

BPEADL01 LAS/PBS SYSTEM
BUDGET PERIOD: 2008-2020
STATE OF FLORIDA

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

SP 10/19/2018 14:37 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 VIIIB-2		
REDUCTIONS		
POS	AMOUNT	CODES

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		
VIIIB		33V3340
SALARY RATE		000000
SALARY RATE.....	369,441-	
	=====	
SALARIES AND BENEFITS		010000
	9.00-	
ADMINISTRATIVE TRUST FUND -STATE	545,120-	2021 1
	=====	
OTHER PERSONAL SERVICES		030000
ADMINISTRATIVE TRUST FUND -STATE	181,602-	2021 1
	=====	
EXPENSES		040000
ADMINISTRATIVE TRUST FUND -STATE	435,989-	2021 1
	=====	
SPECIAL CATEGORIES		100000
CONTRACTED SERVICES		100777
ADMINISTRATIVE TRUST FUND -STATE	113,988-	2021 1
	=====	
TOTAL: OPERATING REDUCTIONS FOR SCHEDULE		33V3340
VIIIB		
TOTAL POSITIONS.....	9.00-	
TOTAL ISSUE.....	1,276,699-	
TOTAL SALARY RATE.....	369,441-	
	=====	

AGENCY ISSUE NARRATIVE:
 SCH VIIIB-2 NARR 19-20 NARRATIVE:
 PRIORITY #27

IT COMPONENT? NO

This issue proposes a budget reduction of 1,276,699 in the Division of Legal Services, including reductions of 181,602 (65 percent) of other personal services, 113,988 (45 percent) of contracted services, 435,989 (61 percent) of expenses, and nine FTE and 545,120 (eight percent) of salaries and benefits budget authority. The position reductions include a

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

Human Resource Analyst, an Administrative Secretary, two Staff Assistants, and five Senior Attorneys. 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.

No legislative change.

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	9.00-	369,441-		175,679-	545,120-	0.00	545,120-
TOTALS FOR ISSUE BY FUND							
2021 ADMINISTRATIVE TRUST FUND							545,120-
	9.00-	369,441-		175,679-	545,120-		545,120-

TOTAL: EXEC LEADERSHIP/SUPPRT SVC							<u>1602.00.00.00</u>
BY FUND TYPE							
TRUST FUNDS.....	9.00-	1,276,699-					2000
SALARY RATE.....		369,441-					
	=====						

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 43,101-		2393 1
	=====		
OPERATING CAPITAL OUTLAY			060000
INSURANCE REG TF	-STATE 2,500-		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.....	109,976-		
	=====		

AGENCY ISSUE NARRATIVE:

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

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 - 43,101: 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 - 2,500: The OICA anticipates no upcoming OCO costs but desires to maintain a minimum amount in this category. This is a 63 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 significantly 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.....	109,976-	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	1,069,877-	1000 1
		=====	

AGENCY ISSUE NARRATIVE:

SCH VIIIIB-2 NARR 19-20 NARRATIVE:
 PRIORITY #31

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 VIIIB-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.....	168,295-		
	=====		
SALARIES AND BENEFITS			010000
	4.00-		
TREASURY ADM/INVEST TF	-STATE	247,027-	2725 1
	=====		
EXPENSES			040000
TREASURY ADM/INVEST TF	-STATE	3,738-	2725 1
	=====		
TOTAL: ELIMINATE THE QUALIFIED PUBLIC			33V4100
DEPOSITORIES PROGRAM			
TOTAL POSITIONS.....	4.00-		
TOTAL ISSUE.....	250,765-		
TOTAL SALARY RATE.....	168,295-		
	=====		

AGENCY ISSUE NARRATIVE:

SCH VIIIB-2 NARR 19-20 NARRATIVE:
 PRIORITY #30

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

COL A93 SCH VIIIB-2 REDUCTIONS		CODES
POS	AMOUNT	
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

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. This reduction also includes 3,738 in recurring expenses for a bank rating service for the program.

This budget reduction issue would result in significant disruption not only for the Division of Treasury but for hundreds of governmental units in Florida at the local, county and state level and potentially put billions of dollars in public funds at greater risk of loss due to the elimination of qualified public depositories and the public deposits 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 VIIIB-2 REDUCTIONS							
CHANGES TO CURRENTLY AUTHORIZED POSITIONS							
P101 PROPOSED CLASS CODE							
C1000 002	4.00-	168,295-		78,732-	247,027-	0.00	247,027-
TOTALS FOR ISSUE BY FUND							
2725 TREASURY ADM/INVEST TF							247,027-
	4.00-	168,295-		78,732-	247,027-		247,027-

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>
TOTAL: GOVERNMENTAL OPERATIONS			<u>1601.00.00.00</u>
BY FUND TYPE			
	4.00-		
TRUST FUNDS.....	250,765-		2000
SALARY RATE.....	168,295-		
	=====		
<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	831,117-	2725 1
		=====	

AGENCY ISSUE NARRATIVE:
 SCH VIIIIB-2 NARR 19-20 NARRATIVE:
 PRIORITY #29

IT COMPONENT? NO

Eliminate 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 2018-19 budget for this contract is 831,117 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.

This reduction issue would cause significant problems not only within the Division of Treasury, but to the state agencies as well. Eliminating this contract would significantly reduce the amount of investment income that Treasury currently earns and increase the costs to all state agencies for banking services.

This is a 43 percent reduction in the contracted services category and 21 percent of this budget entity's overall operating budget.

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
ELIMINATE THIRD PARTY ADMINISTRATOR		
CONTRACT		33V4120
SPECIAL CATEGORIES		100000
DEFERRED COMP ADM SVCS		100868
TREASURY ADM/INVEST TF	-STATE	2725 1
	342,180-	
	=====	

AGENCY ISSUE NARRATIVE:

SCH VIIIIB-2 NARR 19-20 NARRATIVE:
 PRIORITY #28

IT COMPONENT? NO

No Legislative Change.

This issue eliminates the Third-Party Administrator contact that supports the central location of participant data exchange and storage necessary to operate the Deferred Compensation program as a multi-vendor plan. Removal of the Third-Party Administrator would require massive system modifications to the operational features as they relate to payroll processing and transaction processing/approvals. It would affect how participant's currently view and make changes to their account(s) online. This would also significantly impair the ability for the staff of the Bureau of Deferred Compensation to offer customer service directly to participants because the day to day account activity accumulated from all of the providers into one database would no longer exist.

The Deferred Compensation Plan operates under 112.215, F.S. and is not funded by general revenue, but is instead funded by the contracted Investment Providers offering investment and education services to Participants. All assets are accumulated and held in the Deferred Compensation Trust Fund for the exclusive benefit of Participants and their beneficiaries. Due to protections of 26 U.S.C. 457(b)(6), assets of the program cannot be used for any other purposes under general revenue consideration.

This reduction issue would cause significant problems external to the Division of Treasury, Bureau of Deferred Compensation. Specifically, it would alter the manner and efficiency for participating employees of the State, State University System, and participating employees of special districts, to modify or view account records and interact for customer service. It also would affect the processing of payroll contributions and require pay centers, including the Bureau of State Payrolls, to require significant system modification and reporting/settlement procedures resulting in increased expenditures for duplicative processes at the pay centers and also at the Investment Providers.

This is a 42 percent reduction in the deferred compensation administrative services category in this budget entity and 20 percent of this budget entity's overall operating budget.

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
REDUCE POSITIONS WITHIN THE BUREAU			
OF AUDITING			33V0810
SALARY RATE			000000
SALARY RATE.....	703,553-		
	=====		
SALARIES AND BENEFITS			010000
	18.00-		
GENERAL REVENUE FUND	-STATE	1,049,289-	1000 1
		=====	
TOTAL: REDUCE POSITIONS WITHIN THE BUREAU			33V0810
OF AUDITING			
TOTAL POSITIONS.....	18.00-		
TOTAL ISSUE.....	1,049,289-		
TOTAL SALARY RATE.....	703,553-		
	=====		

AGENCY ISSUE NARRATIVE:

SCH VIIIB-2 NARR 19-20 NARRATIVE: IT COMPONENT? NO

PRIORITY #32

This issue eliminates 18 FTE and 1,049,289 in salaries and benefits appropriations from the Division of Accounting and Auditing.

The Division of Accounting and Auditing is proposing to eliminate 18 of the auditors in the Bureau of Auditing. Pursuant to section 17.03, Florida Statutes, F.S., the Chief Financial Officer (CFO) is responsible for settling the claims of the State. Over the years, as state budgets and expenditures have grown considerably, the Bureau of Auditing has remained consistent in maintaining the number of positions to audit State expenditures. In order to keep up with increasing workloads, the Bureau has created audit plans each year which incorporate risk analyses, materiality, and sampling as a means of providing audit coverage. In addition, to curb systemic problems with poorly written contracts, certain auditors within the audit teams also audit state contracts along with payments because better written contracts result in fewer payment problems.

During the Fiscal Year 2017-2018, the Bureau audited 309,000 out of 4.1 million payments via sampling. This represents 7.63% of the total payment population; however, because the audit plan incorporates risk and materiality thresholds, the bureau audited \$68.5 billion out of the \$86.05 billion in annual expenditures. These audits resulted in over 9,600 invoices totaling more than \$760.5 million were returned or deleted. As a result, 79% of the dollars spent had audit coverage.

Currently, there are 48 FTEs that provide payment and contract audit coverage. A reduction of the audit teams by 18

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		<u>1601.00.00.00</u>
PROGRAM REDUCTIONS		33V0000
REDUCE POSITIONS WITHIN THE BUREAU OF AUDITING		33V0810

FTEs, or over 37%, would result in the reduction of the number of payments audited by somewhere around 150,000. In addition, since most small dollar payments (i.e. less than \$10,000) are being covered through sampling, almost all the corresponding reduction in payments audited would occur on much higher dollar payments. This would significantly impact whether the CFO has reasonable assurance as to whether payments are properly made and audited.

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	18.00-	703,553-		345,736-	1,049,289-	0.00	1,049,289-
TOTALS FOR ISSUE BY FUND							
1000 GENERAL REVENUE FUND							1,049,289-
	18.00-	703,553-		345,736-	1,049,289-		1,049,289-

TOTAL: GOVERNMENTAL OPERATIONS							<u>1601.00.00.00</u>
BY FUND TYPE							
GENERAL REVENUE FUND.....	18.00-						1000
SALARY RATE.....		1,049,289-					
		703,553-					
	=====						

COL A93		
SCH VIIIIB-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 VIIIIB		33V3230
SALARY RATE		000000
SALARY RATE.....	389,515-	
	=====	
SALARIES AND BENEFITS		010000
	13.00-	
INSURANCE REG TF	-STATE 620,344-	2393 1
	=====	
TOTAL: ELIMINATE STAFF FOR SCHEDULE VIIIIB		33V3230
TOTAL POSITIONS.....	13.00-	
TOTAL ISSUE.....	620,344-	
TOTAL SALARY RATE.....	389,515-	
	=====	

AGENCY ISSUE NARRATIVE:

SCH VIIIIB-2 NARR 19-20 NARRATIVE:
 PRIORITY #21

IT COMPONENT? NO

Eliminate Five License and Registration Inspectors (181,894)

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, a reduction of five FTE and 181,894 of salaries and benefits budget authority. 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 (438,450)

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. This is a reduction of eight FTE and 438,450 of salaries and benefits budget authority. Deputy Boiler Inspectors conduct inspections of uninsured boilers in public locations to determine compliance with the Boiler Safety Act (Chapter 554,

COL A93 SCH VIIIB-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 VIIIB		33V3230

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. Division inspectors conduct around 20 percent of the approximately 10,000 inspections conducted annually. Inspectors employed by insurance companies conduct the remaining inspections. This Program also conducts public education and outreach with local building departments, fire departments, and boiler owners throughout the State as well as issues certificates of compliance for all the boilers in the State. Eliminating the Boiler Safety Section would leave a need for these services to be performed elsewhere, extend the amount of overdue boiler certificates, increase travel time, and potentially decrease life safety.

