finance Authority - TMVRLF	21,545	20,150	18,700	17,195	15,625
Total, Self-Supporting	**$11,443,700**	**$11,310,300**	**$11,102,425**	**$11,157,320**	**$10,641,390**
Not Self-Supporting [1]					
Higher Education Constitutional Bonds [2]	$15,560	$13,275	$10,875	$8,355	$5,700
Texas Public Finance Authority Bonds	961,090	855,085	751,665	642,935	539,115
Cancer Prevention and Research Institute of Texas	1,584,765	1,748,700	1,929,510	2,105,230	2,282,245
Water Development Bonds - EDAP [3]	196,653	176,619	153,135	222,950	200,030
Water Development Bonds - WIF	190,070	24,240	0	0	0
TTC GO Transportation Bonds [7]	3,613,990	3,478,555	3,340,800	3,201,100	2,943,250
Total, Not Self-Supporting	**$6,562,128**	**$6,296,474**	**$6,185,985**	**$6,180,570**	**$5,970,340**
Total General Obligation Debt	**$18,005,828**	**$17,606,774**	**$17,288,410**	**$17,337,890**	**$16,611,730**
Non-General Obligation Debt					
Self-Supporting					
Permanent University Fund Bonds					
The Texas A&M University System	$1,439,735	$1,389,210	$1,462,180	$1,523,285	$1,524,535
The University of Texas System	3,223,190	3,402,025	3,498,090	3,620,770	3,761,555
College and University Revenue Bonds [4]	15,863,247	15,984,579	16,370,694	17,145,571	18,547,279
TxDOT Toll Revenue Bonds [6]	2,941,885	2,928,821	2,912,238	2,891,642	2,785,317
Texas Dept. of Housing & Community Affairs - SF	984,507	991,993	1,371,797	2,087,062	3,002,350
State Highway Fund	3,723,025	3,474,410	3,213,930	2,942,775	2,605,965
TPFA Revenue Bonds (TxDOT Austin Campus Project)	0	325,700	312,285	298,595	284,630
Water Development Bonds - State Revolving Fund	834,410	801,020	1,376,800	1,512,980	1,448,075
Water Development Bonds - SWIRFT	5,663,725	6,182,125	6,500,125	7,323,635	8,182,320
Total, Self-Supporting	**$34,673,724**	**$35,479,883**	**$37,018,139**	**$39,346,315**	**$42,142,026**
Not Self-Supporting [1]					
Texas Public Finance Authority Bonds	$403,670	$632,280	$690,800	$687,205	$653,615
TPFA Master Lease Purchase Program	26,900	26,390	41,700	78,795	174,265
Texas Military Facilities Commission Bonds	3,670	2,555	1,740	890	0
Total, Not Self-Supporting	**$434,240**	**$661,225**	**$734,240**	**$766,890**	**$827,880**
Conduit, Component and Related Organizations [5]					
Texas Windstorm Insurance Association	$227,200	$177,000	$0	$0	$0
Texas Natural Gas Securitization Finance Corporation	0	0	0	3,521,750	3,467,389
Texas Dept. of Housing and Community Affairs - MF	1,043,686	1,275,235	1,379,353	1,493,553	1,424,277
Texas State Affordable Housing Corporation	333,722	387,503	387,818	541,546	657,835
Texas Grand Parkway Transportation Corporation [6]	4,561,330	4,546,895	4,528,410	4,474,825	4,455,740
Texas PAB Surface Transportation Corporation	3,018,405	2,947,940	2,947,940	3,345,255	3,337,075
TPFA Charter School Finance Corporation	141,506	131,705	118,995	111,500	108,990
Total Conduit, Component and Related Organizations	**$9,325,849**	**$9,466,277**	**$9,362,516**	**$13,488,429**	**$13,451,305**
Total Non-General Obligation Debt	**$44,433,813**	**$45,607,385**	**$47,114,895**	**$53,601,633**	**$56,421,212**
Total Debt Outstanding	**$62,439,641**	**$63,214,159**	**$64,403,305**	**$70,939,523**	**$73,032,942**

1 Not self-supporting debt (general obligation and non-general obligation) is repaid from the state's general revenues.

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 Capital Construction Assistance Projects/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.

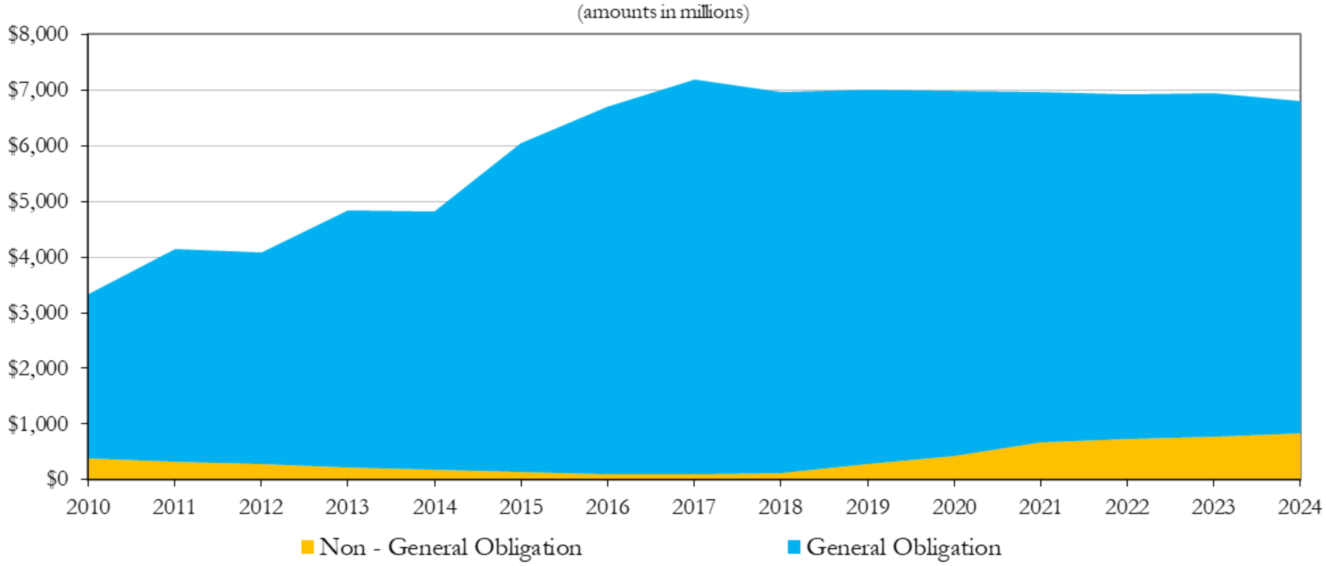
6 Includes TIFIA loan debt outstanding. Amortization schedule provided by TxDOT.

7 Article VIII, Section 7-c of the Constitution allows for certain monies deposited to the credit of the State Highway Fund be appropriated to repay GO transportation bonds issued as authorized by Section 49-p, Article III of the Constitution. General revenues have not been used to pay debt service on these bonds since fiscal year 2017.

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 Decreases in Fiscal Year 2024

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.

Variable-rate debt outstanding totaled $9.17 billion in fiscal year 2024. Of this amount, approximately $2.99 billion (32.7 percent) was short-term CP or VRN, and the remaining $6.18 billion (67.3 percent) was long-term variable-rate debt. See *Table B1* in *Appendix B* for more information regarding CP and VRN programs.

Long-term variable-rate debt decreased by approximately $31.3 million (0.3 percent) in fiscal year 2024 compared with $9.20 billion outstanding in fiscal year 2023. Variable-rate GO debt accounted for $3.38 billion (36.8 percent), and revenue debt accounted for $5.79 billion (63.2 percent) of the total amount of long-term variable-rate debt outstanding at the end of fiscal year 2024. Variable-rate GO debt decreased by $250.5 million (6.9 percent) and variable-rate revenue debt increased by $219.1 million (3.9 percent) from amounts outstanding at fiscal year-end 2023 (*Table 2.3A*). The largest issuers of long-term variable-rate debt are: UTS with $3.66 billion outstanding, Veterans Land Board (VLB) with $2.98 billion outstanding, TTC with $925 million outstanding, and TDHCA with $416.6 million outstanding.

Scheduled Debt-Service Payments from General Revenue

During fiscal years 2022, 2023, and 2024, scheduled debt service from general revenue was $695.4 million, $699.7 million, and $699.5 million respectively. Scheduled debt-service payments from general revenue are expected to increase slightly to $715.8 million in fiscal year 2025 (*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 2024, published by the Texas Comptroller of Public Accounts, for actual debt-service paid by the state from General Revenue.

Table 2.3A

STATE OF TEXAS VARIABLE-RATE DEBT OUTSTANDING

(amounts in thousands)

	8/31/2020	8/31/2021	8/31/2022	8/31/2023	8/31/2024
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	0	0
Texas Public Finance Authority	62,000	319,675	66,300	0	0
Texas Water Development Board	71,040	6,375	0	0	0
Veterans Land Board	2,945,465	2,978,775	2,993,445	3,227,350	2,976,885
Total General Obligation Variable-Rate Debt	**$3,523,505**	**$3,749,825**	**$3,504,745**	**$3,627,350**	**$3,376,885**
Revenue Debt					
Texas A&M University System	$176,075	$195,742	$421,778	$123,014	$280,424
Texas Department of Housing and Community Affairs	360,925	391,086	360,472	447,401	416,574
Texas Transportation Commission	614,370	614,370	525,000	525,000	525,000
Texas Grand Parkway Transportation Corporation	166,525	166,525	166,525	263,225	263,225
Texas Public Finance Authority	273,773	26,390	134,800	201,895	297,365
Texas State Affordable Housing Corporation	70,000	95,401	123,401	143,100	96,800
Texas State Technical College	1,860	509	0	0	0
Texas State University System	94,840	26,318	90,289	159,358	14,248
Texas Tech University System	28,978	48,844	75,912	55,355	104,814
University of Houston System	43,681	35,810	34,738	28,415	54,916
University of North Texas System	45,065	76,135	20,547	60,000	83,968
University of Texas System	2,762,838	3,212,138	3,481,110	3,567,536	3,656,105
Total Revenue Variable-Rate Debt	**$4,638,929**	**$4,889,268**	**$5,434,572**	**$5,574,299**	**$5,793,439**
Total Variable-Rate Debt	**$8,162,434**	**$8,639,093**	**$8,939,317**	**$9,201,649**	**$9,170,324**

Note: Includes commercial paper, variable-rate demand obligations, and variable-rate notes.

Source: Texas Bond Review Board - Bond Finance Office.

Debt service for Tuition Revenue Bonds and Capital Construction Assistance Projects, TRB and CCAP, respectively, is not included in this analysis. Although college and university revenue debt is payable from a pledge of certain "revenue funds" of the applicable 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 2024

Authorized but unissued debt is defined as debt that may be issued without further legislative or voter action. As of August 31, 2024, Texas had $21.06 billion in authorized but unissued debt compared to $20.93 billion in fiscal year 2023 (*Table 2.7*).

Of the amount authorized but unissued, $15.26 billion (72.4 percent) was GO debt. Of the GO debt, $11.89 billion (77.9 percent) was self-supporting and $3.37 billion (22.1 percent) was not self-supporting. Not self-supporting GO debt decreased $296.4 million to $3.37 billion at fiscal year-end 2024 compared to the total of $3.67 billion in not self-supporting authorized but unissued GO debt at fiscal year-end 2023.

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

Table 2.4

DEBT-SERVICE REQUIREMENTS OF TEXAS STATE DEBT BY FISCAL YEAR

(amounts in thousands)

	2025	**2026**	**2027**	**2028**	**2029**	**2030 & beyond**
General Obligation Debt						
Self-Supporting						
Veterans' Land and Housing Bonds	$344,625	$332,741	$311,891	$285,829	$255,789	$2,017,629
Water Development Bonds	68,351	66,183	64,585	60,137	61,410	828,190
Water Development Bonds - State Participation	4,304	4,190	4,074	3,962	3,847	12,661
Water Development Bonds - WIF	0	0	0	0	0	0
College Student Loan Bonds	141,104	137,124	122,537	125,820	125,985	1,294,780
Texas Mobility Fund Bonds	406,508	414,538	344,249	438,058	446,427	5,806,254
Texas Public Finance Authority - TMVRLF	2,132	2,129	2,128	2,128	2,124	7,396
Total Self-Supporting	**$967,023**	**$956,905**	**$849,465**	**$915,934**	**$895,583**	**$9,966,911**
Not Self-Supporting [1]						
Higher Education Constitutional Bonds [2]	$2,971	$2,973	$0	$0	$0	$0
Texas Public Finance Authority Bonds	99,571	90,501	83,139	76,838	66,041	210,339
Cancer Prevention and Research Institute of Texas	239,860	235,205	228,762	222,505	216,393	1,864,997
Water Development Bonds - EDAP [3]	28,940	25,707	22,966	22,304	20,903	143,566
TTC GO Transportation Bonds [5]	268,392	263,789	257,967	253,255	249,895	2,965,714
Total Not Self-Supporting	**$639,734**	**$618,175**	**$592,832**	**$574,901**	**$553,233**	**$5,184,615**
Total General Obligation Debt Service	**$1,606,757**	**$1,575,080**	**$1,442,297**	**$1,490,835**	**$1,448,816**	**$15,151,526**
Non-General Obligation Debt						
Self-Supporting						
Permanent University Fund Bonds						
The Texas A&M University System	$124,741	$124,768	$124,892	$124,432	$124,533	$1,610,330
The University of Texas System	293,078	292,603	292,594	292,593	292,587	4,418,077
College and University Revenue Bonds	1,833,133	1,795,545	1,651,639	1,585,565	1,502,961	19,042,115
TxDOT Toll Revenue Bonds [4]	176,473	191,464	199,437	209,119	216,423	4,047,683
Texas Dept of Housing & Community Affairs - SF	179,498	206,004	216,138	204,502	204,468	4,875,522
State Highway Fund	350,557	476,952	419,701	416,011	410,331	1,085,986
TPFA Revenue Bonds (TXDOT Austin Campus Project)	20,641	20,642	20,643	20,639	20,642	247,696
Water Development Bonds - State Revolving Fund	136,104	136,112	136,105	136,085	131,393	1,372,694
Water Development Bonds - SWIRFT	537,171	540,558	511,691	497,371	510,825	11,389,072
Total Self-Supporting	**$3,651,396**	**$3,784,649**	**$3,572,840**	**$3,486,316**	**$3,414,163**	**$48,089,175**
Not Self-Supporting [1]						
Texas Public Finance Authority Bonds	$59,616	$59,000	$57,423	$56,233	$55,007	$550,133
TPFA Master Lease Purchase Program	16,494	16,352	16,010	15,794	15,713	211,306
Texas Military Facilities Commission Bonds	0	0	0	0	0	0
Total Not Self-Supporting	**$76,110**	**$75,352**	**$73,433**	**$72,027**	**$70,720**	**$761,438**
Conduit, Component and Related Organizations						
Texas Dept. of Housing & Community Affairs - MF	$102,043	$117,172	$75,676	$99,200	$99,567	$1,798,646
Texas Natural Gas Securitization Finance Corporation	334,582	334,582	334,582	334,582	334,582	3,345,823
Texas State Affordable Housing Corporation	42,708	74,319	44,962	34,108	34,152	918,484
Texas Grand Parkway Transportation Corporation [4]	175,382	175,380	188,430	188,459	188,476	7,678,220
Texas PAB Surface Transportation Corporation	153,632	157,147	156,997	153,439	153,439	5,873,149
TPFA Charter School Finance Corporation	8,507	8,502	47,929	5,249	5,241	69,658
Total Conduit, Component, and Related Organizations	**$816,854**	**$867,101**	**$848,576**	**$815,037**	**$815,457**	**$19,683,981**
Total Non-General Obligation Debt Service	**$4,544,360**	**$4,727,103**	**$4,494,849**	**$4,373,381**	**$4,300,341**	**$68,534,594**
Total Debt Service	**$6,151,116**	**$6,302,183**	**$5,937,146**	**$5,864,215**	**$5,749,157**	**$83,686,120**

[1] Bonds that are not self-supporting (general obligation and non-general obligation) are repaid from the state's general revenues.

[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.

[5] Article VIII, Section 7-c of the Constitution allows for certain monies deposited to the credit of the State Highway Fund be appropriated to repay GO transportation bonds issued as authorized by Section 49-p, Article III of the Constitution. General revenues have not been used to pay debt service on these bonds since fiscal year 2017.

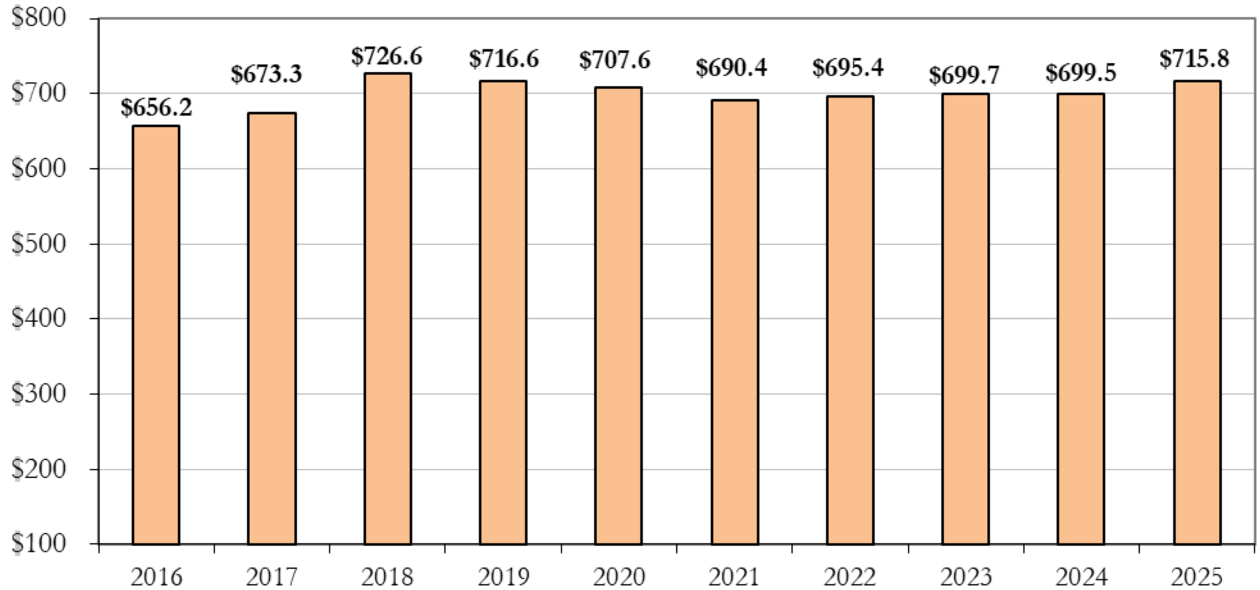
Note: The debt-service figures do not include the early redemption of bonds under the state's various loan programs or cash defeasances after August 31, 2024, or the Build America Bond subsidy payments. Certain lease purchase, right-to use-lease arrangements, SECO LoanSTAR, and other revolving loan program 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 tax-exempt and taxable commercial paper are calculated at 5 percent and 6 percent, respectively, 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.

Fund revenues for the previous three fiscal years.

As of August 31, 2024, Texas' constitutional debt limit (CDL) remained below the maximum of 5 percent. Debt service on outstanding debt was 0.92 of the three-year average of general revenues, while debt service on authorized but unissued debt was 0.78 percent, for a total of 1.70 percent. Included in the CDL is $143.0 million in revenue bonds authorized by the 88th Legislature for the Department of Motor Vehicles Camp Hubbard Renewal Project, and $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, as well as $200 million for TWDB state participation (SP) account projects. Also included are $208.8 million and $23.7 million for Health and Human Services Commission (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 1.95 percent calculated for outstanding and authorized but unissued debt for fiscal year 2023. This decrease is a result of a higher three-year average of annual unrestricted General Revenue Fund revenues calculated as of fiscal year-end 2024.

Authorized but unissued not self-supporting revenue debt totaled $862.1 million at the end of fiscal 2024 compared to $1.06 billion at fiscal year-end 2023. The remaining authorized but unissued revenue debt was self-supporting and increased from $4.54 billion to $4.94 billion (8.9 percent). The increase in self-supporting revenue authorization is due to an increase in PUF revenue bond authorization.

Table 2.5

TEXAS COLLEGE AND UNIVERSITY REVENUE DEBT OUTSTANDING

(amounts in thousands)

College and University Revenue Debt	FY 2022 RFS	FY 2022 TRB/CCAP	FY 2022 Total	FY 2023 RFS	FY 2023 TRB/CCAP	FY 2023 Total	FY 2024 RFS	FY 2024 TRB/CCAP	FY 2024 Total
Midwestern State University	$79,071	$43,695	$122,766	$73,647	$41,055	$114,702	70,169	38,280	$108,449
Stephen F. Austin State University	153,909	44,995	198,904	143,809	41,685	185,494	132,230	38,205	170,435
Texas Southern University	1,690	58,000	59,690	860	133,000	133,860	0	125,695	125,695
Texas State Technical College System	80,489	29,425	109,914	193,149	204,010	397,159	186,885	196,700	383,585
Texas State University System	868,849	183,405	1,052,254	888,913	164,830	1,053,743	1,108,903	316,880	1,425,783
Texas Tech University System	598,930	198,380	797,311	554,887	417,008	971,895	576,244	379,320	955,564
Texas Woman's University	145,290	31,935	177,225	137,195	115,045	252,240	128,515	106,975	235,490
The Texas A&M University System	3,028,038	679,275	3,707,313	2,973,954	606,375	3,580,329	3,089,764	878,137	3,967,901
The University of Texas System	6,831,563	669,427	7,500,990	6,984,950	909,346	7,894,296	7,876,734	809,801	8,686,535
University of Houston System	1,218,553	611,845	1,830,398	1,162,595	584,270	1,746,865	1,137,916	553,525	1,691,441
University of North Texas System	604,779	209,152	813,931	626,460	188,529	814,989	616,847	179,555	796,402
Total Revenue Debt Outstanding	**$13,611,160**	**$2,759,534**	**$16,370,694**	**$13,740,419**	**$3,405,152**	**$17,145,571**	**$14,924,207**	**$3,623,073**	**$18,547,279**

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

Note: No capital appreciation bonds outstanding as of fiscal years 2022, 2023, or 2024.

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.

Not included in these totals is the $3.35 billion of TRB/CCAP authorization passed in Senate Bill (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, $929.1 million remains unissued.

88th Legislature – Regular Session

The 88th Legislature passed SB 28, which creates the New Water Supply for Texas Fund, effective September 1, 2023. SB 28 also creates the statewide water public awareness account, effective September 1, 2023, to educate residents of the state about water, including through supporting local and regional water education programs. The bill additionally creates the Texas Water Fund to work with existing TWDB financing programs. Provisions of SB 28 relating to the Texas Water Fund were approved by the voters of a constitutional amendment in November 2023, under Senate Joint Resolution 75. These provisions were effective on January 1, 2024.

The 88th Legislature appropriated $143.0 million to the Department of Motor Vehicles for the Camp Hubbard Renewal Project to be financed by the TPFA (House Bill (HB) 1, 88th Legislature, RS (2023) Art VII-16, Rider 11).

On June 12, 2023, the Governor signed HB 1515 relating to the continuation and functions of the Texas Economic Development and Tourism Office and the winding up and liquidation of the Project Development and Small Business Incubator Program.

