

BPEADL01 LAS/PBS SYSTEM  
BUDGET PERIOD: 2009-2023  
STATE OF FLORIDA

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

SP 09/15/2021 12:44 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 FY22-23		
POS	AMOUNT	CODES
-----		
FINANCIAL SERVICES		43000000
PRG: CHIEF FIN OFFICER/ADM		43010000
<u>EXECUTIVE DIR/SUPPORT SVCS</u>		43010100
GOV OPERATIONS/SUPPORT		16
<u>EXEC LEADERSHIP/SUPPRT SVC</u>		<u>1602.00.00.00</u>
PROGRAM REDUCTIONS		33V0000
REDUCE EXPENSES APPROPRIATION FROM		
THE DIVISION OF ADMINISTRATION		33V0150
EXPENSES		040000
ADMINISTRATIVE TRUST FUND -STATE	75,000-	2021 1
	=====	

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AGENCY ISSUE NARRATIVE:  
 SCH VIIIIB-2 NARR 22-23 NARRATIVE:  
 PRIORITY #4

IT COMPONENT? NO

This issue proposes a reduction in Expenses category from within the Executive Direction and Support Services entity. This reduction would have a moderate impact on the ability to make certain expenditures, and may require the elimination of certain services altogether. Examples of expenditures made under this category include computers, supplies, and furniture.

This issue reduces 75,000 in budget authority from the Expenses category in the Administrative Trust Fund within the Executive Direction and Support services budget entity.

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REDUCE POSITIONS FROM THE OFFICE OF FINANCE AND BUDGET		33V0410
SALARY RATE		000000
SALARY RATE.....	55,811-	
	=====	
SALARIES AND BENEFITS		010000
	2.00-	
ADMINISTRATIVE TRUST FUND -STATE	95,180-	2021 1
	=====	
TOTAL: REDUCE POSITIONS FROM THE OFFICE OF FINANCE AND BUDGET		33V0410
TOTAL POSITIONS.....	2.00-	
TOTAL ISSUE.....	95,180-	
TOTAL SALARY RATE.....	55,811-	
	=====	

COL A10	AMOUNT	CODES
FINANCIAL SERVICES		43000000
PRG: CHIEF FIN OFFICER/ADM		43010000
<u>EXECUTIVE DIR/SUPPORT SVCS</u>		43010100
GOV OPERATIONS/SUPPORT		16
<u>EXEC LEADERSHIP/SUPPRT SVC</u>		<u>1602.00.00.00</u>
PROGRAM REDUCTIONS		33V0000
REDUCE POSITIONS FROM THE OFFICE		
OF FINANCE AND BUDGET		33V0410

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AGENCY ISSUE NARRATIVE:  
 SCH VIIIIB-2 NARR 22-23 NARRATIVE: IT COMPONENT? NO  
 PRIORITY #23

The Office of Finance and Budget within the Executive Direction and Support Services budget entity includes budget preparation and management, revenue management, reporting and reconciliation, and disbursements.

This Office ensures all monies collected by the Department are properly identified and accurately posted, preparation of financial statements, payments of invoices, processing of salary and benefit payments and investment of available cash in trust funds. The reduction of two positions from the Office would negatively impact its ability to effectively meet its requirements and responsibilities.

This issue reduces 2 FTE and 95,180 in Salaries and Benefits budget authority from the Administrative Trust Fund within the Executive Direction and Support Services budget entity.

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POSITION DETAIL OF SALARIES AND BENEFITS:

FTE	BASE RATE	ADDITIVES	BENEFITS	SUBTOTAL	LAPSE %	LAPSED SALARIES AND BENEFITS
A10 - SCH VIIIIB-2 RED FY22-23						
CHANGES TO CURRENTLY AUTHORIZED POSITIONS						
P101 PROPOSED CLASS CODE						
C0001 001	2.00-	55,811-	39,369-	95,180-	0.00	95,180-

COL A10 SCH VIIIIB-2 RED FY22-23 POS AMOUNT	CODES
FINANCIAL SERVICES	43000000
PRG: CHIEF FIN OFFICER/ADM	43010000
EXECUTIVE DIR/SUPPORT SVCS	43010100
GOV OPERATIONS/SUPPORT	16
EXEC LEADERSHIP/SUPPRT SVC	1602.00.00.00
PROGRAM REDUCTIONS	33V0000
REDUCE POSITIONS FROM THE OFFICE OF FINANCE AND BUDGET	33V0410

POSITION DETAIL OF SALARIES AND BENEFITS:

FTE	BASE RATE	ADDITIVES	BENEFITS	SUBTOTAL	LAPSE %	LAPSED SALARIES AND BENEFITS
A10 - SCH VIIIIB-2 RED FY22-23						
CHANGES TO CURRENTLY AUTHORIZED POSITIONS						
TOTALS FOR ISSUE BY FUND						
2021 ADMINISTRATIVE TRUST FUND						95,180-
2.00-	55,811-		39,369-	95,180-		95,180-

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REDUCE CONTRACTED SERVICES	
APPROPRIATION IN EXECUTIVE	
DIRECTION AND SUPPORT SERVICES	33V0750
SPECIAL CATEGORIES	100000
CONTRACTED SERVICES	100777
ADMINISTRATIVE TRUST FUND -STATE	50,000-
	2021 1

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AGENCY ISSUE NARRATIVE:  
 SCH VIIIIB-2 NARR 22-23 NARRATIVE: IT COMPONENT? NO  
 PRIORITY #8

The Division of Administration includes the bureaus of Human Resource Management and General Services, as well as the office of Purchasing and Contractual Services. The Division provides administrative support to the Department of Financial Services, Office of Financial Regulation and Office of Insurance Regulation.

COL A10		
SCH VIIIIB-2		
RED FY22-23		
POS	AMOUNT	CODES
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FINANCIAL SERVICES		43000000
PRG: CHIEF FIN OFFICER/ADM		43010000
<u>EXECUTIVE DIR/SUPPORT SVCS</u>		43010100
GOV OPERATIONS/SUPPORT		16
<u>EXEC LEADERSHIP/SUPPRT SVC</u>		<u>1602.00.00.00</u>
PROGRAM REDUCTIONS		33V0000
REDUCE CONTRACTED SERVICES		
APPROPRIATION IN EXECUTIVE		
DIRECTION AND SUPPORT SERVICES		33V0750

This issue proposes a reduction in Contracted Services from within the Division of Administration. The Division supports the mission of Department of Financial Services and the Financial Services Commission in a number of ways. This support includes human resource services, contract and purchasing services, and printing and mail services. Examples of expenditures made under this category include education verification services, security monitoring, shipping and mailing services, maintenance support for equipment, and recycling and shredding services. This reduction would have a moderate impact on the Division's ability to make certain expenditures, and may require the Division to eliminate certain services altogether.

this issue reduces 50,000 in budget authority from the Contracted Services category in the Administrative Trust Fund within the Executive Direction and Support Services budget entity.

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REDUCE OTHER PERSONAL SERVICES		
(OPS) APPROPRIATION IN EXECUTIVE		
DIRECTION AND SUPPORT SERVICES		33V0760
OTHER PERSONAL SERVICES		030000
ADMINISTRATIVE TRUST FUND -STATE	50,000-	2021 1
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AGENCY ISSUE NARRATIVE:  
 SCH VIIIIB-2 NARR 22-23 NARRATIVE:  
 PRIORITY #6

IT COMPONENT? NO

The Department of Financial Services Division of Administration includes the bureaus of Human Resource Management and General Services, as well as the office of Purchasing and Contractual Services. The Division provides administrative support to the Department of Financial Services, Office of Financial Regulation and Office of Insurance Regulation.

This issue proposes a reduction in Other Personal Services (OPS) from within the Division of Administration. This reduction would have a moderate impact on the Division's ability to hire temporary staff to accomplish short term projects. Key projects that the Division would be forced to delay include modernization of the fleet tracking process,

COL A10		
SCH VIIIIB-2		
RED FY22-23		
POS	AMOUNT	CODES
FINANCIAL SERVICES		43000000
PRG: CHIEF FIN OFFICER/ADM		43010000
<u>EXECUTIVE DIR/SUPPORT SVCS</u>		43010100
GOV OPERATIONS/SUPPORT		16
<u>EXEC LEADERSHIP/SUPPRT SVC</u>		<u>1602.00.00.00</u>
PROGRAM REDUCTIONS		33V0000
REDUCE OTHER PERSONAL SERVICES		
(OPS) APPROPRIATION IN EXECUTIVE		
DIRECTION AND SUPPORT SERVICES		33V0760

and eliminate the OPS receptionist position.

This issue reduces 50,000 in budget authority from the OPS category in the Administrative Trust Fund within the Executive Direction and support Services budget entity.

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REDUCE ACQUISITION OF MOTOR		
VEHICLES AUTHORITY		33V0770
SPECIAL CATEGORIES		100000
ACQUISITION/MOTOR VEHICLES		100021
ADMINISTRATIVE TRUST FUND -STATE	914,694-	2021 1
	=====	

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AGENCY ISSUE NARRATIVE:  
 SCH VIIIIB-2 NARR 22-23 NARRATIVE:  
 PRIORITY #43

IT COMPONENT? NO

This issue proposes a reduction in Acquisition of Motor Vehicles from within the Division of Administration. This appropriation is used Department wide, to purchase new vehicles to replace vehicles that have reached the end of their useful life. This reduction would have a significant impact on the Department, as it would dramatically decrease the number of new vehicles the Department could purchase. Employees would have to continue to use/drive vehicles that have gone beyond their useful life, placing employees at greater risk of injury due to mechanical failure.

This issue reduces 914,694 in budget authority in the Acquisition of Motor Vehicles category in the Administrative Trust Fund within the Executive Direction and Support Services budget entity.

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COL A10		
SCH VIIIIB-2		
RED FY22-23		
POS	AMOUNT	CODES
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FINANCIAL SERVICES		43000000
PRG: CHIEF FIN OFFICER/ADM		43010000
<u>EXECUTIVE DIR/SUPPORT SVCS</u>		43010100
GOV OPERATIONS/SUPPORT		16
<u>EXEC LEADERSHIP/SUPPRT SVC</u>		<u>1602.00.00.00</u>
PROGRAM REDUCTIONS		33V0000
REDUCE POSITION(S) - BUREAU OF		
GENERAL SERVICES - ADMINISTRATION		33V2100
SALARY RATE		000000
SALARY RATE.....	99,173-	
	=====	
SALARIES AND BENEFITS		010000
	4.00-	
ADMINISTRATIVE TRUST FUND -STATE	175,611-	2021 1
	=====	
TOTAL: REDUCE POSITION(S) - BUREAU OF		33V2100
GENERAL SERVICES - ADMINISTRATION		
TOTAL POSITIONS.....	4.00-	
TOTAL ISSUE.....	175,611-	
TOTAL SALARY RATE.....	99,173-	
	=====	

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AGENCY ISSUE NARRATIVE:

SCH VIIIIB-2 NARR 22-23 NARRATIVE:

IT COMPONENT? NO

PRIORITY #12

The Bureau of General Services serves all employees in the Department of Financial Services, Office of Financial Regulation and Office of Insurance Regulation. The bureau encompasses five core management sections including: Emergency Management/Safety Office, Property and Facilities Management, Mail and Printing Services, Records Management and Retention, and Reception and Parking Services. The Bureau of General Services is a diverse team of professionals dedicated to supporting the Department's mission by providing superior customer service and operational resources for all business areas.

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

COL A10 SCH VIIIIB-2 RED FY22-23 POS	AMOUNT	CODES
FINANCIAL SERVICES		43000000
PRG: CHIEF FIN OFFICER/ADM		43010000
<u>EXECUTIVE DIR/SUPPORT SVCS</u>		43010100
GOV OPERATIONS/SUPPORT		16
<u>EXEC LEADERSHIP/SUPPRT SVC</u>		<u>1602.00.00.00</u>
PROGRAM REDUCTIONS		33V0000
REDUCE POSITION(S) - BUREAU OF		
GENERAL SERVICES - ADMINISTRATION		33V2100

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

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

This issue reduces 4 FTE and 175,611 in budget authority from the Salaries and Benefits category in the Administrative Trust Fund within the Executive Direction and Support Services budget entity.

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POSITION DETAIL OF SALARIES AND BENEFITS:

	FTE	BASE RATE	ADDITIVES	BENEFITS	SUBTOTAL	LAPSE %	LAPSED SALARIES AND BENEFITS
A10 - SCH VIIIIB-2 RED FY22-23							
CHANGES TO CURRENTLY AUTHORIZED POSITIONS							
P101 PROPOSED CLASS CODE							
C0001 001	4.00-	99,173-		76,438-	175,611-	0.00	175,611-
TOTALS FOR ISSUE BY FUND							
2021 ADMINISTRATIVE TRUST FUND							175,611-
	4.00-	99,173-		76,438-	175,611-		175,611-

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COL A10		
SCH VIIIIB-2		
RED FY22-23		
POS	AMOUNT	CODES
-----		
FINANCIAL SERVICES		
		43000000
PRG: CHIEF FIN OFFICER/ADM		43010000
<u>EXECUTIVE DIR/SUPPORT SVCS</u>		43010100
GOV OPERATIONS/SUPPORT		16
<u>EXEC LEADERSHIP/SUPPRT SVC</u>		<u>1602.00.00.00</u>
TOTAL: EXEC LEADERSHIP/SUPPRT SVC		<u>1602.00.00.00</u>
BY FUND TYPE		
	6.00-	
TRUST FUNDS.....	1,360,485-	2000
SALARY RATE.....	154,984-	
=====		
<u>LEGAL SERVICES</u>		
		43010200
GOV OPERATIONS/SUPPORT		16
<u>EXEC LEADERSHIP/SUPPRT SVC</u>		<u>1602.00.00.00</u>
PROGRAM REDUCTIONS		
REDUCE OFFICE OF THE GENERAL COUNSEL		33V0000
SALARY RATE		33V6220
		000000
SALARY RATE.....	253,843-	
=====		
SALARIES AND BENEFITS		
	6.00-	010000
ADMINISTRATIVE TRUST FUND -STATE	392,592-	2021 1
=====		
OTHER PERSONAL SERVICES		
		030000
ADMINISTRATIVE TRUST FUND -STATE	74,300-	2021 1
=====		
EXPENSES		
		040000
ADMINISTRATIVE TRUST FUND -STATE	440,110-	2021 1
=====		
TOTAL: REDUCE OFFICE OF THE GENERAL COUNSEL		33V6220
TOTAL POSITIONS.....	6.00-	
TOTAL ISSUE.....	907,002-	
TOTAL SALARY RATE.....	253,843-	
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AGENCY ISSUE NARRATIVE:  
 SCH VIIIIB-2 NARR 22-23 NARRATIVE:  
 Priority #24

IT COMPONENT? NO

COL A10		
SCH VIIIIB-2		
RED FY22-23		
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

This issue proposes a budget reduction of 907,002, including reductions of 74,300 of Other Personal Services, 440,110 (61%) of Expenses, and 6 FTE and 392,592 (5%) of Salaries and Benefits budget authority. The position reductions include an Executive Senior Attorney, an Attorney, two Staff Assistants, and two Senior Attorneys. This reduction would significantly impact the Division of Legal Services.

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POSITION DETAIL OF SALARIES AND BENEFITS:

	FTE	BASE RATE	ADDITIVES	BENEFITS	SUBTOTAL	LAPSE %	LAPSED SALARIES AND BENEFITS
A10 - SCH VIIIIB-2 RED FY22-23							
CHANGES TO CURRENTLY AUTHORIZED POSITIONS							
0120 STAFF ASSISTANT							
C0004 001	2.00-	46,968-		37,735-	84,703-	0.00	84,703-
7736 ATTORNEY							
C0003 001	1.00-	39,084-		22,915-	61,999-	0.00	61,999-
7738 SENIOR ATTORNEY							
C0002 001	2.00-	103,256-		50,473-	153,729-	0.00	153,729-
7739 EXECUTIVE SENIOR ATTORNEY							
C0001 001	1.00-	64,535-		27,626-	92,161-	0.00	92,161-
-----							
TOTALS FOR ISSUE BY FUND							
2021 ADMINISTRATIVE TRUST FUND							392,592-
	6.00-	253,843-		138,749-	392,592-		392,592-
	=====	=====	=====	=====	=====	=====	=====

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COL A10			
SCH VIIIIB-2			
RED FY22-23			
POS	AMOUNT		CODES
-----			
FINANCIAL SERVICES			43000000
PRG: CHIEF FIN OFFICER/ADM			43010000
<u>LEGAL SERVICES</u>			43010200
GOV OPERATIONS/SUPPORT			16
EXEC LEADERSHIP/SUPPRT SVC			<u>1602.00.00.00</u>
TOTAL: EXEC LEADERSHIP/SUPPRT SVC			<u>1602.00.00.00</u>
BY FUND TYPE			
	6.00-		
TRUST FUNDS.....	907,002-		2000
SALARY RATE.....	253,843-		
	=====		
<u>INFORMATION TECHNOLOGY</u>			43010300
GOV OPERATIONS/SUPPORT			16
<u>INFORMATION TECHNOLOGY</u>			<u>1603.00.00.00</u>
PROGRAM REDUCTIONS			33V0000
RENT REDUCTION			33V0120
EXPENSES			040000
ADMINISTRATIVE TRUST FUND -STATE	388,381-		2021 1
	=====		
*****			
AGENCY ISSUE NARRATIVE:			
SCH VIIIIB-2 NARR 22-23 NARRATIVE:		IT COMPONENT? YES	
PRIORITY #15			
<p>Certain qualifying full time positions and other personnel services (OPS) positions may be eligible for teleworking, vacating approximately 34,900 square feet of office space. Authorizing an expanded/permissive telework policy will potentially reduce annual rent costs by 48 percent.</p>			
<p>This issue corresponds with the same issue code in budget entity 43010500, reducing rent budget authority by 168,000.</p>			
*****			
REDUCE LOCAL GOVERNMENT ELECTRONIC			
REPORTING SYSTEM			33V0330
SPECIAL CATEGORIES			100000
CONTRACTED SERVICES			100777
GENERAL REVENUE FUND	-STATE	17,500-	1000 1
		=====	

COL A10 SCH VIIIIB-2 RED FY22-23 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

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AGENCY ISSUE NARRATIVE:  
 SCH VIIIIB-2 NARR 22-23 NARRATIVE: IT COMPONENT? YES  
 PRIORITY #45

This issue reduces recurring funding for an application developer to support the Local Government Reporting System (LOGER) and to implement the eXtensible Business Reporting Language (XBRL) taxonomy in accordance with the Florida Open Financial Statement System (FOFFS). LOGER is being modified to incorporate the FOFFS XBRL taxonomy into the annual financial reports submitted by local government entities. This issue will reduce the funding for this developer by 14 percent.

This reduction creates a resource constraint that may impact the department's ability to meet the requirements set forth in section 218.32, Florida Statutes, requiring local governments to report financial data using XBRL after September 2022. If this reduction is taken, the time to complete the initiative will increase, making a requested extension of the deadline of marked up XBRL financial statements more likely.

