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Bloomberg: University of Texas Launches New Center Focused on Muni Market.

- **Center to be housed within the public affairs graduate school**
- **Program to meet infrastructure needs due to climate, energy**

The University of Texas at Austin is launching a new center dedicated to the municipal bond market, ahead of an anticipated boom in infrastructure investments.

Dubbed the Center on Municipal Capital Markets, the new initiative will be housed under the institution's Lyndon B. Johnson School of Public Affairs. It's part of a broader push by university president Jay Hartzell to address extreme weather as a result of climate change and the energy grid's transition to renewable power.

"Our future as a growing, resilient society depends upon our ability to wisely invest in infrastructure, especially in the important energy sector," Hartzell said in an emailed statement. "Tomorrow's leaders need to understand the role of capital markets in making those investments possible."

A rush of public projects is anticipated after decades of infrastructure disinvestment and increasing needs driven by climate change, said Martin Luby, a professor of public affairs and the center's founding director.

"There's clearly a need for education, training and thought leadership in this area, and I think it's just even more acute given what we think is going to happen in terms of increased infrastructure investment in the future," Luby said in an interview. "When we think about capital financing it's all hands on deck and we're going to try to cover it as much as possible."

Municipal bond sales have already surged this year, totaling $426 billion since the start of January, a 41% increase from the same period in 2023, according to data compiled by Bloomberg. Texas issuance is a major chunk of that deluge, with about $60 billion of debt.

That comes as Texas' public finance market has been in flux for several years after state lawmakers passed two laws targeting Wall Street banks for their policies regarding fossil fuels and firearms — legislation that has reshuffled the muni underwriter rankings in the state.

The new center will train students on how to use the capital markets to strengthen communities and their infrastructure. Starting in September 2025, some students will conduct fellowships with municipal-finance firms including Moody's Corp. and Public Financial Management, Inc, according to Luby.

The center will also produce research and policy reports, as well as host an annual conference and outreach events for issuers. The first research report is slated for publication next year and examines the reserves needed for certain borrowers to absorb shocks related to natural disasters including wildfires, tornadoes, hurricanes and drought.

Continuing education courses for public finance professionals are expected to launch in the 2026-2027 academic year.

Luby said the center is looking to bring on a new hire with experiencing raising money in the muni market to focus on fundraising.

“Whether that’s someone who’s a former investment banker or CFO-type — that wants to transition into higher ed and help us build out this program,” he said.

The center’s advisory council includes industry professionals including Municipal Securities Rulemaking Board’s chief executive Mark Kim.

Bloomberg Markets

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October 29, 2024

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