

STATE OF MONTANA
OFFICE OF THE GOVERNOR
EXECUTIVE ORDER NO. 2-88

EXECUTIVE ORDER CONTINUING THE
CAPITAL FINANCE ADVISORY COUNCIL

WHEREAS, the Governor is authorized pursuant to Section 2-15-122, MCA, to create an Advisory Council; and

WHEREAS, the Montana State Legislature has authorized state agencies to incur indebtedness through the issuance of notes, bonds, and certificates to the public to support a wide variety of activities in furtherance of various public purposes; and

WHEREAS, a coordinated approach to scheduling the issuance of obligations is expected to enhance marketing of such obligations by the State of Montana; and

WHEREAS, it is necessary to present a coordinated strategy to finance Montana's capital investment to the rating agencies to enhance the credit ratings of obligations issued by the state and its agencies; and

WHEREAS, it is desirable to communicate to investors, underwriters, and credit analysts the state's debt management policies and financial plans so that these market participants understand the state's management and control of debt issuance practices; and

WHEREAS, it is desirable to create a council whose purpose is to review, analyze, coordinate, and harmonize the borrowing patterns of the state.

NOW, THEREFORE, I, TED SCHWINDEN, Governor of the State of Montana, by virtue of the authority vested in me in accordance with Section 2-15-122, MCA, do hereby continue the Capital Finance Advisory Council.

I. Definitions.

As used in this Order, the following terms shall have the following meanings:

1. "Council" shall mean the Capital Finance Advisory Council.

2. "Issuer" shall mean any state agency which issues obligations authorized by state law.
3. "Agency" shall mean any state agency under the authority of the Governor as enumerated in Title 2, Chapter 15, MCA.
4. "Obligations" shall mean notes, bonds, or certificates issued or to be issued by any state agency to finance or fund one or more activity, program, or project, including obligations issued in anticipation of taxes, income, or revenues derived from any source or to redeem or refinance outstanding obligations.

II. Composition.

This Council shall have 14 members consisting of the following persons or their designees:

<u>Council Member</u>	<u>Representing</u>
Director, Department of Administration	Department of Administration
Director, Office of Budget & Program Planning	Office of Budget & Program Planning
Director, Department of Agriculture	Department of Agriculture & Agriculture Loan Authority
Director, Department of Health	Department of Health and Environmental Sciences
Director, Department of Highways	Department of Highways
Director, Department of Commerce	Department of Commerce and Montana Science and Technology Alliance
Director, Department of Natural Resources & Conservation	Department of Natural Resources & Conservation
Chairperson, Board of Investments	Board of Investments
Chairperson, Montana Health Facilities Authority	Health Facilities Authority
Chairperson, Montana Higher Education Student Assistance Corporation	Montana Higher Education Student Assistance Corporation
Chairperson, Board of Regents	Board of Regents
Chairperson, Montana Board of Housing	Montana Board of Housing
Senator Matt Himsl	Montana Legislature
Representative Francis Bardanouve	Montana Legislature

The Council shall be chaired by the Director of the Department of Administration and shall be attached to the department for administrative purposes. Employees of the Department of Administration shall serve as staff to the Council as directed by the chairperson.

III. Duties of the Advisory Council.

The Council shall:

1. Provide continued oversight of state obligations, and review the form of obligations to ensure consistency with authorizing legislation and state financial policies.
2. Prepare a state debt management plan and review, analyze, and monitor the trends in state obligations to provide information to issuers to make informed decisions about financing methods and the structuring and timing of obligations.
3. Compile and continually update a statewide master debt issuance schedule from agency financing plans to facilitate coordination of debt issues.
4. Furnish, advise, gather information, and make recommendations to the Governor as it deems appropriate.
5. Notify the members of the Board of Examiners of all meetings, invite Board participants, and keep the Board informed about Council activities.
6. The Department of Administration shall consult with the Council in employing and establishing the duties of a statewide financial advisor.
7. The Council shall not supercede the activities or authority of independent agencies, but shall serve as a coordinating council to provide a formal linkage of information among and between state obligation issuers thereby serving as an effective mechanism to promote fiscal management.

IV. Duties of State Agencies.

1. To assist the Council in preparation of a master obligation schedule, each issuer shall submit, as requested, a financing plan identifying the amounts to be borrowed, the

approximate time of debt issuance, description of the projects or programs to be financed, an explanation of the security structure supporting the proposed obligation and provide an explanation of the purpose of the financing, along with the key features to the extent known.

2. All agencies shall cooperate with and provide such assistance as the Council may request.

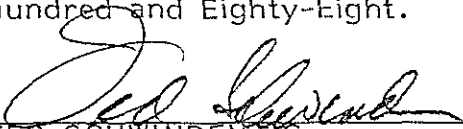
V. Compensation.

Members will be compensated as provided in Section 2-15-122(5), MCA. Each board, authority, corporation, or agency is responsible for the expenses incurred by its representative on the council. The Department of Administration is responsible for the expenses incurred by legislative representatives.

VI. Duration.

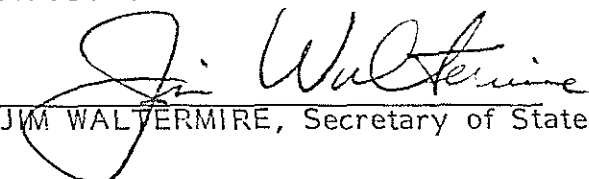
This advisory council shall remain in existence for a period of two years from the effective date of this order unless extended by executive order. This Order is effective January 23, 1988.

GIVEN under my hand and the GREAT SEAL of the State of Montana, this 3rd day of February, in the year of our LORD, One Thousand, Nine Hundred and Eighty-Eight.



TED SCHWINDEN, Governor

ATTEST:



JIM WALTERMIRE, Secretary of State