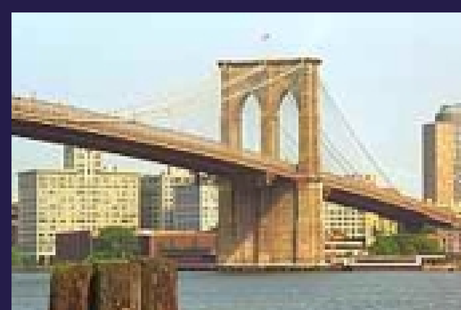
REBUILDING AMERICA

Economic Recovery Through Capital Investments For The Future



A Roundtable Discussion:
Pension Fund Managers and State Investment Officers

December 5, 2001

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FELIX ROHATYN

Comptroller
State of New York

Treasurer
State of California

November 16, 2001

Dear Invitee:

The events of September 11th have left our entire nation stunned. As public officials, we are vividly aware of the impact the tragedy has had not only on human lives and local civic landscape, but also on the entire nation. Coming in the midst of a weakening economy, the terrorist attack on America has highlighted the need for a concentrated and coordinated effort to strengthen the economy and spur long-term economic growth.

Trustees and managers of pension systems as well as state investment officers are in a unique position to help meet this new fiscal crisis. Last month, Felix Rohatyn published the attached article in the Wall Street Journal explaining the need for broad action to rebuild the nation's infrastructure. In it, he suggested that public employee pension funds could assist the effort by creating local bonds with federal guarantees.

New York State Comptroller H. Carl McCall and Ambassador Rohatyn recently convened a meeting to discuss this issue with managers of pension funds in New York State. They agreed that certain ideas held great potential, and decided to have a broader discussion to inform other public pension fund managers and state investment officers of their plans and encourage them to pursue similar ideas to rebuild infrastructure in their own regions.

We are working together to build a coalition of pension fund trustees and managers and state investment officers who would collectively call on the federal government to work in partnership with the states. We have also spoken with labor union leaders and expect to continue to work together with them on this issue. A united effort is likely to yield a more positive response.

Therefore, we are inviting you or a representative of your fund to attend a meeting on Wednesday, December 5, 2001 at the offices of TIAA-CREF at 730 Third Avenue, New York City in the Greenough Board Room on the 27th Floor. Registration will begin at 7:30 a.m. and the meeting will start promptly at 8:00 a.m.

It is important that pension funds and state investment funds be proactive and identify investment opportunities that are consistent with our fiduciary responsibility and reflective of our public commitment. As always, our intent is to benefit our members – and all the citizens of our states and nation.

Please contact Linda Scott in Comptroller McCall's office to let her know if you can attend the meeting on December 5, 2001. She can be reached at 212-681-4495.

Thank you for your consideration. We look forward to working with you on this most important effort.

Sincerely,

H. Carl McCall　　Felix Rohatyn　　Philip Angelides

Attachment

THE WALL STREET JOURNAL.
Tuesday, September 25, 2001

Rebuilding Can Revive the Economy

By Felix Rohatyn

Congress has approved, and President George W. Bush signed, legislation that offers New York roughly $20 billion to help rebuild from the tragedy of Sept. 11. Another $15 billion will go to help the faltering airline industry. Only time will tell whether this will be sufficient to deal with the serious economic downturn facing the city and the nation. But it is likely that the ripple effect of the attacks on New York and Washington, coming on top of a weakening economy, will require broader action on both the local and national levels.

The immediate reaction to the terrorist attack by the president and Congress indicates that we are breaking out of the intellectual straitjacket of budgetary "lock boxes" and not "squandering" the Social Security "surplus." It is high time that we came back to the reality that we have the lowest debt-to- gross-domestic-product ratio of any developed country, that we have a fundamentally strong economy, and that our only objective must be to regain economic growth. That must be done, on a national scale, by a combination of private and public investment.

Rebuilding New York's infrastructure is important. Rebuilding the national infrastructure and, at the same time, fueling economic growth and productivity, is equally important. President Bush should take a page from of one of his predecessors, Dwight Eisenhower.

In 1956, trying to prevent a recession after the Korean War and to deal with nuclear threats to urban areas, Eisenhower signed the Federal-Aid Highway Act of 1956. Over the next 30 years, 43,000 miles of highway were built at a cost of $128 billion (over $250 billion in present value and averaging, in the early years, over 3% of GDP). That generated enormous economic activity and helped secure our cities. President Bush should consider a similar piece of landmark national legislation.

