

KENTUCKY PRIVATE ACTIVITY BOND ALLOCATION COMMITTEE
MINUTES
January 17, 2007

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 Wednesday, January 17, 2007 at 10:00 a.m. in Room 386 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 December 15, 2006 minutes. A motion was made by Mr. Edgar Ross and the motion was seconded by Mr. Allen Holt to approve the minutes. **Motion CARRIED.**

Mr. Rob Ramsey, Financial Analyst, Office of Financial Management, stated under Attachment A is a summary of volume cap for 2007 including 2006 population data from the U.S. Census Bureau for Kentucky. The 2007 federal per capita allocation amount increased \$5.00 due to the inflation index adjustment, from \$80.00 per capita in 2006 to \$85.00 in 2007. An increase in population as well as the increase in the per capita has resulted in approximately \$23.6 million more in volume cap available for 2007. Of this additional volume cap, local issuers will receive \$4.7 million and state issuers \$18.9 million. The maximum local issuer pool project size will also increase to \$17,870,000 in 2007. Mr. Ramsey stated under Attachment B is a summary of state issuer pool allocations from 1990 through 2006. Mr. Ramsey stated under Attachment C is a summary of 2007 cap that is requested by state issuers. Kentucky Housing Corporation ("KHC") is requesting \$223,763,137 or 78 percent of the state issuer pool. Kentucky Higher Education Student Loan Corporation ("KHESLC") is requesting \$62,249,895 or 22 percent of the state issuer pool. Mr. Ramsey stated that staff recommends approval.

Mr. Holt asked if KHC and KHESLC are still working together to have an amicable split of the available volume cap between state issuers.

Mr. Walter Clare, Senior Director of Financial Management, KHC, stated this is the fifth year that KHC and KHESLC have worked together and negotiated the split of the available volume cap between the state issuers.

A motion was made by Ms. Katie Smith to approve the allocation of \$223,763,137 to KHC and \$62,249,895 to KHESLC and the motion was seconded by Mr. Holt. **Motion CARRIED.**

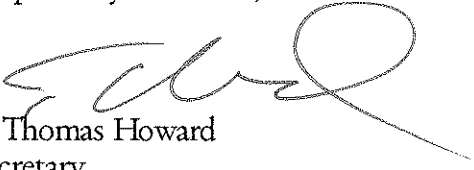
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Chairman Webb asked if there was any other business. With no further business before the Committee, the meeting was adjourned. **Motion CARRIED.**

Respectfully submitted,


F. Thomas Howard
Secretary