

T H E   C A B I N E T  
S T A T E   O F   F L O R I D A

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Representing:

HIGHWAY SAFETY AND MOTOR VEHICLES  
DEPARTMENT OF VETERANS AFFAIRS  
STATE BOARD OF ADMINISTRATION

The above agencies came to be heard before THE FLORIDA CABINET, the Honorable Governor Scott presiding, at Nemours Children's Hospital, in the Auditorium, Orlando, Florida, on Wednesday, May 8, 2013, commencing at approximately 9:14 a.m.

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Representing the Florida Cabinet:

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PAM BONDI  
Attorney General

JEFF ATWATER  
Chief Financial Officer

ADAM PUTNAM  
Commissioner of Agriculture

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I N D E X

HIGHWAY SAFETY AND MOTOR VEHICLES  
(Presented by JULIE JONES)

ITEM	ACTION	PAGE
1	Approved	4
2	Approved	11

DEPARTMENT OF VETERANS AFFAIRS  
(Presented by MIKE PRENDERGAST)

ITEM	ACTION	PAGE
1	Approved	14
2	Approved	19
3	Approved	22
4	Approved	30

INDEX CONTINUEDSTATE BOARD OF ADMINISTRATION  
(Presented by ASH WILLIAMS)

ITEM	ACTION	PAGE
1	Approved	32
2	Discussed	34

CERTIFICATE OF REPORTER		45
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## P R O C E E D I N G S

1  
2 GOVERNOR SCOTT: Now I'd like to recognize Executive  
3 Director Julie Jones with the Department of Highway Safety  
4 and Motor Vehicles to present their agenda. Good morning.

5 MS. JONES: Thank you, Governor and Cabinet members.  
6 The Department of Highway Safety serves more than 50  
7 million drivers and processes more than 18 million vehicle  
8 registrations. We patrol 30 million miles per year with  
9 the Highway Patrol. Just for our visitors, the Florida  
10 Department of Highway Safety, this is your Florida Highway  
11 Patrol. We have a motor services unit and then we have an  
12 I.T. section that's integral in how we do our business.

13 Governor, I have two agenda items for your  
14 consideration and approval today. Item Number 1, I  
15 respectfully request approval of the minutes from the  
16 February 7th Cabinet meeting.

17 GOVERNOR SCOTT: Is there a motion to approve?

18 ATTORNEY GENERAL BONDI: So moved.

19 GOVERNOR SCOTT: Is there a second?

20 CFO ATWATER: Second.

21 GOVERNOR SCOTT: Moved and seconded. Any objections  
22 or comments? Hearing none, the motion carries.

23 MS. JONES: Item Number 2 is the Department's  
24 Performance Report for the third quarter of this fiscal  
25 year. In our highlight section of the quarterly

1 performance you'll note that we did a number of public  
2 outreach projects; the Move Over law, hit and run crashes  
3 which I'm going to bring Major Cindy Williams up to talk  
4 about just briefly.

5 Spring Break Enforcement. We were very successful in  
6 this initiative this year especially in the Panama City  
7 Beach area.

8 Bike Week. We do motorcycle safety education leading  
9 up to Bike Week and then participate in a lot of events in  
10 order to keep the fatality rates down associated with this  
11 event. And I'm proud to say that crashes and fatalities  
12 were both down this year.

13 This quarter we also worked to educate the public  
14 about fake websites. We've had a proliferation of fake  
15 public safety websites that when you click on it it  
16 appears to be a governmental entity, but it's actually  
17 downloading malware and it's also charging extra costs  
18 claiming to be a public site when indeed you can get that  
19 service for free.

20 So we're working closely with the public and our law  
21 enforcement partners to take these sites down as a public  
22 service initiative.

23 We also continue to try to put as many troopers on  
24 the road as we can. This quarter we graduated another  
25 class of 52 and I'm proud to say that the last three basic

1 recruit classes we have 30 veterans that we recruited and  
2 got through the academy.

3 GOVERNOR SCOTT: Congratulations.

4 MS. JONES: Revenue Information. We had a solid  
5 third quarter. We collected and distributed \$658 million.  
6 This is a \$59 million increase in revenue from the prior  
7 quarter.

8 The last topic is our Performance Dashboard. As you  
9 know, we have 37 performance standards that we rate  
10 ourselves on. Thirty-three were in the green meet  
11 standards category. I'd like to talk about the four  
12 measures that were not.

13 Measure number 2 is the number of reported highway  
14 crashes. Last Fall I came to you and said that this might  
15 be an issue and this issue has slipped into yellow from  
16 green. It's a nationwide trend. It's not just in  
17 Florida.

18 While no specific issue has been identified, we  
19 believe that the turn in the economy -- the economy is  
20 becoming a little more positive, more cars on the road,  
21 more miles driven. And in the Fall we'll have more data  
22 available to --

23 GOVERNOR SCOTT: More construction too.

24 MS. JONES: Pardon me?

25 GOVERNOR SCOTT: There's way more construction going

1 on right now.

2 MS. JONES: That's correct, sir. Again, it's all  
3 associated with the turn in the economy.

4 One of the contributing factors though is the  
5 increased number of hit and run crashes and I'm going to  
6 bring Cindy Williams up here. She's the troop commander,  
7 the major here locally.

8 Orlando is one of the top three counties for hit and  
9 run in the state and we've had some specific initiatives  
10 on this. Hit and run crashes are up 10 percent and the  
11 tragedy here is three out of five fatalities statewide  
12 associated with pedestrian fatalities is due to hit and  
13 run.

14 So this is not only our educational campaign this  
15 quarter, but also our enforcement initiatives across the  
16 state. So Cindy is going to spend just two minutes on  
17 this.

18 GOVERNOR SCOTT: Good morning.

19 MS. WILLIAMS: Thank you. In FHP Troop D we cover  
20 Orange, Seminole, Volusia and Brevard County. We  
21 responded just in Orange County to over 4,883 hit and run  
22 crashes in 2012. Of the hit and run crashes 17 percent or  
23 816 resulted in injury with the majority of them being  
24 unsolved. Seventeen of the 21 crashes involved fatalities  
25 that remain unsolved.

