

**RESOLUTION
OF THE
BOARD OF HUMAN SERVICES**

I. WHEREAS, the Department of Human Services (the “Department”) was created as a department of the State of Georgia (the “State”) in accordance with O.C.G.A. § 49-2-1;

II. WHEREAS FURTHER, the Board of Human Services (the “Board”) is charged with establishing the general policy for the Department in accordance with O.C.G.A. § 49-2-2;

III. WHEREAS, pursuant to an act of the Georgia General Assembly (Ga. L. 2009, Volume One, Book One, commencing at p. 453, Act No. 102, 2009 Regular Session, H.B. 228) (the “Act”), effective as of July 1, 2009 (the “Effective Date”), various titles of the Official Code of Georgia Annotated were amended so as to reorganize and reestablish various health and human services agencies of the State, and to reassign various functions to such programs and agencies;

IV. WHEREAS FURTHER, as used in this Resolution, the term “Reassigned Functions” shall mean:

A. with respect to the Department, those powers, functions, and duties of the former Department of Human Resources as they existed on June 30, 2009, except for those relating to the Division of Mental Health, Developmental Disabilities, and Addictive Diseases, the Division of Public Health, and the Office of Regulatory Services, unless specifically transferred or reassigned to the Department of Community Health or the Department of Behavioral Health and Developmental Disabilities;

B. with respect to the Board, those powers, functions, and duties of the former Board of Human Resources as they existed on June 30, 2009, except for those relating to the Division of Mental Health, Developmental Disabilities, and Addictive Diseases, the Division of Public Health, and the Office of Regulatory Services, unless specifically transferred or reassigned to the Board of Community Health or the Board of Behavioral Health and Developmental Disabilities;

V. WHEREAS FURTHER, the Act provided for the transfer of the Reassigned Functions from the former Department of Human Resources to the Department as of the Effective Date, in accordance with O.C.G.A. § 49-2-1;

VI. WHEREAS FURTHER, the Act provided for the transfer of the Reassigned Functions from the former Board of Human Resources to the Board as of the Effective

Date, in accordance with O.C.G.A. § 49-2-2;

VII. WHEREAS FURTHER, in accordance with O.C.G.A. § 49-2-2.1, as of the Effective Date:

A. the Department succeeded to all rules, regulations, policies, procedures, and administrative orders of the Department of Human Resources in effect as of June 30, 2009, or scheduled to go into effect on or after July 1, 2009, and which relate to the Reassigned Functions transferred to the Department pursuant to O.C.G.A. § 49-2-1;

B. the Department succeeded to any rights, privileges, entitlements and duties of parties to contracts, leases, agreements, and other transactions entered into by the Department of Human Resources before July 1, 2009 and which relate to the Reassigned Functions transferred to the Department pursuant to O.C.G.A. § 49-2-1;

C. the Department received custody of the state owned real property in the custody of the Department of Human Resources on June 30, 2009 and which pertains to the Reassigned Functions transferred to the Department pursuant to O.C.G.A. § 49-2-1;

VIII. WHEREAS FURTHER, pursuant to Article VII, Section IV of the Constitution of the State of Georgia (the “Georgia Constitution”), the State may finance certain capital needs directly through the issuance of general obligation debt;

IX. WHEREAS FURTHER, pursuant to Article VII, Section IV, Paragraph VII(a) of the Georgia Constitution, and the “Georgia State Financing and Investment Commission Act”, O.C.G.A. § § 50-17-20 through 50-17-30 (the “Commission Act”), the Georgia State Financing and Investment Commission (the “Commission”) is the agency and instrumentality of the State charged with issuing debt of the State and ensuring the proper application, as provided by law, of the proceeds of such debt to the purposes for which the debt is incurred;

X. WHEREAS FURTHER, Article VII, Section IV, Paragraph I (c) of the Georgia Constitution, and the Commission Act provide that certain general obligation debt (as defined by O.C.G.A. § 50-17-21 (5) and hereinafter “General Obligation Debt”) may be incurred to acquire, construct, develop, extend, enlarge, or improve land, waters, property, highways, buildings, structures, equipment, or facilities of the State, its agencies, departments, institutions, and of those State authorities which were created and activated prior to November 8, 1960;

XI. WHEREAS FURTHER, as set forth in **ATTACHMENT 1** attached hereto and incorporated herein, the General Assembly has passed and the Governor has signed various appropriations acts authorizing amounts from state general funds to be appropriated for the purpose of financing certain capital projects through the issuance of

General Obligation Debt, and such appropriations are more fully set forth in such **ATTACHMENT 1**;

