

EXECUTIVE REORGANIZATION ORDER
E.R.O. No. 2000-5

12.183 Establishment of Michigan debt advisory board within department of treasury.

WHEREAS, Act No. 202 of the Public Acts of 1943, being Sections 131.1 et seq. of the Michigan Compiled Laws, authorizes and directs the State Treasurer to protect the credit of the state and its municipalities; and

WHEREAS, the state, and agencies and authorities of the state, are authorized by law to issue bonds, notes, obligations, and other evidence of indebtedness; and

WHEREAS, preserving and enhancing the state's credit rating and maintaining future low-cost capital financing is beneficial to the state and its citizens; and

WHEREAS, consistent consideration of the state's overall management of debt promotes the effective integration of the state's debt capacity with its capital financing needs; and

WHEREAS, access to the capital markets can be enhanced by the effective coordination of debt issuance financing and related activities.

NOW, THEREFORE, I, John Engler, Governor of the state of Michigan, pursuant to the powers vested in me by the Constitution of the state of Michigan of 1963 and the laws of the state of Michigan, do hereby order the following:

A. Establishment of the Michigan Debt Advisory Board

1. The Michigan Debt Advisory Board ("Board") is hereby established within the Department of Treasury. The Board shall consist of the State Treasurer, the Director of the Department of Consumer and Industry Services, the Director of the Department of Management and Budget, the Director of the Department of Transportation, and the State Budget Director.

2. Members of the Board shall serve without compensation. Members of the Board may receive reimbursement for necessary travel and expenses according to relevant procedures of the Department of Management and Budget and Civil Service Commission rules and regulations.

3. Members of the Board shall attend Board meetings in person, and shall not delegate their responsibilities to other persons. The Chairperson of the Board shall be the State Treasurer. The Board shall meet at least once annually.

B. Charge to the Board

1. The Board is charged with advising and making recommendations to the Governor on matters relating to debt issuance, debt management and debt capacity. To carry out its charge, the Board may engage in, but is not limited to, the following activities:

a. Review and report to the Governor the state's debt capacity, considering both legal capacity and debt affordability;

b. Review and make recommendations for changes in state laws and policies that govern or affect the management or issuance of debt by the state and its agencies and authorities;

c. Ensure the coordination of debt issuance by the state and its agencies and authorities in terms of market access and timing; and

d. Provide advice and counsel to the Governor on the state's credit ratings.

2. At its first meeting, the Board shall establish the Michigan Debt Issuers Committee to serve as a resource to the Board. The Committee shall consist of the Chief Deputy Treasurer and other state officials (or their designees), as determined by the Board, directly involved in the issuance of bonds, notes, obligations, or other evidence of indebtedness by the state or by agencies or authorities of the state. The Committee shall meet at least once monthly, or as otherwise determined by the Board, for purposes specified by the Board. Such purposes may include the following:

a. Coordination of the timing of debt issuance;

b. Sharing of information concerning trends in debt issuance and market activity;

c. Working to utilize fully and improve the use of technology in activities related to debt issuance; and

d. Providing information and coordination on disclosure standards in both the primary and secondary markets.

The Chief Deputy Treasurer shall chair the meetings of the Committee, set the agendas, oversee the activities of the Committee, to the extent such activities specifically pertain to the purposes set forth by the Board, and coordinate requests made to the Committee by the Board.

C. Miscellaneous

1. The Board shall be staffed by personnel within the Department of Treasury, to be designated by the State Treasurer.

2. All principal departments and other state agencies shall cooperate with the Board in the performance of its responsibilities. The Board may request, and principal departments and other state agencies shall provide, such policy and technical information as is required by the Board in the discharge of its responsibilities. Agencies shall make every effort to provide the Board with key staff and other means of support to assist in the performance of its duties.

3. The Board may promulgate bylaws, consistent with law and with this Executive Order, to govern its organization and procedure.

4. The Board may hire or retain such contractors, sub-contractors, advisors, consultants and agents, and may make and enter into contracts necessary or incidental to the exercise of the powers of and the performance of its duties as the State Treasurer may deem advisable and necessary, in accordance with the relevant statutes, rules and procedures of the Civil Service Commission and the Department of Management and Budget.

5. This Executive Order shall not affect in any way the autonomous nature of any agency or authority of the state, including that agency's or authority's ability to independently exercise its authority, powers, duties, and responsibilities as provided by law.

The provisions of this Executive Order shall become effective upon filing.

History: 2000, E.R.O. No. 2000-5, Eff. Sept. 5, 2000.