TENNESSEE STATE FUNDING BOARD
June 22, 2026

The Tennessee State Funding Board (the "Board") met on Monday, June 22, 2026, at 2:02 p.m., in the Volunteer Conference Center, 2nd Floor, Cordell Hull Building, Nashville, Tennessee. The Honorable Jason E. Mumpower, Comptroller of the Treasury, was present and presided over the meeting.

Members Physically Present

The Honorable Tre Hargett, Secretary of State
The Honorable David H. Lillard Jr., State Treasurer
Commissioner Jim Bryson, Department of Finance and Administration

Absent Members

The Honorable Bill Lee, Governor

Quorum Establishment & Requests for Public Comment

Having established a quorum, Comptroller Mumpower called the meeting to order. Comptroller Mumpower, in accordance with Tenn. Code Ann. § 8-44-112 and Board guidelines, asked Ms. Kayla Carr, Director of the Division of State Government Finance (SGF) and Assistant Secretary to the Board, if any requests for public comment had been received. Ms. Carr responded that no requests had been received.

Approval of Minutes

Comptroller Mumpower then presented the minutes from the meeting held on May 20, 2026, for consideration and approval. Comptroller Mumpower made a motion to approve the minutes. Commissioner Bryson seconded the motion, and it was unanimously approved.

Consideration and approval of Tennessee Housing Development Agency's Schedule of Financing, Fiscal Year 2026-2027

Comptroller Mumpower then recognized Ms. Michell Bosch, Chief Financial Officer of the Tennessee Housing Development Agency (THDA), to present the THDA Schedule of Financing (the "Schedule") for consideration and approval. Ms. Bosch stated that the Schedule was approved by the THDA board of directors on May 12, 2026. Ms. Bosch then summarized the Schedule noting THDA's plan to conduct three mortgage revenue bond program financings during fiscal year 2026-2027 in an amount not to exceed $405 million. Ms. Bosch further stated that the financings were anticipated to occur in September, November, and March of the fiscal year. Comptroller Mumpower made a motion to approve the Schedule. Secretary Hargett seconded the motion, and it was unanimously approved.

Consideration and Approval of a Resolution Allocating from the Debt Service Fund to the Capital Projects Fund $132,575.50 and Canceling Authorized Bonds

Comptroller Mumpower next recognized Ms. Carr to present a resolution allocating $132,575.50 from the Debt Service Fund to the Capital Projects Fund and canceling authorized bonds. Ms. Carr stated that the state provided funding to the University of Memphis (UOM) through the commercial paper program to purchase sites and existing structures in accordance with their master plan. Ms. Carr further stated that UOM had repaid the borrowing in the amount of $132,575.50 and the resolution would cancel a like amount of general obligation bonds. The resolution was effective June 22, 2026. Secretary Hargett made a motion to approve the resolution. Commissioner Bryson seconded the motion, and it was unanimously approved.

Consideration and Approval of a Resolution Certifying Special Revenues as required by Tenn. Code Ann. § 9-9-104(b)

Comptroller Mumpower then recognized Ms. Carr to present a resolution certifying special revenues. Ms. Carr stated that for bonds issued prior to 2013, the state had covenanted with its bondholders that it will not decrease special tax revenues that have been pledged for the payment of principal and interest on its debt outstanding as of July 1, 2013, unless the Board certifies by resolution as required by Tenn. Code Ann. § 9-9-104(b) the following:

- All payments due pursuant to statute have been made in full
- The state is not in default in payment of any outstanding debt
- Fees and taxes pledged pursuant to Tenn. Code Ann. § 9-9-104 will be sufficient to provide funds adequate to meet all payments required to be made by the Board in FY 2026-2027

The resolution was accompanied by a letter from the Commissioner of the Department of Finance and Administration serving as confirmation that the state had met the criteria. Comptroller Mumpower made a motion to approve the resolution. Commissioner Bryson seconded the motion, and it was unanimously approved.

Consideration and Acceptance of Tennessee Consolidated Retirement System Affirmation of Standby Commercial Paper Purchase Agreement

Comptroller Mumpower next recognized Ms. Carr to present an affirmation of the Standy Commercial Paper Purchase Agreement from the Tennessee Consolidated Retirement System (TCRS) for consideration and acceptance. Ms. Carr stated that Comptroller Mumpower had received a letter from the Chief Investment Officer of the TCRS addressed to the Secretary of the Board affirming that it did not plan to terminate its contract prior to July 1, 2027, to serve as a standby purchaser under the state's commercial paper program. Ms. Carr further stated that a draft letter was provided in the board package from the Secretary of the Board to the Chief Investment Officer of the TCRS that affirmed that the Board also did not plan to terminate the contract prior to July 1, 2027. Comptroller Mumpower made a motion to accept the letter from TCRS and authorize the Comptroller to notify TCRS on behalf of the Board and to execute and send the letter to TCRS to affirm that the Board will not terminate the contract. Treasurer Lillard seconded the motion, and it was unanimously approved.

