The regular meeting of the Florida State Board of Administration was held on January 28, 2003, at the Capitol, Tallahassee, Florida.

Members present were:

Governor Jeb Bush, Chairman
Attorney General Charlie Crist, Secretary
Chief Financial Officer Tom Gallagher, Treasurer

Mr. Coleman Stipanovich, Executive Director of the FSBA, was also present.

CONFIRMATION OF EXECUTIVE DIRECTOR

Attorney General Crist recommended re-appointment of Coleman Stipanovich as Executive Director of the Florida State Board of Administration and the Trustees voted unanimously to approve Attorney General Crist's recommendation.

APPROVAL OF MINUTES

Item 1. Mr. Stipanovich requested the approval of the minutes of the December 11, 2002 meeting.

Moved and seconded. Approved without objection.

FISCAL SUFFICIENCIES

Item 2. Mr. Stipanovich requested approval of a fiscal sufficiency of an amount not exceeding $237,600,000 State of Florida, Full Faith and Credit, State Board of Education, Public Education Capital Outlay Bonds, 2001 Series, letter designations to be determined.

Moved and seconded. Approved without objection.

Item 3. Mr. Stipanovich requested approval of a fiscal sufficiency of an amount not exceeding $175,000,000 State of Florida, Full Faith and Credit, State Board of Education, Public Education Capital Outlay Refunding Bonds, series to be determined.

Moved and seconded. Approved without objection.

Item 4. Mr. Stipanovich requested approval of a fiscal sufficiency of an amount not exceeding $150,000,000 State of Florida, Department of Environmental Protection Florida Forever Revenue Bonds, Series 2003A.

Moved and seconded. Approved without objection.

FISCAL DETERMINATIONS

Item 5. Mr. Stipanovich requested approval of fiscal determination of amounts not exceeding $19,570,000 Tax Exempt and $450,000 Taxable Florida Housing Finance Corporation Multifamily Mortgage Revenue Bonds, 2002 Series, series to be designated, Portofino Apartments.

Moved and seconded. Approved without objection.

Item 6. Mr. Stipanovich requested approval of fiscal determination of amounts not exceeding $8,700,000 Tax Exempt and $115,000 Taxable Florida Housing Finance Corporation Multifamily Mortgage Revenue Bonds, 2003 Series, series to be designated, St. Andrews Pointe Apartments.

Moved and seconded. Approved without objection.

Item 7. Mr. Stipanovich requested approval of fiscal determination of amounts not exceeding $11,020,000 Tax Exempt and $2,180,000 Taxable Florida Housing Finance Corporation Multifamily Mortgage Revenue Bonds, 2002 series, series to be designated, Hampton Point Apartments.

Moved and seconded. Approved without objection.

ANTICIPATED DEFINED CONTRIBUTION AND EDUCATION PROGRAM COST REDUCTIONS

Item 8. Mr. Stipanovich informed the Trustees that the DC administration and FRS education program costs are expected to be reduced by $10 million in the 2003-2004 fiscal year budget. This estimated reduction is contingent on finalizing contract re-negotiations. Consequently, a 10 basis points contribution rate levy on employer payroll, rather than the current 15 basis points, should sufficiently fund the programs next year. Mr. Stipanovich indicated that the current PEORP legislation could be amended to reflect a 10 basis point levy on employer payroll. However, after further discussion, staff will explore other alternatives to lowering the statutory contribution rate by 5 basis points. Mr. Stipanovich indicated that the contracts should be finalized over the next several weeks and, in response to the Trustees' request, a draft 2003-2004 budget will be presented to the Trustees soon thereafter. Governor Bush inquired whether the education program should be restructured in light of the low usage levels of educational tools and low Investment Plan enrollment. Mr. Stipanovich indicated that contract renegotiations have been successful to date in aligning costs and usage without lowering services. He also mentioned that education to support FRS members' ability to utilize

their second election to move between the Pension Plan and the Investment Plan will be ongoing.

TOTAL FUND INVESTMENT PLAN PROPOSED CHANGES

Item 9. Mr. Stipanovich presented an overview of the 2002 Asset Liability/Asset Allocation Study and staff's recommendation to revise the current FRS Total Fund Investment Plan (TFIP), including background and process information. He stated that the SBA's general consultant, investment consultant and the Investment Advisory Counsel supported staff's recommendation. Mr. Stipanovich mentioned that the current TFIP was revised in 1999, following a Asset Liability/Asset Allocation Study. Early discussion on this agenda item was mainly focused on the recommendation to reduce the real return rate from 4.3% to 4.0%. CFO Gallagher was concerned that a reduced Investment Objective would put upward pressure on future employer contribution rates. Following further discussion, he made a motion to defer this agenda item until the next Cabinet meeting on February 11, 2003. The Trustees unanimously approved the motion with the understanding that they would be briefed individually prior to the next Board meeting.

2003 FLORIDA HURRICANE CATASTROPHE FUND LEGISLATIVE PROPOSALS

Item 10. Dr. Jack Nicholson briefed the Trustees on the Florida Hurricane Catastrophe Fund's 2003 legislative proposals. There were three substantive proposals, including expanding the capacity of the FHCF; resolving accounting issues related to assessment liabilities; and, including surplus lines in the FHCF assessment base. There were also three technical changes, including clarifying "prior fiscal year" related to the use of investment income for hurricane mitigation funding; increasing the de minimis exposure reporting option for insurers; and, allowing for the purchase of reinsurance from a reinsurer "approved by the Department of Insurance" rather than from a reinsurer approved under s. 624.610 F.S. Additionally, there was one administrative issue relating to specific rulemaking authority, which is needed to address the need to exclude specific situations where FHCF rating is not possible or impractical due to the way residential business is written. The Trustees discussed each proposed legislative initiative and voted unanimously to approve them.

The Florida State Board of Administration's agenda was concluded.

Coleman Stipanovich

Coleman Stipanovich
Executive Director
Florida State Board of Administration

The regular meeting of the State Board of Administration (SBA) was held on February 11, 2003, at the Capitol, Tallahassee, Florida.

