

KENTUCKY PRIVATE ACTIVITY BOND ALLOCATION COMMITTEE
MINUTES
December 15, 2006

The Kentucky Private Activity Bond Allocation Committee (the "Committee") meeting was called to order by Chairman Kristen Webb, proxy for John Farris, Secretary, Finance and Administration Cabinet, on Friday, December 15, 2006 at 10:00 a.m. in Room 66 of the Capitol Annex, Frankfort, Kentucky. Other members present were: Katie Smith, proxy for Marvin E. Strong, Jr., Secretary, Cabinet for Economic Development; Allen Holt, proxy for Brad Cowgill, State Budget Director; Andy Hightower, proxy for Robbie Rudolph, Jr., Secretary, Governor's Executive Cabinet and Edgar C. Ross, Controller, Finance and Administration Cabinet.

Chairman Webb declared that a quorum was present and verified that the press had been notified of the meeting.

The first item on the agenda was the approval of the September 14, 2006 minutes. A motion was made by Mr. Edgar Ross and seconded by Ms. Katie Smith to approve the minutes. **Motion CARRIED.**

Chairman Webb stated the next item on the agenda, allocation of 2006 carryforward, was located under attachment A. Mr. Rob Ramsey stated after the allocation of cap to the local issuer pool and the lottery round of volume cap there was a remaining balance of \$593,620. In addition, Mr. Ramsey indicated \$93,620 was not utilized by North American Stainless and \$9,680 was not utilized by Kentucky Higher Student Loan Corporation ("KHESLC"). That brought the total available carryforward to \$696,920. KHESLC filed a notice of intent for the remaining amounts of 2006 private activity bond cap on December 11, 2006. Mr. Ramsey stated that the Kentucky Housing Corporation agreed that the remainder of the carryforward should be allocated to KHESLC.

A motion was made by Mr. Ross to approve the allocation of \$696,920 in carryforward to KHESLC and was seconded by Mr. Holt. **Motion CARRIED.**

Mr. Ramsey stated attachment B was a summary of 2006 volume cap, an informational item for the Committee. Mr. Ramsey stated that for 2007 the U.S. Census Bureau per capita amount was raised to \$85, up from \$80 in 2006. Mr. Ramsey indicated this represents an approximate \$21 million increase over last years total volume cap, assuming the population estimate stays the same. Mr. Ramsey stated staff was expecting estimates from the Census Bureau sometime in early January 2007. Mr. Ramsey indicated by late January 2007 staff plans to be soliciting applications for calendar year 2007 volume cap allocations, as well as specifying deadlines for the applicants.

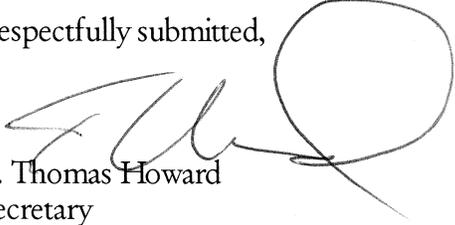
Mr. Howard stated that the statute specifically prohibits allocating any cap before the U.S. Census Bureau figures are released. Mr. Howard stated the Committee would have to meet again after the Census Bureau figures are released to allocate the state portion of the cap in

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January 2007. Mr. Howard stated there will be a second meeting in late February to allocate cap to the local issuers after the applications have been reviewed and scored by staff.

Chairman Webb asked if there was any other business. With no further business before the Committee, a motion was made by Mr. Holt and seconded by Ms. Smith to adjourn the meeting. **Motion CARRIED.**

Respectfully submitted,


F. Thomas Howard
Secretary