

STATE BOARD OF EDUCATION

February 15, 2005

SUBJECT: Adoption of Resolutions Authorizing the Issuance and Sale of State of Florida, Full Faith and Credit, State Board of Education Capital Outlay Bonds, 2005 Series A

PROPOSED BOARD ACTION

Authorize the issuance and sale of the subject Capital Outlay Bonds by the Division of Bond Finance of the State Board of Administration.

AUTHORITY FOR STATE BOARD ACTION

Article XII, Section 9(d) of the Florida Constitution, Section 215.61, Florida Statutes, and the Master Resolution adopted by the Governor and Cabinet on February 4, 1992.

BACKGROUND INFORMATION

The Division of Bond Finance of the State Board of Administration has prepared the following resolutions for adoption by the State Board of Education: 1) the Sixteenth Supplemental Authorizing Resolution to the Master Authorizing Resolution adopted on February 4, 1992, authorizing the issuance of not exceeding \$22,145,000 State of Florida, Full Faith and Credit, State Board of Education Capital Outlay Bonds, 2005 Series A, and 2) a resolution authorizing the competitive sale and delivery of not exceeding \$22,145,000 of such bonds (the "Bonds").

The Sixteenth Supplemental Authorizing Resolution contains the authorization for bonds necessary to finance capital outlay projects for certain public school and community college districts. The Bonds will be payable primarily from Motor Vehicle License Tax revenues and will be additionally secured by the full faith and credit of the State.

The sale resolution authorizes the Division of Bond Finance of the State Board of Administration to prepare and publish a notice of bond sale for the Bonds (via a competitive sale), authorizes the preparation and execution of a preliminary and final official statement, and provides certain other details and authorizations in connection with the sale and issuance of the Bonds.

Supporting Documentation Included: Sixteenth Supplemental Authorizing Resolution
Sale Resolution

Facilitator/Presenter: Jeanine Blomberg

STATE OF FLORIDA
FULL FAITH AND CREDIT
STATE BOARD OF EDUCATION
CAPITAL OUTLAY BONDS

SIXTEENTH SUPPLEMENTAL AUTHORIZING RESOLUTION

PROVIDING FOR THE

ISSUANCE OF

2005 SERIES A

FEBRUARY 15, 2005

A RESOLUTION SUPPLEMENTING A RESOLUTION ENTITLED "A RESOLUTION AUTHORIZING THE ISSUANCE OF STATE OF FLORIDA, FULL FAITH AND CREDIT, STATE BOARD OF EDUCATION, CAPITAL OUTLAY BONDS, FOR THE PURPOSE OF FINANCING AND REFINANCING THE COST OF CAPITAL OUTLAY PROJECTS, PURSUANT TO ARTICLE XII, SECTION 9, SUBSECTION (d) OF THE CONSTITUTION OF FLORIDA, AS AMENDED; PROVIDING THE TERMS AND CONDITIONS UPON WHICH SUCH BONDS MAY BE ISSUED; AND PROVIDING AN EFFECTIVE DATE", AND AUTHORIZING THE ISSUANCE OF NOT TO EXCEED \$22,145,000 CAPITAL OUTLAY BONDS, 2005 SERIES A FOR THE PURPOSE OF FINANCING THE COST OF CAPITAL OUTLAY PROJECTS FOR SCHOOL PURPOSES IN CERTAIN SCHOOL AND COMMUNITY COLLEGE DISTRICTS PURSUANT TO ARTICLE XII, SECTION 9, SUBSECTION (d) OF THE CONSTITUTION OF THE STATE OF FLORIDA, AS AMENDED.

BE IT RESOLVED BY THE STATE BOARD OF EDUCATION OF FLORIDA:

ARTICLE I

AUTHORITY, DEFINITIONS AND FINDINGS

Section 1.01. AUTHORITY FOR THIS RESOLUTION. This Resolution is adopted pursuant to the provisions of the Act.

Section 1.02. DEFINITIONS.

(a) All of the definitions contained in Section 1.02 of the Original Resolution shall be deemed applicable to this Sixteenth Supplemental Authorizing Resolution, except to the extent that the same are inconsistent or in conflict with the definitions set forth below.

(b) The following terms shall have the following meanings in this Sixteenth Supplemental Authorizing Resolution:

"2005-A Bonds" means the Capital Outlay Bonds, 2005 Series A issued pursuant to this Resolution.

