

**TESTIMONY PRESENTED TO THE COMMITTEE ON
FINANCE, REVENUE AND BONDING
MARCH 21, 2011**

*Benjamin Barnes
Secretary
Office of Policy and Management*

**In Opposition To House Bill 6562
AA ESTABLISHING THE CAPITAL DEBT AFFORDABILITY ADVISORY COMMITTEE**

This bill would establish a debt affordability committee to make recommendations for bond authorizations by October 1st of each year. The committee shall be located within the Office of the State Treasurer for administrative purposes and members shall be reimbursed for expenses incurred performing their duties within available funds.

There are several problems with this proposal, including:

- It is redundant. OPM already includes projections of authorizations, issuances, and debt service as part of the annual Fiscal Accountability Report;
- Authorizations are already subject to a statutory debt limit of no more than 1.6 times General Fund net tax revenue; and
- There is no definition of "affordable" and therefore such definition would likely be the collective subjectivity of the committee members.

I respectfully request that you take no action on this bill.

Thank you for consideration of this testimony. If you have any questions, please submit them to my office and they will be promptly answered.