Members present were:

Governor Jeb Bush, Chairman
Attorney General Charlie Crist, Secretary
Chief Financial Officer Tom Gallagher, Treasurer

Mr. Coleman Stipanovich, Executive Director of the SBA, was also present.

APPROVAL OF MINUTES

Item 1. Mr. Stipanovich requested approval of the minutes from the January 28, 2003 meeting.

Moved and seconded. Approved without objection.

FISCAL DETERMINATION

Item 2. Mr. Stipanovich requested approval of a fiscal determination of an amount not exceeding $12,270,000 Tax Exempt Florida Housing Finance Corporation Multifamily Mortgage Revenue Bonds, 2003 Series, Series to be designated, Eagle Pointe Apartments.

Moved and seconded. Approved without objection.

TOTAL FUND INVESTMENT PLAN PROPOSED CHANGES

Item 3. Mr. Stipanovich presented an overview of the 2002 Asset Liability/Asset Allocation Study conducted by EnnisKnupp & Associates (SBA's General Consultant) and staff's recommendation to revise the current FRS Total Fund Investment Plan (TFIP). Mr. Stipanovich discussed the four-part approach utilized by the General Consultant and the resources employed to arrive at four principal recommendations. The recommendations are to 1) change the current investment objective from a 4.3% to 4.0% real return rate; 2) establish a global equity asset class with a 4% asset allocation target; 3) revise asset allocation targets for five asset classes (i.e., decrease domestic equities from 54% to 48%, increase international equities from 12% to 14%, decrease fixed income from 25% to 21%, increase real estate from 4% to 7%, increase alternative investments from 4% to 5%, and cash unchanged at 1%). The fourth (4) principal recommendation is to implement asset allocation changes over twelve months beginning June 1, 2003.

Attorney General Crist expressed concern over decreasing fixed income exposure and increasing non-fixed income exposure in the real estate and alternative investments asset classes during a time of uncertainty and risk of war with Iraq. Governor Bush stated that these types of recommendations should be viewed over a long-term horizon. General Crist also asked several questions about the alternative investment asset class and investing in venture capital. He was concerned about the higher risk associated with this asset class, such as venture capital investments. Mr. Stipanovich explained the importance of diversifying across the entire capital markets spectrum in order to reduce portfolio volatility and obtain a more favorable risk/return trade-off. He informed Attorney General Crist that the Trustees approved a new venture capital program in 2002. Mr. Stipanovich also informed the Trustees that the SBA is exploring the potential for legislation relating to a public records exemption in the area of venture capital investing. He went on to say that if there are not some safeguards to protect sensitive personal data and proprietary confidential portfolio company information, the top tier venture capital firms will most likely not do business with the SBA. Therefore, staff may need to reconsider making a recommendation the Trustees to move forward with venture capital if the legislation does not appear viable.

Following further discussion, a revised Total Fund Investment Plan was approved by a 2 to 1 vote; Governor Bush and Treasurer Gallagher for, and Attorney General Crist against.

LAWTON CHILES ENDOWMENT FUND TOTAL INVESTMENT PLAN PROPOSED CHANGES

Item 4. This item was withdrawn from the agenda.

THE FLORIDA HURRICANE CATASTROPHE FUND REQUESTED APPROVAL OF FILING A NOTICE OF PROPOSED RULEMAKING

Item 5. Mr. Stipanovich requested, on behalf of the Florida Hurricane Catastrophe Fund, that the Trustees approve filing a Notice of Proposed Rulemaking for Rules 19-8.010, F.A.C. (2003 Reimbursement Contract), 19-8.012, F.A.C. (Procedures to Determine Ineligibility for Participation and Exemption from Participation in the Florida Hurricane Catastrophe Fund), 19-8.013, F.A.C. (Revenue Bonds), 19-8.029, F.A.C. (2003 Insurer Reporting Requirements), 19-8.030, F.A.C. (Insurer Responsibilities) and 19-8.031, F.A.C. (Hurricane Mitigation).

These rules were the subject of a rule development workshop on January 9, 2003, and the Advisory Council approved the filing of the Notice of Proposed Rulemaking with respect to all of the Rules listed above on January 14, 2003.

Moved and seconded. Approved without objection.

The Florida State Board of Administration's agenda was concluded.

Coleman Stipanovich
Executive Director
State Board of Administration

The regular meeting of the State Board of Administration was held on February 25, 2003, at the Capitol, Tallahassee, Florida.

Members present were:

Governor Jeb Bush, Chairman
Attorney General Charlie Crist, Secretary
Chief Financial Officer Tom Gallagher, Treasurer

Mr. Coleman Stipanovich, Executive Director of the SBA, was also present.

APPROVAL OF MINUTES

Item 1. Mr. Stipanovich requested the approval of the minutes of the February 11, 2003 meeting.

Moved and seconded. Approved without objection.

FISCAL SUFFICIENCIES

Item 2. Mr. Stipanovich requested approval of a fiscal sufficiency of an amount not exceeding $510,000,000 State of Florida, Department of Transportation Turnpike Revenue Refunding Bonds, Series 2003A.

Moved and seconded. Approved without objection.

Item 3. Mr. Stipanovich requested approval of a fiscal sufficiency of an amount not exceeding $85,000,000 State of Florida, Department of Environmental Protection Save Our Coast Refunding Bonds, Series 2003A.

Moved and seconded. Approved without objection.

Item 4. Mr. Stipanovich requested approval of a fiscal sufficiency of an amount not exceeding $58,000,000 State of Florida, Florida Education System, University System Improvement Revenue Refunding Bonds, Series 2003.

Moved and seconded. Approved without objection.

FISCAL DETERMINATIONS

Item 5. Mr. Stipanovich requested approval of fiscal determination of an amount not exceeding $9,500,000 Tax Exempt Florida Housing Finance Corporation Multifamily Mortgage Revenue Bonds, 2003 Series, Series to be designated, Andrews Place Apartments.

Moved and seconded. Approved without objection.