Our national economy is likely to enter a significant downturn due to its weakness in the past year and the impact of the recent events. The dramatic downturn in the airline industry is just one aspect of this downturn, which will inevitably result in still more lost jobs, lost confidence, and a significant slowdown in consumer spending. A large-scale public-investment program would have an important long-term economic impact and is badly needed by urban as well as rural America. It would also provide a great psychological lift to Americans worried about the future.

A recent report by the American Society of Civil Engineers indicated that America's infrastructure needs over the next five years total $1.3 trillion simply to reach acceptable standards. Our schools are in the worst shape of any category, worse even than our sewers. It would take $127 billion to bring our schools into good overall physical condition, according to the Department of Education, and over $300 billion to meet the costs of rising enrollment and installing modern technological infrastructure. If education is indeed a priority, as President Bush rightly claims it to be, the physical condition of our schools and their safety is as important as their curriculum.

Before the terrorist attack, our airports were estimated to need $40 billion to $60 billion worth of investment to handle increased traffic. They will now need more to meet greater security requirements. Mass transit systems will require $39 billion to maintain current conditions, and $72 billion to improve significantly. Roads will require $350 billion, and bridges $80 billion.

The list goes on and on for waste disposal, drains, water systems, etc. For the country, that list is both a need and an opportunity.

A $250 billion five-year infrastructure program should be the objective of an initial Bush plan. Its financing could be done in a variety of ways, and should offset the fiscal pressure on state budgets that will be caused by the coming downturn. The country's strong fiscal condition suggests direct federal financing as the cheapest and most practical way to accomplish this.

The increase in the national debt of $50 billion per year as a result of this program would be less than 0.5% of GDP, and the benefits to growth, employment and national productivity would more than offset this. If necessary, it would also be possible to mobilize financing from state employee pension funds, which have hundreds of billions of dollars in assets, by creating local bonds with federal guarantees.

The Federal-Aid Highway program of 1956 was financed by federal gasoline taxes, but any tax increase at this time would be counterproductive. As a matter of fact, the administration might consider restructuring the current version of the Bush tax cut in order to bring the rate reductions forward and provide stronger near-term stimulus.

Some will argue that these policies would raise fears of future inflation and raise long-term interest rates. But what we have to fear is near-term deflation and contraction, not future inflation.

President Bush could call on business and labor, Democrats as well as Republicans, to support such a program. Tens of thousands of Americans will be laid off in the near future. A national infrastructure program of this type could generate up to one million new jobs, depending on the investment mix, and maintain these jobs over time. It would well serve the nation in this time of need.

PRELIMINARY PARTICIPANT LIST

NAME	ORGANIZATION
The Honorable Philip Angelides	California State Treasurer
David Blitztein	United Food and Commercial Workers
Joan M. Caine *	Rhode Island General Treasurer’s Office
Michelle Cunningham	California State Teachers' Retirement System
The Honorable Randall Edwards	Oregon State Treasurer
Michael Flaherman	California Public Employees' Retirement System
Dan Gallagher	Los Angeles City Employees' Retirement System
The Honorable Betsy Gotbaum	New York City Public Advocate-elect
Rick Hayes	California Public Employees Retirement System
Jane Levine	New York City Comptroller's Office
Stephen Levy	Center for Continuing Study of the California Economy
The Honorable H. Carl McCall	New York State Comptroller
The Honorable Dale McCormick *	Maine State Treasurer
Elizabeth Mozley	Florida State Board of Administration
The Honorable Shannon O'Brien *	Massachusetts State Treasurer
Peg O'Hara	Council of Institutional Investors
George M. Philip	New York State Teachers' Retirement System
Howard Rifkin	State of Connecticut Treasurer's Office
The Honorable Felix Rohatyn	
Dave Smith	AFL – CIO
Wayne Smith	Massachusetts Pension Reserves Investment Management Board
The Honorable Bill Thompson	New York City Comptroller-elect
Mike Travaglini *	State of Massachusetts Treasurer's Office

* participating by phone

AGENDA

Rebuilding America: Economic Recovery Through Capital Investments for the Future
Roundtable Discussion
December 5, 2001

