

MEETING OF THE STATE BOARD OF ADMINISTRATION

**GOVERNOR CRIST AS CHAIRMAN
CHIEF FINANCIAL OFFICER SINK AS TREASURER
ATTORNEY GENERAL MCCOLLUM AS SECRETARY**

MARCH 10, 2009

AGENDA - REVISED

ITEM 1. Request approval of the minutes of January 27, 2009.

(See Attachment 1)

ACTION REQUIRED

ITEM 2. Request approval of a Fiscal Sufficiency of an amount not exceeding \$250,000,000 State of Florida, Full Faith and Credit, State Board of Education Public Education Capital Outlay Bonds, 2007 Series E.

(See Attachment 2)

ACTION REQUIRED

ITEM 3. Request approval of a Fiscal Sufficiency of an amount not exceeding \$185,000,000 State of Florida, Full Faith and Credit, State Board of Education Public Education Capital Outlay Refunding Bonds, (Series to be Determined).

(See Attachment 3)

ACTION REQUIRED

ITEM 4. Request authority to file notice for six rules for the FRS Investment Plan. The rule hearing will be held on April 13, 2009. The changes reflect an adoption of the new Investment Policy Statement approved by the Trustees, updating of forms to move the instructions to the back of the form to make them easier to read, providing a new definition for "electronic means," and other clarifying changes.

Rule 19-9.001	Investment Policy Statement
Rule 19-11.003	Distributions from FRS Investment Plan Accounts
Rule 19-11.005	Investment Plan Complaint Procedures
Rule 19-11.006	Enrollment Procedures for New Hires
Rule 19-11.007	Second Election Enrollment Procedures for the FRS Retirement Programs
Rule 19-12.007	Acceptance of Rollovers

Following the rule hearing, the Trustees will be asked for permission to file for adoption at the April 28, 2009, meeting.

(See Attachment 4)

ACTION REQUIRED

- ITEM 5.** Report from the Florida Hurricane Catastrophe Fund's (FHCF) Financial Advisor regarding various financial product ideas explaining the approach used to solicit product ideas, as well as the review and evaluation of the various product ideas considered.

(See Attachment 5)

INFORMATION ONLY – RELATED TO ITEM 6

- ITEM 6.** The Florida Hurricane Catastrophe Fund requests approval to proceed with a marketing approach for pursuing the purchase of a financial product or products. This will result in the FHCF coming back to the SBA Trustees with a specific recommendation related to a product or product mix, a term sheet, and pricing options. The various products are as follows:

- (a) Cash capital markets products such as “pre-event financing” similar to the purchase of such products in the past.
- (b) Bank markets standby agreements to provide the FHCF with a liquidity bridge.
- (c) Contingent capital market products which include put options or similar agreements.
- (d) Traditional reinsurance.
- (e) Finite reinsurance.
- (f) Alternative risk transfer products such as catastrophe bonds or industry loss warranties.

Of the various product ideas listed above, only products (c), (d), or (e) are considered viable, given the financial market conditions and the needs of the FHCF. Of these, product (c) is potentially the most promising choice given its potential benefits and costs.

In addition, efforts have already begun to seek a private letter ruling from the Internal Revenue Service for the issuance of pre-event tax-exempt bonds, but this approach is not likely to result in benefits for the 2009/2010 contract year.

ACTION REQUIRED