

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

Representing:

DIVISION OF BOND FINANCE

STATE BOARD OF ADMINISTRATION

FINANCIAL SERVICES COMMISSION,
OFFICE OF FINANCIAL REGULATION

FINANCIAL SERVICES COMMISSION,
OFFICE OF INSURANCE REGULATION

BOARD OF TRUSTEES OF THE INTERNAL IMPROVEMENT TRUST FUND

The above agencies came to be heard before
THE FLORIDA CABINET, the Honorable Governor Scott
presiding, in the Cabinet Meeting Room, LL-03, The
Capitol, Tallahassee, Florida, on Tuesday, August 6,
2013, commencing at approximately 9:09 a.m.

Reported by:

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Representing the Florida Cabinet:

RICK SCOTT
Governor

PAM BONDI
Attorney General

JEFF ATWATER
Chief Financial Officer

ADAM PUTNAM
Commissioner of Agriculture

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I N D E X

DIVISION OF BOND FINANCE
(Presented by BEN WATKINS)

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FINANCIAL SERVICES COMMISSION, INSURANCE REGULATION
(Presented by KEVIN McCARTY)

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P R O C E E D I N G S

(The agenda items commenced at 9:51 a.m.)

GOVERNOR SCOTT: Now I would like to recognize Director Ben Watkins with the Division of Bond Finance to present his agenda.

MR. WATKINS: Good morning, Governor --

GOVERNOR SCOTT: Good morning, Ben.

MR. WATKINS: -- and Cabinet members.

Item 1 is approval of the minutes of the June 25th meeting.

GOVERNOR SCOTT: Is there a motion to approve?

CFO ATWATER: So moved.

GOVERNOR SCOTT: Is there a second?

COMMISSIONER PUTNAM: Second.

GOVERNOR SCOTT: Any comments or objections?

Hearing none, the motion carries.

MR. WATKINS: Item number 2 is a report of award on the competitive sale of a \$206 million Turnpike Revenue Refunding Bond issue. The bonds were awarded to the low bidder at a true interest cost of 1.55 percent. That enabled us to reduce the interest rate on outstanding Turnpike bonds from 4.71 percent to 1.55 percent, which generates gross debt service savings of 26.8 million, or on a present value basis, 25.2 million, or 10.7 percent

1 of the principal amount of the loan outstanding.

2 GOVERNOR SCOTT: That's great. How much will
3 we get done this year in refunding, do you think?

4 MR. WATKINS: So -- I'm going to get to that,
5 Governor.

6 GOVERNOR SCOTT: Okay.

7 MR. WATKINS: So if you don't mind, hold that
8 thought.

9 GOVERNOR SCOTT: Okay.

10 MR. WATKINS: The next agenda item is -- I
11 wanted to give you an overview of some recent
12 developments regarding some state debt and
13 important matters relative thereto, so it's
14 appropriate -- we just crossed the end of the
15 fiscal year -- to take a look back and reflect on,
16 okay, what transpired over the course of the year.
17 And so there are three things, three or four things
18 I wanted to bring to your attention, and then maybe
19 we can go over them in greater detail at the next
20 Cabinet meeting.

21 The first is, we had a -- Moody's Investors
22 Service, which is one of the three rating agencies
23 that rates our bonds, had an opportunity to review
24 economic conditions and the financial condition of
25 the State just prior to the end of the fiscal year,

1 so they were looking at where we expected to end
2 '13, as well as the budget for 2014.

3 And they published a report that's a special
4 comment, which is a little out of the ordinary. In
5 my world, it's saying basically that they've been
6 made aware of information that's noteworthy, and
7 they want to provide that information to the
8 marketplace, to analysts and investors. And the
9 title of that report really says it all, which is
10 "Florida is Back on Track."

11 And I've given you an overview, basically
12 bullet points or a summary of the highlights that's
13 embedded in that report, which we can -- like I
14 said, we can go in more detail at another time.

15 Current financial and economic strengths
16 underscore Florida's resilience and sound financial
17 management. Also, revenues are being rebuilt to
18 provide a cushion against future downturn, and
19 revenues are growing and the economy is improving.
20 So this is very positive feedback from the rating
21 agencies. And again, I expect to go into this in
22 more detail at a subsequent Cabinet meeting.

23 GOVERNOR SCOTT: Good job.

24 MR. WATKINS: Thank you, sir.

25 Also, debt outstanding has decreased. Debt

1 outstanding has been reduced by \$3.5 billion over
2 the last three years from 28.2 billion at the end
3 of fiscal 2010 to 24.6 billion at the end of 2013,
4 with the largest decrease of 1.6 billion occurring
5 during the fiscal year just ended June 30, 2013.
6 So this basically means we're paying down more debt
7 than new money issuance.

