

MEETING OF THE STATE BOARD OF ADMINISTRATION

**GOVERNOR DESANTIS AS CHAIR
CHIEF FINANCIAL OFFICER PATRONIS
ATTORNEY GENERAL MOODY**

March 12, 2019

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AGENDA

ITEM 1. A RESOLUTION OF THE STATE BOARD OF ADMINISTRATION APPROVING THE FISCAL SUFFICIENCY OF AN AMOUNT NOT EXCEEDING \$28,000,000 STATE OF FLORIDA, DEPARTMENT OF ENVIRONMENTAL PROTECTION EVERGLADES RESTORATION REVENUE REFUNDING BONDS, SERIES (TO BE DETERMINED)

(See Attachment 1)

ACTION REQUIRED

ITEM 2. A RESOLUTION OF THE STATE BOARD OF ADMINISTRATION APPROVING THE FISCAL SUFFICIENCY OF AN AMOUNT NOT EXCEEDING \$500,000,000 STATE OF FLORIDA, FULL FAITH AND CREDIT, STATE BOARD OF EDUCATION PUBLIC EDUCATION CAPITAL OUTLAY REFUNDING BONDS, 2019 SERIES (TO BE DETERMINED)

(See Attachment 2)

ACTION REQUIRED

ITEM 3. REQUEST APPROVAL OF THE APPOINTMENT OF BOBBY JONES EFFECTIVE MARCH 12, 2019 TO THE INVESTMENT ADVISORY COUNCIL (S. 215.444, F.S.).

(See Attachment 3)

ACTION REQUIRED

ITEM 4. REQUEST APPROVAL OF THE APPOINTMENT OF VINNY OLMSTEAD EFFECTIVE MARCH 12, 2019 TO THE INVESTMENT ADVISORY COUNCIL (S. 215.444, F.S.).

(See Attachment 4)

ACTION REQUIRED

**STATE BOARD OF ADMINISTRATION
1801 HERMITAGE BOULEVARD
TALLAHASSEE, FLORIDA 32308**

TO: Ash Williams
FROM: Robert Copeland
SUBJECT: Fiscal Sufficiency
DATE: February 22, 2019

**APPROVAL OF FISCAL SUFFICIENCY OF AN AMOUNT NOT EXCEEDING \$28,000,000
STATE OF FLORIDA, DEPARTMENT OF ENVIRONMENTAL PROTECTION EVERGLADES
RESTORATION REVENUE REFUNDING BONDS, SERIES (TO BE DETERMINED)**

The Division of Bond Finance of the State Board of Administration (the "Division"), on behalf of the Department of Environmental Protection of Florida, has submitted for approval as to fiscal sufficiency a proposal to issue an amount not exceeding \$28,000,000 State of Florida, Department of Environmental Protection Everglades Restoration Revenue Refunding Bonds, Series (to be determined) (the "Bonds") for the purpose of refunding all or a portion of the outstanding Everglades Restoration Revenue Bonds, Series 2010B Build America Bonds (Federally Taxable-Issuer Subsidy), and to pay costs associated with the issuance and sale of the Bonds. The Bonds will be issued in one or more series pursuant to an authorizing resolution adopted by the Governor and Cabinet on October 4, 2005, as amended on December 5, 2006, February 26, 2008, January 26, 2010, and August 5, 2015; and a resolution anticipated to be adopted by the Governor and Cabinet on March 12, 2019.

The Department of Environmental Protection has heretofore issued Everglades Restoration Revenue and Revenue Refunding Bonds, Series 2007A-B through 2017A, and Florida Forever Revenue and Revenue Refunding Bonds, Series 2010B through 2018A (collectively, the "Outstanding Bonds"). The proposed Bonds shall be issued on parity as to source and security for the payment with the Outstanding Bonds.

A study of this proposal and the estimates of revenue expected to accrue from the Pledged Revenues, 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 \$28,000,000 STATE OF FLORIDA, DEPARTMENT OF
ENVIRONMENTAL PROTECTION EVERGLADES RESTORATION
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 \$28,000,000 State of Florida, Department of Environmental Protection Everglades Restoration Revenue Refunding Bonds, Series (to be determined) (the "Bonds"), on behalf of and in the name of the State of Florida Department of Environmental Protection, for the purpose of refunding all or a portion of the outstanding Everglades Restoration Revenue Bonds, Series 2010B Build America Bonds (Federally Taxable-Issuer Subsidy), and to pay costs associated with the issuance and sale of the Bonds; and,

WHEREAS, the Bonds will be issued in one or more series pursuant to an authorizing resolution adopted by the Governor and Cabinet on October 4, 2005, as amended on December 5, 2006, February 26, 2008, January 26, 2010, and August 5, 2015; and a resolution anticipated to be adopted by the Governor and Cabinet on March 12, 2019 (together, the "Resolution"); and,