Item 6. Mr. Stipanovich requested approval of a fiscal determination of an amount not exceeding $9,000,000 Tax Exempt Florida Housing Finance Corporation Multifamily Mortgage Revenue Bonds, 2003 Series, Series to be designated, Hunters Run Phase II Apartments.

Moved and seconded. Approved without objection.

Item 7. Mr. Stipanovich requested approval of a fiscal determination of an amount not exceeding $7,560,000 Tax Exempt Florida Housing Finance Corporation Multifamily Mortgage Revenue Bonds, 2003 Series, Series to be designated, Heather Glenn Apartments.

Moved and seconded. Approved without objection.

LAWTON CHILES ENDOWMENT FUND: PROPOSED CHANGES TO TOTAL FUND INVESTMENT PLAN

Item 8. Mr. Stipanovich referenced back-up materials, discussed process, and presented background information regarding staff's recommendation to revise the Lawton Chiles Endowment Fund Investment Plan (LCEF). Back-up information provided to the Trustees in advance of the meeting included a memorandum from Mr. Stipanovich detailing the proposed LCEF changes; a slide presentation illustrating LCEF developments to date and key points from the Consulting Report by Dr. Moshe A. Milevsky, SBA's main consultant on this study; the proposed revisions to the LCEF Investment Plan; the Consulting Report by Dr. Milevsky, and Dr. Milevsky's Vita.

Chief Financial Officer Gallagher made a motion to adopt the 2003 revised LCEF Investment Plan. In the absence of Attorney General Crist, the motion received a second from Governor Bush and passed.

The State Board of Administration's agenda was concluded.

Coleman Stipanovich
Executive Director
State Board of Administration

The regular meeting of the State Board of Administration was held on March 13, 2003, at the Capitol, Tallahassee, Florida.

Members present were:

Governor Jeb Bush, Chairman
Attorney General Charlie Crist, Secretary
Chief Financial Officer Tom Gallagher, Treasurer

Mr. Coleman Stipanovich, Executive Director of the SBA, was also present.

APPROVAL OF MINUTES

Item 1. Mr. Stipanovich requested the approval of the minutes of the February 25, 2003 meeting.

Moved and seconded. Approved without objection.

FLORIDA RETIREMENT SYSTEM (FRS) ACTUARIAL REPORT REVIEW

Item 2. SBA staff reviewed the 2002 Actuarial Report from Milliman USA for the period July 1, 2001 to June 30, 2002, and Mr. Stipanovich presented the Report for information only.

No action was required by the Board.

APPOINTMENT OF TWO MEMBERS TO THE INVESTMENT ADVISORY COUNCIL

Item 3. Mr. Stipanovich requested approval of the appointments of Mr. Gary W. Wood, and Ms. Beth Ayers McCague to the Investment Advisory Council. Both Mr. Wood and Ms. McCague were appointed by Governor Bush.

Moved and seconded. Approved without objection.

FISCAL SUFFICIENCY

Item 4. Mr. Stipanovich requested approval of a fiscal sufficiency of an amount not exceeding $455,000,000 State of Florida, Full Faith and Credit, State Board of Education Public Education Capital Outlay Refunding Bonds, Series to be determined.

Moved and seconded. Approved without objection.

The State Board of Administration's agenda was concluded.

Coleman Stipanovich

Coleman Stipanovich
Executive Director
State Board of Administration

The regular meeting of the State Board of Administration was held on March 25, 2003, at the Capitol, Tallahassee, Florida.

Members present were:

Governor Jeb Bush, Chairman
Attorney General Charlie Crist, Secretary
Chief Financial Officer Tom Gallagher, Treasurer

Mr. Coleman Stipanovich, Executive Director of the SBA, was also present.

APPROVAL OF MINUTES

Item 1. Mr. Stipanovich requested the approval of the minutes of the March 13, 2003 meeting.

Moved and seconded. Approved without objection.

FISCAL DETERMINATIONS

Item 2. Mr. Stipanovich requested approval of a fiscal determination of an amount not exceeding $8,020,000 Tax Exempt Florida Housing Finance Corporation Multifamily Mortgage Revenue Refunding Bonds, 2003 Series, Series to be designated, Fairmont Oaks Apartments, Alachua County.

Moved and seconded. Approved without objection.

Item 3. Mr. Stipanovich requested approval of a fiscal determination of an amount not exceeding $5,740,000 Tax Exempt Florida Housing Finance Corporation Multifamily Mortgage Revenue Bonds, 2003 Series, Series to be designated, The Gardens at Rose Harbor Apartments, Hillsborough County.

Moved and seconded. Approved without objection.

FLORIDA RETIREMENT SYSTEM CHOICE STATISTICS AS OF MARCH 7, 2003

Item 4. Mr. Stipanovich presented the FRS choice statistics report from March 7, 2003. He informed the Trustees that in the aggregate, 3.4% (25,725) of FRS employees selected the defined contribution plan, representing a transfer of assets in the amount of $244,552,800.

This item was for information only. No action was required by the Board.

APPROVAL OF DEFINED CONTRIBUTION BUDGET FOR FISCAL YEAR JULY 1, 2003 TO JUNE 30, 2004

Item 5. Mr. Stipanovich requested approval of the Defined Contribution Budget for the Fiscal Year July 1, 2003 to June 30, 2004. The budget represents a reduction of 45% from fiscal year 2002-2003, reducing the amount requested for the Defined Contribution Program from $31,664,720 to $17,277,290, a saving of $14,387,430. Mr. Stipanovich also informed the Trustees that the employer contribution rate requested was reduced from 15 basis points to 8 basis points. The reductions in costs

are attributed to contract negotiations that took place over the past several months with the defined contribution service providers.

The recommended budget was approved with an amendment by Chief Financial Officer Tom Gallagher to delete the "Other Capital Outlay" from the budget in the amount of $250,000.

The State Board of Administration's agenda was concluded.

Coleman Stipanovich

Coleman Stipanovich
Executive Director
State Board of Administration

The regular meeting of the State Board of Administration was held on April 8, 2003, at the Capitol, Tallahassee, Florida.