1           In response to the increased number of hit and run  
2 crashes in Troop D, in January we implemented a new  
3 approach to solving these cases and dedicated a trooper to  
4 these operations.

5           This initiative was utilized through taking data  
6 through our cost report system and looking for hit and run  
7 tags and strength searches to look for what we could find  
8 with cases that were unsolved.

9           Of these we found 53 cases that involved injuries.  
10 We were able to assign a trooper to these to go down and  
11 look for leads. Forty-two of these actually were within  
12 Orange County. Of the data that we analyzed we utilized  
13 the Bureau of Intelligence Investigations and our partner  
14 with the Orange County Sheriff's Office.

15           Within a few months with this new information 10  
16 cases were reopened with further leads. One of these  
17 already resulted in an arrest. Two of these resulted in  
18 location of the vehicle and insurance information being  
19 provided.

20           We've also had numerous letters that we've written to  
21 our person that has been doing these thanking them. Even  
22 in cases when we didn't find anybody we found further  
23 leads and people felt that we were taking that extra step.

24           In February we initiated press conferences that were  
25 held around the state kicking off the hit and run



1 awareness campaign. We also in Troop D had a press  
2 conference and had the victims of hit and runs come and  
3 talk to us, one of which was Jamie McWilliams who was  
4 instrumental in getting the law changed for many of the  
5 hit and run crimes; mostly serious bodily injury and  
6 death, from a third-degree felony to a first degree  
7 felony. If you've ever dealt with Ms. McWilliams, she is  
8 passionate and she was willing to do whatever to get this  
9 taken on.

10 The Florida Highway Patrol is using social media and  
11 posting these things on Facebook and our website. We're  
12 hitting the younger crowd and the people that are on the  
13 website and that's really making a big impact.

14 And in closing, this operation will enhance patrols  
15 in an active role in the state for hit and run crashes to  
16 try to reduce them and to apprehend the violators.

17 On a side note, I really like the dog so I'm talking  
18 to my family. I gotta talk to the family because we  
19 already have one.

20 GOVERNOR SCOTT: It's over once you start talking  
21 about it.

22 ATTORNEY GENERAL BONDI: Thank you. He's so sweet.  
23 Thank you.

24 GOVERNOR SCOTT: It's over.

25 MS. JONES: Yeah, it is.

1 ATTORNEY GENERAL BONDI: 10 and 0, people.

2 MS. JONES: She met the dog before you brought the  
3 dog up and said okay, I gotta call home. So we're going  
4 to continue to do outreach in education and it's training,  
5 not only the driver trying to train people to stop and not  
6 be afraid of the law enforcement consequences, but also  
7 training the hit and run victim to know what to look for  
8 and how to report back to the patrol to help with these  
9 issues.

10 Performance measure number 20 is our customer service  
11 wait times. And these continue to get better and we're up  
12 to 87.5 percent of our customers wait less than 30 minutes  
13 now in a driver license office.

14 The last measure I'd like to discuss is our average  
15 wait times in our customer service centers. These were up  
16 27 percent from the last quarter. Two things happened to  
17 affect this measure. A new I.T. system was installed and  
18 it took a lot of training and we took people off the line  
19 to get the training done, but we've also had a higher  
20 number of non-citizens calling.

21 Up until this quarter if you were a non-citizen  
22 asking for a driver's license or an I.D., we processed you  
23 in the office and then we told you to wait and we verified  
24 your legal status in the state through the Federal  
25 Government through the main office in Tallahassee.

1           We've now this quarter centralized that to reduce  
2           those numbers of calls and I'm hoping that will continue  
3           to bring this measure into compliance.

4           We focus on technology, but these are complicated  
5           questions that take a person to actually talk to. So  
6           we're going to work through that.

7           With that, that concludes our quarterly report and I  
8           would ask that you respectfully -- I respectfully request  
9           you approve the report as it stands.

10           GOVERNOR SCOTT: Thank you very much, Julie. So is  
11           there a motion to approve the report?

12           CFO ATWATER: So moved.

13           GOVERNOR SCOTT: Is there a second?

14           COMMISSIONER PUTNAM: Second it.

15           GOVERNOR SCOTT: Okay. Any comments or objections?  
16           Hearing none, the motion carries. Thanks.

17           MS. JONES: Thank you, Governor.

18           GOVERNOR SCOTT: Thank you.

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GOVERNOR SCOTT: Now I'd like to recognize Executive Director Mike Prendergast with the Department of Veterans Affairs. Good morning.

MR. PRENDERGAST: Good morning, Governor Scott, General Bondi, CFO Atwater and Commissioner Putnam. It's great to be here today as your confirmed Executive Director of the Florida Department of Veterans Affairs.

Before I go into my formal remarks, I wanted to make a special announcement to all of you that I briefed your staff on last week. Today will be Jim Brodie's last official Cabinet meeting as our Director of Legislative and Cabinet Affairs.

After a distinguished career in State Government and in the private sector, Jim has succumbed to the desires of his lovely bride, DeDe, and Jim is retiring from Florida State Government on June 20th, but he's going to stay a fixture in the Tallahassee community. And we'll see if we can get Jim by before he packs up his tent and rolls out the gate for the last time to say goodbye to each and every one of you.

Jim's service started out in the United States Navy and then he worked at the University of Miami.

GOVERNOR SCOTT: Were you in the Navy?

MR. PRENDERGAST: No, I was in the senior service,

1 Governor, the United States Army. My dad was in the Navy  
2 in the Second World War, so we do have that bond at least.

3 Jim has been with us in the Department of Veterans  
4 Affairs since December of 2004. So he's culminating at  
5 about eight and a half years with the Department and more  
6 than 14 years in Florida State Government.

7 GOVERNOR SCOTT: Too young to retire.

8 MR. PRENDERGAST: I'm also very proud to report to  
9 all of you again today that once again our State Veterans  
10 Nursing Home program has filled all 720 beds in our  
11 skilled nursing facilities for a 100 percent occupancy  
12 rate.