Any money in the product development fund and small business fund may be used for debt service, bond redemption, or any costs associated with debt service or bond redemption. The bonds, previously issued to support product development and small businesses, were called on July 12, 2023.

On May 10, 2023, the Governor signed SB 1055 authorizing the creation of Stephen F. Austin State University, a member of The University of Texas System. Stephen F. Austin State University was abolished on September 1, 2023, and was re-created as Stephen F. Austin State University, a member of The University of Texas System. The board of regents of The

Table 2.6

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

(amounts in thousands)

College and University Revenue Debt	2025	2026	2027	2028	2029	2030 & Beyond
The University of Texas System - RFS	$577,441	$620,819	$572,131	$586,702	$559,548	$9,565,292
The University of Texas System - TRB/CCAP	202,614	165,185	102,969	59,566	37,316	559,734
The University of Texas System - TOTAL*	$780,055	$786,004	$675,100	$646,268	$596,864	$10,125,026
The Texas A&M University System - RFS	$290,617	$271,179	$263,412	$254,023	$250,962	$2,964,800
The Texas A&M University System - TRB/CCAP	140,338	134,198	134,196	113,557	109,314	482,180
The Texas A&M University System - TOTAL	$430,955	$405,377	$397,608	$367,580	$360,276	$3,446,980
Texas Tech University System - RFS	$50,925	$46,681	$45,955	$44,786	$43,918	$547,390
Texas Tech University System - TRB/CCAP	55,564	52,366	45,263	45,267	45,265	237,863
Texas Tech University System - TOTAL	$106,489	$99,046	$91,218	$90,053	$89,183	$785,254
Texas State University System - RFS	$110,973	$108,896	$104,499	$104,351	$96,550	$1,123,201
Texas State University System - TRB/CCAP	46,277	47,348	47,352	44,982	44,441	164,942
Texas State University System - TOTAL	$157,250	$156,245	$151,850	$149,332	$140,991	$1,288,142
University of Houston System - RFS	$98,665	$97,524	$97,326	$97,002	$94,303	$1,139,680
University of Houston System - TRB/CCAP	57,379	57,359	55,068	55,047	48,516	500,924
University of Houston System - TOTAL	$156,044	$154,884	$152,394	$152,049	$142,820	$1,640,605
The University of North Texas System - RFS	$62,510	$57,776	$53,422	$52,320	$51,226	$670,702
The University of North Texas System - TRB/CCAP	30,044	28,831	27,854	25,966	25,966	80,891
The University of North Texas System - TOTAL	$92,554	$86,607	$81,276	$78,286	$77,192	$751,593
Texas Woman's University - RFS	$14,525	$14,493	$14,472	$14,463	$12,047	$104,411
Texas Woman's University - TRB/CCAP	13,231	13,238	13,236	13,236	11,692	78,383
Texas Woman's University - TOTAL	$27,756	$27,731	$27,708	$27,700	$23,739	$182,794
Texas State Technical College System - RFS	$17,041	$17,041	$17,059	$17,075	$17,054	$244,123
Texas State Technical College System - TRB/CCAP	17,699	17,698	17,697	17,697	17,689	213,748
Texas State Technical College System - TOTAL	$34,740	$34,739	$34,757	$34,772	$34,743	$457,872
Stephen F. Austin State University - RFS	$17,300	$15,525	$10,268	$10,294	$10,317	$135,252
Stephen F. Austin State University - TRB/CCAP	5,389	5,387	5,394	5,401	4,246	22,721
Stephen F. Austin State University - TOTAL	$22,689	$20,911	$15,662	$15,694	$14,564	$157,973
Midwestern State University - RFS	$7,389	$6,800	$6,848	$6,622	$6,121	$62,419
Midwestern State University - TRB/CCAP	4,494	4,500	4,508	4,497	3,752	26,264
Midwestern State University - TOTAL	$11,883	$11,300	$11,355	$11,119	$9,873	$88,683
Texas Southern University - RFS	$0	$0	$0	$0	$0	$0
Texas Southern University - TRB/CCAP	12,717	12,702	12,710	12,711	12,718	117,194
Texas Southern University - TOTAL	$12,717	$12,702	$12,710	$12,711	$12,718	$117,194
Total College and University Revenue Debt	**$1,833,133**	**$1,795,545**	**$1,651,639**	**$1,585,565**	**$1,502,961**	**$19,042,115**

*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)

	8/31/2020	8/31/2021	8/31/2022	8/31/2023	8/31/2024
General Obligation Debt					
Self-Supporting					
Veterans' Land and Housing Bonds	$1,054,535	$1,021,225	$1,006,555	$772,650	$1,023,115
Water Development Bonds	5,951,486	5,957,281	5,819,999	5,804,405	5,813,837
Farm and Ranch Loan Bonds [1]	300,000	300,000	300,000	300,000	300,000
College Student Loan Bonds	927,740	862,825	861,205	792,420	756,430
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	3,565,920	3,565,920
Texas Rail Relocation and Improvement Fund	*	*	*	*	*
Total Self-Supporting	**$8,664,166**	**$12,137,656**	**$11,984,084**	**$11,665,800**	**$11,889,707**
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]	4,067,837	3,798,137	3,493,127	3,194,827	2,893,421
Water Development Bonds - EDAP [4]	200,000	200,000	200,000	105,579	110,550
Water Development Bonds - State Participation	200,000	200,000	200,000	200,000	200,000
Total Not Self-Supporting	**$4,632,677**	**$4,362,977**	**$4,057,967**	**$3,665,246**	**$3,368,811**
Total General Obligation Debt	**$13,296,843**	**$16,500,633**	**$16,042,051**	**$15,331,046**	**$15,258,518**
Non-General Obligation Debt					
Self-Supporting					
Permanent University Fund Bonds [5]					
The Texas A&M University System	$634,354	$1,030,618	$1,215,276	$1,398,022	$1,578,184
The University of Texas System	924,988	1,437,631	1,856,822	2,221,844	2,443,884
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]	326,000	0	0	0	0
Veterans' Financial Assistance Bonds	771,440	771,440	771,440	771,440	771,440
Total Self-Supporting	**$2,806,782**	**$3,389,689**	**$3,993,538**	**$4,541,306**	**$4,943,508**
Not Self-Supporting [2]					
Texas Public Finance Authority Bonds	$1,113,553	$907,242	$784,557	$837,557	$736,357
TPFA Master Lease Purchase Program	273,100	273,610	258,300	221,205	125,735
Total Not Self-Supporting	**$1,386,653**	**$1,180,852**	**$1,042,857**	**$1,058,762**	**$862,092**
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	**$4,193,435**	**$4,570,541**	**$5,036,395**	**$5,600,068**	**$5,805,600**
Total Debt	**$17,490,278**	**$21,071,174**	**$21,078,446**	**$20,931,114**	**$21,064,118**

* 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 $6 million for the Rural Economic Development Finance 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 $2.89 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, 2024.

[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, 2024)
(amount in thousands)

	Total Authorized	Total Issued	Authorized but Unissued
Texas A&M University System	$727,422	515,592	$211,830
The University of Texas System	834,201	551,000	283,201
Texas Tech University System	299,435	299,435	0
Texas Southern University	95,200	95,200	0
Stephen F. Austin State University*	44,923	0	44,923
The Universtiy of Houston System	339,486	339,486	0
Universtiy of North Texas System	273,297	62,824	210,473
Texas Woman's University	100,000	93,200	6,800
Texas State University System	422,638	264,242	158,396
Texas State Technical College System	208,500	195,000	13,500
Totals	$3,345,102	$2,415,979	$929,123

*Stephen F. Austin State University part of The University of Texas System effective September 1, 2023.

Source: Texas Bond Review Board - Bond Finance Office.

University of Texas System is substituted for the board of regents of Stephen F. Austin State University on any contracts and obligations, including bonds, and acts in the place of the board of regents of Stephen F. Austin State University or the Texas Public Finance Authority, as applicable, to the extent permitted by law. Effective July 28, 2023, The University of Texas System's Board of Regents assumed management and operational control of Stephen F. Austin State University.

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 authorized 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 (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 (HHSC) for deferred maintenance at state hospitals and state supported living centers, to be financed through the Texas Public Finance Authority (HB 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.

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 BRB are typically financed through TPFA's Master Lease Purchase Program and are included in the state's total debt outstanding.

Chapter 3
State Bond Issuance Costs

During fiscal year 2024, the weighted average of issuance costs for state bond issuers was $5.28 per $1,000, excluding issuances of conduit and private placement debt. In comparison, the same weighted average was $5.69 per $1,000 for fiscal year 2023. The issuances ranged in size from $5.1 million to $1.02 billion. 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 the 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 2024, the average issue size for Texas' state issuers increased to $343.2 million from $224.4 million in fiscal year 2023 (*Table 3.1*). Excluding conduit and private placement issues, 21 (91.3 percent) of the 23 transactions completed in fiscal year 2024 were $100 million or greater in size compared to 17 (70.8 percent) of the 24 transactions completed in fiscal year 2023.

In fiscal year 2024, the weighted average underwriting spread accounted for 69.0 percent of all issuance costs. The weighted average underwriting spread dollar amount increased 53.13 percent from fiscal year 2023, including takedown costs, spread expenses, and management fees. However, the weighted average underwriting spread per $1,000 of bonds issued remained at $3.64 in fiscal year 2024, compared to $3.64 in fiscal year 2023 (*Figure 3.1*). (See *Comparison of Issuance Costs by Transaction Size* below.)

During fiscal year 2024, fees per bond (cost per $1,000) were lower compared to fiscal year 2023. Other Issuance Costs (bond counsel, financial advisor, rating agency, printing, and other costs) per $1,000 decreased to an average of $1.64 compared to $2.05 in fiscal year 2023.

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

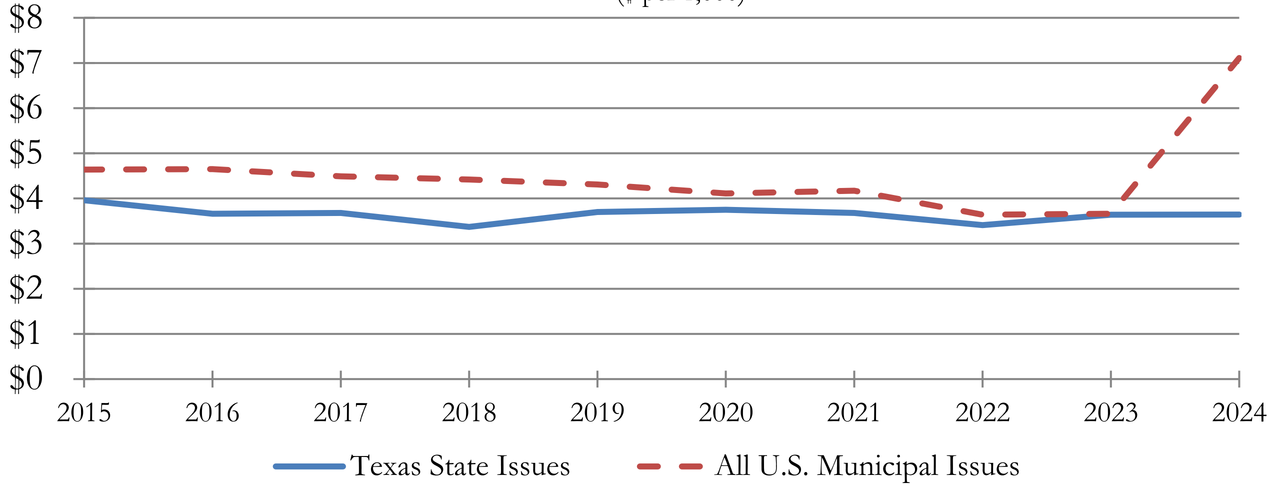
	Fiscal 2023			Fiscal 2024		
	Count	**Average Cost Per Bond Issue**	**Average Cost Per $1,000 of Bonds Issued**	**Count**	**Average Cost Per Bond Issue**	**Average Cost Per $1,000 of Bonds Issued**
Average Issue Size (In Millions)	24	$224.4		23	$343.2	
Costs of Issuance:						
Underwriter's Spread:						
Takedown	22	$761,201	$3.43	22	$1,172,413	$3.32
Spread Expenses	23	73,598	0.32	17	237,044	0.82
Underwriter's Counsel	21	43,941	0.19	20	43,506	0.12
Other Underwriter's Spread Costs*	7	164,487	0.79	9	80,000	0.63
Underwriter's Spread Subtotal	24	$816,274	$3.64	23	$1,249,997	$3.64
Other Issuance Costs:						
Bond Counsel	24	$99,478	$0.44	23	$128,565	$0.37
Financial Advisor	21	158,857	0.78	20	179,527	0.57
Printing	23	3,628	0.02	23	1,665	0.00
Other	24	91,251	0.41	23	161,283	0.47
Other Issuance Costs Subtotal	24	$322,048	$1.44	23	$415,015	$1.21
Major Rating Agencies:						
Moody's	16	$83,094	$0.37	20	$71,603	$0.22
Standard & Poor's	18	67,938	0.27	21	63,358	0.19
Fitch	15	49,909	0.22	9	68,545	0.14
Rating Agency Costs Subtotal	24	$137,542	$0.61	23	$146,934	$0.43
Total	24	$1,275,864	$5.69	23	$1,811,946	$5.28

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: 2015 - 2024
TEXAS STATE BOND ISSUES vs. ALL U.S. MUNICIPAL BOND ISSUES
($ per 1,000)



Note: 2024 US figures are through August 19, 2024. 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 - 2024 in Statistics Midyear Review (08/19/24), LSEG; 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, in the aggregate, 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 London Stock Exchange Group show that underwriting spreads nationally averaged $7.11 per $1,000 compared to Texas' average of $3.64 per $1,000 during fiscal year 2024.

During fiscal year 2024, Texas issuers saw lower weighted average underwriting costs with both negotiated transactions and competitive transactions when compared to the national averages as reported by London Stock Exchange Group (*Figure 3.2*). Texas' average of $3.65 per $1,000 for negotiated sales and $3.15 per $1,000 for competitively bid sales were 44.3 and 65.3 percent lower than the national averages, respectively.

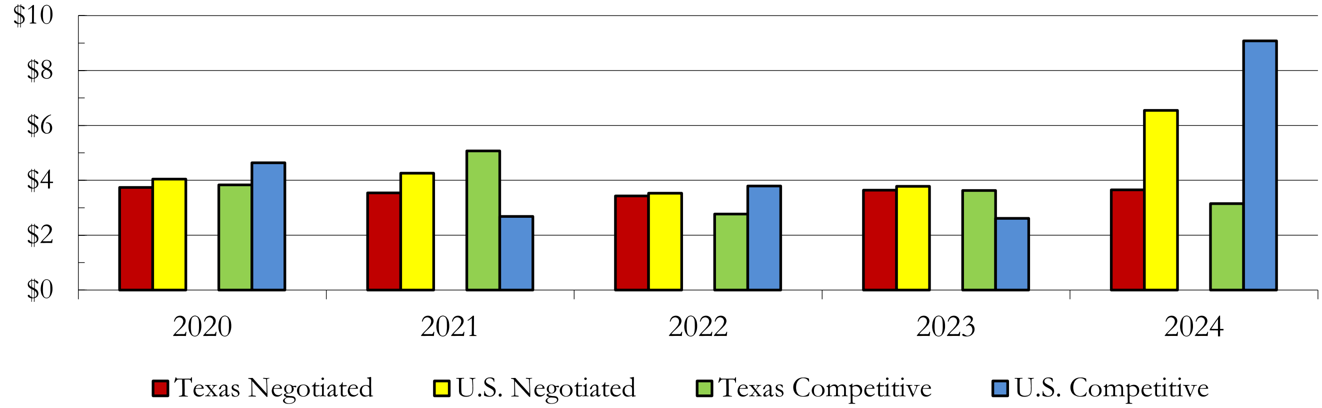
Comparison of Issuance Costs by Transaction Size

Larger bond issues usually have a lower cost per $1,000 because certain fixed costs of issuance, do not vary proportionately with the size of the bond issue.

Texas' issuance costs increased overall in fiscal year 2024. Average cost per $1,000 decreased when compared to fiscal year 2023. *Figure 3.3* shows fiscal year 2024 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 2020–23 (*Figure 3.3*). *Appendix A* details the issuance costs for each transaction in fiscal year 2024.

Figure 3.2

GROSS UNDERWRITING SPREADS: 2020 - 2024
NEGOTIATED vs. COMPETITIVE MUNICIPAL ISSUES
(Excludes Private Placements, Conduits, and Remarketings; weighted averages)
($ per 1,000)



Note: 2024 US figures are through August 19, 2024. 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 - 2024 in Statistics Midyear Review (08/19/24), LSEG; the Texas Bond Review Board - Bond Finance Office.

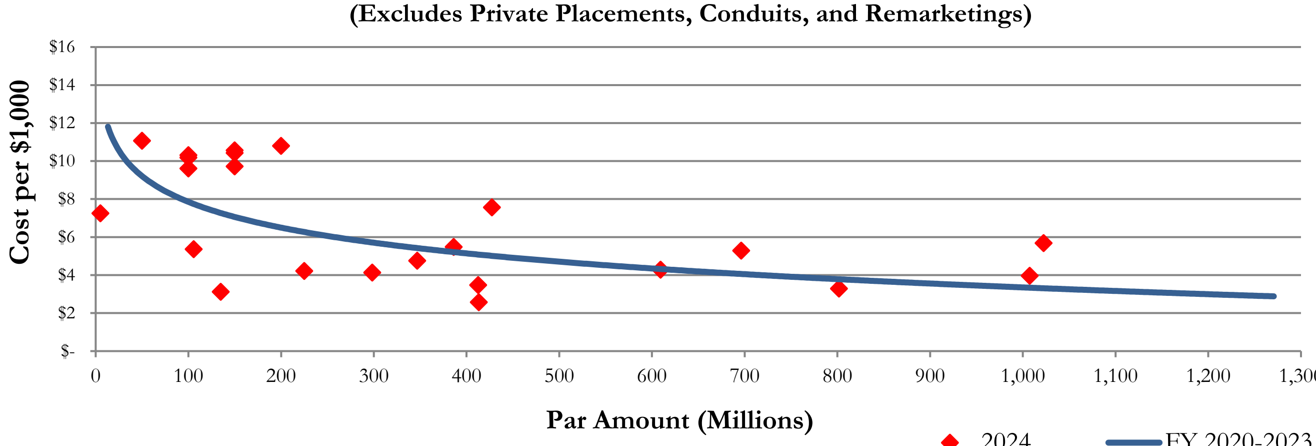
Trends in State Bond Issuance Costs in Fiscal Year 2024

The characteristics of 23 non-conduit non-private placement bond transactions were reviewed to determine trends in issuance costs during fiscal year 2024. Of those, 22 were negotiated sales and one was a competitive sale. Of the 22 negotiated sales, two were less than $100 million in size, 10 were from $100-$300 million, five were from $300-$500 million, and five was greater than $500 million. The one competitive transaction was $105.8 million. There were no non-conduit private placements issued during 2024.

There was nearly an equal amount of issuances in fiscal year 2024 where the total cost per $1,000 fell above and below the FY 2020-2023 trendline (*Figure 3.3*).

Figure 3.3

COSTS OF ISSUANCE: Fiscal Years 2020-2024
(Excludes Private Placements, Conduits, and Remarketings)

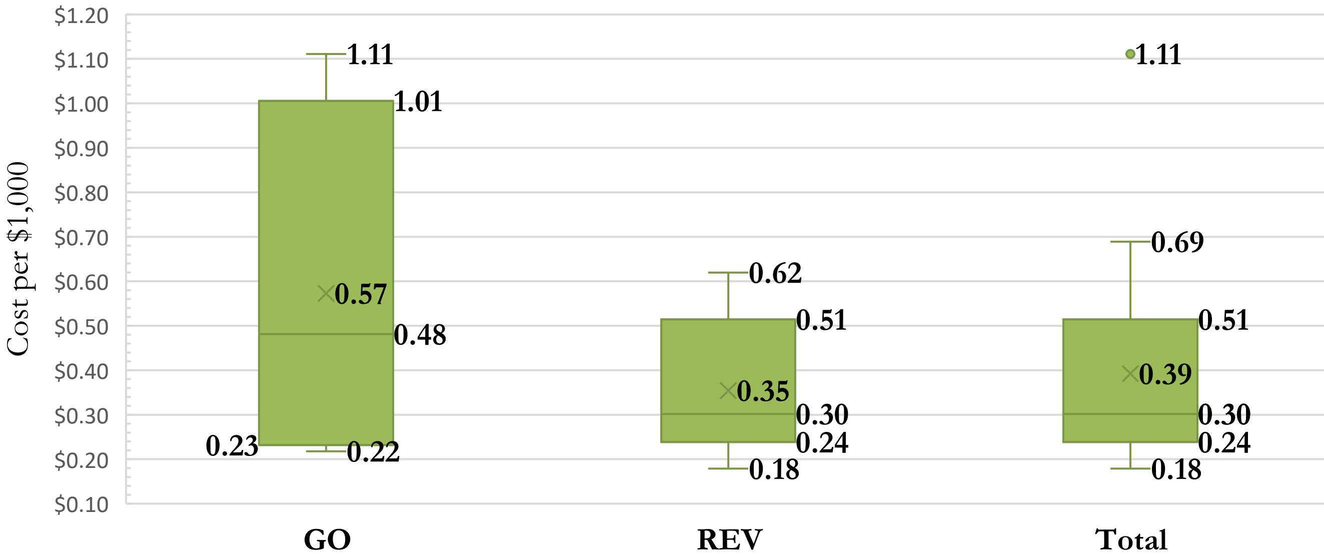


Note: Includes variable-rate demand bonds.
Source: Texas Bond Review Board - Bond Finance Office.

Figure 3.4

Range of Bond Counsel Fees for Fiscal Year 2024

(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

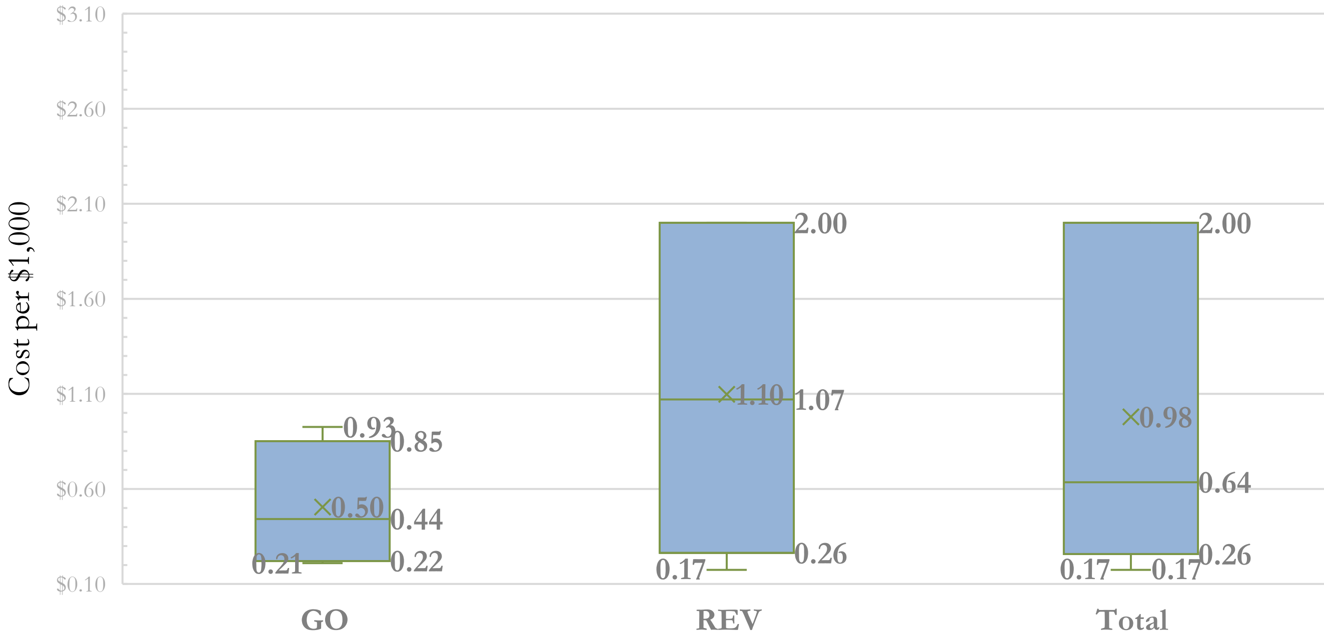
Four component fees comprise most of the costs of issuing bonds: bond counsel, financial advisor, underwriters' spread, and credit rating agencies. To analyze these fees on a cost per $1,000 basis for state general obligation (GO) and revenue issues, data from fiscal year 2024 is shown graphically in *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 four GO transactions and 19 revenue transactions representing six state agencies and three institutions of higher education.