Members present were:

Governor Jeb Bush, Chairman
Attorney General Charlie Crist, Secretary
Chief Financial Officer Tom Gallagher, Treasurer

Mr. Coleman Stipanovich, Executive Director of the SBA, was also present.

APPROVAL OF MINUTES

Item 1. Mr. Stipanovich requested the approval of the minutes of the March 25, 2003 meeting.

Moved and seconded. Approved without objection.

FISCAL DETERMINATION

Item 2. Mr. Stipanovich requested approval of a fiscal determination of an amount not exceeding $6,720,000 Tax Exempt Florida Housing Finance Corporation Multifamily Mortgage Revenue Refunding Bonds, 2003 Series, Series to be designated, Stone Harbor Apartments, Bay County, Florida.

Moved and seconded. Approved without objection.

THE FLORIDA HURRICANE CATASTROPHE FUND REQUESTED APPROVAL OF THE FOLLOWING:

Item 3. 1 Mr. Stipanovich requested, on behalf of the Florida Hurricane Catastrophe Fund, that the Trustees approve filing a Notice of Change to Rule 19-8.013, Issuance of Revenue Bonds, and approve the filing of this Rule, as amended, for adoption.

Moved and seconded. Approved without objection.

Item 3.2 Mr. Stipanovich requested, on behalf of the Florida Hurricane Catastrophe Fund, that the Trustees approve the filing for adoption of Rules 19-8.010, Reimbursement Contract; 19-8.012 Ineligibility/Exemption from the FHCF; Rule 19-8.029, Insurer Reporting Requirements; Rule 19-8.030, Insurer Responsibilities; and Rule 19-8.031, Hurricane Mitigation, along with the forms incorporated therein.

Moved and seconded. Approved without objection.

Item 3.3 Mr. Stipanovich requested, on behalf of the Florida Hurricane Catastrophe Fund, that the Trustees approve the 2003/2004 Premium Formula with a zero rapid cash buildup factor, the 2003 Ratemaking Formula Report, and the 2003 Rates.

Moved and seconded. Approved without objection.

Item 3.4 **Mr. Stipanovich requested, on behalf of the Florida Hurricane Catastrophe Fund, that the Trustees approve the filing of Rule 19-8.028, the 2003 Premium Formula, for Notice of Proposed Rulemaking. Rule 19-8.028 was the subject of a rule development workshop on January 9, 2003. On March 18, 2003, the Advisory Council approved the 2003 Ratemaking Formula Report, the 2003 Rates, and the filing of Rule 19-8.028 for Notice of Proposed Rulemaking.**

Moved and seconded. Approved without objection.

REPORT ON THE STATUS OF THE FLORIDA HURRICANE CATASTROPHE FUND

Item 4. **Dr. Jack Nicholson, Senior Florida Hurricane Catastrophe Fund Officer, presented a five-minute update on the Florida Hurricane Catastrophe Fund.**

This item was for information only. No action was required by the Trustees.

The State Board of Administration's agenda was concluded.

Coleman Stipanovich

Coleman Stipanovich
Executive Director
State Board of Administration

The regular meeting of the State Board of Administration was held on April 22, 2003, at the City Hall, 180 Governmental Center, Pensacola, Florida.

Members present were:

Governor Jeb Bush, Chairman
Attorney General Charlie Crist, Secretary
Chief Financial Officer Tom Gallagher, Treasurer

Mr. Ben Watkins, Director of the Division of Bond Finance of the SBA, was also present.

FISCAL SUFFICIENCY

Item 1. Mr. Watkins requested approval, on behalf of the State Board of Administration, of a fiscal sufficiency of an amount not exceeding $127,000,000 State of Florida, Department of Management Services, Florida Facilities Pool Revenue Refunding Bonds, Series 2003A.

Moved and seconded. Approved without objection.

The State Board of Administration's agenda was concluded.

Coleman Stipanovich
Executive Director
State Board of Administration

The regular meeting of the State Board of Administration was held on May 13, 2003, at the Capitol, Tallahassee, Florida.

Members present were:

Governor Jeb Bush, Chairman
Attorney General Charlie Crist, Secretary
Chief Financial Officer Tom Gallagher, Treasurer

Mr. Coleman Stipanovich, Executive Director of the SBA, was also present.

APPROVAL OF MINUTES

Item 1. Mr. Stipanovich requested the approval of the minutes of the April 8 and April 22, 2003 meetings.

Moved and seconded. Approved without objection.

FLORIDA PREPAID COLLEGE BOARD'S PROPOSED CHANGES TO THE COMPREHENSIVE INVESTMENT PLANS FOR THE FLORIDA PREPAID COLLEGE PROGRAM AND THE FLORIDA COLLEGE SAVINGS PROGRAM

Item 2. Mr. Stipanovich presented to the Trustees, on behalf of Tom Wallace, Executive Director of the Florida Prepaid College Program, the proposed changes to the Comprehensive Investment Plans that were approved on April 2, 2003 by the Florida Prepaid College Board, consisting of proposed changes for two separate programs: (1) the Florida Prepaid College Program, and (2) the Florida College Savings Program. The proposed changes were recommended by the Florida Prepaid College Program staff and Watson Wyatt, the Florida Prepaid College Board's investment advisor.

Chief Financial Officer Tom Gallagher made a motion that the Comprehensive Investment Plans for both the Florida Prepaid College Program and the Florida College Savings Program be amended to remove the prohibition for investing in tobacco stocks. The Trustees agreed that eliminating the tobacco restrictions is consistent with the State Board of Administration's Total Fund Investment Policy.

Moved and seconded. Approved as amended without objection.

Subsequent to the approval of the amended Comprehensive Investment Plans for the Florida Prepaid College Program and the Florida College Savings Program, a brief discussion ensued between the Trustees and Mr. Wallace. The discussion focused on the consequences for the Florida Prepaid College Program if increases in college tuitions go beyond the current actuarial projections by the program's actuary, and the resulting impact on the program's contractual obligations to program participants.

The State Board of Administration's agenda was concluded.