13 In addition to that, CFO Atwater, thank you for  
14 recognizing our nurses. We have 671 nurses, registered  
15 nurses, LPNs and certified nursing assistants in the  
16 Department of Veterans Affairs and we have sent out an  
17 announcement thanking them for their service as well. So  
18 thank you for recognizing them today.

19 We do have four agenda items for you today. Item 1  
20 consists of the minutes from the March 19th Cabinet  
21 meeting and we respectfully request approval.

22 GOVERNOR SCOTT: Is there a motion to approve?

23 ATTORNEY GENERAL BONDI: So moved.

24 GOVERNOR SCOTT: Is there a second?

25 CFO ATWATER: Second.

1 GOVERNOR SCOTT: Any comments or objections? Hearing  
2 none, the motion carries.

3 MR. PRENDERGAST: Thank you.

4 Item 2 is an after-action report about the Homeless  
5 Veterans Stand Down held in Tallahassee at the North  
6 Florida Fairgrounds on April 5th through the 7th.

7 This event was coordinated by the Florida Veterans  
8 Foundation. As you know, the Florida Veterans Foundation  
9 is our direct support organization of the Department of  
10 Veterans Affairs.

11 John Haynes is our present Chairman of the Florida  
12 Veterans Foundation and John is a retired Marine having  
13 served in World War II, Korea and Vietnam. John joined  
14 the Corp at the age of 15 and served on active duty for 30  
15 years. John was awarded the Silver Star Medal for  
16 conspicuous gallantry in combat and also the Purple Heart  
17 for wounds received in action against an armed enemy.

18 It's a distinct honor for me to introduce Major  
19 Haynes to talk briefly about the Stand Down and the great  
20 achievements that we achieved at our first ever Stand Down  
21 for the Department of Veterans Affairs.

22 GOVERNOR SCOTT: Great tie.

23 MR. HAYNES: Thank you, sir. Good morning, Governor  
24 and members of the Cabinet, my fellow Americans, lovers of  
25 freedom all. I'm deeply honored to be here this morning

1 to discuss with you the Stand Down that we recently  
2 conducted in Tallahassee.

3 As a result of the study made it was determined that  
4 in Leon County alone, which is where our State Capitol is,  
5 we have 187 homeless veterans. Within the State of  
6 Florida we have 5,300 homeless veterans that is recorded  
7 and I can promise you, and I think correctly, that there's  
8 many more than that.

9 One of the important things that I think we should  
10 remember about a homeless veteran is who are they and why  
11 are they homeless. First of all, they're veterans just  
12 like I and many of you, regular Americans. For one reason  
13 or another they were called to active duty. They went to  
14 war, they served their country and while serving their  
15 country often in times of great danger, they suffered  
16 after effects such as post-traumatic stress syndrome or  
17 traumatic brain injuries.

18 These veterans come home, most are out of the service  
19 and come back out into the population. Due to the  
20 post-traumatic stress or that traumatic brain injury they  
21 have great difficulties. Often times they find difficulty  
22 obtaining employment and they also have problems  
23 conducting themselves like a great citizen or a good  
24 citizen would. They run afoul of the law.

25 Many of the homeless veterans that we worked with at

1 our three-day Stand Down are veterans that have active  
2 warrants out for their arrest and many of these have to do  
3 with child support issues.

4 During the three-day Stand Down that we had, we  
5 brought these veterans in. They arrived on a Friday  
6 morning at 6:00 a.m. It was very, very cold that day and  
7 rainy. We first introduced them to a hot shower, a hot  
8 meal and then we issued each and every one a minimum of  
9 three issues of clothing.

10 Now I would like to tell you some statistics.  
11 Statistics involve numbers and I hope that I don't bore  
12 you with this. During the three days we accommodated 282  
13 veterans; 256 males and 26 females. And, by the way, some  
14 homeless veterans do really have families. They had 21  
15 children and they also had 15 dogs. Many homeless  
16 veterans have dogs that live with them in the woods.

17 We attempted to reintroduce these veterans to a  
18 better way of life. We wanted to do away with those  
19 outstanding warrants. So as a result, we had a legal team  
20 there. We had a judge. We had 16 attorneys. We had 20  
21 law students from Florida State University. During that  
22 period of time many of the outstanding warrants were  
23 settled. We don't know the exact savings of money to Leon  
24 County and the other counties in Florida, but I can tell  
25 you that there was indeed a significant saving of money



1 during that three-day period and we really thank our legal  
2 system; our judges and lawyers for the hard work that they  
3 did. They truly had an interest and they are still  
4 continuing until this day to work with these veterans.

5 We had 25 of these homeless veterans that were  
6 presented with their birth certificates that day as a  
7 result of the legal system being on site. We know that in  
8 this day and age you've got to have a birth certificate or  
9 you can't get a job, probably can't even get into a  
10 hospital.

11 We had 22 that received health care and physical  
12 examinations. We had nine that were tested for HIV. One  
13 veteran was admitted to a local hospital as a result of  
14 very, very serious medical condition that he had. Nine  
15 veterans were tested for tuberculosis. We had 60 veterans  
16 that received dental care. An additional 100 veterans  
17 received emergency prescriptions.

18 All in all we had 90 cases that were seen by our  
19 legal system. We had 32 veterans that actually went  
20 before the judge and, as I mentioned earlier, a lot of  
21 those were involving children and lack of support.

22 Many of those veterans are now free. They can go out  
23 now and seek a job because they don't have a warrant  
24 hanging over their head. This is very, very important to  
25 these veterans.

1           It's our great desire within the State of Florida and  
2           I know that the Governor and Colonel Prendergast and  
3           everyone concerned, it's their deep desire to bring these  
4           veterans back into the community.

5           Where there's retribution to be paid, they can do  
6           that. We're not asking that everything just be waived and  
7           disregarded. Many of those veterans that went before the  
8           judge that day, they're doing time out working for the  
9           community, working those fines off.

10          So it wasn't just a handshake and a wave and you're  
11          now free. They're facing up, but the main thing is they  
12          now have a different outlook on life. Many of these  
13          veterans feel that they have been abandoned from society.

