

AGENDA

MEETING OF THE
STATE BOARD OF ADMINISTRATION
(Contact Person: Dorothy Westwood – (850) 488-4406)
THE CAPITOL
TALLAHASSEE, FLORIDA
JUNE 24, 2004

1. **APPROVAL OF MINUTES FROM THE MEETING ON MAY 25, 2004.**
(Att. #1)

(ACTION REQUIRED)

2. **APPROVAL OF FISCAL SUFFICIENCY OF AN AMOUNT NOT EXCEEDING \$300,000,000 STATE OF FLORIDA, FULL FAITH AND CREDIT, DEPARTMENT OF TRANSPORTATION RIGHT-OF-WAY ACQUISITION AND BRIDGE CONSTRUCTION BONDS, SERIES 2004A:**

(ACTION REQUIRED)

The Division of Bond Finance of the State Board of Administration (the Division) has submitted for approval as to fiscal sufficiency a proposal to issue an amount not exceeding \$300,000,000 State of Florida, Full Faith and Credit, Department of Transportation Right-of-Way Acquisition and Bridge Construction Bonds, Series 2004A (the Bonds) for the purpose of financing the cost of acquiring real property or the rights to real property for State roads as defined by law, or to finance the cost of State bridge construction and to pay certain costs of issuance. The Governing Board of the Division approved the authorizing resolution for the proposed Bonds on February 28, 1989, as amended and supplemented by various resolutions. It is anticipated the Governing Board of the Division will adopt a resolution authorizing the sale of the Bonds on June 24, 2004.

The Bonds to be issued pursuant to Section 17 of Article VII of the State Constitution and Chapter 88-247, Laws of Florida, are to be secured by a pledge of and shall be payable primarily from motor fuel and special fuel taxes, except those defined in Section 9(c) of Article XII of the State Constitution, as provided by law (the Pledged Gas Taxes), and shall additionally be secured by the full faith and credit of the State. The Division has heretofore issued State of Florida, Full Faith and Credit, Department of Transportation Right-of-Way Acquisition and Bridge Construction Bonds, Series 1995 through 2003A and Refunding Bonds, Series 1996 (the Outstanding Bonds), of which \$1,456,765,000 in principal amount was outstanding and unpaid on May 31, 2004. The Bonds will be issued on parity as to lien and security for payment from the Pledged Gas Taxes with the Outstanding Bonds.

A study of this proposal and the estimates of revenue expected to accrue from the Pledged Gas Taxes, indicate that the proposed Bonds are fiscally sufficient and that the proposal will be executed pursuant to the applicable provisions of law.

RECOMMENDATION: It is recommended that the Board approve the fiscal sufficiency of the proposal outlined above. (Att. #2)

3. **APPROVAL OF FISCAL SUFFICIENCY OF AN AMOUNT NOT EXCEEDING \$21,495,000 STATE OF FLORIDA, FULL FAITH AND CREDIT, STATE BOARD OF EDUCATION CAPITAL OUTLAY BONDS, 2004 SERIES A:**

(ACTION REQUIRED)

The State Board of Education of Florida has submitted for approval as to fiscal sufficiency a proposal to issue an amount Not Exceeding \$21,495,000 State of Florida, Full Faith and Credit, State Board of Education Capital Outlay Bonds, 2004 Series A (the Bonds) for the purpose of financing the cost of capital outlay projects for school purposes for various school and community college districts.

The State Board of Education is authorized to issue bonds pledging the full faith and credit of the State payable primarily from funds provided in Subsection (d) of Section 9 of Article XII of the Constitution of Florida, as amended (the School Capital Outlay Amendment), for the purpose of providing funds to finance capital outlay projects for school purposes in the manner provided therein, upon the application of the School Boards of the School Districts of the State, and the Boards of Trustees of the Community College Districts of the State.

The Bonds are being issued pursuant to the Fifteenth Supplemental Authorizing Resolution adopted by the State Board of Education on May 18, 2004. The State Board of Education adopted a sale resolution authorizing the sale of the Bonds on May 18, 2004.

