MEETING OF THE STATE BOARD OF ADMINISTRATION

GOVERNOR SCOTT AS CHAIRMAN
CHIEF FINANCIAL OFFICER ATWATER
ATTORNEY GENERAL BONDI

NOVEMBER 10, 2015

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AGENDA - AMENDED

ITEM 1. **REQUEST APPROVAL OF THE MINUTES OF THE SEPTEMBER 29, 2015 MEETING.**

(See Attachment 1A)

ACTION REQUIRED

ITEM 2. **APPROVAL OF A FISCAL SUFFICIENCY OF AN AMOUNT NOT EXCEEDING $195,000,000 STATE OF FLORIDA, DEPARTMENT OF TRANSPORTATION TURNPIKE REVENUE REFUNDING BONDS, SERIES (TO BE DETERMINED).**

(See Attachment 2A)

ACTION REQUIRED

ITEM 3. **REQUEST APPROVAL OF A FISCAL SUFFICIENCY OF AN AMOUNT NOT EXCEEDING $145,000,000 STATE OF FLORIDA, FULL FAITH AND CREDIT, STATE BOARD OF EDUCATION PUBLIC EDUCATION CAPITAL OUTLAY REFUNDING BONDS, 2016 SERIES (TO BE DETERMINED).**

(See Attachment 3A)

ACTION REQUIRED

ITEM 4. **FLORIDA GROWTH FUND UPDATE.**

(See Attachment) – BACKUP TO FOLLOW

INFORMATION/DISCUSSION ITEM

STATE OF FLORIDA

IN RE: MEETING OF THE GOVERNOR AND CABINET
_____________________________________/

CABINET MEMBERS: GOVERNOR RICK SCOTT
ATTORNEY GENERAL PAM BONDI
CHIEF FINANCIAL OFFICER JEFF ATWATER
COMMISSIONER OF AGRICULTURE ADAM PUTNAM

DATE: TUESDAY, SEPTEMBER 29, 2015

LOCATION: CABINET MEETING ROOM
LOWER LEVEL, THE CAPITOL
TALLAHASSEE, FLORIDA

REPORTED BY: NANCY S. METZKE, RPR, FPR
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P R O C E E D I N G S

GOVERNOR SCOTT: Good morning, and welcome to the September 29th Cabinet meeting.

To begin our meeting, I'd like to welcome Abbey Ruiz (phonetics) who is celebrating her 15th birthday today out of the Thrive Youth Group to lead the invocation. If you'll please remain standing after the invocation for the pledge of allegiance led by the fourth grade students from Trinity Catholic School.

WHEREUPON, THE INVOCATION WAS GIVEN AND THE PLEDGE OF ALLEGIANCE WAS SAID).

* * * *

STATE BOARD OF ADMINISTRATION

GOVERNOR SCOTT: All right. Ash, we're going to take you out of order.

Okay. So we're going to do -- if we can move the agenda to -- we're going to do Ash Williams now, and then we'll go back to Mark.

All right. So we're doing the State Board of Administration now.

EXECUTIVE DIRECTOR WILLIAMS: Thank you, Governor, Trustees, Cabinet members.

First, by way of update, as of last night's close, calendar year to date, the Florida Retirement System Trust Fund was down 2.3 percent. That's 1.32 percent ahead of target, with a balance of $138.8 billion. That's down $7.7 billion net of distributions from the beginning of the calendar year.

Item 1, request approval of --

GOVERNOR SCOTT: Ash --

EXECUTIVE DIRECTOR WILLIAMS: Yes, sir.

GOVERNOR SCOTT: -- let me stop you for a second.

EXECUTIVE DIRECTOR WILLIAMS: I'm sorry.

GOVERNOR SCOTT: So to put that in

perspective, the expectation is we need to get a 7.75 percent return each and every year, right?

EXECUTIVE DIRECTOR WILLIAMS: No, not each and every year.

GOVERNOR SCOTT: Well --

EXECUTIVE DIRECTOR WILLIAMS: Over the long term.

GOVERNOR SCOTT: The truth is, we have to get it better than that, we're still underfunded, right, a little bit?

EXECUTIVE DIRECTOR WILLIAMS: Yes.

GOVERNOR SCOTT: And so this year, unless something changes, this will be a tough year to do that.

EXECUTIVE DIRECTOR WILLIAMS: Correct.

GOVERNOR SCOTT: But you're still doing better than the market.

EXECUTIVE DIRECTOR WILLIAMS: Oh, yes, that's true. But I think the broader picture is the long-term performance.

GOVERNOR SCOTT: Right.

EXECUTIVE DIRECTOR WILLIAMS: And as you will see, if we elect to go through the performance series that Aon Hewitt has for us, the long-term numbers are perfectly sound. And if you'll look at say trailing five year --

GOVERNOR SCOTT: Yeah.

EXECUTIVE DIRECTOR WILLIAMS: -- trailing ten year --

GOVERNOR SCOTT: Yeah.

EXECUTIVE DIRECTOR WILLIAMS: -- they're substantially ahead of the 7.65.

GOVERNOR SCOTT: Yeah.

EXECUTIVE DIRECTOR WILLIAMS: It's not expected --

GOVERNOR SCOTT: Ash, especially if you look at just the years that you were there, right?

EXECUTIVE DIRECTOR WILLIAMS: That was the appropriate focus.

GOVERNOR SCOTT: You didn't say that, I did, right?

EXECUTIVE DIRECTOR WILLIAMS: It -- I mean, tough markets. We're risk constrained, so by definition, when markets are tough, and they're as tough as I've ever seen them --

GOVERNOR SCOTT: Right.

EXECUTIVE DIRECTOR WILLIAMS: -- right now, there's only so much better we can do because we're not going to take enough risk to do a complete blowup of the fund.

GOVERNOR SCOTT: Did you see what Carl Icahn said?

EXECUTIVE DIRECTOR WILLIAMS: Yes, and he's a very smart man.

GOVERNOR SCOTT: Yeah.

All right. We're on Item 1, the bond issuance, right?

EXECUTIVE DIRECTOR WILLIAMS: Thank you.

Request approval of a fiscal determination in connection with the issuance of an amount not exceeding $10 million Florida Housing Finance Corporation multifamily mortgage revenue bonds.

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?

(NO RESPONSE).

GOVERNOR SCOTT: Hearing none, the motion carries.

EXECUTIVE DIRECTOR WILLIAMS: Thank you.

Item 2, request approval of the SBA quarterly investment report required by the Protecting Florida's Investments Act.

Just as a summary of the activity during the quarter period, when we look at the scrutinized and continued examination companies list, there was no net change on Sudan; and on Iran, there was a net addition of one scrutinized company.

GOVERNOR SCOTT: All right. Is there a motion to approve the item?

CFO ATWATER: So moved.

GOVERNOR SCOTT: Is there a second?

ATTORNEY GENERAL BONDI: Second.

GOVERNOR SCOTT: Any comments or objections?

(NO RESPONSE).

GOVERNOR SCOTT: Hearing none, the motion carries.

ATTORNEY GENERAL BONDI: Could I just comment, Governor, if I may?

GOVERNOR SCOTT: Sure.

ATTORNEY GENERAL BONDI: Thank you for doing such a good job on that. That's very important to all of us. Thank you.

EXECUTIVE DIRECTOR WILLIAMS: You're welcome. Thank you.

Item 3, request approval of a draft letter to the Joint Legislative Auditing Committee affirming that the SBA Trustees have reviewed and approved the monthly Florida Prime and Fund B management summary reports and actions taken, if any, to address any material impacts. There have been no material impacts, and we will have Fund B wound down with finality by the end of this month.

GOVERNOR SCOTT: That's great.

All right. Is there a motion on the item?

CFO ATWATER: So moved.

GOVERNOR SCOTT: Is there a second?

ATTORNEY GENERAL BONDI: Second.

GOVERNOR SCOTT: Any comments or objections?

(NO RESPONSE).

GOVERNOR SCOTT: Hearing none, the motion carries.

EXECUTIVE DIRECTOR WILLIAMS: Thank you.

Items 4 and 5 are both rules to update the investment policy statements for the defined benefit pension portfolio and the Florida Prime fund. These are both investment policy statements previously approved by the Trustees.

GOVERNOR SCOTT: Is there a motion on the -- let's do 4 and 5 -- no reason -- we'll do 4 and 5 together.

Is there a motion on 4 and 5?

ATTORNEY GENERAL BONDI: So moved.

GOVERNOR SCOTT: Is there a second?

CFO ATWATER: Second.

GOVERNOR SCOTT: Any comments or objections?

(NO RESPONSE).

GOVERNOR SCOTT: Hearing none, the motion carries.

EXECUTIVE DIRECTOR WILLIAMS: Thank you.

Item 6, request approval of changes to the charter of the Audit Committee of the State Board of Administration. These essentially bring -- or keep our Audit Committee charter in compliance with best practice.

These were reviewed and discussed by the Audit Committee in a public meeting. They've also been reviewed by the Chief Risk and Compliance Officer, the Inspector General, the Chief Operating Officer, Chief Financial Officer, and myself on behalf of the Board, and we're in agreement on these provisions.

GOVERNOR SCOTT: Is there a motion on the item?

ATTORNEY GENERAL BONDI: So moved.

GOVERNOR SCOTT: Is there a second?

CFO ATWATER: Second.

GOVERNOR SCOTT: Any comments or objections?

(NO RESPONSE).

GOVERNOR SCOTT: Hearing none, the motion carries.

EXECUTIVE DIRECTOR WILLIAMS: Thank you.

Item 7 is our quarterly reports for the State Board. These include the usual rundown of IAC, PLGAC, Audit Committee, Corporate Governance, General Counsel, Inspector General, et cetera, et cetera.

The one I would draw your attention to is the Chief Risk and Compliance Officer report, and the reason I would particularly draw your attention to that is that after Eric Nelson retired as Chief Risk and Compliance Officer, Karen Chandler stepped into that role on an acting basis.

We recently completed a national search in which we had applications from 46 external candidates and two internal candidates, including Karen Chandler, and we came down to a short list of two internals and three externals; created a committee; created a standard set of questions to ask each interviewee; did an extensive screening in recent weeks; checked references, et cetera; and made an overwhelming conclusion that, on balance, Karen was the right choice.

She has served with distinction in that role over the past year, and we'd like to move ahead with that on a permanent basis.

We've put a written summary of the search, the criteria for the position, the advertisement we used, Karen's background. And presuming that report is acceptable to everyone, I would like to treat that as affirmation of her appointment consistent with the requirements of our Investment Policy Statement.

GOVERNOR SCOTT: I don't think -- it's not on the agenda, so I don't think we can do it. Ash, we can't do it unless it's on the agenda.

EXECUTIVE DIRECTOR WILLIAMS: Well, it's not a normal approval. It's --

GOVERNOR SCOTT: It's not required?

EXECUTIVE DIRECTOR WILLIAMS: It's not a rule or a statute, no.

GOVERNOR SCOTT: Okay. So let's do this then, let's -- there's no reason --

(DISCUSSION OFF THE RECORD).

GOVERNOR SCOTT: Okay. So we're going -- let's approve it, and then if we have to come back and redo it, we'll redo it.

EXECUTIVE DIRECTOR WILLIAMS: Sure. If you want me to do a separate item in the future for thoroughness purposes, I'm happy to do it.

ATTORNEY GENERAL BONDI: May I?

GOVERNOR SCOTT: Attorney General.

ATTORNEY GENERAL BONDI: In the future, if you're asking us to do something, please. I don't think this is significant, but I mean, I don't have a problem, Governor, tentatively approving it.

GOVERNOR SCOTT: Yeah. So we're going to approve it subject to going through it. In the future, you just have to put it on the agenda.

EXECUTIVE DIRECTOR WILLIAMS: That's fine. That's fine, happy to do that.

GOVERNOR SCOTT: All right. So is there a motion?

CFO ATWATER: So moved.

GOVERNOR SCOTT: Okay. Second?

ATTORNEY GENERAL BONDI: Second.

GOVERNOR SCOTT: Okay. It's all approved.

EXECUTIVE DIRECTOR WILLIAMS: Thank you.

Then we have with us Katie Comstock and Steve Cummings from Aon Hewitt if you'd like third party performance.

GOVERNOR SCOTT: Do we need it? I've reviewed it, we've all reviewed it.

ATTORNEY GENERAL BONDI: We've all seen it.

GOVERNOR SCOTT: We've reviewed it, we don't need to.

EXECUTIVE DIRECTOR WILLIAMS: In that case, thank you very much.

GOVERNOR SCOTT: Thanks, Ash. Good luck in these markets.

EXECUTIVE DIRECTOR WILLIAMS: Thank you.

