

BPEADL01 LAS/PBS SYSTEM
BUDGET PERIOD: 2008-2022
STATE OF FLORIDA

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

SP 10/14/2020 17:35 PAGE: 1
ERROR REPORT

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

COL A10		
SCH VIIIIB-2		
RED FY21-22		
POS	AMOUNT	CODES

FINANCIAL SERVICES		43000000
PRG: CHIEF FIN OFFICER/ADM		43010000
<u>LEGAL SERVICES</u>		43010200
GOV OPERATIONS/SUPPORT		16
<u>EXEC LEADERSHIP/SUPPRT SVC</u>		<u>1602.00.00.00</u>
PROGRAM REDUCTIONS		33V0000
REDUCE OFFICE OF THE GENERAL COUNSEL		33V6220
SALARY RATE		000000
SALARY RATE.....	408,718-	
	=====	
SALARIES AND BENEFITS		010000
	9.00-	
ADMINISTRATIVE TRUST FUND -STATE	619,822-	2021 1
	=====	
OTHER PERSONAL SERVICES		030000
ADMINISTRATIVE TRUST FUND -STATE	144,145-	2021 1
	=====	
EXPENSES		040000
ADMINISTRATIVE TRUST FUND -STATE	438,491-	2021 1
	=====	
SPECIAL CATEGORIES		100000
CONTRACTED SERVICES		100777
ADMINISTRATIVE TRUST FUND -STATE	106,389-	2021 1
	=====	
TOTAL: REDUCE OFFICE OF THE GENERAL COUNSEL		33V6220
TOTAL POSITIONS.....	9.00-	
TOTAL ISSUE.....	1,308,847-	
TOTAL SALARY RATE.....	408,718-	
	=====	

AGENCY ISSUE NARRATIVE:
 SCH VIIIIB-2 NARR 21-22 NARRATIVE:

IT COMPONENT? NO

PRIORITY #40

This issue proposes a budget reduction of 937,257, including reductions of 144,145 (51%) of Other Personal Services,

COL A10 SCH VIIIIB-2 RED FY21-22 POS AMOUNT	CODES
FINANCIAL SERVICES	43000000
PRG: CHIEF FIN OFFICER/ADM	43010000
<u>LEGAL SERVICES</u>	43010200
GOV OPERATIONS/SUPPORT	16
<u>EXEC LEADERSHIP/SUPPRT SVC</u>	<u>1602.00.00.00</u>
PROGRAM REDUCTIONS	33V0000
REDUCE OFFICE OF THE GENERAL COUNSEL	33V6220

106,389 (42%) of Contracted Services, 438,491 (61%) of Expenses, and nine positions and 619,822 (8%) of Salaries and Benefits budget authority. The position reductions include an Executive Senior Attorney, an Attorney, two Staff Assistants, and five Senior Attorneys. This reduction would significantly impact the Division of Legal Services.

POSITION DETAIL OF SALARIES AND BENEFITS:

	FTE	BASE RATE	ADDITIVES	BENEFITS	SUBTOTAL	LAPSE %	LAPSED SALARIES AND BENEFITS
A10 - SCH VIIIIB-2 RED FY21-22							
CHANGES TO CURRENTLY AUTHORIZED POSITIONS							
0120 STAFF ASSISTANT							
C0004 001	2.00-	46,966-		37,350-	84,316-	0.00	84,316-
7736 ATTORNEY							
C0003 001	1.00-	39,084-		22,594-	61,678-	0.00	61,678-
7738 SENIOR ATTORNEY							
C0002 001	5.00-	258,134-		124,064-	382,198-	0.00	382,198-
7739 EXECUTIVE SENIOR ATTORNEY							
C0001 001	1.00-	64,534-		27,096-	91,630-	0.00	91,630-
TOTALS FOR ISSUE BY FUND							
2021 ADMINISTRATIVE TRUST FUND							619,822-
	9.00-	408,718-		211,104-	619,822-		619,822-

TOTAL: EXEC LEADERSHIP/SUPPRT SVC							<u>1602.00.00.00</u>
BY FUND TYPE							
TRUST FUNDS.....	9.00-	1,308,847-					2000
SALARY RATE.....		408,718-					

COL A10			
SCH VIIIIB-2			
RED FY21-22			
POS	AMOUNT		CODES

FINANCIAL SERVICES			43000000
PRG: CHIEF FIN OFFICER/ADM			43010000
<u>INFORMATION TECHNOLOGY</u>			43010300
GOV OPERATIONS/SUPPORT			16
<u>INFORMATION TECHNOLOGY</u>			<u>1603.00.00.00</u>
PROGRAM REDUCTIONS			33V0000
REDUCE LOCAL GOVERNMENT ELECTRONIC			
REPORTING SYSTEM			33V0330
SPECIAL CATEGORIES			100000
CONTRACTED SERVICES			100777
GENERAL REVENUE FUND	-STATE	26,250-	1000 1
		=====	

AGENCY ISSUE NARRATIVE:

SCH VIIIIB-2 NARR 21-22 NARRATIVE:

IT COMPONENT? YES

PRIORITY #12

This issue reduces eXtensible Business Reporting Language (XBRL) developer funding by 15 percent. The recurring funding is for an application developer to further advance the XBRL taxonomy initiative by advancing the Florida Open Financial Statement System and creating a bridge to Financial statements by integrating the system with newly created XBRL taxonomies from Fiscal Year 2018-19.

This would strain the department to meet requirements set forth in section 218.32, Florida Statutes, mandating local governments to report financial data using XBRL after September 2022. Timing would be greatly dampened, making a requested extension of the deadline of marked up XBRL financial statements more likely.

COL A10			
SCH VIIIIB-2			
RED FY21-22			
POS	AMOUNT		CODES

FINANCIAL SERVICES			43000000
PRG: CHIEF FIN OFFICER/ADM			43010000
CONSUMER ADVOCATE			43010400
GOV OPERATIONS/SUPPORT			16
EXEC LEADERSHIP/SUPPRT SVC			1602.00.00.00
PROGRAM REDUCTIONS			33V0000
REDUCTION IN CONSUMER ADVOCATE			
PROGRAM			33V5000
OTHER PERSONAL SERVICES			030000
INSURANCE REG TF	-STATE 62,487-		2393 1
	=====		
EXPENSES			040000
INSURANCE REG TF	-STATE 47,287-		2393 1
	=====		
SPECIAL CATEGORIES			100000
LEASE/PURCHASE/EQUIPMENT			105281
INSURANCE REG TF	-STATE 1,888-		2393 1
	=====		
TOTAL: REDUCTION IN CONSUMER ADVOCATE			33V5000
PROGRAM			
TOTAL ISSUE.....	111,662-		
	=====		

AGENCY ISSUE NARRATIVE:

SCH VIIIIB-2 NARR 21-22 NARRATIVE:

IT COMPONENT? NO

PRIORITY #26

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

- OPS - 62,487: OPS employees provide assistance and support for the Consumer Advocate in reaching out to Florida consumers to hear their insurance concerns and discuss current insurance trends. Current funding level is 62,487.
- Expenses - 47,287: This category is used for paying rent, office supplies, travel, consumer outreach events, public forums, participating in industry conferences and committees. Current funding level is 72,357; and rent comprises 54% of this category. This reduction represents a 65% reduction in the expenses category and would not be enough to pay the office rent.
- Lease or Lease Purchase of Equipment - 1,888: This is a 100% reduction of this category. During FY 2015-16, the office purchased a copier/printer and no longer leases the copier equipment; however, this category is used to lease equipment for hosting public forums or working groups.

Reductions of this level will impact day to day operations of the office. The OICA may be unable to pay rent, purchase

COL A10 SCH VIIIIB-2 RED FY21-22 POS AMOUNT	CODES
FINANCIAL SERVICES	43000000
PRG: CHIEF FIN OFFICER/ADM	43010000
CONSUMER ADVOCATE	43010400
GOV OPERATIONS/SUPPORT	16
EXEC LEADERSHIP/SUPPRT SVC	<u>1602.00.00.00</u>
PROGRAM REDUCTIONS	33V0000
REDUCTION IN CONSUMER ADVOCATE PROGRAM	33V5000

office supplies, upgrade out dated equipment and furniture; meet with consumers, hold outreach events or public forums, participate in insurance related committees and conferences; all of which are vital to the OICA's mission to represent and protect the interests of Florida's consumers.

TOTAL: EXEC LEADERSHIP/SUPPRT SVC	<u>1602.00.00.00</u>
BY FUND TYPE	
TRUST FUNDS..... 111,662-	2000
=====	

INFO TECHNOLOGY - FLAIR	43010500
GOV OPERATIONS/SUPPORT	16
INFORMATION TECHNOLOGY	<u>1603.00.00.00</u>
PROGRAM REDUCTIONS	33V0000
DEFER HIRING OF STAFF	33V0790
SALARY RATE	000000
SALARY RATE..... 210,784-	
=====	

SALARIES AND BENEFITS	010000
GENERAL REVENUE FUND -STATE 247,987-	1000 1
=====	
TOTAL: DEFER HIRING OF STAFF	33V0790
TOTAL ISSUE..... 247,987-	
TOTAL SALARY RATE..... 210,784-	
=====	

AGENCY ISSUE NARRATIVE:
 SCH VIIIIB-2 NARR 21-22 NARRATIVE:

IT COMPONENT? YES

PRIORITY #45

Prior to the 6% hold-back, the Office of Information Technology (OIT) planned to hire three vacant positions from the General Revenue Fund. These actions were postponed, thus substantially impeding OIT's staffing capacity and morale, and restricting operational flexibility.

COL A10		
SCH VIIIIB-2		
RED FY21-22		
POS	AMOUNT	CODES
FINANCIAL SERVICES		43000000
PRG: CHIEF FIN OFFICER/ADM		43010000
<u>INFO TECHNOLOGY - FLAIR</u>		43010500
GOV OPERATIONS/SUPPORT		16
<u>INFORMATION TECHNOLOGY</u>		<u>1603.00.00.00</u>
PROGRAM REDUCTIONS		33V0000
DEFER HIRING OF STAFF		33V0790

Hiring deferments, or the lack of salary and benefit support, will cause an enduring hindrance of Information Technology services and require a long-term reevaluation of Information Technology priorities requiring consequential sacrifices from customers.

POSITION DETAIL OF SALARIES AND BENEFITS:

	FTE	BASE RATE	ADDITIVES	BENEFITS	SUBTOTAL	LAPSE %	LAPSED SALARIES AND BENEFITS
A10 - SCH VIIIIB-2 RED FY21-22							
CHANGES TO CURRENTLY AUTHORIZED POSITIONS							
RA01 RATE & SALARY ADJ - BENEFITS NO FTE							
C1001 001	0.00	210,784-		37,203-	247,987-	0.00	247,987-
TOTALS FOR ISSUE BY FUND							
1000 GENERAL REVENUE FUND							247,987-
	0.00	210,784-		37,203-	247,987-		247,987-

REDUCTION OF INFORMATION TECHNOLOGY

STAFF						33V0820
SALARY RATE						000000
SALARY RATE.....	375,752-					
SALARIES AND BENEFITS						010000
GENERAL REVENUE FUND	-STATE	7.00-	543,782-			1000 1

COL A10		
SCH VIIIIB-2		
RED FY21-22		
POS	AMOUNT	CODES
FINANCIAL SERVICES		
		43000000
PRG: CHIEF FIN OFFICER/ADM		43010000
<u>INFO TECHNOLOGY - FLAIR</u>		43010500
GOV OPERATIONS/SUPPORT		16
<u>INFORMATION TECHNOLOGY</u>		<u>1603.00.00.00</u>
PROGRAM REDUCTIONS		33V0000
REDUCTION OF INFORMATION TECHNOLOGY		
STAFF		33V0820
SPECIAL CATEGORIES		100000
FLAIR SYSTEM REPLACEMENT		100781
ADMINISTRATIVE TRUST FUND -STATE	150,502-	2021 1
	=====	
TOTAL: REDUCTION OF INFORMATION TECHNOLOGY		33V0820
STAFF		
TOTAL POSITIONS.....	7.00-	
TOTAL ISSUE.....	694,284-	
TOTAL SALARY RATE.....	375,752-	
	=====	

AGENCY ISSUE NARRATIVE:
 SCH VIIIIB-2 NARR 21-22 NARRATIVE:

IT COMPONENT? YES

PRIORITY #47

The issue eliminates seven positions from the General Revenue fund and one contractor from the Administrative Trust Fund. This reduction will have a substantial impact on the Florida Accounting Information Resource (FLAIR) and its ability to function. This is a critical time period for FLAIR while staff and managed services work to remediate FLAIR to PALM. As FLAIR retires over the next few years, retaining staff to perform the tasks needed for operations are vital. Removing positions would put the timeline for the PALM project at risk and increase the risk of failure within the FLAIR system.

POSITION DETAIL OF SALARIES AND BENEFITS:

	FTE	BASE RATE	ADDITIVES	BENEFITS	SUBTOTAL	LAPSE %	LAPSED SALARIES AND BENEFITS
A10 - SCH VIIIIB-2 RED FY21-22							
CHANGES TO CURRENTLY AUTHORIZED POSITIONS							
P101 PROPOSED CLASS CODE							
C1001 001	7.00-	375,752-		168,030-	543,782-	0.00	543,782-

COL A10 SCH VIIIIB-2 RED FY21-22 POS AMOUNT	CODES
FINANCIAL SERVICES	43000000
PRG: CHIEF FIN OFFICER/ADM	43010000
<u>INFO TECHNOLOGY - FLAIR</u>	43010500
GOV OPERATIONS/SUPPORT	16
<u>INFORMATION TECHNOLOGY</u>	<u>1603.00.00.00</u>
PROGRAM REDUCTIONS	33V0000
REDUCTION OF INFORMATION TECHNOLOGY STAFF	33V0820

POSITION DETAIL OF SALARIES AND BENEFITS:

FTE	BASE RATE	ADDITIVES	BENEFITS	SUBTOTAL	LAPSE %	LAPSED SALARIES AND BENEFITS
A10 - SCH VIIIIB-2 RED FY21-22						
CHANGES TO CURRENTLY AUTHORIZED POSITIONS						
TOTALS FOR ISSUE BY FUND						543,782-
1000 GENERAL REVENUE FUND						543,782-
7.00-	375,752-		168,030-	543,782-		543,782-

ELIMINATE PLURALSIGHT TRAINING
 EXPENSES

33V0830
 040000

ADMINISTRATIVE TRUST FUND -STATE 28,413-
 =====

2021 1

AGENCY ISSUE NARRATIVE:

SCH VIIIIB-2 NARR 21-22 NARRATIVE:

IT COMPONENT? YES

PRIORITY #41

In accordance with the 6% COVID-19 pandemic hold-back in all appropriation categories, the Office of Information Technology (OIT) has cut many of its planned purchases. The planned purchase listed below was deferred in response to these budget restrictions:

OIT canceled all Pluralsight training in the amount of \$28,413. Pluralsight is an economical cloud-based continuing education source for OIT staff. Reductions in system support will cause an enduring hindrance of Information Technology services and require a long-term reevaluation of IT priorities requiring consequential sacrifices from customers.

COL A10
SCH VIIIIB-2
RED FY21-22
POS AMOUNT CODES

FINANCIAL SERVICES 43000000
PRG: CHIEF FIN OFFICER/ADM 43010000
INFO TECHNOLOGY - FLAIR 43010500
GOV OPERATIONS/SUPPORT 16
INFORMATION TECHNOLOGY 1603.00.00.00
PROGRAM REDUCTIONS 33V0000
REDUCTION IN ORACLE JAVA SUPPORT 33V0840
SPECIAL CATEGORIES 100000
CONTRACTED SERVICES 100777

ADMINISTRATIVE TRUST FUND -STATE 43,200- 2021 1
=====

AGENCY ISSUE NARRATIVE:
SCH VIIIIB-2 NARR 21-22 NARRATIVE: IT COMPONENT? YES

PRIORITY #43

In accordance with the 6% COVID-19 pandemic hold-back in all appropriation categories, the Office of Information Technology (OIT) has cut many of its planned purchases. The planned purchase listed below was deferred in response to these budget restrictions:

OIT deferred subscription payments for updates and patches to the Oracle Java Server Software for an annualized reduction of 43,200. Without this purchase OIT is assuming greater risk that bugs and inability to use new features will not hinder customer systems.

Reductions in system support will cause an enduring hindrance of Information Technology services and require a long-term reevaluation of Information Technology priorities requiring consequential sacrifices from customers.

REDUCE REPLACEMENT OF END-OF-LIFE EQUIPMENT 33V0880
SPECIAL CATEGORIES 100000
CONTRACTED SERVICES 100777

ADMINISTRATIVE TRUST FUND -STATE 162,616- 2021 1
=====

AGENCY ISSUE NARRATIVE:
SCH VIIIIB-2 NARR 21-22 NARRATIVE: IT COMPONENT? YES

PRIORITY #44

COL A10 SCH VIIIIB-2 RED FY21-22 POS AMOUNT	CODES
FINANCIAL SERVICES	43000000
PRG: CHIEF FIN OFFICER/ADM	43010000
<u>INFO TECHNOLOGY - FLAIR</u>	43010500
GOV OPERATIONS/SUPPORT	16
<u>INFORMATION TECHNOLOGY</u>	<u>1603.00.00.00</u>
PROGRAM REDUCTIONS	33V0000
REDUCE REPLACEMENT OF END-OF-LIFE EQUIPMENT	33V0880

In accordance with the 6% COVID-19 pandemic hold-back in all appropriation categories, the Office of Information Technology (OIT) has cut many of its planned purchases. The planned purchase listed below was deferred in response to these budget restrictions:

Within DFS, OIT is responsible for maintaining and replacing workstations throughout the department. OIT assesses the full inventory of workstations, both laptop and desktop machines, to determine which of them require replacement.

Reductions in workstations support and replacement will cause an enduring hindrance of Information Technology services and require a long-term reevaluation of Information Technology priorities requiring consequential sacrifices from customers.

REDUCE DATA STORAGE MAINTENANCE SUPPORT	33V0890
SPECIAL CATEGORIES	100000
CONTRACTED SERVICES	100777
ADMINISTRATIVE TRUST FUND -STATE	2021 1

16,725-
 =====

AGENCY ISSUE NARRATIVE:
 SCH VIIIIB-2 NARR 21-22 NARRATIVE:

IT COMPONENT? YES

PRIORITY #42

In accordance with the 6% COVID-19 pandemic hold-back in all appropriation categories, the Office of Information Technology (OIT) has cut many of its planned purchases. The planned purchase listed below was deferred in response to these budget restrictions:

OIT reduced the level of maintenance for the Dell/EMC Corporation storage boxes from 4 hours response support to instead allow for responses within 24 hours. Reductions in system support will cause an enduring hindrance of Information Technology services and require a long-term reevaluation of Information Technology priorities requiring consequential sacrifices from customers.

COL A10		
SCH VIIIIB-2		
RED FY21-22		
POS	AMOUNT	CODES
FINANCIAL SERVICES		
		43000000
PRG: CHIEF FIN OFFICER/ADM		43010000
<u>INFO TECHNOLOGY - FLAIR</u>		43010500
GOV OPERATIONS/SUPPORT		16
<u>INFORMATION TECHNOLOGY</u>		<u>1603.00.00.00</u>
PROGRAM REDUCTIONS		
		33V0000
ELIMINATE GARTNER SUBSCRIPTION		33V3210
SPECIAL CATEGORIES		100000
CONTRACTED SERVICES		100777
ADMINISTRATIVE TRUST FUND -STATE	143,549-	2021 1
	=====	

AGENCY ISSUE NARRATIVE:

SCH VIIIIB-2 NARR 21-22 NARRATIVE:

IT COMPONENT? YES

PRIORITY #11

In accordance with the 6% COVID-19 pandemic hold-back in all appropriation categories, the Office of Information Technology (OIT) has cut many of its planned purchases. The planned purchase listed below was deferred in response to these budget restrictions:

OIT has canceled all seats with Gartner, an IT management advising company. This reduction will impede OIT's ability to get quick, independent guidance on technologies and IT policies thus increasing the likelihood of delays, vulnerabilities, diminished effectiveness and cost increases for the IT services OIT delivers.

TOTAL: INFORMATION TECHNOLOGY		<u>1603.00.00.00</u>
BY FUND TYPE		
GENERAL REVENUE FUND	791,769-	1000
TRUST FUNDS	545,005-	2000

TOTAL POSITIONS.....	7.00-	
TOTAL PROG COMP.....	1,336,774-	
TOTAL SALARY RATE.....	586,536-	
	=====	

COL A10			
SCH VIIIB-2			
RED FY21-22			
POS	AMOUNT		CODES

FINANCIAL SERVICES			43000000
PROGRAM: TREASURY			43100000
<u>DEPOSIT SECURITY</u>			43100200
GOV OPERATIONS/SUPPORT			16
<u>GOVERNMENTAL OPERATIONS</u>			<u>1601.00.00.00</u>
PROGRAM REDUCTIONS			33V0000
ELIMINATE THE QUALIFIED PUBLIC			
DEPOSITORIES PROGRAM			33V4100
SALARY RATE			000000
SALARY RATE.....	178,420-		
	=====		
SALARIES AND BENEFITS			010000
	4.00-		
TREASURY ADM/INVEST TF	-STATE	268,031-	2725 1
		=====	
EXPENSES			040000
TREASURY ADM/INVEST TF	-STATE	29,349-	2725 1
		=====	
TOTAL: ELIMINATE THE QUALIFIED PUBLIC			33V4100
DEPOSITORIES PROGRAM			
TOTAL POSITIONS.....	4.00-		
TOTAL ISSUE.....	297,380-		
TOTAL SALARY RATE.....	178,420-		
	=====		

AGENCY ISSUE NARRATIVE:

SCH VIIIB-2 NARR 21-22 NARRATIVE:

IT COMPONENT? NO

PRIORITY #27

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

The Qualified Public Deposit Program was established in 1981 at the request of the banking community in Florida to provide a standardized method of protecting public monies on deposit that exceeded the Federal Deposit Insurance Corporation limits that guaranteed depositors against loss in the case of a bank failure. Chapter 280 established the administrative responsibility for the Division of Treasury to administer the program and provide for a full time staff to approve participating depositories, establish collateralization levels required to protect the deposits and for the review of the financial conditions in order to determine adequate pledge level for collateral requirements. There are

COL A10 SCH VIIIIB-2 RED FY21-22 POS AMOUNT	CODES
FINANCIAL SERVICES	43000000
PROGRAM: TREASURY	43100000
<u>DEPOSIT SECURITY</u>	43100200
GOV OPERATIONS/SUPPORT	16
<u>GOVERNMENTAL OPERATIONS</u>	<u>1601.00.00.00</u>
PROGRAM REDUCTIONS	33V0000
ELIMINATE THE QUALIFIED PUBLIC DEPOSITORIES PROGRAM	33V4100

currently four full time positions that administer the program that includes approving participation, review ranking changes, monitor deposit and pledge levels and act in accordance with both Chapter 280, Florida Statutes and Administrative Rule 69C-2. This reduction also includes 5,557 in recurring expenses for a bank rating service for the program and the standard recurring expenses package for the four employees.

This budget reduction issue would result in significant disruption not only for the Division of Treasury but for hundreds of governmental units in Florida at the local, county and state level and potentially put billions of dollars in public funds at greater risk of loss due to the elimination of qualified public depositories and the public deposits program.

This is 100 percent of the program resources and 10 percent of this budget entity's overall operating budget.

POSITION DETAIL OF SALARIES AND BENEFITS:

	FTE	BASE RATE	ADDITIVES	BENEFITS	SUBTOTAL	LAPSE %	LAPSED SALARIES AND BENEFITS
A10 - SCH VIIIIB-2 RED FY21-22							
CHANGES TO CURRENTLY AUTHORIZED POSITIONS							
P101 PROPOSED CLASS CODE							
C1001 001	4.00-	178,420-		89,611-	268,031-	0.00	268,031-
TOTALS FOR ISSUE BY FUND							
2725 TREASURY ADM/INVEST TF							268,031-
	4.00-	178,420-		89,611-	268,031-		268,031-

TOTAL: GOVERNMENTAL OPERATIONS							<u>1601.00.00.00</u>
BY FUND TYPE							
TRUST FUNDS.....	4.00-	297,380-					2000
SALARY RATE.....	178,420-						
=====							

COL A10		
SCH VIIIIB-2		
RED FY21-22		
POS	AMOUNT	CODES
FINANCIAL SERVICES		43000000
PROGRAM: TREASURY		43100000
<u>ST FUNDS MGT & INVESTMENT</u>		43100300
GOV OPERATIONS/SUPPORT		16
<u>GOVERNMENTAL OPERATIONS</u>		<u>1601.00.00.00</u>
PROGRAM REDUCTIONS		33V0000
ELIMINATE THE STATE TREASURY		
CONCENTRATION ACCOUNT CONTRACT		33V4180
SPECIAL CATEGORIES		100000
CONTRACTED SERVICES		100777
TREASURY ADM/INVEST TF	-STATE 624,000-	2725 1

AGENCY ISSUE NARRATIVE:

SCH VIIIIB-2 NARR 21-22 NARRATIVE:

IT COMPONENT? NO

PRIORITY #28

Eliminate the master receipts contract (concentration account - ETR201) used by all state agencies. Agencies process all deposits through this contract which are then centralized in the State Treasury. The Division of Treasury then has access to these funds for investments. Treasury is the owner of this contract and pays for these services used by the agencies. If this contract is eliminated, agencies would then be required to pay for these services themselves.

The Fiscal Year 2020-21 budget for this contract is 624,000. Elimination of this contract would push a considerable amount of costs and effort to all state agencies because they would lose discounted pricing for economies of scale. Additionally, if funds are deposited outside the State Treasury, investment earnings on the funds could be lost.

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

This is a 32 percent reduction in the contracted services category and 15 percent of this budget entity's overall operating budget.

COL A10		
SCH VIIIIB-2		
RED FY21-22		
POS	AMOUNT	CODES
FINANCIAL SERVICES		43000000
PROGRAM: TREASURY		43100000
<u>SUP RETIREMENT PLAN</u>		43100400
GOV OPERATIONS/SUPPORT		16
<u>GOVERNMENTAL OPERATIONS</u>		<u>1601.00.00.00</u>
PROGRAM REDUCTIONS		33V0000
ELIMINATE THIRD PARTY ADMINISTRATOR		
CONTRACT		33V4120
SPECIAL CATEGORIES		100000
DEFERRED COMP ADM SVCS		100868
TREASURY ADM/INVEST TF	-STATE	2725 1
	408,000-	
	=====	

AGENCY ISSUE NARRATIVE:

SCH VIIIIB-2 NARR 21-22 NARRATIVE:

IT COMPONENT? NO

PRIORITY #13

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

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

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

This is a 50 percent reduction in the deferred compensation administrative services category in this budget entity and 23 percent of this budget entity's overall operating budget.

COL A10		
SCH VIIIIB-2		
RED FY21-22		
POS	AMOUNT	CODES

FINANCIAL SERVICES		43000000
PGM: FIN ACCT/PUBLIC FUNDS		43200000
ST FINAN INFO/ST AGY ACCTG		43200100
GOV OPERATIONS/SUPPORT		16
GOVERNMENTAL OPERATIONS		<u>1601.00.00.00</u>
PROGRAM REDUCTIONS		33V0000
ELIMINATE ARTICLE V PROGRAM		
POSITIONS AND REQUIREMENTS		33V0100
SALARY RATE		000000
SALARY RATE.....	265,291-	
	=====	
SALARIES AND BENEFITS		010000
	5.00-	
ADMINISTRATIVE TRUST FUND -STATE	384,765-	2021 1
	=====	
EXPENSES		040000
ADMINISTRATIVE TRUST FUND -STATE	108,201-	2021 1
	=====	
TOTAL: ELIMINATE ARTICLE V PROGRAM		33V0100
POSITIONS AND REQUIREMENTS		
TOTAL POSITIONS.....	5.00-	
TOTAL ISSUE.....	492,966-	
TOTAL SALARY RATE.....	265,291-	
	=====	

AGENCY ISSUE NARRATIVE:

SCH VIIIIB-2 NARR 21-22 NARRATIVE:

IT COMPONENT? NO

PRIORITY #17

The Article V Program was implemented in 2005. During the 2013 Legislative Session, DFS's responsibilities were revised from auditing Clerks budgets, to auditing court related expenditures. In addition, the General Appropriations Act requires the Chief Financial Officer to provide quarterly status reports on audits performed to the Legislature. The Department resumed performing audits of Clerk's budget and expenditures in August 2015. To date 30 audits have been completed and most of the audit findings have been about not establishing methodologies and documentation standards as it relates to supporting allocated payroll costs between county and state funding sources.