"2005-A Capital Outlay Projects" or "2005-A Projects" means the Capital Outlay Project or Projects indicated in Article II hereof and for the financing of which the 2005-A Bonds authorized pursuant to this Sixteenth Supplemental Authorizing Resolution are to be issued.

"2005-A Community College Districts" means the community college districts listed in Section 2.01 of this Resolution on behalf of which the 2005-A Bonds are issued.

"2005-A School Districts" means the school districts listed in Section 2.01 of this Resolution on behalf of which the 2005-A Bonds are issued.

"Act" means Article XII, Subsection 9(d), of the Constitution of the State of Florida, as amended, Chapters 1001 and 1010 and Sections 215.57-215.83, Florida Statutes, and other applicable provisions of law.

"Original Resolution" means the master resolution adopted on February 4, 1992, authorizing the issuance of Capital Outlay Bonds.

"Parity Bonds" means the State of Florida, Full Faith and Credit, State Board of Education Capital Outlay Bonds, 1992 Series B (Refunding Bonds), 1995 Series A, 1996 Series A, 1996 Series B (Refunding Bonds), 1997 Series A, 1998 Series A, 1999 Series A, 2000 Series A, 2001 Series A, 2002 Series A, 2002 Series B (Refunding Bonds), 2003 Series A, and 2004 Series A, all issued pursuant to the Original Resolution.

"Sixteenth Supplemental Authorizing Resolution" or "Resolution" means this Sixteenth Supplemental Authorizing Resolution.

Section 1.03. FINDINGS. It is hereby found, determined and declared by this State Board as follows:

(a) That the number of estimated instruction units, including basic instruction units for the school fiscal year 1967-68 and growth units, in the 2005-A School Districts for the school fiscal year 2004-05, computed as provided in the general laws of the State of Florida applicable thereto, are as follows:

<u>Name</u>	<u>Basic Units</u>	<u>Growth Units</u>	<u>Total Units</u>
Brevard County	2,402.90	1,561.97	3,964.87
Escambia County	1,948.74	553.71	2,502.45
Hernando County	139.13	909.48	1,048.61
Hillsborough County	4,196.35	5,872.62	10,068.97
Indian River County	315.28	589.90	905.18
Lake County	617.40	1,232.71	1,850.11
Marion County	679.06	1,634.29	2,313.35
Osceola County	192.86	2,217.27	2,410.13
Pasco County	366.22	2,774.72	3,140.94
Polk County	2,317.29	2,138.50	4,455.79
Putnam County	400.78	325.61	726.39
Santa Rosa County	360.22	873.34	1,233.56
Seminole County	715.79	2,586.13	3,301.92
St. Johns County	283.87	933.86	1,217.73

(b) That the number of actual instruction units, including basic instruction units for the school fiscal year 1967-68 and growth units, in the 2005-A School Districts for the school fiscal year 2003-2004, computed as provided in the general laws of the State of Florida applicable thereto, are as follows:

<u>Name</u>	<u>Basic Units</u>	<u>Growth Units</u>	<u>Total Units</u>
Brevard County	2,402.90	1,444.02	3,846.92
Escambia County	1,948.74	539.15	2,487.89
Hernando County	139.13	850.12	989.25
Hillsborough County	4,196.35	5,383.28	9,579.63
Indian River County	315.28	551.38	866.66
Lake County	617.40	1,127.88	1,745.28

<u>Name</u>	<u>Basic Units</u>	<u>Growth Units</u>	<u>Total Units</u>
Marion County	679.06	1,478.86	2,157.92
Osceola County	192.86	2,064.19	2,257.05
Pasco County	366.22	2,627.60	2,993.82
Polk County	2,317.29	1,975.71	4,293.00
Putnam County	400.78	300.90	701.68
Santa Rosa County	360.22	860.73	1,220.95
Seminole County	715.79	2,521.32	3,237.11
St. Johns County	283.87	890.21	1,174.08

(c) That the number of estimated instruction units in the 2005-A Community College Districts, listed below, for the school fiscal year 2004-05, computed as provided in the general laws of the State of Florida applicable thereto, are as follows:

<u>Name</u>	<u>2004-05 Instruction Units</u>
Edison Community College	669.00
Okaloosa-Walton Community College	494.00
Palm Beach Community College	1,451.00

(d) That the number of actual instruction units in the 2005-A Community College Districts, listed below, for the school fiscal years 1968-69 and 2003-2004, computed as provided in the general laws of the State of Florida applicable thereto, were as follows:

<u>Name</u>	<u>1968-69 Instruction Units</u>	<u>2003-04 Instruction Units</u>
Edison Community College	99.88	773.00
Okaloosa-Walton Community College	141.00	538.00
Palm Beach Community College	352.50	1,580.00

(e) That this State Board has not heretofore issued, for and on behalf of the 2005-A School Districts or 2005-A Community College Districts, any Bonds under the provisions of said School Capital Outlay Amendment, except a portion of the Prior Lien Bonds and a portion of the Parity Bonds.