* * * *

STATE BOARD OF ADMINISTRATION
1801 HERMITAGE BOULEVARD
TALLAHASSEE, FLORIDA 32308

TO:	Ash Williams
FROM:	Robert Copeland RTC
SUBJECT:	Fiscal Sufficiency
DATE:	October 28, 2015

APPROVAL OF FISCAL SUFFICIENCY OF AN AMOUNT NOT EXCEEDING $195,000,000 STATE OF FLORIDA, DEPARTMENT OF TRANSPORTATION TURNPIKE REVENUE REFUNDING BONDS, SERIES (TO BE DETERMINED):

The Division of Bond Finance of the State Board of Administration (the "Division"), on behalf of the State of Florida Department of Transportation, has submitted for approval as to fiscal sufficiency a proposal to issue an amount not exceeding $195,000,000 State of Florida, Department of Transportation Turnpike Revenue Refunding Bonds, Series (to be determined) (the "Bonds") for the purpose of refunding all or a portion of the outstanding Series 2006A Bonds. The Bonds will be issued pursuant to the Original Resolution adopted on October 25, 1988, as amended and restated on May 17, 2005, and the Forty-first Supplemental Turnpike Revenue Bond Resolution anticipated to be adopted by the Governor and Cabinet on November 10, 2015.

The Division, on behalf of the Department of Transportation, has heretofore issued Turnpike Revenue and Revenue Refunding Bonds, Series 2006A through 2015B (the "Outstanding Bonds"). The Bonds shall be issued on a parity as to source and security for payment with the Outstanding Bonds. The Bonds shall not be secured by a pledge of the full faith and credit or the taxing power of the State of Florida or any political subdivision thereof.

A study of this proposal and the estimates of revenue expected to accrue indicate that the proposed Bonds are fiscally sufficient and that the proposal will be executed pursuant to the applicable provisions of law.

RECOMMENDATION: It is recommended that the Board approve the proposal outlined above.

cc: Janie Knight

A RESOLUTION OF THE STATE BOARD OF ADMINISTRATION APPROVING THE FISCAL SUFFICIENCY OF AN AMOUNT NOT EXCEEDING $195,000,000 STATE OF FLORIDA, DEPARTMENT OF TRANSPORTATION TURNPIKE REVENUE REFUNDING BONDS, SERIES (TO BE DETERMINED)

WHEREAS, the Division of Bond Finance of the State Board of Administration (the "Division") proposes to issue an amount not exceeding $195,000,000 State of Florida, Department of Transportation Turnpike Revenue Refunding Bonds, Series (to be determined) (the "Bonds"), on behalf of the State of Florida Department of Transportation, for the purpose of refunding all or a portion of the outstanding Series 2006A Bonds; and,

WHEREAS, the Bonds will be issued pursuant to the Original Resolution adopted on October 25, 1988, as amended and restated on May 17, 2005, and the Forty-first Supplemental Turnpike Revenue Bond Resolution anticipated to be adopted by the Governor and Cabinet on November 10, 2015, (collectively referred to herein as the "Resolution"); and,

WHEREAS, the Division has requested the State Board of Administration to approve the fiscal sufficiency of the proposed bond issue as required by Section 215.73, Florida Statutes; and,

WHEREAS, the Division, on behalf of the Department of Transportation has heretofore issued Turnpike Revenue and Revenue Refunding Bonds, Series 2006A through 2015B (the "Outstanding Bonds"); and,

WHEREAS, the proposed Bonds shall be issued on a parity as to source and security for payment with the Outstanding Bonds; and,

WHEREAS, the proposed Bonds shall be secured by a first lien upon Net Revenues of the Turnpike System, which consists of all tolls, revenues, rates, fees, charges, receipts, rents or other income derived from, or in connection with, the operation of the Florida Turnpike, less any necessary contribution to fund the Cost of Maintenance and Cost of Operation after taking into account other sources of funds available to fund the Cost of Maintenance and Cost of Operation; and,

WHEREAS, the Florida Department of Transportation has covenanted to pay the Cost of Maintenance and Cost of Operation of the Turnpike System from moneys in the State Transportation Trust Fund; and,

WHEREAS, tolls are required to be fixed, and adjusted if necessary, so that gross revenues shall be sufficient to pay at least (i) 100% of Operation and Maintenance costs; (ii) 120% of the Annual Debt Service Requirement; and (iii) 100% of all other payments required by the Resolution; and,

WHEREAS, an examination of this plan of financing indicated that the same will be executed pursuant to the applicable provisions of law, and that the revenue to be used in servicing and liquidating the indebtedness to be created thereby may be reasonably expected to accrue in amounts sufficient to accomplish this purpose; and,

WHEREAS, the estimate of toll revenues available indicates that sufficient moneys can be pledged to exceed the debt service requirements of the proposed issue and that in no State fiscal year will the moneys pledged for the debt service requirement of the proposed issue be less than the required coverage amount; and,

WHEREAS, the Division has furnished sufficient information to enable the State Board of Administration to fulfill its duties pursuant to Section 215.73, Florida Statutes; and,

WHEREAS, the State Board of Administration has relied upon information from others but has not independently verified the accuracy or completeness of such information; and,

WHEREAS, the State Board of Administration does not approve or disapprove the Bonds as an investment and has not passed upon the accuracy or adequacy of the Official Statement; **Now, Therefore,**

BE IT RESOLVED, by the State Board of Administration of Florida, a constitutional body created by Section 4 of Article IV of the Constitution of the State of Florida, as revised in 1968 and subsequently amended, that pursuant to the requirements of Section 215.73, Florida Statutes, the proposal of the Division of Bond Finance of the State Board of Administration to issue an amount not exceeding $195,000,000 State of Florida, Department of Transportation Turnpike Revenue Refunding Bonds, Series (to be determined) for the uses and purposes hereinabove set forth, is hereby approved as to fiscal sufficiency.

ADOPTED November 10, 2015

STATE OF FLORIDA

DIVISION OF BOND FINANCE
OF THE STATE BOARD OF ADMINISTRATION

HERMITAGE CENTRE, SUITE 200
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J. BEN WATKINS III
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RICK SCOTT
GOVERNOR
AS CHAIRMAN

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ATTORNEY GENERAL
AS SECRETARY

JEFF ATWATER
CHIEF FINANCIAL OFFICER
AS TREASURER

ADAM H. PUTNAM
COMMISSIONER OF AGRICULTURE

October 23, 2015

Mr. Ashbel C. Williams
Executive Director
State Board of Administration
Post Office Box 13300
Tallahassee, Florida 32317-3300

RE: Not Exceeding $195,000,000 State of Florida, Department of Transportation Turnpike Revenue Refunding Bonds, Series (to be determined)

Dear Mr. Williams:

In compliance with Section 215.73, Florida Statutes, the Division of Bond Finance requests State Board of Administration approval as to fiscal sufficiency for the above referenced bond issue. We request such approval at your board meeting of November 10, 2015.

The bonds will be payable from the net revenues of the turnpike system on a parity with the outstanding Series 2006A through 2015B Bonds. The bonds will be issued for the purpose of refunding all or a portion of the Series 2006A bonds. The proposed refunding bonds will only be issued if there is a savings.

The bonds will be issued in one or more series pursuant to the Original Resolution adopted on October 25, 1988, as amended and restated on May 17, 2005, and the Forty-first Supplemental Turnpike Revenue Bond Resolution anticipated to be adopted by the Governor and Cabinet on November 10, 2015.

The following documents are enclosed for your consideration:

Enclosure 1: An estimated coverage table for the program without considering the potential savings from the proposed refunding bonds;

Enclosure 2: An estimated debt service and savings schedule from a recent sizing of the proposed refunding bonds; and

Enclosure 3: A draft copy of the Forty-first Supplemental Resolution anticipated to be adopted by the Governor and Cabinet on November 10, 2015.

A draft of the fiscal sufficiency resolution should be sent to Donna Biggins and Nora Wittstruck of this office for review. Should you have any questions, please contact either myself or Nora Wittstruck at 488-4782. Your consideration in this matter is appreciated.

Very truly yours,

J. Ben Watkins III
Director

JBW\nw

Enclosures

cc: Robert Copeland
Janie Knight
Anthony Doheny

STATE OF FLORIDA
DEPARTMENT OF TRANSPORTATION
TURNPIKE REVENUE REFUNDING BONDS
FISCAL SUFFICIENCY REQUEST FOR NOT EXCEEDING $195,000,000

ESTIMATED COVERAGE TABLE

FISCAL YEAR ENDING JUNE 30	HISTORICAL/PROJECTED PLEDGED REVENUES[1] TURNPIKE SYSTEM REVENUES	OPERATIONS & MAINTENANCE EXPENSES[2]	NET REVENUE	OUTSTANDING DEBT SERVICE[3]	TOTAL DEBT SERVICE	LESS FEDERAL SUBSIDY[4]	NET DEBT SERVICE	NET DEBT SERVICE COVERAGE
Historical[5]								
2010	$ 611,596,000	$ 172,422,000	$ 439,174,000	$ 224,220,717	$ 224,220,717	$ (5,811,097)	$ 218,409,620	2.01 x
2011	611,946,000	180,060,000	431,886,000	243,061,034	243,061,034	(5,943,001)	237,118,033	1.82 x
2012	620,201,000	173,704,000	446,497,000	249,182,170	249,182,170	(5,943,001)	243,239,169	1.84 x
2013	767,985,000	157,388,000	610,597,000	251,384,741	251,384,741	(5,684,481)	245,700,260	2.49 x
2014	808,374,000	157,343,000	651,031,000	251,945,453	251,945,453	(5,515,105)	246,430,348	2.64 x
Projected								
2015	$ 808,244,000	$ 166,484,000	$ 641,760,000	$ 253,974,929	$ 253,974,929	(5,515,105)	$ 248,459,824	2.58 x
2016	833,953,000	173,912,000	660,041,000	266,944,749	266,944,749	(5,509,162)	261,429,644	2.52 x
2017	867,725,000	179,144,000	688,581,000	266,614,468	266,614,468	(5,509,162)	261,105,306	2.64 x
2018	916,237,000	182,773,000	733,464,000	267,508,618	267,508,618	(5,509,162)	261,999,456	2.80 x
2019	927,521,000	180,284,000	747,237,000	267,977,618	267,977,618	(5,509,162)	262,468,456	2.85 x
2020	947,317,000	180,284,000	767,033,000	251,483,368	251,483,368	(5,509,162)	245,974,206	3.12 x
2021	977,932,000	183,927,000	794,005,000	251,467,086	251,467,086	(5,367,124)	245,957,924	3.23 x
2022	1,007,973,000	187,636,000	820,337,000	224,820,349	224,820,349	(5,192,713)	219,453,225	3.74 x
2023	1,042,331,000	191,418,000	850,913,000	216,281,675	216,281,675	(5,011,330)	211,088,961	4.03 x
2024	1,074,197,000	195,269,000	878,928,000	215,252,667	215,252,667	(4,822,676)	210,241,336	4.18 x
2025	1,100,026,000	199,150,000	900,876,000	214,643,584	214,643,584	(4,990,887)	209,820,907	4.29 x
2026	1,100,026,000	199,150,000	900,876,000	193,696,175	193,696,175	(4,770,829)	188,705,288	4.77 x
2027	1,100,026,000	199,150,000	900,876,000	193,198,945	193,198,945	(4,517,478)	188,428,116	4.78 x
2028	1,100,026,000	199,150,000	900,876,000	166,099,648	166,099,648	(4,252,941)	161,582,170	5.58 x
2029	1,100,026,000	199,150,000	900,876,000	159,792,718	159,792,718	(3,976,623)	155,539,777	5.79 x
2030	1,100,026,000	199,150,000	900,876,000	152,942,989	152,942,989	(3,688,167)	148,966,366	6.05 x
2031	1,100,026,000	199,150,000	900,876,000	149,949,696	149,949,696	(3,386,859)	146,261,529	6.16 x
2032	1,100,026,000	199,150,000	900,876,000	149,628,551	149,628,551	(3,072,342)	146,241,692	6.16 x
2033	1,100,026,000	199,150,000	900,876,000	149,305,601	149,305,601	(2,743,902)	146,233,259	6.16 x
2034	1,100,026,000	199,150,000	900,876,000	138,023,090	138,023,090	(2,400,944)	135,279,188	6.66 x
2035	1,100,026,000	199,150,000	900,876,000	122,157,290	122,157,290	(2,042,754)	119,756,346	7.52 x
2036	1,100,026,000	199,150,000	900,876,000	121,787,333	121,787,333	(1,668,737)	119,744,579	7.52 x
2037	1,100,026,000	199,150,000	900,876,000	89,796,140	89,796,140	(1,278,179)	88,127,403	10.22 x
2038	1,100,026,000	199,150,000	900,876,000	76,845,566	76,845,566	(870,366)	75,567,387	11.92 x
2039	1,100,026,000	199,150,000	900,876,000	76,339,109	76,339,109	(444,584)	75,468,743	11.94 x
2040	1,100,026,000	199,150,000	900,876,000	56,498,375	56,498,375	-	56,053,791	16.07 x
2041	1,100,026,000	199,150,000	900,876,000	40,318,150	40,318,150	-	40,318,150	22.34 x
2042	1,100,026,000	199,150,000	900,876,000	33,546,750	33,546,750	-	33,546,750	26.85 x
2043	1,100,026,000	199,150,000	900,876,000	27,239,675	27,239,675	-	27,239,675	33.07 x
2044	1,100,026,000	199,150,000	900,876,000	16,818,200	16,818,200	-	16,818,200	53.57 x
2045	1,100,026,000	199,150,000	900,876,000	10,041,200	10,041,200	-	10,041,200	89.72 x
				$ 4,810,953,110	$ 4,810,953,110	$ (97,560,350)	$ 4,707,877,654	

[1] Projected revenues and expenses through fiscal year 2025 provided by the Turnpike's traffic and revenue consultant. For fiscal years 2026 and thereafter, revenue and expense projections have been held constant. However, no representation is made that the amounts shown in any fiscal year will be collected.