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

The program is funded by collection of \$1 on certain fees and deposited into the DFS Administrative Trust Fund. Currently, this annual revenue is approximately \$250,000 to \$300,000 a year. A residual fund balance of approximately \$2.2 million is used when expenditures exceed the revenue. If eliminated, there could be the potential of the misuse of

COL A10 SCH VIIIIB-2 RED FY21-22 POS	AMOUNT	CODES
FINANCIAL SERVICES		43000000
PGM: FIN ACCT/PUBLIC FUNDS		43200000
ST FINAN INFO/ST AGY ACCTG		43200100
GOV OPERATIONS/SUPPORT		16
GOVERNMENTAL OPERATIONS		1601.00.00.00
PROGRAM REDUCTIONS		33V0000
ELIMINATE ARTICLE V PROGRAM		
POSITIONS AND REQUIREMENTS		33V0100

state funds. The \$1 fee could be redirected to General Revenue.

This issue eliminates five positions and 384,765 from Salaries and Benefits and 108,201 from Expenses.

POSITION DETAIL OF SALARIES AND BENEFITS:

	FTE	BASE RATE	ADDITIVES	BENEFITS	SUBTOTAL	LAPSE %	LAPSED SALARIES AND BENEFITS
A10 - SCH VIIIIB-2 RED FY21-22							
CHANGES TO CURRENTLY AUTHORIZED POSITIONS							
P101 PROPOSED CLASS CODE							
C0001 001	5.00-	265,291-		119,474-	384,765-	0.00	384,765-
TOTALS FOR ISSUE BY FUND							
2021 ADMINISTRATIVE TRUST FUND							384,765-
	5.00-	265,291-		119,474-	384,765-		384,765-

REDUCE POSITIONS WITHIN THE BUREAU

OF AUDITING							33V0810
SALARY RATE							000000
SALARY RATE.....	522,835-						
SALARIES AND BENEFITS							010000
GENERAL REVENUE FUND	14.00-						
-STATE		818,535-					1000 1

COL A10		
SCH VIIIIB-2		
RED FY21-22		
POS	AMOUNT	CODES
FINANCIAL SERVICES		
		43000000
PGM: FIN ACCT/PUBLIC FUNDS		
		43200000
ST FINAN INFO/ST AGY ACCTG		
		43200100
GOV OPERATIONS/SUPPORT		
		16
GOVERNMENTAL OPERATIONS		
		<u>1601.00.00.00</u>
PROGRAM REDUCTIONS		
		33V0000
REDUCE POSITIONS WITHIN THE BUREAU		
		33V0810
OF AUDITING		
		33V0810
TOTAL: REDUCE POSITIONS WITHIN THE BUREAU		
		33V0810
OF AUDITING		
TOTAL POSITIONS.....	14.00-	
TOTAL ISSUE.....	818,535-	
TOTAL SALARY RATE.....	522,835-	
	=====	

AGENCY ISSUE NARRATIVE:
 SCH VIIIIB-2 NARR 21-22 NARRATIVE:

IT COMPONENT? NO

PRIORITY #46

The Division of Accounting and Auditing is proposing to eliminate 14 of the auditors in the Bureau of Auditing. Pursuant to section (s.) 17.03, Florida Statutes, (F.S.), the Chief Financial Officer (CFO) is responsible for settling the claims of the State. Over the years, as state budgets and expenditures have grown considerably, the Bureau of Auditing has remained fairly consistent in maintaining the number of positions to audit State expenditures. In order to keep up with increasing workloads, the Bureau has created audit plans each year which incorporate risk analyses, materiality, and sampling as a means of providing audit coverage. In addition, to curb systemic problems with poorly written contracts, certain auditors within the audit teams also audit state contracts along with payments because better written contracts result in fewer payment problems.

During the fiscal year 19/20, the bureau audited 349,573 out of 3.8 million payments via sampling. This represents 9.02% of the total payment population; however, because the audit plan incorporates risk and materiality thresholds, the bureau audited \$76 billion out of the \$96 billion in annual expenditures. As a result, 79% of the dollars spent had audit coverage.

Currently, there are 48 positions that provide payment and contract audit coverage. A reduction of the audit teams by 14 positions, or approximately 30%, would result in the reduction of the number of payments audited by somewhere around 101,000. In addition, since most small dollar payments (i.e. less than \$10,000) are being covered through sampling, almost all the corresponding reduction in payments audited would occur on much higher dollar payments. This would significantly impact whether the CFO has reasonable assurance as to whether payments are properly made and audited.

This issue eliminates 14 positions and 818,535 in Salaries and Benefits appropriations.

COL A10 SCH VIIIIB-2 RED FY21-22 POS AMOUNT	CODES
FINANCIAL SERVICES	43000000
PGM: FIN ACCT/PUBLIC FUNDS	43200000
ST FINAN INFO/ST AGY ACCTG	43200100
GOV OPERATIONS/SUPPORT	16
GOVERNMENTAL OPERATIONS	<u>1601.00.00.00</u>
PROGRAM REDUCTIONS	33V0000
REDUCE POSITIONS WITHIN THE BUREAU OF AUDITING	33V0810

POSITION DETAIL OF SALARIES AND BENEFITS:

	FTE	BASE RATE	ADDITIVES	BENEFITS	SUBTOTAL	LAPSE %	LAPSED SALARIES AND BENEFITS
A10 - SCH VIIIIB-2 RED FY21-22							
CHANGES TO CURRENTLY AUTHORIZED POSITIONS							
P101 PROPOSED CLASS CODE							
C0001 001	14.00-	522,835-		295,700-	818,535-	0.00	818,535-
TOTALS FOR ISSUE BY FUND							
1000 GENERAL REVENUE FUND							818,535-
	14.00-	522,835-		295,700-	818,535-		818,535-

TOTAL: GOVERNMENTAL OPERATIONS							<u>1601.00.00.00</u>
BY FUND TYPE							
GENERAL REVENUE FUND	818,535-						1000
TRUST FUNDS	492,966-						2000
TOTAL POSITIONS.....	19.00-						
TOTAL PROG COMP.....		1,311,501-					
TOTAL SALARY RATE.....		788,126-					

=====

COL A10		
SCH VIIIIB-2		
RED FY21-22		
POS	AMOUNT	CODES

FINANCIAL SERVICES		43000000
PGM: FIN ACCT/PUBLIC FUNDS		43200000
<u>RECOVERY & RETURN OF UP</u>		43200200
GOV OPERATIONS/SUPPORT		16
<u>GOVERNMENTAL OPERATIONS</u>		<u>1601.00.00.00</u>
PROGRAM REDUCTIONS		33V0000
ELIMINATE UNCLAIMED PROPERTY FIELD		
AUDIT POSITIONS		33V0490
SALARY RATE		000000
SALARY RATE.....	258,986-	
	=====	
SALARIES AND BENEFITS		010000
	6.00-	
UNCLAIMED PROPERTY TF -STATE	391,877-	2007 1
	=====	
TOTAL: ELIMINATE UNCLAIMED PROPERTY FIELD		33V0490
AUDIT POSITIONS		
TOTAL POSITIONS.....	6.00-	
TOTAL ISSUE.....	391,877-	
TOTAL SALARY RATE.....	258,986-	
	=====	

AGENCY ISSUE NARRATIVE:

SCH VIIIIB-2 NARR 21-22 NARRATIVE: IT COMPONENT? NO

PRIORITY #19

The Division of Unclaimed Property would reduce the number of positions from 65 to 59 by eliminating the Division's field auditor positions. In FY 2004/2005, The Division established a team responsible for conducting exams/audits on holder (businesses) of unclaimed property that are not complying with applicable laws. In addition to audits, the team also provides outreach/education to holders. The field audit team 300 audits this fiscal year and averages 14 educational workshops annually. Since implementation, these activities have generated more than \$79 million in additional Unclaimed Property receipts.

Eliminating this team could potentially result in a reduction of unclaimed property funds remitted to the State by entities that are not reporting as they should be resulting in Florida residents and businesses not receiving funds for which they are rightfully entitled.

COL A10 SCH VIIIIB-2 RED FY21-22 POS	AMOUNT	CODES
FINANCIAL SERVICES		43000000
PGM: FIN ACCT/PUBLIC FUNDS		43200000
<u>RECOVERY & RETURN OF UP</u>		43200200
GOV OPERATIONS/SUPPORT		16
<u>GOVERNMENTAL OPERATIONS</u>		<u>1601.00.00.00</u>
PROGRAM REDUCTIONS		33V0000
ELIMINATE UNCLAIMED PROPERTY FIELD		
AUDIT POSITIONS		33V0490

POSITION DETAIL OF SALARIES AND BENEFITS:

	FTE	BASE RATE	ADDITIVES	BENEFITS	SUBTOTAL	LAPSE %	LAPSED SALARIES AND BENEFITS
A10 - SCH VIIIIB-2 RED FY21-22							
CHANGES TO CURRENTLY AUTHORIZED POSITIONS							
P101 PROPOSED CLASS CODE							
C0001 001	6.00-	258,986-		132,891-	391,877-	0.00	391,877-
TOTALS FOR ISSUE BY FUND							
2007 UNCLAIMED PROPERTY TF							391,877-
	6.00-	258,986-		132,891-	391,877-		391,877-

REDUCE OTHER PERSONAL SERVICES
 (OPS) IN THE DIVISION OF UNCLAIMED
 PROPERTY

OTHER PERSONAL SERVICES							33V0730
							030000

UNCLAIMED PROPERTY TF	-STATE	395,410-					2007 1
-----------------------	--------	----------	--	--	--	--	--------

AGENCY ISSUE NARRATIVE:
 SCH VIIIIB-2 NARR 21-22 NARRATIVE:

IT COMPONENT? NO

PRIORITY #18

The Division of Unclaimed Property utilizes multiple OPS employees within all three sections. Most of these positions work in OPS the Accounts Payable section assisting with customer service calls, correspondence, and claims processing. Additional positions are employed in the Accounts Receivable section for document and holder report processing as well as

COL A10		
SCH VIIIIB-2		
RED FY21-22		
POS	AMOUNT	CODES
FINANCIAL SERVICES		
		43000000
PGM: FIN ACCT/PUBLIC FUNDS		
		43200000
<u>RECOVERY & RETURN OF UP</u>		
		43200200
GOV OPERATIONS/SUPPORT		
		16
<u>GOVERNMENTAL OPERATIONS</u>		
		<u>1601.00.00.00</u>
PROGRAM REDUCTIONS		
		33V0000
REDUCE OTHER PERSONAL SERVICES		
(OPS) IN THE DIVISION OF UNCLAIMED		
PROPERTY		
		33V0730

with the Asset Management section assisting with returned checks, cash receipts, customer service calls, and vault inventory processing. Claims have steadily become more complex in nature, significantly impacting the average claim processing time. The use of OPS resources has played a significant role in handling this growth along with the corresponding customer service calls. Additionally, OPS are critically important as they are predominantly used in the records room to prepare and image claim documentation into the Unclaimed Property Management System (UPMIS) which are needed in order for accounts payable staff to process and pay claims. More than 5,000,000 million documents were processed by the records room last fiscal year. Eliminating OPS would pose significant risks to the Division of being unable to accurately and promptly administer and meet statutory time-frame requirements, as well as being unable to meet performance expectations and customer service.

A reduction of (395,410) would equate to an estimated 12 OPS positions.

TOTAL: GOVERNMENTAL OPERATIONS		<u>1601.00.00.00</u>
BY FUND TYPE		
TRUST FUNDS.....	6.00- 787,287-	2000
SALARY RATE.....	258,986-	
	=====	

COL A10		
SCH VIIIIB-2		
RED FY21-22		
POS	AMOUNT	CODES
FINANCIAL SERVICES		
		43000000
PROGRAM: FIRE MARSHAL		
		43300000
<u>COMPLIANCE & ENFORCEMENT</u>		
		43300200
PUBLIC PROTECTION		
		12
<u>LAW ENFORCEMENT</u>		
		<u>1202.00.00.00</u>
PROGRAM REDUCTIONS		
		33V0000
ELIMINATE BOILER SAFETY PROGRAM		
		33V0090
SALARY RATE		
		000000
SALARY RATE.....	291,669-	
	=====	
SALARIES AND BENEFITS		
		010000
INSURANCE REG TF	-STATE 8.00- 459,389-	
	=====	2393 1
TOTAL: ELIMINATE BOILER SAFETY PROGRAM		
		33V0090
TOTAL POSITIONS.....	8.00-	
TOTAL ISSUE.....	459,389-	
TOTAL SALARY RATE.....	291,669-	
	=====	

AGENCY ISSUE NARRATIVE:
 SCH VIIIIB-2 NARR 21-22 NARRATIVE:

IT COMPONENT? NO

PRIORITY #29

This issue eliminates the Boiler Safety Section, which includes seven filled positions and one vacant position for a total reduction in salaries and benefits of 459,389. The Boiler Safety Program conducts inspections of all uninsured boilers located in public assembly locations. The program issues annual certificates of competency to inspectors working for licensed boiler insurance companies, and processes and issues certificates of compliance for all boilers in the state of Florida located in places of public assembly.

The Boiler Safety staff consists of the Chief Boiler Inspector, five Deputy Boiler Inspectors, and two administrative support staff. The Boiler Safety Section provides a necessary and valuable service to the citizens of the state of Florida by ensuring the safety and compliance of boilers located throughout the state. Reducing this section will create a need for these services to be performed elsewhere.

COL A10 SCH VIIIIB-2 RED FY21-22 POS AMOUNT	CODES
FINANCIAL SERVICES	43000000
PROGRAM: FIRE MARSHAL	43300000
<u>COMPLIANCE & ENFORCEMENT</u>	43300200
PUBLIC PROTECTION	12
<u>LAW ENFORCEMENT</u>	<u>1202.00.00.00</u>
PROGRAM REDUCTIONS	33V0000
ELIMINATE BOILER SAFETY PROGRAM	33V0090

POSITION DETAIL OF SALARIES AND BENEFITS:

	FTE	BASE RATE	ADDITIVES	BENEFITS	SUBTOTAL	LAPSE %	LAPSED SALARIES AND BENEFITS
A10 - SCH VIIIIB-2 RED FY21-22							
CHANGES TO CURRENTLY AUTHORIZED POSITIONS							
P101 PROPOSED CLASS CODE							
C1001 001	8.00-	291,669-		167,720-	459,389-	0.00	459,389-
TOTALS FOR ISSUE BY FUND							
2393 INSURANCE REG TF							459,389-
	8.00-	291,669-		167,720-	459,389-		459,389-

REDUCE BUREAU OF COMPLIANCE AND ENFORCEMENT STAFF							33V0130
SALARY RATE							000000
SALARY RATE.....	107,971-						
SALARIES AND BENEFITS							010000
INSURANCE REG TF -STATE	5.00-	199,678-					2393 1
TOTAL: REDUCE BUREAU OF COMPLIANCE AND ENFORCEMENT STAFF							33V0130
TOTAL POSITIONS.....	5.00-						
TOTAL ISSUE.....		199,678-					
TOTAL SALARY RATE.....	107,971-						

COL A10 SCH VIIIIB-2 RED FY21-22 POS AMOUNT	CODES
FINANCIAL SERVICES	43000000
PROGRAM: FIRE MARSHAL	43300000
<u>COMPLIANCE & ENFORCEMENT</u>	43300200
PUBLIC PROTECTION	12
<u>LAW ENFORCEMENT</u>	<u>1202.00.00.00</u>
PROGRAM REDUCTIONS	33V0000
REDUCE BUREAU OF COMPLIANCE AND ENFORCEMENT STAFF	33V0130

AGENCY ISSUE NARRATIVE:
 SCH VIIIIB-2 NARR 21-22 NARRATIVE:

IT COMPONENT? NO

PRIORITY #21

This issue eliminates five License and Registration Inspectors in regional offices throughout the state, reducing salaries and benefits by 199,678. Two of these positions are currently filled. These positions provide administrative support, fire inspections, and public education support to the Fire Inspections section in the regional field offices. The License and Registration Inspector positions are entry-level inspector trainee positions, created for individuals who have not attained their fire safety inspector certification or gained sufficient inspection experience. They also conduct initial fire safety inspections of occupancies and new construction, as well as provide assistance with the regions' educational training programs for local fire services, state agencies, and the general public. The elimination of these positions will require the remaining regional staff (the Fire Protections Specialists and supervisors) to assume the workload, thereby affecting their ability to perform fire safety inspections within the statutorily mandated time frames outlined by chapter 633.218(1)(a), F.S.

POSITION DETAIL OF SALARIES AND BENEFITS:

	FTE	BASE RATE	ADDITIVES	BENEFITS	SUBTOTAL	LAPSE %	LAPSED SALARIES AND BENEFITS
A10 - SCH VIIIIB-2 RED FY21-22							
CHANGES TO CURRENTLY AUTHORIZED POSITIONS							
P101 PROPOSED CLASS CODE							
C1001 001	5.00-	107,971-		91,707-	199,678-	0.00	199,678-
TOTALS FOR ISSUE BY FUND							
2393 INSURANCE REG TF							199,678-
	5.00-	107,971-		91,707-	199,678-		199,678-

COL A10			
SCH VIIIIB-2			
RED FY21-22			
POS	AMOUNT		CODES

FINANCIAL SERVICES			43000000
PROGRAM: FIRE MARSHAL			43300000
<u>COMPLIANCE & ENFORCEMENT</u>			43300200
PUBLIC PROTECTION			12
<u>LAW ENFORCEMENT</u>			<u>1202.00.00.00</u>
PROGRAM REDUCTIONS			33V0000
ELIMINATE CONSTRUCTION MATERIALS			
MINING - CH 2020-180, LOF (HB 1047)			33V1140
OTHER PERSONAL SERVICES			030000
GENERAL REVENUE FUND	-STATE	60,000-	1000 1
		=====	
SPECIAL CATEGORIES			100000
CONTRACTED SERVICES			100777
GENERAL REVENUE FUND	-STATE	540,000-	1000 1
		=====	
TOTAL: ELIMINATE CONSTRUCTION MATERIALS			33V1140
MINING - CH 2020-180, LOF (HB 1047)			
TOTAL ISSUE.....		600,000-	
		=====	

AGENCY ISSUE NARRATIVE:
 SCH VIIIIB-2 NARR 21-22 NARRATIVE: IT COMPONENT? NO

PRIORITY #1

This issue eliminates funding provided to the department in chapter 2020-180, L.O.F. (HB 1047), relating to construction materials mining activities. Funds were appropriated to the Division of State Fire Marshal for the purpose of implementing the monitoring and reporting pilot program for the use of explosives in Miami-Dade County pursuant to s. 552.30(4), Florida Statutes.

REDUCE ADMINISTRATIVE SUPPORT			
POSITION			33V2500
SALARY RATE			000000
SALARY RATE.....		24,621-	
		=====	

COL A10 SCH VIIIIB-2 RED FY21-22 POS AMOUNT	CODES
FINANCIAL SERVICES	43000000
PROGRAM: FIRE MARSHAL	43300000
<u>COMPLIANCE & ENFORCEMENT</u>	43300200
PUBLIC PROTECTION	12
<u>LAW ENFORCEMENT</u>	<u>1202.00.00.00</u>
PROGRAM REDUCTIONS	33V0000
REDUCE ADMINISTRATIVE SUPPORT	
POSITION	33V2500

POSITION DETAIL OF SALARIES AND BENEFITS:

FTE	BASE RATE	ADDITIVES	BENEFITS	SUBTOTAL	LAPSE %	LAPSED SALARIES AND BENEFITS
A10 - SCH VIIIIB-2 RED FY21-22						
CHANGES TO CURRENTLY AUTHORIZED POSITIONS						
TOTALS FOR ISSUE BY FUND						43,497-
2393 INSURANCE REG TF						43,497-
1.00-	24,621-		18,876-	43,497-		43,497-

TOTAL: LAW ENFORCEMENT		<u>1202.00.00.00</u>
BY FUND TYPE		
GENERAL REVENUE FUND	600,000-	1000
TRUST FUNDS	702,564-	2000
TOTAL POSITIONS.....	14.00-	
TOTAL PROG COMP.....	1,302,564-	
TOTAL SALARY RATE.....	424,261-	

=====

COL A10			
SCH VIIIIB-2			
RED FY21-22			
POS	AMOUNT		CODES

FINANCIAL SERVICES			43000000
PROGRAM: FIRE MARSHAL			43300000
<u>PROF TRAINING & STANDARDS</u>			43300400
PUBLIC PROTECTION			12
<u>LAW ENFORCEMENT</u>			<u>1202.00.00.00</u>
PROGRAM REDUCTIONS			33V0000
REDUCE FIREFIGHTER ASSISTANCE GRANT			
PROGRAM			33V0280
SPECIAL CATEGORIES			100000
G/A-FIREFIGHTER ASSIST			100063
INSURANCE REG TF	-STATE	582,115-	2393 1
		=====	

AGENCY ISSUE NARRATIVE:

SCH VIIIIB-2 NARR 21-22 NARRATIVE:

IT COMPONENT? NO

PRIORITY #15

The bureau receives a recurring appropriation of 1,000,000 in the Grants and Aids - Firefighter Assistance Grant Program category. This is a grant program that provides sets of Personal Protective Equipment (PPE) and Self-Contained Breathing Apparatuses (SCBA) to volunteer fire departments statewide. This reduction in grant funding will impact the ability to provide this equipment to volunteer fire departments throughout the state. This is a 58 percent reduction of the grant program in Fiscal Year 2021-22.

<u>FIRE MRSHL ADMN & SUP SRVS</u>			43300500
PUBLIC PROTECTION			12
<u>LAW ENFORCEMENT</u>			<u>1202.00.00.00</u>
PROGRAM REDUCTIONS			33V0000
ELIMINATE POSITIONS IN THE			
DIRECTORS OFFICE			33V0170
SALARY RATE			000000
SALARY RATE.....		33,863-	
		=====	
SALARIES AND BENEFITS			010000
		1.00-	
INSURANCE REG TF	-STATE	54,370-	2393 1
		=====	
TOTAL: ELIMINATE POSITIONS IN THE			33V0170
DIRECTORS OFFICE			
TOTAL POSITIONS.....		1.00-	
TOTAL ISSUE.....		54,370-	
TOTAL SALARY RATE.....		33,863-	
		=====	

COL A10 SCH VIIIIB-2 RED FY21-22 POS AMOUNT	CODES
FINANCIAL SERVICES	43000000
PROGRAM: FIRE MARSHAL	43300000
<u>FIRE MRSHL ADMN & SUP SRVS</u>	43300500
PUBLIC PROTECTION	12
<u>LAW ENFORCEMENT</u>	<u>1202.00.00.00</u>
PROGRAM REDUCTIONS	33V0000
ELIMINATE POSITIONS IN THE	
DIRECTORS OFFICE	33V0170

AGENCY ISSUE NARRATIVE:
 SCH VIIIIB-2 NARR 21-22 NARRATIVE: IT COMPONENT? NO

PRIORITY #16

This issue eliminates a filled Administrative Assistant III - SES position. This vital position coordinates travel and attendance at strategic meetings, maintain the director's schedule, coordination of numerous special events and council meetings which involves numerous external stakeholders within the Florida Fire Service. The elimination of this position will require remaining Administrative staff to assume the workload, which could impact the effectiveness of remaining staff.

POSITION DETAIL OF SALARIES AND BENEFITS:

FTE	BASE RATE	ADDITIVES	BENEFITS	SUBTOTAL	LAPSE %	LAPSED SALARIES AND BENEFITS
A10 - SCH VIIIIB-2 RED FY21-22						
CHANGES TO CURRENTLY AUTHORIZED POSITIONS						
P101 PROPOSED CLASS CODE						
C1001 001	1.00-	33,863-	20,507-	54,370-	0.00	54,370-
TOTALS FOR ISSUE BY FUND						
2393 INSURANCE REG TF						54,370-
	1.00-	33,863-	20,507-	54,370-		54,370-

COL A10		
SCH VIIIIB-2		
RED FY21-22		
POS	AMOUNT	CODES

FINANCIAL SERVICES		43000000
PROGRAM: FIRE MARSHAL		43300000
<u>FIRE MRSHL ADMN & SUP SRVS</u>		43300500
PUBLIC PROTECTION		12
<u>LAW ENFORCEMENT</u>		<u>1202.00.00.00</u>
PROGRAM REDUCTIONS		33V0000
ELIMINATE FLORIDA FIRE INCIDENT		
REPORTING SECTION		33V0290
SALARY RATE		000000
SALARY RATE.....	94,987-	
	=====	
SALARIES AND BENEFITS		010000
	3.00-	
INSURANCE REG TF	-STATE 155,342-	2393 1
	=====	
TOTAL: ELIMINATE FLORIDA FIRE INCIDENT		33V0290
REPORTING SECTION		
TOTAL POSITIONS.....	3.00-	
TOTAL ISSUE.....	155,342-	
TOTAL SALARY RATE.....	94,987-	
	=====	

AGENCY ISSUE NARRATIVE:

SCH VIIIIB-2 NARR 21-22 NARRATIVE:

IT COMPONENT? NO

PRIORITY #20

This issue eliminates two filled positions and one vacant position in the Florida Fire Incident Reporting Section (FFIRS). This section was created after 2005 legislation created the Fire and Emergency Incident information Reporting Program. This section maintains computerized records of fires and other fire department incidents and collect, input, correlate and format the Division's Annual Fire Report which is distributed nationwide. This issue will eliminate the FFIRS section, which may impact the divisions ability to continue the provisions of s. 633.136(1)(a), F.S. This is a 15 percent reduction in salaries and benefits for this budget entity.

COL A10 SCH VIIIIB-2 RED FY21-22 POS	AMOUNT	CODES
FINANCIAL SERVICES		43000000
PROGRAM: FIRE MARSHAL		43300000
<u>FIRE MRSHL ADMN & SUP SRVS</u>		43300500
PUBLIC PROTECTION		12
<u>LAW ENFORCEMENT</u>		<u>1202.00.00.00</u>
PROGRAM REDUCTIONS		33V0000
ELIMINATE FLORIDA FIRE INCIDENT REPORTING SECTION		33V0290

POSITION DETAIL OF SALARIES AND BENEFITS:

	FTE	BASE RATE	ADDITIVES	BENEFITS	SUBTOTAL	LAPSE %	LAPSED SALARIES AND BENEFITS
A10 - SCH VIIIIB-2 RED FY21-22							
CHANGES TO CURRENTLY AUTHORIZED POSITIONS							
P101 PROPOSED CLASS CODE							
C1001 001	3.00-	94,987-		60,355-	155,342-	0.00	155,342-
TOTALS FOR ISSUE BY FUND							
2393 INSURANCE REG TF							155,342-
	3.00-	94,987-		60,355-	155,342-		155,342-

TOTAL: LAW ENFORCEMENT							<u>1202.00.00.00</u>
BY FUND TYPE							
TRUST FUNDS.....	4.00-	209,712-					2000
SALARY RATE.....		128,850-					
	=====						

COL A10			
SCH VIIIB-2			
RED FY21-22			
POS	AMOUNT		CODES

FINANCIAL SERVICES			43000000
PGM: ST PROP/CASUALTY CLMS			43400000
ST SELF-INSURED CLAIMS ADJ			43400100
GOV OPERATIONS/SUPPORT			16
GOVERNMENTAL OPERATIONS			<u>1601.00.00.00</u>
PROGRAM REDUCTIONS			33V0000
REDUCE EXPENSES AUTHORITY FROM			
STATE SELF INSURED CLAIMS			
ADJUSTMENT BUDGET ENTITY			33V2420
EXPENSES			040000
STATE RISK MGMT TF	-STATE	888,493-	2078 1
		=====	

AGENCY ISSUE NARRATIVE:
 SCH VIIIB-2 NARR 21-22 NARRATIVE: IT COMPONENT? NO

PRIORITY #9

The Division utilizes the authority in the Expenses category for multiple purposes including general expense items including, but not limited to, annual Division of Workers' Compensation assessments, rent, supplies, and property and out-of-state workers' compensation premiums.

