

STATE BOND ADVISOR'S OFFICE

AGENCY MISSION STATEMENT:

Created by the Oklahoma Bond Oversight and Reform Act in 1987 and established as an independent agency by statute in 2003, the State Bond Advisor's Office provides staff support to the Council of Bond Oversight and the Long-Range Capital Planning Commission. The Office serves as primary coordinator of capital planning and debt issuance by agencies, authorities, and trusts of the State of Oklahoma. These responsibilities include:

- (i) developing the State's multi-year Capital Improvement Plan;
- (ii) oversight of the selection of professional service providers for bond transactions;
- (iii) providing assistance with the sale of notes, bonds, and other obligations to agencies, authorities, departments and state trusts;
- (iv) approving fees and expenses associated with the debt issuance process;
- (v) maintaining relations with the bond rating agencies and credit enhancement providers; and
- (vi) serving as advisor to the Governor and Legislature on matters relating to debt issuance and management.

The goal of the Office is to protect the interests of the citizens of the State of Oklahoma by ensuring that all borrowings are conducted in a legal, ethical and cost-effective manner. Through the timely preparation and dissemination of financial and economic information, the Office promotes better understanding of the State's credit quality and helps ensure favorable market access for each of its borrowing programs.

This mission statement was adopted by the Council of Bond Oversight and 2004 and has been reviewed periodically, without revision, since then.

LEAD ADMINISTRATOR:

James C. Joseph, Oklahoma State Bond Advisor

GOVERNANCE:

The State Bond Advisor's Office serves as staff to the Council of Bond Oversight, a body consisting of five members, as follows: the Director of State Finance (a voting, *ex officio* member), two public members appointed by the Governor, a public member appointed by the Speaker of the Oklahoma House of Representatives, and a public member appointed by the Oklahoma Senate President Pro Tempore. The current membership is shown below:

Cliff Elliott, Chairman (attorney from Enid – appointed by Governor)
Carl Packwood, Vice Chairman (banker from Shawnee – appointed by Governor)
Scott N. Hatch, Secretary (CPA from Lawton – appointed by Speaker)
David Johnson (banker from Tulsa – appointed by Pro Tem)
Preston Doerflinger, Director of State Finance

GOVERNANCE ACCOUNTABILITY:

Please provide copies of the minutes for any Commission/Board meetings the agency has had since July 1, 2010 in electronic format (Only in PDF format). Is there an attendance policy for board members/commissioners? If so, is it being followed?

The Council meets monthly when there is business to conduct. Copies of the minutes for the meetings since July 1, 2010 are attached. Members are expected to attend all meetings to the extent possible, but there is no formal attendance policy.

MODERNIZATION EFFORTS:

The State Bond Advisor's Office has three FTE and, as such, has less operating margin than most State agencies. Every effort has been made to implement improved operating and management practices when they can be identified. We have worked with the bond attorneys that provide support for the State's financing to obtain issue transcripts in electronic form, thus reducing the amount of storage space needed in our office. We have utilized the online budget request system maintained by OSF for agencies' submission of their capital project requests – saving both those agencies and our Office a huge amount of paper. We contract with OPM for our payroll services and have had discussions with OSF about shared services. However, the latter appears to cost us more than we now spend.

What steps has the agency taken to cut costs and/or eliminate waste? Are there efforts that have been successful which you believe could serve as a model for other state agencies seeking to keep costs minimal?

As noted above, we are always looking for ways to reduce our costs of operation. However, our functions are so unique that it would be difficult for us to serve as a model other agencies' operations.

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CORE MISSION:

I am not aware of any services we are required to provide that are outside our core mission. The few activities or services we provide to agencies and Oklahoma taxpayers that are not mandated are well within the scope of our mission.

PRIVATE ALTERNATIVES:

No, we oversee the activities of the private section as they relate to State's capital planning, and debt issuance and management practices. We have not been approached by any third party interested in performing our services. The independence of the Office is essential if Oklahoma is to preserve its favorable position in the credit markets and ensure that financings are done in an unbiased and efficient manner.