[2] The operations and maintenance expenses are paid by the Department of Transportation under an operations agreement and then reimbursed by the Turnpike after debt service. The operations agreement is enforcable by bondholders.

[3] Does not include the effects of the proposed refunding. The proposed refunding will be an economic defeasance with the escrow invested in a SPIA account with the State Treasury. The refunded bonds will not be legally defeased and will be called for redemption on July 1, 2016.

[4] Federal subsidy payments on Build America Bonds Series 2009B, adjusted for actual impact for Sequestration in 2013 and 2014, an estimated 7.2% reduction for 2015, and 6.8% reduction through 2024.

[5] Fiscal Years 2010 through 2014 represent audited financial results.

STATE BOARD OF ADMINISTRATION
1801 HERMITAGE BOULEVARD
TALLAHASSEE, FLORIDA 32308

TO:	Ash Williams
FROM:	Robert Copeland RFC
SUBJECT:	Fiscal Sufficiency
DATE:	October 28, 2015

APPROVAL OF FISCAL SUFFICIENCY OF AN AMOUNT NOT EXCEEDING $195,000,000 STATE OF FLORIDA, DEPARTMENT OF TRANSPORTATION TURNPIKE REVENUE REFUNDING BONDS, SERIES (TO BE DETERMINED):

The Division of Bond Finance of the State Board of Administration (the "Division"), on behalf of the State of Florida Department of Transportation, has submitted for approval as to fiscal sufficiency a proposal to issue an amount not exceeding $195,000,000 State of Florida, Department of Transportation Turnpike Revenue Refunding Bonds, Series (to be determined) (the "Bonds") for the purpose of refunding all or a portion of the outstanding Series 2006A Bonds. The Bonds will be issued pursuant to the Original Resolution adopted on October 25, 1988, as amended and restated on May 17, 2005, and the Forty-first Supplemental Turnpike Revenue Bond Resolution anticipated to be adopted by the Governor and Cabinet on November 10, 2015.

The Division, on behalf of the Department of Transportation, has heretofore issued Turnpike Revenue and Revenue Refunding Bonds, Series 2006A through 2015B (the "Outstanding Bonds"). The Bonds shall be issued on a parity as to source and security for payment with the Outstanding Bonds. The Bonds shall not be secured by a pledge of the full faith and credit or the taxing power of the State of Florida or any political subdivision thereof.

A study of this proposal and the estimates of revenue expected to accrue indicate that the proposed Bonds are fiscally sufficient and that the proposal will be executed pursuant to the applicable provisions of law.

RECOMMENDATION: It is recommended that the Board approve the proposal outlined above.

cc: Janie Knight

A RESOLUTION OF THE STATE BOARD OF ADMINISTRATION APPROVING THE FISCAL SUFFICIENCY OF AN AMOUNT NOT EXCEEDING $195,000,000 STATE OF FLORIDA, DEPARTMENT OF TRANSPORTATION TURNPIKE REVENUE REFUNDING BONDS, SERIES (TO BE DETERMINED)

WHEREAS, the Division of Bond Finance of the State Board of Administration (the "Division") proposes to issue an amount not exceeding $195,000,000 State of Florida, Department of Transportation Turnpike Revenue Refunding Bonds, Series (to be determined) (the "Bonds"), on behalf of the State of Florida Department of Transportation, for the purpose of refunding all or a portion of the outstanding Series 2006A Bonds; and,

WHEREAS, the Bonds will be issued pursuant to the Original Resolution adopted on October 25, 1988, as amended and restated on May 17, 2005, and the Forty-first Supplemental Turnpike Revenue Bond Resolution anticipated to be adopted by the Governor and Cabinet on November 10, 2015, (collectively referred to herein as the "Resolution"); and,

WHEREAS, the Division has requested the State Board of Administration to approve the fiscal sufficiency of the proposed bond issue as required by Section 215.73, Florida Statutes; and,

WHEREAS, the Division, on behalf of the Department of Transportation has heretofore issued Turnpike Revenue and Revenue Refunding Bonds, Series 2006A through 2015B (the "Outstanding Bonds"); and,

WHEREAS, the proposed Bonds shall be issued on a parity as to source and security for payment with the Outstanding Bonds; and,

WHEREAS, the proposed Bonds shall be secured by a first lien upon Net Revenues of the Turnpike System, which consists of all tolls, revenues, rates, fees, charges, receipts, rents or other income derived from, or in connection with, the operation of the Florida Turnpike, less any necessary contribution to fund the Cost of Maintenance and Cost of Operation after taking into account other sources of funds available to fund the Cost of Maintenance and Cost of Operation; and,

WHEREAS, the Florida Department of Transportation has covenanted to pay the Cost of Maintenance and Cost of Operation of the Turnpike System from moneys in the State Transportation Trust Fund; and,

WHEREAS, tolls are required to be fixed, and adjusted if necessary, so that gross revenues shall be sufficient to pay at least (i) 100% of Operation and Maintenance costs; (ii) 120% of the Annual Debt Service Requirement; and (iii) 100% of all other payments required by the Resolution; and,

WHEREAS, an examination of this plan of financing indicated that the same will be executed pursuant to the applicable provisions of law, and that the revenue to be used in servicing and liquidating the indebtedness to be created thereby may be reasonably expected to accrue in amounts sufficient to accomplish this purpose; and,

WHEREAS, the estimate of toll revenues available indicates that sufficient moneys can be pledged to exceed the debt service requirements of the proposed issue and that in no State fiscal year will the moneys pledged for the debt service requirement of the proposed issue be less than the required coverage amount; and,

WHEREAS, the Division has furnished sufficient information to enable the State Board of Administration to fulfill its duties pursuant to Section 215.73, Florida Statutes; and,

WHEREAS, the State Board of Administration has relied upon information from others but has not independently verified the accuracy or completeness of such information; and,

WHEREAS, the State Board of Administration does not approve or disapprove the Bonds as an investment and has not passed upon the accuracy or adequacy of the Official Statement; **Now, Therefore,**

BE IT RESOLVED, by the State Board of Administration of Florida, a constitutional body created by Section 4 of Article IV of the Constitution of the State of Florida, as revised in 1968 and subsequently amended, that pursuant to the requirements of Section 215.73, Florida Statutes, the proposal of the Division of Bond Finance of the State Board of Administration to issue an amount not exceeding $195,000,000 State of Florida, Department of Transportation Turnpike Revenue Refunding Bonds, Series (to be determined) for the uses and purposes hereinabove set forth, is hereby approved as to fiscal sufficiency.

ADOPTED November 10, 2015

STATE OF FLORIDA

DIVISION OF BOND FINANCE
OF THE STATE BOARD OF ADMINISTRATION

HERMITAGE CENTRE, SUITE 200
1801 HERMITAGE BOULEVARD
TALLAHASSEE, FLORIDA 32308

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J. BEN WATKINS III
DIRECTOR

RICK SCOTT
GOVERNOR
AS CHAIRMAN

PAM BONDI
ATTORNEY GENERAL
AS SECRETARY

JEFF ATWATER
CHIEF FINANCIAL OFFICER
AS TREASURER

ADAM H. PUTNAM
COMMISSIONER OF AGRICULTURE

October 23, 2015

Mr. Ashbel C. Williams
Executive Director
State Board of Administration
Post Office Box 13300
Tallahassee, Florida 32317-3300

RE: Not Exceeding $195,000,000 State of Florida, Department of Transportation Turnpike Revenue Refunding Bonds, Series (to be determined)

Dear Mr. Williams:

In compliance with Section 215.73, Florida Statutes, the Division of Bond Finance requests State Board of Administration approval as to fiscal sufficiency for the above referenced bond issue. We request such approval at your board meeting of November 10, 2015.

The bonds will be payable from the net revenues of the turnpike system on a parity with the outstanding Series 2006A through 2015B Bonds. The bonds will be issued for the purpose of refunding all or a portion of the Series 2006A bonds. The proposed refunding bonds will only be issued if there is a savings.

The bonds will be issued in one or more series pursuant to the Original Resolution adopted on October 25, 1988, as amended and restated on May 17, 2005, and the Forty-first Supplemental Turnpike Revenue Bond Resolution anticipated to be adopted by the Governor and Cabinet on November 10, 2015.

The following documents are enclosed for your consideration:

Enclosure 1: An estimated coverage table for the program without considering the potential savings from the proposed refunding bonds;

Enclosure 2: An estimated debt service and savings schedule from a recent sizing of the proposed refunding bonds; and

Enclosure 3: A draft copy of the Forty-first Supplemental Resolution anticipated to be adopted by the Governor and Cabinet on November 10, 2015.

A draft of the fiscal sufficiency resolution should be sent to Donna Biggins and Nora Wittstruck of this office for review. Should you have any questions, please contact either myself or Nora Wittstruck at 488-4782. Your consideration in this matter is appreciated.

Very truly yours,

J. Ben Watkins III
Director

JBW\nw

Enclosures

cc: Robert Copeland
Janie Knight
Anthony Doheny

STATE OF FLORIDA
DEPARTMENT OF TRANSPORTATION
TURNPIKE REVENUE REFUNDING BONDS
FISCAL SUFFICIENCY REQUEST FOR NOT EXCEEDING $195,000,000

