

TEXAS PUBLIC FINANCE AUTHORITY CHARTER SCHOOL FINANCE CORPORATION

BOARD OF DIRECTORS:

David L. Miller, President
Dr. Nancy Grayson, Vice President
Coalter Baker, Secretary/Treasurer
Monty Humble

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MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS OF THE TEXAS PUBLIC FINANCE AUTHORITY CHARTER SCHOOL FINANCE CORPORATION

October 13, 2023

The Board of Directors (the "Board") of the Texas Public Finance Authority Charter School Finance Corporation (the "Corporation") convened in open meeting, notice duly posted with the Office of the Secretary of State, at 10:00 a.m. on Friday, October 13, 2023, in the William P. Clements, Jr. Building, Room 411, in Austin, Texas. Present were Mr. David Miller, President; Dr. Nancy Grayson, Vice President; Coalter Baker, Secretary/Treasurer; and Mr. Monty Humble, Director.

In attendance were the following staff of the Texas Public Finance Authority: Lee Deviney, Executive Director; John Hernandez, Deputy Director; Kevin Van Oort, General Counsel; Devyn F. Wills, Assistant General Counsel; Matthew Berry, Financial Analyst; Kelly Tappendorf, Financial Analyst; and Adan Ramirez, Financial Analyst.

Item 1. Call to order.

Mr. Miller called the meeting to order at 10:05 a.m. and noted the presence of a quorum. Mr. Miller confirmed that the meeting had been duly posted with the Office of the Secretary of State.

Item 2. Board governance.

Mr. Deviney presented letters from Governor Greg Abbott, approving the reappointment of Monty Humble and David Miller to the Board. Mr. Deviney also explained the status of Ken Mercer, who, following Governor Abbott's approval of his appointment, resigned due to moving out of state.

The Board then addressed its vacant officer positions.

Action: Mr. Humble nominated Mr. Miller to serve as President of the Board of Directors of the Corporation. Second by Mr. Baker.

The nomination was approved, with Mr. Miller present, not voting.

Action: Mr. Humble nominated Dr. Grayson to serve as Vice President of the Corporation. Second by Mr. Miller.

The nomination was approved, with Dr. Grayson present, not voting.

Action: Mr. Miller nominated Mr. Baker to serve as Treasurer of the Corporation. Second by Mr. Humble.

The nomination was approved, with Mr. Baker present not voting.

Action: Mr. Humble moved to combine the offices Treasurer of the Corporation and Secretary of the Corporation, and to nominate Mr. Baker to serve in the combined office. Second by Mr. Miller.

The motion and the nomination was approved, with Mr. Baker present, not voting.

The Board then discussed and considered the merits of appointing the Executive Director of the Texas Public Finance Authority as the Administrator of the Corporation.

Action: Mr. Humble moved that the Board appoint the Executive Director of the Texas Public Finance Authority, *ex-officio*, to serve as the Administrator of the Corporation.

Mr. Humble also moved that the Board delegate to the Administrator of the Corporation the authority to take any and all administrative action to enter into contracts for goods and services and to establish bank accounts as approved by the Board, and confirmed by the President of the Board, verbally or by electronic message, in accordance with the annual budget adopted by the Board and in order to carry out its duties directed by statute.

Additionally, Mr. Humble moved that the Board delegate to the Administrator of the Corporation the authority to execute, on behalf of the Corporation, any document necessary or desirable to provide a credit enhancement, or other credit support, for obligations issued by an open-enrollment charter school, pursuant to Texas Education Code Section 53.351(e), as may be approved from time to time by the Board.

Second by Dr. Grayson.

The motion passed unanimously.

Item 3. Review and approval of the minutes of the June 4, 2021 Board meeting.

Action: Mr. Humble moved to approve the minutes of the June 4, 2021 CSFC Board meeting, as presented. Second by Mr. Baker.

The motion passed unanimously.

Item 4. Status Report on Outstanding Bonds

Mr. Deviney provided a status report on the CSFC's outstanding bonds. Mr. Deviney said that there have been no requests for bond issuances in a number of years, possibly due to the ability of other issuing entities, who do not have to present an application to the Bond Review Board, to issue bonds more quickly.

Item 4. Status Report on Texas Credit Enhancement Program (TCEP)

Mr. Hernandez provided a status report on the Texas Credit Enhancement Program ("TCEP"). He updated the Board regarding the three applications they approved at their last meeting, noting that one reserve fund guaranty was executed shortly after that meeting with then available funds. Further, the other two guaranties were also executed as unencumbered balances in the trust fund became available. Mr. Hernandez advised the Board that there are no TCEP applications currently outstanding.

Mr. Deviney advised the Board that he had been in contact with various lenders who have participated in similar programs and/or have been recipients of a similar grant from the US Department of Education, in order to determine what other mechanisms have been used to provide credit enhancement to charter schools and that functioned within the parameters now being required by the US Department of Education. Mr. Deviney indicated that so far, the only positive feedback has been from lenders who also serve as the trustee under the bond indenture.

Mr. Deviney and Mr. Van Oort also reported on staff's continued efforts to have the bonds related to the Shekinah guaranty properly cancelled.

Item 5. Consideration, discussion, and possible action on the pending federal grant for credit enhancement for charter school facilities.

Mr. Deviney and Mr. Van Oort updated the Board on the differences between the grant acceptance agreement (i.e., a "performance agreement") for original TCEP grant and the proposed performance agreement for the pending TCEP grant. The Board discussed those differences and considered potential options for curing the problems with the proposed performance agreement.

Mr. Van Oort advised the Board that the proposed TCEP grant is in the name of the Texas Public Finance Authority and the proposed performance agreement designates the Texas Public Finance

Authority as the grantee. Mr. Van Oort further advised the Board that the Texas Public Finance Authority did not have statutory authority to accept such a grant.

Action: Mr. Humble moved to direct staff to work to make any necessary amendments to the performance agreement, and other associated documents, as required or desirable to accomplish the purposes of the program, as approved by the Administrator of the Corporation. Further, to authorize the Administrator of the Corporation to accept the grant from the US Department of Education. Further, that the form of the reserve fund guaranty to be utilized under the new grant be amended to provide for an acceleration of payment of the guaranty amount to the trustee in the event of the US Department of Education submits a notice of default to the Corporation under the performance agreement.

The motion passed unanimously.

Item 6. Discussion of possible future meeting dates.

Mr. Deviney projected that, if the new performance agreement has been executed, the next meeting could be held in early 2024.

Item 7. Adjourn

Action: Motion by Mr. Humble to adjourn the meeting. Second by Dr. Grayson.

The motion passed unanimously.

Mr. Miller adjourned the meeting at 11:35 a.m.

The foregoing minutes were approved and adopted by the Board of Directors on this 10th day of June 2025.



David L. Miller
President, Board of Directors