



Rhode Island
Health and Educational
Building Corporation

August 25, 2016

The Honorable Seth Magaziner
General Treasurer and Chair of the Public Finance Management Board
Office of the Rhode Island General Treasurer
50 Service Avenue, 2nd Floor
Warwick, RI 02886

Re: Proposed Changes to PFMB Regulations

Dear Treasurer Magaziner,

The Rhode Island Health and Educational Building Corporation (RIHEBC) would like to request a public hearing on the proposed changes to the Rules and Regulations of the Public Finance Management Board (PFMB) and have an opportunity to express its concerns about some of the proposed changes.

As the Board of the PFMB may be aware, RIHEBC issues debt on behalf of the health and educational non-profit institutions and towns and cities for their school projects.

Also, RIHEBC is the largest issuer of debt and as such has provided a major portion of fees collected by the PFMB over the past 5 years.

While the expansion of the types of debt subject to a PFMB fee is based on the need to generate revenue, the analysis provided as justification does not appear to consider the extra cost that the State will incur which could negate any extra revenue the fee may create.

The analysis also indicated the extended amount of the increased fees was minor when compared to total issuances. It would seem, however, that the impact of paying a fee on a refunding bond issue is not considered minor, especially since it reduces savings and in some cases a PFMB fee has already been paid.

Thank you for your consideration of RIHEBC's request for a hearing and the opportunity to provide the PFMB with more detailed comments before the hearing.

Sincerely,

A handwritten signature in black ink, appearing to read "Robert Donovan", is written over a horizontal line.

Robert Donovan
Executive Director