XII. WHEREAS FURTHER, with respect to the appropriations set forth in **ATTACHMENT 1** hereto, the State previously has issued General Obligation Debt as indicated and there remains the General Obligation Debt Available, as more fully set forth in **ATTACHMENT 1** hereto;

XIII. WHEREAS FURTHER, the Board finds an immediate need for the aggregate principal amount of \$3,150,000 of the General Obligation Debt Available as set forth in **ATTACHMENT 1** hereto for the purpose of financing some or all of the projects and facilities associated with the appropriations set forth in **ATTACHMENT 1** hereto (the “Projects”);

XIV. WHEREAS FURTHER, the Board therefore desires to request the issuance of \$3,150,000 in aggregate principal amount of State of Georgia General Obligation Bonds, the instruments of which shall have maturities not in excess of the respective appropriations set forth in **ATTACHMENT 1** hereto (the “General Obligation Bonds”), for the purpose of financing some or all of the Projects;

XV. WHEREAS FURTHER, the Board is aware that the Projects shall be completed with proceeds derived from the sale of the General Obligation Bonds with the intent that interest on such General Obligation Bonds be excludable from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”);

XVI. WHEREAS FURTHER, the Board is aware of the provisions and requirements of the Code and the regulations issued thereunder respecting arbitrage bonds and private activity bonds, and is aware that the Projects must proceed with due diligence and be timely completed following receipt of the proceeds derived from the sale of the General Obligation Bonds (the “Bond Proceeds”),

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF HUMAN SERVICES THAT:

SECTION 1.

The Board hereby approves and authorizes the Projects.

SECTION 2.

The Board hereby requests the Georgia State Financing and Investment Commission to undertake to issue \$3,150,000 in aggregate principal amount of State of Georgia General Obligation Bonds, the instruments of which shall have maturities not in excess of the respective appropriations set forth in **ATTACHMENT 1** hereto, for the purpose of financing some or all of the Projects.

SECTION 3.

The Board hereby determines and agrees that:

- (a) the final plans for the Projects are sufficiently complete such that substantial binding obligations to a third party or parties (as defined in the regulations issued under the Code), involving the expenditure of at least five percent (5%) of the Bond Proceeds herein requested, to commence or acquire the Projects will be incurred within six (6) months after the issuance of such General Obligation Bonds;
- (b) eighty-five percent (85%) of the Bond Proceeds herein requested will be expended within three (3) years after the issuance of such General Obligation Bonds;
- (c) the Bond Proceeds herein requested, and anticipated investment proceeds (net of interest on such General Obligation Bonds during the estimated period of construction), will not exceed the amount necessary for the governmental purposes of financing the Projects;
- (d) during the time the General Obligation Bonds herein requested are outstanding, the Department will not take, or omit to take, any action which would cause such General Obligation Bonds to be deemed private activity bonds or arbitrage bonds under the Code;
- (e) the Department will not use the Bond Proceeds herein requested, or the Projects financed with such Bond Proceeds, for any non-governmental purpose, or any purpose that would give rise to private business use within the meaning of the Code, except for those specific instances in which the Department has previously consulted with the Commission;
- (f) the term of the General Obligation Bonds related to the Projects will not be longer than 120% of the reasonably expected economic life of the Projects financed thereunder;
- (g) no Bond Proceeds herein requested will be used for reimbursement of any Project expenditures which were made before the anticipated delivery date of such General Obligation Bonds, except in situations where, prior to any such expenditure, the Department has obtained a declaration of "Official Intent" (as defined by the Code) from the Commission, or the Department has been otherwise advised in writing by the Commission that such reimbursement will be permitted, it being the intention of the Department to comply in all respects with Section 1.150-2 of the regulations under the Code;
- (h) all of the expenditures of the Bond Proceeds for the Projects will

constitute capital expenditures (as defined in Section 1.150-1(b) of the regulations under the Code);

(i) with respect to the Projects, all of the Bond Proceeds will be allocated to Project expenditures no later than the earlier of: (i) eighteen (18) months after the date such Project is placed in service, or (ii) five (5) years after the issuance of such General Obligation Bonds; any unallocated Bond Proceeds remaining after the earlier of such dates shall be transferred to the Commission and used to redeem outstanding tax-exempt General Obligation Debt of the applicable issue.

SECTION 4.