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							
C1002 001	13.00-	389,515-		230,829-	620,344-	0.00	620,344-
TOTALS FOR ISSUE BY FUND							
2393 INSURANCE REG TF							620,344-
	13.00-	389,515-		230,829-	620,344-		620,344-

TOTAL: LAW ENFORCEMENT							<u>1202.00.00.00</u>
BY FUND TYPE							
TRUST FUNDS.....	13.00-						2000
SALARY RATE.....		620,344-					
		389,515-					
	=====						

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.....	286,167-	
	=====	
SALARIES AND BENEFITS		010000
INSURANCE REG TF	6.00-	
-STATE	409,630-	2393 1
	=====	
TOTAL: ELIMINATE STAFF FOR SCHEDULE VIIIIB		33V3230
TOTAL POSITIONS.....	6.00-	
TOTAL ISSUE.....	409,630-	
TOTAL SALARY RATE.....	286,167-	
	=====	

AGENCY ISSUE NARRATIVE:

SCH VIIIIB-2 NARR 19-20 NARRATIVE:
 PRIORITY #22

IT COMPONENT? NO

This issue proposes a budget reduction of 409,630 and six FTE from salaries and benefits budget authority for the Bureau of Professional Training and Standards. The position reductions include three Instructors, an Instructor Supervisor, a Government Analyst I, and an Academic Instructor. Five of these positions are currently filled; an Instructor position is currently vacant. These positions are responsible for delivering training and education as required by Chapter 69A-37.065 F.A.C. 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. This reduction would significantly impact the Bureau since this would essentially terminate the Training Section at the Fire College, and all training would then be provided by a third party.

No legislative change.

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							
P101 PROPOSED CLASS CODE							
C1003 001	6.00-	286,167-		123,463-	409,630-	0.00	409,630-
TOTALS FOR ISSUE BY FUND							
2393 INSURANCE REG TF							409,630-
	6.00-	286,167-		123,463-	409,630-		409,630-

TOTAL: LAW ENFORCEMENT							<u>1202.00.00.00</u>
BY FUND TYPE							
TRUST FUNDS.....	6.00-				409,630-		2000
SALARY RATE.....		286,167-					
	=====						

COL A93		
SCH VIIIB-2		
REDUCTIONS		
POS	AMOUNT	CODES
FINANCIAL SERVICES		
		43000000
PROGRAM: FIRE MARSHAL		
		43300000
FIRE MRSHL ADMN & SUP SRVS		
		43300500
PUBLIC PROTECTION		
		12
LAW ENFORCEMENT		
		<u>1202.00.00.00</u>
PROGRAM REDUCTIONS		
		33V0000
ELIMINATE STAFF FOR SCHEDULE VIIIB		
		33V3230
SALARY RATE		
		000000
SALARY RATE.....	193,393-	
	=====	
SALARIES AND BENEFITS		
		010000
INSURANCE REG TF	-STATE 276,117-	
	=====	2393 1
TOTAL: ELIMINATE STAFF FOR SCHEDULE VIIIB		
		33V3230
TOTAL POSITIONS.....	4.00-	
TOTAL ISSUE.....	276,117-	
TOTAL SALARY RATE.....	193,393-	
	=====	

AGENCY ISSUE NARRATIVE:

SCH VIIIB-2 NARR 19-20 NARRATIVE:
 PRIORITY #20

IT COMPONENT? NO

Legislative Change Required: Section 633.136, F.S., may have to be amended relating to the Florida Fire Incident Reporting Section (FFIRS).

This issue proposes a budget reduction of 276,117 and four FTE from salaries and benefits budget authority for the Bureau of Fire Marshal Administration and Support Services. The position reductions include a Senior Management Analyst Supervisor-SES, a Statistician II, a Records Specialist, and a Domestic Security Coordinator. All four of these positions are currently filled.

This issue eliminates the three positions associated with the Florida Fire Incident Reporting Section (FFIRS). This Section 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 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-related incidents annually. If this section and positions are eliminated, it will inhibit the Division from being able to provide the Annual Florida Fire Report.

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 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							
C1004 001	4.00-	193,393-		82,724-	276,117-	0.00	276,117-
TOTALS FOR ISSUE BY FUND							
2393 INSURANCE REG TF							276,117-
	4.00-	193,393-		82,724-	276,117-		276,117-

TOTAL: LAW ENFORCEMENT							<u>1202.00.00.00</u>
BY FUND TYPE							
TRUST FUNDS.....	4.00-				276,117-		2000
SALARY RATE.....		193,393-					
	=====						

COL A93			
SCH VIIIIB-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			33V0000
OPERATING REDUCTIONS FOR SCHEDULE			
VIIIIB			33V3340
EXPENSES			040000
STATE RISK MGMT TF	-STATE 2,847,612-		2078 1
	=====		
SPECIAL CATEGORIES			100000
EXCESS INSUR. & CLAIM SER			101221
STATE RISK MGMT TF	-STATE 8,268,578-		2078 1
	=====		
TOTAL: OPERATING REDUCTIONS FOR SCHEDULE			33V3340
VIIIIB			
TOTAL ISSUE.....	11,116,190-		
	=====		

AGENCY ISSUE NARRATIVE:

SCH VIIIIB-2 NARR 19-20 NARRATIVE:
 PRIORITY #26

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 SRMTF for uninsured losses to state property.

Reduce Excess Insurance and Claim Services (8,268,578)

This issue reduces the Excess Insurance and Claim Services Category (101221) in the Division of Risk Management by 8,268,578, limiting the purchasing power for excess property insurance to 2,596,422. 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 2018. In Fiscal Year 2017-18, the Division spent a total of 10,857,857 in this category. The excess insurance purchased provides \$78 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 (2,847,612)

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

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

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 re-employ individuals with pre-existing permanent physical disabilities. For Fiscal Year 2017-18, the annual DWC assessment was 2,847,612. This reduction could negatively affect the quarterly assessment payments, including the assessment rates and premium calculations, as well as negatively affect both of the trust funds mentioned above.

TOTAL: GOVERNMENTAL OPERATIONS		<u>1601.00.00.00</u>
BY FUND TYPE		
TRUST FUNDS.....	11,116,190-	2000
	=====	

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		33V0480
OF REHABILITATION AND LIQUIDATION		010000
SALARIES AND BENEFITS		
INSURANCE REG TF	-STATE 129,995-	2393 1
	=====	

AGENCY ISSUE NARRATIVE:
 SCH VIIIIB-2 NARR 19-20 NARRATIVE:

IT COMPONENT? NO

PRIORITY #24

This issue reduces 129,995 in salaries and benefits appropriations from the Division of Rehabilitation and Liquidation.

The Florida Department of Financial Services, Division of Rehabilitation and Liquidation is the court appointed Receiver and Liquidator for distressed insurance companies in the State of Florida. Over the last five years, the number of new receiverships have decreased and the number of estates closed has increased resulting in fewer companies in receivership to help offset administrative costs. In past years, the excess salaries and benefits appropriations have been

COL A93		
SCH VIIIB-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

transferred to operating capital outlay, expenses, and contracted services categories to offset the administrative costs for companies in receivership.

Transfer history from salaries and benefits includes: transfers of 165,000 in Fiscal Year 2016-2017, 103,000 in Fiscal Year 2017-2018, and 225,000 in Fiscal Year 2018-2019.

In addition, in its Fiscal Year 2019-2020 Legislative Budget Request, the Department is requesting to permanently transfer 250,000 from salaries and benefits to the expenses category to reduce the impact of administrative expenses on the estates in receivership. If this reduction was taken there would be insufficient remaining funds to cover salaries and benefits payments and the planned transfer of appropriations.

This reduction would reduce the flexibility the Division currently has to use state funds for administrative costs of receiverships and thus, reduce the amount of funds available to pay claimants.

POSITION DETAIL OF SALARIES AND BENEFITS:

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

CHANGES TO CURRENTLY AUTHORIZED POSITIONS

OTHER SALARY AMOUNT

2393 INSURANCE REG TF						129,995-

						129,995-
						=====

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
ELIMINATE NON-REGULATORY		
APPLICATIONS REVIEW PROGRAM		33V6110
SALARY RATE		000000
SALARY RATE.....	95,593-	
	=====	
SALARIES AND BENEFITS		010000
	3.00-	
INSURANCE REG TF	-STATE 149,769-	2393 1
	=====	
TOTAL: ELIMINATE NON-REGULATORY		33V6110
APPLICATIONS REVIEW PROGRAM		
TOTAL POSITIONS.....	3.00-	
TOTAL ISSUE.....	149,769-	
TOTAL SALARY RATE.....	95,593-	
	=====	

AGENCY ISSUE NARRATIVE:

SCH VIIIIB-2 NARR 19-20 NARRATIVE:
 PRIORITY #1

IT COMPONENT? NO

No Legislative Change.

This issue eliminates the review program for the non-regulatory applications, meaning applications that do not have criminal history or administrative action. This business unit has become obsolete due to the increase in overall efficiency within the applications business process. Due to this operational streamlining, there would be limited to no impact on the workload of the Applications staff members.

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
ELIMINATE NON-REGULATORY APPLICATIONS REVIEW PROGRAM		33V6110

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 C1000 002	3.00-	95,593-		54,176-	149,769-	0.00	149,769-
TOTALS FOR ISSUE BY FUND							
2393 INSURANCE REG TF							149,769-
	3.00-	95,593-		54,176-	149,769-		149,769-

REDUCE POSITION(S) - LICENSING AND REGULATION OF BAIL BOND AGENTS AND AGENCIES							33V6120
SALARY RATE							000000
SALARY RATE.....	277,358-						
=====							
SALARIES AND BENEFITS							010000
INSURANCE REG TF -STATE	8.00-	425,398-					2393 1
=====							
TOTAL: REDUCE POSITION(S) - LICENSING AND REGULATION OF BAIL BOND AGENTS AND AGENCIES							33V6120
TOTAL POSITIONS.....	8.00-						
TOTAL ISSUE.....		425,398-					
TOTAL SALARY RATE.....	277,358-						
=====							

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

AGENCY ISSUE NARRATIVE:

SCH VIIIIB-2 NARR 19-20 NARRATIVE: IT COMPONENT? NO
 PRIORITY #4

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.

This issue eliminates eight full time equivalent (FTE) positions who are responsible for the regulation of Bail Bond agents and agencies. If eliminated, the responsibility of oversight of the actions of these individuals will be transferred 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 will have a moderate impact on the department with an estimated reduction in annual revenue from licensing fees by \$151,710, administrative fines by \$23,000, annual administrative actions by 34 and will impact recoveries on behalf of consumers by \$20,457.

