

KENTUCKY PRIVATE ACTIVITY BOND ALLOCATION COMMITTEE
MINUTES
January 15, 2008

The Kentucky Private Activity Bond Allocation Committee (the "Committee") meeting was called to order by Chairman Lori Flanery, proxy for Jonathan Miller, Secretary, Finance and Administration Cabinet, on Tuesday, January 15, 2008 at 10:30 a.m. in Room 386 of the Capitol Annex, Frankfort, Kentucky. Other members present were: Katie Smith, proxy for John Hindman, Secretary, Cabinet for Economic Development; Allen Holt, proxy for Larry Hayes, Secretary, Governor's Executive Cabinet; Mary Lassiter, State Budget Director; and Edgar C. Ross, Controller, Finance and Administration Cabinet.

Chairman Flanery 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 December 18, 2007 minutes. A motion was made by Mr. Edgar Ross and the motion was seconded by Ms. Katie Smith to approve the minutes. **Motion CARRIED.**

Mr. F. Thomas Howard, Executive Director, Office of Financial Management stated Attachment A is a summary of 2008 volume cap. Mr. Howard stated that the Kentucky population estimate received from the U.S. Census Bureau data for July 1, 2007 is 4,241,474. Mr. Howard indicated that the current federal per capita amount remains at \$85. Mr. Howard stated the total volume cap allocated to Kentucky is \$360,525,290. He stated that volume cap is the population estimate multiplied by the federal per capita amount. Mr. Howard indicated that pursuant to the statutory allocation and 200 KAR 15:010 the local issuer pool is twenty percent or \$72,105,058 and the state issuer pool is eighty percent or \$288,420,232. Mr. Howard stated that this meeting is to allocate volume cap to the state issuer pool. He indicated the application deadline to receive volume cap from the local issuer pool is February 15, 2008. Mr. Howard stated the Committee would meet in late February or early March to review any applicants. Mr. Howard stated that to date there have been no applications received for volume cap from the local issuer pool.

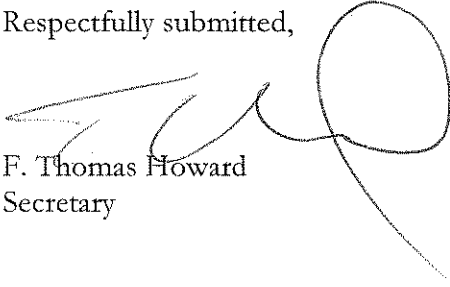
Mr. Rob Ramsey, Financial Analyst, Office of Financial Management stated Attachment B contains a historical summary of volume cap allocation from 1990-2008 and applications for the state issuer pool. Mr. Ramsey indicated that Kentucky Housing Corporation ("KHC") is requesting seventy one percent or \$205,000,000 and Kentucky Higher Education Student Loan Corporation ("KHESLC") is requesting twenty nine percent or \$83,420,232.

Chairman Flanery stated that Rick McQuady, Chief Financial Officer, KHC and Jim Ackinson, Chief Financial Officer, KHESLC are present at today's meeting. Chairman Flanery asked if Mr. McQuady or Mr. Ackinson would like to address the Committee.

Chairman Flanery stated there are no further comments or questions before the Committee. Mr. Holt made a motion to approve \$205,000,000 to KHC and \$83,420,232 to KHESLC and was seconded by Mr. Ross. **Motion CARRIED.**

Chairman Flanery asked if there was any other business. With no further business before the Committee, the meeting was adjourned. **Motion CARRIED**

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'F. Thomas Howard'. The signature is stylized with a large, circular flourish on the right side.

F. Thomas Howard
Secretary