Meeting of the Board

STATE PUBLIC SCHOOL BUILDING AUTHORITY

December 3, 2015

Room 515 North Office Building

Harrisburg, Pennsylvania

10:30 a.m. Prevailing Time

MINUTES

1. Call to Order, Filing of Proof of Sunshine Notice and of Sending Notice of the Meeting, Roll Call and Announcement of Quorum.

2. Approval of the Minutes of the Meeting of August 13, 2015.

3. Financial Reports for the Months of June, July, August, September & October 2015.

4. Revolving Loan Fund.

5. Authority - Project Update.

6. Audit Committee Report & Audit Charter.

7. Old Business.

   A. Appointment of Authority Counsels.

8. New Business.

   A. PlanCon Financing Program Briefing.

9. Adjournment.

1. **CALL TO ORDER, FILING OF PROOF OF SUNSHINE NOTICE AND OF SENDING NOTICE OF THE MEETING, ROLL CALL AND ANNOUNCEMENT OF QUORUM.**

With a quorum of the Board being present, the meeting of the Board of the State Public School Building Authority was called to order on Thursday, December 3, 2015 at 10:29 a.m. prevailing time, in Room 515 North Office Building, Harrisburg, Pennsylvania. The proof of the Sunshine advertisement and certification in regard to sending the notice of meeting is attached to these minutes and identified as Appendix "A".

Board Members Present

Steven Heuer, (Proxy for Governor Thomas W. Wolf)
Kelly Phenicie, (Proxy for Senator Lloyd K. Smucker)
Lisa Felix, (Proxy for Senator Andrew E. Dinniman)
Danielle Guyer, (Proxy for Representative Stanley Saylor)
Alan Cohn, (Proxy for Representative Anthony M. DeLuca)
Christopher Craig, (Proxy for Treasurer Timothy A. Reese)
Christal Pike-Nase, (Proxy for Auditor General Eugene A. DePasquale)
Secretary of General Services Curtis M. Topper
Ernie Helling, (Proxy for Secretary of Education Pedro A. Rivera)

Authority Personnel Present

Robert Baccon, Executive Director
Beverly Nawa, Administrative Officer
David Player, Comptroller

Also Present

William McCarty, Esquire, Barley Snyder LLP
Marc Stein, Esquire, Eckert Seamans Cherin & Mellott, LLC
Robert Tuteur, Esquire, Eckert Seamans Cherin & Mellott, LLC
Glen Williard, Public Financial Management
John Frey, Public Financial Management
Brian Zweiacher, Esquire, Chief Counsel, Office of the Budget
Jeff Hammer, PASBO
Jennifer Langan, Deputy Chief Counsel, Pennsylvania Treasury

Participated Via Conference Call

Robert Archie, Esquire, Duane Morris LLP
Meredith Carpenter, Esquire, Duane Morris LLP
Gerald Farrell, Esquire, Ahmad Zaffarese LLC
Monique DeLapenha, Esquire, Ahmad Zaffarese LLC
Chris Bamber, Public Financial Management
Joan Stern, Esquire, Eckert Seamans Cherin & Mellott, LLC

2. APPROVAL OF THE MINUTES OF THE MEETING OF AUGUST 13, 2015.

A copy of the minutes of the meeting of August 13, 2015, was distributed to the Board Members prior to this meeting. It is therefore recommended that consideration be given to the adoption of the following Resolution:

RESOLVED That the minutes of the SPSBA meeting of August 13, 2015, be and hereby are approved as presented.

Upon **MOTION** by **Secretary Topper**, and **SECONDED** by **Ms. Pike-Nase**, and after full discussion, the above Resolution was unanimously approved at the SPSBA Board Meeting of December 3, 2015.

3. FINANCIAL REPORTS FOR THE MONTHS OF JUNE, JULY, AUGUST, SEPTEMBER & OCTOBER 2015.

The Financial Reports for the months of June, July, August, September and October were emailed to Board Members prior to this meeting.

It is recommended that consideration be given to the adoption of the following Resolution:

RESOLVED That the Financial Reports of the State Public School Building Authority for the months of June, July, August, September and October 2015 as received by this Board, be accepted and filed with the minutes of this meeting.

Upon **MOTION** by **Ms. Pike-Nase**, and **SECONDED** by **Ms. Phenicie**, and after full discussion, the above Resolution was unanimously approved at the SPSBA Board Meeting of December 3, 2015.

