

STATE BOARD OF ADMINISTRATION OF FLORIDA ("SBA")

2016- 2017 ANNUAL REGULATORY PLAN

[Required pursuant to Chapter 2015-162, Laws of Florida]

OCTOBER 1, 2016

- **Laws Amended/Created over previous 12 months that modify the agency's duties or authority (as required by Section 120.74(1)(a), Florida Statutes):**

A. Chapter 2016-36, Laws of Florida (CS/CS/SB 86): List of Scrutinized Companies

This law creates Section 215.4725, Florida Statutes that requires the SBA to identify and assemble a list of companies that boycott Israel. The SBA is prohibited from acquiring securities, as direct holdings, of companies that appear on the list. The law states that the Investment Policy Statement for the Florida Retirement System ("FRS") Pension Plan is to be updated to include the limitations on acquiring securities of companies that appear on the list. Effective Date: 03/10/2016, with the first list of companies to be compiled by 08/01/2016.

Adoption of Rules: Rulemaking is not necessary with respect to the compilation of the list of companies. However, in compliance with the law, the Investment Policy Statement ("IPS") for the FRS Pension Plan is being revised to indicate the prohibitions on investment. The revisions have been approved by the Investment Advisory Council as required by Section 215.475(2), Florida Statutes. Next, the revised IPS will be presented to the Trustees for their approval. Once this approval is secured, Rule 19-4.0035, FAC will be amended to adopt and incorporate the IPS by reference.

B. Chapter 2016-215, Laws of Florida (HB 7028): Creates Section 215.4702, Florida Statutes Concerning Northern Ireland.

This law creates Section 215.4702, Florida Statutes to encourage the SBA to identify those entities in which the Florida Retirement System has invested that operate in Northern Ireland. Once that determination is made, the SBA is encouraged to notify the entities that it supports the MacBride Principles and to encourage the identified entities that currently have not adopted the MacBride Principles to do so. Effective date: 07/01/16.

Adoption of Rules: Rulemaking is not necessary to implement the changes enacted by the law. Current rule provisions do not address any restrictions on investments, since those restrictions are imposed directly by statute and do not need to be implemented by rule.

C. Chapter 2016-213, Laws of Florida (HB 7012): In-Line of Duty Death Benefits Under the Florida Retirement System Investment Plan

This law authorizes payment of death benefits to the surviving spouse or children of any Special Risk Class Investment Plan member killed in the line of duty under specified circumstances. Effective Date: 7/1/2016.

Adoption of Rules: Rule 19-11.002, F.A.C. currently is being amended to indicate that if a Special Risk Class Investment Plan member is killed in the line of duty, such member's family will be entitled to a monthly survivor benefit as outlined in detail by new Rule 19-11.014, F.A.C. which is being promulgated. Rule 19-11.014, F.A.C. will note that the spouse and unmarried children of Special Risk Class Investment Plan members who are killed in the line of duty may receive, in lieu of receiving the member's vested Investment Plan account balance, monthly survivor benefits equal to 100% of the member's salary at the time of death. Monthly benefits payable will be paid to the surviving spouse for his or her lifetime, and upon his or her death, to any surviving children where each such child is either under age 18 or under age 25 if each such child is a full-time student and unmarried. A Notice of Proposed Rule was filed in *Florida Administrative Register* on August 12, 2016. A rule hearing was not requested. The Joint Administrative Procedures Committee made some comments that currently are being addressed. The rule should be filed for adoption during October 2016.

[Note: There are a few laws that affect all Florida governmental entities, but that do not need to be implemented by rulemaking by the governmental entities, nor by the sending of reports or other information to another governmental entity. The SBA recognizes the existence of these new laws and may revise, or has revised, its internal policies and contracts in view of these changes. The new laws are as follows:

D. Chapter 2016-183, Laws of Florida (CS/CS/CS for HB 183): Administrative Procedures

This law, among other things, revises requirements related to rulemaking procedures based on petitions to initiate rulemaking alleging an unadopted rule; expands the listing of information that must be published in the Florida Administrative Register to include rules filed for adoption but awaiting legislative ratification; revises the pleading requirements and burden of going forward with evidence in challenges to proposed and unadopted rules; clarifies those rule validity decisions that may be appealed; and requires the identification and certification of all rules the violation of which would constitute a "minor violation." Effective Date: 07/01/2016

E. Chapter 2016-20, Laws of Florida (CS/HB 273): Public Records- Contract Requirement

This law requires any public agency contract for services entered into on or after July 1, 2016 to include a statement providing contact information of the public agency's

custodian of public records should any service provider have questions about the Florida Public Records law (Chapter 119). The law also revises required provisions in the public agency's contract for services regarding contractor's compliance with public records laws; requires public records requests relating to records for public agency's contract for services to be made directly to the public agency; requires any contractor to provide requested records to public agency or allow inspection or copying of requested records; specifies circumstances under which a court must assess and award reasonable costs of enforcement against contractor; specifies sufficient notice; and provides that contractor who takes certain actions is not liable for reasonable costs of enforcement. Effective: 03/08/2016. [Note: The SBA has included the required information in all of its new and amended contracts, as/if applicable.].