WHEREAS, the Division has requested the State Board of Administration to approve the fiscal sufficiency of the proposed issue as required by Section 215.73 and 375.051, Florida Statutes; and,

WHEREAS, the Department of Environmental Protection has heretofore issued Everglades Restoration Revenue and Revenue Refunding Bonds, Series 2007A-B through 2017A, and Florida Forever Revenue and Revenue Refunding Bonds, Series 2010B through 2018A (collectively, the "Outstanding Bonds"); and,

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

WHEREAS, the proposed Bonds are secured by excise taxes required by law to be distributed pursuant to Section 201.15, Florida Statutes (the "Pledged Revenues"). The Bonds to be issued pursuant to the Resolution shall not constitute, directly or indirectly, a debt or a charge against the State of Florida, or any political subdivision thereof under the Constitution and laws of the State of Florida and shall not constitute a lien on any of the lands acquired from the proceeds of the Bonds, or any part thereof; and,

WHEREAS, an examination of this plan of financing indicated that the same will be executed pursuant to the applicable provisions of the laws, 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 Division, on behalf of Department of Environmental Protection, has furnished sufficient information to enable the State Board of Administration to fulfill its duties pursuant to Section 215.73 and 375.051, 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 Everglades 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, the proposal of the Division of Bond Finance of the State Board of Administration to issue an amount not exceeding \$28,000,000 State of Florida, Department of Environmental Protection Everglades Restoration Revenue Refunding Bonds, Series (to be determined) is hereby approved as to fiscal sufficiency.

ADOPTED March 12, 2019



J. BEN WATKINS III
DIRECTOR

STATE OF FLORIDA DIVISION OF BOND FINANCE

RON DeSANTIS
GOVERNOR

ASHLEY MOODY
ATTORNEY GENERAL

JIMMY PATRONIS
CHIEF FINANCIAL OFFICER

NIKKI FRIED
COMMISSIONER OF AGRICULTURE

February 18, 2019

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

RE: Not Exceeding \$28,000,000 State of Florida, Department of Environmental Protection
Everglades Restoration 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 fiscal sufficiency approval at your board meeting on March 12, 2019.

The proposed bonds will be secured by documentary stamp taxes required to be deposited in the Land Acquisition Trust Fund, consisting of the first money available from 100% of documentary stamp tax collections. The bonds will be issued on parity with the outstanding Everglades Restoration Revenue Bonds, Series 2007A-B through 2017A and the outstanding Florida Forever Revenue Bonds, Series 2010B through 2018A.

The bonds will be issued to refund all or a portion of the outstanding Everglades Restoration Revenue Bonds, Series 2010B Build America Bonds (Federally Taxable-Issuer Subsidy), and to pay costs associated with the issuance and sale of the proposed refunding bonds. The proposed refunding bonds will only be issued if there is a savings.

The bonds will be issued pursuant to an authorizing resolution adopted by the Governor and Cabinet on October 4, 2005, as amended on December 5, 2006, February 26, 2008, January 26, 2010, and August 5, 2015; and a resolution anticipated to be adopted by the Governor and Cabinet on March 12, 2019, which will authorize the issuance and sale of the proposed refunding bonds. A draft of the resolution anticipated to be adopted by the Governor and Cabinet on March 12, 2019 will be provided to you when available. The October 4, 2005 resolution allows for the issuance of bonds as either fixed-rate bonds or variable-rate bonds. The bonds will be issued as fixed-rate bonds.

February 18, 2019
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Enclosed for your review are the following:

- Enclosure 1: An estimated coverage table based upon the December 2018 Revenue Estimating Conference documentary stamp tax projections. Coverage is based upon 100% of documentary stamp taxes and estimated existing program debt service prior to the refunding;
- Enclosure 2: an estimated debt service and savings schedule from a recent sizing of the proposed refunding bonds;
- Enclosure 3: the historical documentary stamp tax collections data provided by the Office of Economic and Demographic Research of the Florida Legislature; and
- Enclosure 4: the forecast for documentary stamp tax collections from the December 2018 Revenue Estimating Conference.

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

Sincerely,


J. Ben Watkins III
Director

JBW/wtr

Enclosures

cc: Janie Knight
Alexander Nottingham
Sharon Vice
Robert Copeland

NOT EXCEEDING \$28,000,000
STATE OF FLORIDA
DEPARTMENT OF ENVIRONMENTAL PROTECTION
EVERGLADES RESTORATION REVENUE REFUNDING BONDS
SERIES [to be determined]