7:30 – 8:00	**Coffee and Registration**
8:00 – 8:15	**H. Carl McCall, Comptroller, State of New York** ▪ Welcome and Introductions ▪ Overview ▪ Initiatives in New York State
8:15 – 8:30	**Felix Rohatyn** ▪ Need for Infrastructure Investments
8:30 – 8:45	**Philip Angelides, Treasurer, State of California** ▪ Options for Initiatives/Federal Action ▪ Initiatives in California
8:45 – 9:15	**Discussion of Policy Options**
9:15 – 10:15	**Discussion of Recommendations/Next Steps**

POLICY OVERVIEW

REBUILDING AMERICA:
ECONOMIC RECOVERY THROUGH CAPITAL INVESTMENTS FOR THE FUTURE

This year, the U.S. economy already was slowing when the tragic events of September 11th accelerated the nation's economic downturn. The terrorist attack on America has highlighted the need to strengthen the economy and to spur long-term economic growth.

As the nation struggles to survive these difficult times, much of the policy debate has focused on two differing approaches to economic stimulus: tax relief and government assistance for the corporate sector versus immediate assistance for those left unemployed in the wake of the terrorist attacks.

We propose that pension fund managers and state investment officers come together to consider a strategy for capital investment which addresses our nation's significant and long-term infrastructure and economic opportunity challenges, while simultaneously providing a short-term stimulus to boost our lagging economy.

Over the last year, the national unemployment rate has climbed from 3.9 percent to 5.4 percent – with October 2001 showing the largest one-month increase since February 1986. Over 2.2 million workers have lost their jobs during the last year. While opinions differ as to the likely length and depth of the current economic turmoil, there is no question that the nation has substantial infrastructure and economic development needs which can be addressed in a thoughtful stimulus package.

- **Infrastructure and Economic Opportunity: America's Enduring Challenges**

In every state, there are billions of dollars in critical, but unmet infrastructure needs. New schools must be built and existing schools need to be repaired and wired for the high-tech age. Transit networks, roads and bridges need to be improved and water systems need to be modernized and made secure against terrorists.

As an example, the Federal Highway Administration (FHWA) estimates that the annual investment required just to maintain the nation's transit systems is $10.8 billion. Traffic congestion costs Americans an estimated $72 billion annually – in wasted fuel and lost time. As another example, $127 billion is needed to repair, renovate and modernize the nation's public schools. In California alone, over $16 billion is needed over the next five years to fund the State's share of public school construction and renovation and over $1.5 billion is needed immediately to bring student-to-computer ratios to an acceptable level.

Infrastructure needs are particularly acute in those rural and urban communities that have not fully shared in the bounty of the nation's economic progress. For example, a 1999 nationwide study showed that schools with the highest concentrations of poverty reported greater school repair needs, while a 2001 survey conducted in California reported that student to computer ratios were the worst in schools serving low income areas.

The challenges of inadequate infrastructure are still squarely in front of the nation as we enter a period of recession. America must be committed to public investments in infrastructure as the foundation for broadened economic opportunity, sustainable growth, and a successful private sector economy.

- **Pension Funds and State Investment Officers: Partners in the Nation's Economic Recovery**

The leaders of the nation's pension funds and state investment officers should examine how, in partnership with the federal government, they can formulate an investment strategy which addresses long-term infrastructure and economic development needs and provides a near-term boost for the economy.

The challenge before the nation is to find ways to prudently deploy our wealth and assets to create wealth and sustained economic progress for future generations. Even in these difficult times, we are not without the financial resources to strategically invest in our future. Here are a couple of examples:

Nationally, public pension systems represent an investment pool of approximately $2 trillion. These pension funds and state investment pools must be invested consistent with the highest fiduciary standards. A focused strategy that embraces thoughtful, prudent investments can leverage substantial private investment, while achieving market returns *and* positive results for the sectors and communities most in need of capital for economic expansion. As an example of the potential impact of strategic investments, the National Venture Capital Association (NVCA) recently released a report showing that venture capital, invested from 1970 through 2000, has created 7.6 million U.S. jobs and more than $1.3 trillion in revenue as of the end of 2000.

States and local governments also have the ability to issue bonds for economic development and infrastructure purposes at a time when long-term, tax-exempt borrowing rates are at the lowest levels since 1969. A capital investment program funded by bonds can meet well-documented infrastructure needs, while providing an economic stimulus today. Studies have shown that every $1 in investment in public works creates $2.50 in economic activity and the FHWA has estimated that every $1 billion in transportation improvements creates 42,000 jobs.

There is a unique need and opportunity, in this time of national stress, to invest in ways to fuel economic recovery *and* build lasting economic strength.