Chapter 2016-114, Laws of Florida (CS/SB 624). Public Records Exemption for IT Security Programs: This law creates exemptions from public records requirements for certain records held by a state governmental entity which identify detection, investigation, or response practices for suspected or confirmed information technology security incidents and for certain portions of risk assessments, evaluations, external audits, and other reports of the entity's information technology program. Effective Date: 03/25/2016

Chapter 2016-164, Laws of Florida (SB 752): Public Records Exemption for Inspector General and Audit Committee Staff: This law provides for an exemption from public records requirements for certain identifying and location information of current or former personnel employed in a state governmental entity's office of the inspector general or the internal audit department the duties of whom include auditing or investigating certain activities that could lead to criminal prosecution or administrative discipline, provided these individuals have made reasonable efforts to protect the information from being accessible through other means available to the public. Certain information concerning the spouses and children of these individuals is also protected. Effective Date: 03/30/2016.

Chapter 2016-49, Laws of Florida (SB 7030). Competitive Solicitation/Negotiation Strategies: This law amends provisions which provide an exemption from public records requirements for bids, proposals, or replies submitted to an agency in response to a competitive solicitation; amending provisions which provide an exemption from public meetings requirements for portions of meetings in which a vendor participates in a negotiation, makes an oral presentation, or answers questions as part of a competitive solicitation or in which negotiation strategies are discussed, and which provides an exemption from public records requirements for the recording of, and any records presented at, exempt portions of such meetings. Effective 10/01/2016.]

Chapter 2016-102, Laws of Florida (CS/HB 1219): Veterans Employment: This law requires state agencies to develop and implement a written veterans' recruitment plan that establishes goals annually for ensuring the full use of veterans in the agency's workforce. Effective 10/01/2016.

Chapter 2016-151, Laws of Florida (HB 7071): Public Corruption: This law establishes a number of criminal offenses related to public officials/employees and the performance of their official duties. Effective 10/01/2016.

- **Laws not otherwise listed that the Agency expects to implement by rulemaking before the following July:**

N/A

- **Updates to prior year's plan or supplement. If in a prior year, a law was identified requiring rulemaking to implement but notice of proposed rule has not been published:**

N/A

Additional Information: Proposed Changes to Rules that are required by existing laws:

See attached sheet.

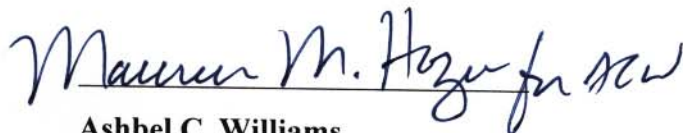
**State Board of Administration/Florida Hurricane Catastrophe Fund
2016-2017 Annual Regulatory Plan**

