

	COL A03		COL A04		COL A05		CODES
	AGY REQUEST FY 2016-17 POS	AMOUNT	AGY REQ N/R FY 2016-17 POS	AMOUNT	AG REQ ANZ FY 2016-17 POS	AMOUNT	
ECONOMIC OPPORTUNITY							40000000
PGM: EXEC DIR/SUPPORT SVCS							40100000
<u>EXECUTIVE LEADERSHIP</u>							40100100
GOV OPERATIONS/SUPPORT							16
<u>EXEC LEADERSHIP/SUPPRT SVC</u>							<u>1602.00.00.00</u>
ESTIMATED EXPENDITURES							1000000
ESTIMATED EXPENDITURES - OPERATIONS							1001000
SALARY RATE							000000
SALARY RATE.....	2,755,167						
=====							
SALARIES AND BENEFIT							010000
GENERAL REVENUE FUND -STATE	372,417						1000 1
ADMINISTRATIVE TRUST FUND -FEDERL	2,899,335						2021 3
TOTAL POSITIONS.....	38.00						
TOTAL APPRO.....	3,271,752						
=====							
OTHER PERSONAL SERV							030000
ADMINISTRATIVE TRUST FUND -FEDERL	113,627						2021 3
=====							
EXPENSES							040000
GENERAL REVENUE FUND -STATE	33,009						1000 1
ADMINISTRATIVE TRUST FUND -FEDERL	471,984						2021 3
TOTAL APPRO.....	504,993						
=====							
OPERATING CAPITAL O							060000
ADMINISTRATIVE TRUST FUND -FEDERL	17,177						2021 3
=====							
SPECIAL CATEGORIES							100000
TRANS TO DIV ADM HE							100565
GENERAL REVENUE FUND -STATE	74,146						1000 1
=====							
G/A-CONTRACTED SERV							100778
ADMINISTRATIVE TRUST FUND -STATE	200,000						2021 1
-FEDERL	33,778						2021 3

	COL A03	COL A04	COL A05	
	AGY REQUEST	AGY REQ N/R	AG REQ ANZ	
	FY 2016-17	FY 2016-17	FY 2016-17	
	POS	AMOUNT	POS	AMOUNT
				AMOUNT
				CODES
ECONOMIC OPPORTUNITY				40000000
PGM: EXEC DIR/SUPPORT SVCS				40100000
<u>EXECUTIVE LEADERSHIP</u>				40100100
GOV OPERATIONS/SUPPORT				16
<u>EXEC LEADERSHIP/SUPPRT SVC</u>				<u>1602.00.00.00</u>
ESTIMATED EXPENDITURES				1000000
ESTIMATED EXPENDITURES - OPERATIONS				1001000
SPECIAL CATEGORIES				100000
G/A-CONTRACTED SERV				100778
TOTAL ADMINISTRATIVE TRUST FUND		233,778		2021
=====		=====		=====
SEED TRUST FUND -STATE		160,000		2041 1
=====		=====		=====
FL INTER TRADE & PROM TF -STATE		8,000		2338 1
=====		=====		=====
TOURISM PROMOTIONAL TF -STATE		32,000		2722 1
=====		=====		=====
TOTAL APPRO.....		433,778		
=====		=====		=====
RISK MANAGEMENT INS				103241
ADMINISTRATIVE TRUST FUND -FEDERL		23,122		2021 3
=====		=====		=====
TR/DMS/HR SVCS/STW				107040
GENERAL REVENUE FUND -STATE		3,793		1000 1
ADMINISTRATIVE TRUST FUND -FEDERL		10,615		2021 3
=====		=====		=====
TOTAL APPRO.....		14,408		
=====		=====		=====
DATA PROCESSING SERVICES				210000
STATE DATA CENTER -				210001
ADMINISTRATIVE TRUST FUND -FEDERL		3,010		2021 3
=====		=====		=====
TOTAL: ESTIMATED EXPENDITURES - OPERATIONS				1001000
TOTAL POSITIONS.....	38.00			
TOTAL ISSUE.....	4,456,013			
TOTAL SALARY RATE.....	2,755,167			
=====	=====	=====		=====

	COL A03		COL A04		COL A05		CODES
	POS	AMOUNT	POS	AMOUNT	POS	AMOUNT	
ECONOMIC OPPORTUNITY							40000000
PGM: EXEC DIR/SUPPORT SVCS							40100000
<u>EXECUTIVE LEADERSHIP</u>							40100100
GOV OPERATIONS/SUPPORT							16
<u>EXEC LEADERSHIP/SUPPRT SVC</u>							<u>1602.00.00.00</u>
ESTIMATED EXPENDITURES							1000000
CASUALTY INSURANCE PREMIUM							
ADJUSTMENT							1001090
SPECIAL CATEGORIES							100000
RISK MANAGEMENT INS							103241
ADMINISTRATIVE TRUST FUND -FEDERL		46					2021 3
=====							
FLORIDA RETIREMENT SYSTEM							
ADJUSTMENT FOR FISCAL YEAR 2015-16							
NORMAL COST AND UNFUNDED ACTUARIAL							
LIABILITY (UAL)							1001420
SALARIES AND BENEFI							010000
GENERAL REVENUE FUND -STATE		1,113-					1000 1
ADMINISTRATIVE TRUST FUND -FEDERL		8,665-					2021 3
TOTAL APPRO.....		9,778-					
=====							
DATA PROCESSING SERVICES							210000
STATE DATA CENTER -							210001
ADMINISTRATIVE TRUST FUND -FEDERL		4-					2021 3
=====							
TOTAL: FLORIDA RETIREMENT SYSTEM							1001420
ADJUSTMENT FOR FISCAL YEAR 2015-16							
NORMAL COST AND UNFUNDED ACTUARIAL							
LIABILITY (UAL)							
TOTAL ISSUE.....		9,782-					
=====							
HEALTH INSURANCE SUBSIDY - RETIREES							
FOR FY 2015-16							
SALARIES AND BENEFI							1001430
GENERAL REVENUE FUND -STATE		1,082					1000 1
ADMINISTRATIVE TRUST FUND -FEDERL		8,423					2021 3
TOTAL APPRO.....		9,505					
=====							

	COL A03		COL A04		COL A05		CODES
	POS	AMOUNT	POS	AMOUNT	POS	AMOUNT	
ECONOMIC OPPORTUNITY							40000000
PGM: EXEC DIR/SUPPORT SVCS							40100000
<u>EXECUTIVE LEADERSHIP</u>							40100100
GOV OPERATIONS/SUPPORT							16
<u>EXEC LEADERSHIP/SUPPRT SVC</u>							<u>1602.00.00.00</u>
ESTIMATED EXPENDITURES							1000000
HEALTH INSURANCE SUBSIDY - RETIREES							
FOR FY 2015-16							1001430
DATA PROCESSING SERVICES							210000
STATE DATA CENTER -							210001
ADMINISTRATIVE TRUST FUND -FEDERL		3					2021 3
TOTAL: HEALTH INSURANCE SUBSIDY - RETIREES							1001430
FOR FY 2015-16							
TOTAL ISSUE.....		9,508					
REALLOCATION OF HUMAN RESOURCES							
OUTSOURCING							1005900
SPECIAL CATEGORIES							100000
TR/DMS/HR SVCS/STW							107040
GENERAL REVENUE FUND -STATE		122-					1000 1
ADMINISTRATIVE TRUST FUND -FEDERL		343-					2021 3
TOTAL APPRO.....		465-					
STATE ENTERPRISE INFORMATION							
TECHNOLOGY DISTRIBUTION							1006600
DATA PROCESSING SERVICES							210000
STATE DATA CENTER -							210001
ADMINISTRATIVE TRUST FUND -FEDERL		663					2021 3
DISASTER RECOVERY FUNDING							
DISTRIBUTION							1006700
DATA PROCESSING SERVICES							210000
STATE DATA CENTER -							210001
ADMINISTRATIVE TRUST FUND -FEDERL		1,247					2021 3

	COL A03 AGY REQUEST FY 2016-17 POS	COL A04 AGY REQ N/R FY 2016-17 POS	COL A05 AG REQ ANZ FY 2016-17 POS	AMOUNT	AMOUNT	AMOUNT	CODES
ECONOMIC OPPORTUNITY							40000000
PGM: EXEC DIR/SUPPORT SVCS							40100000
<u>EXECUTIVE LEADERSHIP</u>							40100100
GOV OPERATIONS/SUPPORT							16
<u>EXEC LEADERSHIP/SUPPRT SVC</u>							<u>1602.00.00.00</u>
NONRECURRING EXPENDITURES							2100000
STRATEGIC BUSINESS DEVELOPMENT							
LITIGATION - PROVIDE FUNDING TO							
CONTRACT WITH OUTSIDE LEGAL COUNSEL							2103002
SPECIAL CATEGORIES							100000
G/A-CONTRACTED SERV							100778
SEED TRUST FUND -STATE				160,000-			2041 1
FL INTER TRADE & PROM TF -STATE				8,000-			2338 1
TOURISM PROMOTIONAL TF -STATE				32,000-			2722 1
TOTAL APPRO.....				200,000-			
COMMUNITY PLANNING LITIGATION -							
PROVIDE FUNDING TO CONTRACT WITH							
THE ATTORNEY GENERAL'S OFFICE							2103006
SPECIAL CATEGORIES							100000
G/A-CONTRACTED SERV							100778
ADMINISTRATIVE TRUST FUND -STATE				200,000-			2021 1
EXECUTIVE DIRECTION AND SUPPORT							
SERVICES							7000000
STRATEGIC BUSINESS DEVELOPMENT							
LITIGATION - PROVIDE FUNDING TO							
CONTRACT WITH OUTSIDE LEGAL COUNSEL							7000020
SPECIAL CATEGORIES							100000
G/A-CONTRACTED SERV							100778
SEED TRUST FUND -STATE				160,000	160,000		2041 1
FL INTER TRADE & PROM TF -STATE				8,000	8,000		2338 1
TOURISM PROMOTIONAL TF -STATE				32,000	32,000		2722 1
TOTAL APPRO.....				200,000	200,000		

AGENCY ISSUE NARRATIVE:

2016-2017 BUDGET YEAR NARRATIVE:

IT COMPONENT? NO

Summary: The Department requests \$200,000 of nonrecurring Grants and Aids - Contracted Services budget authority from the State Economic Enhancement and Development, Florida International Trade and Promotion, and Tourism Promotional Trust

	COL A03	COL A04	COL A05	
	AGY REQUEST	AGY REQ N/R	AG REQ ANZ	
	FY 2016-17	FY 2016-17	FY 2016-17	
	POS	AMOUNT	POS	AMOUNT
				AMOUNT
				CODES
ECONOMIC OPPORTUNITY				40000000
PGM: EXEC DIR/SUPPORT SVCS				40100000
<u>EXECUTIVE LEADERSHIP</u>				40100100
GOV OPERATIONS/SUPPORT				16
<u>EXEC LEADERSHIP/SUPPRT SVC</u>				<u>1602.00.00.00</u>
EXECUTIVE DIRECTION AND SUPPORT SERVICES				7000000
STRATEGIC BUSINESS DEVELOPMENT				
LITIGATION - PROVIDE FUNDING TO				
CONTRACT WITH OUTSIDE LEGAL COUNSEL				7000020

Funds to maintain and continue court proceedings with outside legal counsel in support of the Digital Domain, LLC litigations.

The request from each trust fund is:

\$160,000 (80%) in State Economic Enhancement Development (2041)
 \$8,000 (4%) in Florida International Trade and Promotion (2338)
 \$32,000 (16%) in Tourism Promotion (2722)
 Total request is \$200,000 of nonrecurring budget authority.

Business Need / Problem Statement: Digital Domain, LLC applied for and received state incentive dollars to expand its operations in Florida, creating employment and economic development opportunities for Florida's economy. Digital Domain subsequently filed for bankruptcy. The state contends that Digital Domain misrepresented the business it was bringing to Florida, misused state funds for purposes not allowable under the agreement, and defrauded the State out of more than \$80 million of job-creation grant funds.

Proposed Solution: The Department has two contracts with outside legal counsel to recover monies owed to the State. The primary need for additional Grants and Aids - Contracted services budget is to maintain the capability to contract with outside legal counsel in litigating the recovery of funds distributed under grant awards executed by and between Digital Domain and the State of Florida.

Proposed Benefits / Risks: Obtaining the additional budget authority to contract with outside counsel is the most cost-effective option for defending the Department's and the State of Florida's interests. (See Schedule VII Agency Litigation Inventory for additional information).

This issue aligns with the following strategy contained in Florida's Strategic Plan for Economic Development - July 2012 through June 2017:

#25 - Civic and Governance Systems Improve the efficiency and effectiveness of government agencies at all levels.

	COL A03	COL A04	COL A05	
	AGY REQUEST	AGY REQ N/R	AG REQ ANZ	
	FY 2016-17	FY 2016-17	FY 2016-17	
	POS AMOUNT	POS AMOUNT	POS AMOUNT	CODES
ECONOMIC OPPORTUNITY				40000000
PGM: EXEC DIR/SUPPORT SVCS				40100000
<u>EXECUTIVE LEADERSHIP</u>				40100100
GOV OPERATIONS/SUPPORT				16
<u>EXEC LEADERSHIP/SUPPRT SVC</u>				<u>1602.00.00.00</u>
EXECUTIVE DIRECTION AND SUPPORT SERVICES				7000000
EXECUTIVE DIRECTION AND SUPPORT SERVICES - PROVIDE ADDITIONAL FUNDING FOR OPERATIONS				7000040
SPECIAL CATEGORIES				100000
G/A-CONTRACTED SERV				100778
ADMINISTRATIVE TRUST FUND -FEDERL	200,000	200,000		2021 3

AGENCY ISSUE NARRATIVE:

2016-2017 BUDGET YEAR NARRATIVE:

IT COMPONENT? NO

Summary: The Department requests \$200,000 of nonrecurring Grants and Aids - Contracted Services budget authority from the Administrative Trust Fund to provide additional funding for operating contracts and agreements.

Business Need / Problem Statement: The Department currently has \$33,778 of recurring budget authority in the Executive Leadership budget entity. This appropriation must be used to support the General Counsel, Inspector General, Legislative Affairs, Communications and Director's Office. This funding is insufficient to address several specific needs.

The primary need for the additional funding is to litigate two open property takings cases and constitutional issues in Monroe County. Monroe County has been the subject of numerous lawsuits that allege property was taken based on certain environmental and land use restrictions that are partly attributable to the "Areas of Critical State Concern" designation. The State of Florida and DEO were made a third party defendant in these suits, and the county and state have mounted a joint defense. DEO contracts with the Attorney General's Office, who serves as the lead counsel in several open cases (see Schedule VII: Agency Litigation Inventory for additional information). Continuing to contract with the Attorney General is the most cost effective option for defending the state's exposure to significant monetary damages.

Proposed Solution: The Department requests \$200,000 in nonrecurring Grants and Aids - Contracted Services appropriation to be able to contract for outside legal services. This additional appropriation will ensure that there is sufficient budget to continue specific litigation cases, while still being able to maintain other operations.

Proposed Benefits / Risks: The recurring appropriation is not sufficient to meet the needs associated with these cases. If the issue is not funded, the Department would need to transfer budget from other entities and categories to support the ongoing litigation cases.

This issue aligns with the following strategy contained in Florida's Strategic Plan for Economic Development - July 2012 through June 2017:

#25 - Civic and Governance Systems Improve the efficiency and effectiveness of government agencies at all levels.

	COL A03	COL A04	COL A05	
	AGY REQUEST	AGY REQ N/R	AG REQ ANZ	
	FY 2016-17	FY 2016-17	FY 2016-17	
POS	AMOUNT	POS	AMOUNT	POS
				AMOUNT
				CODES
ECONOMIC OPPORTUNITY				40000000
PGM: EXEC DIR/SUPPORT SVCS				40100000
<u>EXECUTIVE LEADERSHIP</u>				40100100
GOV OPERATIONS/SUPPORT				16
<u>EXEC LEADERSHIP/SUPPRT SVC</u>				<u>1602.00.00.00</u>
TOTAL: EXEC LEADERSHIP/SUPPRT SVC				<u>1602.00.00.00</u>
BY FUND TYPE				
GENERAL REVENUE FUND	483,212			1000
TRUST FUNDS	3,974,018	400,000		2000
TOTAL POSITIONS.....	38.00			
TOTAL PROG COMP.....	4,457,230	400,000		
TOTAL SALARY RATE.....	2,755,167			
	=====	=====	=====	

	COL A03	COL A04	COL A05	
	AGY REQUEST	AGY REQ N/R	AG REQ ANZ	
	FY 2016-17	FY 2016-17	FY 2016-17	
POS	AMOUNT	POS	AMOUNT	POS
				AMOUNT
				CODES
ECONOMIC OPPORTUNITY				40000000
PGM: EXEC DIR/SUPPORT SVCS				40100000
<u>FINANCE AND ADMINISTRATION</u>				40100200
GOV OPERATIONS/SUPPORT				16
<u>EXEC LEADERSHIP/SUPPRT SVC</u>				<u>1602.00.00.00</u>
ESTIMATED EXPENDITURES				1000000
ESTIMATED EXPENDITURES - OPERATIONS				1001000
SALARY RATE				000000
SALARY RATE.....	5,460,045			
=====				
SALARIES AND BENEFIT				010000
ADMINISTRATIVE TRUST FUND -FEDERL	6,463,598			2021 3
REVOLVING TRUST FUND -RECPNT	933,475			2600 9
TOTAL POSITIONS.....	99.00			
TOTAL APPRO.....	7,397,073			
=====				
OTHER PERSONAL SERV				030000
ADMINISTRATIVE TRUST FUND -FEDERL	49,136			2021 3
REVOLVING TRUST FUND -RECPNT	50,000			2600 9
TOTAL APPRO.....	99,136			
=====				
EXPENSES				040000
GENERAL REVENUE FUND -STATE	3,789			1000 1
ADMINISTRATIVE TRUST FUND -FEDERL	621,768			2021 3
REVOLVING TRUST FUND -RECPNT	1,418,634			2600 9
TOTAL APPRO.....	2,044,191			
=====				
OPERATING CAPITAL O				060000
ADMINISTRATIVE TRUST FUND -STATE	500			2021 1
-FEDERL	52,322			2021 3
TOTAL ADMINISTRATIVE TRUST FUND	52,822			2021
TOTAL APPRO.....	52,822			
=====				

	COL A03		COL A04		COL A05		CODES
	AGY REQUEST FY 2016-17 POS	AMOUNT	AGY REQ N/R FY 2016-17 POS	AMOUNT	AG REQ ANZ FY 2016-17 POS	AMOUNT	
ECONOMIC OPPORTUNITY							40000000
PGM: EXEC DIR/SUPPORT SVCS							40100000
<u>FINANCE AND ADMINISTRATION</u>							40100200
GOV OPERATIONS/SUPPORT							16
<u>EXEC LEADERSHIP/SUPPRT SVC</u>							<u>1602.00.00.00</u>
ESTIMATED EXPENDITURES							1000000
ESTIMATED EXPENDITURES - OPERATIONS							1001000
SPECIAL CATEGORIES							100000
G/A-CONTRACTED SERV							100778
ADMINISTRATIVE TRUST FUND -FEDERL		510,198					2021 3
REVOLVING TRUST FUND -RECPNT		1,036,300					2600 9
TOTAL APPRO.....		<u>1,546,498</u>					
RISK MANAGEMENT INS							103241
ADMINISTRATIVE TRUST FUND -STATE		81					2021 1
-FEDERL		26,796					2021 3
TOTAL ADMINISTRATIVE TRUST FUND		<u>26,877</u>					2021
REVOLVING TRUST FUND -RECPNT		5,169					2600 9
TOTAL APPRO.....		<u>32,046</u>					
TR/DMS/HR SVCS/STW							107040
ADMINISTRATIVE TRUST FUND -STATE		1,428					2021 1
-FEDERL		24,011					2021 3
TOTAL ADMINISTRATIVE TRUST FUND		<u>25,439</u>					2021
REVOLVING TRUST FUND -RECPNT		4,692					2600 9
TOTAL APPRO.....		<u>30,131</u>					
DATA PROCESSING SERVICES							210000
STATE DATA CENTER -							210001
ADMINISTRATIVE TRUST FUND -FEDERL		89,348					2021 3

	COL A03	COL A04	COL A05	
	AGY REQUEST	AGY REQ N/R	AG REQ ANZ	
	FY 2016-17	FY 2016-17	FY 2016-17	
	POS	AMOUNT	POS	AMOUNT
				AMOUNT
				CODES
ECONOMIC OPPORTUNITY				40000000
PGM: EXEC DIR/SUPPORT SVCS				40100000
<u>FINANCE AND ADMINISTRATION</u>				40100200
GOV OPERATIONS/SUPPORT				16
<u>EXEC LEADERSHIP/SUPPRT SVC</u>				<u>1602.00.00.00</u>
ESTIMATED EXPENDITURES				1000000
ESTIMATED EXPENDITURES - OPERATIONS				1001000
TOTAL: ESTIMATED EXPENDITURES - OPERATIONS				1001000
TOTAL POSITIONS.....	99.00			
TOTAL ISSUE.....		11,291,245		
TOTAL SALARY RATE.....		5,460,045		
	=====	=====	=====	
CASUALTY INSURANCE PREMIUM				
ADJUSTMENT				1001090
SPECIAL CATEGORIES				100000
RISK MANAGEMENT INS				103241
ADMINISTRATIVE TRUST FUND -FEDERL		2,861		2021 3
REVOLVING TRUST FUND -RECPNT		550		2600 9
TOTAL APPRO.....		3,411		
	=====	=====	=====	
FLORIDA RETIREMENT SYSTEM				
ADJUSTMENT FOR FISCAL YEAR 2015-16				
NORMAL COST AND UNFUNDED ACTUARIAL				
LIABILITY (UAL)				1001420
SALARIES AND BENEFIT				010000
ADMINISTRATIVE TRUST FUND -FEDERL		18,137-		2021 3
REVOLVING TRUST FUND -RECPNT		2,619-		2600 9
TOTAL APPRO.....		20,756-		
	=====	=====	=====	
DATA PROCESSING SERVICES				210000
STATE DATA CENTER -				210001
ADMINISTRATIVE TRUST FUND -FEDERL		109-		2021 3
	=====	=====	=====	
TOTAL: FLORIDA RETIREMENT SYSTEM				1001420
ADJUSTMENT FOR FISCAL YEAR 2015-16				
NORMAL COST AND UNFUNDED ACTUARIAL				
LIABILITY (UAL)				
TOTAL ISSUE.....		20,865-		
	=====	=====	=====	

	COL A03		COL A04		COL A05		CODES
	AGY REQUEST FY 2016-17 POS	AMOUNT	AGY REQ N/R FY 2016-17 POS	AMOUNT	AG REQ ANZ FY 2016-17 POS	AMOUNT	
ECONOMIC OPPORTUNITY							40000000
PGM: EXEC DIR/SUPPORT SVCS							40100000
<u>FINANCE AND ADMINISTRATION</u>							40100200
GOV OPERATIONS/SUPPORT							16
<u>EXEC LEADERSHIP/SUPPRT SVC</u>							<u>1602.00.00.00</u>
ESTIMATED EXPENDITURES							1000000
HEALTH INSURANCE SUBSIDY - RETIREES FOR FY 2015-16							1001430
SALARIES AND BENEFI							010000
ADMINISTRATIVE TRUST FUND -FEDERL		18,447					2021 3
REVOLVING TRUST FUND -RECPNT		2,664					2600 9
TOTAL APPRO.....		21,111					
=====							
DATA PROCESSING SERVICES							210000
STATE DATA CENTER -							210001
ADMINISTRATIVE TRUST FUND -FEDERL		101					2021 3
=====							
TOTAL: HEALTH INSURANCE SUBSIDY - RETIREES FOR FY 2015-16							1001430
TOTAL ISSUE.....		21,212					
=====							
REALLOCATION OF HUMAN RESOURCES							1005900
OUTSOURCING							100000
SPECIAL CATEGORIES							107040
TR/DMS/HR SVCS/STW							
ADMINISTRATIVE TRUST FUND -STATE		46-					2021 1
-FEDERL		775-					2021 3
TOTAL ADMINISTRATIVE TRUST FUND		821-					2021
=====							
REVOLVING TRUST FUND -RECPNT		151-					2600 9
TOTAL APPRO.....		972-					
=====							

	COL A03	COL A04	COL A05	
	AGY REQUEST	AGY REQ N/R	AG REQ ANZ	
	FY 2016-17	FY 2016-17	FY 2016-17	
	POS AMOUNT	POS AMOUNT	POS AMOUNT	CODES
ECONOMIC OPPORTUNITY				40000000
PGM: EXEC DIR/SUPPORT SVCS				40100000
<u>FINANCE AND ADMINISTRATION</u>				40100200
GOV OPERATIONS/SUPPORT				16
<u>EXEC LEADERSHIP/SUPPRT SVC</u>				<u>1602.00.00.00</u>
ESTIMATED EXPENDITURES				1000000
STATE ENTERPRISE INFORMATION				
TECHNOLOGY DISTRIBUTION				1006600
DATA PROCESSING SERVICES				210000
STATE DATA CENTER -				210001
ADMINISTRATIVE TRUST FUND -FEDERL	19,685			2021 3
=====				
DISASTER RECOVERY FUNDING				
DISTRIBUTION				1006700
DATA PROCESSING SERVICES				210000
STATE DATA CENTER -				210001
ADMINISTRATIVE TRUST FUND -FEDERL	37,002			2021 3
=====				
CAPITAL IMPROVEMENT PLAN				9900000
MAINTENANCE AND REPAIR				990M000
FIXED CAPITAL OUTLAY				080000
REED ACT PROJECT-ST				080903
REVOLVING TRUST FUND -RECPNT	624,000	624,000		2600 9
=====				

AGENCY NARRATIVE:

2016-2017 BUDGET YEAR NARRATIVE: REED ACT PROJECT-STATEWIDE IT COMPONENT? NO

Summary: The Department requests \$624,000 of nonrecurring budget authority from the Revolving Trust Fund to be used for The Capital Improvement Program Plan.

Business Need / Problem Statement: The Capital Improvements Program Plan focuses on maximizing the utilization of existing Department owned facilities and identifying deficiencies in facilities and equipment that could adversely impact the Department's ability to accomplish its objectives. The Department owns and operates eleven (11) building complexes throughout the State consisting of seventeen (17) individual buildings with approximately 492,972 square feet of office/service space. Department personnel monitor the operation and maintenance of these buildings on a continuous basis. Although all eleven (11) complexes are in good condition, there are repairs and replacement projects that need to be performed to maintain the buildings in good condition. The following repair and replacement projects have been identified below in priority order.

Proposed Solution:

1. Reed Act Buildings Statewide - Replace Heating Ventilating and Air Conditioning (HV/AC) Units \$207,000 - Replacement of HV/AC units that have reached or exceeded their life expectancy. If such units are not replaced, the possibility of

COL A03		COL A04		COL A05		CODES
AGY REQUEST	AGY REQ N/R	AGY REQ ANZ				
FY 2016-17	FY 2016-17	FY 2016-17				
POS	AMOUNT	POS	AMOUNT	POS	AMOUNT	
ECONOMIC OPPORTUNITY						40000000
PGM: EXEC DIR/SUPPORT SVCS						40100000
<u>FINANCE AND ADMINISTRATION</u>						40100200
GOV OPERATIONS/SUPPORT						16
<u>EXEC LEADERSHIP/SUPPRT SVC</u>						<u>1602.00.00.00</u>
CAPITAL IMPROVEMENT PLAN						9900000
MAINTENANCE AND REPAIR						990M000

failure increases and could cause the facilities to be closed for environmental issues. This is a statewide replacement focusing on units more than 15 years old and that are beginning to malfunction more frequently. There are currently six units that are 15-20 years old that require prompt attention to avoid additional or increased future repair costs and liabilities.

2. Reed Act Buildings Statewide - Upgrade, install and replace security access control system statewide \$185,000 - The current security systems are more than 20 years old and are beginning to malfunction more frequently. Replacement parts for the systems are becoming more and more difficult to locate considering the systems are not integrated. The Department proposes to install a more efficient integrated system statewide which will reduce chances of a malfunction that would leave the buildings unprotected and vulnerable to theft and vandalism. A new system will provide the tenants, associates and customers with safe and secure environments to provide and receive services. The newer systems will also allow more flexibility in control and monitoring access to the buildings statewide.

3. Jacksonville - Carpet removal and abatement of asbestos floor tile and installation of new carpet \$102,000 - The carpet in the Jacksonville building is more than 20 years old and is frayed, torn and soiled. If the carpet is not replaced, it increases the department's liability in regards to trips and falls. It could also cause health issues related to allergies, and create attendance problems. There is asbestos containing floor tile under the carpet and the floor tile must be abated prior to replacing the carpet. The requested amount includes funds to disassemble and reassemble cubicles, relocation and storage of furniture and cubicles, removal of carpet and abatement of the asbestos containing floor tile, and installation of new carpet.

4. Reed Act Buildings Statewide - Grounds Keeping for Improved Security \$130,000 - DEO owns 17 buildings throughout the State of Florida. This project is predicated on providing a safer and more secure work environment for the associates, tenants and customers housed in these facilities by improving the line of site when entering and existing the facilities. According to the Security Assessment conducted by the Florida Department of Law Enforcement (FDLE), the current layout and condition of existing trees and shrubs does not meet the nationally accepted Crime Prevention through Environmental Design (CPTED) model in all areas. CPTED, is based on the idea that the proper design and effective use of the built environment can lead to a reduction in the incidence and fear of crime.

The following guidelines were prepared by FDLE to be used as a tool to build a quality physical environment with the idea of reducing the opportunity for crime to occur. Natural Surveillance is a design concept directed primarily at keeping intruders under observation. It utilizes design features to increase the visibility of a property or building. The proper placement and design of windows, lighting, and landscaping increases the ability of those who care to observe intruders as well as regular users, and thus provides the opportunity to challenge inappropriate behavior or report it to the police or the property owner. When natural surveillance is used to its greatest advantage, it maximizes the potential to deter crime by making the offender's behavior more easily noticeable to a passing individual, police patrol, or private security detail. FDLE recommendations are to prune all vegetation to meet the recommended CPTED model. This will require that the shrubbery be no higher than three feet from the ground and tree branches no lower than six feet from the ground where at all possible. Also, trimming branches from any trees that block the natural surveillance of exterior glass doors. Currently, the ability to view some entrance doors from surrounding streets is partially blocked.

	COL A03	COL A04	COL A05	
	AGY REQUEST	AGY REQ N/R	AG REQ ANZ	
	FY 2016-17	FY 2016-17	FY 2016-17	
POS	AMOUNT	POS	AMOUNT	POS
				AMOUNT
				CODES
ECONOMIC OPPORTUNITY				40000000
PGM: EXEC DIR/SUPPORT SVCS				40100000
<u>FINANCE AND ADMINISTRATION</u>				40100200
GOV OPERATIONS/SUPPORT				16
<u>EXEC LEADERSHIP/SUPPRT SVC</u>				<u>1602.00.00.00</u>
CAPITAL IMPROVEMENT PLAN				9900000
MAINTENANCE AND REPAIR				990M000

Proposed Benefits / Risks: The proposed repairs and maintenance are necessary to keep Department owned buildings in a safe and efficient state of operation. By funding the proposed projects, the Department decreases the potential for additional future costs and liability due to system failures and illness or injury to personnel.

This issue aligns with the following strategy contained in Florida's Strategic Plan for Economic Development - July 2012 through June 2017:

#25 - Civic and Governance Systems - Improve the efficiency and effectiveness of government agencies at all levels.

TOTAL: EXEC LEADERSHIP/SUPPRT SVC				<u>1602.00.00.00</u>
BY FUND TYPE				
GENERAL REVENUE FUND	3,789			1000
TRUST FUNDS	11,970,929	624,000		2000
TOTAL POSITIONS.....	99.00			
TOTAL PROG COMP.....	11,974,718	624,000		
TOTAL SALARY RATE.....	5,460,045			
	=====	=====	=====	

	COL A03		COL A04		COL A05		CODES
	AGY REQUEST FY 2016-17 POS	AMOUNT	AGY REQ N/R FY 2016-17 POS	AMOUNT	AG REQ ANZ FY 2016-17 POS	AMOUNT	
ECONOMIC OPPORTUNITY							40000000
PGM: EXEC DIR/SUPPORT SVCS							40100000
<u>INF SYSTEMS & SUPPORT SVCS</u>							40100300
GOV OPERATIONS/SUPPORT							16
<u>INFORMATION TECHNOLOGY</u>							<u>1603.00.00.00</u>
ESTIMATED EXPENDITURES							1000000
ESTIMATED EXPENDITURES - OPERATIONS							1001000
SALARY RATE							000000
SALARY RATE.....		5,699,356					
=====							
SALARIES AND BENEFIT							010000
ADMINISTRATIVE TRUST FUND -STATE		955,716					2021 1
-FEDERL		6,833,335					2021 3

TOTAL ADMINISTRATIVE TRUST FUND		7,789,051					2021
=====							
TOTAL POSITIONS.....		93.00					
TOTAL APPRO.....		7,789,051					
=====							
OTHER PERSONAL SERV							030000
ADMINISTRATIVE TRUST FUND -FEDERL		130,512					2021 3
=====							
EXPENSES							040000
ADMINISTRATIVE TRUST FUND -STATE		122,640					2021 1
-FEDERL		1,020,765					2021 3

TOTAL ADMINISTRATIVE TRUST FUND		1,143,405					2021
=====							
TOTAL APPRO.....		1,143,405					
=====							
OPERATING CAPITAL O							060000
ADMINISTRATIVE TRUST FUND -FEDERL		202,661					2021 3
=====							
SPECIAL CATEGORIES							100000
G/A-CONTRACTED SERV							100778
ADMINISTRATIVE TRUST FUND -FEDERL		593,190					2021 3
=====							

	COL A03		COL A04		COL A05		CODES
	POS	AMOUNT	POS	AMOUNT	POS	AMOUNT	
ECONOMIC OPPORTUNITY							40000000
PGM: EXEC DIR/SUPPORT SVCS							40100000
<u>INF SYSTEMS & SUPPORT SVCS</u>							40100300
GOV OPERATIONS/SUPPORT							16
<u>INFORMATION TECHNOLOGY</u>							<u>1603.00.00.00</u>
ESTIMATED EXPENDITURES							1000000
ESTIMATED EXPENDITURES - OPERATIONS							1001000
SPECIAL CATEGORIES							100000
RISK MANAGEMENT INS							103241
ADMINISTRATIVE TRUST FUND -FEDERL		50,314					2021 3
TR/DMS/HR SVCS/STW							107040
ADMINISTRATIVE TRUST FUND -STATE		4,128					2021 1
-FEDERL		23,849					2021 3
TOTAL ADMINISTRATIVE TRUST FUND		27,977					2021
TOTAL APPRO.....		27,977					
DATA PROCESSING SERVICES							210000
STATE DATA CENTER -							210001
ADMINISTRATIVE TRUST FUND -FEDERL		42,113					2021 3
TOTAL: ESTIMATED EXPENDITURES - OPERATIONS							1001000
TOTAL POSITIONS.....	93.00						
TOTAL ISSUE.....		9,979,223					
TOTAL SALARY RATE.....		5,699,356					
CASUALTY INSURANCE PREMIUM							1001090
ADJUSTMENT							100000
SPECIAL CATEGORIES							103241
RISK MANAGEMENT INS							
ADMINISTRATIVE TRUST FUND -FEDERL		37,133					2021 3

	COL A03	COL A04	COL A05	
	AGY REQUEST	AGY REQ N/R	AG REQ ANZ	
	FY 2016-17	FY 2016-17	FY 2016-17	
	POS AMOUNT	POS AMOUNT	POS AMOUNT	CODES
ECONOMIC OPPORTUNITY				40000000
PGM: EXEC DIR/SUPPORT SVCS				40100000
<u>INF SYSTEMS & SUPPORT SVCS</u>				40100300
GOV OPERATIONS/SUPPORT				16
<u>INFORMATION TECHNOLOGY</u>				<u>1603.00.00.00</u>
ESTIMATED EXPENDITURES				1000000
FLORIDA RETIREMENT SYSTEM				
ADJUSTMENT FOR FISCAL YEAR 2015-16				
NORMAL COST AND UNFUNDED ACTUARIAL				
LIABILITY (UAL)				1001420
SALARIES AND BENEFIT				010000
ADMINISTRATIVE TRUST FUND -STATE	2,955-			2021 1
-FEDERL	21,128-			2021 3
TOTAL ADMINISTRATIVE TRUST FUND	24,083-			2021
TOTAL APPRO.....	24,083-			
DATA PROCESSING SERVICES				210000
STATE DATA CENTER -				210001
ADMINISTRATIVE TRUST FUND -FEDERL	51-			2021 3
TOTAL: FLORIDA RETIREMENT SYSTEM				1001420
ADJUSTMENT FOR FISCAL YEAR 2015-16				
NORMAL COST AND UNFUNDED ACTUARIAL				
LIABILITY (UAL)				
TOTAL ISSUE.....	24,134-			
HEALTH INSURANCE SUBSIDY - RETIREES				
FOR FY 2015-16				1001430
SALARIES AND BENEFIT				010000
ADMINISTRATIVE TRUST FUND -STATE	2,737			2021 1
-FEDERL	19,569			2021 3
TOTAL ADMINISTRATIVE TRUST FUND	22,306			2021
TOTAL APPRO.....	22,306			

	COL A03	COL A04	COL A05	
	AGY REQUEST	AGY REQ N/R	AG REQ ANZ	
	FY 2016-17	FY 2016-17	FY 2016-17	
	POS AMOUNT	POS AMOUNT	POS AMOUNT	CODES
ECONOMIC OPPORTUNITY				40000000
PGM: EXEC DIR/SUPPORT SVCS				40100000
<u>INF SYSTEMS & SUPPORT SVCS</u>				40100300
GOV OPERATIONS/SUPPORT				16
<u>INFORMATION TECHNOLOGY</u>				<u>1603.00.00.00</u>
ESTIMATED EXPENDITURES				1000000
HEALTH INSURANCE SUBSIDY - RETIREES				
FOR FY 2015-16				1001430
DATA PROCESSING SERVICES				210000
STATE DATA CENTER -				210001
ADMINISTRATIVE TRUST FUND -FEDERL	48			2021 3
TOTAL: HEALTH INSURANCE SUBSIDY - RETIREES				1001430
FOR FY 2015-16				
TOTAL ISSUE.....	22,354			
REALLOCATION OF HUMAN RESOURCES				
OUTSOURCING				1005900
SPECIAL CATEGORIES				100000
TR/DMS/HR SVCS/STW				107040
ADMINISTRATIVE TRUST FUND -STATE	133-			2021 1
-FEDERL	770-			2021 3
TOTAL ADMINISTRATIVE TRUST FUND	903-			2021
TOTAL APPRO.....	903-			
STATE ENTERPRISE INFORMATION				
TECHNOLOGY DISTRIBUTION				1006600
DATA PROCESSING SERVICES				210000
STATE DATA CENTER -				210001
ADMINISTRATIVE TRUST FUND -FEDERL	9,278			2021 3

	COL A03		COL A04		COL A05		CODES
	AGY REQUEST FY 2016-17 POS	AMOUNT	AGY REQ N/R FY 2016-17 POS	AMOUNT	AG REQ ANZ FY 2016-17 POS	AMOUNT	
ECONOMIC OPPORTUNITY							40000000
PGM: EXEC DIR/SUPPORT SVCS							40100000
<u>INF SYSTEMS & SUPPORT SVCS</u>							40100300
GOV OPERATIONS/SUPPORT							16
<u>INFORMATION TECHNOLOGY</u>							<u>1603.00.00.00</u>
ESTIMATED EXPENDITURES							1000000
DISASTER RECOVERY FUNDING							
DISTRIBUTION							1006700
DATA PROCESSING SERVICES							210000
STATE DATA CENTER -							210001
ADMINISTRATIVE TRUST FUND -FEDERL		17,440					2021 3
=====							
NONRECURRING EXPENDITURES							2100000
PROVIDE ADDITIONAL FUNDING TO							
SUPPORT DEPARTMENT-WIDE INFORMATION							
TECHNOLOGY NEEDS							2103038
OPERATING CAPITAL O							060000
ADMINISTRATIVE TRUST FUND -FEDERL		119,000-					2021 3
=====							
AGENCY-WIDE INFORMATION TECHNOLOGY							3620000
INFORMATION TECHNOLOGY SECURITY AND							
FRAUD DETECTION TOOLS							36202C0
EXPENSES							040000
ADMINISTRATIVE TRUST FUND -FEDERL		199,135		10,000			2021 3
=====							
OPERATING CAPITAL O							060000
ADMINISTRATIVE TRUST FUND -FEDERL		525,829		525,829			2021 3
=====							
SPECIAL CATEGORIES							100000
G/A-CONTRACTED SERV							100778
ADMINISTRATIVE TRUST FUND -FEDERL		136,000		136,000			2021 3
=====							
TOTAL: INFORMATION TECHNOLOGY SECURITY AND							36202C0
FRAUD DETECTION TOOLS							
TOTAL ISSUE.....		860,964		671,829			
=====							

	COL A03	COL A04	COL A05	
	AGY REQUEST	AGY REQ N/R	AG REQ ANZ	
	FY 2016-17	FY 2016-17	FY 2016-17	
	POS AMOUNT	POS AMOUNT	POS AMOUNT	CODES
ECONOMIC OPPORTUNITY				40000000
PGM: EXEC DIR/SUPPORT SVCS				40100000
<u>INF SYSTEMS & SUPPORT SVCS</u>				40100300
GOV OPERATIONS/SUPPORT				16
<u>INFORMATION TECHNOLOGY</u>				<u>1603.00.00.00</u>
AGENCY-WIDE INFORMATION TECHNOLOGY				3620000
INFORMATION TECHNOLOGY SECURITY AND				
FRAUD DETECTION TOOLS				36202C0

AGENCY ISSUE NARRATIVE:

2016-2017 BUDGET YEAR NARRATIVE:

IT COMPONENT? YES

Summary: The Department requests \$860,964 of recurring and nonrecurring funds from the Administrative Trust Fund to be used to purchase security tools, which consist of a Security Information and Event Management (SIEM) system and an Intrusion Prevention System (IPS). This request is a part of a three year program.