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REDUCTION OF INFORMATION TECHNOLOGY	
STAFF	33V0820
SALARY RATE	000000
SALARY RATE..... 888,832-	
=====	
SALARIES AND BENEFITS	010000
ADMINISTRATIVE TRUST FUND -STATE 1,053,000-	2021 1
=====	
SPECIAL CATEGORIES	100000
CONTRACTED SERVICES	100777
ADMINISTRATIVE TRUST FUND -STATE 835,000-	2021 1
=====	
TOTAL: REDUCTION OF INFORMATION TECHNOLOGY	33V0820
STAFF	
TOTAL ISSUE..... 1,888,000-	
TOTAL SALARY RATE..... 888,832-	
=====	

COL A10 SCH VIIIIB-2 RED FY22-23 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
REDUCTION OF INFORMATION TECHNOLOGY	
STAFF	33V0820

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AGENCY ISSUE NARRATIVE:  
 SCH VIIIIB-2 NARR 22-23 NARRATIVE: IT COMPONENT? YES  
 PRIORITY #22

This issue proposes a reduction in funding only for 13 full time equivalent (FTE) positions and a reduction in contracted services calculated at five consultants with an average annual cost of \$167,000 each.

This reduction will have a substantial impact on Office of Information Technology's operations and require collaboration with customers to identify which information technology needs will go unmet. This issue corresponds with the same issue code in budget entity 43010500.

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POSITION DETAIL OF SALARIES AND BENEFITS:

	FTE	BASE RATE	ADDITIVES	BENEFITS	SUBTOTAL	LAPSE %	LAPSED SALARIES AND BENEFITS
A10 - SCH VIIIIB-2 RED FY22-23							
CHANGES TO CURRENTLY AUTHORIZED POSITIONS							
RA01 RATE & SALARY ADJ - BENEFITS NO FTE							
C1001 001	0.00	888,832-		164,168-	1,053,000-	0.00	1,053,000-
TOTALS FOR ISSUE BY FUND							
2021 ADMINISTRATIVE TRUST FUND							1,053,000-
	0.00	888,832-		164,168-	1,053,000-		1,053,000-

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COL A10			
SCH VIIIIB-2			
RED FY22-23			
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>
TOTAL: INFORMATION TECHNOLOGY			<u>1603.00.00.00</u>
BY FUND TYPE			
GENERAL REVENUE FUND	17,500-		1000
TRUST FUNDS	2,276,381-		2000
	-----		
TOTAL PROG COMP.....	2,293,881-		
TOTAL SALARY RATE.....	888,832-		
	=====		
<u>CONSUMER ADVOCATE</u>			43010400
GOV OPERATIONS/SUPPORT			16
<u>EXEC LEADERSHIP/SUPPRT SVC</u>			<u>1602.00.00.00</u>
PROGRAM REDUCTIONS			33V0000
REDUCTION IN CONSUMER ADVOCATE			
PROGRAM			33V5000
OTHER PERSONAL SERVICES			030000
INSURANCE REG TF	-STATE 62,487-		2393 1
	=====		
EXPENSES			040000
INSURANCE REG TF	-STATE 13,331-		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.....	77,706-		
	=====		

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AGENCY ISSUE NARRATIVE:  
 SCH VIIIIB-2 NARR 22-23 NARRATIVE:  
 Priority #13

IT COMPONENT? NO

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

COL A10		
SCH VIIIIB-2		
RED FY22-23		
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

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 -13,331: 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.

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 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.

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TOTAL: EXEC LEADERSHIP/SUPPRT SVC		<u>1602.00.00.00</u>
BY FUND TYPE		
TRUST FUNDS.....	77,706-	2000
	=====	

COL A10		
SCH VIIIIB-2		
RED FY22-23		
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
RENT REDUCTION		33V0120
EXPENSES		040000
ADMINISTRATIVE TRUST FUND -STATE	168,000-	2021 1

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AGENCY ISSUE NARRATIVE:  
 SCH VIIIIB-2 NARR 22-23 NARRATIVE:  
 PRIORITY #16

IT COMPONENT? YES

Certain qualifying full time positions and other personnel services (OPS) positions may be eligible for teleworking, vacating approximately 34,900 square feet of office space. Authorizing an expanded/permissive telework policy will potentially reduce annual rent costs by 48 percent.

This issue corresponds with the same issue code in budget entity 43010300, reducing rent budget authority by 388,381.

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REDUCTION OF INFORMATION TECHNOLOGY		
STAFF		33V0820
SALARIES AND BENEFITS		010000
GENERAL REVENUE FUND -STATE	1,074,878-	1000 1
ADMINISTRATIVE TRUST FUND -STATE	149,620-	2021 1
TOTAL APPRO.....	1,224,498-	
	=====	
SPECIAL CATEGORIES		100000
FLAIR OPERS & MAINTENANCE		100702
ADMINISTRATIVE TRUST FUND -STATE	167,000-	2021 1
	=====	
TOTAL: REDUCTION OF INFORMATION TECHNOLOGY		33V0820
STAFF		
TOTAL ISSUE.....	1,391,498-	
	=====	



COL A10 SCH VIIIIB-2 RED FY22-23 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

AGENCY ISSUE NARRATIVE:  
 SCH VIIIIB-2 NARR 22-23 NARRATIVE: IT COMPONENT? YES  
 PRIORITY #48

This issue proposes a reduction in funding only for 11 full time equivalent (FTE) positions and a reduction in contracted services for one consultant at \$167,000 each.

This reduction will have a substantial impact on Office of Information Technology's operations and require collaboration with customers to identify which information technology needs will go unmet. This issue corresponds with the same issue code in budget entity 43010300.

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 FY22-23

CHANGES TO CURRENTLY AUTHORIZED POSITIONS

OTHER SALARY AMOUNT						
2021 ADMINISTRATIVE TRUST FUND						149,620-
1000 GENERAL REVENUE FUND						1,074,878-
						-----
						1,224,498-
						=====

TOTAL: INFORMATION TECHNOLOGY						<u>1603.00.00.00</u>
BY FUND TYPE						
GENERAL REVENUE FUND	1,074,878-					1000
TRUST FUNDS	484,620-					2000
	-----					
TOTAL PROG COMP.....	1,559,498-					=====

COL A10			
SCH VIIIB-2			
RED FY22-23			
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.....	203,153-		
	=====		
SALARIES AND BENEFITS			010000
	4.00-		
TREASURY ADM/INVEST TF	-STATE	298,795-	2725 1
		=====	
EXPENSES			040000
TREASURY ADM/INVEST TF	-STATE	31,441-	2725 1
		=====	
TOTAL: ELIMINATE THE QUALIFIED PUBLIC			33V4100
DEPOSITORIES PROGRAM			
TOTAL POSITIONS.....	4.00-		
TOTAL ISSUE.....		330,236-	
TOTAL SALARY RATE.....	203,153-		
	=====		

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AGENCY ISSUE NARRATIVE:

SCH VIIIB-2 NARR 22-23 NARRATIVE:  
 PRIORITY #25

IT COMPONENT? NO

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

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

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

COL A10 SCH VIIIIB-2 RED FY22-23 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

review of the financial conditions in order to determine adequate pledge level for collateral requirements. There are currently four full time positions that administer the program that includes approving participation, review ranking changes, monitor deposit and pledge levels and act in accordance with both Chapter 280, Florida Statutes and Administrative Rule 69C-2. This reduction also includes 5,557 in recurring expenses for a bank rating service for the program.

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

This is 100% of the program resources and 15% of this budget entity's overall operating budget.

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POSITION DETAIL OF SALARIES AND BENEFITS:

	FTE	BASE RATE	ADDITIVES	BENEFITS	SUBTOTAL	LAPSE %	LAPSED SALARIES AND BENEFITS
A10 - SCH VIIIIB-2 RED FY22-23							
CHANGES TO CURRENTLY AUTHORIZED POSITIONS							
P101 PROPOSED CLASS CODE							
C1001 001	4.00-	203,153-		95,642-	298,795-	0.00	298,795-
TOTALS FOR ISSUE BY FUND							
2725 TREASURY ADM/INVEST TF							298,795-
	4.00-	203,153-		95,642-	298,795-		298,795-

\*\*\*\*\*

COL A10			
SCH VIIIIB-2			
RED FY22-23			
POS	AMOUNT		CODES
-----			
FINANCIAL SERVICES			43000000
PROGRAM: TREASURY			43100000
<u>DEPOSIT SECURITY</u>			43100200
GOV OPERATIONS/SUPPORT			16
<u>GOVERNMENTAL OPERATIONS</u>			<u>1601.00.00.00</u>
TOTAL: GOVERNMENTAL OPERATIONS			<u>1601.00.00.00</u>
BY FUND TYPE			
	4.00-		
TRUST FUNDS.....	330,236-		2000
SALARY RATE.....	203,153-		
	=====		
<u>ST FUNDS MGT &amp; 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
		=====	

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AGENCY ISSUE NARRATIVE:  
 SCH VIIIIB-2 NARR 22-23 NARRATIVE: IT COMPONENT? NO  
 PRIORITY #21

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

The FY 21-22 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% reduction in the contracted services category and 15% of this budget entity's overall operating budget.

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COL A10			
SCH VIIIIB-2			
RED FY22-23			
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	408,000-	2725 1

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AGENCY ISSUE NARRATIVE:

SCH VIIIIB-2 NARR 22-23 NARRATIVE:  
 PRIORITY #17

IT COMPONENT? NO

No Legislative Change.

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.

Eliminate 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 53 percent reduction in the deferred compensation administrative services category and 23 percent of this budget entity's overall operating budget.

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COL A10		
SCH VIIIIB-2		
RED FY22-23		
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.....	375,063-	
	=====	
SALARIES AND BENEFITS		010000
	5.00-	
ADMINISTRATIVE TRUST FUND -STATE	375,063-	2021 1
	=====	
EXPENSES		040000
ADMINISTRATIVE TRUST FUND -STATE	101,709-	2021 1
	=====	
TOTAL: ELIMINATE ARTICLE V PROGRAM		33V0100
POSITIONS AND REQUIREMENTS		
TOTAL POSITIONS.....	5.00-	
TOTAL ISSUE.....	476,772-	
TOTAL SALARY RATE.....	375,063-	
	=====	

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AGENCY ISSUE NARRATIVE:  
 SCH VIIIIB-2 NARR 22-23 NARRATIVE:  
 PRIORITY #20

IT COMPONENT? NO

The Article V Program was implemented in 2005. During the 2013 Legislative Session, DFS's responsibilities were revised from auditing Clerks budgets, to auditing court related expenditures. In addition, the General Appropriations Act requires the Chief Financial Officer to provide quarterly status reports on audits performed to the Legislature. To date, audits have been completed on all 67 Clerks 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.

COL A10 SCH VIIIIB-2 RED FY22-23 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

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

This issue eliminates 5 FTE and 375,063 from Salaries and Benefits and 101,709 from Expenses from the Administrative Trust Fund within the State Financial Information and State Agency Accounting budget entity.

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POSITION DETAIL OF SALARIES AND BENEFITS:

	FTE	BASE RATE	ADDITIVES	BENEFITS	SUBTOTAL	LAPSE %	LAPSED SALARIES AND BENEFITS
A10 - SCH VIIIIB-2 RED FY22-23							
CHANGES TO CURRENTLY AUTHORIZED POSITIONS							
P101 PROPOSED CLASS CODE							
C0001 002	5.00-					0.00	
RA00 RATE AND SALARY ADJ - NO FTE/BENEFITS							
C0001 001	0.00	375,063-			375,063-	0.00	375,063-
-----							
TOTALS FOR ISSUE BY FUND							
2021 ADMINISTRATIVE TRUST FUND							375,063-
	5.00-	375,063-			375,063-		375,063-
	=====	=====	=====	=====	=====		=====

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COL A10			
SCH VIIIIB-2			
RED FY22-23			
POS	AMOUNT		CODES
-----			
FINANCIAL SERVICES			43000000
PGM: FIN ACCT/PUBLIC FUNDS			43200000
ST FINAN INFO/ST AGY ACCTG			43200100
GOV OPERATIONS/SUPPORT			16
GOVERNMENTAL OPERATIONS			<u>1601.00.00.00</u>
PROGRAM REDUCTIONS			33V0000
REDUCE POSITIONS WITHIN THE BUREAU			
OF AUDITING			33V0810
SALARY RATE			000000
SALARY RATE.....	1,127,342-		
	=====		
SALARIES AND BENEFITS			010000
	19.00-		
GENERAL REVENUE FUND	-STATE	1,127,342-	1000 1
		=====	
TOTAL: REDUCE POSITIONS WITHIN THE BUREAU			33V0810
OF AUDITING			
TOTAL POSITIONS.....	19.00-		
TOTAL ISSUE.....	1,127,342-		
TOTAL SALARY RATE.....	1,127,342-		
	=====		

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AGENCY ISSUE NARRATIVE:

SCH VIIIIB-2 NARR 22-23 NARRATIVE:  
 PRIORITY #47

IT COMPONENT? NO

This issue would eliminate 19 auditors in the Bureau of Auditing within the Division of Accounting and Auditing. Pursuant to section 17.03, 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 20/21, the bureau audited 376,667 out of 3.5 million payments via sampling. This represents 10.7% of the total payment population; however, because the audit plan incorporates risk and materiality thresholds, the bureau audited \$85 billion out of the \$106 billion in annual expenditures. As a result, 79.5% of the dollars spent had audit coverage.

Currently, there are 48 FTEs that provide payment and contract audit coverage. A reduction of the audit teams by 19 FTEs, or over 40%, would result in the reduction of the number of payments audited by somewhere around 114,000. In addition, since most small dollar payments (i.e. less than \$10,000) are being covered through sampling, almost all the



COL A10 SCH VIIIB-2 RED FY22-23 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

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 19 FTE and 1,127,342 in Salaries and Benefits appropriations from General Revenue within the State Financial Information and State Agency Accounting.

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POSITION DETAIL OF SALARIES AND BENEFITS:

	FTE	BASE RATE	ADDITIVES	BENEFITS	SUBTOTAL	LAPSE %	LAPSED SALARIES AND BENEFITS
A10 - SCH VIIIB-2 RED FY22-23							
CHANGES TO CURRENTLY AUTHORIZED POSITIONS							
P101 PROPOSED CLASS CODE							
C0002 002	19.00-					0.00	
RA00 RATE AND SALARY ADJ - NO FTE/BENEFITS							
C0002 001	0.00	1,127,342-			1,127,342-	0.00	1,127,342-
TOTALS FOR ISSUE BY FUND							
1000 GENERAL REVENUE FUND							1,127,342-
	19.00-	1,127,342-			1,127,342-		1,127,342-

\*\*\*\*\*

TOTAL: GOVERNMENTAL OPERATIONS							<u>1601.00.00.00</u>
BY FUND TYPE							
GENERAL REVENUE FUND		1,127,342-					1000
TRUST FUNDS		476,772-					2000
TOTAL POSITIONS.....	24.00-						
TOTAL PROG COMP.....		1,604,114-					
TOTAL SALARY RATE.....		1,502,405-					

COL A10			
SCH VIIIIB-2			
RED FY22-23			
POS	AMOUNT		CODES
-----			
FINANCIAL SERVICES			43000000
PGM: FIN ACCT/PUBLIC FUNDS			43200000
<u>RECOVERY &amp; 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.....	262,098-		
	=====		
SALARIES AND BENEFITS			010000
	6.00-		
UNCLAIMED PROPERTY TF	-STATE	397,687-	2007 1
		=====	
TOTAL: ELIMINATE UNCLAIMED PROPERTY FIELD			33V0490
AUDIT POSITIONS			
TOTAL POSITIONS.....	6.00-		
TOTAL ISSUE.....	397,687-		
TOTAL SALARY RATE.....	262,098-		
	=====		

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AGENCY ISSUE NARRATIVE:

SCH VIIIIB-2 NARR 22-23 NARRATIVE:  
 PRIORITY #40

IT COMPONENT? NO

The Division of Unclaimed Property would reduce the number of FTE's from 65 to 59 by eliminating the Division's field auditor positions. In FY2004/2005, 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 has completed as many as 300 audits in prior fiscal years. With COVID closures, the audit team completed 189 audits, resulting in more than \$7.2 million in reported unclaimed property. . Since implementation, these activities have generated more than \$86 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.

This issue eliminates 6 FTE and 397,687 in Salaries and Benefits budget authority from the Unclaimed Property Trust Fund within the Recovery and Return of Unclaimed Property budget entity.

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COL A10 SCH VIIIIB-2 RED FY22-23 POS AMOUNT	CODES
FINANCIAL SERVICES	43000000
PGM: FIN ACCT/PUBLIC FUNDS	43200000
<u>RECOVERY &amp; 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 FY22-23							
CHANGES TO CURRENTLY AUTHORIZED POSITIONS							
P101 PROPOSED CLASS CODE							
C0001 001	6.00-	262,098-		135,589-	397,687-	0.00	397,687-
TOTALS FOR ISSUE BY FUND							
2007 UNCLAIMED PROPERTY TF							397,687-
	6.00-	262,098-		135,589-	397,687-		397,687-

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REDUCE OTHER PERSONAL SERVICES  
 (OPS) IN THE DIVISION OF UNCLAIMED  
 PROPERTY 33V0730  
 OTHER PERSONAL SERVICES 030000

UNCLAIMED PROPERTY TF -STATE 166,288- 2007 1  
 =====

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AGENCY ISSUE NARRATIVE:  
 SCH VIIIIB-2 NARR 22-23 NARRATIVE: IT COMPONENT? NO  
 PRIORITY #26

The Division of Unclaimed Property utilizes multiple OPS employees within all three sections. Most of these positions work in 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 with the Asset Management section assisting with returned checks, cash receipts, customer service calls, and vault

COL A10		
SCH VIIIIB-2		
RED FY22-23		
POS	AMOUNT	CODES
FINANCIAL SERVICES		
		43000000
PGM: FIN ACCT/PUBLIC FUNDS		
		43200000
<u>RECOVERY &amp; 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

inventory processing.

The Division has continued to administer and manage a 10% average annual growth in the numbers of claims received during each of the last five years, resulting in a record number of claims paid (and dollar amounts returned), each year, for the same time period. 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 our 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. In FY 2020/2021, OPS positions assisted with processing 818,000 claims, approximately 90,000 customer service calls, assisting claimants with over 4,600 returned warrants, and inventorying of 2,200 unclaimed safe deposit boxes. More than 5,000,000 million documents were processed by the records room last fiscal year. In addition, increasing the minimum hourly wage and for retention of OPS staff, has reduced the number of OPS staff that can be funded from the existing budget authority.

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 (166,288) would equate to an estimated 4 OPS positions.

This issue reduces 166,288 in OPS budget authority within the Unclaimed Property Trust Fund within the Recovery and Return of Unclaimed Property budget entity.