8 And then the next page, page 4, gives you a
9 look for the last 20 years since 1992. It's
10 important to have a long-term perspective on what
11 debt looks like. And really, in looking at it over
12 the long term, we gain more insight into the
13 significance of the debt reduction over the last
14 three years. And what we see is basically from the
15 period of 1992 through 2010, annually, debt was
16 increasing, all the way through a high point of
17 2010 at approximately 28.2 billion. And then over
18 the last three years, we've experienced the debt
19 reductions or the pay-down in debt, which is a
20 fundamental -- which is a departure from the
21 long-term trend that we had been experiencing.

22 GOVERNOR SCOTT: That's the first time in 20
23 years, and on top of that, we paid off \$3.5 billion
24 on the debt we owed the federal government on the
25 unemployment insurance.

1 MR. WATKINS: Right.

2 GOVERNOR SCOTT: That's all paid off too.

3 MR. WATKINS: Right.

4 GOVERNOR SCOTT: So basically, it's almost
5 \$7 billion that has been reduced.

6 MR. WATKINS: Right.

7 Then the next thing I would like to go into,
8 so if we haven't been doing new debt, what have we
9 been doing? So the last page gives you an overview
10 of the refinancing activity. So basically, we've
11 been taking advantage of historically low interest
12 rates to refinance outstanding debt at lower
13 interest rates and reduce the cost to the State of
14 the debt that we do have outstanding.

15 In 2013 we executed 10 transactions, refunding
16 transactions totaling approximately \$2 billion,
17 avoiding future interest costs of \$515 million, and
18 looking at that on a present value basis,
19 \$406 million. And then when you look at it over
20 the last five years, the results of the refinancing
21 activity that we've engaged in, we've issued --
22 it's been 54 transactions totaling \$8.2 billion,
23 creating debt service savings of 1.4 billion, or
24 1.1 billion on a present value basis.

25 So that's significant. That's sort of an

1 opportunity of a lifetime, if you will, Governor,
2 and so we've taken advantage of that and lowered
3 the overall cost of the debt that we do have
4 outstanding to free up resources for other priority
5 needs.

6 GOVERNOR SCOTT: Thank you very much.

7 MR. WATKINS: So that's the overview. That's
8 what's happened over 2013.

9 Lastly, Governor, item number 4 is a
10 resolution authorizing the expansion of a
11 consolidated equipment financing program.

12 GOVERNOR SCOTT: All right. Is there a motion
13 to approve item 4?

14 CFO ATWATER: So moved.

15 GOVERNOR SCOTT: Is there a second?

16 COMMISSIONER PUTNAM: Second.

17 GOVERNOR SCOTT: Any comments or objections?

18 Hearing none, the motion carries.

19 MR. WATKINS: Thank you very much.

20 GOVERNOR SCOTT: Did you want to add anything?

21 Okay. Thank you very much.

22 MR. WATKINS: Thank you, sir.

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1 GOVERNOR SCOTT: Now I would like to recognize
2 Executive Director Ash Williams with the State
3 Board of Administration.

4 Good morning, Ash.

5 MR. WILLIAMS: Good morning, Governor and
6 Trustees.

7 Item 1, request approval of the minutes of the
8 May 8, 2013, and June 25, 2013 meetings.

9 GOVERNOR SCOTT: All right. Is there a motion
10 to approve?

11 ATTORNEY GENERAL BONDI: So moved.

12 GOVERNOR SCOTT: Is there a second?

13 COMMISSIONER PUTNAM: Second.

14 CFO ATWATER: Second.

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

17 MR. WILLIAMS: Thank you. Item 2, request
18 approval of notice of amendments to Rule 19-3
19 governing organization, meetings, and procedures of
20 the State Board of Administration, and further file
21 the rules for adoption or repeal, as applicable, if
22 no member of the public timely comes forward.

23 Request action, please. Request approval.

24 GOVERNOR SCOTT: Is there a motion to approve?

25 ATTORNEY GENERAL BONDI: So moved.

1 GOVERNOR SCOTT: Is there a second?

2 CFO ATWATER: Second.

3 GOVERNOR SCOTT: Any comments or objections?

4 Hearing none, the motion carries.

5 MR. WILLIAMS: Thank you. Item 3, request
6 approval to file for notice of amendments to Rule
7 19 -- Rule Chapter 19-5, rules and regulations
8 governing procedures for issuance of bonds at an
9 interest rate in excess of legal limitation.

10 I'll request approval of this, but by way of
11 explanation, I wanted to say this is the interest
12 rate waiver rule. And in fact, the way this works
13 is, by statute, the majority of bonds issued are in
14 fact excluded from this. This applies only to
15 bonds that are below an A rating, and could affect
16 certain state, city, county, or housing bonds. As
17 a practical matter, what would trigger this would
18 be if a bond were below an A rating, not in an
19 exempted category, and carried an interest rate of
20 more than 3 percent above the 20 Bond Buyer Index.