4. REVOLVING LOAN FUND.

Mr. Baccon explained that a loan to the Delaware County Community College closed in October. The loan, totaling $3,000,000 will be used for renovations at the College's Marple and Downingtown Campuses. He also indicated that there were no pending projects.

5. AUTHORITY – PROJECT UPDATE.

Mr. Baccon explained that there were no new projects. We sent letters to our clients explaining the new RFP process. However, only Montgomery County Community College asked to have a meeting to discuss the process. Bev and I met with College staff in October. The College already uses an RFP to select bond counsel and understands that they will have to refine their process to adhere to the OGC's criteria. We continue to have bonds refunded away for both SPSBA & PHEFA. We only have one pending project.

Chairperson Heuer asked if there were any questions or comments concerning customers refunding away from SPSBA.

Secretary Topper asked where are our customers are going.

Mr. Baccon said that they are going to local authorities. York College of Pennsylvania went to a local authority. The other couple that we know of are the University of Scranton and Delaware Valley University. They also used local authorities.

Secretary Topper asked if we knew what kind of returns they were getting.

Mr. Baccon said that we did not.

Ms. Pike-Nase asked if there would be any more marketing.

Mr. Baccon said that we would pursue clients further, but it will be more difficult to sell now. Clients are accustomed to using their own financing team. This is a new process. Hopefully they will get accustomed to it.

Ms. Pike-Nase asked about email marketing and brochures.

Mr. Baccon thought that personal contact would be more beneficial. He said that our clients know who we are.

Ms. Pike-Nase said that we offer really excellent services to the school districts.

Mr. Baccon agreed. However, the biggest cliental that went somewhere else were on the PHEFA side not the SPSBA side.

Ms. Pike-Nase said that various members of this authority had expressed concerns and the Auditor General's Office did not agree with the letter that was sent out. She added that we are going into a new year without upcoming projects and that there may not be a project in January. She inquired as to the purpose of the Board.

Mr. Baccon said that the purpose is to approve projects that come before the Board.

Chairperson Heuer said that some good points were brought up. He suggested that the Board revisit this topic in January. He feels that the Board needs to decide on a strategy going forward. He thinks that the Board definitely needs to do something.

Secretary Topper questioned if the terms of the refunding bond issues of entities who have gone elsewhere would be public information.

Mr. Baccon said that, yes, it was public information and it would be discoverable.

Secretary Topper suggested that the Board discover the full terms of these financings. He said that while it is likely that the new RFP process is a significant factor, or maybe even the only factor, that has lead potential customers to go elsewhere, it is possible that there are other factors. He recommended that they investigate and conduct a marketing study to understand why customers are going elsewhere before jumping to the conclusion that it was caused by the RFP process for selecting bond counsel.

Ms. Pike-Nase said that the Auditor General's Office would agree.

Mr. Craig said that it would be good to defer that kind of assessment until January when there is a budget and a better idea of the financial health of the Commonwealth. He continued to say that the Board was warned, prior to implementation of this policy, that this would be the consequence. The Board was made well aware that entities preferred, had comfort in, and placed business value on, selecting and maintaining their own financing team. He said that this was made very clear by entities and board staff. It was over our objections that the Board adopted this policy. Now six months or more into the new policy we are seeing the consequences of it. The lost bond deals are refinancing deals that are going to the market and taking advantage of lower interest rates. Mr. Craig said he doubts that local entities can get better financing terms and conditions than this financing agency could get. The primary difference is that the local authorities are a lot more flexible in allowing the customer to come in with their own financing team. He thinks that the Board should do its due diligence and have this conversation in January. He said it is possible another factor could be the financial problems of the Commonwealth and the failure of the Commonwealth to provide payments to schools. Mr. Craig reemphasized that the loss of customers should not come as a surprise. The Board was well informed of this. This policy was well discussed and deliberated. The Board adopted this policy because the Board thought that it would be a good thing to say. But it is now suffering the consequences that were predicted.

Chairperson Heuer said that this topic be revisited in the new year with all the facts laid out.

6. AUDIT COMMITTEE REPORT & AUDIT CHARTER.

Chairperson Heuer asked Ms. Pike-Nase to discuss the Audit Committee Report and Audit Charter.

