
COL All
SCH VIIIB-2
REDUCTIONS
POS AMOUNT PRIORITY CODES

FINANCIAL SERVICES

43000000

PRIORITY SUMMARY NARRATIVE:

Department of Financial Services Fiscal Year 2010-11 Reduction Submittal

Department of Financial Services

The Chief Financial Officer views our enforcement and financial accountability programs to be critical for safeguarding the people of Florida and the state's assets. In approaching these reduction proposals, the Department of Financial Services first focused on reductions having a relatively minimal to moderate impact upon our citizens while ensuring we can fulfill our statutory and constitutional responsibilities.

In the interest of reaching the ten percent reduction target, the Department has proposed reductions across the agency including reductions in our enforcement and financial accountability program areas, which have been prioritized at the bottom of the list of proposals. Reductions to these programs could significantly impact the Department's ability to safeguard the people of Florida and the state's assets.

The Department has identified possible reductions of approximately \$15.1 million in trust fund appropriations and \$2.3 million in General Revenue appropriations.

General Revenue:

The Department receives 11.9% of its funding from General Revenue. This funding is in the State Financial Information and State Agency Accounting budget entity and the Information Technology-FLAIR budget entity. The State Financial Information and State Agency Accounting budget entity conducts pre-audits of vendor payments, post-audits of major state programs to determine compliance with statutes and contract requirements, and produces the Florida Comprehensive Annual Financial Report. This entity also processes state employees' payroll and conducts fiscal integrity investigations where it suspects fraud, waste, or abuse. The General Revenue funding within the Information Technology program is used to maintain FLAIR, the state's accounting system.

The General Revenue budget has been reduced approximately \$3.5 million and 16 FTE since FY 2007-08. Further reductions in General Revenue funding for the State Financial Information and State Agency Accounting budget entity and the Information Technology-FLAIR budget entity will adversely impact the ability of this Department to fulfill its mission of safeguarding the state's assets through financial accountability. To fulfill the 10% reduction requirement in General Revenue, the Department has included reduction proposals of approximately \$2.3 million from General Revenue, of which only about \$700,000 could be reduced without having an adverse impact on the operations of the Department.

During FY 2008-09, the Department transferred or deposited approximately \$38.6 million to General Revenue. These transfers included \$29.7 million in service charges to General Revenue pursuant to section 215.20, Florida Statutes and \$8.9 million from the Treasury Administrative and Investment Trust Fund, pursuant to section 17.61, Florida Statutes.

In addition, the Department collects Surplus Lines revenues pursuant to section 626.938, Florida Statutes. In FY 2007-08, 75.7% of the revenues collected was deposited to the benefit of General Revenue. The remaining 24.3% was deposited into the Insurance Regulatory Trust Fund. In FY 2008-09, the percentage to be deposited into General Revenue was increased due to legislation to 84.26%. In FY 2009-10, the percentage to General Revenue was again increased by legislation to 100%

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with the Insurance Regulatory Trust Fund receiving no revenue from Surplus Lines. The impact of which will be a recurring loss of \$30+ million of the approximate \$160 million in recurring revenue receipted into the Insurance Regulatory Trust Fund.

Excluded Categories:

In addition to the categories excluded by the Governor's Office of Policy and Budget in calculating agency targets, the Department identified the following three appropriation categories to be excluded from our 10% reduction target:

The Debt Service-FLAIR Accounting and Cash Management System Replacement category (100873), in the Insurance Regulatory Trust Fund within the State Financial Information and State Agency Accounting budget entity (43200100) is required to make debt service payments to Wachovia Bank scheduled for FY 2010-11. This exclusion reduces the 10% target by \$525,784.

The Excess Insurance and Claim Service category (101221), in the State Risk Management Trust Fund within the State Self-Insured Claims Adjustment budget entity (43400100) is required in order to purchase excess property insurance and pay the Workers' Compensation Assessment for the State of Florida. This exclusion reduces the 10% target by \$1,087,100.

The Transfer to Prison Industry Enhancement (PIE) Program category (108005) in the Prison Industries Trust Fund, within the State Financial Information and State Agency Accounting budget entity (43200100) is a DFS pass-through to the nonprofit corporation managing correctional work programs. Pursuant to section 946.522, Florida Statutes, the Department is the trustee for and administers the Prison Industries Trust Fund. Funds are paid on warrants drawn by the Chief Financial Officer only when she receives a corporate resolution. These funds are not available for other purposes or for transfer to General Revenue. This exclusion reduces the 10% target by \$75,000.

Other Considerations:

In the Legislative Budget Request for FY 2010-11 the Department is requesting funding in the State Property and Casualty Claims program (Risk Management) to provide proactive risk management services to state agencies and universities. With this change the program could reduce state claims cost by 10% or more, resulting in an annual savings of approximately \$15 million to the State of Florida.

The Department has undertaken significant cost saving measures, including consolidating Division of Consumer Services call centers from 11 centers to 2 centers and cutting back on administrative costs such as wireless communications, mailing and travel.

Office of Insurance Regulation

Due to budget reductions for the 2009-2010 Fiscal Year, the Office of Insurance Regulation has taken the following initiatives to reduce expenditures:

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All travel is restricted to activities that directly support the Office's core mission. All travel must be approved in advance by the Chief of Staff;

Registration for conferences, conventions, and training programs will be restricted to events that directly support the Office's core mission. This category of expenses must also be approved by the COS; and

The Office will limit the purchase of equipment and other large expense items unless it directly pertains to the Office's core mission.

Business unit expense budgets were reduced dramatically from previous year allocations;

As of September 2009, the COS implemented a hiring freeze for current vacancies and will evaluate future vacancies;

OPS hiring was also frozen.

Office of Financial Regulation

Since August 2008, Florida has experienced eight bank failures (five were state-chartered), the failure of a federal credit union and the largest Florida-chartered credit union was placed into conservatorship. Beginning in 2007, delinquency and foreclosure rates for subprime mortgage loans in the United States have dramatically increased, creating turmoil that has spread throughout the credit markets. This has led to the collapse of several of the nation's largest Securities dealers, a lack of liquidity and confidence in the credit markets, investor losses, and the failure of the \$330 billion auction rate securities markets. To continue to protect consumers and provide stability in the financial markets, the Office of Financial Regulation (OFR or Office) requires sufficient resources to carry out its mission. During periods of economic problems, the need for regulatory resources increases rather than decreases. These industry problems will continue for several years after the economic recovery begins.

OFR's recurring budget is roughly \$43.5 million which is 100% funded from trust funds. OFR continues to provide revenues directly to General Revenue, over and above the required 8.0% service charge on trust fund revenues to General Revenue. If required to implement a 10% reduction, the Office's proposed plan would result in reductions of approximately \$3.2 million and 32 FTE. In the event that reductions are necessary, the Office requests consideration of offsetting reductions by transferring funds from its trust funds to General Revenue to the extent allowable.

The Office carefully reviewed its current appropriations to determine if cuts could be made without an impact on service levels to Florida consumers. OFR found two such issues and has proposed LBR issues to reduce those funds. The two issues relate to the Mortgage Broker Testing Process (\$1,200,000) and the move of OFR data processing systems to the Southwood Shared Resource Center (SSRC) (\$132,091). Both issues are recurring dollars.

Budget reductions beyond those two issues would severely impact OFR's ability to adequately oversee the financial services industry in Florida. In developing its budget reduction plan, the Office's guiding principles were to: ensure the safety and soundness of the state financial institutions, meet statutorily mandated examination schedules and to

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minimize the impact on the citizens of the State to the extent possible. The Office's core functions are regulatory in nature and are funded from trust funds. The following proposals are listed in priority order.

- 1) Eliminate the administration of the Mortgage Broker Test (\$1,200,000) reduction issue included in LBR
- 2) Eliminate funding for move to the SSRC (\$132,091) reduction issue included in LBR
- 3) Eliminate 11 Financial Examiner/Analyst (FEA) II positions in Securities Regulation (\$673,986)
- 4) Eliminate 3 Senior Attorneys and 1 Administrative Support Position (\$237,435)
- 5) Eliminate 1 position in the Office of Inspector General (\$71,500)
- 6) Eliminate 8 Financial Investigators (\$440,831)
- 7) Eliminate the Consumer Complaint Unit in Finance Regulation (8 positions and \$459,509)

Again, the Office would like to propose meeting necessary reductions by means other than permanent reductions in staffing at this critical time.

SCHEDULE VIIIB REDUCTIONS -
 OPERATING

REDUCE BLACKBERRY AND CELL PHONE		33B0000
WIRELESS COMMUNICATION EXPENDITURES	1	33B6250

GENERAL REVENUE FUND	16,531-	1000
TRUST FUNDS	203,339-	2000

TOTAL ISSUE.....	219,870-	
	=====	

SCH VIIIB-2 NARR 10-11 NOTES:

Issue Title: Reduce Blackberry and Cell Phone Use Per Wireless Communication Report

Issue Description:

In January 2009, CFO Alex Sink assembled a Wireless Communications Cost Efficiency Team to develop a plan to more efficiently and cost effectively use the Department of Financial Services' wireless communication devices. The Team established criteria for the assignment of wireless devices and matched employee's usage needs with the least expensive wireless vendors.

As a result of the implementation of the wireless communication plan, the Department disconnected a number of BlackBerry's, cell phones, and air cards. Matching employee usage with the least expensive vendor and pooling devices resulted in additional savings.

The efforts of the Wireless Communications Cost Efficiency Team have resulted in a savings of \$219,870 for the Department of Financial Services. Approximately \$16,531 of the identified savings is from General Revenue.

These savings do not include the Financial Services Commission.

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FINANCIAL SERVICES 43000000
 SCHEDULE VIIIB REDUCTIONS -
 OPERATING 33B0000
 REDUCE BLACKBERRY AND CELL PHONE
 WIRELESS COMMUNICATION EXPENDITURES 1 33B6250

Detail of Cost:

Expenses (040000):

Quantity	Description	Amount
-----	-----	-----
1	Accounting and Auditing (43200100) (1000)	(\$16,531)
1	Executive Direction and Support Service (43010100) (2021) (\$ 4,634)	
1	Deputy Chief Financial Officer (DCFO) (43010100) (2021) (\$ 2,161)	
1	Chief of Staff (43010100) (2021) (\$12,572)	
1	Inspector General (43010100) (2021) (\$ 1,358)	
	Total	(\$20,725)
1	Legal Services (43010200) (2021)	(\$ 2,808)
1	Information Technology (43010300) (2021)	(\$66,706)
1	Fire Prevention (43300200) (2393)	(\$ 678)
1	Fire and Arson (43300300) (2393)	(\$24,584)
1	Fire College (43300400) (2393)	(\$12,383)
1	Fire Marshal DCFO (43300500) (2393)	(\$ 1,318)
1	Risk Management (43400100) (2078)	(\$ 1,887)
1	Licensure, Sales Appointment & Oversight (43500200) (2393)	(\$17,864)
1	Fraud (43500300) (2393)	(\$20,219)
1	Consumer Services (43500400) (2393)	(\$20,033)
1	Funeral and Cemetery Services (43500500) (2573)	(\$ 2,222)
1	Workers' Compensation (43600100) (2795)	(\$11,912)
	Total	(\$219,870)
	Issue Total	(\$219,870)

REDUCE OFFICE SUPPLY PURCHASES FOR
 THE DEPARTMENT OF FINANCIAL
 SERVICES 2 33B6240
 TRUST FUNDS..... 192,134- 2000
 =====

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 SCHEDULE VIIIB REDUCTIONS -
 OPERATING 33B0000
 REDUCE OFFICE SUPPLY PURCHASES FOR
 THE DEPARTMENT OF FINANCIAL
 SERVICES 2 33B6240

SCH VIIIB-2 NARR 10-11 NOTES:

Issue Title: Reduce Office Supply Purchases for the Department of Financial Services

Issue Description:

This issue proposes to reduce office supply purchases for the department by 30 percent.

Detail of Cost:

Expenses (040000):

Quantity	Description	Amount
-----	-----	-----
1	Executive Direction and Support Service (43010100) (2021)	(\$18,363)
1	Legal Services (43010200) (2021)	(\$10,182)
1	Information Technology (43010300) (2021)	(\$ 9,227)
1	Recovery and Return of Unclaimed Property (43200200)	(\$ 4,414)
1	Fire Prevention (43300200) (2393)	(\$ 5,996)
1	Fire and Arson (43300300) (2393)	(\$11,005)
1	Fire College (43300400) (2393)	(\$ 7,143)
1	Risk Management (43400100) (2078)	(\$14,155)
1	Licensure, Sales Appointment and Oversight (43500200) (2393)	(\$15,721)
1	Fraud (43500300) (2393)	(\$25,233)
1	Consumer Services (43500400) (2393)	(\$12,818)
1	Funeral and Cemetery Services (43500500) (2573)	(\$ 3,636)
1	Workers' Compensation (43600100) (2795)	(\$51,509)
1	Workers' Compensation (43600100) (2798)	(\$ 2,732)
	Total	(\$192,134)
	Issue Total	(\$192,134)

REDUCTION OF RENT IN WEST PALM BEACH AND DAYTONA FIELD OFFICES 3 33B2200

TRUST FUNDS..... 87,074- 2000
 =====

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<u>FINANCIAL SERVICES</u>			43000000
SCHEDULE VIIIB REDUCTIONS -			
OPERATING			33B0000
REDUCTION OF RENT IN WEST PALM			
BEACH AND DAYTONA FIELD OFFICES		3	33B2200

SCH VIIIB-2 NARR 10-11 NOTES:

Issue Title: Reduction of Rent in West Palm Beach and Daytona Field Offices

Budget Entity: Licensure, Sales Appointment and Oversight

This issue reduces the amount of office space rented in the Daytona Beach Office. It should have minimum effect on the operation of Division of Agent and Agency Services. This lease is in a state facility with a fixed rate of \$17.18 per square foot. These facilities are well built and maintained by DMS. In the event of storm damage DMS is quick to get power restored and their facilities operational. The lease itself is with DMS which allows greater flexibility to either increase or decrease space as needed with their approvals and availability.

Detail of Cost

Expenses (040000):

Quantity	Description	Amount
-----	-----	-----
	Savings in reduction in Rental Square Footage	(\$14,526)
	-----	=====
	Issue Total	(\$14,526)

Issue Title: Reduction of Rent in West Palm Beach and Daytona Field Offices

Budget Entity: Insurance Fraud

Reference to Long-Range Program Plan: Goal 3 - In the execution of its constitutional and statutory mandates, the department will protect the health, safety and welfare of the public.

Issue Description: This reduction is a rent reduction of \$978.50 per month for 600 square feet of office space in the West Palm Beach Field Office. The landlord has agreed to allow a reduction in rent rather than to actually reduce square footage. In an attempt to reduce costs we were willing to give up 600 square feet of office space; however, the landlord couldn't rent the space as it was connected with our office space. Rather than the Department choosing to move from the space we will have a recurring reduction of \$11,742 per year for rent in the West Palm Beach Field Office. This is more

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<u>FINANCIAL SERVICES</u>			43000000
SCHEDULE VIIIB REDUCTIONS -			
OPERATING			33B0000
REDUCTION OF RENT IN WEST PALM			
BEACH AND DAYTONA FIELD OFFICES	3		33B2200

cost effective than a move of employees, furniture, and networking.

Ultimate Impact:

Detail of Costs:

Expenses:

Quantity	Description	Amount
-----	-----	-----
	Reduce Rent by \$978.50 per month	(\$11,742)

	Issue Total	(\$11,742)

Issue Title: Reduction of Rent in West Palm Beach and Daytona Field Offices

Budget Entity: Consumer Assistance

This issue reduces the amount of office space rented in the Daytona Beach Office. It should have minimum effect on the operation of Division of Consumer Services. This lease is in a state facility with a fixed rate of \$17.18 per square foot. These facilities are well built and maintained by DMS. In the event of storm damage DMS is quick to get power restored and their facilities operational. The lease itself is with DMS which allows greater flexibility to either increase or decrease space as needed with their approvals and availability.

Detail of Cost

Expenses (040000):

Quantity	Description	Amount
-----	-----	-----
	Savings in reduction in Rental Square Footage	(\$30,000)
		=====
	Issue Total	(\$30,000)

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 POS AMOUNT PRIORITY CODES

<u>FINANCIAL SERVICES</u>			43000000
SCHEDULE VIIIIB REDUCTIONS -			
OPERATING			33B0000
REDUCTION OF RENT IN WEST PALM			
BEACH AND DAYTONA FIELD OFFICES	3		33B2200

Issue Title: Reduction of Rent in West Palm Beach and Daytona Field Offices

Budget Entity: Workers' Compensation

Reference to Long-Range Program Plan: Reducing this funding would have no direct impact on the services provided by the Division of Workers' Compensation and the Division's ability to achieve set goals.

Issue Description: Two field offices have leases that are expiring during Fiscal Year 2009. Renegotiation of square foot cost for lease space in West Palm Beach along with a decrease in leased square footage will result in a cost savings of \$12,580.80. Relocating the Daytona Beach field office to state owned space maintained by the Department of Management Services will result in a lower square foot cost and a reduction in leased square footage will result in an annual cost savings of \$18,225.28

Ultimate Impact: No direct impact on the services provided.

Detail of Costs:

Contracted Services:

Quantity	Description	Amount
-----	-----	-----
1	Reduction contract services	(\$30,806)
	Issue Total	(\$30,806)

REDUCE EXPENDITURES FOR CAPITAL		
COLLATERAL REGISTRY ATTORNEYS		
CONTRACT	4	33B6150

TRUST FUNDS.....	359,004-	2000
	=====	

SCH VIIIIB-2 NARR 10-11 NOTES:

Issue Title: Reduce Expenditures for Capital Collateral Registry Attorneys Contract

Budget Entity: State Financial Information and State Agency Accounting

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FINANCIAL SERVICES			43000000
SCHEDULE VIIIIB REDUCTIONS -			
OPERATING			33B0000
REDUCE EXPENDITURES FOR CAPITAL			
COLLATERAL REGISTRY ATTORNEYS			
CONTRACT		4	33B6150

Reference to Long-Range Program Plan:
 Financial Accountability - The Department will be a vigilant steward of the State's and its people's resources.

Issue Description:
 This issue would reduce the Division of Accounting and Auditing's appropriation for the CCRC Registry Attorneys category from \$2,075,388 to \$1,716,384 within the Administrative Trust Fund.

Ultimate Impact:
 This reduction would have a minimal impact on the Division. The appropriation for this contract has provided for a large surplus in this category for the past three fiscal years.

Detail of Costs:

Special Category		
Capital Collateral Cases (100650):		
Quantity	Description	Amount
-----	-----	-----
	Total	(\$359,004)
	Issue Total	(\$359,004)

REDUCE EXPENSES BUDGET FOR TRAVEL IN THE EXECUTIVE DIRECTION AND SUPPORT SERVICES BUDGET ENTITY		5	33B6340
TRUST FUNDS.....	45,000-		2000
	=====		

SCH VIIIIB-2 NARR 10-11 NOTES:

Issue Title: Reduce Expenses budget for Travel in the Executive Direction and Support Services budget entity

Budget Entity: Executive Direction and Support Services

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<u>FINANCIAL SERVICES</u>			43000000
SCHEDULE VIIIIB REDUCTIONS -			
OPERATING			33B0000
REDUCE EXPENSES BUDGET FOR TRAVEL			
IN THE EXECUTIVE DIRECTION AND			
SUPPORT SERVICES BUDGET ENTITY	5		33B6340

This proposal reduces Expenses budget for travel and includes a reduction in travel expenditures for the Chief Financial Officer. This reduction will have little to no impact on the delivery of services by this agency.

Detail of Costs:

Expenses (040000):

Quantity	Description	Amount
-----	-----	-----
	Expenses	(\$45,000)

FLORIDA CATASTROPHIC STORM RISK MANAGEMENT CENTER		6	33B1120
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TRUST FUNDS.....	975,000-		2000
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SCH VIIIIB-2 NARR 10-11 NOTES:

Issue Title: FLORIDA CATASTROPHIC STORM RISK MANAGEMENT CENTER

Issue Description/Need:

The Florida Catastrophic Storm Risk Management Center was created at the Florida State University, College of Business, Department of Risk Management. Its purpose is to promote and disseminate information related to catastrophic storm risk management, including, but not limited to, research and information that would benefit businesses, consumers, and public policy makers. The purpose of the activities of the center is to support the state's ability to prepare for, respond to, and recover from catastrophic storms. Established by Section 1004.647, Florida Statute. These activities are through Florida State University, not the Department of Financial Services.

The funding for the Florida Catastrophic Storm Risk Management Center will be removed from the Florida Department of Financial Services budget.