(f) That the amount of 2005-A Bonds authorized to be issued by this Sixteenth Supplemental Authorizing Resolution, together with the Prior Lien Bonds and the Parity Bonds, does not exceed ninety per centum (90%) of the amount of such Bonds which the State Board has found and determined, and does hereby by the adoption of this Sixteenth Supplemental Authorizing Resolution find and determine, can be serviced as to both principal and interest from the Motor Vehicle License Taxes accruing to the school districts and community college districts under the provisions of the School Capital Outlay Amendment.

(g) That the proportionate share of each 2005-A School District and 2005-A Community College District in the Debt Service Requirements of the 2005-A Bonds authorized to be issued by this Sixteenth Supplemental Authorizing Resolution and of the Prior Lien Bonds and the Parity Bonds issued for each such 2005-A School District and 2005-A Community College District does not exceed ninety per centum (90%) of the Debt Service Requirements of Bonds and Prior Lien Bonds which this State Board has found and determined, and does hereby by the adoption of this Sixteenth Supplemental Authorizing Resolution find and determine, can be serviced from the Motor Vehicle License Taxes accruing to each of the 2005-A School Districts and 2005-A Community College Districts under the provisions of the School Capital Outlay Amendment.

(h) That this State Board is legally authorized to issue the 2005-A Bonds authorized by this Sixteenth Supplemental Authorizing

Resolution pursuant to the terms, restrictions and conditions contained in the Original Resolution.

(i) That the Division of Bond Finance shall serve as the agent of the State Board with respect to the 2005-A Bonds, pursuant to the provisions of Section 215.61(4), Florida Statutes.

ARTICLE II

CAPITAL OUTLAY PROJECTS

Section 2.01. AUTHORIZATION OF 2005-A CAPITAL OUTLAY PROJECTS. Pursuant to the School Capital Outlay Amendment, and applicable statutes, and the resolutions heretofore duly adopted by the school boards and boards of trustees of the 2005-A School Districts and the 2005-A Community College Districts and filed with the State Board, and subject to the provisions of Section 2.02 hereof, there is hereby authorized the acquiring, building, constructing, altering, remodeling, improving, enlarging, furnishing, equipping, maintaining, renovating or repairing of Capital Outlay Projects for school purposes in the following school and community college districts in Florida:

School Districts
Name
Brevard County
Escambia County
Hernando County
Hillsborough County
Indian River County
Lake County
Marion County
Osceola County
Pasco County
Polk County
Putnam County
Santa Rosa County
Seminole County
St. Johns County

Community College Districts

Edison Community College
Okaloosa-Walton Community College
Palm Beach Community College

The list of projects originally submitted to the State Board may be changed by a 2005-A School District or a 2005-A Community College District in accordance with Article XII, Section 9(d)(9) of the Florida constitution and any statutes or rules enacted or promulgated thereunder.

Section 2.02. APPLICATION OF BOND PROCEEDS. Upon receipt of the proceeds of the 2005-A Bonds, the State Board shall transfer and apply such proceeds as follows:

(a) The amount necessary to pay all costs and expenses of the Division of Bond Finance in connection with the preparation, sale, and issuance of the 2005-A Bonds, including a reasonable charge for the services of the Division of Bond Finance, shall be transferred to the Division of Bond Finance to be deposited in the Bond Proceeds Trust Fund, subject to disbursement of the funds to the Bond Fee Trust Fund and the Arbitrage Compliance Trust Fund pursuant to written instructions at the delivery of the 2005-A Bonds, unless such amount shall be provided from another legally available source.

(b) The balance of the proceeds of the 2005-A Bonds shall be allocated to pay the cost of 2005-A Capital Outlay Projects as provided by this Sixteenth Supplemental Authorizing Resolution, which costs may include, but shall not be limited to, the deposit

of accrued interest and an amount not to exceed the first six months' debt service on the 2005-A Bonds into the Sinking Fund.