ESTIMATED COVERAGE TABLE

	HISTORICAL/PROJECTED PLEDGED REVENUES[1]							
FISCAL YEAR ENDING JUNE 30	TURNPIKE SYSTEM REVENUES	OPERATIONS & MAINTENANCE EXPENSES[2]	NET REVENUE	OUTSTANDING DEBT SERVICE[3]	TOTAL DEBT SERVICE	LESS FEDERAL SUBSIDY[4]	NET DEBT SERVICE	NET DEBT SERVICE COVERAGE
Historical[5]								
2010	$ 611,596,000	$ 172,422,000	$ 439,174,000	$ 224,220,717	$ 224,220,717	$ (5,811,097)	$ 218,409,620	2.01 x
2011	611,946,000	180,060,000	431,886,000	243,061,034	243,061,034	(5,943,001)	237,118,033	1.82 x
2012	620,201,000	173,704,000	446,497,000	249,182,170	249,182,170	(5,943,001)	243,239,169	1.84 x
2013	767,985,000	157,388,000	610,597,000	251,384,741	251,384,741	(5,684,481)	245,700,260	2.49 x
2014	808,374,000	157,343,000	651,031,000	251,945,453	251,945,453	(5,515,105)	246,430,348	2.64 x
Projected								
2015	$ 808,244,000	$ 166,484,000	$ 641,760,000	$ 253,974,929	$ 253,974,929	(5,515,105)	$ 248,459,824	2.58 x
2016	833,953,000	173,912,000	660,041,000	266,944,749	266,944,749	(5,509,162)	261,429,644	2.52 x
2017	867,725,000	179,144,000	688,581,000	266,614,468	266,614,468	(5,509,162)	261,105,306	2.64 x
2018	916,237,000	182,773,000	733,464,000	267,508,618	267,508,618	(5,509,162)	261,999,456	2.80 x
2019	927,521,000	180,284,000	747,237,000	267,977,618	267,977,618	(5,509,162)	262,468,456	2.85 x
2020	947,317,000	180,284,000	767,033,000	251,483,368	251,483,368	(5,509,162)	245,974,206	3.12 x
2021	977,932,000	183,927,000	794,005,000	251,467,086	251,467,086	(5,367,124)	245,957,924	3.23 x
2022	1,007,973,000	187,636,000	820,337,000	224,820,349	224,820,349	(5,192,713)	219,453,225	3.74 x
2023	1,042,331,000	191,418,000	850,913,000	216,281,675	216,281,675	(5,011,330)	211,088,961	4.03 x
2024	1,074,197,000	195,269,000	878,928,000	215,252,667	215,252,667	(4,822,676)	210,241,336	4.18 x
2025	1,100,026,000	199,150,000	900,876,000	214,643,584	214,643,584	(4,990,887)	209,820,907	4.29 x
2026	1,100,026,000	199,150,000	900,876,000	193,696,175	193,696,175	(4,770,829)	188,705,288	4.77 x
2027	1,100,026,000	199,150,000	900,876,000	193,198,945	193,198,945	(4,517,478)	188,428,116	4.78 x
2028	1,100,026,000	199,150,000	900,876,000	166,099,648	166,099,648	(4,252,941)	161,582,170	5.58 x
2029	1,100,026,000	199,150,000	900,876,000	159,792,718	159,792,718	(3,976,623)	155,539,777	5.79 x
2030	1,100,026,000	199,150,000	900,876,000	152,942,989	152,942,989	(3,688,167)	148,966,366	6.05 x
2031	1,100,026,000	199,150,000	900,876,000	149,949,696	149,949,696	(3,386,859)	146,261,529	6.16 x
2032	1,100,026,000	199,150,000	900,876,000	149,628,551	149,628,551	(3,072,342)	146,241,692	6.16 x
2033	1,100,026,000	199,150,000	900,876,000	149,305,601	149,305,601	(2,743,902)	146,233,259	6.16 x
2034	1,100,026,000	199,150,000	900,876,000	138,023,090	138,023,090	(2,400,944)	135,279,188	6.66 x
2035	1,100,026,000	199,150,000	900,876,000	122,157,290	122,157,290	(2,042,754)	119,756,346	7.52 x
2036	1,100,026,000	199,150,000	900,876,000	121,787,333	121,787,333	(1,668,737)	119,744,579	7.52 x
2037	1,100,026,000	199,150,000	900,876,000	89,796,140	89,796,140	(1,278,179)	88,127,403	10.22 x
2038	1,100,026,000	199,150,000	900,876,000	76,845,566	76,845,566	(870,366)	75,567,387	11.92 x
2039	1,100,026,000	199,150,000	900,876,000	76,339,109	76,339,109	(444,584)	75,468,743	11.94 x
2040	1,100,026,000	199,150,000	900,876,000	56,498,375	56,498,375	-	56,053,791	16.07 x
2041	1,100,026,000	199,150,000	900,876,000	40,318,150	40,318,150	-	40,318,150	22.34 x
2042	1,100,026,000	199,150,000	900,876,000	33,546,750	33,546,750	-	33,546,750	26.85 x
2043	1,100,026,000	199,150,000	900,876,000	27,239,675	27,239,675	-	27,239,675	33.07 x
2044	1,100,026,000	199,150,000	900,876,000	16,818,200	16,818,200	-	16,818,200	53.57 x
2045	1,100,026,000	199,150,000	900,876,000	10,041,200	10,041,200	-	10,041,200	89.72 x
				$ 4,810,953,110	$ 4,810,953,110	$ (97,560,350)	$ 4,707,877,654	

[1] Projected revenues and expenses through fiscal year 2025 provided by the Turnpike's traffic and revenue consultant. For fiscal years 2026 and thereafter, revenue and expense projections have been held constant. However, no representation is made that the amounts shown in any fiscal year will be collected.

[2] The operations and maintenance expenses are paid by the Department of Transportation under an operations agreement and then reimbursed by the Turnpike after debt service. The operations agreement is enforcable by bondholders.

[3] Does not include the effects of the proposed refunding. The proposed refunding will be an economic defeasance with the escrow invested in a SPIA account with the State Treasury. The refunded bonds will not be legally defeased and will be called for redemption on July 1, 2016.

[4] Federal subsidy payments on Build America Bonds Series 2009B, adjusted for actual impact for Sequestration in 2013 and 2014, an estimated 7.2% reduction for 2015, and 6.8% reduction through 2024.

[5] Fiscal Years 2010 through 2014 represent audited financial results.

STATE BOARD OF ADMINISTRATION
1801 HERMITAGE BOULEVARD
TALLAHASSEE, FLORIDA 32308

TO: Ash Williams
FROM: Robert Copeland
SUBJECT: Fiscal Sufficiency
DATE: October 28, 2015

APPROVAL OF FISCAL SUFFICIENCY OF AN AMOUNT NOT EXCEEDING $145,000,000 STATE OF FLORIDA, FULL FAITH AND CREDIT, STATE BOARD OF EDUCATION PUBLIC EDUCATION CAPITAL OUTLAY REFUNDING BONDS, 2016 SERIES (TO BE DETERMINED):

The Division of Bond Finance of the State Board of Administration (the "Division"), on behalf of the State Board of Education, has submitted for approval as to fiscal sufficiency a proposal to issue an amount not exceeding $145,000,000 Public Education Capital Outlay Refunding Bonds, 2016 Series (to be determined) (the "Bonds") for the purpose of refunding all or a portion of the outstanding 2007 Series A Public Education Capital Outlay Bonds, and to pay certain costs of issuance; provided, however, that none of the said Bonds shall be issued in excess of the amount which can be issued in full compliance with the State Bond Act and other applicable provisions of law, and pursuant to Section 9(a)(2), Article XII of the Constitution of Florida, as amended. The Bonds will be issued in one or more series pursuant to an authorizing resolution adopted by the State Board of Education on July 21, 1992, and the Sixtieth Supplemental Authorizing Resolution and a sale resolution anticipated to be adopted by the State Board of Education on December 4, 2015.

The State Board of Education has heretofore issued Public Education Capital Outlay and Public Education Capital Outlay Refunding Bonds, 1999 Series D through 2015 Series E, and has sold Public Education Capital Outlay Refunding Bonds, 2015 Series F (the "2015 Series F Refunding Bonds") to be delivered on November 24, 2015. The State Board of Administration has approved the fiscal sufficiency of an amount not exceeding $600,000,000 Public Education Capital Outlay Refunding Bonds, 2015 Series (to be determined) (the "2015 Series Refunding Bonds") at its April 14, 2015, meeting, of which $60,220,000 remains unissued. The Division of Bond Finance of the State Board of Administration has requested the State Board of Administration to rescind its approval of fiscal sufficiency with respect to the $60,220,000 remaining portion of the 2015 Series Refunding Bonds. The proposed Bonds shall be issued on a parity as to lien on and source and security for payment from the Gross Receipts Taxes with the outstanding and unpaid Public Education Capital Outlay and Public Education Capital Outlay Refunding Bonds, 1999 Series D through 2015 Series E and the 2015 Series F Refunding Bonds when delivered.

A study of this proposal and the estimates of revenue expected to accrue indicate that the proposed Bonds are fiscally sufficient and that the proposal will be executed pursuant to the applicable provisions of law.

RECOMMENDATION: It is recommended that the Board approve the proposal outlined above

cc: Janie Knight

A RESOLUTION OF THE STATE BOARD OF ADMINISTRATION APPROVING THE FISCAL SUFFICIENCY OF AN AMOUNT NOT EXCEEDING $145,000,000 STATE OF FLORIDA, FULL FAITH AND CREDIT, STATE BOARD OF EDUCATION PUBLIC EDUCATION CAPITAL OUTLAY REFUNDING BONDS, 2016 SERIES (TO BE DETERMINED)

WHEREAS, the State Board of Education of Florida proposes to issue an amount not exceeding $145,000,000 Public Education Capital Outlay Refunding Bonds, 2016 Series (to be determined) (the "Bonds") for the purpose of refunding all or a portion of the outstanding 2007 Series A Public Education Capital Outlay Bonds, and to pay certain costs of issuance; provided, however, that none of the said Bonds shall be issued in excess of the amount which can be issued in full compliance with the State Bond Act and other applicable provisions of law, and pursuant to Section 9(a)(2), Article XII of the Constitution of Florida, as amended; and,

WHEREAS, the Bonds will be issued in one or more series pursuant to an authorizing resolution adopted by the State Board of Education on July 21, 1992, and the Sixtieth Supplemental Authorizing Resolution and a sale resolution anticipated to be adopted by the State Board of Education on December 4, 2015; and,

WHEREAS, the proposed Bonds shall be secured by a lien upon the Gross Receipts Taxes which are required to be deposited in the Public Education Capital Outlay and Debt Service Trust Fund administered by the State Board of Education of Florida (the "Gross Receipts Taxes"), and the Bonds are additionally secured by a pledge of the full faith and credit of the State of Florida; and,

WHEREAS, the State Board of Education has heretofore issued Public Education Capital Outlay and Public Education Capital Outlay Refunding Bonds, 1999 Series D through 2015 Series E, and has sold Public Education Capital Outlay Refunding Bonds, 2015 Series F (the "2015 Series F Refunding Bonds") to be delivered on November 24, 2015; and,

WHEREAS, the State Board of Administration has approved the fiscal sufficiency of an amount not exceeding $600,000,000 Public Education Capital Outlay Refunding Bonds, 2015 Series (to be determined) (the "2015 Series Refunding Bonds") at its April 14, 2015, meeting, of which $60,220,000 remains unissued; and,

WHEREAS, the Division of Bond Finance of the State Board of Administration has requested the State Board of Administration to rescind its approval of fiscal sufficiency with respect to the $60,220,000 remaining portion of the 2015 Series Refunding Bonds; and

WHEREAS, the proposed Bonds shall be issued on a parity as to lien on and source and security for payment from the Gross Receipts Taxes with the outstanding and unpaid Public Education Capital Outlay and Public Education Capital Outlay Refunding Bonds, 1999 Series D through 2015 Series E and the 2015 Series F Refunding Bonds when delivered; and,

WHEREAS, the Division of Bond Finance has furnished sufficient information to enable the State Board of Administration to fulfill its duties pursuant to Section 215.73, Florida Statutes; and,

WHEREAS, the State Board of Administration has relied upon information from others but has not independently verified the accuracy or completeness of such information; and,

WHEREAS, the State Board of Administration does not approve or disapprove the Bonds as an investment and has not passed upon the accuracy or adequacy of the Official Statement; **Now, Therefore,**

BE IT RESOLVED, by the State Board of Administration of Florida, a constitutional body as described in Section 4 of Article IV of the Constitution of the State of Florida, as revised in 1968 and subsequently amended, that pursuant to the requirements of Section 215.73, Florida Statutes, that the proposal of the State Board of Education of Florida to issue an amount not exceeding $145,000,000 Public Education Capital Outlay Refunding Bonds, 2016 Series (to be determined), is hereby approved as to fiscal sufficiency. In addition, the approval of fiscal sufficiency with respect to the unissued portion of the $600,000,000 Public Education Capital Outlay Refunding Bonds, 2015 Series (to be determined) approved on April 14, 2015, excluding the 2015 Series F Bonds to be issued November 24, 2015, is hereby rescinded.

ADOPTED November 10, 2015

STATE OF FLORIDA

DIVISION OF BOND FINANCE
OF THE STATE BOARD OF ADMINISTRATION

HERMITAGE CENTRE, SUITE 200
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J. BEN WATKINS III
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AS CHAIRMAN

PAM BONDI
ATTORNEY GENERAL

JEFF ATWATER
CHIEF FINANCIAL OFFICER

ADAM H. PUTNAM
COMMISSIONER OF AGRICULTURE

October 23, 2015

Mr. Ashbel C. Williams
Executive Director
State Board of Administration
Post Office Box 13300
Tallahassee, Florida 32317-3300

RE: Not Exceeding $145,000,000 State of Florida, Full Faith and Credit, State Board of Education Public Education Capital Outlay Refunding Bonds, 2016 Series (to be determined)

Dear Mr. Williams:

In compliance with Section 215.73, Florida Statutes, the Division of Bond Finance requests State Board of Administration approval as to fiscal sufficiency for the above referenced bond issue. We request fiscal sufficiency approval at your board meeting of November 10, 2015.

The bonds will be payable from gross receipts taxes and are additionally secured by the full faith and credit of the State of Florida. The bonds will be on a parity with the previously issued 1999 Series D through 2015 Series E Bonds, and the $293.355 million remaining balance of the $600 million Public Education Capital Outlay Refunding Bonds approved for fiscal sufficiency on April 14, 2015, when and if issued.

The proposed bonds will be issued to refund all or a portion of the outstanding 2007 Series A, Public Education Capital Outlay Bonds and to pay costs associated with the issuance and sale of the proposed bonds. The bonds will only be issued if there is a savings.