Ms. Pike-Nase explained that the Audit Committee met on October 2, 2015 for the exit conference of the independent auditors. The Auditor General is the chair of the 5-member Committee. Maher Duessel is the Authority's new auditor. As in past years, the Authority received a clean opinion. Based on GASB Accounting Standards, unfunded pension liabilities of approximately $1.7 million must now be reported. The exit conference went very well. The Audit Committee felt that the new auditors were getting a good handle on the Authority's finances and operations. The auditors told the Committee that the staff of the Authority was very cooperative and well organized. This was especially due to the excellent work of the Comptroller, Dave Player. The Committee, at the suggestion of Lisa Felix, made a minor change to the Audit Charter. This happens often during the annual review. The change was in the terms of the Committee membership and clarification of their status. We provided the Board with a new copy of the Audit Charter. Ms. Pike-Nase recommended that the audited financial statements be accepted by the Authority.

7. OLD BUSINESS.

A. Appointment of Authority Counsels.

Mr. Baccon explained that the Authority went through the RFP process to select our counsels. The committee consisted of Dave Player, Bev Nawa and himself from the Authority and Kelly Phenicie, representing Senator Smucker, Ernie Helling, representing Secretary of Education Rivera and Danielle Guyer, representing Representative Saylor. We received 8 proposals which were individually scored. The Office of General Counsel combined the scores and we met to discuss the scoring. We were very pleased with the proposals we received. We selected Duane Morris out of Philadelphia and Barley Snyder out of Lancaster. Robert Archie will be the partner working with us from Duane Morris along with associate Meredith Carpenter. Duane Morris also has Ahmad Zaffarese, a small diverse firm, working with them. Monique DeLapenha is the partner from Ahmad Zaffarese who will also be working on the Authority matters. They are all on conference call today. Representing Barley Snyder is our former counsel from Hartman Underhill and Brubaker, Bill McCarty. Bill is in attendance today.

Chairperson Heuer asked if there was any other old business to come before the Board.

Mr. Craig wanted to clarify that while representing the Board the counsels cannot have a conflict and act as a bond counsel representing any school, college or entity issuing bonds through the Authority at the same time.

Mr. Baccon said that is correct. All of the counsels were made aware of that.

8. NEW BUSINESS.

A. PlanCon Financing Program Briefing.

Mr. Baccon said that as mentioned in an email to board members, we have been asked by the Office of the Budget to issue a series of bonds to fund the Commonwealth's payments required under PlanCon. As proposed, there will be a total of approximately $1.3 billion in taxable bonds issued primarily to fund working capital to provide the Commonwealth with about $300 million in immediate budget relief and provide further relief over the next 4 years. The Authority would also issue approximately $464 million in tax-exempt bonds for one-time grant payments to school districts currently in the early stages of PlanCon. These financings, along with an annual appropriation from the Commonwealth, would sunset the PlanCon program. We have representatives from Public Financial Management, Inc. (PFM) and Eckert Seamans in attendance to explain the proposal in more detail and answer any questions that you may have.

John Frey passed out a two-page handout describing the proposed PlanCon Financing Program (Appendix B).

Ms. Phenicie stated that this will have to be put into statute and the Legislature hasn't agreed to this process. This is still in progress. She wanted to make everyone aware of that before moving on with this discussion.

Chairperson Heuer reiterated that this had not been legislated and that it is just one proposal out there but one that has been honed in on.

Glen Williard from PFM introduced himself and explained that PFM is the financial advisor to the Office of the Budget. He described that the two-page handout was used on November 17, 2015 to brief some of the caucus representatives. He proceeded to give a brief summary of information in the handout.

For any school districts that have already issued debt over the last 20 years, they are already in the PlanCon process. PFM would propose to leave them alone. These projects were financed at reasonably attractive rates. They can be refinanced if rates go lower. This wouldn't impact any of their old bonds. If they are refunded, the

Commonwealth still gets a share of the savings. Those are called the legacy PlanCon projects. There are hundreds and hundreds of those.

For those projects that are PlanCon G projects and H projects, we want to catch them up to date. They would receive reimbursement. In a part H PlanCon project the school district has awarded construction bids, there is a hole in the ground and a building going up. Right now those projects are not getting funded. This would provide a funding source to get all of those projects caught up and funded under the old PlanCon rules. This would be what the district thought was going to happen because that is how it was planned when they started. In the part G PlanCon projects they have sent everything in, been awarded construction contracts and the building is under way but they haven't gotten the final stamp of approval from the Department of Education. We would also catch those up to date.