21 The experience has been that very, very few of
22 these come forward to us. It is the issuer's
23 obligation to apply to the SBA for the exemption.
24 When and if they do, staff at the Board goes
25 through the application, takes a look at the nature

1 of the securities, the nature of the risk, who
2 would be allowed to buy those, make sure that the
3 relationship between the potential buyer universe
4 and the risk of the securities is appropriate. We
5 then provide a recommendation to the Trustees, and
6 it's your decision whether to grant the exception.

7 I think in the going on five years I've been
8 back in this position, I've seen one of these come
9 forward, and we worked closely with the issuer, and
10 they ended up going a different way and withdrew
11 the request.

12 Request approval of the item.

13 GOVERNOR SCOTT: Is there a motion to approve?

14 CFO ATWATER: So moved.

15 GOVERNOR SCOTT: Is there a second?

16 ATTORNEY GENERAL BONDI: Second.

17 GOVERNOR SCOTT: Any comments or objections?

18 Hearing none, the motion carries.

19 MR. WILLIAMS: Thank you. Item 4, request
20 approval of a rule -- request approval to file for
21 notice of amendments to Rules 11.002, beneficiary
22 designations and distributions for the FRS
23 Investment Plan, and Rule 19-11.012, acceptance of
24 rollovers by the FRS Investment Plan.

25 These two provisions would provide additional

1 transparency for FRS participants by reflecting
2 certain statutory provisions clearly in the rules.
3 These would relate to benefits that are not
4 otherwise claimed by a beneficiary or treatment of
5 remaining balances when a beneficiary exercises a
6 second election.

7 Request approval.

8 GOVERNOR SCOTT: Is there a motion to approve?

9 ATTORNEY GENERAL BONDI: So moved.

10 GOVERNOR SCOTT: Is there a second?

11 CFO ATWATER: Second.

12 GOVERNOR SCOTT: Any comments or objections?

13 Hearing none, the motion carries.

14 MR. WILLIAMS: Thank you. And if I may, I
15 would like to also give you an update on the fund
16 status. We recently crossed the fiscal year-end on
17 June 30, and we now have the final numbers. Our
18 return for the Florida Retirement System Trust Fund
19 was a positive 13.12 percent. That's 111 basis
20 points above target, leaving us with a balance of
21 \$134.2 billion, and that is net of distributions of
22 \$6.2 billion. So a decent year.

23 GOVERNOR SCOTT: That's a very good year.

24 Congratulations.

25 MR. WILLIAMS: Thank you, sir. Calendar

1 year-to-date -- you know, we always switch to the
2 longer time series of calendar or fiscal
3 year-to-date. As of yesterday's close, we were up
4 9.66 percent, 77 basis points above target, with a
5 balance of 137 billion. That's up 4.6 billion from
6 the fiscal year-end.

7 Now, we all know these are short-term numbers.
8 These markets move around. This could change
9 tomorrow.

10 GOVERNOR SCOTT: Especially when we don't know
11 what's going to happen with interest rates.

12 MR. WILLIAMS: We don't know what will happen
13 with interest rates. We don't know what will
14 happen to stock prices. But we try to position
15 ourselves to make the best of whatever does happen.

16 GOVERNOR SCOTT: Thank you.

17 MR. WILLIAMS: Thank you.

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1 GOVERNOR SCOTT: All right. Now I would like
2 to recognize Drew Breakspear, commissioner of the
3 Office of Financial Regulation, to present his
4 agenda.

5 Good morning, Drew.

6 MR. BREAKSPEAR: Good morning, Governor Scott,
7 CFO Atwater, Attorney General Bondi, and
8 Commissioner Putnam. I have two items.

9 The Office respectfully requests approval of
10 the minutes of the April 2, 2012 meeting.

11 GOVERNOR SCOTT: Is there a motion to approve?

12 ATTORNEY GENERAL BONDI: So moved.

13 CFO ATWATER: Second.

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

16 MR. BREAKSPEAR: The second item is, the
17 Office respectfully requests approval to publish
18 notices of proposed rules in the Florida
19 Administrative Register to amend 14 rules
20 regulating securities.

21 The amendments are proposed to implement and
22 conform the rules with the statutory changes as a
23 result of Chapters 2013-201 and 2013-202, Laws of
24 Florida, relating to fingerprinting requirements
25 for applicants and notice filing of branch offices

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conducting securities transactions, respectively.

GOVERNOR SCOTT: Is there a motion to approve?

ATTORNEY GENERAL BONDI: So moved.

GOVERNOR SCOTT: Is there a second?

CFO ATWATER: Second.

GOVERNOR SCOTT: Any comments or objections?

Hearing none, the motion carries. Thank you,

Drew.

MR. BREAKSPEAR: Thank you very much.

