

BPEADL01 LAS/PBS SYSTEM
BUDGET PERIOD: 2008-2019
STATE OF FLORIDA

SCHEDULE VIIIB-2
PRIORITY LISTING FOR POSSIBLE REDUCTION
FOR REQUEST YEAR

SP 09/18/2017 14:17 PAGE: 1
ERROR REPORT

BUDGET ENTITY	D3A ISSUE CODE	COLUMN NUMBERS	CODE	ERROR MESSAGE	PAGE
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THERE WERE 0 ERRORS DETECTED

COL A93		
SCH VIIIIB-2		
REDUCTIONS		
POS	AMOUNT	CODES

FINANCIAL SERVICES		43000000
PRG: CHIEF FIN OFFICER/ADM		43010000
<u>EXECUTIVE DIR/SUPPORT SVCS</u>		43010100
GOV OPERATIONS/SUPPORT		16
<u>EXEC LEADERSHIP/SUPPRT SVC</u>		<u>1602.00.00.00</u>
PROGRAM REDUCTIONS		33V0000
REDUCE POSITION(S) - OFFICE OF		
PUBLICATIONS		33V0460
SALARY RATE		000000
SALARY RATE.....	146,445-	
	=====	
SALARIES AND BENEFITS		010000
	4.00-	
ADMINISTRATIVE TRUST FUND -STATE	218,006-	2021 1
	=====	
TOTAL: REDUCE POSITION(S) - OFFICE OF		33V0460
PUBLICATIONS		
TOTAL POSITIONS.....	4.00-	
TOTAL ISSUE.....	218,006-	
TOTAL SALARY RATE.....	146,445-	
	=====	

AGENCY ISSUE NARRATIVE:

SCH VIIIIB-2 NARR 18-19 NARRATIVE:
 PRIORITY #10

IT COMPONENT? NO

No Legislative Change.

This issue proposes a reduction of four filled positions and associated budget from the Office of Publications in the Division of Administration. The purpose of the Office of Publications is to serve as a resource, facilitator and service provider for internal as well as external communications. The primary program responsibilities of the office include providing video and audio services, photography, graphic design, web design, social media, writing, editing and comprehensive media support services. The Office of Publications is dedicated to excellence in the department's internal and external communications, maintaining the highest quality standards in writing, design and production, with a clearly recognizable brand.

This reduction will have a moderate impact on the department. It will necessitate scaling back or eliminating nearly all of the publication services currently provided to the department, Office of Financial Regulation (OFR) and Office of Insurance Regulation (OIR).

This reduction may impact the timely completion and distribution of important publications to the citizens of Florida. In addition, the same adverse impact will be felt by the department's internal customers. A business case analysis revealed a significant cost increase to the department if it must obtain these services from a private vendor.

COL A93 SCH VIIIIB-2 REDUCTIONS		CODES
POS	AMOUNT	
FINANCIAL SERVICES		43000000
PRG: CHIEF FIN OFFICER/ADM		43010000
EXECUTIVE DIR/SUPPORT SVCS		43010100
GOV OPERATIONS/SUPPORT		16
EXEC LEADERSHIP/SUPPRT SVC		1602.00.00.00
PROGRAM REDUCTIONS		33V0000
REDUCE POSITION(S) - OFFICE OF PUBLICATIONS		33V0460

POSITION DETAIL OF SALARIES AND BENEFITS:

	FTE	BASE RATE	ADDITIVES	BENEFITS	SUBTOTAL	LAPSE %	LAPSED SALARIES AND BENEFITS
A93 - SCH VIIIIB-2 REDUCTIONS							
CHANGES TO CURRENTLY AUTHORIZED POSITIONS							
P101 PROPOSED CLASS CODE							
C1001 001	4.00-	146,445-		71,561-	218,006-	0.00	218,006-
TOTALS FOR ISSUE BY FUND							
2021 ADMINISTRATIVE TRUST FUND							218,006-
	4.00-	146,445-		71,561-	218,006-		218,006-

REDUCE POSITION(S) - BUREAU OF GENERAL SERVICES - ADMINISTRATION							33V2100
SALARY RATE							000000
SALARY RATE.....	98,627-						
=====							
SALARIES AND BENEFITS							010000
ADMINISTRATIVE TRUST FUND -STATE	4.00-	162,743-					2021 1
=====							
TOTAL: REDUCE POSITION(S) - BUREAU OF GENERAL SERVICES - ADMINISTRATION							33V2100
TOTAL POSITIONS.....	4.00-						
TOTAL ISSUE.....		162,743-					
TOTAL SALARY RATE.....	98,627-						
=====							

COL A93		
SCH VIIIIB-2		
REDUCTIONS		
POS	AMOUNT	CODES
FINANCIAL SERVICES		
		43000000
PRG: CHIEF FIN OFFICER/ADM		43010000
<u>EXECUTIVE DIR/SUPPORT SVCS</u>		43010100
GOV OPERATIONS/SUPPORT		16
<u>EXEC LEADERSHIP/SUPPRT SVC</u>		1602.00.00.00
PROGRAM REDUCTIONS		33V0000
REDUCE POSITION(S) - BUREAU OF		
GENERAL SERVICES - ADMINISTRATION		33V2100

AGENCY ISSUE NARRATIVE:

SCH VIIIIB-2 NARR 18-19 NARRATIVE: IT COMPONENT? NO
 PRIORITY #11

No Legislative Change.

This issue proposes a reduction of three filled positions and associated budget from the Bureau of General Services, Receptionist/Parking Section, from within the Division of Administration. The purpose of the Receptionist team is to serve as a front desk receptionist at two of the department's buildings (Fletcher and Larson Buildings). The primary responsibilities of the receptionists are to greet visitors to either building, determine the purpose of the visit, contact the appropriate individual(s) from within the Fletcher or Larson Building, and ensure that all visitors are escorted by department personnel once inside the building. A secondary responsibility of the receptionists is to answer/route incoming phone calls into the department's main phone number.

This reduction will have a moderate impact on the department. It will either require the department to contract out for these services, or eliminate the service entirely. Although not placed in the buildings as a security measure, these positions provide a monitoring function, with access to law enforcement, in the event of an emergency.

If eliminated entirely, this reduction would impact the ability of the department to monitor both the Fletcher and Larson Buildings, exposing both to a greater security risk. If the department contracted for these services, it is unlikely that it could be accomplished for a cost less than the costs associated with the salary and benefits of the three positions being eliminated.

POSITION DETAIL OF SALARIES AND BENEFITS:

	FTE	BASE RATE	ADDITIVES	BENEFITS	SUBTOTAL	LAPSE %	LAPSED SALARIES AND BENEFITS
A93 - SCH VIIIIB-2 REDUCTIONS							
CHANGES TO CURRENTLY AUTHORIZED POSITIONS							
P101 PROPOSED CLASS CODE							
C1002 001	4.00-	98,627-		64,116-	162,743-	0.00	162,743-

COL A93		
SCH VIIIIB-2		
REDUCTIONS		
POS	AMOUNT	CODES
FINANCIAL SERVICES		43000000
PRG: CHIEF FIN OFFICER/ADM		43010000
<u>EXECUTIVE DIR/SUPPORT SVCS</u>		43010100
GOV OPERATIONS/SUPPORT		16
<u>EXEC LEADERSHIP/SUPPRT SVC</u>		<u>1602.00.00.00</u>
PROGRAM REDUCTIONS		33V0000
REDUCE POSITION(S) - BUREAU OF		
GENERAL SERVICES - ADMINISTRATION		33V2100

POSITION DETAIL OF SALARIES AND BENEFITS:

	FTE	BASE RATE	ADDITIVES	BENEFITS	SUBTOTAL	LAPSE %	LAPSED SALARIES AND BENEFITS
A93 - SCH VIIIIB-2 REDUCTIONS							
CHANGES TO CURRENTLY AUTHORIZED POSITIONS							
TOTALS FOR ISSUE BY FUND							
2021 ADMINISTRATIVE TRUST FUND							162,743-
	4.00-	98,627-		64,116-	162,743-		162,743-

REDUCE POSITION(S) - PRINTING SERVICES							33V2200
SALARY RATE							000000
SALARY RATE.....	42,627-						
SALARIES AND BENEFITS							010000
ADMINISTRATIVE TRUST FUND -STATE	2.00-	73,644-					2021 1
TOTAL: REDUCE POSITION(S) - PRINTING SERVICES							33V2200
TOTAL POSITIONS.....	2.00-						
TOTAL ISSUE.....		73,644-					
TOTAL SALARY RATE.....	42,627-						

AGENCY ISSUE NARRATIVE:
 SCH VIIIIB-2 NARR 18-19 NARRATIVE:
 PRIORITY #12

IT COMPONENT? NO

COL A93		
SCH VIIIIB-2		
REDUCTIONS		
POS	AMOUNT	CODES
FINANCIAL SERVICES		
		43000000
PRG: CHIEF FIN OFFICER/ADM		43010000
<u>EXECUTIVE DIR/SUPPORT SVCS</u>		43010100
GOV OPERATIONS/SUPPORT		16
<u>EXEC LEADERSHIP/SUPPRT SVC</u>		<u>1602.00.00.00</u>
PROGRAM REDUCTIONS		33V0000
REDUCE POSITION(S) - PRINTING		
SERVICES		33V2200

No Legislative Change.

This issue proposes a reduction of two filled positions and associated budget from the Bureau of General Services, Printing Services team, from within the Division of Administration. The purpose of the Printing Services team is to support the department by providing various print services, including two and three-color production, booklets/brochures, bindery, folding, high speed duplication, and in-house printing of letterhead and envelopes for department use.

This reduction will have a moderate impact on the department. These two positions represent 40% of the entire team. The reduction will impact the number, type, and timely completion and distribution of printing services requested by the department's Divisions, as well as the Office of Financial Regulation (OIR) and Office of Insurance Regulation (OFR). It will necessitate scaling back or eliminating a large percentage of the printing services currently provided to the department, OFR and OIR.

This reduction may impact the timely completion and distribution of important publications to the citizens of Florida. In addition, the same adverse impact will be felt by the department's internal customers. A business case analysis revealed a significant cost increase to the department if it must obtain these services from a private vendor.

POSITION DETAIL OF SALARIES AND BENEFITS:

	FTE	BASE RATE	ADDITIVES	BENEFITS	SUBTOTAL	LAPSE %	LAPSED SALARIES AND BENEFITS
A93 - SCH VIIIIB-2 REDUCTIONS							
CHANGES TO CURRENTLY AUTHORIZED POSITIONS							
P101 PROPOSED CLASS CODE							
C1003 001	2.00-	42,627-		31,017-	73,644-	0.00	73,644-
TOTALS FOR ISSUE BY FUND							
2021 ADMINISTRATIVE TRUST FUND							73,644-
	2.00-	42,627-		31,017-	73,644-		73,644-

COL A93		
SCH VIIIB-2		
REDUCTIONS		
POS	AMOUNT	CODES

FINANCIAL SERVICES		43000000
PRG: CHIEF FIN OFFICER/ADM		43010000
<u>EXECUTIVE DIR/SUPPORT SVCS</u>		43010100
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		
	10.00-	
TRUST FUNDS.....	454,393-	2000
SALARY RATE.....	287,699-	
	=====	
<u>LEGAL SERVICES</u>		43010200
GOV OPERATIONS/SUPPORT		16
<u>EXEC LEADERSHIP/SUPPRT SVC</u>		<u>1602.00.00.00</u>
PROGRAM REDUCTIONS		33V0000
OPERATING REDUCTIONS FOR SCHEDULE VIIIB		33V3340
SALARY RATE		000000
SALARY RATE.....	305,362-	
	=====	
SALARIES AND BENEFITS		010000
ADMINISTRATIVE TRUST FUND -STATE	8.00- 451,311-	2021 1
	=====	
OTHER PERSONAL SERVICES		030000
ADMINISTRATIVE TRUST FUND -STATE	139,694-	2021 1
	=====	
EXPENSES		040000
ADMINISTRATIVE TRUST FUND -STATE	428,842-	2021 1
	=====	
SPECIAL CATEGORIES		100000
CONTRACTED SERVICES		100777
ADMINISTRATIVE TRUST FUND -STATE	126,653-	2021 1
	=====	
TOTAL: OPERATING REDUCTIONS FOR SCHEDULE VIIIB		33V3340
TOTAL POSITIONS.....	8.00-	
TOTAL ISSUE.....	1,146,500-	
TOTAL SALARY RATE.....	305,362-	
	=====	

COL A93 SCH VIIIIB-2 REDUCTIONS		CODES
POS	AMOUNT	
FINANCIAL SERVICES		43000000
PRG: CHIEF FIN OFFICER/ADM		43010000
<u>LEGAL SERVICES</u>		43010200
GOV OPERATIONS/SUPPORT		16
<u>EXEC LEADERSHIP/SUPPRT SVC</u>		<u>1602.00.00.00</u>
PROGRAM REDUCTIONS		33V0000
OPERATING REDUCTIONS FOR SCHEDULE		
VIIIIB		33V3340

AGENCY ISSUE NARRATIVE:
 SCH VIIIIB-2 NARR 18-19 NARRATIVE:
 PRIORITY #33

IT COMPONENT? NO

This issue proposes a budget reduction of \$1,146,500 in the Division of Legal Services, including reductions of 50 percent of Other Personal Services, 50 percent of Contracted Services, 60 percent of Expenses, and 6.6 percent (eight FTE) of Salaries and Benefits budget authority. The position reductions include an Attorney, three Senior Attorneys, a Management Analyst II-SES, a Paralegal, and two Staff Assistants. This reduction would significantly impact the Division, hinder legal services provided, and significantly reduce the Division's ability to contract with necessary outside counsel and providers.

Salaries and Benefits	451,311
OPS	139,694
Expenses	428,842
Contracted Services	126,653
TOTAL:	1,146,500

POSITION DETAIL OF SALARIES AND BENEFITS:

	FTE	BASE RATE	ADDITIVES	BENEFITS	SUBTOTAL	LAPSE %	LAPSED SALARIES AND BENEFITS
A93 - SCH VIIIIB-2 REDUCTIONS							
CHANGES TO CURRENTLY AUTHORIZED POSITIONS							
P101 PROPOSED CLASS CODE							
C0001 001	8.00-	306,127-		145,184-	451,311-	0.00	451,311-
TOTALS FOR ISSUE BY FUND							
2021 ADMINISTRATIVE TRUST FUND							451,311-
	8.00-	306,127-		145,184-	451,311-		451,311-

COL A93 SCH VIIIIB-2 REDUCTIONS		CODES
POS	AMOUNT	
FINANCIAL SERVICES		43000000
PRG: CHIEF FIN OFFICER/ADM		43010000
<u>LEGAL SERVICES</u>		43010200
GOV OPERATIONS/SUPPORT		16
<u>EXEC LEADERSHIP/SUPPRT SVC</u>		<u>1602.00.00.00</u>
PROGRAM REDUCTIONS		33V0000
OPERATING REDUCTIONS FOR SCHEDULE VIIIIB		33V3340

POSITION DETAIL OF SALARIES AND BENEFITS:

	FTE	BASE RATE	ADDITIVES	BENEFITS	SUBTOTAL	LAPSE %	LAPSED SALARIES AND BENEFITS
A93 - SCH VIIIIB-2 REDUCTIONS							
CHANGES TO CURRENTLY AUTHORIZED POSITIONS							
RA06 RATE ADJ - NO FTE - NO SALARY - NO BENEFITS							
C0005 001		765					
TOTAL SALARY RATE		765					

TOTAL: EXEC LEADERSHIP/SUPPRT SVC							<u>1602.00.00.00</u>
BY FUND TYPE							
TRUST FUNDS.....	8.00-	1,146,500-					2000
SALARY RATE.....		305,362-					

=====

COL A93			
SCH VIIIIB-2			
REDUCTIONS			
POS	AMOUNT		CODES

FINANCIAL SERVICES			43000000
PRG: CHIEF FIN OFFICER/ADM			43010000
CONSUMER ADVOCATE			43010400
GOV OPERATIONS/SUPPORT			16
EXEC LEADERSHIP/SUPPRT SVC			<u>1602.00.00.00</u>
PROGRAM REDUCTIONS			33V0000
REDUCTION IN CONSUMER ADVOCATE			
PROGRAM			33V5000
OTHER PERSONAL SERVICES			030000
INSURANCE REG TF	-STATE 62,487-		2393 1
	=====		
EXPENSES			040000
INSURANCE REG TF	-STATE 42,405-		2393 1
	=====		
OPERATING CAPITAL OUTLAY			060000
INSURANCE REG TF	-STATE 2,000-		2393 1
	=====		
SPECIAL CATEGORIES			100000
LEASE/PURCHASE/EQUIPMENT			105281
INSURANCE REG TF	-STATE 1,888-		2393 1
	=====		
TOTAL: REDUCTION IN CONSUMER ADVOCATE			33V5000
PROGRAM			
TOTAL ISSUE.....	108,780-		
	=====		

AGENCY ISSUE NARRATIVE:
 SCH VIIIIB-2 NARR 18-19 NARRATIVE:
 PRIORITY #14

IT COMPONENT? NO

No Legislative Change.

This issue reduces budget authority within the Office of the Insurance Consumer Advocate (OICA) in the following categories:

OPS - 62,487: OPS employees provide assistance and support for the Consumer Advocate in reaching out to Florida consumers to hear their insurance concerns and discuss current insurance trends. Current funding level is 62,487.

Expenses - 42,405: This category is used for paying rent, office supplies, travel, consumer outreach events, public

COL A93		
SCH VIIIB-2		
REDUCTIONS		
POS	AMOUNT	CODES
FINANCIAL SERVICES		43000000
PRG: CHIEF FIN OFFICER/ADM		43010000
CONSUMER ADVOCATE		43010400
GOV OPERATIONS/SUPPORT		16
EXEC LEADERSHIP/SUPPRT SVC		<u>1602.00.00.00</u>
PROGRAM REDUCTIONS		33V0000
REDUCTION IN CONSUMER ADVOCATE		
PROGRAM		33V5000

forums, participating in industry conferences and committees. Current funding level is 68,357; and rent comprises 47% of this category. This reduction represents a 62 percent reduction in the expenses category.

OCO - 2,000: The OICA anticipates no upcoming OCO costs but desires to maintain a minimum amount in this category. This is a 50 percent reduction of OCO. Current level of funding is 4,000.

Lease or Lease Purchase of Equipment - 1,888: This is a 100 percent reduction of this category. During FY 2015-16, the office purchased a copier/printer and no longer leases the copier equipment; however, this category is used to lease equipment for hosting public forums or working groups.

Reductions of this level will impact day to day operations of the office. The OICA may be unable to pay rent, purchase office supplies, upgrade out dated equipment and furniture; meet with consumers, hold outreach events or public forums, participate in insurance related committees and conferences; all of which are vital to the OICA's mission to represent and protect the interests of Florida's consumers.

TOTAL: EXEC LEADERSHIP/SUPPRT SVC		<u>1602.00.00.00</u>
BY FUND TYPE		
TRUST FUNDS.....	108,780-	2000
	=====	

COL A93			
SCH VIIIIB-2			
REDUCTIONS			
POS	AMOUNT		CODES
FINANCIAL SERVICES			
			43000000
			43010000
			43010500
			16
			<u>1603.00.00.00</u>
			33V0000
PROGRAM REDUCTIONS			
REDUCE INTERNATIONAL BUSINESS			
			33V3220
MACHINES (IBM) SOFTWARE AGREEMENT			
			100000
SPECIAL CATEGORIES			
			100777
CONTRACTED SERVICES			
GENERAL REVENUE FUND	-STATE	1,008,885-	1000 1
		=====	

AGENCY ISSUE NARRATIVE:

SCH VIIIIB-2 NARR 18-19 NARRATIVE:
 PRIORITY #37

IT COMPONENT? YES

No Legislative Change.

The Office of Information Technology's service contract with IBM Software, Inc. is critical to the long-term performance of the mainframe operating system located in the Fletcher building as it is the platform for many of the department's critical and essential applications. The mainframe houses statewide mission-critical applications such as the Florida Accounting and Information Resource Subsystem (FLAIR), Payroll, internal DFS applications, the Unclaimed Property Management Information System (UPMIS), Worker's Compensation, all vendors doing business with the State and Governor's Office Planning and Budgeting applications.

Elimination (or reduction) of the software service contract for the IBM Agreement will affect all mainframe applications. The statewide FLAIR accounting systems, Payroll, internal DFS applications, Unclaimed Property, Worker's Compensation and the Governor's Office Planning and Budgeting applications operate 24/7 and would not be able to run if the mainframe was not available. This could cause disastrous effects for the Legislature, the Executive Office of the Governor's Office of Police and Budget, and all state agencies accessing FLAIR information, Treasury to log and post deposits and receipts and send/receive files from FLAIR, the public vendor community expecting the processing of payments, and Worker's Compensation processing claims as mainframe software systems comprise the backbone for the Florida Financial Management Information System.

COL A93		
SCH VIIIIB-2		
REDUCTIONS		
POS	AMOUNT	CODES

FINANCIAL SERVICES		43000000
PROGRAM: TREASURY		43100000
<u>DEPOSIT SECURITY</u>		43100200
GOV OPERATIONS/SUPPORT		16
<u>GOVERNMENTAL OPERATIONS</u>		<u>1601.00.00.00</u>
PROGRAM REDUCTIONS		33V0000
ELIMINATE THE QUALIFIED PUBLIC		
DEPOSITORIES PROGRAM		33V4100
SALARY RATE		000000
SALARY RATE.....	171,052-	
	=====	
SALARIES AND BENEFITS		010000
	4.00-	
TREASURY ADM/INVEST TF	-STATE 246,444-	2725 1
	=====	
TOTAL: ELIMINATE THE QUALIFIED PUBLIC		33V4100
DEPOSITORIES PROGRAM		
TOTAL POSITIONS.....	4.00-	
TOTAL ISSUE.....	246,444-	
TOTAL SALARY RATE.....	171,052-	
	=====	

AGENCY ISSUE NARRATIVE:

SCH VIIIIB-2 NARR 18-19 NARRATIVE:
 PRIORITY #18

IT COMPONENT? NO

LAW CHANGE REQUIRED: Chapter 280 would have to be rescinded or the authority transferred to the Office of Financial Regulation under their state banking authority.

The elimination of Florida's Qualified Public Deposit Program would require legislative action to repeal Chapter 280, Florida Statutes, or to transfer the responsibility for administering this program to another agency. If the program were eliminated it would remove the protection from loss for Florida public deposits under Chapter 280, Florida Statutes. This would have a dramatic effect on Florida's public depositors which would be required to revert back to a process of protecting their bank deposits by directly negotiating collateral arrangements with each depository institution they use.

The Qualified Public Deposit Program was established in 1981 at the request of the banking community in Florida to provide a standardized method of protecting public monies on deposit that exceeded the Federal Deposit Insurance Corporation limits that guaranteed depositors against loss in the case of a bank failure. Chapter 280 established the administrative responsibility for the Division of Treasury to administer the program and provide for a full time staff to approve participating depositories, establish collateralization levels required to protect the deposits and for the review of the financial conditions in order to determine adequate pledge level for collateral requirements. There are currently four full time positions that administer the program that includes approving participation, review ranking changes, monitor deposit and pledge levels and act in accordance with both Chapter 280, Florida Statutes and Administrative Rule 69C-2.

COL A93		
SCH VIIIIB-2		
REDUCTIONS		
POS	AMOUNT	CODES
FINANCIAL SERVICES		
		43000000
PROGRAM: TREASURY		
		43100000
<u>DEPOSIT SECURITY</u>		
		43100200
GOV OPERATIONS/SUPPORT		
		16
<u>GOVERNMENTAL OPERATIONS</u>		
		<u>1601.00.00.00</u>
PROGRAM REDUCTIONS		
		33V0000
ELIMINATE THE QUALIFIED PUBLIC		
		33V4100
DEPOSITORIES PROGRAM		

This is 100 percent of the program resources and 13 percent of this budget entity's overall operating budget.

POSITION DETAIL OF SALARIES AND BENEFITS:

	FTE	BASE RATE	ADDITIVES	BENEFITS	SUBTOTAL	LAPSE %	LAPSED SALARIES AND BENEFITS
A93 - SCH VIIIIB-2 REDUCTIONS							
CHANGES TO CURRENTLY AUTHORIZED POSITIONS							
P101 PROPOSED CLASS CODE							
C0001 001	4.00-	171,052-		75,392-	246,444-	0.00	246,444-
TOTALS FOR ISSUE BY FUND							
2725 TREASURY ADM/INVEST TF							246,444-
	4.00-	171,052-		75,392-	246,444-		246,444-

TOTAL: GOVERNMENTAL OPERATIONS							<u>1601.00.00.00</u>
BY FUND TYPE							
TRUST FUNDS.....	4.00-				246,444-		2000
SALARY RATE.....		171,052-					
	=====						

COL A93		
SCH VIIIIB-2		
REDUCTIONS		
POS	AMOUNT	CODES

FINANCIAL SERVICES		43000000
PROGRAM: TREASURY		43100000
<u>ST FUNDS MGT & INVESTMENT</u>		43100300
GOV OPERATIONS/SUPPORT		16
<u>GOVERNMENTAL OPERATIONS</u>		<u>1601.00.00.00</u>
PROGRAM REDUCTIONS		33V0000
ELIMINATE THE STATE TREASURY		
CONCENTRATION ACCOUNT CONTRACT		33V4180
SPECIAL CATEGORIES		100000
CONTRACTED SERVICES		100777
TREASURY ADM/INVEST TF	-STATE 810,000-	2725 1
	=====	

AGENCY ISSUE NARRATIVE:
 SCH VIIIIB-2 NARR 18-19 NARRATIVE:
 PRIORITY #19

IT COMPONENT? NO

No Legislative Change.

This issue eliminates the master receipts contract (concentration account) used by all agencies. Agencies process all deposits through this contract which are then centralized in the Treasury. Treasury then has access to these funds for investments. Treasury is the owner of this contract and pays for these services used by the agencies. If this contract is eliminated, agencies would then be required to pay for these services themselves.

The Fiscal Year 2017-18 budget for this contract is 810,000, based on historical spending. Elimination of this contract would push a considerable amount of costs and effort to all state agencies because they would lose discounted pricing for economies of scale. Additionally, if funds are deposited outside the State Treasury, investment earnings on the funds could be lost.

COL A93		
SCH VIIIIB-2		
REDUCTIONS		
POS	AMOUNT	CODES
FINANCIAL SERVICES		43000000
PROGRAM: TREASURY		43100000
<u>SUP RETIREMENT PLAN</u>		43100400
GOV OPERATIONS/SUPPORT		16
<u>GOVERNMENTAL OPERATIONS</u>		<u>1601.00.00.00</u>
PROGRAM REDUCTIONS		33V0000
REDUCTION TO DEFERRED COMPENSATION		
MARKETING ACTIVITIES AND SUPPLIES		33V4160
SPECIAL CATEGORIES		100000
DEFERRED COMP ADM SVCS		100868
TREASURY ADM/INVEST TF	-STATE	2725 1
	254,625-	
	=====	

AGENCY ISSUE NARRATIVE:
 SCH VIIIIB-2 NARR 18-19 NARRATIVE:
 PRIORITY #1

IT COMPONENT? NO

No Legislative Change.

The Deferred Compensation is not funded by the state, but is funded by the contracted investment companies providing services for the Deferred Compensation Plan. All amounts accumulated in the Deferred Compensation Trust Fund are held in the trust fund for the exclusive benefits of participants and their beneficiaries. Due to protection of Federal Law 26 U.S.C. s.457(b)(6), no assets of the deferred compensation program are permitted to go to General Revenue. All assets are held in the Deferred Compensation Trust Fund.

Reducing these funds decreases the activities the bureau is able to perform to advertise and educate state workers utilizing the Deferred Compensation program. The program helps state employees be better financially prepared for retirement. The better a employee is prepared the more he/she can spend in the economy during their retirement years. With less advertising and education, participation levels could decrease reducing this benefit to the employees.

COL A93		
SCH VIIIIB-2		
REDUCTIONS		
POS	AMOUNT	CODES

FINANCIAL SERVICES		43000000
PGM: FIN ACCT/PUBLIC FUNDS		43200000
ST FINAN INFO/ST AGY ACCTG		43200100
GOV OPERATIONS/SUPPORT		16
GOVERNMENTAL OPERATIONS		<u>1601.00.00.00</u>
PROGRAM REDUCTIONS		33V0000
ELIMINATE ARTICLE V PROGRAM		
POSITIONS AND REQUIREMENTS		33V0100
SALARY RATE		000000
SALARY RATE.....	315,303-	
	=====	
SALARIES AND BENEFITS		010000
	6.00-	
ADMINISTRATIVE TRUST FUND -STATE	437,536-	2021 1
	=====	
TOTAL: ELIMINATE ARTICLE V PROGRAM		33V0100
POSITIONS AND REQUIREMENTS		
TOTAL POSITIONS.....	6.00-	
TOTAL ISSUE.....	437,536-	
TOTAL SALARY RATE.....	315,303-	
	=====	

AGENCY ISSUE NARRATIVE:

SCH VIIIIB-2 NARR 18-19 NARRATIVE:
 PRIORITY #30

IT COMPONENT? NO

The Article V Program was implemented in 2005. During the 2013 Legislative Session, DFS's responsibilities were revised from auditing Clerks budgets, to auditing court related expenditures. The Department resumed performing audits of Clerk's budget and expenditures in August 2015. To date 19 audits have been completed and most of the audit findings have been about not establishing methodologies and documentation standards as it relates to supporting allocated payroll costs between county and state funding sources.

If the Article V team was eliminated, the review of the Clerk's expenditures could still be performed, on an as needed basis, under the Chief Financial Officer's existing authority in Chapter 17, Florida Statutes as it relates to State expenditures.

The program is funded by collection of \$1 on certain fees deposited into the DFS Administrative Trust Fund. If the program was eliminated, the \$1 fee could be redirected to General Revenue.

If eliminated, there could be the potential of the misuse of state funds. Removal of Section 28.36, Florida Statutes, and amendments to Section 28.241, Florida Statutes, currently requiring the CFO's office to perform these functions, would be required.

This issue would reduce 6 FTE and \$437,536 from the Administrative Trust Fund.

COL A93 SCH VIIIIB-2 REDUCTIONS		CODES
POS	AMOUNT	
FINANCIAL SERVICES		43000000
PGM: FIN ACCT/PUBLIC FUNDS		43200000
ST FINAN INFO/ST AGY ACCTG		43200100
GOV OPERATIONS/SUPPORT		16
GOVERNMENTAL OPERATIONS		1601.00.00.00
PROGRAM REDUCTIONS		33V0000
ELIMINATE ARTICLE V PROGRAM POSITIONS AND REQUIREMENTS		33V0100

POSITION DETAIL OF SALARIES AND BENEFITS:

	FTE	BASE RATE	ADDITIVES	BENEFITS	SUBTOTAL	LAPSE %	LAPSED SALARIES AND BENEFITS
A93 - SCH VIIIIB-2 REDUCTIONS							
CHANGES TO CURRENTLY AUTHORIZED POSITIONS							
P101 PROPOSED CLASS CODE N0001 001	6.00-	315,303-		122,233-	437,536-	0.00	437,536-
TOTALS FOR ISSUE BY FUND							
2021 ADMINISTRATIVE TRUST FUND	6.00-	315,303-		122,233-	437,536-		437,536-

ELIMINATE FLORIDA FINANCIAL EDUCATION TEAM							33V0140
SALARY RATE							000000
SALARY RATE.....	537,860-						
=====							
SALARIES AND BENEFITS							010000
GENERAL REVENUE FUND -STATE	12.00-	767,886-					1000 1
=====							
TOTAL: ELIMINATE FLORIDA FINANCIAL EDUCATION TEAM							33V0140
TOTAL POSITIONS.....	12.00-						
TOTAL ISSUE.....		767,886-					
TOTAL SALARY RATE.....	537,860-						
=====							

COL A93		
SCH VIIIB-2		
REDUCTIONS		
POS	AMOUNT	CODES
FINANCIAL SERVICES		43000000
PGM: FIN ACCT/PUBLIC FUNDS		43200000
ST FINAN INFO/ST AGY ACCTG		43200100
GOV OPERATIONS/SUPPORT		16
GOVERNMENTAL OPERATIONS		<u>1601.00.00.00</u>
PROGRAM REDUCTIONS		33V0000
ELIMINATE FLORIDA FINANCIAL		
EDUCATION TEAM		33V0140

AGENCY ISSUE NARRATIVE:

SCH VIIIB-2 NARR 18-19 NARRATIVE:
 PRIORITY #35

IT COMPONENT? NO

The Office of Florida Financial Education (OFFE) is the Division of Accounting and Auditing's training team. It provides state agencies and vendors with resources and instructional programs, specifically on the use of the State's accounting system and compliance with contract and grant requirements. The team provides training on various topics including how to record expenditure and revenue information in the state's accounting system, Payroll Fundamentals (this course includes state agency responsibilities for accurately preparing and authorizing payroll transactions), and training program for agency contract and grant managers. The educational efforts of this team are free and promote the appropriate fiscal management and accurate reporting of the state's resources. The team offers 22 different courses. Most are designed for State Agency personnel, and a few are designed for the vendors who do business with the State of Florida. During the 2016-2017 fiscal year, the team held 115 classes for 3102 participants.