ESTIMATED DEBT SERVICE AND COVERAGE TABLE

Fiscal Year Ending June 30	Documentary Stamp Tax Collections (1)	Outstanding Everglades Debt Service (2)	Outstanding Florida Forever Debt Service (3) (4)	Less Federal Subsidy on BABs (5)	Total Outstanding Debt Service	Coverage
2019	\$ 2,646,000,000	\$ 23,905,634	\$ 140,906,963	\$ (2,601,645)	\$ 162,210,952	16.31x
2020	2,757,100,000	24,562,023	134,910,350	(513,730)	158,958,643	17.34x
2021	2,859,400,000	24,328,803	134,918,600	(474,580)	158,772,824	18.01x
2022	2,963,200,000	24,453,691	113,377,100	(433,273)	137,397,518	21.57x
2023	3,066,400,000	24,486,111	102,330,600	(389,757)	126,426,954	24.25x
2024	3,169,400,000	24,476,626	82,149,850	(343,477)	106,282,999	29.82x
2025	3,273,700,000	24,488,870	82,137,850	(294,160)	106,332,560	30.79x
2026	3,379,400,000	17,958,102	65,211,100	(242,152)	82,927,049	40.75x
2027	3,489,700,000	17,937,783	44,781,850	(187,195)	62,532,438	55.81x
2028	3,597,700,000	10,332,965	34,908,600	(137,253)	45,104,312	79.76x
2029	3,705,600,000	10,268,445	15,356,250	(70,773)	25,553,922	145.01x
2030	3,705,600,000	6,927,606	-	-	6,927,606	534.90x
2031	3,705,600,000	6,926,281	-	-	6,926,281	535.01x
2032	3,705,600,000	6,927,031	-	-	6,927,031	534.95x
2033	3,705,600,000	3,432,650	-	-	3,432,650	1079.52x
2034	3,705,600,000	3,428,025	-	-	3,428,025	1080.97x
2035	3,705,600,000	3,431,025	-	-	3,431,025	1080.03x
	<u>\$ 258,271,672</u>	<u>\$ 950,989,113</u>	<u>\$ (5,687,995)</u>	<u>\$ 1,203,572,790</u>		

(1) The figures in this column were based upon the December 2018 Revenue Estimating Conference for Documentary Stamp Tax forecast for fiscal years 2019-2029. The 2029 projection has been held constant thereafter. No assurance can be given that material differences between such projections and actual results will not occur.

(2) Includes debt service for the Everglades Bonds, Series 2007A-B through 2017A. Estimated debt service on the Series 2007A-B variable rate demand obligations is assumed at an interest rate of 3.25% and includes annual remarketing agent fees, liquidity fees, tender agent fees, and administrative fees.

(3) Pursuant to Section 201.15(1)(a), Florida Statutes, the maximum amount that may be distributed from the documentary stamp tax collections for Florida Forever bond debt service is \$300 million per year.

(4) Includes debt service for the Florida Forever Revenue Bonds, Series 2010A through 2018A. Includes approximately \$270,000 of accrued debt service on previously refunded bonds which will be called for redemption on July 1, 2019.

(5) Total of expected federal subsidies equal to 35% of the interest payable on the Florida Forever 2010B and Everglades 2010B Taxable Build America Bonds, which are expected to be deposited in the sinking fund. The estimated subsidy payments include the expected reductions resulting from federal sequestration. The Florida Forever 2010B Build America Bonds have been legally defeased and will be called for redemption July 1, 2019.

SAVINGS

State of Florida
 Department of Environmental Protection
 Everglades Restoration Revenue Refunding Bonds, Series TBD
 Calculations for Fiscal Sufficiency
 Rates as of February 7, 2019

Date	Prior Debt Service	Prior Adjustments	Prior Receipts	Prior Net Cash Flow	Refunding Debt Service	Savings	Present Value to 04/15/2019 @ 2.3792272%
07/01/2019	782,408.75	-137,646.96	521,605.83	123,155.96	210,319.44	-87,163.48	-89,327.32
07/01/2020	3,814,817.50	-513,729.58		3,301,087.92	2,581,250.00	719,837.92	699,827.63
07/01/2021	3,775,567.50	-474,579.80		3,300,987.70	2,582,000.00	718,987.70	682,657.92
07/01/2022	3,729,747.50	-433,273.10		3,296,474.40	2,578,750.00	717,724.40	665,523.36
07/01/2023	3,682,197.50	-389,756.94		3,292,440.56	2,581,500.00	710,940.56	643,816.85
07/01/2024	3,636,230.00	-343,477.30		3,292,752.70	2,579,750.00	713,002.70	630,575.61
07/01/2025	3,581,010.00	-294,160.08		3,286,849.92	2,578,500.00	708,349.92	611,795.32
07/01/2026	3,527,595.00	-242,152.44		3,285,442.56	2,582,500.00	702,942.56	592,908.42
07/01/2027	3,465,195.00	-187,195.02		3,277,999.98	2,581,250.00	696,749.98	573,919.73
07/01/2028	3,407,152.50	-137,253.38		3,269,899.12	2,579,750.00	690,149.12	555,116.65
07/01/2029	3,337,207.50	-70,772.62		3,266,434.88	2,577,750.00	688,684.88	540,960.89
	36,739,128.75	-3,223,997.22	521,605.83	32,993,525.70	26,013,319.44	6,980,206.26	6,107,775.06