1 GOVERNOR SCOTT: Now I would like to recognize
2 Kevin McCarty, commissioner of the Office of
3 Insurance Regulation.

4 Good morning, Kevin.

5 MR. McCARTY: Good morning, Governor and
6 members of the Commission.

7 Agenda item number 1 is the adoption of the
8 minutes for the Financial Services Commission of
9 June 25, 2013.

10 GOVERNOR SCOTT: Is there a motion to approve?

11 ATTORNEY GENERAL BONDI: So moved.

12 GOVERNOR SCOTT: Is there a second?

13 COMMISSIONER PUTNAM: Second.

14 GOVERNOR SCOTT: Any comments or objections?

15 Hearing none, the motion carries.

16 MR. McCARTY: Agenda item number 2 is request
17 for final adoption of proposed Rule 690-137.001.
18 The Office is proposing to amend the rule to adopt
19 the current versions of the NAIC instructions and
20 manuals for quarterly and annual reports.

21 GOVERNOR SCOTT: All right. Is there a motion
22 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 questions?

2 COMMISSIONER PUTNAM: I have a question and
3 comment, Governor.

4 GOVERNOR SCOTT: Sure.

5 COMMISSIONER PUTNAM: Kevin, you've announced
6 the rates are expected to rise in Florida by
7 30 percent, is that correct, on the -- as a result
8 of the Affordable Care Act?

9 MR. McCARTY: Yes, sir. We recently concluded
10 our review of the rates that are being proposed
11 both on the exchange and off the exchange. For
12 those policies that are in the individual market,
13 the average is between 30 and 40 percent, and for
14 the small group market, the average is between 50
15 and 20 percent.

16 COMMISSIONER PUTNAM: And as high as
17 58 percent, 59 percent?

18 MR. McCARTY: That is correct. Individual
19 rated sales could be as high as 100 percent.
20 Individual policies could be as high as 100 percent
21 or more.

22 COMMISSIONER PUTNAM: In Georgia, two
23 significant insurers withdrew their bids to
24 participate in the Georgia exchange, including some
25 who have indicated they will participate in

1 Florida's exchange. Have you heard any word of
2 people changing their minds or insurers withdrawing
3 from Florida, withdrawing their bids from Florida?

4 MR. McCARTY: All of the insurers who
5 indicated their initial interest in being involved
6 in the exchange are going to be on the exchange.
7 We've had no insurers evidence any interest in
8 withdrawing.

9 COMMISSIONER PUTNAM: Thank you. Thank you,
10 Governor.

11 GOVERNOR SCOTT: Is Georgia doing their own
12 exchange? Do you know?

13 COMMISSIONER PUTNAM: No.

14 MR. McCARTY: Georgia is a federally --

15 GOVERNOR SCOTT: They're just a federal
16 exchange. Okay.

17 All right. Any other comments or objections?

18 Okay. All in favor say aye; all opposed say
19 nay.

20 (Affirmative responses.)

21 GOVERNOR SCOTT: Okay. The motion carries.

22 MR. McCARTY: Agenda item number 3 is a
23 request for approval for final adoption of proposed
24 Rule 690-138.001. The Office is proposing to amend
25 the rule to adopt the 2013 NAIC Financial Condition

1 Examiners Handbook. By adopting this version of
2 the handbook, the rule ensures that the procedures
3 used by the Office to examine companies are
4 consistent with accepted accounting principles and
5 uniform across the states.

6 GOVERNOR SCOTT: All right. Is there a motion
7 to approve?

8 ATTORNEY GENERAL BONDI: So moved.

9 GOVERNOR SCOTT: Is there a second?

10 CFO ATWATER: Second.

11 GOVERNOR SCOTT: Any comments or objections?

12 Hearing none, the motion carries.

13 MR. McCARTY: Agenda item number 4 is a
14 request for final adoption of proposed amendments
15 to Rule 690-149.022.

16 During the 2013 legislative session, Senate
17 Bill 1842 was enacted by the Legislature that
18 requires consumer notification be developed to
19 outline the implications of the Affordable Care Act
20 on policyholders. The proposed one-time notice is
21 required for one life groups -- I mean for both
22 individual market and group market, by both
23 insurers as well as health maintenance
24 organizations.

25 GOVERNOR SCOTT: Okay. Is there a motion to

1 approve?

2 ATTORNEY GENERAL BONDI: So moved.

3 GOVERNOR SCOTT: Is there a second?

4 CFO ATWATER: Second.

5 GOVERNOR SCOTT: Any comments or objections?

6 Hearing none, the motion carries.

7 MR. McCARTY: Agenda item number 5 is a
8 request for approval for final adoption of proposed
9 Rule 690-149.003.

10 The current version of the rule includes
11 tables which display the maximum annual medical
12 trend for major medical as well as Medicare supp.
13 policies. Companies with 1,000 or fewer policies
14 in Florida are allowed to submit a streamlined
15 annual filing by utilizing medical trend.

16 This proposed amendment deletes the medical
17 trend tables from the text of the rule and allows
18 them to be published on the website so they can be
19 updated on an annual basis.