Rule Number	Rule Title	Rulemaking Action	Reason for Rulemaking	Additional Details on Reason for Rulemaking	Description of Current Rule or Statute to be Implemented	Description of Changes to be Made in Rulemaking	Economic Impact
19-8.010	Reimbursement Contract	Rule Amendment	Statutory Mandate (State statutory mandate; s. 215.555(17)(b) requires the SBA to adopt the Reimbursement Contract form no later than February 1 of each year.)	The Reimbursement Contract is annually reviewed and revised to accommodate statutory changes, technical issues, and any need for clarification.	Section 215.555, F.S., originally enacted in 1993, establishes the Florida Hurricane Catastrophe Fund within the SBA and provides for reimbursement of a portion of residential property insurers' hurricane losses. Rule 19-8.010 implements this statute by specifying the form of the annual Reimbursement Contract.	Only technical and clarifying changes are anticipated at this time.	None
19-8.028	Reimbursement Premium Formula	Rule Amendment	Statutory Mandate (State statutory mandate; s. 215.555(5) requires the SBA to adopt a formula for the "actuarially indicated" premium to be paid by insurers to the FHCF. To comply with the "actuarially indicated" requirement, the premium formula is revised annually.)	The annual revision of the Reimbursement Premium Formula also accommodates statutory changes, technical issues, and any need for clarification.	Section 215.555, F.S., originally enacted in 1993, establishes the Florida Hurricane Catastrophe Fund within the SBA and provides for reimbursement of a portion of residential property insurers' hurricane losses. Rule 19-8.028 implements this statute by providing the formula for determining premiums to be paid to the fund by participating insurers.	Implementation of actuarial recommendations pursuant to s. 215.555(5)(b), F.S., and technical and clarifying changes	None
19-8.029	Insurer Reporting Requirements	Rule Amendment	See "Description of Changes"	This rule provides for insurer reporting of insured values, as required by s. 215.555(5)(c), F.S., and is revised annually to accommodate statutory changes, technical issues, and any need for clarification.	Section 215.555, F.S., originally enacted in 1993, establishes the Florida Hurricane Catastrophe Fund within the SBA and provides for reimbursement of a portion of residential property insurers' hurricane losses. Rule 19-8.029 implements this statute by providing for reporting of insured values to the fund.	In addition to technical and clarifying changes, substantive provisions from Rule 19-8.030 will be incorporated into this rule in order to consolidate related provisions while allowing for deletion of material that is duplicative of other rules or laws or is otherwise inappropriate for rulemaking.	None
19-8.030	Insurer Responsibilities	Rule Repeal	See "Description of Changes"	This rule establishes deadlines and other requirements for participating insurers and includes instructions to insurers relating to examinations, which are authorized under s. 215.555(4)(f), F.S. The rule is revised annually to accommodate statutory changes, technical issues, and any need for clarification.	Section 215.555, F.S., originally enacted in 1993, establishes the Florida Hurricane Catastrophe Fund within the SBA and provides for reimbursement of a portion of residential property insurers' hurricane losses. Rule 19-8.030 implements this statute by specifying the responsibilities of participating insurers and providing instructions for examinations.	Repeal of this rule is planned, and language that is not duplicative of other rules or laws or otherwise inappropriate for rulemaking will be moved to Rule 19-8.029.	None


STATE BOARD OF ADMINISTRATION OF FLORIDA

ANNUAL REGULATORY PLAN CERTIFICATION

I HEREBY CERTIFY that the Annual Regulatory Plan (ARP) for the State Board of Administration of Florida ("SBA"), including the Florida Hurricane Catastrophe Fund, as required pursuant to Section 120.74(1), Florida Statutes has been reviewed by the undersigned. I also certify that the SBA, including the Florida Hurricane Catastrophe Fund, at least annually reviews all of its rules, the most recent review occurring in June 2016, to determine whether the rules remain consistent with the SBA's rulemaking authority and the laws implemented.



Ashbel C. Williams
Executive Director & CIO
State Board of Administration of Florida



Maureen M. Hazen
General Counsel
State Board of Administration of Florida

ENTERED this 30th day of September, 2016. A copy of this Regulatory Plan will be posted on the SBA's website on or before October 1, 2016.



STATE BOARD OF ADMINISTRATION
OF FLORIDA

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RICK SCOTT
GOVERNOR
AS CHAIRMAN

JEFF ATWATER
CHIEF FINANCIAL OFFICER

PAM BONDI
ATTORNEY GENERAL

ASH WILLIAMS
EXECUTIVE DIRECTOR & CIO

MEMORANDUM

Date: September 26, 2016

To: **Maureen Hazen**
General Counsel

Lamar Taylor
Deputy Executive Director

From: **Ash Williams**
Executive Director & CIO

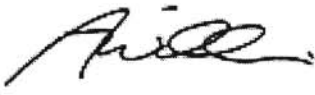
Subject: **Delegation of Authority**

I will be out of the office from **8:00am on Tuesday, September 27, 2016 through 5:00pm on Wednesday, October 5, 2016**. I hereby appoint **Maureen Hazen** as my designee on September 27 – October 3, and appoint **Lamar Taylor** as my designee on October 4 – 5, to carry out the duties and responsibilities that have been delegated to me by the Board of Trustees.

Prior to carrying out these duties and responsibilities, **Maureen** and **Lamar** will consult and coordinate with Executive Service Staff and other employees of the State Board of Administration, as needed.

If, because of unforeseen circumstances, this absence from the office extends beyond **5:00pm on October 5, 2016**, the delegate listed above will continue as my designee for a reasonable period thereafter.

09/26/16 4:12 PM

X  ✓
Williams_Ash cosign

Ash Williams

cc: Executive Service Staff
WorkSmart Portal