

**AGENDA**

**MEETING OF THE  
STATE BOARD OF ADMINISTRATION  
(Contact Person: Dorothy Westwood – (850) 488-4406)  
THE CAPITOL  
TALLAHASSEE, FLORIDA  
APRIL 5, 2005**

- 1. APPROVAL OF MINUTES FROM THE MEETING ON MARCH 17, 2005.  
(Att. #1)**

**(ACTION REQUIRED)**

- 2. APPROVAL OF FISCAL SUFFICIENCY OF AN AMOUNT NOT EXCEEDING \$22,145,000  
STATE OF FLORIDA, FULL FAITH AND CREDIT, STATE BOARD OF EDUCATION  
CAPITAL OUTLAY BONDS, 2005 SERIES A:**

**(ACTION REQUIRED)**

**The State Board of Education of Florida has submitted for approval as to fiscal sufficiency a proposal to issue Not Exceeding \$22,145,000 State of Florida, Full Faith and Credit, State Board of Education Capital Outlay Bonds, 2005 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 Sixteenth Supplemental Authorizing Resolution adopted by the State Board of Education on February 15, 2005. The State Board of Education adopted a sale resolution authorizing the sale of the Bonds on February 15, 2005.**

**The State Board of Education of Florida has heretofore issued Capital Outlay Bonds, 1996 Series A through 2004 Series A (the Previous Bonds) of which \$864,310,000 in principal amount was outstanding and unpaid on February 28, 2005. 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.**

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

**3. APPROVAL OF FISCAL DETERMINATION OF AN AMOUNT NOT EXCEEDING \$150,000,000 FLORIDA HOUSING FINANCE CORPORATION HOMEOWNER MORTGAGE REVENUE BONDS, 2005 (MULTIPLE SERIES TO BE DETERMINED):**

**(ACTION REQUIRED)**

The Florida Housing Finance Corporation has submitted for approval as to fiscal determination a proposal to issue an amount not exceeding \$150,000,000 Florida Housing Finance Corporation Homeowner Mortgage Revenue Bonds, 2005 (multiple series to be determined) (the Bonds) to be used in the amounts not to exceed \$100,000,000 to fund mortgages for low, moderate or middle income home-buyers and not to exceed \$50,000,000 to be invested in the State Treasurer's Investment Fund or a Guaranteed Investment Contract for the purpose of preserving volume cap authority.

The Bonds shall not constitute obligations, either general or special, of the State or of any local government thereof; neither the State nor any local government thereof shall be liable thereon. Neither the full faith, revenue, credit nor the taxing power of the State of Florida, or any local governments thereof shall be pledged to the payment of the principal of, premium (if any), or interest on the Bonds. The Bonds shall be payable as to principal, premium (if any), and interest solely out of revenues and other amounts pledged therefor.

**RECOMMENDATION:** It is recommended that the Board approve the fiscal determination of the proposal outlined above. It is further recommended that, pursuant to the fiscal determination requirements of Subsection 16(c) of Article VII of the revised Constitution of 1968, the Board find and determine that in no State fiscal year will the debt service requirements of the Bonds proposed to be issued and all other bonds secured by the same pledged revenues exceed the pledged revenues available for payment of such debt service requirements. The Board does not assume any responsibility for, and makes no warranty (express or implied) with respect to any other aspect of this bond issue except for fiscal determination. (Att. #3)

**4. THE DEFINED CONTRIBUTION PROGRAM REQUESTS APPROVAL OF THE FOLLOWING:**

**(ACTION REQUIRED)**

The staff of the State Board of Administration requests that the Trustees approve filing for adoption the FRS Investment Plan Investment Policy Statement, which was approved at the Trustees meeting on February 1, 2005, in Rule 19-9.001.

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A rule development workshop was offered on January 5, 2005, but was not held because it was not requested. The changes in the amended Statement reflect editorial changes and the reduction in investment options from 42 to 20. A formal hearing was offered on March 10, 2005, but was not held because it was not requested. The Joint Administrative Procedures Committee requested two technical changes (inclusion of the date of adoption by the Trustees and where the document could be obtained). Those changes were made by technical letter filed with the Secretary of State on March 3, 2005. If the Trustees give permission to file for adoption, the rule will be filed on April 20, 2005. (Att. #4)

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

**(ACTION REQUIRED)**

- 5.1 The Florida Hurricane Catastrophe Fund (FHCF) requests that the Trustees approve the filing for adoption of Rule 19-8.012 (Ineligibility/Exemption from the FHCF). In addition, the FHCF requests the approval to file the following rules including their incorporated forms for adoption subject to a Notice of Change: Rule 19-8.010 (Reimbursement Contract) amending the Reimbursement Contract, Rule 19-8.013 (Revenue Bonds) as amended, Rule 19-8.029 (Insurer Reporting Requirements) as amended, and Rule 19-8.030 (Insurer Responsibilities) as amended.**

These rules were the subject of a rule development workshop on January 13, 2005, and a rule hearing on March 8, 2005. On March 16, 2005, the FHCF Advisory Council approved the filing of the Notice of Change and the filing of all the rules (as amended by the Notice of Change) for adoption. The Notice of Change amends the above rules to comply with several technical and noncontroversial issues, which were brought to the attention of the FHCF by the Joint Administrative Procedures Committee, workshop participants, and the FHCF Advisory Council members. A copy of the rules and forms are provided herewith. (Att. 5)

**(ACTION REQUIRED)**

- 5.2 The Florida Hurricane Catastrophe Fund requests that the Trustees approve the repeal of Rule 19-8.031 (Hurricane Mitigation). A copy of the rule is provided herewith. (Att. #5)**

**(ACTION REQUIRED)**

- 5.3 The Florida Hurricane Catastrophe Fund requests that the Trustees approve the 2005/2006 Premium Formula and the Proposed 2005 Rates, which have been developed by the Board's independent consultant in the 2005 Ratemaking Formula Report. The formula allows for a range of rapid cash buildup factors, but the FHCF staff and the FHCF Advisory Council have not recommended a rapid cash buildup factor due to the uncertainty regarding legislation, which might impact the FHCF premium. Exhibit XVII of the 2005 Ratemaking Formula**

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**Report illustrates the impact on the FHCF reimbursement premium of rapid cash buildup factors ranging from 0% to 100%. (Att. 5)**

**(ACTION REQUIRED)**

- 5.4 The Florida Hurricane Catastrophe Fund requests that the Trustees approve the filing of Rule 19-8.028 (Reimbursement Premium Formula) for Notice of Proposed Rulemaking.**

**Rule 19-8.028 (Reimbursement Premium Formula) was the subject of a rule development workshop on January 13, 2005. On March 16, 2005, the FHCF Advisory Council approved the 2005 Ratemaking Formula Report, the Proposed 2005 Rates, and the filing of Rule 19-8.028 (Reimbursement Premium Formula) for Notice of Proposed Rulemaking.**

**A copy of the 2005 Ratemaking Formula Report, the Proposed 2005 Rates, and Rule 19-8.028 are attached. (Att. #5)**