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TOTAL: GOVERNMENTAL OPERATIONS		<u>1601.00.00.00</u>
BY FUND TYPE		
	6.00-	
TRUST FUNDS.....	563,975-	2000
SALARY RATE.....	262,098-	
	=====	

COL A10		
SCH VIIIIB-2		
RED FY22-23		
POS	AMOUNT	CODES
-----		
FINANCIAL SERVICES		43000000
PGM: FIN ACCT/PUBLIC FUNDS		43200000
<u>FL PALM</u>		43200300
GOV OPERATIONS/SUPPORT		16
<u>INFORMATION TECHNOLOGY</u>		<u>1603.00.00.00</u>
PROGRAM REDUCTIONS		33V0000
ELIMINATE POSITIONS IN THE PLANNING		
ACCOUNTING, AND LEDGER MANAGEMENT		
(PALM) PROJECT		33V0440
SALARY RATE		000000
SALARY RATE.....	622,911-	
	=====	
SALARIES AND BENEFITS		
	5.00-	010000
INSURANCE REG TF	-STATE 622,911-	2393 1
	=====	
TOTAL: ELIMINATE POSITIONS IN THE PLANNING		33V0440
ACCOUNTING, AND LEDGER MANAGEMENT		
(PALM) PROJECT		
TOTAL POSITIONS.....	5.00-	
TOTAL ISSUE.....	622,911-	
TOTAL SALARY RATE.....	622,911-	
	=====	

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AGENCY ISSUE NARRATIVE:  
 SCH VIIIIB-2 NARR 22-23 NARRATIVE: IT COMPONENT? YES  
 PRIORITY #41

This issue would eliminate 5 positions and 622,911 in recurring budget authority appropriated to Florida Planning, Accounting and Ledger Management (PALM) budget entity in Fiscal Year 2021-2022. These positions are responsible for supporting the implementation of the new financial management solution that will replace FLAIR and CMS. Therefore, the reduction of these FTEs would negatively impact the Department's ability to perform negotiated Department responsibilities defined in the Florida PALM Software and System Integrator (SSI) contract (FP004) and could jeopardize future implementations of Florida PALM.

This issue eliminates 5 FTE and 622,911 in Salaries and Benefits budget authority in the Insurance Regulatory Trust Fund within the Florida Planning Accounting and Ledger Management budget entity.

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COL A10 SCH VIIIIB-2 RED FY22-23 POS AMOUNT	CODES
FINANCIAL SERVICES	43000000
PGM: FIN ACCT/PUBLIC FUNDS	43200000
FL PALM	43200300
GOV OPERATIONS/SUPPORT	16
INFORMATION TECHNOLOGY	<u>1603.00.00.00</u>
PROGRAM REDUCTIONS	33V0000
ELIMINATE POSITIONS IN THE PLANNING ACCOUNTING, AND LEDGER MANAGEMENT (PALM) PROJECT	33V0440

POSITION DETAIL OF SALARIES AND BENEFITS:

FTE	BASE RATE	ADDITIVES	BENEFITS	SUBTOTAL	LAPSE %	LAPSED SALARIES AND BENEFITS
A10 - SCH VIIIIB-2 RED FY22-23						
CHANGES TO CURRENTLY AUTHORIZED POSITIONS						
P101 PROPOSED CLASS CODE						
C0001 002	5.00-				0.00	
RA00 RATE AND SALARY ADJ - NO FTE/BENEFITS						
C0001 001	0.00	622,911-		622,911-	0.00	622,911-
TOTALS FOR ISSUE BY FUND						
2393 INSURANCE REG TF						
5.00-	622,911-			622,911-		622,911-

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TOTAL: INFORMATION TECHNOLOGY		<u>1603.00.00.00</u>
BY FUND TYPE		
TRUST FUNDS.....	5.00- 622,911-	2000
SALARY RATE.....	622,911-	
=====		

COL A10		
SCH VIIIIB-2		
RED FY22-23		
POS	AMOUNT	CODES
FINANCIAL SERVICES		
		43000000
PROGRAM: FIRE MARSHAL		
		43300000
<u>COMPLIANCE &amp; 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.....	244,237-	
	=====	
SALARIES AND BENEFITS		
		010000
INSURANCE REG TF	-STATE 7.00- 391,057-	
	=====	2393 1
TOTAL: ELIMINATE BOILER SAFETY PROGRAM		
		33V0090
TOTAL POSITIONS.....	7.00-	
TOTAL ISSUE.....	391,057-	
TOTAL SALARY RATE.....	244,237-	
	=====	

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AGENCY ISSUE NARRATIVE:  
 SCH VIIIIB-2 NARR 22-23 NARRATIVE:  
 PRIORITY #37

IT COMPONENT? NO

This issue eliminates the Boiler Safety Section, which includes six filled positions and one vacant position. The Boiler Safety Program conducts inspections of all uninsured boilers located in public assembly locations, 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. 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 in places of public assembly. Eliminating this section will create a need for these services to be performed elsewhere.

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COL A10		
POS	AMOUNT	CODES
FINANCIAL SERVICES		43000000
PROGRAM: FIRE MARSHAL		43300000
<u>COMPLIANCE &amp; 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 FY22-23							
CHANGES TO CURRENTLY AUTHORIZED POSITIONS							
P101 PROPOSED CLASS CODE							
C1001 001	7.00-	244,237-		146,820-	391,057-	0.00	391,057-
TOTALS FOR ISSUE BY FUND							
2393 INSURANCE REG TF							391,057-
	7.00-	244,237-		146,820-	391,057-		391,057-

REDUCE CONSTRUCTION MATERIALS

MINING ACTIVITIES							33V0140
SPECIAL CATEGORIES							100000
CONTRACTED SERVICES							100777
GENERAL REVENUE FUND	-STATE	60,062-					1000 1

AGENCY ISSUE NARRATIVE:  
 SCH VIIIIB-2 NARR 22-23 NARRATIVE:  
 PRIORITY #46

IT COMPONENT? NO

This issue reduces 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.



COL A10		
SCH VIIIIB-2		
RED FY22-23		
POS	AMOUNT	CODES
-----		
FINANCIAL SERVICES		43000000
PROGRAM: FIRE MARSHAL		43300000
<u>COMPLIANCE &amp; ENFORCEMENT</u>		43300200
PUBLIC PROTECTION		12
<u>LAW ENFORCEMENT</u>		<u>1202.00.00.00</u>
TOTAL: LAW ENFORCEMENT		<u>1202.00.00.00</u>
BY FUND TYPE		
GENERAL REVENUE FUND	60,062-	1000
TRUST FUNDS	391,057-	2000
-----		
TOTAL POSITIONS.....	7.00-	
TOTAL PROG COMP.....	451,119-	
TOTAL SALARY RATE.....	244,237-	
=====		
<u>PROF TRAINING &amp; 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 548,102-	2393 1
=====		

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AGENCY ISSUE NARRATIVE:  
 SCH VIIIIB-2 NARR 22-23 NARRATIVE:  
 PRIORITY #14

IT COMPONENT? NO

In Fiscal Year 2020-21 the bureau was appropriated 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 56 percent reduction of the grant program in current year.

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COL A10		
SCH VIIIIB-2		
RED FY22-23		
POS	AMOUNT	CODES
FINANCIAL SERVICES		
		43000000
PROGRAM: FIRE MARSHAL		
		43300000
FIRE MRSHL ADMN & SUP SRVS		
		43300500
PUBLIC PROTECTION		
		12
LAW ENFORCEMENT		
		<u>1202.00.00.00</u>
PROGRAM REDUCTIONS		
		33V0000
ELIMINATE FLORIDA FIRE INCIDENT		
REPORTING SECTION		
		33V0290
SALARY RATE		
		000000
SALARY RATE.....	97,455-	
	=====	
SALARIES AND BENEFITS		
		010000
	3.00-	
INSURANCE REG TF	-STATE 159,045-	2393 1
	=====	
TOTAL: ELIMINATE FLORIDA FIRE INCIDENT		33V0290
REPORTING SECTION		
TOTAL POSITIONS.....	3.00-	
TOTAL ISSUE.....	159,045-	
TOTAL SALARY RATE.....	97,455-	
	=====	

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AGENCY ISSUE NARRATIVE:

SCH VIIIIB-2 NARR 22-23 NARRATIVE:  
 PRIORITY #30

IT COMPONENT? NO

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.

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COL A10 SCH VIIIIB-2 RED FY22-23 POS	AMOUNT	CODES
FINANCIAL SERVICES		43000000
PROGRAM: FIRE MARSHAL		43300000
<u>FIRE MRSHL ADMN &amp; 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 FY22-23							
CHANGES TO CURRENTLY AUTHORIZED POSITIONS							
P101 PROPOSED CLASS CODE							
C1001 001	3.00-	97,455-		61,590-	159,045-	0.00	159,045-
TOTALS FOR ISSUE BY FUND							
2393 INSURANCE REG TF							159,045-
	3.00-	97,455-		61,590-	159,045-		159,045-

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TOTAL: LAW ENFORCEMENT							<u>1202.00.00.00</u>
BY FUND TYPE							
TRUST FUNDS.....	3.00-						2000
SALARY RATE.....		159,045-					
		97,455-					
	=====						

-----  
 COL A10  
 SCH VIIIIB-2  
 RED FY22-23  
 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 EXPENSES AUTHORITY FROM  
 STATE SELF INSURED CLAIMS  
 ADJUSTMENT BUDGET ENTITY 33V2420  
 EXPENSES 040000  
  
 STATE RISK MGMT TF -STATE 1,500,000- 2078 1  
 =====

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AGENCY ISSUE NARRATIVE:  
 SCH VIIIIB-2 NARR 22-23 NARRATIVE: IT COMPONENT? NO  
 PRIORITY #10

The Division of Risk Management works to ensure that participating state of Florida agencies and universities receive assistance in managing risk and quality workers' compensation, liability, federal civil rights, automobile liability, and property insurance coverage by providing self- insurance, purchase of insurance, and claims administration. The Division also works directly with agencies to assist with program development and implementation of loss prevention industry best practices. 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.

This issue reduces 1,500,000 in Expenses budget authority from the State Risk Management Trust Fund within the State Self-Insured Claims Adjustment budget entity.

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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 4,345,997- 2078 1  
 =====

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AGENCY ISSUE NARRATIVE:  
 SCH VIIIIB-2 NARR 22-23 NARRATIVE: IT COMPONENT? NO  
 PRIORITY #27

COL A10		
SCH VIIIIB-2		
RED FY22-23		
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 PURCHASE OF EXCESS INSURANCE		
AUTHORITY STATE SELF INSURED CLAIMS		
ADJUSTMENT BUDGET ENTITY		33V2430

The Division of Risk Management purchases excess property insurance to help limit the State's loss exposure of over \$25.4 billion of state owned property. Current excess property insurance coverage was purchased in February 2021 at an annual cost of \$10,832,693. The excess insurance purchased provides \$57.5 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 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.

If this reduction was taken, and the available budget authority was reduced to 6,000,000, purchasing the excess insurance for named wind and flood coverage may not be possible.

This issue reduced 4,345,997 in Excess Insurance and Claims Service budget authority from the State Risk Management Trust Fund within the State Self-Insured Claims Adjustment budget entity.

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REDUCE CONTRACTED LEGAL SERVICES -		
OFFICE OF THE ATTORNEY GENERAL		33V2440
SPECIAL CATEGORIES		100000
CONTRACT LEGAL - ATTY GEN		100904
STATE RISK MGMT TF	-STATE	800,000-
		=====
		2078 1

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AGENCY ISSUE NARRATIVE:  
 SCH VIIIIB-2 NARR 22-23 NARRATIVE:  
 PRIORITY #5

IT COMPONENT? NO

COL A10		
SCH VIIIIB-2		
RED FY22-23		
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 CONTRACTED LEGAL SERVICES -		
OFFICE OF THE ATTORNEY GENERAL		33V2440

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. Effective litigation is a critical component to controlling claims costs, either through reduced settlement amounts negotiated by defense attorneys, or winning cases in costs. Effective litigation can also result in reduced workers' compensation claims cost.

The current budget authority in the Contracted Legal Services - Office of Attorney General category is 6,645,924. A 800,000 reduction would equate to an approximate 12% reduction in funds available for FCR claims defense.

This issue reduces 800,000 in Contracted Legal Services - Office of the Attorney General budget authority in the State Risk Management Trust Fund within the State Self-Insured Claims Adjustment budget entity.

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REDUCE CONTRACTED LEGAL SERVICES		33V2450
SPECIAL CATEGORIES		100000
CONTRACTED LEGAL SERVICES		100905
STATE RISK MGMT TF	-STATE 1,000,000-	2078 1
	=====	

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AGENCY ISSUE NARRATIVE:

SCH VIIIIB-2 NARR 22-23 NARRATIVE:  
 PRIORITY #7

IT COMPONENT? NO

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

COL A10		
SCH VIIIIB-2		
RED FY22-23		
POS	AMOUNT	CODES
-----		
FINANCIAL SERVICES		43000000
PGM: ST PROP/CASUALTY CLMS		43400000
<u>ST SELF-INSURED CLAIMS ADJ</u>		43400100
GOV OPERATIONS/SUPPORT		16
<u>GOVERNMENTAL OPERATIONS</u>		<u>1601.00.00.00</u>
PROGRAM REDUCTIONS		33V0000
REDUCE CONTRACTED LEGAL SERVICES		33V2450

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. Effective litigation is a critical component to controlling claims costs, either through reduced settlement amounts negotiated by defense attorneys, or winning cases in costs. Effective litigation can also result in reduced workers' compensation claims cost.

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

This issue reduces 1,000,000 in Contracted Legal Services budget authority from the State Risk Management Trust Fund within the State Self-Insured Claims Adjustment budget entity.

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TOTAL: GOVERNMENTAL OPERATIONS		<u>1601.00.00.00</u>
BY FUND TYPE		
TRUST FUNDS.....	7,645,997-	2000
	=====	

COL A10			
SCH VIIIIB-2			
RED FY22-23			
POS	AMOUNT		CODES
FINANCIAL SERVICES			
			43000000
			43500000
			43500100
			12
			<u>1204.00.00.00</u>
			33V0000
PROGRAM REDUCTIONS			
			33V6010
			010000
INSURANCE REG TF	-STATE	50,000-	2393 1
		=====	
SPECIAL CATEGORIES			
			100000
			100777
INSURANCE REG TF	-STATE	39,053-	2393 1
		=====	
TOTAL: REDUCE REHABILITATION AND LIQUIDATION PROGRAM			33V6010
TOTAL ISSUE.....		89,053-	
		=====	

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AGENCY ISSUE NARRATIVE:

SCH VIIIIB-2 NARR 22-23 NARRATIVE: IT COMPONENT? NO  
 Priority #19

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 \$50,000.  
 Contracted services (100777) was reduced by \$56,622

This reduction could potentially eliminate the Divisions ability to purchase any new technology needs.

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COL A10 SCH VIIIIB-2 RED FY22-23 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

POSITION DETAIL OF SALARIES AND BENEFITS:

FTE	BASE RATE	ADDITIVES	BENEFITS	SUBTOTAL	LAPSE %	LAPSED SALARIES AND BENEFITS
A10 - SCH VIIIIB-2 RED FY22-23						
CHANGES TO CURRENTLY AUTHORIZED POSITIONS						
OTHER SALARY AMOUNT						
2393 INSURANCE REG TF						50,000-
						50,000-
						=====

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TOTAL: REGULATION AND LICENSING						<u>1204.00.00.00</u>
BY FUND TYPE						
TRUST FUNDS.....	89,053-				2000	
	=====					

<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.....	246,741-					=====
SALARIES AND BENEFITS						010000
INSURANCE REG TF	-STATE	7.00-				394,024-
		=====				2393 1

COL A10			
SCH VIIIIB-2			
RED FY22-23			
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
EXPENSES			040000
INSURANCE REG TF	-STATE	44,590-	2393 1
		=====	
TOTAL: REDUCE POSITION(S) - LICENSING AND			33V6120
REGULATION OF BAIL BOND AGENTS AND			
AGENCIES			
TOTAL POSITIONS.....	7.00-		
TOTAL ISSUE.....		438,614-	
TOTAL SALARY RATE.....	246,741-		
		=====	

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AGENCY ISSUE NARRATIVE:

SCH VIIIIB-2 NARR 22-23 NARRATIVE:  
 Priority #11

IT COMPONENT? NO

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

The elimination of 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 7 positions from the Bureau of Agent and Agency Licensing and the Bureau of Agent and Agency Investigation will reduce salaries and benefits by \$394,024 and recurring expenses by \$44,590.

The cut of this program area is estimated to reduce annual revenue from licensing and appointment fees by \$14,100, administrative fines by \$21,049 and administrative actions by 15.

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COL A10			
SCH VIIIIB-2			
RED FY22-23			
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
EXPENSES			040000
INSURANCE REG TF	-STATE	6,370-	2393 1
		=====	
TOTAL: REDUCE POSITION(S) IN INSURANCE			33V6130
AGENT PRE-LICENSING EDUCATION			
SECTION			
TOTAL POSITIONS.....	1.00-		
TOTAL ISSUE.....		64,062-	
TOTAL SALARY RATE.....	36,469-		
		=====	

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AGENCY ISSUE NARRATIVE:

SCH VIIIIB-2 NARR 22-23 NARRATIVE:  
 Priority #1

IT COMPONENT? NO

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 FTE will no longer approve or disapprove courses applicants may wish to take prior to taking the state examination. This issue represents a reduction of 1 FTE, \$57,692 in salaries and benefits and recurring expenses by \$6,370.

In FY 2020-2021, revenue generated by pre-licensing study manual fees and royalties was \$67,857. Manuals would continue to be sold, however, the numbers would likely decrease because there would no longer be a course provider requiring the use of the current manual.

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COL A10 SCH VIIIIB-2 RED FY22-23 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

POSITION DETAIL OF SALARIES AND BENEFITS:

	FTE	BASE RATE	ADDITIVES	BENEFITS	SUBTOTAL	LAPSE %	LAPSED SALARIES AND BENEFITS
A10 - SCH VIIIIB-2 RED FY22-23							
CHANGES TO CURRENTLY AUTHORIZED POSITIONS							
3524 INSURANCE EXAMINER II							
C1000 002	1.00-	36,469-		21,223-	57,692-	0.00	57,692-
TOTALS FOR ISSUE BY FUND							
2393 INSURANCE REG TF							57,692-
	1.00-	36,469-		21,223-	57,692-		57,692-

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ELIMINATE INVESTIGATIONS LEGAL							
PROCESSING UNIT							33V6190
SALARY RATE							000000
SALARY RATE.....		46,382-					
SALARIES AND BENEFITS							010000
INSURANCE REG TF	-STATE	1.00-	70,605-				2393 1
EXPENSES							040000
INSURANCE REG TF	-STATE		6,370-				2393 1



COL A10 SCH VIIIIB-2 RED FY22-23 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 FY22-23						
CHANGES TO CURRENTLY AUTHORIZED POSITIONS						
TOTALS FOR ISSUE BY FUND						70,605-
2393 INSURANCE REG TF						70,605-
1.00-	46,382-		24,223-	70,605-		70,605-

\*\*\*\*\*

ELIMINATE INSURANCE INVESTIGATION POSITIONS IN THE BUREAU OF INVESTIGATIONS		33V6200
SALARY RATE		000000
SALARY RATE.....	255,273-	
=====		
SALARIES AND BENEFITS		010000
INSURANCE REG TF	-STATE 7.00- 404,133-	2393 1
=====		
EXPENSES		040000
INSURANCE REG TF	-STATE 44,590-	2393 1
=====		
TOTAL: ELIMINATE INSURANCE INVESTIGATION POSITIONS IN THE BUREAU OF INVESTIGATIONS		33V6200
TOTAL POSITIONS.....	7.00-	
TOTAL ISSUE.....	448,723-	
TOTAL SALARY RATE.....	255,273-	
=====		

COL A10 SCH VIIIIB-2 RED FY22-23 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 INSURANCE INVESTIGATION POSITIONS IN THE BUREAU OF INVESTIGATIONS		33V6200

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AGENCY ISSUE NARRATIVE:

SCH VIIIIB-2 NARR 22-23 NARRATIVE:  
 Priority #3

IT COMPONENT? NO

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 increased from 3,471 to 3,571 for FY 2020-21. The current staff of investigators and administrators are able to handle the workload.