Year one consists of:

- \$189,135 of recurring Expense and \$10,000 nonrecurring Expense;
 - \$525,829 of nonrecurring Operating Capital Outlay;
 - \$136,000 of nonrecurring Grants and Aids - Contracted Services
- Year one total request is \$860,964

Year two and three consists of an annual maintenance agreement of \$189,135 per year of recurring expense for critical industry-standard security tools. This cost includes three years of support, professional installation assistance, and training for the security team.

Business need / Problem Statement: Identity theft and resulting fraud and data breaches have reached crisis levels. Nationally, one identity is stolen every two seconds, and in 2014 more than one billion records were breached. To put that in perspective, the current population of the United States is only 320 million people. Identity theft is especially problematic in Florida, which, according to the Federal Trade Commission, has the highest per capita rate of identity theft in the nation. Accordingly, the Department is proposing a legislative package that will provide the agency with additional resources, tools, and legal authorizations to prevent and fight public-benefits fraud in Florida. The agency's goal is to establish model policies, procedures, and practices that can be replicated across benefit systems in Florida.

Many of the Department's existing security modules within the network infrastructure are no longer operating at optimal levels. The Department manages large volumes of claimant and other sensitive data that is considered confidential under both state and federal law. System failures due to aging, outdated software and/or hardware or computer viruses would potentially place this data at risk. The Department does not presently have the capability to observe behavior of unknown software or application code being downloaded to a computer or browser. This deficiency makes the Department vulnerable to attempts to steal the confidential data of state agencies, businesses, and individuals.

The Ponemon Institute's 2015 Cost of Data Breach Study, sponsored by IBM, shows that the global average total cost of a single data breach is \$3.79 million, an increase of 23 percent over the last two years. According to the Identity Theft Resource Center (ITRC), in 2015 alone there have been at least 436 reported breaches exposing over 135,000,000 personal records. The threats and costs of breaches are only increasing.

Proposed Solution: The Department proposes to purchase contracted services, software, and equipment to put in place a

	COL A03	COL A04	COL A05	
	AGY REQUEST	AGY REQ N/R	AG REQ ANZ	
	FY 2016-17	FY 2016-17	FY 2016-17	
	POS AMOUNT	POS AMOUNT	POS AMOUNT	CODES
ECONOMIC OPPORTUNITY				40000000
PGM: EXEC DIR/SUPPORT SVCS				40100000
<u>INF SYSTEMS & SUPPORT SVCS</u>				40100300
GOV OPERATIONS/SUPPORT				16
<u>INFORMATION TECHNOLOGY</u>				<u>1603.00.00.00</u>
AGENCY-WIDE INFORMATION TECHNOLOGY				3620000
INFORMATION TECHNOLOGY SECURITY AND				
FRAUD DETECTION TOOLS				36202C0

SIEM system that will monitor, track, and report on activity that occurs on agency network infrastructure and to implement an IPS that will alert network security staff to breaches of the network resources. The proper implementation and use of these tools will decrease the likelihood of a data breach, and increase the potential for swift breach response and mitigation. The implementation for these solutions will be done over a three year period.

Year one will be the set-up and installation phase that will require the purchase of software and equipment, as well as vendor service to properly install and establish the systems.

Year two and three will consist of operating and monitoring system performance. Costs for year two and three are based upon the estimated cost to annually renew software licensing and maintenance agreements.

After year three, the Department will review internal and external assessments of the solution and determine what changes or additions to the security infrastructure are necessary. It is the assumption of the Department that this solution will continue after year three.

These tools will help DEO follow the requirement "to develop a process for detecting, reporting, and responding to threats" in compliance with Florida Statute 282.318(4). The Department has reviewed prior internal and external audits and risk assessments, such as the 2013-14 DEO OIG IT Patch Management Audit, 2014 DEO Strategic Security Plan Gap Analysis, and 2015 DEO 3-Year Risk Self-Assessment. The findings of those reviews in conjunction with the expected results of the 2015 AST Statewide Risk Assessment have underscored the need for the Department to implement a systematic solution. These tools are intended to provide detection capabilities and facilitate a swift response to threats.

The Southwood Shared Resource Center (SSRC) does currently offer an IPS product, however it is unable to monitor DEO's multiple sites across the state, or any traffic within those sites. Likewise, the SSRC SIEM solution is not intended to be configured for reading application logs for data center customers, and thus is of limited use in securing DEO's systems. The Department has determined, after consulting with the SSRC, that the best option is to procure the necessary services, software, and equipment from an external source.

Proposed Benefits / Risks: While the Return on Investment for implementing these types of tools can be difficult to quantify, there are some key areas in which resources will be saved. Threats greatly increase the department's ability to detect and rectify system misconfigurations and non-malicious, aberrant network behavior. This, in turn, will improve productivity by detecting violations of acceptable use (digital media streaming, file-sharing, etc.). The risk to the organization is decreased, providing the potential for major cost avoidance through breach prevention.

When used in tandem, these tools will provide an ability to review network traffic and correlate it with server and database activities to monitor end to end performance of systems network access. This capability when used with other existing intrusion detection and prevention tools will improve the ability to protect confidential data and mission critical resources. Leveraging these tools as part of an overall operational security strategy is one of the best ways to improve security posture and facilitate a decrease in risk for DEO, its affiliates, and the State of Florida

	COL A03	COL A04	COL A05	
	AGY REQUEST	AGY REQ N/R	AG REQ ANZ	
	FY 2016-17	FY 2016-17	FY 2016-17	
	POS AMOUNT	POS AMOUNT	POS AMOUNT	CODES
ECONOMIC OPPORTUNITY				40000000
PGM: EXEC DIR/SUPPORT SVCS				40100000
<u>INF SYSTEMS & SUPPORT SVCS</u>				40100300
GOV OPERATIONS/SUPPORT				16
<u>INFORMATION TECHNOLOGY</u>				<u>1603.00.00.00</u>
AGENCY-WIDE INFORMATION TECHNOLOGY				3620000
INFORMATION TECHNOLOGY SECURITY AND				
FRAUD DETECTION TOOLS				36202C0

Without implementing these tools, the Department would not have the information required to effectively manage mission critical applications where rapid identification and remediation of issues is necessary. It is crucial for the Department to keep its information technology network as up to date and secure from outside intrusions as possible; while maintaining efficient 24/7 access to authorized user's statewide.

This issue aligns with the following strategy contained in Florida's Strategic Plan for Economic Development - July 2012 through June 2017:

#25 - Civic and Governance Systems - Improve the efficiency and effectiveness of government agencies at all levels.

NETWORK PENETRATION TESTING				3621000
SPECIAL CATEGORIES				100000
G/A-CONTRACTED SERV				100778
ADMINISTRATIVE TRUST FUND -FEDERL	250,000	250,000		2021 3

AGENCY ISSUE NARRATIVE:

2016-2017 BUDGET YEAR NARRATIVE:

IT COMPONENT? YES

Summary: The Department requests \$250,000 of nonrecurring Grants and Aids - Contracted Services from the Administrative Trust Fund to be used for the purchase of Network Penetration Testing services.

Business Need / Problem Statement: Identity theft and resulting fraud and data breaches have reached crisis levels. Nationally, one identity is stolen every two seconds, and in 2014 more than one billion records were breached. To put that in perspective, the current population of the United States is only 320 million people. Identity theft is especially problematic in Florida, which, according to the Federal Trade Commission, has the highest per capita rate of identity theft in the nation. Accordingly, the Department is proposing a legislative package that will provide the agency with additional resources, tools, and legal authorizations to prevent and fight public-benefits fraud in Florida. The agency's goal is to establish model policies, procedures, and practices that can be replicated across benefit systems in Florida.

Part of the Department's plan to detect and prevent fraud and data breaches is to identify potential weaknesses with the security of data and the network infrastructure as a whole. There have been several internal and external audits and risk assessments done over the past several years, such as the 2013-14 DEO OIG IT Patch Management Audit, 2014 DEO Strategic Security Plan Gap Analysis, and 2015 DEO 3-Year Risk Self-Assessment. These assessments have helped identify areas for

	COL A03	COL A04	COL A05	
	AGY REQUEST	AGY REQ N/R	AG REQ ANZ	
	FY 2016-17	FY 2016-17	FY 2016-17	
POS	AMOUNT	POS	AMOUNT	POS
				AMOUNT
				CODES
ECONOMIC OPPORTUNITY				40000000
PGM: EXEC DIR/SUPPORT SVCS				40100000
<u>INF SYSTEMS & SUPPORT SVCS</u>				40100300
GOV OPERATIONS/SUPPORT				16
<u>INFORMATION TECHNOLOGY</u>				<u>1603.00.00.00</u>
AGENCY-WIDE INFORMATION TECHNOLOGY				3620000
NETWORK PENETRATION TESTING				3621000

improvement. However, the tools and methods used by criminals to conduct network breaches are constantly changing, and require proactive and ongoing assessments of current security measures.

Proposed Solution: The Department proposes to contract for services to evaluate internal and external technical security controls through a methodically planned simulated attack that imitates threats from malicious outsiders and malicious insiders to understand the security vulnerabilities in the Department's information systems. The primary objective of acquiring these services is to obtain valuable feedback with respect to the Department's ability to proactively preserve the confidentiality, integrity, and availability of the information it houses and the degree to which the Department, as a whole, is able to maintain security awareness.

The testing will include the following critical areas:

- All major information systems
- Social engineering tests (including call center testing)
- Exploitation of vulnerabilities in workstations or other network devices
- Includes remote sites, facility security and camera systems, etc.

The penetration testing results will provide guidance for IT to better manage the risk posed to the organization's information systems and data and immediately address security issues with the Department's systems and infrastructure. Secondly, the results of these services will help the Department assess how well it complies with federal and state information security laws and guidelines, as well as internal security policies. This feedback will be subsequently used to improve the overall security posture and compliance of the Department, in line with the Department Mission Objectives and Florida Statutes pertaining to mitigating risk, including 282.318, F.S. and 71A-1, F.A.C.

Proposed Benefits / Risks: Funding this issue will provide the Department with the opportunity to identify deficiencies without impacting services to citizens and agency operations. The alternative is to identify deficiencies as they are exploited by bad actors, which has high risk of costs and service disruptions. While the Department staff continue to identify and address system weaknesses, this solution offers the potential to identify multiple areas at one time, aiding the agency in developing a comprehensive plan of action. This issue is part of the Department's larger strategy to implement aggressive fraud detection and prevention initiatives at all levels of the Reemployment Assistance program, and the agency at large.

This issue aligns with the following strategy contained in Florida's Strategic Plan for Economic Development - July 2012 through June 2017:

#25 - Civic and Governance Systems - Improve the efficiency and effectiveness of government agencies at all levels.

	COL A03	COL A04	COL A05	
	AGY REQUEST	AGY REQ N/R	AG REQ ANZ	
	FY 2016-17	FY 2016-17	FY 2016-17	
POS	AMOUNT	POS	AMOUNT	POS
				AMOUNT
				CODES
ECONOMIC OPPORTUNITY				40000000
PGM: EXEC DIR/SUPPORT SVCS				40100000
<u>INF SYSTEMS & SUPPORT SVCS</u>				40100300
GOV OPERATIONS/SUPPORT				16
<u>INFORMATION TECHNOLOGY</u>				<u>1603.00.00.00</u>
TOTAL: INFORMATION TECHNOLOGY				<u>1603.00.00.00</u>
BY FUND TYPE				
	93.00			
TRUST FUNDS.....	11,032,355	921,829		2000
SALARY RATE.....	5,699,356			
	=====	=====	=====	

	COL A03	COL A04	COL A05	
	AGY REQUEST	AGY REQ N/R	AG REQ ANZ	
	FY 2016-17	FY 2016-17	FY 2016-17	
POS	AMOUNT	POS	AMOUNT	POS
				AMOUNT
				CODES
ECONOMIC OPPORTUNITY				40000000
PGM: WORKFORCE SERVICES				40200000
<u>WORKFORCE DEVELOPMENT</u>				40200100
ECONOMIC OPPORTUNITIES				11
<u>WORKFORCE SERVICES</u>				<u>1102.00.00.00</u>
ESTIMATED EXPENDITURES				1000000
ESTIMATED EXPENDITURES - OPERATIONS				1001000
SALARY RATE				000000
SALARY RATE.....	25,044,535			
=====				
SALARIES AND BENEFIT				010000
EMPLOYMENT SECURITY ADM TF-FEDERL	34,843,597			2195 3
WELFARE TRANSITION TF -FEDERL	1,284,523			2401 3
SPEC EMPLOYMNT SECU ADM TF-STATE	788,786			2648 1
TOTAL POSITIONS.....	650.50			
TOTAL APPRO.....	36,916,906			
=====				
OTHER PERSONAL SERV				030000
EMPLOYMENT SECURITY ADM TF-FEDERL	9,630,057			2195 3
WELFARE TRANSITION TF -FEDERL	65,313			2401 3
TOTAL APPRO.....	9,695,370			
=====				
EXPENSES				040000
EMPLOYMENT SECURITY ADM TF-FEDERL	1,143,128			2195 3
WELFARE TRANSITION TF -FEDERL	1,105,389			2401 3
SPEC EMPLOYMNT SECU ADM TF-STATE	60,387			2648 1
TOTAL APPRO.....	2,308,904			
=====				
OPERATING CAPITAL O				060000
EMPLOYMENT SECURITY ADM TF-FEDERL	109,473			2195 3
WELFARE TRANSITION TF -FEDERL	26,424			2401 3
SPEC EMPLOYMNT SECU ADM TF-STATE	175,530			2648 1
TOTAL APPRO.....	311,427			
=====				

	COL A03	COL A04	COL A05	
	AGY REQUEST	AGY REQ N/R	AG REQ ANZ	
	FY 2016-17	FY 2016-17	FY 2016-17	
	POS AMOUNT	POS AMOUNT	POS AMOUNT	CODES
ECONOMIC OPPORTUNITY				40000000
PGM: WORKFORCE SERVICES				40200000
WORKFORCE DEVELOPMENT				40200100
ECONOMIC OPPORTUNITIES				11
WORKFORCE SERVICES				1102.00.00.00
ESTIMATED EXPENDITURES				1000000
ESTIMATED EXPENDITURES - OPERATIONS				1001000
SPECIAL CATEGORIES				1000000
G/A-WORKFORCE PROJE				100274
GENERAL REVENUE FUND -STATE	600,000			1000 1
SEED TRUST FUND -STATE	675,000			2041 1
SPEC EMPLOYMNT SECU ADM TF-STATE	750,000			2648 1
TOTAL APPRO.....	2,025,000			
NON CUSTODIAL PAREN				100564
WELFARE TRANSITION TF -FEDERL	1,416,000			2401 3
G/A-CONTRACTED SERV				100778
EMPLOYMENT SECURITY ADM TF-FEDERL	13,018,979			2195 3
WELFARE TRANSITION TF -FEDERL	575,000			2401 3
SPEC EMPLOYMNT SECU ADM TF-STATE	3,381,000			2648 1
TOTAL APPRO.....	16,974,979			
G/A-REGIONAL WORKFO				100780
EMPLOYMENT SECURITY ADM TF-FEDERL	229,344,538			2195 3
WELFARE TRANSITION TF -FEDERL	54,014,907			2401 3
TOTAL APPRO.....	283,359,445			
G/A-DISPLACED HOMEM				100967
DISPLACED HOMEMAKER TF -STATE	2,000,000			2160 1
RISK MANAGEMENT INS				103241
EMPLOYMENT SECURITY ADM TF-FEDERL	1,138,273			2195 3
WELFARE TRANSITION TF -FEDERL	2,096			2401 3

	COL A03	COL A04	COL A05	
	AGY REQUEST	AGY REQ N/R	AG REQ ANZ	
	FY 2016-17	FY 2016-17	FY 2016-17	
	POS	AMOUNT	POS	AMOUNT
				AMOUNT
				CODES
ECONOMIC OPPORTUNITY				40000000
PGM: WORKFORCE SERVICES				40200000
<u>WORKFORCE DEVELOPMENT</u>				40200100
ECONOMIC OPPORTUNITIES				11
<u>WORKFORCE SERVICES</u>				<u>1102.00.00.00</u>
ESTIMATED EXPENDITURES				1000000
ESTIMATED EXPENDITURES - OPERATIONS				1001000
SPECIAL CATEGORIES				100000
RISK MANAGEMENT INS				103241
TOTAL APPRO.....		1,140,369		
		=====		
TR/DMS/HR SVCS/STW				107040
EMPLOYMENT SECURITY ADM TF-FEDERL		244,103		2195 3
WELFARE TRANSITION TF -FEDERL		5,792		2401 3
TOTAL APPRO.....		249,895		
		=====		
DATA PROCESSING SERVICES				210000
STATE DATA CENTER -				210001
EMPLOYMENT SECURITY ADM TF-FEDERL		372,473		2195 3
WELFARE TRANSITION TF -FEDERL		200,801		2401 3
TOTAL APPRO.....		573,274		
		=====		
TOTAL: ESTIMATED EXPENDITURES - OPERATIONS				1001000
TOTAL POSITIONS.....	650.50			
TOTAL ISSUE.....	356,971,569			
TOTAL SALARY RATE.....	25,044,535			
		=====		
CASUALTY INSURANCE PREMIUM				
ADJUSTMENT				1001090
SPECIAL CATEGORIES				100000
RISK MANAGEMENT INS				103241
EMPLOYMENT SECURITY ADM TF-FEDERL		54,099-		2195 3
WELFARE TRANSITION TF -FEDERL		100-		2401 3
TOTAL APPRO.....		54,199-		
		=====		

	COL A03	COL A04	COL A05	
	AGY REQUEST	AGY REQ N/R	AG REQ ANZ	
	FY 2016-17	FY 2016-17	FY 2016-17	
	POS AMOUNT	POS AMOUNT	POS AMOUNT	CODES
ECONOMIC OPPORTUNITY				40000000
PGM: WORKFORCE SERVICES				40200000
<u>WORKFORCE DEVELOPMENT</u>				40200100
ECONOMIC OPPORTUNITIES				11
<u>WORKFORCE SERVICES</u>				<u>1102.00.00.00</u>
ESTIMATED EXPENDITURES				1000000
FLORIDA RETIREMENT SYSTEM				
ADJUSTMENT FOR FISCAL YEAR 2015-16				
NORMAL COST AND UNFUNDED ACTUARIAL				
LIABILITY (UAL)				1001420
SALARIES AND BENEFIT				010000
EMPLOYMENT SECURITY ADM TF-FEDERL	99,946-			2195 3
WELFARE TRANSITION TF -FEDERL	3,685-			2401 3
SPEC EMPLOYMNT SECU ADM TF-STATE	2,266-			2648 1
	-----	-----	-----	
TOTAL APPRO.....	105,897-			
	=====	=====	=====	
DATA PROCESSING SERVICES				210000
STATE DATA CENTER -				210001
EMPLOYMENT SECURITY ADM TF-FEDERL	454-			2195 3
WELFARE TRANSITION TF -FEDERL	245-			2401 3
	-----	-----	-----	
TOTAL APPRO.....	699-			
	=====	=====	=====	
TOTAL: FLORIDA RETIREMENT SYSTEM				1001420
ADJUSTMENT FOR FISCAL YEAR 2015-16				
NORMAL COST AND UNFUNDED ACTUARIAL				
LIABILITY (UAL)				
TOTAL ISSUE.....	106,596-			
	=====	=====	=====	
HEALTH INSURANCE SUBSIDY - RETIREES				
FOR FY 2015-16				1001430
SALARIES AND BENEFIT				010000
EMPLOYMENT SECURITY ADM TF-FEDERL	91,069			2195 3
WELFARE TRANSITION TF -FEDERL	3,358			2401 3
SPEC EMPLOYMNT SECU ADM TF-STATE	2,065			2648 1
	-----	-----	-----	
TOTAL APPRO.....	96,492			
	=====	=====	=====	

	COL A03	COL A04	COL A05	
	AGY REQUEST	AGY REQ N/R	AG REQ ANZ	
	FY 2016-17	FY 2016-17	FY 2016-17	
	POS	AMOUNT	POS	AMOUNT
				AMOUNT
				CODES
ECONOMIC OPPORTUNITY				40000000
PGM: WORKFORCE SERVICES				40200000
<u>WORKFORCE DEVELOPMENT</u>				40200100
ECONOMIC OPPORTUNITIES				11
<u>WORKFORCE SERVICES</u>				<u>1102.00.00.00</u>
ESTIMATED EXPENDITURES				1000000
HEALTH INSURANCE SUBSIDY - RETIREES				
FOR FY 2015-16				1001430
DATA PROCESSING SERVICES				210000
STATE DATA CENTER -				210001
EMPLOYMENT SECURITY ADM TF-FEDERL		423		2195 3
WELFARE TRANSITION TF -FEDERL		228		2401 3
TOTAL APPRO.....		651		
TOTAL: HEALTH INSURANCE SUBSIDY - RETIREES				1001430
FOR FY 2015-16				
TOTAL ISSUE.....		97,143		
REALLOCATION OF HUMAN RESOURCES				
OUTSOURCING				1005900
SPECIAL CATEGORIES				100000
TR/DMS/HR SVCS/STW				107040
EMPLOYMENT SECURITY ADM TF-FEDERL		7,877-		2195 3
WELFARE TRANSITION TF -FEDERL		187-		2401 3
TOTAL APPRO.....		8,064-		
STATE ENTERPRISE INFORMATION				
TECHNOLOGY DISTRIBUTION				1006600
DATA PROCESSING SERVICES				210000
STATE DATA CENTER -				210001
EMPLOYMENT SECURITY ADM TF-FEDERL		82,066		2195 3
WELFARE TRANSITION TF -FEDERL		44,242		2401 3
TOTAL APPRO.....		126,308		

	COL A03	COL A04	COL A05	
	AGY REQUEST	AGY REQ N/R	AG REQ ANZ	
	FY 2016-17	FY 2016-17	FY 2016-17	
	POS AMOUNT	POS AMOUNT	POS AMOUNT	CODES
ECONOMIC OPPORTUNITY				40000000
PGM: WORKFORCE SERVICES				40200000
<u>WORKFORCE DEVELOPMENT</u>				40200100
ECONOMIC OPPORTUNITIES				11
<u>WORKFORCE SERVICES</u>				<u>1102.00.00.00</u>
ESTIMATED EXPENDITURES				1000000
DISASTER RECOVERY FUNDING				
DISTRIBUTION				1006700
DATA PROCESSING SERVICES				210000
STATE DATA CENTER -				210001
EMPLOYMENT SECURITY ADM TF-FEDERL	154,253			2195 3
WELFARE TRANSITION TF -FEDERL	83,158			2401 3
TOTAL APPRO.....	237,411			
ESTIMATED EXPENDITURES REALIGNMENT				2000000
REALIGN BUDGET AUTHORITY TO MORE				
ACCURATELY REFLECT PROGRAM				
EXPENDITURES - DEDUCT				2000100
SPECIAL CATEGORIES				100000
G/A-CONTRACTED SERV				100778
SPEC EMPLOYMNT SECU ADM TF-STATE	107,995-			2648 1

AGENCY ISSUE NARRATIVE:

2016-2017 BUDGET YEAR NARRATIVE:

IT COMPONENT? NO

ESTIMATED EXPENDITURES REALIGNMENT - DEDUCT:

Summary: The Department requests \$107,995 of recurring budget authority to be realigned from the Grants and Aids - Contracted Services category to the Other Personal Services (OPS) category within the Special Employment Security Administration Trust Fund to better reflect the actual spending plan for FY 2016-2017.

Business Need / Problem Statement: The Bureau of Labor Market Statistics within the Division of Workforce Services currently contracts for outside staff to develop and implement the Labor Market Supply/Demand System. The design phase will be completed by the end of the 2015-16 fiscal year, and the Department will transition into an operations and maintenance phase for the system. As the nature of the operations for the Labor Market Supply/Demand System change, the Department will need to restructure the staffing plan for future system operations.

Proposed Solution: The Department requests a realignment of \$107,995 of recurring budget from Grants and Aids - Contracted Services category to the OPS category, to hire temporary staff rather than contract for outside staff. The OPS staff will provide operations and maintenance activities that would have otherwise been required from contracted staff, but at a lower cost.

Proposed Benefits / Risks: OPS staff cost less to maintain than contractors, due to administrative fees that are built in

	COL A03	COL A04	COL A05	
	AGY REQUEST	AGY REQ N/R	AG REQ ANZ	
	FY 2016-17	FY 2016-17	FY 2016-17	
	POS AMOUNT	POS AMOUNT	POS AMOUNT	CODES
ECONOMIC OPPORTUNITY				40000000
PGM: WORKFORCE SERVICES				40200000
<u>WORKFORCE DEVELOPMENT</u>				40200100
<u>ECONOMIC OPPORTUNITIES</u>				11
<u>WORKFORCE SERVICES</u>				<u>1102.00.00.00</u>
ESTIMATED EXPENDITURES REALIGNMENT				2000000
REALIGN BUDGET AUTHORITY TO MORE				
ACCURATELY REFLECT PROGRAM				
EXPENDITURES - DEDUCT				2000100

to the cost structure of staff augmentation contracts. This will allow the Department to maintain current service levels, while avoiding the administrative fees associated with contract labor. The cost savings will be used to offset other contracted services costs associated with operating the system.

Please see companion issue # 2000200 in BE 40200100. This issue nets to zero when combined with companion issue.

This issue aligns with the following strategy contained in Florida's Strategic Plan for Economic Development - July 2012 through June 2017:

#25 Civic and Governance Systems: Improve the efficiency and effectiveness of government agencies at all levels.

REALIGN BUDGET AUTHORITY TO MORE				
ACCURATELY REFLECT PROGRAM				
EXPENDITURES - ADD				2000200
OTHER PERSONAL SERV				030000
SPEC EMPLOYMNT SECU ADM TF-STATE	107,995			2648 1

AGENCY ISSUE NARRATIVE:

2016-2017 BUDGET YEAR NARRATIVE:

IT COMPONENT? NO

ESTIMATED EXPENDITURES REALIGNMENT - ADD:

Summary: The Department request \$107,995 of recurring budget authority to be realigned from the Grants and Aids - Contracted Services category to the Other Personal Services (OPS) category within the Special Employment Security Administration Trust Fund to better reflect the actual spending plan for FY 2016-2017.

Business Need / Problem Statement: The Bureau of Labor Market Statistics within the Division of Workforce Services currently contracts for outside staff to develop and implement the Labor Market Supply/Demand System. The design phase will be completed by the end of the 2015-16 fiscal year, and the Department will transition into an operations and maintenance phase for the system. As the nature of the operations for the Labor Market Supply/Demand System change, the Department will need to restructure the staffing plan for future system operations.

Proposed Solution: The Department requests a realignment of \$107,995 of recurring budget from Grants and Aids - Contracted Services category to the OPS category, to hire temporary staff rather than contract for outside staff. The OPS

	COL A03	COL A04	COL A05	
	AGY REQUEST	AGY REQ N/R	AG REQ ANZ	
	FY 2016-17	FY 2016-17	FY 2016-17	
	POS	POS	POS	CODES
	AMOUNT	AMOUNT	AMOUNT	
ECONOMIC OPPORTUNITY				40000000
PGM: WORKFORCE SERVICES				40200000
<u>WORKFORCE DEVELOPMENT</u>				40200100
<u>ECONOMIC OPPORTUNITIES</u>				11
<u>WORKFORCE SERVICES</u>				<u>1102.00.00.00</u>
ESTIMATED EXPENDITURES REALIGNMENT				2000000
REALIGN BUDGET AUTHORITY TO MORE				
ACCURATELY REFLECT PROGRAM				
EXPENDITURES - ADD				2000200

staff will provide operations and maintenance activities that would have otherwise been required from contracted staff, but at a lower cost.

Proposed Benefits / Risks: OPS staff cost less to maintain than contractors, due to administrative fees that are built in to the cost structure of staff augmentation contracts. This will allow the Department to maintain current service levels, while avoiding the administrative fees associated with contract labor. The cost savings will be used to offset other contracted services costs associated with operating the system.

Please see companion issue # 2000100 in BE 40200100. This issue nets to zero when combined with companion issue.

This issue aligns with the following strategy contained in Florida's Strategic Plan for Economic Development - July 2012 through June 2017:

#25 Civic and Governance Systems: Improve the efficiency and effectiveness of government agencies at all levels.

NONRECURRING EXPENDITURES				2100000
WORKFORCE PROJECTS				2103017
SPECIAL CATEGORIES				100000
G/A-WORKFORCE PROJE				100274
GENERAL REVENUE FUND	-STATE	600,000-		1000 1
SEED TRUST FUND	-STATE	675,000-		2041 1
SPEC EMPLOYMNT SECU ADM TF	-STATE	750,000-		2648 1
TOTAL APPRO.....		2,025,000-		
NON CUSTODIAL PAREN				100564
SPEC EMPLOYMNT SECU ADM TF	-STATE	50,000-		2648 1
TOTAL: WORKFORCE PROJECTS				2103017
TOTAL ISSUE.....		2,075,000-		

	COL A03	COL A04	COL A05	
	AGY REQUEST	AGY REQ N/R	AG REQ ANZ	
	FY 2016-17	FY 2016-17	FY 2016-17	
	POS AMOUNT	POS AMOUNT	POS AMOUNT	CODES
ECONOMIC OPPORTUNITY				40000000
PGM: WORKFORCE SERVICES				40200000
<u>WORKFORCE DEVELOPMENT</u>				40200100
ECONOMIC OPPORTUNITIES				11
<u>WORKFORCE SERVICES</u>				<u>1102.00.00.00</u>
NONRECURRING EXPENDITURES				2100000
SKILLS ASSESSMENT AND TRAINING				
SERVICES				2103026
SPECIAL CATEGORIES				100000
G/A-SKILL ASSESMEN				101229
GENERAL REVENUE FUND -STATE	3,500,000-			1000 1
SPEC EMPLOYMNT SECU ADM TF-STATE	500,000-			2648 1
TOTAL APPRO.....	4,000,000-			
=====				
GULF COAST JEWISH FAMILY AND				
COMMUNITY SERVICES NON-CUSTODIAL				
PARENT PROGRAM HERNANDO COUNTY				2103042
SPECIAL CATEGORIES				100000
NON CUSTODIAL PAREN				100564
SPEC EMPLOYMNT SECU ADM TF-STATE	50,000			2648 1
=====				
BUSINESS PARTNERSHIPS/SKILL				
ASSESSMENT AND TRAINING				2103043
SPECIAL CATEGORIES				100000
G/A-SKILL ASSESMEN				101229
GENERAL REVENUE FUND -STATE	3,500,000			1000 1
SPEC EMPLOYMNT SECU ADM TF-STATE	500,000			2648 1
TOTAL APPRO.....	4,000,000			
=====				

	COL A03	COL A04	COL A05	
	AGY REQUEST	AGY REQ N/R	AG REQ ANZ	
	FY 2016-17	FY 2016-17	FY 2016-17	
	POS AMOUNT	POS AMOUNT	POS AMOUNT	CODES
ECONOMIC OPPORTUNITY				40000000
PGM: WORKFORCE SERVICES				40200000
<u>WORKFORCE DEVELOPMENT</u>				40200100
<u>ECONOMIC OPPORTUNITIES</u>				11
<u>WORKFORCE SERVICES</u>				<u>1102.00.00.00</u>
FEDERAL FUNDING REDUCTIONS				3200000
WORKFORCE SERVICES PROGRAM				
REDUCTIONS				3200300
SALARIES AND BENEFIT				010000
EMPLOYMENT SECURITY ADM TF-FEDERL	1,500,000-			2195 3
=====				
OTHER PERSONAL SERV				030000
EMPLOYMENT SECURITY ADM TF-FEDERL	700,000-			2195 3
=====				
TOTAL: WORKFORCE SERVICES PROGRAM				3200300
REDUCTIONS				
TOTAL ISSUE.....	2,200,000-			
=====				

AGENCY ISSUE NARRATIVE:

2016-2017 BUDGET YEAR NARRATIVE:

IT COMPONENT? NO

Summary: The Department is requesting a total reduction in the Workforce Development budget entity (40200100) of (\$1,500,000) of Salary and Benefits and (\$2,500,000) of Other Personnel Services (OPS) category for a total reduction of (\$4,000,000). Of the \$2,500,000 of Other Personnel Services (\$1.8M is being requested as a fund shift - see issue #3404500 and \$700K is being requested as a reduction).

This is part of a larger reduction request totaling (\$12,100,000) in the following appropriation categories:

- (81.0) FTE within Reemployment Assistance Program, CareerSource Florida, and Reemployment Assistance Appeals Commission
- (\$5,275,000) Salaries and Benefits and (2,273,443) Salary Rate;
- (\$2,500,000) Other Personnel Services (OPS);
- (\$4,000,000) Expenses, and
- (\$325,000) CareerSource Florida Operations

The total request is a reduction of (\$11,775,000) from the Employment Security Administration Trust Fund (2195) and (\$325,000) from the Administrative Trust Fund (2021) for a total reduction of (\$12,100,000).

Business Need / Problem Statement: The Reemployment Assistance (RA) program is funded through federal funds provided by the US Department of Labor (USDOL). As the economy has improved and unemployment levels have declined, funding provided by USDOL has also fallen by 10% per year over the past three federal fiscal years totaling \$30.3M. As of September 1, 2015, the RA program has decreased staffing levels in accordance with the reduction of programmatic funding dropping from 1,498 staff to less than 800 over an eighteen-month period.

The federal funds provided for administration of the Reemployment Assistance program are utilized by Workforce

	COL A03	COL A04	COL A05	
	AGY REQUEST	AGY REQ N/R	AG REQ ANZ	
	FY 2016-17	FY 2016-17	FY 2016-17	
POS	AMOUNT	POS	AMOUNT	POS
				AMOUNT
				CODES
ECONOMIC OPPORTUNITY				40000000
PGM: WORKFORCE SERVICES				40200000
<u>WORKFORCE DEVELOPMENT</u>				40200100
ECONOMIC OPPORTUNITIES				11
<u>WORKFORCE SERVICES</u>				<u>1102.00.00.00</u>
FEDERAL FUNDING REDUCTIONS				3200000
WORKFORCE SERVICES PROGRAM				
REDUCTIONS				3200300

Development, CareerSource Florida, the Reemployment Assistance Appeals Commission, and by RA itself. The Department has utilized a combination of other allowable state and federal funding sources and staff reductions to manage the federal funding reduction while maintaining adequate service levels.

For the current budget year, \$97.3M has been provided to Florida. Based on the Department's projections, funding for Fiscal Year 2016-17 was anticipated to be reduced by \$6.3M. In June 2015, the Department was notified that funding for 2016-17 would be \$85.2M, requiring an additional reduction in planned funding of \$5.8M. In total, funding for 2016-17 is \$12.1M less than 2015-16, and requires a reduction in appropriated budget.

Proposed Solution: The Department requests the following reductions:

From Workforce Development:

2195 - Salaries and Benefits	(\$1,500,000)
2195 - OPS	(\$ 700,000)
2195 - OPS	(\$1,800,000)- see issue #3404500

The reduction for Workforce Development is based upon Salaries & Benefits and OPS budget that was previously funded using RA federal funds to provide allowable services to the unemployed by Workforce Development staff. FTE reductions are not required for Workforce Development as staff have already been aligned with available funding sources, and OPS staff have been reduced. Due to RA funding reductions, this budget will not be needed in future years.

From Reemployment Assistance:

FTE:	(74.50)
Salary Rate	(1,977,304)
2195 - Salaries and Benefits	(\$3,225,000)
2195 - Expenses	(\$4,000,000) - see issue #3404500

The reduction to RA's FTEs and associated Salaries & Benefits is based upon current and anticipated vacancies for which funding is no longer available. Due to RA funding reductions, the Salaries & Benefits and Expense budget will not be needed in future years.

From CareerSource Florida:

FTE:	(3.00)
Salary Rate	(139,146)
2021 - Salaries and Benefits	(\$325,000)
2195 - CareerSource Ops	(\$325,000)

	COL A03	COL A04	COL A05	
	AGY REQUEST	AGY REQ N/R	AG REQ ANZ	
	FY 2016-17	FY 2016-17	FY 2016-17	
POS	AMOUNT	POS	AMOUNT	POS
				AMOUNT
				CODES
ECONOMIC OPPORTUNITY				40000000
PGM: WORKFORCE SERVICES				40200000
<u>WORKFORCE DEVELOPMENT</u>				40200100
ECONOMIC OPPORTUNITIES				11
<u>WORKFORCE SERVICES</u>				<u>1102.00.00.00</u>
FEDERAL FUNDING REDUCTIONS				3200000
WORKFORCE SERVICES PROGRAM				
REDUCTIONS				3200300

The reduction to CareerSource Florida's FTEs and associated Salaries & Benefits and CareerSource Operations is based upon the anticipated reduction in the amount of RA funds allocated to the program. CareerSource uses a double budget structure, wherein salary charges are initially posted to Salaries and Benefits in the Administrative Trust Fund and then reimbursed from the CareerSource Operations category in the Employment Security Administration Trust Fund. This request reduces the budget appropriated for both categories.