Figure 3.4 shows the bond counsel cost per $1,000 for the 23 bonds issued during 2024. The total weighted average cost for bond counsel fees was $0.39 per $1,000, which was lower compared to the $0.63 per $1,000 for fiscal year 2023. During 2024, GO bonds had higher costs per $1,000 than revenue bonds with a weighted average cost of $0.57 per $1,000 compared to $0.35 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 $0.22 to $1.11 per $1,000 while the fees for revenue bonds ranged from $0.18 to $0.62 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 $0.98 per $1,000, an increase of $0.03 per $1,000 compared to $0.95 per $1,000 for fiscal year 2023. GO bonds had a weighted average cost of $0.50 per $1,000 compared to $1.10 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 $0.21 and a maximum fee of $0.93 per $1,000, and revenue bonds had a

Figure 3.5
Range of Financial Advisor Fees for Fiscal Year 2024
(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.

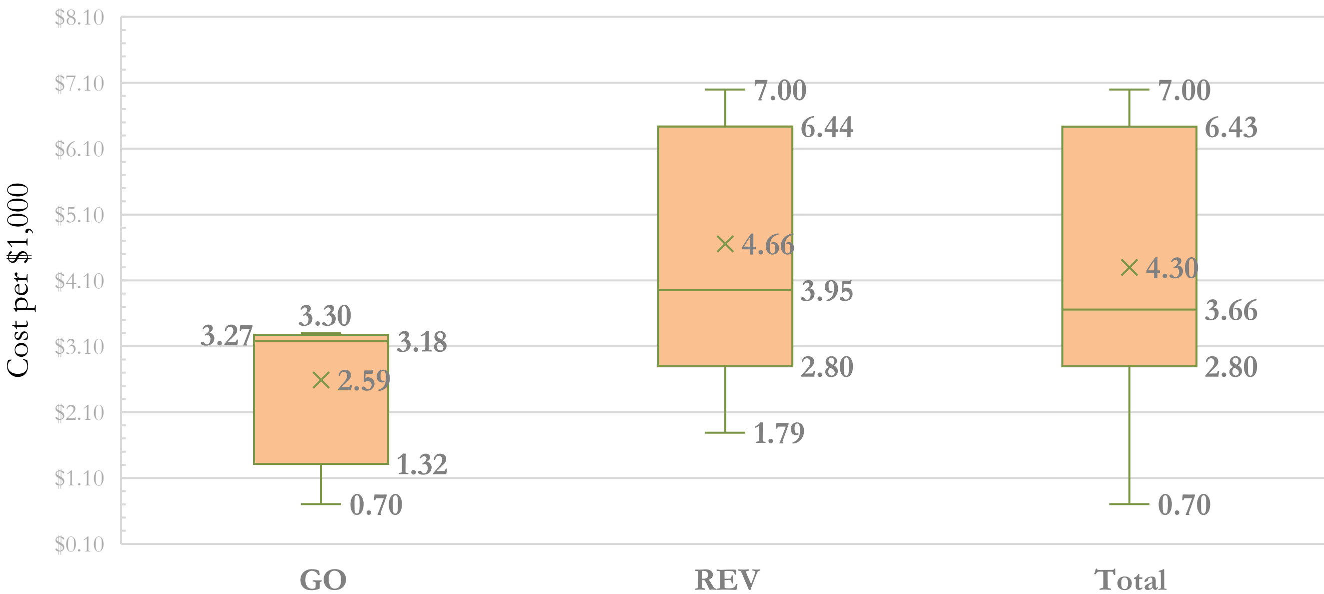
minimum fee of $0.17 and a maximum fee of $2.00 per $1,000.

Figure 3.6 shows the total underwriter 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 $4.30 per $1,000, an increase of $0.39 per $1,000 compared to $3.91 per $1,000 for fiscal year 2023. GO bonds had an average weighted cost of $2.59, and revenue bonds had an average weighted cost of $4.66 per $1,000. The fees for GO bonds ranged from a minimum fee of $0.70 to a maximum fee of $3.30 per $1,000. Revenue bonds ranged from $1.79 to $7.00 per $1,000.

Figure 3.7 shows the cost per $1,000 for rating agency fees. The total weighted average cost was $0.54 per $1,000, a decrease of $0.17 per $1,000 compared to $0.71 per $1,000 for fiscal year 2023. The average weighted cost for GO bonds were higher at $0.37 per $1,000 compared to $0.35 per $1,000 for fiscal year 2023, and the average weighted cost for revenue bonds was lower at $0.58 per $1,000 compared to $0.89 per $1,000 for fiscal year 2023.

Figure 3.6

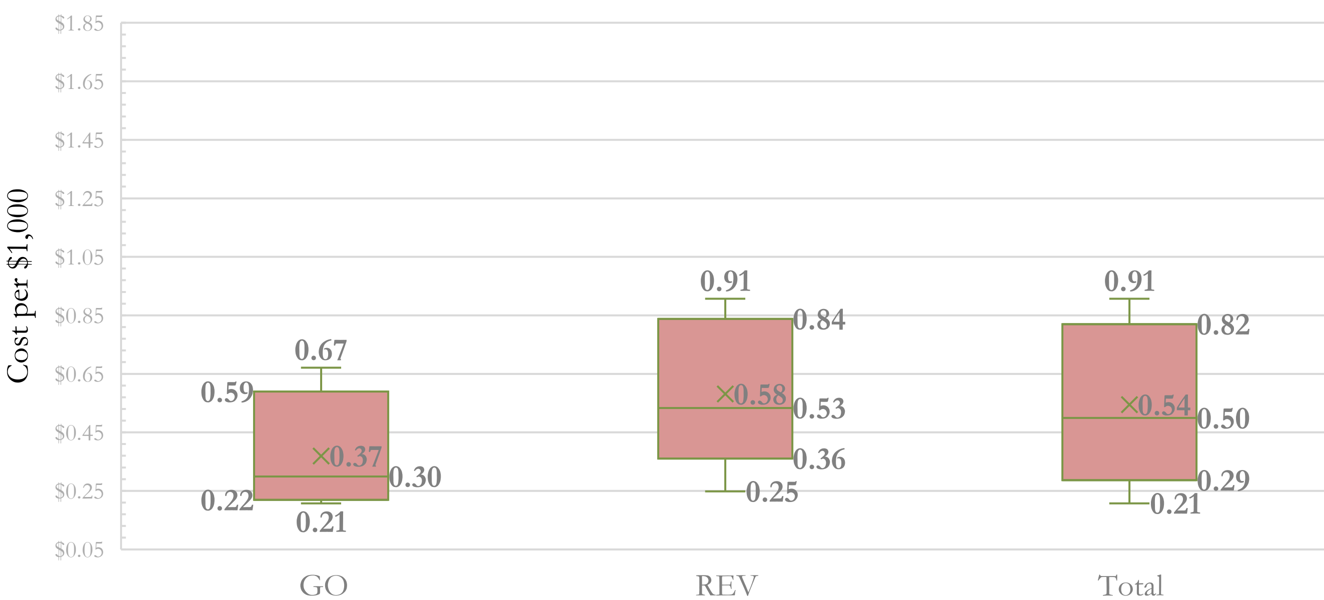
Range of Total Underwriter Spread for Fiscal Year 2024
(Excludes Private Placements, Conduits, and Remarketings)



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

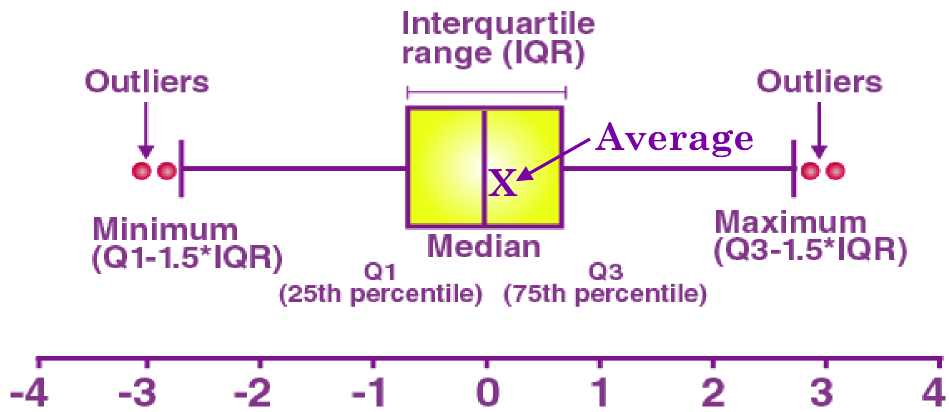
Range of Total Rating Fees for Fiscal Year 2024
(Excludes Private Placements, Conduits, and Remarketings)



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 2024 Private Activity Bond (PAB) Allocation Program. The 2024 volume cap was set at $3.81 billion, an increase of $209.4 million (5.8 percent) over the calendar year 2023 cap. The total size of the PAB program, including the 2024 volume cap and carryforward was $6.61 billion, a 4.8 percent increase from the 2023 total. As of November 15, 2024, $2.64 billion had been allocated and application requests totaled $8.74 billion, an increase of 11.5 percent of the total application requests from Program Year 2023.

Volume Cap

Texas is second only to California in population and resulting volume cap. Texas experienced an increase in volume cap for the 2024 PAB Allocation Program. Based on its population, the 2024 volume cap was set at $3.81 billion, an increase of $209.4 million (5.8 percent) over the calendar year 2023 cap of $3.60 billion.

The majority of the volume cap increase can be attributed to an increase in the per-capita multiplier, from $120 in calendar year 2023 to $125 in calendar year 2024. A smaller portion of 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, 2021, 2023, and 2024 to the current level of $125 per capita. The small state minimum was increased for the 2024 Program Year to $378.2 million from $358.9 million in 2023.

Including 2024 volume cap and carryforward, for Program Year 2024, the state had a total of $6.61 billion of volume cap available among the five subceilings, of which $2.64 billion (40.0 percent) had been allocated as of November 15, 2024 (*Table 4.1*).

Total bonding authority demand increased by $901.2 million (11.5 percent) during the 2024 Program Year compared to the 2023 Program Year. As of November 15, 2024, 132.4 percent had been requested in 2024 compared to 124.4 percent in 2023 (*Table 4.2*).

Table 4.1
STATE OF TEXAS
PRIVATE ACTIVITY BOND ALLOCATION PROGRAM
2024 AVAILABLE VOLUME CAP vs. ALLOCATION AMOUNTS
(as of November 15, 2024)

SUBCEILING	AVAILABLE* VOLUME CAP	PERCENT OF TOTAL	ISSUED 2024 ALLOCATION	ISSUED CARRYFORWARD ALLOCATION	ISSUED PERCENT OF TOTAL
Single Family Housing	$ 2,510,750,553	38.0%	$ 58,840,720	$ 653,310,934	10.8%
State-Voted Issues	381,291,263	5.8%	111,958,629	-	1.7%
Small Issue IDBs	76,258,253	1.2%	-	-	0.0%
Multifamily Housing	2,398,962,110	36.3%	735,760,852	822,839,093	23.6%
All Other Issues	1,237,875,067	18.7%	157,036,346	99,500,000	3.9%
TOTAL	**$ 6,605,137,247**	**100.0%**	**$ 1,063,596,547**	**$ 1,575,650,027**	**40.0%**

*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** **2024 REQUESTED VOLUME CAP** (as of November 15, 2024)			
SUBCEILINGS	**AVAILABLE VOLUME CAP***	**REQUESTED ALLOCATION**	**REQUESTS AS A % OF AVAILABILITY**
Mortgage Revenue Bonds	$ 2,510,750,553	$ 2,167,742,668	86.3%
State-Voted Issue Bonds	381,291,263	175,000,000	45.9%
Industrial Development Bonds	76,258,253	9,115,000	12.0%
Multifamily Rental Project Bonds	2,398,962,110	4,967,126,055	207.1%
All Other Bonds Requiring Allocation	1,237,875,067	1,425,775,401	115.2%
TOTALS	**$ 6,605,137,247**	**$ 8,744,759,124**	**132.4%**
*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, 2023, collapse, the Bond Review Board (BRB) received $810.5 million in requests; after the August 15, 2024, collapse, the BRB received $606.4 million in requests. Applications received for Program Year 2024, including carryforward requests, totaled $8.7 billion or 132.4 percent of the total available allocation of $6.61 billion (*Table 4.2*), an increase of 4.8 percent from the $6.30 billion of the available allocation in 2023.

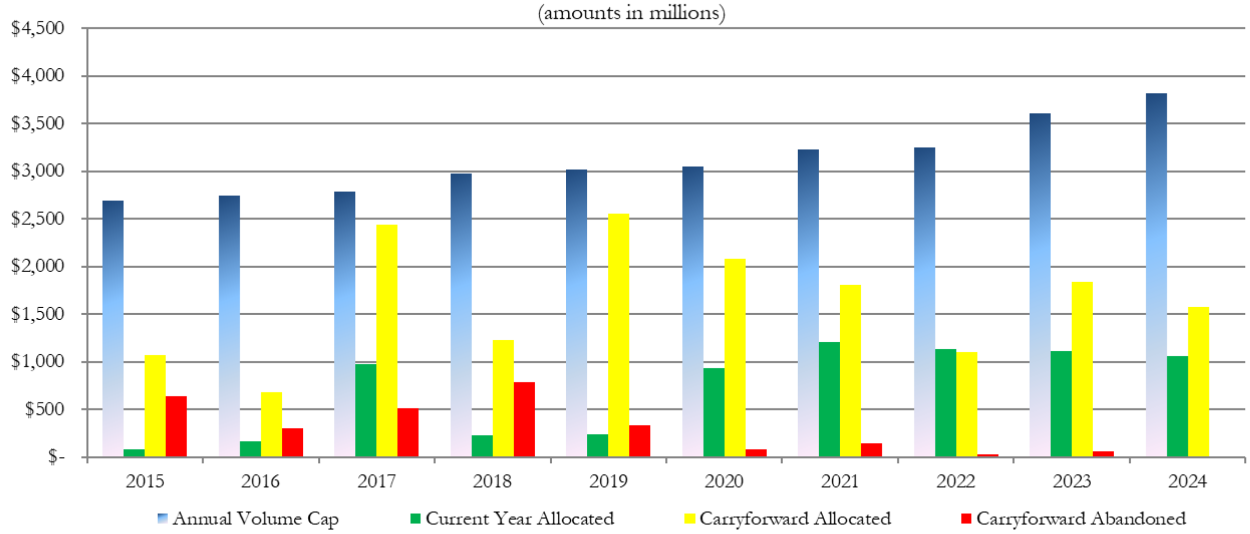
Current Allocation Trends

Excluding carryforward, as of November 15, 2024, $1.06 billion (27.9 percent) of Program Year 2024 volume cap had been allocated. As of the same date in Program Years 2021, 2022, and 2023, $1.21 billion (37.4 percent), $1.14 billion (35.0 percent), and $1.12 billion (31.0 percent), respectively, of total volume cap, excluding carryforward, had been allocated.

While most of the 2024 applications were for residential rental transactions and the amounts requested are limited by statute and scope, the number of applications increased for 2024 and the amount of volume cap requested increased as well (*Table 4.3*).

Table 4.3 **STATE OF TEXAS** **PRIVATE ACTIVITY BOND ALLOCATION PROGRAM** **2019 TO 2024 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**
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%
2023	6,304,463,451	7,843,559,609	1,115,891,251	1,837,973,522	221	46.9%
2024	6,605,137,247	8,744,759,124	1,063,596,547	1,575,650,027	249	40.0%
*Includes carryforward amounts. Carryforward is reserved volume cap from the prior three years. **Source:** Texas Bond Review Board - Private Activity Bond Program.						

Figure 4.1
STATE OF TEXAS
PRIVATE ACTIVITY BOND ALLOCATION PROGRAM
Current Year vs. Carryforward Allocated
(as of November 15, 2024)
(amounts in millions)



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

As of November 15, 2024, no mortgage revenue bonds (MRBs) had closed utilizing Program Year 2024 volume cap and $58.8 million of Program Year 2024 volume cap had been converted to mortgage credit certificates (MCCs).

Between the Texas Department of Housing and Community Affairs (TDHCA) and the Texas State Affordable Housing Corporation (TSAHC), $376.9 million of carryforward was used to close MRBs and $276.4 million of carryforward was used to convert to MCCs. Multifamily issuers closed 52 projects as of November 15, 2024, using $735.8 million of volume cap and $822.8 million of carryforward compared to 61 projects closing in 2023.

At the beginning of Program Year 2024, the carryforward amount of $2.79 billion was 73.2 percent of the 2024 Program Year volume cap of $3.81 billion. Many issuers that applied for a reservation were forced to use carryforward volume cap (as required by IRS Code) before using 2024 volume cap.

To date, more carryforward ($1.58 billion) was allocated than actual 2024 volume cap ($1.06 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, 2024, none of the state's 2024 PAB volume cap remained unencumbered. Any amounts returned will be converted to carryforward.

88th Legislature Changes

House Bill (HB) 1766 made the following changes both to the program and to the responsibilities of the BRB:

- Added a new priority for granting reservations to issuers of multifamily residential rental projects to those projects that need a supplemental issuance of bonds to maintain compliance with the IRS 50 percent test.
- Introduced a restriction on the total amount of allocation designated to a multifamily residential rental project if the program is oversubscribed for a program year. If the program is oversubscribed, the amount of bonds issued to each residential rental project may not exceed 55 percent of the reasonably expected aggregate basis of the project.

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 32.3 percent, 10.0 percent, and 26.3 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 1 to March 1.
- The utilization percentage calculation will no longer be used for mortgage revenue bonds and mortgage credit certificate applications received after July 14.
- 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 allows traditional carryforward to be transferred to a different project by the issuer once it has been reserved for one year. Additionally, it allows 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 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 are not 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.
- 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.

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 had 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 2024

This appendix details the issuance costs associated with each state bond transaction issued during fiscal year 2024 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 A&M University System Revenue Financing System Bonds Series 2024A	$427,395,000	5/30/2024
Texas Department of Housing and Community Affairs Multifamily Hsng Revenue Bonds (Gulfway Manor) Series 2024	$29,000,000	8/28/2024
Texas Department of Housing and Community Affairs Multifamily Hsng Revenue Bonds (Palladium E Lancaster Avenue) Series 2024	$30,000,000	8/14/2024
Texas Department of Housing and Community Affairs Multifamily TDHCA Refunding Governmental Note (FishPond at Corpus Christi) Series 2024	$10,000,000	6/3/2024
Texas Department of Housing and Community Affairs Single Family Mortgage Revenue Bond Series 2023C	$150,000,000	12/20/2023
Texas Department of Housing and Community Affairs Single Family Mortgage Revenue Bond Series 2023D (txbl)	$100,000,000	12/20/2023
Texas Department of Housing and Community Affairs Single Family Residential Mortgage Revenue Bonds 2024D (txbl)	$100,000,000	7/18/2024
Texas Department of Housing and Community Affairs Single Family Residential Mortgage Revenue Bonds Series 2023B (Non-AMT)	$200,000,000	9/27/2023
Texas Department of Housing and Community Affairs Single Family Residential Mortgage Revenue Bonds Series 2023C (txbl)	$50,000,000	9/27/2023
Texas Department of Housing and Community Affairs Single Family Residential Mortgage Revenue Bonds Series 2024C	$150,000,000	7/18/2024
Texas Department of Housing and Community Affairs Single Family RMRB Series 2024A (Non-AMT)	$150,000,000	4/10/2024
Texas Department of Housing and Community Affairs Single Family RMRB Taxable Series 2024B	$100,000,000	4/10/2024
Texas Higher Education Coordinating Board College Student Loan Bonds Series 2024A	$105,785,000	7/18/2024
Texas Public Finance Authority State of Texas General Obligation and Refunding Bonds Taxable Series 2023A (CPRIT)	$298,400,000	11/15/2023
Texas State Affordable Housing Corporation Multifamily Housing Revenue Bonds (Eden Court Apartments Proj) Series 2023	$14,726,000	9/19/2023
Texas State Affordable Housing Corporation Multifamily Housing Revenue Bonds (Norman Commons) Series 2023	$31,500,000	12/14/2023
Texas State Affordable Housing Corporation Single Family M Revenue Bonds Series 2024A (Non-AMT)	$56,930,000	3/6/2024
Texas State Affordable Housing Corporation Single Family Mrtg Revenue Bnds Series 2024B (Txbl)	$18,070,000	3/6/2024
Texas State University System Revenue Financing System Refunding Bonds Series 2024	$609,425,000	6/11/2024
Texas Transportation Commission CTTS First Tier Revenue Refunding Bonds Series 2024A	$386,210,000	8/7/2024
Texas Transportation Commission CTTS First Tier Revenue Refunding Put Bonds Series 2024B	$225,000,000	8/7/2024
Texas Transportation Commission CTTS Second Tier Revenue Refunding Bonds Series 2024C	$1,022,495,000	8/7/2024
Texas Transportation Commission Private Activity Bond Surface Transportation Corporation Senior Lien Revenue Refunding Bonds (NTE Mobility Partners Segments 3 LLC) Series 2023	$265,850,000	11/20/2023
Texas Transportation Commission State Highway Fund First Tier Revenue Refunding Bonds Series 2024	$346,820,000	3/20/2024
Texas Transportation Commission State of Texas Highway Improvement General Obligation Refunding Bonds Series 2024	$696,245,000	3/28/2024
Texas Veterans Land Board Veterans Bonds Taxable Refunding Series 2024A	$135,000,000	8/29/2024
Texas Water Development Board State Water Implementation Revenue Fund for Texas Revenue Bonds Series 2023A (Master Trust)	$1,007,490,000	10/12/2023
Texas Water Development Board State Water Implementation Revenue Fund for Texas Revenue Bonds Taxable Series 2023B (Master Trust)	$5,080,000	10/12/2023

Issuance Name	Par Amount	Closing Date
University of Texas System Permanent University Fund Bonds Series 2024A	$412,570,000	4/2/2024
University of Texas System Permanent University Fund Bonds Series 2024B	$413,230,000	6/5/2024
University of Texas System Revenue Financing System Bonds Series 2024A	$801,735,000	5/21/2024
Total	**$8,348,956,000**	

Issuer **Texas A&M University System**

Issuance Revenue Financing System Bonds Series 2024A

Purpose The proceeds of the Bonds will be used for purposes of providing funds for eligible projects for Participants within the A&M System, refunding a portion of the Board's outstanding Commercial Paper Notes ($84,552,000), and paying the cost of issuing the Bonds.