In order to do all of this, we worked with the Eckert Seamans. We decided that we would need to issue taxable bonds to fund these projects. The bonds would be issued, generally in declining amounts over the next couple of years, based on estimates that will change. We are going to cap those school districts who have already applied for PlanCon and those are going to be the only ones that are eligible going forward. If you have a new project and you didn't send in your paperwork you are not going to be included in this. It is only those 100-150 school districts who at least sent in a PlanCon A. They are grandfathered into the old program. Around $1.3 billion in taxable bonds will be needed to get all of those projects up to date.

There are some projects that got part H approval 1-3 years ago. They have issued bonds, the building may have already been built, kids could be in the schools, they are paying debt service, but they haven't received any reimbursement from Department of Education. So that would catch all of those up. We call that the back pay. Those school districts would get a payment as soon as that bond issue closes. That amount is approximately $188 million. Then they would be in the new run rate for the existing PlanCon projects. There would also be cost of issuance for the bond issues. Those components would be what the bond would fund. That amount would be in the $450 million range.

In the future, there are 100-150 grandfathered projects that have sent in their PlanCon A. It has been contemplated that these projects would have until June 30, 2019 to get their project the whole way through the PlanCon process. They would have to meet all of the old steps, including getting the construction bids awarded and issuing the bonds, and get up to part H. If they got all of this done in time they would go into the legacy PlanCon project group. And if they didn't get this done in time, they would miss their chance and no longer be eligible. Those projects, for the next couple years, would get one-time grants of lump sum payments up front out of the proceeds of the tax-exempt bonds instead of annual payments.

Robert Tuteur from Eckert Seamans introduced himself. He mentioned that they were retained by the Office of the Budget to assist in coming up with a structure for dealing with the PlanCon back pay issues and overall resolution of PlanCon moving forward. All of this, to the extent that it is approved, would require legislation. The constraint is that, to the extent that this is part of an overall resolution of PlanCon and involves the issuance of debt, the debt cannot be that of the Commonwealth of Pennsylvania. That is one of the reasons we are briefing the Board of SPSBA. Part of what is contemplated is that the issuer of these bonds would be SPSBA.

For those of you who know the State Public School Building Authority Law well, you will recognize that under the current legislation SPSBA would not have the Authority to issue bonds for this program. Therefore, if the judgement is made to move forward with the program as well as using SPSBA, there will be a need for legislation which will authorize the PlanCon program of providing monies to reimburse and/or make grants to school districts based on the status of their projects. And if the judgement is to sunset the program also providing for an appropriate sunset. To make it very clear the provisions of SPSBA law continue to apply but in terms of it not being debt of the Commonwealth. We were asked to insist that this debt would be subject to an annual appropriation by the Commonwealth. The Commonwealth is not assuming some general obligation to make the payments. And this debt, to the extent it is purchased in the marketplace, would be based upon the annual appropriation of the Legislature. It would be to the extent that the Legislature appropriates the debt service to pay the debt. The tax analysis is quite complicated. Some school districts are already in the queue, getting reimbursement, and a lot of those school districts have already issued tax-exempt debt. For that reason, a great amount of this debt would have to be issued on a taxable basis. It is possible that some of the obligations moving forward could be issued on a tax-exempt basis. He felt it was important for the Board to understand why these bonds would be taxable. He wanted to make sure it was clear to the Board that none of this can move forward without legislation enacted by the Legislature.

Mr. Williard described a spreadsheet summary of the PlanCon financing programs based on current set of assumptions. He briefly explained the current run rates or current PlanCon obligations for those projects that are already approved and getting payments. Those old legacy projects could have been done anywhere between 5 years ago and 20 years ago.

Mr. Craig inquires when Mr. Williard calls them obligations, if they are legal obligations of the Commonwealth.

Mr. Tuteur believes that they are subject to appropriation.

Mr. Craig questions again if there is a legal obligation.

Mr. Tuteur believes the whole PlanCon program, per regulations, requires that all payments are dependent on annual appropriation. So to the extent that the Commonwealth doesn't appropriate monies to pay PlanCon there is no obligation to make those payments.

Mr. Williard explained that the guidelines for the end product of this were to have $290 million come in as the run rate after we got passed the next 4 years. After that the final answer had to be $290 million a year.

The first transaction would be approximately $455 million. Then there would be annual bond issues thereafter that would get smaller over time. One component would be $185 million for the back pay reimbursement catch up. That would be all of the school districts that issued bonds a few years ago but didn't receive any payments yet. They may have missed 1, 2 or 3 years of payments. After they were caught up, they would drop into the run rate.