From Reemployment Assistance Appeals Commission:

FTE:	(3.50)
Salary Rate	(156,993)
2195 - Salaries and Benefits	(\$225,000)

The reduction to the Reemployment Assistance Appeals Commission's FTEs and associated Salaries & Benefits is based upon current vacancies for which funding is no longer available. Due to RA funding reductions, the Salaries budget will not be needed in future years.

Proposed Benefits / Risks: The requested reduction will more accurately align the appropriated budget with the amount of federal funding available. The Department will continue to implement processes and provide efficient effective services despite reduced federal funding while also seeking other state and federal funding sources when appropriate to maintain adequate service levels.

Please see companion issue #'s: 33V0070 and 3404500 in Budget Entity 40200200, 33V0080 in Budget Entity 40200600, and 33V1100 in Budget Entity 40200700.

This issue aligns with the following strategy contained in Florida's Strategic Plan for Economic Development - July 2012 through June 2017:

#25 - Civic and Governance Systems Improve the efficiency and effectiveness of government agencies at all levels.

	COL A03		COL A04		COL A05		CODES
	AGY REQUEST FY 2016-17 POS	AMOUNT	AGY REQ N/R FY 2016-17 POS	AMOUNT	AG REQ ANZ FY 2016-17 POS	AMOUNT	
ECONOMIC OPPORTUNITY							40000000
PGM: WORKFORCE SERVICES							40200000
<u>WORKFORCE DEVELOPMENT</u>							40200100
<u>ECONOMIC OPPORTUNITIES</u>							11
<u>WORKFORCE SERVICES</u>							<u>1102.00.00.00</u>
FEDERAL FUNDING REDUCTIONS							3200000
WORKFORCE SERVICES PROGRAM REDUCTIONS							3200300

POSITION DETAIL OF SALARIES AND BENEFITS:

	FTE	BASE RATE	ADDITIVES	BENEFITS	SUBTOTAL	LAPSE %	LAPSED SALARIES AND BENEFITS
A03 - AGY REQUEST FY 2016-17							
CHANGES TO CURRENTLY AUTHORIZED POSITIONS							
OTHER SALARY AMOUNT							
2195 EMPLOYMENT SECURITY ADM TF							1,500,000-

							1,500,000-
							=====

FUND SHIFT							3400000
REEMPLOYMENT ASSISTANCE - PROGRAM							
FUNDING SHIFT- DEDUCT							3404500
OTHER PERSONAL SERV							030000
EMPLOYMENT SECURITY ADM TF-FEDERL	1,800,000-						2195 3
	=====	=====	=====	=====			

AGENCY ISSUE NARRATIVE:

2016-2017 BUDGET YEAR NARRATIVE:

IT COMPONENT? NO

FUND SHIFT - Employment Security Administration Trust Fund and Other Personnel Services and Expenses to the Special
 Employment Security Administration Trust Fund and Other Personnel Services - DEDUCT:

Summary: The Department requests a fund and category shift of \$5,800,000 of recurring budget authority from the
 Employment Security Administration Trust Fund (2195) to the Special Employment Security Administration Trust Fund (2648)
 as follows:

From Workforce Development (40200100 - 2195) OPS:	(\$1,800,000)
From Reemployment Assistance (40200200 - 2195) Expense:	(\$4,000,000)
To Reemployment Assistance (40200200 - 2648) OPS:	\$5,800,000

The budget will be used for the salaries and benefits of Other Personal Services staff necessary to support the RA

	COL A03	COL A04	COL A05	
	AGY REQUEST	AGY REQ N/R	AG REQ ANZ	
	FY 2016-17	FY 2016-17	FY 2016-17	
	POS AMOUNT	POS AMOUNT	POS AMOUNT	CODES
ECONOMIC OPPORTUNITY				40000000
PGM: WORKFORCE SERVICES				40200000
<u>WORKFORCE DEVELOPMENT</u>				40200100
ECONOMIC OPPORTUNITIES				11
<u>WORKFORCE SERVICES</u>				<u>1102.00.00.00</u>
FUND SHIFT				3400000
REEMPLOYMENT ASSISTANCE - PROGRAM				
FUNDING SHIFT- DEDUCT				3404500

program. This program assists job seekers with temporary financial assistance while they look for work. This funding is critical to increasing compliance with federal requirements.

Business Need / Problem Statement: The Reemployment Assistance program is funded through federal funds provided by the US Department of Labor (USDOL). As the economy has improved and unemployment levels have declined, funding provided by USDOL has also fallen over the past three federal fiscal years. As of September 1, 2015, the RA program has decreased staffing levels in accordance with the reduction of programmatic funding dropping from 1,498 staff to less than 800 over an eighteen-month period. For the upcoming Federal Fiscal Year beginning October 1, 2015, the federal funds allotted to Florida were reduced \$5.8M lower than the anticipated allotment of \$91M. To address these shortfalls, DEO has developed strategies to utilize other available funding sources to bridge the gap.

The Special Employment Security Administration Trust Fund (referred to as the Penalty and Interest Trust Fund), is funded with revenues generated from penalty and interest assessed on late reporting and/or payment of unemployment compensation tax. Revenues received in the fund are considered state funds and have historically been used to support state workforce related programs and initiatives. Beginning in FY 2009-10 through FY 2013-14, revenues in the Penalty and Interest Trust Fund increased, going from \$14M to over \$17M annually. During the same period, the budget authority to spend Penalty and Interest funds as granted by the legislature, remained well below the actual cash received in the TF. Therefore, the TF was able to accumulate a substantial cash balance over time. DEO is requesting to supplement the need for additional OPS staff by utilizing funds available in the Penalty and Interest trust fund.

Proposed Solution: The Department requests \$5,800,000 of recurring budget authority from the Employment Security Administration Trust Fund that can no longer be supported by federal revenue be shifted to the Special Employment Security Administration Trust Fund. This request transfers the budget to the Other Personal Services category to continue serving claimants at current service levels, while providing for normal attrition and rightsizing of core program staff as enhancements, process improvements, and automation are implemented. The funds are being requested from this trust fund since the RA Program actually generates these funds from employers that are penalized due to late filing and or payment of unemployment taxes to the state.

Proposed Benefits / Risks: By providing this funding, current service levels to claimants will not need to be reduced.

Please see companion issue 3404000 and 3404500 in BE 40200200.

This issue aligns with the following strategies contained in Florida's Strategic Plan for Economic Development - July 2012 through June 2017:

#25 Civic and Governance Systems: Improve the efficiency and effectiveness of government agencies at all levels.

	COL A03	COL A04	COL A05	
	AGY REQUEST	AGY REQ N/R	AG REQ ANZ	
	FY 2016-17	FY 2016-17	FY 2016-17	
	POS AMOUNT	POS AMOUNT	POS AMOUNT	CODES
ECONOMIC OPPORTUNITY				40000000
PGM: WORKFORCE SERVICES				40200000
<u>WORKFORCE DEVELOPMENT</u>				40200100
<u>ECONOMIC OPPORTUNITIES</u>				11
<u>WORKFORCE SERVICES</u>				<u>1102.00.00.00</u>
WORKFORCE DEVELOPMENT PROGRAMS				8100000
SUPPLEMENTAL NUTRITION ASSISTANCE				
PROGRAM (SNAP)				8100500
SPECIAL CATEGORIES				100000
G/A-CONTRACTED SERV				100778
GENERAL REVENUE FUND -STATE	3,200,000			1000 1
EMPLOYMENT SECURITY ADM TF-FEDERL	3,200,000			2195 3
TOTAL APPRO.....	6,400,000			

AGENCY ISSUE NARRATIVE:

2016-2017 BUDGET YEAR NARRATIVE:

IT COMPONENT? NO

Summary: The Department requests recurring appropriation of \$3,200,000 from the General Revenue Fund and \$3,200,000 from the Employment Security Administration Trust Fund to support the Employment and Training Component of the state's Supplemental Nutrition Assistance Program (SNAP, formerly known as Food Stamps) program administered by the Department of Children and Families. This is a 50-50 match program, wherein the US Department of Agriculture provides states with federal funding to operate an employment and training program for participants that receive food stamps. Depending on local and state economic conditions, Able Bodied Adults without Dependents (ABAWDs) may be required to participate in work activities in exchange for receipt of food stamps.

Business Need / Problem Statement: Florida has operated a volunteer SNAP employment and training program since July 1, 2009. Effective January 1, 2016, the statewide waiver for ABAWD work requirements will end. All non-exempt ABAWDs will be required to participate in work or work activity in order to continue to receive SNAP benefits beyond the federally allowed three months. In order to operate the currently existing program and handle the increased number of participants, the state must offer reimbursement for participant transportation expenses. Florida reimburses a maximum of \$25 per month for transportation expenses associated with participating in the program. For each state dollar committed to the program, the US Department of Agriculture will match it with one federal dollar.

Proposed Solution: The Department requests \$3,200,000 of recurring General Revenue appropriation for the SNAP program for the state funded portion, and \$3,200,000 in budget authority for the federal share of the program.

The request needed is calculated as shown below:

- Estimated ABAWDs that would be required to participate in a mandatory employment and training program is 282,169.
- Of that number it is estimated that 30% (84,651) would actually participate in this program.
- Of the actual participants, about 50% (42,325) would request a transportation reimbursement.
- Therefore the cost is estimated to be 42,325 x maximum \$25 per month x 12 months x 50% (state match) = \$6,348,750 needed

There is currently \$3,100,000 provided for this program in base operations and the additional \$3,200,000 is needed to fund the state portion of this mandatory federal program.

	COL A03	COL A04	COL A05	
	AGY REQUEST	AGY REQ N/R	AG REQ ANZ	
	FY 2016-17	FY 2016-17	FY 2016-17	
	POS	AMOUNT	POS	AMOUNT
				AMOUNT
				CODES
ECONOMIC OPPORTUNITY				40000000
PGM: WORKFORCE SERVICES				40200000
<u>WORKFORCE DEVELOPMENT</u>				40200100
<u>ECONOMIC OPPORTUNITIES</u>				11
<u>WORKFORCE SERVICES</u>				<u>1102.00.00.00</u>
WORKFORCE DEVELOPMENT PROGRAMS				8100000
SUPPLEMENTAL NUTRITION ASSISTANCE				
PROGRAM (SNAP)				8100500

Proposed Benefits / Risks: Without the additional Grants and Aids - Contracted Services budget, the department may not be able to meet the mandatory federal requirement to provide transportation reimbursement to participants. If this occurs, the department may lose its federal funding for the program.

Please see companion issue #'s 8100510 and 8100520 in BE 40200100.

This issue aligns with the following strategies contained in Florida's Strategic Plan for Economic Development - July 2012 through June 2017:

#5 Talent Supply and Education: Align education and workforce development programs to foster employment opportunities and to develop and retain talented workers with the skills to meet current and future employer needs.

#25 Civic and Governance Systems: Improve the efficiency and effectiveness of government agencies at all levels.

SUPPLEMENTAL NUTRITION ASSISTANCE				
PROGRAM (SNAP) - DEDUCT				8100510
SPECIAL CATEGORIES				100000
G/A-CONTRACTED SERV				100778

GENERAL REVENUE FUND	-STATE	3,200,000-		1000	1
EMPLOYMENT SECURITY ADM TF-FEDERL		6,300,000-		2195	3
SPEC EMPLOYMNT SECU ADM TF-STATE		3,100,000-		2648	1
TOTAL APPRO.....		12,600,000-			

AGENCY ISSUE NARRATIVE:

2016-2017 BUDGET YEAR NARRATIVE:

IT COMPONENT? NO

Summary: The Department requests \$3,200,000 of recurring budget authority from General Revenue (companion issue #8100500), 3,100,000 from the Special Employment Security Administration Trust Fund and \$6,300,000 from the Employment Security Administration Trust Fund be transferred from the Grants and Aids - Contracted Services category to the newly created category (100567)(see companion issue # 8100520) for Supplemental Nutrition Assistance Program (SNAP). This will add visibility and a distinctive category for SNAP related disbursements.

Business Need / Problem Statement: Currently, disbursements for transportation reimbursements related to the SNAP program, both for the state and federal share, will be made from the Grants and Aids - Contracted Services category. This

	COL A03	COL A04	COL A05	
	AGY REQUEST	AGY REQ N/R	AG REQ ANZ	
	FY 2016-17	FY 2016-17	FY 2016-17	
	POS AMOUNT	POS AMOUNT	POS AMOUNT	CODES
ECONOMIC OPPORTUNITY				40000000
PGM: WORKFORCE SERVICES				40200000
<u>WORKFORCE DEVELOPMENT</u>				40200100
ECONOMIC OPPORTUNITIES				11
<u>WORKFORCE SERVICES</u>				<u>1102.00.00.00</u>
WORKFORCE DEVELOPMENT PROGRAMS				8100000
SUPPLEMENTAL NUTRITION ASSISTANCE				
PROGRAM (SNAP) - DEDUCT				8100510

category is also used to make payments on the department's other contractual obligations and will result in the SNAP funds being comingled with other transactions. By transferring the appropriation to a new category, transparency will be added to the expanded program that will make it easier to monitor.

Proposed Solution: The Department requests that the total budget appropriated for SNAP related payments be transferred from the Grants and Aids - Contracted Services category to the newly created category for SNAP.

Please see companion issue #'s 8100500 and 8100520 in BE 40200100.

This issue aligns with the following strategy contained in Florida's Strategic Plan for Economic Development - July 2012 through June 2017:

#25 Civic and Governance Systems: Improve the efficiency and effectiveness of government agencies at all levels.

SUPPLEMENTAL NUTRITION ASSISTANCE				
PROGRAM (SNAP) - ADD				8100520
SPECIAL CATEGORIES				100000
G/A - SNAP				100567

GENERAL REVENUE FUND -STATE	3,200,000			1000 1
EMPLOYMENT SECURITY ADM TF-FEDERL	6,300,000			2195 3
SPEC EMPLOYMNT SECU ADM TF-STATE	3,100,000			2648 1
TOTAL APPRO.....	12,600,000			

AGENCY ISSUE NARRATIVE:

2016-2017 BUDGET YEAR NARRATIVE:

IT COMPONENT? NO

Summary: The Department requests \$3,200,000 of recurring budget authority from General Revenue (companion issue #8100500), 3,100,000 from the Special Employment Security Administration Trust Fund and \$6,300,000 from the Employment Security Administration Trust Fund be transferred from the Grants and Aids - Contracted Services category to the newly created category (100567)(see companion issue # 8100510) for Supplemental Nutrition Assistance Program (SNAP). This will add visibility and a distinctive category for SNAP related disbursements.

Business Need / Problem Statement: Currently, disbursements for transportation reimbursements related to the SNAP program, both for the state and federal share, will be made from the Grants and Aids - Contracted Services category. This

	COL A03	COL A04	COL A05	
	AGY REQUEST	AGY REQ N/R	AG REQ ANZ	
	FY 2016-17	FY 2016-17	FY 2016-17	
POS	AMOUNT	POS	AMOUNT	POS
				AMOUNT
				CODES
ECONOMIC OPPORTUNITY				40000000
PGM: WORKFORCE SERVICES				40200000
<u>WORKFORCE DEVELOPMENT</u>				40200100
<u>ECONOMIC OPPORTUNITIES</u>				11
<u>WORKFORCE SERVICES</u>				<u>1102.00.00.00</u>
WORKFORCE DEVELOPMENT PROGRAMS				8100000
SUPPLEMENTAL NUTRITION ASSISTANCE				
PROGRAM (SNAP) - ADD				8100520

category is also used to make payments on the department's other contractual obligations and will result in the SNAP funds being comingled with other transactions. By transferring the appropriation to a new category, transparency will be added to the expanded program that will make it easier to monitor.

Proposed Solution: The Department requests that the total budget appropriated for SNAP related payments be transferred from the Grants and Aids - Contracted Services category to the newly created category for SNAP.

Please see companion issue #'s 8100500 and 8100510 in BE 40200100.

This issue aligns with the following strategy contained in Florida's Strategic Plan for Economic Development - July 2012 through June 2017:

#25 Civic and Governance Systems: Improve the efficiency and effectiveness of government agencies at all levels.

TOTAL: WORKFORCE SERVICES				<u>1102.00.00.00</u>
BY FUND TYPE				
GENERAL REVENUE FUND	3,200,000			1000
TRUST FUNDS	354,438,572			2000
TOTAL POSITIONS.....	650.50			
TOTAL PROG COMP.....	357,638,572			
TOTAL SALARY RATE.....	25,044,535			
	=====	=====	=====	

	COL A03		COL A04		COL A05		CODES
	AGY REQUEST FY 2016-17 POS	AMOUNT	AGY REQ N/R FY 2016-17 POS	AMOUNT	AG REQ ANZ FY 2016-17 POS	AMOUNT	
ECONOMIC OPPORTUNITY							40000000
PGM: WORKFORCE SERVICES							40200000
<u>REEMPLOYMENT ASST PRG</u>							40200200
ECONOMIC OPPORTUNITIES							11
<u>WORKFORCE SERVICES</u>							<u>1102.00.00.00</u>
ESTIMATED EXPENDITURES							1000000
ESTIMATED EXPENDITURES - OPERATIONS							1001000
SALARY RATE							000000
SALARY RATE.....	21,493,175						
=====							
SALARIES AND BENEFIT							010000
EMPLOYMENT SECURITY ADM TF-FEDERL	579.00						
EMPLOYMENT SECURITY ADM TF-FEDERL	33,833,995						2195 3
=====							
OTHER PERSONAL SERV							030000
EMPLOYMENT SECURITY ADM TF-FEDERL	8,147,299						2195 3
=====							
EXPENSES							040000
EMPLOYMENT SECURITY ADM TF-FEDERL	16,469,539						2195 3
=====							
OPERATING CAPITAL O							060000
EMPLOYMENT SECURITY ADM TF-FEDERL	304,795						2195 3
=====							
SPECIAL CATEGORIES							100000
G/A-CONTRACTED SERV							100778
EMPLOYMENT SECURITY ADM TF-FEDERL	48,891,311						2195 3
SPEC EMPLOYMNT SECU ADM TF-STATE	1,000,000						2648 1
TOTAL APPRO.....	49,891,311						
=====							
RISK MANAGEMENT INS							103241
EMPLOYMENT SECURITY ADM TF-FEDERL	275,553						2195 3
=====							

	COL A03		COL A04		COL A05		CODES
	AGY REQUEST FY 2016-17 POS	AMOUNT	AGY REQ N/R FY 2016-17 POS	AMOUNT	AG REQ ANZ FY 2016-17 POS	AMOUNT	
ECONOMIC OPPORTUNITY							40000000
PGM: WORKFORCE SERVICES							40200000
<u>REEMPLOYMENT ASST PRG</u>							40200200
ECONOMIC OPPORTUNITIES							11
<u>WORKFORCE SERVICES</u>							<u>1102.00.00.00</u>
ESTIMATED EXPENDITURES							1000000
ESTIMATED EXPENDITURES - OPERATIONS							1001000
SPECIAL CATEGORIES							100000
TR/DMS/HR SVCS/STW							107040
EMPLOYMENT SECURITY ADM TF-FEDERL		244,717					2195 3
=====							
DATA PROCESSING SERVICES							210000
STATE DATA CENTER -							210001
EMPLOYMENT SECURITY ADM TF-FEDERL		958,312					2195 3
=====							
TOTAL: ESTIMATED EXPENDITURES - OPERATIONS							1001000
TOTAL POSITIONS.....	579.00						
TOTAL ISSUE.....		110,125,521					
TOTAL SALARY RATE.....	21,493,175						
=====							
CASUALTY INSURANCE PREMIUM							
ADJUSTMENT							1001090
SPECIAL CATEGORIES							100000
RISK MANAGEMENT INS							103241
EMPLOYMENT SECURITY ADM TF-FEDERL		146,552					2195 3
=====							
FLORIDA RETIREMENT SYSTEM							
ADJUSTMENT FOR FISCAL YEAR 2015-16							
NORMAL COST AND UNFUNDED ACTUARIAL							
LIABILITY (UAL)							1001420
SALARIES AND BENEFIT							010000
EMPLOYMENT SECURITY ADM TF-FEDERL		97,630-					2195 3
=====							
DATA PROCESSING SERVICES							210000
STATE DATA CENTER -							210001
EMPLOYMENT SECURITY ADM TF-FEDERL		1,168-					2195 3
=====							

	COL A03		COL A04		COL A05		CODES
	AGY REQUEST FY 2016-17 POS	AMOUNT	AGY REQ N/R FY 2016-17 POS	AMOUNT	AG REQ ANZ FY 2016-17 POS	AMOUNT	
ECONOMIC OPPORTUNITY							40000000
PGM: WORKFORCE SERVICES							40200000
<u>REEMPLOYMENT ASST PRG</u>							40200200
<u>ECONOMIC OPPORTUNITIES</u>							11
<u>WORKFORCE SERVICES</u>							<u>1102.00.00.00</u>
ESTIMATED EXPENDITURES							1000000
FLORIDA RETIREMENT SYSTEM							
ADJUSTMENT FOR FISCAL YEAR 2015-16							
NORMAL COST AND UNFUNDED ACTUARIAL							
LIABILITY (UAL)							1001420
TOTAL: FLORIDA RETIREMENT SYSTEM							1001420
ADJUSTMENT FOR FISCAL YEAR 2015-16							
NORMAL COST AND UNFUNDED ACTUARIAL							
LIABILITY (UAL)							
TOTAL ISSUE.....		98,798-					
=====							
HEALTH INSURANCE SUBSIDY - RETIREES							
FOR FY 2015-16							1001430
SALARIES AND BENEFIT							010000
EMPLOYMENT SECURITY ADM TF-FEDERL		85,488					2195 3
=====							
DATA PROCESSING SERVICES							210000
STATE DATA CENTER -							210001
EMPLOYMENT SECURITY ADM TF-FEDERL		1,088					2195 3
=====							
TOTAL: HEALTH INSURANCE SUBSIDY - RETIREES							1001430
FOR FY 2015-16							
TOTAL ISSUE.....		86,576					
=====							
REALLOCATION OF HUMAN RESOURCES							
OUTSOURCING							1005900
SPECIAL CATEGORIES							100000
TR/DMS/HR SVCS/STW							107040
EMPLOYMENT SECURITY ADM TF-FEDERL		7,897-					2195 3
=====							

	COL A03	COL A04	COL A05	
	AGY REQUEST	AGY REQ N/R	AG REQ ANZ	
	FY 2016-17	FY 2016-17	FY 2016-17	
	POS AMOUNT	POS AMOUNT	POS AMOUNT	CODES
ECONOMIC OPPORTUNITY				40000000
PGM: WORKFORCE SERVICES				40200000
<u>REEMPLOYMENT ASST PRG</u>				40200200
ECONOMIC OPPORTUNITIES				11
<u>WORKFORCE SERVICES</u>				<u>1102.00.00.00</u>
ESTIMATED EXPENDITURES				1000000
STATE ENTERPRISE INFORMATION				
TECHNOLOGY DISTRIBUTION				1006600
DATA PROCESSING SERVICES				210000
STATE DATA CENTER -				210001
EMPLOYMENT SECURITY ADM TF-FEDERL	211,142			2195 3
=====				
DISASTER RECOVERY FUNDING				
DISTRIBUTION				1006700
DATA PROCESSING SERVICES				210000
STATE DATA CENTER -				210001
EMPLOYMENT SECURITY ADM TF-FEDERL	396,868			2195 3
=====				
ESTIMATED EXPENDITURES REALIGNMENT				2000000
REALIGN BUDGET AUTHORITY TO MORE				
ACCURATELY REFLECT PROGRAM				
EXPENDITURES (REEMPLOYMENT				
ASSISTANCE) - DEDUCT				2000150
SPECIAL CATEGORIES				100000
G/A-CONTRACTED SERV				100778
EMPLOYMENT SECURITY ADM TF-FEDERL	7,000,000-			2195 3
=====				

AGENCY ISSUE NARRATIVE:

2016-2017 BUDGET YEAR NARRATIVE:

IT COMPONENT? NO

ESTIMATED EXPENDITURES REALIGNMENT - DEDUCT:

Summary: The Department requests \$7,000,000 of recurring budget authority be realigned from the Grants and Aids - Contracted Services category to the Other Personal Services (OPS) category within the Employment Security Administration Trust Fund. The transfer of this budget will be used to more effectively utilize staff while generating cost savings that can be used to fund other initiatives.

Business Need / Problem Statement: The Department currently contracts with a private vendor who provides temporary employee staffing. The contracted staff are used to provide Reemployment Assistance (RA) program administrative support functions to enable RA claimants to receive the maximum RA benefits they are entitled. The United States Department of Labor (USDOL) restricts certain functions from being performed by private vendors/contractors. This in turn restricts workload assignment flexibility.

	COL A03	COL A04	COL A05	
	AGY REQUEST	AGY REQ N/R	AG REQ ANZ	
	FY 2016-17	FY 2016-17	FY 2016-17	
	POS	AMOUNT	POS	AMOUNT
				CODES
ECONOMIC OPPORTUNITY				40000000
PGM: WORKFORCE SERVICES				40200000
<u>REEMPLOYMENT ASST PRG</u>				40200200
<u>ECONOMIC OPPORTUNITIES</u>				11
<u>WORKFORCE SERVICES</u>				<u>1102.00.00.00</u>
ESTIMATED EXPENDITURES REALIGNMENT				2000000
REALIGN BUDGET AUTHORITY TO MORE				
ACCURATELY REFLECT PROGRAM				
EXPENDITURES (REEMPLOYMENT				
ASSISTANCE) - DEDUCT				2000150

Proposed Solution: The Department requests to realign the budget from Grants and Aids - Contracted Services to OPS and transitioning contract staff to OPS staff. This will give the Department flexibility in workload assignment and increase efficiencies while meeting federally mandated performance measures. Additionally, this will reduce the cost of the staff, while also enabling those staff to perform additional functions.

Proposed Benefits / Risks: Transitioning the contracted staff to OPS staff will allow the Department to maintain and expand existing service levels, while avoiding the cost of administrative fees that are built in to the structure of the staff augmentation contract. The savings on the contracted cost will be used to offset other contract costs associated with program operations.

Please see companion issue # 2000250 in Budget Entity 40200200. This issue nets to zero when combined with companion issue.

This issue aligns with the following strategy contained in Florida's Strategic Plan for Economic Development - July 2012 through June 2017:

#25 Civic and Governance Systems: Improve the efficiency and effectiveness of government agencies at all levels.

REALIGN BUDGET AUTHORITY TO MORE				
ACCURATELY REFLECT PROGRAM				
EXPENDITURES (REEMPLOYMENT				
ASSISTANCE) - ADD				2000250
OTHER PERSONAL SERV				030000

EMPLOYMENT SECURITY ADM TF-FEDERL	7,000,000			2195	3
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AGENCY ISSUE NARRATIVE:

2016-2017 BUDGET YEAR NARRATIVE:

IT COMPONENT? NO

ESTIMATED EXPENDITURES REALIGNMENT - ADD:

Summary: The Department requests \$7,000,000 of recurring budget authority be realigned from the Grants and Aids - Contracted Services category to the Other Personal Services (OPS) category within the Employment Security Administration

	COL A03	COL A04	COL A05	
	AGY REQUEST	AGY REQ N/R	AG REQ ANZ	
	FY 2016-17	FY 2016-17	FY 2016-17	
	POS	AMOUNT	POS	AMOUNT
				AMOUNT
				CODES
ECONOMIC OPPORTUNITY				40000000
PGM: WORKFORCE SERVICES				40200000
<u>REEMPLOYMENT ASST PRG</u>				40200200
<u>ECONOMIC OPPORTUNITIES</u>				11
<u>WORKFORCE SERVICES</u>				<u>1102.00.00.00</u>
ESTIMATED EXPENDITURES REALIGNMENT				2000000
REALIGN BUDGET AUTHORITY TO MORE				
ACCURATELY REFLECT PROGRAM				
EXPENDITURES (REEMPLOYMENT				
ASSISTANCE) - ADD				2000250

Trust Fund. The transfer of this budget will be used to more effectively utilize staff while generating cost savings that can be used to fund other initiatives.

Business Need / Problem Statement: The Department currently contracts with a private vendor who provides temporary employee staffing. The contracted staff are used to provide Reemployment Assistance (RA) program administrative support functions to enable RA claimants to receive the maximum RA benefits they are entitled. The United States Department of Labor (USDOL) restricts certain functions from being performed by private vendors/contractors. This in turn restricts workload assignment flexibility.

Proposed Solution: The Department requests to realign the budget from Grants and Aids - Contracted Services to OPS and transitioning contract staff to OPS staff. This will give the Department flexibility in workload assignment and increase efficiencies while meeting federally mandated performance measures. Additionally, this will reduce the cost of the staff, while also enabling those staff to perform additional functions.

Proposed Benefits / Risks: Transitioning the contracted staff to OPS staff will allow the Department to maintain and expand existing service levels, while avoiding the cost of administrative fees that are built in to the structure of the staff augmentation contract. The savings on the contracted cost will be used to offset other contract costs associated with program operations.

Please see companion issue # 2000150 in Budget Entity 40200200. This issue nets to zero when combined with companion issue.

This issue aligns with the following strategy contained in Florida's Strategic Plan for Economic Development - July 2012 through June 2017:

#25 Civic and Governance Systems: Improve the efficiency and effectiveness of government agencies at all levels.

	COL A03	COL A04	COL A05	
	AGY REQUEST	AGY REQ N/R	AG REQ ANZ	
	FY 2016-17	FY 2016-17	FY 2016-17	
	POS	AMOUNT	POS	AMOUNT
				AMOUNT
				CODES
ECONOMIC OPPORTUNITY				40000000
PGM: WORKFORCE SERVICES				40200000
<u>REEMPLOYMENT ASST PRG</u>				40200200
ECONOMIC OPPORTUNITIES				11
<u>WORKFORCE SERVICES</u>				<u>1102.00.00.00</u>
NONRECURRING EXPENDITURES				2100000
REEMPLOYMENT ASSISTANCE FRAUD				
PREVENTION DETECTION				2103055
SPECIAL CATEGORIES				100000
G/A-CONTRACTED SERV				100778
SPEC EMPLOYMNT SECU ADM TF-STATE		1,000,000-		2648 1
PROGRAM REDUCTIONS				33V0000
REEMPLOYMENT ASSISTANCE REDUCTIONS				33V0070
SALARY RATE				000000
SALARY RATE.....		1,977,304-		
SALARIES AND BENEFIT				010000
EMPLOYMENT SECURITY ADM TF-FEDERL		74.50-		
		3,225,000-		2195 3
TOTAL: REEMPLOYMENT ASSISTANCE REDUCTIONS				33V0070
TOTAL POSITIONS.....		74.50-		
TOTAL ISSUE.....		3,225,000-		
TOTAL SALARY RATE.....		1,977,304-		

AGENCY ISSUE NARRATIVE:

2016-2017 BUDGET YEAR NARRATIVE:

IT COMPONENT? NO

Summary: The Department is requesting a total reduction in the Reemployment Assistance budget entity (40200200) of (74.50) FTE, (\$3,225,000) of Salary and Benefits, (1,977,304) of salary rate and (\$4,000,000) of Expenses (see issue #3404500) for a total reduction of (\$7,225,000).

This is part of a larger reduction request totaling (\$12,100,000) in the following appropriation categories:

- (81.0)FTE within Reemployment Assistance Program, CareerSource Florida, and Reemployment Assistance Appeals Commission
- (\$5,275,000) Salaries and Benefits and (2,273,443) Salary Rate;
- (\$2,500,000) Other Personnel Services (OPS);
- (\$4,000,000) Expenses, and
- (\$325,000)- CareerSource Florida Operations

The total request is a reduction of (\$11,775,000) from the Employment Security Administration Trust Fund (2195) and (\$325,000) Administrative Trust Fund (2021) for a total reduction of (\$12,100,000).

	COL A03	COL A04	COL A05	
	AGY REQUEST	AGY REQ N/R	AG REQ ANZ	
	FY 2016-17	FY 2016-17	FY 2016-17	
POS	AMOUNT	POS	AMOUNT	POS
				AMOUNT
				CODES
ECONOMIC OPPORTUNITY				40000000
PGM: WORKFORCE SERVICES				40200000
<u>REEMPLOYMENT ASST PRG</u>				40200200
ECONOMIC OPPORTUNITIES				11
<u>WORKFORCE SERVICES</u>				<u>1102.00.00.00</u>
PROGRAM REDUCTIONS				33V0000
REEMPLOYMENT ASSISTANCE REDUCTIONS				33V0070

Business Need / Problem Statement: The Reemployment Assistance (RA) program is funded through federal funds provided by the US Department of Labor (USDOL). As the economy has improved and unemployment levels have declined, funding provided by USDOL has also fallen by 10% per year over the past three federal fiscal years totaling \$30.3M. As of September 1, 2015, the RA program has decreased staffing levels in accordance with the reduction of programmatic funding dropping from 1,498 staff to less than 800 over an eighteen-month period.

The federal funds provided for administration of the Reemployment Assistance program are utilized by Workforce Development, CareerSource Florida, the Reemployment Assistance Appeals Commission, and by RA itself. The Department has utilized a combination of other allowable state and federal funding sources and staff reductions to manage the federal funding reduction while maintaining adequate service levels.

For the current budget year, \$97.3M has been provided to Florida. Based on the Department's projections, funding for Fiscal Year 2016-17 was anticipated to be reduced by \$6.3M. In June 2015, the Department was notified that funding for 2016-17 would be \$85.2M, requiring an additional reduction in planned funding of \$5.8M. In total, funding for 2016-17 is \$12.1M less than 2015-16, and requires a reduction in appropriated budget.

Proposed Solution: The Department requests the following reductions:

From Workforce Development:

2195 - Salaries and Benefits	(\$1,500,000)
2195 - OPS	(\$ 700,000)
2195 - OPS	(\$1,800,000)- see issue #3404500

The reduction for Workforce Development is based upon Salaries & Benefits and OPS budget that was previously funded using RA federal funds to provide allowable services to the unemployed by Workforce Development staff. FTE reductions are not required for Workforce Development as staff have already been aligned with available funding sources, and OPS staff have been reduced. Due to RA funding reductions, this budget will not be needed in future years.

From Reemployment Assistance:

FTE:	(74.50)
Salary Rate	(1,977,304)
2195 - Salaries and Benefits	(\$3,225,000)
2195 - Expense	(\$4,000,000) - see issue #3404500

The reduction to RA's FTEs and associated Salaries & Benefits is based upon current and anticipated vacancies for which funding is no longer available. Due to RA funding reductions, the Salaries & Benefits and Expense budget will not be needed in future years.

	COL A03	COL A04	COL A05	
	AGY REQUEST	AGY REQ N/R	AG REQ ANZ	
	FY 2016-17	FY 2016-17	FY 2016-17	
POS	AMOUNT	POS	AMOUNT	POS
				AMOUNT
				CODES
ECONOMIC OPPORTUNITY				40000000
PGM: WORKFORCE SERVICES				40200000
<u>REEMPLOYMENT ASST PRG</u>				40200200
ECONOMIC OPPORTUNITIES				11
<u>WORKFORCE SERVICES</u>				<u>1102.00.00.00</u>
PROGRAM REDUCTIONS				33V0000
REEMPLOYMENT ASSISTANCE REDUCTIONS				33V0070

From CareerSource Florida:

FTE:	(3.00)
Salary Rate	(139,146)
2021 - Salaries and Benefits	(\$325,000)
2195 - CareerSource Ops	(\$325,000)

The reduction to CareerSource Florida's FTEs and associated Salaries & Benefits and CareerSource Operations is based upon the anticipated reduction in the amount of RA funds allocated to the program. CareerSource uses a double budget structure, wherein salary charges are initially posted to Salaries and Benefits and then reimbursed from the CareerSource Operations category. This request reduces the budget appropriated for both categories.

From Reemployment Assistance Appeals Commission:

FTE:	(3.50)
Salary Rate	(156,993)
2195 - Salaries and Benefits	(\$225,000)

The reduction to the Reemployment Assistance Appeals Commission's FTEs and associated Salaries & Benefits is based upon current vacancies for which funding is no longer available.

Proposed Benefits / Risks: The requested reduction will more accurately align the appropriated budget with the amount of federal funding available. The Department will continue to implement processes and provide efficient effective services despite reduced federal funding while also seeking other state and federal funding sources when appropriate to maintain adequate service levels.

Please see companion issue #'s: 3200300 and 3404500 in Budget Entity 40200100, 3404500 in Budget Entity 40200200, 33V0080 in Budget Entity 40200600, and 33V1100 in Budget Entity 40200700.

This issue aligns with the following strategy contained in Florida's Strategic Plan for Economic Development - July 2012 through June 2017:

#25 - Civic and Governance Systems Improve the efficiency and effectiveness of government agencies at all levels.