What is needed now is a new partnership of the federal government and state and local governments to spur investments in economic development and infrastructure. The federal government can utilize its credit and financial strength to support critical state and local investments that build the economy. This partnership is particularly critical at this moment given the fiscal straits in which many state and local governments now find themselves as revenues plummet – threatening vital capital investment programs. According to the National Conference of State Legislatures, 44 states report lower-than-expected revenues, and at least 19 face higher-than-expected costs due to the economic slowdown.

It is in this vein that we gather to consider a set of policy options to renew America's economic strength. These options include pension funds purchasing federally guaranteed bonds; federal backing for state and local deposits in community banks; increased federal authorization for state and local bonds for economic development projects; and federal revenue sharing to support state and local capital projects. The strategies which should be pursued are those which merge the needs for short-term stimulus with long-term capitalization that strengthens our economic future.

- **Forum for an Initial Discussion**

This policy overview and the attached summary of initial policy options are meant to serve as guides for a discussion of economic stimulus strategies which can be undertaken by pension funds and state investment officers in partnership with the federal government. Hopefully, the discussion of December 5th will mark the beginning of a policy effort to fuel economic recovery through capital investments in our future.

CENTER FOR CONTINUING STUDY OF THE CALIFORNIA ECONOMY

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DATE: November 26, 2001

TO: December 5th Meeting Participants

FROM: Stephen Levy

SUBJECT: The State and Local Government Role in Dealing with Recession—The Federal Responsibility and Issues

1. The federal government has the principal role in anti-recession policy in the nation. Most of the powerful anti-recession tools (interest rate and fiscal policy tools) are federal. In addition, the federal government can incur budget deficits as a legitimate anti-recession strategy—something not allowed for state and local governments which must regularly operate with balanced budgets.

   The objective of federal anti-recession policies is to boost spending. These policies are counter-cyclical because they act to offset the reductions in spending by consumers and businesses that normally occur in economic downturns.

   Interest rate cuts act to increase the incentive for consumers and businesses to spend and invest. Fiscal policies include tax cuts **and** increases in direct spending. Both types of fiscal policies have the objective of increasing total spending in the conomy. The main reason why these policies **add** to economic growth is that they are **not** offset by reductions in other spending because the federal government can incur temporary deficits to fight recessions.

2. There is a broad consensus about the legitimate role for federal policy in providing anti-recession stimulus in the nation's current situation. The Federal Reserve Bank has lowered interest rates by 450 basis points. Congress has passed tax rebates and approved additional expenditures for defense and to fund new security programs to respond to the events of 9/11. Additional fiscal stimulus policies are currently being debated in Congress.

   There are two areas where state and local governments can have a significant (i.e., multi-billion dollar) impact on the nation's economic recovery and long-term growth, but both areas require immediate federal support:

1) It is essential that state and local government spending be maintained so that national stimulus efforts are not undermined by cutbacks in spending and related employment at the state and local level

2) State and local governments can contribute to additional stimulus efforts **and** lay the foundation for long-term economic prosperity through immediate funding of part of their backlog of already approved infrastructure investments

The remainder of this memo makes the economic case for immediate federal assistance help state and local governments carry out these efforts.

The Economic Case for Federal Assistance to State and Local Governments

3. The nation's stimulus efforts are in serious danger of being undermined by cuts in state and local spending. Nearly all state and local governments are facing revenues which are below expected levels. Without assistance from the federal government, most state and local governments will cut spending below budgeted levels and reduce payrolls.

The case for assistance to state and local governments is the same as the case for assistance to support spending by consumers and businesses. Without such support, these government agencies will cuts programs and reduce payrolls. Federal assistance to state and local governments is necessary to prevent spending reductions just as increased unemployment and health care benefits to unemployed workers and their families aim to maintain their spending and hasten the nation's economic rebound.

The case for federal assistance to state and local governments is exactly the same as the case for a payroll tax "holiday" now being discussed—i.e., giving a boost to spending in order to hasten the end of the recession.

The negative impact of cuts in state and local spending and employment are being recognized by an increasing number of editorial writers and analysts across the country (and worldwide) as evidenced by the attached articles calling attention to the problem. There is, however, no significant movement within the Congress to include assistance such as temporary anti-recession revenue sharing or support for state and local infrastructure investment in the federal stimulus package.