Cutting 7 Insurance Examiner II positions from the Bureau of Agent and Agency Investigation will reduce salaries and benefits by \$404,133 and recurring expenses by \$44,590.

The cut of investigative positions is estimated to reduce annual revenue from administrative fines by \$52,217, annual administrative actions by 62, and recoveries on behalf of consumers by \$4,982.

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POSITION DETAIL OF SALARIES AND BENEFITS:

	FTE	BASE RATE	ADDITIVES	BENEFITS	SUBTOTAL	LAPSE %	LAPSED SALARIES AND BENEFITS
A10 - SCH VIIIIB-2 RED FY22-23							
CHANGES TO CURRENTLY AUTHORIZED POSITIONS							
3524 INSURANCE EXAMINER II C0001 001	7.00-	255,273-		148,860-	404,133-	0.00	404,133-
TOTALS FOR ISSUE BY FUND							
2393 INSURANCE REG TF							404,133-
	7.00-	255,273-		148,860-	404,133-		404,133-

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COL A10			
SCH VIIIIB-2			
RED FY22-23			
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>
TOTAL: REGULATION AND LICENSING			<u>1204.00.00.00</u>
BY FUND TYPE			
	16.00-		
TRUST FUNDS.....	1,028,374-		2000
SALARY RATE.....	584,865-		
	=====		
<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.....	298,791-		
	=====		
SALARIES AND BENEFITS			010000
	8.00-		
INSURANCE REG TF -STATE	486,095-		2393 1
	=====		
EXPENSES			040000
INSURANCE REG TF -STATE	50,960-		2393 1
	=====		
TOTAL: ELIMINATE REGIONAL MANAGERS			33V4010
TOTAL POSITIONS.....	8.00-		
TOTAL ISSUE.....	537,055-		
TOTAL SALARY RATE.....	298,791-		
	=====		

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AGENCY ISSUE NARRATIVE:  
 SCH VIIIIB-2 NARR 22-23 NARRATIVE: IT COMPONENT? NO  
 Priority #18

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

COL A10 SCH VIIIIB-2 RED FY22-23 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

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 FTE. The elimination of the Regional Managers will result in the reduction of 8 FTE, 7 employees and one supervisor. The total value associated with the reduction equals \$537,055

There is no revenue impact associated with the proposed reduction.

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POSITION DETAIL OF SALARIES AND BENEFITS:

	FTE	BASE RATE	ADDITIVES	BENEFITS	SUBTOTAL	LAPSE %	LAPSED SALARIES AND BENEFITS
A10 - SCH VIIIIB-2 RED FY22-23							
CHANGES TO CURRENTLY AUTHORIZED POSITIONS							
2224 SENIOR MANAGEMENT ANALYST I - SES							
C0002 001	7.00-	255,283-		157,014-	412,297-	0.00	412,297-
2238 OPERATIONS & MGMT CONSULTANT MGR - SES							
C0001 001	1.00-	43,508-		30,290-	73,798-	0.00	73,798-
TOTALS FOR ISSUE BY FUND							
2393 INSURANCE REG TF							486,095-
	8.00-	298,791-		187,304-	486,095-		486,095-

\*\*\*\*\*

COL A10			
SCH VIIIIB-2			
RED FY22-23			
POS	AMOUNT		CODES
-----			
FINANCIAL SERVICES			43000000
PGM: LICNSNG/CNSMER PROTEC			43500000
<u>CONSUMER ASSISTANCE</u>			43500400
PUBLIC PROTECTION			12
<u>CONSUMER SAFETY/PROTECTION</u>			<u>1205.00.00.00</u>
PROGRAM REDUCTIONS			33V0000
REDUCTION OF ALTERNATIVE DISPUTE			
RESOLUTION (ADR) UNIT			33V4040
SALARY RATE			000000
SALARY RATE.....	243,457-		
	=====		
SALARIES AND BENEFITS			010000
	7.00-		
INSURANCE REG TF	-STATE	397,858-	2393 1
		=====	
EXPENSES			040000
INSURANCE REG TF	-STATE	44,590-	2393 1
		=====	
TOTAL: REDUCTION OF ALTERNATIVE DISPUTE			33V4040
RESOLUTION (ADR) UNIT			
TOTAL POSITIONS.....	7.00-		
TOTAL ISSUE.....	442,448-		
TOTAL SALARY RATE.....	243,457-		
	=====		

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AGENCY ISSUE NARRATIVE:

SCH VIIIIB-2 NARR 22-23 NARRATIVE:  
 Priority #28

IT COMPONENT? NO

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 7 FTE, 6 employees and 1 supervisor. The total value associated with the reduction equals \$442,448.

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 5 insurance mediation programs statewide: residential property, commercial residential property, automobile and disputes between providers and residents of continuing care retirement communities. During FY 2020-2021, this unit received and processed more than 12,5000 mediation requests. The unit's workload cannot be absorbed by other FTE within the Division. The elimination of this unit will significantly impact Florida insurance consumers as the associated statutory mediation programs will need to be eliminated because all staffing associated with the program will be eliminated.

COL A10		
SCH VIIIIB-2		
RED FY22-23		
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

The cut of this program area is estimated to reduce annual revenue from mediation fees by \$532,400.  
 \*\*\*\*\*

POSITION DETAIL OF SALARIES AND BENEFITS:

	FTE	BASE RATE	ADDITIVES	BENEFITS	SUBTOTAL	LAPSE %	LAPSED SALARIES AND BENEFITS
A10 - SCH VIIIIB-2 RED FY22-23							
CHANGES TO CURRENTLY AUTHORIZED POSITIONS							
0442 REGULATORY CONSULTANT							
C0001 001	5.00-	163,480-		102,845-	266,325-	0.00	266,325-
2224 GOVERNMENT ANALYST I							
C0002 001	1.00-	36,469-		21,266-	57,735-	0.00	57,735-
2238 OPERATIONS & MGMT CONSULTANT MGR - SES							
C0005 001	1.00-	43,508-		30,290-	73,798-	0.00	73,798-
-----							
TOTALS FOR ISSUE BY FUND							
2393 INSURANCE REG TF							397,858-
							-----
	7.00-	243,457-		154,401-	397,858-		397,858-
							=====

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TOTAL: CONSUMER SAFETY/PROTECTION							<u>1205.00.00.00</u>
BY FUND TYPE							
TRUST FUNDS.....	15.00-						2000
SALARY RATE.....		979,503-					
		542,248-					
		=====					

		COL A10		
		SCH VIIIIB-2		
		RED FY22-23		
	POS	AMOUNT		CODES
-----				
FINANCIAL SERVICES				43000000
PGM: LICNSNG/CNSMER PROTEC				43500000
<u>FUNERAL/CEMETERY SERVICES</u>				43500500
PUBLIC PROTECTION				12
<u>REGULATION AND LICENSING</u>				<u>1204.00.00.00</u>
PROGRAM REDUCTIONS				33V0000
ELIMINATE POSITIONS				33V4060
SALARY RATE				000000
SALARY RATE.....		133,398-		
		=====		
SALARIES AND BENEFITS				010000
		3.00-		
REGULATORY TRUST FUND	-STATE	202,796-		2573 1
		=====		
OTHER PERSONAL SERVICES				030000
REGULATORY TRUST FUND	-STATE	21,026-		2573 1
		=====		
EXPENSES				040000
REGULATORY TRUST FUND	-STATE	25,480-		2573 1
		=====		
TOTAL: ELIMINATE POSITIONS				33V4060
TOTAL POSITIONS.....		3.00-		
TOTAL ISSUE.....		249,302-		
TOTAL SALARY RATE.....		133,398-		
		=====		

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AGENCY ISSUE NARRATIVE:

SCH VIIIIB-2 NARR 22-23 NARRATIVE:

IT COMPONENT? NO

Priority #33

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

This issue eliminates three positions and one OPS staff, representing approximately 20% of the division's staff. S&B: \$202,796 and OPS: \$21,026, Recurring Expenses: 25,480

These positions are responsible for licensing of approximately 10,000 death care industry members, establishments, and

COL A10 SCH VIIIB-2 RED FY22-23 POS AMOUNT	CODES
FINANCIAL SERVICES	43000000
PGM: LICNSNG/CNSMER PROTEC	43500000
<u>FUNERAL/CEMETERY SERVICES</u>	43500500
PUBLIC PROTECTION	12
<u>REGULATION AND LICENSING</u>	<u>1204.00.00.00</u>
PROGRAM REDUCTIONS	33V0000
ELIMINATE POSITIONS	33V4060

cemeteries; on-site field inspections and examinations of death care licensees throughout the state to determine if licensees are complying with statutory requirements; and investigations of licensees as a result of consumer complaints regarding the death care industry.

Even with travel and other restrictions imposed by the COVID-19 pandemic, in FY20-21, the Division conducted approximately 1,989 inspections, examinations, and investigations of Florida's death care licensees. Elimination of these positions would effectively prohibit the appropriate monitoring and regulation of the death care industry. Significant statutory changes would be required to reduce regulatory requirements (such as those involving annual inspections, licensing timelines, investigations, and examinations).

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POSITION DETAIL OF SALARIES AND BENEFITS:

	FTE	BASE RATE	ADDITIVES	BENEFITS	SUBTOTAL	LAPSE %	LAPSED SALARIES AND BENEFITS
A10 - SCH VIIIB-2 RED FY22-23							
CHANGES TO CURRENTLY AUTHORIZED POSITIONS							
1566 FINANCIAL SPECIALIST							
C1000 002	2.00-	87,016-		45,132-	132,148-	0.00	132,148-
1575 FINANCIAL EXAMINER/ANALYST SUPV - SES							
C1001 002	1.00-	46,382-		24,266-	70,648-	0.00	70,648-
-----							
TOTALS FOR ISSUE BY FUND							
2573 REGULATORY TRUST FUND							202,796-
	3.00-	133,398-		69,398-	202,796-		202,796-
	=====	=====	=====	=====	=====		=====

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COL A10			
SCH VIIIIB-2			
RED FY22-23			
POS	AMOUNT		CODES
-----			
FINANCIAL SERVICES			43000000
PGM: LICNSNG/CNSMER PROTEC			43500000
<u>FUNERAL/CEMETERY SERVICES</u>			43500500
PUBLIC PROTECTION			12
<u>REGULATION AND LICENSING</u>			<u>1204.00.00.00</u>
TOTAL: REGULATION AND LICENSING			<u>1204.00.00.00</u>
BY FUND TYPE			
	3.00-		
TRUST FUNDS.....	249,302-		2000
SALARY RATE.....	133,398-		
	=====		
<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.....	248,660-		
	=====		
SALARIES AND BENEFITS			010000
	7.00-		
INSURANCE REG TF	-STATE	396,298-	2393 1
		=====	
TOTAL: REDUCTION IN PUBLIC ASSISTANCE			33V6000
FRAUD			
TOTAL POSITIONS.....	7.00-		
TOTAL ISSUE.....	396,298-		
TOTAL SALARY RATE.....	248,660-		
	=====		

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AGENCY ISSUE NARRATIVE:  
 SCH VIIIIB-2 NARR 22-23 NARRATIVE:  
 PRIORITY #32

IT COMPONENT? NO

The Division of Public Assistance Fraud investigates public assistance benefits paid in accordance with the provisions of Chapters 409, 411, and 414 Florida Statutes. Through these investigations, the Division identifies intentional acts resulting in fraudulent disbursement of public monies or other items or benefits only authorized to eligible recipients.

This issue would reduce 7 positions from the Division. This results in the loss of one field administrative support position, two trained Financial Crime Investigators II, one senior Financial Crime Investigator, one district Chief of Investigation, one Investigation Manager, and one Senior Management Analyst Supervisor. All positions are currently

COL A10 SCH VIIIIB-2 RED FY22-23 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

filled. This would reduce Orlando area to one squad. To offset this loss, 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. Orlando will restructure from two squads to one squad with two FCI 2s being reassigned under the remaining Investigation Manager. Lastly, the loss of the SMAS in headquarters will result in reassigning to district chiefs the Statewide Investigation Unit supervision duties of FCI 3's who direct the efforts of 10 OPS FCI. 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.

This issue would reduce 7 FTE and 396,298 in Salaries and Benefits budget authority from the Insurance Regulatory Trust Fund within the Public Assistance Fraud budget entity.

POSITION DETAIL OF SALARIES AND BENEFITS:

	FTE	BASE RATE	ADDITIVES	BENEFITS	SUBTOTAL	LAPSE %	LAPSED SALARIES AND BENEFITS
A10 - SCH VIIIIB-2 RED FY22-23							
CHANGES TO CURRENTLY AUTHORIZED POSITIONS							
P101 PROPOSED CLASS CODE							
C0001 001	7.00-	248,660-		147,638-	396,298-	0.00	396,298-
TOTALS FOR ISSUE BY FUND							
2393 INSURANCE REG TF							396,298-
	7.00-	248,660-		147,638-	396,298-		396,298-

\*\*\*\*\*



COL A10			
SCH VIIIIB-2			
RED FY22-23			
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>
TOTAL: CONSUMER SAFETY/PROTECTION			<u>1205.00.00.00</u>
BY FUND TYPE			
	7.00-		
TRUST FUNDS.....	396,298-		2000
SALARY RATE.....	248,660-		
=====			
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.....	169,499-		
=====			
SALARIES AND BENEFITS			010000
	5.00-		
WORKERS' COMP ADMIN TF	-STATE 273,456-		2795 1
=====			
OTHER PERSONAL SERVICES			030000
WORKERS' COMP ADMIN TF	-STATE 193,302-		2795 1
=====			
SPECIAL CATEGORIES			100000
CONTRACTED SERVICES			100777
WORKERS' COMP ADMIN TF	-STATE 10,203-		2795 1
=====			
PURCHASED CLIENT SERVICES			102933
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.....	1,216,961-		
TOTAL SALARY RATE.....	169,499-		
=====			

COL A10 SCH VIIIIB-2 RED FY22-23 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

AGENCY ISSUE NARRATIVE:

SCH VIIIIB-2 NARR 22-23 NARRATIVE: IT COMPONENT? NO  
 PRIORITY #29

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

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.

This reduction represents approximately 9 percent of the Bureau's positions.

POSITION DETAIL OF SALARIES AND BENEFITS:

	FTE	BASE RATE	ADDITIVES	BENEFITS	SUBTOTAL	LAPSE %	LAPSED SALARIES AND BENEFITS
A10 - SCH VIIIIB-2 RED FY22-23							
CHANGES TO CURRENTLY AUTHORIZED POSITIONS							
P101 PROPOSED CLASS CODE							
C1001 001	5.00-	169,499-		103,957-	273,456-	0.00	273,456-
TOTALS FOR ISSUE BY FUND							
2795 WORKERS' COMP ADMIN TF							273,456-
	5.00-	169,499-		103,957-	273,456-		273,456-

\*\*\*\*\*

COL A10		
SCH VIIIIB-2		
RED FY22-23		
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
SALARY RATE		000000
SALARY RATE.....	136,074-	
	=====	
SALARIES AND BENEFITS		010000
	4.00-	
WORKERS' COMP ADMIN TF -STATE	219,327-	2795 1
	=====	
TOTAL: REDUCTION IN THE BUREAU OF		33V2260
FINANCIAL ACCOUNTABILITY		
TOTAL POSITIONS.....	4.00-	
TOTAL ISSUE.....	219,327-	
TOTAL SALARY RATE.....	136,074-	
	=====	

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AGENCY ISSUE NARRATIVE:  
 SCH VIIIIB-2 NARR 22-23 NARRATIVE: IT COMPONENT? NO  
 PRIORITY #34

No Legislative Change

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

1 FTE -- One Workers' Compensation Specialist position within the Self-Insurance Unit. This represents the elimination of DWC's 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 mods and manages FSIGA 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 this position 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.

1 FTE -- One Accountant III position within the Financial Accountability Section represents one of its eight staff members. 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

COL A10 SCH VIIIIB-2 RED FY22-23 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

to reinstate the Stop Work Order, initiate collections proceedings and file liens against these employer's property. The Unit also has employees embedded in DFS' Revenue Processing Unit to assure that employer payments are accurately and timely processed. Eliminating this position will require reallocation of existing FTE's to ensure the department's fiduciary regulatory duties are maintained.

1 FTE -- One Government Operations Consultant II within the Project Software and Data Analysis section. This position handles data analytics and assists bureaus with making changes to their processes and systems.

1 FTE 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 14% of the Bureau of Financial Accountability positions (not including the SDTF positions).

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POSITION DETAIL OF SALARIES AND BENEFITS:

	FTE	BASE RATE	ADDITIVES	BENEFITS	SUBTOTAL	LAPSE %	LAPSED SALARIES AND BENEFITS
A10 - SCH VIIIIB-2 RED FY22-23							
CHANGES TO CURRENTLY AUTHORIZED POSITIONS							
P101 PROPOSED CLASS CODE							
C1001 001	4.00-	136,074-		83,253-	219,327-	0.00	219,327-
TOTALS FOR ISSUE BY FUND							
2795 WORKERS' COMP ADMIN TF							219,327-
	4.00-	136,074-		83,253-	219,327-		219,327-

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COL A10		
SCH VIIIIB-2		
RED FY22-23		
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
SALARY RATE		000000
SALARY RATE.....	117,510-	
	=====	
SALARIES AND BENEFITS		010000
	4.00-	
WORKERS' COMP ADMIN TF -STATE	197,335-	2795 1
	=====	
TOTAL: REDUCTION IN THE BUREAU OF		33V2270
MONITORING AND AUDIT		
TOTAL POSITIONS.....	4.00-	
TOTAL ISSUE.....	197,335-	
TOTAL SALARY RATE.....	117,510-	
	=====	

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AGENCY ISSUE NARRATIVE:

SCH VIIIIB-2 NARR 22-23 NARRATIVE:  
 PRIORITY #38

IT COMPONENT? NO

No Legislative Change

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

2 FTE - 2 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.

These reductions represents approximately 7% of the Bureau of Monitoring and Audit positions.