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							
C1000 002	8.00-	277,358-		148,040-	425,398-	0.00	425,398-

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						
TOTALS FOR ISSUE BY FUND						
						425,398-
2393	INSURANCE REG TF					425,398-
8.00-	277,358-		148,040-	425,398-		425,398-

REDUCE POSITION(S) IN INSURANCE AGENT PRE-LICENSING EDUCATION SECTION						33V6130
SALARY RATE						000000
SALARY RATE.....	35,624-					
=====						
SALARIES AND BENEFITS						010000
INSURANCE REG TF	-STATE	1.00-	54,281-			2393 1
=====						
TOTAL: REDUCE POSITION(S) IN INSURANCE AGENT PRE-LICENSING EDUCATION SECTION						33V6130
TOTAL POSITIONS.....	1.00-					
TOTAL ISSUE.....			54,281-			
TOTAL SALARY RATE.....	35,624-					
=====						

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 19-20 NARRATIVE: IT COMPONENT? NO
 PRIORITY #3

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 position and the requirement of pre-licensing education courses for applicants prior to taking the state examination. Elimination of pre-licensing education will have a moderate impact by allowing 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 position will no longer approve or disapprove courses applicants may wish to take prior to taking the state examination.

In Fiscal Year 2017-18, revenue generated by pre-licensing study manual fees and royalties was \$75,556. 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							
C1000 002	1.00-	35,624-		18,657-	54,281-	0.00	54,281-

COL A93
 SCH VIIIIB-2
 REDUCTIONS
 POS AMOUNT

CODES

FINANCIAL SERVICES
 PGM: LICNSNG/CNSMER PROTEC
LICENSURE, SALES/APPT/OVST
 PUBLIC PROTECTION
REGULATION AND LICENSING

43000000
 43500000
 43500200
 12
1204.00.00.00
 33V0000

PROGRAM REDUCTIONS
 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
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A93 - SCH VIIIIB-2 REDUCTIONS

CHANGES TO CURRENTLY AUTHORIZED POSITIONS

TOTALS FOR ISSUE BY FUND
 2393 INSURANCE REG TF

						54,281-
1.00-	35,624-		18,657-	54,281-		54,281-

REDUCE POSITION(S) - LICENSING AND
 REGULATION OF TITLE INSURANCE
 AGENTS AND AGENCIES

33V6140
 000000

SALARY RATE
 SALARY RATE..... 210,419-
 =====

SALARIES AND BENEFITS

010000

INSURANCE REG TF -STATE 6.00- 321,831-
 =====

2393 1

TOTAL: REDUCE POSITION(S) - LICENSING AND
 REGULATION OF TITLE INSURANCE
 AGENTS AND AGENCIES

33V6140

TOTAL POSITIONS..... 6.00-
 TOTAL ISSUE..... 321,831-
 TOTAL SALARY RATE..... 210,419-
 =====

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 19-20 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.

This issue eliminates six positions who are responsible for the regulation of title insurance agents and agencies. Eliminating these functions within the department will transfer the responsibility of oversight of the actions of these individuals to the title insurance companies they are contracted with.

The cut will have a moderate impact to the program area, and is estimated to reduce annual revenue from licensing fees by \$335,920, administrative fines by \$116,500, annual administrative actions by 45, and no impact on recoveries on behalf of consumers. In addition, \$369,000 in revenue from the title agency surcharge will be lost by the Department of Financial Services and an additional \$369,000 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							
C1000 002	6.00-	210,419-		111,412-	321,831-	0.00	321,831-

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 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						
						321,831-
2393	INSURANCE REG TF					321,831-
6.00-	210,419-		111,412-	321,831-		321,831-

ELIMINATE ADMINISTRATIVE SUPPORT IN THE BUREAU OF INVESTIGATIONS		33V6150
SALARY RATE		000000
SALARY RATE.....	145,888-	
=====		
SALARIES AND BENEFITS		010000
INSURANCE REG TF	-STATE	2393 1
		234,044-
=====		
TOTAL: ELIMINATE ADMINISTRATIVE SUPPORT IN THE BUREAU OF INVESTIGATIONS		33V6150
TOTAL POSITIONS.....	5.00-	
TOTAL ISSUE.....	234,044-	
TOTAL SALARY RATE.....	145,888-	
=====		

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
ELIMINATE ADMINISTRATIVE SUPPORT IN		
THE BUREAU OF INVESTIGATIONS		
		33V6150

AGENCY ISSUE NARRATIVE:
 SCH VIIIIB-2 NARR 19-20 NARRATIVE:
 PRIORITY #2

IT COMPONENT? NO

No Legislative Change.

This issue eliminates five full time administrative support staff. Elimination of investigative support staff would have a moderate impact on the division by slowing down 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 \$28,544, annual administrative actions by 18, and recoveries on behalf of consumers by \$33,771.

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							
C1000 002	5.00-	145,888-		88,156-	234,044-	0.00	234,044-
TOTALS FOR ISSUE BY FUND							
2393 INSURANCE REG TF							234,044-
	5.00-	145,888-		88,156-	234,044-		234,044-

COL A93		
SCH VIIIB-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
ELIMINATE CONTINUING EDUCATION		
REQUIREMENTS FOR LICENSEES		
SALARY RATE		33V6180
		000000
SALARY RATE.....	217,525-	
	=====	
SALARIES AND BENEFITS		010000
	6.00-	
INSURANCE REG TF	-STATE 330,068-	2393 1
	=====	
TOTAL: ELIMINATE CONTINUING EDUCATION		33V6180
REQUIREMENTS FOR LICENSEES		
TOTAL POSITIONS.....	6.00-	
TOTAL ISSUE.....	330,068-	
TOTAL SALARY RATE.....	217,525-	
	=====	

AGENCY ISSUE NARRATIVE:

SCH VIIIB-2 NARR 19-20 NARRATIVE:
 PRIORITY #14

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.

This issue represents a reduction of six full time equivalent (FTE) positions and associated costs. 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 have a significant impact on the department. This loss 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 Fiscal Year 2017-18, revenue generated by course filing fees and fines from noncompliance was \$291,000.00. 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							
C1000 002	6.00-	217,525-		112,543-	330,068-	0.00	330,068-
TOTALS FOR ISSUE BY FUND							
2393 INSURANCE REG TF							330,068-
	6.00-	217,525-		112,543-	330,068-		330,068-

TOTAL: REGULATION AND LICENSING							<u>1204.00.00.00</u>
BY FUND TYPE							
TRUST FUNDS.....	29.00-						2000
SALARY RATE.....		1,515,391-					
		982,407-					
	=====						

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.....	222,730-	
	=====	
SALARIES AND BENEFITS		010000
INSURANCE REG TF	-STATE 6.00-	
	336,100-	2393 1
	=====	
TOTAL: ELIMINATE REGIONAL MANAGERS		33V4010
TOTAL POSITIONS.....	6.00-	
TOTAL ISSUE.....	336,100-	
TOTAL SALARY RATE.....	222,730-	
	=====	

AGENCY ISSUE NARRATIVE:
 SCH VIIIIB-2 NARR 19-20 NARRATIVE:
 PRIORITY #15

IT COMPONENT? NO

No Legislation Required.

The Regional Managers are in Consumer Services positions, but are administratively organized under the Chief Financial Officer's (CFO) office 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 because they are designated representatives of the CFO, the responsibilities they perform are critical to the CFO, and cannot be adequately performed by other FTE. The elimination of the Regional Managers will result in the reduction of six FTE; five employees and one supervisor.

COL A93 SCH VIIIIB-2 REDUCTIONS		CODES
POS	AMOUNT	
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

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							
C1000 002	6.00-	222,730-		113,370-	336,100-	0.00	336,100-
TOTALS FOR ISSUE BY FUND							
2393 INSURANCE REG TF							336,100-
	6.00-	222,730-		113,370-	336,100-		336,100-

TALLAHASSEE HELPLINE UNIT REDUCTION							33V4020
SALARY RATE							000000
SALARY RATE.....	278,003-						
=====							
SALARIES AND BENEFITS							010000
INSURANCE REG TF	9.00-						
-STATE		439,134-					2393 1
=====							
TOTAL: TALLAHASSEE HELPLINE UNIT REDUCTION							33V4020
TOTAL POSITIONS.....	9.00-						
TOTAL ISSUE.....		439,134-					
TOTAL SALARY RATE.....	278,003-						
=====							

AGENCY ISSUE NARRATIVE:

SCH VIIIIB-2 NARR 19-20 NARRATIVE:
 PRIORITY #17

IT COMPONENT? NO

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
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 FTE, eight employees and one supervisor.

The elimination of this unit will significantly 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 FY 2017-2018, this unit answered nearly 162,700 calls. This level of call volume cannot be adequately absorbed by other FTE 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.

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							
C1000 002	9.00-	278,003-		161,131-	439,134-	0.00	439,134-
TOTALS FOR ISSUE BY FUND							
2393 INSURANCE REG TF							439,134-
	9.00-	278,003-		161,131-	439,134-		439,134-

COL A93		
SCH VIIIB-2		
REDUCTIONS		
POS	AMOUNT	CODES
FINANCIAL SERVICES		
		43000000
		43500000
		43500400
		12
		<u>1205.00.00.00</u>
		33V0000
PROGRAM REDUCTIONS		
		33V4040
		000000
	381,746-	
=====		
SALARIES AND BENEFITS		
	12.00-	010000
	598,349-	2393 1
=====		
		33V4040
TOTAL: REDUCTION OF ALTERNATIVE DISPUTE		
	12.00-	
	598,349-	
	381,746-	
=====		

AGENCY ISSUE NARRATIVE:

SCH VIIIB-2 NARR 19-20 NARRATIVE:
 PRIORITY #16

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 12 FTE, 11 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 5 insurance mediation programs statewide: residential property, commercial residential property, automobile, sinkhole and disputes between providers and residents of continuing care retirement communities. During FY 2017-2018, this unit received and processed more than 6,000 mediation requests. The unit's workload cannot be absorbed by other FTE within the Division. The elimination of this unit will significantly impact Florida insurance consumers by reducing available FTE that are knowledgeable and experienced within the insurance industry and can effectively advocate on behalf of insurance consumers who are seeking mediation.

COL A93 SCH VIII B-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 VIII B-2 REDUCTIONS							
CHANGES TO CURRENTLY AUTHORIZED POSITIONS							
P101 PROPOSED CLASS CODE C1000 002	12.00-	381,746-		216,603-	598,349-	0.00	598,349-
TOTALS FOR ISSUE BY FUND							
2393 INSURANCE REG TF							598,349-
	12.00-	381,746-		216,603-	598,349-		598,349-

TOTAL: CONSUMER SAFETY/PROTECTION							<u>1205.00.00.00</u>
BY FUND TYPE							
TRUST FUNDS.....	27.00-						2000
SALARY RATE.....		1,373,583-					
		882,479-					
	=====						

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
ELIMINATE POSITIONS		33V4060
SALARY RATE		000000
SALARY RATE.....	243,255-	
	=====	
SALARIES AND BENEFITS		010000
	5.00-	
REGULATORY TRUST FUND -STATE	346,902-	2573 1
	=====	
TOTAL: ELIMINATE POSITIONS		33V4060
TOTAL POSITIONS.....	5.00-	
TOTAL ISSUE.....	346,902-	
TOTAL SALARY RATE.....	243,255-	
	=====	

AGENCY ISSUE NARRATIVE:

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

IT COMPONENT? NO

LAW CHANGE REQUIRED: Possible numerous legislative changes throughout chapter 497, Florida Statutes, and chapter 69K, F.A.C. Specific changes would be required for sections 497.103, 497.141 497.157, 497.165 497.167, 497.266 497.269, 497.365 497.379, 497.389, 497.450 497.466, 497.550 497.554, and 497.602 497.606, Florida Statutes. Related administrative rules contained in chapter 69K, F.A.C., would also require substantial changes.

