

ITEM: _____

FLORIDA BOARD OF EDUCATION

December 10, 2002

SUBJECT: Resolution of the Florida Board of Education Authorizing the Issuance of Debt Not to Exceed \$6,000,000 by Florida State University through the Florida State University International Programs Association, Inc. to Refinance All or a Portion of Certain Outstanding Debt

UNIVERSITY AFFECTED: Florida State University

PROPOSED BOARD ACTION

Adopt a resolution authorizing the Florida State University International Programs Association, Inc. to issue debt in an amount not to exceed \$6,000,000 for the purpose of refinancing all or a portion of outstanding bonds and notes.

BACKGROUND INFORMATION

Florida State University, through the Florida State University International Programs Association, Inc., is proposing the refinancing of all or a portion of the outstanding \$3,500,000 Revenue Bonds, Series 1997A and Series 1997B, of which \$2,852,886 is currently outstanding and the \$3,000,000 Series 2000 Promissory Note, of which \$3,000,000 is currently outstanding. The Series 2000 Promissory Note was issued on a taxable basis at a fixed interest rate of 7.60% and the Series 1997 Bonds included a taxable portion of \$1,900,000 at a fixed interest rate of 6.65%. The tax-exempt portion of the Series 1997 Bonds was issued at variable interest rate of 5.60%.

The level of debt service savings and annual true interest cost rate achieved will be impacted by market conditions in existence at the time of issuance. Through the refinancing, the taxable debt may also achieve a tax-exempt status. The University anticipates issuing variable-rate debt or executing an interest rate swap agreement. The debt was previously incurred to finance the acquisition of property and facilities for the London Study Program.

The Florida State University Board of Trustees approved the proposed refinancing at its meeting held on November 21, 2002.

Supporting Documentation Included: Authorizing Resolution

Other Support Documents Available: Financing Documents and Schedules

Facilitators/Presenters: Wayne V. Pierson