



DAVID ERDMAN is capital finance director for the State of Wisconsin. David has been a member of the State of Wisconsin Capital Finance Office since 1994, and he's been the director since 2015. David is also a member of GFOA's Committee on Governmental Debt Management. In this article, David discusses his work and hobbies with GFOA's Ryan Lawler.



Can you give our readers some insight into the work you do at the State of Wisconsin?

I'm currently the capital finance director, which means I oversee the capital finance office here at the State of Wisconsin. I've been the director for the last five years after learning many excellent principles and practices from Frank Hoadley, who was the capital finance director before me. A lot of the principles and practices that we still undertake today are things that Frank taught me over many years.


The Capital Finance Office is part of the State Budget Office. We work with people who develop the state's biennial budget and address day-to-day budget operations. The Office is responsible for all borrowings and debt issuances completed by the State of Wisconsin. We manage five different credits in this office, including general obligation bonds, a couple of appropriation credits, and revenue credits. All matters that include developing new bonding programs go through the Capital Finance Office. Our responsibilities also include the authorization, issuance, disclosure, post-issuance compliance, and

anything else that relates to bonding or capital needs of the State of Wisconsin. I work closely with the State Budget Director and State Comptroller because all our functions are in the same division in the Department of Administration, and many of our functions interact and interrelate. I've been in the Capital Finance Office since 1994.

I came over to this office from the Department of Natural Resources. Before that, I was working with communities to secure subsidized loans from the state revolving fund program.

Have you always had an interest in public service? Or has it developed over time as you've gotten more involved with the state as you've changed responsibilities?

I think people will find out in a hurry that there is no college course or degree in public finance. Obviously, you have a finance or political science background, and it's a mix of those two areas, or a legal field, that results in public finance. I wasn't thinking



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when I went to college that I'd be a capital finance director for the State of Wisconsin. As for the public side of it, I've always been interested in local and state politics. I think it goes back to high school. Government has always been something that I've been interested in.

One of the things we've seen over the last decade or so is sort of the transformation of Wisconsin into a political bellwether. When it comes to political elections, as an administrative official working for the state, how do you navigate the political climate to make sure you're being consistent across the board?

Obviously, Wisconsin has been politically active the past few years, and we have a pretty big political divide right now. I do vote in the elections, so I have my personal political views. I've worked for many administrations, some Republican and some Democrat. One key part of my position is that I'm not a political appointee. This office is

here regardless of who is in charge, so we're able to maintain good debt management practices regardless of the political affiliations that may predominate in the executive or legislative branch.

My approach is that every elected official has been elected for a reason. My duty is to provide them straightforward debt management advice but not political advice—just financial and debt management reasons why we should or shouldn't do something. I tell many people who have worked with me that when it comes to debt management in state government, where there are going to be different political theories, there's the smart financial decision and there's also a smart political decision. Our duties are to provide information to make the smart financial decision and to not be frustrated when the political decision is made. We've done our job by providing them information that quantifies or qualifies different financing scenarios. And if a different decision is made, because of politics, that is something that happens, and we accept that and move on to tackle the next assignment.

You're an active member of GFOA's Committee on Governmental Debt Management and you do a lot of work with the National Association of State Treasurers (NAST). It's also not uncommon to see you making presentations to organizations in the public finance community. And all of that is in addition to what you do with the State of Wisconsin. How important is it for you to stay engaged in the industry?

The benefit of being involved with the State of Wisconsin is that I'm hearing things as they happen in D.C. I'm learning new ideas and talking to other debt issuers, whether it be state issuers or smaller issuers, and hearing ideas for programs. I'm able to bring that information back to the state for the benefit of the state.

The other reason I'm so active is that I've been honored and blessed to be a debt manager for many years. I understand that public finance is

something that takes some time to get your arms around, and I love working with new staff here at the state, or at within other governments to share some secrets and ideas about debt management. Also, I feel like I'm taking what I learned from others over my years and giving back to those who are newer to the field, with hopes that they will too enjoy a long and rewarding career.