REDUCE PURCHASE OF EXCESS INSURANCE			
AUTHORITY STATE SELF INSURED CLAIMS			
ADJUSTMENT BUDGET ENTITY			33V2430
SPECIAL CATEGORIES			100000
EXCESS INSUR. & CLAIM SER			101221
STATE RISK MGMT TF	-STATE	8,865,000-	2078 1
		=====	

AGENCY ISSUE NARRATIVE:
 SCH VIIIB-2 NARR 21-22 NARRATIVE: IT COMPONENT? NO

PRIORITY #25

Current excess property insurance coverage was purchased in February 2020 at an annual cost of \$10,856,954. The excess insurance purchased provides \$62.75 million in coverage for named windstorms and flood, and up to \$225 million in coverage for all other named perils, excluding named windstorms and flood coverage, after the deductible provisions are met. A reduction would require a revisions to the provision in section 216.222(2)(a and b), F.S., that allows funds to be transferred to the State Risk Management Trust Fund (SRMTF) to cover the current deductibles in place for excess

COL A10		
SCH VIIIIB-2		
RED FY21-22		
POS	AMOUNT	CODES

FINANCIAL SERVICES		43000000
PGM: ST PROP/CASUALTY CLMS		43400000
ST SELF-INSURED CLAIMS ADJ		43400100
GOV OPERATIONS/SUPPORT		16
GOVERNMENTAL OPERATIONS		1601.00.00.00
PROGRAM REDUCTIONS		33V0000
REDUCE PURCHASE OF EXCESS INSURANCE		
AUTHORITY STATE SELF INSURED CLAIMS		
ADJUSTMENT BUDGET ENTITY		33V2430

property coverage, this section may need to be amended to remove or adjust the annual cap of \$38 million on such transfers to the SRMTF for uninsured losses to state property. If the statute is not amended, catastrophic loss payments may be delayed until sufficient funding is appropriated to pay those losses.

REDUCE CONTRACTED LEGAL SERVICES -		
OFFICE OF THE ATTORNEY GENERAL		33V2440
SPECIAL CATEGORIES		100000
CONTRACT LEGAL - ATTY GEN		100904
STATE RISK MGMT TF	-STATE	600,000-
		=====
		2078 1

AGENCY ISSUE NARRATIVE:
 SCH VIIIIB-2 NARR 21-22 NARRATIVE:

IT COMPONENT? NO

PRIORITY #8

The Division of Risk Management has the responsibility for investigating, evaluating, negotiating, defending, and making appropriate disposition of any covered action filed against state agencies, their employees, agents, or volunteers. Claims investigations are conducted by staff and/or in concert with contracted adjusting services. Defense of litigated claims is provided by the Attorney General's Office, contracted law firms, or state agency attorneys.

The Attorney General's office handles the Federal Civil Rights (FCR) and the Workers' Compensation and Liability cases are handled by the private attorney's. A reduction in either legal service category could result in litigated cases not being timely addressed, defaults that result in large monetary judgements against state agencies, and other irreversible financial impacts to the State.

The current budget authority in the Contracted Legal Services - Office of Attorney General category is 6,645,924. A 600,000 reduction would equate to an approximate 9% reduction in funds available for FCR claims defense.

COL A10		
SCH VIIIIB-2		
RED FY21-22		
POS	AMOUNT	CODES

FINANCIAL SERVICES		43000000
PGM: ST PROP/CASUALTY CLMS		43400000
ST SELF-INSURED CLAIMS ADJ		43400100
GOV OPERATIONS/SUPPORT		16
GOVERNMENTAL OPERATIONS		<u>1601.00.00.00</u>
PROGRAM REDUCTIONS		33V0000
REDUCE CONTRACTED LEGAL SERVICES		33V2450
SPECIAL CATEGORIES		100000
CONTRACTED LEGAL SERVICES		100905
STATE RISK MGMT TF	-STATE 1,000,000-	2078 1
	=====	

AGENCY ISSUE NARRATIVE:

SCH VIIIIB-2 NARR 21-22 NARRATIVE:

IT COMPONENT? NO

PRIORITY #10

The Division of Risk Management has the responsibility for investigating, evaluating, negotiating, defending, and making appropriate disposition of any covered action filed against state agencies, their employees, agents, or volunteers. Claims investigations are conducted by staff and/or in concert with contracted adjusting services. Defense of litigated claims is provided by the Attorney General's Office, contracted law firms, or state agency attorneys.

The Attorney General's office handles the Federal Civil Rights (FCR) and the Workers' Compensation and Liability cases are handled by the private attorney's. A reduction in either legal service category could result in litigated cases not being timely addressed, defaults that result in large monetary judgements against state agencies, and other irreversible financial impacts to the State.

current budget authority in the Contracted Legal Services category is 21,976,020. A 1,000,000 reduction would equate to an approximate 5% reduction in funds available for Workers' Compensation and Liability claims defense.

TOTAL: GOVERNMENTAL OPERATIONS		<u>1601.00.00.00</u>
BY FUND TYPE		
TRUST FUNDS.....	11,353,493-	2000
	=====	

COL A10			
SCH VIIIIB-2			
RED FY21-22			
POS	AMOUNT		CODES

FINANCIAL SERVICES			
			43000000
PGM: LICNSNG/CNSMER PROTEC			
			43500000
<u>INSURANCE CO REHAB/LIQDATN</u>			
			43500100
PUBLIC PROTECTION			
			12
<u>REGULATION AND LICENSING</u>			
			<u>1204.00.00.00</u>
PROGRAM REDUCTIONS			
			33V0000
REDUCE REHABILITATION AND			
LIQUIDATION PROGRAM			
			33V6010
SALARIES AND BENEFITS			
			010000
INSURANCE REG TF	-STATE	17,486-	2393 1
		=====	
EXPENSES			
			040000
INSURANCE REG TF	-STATE	13,660-	2393 1
		=====	
SPECIAL CATEGORIES			
			100000
CONTRACTED SERVICES			
			100777
INSURANCE REG TF	-STATE	100,000-	2393 1
		=====	
TOTAL: REDUCE REHABILITATION AND			
LIQUIDATION PROGRAM			
			33V6010
TOTAL ISSUE.....			
		131,146-	
		=====	

AGENCY ISSUE NARRATIVE:

SCH VIIIIB-2 NARR 21-22 NARRATIVE:

IT COMPONENT? NO

PRIORITY #22

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

In Fiscal Year 2020-2021 the Legislative approved the Department's request to permanently transfer 250,000 from Salaries and Benefits to the Expenses and Lease/Lease Purchase category to reduce the impact of administrative expenses on the estates in receivership. This reduction would reduce the flexibility the Division currently has to use state funds for administrative costs of receiverships and thus, reduce the amount of funds available to pay claimants.

Salaries and Benefits (010000) was reduced \$17,486.

COL A10		
SCH VIIIIB-2		
RED FY21-22		
POS	AMOUNT	CODES
FINANCIAL SERVICES		43000000
PGM: LICNSNG/CNSMER PROTEC		43500000
<u>INSURANCE CO REHAB/LIQDATN</u>		43500100
PUBLIC PROTECTION		12
<u>REGULATION AND LICENSING</u>		<u>1204.00.00.00</u>
PROGRAM REDUCTIONS		33V0000
REDUCE REHABILITATION AND		
LIQUIDATION PROGRAM		33V6010

Expense (040000) was reduced by \$13,660.
 Contracted services (100777) was reduced by \$100,000.

This reduction will also eliminate the opportunity to expand The Division's storage capacity by purchasing extra SSD Storage needed to effectively manage data and records of companies ordered into Receivership and/or Liquidation.

POSITION DETAIL OF SALARIES AND BENEFITS:

FTE	BASE RATE	ADDITIVES	BENEFITS	SUBTOTAL	LAPSE %	LAPSED SALARIES AND BENEFITS
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A10 - SCH VIIIIB-2 RED FY21-22

CHANGES TO CURRENTLY AUTHORIZED POSITIONS

OTHER SALARY AMOUNT

2393 INSURANCE REG TF 17,486-

17,486-

=====

TOTAL: REGULATION AND LICENSING

BY FUND TYPE 1204.00.00.00

TRUST FUNDS..... 131,146- 2000

=====

COL A10			
SCH VIIIIB-2			
RED FY21-22			
POS	AMOUNT		CODES

FINANCIAL SERVICES			43000000
PGM: LICNSNG/CNSMER PROTEC			43500000
<u>LICENSURE, SALES/APPT/OVST</u>			43500200
PUBLIC PROTECTION			12
<u>REGULATION AND LICENSING</u>			<u>1204.00.00.00</u>
PROGRAM REDUCTIONS			33V0000
REDUCE POSITION(S) - LICENSING AND			
REGULATION OF BAIL BOND AGENTS AND			
AGENCIES			33V6120
SALARY RATE			000000
SALARY RATE.....	244,310-		
	=====		
SALARIES AND BENEFITS			010000
	7.00-		
INSURANCE REG TF	-STATE 387,745-		2393 1
	=====		
EXPENSES			040000
INSURANCE REG TF	-STATE 41,636-		2393 1
	=====		
TOTAL: REDUCE POSITION(S) - LICENSING AND			33V6120
REGULATION OF BAIL BOND AGENTS AND			
AGENCIES			
TOTAL POSITIONS.....	7.00-		
TOTAL ISSUE.....	429,381-		
TOTAL SALARY RATE.....	244,310-		
	=====		

AGENCY ISSUE NARRATIVE:

SCH VIIIIB-2 NARR 21-22 NARRATIVE:

IT COMPONENT? NO

PRIORITY #5

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

The elimination of regulation of Bail Bond agents and agencies will transfer the responsibility of oversight of the actions of these individuals to the surety companies they are contracted with, the local sheriff's offices who allow them to post bail, and to the clerks of court who handle the funds related to the bail bond process. Cutting these seven positions from the Bureau of Agent and Agency Licensing and the Bureau of Agent and Agency Investigation will reduce salaries and benefits by \$387,745 and recurring expenses by \$41,636.

COL A10 SCH VIIIIB-2 RED FY21-22 POS	AMOUNT	CODES
FINANCIAL SERVICES		43000000
PGM: LICNSNG/CNSMER PROTEC		43500000
LICENSURE, SALES/APPT/OVST		43500200
PUBLIC PROTECTION		12
REGULATION AND LICENSING		1204.00.00.00
PROGRAM REDUCTIONS		33V0000
REDUCE POSITION(S) - LICENSING AND REGULATION OF BAIL BOND AGENTS AND AGENCIES		33V6120

The cut of this program area is estimated to reduce annual revenue from licensing and appointment fees by \$102,283, administrative fines by \$500 and administrative actions by three.

POSITION DETAIL OF SALARIES AND BENEFITS:

	FTE	BASE RATE	ADDITIVES	BENEFITS	SUBTOTAL	LAPSE %	LAPSED SALARIES AND BENEFITS
A10 - SCH VIIIIB-2 RED FY21-22							
CHANGES TO CURRENTLY AUTHORIZED POSITIONS							
0441 REGULATORY SPECIALIST II							
C0003 001	1.00-	27,927-		18,063-	45,990-	0.00	45,990-
0445 REGULATORY PROGRAM SPECIALIST							
C0001 001	1.00-	36,468-		20,967-	57,435-	0.00	57,435-
3524 INSURANCE EXAMINER II							
C0002 001	5.00-	179,915-		104,405-	284,320-	0.00	284,320-

TOTALS FOR ISSUE BY FUND							
2393 INSURANCE REG TF							387,745-

	7.00-	244,310-		143,435-	387,745-		387,745-
=====							

COL A10			
SCH VIIIIB-2			
RED FY21-22			
POS	AMOUNT		CODES

FINANCIAL SERVICES			43000000
PGM: LICNSNG/CNSMER PROTEC			43500000
<u>LICENSURE, SALES/APPT/OVST</u>			43500200
PUBLIC PROTECTION			12
<u>REGULATION AND LICENSING</u>			<u>1204.00.00.00</u>
PROGRAM REDUCTIONS			33V0000
REDUCE POSITION(S) IN INSURANCE			
AGENT PRE-LICENSING EDUCATION			
SECTION			33V6130
SALARY RATE			000000
SALARY RATE.....	36,468-		
	=====		
SALARIES AND BENEFITS			
		1.00-	010000
INSURANCE REG TF	-STATE	57,392-	2393 1
		=====	
EXPENSES			
INSURANCE REG TF	-STATE	5,948-	2393 1
		=====	
TOTAL: REDUCE POSITION(S) IN INSURANCE			33V6130
AGENT PRE-LICENSING EDUCATION			
SECTION			
TOTAL POSITIONS.....	1.00-		
TOTAL ISSUE.....		63,340-	
TOTAL SALARY RATE.....	36,468-		
	=====		

AGENCY ISSUE NARRATIVE:

SCH VIIIIB-2 NARR 21-22 NARRATIVE:

IT COMPONENT? NO

PRIORITY #2

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

Pre-licensing courses will no longer be required of applicants prior to taking the state examination. Elimination of Pre-licensing Education will allow licensees to qualify by passing the required state examination without first taking pre-licensing education courses. Passage of the examination is adequate to verify the applicants are qualified and competent to transact insurance. The position will no longer approve or disapprove courses applicants may wish to take prior to taking the state examination. This issue represents a reduction of one position, \$57,392 in salaries and benefits and recurring expenses by \$5,948.

In FY 2019-2020, revenue generated by pre-licensing study manual fees and royalties was \$57,492. Manuals would continue

COL A10 SCH VIIIIB-2 RED FY21-22 POS	AMOUNT	CODES
FINANCIAL SERVICES		43000000
PGM: LICNSNG/CNSMER PROTEC		43500000
LICENSURE, SALES/APPT/OVST		43500200
PUBLIC PROTECTION		12
REGULATION AND LICENSING		1204.00.00.00
PROGRAM REDUCTIONS		33V0000
REDUCE POSITION(S) IN INSURANCE		
AGENT PRE-LICENSING EDUCATION		
SECTION		33V6130

to be sold, however, the numbers would likely decrease because there would no longer be a course provider requiring the use of the current manual.

POSITION DETAIL OF SALARIES AND BENEFITS:

	FTE	BASE RATE	ADDITIVES	BENEFITS	SUBTOTAL	LAPSE %	LAPSED SALARIES AND BENEFITS
A10 - SCH VIIIIB-2 RED FY21-22							
CHANGES TO CURRENTLY AUTHORIZED POSITIONS							
3524 INSURANCE EXAMINER II							
C1000 002	1.00-	36,468-		20,924-	57,392-	0.00	57,392-
TOTALS FOR ISSUE BY FUND							
2393 INSURANCE REG TF							57,392-
	1.00-	36,468-		20,924-	57,392-		57,392-

ELIMINATE INVESTIGATIONS LEGAL							
PROCESSING UNIT							33V6190
SALARY RATE							000000
SALARY RATE.....	123,702-						
SALARIES AND BENEFITS							010000
INSURANCE REG TF	-STATE	190,251-					2393 1

COL A10		
SCH VIIIB-2		
RED FY21-22		
POS	AMOUNT	CODES

FINANCIAL SERVICES		43000000
PGM: LICNSNG/CNSMER PROTEC		43500000
LICENSURE, SALES/APPT/OVST		43500200
PUBLIC PROTECTION		12
REGULATION AND LICENSING		1204.00.00.00
PROGRAM REDUCTIONS		33V0000
ELIMINATE INVESTIGATIONS LEGAL		
PROCESSING UNIT		33V6190
EXPENSES		040000
INSURANCE REG TF	-STATE 17,844-	2393 1
	=====	
TOTAL: ELIMINATE INVESTIGATIONS LEGAL		33V6190
PROCESSING UNIT		
TOTAL POSITIONS.....	3.00-	
TOTAL ISSUE.....	208,095-	
TOTAL SALARY RATE.....	123,702-	
	=====	

AGENCY ISSUE NARRATIVE:

SCH VIIIB-2 NARR 21-22 NARRATIVE:

IT COMPONENT? NO

PRIORITY #3

Eliminate the review program for the Bureau of Investigations, Legal Processing Unit, meaning investigative reports do not have to go through a formal in-house review process. The investigative reports will be sent directly to legal thereby reducing the time for the completion of the action. This business unit has become somewhat obsolete due to the increase in overall efficiency with the implementation of the electronic case management system and streamlined business processes. Due to this operational streamlining, the only impact on operations would be to the negotiation process which is used to settle administrative issues prior to formal administrative action. The change would possibly result in fewer settlements and additional cases going through the formal administrative action process.

Cutting three positions from the Bureau of Agent and Agency Investigations will result in reduction in salaries and benefits by \$190,251 and recurring expenses by \$17,844. The cut of these positions is estimated to reduce Administrative Fines by \$13,540 and Recoveries by \$6,836.

COL A10 SCH VIIIIB-2 RED FY21-22 POS	AMOUNT	CODES
FINANCIAL SERVICES		43000000
PGM: LICNSNG/CNSMER PROTEC		43500000
LICENSURE, SALES/APPT/OVST		43500200
PUBLIC PROTECTION		12
REGULATION AND LICENSING		1204.00.00.00
PROGRAM REDUCTIONS		33V0000
ELIMINATE INVESTIGATIONS LEGAL		
PROCESSING UNIT		33V6190

POSITION DETAIL OF SALARIES AND BENEFITS:

	FTE	BASE RATE	ADDITIVES	BENEFITS	SUBTOTAL	LAPSE %	LAPSED SALARIES AND BENEFITS
A10 - SCH VIIIIB-2 RED FY21-22							
CHANGES TO CURRENTLY AUTHORIZED POSITIONS							
2236 GOVERNMENT OPERATIONS CONSULTANT II							
C0002 001	2.00-	77,320-		42,707-	120,027-	0.00	120,027-
2228 SENIOR MANAGEMENT ANALYST SUPV - SES							
C0001 001	1.00-	46,382-		23,842-	70,224-	0.00	70,224-
TOTALS FOR ISSUE BY FUND							
2393 INSURANCE REG TF							190,251-
	3.00-	123,702-		66,549-	190,251-		190,251-

ELIMINATE INSURANCE INVESTIGATION							
POSITIONS IN THE BUREAU OF							
INVESTIGATIONS							33V6200
SALARY RATE							000000
SALARY RATE.....	483,994-						
SALARIES AND BENEFITS							010000
INSURANCE REG TF	13.00-						
-STATE		759,478-					2393 1

COL A10			
SCH VIIIIB-2			
RED FY21-22			
POS	AMOUNT		CODES

FINANCIAL SERVICES			43000000
PGM: LICNSNG/CNSMER PROTEC			43500000
<u>LICENSURE, SALES/APPT/OVST</u>			43500200
PUBLIC PROTECTION			12
<u>REGULATION AND LICENSING</u>			<u>1204.00.00.00</u>
PROGRAM REDUCTIONS			33V0000
ELIMINATE INSURANCE INVESTIGATION			
POSITIONS IN THE BUREAU OF			
INVESTIGATIONS			33V6200
EXPENSES			040000
INSURANCE REG TF	-STATE	77,324-	2393 1
		=====	
TOTAL: ELIMINATE INSURANCE INVESTIGATION			33V6200
POSITIONS IN THE BUREAU OF			
INVESTIGATIONS			
TOTAL POSITIONS.....	13.00-		
TOTAL ISSUE.....	836,802-		
TOTAL SALARY RATE.....	483,994-		
	=====		

AGENCY ISSUE NARRATIVE:
 SCH VIIIIB-2 NARR 21-22 NARRATIVE:

IT COMPONENT? NO

PRIORITY #4

Since the division must investigate all complaints the department deems justified, the workload of investigative staff could be reduced. The number of completed investigative cases dropped from 3,952 to 3,471 for FY 19/20. The current staff of investigators and administrators are able to handle the workload.

Cutting thirteen Insurance Examiner II's and one Insurance Regulation Administrator SES positions from the Bureau of Agent and Agency Investigation will reduce salaries and benefits by \$759,478 and recurring expenses by \$77,324.

The cut of investigative positions is estimated to reduce annual revenue from administrative fines by \$58,674, annual administrative actions by 81, and recoveries on behalf of consumers by \$29,623.

COL A10 SCH VIIIIB-2 RED FY21-22 POS	AMOUNT	CODES
FINANCIAL SERVICES		43000000
PGM: LICNSNG/CNSMER PROTEC		43500000
<u>LICENSURE, SALES/APPT/OVST</u>		43500200
PUBLIC PROTECTION		12
<u>REGULATION AND LICENSING</u>		<u>1204.00.00.00</u>
PROGRAM REDUCTIONS		33V0000
ELIMINATE INSURANCE INVESTIGATION		
POSITIONS IN THE BUREAU OF		
INVESTIGATIONS		33V6200

POSITION DETAIL OF SALARIES AND BENEFITS:

	FTE	BASE RATE	ADDITIVES	BENEFITS	SUBTOTAL	LAPSE %	LAPSED SALARIES AND BENEFITS
A10 - SCH VIIIIB-2 RED FY21-22							
CHANGES TO CURRENTLY AUTHORIZED POSITIONS							
3524 INSURANCE EXAMINER II							
C0001 001	12.00-	437,612-		251,599-	689,211-	0.00	689,211-
3534 INSURANCE REGULATION ADMINISTRATOR - SES							
C0003 001	1.00-	46,382-		23,885-	70,267-	0.00	70,267-
TOTALS FOR ISSUE BY FUND							
2393 INSURANCE REG TF							759,478-
	13.00-	483,994-		275,484-	759,478-		759,478-

TOTAL: REGULATION AND LICENSING							<u>1204.00.00.00</u>
BY FUND TYPE							
TRUST FUNDS.....	24.00-						
SALARY RATE.....		1,537,618-					2000
		888,474-					
	=====						

COL A10			
SCH VIIIIB-2			
RED FY21-22			
POS	AMOUNT		CODES

FINANCIAL SERVICES			43000000
PGM: LICNSNG/CNSMER PROTEC			43500000
<u>CONSUMER ASSISTANCE</u>			43500400
PUBLIC PROTECTION			12
<u>CONSUMER SAFETY/PROTECTION</u>			<u>1205.00.00.00</u>
PROGRAM REDUCTIONS			33V0000
ELIMINATE REGIONAL MANAGERS			33V4010
SALARY RATE			000000
SALARY RATE.....	255,274-		
	=====		
SALARIES AND BENEFITS			010000
INSURANCE REG TF	-STATE	7.00- 402,040-	2393 1
		=====	
EXPENSES			040000
INSURANCE REG TF	-STATE	41,636-	2393 1
		=====	
TOTAL: ELIMINATE REGIONAL MANAGERS			33V4010
TOTAL POSITIONS.....	7.00-		
TOTAL ISSUE.....	443,676-		
TOTAL SALARY RATE.....	255,274-		
	=====		

AGENCY ISSUE NARRATIVE:

SCH VIIIIB-2 NARR 21-22 NARRATIVE:

IT COMPONENT? NO

PRIORITY #30

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

The elimination of the Regional Managers will have a significant impact on the CFO's Office and on the Division of Consumer Services. They are designated representatives of the CFO and the responsibilities they perform are critical to the CFO and they cannot be adequately performed by other employees. The elimination of the Regional Managers will result in the reduction of seven positions, six employees and one supervisor. The total value associated with the reduction equals \$443,676.

COL A10 SCH VIIIB-2 RED FY21-22 POS AMOUNT	CODES
FINANCIAL SERVICES	43000000
PGM: LICNSNG/CNSMER PROTEC	43500000
CONSUMER ASSISTANCE	43500400
PUBLIC PROTECTION	12
CONSUMER SAFETY/PROTECTION	1205.00.00.00
PROGRAM REDUCTIONS	33V0000
ELIMINATE REGIONAL MANAGERS	33V4010

POSITION DETAIL OF SALARIES AND BENEFITS:

	FTE	BASE RATE	ADDITIVES	BENEFITS	SUBTOTAL	LAPSE %	LAPSED SALARIES AND BENEFITS
A10 - SCH VIIIB-2 RED FY21-22							
CHANGES TO CURRENTLY AUTHORIZED POSITIONS							
2224 GOVERNMENT ANALYST I							
C0002 001	7.00-	255,274-		146,766-	402,040-	0.00	402,040-
TOTALS FOR ISSUE BY FUND							
2393 INSURANCE REG TF							402,040-
	7.00-	255,274-		146,766-	402,040-		402,040-

TALLAHASSEE HELPLINE UNIT REDUCTION							33V4020
SALARY RATE							000000
SALARY RATE.....	134,559-						
SALARIES AND BENEFITS							010000
INSURANCE REG TF	4.00-						
-STATE		216,429-					2393 1
EXPENSES							040000
INSURANCE REG TF							
-STATE		23,792-					2393 1
TOTAL: TALLAHASSEE HELPLINE UNIT REDUCTION							33V4020
TOTAL POSITIONS.....	4.00-						
TOTAL ISSUE.....		240,221-					
TOTAL SALARY RATE.....	134,559-						

COL A10 SCH VIIIIB-2 RED FY21-22 POS AMOUNT	CODES
FINANCIAL SERVICES	43000000
PGM: LICNSNG/CNSMER PROTEC	43500000
CONSUMER ASSISTANCE	43500400
PUBLIC PROTECTION	12
CONSUMER SAFETY/PROTECTION	1205.00.00.00
PROGRAM REDUCTIONS	33V0000
TALLAHASSEE HELPLINE UNIT REDUCTION	33V4020

AGENCY ISSUE NARRATIVE:
 SCH VIIIIB-2 NARR 21-22 NARRATIVE:

IT COMPONENT? NO

PRIORITY #33

The Tallahassee Helpline Unit answers calls received through the Division's Consumer Helplines related to insurance agent and agency licensing, unclaimed property, rehabilitation and liquidation and insurance fraud. The Unit is comprised of five positions, four employees and a supervisor. The total value associated with the reduction equals \$240,221.

The elimination of these positions will have a significant impact on the Division's ability to provide assistance to Floridians that are contacting the Department seeking information related to agent and agency licensing, obtain unclaimed property or report insurance fraud. During Fiscal Year 2018-19, this unit answered more than 165,000 calls. This level of call volume cannot be adequately absorbed by other positions within the Division. Additionally, the elimination of this unit will drastically reduce customer service levels within the Division by increasing consumer hold times, increasing abandoned calls and creating a general inability to effectively assist all callers.

POSITION DETAIL OF SALARIES AND BENEFITS:

	FTE	BASE RATE	ADDITIVES	BENEFITS	SUBTOTAL	LAPSE %	LAPSED SALARIES AND BENEFITS
A10 - SCH VIIIIB-2 RED FY21-22							
CHANGES TO CURRENTLY AUTHORIZED POSITIONS							
0442 REGULATORY CONSULTANT							
C0002 001	3.00-	98,091-		60,903-	158,994-	0.00	158,994-
2224 GOVERNMENT ANALYST I							
C0001 001	1.00-	36,468-		20,967-	57,435-	0.00	57,435-
TOTALS FOR ISSUE BY FUND							
2393 INSURANCE REG TF							216,429-
	4.00-	134,559-		81,870-	216,429-		216,429-

COL A10			
SCH VIIIB-2			
RED FY21-22			
POS	AMOUNT		CODES

FINANCIAL SERVICES			43000000
PGM: LICNSNG/CNSMER PROTEC			43500000
<u>CONSUMER ASSISTANCE</u>			43500400
PUBLIC PROTECTION			12
<u>CONSUMER SAFETY/PROTECTION</u>			<u>1205.00.00.00</u>
PROGRAM REDUCTIONS			33V0000
REDUCTION OF THE COMMUNITY OUTREACH			
TEAM			33V4030
SALARY RATE			000000
SALARY RATE.....	119,318-		
	=====		
SALARIES AND BENEFITS			010000
	3.00-		
INSURANCE REG TF	-STATE	183,839-	2393 1
		=====	
EXPENSES			040000
INSURANCE REG TF	-STATE	17,844-	2393 1
		=====	
TOTAL: REDUCTION OF THE COMMUNITY OUTREACH			33V4030
TEAM			
TOTAL POSITIONS.....	3.00-		
TOTAL ISSUE.....	201,683-		
TOTAL SALARY RATE.....	119,318-		
	=====		

AGENCY ISSUE NARRATIVE:

SCH VIIIB-2 NARR 21-22 NARRATIVE:

IT COMPONENT? NO

PRIORITY #31

The Community Outreach Team oversees the Division's consumer education and outreach initiatives, including, the creation of consumer educational resources and videos, the creation of financial literacy programs, the planning and hosting of consumer outreach events and workshops and coordinating with the CFO's Communications Team on consumer outreach and educational correspondence and alerts. Consumer education is a significant part of the Division's mission to protect and advocate for consumers and the Community Outreach Team plays a significant role in accomplishing that mission.