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COL A10 SCH VIIIIB-2 RED FY22-23 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 FY22-23							
CHANGES TO CURRENTLY AUTHORIZED POSITIONS							
P101 PROPOSED CLASS CODE							
C1001 001	4.00-	117,510-		79,825-	197,335-	0.00	197,335-
TOTALS FOR ISSUE BY FUND							
2795 WORKERS' COMP ADMIN TF							197,335-
	4.00-	117,510-		79,825-	197,335-		197,335-

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REDUCTION IN THE BUREAU OF COMPLIANCE							33V2280
SALARY RATE							000000
SALARY RATE.....	395,519-						
SALARIES AND BENEFITS							010000
WORKERS' COMP ADMIN TF -STATE	12.00-						2795 1
		642,931-					
TOTAL: REDUCTION IN THE BUREAU OF COMPLIANCE							33V2280
TOTAL POSITIONS.....	12.00-						
TOTAL ISSUE.....		642,931-					
TOTAL SALARY RATE.....	395,519-						

COL A10		
SCH VIIIIB-2		
RED FY22-23		
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

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AGENCY ISSUE NARRATIVE:

SCH VIIIIB-2 NARR 22-23 NARRATIVE:  
 PRIORITY #39

IT COMPONENT? NO

No Legislative Change

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

This issue eliminates 12 full time positions within the Bureau of Compliance:

- 5 Regulatory Analyst III (Investigator) - Investigations Team;
- 3 Insurance Specialist I - Exemption Team;
- 3 Insurance III - Penalty Team
- 1 Government Operations Consultant II - Penalty Team

Eliminating these 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 9% of the Bureau of Compliance positions.

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COL A10 SCH VIIIIB-2 RED FY22-23 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

POSITION DETAIL OF SALARIES AND BENEFITS:

	FTE	BASE RATE	ADDITIVES	BENEFITS	SUBTOTAL	LAPSE %	LAPSED SALARIES AND BENEFITS
A10 - SCH VIIIIB-2 RED FY22-23							
CHANGES TO CURRENTLY AUTHORIZED POSITIONS							
P101 PROPOSED CLASS CODE							
C1001 001	12.00-	395,519-		247,412-	642,931-	0.00	642,931-
TOTALS FOR ISSUE BY FUND							
2795 WORKERS' COMP ADMIN TF							642,931-
	12.00-	395,519-		247,412-	642,931-		642,931-

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REDUCTION IN THE BUREAU OF EMPLOYEE ASSISTANCE							33V2310
SALARY RATE							000000
SALARY RATE.....	85,077-						
SALARIES AND BENEFITS							010000
WORKERS' COMP ADMIN TF -STATE	3.00-						2795 1
		144,380-					
TOTAL: REDUCTION IN THE BUREAU OF EMPLOYEE ASSISTANCE							33V2310
TOTAL POSITIONS.....	3.00-						
TOTAL ISSUE.....		144,380-					
TOTAL SALARY RATE.....	85,077-						



COL A10 SCH VIIIIB-2 RED FY22-23 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

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AGENCY ISSUE NARRATIVE:  
 SCH VIIIIB-2 NARR 22-23 NARRATIVE: IT COMPONENT? NO  
 PRIORITY #36

No Legislative Change

This issue eliminates one Insurance Specialist III position on the Injured Worker Hotline Team. This position provides assistance to employers and to injured workers who have problems or questions regarding their workers' compensation claims. This position handles their daily workload thru telephone calls and emails. 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 assisting with subpoenas and public records requests made by the general public. Eliminating these positions will result in delays in acknowledging and responding to subpoenas and public records requests, and will create additional delays in mail processing.

These represents represent approximately 6% of the Bureau of Employee Assistance positions.

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POSITION DETAIL OF SALARIES AND BENEFITS:

	FTE	BASE RATE	ADDITIVES	BENEFITS	SUBTOTAL	LAPSE %	LAPSED SALARIES AND BENEFITS
A10 - SCH VIIIIB-2 RED FY22-23							
CHANGES TO CURRENTLY AUTHORIZED POSITIONS							
P101 PROPOSED CLASS CODE							
C1001 001	3.00-	85,077-		59,303-	144,380-	0.00	144,380-

COL A10 SCH VIIIIB-2 RED FY22-23 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 FY22-23						
CHANGES TO CURRENTLY AUTHORIZED POSITIONS						
TOTALS FOR ISSUE BY FUND						144,380-
2795 WORKERS' COMP ADMIN TF						144,380-
3.00-	85,077-		59,303-	144,380-		144,380-

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REDUCTION IN THE SPECIAL DISABILITY TRUST FUND		33V2320
SALARY RATE		000000
SALARY RATE.....	94,934-	
SALARIES AND BENEFITS		010000
WORKERS' COMP SPEC DISAB TF-STATE	3.00- 156,059-	2798 1
OTHER PERSONAL SERVICES		030000
WORKERS' COMP SPEC DISAB TF-STATE	17,550-	2798 1

COL A10		
SCH VIIIIB-2		
RED FY22-23		
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.....	188,609-	
TOTAL SALARY RATE.....	94,934-	
	=====	

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AGENCY ISSUE NARRATIVE:  
 SCH VIIIIB-2 NARR 22-23 NARRATIVE:  
 PRIORITY #31

IT COMPONENT? NO

No Legislative Change

This issue eliminates three (3) full time FTE along with OPS funding within the Special Disability Trust Fund (SDTF), of the Bureau of Financial Accountability. Reduces contract services in SDTF if FTE eliminated

- 1 - FTE - Insurance Specialist I
- 2 - FTE - Workers' Compensation Specialist
- OPS Funds - \$17,550
- Contract Services - \$15,000

In accordance with F.S. 440.49, 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% of the Special Disability Trust Fund section within the Bureau of Financial Accountability.

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COL A10 SCH VIIIIB-2 RED FY22-23 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 FY22-23							
CHANGES TO CURRENTLY AUTHORIZED POSITIONS							
P101 PROPOSED CLASS CODE							
C1001 001	3.00-	94,934-		61,125-	156,059-	0.00	156,059-
TOTALS FOR ISSUE BY FUND							
2798 WORKERS'COMP SPEC DISAB TF							156,059-
	3.00-	94,934-		61,125-	156,059-		156,059-

REDUCE STAFF AUGMENTATION CONTRACT	33V2330
SPECIAL CATEGORIES	100000
CONTRACTED SERVICES	100777
WORKERS' COMP ADMIN TF -STATE	2795 1
160,876-	

AGENCY ISSUE NARRATIVE:  
 SCH VIIIIB-2 NARR 22-23 NARRATIVE:  
 PRIORITY #9

IT COMPONENT? NO

This issue will reduce contracted services by eliminating expenditures relating to staff augmentation vendors currently used within DWC. This vendor serves as an applications development analyst and provides .net services in upgrading current legacy systems. The services provided by this staff aug vendor could be absorbed by other staff aug vendors or by internal OIT staff, which may create a delay in the overall enhancements of the older programs.

		COL A10	
		SCH VIIIIB-2	
		RED FY22-23	
POS	AMOUNT		CODES
-----			
FINANCIAL SERVICES			
PGM: WORKERS' COMPENSATION			
<u>WORKERS' COMPENSATION</u>			
ECONOMIC OPPORTUNITIES			
<u>WORKERS' COMPENSATION</u>			
			43000000
			43600000
			43600100
			11
			<u>1102.02.00.00</u>
TOTAL: WORKERS' COMPENSATION			<u>1102.02.00.00</u>
BY FUND TYPE			
		31.00-	
TRUST FUNDS.....		2,770,419-	2000
SALARY RATE.....		998,613-	
=====			
PGM: INVEST/FORENSIC SVCS			
<u>INSURANCE FRAUD</u>			
PUBLIC PROTECTION			
<u>CONSUMER SAFETY/PROTECTION</u>			
PROGRAM REDUCTIONS			
REDUCE OPERATIONS IN THE BUREAU OF			
INSURANCE FRAUD			
SALARY RATE			
		356,926-	
=====			
SALARIES AND BENEFITS			
		8.00-	010000
INSURANCE REG TF	-STATE	588,671-	2393 1
=====			
EXPENSES			
		98,000-	040000
INSURANCE REG TF	-STATE		2393 1
=====			
SPECIAL CATEGORIES			
SALARY INCENTIVE PAYMENTS			
		17,280-	100000
INSURANCE REG TF	-STATE		103290
=====			
TR/DMS/HR SVCS/STW CONTRCT			
		4,303-	107040
INSURANCE REG TF	-STATE		2393 1
=====			
TOTAL: REDUCE OPERATIONS IN THE BUREAU OF			33V7160
INSURANCE FRAUD			
TOTAL POSITIONS.....		8.00-	
TOTAL ISSUE.....		708,254-	
TOTAL SALARY RATE.....		356,926-	
=====			

COL A10 SCH VIIIIB-2 RED FY22-23 POS AMOUNT	CODES
FINANCIAL SERVICES	43000000
PGM: INVEST/FORENSIC SVCS	43700000
<u>INSURANCE FRAUD</u>	43700300
PUBLIC PROTECTION	12
<u>CONSUMER SAFETY/PROTECTION</u>	<u>1205.00.00.00</u>
PROGRAM REDUCTIONS	33V0000
REDUCE OPERATIONS IN THE BUREAU OF	
INSURANCE FRAUD	33V7160

AGENCY ISSUE NARRATIVE:  
 SCH VIIIIB-2 NARR 22-23 NARRATIVE: IT COMPONENT? NO  
 Priority #44

The removal of the newly created homeowner and property squads would eliminate the legislative focus on investigating and prosecuting homeowners and property related fraud. This issue would reduce an entire squad and an additional law enforcement investigator for a reduction of 8 positions out of the 13 new positions provided in FY 21-22.

POSITION DETAIL OF SALARIES AND BENEFITS:

	FTE	BASE RATE	ADDITIVES	BENEFITS	SUBTOTAL	LAPSE %	LAPSED SALARIES AND BENEFITS
A10 - SCH VIIIIB-2 RED FY22-23							
CHANGES TO CURRENTLY AUTHORIZED POSITIONS							
8433 CRIME INTELLIGENCE ANALYST I							
C0005 001	1.00-	27,926-		19,688-	47,614-	0.00	47,614-
8522 LAW ENFORCEMENT LIEUTENANT							
C0003 001	1.00-	61,000-		34,990-	95,990-	0.00	95,990-
8540 LAW ENFORCEMENT INVESTIGATOR I							
C0001 001	4.00-	176,000-		117,150-	293,150-	0.00	293,150-
8541 LAW ENFORCEMENT INVESTIGATOR II							
C0004 001	2.00-	92,000-		59,917-	151,917-	0.00	151,917-
TOTALS FOR ISSUE BY FUND							
2393 INSURANCE REG TF							588,671-
	8.00-	356,926-		231,745-	588,671-		588,671-

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COL A10			
SCH VIIIIB-2			
RED FY22-23			
POS	AMOUNT		CODES
-----			
FINANCIAL SERVICES			43000000
PGM: INVEST/FORENSIC SVCS			43700000
<u>INSURANCE FRAUD</u>			43700300
PUBLIC PROTECTION			12
<u>CONSUMER SAFETY/PROTECTION</u>			<u>1205.00.00.00</u>
PROGRAM REDUCTIONS			33V0000
ELIMINATE WORKER'S COMPENENSATION			
PROGRAM IN THE BUREAU OF			
INSURANCE FRAUD			33V7170
SALARY RATE			000000
SALARY RATE.....	1,202,432-		
	=====		
SALARIES AND BENEFITS			010000
	30.00-		
INSURANCE REG TF	-STATE 2,033,544-		2393 1
	=====		
EXPENSES			040000
INSURANCE REG TF	-STATE 212,040-		2393 1
	=====		
SPECIAL CATEGORIES			100000
OPERATION/MOTOR VEHICLES			102289
INSURANCE REG TF	-STATE 28,000-		2393 1
	=====		
SALARY INCENTIVE PAYMENTS			103290
INSURANCE REG TF	-STATE 21,840-		2393 1
	=====		
TOTAL: ELIMINATE WORKER'S COMPENENSATION			33V7170
PROGRAM IN THE BUREAU OF			
INSURANCE FRAUD			
TOTAL POSITIONS.....	30.00-		
TOTAL ISSUE.....	2,295,424-		
TOTAL SALARY RATE.....	1,202,432-		
	=====		

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AGENCY ISSUE NARRATIVE:  
 SCH VIIIIB-2 NARR 22-23 NARRATIVE:  
 Priority #42

IT COMPONENT? NO

This issue proposes to eliminate the Bureau of Workers' Compensation Fraud, including all of its personnel (30 FTE), from

COL A10		
SCH VIIIIB-2		
RED FY22-23		
POS	AMOUNT	CODES
FINANCIAL SERVICES		43000000
PGM: INVEST/FORENSIC SVCS		43700000
<u>INSURANCE FRAUD</u>		43700300
PUBLIC PROTECTION		12
<u>CONSUMER SAFETY/PROTECTION</u>		<u>1205.00.00.00</u>
PROGRAM REDUCTIONS		33V0000
ELIMINATE WORKER'S COMPENENSATION		
PROGRAM IN THE BUREAU OF		
INSURANCE FRAUD		33V7170

the Bureau of Insurance Fraud. This includes reductions of 2,033,544 of Salaries and Benefits. These positions include a Crime Intelligence Analyst, four Law Enforcement Lieutenants, 22 Law Enforcement Investigators, a Chief, a Law Enforcement Captain, and a Government Analyst. Insurance Fraud provides law enforcement investigations and protection for the public and the insurance industry. This reduction would significantly impact the bureau.

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POSITION DETAIL OF SALARIES AND BENEFITS:

	FTE	BASE RATE	ADDITIVES	BENEFITS	SUBTOTAL	LAPSE %	LAPSED SALARIES AND BENEFITS
A10 - SCH VIIIIB-2 RED FY22-23							
CHANGES TO CURRENTLY AUTHORIZED POSITIONS							
2224 GOVERNMENT ANALYST I							
C7007 001	1.00-	36,469-		21,266-	57,735-	0.00	57,735-
8436 CRIME INTELLIGENCE ANALYST II							
C7006 001	1.00-	32,698-		20,569-	53,267-	0.00	53,267-
8522 LAW ENFORCEMENT LIEUTENANT							
C7002 001	4.00-	177,956-		117,807-	295,763-	0.00	295,763-
8540 LAW ENFORCEMENT INVESTIGATOR I							
C7003 001	1.00-	34,201-		26,001-	60,202-	0.00	60,202-
8541 LAW ENFORCEMENT INVESTIGATOR II							
C7001 001	21.00-	830,760-		583,767-	1,414,527-	0.00	1,414,527-
7957 CHIEF OF WORKERS' COMPENSATION FRAUD							
C7005 001	1.00-	45,174-		30,851-	76,025-	0.00	76,025-
8632 LAW ENFORCEMENT CAPTAIN							
C7004 001	1.00-	45,174-		30,851-	76,025-	0.00	76,025-
TOTALS FOR ISSUE BY FUND							
2393 INSURANCE REG TF							2,033,544-
	30.00-	1,202,432-		831,112-	2,033,544-		2,033,544-

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COL A10			
SCH VIIIIB-2			
RED FY22-23			
POS	AMOUNT		CODES
-----			
FINANCIAL SERVICES			43000000
PGM: INVEST/FORENSIC SVCS			43700000
<u>INSURANCE FRAUD</u>			43700300
PUBLIC PROTECTION			12
<u>CONSUMER SAFETY/PROTECTION</u>			<u>1205.00.00.00</u>
TOTAL: CONSUMER SAFETY/PROTECTION			<u>1205.00.00.00</u>
BY FUND TYPE			
	38.00-		
TRUST FUNDS.....	3,003,678-		2000
SALARY RATE.....	1,559,358-		
	=====		
<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.....	397,158-		
	=====		
SALARIES AND BENEFITS			010000
	7.00-		
INSURANCE REG TF	-STATE 633,272-		2393 1
	=====		
EXPENSES			040000
INSURANCE REG TF	-STATE 35,700-		2393 1
	=====		
SPECIAL CATEGORIES			100000
CONTRACTED SERVICES			100777
INSURANCE REG TF	-STATE 7,300-		2393 1
	=====		
OPERATION/MOTOR VEHICLES			102289
INSURANCE REG TF	-STATE 3,100-		2393 1
	=====		
SALARY INCENTIVE PAYMENTS			103290
INSURANCE REG TF	-STATE 3,120-		2393 1
	=====		

COL A10			
SCH VIIIIB-2			
RED FY22-23			
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
TOTAL: ELIMINATE THE OFFICE OF FISCAL			33V3380
INTEGRITY			
TOTAL POSITIONS.....	7.00-		
TOTAL ISSUE.....		682,492-	
TOTAL SALARY RATE.....	397,158-		
	=====		

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AGENCY ISSUE NARRATIVE:  
 SCH VIIIIB-2 NARR 22-23 NARRATIVE:  
 Priority #35

IT COMPONENT? NO

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 682,492, eliminating all five appropriation categories, included 633,272 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.

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POSITION DETAIL OF SALARIES AND BENEFITS:

	FTE	BASE RATE	ADDITIVES	BENEFITS	SUBTOTAL	LAPSE %	LAPSED SALARIES AND BENEFITS
-----							
A10 - SCH VIIIIB-2 RED FY22-23							
CHANGES TO CURRENTLY AUTHORIZED POSITIONS							
P101 PROPOSED CLASS CODE							
C1007 001	7.00-	397,158-		175,065-	572,223-	0.00	572,223-
-----							

COL A10 SCH VIIIIB-2 RED FY22-23 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
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A10 - SCH VIIIIB-2 RED FY22-23

CHANGES TO CURRENTLY AUTHORIZED POSITIONS

TOTALS FOR ISSUE BY FUND  
 2393 INSURANCE REG TF

7.00-	397,158-		175,065-	572,223-		572,223-
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OTHER SALARY AMOUNT

2393 INSURANCE REG TF

61,049-
633,272-

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TOTAL: CONSUMER SAFETY/PROTECTION		<u>1205.00.00.00</u>
BY FUND TYPE		
TRUST FUNDS.....	7.00- 682,492-	2000
SALARY RATE.....	397,158-	

=====

COL A10		
SCH VIIIIB-2		
RED FY22-23		
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 THE FLORIDA PUBLIC		
HURRICANE LOSS PROJECTION MODEL		33V0040
SPECIAL CATEGORIES		100000
FL PUBLIC HURR LOSS MODEL		100515
INSURANCE REG TF	-STATE 484,844-	2393 1

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AGENCY ISSUE NARRATIVE:

SCH VIIIIB-2 NARR 22-23 NARRATIVE: IT COMPONENT? NO  
 PRIORITY #106

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 FY22-23 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 2021-2022 in order to pay for rate filing runs and to support and maintain the Public Hurricane and Flood 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 Hurricane and Flood Model.

A reduction in this contract would have a significant impact. It would be severe and would only provide output for approximately 25 or more 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.

