

STATE BOARD OF EDUCATION

January 18, 2005

SUBJECT: Adoption of a Resolution Requesting the Issuance and Sale of Not Exceeding \$115,000,000 State of Florida, State Board of Education Lottery Revenue Refunding Bonds, [Series to be determined]

PROPOSED BOARD ACTION

Request the issuance and sale of the subject Lottery refunding bonds by the Division of Bond Finance of the State Board of Administration.

AUTHORITY FOR STATE BOARD ACTION

Section 1013.737, Florida Statutes.

BACKGROUND INFORMATION

The Division of Bond Finance of the State Board of Administration is requesting the State Board of Education to adopt a resolution requesting the issuance and competitive sale of not exceeding \$115,000,000 State of Florida, State Board of Education Lottery Revenue Refunding Bonds, [Series to be determined] (the "Bonds"), in order to effectuate debt service savings on existing Lottery Revenue Bonds.

Supporting Documentation Included:

Requesting Resolution

Facilitator/Presenter:

Jeanine Blomberg

A RESOLUTION REQUESTING THE DIVISION OF BOND FINANCE OF THE STATE BOARD OF ADMINISTRATION OF FLORIDA TO ISSUE AND SELL NOT EXCEEDING \$115,000,000 STATE OF FLORIDA, STATE BOARD OF EDUCATION LOTTERY REVENUE REFUNDING BONDS TO REFINANCE PREVIOUSLY ISSUED LOTTERY REVENUE BONDS; AUTHORIZING AN OPTION TO PURCHASE A DEBT SERVICE RESERVE CREDIT FACILITY TO SATISFY ANY DEBT SERVICE RESERVE ACCOUNT REQUIREMENT AND TO OBTAIN A MUNICIPAL BOND INSURANCE POLICY; AND PROVIDING AN EFFECTIVE DATE.

BE IT RESOLVED by the State Board of Education:

Section 1. The State Board of Education (the "Board") hereby authorizes and requests the Division of Bond Finance of the State Board of Administration of Florida (the "Division") to issue and sell bonds on behalf of the Board, in an aggregate amount not exceeding \$115,000,000 (the "Bonds") to refinance previously issued Lottery Revenue Bonds, to pay the costs of issuance of the Bonds, to provide for capitalized interest, to provide for a municipal bond insurance policy, to fund a reserve account, or provide debt service insurance, if determined by the Division to be necessary. The Bonds are to be secured by lottery revenues, and may additionally be secured by other revenues that are determined to be necessary and legally available. The Division shall determine the date, amount, terms and other features of a fiscal or technical nature for the issuance of the Bonds. Proceeds of the Bonds and other legally available monies shall be used as provided in sections 1013.71 and 1013.737, Florida Statutes.

Section 2. The Board will comply with all requirements of bond counsel and the Division as evidenced by a "Certificate as to Tax, Arbitrage and Other Matters" or similar certificate to be executed by the Board prior to the issuance of the Bonds and advice and directions in implementing such certificate.

Section 3. The Board will comply with all other requirements of the Division with respect to compliance with federal arbitrage law, pursuant to Section 215.64(11), Florida Statutes, including the payment of fees to the Division in connection therewith.

Section 4. The Board will comply with all requirements of federal law, state law or the Division, relating to continuing secondary market disclosure of information regarding the Bonds and the Lottery revenues pledged to the Bonds. Such requirements currently provide for the continuing disclosure of information relating to the Bonds and Lottery revenues on an annual basis and upon the occurrence of certain material events.

Section 5. As provided in Section 215.65, Florida Statutes, the fees charged by the Division and all expenses incurred by the Division in connection with the issuance of the Bonds (except for periodic arbitrage compliance fees, which shall be paid from other legally available funds) shall be paid and reimbursed to the Division from the proceeds of the sale of such Bonds. If for any reason (other than a reason based on factors completely within the control of the Division) the Bonds herein requested to be authorized are not sold and issued, the Board agrees and consents that such fees, charges and expenses

incurred by the Division shall, at the request of the Division, be reimbursed to the Division by the Board from any legally available funds of the Board.

Section 6. The Division is hereby requested to take all actions required to issue the Bonds.

Section 7. The Board may cause to be purchased a debt service reserve credit facility and/or a municipal bond insurance policy issued by a reputable and recognized provider.

Section 8. The Chair, the Vice Chair, the Commissioner of Education or the Deputy Commissioner, or such other authorized representatives of the Board, are hereby authorized to take all actions and steps, to execute all instruments, documents, and contracts, and to take all other action as they may deem necessary or desirable, in connection with the execution and delivery of the Bonds and to obtain a debt service reserve credit facility and a municipal bond insurance policy.

Section 9. This Resolution shall take effect immediately upon its adoption.

Adopted this 18th day of January, 2005.