The bonds will be issued in one or more series pursuant to an authorizing resolution adopted by the State Board of Education on July 21, 1992, and the sixtieth Supplemental Authorizing Resolution and a sale resolution anticipated to be adopted by the State Board of Education on December 4, 2015.

Enclosed for your review are the following:

Enclosure 1: An estimated coverage table based upon the projected gross receipts tax revenues from the July 2015 Revenue Estimating Conference. Coverage is based on existing program debt service, without considering the potential savings from the proposed refunding bonds;

Enclosure 2: An estimated savings schedule for the proposed refunding bonds;

Enclosure 3: The gross receipts tax estimates from the July 2015 Revenue Estimating Conference;

Enclosure 4: A draft of the sixtieth Supplemental Authorizing Resolution which is anticipated to be adopted by the State Board of Education on December 4, 2015, authorizing the issuance of not to exceed $145,000,000 Refunding Bonds; and

Enclosure 5: A draft of the sale resolution which is anticipated to be adopted by the State Board of Education on December 4, 2015.

A draft of the fiscal sufficiency resolution should be sent to Donna Biggins and Kim Nichols of this office for review. Should you have any questions, please contact myself, Donna Biggins or Kim Nichols at 488-4782. Your consideration in this matter is appreciated.

Very truly yours,

J. Ben Watkins III
Director

JBW:kjn

Enclosures

cc: Anthony Doheny
Robert Copeland

State of Florida, Full Faith and Credit
State Board of Education Public Education Capital Outlay Bonds

Estimated Coverage Table

Fiscal Year	Gross Receipts Taxes[1]	Debt Service on Outstanding PECO Bonds[2]	Subsidy[3]	Net Debt Service	Debt Service Coverage[4]
Historical					
2011	$1,071,648,704	$951,149,531	($12,676,457)	$938,473,074	1.14x
2012	1,035,289,306	974,966,138	(12,676,457)	962,289,681	1.08x
2013	1,003,047,943	958,634,195	(12,125,031)	946,509,164	1.06x
2014	1,005,357,521	921,106,006	(11,763,752)	909,342,254	1.11x
2015	1,152,382,802	897,845,110	(11,751,076)	886,094,034	1.30x
Projected					
2016	$1,183,630,000	$877,994,706	($11,770,715)	$866,223,991	1.37x
2017	1,203,500,000	877,302,274	(11,721,559)	865,580,715	1.39x
2018	1,226,000,000	855,831,034	(11,665,439)	844,165,594	1.45x
2019	1,245,270,000	868,652,786	(11,531,364)	857,121,422	1.45x
2020	1,262,970,000	864,226,868	(11,285,280)	852,941,587	1.48x
2021	1,281,550,000	884,583,399	(10,952,974)	873,630,424	1.47x
2022	1,301,100,000	892,102,830	(10,601,720)	881,501,110	1.48x
2023	1,322,150,000	858,912,644	(10,229,350)	848,683,294	1.56x
2024	1,344,530,000	774,112,916	(9,833,486)	764,279,430	1.76x
2025	1,366,080,000	713,701,238	(10,103,673)	703,597,564	1.94x
2026	1,366,080,000	567,671,459	(9,623,568)	558,047,891	2.45x
2027	1,366,080,000	539,651,100	(9,120,732)	530,530,368	2.57x
2028	1,366,080,000	514,097,923	(8,586,631)	505,511,292	2.70x
2029	1,366,080,000	485,452,600	(8,027,736)	477,424,864	2.86x
2030	1,366,080,000	463,968,828	(7,441,255)	456,527,573	2.99x
2031	1,366,080,000	442,307,143	(6,825,999)	435,481,143	3.14x
2032	1,366,080,000	421,525,290	(6,179,159)	415,346,131	3.29x
2033	1,366,080,000	378,730,730	(5,507,864)	373,222,866	3.66x
2034	1,366,080,000	338,648,394	(4,811,301)	333,837,092	4.09x
2035	1,366,080,000	315,299,776	(4,088,353)	311,211,424	4.39x
2036	1,366,080,000	280,342,224	(3,338,210)	277,004,014	4.93x
2037	1,366,080,000	235,995,141	(2,550,034)	233,445,108	5.85x
2038	1,366,080,000	147,027,781	(1,731,643)	145,296,139	9.40x
2039	1,366,080,000	84,008,124	(882,111)	83,126,013	16.43x
2040	1,366,080,000	38,563,450	-	38,563,450	35.42x
2041	1,366,080,000	4,641,000	-	4,641,000	294.35x

[1] Estimates of gross receipts tax collections for Fiscal Years 2016 through 2025 as adopted by the Florida Revenue Estimating Conference held in July 2015. The projections for Fiscal Year 2025 have been held constant for future years; however, no representation is made that the amounts shown will be collected.

[2] Includes debt service through 2015 Series E Refunding Bonds. Does not include the effects of the proposed 2015 Series F Refunding or the proposed $145 million refunding, which are economic refundings with escrows to be invested in SPIA accounts with the State Treasury. The refunded bonds will not be legally defeased and will be called for redemption on June 1, 2016. Also excluded are the bonds previously refunded by the 2015 Series E, which was an economic refunding with the escrow invested in the State Treasury. Those bonds previously refunded are not legally defeased and will be called for redemption on June 1, 2016.

[3] Expected federal subsidy payments for Build America Bonds 2006 Series G, 2007 Series G, 2008 Series D and 2009 Series F. The expected subsidy payments through fiscal year 2024 have been reduced by 6.8% from the originally expected amounts to account for the currently expected reductions resulting from sequestration. The actual reductions to future subsidy payments as a result of sequestration are still to be determined.

[4] Coverage based on Net Debt Service.

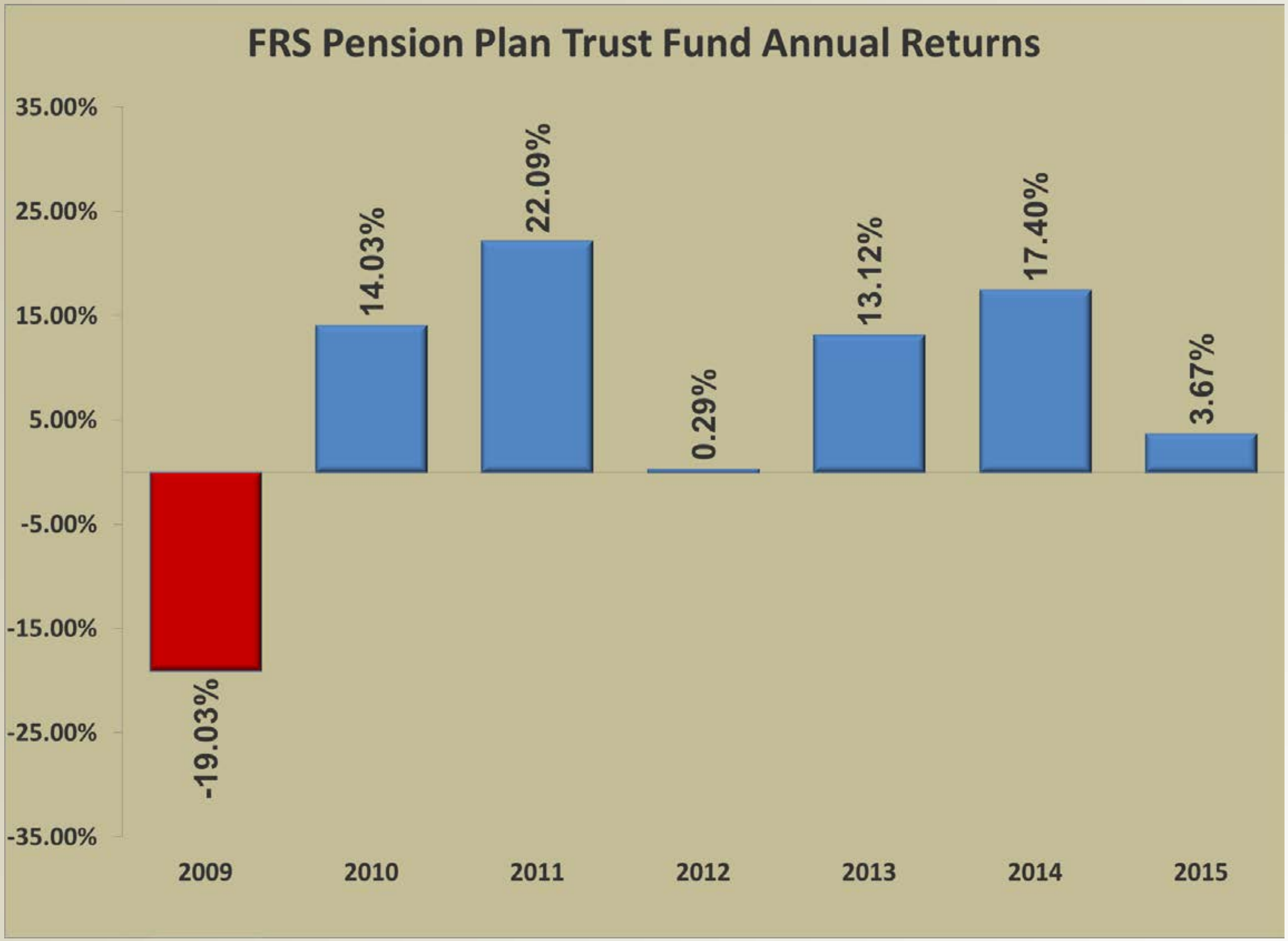
State Board of Administration
FRS Pension Plan Trust Fund Update