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REDUCE EXPENSES - COMPLIANCE AND ENFORCEMENT EXPENSES	33V0230 040000
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INSURANCE REG TF -STATE 583,108-	2393 1
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AGENCY ISSUE NARRATIVE:  
 SCH VIIIIB-2 NARR 22-23 NARRATIVE: IT COMPONENT? NO  
 PRIORITY #111

Budget Entity: Office of Insurance Regulation - Compliance & Enforcement

Issue Title: Reduction in Expenses - Compliance and Enforcement

COL A10		
SCH VIIIIB-2		
RED FY22-23		
POS	AMOUNT	CODES
FINANCIAL SERVICES		43000000
PGM: FINANCIAL SVCS COMM		43900000
OFFICE OF INSURANCE REG		43900100
COMP & ENFORCE- INSURANCE		43900110
PUBLIC PROTECTION		12
REGULATION AND LICENSING		<u>1204.00.00.00</u>
PROGRAM REDUCTIONS		33V0000
REDUCE EXPENSES - COMPLIANCE AND ENFORCEMENT		33V0230

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 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.

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.

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COL A10		
SCH VIIIIB-2		
RED FY22-23		
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.....	122,457-	
	=====	
SALARIES AND BENEFITS		
		010000
	4.00-	
INSURANCE REG TF	-STATE 203,195-	2393 1
	=====	
TOTAL: REDUCE VACANT POSITIONS - OFFICE		
OF INSURANCE REGULATION		
		33V0430
TOTAL POSITIONS.....	4.00-	
TOTAL ISSUE.....	203,195-	
TOTAL SALARY RATE.....	122,457-	
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AGENCY ISSUE NARRATIVE:  
 SCH VIIIIB-2 NARR 22-23 NARRATIVE: IT COMPONENT? NO  
 PRIORITY #109

Budget Entity: Office of Insurance Regulations - Compliance and Enforcement

Issue Title: Reduction of Vacant Positions - Compliance and Enforcement

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

Issue Description: The Office of Insurance Regulation (Office) is responsible for monitoring the financial condition of all regulated entities through the use of internal financial analysis and on-site examinations. The Office is also responsible for the admissions process for new entities as well as those proposing to expand into additional lines of business. The Office has responsibility for enforcing the provisions of Chapters 20, 112, 120, 440, 624, 625, 626, 627, 628, 629, 630, 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 2021-22, the Office has 279 FTE and is comprised of two budget entities: Compliance & Enforcement and

COL A10 SCH VIIIIB-2 RED FY22-23 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 279 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 and concerted 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 4,700 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.

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POSITION DETAIL OF SALARIES AND BENEFITS:

	FTE	BASE RATE	ADDITIVES	BENEFITS	SUBTOTAL	LAPSE %	LAPSED SALARIES AND BENEFITS
A10 - SCH VIIIIB-2 RED FY22-23							
NEW POSITIONS							
P101 PROPOSED CLASS CODE							
P0005 001	4.00-	122,457-		80,738-	203,195-	0.00	203,195-
TOTALS FOR ISSUE BY FUND							
2393 INSURANCE REG TF							203,195-
	4.00-	122,457-		80,738-	203,195-		203,195-

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COL A10			
SCH VIIIIB-2			
RED FY22-23			
POS	AMOUNT		CODES
			43000000
			43900000
			43900100
			43900110
			12
			<u>1204.00.00.00</u>
			33V0000
			33V0720
			030000
INSURANCE REG TF	-STATE	34,944-	2393 1

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AGENCY ISSUE NARRATIVE:

SCH VIIIIB-2 NARR 22-23 NARRATIVE: IT COMPONENT? NO  
 PRIORITY #101

Budget Entity: Office of Insurance Regulation - Compliance and Enforcement

Issue Title: Eliminate Scanning Unit

Reference to Long-Range Program Plan:

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

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

The Office created the scanning unit 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. This reduction would eliminate 2 full-time OPS employees and would reduce the OPS budget category by \$34,944. While this reduction would have a minimal impact, it would add additional duties to each business unit. They would then be responsible for scanning their own documents.

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COL A10		
SCH VIIIIB-2		
RED FY22-23		
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 422,004-	2393 1

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AGENCY ISSUE NARRATIVE:

SCH VIIIIB-2 NARR 22-23 NARRATIVE:  
 PRIORITY #110

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 FY22-23		
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.

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REDUCE OTHER PERSONAL SERVICES		
FUNDING		33V2240
OTHER PERSONAL SERVICES		030000
INSURANCE REG TF	-STATE 107,277-	2393 1

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AGENCY ISSUE NARRATIVE:  
 SCH VIIIIB-2 NARR 22-23 NARRATIVE:  
 PRIORITY #108

IT COMPONENT? NO

Budget Entity: Office of Insurance Regulation - Compliance and Enforcement

Issue Title: Reduction in Other Personal Services (OPS)

Reference to Long-Range Program Plan:

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

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

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

COL A10 SCH VIIIIB-2 RED FY22-23 POS AMOUNT	CODES
FINANCIAL SERVICES	43000000
PGM: FINANCIAL SVCS COMM	43900000
OFFICE OF INSURANCE REG	43900100
COMP & ENFORCE- INSURANCE	43900110
PUBLIC PROTECTION	12
REGULATION AND LICENSING	1204.00.00.00
PROGRAM REDUCTIONS	33V0000
REDUCE OTHER PERSONAL SERVICES	
FUNDING	33V2240

marketplace trends.

The Office of Insurance Regulation (Office) utilizes the Other Personal Services (OPS) category to hire temporary staff as needed to accomplish the mission of the Office. The Office has recently had success with the hiring of college graduates from the FSU and FAMU Career Fairs and is currently expanding to other major universities and colleges within Florida. Currently, the Office only receives \$429,106 in OPS appropriation from the Insurance Regulatory Trust Fund. This reduction would have an 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.

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REDUCE POSITION(S) - OFFICE OF INSURANCE REGULATION - OPERATIONAL REDUCTIONS		33V3110
SALARY RATE		000000
SALARY RATE..... 474,237-	=====	
SALARIES AND BENEFITS		010000
INSURANCE REG TF -STATE 10.00- 707,128-	=====	2393 1
TOTAL: REDUCE POSITION(S) - OFFICE OF INSURANCE REGULATION - OPERATIONAL REDUCTIONS		33V3110
TOTAL POSITIONS..... 10.00-		
TOTAL ISSUE..... 707,128-		
TOTAL SALARY RATE..... 474,237-	=====	

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AGENCY ISSUE NARRATIVE:  
 SCH VIIIIB-2 NARR 22-23 NARRATIVE:  
 PRIORITY #107

IT COMPONENT? NO

Budget Entity: Office of Insurance Regulations - Compliance and Enforcement

COL A10		
SCH VIIIIB-2		
RED FY22-23		
POS	AMOUNT	CODES
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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 2021-22, the Office has 279 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 279 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 and concerted efforts to fill vacant positions quickly. Since 2007, Office personnel resources have been reduced by 36 FTE with no substantive reduction in regulatory responsibility. The Office now has regulatory responsibility for over 4,700 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.

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COL A10 SCH VIIIIB-2 RED FY22-23 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 FY22-23							
NEW POSITIONS							
P101 PROPOSED CLASS CODE P0011 001	10.00-	474,237-		232,891-	707,128-	0.00	707,128-
TOTALS FOR ISSUE BY FUND 2393 INSURANCE REG TF							707,128-
	10.00-	474,237-		232,891-	707,128-		707,128-

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REDUCTION IN OFFICE SUPPLIES - OFFICE OF INSURANCE REGULATION EXPENSES							33V8730 040000
INSURANCE REG TF -STATE		13,687-					2393 1

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AGENCY ISSUE NARRATIVE:  
 SCH VIIIIB-2 NARR 22-23 NARRATIVE: IT COMPONENT? NO  
 PRIORITY #103

Budget Entity: Office of Insurance Regulation - Compliance & Enforcement

Issue Title: Reduction in Office Supplies Expenses

COL A10		
SCH VIIIIB-2		
RED FY22-23		
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

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 almost \$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.

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REDUCTION IN INFORMATION TECHNOLOGY  
 EQUIPMENT - OFFICE OF INSURANCE  
 REGULATION  
 EXPENSES

33V8740  
 040000

INSURANCE REG TF            -STATE            129,844-  
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2393 1

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AGENCY ISSUE NARRATIVE:  
 SCH VIIIIB-2 NARR 22-23 NARRATIVE:  
 PRIORITY #104

IT COMPONENT? NO

COL A10		
SCH VIIIIB-2		
RED FY22-23		
POS	AMOUNT	CODES
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FINANCIAL SERVICES		43000000
PGM: FINANCIAL SVCS COMM		43900000
OFFICE OF INSURANCE REG		43900100
<u>COMP &amp; ENFORCE- INSURANCE</u>		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

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, 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 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.

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COL A10		
SCH VIIIIB-2		
RED FY22-23		
POS	AMOUNT	CODES
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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>
TOTAL: REGULATION AND LICENSING		<u>1204.00.00.00</u>
BY FUND TYPE		
	14.00-	
TRUST FUNDS.....	2,686,031-	2000
SALARY RATE.....	596,694-	
	=====	
EXEC DIR & SUPORT SERVICES		43900120
PUBLIC PROTECTION		12
REGULATION AND LICENSING		<u>1204.00.00.00</u>
PROGRAM REDUCTIONS		33V0000
REDUCE EXPENSES - EXECUTIVE		
DIRECTION		33V0240
OPERATING CAPITAL OUTLAY		060000
INSURANCE REG TF	-STATE 59,270-	2393 1
	=====	

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AGENCY ISSUE NARRATIVE:

SCH VIIIIB-2 NARR 22-23 NARRATIVE:  
 PRIORITY #102

IT COMPONENT? NO

Budget Entity: Office of Insurance Regulation - Executive Direction

Issue Title: Reduction in Expenses

Reference to Long-Range Program Plan:

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

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

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

COL A10		
SCH VIIIIB-2		
RED FY22-23		
POS	AMOUNT	CODES
FINANCIAL SERVICES		43000000
PGM: FINANCIAL SVCS COMM		43900000
OFFICE OF INSURANCE REG		43900100
<u>EXEC DIR &amp; 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

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 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.

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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

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AGENCY ISSUE NARRATIVE:  
 SCH VIIIIB-2 NARR 22-23 NARRATIVE:  
 PRIORITY #105

IT COMPONENT? NO

COL A10		
SCH VIIIIB-2		
RED FY22-23		
POS	AMOUNT	CODES
		43000000
FINANCIAL SERVICES		43900000
PGM: FINANCIAL SVCS COMM		43900100
OFFICE OF INSURANCE REG		43900120
<u>EXEC DIR &amp; SUPORT SERVICES</u>		12
PUBLIC PROTECTION		<u>1204.00.00.00</u>
<u>REGULATION AND LICENSING</u>		33V0000
PROGRAM REDUCTIONS		
REDUCTION IN CONTRACTED SERVICES -		
EXECUTIVE DIRECTION - OFFICE OF		
INSURANCE REGULATION		33V8760

Budget Entity: Office of Insurance Regulation - Executive Direction

Issue Title: Reduction in Contracted Services

Reference to Long-Range Program Plan:

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

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

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

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

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

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COL A10		
SCH VIIIIB-2		
RED FY22-23		
POS	AMOUNT	CODES
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FINANCIAL SERVICES		43000000
PGM: FINANCIAL SVCS COMM		43900000
OFFICE OF INSURANCE REG		43900100
<u>EXEC DIR &amp; SUPORT SERVICES</u>		43900120
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.....	105,625-	2000
	=====	
OFFICE OF FINANCIAL REG		43900500
<u>SFTY &amp; SOUND ST BKG SYST</u>		43900530
PUBLIC PROTECTION		12
<u>REGULATION AND LICENSING</u>		<u>1204.00.00.00</u>
PROGRAM REDUCTIONS		33V0000
OFFICE OF FINANCIAL REGULATION -		
REDUCTION IN EXPENSES ASSOCIATED		
WITH LEASED SPACE REDUCTION		33V0480
EXPENSES		040000
FINANCIAL INST REG TF	-STATE 71,812-	2275 1
	=====	

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AGENCY ISSUE NARRATIVE:  
 SCH VIIIIB-2 NARR 22-23 NARRATIVE: IT COMPONENT? NO  
 PROPOSED 10% REDUCTIONS FOR FY 2022-23

D-3A ISSUE FORM

Budget Entity: Office of Financial Regulation - Division of Financial Institutions  
 43900530

Issue Title: Reduction of Expense Allocation for Rent Costs

Priority #1 (Minimal Impact)

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: Beginning in mid-2020, the Office of Financial Regulation (OFR) began the process of incorporating telework into the day-to-day operational norms of the Office. This process led to the eventual and

COL A10		
SCH VIIIIB-2		
RED FY22-23		
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
OFFICE OF FINANCIAL REGULATION -		
REDUCTION IN EXPENSES ASSOCIATED		
WITH LEASED SPACE REDUCTION		33V0480

permanent downsizing of our office space needs. The first space we have been able to vacate, and back-fill, is a portion of the Fletcher Building in Tallahassee. The Office has agreed to a backfill arrangement with the Department of Financial Services for the space OFR occupied on the first and sixth floors. This will allow the OFR to consolidate all other staff and operations previously in the Fletcher Building to space on the fifth floor of the building. This reduction, from 35,932 sq. ft. to approximately 20,037 sq. ft. will result in a calculated savings of \$273,076 annually.

All five (5) OFR Budget Entities have office space allocated in the Fletcher building. The reduction in budget authority is based on the calculated differences in old and new square foot usage.

Ultimate Outcome: A reduction of operating expenditures that will save the tax payers, and licensees more than \$270,000 in recurring rent costs, with no impact to operations.

THE OFFICE IS REQUESTING THIS ISSUE BE TAKEN BY THE LEGISLATURE.

Expenses:			
Quantity	Description	Amount	Non-Recurring
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	Reduce Expenses	(\$71,812)	\$0
	Total Expense	(\$71,812)	\$0
	Issue Total	(\$71,812)	\$0

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COL A10			
SCH VIIIIB-2			
RED FY22-23			
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			
(OP) 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
(OP) EXAMINERS AND ASSOCIATED			
EXPENSES			
TOTAL ISSUE.....		726,800-	
		=====	

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AGENCY ISSUE NARRATIVE:  
 SCH VIIIIB-2 NARR 22-23 NARRATIVE: IT COMPONENT? NO  
 PROPOSED 10% REDUCTIONS FOR FY 2022-23

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 #10 (Moderate Impact)

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

COL A10		
SCH VIIIIB-2		
RED FY22-23		
POS	AMOUNT	CODES
		43000000
FINANCIAL SERVICES		43900000
PGM: FINANCIAL SVCS COMM		43900500
OFFICE OF FINANCIAL REG		43900530
SFTY & SOUND ST BKG SYST		12
PUBLIC PROTECTION		<u>1204.00.00.00</u>
REGULATION AND LICENSING		33V0000
PROGRAM REDUCTIONS		
REDUCE OTHER PERSONAL SERVICES		
(OPS) EXAMINERS AND ASSOCIATED		
EXPENSES		33V0510

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.

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 of \$726,800 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:

Quantity	Description	Amount	Non-Recurring
	Reduction in the contract examiner program	(\$604,100)	\$0

Expenses:

Quantity	Description	Amount	Non-Recurring
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 COL A10  
 SCH VIIIIB-2  
 RED FY22-23  
 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

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 Reduction in  
 Expenses (\$122,700) \$0  
 Issue Total (\$726,800) \$0  
 \*\*\*\*\*

REDUCE EXAMINER(S) - OFFICE OF  
 FINANCIAL REGULATION - FINANCIAL  
 INSTITUTIONS 33V0550  
 SALARY RATE 000000  
 SALARY RATE..... 72,975-  
 =====  
 SALARIES AND BENEFITS 010000  
 FINANCIAL INST REG TF -STATE 2.00-  
 115,514- 2275 1  
 =====  
 EXPENSES 040000  
 FINANCIAL INST REG TF -STATE 3,600-  
 =====  
 TOTAL: REDUCE EXAMINER(S) - OFFICE OF 33V0550  
 FINANCIAL REGULATION - FINANCIAL  
 INSTITUTIONS  
 TOTAL POSITIONS..... 2.00-  
 TOTAL ISSUE..... 119,114-  
 TOTAL SALARY RATE..... 72,975-  
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AGENCY ISSUE NARRATIVE:  
 SCH VIIIIB-2 NARR 22-23 NARRATIVE: IT COMPONENT? NO  
 PROPOSED 10% REDUCTIONS FOR FY 2022-23



COL A10		
SCH VIIIIB-2		
RED FY22-23		
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

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

Issue Title: Deletion of two positions

Priority #16 (Significant Impact)

Reference to Long-Range Program Plan:

Goal #1: Improve Taxpayer Value

Goal #2: Deliver Value to Businesses

Goal #3: Promote a Safe and Sound Financial Marketplace

Issue Description/Need: This issue proposes a reduction of two (2) 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 continuing to be 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 significant 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

COL A10 SCH VIIIIB-2 RED FY22-23 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

to retention.

Detail of Costs:

SALARIES and BENEFITS:

Quantity	Description	Amount	Non-Recurring
(2)	Reduce FEA II, PG23 @\$57,757 each	(\$115,514)	\$0
(2)	Reduce Expenses @\$1,800	(\$3,600)	\$0
	Issue Total	(\$119,114)	\$0

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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 FY22-23

CHANGES TO CURRENTLY AUTHORIZED POSITIONS

1564 FINANCIAL EXAMINER/ANALYST II

C1001 001	2.00-	72,975-	42,539-	115,514-	0.00	115,514-
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COL A10 SCH VIIIIB-2 RED FY22-23 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 FY22-23						
CHANGES TO CURRENTLY AUTHORIZED POSITIONS						
TOTALS FOR ISSUE BY FUND						
2275 FINANCIAL INST REG TF						115,514-
2.00-	72,975-		42,539-	115,514-		115,514-
=====	=====	=====	=====	=====		=====

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

FINANCIAL INST REG TF -STATE 231,214- 2275 1  
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AGENCY ISSUE NARRATIVE:  
 SCH VIIIIB-2 NARR 22-23 NARRATIVE: IT COMPONENT? NO  
 PROPOSED 10% REDUCTIONS FOR FY 2022-23

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

Issue Title: Reduction in Contracted Services

COL A10		
SCH VIIIIB-2		
RED FY22-23		
POS	AMOUNT	CODES
FINANCIAL SERVICES		43000000
PGM: FINANCIAL SVCS COMM		43900000
OFFICE OF FINANCIAL REG		43900500
SFTY & SOUND ST BKG SYST		43900530
PUBLIC PROTECTION		12
<u>REGULATION AND LICENSING</u>		<u>1204.00.00.00</u>
PROGRAM REDUCTIONS		33V0000
REDUCE CONTRACTED SERVICES		
APPROPRIATION - OFFICE OF FINANCIAL		
REGULATION - BANKING		33V0630

Priority #4 (Moderate Impact)

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: 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, family trust companies and qualified limited service affiliates. This chartering and licensing process require 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 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 of \$231,214 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

COL A10 SCH VIIIIB-2 RED FY22-23 POS AMOUNT	CODES
FINANCIAL SERVICES	43000000
PGM: FINANCIAL SVCS COMM	43900000
OFFICE OF FINANCIAL REG	43900500
SFTY & SOUND ST BKG SYST	43900530
PUBLIC PROTECTION	12
REGULATION AND LICENSING	<u>1204.00.00.00</u>
PROGRAM REDUCTIONS	33V0000
REDUCE CONTRACTED SERVICES	
APPROPRIATION - OFFICE OF FINANCIAL	
REGULATION - BANKING	33V0630

Florida's financial institutions.