This issue eliminates five positions, representing approximately 20 percent of the division's staff.

These positions are responsible for budget/finance issues for the Division (and the Board of Funeral, Cemetery, and Consumer Services); licensing of over 10,060 death care industry members, establishments, and cemeteries; on-site field inspections and examinations of death care licensees throughout the state to determine if licensees are complying with statutory requirements; and investigations of licensees as a result of consumer complaints regarding the death care industry.

In Fiscal Year 2017-2018, the Division conducted over 1,800 inspections, examinations, and investigations of licensees in the death care industry. Elimination of these positions would effectively prohibit the appropriate monitoring and regulation of the death care industry. Significant statutory changes would be required to reduce regulatory requirements (such as those involving annual inspections, licensing timelines, investigations, and examinations).

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
ELIMINATE POSITIONS		33V4060

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							
C1000 002	5.00-	243,255-		103,647-	346,902-	0.00	346,902-
TOTALS FOR ISSUE BY FUND							
2573 REGULATORY TRUST FUND							346,902-
	5.00-	243,255-		103,647-	346,902-		346,902-

TOTAL: REGULATION AND LICENSING							<u>1204.00.00.00</u>
BY FUND TYPE							
TRUST FUNDS.....	5.00-				346,902-		2000
SALARY RATE.....		243,255-					

=====

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		
ELIMINATE STAFF FOR SCHEDULE VIIIB		33V0000
SALARY RATE		33V3230
		000000
SALARY RATE.....	266,606-	
	=====	
SALARIES AND BENEFITS		
	11.00-	010000
INSURANCE REG TF	-STATE 451,902-	2393 1
	=====	
TOTAL: ELIMINATE STAFF FOR SCHEDULE VIIIB		33V3230
TOTAL POSITIONS.....	11.00-	
TOTAL ISSUE.....	451,902-	
TOTAL SALARY RATE.....	266,606-	
	=====	

AGENCY ISSUE NARRATIVE:

SCH VIIIB-2 NARR 19-20 NARRATIVE:
 PRIORITY #25

IT COMPONENT? NO

This issue proposes a budget reduction of 11 FTE and 451,902 from salaries and benefits budget authority for the Division of Public Assistance Fraud (PAF). The position reductions include seven Financial Crime Investigators, an Investigation Manager, a Chief of Investigations, and two Staff Assistants. Ten of the positions are currently filled; one of the Financial Crime Investigator positions is vacant. PAF investigates public assistance benefits paid in accordance with the provisions of Chapters 409, 411, and 414, F.S. Through the course of these investigations, investigators identify intentional acts resulting in fraudulent disbursement of public monies, food stamps, or other items or benefits authorized to eligible recipients. The Department of Children and Families, the Department of Education/Office of Early Learning, and the Agency for Health Care Administration report relevant cases to the Division. This reduction would significantly impact the Division by reducing the number of investigations that would be able to be worked and completed, which could also cause an increase in fraud.

No legislative change.

COL A93 SCH VIIIIB-2 REDUCTIONS		CODES
POS	AMOUNT	
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
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							
C1005 001	11.00-	266,606-		185,296-	451,902-	0.00	451,902-
TOTALS FOR ISSUE BY FUND							
2393 INSURANCE REG TF							451,902-
	11.00-	266,606-		185,296-	451,902-		451,902-

TOTAL: CONSUMER SAFETY/PROTECTION							<u>1205.00.00.00</u>
BY FUND TYPE							
TRUST FUNDS.....	11.00-			451,902-			2000
SALARY RATE.....		266,606-					
	=====						

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		33V1110
SALARY RATE		000000
SALARY RATE.....	194,750-	
	=====	
SALARIES AND BENEFITS		010000
	6.00-	
WORKERS' COMP ADMIN TF -STATE	303,668-	2795 1
	=====	
TOTAL: REDUCTION IN THE OFFICE OF DATA		33V1110
QUALITY AND COLLECTIONS		
TOTAL POSITIONS.....	6.00-	
TOTAL ISSUE.....	303,668-	
TOTAL SALARY RATE.....	194,750-	
	=====	

AGENCY ISSUE NARRATIVE:

SCH VIIIB-2 NARR 19-20 NARRATIVE:
 PRIORITY #9

IT COMPONENT? NO

No Legislative Change

This issue eliminates six full time equivalent (FTE) 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 three 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, and one Senior Management Analyst Supervisor position on the EDI Triage and Training Team who assists with the outreach and training of EDI trading partners.

Eliminating these positions will significantly impact the division resulting in increased workloads for remaining staff and less training provided to DWC stakeholders. Delays could occur in the following areas: correcting errors on filings both in Claims and Medical; acknowledging and responding to subpoenas and public records requests; mail processing including scanning incoming mail; information being forwarded to other bureaus for use with their respective duties; application processing for new trading partners and submitters to be able to file claims and medical data; new carrier

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

registration process; and, in assigning Division Assigned Numbers.

These reductions represent approximately 26 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							
C1000 002	6.00-	194,750-		108,918-	303,668-	0.00	303,668-
TOTALS FOR ISSUE BY FUND							
2795 WORKERS' COMP ADMIN TF							303,668-
	6.00-	194,750-		108,918-	303,668-		303,668-
	=====	=====	=====	=====	=====		=====

REDUCE CONTRACTED SERVICES CATEGORY		33V1240
SPECIAL CATEGORIES		100000
CONTRACTED SERVICES		100777
WORKERS' COMP ADMIN TF -STATE	53,601-	2795 1
	=====	

AGENCY ISSUE NARRATIVE:
 SCH VIIIIB-2 NARR 19-20 NARRATIVE:
 PRIORITY #6

IT COMPONENT? YES

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
REDUCE CONTRACTED SERVICES CATEGORY		
		33V1240

No Legislative Change

This issue will reduce contract services by eliminating one of the staff augmentation vendors currently used within DWC. This vendor serves as an applications development analyst and provides .net services in upgrading currant legacy programs. This reduction will moderately impact the services provided by this staff augmentation vendor. Their work could be absorbed by other staff augmentation vendors or by internal Office of Information Technology staff, which may create a delay in the overall enhancements of the older programs.

ELIMINATE REEMPLOYMENT SERVICES		
PROGRAM		33V2250
SALARY RATE		000000
SALARY RATE.....	350,000-	
	=====	
SALARIES AND BENEFITS		010000
WORKERS' COMP ADMIN TF	-STATE 5.00- 350,000-	2795 1
	=====	
OTHER PERSONAL SERVICES		030000
WORKERS' COMP ADMIN TF	-STATE 201,840-	2795 1
	=====	
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
	=====	

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
ELIMINATE REEMPLOYMENT SERVICES		
PROGRAM		33V2250
TOTAL: ELIMINATE REEMPLOYMENT SERVICES		33V2250
PROGRAM		
TOTAL POSITIONS.....	5.00-	
TOTAL ISSUE.....	1,654,073-	
TOTAL SALARY RATE.....	350,000-	
	=====	

AGENCY ISSUE NARRATIVE:
 SCH VIIIIB-2 NARR 19-20 NARRATIVE:
 PRIORITY #7

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.

This issue eliminated the Reemployment/Client Services Program. 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 significantly impact the department by abolishing the department's responsibility to provide reemployment services to injured workers in order for them to attain suitable and gainful employment, as well 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.

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
ELIMINATE REEMPLOYMENT SERVICES PROGRAM		33V2250

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							
C1000 002	5.00-					0.00	
RA00 RATE AND SALARY ADJ - NO FTE/BENEFITS							
C0001 001	0.00	350,000-			350,000-	0.00	350,000-
TOTALS FOR ISSUE BY FUND							
2795 WORKERS' COMP ADMIN TF							350,000-
	5.00-	350,000-			350,000-		350,000-

REDUCTION IN THE BUREAU OF FINANCIAL ACCOUNTABILITY							33V2260
SALARY RATE							000000
SALARY RATE.....	155,769-						
=====							
SALARIES AND BENEFITS							010000
WORKERS' COMP ADMIN TF	4.00-						
-STATE		232,508-					2795 1
=====							
TOTAL: REDUCTION IN THE BUREAU OF FINANCIAL ACCOUNTABILITY							33V2260
TOTAL POSITIONS.....	4.00-						
TOTAL ISSUE.....		232,508-					
TOTAL SALARY RATE.....	155,769-						
=====							

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

AGENCY ISSUE NARRATIVE:

SCH VIIIIB-2 NARR 19-20 NARRATIVE:
 PRIORITY #10

IT COMPONENT? NO

No Legislative Change

This issue eliminates four full time FTE 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.

One Professional Accountant Supervisor position within the Finance and Accounting section. The duties assigned to this supervisor would be assigned to another senior manager within the Bureau.

These reductions represent approximately 15 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 C1000 002	4.00-	155,769-		76,739-	232,508-	0.00	232,508-
TOTALS FOR ISSUE BY FUND							
2795 WORKERS' COMP ADMIN TF	4.00-	155,769-		76,739-	232,508-		232,508-

REDUCTION IN THE BUREAU OF MONITORING AND AUDIT							33V2270
SALARY RATE							000000
SALARY RATE.....	338,006-						
=====							
SALARIES AND BENEFITS							010000
WORKERS' COMP ADMIN TF -STATE	9.00-	508,683-					2795 1
=====							
TOTAL: REDUCTION IN THE BUREAU OF MONITORING AND AUDIT							33V2270
TOTAL POSITIONS.....	9.00-						
TOTAL ISSUE.....		508,683-					
TOTAL SALARY RATE.....	338,006-						
=====							

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 19-20 NARRATIVE:
 PRIORITY #12

IT COMPONENT? NO

No Legislative Change

One Government Analyst I (Med Services) - 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 this position would affect the Division's ability to timely resolve reimbursement disputes and provide educational and administrative support for external customers.

One Workers Compensation Specialist - This section is responsible for paying Permanent Total (PT) supplemental benefits to eligible 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 Workers Compensation Administrator C - SES; One Government Operations Consultant II; and four Insurance Examiner II (Orlando Audit) - This section is responsible for examining claims-handling practices of insurers, self-insurers, self-insurance funds and other claims-handling entities. Eliminating these positions 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.

One Senior Management Analyst Supervisor - SES position that manages the penalty audit team. The duties assigned to this supervisor would be assigned to another senior manager in the Bureau.

These reductions represents approximately 17 percent of the Bureau's positions.