14          Our purpose was to change that concept and we feel  
15          that next year when we do our Stand Down that many more  
16          veterans will come out of the woods and come back to us.  
17          After all, the President of the United States has stated  
18          that by the year 2015 we want to do away with the word  
19          homelessness among veterans and the Secretary of Veterans  
20          Affairs has stated the same thing.

21          My boss, Colonel Prendergast, has stated that he  
22          wants it to end today. Thank you very kindly.

23          MR. PRENDERGAST: I'd be remiss if I didn't introduce  
24          Colonel Retired Washington Sanchez, Former Departmental  
25          Commander of the Military awarded the Purple Heart and our

1 key leader for pulling off this year's Stand Down for our  
2 homeless veterans in the Northern Florida Panhandle area.  
3 Thank you for your leadership, Washington.

4 Thank you, John and Washington, for your leadership.  
5 Unless there are any questions, this concludes our report  
6 on Item 2 and we respectfully request approval of the  
7 Stand Down Report.

8 GOVERNOR SCOTT: Is there a motion to accept the  
9 report?

10 CFO ATWATER: So moved.

11 GOVERNOR SCOTT: Is there a second?

12 ATTORNEY GENERAL BONDI: Second.

13 GOVERNOR SCOTT: Any comments or objections? Hearing  
14 none, the report is accepted.

15 MR. PRENDERGAST: Thank you, Governor.

16 Item 3 is a brief status report by Mr. Tim Lizzurte,  
17 the medical director of the Orlando V.A. Medical Center  
18 which is also under construction right here on this same  
19 campus as the Nemours Hospital. Tim.

20 MR. LIZZURTE: Thank you, Director. Good morning,  
21 Governor. Good morning, Cabinet. It's my honor to  
22 provide an update on this and I think it's fitting that  
23 you honored teachers. I had one teacher who said in  
24 giving a brief, keep it brief, and I aim to do that today.

25 I'm joined in the audience today by Tom Lesniewski

1 (ph.) who is the acting network director for the Sunshine  
2 Network. He oversees the seven facilities in the Great  
3 State of Florida and I'm privileged to be briefing you on  
4 the next one.

5 So the portfolio of the project here in Orlando will  
6 be the eighth V.A. Medical Center in the State of Florida.  
7 It's targeted to be budgeted at about \$616 million,  
8 located on 65 acres. It will build out to 1.2 million  
9 square feet, involve 134 in-patient beds, 3,100 parking  
10 spots and employ 2,100 staff and serve 113,000 first year  
11 of operation veterans in East Central Florida.

12 The way this is contracted out is actually several  
13 different contracts. All have been completed with the  
14 exception of the last one which is the fitting out of the  
15 main medical complex and it is currently on target to be  
16 completed contractually by August, but really we're  
17 expecting it to be completed by April of 2014. It's  
18 currently about 75 percent complete.

19 Not listed here is a fifth phase of the project, the  
20 Simulation Center. Orlando was fortunate enough to be  
21 designated a national center for simulation for the entire  
22 V.A. national healthcare system. That will be 53,000  
23 square feet of simulation space here across the complex.

24 We are asked often when the construction is complete  
25 when do you expect to see the first patient. When I get

1 the keys to the building, I expect to see our first  
2 patient within 90 days for the clinical inventory that we  
3 presently have at our Lake Baldwin. The plan today is to  
4 move Lake Baldwin services down here to Lake Nona and  
5 we'll expect to do that within 90 days.

6 And then expanding current clinical inventory, adding  
7 capacity, audiology booths, clinic appointments, et  
8 cetera; we expect to be doing that over a 120-day period.  
9 And then new clinical inventory, things that we don't have  
10 in our hospital today, things like in-patient beds, we  
11 expect to be opening that up 180 days from the day that we  
12 receive the keys to the building.

13 This is a projected economic impact. In addition to  
14 the recurring annual budget that we get from the Federal  
15 Government, we'll be targeting about \$400 to \$500 million  
16 a year in recurring funding.

17 The rollout and activation is that we will be adding  
18 roughly 1,400 jobs between now and the final activation of  
19 the medical center in 2015. And that is my update and  
20 brief.

21 I just would like to make the final point that this  
22 is more than bricks and mortar. We are fundamentally  
23 changing the way that we deliver healthcare. It's nice  
24 talking about the bricks and mortar, but the programming  
25 going into the medical center is really the exciting part.

1           There will be lots of new technology and innovation  
2           that will be implemented as part of our activation and  
3           build out. Finally, collaborating with great partners  
4           that you've heard about already today and Director  
5           Prendergast at the State level has been phenomenal in our  
6           work in completing this project. Thank you.

7           GOVERNOR SCOTT: Thank you very much.

8           MR. PRENDERGAST: Thank you, Tim. Unless there are  
9           any questions from the Governor and Cabinet, this  
10          concludes our report on Item Number 3. We respectfully  
11          request approval.

12          GOVERNOR SCOTT: Is there a motion to accept the  
13          report?

14          ATTORNEY GENERAL BONDI: So moved.

15          GOVERNOR SCOTT: Is there a second?

16          CFO ATWATER: Second.

17          GOVERNOR SCOTT: Any comments or objections? Hearing  
18          none, the motion carries.

19          MR. PRENDERGAST: Thank you.

20          Item 4 is a presentation about Paychecks for  
21          Patriots. Executive Director Jesse Panuccio briefly  
22          touched upon this subject whenever he was doing his  
23          presentation a few minutes ago.

24          Speaking of paychecks, 736 veterans joined the  
25          Florida workforce last week and since the first of the

1 year more than 10,100 veterans have joined the Florida  
2 workforce. That's a real testament to those that have  
3 been working hard.

4 The Paychecks for Patriots event is a 10-city job  
5 fair for veterans. It's coordinated between the  
6 Department of Economic Opportunity, the 24 Regional  
7 Workforce Boards, the Employer Support of the Guard and  
8 Reserve, the National Guard, the Department of Veterans  
9 Affairs and, of course, our corporate partners at Dollar  
10 General.

11 We are also grateful to the Governor for his strong  
12 letters of support to this initiative and we look forward  
13 to the results that this initiative will produce for our  
14 veterans out in the workforce community.