Ultimate Outcome: The loss or reduction of regulatory resources such as background checks will imminently 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	(\$231,214)	\$0

Issue Total (\$231,214) \$0

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

33V0740  
 040000

FINANCIAL INST REG TF -STATE 80,557-  
 =====

2275 1

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AGENCY ISSUE NARRATIVE:

SCH VIIIIB-2 NARR 22-23 NARRATIVE:

IT COMPONENT? NO

PROPOSED 10% REDUCTIONS FOR FY 2022-23

COL A10		
SCH VIIIIB-2		
RED FY22-23		
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

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

Issue Title: Reduction in Expenses

Priority #7 (Moderate Impact)

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: 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 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 has enhanced its examinations of regulated financial institutions to include a component related to cybersecurity and information technology risk management practices. The training

COL A10		
SCH VIIIB-2		
RED FY22-23		
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

associated with this oversight will increase the Division's training expenditures, but is a necessary cost to incur, due to increased and prevalent risks associated with cybersecurity and information technology impacting the financial services industry.

Ultimate Outcome: A reduction of funding of \$80,557 designated for expenses of Division staff will have a moderate impact on 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 moderately 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:

Expenses:

Quantity	Description	Amount	Non-Recurring
	Reduction in the examiner training program	(\$80,557)	\$0
	Issue Total	(\$80,557)	\$0

\*\*\*\*\*

TOTAL: REGULATION AND LICENSING		<u>1204.00.00.00</u>
BY FUND TYPE		
TRUST FUNDS.....	2.00- 1,229,497-	2000
SALARY RATE.....	72,975-	
	=====	

COL A10		
SCH VIIIIB-2		
RED FY22-23		
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
OFFICE OF FINANCIAL REGULATION -		
REDUCTION IN EXPENSES ASSOCIATED		
WITH LEASED SPACE REDUCTION		33V0480
EXPENSES		040000
ADMINISTRATIVE TRUST FUND -STATE	523-	2021 1

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AGENCY ISSUE NARRATIVE:

SCH VIIIIB-2 NARR 22-23 NARRATIVE: IT COMPONENT? NO  
 PROPOSED 10% REDUCTIONS FOR FY 2022-23

D-3A ISSUE FORM

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

Issue Title: Reduction of Expense Allocation for Rent Costs

Priority #1 (Minimal Impact)

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: Beginning in mid-2020, the Office of Financial Regulation (OFR) began the process of incorporating telework into the day-to-day operational norms of the Office. This process led to the eventual and permanent downsizing of our office space needs. The first space we have been able to vacate, and back-fill, is a portion of the Fletcher Building in Tallahassee. The Office has agreed to a backfill arrangement with the Department of Financial Services for the space OFR occupied on the first and sixth floors. This will allow the OFR to consolidate all other staff and operations previously in the Fletcher Building to space on the fifth floor of the building. This reduction, from 35,932 sq. ft. to approximately 20,037 sq. ft. will result in a calculated savings of \$273,076 annually.

All five (5) OFR Budget Entities have office space allocated in the Fletcher building. The reduction in budget authority is based on the calculated differences in old and new square foot usage.

Ultimate Outcome: A reduction of operating expenditures that will save the tax payers, and licensees more than \$270,000



COL A10		
SCH VIIIIB-2		
RED FY22-23		
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
OFFICE OF FINANCIAL REGULATION -		
REDUCTION IN EXPENSES ASSOCIATED		
WITH LEASED SPACE REDUCTION		33V0480

in recurring rent costs, with no impact to operations.

THE OFFICE IS REQUESTING THIS ISSUE BE TAKEN BY THE LEGISLATURE.

Expenses:

Quantity	Description	Amount	Non-Recurring
	Reduce Expenses	(\$523)	\$0
	Total Expense	(\$523)	\$0
	Issue Total	(\$523)	\$0

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REDUCE POSITIONS(S) - OFFICE OF  
 FINANCIAL REGULATION - FINANCIAL  
 INVESTIGATIONS

33V0520  
 000000

SALARY RATE

SALARY RATE..... 157,874-  
 =====

SALARIES AND BENEFITS

010000

ADMINISTRATIVE TRUST FUND -STATE 4.00- 245,154-  
 =====

2021 1

EXPENSES

040000

ADMINISTRATIVE TRUST FUND -STATE 7,200-  
 =====

2021 1

COL A10		
SCH VIIIIB-2		
RED FY22-23		
POS	AMOUNT	CODES
		43000000
FINANCIAL SERVICES		43900000
PGM: FINANCIAL SVCS COMM		43900500
OFFICE OF FINANCIAL REG		43900540
<u>FINANCIAL INVESTIGATIONS</u>		12
PUBLIC PROTECTION		<u>1204.00.00.00</u>
<u>REGULATION AND LICENSING</u>		33V0000
PROGRAM REDUCTIONS		
REDUCE POSITIONS(S) - OFFICE OF		
FINANCIAL REGULATION - FINANCIAL		
INVESTIGATIONS		33V0520
TOTAL: REDUCE POSITIONS(S) - OFFICE OF		33V0520
FINANCIAL REGULATION - FINANCIAL		
INVESTIGATIONS		
TOTAL POSITIONS.....	4.00-	
TOTAL ISSUE.....		252,354-
TOTAL SALARY RATE.....	157,874-	

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AGENCY ISSUE NARRATIVE:

SCH VIIIIB-2 NARR 22-23 NARRATIVE:

IT COMPONENT? NO

PROPOSED 10% REDUCTIONS FOR FY 2022-23

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

Issue Title: Reduction of Four Financial Investigators

Priority #18 (Significant Impact)

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 Office of Financial Regulation (OFR). A reduction in four (4) Financial Investigators (2 FI-CE and 2 FI) would reduce recurring program costs by a total of \$252,354. The Bureau currently has 44 total FTEs (6 vacant-4SFI, 1FEAS, 1FICE). In the 2012 GAA, the Bureau's budget was reduced by 34% (from \$4,564,720 to \$3,013,227) and its FTEs were cut by 43% (from 63 to 36). The reduction of four (4) additional investigators would critically impact the Bureau's ability to combat investment fraud due to the reduction in resources.

Ultimate Outcome: The reduction of four (4) FTEs could decrease the number of investigations completed and the number of perpetrators sent to prison. The Bureau is also embarking on a new proactive enforcement initiative, involving creation of an Internet Surveillance Unit (ISU), as well pursuing a law enforcement initiative to convert the Bureau to Law

COL A10		
SCH VIIIB-2		
RED FY22-23		
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

Enforcement Organization (LEO) status. These initiatives (particularly the ISU) are expected to dramatically increase the Bureau's caseload (from 20-50%) and will require additional expenditures for personnel, training, computers, software and other equipment. Most of the Bureau's resources are used to combat investment fraud. Retirees and senior citizen are commonly targeted by financial conmen because they have large nest eggs. It is estimated that over 25% of Florida citizens are over age 65. However, the Bureau would continue to prioritize its resources such that it focuses on cases that pose the highest risks to Florida citizens including cases involving egregious conduct, on-going harm and/or those cases that are broader in scope in terms of the number of victims and the dollar amounts involved.

Detail of Costs:

SALARIES and BENEFITS:

Quantity	Description	Amount	Non-Recurring
(2)	Reduce Financial Investigator Criminal Enforcement, PG 025 @\$69,246	(\$138,492)	\$0
(2)	Reduce Financial Investigator, PG 021 @\$53,331	(\$106,662)	\$0
	Total Salaries and Benefits	(\$245,154)	\$0
(4)	Reduce Expenses @\$1,800	(\$7,200)	\$0
	Issue Total	(\$252,354)	\$0

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COL A10 SCH VIIIIB-2 RED FY22-23 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 FY22-23						
CHANGES TO CURRENTLY AUTHORIZED POSITIONS						
8325 FINANCIAL INVESTIGATOR-CRIMINAL ENFORCE C1002 001	4.00-	157,874-	87,280-	245,154-	0.00	245,154-
TOTALS FOR ISSUE BY FUND						
2021 ADMINISTRATIVE TRUST FUND	4.00-	157,874-	87,280-	245,154-		245,154-

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

ADMINISTRATIVE TRUST FUND -STATE 140,089- 2021 1

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AGENCY ISSUE NARRATIVE:  
 SCH VIIIIB-2 NARR 22-23 NARRATIVE: IT COMPONENT? NO  
 PROPOSED 10% REDUCTIONS FOR FY 2022-23

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

COL A10		
SCH VIIIIB-2		
RED FY22-23		
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

Issue Title: Reduction of Expense Allocation

Priority #2 (Moderate Impact)

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 Office of Financial Regulation (OFR). The Bureau proposes a \$140,089 (25% of Expenses category \$549,715 Allocated for 2021/2022 FY) reduction to Expenses. While the Expense category reverted 57.2% (\$315,551 of \$551,515 allocated for FY 20/21) of its allocation in FY 20/21, the additional funding is necessary to allow immediate reaction to emergent issues. The Bureau is also embarking on a new proactive enforcement imitative, involving creation of an Internet Surveillance Unit, as well pursuing a law enforcement initiative to convert the Bureau to LEO status. These initiatives (particularly the Internet Surveillance Unit) are expected to dramatically increase the Bureau's caseload (from 20-50%) and will require additional expenditures for personnel, training, computers, software and other equipment. This reduction would have a moderate impact to its investigations.

Ultimate Outcome: The reduction of expense funding will reduce funds available for staff training, lessen the bureau's ability to equip its computer forensics lab and Internet Surveillance Unit 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
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	Reduce Expenses	(\$140,089)	\$0
	Issue Total	(\$140,089)	\$0

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COL A10		
SCH VIIIIB-2		
RED FY22-23		
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>
TOTAL: REGULATION AND LICENSING		<u>1204.00.00.00</u>
BY FUND TYPE		
TRUST FUNDS.....	4.00- 392,966-	2000
SALARY RATE.....	157,874-	
	=====	
<u>EXEC DIR &amp; SUPPORT SERVICE</u>		43900550
PUBLIC PROTECTION		12
REGULATION AND LICENSING		<u>1204.00.00.00</u>
PROGRAM REDUCTIONS		33V0000
REDUCE RECURRING COSTS TO OPERATE		
AND MAINTAIN THE REAL SYSTEM		33V0080
DATA PROCESSING SERVICES		210000
REAL SYSTEM - OFR		210016
ADMINISTRATIVE TRUST FUND -STATE	564,457-	2021 1
	=====	

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AGENCY ISSUE NARRATIVE:  
 SCH VIIIIB-2 NARR 22-23 NARRATIVE: IT COMPONENT? NO  
 PROPOSED 10% REDUCTIONS FOR FY 2022-23

D-3A ISSUE FORM

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

Issue Title: Reduction of the Regulatory Enforcement and Licensing (REAL) System recurring budget authority.

Priority #6 (Moderate Impact)

Reference to Long-Range Program Plan: This request will not 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 Regulatory Enforcement and Licensing (REAL) System provides the Office of Financial

COL A10		
SCH VIIIB-2		
RED FY22-23		
POS	AMOUNT	CODES
FINANCIAL SERVICES		
		43000000
		43900000
		43900500
		43900550
		12
		<u>1204.00.00.00</u>
		33V0000
PROGRAM REDUCTIONS		
		33V0080

Regulation (OFR) with an integrated financial regulatory management system that combines core processes for examination, investigation, consumer complaint, licensing, legal and fiscal functions. The REAL System contains all activities related to the entity (i.e., legal cases, investigative cases, examinations, complaints, business relationships and other licenses held). REAL also provides a tracking mechanism for unlicensed entities. Due to federal requirements to share information with other states and regulatory bodies, the REAL System also allows data to be imported from other systems outside OFR to support the licensing and enforcement programs. The OFR has reverted an average of approximately \$1.5M of the authority over the last three years. A reduction of roughly 1/3 of the historical reversion amount will only impact our ability to cover unanticipated costs and will not jeopardize the day-to-day operations of the system or the cost of the associated base contracts.

Ultimate Outcome: The REAL System operations and maintenance category has reduced the budget allocation requirement for the REAL System by \$564,457 annually.

Detail of Costs:

REAL System - OFR (210016):

Quantity	Description	Amount	Non-Recurring
1	REAL Reduction	(\$564,457)	\$0
Total Issue		(\$564,457)	\$0

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OFFICE OF FINANCIAL REGULATION -  
 REDUCTION IN EXPENSES ASSOCIATED  
 WITH LEASED SPACE REDUCTION  
 EXPENSES

33V0480  
 040000

ADMINISTRATIVE TRUST FUND -STATE 41,118-  
 =====

2021 1

COL A10 SCH VIIIB-2 RED FY22-23 POS AMOUNT	CODES
FINANCIAL SERVICES	43000000
PGM: FINANCIAL SVCS COMM	43900000
OFFICE OF FINANCIAL REG	43900500
<u>EXEC DIR &amp; SUPPORT SERVICE</u>	43900550
PUBLIC PROTECTION	12
<u>REGULATION AND LICENSING</u>	<u>1204.00.00.00</u>
PROGRAM REDUCTIONS	33V0000
OFFICE OF FINANCIAL REGULATION - REDUCTION IN EXPENSES ASSOCIATED WITH LEASED SPACE REDUCTION	33V0480

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AGENCY ISSUE NARRATIVE:

SCH VIIIB-2 NARR 22-23 NARRATIVE: IT COMPONENT? NO  
 PROPOSED 10% REDUCTIONS FOR FY 2022-23

D-3A ISSUE FORM

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

Issue Title: Reduction of Expense Allocation for Rent Costs

Priority #1 (Minimal Impact)

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: Beginning in mid-2020, the Office of Financial Regulation (OFR) began the process of incorporating telework into the day-to-day operational norms of the Office. This process led to the eventual and permanent downsizing of our office space needs. The first space we have been able to vacate, and back-fill, is a portion of the Fletcher Building in Tallahassee. The Office has agreed to a backfill arrangement with the Department of Financial Services for the space OFR occupied on the first and sixth floors. This will allow the OFR to consolidate all other staff and operations previously in the Fletcher Building to space on the fifth floor of the building. This reduction, from 35,932 sq. ft. to approximately 20,037 sq. ft. will result in a calculated savings of \$273,076 annually.

All five (5) OFR Budget Entities have office space allocated in the Fletcher building. The reduction in budget authority is based on the calculated differences in old and new square foot usage.

Ultimate Outcome: A reduction of operating expenditures that will save the tax payers, and licensees more than \$270,000 in recurring rent costs, with no impact to operations.

THE OFFICE IS REQUESTING THIS ISSUE BE TAKEN BY THE LEGISLATURE.



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COL A10		
SCH VIIIIB-2		
RED FY22-23		
POS	AMOUNT	CODES
-----		
FINANCIAL SERVICES		43000000
PGM: FINANCIAL SVCS COMM		43900000
OFFICE OF FINANCIAL REG		43900500
<u>EXEC DIR &amp; SUPPORT SERVICE</u>		43900550
PUBLIC PROTECTION		12
<u>REGULATION AND LICENSING</u>		<u>1204.00.00.00</u>
PROGRAM REDUCTIONS		33V0000
OFFICE OF FINANCIAL REGULATION -		
REDUCTION IN EXPENSES ASSOCIATED		
WITH LEASED SPACE REDUCTION		33V0480

Expenses:

Quantity	Description	Amount	Non-Recurring
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	Reduce Expenses	(\$41,119)	\$0
	Issue Total	(\$41,119)	\$0

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REDUCE OTHER PERSONAL SERVICES		
(OPS) APPROPRIATION - OFFICE OF		
FINANCIAL REGULATION - EXECUTIVE		
DIRECTION AND SUPPORT SERVICES		33V0640
OTHER PERSONAL SERVICES		030000
ADMINISTRATIVE TRUST FUND -STATE	15,000-	2021 1
	=====	

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AGENCY ISSUE NARRATIVE:

SCH VIIIIB-2 NARR 22-23 NARRATIVE: IT COMPONENT? NO  
 REDUCTION 10% EXERCISE FOR FY 2022-23

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

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

Priority #11 (Moderate Impact)

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

COL A10		
SCH VIIIIB-2		
RED FY22-23		
POS	AMOUNT	CODES
FINANCIAL SERVICES		43000000
PGM: FINANCIAL SVCS COMM		43900000
OFFICE OF FINANCIAL REG		43900500
<u>EXEC DIR &amp; 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

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 \$15,000 will leave Executive Direction with an annual allocation of \$236,917 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 \$15,000, 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:

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

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COL A10		
SCH VIIIIB-2		
RED FY22-23		
POS	AMOUNT	CODES
FINANCIAL SERVICES		43000000
PGM: FINANCIAL SVCS COMM		43900000
OFFICE OF FINANCIAL REG		43900500
<u>EXEC DIR &amp; SUPPORT SERVICE</u>		43900550
PUBLIC PROTECTION		12
<u>REGULATION AND LICENSING</u>		<u>1204.00.00.00</u>
PROGRAM REDUCTIONS		33V0000
REDUCE EXPENSES APPROPRIATION		
- OFFICE OF FINANCIAL REGULATION -		
EXECUTIVE DIRECTION AND SUPPORT		
SERVICES		33V0660
EXPENSES		040000
ADMINISTRATIVE TRUST FUND -STATE	93,882-	2021 1
	=====	

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AGENCY ISSUE NARRATIVE:

SCH VIIIIB-2 NARR 22-23 NARRATIVE:

IT COMPONENT? NO

PROPOSED 10% REDUCTIONS FOR FY 2022-23

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

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

Priority #9 (Moderate Impact)

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 \$93,882 will leave Executive Direction with an annual allocation of \$379,266. This will not give Executive Direction the flexibility to handle emergent issues as they arise nor the capability to handle any peak period emergencies with REAL, effectively shutting down the OFR. It will also reduce the Office's capability to pay for normal operating expenses.

COL A10 SCH VIIIIB-2 RED FY22-23 POS AMOUNT	CODES
FINANCIAL SERVICES	43000000
PGM: FINANCIAL SVCS COMM	43900000
OFFICE OF FINANCIAL REG	43900500
<u>EXEC DIR &amp; 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

Ultimate Outcome: This reduction will moderately impact Executive Direction. Reducing the Expense allocation by \$93,882, may not give OFR's Executive Direction the flexibility to pay for normal operating expenses.