Actual Par $427,395,000
Sale Type Negotiated
Sale Date 4/30/2024
Closing Date 5/30/2024

Series Name	TIC	NIC	Is Variable
RFS Bonds Ser 2024A	3.73%	3.97%	No

Fee Name	Firm Name	HUB	Actual Fee	$ Per 1000
Attorney General		NO	$9,500	0.02
Bond Counsel	Winstead PC	NO	$87,500	0.20
Co-Bond Counsel	Cantu Harden Montoya LLP	NO	$37,500	0.09
Co-Disclosure Counsel	Cantu Harden Montoya LLP	NO	$9,000	0.02
Disclosure Counsel	Winstead PC	NO	$21,000	0.05
Financial Advisor	Hilltop Securities Inc	NO	$213,698	0.50
Miscellaneous		NO	$8,339	0.02
Paying Agent/Registrar	BOKF NA	NO	$3,900	0.01
Printing	IDeal LLC	NO	$760	0.00
	Total		**$391,197**	**0.92**

Fee Name	Rating Agency	Assigned Rating	Actual Fee	$ Per 1000
Rating Fee	Fitch	AAA	$80,000	0.19
Rating Fee	Moodys	Aaa	$152,000	0.36
Rating Fee	S&P	AAA	$126,000	0.29
		Total	**$358,000**	**0.84**

Fee Name	Actual Fee	$ Per 1000
Spread Expenses	$1,275,755	2.99
Takedown	$1,122,900	2.63
Total	**$2,398,655**	**5.61**

Fee Name	Firm Name	HUB	Actual Fee	$ Per 1000	UW Paid
Underwriter Counsel	Orrick Herrington & Sutcliffe LLP	NO	$83,500	0.20	No

Firm Name	HUB	% of Risk	Mgmt Fee %	Mgmt Fee $	Take Down %	Take Down $
Jefferies Financial Group	NO	40.00%	0.00%	$0	40.00%	$448,425
RBC Capital Markets LLC	NO	10.00%	0.00%	$0	17.00%	$192,172
Truist Bank	NO	10.00%	0.00%	$0	14.00%	$152,650
Ramirez & Co Inc	**HA**	10.00%	0.00%	$0	10.00%	$112,399
Cabrera Capital Markets LLC	**HA**	10.00%	0.00%	$0	7.00%	$80,568
Frost Bank	NO	10.00%	0.00%	$0	6.00%	$69,589

Rice Financial	NO	10.00%	0.00%	$0	6.00%	$67,097
		Total	**0%**	**$0**	**100%**	**$1,122,900**

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

Issuance Multifamily Hsng Revenue Bonds (Gulfway Manor) Series 2024

Purpose The proceeds of the Multifamily Housing Revenue Bonds will be used to acquire and rehabilitate a 151-unit multifamily residential development located at 1750 Treyway Lane in Corpus Christi, Nueces County.

Actual Par $29,000,000
Sale Type Negotiated
Sale Date 8/16/2024
Closing Date 8/28/2024

Series Name	TIC	NIC	Is Variable
MF Hsng Rev Bonds (Gulfway Manor) Ser 2024	3.25%		No

Fee Name	Firm Name	HUB	Actual Fee	$ Per 1000
Attorney General		NO	$9,500	0.33
Bond Counsel	Bracewell LLP	NO	$125,000	4.31
Disclosure Counsel	McCall Parkhurst & Horton LLP	NO	$6,500	0.22
Financial Advisor	Stifel Financial Corp	NO	$41,250	1.42
Issuer Fees	Texas Department of Housing & Community Affairs	NO	$3,775	0.13
Issuer Fees	Texas Department of Housing & Community Affairs	NO	$4,020	0.14
Issuer Fees	Texas Department of Housing & Community Affairs	NO	$55,825	1.93
Issuer Fees	Texas Department of Housing & Community Affairs	NO	$145,000	5.00
Miscellaneous		NO	$12,250	0.42
Miscellaneous	Texas Bond Review Board	NO	$12,250	0.42
Printing	ImageMaster LLC	NO	$2,000	0.07
Trustee	US Bank	NO	$2,500	0.09
Trustee	US Bank	NO	$5,000	0.17
Trustee Counsel	Kutak Rock LLP	NO	$6,000	0.21
	Total		**$430,870**	**14.86**

Fee Name	Rating Agency	Assigned Rating	Actual Fee	$ Per 1000
Rating Fee	Moodys	Aaa	$6,000	0.21
		Total	**$6,000**	**0.21**

Fee Name	Firm Name	HUB	Actual Fee	$ Per 1000	UW Paid
Underwriter Counsel	Norris George & Ostrow PLLC	NO	$60,000	2.07	No

Firm Name	HUB	% of Risk	Mgmt Fee %	Mgmt Fee $	Take Down %	Take Down $
Colliers Securities LLC	NO	100.00%			0.75%	$217,500
		Total			**1%**	**$217,500**

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

Issuance Multifamily Hsng Revenue Bonds (Palladium E Lancaster Avenue) Series 2024

Purpose The proceeds from the Multifamily Housing Revenue Bonds will be used for the new construction of a 243-unit multifamily residential development to be located at 4909 and 5003 East Lancaster Avenue and 4808 and 4909 Norma Street in Fort Worth, Tarrant County.

Actual Par $30,000,000
Sale Type Negotiated
Sale Date 8/7/2024
Closing Date 8/14/2024

Series Name	TIC	NIC	Is Variable
MF Hsng Rev Bonds (Palladium E Lancaster Avenue) Ser 2024	3.13%		No

Fee Name	Firm Name	HUB	Actual Fee	$ Per 1000
Attorney General		NO	$9,500	0.32
Bond Counsel	Bracewell LLP	NO	$145,000	4.83
Disclosure Counsel	McCall Parkhurst & Horton LLP	NO	$6,500	0.22
Financial Advisor	Stifel Financial Corp	NO	$45,000	1.50
Issuer Fees	Texas Department of Housing & Community Affairs	NO	$5,860	0.20
Issuer Fees	Texas Department of Housing & Community Affairs	NO	$6,075	0.20
Issuer Fees	Texas Department of Housing & Community Affairs	NO	$58,917	1.96
Issuer Fees	Texas Department of Housing & Community Affairs	NO	$150,000	5.00
Miscellaneous	Texas Bond Review Board	NO	$12,500	0.42
Printing	ImageMaster LLC	NO	$2,000	0.07
Trustee	Regions Bank	NO	$2,500	0.08
Trustee	Regions Bank	NO	$5,500	0.18
Trustee Counsel	Schulman Lopez Hoffer & Adelstein LLP	NO	$10,000	0.33
	Total		**$459,352**	**15.31**

Fee Name	Rating Agency	Assigned Rating	Actual Fee	$ Per 1000
Rating Fee	Moodys	Aaa	$5,500	0.18
		Total	**$5,500**	**0.18**

Fee Name	Firm Name	HUB	Actual Fee	$ Per 1000	UW Paid
Underwriter Counsel		NO			No
Underwriter Counsel	Norris George & Ostrow PLLC	NO	$60,000	2.00	No

Firm Name	HUB	% of Risk	Mgmt Fee %	Mgmt Fee $	Take Down %	Take Down $
RBC Capital Markets LLC	NO	100.00%		$30,000	0.38%	$112,500
		Total		**$30,000**	**0%**	**$112,500**

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

Issuance TDHCA Refunding Governmental Note (FishPond at Corpus Christi) Series 2024

Purpose The proceeds of the refunding Governmental Note refunded the Department's Housing Revenue Bonds (FishPond at Corpus Christi) Series 2020 (10,000,000 par amount), for the new construction of a 112-unit multifamily development for the elderly population located at 900 Buford Street in Corpus Christi.

Actual Par $10,000,000
Sale Type Private Placement
Sale Date 6/3/2024
Closing Date 6/3/2024

Series Name	TIC	NIC	Is Variable
TDHCA Ref Governmental Note (FishPond at Corpus Christi) Ser 2024	3.59%	3.64%	No

Fee Name	Firm Name	HUB	Actual Fee	$ Per 1000
Attorney General		NO	$9,500	0.95
Bond Counsel	Bracewell LLP	NO	$45,000	4.50
Disclosure Counsel	McCall Parkhurst & Horton LLP	NO	$2,000	0.20
Financial Advisor	Stifel Financial Corp	NO	$10,000	1.00
Issuer Fees	Texas Department of Housing & Community Affairs	NO	$18,250	1.83
Trustee	BOKF NA	NO	$3,500	0.35
Trustee Counsel	Haynes & Boone LLP	NO	$22,500	2.25
	Total		**$110,750**	**11.08**

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

Issuance Single Family Mortgage Revenue Bond Series 2023C

Purpose The Series 2023 Bonds are being issued for the primary purpose of providing funds for the purchase of mortgage-backed, pass-through certificates, funding loans for down payment and closing cost assistance, and paying lender compensation

Actual Par $150,000,000
Sale Type Negotiated
Sale Date 12/6/2023
Closing Date 12/20/2023

Series Name	TIC	NIC	Is Variable
SF Mortgage Rev Bond Ser 2023C	4.97%	5.17%	No

Fee Name	Firm Name	HUB	Actual Fee	$ Per 1000
		NO	$39,557	0.26
Attorney General		NO	$9,500	0.06
Bond Counsel	Bracewell LLP	NO	$77,158	0.51
Co-Financial Advisor	Stifel Financial Corp	NO	$150,000	1.00
Disclosure Counsel	McCall Parkhurst & Horton LLP	NO	$33,000	0.22
Financial Advisor	Stifel Financial Corp	NO	$150,000	1.00
Miscellaneous	BondLink Inc	NO	$9,000	0.06
Miscellaneous	Causey Demgen & Moore PC	NO	$7,000	0.05
Printing	ImageMaster LLC	NO	$1,620	0.01
Trustee	Bank of New York Mellon Trust Co	NO	$5,000	0.03
Trustee Counsel	McGuire Craddock & Strother PC	NO	$15,000	0.10
		Total	**$496,835**	**3.31**

Fee Name	Rating Agency	Assigned Rating	Actual Fee	$ Per 1000
Rating Fee	Moodys	Aaa	$51,000	0.34
Rating Fee	S&P	AA+	$72,000	0.48
		Total	**$123,000**	**0.82**

Fee Name	Actual Fee	$ Per 1000
Management Fee	$75,000	0.50
Spread Expenses	$49,919	0.33
Takedown	$839,263	5.60
Total	**$964,182**	**6.43**

Fee Name	Firm Name	HUB	Actual Fee	$ Per 1000	UW Paid
Underwriter Counsel	Chapman & Cutler LLP	NO	$30,000	0.20	Yes

Firm Name	HUB	% of Risk	Mgmt Fee %	Mgmt Fee $	Take Down %	Take Down $
Jefferies Financial Group	NO	60.00%	100.00%	$75,000	72.37%	$607,396
Piper Sandler & Co	NO	10.00%	0.00%	$0	10.12%	$84,920
Loop Capital Markets LLC	**BA**	10.00%	0.00%	$0	8.90%	$74,718
Ramirez & Co Inc	**HA**	20.00%	0.00%	$0	8.61%	$72,228

Total	**100%**	**$75,000**	**100%**	**$839,263**

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

Issuance Single Family Mortgage Revenue Bond Series 2023D (txbl)

Purpose The Series 2023 Bonds are being issued for the primary purpose of providing funds for the purchase of mortgage-backed, pass-through certificates, funding loans for down payment and closing cost assistance, and paying lender compensation related to the Mortgage Loans

Actual Par $100,000,000
Sale Type Negotiated
Sale Date 12/6/2023
Closing Date 12/20/2023

Series Name	TIC	NIC	Is Variable
SF Mortgage Rev Bond Ser 2023D (txbl)	5.89%	5.97%	No

Fee Name	Firm Name	HUB	Actual Fee	$ Per 1000
Attorney General		NO	$9,500	0.10
Bond Counsel	Bracewell LLP	NO	$51,439	0.51
Co-Financial Advisor	Stifel Financial Corp	NO	$100,000	1.00
Disclosure Counsel	McCall Parkhurst & Horton LLP	NO	$22,000	0.22
Financial Advisor	Stifel Financial Corp	NO	$100,000	1.00
Miscellaneous	BondLink Inc	NO	$6,000	0.06
Printing	ImageMaster LLC	NO	$1,080	0.01
Trustee	Bank of New York Mellon Trust Co	NO	$5,000	0.05
Trustee Counsel	McGuire Craddock & Strother PC	NO	$10,000	0.10
	Total		**$305,019**	**3.05**

Fee Name	Rating Agency	Assigned Rating	Actual Fee	$ Per 1000
Rating Fee	Moodys	Aaa	$48,000	0.48
Rating Fee	S&P	AA+	$34,000	0.34
		Total	**$82,000**	**0.82**

Fee Name	Actual Fee	$ Per 1000
Management Fee	$50,000	0.50
Spread Expenses	$33,451	0.33
Takedown	$560,219	5.60
Total	**$643,670**	**6.44**

Fee Name	Firm Name	HUB	Actual Fee	$ Per 1000	UW Paid
Underwriter Counsel	Chapman & Cutler LLP	NO	$20,000	0.20	Yes

Firm Name	HUB	% of Risk	Mgmt Fee %	Mgmt Fee $	Take Down %	Take Down $
Jefferies Financial Group	NO	60.00%	100.00%	$50,000	69.37%	$388,464
Loop Capital Markets LLC	**BA**	10.00%	0.00%	$0	10.46%	$58,583
Ramirez & Co Inc	**HA**	20.00%	0.00%	$0	10.39%	$58,164
Piper Sandler & Co	NO	10.00%	0.00%	$0	9.78%	$54,740
		Total	**100%**	**$50,000**	**100%**	**$559,950**

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

Issuance Residential Mortgage Revenue Bonds 2024D (txbl)

Purpose Bonds issued for the purpose of providing for the housing needs of individuals and families of low, very low, and extremely low income and families of moderate income (as described in Chapter 2306 as determined by the Governing Board of the Department (the "Board") from time to time) at prices they can afford.

Actual Par $100,000,000
Sale Type Negotiated
Sale Date 6/27/2024
Closing Date 7/18/2024

Series Name	TIC	NIC	Is Variable
Residential Mortgage Rev Bonds 2024D (txbl)	5.70%		No

Fee Name	Firm Name	HUB	Actual Fee	$ Per 1000
Attorney General		NO	$9,500	0.10
Bond Application Report		NO	$16,200	0.16
Bond Counsel	Bracewell LLP	NO	$23,858	0.24
Disclosure Counsel	McCall Parkhurst & Horton LLP	NO	$22,000	0.22
Financial Advisor	Stifel Financial Corp	NO	$150,000	1.50
Miscellaneous	BondLink Inc	NO	$6,000	0.06
Printing	ImageMaster LLC	NO	$700	0.01
Trustee	Bank of New York Mellon Trust Co	NO	$5,000	0.05
Trustee Counsel	McGuire Craddock & Strother PC	NO	$10,000	0.10
	Total		**$243,258**	**2.43**

Fee Name	Rating Agency	Assigned Rating	Actual Fee	$ Per 1000
Rating Fee	Moodys	Aaa	$36,000	0.36
Rating Fee	S&P	AA+	$35,445	0.35
		Total	**$71,445**	**0.71**

Fee Name	Actual Fee	$ Per 1000
Management Fee	$50,000	0.50
Spread Expenses	$36,623	0.37
Takedown	$559,919	5.60
Total	**$646,542**	**6.47**

Firm Name	HUB	% of Risk	Mgmt Fee %	Mgmt Fee $	Take Down %	Take Down $
Ramirez & Co Inc	**HA**	50.00%	100.00%	$50,000	61.25%	$342,924
RBC Capital Markets LLC	NO	15.00%			7.92%	$44,325
Jefferies Financial Group	NO	15.00%			6.12%	$34,289
Piper Sandler & Co	NO	4.00%			5.80%	$32,457
JP Morgan Chase & Co	NO	4.00%			5.62%	$31,493
Wells Fargo Bank	NO	4.00%			5.61%	$31,424
Morgan Stanley	NO	4.00%			4.82%	$26,998
Loop Capital Markets LLC	**BA**	4.00%			2.86%	$16,008
		Total	**100%**	**$50,000**	**100%**	**$559,919**

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

Issuance Residential Mortgage Revenue Bonds Series 2023B (Non-AMT)

Purpose The Series 2023 Bonds are being issued for the primary purpose of providing funds for the purchase of mortgage-backed, pass-through certificates, funding loans for down payment and closing cost assistance, and paying lender compensation related to the Mortgage Loans.

Actual Par $200,000,000
Sale Type Negotiated
Sale Date 8/22/2023
Closing Date 9/27/2023

Series Name	TIC	NIC	Is Variable
Residential Mortgage Rev Bonds Ser 2023B (Non-AMT)	5.08%	5.27%	No

Fee Name	Firm Name	HUB	Actual Fee	$ Per 1000
		NO	$41,835	0.21
Attorney General		NO	$9,500	0.05
Bond Counsel	Bracewell LLP	NO	$60,372	0.30
Co-Financial Advisor	Stifel Financial Corp	NO	$200,000	1.00
Disclosure Counsel	McCall Parkhurst & Horton LLP	NO	$44,000	0.22
Financial Advisor	Stifel Financial Corp	NO	$200,000	1.00
Miscellaneous	BondLink Inc	NO	$12,000	0.06
Miscellaneous	Causey Demgen & Moore PC	NO	$6,500	0.03
Printing	ImageMaster LLC	NO	$1,200	0.01
Trustee	Bank of New York Mellon Trust Co	NO	$5,000	0.03
Trustee Counsel	McGuire Craddock & Strother PC	NO	$20,000	0.10
		Total	**$600,407**	**3.00**

Fee Name	Rating Agency	Assigned Rating	Actual Fee	$ Per 1000
Rating Fee	Moodys	Aaa	$96,000	0.48
Rating Fee	S&P	AA+	$80,000	0.40
		Total	**$176,000**	**0.88**

Fee Name	Actual Fee	$ Per 1000
Management Fee	$200,000	1.00
Spread Expenses	$66,109	0.33
Takedown	$1,116,850	5.58
Total	**$1,382,959**	**6.91**

Fee Name	Firm Name	HUB	Actual Fee	$ Per 1000	UW Paid
Underwriter Counsel	Chapman & Cutler LLP	NO	$40,320	0.20	Yes

Firm Name	HUB	% of Risk	Mgmt Fee %	Mgmt Fee $	Take Down %	Take Down $
Jefferies Financial Group	NO	55.00%	100.00%	$200,000	86.55%	$966,650
Piper Sandler & Co	NO	6.00%	0.00%	$0	5.39%	$60,231
RBC Capital Markets LLC	NO	13.50%	0.00%	$0	4.39%	$49,031
Morgan Stanley	NO	6.00%	0.00%	$0	3.64%	$40,688

Ramirez & Co Inc	**HA**	6.00%	0.00%	$0	0.02%	$250
Barclays Capital Inc	NO	13.50%	0.00%	$0	0.00%	$0
		Total	**100%**	**$200,000**	**100%**	**$1,116,850**

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

Issuance Residential Mortgage Revenue Bonds Series 2023C (txbl)

Purpose The Series 2023 Bonds are being issued for the primary purpose of providing funds for the purchase of mortgage-backed, pass-through certificates, funding loans for down payment and closing cost assistance, and paying lender compensation related to the Mortgage Loans.

Actual Par $50,000,000
Sale Type Negotiated
Sale Date 8/22/2023
Closing Date 9/27/2023

Series Name	TIC	NIC	Is Variable
Residential Mortgage Rev Bonds Ser 2023C (txbl)	6.01%	6.06%	No

Fee Name	Firm Name	HUB	Actual Fee	$ Per 1000
		NO	$10,459	0.21
Attorney General		NO	$9,500	0.19
Bond Counsel	Bracewell LLP	NO	$15,093	0.30
Co-Financial Advisor	Stifel Financial Corp	NO	$50,000	1.00
Disclosure Counsel	McCall Parkhurst & Horton LLP	NO	$11,000	0.22
Financial Advisor	Stifel Financial Corp	NO	$50,000	1.00
Miscellaneous	BondLink Inc	NO	$3,000	0.06
Printing	ImageMaster LLC	NO	$300	0.01
Trustee	Bank of New York Mellon Trust Co	NO	$5,000	0.10
Trustee Counsel	McGuire Craddock & Strother PC	NO	$5,000	0.10
		Total	**$159,352**	**3.19**

Fee Name	Rating Agency	Assigned Rating	Actual Fee	$ Per 1000
Rating Fee	Moodys	Aaa	$24,000	0.48
Rating Fee	S&P	AA+	$20,000	0.40
		Total	**$44,000**	**0.88**

Fee Name	Actual Fee	$ Per 1000
Management Fee	$50,000	1.00
Spread Expenses	$17,285	0.35
Takedown	$282,575	5.65
Total	**$349,860**	**7.00**

Fee Name	Firm Name	HUB	Actual Fee	$ Per 1000	UW Paid
Underwriter Counsel	Chapman & Cutler LLP	NO	$9,680	0.19	Yes

Firm Name	HUB	% of Risk	Mgmt Fee %	Mgmt Fee $	Take Down %	Take Down $
Jefferies Financial Group	NO	55.00%	100.00%	$50,000	98.43%	$278,144
RBC Capital Markets LLC	NO	13.50%	0.00%	$0	0.88%	$2,500
Piper Sandler & Co	NO	6.00%	0.00%	$0	0.68%	$1,931
Ramirez & Co Inc	**HA**	6.00%	0.00%	$0	0.00%	
Morgan Stanley	NO	6.00%	0.00%	$0	0.00%	

Barclays Capital Inc	NO	13.50%	0.00%	$0	0.00%	
		Total	**100%**	**$50,000**	**100%**	**$282,575**

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

Issuance Residential Mortgage Revenue Bonds Series 2024C

Purpose Bonds issued for the purpose of providing for the housing needs of individuals and families of low, very low, and extremely low income and families of moderate income (as described in Chapter 2306 as determined by the Governing Board of the Department (the "Board") from time to time) at prices they can afford.