20 GOVERNOR SCOTT: Is there a motion to approve?

21 ATTORNEY GENERAL BONDI: So moved.

22 GOVERNOR SCOTT: Is there a second?

23 CFO ATWATER: Second.

24 GOVERNOR SCOTT: Any comments or objections?

25 Hearing none, the motion carries.

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MR. McCARTY: Thank you, Governor and members
of the Commission.

GOVERNOR SCOTT: Thank you, Kevin.

1 GOVERNOR SCOTT: Now I would like to recognize
2 Secretary Herschel Vinyard with the Department of
3 Environmental Protection to present his agenda.
4 Good morning, Herschel.

5 MR. VINYARD: Good morning, Governor, General
6 Bondi, CFO Atwater, and Commissioner Putnam.

7 We have two items today. The first one is
8 submittal of the minutes from the June 4th and
9 June 25th Board of Trustees meetings.

10 GOVERNOR SCOTT: Is there a motion to approve?

11 ATTORNEY GENERAL BONDI: So moved.

12 GOVERNOR SCOTT: Is there a second?

13 CFO ATWATER: Second.

14 GOVERNOR SCOTT: And comments or objections?

15 Hearing none, the motion carries.

16 MR. VINYARD: The second item is the USF
17 Dozier School of Boys item. This is consideration
18 of a request by the University of South Florida for
19 a one-year upland use agreement to access the
20 former Dozier School for Boys in Marianna. This
21 will allow USF to continue their field work and
22 research there.

23 Governor, I understand that General Bondi
24 would like to make some remarks, and following that
25 we have a presentation from USF and comments from

1 the public.

2 GOVERNOR SCOTT: Thank you.

3 ATTORNEY GENERAL BONDI: Governor and Cabinet,
4 we all know that Dozier has a history, part of our
5 Florida history that we're probably not proud of.
6 We're not exactly sure what happened there, but we
7 know it wasn't good, and it's something that we as
8 Floridians cannot ignore, especially as the
9 Governor and the Florida Cabinet.

10 Having said that, Marianna, Florida, currently
11 is a beautiful place to live. They have a national
12 caverns state park that is just simply astounding.

13 However, we have to look at our history. We
14 have to go back. And we know there are unmarked
15 graves currently on that property that deserve a
16 proper burial. It's the right thing to do, and as
17 Trustees of this state, before we even put a
18 portion of that sale up for land -- that land up
19 for sale, we must do what is right.

20 And that's why we're here today, is to allow
21 the University of South Florida experts -- and they
22 truly are experts in their field. I'm familiar
23 with their work, and they are experts.

24 They wish to -- first, they've been allowed by
25 the Florida Legislature -- they gave them specific

1 funding for certain things: Field work, research,
2 and preservation, which will include locating any
3 remains, excavating the area, removing the remains,
4 and testing for identification. Their goal will be
5 to notify the families and reinter these remains
6 properly in the cemetery portion of that land so
7 they can be buried with the dignity and respect
8 which they deserve.

9 The land use agreement that we're focusing on
10 today will authorize the University of South
11 Florida to continue its work as was funded for the
12 north and south campus of the Dozier property.

13 GOVERNOR SCOTT: Thank you.

14 ATTORNEY GENERAL BONDI: And I think we're
15 going to hear from the general counsel of USF right
16 now.

17 MR. VINYARD: Yes, Governor. With your
18 permission, we'll bring up Gerard Solis with the
19 University of South Florida.

20 GOVERNOR SCOTT: Good morning.

21 MR. SOLIS: Good morning, Governor and
22 Cabinet.

23 Let me make one quick correction. I'm the
24 deputy general counsel. My boss, the general
25 counsel, is Steve Prevaux, a very capable attorney.

1 First of all, I wanted to thank you for
2 entertaining this request this morning. Your
3 public statements of support have been greatly
4 appreciated by USF. In particular I wanted to
5 identify the Attorney General here, whose staff has
6 been with us from the beginning, unswerving in
7 their support, and that support has been
8 substantial. Thank you very much.

9 Governor, I'll also mention that your staff
10 has worked with us closely and conveyed a very
11 important goal that this is not just something to
12 be done, but done right, that is done lawfully. So
13 the steps I'm going to identify today briefly --
14 and I'll be happy to take any questions you may
15 have -- are to indicate where we have complied
16 fully with Florida law and to identify the laws
17 that are referenced in the use agreement so there's
18 no confusion going forward.

19 To begin with, I think it's important to
20 understand that this matter, this project has
21 touched all three branches of our Florida
22 government, beginning with legislatively, as the
23 Attorney General has identified. The same document
24 that you have as Exhibit B was submitted to the
25 Legislature. It details to the line item the work

1 that USF will be doing on that project. We take
2 the Legislature's funding of close to \$200,000 as a
3 clear statement of support from the Florida
4 Legislature on that.