COL A93 SCH VIIIIB-2 REDUCTIONS	CODES
POS AMOUNT	
FINANCIAL SERVICES	43000000
PGM: WORKERS' COMPENSATION	43600000
WORKERS' COMPENSATION	43600100
ECONOMIC OPPORTUNITIES	11
WORKERS' COMPENSATION	1102.02.00.00
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 VIIIIB-2 REDUCTIONS							
CHANGES TO CURRENTLY AUTHORIZED POSITIONS							
P101 PROPOSED CLASS CODE C1000 002	9.00-	338,006-		170,677-	508,683-	0.00	508,683-
TOTALS FOR ISSUE BY FUND							
2795 WORKERS' COMP ADMIN TF	9.00-	338,006-		170,677-	508,683-		508,683-

REDUCTION IN THE BUREAU OF COMPLIANCE							33V2280
SALARY RATE							000000
SALARY RATE.....	663,222-						
=====							
SALARIES AND BENEFITS							010000
WORKERS' COMP ADMIN TF -STATE	21.00-	1,041,509-					2795 1
=====							
TOTAL: REDUCTION IN THE BUREAU OF COMPLIANCE							33V2280
TOTAL POSITIONS.....	21.00-						
TOTAL ISSUE.....		1,041,509-					
TOTAL SALARY RATE.....	663,222-						
=====							

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 19-20 NARRATIVE:
 PRIROITY #13

IT COMPONENT? NO

No Legislative Change

This issue eliminates 21 fulltime positions within the Bureau of Compliance:

- 9 Insurance Analyst II (investigator) - Investigations Team;
- 6 Insurance Specialist I - Exemption Team;
- 1 Government Analyst I - Exemption Team;
- 1 Government Analyst I - Education and Outreach Team;
- 1 Investigations Manager - SES - Education and Outreach Team;
- 3 Insurance Specialist III - Penalty Team

The Bureau of Compliance 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. The Penalty Team is responsible for calculating penalties for non-compliance based on employer's business records.

The reduction of these positions would significantly impact the division resulting 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. An overall significant reduction of revenue will occur due to less enforcement actions.

These reductions represent approximately 16 percent of the Bureau of Compliance 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 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							
P101 PROPOSED CLASS CODE							
C1000 002	21.00-	663,222-		378,287-	1,041,509-	0.00	1,041,509-
TOTALS FOR ISSUE BY FUND							
2795 WORKERS' COMP ADMIN TF							1,041,509-
	21.00-	663,222-		378,287-	1,041,509-		1,041,509-

REDUCTION IN THE BUREAU OF EMPLOYEE ASSISTANCE							33V2310
SALARY RATE							000000
SALARY RATE.....	136,684-						
=====							
SALARIES AND BENEFITS							010000
WORKERS' COMP ADMIN TF -STATE	4.00-	210,386-					2795 1
=====							
TOTAL: REDUCTION IN THE BUREAU OF EMPLOYEE ASSISTANCE							33V2310
TOTAL POSITIONS.....	4.00-						
TOTAL ISSUE.....		210,386-					
TOTAL SALARY RATE.....	136,684-						
=====							

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 EMPLOYEE		
ASSISTANCE		33V2310

AGENCY ISSUE NARRATIVE:

SCH VIIIIB-2 NARR 19-20 NARRATIVE:
 PRIORITY #11

IT COMPONENT? NO

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.

An Insurance Administrator C - SES position located in Tallahassee that manages the Injured Worker Helpline Team and one Insurance Specialist III position located in West Palm Beach on the Injured Worker Helpline Team. These positions provide assistance to injured workers who have problems with or questions about their workers' compensation claim.

One Insurance Specialist III located 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.

One Government Analyst I 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.

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							
P101 PROPOSED CLASS CODE							
C1000 002	4.00-	136,684-		73,702-	210,386-	0.00	210,386-
TOTALS FOR ISSUE BY FUND							
2795 WORKERS' COMP ADMIN TF							210,386-
	4.00-	136,684-		73,702-	210,386-		210,386-

REDUCTION IN THE SPECIAL DISABILITY TRUST FUND							33V2320
SALARY RATE							000000
SALARY RATE.....	195,870-						
=====							
SALARIES AND BENEFITS							010000
WORKERS' COMP SPEC DISAB TF-STATE	5.00-	291,978-					2798 1
=====							
TOTAL: REDUCTION IN THE SPECIAL DISABILITY TRUST FUND							33V2320
TOTAL POSITIONS.....	5.00-						
TOTAL ISSUE.....		291,978-					
TOTAL SALARY RATE.....	195,870-						
=====							

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 SPECIAL DISABILITY		
TRUST FUND		33V2320

AGENCY ISSUE NARRATIVE:
 SCH VIIIIB-2 NARR 19-20 NARRATIVE: IT COMPONENT? NO
 PRIORITY #8

This issue eliminates five full time positions, expenses, contracted services and 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 significantly impact the division resulting 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 five positions represent approximately 35 percent of this section within the bureau. The positions include one Insurance Administrator C - SES; two Workers' Compensation Specialist; 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							
C1000 002	5.00-	195,870-		96,108-	291,978-	0.00	291,978-

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 SPECIAL DISABILITY		
TRUST FUND		33V2320

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							
2798 WORKERS' COMP SPEC DISAB TF							291,978-
	5.00-	195,870-		96,108-	291,978-		291,978-
	=====	=====	=====	=====	=====		=====

TOTAL: WORKERS' COMPENSATION							<u>1102.02.00.00</u>
BY FUND TYPE							
TRUST FUNDS.....	54.00-						2000
SALARY RATE.....		4,296,406-					
		2,034,301-					
	=====	=====					

COL A93			
SCH VIIIIB-2			
REDUCTIONS			
POS	AMOUNT		CODES

FINANCIAL SERVICES			43000000
PGM: INVEST/FORENSIC SVCS			43700000
<u>FISCAL INTEGRITY</u>			43700400
PUBLIC PROTECTION			12
<u>CONSUMER SAFETY/PROTECTION</u>			<u>1205.00.00.00</u>
PROGRAM REDUCTIONS			33V0000
ELIMINATE THE OFFICE OF FISCAL			
INTEGRITY			33V3380
SALARY RATE			000000
SALARY RATE.....	457,613-		
	=====		
SALARIES AND BENEFITS			010000
	9.00-		
INSURANCE REG TF	-STATE 647,320-		2393 1
	=====		
EXPENSES			040000
INSURANCE REG TF	-STATE 35,700-		2393 1
	=====		
SPECIAL CATEGORIES			100000
CONTRACTED SERVICES			100777
INSURANCE REG TF	-STATE 7,300-		2393 1
	=====		
OPERATION/MOTOR VEHICLES			102289
INSURANCE REG TF	-STATE 3,100-		2393 1
	=====		
SALARY INCENTIVE PAYMENTS			103290
INSURANCE REG TF	-STATE 3,120-		2393 1
	=====		
TOTAL: ELIMINATE THE OFFICE OF FISCAL			33V3380
INTEGRITY			
TOTAL POSITIONS.....	9.00-		
TOTAL ISSUE.....	696,540-		
TOTAL SALARY RATE.....	457,613-		
	=====		

AGENCY ISSUE NARRATIVE:
 SCH VIIIIB-2 NARR 19-20 NARRATIVE:
 PRIORITY #23

IT COMPONENT? NO

COL A93		
SCH VIIIIB-2		
REDUCTIONS		
POS	AMOUNT	CODES
FINANCIAL SERVICES		43000000
PGM: INVEST/FORENSIC SVCS		43700000
<u>FISCAL INTEGRITY</u>		43700400
PUBLIC PROTECTION		12
<u>CONSUMER SAFETY/PROTECTION</u>		<u>1205.00.00.00</u>
PROGRAM REDUCTIONS		33V0000
ELIMINATE THE OFFICE OF FISCAL		
INTEGRITY		33V3380

Requires Legislative Change to ss. 20.121(2)(e), F.S.

This issue proposes to eliminate the Office of Fiscal Integrity (OFI), including the nine positions included in this budget entity. This is a budget reduction of 696,540, eliminating all five appropriation categories, included nine FTE and 647,320 of salaries and benefits, 35,700 of expenses, 7,300 of contracted services, 3,100 of operation of motor vehicles, and 3,120 of criminal justice incentive payments budget authority. The position reductions include a Lieutenant, two Law Enforcement Investigators, two Professional Accountant Specialists, two Government Analysts, a Senior Management Analyst Supervisor-SES, and a Financial Investigator. OFI conducts investigations into allegations of fraud, waste, and abuse of state assets. Investigations include research and analyses of multiple information sources to generate leads regarding potential fraud cases and are conducted both independently and jointly with local, state, and federal agencies. This reduction would significantly impact OFI by eliminating the Office and all of the investigations that it conducts and completes.

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							
C1007 001	9.00-	457,613-		189,707-	647,320-	0.00	647,320-
TOTALS FOR ISSUE BY FUND							
2393 INSURANCE REG TF							647,320-
	9.00-	457,613-		189,707-	647,320-		647,320-
	=====	=====	=====	=====	=====		=====

COL A93		
SCH VIIIIB-2		
REDUCTIONS		
POS	AMOUNT	CODES

FINANCIAL SERVICES		43000000
PGM: INVEST/FORENSIC SVCS		43700000
<u>FISCAL INTEGRITY</u>		43700400
PUBLIC PROTECTION		12
<u>CONSUMER SAFETY/PROTECTION</u>		<u>1205.00.00.00</u>
TOTAL: CONSUMER SAFETY/PROTECTION		<u>1205.00.00.00</u>
BY FUND TYPE		
	9.00-	
TRUST FUNDS.....	696,540-	2000
SALARY RATE.....	457,613-	
	=====	
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 339,391-	2393 1
	=====	

AGENCY ISSUE NARRATIVE:

SCH VIIIIB-2 NARR 19-20 NARRATIVE:
 PRIORITY #107

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 2018-2019 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 35% 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 122,000-	2393 1
	=====	

AGENCY ISSUE NARRATIVE:

SCH VIIIIB-2 NARR 19-20 NARRATIVE: IT COMPONENT? NO
 PRIORITY #104

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 613,764-
 =====

2393 1

AGENCY ISSUE NARRATIVE:

SCH VIIIIB-2 NARR 19-20 NARRATIVE:
 PRIORITY #106

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
SALARY RATE			000000
SALARY RATE.....	26,283-		
	=====		
SALARIES AND BENEFITS			010000
INSURANCE REG TF	-STATE	1.00- 43,454-	2393 1
		=====	
OTHER PERSONAL SERVICES			030000
INSURANCE REG TF	-STATE	21,000-	2393 1
		=====	

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
ELIMINATE SCANNING UNIT - OFFICE			
OF INSURANCE REGULATION			33V0720
EXPENSES			040000
INSURANCE REG TF	-STATE	1,200-	2393 1
		=====	
TOTAL: ELIMINATE SCANNING UNIT - OFFICE			33V0720
OF INSURANCE REGULATION			
TOTAL POSITIONS.....	1.00-		
TOTAL ISSUE.....		65,654-	
TOTAL SALARY RATE.....	26,283-		
		=====	

AGENCY ISSUE NARRATIVE:

SCH VIIIB-2 NARR 19-20 NARRATIVE:
 PRIORITY #102

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 2 part-time OPS employees and 1 full-time FTE. This issue would reduce the OPS budget category by \$21,000 and \$1,200 in Expenses. This reduction would have a minimal impact.

