

SB 152 by **Latvala (CO-INTRODUCERS) Evers, Sachs;** (Identical to H 0221) Business Enterprise Opportunities for
Wartime Veterans

CS/SB 182 by **CA, Garcia (CO-INTRODUCERS) Margolis, Braynon, Diaz de la Portilla;** (Identical to H 0377)
Miami-Dade County Lake Belt Mitigation Plan

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The Florida Senate
COMMITTEE MEETING EXPANDED AGENDA
BUDGET SUBCOMMITTEE ON GENERAL GOVERNMENT
APPROPRIATIONS
Senator Hays, Chair
Senator Benacquisto, Vice Chair

MEETING DATE: Tuesday, November 15, 2011
TIME: 10:45 a.m.—12:45 p.m.
PLACE: James E. "Jim" King, Jr. Committee Room, 401 Senate Office Building

MEMBERS: Senator Hays, Chair; Senator Benacquisto, Vice Chair; Senators Braynon, Bullard, Diaz de la Portilla, Gibson, Jones, and Latvala

TAB	BILL NO. and INTRODUCER	BILL DESCRIPTION and SENATE COMMITTEE ACTIONS	COMMITTEE ACTION
1	SB 152 Latvala (Identical H 221, Compare S 922)	Business Enterprise Opportunities for Wartime Veterans; Revising legislative intent; renaming and revising the Florida Service-Disabled Veteran Business Enterprise Opportunity Act to expand the vendor preference in state contracting to include certain businesses owned and operated by wartime veterans or veterans of a period of war, etc. MS 09/20/2011 Favorable BGA 11/15/2011 Favorable BC	Favorable Yeas 7 Nays 0
2	CS/SB 182 Community Affairs / Garcia (Identical H 377)	Miami-Dade County Lake Belt Mitigation Plan; Deleting references to a report by the Miami-Dade County Lake Belt Plan Implementation Committee; providing for the redirection of funds for seepage mitigation projects; requiring the proceeds of the water treatment plant upgrade fee to be transferred by the Department of Revenue to the South Florida Water Management District and to be deposited into the Lake Belt Mitigation Trust Fund; providing criterion when the transfer is not required; providing for the proceeds of the mitigation fee to be used to conduct mitigation activities that are approved by the Miami-Dade County Lake Belt Mitigation Committee; clarifying the authorized uses for the proceeds from the water treatment plant upgrade fee, etc. CA 10/04/2011 Fav/CS EP 10/19/2011 Favorable BGA 11/15/2011 Fav/CS BC	Fav/CS Yeas 7 Nays 0
3	Agency Presentations of Schedule VIIIA Budget Priorities and Schedule VIIIB Reduction Proposals for Fiscal Year 2012-13: Department of Financial Services Department of Management Services Division of Administrative Hearings Florida Commission on Human Relations		Presented

COMMITTEE MEETING EXPANDED AGENDA

Budget Subcommittee on General Government Appropriations
Tuesday, November 15, 2011, 10:45 a.m.—12:45 p.m.

TAB	BILL NO. and INTRODUCER	BILL DESCRIPTION and SENATE COMMITTEE ACTIONS	COMMITTEE ACTION
4	Other Related Meeting Documents		

The Florida Senate
BILL ANALYSIS AND FISCAL IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

Prepared By: The Professional Staff of the Budget Subcommittee on General Government Appropriations

BILL: SB 152

INTRODUCER: Senator Latvala

SUBJECT: Business Enterprise Opportunities for Wartime Veterans

DATE: November 14, 2011 REVISED: 11/16/11 _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Fleming</u>	<u>Carter</u>	<u>MS</u>	Favorable
2.	<u>Betta</u>	<u>DeLoach</u>	<u>BGA</u>	Favorable
3.	_____	_____	<u>BC</u>	_____
4.	_____	_____	_____	_____
5.	_____	_____	_____	_____
6.	_____	_____	_____	_____

I. Summary:

This bill expands the vendor preference in state contracting, which currently applies to qualified service-disabled veterans, to include certain businesses owned and operated by wartime veterans. This bill provides a definition of a “wartime veteran” to identify eligible veteran applicants. The bill requires applicants to provide documentation of wartime service from the U.S. Department of Veterans Affairs or the U.S. Department of Defense.

This bill substantially amends section 295.187, Florida Statutes.