The members of the Community Outreach Team have specialized experience and technical skills in graphic design, web design, video creation and animation and marketing and communication. The tasks they perform are critical to the Division and the Department and cannot be adequately performed by other positions. The elimination of the Community Outreach Team will result in the reduction of three positions. The total value associated with the reduction equals \$201,683.

COL A10 SCH VIIIIB-2 RED FY21-22 POS	AMOUNT	CODES
FINANCIAL SERVICES		43000000
PGM: LICNSNG/CNSMER PROTEC		43500000
CONSUMER ASSISTANCE		43500400
PUBLIC PROTECTION		12
CONSUMER SAFETY/PROTECTION		1205.00.00.00
PROGRAM REDUCTIONS		33V0000
REDUCTION OF THE COMMUNITY OUTREACH TEAM		33V4030

POSITION DETAIL OF SALARIES AND BENEFITS:

	FTE	BASE RATE	ADDITIVES	BENEFITS	SUBTOTAL	LAPSE %	LAPSED SALARIES AND BENEFITS
A10 - SCH VIIIIB-2 RED FY21-22							
CHANGES TO CURRENTLY AUTHORIZED POSITIONS							
2224 GOVERNMENT ANALYST I C0001 001	2.00-	72,936-		41,848-	114,784-	0.00	114,784-
2225 GOVERNMENT ANALYST II C0002 001	1.00-	46,382-		22,673-	69,055-	0.00	69,055-
TOTALS FOR ISSUE BY FUND							
2393 INSURANCE REG TF							183,839-
	3.00-	119,318-		64,521-	183,839-		183,839-

REDUCTION OF ALTERNATIVE DISPUTE RESOLUTION (ADR) UNIT							33V4040
SALARY RATE							000000
SALARY RATE.....	257,146-						
=====							
SALARIES AND BENEFITS							010000
INSURANCE REG TF	7.00-						
-STATE		404,242-					2393 1
=====							

COL A10			
SCH VIIIB-2			
RED FY21-22			
POS	AMOUNT		CODES

FINANCIAL SERVICES			43000000
PGM: LICNSNG/CNSMER PROTEC			43500000
<u>CONSUMER ASSISTANCE</u>			43500400
PUBLIC PROTECTION			12
<u>CONSUMER SAFETY/PROTECTION</u>			<u>1205.00.00.00</u>
PROGRAM REDUCTIONS			33V0000
REDUCTION OF ALTERNATIVE DISPUTE			
RESOLUTION (ADR) UNIT			33V4040
EXPENSES			040000
INSURANCE REG TF	-STATE	41,636-	2393 1
		=====	
TOTAL: REDUCTION OF ALTERNATIVE DISPUTE			33V4040
RESOLUTION (ADR) UNIT			
TOTAL POSITIONS.....		7.00-	
TOTAL ISSUE.....		445,878-	
TOTAL SALARY RATE.....		257,146-	
		=====	

AGENCY ISSUE NARRATIVE:

SCH VIIIB-2 NARR 21-22 NARRATIVE:

IT COMPONENT? NO

PRIORITY #32

The Alternative Dispute Resolution Unit answers calls received through the Division's Consumer Helpline and assists consumers who are requesting mediation to resolve a claim dispute with their insurance company without hiring an attorney or incurring litigation costs. The Unit is comprised of seven positions, six employees and a supervisor. The total value associated with the reduction equals \$445,878.

The elimination of this unit will eliminate the Division's ability to provide programs offering alternative dispute resolution processes for Floridians who are seeking options to resolve claim disputes with their insurance company without litigation or hiring an attorney. The Alternative Dispute Resolution Unit manages five insurance mediation programs statewide: residential property, commercial residential property, automobile, sinkhole and disputes between providers and residents of continuing care retirement communities. During FY 2019-2020, this unit received and processed more than 6,200 mediation requests. The unit's workload cannot be absorbed by other positions within the Division. The elimination of this unit will significantly impact Florida insurance consumers as the associated statutory mediation programs will need to be eliminated because all staffing associated with the program will be eliminated.

The cut of this program area is estimated to reduce annual revenue from mediation fees by \$253,050.

COL A10 SCH VIIIIB-2 RED FY21-22 POS	AMOUNT	CODES
FINANCIAL SERVICES		43000000
PGM: LICNSNG/CNSMER PROTEC		43500000
<u>CONSUMER ASSISTANCE</u>		43500400
PUBLIC PROTECTION		12
<u>CONSUMER SAFETY/PROTECTION</u>		<u>1205.00.00.00</u>
PROGRAM REDUCTIONS		33V0000
REDUCTION OF ALTERNATIVE DISPUTE RESOLUTION (ADR) UNIT		33V4040

POSITION DETAIL OF SALARIES AND BENEFITS:

	FTE	BASE RATE	ADDITIVES	BENEFITS	SUBTOTAL	LAPSE %	LAPSED SALARIES AND BENEFITS
A10 - SCH VIIIIB-2 RED FY21-22							
CHANGES TO CURRENTLY AUTHORIZED POSITIONS							
0442 REGULATORY CONSULTANT C0001 001	4.00-	130,788-		81,204-	211,992-	0.00	211,992-
2224 GOVERNMENT ANALYST I C0002 001	1.00-	36,468-		20,967-	57,435-	0.00	57,435-
2225 GOVERNMENT ANALYST II C0003 001	1.00-	46,382-		22,716-	69,098-	0.00	69,098-
2238 GOVERNMENT OPERATIONS CONSULTANT III C0005 001	1.00-	43,508-		22,209-	65,717-	0.00	65,717-

TOTALS FOR ISSUE BY FUND 2393 INSURANCE REG TF							404,242-
	7.00-	257,146-		147,096-	404,242-		404,242-
	=====	=====	=====	=====	=====		=====

 TOTAL: CONSUMER SAFETY/PROTECTION 1205.00.00.00
 BY FUND TYPE
 TRUST FUNDS..... 21.00-
 SALARY RATE..... 1,331,458-
 766,297-
 =====

COL A10		
SCH VIIIIB-2		
RED FY21-22		
POS	AMOUNT	CODES

FINANCIAL SERVICES		43000000
PGM: LICNSNG/CNSMER PROTEC		43500000
<u>PUBLIC ASSISTANCE FRAUD</u>		43500700
PUBLIC PROTECTION		12
<u>CONSUMER SAFETY/PROTECTION</u>		<u>1205.00.00.00</u>
PROGRAM REDUCTIONS		33V0000
REDUCTION IN PUBLIC ASSISTANCE		
FRAUD		33V6000
SALARY RATE		000000
SALARY RATE.....	310,952-	
	=====	
SALARIES AND BENEFITS		010000
	9.00-	
INSURANCE REG TF	-STATE 496,605-	2393 1
	=====	
TOTAL: REDUCTION IN PUBLIC ASSISTANCE		33V6000
FRAUD		
TOTAL POSITIONS.....	9.00-	
TOTAL ISSUE.....	496,605-	
TOTAL SALARY RATE.....	310,952-	
	=====	

AGENCY ISSUE NARRATIVE:

SCH VIIIIB-2 NARR 21-22 NARRATIVE:

IT COMPONENT? NO

PRIORITY #24

This reduction results 12.5% of the Division of Public Administration Fraud staff being dismissed. This results in the loss of two field administrative support positions, two trained Financial Crime Investigators II, one district Chief of Investigation, one Investigation Manager, one Senior Management Analyst Supervisor, and two first-year Financial Crime Investigators I. All positions are currently filled. This would reduce Orlando area to one squad.

To offset this reduction, the division will have to restructure from three divisions to two divisions and the district areas re-drawn. It will result in the Fort Myers office aligning under the South District and the Jacksonville and Tallahassee offices aligning under the Central District that would in turn be re-designated the North District. Travel costs will increase as more overnight travel by district chiefs will be required as district areas expand. Lastly, the loss of the Senior Management Analyst Supervisor in headquarters will result in reassigning to district chiefs the Statewide Investigation Unit supervision duties of Financial Crime Investigator III's who direct the efforts of 10 OPS Financial Crime Investigators.

This reduction of staff would come at a time when the public assistance rolls have swelled to levels not seen since the years of the Great Recession in 2009 - 2014.

COL A10 SCH VIIIIB-2 RED FY21-22 POS	AMOUNT	CODES
FINANCIAL SERVICES		43000000
PGM: LICNSNG/CNSMER PROTEC		43500000
<u>PUBLIC ASSISTANCE FRAUD</u>		43500700
PUBLIC PROTECTION		12
<u>CONSUMER SAFETY/PROTECTION</u>		<u>1205.00.00.00</u>
PROGRAM REDUCTIONS		33V0000
REDUCTION IN PUBLIC ASSISTANCE FRAUD		33V6000

POSITION DETAIL OF SALARIES AND BENEFITS:

	FTE	BASE RATE	ADDITIVES	BENEFITS	SUBTOTAL	LAPSE %	LAPSED SALARIES AND BENEFITS
A10 - SCH VIIIIB-2 RED FY21-22							
CHANGES TO CURRENTLY AUTHORIZED POSITIONS							
P101 PROPOSED CLASS CODE							
C0001 001	9.00-	310,952-		185,653-	496,605-	0.00	496,605-
TOTALS FOR ISSUE BY FUND							
2393 INSURANCE REG TF							496,605-
	9.00-	310,952-		185,653-	496,605-		496,605-

TOTAL: CONSUMER SAFETY/PROTECTION							<u>1205.00.00.00</u>
BY FUND TYPE							
TRUST FUNDS.....	9.00-				496,605-		2000
SALARY RATE.....		310,952-					
	=====						

COL A10			
SCH VIIIIB-2			
RED FY21-22			
POS	AMOUNT		CODES

FINANCIAL SERVICES			43000000
PGM: WORKERS' COMPENSATION			43600000
<u>WORKERS' COMPENSATION</u>			43600100
ECONOMIC OPPORTUNITIES			11
<u>WORKERS' COMPENSATION</u>			<u>1102.02.00.00</u>
PROGRAM REDUCTIONS			33V0000
TRANSFER REEMPLOYMENT CLIENT			
SERVICES PROGRAM TO PRIVATE SECTOR			33V0180
SALARY RATE			000000
	SALARY RATE..... 164,344-		
	=====		
SALARIES AND BENEFITS			010000
	5.00-		
WORKERS' COMP ADMIN TF	-STATE 266,000-		2795 1
	=====		
OTHER PERSONAL SERVICES			030000
	5.00-		
WORKERS' COMP ADMIN TF	-STATE 193,302-		2795 1
	=====		
SPECIAL CATEGORIES			100000
CONTRACTED SERVICES			100777
	5.00-		
WORKERS' COMP ADMIN TF	-STATE 10,203-		2795 1
	=====		
PURCHASED CLIENT SERVICES			102933
	5.00-		
WORKERS' COMP ADMIN TF	-STATE 740,000-		2795 1
	=====		
TOTAL: TRANSFER REEMPLOYMENT CLIENT			33V0180
SERVICES PROGRAM TO PRIVATE SECTOR			
	TOTAL POSITIONS..... 5.00-		
	TOTAL ISSUE..... 1,209,505-		
	TOTAL SALARY RATE..... 164,344-		
	=====		

AGENCY ISSUE NARRATIVE:
 SCH VIIIIB-2 NARR 21-22 NARRATIVE: IT COMPONENT? NO

PRIORITY #23

Legislative change would be required to ss. 440.491(5) and ss. 440.491(6), F.S., for the Reemployment/Client Services transfer.

COL A10 SCH VIIIIB-2 RED FY21-22 POS	AMOUNT	CODES
FINANCIAL SERVICES		43000000
PGM: WORKERS' COMPENSATION		43600000
<u>WORKERS' COMPENSATION</u>		43600100
ECONOMIC OPPORTUNITIES		11
<u>WORKERS' COMPENSATION</u>		<u>1102.02.00.00</u>
PROGRAM REDUCTIONS		33V0000
TRANSFER REEMPLOYMENT CLIENT		
SERVICES PROGRAM TO PRIVATE SECTOR		33V0180

Reemployment/Client Services was transferred to the Division of Workers' Compensation from the Department of Education effective July 1, 2012. This reduction would abolish the division's responsibility in providing reemployment services to injured workers in order for them to attain suitable and gainful employment. This issue eliminates five positions received with the Reemployment/Client Services program.

These reductions represent approximately ten percent of the Bureau's positions.

POSITION DETAIL OF SALARIES AND BENEFITS:

	FTE	BASE RATE	ADDITIVES	BENEFITS	SUBTOTAL	LAPSE %	LAPSED SALARIES AND BENEFITS
A10 - SCH VIIIIB-2 RED FY21-22							
CHANGES TO CURRENTLY AUTHORIZED POSITIONS							
P101 PROPOSED CLASS CODE							
C1001 001	5.00-	164,344-		101,656-	266,000-	0.00	266,000-
TOTALS FOR ISSUE BY FUND							
2795 WORKERS' COMP ADMIN TF							266,000-
	5.00-	164,344-		101,656-	266,000-		266,000-

COL A10		
SCH VIIIIB-2		
RED FY21-22		
POS	AMOUNT	CODES
FINANCIAL SERVICES		
		43000000
PGM: WORKERS' COMPENSATION		
		43600000
<u>WORKERS' COMPENSATION</u>		
		43600100
ECONOMIC OPPORTUNITIES		
		11
<u>WORKERS' COMPENSATION</u>		
		<u>1102.02.00.00</u>
PROGRAM REDUCTIONS		
		33V0000
ELIMINATE ADMINISTRATIVELY ASSIGNED		
POSITIONS		
		33V2210
SALARY RATE		
		000000
SALARY RATE.....	113,419-	
	=====	
SALARIES AND BENEFITS		
		010000
	3.00-	
WORKERS' COMP ADMIN TF	-STATE 177,027-	2795 1
	=====	
TOTAL: ELIMINATE ADMINISTRATIVELY ASSIGNED		33V2210
POSITIONS		
TOTAL POSITIONS.....	3.00-	
TOTAL ISSUE.....	177,027-	
TOTAL SALARY RATE.....	113,419-	
	=====	

AGENCY ISSUE NARRATIVE:

SCH VIIIIB-2 NARR 21-22 NARRATIVE:

IT COMPONENT? NO

PRIORITY #6

The three positions funded by Workers' Compensation have administratively reported to the Division of Administration, Bureau of Human Resource Management, for more than ten years. These positions support the human resource functions of the Department of Financial Services, as well as the Office of Insurance Regulation, and the Office of Financial Regulation. If these positions were eliminated, the Bureau of Human Resources would be unable to perform critical human resource functions, including those impacting employee attendance and leave, payroll, and employee relations. Additional impact would be in areas involving employee records, employment verification and screening, and benefits/retirement. Without these positions, the Bureau would likely see an increase in employee salary over payments, and significant delays in processing FMLA applications, as well as employee complaints of discrimination.

COL A10 SCH VIIIIB-2 RED FY21-22 POS	AMOUNT	CODES
FINANCIAL SERVICES		43000000
PGM: WORKERS' COMPENSATION		43600000
<u>WORKERS' COMPENSATION</u>		43600100
ECONOMIC OPPORTUNITIES		11
<u>WORKERS' COMPENSATION</u>		<u>1102.02.00.00</u>
PROGRAM REDUCTIONS		33V0000
ELIMINATE ADMINISTRATIVELY ASSIGNED POSITIONS		33V2210

POSITION DETAIL OF SALARIES AND BENEFITS:

	FTE	BASE RATE	ADDITIVES	BENEFITS	SUBTOTAL	LAPSE %	LAPSED SALARIES AND BENEFITS
A10 - SCH VIIIIB-2 RED FY21-22							
CHANGES TO CURRENTLY AUTHORIZED POSITIONS							
P101 PROPOSED CLASS CODE							
C1001 001	3.00-	113,419-		63,608-	177,027-	0.00	177,027-
TOTALS FOR ISSUE BY FUND							
2795 WORKERS' COMP ADMIN TF							177,027-
	3.00-	113,419-		63,608-	177,027-		177,027-

REDUCTION IN THE BUREAU OF FINANCIAL ACCOUNTABILITY							33V2260
SALARY RATE							000000
SALARY RATE.....	241,248-						
SALARIES AND BENEFITS							010000
WORKERS' COMP ADMIN TF	7.00-						2795 1
-STATE		385,538-					
TOTAL: REDUCTION IN THE BUREAU OF FINANCIAL ACCOUNTABILITY							33V2260
TOTAL POSITIONS.....	7.00-						
TOTAL ISSUE.....		385,538-					
TOTAL SALARY RATE.....	241,248-						

COL A10 SCH VIIIIB-2 RED FY21-22 POS AMOUNT	CODES
FINANCIAL SERVICES	43000000
PGM: WORKERS' COMPENSATION	43600000
<u>WORKERS' COMPENSATION</u>	43600100
ECONOMIC OPPORTUNITIES	11
<u>WORKERS' COMPENSATION</u>	<u>1102.02.00.00</u>
PROGRAM REDUCTIONS	33V0000
REDUCTION IN THE BUREAU OF FINANCIAL ACCOUNTABILITY	33V2260

AGENCY ISSUE NARRATIVE:

SCH VIIIIB-2 NARR 21-22 NARRATIVE:

IT COMPONENT? NO

PRIORITY #35

This issue eliminates one Workers' Compensation Specialist position and one Government Analyst I position within the Self-Insurance Unit. This represents the elimination of the divisions only premium auditor in the Self-Insurance Unit, which conducts premium audits for self-insurers and provides education for self-insurers for premium audit purposes. This eliminates the position that tracks data submission, enters loss and payroll data, calculates experience rating modifications and manages FSIGA (Florida Self Insurance Guaranty Association) recommendations and works on forms submissions. The division values education and accuracy to ensure self-insured employers are correctly reporting payrolls and classifications. The unit would have to leverage more on-line education programs and cross train other staff members. Eliminating these positions will reduce premium accuracy for assessment calculation purposes which may negatively impact revenue due to, and calculated by, the division. The division may consider independent contractors for these services.

Within the Financial Accountability Section (FAS), this issue eliminates two of its eight staff members; one Professional Accountant position and one Accountant III position. The FAS Unit manages the collection of employer penalties totaling nearly 17 million dollars annually. When an employer fails to pay penalties after they have entered into a Penalty Payment Agreement, the division must move forward to reinstate the Stop Work Order, initiate collections proceedings and file liens against these employer's property. The Unit also has employees embedded in the departments Revenue Processing Unit to assure that employer payments are accurately and timely processed. Eliminating these positions will require reallocation of existing positions to ensure the department's fiduciary regulatory duties are maintained.

This issue also eliminates one Government Analyst I and one Government Analyst II within the Project Software and Data Analysis section. These positions handle data analytics and assists bureaus with making changes to their processes and systems.

Finally, this issue eliminates one Insurance Specialist III position within the Financial Unit that reconciles receipts for all of the division's cash receipt systems and processes.

These reductions represent approximately 25 percent of the Bureau of Financial Accountability positions (not including the positions funded from the Special Disability Trust Fund).

COL A10 SCH VIIIIB-2 RED FY21-22 POS	AMOUNT	CODES
FINANCIAL SERVICES		43000000
PGM: WORKERS' COMPENSATION		43600000
<u>WORKERS' COMPENSATION</u>		43600100
ECONOMIC OPPORTUNITIES		11
<u>WORKERS' COMPENSATION</u>		<u>1102.02.00.00</u>
PROGRAM REDUCTIONS		33V0000
REDUCTION IN THE BUREAU OF FINANCIAL ACCOUNTABILITY		33V2260

POSITION DETAIL OF SALARIES AND BENEFITS:

	FTE	BASE RATE	ADDITIVES	BENEFITS	SUBTOTAL	LAPSE %	LAPSED SALARIES AND BENEFITS
A10 - SCH VIIIIB-2 RED FY21-22							
CHANGES TO CURRENTLY AUTHORIZED POSITIONS							
P101 PROPOSED CLASS CODE							
C1001 001	7.00-	241,248-		144,290-	385,538-	0.00	385,538-
TOTALS FOR ISSUE BY FUND							
2795 WORKERS' COMP ADMIN TF							385,538-
	7.00-	241,248-		144,290-	385,538-		385,538-

REDUCTION IN THE BUREAU OF MONITORING AND AUDIT							33V2270
SALARY RATE							000000
SALARY RATE.....	444,741-						
	=====						
SALARIES AND BENEFITS							010000
WORKERS' COMP ADMIN TF	13.00-						
-STATE		712,128-					2795 1
	=====						
TOTAL: REDUCTION IN THE BUREAU OF MONITORING AND AUDIT							33V2270
TOTAL POSITIONS.....	13.00-						
TOTAL ISSUE.....		712,128-					
TOTAL SALARY RATE.....	444,741-						
	=====						

COL A10 SCH VIIIB-2 RED FY21-22 POS AMOUNT	CODES
FINANCIAL SERVICES	43000000
PGM: WORKERS' COMPENSATION	43600000
<u>WORKERS' COMPENSATION</u>	43600100
ECONOMIC OPPORTUNITIES	11
<u>WORKERS' COMPENSATION</u>	<u>1102.02.00.00</u>
PROGRAM REDUCTIONS	33V0000
REDUCTION IN THE BUREAU OF MONITORING AND AUDIT	33V2270

AGENCY ISSUE NARRATIVE:

SCH VIIIB-2 NARR 21-22 NARRATIVE: IT COMPONENT? NO

PRIORITY #37

This issue eliminates the following positions:

Two Insurance Specialist I - The Medical Services section is responsible for establishing rules and policy, implementing the Three Member Panel's uniform schedules for maximum reimbursement allowances, resolving medical reimbursement disputes between providers and payers, and providing educational assistance and consultation on issues related to medical billing and reimbursements. Eliminating these positions would affect the Division's ability to timely resolve reimbursement disputes and provide educational and administrative support for our external customers.

Three Insurance Specialist III (CPS) - The Centralized Performance System (CPS) Section is responsible for providing insurer performance information and trends that enables the Division and claim administrators to monitor performance and respond to penalty assessments for untimely filing and payment. These reductions would limit the Division's ability to timely monitor insurer performance and respond to penalty assessments.

One Audit and Evaluation Review Specialist - This position is responsible for administering and implementing training standards pursuant to chapter 440, Florida Statutes, and Rules pursuant to Florida Administrative Code, to stakeholders and within the bureau by developing comprehensive training to educate and provide technical assistance on claims administrator deficiencies, medical provider deficiencies, statutory requirements, and rule requirements. This reduction would limit the Division's ability to develop, update and maintain the bureau's external training program.

Seven Senior Management Analyst Supervisor - SES; two Government Operations Consultant II and four Insurance Examiner II positions. This section is responsible for examining claims-handling practices of insurers, self-insurers, self-insurance funds and other claims-handling entities. Eliminating these positions would affect the number of insurers audits and examinations conducted yearly by the Division and limit the Division's ability to enforce insurer's compliance with claims-handling practices and remove the Division's Bureau of Monitoring and Audit presence in Orlando. These reductions represents approximately 22 percent of the Bureau of Monitoring and Audit positions.

COL A10 SCH VIIIIB-2 RED FY21-22 POS	AMOUNT	CODES
FINANCIAL SERVICES		43000000
PGM: WORKERS' COMPENSATION		43600000
<u>WORKERS' COMPENSATION</u>		43600100
ECONOMIC OPPORTUNITIES		11
<u>WORKERS' COMPENSATION</u>		<u>1102.02.00.00</u>
PROGRAM REDUCTIONS		33V0000
REDUCTION IN THE BUREAU OF MONITORING AND AUDIT		33V2270

POSITION DETAIL OF SALARIES AND BENEFITS:

	FTE	BASE RATE	ADDITIVES	BENEFITS	SUBTOTAL	LAPSE %	LAPSED SALARIES AND BENEFITS
A10 - SCH VIIIIB-2 RED FY21-22							
CHANGES TO CURRENTLY AUTHORIZED POSITIONS							
P101 PROPOSED CLASS CODE							
C1001 001	13.00-	444,741-		267,387-	712,128-	0.00	712,128-
TOTALS FOR ISSUE BY FUND							
2795 WORKERS' COMP ADMIN TF							712,128-
	13.00-	444,741-		267,387-	712,128-		712,128-

REDUCTION IN THE BUREAU OF COMPLIANCE							33V2280
SALARY RATE							000000
SALARY RATE.....	453,482-						
SALARIES AND BENEFITS							010000
WORKERS' COMP ADMIN TF	14.00-						
-STATE		736,942-					2795 1
TOTAL: REDUCTION IN THE BUREAU OF COMPLIANCE							33V2280
TOTAL POSITIONS.....	14.00-						
TOTAL ISSUE.....		736,942-					
TOTAL SALARY RATE.....	453,482-						

COL A10 SCH VIIIIB-2 RED FY21-22 POS AMOUNT	CODES
FINANCIAL SERVICES	43000000
PGM: WORKERS' COMPENSATION	43600000
<u>WORKERS' COMPENSATION</u>	43600100
ECONOMIC OPPORTUNITIES	11
<u>WORKERS' COMPENSATION</u>	<u>1102.02.00.00</u>
PROGRAM REDUCTIONS	33V0000
REDUCTION IN THE BUREAU OF COMPLIANCE	33V2280

AGENCY ISSUE NARRATIVE:
 SCH VIIIIB-2 NARR 21-22 NARRATIVE:

IT COMPONENT? NO

PRIORITY #38

The Bureau of Compliance is responsible for ensuring employers in Florida are in compliance with Florida's workers' compensation laws. Bureau personnel conduct on-site investigations and issue stop-work orders and penalties to non-compliant employers, pursuant to section 440.107, F.S. In addition, certain personnel are responsible for reviewing, processing and issuing workers' compensation exemptions in a timely manner to qualified individuals, pursuant to section 440.05, F.S. The Penalty Team is responsible for calculating penalties for non-compliance based on employer's business records.

Eliminating 14 positions will result in fewer employer investigations conducted and increased time to process penalties and exemptions. An overall significant reduction of revenue will occur due to less enforcement actions. These reductions represent approximately 11 percent of the Bureau of Compliance positions.

POSITION DETAIL OF SALARIES AND BENEFITS:

	FTE	BASE RATE	ADDITIVES	BENEFITS	SUBTOTAL	LAPSE %	LAPSED SALARIES AND BENEFITS
A10 - SCH VIIIIB-2 RED FY21-22							
CHANGES TO CURRENTLY AUTHORIZED POSITIONS							
P101 PROPOSED CLASS CODE							
C1001 001	14.00-	453,482-		283,460-	736,942-	0.00	736,942-
TOTALS FOR ISSUE BY FUND							
2795 WORKERS' COMP ADMIN TF							736,942-
	14.00-	453,482-		283,460-	736,942-		736,942-

COL A10		
SCH VIIIIB-2		
RED FY21-22		
POS	AMOUNT	CODES

FINANCIAL SERVICES		43000000
PGM: WORKERS' COMPENSATION		43600000
<u>WORKERS' COMPENSATION</u>		43600100
ECONOMIC OPPORTUNITIES		11
<u>WORKERS' COMPENSATION</u>		<u>1102.02.00.00</u>
PROGRAM REDUCTIONS		33V0000
REDUCTION IN THE BUREAU OF EMPLOYEE ASSISTANCE		33V2310
SALARY RATE		000000
SALARY RATE.....	148,632-	
	=====	
SALARIES AND BENEFITS		010000
	5.00-	
WORKERS' COMP ADMIN TF -STATE	247,515-	2795 1
	=====	
TOTAL: REDUCTION IN THE BUREAU OF EMPLOYEE ASSISTANCE		33V2310
TOTAL POSITIONS.....	5.00-	
TOTAL ISSUE.....	247,515-	
TOTAL SALARY RATE.....	148,632-	
	=====	

AGENCY ISSUE NARRATIVE:
 SCH VIIIIB-2 NARR 21-22 NARRATIVE: IT COMPONENT? NO

PRIORITY #36

This issue eliminates one Government Analyst I position on the Ombudsman Team ; one Insurance Specialist III position located in Orlando on the Injured Worker Helpline Team; and one Insurance Specialist III position located in Tallahassee on the Injured Worker Hotline Team. These positions provide assistance to employers and to injured workers who have significant problems or questions regarding their workers' compensation claims. The Ombudsman Team handles referrals from Legislators and the Governor's Office. These reductions would reduce the number of specialists available to provide assistance to injured workers and employers. These positions handle their daily workload thru telephone calls and emails so remaining staff around the state will be required to absorb the additional workload created if these positions are eliminated.

