

STATE BOARD OF EDUCATION

Action Item

December 2, 2008

SUBJECT: Adoption of a Resolution Authorizing the Negotiated Sale of State of Florida, Full Faith and Credit, State Board of Education Public Education Capital Outlay Bonds, 2006, 2007 and 2008 Series

PROPOSED BOARD ACTION

For Approval

AUTHORITY FOR STATE BOARD ACTION

Subsection (a)(2) of Section 9 of Article XII of the Constitution of Florida, as amended

EXECUTIVE SUMMARY

The Division of Bond Finance of the State Board of Administration is requesting the State Board of Education adopt a supplemental sale resolution authorizing the negotiated sale and delivery of State of Florida, Full Faith and Credit, State Board of Education Public Education Capital Outlay Bonds, 2006, 2007 and 2008 (the "Bonds") and delegating to the Division of Bond Finance the authority to take all actions necessary to effect the negotiated sale and determine certain details of such Bonds.

The State Board of Education has previously authorized the Bonds to be sold at public (competitive) sale. As of this date, not all of the Bonds have been sold. Due to the current national credit crisis and extraordinarily difficult market conditions in the tax exempt bond market, the sale of the Bonds through negotiation with underwriters may be the best method of sale to obtain the lowest interest rate on the Bonds.

The Bonds to be issued will be secured primarily by gross receipts taxes, and will be additionally secured by the full faith and credit of the State. The proceeds of such bonds will be used to finance capital outlay projects for public school districts, community colleges, state universities, and other education agencies.

Supporting Documentation Included: Supplemental Sale Resolution

Facilitator: Ben Watkins, Division of Bond Finance, State Board of Administration, and Linda Champion, Deputy Commissioner, Finance and Operations