COMMITTEE REPORT TO THE
STATE ADMINISTRATIVE BOARD

The Honorable John Engler, Governor
and
Members of the State Administrative Board

A regular meeting of the **Finance and Claims** Committee was held at **11:00 a.m.** on **March 27, 2001**, those present being:

Chairperson: Julie Croll, representing State Treasurer Murray — Approved _____

Member: Deborah Devine, representing Attorney General Granholm — Approved _____

Member: Brian DeBano, representing Governor John Engler — Approved _____

Others: Barbara Brown, Mary Pat Jaracz, Ann Marie Voice, Attorney General's Office; Sherry Bond, Kathy Jones, Arlene Oisten, of the Department of Management and Budget; Sharon Walenga-Maynard, Department of Natural Resources; Joe Fielek, Valarie Khoury, Department of Treasury; Karl Trautman, Senate Democratic Staff; Jim Bliss, Dickinson Wright, PLLC; Jason Hanselman of Dykema Gossett representing MCI WorldCom; Richard Vander Veen of Miller Johnson representing Sprint Payphone Services, Inc.

The Finance and Claims Committee regular and supplemental agendas were presented.

Mr. Hanselman of Dykema Gossett requested that the Committee withdraw the contract recommendation for the Department of Corrections inmate phone provider award to Sprint. He stated that MCI WorldCom felt that there were some discrepancies in the DMB Purchasing bidding process. His firm was requesting a meeting with the DMB Purchasing Director to discuss the appeal response received from the Director.

Ms. Jones, representing DMB Purchasing, stated that the questions raised by Mr. Hanselman had been responded to in the appeal response dated March 22, 2001.

After review of the response letter, Ms. Devine felt that the DMB Purchasing Director had responded to the points raised by Mr. Hanselman.

Ms. Khoury, of the Department of Treasury, explained the new bonding procedures that would be implemented in the requested bonding issue for the Multi-Modal General Obligation School Loan Bonds and Liquidity Facility Notes. The new method would allow the State Treasurer, or Deputy Treasurer, to use different modes to achieve lower interest rates and would not require the entire amount of the bonds to be issued at the same time. The maximum amount of bonds that can be issued under the State Administrative Board approval of this resolution will be capped at $250,000,000.

Ms. Devine moved that the Committee recommend approval of the resolution authorizing the issuance of State of Michigan Multi-Modal General Obligation School Loan Bonds and Liquidity Facility Notes. Mr. DeBano supported the motion and it was unanimously approved.

Following discussion, Ms. Devine moved that the remaining part of the regular agenda and supplemental agenda be recommended to the State Administrative Board for approval with item 22 (1) being withdrawn. The motion was supported by Mr. DeBano and unanimously adopted.

Ms. Croll adjourned the meeting.