Also, my personal campaign is for good disclosure and voluntary disclosure. I've been doing this long enough to see what the Securities and Exchange Commission (SEC) did with 15c2-12 Municipal Securities Disclosure regulations in 1994 and how that changed the area of municipal disclosure. There have been some rumblings recently about the quality of and the access to municipal disclosure, and I really think it's up to the municipal industry to be proactive. It will show that municipal disclosure has improved, and it will demonstrate to the SEC, investors, institutional analysts, and others that municipal disclosure continues to improve and that there's no need to take additional regulatory actions. This personal crusade is helped by being active in GFOA, NAST, and other organizations, and by speaking, when asked, to help convey my ideas.

Shifting gears a bit, one of the more fascinating things we've talked about is the volunteer work you do in the local community, including with the EMT service and serving as an election inspector. Can you tell us about that? And how do you manage your time both with your work responsibilities, staying involved in the industry, and then also carving out enough time to make sure you're making an impact in your local community?

I have three hobbies with my local government. I am a chief election official, which means I am one of the people who run a polling place in the City of Stoughton, Wisconsin, where we have four polling places. I'm also the chair of the utilities committee, which is a committee of citizen members plus elected officials. I'm also a volunteer advanced EMT, providing volunteer services for our emergency medical services in Stoughton. In my city, medical services are still provided by volunteer service, and there's about 42 of us. I am also a squad leader, which means that one day of the week, I'm responsible for managing people on my squad.

The volunteer EMT service is probably the biggest time commitment I have outside of work. Finance and "blood and guts" are completely different areas. I do call it a hobby. I also golf and go to baseball games and football games, but being an EMT is something that takes my mind off work. From a finance angle, you hear discussions about Medicaid reimbursement rates for ambulance services, and I get to see it firsthand. Emergency medical services vary community to community, and it's something that's evolving in rural America. Going back 20 years ago, I would imagine quite a few communities had a volunteer service, whereas now a paid paramedic service is a norm—but it's costly to maintain. My guess is that more and more communities will phase in emergency medical services provided by full-time, paid staff sometime soon.

As an election official, my involvement goes with the elections; sometimes that's six or eight times a calendar year, and other times there are no elections in a calendar year.

Being a chair of the utilities committee is also time-consuming, but it's fun. First, seeing how electricity, water, and wastewater services are provided through a government is very interesting. Considering my finance experience,

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I can apply some of the debt management items that I've learned here at the state and give some feedback to staff at the utilities on bonding or other financing ideas. It's a way for me to give back to the community in an area where I have some experience. In the interim, I feel like I'm adding some value to my city by providing these services as a volunteer.

Are there any interesting stories to share from your EMT service (none that would violate HIPAA, of course!)?

I have been providing EMT services since 2008 and have seen many good things and bad things. Delivering a baby in the back of an ambulance while going 75 mph down the highway will always be a great memory, along with the many times an elderly person squeezes your hand and says, "thank you." Knowing that our EMT crew provided a skill or intervention that helped save a life is also very rewarding and motivating. EMT is not always good, and you see people at their worst. Triple traffic fatalities to drug overdoses involving people in their 20s to family friends who have a

cardiac arrest, and their heart will not respond to your efforts—those situations are always tough. And any call involving a child is always mind-boggling.

An area of focus for GFOA recently is how the role of finance professionals in their communities is evolving into more active engagement in conversations in as well as being contributing members of their communities. Do you see the volunteer work that you do as an extension of the work you're doing with the state, or is it more that you just enjoy doing it?

Well, I think both. I've lived in Stoughton since 1992. It's not where I grew up, but it's my home now. Offering services and being involved in the community allows you to walk around on a Saturday and Sunday and to know many people and have great conversations with them—conversations that not only address friendly matters, but also address the growth, economic development,

and happiness of the community. Am I bringing a lot of debt management to those conversations? Thankfully, no, as most people aren't interested in discussing bond yields and closing transcripts.

But being involved in public finance, you'll see some of the back-of-the-envelope calculations and theories on how utilities run and how to calculate rates for services. It's intriguing from a public finance perspective, but I see this more as just being an active community member and having the ability to give back. When I retire from the State of Wisconsin, would I like to work for the City of Stoughton in some capacity? Most definitely!

One last, very important question—what's your prediction for the NFC North this season?

Well, my first prediction is that Aaron Rodgers will be our quarterback on week one. And my other prediction is that, unlike other recent years, we will again win the Super Bowl this year. 🏈

***Ryan Lawler** is a senior manager in GFOA's Research and Consulting Center.*