Ash Williams
Executive Director & CIO

SBA FLORIDA
STATE BOARD OF ADMINISTRATION

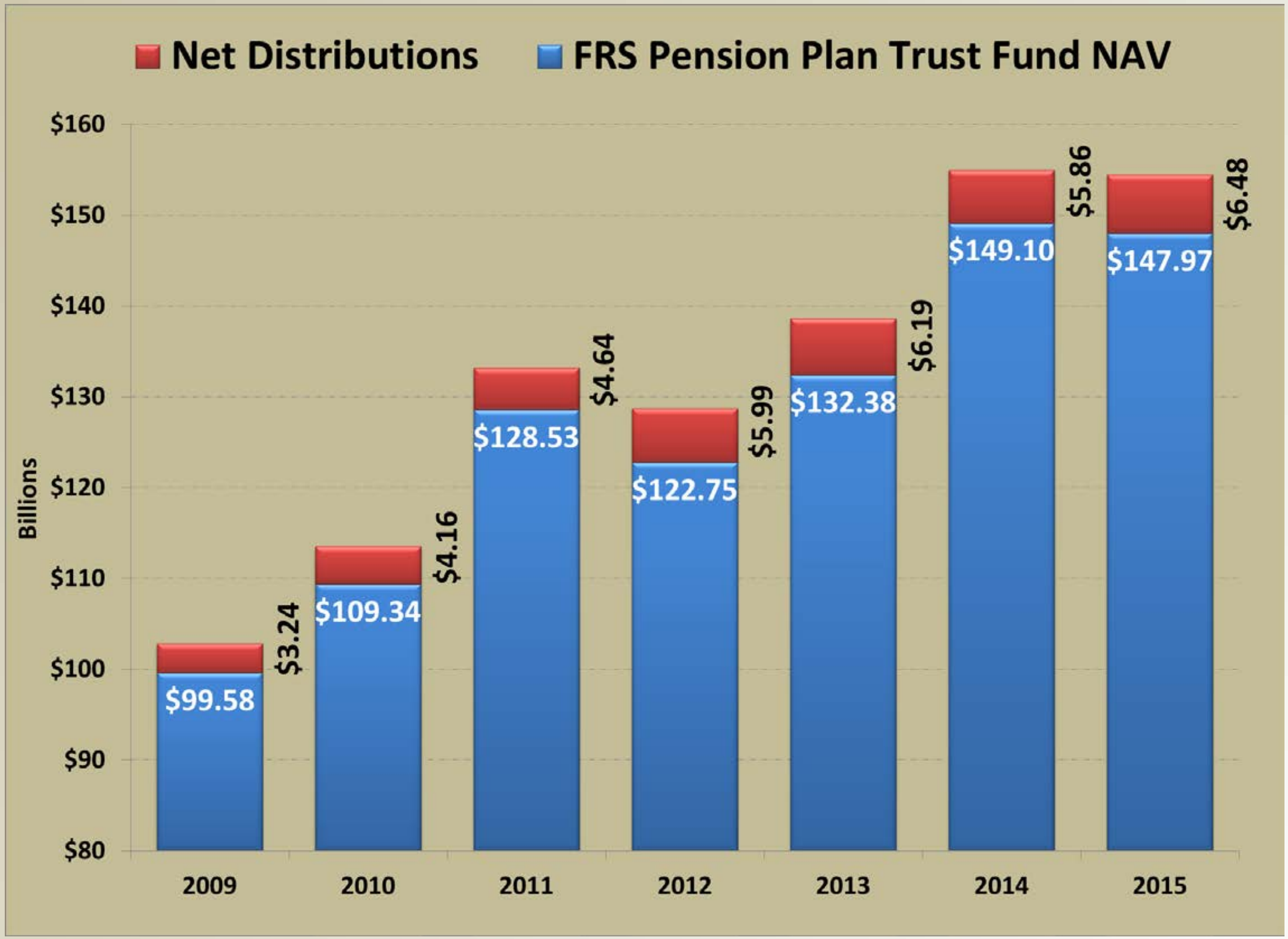
FRS Pension Plan Trust Fund Recovery

Fiscal Year Net Return



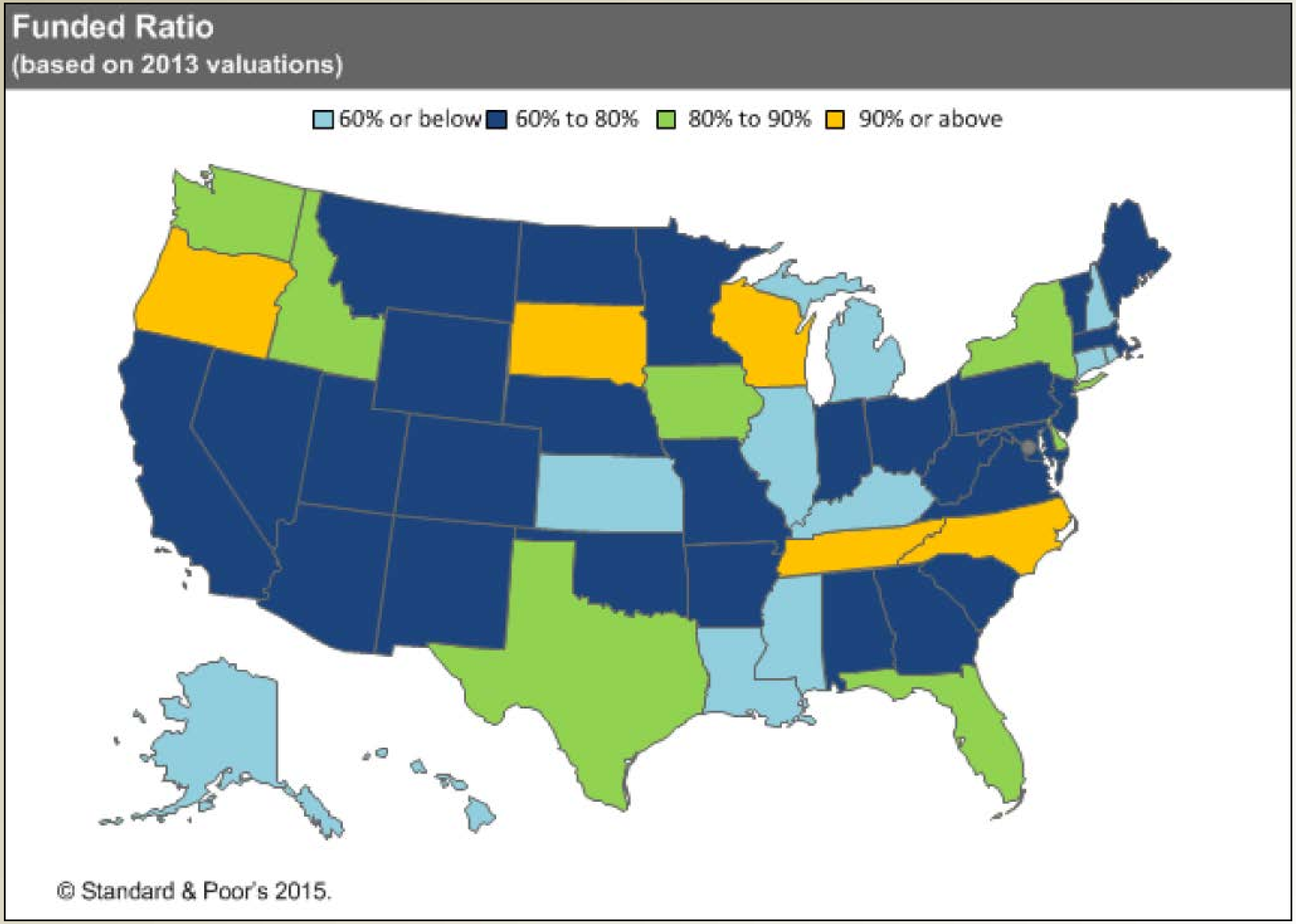
FRS Pension Plan Trust Fund Recovery

Net Distributions and NAV as of June 30



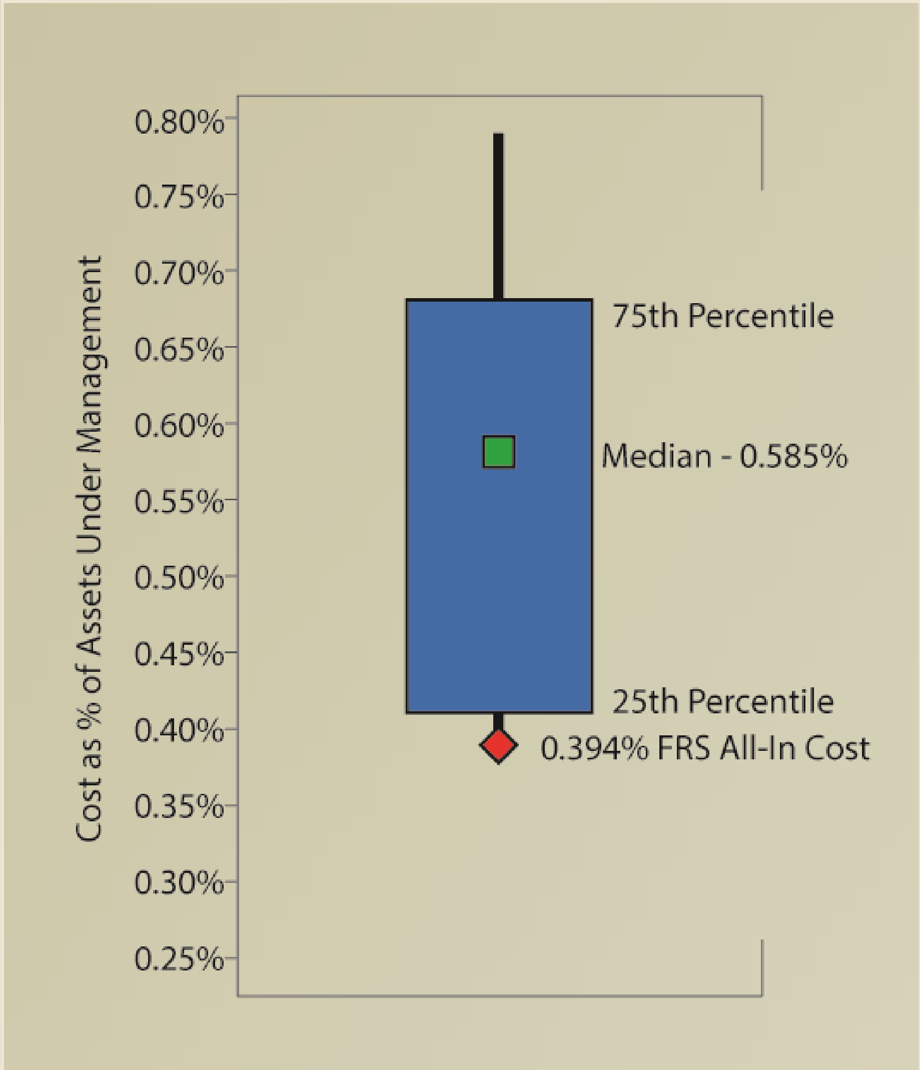
FRS Pension Plan Trust Fund Recovery

Comparison of Funded Ratio (2013)



CY 2014 Peer Comparison of All-in Cost

CEM Benchmarking, Inc.



FRS Pension Plan Trust Fund Risk Mitigation

- Market Risk
- Human Capital Risk
- Execution Risk

2015 Public Plan of the Year
Institutional Investor

Hamilton Lane®

Florida Growth Fund
Meeting of the State Board of Administration

November 2015

Florida Growth Fund Overview

Florida Growth Fund ("FGF")

- FGF was launched in 2009 with a focus towards generating attractive returns for Florida State Board of Administration ("Florida SBA") and its beneficiaries
- FGF seeks to invest in technology and growth companies in the state of Florida. The investment strategy includes:
  - **Fund Investments:** Buyout, Growth Equity, Mezzanine, Venture Capital funds with a good Florida track record
  - **Equity Co-investments:** across industries alongside a primary GP at the same time and in the same security
- FGF seeks to enhance the Florida private equity ecosystem by encouraging greater investment focus on Florida-based companies
- The Florida SBA is more than a Limited Partner, they are a valued partner to the FGF
- FGF is not a grant or economic development program

Hamilton Lane

Evolution of the FGF

With the support of Florida SBA, FGF has grown to $750M under management[1]

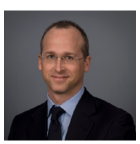
2008

Florida Legislature authorizes investments in Florida based growth and technology companies

SBA selects Hamilton Lane to manage FGF ($250M tranche I)

Hamilton Lane AUM & Supervision $96B

HL participates in FGF RFP

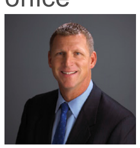


FL-based FGF Professionals: 0

2009

First FGF Fund and Co-investments

Greg Baty joins FGF, opens Ft Lauderdale office



FL-based FGF Professionals: 2

2010

Over $90M in investment activity 2010/2011

FGF closes first Secondary investment

FGF breaks J-curve in 4 quarters

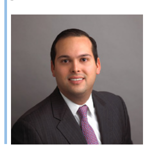
2011

Tranche II of FGF launched ($250M)

$5M partial dividend

2012

Gustavo Cardenas joins FGF

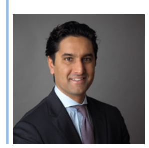


2013

First full Co-investment realization

$100M Florida Credit Fund launched

Nayef Perry joins FGF to lead credit initiative



FL-based FGF Professionals: 4

2014

First FGF mezz deal closed

$250M FGF II launched

2015

Hamilton Lane AUM & Supervision $239B+[2]

[1] As of June 30, 2015
[2] As of September 30, 2015

Florida Growth Fund - Capital Allocation

FGF I ($500 million)			FGF II ($250 million)
Tranche I	**Tranche II**	**Credit Tranche**	**Tranche I**
Size: $250 million	**Size:** $150 million	**Size:** $100 million	**Size:** $250 million
Vintage: 2009	**Vintage:** 2012	**Vintage:** 2013	**Vintage:** 2014
Fund and Equity Co-investments	Fund and Equity Co-investments	Credit Co-investments	Fund and Equity Co-investments
12 Fund and 17 Equity Co-Investments	11 Fund and 8 Equity Co-investments	5 investments to date	4 investments to date
Fully Invested/Committed	*Fully Invested/Committed*	*Currently investing*	*Currently investing*

FGF Performance Against Goals

FGF seeks to deliver on the following goals

2009	2015[1]
• Generate attractive returns for the SBA	• **11.1%** net IRR (expectations for future returns are higher; FGF has generated early liquidity and mitigated the j-curve in 4 quarters) • **$143M** FGF returned capital since-inception

• Invest in Florida private equity partnerships and companies
  • Deploy $5M to $20M sized commitments
	• **81%** of invested capital is in FL companies
	  • **23** fund commitments (average size **$8M**)
	  • **30** co-investments (average size **$7M**)

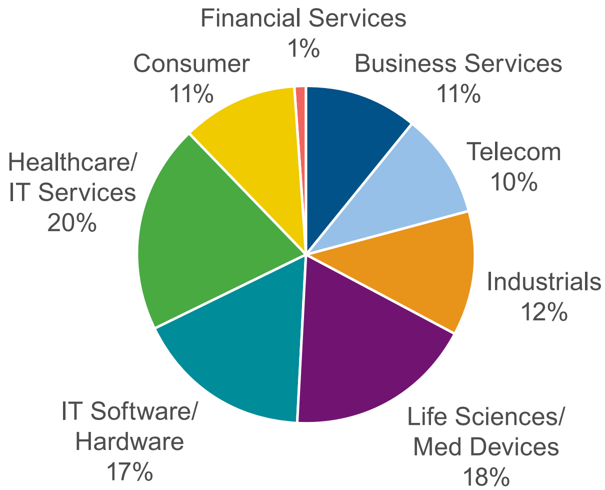
• Invest in technology and growth	• **65%** invested in Technology & Healthcare • **44%** invested in Growth and Venture
• Ancillary benefit: job creation in Florida	• FGF investments have contributed to the creation of **14,545** jobs at an annual average salary of **$67,536**[2]