COL A03		COL A04		COL A05		CODES
AGY REQUEST		AGY REQ N/R		AG REQ ANZ		
FY 2016-17		FY 2016-17		FY 2016-17		
POS	AMOUNT	POS	AMOUNT	POS	AMOUNT	
ECONOMIC OPPORTUNITY						40000000
PGM: WORKFORCE SERVICES						40200000
<u>REEMPLOYMENT ASST PRG</u>						40200200
ECONOMIC OPPORTUNITIES						11
<u>WORKFORCE SERVICES</u>						<u>1102.00.00.00</u>
PROGRAM REDUCTIONS						33V0000
REEMPLOYMENT ASSISTANCE REDUCTIONS						33V0070

POSITION DETAIL OF SALARIES AND BENEFITS:

	FTE	BASE RATE	ADDITIVES	BENEFITS	SUBTOTAL	LAPSE %	LAPSED SALARIES AND BENEFITS
A03 - AGY REQUEST FY 2016-17							
CHANGES TO CURRENTLY AUTHORIZED POSITIONS							
3441 EMPLOYMENT SECURITY REPRESENTATIVE I							
31041 001	1.00-	26,541-		15,145-	41,686-	0.00	41,686-
31067 001	1.00-	26,541-		15,145-	41,686-	0.00	41,686-
31071 001	1.00-	26,541-		15,145-	41,686-	0.00	41,686-
31091 001	1.00-	26,541-		15,145-	41,686-	0.00	41,686-
31092 001	1.00-	26,541-		15,145-	41,686-	0.00	41,686-
31106 001	1.00-	26,541-		15,145-	41,686-	0.00	41,686-
31141 001	1.00-	26,541-		15,145-	41,686-	0.00	41,686-
31150 001	1.00-	26,541-		15,145-	41,686-	0.00	41,686-
31155 001	1.00-	26,541-		15,145-	41,686-	0.00	41,686-
31156 001	1.00-	26,541-		15,145-	41,686-	0.00	41,686-
31165 001	1.00-	26,541-		15,145-	41,686-	0.00	41,686-
31167 001	1.00-	26,541-		15,145-	41,686-	0.00	41,686-
33053 001	1.00-	26,541-		15,145-	41,686-	0.00	41,686-
34123 001	1.00-	26,541-		15,145-	41,686-	0.00	41,686-
34126 001	1.00-	26,541-		15,145-	41,686-	0.00	41,686-
34127 001	1.00-	26,541-		15,145-	41,686-	0.00	41,686-
34128 001	1.00-	26,541-		15,145-	41,686-	0.00	41,686-
34131 001	1.00-	26,541-		15,145-	41,686-	0.00	41,686-
34138 001	1.00-	26,541-		15,145-	41,686-	0.00	41,686-
34139 001	1.00-	26,541-		15,145-	41,686-	0.00	41,686-
34144 001	1.00-	26,541-		15,145-	41,686-	0.00	41,686-
34150 001	1.00-	26,541-		15,145-	41,686-	0.00	41,686-
34159 001	1.00-	26,541-		15,145-	41,686-	0.00	41,686-
34194 001	1.00-	26,541-		15,145-	41,686-	0.00	41,686-
34195 001	1.00-	26,541-		15,145-	41,686-	0.00	41,686-
34206 001	1.00-	26,541-		15,145-	41,686-	0.00	41,686-
34207 001	1.00-	26,541-		15,145-	41,686-	0.00	41,686-
34225 001	1.00-	26,541-		15,145-	41,686-	0.00	41,686-
34250 001	1.00-	26,541-		15,145-	41,686-	0.00	41,686-
34251 001	1.00-	26,541-		15,145-	41,686-	0.00	41,686-
34252 001	1.00-	26,541-		15,145-	41,686-	0.00	41,686-

COL A03		COL A04		COL A05		CODES
AGY REQUEST		AGY REQ N/R		AG REQ ANZ		
FY 2016-17		FY 2016-17		FY 2016-17		
POS	AMOUNT	POS	AMOUNT	POS	AMOUNT	
ECONOMIC OPPORTUNITY						40000000
PGM: WORKFORCE SERVICES						40200000
<u>REEMPLOYMENT ASST PRG</u>						40200200
ECONOMIC OPPORTUNITIES						11
<u>WORKFORCE SERVICES</u>						<u>1102.00.00.00</u>
PROGRAM REDUCTIONS						33V0000
REEMPLOYMENT ASSISTANCE REDUCTIONS						33V0070

POSITION DETAIL OF SALARIES AND BENEFITS:

	FTE	BASE RATE	ADDITIVES	BENEFITS	SUBTOTAL	LAPSE %	LAPSED SALARIES AND BENEFITS
A03 - AGY REQUEST FY 2016-17							
CHANGES TO CURRENTLY AUTHORIZED POSITIONS							
34254 001	1.00-	26,541-		15,145-	41,686-	0.00	41,686-
34255 001	1.00-	26,541-		15,145-	41,686-	0.00	41,686-
34267 001	1.00-	26,541-		15,145-	41,686-	0.00	41,686-
34317 001	1.00-	26,541-		15,145-	41,686-	0.00	41,686-
34330 001	1.00-	26,541-		15,145-	41,686-	0.00	41,686-
34331 001	1.00-	26,541-		15,145-	41,686-	0.00	41,686-
34341 001	1.00-	26,541-		15,145-	41,686-	0.00	41,686-
34410 001	1.00-	26,541-		15,145-	41,686-	0.00	41,686-
34413 001	1.00-	26,541-		15,145-	41,686-	0.00	41,686-
34414 001	1.00-	26,541-		15,145-	41,686-	0.00	41,686-
34417 001	1.00-	26,541-		15,145-	41,686-	0.00	41,686-
34425 001	1.00-	26,541-		15,145-	41,686-	0.00	41,686-
34427 001	1.00-	26,541-		15,145-	41,686-	0.00	41,686-
34429 001	1.00-	26,541-		15,145-	41,686-	0.00	41,686-
34437 001	1.00-	26,541-		15,145-	41,686-	0.00	41,686-
34439 001	1.00-	26,541-		15,145-	41,686-	0.00	41,686-
34450 001	0.50-	13,270-		7,573-	20,843-	0.00	20,843-
34454 001	1.00-	26,541-		15,145-	41,686-	0.00	41,686-
34455 001	1.00-	26,541-		15,145-	41,686-	0.00	41,686-
34457 001	1.00-	26,541-		15,145-	41,686-	0.00	41,686-
34458 001	1.00-	26,541-		15,145-	41,686-	0.00	41,686-
34459 001	1.00-	26,541-		15,145-	41,686-	0.00	41,686-
34460 001	1.00-	26,541-		15,145-	41,686-	0.00	41,686-
34462 001	1.00-	26,541-		15,145-	41,686-	0.00	41,686-
34464 001	1.00-	26,541-		15,145-	41,686-	0.00	41,686-
34465 001	1.00-	26,541-		15,145-	41,686-	0.00	41,686-
34466 001	1.00-	26,541-		15,145-	41,686-	0.00	41,686-
34467 001	1.00-	26,541-		15,145-	41,686-	0.00	41,686-
41035 001	1.00-	26,541-		15,145-	41,686-	0.00	41,686-
41038 001	1.00-	26,541-		15,145-	41,686-	0.00	41,686-
41040 001	1.00-	26,541-		15,145-	41,686-	0.00	41,686-
42053 001	1.00-	26,541-		15,145-	41,686-	0.00	41,686-

	COL A03	COL A04	COL A05	
	AGY REQUEST	AGY REQ N/R	AG REQ ANZ	
	FY 2016-17	FY 2016-17	FY 2016-17	
POS	AMOUNT	POS	AMOUNT	POS
				AMOUNT
				CODES
ECONOMIC OPPORTUNITY				40000000
PGM: WORKFORCE SERVICES				40200000
<u>REEMPLOYMENT ASST PRG</u>				40200200
ECONOMIC OPPORTUNITIES				11
<u>WORKFORCE SERVICES</u>				<u>1102.00.00.00</u>
PROGRAM REDUCTIONS				33V0000
REEMPLOYMENT ASSISTANCE REDUCTIONS				33V0070

POSITION DETAIL OF SALARIES AND BENEFITS:

	FTE	BASE RATE	ADDITIVES	BENEFITS	SUBTOTAL	LAPSE %	LAPSED SALARIES AND BENEFITS
A03 - AGY REQUEST FY 2016-17							
CHANGES TO CURRENTLY AUTHORIZED POSITIONS							
43089 001	1.00-	26,541-		15,145-	41,686-	0.00	41,686-
43097 001	1.00-	26,541-		15,145-	41,686-	0.00	41,686-
43159 001	1.00-	26,541-		15,145-	41,686-	0.00	41,686-
43161 001	1.00-	26,541-		15,145-	41,686-	0.00	41,686-
46094 001	1.00-	26,541-		15,145-	41,686-	0.00	41,686-
46103 001	1.00-	26,541-		15,145-	41,686-	0.00	41,686-
46105 001	1.00-	26,541-		15,145-	41,686-	0.00	41,686-
46174 001	1.00-	26,541-		15,145-	41,686-	0.00	41,686-
46192 001	1.00-	26,541-		15,145-	41,686-	0.00	41,686-
46206 001	1.00-	26,541-		15,145-	41,686-	0.00	41,686-
47080 001	1.00-	26,541-		15,145-	41,686-	0.00	41,686-
47125 001	1.00-	26,541-		15,145-	41,686-	0.00	41,686-

TOTALS FOR ISSUE BY FUND

2195 EMPLOYMENT SECURITY ADM TF							3,105,607-
	74.50-	1,977,304-		1,128,303-	3,105,607-		3,105,607-

OTHER SALARY AMOUNT

2195 EMPLOYMENT SECURITY ADM TF							119,393-
							<u>3,225,000-</u>

	COL A03	COL A04	COL A05	
	AGY REQUEST	AGY REQ N/R	AG REQ ANZ	
	FY 2016-17	FY 2016-17	FY 2016-17	
	POS AMOUNT	POS AMOUNT	POS AMOUNT	CODES
ECONOMIC OPPORTUNITY				40000000
PGM: WORKFORCE SERVICES				40200000
<u>REEMPLOYMENT ASST PRG</u>				40200200
ECONOMIC OPPORTUNITIES				11
<u>WORKFORCE SERVICES</u>				<u>1102.00.00.00</u>
FUND SHIFT				3400000
REEMPLOYMENT ASSISTANCE - FRAUD				
INVESTIGATION UNIT - ADD				3403000
SALARY RATE				000000
SALARY RATE.....	333,193			
=====				
SALARIES AND BENEFI				010000
	6.00			
SPEC EMPLOYMNT SECU ADM TF-STATE	450,000			2648 1
=====				
EXPENSES				040000
SPEC EMPLOYMNT SECU ADM TF-STATE	100,000			2648 1
=====				
TOTAL: REEMPLOYMENT ASSISTANCE - FRAUD				3403000
INVESTIGATION UNIT - ADD				
TOTAL POSITIONS.....	6.00			
TOTAL ISSUE.....	550,000			
TOTAL SALARY RATE.....	333,193			
=====				

AGENCY ISSUE NARRATIVE:

2016-2017 BUDGET YEAR NARRATIVE:

IT COMPONENT? NO

FUND SHIFT - Employment Security Administration Trust Fund to the Special Employment Security Administration Trust Fund - ADD:

Summary: The Department requests \$550,000, 6.0 FTE and \$333,193 of salary rate be shifted from the Employment Security Administration Trust Fund to the Special Employment Security Administration Trust Fund to create a task force of sworn officers and criminal investigators (3 criminal investigators, 2 sworn officers and 1 supervising sworn officer) to combat Reemployment Assistance (RA) fraud. Of the request, \$450,000 would be allocated to Salaries and Benefits and \$100,000 would be allocated to Expenses.

Business Need / Problem Statement: Identity theft and resulting fraud have reached crisis levels. Nationally, one identity is stolen every two seconds, and in 2014 more than one billion records were breached. To put that in perspective, the current population of the United States is only 320 million people. Identity theft is especially problematic in Florida, which, according to the Federal Trade Commission, has the highest per capita rate of identity theft in the nation.

Stolen identities are used to commit an ever-growing range of fraud. Criminals use stolen IDs to: deplete bank accounts; establish new credit accounts; take out consumer and student loans; purchase vehicles; purchase firearms; obtain

	COL A03	COL A04	COL A05	
	AGY REQUEST	AGY REQ N/R	AG REQ ANZ	
	FY 2016-17	FY 2016-17	FY 2016-17	
POS	AMOUNT	POS	AMOUNT	POS
				AMOUNT
				CODES
ECONOMIC OPPORTUNITY				40000000
PGM: WORKFORCE SERVICES				40200000
<u>REEMPLOYMENT ASST PRG</u>				40200200
ECONOMIC OPPORTUNITIES				11
<u>WORKFORCE SERVICES</u>				<u>1102.00.00.00</u>
FUND SHIFT				3400000
REEMPLOYMENT ASSISTANCE - FRAUD				
INVESTIGATION UNIT - ADD				3403000

employment; purchase medical care; steal tax refunds; and steal public benefits such as unemployment insurance, welfare, and food stamps. Identity theft and related fraud harm those whose identities are stolen, rob the social safety net of limited resources, impose unwarranted costs on taxpayers, and undermine public confidence in government. The costs are significant and growing. According to one estimate, \$445 billion was lost due to identity theft or cybercrimes in 2014 (equal to one percent of the world's economy).

These crimes are occurring because they are easy and lucrative. Identity theft is easy because personal identifying information is everywhere, and it's not very well protected. While digitization makes it easier to access, deliver, and streamline services, it also places vast amounts of personal information on thousands of different systems of varying age and quality, thereby leaving this information vulnerable to exposure through malfeasance, technical error, or plain old human error. Fraud using stolen IDs is easy because digitization allows for the elimination of in-person contact. Fraud is lucrative because there are so many ways to use a stolen ID to steal. One person successfully filing for unemployment benefits in all fifty states for just one month would steal more than \$80,000.

In 2012 and 2013, DEO began receiving reports that criminals were turning to unemployment insurance (Reemployment Assistance or RA) as a new front for identity-based fraud. In 2013, through tips and traditional investigation methods, DEO identified 9,600 claims based on identity fraud. At the same time, the agency decided to aggressively pursue new strategies to fight this fraud. The most significant initiative was to develop a digital system that could detect patterns of fraud by analyzing RA claims data the Fraud Initiative and Rules Rating Engine, or FIRRE.

FIRRE was fully implemented in 2014, and the results were stunning. In just eighteen months, FIRRE identified and stopped approximately 110,000 fraudulent claims. Had full benefits been paid on those claims, the cost would have been \$470 million. Moreover, as we have gained more experience in detecting fraud, we are catching it earlier. In 2014, DEO paid \$28.4 million on claims that FIRRE ultimately identified as fraudulent (3.3 percent of total benefits for that year). In 2015, DEO has paid only \$2.9 million on claims FIRRE ultimately identified as fraudulent (0.9 percent of total benefits for that year).

DEO's efforts at fighting fraud are gaining attention and praise. The FIRRE system has been featured on CNN and has twice won the state's Prudential Productivity Award. In addition, the U.S. Department of Labor's Office of Inspector General has said, Florida officials have recognized the increasing threat to the UI system posed by identity theft, and they have responded by developing a new ID theft pattern recognition system and by implementing a variety of process improvements. Whereas traditional methods for detecting fraud in UI programs have focused on back-end processes, FIRRE has helped address the need for a front-end business process that detects identity theft before any benefits have been paid. Other states have begun consulting with DEO about ways to more effectively prevent, detect, and fight public benefits fraud.

Despite this progress, DEO firmly believes more can and must be done to fight fraud. If FIRRE were catching all the fraud, it would quickly put itself out of business as criminals turned to more profitable uses of stolen IDs. That is not happening. If anything, FIRRE is catching more claims as time goes on. Accordingly, DEO proposes a legislative

	COL A03	COL A04	COL A05	
	AGY REQUEST	AGY REQ N/R	AG REQ ANZ	
	FY 2016-17	FY 2016-17	FY 2016-17	
POS	AMOUNT	POS	AMOUNT	POS
				AMOUNT
				CODES
ECONOMIC OPPORTUNITY				40000000
PGM: WORKFORCE SERVICES				40200000
<u>REEMPLOYMENT ASST PRG</u>				40200200
ECONOMIC OPPORTUNITIES				11
<u>WORKFORCE SERVICES</u>				<u>1102.00.00.00</u>
FUND SHIFT				3400000
REEMPLOYMENT ASSISTANCE - FRAUD				
INVESTIGATION UNIT - ADD				3403000

package that will provide the agency with additional resources, tools, and legal authorizations to prevent and fight public-benefits fraud in Florida. The agency's goal is to establish model policies, procedures, and practices that can be replicated across benefit systems in Florida.

Proposed Solution: The Department requests \$450,000 of recurring budget authority in the Salaries and Benefits category, \$100,000 of recurring budget authority in the Expense category, 6.0 FTE, and 333,193 of salary rate be shifted from the Employment Security Administration Trust Fund to the Special Employment Security Administration Trust Fund to create a group of three criminal investigators and three sworn officers to specifically investigate identity theft fraud and cyber fraud as it relates to Reemployment Assistance. One sworn officer would act as supervisor. This group, based in South Florida, would focus on data analytics, utilizing cutting-edge technology to investigate and build cases, coordinating with local and federal law enforcement to build a multi-faceted approach to fighting criminals who use identity theft to fraudulently file for reemployment assistance.

This request includes an additional salaries amount of \$105,000 that will be used to recruit experienced staff above base salary and to cover potential overtime costs.

Proposed Benefits / Risks: By creating this unit, the Department would be able to actively investigate and aggressively pursue fraudulent recipients and criminal organizations that are willfully committing fraud and stealing millions of dollars of taxpayer funds. This issue is part of the Department's larger strategy to implement aggressive fraud detection and prevention initiatives at all levels of the Reemployment Assistance program.

Please see companion issue # 3403500 in Budget Entity 40200200. This issue nets to zero when combined with companion issue.

This issue aligns with the following strategy contained in Florida's Strategic Plan for Economic Development - July 2012 through June 2017:

#25 Civic and Governance Systems: Improve the efficiency and effectiveness of government agencies at all levels.

	COL A03		COL A04		COL A05		CODES
	AGY REQUEST FY 2016-17 POS	AMOUNT	AGY REQ N/R FY 2016-17 POS	AMOUNT	AG REQ ANZ FY 2016-17 POS	AMOUNT	
ECONOMIC OPPORTUNITY							40000000
PGM: WORKFORCE SERVICES							40200000
<u>REEMPLOYMENT ASST PRG</u>							40200200
ECONOMIC OPPORTUNITIES							11
<u>WORKFORCE SERVICES</u>							<u>1102.00.00.00</u>
FUND SHIFT							3400000
REEMPLOYMENT ASSISTANCE - FRAUD							
INVESTIGATION UNIT - ADD							3403000

POSITION DETAIL OF SALARIES AND BENEFITS:

	FTE	BASE RATE	ADDITIVES	BENEFITS	SUBTOTAL	LAPSE %	LAPSED SALARIES AND BENEFITS
A03 - AGY REQUEST FY 2016-17							
CHANGES TO CURRENTLY AUTHORIZED POSITIONS							
P101 PROPOSED CLASS CODE							
C1001 001	6.00	333,193		116,807	450,000	0.00	450,000
TOTALS FOR ISSUE BY FUND							
2648 SPEC EMPLOYMNT SECU ADM TF	6.00	333,193		116,807	450,000		450,000

REEMPLOYMENT ASSISTANCE - FRAUD							3403500
INVESTIGATION UNIT - DEDUCT							000000
SALARY RATE							
SALARY RATE.....	333,193-						
SALARIES AND BENEFI							010000
6.00-							
EMPLOYMENT SECURITY ADM TF-FEDERL	450,000-						2195 3
EXPENSES							040000
EMPLOYMENT SECURITY ADM TF-FEDERL	100,000-						2195 3

	COL A03	COL A04	COL A05	
	AGY REQUEST	AGY REQ N/R	AG REQ ANZ	
	FY 2016-17	FY 2016-17	FY 2016-17	
	POS AMOUNT	POS AMOUNT	POS AMOUNT	CODES
ECONOMIC OPPORTUNITY				40000000
PGM: WORKFORCE SERVICES				40200000
<u>REEMPLOYMENT ASST PRG</u>				40200200
ECONOMIC OPPORTUNITIES				11
<u>WORKFORCE SERVICES</u>				<u>1102.00.00.00</u>
FUND SHIFT				3400000
REEMPLOYMENT ASSISTANCE - FRAUD				
INVESTIGATION UNIT - DEDUCT				3403500
TOTAL: REEMPLOYMENT ASSISTANCE - FRAUD				3403500
INVESTIGATION UNIT - DEDUCT				
TOTAL POSITIONS.....	6.00-			
TOTAL ISSUE.....		550,000-		
TOTAL SALARY RATE.....	333,193-			

AGENCY ISSUE NARRATIVE:

2016-2017 BUDGET YEAR NARRATIVE:

IT COMPONENT? NO

FUND SHIFT - Employment Security Administration Trust Fund to the Special Employment Security Administration Trust Fund - DEDUCT:

Summary: The Department requests \$550,000, 6.0 FTE and 333,193 of salary rate be shifted from the Employment Security Administration Trust Fund to the Special Employment Security Administration Trust Fund to create a task force of sworn officers and criminal investigators (3 criminal investigators, 2 sworn officers and 1 supervising sworn officer) to combat Reemployment Assistance (RA) fraud. Of the request, \$450,000 would be from Salaries and Benefits and \$100,000 would be from Expenses.

Business Need / Problem Statement: Identity theft and resulting fraud have reached crisis levels. Nationally, one identity is stolen every two seconds, and in 2014 more than one billion records were breached. To put that in perspective, the current population of the United States is only 320 million people. Identity theft is especially problematic in Florida, which, according to the Federal Trade Commission, has the highest per capita rate of identity theft in the nation.

Stolen identities are used to commit an ever-growing range of fraud. Criminals use stolen IDs to: deplete bank accounts; establish new credit accounts; take out consumer and student loans; purchase vehicles; purchase firearms; obtain employment; purchase medical care; steal tax refunds; and steal public benefits such as unemployment insurance, welfare, and food stamps. Identity theft and related fraud harm those whose identities are stolen, rob the social safety net of limited resources, impose unwarranted costs on taxpayers, and undermine public confidence in government. The costs are significant and growing. According to one estimate, \$445 billion was lost due to identity theft or cybercrimes in 2014 (equal to one percent of the world's economy).

These crimes are occurring because they are easy and lucrative. Identity theft is easy because personal identifying information is everywhere, and it's not very well protected. While digitization makes it easier to access, deliver, and streamline services, it also places vast amounts of personal information on thousands of different systems of varying age and quality, thereby leaving this information vulnerable to exposure through malfeasance, technical error, or plain old human error. Fraud using stolen IDs is easy because digitization allows for the elimination of in-person contact. Fraud is lucrative because there are so many ways to use a stolen ID to steal. One person successfully filing for unemployment

	COL A03	COL A04	COL A05	
	AGY REQUEST	AGY REQ N/R	AG REQ ANZ	
	FY 2016-17	FY 2016-17	FY 2016-17	
POS	AMOUNT	POS	AMOUNT	POS
				AMOUNT
				CODES
ECONOMIC OPPORTUNITY				40000000
PGM: WORKFORCE SERVICES				40200000
<u>REEMPLOYMENT ASST PRG</u>				40200200
ECONOMIC OPPORTUNITIES				11
<u>WORKFORCE SERVICES</u>				<u>1102.00.00.00</u>
FUND SHIFT				3400000
REEMPLOYMENT ASSISTANCE - FRAUD				
INVESTIGATION UNIT - DEDUCT				3403500

benefits in all fifty states for just one month would steal more than \$80,000.

In 2012 and 2013, DEO began receiving reports that criminals were turning to unemployment insurance (Reemployment Assistance or RA) as a new front for identity-based fraud. In 2013, through tips and traditional investigation methods, DEO identified 9,600 claims based on identity fraud. At the same time, the agency decided to aggressively pursue new strategies to fight this fraud. The most significant initiative was to develop a digital system that could detect patterns of fraud by analyzing RA claims data the Fraud Initiative and Rules Rating Engine, or FIRRE.

FIRRE was fully implemented in 2014, and the results were stunning. In just eighteen months, FIRRE identified and stopped approximately 110,000 fraudulent claims. Had full benefits been paid on those claims, the cost would have been \$470 million. Moreover, as we have gained more experience in detecting fraud, we are catching it earlier. In 2014, DEO paid \$28.4 million on claims that FIRRE ultimately identified as fraudulent (3.3 percent of total benefits for that year). In 2015, DEO has paid only \$2.9 million on claims FIRRE ultimately identified as fraudulent (0.9 percent of total benefits for that year).

DEO's efforts at fighting fraud are gaining attention and praise. The FIRRE system has been featured on CNN and has twice won the state's Prudential Productivity Award. In addition, the U.S. Department of Labor's Office of Inspector General has said, Florida officials have recognized the increasing threat to the UI system posed by identity theft, and they have responded by developing a new ID theft pattern recognition system and by implementing a variety of process improvements. Whereas traditional methods for detecting fraud in UI programs have focused on back-end processes, FIRRE has helped address the need for a front-end business process that detects identity theft before any benefits have been paid. Other states have begun consulting with DEO about ways to more effectively prevent, detect, and fight public benefits fraud.

Despite this progress, DEO firmly believes more can and must be done to fight fraud. If FIRRE were catching all the fraud, it would quickly put itself out of business as criminals turned to more profitable uses of stolen IDs. That is not happening. If anything, FIRRE is catching more claims as time goes on. Accordingly, DEO proposes a legislative package that will provide the agency with additional resources, tools, and legal authorizations to prevent and fight public-benefits fraud in Florida. The agency's goal is to establish model policies, procedures, and practices that can be replicated across benefit systems in Florida.

Proposed Solution: The Department requests \$450,000 of recurring budget authority in the Salaries and Benefits category, \$100,000 of recurring budget authority in the Expense category, 6.0 FTE and 333,193 of salary rate be shifted from the Employment Security Administration Trust Fund to the Special Employment Security Administration Trust Fund to create a group of three criminal investigators and three sworn officers to specifically investigate identity theft fraud and cyber fraud as it relates to Reemployment Assistance. One sworn officer would act as supervisor. This group, based in South Florida, would focus on data analytics, utilizing cutting-edge technology to investigate and build cases, coordinating with local and federal law enforcement to build a multi-faceted approach to fighting criminals who use identity theft to fraudulently file for reemployment assistance.

COL A03		COL A04		COL A05		CODES
AGY REQUEST FY 2016-17 POS	AMOUNT	AGY REQ N/R FY 2016-17 POS	AMOUNT	AG REQ ANZ FY 2016-17 POS	AMOUNT	
ECONOMIC OPPORTUNITY						40000000
PGM: WORKFORCE SERVICES						40200000
<u>REEMPLOYMENT ASST PRG</u>						40200200
ECONOMIC OPPORTUNITIES						11
<u>WORKFORCE SERVICES</u>						<u>1102.00.00.00</u>
FUND SHIFT						3400000
REEMPLOYMENT ASSISTANCE - FRAUD						
INVESTIGATION UNIT - DEDUCT						3403500

This request includes an additional salaries amount of \$105,000 that will be used to recruit experienced staff above base salary and to cover potential overtime costs.

Proposed Benefits / Risks: By creating this unit, the Department would be able to actively investigate and aggressively pursue fraudulent recipients and criminal organizations that are willfully committing fraud and stealing millions of dollars of taxpayer funds. This issue is part of the Department's larger strategy to implement aggressive fraud detection and prevention initiatives at all levels of the Reemployment Assistance program.

Please see companion issue # 3403000 in Budget Entity 40200200. This issue nets to zero when combined with companion issue.

This issue aligns with the following strategy contained in Florida's Strategic Plan for Economic Development - July 2012 through June 2017:

#25 Civic and Governance Systems: Improve the efficiency and effectiveness of government agencies at all levels.

POSITION DETAIL OF SALARIES AND BENEFITS:

	FTE	BASE RATE	ADDITIVES	BENEFITS	SUBTOTAL	LAPSE %	LAPSED SALARIES AND BENEFITS
A03 - AGY REQUEST FY 2016-17							
CHANGES TO CURRENTLY AUTHORIZED POSITIONS							
P101 PROPOSED CLASS CODE							
C1001 001	6.00-	333,193-		116,807-	450,000-	0.00	450,000-
TOTALS FOR ISSUE BY FUND							
2195 EMPLOYMENT SECURITY ADM TF							450,000-
	6.00-	333,193-		116,807-	450,000-		450,000-

	COL A03	COL A04	COL A05	
	AGY REQUEST	AGY REQ N/R	AG REQ ANZ	
	FY 2016-17	FY 2016-17	FY 2016-17	
	POS AMOUNT	POS AMOUNT	POS AMOUNT	CODES
ECONOMIC OPPORTUNITY				40000000
PGM: WORKFORCE SERVICES				40200000
<u>REEMPLOYMENT ASST PRG</u>				40200200
ECONOMIC OPPORTUNITIES				11
<u>WORKFORCE SERVICES</u>				<u>1102.00.00.00</u>
FUND SHIFT				3400000
REEMPLOYMENT ASSISTANCE - PROGRAM				
FUNDING SHIFT - ADD				3404000
OTHER PERSONAL SERV				030000
SPEC EMPLOYMNT SECU ADM TF-STATE	5,800,000			2648 1

AGENCY ISSUE NARRATIVE:

2016-2017 BUDGET YEAR NARRATIVE:

IT COMPONENT? NO

FUND SHIFT - Employment Security Administration Trust Fund and Other Personnel Services and Expenses to the Special Employment Security Administration Trust Fund and Other Personnel Services - ADD:

Summary: The Department requests a fund and category shift of \$5,800,000 of recurring budget authority from the Employment Security Administration Trust Fund (2195) to the Special Employment Security Administration Trust Fund (2648) as follows:

From Workforce Development (40200100 - 2195) OPS:	(\$1,800,000)
From Reemployment Assistance (40200200 - 2195) Expense:	(\$4,000,000)
To Reemployment Assistance (40200200 - 2648) OPS:	\$5,800,000

The budget will be used for the salaries and benefits of Other Personal Services staff necessary to support the RA program. This program assists job seekers with temporary financial assistance while they look for work. This funding is critical to increasing compliance with federal requirements.

Business Need / Problem Statement: The Reemployment Assistance program is funded through federal funds provided by the US Department of Labor (USDOL). As the economy has improved and unemployment levels have declined, funding provided by USDOL has also fallen over the past three federal fiscal years. As of September 1, 2015, the RA program has decreased staffing levels in accordance with the reduction of programmatic funding dropping from 1,498 staff to less than 800 over an eighteen-month period. For the upcoming Federal Fiscal Year beginning October 1, 2015, the federal funds allotted to Florida were reduced \$5.8M lower than the anticipated allotment of \$91M. To address these shortfalls, DEO has developed strategies to utilize other available funding sources to bridge the gap.

The Special Employment Security Administration Trust Fund (referred to as the Penalty and Interest Trust Fund), is funded with revenues generated from penalty and interest assessed on late reporting and/or payment of unemployment compensation tax. Revenues received in the fund are considered state funds and have historically been used to support state workforce related programs and initiatives. Beginning in FY 2009-10 through FY 2013-14, revenues in the Penalty and Interest Trust Fund increased, going from \$14M to over \$17M annually. During the same period, the budget authority to spend Penalty and Interest funds as granted by the legislature, remained well below the actual cash received in the TF. Therefore, the TF was able to accumulate a substantial cash balance over time. DEO is requesting to supplement the need for additional OPS staff by utilizing funds available in the Penalty and Interest trust fund.

	COL A03	COL A04	COL A05	
	AGY REQUEST	AGY REQ N/R	AG REQ ANZ	
	FY 2016-17	FY 2016-17	FY 2016-17	
POS	AMOUNT	POS	AMOUNT	POS
				AMOUNT
				CODES
ECONOMIC OPPORTUNITY				40000000
PGM: WORKFORCE SERVICES				40200000
<u>REEMPLOYMENT ASST PRG</u>				40200200
ECONOMIC OPPORTUNITIES				11
<u>WORKFORCE SERVICES</u>				<u>1102.00.00.00</u>
FUND SHIFT				3400000
REEMPLOYMENT ASSISTANCE - PROGRAM				
FUNDING SHIFT - ADD				3404000

Proposed Solution: The Department requests \$5,800,000 of recurring budget authority from the Employment Security Administration Trust Fund that can no longer be supported by federal revenue be shifted to the Special Employment Security Administration Trust Fund. This request transfers the budget to the Other Personal Services category to continue serving claimants at current service levels, while providing for normal attrition and rightsizing of core program staff as enhancements, process improvements, and automation are implemented. The funds are being requested from this trust fund since the RA Program actually generates these funds from employers that are penalized due to late filing and or payment of unemployment taxes to the state.

Proposed Benefits / Risks: By providing this funding, current service levels to claimants will not need to be reduced.

Please see companion issue 3404500 in BE 40200100 and 40200200.

This issue aligns with the following strategies contained in Florida's Strategic Plan for Economic Development - July 2012 through June 2017:

#25 Civic and Governance Systems: Improve the efficiency and effectiveness of government agencies at all levels.

REEMPLOYMENT ASSISTANCE - PROGRAM					3404500
FUNDING SHIFT- DEDUCT					040000
EXPENSES					
EMPLOYMENT SECURITY ADM TF-FEDERL	4,000,000-				2195 3
	=====	=====	=====		

AGENCY ISSUE NARRATIVE:

2016-2017 BUDGET YEAR NARRATIVE:

IT COMPONENT? NO

FUND SHIFT - Employment Security Administration Trust Fund and Other Personnel Services and Expenses to the Special Employment Security Administration Trust Fund and Other Personnel Services - DEDUCT:

Summary: The Department requests a fund and category shift of \$5,800,000 of recurring budget authority from the Employment Security Administration Trust Fund (2195) to the Special Employment Security Administration Trust Fund (2648) as follows:

From Workforce Development (40200100 - 2195) OPS:	(\$1,800,000)
From Reemployment Assistance (40200200 - 2195) Expense:	(\$4,000,000)
To Reemployment Assistance (40200200 - 2648) OPS:	\$5,800,000

	COL A03	COL A04	COL A05	
	AGY REQUEST	AGY REQ N/R	AG REQ ANZ	
	FY 2016-17	FY 2016-17	FY 2016-17	
	POS AMOUNT	POS AMOUNT	POS AMOUNT	CODES
ECONOMIC OPPORTUNITY				40000000
PGM: WORKFORCE SERVICES				40200000
<u>REEMPLOYMENT ASST PRG</u>				40200200
ECONOMIC OPPORTUNITIES				11
<u>WORKFORCE SERVICES</u>				<u>1102.00.00.00</u>
FUND SHIFT				3400000
REEMPLOYMENT ASSISTANCE - PROGRAM				
FUNDING SHIFT- DEDUCT				3404500

The budget will be used for the salaries and benefits of Other Personal Services staff necessary to support the RA program. This program assists job seekers with temporary financial assistance while they look for work. This funding is critical to increasing compliance with federal requirements.

Business Need / Problem Statement: The Reemployment Assistance program is funded through federal funds provided by the US Department of Labor (USDOL). As the economy has improved and unemployment levels have declined, funding provided by USDOL has also fallen over the past three federal fiscal years. As of September 1, 2015, the RA program has decreased staffing levels in accordance with the reduction of programmatic funding dropping from 1,498 staff to less than 800 over an eighteen-month period. For the upcoming Federal Fiscal Year beginning October 1, 2015, the federal funds allotted to Florida were reduced \$5.8M lower than the anticipated allotment of \$91M. To address these shortfalls, DEO has developed strategies to utilize other available funding sources to bridge the gap.

The Special Employment Security Administration Trust Fund (referred to as the Penalty and Interest Trust Fund), is funded with revenues generated from penalty and interest assessed on late reporting and/or payment of unemployment compensation tax. Revenues received in the fund are considered state funds and have historically been used to support state workforce related programs and initiatives. Beginning in FY 2009-10 through FY 2013-14, revenues in the Penalty and Interest Trust Fund increased, going from \$14M to over \$17M annually. During the same period, the budget authority to spend Penalty and Interest funds as granted by the legislature, remained well below the actual cash received in the TF. Therefore, the TF was able to accumulate a substantial cash balance over time. DEO is requesting to supplement the need for additional OPS staff by utilizing funds available in the Penalty and Interest trust fund.

Proposed Solution: The Department requests \$5,800,000 of recurring budget authority from the Employment Security Administration Trust Fund that can no longer be supported by federal revenue be shifted to the Special Employment Security Administration Trust Fund. This request transfers the budget to the Other Personal Services category to continue serving claimants at current service levels, while providing for normal attrition and rightsizing of core program staff as enhancements, process improvements, and automation are implemented. The funds are being requested from this trust fund since the RA Program actually generates these funds from employers that are penalized due to late filing and or payment of unemployment taxes to the state.

Proposed Benefits / Risks: By providing this funding, current service levels to claimants will not need to be reduced.

Please see companion issue 3404500 in BE 40200100 and 3404000 in BE 40200200.

This issue aligns with the following strategies contained in Florida's Strategic Plan for Economic Development - July 2012 through June 2017:

#25 Civic and Governance Systems: Improve the efficiency and effectiveness of government agencies at all levels.

	COL A03	COL A04	COL A05	
	AGY REQUEST	AGY REQ N/R	AG REQ ANZ	
	FY 2016-17	FY 2016-17	FY 2016-17	
POS	AMOUNT	POS	AMOUNT	POS AMOUNT
				CODES
ECONOMIC OPPORTUNITY				40000000
PGM: WORKFORCE SERVICES				40200000
<u>REEMPLOYMENT ASST PRG</u>				40200200
ECONOMIC OPPORTUNITIES				11
<u>WORKFORCE SERVICES</u>				<u>1102.00.00.00</u>
PROGRAM OR SERVICE-LEVEL				
INFORMATION TECHNOLOGY				3630000
REEMPLOYMENT ASSISTANCE CLAIMANT				
SERVICES ENHANCEMENT				36303C0
EXPENSES				040000
SPEC EMPLOYMNT SECU ADM TF-STATE	300,000	250,000		2648 1
=====				
OPERATING CAPITAL O				060000
SPEC EMPLOYMNT SECU ADM TF-STATE	100,000	100,000		2648 1
=====				
SPECIAL CATEGORIES				100000
G/A-CONTRACTED SERV				100778
SPEC EMPLOYMNT SECU ADM TF-STATE	420,000	420,000		2648 1
=====				
TOTAL: REEMPLOYMENT ASSISTANCE CLAIMANT				36303C0
SERVICES ENHANCEMENT				
TOTAL ISSUE.....	820,000	770,000		
=====				

AGENCY ISSUE NARRATIVE:

2016-2017 BUDGET YEAR NARRATIVE:

IT COMPONENT? YES

Summary: The Department requests \$820,000 from the Special Employment Security Administration Trust Fund to support the Reemployment Assistance (RA) Benefits System Program.

Business Need / Problem Statement: The RA Program provides temporary, partial wage replacement benefits to qualified workers who are unemployed through no fault of their own. The RA Benefits System supports the implementation of various RA processes including online access for claimants to apply for benefits, view and maintain claimant account information, view claim status and payments, view overpayment balance and make payments. This program and system allow DEO to support and meet the vision and mission set forth by the State of Florida.

A component of the RA Benefits System is the Genesys platform that provides functionality to RA's Call Center System (CSS). This system has received almost 1.5 million calls in the first six-months of FY 2015. The CSS handles all of the RA Claims main line calls (800-204-2418), all of the LexisNexis calls (800-385-9320), all of the FRAUD calls (800-342-9909), emails sent to floridajobs.org, and various other support functions such as Adjudication and Appeals.

The CSS has a target goal of 95% for calls accepted and serviced by call center personnel. The current call volume and system performance has resulted in actual numbers that are below the target goal. Every 1% drop in accepted calls equates

	COL A03	COL A04	COL A05	
	AGY REQUEST	AGY REQ N/R	AG REQ ANZ	
	FY 2016-17	FY 2016-17	FY 2016-17	
	POS AMOUNT	POS AMOUNT	POS AMOUNT	CODES
ECONOMIC OPPORTUNITY				40000000
PGM: WORKFORCE SERVICES				40200000
<u>REEMPLOYMENT ASST PRG</u>				40200200
ECONOMIC OPPORTUNITIES				11
<u>WORKFORCE SERVICES</u>				<u>1102.00.00.00</u>
PROGRAM OR SERVICE-LEVEL				
INFORMATION TECHNOLOGY				3630000
REEMPLOYMENT ASSISTANCE CLAIMANT				
SERVICES ENHANCEMENT				36303C0

to roughly 2,500 calls per month that do not reach a live person. For this reason, it is imperative that the system capabilities be maximized to offset high call volumes.

Proposed Solution: The Department requests \$250,000 of recurring and \$50,000 of nonrecurring Expense budget authority for additional software licensing and maintenance, \$420,000 of nonrecurring Grants and Aids - Contracted Services budget authority for professional services to implement, and \$100,000 of nonrecurring Operating Capital Outlay for additional hardware to support this project. Total cost for this project is \$820,000 of which \$50,000 is nonrecurring.

Included in this request is an assessment of the CCS functionality and supporting program practices, additional functionality for the CCS including software, hardware and professional services, and improvements to existing CCS functionality. This additional project and operating budget request seeks to implement efforts to reduce operating costs and improve customer service levels through assessment and self-service options through the Interactive Voice Response (IVR) and proactive claimant notifications.