Coleman Stipanovich
Executive Director
State Board of Administration

The regular meeting of the State Board of Administration was held on May 28, 2003, at the Capitol, Tallahassee, Florida.

Members present were:

Governor Jeb Bush, Chairman
Attorney General Charlie Crist, Secretary
Chief Financial Officer Tom Gallagher, Treasurer

Mr. Coleman Stipanovich, Executive Director of the SBA, was also present.

APPROVAL OF MINUTES

Item 1. Mr. Stipanovich requested the approval of the minutes of the May 13, 2003 meeting.

Moved and seconded. Approved without objection.

FISCAL SUFFICIENCIES

Item 2. Mr. Stipanovich requested approval of a fiscal sufficiency of an amount not exceeding $240,000,000 State of Florida, Full Faith and Credit, State Board of Education Public Education Capital Outlay Refunding Bonds, Series to be determined.

Moved and seconded. Approved without objection.

Item 3. Mr. Stipanovich requested approval of a fiscal sufficiency of an amount not exceeding $44,630,000 State of Florida, full faith and credit, State Board of Education Capital Outlay Bonds, 2003 Series A.

Moved and seconded. Approved without objection.

FISCAL DETERMINATIONS

Item 4. Mr. Stipanovich requested approval of a fiscal determination of aggregate amounts not exceeding $50,000,000 Florida Housing Finance Corporation Homeowner Mortgage Revenue Bonds, 2003 Multiple Series to be determined, and $65,000,000 Florida Housing Finance Corporation Homeowner Mortgage Revenue Bonds, 2003 Multiple Series to be determined.

Moved and seconded. Approved without objection.

Item 5. Mr. Stipanovich requested approval of a fiscal determination of an amount not exceeding $12,200,000 Tax Exempt Florida Housing Finance Corporation Multifamily Mortgage Revenue Bonds, 2003 Series, Series to be designated, Thomas Chase Apartments, Duval County, Florida.

Moved and seconded. Approved without objection.

THE FLORIDA HURRICANE CATASTROPHE FUND REQUESTED CONSIDERATION OF FILING A RULE FOR ADOPTION AND THE DETERMINATION OF CLAIMS PAYING CAPACITY FOR THE 2003 CONTRACT YEAR.

Item 6. Mr. Stipanovich requested, on behalf of the Florida Hurricane Catastrophe Fund, that the Trustees approve the following:

6.1.1 The filing of Rule 19-8.028, F.A.C. (Reimbursement Premium Formula) for adoption, and;

6.2 The determination of claims paying capacity for the 2003 contract year recommended by the Florida Hurricane Catastrophe Fund Advisory Council on May 20, 2003.

Items 6.1 and 6.2 were moved and seconded. Approved without objection.

The State Board of Administration's agenda was concluded.

Coleman Stipanovich

Coleman Stipanovich
Executive Director
State Board of Administration

The regular meeting of the State Board of Administration was held on June 12, 2003, at the Capitol, Tallahassee, Florida.

Members present were:

Governor Jeb Bush, Chairman
Attorney General Charlie Crist, Secretary
Chief Financial Officer Tom Gallagher, Treasurer

Mr. Coleman Stipanovich, Executive Director of the SBA, was also present.

APPROVAL OF MINUTES

Item 1. Mr. Stipanovich requested the approval of the minutes of the May 28, 2003 meeting.

Moved and seconded. Approved without objection.

FISCAL SUFFICIENCIES

Item 2. Mr. Stipanovich requested approval of a fiscal sufficiency of an amount not exceeding $15,200,000 Tax Exempt Florida Housing Finance Corporation Multifamily Mortgage Revenue Bonds, 2003 Series, Series to be designated, Barclay Forge Apartments.

Moved and seconded. Approved without objection.

FISCAL DETERMINATIONS

Item 3. Mr. Stipanovich requested approval of a fiscal determination of an amount not exceeding $6,300,000 Tax Exempt Florida Housing Finance Corporation Multifamily Mortgage Revenue Bonds, 2003 Series, Series to be designated, Grand Court at North Port Apartments.

Moved and seconded. Approved without objection.

Item 4. Mr. Stipanovich requested approval of a fiscal determination of an amount not exceeding $6,200,000 Tax Exempt Florida Housing Finance Corporation Multifamily Mortgage Revenue Bonds, 2003 Series, Series to be designated, Spring Haven Apartments.

Moved and seconded. Approved without objection.

STATE BOARD OF ADMINISTRATION 'S FY 2003-2004 BUDGET

Item 5. Mr. Stipanovich requested approval of the SBA's FY 2003-2004 Budget, and other trust fund management activities, including the Special Acquisition Budget, the Florida Hurricane Catastrophe Fund's FY 2003-2004 Budget, the Division of Bond Finance's FY 2003-2004 Budget, and the Florida Prepaid College Board's FY 2003-2004 Budget, which was approved by the Florida Prepaid College Board on April 2, 2003.

Treasurer Gallagher asked if Commissioner Bronson needed to be present to approve the budget for the Division of Bond Finance (DBF). Mr. Stipanovich stated that he had legal opinions that supported the Trustees authority to approve the Florida Prepaid College Board (FPCB) and Division of Bond Finance (DBF) budgets. Mr. Stipanovich and Mr. Watkins, Director of DBF, stated that FPCB and DBF budgets have always been approved by the Trustees since being administratively located at the SBA.

Moved and seconded. The budgets were approved without objection.

AMENDMENT TO THE PUBLIC EMPLOYEE OPTIONAL RETIREMENT PROGRAM BUDGET FOR FY 2003-2004

Item 6. Mr. Stipanovich requested approval of an amendment to the Public Employee Optional Retirement Program's FY 2003-2004 budget, which was approved on March 25, 2003. The amendment provides salary and benefit increases as a result of legislation passed by the Florida Legislature during the 2003 Legislative Special Session A.

Moved and seconded. The amendment was approved without objection.

The State Board of Administration's agenda was concluded.

Coleman Stipanovich
Executive Director
State Board of Administration

The regular meeting of the State Board of Administration was held on June 26, 2003, at the Capitol, Tallahassee, Florida.