This issue also eliminates two Insurance Specialist I positions on the Records Management Team who currently work within the subpoena and public records team responding to requests made by the general public. These reductions would result in delays in acknowledging and responding to subpoenas and public records requests and delays in mail processing.

These represents represent approximately ten percent of the Bureau of Employee Assistance positions.

COL A10 SCH VIIIIB-2 RED FY21-22 POS AMOUNT	CODES
FINANCIAL SERVICES	43000000
PGM: WORKERS' COMPENSATION	43600000
<u>WORKERS' COMPENSATION</u>	43600100
ECONOMIC OPPORTUNITIES	11
<u>WORKERS' COMPENSATION</u>	<u>1102.02.00.00</u>
PROGRAM REDUCTIONS	33V0000
REDUCTION IN THE BUREAU OF EMPLOYEE ASSISTANCE	33V2310

POSITION DETAIL OF SALARIES AND BENEFITS:

	FTE	BASE RATE	ADDITIVES	BENEFITS	SUBTOTAL	LAPSE %	LAPSED SALARIES AND BENEFITS
A10 - SCH VIIIIB-2 RED FY21-22							
CHANGES TO CURRENTLY AUTHORIZED POSITIONS							
P101 PROPOSED CLASS CODE							
C1001 001	5.00-	148,632-		98,883-	247,515-	0.00	247,515-
TOTALS FOR ISSUE BY FUND							
2795 WORKERS' COMP ADMIN TF							247,515-
	5.00-	148,632-		98,883-	247,515-		247,515-

REDUCTION IN THE SPECIAL DISABILITY TRUST FUND							33V2320
SALARY RATE							000000
SALARY RATE.....	101,680-						
SALARIES AND BENEFITS							010000
WORKERS' COMP ADMIN TF -STATE	3.00-	163,216-					2795 1
OTHER PERSONAL SERVICES							030000
WORKERS' COMP SPEC DISAB TF-STATE	17,550-						2798 1

COL A10		
SCH VIIIIB-2		
RED FY21-22		
POS	AMOUNT	CODES

FINANCIAL SERVICES		43000000
PGM: WORKERS' COMPENSATION		43600000
<u>WORKERS' COMPENSATION</u>		43600100
ECONOMIC OPPORTUNITIES		11
<u>WORKERS' COMPENSATION</u>		<u>1102.02.00.00</u>
PROGRAM REDUCTIONS		33V0000
REDUCTION IN THE SPECIAL DISABILITY		
TRUST FUND		33V2320
SPECIAL CATEGORIES		100000
CONTRACTED SERVICES		100777
WORKERS' COMP SPEC DISAB TF-STATE	15,000-	2798 1
	=====	
TOTAL: REDUCTION IN THE SPECIAL DISABILITY		33V2320
TRUST FUND		
TOTAL POSITIONS.....	3.00-	
TOTAL ISSUE.....	195,766-	
TOTAL SALARY RATE.....	101,680-	
	=====	

AGENCY ISSUE NARRATIVE:

SCH VIIIIB-2 NARR 21-22 NARRATIVE:

IT COMPONENT? NO

PRIORITY #34

This issue eliminates three full time positions along with other personal services (OPS) funding within the Special Disability Trust Fund (SDTF), of the Bureau of Financial Accountability. This issue will also reduce the contract services in SDTF if these positions are eliminated.

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

These reductions represent approximately 27 percent of the Special Disability Trust Fund section within the Bureau of Financial Accountability.

COL A10 SCH VIIIIB-2 RED FY21-22 POS	AMOUNT	CODES
FINANCIAL SERVICES		43000000
PGM: WORKERS' COMPENSATION		43600000
<u>WORKERS' COMPENSATION</u>		43600100
ECONOMIC OPPORTUNITIES		11
<u>WORKERS' COMPENSATION</u>		<u>1102.02.00.00</u>
PROGRAM REDUCTIONS		33V0000
REDUCTION IN THE SPECIAL DISABILITY TRUST FUND		33V2320

POSITION DETAIL OF SALARIES AND BENEFITS:

	FTE	BASE RATE	ADDITIVES	BENEFITS	SUBTOTAL	LAPSE %	LAPSED SALARIES AND BENEFITS
A10 - SCH VIIIIB-2 RED FY21-22							
CHANGES TO CURRENTLY AUTHORIZED POSITIONS							
P101 PROPOSED CLASS CODE							
C1001 001	3.00-	101,680-		61,536-	163,216-	0.00	163,216-
TOTALS FOR ISSUE BY FUND							
2795 WORKERS' COMP ADMIN TF							163,216-
	3.00-	101,680-		61,536-	163,216-		163,216-

REDUCE STAFF AUGMENTATION CONTRACT							33V2330
SPECIAL CATEGORIES							100000
CONTRACTED SERVICES							100777
WORKERS' COMP ADMIN TF -STATE	175,000-						2795 1

AGENCY ISSUE NARRATIVE:
 SCH VIIIIB-2 NARR 21-22 NARRATIVE:

IT COMPONENT? NO

PRIORITY #7

This issue will reduce contract services by eliminating one of the staff augmentation vendors currently used within the Division of Workers' Compensation. This vendor serves as an applications development analyst and provides .net services in upgrading current legacy programs. The services provided by this vendor could be absorbed by other staff augmentation vendors or by internal Office of Information Technology staff, which may create a delay in the overall enhancements of

COL A10			
SCH VIIIIB-2			
RED FY21-22			
POS	AMOUNT		CODES

FINANCIAL SERVICES			43000000
PGM: WORKERS' COMPENSATION			43600000
<u>WORKERS' COMPENSATION</u>			43600100
ECONOMIC OPPORTUNITIES			11
<u>WORKERS' COMPENSATION</u>			<u>1102.02.00.00</u>
PROGRAM REDUCTIONS			33V0000
REDUCE STAFF AUGMENTATION CONTRACT			33V2330
the older programs.			

TOTAL: WORKERS' COMPENSATION			<u>1102.02.00.00</u>
BY FUND TYPE			
	50.00-		
TRUST FUNDS.....	3,839,421-		2000
SALARY RATE.....	1,667,546-		
	=====		
PGM: INVEST/FORENSIC SVCS			43700000
<u>FISCAL INTEGRITY</u>			43700400
PUBLIC PROTECTION			12
<u>CONSUMER SAFETY/PROTECTION</u>			<u>1205.00.00.00</u>
PROGRAM REDUCTIONS			33V0000
ELIMINATE THE OFFICE OF FISCAL			
INTEGRITY			33V3380
SALARY RATE			000000
SALARY RATE.....	385,737-		
	=====		
SALARIES AND BENEFITS			010000
	7.00-		
INSURANCE REG TF	-STATE	612,100-	2393 1
	=====		
EXPENSES			040000
INSURANCE REG TF	-STATE	35,700-	2393 1
	=====		
SPECIAL CATEGORIES			100000
CONTRACTED SERVICES			100777
INSURANCE REG TF	-STATE	7,300-	2393 1
	=====		

COL A10			
SCH VIIIIB-2			
RED FY21-22			
POS	AMOUNT		CODES

FINANCIAL SERVICES			43000000
PGM: INVEST/FORENSIC SVCS			43700000
<u>FISCAL INTEGRITY</u>			43700400
PUBLIC PROTECTION			12
<u>CONSUMER SAFETY/PROTECTION</u>			<u>1205.00.00.00</u>
PROGRAM REDUCTIONS			33V0000
ELIMINATE THE OFFICE OF FISCAL			
INTEGRITY			33V3380
SPECIAL CATEGORIES			100000
OPERATION/MOTOR VEHICLES			102289
INSURANCE REG TF	-STATE	3,100-	2393 1
		=====	
SALARY INCENTIVE PAYMENTS			103290
INSURANCE REG TF	-STATE	3,120-	2393 1
		=====	
TOTAL: ELIMINATE THE OFFICE OF FISCAL			33V3380
INTEGRITY			
TOTAL POSITIONS.....		7.00-	
TOTAL ISSUE.....		661,320-	
TOTAL SALARY RATE.....		385,737-	
		=====	

AGENCY ISSUE NARRATIVE:

SCH VIIIIB-2 NARR 21-22 NARRATIVE:

IT COMPONENT? NO

PRIORITY #39

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

This issue proposes to eliminate the Office of Fiscal Integrity, including the seven positions included in this budget entity. This is a budget reduction of 661,320, eliminating all five appropriation categories, included 612,100 of Salaries and Benefits, 35,700 of Expenses, 7,300 of Contracted Services, 3,100 of Operation of Motor Vehicles, and 3,120 of Criminal Justice Incentive Payments budget authority. The position reductions include a Lieutenant, two Law Enforcement Investigator II's, two Professional Accountant Specialists, two Government Analysts, a Senior Management Analyst Supervisor-SES, and a Financial Investigator. This reduction would significantly impact the Office of Fiscal Integrity.

COL A10 SCH VIIIB-2 RED FY21-22 POS	AMOUNT	CODES
FINANCIAL SERVICES		43000000
PGM: INVEST/FORENSIC SVCS		43700000
<u>FISCAL INTEGRITY</u>		43700400
PUBLIC PROTECTION		12
<u>CONSUMER SAFETY/PROTECTION</u>		<u>1205.00.00.00</u>
PROGRAM REDUCTIONS		33V0000
ELIMINATE THE OFFICE OF FISCAL INTEGRITY		33V3380

POSITION DETAIL OF SALARIES AND BENEFITS:

	FTE	BASE RATE	ADDITIVES	BENEFITS	SUBTOTAL	LAPSE %	LAPSED SALARIES AND BENEFITS
A10 - SCH VIIIB-2 RED FY21-22							
CHANGES TO CURRENTLY AUTHORIZED POSITIONS							
P101 PROPOSED CLASS CODE							
C1007 001	7.00-	385,737-		169,793-	555,530-	0.00	555,530-
TOTALS FOR ISSUE BY FUND							
2393 INSURANCE REG TF							555,530-
	7.00-	385,737-		169,793-	555,530-		555,530-
OTHER SALARY AMOUNT							
2393 INSURANCE REG TF							56,570-
							612,100-

TOTAL: CONSUMER SAFETY/PROTECTION							<u>1205.00.00.00</u>
BY FUND TYPE							
TRUST FUNDS.....	7.00-						2000
SALARY RATE.....		661,320-					
		385,737-					

=====

COL A10		
SCH VIIIIB-2		
RED FY21-22		
POS	AMOUNT	CODES
FINANCIAL SERVICES		43000000
PGM: FINANCIAL SVCS COMM		43900000
OFFICE OF INSURANCE REG		43900100
<u>COMP & ENFORCE- INSURANCE</u>		43900110
PUBLIC PROTECTION		12
<u>REGULATION AND LICENSING</u>		<u>1204.00.00.00</u>
PROGRAM REDUCTIONS		33V0000
REDUCTION IN THE FLORIDA PUBLIC		
HURRICANE LOSS PROJECTION MODEL		33V0040
SPECIAL CATEGORIES		100000
FL PUBLIC HURR LOSS MODEL		100515
INSURANCE REG TF	-STATE 436,360-	2393 1

AGENCY ISSUE NARRATIVE:

SCH VIIIIB-2 NARR 21-22 NARRATIVE: IT COMPONENT? NO
 PRIORITY #109

Budget Entity: Office of Insurance Regulation - Compliance & Enforcement

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

Reference to Long-Range Program Plan:

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

Issue Description:

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

The Office runs most residential rate filings through the Public Model. Every assumption and method of the Public Model is open to public inspection. This gives greater transparency to the rate review process. Private models are proprietary and therefore the calculations and methodologies they use are trade secret or what the industry calls, inside a "black box."

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

COL A10 SCH VIIIIB-2 RED FY21-22 POS AMOUNT	CODES
FINANCIAL SERVICES	43000000
PGM: FINANCIAL SVCS COMM	43900000
OFFICE OF INSURANCE REG	43900100
COMP & ENFORCE- INSURANCE	43900110
PUBLIC PROTECTION	12
REGULATION AND LICENSING	1204.00.00.00
PROGRAM REDUCTIONS	33V0000
REDUCTION IN THE FLORIDA PUBLIC HURRICANE LOSS PROJECTION MODEL	33V0040

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

The Florida Legislature provides the Office with \$969,689 in recurring funds for the Fiscal Year 2020-2021 in order to pay for rate filing runs and to support and maintain the Public Model. Maintenance and support services may include, but is not limited to: the retention of graduate students working on the Public Model; payment of invoices for necessary subcontractors concerning the Public Model; computer science center services related to the Public Model; conducting routine upgrade of the Public Model to incorporate new input data (for example, new meteorological data, and new data on insured losses); and the continued license of necessary software to operate and maintain the Public Model.

A reduction in this contract would have a significant impact. It would be severe and would only provide output for approximately 25 or so model runs. All work on upgrading and revising the model to meet future FCHLPM standards will be impacted and service to OIR will be curtailed as will any detailed analysis of output. The ability to maintain the hardware and software infrastructure will also diminish significantly. In all likelihood the project will not be viable. In addition, for ratemaking, the public model is required by law to be certified by the Commission on Hurricane Loss Projection Methodology which mandates periodic changes in the existing model in order to meet its standards.

REDUCE EXPENSES - COMPLIANCE AND ENFORCEMENT EXPENSES		33V0230 040000
INSURANCE REG TF	-STATE	583,108-
		=====
		2393 1

AGENCY ISSUE NARRATIVE:
 SCH VIIIIB-2 NARR 21-22 NARRATIVE: IT COMPONENT? NO
 PRIORITY #112

Budget Entity: Office of Insurance Regulation - Compliance & Enforcement

Issue Title: Reduction in Expenses - Compliance and Enforcement

Reference to Long-Range Program Plan:

COL A10		
SCH VIIIIB-2		
RED FY21-22		
POS	AMOUNT	CODES
FINANCIAL SERVICES		43000000
PGM: FINANCIAL SVCS COMM		43900000
OFFICE OF INSURANCE REG		43900100
COMP & ENFORCE- INSURANCE		43900110
PUBLIC PROTECTION		12
<u>REGULATION AND LICENSING</u>		<u>1204.00.00.00</u>
PROGRAM REDUCTIONS		33V0000
REDUCE EXPENSES - COMPLIANCE AND		
ENFORCEMENT		33V0230

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

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

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

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

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

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

COL A10		
SCH VIIIIB-2		
RED FY21-22		
POS	AMOUNT	CODES

FINANCIAL SERVICES		43000000
PGM: FINANCIAL SVCS COMM		43900000
OFFICE OF INSURANCE REG		43900100
COMP & ENFORCE- INSURANCE		43900110
PUBLIC PROTECTION		12
REGULATION AND LICENSING		<u>1204.00.00.00</u>
PROGRAM REDUCTIONS		33V0000
REDUCE VACANT POSITIONS - OFFICE		
OF INSURANCE REGULATION		33V0430
SALARY RATE		000000
SALARY RATE.....	114,610-	
	=====	
SALARIES AND BENEFITS		
	3.00-	010000
INSURANCE REG TF	-STATE 178,429-	2393 1
	=====	
TOTAL: REDUCE VACANT POSITIONS - OFFICE		33V0430
OF INSURANCE REGULATION		
TOTAL POSITIONS.....	3.00-	
TOTAL ISSUE.....	178,429-	
TOTAL SALARY RATE.....	114,610-	
	=====	

AGENCY ISSUE NARRATIVE:

SCH VIIIIB-2 NARR 21-22 NARRATIVE:
 PRIORITY #111

IT COMPONENT? NO

Budget Entity: Office of Insurance Regulations - Compliance and Enforcement

Issue Title: Reduction of Vacant Positions - Compliance and Enforcement

Reference to Long-Range Program Plan:

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

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

For Fiscal Year 2020-21, the Office has 283 FTE and is comprised of two budget entities: Compliance & Enforcement and

COL A10 SCH VIIIIB-2 RED FY21-22 POS	AMOUNT	CODES
FINANCIAL SERVICES		43000000
PGM: FINANCIAL SVCS COMM		43900000
OFFICE OF INSURANCE REG		43900100
COMP & ENFORCE- INSURANCE		43900110
PUBLIC PROTECTION		12
REGULATION AND LICENSING		1204.00.00.00
PROGRAM REDUCTIONS		33V0000
REDUCE VACANT POSITIONS - OFFICE OF INSURANCE REGULATION		33V0430

Executive Direction. The Office is a small agency and has already been reduced from a high number of 315 positions in Fiscal Year 2007-08 to the current 283 positions. Any further FTE reduction will significantly impede the Office's ability to perform statutorily required functions and will decrease service to the insurance industry by slowing insurance company application reviews thereby slowing products to consumers, job creation from new products and new insurance entity licensure.

The Office makes diligent efforts to fill vacant positions quickly. Since 2007, Office personnel resources have been reduced by 32 FTE with no substantive reduction in regulatory responsibility. The Office now has regulatory responsibility for over 4,500 insurance entities which is a substantial increase since the Office's creation in 2003. Losing additional positions would have a significant impact on the core mission of the Office. If a reduction is required, for the implementation of this issue, the Office will identify the positions in the Compliance and Enforcement budget entity. Mission critical positions would be maintained. The reductions would be based on vacant positions along with the consideration of the tenure and performance of current employees, and the functions of the positions.

POSITION DETAIL OF SALARIES AND BENEFITS:

FTE	BASE RATE	ADDITIVES	BENEFITS	SUBTOTAL	LAPSE %	LAPSED SALARIES AND BENEFITS
A10 - SCH VIIIIB-2 RED FY21-22						
NEW POSITIONS						
P101 PROPOSED CLASS CODE						
A0003 001	3.00-	114,610-	63,819-	178,429-	0.00	178,429-
TOTALS FOR ISSUE BY FUND						
2393 INSURANCE REG TF						
	3.00-	114,610-	63,819-	178,429-		178,429-

COL A10			
SCH VIIIIB-2			
RED FY21-22			
POS	AMOUNT		CODES

FINANCIAL SERVICES			43000000
PGM: FINANCIAL SVCS COMM			43900000
OFFICE OF INSURANCE REG			43900100
COMP & ENFORCE- INSURANCE			43900110
PUBLIC PROTECTION			12
REGULATION AND LICENSING			1204.00.00.00
PROGRAM REDUCTIONS			33V0000
ELIMINATE SCANNING UNIT - OFFICE			
OF INSURANCE REGULATION			33V0720
SALARY RATE			000000
SALARY RATE.....	26,283-		
	=====		
SALARIES AND BENEFITS			010000
INSURANCE REG TF	-STATE 1.00- 45,452-		2393 1
	=====		
OTHER PERSONAL SERVICES			030000
INSURANCE REG TF	-STATE 19,968-		2393 1
	=====		
EXPENSES			040000
INSURANCE REG TF	-STATE 1,200-		2393 1
	=====		
TOTAL: ELIMINATE SCANNING UNIT - OFFICE			33V0720
OF INSURANCE REGULATION			
TOTAL POSITIONS.....	1.00-		
TOTAL ISSUE.....	66,620-		
TOTAL SALARY RATE.....	26,283-		
	=====		

AGENCY ISSUE NARRATIVE:

SCH VIIIIB-2 NARR 21-22 NARRATIVE:
 PRIORITY #102

IT COMPONENT? NO

Budget Entity: Office of Insurance Regulation - Compliance and Enforcement

Issue Title: Eliminate Scanning Unit

Reference to Long-Range Program Plan:

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

Issue Description: The Office of Insurance Regulation (Office) is responsible for monitoring the financial condition of

COL A10 SCH VIIIB-2 RED FY21-22 POS AMOUNT	CODES
FINANCIAL SERVICES	43000000
PGM: FINANCIAL SVCS COMM	43900000
OFFICE OF INSURANCE REG	43900100
COMP & ENFORCE- INSURANCE	43900110
PUBLIC PROTECTION	12
REGULATION AND LICENSING	1204.00.00.00
PROGRAM REDUCTIONS	33V0000
ELIMINATE SCANNING UNIT - OFFICE OF INSURANCE REGULATION	33V0720

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

The Office created the scanning unit three years ago to start scanning and cataloging many different types of Office documents such as Charter Files, Title Insurance documents, Financial examination reports, and Financial statements. The scanning unit utilizes the Other Personal Services (OPS) category to hire temporary staff and Expenses category. This reduction would eliminate 2 part-time OPS employee and 1 full-time FTE, which is currently filled. This issue would reduce the OPS budget category by \$19,968 and \$1,200 in Expenses. While this reduction would have a minimal impact, it would add additional duties to each business unit. They would be responsible for scanning their own documents.

POSITION DETAIL OF SALARIES AND BENEFITS:

	FTE	BASE RATE	ADDITIVES	BENEFITS	SUBTOTAL	LAPSE %	LAPSED SALARIES AND BENEFITS
A10 - SCH VIIIB-2 RED FY21-22							
NEW POSITIONS							
0120 STAFF ASSISTANT B0001 001	1.00-	26,283-		19,169-	45,452-	0.00	45,452-
TOTALS FOR ISSUE BY FUND							
2393 INSURANCE REG TF	1.00-	26,283-		19,169-	45,452-		45,452-

COL A10		
SCH VIIIIB-2		
RED FY21-22		
POS	AMOUNT	CODES

FINANCIAL SERVICES		43000000
PGM: FINANCIAL SVCS COMM		43900000
OFFICE OF INSURANCE REG		43900100
COMP & ENFORCE- INSURANCE		43900110
PUBLIC PROTECTION		12
<u>REGULATION AND LICENSING</u>		<u>1204.00.00.00</u>
PROGRAM REDUCTIONS		33V0000
REDUCTION IN THE OPERATING CAPITAL		
OUTLAY CATEGORY		33V1120
OPERATING CAPITAL OUTLAY		060000
INSURANCE REG TF	-STATE	73,500-
		=====
		2393 1

AGENCY ISSUE NARRATIVE:

SCH VIIIIB-2 NARR 21-22 NARRATIVE:
 PRIORITY #101

IT COMPONENT? NO

Budget Entity: Office of Insurance Regulation - Compliance and Enforcement

Issue Title: Reduction in Operating Capital Category (OCO)

Reference to Long-Range Program Plan:

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

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

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

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

COL A10		
SCH VIIIIB-2		
RED FY21-22		
POS	AMOUNT	CODES

FINANCIAL SERVICES		43000000
PGM: FINANCIAL SVCS COMM		43900000
OFFICE OF INSURANCE REG		43900100
COMP & ENFORCE- INSURANCE		43900110
PUBLIC PROTECTION		12
REGULATION AND LICENSING		<u>1204.00.00.00</u>
PROGRAM REDUCTIONS		33V0000
REDUCE CONTRACTED SERVICES		33V1300
SPECIAL CATEGORIES		100000
CONTRACTED SERVICES		100777
INSURANCE REG TF	-STATE 337,353-	2393 1
	=====	

AGENCY ISSUE NARRATIVE:

SCH VIIIIB-2 NARR 21-22 NARRATIVE:
 PRIORITY #113

IT COMPONENT? NO

Budget Entity: Office of Insurance Regulation - Compliance and Enforcement

Issue Title: Reduction in Contracted Services

Reference to Long-Range Program Plan:

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

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

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

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

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

COL A10		
SCH VIIIIB-2		
RED FY21-22		
POS	AMOUNT	CODES
FINANCIAL SERVICES		43000000
PGM: FINANCIAL SVCS COMM		43900000
OFFICE OF INSURANCE REG		43900100
COMP & ENFORCE- INSURANCE		43900110
PUBLIC PROTECTION		12
REGULATION AND LICENSING		1204.00.00.00
PROGRAM REDUCTIONS		33V0000
REDUCE CONTRACTED SERVICES		33V1300

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

REDUCE OTHER PERSONAL SERVICES		
FUNDING		33V2240
OTHER PERSONAL SERVICES		030000
INSURANCE REG TF	-STATE 132,068-	2393 1

=====

AGENCY ISSUE NARRATIVE:

SCH VIIIIB-2 NARR 21-22 NARRATIVE: IT COMPONENT? NO
 PRIORITY #107

Budget Entity: Office of Insurance Regulation - Compliance and Enforcement

Issue Title: Reduction in Other Personal Services (OPS)

Reference to Long-Range Program Plan:

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

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

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

COL A10		
SCH VIIIIB-2		
RED FY21-22		
POS	AMOUNT	CODES

FINANCIAL SERVICES		43000000
PGM: FINANCIAL SVCS COMM		43900000
OFFICE OF INSURANCE REG		43900100
COMP & ENFORCE- INSURANCE		43900110
PUBLIC PROTECTION		12
<u>REGULATION AND LICENSING</u>		<u>1204.00.00.00</u>
PROGRAM REDUCTIONS		33V0000
REDUCE OTHER PERSONAL SERVICES		
FUNDING		33V2240

marketplace trends.

The Office of Insurance Regulation (Office) utilizes the Other Personal Services (OPS) category to hire temporary staff as needed to accomplish the mission of the Office. The Office has recently had success with the hiring of college graduates from the FSU and FAMU Career Fars. Currently, the Office only receives \$330,169 in OPS appropriation from the Insurance Regulatory Trust Fund. This reduction would have a moderate impact but would impede the fulfillment of the Office's essential regulatory and statutory requirements. The Office then would have to use the 5% transfer authority, when needed, to provide additional OPS funding as needed.

REDUCE POSITION(S) - OFFICE OF		
INSURANCE REGULATION - OPERATIONAL		
REDUCTIONS		33V3110
SALARY RATE		000000
SALARY RATE.....	447,104-	
	=====	
SALARIES AND BENEFITS		010000
INSURANCE REG TF	11.00-	
-STATE	685,848-	2393 1
	=====	
TOTAL: REDUCE POSITION(S) - OFFICE OF		33V3110
INSURANCE REGULATION - OPERATIONAL		
REDUCTIONS		
TOTAL POSITIONS.....	11.00-	
TOTAL ISSUE.....	685,848-	
TOTAL SALARY RATE.....	447,104-	
	=====	

AGENCY ISSUE NARRATIVE:

SCH VIIIIB-2 NARR 21-22 NARRATIVE:

IT COMPONENT? NO

PRIORITY #110

Budget Entity: Office of Insurance Regulations - Compliance and Enforcement

COL A10		
SCH VIIIIB-2		
RED FY21-22		
POS	AMOUNT	CODES
FINANCIAL SERVICES		43000000
PGM: FINANCIAL SVCS COMM		43900000
OFFICE OF INSURANCE REG		43900100
COMP & ENFORCE- INSURANCE		43900110
PUBLIC PROTECTION		12
<u>REGULATION AND LICENSING</u>		<u>1204.00.00.00</u>
PROGRAM REDUCTIONS		33V0000
REDUCE POSITION(S) - OFFICE OF		
INSURANCE REGULATION - OPERATIONAL		
REDUCTIONS		33V3110

Issue Title: Reduction of Vacant Positions - Compliance and Enforcement

Reference to Long-Range Program Plan:

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

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

For Fiscal Year 2020-21, the Office has 283 FTE and is comprised of two budget entities: Compliance & Enforcement and Executive Direction. The Office is a small agency and has already been reduced from a high number of 315 positions in Fiscal Year 2007-08 to the current 283 positions. Any further FTE reduction will significantly impede the Office's ability to perform statutorily required functions and will decrease service to the insurance industry by slowing insurance company application reviews thereby slowing products to consumers, job creation from new products and new insurance entity licensure.

The Office makes diligent efforts to fill vacant positions quickly. Since 2007, Office personnel resources have been reduced by 32 FTE with no substantive reduction in regulatory responsibility. The Office now has regulatory responsibility for over 4,500 insurance entities which is a substantial increase since the Office's creation in 2003. Losing additional positions would have a significant impact on the core mission of the Office. If a reduction is required, for the implementation of this issue, the Office will identify the positions in the Compliance and Enforcement budget entity. Mission critical positions would be maintained. The reductions would be based on vacant positions along with the consideration of the tenure and performance of current employees, and the functions of the positions.