Much of the initial CCS functionality focused on basic claimant service functionality. A significant number of calls to the CSS are based on the customer's need for simple information that does not require updates or maintenance to existing claims or account data, and therefore should not require direct interaction with a customer service representative (CSR). Interactions with CSR's, especially for basic information, place a burden on the system volume, are time consuming for customers and CSRs, and costly. By implementing ways to provide customers with the information they need without direct CSR interactions, service can be more focused on customers who do need direct assistance, while still providing needed information to other customers in a much faster and efficient way.

The IVR is the first point of interaction that a phone customer has with the department. The current IVR system used by the department is not able to track or measure how effective those menu options are at satisfying a customer's information needs. Further, if there are areas of the IVR that could be improved to expedite or simplify the flow of information to the customers, the current platform requires customized reprogramming to implement needed changes. The proposed solution will include an assessment and tools to measure the current IVR's performance, and include software upgrades to the platform that allow for modifications to be implemented more quickly.

Another way that CSS performance can be improved is to communicate with the customer in advance so that they do not have a need to call. Proactive claimant notification is a process included in the proposed solution that provides customers with information up front, such as expected time to complete a claim or pay a benefit. This notification would be managed by the software and provided to the customer via a number of avenues, including text or e-mail. This piece of the solution seeks to reduce call volumes by removing the need to call.

The RA Benefits System has been a live system for over 18-months. Since then performance statistics have been collected as the system moves toward the various goals that it was set forth to seek. This project and operational effort would be implemented by performing a proper professional assessment of the existing CCS functionality surrounding the current

COL A03		COL A04		COL A05		CODES
AGY REQUEST		AGY REQ N/R		AG REQ ANZ		
FY 2016-17		FY 2016-17		FY 2016-17		
POS	AMOUNT	POS	AMOUNT	POS	AMOUNT	
ECONOMIC OPPORTUNITY						40000000
PGM: WORKFORCE SERVICES						40200000
<u>REEMPLOYMENT ASST PRG</u>						40200200
ECONOMIC OPPORTUNITIES						11
<u>WORKFORCE SERVICES</u>						<u>1102.00.00.00</u>
PROGRAM OR SERVICE-LEVEL						
INFORMATION TECHNOLOGY						3630000
REEMPLOYMENT ASSISTANCE CLAIMANT						
SERVICES ENHANCEMENT						36303C0

Quality Management, Workforce Management, Scorecard, and other reporting metrics. Following the assessment would be the implementation of desired functionality not included in the initial system rollout (e.g. Proactive Outbound Notifications, Live Chat), with the initial focus on IVR reporting. The implementation today does not provide the proper reporting required to assess the IVR. Results from the assessment and IVR reports would drive the completion of the proactive notifications and live chat implementations. Requirements for functional enhancements and operational changes would be defined and then implemented to support the technology availability.

Proposed Benefits / Risks: This request supports the necessary assessments, tools and functionality to support the existing contact center and vision for customer services under the new Chief of Reemployment Assistance Contact Center.

Without the additional funding, the claimants may continue to receive service levels less than desirable and potentially continue to call when unnecessary. Again, of the nearly 360,000 claims management calls per month, nearly 75% can have improved service with this funding and system enhancements. The functionality being requested could reduce call volumes by as much as 40% and service these callers by a more efficient and timely method.

Both of these solutions are focused on providing the right assistance to customers based on their needs. Successful implementation of these solutions would improve customer service through the CSS without having to expand staff or volume capabilities.

This issue aligns with the following strategy contained in Florida's Strategic Plan for Economic Development - July 2012 through June 2017:

#25 Civic and Governance Systems: Improve the efficiency and effectiveness of government agencies at all levels.

	COL A03	COL A04	COL A05	
	AGY REQUEST	AGY REQ N/R	AG REQ ANZ	
	FY 2016-17	FY 2016-17	FY 2016-17	
	POS AMOUNT	POS AMOUNT	POS AMOUNT	CODES
ECONOMIC OPPORTUNITY				40000000
PGM: WORKFORCE SERVICES				40200000
<u>REEMPLOYMENT ASST PRG</u>				40200200
<u>ECONOMIC OPPORTUNITIES</u>				11
<u>WORKFORCE SERVICES</u>				<u>1102.00.00.00</u>
WORKFORCE DEVELOPMENT PROGRAMS				8100000
REEMPLOYMENT ASSISTANCE - FRAUD				
DETECTION AND PREVENTION				8100860
SPECIAL CATEGORIES				100000
G/A-CONTRACTED SERV				100778
SPEC EMPLOYMNT SECU ADM TF-STATE	1,000,000			2648 1

AGENCY ISSUE NARRATIVE:

2016-2017 BUDGET YEAR NARRATIVE:

IT COMPONENT? NO

Summary: The Department requests \$1,000,000 from the Special Employment Security Administration Trust Fund to expand services provided for fraud prevention and detection.

Business Need / Problem Statement: Identity theft and resulting fraud have reached crisis levels. Nationally, one identity is stolen every two seconds, and in 2014 more than one billion records were breached. To put that in perspective, the current population of the United States is only 320 million people. Identity theft is especially problematic in Florida, which, according to the Federal Trade Commission, has the highest per capita rate of identity theft in the nation.

Stolen identities are used to commit an ever-growing range of fraud. Criminals use stolen IDs to: deplete bank accounts; establish new credit accounts; take out consumer and student loans; purchase vehicles; purchase firearms; obtain employment; purchase medical care; steal tax refunds; and steal public benefits such as unemployment insurance, welfare, and food stamps. Identity theft and related fraud harm those whose identities are stolen, rob the social safety net of limited resources, impose unwarranted costs on taxpayers, and undermine public confidence in government. The costs are significant and growing. According to one estimate, \$445 billion was lost due to identity theft or cybercrimes in 2014 (equal to one percent of the world's economy).

These crimes are occurring because they are easy and lucrative. Identity theft is easy because personal identifying information is everywhere, and it's not very well protected. While digitization makes it easier to access, deliver, and streamline services, it also places vast amounts of personal information on thousands of different systems of varying age and quality, thereby leaving this information vulnerable to exposure through malfeasance, technical error, or plain old human error. Fraud using stolen IDs is easy because digitization allows for the elimination of in-person contact. Fraud is lucrative because there are so many ways to use a stolen ID to steal. One person successfully filing for unemployment benefits in all fifty states for just one month would steal more than \$80,000.

In 2012 and 2013, DEO began receiving reports that criminals were turning to unemployment insurance (Reemployment Assistance or RA) as a new front for identity-based fraud. In 2013, through tips and traditional investigation methods, DEO identified 9,600 claims based on identity fraud. At the same time, the agency decided to aggressively pursue new strategies to fight this fraud. The most significant initiative was to develop a digital system that could detect patterns of fraud by analyzing RA claims data the Fraud Initiative and Rules Rating Engine, or FIRRE.

	COL A03	COL A04	COL A05	
	AGY REQUEST	AGY REQ N/R	AG REQ ANZ	
	FY 2016-17	FY 2016-17	FY 2016-17	
POS	AMOUNT	POS	AMOUNT	POS
				AMOUNT
				CODES
ECONOMIC OPPORTUNITY				40000000
PGM: WORKFORCE SERVICES				40200000
<u>REEMPLOYMENT ASST PRG</u>				40200200
<u>ECONOMIC OPPORTUNITIES</u>				11
<u>WORKFORCE SERVICES</u>				<u>1102.00.00.00</u>
WORKFORCE DEVELOPMENT PROGRAMS				8100000
REEMPLOYMENT ASSISTANCE - FRAUD				
DETECTION AND PREVENTION				8100860

FIRRE was fully implemented in 2014, and the results were stunning. In just eighteen months, FIRRE identified and stopped approximately 110,000 fraudulent claims. Had full benefits been paid on those claims, the cost would have been \$470 million. Moreover, as we have gained more experience in detecting fraud, we are catching it earlier. In 2014, DEO paid \$28.4 million on claims that FIRRE ultimately identified as fraudulent (3.3 percent of total benefits for that year). In 2015, DEO has paid only \$2.9 million on claims FIRRE ultimately identified as fraudulent (0.9 percent of total benefits for that year).

DEO's efforts at fighting fraud are gaining attention and praise. The FIRRE system has been featured on CNN and has twice won the state's Prudential Productivity Award. In addition, the U.S. Department of Labor's Office of Inspector General has said, Florida officials have recognized the increasing threat to the UI system posed by identity theft, and they have responded by developing a new ID theft pattern recognition system and by implementing a variety of process improvements. Whereas traditional methods for detecting fraud in UI programs have focused on back-end processes, FIRRE has helped address the need for a front-end business process that detects identity theft before any benefits have been paid. Other states have begun consulting with DEO about ways to more effectively prevent, detect, and fight public benefits fraud.

Despite this progress, DEO firmly believes more can and must be done to fight fraud. If FIRRE were catching all the fraud, it would quickly put itself out of business as criminals turned to more profitable uses of stolen IDs. That is not happening. If anything, FIRRE is catching more claims as time goes on. Accordingly, DEO proposes a legislative package that will provide the agency with additional resources, tools, and legal authorizations to prevent and fight public-benefits fraud in Florida. The agency's goal is to establish model policies, procedures, and practices that can be replicated across benefit systems in Florida.

Proposed Solution: The Department requests \$1,000,000 of recurring budget authority in the Grants and Aids - Contracted Services category to continue to enhance tools to detect and prevent fraudulent claims. The additional budget will be used to retain current contracted staff so that scheduled enhancements can be completed on time. Planned enhancements include adding more rules and machine learning, integrating data from other state agencies for correlation analysis, user interface change and user controlled tuning of rules, analysis of phone logs correlated with claims, discovery service for Maps relative distance analysis, and automatic verification of email addresses.

In early 2014, Florida developed and implemented a digital system - FIRRE, the Fraud Initiative and Rules Rating Engine - that analyzes unemployment-claims data and detects patterns of fraud. The results are revealing. In just 18 months, we've identified more than 110,000 fraudulent claims, saving more than \$470 million in fraudulent benefits. The year before FIRRE was implemented, only about 9,600 fraudulent claims were found. Fiscal Year 2015-16, the Legislature designated \$1 million to the department for fraud efforts alone. DEO believes it is a national leader in fighting fraud and is teaching other states about our efforts. However, we know we cannot afford to let our guard down, and more needs to be done to investigate these crimes and prosecute the criminals taking part in these schemes.

Proposed Benefits / Risks: By preventing Reemployment Assistance payments to fraudsters, these tools and services would

	COL A03	COL A04	COL A05	
	AGY REQUEST	AGY REQ N/R	AG REQ ANZ	
	FY 2016-17	FY 2016-17	FY 2016-17	
POS	AMOUNT	POS	AMOUNT	POS
				AMOUNT
				CODES
ECONOMIC OPPORTUNITY				40000000
PGM: WORKFORCE SERVICES				40200000
<u>REEMPLOYMENT ASST PRG</u>				40200200
ECONOMIC OPPORTUNITIES				11
<u>WORKFORCE SERVICES</u>				<u>1102.00.00.00</u>
WORKFORCE DEVELOPMENT PROGRAMS				8100000
REEMPLOYMENT ASSISTANCE - FRAUD				
DETECTION AND PREVENTION				8100860

guard the Unemployment Insurance Trust Fund against improper payments and help keep tax rates low for businesses. These enhancements will greatly improve the Department's ability to reduce the financial impact of fraudulent claims processing through the system. The tools that have been developed and are now being enhanced are having a positive impact on detecting and preventing fraud, and safeguarding Florida's reemployment assistance program funds. If these planned enhancements are not completed and implemented, then as the criminals that defraud the state of millions of dollars advance and change their methods, the current gains that have been made will eventually be lost. It is only by remaining proactive, adapting to new patterns of activity, and addressing known shortcomings that gains can be maintained and additional progress can be made in the battle against fraud. This issue is part of the Department's larger strategy to implement aggressive fraud detection and prevention initiatives at all levels of the Reemployment Assistance program.

This issue aligns with the following strategy contained in Florida's Strategic Plan for Economic Development - July 2012 through June 2017:

#25 Civic and Governance Systems: Improve the efficiency and effectiveness of government agencies at all levels.

REEMPLOYMENT ASSISTANCE - ENHANCED					8100870
AUTHENTICATION AND VERIFICATION					010000
SALARIES AND BENEFIT					
SPEC EMPLOYMNT SECU ADM TF-STATE	500,000			2648	1
=====					
SPECIAL CATEGORIES					100000
G/A-CONTRACTED SERV					100778
SPEC EMPLOYMNT SECU ADM TF-STATE	350,000	50,000		2648	1
=====					
TOTAL: REEMPLOYMENT ASSISTANCE - ENHANCED					8100870
AUTHENTICATION AND VERIFICATION					
TOTAL ISSUE.....	850,000	50,000			
=====					

AGENCY ISSUE NARRATIVE:

2016-2017 BUDGET YEAR NARRATIVE:

IT COMPONENT? NO

Summary: The Department requests \$850,000 from the Special Employment Security Administration Trust Fund to implement Enhanced Authentication and Verification.

	COL A03	COL A04	COL A05	
	AGY REQUEST	AGY REQ N/R	AG REQ ANZ	
	FY 2016-17	FY 2016-17	FY 2016-17	
	POS AMOUNT	POS AMOUNT	POS AMOUNT	CODES
ECONOMIC OPPORTUNITY				40000000
PGM: WORKFORCE SERVICES				40200000
<u>REEMPLOYMENT ASST PRG</u>				40200200
ECONOMIC OPPORTUNITIES				11
<u>WORKFORCE SERVICES</u>				<u>1102.00.00.00</u>
WORKFORCE DEVELOPMENT PROGRAMS				8100000
REEMPLOYMENT ASSISTANCE - ENHANCED				
AUTHENTICATION AND VERIFICATION				8100870

Business Need / Problem Statement: Identity theft and resulting fraud have reached crisis levels. Nationally, one identity is stolen every two seconds, and in 2014 more than one billion records were breached. To put that in perspective, the current population of the United States is only 320 million people. Identity theft is especially problematic in Florida, which, according to the Federal Trade Commission, has the highest per capita rate of identity theft in the nation.

Stolen identities are used to commit an ever-growing range of fraud. Criminals use stolen IDs to: deplete bank accounts; establish new credit accounts; take out consumer and student loans; purchase vehicles; purchase firearms; obtain employment; purchase medical care; steal tax refunds; and steal public benefits such as unemployment insurance, welfare, and food stamps. Identity theft and related fraud harm those whose identities are stolen, rob the social safety net of limited resources, impose unwarranted costs on taxpayers, and undermine public confidence in government. The costs are significant and growing. According to one estimate, \$445 billion was lost due to identity theft or cybercrimes in 2014 (equal to one percent of the world's economy).

These crimes are occurring because they are easy and lucrative. Identity theft is easy because personal identifying information is everywhere, and it's not very well protected. While digitization makes it easier to access, deliver, and streamline services, it also places vast amounts of personal information on thousands of different systems of varying age and quality, thereby leaving this information vulnerable to exposure through malfeasance, technical error, or plain old human error. Fraud using stolen IDs is easy because digitization allows for the elimination of in-person contact. Fraud is lucrative because there are so many ways to use a stolen ID to steal. One person successfully filing for unemployment benefits in all fifty states for just one month would steal more than \$80,000.

In 2012 and 2013, DEO began receiving reports that criminals were turning to unemployment insurance (Reemployment Assistance or RA) as a new front for identity-based fraud. In 2013, through tips and traditional investigation methods, DEO identified 9,600 claims based on identity fraud. At the same time, the agency decided to aggressively pursue new strategies to fight this fraud. The most significant initiative was to develop a digital system that could detect patterns of fraud by analyzing RA claims data the Fraud Initiative and Rules Rating Engine, or FIRRE.

FIRRE was fully implemented in 2014, and the results were stunning. In just eighteen months, FIRRE identified and stopped approximately 110,000 fraudulent claims. Had full benefits been paid on those claims, the cost would have been \$470 million. Moreover, as we have gained more experience in detecting fraud, we are catching it earlier. In 2014, DEO paid \$28.4 million on claims that FIRRE ultimately identified as fraudulent (3.3 percent of total benefits for that year). In 2015, DEO has paid only \$2.9 million on claims FIRRE ultimately identified as fraudulent (0.9 percent of total benefits for that year).

DEO's efforts at fighting fraud are gaining attention and praise. The FIRRE system has been featured on CNN and has twice won the state's Prudential Productivity Award. In addition, the U.S. Department of Labor's Office of Inspector General has said, Florida officials have recognized the increasing threat to the UI system posed by identity theft, and

	COL A03	COL A04	COL A05	
	AGY REQUEST	AGY REQ N/R	AG REQ ANZ	
	FY 2016-17	FY 2016-17	FY 2016-17	
POS	AMOUNT	POS	AMOUNT	POS
				AMOUNT
				CODES
ECONOMIC OPPORTUNITY				40000000
PGM: WORKFORCE SERVICES				40200000
<u>REEMPLOYMENT ASST PRG</u>				40200200
ECONOMIC OPPORTUNITIES				11
<u>WORKFORCE SERVICES</u>				<u>1102.00.00.00</u>
WORKFORCE DEVELOPMENT PROGRAMS				8100000
REEMPLOYMENT ASSISTANCE - ENHANCED				
AUTHENTICATION AND VERIFICATION				8100870

they have responded by developing a new ID theft pattern recognition system and by implementing a variety of process improvements. Whereas traditional methods for detecting fraud in UI programs have focused on back-end processes, FIRRE has helped address the need for a front-end business process that detects identity theft before any benefits have been paid. Other states have begun consulting with DEO about ways to more effectively prevent, detect, and fight public benefits fraud.

Despite this progress, DEO firmly believes more can and must be done to fight fraud. If FIRRE were catching all the fraud, it would quickly put itself out of business as criminals turned to more profitable uses of stolen IDs. That is not happening. If anything, FIRRE is catching more claims as time goes on. Accordingly, DEO proposes a legislative package that will provide the agency with additional resources, tools, and legal authorizations to prevent and fight public-benefits fraud in Florida. The agency's goal is to establish model policies, procedures, and practices that can be replicated across benefit systems in Florida.

Proposed Solution: The Department requests \$500,000 of recurring budget authority in the Salaries and Benefits category and \$300,000 of recurring and \$50,000 of nonrecurring budget authority in the Grants and Aids - Contracted Services category to implement the in-person verification process. The one-time automation related costs of creating a portal and screens to enable staff in Career Source Centers to communicate the results of in-person verifications with the RA program and the cost of modifying the existing FIRRE system to create the process needed to screen all claims to determine those that meet the in-person verification criteria is \$50,000.

Continuing front-end authentication of applicants is necessary to determine identification. In instances where identification cannot be assured, DEO will require claimants to report to locations across the state to verify their identity if the claim triggers a temporary block. The locations are anticipated to be DEO offices and CareerSource Florida locations. Employees in the respective offices will compare the information provided by the claimant in person against available databases to ensure the claimant is legitimate. This will require statewide training and cooperation from CareerSource Florida. Based on early projections, this will affect some 10 percent to 15 percent of claimants.

In addition to the staffing and enhancement costs, the Department requests \$300,000 of recurring budget authority in the Grants and Aids - Contracted Services category to establish a data sharing arrangement with the Department of Highway Safety and Motor Vehicles to receive access to driver's license information, including photographs, to further assist in verifying claimant identities.

Proposed Benefits / Risks: The system will help prevent identity theft by providing an additional means when necessary to verify the identity of a claimant, protect the integrity of the UC Trust Fund, and supplement existing detection methods. The system will be deployed through coordination with the existing CareerSource Centers located throughout the state thus also encouraging unemployed individuals to utilize the resources they provide for assistance in finding employment.

In-person verification will be limited to those cases in which the information provided through the initial claims

	COL A03	COL A04	COL A05	
	AGY REQUEST	AGY REQ N/R	AG REQ ANZ	
	FY 2016-17	FY 2016-17	FY 2016-17	
	POS AMOUNT	POS AMOUNT	POS AMOUNT	CODES
ECONOMIC OPPORTUNITY				40000000
PGM: WORKFORCE SERVICES				40200000
CAREERSOURCE FLORIDA				40200600
ECONOMIC OPPORTUNITIES				11
WORKFORCE SERVICES				<u>1102.00.00.00</u>
ESTIMATED EXPENDITURES				1000000
ESTIMATED EXPENDITURES - OPERATIONS				1001000
SALARY RATE				000000
SALARY RATE.....	590,530			
=====				
SALARIES AND BENEFIT				010000
ADMINISTRATIVE TRUST FUND -RECPNT	6.00			
	681,574			2021 9
=====				
SPECIAL CATEGORIES				100000
CAREERSOURCE FLA OP				100825
EMPLOYMENT SECURITY ADM TF-FEDERL	9,191,404			2195 3
WELFARE TRANSITION TF -FEDERL	1,052,366			2401 3
SPEC EMPLOYMNT SECU ADM TF-STATE	544,221			2648 1

TOTAL APPRO.....	10,787,991			
=====				
RISK MANAGEMENT INS				103241
ADMINISTRATIVE TRUST FUND -FEDERL	1,251			2021 3
=====				
TR/DMS/HR SVCS/STW				107040
ADMINISTRATIVE TRUST FUND -RECPNT	2,141			2021 9
=====				
QUICK RESPONSE TRAI				109072
SEED TRUST FUND -STATE	100,000			2041 1
SPEC EMPLOYMNT SECU ADM TF-STATE	12,000,000			2648 1

TOTAL APPRO.....	12,100,000			
=====				
INCUMBENT WORKER TR				109074
EMPLOYMENT SECURITY ADM TF-FEDERL	3,000,000			2195 3
=====				

	COL A03	COL A04	COL A05	
	AGY REQUEST	AGY REQ N/R	AG REQ ANZ	
	FY 2016-17	FY 2016-17	FY 2016-17	
	POS	AMOUNT	POS	AMOUNT
				AMOUNT
				CODES
ECONOMIC OPPORTUNITY				40000000
PGM: WORKFORCE SERVICES				40200000
CAREERSOURCE FLORIDA				40200600
ECONOMIC OPPORTUNITIES				11
WORKFORCE SERVICES				1102.00.00.00
ESTIMATED EXPENDITURES				1000000
ESTIMATED EXPENDITURES - OPERATIONS				1001000
TOTAL: ESTIMATED EXPENDITURES - OPERATIONS				1001000
TOTAL POSITIONS.....	6.00			
TOTAL ISSUE.....		26,572,957		
TOTAL SALARY RATE.....	590,530			
=====				
CASUALTY INSURANCE PREMIUM				
ADJUSTMENT				1001090
SPECIAL CATEGORIES				100000
RISK MANAGEMENT INS				103241
ADMINISTRATIVE TRUST FUND -FEDERL		277-		2021 3
=====				
FLORIDA RETIREMENT SYSTEM				
ADJUSTMENT FOR FISCAL YEAR 2015-16				
NORMAL COST AND UNFUNDED ACTUARIAL				
LIABILITY (UAL)				1001420
SPECIAL CATEGORIES				100000
CAREERSOURCE FLA OP				100825
EMPLOYMENT SECURITY ADM TF-FEDERL		721-		2195 3
WELFARE TRANSITION TF -FEDERL		83-		2401 3
SPEC EMPLOYMNT SECU ADM TF-STATE		43-		2648 1
TOTAL APPRO.....		847-		
=====				
HEALTH INSURANCE SUBSIDY - RETIREES				
FOR FY 2015-16				1001430
SPECIAL CATEGORIES				100000
CAREERSOURCE FLA OP				100825
EMPLOYMENT SECURITY ADM TF-FEDERL		1,982		2195 3
WELFARE TRANSITION TF -FEDERL		227		2401 3
SPEC EMPLOYMNT SECU ADM TF-STATE		118		2648 1
TOTAL APPRO.....		2,327		
=====				

	COL A03		COL A04		COL A05		CODES
	POS	AMOUNT	POS	AMOUNT	POS	AMOUNT	
ECONOMIC OPPORTUNITY							40000000
PGM: WORKFORCE SERVICES							40200000
CAREERSOURCE FLORIDA							40200600
ECONOMIC OPPORTUNITIES							11
WORKFORCE SERVICES							1102.00.00.00
ESTIMATED EXPENDITURES							1000000
REALLOCATION OF HUMAN RESOURCES							
OUTSOURCING							1005900
SPECIAL CATEGORIES							100000
TR/DMS/HR SVCS/STW							107040
ADMINISTRATIVE TRUST FUND -RECPNT		69-					2021 9
=====							
NONRECURRING EXPENDITURES							2100000
QUICK RESPONSE TRAINING (QRT)							
PROGRAM - MAINTAIN CURRENT FUNDING							
LEVEL							2103027
SPECIAL CATEGORIES							100000
QUICK RESPONSE TRAI							109072
SPEC EMPLOYMNT SECU ADM TF-STATE		3,000,000-					2648 1
=====							
PROGRAM REDUCTIONS							33V0000
CAREERSOURCE FLORIDA REDUCTIONS							33V0080
SALARY RATE							000000
SALARY RATE.....		139,146-					
=====							
SALARIES AND BENEFIT							010000
ADMINISTRATIVE TRUST FUND -RECPNT		3.00-					2021 9
ADMINISTRATIVE TRUST FUND -RECPNT		325,000-					
=====							
SPECIAL CATEGORIES							100000
CAREERSOURCE FLA OP							100825
EMPLOYMENT SECURITY ADM TF-FEDERL		325,000-					2195 3
=====							
TOTAL: CAREERSOURCE FLORIDA REDUCTIONS							33V0080
TOTAL POSITIONS.....		3.00-					
TOTAL ISSUE.....		650,000-					
TOTAL SALARY RATE.....		139,146-					
=====							

	COL A03	COL A04	COL A05	
	AGY REQUEST	AGY REQ N/R	AG REQ ANZ	
	FY 2016-17	FY 2016-17	FY 2016-17	
	POS AMOUNT	POS AMOUNT	POS AMOUNT	CODES
ECONOMIC OPPORTUNITY				40000000
PGM: WORKFORCE SERVICES				40200000
CAREERSOURCE FLORIDA				40200600
ECONOMIC OPPORTUNITIES				11
WORKFORCE SERVICES				<u>1102.00.00.00</u>
PROGRAM REDUCTIONS				33V0000
CAREERSOURCE FLORIDA REDUCTIONS				33V0080

AGENCY ISSUE NARRATIVE:

2016-2017 BUDGET YEAR NARRATIVE:

IT COMPONENT? NO

Summary: The Department is requesting a total reduction in the CareerSource Florida budget entity (40200600) of (3.00) FTE, (\$325,000) of Salary and Benefits and (139,146) of salary rate, and (\$325,000) of CareerSource Florida Operations category for a total reduction of (\$650,000).

This is part of a larger reduction request totaling (\$12,100,000) in the following appropriation categories:

- (81.0)FTE within Reemployment Assistance Program, CareerSource Florida, and Reemployment Assistance Appeals Commission
- (\$5,275,000) Salaries and Benefits and (2,273,443) Salary Rate;
- (\$2,500,000) Other Personnel Services (OPS);
- (\$4,000,000) Expenses, and
- (\$325,000) CareerSource Florida Operations

The total request is a reduction of (\$11,775,000) from the Employment Security Administration Trust Fund (2195) and (\$325,000) from the Administrative Trust Fund (2021) for a total reduction of (\$12,100,000).

Business Need / Problem Statement: The Reemployment Assistance (RA) program is funded through federal funds provided by the US Department of Labor (USDOL). As the economy has improved and unemployment levels have declined, funding provided by USDOL has also fallen by 10% per year over the past three federal fiscal years totaling \$30.3M. As of September 1, 2015, the RA program has decreased staffing levels in accordance with the reduction of programmatic funding dropping from 1,498 staff to less than 800 over an eighteen-month period.

The federal funds provided for administration of the Reemployment Assistance program are utilized by Workforce Development, CareerSource Florida, the Reemployment Assistance Appeals Commission, and by RA itself. The Department has utilized a combination of other allowable state and federal funding sources and staff reductions to manage the federal funding reduction while maintaining adequate service levels.

For the current budget year, \$97.3M has been provided to Florida. Based on the Department's projections, funding for Fiscal Year 2016-17 was anticipated to be reduced by \$6.3M. In June 2015, the Department was notified that funding for 2016-17 would be \$85.2M, requiring an additional reduction in planned funding of \$5.8M. In total, funding for 2016-17 is \$12.1M less than 2015-16, and requires a reduction in appropriated budget.

Proposed Solution: The Department requests the following reductions:

From Workforce Development:

2195 - Salaries and Benefits	(\$1,500,000)
2195 - OPS	(\$ 700,000)

	COL A03	COL A04	COL A05	
	AGY REQUEST	AGY REQ N/R	AG REQ ANZ	
	FY 2016-17	FY 2016-17	FY 2016-17	
	POS	AMOUNT	POS	AMOUNT
				AMOUNT
				CODES
ECONOMIC OPPORTUNITY				40000000
PGM: WORKFORCE SERVICES				40200000
CAREERSOURCE FLORIDA				40200600
ECONOMIC OPPORTUNITIES				11
WORKFORCE SERVICES				1102.00.00.00
PROGRAM REDUCTIONS				33V0000
CAREERSOURCE FLORIDA REDUCTIONS				33V0080

2195 - OPS (\$1,800,000)- see issue #3404500

The reduction for Workforce Development is based upon Salaries & Benefits and OPS budget that was previously funded using RA federal funds to provide allowable services to the unemployed by Workforce Development staff. FTE reductions are not required for Workforce Development as staff have already been aligned with available funding sources, and OPS staff have been reduced. Due to RA funding reductions, this budget will not be needed in future years.

From Reemployment Assistance:

FTE:	(74.50)
Salary Rate	(1,977,304)
2195 - Salaries and Benefits	(\$3,225,000)
2195 - Expense	(\$4,000,000) - see issue #3404500

The reduction to RA's FTEs and associated Salaries & Benefits is based upon current and anticipated vacancies for which funding is no longer available. Due to RA funding reductions, the Salaries & Benefits and Expense budget will not be needed in future years.

From CareerSource Florida:

FTE:	(3.00)
Salary Rate	(139,146)
2021 - Salaries and Benefits	(\$325,000)
2195 - CareerSource Ops	(\$325,000)

The reduction to CareerSource Florida's FTEs and associated Salaries & Benefits and CareerSource Operations is based upon the anticipated reduction in the amount of RA funds allocated to the program. CareerSource uses a double budget structure, wherein salary charges are initially posted to Salaries and Benefits in the Administrative Trust Fund and then reimbursed from the CareerSource Operations category in the Employment Security Administration Trust Fund. This request reduces the budget appropriated for both categories.

From Reemployment Assistance Appeals Commission:

FTE:	(3.50)
Salary Rate	(156,993)
2195 - Salaries and Benefits	(\$225,000)

The reduction to the Reemployment Assistance Appeals Commission's FTEs and associated Salaries & Benefits is based upon current vacancies for which funding is no longer available. Due to RA funding reductions, the Salaries budget will not be

	COL A03	COL A04	COL A05	
	AGY REQUEST	AGY REQ N/R	AG REQ ANZ	
	FY 2016-17	FY 2016-17	FY 2016-17	
POS	AMOUNT	POS	AMOUNT	POS
				AMOUNT
				CODES
ECONOMIC OPPORTUNITY				40000000
PGM: WORKFORCE SERVICES				40200000
CAREERSOURCE FLORIDA				40200600
ECONOMIC OPPORTUNITIES				11
WORKFORCE SERVICES				1102.00.00.00
PROGRAM REDUCTIONS				33V0000
CAREERSOURCE FLORIDA REDUCTIONS				33V0080

needed in future years.

Proposed Benefits / Risks: The requested reduction will more accurately align the appropriated budget with the amount of federal funding available. The Department will continue to implement processes and provide efficient effective services despite reduced federal funding while also seeking other state and federal funding sources when appropriate to maintain adequate service levels.

Please see companion issue #'s: 3200300 and 3404500 in Budget Entity 40200100, 33V0070 and 3404500 in Budget Entity 40200200, and 33V1100 in Budget Entity 40200700.

This issue aligns with the following strategy contained in Florida's Strategic Plan for Economic Development - July 2012 through June 2017:

#25 - Civic and Governance Systems Improve the efficiency and effectiveness of government agencies at all levels.

POSITION DETAIL OF SALARIES AND BENEFITS:

	FTE	BASE RATE	ADDITIVES	BENEFITS	SUBTOTAL	LAPSE %	LAPSED SALARIES AND BENEFITS
A03 - AGY REQUEST FY 2016-17							
CHANGES TO CURRENTLY AUTHORIZED POSITIONS							
2225 GOVERNMENT ANALYST II							
70013 001	1.00-	46,382-		18,103-	64,485-	0.00	64,485-
70024 001	1.00-	46,382-		18,103-	64,485-	0.00	64,485-
2225 SENIOR MANAGEMENT ANALYST II - SES							
70011 001	1.00-	46,382-		19,387-	65,769-	0.00	65,769-
TOTALS FOR ISSUE BY FUND							
2021 ADMINISTRATIVE TRUST FUND							194,739-
	3.00-	139,146-		55,593-	194,739-		194,739-

	COL A03	COL A04	COL A05	
	AGY REQUEST	AGY REQ N/R	AG REQ ANZ	
	FY 2016-17	FY 2016-17	FY 2016-17	
POS	AMOUNT	POS	AMOUNT	POS
				AMOUNT
				CODES
ECONOMIC OPPORTUNITY				40000000
PGM: WORKFORCE SERVICES				40200000
CAREERSOURCE FLORIDA				40200600
ECONOMIC OPPORTUNITIES				11
WORKFORCE SERVICES				1102.00.00.00
PROGRAM REDUCTIONS				33V0000
CAREERSOURCE FLORIDA REDUCTIONS				33V0080

POSITION DETAIL OF SALARIES AND BENEFITS:

	FTE	BASE RATE	ADDITIVES	BENEFITS	SUBTOTAL	LAPSE %	LAPSED SALARIES AND BENEFITS
A03 - AGY REQUEST FY 2016-17							
CHANGES TO CURRENTLY AUTHORIZED POSITIONS							
OTHER SALARY AMOUNT							
2021 ADMINISTRATIVE TRUST FUND							130,261-
							325,000-
							=====

FUND SHIFT							3400000
QUICK RESPONSE TRAINING FUND							
REALIGNMENT - DEDUCT							3402200
SPECIAL CATEGORIES							100000
QUICK RESPONSE TRAI							109072
SPEC EMPLOYMNT SECU ADM TF-STATE	9,000,000-						2648 1
	=====	=====	=====	=====			

AGENCY ISSUE NARRATIVE:

2016-2017 BUDGET YEAR NARRATIVE:

IT COMPONENT? NO

Fund Shift - Special Employment Security Administration Trust Fund to the State Economic Enhancement and Development (SEED) Trust Fund - DEDUCT:

The Department requests a fund shift of \$9,000,000 of the recurring base budget in the Quick Response Training (QRT) category from the Special Employment Security Administration Trust Fund to the State Economic Enhancement and Development (SEED) Trust Fund.

The Special Employment Security Administration Trust Fund, which is supported by Unemployment Compensation Employer Penalty and Interest fees, is projected to have insufficient revenue to support critical Fiscal Year 2016-2017 Reemployment Assistance issues. Shifting the QRT program to SEED is needed in order to maintain QRT's funding level while providing necessary funding to other initiatives.

	COL A03	COL A04	COL A05	
	AGY REQUEST	AGY REQ N/R	AG REQ ANZ	
	FY 2016-17	FY 2016-17	FY 2016-17	
POS	AMOUNT	POS	AMOUNT	POS AMOUNT
ECONOMIC OPPORTUNITY				40000000
PGM: WORKFORCE SERVICES				40200000
CAREERSOURCE FLORIDA				40200600
ECONOMIC OPPORTUNITIES				11
WORKFORCE SERVICES				1102.00.00.00
FUND SHIFT				3400000
QUICK RESPONSE TRAINING FUND				
REALIGNMENT - DEDUCT				3402200

Please see companion issue # 3402300 in BE 40200600. This issue nets to zero when combined with companion issue.

This issue aligns with the following strategy contained in Florida's Strategic Plan for Economic Development - July 2012 through June 2017:

#24 - Civic and Governance Systems Support and sustain statewide and regional partnerships to accomplish Florida's economic and quality of life goals.

#25 - Civic and Governance Systems Improve the efficiency and effectiveness of government agencies at all levels.

QUICK RESPONSE TRAINING FUND				
REALIGNMENT - ADD				3402300
SPECIAL CATEGORIES				100000
QUICK RESPONSE TRAI				109072
SEED TRUST FUND	-STATE	9,000,000		2041 1

AGENCY ISSUE NARRATIVE:

2016-2017 BUDGET YEAR NARRATIVE:

IT COMPONENT? NO

Fund Shift - Special Employment Security Administration Trust Fund to the State Economic Enhancement and Development (SEED) Trust Fund - ADD:

The Department requests a fund shift of \$9,000,000 of the recurring base budget in the Quick Response Training (QRT) category from the Special Employment Security Administration Trust Fund to the State Economic Enhancement and Development (SEED) Trust Fund.

The Special Employment Security Administration Trust Fund, which is supported by Unemployment Compensation Employer Penalty and Interest fees, is projected to have insufficient revenue to support critical Fiscal Year 2016-2017 Reemployment Assistance issues. Shifting the QRT program to SEED is needed in order to maintain QRT's funding level while providing necessary funding to other initiatives.

Please see companion issue # 3402200 in BE 40200600. This issue nets to zero when combined with companion issue.

This issue aligns with the following strategy contained in Florida's Strategic Plan for Economic Development - July 2012 through June 2017:

	COL A03	COL A04	COL A05	
	AGY REQUEST	AGY REQ N/R	AG REQ ANZ	
	FY 2016-17	FY 2016-17	FY 2016-17	
	POS AMOUNT	POS AMOUNT	POS AMOUNT	CODES
ECONOMIC OPPORTUNITY				40000000
PGM: WORKFORCE SERVICES				40200000
CAREERSOURCE FLORIDA				40200600
ECONOMIC OPPORTUNITIES				11
<u>WORKFORCE SERVICES</u>				<u>1102.00.00.00</u>
FUND SHIFT				3400000
QUICK RESPONSE TRAINING FUND				
REALIGNMENT - ADD				3402300

#24 - Civic and Governance Systems Support and sustain statewide and regional partnerships to accomplish Florida's economic and quality of life goals.

#25 - Civic and Governance Systems Improve the efficiency and effectiveness of government agencies at all levels.

WORKFORCE DEVELOPMENT PROGRAMS				8100000
QUICK RESPONSE TRAINING (QRT)				
PROGRAM - MAINTAIN CURRENT FUNDING				
LEVEL				8100100
SPECIAL CATEGORIES				100000
QUICK RESPONSE TRAI				109072
SEED TRUST FUND	-STATE	3,000,000		2041 1

=====

AGENCY ISSUE NARRATIVE:

2016-2017 BUDGET YEAR NARRATIVE:

IT COMPONENT? NO

Summary: The Department requests \$3,000,000 of recurring base budget in the State Economic Enhancement and Development (SEED) Trust Fund for the Quick Response Training (QRT) Program, administered by CareerSource Florida, Inc., to maintain the current year's funding level at \$12,000,000.