Members present were:

Governor Jeb Bush, Chairman
Attorney General Charlie Crist, Secretary
Chief Financial Officer Tom Gallagher, Treasurer

Mr. Coleman Stipanovich, Executive Director of the SBA, was also present.

APPROVAL OF MINUTES

Item 1. Mr. Stipanovich requested the approval of the minutes of the June 12, 2003 meeting.

Moved and seconded. Approved without objection.

FISCAL SUFFICIENCIES

Item 2. Mr. Stipanovich requested approval of a fiscal sufficiency of an amount not exceeding $363,400,000 State of Florida, Full Faith and Credit, State Board of Education Public Education Capital Outlay Bonds, 2002 Series, letter designations to be determined.

Moved and seconded. Approved without objection.

Item 3. Mr. Stipanovich requested approval of a fiscal sufficiency of an amount not exceeding $24,045,000 State of Florida, Florida Education System, Florida Atlantic University Housing Revenue Bonds, Series 2003.

Moved and seconded. Approved without objection.

Item 4. Mr. Stipanovich requested approval of a fiscal sufficiency of an amount not exceeding $14,850,000 State of Florida, Florida Education System, Florida Atlantic University Housing Revenue Refunding Bonds, Series 2003.

Moved and seconded. Approved without objection.

Item 5. Mr. Stipanovich requested approval of a fiscal sufficiency of an amount not exceeding $350,000,000 State of Florida, Department of Transportation Turnpike Revenue Refunding Bonds, Series 2003B.

Moved and seconded. Approved without objection.

Item 6. Mr. Stipanovich requested approval of a fiscal sufficiency of an amount not exceeding $210,000,000 State of Florida, Full Faith and Credit, State Board of Education Public Education Capital Outlay Refunding Bonds, Series to be determined.

Moved and seconded. Approved without objection.

FISCAL DETERMINATIONS

Item 7. **Mr. Stipanovich requested approval of a fiscal determination of an amount not exceeding $16,855,000 Tax Exempt Florida Housing Finance Corporation Multifamily Mortgage Revenue Bonds, 2003 Series, Series to be designated, Wexford Apartments.**

Moved and seconded. Approved without objection.

Item 8. **Mr. Stipanovich requested approval of fiscal determination of amounts not exceeding $16,840,000 Tax Exempt and $975,000 Taxable Florida Housing Finance Corporation Multifamily Mortgage Revenue Bonds, 2003 Series, Series to be designated, Wellesley Apartments.**

Moved and seconded. Approved without objection.

Item 9. **Mr. Stipanovich requested approval of fiscal determination of an amount not exceeding $15,815,000 Tax Exempt Florida Housing Finance Corporation Multifamily Mortgage Revenue Bonds, 2003 Series, Series to be designated, Pinnacle Pointe Apartments.**

Moved and seconded. Approved without objection.

Item 10. **Mr. Stipanovich requested approval of fiscal determination of an increase of an amount not exceeding $350,000 Tax Exempt Florida Housing Finance Corporation Multifamily Mortgage Revenue Bonds, 2003 Series, Series to be designated, Andrews Place Apartments.**

THE STATE BOARD OF ADMINISTRATION'S MUTUAL FUND PROXY VOTING GUIDELINES

Item 11. **Mr. Stipanovich presented, for information only, the State Board of Administration's Mutual Fund Proxy Voting Guidelines which were designed to set policy guidelines for the voting of mutual funds held in the Florida Retirement System. These guidelines were based on similar principles used to guide the SBA's voting decisions on U.S. corporate and international ballots.**

This item was for information only; therefore no action was required by the Trustees.

APPOINTMENT OF CHAIR TO THE FLORIDA COMMISSION ON HURRICANE LOSS PROJECTION METHODOLOGY

Item 12. **Mr. Stipanovich presented, on behalf of the Florida Commission on Hurricane Loss Projected, the reappointment of Sneh Gulati, statistics expert, Professor at Florida International University, as chair of the Florida Commission on Hurricane Loss Projection Methodology for 2003-2004.**

Moved and seconded. Approved without objection.

APPOINTMENT OF A MEMBER TO THE INVESTMENT ADVISORY COUNCIL

Item 13. Mr. Stipanovich presented to the Trustees the appointment of John Jaeb to the Investment Advisory Council for approval. Mr. Jaeb was appointed by Attorney General Charlie Crist.

Moved and seconded. Approved without objection.

The State Board of Administration's agenda was concluded.

Coleman Stipanovich

Coleman Stipanovich
Executive Director
State Board of Administration

The regular meeting of the State Board of Administration was held on August 12, 2003, at the Capitol, Tallahassee, Florida.

Members present were:

Governor Jeb Bush, Chairman
Attorney General Charlie Crist, Secretary
Chief Financial Officer Tom Gallagher, Treasurer

Mr. Coleman Stipanovich, Executive Director of the SBA, was also present.

APPROVAL OF MINUTES

Item 1. Mr. Stipanovich requested the approval of the minutes of the June 26, 2003 meeting.

Moved and seconded. Approved without objection.

FISCAL SUFFICIENCIES

Item 2. Mr. Stipanovich requested approval of a fiscal sufficiency of an amount not exceeding $300,000,000 State of Florida, Full Faith and Credit, State Board of Education Public Education Public Education Capital Outlay Bonds, 2003 Series, letter designations to be determined.

Moved and seconded. Approved without objection.

Item 3. Mr. Stipanovich requested approval of a fiscal sufficiency of an amount not exceeding $150,000,000 State of Florida, Department of Environmental Protection Florida Forever Revenue Bonds, Series 2003C.

Moved and seconded. Approved without objection.

FISCAL DETERMINATIONS

Item 4. Mr. Stipanovich requested approval of fiscal determination of amounts not exceeding $15,000,000 Tax Exempt and $2,000,000 Taxable Florida Housing Finance Corporation Multifamily Mortgage Revenue Bonds, 2003 Series, Series to be designated, Avalon Reserve Apartments.

Moved and seconded. Approved without objection.