If the Office of Florida Financial Education does not provide training, the responsibility will fall to individual agencies to training staff. The Division of Accounting and Auditing will lose the ability to ensure that state agency personnel are being trained to use FLAIR to record appropriate accounting entries. If agencies are using the transactions or accounting system inaccurately, the Bureau of Auditing, the Bureau of Financial Reporting and the Bureau of State Payroll will all be impacted negatively, as they have to work with corrections and adjustments at a greater level.

This reduction would require an amendment to Section 287.057(14) and Section 215.971(2) which currently requires the CFO's office to provide training for contract and grant managers on the accountability of contracts and grant management.

This issue would reduce 12 FTE and \$767,886 in General Revenue fund appropriations.

COL A93 SCH VIIIIB-2 REDUCTIONS		CODES
POS	AMOUNT	
FINANCIAL SERVICES		43000000
PGM: FIN ACCT/PUBLIC FUNDS		43200000
ST FINAN INFO/ST AGY ACCTG		43200100
GOV OPERATIONS/SUPPORT		16
GOVERNMENTAL OPERATIONS		1601.00.00.00
PROGRAM REDUCTIONS		33V0000
ELIMINATE FLORIDA FINANCIAL EDUCATION TEAM		33V0140

POSITION DETAIL OF SALARIES AND BENEFITS:

	FTE	BASE RATE	ADDITIVES	BENEFITS	SUBTOTAL	LAPSE %	LAPSED SALARIES AND BENEFITS
A93 - SCH VIIIIB-2 REDUCTIONS							
CHANGES TO CURRENTLY AUTHORIZED POSITIONS							
P101 PROPOSED CLASS CODE N0001 001	12.00-	537,860-		230,026-	767,886-	0.00	767,886-
TOTALS FOR ISSUE BY FUND							
1000 GENERAL REVENUE FUND							767,886-
	12.00-	537,860-		230,026-	767,886-		767,886-

REDUCE EXPENSES APPROPRIATION FROM
 ADMINISTRATIVE TRUST FUND WITHIN
 THE DIVISION OF ACCOUNTING AND
 AUDITING
 EXPENSES

ADMINISTRATIVE TRUST FUND -STATE	8,000-						2021 1
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AGENCY ISSUE NARRATIVE:

SCH VIIIIB-2 NARR 18-19 NARRATIVE: IT COMPONENT? NO
 PRIORITY #6

The Division of Accounting and Auditing is working with the Department of Management Services and Bank of America on a new system for the State's Purchasing Card Program. The project began in January 2016 and the schedule currently shows the pilot agency go-live in March 2018. The Division has set aside funds for travel so staff can provide training and

COL A93		
SCH VIIIIB-2		
REDUCTIONS		
POS	AMOUNT	CODES
FINANCIAL SERVICES		
		43000000
PGM: FIN ACCT/PUBLIC FUNDS		
		43200000
ST FINAN INFO/ST AGY ACCTG		
		43200100
GOV OPERATIONS/SUPPORT		
		16
GOVERNMENTAL OPERATIONS		
		<u>1601.00.00.00</u>
PROGRAM REDUCTIONS		
		33V0000
REDUCE EXPENSES APPROPRIATION FROM		
ADMINISTRATIVE TRUST FUND WITHIN		
THE DIVISION OF ACCOUNTING AND		
AUDITING		
		33V0270

customer support for the new system. However, the project schedule has had numerous revisions and there is no assurance all the agencies will be deployed by the end of FY 17/18. Removal of these funds would reduce ability to provide training for agencies who have not transitioned as well as provide customer support to agencies utilizing the new PCard solution.

If these funds are reduced, the Division would need to prioritize training so the travel expenditures occur in FY 17/18 and therefore eliminate the need for travel funds in FY 18/19. However, as stated, all agencies may not be transitioned by the end of FY 17/18 and the removal of these funds would reduce ability to provide training and customer support in FY 18/19 for the new P-Card solution.

This issue would reduce \$8,000 in Expenses appropriation from the Administrative Trust Fund.

ELIMINATE SPECIAL PROJECTS TEAM		
WITHIN DIVISION OF ACCOUNTING AND		
AUDITING		
SALARY RATE		33V0320
SALARY RATE..... 219,643-		000000
=====		
SALARIES AND BENEFITS		010000
5.00-		
GENERAL REVENUE FUND	-STATE 314,792-	1000 1
=====		
TOTAL: ELIMINATE SPECIAL PROJECTS TEAM		33V0320
WITHIN DIVISION OF ACCOUNTING AND		
AUDITING		
TOTAL POSITIONS.....	5.00-	
TOTAL ISSUE.....	314,792-	
TOTAL SALARY RATE.....	219,643-	
=====		

AGENCY ISSUE NARRATIVE:
 SCH VIIIIB-2 NARR 18-19 NARRATIVE:
 PRIORITY #34

IT COMPONENT? NO

COL A93		
SCH VIIIIB-2		
REDUCTIONS		
POS	AMOUNT	CODES
FINANCIAL SERVICES		
		43000000
PGM: FIN ACCT/PUBLIC FUNDS		
		43200000
ST FINAN INFO/ST AGY ACCTG		
		43200100
GOV OPERATIONS/SUPPORT		
		16
GOVERNMENTAL OPERATIONS		
		1601.00.00.00
PROGRAM REDUCTIONS		
		33V0000
ELIMINATE SPECIAL PROJECTS TEAM		
WITHIN DIVISION OF ACCOUNTING AND		
AUDITING		
		33V0320

The Special Projects team is responsible for managing enterprise initiatives that affect the Division of Accounting and Auditing responsibilities. The support provided by this team helps the Division balance the workload needed to implement process improvements with the work loaded associated with daily operations. Currently the team is tasked with managing projects to help the state prepare for Florida PALM including standardizing the revenue object code across all agencies, standardizing and clean-up of the general ledger account balances for the State, implementing an Employee Id to better protect the confidentiality of SSN in FLAIR and facilitating a review of the division's current policies. This team is critical to the effectiveness and success of implementing process improvements for the State.

This team successfully lead the Florida Accountability Contract Tracking System implementation which expanded transparency in government spending and the Expenditure Statewide Object Code conversion project which standardized a critical accounting element throughout all state agencies.

If this team is eliminated, the department's goals of working with Florida PALM and other such critical projects would be severely delayed or not accomplished.

This issue would reduce 5 FTE and \$314,790 in General Revenue fund appropriations.

POSITION DETAIL OF SALARIES AND BENEFITS:

	FTE	BASE RATE	ADDITIVES	BENEFITS	SUBTOTAL	LAPSE %	LAPSED SALARIES AND BENEFITS
A93 - SCH VIIIIB-2 REDUCTIONS							
CHANGES TO CURRENTLY AUTHORIZED POSITIONS							
P101 PROPOSED CLASS CODE							
N0001 001	5.00-	219,643-		95,149-	314,792-	0.00	314,792-

COL A93 SCH VIIIIB-2 REDUCTIONS		CODES
POS	AMOUNT	
FINANCIAL SERVICES		43000000
PGM: FIN ACCT/PUBLIC FUNDS		43200000
ST FINAN INFO/ST AGY ACCTG		43200100
GOV OPERATIONS/SUPPORT		16
GOVERNMENTAL OPERATIONS		1601.00.00.00
PROGRAM REDUCTIONS		33V0000
ELIMINATE SPECIAL PROJECTS TEAM WITHIN DIVISION OF ACCOUNTING AND AUDITING		33V0320

POSITION DETAIL OF SALARIES AND BENEFITS:

FTE	BASE RATE	ADDITIVES	BENEFITS	SUBTOTAL	LAPSE %	LAPSED SALARIES AND BENEFITS
A93 - SCH VIIIIB-2 REDUCTIONS						
CHANGES TO CURRENTLY AUTHORIZED POSITIONS						
TOTALS FOR ISSUE BY FUND						
						314,792-
1000 GENERAL REVENUE FUND						314,792-
5.00-	219,643-		95,149-	314,792-		314,792-

ELIMINATE POSITION(S) IN SUPPORT OF PCARD PROGRAM WITHIN DIVISION OF ACCOUNTING AND AUDITING						33V0330
SALARY RATE						000000
SALARY RATE.....	45,353-					
=====						
SALARIES AND BENEFITS						010000
GENERAL REVENUE FUND -STATE	1.00-	64,605-				1000 1
=====						
TOTAL: ELIMINATE POSITION(S) IN SUPPORT OF PCARD PROGRAM WITHIN DIVISION OF ACCOUNTING AND AUDITING						33V0330
TOTAL POSITIONS.....	1.00-					
TOTAL ISSUE.....		64,605-				
TOTAL SALARY RATE.....	45,353-					
=====						

COL A93 SCH VIIIB-2 REDUCTIONS		CODES
POS	AMOUNT	
FINANCIAL SERVICES		43000000
PGM: FIN ACCT/PUBLIC FUNDS		43200000
ST FINAN INFO/ST AGY ACCTG		43200100
GOV OPERATIONS/SUPPORT		16
GOVERNMENTAL OPERATIONS		1601.00.00.00
PROGRAM REDUCTIONS		33V0000
ELIMINATE POSITION(S) IN SUPPORT OF PCARD PROGRAM WITHIN DIVISION OF ACCOUNTING AND AUDITING		33V0330

AGENCY ISSUE NARRATIVE:

SCH VIIIB-2 NARR 18-19 NARRATIVE: IT COMPONENT? NO
 PRIORITY #36

A new contract was issued in January 2016 with Bank of America (BOA) for the P-Card Program. The contract included work to replace the outdated P-Card module within FLAIR with a web-based solution provided by BOA. The Division of Accounting and Auditing hired an experienced project manager to lead the implementation efforts. The pilot agency is scheduled to go-live in March 2018. The project schedule has had numerous revisions and there is no assurance all the agencies will be deployed by the end of FY17/18. Eliminating the project manager would require the Division to absorb the project manager's activities that would be outstanding as of July 1, 2018.

This issue would eliminate 1 FTE and \$64,605 in General Revenue fund appropriations.

POSITION DETAIL OF SALARIES AND BENEFITS:

	FTE	BASE RATE	ADDITIVES	BENEFITS	SUBTOTAL	LAPSE %	LAPSED SALARIES AND BENEFITS
A93 - SCH VIIIB-2 REDUCTIONS							
CHANGES TO CURRENTLY AUTHORIZED POSITIONS							
P101 PROPOSED CLASS CODE							
N0001 001	1.00-	45,353-		19,252-	64,605-	0.00	64,605-
TOTALS FOR ISSUE BY FUND							
1000 GENERAL REVENUE FUND							64,605-
	1.00-	45,353-		19,252-	64,605-		64,605-

		COL A93	
		SCH VIIIIB-2	
		REDUCTIONS	
POS	AMOUNT		CODES

FINANCIAL SERVICES			
			43000000
PGM: FIN ACCT/PUBLIC FUNDS			43200000
ST FINAN INFO/ST AGY ACCTG			43200100
GOV OPERATIONS/SUPPORT			16
<u>GOVERNMENTAL OPERATIONS</u>			<u>1601.00.00.00</u>
TOTAL: GOVERNMENTAL OPERATIONS			<u>1601.00.00.00</u>
BY FUND TYPE			
GENERAL REVENUE FUND	1,147,283-		1000
TRUST FUNDS	445,536-		2000

TOTAL POSITIONS.....	24.00-		
TOTAL PROG COMP.....	1,592,819-		
TOTAL SALARY RATE.....	1,118,159-		
=====			
PROGRAM: FIRE MARSHAL			
			43300000
<u>COMPLIANCE & ENFORCEMENT</u>			43300200
PUBLIC PROTECTION			12
<u>LAW ENFORCEMENT</u>			<u>1202.00.00.00</u>
PROGRAM REDUCTIONS			
ELIMINATE STAFF FOR SCHEDULE VIIIIB			33V0000
SALARY RATE			33V3230
SALARY RATE.....	397,479-		000000
=====			
SALARIES AND BENEFITS			
			010000
INSURANCE REG TF	-STATE	13.00- 618,653-	2393 1
=====			
EXPENSES			
			040000
INSURANCE REG TF	-STATE	93,001-	2393 1
=====			
SPECIAL CATEGORIES			
TR/DMS/HR SVCS/STW CONTRCT			100000
			107040
INSURANCE REG TF	-STATE	4,407-	2393 1
=====			
TOTAL: ELIMINATE STAFF FOR SCHEDULE VIIIIB			33V3230
TOTAL POSITIONS.....	13.00-		
TOTAL ISSUE.....	716,061-		
TOTAL SALARY RATE.....	397,479-		
=====			

COL A93		
SCH VIIIB-2		
REDUCTIONS		
POS	AMOUNT	CODES

FINANCIAL SERVICES		43000000
PROGRAM: FIRE MARSHAL		43300000
<u>COMPLIANCE & ENFORCEMENT</u>		43300200
PUBLIC PROTECTION		12
<u>LAW ENFORCEMENT</u>		<u>1202.00.00.00</u>
PROGRAM REDUCTIONS		33V0000
ELIMINATE STAFF FOR SCHEDULE VIIIB		33V3230

AGENCY ISSUE NARRATIVE:

SCH VIIIB-2 NARR 18-19 NARRATIVE:
PRIORITY #15

IT COMPONENT? NO

Eliminate Five License and Registration Inspectors (191,692)

Possible Legislative Change in ss. 633.218(1)(a), F.S., associated with timeframes for inspections reviews.

This issue will eliminate the five License and Registration Inspectors in the Bureau of Compliance and Enforcement. This reduction would remove the lone License and Registration Inspector from the Northwest, Northeast, Central, Southwest, and Southeast Regions and leave them with no administrative or public education support. These five positions provide administrative support, fire safety inspections, and public education support to the Fire Inspections Section in the regional field offices. The removal of these inspector positions will require the remaining regional staff (Fire Protection Specialists and Supervisors) to assume the workload, therefore affecting their ability to perform fire safety inspections within the statutorily mandated timeframes.

Eliminate the Boiler Safety Program (426,962)

Possible Legislative Change in Chapter 554, F.S.

This issue will eliminate the Boiler Safety Program in the Bureau of Compliance and Enforcement and its eight positions, including a Chief Boiler Inspector, five Deputy Boiler Inspectors, and two Administrative Support staff. Deputy Boiler Inspectors conduct inspections of uninsured boilers in public locations to determine compliance with the Boiler Safety Act (Chapter 554, F.S.) and all adopted codes. Currently, there are over 14,000 registered boilers in the State. Boilers that are not covered by an insurance policy are mandated to be inspected by Deputy Boiler Inspectors employed by the State Fire Marshal. The Division has six positions performing these inspections, including five Deputy Boiler Inspectors and a Chief Boiler Inspector. Division inspectors conduct around 20 percent of the approximately 10,000 inspections conducted annually. Inspectors employed by insurance companies conduct the remaining inspections. Division Boiler Inspectors also conduct public education and outreach with local building departments, fire departments, and boiler owners throughout the State. Additionally, the section's administrative staff issues all certificates of compliance for all the boilers in the State. Eliminating the Boiler Safety Section would result in a significant delay in boiler owners obtaining inspections and certificates necessary for the operation of their businesses. The Boiler Safety Act mandates that all boilers installed in public assembly locations be inspected for compliance. This reduction would also extend the amount of overdue boiler certificates, increase travel time, and potentially decrease life safety.

COL A93 SCH VIIIIB-2 REDUCTIONS		CODES
POS	AMOUNT	
FINANCIAL SERVICES		43000000
PROGRAM: FIRE MARSHAL		43300000
<u>COMPLIANCE & ENFORCEMENT</u>		43300200
PUBLIC PROTECTION		12
<u>LAW ENFORCEMENT</u>		<u>1202.00.00.00</u>
PROGRAM REDUCTIONS		33V0000
ELIMINATE STAFF FOR SCHEDULE VIIIIB		33V3230

POSITION DETAIL OF SALARIES AND BENEFITS:

	FTE	BASE RATE	ADDITIVES	BENEFITS	SUBTOTAL	LAPSE %	LAPSED SALARIES AND BENEFITS
A93 - SCH VIIIIB-2 REDUCTIONS							
CHANGES TO CURRENTLY AUTHORIZED POSITIONS							
P101 PROPOSED CLASS CODE							
C0002 001	13.00-	398,185-		220,468-	618,653-	0.00	618,653-
TOTALS FOR ISSUE BY FUND							
2393 INSURANCE REG TF							618,653-
	13.00-	398,185-		220,468-	618,653-		618,653-
RA06 RATE ADJ - NO FTE - NO SALARY - NO BENEFITS							
C0006 001		706					
TOTAL SALARY RATE		706					

TOTAL: LAW ENFORCEMENT							<u>1202.00.00.00</u>
BY FUND TYPE							
TRUST FUNDS.....	13.00-	716,061-					2000
SALARY RATE.....		397,479-					
	=====						

COL A93			
SCH VIIIIB-2			
REDUCTIONS			
POS	AMOUNT		CODES

FINANCIAL SERVICES			43000000
PROGRAM: FIRE MARSHAL			43300000
<u>PROF TRAINING & STANDARDS</u>			43300400
PUBLIC PROTECTION			12
<u>LAW ENFORCEMENT</u>			<u>1202.00.00.00</u>
PROGRAM REDUCTIONS			33V0000
ELIMINATE STAFF FOR SCHEDULE VIIIIB			33V3230
SALARY RATE			000000
SALARY RATE.....	250,511-		
	=====		
SALARIES AND BENEFITS			010000
INSURANCE REG TF	-STATE 7.00- 385,354-		2393 1
	=====		
OTHER PERSONAL SERVICES			030000
INSURANCE REG TF	-STATE 11,634-		2393 1
	=====		
EXPENSES			040000
INSURANCE REG TF	-STATE 43,860-		2393 1
	=====		
SPECIAL CATEGORIES			100000
TR/DMS/HR SVCS/STW CONTRCT			107040
INSURANCE REG TF	-STATE 2,712-		2393 1
	=====		
TOTAL: ELIMINATE STAFF FOR SCHEDULE VIIIIB			33V3230
TOTAL POSITIONS.....	7.00-		
TOTAL ISSUE.....	443,560-		
TOTAL SALARY RATE.....	250,511-		
	=====		

AGENCY ISSUE NARRATIVE:
 SCH VIIIIB-2 NARR 18-19 NARRATIVE:
 PRIORITY #16

IT COMPONENT? NO

Reduces seven positions and Other Personal Services (OPS) instructors at the Fire College. Positions eliminated include two Instructors, an Instructor Supervisor, two Government Analysts, an Academic Instructor, and a Senior Clerk. The Division is currently appropriated 28 FTE.

Eliminate Instructor Personnel (240,270)

COL A93 SCH VIIIIB-2 REDUCTIONS		CODES
POS	AMOUNT	
FINANCIAL SERVICES		43000000
PROGRAM: FIRE MARSHAL		43300000
<u>PROF TRAINING & STANDARDS</u>		43300400
PUBLIC PROTECTION		12
<u>LAW ENFORCEMENT</u>		<u>1202.00.00.00</u>
PROGRAM REDUCTIONS		33V0000
ELIMINATE STAFF FOR SCHEDULE VIIIIB		33V3230

This issue eliminates two Fire College Instructor positions, an Instructor Supervisor position, and an Academic Instructor position that are responsible for delivering training and education as required by Chapter 69A-37.065 F.A.C. This includes two of the three Fire College Instructor positions, the lone Instructor Supervisor position, and the lone Academic Instructor position. This reduction would essentially terminate the Training Section at the Fire College, and all training would then be provided by a third party. The Fire College is statutorily tasked with providing professional and volunteer firefighters with professional instruction and training in subjects including firefighting, fire prevention, hazardous materials, urban search and rescue, and emergency operations, at a minimum cost to them and their employers. Instructors are also responsible for developing and distributing lesson plans and a curriculum that is used by approved educational providers and certified instructors in the State.

Eliminate two Government Analysts (108,561)

This issue eliminates two Government Analyst positions at the Fire College, one who assists the Instructor Supervisor and reviews the credentials of instructors at the Fire College and one who is the registrar of the college. The registrar assists in the registration process of students and is over the facility use schedule, including coordination of military personnel conducting training at the campus. These reductions would have a negative impact on the level of statewide customer service that could be afforded to providers and students.

Eliminate a Senior Clerk (36,523)

This issue eliminates a Senior Clerk position at the Fire College. This position assists with the walk-in registration process for prospective students as well as receives payments for classes offered at the college. Eliminating this position would have a negative impact on the level of customer service provided.

POSITION DETAIL OF SALARIES AND BENEFITS:

FTE	BASE RATE	ADDITIVES	BENEFITS	SUBTOTAL	LAPSE %	LAPSED SALARIES AND BENEFITS
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A93 - SCH VIIIIB-2 REDUCTIONS

CHANGES TO CURRENTLY AUTHORIZED POSITIONS

P101 PROPOSED CLASS CODE						
C0003 001	7.00-	259,603-	125,751-	385,354-	0.00	385,354-

COL A93 SCH VIIIIB-2 REDUCTIONS		CODES
POS	AMOUNT	
FINANCIAL SERVICES		43000000
PROGRAM: FIRE MARSHAL		43300000
<u>PROF TRAINING & STANDARDS</u>		43300400
PUBLIC PROTECTION		12
<u>LAW ENFORCEMENT</u>		<u>1202.00.00.00</u>
PROGRAM REDUCTIONS		33V0000
ELIMINATE STAFF FOR SCHEDULE VIIIIB		33V3230

POSITION DETAIL OF SALARIES AND BENEFITS:

	FTE	BASE RATE	ADDITIVES	BENEFITS	SUBTOTAL	LAPSE %	LAPSED SALARIES AND BENEFITS
A93 - SCH VIIIIB-2 REDUCTIONS							
CHANGES TO CURRENTLY AUTHORIZED POSITIONS							
TOTALS FOR ISSUE BY FUND							
2393 INSURANCE REG TF							385,354-
	7.00-	259,603-		125,751-	385,354-		385,354-
RA06 RATE ADJ - NO FTE - NO SALARY - NO BENEFITS							
C0007 001		9,092					
TOTAL SALARY RATE		9,092					

TOTAL: LAW ENFORCEMENT							<u>1202.00.00.00</u>
BY FUND TYPE							
TRUST FUNDS.....	7.00-	443,560-					2000
SALARY RATE.....	250,511-						

=====

COL A93			
SCH VIIIIB-2			
REDUCTIONS			
POS	AMOUNT		CODES
FINANCIAL SERVICES			
			43000000
PROGRAM: FIRE MARSHAL			
			43300000
<u>FIRE MRSHL ADMN & SUP SRVS</u>			
			43300500
PUBLIC PROTECTION			
			12
<u>LAW ENFORCEMENT</u>			
			<u>1202.00.00.00</u>
PROGRAM REDUCTIONS			
			33V0000
ELIMINATE FLORIDA FIRE INCIDENT			
REPORTING SECTION (FFIRS)			
SALARY RATE			
			33V0120
			000000
	SALARY RATE.....	97,340-	
		=====	
SALARIES AND BENEFITS			
			010000
		3.00-	
	INSURANCE REG TF	-STATE 149,165-	2393 1
		=====	
EXPENSES			
			040000
	INSURANCE REG TF	-STATE 15,952-	2393 1
		=====	
SPECIAL CATEGORIES			
			100000
TR/DMS/HR SVCS/STW CONTRCT			
			107040
	INSURANCE REG TF	-STATE 1,017-	2393 1
		=====	
TOTAL: ELIMINATE FLORIDA FIRE INCIDENT			
			33V0120
REPORTING SECTION (FFIRS)			
	TOTAL POSITIONS.....	3.00-	
	TOTAL ISSUE.....	166,134-	
	TOTAL SALARY RATE.....	97,340-	
		=====	

AGENCY ISSUE NARRATIVE:
 SCH VIIIIB-2 NARR 18-19 NARRATIVE: IT COMPONENT? NO
 PRIORITY #17

Legislative Change Required: Section 633.136, F.S., must be amended or deleted.

This issue eliminates the Florida Fire Incident Reporting Section (FFIRS) within the Division of State Fire Marshal, including its three positions it currently employs, a Senior Management Analyst Supervisor-SES, a Statistician II, and a Records Specialist. These are the only remaining positions within the FFIRS that was established in 2005 by the Legislature to establish the Fire and Emergency Incident Information Reporting Program (FEIIRP) (s. 633.136, F.S.). These positions maintain computerized records of fires and other fire department incidents and collect, input, correlate, and format the Division's Annual Florida Fire Report distributed nationwide. The FEIIRP establishes and maintains an

COL A93		
SCH VIIIIB-2		
REDUCTIONS		
POS	AMOUNT	CODES
FINANCIAL SERVICES		
		43000000
PROGRAM: FIRE MARSHAL		
		43300000
FIRE MRSHL ADMN & SUP SRVS		
		43300500
PUBLIC PROTECTION		
		12
LAW ENFORCEMENT		
		1202.00.00.00
PROGRAM REDUCTIONS		
		33V0000
ELIMINATE FLORIDA FIRE INCIDENT		
REPORTING SECTION (FFIRS)		
		33V0120

electronic communication system capable of transmitting fire and emergency incident information to and between fire protection agencies. The division is required to initiate a reporting system that is responsible for preparing and disseminating annual reports to the Governor, the Senate, the House of Representatives, fire protection agencies, and, upon request, the public.

FFIRS reports over 2.6 million individual fire and Emergency Medical Service (EMS) incidents annually. Fire protection agencies use this information to assist with justification of budget requests, to generate statistical reports, to assess department activity on a national scale, to summarize annual activities, to answer questions about the nature and causes of injuries, deaths, and property loss resulting from fires, to determine needed improvements regarding training and response times, to predict fire-related problems within communities, and to measure the success of fire prevention and safety programs.

If this section and positions are eliminated, it will inhibit the Division from being able to provide the Annual Florida Fire Report and will require changes or the deletion of s. 633.136, F.S. This issue represents a 100 percent reduction of the FFIRS Program.

POSITION DETAIL OF SALARIES AND BENEFITS:

	FTE	BASE RATE	ADDITIVES	BENEFITS	SUBTOTAL	LAPSE %	LAPSED SALARIES AND BENEFITS
A93 - SCH VIIIIB-2 REDUCTIONS							
CHANGES TO CURRENTLY AUTHORIZED POSITIONS							
P101 PROPOSED CLASS CODE							
C0004 001	3.00-	97,426-		51,739-	149,165-	0.00	149,165-
TOTALS FOR ISSUE BY FUND							
2393 INSURANCE REG TF							149,165-
	3.00-	97,426-		51,739-	149,165-		149,165-

COL A93 SCH VIIIIB-2 REDUCTIONS		CODES
POS	AMOUNT	
FINANCIAL SERVICES		43000000
PROGRAM: FIRE MARSHAL		43300000
<u>FIRE MRSHL ADMN & SUP SRVS</u>		43300500
PUBLIC PROTECTION		12
<u>LAW ENFORCEMENT</u>		<u>1202.00.00.00</u>
PROGRAM REDUCTIONS		33V0000
ELIMINATE FLORIDA FIRE INCIDENT REPORTING SECTION (FFIRS)		33V0120

POSITION DETAIL OF SALARIES AND BENEFITS:

	FTE	BASE RATE	ADDITIVES	BENEFITS	SUBTOTAL	LAPSE %	LAPSED SALARIES AND BENEFITS
A93 - SCH VIIIIB-2 REDUCTIONS							
CHANGES TO CURRENTLY AUTHORIZED POSITIONS							
RA06 RATE ADJ - NO FTE - NO SALARY - NO BENEFITS							
C0008 001			86				
TOTAL SALARY RATE			86				

TOTAL: LAW ENFORCEMENT							<u>1202.00.00.00</u>
BY FUND TYPE							
TRUST FUNDS.....	3.00-		166,134-				2000
SALARY RATE.....		97,340-					

=====

COL A93			
SCH VIIIIB-2			
REDUCTIONS			
POS	AMOUNT		CODES

FINANCIAL SERVICES			43000000
PGM: ST PROP/CASUALTY CLMS			43400000
<u>ST SELF-INSURED CLAIMS ADJ</u>			43400100
GOV OPERATIONS/SUPPORT			16
<u>GOVERNMENTAL OPERATIONS</u>			<u>1601.00.00.00</u>
PROGRAM REDUCTIONS			33V0000
OPERATING REDUCTIONS FOR SCHEDULE			
VIIIIB			33V3340
EXPENSES			040000
STATE RISK MGMT TF	-STATE 3,371,970-		2078 1
	=====		
SPECIAL CATEGORIES			100000
EXCESS INSUR. & CLAIM SER			101221
STATE RISK MGMT TF	-STATE 7,622,762-		2078 1
	=====		
TOTAL: OPERATING REDUCTIONS FOR SCHEDULE			33V3340
VIIIIB			
TOTAL ISSUE.....	10,994,732-		
	=====		

AGENCY ISSUE NARRATIVE:

SCH VIIIIB-2 NARR 18-19 NARRATIVE:
 PRIORITY #32

IT COMPONENT? NO

Legislative Change May Be Required: Subsection 216.222(2), F.S., might have to be amended to remove the annual cap of \$38 million on transfers to the State Risk Management Trust Fund for uninsured losses to state property.

Reduce Excess Insurance and Claim Services (\$7,622,762)

This issue reduces the Excess Insurance and Claim Services Category in the Division of Risk Management by approximately 70 percent, limiting the purchasing power for excess property insurance to \$3,242,238. The current category appropriation is \$10,865,000. Excess property insurance helps protect state-owned buildings. Should a catastrophic event with property damage occur, the amount of damage covered by insurance will be substantially less if this category is reduced. The Division's current excess property insurance coverage was purchased in February 2017. In Fiscal Year 2016-17, the Division spent a total of \$10,856,108 in this category. The excess insurance purchased provides \$92.5 million in coverage for named windstorms and floods and up to \$225 million in coverage for all other named perils after the deductible provisions are met. Reducing the budget authority in this category would result in a greatly reduced ability, or inability, to purchase excess insurance for named windstorm and flood coverage; the State would have to pay more if a catastrophic event causes property damage.

Eliminate the annual Division of Workers' Compensation Assessments Payment (3,371,970)

This issue eliminates the payment of the annual Division of Workers' Compensation (DWC) assessments. These quarterly

COL A93		
SCH VIIIB-2		
REDUCTIONS		
POS	AMOUNT	CODES
FINANCIAL SERVICES		
		43000000
PGM: ST PROP/CASUALTY CLMS		43400000
ST SELF-INSURED CLAIMS ADJ		43400100
GOV OPERATIONS/SUPPORT		16
GOVERNMENTAL OPERATIONS		<u>1601.00.00.00</u>
PROGRAM REDUCTIONS		
OPERATING REDUCTIONS FOR SCHEDULE		
VIIIB		
		33V0000
		33V3340

payments include assessments for all Florida workers' compensation carriers and self-insurers for the Workers' Compensation Administration Trust Fund and the Special Disability Trust Fund (SDTF). The SDTF was created in 1955 to encourage employers to hire and reemploy individuals with pre-existing permanent physical disabilities. For Fiscal Year 2016-17, the annual DWC assessment was \$3,371,970.