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
 ELIMINATE SCANNING UNIT - OFFICE
 OF INSURANCE REGULATION 33V0720

POSITION DETAIL OF SALARIES AND BENEFITS:

	FTE	BASE RATE	ADDITIVES	BENEFITS	SUBTOTAL	LAPSE %	LAPSED SALARIES AND BENEFITS
A93 - SCH VIIIIB-2 REDUCTIONS							
NEW POSITIONS							
0120 STAFF ASSISTANT							
B0001 001	1.00-	26,283-		17,171-	43,454-	0.00	43,454-
TOTALS FOR ISSUE BY FUND							
2393 INSURANCE REG TF							43,454-
	1.00-	26,283-		17,171-	43,454-		43,454-

REDUCTION IN THE OPERATING CAPITAL
 OUTLAY CATEGORY 33V1120
 OPERATING CAPITAL OUTLAY 060000
 INSURANCE REG TF -STATE 44,100- 2393 1
 =====

AGENCY ISSUE NARRATIVE:
 SCH VIIIIB-2 NARR 19-20 NARRATIVE: IT COMPONENT? NO
 PRIORITY #101

Budget Entity: Office of Insurance Regulation - Compliance and Enforcement

Issue Title: Reduction in Operating Capital Category (OCO)

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
REDUCTION IN THE OPERATING CAPITAL		
OUTLAY CATEGORY		33V1120

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 45% 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.

REDUCE CONTRACTED SERVICES		33V1300
SPECIAL CATEGORIES		100000
CONTRACTED SERVICES		100777
INSURANCE REG TF	-STATE	321,804-
		=====
		2393 1

AGENCY ISSUE NARRATIVE:
 SCH VIIIIB-2 NARR 19-20 NARRATIVE:
 PRIORITY #105

IT COMPONENT? NO

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 CONTRACTED SERVICES		33V1300

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. 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.

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 OTHER PERSONAL SERVICES		
FUNDING		33V2240
OTHER PERSONAL SERVICES		030000
INSURANCE REG TF	-STATE 116,067-	2393 1
	=====	

AGENCY ISSUE NARRATIVE:

SCH VIIIIB-2 NARR 19-20 NARRATIVE:
 PRIORITY #103

IT COMPONENT? NO

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 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 \$116,067 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.

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 POSITION(S) - OFFICE OF			
INSURANCE REGULATION - OPERATIONAL			
REDUCTIONS			33V3110
SALARY RATE			000000
SALARY RATE.....	576,153-		
=====			
SALARIES AND BENEFITS			010000
INSURANCE REG TF	-STATE 16.00- 875,643-		2393 1
=====			
EXPENSES			040000
INSURANCE REG TF	-STATE 28,800-		2393 1
=====			
SPECIAL CATEGORIES			100000
TR/DMS/HR SVCS/STW CONTRCT			107040
INSURANCE REG TF	-STATE 5,264-		2393 1
=====			
TOTAL: REDUCE POSITION(S) - OFFICE OF			33V3110
INSURANCE REGULATION - OPERATIONAL			
REDUCTIONS			
TOTAL POSITIONS.....	16.00-		
TOTAL ISSUE.....	909,707-		
TOTAL SALARY RATE.....	576,153-		
=====			

AGENCY ISSUE NARRATIVE:
 SCH VIIIIB-2 NARR 19-20 NARRATIVE:
 PRIORITY #108

IT COMPONENT? NO

Budget Entity: Office of Insurance Regulations - Compliance and Enforcement

Issue Title: Reduction of Vacant Positions - Compliance and Enforcement

Reference to Long-Range Program Plan:

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		
REDUCE POSITION(S) - OFFICE OF		
INSURANCE REGULATION - OPERATIONAL		
REDUCTIONS		33V3110

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.

For Fiscal Year 2018-19, the Office has 287 FTE and is comprised of two budget entities: Compliance & Enforcement and Executive Direction. 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 287 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 28 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 B0001 001	16.00-	576,153-		299,490-	875,643-	0.00	875,643-
TOTALS FOR ISSUE BY FUND 2393 INSURANCE REG TF	16.00-	576,153-		299,490-	875,643-		875,643-

TOTAL: REGULATION AND LICENSING							<u>1204.00.00.00</u>
BY FUND TYPE							
TRUST FUNDS.....	17.00-	2,532,487-					2000
SALARY RATE.....	602,436-						
	=====						

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 41,490-	2393 1
	=====	

AGENCY ISSUE NARRATIVE:

SCH VIIIIB-2 NARR 19-20 NARRATIVE:
 PRIORITY #106

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.

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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	46,355-
	=====	
		2393 1

AGENCY ISSUE NARRATIVE:
 SCH VIIIIB-2 NARR 19-20 NARRATIVE:
 PRIORITY #105

IT COMPONENT? NO

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 VIIIB-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 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.....	87,845-	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.....	113,027-		
	=====		
SALARIES AND BENEFITS			
			010000
FINANCIAL INST REG TF	-STATE	3.00- 169,977-	2275 1
		=====	
EXPENSES			
			040000
FINANCIAL INST REG TF	-STATE	5,400-	2275 1
		=====	
TOTAL: REDUCE POSITION(S) - OFFICE OF			33V0500
FINANCIAL REGULATION - FINANCIAL			
INSTITUTIONS			
TOTAL POSITIONS.....	3.00-		
TOTAL ISSUE.....	175,377-		
TOTAL SALARY RATE.....	113,027-		
	=====		

AGENCY ISSUE NARRATIVE:

SCH VIIIIB-2 NARR 19-20 NARRATIVE:

IT COMPONENT? NO

Priority #202

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. The Division's examination staff is a key part in meeting both conditions. 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

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 POSITION(S) - OFFICE OF		
FINANCIAL REGULATION - FINANCIAL		
INSTITUTIONS		33V0500

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 financial condition of financial institutions across Florida has continued to show improvement since the Great Recession, and the number of troubled financial institutions has continued to decline. Florida's strengthening economy and decreasing federal regulatory burden have had positive impacts on Florida's financial institutions, fueling merger and acquisition activity. Although this activity has resulted in a decline in the number of regulated institutions, the total assets of these institutions have increased. Therefore, the loss of these positions will have a minimal impact on the Division.

Detail of Costs:

SALARIES and BENEFITS:

Quantity	Description	Amount	Non-Recurring
(3)	Reduce FEA II, PG 023 \$56,659 each Salaries and Benefits	(\$169,977)	\$0

EXPENSES:

Quantity	Description	Amount	Non-Recurring
(3)	Reduce Expenses \$1,800 each	(\$5,400)	\$0

Issue Total (\$175,377) \$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
 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							
C0001 001	3.00-	113,027-		56,950-	169,977-	0.00	169,977-

TOTALS FOR ISSUE BY FUND							
2275 FINANCIAL INST REG TF							169,977-
	3.00-	113,027-		56,950-	169,977-		169,977-
	=====	=====	=====	=====	=====		=====

REDUCE OTHER PERSONAL SERVICES
 (OPS) EXAMINERS AND ASSOCIATED
 EXPENSES 33V0510
 OTHER PERSONAL SERVICES 030000
 FINANCIAL INST REG TF -STATE 375,000- 2275 1
 =====
 EXPENSES 040000
 FINANCIAL INST REG TF -STATE 126,277- 2275 1
 =====
 TOTAL: REDUCE OTHER PERSONAL SERVICES 33V0510
 (OPS) EXAMINERS AND ASSOCIATED
 EXPENSES
 TOTAL ISSUE..... 501,277-
 =====

COL A93		
SCH VIIIIB-2		
REDUCTIONS		
POS	AMOUNT	CODES
		43000000
		43900000
		43900500
		43900530
		12
		<u>1204.00.00.00</u>
		33V0000
		33V0510

FINANCIAL SERVICES
 PGM: FINANCIAL SVCS COMM
 OFFICE OF FINANCIAL REG
 SFTY & SOUND ST BKG SYST

PUBLIC PROTECTION
REGULATION AND LICENSING

PROGRAM REDUCTIONS
 REDUCE OTHER PERSONAL SERVICES
 (OPS) EXAMINERS AND ASSOCIATED
 EXPENSES

AGENCY ISSUE NARRATIVE:
 SCH VIIIIB-2 NARR 19-20 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 a variable and as needed basis. These provide an excellent variable 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 will 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 30 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 will critically diminish 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
		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

Consequently, public confidence in Florida's financial institution industry will 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	(\$375,000)	\$0

Expenses:

Quantity	Description	Amount	Non-Recurring
	Reduction in expenses	(\$126,277)	\$0

Issue Total (\$501,277)

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			<u>1204.00.00.00</u>
PROGRAM REDUCTIONS			33V0000
REDUCE EXAMINER(S) - OFFICE OF			
FINANCIAL REGULATION - FINANCIAL			
INSTITUTIONS			33V0550
SALARY RATE			000000
SALARY RATE.....	150,703-		
	=====		
SALARIES AND BENEFITS			010000
	4.00-		
FINANCIAL INST REG TF -STATE	226,636-		2275 1
	=====		
EXPENSES			040000
FINANCIAL INST REG TF -STATE	7,200-		2275 1
	=====		
TOTAL: REDUCE EXAMINER(S) - OFFICE OF			33V0550
FINANCIAL REGULATION - FINANCIAL			
INSTITUTIONS			
TOTAL POSITIONS.....	4.00-		
TOTAL ISSUE.....	233,836-		
TOTAL SALARY RATE.....	150,703-		
	=====		

AGENCY ISSUE NARRATIVE:

SCH VIIIIB-2 NARR 19-20 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 and Safe and Sound Financial Marketplace

Issue Description/Need: This issue proposes a reduction of four 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. 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

COL A93		
SCH VIIIIB-2		
REDUCTIONS		
POS	AMOUNT	CODES
		43000000
		43900000
		43900500
		43900530
		12
		<u>1204.00.00.00</u>
		33V0000
		33V0550

FINANCIAL SERVICES
 PGM: FINANCIAL SVCS COMM
 OFFICE OF FINANCIAL REG
SFTY & SOUND ST BKG SYST
PUBLIC PROTECTION
REGULATION AND LICENSING
 PROGRAM REDUCTIONS
 REDUCE EXAMINER(S) - OFFICE OF
 FINANCIAL REGULATION - FINANCIAL
 INSTITUTIONS

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 loss of these positions will have a significant impact on the Division. In recent years, several key examination staff that had more than thirty years of experience retired, creating a loss of knowledge. The training of examiners takes significant time and money. Reduction of these positions would have a significant impact as the Division of Financial Institutions needs to have ample staff moving through the training process so they can assist the Office in being able to meet its mandates. This staff may also be able to assist in the training of new examiners as they are onboarded. In addition to losing the most experienced team members through retirement, examiners with five to ten years of experience are seeking highly competitive jobs outside the agency, adding to the necessity of retaining staff.

Detail of Costs:

SALARIES and BENEFITS:

Quantity	Description	Amount	Non-Recurring
(4)	Reduce FEA II, PG 023 \$56,659 each Salaries and Benefits	(\$226,636)	\$0

EXPENSES:

Quantity	Description	Amount	Non-Recurring
(4)	Reduce Expenses \$1,800	(\$7,200)	\$0

Issue 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 EXAMINER(S) - OFFICE OF FINANCIAL REGULATION - FINANCIAL INSTITUTIONS		33V0550

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	4.00-	150,703-		75,933-	226,636-	0.00	226,636-
TOTALS FOR ISSUE BY FUND 2275 FINANCIAL INST REG TF	4.00-	150,703-		75,933-	226,636-		226,636-

REDUCE CONTRACTED SERVICES							
APPROPRIATION - OFFICE OF FINANCIAL REGULATION - BANKING							33V0630
SPECIAL CATEGORIES							100000
CONTRACTED SERVICES							100777
FINANCIAL INST REG TF -STATE	299,130-						2275 1

AGENCY ISSUE NARRATIVE:

SCH VIIIIB-2 NARR 19-20 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 of state-chartered financial institutions which include banks, credit unions, international bank agency 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, (3) start up Trust companies, (4) charter conversions from national to state charter status, (5) mergers and acquisitions of institutions, (6) change of officers and directors of the institution, and (7) new appointment of officers and directors of the institution.