Actual Par $150,000,000
Sale Type Negotiated
Sale Date 6/27/2024
Closing Date 7/18/2024

Series Name	TIC	NIC	Is Variable
Residential Mortgage Rev Bonds Ser 2024C	4.81%		No

Fee Name	Firm Name	HUB	Actual Fee	$ Per 1000
Attorney General		NO	$9,500	0.06
Bond Application Report		NO	$24,300	0.16
Bond Counsel	Bracewell LLP	NO	$35,787	0.24
Disclosure Counsel	McCall Parkhurst & Horton LLP	NO	$33,000	0.22
Financial Advisor	Stifel Financial Corp	NO	$225,000	1.50
Miscellaneous	BondLink Inc	NO	$9,000	0.06
Miscellaneous	Causey Demgen & Moore PC	NO	$7,500	0.05
Printing	ImageMaster LLC	NO	$1,050	0.01
Trustee	Bank of New York Mellon Trust Co	NO	$5,000	0.03
Trustee Counsel	McGuire Craddock & Strother PC	NO	$15,000	0.10
	Total		**$365,137**	**2.43**

Fee Name	Rating Agency	Assigned Rating	Actual Fee	$ Per 1000
Rating Fee	Moodys	Aaa	$54,000	0.36
Rating Fee	S&P	AA+	$53,167	0.35
		Total	**$107,167**	**0.71**

Fee Name	Actual Fee	$ Per 1000
Management Fee	$75,000	0.50
Spread Expenses	$23,892	0.16
Takedown	$856,156	5.71
Total	**$955,048**	**6.37**

Fee Name	Firm Name	HUB	Actual Fee	$ Per 1000	UW Paid
Underwriter Counsel		NO	$30,000	0.20	No

Firm Name	HUB	% of Risk	Mgmt Fee %	Mgmt Fee $	Take Down %	Take Down $
Ramirez & Co Inc	**HA**	50.00%	100.00%	$75,000	64.32%	$550,675
Wells Fargo Bank	NO	4.00%			7.92%	$67,821
RBC Capital Markets LLC	NO	15.00%			7.28%	$62,288
JP Morgan Chase & Co	NO	4.00%			5.94%	$50,821
Morgan Stanley	NO	4.00%			5.22%	$44,693

Piper Sandler & Co	NO	4.00%			3.88%	$33,200
Jefferies Financial Group	NO	15.00%			2.93%	$25,127
Loop Capital Markets LLC	**BA**	4.00%			2.52%	$21,533
		Total	**100%**	**$75,000**	**100%**	**$856,156**

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

Issuance RMRB Series 2024A (Non-AMT)

Purpose The Series 2024 Bonds are being issued for the primary purpose of providing funds for the purchase of mortgage-backed, pass-through certificates, funding loans for down payment and closing cost assistance, and paying lender compensation related to the Mortgage Loans.

Actual Par $150,000,000
Sale Type Negotiated
Sale Date 3/12/2024
Closing Date 4/10/2024

Series Name	TIC	NIC	Is Variable
RMRB Ser 2024A (Non-AMT)	4.73%	4.95%	No

Fee Name	Firm Name	HUB	Actual Fee	$ Per 1000
Attorney General		NO	$9,500	0.06
Bond Counsel	Bracewell LLP	NO	$47,750	0.32
Co-Financial Advisor	Stifel Financial Corp	NO	$150,000	1.00
Disclosure Counsel	McCall Parkhurst & Horton LLP	NO	$33,000	0.22
Financial Advisor	Stifel Financial Corp	NO	$150,000	1.00
Miscellaneous	BondLink Inc	NO	$9,000	0.06
Miscellaneous	Causey Demgen & Moore PC	NO	$4,200	0.03
Miscellaneous	Texas Bond Review Board	NO	$38,000	0.25
Printing	ImageMaster LLC	NO	$900	0.01
Trustee	Bank of New York Mellon Trust Co	NO	$5,000	0.03
Trustee Counsel	McGuire Craddock & Strother PC	NO	$15,000	0.10
	Total		**$462,350**	**3.08**

Fee Name	Rating Agency	Assigned Rating	Actual Fee	$ Per 1000
Rating Fee	Moodys	Aaa	$73,500	0.49
Rating Fee	S&P	AA+	$62,550	0.42
		Total	**$136,050**	**0.91**

Fee Name	Actual Fee	$ Per 1000
Management Fee	$75,000	0.50
Spread Expenses	$51,224	0.34
Takedown	$838,925	5.59
Total	**$965,149**	**6.43**

Fee Name	Firm Name	HUB	Actual Fee	$ Per 1000	UW Paid
Underwriter Counsel	Chapman & Cutler LLP	NO	$30,000	0.20	Yes

Firm Name	HUB	% of Risk	Mgmt Fee %	Mgmt Fee $	Take Down %	Take Down $
RBC Capital Markets LLC	**NA**	50.00%	100.00%	$75,000	61.90%	$519,311
JP Morgan Chase & Co	**NA**	4.00%			11.00%	$92,650
Morgan Stanley	**NA**	15.00%			9.50%	$79,974
Wells Fargo Bank	**NA**	4.00%			8.80%	$74,046

Jefferies Financial Group	**NA**	15.00%			3.50%	$29,199
Piper Sandler & Co	**NA**	4.00%			2.40%	$19,849
Loop Capital Markets LLC	**BA**	4.00%			1.50%	$12,653
Ramirez & Co Inc	**HA**	4.00%			1.30%	$11,243
		Total	**100%**	**$75,000**	**100%**	**$838,926**

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

Issuance RMRB Taxable Series 2024B

Purpose The Series 2024 Bonds are being issued for the primary purpose of providing funds for the purchase of mortgage-backed, pass-through certificates, funding loans for down payment and closing cost assistance, and paying lender compensation related to the Mortgage Loans.

Actual Par $100,000,000
Sale Type Negotiated
Sale Date 3/12/2024
Closing Date 4/10/2024

Series Name	TIC	NIC	Is Variable
RMRB Txbl Ser 2024B	5.64%	5.72%	No

Fee Name	Firm Name	HUB	Actual Fee	$ Per 1000
Attorney General		NO	$9,500	0.10
Bond Counsel	Bracewell LLP	NO	$31,834	0.32
Co-Financial Advisor	Stifel Financial Corp	NO	$100,000	1.00
Disclosure Counsel	McCall Parkhurst & Horton LLP	NO	$22,000	0.22
Financial Advisor	Stifel Financial Corp	NO	$100,000	1.00
Miscellaneous	BondLink Inc	NO	$6,000	0.06
Miscellaneous	Causey Demgen & Moore PC	NO	$2,800	0.03
Printing	ImageMaster LLC	NO	$600	0.01
Trustee	Bank of New York Mellon Trust Co	NO	$5,000	0.05
Trustee Counsel	McGuire Craddock & Strother PC	NO	$10,000	0.10
		Total	**$287,734**	**2.88**

Fee Name	Rating Agency	Assigned Rating	Actual Fee	$ Per 1000
Rating Fee	Moodys	Aaa	$49,000	0.49
Rating Fee	S&P	AA+	$41,700	0.42
		Total	**$90,700**	**0.91**

Fee Name	Actual Fee	$ Per 1000
Management Fee	$50,000	0.50
Spread Expenses	$34,848	0.35
Takedown	$554,588	5.55
Total	**$639,436**	**6.39**

Fee Name	Firm Name	HUB	Actual Fee	$ Per 1000	UW Paid
Underwriter Counsel	Chapman & Cutler LLP	NO	$20,000	0.20	Yes

Firm Name	HUB	% of Risk	Mgmt Fee %	Mgmt Fee $	Take Down %	Take Down $
RBC Capital Markets LLC	**NA**	50.00%	100.00%	$50,000	59.20%	$328,550
Ramirez & Co Inc	**HA**	4.00%			7.50%	$41,637
Wells Fargo Bank	**NA**	4.00%			6.70%	$37,129
Morgan Stanley	**NA**	15.00%			6.70%	$36,949
JP Morgan Chase & Co	**NA**	4.00%			5.70%	$31,506

Piper Sandler & Co	**NA**	4.00%			4.90%	$27,211
Loop Capital Markets LLC	**BA**	4.00%			4.80%	$26,750
Jefferies Financial Group	**NA**	15.00%			4.50%	$24,856
		Total	**100%**	**$50,000**	**100%**	**$554,588**

Issuer **Texas Higher Education Coordinating Board**

Issuance College Student Loan Bonds Series 2024A

Purpose Proceeds will be used to fund an ongoing student loan program which provides low interest loans to eligible students at insitutions of higher education in Texas.

Actual Par $105,785,000
Sale Type Competitive
Sale Date 7/18/2024
Closing Date 7/18/2024

Series Name	TIC	NIC	Is Variable
College Student Loan Bonds Ser 2024A	4.23%	4.33%	No

Fee Name	Firm Name	HUB	Actual Fee	$ Per 1000
Attorney General		NO	$9,500	0.09
Bond Application Report	Texas Bond Review Board	NO	$500	0.00
Bond Counsel	McCall Parkhurst & Horton LLP	NO	$72,906	0.69
Financial Advisor	Grant Street Group	NO	$5,000	0.05
Financial Advisor	Hilltop Securities Inc	NO	$61,557	0.58
Miscellaneous		NO	$23	0.00
OS Preparation	McCall Parkhurst & Horton LLP	NO	$9,500	0.09
Paying Agent/Registrar	Computershare Trust Company NA	NO	$2,000	0.02
Printing	ImageMaster LLC	NO	$2,242	0.02
	Total		**$163,228**	**1.54**

Fee Name	Rating Agency	Assigned Rating	Actual Fee	$ Per 1000
Rating Fee	Moodys	Aaa	$35,000	0.33
Rating Fee	S&P	AAA	$36,000	0.34
		Total	**$71,000**	**0.67**

Fee Name	Actual Fee	$ Per 1000
Takedown	$333,258	3.15
Total	**$333,258**	**3.15**

Firm Name	HUB	% of Risk	Mgmt Fee %	Mgmt Fee $	Take Down %	Take Down $
JP Morgan Chase & Co	NO				100.00%	$333,258
		Total			**100%**	**$333,258**

Issuer **Texas Public Finance Authority**

Issuance State of Texas General Obligation and Refunding Bonds Taxable Series 2023A (CPRIT)

Purpose Proceeds of the Bonds will be used by the Cancer Prevention and Research Institute of Texas to make grants for cancer research and prevention and pay for the operation of CPRIT, as authorized by the Constitutional Provision, to refund certain outstanding general obligation commercial paper notes ($92,800,000) of the State issued by the Authority for CPRIT.

Actual Par $298,400,000
Sale Type Negotiated
Sale Date 10/25/2023
Closing Date 11/15/2023

Series Name	TIC	NIC	Is Variable
State of Texas GO & Ref Bonds Txbl Ser 2023A (CPRIT)	6.12%	6.15%	No

Fee Name	Firm Name	HUB	Actual Fee	$ Per 1000
Attorney General		NO	$9,500	0.03
Bond Counsel	McCall Parkhurst & Horton LLP	NO	$65,000	0.22
Disclosure Counsel	Orrick Herrington & Sutcliffe LLP	NO	$60,000	0.20
Financial Advisor	RBC Capital Markets LLC	NO	$62,514	0.21
Printing	ImageMaster LLC	NO	$1,500	0.01
Travel		NO	$1,028	0.00
		Total	**$199,542**	**0.67**

Fee Name	Rating Agency	Assigned Rating	Actual Fee	$ Per 1000
Rating Fee	Fitch	AAA	$40,000	0.13
Rating Fee	S&P	AAA	$36,000	0.12
		Total	**$76,000**	**0.25**

Fee Name	Actual Fee	$ Per 1000
Spread Expenses	$72,653	0.24
Takedown	$883,400	2.96
Total	**$956,053**	**3.20**

Fee Name	Firm Name	HUB	Actual Fee	$ Per 1000	UW Paid
Underwriter Counsel	Greenberg Traurig LLP	NO	$35,000	0.12	Yes

Firm Name	HUB	% of Risk	Mgmt Fee %	Mgmt Fee $	Take Down %	Take Down $
Piper Sandler & Co	NO	50.00%	0.00%	$0	50.00%	$441,700
Stifel Financial Corp	NO	10.00%	0.00%	$0	10.00%	$88,340
Raymond James Financial Inc	NO	10.00%	0.00%	$0	10.00%	$88,340
Morgan Stanley	NO	10.00%	0.00%	$0	10.00%	$88,340
Hilltop Securities Inc	NO	10.00%	0.00%	$0	10.00%	$88,340
Cabrera Capital Markets LLC	**HA**	10.00%	0.00%	$0	10.00%	$88,340
		Total	**0%**	**$0**	**100%**	**$883,400**

Issuer **Texas State Affordable Housing Corporation Multifamily**

Issuance Multifamily Housing Revenue Bonds (Eden Court Apartments Proj) Series 2023

Purpose For the purpose of providing funds to make a loan to Eden Court Senior Housing Limited Partnership, a Texas limited partnership, to finance a portion of the costs of the acquisition, rehabilitation and equipping of an approximately 110-unit multifamily rental housing project located in Seguin, Texas, and known as Eden Court Apartments.

Actual Par $14,726,000
Sale Type Negotiated
Sale Date 9/7/2023
Closing Date 9/19/2023

Series Name	TIC	NIC	Is Variable
MF Housing Rev Bonds (Eden Court Apartments Proj) Ser 2023	4.93%	4.96%	No

Fee Name	Firm Name	HUB	Actual Fee	$ Per 1000
	Texas Bond Review Board	NO	$15,333	1.04
Attorney General		NO	$9,500	0.65
Bond Counsel	Norton Rose Fulbright US LLP	NO	$162,000	11.00
Escrow Verification	Causey Demgen & Moore PC	NO	$2,500	0.17
Financial Advisor	PFM Group	NO	$40,188	2.73
Issuer Counsel	Norton Rose Fulbright US LLP	NO	$15,000	1.02
Issuer Fees	Texas State Affordable Housing Corp	NO	$4,950	0.34
Issuer Fees	Texas State Affordable Housing Corp	NO	$24,000	1.63
Issuer Fees	Texas State Affordable Housing Corp	NO	$16,000	1.09
Trustee	Wilmington Trust NA	NO	$5,000	0.34
Trustee Counsel	Naman Howell Smith & Lee PLLC	NO	$8,000	0.54
	Total		**$302,471**	**20.54**

Fee Name	Rating Agency	Assigned Rating	Actual Fee	$ Per 1000
Rating Fee	Moodys	Aaa/VMIG 1	$5,500	0.37
		Total	**$5,500**	**0.37**

Fee Name	Actual Fee	$ Per 1000
Takedown	$88,356	6.00
Total	**$88,356**	**6.00**

Fee Name	Firm Name	HUB	Actual Fee	$ Per 1000	UW Paid
Underwriter Counsel	Tiber Hudson LLC	NO	$65,000	4.41	No

Firm Name	HUB	% of Risk	Mgmt Fee %	Mgmt Fee $	Take Down %	Take Down $
KeyBanc Capital Markets Inc	NO	100.00%	100.00%		100.00%	$88,356
		Total	**100%**		**100%**	**$88,356**

Issuer **Texas State Affordable Housing Corporation Multifamily**

Issuance Multifamily Housing Revenue Bonds (Norman Commons) Series 2023

Purpose The proceeds of the bonds will be used for the acquisition, construction, and equipping of a qualified residential rental project serving the general population to be known as Norman Commons, a new construction of a 156-unit affordable multifamily rental housing development to serve the general population and to be located on approximately 7.98 acres of land at 5712 Jackie Robinson Street in Austin, Texas.

Actual Par $31,500,000
Sale Type Negotiated
Sale Date 12/6/2023
Closing Date 12/14/2023

Series Name	TIC	NIC	Is Variable
Multifamily Housing Rev Bonds (Norman Commons) Ser 2023	3.68%	3.66%	No

Fee Name	Firm Name	HUB	Actual Fee	$ Per 1000
	Texas Bond Review Board	NO	$22,667	0.72
Attorney General		NO	$9,500	0.30
Bond Counsel	Norton Rose Fulbright US LLP	NO	$315,000	10.00
Escrow Agent	Causey Demgen & Moore PC	NO	$2,500	0.08
Financial Advisor	PFM Group	NO	$74,575	2.37
Issuer Fees	Texas State Affordable Housing Corp	NO	$103,270	3.28
Trustee	Wilmington Trust NA	NO	$7,250	0.23
Trustee Counsel	Naman Howell Smith & Lee PLLC	NO	$8,000	0.25
		Total	**$542,762**	**17.23**

Fee Name	Rating Agency	Assigned Rating	Actual Fee	$ Per 1000
Rating Fee	Moodys	Aaa/VMIG1	$5,500	0.17
		Total	**$5,500**	**0.17**

Fee Name	Actual Fee	$ Per 1000
Spread Expenses	$4,069	0.13
Takedown	$196,875	6.25
Total	**$200,944**	**6.38**

Fee Name	Firm Name	HUB	Actual Fee	$ Per 1000	UW Paid
Underwriter Counsel	Tiber Hudson LLC	NO	$55,000	1.75	No

Firm Name	HUB	% of Risk	Mgmt Fee %	Mgmt Fee $	Take Down %	Take Down $
Wells Fargo Bank	NO	100.00%	100.00%	$0	100.00%	$196,875
		Total	**100%**	**$0**	**100%**	**$196,875**

Issuer **Texas State Affordable Housing Corporation Single Family**

Issuance Single Family M Revenue Bonds Series 2024A (Non-AMT)

Purpose The purpose of the Bonds is to finance qualifying mortgage loans for single-family residences in Texas, achieved by the Trustee's purchase, on behalf of the Issuer, of fully modified mortgage-backed securities.

Actual Par $56,930,000
Sale Type Negotiated
Sale Date 2/6/2024
Closing Date 3/6/2024

Series Name	TIC	NIC	Is Variable
SFM Rev Bonds Ser 2024A (Non-AMT)	4.42%	5.18%	No

Fee Name	Firm Name	HUB	Actual Fee	$ Per 1000
Attorney General		NO	$9,500	0.17
Bond Counsel	Norton Rose Fulbright US LLP	NO	$90,206	1.58
Disclosure Counsel	Ballard Spahr LLP	NO	$26,567	0.47
Escrow Verification	Causey Demgen & Moore PC	NO	$7,116	0.13
Financial Advisor	CSG Advisors	NO	$34,917	0.61
Miscellaneous		NO	$3,321	0.06
Miscellaneous	Texas Bond Review Board	NO	$11,766	0.21
Printing	Financial Press LLC	NO	$1,328	0.02
Trustee	Computershare Trust Company NA	NO	$18,218	0.32
Trustee Counsel	Akerman LLP	NO	$3,416	0.06
	Total		**$206,355**	**3.62**

Fee Name	Rating Agency	Assigned Rating	Actual Fee	$ Per 1000
Rating Fee	Moodys	Aa1	$36,435	0.64
		Total	**$36,435**	**0.64**

Fee Name	Actual Fee	$ Per 1000
Management Fee	$28,465	0.50
Spread Expenses	$16,756	0.29
Takedown	$312,850	5.50
Total	**$358,071**	**6.29**

Fee Name	Firm Name	HUB	Actual Fee	$ Per 1000	UW Paid
Underwriter Counsel	Hawkins Delafield & Wood LLP	NO	$23,000	0.40	Yes

Firm Name	HUB	% of Risk	Mgmt Fee %	Mgmt Fee $	Take Down %	Take Down $
Raymond James Financial Inc	NO	100.00%	0.05%	$28,465	1.00%	$312,850
		Total	**0%**	**$28,465**	**1%**	**$312,850**

Issuer **Texas State Affordable Housing Corporation Single Family**

Issuance Single Family Mrtg Revenue Bnds Series 2024B (Txbl)

Purpose The purpose of the Bonds is to finance qualifying mortgage loans for single-family residences in Texas, achieved by the Trustee's purchase, on behalf of the Issuer, of fully modified mortgage-backed securities.

Actual Par $18,070,000
Sale Type Negotiated
Sale Date 2/6/2024
Closing Date 3/6/2024

Series Name	TIC	NIC	Is Variable
Single Family Mrtg Rev Bnds Ser 2024B (Txbl)	5.66%	5.87%	No

Fee Name	Firm Name	HUB	Actual Fee	$ Per 1000
Attorney General		NO	$9,500	0.53
Bond Counsel	Norton Rose Fulbright US LLP	NO	$28,632	1.58
Disclosure Counsel	Ballard Spahr LLP	NO	$8,433	0.47
Escrow Verification	Causey Demgen & Moore PC	NO	$2,259	0.13
Financial Advisor	CSG Advisors	NO	$11,083	0.61
Miscellaneous		NO	$1,054	0.06
Miscellaneous	Texas Bond Review Board	NO	$3,734	0.21
Printing	Financial Press LLC	NO	$422	0.02
Trustee	Computershare Trust Company NA	NO	$5,782	0.32
Trustee Counsel	Akerman LLP	NO	$1,084	0.06
	Total		**$71,983**	**3.98**

Fee Name	Rating Agency	Assigned Rating	Actual Fee	$ Per 1000
Rating Fee	Moodys	Aa1	$11,565	0.64
		Total	**$11,565**	**0.64**

Fee Name	Actual Fee	$ Per 1000
Management Fee	$9,035	0.50
Spread Expenses	$5,319	0.29
Takedown	$100,438	5.56
Total	**$114,791**	**6.35**

Fee Name	Firm Name	HUB	Actual Fee	$ Per 1000	UW Paid
Underwriter Counsel	Hawkins Delafield & Wood LLP	NO	$7,300	0.40	Yes

Firm Name	HUB	% of Risk	Mgmt Fee %	Mgmt Fee $	Take Down %	Take Down $
Raymond James Financial Inc	NO	100.00%	100.00%	$9,035	100.00%	$100,438
		Total	**100%**	**$9,035**	**100%**	**$100,438**

Issuer **Texas State University System**

Issuance Revenue Financing System Refunding Bonds Series 2024

Purpose The Bonds are being issued for the purpose of (i) acquiring, purchasing, constructing, improving, renovating, enlarging or equipping property, buildings, structures, facilities, roads or related infrastructure for certain members of the Revenue Financing System, (ii) refunding a portion of the Board's outstanding Commercial Paper Notes, (iii) refunding a portion of the Board's outstanding obligations for debt service savings, and (iv) paying certain costs of issuing the Bonds.

Actual Par $609,425,000
Sale Type Negotiated
Sale Date 5/21/2024
Closing Date 6/11/2024

Series Name	TIC	NIC	Is Variable
RFS Ref Bonds Ser 2024	4.04%		No

Fee Name	Firm Name	HUB	Actual Fee	$ Per 1000
Attorney General		NO	$9,500	0.02
Bond Counsel	McCall Parkhurst & Horton LLP	NO	$235,023	0.39
Escrow Agent	BOKF NA	NO	$500	0.00
Escrow Verification	Causey Demgen & Moore PC	NO	$2,000	0.00
Financial Advisor	Hilltop Securities Inc	NO	$391,141	0.64
Miscellaneous	Unknown	NO	$9,437	0.02
Paying Agent/Registrar	BOKF NA	NO	$3,900	0.01
Printing	ImageMaster LLC	NO	$3,500	0.01
		Total	**$655,000**	**1.07**

Fee Name	Rating Agency	Assigned Rating	Actual Fee	$ Per 1000
Rating Fee	Fitch	AA	$150,000	0.25
Rating Fee	Moodys	Aa2	$175,000	0.29
		Total	**$325,000**	**0.53**

Fee Name	Actual Fee	$ Per 1000
Spread Expenses	$1,888,406	3.10
Takedown	$1,629,630	2.67
Total	**$3,518,036**	**5.77**

Firm Name	HUB	% of Risk	Mgmt Fee %	Mgmt Fee $	Take Down %	Take Down $
Wells Fargo Bank	NO	40.00%	0.00%	$0	55.00%	$894,907
Morgan Stanley	NO	15.00%	0.00%	$0	18.00%	$300,579
Cabrera Capital Markets LLC	**HA**	15.00%	0.00%	$0	9.00%	$146,636
Academy Securities	NO	15.00%	0.00%	$0	9.00%	$144,957
Frost Bank	NO	15.00%	0.00%	$0	9.00%	$142,552
		Total	**0%**	**$0**	**100%**	**$1,629,630**

Issuer **Texas Transportation Commission**

Issuance CTTS First Tier Revenue Refunding Bonds Series 2024A

Purpose The 2024A Bonds, as well as certain funds contributed to the transaction by the Commission, will be used to (1) refund some of the Series 2012A bonds and the Series 2015B bonds (2) pay costs of issuance.

