

TENNESSEE STATE FUNDING BOARD
April 11, 2019

The Tennessee State Funding Board (the "Board") met on Thursday, April 11, 2019, at 1:00 p.m., in the Cordell Hull Building, 1st Floor, House Hearing Room V, Nashville, Tennessee. The Honorable Justin Wilson, Comptroller, was present and presided over the meeting.

The following members were also present:

The Honorable Tre Hargett, Secretary of the State of Tennessee
Commissioner Stuart McWhorter, Commissioner, Department of Finance and Administration

The following members were absent:

The Honorable Bill Lee, Governor
The Honorable David Lillard, State Treasurer

Seeing a physical quorum present, Mr. Wilson called the meeting to order and asked for approval of the minutes from the March 8, 2019, meeting. Mr. Hargett made a motion to approve the minutes. Mr. McWhorter seconded the motion, and it was unanimously approved.

Mr. Wilson then recognized Mr. William Wood, Budget Analyst, Tennessee Comptroller of the Treasury, who presented the staff analysis of the "Economic Report to the Governor of the State of Tennessee" (the "Economic Report"). Mr. Wood stated that pursuant to state law, Tennessee Code Annotated 9-4-5202, the Board's staff is directed to comment on the reasonableness of the estimates concerning the rate of growth of Tennessee's economy from the Tennessee econometric model published by University of Tennessee's Boyd Center for Business and Economic Research ("CBER") in its annual Economic Report. Mr. Wood stated that based on review of the Economic Report and evaluation of current economic conditions and forecast of trends, the Economic Report's estimates of nominal personal income growth of 4.30% in fiscal year 2019, 4.26% in calendar year 2019, and 4.48% in calendar year 2020, do not appear to be unreasonable. Mr. Wilson made a motion that the Board accept the staff's analysis of the Economic Report and CBER's estimates as not being unreasonable. Mr. McWhorter seconded the motion, and it was unanimously approved.

Mr. Wilson then acknowledged that the Board received from the Attorney General the "List Identifying State Tax and Non-Tax Revenue Sources" (the "List") and stated that the List appeared to be accurate. Mr. Wilson made a motion to acknowledge to the General Assembly the receipt of the Lists and the accurateness of the List. Mr. Hargett seconded the motion, and it was unanimously approved.

Mr. Wilson then acknowledged that the Board received the estimated rate of growth of the state's economy as measured by the forecasted change in Tennessee personal income. No further action was required.

Mr. Wilson then brought forth for discussion and consideration new legislation, Public Act 2019, Chapter 6 (the "statute"), impacting Tennessee's local governments as required by the Securities and Exchange Commission (the "SEC") amended rule 15c2-12 (the "rule"). Mr. Wilson stated that the statute affirms the requirements established by the SEC in its recent amendments to the rule requiring additional disclosures for local governments that issue public-traded debt on or after February 27, 2019, and further requires local governments not subject to the amendments to the rule to report events of default to the Comptroller. Mr. Wilson further stated that the statute required the Board to establish guidelines on how to report events of default. Mr. Wilson then stated that a draft of the guidelines and reporting format were provided in the board materials, and that he proposed to put them out for public comment for at least thirty days.

Mr. Wilson made a motion to direct staff to issue the draft guidelines and draft reporting format for public comment for a 30-day period and, subsequent to that period, report back to the Board. Mr. McWhorter seconded the motion, and it was unanimously approved.

After requesting other business and hearing none, Mr. Wilson adjourned the meeting.

Approved on this 9th day of May 2019.

Respectfully submitted

A handwritten signature in blue ink that reads "Sandra Thompson". The signature is written in a cursive style with a large initial "S".

Sandra Thompson
Assistant Secretary