These background checks are a critical component in the application process to assure that the individual's who own or manage a state financial institution are of good moral and ethical character and without a criminal history or a history of causing financial loss to a financial institution.

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 limit the Division's ability to thoroughly conduct application background checks which would compromise the ability of the Division to assure that state chartered 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. The Division of Financial Institutions has experienced an increase in the number of background checks performed due to ongoing merger and acquisition activity in Florida and expect it to continue. A reduction within contracted services at a time when licensing and chartering activities are expected to increase will have a significant impact on the ability of the staff to perform their duties and may jeopardize the safety and soundness of Florida's financial institutions.

Ultimate Outcome: The loss or reduction of regulatory resources such as background checks will imminently result in a

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		<u>1204.00.00.00</u>
PROGRAM REDUCTIONS		33V0000
REDUCE CONTRACTED SERVICES		
APPROPRIATION - OFFICE OF FINANCIAL		
REGULATION - BANKING		33V0630

number of significant undesired outcomes and 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 failed 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:

Quantity	Description	Amount	Non-Recurring
	Reduction in the Contracted services	(\$299,130)	\$0

Issue Total (\$299,130) \$0

REDUCTION IN EXPENSES BUDGET
 AUTHORITY - OFFICE OF FINANCIAL
 REGULATION - FINANCIAL INSTITUTIONS
 EXPENSES

33V0740
 040000

FINANCIAL INST REG TF -STATE 113,272-
 =====

2275 1

AGENCY ISSUE NARRATIVE:
 SCH VIIIIB-2 NARR 19-20 NARRATIVE:
 Priority #212

IT COMPONENT? NO

COL A93		
SCH VIIIB-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
REDUCTION IN EXPENSES BUDGET		
AUTHORITY - OFFICE OF FINANCIAL		
REGULATION - FINANCIAL INSTITUTIONS		33V0740

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 The expense category is used for travel, association dues, training, etc.

Travel is extensive within the Division of Financial Institutions. While we are always looking at ways to cut travel costs, examiners require a certain amount of time in each institution that is being examined. Therefore, a large portion of the expense budget is used for transportation, hotel and meal costs.

The Division of Financial Institutions has been accredited with the Conference of State Bank Supervisors (CSBS) since 1986 and accredited with the National Association of State Credit Union Supervisors (NASCUS) since 2004. The accreditation process entails yearly surveys and an in depth audit every five years. In order to uphold the accreditation, yearly dues are required above and beyond the audits. Further, to achieve accreditation the Division is required to maintain certain standards regarding the ability to conduct quality examinations and maintain teams of trained 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. In the best scenarios, 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 training programs are recognized by CSBS and NASCUS as important to maintaining trained examiners. A recommended best practice by CSBS is to dedicate 10 percent of the Division's expense budget to training. 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 risks associated with cybersecurity and information technology impacting the financial services industry.

Ultimate Outcome: A reduction of funding designated for expenses 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 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 able to travel and would not be properly trained. Additionally, with a decline in the ability to conduct examinations and a decline in the quality of

COL A93		
SCH VIIIB-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		<u>1204.00.00.00</u>
PROGRAM REDUCTIONS		33V0000
REDUCTION IN EXPENSES BUDGET		
AUTHORITY - OFFICE OF FINANCIAL		
REGULATION - FINANCIAL INSTITUTIONS		33V0740

examinations, the Division would be at risk to lose the long-standing accreditation with CSBS and NASCUS. 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:

Quantity	Description	Amount	Non-Recurring
-----	-----	-----	-----
	Reduce Expenses	(\$113,272)	\$0

Issue Total (\$113,272) \$0

TOTAL: REGULATION AND LICENSING		<u>1204.00.00.00</u>
BY FUND TYPE		
TRUST FUNDS.....	7.00-	
SALARY RATE.....	1,322,892-	2000
	263,730-	
	=====	

COL A93		
SCH VIIIIB-2		
REDUCTIONS		
POS	AMOUNT	CODES

FINANCIAL SERVICES		43000000
PGM: FINANCIAL SVCS COMM		43900000
OFFICE OF FINANCIAL REG		43900500
<u>FINANCIAL INVESTIGATIONS</u>		43900540
PUBLIC PROTECTION		12
<u>REGULATION AND LICENSING</u>		<u>1204.00.00.00</u>
PROGRAM REDUCTIONS		33V0000
REDUCE POSITIONS(S) - OFFICE OF		
FINANCIAL REGULATION - FINANCIAL		
INVESTIGATIONS		33V0520
SALARY RATE		000000
SALARY RATE.....	152,827-	
	=====	
SALARIES AND BENEFITS		010000
4.00-		
ADMINISTRATIVE TRUST FUND -STATE	229,098-	2021 1
	=====	
EXPENSES		040000
ADMINISTRATIVE TRUST FUND -STATE	7,200-	2021 1
	=====	
TOTAL: REDUCE POSITIONS(S) - OFFICE OF		33V0520
FINANCIAL REGULATION - FINANCIAL		
INVESTIGATIONS		
TOTAL POSITIONS.....	4.00-	
TOTAL ISSUE.....	236,298-	
TOTAL SALARY RATE.....	152,827-	
	=====	

AGENCY ISSUE NARRATIVE:

SCH VIIIIB-2 NARR 19-20 NARRATIVE:

IT COMPONENT? NO

Priority #221

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 by \$236,298. 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 perpetrators sent to prison. Most of the Bureau's resources are used to combat investment fraud. Retirees and senior

COL A93		
SCH VIIIIB-2		
REDUCTIONS		
POS	AMOUNT	CODES

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

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 victims and the dollar amounts involved.

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

Detail of Costs:

Salaries and Benefits:

Position	Title and Pay Grade	Amount	Non-Recurring
-----	-----	-----	-----
(2)	Financial Investigator CI PG 025 \$63,681 each	(\$127,362)	\$0
(2)	Financial Investigators PG 025 \$50,868	(\$101,736)	\$0
	Salary and Benefits Total	(\$229,098)	\$0
(4)	Expense 4 \$1,800 each	(\$7,200)	\$0
	Total	(\$236,298)	\$0

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

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-	152,827-		76,271-	229,098-	0.00	229,098-
TOTALS FOR ISSUE BY FUND							
2021 ADMINISTRATIVE TRUST FUND							
	4.00-	152,827-		76,271-	229,098-		229,098-

REDUCE EXPENSE - OFFICE OF
 FINANCIAL REGULATION - FINANCIAL
 INVESTIGATIONS
 EXPENSES

33V0530
 040000

ADMINISTRATIVE TRUST FUND -STATE 142,051-
 =====
 2021 1

AGENCY ISSUE NARRATIVE:
 SCH VIIIIB-2 NARR 19-20 NARRATIVE: IT COMPONENT? NO
 Priority #204

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 \$142,051 reduction to Expenses. While the Expense category reverted 48% of its allocation in FY 17/18, 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 \$378,349 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	(\$142,051)	\$0
	Total Expense	(\$142,051)	\$0
	Issue Total	(\$142,051)	\$0

TOTAL: REGULATION AND LICENSING 1204.00.00.00

BY FUND TYPE

TRUST FUNDS.....	4.00-	378,349-	2000
SALARY RATE.....	152,827-		
	=====		

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 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 VIIIB-2 NARR 19-20 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 funding to Executive Direction's OPS funding to be used when peak workloads are encountered in OFR that the current staffing levels are not able to handle. Additionally, almost all data related to the OFR's licensees and their examinations is stored in the Regulatory Enforcement and Licensing (REAL) System. If an issue arises with REAL, OPS allocation must be available for unanticipated expenses associated with peak period maintenance or the need to hire temporary workers to bring the REAL system back online. 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, temporary personnel hires associated with emergent issues, nor the capability to handle any peak period or 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.

Detail of Costs:

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

Expenses:

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 19-20 NARRATIVE:
 Priority #216

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% reduction in FTE for OFR in FY 2012-13, Executive Direction was given

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 CONTRACTED SERVICES		
APPROPRIATION - OFFICE OF FINANCIAL		
REGULATION - EXECUTIVE DIRECTION		
AND SUPPORT SERVICES		33V0650

additional funding in Contracted Services to allow for flexibility for unforeseen circumstances arising in Executive Direction and throughout the OFR. Executive Direction was provided an additional \$50,000 in the Contracted Services category in the 2013 GAA to be used to hire contractors when peak workloads are encountered in OFR that the current staffing levels are not able to handle. Additionally, almost all data related to the OFR's licensees and their examinations is stored in the Regulatory Enforcement and Licensing (REAL) System. If an issue arises with REAL, the Contracted Services allocation must be available to cover any peak period maintenance costs or to hire temporary contracted workers to bring the REAL system back online. Should REAL not work, the OFR will not be able to perform its statutorily mandated regulatory and enforcement duties without access to this information. Reducing the Executive Direction's Contracted Services 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:

Quantity	Description	Amount	Non-Recurring
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1	Reduce Contracted Services Allocation	(\$25,000)	\$0
	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	250,000-	2021 1
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AGENCY ISSUE NARRATIVE:

SCH VIIIIB-2 NARR 19-20 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, such as the need to hire OPS or contractors during peak workloads or emergency situations that the current staffing levels are not able to handle. Additionally, almost all data related to the OFR's licensees and their examinations is stored in the Regulatory Enforcement and Licensing (REAL) System. If an issue arises with REAL, Expense allocation must be available for unanticipated expenses associated with peak period maintenance or the need to hire temporary contracted workers to bring the REAL system back online. 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 \$250,000 will leave Executive Direction with an annual allocation of \$161,948. 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 \$250,000, 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 capability to pay for normal operating expenses. This would leave the OFR unable to function as a regulatory or enforcement agency.

COL A93			
SCH VIII B-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

Detail of Costs:

Expenses:			
Quantity	Description	Amount	Non-Recurring
-----	-----	-----	-----
1	Reduce Expenses Allocation	(\$250,000)	\$0
Total		(\$250,000)	\$0

TOTAL: REGULATION AND LICENSING			<u>1204.00.00.00</u>
BY FUND TYPE			
TRUST FUNDS.....	450,000-		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	
	61,706-	2573 1
	=====	

AGENCY ISSUE NARRATIVE:

SCH VIIIIB-2 NARR 19-20 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 \$61,706 during FY 2017-18. The impact is minimal.