Actual Par $386,210,000
Sale Type Negotiated
Sale Date 7/23/2024
Closing Date 8/7/2024

Series Name	TIC	NIC	Is Variable
CTTS First Tier Rev Ref Bonds Ser 2024A	3.69%		No

Fee Name	Firm Name	HUB	Actual Fee	$ Per 1000
Attorney General		NO	$6,737	0.02
Bond Counsel	McCall Parkhurst & Horton LLP	NO	$239,297	0.62
CUSIP		NO	$381	0.00
Disclosure Counsel	Bracewell LLP	NO	$161,224	0.42
Escrow Verification	AMTEC Corp	NO	$449	0.00
Financial Advisor	Estrada Hinojosa & Co Inc	**HA**	$67,324	0.17
Miscellaneous		NO	$1,371	0.00
Miscellaneous	Depository Trust Company	NO	$535	0.00
Miscellaneous	Ipreo LLC	NO	$36,026	0.09
Printing	ImageMaster LLC	NO	$1,178	0.00
Trustee	Bank of New York Mellon Trust Co	NO	$3,605	0.01
Trustee Counsel	McGuire Craddock & Strother PC	NO	$10,638	0.03
	Total		**$528,765**	**1.37**

Fee Name	Rating Agency	Assigned Rating	Actual Fee	$ Per 1000
Rating Fee	Fitch	A+	$47,280	0.12
Rating Fee	Moodys	A2	$48,462	0.13
Rating Fee	S&P	A	$43,498	0.11
		Total	**$139,240**	**0.36**

Fee Name	Actual Fee	$ Per 1000
Takedown	$1,448,288	3.75
Total	**$1,448,288**	**3.75**

Fee Name	Firm Name	HUB	Actual Fee	$ Per 1000	UW Paid
Underwriter Counsel	Norton Rose Fulbright US LLP	NO	$47,280	0.12	Yes

Firm Name	HUB	% of Risk	Mgmt Fee %	Mgmt Fee $	Take Down %	Take Down $
Wells Fargo Bank	NO	37.50%			37.50%	$0
RBC Capital Markets LLC	NO	25.00%		$0	25.00%	$0
JP Morgan Chase & Co	NO	2.50%		$0	2.50%	$0
Robert W Baird & Co	NO	2.50%		$0	2.50%	$0
Blaylock Van LLC	**BA**	2.50%		$0	2.50%	$0

Bank of America	NO	2.50%		$0	2.50%	$0
FHN Financial Capital Markets	NO	2.50%		$0	2.50%	$0
Frost Bank	NO	2.50%		$0	2.50%	$0
Jefferies LLC	NO	2.50%		$0	2.50%	$0
Siebert Williams Shank & Co LLC	**BA**	2.50%		$0	2.50%	$0
Loop Capital Markets LLC	**BA**	2.50%		$0	2.50%	$0
Morgan Stanley	NO	2.50%		$0	2.50%	$0
Piper Sandler & Co	NO	2.50%		$0	2.50%	$0
PNC Capital Markets LLC	NO	2.50%		$0	2.50%	$0
Ramirez & Co Inc	**HA**	2.50%		$0	2.50%	$0
Raymond James & Associates Inc	NO	2.50%		$0	2.50%	$0
Hilltop Securities Inc	NO	2.50%		$0	2.50%	$0
		Total		**$0**	**100%**	**$0**

Issuer **Texas Transportation Commission**

Issuance CTTS First Tier Revenue Refunding Put Bonds Series 2024B

Purpose The 2024B Bonds, as well as certain funds contributed to the transaction by the Commission, will be used to (1) refund some of the Series 2012A bonds (2) refund/remarket all of the Series 2020B Put Bonds (3) pay costs of issuance.

Actual Par $225,000,000
Sale Type Negotiated
Sale Date 7/23/2024
Closing Date 8/7/2024

Series Name	TIC	NIC	Is Variable
CTTS First Tier Rev Ref Put Bonds Ser 2024B	3.46%		Yes

Fee Name	Firm Name	HUB	Actual Fee	$ Per 1000
Attorney General		NO	$3,925	0.02
Bond Counsel	McCall Parkhurst & Horton LLP	NO	$139,411	0.62
CUSIP		NO	$309	0.00
Disclosure Counsel	Bracewell LLP	NO	$93,926	0.42
Escrow Verification	AMTEC Corp	NO	$262	0.00
Financial Advisor	Estrada Hinojosa & Co Inc	**HA**	$39,222	0.17
Miscellaneous		NO	$2,500	0.01
Miscellaneous		NO	$6,756	0.03
Miscellaneous	Depository Trust Company	NO	$425	0.00
Miscellaneous	Ipreo LLC	NO	$51	0.00
Miscellaneous	Ipreo LLC	NO	$800	0.00
Miscellaneous	Ipreo LLC	NO	$7,717	0.03
Printing	ImageMaster LLC	NO	$686	0.00
Trustee	Bank of New York Mellon Trust Co	NO	$2,100	0.01
Trustee Counsel	McGuire Craddock & Strother PC	NO	$6,198	0.03
	Total		**$304,288**	**1.35**

Fee Name	Rating Agency	Assigned Rating	Actual Fee	$ Per 1000
Rating Fee	Fitch	A+	$27,545	0.12
Rating Fee	S&P	A	$25,341	0.11
		Total	**$52,886**	**0.24**

Fee Name	Actual Fee	$ Per 1000
Takedown	$562,500	2.50
Total	**$562,500**	**2.50**

Fee Name	Firm Name	HUB	Actual Fee	$ Per 1000	UW Paid
Underwriter Counsel		NO	$27,545	0.12	Yes

Firm Name	HUB	% of Risk	Mgmt Fee %	Mgmt Fee $	Take Down %	Take Down $
Morgan Stanley	NO	100.00%		$0	100.00%	$0
		Total		**$0**	**100%**	**$0**

Issuer **Texas Transportation Commission**

Issuance CTTS Second Tier Revenue Refunding Bonds Series 2024C

Purpose The 2024C Bonds, as well as certain funds contributed to the transaction by the Commission, will be used to (1) refund some of the Series 2015C bonds (2) pay costs of issuance.

Actual Par $1,022,495,000
Sale Type Negotiated
Sale Date 7/23/2024
Closing Date 8/7/2024

Series Name	TIC	NIC	Is Variable
CTTS Second Tier Rev Ref Bonds Ser 2024C	3.77%		No

Fee Name	Firm Name	HUB	Actual Fee	$ Per 1000
Attorney General		NO	$17,837	0.02
Bond Counsel	McCall Parkhurst & Horton LLP	NO	$633,541	0.62
CUSIP		NO	$1,009	0.00
Disclosure Counsel	Bracewell LLP	NO	$426,841	0.42
Escrow Verification	AMTEC Corp	NO	$1,189	0.00
Financial Advisor	Estrada Hinojosa & Co Inc	**HA**	$178,241	0.17
Miscellaneous		NO	$3,629	0.00
Miscellaneous	Depository Trust Company	NO	$1,415	0.00
Miscellaneous	Ipreo LLC	NO	$95,379	0.09
Printing	ImageMaster LLC	NO	$3,118	0.00
Trustee	Bank of New York Mellon Trust Co	NO	$9,545	0.01
Trustee Counsel	McGuire Craddock & Strother PC	NO	$28,164	0.03
	Total		**$1,399,910**	**1.37**

Fee Name	Rating Agency	Assigned Rating	Actual Fee	$ Per 1000
Rating Fee	Fitch	A-	$125,175	0.12
Rating Fee	S&P	A-	$115,161	0.11
		Total	**$240,336**	**0.24**

Fee Name	Actual Fee	$ Per 1000
Takedown	$4,040,046	3.95
Total	**$4,040,046**	**3.95**

Fee Name	Firm Name	HUB	Actual Fee	$ Per 1000	UW Paid
Underwriter Counsel		NO	$125,175	0.12	Yes

Firm Name	HUB	% of Risk	Mgmt Fee %	Mgmt Fee $	Take Down %	Take Down $
Wells Fargo Bank	NO	37.50%		$0	37.50%	$1,515,017
RBC Capital Markets LLC	NO	25.00%		$0	25.00%	$1,010,012
JP Morgan Chase & Co	NO	2.50%		$0	2.50%	$101,001
Robert W Baird & Co	NO	2.50%		$0	2.50%	$101,001
Blaylock Van LLC	**BA**	2.50%		$0	2.50%	$101,001
Bank of America	NO	2.50%		$0	2.50%	$101,001

FHN Financial Capital Markets	NO	2.50%		$0	2.50%	$101,001
Frost Bank	NO	2.50%		$0	2.50%	$101,001
Jefferies LLC	NO	2.50%		$0	2.50%	$101,001
Siebert Williams Shank & Co LLC	**BA**	2.50%		$0	2.50%	$101,001
Loop Capital Markets LLC	**BA**	2.50%		$0	2.50%	$101,001
Morgan Stanley	NO	2.50%		$0	2.50%	$101,001
Piper Sandler & Co	NO	2.50%		$0	2.50%	$101,001
PNC Capital Markets LLC	NO	2.50%		$0	2.50%	$101,001
Ramirez & Co Inc	**HA**	2.50%		$0	2.50%	$101,001
Raymond James & Associates Inc	NO	2.50%		$0	2.50%	$101,001
Hilltop Securities Inc	NO	2.50%		$0	2.50%	$101,001
		Total		**$0**	**100%**	**$4,040,046**

Issuer **Texas Transportation Commission Private Activity Bond Surface Transportation Corporation**

Issuance Senior Lien Revenue Refunding Bonds (NTE Mobility Partners Segments 3 LLC) Series 2023

Purpose The Company was formed for the purpose of designing, constructing, financing, operating, and maintaining portions of the I35W corridor in Tarrant County Texas within the Dallas Fort Worth region pursuant to the Facility Agreement Currently the Company operates maintains and collects tolls from; two Managed Lanes in the Segment 3A Facility Segment; two Managed Lanes in the Segment 3B Facility Segment; two Managed Lanes on I35W in each direction in the Segment 3C Facility Segment. All the Company revenues and operating income are derived from the operation of the Managed Lanes.

Actual Par $265,850,000
Sale Type Negotiated
Sale Date 11/7/2023
Closing Date 11/20/2023

Series Name	TIC	NIC	Is Variable
Senior Lien Rev Ref Bonds (NTE Mobility Partners Segments 3 LLC) Ser 2023	5.14%	5.22%	No

Fee Name	Firm Name	HUB	Actual Fee	$ Per 1000
Attorney General		NO	$9,500	0.04
Bond Counsel	McCall Parkhurst & Horton LLP	NO	$292,116	1.10
Escrow Agent	Bingham Arbitrage Rebate Services Inc	NO	$1,800	0.01
Financial Advisor	Estrada Hinojosa & Co Inc	**HA**	$51,894	0.20
Printing	ImageMaster LLC	NO	$6,675	0.03
Trustee Counsel	Holland & Knight LLC	NO	$25,000	0.09
	Total		**$386,985**	**1.46**

Fee Name	Rating Agency	Assigned Rating	Actual Fee	$ Per 1000
Rating Fee	Fitch	BBB+	$200,000	0.75
Rating Fee	Moodys	Baa1	$229,960	0.87
		Total	**$429,960**	**1.62**

Fee Name	Actual Fee	$ Per 1000
Spread Expenses	$301,437	1.13
Takedown	$1,329,250	5.00
Total	**$1,630,687**	**6.13**

Fee Name	Firm Name	HUB	Actual Fee	$ Per 1000	UW Paid
Underwriter Counsel	Nixon Peabody LLP	NO	$250,000	0.94	Yes

Firm Name	HUB	% of Risk	Mgmt Fee %	Mgmt Fee $	Take Down %	Take Down $
RBC Capital Markets LLC	NO	37.50%	37.50%	$498,469		
Barclays Capital Inc	NO	37.50%	37.50%	$498,469		
Bank of America	NO	20.00%	20.00%	$265,850		
SMBC Nikko Securities America Inc	NO	5.00%	5.00%	$66,463		
		Total	**100%**	**$1,329,251**		

Issuer **Texas Transportation Commission**

Issuance State Highway Fund First Tier Revenue Refunding Bonds Series 2024

Purpose The Bonds are being issued to refund the Refunded Obligations to achieve debt service savings, and to pay the costs of issuing the Bonds, as more fully described herein.

Actual Par $346,820,000
Sale Type Negotiated
Sale Date 2/27/2024
Closing Date 3/20/2024

Series Name	TIC	NIC	Is Variable
State Highway Fund First Tier Rev Ref Bonds Ser 2024	2.69%	2.95%	No

Fee Name	Firm Name	HUB	Actual Fee	$ Per 1000
Attorney General		NO	$9,500	0.03
Bond Counsel	Orrick Herrington & Sutcliffe LLP	NO	$80,000	0.23
Disclosure Counsel	Bracewell LLP	NO	$60,000	0.17
Escrow Agent	UMB Bank NA	NO	$250	0.00
Escrow Verification	Arbitrage Group Inc	NO	$1,000	0.00
Financial Advisor	Estrada Hinojosa & Co Inc	**HA**	$127,474	0.37
Miscellaneous	US Bank	NO	$600	0.00
Paying Agent/Registrar	UMB Bank NA	NO	$350	0.00
Printing	ImageMaster LLC	NO	$2,619	0.01
		Total	**$281,793**	**0.81**

Fee Name	Rating Agency	Assigned Rating	Actual Fee	$ Per 1000
Rating Fee	Moodys	Aaa	$55,600	0.16
Rating Fee	S&P	AAA	$43,752	0.13
		Total	**$99,352**	**0.29**

Fee Name	Actual Fee	$ Per 1000
Spread Expenses	$111,770	0.32
Takedown	$1,156,800	3.34
Total	**$1,268,570**	**3.66**

Fee Name	Firm Name	HUB	Actual Fee	$ Per 1000	UW Paid
Co-Underwriters Counsel	Kassahn & Ortiz PC	**WO**	$15,000	0.04	Yes
Underwriter Counsel	Greenberg Traurig LLP	NO	$35,000	0.10	Yes

Firm Name	HUB	% of Risk	Mgmt Fee %	Mgmt Fee $	Take Down %	Take Down $
Ramirez & Co Inc	**HA**	40.00%			31.34%	$362,595
Undisclosed	NO				21.63%	$250,313
Raymond James Financial Inc	NO	20.00%			15.67%	$181,298
Loop Capital Markets LLC	**BA**	10.00%			7.83%	$90,649
Frost Bank	NO	10.00%			7.83%	$90,649
Blaylock Van LLC	**BA**	10.00%			7.83%	$90,649
Robert W Baird & Co	NO	10.00%			7.83%	$90,649

Total			**100%**	**$1,156,800**

Issuer **Texas Transportation Commission**

Issuance State of Texas Highway Improvement General Obligation Refunding Bonds Series 2024

Purpose The Series 2024 Bonds are issued for three purposes: refunding certain Previously Issued Bonds of the Commission to achieve debt service savings, paying the purchase price of certain Previously Issued Bonds that have been tendered for purchase by the Commission pursuant to the Invitation to achieve debt service savings, and covering the costs of issuing the Series 2024 Bonds and the Invitation.

Actual Par $696,245,000
Sale Type Negotiated
Sale Date 3/6/2024
Closing Date 3/28/2024

Series Name	TIC	NIC	Is Variable
State of Texas Highway Impr GO Ref Bonds Ser 2024	3.14%	3.43%	No

Fee Name	Firm Name	HUB	Actual Fee	$ Per 1000
Attorney General		NO	$9,500	0.01
Bond Counsel	McCall Parkhurst & Horton LLP	NO	$190,249	0.27
Contingency		NO	$25,743	0.04
Contingency	US Bank	NO	$600	0.00
Disclosure Counsel	Orrick Herrington & Sutcliffe LLP	NO	$69,625	0.10
Escrow Agent	UMB Bank NA	NO	$250	0.00
Escrow Verification	Arbitrage Group Inc	NO	$2,000	0.00
Financial Advisor	Estrada Hinojosa & Co Inc	**HA**	$177,698	0.26
Miscellaneous	Jefferies Financial Group	NO	$664,260	0.95
Paying Agent/Registrar	UMB Bank NA	NO	$350	0.00
Printing	ImageMaster LLC	NO	$2,182	0.00
		Total	**$1,142,456**	**1.64**

Fee Name	Rating Agency	Assigned Rating	Actual Fee	$ Per 1000
Rating Fee	Kroll	AAA	$75,000	0.11
Rating Fee	Moodys	Aaa	$86,500	0.12
Rating Fee	S&P	AAA	$78,000	0.11
		Total	**$239,500**	**0.34**

Fee Name	Actual Fee	$ Per 1000
Spread Expenses	$91,392	0.13
Takedown	$2,204,613	3.17
Total	**$2,296,004**	**3.30**

Fee Name	Firm Name	HUB	Actual Fee	$ Per 1000	UW Paid
Underwriter Counsel	Bracewell LLP	NO	$48,737	0.07	Yes
Underwriter Counsel	Kassahn & Ortiz PC	**WO**	$20,887	0.03	Yes

Firm Name	HUB	% of Risk	Mgmt Fee %	Mgmt Fee $	Take Down %	Take Down $
Morgan Stanley	NO	30.00%			30.00%	$661,384
Jefferies Financial Group	NO	30.00%			30.00%	$661,384
Stifel Financial Corp	NO	10.00%			10.00%	$220,461

Stern Brothers & Co	**WO**	10.00%			10.00%	$220,461
Siebert Williams Shank & Co LLC	**BA**	10.00%			10.00%	$220,461
FHN Financial Capital Markets	NO	10.00%			10.00%	$220,461
		Total			**100%**	**$2,204,613**

Issuer **Texas Veterans Land Board**

Issuance Veterans Bonds Taxable Refunding Series 2024A

Purpose The proceeds of the Bonds, together with other funds of the Veterans' Land Board of the State of Texas will be used to refund a portion of the currently outstanding State of Texas Veterans Bonds, Series 2017 and Series 2021.

Actual Par $135,000,000
Sale Type Negotiated
Sale Date 8/28/2024
Closing Date 8/29/2024

Series Name	TIC	NIC	Is Variable
Veterans Bonds Taxable Ref Series 2024A			Yes

Fee Name	Firm Name	HUB	Actual Fee	$ Per 1000
Attorney General		NO	$9,500	0.07
Bond Counsel	Bracewell LLP	NO	$150,000	1.11
Financial Advisor	Stifel Financial Corp	NO	$125,000	0.93
Liquidity Provider Counsel	Squire Patton Boggs LLP	NO	$13,200	0.10
Printing	Financial Printing Resources Inc	NO	$250	0.00
	Total		**$297,950**	**2.21**

Fee Name	Rating Agency	Assigned Rating	Actual Fee	$ Per 1000
Rating Fee	Moodys	Aaa	$28,000	0.21
		Total	**$28,000**	**0.21**

Fee Name	Actual Fee	$ Per 1000
Spread Expenses	$18,000	0.13
Structuring Fee	$95,000	0.70
Total	**$113,000**	**0.84**

Fee Name	Firm Name	HUB	Actual Fee	$ Per 1000	UW Paid
Underwriter Counsel	Norton Rose Fulbright US LLP	NO	$30,000	0.22	Yes

Firm Name	HUB	% of Risk	Mgmt Fee %	Mgmt Fee $	Take Down %	Take Down $
Jefferies Financial Group	NO	100.00%				
		Total				

Issuer **Texas Water Development Board**

Issuance State Water Implementation Revenue Fund for Texas Revenue Bonds Series 2023A (Master Trust)

Purpose The proceeds from the sale of the Series 2023 Bonds will be used to provide funds to finance projects to implement the State Water Plan, as defined herein, through the purchase or entering into of bonds, notes, agreements or other evidences of indebtedness

Actual Par $1,007,490,000
Sale Type Negotiated
Sale Date 9/27/2023
Closing Date 10/12/2023

Series Name	TIC	NIC	Is Variable
SWIRFT Fund For Texas Rev Bonds Ser 2023A (Master Trust)	4.67%	4.79%	No

Fee Name	Firm Name	HUB	Actual Fee	$ Per 1000
Attorney General		NO	$9,500	0.01
Bond Counsel	McCall Parkhurst & Horton LLP	NO	$180,092	0.18
Disclosure Counsel	Bracewell LLP	NO	$49,749	0.05
Financial Advisor	Hilltop Securities Inc	NO	$265,339	0.26
Miscellaneous	BondLink Inc	NO	$39,180	0.04
Printing	Hilltop Securities Inc	NO	$7,426	0.01
Printing	ImageMaster LLC	NO	$4,873	0.00
Travel		NO	$12,137	0.01
Trustee	Bank of New York Mellon Trust Co	NO	$84,029	0.08
		Total	**$652,325**	**0.65**

Fee Name	Rating Agency	Assigned Rating	Actual Fee	$ Per 1000
Rating Fee	Fitch	AAA	$104,473	0.10
Rating Fee	S&P	AAA	$145,889	0.14
		Total	**$250,363**	**0.25**

Fee Name	Actual Fee	$ Per 1000
Spread Expenses	$169,322	0.17
Takedown	$2,917,919	2.90
Total	**$3,087,241**	**3.06**

Fee Name	Firm Name	HUB	Actual Fee	$ Per 1000	UW Paid
Underwriter Counsel	Orrick Herrington & Sutcliffe LLP	NO	$64,674	0.06	Yes

Firm Name	HUB	% of Risk	Mgmt Fee %	Mgmt Fee $	Take Down %	Take Down $
Wells Fargo Bank	NO	50.00%			49.68%	$1,449,809
Morgan Stanley	NO	5.00%			6.59%	$192,343
Jefferies Financial Group	NO	5.00%			6.36%	$185,752
Piper Sandler & Co	NO	5.00%			4.96%	$144,920
Siebert Williams Shank & Co LLC	**BA**	5.00%			4.92%	$143,665
Raymond James Financial Inc	NO	5.00%			4.87%	$142,125
Stifel Financial Corp	NO	5.00%			4.77%	$139,277

Mesirow Financial Holdings Inc	NO	5.00%			4.54%	$132,480
Ramirez & Co Inc	**HA**	5.00%			4.49%	$131,233
BOKF NA	NO	5.00%			4.40%	$128,573
Frost Bank	NO	5.00%			4.37%	$127,742
		Total			**100%**	**$2,917,919**

Issuer **Texas Water Development Board**

Issuance State Water Implementation Revenue Fund for Texas Revenue Bonds Taxable Series 2023B (Master Trust)

Purpose The proceeds from the sale of the Series 2023 Bonds will be used to provide funds to finance projects to implement the State Water Plan, as defined herein, through the purchase or entering into of bonds, notes, agreements or other evidences of indebtedness

Actual Par $5,080,000
Sale Type Negotiated
Sale Date 9/27/2023
Closing Date 10/12/2023

Series Name	TIC	NIC	Is Variable
SWIRFT Rev Bonds Txbl Ser 2023B (Master Trust)	5.85%	5.87%	No

Fee Name	Firm Name	HUB	Actual Fee	$ Per 1000
Attorney General		NO	$5,080	1.00
Bond Counsel	McCall Parkhurst & Horton LLP	NO	$908	0.18
Disclosure Counsel	Bracewell LLP	NO	$251	0.05
Financial Advisor	Hilltop Securities Inc	NO	$1,338	0.26
Miscellaneous	BondLink Inc	NO	$198	0.04
Printing	Hilltop Securities Inc	NO	$38	0.01
Printing	ImageMaster LLC	NO	$25	0.00
Trustee	Bank of New York Mellon Trust Co	NO	$11,233	2.21
	Total		**$19,070**	**3.75**

Fee Name	Rating Agency	Assigned Rating	Actual Fee	$ Per 1000
Rating Fee	Fitch	AAA	$527	0.10
Rating Fee	S&P	AAA	$736	0.14
		Total	**$1,262**	**0.25**

Fee Name	Actual Fee	$ Per 1000
Spread Expenses	$1,854	0.37
Takedown	$14,630	2.88
Total	**$16,484**	**3.24**

Fee Name	Firm Name	HUB	Actual Fee	$ Per 1000	UW Paid
Underwriter Counsel	Orrick Herrington & Sutcliffe LLP	NO	$326	0.06	Yes

Firm Name	HUB	% of Risk	Mgmt Fee %	Mgmt Fee $	Take Down %	Take Down $
Wells Fargo Bank	NO	50.00%			46.40%	$6,788
Frost Bank	NO	5.00%			9.28%	$1,358
Raymond James Financial Inc	NO	5.00%			7.17%	$1,050
Stifel Financial Corp	NO	5.00%			4.72%	$691
Siebert Williams Shank & Co LLC	**BA**	5.00%			4.71%	$690
Ramirez & Co Inc	**HA**	5.00%			4.71%	$690
Piper Sandler & Co	NO	5.00%			4.71%	$690
Mesirow Financial Holdings Inc	NO	5.00%			4.71%	$690

Jefferies Financial Group	NO	5.00%			4.71%	$690
BOKF NA	NO	5.00%			4.71%	$690
Morgan Stanley	NO	5.00%			4.12%	$603
		Total			**100%**	**$14,628**

Issuer **University of Texas System**

Issuance Permanent University Fund Bonds Series 2024A

Purpose Proceeds from the sale of the Bonds will be used for the purpose of refunding portions of the Board's outstanding Permanent University Fund Bonds, Series 2014B and Permanent University Fund Refunding Bonds, Series 2015A as well as refunding outstanding tax-exempt CP notes in the amounts of $336,300,000.