COL A10 SCH VIIIIB-2 RED FY21-22 POS	AMOUNT	CODES
FINANCIAL SERVICES		43000000
PGM: FINANCIAL SVCS COMM		43900000
OFFICE OF INSURANCE REG		43900100
COMP & ENFORCE- INSURANCE		43900110
PUBLIC PROTECTION		12
REGULATION AND LICENSING		1204.00.00.00
PROGRAM REDUCTIONS		33V0000
REDUCE POSITION(S) - OFFICE OF INSURANCE REGULATION - OPERATIONAL REDUCTIONS		33V3110

POSITION DETAIL OF SALARIES AND BENEFITS:

	FTE	BASE RATE	ADDITIVES	BENEFITS	SUBTOTAL	LAPSE %	LAPSED SALARIES AND BENEFITS
A10 - SCH VIIIIB-2 RED FY21-22							
NEW POSITIONS							
P101 PROPOSED CLASS CODE C0011 001	11.00-	447,104-		238,744-	685,848-	0.00	685,848-
TOTALS FOR ISSUE BY FUND 2393 INSURANCE REG TF	11.00-	447,104-		238,744-	685,848-		685,848-

REDUCTION IN TRAVEL EXPENSE - OFFICE OF INSURANCE REGULATION EXPENSES							33V8720 040000
INSURANCE REG TF -STATE		70,000-					2393 1

AGENCY ISSUE NARRATIVE:
 SCH VIIIIB-2 NARR 21-22 NARRATIVE: IT COMPONENT? NO
 PRIORITY #105

Budget Entity: Office of Insurance Regulation - Compliance & Enforcement

Issue Title: Reduction in Travel Expenses - Compliance and Enforcement

COL A10		
SCH VIIIIB-2		
RED FY21-22		
POS	AMOUNT	CODES
FINANCIAL SERVICES		43000000
PGM: FINANCIAL SVCS COMM		43900000
OFFICE OF INSURANCE REG		43900100
COMP & ENFORCE- INSURANCE		43900110
PUBLIC PROTECTION		12
<u>REGULATION AND LICENSING</u>		<u>1204.00.00.00</u>
PROGRAM REDUCTIONS		33V0000
REDUCTION IN TRAVEL EXPENSE -		
OFFICE OF INSURANCE REGULATION		33V8720

Reference to Long-Range Program Plan:

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

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

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

The Office of Insurance Regulation (Office) utilizes the Expenses appropriation for to operate the Office and meet the Office's regulatory and statutory requirements. Currently, the Office receives \$2.4 million in Expenses appropriation. Expenditures for this category include, but are not limited to, are office rent to DMS (almost \$1.1 million), computer equipment, training, travel, office supplies, and other important needs. These are important to the Office so that it may fulfill our statutory requirements.

A significant portion of the Office's appropriated expense funding is used for examiner travel to property, casualty, life and health insurance companies to examine books and records to regulate solvency. It is important to note that the travel expenses are paid with the Office's appropriated expense funds and then the insurance company being examined pays back the cost of the examination into the Insurance Regulatory Trust Fund. The Office does not have an appropriation to reimburse these funds back into its operating budget. In an effort to comply with mission-critical travel laws and to manage these reductions, the Office has reduced travel expense utilization. A further reduction to the Office's appropriated expense allotment will result in Office staff receiving less job-specific training that is needed. This reduction would moderately impede the fulfillment of the Office's essential regulatory and statutory requirements.

COL A10		
SCH VIIIIB-2		
RED FY21-22		
POS	AMOUNT	CODES
FINANCIAL SERVICES		43000000
PGM: FINANCIAL SVCS COMM		43900000
OFFICE OF INSURANCE REG		43900100
COMP & ENFORCE- INSURANCE		43900110
PUBLIC PROTECTION		12
REGULATION AND LICENSING		<u>1204.00.00.00</u>
PROGRAM REDUCTIONS		33V0000
REDUCTION IN OFFICE SUPPLIES -		
OFFICE OF INSURANCE REGULATION		33V8730
EXPENSES		040000
INSURANCE REG TF	-STATE 20,006-	2393 1

AGENCY ISSUE NARRATIVE:

SCH VIIIIB-2 NARR 21-22 NARRATIVE:
 PRIORITY #104

IT COMPONENT? NO

Budget Entity: Office of Insurance Regulation - Compliance & Enforcement

Issue Title: Reduction in Office Supplies Expenses

Reference to Long-Range Program Plan:

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

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

The Office of Insurance Regulation (Office) utilizes the Expenses appropriation for to operate the Office and meet the regulatory and statutory requirements that it has. Currently, the Office receives \$2.4 million in Expenses appropriation. Expenditures for this category includes the office rent to DMS, which is \$1.1 million.

A portion of the Office's appropriated expense funding is used to purchase office supplies needed to operate the Office. Office supplies include consumable products such as paper, pens, postage, ink toner for printers, and other routine supplies.

The Office's appropriated expense budget has been reduced by over \$700,000 since 2007. In an effort to comply with the mission-critical duties it has, the Office is prudent with the expenditures that it incurs. A reduction to the Office's appropriated expense allotment will result in an impact on the Office's operations.

COL A10		
SCH VIIIIB-2		
RED FY21-22		
POS	AMOUNT	CODES
FINANCIAL SERVICES		43000000
PGM: FINANCIAL SVCS COMM		43900000
OFFICE OF INSURANCE REG		43900100
COMP & ENFORCE- INSURANCE		43900110
PUBLIC PROTECTION		12
<u>REGULATION AND LICENSING</u>		<u>1204.00.00.00</u>
PROGRAM REDUCTIONS		33V0000
REDUCTION IN INFORMATION TECHNOLOGY		
EQUIPMENT - OFFICE OF INSURANCE		
REGULATION		33V8740
EXPENSES		040000
INSURANCE REG TF	-STATE 60,954-	2393 1

AGENCY ISSUE NARRATIVE:

SCH VIIIIB-2 NARR 21-22 NARRATIVE:
 PRIORITY #106

IT COMPONENT? NO

Budget Entity: Office of Insurance Regulation - Compliance & Enforcement

Issue Title: Reduction in I.T. Equipment

Reference to Long-Range Program Plan:

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

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

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

The Office of Insurance Regulation (Office) utilizes the Expenses appropriation for to operate the Office and meet the Office's regulatory and statutory requirements. Currently, the Office receives \$2.4 million in Expenses appropriation. Expenditures for this category include, but are not limited to, are office rent to DMS (almost \$1.1 million), computer equipment, required training, travel, office supplies, and other important needs. These are important to the Office so that it may fulfill our statutory requirements.

A significant portion of the Office's appropriated expense funding is used for I.T. equipment for the Office staff. These supplies include desktop computers, printers, and other important I.T. equipment. These types of equipment are

COL A10		
SCH VIIIIB-2		
RED FY21-22		
POS	AMOUNT	CODES

FINANCIAL SERVICES		43000000
PGM: FINANCIAL SVCS COMM		43900000
OFFICE OF INSURANCE REG		43900100
COMP & ENFORCE- INSURANCE		43900110
PUBLIC PROTECTION		12
<u>REGULATION AND LICENSING</u>		<u>1204.00.00.00</u>
PROGRAM REDUCTIONS		33V0000
REDUCTION IN INFORMATION TECHNOLOGY		
EQUIPMENT - OFFICE OF INSURANCE		
REGULATION		33V8740

important also by assisting the Office's examiners for travel to property, casualty, life and health insurance companies to examine books and records to regulate solvency.

The Office's appropriated expense budget has been reduced by over \$700,000 since 2007. In an effort to comply with mission-critical travel laws and to manage these reductions, the Office has reduced travel expense utilization. A reduction in the purchase of I.T. equipment for our employees would impede the fulfillment of the Office's essential regulatory and statutory requirements.

TOTAL: REGULATION AND LICENSING		<u>1204.00.00.00</u>
BY FUND TYPE		
TRUST FUNDS.....	15.00-	
SALARY RATE.....	2,644,246-	2000
	587,997-	
	=====	

<u>EXEC DIR & SUPORT SERVICES</u>		43900120
PUBLIC PROTECTION		12
<u>REGULATION AND LICENSING</u>		<u>1204.00.00.00</u>
PROGRAM REDUCTIONS		33V0000
REDUCE EXPENSES - EXECUTIVE		
DIRECTION		33V0240
EXPENSES		040000
INSURANCE REG TF	-STATE	59,271-
		2393 1
		=====

AGENCY ISSUE NARRATIVE:
 SCH VIIIIB-2 NARR 21-22 NARRATIVE: IT COMPONENT? NO
 PRIORITY #103

Budget Entity: Office of Insurance Regulation - Executive Direction

Issue Title: Reduction in Expenses

COL A10		
SCH VIIIIB-2		
RED FY21-22		
POS	AMOUNT	CODES

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

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

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

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

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

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

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

COL A10		
SCH VIIIIB-2		
RED FY21-22		
POS	AMOUNT	CODES

FINANCIAL SERVICES		43000000
PGM: FINANCIAL SVCS COMM		43900000
OFFICE OF INSURANCE REG		43900100
<u>EXEC DIR & SUPORT SERVICES</u>		43900120
PUBLIC PROTECTION		12
<u>REGULATION AND LICENSING</u>		<u>1204.00.00.00</u>
PROGRAM REDUCTIONS		33V0000
REDUCTION IN CONTRACTED SERVICES -		
EXECUTIVE DIRECTION - OFFICE OF		
INSURANCE REGULATION		33V8760
SPECIAL CATEGORIES		100000
CONTRACTED SERVICES		100777
INSURANCE REG TF	-STATE	
		46,355-
		=====
		2393 1

AGENCY ISSUE NARRATIVE:
 SCH VIIIIB-2 NARR 21-22 NARRATIVE:
 PRIORITY #108

IT COMPONENT? NO

Budget Entity: Office of Insurance Regulation - Executive Direction

Issue Title: Reduction in Contracted Services

Reference to Long-Range Program Plan:

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

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

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

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

COL A10		
SCH VIIIIB-2		
RED FY21-22		
POS	AMOUNT	CODES

FINANCIAL SERVICES		43000000
PGM: FINANCIAL SVCS COMM		43900000
OFFICE OF INSURANCE REG		43900100
<u>EXEC DIR & SUPORT SERVICES</u>		43900120
PUBLIC PROTECTION		12
<u>REGULATION AND LICENSING</u>		<u>1204.00.00.00</u>
PROGRAM REDUCTIONS		33V0000
REDUCTION IN CONTRACTED SERVICES -		
EXECUTIVE DIRECTION - OFFICE OF		
INSURANCE REGULATION		33V8760

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

TOTAL: REGULATION AND LICENSING		<u>1204.00.00.00</u>
BY FUND TYPE		
TRUST FUNDS.....	105,626-	2000
	=====	
OFFICE OF FINANCIAL REG		43900500
<u>SFTY & SOUND ST BKG SYST</u>		43900530
PUBLIC PROTECTION		12
<u>REGULATION AND LICENSING</u>		<u>1204.00.00.00</u>
PROGRAM REDUCTIONS		33V0000
REDUCE OTHER PERSONAL SERVICES		
(OPS) EXAMINERS AND ASSOCIATED		
EXPENSES		33V0510
OTHER PERSONAL SERVICES		030000
FINANCIAL INST REG TF	-STATE 604,100-	2275 1
	=====	
EXPENSES		040000
FINANCIAL INST REG TF	-STATE 122,700-	2275 1
	=====	
TOTAL: REDUCE OTHER PERSONAL SERVICES		33V0510
(OPS) EXAMINERS AND ASSOCIATED		
EXPENSES		
TOTAL ISSUE.....	726,800-	
	=====	

COL A10 SCH VIIIIB-2 RED FY21-22 POS AMOUNT	CODES
FINANCIAL SERVICES	43000000
PGM: FINANCIAL SVCS COMM	43900000
OFFICE OF FINANCIAL REG	43900500
SFTY & SOUND ST BKG SYST	43900530
PUBLIC PROTECTION	12
REGULATION AND LICENSING	1204.00.00.00
PROGRAM REDUCTIONS	33V0000
REDUCE OTHER PERSONAL SERVICES (OPS) EXAMINERS AND ASSOCIATED EXPENSES	33V0510

AGENCY ISSUE NARRATIVE:

SCH VIIIIB-2 NARR 21-22 NARRATIVE:

IT COMPONENT? NO

PROPOSED 10% REDUCTIONS FOR FY 2021-22

KEY REC439005XXXXXXXXXXXXXXXXX (Completed by Budget Office)

D-3A ISSUE FORM

Budget Entity: Office of Financial Regulation - Safety and Soundness of State Banking System
 43900530 502275001

Issue Title: Reduction in OPS Contract Examiners and Related Expenses

Priority #15

Reference to Long-Range Program Plan:

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

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

A reduction within the OPS Contract Examiner Program will limit the Division's ability to effectively provide financial institution examinations in accordance with the statutory mandate and could impact the Division's ability to promote and provide oversight for a safe and sound financial institutions marketplace. Further, public confidence in Florida's financial institution industry will be significantly eroded, which will have a direct impact on Florida's ability to assist the private sector to create jobs and attract new industry.

COL A10		
SCH VIIIIB-2		
RED FY21-22		
POS	AMOUNT	CODES
FINANCIAL SERVICES		43000000
PGM: FINANCIAL SVCS COMM		43900000
OFFICE OF FINANCIAL REG		43900500
SFTY & SOUND ST BKG SYST		43900530
PUBLIC PROTECTION		12
REGULATION AND LICENSING		<u>1204.00.00.00</u>
PROGRAM REDUCTIONS		33V0000
REDUCE OTHER PERSONAL SERVICES		
(OPS) EXAMINERS AND ASSOCIATED		
EXPENSES		33V0510

The Division of Financial Institutions has been accredited with the Conference of State Bank Supervisors (CSBS) since 1986 and accredited with the National Association of State Credit Union Supervisors (NASCUS) since 2004. The status of both the CSBS and NASCUS accreditations will be at risk due to the reductions in regulatory resources and inability to meet our accreditation "Best Practice" standards. It is imperative that this status of good standing be maintained in order to satisfy the regulatory requirements of our federal counterparts (FDIC, Federal Reserve Bank (FRB), Office of the Comptroller of the Currency (OCC) and the National Credit Union Association (NCUA).

Ultimate Outcome: A reduction within the OPS Contract Examiner Program will limit the Division's ability to provide financial institution examinations according to the statutory mandate and could diminish the Division's ability to promote a safe and sound financial marketplace in Florida. Consequently, public confidence in Florida's financial institution industry will erode. Further, if the Division were unable to fulfill its statutorily mandated financial institution examinations, it will damage the regulatory reputation of the Division. This will place in question the credibility of the Division to our Federal regulatory counterparts, thus damaging the working relationship now in place and so critical to the safety and soundness of Florida's financial institutions.

Detail of Costs:

OPS:			
Quantity	Description	Amount	Non-Recurring
	Reduction in the contract examiner program	(\$604,100)	\$-0-
Expenses:			
Quantity	Description	Amount	Non-Recurring
	Reduction in expenses	(\$122,700)	\$-0-
	Issue Total	(\$726,800)	\$-0-

COL A10			
SCH VIIIIB-2			
RED FY21-22			
POS	AMOUNT		CODES

FINANCIAL SERVICES			43000000
PGM: FINANCIAL SVCS COMM			43900000
OFFICE OF FINANCIAL REG			43900500
SFTY & SOUND ST BKG SYST			43900530
<u>PUBLIC PROTECTION</u>			
<u>REGULATION AND LICENSING</u>			
PROGRAM REDUCTIONS			12
REDUCE EXAMINER(S) - OFFICE OF			<u>1204.00.00.00</u>
FINANCIAL REGULATION - FINANCIAL			33V0000
INSTITUTIONS			33V0550
SALARY RATE			000000
SALARY RATE.....	111,891-		
	=====		
SALARIES AND BENEFITS			
			010000
FINANCIAL INST REG TF	-STATE	3.00- 175,230-	2275 1
		=====	
EXPENSES			
			040000
FINANCIAL INST REG TF	-STATE	5,400-	2275 1
		=====	
TOTAL: REDUCE EXAMINER(S) - OFFICE OF			33V0550
FINANCIAL REGULATION - FINANCIAL			
INSTITUTIONS			
TOTAL POSITIONS.....	3.00-		
TOTAL ISSUE.....	180,630-		
TOTAL SALARY RATE.....	111,891-		
	=====		

AGENCY ISSUE NARRATIVE:

SCH VIIIIB-2 NARR 21-22 NARRATIVE: IT COMPONENT? NO
 PROPOSED 10% REDUCTIONS FOR FY 2021-22

KEY REC43900530XXXXXXXXXXXXX (Completed by Budget Office)

D-3A ISSUE FORM

Budget Entity: Office of Financial Regulation - Safety and Soundness of State Banking System
 43900530 502275001

Issue Title: Deletion of three positions

Priority #17

COL A10		
SCH VIIIIB-2		
RED FY21-22		
POS	AMOUNT	CODES

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

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

Issue Description/Need: This issue proposes a reduction of three positions and the associated budget from the Division of Financial Institutions. The Division is responsible for examining all state chartered financial institutions to ensure they are operating in a safe and sound manner. Examinations are mandated by statute and can also occur due to a decline in economic conditions, or elevated risks in a financial institution or the financial institutions industry. The Division's examination team is a key part in meeting examination mandates and needs. According to F.S. 655.045, "The Office may accept an examination of a state financial institution made by an appropriate federal regulatory agency or may conduct a joint or concurrent examination of the institution with the federal agency." The Division works to minimize the impact on financial institutions by coordinating examination schedules with our Federal counterparts, and alternating examinations whenever possible. More recently our Federal counterparts reprioritized their examination priorities and have not been conducting as many examinations on smaller institutions located in Florida. Currently, COVID-19 related stresses in the financial institutions industry are being monitored for potential impact to the financial institutions industry and examination requirements. Due to the reprioritization to a true alternating examination schedule by our Federal counterparts, and COVID-19 related stresses, more independent examinations will be required by the Division in order to meet the mandated examination requirements.

Ultimate Outcome: Since the "Great Recession" financial institutions have strengthened their capital levels and overall performance. These improvements have led to more independent examinations. Currently, we and the financial institutions we regulate continue to assess the impact of COVID-19 related stresses on the local, state, national and global economy. Depending on the impact there may be increased demand of examiners in the future. In addition, the Division recently transferred ten vacant positions to other divisions within OFR. Therefore, the loss of these positions will have a critical impact on the Division. Retaining a strong examination team is crucial in overseeing the safety and soundness of the financial institutions industry and associated salaries and benefits expenditure authority is a key part to retention.

Detail of Costs:

COL A10 SCH VIIIB-2 RED FY21-22 POS	AMOUNT	CODES
FINANCIAL SERVICES		43000000
PGM: FINANCIAL SVCS COMM		43900000
OFFICE OF FINANCIAL REG		43900500
SFTY & SOUND ST BKG SYST		43900530
PUBLIC PROTECTION		12
REGULATION AND LICENSING		<u>1204.00.00.00</u>
PROGRAM REDUCTIONS		33V0000
REDUCE EXAMINER(S) - OFFICE OF FINANCIAL REGULATION - FINANCIAL INSTITUTIONS		33V0550

SALARIES and BENEFITS:			
Quantity	Description	Amount	Non-Recurring
(3)	Reduce FEA II, PG 023 @ \$58,410 each Salaries and Benefits	(\$175,230)	\$0

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

Issue Total (\$180,630) \$0

POSITION DETAIL OF SALARIES AND BENEFITS:

FTE	BASE RATE	ADDITIVES	BENEFITS	SUBTOTAL	LAPSE %	LAPSED SALARIES AND BENEFITS
A10 - SCH VIIIB-2 RED FY21-22						
CHANGES TO CURRENTLY AUTHORIZED POSITIONS						
P101 PROPOSED CLASS CODE						
N0001 001	3.00-	111,891-	63,339-	175,230-	0.00	175,230-

COL A10 SCH VIIIIB-2 RED FY21-22 POS AMOUNT	CODES
FINANCIAL SERVICES	43000000
PGM: FINANCIAL SVCS COMM	43900000
OFFICE OF FINANCIAL REG	43900500
SFTY & SOUND ST BKG SYST	43900530
PUBLIC PROTECTION	12
REGULATION AND LICENSING	1204.00.00.00
PROGRAM REDUCTIONS	33V0000
REDUCE EXAMINER(S) - OFFICE OF FINANCIAL REGULATION - FINANCIAL INSTITUTIONS	33V0550

POSITION DETAIL OF SALARIES AND BENEFITS:

FTE	BASE RATE	ADDITIVES	BENEFITS	SUBTOTAL	LAPSE %	LAPSED SALARIES AND BENEFITS
A10 - SCH VIIIIB-2 RED FY21-22						
CHANGES TO CURRENTLY AUTHORIZED POSITIONS						
TOTALS FOR ISSUE BY FUND						175,230-
2275 FINANCIAL INST REG TF						175,230-
3.00-	111,891-		63,339-	175,230-		175,230-

REDUCE CONTRACTED SERVICES
 APPROPRIATION - OFFICE OF FINANCIAL
 REGULATION - BANKING 33V0630
 SPECIAL CATEGORIES 100000
 CONTRACTED SERVICES 100777

FINANCIAL INST REG TF -STATE 162,204- 2275 1
 =====

AGENCY ISSUE NARRATIVE:
 SCH VIIIIB-2 NARR 21-22 NARRATIVE: IT COMPONENT? NO
 PROPOSED 10% REDUCTIONS FOR FY 2021-22

KEY REC439005XXXXXXXXXXXXXXXXX (Completed by Budget Office)

COL A10		
SCH VIIIIB-2		
RED FY21-22		
POS	AMOUNT	CODES

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

Budget Entity: Office of Financial Regulation - Safety and Soundness of State Banking System
 43900530 502275001

Issue Title: Reduction in Contracted Services

Priority #6

Reference to Long-Range Program Plan:

Goal #1: Improve Taxpayer Value

Goal #2: Deliver Value to Businesses

Goal #3: Promote a Safe and Sound Financial Marketplace

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

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

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

A reduction within the Contracted Services will limit the Division's ability to thoroughly conduct application background checks which would compromise the ability of the Division to assure that state-chartered institutions are held and managed in a safe and sound manner. A reduction would impact the ability of the Office to verify that individuals who have a criminal or questionable history or are of unethical, immoral, or questionable character are excluded from holding or managing a financial institution. The Division of Financial Institutions has experienced an increase in the number of

COL A10		
SCH VIIIIB-2		
RED FY21-22		
POS	AMOUNT	CODES
FINANCIAL SERVICES		43000000
PGM: FINANCIAL SVCS COMM		43900000
OFFICE OF FINANCIAL REG		43900500
SFTY & SOUND ST BKG SYST		43900530
<u>PUBLIC PROTECTION</u>		12
<u>REGULATION AND LICENSING</u>		<u>1204.00.00.00</u>
PROGRAM REDUCTIONS		33V0000
REDUCE CONTRACTED SERVICES		
APPROPRIATION - OFFICE OF FINANCIAL		
REGULATION - BANKING		33V0630

background checks performed due to ongoing merger and acquisition activity, conversions of charters, and new charter activity in Florida. The Division expects the increase in application activity to continue. A reduction within contracted services at a time when licensing and chartering activities are expected to increase will have a significant impact on the ability of the staff to perform their duties and may jeopardize the safety and soundness of Florida's financial institutions.

Ultimate Outcome: The loss or reduction of regulatory resources such as background checks may result in a number of undesired outcomes and increased exposure to risk for state chartered financial institutions. Inadequate regulatory oversight of Florida's financial institution industry will significantly impact the citizens of Florida and the industry as a whole; increase the likelihood of unsafe and unsound institutions; erode general confidence in Florida's financial institution industry; and jeopardize regulatory accreditations which will damage the working relationship between Federal regulators and the Division. Ultimately, the regulatory reputation of the Division will be harmed by its failure to comply with the requirements of statute related to background checks and processing applications before the Office.

Detail of Costs:

Quantity	Description	Amount	Non-Recurring
	Reduction in the Contracted services	(\$162,204)	\$0

Issue Total (\$162,204) \$0

COL A10		
SCH VIIIIB-2		
RED FY21-22		
POS	AMOUNT	CODES
FINANCIAL SERVICES		43000000
PGM: FINANCIAL SVCS COMM		43900000
OFFICE OF FINANCIAL REG		43900500
SFTY & SOUND ST BKG SYST		43900530
PUBLIC PROTECTION		12
REGULATION AND LICENSING		<u>1204.00.00.00</u>
PROGRAM REDUCTIONS		33V0000
REDUCTION IN EXPENSES BUDGET		
AUTHORITY - OFFICE OF FINANCIAL		
REGULATION - FINANCIAL INSTITUTIONS		33V0740
EXPENSES		040000
FINANCIAL INST REG TF	-STATE 125,000-	2275 1

AGENCY ISSUE NARRATIVE:

SCH VIIIIB-2 NARR 21-22 NARRATIVE: IT COMPONENT? NO
 PROPOSED 10% REDUCTIONS FOR FY 2021-22

KEY REC439005XXXXXXXXXXXXXXXXXX (Completed by Budget Office)

D-3A ISSUE FORM

Budget Entity: Office of Financial Regulation - Safety and Soundness of State Banking System
 43900530 502275001

Issue Title: Reduction in Expenses

Priority #10

Reference to Long-Range Program Plan:

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

Issue Description/Need: Expenses The expense category is used for travel, association dues, training, etc.

Travel is extensive within the Division of Financial Institutions. Prior to the logistical challenges presented by COVID-19, the Division has always looked at ways to minimize costs related to examinations and training. However, a large portion of the expense budget is used for transportation, hotel and meal costs, for travel to examinations and training. Additionally, the expense budget is utilized for procurement of supplies and non-operating capital outlay equipment needed for safety and soundness oversight of financial institutions.

The Division of Financial Institutions has been accredited with the Conference of State Bank Supervisors (CSBS) since 1986 and accredited with the National Association of State Credit Union Supervisors (NASCUS) since 2004. The

COL A10		
SCH VIIIB-2		
RED FY21-22		
POS	AMOUNT	CODES
FINANCIAL SERVICES		43000000
PGM: FINANCIAL SVCS COMM		43900000
OFFICE OF FINANCIAL REG		43900500
SFTY & SOUND ST BKG SYST		43900530
PUBLIC PROTECTION		12
<u>REGULATION AND LICENSING</u>		<u>1204.00.00.00</u>
PROGRAM REDUCTIONS		33V0000
REDUCTION IN EXPENSES BUDGET		
AUTHORITY - OFFICE OF FINANCIAL		
REGULATION - FINANCIAL INSTITUTIONS		33V0740

accreditation process entails yearly surveys and an in depth audit every five years. In order to uphold the accreditation, yearly dues are required above and beyond the audits. Further, to achieve accreditation the Division is required to maintain certain standards regarding the ability to conduct quality examinations and maintain teams of trained examiners. Portions of the accreditation recommended best practices related to budget and expenditures committed to education and training.

In order for an examiner to have a full understanding of the entire examination process, they must complete a combination of on the job training and federally sponsored schools. In the best scenarios, this takes 2 - 3 years depending on the examiner and training schedules. The Division of Financial Institutions has always relied heavily on the NCUA and FDIC Examiner Training Programs to complete this training. These training programs are recognized by CSBS and NASCUS as important to maintaining trained examiners. A recommended best practice by CSBS is to dedicate 10 percent of the Division's expense budget to training.

The Division is working to enhance its examinations of regulated financial institutions to include a component related to cybersecurity and information technology risk management practices. The training associated with this oversight will increase the Division's training expenditures, but is a necessary cost to incur, due to increased and prevalent risks associated with cybersecurity and information technology impacting the financial services industry. Further, due to the impact of COVID-19 related stress on the financial services industry, additional expenditures related to oversight and training are anticipated.

Ultimate Outcome: A reduction of funding designated for expenses of Division staff will have a moderate impact to the Division of Financial Institutions. The Division's federal counterparts have reprioritized their examination process and will not be conducting as many examinations on the smaller institutions that are located in Florida. Therefore, more examinations will be required by the Division to meet the statutorily mandated 18-month time frame between examinations. In addition, federal counterparts rely on the Division to examine institutions and will periodically accept our reports of examination instead of conducting their own examination of an institution. Without the funds, examiners would not be able to travel and would not be properly trained. Additionally, with a decline in the ability to conduct examinations and a decline in the quality of examinations, the Division would be at risk to lose the long-standing accreditation with CSBS and NASCUS. Inadequate regulatory oversight of Florida's financial services industry will significantly impact the citizens of Florida and the industry as a whole; increase the likelihood of unsafe and unsound financial institutions and erode general confidence in Florida's financial institution industry. This will be of greater importance given potential impact of COVID-19 related stress on the financial services industry in the future.