Detail of Costs:

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 SCHEDULE VIIIIB REDUCTIONS -
 OPERATING 33B0000
 FLORIDA CATASTROPHIC STORM RISK
 MANAGEMENT CENTER 6 33B1120

SPECIAL CATEGORY:
 Florida Catastrophic Storm Risk Management Center
 Florida State University (100500):

Quantity	Description	Amount
-----	-----	-----
1		(\$975,000)

Issue Total (\$975,000)

REDUCE DOMESTIC SECURITY RECURRING FUNDS 7 33B5550
 TRUST FUNDS..... 350,000- 2000
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SCH VIIIIB-2 NARR 10-11 NOTES:

Issue Title: Reduce Domestic Security Recurring Appropriation

Issue Description/Need: Initially, funds were used to provide limited flexibility to expedite the beginning of grant cycles, distribute equipment to remote sites, and supplement domestic security needs associated with the Fire College.

Ultimate Outcome: Loss of these funds would eliminate flexibility.

Detail of Costs:

Special Category:
 Domestic Security (100851)

Quantity	Description	Amount
-----	-----	-----
	Domestic Security	(\$350,000)

Issue Total (\$350,000)

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CODES			
43000000			
33B0000			
33B2500	8		
2000		1,981,688-	
		=====	

SCH VIIIB-2 NARR 10-11 NOTES:

Issue Title: Transfer Funding for the First District Court of Appeals to Non-operating

Budget Entity: Workers' Compensation

Reference to Long-Range Program Plan: Discontinuing this funding would have no direct impact on the services provided by the Division of Workers' Compensation and the Division's ability to achieve set goals.

Issue Description: The First District Court of Appeals (DCA) hears all workers' compensation appellate cases. At the court's request, funding from the Workers Compensation Administrative Trust Fund was appropriated for the first time during Fiscal Year 2008/2009. This funding has no direct significance on the core processes of the Division of Workers' Compensation.

Ultimate Impact: The department requests the funding for this issue be moved to non-operating.

Detail of Costs:

Other:

Special Category

Transfer to DCA Workers Compensation Appeals (100507)

Quantity	Description	Amount

1	1st DCA Funding	(\$1,981,688)

Issue Total (\$1,981,688)

REDUCTION IN CONTRACT SERVICES IN THE SPECIAL DISABILITY TRUST FUND			9	33B2700
TRUST FUNDS.....		100,000-		2000
		=====		

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SCHEDULE VIIIB REDUCTIONS -			
OPERATING			33B0000
REDUCTION IN CONTRACT SERVICES IN			
THE SPECIAL DISABILITY TRUST FUND	9		33B2700

SCH VIIIB-2 NARR 10-11 NOTES:

Budget Entity: Workers' Compensation

Issue Title: Reduction in Contract Services in the Special Disability Trust Fund

Reference to Long-Range Program Plan: Reducing this funding would have no direct impact on the services provided by the Division of Workers' Compensation and the Division's ability to achieve set goals.

Issue Description: The Special Disability Trust Fund is allotted \$186,360 for contracted services in FY 2009-2010. In FY 2007-2008, 2008-2009 and 2009-2010, less than \$60,000 has been needed for the promulgation of the Annual Actuarial Report. It is anticipated that the contract for this report will be re-bid in FY 2010-2011, but the cost would be expected to be significantly less than the allotted amount, if it were continued in future fiscal years. This amount could be cut in half.

Ultimate Impact: No direct impact on the services provided.

Detail of Costs:

Contracted Services:

Quantity	Description	Amount
-----	-----	-----
1	Reduction contract services	(\$100,000)
	Issue Total	(\$100,000)

REDUCTION IN OPERATING CAPITAL
 OUTLAY IN STATE FINANCIAL
 INFORMATION AND STATE AGENCY
 ACCOUNTING

10 33B0470

GENERAL REVENUE FUND..... 9,000- 1000

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SCH VIIIB-2 NARR 10-11 NOTES:

Issue Title: Reduction in Operating Capital Outlay in State Financial Information and State Agency Accounting

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SCHEDULE VIIIIB REDUCTIONS - OPERATING			33B0000
REDUCTION IN OPERATING CAPITAL OUTLAY IN STATE FINANCIAL INFORMATION AND STATE AGENCY ACCOUNTING		10	33B0470

Budget Entity: State Financial Information and State Agency Accounting

Reference to Long-Range Program Plan:
 Financial Accountability - The Department will be a vigilant steward of the State's and its people's resources.

Issue Description:
 This issue would reduce the Division's appropriation for Operating Capital Outlay expenditures from \$10,000 to \$1,000 within the General Revenue Fund.

Ultimate Impact:
 This reduction has a minimal impact on the Division; however, a reduction in funding for this category would prevent the Division from making necessary equipment purchases (i.e. copiers, printers, etc.).

Detail of Costs:

OCO (060000):		
Quantity	Description	Amount
-----	-----	-----
	Total	(\$9,000)
	Issue Total	(\$9,000)

REDUCE BASE BUDGET IN THE OFFICE OF THE INSURANCE CONSUMER ADVOCATE		11	33B0460
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TRUST FUNDS..... 115,361- 2000
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SCH VIIIIB-2 NARR 10-11 NOTES:

Issue Title: Reduce Base Budget in the Office of the Insurance Consumer Advocate

Budget Entity: Office of the Insurance Consumer Advocate

This reduction could be implemented without a significant impact on the Office's mission or the Long Range Program Plan

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OPERATING			33B0000
REDUCE BASE BUDGET IN THE OFFICE OF			
THE INSURANCE CONSUMER ADVOCATE	11		33B0460

of the Department. However, this reduction could impair the ability of the Office to hire other personal service staff and to contract for certain services. That impairment would reduce the effectiveness of the Office.
 Detail of Costs:

Other Personal Services (030000)		
Quantity	Description	Amount
-----	-----	-----
	Reduction in base	(\$ 40,361)

Special Category:		
Contracted Services (100777)		
Quantity	Description	Amount
-----	-----	-----
	Reduction in Base	(\$ 75,000)

Issue Total (\$115,361)

REDUCTION IN OPERATING CAPITAL			
OUTLAY IN RECOVERY AND RETURN OF			
UNCLAIMED PROPERTY	12		33B6180
TRUST FUNDS.....		5,000-	2000
		=====	

SCH VIIIIB-2 NARR 10-11 NOTES:

Issue Title: Reduction in Operating Capital Outlay in Recovery and Return of Unclaimed Property

Budget Entity: Recovery and Return of Unclaimed Property

Reference to Long-Range Program Plan:

Financial Accountability - The Department will be a vigilant steward of the State's and its people's resources.

Issue Description:

This issue would reduce the Bureau of Unclaimed Property's appropriation for OCO expenditures from \$7,500 to \$2,500 within the Unclaimed Property Trust Fund.

Ultimate Impact:

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SCHEDULE VIIIB REDUCTIONS -			
OPERATING			33B0000
REDUCTION IN OPERATING CAPITAL			
OUTLAY IN RECOVERY AND RETURN OF			
UNCLAIMED PROPERTY		12	33B6180

This reduction would have a minimal impact on the Division; however, a reduction in funding for this category would prevent the Division from making necessary equipment purchases (i.e. copiers, printers, etc.).

Detail of Costs:

OCO:		
Quantity	Description	Amount
-----	-----	-----
	Total	(\$5,000)
	Issue Total	(\$5,000)

ELIMINATE CHECK CASHING SERVICE			
AT CAPITOL		13	33B0400
TRUST FUNDS.....	3.00-		
	142,027-		2000
	=====		

SCH VIIIB-2 NARR 10-11 NOTES:

Issue Title: Eliminate Check Cashing Service at Capital

Section 17.53, Florida Statute authorizes the Chief Financial Officer to operate a personal check cashing service or a remote financial service unit at the Capitol. The check cashing service is not an essential function of this department and should be eliminated before reducing enforcement or financial accountability programs within the department.

This issue would eliminate 3 FTE and \$142,027 from the Deposit Security budget entity. All of these positions are currently filled. The reduction amount includes \$17,493 in Expenses and is based upon prior year expenditures for the Check Cashing Service.

Salaries and Benefits (010000):

Quantity	Description	Amount
-----	-----	-----
(3)	Proposed Class Code (P101)	(\$123,337)

Expenses (040000):

 COL All
 SCH VIIIIB-2
 REDUCTIONS
 POS AMOUNT PRIORITY CODES

FINANCIAL SERVICES 43000000
 SCHEDULE VIIIIB REDUCTIONS -
 OPERATING 33B0000
 ELIMINATE CHECK CASHING SERVICE
 AT CAPITOL 13 33B0400

Quantity	Description	Amount
-----	-----	-----
	Rent reduction based on diminished sq.ft. in Capitol	(\$ 17,493)

Human Resources Services (107040):

Quantity	Description	Amount
-----	-----	-----
(3)	Standard HR Outsourcing Charge at \$399	(\$ 1,197)
	-----	-----
	Issue Total	(\$142,027)

ELIMINATE VACANCY IN THE OFFICE OF
 INSURANCE CONSUMER ADVOCATE 14 33B0450

TRUST FUNDS..... 1.00- 52,196- 2000
 =====

SCH VIIIIB-2 NARR 10-11 NOTES:

Issue Title: Eliminate Vacancy in the Office of Insurance Consumer Advocate

This issue would eliminate one vacant position in the Office of Insurance Consumer Advocate. This reduction could be implemented without a significant impact on the Office's mission or the Long Range Program Plan of the Department. However, this reduction would reduce the effectiveness of the office.

Detail of Cost

Salaries and Benefits (010000):

Quantity	Description	Amount
-----	-----	-----
(1)	Proposed Class Code (P101)	(\$ 51,797)

Human Resources Services (107040):

Quantity	Description	Amount
-----	-----	-----
(1)	Standard HR Outsourcing Charge at \$399	(\$ 399)
	-----	-----

 COL All
 SCH VIIIB-2
 REDUCTIONS
 POS AMOUNT PRIORITY CODES

FINANCIAL SERVICES 43000000
 SCHEDULE VIIIB REDUCTIONS -
 OPERATING 33B0000
 ELIMINATE VACANCY IN THE OFFICE OF
 INSURANCE CONSUMER ADVOCATE 14 33B0450

Issue Total (\$ 52,196)

ELIMINATE TRANSFER TO WORKERS'
 COMPENSATION RESEARCH INSTITUTE,
 INC. 15 33B0640
 TRUST FUNDS..... 195,000- 2000
 =====

SCH VIIIB-2 NARR 10-11 NOTES:

Issue Title: Eliminate Transfer for the Workers' Compensation Research Institute (WCRI)

Budget Entity: Workers' Compensation

Reference to Long-Range Program Plan: Discontinuing this funding would have no direct impact on the services provided by the Division of Workers' Compensation and the Division's ability to achieve set goals.

Issue Description: The Workers' Compensation Research Institute (WCRI) is an independent, not-for-profit research organization providing information about public policy issues involving workers' compensation systems. CompScope is an ongoing study that provides inter-state comparisons and benchmarking results for more than 60 system performance measures for eight major states that represent about 40 percent of the nation's workers' compensation benefits - California, Connecticut, Florida, Georgia, Massachusetts, Pennsylvania, Texas and Wisconsin. If the Division discontinued participation in CompScope, Florida's data would be excluded from future studies which might impact policymakers in determining how Florida's system compares to other states. This program is not a core process of the Division of Workers' Compensation.

Ultimate Impact: This program is not a core process of the Division of Workers' Compensation.

Detail of Costs:

Other:
 Quantity Description Amount

 1 WCRI Study (100520) (\$195,000)
 Issue Total (\$195,000)

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-----
                                COL All
                                SCH VIIIIB-2
                                REDUCTIONS
                                POS      AMOUNT      PRIORITY      CODES
                                -----
FINANCIAL SERVICES                                43000000
SCHEDULE VIIIIB REDUCTIONS -
OPERATING                                         33B0000
REDUCE CONTRACTED SERVICE STAFF
AUGMENTATION                                     16          33B0380

TRUST FUNDS.....                                175,000-      2000
                                =====
  
```

SCH VIIIIB-2 NARR 10-11 NOTES:

Issue Title: Reduce Contracted Service Staff Augmentation

Budget Entity: Consumer Assistance

Issue Description/Need:

The division has been funding a contract with Infinity in the amount of \$349,000 to maintain the division's computer system. Recently the division reduced the IT support down to 1 consultant. It is anticipated that this consultant will be used for minor improvements on a part time basis for Service Point rather than a full-time basis.

Detail of Costs:

Special Category

Contracted Services (100777):

Quantity	Description	Amount
-----	-----	-----
1		(\$175,000)

Issue Total (\$175,000)

REDUCE POSITIONS - STRATEGIC
 MARKETS ASSESSMENT UNIT