Consideration and Approval of a Resolution Certifying and Authorizing the Allocation of Funds to the Debt Service Fund for the 2026-2027 Fiscal Year

Comptroller Mumpower then recognized Ms. Carr to present a resolution certifying and authorizing the allocation of funds to the debt service fund for the 2026-2027 fiscal year. Ms. Carr stated that the resolution certified the amount of taxes and fees that would be deposited into the debt service fund to cover debt service expenses for fiscal year 2026-2027. Ms. Carr further stated that the resolution would be effective July 1, 2026. Comptroller Mumpower made a motion to approve the resolution. Commissioner Bryson seconded the motion, and it was unanimously approved.

Consideration and Approval of a Resolution Allocating Funds to Defray a Portion of the Cost of Highway Construction Projects and Canceling Authorized Bonds

Comptroller Mumpower next recognized Ms. Carr to present a resolution allocating funds to defray a portion of the cost of highway construction projects and canceling authorized bonds. Ms. Carr then stated that the 2026 Appropriations Act, Chapter 1142, directed Board to take the necessary action to cancel certain unissued general obligation bonds. Ms. Carr further stated that the resolution cancela bonds that were originally authorized pursuant to Chapter 1062 of the Public Acts 2018, for highway construction projects in the amount of $127 million and would be effective as of July 1, 2026. Comptroller Mumpower made a motion to approve the resolution. Secretary Hargett seconded the motion, and it was unanimously approved.

Consideration and Approval of a Resolution Authorizing the Issuance of General Obligation Bonds of the State of Tennessee

Comptroller Mumpower then recognized Ms. Carr to present a resolution authorizing the issuance of General Obligation (GO) Bonds of the State of Tennessee. Ms. Carr stated that the resolution authorized the issuance of GO Bonds in the amount of $438 million pursuant to the fiscal year 2026 bond bill, Chapter 989 of the Public Acts of 2026, and would be effective July 1, 2026. Treasurer Lillard made a motion to approve the resolution. Secretary Hargett seconded the motion, and it was unanimously approved.

Consideration and Approval of Updates to the Tennessee Budget Manual for Local Governments

Comptroller Mumpower next recognized Mr. Steve Osborne, Assistant Director of the Division of Local Government Finance (LGF), to present updates to the Tennessee Budget Manual (the "Budget Manual") for consideration and approval. Mr. Osborne noted the following proposed changes to the Budget Manual:

- Clarification of criteria for the Comptroller's Budget Certificate process.
- Revisions for statutory changes from legislation passed by the 114th General Assembly (2026) that capped municipal budget continuation authority at two months following the close of the fiscal year.
- Adds the requirement that if a school budget for a city school system is not adopted by August 31st of any fiscal year, then the prior fiscal year school budget automatically becomes the current year budget. This revision is a result of legislation passed during the 114th General Assembly (2026).
- Revision of the liability distress metric to match industry standards.
- Update of the Comptroller's guidance on continuation budget authority to include municipalities.

Comptroller Mumpower made a motion to approve the updates to the Budget Manual. Treasurer Lillard seconded the motion, and it was unanimously approved.

Consideration and Approval of Updates to the Tennessee Debt Manual for Local Governments

Comptroller Mumpower again recognized Mr. Osborne to present updates to the Tennessee Debt Manual (the "Debt Manual") for consideration and approval. Mr. Osborne noted the following proposed changes to the Debt Manual:

- Updates to the type of security that can be pledged on the repayment of principal on a grant anticipation note. The revision is the result of legislation passed during the 114th General Assembly (2026).
- Addition of guidance for utility systems to seek Comptroller approval of interfund loans.
- Updates to the refunding plan submission process
- Clarification of financial data required with submission of plans of finance by utility systems.
- Revision of the liability distress metric to match industry standards.

Comptroller Mumpower made a motion to approve the updates to the Debt Manual. Secretary Hargett seconded the motion, and it was unanimously approved.

Notice and Acknowledgement of Approval of Federal Emergency Management Agency Notes

Comptroller Mumpower then recognized Mr. Osborne to present notices of approved Federal Emergency Management Agency (FEMA) Notes for acknowledgement by the Board. Mr. Osborne stated that the Comptroller's office has the authority to approve operating loans that mature beyond the fiscal year for local governments in areas declared a natural disaster by FEMA. Mr. Osborne reported on two loans approved by LGF dealing with clean-up resulting from Winter Storm Fern.

Entity	Loan Description	Date Approved	Amount Approved	Maturity
McNairy County	Tax Anticipation Notes, Series 2026 (Highway Fund)	5/13/2026	$400,000	6/30/2028
Fairview	Tax Anticipation Notes, Series 2026 (General Fund)	5/22/2026	$2,750,000	6/1/2029

The Board acknowledged the notification. No further action was necessary.

Adjournment

There being no further business to come before the Board, Comptroller Mumpower requested a motion to adjourn. Secretary Hargett made the motion to adjourn. Treasurer Lillard seconded the motion, and it was unanimously approved. The meeting was adjourned.

Approved on this 24th day of August 2026.

Respectfully submitted,

Kayla Carr

Kayla Carr,
Assistant Secretary