ARTICLE III

AUTHORIZATION AND TERMS OF 2005-A BONDS

Section 3.01. AUTHORIZATION OF 2005-A BONDS. Subject and pursuant to the provisions of this Sixteenth Supplemental Authorizing Resolution, Bonds of the State Board are hereby authorized to be issued for and on behalf of the 2005-A School Districts and 2005-A Community College Districts in the aggregate principal amount of not exceeding \$22,145,000. Such Bonds shall each be designated "State of Florida, Full Faith and Credit, State Board of Education Capital Outlay Bonds, 2005 Series A". The 2005-A Bonds shall be issued under and secured by the Original Resolution, as supplemented by this Sixteenth Supplemental Authorizing Resolution, and all the terms and provisions contained in the Original Resolution shall be applicable to the 2005-A Bonds, except as expressly set forth herein, including the pledge of the Motor Vehicle License Taxes and the pledge of the Full Faith and Credit of the State of Florida to the payment of the principal, premium if any, and interest on the 2005-A Bonds.

Section 3.02. DESCRIPTION OF 2005-A BONDS. The 2005-A Bonds shall be issued only as fully registered bonds without coupons in the denominations of \$5,000 or any integral multiple thereof; shall be dated and mature as determined pursuant to a subsequent resolution adopted by the State Board on or prior to the sale of the 2005-A Bonds; shall bear interest at not exceeding the maximum

lawful rate of interest authorized on the date of sale of the 2005-A Bonds, payable semi-annually on July 1 and January 1 of each year; and shall be payable as to both principal and interest, shall be subject to registration, exchange, and transfer, shall be executed and authenticated, shall be subject to prior redemption in the manner, shall be in the form, and shall have such other terms as set forth in Article III of the Original Resolution.

The 2005-A Bonds may be sold at one time or in installments from time to time as the State Board may determine. If issued in installments, each installment shall have an identifying number. The 2005-A Bonds may be made redeemable at the option of the State Board upon such terms and conditions as determined pursuant to a subsequent resolution adopted by the State Board prior to the issuance of the 2005-A Bonds.

ARTICLE IV

MISCELLANEOUS

Section 4.01. SEVERABILITY OF PROVISIONS. If any one or more of the covenants, agreements or provisions of this Sixteenth Supplemental Authorizing Resolution shall be held contrary to any express provision of law, or contrary to the policy of express law though not expressly prohibited, or against public policy, or shall for any reason whatsoever be held invalid, then such covenants, agreements or provisions shall be null and void and shall be deemed separable from the remaining covenants, agreements or provisions and shall in no way affect the validity of any of the other

covenants, agreements or provisions of this Sixteenth Supplemental Authorizing Resolution or of the 2005-A Bonds.

Section 4.02. VALIDATION AUTHORIZED. The Attorneys for the Division of Bond Finance of the State Board of Administration are herein and hereby authorized to institute proceedings to validate the 2005-A Bonds.

Section 4.03. REPEAL OF INCONSISTENT RESOLUTIONS. All resolutions and parts of resolutions heretofore adopted pertaining to the subject matter of this Sixteenth Supplemental Authorizing Resolution, to the extent that they are inconsistent with this Sixteenth Supplemental Authorizing Resolution, are hereby repealed, revoked, and rescinded.

Section 4.04. CONTINUING DISCLOSURE. (a) In order to comply with Rule 15c2-12 of the Securities and Exchange Commission, the State Board hereby agrees to provide or cause to be provided such information as may be required, from time to time, under such rule.

(b) The Commissioner or Deputy Commissioner of Education, in conjunction with the appropriate officer of the Division, is authorized and directed to execute and deliver any documents or agreements which are necessary to comply with the requirements of Rule 15c2-12 of the Securities and Exchange Commission.

Section 4.05 TIME OF TAKING EFFECT. This Sixteenth Supplemental Authorizing Resolution shall take effect immediately upon its adoption.

ADOPTED ON February 15, 2005.

**A RESOLUTION AUTHORIZING THE COMPETITIVE SALE OF
NOT EXCEEDING \$22,145,000 STATE OF FLORIDA, FULL
FAITH AND CREDIT, STATE BOARD OF EDUCATION
CAPITAL OUTLAY BONDS, 2005 SERIES A.**

**BE IT RESOLVED BY THE STATE BOARD OF EDUCATION OF FLORIDA, A BODY
CORPORATE UNDER SECTION 2 OF ARTICLE IX OF THE FLORIDA CONSTITUTION:**

Section 1. That not exceeding \$22,145,000 State of Florida, Full Faith and Credit, State Board of Education Capital Outlay Bonds, to be designated 2005 Series A (the "Bonds") heretofore authorized by a Master Resolution and a Sixteenth Supplemental Authorizing Resolution (collectively, the "Resolution") adopted by the State Board of Education of Florida (the "Board of Education") on the 4th day of February, 1992 and the 15th day of February, 2005, respectively, are hereby authorized to be sold at public sale on the date and at a time to be set out or provided for in the Notice of Sale to be published as provided in this Resolution.