Detail of Costs:

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

COL A10		
SCH VIIIB-2		
RED FY21-22		
POS	AMOUNT	CODES
FINANCIAL SERVICES		
		43000000
		43900000
		43900500
		43900530
		12
		<u>1204.00.00.00</u>
		33V0000
PROGRAM REDUCTIONS		
		33V0740

 Reduction in the
 examiner training program (\$125,000) \$0

Issue Total (\$125,000) \$0

TOTAL: REGULATION AND LICENSING 1204.00.00.00
 BY FUND TYPE

TRUST FUNDS.....	3.00-	1,194,634-	2000
SALARY RATE.....		111,891-	
	=====		

FINANCIAL INVESTIGATIONS 43900540
 PUBLIC PROTECTION 12
REGULATION AND LICENSING 1204.00.00.00
 PROGRAM REDUCTIONS 33V0000

REDUCE POSITIONS(S) - OFFICE OF
 FINANCIAL REGULATION - FINANCIAL
 INVESTIGATIONS 33V0520
 SALARY RATE 000000
 SALARY RATE..... 148,445-
 =====

SALARIES AND BENEFITS 010000
 ADMINISTRATIVE TRUST FUND -STATE 4.00- 232,766-
 ===== 2021 1

COL A10		
SCH VIIIIB-2		
RED FY21-22		
POS	AMOUNT	CODES

FINANCIAL SERVICES		43000000
PGM: FINANCIAL SVCS COMM		43900000
OFFICE OF FINANCIAL REG		43900500
<u>FINANCIAL INVESTIGATIONS</u>		43900540
PUBLIC PROTECTION		12
<u>REGULATION AND LICENSING</u>		<u>1204.00.00.00</u>
PROGRAM REDUCTIONS		33V0000
REDUCE POSITIONS(S) - OFFICE OF		
FINANCIAL REGULATION - FINANCIAL		
INVESTIGATIONS		33V0520
EXPENSES		040000
ADMINISTRATIVE TRUST FUND -STATE	7,200-	2021 1
	=====	
TOTAL: REDUCE POSITIONS(S) - OFFICE OF		33V0520
FINANCIAL REGULATION - FINANCIAL		
INVESTIGATIONS		
TOTAL POSITIONS.....	4.00-	
TOTAL ISSUE.....	239,966-	
TOTAL SALARY RATE.....	148,445-	
	=====	

AGENCY ISSUE NARRATIVE:

SCH VIIIIB-2 NARR 21-22 NARRATIVE:

IT COMPONENT? NO

PROPOSED 10% REDUCTIONS FOR FY 2021-22

D-3A ISSUE FORM

Budget Entity: Office of Financial Regulation Bureau of Financial Investigations
 43900540

Issue Title: Reduction of Four Financial Investigators

Priority #20

Reference to Long-Range Program Plan:

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

Goal #1: Improving tax payer value;

Goal #3: Promoting a safe and sound marketplace;

Issue Description/Need: The Bureau of Financial Investigations (Bureau) conducts criminal investigations into allegations of fraudulent and unlicensed activity under the jurisdiction of the OFR. A reduction in four Financial Investigators would reduce recurring program costs totaling by \$239,822. The Bureau currently has 45 FTEs. The reduction of four investigators would critically impact the Bureau's ability to combat investment fraud due to the reduction in resources. The reduction of 4 FTEs could decrease the number of investigations completed and the number of perpetrators sent to prison. Most of the Bureau's resources are used to combat investment fraud. Retirees and senior citizen are

COL A10		
SCH VIIIIB-2		
RED FY21-22		
POS	AMOUNT	CODES
FINANCIAL SERVICES		43000000
PGM: FINANCIAL SVCS COMM		43900000
OFFICE OF FINANCIAL REG		43900500
FINANCIAL INVESTIGATIONS		43900540
PUBLIC PROTECTION		12
REGULATION AND LICENSING		<u>1204.00.00.00</u>
PROGRAM REDUCTIONS		33V0000
REDUCE POSITIONS(S) - OFFICE OF		
FINANCIAL REGULATION - FINANCIAL		
INVESTIGATIONS		33V0520

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

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

Quantity	Description	Amount	Non-Recurring
(2)	Reduce FICE, PG 025 \$63,375 each		
	Salaries and Benefits	(\$126,750)	(\$126,750)
(2)	Reduce FI, PG 021 \$53,008 each		
	Salaries and Benefits	(\$106,016)	(\$106,016)
	Total Salaries and Benefits	(\$232,766)	(\$232,766)
(4)	Reduce Expenses \$1,800 each	(\$7,200)	(\$7,200)
	Issue Total	(\$239,966)	(\$239,966)

COL A10 SCH VIIIIB-2 RED FY21-22 POS AMOUNT	CODES
FINANCIAL SERVICES	43000000
PGM: FINANCIAL SVCS COMM	43900000
OFFICE OF FINANCIAL REG	43900500
FINANCIAL INVESTIGATIONS	43900540
PUBLIC PROTECTION	12
REGULATION AND LICENSING	1204.00.00.00
PROGRAM REDUCTIONS	33V0000
REDUCE POSITIONS(S) - OFFICE OF FINANCIAL REGULATION - FINANCIAL INVESTIGATIONS	33V0520

POSITION DETAIL OF SALARIES AND BENEFITS:

	FTE	BASE RATE	ADDITIVES	BENEFITS	SUBTOTAL	LAPSE %	LAPSED SALARIES AND BENEFITS
A10 - SCH VIIIIB-2 RED FY21-22							
CHANGES TO CURRENTLY AUTHORIZED POSITIONS							
P101 PROPOSED CLASS CODE							
N0001 001	4.00-	148,445-		84,321-	232,766-	0.00	232,766-
TOTALS FOR ISSUE BY FUND							
2021 ADMINISTRATIVE TRUST FUND							232,766-
	4.00-	148,445-		84,321-	232,766-		232,766-

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

ADMINISTRATIVE TRUST FUND -STATE 125,000- 2021 1

AGENCY ISSUE NARRATIVE:
 SCH VIIIIB-2 NARR 21-22 NARRATIVE: IT COMPONENT? NO
 PROPOSED 10% REDUCTIONS FOR FY 2021-22

D-3A ISSUE FORM

Budget Entity: Office of Financial Regulation Bureau of Financial Investigations

COL A10		
SCH VIIIIB-2		
RED FY21-22		
POS	AMOUNT	CODES
		43000000
FINANCIAL SERVICES		43900000
PGM: FINANCIAL SVCS COMM		43900500
OFFICE OF FINANCIAL REG		43900540
<u>FINANCIAL INVESTIGATIONS</u>		12
PUBLIC PROTECTION		<u>1204.00.00.00</u>
<u>REGULATION AND LICENSING</u>		33V0000
PROGRAM REDUCTIONS		
REDUCE EXPENSE - OFFICE OF		
FINANCIAL REGULATION - FINANCIAL		
INVESTIGATIONS		33V0530

43900540

Issue Title: Reduction of Expense Allocation

Priority #3

Reference to Long-Range Program Plan:

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

Goal #1: Improving tax payer value;

Goal #3: Promoting a safe and sound marketplace;

Issue Description/Need: The Bureau of Financial Investigations (Bureau) conducts investigations into allegations of fraudulent and unlicensed activity under the jurisdiction of the OFR. The Bureau proposes a \$125,000 reduction to Expenses. While the Expense category reverted 45.4% of its allocation in FY 19/20, the additional funding is necessary to allow immediate reaction to emergent issues. This reduction would have a minimal impact to its investigations.

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

Expenses:

Quantity	Description	Amount	Non-Recurring
	Expense	(\$125,000)	\$0
	Total Expense	(\$125,000)	\$0
	Issue Total	(\$125,000)	\$0

COL A10			CODES
SCH VIIIIB-2			
RED FY21-22			
POS	AMOUNT		

FINANCIAL SERVICES			43000000
PGM: FINANCIAL SVCS COMM			43900000
OFFICE OF FINANCIAL REG			43900500
<u>FINANCIAL INVESTIGATIONS</u>			43900540
PUBLIC PROTECTION			12
<u>REGULATION AND LICENSING</u>			<u>1204.00.00.00</u>
TOTAL: REGULATION AND LICENSING			<u>1204.00.00.00</u>
BY FUND TYPE			
TRUST FUNDS.....	4.00-	364,966-	2000
SALARY RATE.....	148,445-		
=====			
<u>EXEC DIR & SUPPORT SERVICE</u>			43900550
PUBLIC PROTECTION			12
<u>REGULATION AND LICENSING</u>			<u>1204.00.00.00</u>
PROGRAM REDUCTIONS			33V0000
REDUCE OTHER PERSONAL SERVICES			
(OP) APPROPRIATION - OFFICE OF			
FINANCIAL REGULATION - EXECUTIVE			
DIRECTION AND SUPPORT SERVICES			33V0640
OTHER PERSONAL SERVICES			030000
ADMINISTRATIVE TRUST FUND -STATE	140,000-		2021 1
=====			

AGENCY ISSUE NARRATIVE:

SCH VIIIIB-2 NARR 21-22 NARRATIVE: IT COMPONENT? NO
REDUCTION 10% EXERCISE FOR FY 2021-22

KEY REC439005501204XXXXXXXXXXXXX (Completed by Budget Office)

D-3A ISSUE FORM

Budget Entity: Office of Financial Regulation Executive Direction and Support Services
43900550

Issue Title: Reduction of Executive Direction's Other Personal Services

Priority #16

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

- GOAL #1: Improving taxpayer value
- GOAL #2: Delivering value to businesses

COL A10		
SCH VIIIIB-2		
RED FY21-22		
POS	AMOUNT	CODES
FINANCIAL SERVICES		43000000
PGM: FINANCIAL SVCS COMM		43900000
OFFICE OF FINANCIAL REG		43900500
<u>EXEC DIR & SUPPORT SERVICE</u>		43900550
PUBLIC PROTECTION		12
<u>REGULATION AND LICENSING</u>		<u>1204.00.00.00</u>
PROGRAM REDUCTIONS		33V0000
REDUCE OTHER PERSONAL SERVICES		
(OPS) APPROPRIATION - OFFICE OF		
FINANCIAL REGULATION - EXECUTIVE		
DIRECTION AND SUPPORT SERVICES		33V0640

- GOAL #3: Promoting a safe and sound financial marketplace
- GOAL #4: Improving customer service

Issue Description/Need: Following an 18.5% FTE reduction for OFR in FY 2012-13, Executive Direction was given \$150,000 in Other Personal Services to allow flexibility for unforeseen circumstances arising in Executive Direction and throughout the OFR. In FY 2013-14, an additional \$100,000 was moved from Safety and Soundness of State Banking System funding to Executive Direction's OPS funding to be used when peak workloads are encountered in OFR that the current staffing levels are not able to handle. Additionally, almost all data related to the OFR's licensees and their examinations is stored in the Regulatory Enforcement and Licensing (REAL) System. If an issue arises with REAL, OPS allocation must be available for unanticipated expenses associated with peak period maintenance or the need to hire temporary workers to bring the REAL system back online. Should REAL not work, the OFR will not be able to perform its statutorily mandated regulatory and enforcement duties without access to this data. Reducing the Executive Direction's OPS budget allocation by \$140,000 will leave Executive Direction with an annual allocation of \$111,917 and may not give Executive Direction the flexibility to handle normal OPS hires, temporary personnel hires associated with emergent issues, nor the capability to handle any peak period.

Ultimate Outcome: This reduction will moderately impact Executive Direction. Reducing the Other Personal Services budget allocation by \$140,000, may not give OFR's Executive Direction the flexibility to handle the normal OPS workloads, peak workloads, or emergent issues as they arise in OFR, Executive Direction.

Detail of Costs:

Quantity	Description	Amount	Non-Recurring
	Reduce OPS Allocation	(\$140,000)	\$-0-
	Total	(\$140,000)	\$-0-

COL A10		
SCH VIIIB-2		
RED FY21-22		
POS	AMOUNT	CODES
FINANCIAL SERVICES		43000000
PGM: FINANCIAL SVCS COMM		43900000
OFFICE OF FINANCIAL REG		43900500
<u>EXEC DIR & SUPPORT SERVICE</u>		43900550
PUBLIC PROTECTION		12
<u>REGULATION AND LICENSING</u>		<u>1204.00.00.00</u>
PROGRAM REDUCTIONS		33V0000
REDUCE CONTRACTED SERVICES		
APPROPRIATION - OFFICE OF FINANCIAL		
REGULATION - EXECUTIVE DIRECTION		
AND SUPPORT SERVICES		33V0650
SPECIAL CATEGORIES		100000
CONTRACTED SERVICES		100777
ADMINISTRATIVE TRUST FUND -STATE	35,000-	2021 1
	=====	

AGENCY ISSUE NARRATIVE:

SCH VIIIB-2 NARR 21-22 NARRATIVE: IT COMPONENT? NO
 PROPOSED 10% REDUCTION FOR FY 2021-22

KEY REC439005501204XXXXXXXXXXXXX (Completed by Budget Office)

D-3A ISSUE FORM

Budget Entity: Office of Financial Regulation Executive Direction and Support Services
 43900550

Issue Title: Reduction of Executive Direction's Contracted Services Category Allocation

Priority #14

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

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

Issue Description/Need: Following an 18.5% reduction in FTE for OFR in FY 2012-13, Executive Direction was given additional funding in Contracted Services to allow for flexibility for unforeseen circumstances arising in Executive Direction and throughout the OFR. Executive Direction was provided an additional \$50,000 in the Contracted Services category in the 2013 GAA to be used to hire contractors when peak workloads are encountered in OFR that the current staffing levels are not able to handle. Additionally, almost all data related to the OFR's licensees and their examinations is stored in the Regulatory Enforcement and Licensing (REAL) System. If an issue arises with REAL, the Contracted Services allocation must be available to cover any peak period maintenance costs or to hire temporary

COL A10		
SCH VIIIIB-2		
RED FY21-22		
POS	AMOUNT	CODES
FINANCIAL SERVICES		43000000
PGM: FINANCIAL SVCS COMM		43900000
OFFICE OF FINANCIAL REG		43900500
<u>EXEC DIR & SUPPORT SERVICE</u>		43900550
PUBLIC PROTECTION		12
<u>REGULATION AND LICENSING</u>		<u>1204.00.00.00</u>
PROGRAM REDUCTIONS		33V0000
REDUCE CONTRACTED SERVICES		
APPROPRIATION - OFFICE OF FINANCIAL		
REGULATION - EXECUTIVE DIRECTION		
AND SUPPORT SERVICES		33V0650

contracted workers to bring the REAL system back online. Should REAL not work, the OFR will not be able to perform its statutorily mandated regulatory and enforcement duties without access to this information. Reducing the Executive Direction's Contracted Services allocation by \$35,000 will leave Executive Direction with an annual allocation of \$26,048, which will not give Executive Direction the flexibility to handle emergent issues as they arise nor the capability to handle any peak period emergencies with REAL, effectively shutting down the OFR.

Ultimate Outcome: This reduction will moderately impact Executive Direction. Reducing the Contracted Service allocation by \$35,000, may not give OFR's Executive Direction the flexibility to hire contractors to handle the peak workloads or emergent issues as they arise in OFR, Executive Direction.

Detail of Costs:

Expenses:	Description	Amount	Non-Recurring
Quantity	-----	-----	-----
	Reduce Contracted Services Allocation	(\$35,000)	\$-0-

Total (\$35,000) \$-0-

REDUCE EXPENSES APPROPRIATION		
- OFFICE OF FINANCIAL REGULATION -		
EXECUTIVE DIRECTION AND SUPPORT		
SERVICES		33V0660
EXPENSES		040000
ADMINISTRATIVE TRUST FUND -STATE	160,000-	2021 1
	=====	

COL A10 SCH VIIIB-2 RED FY21-22 POS AMOUNT	CODES
FINANCIAL SERVICES	43000000
PGM: FINANCIAL SVCS COMM	43900000
OFFICE OF FINANCIAL REG	43900500
<u>EXEC DIR & SUPPORT SERVICE</u>	43900550
PUBLIC PROTECTION	12
<u>REGULATION AND LICENSING</u>	<u>1204.00.00.00</u>
PROGRAM REDUCTIONS	33V0000
REDUCE EXPENSES APPROPRIATION	
- OFFICE OF FINANCIAL REGULATION -	
EXECUTIVE DIRECTION AND SUPPORT	
SERVICES	33V0660

AGENCY ISSUE NARRATIVE:

SCH VIIIB-2 NARR 21-22 NARRATIVE: IT COMPONENT? NO
PROPOSED 10% REDUCTIONS FOR FY 2021-22

KEY REC439005501204XXXXXXXXXXXXX (Completed by Budget Office)

D-3A ISSUE FORM

Budget Entity: Office of Financial Regulation Executive Direction and Support Services
43900550

Issue Title: Reduction of Executive Direction's Expense Category Allocation

Priority #13

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

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

Issue Description/Need: Following an 18.5% reduction in FTE for OFR in FY 2012-13, Executive Direction was given additional funding in Expenses to allow flexibility for unforeseen circumstances arising in Executive Direction and throughout the OFR. Executive Direction has approximately \$275,000 in additional funding in the Expense category to pay for unanticipated expenses, such as the need to hire OPS or contractors during peak workloads or emergency situations that the current staffing levels are not able to handle. Additionally, almost all data related to the OFR's licensees and their examinations is stored in the Regulatory Enforcement and Licensing (REAL) System. If an issue arises with REAL, Expense allocation must be available for unanticipated expenses associated with peak period maintenance or the need to hire temporary contracted workers to bring the REAL system back online. Should REAL not work, the OFR will not be able to perform its statutorily mandated regulatory and enforcement duties without access to this data. Reducing the Executive Direction's Expense allocation by \$160,000 will leave Executive Direction with an annual allocation of \$255,548. This will not give Executive Direction the flexibility to handle emergent issues as they arise nor the capability to handle any peak period emergencies with REAL, effectively shutting down the OFR. It will also reduce the

COL A10		
SCH VIIIIB-2		
RED FY21-22		
POS	AMOUNT	CODES

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

Office's capability to pay for normal operating expenses.

Ultimate Outcome: This reduction will moderately impact Executive Direction. Reducing the Expense allocation by \$160,000, may not give OFR's Executive Direction the flexibility to pay for normal operating expenses.
 Detail of Costs:

Expenses:			
Quantity	Description	Amount	Non-Recurring
-----	-----	-----	-----
1	Reduce Expenses Allocation	(\$160,000)	\$-0-
Total		(\$160,000)	\$-0-

TOTAL: REGULATION AND LICENSING		<u>1204.00.00.00</u>
BY FUND TYPE		
TRUST FUNDS.....	335,000-	2000
	=====	

COL A10		
SCH VIIIIB-2		
RED FY21-22		
POS	AMOUNT	CODES
FINANCIAL SERVICES		43000000
PGM: FINANCIAL SVCS COMM		43900000
OFFICE OF FINANCIAL REG		43900500
FINANCE REGULATION		43900560
PUBLIC PROTECTION		12
REGULATION AND LICENSING		1204.00.00.00
PROGRAM REDUCTIONS		33V0000
REDUCE CONTRACTED SERVICES IN		
FINANCE REGULATION		33V0310
SPECIAL CATEGORIES		100000
CONTRACTED SERVICES		100777
REGULATORY TRUST FUND	-STATE	2573 1
	50,000-	

AGENCY ISSUE NARRATIVE:

SCH VIIIIB-2 NARR 21-22 NARRATIVE: IT COMPONENT? NO
 PROPOSED 10% REDUCTIONS FOR FY 2021-22

KEY REC439005601204XXXXXXXXXXXXXXXXX (Completed by Budget Office)

D-3A ISSUE FORM

Budget Entity: Office of Financial Regulation Division of Consumer Finance
 43900560 502573002

Issue Title: Contracted Services Reduction in Consumer Finance Recurring Program Costs

Priority #1

Reference to Long-Range Program Plan:

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

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

Impact: This division experienced a cost savings of approximately \$50,000 during FY 2018-19. The impact is minimal.

Ultimate Outcome: The fee netting process would create an annual cost savings to the division of approximately \$50,000. The Contracted Service Funds normally used to cover the costs for credit card services fees, would not be required. This

COL A10		
SCH VIIIIB-2		
RED FY21-22		
POS	AMOUNT	CODES
FINANCIAL SERVICES		43000000
PGM: FINANCIAL SVCS COMM		43900000
OFFICE OF FINANCIAL REG		43900500
FINANCE REGULATION		43900560
PUBLIC PROTECTION		12
REGULATION AND LICENSING		<u>1204.00.00.00</u>
PROGRAM REDUCTIONS		33V0000
REDUCE CONTRACTED SERVICES IN		
FINANCE REGULATION		33V0310

cost savings would allow a portion of Contracted Services funding to be reduced from recurring program costs.

Detail of Costs:

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

REDUCE EXPENSES BUDGET AUTHORITY IN			
FINANCE REGULATION			33V0370
EXPENSES			040000
REGULATORY TRUST FUND	-STATE	324,187-	2573 1

AGENCY ISSUE NARRATIVE:

SCH VIIIIB-2 NARR 21-22 NARRATIVE: IT COMPONENT? NO
 PROPOSED 10% REDUCTIONS FOR FY 2021-22

KEY REC439005601204XXXXXXXXXXXXX (Completed by Budget Office)

D-3A ISSUE FORM

Budget Entity: Office of Financial Regulation Division of Consumer Finance
 43900560 502573002

COL A10		
SCH VIIIIB-2		
RED FY21-22		
POS	AMOUNT	CODES

FINANCIAL SERVICES		43000000
PGM: FINANCIAL SVCS COMM		43900000
OFFICE OF FINANCIAL REG		43900500
<u>FINANCE REGULATION</u>		43900560
PUBLIC PROTECTION		12
<u>REGULATION AND LICENSING</u>		<u>1204.00.00.00</u>
PROGRAM REDUCTIONS		33V0000
REDUCE EXPENSES BUDGET AUTHORITY IN		
FINANCE REGULATION		33V0370

Issue Title: Expense reduction in Consumer Finance Recurring Program Costs

Priority #12

Reference to Long-Range Program Plan:

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

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

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

Impact: The Division is charged with examining six (6) different financial services industries in order to determine compliance with Florida laws and rules. The examinations also further the agency's mission to protect citizens and promote a safe and sound financial marketplace. Reducing funding in this category would critically impair the Division's ability to conduct examinations of financial services companies under the Division's regulatory responsibilities. The division is required to conduct in-state and out-of-state examinations of money services businesses including payday lenders under Chapter 560, Florida Statutes, on a mandated five (5) year cycle. This reduction could critically impact the division's ability to comply with the mandated examination cycle resulting in little to no examinations being conducted in the other five (5) industries where an exam is not mandated. This could leave the division without the resources to handle unforeseen circumstances or trends and prevent it from protecting consumers.

Ultimate Outcome: Reducing Expense funds by \$324,187 from recurring program costs would moderately impair the division's ability to travel and perform examinations to ensure compliance with Florida laws as well as handle any unforeseen circumstances or emergent issues. Overall, these limitations would reduce the division's ability to protect the consumers it serves and comply with statutorily mandated examinations.

Detail of Costs:

Expenses:

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

COL A10			
SCH VIIIIB-2			
RED FY21-22			
POS	AMOUNT		CODES
FINANCIAL SERVICES			43000000
PGM: FINANCIAL SVCS COMM			43900000
OFFICE OF FINANCIAL REG			43900500
FINANCE REGULATION			43900560
PUBLIC PROTECTION			12
REGULATION AND LICENSING			<u>1204.00.00.00</u>
PROGRAM REDUCTIONS			33V0000
REDUCE EXPENSES BUDGET AUTHORITY IN			
FINANCE REGULATION			33V0370

Reduce Expenses (\$324,187) \$0

Issue Total (\$324,187) \$0

REDUCE APPROPRIATION IN THE			
DEFERRED PRESENTMENT PROVIDER			
DATABASE CONTRACT CATEGORY			33V0540
SPECIAL CATEGORIES			100000
DEFER PRESENTMENT CONTRACT			100513
REGULATORY TRUST FUND	-STATE	150,000-	2573 1
		=====	

AGENCY ISSUE NARRATIVE:

SCH VIIIIB-2 NARR 21-22 NARRATIVE: IT COMPONENT? NO

PROPOSED 10% REDUCTIONS FOR FY 2021-22

KEY REC439005601204XXXXXXXXXXXXX (Completed by Budget Office)

D-3A ISSUE FORM

Budget Entity: Office of Financial Regulation Division of Consumer Finance
 43900560 502573002

Issue Title: Deferred Presentment Program (DPP) Database Reduction in Consumer Finance Recurring Program Costs

Priority #4

Reference to Long-Range Program Plan:

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

COL A10 SCH VIIIIB-2 RED FY21-22 POS AMOUNT	CODES
FINANCIAL SERVICES	43000000
PGM: FINANCIAL SVCS COMM	43900000
OFFICE OF FINANCIAL REG	43900500
FINANCE REGULATION	43900560
PUBLIC PROTECTION	12
REGULATION AND LICENSING	<u>1204.00.00.00</u>
PROGRAM REDUCTIONS	33V0000
REDUCE APPROPRIATION IN THE	
DEFERRED PRESENTMENT PROVIDER	
DATABASE CONTRACT CATEGORY	33V0540

Goal #4: Register or chartered institutions, companies and individuals.

Issue Description/Need: The Division of Consumer Finance proposes to decrease its recurring program costs by reducing its DPP Database allocation. The division is statutorily mandated to maintain a common database with real-time access through an Internet connection for deferred presentment providers. The database is accessible to the office and the deferred presentment providers to verify a consumer's eligibility to obtain a deferred presentment transaction by determining whether or not a consumer has an outstanding deferred presentment transaction. There is a \$1.00 fee imposed per transaction for data that must be submitted by a deferred presentment provider. Payments to the vendor for use and support of the DPP database are based on a contractual agreement for payment based on a tiered pricing scale, which averaged \$0.35 per transaction for FY 2019-20.

Impact: This reduction would have a minimal impact. The Division projects an unstable market for deferred presentment transactions (A.K.A. payday loans) for the next fiscal year. As a result of COVID-19, the payday loan market experienced a sharp decline in transactions. The total transaction volume in February 2020 was 460,331 compared to 250,440 in April 2020, a decrease of 45%. The industry has rebounded by 10% in July with a total transaction volume of 297,466. However, it's still not clear how long it will take the industry to fully recover. Reducing funding for this category would adversely impact the division's ability to properly make contractual payments to vendor, Veritec Solutions, Inc.

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

Detail of Costs:

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

COL A10		
SCH VIIIIB-2		
RED FY21-22		
POS	AMOUNT	CODES
FINANCIAL SERVICES		43000000
PGM: FINANCIAL SVCS COMM		43900000
OFFICE OF FINANCIAL REG		43900500
<u>FINANCE REGULATION</u>		43900560
PUBLIC PROTECTION		12
<u>REGULATION AND LICENSING</u>		<u>1204.00.00.00</u>
PROGRAM REDUCTIONS		33V0000
REDUCE OTHER PERSONAL SERVICES		
(OPS) - OFFICE OF FINANCIAL		
REGULATION - FINANCE		33V0560
OTHER PERSONAL SERVICES		030000
REGULATORY TRUST FUND	-STATE	
	154,000-	2573 1
	=====	

AGENCY ISSUE NARRATIVE:

SCH VIIIIB-2 NARR 21-22 NARRATIVE: IT COMPONENT? NO
 PROPOSED 10% REDUCTIONS FOR FY 2021-22

KEY REC439005601204XXXXXXXXXXXXX (Completed by Budget Office)

D-3A ISSUE FORM

Budget Entity: Office of Financial Regulation Division of Consumer Finance
 43900560 502573002

Issue Title: Reduce OPS Recurring Program Costs

Priority #2

Reference to Long-Range Program Plan:

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

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

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

COL A10		
SCH VIIIIB-2		
RED FY21-22		
POS	AMOUNT	CODES
FINANCIAL SERVICES		43000000
PGM: FINANCIAL SVCS COMM		43900000
OFFICE OF FINANCIAL REG		43900500
FINANCE REGULATION		43900560
PUBLIC PROTECTION		12
REGULATION AND LICENSING		<u>1204.00.00.00</u>
PROGRAM REDUCTIONS		33V0000
REDUCE OTHER PERSONAL SERVICES		
(OPS) - OFFICE OF FINANCIAL		
REGULATION - FINANCE		33V0560

Ultimate Outcome: Reducing OPS funds by \$154,000 from recurring program costs would minimally impact the division's ability to hire additional OPS staff to quickly react to emergent issues or unforeseen circumstances that may occur. Overall, this limitation could ultimately hinder the division's ability to protect the consumers it serves.