Please see endnotes in Appendix

Florida Growth Fund Footprint

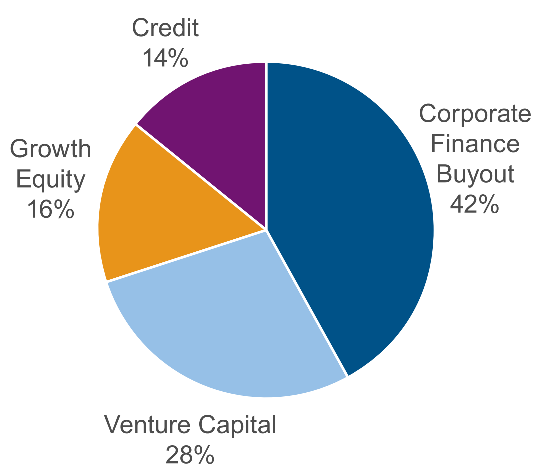
FGF has leveraged the HL network and its FL-based team to grow its market presence

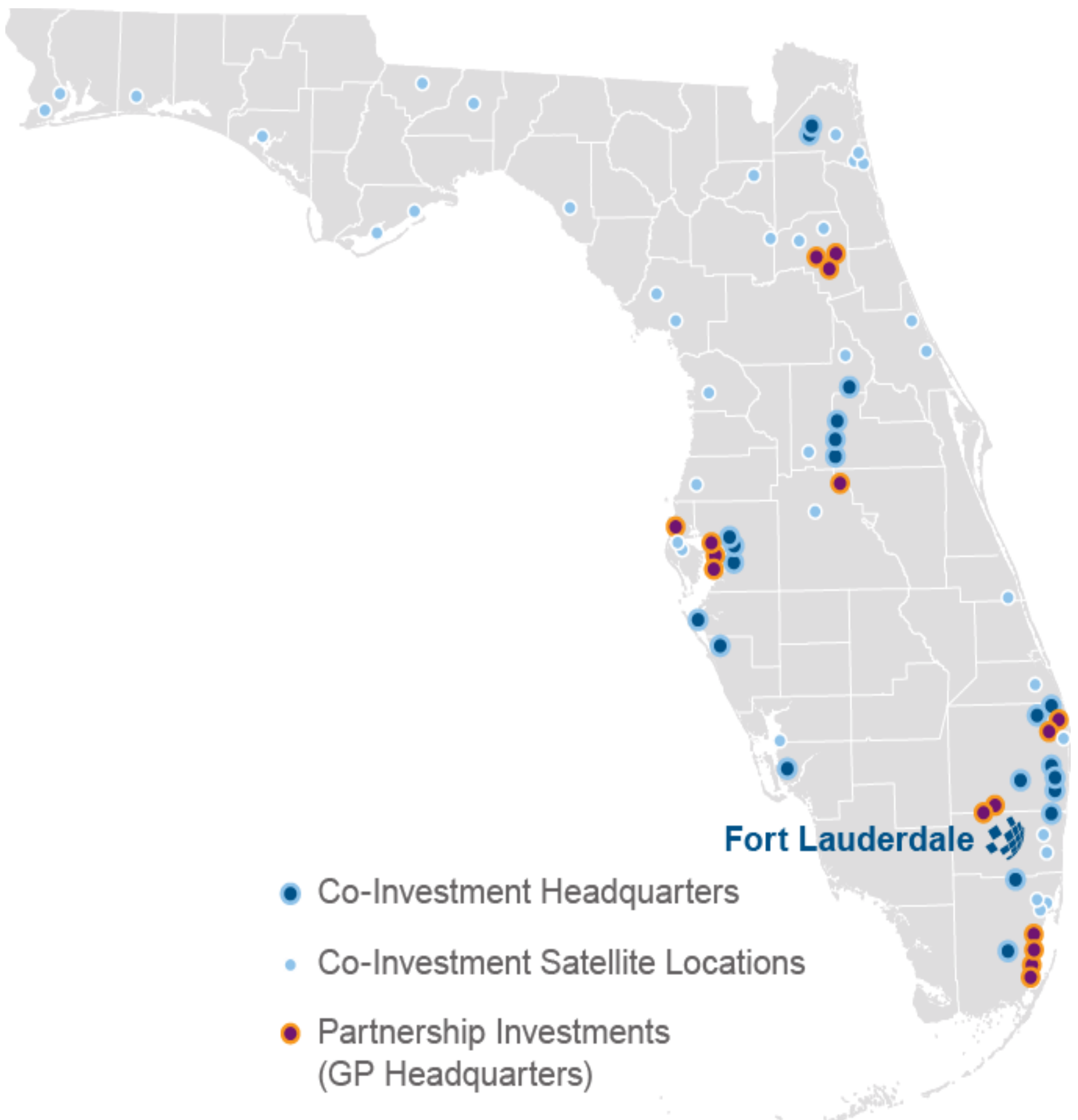
Industry Sector*



Investment Strategy

Total Commitments





*Data as of 6/30/2015. Measured by exposed market value of underlying partnership holdings and direct investments

Florida Growth Fund I

Florida Growth Fund I As of June 30, 2015			
USD in Millions	**Co-Investments**	**Partnerships**	**Total**
Number of Investments	30	23	53
Capital Committed	$214	$188	$402
Gross MOIC	1.47x	1.25x	1.4x
Gross IRR	14.4%	11.9%	13.9%
Net IRR			**11.1%**

Florida Growth Fund I As of June 30, 2015				
USD in Millions	**Tranche I**	**Tranche II**	**Credit**	**Total**
Number of Investments	29	19	5	53
Capital Committed	$235	$145	$22	$402
Gross MOIC	1.45x	1.33x	1.14x	1.40x
Gross IRR	13.1%	16.9%	23.5%	13.9%
Net IRR	**10.7%**	**13.3%**	**6.9%**	**11.1%**

Fund Investment
Comvest Investment Partners IV

Vintage: 2010
Fund Size: $525M

FGF Size: $5M
Location: West Palm, FL

Description:

- Lower-middle market buyout fund
- Focused on complex situations in industries where Comvest has significant operating expertise
- Fund was previously based in New York City

Highlights:

- Three Florida investments in Fund IV
- Comvest backed companies have added 192 jobs in Florida
- Two FGF co-investments alongside Comvest
- Additional FGF commitments to Comvest debt (primary in Fund III and a secondary in Fund II)

Co-Investment
Voxeo

Date: October 2009
Round Size: $9M

FGF Size: $4.5M
Location: Orlando, FL

Description:

- Interactive Voice Response (IVR) platform provider sourced through broader Hamilton Lane relationship
- Founder bought back company from West Coast VC to re-locate in Florida

Highlights:

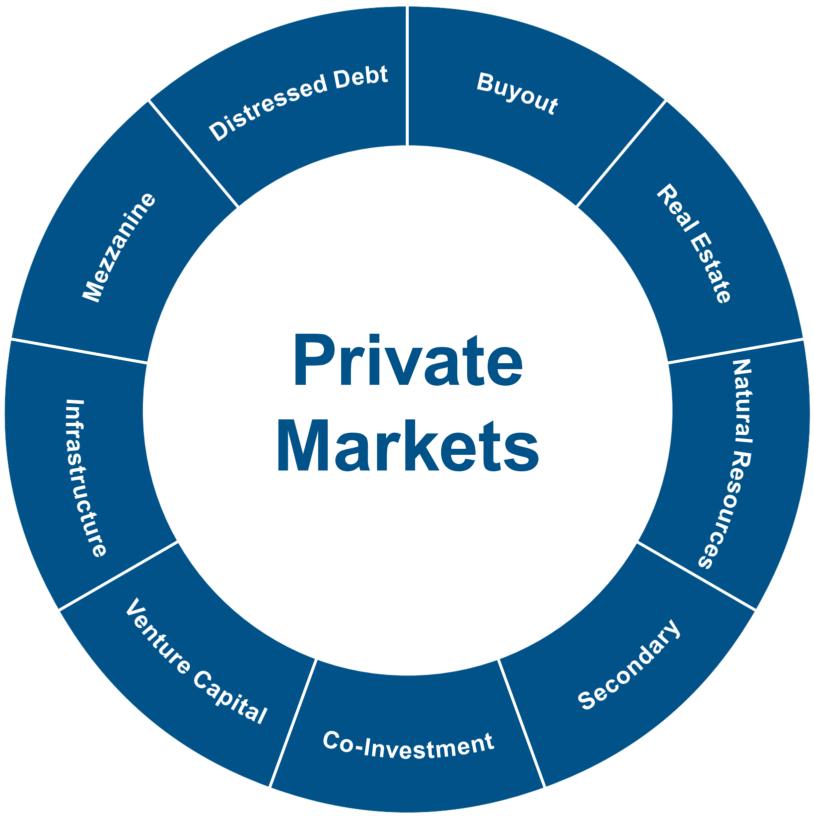
- Grew revenue to $45 million from very low base
- Added 80 jobs in Florida since investment
- Contributed to start-up eco-system in Orlando
- Sold in July 2013 to Aspect (PE-owned company)

Appendix

Hamilton Lane works with sophisticated institutional investors to access the full spectrum of private markets

Firm Spotlight[1]

- 11 global offices
- 235+ employees
  - 100 are shareholders[2]
- $233B assets under management & supervision
- $11.9B in primary commitments in 2014[3]
- $170M invested alongside our clients
- **900+ bps** realized outperformance vs MSCI World PME[4]



What We Offer

- Managed Solutions
- Advised Solutions
- Product Solutions
  - Fund-of-Funds
  - Secondary Funds
  - Co-Investment Funds
  - Strategic Opportunities Funds
- Operational Support Solutions
  - Reporting & Analytics Solutions
  - Distribution Management

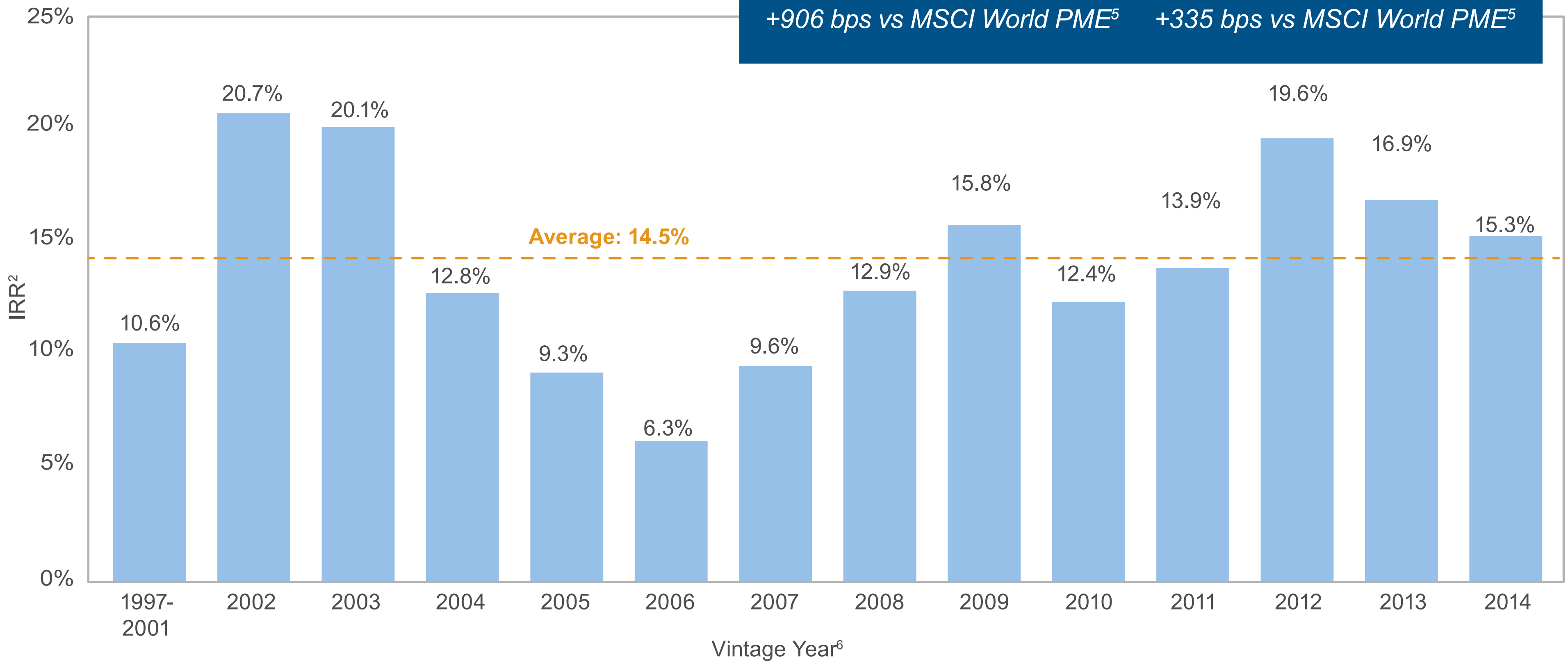
[1] As of June 30, 2015.
[2] As of July 15, 2015.
[3] The 2014 capital allocated includes all primary commitments for which Hamilton Lane retains a level of discretion for the investment decisions and advisory client commitments to Hamilton Lane broadly recommended funds. This amount excludes secondary and co-investment commitments.
[4] As of March 31, 2015. As shown in our discretionary track record in Appendix.