Actual Par $412,570,000
Sale Type Negotiated
Sale Date 2/21/2024
Closing Date 4/2/2024

Series Name	TIC	NIC	Is Variable
PUF Bonds Ser 2024A	3.43%	3.69%	No

Fee Name	Firm Name	HUB	Actual Fee	$ Per 1000
Attorney General		NO	$9,500	0.02
Bond Counsel	Bracewell LLP	NO	$100,000	0.24
Escrow Agent	US Bank	NO	$500	0.00
Escrow Verification	US Bank	NO	$2,250	0.01
Paying Agent/Registrar	US Bank	NO	$3,500	0.01
Printing	McElwee & Quinn LLC	**WO**	$150	0.00
		Total	**$115,900**	**0.28**

Fee Name	Rating Agency	Assigned Rating	Actual Fee	$ Per 1000
	Fitch	AAA		
Rating Fee	Moodys	Aaa	$83,600	0.20
Rating Fee	S&P	AAA	$80,500	0.20
		Total	**$164,100**	**0.40**

Fee Name	Actual Fee	$ Per 1000
Spread Expenses	$87,243	0.21
Takedown	$1,066,426	2.58
Total	**$1,153,668**	**2.80**

Fee Name	Firm Name	HUB	Actual Fee	$ Per 1000	UW Paid
Co-Underwriters Counsel	Kassahn & Ortiz PC	**WO**	$12,500	0.03	Yes
Underwriter Counsel	Orrick Herrington & Sutcliffe LLP	NO	$37,500	0.09	Yes

Firm Name	HUB	% of Risk	Mgmt Fee %	Mgmt Fee $	Take Down %	Take Down $
Wells Fargo Bank	NO	60.00%			53.48%	$570,305
JP Morgan Chase & Co	NO	28.00%			11.86%	$126,448
Truist Bank	NO	2.00%			7.28%	$77,643
Siebert Williams Shank & Co LLC	**WO**	2.00%			7.02%	$74,879
Piper Sandler & Co	NO	2.00%			6.22%	$66,342
Ramirez & Co Inc	**HA**	2.00%			5.36%	$57,143
PNC Capital Markets LLC	NO	2.00%			4.51%	$48,087
Frost Bank	NO	2.00%			4.27%	$45,578

Total			**100%**	**$1,066,426**

Issuer **University of Texas System**

Issuance Permanent University Fund Bonds Series 2024B

Purpose The Bonds are being issued for the purpose of refunding a portion of the Board's Permanent University Fund Commercial Paper Notes, Series A ($150,000,000), refunding of the Board's PUF Bonds, Series 2008A.

Actual Par $413,230,000
Sale Type Negotiated
Sale Date 5/16/2024
Closing Date 6/5/2024

Series Name	TIC	NIC	Is Variable
PUF Bonds Ser 2024B	3.44%	3.75%	No

Fee Name	Firm Name	HUB	Actual Fee	$ Per 1000
Attorney General	Bracewell LLP	NO	$9,500	0.02
Bond Counsel	Bracewell LLP	NO	$100,000	0.24
Escrow Agent	US Bank	NO	$500	0.00
Escrow Verification	Causey Demgen & Moore PC	NO	$2,000	0.00
Miscellaneous	Arizent	NO	$2,000	0.00
Paying Agent/Registrar	US Bank	NO	$4,000	0.01
Printing	McElwee & Quinn LLC	**WO**	$150	0.00
		Total	**$118,150**	**0.29**

Fee Name	Rating Agency	Assigned Rating	Actual Fee	$ Per 1000
Rating Fee	Fitch	AAA	$41,902	0.10
Rating Fee	Moodys	Aaa	$83,600	0.20
Rating Fee	S&P	AAA	$80,786	0.20
		Total	**$206,288**	**0.50**

Fee Name	Actual Fee	$ Per 1000
Takedown	$739,413	1.79
Total	**$739,413**	**1.79**

Fee Name	Firm Name	HUB	Actual Fee	$ Per 1000	UW Paid
Co-Underwriters Counsel	Kassahn & Ortiz PC	**HA**	$12,500	0.03	Yes
Underwriter Counsel	Orrick Herrington & Sutcliffe LLP	NO	$41,000	0.10	Yes

Firm Name	HUB	% of Risk	Mgmt Fee %	Mgmt Fee $	Take Down %	Take Down $
Bank of America	NO	60.00%			55.00%	$406,677
Jefferies Financial Group	NO	28.00%			12.53%	$92,654
Siebert Williams Shank & Co LLC	**BA**	2.00%			8.27%	$61,124
Ramirez & Co Inc	**HA**	2.00%			7.97%	$58,928
Mesirow Financial Holdings Inc	NO	2.00%			6.82%	$50,457
Blaylock Van LLC	NO	2.00%			3.57%	$26,424
Cabrera Capital Markets LLC	**HA**	2.00%			3.22%	$23,838
Frost Bank	NO	2.00%			2.61%	$19,310
		Total			**100%**	**$739,413**

Issuer University of Texas System

Issuance Revenue Financing System Bonds Series 2024A

Purpose The Bonds are being issued for the purpose of refunding a portion of the Board's Revenue Financing System Commercial Paper Notes, Series A ($294,653,000), refunding certain long-term Parity Debt for savings, and paying the costs of issuance of the bonds.

Actual Par $801,735,000
Sale Type Negotiated
Sale Date 4/16/2024
Closing Date 5/21/2024

Series Name	TIC	NIC	Is Variable
RFS Bonds Ser 2024A	3.52%	3.78%	No

Fee Name	Firm Name	HUB	Actual Fee	$ Per 1000
Attorney General	McCall Parkhurst & Horton LLP	NO	$9,500	0.01
Bond Counsel	McCall Parkhurst & Horton LLP	NO	$302,287	0.38
Disclosure Counsel	McCall Parkhurst & Horton LLP	NO	$35,000	0.04
Escrow Agent	US Bank	NO	$500	0.00
Escrow Verification	Causey Demgen & Moore PC	NO	$2,250	0.00
Miscellaneous	Arizent	NO	$2,000	0.00
Paying Agent/Registrar	US Bank	NO	$4,000	0.01
Printing	McElwee & Quinn LLC	**WO**	$150	0.00
		Total	**$355,687**	**0.44**

Fee Name	Rating Agency	Assigned Rating	Actual Fee	$ Per 1000
	Fitch	AAA		
Rating Fee	Moodys	Aaa	$96,250	0.12
Rating Fee	S&P	AAA	$120,000	0.15
		Total	**$216,250**	**0.27**

Fee Name	Actual Fee	$ Per 1000
Takedown	$2,064,765	2.58
Total	**$2,064,765**	**2.58**

Fee Name	Firm Name	HUB	Actual Fee	$ Per 1000	UW Paid
Co-Underwriters Counsel	Kassahn & Ortiz PC	**HA**	$12,500	0.02	Yes
Underwriter Counsel	Orrick Herrington & Sutcliffe LLP	NO	$41,000	0.05	Yes

Firm Name	HUB	% of Risk	Mgmt Fee %	Mgmt Fee $	Take Down %	Take Down $
JP Morgan Chase & Co	NO	60.00%			54.94%	$1,134,383
Morgan Stanley	NO	28.00%			15.35%	$316,847
Raymond James Financial Inc	NO	2.00%			7.95%	$164,050
Stifel Financial Corp	NO	2.00%			5.53%	$114,116
Loop Capital Markets LLC	**BA**	2.00%			4.73%	$97,713
Hilltop Securities Inc	NO	2.00%			4.52%	$93,263
FHN Financial Capital Markets	NO	2.00%			3.63%	$74,913

Academy Securities	NO	2.00%			3.37%	$69,481
		Total			**100%**	**$2,064,765**

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, 2024, a total of $6.69 billion was authorized for state commercial paper or variable-rate note programs. Of this amount, $2.99 billion was outstanding as of the end of fiscal year 2024 (*Table B1*), approximately $25.7 million more than the amount outstanding at fiscal year-end 2023.

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, 2024)

ISSUER	TYPE OF PROGRAM	AMOUNT AUTHORIZED	AMOUNT ISSUED in FY 2024 as of 8/31/2024	AMOUNT OUTSTANDING
Texas Public Finance Authority				
Revenue	Commercial Paper - 2016A	1,242,855,581	1,200,000	-
	Commercial Paper - 2016B		93,100,000	123,100,000
Revenue	Commercial Paper - 2019A	300,000,000	100,000,000	174,265,000
	Commercial Paper - 2019B		-	-
General Obligation - Cancer	Commercial Paper - Series A	450,000,000	92,800,000	-
and Research Institute of Texas *	Commercial Paper - Series B		-	-
Texas State University System				
Revenue Financing System	Commercial Paper	350,000,000	45,131,000	14,248,000
Texas Tech University System				
Revenue Financing System	Commercial Paper	150,000,000	59,970,000	104,814,000
The Texas A&M University System				
Revenue Financing System	Commercial Paper	300,000,000	325,000,000	220,424,000
Permanent University Fund	Commercial Paper	125,000,000	145,000,000	60,000,000
The University of Texas System				
Permanent University Fund	Commercial Paper - Series A	1,250,000,000	250,000,000	709,000,000
Permanent University Fund	Commercial Paper - Series B		-	140,000,000
Revenue Financing System (1)	Commercial Paper - Series A	1,750,000,000	524,206,470	1,102,060,000
Revenue Financing System (1)	Commercial Paper - Series B		91,000,000	208,000,000
Revenue Financing System (1)	Commercial Paper - Series C	500,000,000	-	-
University of Houston System				
Revenue Financing System	Commercial Paper - Series A-1	125,000,000	8,450,000	8,450,000
Revenue Financing System	Commercial Paper - Series A-2		46,466,000	46,466,000
University of North Texas System				
Revenue Financing System	Commercial Paper - Series A	75,000,000	-	47,485,000
Revenue Financing System	Commercial Paper - Series B	75,000,000	49,886,000	36,483,000
Total		**$6,692,855,581**	**$1,832,209,470**	**$2,994,795,000**

* Outstanding commercial paper Series A refunded on November 15, 2023, by General Obligation & Refunding Bonds, Series 2023A.

(1) Amounts issued and oustanding include CCAP of $274,206,470 and $393,060,000 for Series A and $91,000,000 and $68,000,000 for Series B.

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 commercial paper to provide interim financing for capital projects, including deferred maintenance 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. Additionally, this program will be used to fund $143.0 million for the Department of Motor Vehicles Camp Hubbard Renewal Project authorized by the 88th Legislature.

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 February 22, 2024, Texas State University System adopted the Twenty-Ninth Supplemental Resolution to the Master Resolution authorizing the issuance, sale, and delivery of Board of Regents, Texas State University System Revenue Financing System revenue bonds, in one or more series; and approving and authorizing instruments and procedures relating thereto increasing the maximum authority to $350 million from the previous not to exceed amount of $240 million.

Texas Tech University System
In November 1997, the Board of Regents of the 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. During fiscal year 2023, the UT System's increased the aggregate amount of Series A and Series B outstanding RFS commercial paper notes to $1.75 billion from the previous not to exceed amount of $1.25 billion. During fiscal year 2024, the UT Systems's added a Series C with an aggregate amount of outstanding RFS commercial paper of $500.0 million.

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. In August 2023, the UNT System increased the Series A maximum authorization to $75 million.

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 to diversify their debt portfolio and to take advantage of lower short-term interest rates, as available.

The Texas 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 2024, the Comptroller of Public Accounts provided daily liquidity commitments totaling $735.7 million out of a total of $1.22 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.

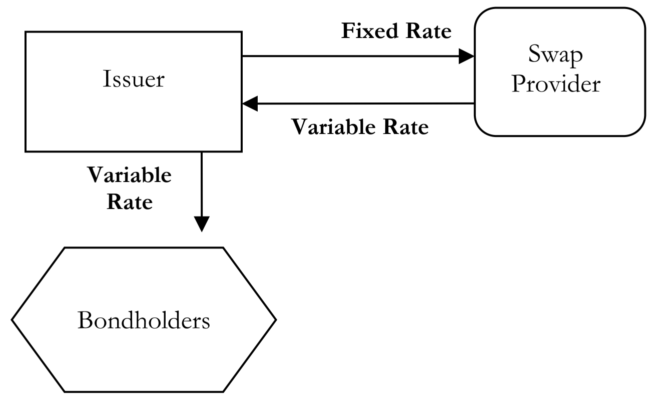
Swaps Used by State Issuers

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, 2024, pay-fixed, receive-variable swaps comprised approximately 84.6 percent ($3.44 billion) of the state's $4.06 billion in total notional amount of swaps outstanding. The balance was for basis swaps and pay-variable, receive-fixed swaps. See *Table C1* for the total number of swaps outstanding by issuer at August 31, 2024.

<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 next.

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).

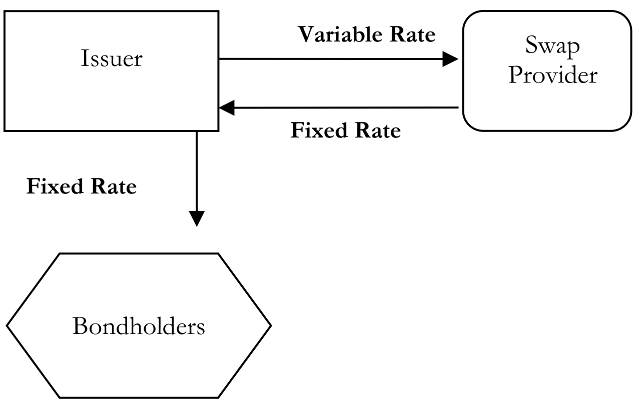
The variable rates received under most of the state's pay-fixed, receive-variable interest rate swaps were based on the London Interbank Offered Rates (LIBOR) taxable rate index. Effective January 2022, LIBOR is no longer used to issue new loans in the U.S. It was replaced by the Secured Overnight Financing Rate (SOFR). As of June 30, 2023, LIBOR is no longer published.

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).

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



As of August 31, 2024, one synthetic floating-rate swap contract for The University of Texas System (UTS) in the amount of $128.2 million was entered into with an effective date of September 1, 2023.

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, 2024, basis swaps comprised approximately 12.3 percent ($498.1 million) of the state's total notional amount of swaps outstanding.

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 Veterans Land Board (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 because 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 will 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 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 because 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 year, there was an increase in the overall net fair value among Texas swaps. However, there remains individual swaps with negative fair values.

If a swap has a negative fair value, the Texas swap issuer will 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 will 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, 2024.)

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 VLB's swaps contain a periodic barrier knock-out provision that provides for the board to be "knocked out" of the swaps by the respective counterparties upon the breach of certain predetermined barriers. In each of these cases, the board was paid an up-front option premium by the respective counterparties. In the remainder of the swaps with embedded barrier knock-out provisions, the knock-out is mandatory and is periodic in nature, with the knock-out period corresponding only to the period during which the respective barrier is breached.

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, 2007, 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, 2024 (Unaudited)

(amounts in thousands)

	Original Notional Amount	Current Notional Amount	Current Fair Value	Total # of Swaps
Veterans Land Board				
Pay-Fixed, Receive-Variable Total	$4,690,225	$2,830,420	$83,659	51
Pay-Variable, Receive-Variable Total (basis swap)	40,000	18,245	136	1
TOTAL VLB	**$4,730,225**	**$2,848,665**	**$83,795**	**52**
Texas Department of Housing and Community Affairs				
Pay-Fixed, Receive-Variable Total	$243,005	$9,395	-$348	2
TOTAL TDHCA	**$243,005**	**$9,395**	**-$348**	**2**
The University of Texas System				
Pay-Fixed, Receive-Variable Total	$935,485	$596,045	$38,229	4
Pay-Variable, Receive-Fixed Total	128,180	128,180	4,954	1
Pay-Variable, Receive-Variable Total (basis swap)	583,570	479,855	23,537	4
TOTAL UTS	**$1,647,235**	**$1,204,080**	**$66,720**	**9**
Totals				
Pay-Fixed, Receive-Variable	$5,868,715	$3,435,860	$121,541	57
Pay-Variable, Receive-Fixed	128,180	128,180	4,954	1
Pay-Variable, Receive-Variable (basis swaps)	623,570	498,100	23,673	5
TOTAL INTEREST RATE SWAPS	**$6,620,465**	**$4,062,140**	**$150,168**	**63**

Source: Texas Bond Review Board - Bond Finance Office.

Table C2

VETERANS LAND BOARD - INTEREST RATE SWAPS

as of August 31, 2024 (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	$13,035	03/22/2001	12/01/2029	4.26%	68% of USD-Fallback-SOFR-1M	A-/A2	-597
Vet Hsg Fund II Bds Ser 2001C-2	25,000	20,460	12/18/2001	12/01/2033	4.37%	68% of USD-Fallback-SOFR-1M	AA-/Aa2	-2,148
Vet Land Bds Ser 2002	20,000	8,955	02/21/2002	12/01/2032	4.14%	68% of USD-Fallback-SOFR-1M	A-/A1	-622
Vet Hsg Fund II Bds Ser 2002A-2	38,300	21,460	07/10/2002	06/01/2033	3.87%	68% of USD-Fallback-SOFR-1M	A+/Aa2	-1,404
Vet Hsg Fund II Bds Ser 2003A	50,000	12,045	03/04/2003	06/01/2034	3.30%	68% of USD-Fallback-SOFR-1M	A+/Aa2	-424
Vet Hsg Fund II Bds Ser 2003B	50,000	12,955	10/22/2003	06/01/2034	3.40%	64.5% of USD-Fallback-SOFR-1M	AA-/Aa2	-516
Vet Hsg Fund II Bds Ser 2004B	50,000	14,905	09/15/2004	12/01/2034	3.68%	68% of USD-Fallback-SOFR-1M	A+/Aa2	-817
Vet Hsg Fund II Bds Ser 2005A	50,000	14,730	02/24/2005	06/01/2035	3.28%	68% of USD-Fallback-SOFR-1M	AA-/Aa2	-551
Vet Hsg Fund II Bds Ser 2006A	50,000	18,055	06/01/2006	12/01/2036	3.52%	68% of USD-Fallback-SOFR-1M	A+/Aa1	-970
Vet Hsg Fund II Bds Ser 2006D	50,000	18,770	09/20/2006	12/01/2036	3.69%	68% of USD-Fallback-SOFR-1M	A+/Aa2	-1,204
Vet Hsg Fund II Bds Ser 2007A	54,160	19,615	02/22/2007	06/01/2037	3.65%	68% of USD-Fallback-SOFR-1M	AA-/Aa2	-1,312
Vet Hsg Fund II Bds Ser 2007B	50,000	19,805	06/26/2007	06/01/2038	3.71%	68% of USD-Fallback-SOFR-1M	A+/Aa2	-1,393
Vet Hsg Fund II Bds Ser 2008A	50,000	20,825	03/26/2008	12/01/2038	3.19%	68% of USD-Fallback-SOFR-1M	A+/Aa1	-847
Vet Hsg Fund II Bds Ser 2008B	50,000	21,905	09/11/2008	12/01/2038	3.23%	68% of USD-Fallback-SOFR-1M	AA-/Aa2	-1,018
Vet Hsg Ser 2010C	74,995	38,330	08/20/2010	12/01/2040	2.31%	68% of USD-Fallback-SOFR-3M	A-/A1	536
Vet Hsg Ser 2011A	74,995	37,685	03/09/2011	06/01/2041	2.68%	68% of USD-SOFR-Compound + 0.1779%	AA-/Aa2	-382
Vet Hsg Ser 2011B	74,995	38,515	08/25/2011	12/01/2041	2.37%	68% of USD-SOFR-Compound + 0.1779%	AA-/Aa2	408
Vet Hsg Ser 2011C	74,995	39,240	12/15/2011	06/01/2042	1.92%	68% of USD-Fallback-SOFR-3M	AA-/Aa2	1,683
Vet Hsg Ser 2012A	74,995	38,470	05/23/2012	12/01/2042	1.69%	68% of USD-Fallback-SOFR-3M	AA-/Aa2	2,221
Vet Hsg Ser 2012B	100,000	49,600	11/01/2012	12/01/2042	1.45%	68% of USD-Fallback-SOFR-3M	AA-/Aa2	3,700
Vet Hsg Ser 2013A	99,995	56,495	03/20/2013	06/01/2043	1.70%	68% of USD-Fallback-SOFR-3M	AA-/Aa2	3,560
Vet Hsg Ser 2013B	149,995	83,800	08/22/2013	12/01/2043	2.15%	68% of USD-Fallback-SOFR-1M	AA-/Aa2	1,574
Vet Hsg Tax Ref Bds Ser 2013C	39,560	10,605	12/01/2006	12/01/2026	5.46%	100% of USD-Fallback-SOFR-1M	A+/Aa2	-242
Vet Hsg Tax Ref Bds Ser 2013C	50,000	24,260	12/01/2007	06/01/2029	4.66%	100% of USD-Fallback-SOFR-1M	A+/Aa2	-951
Vet Hsg Tax Ref Bds Ser 2013C	65,845	33,475	12/01/2009	06/01/2031	5.45%	100% of USD-Fallback-SOFR-6M	A+/Aa2	-1,767
Vet Hsg Ser 2014A	150,000	87,305	03/03/2014	06/01/2044	2.18%	68% of USD-Fallback-SOFR-1M	A+/Aa2	1,444
Vet Hsg Fund I Tax Ref Bds Ser 2014B-1	50,000	2,175	06/01/2004	12/01/2024	5.45%	100% of USD-Fallback-SOFR-6M	A+/Aa2	5
Vet Hsg Fd I / II Tax Ref Bds Ser 2014B-1 & C-2	24,885	4,400	12/01/2005	06/01/2026	5.15%	100% of USD-Fallback-SOFR-1M	A+/Aa2	-37
Vet Land Tax Ref Bds Ser 2014B-3	22,795	5,440	12/01/2005	12/01/2026	6.52%	100% of USD-Fallback-SOFR-6M	A+/Aa2	-16
Vet Hsg Fund I Tax Ref Bds Ser 2014C-1	21,795	14,110	08/01/2012	12/01/2033	3.76%	68% of USD-Fallback-SOFR-1M	A+/Aa1	-1,071
Vet Hsg Fund II Tax Ref Bds Ser 2014C-2	38,570	9,620	06/01/2006	12/01/2026	5.83%	100% of USD-Fallback-SOFR-1M	A+/Aa2	-181
Vet Hsg Fund II Tax Ref Bds Ser 2014C-2	22,325	6,310	06/01/2006	12/01/2027	5.79%	100% of USD-Fallback-SOFR-6M	A+/Aa2	-145
Vet Hsg Fund II Tax Ref Bds Ser 2014C-1 & C-2	66,720	36,445	06/01/2010	12/01/2031	5.40%	100% of USD-Fallback-SOFR-1M	A+/Aa2	-3,000
Vet Hsg Fund II Tax Ref Bds Ser 2014C-1 & C-2	49,995	12,350	12/01/2010	06/01/2032	2.79%	100% of USD-Fallback-SOFR-1M	AA-/Aa2	462
Vet Land Tax Ref Bds Ser 2014C-3	50,000	8,555	06/01/2006	12/01/2027	6.54%	100% of USD-Fallback-SOFR-6M	A+/Aa2	-350
Vet Land Tax Ref Bds Ser 2014C-3	16,480	7,990	12/01/2010	12/01/2030	5.21%	100% of USD-Fallback-SOFR-1M	A+/Aa2	-493
Vet Land Tax Ref Bds Ser 2014C-4	24,755	1,315	12/01/2004	12/01/2024	5.46%	100% of USD-Fallback-SOFR-6M	A-/A1	3
Vet Land Tax Ref Bds Ser 2014C-4	31,030	5,290	06/01/2006	12/01/2026	4.61%	100% of USD-Fallback-SOFR-6M	AA-/Aa2	7
Vet Land Tax Ref Bds Ser 2014C-4	41,050	11,440	12/01/2006	12/01/2027	6.51%	100% of USD-Fallback-SOFR-1M	A+/Aa2	-540
Vet Hsg Ser 2014D	100,000	59,205	09/10/2014	06/01/2045	1.94%	68% of USD-SOFR-Compound + .07785%	AA-/Aa2	2,065
Vet Hsg Ser 2015A	125,000	75,515	02/11/2015	06/01/2045	1.51%	68% of USD-SOFR-Compound + .07785%	AA-/Aa2	5,058
Vet Hsg Ser 2015B	125,000	80,160	07/22/2015	06/01/2046	1.77%	68% of USD-Fallback-SOFR-1M	A+/Aa2	3,996
Vet Hsg Ser 2016	247,370	121,220	12/01/2016	12/01/2046	1.56%	68% of USD-Fallback-SOFR-1M	A+/Aa2	6,254
Vet Hsg Ser 2017 & Tax Ref Ser 2024A	249,690	133,945	08/01/2017	12/01/2047	1.18%	68% of USD-Fallback-SOFR-1M + 0.085%	A+/Aa3	10,807
Vet Hsg Ser 2018	249,730	160,740	04/01/2019	12/01/2049	2.07%	72% of USD-SOFR-Compound + .08240%	AA-/Aa2	4,988
Vet Hsg Ser 2019	249,275	175,365	12/01/2019	06/01/2050	1.85%	65% of USD Fed Funds + 0.24%	A+/Aa3	6,514
Vet Hsg Ser 2020	249,850	187,150	09/01/2020	12/01/2050	1.08%	65% of USD Fed Funds + 0.24%	A+/Aa3	15,796
Vet Hsg Ser 2021 & Tax Ref Ser 2024A	247,990	205,145	12/01/2021	12/01/2051	0.65%	66.5% of USD Fed Funds + 0.18%	A+/A1	22,778
Vet Hsg Ser 2022	248,090	235,440	06/01/2023	06/01/2053	2.01%	65% of USD Fed Funds + 0.24%	AA-/Aa2	6,832
Vet Hsg Ser 2023	250,000	247,575	05/23/2023	06/01/2054	2.65%	65% of USD-SOFR + 0.24%	AA-/Aa2	2,948
Vet Hsg Ser 2023A	250,000	248,220	09/01/2023	12/01/2054	3.61%	100% of USD-SOFR	AA-/Aa2	3,019
Pay-Fixed, Receive-Variable Total	**$4,690,225**	**$2,830,420**						**$83,659**