Item 5. Mr. Stipanovich requested approval of fiscal determination of an increase of an amount not exceeding $500,000 Tax Exempt Florida Housing Finance Corporation Multifamily Mortgage Revenue Bonds, 2003 Series, Series to be designated, Grande Court at North Port Apartments.

Moved and seconded. Approved without objection.

Item 6. **Mr. Stipanovich requested approval of fiscal determination of an amount not exceeding $6,500,000 Tax Exempt Florida Housing Finance Corporation Multifamily Mortgage Revenue Bonds, 2003 Series, Series to be Designated, Collins Cove Apartments.**

Moved and seconded. Approved without objection.

Item 7. **Mr. Stipanovich requested approval of fiscal determination of amounts not exceeding $4,600,000 Tax Exempt and $500,000 Taxable Florida Housing Finance Corporation Multifamily Mortgage Revenue Bonds, 2003 Series, Series to be designated, Sumerset Housing Apartments.**

Moved and seconded. Approved without objection.

PROPOSED REVISIONS TO FRS DEFINED BENEFIT TOTAL FUND INVESTMENT PLAN

Item 8. **Mr. Stipanovich presented proposed revisions and changes to Alternative Investments and Real Estate's primary and secondary benchmarks in the Defined Benefit Total Fund Investment Plan. He also presented a recommendation to change the floating system by which the SBA manages asset allocation policy target weight exposure to these private asset classes. The principal research supporting this agenda item was conducted by SBA's independent general consultant, Ennis, Knupp & Associates, and augmented by SBA staff. The Investment Advisory Council unanimously supported the proposed revisions and changes to the FRS Defined Benefit Total Fund Investment Plan.**

Chief Financial Officer Gallagher asked if staff had considered the Russell 3000 plus 500 basis points, rather than the recommended 450 basis point, as the primary benchmark for alternative investments. Several large peer public funds use some variation of a domestic equity index plus 500 basis points risk premium. Following some detailed discussion in response to the question, Chief Financial Officer Gallagher moved approval of staff's recommendations on this agenda item.

Moved and seconded. Approved without objection.

The State Board of Administration's agenda was concluded.

Coleman Stipanovich

Coleman Stipanovich
Executive Director
State Board of Administration

The regular meeting of the State Board of Administration was held on August 26, 2003, at the Capitol, Tallahassee, Florida.

Members present were:

Governor Jeb Bush, Chairman
Attorney General Charlie Crist, Secretary
Chief Financial Officer Tom Gallagher, Treasurer

Mr. Coleman Stipanovich, Executive Director of the SBA, was also present.

APPROVAL OF MINUTES

Item 1. Mr. Stipanovich requested the approval of the minutes of the August 12, 2003 meeting.

Moved and seconded. Approved without objection.

FISCAL SUFFICIENCIES

Item 2. Mr. Stipanovich requested approval of a fiscal sufficiency of an amount not exceeding $300,000,000 State of Florida, Full Faith and Credit, Department of Transportation Right-of-Way Acquisition and Bridge Construction Bonds, Series 2003A.

Moved and seconded. Approved without objection.

Item 3. Mr. Stipanovich requested approval of a fiscal sufficiency of an amount not exceeding $16,800,000 State of Florida, Florida Education System, Florida State University Parking Facility Revenue Bonds, Series 2003B.

Moved and seconded. Approved without objection.

Item 4. Mr. Stipanovich requested approval of a fiscal sufficiency of an amount not exceeding $180,000,000 State of Florida, Department of Environmental Protection, Florida Forever Revenue Bonds, Series to be designated.

Moved and seconded. Approved without objection.

FISCAL DETERMINATIONS

Item 5. Mr. Stipanovich requested approval of fiscal determination of amounts not exceeding $7,500,000 Tax Exempt and $2,000,000 Taxable Florida Housing Finance Corporation Multifamily Mortgage Revenue Bonds, 2003 Series, Series to be designated, Pineview Villas Apartments.

Moved and seconded. Approved without objection.

Item 6. **Mr. Stipanovich requested approval of fiscal determination of amounts not exceeding $16,300,000 Tax Exempt and $1,945,000 Taxable Florida Housing Finance Corporation Multifamily Mortgage Revenue Bonds, 2003 Series, Series to be designated, Bristol Bay Apartments.**

Moved and seconded. Approved without objection.

The State Board of Administration's agenda was concluded.

Coleman Stipanovich

Coleman Stipanovich
Executive Director
State Board of Administration

The regular meeting of the State Board of Administration was held on September 30, 2003, at the Capitol, Tallahassee, Florida.

Members present were:

Governor Jeb Bush, Chairman
Attorney General Charlie Crist, Secretary
Chief Financial Officer Tom Gallagher, Treasurer

Mr. Coleman Stipanovich, Executive Director of the SBA, was also present.

APPROVAL OF MINUTES

Item 1. Mr. Stipanovich requested the approval of the minutes of the August 26, 2003 meeting.

Moved and seconded. Approved without objection.

FISCAL DETERMINIATIONS

Item 2. Mr. Stipanovich requested approval of a fiscal determination of an amount not exceeding $9,060,000 Tax Exempt Florida Housing Finance Corporation Multifamily Mortgage Revenue Bonds, 2003 Series, Series to be designated, Cutler Glen and Cutler Meadows Apartments, Miami-Dade County, Florida.

Moved and seconded. Approved without objection.

Item 3. Mr. Stipanovich requested approval of a fiscal determination of amounts not exceeding $31,680,000 Tax Exempt and $7,070,000 Taxable Florida Housing Finance Corporation Multifamily Mortgage Revenue Bonds, 2003 Series, Series to be designated, Northbridge at Millenia Apartments, Orange County, Florida.

Moved and seconded. Approved without objection.

The State Board of Administration's agenda was concluded.

Coleman Stipanovich

Coleman Stipanovich
Executive Director
State Board of Administration

The regular meeting of the State Board of Administration was held on October 14, 2003, at the Capitol, Tallahassee, Florida.

Members present were:

Governor Jeb Bush, Chairman
Attorney General Charlie Crist, Secretary
Chief Financial Officer Tom Gallagher, Treasurer

Mr. Coleman Stipanovich, Executive Director of the SBA, was also present.

