

AGENDA

DIVISION OF BOND FINANCE OF THE STATE BOARD OF ADMINISTRATION

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(Contact person: J. Ben Watkins III - 488-4782)
The Capitol
April 5, 2011

This meeting is open to the public.

1. Approval of minutes of the meeting of February 22, 2011.

(Attachment #1)

2. Report of award on the competitive sale of \$336,750,000 State of Florida, State Board of Education, Public Education Capital Outlay Refunding Bonds, 2011 Series A to the low bidder for such bonds.

Bids were received at the office of the Division of Bond Finance on February 15, 2011. The bonds were awarded to the low bidder, Banc of America Merrill Lynch, which submitted a bid at an annual true interest cost rate of 3.2653%. The bonds were delivered on March 8, 2011.

The bonds were issued to refund a portion of the outstanding 2001 Series A and 2001 Series B Bonds. The average interest rate on the bonds being refunded is 4.87% compared to the interest rate of 3.27% on the refunding bonds. The bond proceeds will be invested with the State Treasury until redemption on June 1, 2011. The refunding is expected to result in gross debt service savings of approximately \$39.9 million, annual debt service savings of approximately \$3.3 million and present value savings of approximately \$33.3 million, or 9.23% of the principal amount being refunded.

A report and tabulation of bids is attached.

(Attachment #2)

3. Presentation of the Debt Affordability March 2011 Update.

The Division of Bond Finance has prepared and delivered the March 2011 update of the 2010 Debt Affordability Report. The presentation will highlight important points in the March 2011 update.