Ultimate Outcome: The fee netting process would create an annual cost savings to the division of approximately \$61,706. 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:

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

Quantity	Description	Amount	Non-Recurring
-----	-----	-----	-----
	Contracted Services	(\$61,706)	\$0
	Issue Total	(\$61,706)	\$0

REDUCE EXPENSES BUDGET AUTHORITY IN			
FINANCE REGULATION			33V0370
EXPENSES			040000
REGULATORY TRUST FUND	-STATE	311,482-	2573 1

AGENCY ISSUE NARRATIVE:
 SCH VIIIIB-2 NARR 19-20 NARRATIVE:
 Priority #214

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 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 critically impact the division's ability to comply with the mandated examination cycle resulting in little to no examinations being

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 EXPENSES BUDGET AUTHORITY IN		
FINANCE REGULATION		33V0370

conducted in the other five (5) industries where an exam is not mandated. This could leave the division without the resources to handle unforeseen circumstances or trends and prevent it from protecting consumers.

Ultimate Outcome: Reducing Expense funds by \$311,482 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	(\$311,482)	\$0

Issue Total (\$311,482) \$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
		=====	

AGENCY ISSUE NARRATIVE:

SCH VIIIIB-2 NARR 19-20 NARRATIVE:
 Priority #205

IT COMPONENT? NO

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 APPROPRIATION IN THE		
DEFERRED PRESENTMENT PROVIDER		
DATABASE CONTRACT CATEGORY		33V0540

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 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 based on a tiered pricing scale, which averaged \$0.35 per transaction for FY 2017-18.

Impact: This reduction would have a significant impact. The Division projects an unstable market for deferred presentment transactions (A.K.A. payday loans) for the next fiscal year. The Consumer Financial Protection Bureau adopted new rules in the small dollar lending industry that could significantly impact traditional payday loan volume by imposing criteria such as ability to repay and other conditions. The rules are currently set to be implemented in August 2019. Furthermore, Senate Bill 920 (effective July 1, 2019) was passed during the 2018 legislature which created an installment payday loan transaction for a term of 60 to 90 days. It is anticipated that the volume of installment payday loans could offset a portion of the traditional single payment payday loans. The uncertainty of this market and the potential need for changes to the deferred presentment provider database create considerable risk when contemplating a reduction of funds in this category. 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 significantly impact the division's ability to properly make contractual payments to vendor, Veritec Solutions, Inc.

Detail of Costs:

Deferred
 Presentment

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
<u>PUBLIC PROTECTION</u>		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

Database:

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

REDUCE OTHER PERSONAL SERVICES		
(OPS) - OFFICE OF FINANCIAL		
REGULATION - FINANCE		33V0560
OTHER PERSONAL SERVICES		030000
REGULATORY TRUST FUND	-STATE	154,000-
	=====	2573 1

AGENCY ISSUE NARRATIVE:

SCH VIIIIB-2 NARR 19-20 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;
- 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

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

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 \$154,000 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	(\$154,000)	\$0

Issue Total (\$154,000) \$0

REDUCE POSITIONS FOR ENFORCEMENT -			
OFFICE OF FINANCIAL REGULATION -			
FINANCE REGULATION			33V0670
SALARY RATE			000000
SALARY RATE.....	301,406-		
	=====		
SALARIES AND BENEFITS			010000
	8.00-		
REGULATORY TRUST FUND -STATE	453,272-		2573 1
	=====		

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 POSITIONS FOR ENFORCEMENT -			
OFFICE OF FINANCIAL REGULATION -			
FINANCE REGULATION			33V0670
EXPENSES			040000
REGULATORY TRUST FUND	-STATE	14,400-	2573 1
		=====	
TOTAL: REDUCE POSITIONS FOR ENFORCEMENT -			33V0670
OFFICE OF FINANCIAL REGULATION -			
FINANCE REGULATION			
TOTAL POSITIONS.....	8.00-		
TOTAL ISSUE.....		467,672-	
TOTAL SALARY RATE.....	301,406-		
		=====	

AGENCY ISSUE NARRATIVE:

SCH VIIIIB-2 NARR 19-20 NARRATIVE:

IT COMPONENT? NO

Priority #219

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 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 2017-18, 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.

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 POSITIONS FOR ENFORCEMENT -		
OFFICE OF FINANCIAL REGULATION -		
FINANCE REGULATION		33V0670

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 substantially reduce the ability for the division to conduct examinations in these statutes and have an 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 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 positions dedicated to examinations 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 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 each	(\$14,400)	\$0

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

Issue Total (\$467,672) \$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							
C0001 001	8.00-	301,406-		151,866-	453,272-	0.00	453,272-
TOTALS FOR ISSUE BY FUND							
2573 REGULATORY TRUST FUND							453,272-
	8.00-	301,406-		151,866-	453,272-		453,272-

TOTAL: REGULATION AND LICENSING							<u>1204.00.00.00</u>
BY FUND TYPE							
TRUST FUNDS.....	8.00-	1,144,860-					2000
SALARY RATE.....		301,406-					

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
REGULATORY TRUST FUND	-STATE	
	279,821-	2573 1
	=====	

AGENCY ISSUE NARRATIVE:

SCH VIIIIB-2 NARR 19-20 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 \$279,821. 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 \$279,821 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
SECURITIES REGULATION		43900570
PUBLIC PROTECTION		12
REGULATION AND LICENSING		<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	(\$279,821)	\$0
Total		(\$279,821)	\$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 19-20 NARRATIVE:
 Priority #213

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;
 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 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 EXPENSES BUDGET AUTHORITY IN		
SECURITIES REGULATION		33V0360

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 seven year cycle beginning fiscal year 2019-20, 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 and attorneys 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:

Expenses:

Quantity	Description	Amount	Non-Recurring
-----	-----	-----	-----
1	Expense	(\$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	
	15,000-	2038 1
	=====	

AGENCY ISSUE NARRATIVE:

SCH VIIIIB-2 NARR 19-20 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 the review and reconciliation of investment advisers' 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 as assist in handling any unexpected events that would require hiring additional OPS staff.

Ultimate Outcome: Reducing OPS funds by \$15,000 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.

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 OTHER PERSONAL SERVICES		
(OPS) - OFFICE OF FINANCIAL		
REGULATION - SECURITIES REGULATION		
		33V0580

Detail of Costs:

Contracted Services:

Quantity	Description	Amount	Non-Recurring
1	OPS Funding	(\$15,000)	\$0

Total Issue (\$15,000) \$0

REDUCE POSITION(S) - OFFICE OF			
FINANCIAL REGULATION - SECURITIES			33V0590
SALARY RATE			000000
SALARY RATE.....	238,842-		
	=====		
SALARIES AND BENEFITS			010000
REGULATORY TRUST FUND	-STATE 6.00-		
	354,775-		2573 1
	=====		
EXPENSES			040000
REGULATORY TRUST FUND	-STATE 10,800-		
	=====		2573 1

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 POSITION(S) - OFFICE OF		
FINANCIAL REGULATION - SECURITIES		33V0590
TOTAL: REDUCE POSITION(S) - OFFICE OF		33V0590
FINANCIAL REGULATION - SECURITIES		
TOTAL POSITIONS.....	6.00-	
TOTAL ISSUE.....	365,575-	
TOTAL SALARY RATE.....	238,842-	
	=====	

AGENCY ISSUE NARRATIVE:

SCH VIIIIB-2 NARR 19-20 NARRATIVE:
 Priority #220

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.
- Goal #4: Register companies and individuals.

Issue Description/Need: The loss of six 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 staffing 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

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

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 impact 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 and Pay Grade	Amount	Non-Recurring
(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
Salary and Benefits Total		(\$354,775)	\$0
(6)	Expense 4 \$1,800 each	(\$10,800)	\$0

Total (\$365,575) \$0

COL A93 SCH VIIIIB-2 REDUCTIONS		CODES
POS	AMOUNT	
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							
C0001 001	6.00-	238,842-		115,933-	354,775-	0.00	354,775-
TOTALS FOR ISSUE BY FUND							
2573 REGULATORY TRUST FUND							354,775-
	6.00-	238,842-		115,933-	354,775-		354,775-

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

ANTI-FRAUD TRUST FUND -STATE 29,206- 2038 1
 =====

AGENCY ISSUE NARRATIVE:
 SCH VIIIIB-2 NARR 19-20 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
		43000000
FINANCIAL SERVICES		43900000
PGM: FINANCIAL SVCS COMM		43900500
OFFICE OF FINANCIAL REG		43900570
<u>SECURITIES REGULATION</u>		12
PUBLIC PROTECTION		<u>1204.00.00.00</u>
<u>REGULATION AND LICENSING</u>		33V0000
PROGRAM REDUCTIONS		
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 \$29,206. 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 seven 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	(\$29,206)	\$0

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 EXPENSE - OFFICE OF		
FINANCIAL REGULATION - SECURITIES		33V0600

Total Issue (\$29,206) \$0

REDUCE CONTRACTED SERVICES - OFFICE OF FINANCIAL REGULATION - SECURITIES		33V0610
SPECIAL CATEGORIES		100000
CONTRACTED SERVICES		100777
ANTI-FRAUD TRUST FUND -STATE	50,000-	2038 1
	=====	

AGENCY ISSUE NARRATIVE:
 SCH VIIIB-2 NARR 19-20 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.

COL A93 SCH VIII B-2 REDUCTIONS		
POS	AMOUNT	CODES
		43000000
FINANCIAL SERVICES		43900000
PGM: FINANCIAL SVCS COMM		43900500
OFFICE OF FINANCIAL REG		43900570
<u>SECURITIES REGULATION</u>		12
PUBLIC PROTECTION		<u>1204.00.00.00</u>
<u>REGULATION AND LICENSING</u>		33V0000
PROGRAM REDUCTIONS		
REDUCE CONTRACTED SERVICES - OFFICE		
OF FINANCIAL REGULATION -		
SECURITIES		33V0610

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.

Detail of Costs:

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

TOTAL: REGULATION AND LICENSING		<u>1204.00.00.00</u>
BY FUND TYPE		
TRUST FUNDS.....	6.00- 792,602-	2000
SALARY RATE.....	238,842-	
	=====	
TOTAL: FINANCIAL SERVICES		43000000
BY FUND TYPE		
GENERAL REVENUE FUND	2,119,166-	1000
TRUST FUNDS	30,752,772-	2000

TOTAL POSITIONS.....	231.00-	
TOTAL DEPARTMENT.....	32,871,938-	
TOTAL SALARY RATE.....	8,536,266-	
	=====	

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* BPEADL01                               STATISTICAL INFORMATION                10/19/2018 14:37:21 *
* BUDGET PERIOD: 2008-2020                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                10/19/2018 14:37:21 *
* BUDGET PERIOD: 2008-2020                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:           152
* TOTAL RECORDS READ FROM CARD:           43
* TOTAL PAF RECORDS READ:                 33
* TOTAL OAF RECORDS READ:                 1
* TOTAL IEF RECORDS READ:                 0
* TOTAL BGF RECORDS READ:                 0
* TOTAL BEF RECORDS READ:                 55
* TOTAL PCF RECORDS READ:                 50
* TOTAL ICF RECORDS READ:                 88
* TOTAL INF RECORDS READ:                 1,979
* TOTAL ACF RECORDS READ:                 16
* TOTAL FCF RECORDS READ:                 11
* TOTAL FSF RECORDS READ:                 10
* TOTAL PCN RECORDS READ:                 0
* TOTAL BEN RECORDS READ:                 0
* TOTAL DPC RECORDS READ:                 66
* TOTAL RECORDS IN ERROR:                 0
*
*****
*
* BUDGET ENTITIES SELECTED:
*   1-9: 43
*  10-18:
*  19-27:
*
*****

```