TOTAL: GOVERNMENTAL OPERATIONS		<u>1601.00.00.00</u>
BY FUND TYPE		
TRUST FUNDS.....	10,994,732-	2000
	=====	

PGM: LICNSNG/CNSMER PROTEC		43500000
INSURANCE CO REHAB/LIQDATN		43500100
PUBLIC PROTECTION		12
REGULATION AND LICENSING		<u>1204.00.00.00</u>
PROGRAM REDUCTIONS		
REDUCE SALARIES AND BENEFITS		
BUDGET AUTHORITY IN THE DIVISION		
OF REHABILITATION AND LIQUIDATION		
SALARIES AND BENEFITS		
		33V0480
		010000
INSURANCE REG TF	-STATE	129,256-
		2393 1
		=====

AGENCY ISSUE NARRATIVE:
 SCH VIIIB-2 NARR 18-19 NARRATIVE:
 PRIORITY #13

IT COMPONENT? NO

The primary mission of the Division of Rehabilitation and Liquidation is to maximize the value of the assets of insurance companies placed in receivership and to distribute the assets based upon statutory requirements. The Division, housed in the Department of Financial Services, has a minimal state budget that is used to pay administrative costs to reduce the burden on the assets of the insurance companies. The Division currently uses the state budget to maintain its information technology structure, pay for contracted services, and necessary expenses that support receivership activities. Over the last five years, new receiverships have greatly decreased and the percentage of estates closed has increased exponentially. The result of fewer companies in receivership is less available funding to pay administrative costs and simultaneously ensure that those impacted by companies in receivership (i.e. claimants) will be reimbursed to the highest degree possible.

COL A93		
SCH VIIIIB-2		
REDUCTIONS		
POS	AMOUNT	CODES
FINANCIAL SERVICES		43000000
PGM: LICNSNG/CNSMER PROTEC		43500000
<u>INSURANCE CO REHAB/LIQDATN</u>		43500100
PUBLIC PROTECTION		12
<u>REGULATION AND LICENSING</u>		<u>1204.00.00.00</u>
PROGRAM REDUCTIONS		33V0000
REDUCE SALARIES AND BENEFITS		
BUDGET AUTHORITY IN THE DIVISION		
OF REHABILITATION AND LIQUIDATION		33V0480

A reduction in Salaries and Benefits would negatively impact the ability to maximize payments to claimants of companies in receivership given the circumstances described above. Fewer companies in receivership requires the remaining companies to pay much higher portion of the administrative costs of the Division. In past years, excess salary budget has been transferred to other operating categories such as Contracted Services, Expense and OCO to offset the administrative costs for companies in receivership. Although the Division is reducing its workforce as companies are closed in an effort to mitigate some of the administrative costs, a reduction in state dollars, along with the reduction of companies in receivership, increases administrative costs (IT services, contracts, expense, OCO) charged to the remaining companies which directly impacts the amount available to be provided to claimants.

This issue reduces \$129,256 in appropriation from the Insurance Regulatory Trust Fund.

POSITION DETAIL OF SALARIES AND BENEFITS:

FTE	BASE RATE	ADDITIVES	BENEFITS	SUBTOTAL	LAPSE %	LAPSED SALARIES AND BENEFITS
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A93 - SCH VIIIIB-2 REDUCTIONS

CHANGES TO CURRENTLY AUTHORIZED POSITIONS

OTHER SALARY AMOUNT

2393 INSURANCE REG TF

129,256-

 129,256-
 =====

COL A93		
SCH VIIIIB-2		
REDUCTIONS		
POS	AMOUNT	CODES

FINANCIAL SERVICES		43000000
PGM: LICNSNG/CNSMER PROTEC		43500000
LICENSURE, SALES/APPT/OVST		43500200
PUBLIC PROTECTION		12
REGULATION AND LICENSING		1204.00.00.00
PROGRAM REDUCTIONS		33V0000
REDUCE POSITION(S) - LICENSING AND		
REGULATION OF BAIL BOND AGENTS AND		
AGENCIES		33V6120
SALARY RATE		000000
SALARY RATE.....	281,121-	
	=====	
SALARIES AND BENEFITS		010000
	8.00-	
INSURANCE REG TF	-STATE 422,412-	2393 1
	=====	
TOTAL: REDUCE POSITION(S) - LICENSING AND		33V6120
REGULATION OF BAIL BOND AGENTS AND		
AGENCIES		
TOTAL POSITIONS.....	8.00-	
TOTAL ISSUE.....	422,412-	
TOTAL SALARY RATE.....	281,121-	
	=====	

AGENCY ISSUE NARRATIVE:
 SCH VIIIIB-2 NARR 18-19 NARRATIVE:
 PRIORITY #4

IT COMPONENT? NO

LEGISLATIVE CHANGE REQUIRED: Sections 624.501, 624.523, 626.022, 626.311, 648.27, 648.279, 648.285, 648.30, 648.31, 648.34, 648.35, 648.355, 648.36, 648.38, 648.381, 648.382, 648.383, 648.384, 648.385, 648.386, 648.387, 648.388, 648.39, 648.40, 648.41, 648.42, 648.421, 648.44, 648.441, 648.442, 648.4425, 648.45, 648.46, 648.48, 648.49, 648.50, 648.51, 648.52, 648.525, 648.53, 648.55, 648.57, 648.571, 648.58, 903.14, 903.26, 903.27, and 903.36 F.S. will need to be repealed or amended.

The elimination of eight positions and the regulation of Bail Bond agents and agencies will transfer the responsibility of oversight of the actions of these individuals to the surety companies they are contracted with, the local sheriff's offices who allow them to post bail, and to the clerks of court who handle the funds related to the bail bond process.

The cut of this program area is estimated to reduce annual revenue from licensing fees by \$158,640, administrative fines by \$40,566, annual administrative actions by 22, and will have no impact on recoveries on behalf of consumers.

COL A93 SCH VIIIIB-2 REDUCTIONS		CODES
POS	AMOUNT	
FINANCIAL SERVICES		43000000
PGM: LICNSNG/CNSMER PROTEC		43500000
LICENSURE, SALES/APPT/OVST		43500200
PUBLIC PROTECTION		12
REGULATION AND LICENSING		1204.00.00.00
PROGRAM REDUCTIONS		33V0000
REDUCE POSITION(S) - LICENSING AND REGULATION OF BAIL BOND AGENTS AND AGENCIES		33V6120

POSITION DETAIL OF SALARIES AND BENEFITS:

	FTE	BASE RATE	ADDITIVES	BENEFITS	SUBTOTAL	LAPSE %	LAPSED SALARIES AND BENEFITS
A93 - SCH VIIIIB-2 REDUCTIONS							
CHANGES TO CURRENTLY AUTHORIZED POSITIONS							
P101 PROPOSED CLASS CODE							
C0001 001	8.00-	281,121-		141,291-	422,412-	0.00	422,412-
TOTALS FOR ISSUE BY FUND							
2393 INSURANCE REG TF							422,412-
	8.00-	281,121-		141,291-	422,412-		422,412-

REDUCE POSITION(S) IN INSURANCE							
AGENT PRE-LICENSING EDUCATION							
SECTION							33V6130
SALARY RATE							000000
SALARY RATE.....	36,421-						
SALARIES AND BENEFITS							010000
INSURANCE REG TF	1.00-						
-STATE		54,282-					2393 1
TOTAL: REDUCE POSITION(S) IN INSURANCE							33V6130
AGENT PRE-LICENSING EDUCATION							
SECTION							
TOTAL POSITIONS.....	1.00-						
TOTAL ISSUE.....		54,282-					
TOTAL SALARY RATE.....	36,421-						

COL A93		
SCH VIIIB-2		
REDUCTIONS		
POS	AMOUNT	CODES
FINANCIAL SERVICES		43000000
PGM: LICNSNG/CNSMER PROTEC		43500000
LICENSURE, SALES/APPT/OVST		43500200
PUBLIC PROTECTION		12
REGULATION AND LICENSING		1204.00.00.00
PROGRAM REDUCTIONS		33V0000
REDUCE POSITION(S) IN INSURANCE		
AGENT PRE-LICENSING EDUCATION		
SECTION		33V6130

AGENCY ISSUE NARRATIVE:

SCH VIIIB-2 NARR 18-19 NARRATIVE: IT COMPONENT? NO
 PRIORITY #2

LEGISLATIVE CHANGE REQUIRED: Sections 626.171, 626.221, 626.231, 626.2817, 626.292, 626.681, 626.731, 626.7351, 626.785, 626.7851, 626.831, 626.8311, 626.8417, 626.865, 626.927, 648.385, and 648.386, F.S. will need to be repealed or amended.

This issue eliminates one FTE and the requirement of pre-licensing education courses for applicants prior to taking the state examination. Elimination of pre-licensing education will allow licensees to qualify by passing the required state examination without first taking pre-licensing education courses. Passage of the examination is adequate to verify the applicants are qualified and competent to transact insurance. The FTE will no longer approve or disapprove courses applicants may wish to take prior to taking the state examination.

In FY 2016-2017, revenue generated by pre-licensing study manual fees and royalties was \$71,804. Manuals would continue to be sold; however, the numbers would likely decrease because there would no longer be a course provider requiring the use of the current manual.

POSITION DETAIL OF SALARIES AND BENEFITS:

	FTE	BASE RATE	ADDITIVES	BENEFITS	SUBTOTAL	LAPSE %	LAPSED SALARIES AND BENEFITS
A93 - SCH VIIIB-2 REDUCTIONS							
CHANGES TO CURRENTLY AUTHORIZED POSITIONS							
P101 PROPOSED CLASS CODE							
C1001 001	1.00-	36,421-		17,861-	54,282-	0.00	54,282-

COL A93 SCH VIIIIB-2 REDUCTIONS		CODES
POS	AMOUNT	
FINANCIAL SERVICES		43000000
PGM: LICNSNG/CNSMER PROTEC		43500000
LICENSURE, SALES/APPT/OVST		43500200
PUBLIC PROTECTION		12
REGULATION AND LICENSING		1204.00.00.00
PROGRAM REDUCTIONS		33V0000
REDUCE POSITION(S) IN INSURANCE		
AGENT PRE-LICENSING EDUCATION		
SECTION		33V6130

POSITION DETAIL OF SALARIES AND BENEFITS:

FTE	BASE RATE	ADDITIVES	BENEFITS	SUBTOTAL	LAPSE %	LAPSED SALARIES AND BENEFITS
A93 - SCH VIIIIB-2 REDUCTIONS						
CHANGES TO CURRENTLY AUTHORIZED POSITIONS						
TOTALS FOR ISSUE BY FUND						
						54,282-
2393	INSURANCE	REG	TF			54,282-
1.00-	36,421-		17,861-	54,282-		54,282-

REDUCE POSITION(S) - LICENSING AND REGULATION OF TITLE INSURANCE AGENTS AND AGENCIES						33V6140
SALARY RATE						000000
SALARY RATE.....	223,960-					
SALARIES AND BENEFITS						010000
INSURANCE REG TF	-STATE	6.00-	331,971-			2393 1
TOTAL: REDUCE POSITION(S) - LICENSING AND REGULATION OF TITLE INSURANCE AGENTS AND AGENCIES						33V6140
TOTAL POSITIONS.....	6.00-					
TOTAL ISSUE.....			331,971-			
TOTAL SALARY RATE.....	223,960-					

COL A93		
SCH VIIIIB-2		
REDUCTIONS		
POS	AMOUNT	CODES
FINANCIAL SERVICES		43000000
PGM: LICNSNG/CNSMER PROTEC		43500000
LICENSURE, SALES/APPT/OVST		43500200
PUBLIC PROTECTION		12
REGULATION AND LICENSING		1204.00.00.00
PROGRAM REDUCTIONS		33V0000
REDUCE POSITION(S) - LICENSING AND		
REGULATION OF TITLE INSURANCE		
AGENTS AND AGENCIES		33V6140

AGENCY ISSUE NARRATIVE:

SCH VIIIIB-2 NARR 18-19 NARRATIVE: IT COMPONENT? NO
 PRIORITY #5

LEGISLATIVE CHANGE REQUIRED: Sections 624.509, 626.0428, 626.241, 626.2815, 626.331, 626.611, 626.841-8473, 627.7711, 627.777, 627.7773, 627.7845, 627.792, and 627.797, F.S. will need to be repealed or amended.

The elimination of six positions and the regulation of title insurance agents and agencies will transfer the responsibility of oversight of the actions of these individuals to the title insurance companies they are contracted with.

The cut of this program area is estimated to reduce annual revenue from licensing fees by \$302,550, administrative fines by \$107,750, annual administrative actions by 99, and will have no impact on recoveries on behalf of consumers. In addition, \$354,800 in revenue from the title agency surcharge will be lost by the Department of Financial Services and an additional \$354,800 will be lost by the Office of Insurance Regulation.

POSITION DETAIL OF SALARIES AND BENEFITS:

	FTE	BASE RATE	ADDITIVES	BENEFITS	SUBTOTAL	LAPSE %	LAPSED SALARIES AND BENEFITS
A93 - SCH VIIIIB-2 REDUCTIONS							
CHANGES TO CURRENTLY AUTHORIZED POSITIONS							
P101 PROPOSED CLASS CODE							
C0001 001	6.00-	223,960-		108,011-	331,971-	0.00	331,971-

COL A93		
SCH VIIIIB-2		
REDUCTIONS		
POS	AMOUNT	CODES
FINANCIAL SERVICES		
		43000000
PGM: LICNSNG/CNSMER PROTEC		
		43500000
<u>LICENSURE, SALES/APPT/OVST</u>		
		43500200
PUBLIC PROTECTION		
		12
<u>REGULATION AND LICENSING</u>		
		<u>1204.00.00.00</u>
PROGRAM REDUCTIONS		
		33V0000
REDUCE POSITION(S) - LICENSING AND		
REGULATION OF TITLE INSURANCE		
AGENTS AND AGENCIES		
		33V6140

POSITION DETAIL OF SALARIES AND BENEFITS:

	FTE	BASE RATE	ADDITIVES	BENEFITS	SUBTOTAL	LAPSE %	LAPSED SALARIES AND BENEFITS
A93 - SCH VIIIIB-2 REDUCTIONS							
CHANGES TO CURRENTLY AUTHORIZED POSITIONS							
TOTALS FOR ISSUE BY FUND							
2393 INSURANCE REG TF							331,971-
	6.00-	223,960-		108,011-	331,971-		331,971-
	=====	=====	=====	=====	=====		=====

ELIMINATE ADMINISTRATIVE SUPPORT IN		
THE BUREAU OF INVESTIGATIONS		33V6150
SALARY RATE		000000
SALARY RATE.....	159,747-	
	=====	
SALARIES AND BENEFITS		010000
INSURANCE REG TF	-STATE 6.00- 257,760-	2393 1
	=====	
TOTAL: ELIMINATE ADMINISTRATIVE SUPPORT IN		33V6150
THE BUREAU OF INVESTIGATIONS		
TOTAL POSITIONS.....	6.00-	
TOTAL ISSUE.....	257,760-	
TOTAL SALARY RATE.....	159,747-	
	=====	

 COL A93
 SCH VIIIIB-2
 REDUCTIONS
 POS AMOUNT CODES

FINANCIAL SERVICES 43000000
 PGM: LICNSNG/CNSMER PROTEC 43500000
LICENSURE, SALES/APPT/OVST 43500200
 PUBLIC PROTECTION 12
REGULATION AND LICENSING 1204.00.00.00
 PROGRAM REDUCTIONS 33V0000
 ELIMINATE ADMINISTRATIVE SUPPORT IN
 THE BUREAU OF INVESTIGATIONS 33V6150

AGENCY ISSUE NARRATIVE:
 SCH VIIIIB-2 NARR 18-19 NARRATIVE: IT COMPONENT? NO
 PRIORITY #3

No Legislative Change.
 This issue eliminates six full time administrative support staff. Elimination of investigative support staff could slow investigative production. Since the division must investigate all complaints the department deems justified, eliminating administrative assistants will place the burden of additional workload on the remaining investigative staff and could reduce the number of cases investigators are able to handle.

The cut of investigative positions is estimated to reduce annual revenue from administrative fines by \$24,376, annual administrative actions by 18, and recoveries on behalf of consumers by \$14,121.

POSITION DETAIL OF SALARIES AND BENEFITS:

	FTE	BASE RATE	ADDITIVES	BENEFITS	SUBTOTAL	LAPSE %	LAPSED SALARIES AND BENEFITS
	-----	-----	-----	-----	-----	-----	-----
A93 - SCH VIIIIB-2 REDUCTIONS							
CHANGES TO CURRENTLY AUTHORIZED POSITIONS							
P101 PROPOSED CLASS CODE							
C1001 001	6.00-	159,747-		98,013-	257,760-	0.00	257,760-
	-----	-----	-----	-----	-----	-----	-----
TOTALS FOR ISSUE BY FUND							
2393 INSURANCE REG TF							257,760-
	-----	-----	-----	-----	-----	-----	-----
	6.00-	159,747-		98,013-	257,760-		257,760-
	=====	=====	=====	=====	=====	=====	=====

COL A93		
SCH VIIIIB-2		
REDUCTIONS		
POS	AMOUNT	CODES

FINANCIAL SERVICES		43000000
PGM: LICNSNG/CNSMER PROTEC		43500000
LICENSURE, SALES/APPT/OVST		43500200
PUBLIC PROTECTION		12
REGULATION AND LICENSING		<u>1204.00.00.00</u>
PROGRAM REDUCTIONS		33V0000
ELIMINATE CONTINUING EDUCATION		
REQUIREMENTS FOR LICENSEES		33V6180
SALARY RATE		000000
SALARY RATE.....	223,109-	
	=====	
SALARIES AND BENEFITS		010000
	6.00-	
INSURANCE REG TF	-STATE 330,987-	2393 1
	=====	
TOTAL: ELIMINATE CONTINUING EDUCATION		33V6180
REQUIREMENTS FOR LICENSEES		
TOTAL POSITIONS.....	6.00-	
TOTAL ISSUE.....	330,987-	
TOTAL SALARY RATE.....	223,109-	
	=====	

AGENCY ISSUE NARRATIVE:

SCH VIIIIB-2 NARR 18-19 NARRATIVE:
 PRIORITY #20

IT COMPONENT? NO

LAW CHANGE REQUIRED: Sections 626.2815, 626.2816, 626.2817, 626.681, 626.869, 648.385, and 648.386, F.S., will need to be repealed or amended.

In 1998, legislation was passed requiring insurance licensees, who were required to pass an examination for licensure, to complete continuing education courses in order to continue their licensure. If appointing entities feel continuing education is essential to having knowledgeable agents, the appointing entities could still require licensees to take continuing education; however, Florida law would not require it. Eliminating continuing education requirements would mean the department would no longer be required to approve or disapprove continuing education providers, instructors, or courses. Licensees would no longer be required to meet continuing education requirements in order to maintain their licensure with the department unless required by the appointing entity(s). The department would not be required to maintain records of the continuing education hours completed by licensees or discipline/fine individuals who failed to comply. This change would likely result in loss of reciprocity with most states for our licensees.

In FY 2016-2017, revenue generated by course filing fees and fines from noncompliance was \$562,300.00. All of this revenue would be lost.

COL A93 SCH VIIIIB-2 REDUCTIONS		CODES
POS	AMOUNT	
FINANCIAL SERVICES		43000000
PGM: LICNSNG/CNSMER PROTEC		43500000
<u>LICENSURE, SALES/APPT/OVST</u>		43500200
PUBLIC PROTECTION		12
<u>REGULATION AND LICENSING</u>		<u>1204.00.00.00</u>
PROGRAM REDUCTIONS		33V0000
ELIMINATE CONTINUING EDUCATION REQUIREMENTS FOR LICENSEES		33V6180

POSITION DETAIL OF SALARIES AND BENEFITS:

	FTE	BASE RATE	ADDITIVES	BENEFITS	SUBTOTAL	LAPSE %	LAPSED SALARIES AND BENEFITS
A93 - SCH VIIIIB-2 REDUCTIONS							
CHANGES TO CURRENTLY AUTHORIZED POSITIONS							
P101 PROPOSED CLASS CODE							
C1001 001	6.00-	223,109-		107,878-	330,987-	0.00	330,987-
TOTALS FOR ISSUE BY FUND							
2393 INSURANCE REG TF							330,987-
	6.00-	223,109-		107,878-	330,987-		330,987-

TOTAL: REGULATION AND LICENSING							<u>1204.00.00.00</u>
BY FUND TYPE							
TRUST FUNDS.....	27.00-						2000
SALARY RATE.....		1,397,412-					
		924,358-					
	=====						

COL A93			
SCH VIIIIB-2			
REDUCTIONS			
POS	AMOUNT		CODES

FINANCIAL SERVICES			43000000
PGM: LICNSNG/CNSMER PROTEC			43500000
CONSUMER ASSISTANCE			43500400
PUBLIC PROTECTION			12
CONSUMER SAFETY/PROTECTION			1205.00.00.00
PROGRAM REDUCTIONS			33V0000
ELIMINATE REGIONAL MANAGERS			33V4010
SALARY RATE			000000
SALARY RATE.....	215,990-		
	=====		
SALARIES AND BENEFITS			010000
INSURANCE REG TF	6.00-		
-STATE	322,759-		2393 1
	=====		
TOTAL: ELIMINATE REGIONAL MANAGERS			33V4010
TOTAL POSITIONS.....	6.00-		
TOTAL ISSUE.....	322,759-		
TOTAL SALARY RATE.....	215,990-		
	=====		

AGENCY ISSUE NARRATIVE:
 SCH VIIIIB-2 NARR 18-19 NARRATIVE: IT COMPONENT? NO
 PRIORITY #22

No Legislation Required.

The Regional Managers are in Consumer Services positions, but are administratively organized under the Chief Financial Officer's (CFO) and are located in regional areas throughout the state. The Regional Managers represent the CFO and the department in their designated regions. Primary duties include conducting advance work for the CFO prior to a visit to their region, promoting consumer education and outreach, establishing contacts and professional relationships with entities that align with the CFO's priorities and hosting and attending public events and forums that promote the Department's programs and services.

The elimination of the Regional Managers will have a significant impact on the CFO's Office and on the Division of Consumer Services. They are designated representatives of the CFO and the responsibilities they perform are critical to the CFO and they cannot be adequately performed by other staff. The elimination of the Regional Managers will result in the reduction five employees and one supervisor.

There is no revenue impact associated with the proposed reduction.

COL A93 SCH VIIIIB-2 REDUCTIONS		CODES
POS	AMOUNT	
FINANCIAL SERVICES		43000000
PGM: LICNSNG/CNSMER PROTEC		43500000
<u>CONSUMER ASSISTANCE</u>		43500400
PUBLIC PROTECTION		12
<u>CONSUMER SAFETY/PROTECTION</u>		1205.00.00.00
PROGRAM REDUCTIONS		33V0000
ELIMINATE REGIONAL MANAGERS		33V4010

POSITION DETAIL OF SALARIES AND BENEFITS:

	FTE	BASE RATE	ADDITIVES	BENEFITS	SUBTOTAL	LAPSE %	LAPSED SALARIES AND BENEFITS
A93 - SCH VIIIIB-2 REDUCTIONS							
CHANGES TO CURRENTLY AUTHORIZED POSITIONS							
P101 PROPOSED CLASS CODE							
C1001 001	6.00-	215,990-		106,769-	322,759-	0.00	322,759-
TOTALS FOR ISSUE BY FUND							
2393 INSURANCE REG TF							322,759-
	6.00-	215,990-		106,769-	322,759-		322,759-

TALLAHASSEE HELPLINE UNIT REDUCTION							33V4020
SALARY RATE							000000
SALARY RATE.....	265,455-						
=====							
SALARIES AND BENEFITS							010000
INSURANCE REG TF	9.00-						
-STATE		416,496-					2393 1
=====							
TOTAL: TALLAHASSEE HELPLINE UNIT REDUCTION							33V4020
TOTAL POSITIONS.....	9.00-						
TOTAL ISSUE.....		416,496-					
TOTAL SALARY RATE.....	265,455-						
=====							

AGENCY ISSUE NARRATIVE:

SCH VIIIIB-2 NARR 18-19 NARRATIVE:
 PRIORITY #23

IT COMPONENT? NO

COL A93		
SCH VIIIIB-2		
REDUCTIONS		
POS	AMOUNT	CODES
FINANCIAL SERVICES		43000000
PGM: LICNSNG/CNSMER PROTEC		43500000
<u>CONSUMER ASSISTANCE</u>		43500400
PUBLIC PROTECTION		12
<u>CONSUMER SAFETY/PROTECTION</u>		<u>1205.00.00.00</u>
PROGRAM REDUCTIONS		33V0000
TALLAHASSEE HELPLINE UNIT REDUCTION		33V4020

No Legislative Change

The Tallahassee Helpline Unit answers calls received through the division's Consumer Helplines related to insurance agent and agency licensing, unclaimed property, rehabilitation and liquidation, and insurance fraud. The Helpline Unit is comprised of nine employees and one supervisor.

The elimination of this unit will impact the division's ability to provide assistance to Floridians that contact the department seeking information related to agent and agency licensing, obtaining unclaimed property or reporting insurance fraud. During Fiscal Year 2016-17, this unit answered nearly 75,000 calls. This level of call volume cannot be adequately absorbed by other staff within the division. Additionally, the elimination of this unit will reduce customer service levels within the division by increasing consumer hold times, increasing abandoned calls and creating a general inability to effectively assist all callers.

There is no revenue impact associated with the proposed reduction.

POSITION DETAIL OF SALARIES AND BENEFITS:

	FTE	BASE RATE	ADDITIVES	BENEFITS	SUBTOTAL	LAPSE %	LAPSED SALARIES AND BENEFITS
A93 - SCH VIIIIB-2 REDUCTIONS							
CHANGES TO CURRENTLY AUTHORIZED POSITIONS							
P101 PROPOSED CLASS CODE							
C0001 001	9.00-	265,455-		151,041-	416,496-	0.00	416,496-
TOTALS FOR ISSUE BY FUND							
2393 INSURANCE REG TF							416,496-
	9.00-	265,455-		151,041-	416,496-		416,496-

COL A93		
SCH VIIIB-2		
REDUCTIONS		
POS	AMOUNT	CODES
FINANCIAL SERVICES		
		43000000
PGM: LICNSNG/CNSMER PROTEC		
		43500000
<u>CONSUMER ASSISTANCE</u>		
		43500400
PUBLIC PROTECTION		
		12
<u>CONSUMER SAFETY/PROTECTION</u>		
		<u>1205.00.00.00</u>
PROGRAM REDUCTIONS		
		33V0000
REDUCTION OF ALTERNATIVE DISPUTE		
RESOLUTION (ADR) UNIT		
		33V4040
SALARY RATE		
		000000
SALARY RATE.....	163,747-	
	=====	
SALARIES AND BENEFITS		
		010000
	5.00-	
INSURANCE REG TF	-STATE 250,192-	2393 1
	=====	
TOTAL: REDUCTION OF ALTERNATIVE DISPUTE		33V4040
RESOLUTION (ADR) UNIT		
TOTAL POSITIONS.....	5.00-	
TOTAL ISSUE.....	250,192-	
TOTAL SALARY RATE.....	163,747-	
	=====	

AGENCY ISSUE NARRATIVE:

SCH VIIIB-2 NARR 18-19 NARRATIVE:
 PRIORITY #24

IT COMPONENT? NO

No Legislation Required.

The Alternative Dispute Resolution Unit answers calls received through the Division's Consumer Helpline and assists consumers who are requesting mediation to resolve a claim dispute with their insurance company without hiring an attorney or incurring litigation costs. The Unit is comprised of four employees and one supervisor.

The elimination of this unit will have a significant impact on the division's ability to provide a program that offers an alternative dispute resolution process for Floridians who are seeking options to resolve claim disputes with their insurance company without litigation or hiring an attorney. The Alternative Dispute Resolution Unit manages five insurance mediation programs statewide: residential property, commercial residential property, automobile, sinkhole and disputes between providers and residents of continuing care retirement communities. During Fiscal Year 2016-2017, this unit received and processed more than 3,600 mediation requests. The unit's workload cannot be absorbed by other staff within the division. The elimination of this unit will significantly impact Florida insurance consumers by reducing available positions that are knowledgeable and experienced within the insurance industry and can effectively advocate on behalf of insurance consumers who are seeking mediation.

There is no revenue impact associated with the proposed reduction.

COL A93 SCH VIIIIB-2 REDUCTIONS		CODES
POS	AMOUNT	
FINANCIAL SERVICES		43000000
PGM: LICNSNG/CNSMER PROTEC		43500000
<u>CONSUMER ASSISTANCE</u>		43500400
PUBLIC PROTECTION		12
<u>CONSUMER SAFETY/PROTECTION</u>		<u>1205.00.00.00</u>
PROGRAM REDUCTIONS		33V0000
REDUCTION OF ALTERNATIVE DISPUTE RESOLUTION (ADR) UNIT		33V4040

POSITION DETAIL OF SALARIES AND BENEFITS:

	FTE	BASE RATE	ADDITIVES	BENEFITS	SUBTOTAL	LAPSE %	LAPSED SALARIES AND BENEFITS
A93 - SCH VIIIIB-2 REDUCTIONS							
CHANGES TO CURRENTLY AUTHORIZED POSITIONS							
P101 PROPOSED CLASS CODE							
C1001 001	5.00-	163,747-		86,445-	250,192-	0.00	250,192-
TOTALS FOR ISSUE BY FUND							
2393 INSURANCE REG TF							250,192-
	5.00-	163,747-		86,445-	250,192-		250,192-

DIVISION OF CONSUMER SERVICES STAFF		
REDUCTION		33V4050
SALARY RATE		000000
SALARY RATE.....	198,100-	
=====		
SALARIES AND BENEFITS		010000
INSURANCE REG TF	-STATE	2393 1
	6.00- 302,085-	
=====		
TOTAL: DIVISION OF CONSUMER SERVICES STAFF		33V4050
REDUCTION		
TOTAL POSITIONS.....	6.00-	
TOTAL ISSUE.....	302,085-	
TOTAL SALARY RATE.....	198,100-	
=====		

COL A93		
SCH VIIIIB-2		
REDUCTIONS		
POS	AMOUNT	CODES
FINANCIAL SERVICES		43000000
PGM: LICNSNG/CNSMER PROTEC		43500000
<u>CONSUMER ASSISTANCE</u>		43500400
PUBLIC PROTECTION		12
<u>CONSUMER SAFETY/PROTECTION</u>		<u>1205.00.00.00</u>
PROGRAM REDUCTIONS		33V0000
DIVISION OF CONSUMER SERVICES STAFF		
REDUCTION		33V4050

AGENCY ISSUE NARRATIVE:

SCH VIIIIB-2 NARR 18-19 NARRATIVE:
 PRIORITY #21

IT COMPONENT? NO

No Legislative Change.

This issue eliminates six positions within the Division of Consumer Services. The elimination of these positions will significantly impact the operations of the division. All of the positions perform mission critical functions and they are summarized as follows:

(2) Staff Assistants Designated for each Bureau. Performs Human Resources and administrative functions for each Bureau.

(1) SMA II SES Functions as the Division's IRMAG and oversees all of the Division's IT-related processes and projects.

(1) GA II Coordinates the Division's Internal Audit Program, functions as the Division's Asst. Public Records Coordinator, functions as the Division's Records Destruction Coordinator.

(1) Information Specialist III Provides staff training and assists the Community Outreach Team with the development of consumer education materials.

(1) Insurance Specialist III Oversees and processes all consumer insurance complaints that are submitted through the online complaint portal and processes all complaints received from medical providers.

