

**KENTUCKY PRIVATE ACTIVITY BOND ALLOCATION COMMITTEE  
MINUTES  
JULY 7, 2020  
1:00 PM**

The Kentucky Private Activity Bond Allocation Committee (the "Committee") meeting was called to order on Thursday, July 7, 2020, at 1:01 PM ET via ZOOM video teleconference by Geri Grigsby, permanent proxy for Holly M. Johnson, Secretary of the Finance and Administration Cabinet ("FAC"). Other members present were J. Michael Brown, Secretary of the Governor's Executive Cabinet; Edgar C. Ross, State Controller, and Executive Director, Office of the Controller; John T. Hicks, State Budget Director, Office of the State Budget Director ("OSBD"); and Katie Smith, proxy for Larry Hayes, Interim Secretary for the Cabinet for Economic Development ("CED").

The Office of Financial Management ("OFM") Staff Members Present: Ryan Barrow, Executive Director of OFM and Secretary to the Committee; Sandy Williams, Deputy Executive Director; John Brady, Bethany Couch, Billy Aldridge, and Jennifer Yount.

Other Guests Present: Julia Wang, Legislative Research Commission ("LRC"); Tom Midkiff, Kentucky Housing Corporation ("KHC"); and David Carlsen, Kentucky Higher Education Student Loan Corporation ("KHESLC").

Ms. Grigsby verified with staff a quorum was present, and the press had been notified of the meeting.

The first item on the agenda was the approval of the May 14, 2020, minutes. A motion to accept the minutes of May 14, 2020, meeting was made by Secretary Brown and seconded by Mr. Ross. Motion **CARRIED**.

**2020 State Issuer Pool** – Mr. Aldridge directed the Committee to the State Issuer Pool portion of the Private Activity Bond Capacity. Under KRS 103.286, 60% of the private activity cap is reserved each calendar year for state bond issuance authorities. For FY2020, the portion of the total cap reserved for the state issuers is approximately \$281.5 million. Kentucky Housing Corporation (KHC), requested \$200 million and Kentucky Higher Education Student Loan Corporation (KHESLC), requested half or \$140,731,699. An agreement was reached between the two agencies after the applications were submitted to split the State Issuer Pool evenly. If the committee has any questions for the agencies, attending today's meeting is Tom Midkiff, representing KHC, and David Carlsen, representing KHESLC. Staff recommends fully allocating the State Issuer Pool: \$140,731,700 to KHC and \$140,731,699 to KHESLC.

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Ms. Grigsby called for a motion to approve the Private Activity Bond Cap Allocations to KHC, and KHESLC. Director Hicks made a motion to approve the allocation as presented and was seconded by Ms. Smith. Motion **CARRIED**.

**2020 Single Issuer Pool** – Mr. Aldridge directed the Committee to the Single Issuer Pool. Nucor Corporation, which received approximately \$116 million in volume cap previously this year, applied for the entire Single Issuer Pool, approximately \$47 million. The analysis factors in a score deduction for the previous allocation. Based on KPABAC's objectives and scoring, staff recommends approving Nucor Corporation's application and allocating the entire Single Issuer Pool.

Ms. Grigsby called for a motion to approve the Private Activity Bond Cap Allocation Nucor Corporation. Secretary Brown made a motion to approve the allocation as presented and was seconded by Mr. Ross. Ms. Smith abstained from the vote due to pending incentives for the Nucor project, which had not received all approvals from CED as of the time of the vote. Motion **CARRIED**.

**Summary of 2020 Volume Cap** – Mr. Aldridge presented the Volume Cap summary for the 2020 calendar year. This summary is used to track allocations of the different pools throughout the calendar year. With the approval of the allocations from the State Issuer Pool and the Single Issuer Pool today, the entirety of the Commonwealth's private activity bond cap has been allocated. The unissued portions of the allocations to state issuers may be carryforward for use in the next three years.

With no further business before the Committee, Ms. Grigsby asked for a motion to adjourn. Director Hicks made a motion and was seconded by Ms. Smith. Motion **CARRIED** and the meeting adjourned at 1:10 PM ET.

Respectfully submitted,



Ryan Barrow  
Secretary