Expenses:	Quantity	Description	Amount	Non-Recurring
	1	Reduce Expenses Allocation	(\$93,882)	\$0

Total (\$93,882) \$0

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TOTAL: REGULATION AND LICENSING		<u>1204.00.00.00</u>
BY FUND TYPE		
TRUST FUNDS.....	714,457-	2000
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COL A10		
SCH VIIIIB-2		
RED FY22-23		
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
EXPENSES		040000
REGULATORY TRUST FUND	-STATE	
	276,342-	2573 1

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AGENCY ISSUE NARRATIVE:

SCH VIIIIB-2 NARR 22-23 NARRATIVE: IT COMPONENT? NO  
 PROPOSED 10% REDUCTIONS FOR FY 2022-23

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

Issue Title: Expense reduction in Consumer Finance Recurring Program Costs

Priority #15 (Moderate Impact)

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 seven (7) 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 \$276,342 from recurring program costs would critically impair the division's ability to travel and perform examinations to ensure compliance with Florida laws as well as handle any unforeseen



COL A10		
SCH VIIIIB-2		
RED FY22-23		
POS	AMOUNT	CODES
FINANCIAL SERVICES		43000000
PGM: FINANCIAL SVCS COMM		43900000
OFFICE OF FINANCIAL REG		43900500
<u>FINANCE REGULATION</u>		43900560
<u>PUBLIC PROTECTION</u>		12
<u>REGULATION AND LICENSING</u>		<u>1204.00.00.00</u>
PROGRAM REDUCTIONS		33V0000
OFFICE OF FINANCIAL REGULATION -		
REDUCTION IN EXPENSES ASSOCIATED		
WITH LEASED SPACE REDUCTION		33V0480

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: Beginning in mid-2020, the Office of Financial Regulation (OFR) began the process of incorporating telework into the day-to-day operational norms of the Office. This process led to the eventual and permanent downsizing of our office space needs. The first space we have been able to vacate, and back-fill, is a portion of the Fletcher Building in Tallahassee. The Office has agreed to a backfill arrangement with the Department of Financial Services for the space OFR occupied on the first and sixth floors. This will allow the OFR to consolidate all other staff and operations previously in the Fletcher Building to space on the fifth floor of the building. This reduction, from 35,932 sq. ft. to approximately 20,037 sq. ft. will result in a calculated savings of \$273,076 annually.

All five (5) OFR Budget Entities have office space allocated in the Fletcher building. The reduction in budget authority is based on the calculated differences in old and new square foot usage.

Ultimate Outcome: A reduction of operating expenditures that will save the tax payers, and licensees more than \$270,000 in recurring rent costs, with no impact to operations.

THE OFFICE IS REQUESTING THIS ISSUE BE TAKEN BY THE LEGISLATURE.

Expenses:			
Quantity	Description	Amount	Non-Recurring
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	Reduce Expenses	(\$76,334)	\$0
	Total Expense	(\$76,334)	\$0
	Issue Total	(\$76,334)	\$0

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COL A10		
SCH VIIIIB-2		
RED FY22-23		
POS	AMOUNT	CODES
FINANCIAL SERVICES		43000000
PGM: FINANCIAL SVCS COMM		43900000
OFFICE OF FINANCIAL REG		43900500
<u>FINANCE REGULATION</u>		43900560
PUBLIC PROTECTION		12
<u>REGULATION AND LICENSING</u>		<u>1204.00.00.00</u>
PROGRAM REDUCTIONS		33V0000
REDUCE APPROPRIATION IN THE		
DEFERRED PRESENTMENT PROVIDER		
DATABASE CONTRACT CATEGORY		33V0540
SPECIAL CATEGORIES		100000
DEFER PRESENTMENT CONTRACT		100513
REGULATORY TRUST FUND	-STATE	2573 1
	800,000-	
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AGENCY ISSUE NARRATIVE:

SCH VIIIIB-2 NARR 22-23 NARRATIVE:

IT COMPONENT? NO

PROPOSED 10% REDUCTIONS FOR FY 2022-23

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 #3 (Moderate Impact)

Reference to Long-Range Program Plan:

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

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

Issue Description/Need: The Division of Consumer Finance proposes to decrease its recurring program costs by reducing its DPP Database allocation. The division is statutorily mandated to maintain a common database with real-time access through an Internet connection for deferred presentment providers. The database is accessible to the office and the deferred presentment providers to verify a consumer's eligibility to obtain a deferred presentment transaction by determining whether or not a consumer has an outstanding deferred presentment transaction. There is a \$1.00 fee imposed per transaction for data that must be submitted by a deferred presentment provider. Payments to the vendor for use and support of the DPP database are based on a contractual agreement for payment based on a tiered pricing scale, which averaged \$0.42 per transaction for 4th quarter of FY 2020-21.

Impact: This reduction would have a significant impact. As a result of the COVID-19 pandemic and continued stimulus payments from the federal government, the DPP transaction volume has decreased by 55% between Fiscal Year 2018-19 and 2020-21. The Division projects a continued unstable market for deferred presentment transactions (A.K.A. payday loans) for the next fiscal year. Reducing funds in this category could limit the division's ability to properly make contractual



COL A10		
SCH VIIIIB-2		
RED FY22-23		
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

payments to vendor, Veritec Solutions, Inc., in the event of sudden increase in transactions.

Ultimate Outcome: Reducing DPP Database funds by \$800,000 in this category could significantly impact the division's ability to properly make contractual payments to vendor, Veritec Solutions, Inc., in the event of a sudden increase in transactions.

Detail of Costs:

Deferred Presentment Database:

Quantity	Description	Amount	Non-Recurring
	Reduce DPP Database	(\$800,000)	\$0
	Total DPP Database	(\$800,000)	\$0
	Issue Total	(\$800,000)	\$0

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TOTAL: REGULATION AND LICENSING		<u>1204.00.00.00</u>
BY FUND TYPE		
TRUST FUNDS.....	1,152,676-	2000
	=====	

COL A10		
SCH VIIIIB-2		
RED FY22-23		
POS	AMOUNT	CODES
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FINANCIAL SERVICES		43000000
PGM: FINANCIAL SVCS COMM		43900000
OFFICE OF FINANCIAL REG		43900500
<u>SECURITIES REGULATION</u>		43900570
PUBLIC PROTECTION		12
<u>REGULATION AND LICENSING</u>		<u>1204.00.00.00</u>
PROGRAM REDUCTIONS		33V0000
REDUCE CONTRACTED SERVICES BUDGET		
AUTHORITY IN SECURITIES REGULATION		33V0350
SPECIAL CATEGORIES		100000
CONTRACTED SERVICES		100777
REGULATORY TRUST FUND	-STATE	254,841-
		=====
		2573 1

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AGENCY ISSUE NARRATIVE:

SCH VIIIIB-2 NARR 22-23 NARRATIVE: IT COMPONENT? NO  
 PROPOSED 10% REDUCTIONS FOR FY 2022-23

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

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

Priority #5 (Moderate Impact)

Reference to Long-Range Program Plan:

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

Issue Description/Need: Reduction of the Division's contracted services fund that provides necessary operational resources to support items including, but not limited to, court reporters, subpoena and research services, and legal contract services, would have a significant adverse impact on the Division's operating budget with a reduction in the amount of \$254,841. 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 \$254,841

COL A10		
SCH VIIIB-2		
RED FY22-23		
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

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
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	Reduce Contracted Services	(\$254,841)	\$0
	Total Issue	(\$254,841)	\$0

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REDUCE EXPENSES BUDGET AUTHORITY IN SECURITIES REGULATION EXPENSES 33V0360 040000

REGULATORY TRUST FUND -STATE 68,378- 2573 1  
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AGENCY ISSUE NARRATIVE:

SCH VIIIB-2 NARR 22-23 NARRATIVE: IT COMPONENT? NO  
 PROPOSED 10% REDUCTIONS FOR FY 2022-23

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

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

COL A10		
SCH VIIIIB-2		
RED FY22-23		
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

Priority #8 (Moderate Impact)

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 \$68,378. 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.

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 critically affects the Office's enforcement ability by hindering staff training and staff travel to examine registered entities and individuals. A decrease in the appropriation for expenses critically reduces the Bureau of Registration's ability to have the resources to have well-trained 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:

COL A10		
SCH VIIIIB-2		
RED FY22-23		
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		
		33V0360
SECURITIES REGULATION		

Expenses:

Quantity	Description	Amount	Non-Recurring
	Reduce Expenses	(\$68,378)	\$0
Total		(\$68,378)	\$0

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OFFICE OF FINANCIAL REGULATION -  
 REDUCTION IN EXPENSES ASSOCIATED  
 WITH LEASED SPACE REDUCTION  
 EXPENSES

33V0480  
 040000

REGULATORY TRUST FUND -STATE 83,289-  
 =====

2573 1

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AGENCY ISSUE NARRATIVE:

SCH VIIIIB-2 NARR 22-23 NARRATIVE:  
 PROPOSED 10% REDUCTIONS FOR FY 2022-23

IT COMPONENT? NO

D-3A ISSUE FORM

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

Issue Title: Reduction of Expense Allocation for Rent Costs

Priority #1 (Minimal Impact)

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;

COL A10		
SCH VIIIIB-2		
RED FY22-23		
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
OFFICE OF FINANCIAL REGULATION -		
REDUCTION IN EXPENSES ASSOCIATED		
WITH LEASED SPACE REDUCTION		33V0480

Goal #3: Promoting a safe and sound marketplace;

Issue Description/Need: Beginning in mid-2020, the Office of Financial Regulation (OFR) began the process of incorporating telework into the day-to-day operational norms of the Office. This process led to the eventual and permanent downsizing of our office space needs. The first space we have been able to vacate, and back-fill, is a portion of the Fletcher Building in Tallahassee. The Office has agreed to a backfill arrangement with the Department of Financial Services for the space OFR occupied on the first and sixth floors. This will allow the OFR to consolidate all other staff and operations previously in the Fletcher Building to space on the fifth floor of the building. This reduction, from 35,932 sq. ft. to approximately 20,037 sq. ft. will result in a calculated savings of \$273,076 annually.

All five (5) OFR Budget Entities have office space allocated in the Fletcher building. The reduction in budget authority is based on the calculated differences in old and new square foot usage.

Ultimate Outcome: A reduction of operating expenditures that will save the tax payers, and licensees more than \$270,000 in recurring rent costs, with no impact to operations.

THE OFFICE IS REQUESTING THIS ISSUE BE TAKEN BY THE LEGISLATURE.

Expenses:

Quantity	Description	Amount	Non-Recurring
	Reduce Expenses	(\$83,289)	\$0
	Total Expense	(\$83,289)	\$0
	Issue Total	(\$83,289)	\$0

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COL A10		
SCH VIIIIB-2		
RED FY22-23		
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
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AGENCY ISSUE NARRATIVE:

SCH VIIIIB-2 NARR 22-23 NARRATIVE: IT COMPONENT? NO  
 PROPOSED 10% REDUCTIONS FOR FY 2022-23

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

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

Priority #13 (Moderate Impact)

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.

The outreach and consumer education efforts of the OFR are funded primarily from this appropriation and while we have historically used these funds to support other anti-fraud efforts the OFR is committed to the proactive engagement with community and those most impacted by fraud. Any reduction to the funds appropriated would have a dramatic impact on

COL A10		
SCH VIIIIB-2		
RED FY22-23		
POS	AMOUNT	CODES
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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

those efforts.

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

Detail of Costs:

Contracted Services:

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

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

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REDUCE POSITION(S) - OFFICE OF  
 FINANCIAL REGULATION - SECURITIES

33V0590  
 000000

SALARY RATE

SALARY RATE..... 201,250-  
 =====

SALARIES AND BENEFITS

010000

REGULATORY TRUST FUND -STATE 3.00- 282,011-  
 =====

2573 1



COL A10			
SCH VIIIIB-2			
RED FY22-23			
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
EXPENSES			040000
REGULATORY TRUST FUND	-STATE	9,000-	2573 1
		=====	
TOTAL: REDUCE POSITION(S) - OFFICE OF			33V0590
FINANCIAL REGULATION - SECURITIES			
TOTAL POSITIONS.....	3.00-		
TOTAL ISSUE.....	291,011-		
TOTAL SALARY RATE.....	201,250-		
		=====	

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AGENCY ISSUE NARRATIVE:

SCH VIIIIB-2 NARR 22-23 NARRATIVE: IT COMPONENT? NO  
 PROPOSED 10% REDUCTIONS FOR FY 2022-23

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

Issue Title: Eliminating five (5) FTEs within the Division of Securities

Priority #17 (Significant Impact)

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 five (5) FTE positions in the Bureau of Enforcement and the Bureau of Registration 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.

COL A10		
SCH VIIIIB-2		
RED FY22-23		
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 five (5) 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:

Quantity	Description	Amount	Non-Recurring
-----	-----	-----	-----
(3)	Reduce Financial Examiner/Analyst II PG 023 @\$56,659	(\$169,977)	\$0
(1)	Reduce Financial Specialist PG 025 @\$62,242	(\$62,242)	\$0
(1)	Reduce Financial Examiner/Analyst I PG 020 @\$49,792	(\$49,792)	\$0
	Total Salaries and Benefits	(\$282,011)	\$0
(5)	Reduce Expenses @\$1,800	(\$9,000)	\$0
	Issue Total	(\$291,011)	\$0

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COL A10 SCH VIIIIB-2 RED FY22-23 POS	AMOUNT	CODES
FINANCIAL SERVICES		43000000
PGM: FINANCIAL SVCS COMM		43900000
OFFICE OF FINANCIAL REG		43900500
SECURITIES REGULATION		43900570
PUBLIC PROTECTION		12
REGULATION AND LICENSING		1204.00.00.00
PROGRAM REDUCTIONS		33V0000
REDUCE POSITION(S) - OFFICE OF FINANCIAL REGULATION - SECURITIES		33V0590

POSITION DETAIL OF SALARIES AND BENEFITS:

FTE	BASE RATE	ADDITIVES	BENEFITS	SUBTOTAL	LAPSE %	LAPSED SALARIES AND BENEFITS
A10 - SCH VIIIIB-2 RED FY22-23						
CHANGES TO CURRENTLY AUTHORIZED POSITIONS						
1564 FINANCIAL EXAMINER/ANALYST II						
C1003 001	3.00-	201,250-	80,761-	282,011-	0.00	282,011-
TOTALS FOR ISSUE BY FUND						
2573 REGULATORY TRUST FUND						
	3.00-	201,250-	80,761-	282,011-		282,011-

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

ANTI-FRAUD TRUST FUND -STATE 29,206- 2038 1  
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AGENCY ISSUE NARRATIVE:  
 SCH VIIIIB-2 NARR 22-23 NARRATIVE: IT COMPONENT? NO  
 PROPOSED 10% REDUCTIONS FOR FY 2022-23

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

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

COL A10 SCH VIIIIB-2 RED FY22-23 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

Priority #14 (Moderate Impact)

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 significant adverse impact on the Division's operating budget with a reduction in the amount of \$29,206. Chapter 517, Florida Statutes, requires that the Division of Securities examine the books and records of each registered entity and individual to determine compliance with this act. As the sole regulator of state registered investment advisory firms with up to \$100 million in assets under management, the Bureau of Enforcement ("Enforcement") has undertaken an initiative to examine all registered investment advisory firms on a seven-year cycle while still conducting regular examinations of registered broker dealer firms, their branch office locations and associated persons. During the preceding two fiscal years, the Bureau of Enforcement has experienced significant staff turnover. Enforcement must have well-trained examiners that can identify and assess matters involving significant complexity. The Bureau of Enforcement has a need to compress the amount of time it takes to fully train an examiner and must continue to have the resources to provide for staff training and development. Adequate resources to provide for staff training and travel are essential to the Division fulfilling this responsibility.

The Bureau of Registration processes applications of individuals, companies and branches to promote growth in the securities industry. Chapter 517, Florida Statutes, 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.

The outreach and consumer education efforts of the OFR are funded primarily from this appropriation and while we have historically used these funds to support other anti-fraud efforts the OFR is committed to the proactive engagement with community and those most impacted by fraud. Any reduction to the funds appropriated would have a dramatic impact on those efforts.

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



COL A10		
SCH VIIIIB-2		
RED FY22-23		
POS	AMOUNT	CODES
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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 - OFFICE		
OF FINANCIAL REGULATION -		
SECURITIES		33V0610

Reference to Long-Range Program Plan:

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

Goal #1: Excellence in all OFR does;

Goal #2: Enforce compliance with state laws related to the financial industry; and

Goal #3: Examine regulated companies and individuals.

Issue Description/Need: Reduction of the Division's contracted services fund that provides necessary operational resources to support items including but not limited to, court reporters, subpoena and research services, and legal contract services, would have a significant adverse impact on the Division's operating budget with a reduction in the amount of + 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 examiner. Having adequate funding in contracted services is critical 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 \$50,000 would have a moderate adverse impact on the Division's operations.

The outreach and consumer education efforts of the OFR are funded primarily from this appropriation and while we have historically used these funds to support other anti-fraud efforts the OFR is committed to the proactive engagement with community and those most impacted by fraud. Any reduction to the funds appropriated would have a dramatic impact on those efforts.

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:

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COL A10 SCH VIIIIB-2 RED FY22-23 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 - OFFICE OF FINANCIAL REGULATION - SECURITIES	33V0610

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

Total        (\$50,000)        \$0

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TOTAL: REGULATION AND LICENSING		<u>1204.00.00.00</u>
BY FUND TYPE		
TRUST FUNDS.....	3.00-        791,725-	2000
SALARY RATE.....	201,250-	
	=====	
TOTAL: FINANCIAL SERVICES		43000000
BY FUND TYPE		
GENERAL REVENUE FUND	2,279,782-	1000
TRUST FUNDS	33,148,385-	2000
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TOTAL POSITIONS.....	201.00-	
TOTAL DEPARTMENT.....	35,428,167-	
TOTAL SALARY RATE.....	9,723,011-	
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* BPEADL01                                STATISTICAL INFORMATION                                09/15/2021 12:44:15 *
* BUDGET PERIOD: 2009-2023                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                                09/15/2021 12:44:15 *
* BUDGET PERIOD: 2009-2023                EXHIBIT A, D AND D-3A LIST REQUEST                TJM 43      SP      *
* COMPILE DATE: 09/16/2015                COMPILE TIME: 09:40:41                                PAGE:      2      *
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*
* TOTAL RECORDS READ FROM SORT:           183
* TOTAL RECORDS READ FROM CARD:           43
* TOTAL PAF RECORDS READ:                 54
* TOTAL OAF RECORDS READ:                 4
* TOTAL IEF RECORDS READ:                 0
* TOTAL BGF RECORDS READ:                 0
* TOTAL BEF RECORDS READ:                 65
* TOTAL PCF RECORDS READ:                 60
* TOTAL ICF RECORDS READ:                 111
* TOTAL INF RECORDS READ:                 2,319
* TOTAL ACF RECORDS READ:                 23
* TOTAL FCF RECORDS READ:                 12
* TOTAL FSF RECORDS READ:                 10
* TOTAL PCN RECORDS READ:                 0
* TOTAL BEN RECORDS READ:                 0
* TOTAL DPC RECORDS READ:                 108
* TOTAL RECORDS IN ERROR:                 0
*
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*
* BUDGET ENTITIES SELECTED:
*   1-9: 43
*  10-18:
*  19-27:
*
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