Savings Summary

PV of savings from cash flow	6,107,775.06
Less: Prior funds on hand	-3,898,177.18
Plus: Refunding funds on hand	1,602.63
Net PV Savings	2,211,200.51

DOCUMENTARY STAMP TAX COLLECTIONS

		<u>Growth</u>
FY 08-09	\$ 1,122,800,000	-42.56%
FY 09-10	\$ 1,078,600,000	-3.94%
FY 10-11	\$ 1,156,500,000	7.22%
FY 11-12	\$ 1,261,600,000	9.09%
FY 12-13	\$ 1,643,400,000	30.26%
FY 13-14	\$ 1,812,500,000	10.29%
FY 14-15	\$ 2,120,800,000	17.01%
FY 15-16	\$ 2,276,870,000	7.36%
FY 16-17	\$ 2,417,760,000	6.19%
FY 17-18	\$ 2,510,020,000	3.82%

Source: Data obtained from Revenue Estimating Conferences of the Office of Economic and Demographic Research of the Florida Legislature.

Documentary Stamp Tax Collections and Distributions (Millions)
 General Revenue Conference Dec 2018

Statutory %s	\$ Cap	F.S Reference	Description	2017-18*	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
		201.15	Total Collection	2510.02	2646.00	2757.10	2859.40	2963.20	3066.40	3169.40	3273.70	3379.40	3489.70	3597.70	3705.60
			DOR Admin Cost	9.80	9.80	9.80	9.80	9.80	9.80	9.80	9.80	9.80	9.80	9.80	9.80
			Remainder available for distribution	2497.60	2636.20	2747.30	2849.60	2953.40	3056.60	3159.60	3263.90	3369.60	3479.90	3587.90	3695.80
		(1)	Debt Service (deposited to LATF)	165.55	163.60	163.61	163.67	142.15	131.16	111.03	111.07	87.65	67.28	49.84	30.29
			- Florida Forever	142.13	139.72	139.69	139.69	118.15	107.10	86.91	86.89	69.97	49.53	39.64	20.09
			- Everglades Restoration Bonds Prior to July 1, 2016	23.42	23.89	23.92	23.98	24.00	24.06	24.12	24.18	17.68	17.75	10.20	10.20
		(2)	Land Acquisition Trust Fund (1+2+3+4+5+6)	658.66	706.35	743.00	776.70	832.47	877.52	931.64	966.02	1024.32	1081.09	1134.17	1189.32
25.00%	200.00	375.041(3)(b)1.	1. Everglades Projects / Comp Everglades Rest Plan	164.67	176.59	185.75	194.18	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00
		375.041(3)(b)1.	+++ South Florida Water Management District	32.00	32.00	32.00	32.00	32.00	32.00	32.00					
76.50%	100.00	375.041(3)(b)1.	+++ Planning, Engineering and Construction	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00			
		375.041(3)(b)1.	+++ Remaining Everglades Purposes	32.67	44.59	53.75	62.18	68.00	68.00	68.00	100.00	100.00	200.00	200.00	200.00
7.60%	50.00	375.041(3)(b)2.	2. Spring Restoration, Protection & Management	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00
		375.041(3)(b)3.	3. Lake Apopka / St. Johns Water Management District	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00			
		375.041(3)(b)	4. Debt Service / Bonds Post July 1, 2016 [pursuant to 375.041(3)(b)]	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	64.00	375.041(3)(b)4.	5. Everglades Trust Fund	34.00	64.00	64.00	64.00	64.00	64.00	64.00	64.00	64.00	64.00	64.00	64.00
		Residual	6. Uncommitted Cash Based on Statutory Provisions	405.00	410.76	438.25	463.53	513.47	558.52	612.64	647.02	705.32	767.09	820.17	875.32
33.00%		(3)	Total to Land Acquisition Trust Fund	824.21	869.95	906.61	940.37	974.62	1008.68	1042.67	1077.09	1111.97	1148.37	1184.01	1219.61
			Remainder	1673.39	1766.25	1840.69	1909.23	1978.78	2047.92	2116.93	2186.81	2257.63	2331.53	2403.89	2476.19
8.00%		215 20(1)	General Revenue Service Charge	134.66	142.08	148.04	153.52	159.09	164.62	170.14	175.73	181.39	187.31	193.10	198.88
		201.15(4)	Net Available for Distribution	1538.73	1624.17	1692.65	1755.71	1819.69	1883.30	1946.79	2011.08	2076.24	2144.22	2210.79	2277.31
	75.00	(a)	State Economic Enhancement and Development Trust Fund (DEO)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
24.18%	541.75	(a)	State Transportation Trust Fund	297.13	317.80	334.36	349.61	365.08	380.47	395.82	411.37	427.13	443.57	459.67	466.75
0.15%	3.25	(b)	Grants and Donations Trust Fund (DEO)	2.24	2.36	2.46	2.56	2.65	2.74	2.83	2.93	3.02	3.12	3.22	3.25
	35.00	(c)	State Economic Enhancement and Development Trust Fund (DEO)	35.00	35.00	35.00	35.00	35.00	35.00	35.00	35.00	35.00	35.00	35.00	35.00
5.62%		(c)	State Housing Trust Fund	68.98	73.78	77.63	81.17	84.77	88.34	91.91	95.52	99.18	103.01	106.75	110.48
5.62%		(c)	Local Government Housing Trust Fund	68.98	73.78	77.63	81.17	84.77	88.34	91.91	95.52	99.18	103.01	106.75	110.48
	40.00	(d)	State Economic Enhancement and Development Trust Fund (DEO)	40.00	40.00	40.00	40.00	40.00	40.00	40.00	40.00	40.00	40.00	40.00	40.00
1.62%		(d)	State Housing Trust Fund	19.87	21.25	22.36	23.38	24.41	25.44	26.46	27.50	28.56	29.66	30.73	31.81
11.31%		(d)	Local Government Housing Trust Fund	139.09	148.75	156.50	163.64	170.88	178.07	185.25	192.53	199.90	207.59	215.12	222.65
0.02%	0.30	(e)	General Inspection Trust Fund	0.26	0.28	0.29	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30
			Total to Trust Funds (Except LATF)	671.55	713.00	746.23	776.83	807.86	838.70	869.48	900.67	932.27	965.26	997.54	1020.72
		(6)	Remainder To General Revenue Fund	867.19	911.17	946.42	978.88	1011.83	1044.60	1077.31	1110.41	1143.97	1178.96	1213.25	1256.59