COL A93 SCH VIIIIB-2 REDUCTIONS		CODES
POS	AMOUNT	
FINANCIAL SERVICES		43000000
PGM: LICNSNG/CNSMER PROTEC		43500000
<u>CONSUMER ASSISTANCE</u>		43500400
PUBLIC PROTECTION		12
<u>CONSUMER SAFETY/PROTECTION</u>		<u>1205.00.00.00</u>
PROGRAM REDUCTIONS		33V0000
DIVISION OF CONSUMER SERVICES STAFF REDUCTION		33V4050

POSITION DETAIL OF SALARIES AND BENEFITS:

	FTE	BASE RATE	ADDITIVES	BENEFITS	SUBTOTAL	LAPSE %	LAPSED SALARIES AND BENEFITS
A93 - SCH VIIIIB-2 REDUCTIONS							
CHANGES TO CURRENTLY AUTHORIZED POSITIONS							
P101 PROPOSED CLASS CODE							
C1001 001	6.00-	198,100-		103,985-	302,085-	0.00	302,085-
TOTALS FOR ISSUE BY FUND							
2393 INSURANCE REG TF							302,085-
	6.00-	198,100-		103,985-	302,085-		302,085-

TOTAL: CONSUMER SAFETY/PROTECTION							<u>1205.00.00.00</u>
BY FUND TYPE							
TRUST FUNDS.....	26.00-						2000
SALARY RATE.....		1,291,532-					
		843,292-					
	=====						

COL A93			
SCH VIIIIB-2			
REDUCTIONS			
POS	AMOUNT		CODES

FINANCIAL SERVICES			43000000
PGM: LICNSNG/CNSMER PROTEC			43500000
<u>FUNERAL/CEMETERY SERVICES</u>			43500500
PUBLIC PROTECTION			12
<u>REGULATION AND LICENSING</u>			<u>1204.00.00.00</u>
PROGRAM REDUCTIONS			33V0000
REDUCE POSITION(S) - DIVISION OF			
FUNERAL AND CEMETERIES AND CONSUMER			
SERVICES			33V1330
SALARY RATE			000000
SALARY RATE.....	231,621-		
	=====		
SALARIES AND BENEFITS			010000
	6.00-		
REGULATORY TRUST FUND -STATE	340,824-		2573 1
	=====		
TOTAL: REDUCE POSITION(S) - DIVISION OF			33V1330
FUNERAL AND CEMETERIES AND CONSUMER			
SERVICES			
TOTAL POSITIONS.....	6.00-		
TOTAL ISSUE.....	340,824-		
TOTAL SALARY RATE.....	231,621-		
	=====		

AGENCY ISSUE NARRATIVE:

SCH VIIIIB-2 NARR 18-19 NARRATIVE:
 PRIORITY #31

IT COMPONENT? NO

LAW CHANGE REQUIRED: Possible legislative changes will be required in sections 497.103; 497.380; and 497.385, F.S., and in Rules 69K-21.004 and 69K-24.0201.

This reduction eliminates six positions, representing approximately 50 percent of the division's field staff. These positions are responsible for on-site field inspections and examinations of death care businesses throughout the state to determine if licensees are complying with statutory requirements and for investigating all consumer complaints regarding the death care industry. In Fiscal Year 2016-2017, the division conducted over 1,800 inspections, examinations, and investigations of licensees in the death care industry. Elimination of three Financial Examiner/Analyst I positions would hinder field staff's ability to conduct required inspections of funeral establishments, cemeteries and certain other licensees annually. Elimination of three Financial Specialist positions would eliminate the division's unit responsible for investigating consumer complaints, thereby reducing the division's services to consumers and effectively prohibiting the appropriate monitoring and regulation of the industry. Further, significant statutory changes would be required to reduce regulatory requirements (such as annual inspections).

COL A93 SCH VIIIIB-2 REDUCTIONS		CODES
POS	AMOUNT	
FINANCIAL SERVICES		43000000
PGM: LICNSNG/CNSMER PROTEC		43500000
<u>FUNERAL/CEMETERY SERVICES</u>		43500500
PUBLIC PROTECTION		12
<u>REGULATION AND LICENSING</u>		<u>1204.00.00.00</u>
PROGRAM REDUCTIONS		33V0000
REDUCE POSITION(S) - DIVISION OF FUNERAL AND CEMETERIES AND CONSUMER SERVICES		33V1330

POSITION DETAIL OF SALARIES AND BENEFITS:

	FTE	BASE RATE	ADDITIVES	BENEFITS	SUBTOTAL	LAPSE %	LAPSED SALARIES AND BENEFITS
A93 - SCH VIIIIB-2 REDUCTIONS							
CHANGES TO CURRENTLY AUTHORIZED POSITIONS							
P101 PROPOSED CLASS CODE							
C0001 001	6.00-	231,621-		109,203-	340,824-	0.00	340,824-
TOTALS FOR ISSUE BY FUND							
2573 REGULATORY TRUST FUND							340,824-
	6.00-	231,621-		109,203-	340,824-		340,824-

 TOTAL: REGULATION AND LICENSING 1204.00.00.00
 BY FUND TYPE

TRUST FUNDS.....	6.00-	340,824-					2000
SALARY RATE.....		231,621-					

=====

COL A93		
SCH VIIIB-2		
REDUCTIONS		
POS	AMOUNT	CODES

FINANCIAL SERVICES		43000000
PGM: LICNSNG/CNSMER PROTEC		43500000
<u>PUBLIC ASSISTANCE FRAUD</u>		43500700
PUBLIC PROTECTION		12
<u>CONSUMER SAFETY/PROTECTION</u>		<u>1205.00.00.00</u>
PROGRAM REDUCTIONS		33V0000
OPERATING REDUCTIONS FOR SCHEDULE		
VIIIB		33V3340
OTHER PERSONAL SERVICES		030000
FEDERAL GRANTS TRUST FUND -RECPNT	199,075-	2261 9
	=====	
EXPENSES		040000
FEDERAL GRANTS TRUST FUND -RECPNT	451,685-	2261 9
	=====	
OPERATING CAPITAL OUTLAY		060000
FEDERAL GRANTS TRUST FUND -RECPNT	10,000-	2261 9
	=====	
SPECIAL CATEGORIES		100000
CONTRACTED SERVICES		100777
FEDERAL GRANTS TRUST FUND -RECPNT	143,208-	2261 9
	=====	
OPERATION/MOTOR VEHICLES		102289
FEDERAL GRANTS TRUST FUND -RECPNT	20,000-	2261 9
	=====	
LEASE/PURCHASE/EQUIPMENT		105281
FEDERAL GRANTS TRUST FUND -RECPNT	13,493-	2261 9
	=====	
TOTAL: OPERATING REDUCTIONS FOR SCHEDULE		33V3340
VIIIB		
TOTAL ISSUE.....	837,461-	
	=====	

AGENCY ISSUE NARRATIVE:
 SCH VIIIB-2 NARR 18-19 NARRATIVE:
 PRIORITY #25

IT COMPONENT? NO

COL A93		
SCH VIIIIB-2		
REDUCTIONS		
POS	AMOUNT	CODES
FINANCIAL SERVICES		43000000
PGM: LICNSNG/CNSMER PROTEC		43500000
<u>PUBLIC ASSISTANCE FRAUD</u>		43500700
PUBLIC PROTECTION		12
<u>CONSUMER SAFETY/PROTECTION</u>		<u>1205.00.00.00</u>
PROGRAM REDUCTIONS		33V0000
OPERATING REDUCTIONS FOR SCHEDULE VIIIIB		33V3340

This issue reduces operational expenses statewide, excluding Headquarters, for the Division of Public Assistance Fraud. This issue reduces the Other Personal Services (OPS), Expenses, Operating Capital Outlay (OCO), Contracted Services, Operation of Motor Vehicles, and the Lease/Lease Purchase Categories. Reductions will affect pool vehicle maintenance, Bizhub and Sonitrol leases, VoIP phones, fax lines, downgrade of communication devices, OPS staff, and office supplies. Travel would be limited to exclusively for investigations or for quality control by Chiefs and above. All training, including training given to other agencies, would be discontinued.

	Reduction	Appropriation
OPS	199,075	289,075
Expenses	451,685	608,069
OCO	10,000	20,000
Contracted Services	143,208	194,418
Op./Motor Vehicles	20,000	20,000
Lease/Lease Purchase	13,493	14,900
TOTAL:	837,461	

TOTAL: CONSUMER SAFETY/PROTECTION		<u>1205.00.00.00</u>
BY FUND TYPE		
TRUST FUNDS.....	837,461-	2000
	=====	

COL A93		
SCH VIIIB-2		
REDUCTIONS		
POS	AMOUNT	CODES
FINANCIAL SERVICES		
		43000000
PGM: WORKERS' COMPENSATION		
		43600000
<u>WORKERS' COMPENSATION</u>		
		43600100
ECONOMIC OPPORTUNITIES		
		11
<u>WORKERS' COMPENSATION</u>		
		<u>1102.02.00.00</u>
PROGRAM REDUCTIONS		
		33V0000
REDUCTION IN THE OFFICE OF DATA		
QUALITY AND COLLECTIONS		
SALARY RATE		
		33V1110
		000000
	SALARY RATE..... 178,813-	
	=====	
SALARIES AND BENEFITS		
		010000
	6.00-	
	WORKERS' COMP ADMIN TF -STATE 279,794-	2795 1
	=====	
TOTAL: REDUCTION IN THE OFFICE OF DATA		
		33V1110
QUALITY AND COLLECTIONS		
	TOTAL POSITIONS..... 6.00-	
	TOTAL ISSUE..... 279,794-	
	TOTAL SALARY RATE..... 178,813-	
	=====	

AGENCY ISSUE NARRATIVE:

SCH VIIIB-2 NARR 18-19 NARRATIVE:
 PRIORITY #7

IT COMPONENT? NO

No Legislative Change

Eliminates six full time positions within the Bureau of Data Quality and Collection. This bureau is responsible for collection and quality control of workers' compensation policies, claims, and medical data submitted to the division. This bureau responds to subpoenas and public records requests. Other bureaus use the data to perform their respective regulatory duties. External stakeholders also access the data through the division's website for their own business needs.

This reduction includes four Insurance Specialist I positions on the Records Management Team who assists with redacting of public records requests; one Government Analyst I position on the Electronic Data Interchange (EDI) Team who assists with the Claims, Proof of Coverage and Medical EDI; and one Government Analyst I position on the EDI Triage and Training Team who assists with the outreach and training of EDI trading partners.

These three positions represent approximately 23 percent of the bureau. Eliminating these positions will result in increased workloads for remaining staff, less training provided to DWC customers and a possible increase in days to response to subpoenas and public records requests.

COL A93 SCH VIIIIB-2 REDUCTIONS		CODES
POS	AMOUNT	
FINANCIAL SERVICES		43000000
PGM: WORKERS' COMPENSATION		43600000
<u>WORKERS' COMPENSATION</u>		43600100
ECONOMIC OPPORTUNITIES		11
<u>WORKERS' COMPENSATION</u>		<u>1102.02.00.00</u>
PROGRAM REDUCTIONS		33V0000
REDUCTION IN THE OFFICE OF DATA QUALITY AND COLLECTIONS		33V1110

POSITION DETAIL OF SALARIES AND BENEFITS:

	FTE	BASE RATE	ADDITIVES	BENEFITS	SUBTOTAL	LAPSE %	LAPSED SALARIES AND BENEFITS
A93 - SCH VIIIIB-2 REDUCTIONS							
CHANGES TO CURRENTLY AUTHORIZED POSITIONS							
P101 PROPOSED CLASS CODE							
C0001 001	6.00-	178,813-		100,981-	279,794-	0.00	279,794-
TOTALS FOR ISSUE BY FUND							
2795 WORKERS' COMP ADMIN TF							279,794-
	6.00-	178,813-		100,981-	279,794-		279,794-

ELIMINATE REEMPLOYMENT SERVICES							
PROGRAM							33V2250
SALARY RATE							000000
SALARY RATE.....	166,953-						
=====							
SALARIES AND BENEFITS							010000
WORKERS' COMP ADMIN TF	5.00-						
-STATE		253,898-					2795 1
=====							
OTHER PERSONAL SERVICES							030000
WORKERS' COMP ADMIN TF							
-STATE		201,840-					2795 1
=====							

COL A93			
SCH VIIIB-2			
REDUCTIONS			
POS	AMOUNT		CODES

FINANCIAL SERVICES			43000000
PGM: WORKERS' COMPENSATION			43600000
<u>WORKERS' COMPENSATION</u>			43600100
ECONOMIC OPPORTUNITIES			11
<u>WORKERS' COMPENSATION</u>			<u>1102.02.00.00</u>
PROGRAM REDUCTIONS			33V0000
ELIMINATE REEMPLOYMENT SERVICES			
PROGRAM			33V2250
EXPENSES			040000
WORKERS' COMP ADMIN TF	-STATE	112,233-	2795 1
		=====	
SPECIAL CATEGORIES			100000
PURCHASED CLIENT SERVICES			102933
WORKERS' COMP ADMIN TF	-STATE	990,000-	2795 1
		=====	
TOTAL: ELIMINATE REEMPLOYMENT SERVICES			33V2250
PROGRAM			
TOTAL POSITIONS.....	5.00-		
TOTAL ISSUE.....	1,557,971-		
TOTAL SALARY RATE.....	166,953-		
	=====		

AGENCY ISSUE NARRATIVE:

SCH VIIIB-2 NARR 18-19 NARRATIVE:
 PRIORITY #26

IT COMPONENT? NO

Legislative changes to ss. 440.491(5) and ss. 440.491(6), F.S., need amendments for the Reemployment/Client Services transfer.

During the 2012 Legislative Session, HB 5203 transferred the Reemployment/Client Services program to the Department of Financial Services (DFS) from the Department of Education, effective July 1, 2012. When the program transferred to DFS, the anticipated expenditures were developed by reviewing the model operated by DOE, estimating the amount of injured workers served, and expenditures of the program over the previous four years. Program budget authority was transferred via budget amendments providing Workers' Compensation 401,840 in the other personnel services (OPS) category; 112,233 in expenses; and 2,400,000 in the special category of purchased client services. Information Technology received budget authority of 10,203 in expenses and 172,800 in contracted services for the purpose of continued support of the ARAMIS computer system used in the program.

Since Fiscal Year 2014-15, Workers' Compensation has received reductions of 200K in OPS, and 1.4M in the special category because of program efficiencies.

This reduction will abolish the department's responsibility to provide reemployment services to injured workers as well

COL A93		
SCH VIIIB-2		
REDUCTIONS		
POS	AMOUNT	CODES
FINANCIAL SERVICES		
		43000000
PGM: WORKERS' COMPENSATION		
		43600000
<u>WORKERS' COMPENSATION</u>		
		43600100
ECONOMIC OPPORTUNITIES		
		11
<u>WORKERS' COMPENSATION</u>		
		<u>1102.02.00.00</u>
PROGRAM REDUCTIONS		
		33V0000
ELIMINATE REEMPLOYMENT SERVICES		
PROGRAM		
		33V2250

as maintaining the reemployment portion of the ARAMIS system. Eliminating the program results in a reduction of five full time equivalent (FTE) positions, the remaining OPS and special category funding in Workers' Compensation.

POSITION DETAIL OF SALARIES AND BENEFITS:

	FTE	BASE RATE	ADDITIVES	BENEFITS	SUBTOTAL	LAPSE %	LAPSED SALARIES AND BENEFITS
A93 - SCH VIIIB-2 REDUCTIONS							
CHANGES TO CURRENTLY AUTHORIZED POSITIONS							
P101 PROPOSED CLASS CODE							
C0001 001	5.00-	166,953-		86,945-	253,898-	0.00	253,898-
TOTALS FOR ISSUE BY FUND							
2795 WORKERS' COMP ADMIN TF							253,898-
	5.00-	166,953-		86,945-	253,898-		253,898-

REDUCTION IN THE BUREAU OF
 FINANCIAL ACCOUNTABILITY

33V2260
 000000

SALARY RATE..... 107,682-
 =====

SALARIES AND BENEFITS

010000

WORKERS' COMP ADMIN TF -STATE 3.00- 161,018-
 =====

2795 1

COL A93		
SCH VIIIIB-2		
REDUCTIONS		
POS	AMOUNT	CODES

FINANCIAL SERVICES		43000000
PGM: WORKERS' COMPENSATION		43600000
<u>WORKERS' COMPENSATION</u>		43600100
ECONOMIC OPPORTUNITIES		11
<u>WORKERS' COMPENSATION</u>		<u>1102.02.00.00</u>
PROGRAM REDUCTIONS		33V0000
REDUCTION IN THE BUREAU OF		
FINANCIAL ACCOUNTABILITY		33V2260
TOTAL: REDUCTION IN THE BUREAU OF		33V2260
FINANCIAL ACCOUNTABILITY		
TOTAL POSITIONS.....	3.00-	
TOTAL ISSUE.....	161,018-	
TOTAL SALARY RATE.....	107,682-	
	=====	

AGENCY ISSUE NARRATIVE:
 SCH VIIIIB-2 NARR 18-19 NARRATIVE:
 PRIORITY #8

IT COMPONENT? NO

No Legislative Change

This issue eliminates three full time positions within the Bureau of Financial Accountability, funded from the Workers Compensation Administrative Trust Fund (WCATF).

One Workers' Compensation Specialist position within the Self-Insurance Unit represents one of two premium auditors in the Self-Insurance Unit. The position conducts premium audits for self-insurers and provides education for self-insurers for premium audit purposes. The division values education and accuracy to ensure self-insured employers are correctly reporting payrolls and classifications. Because of improvements in the education initiative over the past two years, assessment and premium accuracy is currently at its highest peak in the last 7-10 years. Eliminating this position will reduce premium accuracy for assessment calculation purposes.

One Insurance Specialist III position and one Government Operations Consultant II position within the Assessments Unit represents two of four staff members that actively manage the calculation of WCATF and SDTF assessments. The process has been entirely redesigned for insurers and self-insured employers. Insurers report their premiums and pay their assessments using the START - Carrier Assessment System. Self-Insured employers report payroll, classification and loss data using the START - Self-Insurance Assessment System. This process collects assessments to fund the WCATF and the SDTF, and eliminating these positions will slow the collection process for nearly 100 million dollars in assessments annually.

A reduction of these three positions represent approximately 11 percent of the Bureau of Financial Accountability (not including the Special Disability Trust Fund positions).

COL A93 SCH VIIIIB-2 REDUCTIONS		CODES
POS	AMOUNT	
FINANCIAL SERVICES		43000000
PGM: WORKERS' COMPENSATION		43600000
<u>WORKERS' COMPENSATION</u>		43600100
ECONOMIC OPPORTUNITIES		11
<u>WORKERS' COMPENSATION</u>		<u>1102.02.00.00</u>
PROGRAM REDUCTIONS		33V0000
REDUCTION IN THE BUREAU OF FINANCIAL ACCOUNTABILITY		33V2260

POSITION DETAIL OF SALARIES AND BENEFITS:

	FTE	BASE RATE	ADDITIVES	BENEFITS	SUBTOTAL	LAPSE %	LAPSED SALARIES AND BENEFITS
A93 - SCH VIIIIB-2 REDUCTIONS							
CHANGES TO CURRENTLY AUTHORIZED POSITIONS							
P101 PROPOSED CLASS CODE							
C0001 001	3.00-	107,682-		53,336-	161,018-	0.00	161,018-
TOTALS FOR ISSUE BY FUND							
2795 WORKERS' COMP ADMIN TF							161,018-
	3.00-	107,682-		53,336-	161,018-		161,018-

REDUCTION IN THE BUREAU OF MONITORING AND AUDIT							33V2270
SALARY RATE							000000
SALARY RATE.....	221,760-						
=====							
SALARIES AND BENEFITS							010000
WORKERS' COMP ADMIN TF -STATE	7.00-	341,618-					2795 1
=====							
TOTAL: REDUCTION IN THE BUREAU OF MONITORING AND AUDIT							33V2270
TOTAL POSITIONS.....	7.00-						
TOTAL ISSUE.....		341,618-					
TOTAL SALARY RATE.....	221,760-						
=====							

COL A93		
SCH VIIIIB-2		
REDUCTIONS		
POS	AMOUNT	CODES

FINANCIAL SERVICES		43000000
PGM: WORKERS' COMPENSATION		43600000
<u>WORKERS' COMPENSATION</u>		43600100
ECONOMIC OPPORTUNITIES		11
<u>WORKERS' COMPENSATION</u>		<u>1102.02.00.00</u>
PROGRAM REDUCTIONS		33V0000
REDUCTION IN THE BUREAU OF		
MONITORING AND AUDIT		33V2270

AGENCY ISSUE NARRATIVE:

SCH VIIIIB-2 NARR 18-19 NARRATIVE:
 PRIORITY #29

IT COMPONENT? NO

No Legislative Change

This issue eliminates seven full time positions within the Bureau of Monitoring and Audit.

The issue eliminates two Insurance Specialist III positions in the Centralized Performance Section who evaluate and assess insurer performance of timely payments of initial benefits and medical bills, and monitor the timely filing of First Report of Injury and medical bills. Eliminating these positions would affect the division's ability to monitor insurers' performance and respond to penalty assessments for untimely filing and payments.

The issue eliminates three positions in the Medical Services Section; two Insurance Specialist I's and one Operations Analyst I. This section is responsible for establishing rules and policy, implementing the Three Member Panel's uniform schedules for maximum reimbursement allowances, resolving medical reimbursement disputes between providers and payers, and providing educational assistance and consultation on issues related to medical billing and reimbursements. Eliminating these positions would affect the division's ability to timely resolve reimbursement disputes and provide educational and administrative support for our external customers.

One Workers' Compensation Specialist is eliminated in the Permanent Total Section. This section is responsible for paying permanent total supplemental benefits to eligible Permanent Total (PT) disabled workers injured prior to 7/1/84. Eliminating this position would affect the division's ability to timely and accurately issue PT supplemental benefits to eligible injured workers.

One Government Analyst I is eliminated in the Audit Section. This section is responsible for examining claims-handling practices of insurers, self-insurers, self-insurance funds and other claims-handling entities. Eliminating this position would affect the number of insurers audits and examinations conducted yearly by the division and limit the division's ability to enforce insurer's compliance with claims-handling practices.

This reduction represents approximately 14 percent of the Bureau of Monitoring and Auditing positions.

COL A93 SCH VIII B-2 REDUCTIONS		CODES
POS	AMOUNT	
FINANCIAL SERVICES		43000000
PGM: WORKERS' COMPENSATION		43600000
<u>WORKERS' COMPENSATION</u>		43600100
ECONOMIC OPPORTUNITIES		11
<u>WORKERS' COMPENSATION</u>		<u>1102.02.00.00</u>
PROGRAM REDUCTIONS		33V0000
REDUCTION IN THE BUREAU OF MONITORING AND AUDIT		33V2270

POSITION DETAIL OF SALARIES AND BENEFITS:

	FTE	BASE RATE	ADDITIVES	BENEFITS	SUBTOTAL	LAPSE %	LAPSED SALARIES AND BENEFITS
A93 - SCH VIII B-2 REDUCTIONS							
CHANGES TO CURRENTLY AUTHORIZED POSITIONS							
P101 PROPOSED CLASS CODE							
C0001 001	7.00-	221,760-		119,858-	341,618-	0.00	341,618-
TOTALS FOR ISSUE BY FUND							
2795 WORKERS' COMP ADMIN TF							341,618-
	7.00-	221,760-		119,858-	341,618-		341,618-

REDUCTION IN THE BUREAU OF COMPLIANCE							33V2280
SALARY RATE							000000
SALARY RATE.....	492,465-						
=====							
SALARIES AND BENEFITS							010000
WORKERS' COMP ADMIN TF -STATE	16.00-						2795 1
		764,181-					
=====							
TOTAL: REDUCTION IN THE BUREAU OF COMPLIANCE							33V2280
TOTAL POSITIONS.....	16.00-						
TOTAL ISSUE.....		764,181-					
TOTAL SALARY RATE.....	492,465-						
=====							

COL A93		
SCH VIIIIB-2		
REDUCTIONS		
POS	AMOUNT	CODES
FINANCIAL SERVICES		43000000
PGM: WORKERS' COMPENSATION		43600000
<u>WORKERS' COMPENSATION</u>		43600100
ECONOMIC OPPORTUNITIES		11
<u>WORKERS' COMPENSATION</u>		<u>1102.02.00.00</u>
PROGRAM REDUCTIONS		33V0000
REDUCTION IN THE BUREAU OF COMPLIANCE		33V2280

AGENCY ISSUE NARRATIVE:
 SCH VIIIIB-2 NARR 18-19 NARRATIVE: IT COMPONENT? NO
 PRIORITY #28

No Legislative Change

This issue eliminates 16 fulltime positions within the Bureau of Compliance:

- 9 Insurance Analyst II (investigator) - Investigations Team;
- 6 Insurance Specialist I - Exemption Team; and
- 1 Government Analyst I - Outreach and Training

This bureau is responsible for ensuring employers in Florida are in compliance with Florida's workers' compensation laws. Bureau personnel conduct on-site investigations and issue stop-work orders and penalties to non-compliant employers, pursuant to s. 440.107, F.S. In addition, certain personnel are responsible for reviewing, processing and issuing workers' compensation exemptions in a timely manner to qualified individuals, pursuant to S. 440.05, F.S. Eliminating these positions will result in fewer employer investigations conducted, increased time to process penalties and exemptions, and the outreach and training programs provided to external and internal customers would be reduced. This reduction represents approximately 12 percent of the Bureau of Compliance positions.

POSITION DETAIL OF SALARIES AND BENEFITS:

	FTE	BASE RATE	ADDITIVES	BENEFITS	SUBTOTAL	LAPSE %	LAPSED SALARIES AND BENEFITS
A93 - SCH VIIIIB-2 REDUCTIONS							
CHANGES TO CURRENTLY AUTHORIZED POSITIONS							
P101 PROPOSED CLASS CODE							
C0001 001	16.00-	492,465-		271,716-	764,181-	0.00	764,181-

COL A93 SCH VIIIIB-2 REDUCTIONS		CODES
POS	AMOUNT	
FINANCIAL SERVICES		43000000
PGM: WORKERS' COMPENSATION		43600000
<u>WORKERS' COMPENSATION</u>		43600100
ECONOMIC OPPORTUNITIES		11
<u>WORKERS' COMPENSATION</u>		<u>1102.02.00.00</u>
PROGRAM REDUCTIONS		33V0000
REDUCTION IN THE BUREAU OF COMPLIANCE		33V2280

POSITION DETAIL OF SALARIES AND BENEFITS:

	FTE	BASE RATE	ADDITIVES	BENEFITS	SUBTOTAL	LAPSE %	LAPSED SALARIES AND BENEFITS
A93 - SCH VIIIIB-2 REDUCTIONS							
CHANGES TO CURRENTLY AUTHORIZED POSITIONS							
TOTALS FOR ISSUE BY FUND							
2795 WORKERS' COMP ADMIN TF							764,181-
	16.00-	492,465-		271,716-	764,181-		764,181-

REDUCTION IN THE BUREAU OF EMPLOYEE ASSISTANCE							33V2310
SALARY RATE							000000
SALARY RATE.....	138,138-						
=====							
SALARIES AND BENEFITS							010000
WORKERS' COMP ADMIN TF -STATE	4.00-						2795 1
		208,407-					
=====							
TOTAL: REDUCTION IN THE BUREAU OF EMPLOYEE ASSISTANCE							33V2310
TOTAL POSITIONS.....	4.00-						
TOTAL ISSUE.....		208,407-					
TOTAL SALARY RATE.....	138,138-						
=====							

AGENCY ISSUE NARRATIVE:
 SCH VIIIIB-2 NARR 18-19 NARRATIVE:
 PRIORITY #9

IT COMPONENT? NO

COL A93 SCH VIIIIB-2 REDUCTIONS		CODES
POS	AMOUNT	
FINANCIAL SERVICES		43000000
PGM: WORKERS' COMPENSATION		43600000
<u>WORKERS' COMPENSATION</u>		43600100
ECONOMIC OPPORTUNITIES		11
<u>WORKERS' COMPENSATION</u>		<u>1102.02.00.00</u>
PROGRAM REDUCTIONS		33V0000
REDUCTION IN THE BUREAU OF EMPLOYEE ASSISTANCE		33V2310

No Legislative Change

This issue eliminates four full time positions that would remove the Bureau of Employee Assistance operations in West Palm Beach and Pensacola and reduce the number of specialists available to provide assistance to injured workers and employers. These two offices handle their daily workload through telephone calls and emails so remaining staff around the state will be required to absorb the additional workload created if these positions are eliminated.

One position works directly with the bureau's management team assisting with reports, manuals, and other special assignments. If eliminated, the duties of this position will be moved to the bureau's supervisors, which would impact the supervisors' ability to assist their teams with handling every day work and would potentially impact the quality of services provided to the division's customers.

Two positions are located in West Palm Beach. One works on the Injured Worker Hotline Team that provides assistance to injured workers who have problems with or questions about their workers' compensation claim. The other is on the Customer Service Hotline Team that provides assistance to employers who have problems with or questions about their workers' compensation coverage requirements and those seeking workers' compensation exemptions.

A position located in Pensacola is on the Ombudsman Team that provides assistance to injured workers who have significant problems or questions regarding their workers' compensation claim. This team handles referrals from Legislators and the Governor's Office.

A reduction of these four positions represent approximately 9 percent of the bureau's positions.

POSITION DETAIL OF SALARIES AND BENEFITS:

	FTE	BASE RATE	ADDITIVES	BENEFITS	SUBTOTAL	LAPSE %	LAPSED SALARIES AND BENEFITS
A93 - SCH VIIIIB-2 REDUCTIONS							
CHANGES TO CURRENTLY AUTHORIZED POSITIONS							
P101 PROPOSED CLASS CODE							
C1001 001	4.00-	138,138-		70,269-	208,407-	0.00	208,407-

COL A93 SCH VIIIIB-2 REDUCTIONS		CODES
POS	AMOUNT	
FINANCIAL SERVICES		43000000
PGM: WORKERS' COMPENSATION		43600000
<u>WORKERS' COMPENSATION</u>		43600100
ECONOMIC OPPORTUNITIES		11
<u>WORKERS' COMPENSATION</u>		<u>1102.02.00.00</u>
PROGRAM REDUCTIONS		33V0000
REDUCTION IN THE BUREAU OF EMPLOYEE ASSISTANCE		33V2310

POSITION DETAIL OF SALARIES AND BENEFITS:

FTE	BASE RATE	ADDITIVES	BENEFITS	SUBTOTAL	LAPSE %	LAPSED SALARIES AND BENEFITS
A93 - SCH VIIIIB-2 REDUCTIONS						
CHANGES TO CURRENTLY AUTHORIZED POSITIONS						
TOTALS FOR ISSUE BY FUND						
2795 WORKERS' COMP ADMIN TF						208,407-
4.00-	138,138-		70,269-	208,407-		208,407-

REDUCTION IN THE SPECIAL DISABILITY TRUST FUND		33V2320
SALARY RATE		000000
SALARY RATE.....	307,750-	
=====		
SALARIES AND BENEFITS		010000
WORKERS' COMP ADMIN TF -STATE	7.00- 440,997-	2795 1
=====		
TOTAL: REDUCTION IN THE SPECIAL DISABILITY TRUST FUND		33V2320
TOTAL POSITIONS.....	7.00-	
TOTAL ISSUE.....	440,997-	
TOTAL SALARY RATE.....	307,750-	
=====		

AGENCY ISSUE NARRATIVE:
 SCH VIIIIB-2 NARR 18-19 NARRATIVE:
 PRIORITY #27

IT COMPONENT? NO

COL A93 SCH VIIIIB-2 REDUCTIONS		CODES
POS	AMOUNT	
FINANCIAL SERVICES		43000000
PGM: WORKERS' COMPENSATION		43600000
<u>WORKERS' COMPENSATION</u>		43600100
ECONOMIC OPPORTUNITIES		11
<u>WORKERS' COMPENSATION</u>		<u>1102.02.00.00</u>
PROGRAM REDUCTIONS		33V0000
REDUCTION IN THE SPECIAL DISABILITY TRUST FUND		33V2320

No Legislative Change

This issue eliminates seven full time positions, expenses, contracted services and Other Personal Services (OPS) funding within the Bureau of Financial Accountability in the Special Disability Trust Fund (SDTF).

In accordance with s. 440.49, F.S., these positions audit second injury reimbursement requests from carriers; process and reconcile the SDTF payments to carriers totaling 38 million dollars annually; and handle the imaging and destruction of historic SDTF claim files. The division has begun to see a decline in SDTF reimbursements requests; however, the proposed reductions will result in carriers experiencing long delays in the processing of their reimbursement requests, a significant increase in audit review time and extended delays in processing SDTF reimbursement payments.

A reduction of these seven positions represents approximately 50 percent of this section within the bureau. These positions include one Insurance Administrator C - SES; three Workers' Compensation Specialist; one Insurance Specialist III; one Operations Analyst II; and one Insurance Specialist I.