In addition, there would be money available for all the school districts that are caught up in the Part G and Part H. That would be the $455 million. Over the next couple of years $1,117,000,000 in working capital would be needed. These numbers will change over time as the borrowing costs and the amounts of the PlanCon reimbursement amounts are finalized. There are a host of variables. We talked to the Department of Education and we think these are good estimates. There will be some working capital bond issues and the debt service for that would come from a series of bond issues that are needed over the next 6-8 years. The debt service for all of the bonds in the program would be approximately $1,310,000,000.

Mr. Craig inquired what that is based on and what interest rate assumption was used.

Mr. Williard said that the taxable bond issues are assumed to be 250 basis points over Treasury. The tax-exempt bond issues are assumed to be 150 basis point over the MMD index.

Mr. Craig asked what rating was assumed.

Mr. Williard assumed that would be the A category. Right now the Commonwealth is AA- or AA3. So we assumed one or two notches below the Commonwealth's current rating.

Mr. Craig questioned what happens if we don't get that rate. He said this was a good outline particularly for education professionals that understand PlanCon. But he feels that the big issue is what was buried at the very last point. This program, over the life of the debt, is dependent on the general assembly appropriating "X" amount per year. That didn't go too well for CFA this year. And the S&P just issued a rather disturbing report on the Commonwealth saying that they are now a chronic issue of late budgets. This is premised on two rather significant assumptions. One assumption is that general assembly will appropriate the appropriate amount of money and that the Governor will not veto that for the next approximately 25 years. And the second assumption is that they will do it on time.

Mr. Williard said that is fair.

Mr. Craig said those are pretty massive assumptions. He mentions that right now it seems that S&P is thinking that the Commonwealth can't deliver. Mr. Craig wonders what happens if the new budget comes out and doesn't address our structural deficit with significantly established revenues. He inquires if PFM would still be confident that we will get a single A rating.

Mr. Williard said they will need to see the whole budget package. The program summary assumes that the rating category stays the same or only two notches down. But there is risk in ratings going down or interest rates going up.

Mr. Craig asked what the Philadelphia SD rating is.

Mr. Williard says he thinks they are in the BB category before the intercept.

Mr. Craig said that each year they are dependent on a timely passed general fund budget from the Commonwealth that appropriates a predictable and agreed upon number from the state that usually is not escalating other than interest. They don't assume that we are going to get much more. He wonders what is PFM going to recommend, or what the Board going to do, when we find out that this is not rated A. The A rating is not all that great. But he questions whether we still going to do this or could the debt service costs be too prohibitive if the rating falls below that.

Mr. Williard said that it would depend on market conditions and the absolute level of interest rates. Even if the rating is fine, there is interest rate risk. If interest rates went up and the rating was fine, we would be faced with a similar problem to what you are describing.

Mr. Craig is very concerned with any kind of debt structure. The CFA has already done this for much less debt. People were very nervous about their last payment. And that payment was made just in the nick of time. It was called into doubt because of the failure to pass a budget that authorizes that. The last point in the presentation makes him very nervous. Mr. Craig asked whether there were comparable examples that he could share.

Mr. Williard said that CFAs are probably the closest comparable example.

Mr. Craig inquired if other states had done this kind of financing.

Mr. Williard said he would have to look into this to see if there are other states that have done this kind of financing program.

Mr. Craig asked that when this is presented to the Board for consideration that there is a whole lot more information related to expected rating and what would go into that. He would like to know what the expected cost would be and maybe by then we will know what the Fed is going to do with rates. He would like some kind of analysis as to whether or not there is a threshold that we don't go past. He would like to know what makes our debt better than the School District of Philadelphia's debt. And he would like to know if this could have any impact on other debt issuances by this Authority. For example, could this have a spillover effect on regular Montgomery County Community College bond issues.

Mr. Williard said he will need to think about it some more but his first response would be to say that this would not impact a conduit issuer.

Mr. Tuteur said that when this Authority issues debt for any college or university it is serving as a conduit issuer. The obligation of the Authority to pay the debt, as fully disclosed in all offering and debt documents, is limited to the payments from the college or university. He mentions that he is not a financial advisor but in his view that should not have an impact because that is a completely different credit.

Mr. Craig inquired as to whether the credit rating agencies recognize that.