15 Our first presenter today is Judge Greg Holder of the  
16 13th Judicial Circuit in Hillsborough County. Judge  
17 Holder is also the key leader for Employer Support to the  
18 Guard and Reserve in the State of Florida. Judge Holder.

19 GOVERNOR SCOTT: Good morning.

20 ATTORNEY GENERAL BONDI: I would be remiss if I  
21 didn't say we're so pleased to have you here today, Your  
22 Honor. When I was a prosecutor I appeared in front of him  
23 many times and he's one of the best judges I know and a  
24 dear friend. So thank you for being here, Judge Holder.

25 JUDGE HOLDER: It's a pleasure to salute you.

1           ATTORNEY GENERAL BONDI: That's frightening, but  
2           thank you.

3           JUDGE HOLDER: Governor, CFO, Commissioner and  
4           Attorney General. I'm proud to say I'm from the  
5           Department of Defense and we are here to help you. I  
6           think Dr. German said it best when she used the phrase  
7           collaborative innovation. I will borrow that phrase,  
8           Doctor, because indeed this is a public and private  
9           partnership by and between the Federal Government and our  
10          State Government.

11          We are extremely pleased and proud to partner with  
12          our good friends, the Florida Department of Veterans  
13          Affairs, the great Dollar General Corporation, our  
14          National Guard, Workforce Florida and, of course, REEO.

15          Sir, we look forward to bringing jobs to Florida and  
16          jobs to our veterans and their family members. Thank you.

17          GOVERNOR SCOTT: Thank you very much.

18          MR. PRENDERGAST: Next up will be the Adjutant  
19          General of the Great State of Florida, Major General  
20          Emmett Titshaw.

21          GOVERNOR SCOTT: Good morning.

22          MR. TITSHAW: Governor Scott, Attorney General Bondi,  
23          CFO Atwater and Commissioner Putnum, thank you for this  
24          opportunity to make brief remarks today.

25          Our Florida National Guard soldiers and airmen accept



1 many risks and hardships as they serve our communities,  
2 our state and our nation. One of those hardships should  
3 not be unemployment. We greatly appreciate those  
4 employers who are willing to hire our service members and  
5 our veterans and we applaud the efforts of everyone who  
6 has helped make these Paychecks for Patriots events  
7 possible this month.

8 The month of May has been designated as Military  
9 Appreciation Month and as the citizens of this state  
10 express their appreciation to all of our service members,  
11 we would like to express our appreciation back to the  
12 State of Florida, the Legislature, this Cabinet, Governor  
13 Scott, the Department of Military Affairs, DEO, ESGR and  
14 Dollar General for putting on this event. Thank you very  
15 much.

16 GOVERNOR SCOTT: Thank you.

17 MR. PRENDERGAST: Most importantly and finally I'd  
18 like to introduce Mr. Bob Ravener. I pulled out his card  
19 because it's a little bit different from what I had in my  
20 notes. It says Bob Ravener, Executive Vice President and  
21 Chief People Officer. Ladies and gentlemen, Bob Ravener  
22 from Dollar General.

23 MR. RAVENER: Thank you, Mike. Good morning,  
24 Governor and Cabinet members. I'm pleased to be here this  
25 morning representing the more than 100 employers that are

1 participating in this event on Friday.

2 I would tell you that I have a special place in my  
3 heart for the State of Florida as no less than six members  
4 of my family who have served in the military have lived at  
5 one point in time, including me, in the State of Florida.

6 Across the state so far we have over 115 Florida  
7 employers who are participating in our first Paychecks for  
8 Patriots veterans hiring event in ten locations across  
9 Florida on this Friday, May 10th. All of the corporate  
10 partners have been working with the military community to  
11 provide job opportunities.

12 This program is proof positive that the public and  
13 private sectors cannot only effectively partner to help  
14 our veterans successfully transition to civilian life, but  
15 this initiative is the best example I've ever seen in my  
16 more than 25 years in corporate America of the public and  
17 private sectors working effectively together to make a  
18 difference.

19 We are proud to be part of this unique groundbreaking  
20 partnership that's been supported by the Florida State  
21 Government and the Florida military community.

22 This program is not a one size fits all. Paychecks  
23 for Patriots has been structured to meet the unique needs  
24 of our Florida veterans and the Florida employers. This  
25 has been truly a team effort.

1           On behalf of the private sector I'd like to thank  
2           General Emmett Titshaw and the Florida National Guard,  
3           Colonel Mike Prendergast and the Florida Department of  
4           Veterans Affairs, Judge Greg Holder and the Florida ESGR,  
5           Executive Director Jesse Panuccio and his team at the  
6           Department of Economic Opportunity and Regional Workforce  
7           Boards for working so hard to make this a success and to  
8           the over 100 employers that are going to be representing  
9           their companies this Friday.

10           I'd also like to thank the team that's with me here  
11           today who has really donned the bulk of the effort for  
12           Dollar General. So my thanks to Steve Brophy, Kathy  
13           Reardon, Charlotte Hutchins and Dan McDonald.

14           As a Navy veteran myself like you, Governor, I have  
15           an understanding of the needs of our military community  
16           and the difficulty of making the transition from the  
17           public to the private sector. There's just no clear road.  
18           Having navigated that road myself more than 25 years ago,  
19           I certainly believe that Paychecks for Patriots can make  
20           that journey easier for our military families and in so  
21           doing it will benefit our veterans, our employers and the  
22           economy. This is clearly a win-win.

23           Veterans need career opportunities and growing  
24           businesses like Dollar General need great people who have  
25           the attitude, aptitude and aspiration to grow with us and

1 build a meaningful career. For me it's not about where  
2 you start, it's about where you finish.

3 At Dollar General alone we've hired over 7,000  
4 veterans in the last two years and they're making  
5 tremendous contributions to our company. In Florida  
6 Dollar General has more than 600 stores and we'll open  
7 another 35 this year. We have more than 4,300 Florida  
8 citizens working in our stores and we're going to hire  
9 roughly 600 more Floridians at Dollar General in the month  
10 of May.

11 At Dollar General across the country we expect to  
12 open our eleven thousandth store this year. In fact,  
13 we've opened 2,500 stores and added more than 30,000 new  
14 jobs in the last five years alone and we need great people  
15 including the veteran community to grow with us.