POSITION DETAIL OF SALARIES AND BENEFITS:

	FTE	BASE RATE	ADDITIVES	BENEFITS	SUBTOTAL	LAPSE %	LAPSED SALARIES AND BENEFITS
A93 - SCH VIIIIB-2 REDUCTIONS							
CHANGES TO CURRENTLY AUTHORIZED POSITIONS							
P101 PROPOSED CLASS CODE							
C1001 001	7.00-	307,750-		133,247-	440,997-	0.00	440,997-
TOTALS FOR ISSUE BY FUND							
2795 WORKERS' COMP ADMIN TF							440,997-
	7.00-	307,750-		133,247-	440,997-		440,997-
	=====	=====	=====	=====	=====		=====

COL A93		
SCH VIIIIB-2		
REDUCTIONS		
POS	AMOUNT	CODES
FINANCIAL SERVICES		
		43000000
		43600000
		43600100
		11
		<u>1102.02.00.00</u>
TOTAL: WORKERS' COMPENSATION		<u>1102.02.00.00</u>
BY FUND TYPE		
	48.00-	
TRUST FUNDS.....	3,753,986-	2000
SALARY RATE.....	1,613,561-	
	=====	
PGM: FINANCIAL SVCS COMM		
		43900000
OFFICE OF INSURANCE REG		
		43900100
<u>COMP & ENFORCE- INSURANCE</u>		
		43900110
PUBLIC PROTECTION		
		12
<u>REGULATION AND LICENSING</u>		
		<u>1204.00.00.00</u>
PROGRAM REDUCTIONS		
		33V0000
REDUCTION IN THE FLORIDA PUBLIC		
HURRICANE LOSS PROJECTION MODEL		
		33V0040
SPECIAL CATEGORIES		
		100000
FL PUBLIC HURR LOSS MODEL		
		100515
INSURANCE REG TF	-STATE 242,422-	2393 1
	=====	

AGENCY ISSUE NARRATIVE:

SCH VIIIIB-2 NARR 18-19 NARRATIVE:
 PRIORITY #108

IT COMPONENT? NO

Budget Entity: Office of Insurance Regulation - Compliance & Enforcement

Issue Title: Florida Public Hurricane Loss Projection Model (Public Model) - Maintenance and Support

Reference to Long-Range Program Plan:

Goal 2: Protect the public from illegal, unethical insurance products and practices.

Issue Description:

The Public Model, housed at Florida International University (FIU), was created in 2001 to be the first public, transparent model of its kind in the United States. It is the work product of the state university system including large contributions of resources from FIU, the University of Florida, and the Florida State University.

The Office runs most residential rate filings through the Public Model. Every assumption and method of the Public Model is open to public inspection. This gives greater transparency to the rate review process. Private models are proprietary

COL A93		
SCH VIIIIB-2		
REDUCTIONS		
POS	AMOUNT	CODES
FINANCIAL SERVICES		43000000
PGM: FINANCIAL SVCS COMM		43900000
OFFICE OF INSURANCE REG		43900100
COMP & ENFORCE- INSURANCE		43900110
PUBLIC PROTECTION		12
<u>REGULATION AND LICENSING</u>		<u>1204.00.00.00</u>
PROGRAM REDUCTIONS		33V0000
REDUCTION IN THE FLORIDA PUBLIC		
HURRICANE LOSS PROJECTION MODEL		33V0040

and therefore the calculations and methodologies they use are trade secret or what the industry calls, inside a "black box."

The Legislature pursued the creation of a Public Model in order to bring the rate making process into the sunshine and create consumer confidence by making the process transparent. Without the Public Model, the sole objective basis for rate determinations would be the insurer's own selected private model. The Public Model gives the Office the ability to determine the propriety of the reinsurance factors independent of the model used in rate filings in many instances. Without it, rate filings may need to be litigated, insurance companies may not be able to get needed rate increases and policyholders may not receive deserved rate reductions. Additionally, Section 627.351(6)(n), Florida Statutes as enacted in 2009 requires that the Public Model serve as the minimum benchmark for determining the windstorm portion of the rates for Citizens Property Insurance Corporation.

FIU is under contract with the Office to continue to develop, maintain and support the Public Model and to provide model related services to the Office, including, but not limited to: running insurance policy file data through the Model, generating annual average loss cost estimates, and providing output reports to the Office.

The Florida Legislature provides the Office with \$969,689 in recurring funds for the Fiscal Year 2017-2018 in order to pay for rate filing runs and to support and maintain the Public Model. Maintenance and support services may include, but is not limited to: the retention of graduate students working on the Public Model; payment of invoices for necessary subcontractors concerning the Public Model; computer science center services related to the Public Model; conducting routine upgrade of the Public Model to incorporate new input data (for example, new meteorological data, and new data on insured losses); and the continued license of necessary software to operate and maintain the Public Model. A 25% reduction in this contract would have a significant impact. It would be severe and would only provide output for approximately 25 or so model runs. All work on upgrading and revising the model to meet future FCHLPM standards will be impacted and service to OIR will be curtailed as will any detailed analysis of output. The ability to maintain the hardware and software infrastructure will also diminish significantly. In all likelihood the project will not be viable. In addition, for ratemaking, the public model is required by law to be certified by the Commission on Hurricane Loss Projection Methodology which mandates periodic changes in the existing model in order to meet its standards.

COL A93		
SCH VIIIIB-2		
REDUCTIONS		
POS	AMOUNT	CODES

FINANCIAL SERVICES		43000000
PGM: FINANCIAL SVCS COMM		43900000
OFFICE OF INSURANCE REG		43900100
COMP & ENFORCE- INSURANCE		43900110
PUBLIC PROTECTION		12
<u>REGULATION AND LICENSING</u>		<u>1204.00.00.00</u>
PROGRAM REDUCTIONS		33V0000
REDUCE BUSINESS UNIT EXPENSES		33V0050
EXPENSES		040000
INSURANCE REG TF	-STATE 130,000-	2393 1
	=====	

AGENCY ISSUE NARRATIVE:

SCH VIIIIB-2 NARR 18-19 NARRATIVE:
 PRIORITY #105

IT COMPONENT? NO

Budget Entity: Office of Insurance Regulation - Compliance & Enforcement

Issue Title: Reduction in Travel Expenses - Compliance and Enforcement

Reference to Long-Range Program Plan:

Goal 2: Protect the public from illegal, unethical insurance products and practices.

Issue Description: The Office of Insurance Regulation (Office) is responsible for monitoring the financial condition of all regulated entities through the use of internal financial analysis and on-site examinations. The Office is also responsible for the admissions process for new entities as well as those proposing to expand into additional lines of business. The Office has responsibility for enforcing the provisions of Chapters 20, 112, 120, 440, 624, 625, 626, 627, 628, 629, 630, 630, 631, 632, 634, 635, 636, and 641, 642, 648, 651 and 817, F.S., and applicable rules, as they relate to the review of policy contracts and associated rates.

Filings are reviewed to determine compliance with applicable actuarial standards, statutory provisions, and administrative rules. Additionally, the Office conducts market investigations and analyzes market trends for the fair treatment of policyholders. Examinations and investigations are conducted as required to address consumer issues and marketplace trends.

The Office of Insurance Regulation (Office) utilizes the Expenses appropriation for to operate the Office and meet the Office's regulatory and statutory requirements. Currently, the Office receives \$2.5 million in Expenses appropriation. Expenditures for this category include, but are not limited to, are office rent to DMS (almost \$1.1 million), computer equipment, training, travel, office supplies, and other important needs. These are important to the Office so that it may fulfill our statutory requirements.

A significant portion of the Office's appropriated expense funding is used for examiner travel to property, casualty, life and health insurance companies to examine books and records to regulate solvency. It is important to note that the travel expenses are paid with the Office's appropriated expense funds and then the insurance company being examined pays back the cost of the examination into the Insurance Regulatory Trust Fund. The Office does not have an appropriation to

COL A93		
SCH VIIIIB-2		
REDUCTIONS		
POS	AMOUNT	CODES
FINANCIAL SERVICES		43000000
PGM: FINANCIAL SVCS COMM		43900000
OFFICE OF INSURANCE REG		43900100
COMP & ENFORCE- INSURANCE		43900110
PUBLIC PROTECTION		12
REGULATION AND LICENSING		<u>1204.00.00.00</u>
PROGRAM REDUCTIONS		33V0000
REDUCE BUSINESS UNIT EXPENSES		33V0050

reimburse these funds back into its operating budget. In an effort to comply with mission-critical travel laws and to manage these reductions, the Office has reduced travel expense utilization. A further reduction to the Office's appropriated expense allotment will result in Office staff receiving less job-specific training. This reduction would moderately impede the fulfillment of the Office's essential regulatory and statutory requirements.

REDUCE EXPENSES - COMPLIANCE AND ENFORCEMENT EXPENSES

33V0230
040000

INSURANCE REG TF -STATE 590,920-
 =====

2393 1

AGENCY ISSUE NARRATIVE:

SCH VIIIIB-2 NARR 18-19 NARRATIVE:
 PRIORITY #107

IT COMPONENT? NO

Budget Entity: Office of Insurance Regulation - Compliance & Enforcement

Issue Title: Reduction in Expenses - Compliance and Enforcement

Reference to Long-Range Program Plan:

Goal 2: Protect the public from illegal, unethical insurance products and practices.

Issue Description: The Office of Insurance Regulation (Office) is responsible for monitoring the financial condition of all regulated entities through the use of internal financial analysis and on-site examinations. The Office is also responsible for the admissions process for new entities as well as those proposing to expand into additional lines of business. The Office has responsibility for enforcing the provisions of Chapters 20, 112, 120, 440, 624, 625, 626, 627, 628, 629, 630, 630, 631, 632, 634, 635, 636, and 641, 642, 648, 651 and 817, F.S., and applicable rules, as they relate to the review of policy contracts and associated rates.

Filings are reviewed to determine compliance with applicable actuarial standards, statutory provisions, and administrative rules. Additionally, the Office conducts market investigations and analyzes market trends for the fair treatment of policyholders. Examinations and investigations are conducted as required to address consumer issues and marketplace trends.

COL A93		
SCH VIIIIB-2		
REDUCTIONS		
POS	AMOUNT	CODES
FINANCIAL SERVICES		43000000
PGM: FINANCIAL SVCS COMM		43900000
OFFICE OF INSURANCE REG		43900100
COMP & ENFORCE- INSURANCE		43900110
PUBLIC PROTECTION		12
REGULATION AND LICENSING		<u>1204.00.00.00</u>
PROGRAM REDUCTIONS		33V0000
REDUCE EXPENSES - COMPLIANCE AND		
ENFORCEMENT		33V0230

The Office of Insurance Regulation (Office) utilizes the Expenses appropriation for to operate the Office and meet the Office's regulatory and statutory requirements. Currently, the Office receives \$2.5 million in Expenses appropriation. Expenditures for this category include, but are not limited to, are office rent to DMS (almost \$1.1 million), computer equipment, training, travel, office supplies, and other important needs. These are important to the Office so that it may fulfill our statutory requirements.

A significant portion of the Office's appropriated expense funding is used for examiner travel to property, casualty, life and health insurance companies to examine books and records to regulate solvency. It is important to note that the travel expenses are paid with the Office's appropriated expense funds and then the insurance company being examined pays back the cost of the examination into the Insurance Regulatory Trust Fund. The Office does not have an appropriation to reimburse these funds back into its operating budget.

The Office's appropriated expense budget has been reduced by over \$700,000 since 2007. In an effort to comply with mission-critical travel laws and to manage these reductions, the Office has reduced travel expense utilization. A further reduction to the Office's appropriated expense allotment will result in Office staff receiving less job-specific training and may impede operations by restricting expenditures relating to postage, office supplies, records storage, equipment and pertinent legal and insurance subscriptions. A reduction would significantly impede the fulfillment of the Office's essential regulatory and statutory requirements.

ELIMINATE SCANNING UNIT - OFFICE		
OF INSURANCE REGULATION		33V0720
OTHER PERSONAL SERVICES		030000
INSURANCE REG TF	-STATE	26,000-
	=====	
EXPENSES		040000
INSURANCE REG TF	-STATE	3,150-
	=====	
TOTAL: ELIMINATE SCANNING UNIT - OFFICE		33V0720
OF INSURANCE REGULATION		
TOTAL ISSUE.....		29,150-
	=====	

COL A93		
SCH VIIIIB-2		
REDUCTIONS		
POS	AMOUNT	CODES
		43000000
FINANCIAL SERVICES		43900000
PGM: FINANCIAL SVCS COMM		43900100
OFFICE OF INSURANCE REG		43900110
COMP & ENFORCE- INSURANCE		12
PUBLIC PROTECTION		<u>1204.00.00.00</u>
REGULATION AND LICENSING		33V0000
PROGRAM REDUCTIONS		
ELIMINATE SCANNING UNIT - OFFICE		33V0720
OF INSURANCE REGULATION		

AGENCY ISSUE NARRATIVE:

SCH VIIIIB-2 NARR 18-19 NARRATIVE:
 PRIORITY #103

IT COMPONENT? NO

Budget Entity: Office of Insurance Regulation - Compliance and Enforcement

Issue Title: Eliminate Scanning Unit

Reference to Long-Range Program Plan:

Goal 2: Protect the public from illegal, unethical insurance products and practices.

Issue Description: The Office of Insurance Regulation (Office) is responsible for monitoring the financial condition of all regulated entities through the use of internal financial analysis and on-site examinations. The Office is also responsible for the admissions process for new entities as well as those proposing to expand into additional lines of business. The Office has responsibility for enforcing the provisions of Chapters 20, 112, 120, 440, 624, 625, 626, 627, 628, 629, 630, 630, 631, 632, 634, 635, 636, and 641, 642, 648, 651 and 817, F.S., and applicable rules, as they relate to the review of policy contracts and associated rates.

The Office created the scanning unit two years ago to start scanning and cataloging many different types of Office documents such as Charter Files, Title Insurance documents, Financial examination reports, and Financial statements. The scanning unit utilizes the Other Personal Services (OPS) category to hire temporary staff and Expenses category. This reduction would eliminate up to 3 part-time OPS employees. This issue would reduce the OPS budget category by \$26,000 and \$3,150 in Expenses. This reduction would have a minimal impact.

REDUCE BUDGET AUTHORITY BASED ON
 PREVIOUS REVERSIONS
 EXPENSES

33V0850
 040000

INSURANCE REG TF -STATE 1,899-
 =====

2393 1

COL A93		
SCH VIIIIB-2		
REDUCTIONS		
POS	AMOUNT	CODES

FINANCIAL SERVICES		43000000
PGM: FINANCIAL SVCS COMM		43900000
OFFICE OF INSURANCE REG		43900100
COMP & ENFORCE- INSURANCE		43900110
PUBLIC PROTECTION		12
<u>REGULATION AND LICENSING</u>		<u>1204.00.00.00</u>
PROGRAM REDUCTIONS		33V0000
REDUCE BUDGET AUTHORITY BASED ON		
PREVIOUS REVERSIONS		33V0850

AGENCY ISSUE NARRATIVE:

SCH VIIIIB-2 NARR 18-19 NARRATIVE:
PRIORITY #101

IT COMPONENT? NO

Budget Entity: Office of Insurance Regulation - Compliance and Enforcement

Issue Title: Reduction in Lease Purchase Equipment

Reference to Long-Range Program Plan:

Goal 2: Protect the public from illegal, unethical insurance products and practices.

Issue Description: The Office of Insurance Regulation (Office) is responsible for monitoring the financial condition of all regulated entities through the use of internal financial analysis and on-site examinations. The Office is also responsible for the admissions process for new entities as well as those proposing to expand into additional lines of business. The Office has responsibility for enforcing the provisions of Chapters 20, 112, 120, 440, 624, 625, 626, 627, 628, 629, 630, 630, 631, 632, 634, 635, 636, and 641, 642, 648, 651 and 817, F.S., and applicable rules, as they relate to the review of policy contracts and associated rates. Filings are reviewed to determine compliance with applicable actuarial standards, statutory provisions, and administrative rules. Additionally, the Office conducts market investigations and analyzes market trends for the fair treatment of policyholders. Examinations and investigations are conducted as required to address consumer issues and marketplace trends.

The Office of Insurance Regulation (Office) utilizes the Lease Purchase Equipment appropriation primarily for its BizHub's or copy machines. This equipment is multi-purpose and therefore is essential and important to all of the Office's business units. While the Office is making strides in going paperless, BizHub's are still needed to help fulfill the Office's mission and goals. Therefore, and based on previous year reversions, a reduction of \$1,899 would have a minimal impact on the agency.

COL A93		
SCH VIIIIB-2		
REDUCTIONS		
POS	AMOUNT	CODES

FINANCIAL SERVICES		43000000
PGM: FINANCIAL SVCS COMM		43900000
OFFICE OF INSURANCE REG		43900100
COMP & ENFORCE- INSURANCE		43900110
PUBLIC PROTECTION		12
<u>REGULATION AND LICENSING</u>		<u>1204.00.00.00</u>
PROGRAM REDUCTIONS		33V0000
REDUCTION IN THE OPERATING CAPITAL		
OUTLAY CATEGORY		33V1120
OPERATING CAPITAL OUTLAY		060000
INSURANCE REG TF	-STATE 49,000-	2393 1
	=====	

AGENCY ISSUE NARRATIVE:

SCH VIIIIB-2 NARR 18-19 NARRATIVE:
 PRIORITY #102

IT COMPONENT? NO

Budget Entity: Office of Insurance Regulation - Compliance and Enforcement

Issue Title: Reduction in Operating Capital Category (OCO)

Reference to Long-Range Program Plan:

Goal 2: Protect the public from illegal, unethical insurance products and practices.

Issue Description: The Office of Insurance Regulation (Office) is responsible for monitoring the financial condition of all regulated entities through the use of internal financial analysis and on-site examinations. The Office is also responsible for the admissions process for new entities as well as those proposing to expand into additional lines of business. The Office has responsibility for enforcing the provisions of Chapters 20, 112, 120, 440, 624, 625, 626, 627, 628, 629, 630, 630, 631, 632, 634, 635, 636, and 641, 642, 648, 651 and 817, F.S., and applicable rules, as they relate to the review of policy contracts and associated rates.

Filings are reviewed to determine compliance with applicable actuarial standards, statutory provisions, and administrative rules. Additionally, the Office conducts market investigations and analyzes market trends for the fair treatment of policyholders. Examinations and investigations are conducted as required to address consumer issues and marketplace trends.

The Office of Insurance Regulation (Office) utilizes the OCO appropriation primarily for its maintaining and replacing of standard laptop computers and desktop computers. The laptops are critical for the Office insurance examiners especially when they are traveling for examinations of insurance entities. This funding is also important for other necessary large I.T. equipment such as network printers and scanners. Currently, the Office receives only \$98,000 in appropriation. A reduction of 50% would have a minimal impact, but would impede the fulfillment of the Office's essential regulatory and statutory requirements. The Office then would have to use the 5% transfer authority, when needed, to provide additional OCO funding as needed.

COL A93		
SCH VIIIIB-2		
REDUCTIONS		
POS	AMOUNT	CODES

FINANCIAL SERVICES		43000000
PGM: FINANCIAL SVCS COMM		43900000
OFFICE OF INSURANCE REG		43900100
COMP & ENFORCE- INSURANCE		43900110
PUBLIC PROTECTION		12
REGULATION AND LICENSING		<u>1204.00.00.00</u>
PROGRAM REDUCTIONS		33V0000
REDUCE CONTRACTED SERVICES		33V1300
SPECIAL CATEGORIES		100000
CONTRACTED SERVICES		100777
INSURANCE REG TF	-STATE 370,644-	2393 1
	=====	

AGENCY ISSUE NARRATIVE:

SCH VIIIIB-2 NARR 18-19 NARRATIVE:
 PRIORITY #106

IT COMPONENT? NO

Budget Entity: Office of Insurance Regulation - Compliance and Enforcement

Issue Title: Reduction in Contracted Services

Reference to Long-Range Program Plan:

Goal 2: Protect the public from illegal, unethical insurance products and practices.

Issue Description: The Office of Insurance Regulation (Office) is responsible for monitoring the financial condition of all regulated entities through the use of internal financial analysis and on-site examinations. The Office is also responsible for the admissions process for new entities as well as those proposing to expand into additional lines of business. The Office has responsibility for enforcing the provisions of Chapters 20, 112, 120, 440, 624, 625, 626, 627, 628, 629, 630, 630, 631, 632, 634, 635, 636, and 641, 642, 648, 651 and 817, F.S., and applicable rules, as they relate to the review of policy contracts and associated rates.

Filings are reviewed to determine compliance with applicable actuarial standards, statutory provisions, and administrative rules. Additionally, the office conducts market investigations and analyzes market trends for the fair treatment of policyholders. Examinations and investigations are conducted as required to address consumer issues and marketplace trends.

Contracted Services allows the Office to enable mandated data collection for insurers and agencies, and to make additional needed changes to keep up with volume and newer technology used by regulated entities and other regulators. The Office Contracted Services also provides funding for staff augmentation to maintain and support existing technology applications which is increasingly difficult because of aging infrastructure. The Office is still continuing the process of upgrading some aging infrastructure including its electronic data management system to process rate filings.

Therefore, cutting contracted services will significantly impede the development of new tools that would keep the Office up-to-date and provide quality customer service. These services also include other professional and technical functions needed to provide a quality level of service to policymakers, the insurance industry and to the insurance-buying public.

COL A93		
SCH VIIIIB-2		
REDUCTIONS		
POS	AMOUNT	CODES
FINANCIAL SERVICES		43000000
PGM: FINANCIAL SVCS COMM		43900000
OFFICE OF INSURANCE REG		43900100
COMP & ENFORCE- INSURANCE		43900110
PUBLIC PROTECTION		12
REGULATION AND LICENSING		<u>1204.00.00.00</u>
PROGRAM REDUCTIONS		33V0000
REDUCE CONTRACTED SERVICES		33V1300

Reduction of the contracted services budget and resulting delay in projects would be significant and negatively impact speed-to-market of insurance products to consumers and slow job creation that results when insurers introduce new programs. Additionally, the Office, as in the past, will continue to need contracted services funding to engage economists, actuaries and other consultants to perform statutorily-required complex reporting on the insurance industry in addition to actuarial audits and studies to provide market analysis on specific issues to policymakers and the Governor and Cabinet.

REDUCE OTHER PERSONAL SERVICES		
FUNDING		33V2240
OTHER PERSONAL SERVICES		030000
INSURANCE REG TF	-STATE 101,159-	2393 1

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AGENCY ISSUE NARRATIVE:

SCH VIIIIB-2 NARR 18-19 NARRATIVE: IT COMPONENT? NO
 PRIORITY #104

Budget Entity: Office of Insurance Regulation - Compliance and Enforcement

Issue Title: Reduction in Other Personal Services (OPS)

Reference to Long-Range Program Plan:

Goal 2: Protect the public from illegal, unethical insurance products and practices.

Issue Description: The Office of Insurance Regulation (Office) is responsible for monitoring the financial condition of all regulated entities through the use of internal financial analysis and on-site examinations. The Office is also responsible for the admissions process for new entities as well as those proposing to expand into additional lines of business. The Office has responsibility for enforcing the provisions of Chapters 20, 112, 120, 440, 624, 625, 626, 627, 628, 629, 630, 630, 631, 632, 634, 635, 636, and 641, 642, 648, 651 and 817, F.S., and applicable rules, as they relate to the review of policy contracts and associated rates.

Filings are reviewed to determine compliance with applicable actuarial standards, statutory provisions, and administrative rules. Additionally, the Office conducts market investigations and analyzes market trends for the fair treatment of policyholders. Examinations and investigations are conducted as required to address consumer issues and

COL A93		
SCH VIIIIB-2		
REDUCTIONS		
POS	AMOUNT	CODES
FINANCIAL SERVICES		43000000
PGM: FINANCIAL SVCS COMM		43900000
OFFICE OF INSURANCE REG		43900100
COMP & ENFORCE- INSURANCE		43900110
PUBLIC PROTECTION		12
REGULATION AND LICENSING		1204.00.00.00
PROGRAM REDUCTIONS		33V0000
REDUCE OTHER PERSONAL SERVICES		
FUNDING		33V2240

marketplace trends.

The Office of Insurance Regulation (Office) utilizes the Other Personal Services (OPS) category to hire temporary staff as needed to accomplish the mission of the Office. Currently, the Office only receives \$290,169 in OPS appropriation from the Insurance Regulatory Trust Fund. A reduction of \$101,159 would have a minimal impact, but would impede the fulfillment of the Office's essential regulatory and statutory requirements. The Office then would have to use the 5% transfer authority, when needed, to provide additional OPS funding as needed.

REDUCE POSITION(S) - OFFICE OF		
INSURANCE REGULATION - OPERATIONAL		
REDUCTIONS		33V3110
SALARY RATE		000000
SALARY RATE.....	641,979-	
	=====	
SALARIES AND BENEFITS		010000
18.00-		
INSURANCE REG TF	-STATE 961,356-	2393 1
	=====	
EXPENSES		040000
INSURANCE REG TF	-STATE 32,400-	2393 1
	=====	
SPECIAL CATEGORIES		100000
TR/DMS/HR SVCS/STW CONTRCT		107040
INSURANCE REG TF	-STATE 5,922-	2393 1
	=====	
TOTAL: REDUCE POSITION(S) - OFFICE OF		33V3110
INSURANCE REGULATION - OPERATIONAL		
REDUCTIONS		
TOTAL POSITIONS.....	18.00-	
TOTAL ISSUE.....	999,678-	
TOTAL SALARY RATE.....	641,979-	
	=====	

COL A93		
SCH VIIIB-2		
REDUCTIONS		
POS	AMOUNT	CODES

FINANCIAL SERVICES		43000000
PGM: FINANCIAL SVCS COMM		43900000
OFFICE OF INSURANCE REG		43900100
COMP & ENFORCE- INSURANCE		43900110
PUBLIC PROTECTION		12
<u>REGULATION AND LICENSING</u>		<u>1204.00.00.00</u>
PROGRAM REDUCTIONS		33V0000
REDUCE POSITION(S) - OFFICE OF		
INSURANCE REGULATION - OPERATIONAL		
REDUCTIONS		33V3110

AGENCY ISSUE NARRATIVE:
SCH VIIIB-2 NARR 18-19 NARRATIVE: IT COMPONENT? NO
PRIORITY #109

Budget Entity: Office of Insurance Regulations - Compliance and Enforcement

Issue Title: Reduction of Vacant Positions - Compliance and Enforcement

Reference to Long-Range Program Plan:
Goal 2: Protect the public from illegal, unethical insurance products and practices.

Issue Description: The Office of Insurance Regulation (Office) is responsible for monitoring the financial condition of all regulated entities through the use of internal financial analysis and on-site examinations. The Office is also responsible for the admissions process for new entities as well as those proposing to expand into additional lines of business. The Office has responsibility for enforcing the provisions of Chapters 20, 112, 120, 440, 624, 625, 626, 627, 628, 629, 630, 631, 632, 634, 635, 636, and 641, 642, 648, 651 and 817, F.S., and applicable rules, as they relate to the review of policy contracts and associated rates. Filings are reviewed to determine compliance with applicable actuarial standards, statutory provisions, and administrative rules. Additionally, the Office conducts market investigations and analyzes market trends for the fair treatment of policyholders. Examinations and investigations are conducted as required to address consumer issues and marketplace trends.

For Fiscal Year 2017-18, the Office has 289 FTE and is comprised of two budget entities: Compliance and Enforcement with 251 FTE and Executive Direction with 38 FTE. The Office is a small agency and has already been reduced from a high number of 315 positions in Fiscal Year 2007-08 to the current 289 positions. Any further FTE reduction will significantly impede the Office's ability to perform statutorily required functions and will decrease service to the insurance industry by slowing insurance company application reviews thereby slowing products to consumers, job creation from new products and new insurance entity licensure.

The Office makes diligent efforts to fill vacant positions quickly. Since 2007, Office personnel resources have been reduced by 26 FTE with no substantive reduction in regulatory responsibility. The Office now has regulatory responsibility for over 4,200 insurance entities which is a substantial increase since the Office's creation in 2003. Losing additional positions would have a significant impact on the core mission of the Office. If a reduction is required, for the implementation of this issue, the Office will identify the positions in the Compliance and Enforcement budget entity. Mission critical positions would be maintained. The reductions would be based on vacant positions along with the consideration of the tenure and performance of current employees, and the functions of the positions.

COL A93 SCH VIIIIB-2 REDUCTIONS		CODES
POS	AMOUNT	
FINANCIAL SERVICES		43000000
PGM: FINANCIAL SVCS COMM		43900000
OFFICE OF INSURANCE REG		43900100
COMP & ENFORCE- INSURANCE		43900110
PUBLIC PROTECTION		12
REGULATION AND LICENSING		<u>1204.00.00.00</u>
PROGRAM REDUCTIONS		33V0000
REDUCE POSITION(S) - OFFICE OF INSURANCE REGULATION - OPERATIONAL REDUCTIONS		33V3110

POSITION DETAIL OF SALARIES AND BENEFITS:

	FTE	BASE RATE	ADDITIVES	BENEFITS	SUBTOTAL	LAPSE %	LAPSED SALARIES AND BENEFITS
A93 - SCH VIIIIB-2 REDUCTIONS							
NEW POSITIONS							
P101 PROPOSED CLASS CODE R0001 001	18.00-	641,979-		319,377-	961,356-	0.00	961,356-
TOTALS FOR ISSUE BY FUND 2393 INSURANCE REG TF	18.00-	641,979-		319,377-	961,356-		961,356-

TOTAL: REGULATION AND LICENSING							<u>1204.00.00.00</u>
BY FUND TYPE							
TRUST FUNDS.....	18.00-	2,514,872-					2000
SALARY RATE.....	641,979-						

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COL A93		
SCH VIIIIB-2		
REDUCTIONS		
POS	AMOUNT	CODES

FINANCIAL SERVICES		43000000
PGM: FINANCIAL SVCS COMM		43900000
OFFICE OF INSURANCE REG		43900100
<u>EXEC DIR & SUPORT SERVICES</u>		43900120
PUBLIC PROTECTION		12
<u>REGULATION AND LICENSING</u>		<u>1204.00.00.00</u>
PROGRAM REDUCTIONS		33V0000
REDUCE EXPENSES - EXECUTIVE		
DIRECTION		33V0240
EXPENSES		040000
INSURANCE REG TF	-STATE 35,563-	2393 1
	=====	

AGENCY ISSUE NARRATIVE:

SCH VIIIIB-2 NARR 18-19 NARRATIVE:
 PRIORITY #107

IT COMPONENT? NO

Budget Entity: Office of Insurance Regulation - Executive Direction

Issue Title: Reduction in Expenses

Reference to Long-Range Program Plan:

Goal 2: Protect the public from illegal, unethical insurance products and practices.

Issue Description: The Office of Insurance Regulation (Office) is responsible for monitoring the financial condition of all regulated entities through the use of internal financial analysis and on-site examinations. The Office is also responsible for the admissions process for new entities as well as those proposing to expand into additional lines of business. The Office has responsibility for enforcing the provisions of Chapters 20, 112, 120, 440, 624, 625, 626, 627, 628, 629, 630, 630, 631, 632, 634, 635, 636, and 641, 642, 648, 651 and 817, F.S., and applicable rules, as they relate to the review of policy contracts and associated rates.

Filings are reviewed to determine compliance with applicable actuarial standards, statutory provisions, and administrative rules. Additionally, the Office conducts market investigations and analyzes market trends for the fair treatment of policyholders. Examinations and investigations are conducted as required to address consumer issues and marketplace trends.

The Office of Insurance Regulation (Office) utilizes the Expenses appropriation for to operate the Office and meet the Office's regulatory and statutory requirements. Currently, the Office receives \$2.5 million in Expenses appropriation. Expenditures for this category include, but are not limited to, are office rent to DMS (almost \$1.1 million), computer equipment, training, travel, office supplies, and other important needs. These are important to the Office so that it may fulfill our statutory requirements.