Depending on the severity of the recession, the lack of federal assistance to allow states and localities to maintain spending levels could result in between $50 and $100 billion in spending reductions—enough to entirely offset the amount being currently discussed as additional federal stimulus dollars. For example, California is facing state budget deficits in the $10-15 billion range.

4. State and local governments are facing additional expenditures, beyond normal caseload and program responsibilities, at this time. Federal revenue support for state and local governments which simply prevents cuts in current spending and employment will **not** meet all state and local fiscal pressures.

   Federal support is legitimate for the additional security needs of state and local governments. First, the security needs respond to national security challenges. Second, without federal support, money spent on additional security will come at the expense of other programs and undercut the stimulus effort.

   In addition, New York faces extraordinary fiscal and infrastructure rebuilding challenges as a result to the World Trade Center tragedy.

5. State and local governments share safety net responsibilities with the federal government. Safety net expenditure requirements will rise during the recession—however short it is. With balanced budget requirements, state and local governments must choose between meeting safety net responsibilities and other program responsibilities. Any way the choice is made, the counter cyclical effect of rising safety net spending (a traditional anti-recession role for government) will be undercut by shortfalls in either state spending for safety net or other programs.

   California is facing budget pressures to reduce funding for health care related programs as a result of projected revenue shortfalls and all state and local governments will face similar pressures if the recession extends beyond early next year.

The Economic Case for Infrastructure Spending

6. While the federal government has the principal responsibility and tools for managing anti-recession policy, state and local governments have the principal public sector responsibility for providing the foundations for long-term economic growth through policies which support investments in education, infrastructure and quality of life. Most states have a large unfunded backlog of infrastructure investments. These investments have a broad base of business and resident support as providing essential foundations for economic prosperity and quality of life.

   The case for infrastructure investments **now** is strengthened by the historically low interest rates facing states and the opportunity to meet long-term needs while utilizing otherwise unemployed resources. Moreover, most states are prepared to move quickly on infrastructure investments if funding is available. For example, California has just completed a two-year commission study of Building for the 21st Century and the commission's report will be released soon. Other states are similarly prepared to move forward.

7. The provision of infrastructure is normally a shared responsibility between federal and state and local agencies. There are two reasons in the current economic context to raise the federal contribution for infrastructure either directly or through supporting policies which make local funding of infrastructure easier such as the policies being discussed at today's meeting.

   First, some critical infrastructure spending will be reduced as state and local governments react to revenue shortfalls. For example, pay-as you-go funding for infrastructure has been dramatically reduced in California in the current and next budget year. Long-term investments always become more difficult to justify when funding for education and human services is at risk. Without federal support, infrastructure investment will be another victim of the recession and terrorist attacks

8. Second, infrastructure investment can be a bridge between addressing fiscal stimulus needs now **and** investing for long-term prosperity. If funded and implemented quickly, infrastructure investments will provide additional economic stimulus and utilize otherwise unused human and capital resources in the economy.

   At worst, if the timing is delayed too long to provide an effective anti-recession stimulus, the investments will be consistent with long-term state and local government investment priorities.

   Moreover, there is an opportunity to combine fiscal stimulus and long-term prosperity goals with the equity case for infrastructure investments in urban centers. California's Treasurer, Philip Angelides and many others have identified the "double bottom line" of securing high rates of return on public sector and pension fund investments while revitalizing urban centers which must play a key role in securing long-term prosperity for regions across the nation.

Federal Aid to State and Local Governments and Federal Budget Issues

9. The long-term federal budget surplus which seemed so large just a year ago now is threatened by the combination of deep tax cuts, anti-recession spending and ongoing security needs. Moreover, the federal budget may be in deficit in the short term.

   The possibility of short-term federal deficits is **not** a reason to back away from aggressive stimulus policies including increased direct assistance to states and localities. As noted above, short-term federal deficits are the correct policy to boost spending in order to fight recessions.

Longer term federal budget tradeoffs may need to be reexamined if the recession is deeper or longer than expected or if recovery does not bring a continuation of strong productivity gains.

INITIAL CAPITAL INVESTMENT/ECONOMIC STIMULUS OPTIONS FOR DISCUSSION PURPOSES

I. Debt Investments

A. **Temporarily increasing the federal cap on tax-exempt bonds issued for private sector projects of public benefit, and also expanding the scope of permissible projects.** The expansion of uses would be tied to urban or at-risk markets. Also, as part of this effort, support federal legislation to raise capital expenditure levels for Industrial Development Bonds (IDB's).