16 As a former submarine officer and the chief people  
17 officer at Dollar General I know the tremendous skill set  
18 that our military service members and their spouses offer  
19 to the private sector as potential employees.

20 And let me just name a few. They are excellent  
21 leaders and outstanding followers. They belong to a  
22 community where loyalty, dedication and motivation are  
23 highly valued. They exemplify professionalism. They  
24 carry themselves with a high degree of integrity, an air  
25 of self-respect and sense of duty and honor. They are

1 responsible.

2 They know how to make decisions and they take  
3 responsibility in meeting those deadlines and difficulties  
4 they face. They embrace diversity. The U.S. Military is  
5 a meritocracy to its core measured by one's performance  
6 and service to others. They understand that nothing is  
7 impossible with enough effort and teamwork. Their  
8 mission-oriented mindset is invaluable in the workplace  
9 and contagious among their colleagues.

10 This is our first Paychecks for Patriots effort in  
11 Florida, but I'm hopeful it will be the first of many. I  
12 believe that working together we're starting something  
13 great here in the state that can match our veterans and  
14 the career opportunities with employers looking for great  
15 people for many years to come.

16 Let me conclude by saying thank you, Governor Scott,  
17 and your leadership team. We appreciate your support of  
18 the Paychecks for Patriots effort and your dedication to  
19 the military. And I also want to thank each member of the  
20 Cabinet for your support. This will be a great service to  
21 our veteran community and it's been a pleasure to work  
22 with your state and local officials and the passion that  
23 they represent. Thank you very much.

24 GOVERNOR SCOTT: Thank you. Good job.

25 MR. PRENDERGAST: Ladies and gentlemen, subject to

1 your questions, this concludes our agenda Item Number 4.  
2 We respectfully request approval.

3 GOVERNOR SCOTT: Thank you. Is there a motion to  
4 approve the report?

5 ATTORNEY GENERAL BONDI: So moved.

6 GOVERNOR SCOTT: Is there a second?

7 CFO ATWATER: Second.

8 GOVERNOR SCOTT: Any comments or objections? Hearing  
9 none, it passes. Thank you very much.

10 MR. PRENDERGAST: Bob, thank you again for coming and  
11 thank you for your leadership in hiring our veterans.

12 GOVERNOR SCOTT: Thank you. Thanks, everybody, for  
13 doing this. It makes a big difference for families. So  
14 thanks a lot. Great job, Mike.

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GOVERNOR SCOTT: Now I'd like to recognize Teacher of the Year for Orange County, Dorina Sackman with Westridge Middle School. If you'll stand so we can recognize you. Thank you very much and thanks for all you do for these kids. You change people's lives and you inspire them. So thank you for what you're doing.

Now I'd like to recognize Executive Director Ash Williams with the State Board of Administration. Good morning, Ash. The portfolio is up.

MR. WILLIAMS: Yes, it is up and we can just open with that since you've got it. I think it's a segway. As of the close on the 6th we are up 15.6 percent year-to-day. That's 63 basis points ahead of target and leaves a balance of \$136.2 billion.

GOVERNOR SCOTT: That's great.

MR. WILLIAMS: All right.

Item 1 I would like to request approval of the appointment of Mary Ellen Elia to the Investment Advisory Council. She was nominated by Attorney General Bondi.

MS. BONDI: And if I could say a few words, Governor. As we all know, teachers comprise such a huge portion of our Pension Fund and Mary Ellen Elia, if approved by the Governor and Cabinet, will be the first superintendent on the Investment Advisory Council.

1 Under her leadership Hillsborough Schools have  
2 invested over half a billion in the Florida PRIME Fund,  
3 which is our local government fund, and Mary Ellen Elia  
4 previously was Chair of the Participant Local Government  
5 Advisory Council.

6 I know her personally. I know her work ethic and I'm  
7 just so proud that she's willing to take this on. And I  
8 think it would be incredible to have a superintendent of  
9 the schools on our Investment Advisory Council.

10 GOVERNOR SCOTT: Is there a motion? Are you making a  
11 motion?

12 ATTORNEY GENERAL BONDI: So moved that we appoint  
13 Mary Ellen Elia.

14 GOVERNOR SCOTT: Is there a second?

15 CFO ATWATER: Second.

16 GOVERNOR SCOTT: Any comments or objections? Showing  
17 none, approved unanimously. She'll be very good. She's  
18 very good. You did a great job.

19 ATTORNEY GENERAL BONDI: Thank you.

20 MR. WILLIAMS: Thank you. And I would say too, as  
21 one of the founding members of the Participant Local  
22 Government Advisory Council, in her chairmanship of that  
23 group, she did a terrific job.

24 And if one looks back to the most recent sales of  
25 securities we've done on the Pool B, which is a securities



1 that became liquid back in 2007, we are now in a position  
2 to distribute or have already distributed a little over 92  
3 percent of the original value of those securities.

4 I'd like to move forward with a little update on the  
5 Florida Growth Fund as it relates to the State Board of  
6 Administration. For those of you who are in the local  
7 area and don't know who the State Board is, we're  
8 essentially the State's investment organization. We  
9 service folks as fiduciaries providing investment services  
10 to over 30 different entities as directed by Florida  
11 Statute.

12 The aggregate clients we manage are north of \$167  
13 billion. We operate in an extraordinarily transparent  
14 environment obviously with the leadership of our trustees,  
15 but also with very intensive oversight and reporting both  
16 internally and externally.

17 We just discussed two of our advisory bodies, the  
18 Participant Local Government Advisory Council and our  
19 Investment Advisory Council. We also have an Independent  
20 Audit Committee and use a number of independent  
21 consultants who serve as fiduciaries to us to help us make  
22 good investment decisions.

23 This just gives you a sense of how our investment  
24 duties break down across the Pension Plan which is the  
25 defined benefit part of our pension system, the Investment

1 Plan which is defined contribution, the Hurricane  
2 Catastrophe Fund and Florida PRIME which is a local  
3 government investment pool that Ms. Elia has been very  
4 involved with in recent years.