A significant portion of the Office's appropriated expense funding is used for examiner travel to property, casualty, life and health insurance companies to examine books and records to regulate solvency. It is important to note that the travel expenses are paid with the Office's appropriated expense funds and then the insurance company being examined pays

COL A93		
SCH VIIIIB-2		
REDUCTIONS		
POS	AMOUNT	CODES
FINANCIAL SERVICES		43000000
PGM: FINANCIAL SVCS COMM		43900000
OFFICE OF INSURANCE REG		43900100
<u>EXEC DIR & SUPORT SERVICES</u>		43900120
PUBLIC PROTECTION		12
<u>REGULATION AND LICENSING</u>		<u>1204.00.00.00</u>
PROGRAM REDUCTIONS		33V0000
REDUCE EXPENSES - EXECUTIVE		
DIRECTION		33V0240

back the cost of the examination into the Insurance Regulatory Trust Fund. The Office does not have an appropriation to reimburse these funds back into its operating budget.

The Office's appropriated expense budget has been reduced by over \$700,000 since 2007. In an effort to comply with mission-critical travel laws and to manage these reductions, the Office has reduced travel expense utilization. A further reduction to the Office's appropriated expense allotment will result in Office staff receiving less job-specific training and may impede operations by restricting expenditures relating to postage, office supplies, records storage, equipment and pertinent legal and insurance subscriptions. A reduction would significantly impede the fulfillment of the Office's essential regulatory and statutory requirements.

REDUCE CONTRACTED SERVICES		33V1300
SPECIAL CATEGORIES		100000
CONTRACTED SERVICES		100777
INSURANCE REG TF	-STATE	41,720-
	=====	
		2393 1

AGENCY ISSUE NARRATIVE:
 SCH VIIIIB-2 NARR 18-19 NARRATIVE: IT COMPONENT? NO
 PRIORITY #106

Budget Entity: Office of Insurance Regulation - Executive Direction

Issue Title: Reduction in Contracted Services

Reference to Long-Range Program Plan:
 Goal 2: Protect the public from illegal, unethical insurance products and practices.

Issue Description: The Office of Insurance Regulation (Office) is responsible for monitoring the financial condition of all regulated entities through the use of internal financial analysis and on-site examinations. The Office is also responsible for the admissions process for new entities as well as those proposing to expand into additional lines of business. The Office has responsibility for enforcing the provisions of Chapters 20, 112, 120, 440, 624, 625, 626, 627, 628, 629, 630, 630, 631, 632, 634, 635, 636, and 641, 642, 648, 651 and 817, F.S., and applicable rules, as they relate to the review of policy contracts and associated rates.

COL A93		
SCH VIIIIB-2		
REDUCTIONS		
POS	AMOUNT	CODES
FINANCIAL SERVICES		43000000
PGM: FINANCIAL SVCS COMM		43900000
OFFICE OF INSURANCE REG		43900100
EXEC DIR & SUPORT SERVICES		43900120
PUBLIC PROTECTION		12
REGULATION AND LICENSING		<u>1204.00.00.00</u>
PROGRAM REDUCTIONS		33V0000
REDUCE CONTRACTED SERVICES		33V1300

Filings are reviewed to determine compliance with applicable actuarial standards, statutory provisions, and administrative rules. Additionally, the office conducts market investigations and analyzes market trends for the fair treatment of policyholders. Examinations and investigations are conducted as required to address consumer issues and marketplace trends.

Contracted Services allows the Office to enable legislative mandated data collection for insurers and agencies, and to make additional needed changes to keep up with volume and newer technology used by regulated entities and other regulators. The Office Contracted Services also provides funding for staff augmentation to maintain and support existing technology applications which is increasingly difficult because of aging infrastructure. The Office is still continuing the process of upgrading some aging infrastructure including its electronic data management system to process rate filings.

Therefore, cutting contracted services will significantly impede the development of new tools that would keep the Office up-to-date and provide quality customer service. These services also include other professional and technical functions needed to provide a quality level of service to policymakers, the insurance industry and to the insurance-buying public. Reduction of the contracted services budget and resulting delay in projects would be significant and negatively impact speed-to-market of insurance products to consumers and slow job creation that results when insurers introduce new programs. Additionally, the Office, as in the past, will continue to need contracted services funding to engage economists, actuaries and other consultants to perform statutorily-required complex reporting on the insurance industry in addition to actuarial audits and studies to provide market analysis on specific issues to policymakers and the Governor and Cabinet.

TOTAL: REGULATION AND LICENSING		<u>1204.00.00.00</u>
BY FUND TYPE		
TRUST FUNDS.....	77,283-	2000
	=====	

COL A93			
SCH VIIIIB-2			
REDUCTIONS			
POS	AMOUNT		CODES

FINANCIAL SERVICES			43000000
PGM: FINANCIAL SVCS COMM			43900000
OFFICE OF FINANCIAL REG			43900500
SFTY & SOUND ST BKG SYST			43900530
<u>PUBLIC PROTECTION</u>			
			12
<u>REGULATION AND LICENSING</u>			
			<u>1204.00.00.00</u>
PROGRAM REDUCTIONS			33V0000
REDUCE POSITION(S) - OFFICE OF			
FINANCIAL REGULATION - FINANCIAL			
INSTITUTIONS			33V0500
SALARY RATE			000000
SALARY RATE.....	153,912-		
	=====		
SALARIES AND BENEFITS			
			010000
FINANCIAL INST REG TF	-STATE	4.00- 226,636-	2275 1
		=====	
EXPENSES			
			040000
FINANCIAL INST REG TF	-STATE	7,200-	2275 1
		=====	
TOTAL: REDUCE POSITION(S) - OFFICE OF			33V0500
FINANCIAL REGULATION - FINANCIAL			
INSTITUTIONS			
TOTAL POSITIONS.....	4.00-		
TOTAL ISSUE.....	233,836-		
TOTAL SALARY RATE.....	153,912-		
	=====		

AGENCY ISSUE NARRATIVE:

SCH VIIIIB-2 NARR 18-19 NARRATIVE:

IT COMPONENT? NO

Priority #219

Reference to Long-Range Program Plan:

Goal #1: Improve Taxpayer Value

Goal #2: Deliver Value to Businesses

Goal #3: Promote a Safe and Sound Financial Marketplace

Issue Description/Need: This issue proposes a reduction of four key positions and the associated budget from the Division of Financial Institutions. The Division is responsible for examining all state financial institutions to ensure they are operating in a safe and sound manner as mandated either by statute or economic conditions. The Division's examination staff is a key part in meeting both conditions. It currently takes three years for an examiner to complete all of the required schools and be able to conduct every aspect of an examination. Due to the retirement of key personnel the

COL A93		
SCH VIIIB-2		
REDUCTIONS		
POS	AMOUNT	CODES
		43000000
FINANCIAL SERVICES		43900000
PGM: FINANCIAL SVCS COMM		43900500
OFFICE OF FINANCIAL REG		43900530
SFTY & SOUND ST BKG SYST		12
PUBLIC PROTECTION		<u>1204.00.00.00</u>
REGULATION AND LICENSING		33V0000
PROGRAM REDUCTIONS		
REDUCE POSITION(S) - OFFICE OF		
FINANCIAL REGULATION - FINANCIAL		
INSTITUTIONS		33V0500

Division needs to constantly recruit and train examiner positions for succession planning. Currently, the financial institution industry has seen a lot of merger and consolidation activity, which may continue to reduce the number of state-chartered institutions. However, for state-chartered institutions acquiring other institutions, this is creating larger, more complex state-chartered institutions, continuing the need of participation from experienced examiners. In addition, according to F.S. 655.045, The Office may accept an examination of a state financial institution made by an appropriate federal regulatory agency or may conduct a joint or concurrent examination of the institution with the federal agency. However, federal counterparts have reprioritized their examination process and will not be conducting as many exams on the smaller institutions located in Florida. Therefore, more examinations will be required by the Division in order to meet the mandated 18 month time frame between examinations.

Ultimate Outcome: The reduction of four FTEs will critically impact the Division. Eliminating these positions may risk the ability of the Division to provide quality examinations. Additionally, the Division has worked hard to reduce the reliance on the OPS Program, and focus on the training and retention of full time employees. More reliance on the OPS Program may cost the citizens of Florida more money.

Detail of Costs:

SALARIES and BENEFITS:			
Quantity	Description	Amount	Non-Recurring
(4)	Financial Examiner Analyst II PG 23, @ \$56,659 each	(\$226,636)	(\$0)
EXPENSES:			
Quantity	Description	Amount	Non-Recurring
(4)	@ \$1,800 each	(\$7,200)	(\$0)
Deletion of Position Total		(\$233,836)	(\$0)

COL A93 SCH VIIIIB-2 REDUCTIONS		CODES
POS	AMOUNT	
FINANCIAL SERVICES		43000000
PGM: FINANCIAL SVCS COMM		43900000
OFFICE OF FINANCIAL REG		43900500
SFTY & SOUND ST BKG SYST		43900530
PUBLIC PROTECTION		12
REGULATION AND LICENSING		1204.00.00.00
PROGRAM REDUCTIONS		33V0000
REDUCE POSITION(S) - OFFICE OF FINANCIAL REGULATION - FINANCIAL INSTITUTIONS		33V0500

POSITION DETAIL OF SALARIES AND BENEFITS:

	FTE	BASE RATE	ADDITIVES	BENEFITS	SUBTOTAL	LAPSE %	LAPSED SALARIES AND BENEFITS
A93 - SCH VIIIIB-2 REDUCTIONS							
CHANGES TO CURRENTLY AUTHORIZED POSITIONS							
P101 PROPOSED CLASS CODE N0001 001	4.00-	153,912-		72,724-	226,636-	0.00	226,636-
TOTALS FOR ISSUE BY FUND 2275 FINANCIAL INST REG TF	4.00-	153,912-		72,724-	226,636-		226,636-

REDUCE OTHER PERSONAL SERVICES (OPS) EXAMINERS AND ASSOCIATED EXPENSES							33V0510
OTHER PERSONAL SERVICES							030000
FINANCIAL INST REG TF -STATE	254,100-						2275 1
EXPENSES							040000
FINANCIAL INST REG TF -STATE	148,719-						2275 1
TOTAL: REDUCE OTHER PERSONAL SERVICES (OPS) EXAMINERS AND ASSOCIATED EXPENSES							33V0510
TOTAL ISSUE.....	402,819-						

COL A93		
SCH VIIIIB-2		
REDUCTIONS		
POS	AMOUNT	CODES
		43000000
FINANCIAL SERVICES		43900000
PGM: FINANCIAL SVCS COMM		43900500
OFFICE OF FINANCIAL REG		43900530
SFTY & SOUND ST BKG SYST		12
PUBLIC PROTECTION		<u>1204.00.00.00</u>
REGULATION AND LICENSING		33V0000
PROGRAM REDUCTIONS		
REDUCE OTHER PERSONAL SERVICES		
(OPS) EXAMINERS AND ASSOCIATED		
EXPENSES		33V0510

AGENCY ISSUE NARRATIVE:
 SCH VIIIIB-2 NARR 18-19 NARRATIVE:
 Priority #217

IT COMPONENT? NO

- Reference to Long-Range Program Plan:
 Goal #1: Improve Taxpayer Value
 Goal #2: Deliver Value to Businesses
 Goal #3: Promote a Safe and Sound Financial Marketplace

Issue Description/Need: OPS Contract Examiners - Currently within the Division, OPS Contract Examiners provide institutional examination services on an as needed basis. These OPS examiners provide an excellent workforce alternative and provide an exceptional stop-gap during times of peak work load or FTE attrition. These OPS examiners are typically tenured and retirees from various federal and state regulatory agencies and represent an experienced and well trained work force who are able to handle a diverse workload from the simplest institutional exam to the most complex and can deploy to an institutional exam quickly and with little to no lead time.

A reduction within the OPS Contract Examiner Program will limit the Division's ability to provide institutional exams according to the statutory cycle and will critically impact the Division's ability to promote a safe and sound financial marketplace whereby placing the citizens of Florida in a position of risk and financial loss.

Further, public confidence in Florida's financial institution industry may be significantly eroded, which will have a direct impact on Florida's ability to assist the private sector to create jobs and attract new industry.

The Division's financial institution regulatory program has been accredited for approximately 25 years by the Conference of State Bank Supervisors (CSBS) and National Association of State Credit Union Supervisors (NASCUS). The status of both the CSBS and NASCUS accreditations will be at risk due to the reductions in regulatory resources and inability to meet our accreditation Best Practice standards. It is imperative that this status of good standing be maintained in order to satisfy the regulatory requirements of our federal counterparts (FDIC, Federal Reserve Bank (FRB), Office of the Comptroller of the Currency (OCC) and the National Credit Union Association (NCUA).

Ultimate Outcome: A reduction within the OPS Contract Examiner Program will limit the Division's ability to provide institutional exams according to the statutory cycle and may jeopardize the Division's ability to promote a safe and sound financial marketplace whereby placing the citizens of Florida in a position of risk and financial loss.

COL A93		
SCH VIIIIB-2		
REDUCTIONS		
POS	AMOUNT	CODES
FINANCIAL SERVICES		43000000
PGM: FINANCIAL SVCS COMM		43900000
OFFICE OF FINANCIAL REG		43900500
SFTY & SOUND ST BKG SYST		43900530
<u>PUBLIC PROTECTION</u>		12
<u>REGULATION AND LICENSING</u>		<u>1204.00.00.00</u>
PROGRAM REDUCTIONS		33V0000
REDUCE OTHER PERSONAL SERVICES		
(OPS) EXAMINERS AND ASSOCIATED		
EXPENSES		33V0510

Consequently, public confidence in Florida's financial institution industry may erode, which will result in Florida's institutions losing their customer base ultimately resulting in degradation of institutional earning and capital and possibly failure. Further, if the Division were unable to fulfill its mandate to provide institutional exams according to the statutory cycle, it will damage the regulatory reputation of the Division and place in question the credibility of the Division to our federal regulatory counterparts thus damaging the working relationship now in place and so critical to the safety and soundness of Florida's financial institutions.

Detail of Costs:

OPS:

Quantity	Description	Amount	Non-Recurring
	Reduction in the contract examiner program	(\$254,100)	(\$0)

Expenses:

Quantity	Description	Amount	Non-Recurring
	Reduction in Expenses	(\$148,719)	(\$0)

Issue Total (\$402,819)

COL A93			
SCH VIIIIB-2			
REDUCTIONS			
POS	AMOUNT		CODES

FINANCIAL SERVICES			43000000
PGM: FINANCIAL SVCS COMM			43900000
OFFICE OF FINANCIAL REG			43900500
SFTY & SOUND ST BKG SYST			43900530
<u>PUBLIC PROTECTION</u>			12
<u>REGULATION AND LICENSING</u>			<u>1204.00.00.00</u>
PROGRAM REDUCTIONS			33V0000
REDUCE EXAMINER(S) - OFFICE OF			
FINANCIAL REGULATION - FINANCIAL			
INSTITUTIONS			33V0550
SALARY RATE			000000
SALARY RATE.....	125,893-		
	=====		
SALARIES AND BENEFITS			010000
	3.00-		
FINANCIAL INST REG TF	-STATE 182,065-		2275 1
	=====		
EXPENSES			040000
FINANCIAL INST REG TF	-STATE 5,400-		2275 1
	=====		
TOTAL: REDUCE EXAMINER(S) - OFFICE OF			33V0550
FINANCIAL REGULATION - FINANCIAL			
INSTITUTIONS			
TOTAL POSITIONS.....	3.00-		
TOTAL ISSUE.....	187,465-		
TOTAL SALARY RATE.....	125,893-		
	=====		

AGENCY ISSUE NARRATIVE:

SCH VIIIIB-2 NARR 18-19 NARRATIVE:
 Priority #206

IT COMPONENT? NO

Reference to Long-Range Program Plan:

- Goal #1: Improve Taxpayer Value
- Goal #2: Deliver Value to Businesses
- Goal #3: Promote a Safe and Sound Financial Marketplace

Issue Description/Need: This issue proposes a reduction of three positions and the associated budget from the Division of Financial Institutions. The Division is responsible for examining all state financial institutions to ensure they are operating in a safe and sound manner as mandated either by statute or economic conditions. Currently, the financial institution industry (primarily in the banking sector) has seen a lot of merger and consolidation activity, which continues to reduce the number of state-chartered institutions. Based on the reduction in the number of financial

COL A93		
SCH VIIIB-2		
REDUCTIONS		
POS	AMOUNT	CODES
		43000000
FINANCIAL SERVICES		43900000
PGM: FINANCIAL SVCS COMM		43900500
OFFICE OF FINANCIAL REG		43900530
SFTY & SOUND ST BKG SYST		12
PUBLIC PROTECTION		<u>1204.00.00.00</u>
REGULATION AND LICENSING		33V0000
PROGRAM REDUCTIONS		
REDUCE EXAMINER(S) - OFFICE OF		
FINANCIAL REGULATION - FINANCIAL		
INSTITUTIONS		33V0550

institutions and the frequency of examinations conducted, the Division will consolidate banking bureaus and look at the feasibility of consolidating vacant positions and reorganizing supervisory positions. However, for state-chartered institutions acquiring other institutions, the acquisition results in a larger, more complex state-chartered institutions, increasing the need of participation from experienced examiners when conducting examinations of these more complex institutions. The elimination of three FTEs may have a significant impact on the Division's ability to retain experienced examiners and provide a quality examination.

Ultimate Outcome: The elimination of three FTEs may have a significant impact on the Division. Eliminating these positions may risk the ability of the Division to provide quality examinations. Additionally, the Division has worked hard to reduce the reliance on the OPS Program, and focus on the training and retention of full time employees. More reliance on the OPS Program may cost the citizens of Florida more money.

Detail of Costs:

SALARIES and BENEFITS:

Quantity	Description	Amount	Non-Recurring
(1)	Financial Examiner/Analyst Supervisor, PG 426, @ \$66,721 each	(\$66,721)	(\$0)
(1)	Financial Control Analyst PG 026, @ \$65,552 each	(\$65,552)	(\$0)
(1)	Financial Examiner/Analyst I, PG 021, @ \$49,792 each	(\$49,792)	(\$0)
Total Salaries and Benefits		(\$182,065)	

COL A93		
SCH VIIIIB-2		
REDUCTIONS		
POS	AMOUNT	CODES
FINANCIAL SERVICES		
		43000000
PGM: FINANCIAL SVCS COMM		
		43900000
OFFICE OF FINANCIAL REG		
		43900500
SFTY & SOUND ST BKG SYST		
		43900530
PUBLIC PROTECTION		
		12
REGULATION AND LICENSING		
		1204.00.00.00
PROGRAM REDUCTIONS		
		33V0000
REDUCE EXAMINER(S) - OFFICE OF		
FINANCIAL REGULATION - FINANCIAL		
INSTITUTIONS		
		33V0550

EXPENSES:			
Quantity	Description	Amount	Non-Recurring
(3)	@ \$1,800 each	(\$5,400)	(\$0)

Deletion of Position Total (\$187,465) (\$0)

POSITION DETAIL OF SALARIES AND BENEFITS:

	FTE	BASE RATE	ADDITIVES	BENEFITS	SUBTOTAL	LAPSE %	LAPSED SALARIES AND BENEFITS
A93 - SCH VIIIIB-2 REDUCTIONS							
CHANGES TO CURRENTLY AUTHORIZED POSITIONS							
P101 PROPOSED CLASS CODE							
N0001 001	3.00-	125,893-		56,172-	182,065-	0.00	182,065-
TOTALS FOR ISSUE BY FUND							
2275 FINANCIAL INST REG TF							182,065-
	3.00-	125,893-		56,172-	182,065-		182,065-

COL A93		
SCH VIIIIB-2		
REDUCTIONS		
POS	AMOUNT	CODES

FINANCIAL SERVICES		43000000
PGM: FINANCIAL SVCS COMM		43900000
OFFICE OF FINANCIAL REG		43900500
SFTY & SOUND ST BKG SYST		43900530
PUBLIC PROTECTION		12
<u>REGULATION AND LICENSING</u>		<u>1204.00.00.00</u>
PROGRAM REDUCTIONS		33V0000
REDUCE EXPENSES FOR TRAINING OF		
EXAMINERS - OFFICE OF FINANCIAL		
REGULATION - BANKING		33V0620
EXPENSES		040000
FINANCIAL INST REG TF	-STATE 143,988-	2275 1
	=====	

AGENCY ISSUE NARRATIVE:

SCH VIIIIB-2 NARR 18-19 NARRATIVE:
 Priority #212

IT COMPONENT? NO

Reference to Long-Range Program Plan:

- Goal #1: Improve Taxpayer Value
- Goal #2: Deliver Value to Businesses
- Goal #3: Promote a Safe and Sound Financial Marketplace

Issue Description/Need: Expenses related to Training of Examiners In order for an examiner to have a full understanding of the entire exam process, they must complete a combination of on the job training and federally sponsored schools. This takes 2 - 3 years depending on the examiner and training schedules. The Division of Financial Institutions has always relied heavily on the NCUA and FDIC Examiner Training Programs to complete this training. These programs minimize costs by only requiring the Division to pay travel expenses related to FDIC. Also included is a hotel dedicated to examiners which drastically reduces the cost of training. These training programs are recognized by the Conference of State Bank Supervisors through which DFI has been accredited since October 1986. The FDIC and NCUA also accepts the Division's reports of examination because of our accreditation with the Conference of State Bank Supervisors and the National Association of State Credit Union Supervisors. The accreditation process entails yearly surveys and an in depth audit every five years. The Conference of State Bank Supervisors has suggested that the Division spend 10% of the expense budget on training and has set this amount as the national standard. The Division has yet to reach that 10% standard. The Division is working to enhance its examinations of regulated financial institutions to include a component related to cybersecurity and information technology risk management practices. The training associated with this oversight will increase the Division's training expenditures, but is a necessary cost to incur, due to increased and prevalent risk associated with cybersecurity and information technology impacting the financial services industry.

Ultimate Outcome: A reduction of funding designated for training of Division staff will have a significant impact to the Division of Financial Institutions. The Division's federal counterparts have reprioritized their examination process and will not be conducting as many exams on the smaller institutions that are located in Florida. Therefore, more examinations will be required by the Division in order to meet the mandated 18 month time frame between examinations. In addition, federal counterparts rely on the Division to examine institutions and will periodically accept our reports of examination instead of physically going into an institution. Without the funds, examiners would not be properly trained

COL A93		
SCH VIIIIB-2		
REDUCTIONS		
POS	AMOUNT	CODES
		43000000
FINANCIAL SERVICES		43900000
PGM: FINANCIAL SVCS COMM		43900500
OFFICE OF FINANCIAL REG		43900530
SFTY & SOUND ST BKG SYST		12
PUBLIC PROTECTION		<u>1204.00.00.00</u>
REGULATION AND LICENSING		33V0000
PROGRAM REDUCTIONS		
REDUCE EXPENSES FOR TRAINING OF		
EXAMINERS - OFFICE OF FINANCIAL		
REGULATION - BANKING		33V0620

and the Division would lose the long standing accreditation with CSBS. Inadequate regulatory oversight of Florida's financial institution industry will significantly impact the citizens of Florida and the industry as a whole; increase the likelihood of failed institutions and erode general confidence in Florida's financial institution industry.

Detail of Costs:

Expenses:

Quantity	Description	Amount	Non-Recurring
	Reduction in the examiner training program	(\$143,988)	(\$0)

Issue Total (\$143,988) (\$0)

REDUCE CONTRACTED SERVICES		
APPROPRIATION - OFFICE OF FINANCIAL		
REGULATION - BANKING		33V0630
SPECIAL CATEGORIES		100000
CONTRACTED SERVICES		100777
FINANCIAL INST REG TF	-STATE	288,176-
		=====
		2275 1

AGENCY ISSUE NARRATIVE:

SCH VIIIIB-2 NARR 18-19 NARRATIVE:
 Priority #208

IT COMPONENT? NO

Reference to Long-Range Program Plan:
 Goal #1: Improve Taxpayer Value

COL A93		
SCH VIIIIB-2		
REDUCTIONS		
POS	AMOUNT	CODES

FINANCIAL SERVICES		43000000
PGM: FINANCIAL SVCS COMM		43900000
OFFICE OF FINANCIAL REG		43900500
SFTY & SOUND ST BKG SYST		43900530
<u>PUBLIC PROTECTION</u>		12
<u>REGULATION AND LICENSING</u>		<u>1204.00.00.00</u>
PROGRAM REDUCTIONS		33V0000
REDUCE CONTRACTED SERVICES		
APPROPRIATION - OFFICE OF FINANCIAL		
REGULATION - BANKING		33V0630

- Goal #2: Deliver Value to Businesses
- Goal #3: Promote a Safe and Sound Financial Marketplace

Issue Description/Need: Contracted Services The Division of Financial Institutions contains a Licensing and Chartering section which receives and processes licenses and charters for state-chartered financial institutions which include banks, credit unions, international bank and trust offices, trust companies and family trust companies. This licensing and chartering process requires the parties to submit an application for licensure or charter for consideration and approval by the Division. A critical component to this licensing and chartering application process is a background check of all parties who are substantially involved with the financial institution for whom the application has been received. Applications are received for (1) changes in control of ownership (2) de novo institutions, including banks, credit unions, and trust companies, (3) charter conversions from national to state charter status, (4) mergers and acquisitions of institutions, (5) change of officers and directors of the institution, (6) new appointment of officers and directors of the institution, (7) license or registration as a family trust company, and (8) license for a domestic office of an international bank or trust company.

These background checks are a core component in the application process to assure that the individuals who own or manage state financial institutions are of good moral and ethical character and without a criminal history or a history of causing financial losses to financial institutions. Without the funds from Contracted Services, proper background checks will not be able to be conducted and our Financial Institutions could be at increased risk for fraudulent activities. In the past we have seen a decline in the number of background checks conducted due to no De Novo activity and lack of expansion of community financial institutions, largely as a result of the economic crisis known as the Great Recession. As the economy continues to recover from the Great Recession, we have already seen a rise in mergers and anticipate a rise in De Novo Institutions. Further, with the passing of legislation in 2015 for the registration or licensure of Family Trust Companies in Florida, the modernization of the international banking and trust statutes passed during the 2017 legislative session, and the implementation of rules and forms associated with that modernization, we anticipate more applications and an increase the amount of background checks required to effectively evaluate applications and the proposed individuals who own or manage state financial institutions.

In addition to the licensing and chartering duties, Contracted Services also includes costs associated with legal matters such as expert witnesses, court reporting and required public notifications regarding mergers and acquisitions filed with the Office. Expert witnesses are a key component when the Division is involved with litigation, with court reporting a required part of litigation. Public notifications are required by law when processing mergers and acquisitions filed with the Office.

A reduction within the Contracted Services will significantly limit the Division's ability to thoroughly conduct application background checks which would compromise the ability of the Division to assure that state chartered

COL A93		
SCH VIIIIB-2		
REDUCTIONS		
POS	AMOUNT	CODES
		43000000
FINANCIAL SERVICES		43900000
PGM: FINANCIAL SVCS COMM		43900500
OFFICE OF FINANCIAL REG		43900530
SFTY & SOUND ST BKG SYST		12
PUBLIC PROTECTION		<u>1204.00.00.00</u>
REGULATION AND LICENSING		33V0000
PROGRAM REDUCTIONS		
REDUCE CONTRACTED SERVICES		
APPROPRIATION - OFFICE OF FINANCIAL		
REGULATION - BANKING		33V0630

institutions are held and managed in a safe and sound manner and that individuals who have a criminal or questionable history or are of unethical, immoral, or questionable character are excluded from holding or managing a financial institution. Legal fees associated with providing a safe and sound industry are projected to grow for the Division as well. A reduction within contracted services will have a significant impact as the Division will be unable to process the applications and associated background checks of applications which will limit the growth of new business opportunities in Florida and preclude the Division from delivering value to businesses.

Ultimate Outcome: The loss or reduction of regulatory resources such as background checks will result in a number of significant undesired outcomes and have a significant effect due to increased exposure to risk for state-chartered institutions. Inadequate regulatory oversight of Florida's financial institution industry will significantly impact the citizens of Florida and the industry as a whole; increase the likelihood of unsafe and unsound institutions; erode general confidence in Florida's financial institution industry; jeopardize regulatory accreditations which will damage the working relationship between federal regulators and the Division. Ultimately, the regulatory reputation of the Division will be harmed by its failure to comply with the requirements of cooperative agreements with both federal regulators and regulatory agencies in other states.

Detail of Costs:

Contracted Services:

Quantity	Description	Amount	Non-Recurring
	Reduction in the		
	Contracted services	(\$288,176)	(\$0)

Issue Total (\$288,176) (\$0)

COL A93			
SCH VIIIIB-2			
REDUCTIONS			
POS	AMOUNT		CODES

FINANCIAL SERVICES			43000000
PGM: FINANCIAL SVCS COMM			43900000
OFFICE OF FINANCIAL REG			43900500
SFTY & SOUND ST BKG SYST			43900530
<u>PUBLIC PROTECTION</u>			
<u>REGULATION AND LICENSING</u>			
PROGRAM REDUCTIONS			12
REDUCE POSITIONS DUE TO			<u>1204.00.00.00</u>
REORGANIZATION - OFFICE OF			33V0000
FINANCIAL REGULATION - FINANCIAL			
INSTITUTIONS			33V0690
SALARY RATE			000000
SALARY RATE.....	97,010-		
	=====		
SALARIES AND BENEFITS			
	2.00-		010000
FINANCIAL INST REG TF	-STATE	136,494-	2275 1
	=====		
EXPENSES			
FINANCIAL INST REG TF	-STATE	3,600-	2275 1
	=====		
TOTAL: REDUCE POSITIONS DUE TO			33V0690
REORGANIZATION - OFFICE OF			
FINANCIAL REGULATION - FINANCIAL			
INSTITUTIONS			
TOTAL POSITIONS.....	2.00-		
TOTAL ISSUE.....		140,094-	
TOTAL SALARY RATE.....	97,010-		
	=====		

AGENCY ISSUE NARRATIVE:

SCH VIIIIB-2 NARR 18-19 NARRATIVE:
 Priority #202

IT COMPONENT? NO

Reference to Long-Range Program Plan:

- Goal #1: Improve Taxpayer Value
- Goal #2: Deliver Value to Businesses
- Goal #3: Promote a Safe and Sound Financial Marketplace

Issue Description/Need: This issue proposes a reduction of two positions and the associated budget from the Division of Financial Institutions. The Division is responsible for examining all state financial institutions to ensure they are operating in a safe and sound manner as mandated either by statute or economic conditions. Currently, the financial

COL A93		
SCH VIIIIB-2		
REDUCTIONS		
POS	AMOUNT	CODES
		43000000
FINANCIAL SERVICES		43900000
PGM: FINANCIAL SVCS COMM		43900500
OFFICE OF FINANCIAL REG		43900530
SFTY & SOUND ST BKG SYST		12
PUBLIC PROTECTION		<u>1204.00.00.00</u>
REGULATION AND LICENSING		33V0000
PROGRAM REDUCTIONS		
REDUCE POSITIONS DUE TO		
REORGANIZATION - OFFICE OF		
FINANCIAL REGULATION - FINANCIAL		
INSTITUTIONS		33V0690

institution industry (primarily in the banking sector) has seen a lot of merger and consolidation activity, which continues to reduce the number of state-chartered institutions. Based on this industry consolidation, and the lower number of state-chartered financial institutions, the Division has proposed a change to the Florida Administrative Code to consolidate its two banking bureaus into a single bureau. This consolidation of work units is a reflection in the change in the banking industry and provides the Division of Financial Institutions the ability to reduce positions while maintaining mission critical functions.

Ultimate Outcome: The loss of two positions will have a minimal effect on the Division. The Division is able to manage the loss of these positions by consolidating the two banking bureaus into one bureau and reassigning duties to the remaining positions.