Business Need / Problem Statement: The QRT Program was created to meet the workforce and talent needs of existing, new and expanding businesses in our targeted industries. The QRT program provides specialized training to new workers to meet challenging skill requirements in specific technology or product lines. The QRT program is one of the most flexible programs that Florida has to offer companies to assist with the training needed to create new high skill, high wage jobs in the state either through expansion of their current workforce or company relocation to the state. In addition, the training provided improves the marketability of the employee and is proven to greatly increase the employee's earnings over time.

Proposed Solution: The Department received \$9,000,000 in recurring base funding in FY 2015-2016 with an additional \$3,000,000 in nonrecurring funds. This request is to maintain the current year funding and to have the funds appropriated as recurring.

Proposed Benefits / Risks: The QRT grant program is one of Florida's top business growth and retention assets, helping to ensure employers of all sizes have a skilled and competitive workforce. During FY 2014-15, CareerSource Florida

	COL A03	COL A04	COL A05	
	AGY REQUEST	AGY REQ N/R	AG REQ ANZ	
	FY 2016-17	FY 2016-17	FY 2016-17	
	POS AMOUNT	POS AMOUNT	POS AMOUNT	CODES
ECONOMIC OPPORTUNITY				40000000
PGM: WORKFORCE SERVICES				40200000
CAREERSOURCE FLORIDA				40200600
ECONOMIC OPPORTUNITIES				11
WORKFORCE SERVICES				<u>1102.00.00.00</u>
WORKFORCE DEVELOPMENT PROGRAMS				8100000
QUICK RESPONSE TRAINING (QRT)				
PROGRAM - MAINTAIN CURRENT FUNDING LEVEL				8100100

awarded 51 training grants providing 7,469 members of Florida's workforce with training under the program. Data received for the 2013 year, the most recent year for which data is available, QRT training resulted in an average wage increase of 35%. By funding this program, the state provides a means to enable businesses and workers in Florida to remain viable and competitive in the employment market.

This issue aligns with the following strategy contained in Florida's Strategic Plan for Economic Development - July 2012 through June 2017:

#24 - Civic and Governance Systems Support and sustain statewide and regional partnerships to accomplish Florida's economic and quality of life goals.

#25 - Civic and Governance Systems Improve the efficiency and effectiveness of government agencies at all levels.

QUICK RESPONSE TRAINING - TRANSFER				
MARKETING AND PROMOTIONAL				
ACTIVITIES BETWEEN APPROPRIATION				
CATEGORIES - ADD				8100160
SPECIAL CATEGORIES				100000
CAREERSOURCE FLA OP				100825

SEED TRUST FUND	-STATE	100,000		2041	1
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AGENCY ISSUE NARRATIVE:

2016-2017 BUDGET YEAR NARRATIVE:

IT COMPONENT? NO

Appropriation Category Transfer - Quick Response Training category to CareerSource Florida Operations category - ADD:

Summary: The Department requests a transfer of \$100,000 of appropriation from the Quick Response Training category in the State Economic Enhancement and Development Trust Fund to the CareerSource Operations category.

Business Need / Problem Statement: The Quick Response Training (QRT) program reimburses new or expanding businesses for customized training. Through this employer-driven program, administered by CareerSource Florida, Inc. (CSF), Florida is able to effectively retain and attract businesses creating new high-quality jobs. \$100,000 in appropriation has been allocated to CSF specifically to market the QRT program. CSF oversees additional workforce development services that would benefit from additional marketing efforts.

	COL A03	COL A04	COL A05	
	AGY REQUEST	AGY REQ N/R	AG REQ ANZ	
	FY 2016-17	FY 2016-17	FY 2016-17	
POS	AMOUNT	POS	AMOUNT	POS
				AMOUNT
				CODES
ECONOMIC OPPORTUNITY				40000000
PGM: WORKFORCE SERVICES				40200000
CAREERSOURCE FLORIDA				40200600
ECONOMIC OPPORTUNITIES				11
WORKFORCE SERVICES				<u>1102.00.00.00</u>
WORKFORCE DEVELOPMENT PROGRAMS				8100000
QUICK RESPONSE TRAINING - TRANSFER				
MARKETING AND PROMOTIONAL				
ACTIVITIES BETWEEN APPROPRIATION				
CATEGORIES - ADD				8100160

Proposed Solution: The Department requests that the \$100,000 of appropriation specifically allocated for marketing of the QRT program be allocated for use by CareerSource Florida, Inc. for comprehensively marketing the full suite of available training solutions that can serve a variety of companies, industries and job seekers. This request is to shift the current \$100,000 of appropriation from the Quick Response Training category to the CareerSource Florida Operations category to align the budget with the expanded use of the funds. These activities would continue to be funded from the State Economic Enhancement and Development Trust Fund.

Proposed Benefits / Risks: By transferring the current appropriation to CareerSource Florida's operations, and by expanding the purpose of the appropriation, the same state dollars can be used to benefit a much larger group of Florida's employers and job seekers. Marketing is an important tool for creating awareness and interest in the programs that CSF provides to the state's citizens. This move would not detract from the efforts currently being made to market QRT, but would allow those efforts to continue while also providing a means to market the state's comprehensive workforce development services.

This issue aligns with the following strategy contained in Florida's Strategic Plan for Economic Development - July 2012 through June 2017:

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#25 - Civic and Governance Systems Improve the efficiency and effectiveness of government agencies at all levels.

QUICK RESPONSE TRAINING - TRANSFER					
MARKETING AND PROMOTIONAL					
ACTIVITIES BETWEEN APPROPRIATION					
CATEGORIES - DEDUCT					8100170
SPECIAL CATEGORIES					100000
QUICK RESPONSE TRAI					109072
SEED TRUST FUND	-STATE	100,000-			2041 1
		=====	=====	=====	

	COL A03	COL A04	COL A05	
	AGY REQUEST	AGY REQ N/R	AG REQ ANZ	
	FY 2016-17	FY 2016-17	FY 2016-17	
	POS	AMOUNT	POS	AMOUNT
				CODES
ECONOMIC OPPORTUNITY				40000000
PGM: WORKFORCE SERVICES				40200000
CAREERSOURCE FLORIDA				40200600
ECONOMIC OPPORTUNITIES				11
WORKFORCE SERVICES				<u>1102.00.00.00</u>
WORKFORCE DEVELOPMENT PROGRAMS				8100000
QUICK RESPONSE TRAINING - TRANSFER				
MARKETING AND PROMOTIONAL				
ACTIVITIES BETWEEN APPROPRIATION				
CATEGORIES - DEDUCT				8100170

AGENCY ISSUE NARRATIVE:

2016-2017 BUDGET YEAR NARRATIVE:

IT COMPONENT? NO

Appropriation Category Transfer - Quick Response Training category to CareerSource Florida Operations category - DEDUCT:

Summary: The Department requests a transfer of \$100,000 of appropriation from the Quick Response Training category in the State Economic Enhancement and Development Trust Fund to the CareerSource Operations category.

Business Need / Problem Statement: The Quick Response Training (QRT) program reimburses new or expanding businesses for customized training. Through this employer-driven program, administered by CareerSource Florida, Inc. (CSF), Florida is able to effectively retain and attract businesses creating new high-quality jobs. \$100,000 in appropriation has been allocated to CSF specifically to market the QRT program. CSF oversees additional workforce development services that would benefit from additional marketing efforts.

Proposed Solution: The Department requests that the \$100,000 of appropriation specifically allocated for marketing of the QRT program be allocated for use by CareerSource Florida, Inc. for comprehensively marketing the full suite of available training solutions that can serve a variety of companies, industries and job seekers. This request is to shift the current \$100,000 of appropriation from the Quick Response Training category to the CareerSource Florida Operations category to align the budget with the expanded use of the funds. These activities would continue to be funded from the State Economic Enhancement and Development Trust Fund.

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	COL A03	COL A04	COL A05	
	AGY REQUEST	AGY REQ N/R	AG REQ ANZ	
	FY 2016-17	FY 2016-17	FY 2016-17	
	POS	POS	POS	CODES
	AMOUNT	AMOUNT	AMOUNT	
ECONOMIC OPPORTUNITY				40000000
PGM: WORKFORCE SERVICES				40200000
CAREERSOURCE FLORIDA				40200600
ECONOMIC OPPORTUNITIES				11
WORKFORCE SERVICES				<u>1102.00.00.00</u>
TOTAL: WORKFORCE SERVICES				<u>1102.00.00.00</u>
BY FUND TYPE				
	3.00			
TRUST FUNDS.....	25,924,091			2000
SALARY RATE.....	451,384			
	=====	=====	=====	

	COL A03		COL A04		COL A05		CODES
	AGY REQUEST FY 2016-17 POS	AMOUNT	AGY REQ N/R FY 2016-17 POS	AMOUNT	AG REQ ANZ FY 2016-17 POS	AMOUNT	
ECONOMIC OPPORTUNITY							40000000
PGM: WORKFORCE SERVICES							40200000
<u>REEMP ASST APPEALS COMM</u>							40200700
ECONOMIC OPPORTUNITIES							11
<u>WORKFORCE SERVICES</u>							<u>1102.00.00.00</u>
ESTIMATED EXPENDITURES							1000000
ESTIMATED EXPENDITURES - OPERATIONS							1001000
SALARY RATE							000000
SALARY RATE.....	2,640,283						
=====							
SALARIES AND BENEFI							010000
EMPLOYMENT SECURITY ADM TF-FEDERL	43.00						
EMPLOYMENT SECURITY ADM TF-FEDERL	3,509,417						2195 3
=====							
SPECIAL CATEGORIES							100000
REEMPLYMNT ASSNT/CO							103005
EMPLOYMENT SECURITY ADM TF-FEDERL	765,371						2195 3
=====							
RISK MANAGEMENT INS							103241
EMPLOYMENT SECURITY ADM TF-FEDERL	17,420						2195 3
=====							
TR/DMS/HR SVCS/STW							107040
EMPLOYMENT SECURITY ADM TF-FEDERL	15,367						2195 3
=====							
TOTAL: ESTIMATED EXPENDITURES - OPERATIONS							1001000
TOTAL POSITIONS.....	43.00						
TOTAL ISSUE.....	4,307,575						
TOTAL SALARY RATE.....	2,640,283						
=====							
CASUALTY INSURANCE PREMIUM							1001090
ADJUSTMENT							100000
SPECIAL CATEGORIES							103241
RISK MANAGEMENT INS							
EMPLOYMENT SECURITY ADM TF-FEDERL	7,414-						2195 3
=====							

	COL A03		COL A04		COL A05		CODES
	AGY REQUEST FY 2016-17 POS	AMOUNT	AGY REQ N/R FY 2016-17 POS	AMOUNT	AG REQ ANZ FY 2016-17 POS	AMOUNT	
ECONOMIC OPPORTUNITY							40000000
PGM: WORKFORCE SERVICES							40200000
<u>REEMP ASST APPEALS COMM</u>							40200700
ECONOMIC OPPORTUNITIES							11
<u>WORKFORCE SERVICES</u>							<u>1102.00.00.00</u>
ESTIMATED EXPENDITURES							1000000
FLORIDA RETIREMENT SYSTEM							
ADJUSTMENT FOR FISCAL YEAR 2015-16							
NORMAL COST AND UNFUNDED ACTUARIAL							
LIABILITY (UAL)							1001420
SALARIES AND BENEFIT							010000
EMPLOYMENT SECURITY ADM TF-FEDERL		11,028-					2195 3
=====							
HEALTH INSURANCE SUBSIDY - RETIREES							
FOR FY 2015-16							1001430
SALARIES AND BENEFIT							010000
EMPLOYMENT SECURITY ADM TF-FEDERL		10,062					2195 3
=====							
REALLOCATION OF HUMAN RESOURCES							
OUTSOURCING							1005900
SPECIAL CATEGORIES							100000
TR/DMS/HR SVCS/STW							107040
EMPLOYMENT SECURITY ADM TF-FEDERL		496-					2195 3
=====							
PROGRAM REDUCTIONS							33V0000
REEMPLOYMENT ASSISTANCE APPEALS							
COMMISSION REDUCTIONS							33V1100
SALARY RATE							000000
SALARY RATE.....		156,993-					
=====							
SALARIES AND BENEFIT							010000
EMPLOYMENT SECURITY ADM TF-FEDERL		3.50-		225,000-			2195 3
=====							
TOTAL: REEMPLOYMENT ASSISTANCE APPEALS							33V1100
COMMISSION REDUCTIONS							
TOTAL POSITIONS.....		3.50-					
TOTAL ISSUE.....				225,000-			
TOTAL SALARY RATE.....		156,993-					
=====							

	COL A03	COL A04	COL A05	
	AGY REQUEST	AGY REQ N/R	AG REQ ANZ	
	FY 2016-17	FY 2016-17	FY 2016-17	
POS	AMOUNT	POS	AMOUNT	POS
				AMOUNT
				CODES
ECONOMIC OPPORTUNITY				40000000
PGM: WORKFORCE SERVICES				40200000
<u>REEMP ASST APPEALS COMM</u>				40200700
ECONOMIC OPPORTUNITIES				11
<u>WORKFORCE SERVICES</u>				<u>1102.00.00.00</u>
PROGRAM REDUCTIONS				33V0000
REEMPLOYMENT ASSISTANCE APPEALS				
COMMISSION REDUCTIONS				33V1100

AGENCY ISSUE NARRATIVE:

2016-2017 BUDGET YEAR NARRATIVE: IT COMPONENT? NO

Summary: The Department is requesting a total reduction in the Reemployment Assistance Appeals Commission budget entity (40200700) of (3.50) FTE, (\$225,000) of Salary and Benefits and (156,993) of salary rate.

This is part of a larger reduction request totaling (\$12,100,000) in the following appropriation categories:

- (81.0)FTE within Reemployment Assistance Program, CareerSource Florida, and Reemployment Assistance Appeals Commission
- (\$5,275,000) Salaries and Benefits and (2,273,443) Salary Rate;
- (\$2,500,000) Other Personnel Services (OPS);
- (\$4,000,000) Expenses, and
- (\$325,000) CareerSource Florida Operations

The total request is a reduction of (\$11,775,000) from the Employment Security Administration Trust Fund (2195) and (\$325,000) from the Administrative Trust Fund (2021) for a total reduction of (\$12,100,000).

Business Need / Problem Statement: The Reemployment Assistance (RA) program is funded through federal funds provided by the US Department of Labor (USDOL). As the economy has improved and unemployment levels have declined, funding provided by USDOL has also fallen by 10% per year over the past three federal fiscal years totaling \$30.3M. As of September 1, 2015, the RA program has decreased staffing levels in accordance with the reduction of programmatic funding dropping from 1,498 staff to less than 800 over an eighteen-month period.

The federal funds provided for administration of the Reemployment Assistance program are utilized by Workforce Development, CareerSource Florida, the Reemployment Assistance Appeals Commission, and by RA itself. The Department has utilized a combination of other allowable state and federal funding sources and staff reductions to manage the federal funding reduction while maintaining adequate service levels.

For the current budget year, \$97.3M has been provided to Florida. Based on the Department's projections, funding for Fiscal Year 2016-17 was anticipated to be reduced by \$6.3M. In June 2015, the Department was notified that funding for 2016-17 would be \$85.2M, requiring an additional reduction in planned funding of \$5.8M. In total, funding for 2016-17 is \$12.1M less than 2015-16, and requires a reduction in appropriated budget.

Proposed Solution: The Department requests the following reductions:

From Workforce Development:

2195 - Salaries and Benefits	(\$1,500,000)
2195 - OPS	(\$ 700,000)

COL A03		COL A04		COL A05		CODES
AGY REQUEST		AGY REQ N/R		AG REQ ANZ		
FY 2016-17		FY 2016-17		FY 2016-17		
POS	AMOUNT	POS	AMOUNT	POS	AMOUNT	
ECONOMIC OPPORTUNITY						40000000
PGM: WORKFORCE SERVICES						40200000
<u>REEMP ASST APPEALS COMM</u>						40200700
ECONOMIC OPPORTUNITIES						11
<u>WORKFORCE SERVICES</u>						<u>1102.00.00.00</u>
PROGRAM REDUCTIONS						33V0000
REEMPLOYMENT ASSISTANCE APPEALS						
COMMISSION REDUCTIONS						33V1100

2195 - OPS (\$1,800,000)- see issue #3404500

The reduction for Workforce Development is based upon Salaries & Benefits and OPS budget that was previously funded using RA federal funds to provide allowable services to the unemployed by Workforce Development staff. FTE reductions are not required for Workforce Development as staff have already been aligned with available funding sources, and OPS staff have been reduced. Due to RA funding reductions, this budget will not be needed in future years.

From Reemployment Assistance:

FTE:	(74.50)
Salary Rate	(1,977,304)
2195 - Salaries and Benefits	(\$3,225,000)
2195 - Expense	(\$4,500,000) - see issue #3404500

The reduction to RA's FTEs and associated Salaries & Benefits is based upon current and anticipated vacancies for which funding is no longer available. Due to RA funding reductions, the Salaries & Benefits and Expense budget will not be needed in future years.

From CareerSource Florida:

FTE:	(3.00)
Salary Rate	(139,146)
2021 - Salaries and Benefits	(\$325,000)
2195 - CareerSource Ops	(\$325,000)

The reduction to CareerSource Florida's FTEs and associated Salaries & Benefits and CareerSource Operations is based upon the anticipated reduction in the amount of RA funds allocated to the program. CareerSource uses a double budget structure, wherein salary charges are initially posted to Salaries and Benefits in the Administrative Trust Fund and then reimbursed from the CareerSource Operations category in the Employment Security Administration Trust Fund. This request reduces the budget appropriated for both categories.

From Reemployment Assistance Appeals Commission:

FTE:	(3.50)
Salary Rate	(156,993)
2195 - Salaries and Benefits	(\$225,000)

The reduction to the Reemployment Assistance Appeals Commission's FTEs and associated Salaries & Benefits is based upon current vacancies for which funding is no longer available. Due to RA funding reductions, the Salaries budget will not be

COL A03		COL A04		COL A05		CODES
AGY REQUEST		AGY REQ N/R		AG REQ ANZ		
FY 2016-17		FY 2016-17		FY 2016-17		
POS	AMOUNT	POS	AMOUNT	POS	AMOUNT	
ECONOMIC OPPORTUNITY						40000000
PGM: WORKFORCE SERVICES						40200000
<u>REEMP ASST APPEALS COMM</u>						40200700
ECONOMIC OPPORTUNITIES						11
<u>WORKFORCE SERVICES</u>						<u>1102.00.00.00</u>
PROGRAM REDUCTIONS						33V0000
REEMPLOYMENT ASSISTANCE APPEALS						
COMMISSION REDUCTIONS						33V1100

needed in future years.

Proposed Benefits / Risks: The requested reduction will more accurately align the appropriated budget with the amount of federal funding available. The Department will continue to implement processes and provide efficient effective services despite reduced federal funding while also seeking other state and federal funding sources when appropriate to maintain adequate service levels.

Please see companion issue #'s: 3200300 and 3404500 in Budget Entity 40200100, 33V0070 and 3404500 in Budget Entity 40200200, and 33V0080 in Budget Entity 40200600.

This issue aligns with the following strategy contained in Florida's Strategic Plan for Economic Development - July 2012 through June 2017:

#25 - Civic and Governance Systems Improve the efficiency and effectiveness of government agencies at all levels.

POSITION DETAIL OF SALARIES AND BENEFITS:

	FTE	BASE RATE	ADDITIVES	BENEFITS	SUBTOTAL	LAPSE %	LAPSED SALARIES AND BENEFITS
A03 - AGY REQUEST FY 2016-17							
CHANGES TO CURRENTLY AUTHORIZED POSITIONS							
7689 COMMISSION DEPUTY CLERK II							
65026 001	1.00-	27,926-		15,351-	43,277-	0.00	43,277-
7738 SENIOR ATTORNEY							
32003 001	1.00-	51,627-		20,171-	71,798-	0.00	71,798-
65008 001	1.00-	51,627-		20,171-	71,798-	0.00	71,798-
65037 001	0.50-	25,813-		10,087-	35,900-	0.00	35,900-

TOTALS FOR ISSUE BY FUND							
2195 EMPLOYMENT SECURITY ADM TF							222,773-
	3.50-	156,993-		65,780-	222,773-		222,773-
	=====	=====	=====	=====	=====		=====

	COL A03		COL A04		COL A05		CODES
	AGY REQUEST FY 2016-17 POS	AMOUNT	AGY REQ N/R FY 2016-17 POS	AMOUNT	AG REQ ANZ FY 2016-17 POS	AMOUNT	
ECONOMIC OPPORTUNITY							40000000
PGM: COMMUNITY DEVELOPMENT							40300000
<u>HOUSING & COMM DEVELOPMENT</u>							40300200
ECONOMIC OPPORTUNITIES							11
<u>COMMUN DEV/REVITALIZATION</u>							<u>1104.00.00.00</u>
ESTIMATED EXPENDITURES							1000000
ESTIMATED EXPENDITURES - OPERATIONS							1001000
SALARY RATE							000000
SALARY RATE.....	4,257,417						
=====							
SALARIES AND BENEFIT							010000
GENERAL REVENUE FUND -STATE	1,699,013						1000 1
-MATCH	531,737						1000 2

TOTAL GENERAL REVENUE FUND	2,230,750						1000
=====							
SEED TRUST FUND -STATE	608,809						2041 1
=====							
FEDERAL GRANTS TRUST FUND -FEDERL	2,671,840						2261 3
=====							
FL INTER TRADE & PROM TF -STATE	30,618						2338 1
=====							
GRANTS AND DONATIONS TF -STATE	392,225						2339 1
=====							
TOURISM PROMOTIONAL TF -STATE	121,812						2722 1
=====							
TOTAL POSITIONS.....	88.00						
TOTAL APPRO.....	6,056,054						
=====							
OTHER PERSONAL SERV							030000
GENERAL REVENUE FUND -STATE	20,345						1000 1
FEDERAL GRANTS TRUST FUND -FEDERL	224,603						2261 3
GRANTS AND DONATIONS TF -STATE	16,888						2339 1

TOTAL APPRO.....	261,836						
=====							
EXPENSES							040000
GENERAL REVENUE FUND -STATE	128,165						1000 1
-MATCH	15,000						1000 2

TOTAL GENERAL REVENUE FUND	143,165						1000
=====							
SEED TRUST FUND -STATE	62,717						2041 1
=====							

	COL A03		COL A04		COL A05		CODES
	AGY REQUEST FY 2016-17 POS	AMOUNT	AGY REQ N/R FY 2016-17 POS	AMOUNT	AG REQ ANZ FY 2016-17 POS	AMOUNT	
ECONOMIC OPPORTUNITY							40000000
PGM: COMMUNITY DEVELOPMENT							40300000
<u>HOUSING & COMM DEVELOPMENT</u>							40300200
ECONOMIC OPPORTUNITIES							11
<u>COMMUN DEV/REVITALIZATION</u>							<u>1104.00.00.00</u>
ESTIMATED EXPENDITURES							1000000
ESTIMATED EXPENDITURES - OPERATIONS							1001000
EXPENSES							040000
FEDERAL GRANTS TRUST FUND -FEDERL		841,523					2261 3
=====		=====					
FL INTER TRADE & PROM TF -STATE		3,135					2338 1
=====		=====					
GRANTS AND DONATIONS TF -STATE		68,620					2339 1
=====		=====					
TOURISM PROMOTIONAL TF -STATE		12,544					2722 1
=====		=====					
TOTAL APPRO.....		1,131,704					
=====		=====					
OPERATING CAPITAL O							060000
GENERAL REVENUE FUND -STATE		1,328					1000 1
FEDERAL GRANTS TRUST FUND -FEDERL		10,206					2261 3
-----		-----					
TOTAL APPRO.....		11,534					
=====		=====					
SPECIAL CATEGORIES							100000
G/A-COMM SVCS BLOCK							100188
FEDERAL GRANTS TRUST FUND -FEDERL		21,876,498					2261 3
=====		=====					
G/A-CDBG-SMALL CITI							100190
FEDERAL GRANTS TRUST FUND -FEDERL		36,500,000					2261 3
=====		=====					
G/A-BLACK BUS LOAN							100237
SEED TRUST FUND -STATE		2,225,000					2041 1
=====		=====					
HISP BUS INIT/OUTRE							100248
SEED TRUST FUND -STATE		1,500,000					2041 1
=====		=====					

	COL A03		COL A04		COL A05		CODES
	AGY REQUEST FY 2016-17 POS	AMOUNT	AGY REQ N/R FY 2016-17 POS	AMOUNT	AG REQ ANZ FY 2016-17 POS	AMOUNT	
ECONOMIC OPPORTUNITY							40000000
PGM: COMMUNITY DEVELOPMENT							40300000
<u>HOUSING & COMM DEVELOPMENT</u>							40300200
ECONOMIC OPPORTUNITIES							11
<u>COMMUN DEV/REVITALIZATION</u>							<u>1104.00.00.00</u>
ESTIMATED EXPENDITURES							1000000
ESTIMATED EXPENDITURES - OPERATIONS							1001000
SPECIAL CATEGORIES							100000
G/A-HOME ENERGY ASS							100552
FEDERAL GRANTS TRUST FUND -FEDERL		78,100,000					2261 3
=====							
G/A-WAP							100553
FEDERAL GRANTS TRUST FUND -FEDERL		2,000,000					2261 3
=====							
G/A-WAP-LIHEAP							100555
FEDERAL GRANTS TRUST FUND -FEDERL		16,000,000					2261 3
=====							
G/A-CONTRACTED SERV							100778
GENERAL REVENUE FUND -STATE		15,000					1000 1
FEDERAL GRANTS TRUST FUND -FEDERL		2,523,322					2261 3
GRANTS AND DONATIONS TF -STATE		128,080					2339 1
TOTAL APPRO.....		2,666,402					
=====							
G/A- COMMUNITY DEVE							100931
GENERAL REVENUE FUND -STATE		3,200,000					1000 1
SEED TRUST FUND -STATE		1,850,000					2041 1
SPEC EMPLOYMNT SECU ADM TF-STATE		400,000					2648 1
TOTAL APPRO.....		5,450,000					
=====							
RISK MANAGEMENT INS							103241
SEED TRUST FUND -STATE		5,049					2041 1
FEDERAL GRANTS TRUST FUND -FEDERL		21,235					2261 3
FL INTER TRADE & PROM TF -STATE		9					2338 1
GRANTS AND DONATIONS TF -STATE		10,212					2339 1
TOURISM PROMOTIONAL TF -STATE		269					2722 1

	COL A03		COL A04		COL A05		CODES
	AGY REQUEST FY 2016-17 POS	AMOUNT	AGY REQ N/R FY 2016-17 POS	AMOUNT	AG REQ ANZ FY 2016-17 POS	AMOUNT	
ECONOMIC OPPORTUNITY							40000000
PGM: COMMUNITY DEVELOPMENT							40300000
<u>HOUSING & COMM DEVELOPMENT</u>							40300200
ECONOMIC OPPORTUNITIES							11
<u>COMMUN DEV/REVITALIZATION</u>							<u>1104.00.00.00</u>
ESTIMATED EXPENDITURES							1000000
ESTIMATED EXPENDITURES - OPERATIONS							1001000
SPECIAL CATEGORIES							100000
RISK MANAGEMENT INS							103241
TOTAL APPRO.....		36,774					
=====							
TR/DMS/HR SVCS/STW							107040
GENERAL REVENUE FUND	-STATE	21,087					1000 1
	-MATCH	226					1000 2
TOTAL GENERAL REVENUE FUND		21,313					1000
=====							
SEED TRUST FUND	-STATE	3,897					2041 1
=====							
FEDERAL GRANTS TRUST FUND	-FEDERL	15,370					2261 3
=====							
FL INTER TRADE & PROM TF	-STATE	15					2338 1
=====							
GRANTS AND DONATIONS TF	-STATE	962					2339 1
=====							
TOURISM PROMOTIONAL TF	-STATE	58					2722 1
=====							
TOTAL APPRO.....		41,615					
=====							
RURAL COMMUNITY DEV							109068
SEED TRUST FUND	-STATE	360,000					2041 1
ECONOMIC DEVELOPMENT TF	-STATE	810,000					2177 1
TOTAL APPRO.....		1,170,000					
=====							
G/A-TECHNICAL/PLNG							109655
GRANTS AND DONATIONS TF	-STATE	1,600,000					2339 1
=====							

	COL A03	COL A04	COL A05	
	AGY REQUEST	AGY REQ N/R	AG REQ ANZ	
	FY 2016-17	FY 2016-17	FY 2016-17	
	POS AMOUNT	POS AMOUNT	POS AMOUNT	CODES
ECONOMIC OPPORTUNITY				40000000
PGM: COMMUNITY DEVELOPMENT				40300000
<u>HOUSING & COMM DEVELOPMENT</u>				40300200
ECONOMIC OPPORTUNITIES				11
<u>COMMUN DEV/REVITALIZATION</u>				<u>1104.00.00.00</u>
ESTIMATED EXPENDITURES				1000000
ESTIMATED EXPENDITURES - OPERATIONS				1001000
DATA PROCESSING SERVICES				210000
STATE DATA CENTER -				210001
GENERAL REVENUE FUND -STATE	1,486			1000 1
SEED TRUST FUND -STATE	1,524			2041 1
FEDERAL GRANTS TRUST FUND -FEDERL	11,116			2261 3
TOTAL APPRO.....	14,126			
TOTAL: ESTIMATED EXPENDITURES - OPERATIONS				1001000
TOTAL POSITIONS.....	88.00			
TOTAL ISSUE.....	176,641,543			
TOTAL SALARY RATE.....	4,257,417			
CASUALTY INSURANCE PREMIUM				
ADJUSTMENT				1001090
SPECIAL CATEGORIES				100000
RISK MANAGEMENT INS				103241
SEED TRUST FUND -STATE	1,307-			2041 1
FEDERAL GRANTS TRUST FUND -FEDERL	5,494-			2261 3
FL INTER TRADE & PROM TF -STATE	2-			2338 1
GRANTS AND DONATIONS TF -STATE	2,642-			2339 1
TOURISM PROMOTIONAL TF -STATE	70-			2722 1
TOTAL APPRO.....	9,515-			
FLORIDA RETIREMENT SYSTEM				
ADJUSTMENT FOR FISCAL YEAR 2015-16				
NORMAL COST AND UNFUNDED ACTUARIAL				
LIABILITY (UAL)				1001420
SALARIES AND BENEFIT				010000
GENERAL REVENUE FUND -STATE	5,031-			1000 1
-MATCH	1,575-			1000 2
TOTAL GENERAL REVENUE FUND	6,606-			1000
SEED TRUST FUND -STATE	1,803-			2041 1

	COL A03	COL A04	COL A05	
	AGY REQUEST	AGY REQ N/R	AG REQ ANZ	
	FY 2016-17	FY 2016-17	FY 2016-17	
	POS AMOUNT	POS AMOUNT	POS AMOUNT	CODES
ECONOMIC OPPORTUNITY				40000000
PGM: COMMUNITY DEVELOPMENT				40300000
<u>HOUSING & COMM DEVELOPMENT</u>				40300200
ECONOMIC OPPORTUNITIES				11
<u>COMMUN DEV/REVITALIZATION</u>				<u>1104.00.00.00</u>
ESTIMATED EXPENDITURES				1000000
FLORIDA RETIREMENT SYSTEM				
ADJUSTMENT FOR FISCAL YEAR 2015-16				
NORMAL COST AND UNFUNDED ACTUARIAL				
LIABILITY (UAL)				1001420
SALARIES AND BENEFIT				010000
FEDERAL GRANTS TRUST FUND -FEDERL	7,914-			2261 3
=====	=====	=====	=====	
FL INTER TRADE & PROM TF -STATE	91-			2338 1
=====	=====	=====	=====	
GRANTS AND DONATIONS TF -STATE	1,162-			2339 1
=====	=====	=====	=====	
TOURISM PROMOTIONAL TF -STATE	361-			2722 1
=====	=====	=====	=====	
TOTAL APPRO.....	17,937-			
=====	=====	=====	=====	
DATA PROCESSING SERVICES				210000
STATE DATA CENTER -				210001
GENERAL REVENUE FUND -STATE	2-			1000 1
SEED TRUST FUND -STATE	2-			2041 1
FEDERAL GRANTS TRUST FUND -FEDERL	14-			2261 3
-----	-----	-----	-----	
TOTAL APPRO.....	18-			
=====	=====	=====	=====	
TOTAL: FLORIDA RETIREMENT SYSTEM				1001420
ADJUSTMENT FOR FISCAL YEAR 2015-16				
NORMAL COST AND UNFUNDED ACTUARIAL				
LIABILITY (UAL)				
TOTAL ISSUE.....	17,955-			
=====	=====	=====	=====	
HEALTH INSURANCE SUBSIDY - RETIREES				
FOR FY 2015-16				
SALARIES AND BENEFIT				1001430
				010000
GENERAL REVENUE FUND -STATE	4,469			1000 1
-MATCH	1,399			1000 2
-----	-----	-----	-----	
TOTAL GENERAL REVENUE FUND	5,868			1000
=====	=====	=====	=====	
SEED TRUST FUND -STATE	1,601			2041 1
=====	=====	=====	=====	

	COL A03		COL A04		COL A05		CODES
	AGY REQUEST FY 2016-17 POS	AMOUNT	AGY REQ N/R FY 2016-17 POS	AMOUNT	AG REQ ANZ FY 2016-17 POS	AMOUNT	
ECONOMIC OPPORTUNITY							40000000
PGM: COMMUNITY DEVELOPMENT							40300000
<u>HOUSING & COMM DEVELOPMENT</u>							40300200
ECONOMIC OPPORTUNITIES							11
<u>COMMUN DEV/REVITALIZATION</u>							<u>1104.00.00.00</u>
ESTIMATED EXPENDITURES							1000000
HEALTH INSURANCE SUBSIDY - RETIREES							
FOR FY 2015-16							1001430
SALARIES AND BENEFI							010000
FEDERAL GRANTS TRUST FUND -FEDERL		7,029					2261 3
=====		=====					
FL INTER TRADE & PROM TF -STATE		81					2338 1
=====		=====					
GRANTS AND DONATIONS TF -STATE		1,032					2339 1
=====		=====					
TOURISM PROMOTIONAL TF -STATE		320					2722 1
=====		=====					
TOTAL APPRO.....		15,931					
=====		=====					
DATA PROCESSING SERVICES							210000
STATE DATA CENTER -							210001
GENERAL REVENUE FUND -STATE		2					1000 1
SEED TRUST FUND -STATE		2					2041 1
FEDERAL GRANTS TRUST FUND -FEDERL		13					2261 3
=====		=====					
TOTAL APPRO.....		17					
=====		=====					
TOTAL: HEALTH INSURANCE SUBSIDY - RETIREES							1001430
FOR FY 2015-16							
TOTAL ISSUE.....		15,948					
=====		=====					
REALLOCATION OF HUMAN RESOURCES							
OUTSOURCING							1005900
SPECIAL CATEGORIES							100000
TR/DMS/HR SVCS/STW							107040
GENERAL REVENUE FUND -STATE		680-					1000 1
-MATCH		7-					1000 2
=====		=====					
TOTAL GENERAL REVENUE FUND		687-					1000
=====		=====					
SEED TRUST FUND -STATE		126-					2041 1
=====		=====					
FEDERAL GRANTS TRUST FUND -FEDERL		496-					2261 3
=====		=====					
GRANTS AND DONATIONS TF -STATE		31-					2339 1
=====		=====					

	COL A03	COL A04	COL A05	
	AGY REQUEST	AGY REQ N/R	AG REQ ANZ	
	FY 2016-17	FY 2016-17	FY 2016-17	
	POS AMOUNT	POS AMOUNT	POS AMOUNT	CODES
ECONOMIC OPPORTUNITY				40000000
PGM: COMMUNITY DEVELOPMENT				40300000
<u>HOUSING & COMM DEVELOPMENT</u>				40300200
ECONOMIC OPPORTUNITIES				11
<u>COMMUN DEV/REVITALIZATION</u>				<u>1104.00.00.00</u>
ESTIMATED EXPENDITURES				1000000
REALLOCATION OF HUMAN RESOURCES				
OUTSOURCING				1005900
SPECIAL CATEGORIES				100000
TR/DMS/HR SVCS/STW				107040
TOURISM PROMOTIONAL TF -STATE		2-		2722 1
TOTAL APPRO.....	1,342-			
STATE ENTERPRISE INFORMATION				
TECHNOLOGY DISTRIBUTION				1006600
DATA PROCESSING SERVICES				210000
STATE DATA CENTER -				210001
GENERAL REVENUE FUND -STATE	327			1000 1
SEED TRUST FUND -STATE	335			2041 1
FEDERAL GRANTS TRUST FUND -FEDERL	2,449			2261 3
TOTAL APPRO.....	3,111			
DISASTER RECOVERY FUNDING				
DISTRIBUTION				1006700
DATA PROCESSING SERVICES				210000
STATE DATA CENTER -				210001
GENERAL REVENUE FUND -STATE	615			1000 1
SEED TRUST FUND -STATE	631			2041 1
FEDERAL GRANTS TRUST FUND -FEDERL	4,603			2261 3
TOTAL APPRO.....	5,849			

	COL A03		COL A04		COL A05		CODES
	AGY REQUEST FY 2016-17 POS	AMOUNT	AGY REQ N/R FY 2016-17 POS	AMOUNT	AG REQ ANZ FY 2016-17 POS	AMOUNT	
ECONOMIC OPPORTUNITY							40000000
PGM: COMMUNITY DEVELOPMENT							40300000
<u>HOUSING & COMM DEVELOPMENT</u>							40300200
ECONOMIC OPPORTUNITIES							11
<u>COMMUN DEV/REVITALIZATION</u>							<u>1104.00.00.00</u>
NONRECURRING EXPENDITURES							2100000
INCREASE FUNDING FOR TECHNICAL PLANNING AND ASSISTANCE							2103013
SPECIAL CATEGORIES							100000
G/A-TECHNICAL/PLNG							109655
GRANTS AND DONATIONS TF -STATE		1,100,000-					2339 1
=====							
INCREASE FUNDING FOR THE HISPANIC BUSINESS INITIATIVE OUTREACH PROGRAM							2103028
SPECIAL CATEGORIES							100000
HISP BUS INIT/OUTRE							100248
SEED TRUST FUND -STATE		725,000-					2041 1
=====							
STATE SMALL BUSINESS CREDIT INITIATIVE							2103029
SALARIES AND BENEFI							010000
FEDERAL GRANTS TRUST FUND -FEDERL		146,300-					2261 3
=====							
OTHER PERSONAL SERV							030000
FEDERAL GRANTS TRUST FUND -FEDERL		10,000-					2261 3
=====							
EXPENSES							040000
FEDERAL GRANTS TRUST FUND -FEDERL		60,000-					2261 3
=====							
OPERATING CAPITAL O							060000
FEDERAL GRANTS TRUST FUND -FEDERL		6,000-					2261 3
=====							

	COL A03		COL A04		COL A05		CODES
	AGY REQUEST FY 2016-17 POS	AMOUNT	AGY REQ N/R FY 2016-17 POS	AMOUNT	AG REQ ANZ FY 2016-17 POS	AMOUNT	
ECONOMIC OPPORTUNITY							40000000
PGM: COMMUNITY DEVELOPMENT							40300000
<u>HOUSING & COMM DEVELOPMENT</u>							40300200
ECONOMIC OPPORTUNITIES							11
<u>COMMUN DEV/REVITALIZATION</u>							<u>1104.00.00.00</u>
NONRECURRING EXPENDITURES							2100000
STATE SMALL BUSINESS CREDIT INITIATIVE							2103029
SPECIAL CATEGORIES							100000
G/A-CONTRACTED SERV							100778
FEDERAL GRANTS TRUST FUND -FEDERL		705,000-					2261 3
=====							
RISK MANAGEMENT INS							103241
FEDERAL GRANTS TRUST FUND -FEDERL		340-					2261 3
=====							
TR/DMS/HR SVCS/STW							107040
FEDERAL GRANTS TRUST FUND -FEDERL		688-					2261 3
=====							
TOTAL: STATE SMALL BUSINESS CREDIT INITIATIVE							2103029
TOTAL ISSUE.....		928,328-					
=====							
INCREASE OPERATIONS FOR COMMUNITY DEVELOPMENT							2103056
SPECIAL CATEGORIES							100000
G/A-CONTRACTED SERV							100778
GRANTS AND DONATIONS TF -STATE		120,000-					2339 1
=====							
COMMUNITY RESILIENCY PROGRAM CONTINUATION FUNDING							2103057
OTHER PERSONAL SERV							030000
FEDERAL GRANTS TRUST FUND -FEDERL		19,720-					2261 3
=====							

	COL A03		COL A04		COL A05		CODES
	AGY REQUEST FY 2016-17 POS	AMOUNT	AGY REQ N/R FY 2016-17 POS	AMOUNT	AG REQ ANZ FY 2016-17 POS	AMOUNT	
ECONOMIC OPPORTUNITY							40000000
PGM: COMMUNITY DEVELOPMENT							40300000
<u>HOUSING & COMM DEVELOPMENT</u>							40300200
ECONOMIC OPPORTUNITIES							11
<u>COMMUN DEV/REVITALIZATION</u>							<u>1104.00.00.00</u>
NONRECURRING EXPENDITURES							2100000
COMMUNITY RESILIENCY PROGRAM							
CONTINUATION FUNDING							2103057
EXPENSES							040000
FEDERAL GRANTS TRUST FUND -FEDERL		4,000-					2261 3
=====							
SPECIAL CATEGORIES							100000
G/A-CONTRACTED SERV							100778
FEDERAL GRANTS TRUST FUND -FEDERL		200,000-					2261 3
=====							
TOTAL: COMMUNITY RESILIENCY PROGRAM							2103057
CONTINUATION FUNDING							
TOTAL ISSUE.....		223,720-					
=====							
HOUSING AND COMMUNITY DEVELOPMENT							
PROJECTS							2103059
SPECIAL CATEGORIES							100000
G/A- COMMUNITY DEVE							100931
GENERAL REVENUE FUND -STATE		3,200,000-					1000 1
SEED TRUST FUND -STATE		1,850,000-					2041 1
SPEC EMPLOYMNT SECU ADM TF-STATE		400,000-					2648 1

TOTAL APPRO.....		5,450,000-					
=====							

	COL A03	COL A04	COL A05	
	AGY REQUEST	AGY REQ N/R	AG REQ ANZ	
	FY 2016-17	FY 2016-17	FY 2016-17	
	POS	AMOUNT	POS	AMOUNT
				CODES
ECONOMIC OPPORTUNITY				40000000
PGM: COMMUNITY DEVELOPMENT				40300000
<u>HOUSING & COMM DEVELOPMENT</u>				40300200
ECONOMIC OPPORTUNITIES				11
<u>COMMUN DEV/REVITALIZATION</u>				<u>1104.00.00.00</u>
COMMUNITY PLANNING				6100000
INCREASE FUNDING FOR TECHNICAL				
PLANNING AND ASSISTANCE				6100300
SPECIAL CATEGORIES				100000
G/A-TECHNICAL/PLNG				109655
GRANTS AND DONATIONS TF -STATE		1,100,000		2339 1

AGENCY ISSUE NARRATIVE:

2016-2017 BUDGET YEAR NARRATIVE:

IT COMPONENT? NO

Summary: The Department requests \$1,100,000 of recurring funding from the Grants and Donations Trust Fund to support activities relating to technical assistance to Florida communities for implementation of growth management and economic development initiatives. This funding is in addition to existing recurring budget authority of \$500,000 for total budget authority of \$1,600,000.