5 We also have a very interesting entity called the  
6 Florida Growth Fund. The legislature in 2008 passed the  
7 Florida Technology and Growth Act which allowed investment  
8 of up to one and a half percent of the pension's assets in  
9 entities with significant ties to Florida that relate to  
10 technology, engineering, aviation, computer tech,  
11 renewable energy, medical and life sciences.

12 When looking at the business model of how to  
13 undertake an investment program of that sort, we looked  
14 all over the country and concluded that the best model was  
15 to hire a third-party entity with investment expertise who  
16 would have discretion in selecting investments and would  
17 serve as a fiduciary to us.

18 To fill that role we selected a firm called Hamilton  
19 Lane. They're one of the world's leading private equity  
20 investment advisory firms and are based in Bala Cynwyd,  
21 Pennsylvania. We have a long and deep relationship with  
22 them and other private equity investing and we have been  
23 fortunate to have Mr. Greg Baty come to Florida full-time  
24 and open an office for Hamilton Lane in Florida because we  
25 knew the Governor wanted to otherwise, so we did.

1           We have invested two successive tranches of \$250  
2 million each in this program. The Legislative Office of  
3 Program Policy Analysis and Government Accountability did  
4 a review of the program recently and published findings  
5 showing that through June 30 of 2012 the internal rate of  
6 return on this set of investments is north of 21 percent.  
7 It further had an ancillary benefit of creating close to  
8 4,200 jobs in Florida with an average income of  
9 approximately \$58,000.

10           I'm going to turn this over to Greg Baty, but by way  
11 of background I want to share with you that in addition to  
12 working with Hamilton Lane, Greg has previously worked in  
13 the private equity and venture capital area with Sandhill  
14 Capital and Garage.com in both areas where he's created  
15 portfolio opportunities.

16           He has owned and operated a retail franchise and has  
17 had operational roles in tech startups. He has  
18 undergraduate and graduate degrees from Stanford and has a  
19 very distinct Florida connection in his past.

20           Before he got a really difficult job as a  
21 professional investor he played professional football in  
22 the NFL and the last team he played with was the Miami  
23 Dolphins. So with that, Greg.

24           MR. BATY: Thank you, Ash, and thank you, Governor  
25 Scott and Cabinet. I appreciate the opportunity to be

1 here. Thank you Nemours Hospital as well. This whole  
2 Medical City is just an amazing tribute to what's going on  
3 here in Florida.

4 I can tell you now it's a lot easier waking up on  
5 Mondays doing my job now than it was for nine years  
6 playing football. I felt like I had a car accident every  
7 Sunday afternoon for about nine years.

8 I'm the last speaker between you and lunch so I know  
9 I need to be brief and I will be. No offense to anybody  
10 in the room, but I think I have the best job in the entire  
11 state.

12 I get to invest in the best and the brightest of what  
13 Florida has to offer. In case anybody doesn't know what  
14 private equity is, and that's what we do, essentially we  
15 invest into private companies. So we buy a piece of a  
16 private company or we buy a majority of a private company.  
17 We then help that company grow and we hope to sell that  
18 company for more than we brought it for. It's pretty  
19 simple, but that's what private equity does.

20 And, you know, I'm sorry to see that a lot of the  
21 teachers are probably back in their schools teaching,  
22 which is what they, I guess, should be doing, but I want  
23 you to know -- I see one teacher there and other civil  
24 servants that are here that we are investing on behalf of  
25 that every time we make an investment we're looking at it

1 through your eyes.

2 So, you know, that's the prism we put on things.  
3 When we make an investment we say would a teacher, would a  
4 retired teacher, would a civil servant be proud of the  
5 investment that we're making. We're not always going to  
6 be right, but we look at it through that prism. So I want  
7 you to know that.

8 If we could go to the first slide here. I just  
9 wanted to point out one thing, Governor. I don't know if  
10 you noticed, but Fast Company Magazine which studies and  
11 goes over technology and that's all they're about, they  
12 just ranked Florida as the number one state in the country  
13 for innovation. It's the first time that's happened.

14 So I'm going to explain a little bit about venture  
15 capital too. Venture capital is a subset of private  
16 equity. Same thing, investing in private companies, but  
17 venture capital is primarily technology and primarily  
18 earlier-stage businesses.

19 Since we're here in Orlando I just want to point out  
20 a few things that are happening here in Orlando. A couple  
21 of companies, Koni and Pentaho, have attracted a lot of  
22 venture capital from top-tier venture capital firms.  
23 That's one of the things that we're trying to do with the  
24 Florida Growth Fund is have top-tier, nationally-known and  
25 internationally-known venture capital firms come and

1 invest in Florida companies.

2 There are two examples right here in Orlando where  
3 significant venture capitals come in from really good  
4 groups; Insight Venture Partners and Benchmark are  
5 probably one of the top five venture firms in the world.

6 There are other firms here, PlanSource, Row Sham Bow,  
7 Engineering Support Personnel, Treehouse; these are all  
8 companies that have raised money in the last year or year  
9 and a half in Orlando.

10 The Florida Growth Fund, we've been very active in  
11 this market. We've made investments in Lanzar which is a  
12 medical device company here. They've raised over \$31  
13 million. Part of that is our investment.

14 And a company Voxeo that I'd like -- it was our first  
15 investment that we made and I'd like to talk about it a  
16 little bit. Voxeo was founded here in Orlando, but the  
17 founder couldn't raise capital here. This was back in the  
18 late '90s. So he moved to Silicon Valley because he  
19 couldn't find capital here.

20 He raised \$30 million in venture capital, built his  
21 company and the dot com crash. His venture capital firm,  
22 the one that invested the majority of the money, he wasn't  
23 one of their bright, shining students so he was allowed to  
24 buy back his company from the venture capital firm.

25 He moved back here to Orlando where he wanted to be.

1 He's built this great company north of \$50 million in  
2 revenue creating lots of jobs here in Florida. We were  
3 the first outside private equity firm to invest in the  
4 company after he bought it back.