Detail of Costs:

SALARIES and BENEFITS:

Quantity	Description	Amount	Non-Recurring
(1)	Bureau Chief PG 540, @ \$74,252	(\$74,252)	(\$0)
(1)	Financial Specialist, PG 025 PG 25, @ \$62,242 each	(\$62,242)	(\$0)
Total Salaries and Benefits		(\$136,494)	

EXPENSES:

Quantity	Description	Amount	Non-Recurring
----------	-------------	--------	---------------

COL A93		
SCH VIIIIB-2		
REDUCTIONS		
POS	AMOUNT	CODES
FINANCIAL SERVICES		
		43000000
PGM: FINANCIAL SVCS COMM		
		43900000
OFFICE OF FINANCIAL REG		
		43900500
FINANCIAL INVESTIGATIONS		
		43900540
PUBLIC PROTECTION		
		12
REGULATION AND LICENSING		
		1204.00.00.00
PROGRAM REDUCTIONS		
		33V0000
REDUCE POSITIONS(S) - OFFICE OF		
FINANCIAL REGULATION - FINANCIAL		
INVESTIGATIONS		
		33V0520
SALARY RATE		
		000000
SALARY RATE.....	156,042-	
	=====	
SALARIES AND BENEFITS		
		010000
	4.00-	
ADMINISTRATIVE TRUST FUND -STATE	229,098-	2021 1
	=====	
EXPENSES		
		040000
		2021 1
ADMINISTRATIVE TRUST FUND -STATE	7,200-	
	=====	
TOTAL: REDUCE POSITIONS(S) - OFFICE OF		
FINANCIAL REGULATION - FINANCIAL		
INVESTIGATIONS		
TOTAL POSITIONS.....	4.00-	
TOTAL ISSUE.....	236,298-	
TOTAL SALARY RATE.....	156,042-	
	=====	

AGENCY ISSUE NARRATIVE:

SCH VIIIIB-2 NARR 18-19 NARRATIVE:

IT COMPONENT? NO

Priority #222

Reference to Long-Range Program Plan:

This request will improve the Office's ability to reach the following goals:

Goal #1: Improving tax payer value;

Goal #3: Promoting a safe and sound marketplace;

Issue Description/Need: The Bureau of Financial Investigations (Bureau) conducts criminal investigations into allegations of fraudulent and unlicensed activity under the jurisdiction of the OFR. A reduction in four Financial Investigators would reduce recurring program costs totaling \$ 358,255. The Bureau currently has 39 FTEs. In the 2012 GAA, the Bureau's budget was reduced by 34% (from \$4,564,720 to \$3,013,227) and its FTEs were cut by 43% (from 63 to 36). The reduction of four investigators would critically impact the Bureau's ability to combat investment fraud due to the reduction in resources. The reduction of 4 FTEs could decrease the number of investigations completed and the number of

COL A93		
SCH VIIIIB-2		
REDUCTIONS		
POS	AMOUNT	CODES
		43000000
FINANCIAL SERVICES		43900000
PGM: FINANCIAL SVCS COMM		43900500
OFFICE OF FINANCIAL REG		43900540
<u>FINANCIAL INVESTIGATIONS</u>		12
PUBLIC PROTECTION		<u>1204.00.00.00</u>
<u>REGULATION AND LICENSING</u>		33V0000
PROGRAM REDUCTIONS		
REDUCE POSITIONS(S) - OFFICE OF		
FINANCIAL REGULATION - FINANCIAL		
INVESTIGATIONS		33V0520

perpetrators sent to prison. Most of the Bureau's resources are used to combat investment fraud. Retirees and senior citizen are commonly targeted by financial conmen because they have large nest eggs. It is estimated that over 20% of Florida citizens are over age 65. However, the Bureau would continue to prioritize its resources such that it focuses on cases that pose the highest risks to Florida citizens including cases involving egregious conduct, on-going harm and/or those cases that are broader in scope in terms of the number of vicitms and the dollar amounts involved.

Ultimate Outcome: The reduction of four(4)Financial Investigators would critically impact and reduce the Bureau's ability to combat investment fraud and unlicensed activity due to the reduction in resources.

Salaries and Benefits:			
Position	Title / Pay Grade	Amount	Non-Recurring
(2)	Financial Investigator - CE PG 025 @ \$63,681	(\$127,362)	(\$0)
(2)	Financial Investigators PG 025 @ \$50,868	(\$101,736)	(\$0)
Salaries and Benefits Total		(\$229,098)	(\$0)
(4)	Expense 4 @ \$1,800	(\$7,200)	(\$0)

Total Issue (\$236,298)

COL A93 SCH VIIIIB-2 REDUCTIONS		CODES
POS	AMOUNT	
FINANCIAL SERVICES		43000000
PGM: FINANCIAL SVCS COMM		43900000
OFFICE OF FINANCIAL REG		43900500
FINANCIAL INVESTIGATIONS		43900540
PUBLIC PROTECTION		12
REGULATION AND LICENSING		1204.00.00.00
PROGRAM REDUCTIONS		33V0000
REDUCE POSITIONS(S) - OFFICE OF FINANCIAL REGULATION - FINANCIAL INVESTIGATIONS		33V0520

POSITION DETAIL OF SALARIES AND BENEFITS:

	FTE	BASE RATE	ADDITIVES	BENEFITS	SUBTOTAL	LAPSE %	LAPSED SALARIES AND BENEFITS
A93 - SCH VIIIIB-2 REDUCTIONS							
CHANGES TO CURRENTLY AUTHORIZED POSITIONS							
P101 PROPOSED CLASS CODE N0001 001	4.00-	156,042-		73,056-	229,098-	0.00	229,098-
TOTALS FOR ISSUE BY FUND							
2021 ADMINISTRATIVE TRUST FUND							229,098-
	4.00-	156,042-		73,056-	229,098-		229,098-

REDUCE EXPENSE - OFFICE OF
 FINANCIAL REGULATION - FINANCIAL
 INVESTIGATIONS EXPENSES 33V0530
 040000

ADMINISTRATIVE TRUST FUND -STATE 121,957- 2021 1

AGENCY ISSUE NARRATIVE:
 SCH VIIIIB-2 NARR 18-19 NARRATIVE: IT COMPONENT? NO
 Priority #205

Reference to Long-Range Program Plan:
 This request will improve the Office's ability to reach the following goals:

COL A93		
SCH VIIIIB-2		
REDUCTIONS		
POS	AMOUNT	CODES
FINANCIAL SERVICES		43000000
PGM: FINANCIAL SVCS COMM		43900000
OFFICE OF FINANCIAL REG		43900500
FINANCIAL INVESTIGATIONS		43900540
PUBLIC PROTECTION		12
REGULATION AND LICENSING		<u>1204.00.00.00</u>
PROGRAM REDUCTIONS		33V0000
REDUCE EXPENSE - OFFICE OF		
FINANCIAL REGULATION - FINANCIAL		
INVESTIGATIONS		33V0530

Goal #1: Improving tax payer value;
 Goal #3: Promoting a safe and sound marketplace;

Issue Description/Need: The Bureau of Financial Investigations (Bureau) conducts investigations into allegations of fraudulent and unlicensed activity under the jurisdiction of the OFR. The Bureau proposes a \$121,957 reduction to Expenses. While the Expense category reverted 43% of its allocation in FY 16/17, the additional funding is necessary to allow immediate reaction to emergent issues. This reduction would achieve an overall 10% reduction in recurring program costs totaling \$358,255 while having a moderate impact to its investigations.

Ultimate Outcome: The reduction of expense funding will reduce funds available for staff training, lessen the bureau's ability to equip it's computer forensics lab and hinder the bureau's ability to pay for subpoenaed records and investigator travel. However, the Bureau would continue to prioritize its resources and apply them to areas that pose the highest risks to Florida citizens.

Expenses:			
Quantity	Description	Amount	Non-Recurring
	Expense	(\$121,957)	(\$0)
	Total Expense	(\$121,957)	(\$0)
	Issue Total	(\$121,957)	

TOTAL: REGULATION AND LICENSING		<u>1204.00.00.00</u>
BY FUND TYPE		
TRUST FUNDS.....	4.00- 358,255-	2000
SALARY RATE.....	156,042-	
	=====	

COL A93		
SCH VIIIIB-2		
REDUCTIONS		
POS	AMOUNT	CODES

FINANCIAL SERVICES		43000000
PGM: FINANCIAL SVCS COMM		43900000
OFFICE OF FINANCIAL REG		43900500
<u>EXEC DIR & SUPPORT SERVICE</u>		43900550
PUBLIC PROTECTION		12
<u>REGULATION AND LICENSING</u>		<u>1204.00.00.00</u>
PROGRAM REDUCTIONS		33V0000
REDUCE OTHER PERSONAL SERVICES		
(OPS) APPROPRIATION - OFFICE OF		
FINANCIAL REGULATION - EXECUTIVE		
DIRECTION AND SUPPORT SERVICES		33V0640
OTHER PERSONAL SERVICES		030000
ADMINISTRATIVE TRUST FUND -STATE	175,000-	2021 1
	=====	

AGENCY ISSUE NARRATIVE:

SCH VIIIIB-2 NARR 18-19 NARRATIVE:
 Priority #218

IT COMPONENT? NO

Reference to Long-Range Program Plan: This request will adversely impact the Office's ability to reach the following goals:

- Goal #1: Improving taxpayer value
- Goal #2: Delivering value to businesses
- Goal #3: Promoting a safe and sound financial marketplace
- Goal #4: Improving customer service

Issue Description/Need: Following an 18.5% FTE reduction for OFR in FY 2012-13, Executive Direction was given \$150,000 in Other Personal Services to allow flexibility for unforeseen circumstances arising in Executive Direction and throughout the OFR.

In FY 2013-14, an additional \$100,000 was moved from Safety and Soundness of State Banking System to Executive Direction's OPS to be used when peak workloads are encountered in OFR that the new staffing levels will not be able to handle. In the FY 2013-14 Legislative Budget Request, the REAL System was reduced by \$800,000; leaving the REAL system with a bare-bones maintenance schedule. When an issue arises with REAL, OPS must be available for any peak period maintenance or temporary workers to bring the REAL system back online. Almost all data related to the OFR's licensees and their examinations is stored in the REAL System. Should REAL not work, the OFR will not be able to perform its statutorily mandated regulatory and enforcement duties without access to this data. Reducing the Executive Direction's OPS budget allocation by \$175,000 will leave Executive Direction with an annual allocation of \$75,000 and that will not give Executive Direction the flexibility to handle normal OPS hires, emergent personnel staffing issues as they arise, nor the capability to handle any peak period emergencies with REAL, effectively shutting down the OFR.

Ultimate Outcome: This reduction will critically impact Executive Direction. Reducing the Other Personal Services budget allocation by \$175,000, will not give OFR's Executive Direction the flexibility to handle the normal OPS workloads, peak workloads, or emergent issues as they arise in OFR, Executive Direction, or, most importantly, the REAL System which will leave the OFR unable to function as a regulatory or enforcement agency.

COL A93		
SCH VIIIIB-2		
REDUCTIONS		
POS	AMOUNT	CODES
FINANCIAL SERVICES		43000000
PGM: FINANCIAL SVCS COMM		43900000
OFFICE OF FINANCIAL REG		43900500
<u>EXEC DIR & SUPPORT SERVICE</u>		43900550
PUBLIC PROTECTION		12
<u>REGULATION AND LICENSING</u>		<u>1204.00.00.00</u>
PROGRAM REDUCTIONS		33V0000
REDUCE OTHER PERSONAL SERVICES		
(OPS) APPROPRIATION - OFFICE OF		
FINANCIAL REGULATION - EXECUTIVE		
DIRECTION AND SUPPORT SERVICES		33V0640

Detail of Costs:

OPS:			
Quantity	Description	Amount	Non-Recurring
1	Reduce OPS Allocation	(\$175,000)	(\$0)
Total		(\$175,000)	(\$0)

REDUCE CONTRACTED SERVICES
 APPROPRIATION - OFFICE OF FINANCIAL
 REGULATION - EXECUTIVE DIRECTION
 AND SUPPORT SERVICES 33V0650
 SPECIAL CATEGORIES 100000
 CONTRACTED SERVICES 100777

ADMINISTRATIVE TRUST FUND -STATE 25,000- 2021 1
 =====

AGENCY ISSUE NARRATIVE:

SCH VIIIIB-2 NARR 18-19 NARRATIVE: IT COMPONENT? NO
 Priority #216

Reference to Long-Range Program Plan: This request will adversely impact the Office's ability to reach the following goals:

- Goal #1: Improving taxpayer value
- Goal #2: Delivering value to businesses
- Goal #3: Promoting a safe and sound financial marketplace
- Goal #4: Improving customer service

Issue Description/Need: Following an 18.5% reduction in FTE for OFR in FY 2012-13, Executive Direction was given additional funding in Contracted Services to allow for flexibility for unforeseen circumstances arising in Executive

COL A93		
SCH VIIIIB-2		
REDUCTIONS		
POS	AMOUNT	CODES
FINANCIAL SERVICES		43000000
PGM: FINANCIAL SVCS COMM		43900000
OFFICE OF FINANCIAL REG		43900500
<u>EXEC DIR & SUPPORT SERVICE</u>		43900550
PUBLIC PROTECTION		12
<u>REGULATION AND LICENSING</u>		<u>1204.00.00.00</u>
PROGRAM REDUCTIONS		33V0000
REDUCE CONTRACTED SERVICES		
APPROPRIATION - OFFICE OF FINANCIAL		
REGULATION - EXECUTIVE DIRECTION		
AND SUPPORT SERVICES		33V0650

Direction and throughout the OFR. Executive Direction was provided an additional \$50,000 in Contracted Services category in the 2013 GAA to be used to hire contractors when peak workloads are encountered in OFR that the new staffing levels will not be able to handle. In the FY 2013-14 Legislative Budget Request, the REAL System was reduced by \$800,000; leaving the REAL system with a bare-bones maintenance schedule. When an issue arises with REAL, Contracted Service allocation must be available for any peak period maintenance or temporary contracted workers to bring the REAL system back online. Almost all data related to the OFR's licenses and their examinations is stored in the REAL System. Should REAL not work, the OFR will not be able to perform its statutorily mandated regulatory and enforcement duties without access to this data. Reducing the Executive Direction's Contracted Service allocation by \$25,000 will leave Executive Direction with an annual allocation of \$36,048, which will not give Executive Direction the flexibility to handle emergent issues as they arise nor the capability to handle any peak period emergencies with REAL, effectively shutting down the OFR.

Ultimate Outcome: This reduction will critically impact Executive Direction. Reducing the Contracted Service allocation by \$25,000, will not give OFR's Executive Direction the flexibility to hire contractors to handle the peak workloads or emergent issues as they arise in OFR, Executive Direction, or, most importantly, the REAL System; which will leave the OFR unable to function as a regulatory or enforcement agency.

Detail of Costs:

Contracted Services:			
Quantity	Description	Amount	Non-Recurring
-----	-----	-----	-----
1	Reduce Contracted Service Allocation	(\$25,000)	(\$0)
	Issue Total	(\$25,000)	(\$0)

COL A93		
SCH VIIIIB-2		
REDUCTIONS		
POS	AMOUNT	CODES

FINANCIAL SERVICES		43000000
PGM: FINANCIAL SVCS COMM		43900000
OFFICE OF FINANCIAL REG		43900500
<u>EXEC DIR & SUPPORT SERVICE</u>		43900550
PUBLIC PROTECTION		12
<u>REGULATION AND LICENSING</u>		<u>1204.00.00.00</u>
PROGRAM REDUCTIONS		33V0000
REDUCE EXPENSES APPROPRIATION		
- OFFICE OF FINANCIAL REGULATION -		
EXECUTIVE DIRECTION AND SUPPORT		
SERVICES		33V0660
EXPENSES		040000
ADMINISTRATIVE TRUST FUND -STATE	210,365-	2021 1
	=====	

AGENCY ISSUE NARRATIVE:

SCH VIIIIB-2 NARR 18-19 NARRATIVE:

IT COMPONENT? NO

Priority #215

Reference to Long-Range Program Plan: This request will adversely impact the Office's ability to reach the following goals:

- Goal #1: Improving taxpayer value
- Goal #2: Delivering value to businesses
- Goal #3: Promoting a safe and sound financial marketplace
- Goal #4: Improving customer service

Issue Description/Need: Following an 18.5% reduction in FTE for OFR in FY 2012-13, Executive Direction was given additional funding in Expenses to allow flexibility for unforeseen circumstances arising in Executive Direction and throughout the OFR. Executive Direction has approximately \$275,000 in additional funding in the Expense category to pay for unanticipated expenses when OPS or contractors are hired during peak workloads or emergency situations are encountered in OFR that the new staffing levels will not be able to handle. In the FY 2013-14 Legislative Budget Request, the REAL System was reduced by \$800,000; leaving the REAL system with a bare-bones maintenance schedule. When an issue arises with REAL, Expense allocation must be available for unanticipated expenses during any peak period maintenance or temporary contracted workers to bring the REAL system back online. Almost all data related to the OFR's licensees and their examinations is stored in the REAL System. Should REAL not work, the OFR will not be able to perform its statutorily mandated regulatory and enforcement duties without access to this data. Reducing the Executive Direction's Expense allocation by \$210,365 will leave Executive Direction with an annual allocation of \$201,583. This will not give Executive Direction the flexibility to handle emergent issues as they arise nor the capability to handle any peak period emergencies with REAL, effectively shutting down the OFR. It will also reduce the Office's capability to pay for normal operating expenses.

Ultimate Outcome: This reduction will critically impact Executive Direction. Reducing the Expense allocation by \$210,365, will not give OFR's Executive Direction the flexibility to pay for contractors' expenses to handle the peak workloads or emergent issues as they arise in OFR, Executive Direction, or, most importantly, the REAL System; nor will it leave the Office with the reduced capability to pay for normal operating expenses. This would leave the OFR unable to

COL A93		
SCH VIIIB-2		
REDUCTIONS		
POS	AMOUNT	CODES

FINANCIAL SERVICES		43000000
PGM: FINANCIAL SVCS COMM		43900000
OFFICE OF FINANCIAL REG		43900500
<u>EXEC DIR & SUPPORT SERVICE</u>		43900550
PUBLIC PROTECTION		12
<u>REGULATION AND LICENSING</u>		<u>1204.00.00.00</u>
PROGRAM REDUCTIONS		33V0000
REDUCE EXPENSES APPROPRIATION		
- OFFICE OF FINANCIAL REGULATION -		
EXECUTIVE DIRECTION AND SUPPORT		
SERVICES		33V0660

function as a regulatory or enforcement agency.

Detail of Costs:

Expenses:			
Quantity	Description	Amount	Non-Recurring
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1	Reduce Expense Allocation	(\$210,365)	\$-0-
Total		(\$210,365)	\$-0-

TOTAL: REGULATION AND LICENSING		<u>1204.00.00.00</u>
BY FUND TYPE		
TRUST FUNDS.....	410,365-	2000
	=====	

COL A93		
SCH VIIIIB-2		
REDUCTIONS		
POS	AMOUNT	CODES
FINANCIAL SERVICES		43000000
PGM: FINANCIAL SVCS COMM		43900000
OFFICE OF FINANCIAL REG		43900500
<u>FINANCE REGULATION</u>		43900560
PUBLIC PROTECTION		12
<u>REGULATION AND LICENSING</u>		<u>1204.00.00.00</u>
PROGRAM REDUCTIONS		33V0000
REDUCE CONTRACTED SERVICES IN		
FINANCE REGULATION		33V0310
SPECIAL CATEGORIES		100000
CONTRACTED SERVICES		100777
REGULATORY TRUST FUND	-STATE	2573 1
	42,113-	
	=====	

AGENCY ISSUE NARRATIVE:

SCH VIIIIB-2 NARR 18-19 NARRATIVE: IT COMPONENT? NO

Priority #201

Reference to Long-Range Program Plan:

This request will improve the Office's ability to reach the following goals:

- Goal #1: Excellence in all OFR does;
- Goal #2: Enforce compliance with state laws related to the financial industry;
- Goal #3: Examine regulated companies and individuals; and
- Goal #4: Register or chartered institutions, companies and individuals.

Issue Description/Need: The Division of Consumer Finance proposes to decrease its recurring program costs by reducing its Contracted Services allocation. The division implemented a new fee netting process that allows Bank of America to collect credit card service fees on behalf of the division and use them to offset costs for accepting credit card payments online. This new program began in September 2015.

Impact: This division experienced a cost savings of approximately \$42,113 during FY 2016-17. The impact is minimal.

Ultimate Outcome: The outcome would create an annual cost savings to the division of approximately \$42,113. The Contracted Service Funds normally used to cover the costs for credit card services fees, would not be required. This cost savings would allow a portion of Contracted Services funding to be reduced from recurring program costs.

Detail of Costs:

Contracted Services:

Quantity	Description	Amount	Non-Recurring
-----	-----	-----	-----

COL A93			
SCH VIIIIB-2			
REDUCTIONS			
POS	AMOUNT		CODES
FINANCIAL SERVICES			43000000
PGM: FINANCIAL SVCS COMM			43900000
OFFICE OF FINANCIAL REG			43900500
<u>FINANCE REGULATION</u>			43900560
PUBLIC PROTECTION			12
<u>REGULATION AND LICENSING</u>			<u>1204.00.00.00</u>
PROGRAM REDUCTIONS			33V0000
REDUCE CONTRACTED SERVICES IN			
FINANCE REGULATION			33V0310

Contracted Services (\$42,113) (\$0)

Issue Total (\$42,113) (\$0)

REDUCE EXPENSES BUDGET AUTHORITY IN
 FINANCE REGULATION 33V0370
 EXPENSES 040000

REGULATORY TRUST FUND -STATE 287,322- 2573 1
 =====

AGENCY ISSUE NARRATIVE:

SCH VIIIIB-2 NARR 18-19 NARRATIVE: IT COMPONENT? NO
 Priority #214

Reference to Long-Range Program Plan:

- This request will improve the Office's ability to reach the following goals:
 Goal #1: Excellence in all OFR does;
 Goal #2: Enforce compliance with state laws related to the financial industry;
 Goal #3: Examine regulated companies and individuals; and
 Goal #4: Register or chartered institutions, companies and individuals.

Issue Description/Need: The Division of Consumer Finance proposes to decrease its recurring program costs by reducing its Expense allocation.

Impact: The Division is charged with examining six (6) different financial services industries in order to determine compliance with Florida laws and rules. The examinations also further the agency's mission to protect citizens and promote a safe and sound financial marketplace. Reducing funding in this category would critically impair the Division's ability to conduct examinations of financial services companies under the Division's regulatory responsibilities. The division is required to conduct in-state and out-of-state examinations of money services businesses including payday lenders under Chapter 560, Florida Statutes, on a mandated five (5) year cycle. This reduction could impact the division's ability to comply with the mandated examination cycle and handle unforeseen circumstances that could impede the division's ability to protect the consumers it serves.

COL A93		
SCH VIIIIB-2		
REDUCTIONS		
POS	AMOUNT	CODES
FINANCIAL SERVICES		43000000
PGM: FINANCIAL SVCS COMM		43900000
OFFICE OF FINANCIAL REG		43900500
FINANCE REGULATION		43900560
PUBLIC PROTECTION		12
REGULATION AND LICENSING		<u>1204.00.00.00</u>
PROGRAM REDUCTIONS		33V0000
REDUCE EXPENSES BUDGET AUTHORITY IN		
FINANCE REGULATION		33V0370

Ultimate Outcome: Reducing Expense funds by \$287,322 from recurring program costs would critically impair the division's ability to travel and perform examinations to ensure compliance with Florida laws as well as handle any unforeseen circumstances or emergent issues. Overall, these limitations would reduce the division's ability to protect the consumers it serves and comply with statutorily mandated examinations.

Detail of Costs:

Expenses:			
Quantity	Description	Amount	Non-Recurring
	Reduce Expenses	(\$287,322)	(\$0)
	Total Expenses	(\$287,322)	(\$0)
	Issue Total	(\$287,322)	(\$0)

REDUCE APPROPRIATION IN THE		
DEFERRED PRESENTMENT PROVIDER		
DATABASE CONTRACT CATEGORY		33V0540
SPECIAL CATEGORIES		100000
DEFER PRESENTMENT CONTRACT		100513

REGULATORY TRUST FUND	-STATE	150,000-	2573	1
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AGENCY ISSUE NARRATIVE:

SCH VIIIIB-2 NARR 18-19 NARRATIVE:

IT COMPONENT? NO

Priority #203

Reference to Long-Range Program Plan:

This request will improve the Office's ability to reach the following goals:

Goal #1: Excellence in all OFR does;

COL A93		
SCH VIIIIB-2		
REDUCTIONS		
POS	AMOUNT	CODES

FINANCIAL SERVICES		43000000
PGM: FINANCIAL SVCS COMM		43900000
OFFICE OF FINANCIAL REG		43900500
<u>FINANCE REGULATION</u>		43900560
PUBLIC PROTECTION		12
<u>REGULATION AND LICENSING</u>		<u>1204.00.00.00</u>
PROGRAM REDUCTIONS		33V0000
REDUCE APPROPRIATION IN THE		
DEFERRED PRESENTMENT PROVIDER		
DATABASE CONTRACT CATEGORY		33V0540

- Goal #2: Enforce compliance with state laws related to the financial industry;
- Goal #3: Examine regulated companies and individuals; and
- Goal #4: Register or chartered institutions, companies and individuals.

Issue Description/Need: The Division of Consumer Finance proposes to decrease its recurring program costs by reducing its DPP Database allocation. The division is statutorily mandated to maintain a common database with real-time access through an Internet connection for deferred presentment providers. The database is accessible to the office and the deferred presentment providers to verify a consumer's eligibility to obtain a deferred presentment transaction by determining whether or not a consumer has an outstanding deferred presentment transaction. There is a \$1.00 fee imposed per transaction for data that must be submitted by a deferred presentment provider. Payments to the vendor for use and support of the DPP database are based on a contractual agreement for payment in the amount of \$0.35 per transaction.

Impact: This reduction would have a moderate impact. Reducing funds in this category would limit the division's ability to properly make contractual payments to vendor, Veritec Solutions, Inc.

Ultimate Outcome: Reducing DPP Database funds by \$150,000 in this category would moderately impact the division's ability to properly make contractual payments to vendor, Veritec Solutions, Inc.

Detail of Costs:

Deferred
 Presentment
 Database:

Quantity	Description	Amount	Non-Recurring
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	DPP Database	(\$150,000)	(\$0)
	Total DPP Database	(\$150,000)	(\$0)
	Issue Total	(\$150,000)	(\$0)

COL A93		
SCH VIIIIB-2		
REDUCTIONS		
POS	AMOUNT	CODES
FINANCIAL SERVICES		43000000
PGM: FINANCIAL SVCS COMM		43900000
OFFICE OF FINANCIAL REG		43900500
FINANCE REGULATION		43900560
PUBLIC PROTECTION		12
REGULATION AND LICENSING		<u>1204.00.00.00</u>
PROGRAM REDUCTIONS		33V0000
REDUCE OTHER PERSONAL SERVICES		
(OPS) - OFFICE OF FINANCIAL		
REGULATION - FINANCE		33V0560
OTHER PERSONAL SERVICES		030000
REGULATORY TRUST FUND	-STATE	
	169,452-	2573 1
	=====	

AGENCY ISSUE NARRATIVE:

SCH VIIIIB-2 NARR 18-19 NARRATIVE:
 Priority #204

IT COMPONENT? NO

Reference to Long-Range Program Plan:

This request will improve the Office's ability to reach the following goals:

- Goal #1: Excellence in all OFR does;
- Goal #2: Enforce compliance with state laws related to the financial industry;
- Goal #3: Examine regulated companies and individuals; and
- Goal #4: Register or chartered institutions, companies and individuals.

Issue Description/Need: The Division of Consumer Finance proposes to decrease its recurring program costs by reducing its OPS allocation. On July 1, 2012 the division's total FTE's were reduced from 120 to 87. OPS funding was increased to assist in handling any emergent issues or unforeseen circumstances that would require hiring temporary staff.

Impact: Reducing funding in this category would moderately impact the division's ability to hire additional OPS staff to quickly react to emergent issues or unforeseen circumstances and may impair the division's ability to protect the consumers this division serves.

Ultimate Outcome: Reducing OPS funds by \$169,452 from recurring program costs would moderately impact the division's ability to hire additional OPS staff to quickly react to emergent issues or unforeseen circumstances that may occur. Overall, this limitation could ultimately hinder the division's ability to protect the consumers it serves.

Detail of Costs:

Quantity	Description	Amount	Non-Recurring
-----	-----	-----	-----
	Reduce OPS	(\$169,452)	(\$0)

 COL A93
 SCH VIIIIB-2
 REDUCTIONS
 POS AMOUNT CODES

FINANCIAL SERVICES 43000000
 PGM: FINANCIAL SVCS COMM 43900000
 OFFICE OF FINANCIAL REG 43900500
 FINANCE REGULATION 43900560
 PUBLIC PROTECTION 12
 REGULATION AND LICENSING 1204.00.00.00
 PROGRAM REDUCTIONS 33V0000
 REDUCE OTHER PERSONAL SERVICES
 (OPS) - OFFICE OF FINANCIAL
 REGULATION - FINANCE 33V0560

Total OPS (\$169,452) (\$0)

Issue Total (\$169,452) (\$0)

REDUCE POSITIONS FOR ENFORCEMENT -
 OFFICE OF FINANCIAL REGULATION -
 FINANCE REGULATION 33V0670
 SALARY RATE 000000
 SALARY RATE..... 307,823-
 =====
 SALARIES AND BENEFITS 010000
 8.00-
 REGULATORY TRUST FUND -STATE 453,272-
 =====
 EXPENSES 040000
 REGULATORY TRUST FUND -STATE 14,400-
 =====
 TOTAL: REDUCE POSITIONS FOR ENFORCEMENT - 33V0670
 OFFICE OF FINANCIAL REGULATION -
 FINANCE REGULATION
 TOTAL POSITIONS..... 8.00-
 TOTAL ISSUE..... 467,672-
 TOTAL SALARY RATE..... 307,823-
 =====

AGENCY ISSUE NARRATIVE:
 SCH VIIIIB-2 NARR 18-19 NARRATIVE:
 Priority #220

IT COMPONENT? NO

Reference to Long-Range Program Plan:

COL A93		
SCH VIIIIB-2		
REDUCTIONS		
POS	AMOUNT	CODES

FINANCIAL SERVICES		43000000
PGM: FINANCIAL SVCS COMM		43900000
OFFICE OF FINANCIAL REG		43900500
<u>FINANCE REGULATION</u>		43900560
<u>PUBLIC PROTECTION</u>		12
<u>REGULATION AND LICENSING</u>		<u>1204.00.00.00</u>
PROGRAM REDUCTIONS		33V0000
REDUCE POSITIONS FOR ENFORCEMENT -		
OFFICE OF FINANCIAL REGULATION -		
FINANCE REGULATION		33V0670

This request will adversely impact the Office's ability to reach the following goals:

- Goal #1: Excellence in all OFR does;
- Goal #2: Enforce compliance with state laws related to the financial industry;
- Goal #3: Examine regulated companies and individuals; and
- Goal #4: Register or chartered institutions, companies and individuals.

Issue Description/Need: The Division of Consumer Finance proposes the reduction of eight (8) Examiner positions in the Bureau of Enforcement which includes three (3) examiners in the consumer complaint unit.

Impact: By eliminating three (3) Examiner positions in consumer complaints, PG 023, the division would discontinue the servicing of approximately 1,900 priority complaints. The division would no longer provide individual assistance to consumers. Consumers would only receive an acknowledgement of their complaint and OFR would not attempt to resolve their concerns. This would impair the division's ability to protect the consumers it serves. In addition, these reductions would reduce the amount of funds recovered by the Complaint Unit. During FY 2015-16, the Complaint Unit assisted consumers in obtaining in excess of \$206,000.00 in refunds based on its handling of consumer complaints. Consequently, the division would only receive, record, and categorize incoming complaints for statistical purposes.

In addition, the office would need to seek changes to Part VI of Chapter 559, Florida Statutes, to repeal a mandate to investigate consumer collection agency complaints.

The reduction of five (5) examiners in the Bureau of Enforcement would critically impair the Division's ability to fulfill the agency's mission to protect the public. The division is charged with conducting examinations under six (6) different statutes including Chapter 494 (Mortgage Brokering and Lending), Chapter 516 (Consumer Finance Companies), Chapter 520 (Retail Installment Sellers), Chapter 537 (Title Loan Lenders), Chapter 559, Part IV (Consumer Collections), and Chapter 560 (Money Services Businesses including payday lending), Florida Statutes. The Division is mandated to conduct Money Services Business examinations once every five (5) years whereas examinations for the other chapters are conducted based on risk. The Division has also been increasing its examination efforts in the mortgage and consumer collections industries given the greater risk to consumers for improper or illegal activities.