Mr. Tuteur said he believes that they do.

Mr. Williard referred back to the handout and PlanCon projects that have awarded contracts but have gotten hung up and have not received their final payments. The projects in the Part H and Part G may be a little more front ended, according to the Department of Education, and a little less towards the bottom. But these numbers could be moved around for that. The tax-exempt bonds would fund the one-time grants for the school districts that have been grandfathered but aren't yet ready to fund those projects. This shows $464 million in debt. That amount helped us get to the $290 million run rate. We assumed that there would be no need for that money in the early years. That may be accelerated a little bit depending on the phase of those projects. That is a placeholder to show how they would get funded and roughly how much. These numbers would all move around depending on interest rates and credit ratings. The goal was to keep it around a $290 million a year run rate. That way money is freed up for education early on. We would then try to level that off and stay at that $290 million run rate for approximately 20 years. There is a lot more math behind this but this is a short summary for this meeting. He asked if there were any questions.

Secretary Topper asked what the implications were in terms of the Board's staff and the level of effort that is anticipated on the part of the Board.

Mr. Baccon said that if we take this on, it will be another debt issue for which we have to select a bond counsel through the RFP process, we would have the other participants involved as well. The concern of the staff would be that over time there may be expenses related to the issuance such as IRS audits and things of that nature. The Authority would like to have discussions about how they could be reimbursed for some of those expenses. This is totally different than our normal conduit issuance because we would be the borrower of the money in this case.

Mr. Tuteur said that Mr. Baccon is absolutely correct. As the issuer of the debt, the Authority would presumably have some additional potential obligations and they would require some time. But it is certainly not within our connotation as counsel that the Authority is going to administer the PlanCon program. The PlanCon program would continue to be administered as it is now. Once the bonds are issued the money would flow from the Authority to the Treasurer. There would be no difference in how PlanCon administration and PlanCon payment is presently conducted. It does impact the other obligations that the Authority might have to deal with as the issuer of the debt. This would include an inquiry from the IRS or something like that.

Secretary Topper thanked him and said that was helpful. He would like to come up with a better estimate with details to make this more complete. As the Board gets a better understanding of what is being asked of them, then they can look at this in their current capacity. Now is the time to make the requests and be sure that we have the capability to do the work.

Chairperson Heuer asked if there were any other questions.

Ms. Pike-Nase asked for the current status of the legislation and if the Board can get a copy of it.

Ms. Phenicie said that there were two versions of this program that were in the bills that were vetoed by the Governor. These versions that were slightly different from this one. This version has not been put into any statutory form at this point. The Office of General Counsel has a draft but it is still possible that it may change at this point.

Chairperson Heuer said we wanted to get this in front of the Board because Mr. Baccon had come over to talk to the Office of the Budget to talk to Secretary Albright. If the legislation including this PlanCon program does move forward, there will be a timing issue. Everything would have to put into place for the legislation and the Authority would have to go to the market as soon as possible. There is a payment of approximately $200 million for PlanCon that is due by the end of this fiscal year. But it depends on whether or not it is appropriated.

Mr. Craig said he doesn’t understand the payment part.

Chairperson Heuer said this is the whole thing about the working capital. If we did this program, it would defer, and there would be no payment due in this year. He asked Mr. Williard for to confirm that this was correct.

Mr. Williard confirmed that was correct.

Chairperson Heuer added that if we didn't do this plan right now there is supposed to be payment for PlanCon but he doesn't know if that will be appropriated.

Mr. Craig inquired how many years it had been since the Commonwealth made a PlanCon payment.

Mr. Williard said that payments have been made on the existing PlanCons. But they have not made payments on any new projects.

Chairperson Heuer said yes the existing ones have been paid. But new ones have not.

Ms. Phenicie said that she thinks that last year there was $35 million in the budget to pay existing ones. There has been a moratorium the last three budgets for any new projects. But last year there was some money distributed.

Mr. Craig said that this is a very big issue and we need a lot more information about the impact. It is up to the legislature and the Governor to determine policy. But he believes that the Board has a separate fiduciary responsibility.

Chairperson Heuer says that after the budget is passed we will find out what is going to happen to the credit rating of the Commonwealth and everyone associated with the Commonwealth.

Ms. Phenicie worries that something needs to done by the end of this year plus amending the two acts and the legislature hasn't started that process at all. She said that this is something we will need to consider as well. She can't guarantee that this will be done by the end of the year.