```

                                3.00-
                                324,793-
                                =====
                                17          33B6350
TRUST FUNDS.....                                2000
  
```

SCH VIIIIB-2 NARR 10-11 NOTES:

Issue Title: REDUCE POSITIONS - STRATEGIC MARKETS ASSESMENT UNIT

Budget Entity: Executive Direction and Support Services

Reference to Long-Range Program Plan:

 COL All
 SCH VIIIB-2
 REDUCTIONS
 POS AMOUNT PRIORITY CODES

<u>FINANCIAL SERVICES</u>			43000000
SCHEDULE VIIIB REDUCTIONS -			
OPERATING			33B0000
REDUCE POSITIONS - STRATEGIC			
MARKETS ASSESSMENT UNIT	17		33B6350

Issue Title: Reduce Positions - Strategic Markets Assessment Unit

Issue Description/Need: Chapter 20.121(6) authorizes the creation of the Strategic Markets Research and Assessment Unit (SMRAU) in the Department of Financial Services. The Chief Financial Officer or designee shall report quarterly to the Cabinet, the President of the Senate, and the Speaker of the House of Representatives on the status of the state's financial services markets.

The Strategic Markets Research and Assessment Unit is responsible for producing quarterly reports which, at a minimum, must include a summary of issues, trends, and threats that broadly impact the condition of the financial services industries, along with the effect of such conditions on financial institutions, the securities industries, other financial entities, and the credit market.

The Unit is also responsible for providing findings and recommendations regarding regulatory and policy changes, which the CFO or designee will provide to the Cabinet, the President of the Senate, and the Speaker of the House of Representatives.

This proposal reduces 3 positions and \$324,793 provided for the Strategic Markets Research and Assessment Unit and will negatively impact the Departments ability to prepare the report; therefore the Language regarding the Unit will need to be repealed.

Detail of Costs:

Salaries and Benefits:

Quantity	Description	Amount
-----	-----	-----
(3)	Proposed Class Code P101	(\$253,500)

Expenses:

Quantity	Description	Amount
-----	-----	-----
	Expenses	(\$70,099)

Transfer to DMS:

Quantity	Description	Amount
-----	-----	-----
(3)	Standard HR Package at \$399 per position	(\$1,194)

Issue Total (\$324,793)

 COL All
 SCH VIIIIB-2
 REDUCTIONS
 POS AMOUNT PRIORITY CODES

<u>FINANCIAL SERVICES</u>			43000000
SCHEDULE VIIIIB REDUCTIONS -			
OPERATING			33B0000
REDUCE THE COST OF PRINTING			
EDUCATIONAL GUIDES		18	33B0310
TRUST FUNDS.....	50,000-		2000

=====

SCH VIIIIB-2 NARR 10-11 NOTES:

Issue Title: Reduce the Cost of Printing Educational Guides

Budget Entity: Consumer Assistance

Issue Description/Need:

This issue will eliminate the cost of printing of educational guides from \$100,000 to \$50,000. The division will only print the guides which are most demanded and further promote availability of guides on the website.

Detail of Costs:

Expenses (040000):

Quantity	Description	Amount
-----	-----	-----
1		(\$50,000)

Issue Total (\$50,000)

REDUCE MAIL COST		19	33B0390
------------------	--	----	---------

TRUST FUNDS.....	15,000-		2000
------------------	---------	--	------

=====

SCH VIIIIB-2 NARR 10-11 NOTES:

Issue Title: Reduce Mail Cost

Budget Entity: Consumer Assistance

Issue Description/Need:

 COL All
 SCH VIIIB-2
 REDUCTIONS
 POS AMOUNT PRIORITY CODES

FINANCIAL SERVICES 43000000
 SCHEDULE VIIIB REDUCTIONS -
 OPERATING 33B0000
 REDUCE MAIL COST 19 33B0390

This issue will reduce the cost of mail by \$15,000. The customer service survey is now on line versus mail and the reduction of the number of education guides will also contribute to this savings.

Detail of Costs:

Expenses (040000):

Quantity	Description	Amount
1		(\$15,000)

Issue Total (\$15,000)

MY SAFE FLORIDA HOME PROGRAM 20 33B1110
 TRUST FUNDS..... 10.00- 779,857- 2000
 =====

SCH VIIIB-2 NARR 10-11 NOTES:

Issue Title: My Safe Florida Home Program

Issue Description/Need:

The My Safe Florida Home Program established by Section 215.5586, Florida Statutes is funded through June 30, 2009. The Florida legislature has not appropriated additional funding, thus ending the program. The positions originally funded for the program will not be needed after June 30, 2009. These are the remaining positions which were utilized to shut the program down. These positions are not filled.

The My Safe Florida Home Program is terminated as of June 30, 2009.

Detail of Costs:

Salaries and Benefits (010000):

Position	Title & Pay Grade	Amount
(1)	SPECIAL PROGRAMS ADMINISTRATOR 8531 150	(\$124,954)
(1)	EXECUTIVE ASSISTANT I-SES 0718 422	(\$ 64,150)

 COL All
 SCH VIII B-2
 REDUCTIONS
 POS AMOUNT PRIORITY CODES

FINANCIAL SERVICES 43000000
 SCHEDULE VIII B REDUCTIONS -
 OPERATING 33B0000
 MY SAFE FLORIDA HOME PROGRAM 20 33B1110

(1)	SENIOR MANAGEMENT ANALYST II-SES	2225 426	(\$ 61,063)
(1)	CONTRACTS & GRANTS MANAGER-SES	2223 426	(\$ 88,951)
(1)	FINANCIAL ADMINISTRATOR-SES	1587 429	(\$ 76,457)
(5)	INSURANCE SPECIALIST III	3512 020	(\$284,723)

	Total		(\$700,298)

Expenses (040000):
 Quantity Description Amount

 Total (\$ 75,569)

Special Category
 Human Resource Services (107040):
 Quantity Description Amount

 (10) HR Packages at \$399 (\$ 3,990)
 Issue Total (\$779,857)

REDUCE CRIMINAL JUSTICE INCENTIVE PAY 21 33B0240
 TRUST FUNDS..... 20,000- 2000
 =====

SCH VIII B-2 NARR 10-11 NOTES:
 Issue Title: Reduce Criminal Justice Incentive Pay (CJIP)

Budget Entity: Insurance Fraud

Reference to Long-Range Program Plan: Goal 3 - In the execution of its constitutional and statutory mandates, the department will protect the health, safety and welfare of the public.

Issue Description: Criminal Justice Incentive Pay (CJIP) is paid to law enforcement employees in an amount up to \$1,500 per year based on their level of education and training. As a result the amount varies among sworn officers.

 COL All
 SCH VIIIIB-2
 REDUCTIONS
 POS AMOUNT PRIORITY CODES

<u>FINANCIAL SERVICES</u>			43000000
SCHEDULE VIIIIB REDUCTIONS -			
OPERATING			33B0000
REDUCE CRIMINAL JUSTICE INCENTIVE			
PAY		21	33B0240

Ultimate Impact: Reducing the Criminal Justice Incentive Pay (CJIP) by \$20,000 would have a minimal impact on the Division of Insurance Fraud as we have reverted (CJIP) funds in the past three fiscal years. The reversion of funds was due to the number of vacancies during the fiscal year along with the amount of salary incentive classes submitted by employees.

Detail of Costs:

Special Category

Salary Incentive Payment (103200) (CJIP):

Quantity	Description	Amount
-----	-----	-----
	Reduce Appropriation (\$20,000)	(\$20,000)
		=====
	Issue Total	(\$20,000)
		=====

REDUCTION OF EXPENSES IN RECOVERY AND RETURN OF UNCLAIMED PROPERTY		22	33B6190
TRUST FUNDS.....	53,000-		2000
	=====		

SCH VIIIIB-2 NARR 10-11 NOTES:

Issue Title: Reduction of Expenses in Recovery and Return of Unclaimed Property

Budget Entity: Recovery and Return of Unclaimed Property

Reference to Long-Range Program Plan:

Financial Accountability - The Department will be a vigilant steward of the State's and its people's resources.

Issue Description:

This issue would reduce the Bureau of Unclaimed Property's appropriation for the Expense category from \$766,657 to \$713,657 within the Unclaimed Property Trust Fund.

Ultimate Impact:

This reduction would have a moderate impact on the Division; however, a reduction of funding in this category would limit the Division's outreach efforts to unclaimed property account holders since less funds would be available for postage

 COL All
 SCH VIIIB-2
 REDUCTIONS
 POS AMOUNT PRIORITY CODES

<u>FINANCIAL SERVICES</u>			43000000
SCHEDULE VIIIB REDUCTIONS -			
OPERATING			33B0000
REDUCTION OF EXPENSES IN RECOVERY			
AND RETURN OF UNCLAIMED PROPERTY	22		33B6190

costs. Non-discretionary costs for this category include rent, phone service and communications, and maintenance and lease of equipment.

Detail of Costs:

Expenses:

Quantity	Description	Amount
-----	-----	-----
	Total	(\$53,000)

Issue Total (\$53,000)

REDUCTION OF OTHER PERSONAL SERVICES IN RECOVERY AND RETURN OF UNCLAIMED PROPERTY	23		33B6200
---	----	--	---------

TRUST FUNDS.....	20,000-		2000
	=====		

SCH VIIIB-2 NARR 10-11 NOTES:

Issue Title: Reduction of Other Personal Services in Recovery and Return of Unclaimed Property

Budget Entity: Recovery and Return of Unclaimed Property

Reference to Long-Range Program Plan:

Financial Accountability - The Department will be a vigilant steward of the State's and its people's resources.

Issue Description:

This issue would reduce the Bureau of Unclaimed Property's appropriation for the OPS category from \$180,000 to \$160,000 within the Unclaimed Property Trust Fund.

Ultimate Impact:

This reduction would have a significant impact on the Division. Any reduction in this category would directly impact the processing of claims to be paid within the statutory deadline. In addition, customer service would be impacted due to less employees being available to handle customer inquiries.

 COL All
 SCH VIIIIB-2
 REDUCTIONS
 POS AMOUNT PRIORITY CODES

FINANCIAL SERVICES 43000000
 SCHEDULE VIIIIB REDUCTIONS -
 OPERATING 33B0000
 REDUCTION OF OTHER PERSONAL
 SERVICES IN RECOVERY AND RETURN OF
 UNCLAIMED PROPERTY 23 33B6200

Detail of Costs:

OPS:
 Quantity Description Amount

 Total (\$20,000)

Issue Total (\$20,000)

REDUCTION IN EXPENSE CATEGORY IN
 EXECUTIVE DIRECTION AND SUPPORT
 SERVICES 24 33B6300

TRUST FUNDS..... 25,000- 2000
 =====

SCH VIIIIB-2 NARR 10-11 NOTES:

Issue Title: Reduction in Expense Category in Executive Direction and Support Services

Budget Entity: Executive Direction and Support Services

Issue Description:

This issue proposes a reduction in the operating expense category of \$25,000. Additional recurring expense budget of \$88,185 was appropriated for Fiscal Year 2008-09 to fund attendance by Department employees in contract management and negotiation training classes. It has been determined that this budget may be reduced, leaving sufficient budget for ongoing contract management and negotiation training.

Impact:

This reduction will have a minimal impact on the operations of this budget entity as there have been sufficient budget reversions in this category to allow for this flexibility.

Detail of Cost:

Expenses (040000):

 COL All
 SCH VIIIIB-2
 REDUCTIONS
 POS AMOUNT PRIORITY CODES

FINANCIAL SERVICES 43000000
 SCHEDULE VIIIIB REDUCTIONS -
 OPERATING 33B0000
 REDUCTION IN EXPENSE CATEGORY IN
 EXECUTIVE DIRECTION AND SUPPORT
 SERVICES 24 33B6300

Quantity	Description	Amount
-----	-----	-----
	Reduction in base budget	(\$25,000)
	Issue Total	(\$25,000)

REDUCTION OF EXPENSES IN THE FIRE
 MARSHAL EXECUTIVE DIRECTION AND
 SUPPORT SERVICES 25 33B2100
 TRUST FUNDS..... 100,000- 2000
 =====

SCH VIIIIB-2 NARR 10-11 NOTES:

Issue Title: REDUCTION OF EXPENSES IN THE FIRE MARSHAL EXECUTIVE DIRECTION AND SUPPORT SERVICES

Budget Entity: Fire Marshal Executive Direction and Support Services

Reference to Long-Range Program Plan:

Issue Description/Need: Reduce use of consumable office supplies; move to email of reports to BFAI investigators. Only provide written signed reports on those cases going to court. Order a reduction in the printing of chromatographic data included in reports as well. Minimize the data unless the case is proceeding to discovery or trial. Eliminate some travel related to training unless it can be wholly or partially paid by another agency or from federal grant funds. Reduce vehicle usage to cut fuel costs. Reduce general supplies for lab to essentials. Reduce travel, division-wide software upgrades, replacement and upgrades of office equipment.

Ultimate Outcome: Loss of these funds would eliminate flexibility.

Detail of Costs:

Expenses (040000)		Amount
Quantity	Description	Amount
-----	-----	-----

 COL All
 SCH VIIIIB-2
 REDUCTIONS
 POS AMOUNT PRIORITY CODES

FINANCIAL SERVICES 43000000
 SCHEDULE VIIIIB REDUCTIONS -
 OPERATING 33B0000
 REDUCTION OF EXPENSES IN THE FIRE
 MARSHAL EXECUTIVE DIRECTION AND
 SUPPORT SERVICES 25 33B2100
 Travel, Office Supplies, Vehicle Usage, Software Upgrades (\$100,000)
 Issue Total (\$100,000)

TRANSFER THE OFFICE OF FISCAL
 INTEGRITY FROM GENERAL REVENUE TO
 TRUST FUND (DEDUCT) 26 33B6160
 GENERAL REVENUE FUND..... 10.00- 717,133- 1000
 =====

SCH VIIIIB-2 NARR 10-11 NOTES:

Issue Title: Transfer the Office of Fiscal Integrity from General Revenue to Trust Fund (DEDUCT)

Budget Entity: State Financial Information and State Agency Accounting

This request proposes the transfer of the Office of Fiscal Integrity in the Division of Accounting and Auditing from General Revenue to Trust Funds. This is a fund shift issue.

Detail of Costs:

Salaries and Benefits:

Position	Description	Amount
-----	-----	-----
(10)	Proposed Class Code (P101)	(\$686,385)

Expenses (040000)

Quantity	Description	Amount
-----	-----	-----
	General Expenses at \$1,249 per position	(\$ 12,490)
	Travel	(\$ 13,500)
	Total	(\$ 25,990)

Special Category

 COL All
 SCH VIIIIB-2
 REDUCTIONS
 POS AMOUNT PRIORITY CODES

FINANCIAL SERVICES 43000000
 SCHEDULE VIIIIB REDUCTIONS -
 OPERATING 33B0000
 TRANSFER THE OFFICE OF FISCAL
 INTEGRITY FROM GENERAL REVENUE TO
 TRUST FUND (DEDUCT) 26 33B6160

Contracted Services (100777)
 Quantity Description Amount

 1 Contract with Accurint (\$ 382)

Special Category:
 Salary Incentive Payment (103290):
 Quantity Description Amount

 Salary Incentive Payment (\$ 386)

Special Category:
 HR Outsourcing (107040):
 Quantity Description Amount

 (10) Standard HR Package at \$399 per position (\$ 3,990)

Issue Total (\$717,133)

TRANSFER THE OFFICE OF FISCAL
 INTEGRITY FROM GENERAL REVENUE TO
 TRUST FUND (ADD) 26 33B6170

TRUST FUNDS..... 10.00 717,133 2000
 =====

SCH VIIIIB-2 NARR 10-11 NOTES:

Issue Title: Transfer the Office of Fiscal Integrity from General Revenue to Trust Fund (ADD)

Budget Entity: State Financial Information and State Agency Accounting

This request proposes the transfer of the Office of Fiscal Integrity in the Division of Accounting and Auditing from General Revenue to Trust Funds. This is a fund shift issue.

Detail of Costs:

 COL All
 SCH VIIIB-2
 REDUCTIONS
 POS AMOUNT PRIORITY CODES

FINANCIAL SERVICES 43000000
 SCHEDULE VIIIB REDUCTIONS -
 OPERATING 33B0000
 TRANSFER THE OFFICE OF FISCAL
 INTEGRITY FROM GENERAL REVENUE TO
 TRUST FUND (ADD) 26 33B6170

Salaries and Benefits:

Position	Description	Amount
-----	-----	-----
10	Proposed Class Code (P101)	\$686,385

Expenses (040000)

Quantity	Description	Amount
-----	-----	-----
	General Expenses at \$1,249 per position	\$ 12,490
	Travel	\$ 13,500
	Total	\$ 25,990

Special Category

Contracted Services (100777)		Amount
Quantity	Description	-----
-----	-----	-----
1	Contract with Accurint	\$ 382

Special Category:

Salary Incentive Payment (103290):		Amount
Quantity	Description	-----
-----	-----	-----
	Salary Incentive Payment	\$ 386

Special Category:

HR Outsourcing (107040):		Amount
Quantity	Description	-----
-----	-----	-----
10	Standard HR Package at \$399 per position	\$ 3,990

Issue Total \$717,133

COL All SCH VIIIB-2 REDUCTIONS			
FINANCIAL SERVICES	POS	AMOUNT	PRIORITY
SCHEDULE VIIIB REDUCTIONS - OPERATING REDUCTION OF POSITIONS IN THE PUBLICATIONS OFFICE	-----	-----	-----
			CODES
			43000000
			33B0000
			33B6320
TRUST FUNDS.....	2.00-	79,422-	2000
		=====	

SCH VIIIB-2 NARR 10-11 NOTES:

Issue Title: Reduction of Positions in the Publications Office

Budget Entity: Executive Direction and Support Services

Issue Description:

This issue proposes a reduction of 2 vacant FTEs and associated budget from the Department's Publications Office. This Office provides publication, photography and video, audio, display design and other multi-media services for the Department, Office of Financial Regulation (OFR) and Office of Insurance Regulation (OIR).

Impact:

This reduction will have minimal impact on the Publications Office as the duties of these positions can be absorbed by other positions within the office.

Detail of Costs:

Salaries and Benefits:

Position	Title & Pay Grade	Amount
-----	-----	-----
(2)	Proposed Class Code	(\$ 78,624)

Special Category

HR Outsourcing (107040):

Quantity	Description	Amount
-----	-----	-----
(2)	Standard Packages at \$399	(\$ 798)

Issue Total (\$ 79,422)

REDUCE POSITION(S) IN FUNERAL AND
 CEMETERY

			28	33B0280
TRUST FUNDS.....	1.00-	60,483-		2000
		=====		

 COL All
 SCH VIIIB-2
 REDUCTIONS
 POS AMOUNT PRIORITY CODES

FINANCIAL SERVICES 43000000
 SCHEDULE VIIIB REDUCTIONS -
 OPERATING 33B0000
 REDUCE POSITION(S) IN FUNERAL AND
 CEMETERY 28 33B0280

SCH VIIIB-2 NARR 10-11 NOTES:

Issue Title: Reduce Position(s) in Funeral and Cemetery

Budget Entity: Funeral and Cemetery Services

Issue Description/Need:

This issue would reduce a position in the Division of Funeral and Cemetery. Currently this position is vacant.

Detail of Cost

Salaries and Benefits (010000):

Position	Title & Pay Grade	Amount
(1)	Class Code P101	(\$60,084)

Special Category

HR Outsourcing (107040):

Quantity	Description	Amount
(1)	HR Package at \$399	(\$ 399)

Issue Total (\$60,483)

OCCUPATIONAL SAFETY AND HEALTH
 STATISTICS UNIT - WORKERS'
 COMPENSATION

29 33B6130

TRUST FUNDS..... 5.00- 168,801-
 =====

SCH VIIIB-2 NARR 10-11 NOTES:

Issue Title: Occupational Safety and Health Safety Statistics Unit'

Budget Entity: Workers' Compensation

 COL All
 SCH VIIIB-2
 REDUCTIONS
 POS AMOUNT PRIORITY CODES

<u>FINANCIAL SERVICES</u>			43000000
SCHEDULE VIIIB REDUCTIONS -			
OPERATING			33B0000
OCCUPATIONAL SAFETY AND HEALTH			
STATISTICS UNIT - WORKERS'			
COMPENSATION	29		33B6130

Reference to Long-Range Program Plan: Reducing this funding would have no direct impact on the services provided by the Division of Workers' Compensation and the Division's ability to achieve set goals.

Issue Description: The Occupational Safety and Health Program (OSHP) performs an annual survey of occupational injuries and illnesses and also collects work related fatality information. The survey results and statistics are published by the United States Department of Labor, Bureau of Labor Statistics. The federal government funds fifty percent of the operations of this unit through a cooperative agreement. If eliminated, the State of Florida would either not be represented in annual federal publications or another state would conduct the Florida survey. The division would continue to collect the data associated with Florida fatalities and the data would be available through a different format. The amount being reduced is the state portion only.

Ultimate Impact: No direct impact on the services provided.

Detail of Costs:

Salaries and Benefits (010000):

Position	Title & Pay Grade	Amount
-----	-----	-----
(5)	Class Code P101	(\$166,806)

Special Category

HR Outsourcing (107040):

Quantity	Description	Amount
-----	-----	-----
(5)	HR Package at \$399	(\$ 1,995)

Issue Total (\$168,801)

ELIMINATE TRANSFER TO UNIVERSITY
 OF SOUTH FLORIDA FROM WORKERS'
 COMPENSATION

30 33B0650

TRUST FUNDS.....

214,994-
 =====

2000

 COL All
 SCH VIIIB-2
 REDUCTIONS
 POS AMOUNT PRIORITY CODES

<u>FINANCIAL SERVICES</u>			43000000
SCHEDULE VIIIB REDUCTIONS -			
OPERATING			33B0000
ELIMINATE TRANSFER TO UNIVERSITY			
OF SOUTH FLORIDA FROM WORKERS'			
COMPENSATION		30	33B0650

SCH VIIIB-2 NARR 10-11 NOTES:

Issue Title: ELIMINATE TRANSFER TO UNIVERSITY OF SOUTH FLORIDA FROM WORKERS' COMPENSATION FOR SAFETY CONSULTATION PROGRAM

Budget Entity: Workers' Compensation

Reference to Long-Range Program Plan: Discontinuing this funding would have no direct impact on the services provided by the Division of Workers' Compensation and the Division's ability to achieve set goals.

Issue Description: The University of South Florida Safety Consultation Program provides occupational safety and health educational outreach and services to small businesses within the State of Florida. Some of the services in the program include identifying potential work hazards, developing safety programs to reduce workplace accidents, providing training to business groups to address their concerns with safety and health issues and educational outreach along with understanding the government standards relating to OSHA compliance. In addition to the long-term workers' compensation cost savings that employers achieve through knowing the number of workplace accidents, employers that establish a safety program are eligible to receive an annual 2% reduction in their workers' compensation rates. Other sources of revenue could be utilized to continue funding of this program.

Ultimate Impact: This program is not a core process of the Division of Workers' Compensation.

Detail of Costs:

Contracted Services:

Quantity	Description	Amount
-----	-----	-----
1	Univ. of South FL	(\$214,994)
	Total	(\$214,994)
	Issue Total	(\$214,994)

REDUCTION IN BASE BUDGET- FUNERAL
 AND CEMETERY

31 33B0290

TRUST FUNDS.....

80,000-
 =====

2000

 COL All
 SCH VIIIB-2
 REDUCTIONS
 POS AMOUNT PRIORITY CODES

<u>FINANCIAL SERVICES</u>			43000000
SCHEDULE VIIIB REDUCTIONS -			
OPERATING			33B0000
REDUCTION IN BASE BUDGET- FUNERAL			
AND CEMETERY	31		33B0290

SCH VIIIB-2 NARR 10-11 NOTES:

Issue Title: Reduction in Base Budget - Funeral and Cemetery

Issue Description/Need:

The division lapsed \$84,000 in expense budget at the end of fiscal year 2008-09. This lapse also occurred at the end of fiscal year 2007-08. Due to these facts the division, at the present time, proposes to reduce its expense budget by \$80,000.

Detail of Cost

Expense (040000):

Quantity	Description	Amount
-----	-----	-----
1		(\$80,000)
	Issue Total	(\$80,000)

REDUCE CONTRACTED SERVICES -			
INFORMATION TECHNOLOGY - ORACLE 10G	32		33B0810
TRUST FUNDS.....		150,528-	2000
		=====	

SCH VIIIB-2 NARR 10-11 NOTES:

Issue Title: REDUCE CONTRACTED SERVICES - INFORMATION TECHNOLOGY - ORACLE 10G

Budget Entity: Information Technology

Reference to Long-Range Program Plan: Goal 6 - If Division of Information Systems is unable to support the technical needs of the Department, the Department's ability to protect customer interests inside and outside state government may be compromised.

Issue Title: Reduction of Contracted Services - Oracle 10G

Issue Description/Need: DIS will have completed its Oracle 10 G upgrade by July 1, 2010 and the funds being expended this fiscal year for this work is available for elimination. The impact is that DIS could use the funds for other projects

COL All SCH VIIIB-2 REDUCTIONS			
POS	AMOUNT	PRIORITY	CODES

<u>FINANCIAL SERVICES</u>			43000000
SCHEDULE VIIIB REDUCTIONS -			
OPERATING			33B0000
REDUCE CONTRACTED SERVICES -			
INFORMATION TECHNOLOGY - ORACLE 10G		32	33B0810

and needs. DIS has identified one product, x-Win 32 6.0 Upgrades with maintenance, costing \$150,528 annually is no longer needed.

Detail of Costs:

Contracted Services:

Quantity	Description	Amount

1	Eliminate Oracle 10G Upgrade	(\$150,528)

Issue Total (\$150,528)

BASE BUDGET - REHABILITATION AND LIQUIDATION		33	33B0510
TRUST FUNDS.....	105,889-		2000
	=====		

SCH VIIIB-2 NARR 10-11 NOTES:

Issue Title: BASE BUDGET - REHABILITATION AND LIQUIDATION

Budget Entity: Insurance Company Rehabilitation and Liquidation

Reference to Long-Range Program Plan: Base Budget Reduction; therefore, N/A.

Issue Description: As a result of an economic down-turn, the Division is proposing a 10% budget reduction for the 2010-2011 FY. The proposed reductions are as follows: OPS - \$43,000; Expenses - \$12,889; Contracted Services - \$50,000; for a total base budget reduction of \$105,889.

Ultimate Impact: Reduces the amount of funding available for the employment of OPS employees, reduces travel, and reduces budget authority for audits.

Detail of Costs: (provide the detail on the amount reduced)

Other Personal Services (030000):

Quantity	Description	Amount
----------	-------------	--------

COL All SCH VIIIIB-2 REDUCTIONS			
POS	AMOUNT	PRIORITY	CODES

FINANCIAL SERVICES			43000000
SCHEDULE VIIIIB REDUCTIONS -			
OPERATING			33B0000
BASE BUDGET - REHABILITATION AND			
LIQUIDATION		33	33B0510

-----	-----	-----	
	Reduce Temp. Employees	Total	(\$ 43,000)
Expenses:			
Quantity	Description		Amount
-----	-----		-----
	Reduce Travel	Total	(\$ 12,889)
Contracted Services:			
Quantity	Description		Amount
-----	-----		-----
	Reduce Fees for Guaranty Assoc. Audits	Total	(\$ 50,000)
	Issue Total		(\$105,889)

ELIMINATION OF POSITIONS DUE TO PROCESS CHANGE		34	33B0250
TRUST FUNDS.....	9.00- 394,291- =====		2000

SCH VIIIIB-2 NARR 10-11 NOTES:

Issue Title: Elimination of Positions due to Process Change

Budget Entity: Workers' Compensation

Reference to Long-Range Program Plan: In an effort to continue the execution of statutory mandates and protecting the welfare of the public (Goal 3), the Division has moved to mandatory electronic claim filings via electronic data interchange (EDI) to improve the timely filing of claims and quality of data. This EDI mandate has resulted in a reduction in workforce.

Issue Description: Florida's workers' compensation community will complete the Division's mandate to transition from paper claim form filings to electronic (EDI) claim filings in January 2010. Positions associated with the paper claims

 COL All
 SCH VIIIB-2
 REDUCTIONS
 POS AMOUNT PRIORITY CODES

<u>FINANCIAL SERVICES</u>			43000000
SCHEDULE VIIIB REDUCTIONS -			
OPERATING			33B0000
ELIMINATION OF POSITIONS DUE TO			
PROCESS CHANGE	34		33B0250

process are being phased out as workloads decrease and change.

Ultimate Impact: Position is currently filled and will have an adverse impact on the incumbent. Note: Position Number is to be determined (TBD) based on layoff criteria when final reduction approval is received. The average salary of the incumbents in this classification within the section being reduced was used to determine Salaries and Benefits.

Detail of Costs:

Salaries and Benefits:

Position	Title & Pay Grade	Amount
-----	-----	-----
(9)	Proposed Class Code P101	(\$390,700)

Special Category

HR Outsourcing (107040)

Quantity	Description	Amount
-----	-----	-----
(9)	Standard HR Package \$399	(\$ 3,591)

Issue Total (\$394,291)

REDUCE POSTION - CAPITOL STAFF			
VACANCY		35	33B6260

TRUST FUNDS.....	1.00-	52,196-	2000
	=====		

SCH VIIIB-2 NARR 10-11 NOTES:

Issue Title: Reduce Position - Capitol Staff Vacancy

Budget Entity: Executive Direction and Support Services

This proposal reduces one vacant position in the Executive Direction and Support Services budget entity that is located in the Capitol. The reduction of this position will have a minimum impact as duties can be absorbed by current staff as needed.

 COL All
 SCH VIIIIB-2
 REDUCTIONS
 POS AMOUNT PRIORITY CODES

FINANCIAL SERVICES 43000000
 SCHEDULE VIIIIB REDUCTIONS -
 OPERATING 33B0000
 REDUCE POSTION - CAPITOL STAFF
 VACANCY 35 33B6260

Detail of Costs:

Salaries and Benefits:

Quantity	Description	Amount
-----	-----	-----
(1)	Proposed Class Code P101	(\$51,797)

HR Outsourcing (107040):

Quantity	Description	Amount
-----	-----	-----
	HR Package	(\$ 399)

Issue Total (\$52,196)

ELIMINATE THE DIVISION OF INSURANCE
 FRAUD REWARD PROGRAM 36 33B0210

TRUST FUNDS..... 100,000- 2000
 =====

SCH VIIIIB-2 NARR 10-11 NOTES:

Issue Title: Eliminate the Division of Insurance Fraud Reward Program

Budget Entity: Insurance Fraud

Reference to Long-Range Program Plan: Goal 3 - In the execution of its constitutional and statutory mandates, the department will protect the health, safety and welfare of the public.

Issue Description: The Division of Insurance Fraud Reward Program encourages Floridians to report insurance fraud and has proven to be a successful tool in prosecuting fraud cases that might otherwise not have been detected; as well as encouraging individuals who may otherwise have participated in fraud but instead reported it to the department for the reward. It is estimated that this program has saved the industry hundreds of thousands of dollars each year.

Ultimate Impact: Eliminating the Insurance Fraud Program would have a minimal impact on the Division of Insurance Fraud as fraud reward program funds have reverted over the past several years. This would eliminate a public relations tool that educates and encourages citizens to report insurance fraud across the state.

 COL All
 SCH VIIIIB-2
 REDUCTIONS
 POS AMOUNT PRIORITY CODES

FINANCIAL SERVICES 43000000
 SCHEDULE VIIIIB REDUCTIONS -
 OPERATING 33B0000
 ELIMINATE THE DIVISION OF INSURANCE
 FRAUD REWARD PROGRAM 36 33B0210

Detail of Costs:

The Division of Insurance Fraud Reward Program:

Quantity	Description	Amount
-----	-----	-----
	Eliminate Appropriation	(\$100,000)
		=====
	Issue Total	(\$100,000)
		=====

REDUCE THE SIZE OF THE FIRE MARSHAL
 FIELD OFFICES 37 33B2010
 TRUST FUNDS..... 30,521- 2000
 =====

SCH VIIIIB-2 NARR 10-11 NOTES:

Issue Title: REDUCE THE SIZE OF THE FIRE MARSHAL FIELD OFFICES

Budget Entity: Fire and Arson

Reference to Long-Range Program Plan: Goal 3, Enforcement, in the execution of its constitutional and statutory mandates, the department will protect the health, safety and welfare of the public.

Issue Title: Size Reduction of Field Offices

Issue Description/Need: This issue will require the reducing of office space for six Bureau of Fire and Arson Investigations Field Offices. These offices are located in Fort Walton Beach, Tallahassee, Panama City, West Palm Beach, Daytona Beach and Lake Wales. Space will be reduced to one supervisory office, one administrative assistant office, one CIA office (in Tallahassee only), an evidence room, a supply and equipment room, a file room and a common area (squad room) for the Detectives.

Ultimate Outcome:

Detail of Costs:

 COL All
 SCH VIIIIB-2
 REDUCTIONS
 POS AMOUNT PRIORITY CODES

FINANCIAL SERVICES 43000000
 SCHEDULE VIIIIB REDUCTIONS -
 OPERATING 33B0000
 REDUCE THE SIZE OF THE FIRE MARSHAL
 FIELD OFFICES 37 33B2010

Expenses (040000)
 Quantity Description Amount

 Rental of Office Space (\$30,521)

Issue Total (\$30,521)

RENT REDUCTION IN FIRE MARSHAL
 REGIONAL OFFICES 38 33B2030

TRUST FUNDS..... 41,953- 2000
 =====

SCH VIIIIB-2 NARR 10-11 NOTES:

Issue Title: RENT REDUCTION IN FIRE MARSHAL REGIONAL OFFICES

Budget Entity: Compliance and Enforcement