The Board hereby determines and agrees that with respect to:

(a) any Department project previously financed with proceeds of General Obligation Debt issued by the State with the intent that (i) the interest on such bonds be excludable from gross income for federal income tax purposes pursuant to Section 103 of the Code or (ii) such bonds at the time of their issuance were designated by the State as Build America Bonds under Section 54AA of the Code;

(b) any project transferred to the Department pursuant to the Act and which pertains to the Reassigned Functions transferred to the Department pursuant to the Act (a “Transferred Project”) and where such Transferred Project was financed with proceeds of State of Georgia General Obligation Bonds issued by the State with the intent that (i) the interest on such bonds be excludable from gross income for federal income tax purposes pursuant to Section 103 of the Code or (ii) such bonds at the time of their issuance were designated by the State as Build America Bonds under Section 54AA of the Code;

(any such project described in subsection (a) or (b) above hereinafter a “Prior Bond Project”), and where any Prior Bond Project bonds remain outstanding (including any refunding bonds), the Board certifies that such Prior Bond Project is not now being used for any private business use within the meaning of pertinent provisions of the Code, except for those specific instances in which the Department has identified to the Commission such use of the Prior Bond Project(s) and (a) provision was made so as to retire, redeem or defease any and all then-remaining outstanding bonds for the Prior Bond Project(s) concurrent with such use or (b) the Commission has determined that the aforementioned retirement, redemption or defeasance is not required to maintain the tax-exempt or Build America Bond status of such bonds.

SECTION 5.

The Commissioner of Human Services, the Chairperson of the Board, the Secretary of the Board, and their valid delegates each are hereby authorized and directed to execute any instruments and take whatever action which may be necessary in connection with the

issuance of the General Obligation Bonds by the Commission, including, but not limited to, the preparation and execution of answers in connection with any legal proceeding as to the validity of any action by the Board with respect to the issuance of the General Obligation Bonds by the Commission. The Attorney General or any Assistant Attorney General of the State are authorized to execute Acknowledgment of Service and Waiver of Process in such legal proceedings.

SECTION 6.

All attachments, exhibits and schedules attached hereto or referenced in this Resolution are hereby incorporated herein and made a part hereof.

[Remainder of page intentionally left blank]

This Resolution is hereby adopted this _____ day of May, 2014.

**CHAIRPERSON
BOARD OF HUMAN SERVICES**

ATTEST:

**SECRETARY
BOARD OF HUMAN SERVICES**

CERTIFICATE

I, _____, Secretary of the Board of Human Services, do hereby certify that I am custodian of the minutes of said Board, and that the foregoing is a true and correct copy of a Resolution duly adopted by said Board at a meeting held on the _____ day of May, 2014.

SO CERTIFIED, this _____ day of May, 2014.

SECRETARY
BOARD OF HUMAN SERVICES

ATTACHMENT 1

**DEPARTMENT OF HUMAN SERVICES
APPROPRIATIONS**

Pursuant to Paragraphs I through III of Section IV of Article VII of the Georgia Constitution, the General Assembly has passed and the Governor has signed various appropriations acts set forth in this Attachment 1, so as to make certain appropriations to the State of Georgia General Obligation Debt Sinking Fund for the purpose of financing certain capital projects through the issuance of General Obligation Debt.

H.B. 744, State Fiscal Year 2014-2015:

The General Appropriations Act for State Fiscal Year 2014-2015 (Ga. L. 2014, Volume One Appendix, commencing at p. 1 of 139, Act No. ____, 2014 Regular Session, H.B. 744) signed by the Governor on April 28, 2014.

[Remainder of page intentionally left blank]

H.B.	Bond	Appropriation	General Obligation Debt Authorized	General Obligation Debt Previously Issued	General Obligation Debt Available	General Obligation Debt Requested
744	70	From State General Funds, \$184,040 is specifically appropriated for the purpose of financing projects and facilities for the Department of Human Services by means of the acquisition, construction, development, extension, enlargement, or improvement of land, waters, property, highways, buildings, structures, equipment or facilities, both real and personal, necessary or useful in connection therewith, through the issuance of not more than \$2,150,000 in principal amount of General Obligation Debt, the instruments of which shall have maturities not in excess of two hundred and forty months.	\$2,150,000	\$0	\$2,150,000	\$2,150,000
744	71	From State General Funds, \$85,600 is specifically appropriated for the purpose of financing projects and facilities for the Department of Human Services by means of the acquisition, construction, development, extension, enlargement, or improvement of land, waters, property, highways, buildings, structures, equipment or facilities, both real and personal, necessary or useful in connection therewith, through the issuance of not more than \$1,000,000 in principal amount of General Obligation Debt, the instruments of which shall have maturities not in excess of two hundred and forty months.	1,000,000	0	1,000,000	1,000,000
Total			\$3,150,000	\$0	\$3,150,000	\$3,150,000