APPROVAL OF MINUTES

Item 1. Mr. Stipanovich requested the approval of the minutes of the September 30, 2003 meeting.

Moved and seconded. Approved without objection.

FISCAL SUFFICIENCIES

Item 2. Mr. Stipanovich requested approval of a fiscal sufficiency of an amount not exceeding $200,000,000 State of Florida, State Board of Education Lottery Revenue Bonds, various series.

Moved and seconded. Approved without objection.

Item 3. Mr. Stipanovich requested approval of a fiscal sufficiency of an amount not exceeding $200,000,000 State of Florida, Full Faith and Credit, State Board of Education Public Education Capital Outlay Bonds, 2001 Series J.

Moved and seconded. Approved without objection.

Item 4. Mr. Stipanovich requested approval of an amount not exceeding $270,000,000 State of Florida, Department of Transportation Turnpike Revenue Bonds, Series 2003C.

Moved and seconded. Approved without objection.

FISCAL DETERMINATION

Item 5. Mr. Stipanovich requested approval of a fiscal determination of an amount not exceeding $75,000,000 Florida Housing Finance Corporation Homeowner Mortgage Revenue Bonds, 2003, Multiple Series to be Determined.

Moved and seconded. Approved without objection.

The State Board of Administration's agenda was concluded.

Coleman Stipanovich

Coleman Stipanovich
Executive Director
State Board of Administration

Westwood_Dorothy

From: Westwood_Dorothy
Sent: Friday, October 31, 2003 2:13 PM
To: 'perezk@eog.state.fl.us'; 'andersj@eog.state.fl.us'; 'elizabeth_besade@oag.state.fl.us'; 'tornillor@dfs.state.fl.us'; 'robinsong@dfs.state.fl.us'
Cc: Bruce_Diane
Subject: Cabinet Meeting - November 12

The State Board of Administration will not have an agenda for the November 12 Cabinet meeting.

Thanks.

Dorothy J. Westwood, CPM
Office Operations Manager
State Board of Administration
1801 Hermitage Boulevard
Tallahassee, FL 32308
850.413-1350

Tracking:

Recipient	Delivery	Read
'perezk@eog.state.fl.us'		
'andersj@eog.state.fl.us'		
'elizabeth_besade@oag.state.fl.us'		
'tornillor@dfs.state.fl.us'		
'robinsong@dfs.state.fl.us'		
Bruce_Diane	Delivered: 10/31/2003 2:13 PM	Read: 10/31/2003 2:17 PM

The regular meeting of the State Board of Administration was held on December 16, 2003, at the Capitol, Tallahassee, Florida.

Members present were:

Governor Jeb Bush, Chairman
Attorney General Charlie Crist, Secretary
Chief Financial Officer Tom Gallagher, Treasurer

Mr. Coleman Stipanovich, Executive Director of the SBA, was also present.

APPROVAL OF MINUTES

Item 1. Mr. Stipanovich requested the approval of the minutes of the October 14, 2003 meeting.

Moved and seconded. Approved without objection.

FISCAL SUFFICIENCY

Item 2. Mr. Stipanovich requested approval of a fiscal sufficiency of an amount not exceeding $100,000,000 State of Florida, Department of Environmental Protection Florida Forever Revenue Bonds, Series 2004A.

Moved and seconded. Approved without objection.

THE STATE BOARD OF ADMINISTRATION REQUESTED APPROVAL OF THE AUDIT COMMITTEE CHARTER

Item 3. Mr. Stipanovich presented the Audit Committee Charter, which was adopted by the Audit Committee at their first meeting held on November 18, 2003, for approval by the Trustees. Treasurer Gallagher made the motion to approve the Charter with one amendment that was to remove the last sentence on Page 1, Section C, COMPOSITION, Second Paragraph, "A Committee member shall serve no more than two consecutive terms." Treasurer Gallagher stated this sentence was redundant.

Moved and seconded. Approved as amended without objection.

INVESTMENT PROTECTION PRINCIPLES IMPLEMENTATION.

Item 4. Mr. Stipanovich presented the Investment Protection Principles Implementation Plan.

The item was received as information only.

2004 STATE BOARD OF ADMINISTRATION LEGISLATIVE PROPOSALS

Item 5. Mr. Stipanovich presented the proposed 2004 State Board of Administration's proposed legislation for the 2004 session for discussion, which consisted of eight technical and two policy related proposals.

This item was discussed and remained unchanged.

ATTACH 1

2004 FLORIDA HURRICANE CATASTROPHE FUND LEGIALATIVE PROPOSALS

Item 6. Mr. Stipanovich presented the Florida Hurricane Catastrophe Fund proposed legislation for the 2004 session for discussion. Dr. Jack Nicholson of the Florida Hurricane Catastrophe Fund gave an overview of the legislative proposals. Three people spoke on the legislative proposals following Dr. Nicholson's overview.

This item was discussed and remained unchanged.

DEFINED CONTRIBUTION PROGRAM – INVESTMENT PRODUCT REVIEW

Item 7. Mr. Stipanovich presented the Defined Contribution Program – Investment Product Review. He briefly explained the staff proposal to reduce the number of investment funds in the plan from 37 to 29. He stated that the Investment Advisory Council unanimously supported staffs' proposal, but had encouraged staff to further reduce the number of investment funds to reach a more typical count of 15 to 16 offerings.

Treasurer Gallagher offered a resolution directing staff to drop investment funds that are not being used by participants and to lower the number of investment funds to 16 as soon as possible.

The resolution was seconded and approved without objection.

AUDITED FINANCIAL REPORT OF INLAND PROTECTION FINANCING CORPORATION FOR THE PERIOD JUNE 30, 2003

Item 8. Mr. Stipanovich presented the audited Financial Report of Inland Protection Financing Corporation.

The report was information only.

THE STATE BOARD OF ADMINISTRATION'S AGENDA WAS CONCLUDED.

Coleman Stipanovich
Executive Director
State Board of Administration