Reference to Long-Range Program Plan: Goal 4 - Fire Safety

Issue Description: Fire Protection Specialists and Deputy Boiler Inspectors will work from their home office, high cost office space in Region offices (Ft. Walton Beach, Jacksonville, Tampa, West Palm Beach) will be reduced to (1) office for FPS supervisors and (1) office for administrative staff, (1) group office for employees to use when they need to come into the office.

Ultimate Impact:

Detail of Costs:

Expenses:
 Quantity Description Amount

 Rent (\$41,953)

 COL All
 SCH VIIIB-2
 REDUCTIONS
 POS AMOUNT PRIORITY CODES

FINANCIAL SERVICES 43000000
 SCHEDULE VIIIB REDUCTIONS -
 OPERATING 33B0000
 RENT REDUCTION IN FIRE MARSHAL
 REGIONAL OFFICES 38 33B2030

Issue Total (\$41,953)

REDUCE THE SIZE OF THE REGIONAL
 OFFICES IN FIRE MARSHAL 39 33B2020
 TRUST FUNDS..... 37,452- 2000
 =====

SCH VIIIB-2 NARR 10-11 NOTES:

Issue Title: REDUCE THE SIZE OF THE REGIONAL OFFICES IN FIRE MARSHAL

Budget Entity: Compliance and Enforcement

Reference to Long-Range Program Plan: Goal 3, Enforcement, in the execution of its constitutional and statutory mandates, the department will protect the health, safety and welfare of the public.

Issue Description/Need:

Proposed estimated reduction in cost to reduce the space in the South West Regional Service Office, the South East Regional Service Office and reduce the size of the Cleaning Service contract for South West Regional Office. Fire Protection Specialists (FPS) will work from a work center rather than individual offices. The high cost office space in current offices will be reduced to (1) group office for all assigned FPS to use when they need to work from the office.

Detail of Costs:

Expenses		
Quantity	Description	Amount
-----	-----	-----
	Rental of Office Space	(\$22,452)
Contracted Services (100777)		
Quantity	Description	Amount
-----	-----	-----
	Office Cleaning	(\$15,000)

Issue Total (\$37,452)

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                                COL All
                                SCH VIIIIB-2
                                REDUCTIONS
                                POS      AMOUNT      PRIORITY      CODES
                                -----
FINANCIAL SERVICES                                     43000000
SCHEDULE VIIIIB REDUCTIONS -
OPERATING                                             33B0000
REDUCTION OF POSITIONS IN THE
PUBLIC RECORDS OFFICE                                40          33B6310
TRUST FUNDS..... 2.00-                               59,780-       2000
=====
*****
  
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SCH VIIIIB-2 NARR 10-11 NOTES:

Issue Title: Reduction of Positions in the Public Records Office

Budget Entity: Executive Direction and Support Services

Issue Description:

This issue proposes a reduction of 2 FTEs and associated budget from the Department's Public Records Office. This office provides public records support, coordination and monitoring to the Department and the Office of Insurance Regulation (OIR). These 2 FTEs are proposed for reduction due to process improvements that were implemented July 1, 2009. Prior to this date, the Department operated a hybrid approach to coordinating the response to Public Record Requests. Several of the Divisions handled the fulfillment of their public record requests without involving the Public Records Office. Other Divisions and OIR exclusively used the Public Records Office to coordinate the fulfillment of Public Record Requests and the invoicing to the customer. A new approach was implemented that provided for most all Public Record Requests, with the exception of those for the Division of Administration, OIR and those requests that cross more than one Division, to be coordinated exclusively by the Divisions. An important component of this new approach was the utilization of one centralized database for use by all Divisions to record and monitor the fulfillment of Public Records Requests. The Public Records Office must still handle the Public Records Requests received for the Division of Administration, OIR and also the requests that cross more than one Division. Further, this office has been established as the process owner, with responsibilities of providing guidance, measuring performance and training.

Impact:

This reduction will have a minimal impact on the operations of the Public Records Office; however, it was anticipated that these positions would shift to another area of the Division of Administration where heavy workload necessitate additional staff. These positions are currently filled.

Detail of Costs:

Salaries and Benefits:

Position	Title & Pay Grade	Amount
(2)	Proposed Class Code	(\$ 58,982)

Special Category

HR Outsourcing (107040):

Quantity	Description	Amount
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 COL All
 SCH VIIIB-2
 REDUCTIONS
 POS AMOUNT PRIORITY CODES

FINANCIAL SERVICES 43000000
 SCHEDULE VIIIB REDUCTIONS -
 OPERATING 33B0000
 REDUCTION OF POSITIONS IN THE
 PUBLIC RECORDS OFFICE 40 33B6310

 (2) Standard Packages at \$399 (\$ 798)
 Issue Total (\$ 59,780)

REDUCE ONE ADMINISTRATIVE SECRETARY
 IN FRAUD 41 33B0220
 TRUST FUNDS..... 1.00- 35,706- 2000
 =====

SCH VIIIB-2 NARR 10-11 NOTES:

Issue Title: Reduce One Administrative Secretary in Fraud

Budget Entity: Insurance Fraud

Reference to Long-Range Program Plan: Goal 3 - In the execution of its constitutional and statutory mandates, the department will protect the health, safety and welfare of the public.

Issue Description: The Administrative Secretary in the Division of Insurance Fraud provides day to day administrative support to the Division field offices throughout the state. They serve as the office manager by maintaining calendars for supervisors, scheduling appointments and conferences, maintaining files and records, making travel arrangements for supervisors and detectives, ordering office supplies, acting as office receptionist, handling routine correspondence, and other support related duties. They assist in preparing monthly reports such as vehicle logs and purchasing reconciliation. The Administrative Secretary must work closely with Headquarters staff in following rules and guidelines for purchasing and office operations.

Ultimate Impact: Reducing one Administrative Secretary in an office would have a moderate impact on the day to day operation of the field office by leaving the office without enough support for the number of supervisors and detectives or leave the office without support staff entirely. Division field offices need support staff to have an employee in each office during the core operating hours to answer phones and respond to customers who come to the office.

Detail of Costs:

Salaries and Benefits:

Position	Title & Pay Grade	Amount
-----	-----	-----
(1)	Proposed Class Code	(\$35,307)

 COL All
 SCH VIIIB-2
 REDUCTIONS
 POS AMOUNT PRIORITY CODES

FINANCIAL SERVICES 43000000
 SCHEDULE VIIIB REDUCTIONS -
 OPERATING 33B0000
 REDUCE ONE ADMINISTRATIVE SECRETARY
 IN FRAUD 41 33B0220

Total (\$35,307)
 =====

Human Resources Services:
 Quantity Description Amount

 (1) Human Resources Services (\$399) (\$ 399)

Total (\$ 399)
 =====

Issue Total (\$35,706)
 =====

REDUCE ONE WORD PROCESSING SYSTEMS
 OPERATOR IN FRAUD 42 33B0230
 TRUST FUNDS..... 1.00- 33,673- 2000
 =====

SCH VIIIB-2 NARR 10-11 NOTES:

Issue Title: Reduce One Word Processing Systems Operator in Fraud

Budget Entity: Insurance Fraud

Reference to Long-Range Program Plan: Goal 3 - In the execution of its constitutional and statutory mandates, the department will protect the health, safety and welfare of the public.

Issue Description: The Word Processing Systems Operators in the Division of Insurance Fraud provide data entry support to the Crime Intelligence Analysts (CIA's) and Law Enforcement Investigators in the Division field offices throughout the state. They assist with entering tips into the database for tracking. They type draft and final reports, memoranda, interviews and other documents of a legal nature. They maintain law enforcement investigative files for the office.

Ultimate Impact: Reducing one Word Processing Systems Operator in an office will have a moderate impact on the day to day operation of the field office by leaving the office without enough support for the number of supervisors, detectives,

COL All SCH VIIIB-2 REDUCTIONS			
POS	AMOUNT	PRIORITY	CODES

<u>FINANCIAL SERVICES</u>			43000000
SCHEDULE VIIIB REDUCTIONS -			
OPERATING			33B0000
REDUCE ONE WORD PROCESSING SYSTEMS			
OPERATOR IN FRAUD		42	33B0230

and CIA's. Without the support of the Word Processing Systems Operator in the Division field offices there would be additional workload on the CIA staff to complete the tasks such as data entry and records management in a timely manner along with their regular work.

Detail of Costs:

Salaries and Benefits:

Position	Title & Pay Grade	Amount
-----		-----
(1)	Proposed Class Code	(\$33,274)

Total		(\$33,274)
		=====

Human Resources Services:

Quantity	Description	Amount
-----		-----
(1)	Human Resources Services (\$399)	(\$ 399)

Total		(\$ 399)
		=====

Issue Total

(\$33,673)
=====

REDUCE VEHICLE PURCHASE FUNDS FOR FIRE AND ARSON		43	33B2060
---	--	----	---------

TRUST FUNDS.....	50,000-		2000
	=====		

SCH VIIIB-2 NARR 10-11 NOTES:

Issue Title: REDUCE VEHICLE PURCHASE FUNDS FOR FIRE AND ARSON

Reference to Long-Range Program Plan: Goal 3 - Enforcement

 COL All
 SCH VIIIB-2
 REDUCTIONS
 POS AMOUNT PRIORITY CODES

<u>FINANCIAL SERVICES</u>			43000000
SCHEDULE VIIIB REDUCTIONS -			
OPERATING			33B0000
REDUCE VEHICLE PURCHASE FUNDS FOR			
FIRE AND ARSON	43		33B2060

Issue Description: Vehicles are required by law enforcement members to respond to crime scenes and manmade or natural disasters. Additionally, vehicles transport tools and equipment required by law enforcement members to perform their duties. Reduced vehicle replacement funds will require high mileage vehicles to remain in service. Increased length of time for usage of high mileage vehicles will increase maintenance costs and reduce vehicle fuel efficiency.

Ultimate Impact: Reduced vehicle replacement funds will require high mileage vehicles to remain in service. Increased length of time for usage of high mileage vehicles will increase maintenance costs and reduce vehicle fuel efficiency.

Detail of Costs:

Special Category
 Acquisition of Motor Vehicles (100021):

Quantity	Description	Amount
-----	-----	-----
1	Reduce Vehicle Acquisition	(\$50,000)

Issue Total (\$50,000)

REDUCTION OF OTHER PERSONAL SERVICES FOR THE FIRE COLLEGE	44	33B2160
---	----	---------

TRUST FUNDS.....	50,000-	2000
	=====	

SCH VIIIB-2 NARR 10-11 NOTES:

Issue Title: REDUCTION OF OTHER PERSONAL SERVICES FOR THE FIRE COLLEGE

Reference to Long-Range Program Plan:

Issue Description/Need: Reduction of Other Personal Services funds at the Fire College used to hire part time instructors for various classes. This would restrict the number of courses offered to the fire community.

Ultimate Outcome: This would restrict the number of courses offered to the fire community.

 COL All
 SCH VIIIB-2
 REDUCTIONS
 POS AMOUNT PRIORITY CODES

FINANCIAL SERVICES 43000000
 SCHEDULE VIIIB REDUCTIONS -
 OPERATING 33B0000
 REDUCTION OF OTHER PERSONAL
 SERVICES FOR THE FIRE COLLEGE 44 33B2160

Detail of Costs:

Other Personal Services (030000) :
 Quantity Description Amount

 Reduction of OPS (\$50,000)

Issue Total (\$50,000)

REDUCE ADMINISTRATIVE SECRETARY
 (HALF) IN FIRE MARSHAL COMPLIANCE
 AND ENFORCEMENT 45 33B2040
 TRUST FUNDS..... .50- 18,050- 2000
 =====

SCH VIIIB-2 NARR 10-11 NOTES:

Issue Title: REDUCE ADMINISTRATIVE SECRETARY (HALF) IN FIRE MARSHAL COMPLIANCE AND ENFORCEMENT

Reference to Long-Range Program Plan: Goal 4 - Fire Safety

Issue Description/Need: Reduce one half FTE, Administrative Secretary, from a Regional Office. This position serves clerical functions in the day to day duties.

Ultimate Outcome: Administrative duties will be distributed among other staff.

Detail of Costs:

Salaries and Benefits:

Position Title & Pay Grade Amount

 (0.5) Proposed Class Code (P101) (\$17,651)

Special Category:

Quantity Description Amount

 COL All
 SCH VIIIB-2
 REDUCTIONS
 POS AMOUNT PRIORITY CODES

FINANCIAL SERVICES 43000000
 SCHEDULE VIIIB REDUCTIONS -
 OPERATING 33B0000
 REDUCE ADMINISTRATIVE SECRETARY
 (HALF) IN FIRE MARSHAL COMPLIANCE
 AND ENFORCEMENT 45 33B2040

Standard Package for HR \$399 (\$ 399)

(0.5) Issue Total (\$18,050)

ELIMINATE AN EXECUTIVE SECRETARY IN
 THE FIRE MARSHAL PROGRAM 46 33B2070

TRUST FUNDS..... 1.00- 40,692-
 =====

SCH VIIIB-2 NARR 10-11 NOTES:

Issue Title: ELIMINATE AN EXECUTIVE SECRETARY IN THE FIRE MARSHAL PROGRAM

Budget Entity: Fire Marshal Executive Direction and Support Services

Reference to Long-Range Program Plan: Goal 3 - Enforcement

Issue Description/Need: Reduce one Executive Secretary FTE from Administration and Support.

Ultimate Impact: Administrative duties will be absorbed by other administrative staff in Fire Marshal Executive Direction and Support Services.

Detail of Costs:

Salaries and Benefits:

Position	Title & Pay Grade	Amount
(1)	Proposed Class Code (P101)	(\$40,293)

Special Category:

HR Outsourcing (107040)

Quantity	Description	Amount
(1)	Standard HR Package at \$399	(\$ 399)

COL All SCH VIIIB-2 REDUCTIONS				
FINANCIAL SERVICES	POS	AMOUNT	PRIORITY	CODES

				43000000
SCHEDULE VIIIB REDUCTIONS -				
OPERATING				33B0000
ELIMINATE AN EXECUTIVE SECRETARY IN				
THE FIRE MARSHAL PROGRAM			46	33B2070
Issue Total		(\$40,692)		

ELIMINATE ISSUING HARD COPY				
LICENSES TO INSURANCE AGENTS			47	33B2170
TRUST FUNDS.....		420,000-		2000
		=====		

SCH VIIIB-2 NARR 10-11 NOTES:

Issue Title: ELIMINATE ISSUING HARD COPY LICENSES TO INSURANCE AGENTS

Budget Entity: Licensure, Sales Appointment and Oversight

Reference to Long-Range Program Plan: Goal 3. In the execution of its constitutional and statutory mandates, the department will protect the health, safety and welfare of the public.

Issue Description: The Division of Agent and Agency Services can eliminate the issuance of hard copy licenses to insurance representatives through a vendor and issue license identifications electronically. Licensees would then print the license identification themselves. Note: Bail bond agents will not be affected by this change.

Currently, the division pays \$7 to a vendor for a license to be issued to a licensee. The licensee pays only \$5. The \$5 fee would still be collected. The downside would be a potential for fraudulent activity by the licensee by modifying the license. Additionally, license identifications no longer would carry a photograph of the licensee. Initially, there may be a workload increase due to this being a new process. The division's computer systems would have to be programmed to accommodate this change and Rule Chapter 69B-211.011 and 69B-211.012, Florida Administrative Code (FAC) would have to be revised.

The process would be: After an applicant submits an application for a new license, or a licensee submits an application for a duplicate license, the department would either approve or disapprove the application. If the application is approved, the department would send an e-mail to the licensee with a secure link to a webpage where the licensee would print his or her license identification. Twenty-three state insurance departments have already made such a change. (Alabama, Arizona, California, Colorado, Delaware, Idaho, Indiana, Iowa, Kansas, Louisiana, Maryland, Minnesota, New Jersey, Nevada, Oregon, Pennsylvania, South Carolina, South Dakota, Utah, Vermont, Washington, West Virginia and Wisconsin)

Ultimate Impact: If this change is made, the department will not provide insurance representatives with a photograph identification card as it has in the past. However, the department will save approximately \$420,000 in Contract Services costs by making this change. In addition, a licensee would not be required to physically go to a location to have their

COL All			
SCH VIIIIB-2			
REDUCTIONS			
POS	AMOUNT	PRIORITY	CODES

FINANCIAL SERVICES			43000000
SCHEDULE VIIIIB REDUCTIONS -			
OPERATING			33B0000
ELIMINATE ISSUING HARD COPY			
LICENSES TO INSURANCE AGENTS		47	33B2170

license identification issued. Instead, they would print their license identification from a home or business computer.

Detail of Costs:

Contracted Services (100777):

Quantity	Description	Amount
-----	-----	-----
60,000	License Identifications Issued	(\$420,000)
	Issue Total	(\$420,000)

REDUCTION IN STAFF DUE TO ORGANIZATIONAL STRUCTURE CHANGE		48	33B0300
TRUST FUNDS.....	1.00- 100,000- =====		2000

SCH VIIIIB-2 NARR 10-11 NOTES:

Issue Title: Reduction in Staff Due to Organizational Structure Change

Division of Funeral and Cemetery Services

Issue Description/Need:

Current:

This budget entity is currently set-up as a division led by a Division Director and Assistant Division Director. They are a revenue producing division that regulates the funeral industry through licensing and investigations. The division is made up of 24 employees, most located in field offices throughout the state or telecommuting due to lack of office space. Funding for this division has historically been difficult due to lack of revenue.

Proposed:

A proposal is being made to convert this division back into a bureau. It was originally a bureau in the Department of Banking and Finance but was changed to a division after the Department of Banking and Finance and the Department of Insurance merged. The proposal for budget reduction incorporates the transfer of this group under the Division of Agent

 COL All
 SCH VIIIB-2
 REDUCTIONS
 POS AMOUNT PRIORITY CODES

<u>FINANCIAL SERVICES</u>			43000000
SCHEDULE VIIIB REDUCTIONS -			
OPERATING			33B0000
REDUCTION IN STAFF DUE TO			
ORGANIZATIONAL STRUCTURE CHANGE		48	33B0300

& Agency Services and includes the elimination of the Assistant Division Director position. Moving the Tallahassee office into space currently occupied by the Division of Agent & Agency Services would further reduce expenses by utilizing existing space and eliminating a rent payment. An initial assessment does not indicate a significant decrease in customer service or work product.

Special Note:

It should be noted that the Division of Funeral, Cemetery and Consumer Services is structured and enforced by Chapter 497 of the Florida Statutes. A revision of this statute would need to be submitted and approved by the legislature before any structural changes could be made.

Detail of Cost

Salaries and Benefits (010000):

Position	Title & Pay Grade	Amount
-----	-----	-----
(1)	Class Code P101	(\$72,645)

Expenses (040000)

Quantity	Description	Amount
-----	-----	-----
1	Rent	(\$26,956)

Special Category

HR Outsourcing (107040):

Quantity	Description	Amount
-----	-----	-----
(1)	HR Package at \$399	(\$ 399)

Issue Total (\$100,000)

REDUCE CONTRACTED SERVICES -			
INFORMATION TECHNOLOGY BASE BUDGET		49	33B0800
TRUST FUNDS.....	485,966-		2000
	=====		

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                                COL All
                                SCH VIIIB-2
                                REDUCTIONS
                                POS      AMOUNT      PRIORITY      CODES
                                -----
FINANCIAL SERVICES                                     43000000
SCHEDULE VIIIB REDUCTIONS -
OPERATING                                             33B0000
REDUCE CONTRACTED SERVICES -
INFORMATION TECHNOLOGY BASE BUDGET                   49          33B0800
*****
  
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SCH VIIIB-2 NARR 10-11 NOTES:

Issue Title: REDUCE CONTRACTED SERVICES - INFORMATION TECHNOLOGY BASE BUDGET

Budget Entity: Information Technology

Reference to Long-Range Program Plan: Goal 6 - If Division of Information Systems is unable to support the technical needs of the Department, the Department's ability to protect customer interests inside and outside state government may be compromised.

Issue Title: Reduction of Contracted Services Base Budget

Issue Description/Need: In order to reach the 10% target, DIS has identified \$485,966 in the contracted services budget. A reduction to DIS' contracted services budget will reduce the level and quality of service provided to customers throughout the Department. With a reduction of maintenance and support the possibility and length of system downtime will increase. Also, with this reduction DIS will lose the ability to perform 5% transfers to cover projected deficits in salary dollars.

Detail of Costs:

Contracted Services:

Quantity	Description	Amount
1	Reduction contract services	(\$485,966)

Issue Total (\$485,966)

REDUCTION OF POSITIONS IN BUREAU OF
 FINANCIAL AND SUPPORT SERVICES

50

33B6270

TRUST FUNDS.....

3.00-
 109,630-
 =====

2000

SCH VIIIB-2 NARR 10-11 NOTES:

Issue Title: Reduction of Positions in Bureau of Financial and Support Services

COL All SCH VIIIB-2 REDUCTIONS			
POS	AMOUNT	PRIORITY	CODES

<u>FINANCIAL SERVICES</u>			43000000
SCHEDULE VIIIB REDUCTIONS -			
OPERATING			33B0000
REDUCTION OF POSITIONS IN BUREAU OF			
FINANCIAL AND SUPPORT SERVICES		50	33B6270

Budget Entity: Executive Direction and Support Services

Issue Description:

This issue proposes a reduction of 3 Full Time Equivalents and associated budget from the Bureau of Financial and Support Services. This bureau provides receipts, disbursements and accounting services to the Department, Office of Financial Regulation (OFR) and Office of Insurance Regulation (OIR).

Impact:

These reductions will have a moderate impact in the accounting services provided to the Department, OFR and OIR. These positions are currently vacant but, if not filled or if eliminated, the timely deposit of revenues received by the Department, OFR and OIR and payments made to vendors may be impacted. The Department is currently working on a project to streamline its remittance processes, migrate to one receipting system and to promote more electronic receipts. One to two of these FTEs proposed for reduction may be needed to implement actions coming from this project

Detail of Costs:

Salaries and Benefits:

Position	Title & Pay Grade	Amount
-----		-----
(3)	Proposed Class Code	(\$108,833)

Special Category

HR Outsourcing (107040):

Quantity	Description	Amount
-----		-----
(3)	Standard Packages at \$399	(\$ 1,197)

Issue Total (\$109,630)

REDUCTION OF POSITIONS IN BUREAU OF			
GENERAL SUPPORT		51	33B6280
TRUST FUNDS.....	1.00-		
	34,080-		2000
	=====		

 COL All
 SCH VIIIB-2
 REDUCTIONS
 POS AMOUNT PRIORITY CODES

<u>FINANCIAL SERVICES</u>			43000000
SCHEDULE VIIIB REDUCTIONS -			
OPERATING			33B0000
REDUCTION OF POSITIONS IN BUREAU OF			
GENERAL SUPPORT		51	33B6280

SCH VIIIB-2 NARR 10-11 NOTES:

Issue Title: Reduction of Positions in Bureau of General Services

Budget Entity: Executive Direction and Support Services

Issue Description:

This issue proposes a reduction of 1 Full Time Equivalent and associated budget from the Bureau of General Services. This bureau provides the following support services to the Department, Office of Financial Regulation (OFR) and Office of Insurance Regulation (OIR): property, facilities, asset tracking, mail, printing, fleet management, records management, purchasing, contract management, emergency management and loss prevention.

Impact:

This reduction will have a moderate impact on the provision of General Services, specifically in the areas of property, facility and emergency management, to the Department, OFR and OIR. The reduction of this FTE will impact the ability to provide timely responses to customer employee and facility needs (emergency assistance, security checks, modular office reconfigurations, employee relocations, repairs of DFS owned assets).

Detail of Costs:

Salaries and Benefits:

Position	Title & Pay Grade	Amount
-----	-----	-----
(1)	Proposed Class Code	(\$33,681)

Special Category

HR Outsourcing (107040):

Quantity	Description	Amount
-----	-----	-----
(1)	Standard Packages at \$399	(\$ 399)

Issue Total (\$34,080)

ELIMINATION OF POSITIONS IN THE
 SPECIAL DISABILITY PROGRAM

52 33B0260

TRUST FUNDS..... 2.00- 73,821-
 =====

 COL All
 SCH VIIIB-2
 REDUCTIONS
 POS AMOUNT PRIORITY CODES

<u>FINANCIAL SERVICES</u>			43000000
SCHEDULE VIIIB REDUCTIONS -			
OPERATING			33B0000
ELIMINATION OF POSITIONS IN THE			
SPECIAL DISABILITY PROGRAM	52		33B0260

SCH VIIIB-2 NARR 10-11 NOTES:

Issue Title: Elimination of Positions in the Special Disability Program

Budget Entity: Workers' Compensation

Reference to Long-Range Program Plan: In an effort to continue the execution of statutory mandates (Goal 3), the Special Disability Trust Fund (SDTF) claims continue to decline resulting in an anticipated reduction in workforce.

Issue Description: Eliminate two positions in the Office of Special Disability Trust Fund (SDTF). The SDTF has been prospectively abolished and is in run-off. The number of new SDTF claims has dramatically declined.

Ultimate Impact: One position is currently filled and will have an adverse impact on the incumbent.

Detail of Costs:

Salaries and Benefits (010000):

Position	Title & Pay Grade	Amount
-----	-----	-----
(2)	Class Code P101	(\$73,023)

Special Category

HR Outsourcing (107040):

Quantity	Description	Amount
-----	-----	-----
(2)	HR Package at \$399	(\$ 798)
	Issue Total	(\$73,821)

REDUCTION OF FILLED POSITIONS IN THE PUBLICATIONS OFFICE		53	33B6330
TRUST FUNDS.....	3.00-		
	121,421-		2000
	=====		

SCH VIIIB-2 NARR 10-11 NOTES:

Issue Title: Reduction of Filled Positions in the Publications Office

COL All			
SCH VIIIB-2			
REDUCTIONS			
POS	AMOUNT	PRIORITY	CODES

<u>FINANCIAL SERVICES</u>			43000000
SCHEDULE VIIIB REDUCTIONS -			
OPERATING			33B0000
REDUCTION OF FILLED POSITIONS IN			
THE PUBLICATIONS OFFICE		53	33B6330

Budget Entity: Executive Direction and Support Services

Issue Description:

This issue proposes a reduction of 3 filled FTEs and associated budget from the Department's Publications Office. This Office provides publication, photography and video, audio, display design and other multi-media services for the Department, Office of Financial Regulation (OFR) and Office of Insurance Regulation (OIR).

Impact:

This reduction will have a moderate impact on the operations of the Publications Office. It will necessitate scaling back or eliminating some of the publication services currently provided to the Department, Office of Financial Regulation (OFR) and Office of Insurance Regulation (OIR). This reduction will impact the timely completion of publications developed to communicate important initiatives of the Department, OFR and OIR.

Detail of Costs:

Salaries and Benefits:

Position	Title & Pay Grade	Amount
-----	-----	-----
(3)	Proposed Class Code	(\$120,224)

Special Category

HR Outsourcing (107040):

Quantity	Description	Amount
-----	-----	-----
(2)	Standard Packages at \$399	(\$ 1,197)

Issue Total (\$121,421)

REDUCTION OF PRINT SHOP SERVICES		54	33B6290
	4.00-		
TRUST FUNDS.....	138,460-		2000
	=====		

SCH VIIIB-2 NARR 10-11 NOTES:

Issue Title: Reduction of Print Shop Services

COL All			
SCH VIIIB-2			
REDUCTIONS			
POS	AMOUNT	PRIORITY	CODES

<u>FINANCIAL SERVICES</u>			43000000
SCHEDULE VIIIB REDUCTIONS -			
OPERATING			33B0000
REDUCTION OF PRINT SHOP SERVICES		54	33B6290

Budget Entity: Executive Direction and Support Services

Issue Description:

This issue proposes the reduction of 4 FTEs and associated budget as well as expense budget for equipment leases from the Bureau of General Services' Print Shop. Currently, the Print Shop provides printing services for the Department, OFR and OIR. This includes producing bulk black and white copies, color copies and printing envelopes, brochures, business cards, letterhead and booklets. Other services include folding/inserting, bindery, trimming, drilling, collating and tabbing. The Print Shop employs 6 FTEs. The costs of the services provided to the Divisions, with the exception of the Salaries and Benefits of the 6 FTEs, are charged back to the Divisions who utilize the services of the Print Shop. This proposal eliminates 4 FTEs and the remaining 2 FTEs will assist the Department in procuring print services from outside vendors.

Impact: The reduction of printing services will necessitate the outsourcing of these services which will result in additional costs to the Department, OFR and OIR unless mail-outs are significantly reduced by all areas. Outsourcing will eliminate the ability to control high security mail-outs such as daily warrants, W-2's, W-9's and other personal/confidential mailings. This will also eliminate total control of setting priorities for each of the print jobs. The Department will have to factor in procurement time for printing services needed and if special assignments or critical printing is required or needs to be expedited, the print job may result in the payment of a higher price to obtain special handling. Further, reductions of this nature will impact potential efficiency opportunities of moving some of the major administrative tasks from the Divisions (e.g. high volume daily mail-outs, folding/inserting jobs, additional print jobs due to copier consolidations, etc.) to the Print Shop.

Detail of Costs:

Salaries and Benefits:

Position	Title & Pay Grade	Amount
-----	-----	-----
(4)	Proposed Class Code	(\$136,864)

Special Category

HR Outsourcing (107040):

Quantity	Description	Amount
-----	-----	-----
(4)	Standard Packages at \$399	(\$ 1,596)

Issue Total (\$138,460)

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-----
                                COL All
                                SCH VIIIIB-2
                                REDUCTIONS
                                POS      AMOUNT      PRIORITY      CODES
                                -----
FINANCIAL SERVICES                                     43000000
SCHEDULE VIIIIB REDUCTIONS -
OPERATING                                             33B0000
ELIMINATION OF OUTREACH
COORDINATORS                                           33B0440
                                12.00-
TRUST FUNDS.....                                649,855-      2000
                                =====
*****
  
