



State of Tennessee

Justin P. Wilson, State Comptroller

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State Funding Board Seeks Input on Debt Management Policy

Tennessee residents and other interested parties will have an opportunity to offer input on the State Funding Board's revised debt management policy during a meeting at the State Capitol Wednesday.

Last year, the board agreed to require all governments in Tennessee to adopt debt management policies by December 31. In addition to setting minimum standards for governments to follow, the board encouraged them to adhere to four guiding principles while developing their policies:

- 1) Debt transactions should be clearly understood by the decision-makers
- 2) Citizens should be able to get clear explanations about the transactions
- 3) Steps should be taken to avoid conflicts of interest among the parties involved in the transactions
- 4) Costs and risks associated with the transactions should be clearly disclosed

The board has a policy in place for general obligation debt issued by the state. However, in light of the new requirements, the board plans to update its own policy, reinforcing its commitment to adhering to those four guiding principles.

"Since we are asking other governments to create or revise their policies, it seems only fair that we undertake the same sort of process on the state level," said Comptroller Justin P. Wilson, who serves as secretary of the State Funding Board. "Like many governments, we realized that our policy had served us well but was ready for review, especially in the current market environment. And I believe the changes in our revised draft policy represent an improvement over what we have now."

The revised draft policy is available online at: <http://www.comptroller1.state.tn.us/sl/DebtManagement.asp>

The State Funding Board meeting is scheduled for 11 a.m. Wednesday in the Executive Conference Room on the ground floor of the State Capitol.

Those who are unable to attend the meeting can also e-mail written comments about the draft policy to: IGpublic.Finance@tn.gov through September 6.

After receiving input, the State Funding Board could approve the draft policy at its next meeting, which is scheduled for 3 p.m. September 8 in the State Capitol's Executive Conference Room.

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