



STATE
UNIVERSITY
SYSTEM
of FLORIDA
Board of Governors

Office of the Chancellor
325 West Gaines Street, Suite 1614
Tallahassee, FL 32399
Phone 850.245.0466
Fax 850.245.9685
www.flbog.edu

February 21, 2011

Ms. Elizabeth M. Murphy
Secretary
Securities and Exchange Commission
100 F Street, N.E.
Washington, D.C. 20549-0690

Dear Ms. Murphy:

*RE: Registration of Municipal Advisors, Proposed Rule
File Number S7-45-10, Release No. 34-63576, 76 Fed. Reg. 824*

On behalf of the 11 institutions of the State University System of Florida and its Board of Governors, please accept this comment letter regarding the proposed Securities and Exchange Commission rule establishing a permanent registration requirement for municipal advisors. Pursuant to Article IX, Section 7 of the Florida Constitution, the State University System of Florida is operated, regulated and managed by a constitutionally established Board of Governors, which consists of 14 citizen members, who serve without compensation, as well as the State Commissioner of Education, the chair of the advisory council of faculty senates and the president of the Florida student association. Each individual university is directly administered by a 13 member board of trustees, of which 11 are citizens who serve without compensation.

Both the State University System and its 11 individual institutions issue tax-exempt bonds and are eligible to issue bonds in their own name and through the State Board of Administration. This financing is used to construct and renovate education and education-related facilities. The Board of Governors approves all financings in accordance with its adopted Debt Management Guidelines, as well as applicable state and federal laws relating to the issuance of both taxable and tax-exempt debt. We believe that our guidelines are among the most rigorous in the country and provide a solid basis for prudent management of university debt.

A cornerstone of the Debt Management Guidelines is that every issuance requires full disclosure at a publicly noticed meeting for each proposed debt issue – first, by the university board of trustees (and its direct support organization board if the financing originates from that organization), then by the Board of Governors at a publicly noticed meeting. Prior to consideration by the Board of Governors, the Guidelines require each debt issue to be scrutinized and questioned at every level. An extensive review is conducted by internal

university staff and Board of Governors' staff, and an external review is conducted by the Florida Division of Bond Finance. Importantly, if the debt is to be issued in the name of the State of Florida, the Governor and elected Cabinet officials must also authorize approval. Consequently, in many instances, oversight is exercised by the highest elected officers of the State.

As the foregoing demonstrates, the regulatory structure of the State University System of Florida for debt approval provides the necessary safeguards to protect the public and the State. While we can appreciate the intent of the Dodd-Frank Act to empower the Commission to effectively oversee municipal advisors and the municipal securities market, the proposed rule is overly broad in its application to appointed board members. Specifically, the proposed rule would result in the unnecessary registration of the more than 130 board members who oversee the State University System of Florida in accordance with their constitutional and statutory fiduciary duties.

The Exchange Act authorizes the Commission to approve an exemption from the registration requirement "if the Commission finds that such exemption is consistent with the public interest, the protection of investors, and the purposes of the registration law." We strongly urge the SEC to recognize an exemption for members of constitutionally mandated governing boards and their non-profit direct support organization boards.

Members of the State University System boards and the Board of Governors serve on an uncompensated basis, but are subject to conflict of interest policies and the Florida Code of Ethics, Sections 112.311, *et seq.*, Florida Statutes, which prohibits members from holding an employment or contractual relationship with the universities they regulate, and from engaging in transactions or rendering services that may give rise to a conflict of interest with their fiduciary responsibilities. Moreover, when board members consider a bond financing matter, they participate in a public and open decision-making process entirely within our system structure and are not serving as "advisors" or "providing advice" as those terms are commonly understood.

Extending a registration requirement to board members who discharge their fiduciary responsibilities within the State University System of Florida's governance structure will cause an undue expense to the State and impose an unnecessary regulatory burden. It will also serve as a deterrent on the ability to locate qualified individuals to serve as volunteer board members.

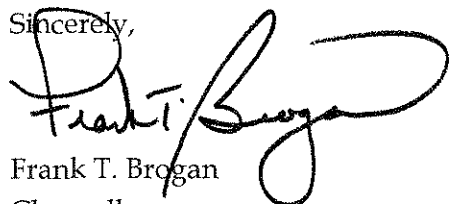
Therefore, on behalf of the State University System of Florida, we urge the Commission to exercise its statutory authority to exempt appointed board members of public bodies corporate from registration to the extent that such individuals are discharging their fiduciary obligations within an organization's internal decision-making and governance structure. We believe that

Elizabeth M. Murphy
February 21, 2011
Page 3 of 3

such an exemption is consistent with the purposes of the Act, would not lessen protections for investors, and is in the best interests of the public and the State of Florida.

If you have any questions, please contact Vikki Shirley, the Board of Governors General Counsel, at 850-245-0430 or Vikki.shirley@flbog.edu.

Sincerely,

A handwritten signature in black ink, appearing to read "Frank T. Brogan". The signature is fluid and cursive, with a large initial "F" and "B".

Frank T. Brogan
Chancellor

cc: Ava L. Parker, Chair