Business Need / Problem Statement: The Florida Department of Economic Opportunity (DEO) provides local governments assistance in economic development and in the development of best planning practices. In addition to providing planning services and assistance by phone or in person, DEO works with legislatively appropriated funds to provide Technical Assistance Grants to Florida's local governments to assist in the establishment of economic development strategies, to meet the requirements of the Community Planning Act, and to promote innovative planning solutions to challenges and critical planning issues identified by the local government. Since 2011, DEO has been able to assist in funding many innovative projects for communities across the state.

Effective growth management and land use planning are key to ensuring Florida's quality of life and sustaining diverse and vibrant communities. These funds will assist local governments in planning for the future growth of their communities while enhancing their ability to promote economic development and create jobs. Land use planning initiatives funded by Community Planning Technical Assistance Grants typically take 9-10 months to complete. In their funding requests, the applicants identify the projects, broken down into measurable deliverables, and the time it will take them to complete the projects. Initial work may be preparatory in nature (e.g., hiring a consultant and entering into a contract with that person or firm; advertised public meetings to get input from elected officials and members of the public; data collection), with the majority of the substantive work taking place (and therefore a majority of the grant funds being spent) months after the grant agreement is initially executed, or at or near the end of the grant agreement period.

Proposed Solution: Based on our local government discussions and meetings, there is a need to award grants, at an average award of \$25,000 per award, to revise/update their local comprehensive plans and land development regulations.

The requested recurring budget will be used to provide more technical assistance to local governments, which includes travel to meet with community officials and other stakeholders, providing guidance documents to be used by local governments in implementing planning efforts, and providing some specialized professional development training for staff on key planning issues. There is substantial local government demand for planning efforts that create a new economic development element within their comprehensive plan, incorporate economic development objectives and policies within

	COL A03	COL A04	COL A05	
	AGY REQUEST	AGY REQ N/R	AG REQ ANZ	
	FY 2016-17	FY 2016-17	FY 2016-17	
	POS AMOUNT	POS AMOUNT	POS AMOUNT	CODES
ECONOMIC OPPORTUNITY				40000000
PGM: COMMUNITY DEVELOPMENT				40300000
<u>HOUSING & COMM DEVELOPMENT</u>				40300200
ECONOMIC OPPORTUNITIES				11
<u>COMMUN DEV/REVITALIZATION</u>				<u>1104.00.00.00</u>
COMMUNITY PLANNING				6100000
INCREASE FUNDING FOR TECHNICAL				
PLANNING AND ASSISTANCE				6100300

other existing elements of their plan, create post-disaster redevelopment plans, and update their port master plans.

Proposed Benefits / Risks: Local governments, particularly rural local governments, would not be able to accomplish planning objectives. Many rural and small local governments rely on grant funding such as the Department's technical assistance grants to keep their plan current with statutory requirements and address community needs. Addressing these needs helps to promote orderly growth and stimulate economic development. The budget will allow the department to continue to assist local government in implementing the Community Planning Act as well as their adopted Comprehensive Plans.

This request aligns with the following strategies in Florida's Strategic Plan for Economic Development - July 2012 through June 2017:

#19 - Business Climate and Competitiveness: Ensure state, regional and local agencies provide collaborative, seamless, consistent and timely customer service to businesses and workers.

#28 - Quality of Life and Quality Places: Ensure Florida's environment and quality of life are sustained and enhanced by future growth plans and development decisions.

TECHNICAL PLANNING AND ASSISTANCE

ACTION ITEMS				6100420
SPECIAL CATEGORIES				100000
G/A-TECHNICAL/PLNG				109655
SEED TRUST FUND	-STATE	1,200,000		2041 1

AGENCY ISSUE NARRATIVE:

2016-2017 BUDGET YEAR NARRATIVE:

IT COMPONENT? NO

Summary: The Department requests \$1,200,000 of recurring funding from the State Economic Enhancement and Development (SEED) trust fund to implement vetted projects that will spur economic development in communities that have developed strategies through the Competitive Florida Partnership.

Business Need / Problem Statement: Communities that take action to build and enhance their local economies while staying true to what makes them unique have a competitive advantage. Seizing that advantage, the Competitive Florida Partnership helps a community value those assets that makes them special and challenges them to set realistic goals for advancing their economic development visions. A community that participates in this program is committed to innovative strategies

	COL A03	COL A04	COL A05	
	AGY REQUEST	AGY REQ N/R	AG REQ ANZ	
	FY 2016-17	FY 2016-17	FY 2016-17	
POS	AMOUNT	POS	AMOUNT	POS
				AMOUNT
				CODES
ECONOMIC OPPORTUNITY				40000000
PGM: COMMUNITY DEVELOPMENT				40300000
<u>HOUSING & COMM DEVELOPMENT</u>				40300200
ECONOMIC OPPORTUNITIES				11
<u>COMMUN DEV/REVITALIZATION</u>				<u>1104.00.00.00</u>
COMMUNITY PLANNING				6100000
TECHNICAL PLANNING AND ASSISTANCE				
ACTION ITEMS				6100420

that promote partnerships, community design, and a viable economy. This partnership will create a network of vibrant communities and passionate leaders who gain ideas on how to reach their goals through the success and lessons learned from their peers. A community that makes a formal commitment to the Competitive Florida Partnership receives enhanced support from the Department of Economic Opportunity (DEO) as well as state-wide recognition and celebration of their successes along the way.

Proposed Solution: The Department request \$1,200,000 to assist communities with their economic development goals by providing funding to implement vetted projects that align with the strategies developed through the Competitive Florida Partnership. The requested funding will be used to establish a state funding source of \$1.2 million per year to assist communities in implementing action items resulting from the Department's enhanced technical assistance to rural communities around the state. The following is a summary of projects included in the 2015-2016 request:

1. Gadsden County: Economic Development Product Assessment and Development - Complete a strategic sites analysis, establish a Freight Logistics Zone and launch a workforce engagement and industry alignment plan.
2. City of Newberry: Certified Robotics and Advanced Manufacturing Academy - The budget request funds the initial cost of curriculum materials, including numerous skill-set workstations, text books, office equipment and other various materials required to operate the program. The funding request would also provide for the first year's staffing expense.
3. Town of White Springs: Regional Mixed Use Site Development Plan for I-75 / CR 136 Interchange including Suwannee, Hamilton, and Columbia County - Project will include a feasibility study, project development, management and operations plans, and sponsorship evaluation towards the Development Plan at I-75/CR136 Interchange.
4. City of Webster: Sewer Infrastructure Project Design and Engineering Project will include design and engineering of an infrastructure project to replace an existing low pressure sewer system with a gravity collection system to serve the NW 8th Avenue area of the City.

Proposed Benefits / Risks: Through these grants, interested communities would apply for funding to the Department, and Community Development staff will help the community implement actions based on the community's economic development plan.

This request aligns with the following strategies in Florida's Strategic Plan for Economic Development - July 2012 through June 2017:

#1 - Cross Cutting Strategies: Strengthen collaboration and alignment among state, regional, and local entities toward the state's economic vision.

#27 - Quality of Life and Quality Places: Create and sustain vibrant, safe, and healthy communities that attract workers, residents, businesses, and visitors.

	COL A03	COL A04	COL A05	
	AGY REQUEST	AGY REQ N/R	AG REQ ANZ	
	FY 2016-17	FY 2016-17	FY 2016-17	
POS	AMOUNT	POS	AMOUNT	POS
				AMOUNT
				CODES
ECONOMIC OPPORTUNITY				40000000
PGM: COMMUNITY DEVELOPMENT				40300000
<u>HOUSING & COMM DEVELOPMENT</u>				40300200
ECONOMIC OPPORTUNITIES				11
<u>COMMUN DEV/REVITALIZATION</u>				<u>1104.00.00.00</u>
COMMUNITY PLANNING				6100000
TECHNICAL PLANNING AND ASSISTANCE				
ACTION ITEMS				6100420
<p>#29 - Quality of Life and Quality Places: Promote, develop, protect, and leverage Florida's natural, art, and cultural assets in a sustainable manner.</p> <p>*****</p>				
CAPITAL IMPROVEMENT PLAN				9900000
ESTIMATED EXPENDITURES - FIXED				
CAPITAL OUTLAY - OTHER				990I100
G/A-LOC GOV/NONST ENT-FCO				140000
SPACE, DEFENSE, RUR				143150
SEED TRUST FUND	-STATE	1,600,000		2041 1
=====				
TOTAL: COMMUN DEV/REVITALIZATION				<u>1104.00.00.00</u>
BY FUND TYPE				
GENERAL REVENUE FUND		2,432,904		1000
TRUST FUNDS		169,557,687		2000

TOTAL POSITIONS.....		88.00		
TOTAL PROG COMP.....		171,990,591		
TOTAL SALARY RATE.....		4,257,417		
=====				

	COL A03	COL A04	COL A05	
	AGY REQUEST	AGY REQ N/R	AG REQ ANZ	
	FY 2016-17	FY 2016-17	FY 2016-17	
	POS	POS	POS	CODES
	AMOUNT	AMOUNT	AMOUNT	
ECONOMIC OPPORTUNITY				40000000
PGM: STRATEGIC BUS DEV				40400000
STRATEGIC BUSINESS DEV				40400100
ECONOMIC OPPORTUNITIES				11
BUSINESS DEVELOPMENT				<u>1101.00.00.00</u>
ESTIMATED EXPENDITURES				1000000
ESTIMATED EXPENDITURES - OPERATIONS				1001000
SALARY RATE				000000
SALARY RATE.....	1,368,741			
=====				
SALARIES AND BENEFIT				010000
SEED TRUST FUND -STATE	1,510,940			2041 1
FL INTER TRADE & PROM TF -STATE	71,197			2338 1
TOURISM PROMOTIONAL TF -STATE	282,719			2722 1
TOTAL POSITIONS.....	22.00			
TOTAL APPRO.....	1,864,856			
=====				
OTHER PERSONAL SERV				030000
SEED TRUST FUND -STATE	137,680			2041 1
FL INTER TRADE & PROM TF -STATE	6,884			2338 1
TOURISM PROMOTIONAL TF -STATE	27,536			2722 1
TOTAL APPRO.....	172,100			
=====				
EXPENSES				040000
SEED TRUST FUND -STATE	344,174			2041 1
FL INTER TRADE & PROM TF -STATE	17,208			2338 1
TOURISM PROMOTIONAL TF -STATE	68,834			2722 1
TOTAL APPRO.....	430,216			
=====				
OPERATING CAPITAL O				060000
SEED TRUST FUND -STATE	19,477			2041 1
TOURISM PROMOTIONAL TF -STATE	4,869			2722 1
TOTAL APPRO.....	24,346			
=====				

	COL A03		COL A04		COL A05		CODES
	AGY REQUEST FY 2016-17 POS	AMOUNT	AGY REQ N/R FY 2016-17 POS	AMOUNT	AG REQ ANZ FY 2016-17 POS	AMOUNT	
ECONOMIC OPPORTUNITY							40000000
PGM: STRATEGIC BUS DEV							40400000
<u>STRATEGIC BUSINESS DEV</u>							40400100
ECONOMIC OPPORTUNITIES							11
<u>BUSINESS DEVELOPMENT</u>							<u>1101.00.00.00</u>
ESTIMATED EXPENDITURES							1000000
ESTIMATED EXPENDITURES - OPERATIONS							1001000
LUMP SUM							090000
ECONOMIC DEVELOPMEN							098019
GENERAL REVENUE FUND -STATE		11,000,000					1000 1
SEED TRUST FUND -STATE		29,000,000					2041 1
ECONOMIC DEVELOPMENT TF -STATE		3,000,000					2177 1
TOTAL APPRO.....		43,000,000					
=====							
SPECIAL CATEGORIES							100000
G/A-INST COMM PUBLI							100253
GENERAL REVENUE FUND -STATE		2,500,000					1000 1
SEED TRUST FUND -STATE		3,000,000					2041 1
TOTAL APPRO.....		5,500,000					
=====							
G/A-FL DEF SPPT TAS							100315
SEED TRUST FUND -STATE		2,000,000					2041 1
=====							
G/A-ADVOC INT'L REL							100454
FL INTER TRADE & PROM TF -STATE		600,000					2338 1
=====							
ECONOMIC DEVELOPMEN							100562
GENERAL REVENUE FUND -STATE		2,000,000					1000 1
SEED TRUST FUND -STATE		900,000					2041 1
TOTAL APPRO.....		2,900,000					
=====							
G/A-CONTRACTED SERV							100778
SEED TRUST FUND -STATE		642,026					2041 1
FL INTER TRADE & PROM TF -STATE		32,901					2338 1
TOURISM PROMOTIONAL TF -STATE		131,605					2722 1
=====							

	COL A03		COL A04		COL A05		CODES
	AGY REQUEST FY 2016-17 POS	AMOUNT	AGY REQ N/R FY 2016-17 POS	AMOUNT	AG REQ ANZ FY 2016-17 POS	AMOUNT	
ECONOMIC OPPORTUNITY							40000000
PGM: STRATEGIC BUS DEV							40400000
<u>STRATEGIC BUSINESS DEV</u>							40400100
ECONOMIC OPPORTUNITIES							11
<u>BUSINESS DEVELOPMENT</u>							<u>1101.00.00.00</u>
ESTIMATED EXPENDITURES							1000000
ESTIMATED EXPENDITURES - OPERATIONS							1001000
SPECIAL CATEGORIES							100000
G/A-CONTRACTED SERV							100778
TOTAL APPRO.....		806,532					
=====							
G/A-FL SPORTS FOUND							101485
SEED TRUST FUND -STATE		1,900,000					2041 1
PROFESSIONAL SPORTS DEV TF-STATE		3,000,000					2551 1
TOTAL APPRO.....		4,900,000					
=====							
G/A-ENTERPRISE FLOR							102003
GENERAL REVENUE FUND -STATE		9,000,000					1000 1
SEED TRUST FUND -STATE		9,400,000					2041 1
FL INTER TRADE & PROM TF -STATE		6,600,000					2338 1
TOTAL APPRO.....		25,000,000					
=====							
G/A - MILITARY BASE							102026
SEED TRUST FUND -STATE		1,000,000					2041 1
=====							
RISK MANAGEMENT INS							103241
SEED TRUST FUND -STATE		3,666					2041 1
FL INTER TRADE & PROM TF -STATE		183					2338 1
TOURISM PROMOTIONAL TF -STATE		733					2722 1
TOTAL APPRO.....		4,582					
=====							
G/A - VISIT FLORIDA							105705
SEED TRUST FUND -STATE		50,000,000					2041 1
TOURISM PROMOTIONAL TF -STATE		24,000,000					2722 1

	COL A03		COL A04		COL A05		CODES
	AGY REQUEST FY 2016-17 POS	AMOUNT	AGY REQ N/R FY 2016-17 POS	AMOUNT	AG REQ ANZ FY 2016-17 POS	AMOUNT	
ECONOMIC OPPORTUNITY							40000000
PGM: STRATEGIC BUS DEV							40400000
<u>STRATEGIC BUSINESS DEV</u>							40400100
ECONOMIC OPPORTUNITIES							11
<u>BUSINESS DEVELOPMENT</u>							<u>1101.00.00.00</u>
ESTIMATED EXPENDITURES							1000000
ESTIMATED EXPENDITURES - OPERATIONS							1001000
SPECIAL CATEGORIES							100000
G/A - VISIT FLORIDA							105705
TOTAL APPRO.....		74,000,000					
=====		=====					
TR/DMS/HR SVCS/STW							107040
SEED TRUST FUND -STATE		10,221					2041 1
FL INTER TRADE & PROM TF -STATE		17					2338 1
TOURISM PROMOTIONAL TF -STATE		2,538					2722 1
TOTAL APPRO.....		12,776					
=====		=====					
G/A - SPACE FLORIDA							108445
SEED TRUST FUND -STATE		12,500,000					2041 1
=====		=====					
G/A-SF-AEROSPACE IN							108550
GENERAL REVENUE FUND -STATE		2,500,000					1000 1
SEED TRUST FUND -STATE		2,500,000					2041 1
TOTAL APPRO.....		5,000,000					
=====		=====					
DATA PROCESSING SERVICES							210000
STATE DATA CENTER -							210001
SEED TRUST FUND -STATE		12,960					2041 1
TOURISM PROMOTIONAL TF -STATE		3,243					2722 1
TOTAL APPRO.....		16,203					
=====		=====					
TOTAL: ESTIMATED EXPENDITURES - OPERATIONS							1001000
TOTAL POSITIONS.....		22.00					
TOTAL ISSUE.....		179,731,611					
TOTAL SALARY RATE.....		1,368,741					
=====		=====					

	COL A03	COL A04	COL A05	
	AGY REQUEST	AGY REQ N/R	AG REQ ANZ	
	FY 2016-17	FY 2016-17	FY 2016-17	
	POS AMOUNT	POS AMOUNT	POS AMOUNT	CODES
ECONOMIC OPPORTUNITY				40000000
PGM: STRATEGIC BUS DEV				40400000
<u>STRATEGIC BUSINESS DEV</u>				40400100
ECONOMIC OPPORTUNITIES				11
<u>BUSINESS DEVELOPMENT</u>				<u>1101.00.00.00</u>
ESTIMATED EXPENDITURES				1000000
CASUALTY INSURANCE PREMIUM				
ADJUSTMENT				1001090
SPECIAL CATEGORIES				100000
RISK MANAGEMENT INS				103241
SEED TRUST FUND -STATE	211-			2041 1
FL INTER TRADE & PROM TF -STATE	11-			2338 1
TOURISM PROMOTIONAL TF -STATE	42-			2722 1
TOTAL APPRO.....	264-			
=====				
FLORIDA RETIREMENT SYSTEM				
ADJUSTMENT FOR FISCAL YEAR 2015-16				
NORMAL COST AND UNFUNDED ACTUARIAL				
LIABILITY (UAL)				1001420
SALARIES AND BENEFIT				010000
SEED TRUST FUND -STATE	4,516-			2041 1
FL INTER TRADE & PROM TF -STATE	213-			2338 1
TOURISM PROMOTIONAL TF -STATE	845-			2722 1
TOTAL APPRO.....	5,574-			
=====				
DATA PROCESSING SERVICES				210000
STATE DATA CENTER -				210001
SEED TRUST FUND -STATE	16-			2041 1
TOURISM PROMOTIONAL TF -STATE	4-			2722 1
TOTAL APPRO.....	20-			
=====				
TOTAL: FLORIDA RETIREMENT SYSTEM				1001420
ADJUSTMENT FOR FISCAL YEAR 2015-16				
NORMAL COST AND UNFUNDED ACTUARIAL				
LIABILITY (UAL)				
TOTAL ISSUE.....	5,594-			
=====				

	COL A03		COL A04		COL A05		CODES
	AGY REQUEST FY 2016-17 POS	AMOUNT	AGY REQ N/R FY 2016-17 POS	AMOUNT	AG REQ ANZ FY 2016-17 POS	AMOUNT	
ECONOMIC OPPORTUNITY							40000000
PGM: STRATEGIC BUS DEV							40400000
<u>STRATEGIC BUSINESS DEV</u>							40400100
ECONOMIC OPPORTUNITIES							11
<u>BUSINESS DEVELOPMENT</u>							<u>1101.00.00.00</u>
ESTIMATED EXPENDITURES							1000000
HEALTH INSURANCE SUBSIDY - RETIREES FOR FY 2015-16							1001430
SALARIES AND BENEFIT							010000
SEED TRUST FUND -STATE		4,379					2041 1
FL INTER TRADE & PROM TF -STATE		206					2338 1
TOURISM PROMOTIONAL TF -STATE		819					2722 1
TOTAL APPRO.....		5,404					
DATA PROCESSING SERVICES							210000
STATE DATA CENTER -							210001
SEED TRUST FUND -STATE		15					2041 1
TOURISM PROMOTIONAL TF -STATE		4					2722 1
TOTAL APPRO.....		19					
TOTAL: HEALTH INSURANCE SUBSIDY - RETIREES FOR FY 2015-16							1001430
TOTAL ISSUE.....		5,423					
REALLOCATION OF HUMAN RESOURCES							1005900
OUTSOURCING							100000
SPECIAL CATEGORIES							107040
TR/DMS/HR SVCS/STW							
SEED TRUST FUND -STATE		330-					2041 1
FL INTER TRADE & PROM TF -STATE		1-					2338 1
TOURISM PROMOTIONAL TF -STATE		82-					2722 1
TOTAL APPRO.....		413-					

	COL A03	COL A04	COL A05	
	AGY REQUEST	AGY REQ N/R	AG REQ ANZ	
	FY 2016-17	FY 2016-17	FY 2016-17	
	POS AMOUNT	POS AMOUNT	POS AMOUNT	CODES
ECONOMIC OPPORTUNITY				40000000
PGM: STRATEGIC BUS DEV				40400000
<u>STRATEGIC BUSINESS DEV</u>				40400100
ECONOMIC OPPORTUNITIES				11
<u>BUSINESS DEVELOPMENT</u>				<u>1101.00.00.00</u>
ESTIMATED EXPENDITURES				1000000
STATE ENTERPRISE INFORMATION				
TECHNOLOGY DISTRIBUTION				1006600
DATA PROCESSING SERVICES				210000
STATE DATA CENTER -				210001
SEED TRUST FUND -STATE	2,855			2041 1
TOURISM PROMOTIONAL TF -STATE	714			2722 1
TOTAL APPRO.....	3,569			
DISASTER RECOVERY FUNDING				
DISTRIBUTION				1006700
DATA PROCESSING SERVICES				210000
STATE DATA CENTER -				210001
SEED TRUST FUND -STATE	5,367			2041 1
TOURISM PROMOTIONAL TF -STATE	1,345			2722 1
TOTAL APPRO.....	6,712			
NONRECURRING EXPENDITURES				2100000
CONTINUE FLORIDA EXPORT				
DIVERSIFICATION AND EXPANSION				
PROGRAMS				2103018
SPECIAL CATEGORIES				100000
G/A-ENTERPRISE FLOR				102003
FL INTER TRADE & PROM TF -STATE	1,000,000-			2338 1
SPACE FLORIDA - FINANCING PROGRAM				
FOR AEROSPACE INDUSTRY				2103021
SPECIAL CATEGORIES				100000
G/A-SF-AEROSPACE IN				108550
GENERAL REVENUE FUND -STATE	3,250,000-			1000 1
SEED TRUST FUND -STATE	3,250,000-			2041 1
TOTAL APPRO.....	6,500,000-			

	COL A03	COL A04	COL A05	
	AGY REQUEST	AGY REQ N/R	AG REQ ANZ	
	FY 2016-17	FY 2016-17	FY 2016-17	
POS	AMOUNT	POS	AMOUNT	POS
				AMOUNT
				CODES
ECONOMIC OPPORTUNITY				40000000
PGM: STRATEGIC BUS DEV				40400000
<u>STRATEGIC BUSINESS DEV</u>				40400100
ECONOMIC OPPORTUNITIES				11
<u>BUSINESS DEVELOPMENT</u>				<u>1101.00.00.00</u>
NONRECURRING EXPENDITURES				2100000
CONTINUE FUNDING TO SUPPORT THE				
INSTITUTE FOR THE COMMERCIALIZATION				
OF PUBLIC RESEARCH				2103024
SPECIAL CATEGORIES				100000
G/A-INST COMM PUBLI				100253
GENERAL REVENUE FUND -STATE	2,500,000-			1000 1
SEED TRUST FUND -STATE	2,000,000-			2041 1
TOTAL APPRO.....	4,500,000-			
=====				
ECONOMIC DEVELOPMENT PROJECTS AND				
INITIATIVES				2103025
SPECIAL CATEGORIES				100000
ECONOMIC DEVELOPMEN				100562
GENERAL REVENUE FUND -STATE	17,646,000-			1000 1
SEED TRUST FUND -STATE	12,645,900-			2041 1
FL INTER TRADE & PROM TF -STATE	659,500-			2338 1
TOTAL APPRO.....	30,951,400-			
=====				
SPACE FLORIDA - MAINTAIN CURRENT				
FUNDING LEVEL				2103047
SPECIAL CATEGORIES				100000
G/A - SPACE FLORIDA				108445
SEED TRUST FUND -STATE	6,000,000-			2041 1
=====				
GRANTS AND AIDS - PROFESSIONAL				
SPORTS DEVELOPMENT				2103060
SPECIAL CATEGORIES				100000
G/A-FL SPORTS FOUND				101485
SEED TRUST FUND -STATE	200,000-			2041 1
=====				

	COL A03	COL A04	COL A05	
	AGY REQUEST	AGY REQ N/R	AG REQ ANZ	
	FY 2016-17	FY 2016-17	FY 2016-17	
POS	AMOUNT	POS	AMOUNT	POS
				AMOUNT
				CODES
ECONOMIC OPPORTUNITY				40000000
PGM: STRATEGIC BUS DEV				40400000
<u>STRATEGIC BUSINESS DEV</u>				40400100
ECONOMIC OPPORTUNITIES				11
<u>BUSINESS DEVELOPMENT</u>				<u>1101.00.00.00</u>
NONRECURRING EXPENDITURES				2100000
ECONOMIC DEVELOPMENT INCENTIVE				
PAYMENTS				2103061
LUMP SUM				090000
ECONOMIC DEVELOPMEN				098019
GENERAL REVENUE FUND -STATE	1,000,000-			1000 1
SEED TRUST FUND -STATE	29,000,000-			2041 1
ECONOMIC DEVELOPMENT TF -STATE	3,000,000-			2177 1
TOTAL APPRO.....	33,000,000-			
ESTABLISH AND MARKET A STATEWIDE				
BUSINESS BRAND FOR FLORIDA				2103062
SPECIAL CATEGORIES				100000
G/A-ENTERPRISE FLOR				102003
GENERAL REVENUE FUND -STATE	500,000-			1000 1
SEED TRUST FUND -STATE	1,000,000-			2041 1
TOTAL APPRO.....	1,500,000-			
VISIT FLORIDA - MAINTAIN CURRENT				
FUNDING LEVEL				2103063
SPECIAL CATEGORIES				100000
G/A - VISIT FLORIDA				105705
SEED TRUST FUND -STATE	23,000,000-			2041 1
TOURISM PROMOTIONAL TF -STATE	1,000,000-			2722 1
TOTAL APPRO.....	24,000,000-			

	COL A03	COL A04	COL A05	
	AGY REQUEST	AGY REQ N/R	AG REQ ANZ	
	FY 2016-17	FY 2016-17	FY 2016-17	
	POS AMOUNT	POS AMOUNT	POS AMOUNT	CODES
ECONOMIC OPPORTUNITY				40000000
PGM: STRATEGIC BUS DEV				40400000
<u>STRATEGIC BUSINESS DEV</u>				40400100
ECONOMIC OPPORTUNITIES				11
<u>BUSINESS DEVELOPMENT</u>				<u>1101.00.00.00</u>
NONRECURRING EXPENDITURES				2100000
ECONOMIC DEVELOPMENT PROJECTS				2103064
SPECIAL CATEGORIES				100000
ECONOMIC DEVELOPMEN				100562
GENERAL REVENUE FUND -STATE	15,646,000			1000 1
SEED TRUST FUND -STATE	11,745,900			2041 1
FL INTER TRADE & PROM TF -STATE	659,500			2338 1
TOTAL APPRO.....	28,051,400			
CECIL FIELD SPACEPORT				2103065
INFRASTRUCTURE				100000
SPECIAL CATEGORIES				108550
G/A-SF-AEROSPACE IN				
GENERAL REVENUE FUND -STATE	750,000			1000 1
SEED TRUST FUND -STATE	750,000			2041 1
TOTAL APPRO.....	1,500,000			
WORKLOAD				3000000
OPERATIONS INCREASE IN THE DIVISION				
OF STRATEGIC BUSINESS DEVELOPMENT				3000100
SALARY RATE				000000
SALARY RATE.....	171,000			
SALARIES AND BENEFIT				010000
SEED TRUST FUND -STATE	184,199			2041 1
FL INTER TRADE & PROM TF -STATE	9,232			2338 1
TOURISM PROMOTIONAL TF -STATE	36,818			2722 1
TOTAL POSITIONS.....	3.00			
TOTAL APPRO.....	230,249			

	COL A03	COL A04	COL A05	
	AGY REQUEST	AGY REQ N/R	AG REQ ANZ	
	FY 2016-17	FY 2016-17	FY 2016-17	
	POS	AMOUNT	POS	AMOUNT
				AMOUNT
				CODES
ECONOMIC OPPORTUNITY				40000000
PGM: STRATEGIC BUS DEV				40400000
STRATEGIC BUSINESS DEV				40400100
ECONOMIC OPPORTUNITIES				11
BUSINESS DEVELOPMENT				1101.00.00.00
WORKLOAD				3000000
OPERATIONS INCREASE IN THE DIVISION				
OF STRATEGIC BUSINESS DEVELOPMENT				3000100
EXPENSES				040000
SEED TRUST FUND -STATE	24,418	9,598		2041 1
FL INTER TRADE & PROM TF -STATE	1,221	480		2338 1
TOURISM PROMOTIONAL TF -STATE	4,883	1,919		2722 1
TOTAL APPRO.....	30,522	11,997		
SPECIAL CATEGORIES				100000
TR/DMS/HR SVCS/STW				107040
SEED TRUST FUND -STATE	826			2041 1
FL INTER TRADE & PROM TF -STATE	41			2338 1
TOURISM PROMOTIONAL TF -STATE	165			2722 1
TOTAL APPRO.....	1,032			
TOTAL: OPERATIONS INCREASE IN THE DIVISION				3000100
OF STRATEGIC BUSINESS DEVELOPMENT				
TOTAL POSITIONS.....	3.00			
TOTAL ISSUE.....	261,803	11,997		
TOTAL SALARY RATE.....	171,000			

AGENCY ISSUE NARRATIVE:

2016-2017 BUDGET YEAR NARRATIVE:

IT COMPONENT? NO

Summary: The Department requests three (3) additional positions and a total of \$261,803 from the State Economic Enhancement and Development (SEED) Trust Fund to support the administration of the State's economic development programs. This request includes 171,000 of salary rate and associated recurring and nonrecurring expense and personnel assessment appropriation as outlined in the 2016-17 LBR instructions, additional Salary and Benefits, additional Other Personnel Services (OPS) budget, and additional Expense budget.

Business Need / Problem Statement: The Division of Strategic Business Development (DSBD) is responsible for managing numerous state funded incentive programs that result in a large volume of applications and contracts with private and government entities. In addition, DSBD seeks additional support to enhance contact monitoring for economic development grants other than incentive awards.

When businesses are deciding where to expand, locate, make capital investment, and create jobs, the quality and

	COL A03	COL A04	COL A05	
	AGY REQUEST	AGY REQ N/R	AG REQ ANZ	
	FY 2016-17	FY 2016-17	FY 2016-17	
	POS	POS	POS	CODES
	AMOUNT	AMOUNT	AMOUNT	
ECONOMIC OPPORTUNITY				40000000
PGM: STRATEGIC BUS DEV				40400000
<u>STRATEGIC BUSINESS DEV</u>				40400100
ECONOMIC OPPORTUNITIES				11
<u>BUSINESS DEVELOPMENT</u>				<u>1101.00.00.00</u>
WORKLOAD				3000000
OPERATIONS INCREASE IN THE DIVISION				
OF STRATEGIC BUSINESS DEVELOPMENT				3000100

timeliness of service provided by the state can be an influencing factor in their decisions. Enhancing the Division's staff complement supports Florida's competitiveness by (1) increasing the Division's ability to provide businesses with timely decisions regarding their economic development projects, and (2) expediting the negotiation process for businesses' performance agreements with the State.

While working to expedite application processing time, the Division must also conduct thorough due diligence and credit analysis to protect the State's and taxpayers' interests. Additional FTEs, while enhancing Florida's competitiveness, also provides capacity for robust application review and due diligence.

During FY 2014-2015, DSBDB processed and approved 136 incentives. Statutorily, DEO is required to approve or disapprove most incentive applications within ten business days. This request further supports significant enhancements DSBDB has made to the incentives application and approval process that protect the taxpayers' investment. The improved processes require sufficient staff capacity to perform the enhanced due diligence processes, while providing timely review and approvals.

Before making an investment through incentives, DSBDB performs due diligence on each company, considers the scope of the proposed project, evaluates what incentives are suitable, and negotiates the terms of an incentive agreement. The process begins with a thorough investigation of the company. This due diligence process serves to determine whether incentives are appropriate for the company and the project, identify any problems, and assist with structuring the deal. DSBDB's new due diligence process has two levels we conduct Level One due diligence for tax refund and credit incentive programs and we conduct both Level One and Level Two due diligence for discretionary cash incentive programs. Tax refund and credit incentives do not involve credit risk because payments are made only after demonstrated performance. Accordingly, we focus our due diligence on statutory compliance, reputation risk (e.g., known felony criminal histories of principal executives, civil fines and penalties, significant litigation, etc.), and whether there is a substantial probability of non-performance (e.g., imminent insolvency). We consult a variety of resources, including litigation searches on Lexis Nexis and Justia, federal and state databases, and regulatory filings and filings with the Securities and Exchange Commission (for public companies). For incentives that provide a company with all payments prior to fulfilling all performance obligations, the State may be required to exercise contractual remedies, including claw-backs. Because the effectiveness of a claw-back remedy depends on the financial ability of a company to return funds to the State, in addition to the Level One due diligence, our financial analysts review the company's financial statements and review credit rating reports (e.g., Standard and Poor's, Moody's, and Fitch) or, when a company does not have rated debt, we conduct an independent analysis of its credit.

Proposed Solution: The additional budget will be used to support the recurring or nonrecurring costs related to three additional FTE analyst positions. The three FTE positions will be assigned to increase capacity of the Division's application review and due diligence, contract negotiation, and contract monitoring processes. Two FTEs will work in the Bureau of Business and Economic Incentives, supporting application review, due diligence, and contract negotiation. One FTE will work in the Bureau of Compliance and Accountability, supporting contract administration including, but not limited to, contracts related to Defense Reinvestment and Defense Infrastructure Grants.

	COL A03	COL A04	COL A05	
	AGY REQUEST	AGY REQ N/R	AG REQ ANZ	
	FY 2016-17	FY 2016-17	FY 2016-17	
POS	AMOUNT	POS	AMOUNT	POS
				AMOUNT
				CODES
ECONOMIC OPPORTUNITY				40000000
PGM: STRATEGIC BUS DEV				40400000
<u>STRATEGIC BUSINESS DEV</u>				40400100
ECONOMIC OPPORTUNITIES				11
<u>BUSINESS DEVELOPMENT</u>				<u>1101.00.00.00</u>
WORKLOAD				3000000
OPERATIONS INCREASE IN THE DIVISION				
OF STRATEGIC BUSINESS DEVELOPMENT				3000100

Proposed Benefits / Risks: This approach promotes job creation priorities by increasing the state's ability to attract and retain businesses, and supports both strategy 19 and 25 of Florida's economic development plan in that it furthers timely customer service to businesses and improves the efficiency and effectiveness of government agencies.

Without additional positions, DSBD will continue to review applications and perform due diligence, contract negotiation, and contract monitoring. However, current staffing levels have resulted in delays in reviewing applications for new economic development projects and executing contracts that are vital to Florida's economic development.

This request aligns with the following strategies in Florida's Strategic Plan for Economic Development - July 2012 through June 2017:

#12 - Innovation and Economic Development: Brand and consistently market Florida as the best state for business.

#26 - Civic and Governance Systems: Invest in strategic statewide and regional economic development priorities.