```

SCH VIIIIB-2 NARR 10-11 NOTES:

Issue Title: Elimination of Outreach Coordinators

Issue Description/Need:

This issue proposes to eliminate the Outreach Coordinators and 10 positions. This is a significant reduction to the services provided by this division.

Detail of Costs:

Salaries and Benefits (010000):

Position	Title & Pay Grade	Amount
(12)	Proposed Class Code P101	(\$645,067)

Special Category

Human Resource Services (107040):

Quantity	Description	Amount
(12)	HR Packages at \$399	(\$ 4,788)

Issue Total (\$649,855)

```

REDUCTION OF POSITIONS IN RECOVERY
AND RETURN OF UNCLAIMED PROPERTY                                56      33B6210
                                5.00-
TRUST FUNDS.....                                279,352-      2000
                                =====
*****
  
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SCH VIIIIB-2 NARR 10-11 NOTES:

Issue Title: Reduction of Positions in Recovery and Return of Unclaimed Property

COL All			
SCH VIIIB-2			
REDUCTIONS			
POS	AMOUNT	PRIORITY	CODES

<u>FINANCIAL SERVICES</u>			43000000
SCHEDULE VIIIB REDUCTIONS -			
OPERATING			33B0000
REDUCTION OF POSITIONS IN RECOVERY			
AND RETURN OF UNCLAIMED PROPERTY		56	33B6210

Budget Entity: Recovery and Return of Unclaimed Property

Reference to Long-Range Program Plan:

Financial Accountability - The Department will be a vigilant steward of the State's and its people's resources.

Issue Description:

This issue would require the elimination of positions within the Unclaimed Property Trust Fund for the Division. These staff members are responsible for carrying out the CFO's constitutional and statutory duties.

Ultimate Impact:

This reduction would have a significant impact on the Division. Specifically, this issue requires a reduction of 5 FTEs, which would negatively impact the following functions:

- 1) Audits of unclaimed property holders and eliminate holder outreach/education efforts, activities which generated revenue averaging \$2.4 million during each of the last three years.
- 2) Ability to process the remittance of reports and assets from unclaimed property holders
- 3) Ability to process claims in a timely manner

Detail of Costs:

Salaries and Benefits:

Position	Title & Pay Grade	Amount
-----	-----	-----
(5)	Proposed Class Code (P101)	
	Total	(\$277,357)

Special Category:

HR Outsourcing (107040):

Quantity	Description	Amount
-----	-----	-----
(5)	Standard HR Package at \$399 per position	(\$ 1,995)

Issue Total (\$279,352)

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                                COL All
                                SCH VIIIB-2
                                REDUCTIONS
                                POS      AMOUNT          PRIORITY          CODES
                                -----
FINANCIAL SERVICES                                     43000000
SCHEDULE VIIIB REDUCTIONS -
OPERATING                                             33B0000
REDUCE CONTRACTED SERVICES -
INFORMATION TECHNOLOGY - SYSTEM
DEVELOPMENT AND MAINTENANCE FUNDING                 57          33B0820

TRUST FUNDS.....                                272,987-          2000
                                                =====
*****
  
```

SCH VIIIB-2 NARR 10-11 NOTES:

Issue Title: REDUCE CONTRACTED SERVICES - INFORMATION TECHNOLOGY - SYSTEM DEVELOPMENT AND MAINTENANCE FUNDING

Budget Entity: Information Technology

Reference to Long-Range Program Plan: Goal 6 - If Division of Information Systems is unable to support the technical needs of the Department, the Department's ability to protect customer interests inside and outside state government may be compromised.

Issue Title: Reduction of Contracted Services

Issue Description/Need: In order to reach its 10% target, DIS has identified \$272,987 in the contracted services budget. A reduction to DIS' contracted services budget restricts the ability to engage in any new or continued development measurements such as high level support for Cash Office Deposit Application (CODA), Unclaimed Property Management Information System (UPMIS) and Employee Information Center (EIC). Additionally, the Division would have to eliminate the contract that provides service calls for desktop and network issues. These applications and services are necessary for the Department to engage in activities to perform duties to protect customer interests inside and outside state government. Without the high level support provided by consultants, these activities may be compromised.

