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LEGISLATIVE ACTION

Senate	.	House
Comm: RCS	.	
04/26/2011	.	
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The Committee on Budget (Richter) recommended the following:

1           **Senate Substitute for Amendment (849726) (with title**  
2 **amendment)**

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4           Delete lines 18 - 59  
5 and insert:

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7           Section 1. Subsections (1) and (3) of section 215.44,  
8 Florida Statutes, are amended to read:

9           215.44 Board of Administration; powers and duties in  
10 relation to investment of trust funds.—

11           (1) Except when otherwise specifically provided by the  
12 State Constitution and subject to any limitations of the trust  
13 agreement relating to a trust fund, the Board of Administration,



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14 sometimes referred to in this chapter as "board" or "Trustees of  
15 the State Board of Administration," composed of the Governor as  
16 chair, the Chief Financial Officer, and the Attorney General,  
17 shall invest all the funds in the System Trust Fund, as defined  
18 in s. 121.021(36), and all other funds specifically required by  
19 law to be invested by the board pursuant to ss. 215.44-215.53 to  
20 the fullest extent that is consistent with the cash  
21 requirements, trust agreement, and investment objectives of the  
22 fund. Notwithstanding any other law to the contrary, the State  
23 Board of Administration may invest any funds of any state  
24 agency, any state university or college, any unit of local  
25 government, or any direct-support organization thereof pursuant  
26 to the terms of a trust agreement with the head of the state  
27 agency or the governing body of the state university or college,  
28 unit of local government, or direct-support organization  
29 thereof, ~~or pursuant to the enrollment requirements stated in s.~~  
30 ~~218.407,~~ and may invest such funds in the Local Government  
31 Surplus Funds Trust Fund created by s. 218.405, without a trust  
32 agreement, upon completion of enrollment materials provided by  
33 the board. The board shall approve the undertaking of  
34 investments subject to a trust agreement before execution of  
35 such trust agreement by the State Board of Administration. The  
36 funds and the earnings therefrom are exempt from the service  
37 charge imposed by s. 215.20. As used in this subsection, the  
38 term "state agency" has the same meaning as that provided in s.  
39 216.011, and the terms "governing body" and "unit of local  
40 government" have the same meaning as that provided in s.  
41 218.403.

42 (3) Notwithstanding any law to the contrary, all



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43 investments made by the State Board of Administration pursuant  
44 to ss. 215.44-215.53 shall be subject to the restrictions and  
45 limitations contained in s. 215.47, except that investments made  
46 by the board under a trust agreement pursuant to subsection (1)  
47 are subject only to the restrictions and limitations contained  
48 in that trust agreement.

49 Section 2. Section 215.444, Florida Statutes, is amended to  
50 read:

51 215.444 Investment Advisory Council.—

52 (1) There is created a six-member Investment Advisory  
53 Council to review the investments made by the staff of the Board  
54 of Administration and to make recommendations to the board  
55 regarding investment policy, strategy, and procedures. Beginning  
56 February 1, 2011, the membership of the council shall be  
57 expanded to nine members. Beginning July 1, 2011, council  
58 membership shall be reduced by not refilling council positions  
59 as the terms of the members expire until council membership  
60 consists of six members. The council shall meet with staff of  
61 the board at least once each quarter and shall provide a  
62 quarterly report directly to the Board of Trustees of the State  
63 Board of Administration at a meeting of the board.

64 (2) The members of the council shall be appointed by the  
65 board as a resource to the Board of Trustees of the State Board  
66 of Administration and shall be subject to confirmation by the  
67 Senate. These individuals shall possess special knowledge,  
68 experience, and familiarity with portfolio management,  
69 institutional investments, and fiduciary responsibilities.  
70 Members shall be appointed for 4-year terms. A vacancy shall be  
71 filled for the remainder of the unexpired term. The council



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72 shall annually elect a chair and a vice chair from its  
73 membership. A member may not be elected to consecutive terms as  
74 chair or vice chair.

75 (3) The council members must undergo regular fiduciary  
76 training as required by the board and must complete an annual  
77 conflict disclosure statement. In carrying out their duties,  
78 council members must make recommendations consistent with the  
79 fiduciary standards applicable to the board.

80 (4) The council may create subcommittees as necessary to  
81 carry out its duties and responsibilities.

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83

84 ===== T I T L E A M E N D M E N T =====

85 And the title is amended as follows:

86 Delete lines 3 - 10

87 and insert:

88 amending s. 215.44, F.S.; authorizing the board to  
89 invest the assets of a governmental entity in the  
90 Local Government Surplus Funds Trust Fund without a  
91 trust agreement with that governmental entity;  
92 providing that certain investments made by the board  
93 under a trust agreement are subject only to the  
94 restrictions and limitations contained in the trust  
95 agreement; amending s. 215.444, F.S.; reducing the  
96 number of members on the Investment Advisory Council;  
97 amending s. 215.4755, F.S.; correcting