5 If we then turn to the judicial branch, we
6 have Judge Wright's order, which was a petition
7 that was filed on behalf of the medical examiner in
8 the relevant jurisdiction. He denied that without
9 prejudice to pursue other remedies. And in the
10 order, he was quite clear in terms of what he said,
11 which was basically that just as USF's
12 investigation to date was pursuant to a permit
13 issued by the Division of Historical Resources,
14 permission for any further investigation by USF
15 must be given by the State of Florida, which does
16 not require a court order. He was very clear that
17 you need a court order to exhume bodies, to use the
18 term in the order, in a civil case. This is a very
19 different standard.

20 So let's talk about some of those other
21 remedies briefly that were identified by Judge
22 Wright. The first one is Florida Statutes 267.
23 That's the permitting statute. That's the statute
24 we have traditionally pursued our archeological
25 projects under. We've been advised that the

1 Division under the Department of State does not
2 have jurisdiction to continue to issue the work.
3 We're very grateful for the two permits they have
4 issued. We wouldn't be here without those original
5 authorizations to let us do the vital location work
6 that was the first step in this project.

7 But without any further permits, and with the
8 helpful statement that we require no further
9 permits, or at least they can't give us any because
10 they don't have jurisdiction, we then go directly
11 to Florida Statutes 872. Florida Statutes 872
12 governs the treatment of unmarked human burials and
13 unidentified human remains in Florida. It's very
14 clear the commitment that the State of Florida has
15 made in both those categories.

16 There's authority under 872.02. I won't go
17 into it in minute detail. We offered that,
18 suggested that to the Department of State. Again,
19 they've advised us they don't have jurisdiction.
20 We respect that determination.

21 That then moves us immediately to 872.05,
22 which again provides us with a very clear framework
23 on how to proceed. We've got to identify when we
24 come across unmarked human burials, which we have
25 identified. We have some notice obligations. I

1 assure you we've complied with them. We've advised
2 the medical examiner. The medical examiner has
3 been out to the site. Your Exhibit B to the
4 attached use agreement identifies the unmarked
5 burials that we have shared with the medical
6 examiner.

7 By operation of 872.05, he has a certain
8 amount of time to respond. He has not. He has
9 waived jurisdiction. Certainly if we find other
10 sites not identified, that starts all over. We
11 will always comply with the law at USF in our
12 research. 872.05 will stand.

13 The other one, of course, is the notice
14 requirement that goes to the Division. Again,
15 we've offered whether they wish to take
16 jurisdiction. Again, we've been advised that they
17 will not be exercising -- or rather, do not have
18 the jurisdiction. We respect that determination.

19 But having complied then with all applicable
20 Florida laws, we come to you as the owner of the
21 land to authorize this very important work. The
22 legal work, we believe -- again, thank you to the
23 Attorney General's Office. Nick Cox has been
24 invaluable at the beginning. Kent Perez, Andrew
25 Fay, invaluable help to us, and we're grateful for

1 that. We believe all the legal work has been done.
2 And, of course, we understand our obligations.

3 We now urge you to approve this so that the
4 real work can begin. I'll be happy to answer any
5 questions, and I'll yield the floor.

6 GOVERNOR SCOTT: Do you have any questions?
7 Commissioner?

8 COMMISSIONER PUTNAM: Governor, I just want to
9 thank USF for the extraordinary work that they've
10 done and will continue to do, and I want to thank
11 you, Governor, and the Attorney General in
12 particular for finding a way through the statutory
13 woods here. I'm not an attorney and don't know why
14 the Department of State was unable to find the
15 appropriate rationale to grant you a permit the two
16 times that you applied and were denied, but I'm
17 delighted that this Cabinet can provide you the
18 remedy to pursue the search for the truth.

19 And in a state as old as Florida is, we're
20 going to have chapters in our history that we're
21 more proud of than others, but there is no shame in
22 searching for the truth. And families of the
23 victims who want closure, who want answers, deserve
24 those things.

25 So Attorney General, Governor, and CFO, I'm

1 glad that this Cabinet sitting as the Board of
2 Trustees for the State of Florida does have an
3 ability to quickly approve this and allow that
4 search for the truth to continue. And I hope that
5 we will give it our full support and continue to
6 give it our full support, wherever that path may
7 go.

8 It is not a judgment or an indictment
9 whatsoever on the community that hosted this state
10 facility. This was a state facility that was
11 ignored for too long by state officials. But the
12 families deserve to know where their loved ones are
13 buried and make their own personal decisions about
14 the relocation of those remains.

15 And so I would encourage this Cabinet to give
16 its total support to USF's pursuit of that truth
17 and continue to support the resources that USF
18 needs to find that with the best technology
19 available.

20 So, thank you, Governor, for agendaing this
21 item.

22 GOVERNOR SCOTT: Thank you very much. Any
23 other questions?

24 ATTORNEY GENERAL BONDI: I have one unless
25 CFO Atwater has anything.

1 CFO ATWATER: Well, we have --

2 GOVERNOR SCOTT: We have two more -- we have
3 some additional individuals here to speak. We have
4 some additional speakers.