5 What's really good here, I've heard a constant theme  
6 that's this kind of trickle down or the payback. And so  
7 what's happened with Voxeo is he's already spun off  
8 another company that is now growing here outside of Voxeo,  
9 which we own part of as well, which is kind of nice, but  
10 he's also stepped into a chairman role. He's now founded  
11 another company.

12 Row Sham Bow here, which is a company that raised \$3  
13 million this past year, Row Sham Bow is co-located in his  
14 office. He's the chairman of their Board.

15 So that's kind of the grand circle, kind of like what  
16 happens when you're teaching a student and then she goes  
17 on to win a service award. I mean that's what this is in  
18 the technology thing. I want to acknowledge that that's  
19 just an amazing -- I don't know if it's coincidence, but  
20 it was a really neat story.

21 So we've also invested in a municipal services  
22 company here in the Orlando region and we've also invested  
23 in a fund that is a venture capital fund that's located  
24 here in Winter Park.

25 I'll try to speed things up because I know we're in a

1           hurry. So I also wanted to talk just a little bit about,  
2           since we're at Lake Nona and Medical City, about the life  
3           sciences activity here in the state.

4           One of the interesting trends is that life sciences  
5           investing in the entire nation has gone down significantly  
6           over the past couple of years. Florida, thank goodness,  
7           is bucking that trend and we're actually up in venture  
8           capital investing. So that's a very good sign for our  
9           economy here.

10          We've had a number of successful life sciences exits  
11          that have happened here in Florida and that's what it's  
12          about. It's about investing, but also being able to exit  
13          because that's where you make the return for teachers and  
14          other people that need to have their pension secured.

15          Envoy. I mentioned Takeda earlier. Takeda bought  
16          this company, Envoy, for \$140 million. Pastoria, Sid  
17          Martin, Biotechncology, Spin-Out and they were acquired  
18          for \$113 million.

19          That's what it's all about. It's about building  
20          companies that are going to stay here in Florida that are  
21          going to have successful exits. You can see on the charts  
22          that the investing in life sciences is continuing to trend  
23          upwards which is a good sign.

24          Real quickly. Here is the Florida Eco System. It  
25          doesn't just take a venture capital firm. It takes lots



1 of different entities coming together and working together  
2 to -- there's a life cycle of a company and there has to  
3 be capital at the early stage. There has to be people  
4 helping those companies get from an idea to a product.

5 This is what the venture capital or the Florida  
6 Venture Eco System looked like and I'm being kind because  
7 I think in universities -- this is four years ago before  
8 the Florida Growth Fund was around. Some of these  
9 universities I don't think were really focused and this is  
10 only a subset of universities. I apologize. I could only  
11 fit so much.

12 They weren't really focused on entrepreneurial  
13 studies. And the shift that I've seen to this slide is  
14 dramatic over the last four years where all the  
15 universities are now really focused on entrepreneurial  
16 studies, on combining technology and people that are  
17 interested in running companies and the shift is just very  
18 dramatic.

19 Also, at the top of this, the accelerators and  
20 incubators. There's just a number, and I couldn't fit  
21 them all on this page, that are required to get companies  
22 from an idea standpoint to a product being able to sell.

23 Conferences. The number of conferences people here,  
24 it's just a huge gain in the last four years. Okay. I'm  
25 going to go quickly.

1 Florida Growth Fund. This is just -- it's all about  
2 the outreach. What we've done with the Florida Growth  
3 Fund is just tried to get out there in the community so  
4 that every university knows about us, all the  
5 entrepreneurs know about us and we are successful in that  
6 endeavor.

7 The pipeline. The pipeline is huge. We see over 200  
8 deals a year. We hope to see every deal that is  
9 significant that happens in Florida and we'd like to try  
10 to be a part of it. If we can't invest in it because of  
11 risk return profile, we still try to be helpful.

12 That's the number one -- we help more early-stage  
13 venture type companies that might be too risky for us to  
14 invest in, but we make introductions. We introduce them  
15 to accelerators; we introduce them to early-stage angels;  
16 whatever we can do to help those companies so they're  
17 around three years from now for us to invest in.

18 We also make investments in funds and so we invest  
19 directly into companies, but we also invest into private  
20 equity -- other private equity funds that are investing  
21 here successfully in Florida.

22 One of the ones I'd like to highlight is MPM's  
23 Sunstate Fund. They're an internationally-known life  
24 sciences investor. They came to us. We worked with them.  
25 The University of Florida worked with them, David Day, and

1 we attracted them here by showing them the number of  
2 opportunities that exist here in Florida.

3 So not only did they open an office here, they opened  
4 a separate fund focused on Florida which is really  
5 dramatic to have that kind of venture capital aimed at  
6 life sciences here resident in the State of Florida. And  
7 we continue to try to do those types of things.

8 On the direct investments we've made 20 direct  
9 investments. We had our first major liquidity event in  
10 December of last year. We invested in a company that was  
11 a Tampa company, a venture capital company, and it turned  
12 out to be a good one for us. It was a 5X return. So we  
13 made 5X our money in two years, which is nice. If we  
14 could do that repetitively we'd be very -- everybody would  
15 be very happy.

16 And we continue to look at life sciences companies.  
17 I had a lot more to say, but I wanted to be brief. So  
18 thank you for having me and thank you for the support.

19 GOVERNOR SCOTT: Thank you very much. And is that  
20 all for you, Ash?

21 MR. WILLIAMS: Yes.

22 GOVERNOR SCOTT: Thank you very much. And I want to  
23 thank Nemours and everybody who put this together. I want  
24 to thank CFO Atwater for organizing this and getting us  
25 here. And this concludes our Cabinet meeting. Our next

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meeting will be Tuesday, June 4, at 9:00 a.m. in  
Tallahassee. We are adjourned.

(Proceedings concluded at 11:53 a.m.)

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CERTIFICATE OF REPORTER

STATE OF FLORIDA            ]  
COUNTY OF SEMINOLE        ]

I, Karen S. Rhine, FPR, do hereby certify that I was authorized to and did report stenographically and electronically the foregoing proceedings at the time and place therein designated and that the foregoing pages transcribed by me constitute a true and correct transcription of the aforesaid proceedings.

DATED THIS 18th day of May, 2013.

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