B. **Federal legislation to modify the 2-year period in which states and local governments must use bond proceeds.** This would allow states and local governments to take advantage of historically low interest rates.

II. Federal Guarantees/Partnerships (targeted to urban and at-risk markets)

A. **Federal Guarantee on Taxable Bonds for Infrastructure and Economic Development Projects.** Provide the ability to issue bonds for public and private projects that could not be financed absent guarantees; public pension funds could purchase the bonds. Public projects envisioned throughout this outline could include regional projects (e.g., interstate/intercity high-speed rail).

B. **Infrastructure and Economic Development Funds.** Similar to the CalPERS California Initiative, public pension funds would make equity investments in infrastructure and economic development projects, with the federal government participating in risk and reward sharing.

C. **Support federal adoption of a revenue sharing program to support state and local debt issued for infrastructure and economic development projects.** Given that state and local governments are experiencing significant budgetary problems, a federal revenue sharing program would enable state and local entities to finance capital expenditures to build needed infrastructure and stimulate the economy.

D. **Broaden the scope of federal guarantees** to increase the capital available for business and housing investments. This could include, for example, enhancing FDIC insurance coverage for public deposits, thereby increasing community bank lending capacity.

III. Other

A. **Build on successful state models,** e.g., see attached summaries titled The Double Bottom Line Initiatives, and Investing in New York's Economy.

STATE OF CALIFORNIA *Philip Angelides, Treasurer*

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P. O. BOX 942809
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The Double Bottom Line: Investing in California's Emerging Markets

Investment Initiatives: Ideas to Action

- Approximately 12% of State's Pooled Money Investment Account (PMIA), managed by the State Treasurer's Office, is now in California "double bottom line" investments
- The PMIA has purchased $960 million of Community Reinvestment Act (CRA) eligible California home mortgages (including $27 million in teacher assistance mortgages)
- The PMIA has increased deposits by $2.9 billion (since 1/1/99) in California community lending institutions
- The PMIA has purchased $116 million of California SBA loans (since 1/1/99)
- CalPERS has adopted a goal of investing 2% (approximately $3 billion) of its portfolio in domestic emerging markets, primarily in California
- CalPERS has committed $475 million to The California Initiative for private equity investment in businesses in underserved areas
- CalPERS has committed $850 million to urban, in-fill real estate ventures, including $250 million for affordable housing, in California communities
- CalPERS has purchased $90 million in CRA eligible California home mortgages
- CalSTRS has adopted a goal of investing 2% (approximately $2 billion) of its portfolio in domestic emerging markets, primarily in California
- CalSTRS has allocated $200 million for private equity investment in businesses in underserved urban and rural communities
- CalSTRS has allocated $750 million to urban, in-fill real estate ventures, including $150 million for affordable housing, focused on California communities
- CalSTRS has purchased $93 million in CRA eligible California home mortgages

As of 11/01/01

H.CARL McCALL
STATE COMPTROLLER

A.E. SMITH STATE OFFICE BUILDING
ALBANY, NEW YORK 12236

STATE OF NEW YORK
OFFICE OF THE STATE COMPTROLLER

Investing in New York's Economy

Investment Initiatives: Ideas to Action

- The State's Short-Term Investment Pool ("STIP"), managed by the State Comptroller, has committed $150 million to a Linked Deposit Program for subsidized short-term loans to small businesses in the State.

- STIP has committed $100 million to a Banking Development District Program for subsidized time deposits to encourage banks to open and operate branches in underserved areas of the State.

- The Common Retirement Fund, ("CRF"), for which the Comptroller is sole trustee, has committed $250 million to an in-state Venture Capital Program.

- CRF has committed $100 million to the New York Business Development Corporation for a long-term small business loan program.

- CRF has committed $300 million to the Community Preservation Corporation for a multi-family housing loan program. The mortgage financing provides for the production of affordable new housing units and the revitalization of existing deteriorated housing.

- CRF has purchased $5.6 billion for the purchase of securities issued by the Federal National Mortgage Association (FNMA) and the Federal Home Loan Mortgage Corporation (FHLMC) which are backed exclusively by mortgage loans originated in New York State.

- The State's network of public authorities provides low-cost, tax exempt financing for a variety of public purpose projects that improve the state's educational, health care and environmental infrastructure. The financing is available to public and private universities, hospitals, and local governments. The Comptroller, as chairman of the Securities Coordinating Committee, coordinates the issuance of this debt.