By Vintage Year[1,7]
As of March 31, 2015

10-Year Performance

16.6%
Realized Gross IRR[3]
+906 bps vs MSCI World PME[5]

12.3%
Total Gross IRR[4]
+335 bps vs MSCI World PME[5]



$36B of discretionary commitments*

* Over the past 10 years through March 31, 2015. Represents the total dollars committed to investments in each active and inactive account including non-liquidated and liquidated investments. Please refer to endnotes on page 13.

Hamilton Lane Discretionary Track Record[1,7]

As of March 31, 2015

Composite Performance			
	5-Year	7-Year	10-Year
Hamilton Lane Realized IRR[3]	17.61%	12.61%	16.63%
Spread vs. S&P 500 PME (bps)[5]	376 bps	341 bps	778 bps
Spread vs. MSCI World PME (bps)[5]	735 bps	622 bps	906 bps
Hamilton Lane Total IRR[4]	13.60%	10.51%	12.32%
Spread vs. S&P 500 PME (bps)[5]	-164 bps	-130 bps	97 bps
Spread vs. MSCI World PME (bps)[5]	218 bps	188 bps	335 bps

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[1] The Discretionary Track Record includes all commingled funds-of-funds and separate accounts managed by Hamilton Lane for which Hamilton Lane retains a level of discretion for the investment decisions, as of March 31, 2015. The results herein include all secondary fund investments (except as noted below), as well as primary fund investments where a commingled fund-of-funds or multiple accounts participated in an investment. This presentation does not include co-investments or investments made on behalf of two accounts which Hamilton Lane no longer manages. As of March 31, 2015 this presentation represents commitments of $31 billion; in total Hamilton Lane had $37.7 billion in commitments for all discretionary accounts, of which $3.4 billion represents co-investments.

[2] Hamilton Lane IRR represents the pooled IRR for all Discretionary Track Record investments within the relevant vintage year for the period from inception to March 31, 2015. The returns are net of management fees, carried interest and expenses charged by the underlying fund managers, but do not include Hamilton Lane management fees, carried interest or expenses since it is not possible to allocate such items accurately in a composite measured at different points in time. The Hamilton Lane IRR would decrease with the inclusion of these fees, carried interest and expenses. See the hypothetical example below. Hamilton Lane has calculated and presented these returns on a pooled basis using daily cash flows. Performance results for the most recent vintage years are considered less meaningful due to the short measurement period, the incurrence of fees and expenses and the absence of significant distributions.

[3] The Hamilton Lane Realized IRR represents the pooled IRR for those Discretionary Track Record investments that Hamilton Lane considers realized for purposes of its Discretionary Track Record, which are investments where the underlying investment fund has been fully liquidated, has generated a DPI greater than or equal to 1.0 or has an RVPI less than or equal to 0.2 and is older than 6 years. DPI represents total distributions divided by total invested capital. RVPI represents the remaining market value divided by total invested capital. These realized investments represent $7 billion of the $31 billion of total commitments included in the overall Discretionary Track Record. The Hamilton Lane Realized IRR is measured for the 5-, 7- and 10-year periods ending March 31, 2015. These horizon returns are calculated on a point-to-point basis over the specified time periods. The contributions, distributions and remaining asset values at the beginning and ending dates of the horizon periods are used in calculating these returns. The returns are net of management fees, carried interest and expenses charged by the underlying fund managers, but do not include Hamilton Lane management fees, carried interest or expenses since it is not possible to allocate such items accurately in a composite measured at different points in time. The Hamilton Lane Realized IRR would decrease with the inclusion of these fees, carried interest and expenses. See the hypothetical example below. Hamilton Lane has calculated and presented these returns on a pooled basis using daily cash flows, where vintage years with larger amounts committed to investment have a proportionately larger impact on returns.

[4] The Hamilton Lane Total IRR represents the pooled IRR for all Discretionary Track Record investments and is measured for the 5-, 7- and 10-year periods ending March 31, 2015. These horizon returns are calculated on a point-to-point basis over the specified time periods. The contributions, distributions and remaining asset values at the beginning and ending dates of the horizon periods are used in calculating these returns. These returns are net of management fees, carried interest and expenses charged by the underlying fund managers, but do not include Hamilton Lane management fees, carried interest or expenses since it is not possible to allocate such items accurately in a composite measured at different points in time. The Hamilton Lane Total IRR would decrease with the inclusion of these fees, carried interest and expenses. See the hypothetical example below. Hamilton Lane has calculated and presented these returns on a pooled basis using daily cash flows, where vintage years with larger amounts committed to investment have a proportionately larger impact on returns.

[5] The indices presented for comparison are the S&P 500 and the MSCI World, calculated on a Public Market Equivalent (PME) basis. The PME calculation methodology assumes that capital is being invested in, or withdrawn from, the index on the days the capital was called and distributed from the underlying fund managers. Contributions were scaled by a factor such that the ending portfolio balance would be equal to the private equity net asset value. The scaling factor is found by taking the sum of all shares sold (SS), the sum of all shares purchased (SP) and calculating the number of shares the ending value is worth (SEV). Dividing SEV + SS by SP solves for the PME scaling factor. The scaling of contributions prevents shorting of the public market equivalent portfolio in order to match the performance of an outperforming private equity portfolio. Realized and unrealized amounts were not scaled by this factor. The S&P 500 Total Return Index is a capitalization weighted index that measures the performance of 500 U.S. large cap stocks. The MSCI World Index is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed markets. The indices are presented merely to show general trends in the markets for the relevant periods shown. The comparison between Hamilton Lane performance and the index is not intended to imply that a fund's or separate account's portfolio is benchmarked to the index either in composition or level of risk. The index is unmanaged, has no expenses and reflects the reinvestment of dividends and distributions. The spreads are provided for comparative purposes only. A variety of factors may cause an index to be an inaccurate benchmark for any particular fund or separate account and the indices do not necessarily reflect the actual investment strategy of a fund or separate account.

[6] The Hamilton Lane IRR for the 2015 Vintage Year, calculated on a non-annualized basis in a manner consistent with the CFA Institute's standards for private equity performance reporting, as well as on a pooled basis using daily cash flows, is 11.21%. Hamilton Lane does not consider this performance metric meaningful due to the very short measurement period.

[7] At the time that this track record was generated, approximately 97% of March 31, 2015 fund reported market valuations have been received from General Partners. For all other Funds represented in this track record, Hamilton Lane uses the "Adjusted Market Value" methodology which reflects the most recent reported market value from the General Partner adjusted for interim net cash flows through March 31, 2015. This performance is subject to change as additional March 31, 2015 reported market values are received from the General Partners. A fund's market value contains unrealized investments. Valuations of unrealized investments are based on valuations by the underlying managers. The actual realized returns on unrealized investments will depend on factors other than the original cost, such as the value of the assets and market conditions at the time of disposition, any related transaction costs, and the timing and manner of sale, all of which may differ from the assumptions on which the valuations contained herein are based. Accordingly, the actual realized returns on these unrealized investments may differ materially from the assumed returns indicated herein.

The following hypothetical illustrates the effect of fees on earned returns for both separate accounts and fund-of-funds investment vehicles. The example is solely for illustration purposes and is not intended as a guarantee or prediction of actual returns that would be earned by similar investment vehicles having comparable features. The hypothetical assumes a separate account or fund-of-funds consisting of $100 million in commitments with a fee structure of 1.0% on committed capital during the first four years of the term of the investment and then declining by 10% per year thereafter for the 12-year life of the account or fund. The commitments were made during the first three years in relatively equal increments, and the assumption of returns was based on cash flow assumptions derived from a historical database of actual private equity cash flows. We modeled the impact of fees on four different return streams over a 12-year time period. Under these models, the effect of the fees reduced returns by approximately 2%. This does not include performance fees since the performance of the account or fund would determine the effect such fees would have on returns. Expenses also vary based on the particular investment vehicle and, therefore, were not included in this hypothetical. Both performance fees and expenses would further decrease the return.

Past performance of the investments presented herein is not indicative of future results and should not be used as the basis for an investment decision. The information included has not been reviewed or audited by independent public accountants. Certain information included herein has been obtained from sources that Hamilton Lane believes to be reliable but the accuracy of such information cannot be guaranteed.

Endnotes

Page 5

[1] As of June 30, 2015

[2] Source: FGF has collected employment and salary data directly from the portfolio companies and General Partners. These figures are captured in preparation for the December 2015 OPPAGA report.

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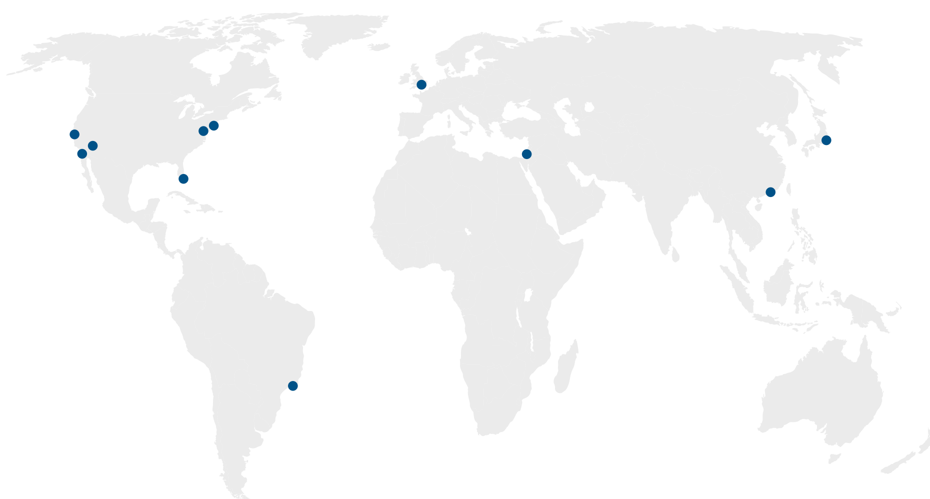

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The S&P 500 Total Return Index is a capitalization-weighted index of 500 U.S. large cap stocks that assumes all dividends and distributions are reinvested.

The MSCI World Index is a free float-adjusted market capitalization weighted index that is designed to measure the equity performance of developed markets.

Certain of the performance results included herein do not reflect the deduction of any applicable advisory or management fees, since it is not possible to allocate such fees accurately in a vintage year presentation or in a composite measured at different points in time. A client's rate of return will be reduced by any applicable advisory or management fees, carried interest and any expenses incurred. Hamilton Lane's fees are described in Part 2 of our Form ADV, a copy of which is available upon request.

The following hypothetical example illustrates the effect of fees on earned returns for both separate accounts and fund of funds investment vehicles. The example is solely for illustration purposes and is not intended as a guarantee or prediction of the actual returns that would be earned by similar investment vehicles having comparable features. The example is as follows: The hypothetical separate account or fund of funds consisted of $100 million in commitments with a fee structure of 1.0% on committed capital during the first four years of the term of the investment and then declining by 10% per year thereafter for the 12-year life of the account. The commitments were made during the first three years in relatively equal increments and the assumption of returns was based on cash flow assumptions derived from a historical database of actual private equity cash flows. Hamilton Lane modeled the impact of fees on four different return streams over a 12-year time period. In these examples, the effect of the fees reduced returns by approximately 2%. This does not include performance fees, since the performance of the account would determine the effect such fees would have on returns. Expenses also vary based on the particular investment vehicle and, therefore, were not included in this hypothetical example. Both performance fees and expenses would further decrease the return.

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As of November 6