5 ATTORNEY GENERAL BONDI: Well, no, I just -- I
6 just wanted to say thank you, Mr. Solis, for
7 everything that you've done on behalf of USF, and
8 Dr. Kimmerle. And we're just -- I think we're
9 blessed to have you involved, and your university,
10 and your willingness to take this matter on. And
11 we truly on behalf of the State appreciate it,
12 because doing nothing is not an option.

13 And I didn't know this until this morning, but
14 sitting in the front row -- raise your hand,
15 Mr. Collier, Leo -- is Leo Collier. He's 84 years
16 old. He is the oldest living Dozier -- I don't
17 like to say Dozier boys. He is a Dozier gentleman,
18 and he deserves to have some closure. And he's
19 sitting in the front row with a cane.

20 GOVERNOR SCOTT: Thank you very much.

21 (Applause.)

22 MR. VINYARD: Governor, our next speaker is
23 Mr. Dale Landry with the Tallahassee branch of the
24 NAACP.

25 GOVERNOR SCOTT: Good morning.

1 MR. LANDRY: Good morning, Governor. And on
2 behalf of the Florida State Conference of the NAACP
3 and my president that has met individually each of
4 you, Adora Obi Nweze, she asked me to bring
5 greetings.

6 Attorney General Bondi, Governor Scott,
7 CFO Atwater, and Commissioner Putnam, this is truly
8 a great day in our great state.

9 I'm also a retired United States Army retiree,
10 and it was an honor to be here with the -- to see
11 the award and our great state recognizing the
12 Purple Heart recipients. And it was truly
13 interesting to me that this date, all of this is
14 folding in together, because since about 2008,
15 2009, we've been involved in this since the date
16 that they found those crosses.

17 And I want to acknowledge in the audience also
18 Senator Tony Hill, who has now found other things
19 to do, but he was on the lead in taking this
20 forward and trying to come in and explore this
21 under the previous administration. You all
22 inherited this. Let me just call it like that.
23 You inherited it.

24 And as I sat back and I was thinking about the
25 remarks, because I told a lot of folks and I was

1 talking to staff, I said, maybe I don't want to
2 talk, let you all do what you had to do first and
3 then come back and just congratulate you. But as
4 we move this forward, I think we've got a point
5 here that we have a good opportunity to fix it.

6 And I want to just try to be short, because I
7 want to acknowledge both groups of diverse people
8 that were there and that are here in this audience
9 today that went through Dozier, went through that
10 thing over there. And as you said -- and I talked
11 with your staff, and it was an honorable time to
12 sit and talk with them, because it was your staff
13 that triggered it.

14 And I also want to recognize Representative
15 Alan Williams, because Alan stayed on point with
16 this.

17 The important thing here is, we've got a place
18 in time, a place in time where some events
19 happened. This is not today. This is a place in
20 time. And this is a place in time where these
21 forensic anthropologists, both Dr. Kimmerle and
22 Dr. Wells, and the University of South Florida, are
23 helping us to go in and capture the essence of what
24 had happened so we can make sure that Florida's
25 history is right and we can do the right thing for

1 that place in time, to fix it, because this isn't
2 today. The events that we're going in and the
3 stuff that they're going to come back and bring
4 forward should be things to help us make sure we
5 never, ever do this again, not only in Florida, but
6 in this great United States of America.

7 So, you know, the thing here is, let's let
8 them do what they have to do, because we made a
9 mistake in the past. In the past we tried to get
10 the wrong agency to fix it, and that was FDLE.
11 That wasn't theirs. It wasn't a criminal matter,
12 and so therefore, they couldn't get to the bottom
13 like we needed. We needed the anthropologists,
14 because they're going to go in just like they've
15 done all around our great state.

16 And I want to go back and remind you of
17 something, because I was in a meeting with the
18 Secretary of State, along with Representative
19 Williams, along with our lawyer, Andrea Nelson
20 And the Secretary of State made a comment I never
21 forgot. They also said they were glad the
22 University of South Florida was doing this, because
23 it was an archaeological site, and therefore, if
24 they weren't doing it, then they would have to do
25 it.

1 So I was kind of thrown back when I saw the
2 indifference, because they were right. It's just
3 like an underwater archaeological site. It's just
4 like all over Florida we find our Native American
5 sites from the Seminoles. The bottom line out of
6 it is this: This is a site where we had kids.

7 So it's our hope that we do allow them to go
8 forward, find the truth, report it back, and let's
9 educate our state and educate our kids so we don't
10 ever make this happen again.

11 So to each of you individually I want to say
12 thank you, because this is what makes our state
13 great. As you said, and like your staff members,
14 you guys are the landlords. Let's let them use the
15 land to do what's right.