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	$18,245	08/05/2002	12/01/2032	131.25% of SIFMA	100% of 1M Fallback SOFR	A-/A1	$136
Pay-Variable, Receive-Variable Total	**$40,000**	**$18,245**						**$136**
TOTAL VLB INTEREST RATE SWAPS	**$4,730,225**	**$2,848,665**						**$83,795**

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, 2024 (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	$6,430	08/01/2005	09/01/2036	4.01%	*	A+/Aa2/AA	-$322
TDHCA SF Variable Rate Ref MRB Ser 2007A	143,005	2,965	06/05/2007	09/01/2038	4.01%	*	A+/Aa2/AA	-26
TOTAL TDHCA INTEREST RATE SWAPS	**$243,005**	**$9,395**						**-$348**

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

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, 2024 (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 Bonds, Series 2008B-1	155,000	90,240	03/18/2008	08/01/2036	3.90%	SIFMA	Aa2/A+	-6,679
UT RFS Bonds, Series 2008B-2	375,485	165,565	03/18/2008	08/01/2039	3.61%	SIFMA	Aa2/A+	-8,442
UT RFS Bonds, Series 2008B-3	155,000	90,240	03/18/2008	08/01/2036	3.90%	SIFMA	A1/A-	-6,679
UT RFS Bonds, Series 2016G-1	250,000	250,000	12/01/2016	08/01/2045	2.00%	100% of SOFR + 0.1145%	Aa3/A+	60,029
Pay-Fixed, Receive-Variable Total	**$935,485**	**$596,045**						**$38,229**
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 RFS Bonds, Series 2008B-4	90,270	90,270	08/01/2009	08/01/2039	SIFMA	102.5% of SOFR + 0.26814%	Aa1/AA-	8,943
UT RFS Bonds, Series 2008B-5	92,045	92,045	08/01/2009	08/01/2030	SIFMA	96% of SOFR + 0.251136%	Aa1/AA-	3,467
UT RFS Bonds, Series 2008B-6	117,190	117,190	08/01/2009	08/01/2035	SIFMA	103% of SOFR + 0.269448%	Aa1/AA-	9,285
UT PUF Bonds, Series 2006B	284,065	180,350	01/01/2009	07/01/2035	SIFMA	82.04% of SOFR + 0.0939358%	Aa1/A+	1,842
Pay-Variable, Receive-Variable Total	**$583,570**	**$479,855**						**$23,537**
PAY-VARIABLE, RECEIVE-FIXED (Synthetic Floating Rate) Bond Issue	**Original Notional Amount**	**Current Notional Amount**	**Effective Date**	**Swap Termination Date**	**Variable-Rate Paid**	**Fixed-Rate Received**	**Counterparty Credit Ratings**	**Current Fair Value**
UT PUF Bonds, Series 2023A-1	$128,180	$128,180	9/1/2023	7/1/2033	SIFMA	3.25%	Aa2/A+	$4,954
Pay-Variable, Receive-Fixed Total	**$128,180**	**$128,180**						**$4,954**
TOTAL UTS INTEREST RATE SWAPS	**$1,647,235**	**$1,204,080**						**$66,720**

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, 2024 (Unaudited)

(amounts in thousands)

Texas Department of Housing and Community Affairs

Fiscal Year	Variable-Rate Bonds*		Interest Rate	
Ending 8/31/24	**Principal**	**Interest**	**Swaps, Net**	**Total**
2025	$0	$305	$128	$432
2026	0	282	128	410
2027	0	282	128	410
2028	0	282	128	410
2029	0	281	128	409
2030-2034	0	1,409	639	2,048
2035-2039	9,395	775	39	10,209
2040-2044	0	0	0	0
Total Debt-Service and Net Interest Rate Swap Payments	**$9,395**	**$3,616**	**$1,317**	**$14,328**

*Does not indude multifamily bonds outstanding.

Source: Texas Department of Housing and Community Affairs.

The University of Texas System

Fiscal Year	Bonds and Commerical Paper		Interest Rate	
Ending 8/31/24	**Principal**	**Interest (1)**	**Swaps, Net (2)**	**Total**
2025	22,835	29,894	-6,091	46,638
2026	23,705	29,209	-6,277	46,636
2027	24,605	28,498	-6,471	46,632
2028	25,535	27,760	-6,672	46,623
2029	20,850	26,994	-6,880	40,964
2030-2034	241,420	115,783	-36,524	320,679
2035-2039	115,275	75,550	-40,416	150,409
2040-2044	0	66,375	-42,931	23,444
2045-2049	250,000	13,275	-8,586	254,689
Total Debt-Service and Net Interest Rate Swap Payments	**$724,225**	**$413,337**	**-$160,849**	**$976,713**

(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, 2024.

(2) Reflects net payments on pay-fixed, receive-variable interest rate swaps and receive-fixed, pay-variable interest rate swaps based on interest rates in effect at August 31, 2024, 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 8/31/24	**Principal**	**Interest**	**Swaps, Net**	**Total**
2025	248,685	94,494	-45,614	297,565
2026	244,845	85,649	-42,701	287,792
2027	231,425	76,742	-38,892	269,275
2028	212,195	68,488	-35,307	245,376
2029-2033	853,265	251,743	-130,567	974,441
2034-2038	528,935	133,062	-72,433	589,564
2039-2043	326,895	61,131	-32,761	355,266
2044-2048	133,305	20,775	-10,091	143,989
2049-2053	47,715	4,828	-1,977	50,566
2054-2058	3,155	110	-36	3,229
Total Debt Service and Net Interest Rate Swap Payments	**$2,830,420**	**$797,022**	**-$410,379**	**$3,217,063**

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, 2024 (Unaudited)

(amounts in thousands)

The University of Texas System

Fiscal Year	Variable Rate Bonds (1)		Interest Rate	
Ending 8/31/24	Principal	Interest (2)	Swaps, Net (3)	Total
2025	0	8,837	-8,088	748
2026	0	8,826	-8,088	738
2027	24,605	8,814	-8,088	25,330
2028	25,535	8,076	-7,488	26,122
2029	20,850	7,310	-6,866	21,294
2030-2034	113,240	26,898	-25,927	114,211
2035-2039	115,275	9,175	-8,869	115,581
Total Debt-Service and Net Interest Rate Swap Payments	**$299,505**	**$77,935**	**-$73,415**	**$304,025**

(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, 2024, on its Series 2008B Bonds.

(3) Reflects net payments on pay-variable, receive-variable interest rate swaps based on interest rates in effect at August 31, 2024, 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 8/31/24	Principal	Interest	Swaps, Net (2)	Total
2025	0	9,468	-2,775	6,694
2026	29,745	9,468	-2,775	36,439
2027	0	7,907	-2,317	5,590
2028	32,925	7,907	-2,317	38,515
2029	34,650	6,178	-1,810	39,018
2030-2034	59,155	14,137	-4,143	69,149
2035-2039	23,875	1,253	-367	24,761
Total Debt-Service and Net Interest Rate Swap Payments	**$180,350**	**$56,319**	**-$16,503**	**$220,165**

(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, 2024, 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 8/31/24	Principal	Interest	Swaps, Net	Total
2025	1,845	1,033	-101	2,777
2026	1,955	920	-90	2,785
2027	2,080	800	-78	2,801
2028	2,210	672	-66	2,816
2029-2033	10,155	1,086	-107	11,134
Total Debt-Service and Net Interest Rate Swap Payments	**$18,245**	**$4,511**	**-$442**	**$22,313**

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 the 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.

Appendix E
Texas State Debt Programs

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. The 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 debt issuer.

Effective September 1, 2021, Midwestern State University joined the Texas Tech University System, which will oversee future debt issuances.

Senate Bill (SB) 1055, enacted by the 88th Texas Legislature, Regular Session, and effective as of May 10, 2023, provides for the transfer of Stephen F. Austin State University in Nacogdoches, Texas, to the University System.

SB 1055 created Stephen F. Austin State University, a member of The University of Texas System (SFA), as a new university within the University System with Permanent University Fund eligibility and provided that the existing SFA institution will be abolished on September 1, 2023.

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 THECB 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 House Bill (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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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 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 the Grand Parkway System (currently comprised of Segment B-1, D in Harris County, E, F-1, F-2, G, H, I-1, I-2A, and I-2B of the Grand Parkway Toll Project).

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 and certain other funds held by the trustee under the Master Trust Agreement.

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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 TAFA, 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, to pay costs of administering such bonds, to cover any defaults on loans referenced under Chapter 58, Subchapters C and E, Texas Agriculture Code, and to 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 to establish 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, First 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 the 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). In 2019, the Commission issued State Highway 249 System First Tier Toll Revenue Bonds to finance the design and construction of Segment 1 of SH 249.

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 also authorized the Office to issue general obligation bonds. Additionally, SB 275 established the Texas Economic Development Bank (the Bank) and provided the statutory authority for the Bank to issue bonds to fund the PDSBI program. In 2005, the Bank issued bonds for $45 million dollars: $25 million for the Product Development fund (PD 2005A) and $20 million for the Small Business Incubator Fund (SBI 2005B). Pursuant to House Bill 1515 (88th Legislature, Regular Session), on July 12, 2023, PD 2005A and SBI 2005B were both redeemed in full.

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

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

Dedicated/Project Revenue: Revenue of the Office, primarily from the repayment of loans, was 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 Texas Economic Development and Tourism Office (the Office) within the Office of the Governor to issue revenue bonds or notes for the purpose of providing money to fund 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 to the Texas Department of Economic Development (the agency that later became the Texas Economic Development and Tourism Office), that was issued pursuant to a First Supplemental Resolution authorized under a Master Resolution related to the program. There is no commercial paper outstanding in relation to this program. Additionally, 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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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.

The name changed from Adjutant General's Department to Texas Military Department and was recodified under Texas Government Code, Section 437 by SB 1536, 83rd Legislature, Regular Session, 2013.

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 NATURAL GAS SECURITIZATION FINANCE CORPORATION

The Act: HB No. 1520, 87th Legislature, 2021, authorized securitization financing to provide customers of participating natural gas local distribution companies (LDCs) with rate relief by extending the period over which the extraordinarily high gas costs related to Winter Storm Uri will be paid for by customers. HB 1520 was signed into law by the Governor on June 16, 2021. As provided under the Act, Chapter 104 of the Texas Utility Code was amended to add Subchapter I, pursuant to which the Customer Rate Relief Bonds (the Bonds) were authorized and issued.

Financing Order: The Financing Order, adopted on February 8, 2022, pursuant to Tex. Util. Code Section 104.366 by the Railroad Commission of Texas, approved the issuance of the Bonds and the creation of Customer Rate Relief (CRR) Property and associated CRR Charges for the reimbursement of regulatory assets (the payment to the PGUs of their respective Final Aggregated Regulatory Asset Determination Amounts), including extraordinary costs, related financing costs, and other costs authorized by the Financing Order.

Participating Gas Utilities: Eleven LDCs filed individual applications. After the Phase 1 Regulatory Asset Proceeding, a Unanimous Stipulation and Settlement Agreement was reached that specified the total maximum regulatory asset determination amount for each LDC applicant.

The Settlement Agreement was executed by the following eight LDC applicants, each a Participating Gas Utility (a PGU), and collectively the Participating Gas Utilities (the PGUs):

1. Atmos Energy Corporation on behalf of its Mid-Texas Division and West Texas Division (Atmos);
2. Rockin' M Gas LLC d/b/a Bluebonnet Natural Gas LLC (Bluebonnet);
3. CenterPoint Energy Resources Corp., d/b/a CenterPoint Energy Entex, CenterPoint Energy Arkla, and CenterPoint Energy Texas Gas (CenterPoint);
4. Corix Utilities (Texas) Inc. (Corix);
5. EPCOR Gas Texas Inc. (EPCOR);
6. SiEnergy, LP (SiEnergy);
7. Texas Gas Service Company, a Division of ONE Gas, Inc., excluding the West Texas Service Area (TGS); and
8. Universal Natural Gas, LLC d/b/a Universal Natural Gas, Inc. (UniGas).

Pursuant to the Financing Order, any successor or assignee of a PGU (a Successor Utility) shall include any LDC or other entity that acquires, leases or operates all or part of the gas distribution business of a PGU in the state. References to PGUs include all such Successor Utilities.

Collateral: The Bonds are secured by the CRR Property, which consists of the rights to impose, bill, collect, and receive the CRR Charge, and to obtain periodic adjustments to the CRR Charge. The CRR Charge is a non-bypassable charge allocated through a uniform volumetric charge to be paid by all existing and future customers taking service from a PGU, even if a customer elects to purchase gas from an alternative gas supplier, under a rate tariff filed with the Commission, pursuant to the Securitization Law, evidencing the CRR Charge. The CRR Charge is not subject to offset by any credit. Any collections from customers who make partial payments will be applied first to any outstanding CRR Charge prior to the satisfaction of any other charges included on such customers' bills.

The CRR Charge will be calculated to ensure the collection of amounts sufficient to pay the principal of and interest on the Bonds and certain related costs and expenses. All customers of the PGUs pay the same volumetric CRR Charge.

The CRR Property is owned by and vested in the Issuer. CRR Property does not constitute property of the Commission or any gas utility, including any PGU. (Tex. Util. Code Section 104.364 and 104.366).

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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 HB 1520, which directs the

Authority to create an issuing financing entity to finance customer rate relief bonds as directed by the Railroad Commission of Texas in a Financing Order. HB 1522 transferred Midwestern State University to the Texas Tech University System which will oversee future debt issuances. SB 713 moved TPFA's next sunset review from 2023 to 2027.

The 88th Legislature authorized the Authority to issue $143 million in revenue bonds or other obligations on behalf of the Texas Department of Motor Vehicles for the purpose of implementing the Camp Hubbard Renewal Project, to include site work and demolition of existing buildings, construction of a new office building, renovations to existing buildings, upgrades to the Central Utility Plant, and other work as may be needed to fully implement the project. SB 1659 moved TPFA's next sunset review from 2027 to 2029.

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 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 the 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 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 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 Texas Economic Development and Tourism Office (the Office) within the Office of the Governor to issue revenue bonds or notes for the purpose of providing money to fund economic development loan programs. The Texas Small and Rural Community Success Fund was created pursuant to SB 1465 and HB 2896, 87th Legislature, Regular Session but the Office did not receive an appropriation. The Office received an appropriation to implement the program in HB 1, 88th Legislature, Regular Session. The Office anticipates issuing commercial paper in FY 2025.

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 aid local economic development.

Security:
The local economic development sales and use tax revenues collected by the economic development corporations will be pledged for the payment of the loans in order to pay interest on the commercial paper.

Dedicated/Project Revenue: Revenue of the Office, primarily from the repayment of loans, is pledged to the payment of principal and interest on commercial paper 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, 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 TSBIDC. The TSBIDC bonds were not an obligation of the state of Texas or any political subdivision of the state. All TSBIDC bonds were 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:
N/A

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 TRANSPORTATION FINANCE CORPORATION BONDS AND NOTES

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 and notes for the same purpose for which they are created. The Texas Transportation Finance Corporation (Corporation) is authorized to issue bonds and notes to develop, finance, refinance, design, construct, reconstruct, acquire, expand, toll, operate, and/or maintain any toll project within the State that is to be developed by the Texas Department of Transportation (TxDOT), as determined by the Commission, including executing contracts with the Department or a development team, borrowing money, assigning rights under contracts and other related matters. Pursuant to Chapter 431, the Commission created the Corporation in May 2024. At its meeting in July 2024, the Commission authorized the Corporation to develop, finance, refinance, design, construct, reconstruct, expand, operate, and/or maintain the SH 288 toll lanes project. To date, the SH 288 project is the only toll project authorized to be undertaken by the Corporation.

Purpose: Proceeds from the sale of the Corporation's toll revenue bonds and notes may be used to carry out the purposes for which the Corporation was created, in particular developing, financing, refinancing, designing, constructing, reconstructing, expanding, operating, and/or maintaining toll projects as determined by the Commission.

Security: Bonds and notes issued are secured by the Trust Estate created and pledged pursuant to a Master Trust Agreement, as supplemented, which includes the toll revenues, funds, and other sources pledged as part of the Trust Estate of the particular toll project/system as authorized by the Commission. The Corporation's bonds and notes 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 and notes.

Dedicated/Project Revenue: Corporation bonds and notes are supported by the Trust Estate pursuant to a Master Trust Agreement, as supplemented, including tolls and other revenues of the toll project/system for which bonds and notes are issued as authorized by the Commission.

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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 Program are considered self-supporting. The last general revenue draw for SP bonds was in 2010. No general revenue draw has been made on this program since 2010.

The EDAP is anticipated to have general revenue draws, because it is a program that provides grants.

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 are 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 (PABs) may be used to finance certain privately owned projects that serve a public purpose and meet any or all of 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 PABs that may be issued within each state during any calendar year. For calendar year 2024, the volume cap was the greater of $125 per capita or $378.23 million. Based on the per capita amount, the state's volume cap for calendar year 2024 was approximately $3.81 billion.

Chapter 1372 of the Texas Government Code authorizes the issuance of five types (subceilings) of PAB 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. Project limits were increased for all sub-ceilings except for small issue bonds (the small issue bonds limit is governed federally by the Internal Revenue Code.) An index formula was also created for each sub-ceiling, resulting in the project limits growing as the overall program size grows.

The 88th Legislature (2023) passed House Bill (HB) 1766, which added a new priority for granting reservations to issuers of multifamily residential rental projects to those projects that need a supplemental issuance of bonds to maintain compliance with the IRS 50 percent test. Separately, HB 1766 restricts the total amount of allocation designated to a multifamily residential rental project if the program is oversubscribed for a program year. If the program is oversubscribed, the amount of bonds issued to each residential rental project may not exceed 55 percent of the reasonably expected aggregate basis of the project.

In recent years, a widening variety of projects have been permitted to utilize tax-exempt PABs, including transportation facilities, environmental enhancements to hydroelectric generating facilities, and qualified public educational facilities. Broadband projects and carbon dioxide capture facilities were added during the 2022 program year.

Chapter 1372 of the Texas Government Code mandates the allocation process for the state of Texas. The PAB Program regulates the volume cap and monitors the amount of demand and use of PABs 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. After the implementation of the Budget Control Act of 2011, the BAB subsidies were reduced. Authority to issue BABs expired in December 2010. See table below for a history of sequestration rates.

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.

Capital Construction Assistance Project (CCAP)/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 must authorize the projects in statute, and the CCAPs/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.

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 the 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 150 to 210 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.

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.

Unrestricted General Revenue (UGR) – The net amount of general revenue remaining after deducting all constitutional allocations and other restricted revenue from total general revenue.

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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