Detail of Costs:

Contracted Services:

Quantity	Description	Amount
-----	-----	-----
1	Reduction contract services	(\$272,987)

Issue Total (\$272,987)

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-----
                                COL All
                                SCH VIIIB-2
                                REDUCTIONS
                                POS      AMOUNT      PRIORITY      CODES
                                -----
FINANCIAL SERVICES                                43000000
SCHEDULE VIIIB REDUCTIONS -
OPERATING                                         33B0000
REDUCTION OF OTHER PERSONAL
SERVICES - INFORMATION TECHNOLOGY                58      33B0830

TRUST FUNDS.....                                81,625-      2000
                                =====
*****
  
```

SCH VIIIB-2 NARR 10-11 NOTES:

Issue Title: REDUCTION OF OTHER PERSONAL SERVICES - INFORMATION TECHNOLOGY

Budget Entity: Information Technology

Reference to Long-Range Program Plan: Goal 6 - If Division of Information Systems is unable to support the technical needs of the Department, the Department's ability to protect customer interests inside and outside state government may be compromised.

Issue Title: Reduction of OPS budget

Issue Description/Need: The majority of DIS' OPS budget is utilized for direct technical support in the area of desktop services. DIS has lost positions in this section as a result of previous budget reductions. The remaining desktop staff is augmented by the utilization of OPS employees. If the OPS funds were eliminated, the desktop section would see an increase in the time it takes to respond to and resolve customer help desk calls. The increase in time to resolve computer problems will translate into lost productivity for DFS employees whose mission is to protect customers interests. The customers we serve include fire fighters, fraud investigators, bank and insurance regulators as well as state accountants and auditors.

Detail of Costs:

```

OPS:
Quantity      Description      Amount
-----
1             Reduction of OPS Budget      ($81,625)