16 God bless you.

17 GOVERNOR SCOTT: Thank you.

18 (Applause.)

19 MR. VINYARD: Governor, our last speaker is
20 Mr. Art Rucker, who is with the Southern Christian
21 Leadership Conference.

22 GOVERNOR SCOTT: Good morning.

23 MR. ROCKER: Good morning, Governor Rick
24 Scott. I am chairman of the Southern Christian
25 Leadership Conference. Our founder was the

1 Reverend Dr. Martin Luther King. And as you well
2 know, this is the fiftieth anniversary of the "I
3 Have a Dream" speech that will take place in
4 Washington, D.C.

5 I want to come here on behalf of the black
6 boys of Dozier and the White House boys of Dozier.
7 Let me commend you for making such a wise decision.

8 And it reminds me of the time that I had the
9 opportunity of listening to you, Governor. You
10 talked in terms of your mother and what she had
11 instilled in you. I wonder whether the voices that
12 she instilled with you touched your heart, because
13 these people, Bonner, Leo Collier, these are folks
14 -- and the white boys, these are the folks that
15 suffered and went into Dozier on the basis of going
16 in there, learning their education.

17 And the unfortunate situation, we have one
18 brother here by the name of Bonner worked for the
19 Air Force after he got out Dozier. He worked there
20 for 15 to 20 years. He did all the maintenance
21 work. He tried to do the best. And later when it
22 was time for promotion, they said he had a felony.

23 He never knew he went into Dozier for the
24 purpose of a felony. He went to Dozier Reform for
25 the purpose of having a better place to go, that

1 when he come back to Pensacola, Florida, he would
2 do what's right.

3 I say unto you now, let's take all of these
4 boys, white boys, black boys, join them together,
5 bring them together for treatment for the sodomy,
6 for the abuse that they had. Find funds for them.
7 You can find them. Why? Because it's in your
8 heart, and you're going to do what's best.

9 May God bless you.

10 GOVERNOR SCOTT: Thank you.

11 (Applause.)

12 GOVERNOR SCOTT: Any other comments?

13 All right. Is there a motion to approve?

14 ATTORNEY GENERAL BONDI: So moved.

15 GOVERNOR SCOTT: Okay.

16 CFO ATWATER: Thank you, Governor. Governor,
17 thank you for the moment, and thank you for
18 agendaing the item, and, General, for what you've
19 done to see that this item would could come forward
20 and be addressed. And to the comments that have
21 already been shared by the Commissioner, thank you.

22 I think just what I would like to add to the
23 conversation in brevity is that I think it's been
24 made clear in the manner by which you have shared
25 this, General, is that everyone ought to take -- I

1 hope as they take note of this today, that we have
2 a responsibility as the Trustees that this is not a
3 one-moment-in-time agenda item with a specific
4 dollar amount established by the Legislature to
5 proceed, because the dollar amount appropriated by
6 the Legislature I don't think anyone believes could
7 ever accomplish the full objective of what has been
8 laid out in the use agreement. To have the full
9 analysis of the property, to identify sites and
10 hopefully ultimately reunite remains to loved ones,
11 and with all the dignity, as the General has
12 mentioned, if necessary, and without identification
13 to someone, inter them properly with dignity, there
14 is no way the dollar amount that has been given and
15 authorized to date will ever get there.

16 So, General, I just express thank you, to the
17 Governor say thank you, to all that has been
18 shared, to thank you. It should be -- we are
19 accepting today, I think, with our vote our
20 responsibility that wherever it takes us, whatever
21 is necessary, that we accomplish the goals laid out
22 in the endeavor, because we know today we're going
23 to need additional support to reach the end game.
24 And I know that today's initiative is a "we must
25 start." So with that same spirit, we must also

1 finish. So thank you, Governor.

2 GOVERNOR SCOTT: All right. Is there a motion
3 to approve?

4 ATTORNEY GENERAL BONDI: So moved.

5 GOVERNOR SCOTT: Is there a second?

6 COMMISSIONER PUTNAM: Second.

7 GOVERNOR SCOTT: Any comments or objections?

8 Hearing none, the motion carries.

9 (Applause.)

10 ATTORNEY GENERAL BONDI: If I could just say
11 one more thing. I want to thank Commissioner
12 Putnam. He was the very first one to bring this up
13 at a Cabinet meeting months and months ago.

14 Governor, thank you for signing the
15 legislation giving funding to Dozier and your
16 support. And, CFO Atwater, thank you for your
17 continuing support on the financial aspect of
18 Dozier as well.

19 And to the White House and Black House boys, I
20 call you all Dozier gentlemen now. Thank you.

21 COMMISSIONER PUTNAM: So thank you, Herschel.

22 This concludes our Cabinet meeting. Our next
23 meeting will be Tuesday, August 20, at 9:00 a.m. in
24 Miami. We are adjourned.

25 (Proceedings concluded at 10:32 a.m.)