Proposals for purchase of the Bonds shall be received at the office of the Division of Bond Finance, 1801 Hermitage Boulevard, Suite 200, Tallahassee, Florida, 32308 or at another location designated in the Notice of Sale, from the time that the Notice of Sale is published until the time and date of sale specified in such Notice of Sale.

Section 2. That the Division of Bond Finance of the State Board of Administration (the "Division"), as the agent of the Board of Education, is hereby authorized to sell the Bonds; to publish, at its discretion, the Notice of Sale of the Bonds or a short form thereof in *The Bond Buyer*, New York, New York, such publication to

be not less than ten days prior to the date of sale; and to publish such Notice in such other newspapers on such dates as may be deemed appropriate by the Director of the Division; provided, that if no bids are received at the time and place called or provided for by the Notice of Sale, or if all bids received are rejected, such Bonds may again be offered for sale upon reasonable notice, the timing and manner of which shall be determined by the Director of the Division. Any prior publication of a Notice of Bond Sale, or short form thereof, is hereby ratified.

Section 3. The Director of the Division is hereby authorized to distribute an Official Notice of Sale and a form of proposal for the sale of the Bonds. The Official Notice of Sale shall be in such form as shall be determined by the Director of the Division, with the advice of bond counsel, and shall contain such information as required by applicable law. Any prior distribution of a Notice of Bond Sale and form of proposal is hereby ratified.

Section 4. The Director of the Division is hereby authorized to have up to 3,500 copies of the Preliminary Official Statement and 3,500 copies of the Final Official Statement relating to the public offering of the Bonds printed and distributed; to contract with national rating services to rate the Bonds; to conduct information meetings; and to take such other actions as may be deemed appropriate for the dissemination of information relating to the sale of the Bonds. Any prior printing and distribution of a Preliminary Official Statement is hereby ratified.

Section 5. The Commissioner of Education or the Deputy Commissioner and an Assistant Secretary of the Governing Board of the Division are hereby authorized and empowered to award said Bonds, when offered, on their determination of the best proposal submitted in accordance with the terms of the Notice of Bond Sale provided for herein. Such award shall be final. In the event of the absence of the Commissioner of Education and the Deputy Commissioner at the time bids are received, an Assistant Secretary of the Governing Board of the Division is authorized to act on behalf of the Board of Education in awarding the Bonds, with the concurrence of a representative designated by the Commissioner.

Section 6. The proper officials of the Board of Education are hereby authorized to execute the Bonds in the manner provided by the resolution authorizing the issuance of the Bonds, and the Division is hereby authorized to deliver such Bonds to the purchasers thereof upon payment of the purchase price, together with accrued interest to the date of delivery, and to distribute the proceeds of the Bonds as provided by the proceedings authorizing the issuance of the Bonds.

Section 7. The Bonds shall be dated, shall mature in such years and amounts, shall be payable, and shall be subject to redemption as provided by the Official Notice of Sale and the Official Statement.

Section 8. In the event that market conditions preclude the sale of the principal amount of Bonds authorized to be sold by this

resolution, then in such event, in order to sell the Bonds, the Director of the Division is hereby authorized to offer for sale a lesser principal amount than that set forth in this resolution.

Section 9. A portion of the amount to pay the fees and expenses of the Division of Bond Finance which would have been deposited into the Bond Fee Trust Fund may be deposited into the Arbitrage Compliance Trust Fund.

Section 10. All prior resolutions or parts of resolutions inconsistent with this resolution are hereby amended by this resolution but only to the extent of any such inconsistency.

Section 11. The appropriate officers and employees of the Board of Education and of the Division are authorized and empowered, collectively or individually, to take all actions and steps, to execute all instruments, documents, and contracts, and to take all other action on behalf of the Board of Education and the Division, in each case as they may deem necessary or desirable, in connection with the execution and delivery of the Bonds.

Section 12. This resolution shall take effect immediately upon its adoption.

ADOPTED ON February 15, 2005