Examinations are a vital means for the state to ensure that businesses treat consumers fairly, operate in a compliant manner, and are held accountable for improper or illegal activity. Examinations allow the division to seek remedies for violative behavior such as denial, revocation, or suspension of a license, an administrative fine, or injunctive relief such as appointing a receiver. Reducing five (5) examiners in the Bureau of Enforcement would significantly reduce the ability for the division to conduct examinations in these statutes and possibly impact the division's ability to meet statutory mandates.

Ultimate Outcome: Deleting eight (8) examiner positions in the Bureau of Enforcement would critically impact the

COL A93		
SCH VIIIIB-2		
REDUCTIONS		
POS	AMOUNT	CODES
FINANCIAL SERVICES		43000000
PGM: FINANCIAL SVCS COMM		43900000
OFFICE OF FINANCIAL REG		43900500
FINANCE REGULATION		43900560
PUBLIC PROTECTION		12
REGULATION AND LICENSING		<u>1204.00.00.00</u>
PROGRAM REDUCTIONS		33V0000
REDUCE POSITIONS FOR ENFORCEMENT -		
OFFICE OF FINANCIAL REGULATION -		
FINANCE REGULATION		33V0670

division's ability to assist consumers. Consumer complaints would only be recorded for statistical purposes and the division would cease consumer complaint resolution activities. Furthermore, deleting five (5) examiner positions in the Bureau of Enforcement would critically impact and impair the division's ability to conduct examinations to ensure compliance with Florida laws for all the industries under its jurisdiction and potentially impact its ability to meet statutory mandates. Overall, these limitations would critically impede the division's ability to protect the consumers it serves and leave Floridians vulnerable to either unlicensed or licensed businesses that violate Florida laws.

Detail of Costs:

Quantity	Description	Amount	Non-Recurring
(8)	Reduce FEA II, PG 023 @ \$56,659 each Salaries and Benefits	(\$453,272)	(\$0)
(8)	Reduce Expenses @ \$1,800	(\$14,400)	(\$0)
	Issue Total	(\$467,672)	(\$0)

POSITION DETAIL OF SALARIES AND BENEFITS:

FTE	BASE RATE	ADDITIVES	BENEFITS	SUBTOTAL	LAPSE %	LAPSED SALARIES AND BENEFITS
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A93 - SCH VIIIIB-2 REDUCTIONS

CHANGES TO CURRENTLY AUTHORIZED POSITIONS

P101 PROPOSED CLASS CODE						
N0001 001	8.00-	307,823-	145,449-	453,272-	0.00	453,272-

COL A93 SCH VIIIIB-2 REDUCTIONS		CODES
POS	AMOUNT	
FINANCIAL SERVICES		43000000
PGM: FINANCIAL SVCS COMM		43900000
OFFICE OF FINANCIAL REG		43900500
FINANCE REGULATION		43900560
PUBLIC PROTECTION		12
REGULATION AND LICENSING		<u>1204.00.00.00</u>
PROGRAM REDUCTIONS		33V0000
REDUCE POSITIONS FOR ENFORCEMENT -		
OFFICE OF FINANCIAL REGULATION -		
FINANCE REGULATION		33V0670

POSITION DETAIL OF SALARIES AND BENEFITS:

FTE	BASE RATE	ADDITIVES	BENEFITS	SUBTOTAL	LAPSE %	LAPSED SALARIES AND BENEFITS
A93 - SCH VIIIIB-2 REDUCTIONS						
CHANGES TO CURRENTLY AUTHORIZED POSITIONS						
TOTALS FOR ISSUE BY FUND						
						453,272-
2573 REGULATORY TRUST FUND						
8.00-	307,823-		145,449-	453,272-		453,272-
=====	=====	=====	=====	=====		=====

TOTAL: REGULATION AND LICENSING						<u>1204.00.00.00</u>
BY FUND TYPE						
TRUST FUNDS.....	8.00-	1,116,559-				2000
SALARY RATE.....	307,823-					
=====						

COL A93		
SCH VIIIIB-2		
REDUCTIONS		
POS	AMOUNT	CODES
FINANCIAL SERVICES		43000000
PGM: FINANCIAL SVCS COMM		43900000
OFFICE OF FINANCIAL REG		43900500
<u>SECURITIES REGULATION</u>		43900570
PUBLIC PROTECTION		12
<u>REGULATION AND LICENSING</u>		<u>1204.00.00.00</u>
PROGRAM REDUCTIONS		33V0000
REDUCE CONTRACTED SERVICES BUDGET		
AUTHORITY IN SECURITIES REGULATION		33V0350
SPECIAL CATEGORIES		100000
CONTRACTED SERVICES		100777
ANTI-FRAUD TRUST FUND	-STATE	
	50,000-	
	=====	2038 1

AGENCY ISSUE NARRATIVE:

SCH VIIIIB-2 NARR 18-19 NARRATIVE:
 Priority #207

IT COMPONENT? NO

Reference to Long-Range Program Plan:

This request will adversely impact the Office's ability to reach the following goals:

- Goal #1: Excellence in all OFR does;
- Goal #2: Enforce compliance with state laws related to the financial industry; and
- Goal #3: Examine regulated companies and individuals.

Issue Description/Need: Reduction of the Division's contracted services fund that provides necessary operational resources to support items including but not limited to, court reporters, subpoena and research services, and legal contract services, would have a significant adverse impact on the Division's operating budget with a reduction in the amount of \$50,000. The Bureau of Enforcement is responsible for ensuring compliance with Chapter 517, Florida Statutes, the Florida Securities and Investor Protection Act (Act). Securities examinations are commonly broad in scope, complex and time-consuming. To address the complexity of these examinations, the Bureau of Enforcement may utilize the Regulatory Trust fund to pay for these specialized services. The Division of Securities generally goes first to the Anti-Fraud Trust fund to cover these services but due to limited budget in this area finds it necessary to maintain sufficient budget in the Regulatory Trust fund to ensure that adequate resources are available to support the complexity of these examinations. Contractors utilized in these cases provide assistance during the examination process by providing technical assistance and investigative guidance. This assistance has become particularly valuable in a world of increasingly complex financial products. The use of outside experts and contracted services strengthens the ability of the Bureau of Enforcement by providing expertise, knowledge and experience that are beyond the skill set of the examiner. Having adequate funding in contracted services is critical to the operations of the Division of Securities and its ability to bring enforcement action against those who violate the law. A reduction in the amount of \$50,000 would have a significant adverse impact on the Division's operations.

Ultimate Outcome: A decrease in the appropriation for contracted services significantly lessens the Office's enforcement ability to handle unforeseen circumstances and emergent situations. Consumers' protections and restitutions and fines, along with consumer confidence in the Office's ability to regulate the securities industry, are certain to decrease if fewer resources are available.

COL A93		
SCH VIIIIB-2		
REDUCTIONS		
POS	AMOUNT	CODES

FINANCIAL SERVICES		43000000
PGM: FINANCIAL SVCS COMM		43900000
OFFICE OF FINANCIAL REG		43900500
<u>SECURITIES REGULATION</u>		43900570
PUBLIC PROTECTION		12
<u>REGULATION AND LICENSING</u>		<u>1204.00.00.00</u>
PROGRAM REDUCTIONS		33V0000
REDUCE CONTRACTED SERVICES BUDGET		
AUTHORITY IN SECURITIES REGULATION		33V0350

Detail of Costs:

Contracted Services:			
Quantity	Description	Amount	Non-Recurring
-----		-----	-----
1	Contracted Services	(\$50,000)	(\$0)
Total		(\$50,000)	(\$0)

REDUCE EXPENSES BUDGET AUTHORITY IN SECURITIES REGULATION EXPENSES 33V0360 040000

REGULATORY TRUST FUND -STATE 53,000- 2573 1
 =====

AGENCY ISSUE NARRATIVE:

SCH VIIIIB-2 NARR 18-19 NARRATIVE: IT COMPONENT? NO
 Priority #213

Reference to Long-Range Program Plan:

This request will adversely impact the Office's ability to reach the following goals:

- Goal #1: Excellence in all OFR does;
- Goal #2: Enforce compliance with state laws related to the financial industry;
- Goal #3: Examine regulated companies and individuals; and
- Goal #4: Register companies and individuals.

Issue Description/Need: The Division proposes reduction of the Expense category which includes rent, travel and training. This would have a critical impact on the Division's operating budget with a reduction in the amount of \$53,000. Chapter 517, Florida Statutes requires that the Division of Securities examine the books and records of each

COL A93		
SCH VIIIIB-2		
REDUCTIONS		
POS	AMOUNT	CODES
		43000000
		43900000
		43900500
		43900570
		12
		<u>1204.00.00.00</u>
		33V0000
		33V0360

FINANCIAL SERVICES
 PGM: FINANCIAL SVCS COMM
 OFFICE OF FINANCIAL REG
SECURITIES REGULATION

PUBLIC PROTECTION
REGULATION AND LICENSING

PROGRAM REDUCTIONS
 REDUCE EXPENSES BUDGET AUTHORITY IN
 SECURITIES REGULATION

registered entity and individual to determine compliance with this act. As the sole regulator of state registered investment advisory firms with up to \$100 million in assets under management, the Bureau of Enforcement (Enforcement) has undertaken an initiative to examine all registered investment advisory firms on a five year cycle while still conducting regular examinations of registered broker dealer firms, their branch office locations and associated persons. During the preceding two fiscal years, the Bureau of Enforcement has experienced significant staff turnover. Enforcement must have well trained examiners that can identify and assess matters involving significant complexity. The Bureau of Enforcement has a need to compress the amount of time it takes to fully train an examiner and must continue to have the resources to provide for staff training and development. Adequate resources to provide for staff training and travel are essential to the Division fulfilling this responsibility.

The Bureau of Registration processes applications of individuals, companies and branches to promote growth in the securities industry. Chapter 517, Florida Statutes require applications to be processed in a timely manner. The Bureau of Registration must have well trained examiners to process applications and ensure compliance with Chapter 517, Florida Statutes.

Ultimate Outcome: A decrease in the appropriation for expenses critically affects the Office's enforcement ability by hindering staff training and staff travel to examine registered entities and individuals. A decrease in the appropriation for expenses critically reduces the Bureau of Registration's ability to have the resources to have well trained examiners and ensure applications are processed in a timely manner to promote growth in the securities industry. Consumers' protections and restitutions and fines, along with consumer confidence in the Office's ability to regulate the securities industry, are certain to decrease if fewer resources are available.

Detail of Costs:

Quantity	Description	Amount	Non-Recurring
1	Expense	(\$53,000)	(\$0)
	Total Expenses	(\$53,000)	(\$0)
	Total	(\$53,000)	(\$0)

COL A93		
SCH VIIIIB-2		
REDUCTIONS		
POS	AMOUNT	CODES
FINANCIAL SERVICES		43000000
PGM: FINANCIAL SVCS COMM		43900000
OFFICE OF FINANCIAL REG		43900500
<u>SECURITIES REGULATION</u>		43900570
PUBLIC PROTECTION		12
<u>REGULATION AND LICENSING</u>		<u>1204.00.00.00</u>
PROGRAM REDUCTIONS		33V0000
REDUCE OTHER PERSONAL SERVICES		
(OPS) - OFFICE OF FINANCIAL		
REGULATION - SECURITIES REGULATION		33V0580
OTHER PERSONAL SERVICES		030000
ANTI-FRAUD TRUST FUND	-STATE	
	10,000-	
	=====	2038 1

AGENCY ISSUE NARRATIVE:

SCH VIIIIB-2 NARR 18-19 NARRATIVE:
 Priority #209

IT COMPONENT? NO

Reference to Long-Range Program Plan:

This request will adversely impact the Office's ability to reach the following goals:

- Goal #1: Excellence in all OFR does;
- Goal #2: Enforce compliance with state laws related to the financial industry; and
- Goal #3: Examine regulated companies and individuals.

Issue Description/Need: Reduction of the Division's OPS funding that provides necessary operational resources to support the Bureau of Enforcement including reviewing financial statements and other documentation vital to securities examinations would have a significant adverse impact on the Division's ability to hire additional OPS staff. The Bureau of Enforcement is responsible for ensuring compliance with Chapter 517, Florida Statutes, the Florida Securities and Investor Protection Act (Act). Securities examinations are commonly broad in scope, complex and time-consuming. To address the complexity of these examinations, the Bureau of Enforcement utilize the OPS staff for these specialized services. Due to the large volume of data being reviewed as part of the examination review, OPS funding is vital in order to effectively and efficiently complete the required exams of both registered individuals and firms in the fiscal year as well assist in handling any unexpected events that would require hiring additional OPS staff.

Ultimate Outcome: Reducing OPS funds by \$10,000 from recurring program costs would significantly restrict the division's ability to hire additional OPS staff to handle any unforeseen circumstances that may occur. Overall, this limitation could ultimately limit the division's ability to protect the public it serves.

Detail of Costs:

OPS:

 COL A93
 SCH VIIIIB-2
 REDUCTIONS
 POS AMOUNT

 CODES

FINANCIAL SERVICES 43000000
 PGM: FINANCIAL SVCS COMM 43900000
 OFFICE OF FINANCIAL REG 43900500
 SECURITIES REGULATION 43900570
 PUBLIC PROTECTION 12
 REGULATION AND LICENSING 1204.00.00.00
 PROGRAM REDUCTIONS 33V0000
 REDUCE OTHER PERSONAL SERVICES
 (OPS) - OFFICE OF FINANCIAL
 REGULATION - SECURITIES REGULATION 33V0580

Quantity	Description	Amount	Non-Recurring
-----	-----	-----	-----
1	OPS Funding	(\$10,000)	(\$0)
	Total OPS	(\$10,000)	(\$0)
	Total Issue	(\$10,000)	(\$0)

REDUCE POSITION(S) - OFFICE OF FINANCIAL REGULATION - SECURITIES 33V0590
 SALARY RATE 000000
 SALARY RATE..... 243,693-
 =====
 SALARIES AND BENEFITS 010000
 6.00-
 REGULATORY TRUST FUND -STATE 354,776-
 =====
 EXPENSES 040000
 REGULATORY TRUST FUND -STATE 10,800-
 =====
 TOTAL: REDUCE POSITION(S) - OFFICE OF FINANCIAL REGULATION - SECURITIES 33V0590
 TOTAL POSITIONS..... 6.00-
 TOTAL ISSUE..... 365,576-
 TOTAL SALARY RATE..... 243,693-
 =====

AGENCY ISSUE NARRATIVE:
 SCH VIIIIB-2 NARR 18-19 NARRATIVE: IT COMPONENT? NO
 Priority #221

COL A93		
SCH VIIIB-2		
REDUCTIONS		
POS	AMOUNT	CODES

FINANCIAL SERVICES		43000000
PGM: FINANCIAL SVCS COMM		43900000
OFFICE OF FINANCIAL REG		43900500
<u>SECURITIES REGULATION</u>		43900570
PUBLIC PROTECTION		12
<u>REGULATION AND LICENSING</u>		<u>1204.00.00.00</u>
PROGRAM REDUCTIONS		33V0000
REDUCE POSITION(S) - OFFICE OF		
FINANCIAL REGULATION - SECURITIES		33V0590

Reference to Long-Range Program Plan:

This request will adversely impact the Office's ability to reach the following goals:

- Goal #1: Excellence in all OFR does;
- Goal #2: Enforce compliance with state laws related to the financial industry; and
- Goal #3: Examine Regulated companies and individuals.
- Goal #4: Register companies and individuals.

Issue Description/Need: The loss of six (6) FTE positions in the Bureau of Enforcement, Bureau of Registration and the Division's legal unit would hamper the Division of Securities ability to protect the public. The public will be more vulnerable to fraudulent and unlawful conduct and schemes by unscrupulous firms and individuals. The division's Bureau of Enforcement protects Florida's citizens by handling consumer complaints, conducting examinations and investigations to detect violations before they result in investor harm, and bringing enforcement actions to stop the unlawful conduct and penalize the violators. Remedies include denial, revocation, or suspension of a registration, a civil or administrative fine or penalty, and injunctive remedies such as freezing assets or appointment of a receiver.

The Division's legal unit provides legal advice and counsel, and processes the administrative actions necessary to enforce Chapter 517, F.S. and the promulgated Florida Administrative Code rules. The loss of a FTE in this area would result in significant adverse harm to the Division's ability to carry out this element of our mission. Florida citizens would be negatively impacted by fewer cases enforced and longer times to bring enforcement actions. With fewer enforcement cases being brought, resulting in violative action continuing in the marketplace, Florida citizens will remain vulnerable to these actions.

The Bureau of Registration ensures that only applicants who meet the registration requirements and who do not have serious disciplinary history are allowed to conduct business in Florida. Through its substantive review process, regulatory staff acts to prevent firms and individuals who are threats to the public from being registered to do business in Florida. Registration with the OFR is required prior to conducting business in Florida. Delay in approval of applications prevents qualified applicants from beginning work and earning a living.

Ultimate Outcome: Eliminating six FTE positions would critically impede the division's ability to promote growth in the securities industry, conduct examinations, investigations, and to bring enforcement actions to protect investors from unlawful activity and fraudulent schemes by unscrupulous firms and individuals.

Detail of Costs:

Salaries and Benefits:

Position	Title / Pay Grade	Amount	Non-Recurring
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 COL A93
 SCH VIII B-2
 REDUCTIONS
 POS AMOUNT

CODES

FINANCIAL SERVICES	43000000
PGM: FINANCIAL SVCS COMM	43900000
OFFICE OF FINANCIAL REG	43900500
<u>SECURITIES REGULATION</u>	43900570
PUBLIC PROTECTION	12
<u>REGULATION AND LICENSING</u>	<u>1204.00.00.00</u>
PROGRAM REDUCTIONS	33V0000
REDUCE POSITION(S) - OFFICE OF	
FINANCIAL REGULATION - SECURITIES	33V0590

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(3)	Financial Examiner/Analyst II PG 023 @ \$56,659 each	(\$169,977)	(\$0)
(1)	Financial Specialist PG 025	(\$62,242)	(\$0)
(1)	Senior Attorney PG 230	(\$72,764)	(\$0)
(1)	Financial Examiner/Analyst I PG 020	\$49,792)	(\$0)
	Salaries and Benefits Total	(\$354,775)	
(6)	Expense 4 @ \$1,800	(\$ 10,800)	(\$0)

Total (\$365,575)

COL A93		
SCH VIIIIB-2		
REDUCTIONS		
POS	AMOUNT	CODES
FINANCIAL SERVICES		43000000
PGM: FINANCIAL SVCS COMM		43900000
OFFICE OF FINANCIAL REG		43900500
SECURITIES REGULATION		43900570
PUBLIC PROTECTION		12
REGULATION AND LICENSING		1204.00.00.00
PROGRAM REDUCTIONS		33V0000
REDUCE POSITION(S) - OFFICE OF		
FINANCIAL REGULATION - SECURITIES		33V0590

POSITION DETAIL OF SALARIES AND BENEFITS:

	FTE	BASE RATE	ADDITIVES	BENEFITS	SUBTOTAL	LAPSE %	LAPSED SALARIES AND BENEFITS
A93 - SCH VIIIIB-2 REDUCTIONS							
CHANGES TO CURRENTLY AUTHORIZED POSITIONS							
P101 PROPOSED CLASS CODE							
N0001 001	6.00-	243,693-		111,083-	354,776-	0.00	354,776-
TOTALS FOR ISSUE BY FUND							
2573 REGULATORY TRUST FUND							354,776-
	6.00-	243,693-		111,083-	354,776-		354,776-

REDUCE EXPENSE - OFFICE OF
 FINANCIAL REGULATION - SECURITIES
 EXPENSES 33V0600
 040000

ANTI-FRAUD TRUST FUND -STATE 35,020- 2038 1
 =====

AGENCY ISSUE NARRATIVE:
 SCH VIIIIB-2 NARR 18-19 NARRATIVE: IT COMPONENT? NO
 Priority #210

Reference to Long-Range Program Plan:
 This request will adversely impact the Office's ability to reach the following goals:
 Goal #1: Excellence in all OFR does;
 Goal #2: Enforce compliance with state laws related to the financial industry;

COL A93		
SCH VIIIIB-2		
REDUCTIONS		
POS	AMOUNT	CODES
FINANCIAL SERVICES		43000000
PGM: FINANCIAL SVCS COMM		43900000
OFFICE OF FINANCIAL REG		43900500
<u>SECURITIES REGULATION</u>		43900570
PUBLIC PROTECTION		12
<u>REGULATION AND LICENSING</u>		<u>1204.00.00.00</u>
PROGRAM REDUCTIONS		33V0000
REDUCE EXPENSE - OFFICE OF		
FINANCIAL REGULATION - SECURITIES		33V0600

Goal #3: Examine regulated companies and individuals; and
 Goal #4: Register companies and individuals.

Issue Description/Need: The Division proposes reduction of the Expense category which includes rent, travel and training. This would have a significant adverse impact on the Division's operating budget with a reduction in the amount of \$35,020. Chapter 517, Florida Statutes requires that the Division of Securities examine the books and records of each registered entity and individual to determine compliance with this act. As the sole regulator of state registered investment advisory firms with up to \$100 million in assets under management, the Bureau of Enforcement (Enforcement) has undertaken an initiative to examine all registered investment advisory firms on a five year cycle while still conducting regular examinations of registered broker dealer firms, their branch office locations and associated persons. During the preceding two fiscal years, the Bureau of Enforcement has experienced significant staff turnover. Enforcement must have well trained examiners that can identify and assess matters involving significant complexity. The Bureau of Enforcement has a need to compress the amount of time it takes to fully train an examiner and must continue to have the resources to provide for staff training and development. Adequate resources to provide for staff training and travel are essential to the Division fulfilling this responsibility. The Bureau of Registration processes applications of individuals, companies and branches to promote growth in the securities industry. Chapter 517, Florida Statutes require applications to be processed in a timely manner. The Bureau of Registration must have well trained examiners to process applications and ensure compliance with Chapter 517, Florida Statutes.

Ultimate Outcome: A decrease in the appropriation for expenses significantly affects the Office's enforcement ability by hindering staff training and staff travel to examine registered entities and individuals. A decrease in the appropriation for expenses significantly hinders the Bureau of Registrations ability to have the resources to have well trained examiners and ensure applications are processed in a timely manner to promote growth in the securities industry. Consumers' protections and restitutions and fines, along with consumer confidence in the Office's ability to regulate the securities industry, are certain to decrease if fewer resources are available.

Detail of Costs:

Expenses:

Quantity	Description	Amount	Non-Recurring
-----	-----	-----	-----
1	Expense	(\$35,020)	(\$0)

COL A93		
SCH VIIIIB-2		
REDUCTIONS		
POS	AMOUNT	CODES

FINANCIAL SERVICES		43000000
PGM: FINANCIAL SVCS COMM		43900000
OFFICE OF FINANCIAL REG		43900500
SECURITIES REGULATION		43900570
PUBLIC PROTECTION		12
REGULATION AND LICENSING		<u>1204.00.00.00</u>
PROGRAM REDUCTIONS		33V0000
REDUCE EXPENSE - OFFICE OF		
FINANCIAL REGULATION - SECURITIES		33V0600
Total Expense	(\$35,020)	(\$0)

Total Issue (\$35,020) (\$0)

REDUCE CONTRACTED SERVICES - OFFICE OF FINANCIAL REGULATION - SECURITIES		33V0610
SPECIAL CATEGORIES		100000
CONTRACTED SERVICES		100777
REGULATORY TRUST FUND -STATE	258,529-	2573 1
	=====	

AGENCY ISSUE NARRATIVE:
 SCH VIIIIB-2 NARR 18-19 NARRATIVE:
 Priority #211

IT COMPONENT? NO

Reference to Long-Range Program Plan:

This request will adversely impact the Office's ability to reach the following goals:

- Goal #1: Excellence in all OFR does;
- Goal #2: Enforce compliance with state laws related to the financial industry; and
- Goal #3: Examine regulated companies and individuals.

Issue Description/Need: Reduction of the Division's contracted services fund that provides necessary operational resources to support items including but not limited to, court reporters, subpoena and research services, and legal contract services, would have a significant adverse impact on the Division's operating budget with a reduction in the amount of \$258,529. The Bureau of Enforcement is responsible for ensuring compliance with Chapter 517, Florida Statutes, the Florida Securities and Investor Protection Act (Act). Securities examinations are commonly broad in scope, complex and time-consuming. To address the complexity of these examinations, the Bureau of Enforcement may utilize the Regulatory Trust fund to pay for these specialized services. The Division of Securities generally goes first to the Anti-Fraud Trust fund to cover these services but due to limited budget in this area finds it necessary to maintain sufficient budget in the Regulatory Trust fund to ensure that adequate resources are available to support the complexity of these examinations. Contractors utilized in these cases provide assistance during the examination process by providing technical assistance and investigative guidance. This assistance has become particularly valuable in a world of increasingly complex financial products. The use of outside experts and contracted services strengthens the ability of

COL A93		
SCH VIIIIB-2		
REDUCTIONS		
POS	AMOUNT	CODES
		43000000
		43900000
		43900500
		43900570
		12
		<u>1204.00.00.00</u>
		33V0000
		33V0610

FINANCIAL SERVICES
 PGM: FINANCIAL SVCS COMM
 OFFICE OF FINANCIAL REG
SECURITIES REGULATION
 PUBLIC PROTECTION
REGULATION AND LICENSING
 PROGRAM REDUCTIONS
 REDUCE CONTRACTED SERVICES - OFFICE
 OF FINANCIAL REGULATION -
 SECURITIES

the Bureau of Enforcement by providing expertise, knowledge and experience that are beyond the skill set of the examiner. Having adequate funding in contracted services is critical to the operations of the Division of Securities and its ability to bring enforcement action against those who violate the law. A reduction in the amount of \$258,529 would have a significant adverse impact on the Division's operations.

Ultimate Outcome: A decrease in the appropriation for contracted services significantly lessens the Office's enforcement ability to handle unforeseen circumstances and emergent situations. Consumers' protections and restitutions and fines, along with consumer confidence in the Office's ability to regulate the securities industry, are certain to decrease if fewer resources are available.

Detail of Costs:

Contracted Services:			
Quantity	Description	Amount	Non-Recurring
-----	-----	-----	-----
1	Contracted Services	(\$258,529)	(\$0)
	Total	(\$258,529)	(\$0)

TOTAL: REGULATION AND LICENSING		<u>1204.00.00.00</u>
BY FUND TYPE		
TRUST FUNDS.....	6.00- 772,125-	2000
SALARY RATE.....	243,693-	
	=====	

COL A93		
SCH VIII B-2		
REDUCTIONS		
POS	AMOUNT	CODES

FINANCIAL SERVICES		43000000
TOTAL: FINANCIAL SERVICES		43000000
BY FUND TYPE		
GENERAL REVENUE FUND	2,156,168-	1000
TRUST FUNDS	30,183,073-	2000

TOTAL POSITIONS.....	221.00-	
TOTAL DEPARTMENT.....	32,339,241-	
TOTAL SALARY RATE.....	7,966,786-	
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* BPEADL01                               STATISTICAL INFORMATION                09/18/2017 14:17:24 *
* BUDGET PERIOD: 2008-2019                EXHIBIT A, D AND D-3A LIST REQUEST        SDF  43      SP   *
* COMPILE DATE: 09/16/2015                COMPILE TIME: 09:40:41                    PAGE:      1   *
*****
*                                     SAVE INITIALS:          SAVE DEPARTMENT: 07      SAVE ID: S8B2
* -----
* SELECT CODES AND ACCUMULATION LEVELS WHERE ALLOWED.  WHEN NO CODE IS SELECTED, ALL CODES WILL BE REPORTED.
* ITEMIZATION OF EXPENDITURE:                IOE ACCUMULATION LEVEL: 0 (1=OPER/FCO, 2=IOE, 0=MERGED)
* MERGE GROUPS (Y/N): Y
* BUDGET ENTITY OR GROUP/ACCUMULATION LEVEL (DEP, DIV, BUR, SUB, LBE, MRG):
*   1-7:                LBE
*   8-14:
*   15-21:
*   22-27:
* EXCLUDE:
*
* PROGRAM COMPONENT/ACCUMULATION LEVEL (1, 2, 3, 4 OR 5 FOR 2, 4, 6, 8 OR 10 DIGITS, 6=MERGE POLICY, 0=MERGED):
*   5
*
* APPROPRIATION CATEGORY OR GROUP/ACCUMULATION LEVEL (1=MAJOR, 2=MINOR, 0=MERGED):
*   2
*
* FUND GROUPS SET:          OR FUND:                FUNDING SOURCE IDENTIFIER:          MERGE FSI (Y/N): N
* FCO (Y/N): Y          FTE (Y/N): Y                SALARY RATE (Y/N): Y
* -----
* ISSUE CODE OR GROUP/ACCUMULATION LEVEL (1, 2 OR 3 FOR 1, 3 OR 7 CHARACTERS, 0=MERGED):
*   3
*
* REPORT OPTION: 1          COLUMN SELECTION: A93                CODES
* 1=EAD REPORT
* 2=SCHEDULE IV/IT ISSUES          REPORT COLUMNS WITH CALCULATION DIFFERENCE ONLY (Y/N): N  THAT EXCEED:
* 3=STATEWIDE ISSUES
* 4=SCHEDULE VIIIA ISSUES
* SCHEDULE VIIIA ISSUES SPREADSHEET (Y/N): N
*
* LEVELS OF TOTALS:  (N=NO TOTAL, L=LINE TOTAL, T=BY FUND TYPE, D=BY DETAIL FUND, B=BY DETAIL FUND AND FUND TYPE,
* G=FUND GROUP LINE TOTALS, E=BY DETAIL FUND AND FUND GROUP)
* RUN: N          ITEM OF EXP: N          GROUP: N          DEPARTMENT: T          DIVISION: N          BUREAU: N
* SUB-BUREAU: N          LBE: T          POLICY AREA: N          PROG COMP: T          D3A SUM ISSUE: N          D3A DETAIL ISSUE: L
* MAJOR APP CAT: N          MINOR APP CAT: D
*
* APPROPRIATION CATEGORY TITLES: S (S=SHORT, L=LONG)          REPORT SEQUENCE: DEPT/BUDGET ENTITY: N  A=ALPHABETICAL
*                                     PROGRAM COMPONENT: N  N=NUMERICAL
* -----
* DEPARTMENT NARRATIVE SET:
* BUDGET ENTITY NARRATIVE SET:          PROGRAM COMPONENT NARRATIVE (Y/N): N
*
* ISSUE/ACTIVITY NARRATIVE SET: A5          PRIORITY ISSUE NARRATIVE SET (1-9):
*
* INCLUDE POSITION DATA (Y/N): Y
*
* INCLUDE COLUMN CODES (Y/N): Y
*
* OUTPUT FORMAT: L          PAGE BREAKS:
* L=LANDSCAPE          (IOE, GRP, DEP, DIV,          REPORT HEADING:          SCHEDULE VIIIB-2
* P=PORTRAIT          BUR, SUB, LBE, PRC,          PRIORITY LISTING FOR POSSIBLE REDUCTION
*                                     SIS, ISC)          FOR REQUEST YEAR
* -----

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* BPEADL01                                STATISTICAL INFORMATION                                09/18/2017 14:17:24 *
* BUDGET PERIOD: 2008-2019                EXHIBIT A, D AND D-3A LIST REQUEST                SDF 43      SP      *
* COMPILE DATE: 09/16/2015                COMPILE TIME: 09:40:41                                PAGE:      2      *
*****
*
* TOTAL RECORDS READ FROM SORT:           174
* TOTAL RECORDS READ FROM CARD:           43
* TOTAL PAF RECORDS READ:                 40
* TOTAL OAF RECORDS READ:                 1
* TOTAL IEF RECORDS READ:                 0
* TOTAL BGF RECORDS READ:                 0
* TOTAL BEF RECORDS READ:                 54
* TOTAL PCF RECORDS READ:                 50
* TOTAL ICF RECORDS READ:                 95
* TOTAL INF RECORDS READ:                 2,159
* TOTAL ACF RECORDS READ:                 15
* TOTAL FCF RECORDS READ:                 11
* TOTAL FSF RECORDS READ:                 10
* TOTAL PCN RECORDS READ:                 0
* TOTAL BEN RECORDS READ:                 0
* TOTAL DPC RECORDS READ:                 80
* TOTAL RECORDS IN ERROR:                 0
*
*****
* BUDGET ENTITIES SELECTED:
*   1-9: 43
*  10-18:
*  19-27:
*
*****

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