POSITION DETAIL OF SALARIES AND BENEFITS:

	FTE	BASE RATE	ADDITIVES	BENEFITS	SUBTOTAL	LAPSE %	LAPSED SALARIES AND BENEFITS
A03 - AGY REQUEST FY 2016-17							
NEW POSITIONS							
P101 PROPOSED CLASS CODE							
N1006 001	3.00	171,000		59,061	230,061	0.00	230,061
TOTALS FOR ISSUE BY FUND							
2041 SEED TRUST FUND							184,049
2338 FL INTER TRADE & PROM TF							9,202
2722 TOURISM PROMOTIONAL TF							36,810
	3.00	171,000		59,061	230,061		230,061

	COL A03		COL A04		COL A05		CODES
	AGY REQUEST FY 2016-17 POS	AMOUNT	AGY REQ N/R FY 2016-17 POS	AMOUNT	AG REQ ANZ FY 2016-17 POS	AMOUNT	
ECONOMIC OPPORTUNITY							40000000
PGM: STRATEGIC BUS DEV							40400000
<u>STRATEGIC BUSINESS DEV</u>							40400100
ECONOMIC OPPORTUNITIES							11
<u>BUSINESS DEVELOPMENT</u>							<u>1101.00.00.00</u>
WORKLOAD							3000000
OPERATIONS INCREASE IN THE DIVISION OF STRATEGIC BUSINESS DEVELOPMENT							3000100

POSITION DETAIL OF SALARIES AND BENEFITS:

	FTE	BASE RATE	ADDITIVES	BENEFITS	SUBTOTAL	LAPSE %	LAPSED SALARIES AND BENEFITS
A03 - AGY REQUEST FY 2016-17							
NEW POSITIONS							
OTHER SALARY AMOUNT							
2722 TOURISM PROMOTIONAL TF							8
2041 SEED TRUST FUND							150
2338 FL INTER TRADE & PROM TF							30
							<u>230,249</u>
							=====

ENTERPRISE FLORIDA							4200000
ENTERPRISE FLORIDA, INC. -							
FLEXIBLE FUNDING FOR ECONOMIC							
DEVELOPMENT TOOLS							4200200
LUMP SUM							090000
ECONOMIC DEVELOPMEN							098019
SEED TRUST FUND -STATE	72,000,000	72,000,000					2041 1
ECONOMIC DEVELOPMENT TF -STATE	3,000,000	3,000,000					2177 1
TOTAL APPRO.....	<u>75,000,000</u>	<u>75,000,000</u>					
							=====

AGENCY ISSUE NARRATIVE:

2016-2017 BUDGET YEAR NARRATIVE:

IT COMPONENT? NO

Summary: The Department requests a total of \$72,000,000 of nonrecurring funding from the State Economic Enhancement and Development (SEED) Trust Fund and \$3,000,000 of nonrecurring funding from the Economic Development Trust Fund to fund the Economic Development Tools for business incentives. These nonrecurring funds would be used for various economic development programs, incentives, and activities that include, but are not limited to: the Qualified Target Industries (QTI), Qualified Defense Contractors (QDC), Brownfield Bonus, High Impact Performance Incentive (HIPI), Quick Action

	COL A03	COL A04	COL A05	
	AGY REQUEST	AGY REQ N/R	AG REQ ANZ	
	FY 2016-17	FY 2016-17	FY 2016-17	
POS	AMOUNT	POS	AMOUNT	POS
				AMOUNT
				CODES
ECONOMIC OPPORTUNITY				40000000
PGM: STRATEGIC BUS DEV				40400000
<u>STRATEGIC BUSINESS DEV</u>				40400100
ECONOMIC OPPORTUNITIES				11
<u>BUSINESS DEVELOPMENT</u>				<u>1101.00.00.00</u>
ENTERPRISE FLORIDA				4200000
ENTERPRISE FLORIDA, INC. -				
FLEXIBLE FUNDING FOR ECONOMIC				
DEVELOPMENT TOOLS				4200200

Closing Fund (QACF), Brownfield Redevelopment, and Innovation Incentive Program.

Business Need / Problem Statement: The Economic Development Tools were created to assist in the establishment of Competitive Business projects. These are projects that create jobs in the state's target industries and pay a higher than average wage. The Tools enable EFI to compete with other state-wide organizations for these high-value projects. This request directly supports the Governors goal of job creation and the overarching purpose of the Florida Strategic Plan for Economic Development.

Proposed Solution: The Economic Development Tools increase Florida's competitive position in the contest for new businesses. This supports the Gov. Scott's priority of focusing on job growth and retention. These tools are critical resources for successful competitive projects and reflect the role of strategy #26 Invest in strategic statewide and regional economic development priorities.

By investing in economic development incentives, not only is the state able to capture the benefits from the creation of direct jobs, there are tremendous indirect and induced impacts as well. Indirect jobs created are because the new business needs to buy equipment and resources from the local community, thus strengthening the local economy. Induced jobs are created when the employees of the company spend money in the community for homes, entertainment and household commodities.

This supports Gov. Scott's priority of focusing on job growth and retention and are part of the Florida's Strategic Plan for Economic Development.

Proposed Benefits / Risks: If this request is not funded the Department will not be able to meet contractually obligated State of Florida payments and Enterprise Florida, Inc. will not be able to compete for new competitive projects.

This issue aligns with the following strategy contained in Florida's Strategic Plan for Economic Development - July 2012 through June 2017:

#26 - Civic and Governance Systems: Invest in strategic statewide and regional economic development priorities.

	COL A03	COL A04	COL A05	
	AGY REQUEST	AGY REQ N/R	AG REQ ANZ	
	FY 2016-17	FY 2016-17	FY 2016-17	
POS	AMOUNT	POS	AMOUNT	POS
				AMOUNT
				CODES
ECONOMIC OPPORTUNITY				40000000
PGM: STRATEGIC BUS DEV				40400000
<u>STRATEGIC BUSINESS DEV</u>				40400100
ECONOMIC OPPORTUNITIES				11
<u>BUSINESS DEVELOPMENT</u>				<u>1101.00.00.00</u>
ENTERPRISE FLORIDA				4200000
CONTINUE FLORIDA EXPORT				
DIVERSIFICATION AND EXPANSION				
PROGRAMS				4200410
SPECIAL CATEGORIES				100000
G/A-ENTERPRISE FLOR				102003
SEED TRUST FUND				
-STATE	1,000,000			2041 1

AGENCY ISSUE NARRATIVE:

2016-2017 BUDGET YEAR NARRATIVE:

IT COMPONENT? NO

Summary: The Department requests \$1,000,000 of recurring funding from the State Economic Enhancement and Development (SEED) Trust Fund to continue two highly successful export diversification and expansion programs currently funded under the State Small Business Administration (SSBA) State Trade and Export Promotion (STEP) Grants program and administered by Enterprise Florida, Inc. (EFI). The programs are focused on small and minority enterprises (SME).

Business Need / Problem Statement: EFI's International Trade Development Unit has successfully managed two export diversification and expansion programs in 20 specifically targeted to Florida small and mid-sized manufacturers and high tech companies which were funded through a non-recurring budget allocation of \$1 million last year: The Target Sector Trade Grants Program and The Export Marketing Plan Program.

The Target Sector Trade Grants program is designed to address export diversification. Federal government data shows that most SME producers export only to one or two markets worldwide, which makes them and their workforce particularly vulnerable to regional downturns and in Florida well over 95% of exporters are SME's. Florida exports overseas 95% of its production, more than any other state, so export diversification is vital to the sustainability of our export sector. This program provides small, event specific grants on a reimbursable basis, that partially offset the cost of the exhibit package at an international trade show where eligible Florida SME's have not previously done business before or offsets the cost of the Gold Key matchmaking program of the US Department of Commerce, up to \$1,000 for new to market Florida companies.

The Export Marketing Plan Program, targets Florida SME manufacturers and high tech companies who have never exported or are infrequent exporters. This program provides a turnkey solution for these companies. By partnering with the Florida Small Business Development Centers, EFI is able to deliver a company specific export marketing plan to Florida SME's for only \$500. The program does not end there. Once the plan is complete, EFI offers to help the client company to identify an initial market for entry and then offsets the cost of a Gold Key matchmaking program or Target Sector Grant to help them find new clients and generate their first transaction.

Proposed Solution: This request for \$1,000,000 will help EFI continue to expand these grant programs which have become extremely popular with SME Florida manufacturers and high tech companies seeking to diversify exports by finding clients in alternative markets. Therefore, we anticipate a significant increase in the demand for these grants. In addition, the past year, EFI expanded its relationship with leading international trade exhibition organizers, which will enable us to

	COL A03	COL A04	COL A05	
	AGY REQUEST	AGY REQ N/R	AG REQ ANZ	
	FY 2016-17	FY 2016-17	FY 2016-17	
POS	AMOUNT	POS	AMOUNT	POS
				AMOUNT
				CODES
ECONOMIC OPPORTUNITY				40000000
PGM: STRATEGIC BUS DEV				40400000
<u>STRATEGIC BUSINESS DEV</u>				40400100
ECONOMIC OPPORTUNITIES				11
<u>BUSINESS DEVELOPMENT</u>				<u>1101.00.00.00</u>
ENTERPRISE FLORIDA				4200000
CONTINUE FLORIDA EXPORT				
DIVERSIFICATION AND EXPANSION				
PROGRAMS				4200410

offer our client companies in a much larger menu of trade events to consider in FY 2015-16. Concurrently our strategic partners the Florida Small Business Development Network (SBDC) has increased the number of FTE's statewide that are able to develop Export Marketing Plans for our clients. Therefore, we anticipate that the demand for our export grants will increase next year.

Proposed Benefits / Risks: During the previous Fiscal Year, Enterprise Florida awarded a total of 191 export diversification trade grants, including 104 target sector trade grants and 77 Gold Key/Matchmaker grants resulting in \$282,958,000 in expected sales according the end of event reports that are required from all participants in the program.

In addition, 33 export marketing plan grants under the Export Marketing Plan Program were awarded to Florida manufacturers who had not previously exported or where infrequent exporters.

It is EFI's expectation that, due to the success of this program, demand for the grant programs will expand significantly in FY 16-17.

Not funding this item would very significantly curtail our ability to help small Florida manufacturers and high tech companies to diversify their exports by finding clients in new markets.

EFI aims to prioritize the diversification of the Florida international economy as a long term commitment. Not only is it vital to the continued expansion of our manufacturing and high technology base (Florida is the nation's 3rd largest high tech exporter) but many other factors make the present a uniquely opportune time to expand and diversify Florida exports. It is forecast that over the next 20 years the global market place will double adding over a billion new consumers. With 92% of world economic growth currently taking place outside the United States, international business will become more vital to the Florida economy in the future. Trends as the proliferation of free trade agreements, the expansion of the Panama Canal and a new generation of commercial passenger aircrafts are all highly favorable to Florida and will provide opportunity to expand trade and FDI.

This request aligns with the following strategies in Florida's Strategic Plan for Economic Development - July 2012 through June 2017:

#11 - Innovation and Economic Development: Expand the number of Florida businesses selling goods and services internationally and diversify the markets they serve.

#12 - Innovation and Economic Development: Brand and consistently market Florida as the best state for business.

#20 - Business Climate and Competitiveness: Reduce barriers to small/minority business and entrepreneurial growth.

	COL A03	COL A04	COL A05	
	AGY REQUEST	AGY REQ N/R	AG REQ ANZ	
	FY 2016-17	FY 2016-17	FY 2016-17	
	POS	AMOUNT	POS	AMOUNT
				AMOUNT
				CODES
ECONOMIC OPPORTUNITY				40000000
PGM: STRATEGIC BUS DEV				40400000
<u>STRATEGIC BUSINESS DEV</u>				40400100
ECONOMIC OPPORTUNITIES				11
<u>BUSINESS DEVELOPMENT</u>				<u>1101.00.00.00</u>
ENTERPRISE FLORIDA				4200000
ESTABLISH AND MARKET A STATEWIDE				
BUSINESS BRAND FOR FLORIDA				4200420
SPECIAL CATEGORIES				100000
G/A-ENTERPRISE FLOR				102003
SEED TRUST FUND	-STATE	1,500,000	1,500,000	2041 1

AGENCY ISSUE NARRATIVE:

2016-2017 BUDGET YEAR NARRATIVE:

IT COMPONENT? NO

Summary: The Department requests \$1,500,000 recurring funding from State Economic Enhancement and Development (SEED) Trust Fund to help consistently promote Florida as a top business destination through an aggressive marketing and communications campaign. The branding program will be managed by Enterprise Florida, Inc.

Business Need / Problem Statement: One of the competitive weaknesses of Florida's economic development program is its inability to adequately reach the decision makers to share the state's top business advantages and Florida business success stories. Compared to other states, Florida's resources for economic development marketing are minimal, making it extremely difficult to produce a highly-effective campaign that positions Florida competitively. Without additional funding, businesses will be unaware of Florida's top business climate and therefore not place Florida on the short list of potential locations to relocate or expand. This would result in Florida's loss at opportunities to diversify the economy, increase the state's tax base and provide well-paying jobs for Florida's citizens.

In FY14-15, EFI was able to raise more than \$1 million to launch a marketing and communications campaign to promote Florida as having the perfect climate for business. The results of this campaign was nearly 8 million impressions (targeted audiences viewing TV, print, digital advertisements promoting Florida for business) and in-person interactions with more than 120 site consultants (individuals who can be responsible for advising and helping to locate multiple business relocation and expansions each year).

Florida has such strong global connections and although the state has been extremely successfully in helping Florida companies export, the state has lacked the funds to promote the state effectively to international firms. These additional funds will be used to highlight Florida's strengths to international companies and to position Florida as a stable and ideal environment for a global firm's US operations. Additionally, the funds will be used to develop a marketing and communications campaign to promote Florida's talent pool, specifically those in the STEM related areas. Finally, the funds will be used to specifically reach decision-makers in Florida's targeted industries and develop opportunities to meet decision-makers face-to-face. EFI will hire a marketing agency to implement programs.

Proposed Solution: The Department requests \$1,500,000 of recurring funding for a total of \$10,000,000 of funding for branding and marketing campaigns for Florida as a business destination. The campaign will include advertising, public relations, direct marketing, social media, events, newsletters, websites and more. The campaign will help promote Florida's business advantages, including a robust and stable business climate, skilled workforce, advanced infrastructure and strong global connections. Highlighting all of these areas about Florida will position the state positively to

	COL A03	COL A04	COL A05	
	AGY REQUEST	AGY REQ N/R	AG REQ ANZ	
	FY 2016-17	FY 2016-17	FY 2016-17	
POS	AMOUNT	POS	AMOUNT	POS
				AMOUNT
				CODES
ECONOMIC OPPORTUNITY				40000000
PGM: STRATEGIC BUS DEV				40400000
<u>STRATEGIC BUSINESS DEV</u>				40400100
ECONOMIC OPPORTUNITIES				11
<u>BUSINESS DEVELOPMENT</u>				<u>1101.00.00.00</u>
ENTERPRISE FLORIDA				4200000
ESTABLISH AND MARKET A STATEWIDE				
BUSINESS BRAND FOR FLORIDA				4200420

business decision-makers and increase Florida's opportunities to compete in job creation projects, thus increasing the state's tax base and providing jobs for Florida's citizens.

EFI will work with a firm(s) that understands the international markets and how best to reach our business decision-makers. EFI does not currently have the staff resources, nor the expertise in-house to identify the best mediums to reach these international audiences and implement the program. There are only a number of locations in the U.S. that have an expansive infrastructure, multilingual workforce and the global expertise to support an international firm, putting Florida at an immediate advantage for being short-listed for foreign direct investment projects. Having a strong campaign to international businesses could yield significant results. With regards to the talent campaign, this funding could help further bring together Florida's universities and educational institutions with EFI to jointly promote the state's current and future talent pool and help change the perception that Florida does not have a young, talented workforce. With regards to an industry-cluster campaign, EFI has been able to broadly reach decision-makers in the state's targeted industries. With these additional funds, decision-makers within specific sub-cluster industries (such as simulation within IT) can be targeted.

Proposed Benefits / Risks: If EFI is able to secure \$1.5 million in recurring funds, these funds will be added to the existing \$8.5 million in recurring funds to allow the state to mount a \$10 million marketing and communications campaign to promote the state for business on an on-going basis. This will allow the state to plan better and instill programs that can be very effective over the long-term. Although other state budgets amount to ranges from \$25 million to \$140 million, these recurring funds will begin to give Florida an opportunity to be competitive and get the word out to decision makers about what Florida has to offer businesses. Specific strategies include:

- 1) Broadly build awareness of Florida's business advantages through advertising efforts across the U.S. and internationally,
- 2) Hold business development events throughout the U.S. and internationally to get face-time with decision-makers,
- 3) Launch an aggressive PR/communications campaign to positively position Florida,
- 4) Promote Florida's available buildings and sites, and more.

This request aligns with the following strategies in Florida's Strategic Plan for Economic Development - July 2012 through June 2017:

#4 - Cross Cutting Strategies: Position Florida as a global hub for trade, visitors, talent, innovation and investment.

#12 - Innovation and Economic Development: Brand and consistently market Florida as the best state for business.

	COL A03	COL A04	COL A05	
	AGY REQUEST	AGY REQ N/R	AG REQ ANZ	
	FY 2016-17	FY 2016-17	FY 2016-17	
	POS AMOUNT	POS AMOUNT	POS AMOUNT	CODES
ECONOMIC OPPORTUNITY				40000000
PGM: STRATEGIC BUS DEV				40400000
<u>STRATEGIC BUSINESS DEV</u>				40400100
ECONOMIC OPPORTUNITIES				11
<u>BUSINESS DEVELOPMENT</u>				<u>1101.00.00.00</u>
VISIT FLORIDA				4300000
VISIT FLORIDA - MAINTAIN CURRENT				
FUNDING LEVEL				4300200
SPECIAL CATEGORIES				100000
G/A - VISIT FLORIDA				105705
SEED TRUST FUND -STATE	23,000,000	23,000,000		2041 1
TOURISM PROMOTIONAL TF -STATE	1,000,000	1,000,000		2722 1
TOTAL APPRO.....	24,000,000	24,000,000		

AGENCY ISSUE NARRATIVE:

2016-2017 BUDGET YEAR NARRATIVE:

IT COMPONENT? NO

Summary: The Department requests a total of \$23,000,000 of nonrecurring funding from the State Economic Enhancement and Development (SEED) Trust Fund and \$1,000,000 of nonrecurring funding from the Tourism Promotional Trust Fund to maintain the current year's funding level (\$74M) to maintain private sector match levels from the statewide tourism industry and the resulting returns on investments in cooperative marketing platforms and programs.

Business Need / Problem Statement: VISIT FLORIDA is the state's official tourism marketing corporation, serving as Florida's official source for travel planning to visitors across the globe. VISIT FLORIDA facilitates tourism industry participation in marketing programs, co-op advertising, domestic and international travel trade and consumer shows, as well as media missions to the top global visitor markets. VISIT FLORIDA effectively leverages the state's public funding to develop cutting-edge marketing programs of which the tourism industry participates to increase domestic and international visitation to the state. Over the last four years, Florida has seen record growth in visitation, spending, and tourism-related employment.

VISIT FLORIDA evaluates key programs on a regular basis. In addition, we look at occupancy levels and quarterly visitation numbers. In January of 2015, the Florida Office of Economic and Demographic Research (EDR) released their report on Return on Investment (ROI) for VISIT FLORIDA. EDR found that the state generated a positive ROI of 3.2, meaning that \$3.20 in tax revenues were received from each dollar the state invested in VISIT FLORIDA. The ROI was estimated by calculating tax revenues which resulted from the share of visitor spending induced by the state's advertising dollars. A return of greater than 1 means that the tax revenue generated by tourists to the state of Florida more than covers the costs of the state appropriation for VISIT FLORIDA. The state's investment in VISIT FLORIDA is relatively low compared to the amount of economic activity generated by the tourists. The state invested \$115.5 million dollars in VISIT FLORIDA during the review period resulting in an increase in GDP of \$11.3 billion which then increased overall collection in state revenues by \$373.4 million.

Proposed Solution: VISIT FLORIDA will leverage the state of Florida's FY 16-17 investment of \$74 million in tourism marketing by attracting more than \$133 million in private sector matching funds collectively invested in cooperative marketing platforms and programs. The private sector investments will be made by more than 12,000 statewide tourism industry businesses and major marketing and strategic alliance partnerships. \$1 million of the \$74 million allocated to

	COL A03	COL A04	COL A05	
	AGY REQUEST	AGY REQ N/R	AG REQ ANZ	
	FY 2016-17	FY 2016-17	FY 2016-17	
POS	AMOUNT	POS	AMOUNT	POS
				AMOUNT
				CODES
ECONOMIC OPPORTUNITY				40000000
PGM: STRATEGIC BUS DEV				40400000
<u>STRATEGIC BUSINESS DEV</u>				40400100
ECONOMIC OPPORTUNITIES				11
<u>BUSINESS DEVELOPMENT</u>				<u>1101.00.00.00</u>
VISIT FLORIDA				4300000
VISIT FLORIDA - MAINTAIN CURRENT				
FUNDING LEVEL				4300200

VISIT FLORIDA is statutorily required to be spent on marketing Florida Is For Veterans, Inc.

The current budget of \$74 million allows VISIT FLORIDA a year round marketing presence through 4 major campaigns (Summer, Fall, Winter and Spring). Having a year round marketing presence allows us to customize and hyper focus in our target markets. We were able to increase our geographic footprint with expansion into 21 domestic markets. International presence was increased by focusing on 5 key markets identified as critical to maintaining and growing VISIT FLORIDA's market share.

Proposed Benefits / Risks: Continued funding for destination marketing through VISIT FLORIDA is necessary to achieve the Office of Economic and Demographic Research's (EDR) Florida Economic Estimating Conference's Florida Economy forecast, which projects over 129 million total visitors by 2020.

As the state's number one industry, tourism was responsible for welcoming 98.9 million visitors in 2014 that spent more than \$82 billion, employing more than 1.1 million Floridians. Every 85 visitors to the state support or create one new job. For every dollar invested in VISIT FLORIDA last year, the state saw a return of \$3.20. Without adequate funding, VISIT FLORIDA will be unable to continue and build upon the current momentum of the tourism industry in Florida, causing the economy of Florida to suffer and the Floridians who benefit in countless ways from our booming tourism industry. A decrease in funding would result in a loss in visitation and jobs for Floridians and a reduction in revenue for the state which is critical for reinvestment in Florida.

This request aligns with the following strategies in Florida's Strategic Plan for Economic Development - July 2012 through June 2017:

#12 - Innovation and Economic Development: Brand and consistently market Florida as the best state for business.

#26 - Civic and Governance Systems: Invest in strategic statewide and regional economic development priorities.

	COL A03	COL A04	COL A05	
	AGY REQUEST	AGY REQ N/R	AG REQ ANZ	
	FY 2016-17	FY 2016-17	FY 2016-17	
	POS	AMOUNT	POS	AMOUNT
				AMOUNT
				CODES
ECONOMIC OPPORTUNITY				40000000
PGM: STRATEGIC BUS DEV				40400000
<u>STRATEGIC BUSINESS DEV</u>				40400100
ECONOMIC OPPORTUNITIES				11
<u>BUSINESS DEVELOPMENT</u>				<u>1101.00.00.00</u>
SPACE FLORIDA				4400000
SPACE FLORIDA - MAINTAIN CURRENT				
FUNDING LEVEL				4400100
SPECIAL CATEGORIES				100000
G/A - SPACE FLORIDA				108445
SEED TRUST FUND	-STATE	6,000,000	6,000,000	2041 1

AGENCY ISSUE NARRATIVE:

2016-2017 BUDGET YEAR NARRATIVE:

IT COMPONENT? NO

Summary: The Department requests \$6,000,000 of nonrecurring funding from the State Economic Enhancement and Development (SEED) Trust Fund for Fiscal Year 2016-2017 to increase the current year's funding to operate programs that grow the space and aerospace industry capabilities to promote Florida as the world's premier space business destination.

Business Need / Problem Statement: Space Florida is responsible for accelerating the growth of space-related industry within Florida's economic goals through targeted space business retention, expansion, and diversification efforts in addition to providing leadership in innovative educational, research and development and workforce development programs and space related infrastructure development projects. A key competitive advantage for Florida in the market is the multiple year relationships it creates with entities that choose Florida for their base of growth. Florida has enjoyed increases in winning these competitive deals year over year and now maintains a significant cluster of assets viewed as strategic by our clients. As a result of the dynamic nature of Florida's space industry Space Florida has developed a strategic plan that targets a number of diversified commercial market segments for integration of space technology that has not been previously pursued with a focused state effort (i.e. life sciences/pharmaceuticals, agriculture/climate monitoring, cyber security and robotics, clean energy, adventure tourism, civil protection and crisis management). These markets receive direct benefit through utilization of the current space program, or have shown great interest in the potential for benefitting from opportunities in next-generation space initiatives and utilization of microgravity environments. Space Florida has already gained significant interest from major players in these markets, and will continue to increase its efforts to attract and secure these businesses. It will do this, in part, by utilizing its operational budget to focus staff efforts on business development opportunities in these emerging sectors.

Proposed Solution: Funding Space Florida will allow for the continuation of the implementation of the Strategic Plan which directly supports the priorities of the administration. The plan targets a number of commercial market segments for integration of aerospace presence and enabling capabilities creating diversity for Florida's economy. The funding supports the State's spaceport operations as well as enabling the development of opportunities for financing, research, workforce and business development efforts enhancing supply chain and other diverse business constellations. These efforts directly support the Administration's priority of focusing on job creation and retention.

Proposed Benefits / Risks: This request for \$6,000,000 is essential to Space Florida efforts, to continue to facilitate many new business development deals each year and utilize unique state empowersments to attract and expand innovative, high-tech companies. The space industry is also transitioning from an era that has been largely federally-dominated to a true commercial marketplace that is increasingly driven by the private sector. Space is being used as; a communications

	COL A03	COL A04	COL A05	
	AGY REQUEST	AGY REQ N/R	AG REQ ANZ	
	FY 2016-17	FY 2016-17	FY 2016-17	
POS	AMOUNT	POS	AMOUNT	POS
				AMOUNT
				CODES
ECONOMIC OPPORTUNITY				40000000
PGM: STRATEGIC BUS DEV				40400000
<u>STRATEGIC BUSINESS DEV</u>				40400100
ECONOMIC OPPORTUNITIES				11
<u>BUSINESS DEVELOPMENT</u>				<u>1101.00.00.00</u>
SPACE FLORIDA				4400000
SPACE FLORIDA - MAINTAIN CURRENT				
FUNDING LEVEL				4400100

hub for mobile platforms, research and development of advanced materials, life sciences discovery and global interconnectivity served by new satellite constellations.

In the last 5 years Space Florida has announced 45 projects with approximately 6,511 new jobs, 405 jobs retained, with an average wage of \$67,594 and total leveraged capital investment of \$1.4 billion. The portfolio fosters bold economic development activities to expand domestic and international opportunities, supports talent development, helps enhance infrastructure and supports governments and organizations in improving the state's competitive business climate.

The impact of not funding these efforts would directly affect economic growth and job creation within the State as it relates to the aerospace industry and supply chain that is supported by the industry.

This request aligns with the following strategies in Florida's Strategic Plan for Economic Development - July 2012 through June 2017:

#2 - Cross Cutting Strategies: Develop and implement a statewide strategy to develop regional talent and innovation clusters using global best practices.

#10 - Innovation and Economic Development: Grow, sustain, and integrate efforts related to research and development, technology transfer and commercialization, and capital to create, nurture, and expand innovation businesses.

#12 - Innovation and Economic Development: Brand and consistently market Florida as the best state for business.

#26 - Civic and Governance Systems: Invest in strategic statewide and regional economic development priorities.

SPACE FLORIDA - FINANCING PROGRAM				
FOR AEROSPACE INDUSTRY				4400110
SPECIAL CATEGORIES				100000
G/A-SF-AEROSPACE IN				108550
SEED TRUST FUND	-STATE	7,000,000	7,000,000	2041 1

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AGENCY ISSUE NARRATIVE:

2016-2017 BUDGET YEAR NARRATIVE:

IT COMPONENT? NO

Summary: The Department requests \$7,000,000 of nonrecurring funding from the State Economic Enhancement and Development (SEED) Trust Fund to increase the current year's funding to operate programs that grow the space and aerospace industry

	COL A03	COL A04	COL A05	
	AGY REQUEST	AGY REQ N/R	AG REQ ANZ	
	FY 2016-17	FY 2016-17	FY 2016-17	
POS	AMOUNT	POS	AMOUNT	POS
				AMOUNT
				CODES
ECONOMIC OPPORTUNITY				40000000
PGM: STRATEGIC BUS DEV				40400000
<u>STRATEGIC BUSINESS DEV</u>				40400100
ECONOMIC OPPORTUNITIES				11
<u>BUSINESS DEVELOPMENT</u>				<u>1101.00.00.00</u>
SPACE FLORIDA				4400000
SPACE FLORIDA - FINANCING PROGRAM				
FOR AEROSPACE INDUSTRY				4400110

capabilities to promote Florida as the world's premier space business destination.

Business Need / Problem Statement: Space Florida is responsible for accelerating the growth of space-related industry within Florida's economic goals through targeted space business retention, expansion, and diversification efforts. Florida has experienced a significant transformation of its space-related industry over the past several years, moving to a commercial business model in place of the traditional cost-plus contractor model that dominated through the end of the Space Shuttle program. The new commercial business model has the benefit of attracting private, at-risk capital into the industry; however, unlike a traditional contractor relationship the commercial company assumes significant risk in areas like technology development and proof of concept, and program schedule slippage. The unique nature and demands of the space environment dictate long product development cycles, thereby creating a longer time horizon for private investors to realize a return as compared to other industries. Space Florida has found that being able to offset, through below market financing, initial capital costs of facilities needed for expansion or new-for-relocation significantly impacts the company's business model and decision to select Florida for their operations location. The financing fund serves to apply a modest upfront contribution to enable or facilitate upfront capital costs through third party financing and differentiates Florida among competing space industry states. Previous state appropriations for the Financing Fund have been deployed in a convertible debt structure from Space Florida to the space industry company that is growing in Florida; this structure allows Space Florida to realize a positive return for the state the company's revenue grows and business model matures, while provide downside protection as a creditor. The contribution from Space Florida's Financing Fund typically comprises two to four percent of overall project costs, showing that a relatively small amount of state funding can leverage significant private investment and job creation.

Proposed Solution: Funding Space Florida will allow for the continuation of the implementation of the Strategic Plan which directly supports the priorities of the administration. The plan targets a number of commercial market segments for integration of aerospace presence and enabling capabilities creating diversity for Florida's economy. The funding supports the State's spaceport operations as well as enabling the development of opportunities for financing, research, workforce and business development efforts enhancing supply chain and other diverse business constellations. These efforts directly support the Administration's priority of focusing on job creation and retention.

In the last 5 years Space Florida has announced 45 projects with approximately 6,511 new jobs, 405 jobs retained, with an average wage of \$67,594 and total leveraged capital investment of \$1.4 billion. The portfolio fosters bold economic development activities to expand domestic and international opportunities, supports talent development, helps enhance infrastructure and supports governments and organizations in improving the state's competitive business climate.

Proposed Benefits / Risks: This request for \$7,000,000 is essential to Space Florida efforts, to continue to facilitate many new business development deals each year and utilize unique state empowerments to attract and expand innovative, high-tech companies. The space industry is also transitioning from an era that has been largely federally-dominated to a true commercial marketplace that is increasingly driven by the private sector. Space is being used as; a communications hub for mobile platforms, research and development of advanced materials, life sciences discovery and global interconnectivity served by new satellite constellations. The impact of not funding these efforts would directly affect

	COL A03	COL A04	COL A05	
	AGY REQUEST	AGY REQ N/R	AG REQ ANZ	
	FY 2016-17	FY 2016-17	FY 2016-17	
	POS AMOUNT	POS AMOUNT	POS AMOUNT	CODES
ECONOMIC OPPORTUNITY				40000000
PGM: STRATEGIC BUS DEV				40400000
<u>STRATEGIC BUSINESS DEV</u>				40400100
ECONOMIC OPPORTUNITIES				11
<u>BUSINESS DEVELOPMENT</u>				<u>1101.00.00.00</u>
SPACE FLORIDA				4400000
SPACE FLORIDA - FINANCING PROGRAM				
FOR AEROSPACE INDUSTRY				4400110

economic growth and job creation within the State as it relates to the aerospace industry and supply chain that is supported by the industry.

This request aligns with the following strategies in Florida's Strategic Plan for Economic Development - July 2012 through June 2017:

#2 - Cross Cutting Strategies: Develop and implement a statewide strategy to develop regional talent and innovation clusters using global best practices.

#10 - Innovation and Economic Development: Grow, sustain, and integrate efforts related to research and development, technology transfer and commercialization, and capital to create, nurture, and expand innovation businesses.

#12 - Innovation and Economic Development: Brand and consistently market Florida as the best state for business.

#26 - Civic and Governance Systems: Invest in strategic statewide and regional economic development priorities.

INSTITUTE FOR THE COMMERCIALIZATION OF PUBLIC RESEARCH				4500000
CONTINUE FUNDING TO SUPPORT THE INSTITUTE FOR THE COMMERCIALIZATION OF PUBLIC RESEARCH				4500100
SPECIAL CATEGORIES				100000
G/A-INST COMM PUBLI				100253
SEED TRUST FUND	-STATE	5,500,000	5,000,000	2041 1

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AGENCY ISSUE NARRATIVE:

2016-2017 BUDGET YEAR NARRATIVE:

IT COMPONENT? NO

Summary: The Department requests a total \$5,500,000 of funding from the State Economic Enhancement and Development (SEED) Trust Fund (\$500,000 recurring and \$5,000,000 nonrecurring). This funding will be used for the Institute for the Commercialization of Public Research (ICPR). Funds of \$500,000 will be used to support continued operations and delivery of Institute mentoring, training and \$5,000,000 to fund programs that are inducing capital into Florida companies and enabling them to grow and succeed. The budget includes costs associated with personnel to manage the programs and related operational costs incurred to manage a statewide program and support 25+ universities and research institutions.

	COL A03	COL A04	COL A05	
	AGY REQUEST	AGY REQ N/R	AG REQ ANZ	
	FY 2016-17	FY 2016-17	FY 2016-17	
	POS	POS	POS	CODES
	AMOUNT	AMOUNT	AMOUNT	
ECONOMIC OPPORTUNITY				40000000
PGM: STRATEGIC BUS DEV				40400000
<u>STRATEGIC BUSINESS DEV</u>				40400100
ECONOMIC OPPORTUNITIES				11
<u>BUSINESS DEVELOPMENT</u>				<u>1101.00.00.00</u>
INSTITUTE FOR THE COMMERCIALIZATION OF PUBLIC RESEARCH				4500000
CONTINUE FUNDING TO SUPPORT THE INSTITUTE FOR THE COMMERCIALIZATION OF PUBLIC RESEARCH				4500100

Business Need / Problem Statement: The FICPR was formed in 2007 to deliver economic development programs that focus on new company creation and growth based on technologies developed at Florida universities, colleges, and research institutes. Companies formed are in innovation industries that are driving the global economy, and are creating products that improve and save lives. Operational funds are needed to run Institute mentoring, training and capital attraction programs, while Seed Funds, available only since 2011, have been provided through the Seed Capital Accelerator Program and now, the Florida Technology Seed Capital Fund (FTSCF) which was formed in 2013. This issue aligns with 20 strategies contained in Florida's Strategic Plan for Economic Development: Cross-Cutting Strategies 1, 2, 3 and 4; Talent Supply and Education 5, 7 and 8; Innovation and Economic Development 9, 10, 11 and 12; Infrastructure and Growth Leadership 13, 16 and 17; Business Climate and Competitiveness 20, 21 and 23; Civic and Governance Systems 24 and 26; and Quality of Life and Places 27.

Proposed Solution: The Institute's strategy and program delivery leverages the \$2 billion in publicly-funded research conducted every year by Florida universities and research institutes, to create new companies and jobs in high-skill, high-wage industries, attract and retain capital and talent in the state, and develop products that are addressing some of the toughest healthcare and societal challenges we face globally. The Institute and its programs align well with the state's strategy for a diversified, innovation-based economy, and enable Florida to compete nationally and globally. The Institute is strengthening collaboration throughout the state and improving efficiencies around technology transfer, commercialization and capital attraction. The Institute seeks and has been awarded grants and contracts to supplement state funding, and expects to see funds returned to its fund to support long-term sustainability (noting a 3-7 year horizon as indicated in Institute enabling legislation).

Since 2011 when the first seed fund program was launched, the Institute has funded 42 companies who must match Institute funds with private investor dollars (1:1 match required), but many companies have gone on to raise 4X-5X the amount provided by the Institute. To date, Institute companies have raised \$60MM and have created hundreds of direct jobs at an average salary of \$74,000. Through the end of FY2014, the Institute had an economic impact of \$379 million (independent study conducted by Washington Economics Group), and that study is being updated with new data collected through the end of FY2015. Results of the updated study should be available by October 1.

Proposed Benefits / Risks: If this request is not funded we will miss the opportunity to continue building on the foundation that we have successfully started, to commercialize new technologies, create new products that improve and save lives, as well as high wage, high skill direct and indirect jobs, attract capital to the state, and improve the quality of life for Floridians for generations to come.

This issue aligns with the following strategies contained in Florida's Strategic Plan for Economic Development- July 2012 through June 2017:

#1 - Strengthen collaboration and alignment among state, regional, and local entities toward the state's economic vision.

	COL A03	COL A04	COL A05	
	AGY REQUEST	AGY REQ N/R	AG REQ ANZ	
	FY 2016-17	FY 2016-17	FY 2016-17	
POS	AMOUNT	POS	AMOUNT	POS
				AMOUNT
				CODES
ECONOMIC OPPORTUNITY				40000000
PGM: STRATEGIC BUS DEV				40400000
<u>STRATEGIC BUSINESS DEV</u>				40400100
ECONOMIC OPPORTUNITIES				11
<u>BUSINESS DEVELOPMENT</u>				<u>1101.00.00.00</u>
INSTITUTE FOR THE COMMERCIALIZATION OF PUBLIC RESEARCH				4500000
CONTINUE FUNDING TO SUPPORT THE INSTITUTE FOR THE COMMERCIALIZATION OF PUBLIC RESEARCH				4500100
#10 - Grow, sustain, and integrate efforts related to research and development, technology transfer and commercialization, and capital to create, nurture, and expand innovation businesses.				
#21 - Expand opportunities for access to capital for businesses throughout their life-cycle.				

CAPITAL IMPROVEMENT PLAN				9900000
ESTIMATED EXPENDITURES - FIXED				
CAPITAL OUTLAY - OTHER				990I100
G/A-LOC GOV/NONST ENT-FCO				140000
SPACE, DEFENSE, RUR				143150
SEED TRUST FUND				2041 1
-STATE	1,600,000			
	=====	=====	=====	
TOTAL: BUSINESS DEVELOPMENT				<u>1101.00.00.00</u>
BY FUND TYPE				
GENERAL REVENUE FUND	18,500,000			1000
TRUST FUNDS	205,002,847	118,511,997		2000
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TOTAL POSITIONS.....	25.00			
TOTAL PROG COMP.....	223,502,847	118,511,997		
TOTAL SALARY RATE.....	1,539,741			
	=====	=====	=====	