Chairperson Heuer said he understands her concern and there is a lot in the air right now. We will do the best we can to get somewhere that we have a consensus. He made a clarification that this must be done by the end of the fiscal year and not by the end of the calendar year.

Chairperson Heuer asked if there was any other new business to come before the Board, and hearing none, he asked for a motion to adjourn.

10. ADJOURNMENT.

There being no further business to come before the Board at this time, upon **MOTION** by **Secretary Topper**, and **SECONDED** by **Ms. Pike-Nase**, the SPSBA Board Meeting was adjourned at 11:15 a.m.

SUNSHINE ACT MEETING NOTICES

Tuesday, December 1, 2015

If you need an accommodation due to a disability, please contact the ADA contact name listed below

CANCELLED: State Board of Examiners of Nursing Home Administrators Meeting: December 2, 2015, 9:00 AM. 2601 N. Third St., HBG.

Contact Name: Nicole Thurstin 787-6604

SPECIAL: Victims' Services Advisory Committee Meeting: December 2, 2015, 2:00 PM. PCCD Bldg., 2nd Fl. Conf. Rm., 3101 N. Front St., HBG.

Contact Name: Luanne Melia 265-8497

CANCELLED: State Board of Chiropractic Meeting: December 3, 2015, 9:00 AM. 2601 N. Third St., HBG. Also cancelled: State Board of Nursing on 12/4/15 at 9AM.

Contact Name: Nicole Thurstin 787-6604

SPECIAL: State Public School Building Authority and PA Higher Educational Facilities Authority Meetings: December 3, 2015, 10:30 AM.

North Office Bldg., Rm. 515, HBG. Contact Name: Bev Nawa 975-2204

Appeared in: ***Patriot-News*** on Tuesday, 12/01/2015

Appendix A

STATE PUBLIC SCHOOL BUILDING AUTHORITY
PENNSYLVANIA HIGHER EDUCATIONAL FACILITIES AUTHORITY
Notice of the Meeting of the Board to be Held
December 3, 2015

Notice was in letterform, as follows:

This letter advises that a meeting of the State Public School Building Authority and the Pennsylvania Higher Educational Facilities Authority Boards will be held on **Thursday, December 3, 2015,** at ***10:30 a.m.,*** in **Room 515 North Office Building, Harrisburg**, Pennsylvania, for the purpose of: (a) approving certain projects for financing; and, (b) consideration of such other matters as may properly come before the Board.

Enclosed herewith is a copy of the notice that has been posted on the bulletin board in the Authority office, in accordance with Act No. 213, 1957.

I would appreciate it if you would make the appropriate notation on the attached slip, indicating whether or not you plan to be present at the meetings and return same to us.

Sincerely,

/s/ Robert Baccon

Robert Baccon
Executive Director

Enclosures

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Appendix A

Harrisburg, PA

I CERTIFY that the notice on the previous page for the December 3, 2015, meetings was dispatched to the following on November 19, 2015, at the addresses indicated, constituting all of the members of the Board of the State Public School Building Authority and the Pennsylvania Higher Educational Facilities Authority.

Thomas W. Wolf, Governor of Pennsylvania
225 Main Capitol Building, Harrisburg, PA
Steven S. Heuer, Proxy for Governor Wolf
333 Market Street – 18th Floor, Harrisburg, PA
Lloyd K. Smucker, Designated by the President Pro Tempore of the Senate
351 Main Capitol Building, Harrisburg, PA
Andrew E. Dinniman, Designated by the Minority Leader of the Senate
182 Main Capitol Building, Harrisburg, PA
Stanley E. Saylor, Designated by the Speaker of the House of Representatives
105 Ryan Building, Harrisburg, PA
Anthony M. DeLuca, Designated by the Minority Leader of the House of Representatives
115 Irvis Office Building, Harrisburg, PA
Timothy A. Reese, State Treasurer
129 Finance Building, Harrisburg, PA
Eugene A. DePasquale, Auditor General
229 Finance Building, Harrisburg, PA
Curtis M. Topper, Secretary of General Services
515 North Office Building, Harrisburg, PA
Pedro A. Rivera, Secretary of Education
333 Market Street - 10th Floor, Harrisburg, PA

GIVEN under my hand and seal this 19th day of November 2015.

/s/ Robert Baccon

Robert Baccon, Executive Director
State Public School Building Authority
Pennsylvania Higher Educational Facilities Authority

Appendix A