* The actual FY 2017-18 distribution numbers do not add up to the total collection receipts due to timing issues related to transfers that occurred at the end of the fiscal year.

**STATE BOARD OF ADMINISTRATION
1801 HERMITAGE BOULEVARD
TALLAHASSEE, FLORIDA 32308**

TO: Ash Williams
FROM: Robert Copeland
SUBJECT: Fiscal Sufficiency
DATE: February 22, 2019

APPROVAL OF FISCAL SUFFICIENCY OF AN AMOUNT NOT EXCEEDING \$500,000,000 STATE OF FLORIDA, FULL FAITH AND CREDIT, STATE BOARD OF EDUCATION PUBLIC EDUCATION CAPITAL OUTLAY REFUNDING BONDS, 2019 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 \$500,000,000 Public Education Capital Outlay Refunding Bonds, 2019 Series (to be determined) (the "Bonds") for the purpose of refunding all or a portion of the outstanding Public Education Capital Outlay Bonds 2008 Series C, 2009 Series A, 2009 Series B, 2009 Series C, and 2009 Series D, 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 Sixty-sixth Supplemental Authorizing Resolution and a sale resolution adopted by the State Board of Education on January 16, 2019.

The State Board of Education has heretofore issued Public Education Capital Outlay and Public Education Capital Outlay Refunding Bonds, 1999 Series D through 2018 Series C ("the "Outstanding Bonds"). The State Board of Administration has approved the fiscal sufficiency of an amount not exceeding \$233,000,000 Public Education Capital Outlay Bonds, 2017 Series (to be determined) (the "2017 Series Bonds") at its April 11, 2017, meeting, of which \$24,580,000 remains unissued. The Division has requested the State Board of Administration to rescind its approval of fiscal sufficiency with respect to the unissued portion of the 2017 Series 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 Bonds.

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
\$500,000,000 STATE OF FLORIDA, FULL FAITH AND CREDIT, STATE BOARD OF
EDUCATION PUBLIC EDUCATION CAPITAL OUTLAY REFUNDING BONDS,
2019 SERIES (TO BE DETERMINED)**

WHEREAS, the State Board of Education of Florida proposes to issue an amount not exceeding \$500,000,000 Public Education Capital Outlay Refunding Bonds, 2019 Series (to be determined) (the "Bonds") for the purpose of refunding all or a portion of the outstanding Public Education Capital Outlay Bonds 2008 Series C, 2009 Series A, 2009 Series B, 2009 Series C, and 2009 Series D, and to pay certain costs of issuance; provided, however, that none of 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 Sixty-sixth Supplemental Authorizing Resolution and a sale resolution adopted by the State Board of Education on January 16, 2019; 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 2018 Series C (the "Outstanding Bonds"); and,

WHEREAS, the State Board of Administration has approved the fiscal sufficiency of an amount not exceeding \$233,000,000 Public Education Capital Outlay Bonds, 2017 Series (to be determined) (the "2017 Series Bonds") at its April 11, 2017, meeting, of which \$24,580,000 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 unissued portion of the 2017 Series 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 Bonds; 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 \$500,000,000 Public Education Capital Outlay Refunding Bonds, 2019 Series (to be determined), is hereby approved as to fiscal sufficiency. In addition, the approval of fiscal sufficiency with respect to the \$24,580,000 unissued portion of the \$233,000,000 State of Florida, Full Faith and Credit, State Board of Education Public Education Capital Outlay Bonds, 2017 Series (to be determined) approved on April 11, 2017, is hereby rescinded.