Detail of Costs:

Quantity	Description	Amount	Non-Recurring
	Reduce OPS	(\$154,000)	\$0
Issue Total (\$154,000)			\$0

REDUCE POSITIONS FOR ENFORCEMENT -			
OFFICE OF FINANCIAL REGULATION -			
FINANCE REGULATION			33V0670
SALARY RATE			000000
SALARY RATE.....	298,376-		
=====			
SALARIES AND BENEFITS			010000
REGULATORY TRUST FUND	-STATE	8.00- 467,280-	2573 1
=====			
EXPENSES			040000
REGULATORY TRUST FUND	-STATE	14,400-	2573 1
=====			

COL A10		
SCH VIIIIB-2		
RED FY21-22		
POS	AMOUNT	CODES
		43000000
FINANCIAL SERVICES		43900000
PGM: FINANCIAL SVCS COMM		43900500
OFFICE OF FINANCIAL REG		43900560
<u>FINANCE REGULATION</u>		12
PUBLIC PROTECTION		<u>1204.00.00.00</u>
<u>REGULATION AND LICENSING</u>		33V0000
PROGRAM REDUCTIONS		
REDUCE POSITIONS FOR ENFORCEMENT -		
OFFICE OF FINANCIAL REGULATION -		
FINANCE REGULATION		33V0670
TOTAL: REDUCE POSITIONS FOR ENFORCEMENT -		33V0670
OFFICE OF FINANCIAL REGULATION -		
FINANCE REGULATION		
TOTAL POSITIONS.....	8.00-	
TOTAL ISSUE.....		481,680-
TOTAL SALARY RATE.....	298,376-	

AGENCY ISSUE NARRATIVE:

SCH VIIIIB-2 NARR 21-22 NARRATIVE:

IT COMPONENT? NO

PROPOSED 10% REDUCTIONS FOR FY 2021-22

KEY REC439005601204XXXXXXXXXXXXX (Completed by Budget Office)

D-3A ISSUE FORM

Budget Entity: Office of Financial Regulation Division of Consumer Finance
 43900560 502573002

Issue Title: Eliminating eight (8) Examiners in the Division's Bureau of Enforcement

Priority #18

Reference to Long-Range Program Plan:

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

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

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

Impact: By eliminating three (3) Examiner positions in consumer complaints, PG 023, the division would discontinue the servicing of approximately 1,900 priority complaints. The division would no longer provide individual assistance to

COL A10		
SCH VIIIIB-2		
RED FY21-22		
POS	AMOUNT	CODES
FINANCIAL SERVICES		43000000
PGM: FINANCIAL SVCS COMM		43900000
OFFICE OF FINANCIAL REG		43900500
<u>FINANCE REGULATION</u>		43900560
PUBLIC PROTECTION		12
<u>REGULATION AND LICENSING</u>		<u>1204.00.00.00</u>
PROGRAM REDUCTIONS		33V0000
REDUCE POSITIONS FOR ENFORCEMENT -		
OFFICE OF FINANCIAL REGULATION -		
FINANCE REGULATION		33V0670

consumers. Consumers would only receive an acknowledgement of their complaint and OFR would not attempt to resolve their concerns. This would impair the division's ability to protect the consumers it serves. In addition, these reductions would reduce the amount of funds recovered by the Complaint Unit. Consequently, the division would only receive, record, and categorize incoming complaints for statistical purposes.

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

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

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

Ultimate Outcome: Deleting eight (8) examiner positions in the Bureau of Enforcement would critically impact the division's ability to assist consumers. Consumer complaints would only be recorded for statistical purposes and the division would cease consumer complaint resolution activities. Furthermore, deleting positions dedicated to examinations in the Bureau of Enforcement would critically impact and impair the division's ability to conduct examinations to ensure compliance with Florida laws for all the industries under its jurisdiction and impact its ability to meet statutory mandates. Overall, these limitations would critically impede the division's ability to protect the consumers it serves and leave Floridians vulnerable to either unlicensed or licensed businesses that violate Florida laws.

Detail of Costs:

COL A10	CODES
SCH VIIIIB-2	
RED FY21-22	
POS AMOUNT	
FINANCIAL SERVICES	43000000
PGM: FINANCIAL SVCS COMM	43900000
OFFICE OF FINANCIAL REG	43900500
FINANCE REGULATION	43900560
PUBLIC PROTECTION	12
REGULATION AND LICENSING	<u>1204.00.00.00</u>
PROGRAM REDUCTIONS	33V0000
REDUCE POSITIONS FOR ENFORCEMENT -	
OFFICE OF FINANCIAL REGULATION -	
FINANCE REGULATION	33V0670

Quantity	Description	Amount	Non-Recurring
(8)	Reduce FEA II, PG 023 \$58,410 each Salaries and Benefits	(\$467,280)	\$0
(8)	Reduce Expenses \$1,800 each	(\$14,400)	\$0

Issue Total (\$481,680) \$0

POSITION DETAIL OF SALARIES AND BENEFITS:

	FTE	BASE RATE	ADDITIVES	BENEFITS	SUBTOTAL	LAPSE %	LAPSED SALARIES AND BENEFITS
A10 - SCH VIIIIB-2 RED FY21-22							
CHANGES TO CURRENTLY AUTHORIZED POSITIONS							
P101 PROPOSED CLASS CODE							
N0001 001	8.00-	298,376-		168,904-	467,280-	0.00	467,280-
TOTALS FOR ISSUE BY FUND							
2573 REGULATORY TRUST FUND							467,280-
	8.00-	298,376-		168,904-	467,280-		467,280-

COL A10			
SCH VIIIB-2			
RED FY21-22			
POS	AMOUNT		CODES

FINANCIAL SERVICES			43000000
PGM: FINANCIAL SVCS COMM			43900000
OFFICE OF FINANCIAL REG			43900500
<u>FINANCE REGULATION</u>			43900560
PUBLIC PROTECTION			12
<u>REGULATION AND LICENSING</u>			<u>1204.00.00.00</u>
TOTAL: REGULATION AND LICENSING			<u>1204.00.00.00</u>
BY FUND TYPE			
	8.00-		
TRUST FUNDS.....	1,159,867-		2000
SALARY RATE.....	298,376-		
	=====		
<u>SECURITIES REGULATION</u>			43900570
PUBLIC PROTECTION			12
<u>REGULATION AND LICENSING</u>			<u>1204.00.00.00</u>
PROGRAM REDUCTIONS			33V0000
REDUCE CONTRACTED SERVICES BUDGET			
AUTHORITY IN SECURITIES REGULATION			33V0350
SPECIAL CATEGORIES			100000
CONTRACTED SERVICES			100777
REGULATORY TRUST FUND	-STATE	272,875-	2573 1
	=====		

AGENCY ISSUE NARRATIVE:

SCH VIIIB-2 NARR 21-22 NARRATIVE: IT COMPONENT? NO
 PROPOSED 10% REDUCTIONS FOR FY 2021-22

D-3A ISSUE FORM

Budget Entity: Office of Financial Regulation Division of Securities
 43900570 502573005

Issue Title: Decrease Contracted Services Allocation in the Regulatory Trust Fund

Priority #9

Reference to Long-Range Program Plan:

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

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

Issue Description/Need: Reduction of the Division's contracted services fund that provides necessary operational resources to support items including, but not limited to, court reporters, subpoena and research services, and legal

COL A10		
SCH VIIIIB-2		
RED FY21-22		
POS	AMOUNT	CODES
FINANCIAL SERVICES		43000000
PGM: FINANCIAL SVCS COMM		43900000
OFFICE OF FINANCIAL REG		43900500
<u>SECURITIES REGULATION</u>		43900570
PUBLIC PROTECTION		12
<u>REGULATION AND LICENSING</u>		<u>1204.00.00.00</u>
PROGRAM REDUCTIONS		33V0000
REDUCE CONTRACTED SERVICES BUDGET		
AUTHORITY IN SECURITIES REGULATION		33V0350

contract services, would have a significant adverse impact on the Division's operating budget with a reduction in the amount of \$272,875. The Bureau of Enforcement is responsible for ensuring compliance with Chapter 517, Florida Statutes, the Florida Securities and Investor Protection Act (Act). Securities examinations are commonly broad in scope, complex and time-consuming. To address the complexity of these examinations, the Bureau of Enforcement may utilize the Regulatory Trust fund to pay for these specialized services. The Division of Securities generally goes first to the Anti-Fraud Trust fund to cover these services. But, due to limited budget in this area, the Division finds it necessary to maintain sufficient budget in the Regulatory Trust fund to ensure adequate resources are available to support the complexity of these examinations. Contractors utilized in these cases provide assistance during the examination process by providing technical assistance and investigative guidance. This assistance has become particularly valuable in a world of increasingly complex financial products. The use of outside experts and contracted services strengthens the ability of the Bureau of Enforcement by providing expertise, knowledge and experience that are beyond the skill set of the examiners. Having adequate funding in contracted services is essential to the operations of the Division of Securities and its ability to bring enforcement actions against those who violate the law. A reduction in the amount of \$272,875 would have a moderate impact on the Division's operations.

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

Detail of Costs:

Contracted Services:			
Quantity	Description	Amount	Non-Recurring
-----	-----	-----	-----
	Contracted Services	(\$272,875)	\$0
	Total	(\$272,875)	\$0

COL A10		
SCH VIIIB-2		
RED FY21-22		
POS	AMOUNT	CODES
FINANCIAL SERVICES		43000000
PGM: FINANCIAL SVCS COMM		43900000
OFFICE OF FINANCIAL REG		43900500
<u>SECURITIES REGULATION</u>		43900570
PUBLIC PROTECTION		12
<u>REGULATION AND LICENSING</u>		<u>1204.00.00.00</u>
PROGRAM REDUCTIONS		33V0000
REDUCE EXPENSES BUDGET AUTHORITY IN		
SECURITIES REGULATION		33V0360
EXPENSES		040000
REGULATORY TRUST FUND	-STATE	
	91,532-	2573 1
	=====	

AGENCY ISSUE NARRATIVE:

SCH VIIIB-2 NARR 21-22 NARRATIVE:

IT COMPONENT? NO

PROPOSED 10% REDUCTIONS FOR FY 2021-22

D-3A ISSUE FORM

Budget Entity: Office of Financial Regulation Division of Securities
 43900570 502573005

Issue Title: Reduction in Expense Recurring Program Costs in the Regulatory Trust Fund

Priority #11

Reference to Long-Range Program Plan:

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

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

Issue Description/Need: The Division proposes reduction of the Expense category which includes rent, travel and training. This would have a critical impact on the Division's operating budget with a reduction in the amount of \$91,532. Chapter 517, Florida Statutes, requires that the Division of Securities examine the books and records of each registered entity and individual to determine compliance with this act. As the sole regulator of state registered investment advisory firms with up to \$100 million in assets under management, the Bureau of Enforcement ("Enforcement") has undertaken an initiative to examine all registered investment advisory firms on a seven year cycle beginning fiscal year 2019-20, while still conducting regular examinations of registered broker dealer firms, their branch office locations and associated persons. During the preceding two fiscal years, the Bureau of Enforcement has experienced significant staff turnover. Enforcement must have well-trained examiners and attorneys that can identify and assess matters involving significant complexity. Enforcement has a need to compress the amount of time it takes to fully train an examiner and must continue to have the resources to provide for staff training and development. Adequate resources to provide for staff training and travel are essential to the Division fulfilling this responsibility.

COL A10		
SCH VIIIIB-2		
RED FY21-22		
POS	AMOUNT	CODES
FINANCIAL SERVICES		43000000
PGM: FINANCIAL SVCS COMM		43900000
OFFICE OF FINANCIAL REG		43900500
<u>SECURITIES REGULATION</u>		43900570
PUBLIC PROTECTION		12
<u>REGULATION AND LICENSING</u>		<u>1204.00.00.00</u>
PROGRAM REDUCTIONS		33V0000
REDUCE EXPENSES BUDGET AUTHORITY IN		
SECURITIES REGULATION		33V0360

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

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

Detail of Costs:

Expenses:

Quantity	Description	Amount	Non-Recurring
-----	-----	-----	-----
1	Expense	(\$91,532)	\$0
	Total	(\$91,532)	\$0

COL A10		
SCH VIIIIB-2		
RED FY21-22		
POS	AMOUNT	CODES
FINANCIAL SERVICES		43000000
PGM: FINANCIAL SVCS COMM		43900000
OFFICE OF FINANCIAL REG		43900500
<u>SECURITIES REGULATION</u>		43900570
PUBLIC PROTECTION		12
<u>REGULATION AND LICENSING</u>		<u>1204.00.00.00</u>
PROGRAM REDUCTIONS		33V0000
REDUCE OTHER PERSONAL SERVICES		
(OPS) - OFFICE OF FINANCIAL		
REGULATION - SECURITIES REGULATION		33V0580
OTHER PERSONAL SERVICES		030000
ANTI-FRAUD TRUST FUND	-STATE	
	15,000-	2038 1
	=====	

AGENCY ISSUE NARRATIVE:

SCH VIIIIB-2 NARR 21-22 NARRATIVE: IT COMPONENT? NO
 PROPOSED 10% REDUCTIONS FOR FY 2021-22

D-3A ISSUE FORM

Budget Entity: Office of Financial Regulation Division of Securities
 43900570 502038001

Issue Title: Reducing OPS Allocation in the Anti-Fraud Fund

Priority #7

Reference to Long-Range Program Plan:

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

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

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

COL A10		
SCH VIIIB-2		
RED FY21-22		
POS	AMOUNT	CODES
FINANCIAL SERVICES		
		43000000
PGM: FINANCIAL SVCS COMM		
		43900000
OFFICE OF FINANCIAL REG		
		43900500
SECURITIES REGULATION		
		43900570
PUBLIC PROTECTION		
		12
REGULATION AND LICENSING		
		<u>1204.00.00.00</u>
PROGRAM REDUCTIONS		
		33V0000
REDUCE OTHER PERSONAL SERVICES		
(OPS) - OFFICE OF FINANCIAL		
REGULATION - SECURITIES REGULATION		
		33V0580

Ultimate Outcome: Reducing OPS funds by \$15,000 from recurring program costs would moderately restrict the division's ability to hire additional OPS staff to handle any unforeseen circumstances that may occur. Overall, this limitation could ultimately limit the division's ability to protect the public it serves.

Detail of Costs:

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

REDUCE POSITION(S) - OFFICE OF FINANCIAL REGULATION - SECURITIES SALARY RATE			33V0590
	SALARY RATE.....	233,354-	000000
		=====	
SALARIES AND BENEFITS			010000
	REGULATORY TRUST FUND -STATE	6.00- 361,720-	2573 1
		=====	
EXPENSES			040000
	REGULATORY TRUST FUND -STATE	10,800-	2573 1
		=====	
TOTAL: REDUCE POSITION(S) - OFFICE OF FINANCIAL REGULATION - SECURITIES			33V0590
	TOTAL POSITIONS.....	6.00-	
	TOTAL ISSUE.....	372,520-	
	TOTAL SALARY RATE.....	233,354-	
		=====	

COL A10		
SCH VIIIIB-2		
RED FY21-22		
POS	AMOUNT	CODES
FINANCIAL SERVICES		43000000
PGM: FINANCIAL SVCS COMM		43900000
OFFICE OF FINANCIAL REG		43900500
<u>SECURITIES REGULATION</u>		43900570
PUBLIC PROTECTION		12
<u>REGULATION AND LICENSING</u>		<u>1204.00.00.00</u>
PROGRAM REDUCTIONS		33V0000
REDUCE POSITION(S) - OFFICE OF		
FINANCIAL REGULATION - SECURITIES		33V0590

AGENCY ISSUE NARRATIVE:

SCH VIIIIB-2 NARR 21-22 NARRATIVE: IT COMPONENT? NO
PROPOSED 10% REDUCTIONS FOR FY 2021-22

D-3A ISSUE FORM

Budget Entity: Office of Financial Regulation Division of Securities
43900570 502573005

Issue Title: Eliminating six (6) FTEs within the Division of Securities

Priority #19

Reference to Long-Range Program Plan:

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

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

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

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

COL A10		
SCH VIIIIB-2		
RED FY21-22		
POS	AMOUNT	CODES
FINANCIAL SERVICES		43000000
PGM: FINANCIAL SVCS COMM		43900000
OFFICE OF FINANCIAL REG		43900500
<u>SECURITIES REGULATION</u>		43900570
PUBLIC PROTECTION		12
<u>REGULATION AND LICENSING</u>		<u>1204.00.00.00</u>
PROGRAM REDUCTIONS		33V0000
REDUCE POSITION(S) - OFFICE OF		
FINANCIAL REGULATION - SECURITIES		33V0590

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

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

Detail of Costs:

Salaries and Benefits:

Position	Title and Pay Grade	Amount	Non-Recurring
(3)	Financial Examiner/Analyst II PG 023 \$58,410 each	(\$175,230)	(\$0)
(1)	Financial Specialist PG 025 @\$62,242	(\$62,242)	(\$0)
(1)	Senior Attorney PG 230 @\$72,764	(\$72,764)	(\$0)
(1)	Financial Examiner/Analyst I PG 020 @\$51,484	(\$51,484)	(\$0)
	Salary and Benefits Total	(\$361,720)	(\$0)
(6)	Expense @ \$1,800 each	(\$10,800)	

COL A10 SCH VIIIIB-2 RED FY21-22 POS	AMOUNT	CODES
FINANCIAL SERVICES		43000000
PGM: FINANCIAL SVCS COMM		43900000
OFFICE OF FINANCIAL REG		43900500
SECURITIES REGULATION		43900570
PUBLIC PROTECTION		12
REGULATION AND LICENSING		1204.00.00.00
PROGRAM REDUCTIONS		33V0000
REDUCE POSITION(S) - OFFICE OF FINANCIAL REGULATION - SECURITIES		33V0590

Total (\$372,520)

POSITION DETAIL OF SALARIES AND BENEFITS:

	FTE	BASE RATE	ADDITIVES	BENEFITS	SUBTOTAL	LAPSE %	LAPSED SALARIES AND BENEFITS
A10 - SCH VIIIIB-2 RED FY21-22							
CHANGES TO CURRENTLY AUTHORIZED POSITIONS							
P101 PROPOSED CLASS CODE							
N0001 001	6.00-	233,354-		128,366-	361,720-	0.00	361,720-
TOTALS FOR ISSUE BY FUND							
2573 REGULATORY TRUST FUND							361,720-
	6.00-	233,354-		128,366-	361,720-		361,720-

REDUCE EXPENSE - OFFICE OF
 FINANCIAL REGULATION - SECURITIES
 EXPENSES

33V0600
 040000

ANTI-FRAUD TRUST FUND -STATE 29,207-
 =====

2038 1

AGENCY ISSUE NARRATIVE:

SCH VIIIIB-2 NARR 21-22 NARRATIVE:
 PROPOSED 10% REDUCTIONS FOR FY 2021-22

IT COMPONENT? NO

COL A10		
SCH VIIIIB-2		
RED FY21-22		
POS	AMOUNT	CODES
FINANCIAL SERVICES		43000000
PGM: FINANCIAL SVCS COMM		43900000
OFFICE OF FINANCIAL REG		43900500
<u>SECURITIES REGULATION</u>		43900570
PUBLIC PROTECTION		12
<u>REGULATION AND LICENSING</u>		<u>1204.00.00.00</u>
PROGRAM REDUCTIONS		33V0000
REDUCE EXPENSE - OFFICE OF		
FINANCIAL REGULATION - SECURITIES		33V0600

D-3A ISSUE FORM

Budget Entity: Office of Financial Regulation Division of Securities
 43900570 502038001

Issue Title: Reduction in Expense Recurring Program Costs in the Anti-Fraud Fund

Priority #8

Reference to Long-Range Program Plan:

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

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

Issue Description/Need: The Division proposes reduction of the Expense category which includes rent, travel and training. This may have an impact on the Division's operating budget with a reduction in the amount of \$29,207. Chapter 517, Florida Statutes, requires that the Division of Securities examine the books and records of each registered entity and individual to determine compliance with this act. As the sole regulator of state registered investment advisory firms with up to \$100 million in assets under management, the Bureau of Enforcement ("Enforcement") has undertaken an initiative to examine all registered investment advisory firms on a seven year cycle while still conducting regular examinations of registered broker dealer firms, their branch office locations and associated persons. During the preceding two fiscal years, the Bureau of Enforcement has experienced significant staff turnover. Enforcement must have well-trained examiners that can identify and assess matters involving significant complexity. The Bureau of Enforcement has a need to compress the amount of time it takes to fully train an examiner and must continue to have the resources to provide for staff training and development. Adequate resources to provide for staff training and travel are essential to the Division fulfilling this responsibility.

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

Ultimate Outcome: A decrease in the appropriation for expenses moderately affects the Office's enforcement ability by hindering staff training and staff travel to examine registered entities and individuals. A decrease in the

COL A10		
SCH VIIIB-2		
RED FY21-22		
POS	AMOUNT	CODES
FINANCIAL SERVICES		
		43000000
PGM: FINANCIAL SVCS COMM		
		43900000
OFFICE OF FINANCIAL REG		
		43900500
<u>SECURITIES REGULATION</u>		
		43900570
PUBLIC PROTECTION		
		12
<u>REGULATION AND LICENSING</u>		
		<u>1204.00.00.00</u>
PROGRAM REDUCTIONS		
		33V0000
REDUCE EXPENSE - OFFICE OF		
FINANCIAL REGULATION - SECURITIES		
		33V0600

appropriation for expenses significantly hinders the Bureau of Registration's ability to have the resources for well-trained analysts and ensure applications are processed in a timely manner to promote growth in the securities industry. Consumer protections, restitutions and fines, along with consumer confidence in the Office's ability to regulate the securities industry, are certain to decrease if fewer resources are available.

Detail of Costs:

Expenses:

Quantity	Description	Amount	Non-Recurring
-----	-----	-----	-----
	Expense	(\$29,207)	\$0
	Total Issue	(\$29,207)	\$0

REDUCE CONTRACTED SERVICES - OFFICE
 OF FINANCIAL REGULATION -
 SECURITIES
 SPECIAL CATEGORIES
 CONTRACTED SERVICES

33V0610
 100000
 100777

REGULATORY TRUST FUND -STATE 50,000-
 =====

2573 1

TOTAL: REGULATION AND LICENSING
 BY FUND TYPE

1204.00.00.00

TRUST FUNDS..... 6.00- 831,134-
 SALARY RATE..... 233,354-
 =====

2000

COL A10		
SCH VIIIIB-2		
RED FY21-22		
POS	AMOUNT	CODES

FINANCIAL SERVICES		43000000
TOTAL: FINANCIAL SERVICES		43000000
BY FUND TYPE		
GENERAL REVENUE FUND	2,236,554-	1000
TRUST FUNDS	32,056,072-	2000

TOTAL POSITIONS.....	210.00-	
TOTAL DEPARTMENT.....	34,292,626-	
TOTAL SALARY RATE.....	8,172,966-	
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* BPEADL01                               STATISTICAL INFORMATION                               10/14/2020 17:35:11 *
* BUDGET PERIOD: 2008-2022                EXHIBIT A, D AND D-3A LIST REQUEST                TJM 43      SP      *
* COMPILE DATE: 09/16/2015                COMPILE TIME: 09:40:41                                PAGE:      1      *
*****
*                                     SAVE INITIALS:          SAVE DEPARTMENT: 07      SAVE ID: S8B2
* -----
* SELECT CODES AND ACCUMULATION LEVELS WHERE ALLOWED.  WHEN NO CODE IS SELECTED, ALL CODES WILL BE REPORTED.
* ITEMIZATION OF EXPENDITURE:                IOE ACCUMULATION LEVEL: 0 (1=OPER/FCO, 2=IOE, 0=MERGED)
* MERGE GROUPS (Y/N): Y
* BUDGET ENTITY OR GROUP/ACCUMULATION LEVEL (DEP, DIV, BUR, SUB, LBE, MRG):
*   1-7:          LBE
*   8-14:
*   15-21:
*   22-27:
* EXCLUDE:
*
* PROGRAM COMPONENT/ACCUMULATION LEVEL (1, 2, 3, 4 OR 5 FOR 2, 4, 6, 8 OR 10 DIGITS, 6=MERGE POLICY, 0=MERGED):
*   5
*
* APPROPRIATION CATEGORY OR GROUP/ACCUMULATION LEVEL (1=MAJOR, 2=MINOR, 0=MERGED):
*   2
*
* FUND GROUPS SET:          OR FUND:                FUNDING SOURCE IDENTIFIER:                MERGE FSI (Y/N): N
* FCO (Y/N): Y          FTE (Y/N): Y                SALARY RATE (Y/N): Y
* -----
* ISSUE CODE OR GROUP/ACCUMULATION LEVEL (1, 2 OR 3 FOR 1, 3 OR 7 CHARACTERS, 0=MERGED):
*   3
*
* REPORT OPTION: 1          COLUMN SELECTION: A10                CODES
* 1=EAD REPORT
* 2=SCHEDULE IV/IT ISSUES          REPORT COLUMNS WITH CALCULATION DIFFERENCE ONLY (Y/N): N  THAT EXCEED:
* 3=STATEWIDE ISSUES
* 4=SCHEDULE VIIIA ISSUES
* SCHEDULE VIIIA ISSUES SPREADSHEET (Y/N): N
*
* LEVELS OF TOTALS:  (N=NO TOTAL, L=LINE TOTAL, T=BY FUND TYPE, D=BY DETAIL FUND, B=BY DETAIL FUND AND FUND TYPE,
* G=FUND GROUP LINE TOTALS, E=BY DETAIL FUND AND FUND GROUP)
* RUN: N          ITEM OF EXP: N          GROUP: N          DEPARTMENT: T          DIVISION: N          BUREAU: N
* SUB-BUREAU: N          LBE: T          POLICY AREA: N          PROG COMP: T          D3A SUM ISSUE: N          D3A DETAIL ISSUE: L
* MAJOR APP CAT: N          MINOR APP CAT: D
*
* APPROPRIATION CATEGORY TITLES: S (S=SHORT, L=LONG)          REPORT SEQUENCE: DEPT/BUDGET ENTITY: N  A=ALPHABETICAL
*                                     PROGRAM COMPONENT: N  N=NUMERICAL
* -----
* DEPARTMENT NARRATIVE SET:
* BUDGET ENTITY NARRATIVE SET:                PROGRAM COMPONENT NARRATIVE (Y/N): N
*
* ISSUE/ACTIVITY NARRATIVE SET: A5          PRIORITY ISSUE NARRATIVE SET (1-9):
*
* INCLUDE POSITION DATA (Y/N): Y
*
* INCLUDE COLUMN CODES (Y/N): Y
*
* OUTPUT FORMAT: L          PAGE BREAKS:
* L=LANDSCAPE                (IOE, GRP, DEP, DIV,          REPORT HEADING:                SCHEDULE VIIIB-2
* P=PORTRAIT                BUR, SUB, LBE, PRC,          PRIORITY LISTING FOR POSSIBLE REDUCTION
*                                     SIS, ISC)                FOR REQUEST YEAR
* -----

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* BPEADL01                               STATISTICAL INFORMATION                10/14/2020 17:35:11 *
* BUDGET PERIOD: 2008-2022              EXHIBIT A, D AND D-3A LIST REQUEST          TJM 43      SP    *
* COMPILE DATE: 09/16/2015              COMPILE TIME: 09:40:41                      PAGE:      2    *
*****
*
* TOTAL RECORDS READ FROM SORT:          186
* TOTAL RECORDS READ FROM CARD:          43
* TOTAL PAF RECORDS READ:                48
* TOTAL OAF RECORDS READ:                2
* TOTAL IEF RECORDS READ:                0
* TOTAL BGF RECORDS READ:                0
* TOTAL BEF RECORDS READ:                57
* TOTAL PCF RECORDS READ:                52
* TOTAL ICF RECORDS READ:                106
* TOTAL INF RECORDS READ:                2,254
* TOTAL ACF RECORDS READ:                19
* TOTAL FCF RECORDS READ:                12
* TOTAL FSF RECORDS READ:                10
* TOTAL PCN RECORDS READ:                0
* TOTAL BEN RECORDS READ:                0
* TOTAL DPC RECORDS READ:                96
* TOTAL RECORDS IN ERROR:                0
*
*****
* BUDGET ENTITIES SELECTED:
*   1-9: 43
*  10-18:
*  19-27:
*
*****

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