Issue Total      ($81,625)
  
```

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REDUCTION OF EXPENSE FUNDS IN LEGAL
SERVICES                                59      33B6230

TRUST FUNDS.....                                80,000-      2000
                                =====
  
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 COL All
 SCH VIIIB-2
 REDUCTIONS
 POS AMOUNT PRIORITY CODES

<u>FINANCIAL SERVICES</u>			43000000
SCHEDULE VIIIB REDUCTIONS -			
OPERATING			33B0000
REDUCTION OF EXPENSE FUNDS IN LEGAL			
SERVICES	59		33B6230

SCH VIIIB-2 NARR 10-11 NOTES:

Issue Title: Reduction of Expense Funds in Legal Services

Reference to Long-Range Program Plan:

Reducing expense funding by 8.5% of the current allocation will have a significant adverse impact on the Division's ability to perform its core functions. The reduction will hinder the Division from meeting essential legal requirements and functions in providing legal services to the CFO. This level of reduction would also severely restrict and hamper the Department's ability to vigorously and aggressively prosecute cases in which there has been serious harm to insurance consumers, many of whom are Florida's senior citizen population.

Issue Description:

Reduce Expense fund by \$80,000. The CFO's statutory duty to protect insurance consumers would suffer because the reduction would severely restrict, limit or hamper the Legal Division's ability to take prompt and aggressive legal action against licensees and other persons violating the Insurance Code and causing public harm. Reductions of this magnitude (8.5%) would significantly and negatively impact almost every aspect of the division's operation including the inability to properly serve legal process when legal action is taken; the inability to order transcripts after hearings for preparing recommended orders; the inability of attorneys to travel, to prepare for hearings or to be present at scheduled depositions; and the inability to provide proper notice to affected parties, licensees and their counsel due to cuts in allocations for postage.

Ultimate Impact:

The Division would not be adequately funded to meet many of the legal requirements listed above that are essential functions necessary to effectively prosecute unscrupulous licensees and individuals. The reduction would negatively affect virtually every aspect of the Division's operation and would severely impact the Division's ability to represent the CFO and to protect consumers from harm.

Detail of Costs:

Expenses (040000):

Quantity	Description	Amount
-----	-----	-----
	Reduction in base budget	(\$80,000)
	Issue Total	(\$80,000)

COL All			
SCH VIII B-2			
REDUCTIONS			
POS	AMOUNT	PRIORITY	CODES

FINANCIAL SERVICES			43000000
SCHEDULE VIII B REDUCTIONS -			
OPERATING			33B0000
REDUCTION OF OTHER PERSONNEL			
SERVICES IN LEGAL SERVICES		60	33B6220
TRUST FUNDS.....	67,755-		2000
	=====		

SCH VIII B-2 NARR 10-11 NOTES:

Issue Title: Reduction of Other Personnel Services in Legal Services

Reference to Long-Range Program Plan:

Reducing the OPS funds will have a significant impact on the Division of Legal Services ability to perform its core functions because the reduction would put an additional workload on the staff attorneys and require them to timely complete work assignments with the additional workload. The additional workload on the attorneys will compromise the Division's ability to meet its quantitative and qualitative goals. The Department currently employs a cadre of law clerks to handle and process cases with less egregious violations of the Insurance Code thereby allowing staff attorneys to handle cases with the more egregious statutory violations where consumers are harmed. The trained law clerks process and resolve several hundred cases each year that result in the collection of thousands of dollars in fines and penalties and impose discipline on licensees that have committed minor violations of the Insurance Code.

Issue Description:

Eliminating this program will require staff attorneys to assume the caseload handled by the trained law clerks and thereby increase the attorneys' caseload by adding an additional 15-20 cases per month to the attorneys' current caseloads.

Ultimate Impact:

If the Division is forced to eliminate the use of law clerks, attorneys will be required to continue to give priority preference to cases with the more egregious violations. Thus, cases with minor violations that can be easily resolved and result in the collection of large sums of funds in penalties and fines will be adversely affected. The overall impact and effect of higher attorney caseloads will be an overall decline in the Division's response time in providing legal services to the CFO in carrying out her constitutional and statutory duties and a reduction in the amount of funds collected in fines and penalties from licensees that violate the insurance code.

Detail of Costs: (provide the detail on the amount reduced

Other Personal Services (030000):

Quantity	Description	Amount
-----	-----	-----
	Reduction of Base Budget	(\$67,755)

 COL All
 SCH VIII B-2
 REDUCTIONS
 POS AMOUNT PRIORITY CODES

FINANCIAL SERVICES 43000000
 SCHEDULE VIII B REDUCTIONS -
 OPERATING 33B0000
 REDUCTION OF OTHER PERSONNEL
 SERVICES IN LEGAL SERVICES 60 33B6220

Issue Total (\$67,755)

ELIMINATE AN ADMINISTRATIVE ASSISTANT IN THE FIRE COLLEGE 61 33B2140
 TRUST FUNDS..... 1.00- 43,810- 2000
 =====

SCH VIII B-2 NARR 10-11 NOTES:

Issue Title: ELIMINATE AN ADMINISTRATIVE ASSISTANT IN THE FIRE COLLEGE

Reference to Long-Range Program Plan:

Issue Description/Need: This position serves clerical functions in the day to day duties of the Fire College standards section for regulatory oversight of certifications, testing, renewals and supplemental compensation for firefighters, all of which are statutorily required.

Ultimate Outcome: The loss of the position will result in duties being absorbed by remaining staff and will likely result in slower response times and a reduction in customer service ultimately leading to dissatisfaction and increased complaints from our customers.

Detail of Costs:

Salaries and Benefits (010000):

Position	Title & Pay Grade	Amount
(1)	Proposed Class Code (P101)	(\$43,411)

Special Category:

Quantity	Description	Amount
(1)	Standard HR Package	(\$ 399)

Issue Total (\$43,810)

	COL All SCH VIIIB-2 REDUCTIONS			
	POS	AMOUNT	PRIORITY	CODES
	-----	-----		
<u>FINANCIAL SERVICES</u>				43000000
SCHEDULE VIIIB REDUCTIONS -				
OPERATING				33B0000
ELIMINATE A RECORDS SPECIALIST IN				33B2290
THE FIRE MARSHAL PROGRAM			62	
	1.00-			
TRUST FUNDS.....		39,259-		2000
		=====		

SCH VIIIB-2 NARR 10-11 NOTES:

Issue Title: ELIMINATE A RECORDS SPECIALIST IN THE FIRE MARSHAL PROGRAM

Budget Entity: Fire Marshal Executive Direction and Support Services

Reference to Long-Range Program Plan: Goal 3 - Enforcement

Issue Description: Reduce one FTE Records Specialist from Florida Fire Incident Reporting Section.

Ultimate Impact: This reduction will have a moderate impact on our ability to provide the Annual Florida Fires report in a timely manner.

Detail of Costs:

Salaries and Benefits:

Position	Title & Pay Grade	Amount
-----	-----	-----
(1)	Proposed Class Code (P101)	(\$38,860)

Special Category:

Quantity	Description	Amount
-----	-----	-----
(1)	Standard Cost for FTE \$399	(\$ 399)

Issue Total (\$39,259)

REDUCE THE NUMBER OF EMPLOYEES
 PROCESSING INSURANCE LICENSE
 APPLICATIONS

			63	33B0200
	8.00-			
TRUST FUNDS.....		391,939-		2000
		=====		

 COL All
 SCH VIIIIB-2
 REDUCTIONS
 POS AMOUNT PRIORITY CODES

<u>FINANCIAL SERVICES</u>			43000000
SCHEDULE VIIIIB REDUCTIONS -			
OPERATING			33B0000
REDUCE THE NUMBER OF EMPLOYEES			
PROCESSING INSURANCE LICENSE			
APPLICATIONS		63	33B0200

SCH VIIIIB-2 NARR 10-11 NOTES:

Issue Title: Reduce Number of Employees Processing License Applications

Budget Entity: Licensure, Sales Appointment & Oversight (Agent and Agency)

Reference to Long-Range Program Plan: Goal 3: In the execution of its constitutional and statutory mandates, the department will protect the health, safety and welfare of the public. Performance Measure: Percent of applications processed within 7 working days.

Issue Description: In order to cut costs, the Division of Agent and Agency Services is proposing to eliminate 8 positions associated with processing applications for insurance agent and insurance agency licenses. Although substantial automation and process improvements are planned for FY 2010-2011, this workforce reduction will increase the application processing time for insurance licenses from 7 days to 30 days, on average.

Ultimate Impact: Less timely customer service would be provided. Applicants for insurance licenses could wait 30 days for initial review of their application. Telephone calls would increase with applicants asking about the status of their applications. Applicants will need clear information about processing times to make sure their expectations are not too high. The increased application processing time may cause a fiscal impact to occur in the private sector due to delayed employment in the insurance industry.

Detail of Costs:

Salaries and Benefits:

Position	Title & Pay Grade	Amount
-----	-----	-----
(8)	Proposed Class Code (P101)	(\$388,747)

Special Category

HR Outsourcing (107040):

Quantity	Description	Amount
-----	-----	-----
(8)	Standard HR Packages	(\$ 3,192)

Issue Total (\$391,939)

COL All			
SCH VIII B-2			
REDUCTIONS			
POS	AMOUNT	PRIORITY	CODES

FINANCIAL SERVICES			43000000
SCHEDULE VIII B REDUCTIONS -			
OPERATING			33B0000
CLOSE THREE INVESTIGATIVE FIELD			
OFFICES		64	33B2180
TRUST FUNDS.....	5.00-		
	301,017-		2000
	=====		

SCH VIII B-2 NARR 10-11 NOTES:

Issue Title: Close Three Investigative Field Offices

Budget Entity: Licensure, Sales Appointment and Oversight

Reference to Long-Range Program Plan: Enforcement-Goal 3. In the execution of its constitutional and statutory mandates, the department will protect the health, safety and welfare of the public.

Issue Description: The Bureau of Investigation within the Division of Agent and Agency Services proposes the closure of 3 Investigative Field Offices located in Pensacola, Daytona and Ft. Myers, cutting 2 administrator and 3 support staff positions in these offices. The remaining employees would either telecommute from home or be transferred to Field Offices remaining open.

Ultimate Impact:

Due to the size of the caseload, based upon FY 08-09 data, and the number of investigators affected, the closing of the Pensacola, Ft. Myers and Daytona Beach offices will present some challenges, however, can be effectively managed using Tallahassee, Tampa and Jacksonville field offices.

The lack of a local centralized office and the administrative support afforded in these offices will result in investigators assuming administrative tasks (scanning, assembling and proofing investigative files, preparing subpoenas and processing mail) which will affect the amount of time they dedicate to actual investigative work.

As an option, the investigators could seek assistance from their assigned field office staff and either physically carry or ship work to be performed although this would cause delays. The division would assign the investigators as follows: investigators telecommuting from Ft. Myers would be assigned to the Tampa Field Office, which is a 4-hour round trip; investigators telecommuting from Daytona Beach would be assigned to the Jacksonville field office, which is a 2-hour round trip; and investigator telecommuting from Pensacola would be assigned to the Tallahassee Office which is a 7-hour round trip.

Two Field Insurance Regional Administrator positions and 3 support staff positions would be eliminated by the closing the Ft. Myers and Daytona offices.

Detail of Costs:

Salaries and Benefits:

Position	Title & Pay Grade	Amount
----------	-------------------	--------

 COL All
 SCH VIIIIB-2
 REDUCTIONS
 POS AMOUNT PRIORITY CODES

FINANCIAL SERVICES 43000000
 SCHEDULE VIIIIB REDUCTIONS -
 OPERATING 33B0000
 CLOSE THREE INVESTIGATIVE FIELD
 OFFICES 64 33B2180

 (5) Proposed Class Code (P101) (\$234,779)

Expenses:

Quantity	Description	Amount
3	Pensacola Lease	(\$ 16,208)
	Daytona Lease	(\$ 15,668)
	Ft. Myers Lease	(\$ 32,367)
	Total	(\$ 64,243)

Special Category:

HR Outsourcing:

Quantity	Description	Amount
(5)	Standard Package at \$399	(\$ 1,995)

Issue Total (\$301,017)

REDUCE LAB MAINTENANCE CONTRACTS 65 33B2080

TRUST FUNDS..... 55,186- 2000
 =====

SCH VIIIIB-2 NARR 10-11 NOTES:

Issue Title: REDUCE LAB MAINTENANCE CONTRACTS (Phase I, II, III)

Budget Entity: Fire Marshal Executive Direction and Support Services

Reference to Long-Range Program Plan: Goal 3 - Enforcement

Issue Description: Cut maintenance service contracts on the following equipment: FTIR Microscope, Avid Luggable Forensic Video, Dionex DX 120 Cationic Chromatograph, Noritsu Digital Printer; the ThermoFinnigan FTIR/Raman or for the EDAX X-Ray Spectrometer would have a moderate to high impact. This would leave our ability to analyze certain type of explosives and

 COL All
 SCH VIIIB-2
 REDUCTIONS
 POS AMOUNT PRIORITY CODES

<u>FINANCIAL SERVICES</u>			43000000
SCHEDULE VIIIB REDUCTIONS -			
OPERATING			33B0000
REDUCE LAB MAINTENANCE CONTRACTS		65	33B2080

chemicals uncertain. Should a breakdown occur, we will get an estimate for repairs and make an assessment whether to leave the instruments) off-line or pay for the repair. Cutting maintenance service contracts on remaining explosives instrumentation Dionex MSQ and DX500. Canceling the maintenance contracts on the remaining explosives instrumentation, Dionex MSQ and DX500 would have a high impact. These instruments are essential for confirmation of the identity of low explosives. It would leave the ability to confirm certain type of chemicals uncertain. Should a breakdown occur, alternate wet chemical methods would require purchase of additional reagents and would add time to the analysis. These reductions may have a significant impact on the Accreditation certification process.

Ultimate Impact: This would leave the ability to analyze certain type of explosives and chemicals uncertain. Should a breakdown occur, we will get an estimate for repairs and make an assessment whether to leave the instruments) off-line or pay for the repair. Canceling the maintenance contracts on the remaining explosives instrumentation, Dionex MSQ and DX500 would have a high impact. These instruments are essential for confirmation of the identity of low explosives. It would leave our ability to confirm certain type of chemicals uncertain. These reductions may have a significant impact on the Accreditation certification process.

Detail of Costs:

Contracted Services (100777):

Quantity	Description	Amount
-----	-----	-----
		(\$55,186)

Issue Total (\$55,186)

REDUCTION OF POSITIONS - LEGAL SERVICES		66	33B1270
	4.50-		
TRUST FUNDS.....		253,170-	2000
		=====	

SCH VIIIB-2 NARR 10-11 NOTES:

Issue Title: Elimination of Positions IN LEGAL SERVICES

Reference to Long-Range Program Plan:

Implementing this reduction would require the dismissal of currently employed staff, except the vacant .5 Clerk Specialist position. Implementing these staff reductions will have a tremendous adverse impact on the Division's ability to perform its core functions. The Division could not meet the legal services needs of the CFO in carrying out her

 COL All
 SCH VIIIB-2
 REDUCTIONS
 POS AMOUNT PRIORITY CODES

<u>FINANCIAL SERVICES</u>			43000000
SCHEDULE VIIIB REDUCTIONS -			
OPERATING			33B0000
REDUCTION OF POSITIONS - LEGAL			
SERVICES	66		33B1270

constitutional and statutory responsibilities with staff reductions of this magnitude.

Issue Description:

Eliminate (4.5) positions consisting of 1 Attorney, 2 Senior Attorneys, 1 Administrative Assistant II and a half-time (.5) Clerk Specialist. Reducing current staff levels by three (3) attorney positions would result in a backlog of cases and delays in handling all assignments because the cases currently assigned to and handled by this staff would have to be reassigned to other staff attorneys. This would result in larger caseloads for the remaining staff. Consequently, program referrals of cases for prosecution and requests for legal services and advice from the Division will experience long delays due to backlogs and heavy caseloads. Legal input required for policy development and for developing and promulgating administrative rules would be severely hampered if the reduction occurs.

Ultimate Impact:

This reduction will also adversely affect the public by restricting the Department's ability to prosecute cases. Priority consideration would be given to handling the most egregious cases where there is consumer harm but all cases would face long delays in resolution. This would adversely affect the Division's goal of promptly handling requests for legal services from the CFO and programs within the Department of Financial Services.

Detail of Costs:

Salaries and Benefits:

Position	Title & Pay Grade	Amount
-----	-----	-----
(4.5)	Proposed Class Code	(\$251,175)

Special Category

HR Outsourcing (107040):

Quantity	Description	Amount
-----	-----	-----
(4.5)	Standard Packages at \$399	(\$ 1,995)

Issue Total (\$253,170)

ELIMINATION OF THE LARGO CALL CENTER		67	33B0410
TRUST FUNDS.....	26.00-		
	1,455,186-		2000
	=====		

 COL All
 SCH VIIIB-2
 REDUCTIONS
 POS AMOUNT PRIORITY CODES

FINANCIAL SERVICES 43000000
 SCHEDULE VIIIB REDUCTIONS -
 OPERATING 33B0000
 ELIMINATION OF THE LARGO CALL
 CENTER 67 33B0410

SCH VIIIB-2 NARR 10-11 NOTES:

Issue Title: Elimination of the Largo Call Center

Issue Description/Need:

This issue will eliminate the Largo call center and 26 positions. The call center operations will be handled in Tallahassee and will be augmented by the transfer of positions from Agent and Agency Services. This is a significant reduction to the services provided by this division.

Detail of Costs:

Salaries and Benefits (010000):

Position	Title & Pay Grade	Amount
-----	-----	-----
(26)	Proposed Class Code P101	(\$1,328,186)

Expenses (040000):

Quantity	Description	Amount
-----	-----	-----
Total		(\$ 127,000)

Special Category

Human Resource Services (107040):

Quantity	Description	Amount
-----	-----	-----
(26)	HR Packages at \$399	(\$ 10,374)

Issue Total (\$1,455,186)

REDUCE TEMPORARY ASSISTANCE IN
 CONSUMER ASSISTANCE 68 33B0420
 TRUST FUNDS..... 100,000- 2000
 =====

 COL All
 SCH VIIIB-2
 REDUCTIONS
 POS AMOUNT PRIORITY CODES

<u>FINANCIAL SERVICES</u>			43000000
SCHEDULE VIIIB REDUCTIONS -			
OPERATING			33B0000
REDUCE TEMPORARY ASSISTANCE IN			
CONSUMER ASSISTANCE		68	33B0420

SCH VIIIB-2 NARR 10-11 NOTES:

Issue Title: Reduce Temporary Assistance in Consumer Assistance

Budget Entity: Consumer Assistance

Issue Description/Need:

This issue eliminates the temporary employee who is providing support to the web interface programs for companies and consumers to use to interface with the customer service environment. These programs include civil remedy, get lean, web portal, and e-storm. If these funds are reduced the division will be forced to go to a third party vendor to provide the services. This is a significant reduction to the services provided by this division.

Detail of Costs:

Other Personal Service (03000):

Quantity	Description	Amount
-----	-----	-----
1		(\$100,000)
	Issue Total	(\$100,000)

ELIMINATE CRIMINAL INVESTIGATION
 ANALYSTS FROM FIRE AND ARSON

69 33B2050

TRUST FUNDS..... 4.00- 168,564-
 =====

SCH VIIIB-2 NARR 10-11 NOTES:

Issue Title: ELIMINATE CRIMINAL INVESTIGATION ANALYSTS FROM FIRE AND ARSON

Reference to Long-Range Program Plan: Goal 3 - Enforcement

Issue Description:

This issue proposes to eliminate four (4) Criminal Investigation Analysts (CIA's) that are assigned to Headquarters and Field Offices. The Bureau of Fire and Arson Investigations has eight CIA FTEs. This issue will reduce four of those FTEs. Criminal Investigation Analyst's directly support law enforcement investigations by providing an in-depth review

COL All SCH VIIIB-2 REDUCTIONS			
POS	AMOUNT	PRIORITY	CODES

<u>FINANCIAL SERVICES</u>			43000000
SCHEDULE VIIIB REDUCTIONS -			
OPERATING			33B0000
ELIMINATE CRIMINAL INVESTIGATION			
ANALYSTS FROM FIRE AND ARSON		69	33B2050

and analysis of criminal activities. CIA's also assist with obtaining detailed information for the bureau's employment background investigations. This issue will reduce the analytical availability for the bureau's law enforcement personnel.

Ultimate Outcome:

Detail of Costs:

Salary & Benefits (010000):

Quantity	Description	Amount

(4)	Proposed Class Code (P101)	(\$166,968)

Special Category:

HR Outsourcing (107040):

Quantity	Description	Amount

(4)	FTE at \$399	(\$ 1,596)

Issue Total (\$168,564)

REDUCE ONE FIRE COLLEGE ACADEMIC			
INSTRUCTOR	1.00-	70	33B2150
TRUST FUNDS.....	51,374-		2000
	=====		

SCH VIIIB-2 NARR 10-11 NOTES:

Issue Title: Reduce one Fire College Academic Instructor

Reference to Long-Range Program Plan:

Issue Description/Need: This position serves as the liaison between the Fire College and the higher education community including Colleges, Universities and the higher education programs of the National Fire Academy.

Ultimate Outcome: Loss of the position will impact the ability to partner with these organizations as well as provide input and feedback on policies and decisions that might have a negative impact on firefighter training and education. It will have a greater long term impact than the immediate.

 COL All
 SCH VIIIIB-2
 REDUCTIONS
 POS AMOUNT PRIORITY CODES

FINANCIAL SERVICES 43000000
 SCHEDULE VIIIIB REDUCTIONS -
 OPERATING 33B0000
 REDUCE ONE FIRE COLLEGE ACADEMIC
 INSTRUCTOR 70 33B2150

Detail of Costs:

Salaries and Benefits:

Position	Title & Pay Grade	Amount
-----	-----	-----
(1)	Proposed Class Code (P101)	(\$50,975)

Special Category:

Quantity	Description	Amount
-----	-----	-----
(1)	Standard HR Package \$399	(\$ 399)

Issue Total (\$51,374)

REDUCE ONE FIRE COLLEGE ASSISTANT SUPERINTENDENT 71 33B2130
 TRUST FUNDS..... 1.00- 61,059- 2000
 =====

SCH VIIIIB-2 NARR 10-11 NOTES:

Issue Title: Reduce one Fire College Assistant Superintendent

Reference to Long-Range Program Plan: Goal 5 - Education

Issue Description: This issue eliminates the FTE Assistant Superintendent at the Fire College.

Ultimate Outcome: Elimination of this position will result in increased administrative duties being absorbed by existing staff.

Detail of Costs:

Salaries and Benefits:

Position	Title & Pay Grade	Amount
-----	-----	-----
(1)	Proposed Class Code (P101)	(\$60,660)

 COL All
 SCH VIIIB-2
 REDUCTIONS
 POS AMOUNT PRIORITY CODES

FINANCIAL SERVICES 43000000
 SCHEDULE VIIIB REDUCTIONS -
 OPERATING 33B0000
 REDUCE ONE FIRE COLLEGE ASSISTANT
 SUPERINTENDENT 71 33B2130

Special Category:

HR Outsourcing (107040):

Quantity	Description	Amount
(1)	Standard Charge per FTE \$399.	(\$ 399)

Issue Total (\$61,059)

REDUCTION OF POSITIONS -
 INFORMATION TECHNOLOGY - ENTERPRISE
 APPLICATIONS STAFF 72 33B0840
 TRUST FUNDS..... 4.00- 260,203- 2000
 =====

SCH VIIIB-2 NARR 10-11 NOTES:

Issue Title: REDUCTION OF POSITIONS - INFORMATION TECHNOLOGY - ENTERPRISE APPLICATIONS STAFF

Budget Entity: Information Technology

Reference to Long-Range Program Plan: Goal 6 - If Division of Information Systems is unable to support the technical needs of the Department, the Department's ability to protect customer interests inside and outside state government may be compromised.

Issue Title: Elimination of Enterprise Applications FTEs

Issue Description/Need: DIS' enterprise application bureaus have lost positions for the last two years. Every position lost has an impact to the timeliness of response and resolution to application support and project completion. This year when asked to identify 10% budget cuts, four (4) additional FTEs from the Enterprise Applications Bureaus are identified. At a minimum, reducing the positions would reduce the ability to provide reporting information and testing capabilities to DIS managers and could possibly remove this capability for DIS managers, and would reduce the ability to provide on-site Web Application support to the Division of Workers Compensation.

Detail of Costs:

Salaries and Benefits:

 COL All
 SCH VIIIB-2
 REDUCTIONS
 POS AMOUNT PRIORITY CODES

FINANCIAL SERVICES 43000000
 SCHEDULE VIIIB REDUCTIONS -
 OPERATING 33B0000
 REDUCTION OF POSITIONS -
 INFORMATION TECHNOLOGY - ENTERPRISE
 APPLICATIONS STAFF 72 33B0840

Quantity	Description	Amount
-----	-----	-----
(4)	Proposed Class Codes P101	(\$258,607)

Transfer to DMS:

Quantity	Description	Amount
-----	-----	-----
(4)	Standard HR Package at \$399 per position	(\$1,596)

Issue Total (\$260,203)

REDUCTION OF EXPENSES BASE BUDGET -
 INFORMATION TECHNOLOGY - HARDWARE
 REPLACEMENT FUNDING 73 33B0850

TRUST FUNDS..... 230,000- 2000
 =====

SCH VIIIB-2 NARR 10-11 NOTES:

Issue Title: REDUCTION OF EXPENSES BASE BUDGET - INFORMATION TECHNOLOGY - HARDWARE REPLACEMENT FUNDING

Budget Entity: Information Technology

Reference to Long-Range Program Plan: Goal 6 - If Division of Information Systems is unable to support the technical needs of the Department, the Department's ability to protect customer interests inside and outside state government may be compromised.

Issue Description/Need: DIS receives, as part of its base budget, funds to replace equipment that has reached its end of life or equipment that has become so old that frequent and costly repairs are occurring. DIS has a replacement schedule in order to ensure appropriate equipment is being replaced. If this funding were eliminated, the workload to the DIS desktop staff would increase and service calls to a contracted vendor for computer repairs in our regional offices would increase. The increased workload of the desktop staff would translate into an increase in the time it takes to respond to and resolve customer help desk calls. The increase in time to resolve computer problems would translate into lost

 COL All
 SCH VIIIB-2
 REDUCTIONS
 POS AMOUNT PRIORITY CODES

<u>FINANCIAL SERVICES</u>			43000000
SCHEDULE VIIIB REDUCTIONS -			
OPERATING			33B0000
REDUCTION OF EXPENSES BASE BUDGET -			
INFORMATION TECHNOLOGY - HARDWARE			
REPLACEMENT FUNDING	73		33B0850

productivity for DFS employees whose mission is to protect customers' interests. The customers we serve include fire fighters, fraud investigators, bank and insurance regulators as well as state accountants and auditors. Even though the replacement funds are not for OIR and OFR, the response to their help desk tickets would increase as staff would be spending more time on other calls to resolve problems with DFS' older equipment.

Detail of Costs:

OCO:		
Quantity	Description	Amount
-----	-----	-----
1	Reduction in Hardware Replacement	(\$230,000)
	Issue Total	(\$230,000)

REDUCE THE DIVISION OF STATE SELF			
INSURED CLAIMS ADJUSTMENT BY 25			
PERCENT		74	33B0430
	16.00-		
TRUST FUNDS.....	699,204-		2000
	=====		

SCH VIIIB-2 NARR 10-11 NOTES:

Issue Title: Reduce the Division of State Self Insured Claims Adjustment

Budget Entity: State Self-Insured Claims Adjustment

The Division of Risk Management provides support services to all state insured entities. A reduction in staff or a reduction in other costs directly impacts the level of services provided to those entities. Six (6) senior clerks, three (3) administrative secretaries, and five (5) risk management program specialists (adjusters) would be eliminated from the Liability program. With this reduction in staff, ten (10) liability claims adjusters would remain from a current staff of fifteen (15). A reallocation of existing open claims to remaining staff would increase each adjuster's claim load from 186 claims to approximately 232 claims per adjuster. Liability claims per adjuster would exceed the industry average of 150 to 175 claims. In addition, except for one (1) records specialist, no support staff would remain to provide clerical support for the remaining adjusters.

 COL All
 SCH VIIIB-2
 REDUCTIONS
 POS AMOUNT PRIORITY CODES

<u>FINANCIAL SERVICES</u>			43000000
SCHEDULE VIIIB REDUCTIONS -			
OPERATING			33B0000
REDUCE THE DIVISION OF STATE SELF			
INSURED CLAIMS ADJUSTMENT BY 25			
PERCENT	74		33B0430

On the Workers' Compensation side one (1) workers' compensation administrator would be eliminated, increasing the management workload to that program. In the loss prevention program, one (1) administrative secretary would be eliminated, which would leave that program with no clerical support. The reduction in staff would encompass a grand total of sixteen (16) positions division wide. No further reduction in WC adjusting staff is proposed as the workers' compensation adjuster workload is already at dangerous levels at the current 325 claims per adjuster, since the industry average is 150 to 200 claims per adjuster. The reduction in liability adjusters and support staff would have an impact on how claims are administered by the program. Liability "bad faith" complaints and law suits against the State of Florida from claimants not receiving timely attention to their claims could ensue.

Although a reduction in claims adjusting staff could be accomplished, the resulting claims delays, additional law suit expenses, and higher settlements caused by delays or mishandled claims could exceed savings in salaries and benefits.

Ultimate Outcome: Although a reduction in staff by approximately 25%, or sixteen (16) persons, could be accomplished, the results would delay or impair claims adjusting services to insured state entities, causing additional costs because of claims processing delays. The claims adjusting workload for liability adjusters would substantially increase and would exceed current industry standards.

Detail of Costs:

Positions:		
Quantity	Title & Pay grade	Amount
-----	-----	-----
16	P101 Proposed Class Code	\$664,020

Expenses:		
Quantity	Description	Amount
-----	-----	-----
16	Base budget reductions of \$1,800	\$ 28,800
	=====	=====
	Total	\$ 28,800

TR/DMS/HR Services/STW Contract:		
Quantity	Description	Amount
-----	-----	-----
16	People First charges of \$399	\$ 6,384
	=====	=====
	Total	\$ 6,384

 COL All
 SCH VIIIIB-2
 REDUCTIONS
 POS AMOUNT PRIORITY CODES

FINANCIAL SERVICES 43000000
 SCHEDULE VIIIIB REDUCTIONS -
 OPERATING 33B0000
 REDUCE THE DIVISION OF STATE SELF
 INSURED CLAIMS ADJUSTMENT BY 25
 PERCENT 74 33B0430

ISSUE TOTAL \$699,204

REDUCTION IN EXPENSES IN STATE
 FINANCIAL INFORMATION AND STATE
 AGENCY ACCOUNTING 75 33B0480
 GENERAL REVENUE FUND..... 108,285- 1000
 =====

SCH VIIIIB-2 NARR 10-11 NOTES:

Issue Title: Reduction in Expenses in State Financial Information and State Agency Accounting

Budget Entity: State Financial Information and State Agency Accounting

Reference to Long-Range Program Plan:

Financial Accountability - The Department will be a vigilant steward of the State's and its people's resources.

Issue Description:

This issue would reduce the Division's appropriation for the Expense category from \$1,222,587 to \$1,129,179 within the General Revenue Fund.

Ultimate Impact:

This reduction would have a significant impact on the Division. Funds appropriated in this category are used to cover non-discretionary items such as rent, phone service and communications, warrant stock, postage and shipping costs for W-2s and 1099s, record storage, travel, and the maintenance and lease of equipment.

Detail of Costs:

Expenses:

Quantity	Description	Amount
-----	-----	-----
	Reduction in Expense	(\$108,285)

COL All			
SCH VIIIB-2			
REDUCTIONS			
POS	AMOUNT	PRIORITY	CODES

FINANCIAL SERVICES			43000000
SCHEDULE VIIIB REDUCTIONS -			
OPERATING			33B0000
REDUCTION IN EXPENSES IN STATE			
FINANCIAL INFORMATION AND STATE			
AGENCY ACCOUNTING		75	33B0480
Issue Total	(\$108,285)		

REDUCTION OF PERSONNEL IN STATE			
FINANCIAL INFORMATION AND STATE			
AGENCY ACCOUNTING		76	33B0490
GENERAL REVENUE FUND.....	12.00- 599,993-		1000
	=====		

SCH VIIIB-2 NARR 10-11 NOTES:

Issue Title: Reduction of Personnel in State Financial Information and State Agency Accounting

Budget Entity: State Financial Information and State Agency Accounting

Reference to Long-Range Program Plan:

Financial Accountability - Goal 1: The Department will be a vigilant steward of the State's and its people's resources;

Goal 2: The Department will ensure financial accountability in state contracts

Issue Description:

This issue would require the elimination of positions within the General Revenue Fund for the Division. These staff members are responsible for carrying out the CFO's constitutional and statutory duties.

Ultimate Impact:

This reduction would have a severe impact on the Division. The mission of the Division is to safeguard public assets, settle the state's financial obligations, and report financial information. Specifically, this issue requires a reduction of 12 FTEs which would negatively impact the Division's overall mission as follows:

- 1) Lowers the accuracy, quality and timeliness of financial reports to the Legislature and external users
- 2) Reduces the review, monitoring and oversight of Guaranteed Energy, Water and Wastewater Performance Savings contracts and deferred commodity purchases, General Revenue service charges, and General Revenue cash balances
- 3) Reduces the number of disbursement audits performed and decreases the number of contract and grant agreements reviewed
- 4) Reduces the ability to support local governments with annual financial reporting and would prevent the Division from meeting statutory deadlines for quarterly and annual financial reporting to the Legislature
- 5) Reduces the level of financial training, including FLAIR classes, provided to state agencies
- 6) Reduces the ability to support vendors, manage vendor records and provide Form 1099s
- 7) Increases risk of inaccurate payroll processing, untimely federal reporting and reduction of payroll audits performed

 COL All
 SCH VIIIB-2
 REDUCTIONS
 POS AMOUNT PRIORITY CODES

FINANCIAL SERVICES 43000000
 SCHEDULE VIIIB REDUCTIONS -
 OPERATING 33B0000
 REDUCTION OF PERSONNEL IN STATE
 FINANCIAL INFORMATION AND STATE
 AGENCY ACCOUNTING 76 33B0490

Detail of Costs:

Salaries and Benefits:
 Position Description Amount

 (12) Proposed Class Code (P101) (\$595,205)

Special Category
 Human Resources Services (107040):
 Quantity Description Amount

 (12) Standard HR Package at \$399 (\$ 4,788)
 Issue Total (599,993)

REDUCTION OF BASE BUDGET -
 INFORMATION TECHNOLOGY FLAIR -
 FLAIR HARDWARE SUPPORT AND
 MAINTENANCE 77 33B0900

GENERAL REVENUE FUND..... 263,933- 1000
 =====

SCH VIIIB-2 NARR 10-11 NOTES:

Issue Title: REDUCTION OF BASE BUDGET - INFORMATION TECHNOLOGY FLAIR - FLAIR HARDWARE SUPPORT AND MAINTENANCE

Budget Entity: Information Technology - FLAIR

Reference to Long-Range Program Plan: Goal 1 - If FLAIR cannot be adequately supported or maintained, then the Division of Accounting and Auditing will be unable to manage the State's financial resources.

Issue Title: Elimination of Hardware Support and Maintenance for FLAIR

Issue Description/Need: If the support and maintenance for Sun hardware and Sun/Storagetek hardware were eliminated, DFS would realize a critical impact. There would be no hardware support for the robotic tape library servicing and backing

COL All			
SCH VIIIB-2			
REDUCTIONS			
POS	AMOUNT	PRIORITY	CODES

			43000000
			33B0000
		77	33B0900

FINANCIAL SERVICES
 SCHEDULE VIIIB REDUCTIONS -
 OPERATING
 REDUCTION OF BASE BUDGET -
 INFORMATION TECHNOLOGY FLAIR -
 FLAIR HARDWARE SUPPORT AND
 MAINTENANCE

up all FLAIR, Payroll, Workers' Compensation and LAS/PBS. There would be no hardware support for the disks housing FLAIR, Payroll, Workers' Compensation and LAS/PBS.

Detail of Costs:

Contracted Services:

Quantity	Description	Amount
-----	-----	-----
1	Reduction in Contracted Services	(\$263,933)

Issue Total (\$263,933)

REDUCTION OF BASE BUDGET -
 INFORMATION TECHNOLOGY FLAIR -
 FLAIR CONTRACTED SERVICES

78 33B0910

GENERAL REVENUE FUND.....

36,314- 1000
 =====

SCH VIIIB-2 NARR 10-11 NOTES:

Issue Title: REDUTION OF BASE BUDGET - INFORMATION TECHNOLOGY FLAIR - FLAIR CONTRACTED SERVICES

Budget Entity: Information Technology - FLAIR

Reference to Long-Range Program Plan: Goal 1 - If FLAIR cannot be adequately supported or maintained, then the Division of Accounting and Auditing will be unable to manage the State's financial resources.

Issue Title: Elimination of Contracted Service for FLAIR

 COL All
 SCH VIIIB-2
 REDUCTIONS
 POS AMOUNT PRIORITY CODES

<u>FINANCIAL SERVICES</u>			43000000
SCHEDULE VIIIB REDUCTIONS -			
OPERATING			33B0000
REDUCTION OF BASE BUDGET -			
INFORMATION TECHNOLOGY FLAIR -			
FLAIR CONTRACTED SERVICES	78		33B0910

Issue Description/Need: DIS anticipates needing to transfer funds from the contracted services category to the salaries category in order to fill vacancies and meet payroll requirements. If these funds are eliminated, we are further restrained in filling our vacancies and meeting our payroll obligations.

Detail of Costs:

Contracted Services:		
Quantity	Description	Amount
-----	-----	-----
1	Reduction in Contracted Services	(\$36,314)
	Issue Total	(\$36,314)

REDUCTION OF POSITIONS AND BASE			
BUDGET - INFORMATION TECHNOLOGY			
FLAIR - FLAIR SUPPORT		79	33B0920
GENERAL REVENUE FUND.....	8.00-	554,644-	1000
	=====		

SCH VIIIB-2 NARR 10-11 NOTES:

Issue Title: REDUCTION OF POSITIONS AND BASE BUDGET - INFORMATION TECHNOLOGY FLAIR - FLAIR SUPPORT

Budget Entity: Information Technology - FLAIR

Reference to Long-Range Program Plan: Goal 1 - If FLAIR cannot be adequately supported or maintained, then the Division of Accounting and Auditing will be unable to manage the State's financial resources.

Issue Title: Diminished Support of FLAIR

Issue Description/Need: 8 FTEs and the OPS budget are identified as potential budget cuts. All positions either directly

COL All SCH VIIIB-2 REDUCTIONS			
POS	AMOUNT	PRIORITY	CODES

<u>FINANCIAL SERVICES</u>			43000000
SCHEDULE VIIIB REDUCTIONS -			
OPERATING			33B0000
REDUCTION OF POSITIONS AND BASE			
BUDGET - INFORMATION TECHNOLOGY			
FLAIR - FLAIR SUPPORT		79	33B0920

support FLAIR or serve in a support role to FLAIR staff and management. This diminished support would have a severe impact as identified:

- (1) Catastrophic impact on accuracy and availability of FLAIR
- (2) Adverse affect on being able to respond to production problems resulting in system failure
- (3) Failure to process state payroll which violates federal law
- (4) Failure to respond to state and federal statute changes hence in violation of state and federal laws (5) State subject to penalties for non-compliance with federal mandates
- (6) Failure to meet federal payroll reporting requirement which violates federal law
- (7) Failure to support 35 state agencies in their daily accounting operations which will affect accuracy in financial reporting
- (8) Failure to produce public assistance, unemployment compensation, retirement and expense warrants
- (9) Unable to support the CFO in her constitutional duty adversely affecting the state's bond rating
- (10)Unable to support the functions of the Division of Accounting and Auditing

Detail of Costs:

Salaries and Benefits:

Quantity	Description	Amount

(8)	Proposed Class Code P101	(\$546,452)

OPS:

Quantity	Description	Amount

(1)	OPS Position	(\$5,000)

Transfer to DMS:

Quantity	Description	Amount

(8)	Standard HR Package at \$399 per position	(\$3,192)
(1)	Standard OPS HR Package at \$131 per position	(\$131)

COL All SCH VIIIIB-2 REDUCTIONS			
POS	AMOUNT	PRIORITY	CODES

<u>FINANCIAL SERVICES</u>			43000000
SCHEDULE VIIIIB REDUCTIONS -			
OPERATING			33B0000
REDUCTION OF POSITIONS AND BASE			
BUDGET - INFORMATION TECHNOLOGY			
FLAIR - FLAIR SUPPORT		79	33B0920

Total		(\$3,323)	
Issue Total		(\$554,644)	

PROPERTY AND CASUALTY FINANCIAL			
OVERSIGHT FINANCIAL EXAMINATIONS		101	33B1050
TRUST FUNDS.....	2,700,000-		2000
	=====		

SCH VIIIIB-2 NARR 10-11 NOTES:

Issue Title: Reduction to Financial Examinations in the Office of Insurance Regulations

Pursuant to Section 624.316, Florida Statutes, the Office of Insurance Regulation (Office) is required to conduct financial examinations of life and health and property and casualty insurance companies in order to provide early detection of weakening financial conditions and protect consumers.

In 2007, Section 624.316, F.S. was amended to permit the Office to engage outside experts to conduct the financial examinations and allow the Office to bill insurers for the cost of the examinations. The Insurance Regulatory Trust Fund (IRTF) acts as a pass-through for this purpose and insurers pay the cost of the examinations back to the Trust Fund; therefore, the process is revenue neutral.

The Florida Legislature provided the Office with \$4.7 million in budget authority for the 2009-2010 Fiscal Year in order to conduct more than 70 financial examinations. However, if it is the will of the Legislature to reduce the amount of recurring budget authority to \$2 million, then the Office will have to outsource fewer examinations and internal examiners will have a significantly increased workload. Recognizing that insurance company solvency is critical to Florida's economy and to the policyholders of the state, the Office may present a budget amendment to the Legislative Budget Commission to increase this budget authority if there is an increased need for financial examinations. This is a significant impact to the Office

Detail of Costs:

Special Category
 Financial Exams Property and Casualty (100523):
 Quantity Description Amount

 COL All
 SCH VIIIIB-2
 REDUCTIONS
 POS AMOUNT PRIORITY CODES

FINANCIAL SERVICES 43000000
 SCHEDULE VIIIIB REDUCTIONS -
 OPERATING 33B0000
 PROPERTY AND CASUALTY FINANCIAL
 OVERSIGHT FINANCIAL EXAMINATIONS 101 33B1050

 (\$2,700,000)

Issue Total (\$2,700,000)

REDUCTION OF MORTGAGE BROKER EXAMS
 - OFFICE OF FINANCIAL REGULATION 201 33B7630

TRUST FUNDS..... 1,200,000- 2000
 =====

SCH VIIIIB-2 NARR 10-11 NOTES:

Issue Title: Reduction 'of Mortgage Broker Exams - OFFICE OF FINANCIAL REGULATION

Issue Description/Problem: The U.S. Congress passed the Secure and Fair Enforcement for Mortgage Licensing Act (SAFE Act) which took effect July, 2008. This federal law requires all loan originators, which includes mortgage brokers, to become licensed with the Nationwide Mortgage Licensing System (NMLS) developed by the Conference of State Bank Supervisors (CSBS). The 2009 Florida Legislature approved significant changes to Chapter 494, Florida Statutes, by passing Senate Bill 2226 to comply with the SAFE Act. As part of those changes, effective October 1, 2010, applicants will be required to take the test through NMLS and OFR will no longer administer the mortgage broker test.

For the first three months of Fiscal Year 2010-11, OFR will continue to use third party services to administer the mortgage broker test for the agency. However, based on the federal requirement that all mortgage related licensees be tested through the national testing center, OFR anticipates the remaining funds will no longer be needed for this purpose and are available for elimination.

Mortgage Brokers Exams - OFR

Quantity	Description	Amount
-----	-----	-----
	Mortgage Broker Test	(\$1,200,000)

Issue Total (\$1,200,000)

COL All			
SCH VIIIB-2			
REDUCTIONS			
POS	AMOUNT	PRIORITY	CODES

FINANCIAL SERVICES			43000000
SCHEDULE VIIIB REDUCTIONS -			
OPERATING			33B0000
ELIMINATION OF MOVE TO SOUTHWOOD			
SHARED RESOURCE CENTER - OFFICE OF			
FINANCIAL REGULATION		202	33B7650
TRUST FUNDS.....	132,091-		2000
	=====		

SCH VIIIB-2 NARR 10-11 NOTES:

Issue Title: Elimination of Move to Southwood Shared Resource Center

Budget Entity: Finance Regulation

Issue Description/Need: In Fiscal Year 2008-09 it was anticipated OFR would move its day-to-day operations for its Regulatory Enforcement and Licensing (REAL) System to the Southwood Shared Resource Center (SSRC) during Fiscal Year 2009-10. However, as a result of certain operational concerns, it was decided the REAL System will continue to be hosted in the Fletcher Building by the Department of Financial Services (DFS). Concerns with the move centered on disaster recovery (DR) issues. It was determined that SSRC would not provide DR as originally anticipated, requiring OFR to contract independently for DR services. Another factor related to difficulty in separating OFR's backup data from that of DFS, making independent DR difficult. Additionally, costs would be assessed by both SSRC and DFS, potentially increasing the cost of operation. Concerns also arose as a result of the statutory mandate regarding the agency's use of Nationwide Mortgage Licensing System (NMLS). The agency required its contracted support vendor to divert resources to the NMLS effort during Fiscal Year 2009-10. Moving the REAL environment during the NMLS implementation process would pose significant risks to the effort to implement NMLS, as well as to the on-going maintenance of the REAL production environment.

Ultimate Outcome: Department of Financial Services will continue to host the REAL System in the Fletcher Building, primarily to facilitate DR services and avoid additional risks the move would create associated with integrating the REAL System with the NMLS. Ease and speed of DR services is critical for OFR to be able to meet the needs of Florida financial service consumers and industries in the event of a catastrophic loss of service.

Detail of Costs:

Southwood SRC (210021):

Quantity	Description	Amount
-----	-----	-----
	Eliminate move to SSRC	(\$132,091)
	Issue Total	(\$132,091)

COL All SCH VIIIB-2 REDUCTIONS			
FINANCIAL SERVICES	POS	AMOUNT	PRIORITY

CODES			
43000000			
33B0000			
33B7660			203
2000	11.00-	632,929-	
	=====		

SCH VIIIB-2 NARR 10-11 NOTES:

Issue Title: OFFICE OF FINANCIAL REGULATION - BASE BUDGET AND STAFFING REDUCTION - SECURITIES REGULATION

Budget Entity: Securities Regulation

Reference to Long-Range Program Plan: Goal #1: Increase protection of citizens' financial interests by bringing to bear the full extent of enforcement authority on those individuals or entities that conduct fraudulent or illegal financial services activities.

Issue Description/Need:

In order to meet a reduction of 10%, the Division would be forced to reduce its examination staff within the Bureau of Securities Regulation by eliminating 11 FTE. Securities Regulation focuses its efforts primarily on protecting Florida's investors through the review of consumer complaints, and the on-site review of required books and records and sales practice issues.

The securities industry has been significantly impacted by the ongoing financial crisis in the credit markets, as well as drastic swings in the equity markets. The market turmoil has also resulted in the opening of more complex examinations which are extremely time-consuming and resource intensive. Securities Regulation experienced a 73% increase in the number of examinations conducted in comparison to Fiscal Year 2007-08. Further, Securities Regulation was unable to commence examinations of approximately 60 agents or entities identified through the risk-based targeting process for Fiscal Year 2008-09. Eliminating additional examiner positions will only exacerbate these problems and lead to an inability to protect Florida investors from harm.

The Division utilizes a coordinated approach between its Bureau of Securities Regulation and Bureau of Regulatory Review to review applicants with enforcement related matters. Examinations from the Bureau of Regulatory Review may be placed as a higher priority than risk based or enforcement examinations due to statutory deadlines concerning the application for registration. Florida customers could be harmed if the Office registers individuals who are violating securities rules.

Ultimate Outcome:

Positions within the Division's Bureau of Regulatory Review cannot be eliminated. Regulatory Review is statutorily mandated to process applications for registration within the time-frames required by the Administrative Procedures Act (APA), section 120.60, Florida Statutes. Thus, in order to meet this mandate the Division would have to cut 11 positions from the examination program.

Historically repercussions from a market downturn continue long after the market begins to recover. Additionally, the Office anticipates it will continue to receive consumer complaints and identify fraudulent activity and abusive sales

 COL All
 SCH VIIIB-2
 REDUCTIONS
 POS AMOUNT PRIORITY CODES

<u>FINANCIAL SERVICES</u>			43000000
SCHEDULE VIIIB REDUCTIONS -			
OPERATING			33B0000
OFFICE OF FINANCIAL REGULATION -			
BASE BUDGET AND STAFFING REDUCTION			
- SECURITIES REGULATION	203		33B7660

practices which took place during the market downturn for several years to come. In light of these issues, it is crucial the Division continue to conduct risk-based and enforcement examinations to protect the investing public from harm.

Detail of Costs:

Salaries and Benefits (010000):

Position	Title & Pay Grade	Amount
-----	-----	-----
(11)	Proposed Class Code (P101)	(\$556,952)
	Total	(\$556,952)

Expenses (040000):

Quantity	Description	Amount
-----	-----	-----
(11)	Professional Expense Package at \$6,508 each	(\$ 71,588)
	Total	(\$ 71,588)

Transfer to Human Resources (107040):

Quantity	Description	Amount
-----	-----	-----
(11)	\$399 each	(\$ 4,389)
	Total	(\$ 4,389)
	Issue Total	(\$632,929)

STAFFING REDUCTION - OFFICE OF THE
 GENERAL COUNCEL - OFFICE OF
 FINANCIAL REGULATION

204 33B7620

TRUST FUNDS..... 4.00- 237,465-
 =====

COL All			
SCH VIIIIB-2			
REDUCTIONS			
POS	AMOUNT	PRIORITY	CODES

FINANCIAL SERVICES			43000000
SCHEDULE VIIIIB REDUCTIONS -			
OPERATING			33B0000
STAFFING REDUCTION - OFFICE OF THE			
GENERAL COUNCEL - OFFICE OF			
FINANCIAL REGULATION		204	33B7620

SCH VIIIIB-2 NARR 10-11 NOTES:

Issue Title: STAFFING REDUCTION - OFFICE OF THE GENERAL COUNCEL - OFFICE OF FINANCIAL REGULATION

Budget Entity: Executive Direction

Reference to Long-Range Program Plan: A reduction in the Office of General Counsel would impact OFR's ability to meet all of its LRPP goals.

Issue Description/Need: The General Counsel's Office services the legal needs of the entire organization. Its lawyers specialize in the laws relating to financial institutions, securities, or consumer finance. It consults with the operating units of OFR, and provides legal representation in enforcement actions and license denials initiated by OFR.

Currently each of the substantive areas which OFR administers is subject to unprecedented stress due to the financial crisis which has struck the country.

In the areas of finance and securities, more enforcement actions and license denials are required. More banks than ever are failing or are being subjected to operational mandates by OFR. All of this requires additional legal support.

Ultimate Outcome:

Should the Office of Financial Regulation be required to actually reduce the number of its attorneys at this critical time, its ability to deal effectively and aggressively with the matters before it will be reduced, and it will be unable to pursue certain significant regulatory and enforcement matters that would otherwise be addressed.

Detail of Costs:

Salaries and Benefits:

Position	Title & Pay Grade	Amount
-----	-----	-----
(4)	Proposed Class Code (P101)	(\$235,869)
	Total	(\$235,869)

Human Resource Services:

Quantity	Description	Amount
-----	-----	-----
(4)	FTE at \$399 each	(\$ 1,596)
	Total	(\$ 1,596)

COL All				
SCH VIIIIB-2				
REDUCTIONS				
POS	AMOUNT	PRIORITY	CODES	

<u>FINANCIAL SERVICES</u>				
SCHEDULE VIIIIB REDUCTIONS -			43000000	
OPERATING			33B0000	
STAFFING REDUCTION - OFFICE OF THE				
GENERAL COUNCEL - OFFICE OF				
FINANCIAL REGULATION			204	33B7620
Issue Total		(\$237,465)		

OFFICE OF THE INSPECTOR GENERAL				
STAFFING REDUCTIONS - OFFICE OF			205	
FINANCIAL REGULATIONS			33B7600	
TRUST FUNDS.....		1.00-	71,860-	2000
		=====		

SCH VIIIIB-2 NARR 10-11 NOTES:

Issue Title: Office of the Inspector General Staffing Reductions - Office of Financial Regulations

Budget Entity: Office of Financial Regulation Executive Direction

Issue Description/Need: Section 20.055(2), Florida Statutes (F.S.), establishes the Office of Inspector General for the Office of Financial Regulation (OFR).

In 2006, this agency received its first Quality Assurance Review by the Auditor General. The review determined that requirements established by statute were not properly performed. These deficiencies occurred, for the most part, because of the large volume of work and insufficient staff to properly perform the tasks. The Legislature approved two FTE for the OIG, increasing the staff from one to three.

During the first quarter of FY 2009-2010 the Auditor General conducted the agency's second Quality Assurance Review. On this occasion there were no findings and no recommendations. Success was achieved through proper staffing to meet statutory/work-load requirements.

Any staff reduction will reduce the strength of the OIG by 33 1/3 %.

Ultimate Outcome: The detrimental effect of reducing one FTE from the OIG staff will result in violations of Florida Statute, reduce services to consumers and industries, decrease effectiveness and efficiency of the Office, and undermine the mission of OFR. This mission degradation would result solely from the magnitude of the work required to be performed and insufficient staff to perform all of the tasks. All tasks currently being performed are mandated by statutes. Additionally, audits and employee misconduct investigations, by their nature, typically take two to four months to complete per case.

COL All SCH VIIIB-2 REDUCTIONS			
POS	AMOUNT	PRIORITY	CODES

<u>FINANCIAL SERVICES</u>			43000000
SCHEDULE VIIIB REDUCTIONS -			
OPERATING			33B0000
OFFICE OF THE INSPECTOR GENERAL			
STAFFING REDUCTIONS - OFFICE OF			
FINANCIAL REGULATIONS		205	33B7600

Reduction of one OIG FTE saves the agency \$71,500, but at the expense of not complying with Florida Statutes, exposing the agency to risk, diminishing the Commissioner's ability to promote accountability, integrity, and efficiency in government, and the protection of private and public resources.

Detail of Costs:

Salaries and Benefits:

Position	Title & Pay Grade	Amount

(1)	Proposed Class Code (P101)	(\$64,953)
	Total	(\$64,953)

Expenses:

Quantity	Description	Amount

(1)	Expense	(\$ 6,508)
	Total	(\$ 6,508)

Transfer to Human Resources:

Quantity	Description	Amount

(1)	\$399 each	(\$ 399)
	Total	(\$ 399)

Issue Total (\$71,860)

REDUCTION OF FINANCIAL
 INVESTIGATIONS STAFF - OFFICE OF
 FINANCIAL REGULATION

	8.00-	206	33B7610
TRUST FUNDS.....	440,832-		2000
	=====		

COL All SCH VIIIIB-2 REDUCTIONS			
POS	AMOUNT	PRIORITY	CODES

FINANCIAL SERVICES			43000000
SCHEDULE VIIIIB REDUCTIONS - OPERATING			33B0000
REDUCTION OF FINANCIAL INVESTIGATIONS STAFF - OFFICE OF FINANCIAL REGULATION		206	33B7610

SCH VIIIIB-2 NARR 10-11 NOTES:

Issue Title: REDUCTION OF FINANCIAL INVESTIGATIONS STAFF - OFR

Budget Entity: Financial Investigations

Reference to Long Range Program Plan: GOAL #1: Increase protection of citizens' financial interests by bringing to bear the full extent of enforcement authority on those individuals or entities that conduct fraudulent or illegal financial services activities.

Issue Description/Need: The reduction of Salary & Benefits and Expense funds is the only means for the Bureau of Financial Investigations (Bureau) to meet any budget cuts. A 10% reduction would require cutting Salary & Benefits for eight investigator positions and Expense funds.

The Bureau has experienced an average 10% yearly increase in investigative workload from FY 06-07 to FY 08-09. During a time when the level of economic crime has increased, both in absolute terms and in complexity and sophistication, the Bureau's resources have remained flat. Over the past three years the Bureau closed investigations impacting 38,600 consumers. These closed investigations resulted in over \$629 million court ordered/voluntary restitution and defendants sentenced to a total of 659 years imprisonment.

Over the last three years the Bureau has experienced a 312% increase in securities complaints alleging unlicensed, fraudulent securities offerings. Waning investor confidence and low interest rates are expected to cause increased investing in non-traditional investment opportunities that are often fraudulent. Currently the Bureau has 264 open securities investigations into alleged fraudulent activity which involve an estimated \$1.3 billion and over 9,700 investors.

Over the last three years the Bureau has experienced a 63% increase in consumer complaints alleging mortgage fraud. Due to the fragile condition of Florida's real estate market and the tightened availability of credit, the Bureau expects the increase in the mortgage fraud caseload to continue. Currently the Bureau has 198 open mortgage investigations involving an estimated \$389 million and over 1,400 consumers.

The Bureau would, by necessity, establish minimum investigative thresholds and limit investigations only to securities and mortgage fraud for the foreseeable future. It is estimated the Bureau would not have the resources to investigate any allegation that had potential losses of less than \$50,000 and did not have at least two known victims.

Ultimate Outcome: This would have a significant negative impact on the financial security for Florida citizens and the industries OFR regulates. Fewer financial investigations would be worked, more suspected unlawful activity would potentially go undetected and victimization of consumers will increase. Remaining Bureau resources would, by necessity, be focused on only the most egregious on-going violations; those posing the highest risk to Florida citizens. Resources would not be available to adequately investigate all suspected criminal activity or pursue more minor violations.

 COL All
 SCH VIIIIB-2
 REDUCTIONS
 POS AMOUNT PRIORITY CODES

FINANCIAL SERVICES 43000000
 SCHEDULE VIIIIB REDUCTIONS -
 OPERATING 33B0000
 REDUCTION OF FINANCIAL
 INVESTIGATIONS STAFF - OFFICE OF
 FINANCIAL REGULATION 206 33B7610

Detail of Costs:

Salaries and Benefits:
 Position Title & Pay Grade Amount

 (8) Proposed Class Code (P101) (\$369,859)

 Total (\$369,859)

Expenses:
 Quantity Description Amount

 Expenses (\$ 67,781)

 Total (\$ 67,781)

Human Resource Services:
 Quantity Description Amount

 (8) Standard Professional
 Human Resources Service (\$ 3,192)

 Total (\$ 3,192)

Issue Total (\$440,832)

ELIMINATION OF CONSUMER COMPLAINT
 UNIT IN FINANCIAL REGULATION 207 33B7640

TRUST FUNDS..... 8.00- 459,509- 2000
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SCH VIIIIB-2 NARR 10-11 NOTES:

Issue Title: REDUCTION OF CONSUMER COMPLAINT UNIT IN FINANCIAL REGULATION

 COL All
 SCH VIIIIB-2
 REDUCTIONS
 POS AMOUNT PRIORITY CODES

<u>FINANCIAL SERVICES</u>			43000000
SCHEDULE VIIIIB REDUCTIONS -			
OPERATING			33B0000
ELIMINATION OF CONSUMER COMPLAINT			
UNIT IN FINANCIAL REGULATION	207		33B7640

Program Area: Finance Regulation

Reference to Long Range Program Plan: GOAL #1: Increase protection of citizens' financial interests by bringing to bear the full extent of enforcement authority on those individuals or entities that conduct fraudulent or illegal financial services activities.

Issue Description/Problem:

A key component of regulating non-depository financial service companies is an effective consumer complaint program. The complaint program builds the foundation for the identification of potential issues that may lead to targeting specific companies or individuals for examinations and possible formal investigations. It serves as the first point of contact for gathering and reviewing information from consumers which may reveal developing trends.

The Bureau of Finance Regulation is implementing a change of focus of the mortgage examination program from the current compliance-based format to one that focuses on identification of mortgage fraud. As a result, the examination program will be much more complex. The elimination of the complaint program would have a huge negative impact upon the future success of the examination program as it attempts to expose mortgage fraud for criminal and administrative prosecution. The anticipated requirements of this new program will not permit current regional office staff to assume the role of handling consumer complaints. Because there is limited federal involvement regarding state-licensed lenders, it is doubtful these complaints can be redirected to a federal agency.

Ultimate Outcome: Elimination of the eight FTE who conduct consumer complaint investigations would cause great harm to Florida consumers. These eight FTE handled over 2,850 consumer complaints during FY 2008-09. If these positions were eliminated, the responsibility of consumer complaints could not be shifted to the regional examination staff as there would be insufficient staff based on the new focus of mortgage fraud.

Summary of Costs

Salary and Benefits

Quantity	Description	Amount
-----	-----	-----
(8)	Proposed Class Code (P101)	(\$ 405,637)
(8)	Total FTE	-\$ 405,637

Expenses

Quantity	Description	Amount
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(7)	Standard Expense Package - Professional at \$6,508 ea.	(\$ 45,556)
(1)	Standard Expense Package - Support at \$5,124 ea.	(\$ 5,124)
	Total	(\$ 50,680)

 COL All
 SCH VIIIB-2
 REDUCTIONS
 POS AMOUNT PRIORITY CODES

FINANCIAL SERVICES 43000000
 SCHEDULE VIIIB REDUCTIONS -
 OPERATING 33B0000
 ELIMINATION OF CONSUMER COMPLAINT
 UNIT IN FINANCIAL REGULATION 207 33B7640

Transfer to DMS
 Quantity Description Amount

 (8) FTE at \$399 ea. (\$ 3,192)
 Issue Total (\$ 459,509)

TOTAL: FINANCIAL SERVICES 43000000
 BY FUND TYPE
 GENERAL REVENUE FUND 2,305,833- 1000
 TRUST FUNDS 20,352,380- 2000

 TOTAL POSITIONS..... 195.00-
 TOTAL DEPARTMENT..... 22,658,213-
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