ADOPTED March 12, 2019

STATE OF FLORIDA)

:

COUNTY OF LEON)

I, Ashbel C. Williams, Executive Director & CIO of the State Board of Administration of Florida, a constitutional body described in Section 4 of Article IV of the Constitution of the State of Florida, as revised in 1968 and subsequently amended, **DO HEREBY CERTIFY** that the above and foregoing is a true and correct copy of a resolution adopted by said Board at a meeting held March 12, 2019, approving the fiscal sufficiency of an amount not exceeding \$500,000,000 State of Florida, Full Faith and Credit, State Board of Education Public Education Capital Outlay Refunding Bonds, 2019 Series (to be determined), and rescinding the approval of fiscal sufficiency with respect to the \$24,580,000 unissued portion of the \$233,000,000 State of Florida, Full Faith and Credit, State Board of Education Public Education Capital Outlay Bonds, 2017 Series (to be determined) approved on April 11, 2017.

IN WITNESS WHEREOF, I have hereunto set my hand and the seal of said Board at Tallahassee, Leon County, Florida this 12th day of March 2019.

Ashbel C. Williams, Executive Director & CIO

(SEAL)



J. BEN WATKINS III
DIRECTOR

STATE OF FLORIDA
DIVISION OF BOND FINANCE

RON DeSANTIS
GOVERNOR

ASHLEY MOODY
ATTORNEY GENERAL

JIMMY PATRONIS
CHIEF FINANCIAL OFFICER

NIKKI FRIED
COMMISSIONER OF AGRICULTURE

February 13, 2019

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

RE: Not Exceeding \$500,000,000 State of Florida, Full Faith and Credit, State Board of Education Public Education Capital Outlay Refunding Bonds, 2019 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 March 12, 2019.

The proposed bonds will be issued to refund all or a portion of the outstanding Public Education Capital Outlay Bonds 2008 Series C, 2009 Series A, 2009 Series B, 2009 Series C and 2009 Series D 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 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 2018 Series C Bonds. The \$24,580,000 balance of the \$233,000,000 fiscal sufficiency approval for 2017 Series (to be determined) Bonds received on April 11, 2017, should be rescinded.

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 Sixty-sixth Supplemental Authorizing Resolution and the sale resolution adopted by the State Board of Education on January 16, 2019.

Mr. Williams
February 13, 2019
Page Two

Enclosed for your review are the following:

- Enclosure 1: An estimated coverage table for the program on outstanding debt service based upon the projected gross receipts tax revenues from the November 29, 2018, Revenue Estimating Conference without consideration of the potential savings from the proposed refunding bonds;
- Enclosure 2: An estimated debt service and savings schedule for the proposed refunding bonds;
- Enclosure 3: The gross receipts tax estimates from the November 29, 2018, Revenue Estimating Conference;
- Enclosure 4: A copy of the Sixty-sixth Supplemental Authorizing Resolution adopted by the State Board of Education on January 16, 2019; and
- Enclosure 5: A copy of the sale resolution adopted by the State Board of Education on January 16, 2019.