The State Board of Education of Florida has heretofore issued Capital Outlay Bonds, 1992 Series B through 2003 Series A (the Previous Bonds) of which \$893,675,000 in principal amount was outstanding and unpaid on May 31, 2004. The Previous Bonds and the Bonds proposed to be issued, shall rank equally and be on a parity in all respects as to lien on and source and security for payment from the State Motor Vehicle License Taxes distributable for the account of certain School Districts and Community College Districts in Florida, under the provisions of said School Capital Outlay Amendment.

A study of this proposal and the estimates of revenue expected to accrue from the Motor Vehicle License Taxes indicate that the proposed Bonds and all other outstanding bonds having a lien on the Motor Vehicle License Taxes are fiscally sufficient and that the proposal will be executed pursuant to the applicable provisions of law.

RECOMMENDATION: It is recommended that the Board approve the fiscal sufficiency of the proposal outlined above. (Att. #3)

4. THE STAFF OF THE STATE BOARD OF ADMINISTRATION REQUESTS THAT THE TRUSTEES APPROVE FILING THE FOLLOWING RULES FOR NOTICE:

(ACTION RQUIRED)

- **Repeal of Rules 19-10.001---003:** these are FRS Investment Plan asset transfer rules implementing time periods which have passed;
- **New rules for procedures for the FRS Investment Plan:**
 - **19-11.002:** beneficiary designations
 - **19-11.004:** excessive trading policy
 - **19-11.005:** complaint procedures
 - **19-11.006:** enrollment procedures for new hires
 - **19-11.007:** second election procedures
- **Amended Rule 19-12.007, adopting a form for rolling over funds into the FRS Investment Plan;**
 - **19-13.001:** the SBA
 - **19-13.002:** the Division of Retirement
 - **19-13.003:** employers
 - **19-13.004:** third party contractors; and
- **New Rule 19-14.001, regarding procedures for non-FRS defined contribution programs, adopting the policy approved on May 11, 2004.**

A rule development workshop was offered on May 25, 2004, but was not held because it was not requested.

If the Trustees give permission to file for notice, the rule hearing will be held on August 2, 2004. If the Trustees give permission to file for adoption at their meeting on August 24, 2004, the rules will be filed for adoption shortly thereafter. (Att. #4)

5. THE FLORIDA HURRICANE CATASTROPHE FUND REQUESTS APPROVAL OF THE FOLLOWING:

(ACTION REQUIRED)

5.1 The Florida Hurricane Catastrophe Fund requests that the Trustees approve filing Rule 19-8.028, F.A.C. (Reimbursement Premium Formula) for adoption.

This rule was the subject of a rule development workshop on January 8, 2004, a rule hearing on May 18, 2004, and also on May 18, 2004, the Advisory Council approved the filing of Rule 19-8.028, F.A.C., along with the forms incorporated therein, for adoption.

A copy of the proposed amended rule (without the incorporated forms previously approved by the Trustees on May 11, 2004) is attached hereto. (Att. #5)

(ACTION REQUIRED)

5.2 The Florida Hurricane Catastrophe Fund requests that the Trustees approve the filing of a Notice of Proposed Rulemaking for Rules 19-8.010 and 19-8.029, F.A.C. and approval of the filing of these rules if no hearing is requested. (Att. #5.2)

On May 11, 2004, The Trustees approved the filing of Emergency Rules 19ER04-1 (19-8.010) Reimbursement Contract and 19ER04-2 (19-8.029) Insurer Reporting Requirements. The emergency rules were filed and became effective on May 11, 2004. Pursuant to law, Section 120.54(4)(c), F.S., these emergency rules are effective for only 90 days. Therefore, the FHCF is now following up with rulemaking to incorporate the changes made in the emergency rules into the permanent rules. The Notice of Proposed Rulemaking for Rules 19-8.010 and 19-8.029, F.A.C. will contain an opportunity for any member of the public to request a hearing if so requested within 21 days of the date the notice is published in the FAW. If no rule hearing is requested, the rules will then be filed for adoption on August 6, 2004.

6. ANNUAL APPOINTMENT OF CHAIR TO THE FLORIDA COMMISSION ON HURRICANE LOSS PROJECTION METHODOLOGY:

It is recommended that Robert L. Ricker, the Executive Director of Citizens Property Insurance Corporation, be appointed chair of the Florida Commission on Hurricane Loss Projection Methodology for the 2004-2005 year. (Att. #6)