

If you want to call and express your opinion on this matter you can call:
Senator Jeremy Ring at **954 917-1392** or **850 487-5094**
Senator Don Gaetz at **866-450-4366** or **850 897-5747**

FREA ACTION ALERT FRIDAY, FEBRUARY 5, 2010!

In the 2008 legislative session, Senator Jeremy Ring introduced legislation (SB 2310) which encouraged the State Board of Administration (SBA) to invest up to 1.5 percent of the Florida Retirement System Trust Fund (our pension fund) in technology and growth investments of businesses domiciled in Florida. FREA opposed this legislation as unnecessary and creating extra work for the SBA. Both Florida and federal laws mandate that SBA invest pension funds so as to maximize the financial return to the fund consistent with the risks incumbent in each investment. The SBA cannot invest in Florida businesses unless that investment would have as good risk-return probability as similar investments available elsewhere would have. The SBA didn't need a law to make such investments if they were deemed good investments by set standards, and passing this law just adds extra work for the SBA staff. However, the bill passed and became law on July 1, 2008.

Since that time, the SBA has made many reports and taken much time setting up strategies attempting to comply with this "investing in Florida" law without violating the fiduciary obligations laws. Clearly this has been extra work for the staff, but reports given to the Investment Advisory Council each quarter indicate the new law is being successfully implemented.

Currently a Senate Select Committee on Florida's Economy which is chaired by Senator Don Gaetz with Senator Ring as vice-chair, has asked the SBA to look into the possibility of making loans to small businesses from the pension fund. Clearly, this is another attempt to use the pension fund for accomplishing political goals, and we need to raise our voices loudly to oppose this.

Investment performance by the SBA is important not only to members of FRS, but to every unit of government in the state which belongs to FRS. The pension fund can only remain solvent enough to keep required contribution rates at an acceptable level if the SBA earns good returns on investments. Therefore, it is in the best interest of everyone for our legislators to leave the SBA staff to do what they were hired to do, and not have to spend time researching ways to help achieve some political goal.

Please contact your legislators, especially Senator Ring and Senator Gaetz, and tell them to leave the pension fund alone.

Larry Carmichael