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

Very truly yours,


J. Ben Watkins III
Director

JBW:km

Enclosures

cc: 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 Taxes¹	Debt Service on Outstanding PECO Bonds²	Subsidy³	Net Debt Service	Debt Service Coverage⁴
<i>Historical</i>					
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	1,152,382,082	897,845,110	(11,751,076)	886,094,034	1.30x
2016	1,157,727,036	877,016,703	(11,770,715)	865,245,988	1.34x
2017 ⁵	1,111,599,286	866,531,343	(11,708,982)	854,822,361	1.30x
2018	1,153,724,902	841,741,455	(11,690,472)	830,050,983	1.39x
<i>Projected</i>					
2019	1,148,930,000	854,423,537	(11,605,600)	842,817,937	1.37x
2020	1,150,510,000	850,326,149	(11,357,932)	838,968,216	1.39x
2021	1,166,510,000	870,164,980	(11,023,487)	859,141,493	1.38x
2022	1,181,530,000	877,681,024	(10,669,972)	867,011,052	1.38x
2023	1,198,620,000	844,500,434	(10,295,204)	834,205,230	1.46x
2024	1,217,450,000	759,698,821	(9,896,791)	749,802,030	1.65x
2025	1,238,560,000	699,274,261	(9,477,245)	689,797,016	1.82x
2026	1,254,570,000	553,249,881	(9,026,906)	544,222,975	2.34x
2027	1,272,580,000	525,224,309	(8,555,247)	516,669,062	2.50x
2028	1,289,620,000	499,681,756	(8,586,631)	491,095,126	2.63x
2029	1,289,620,000	473,068,094	(8,027,736)	465,040,358	2.77x
2030	1,289,620,000	452,313,796	(7,441,255)	444,872,542	2.90x
2031	1,289,620,000	430,657,330	(6,825,999)	423,831,331	3.04x
2032	1,289,620,000	409,881,346	(6,179,159)	403,702,187	3.19x
2033	1,289,620,000	366,293,599	(5,507,864)	360,785,734	3.57x
2034	1,289,620,000	326,206,075	(4,811,301)	321,394,774	4.01x
2035	1,289,620,000	302,844,683	(4,088,353)	298,756,330	4.32x
2036	1,289,620,000	267,894,893	(3,338,210)	264,556,683	4.87x
2037	1,289,620,000	225,872,598	(2,550,034)	223,322,564	5.77x
2038	1,289,620,000	151,309,700	(1,731,643)	149,578,057	8.62x
2039	1,289,620,000	97,221,368	(882,111)	96,339,256	13.39x
2040	1,289,620,000	51,774,063	-	51,774,063	24.91x
2041	1,289,620,000	19,251,113	-	19,251,113	66.99x
2042	1,289,620,000	14,607,050	-	14,607,050	88.29x
2043	1,289,620,000	14,612,750	-	14,612,750	88.25x
2044	1,289,620,000	14,611,300	-	14,611,300	88.26x
2045	1,289,620,000	14,607,300	-	14,607,300	88.29x
2046	1,289,620,000	14,610,200	-	14,610,200	88.27x
2047	1,289,620,000	12,139,000	-	12,139,000	106.24x
2048	1,289,620,000	6,817,200	-	6,817,200	189.17x

¹ Estimates of gross receipts tax collections for Fiscal Years 2019 through 2028 as adopted by the Florida Revenue Estimating Conference held in November 29, 2018. The projections for Fiscal Year 2028 have been held constant for future years; however, no representation is made that the amounts shown will be collected.

² Includes debt service through 2018 Series C Refunding Bonds.

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 2027 have been reduced by 6.2% 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.

⁵ Gross receipt tax collections in 2017 are incorrectly reported on EDR's website. The correct collections are reflected in this table.

SAVINGS

Tax-Exempt 2019 Call Analysis

Date	Prior Debt Service	Prior Receipts	Prior Net Cash Flow	Refunding Debt Service	Savings	Present Value to 04/01/2019 @ 1.8402276%
06/01/2019	11,713,400.00	7,808,934.00	3,904,466.00	3,671,418.69	233,047.31	208,532.41
06/01/2020	134,196,800.00		134,196,800.00	125,616,750.00	8,580,050.00	8,404,934.76
06/01/2021	145,718,300.00		145,718,300.00	136,407,250.00	9,311,050.00	8,953,341.65
06/01/2022	162,748,000.00		162,748,000.00	152,359,250.00	10,388,750.00	9,806,608.08
06/01/2023	62,792,500.00		62,792,500.00	58,444,750.00	4,347,750.00	4,029,480.10
06/01/2024	24,087,000.00		24,087,000.00	22,307,250.00	1,779,750.00	1,619,387.97
	541,256,000.00	7,808,934.00	533,447,066.00	498,806,668.69	34,640,397.31	33,022,284.97

Savings Summary

PV of savings from cash flow	33,022,284.97
Plus: Refunding funds on hand	13,090.64
Net PV Savings	33,035,375.61

Gross Receipts Tax
Forecast Comparison
November 29, 2018

Total Collections

YEAR	Old Forecast		Legislative Forecast			FEA Forecast			DOR Forecast			New Forecast		
	\$ Millions	% Change	\$ Millions	% Change	Difference	\$ Millions	% Change	Difference	\$ Millions	% Change	Difference	\$ Millions	% Change	Difference
FY 94-95	506.84													
FY 95-96	543.13	7.16%												
FY 96-97	572.11	5.34%												
FY 97-98	593.39	3.72%												
FY 98-99	639.27	7.73%												
FY 99-00	669.18	4.68%												
FY 00-01	722.91	8.03%												
FY 01-02	779.49	7.83%												
FY 02-03	786.03	0.84%												
FY 03-04	826.59	5.16%												
FY 04-05	882.15	6.72%												
FY 05-06	975.79	10.61%												
FY 06-07	1067.60	9.41%												
FY 07-08	1125.97	5.47%												
FY 08-09	1126.22	0.02%												
FY 09-10	1097.66	-2.54%												
FY 10-11	1071.45	-2.39%												
FY 11-12	1033.88	-3.51%												
FY 12-13	1003.04	-2.98%												
FY 13-14	1005.36	0.23%												
FY 14-15	1152.38	14.62%												
FY 15-16	1157.73	0.46%												
FY 16-17	1074.08	-7.23%												
FY 17-18	1153.72	7.42%												
FY 18-19	1177.00	2.02%	1158.43	0.41%	-18.57	1125.96	-2.41%	-51.04	1150.31	-0.30%	-26.69	1148.93	-0.42%	-28.07
FY 19-20	1190.97	1.19%	1160.28	0.16%	-30.69	1120.31	-0.50%	-70.66	1154.14	0.33%	-36.83	1150.51	0.14%	-40.46
FY 20-21	1204.51	1.14%	1166.57	0.54%	-37.94	1146.96	2.38%	-57.55	1167.96	1.20%	-36.55	1166.51	1.39%	-38.01
FY 21-22	1219.52	1.25%	1172.86	0.54%	-46.66	1170.41	2.04%	-49.10	1183.10	1.30%	-36.41	1181.53	1.29%	-37.99
FY 22-23	1241.18	1.78%	1184.49	0.99%	-56.69	1191.56	1.81%	-49.62	1202.08	1.60%	-39.10	1198.62	1.45%	-42.56
FY 23-24	1267.77	2.14%	1196.64	1.03%	-71.14	1215.24	1.99%	-52.54	1222.79	1.72%	-44.99	1217.45	1.57%	-50.33
FY 24-25	1296.14	2.24%	1210.98	1.20%	-85.17	1242.58	2.25%	-53.56	1243.60	1.70%	-52.54	1238.56	1.73%	-57.59
FY 25-26	1313.97	1.38%	1228.42	1.44%	-85.54	1253.96	0.92%	-60.01	1264.05	1.64%	-49.92	1254.57	1.29%	-59.40
FY 26-27	1338.15	1.84%	1242.52	1.15%	-95.62	1273.97	1.60%	-64.18	1285.99	1.74%	-52.16	1272.58	1.44%	-65.57
FY 27-28	1361.97	1.78%	1254.76	0.98%	-107.21	1291.69	1.39%	-70.27	1309.10	1.80%	-52.87	1289.62	1.34%	-72.34

Mr. J. Robert Jones Jr.

Born to an American military family in Osaka, Japan, J. Robert "Bobby" Jones earned a bachelor's degree in finance and accounting at Florida State University. While at Florida State, he served as both president and vice president of his fraternity, Pi Kappa Alpha, and achieved membership in both Beta Alpha Psi, an honorary accounting fraternity, and Gold Key.

During his college years, Jones met and married Susan Miller Jones, a native of Havana, Fla., and a member of an entire Garnet and Gold family. Her mother, father and brothers are all Florida State graduates.

Jones is a former partner with the private equity firm Bluff Point. He is responsible for Bluff Point's business development activities, as well as focusing on the strategic planning of Bluff Point's portfolio companies. Jones joined Bluff Point in 2007.

After a successful career in financial services in North Carolina, Jones became a founder of The BISYS Group Inc., specializing in outsourcing technology for the financial services industry. Prior to his tenure at BISYS, Jones founded a financial software provider called the SLIMS Corp., was vice chair and chief operating officer in banking with Scottish Savings and Loan Association and was in accounting with Peat, Marwick, Mitchell and Co.

His leadership experience includes part ownership of the catalog retailer J. Peterman Co., where he serves as a board member. In addition, he serves as a limited partner in a number of private equity funds, was past president of a trade association for the financial services industry known as the Association for Financial Technology, and founded an all-volunteer organization, Golfers Against Cancer, which raises funds for cancer research.



Vinny Olmstead

Managing Director, Vocap Investment Partners
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Vinny Olmstead is the Founder and Managing Director of Vocap Investment Partners, a growth stage venture capital firm he founded in 2012. Vocap is investing out of Fund III and focused on partnering with compelling B2B software entrepreneurs. Vocap typically deploys \$2.5m - \$6.0m in companies with \$1.5m of recurring revenue, growing quickly, and serving a large market opportunity. Vinny is on Boards of Apollidon Learning, Bridgevine, Vydia, Food52 and CityLine.

Part of the Vocap differentiation is deep operating experience. Vinny was previously CEO of Bridgevine from 2003 - 2012, recognized by the INC 500/5000 6 years in a row as one of the fastest growing companies in the United States peaking at number 57. Prior to Bridgevine, Vinny was VP of Corporate Development at 360networks, a fiber optic telecommunications company that went public in the spring of 2000. Prior to 360networks, Vinny spent 8 years as a consultant including 4 years as Partner at Mercer Consulting (division of Marsh McLennan); and with KPMG Peat Marwick.

Vinny has an MBA & MHS (Master of Health Science) from the University of Florida, and BS of Accounting from Flagler College. In his spare time, Vinny enjoys travelling to unique places with his wife and three children, participating in Young Presidents Organization, and playing tennis.