II. Present Situation:

The Office of Supplier Diversity (OSD) within the Department of Management Services (DMS) has the mission to improve business and economic opportunities for Florida's minority, women, and service-disabled veteran business enterprises.¹ Current law requires the DMS, through the OSD, to implement a minority business enterprise (MBE) certification program and a small service-disabled veteran business enterprise (SDVBE) certification program.² Minority-, women-, and service-disabled veteran-owned businesses that are certified through the OSD are eligible for benefits such as: first tier referrals to state agencies for contract opportunities; business development guidance from established corporations; participation at regional workshops, seminars, and corporate roundtables; and inclusion in an exclusive listing of state-

¹DMS Office of Supplier Diversity website. Available at: http://www.dms.myflorida.com/other_programs/office_of_supplier_diversity_osd

² Sections 287.0943 and 295.187, F.S., require the DMS to implement the MBE and the SDVBE certification programs, respectively.

certified minority business enterprises in an online directory.³ During fiscal year 2009-10, the OSD certified 4,617 minority-, woman-, and service-disabled veteran-owned business enterprises statewide.⁴

The Florida Service-Disabled Veteran Business Enterprises Opportunity Act

The intent of the Florida Service-Disabled Veteran Business Enterprise Opportunity Act⁵ (act) is to “rectify the economic disadvantage of service-disabled veterans, who are statistically the least likely to be self-employed when compared to the veteran population as a whole and who have made extraordinary sacrifices on behalf of the nation, the state, and the public, by providing opportunities for service-disabled veteran business enterprises as set forth in this section.”

Section 295.187, F.S., creates the certification process within the DMS for SDVBEs. This section also creates a “tiebreaker” preference for SDVBEs by requiring a state agency, when considering two or more bids, proposals, or replies for the procurement of commodities or contractual services, at least one of which is from a certified SDVBE, that are equal with respect to all relevant considerations including price, quality, and service, to award such procurement or contract to the certified SDVBE. However, if a certified SDVBE and one or more SDVBE or businesses eligible for another statutory vendor preference, such as an MBE, submit bids or proposals that are equal with respect to all relevant considerations including price, quality, and service, the state agency must award the contract or proposal to the business having the smallest net worth. In order to become certified as a SDVBE, the owners and the business must satisfy statutory eligibility requirements. In order to be considered a “service-disabled veteran” eligible for certification, the veteran must be a permanent resident of Florida who has a service-connected disability of 10 percent or greater as determined by the U.S. Department of Veterans Affairs or who was terminated from military service by reason of disability by the U.S. Department of Defense.

In order to be certified as a SDVBE, a business enterprise must be an independently owned and operated business that:

- Employs 200 or fewer permanent full-time employees.
- Together with its affiliates has a net worth of \$5 million or less or, if a sole proprietorship, has a net worth of \$5 million or less including both personal and business investments.
- Is organized to engage in commercial transactions.
- Is domiciled in this state.
- Is at least 51 percent owned by one or more service-disabled veterans.
- Is managed and controlled by one or more service-disabled veterans or, for a service-disabled veteran with a permanent and total disability, by the spouse or permanent caregiver of the veteran.

³ OSD Annual Report for Fiscal Year 2009-10. Available at: http://www.dms.myflorida.com/other_programs/office_of_supplier_diversity_osd/publications/annual_reports.

⁴ Id.

⁵ Section 295.187, F.S.

Section 295.187, F.S., establishes a certification process administered by the DMS, in coordination with the Florida Department of Veterans' Affairs (DVA). The certification process requires applicants to submit documentation demonstrating that the business meets the above-listed requirements. Certification is renewed biennially and may be revoked for one year if the SDVBE fails to inform the DMS within 30 days of a change in circumstances that renders the business ineligible for certification.

Section 295.187, F.S., provides rule-making authority to the DVA, and requires the DVA to:

- Assist the DMS in establishing a certification procedure, which must be reviewed biennially and updated as necessary.
- Identify eligible service-disabled veteran business enterprises by any electronic means, including electronic mail, Internet website or by any other reasonable means.
- Encourage and assist eligible service-disabled veteran business enterprises to apply for certification under this section.
- Provide information regarding services that are available from the Office of Veterans' Business Outreach of the Florida Small Business Development Center to service-disabled veteran business enterprises.

This section also provides rule-making authority to the DMS, and requires the DMS to:

- Establish a certification procedure, which must be reviewed biennially and updated as necessary.
- Grant, deny, or revoke the certification of a SDVBE.
- Maintain an electronic directory of certified service-disabled veteran business enterprises for use by the state, political subdivisions of the state, and the public.

In addition, this section encourages political subdivisions of the state to offer a similar consideration to certified service-disabled veterans.

III. Effect of Proposed Changes:

This bill amends s. 295.187, F.S., to expand the Florida Service-Disabled Veteran Business Enterprise Opportunity Act to include certain businesses owned and operated by wartime veterans.

To support the expanded eligibility of the act, this bill:

- Renames the act as the "Florida Veteran Business Enterprise Opportunity Act."
- Expands the intent of the act to include recognizing wartime veterans and veterans of a period of war for their sacrifices.
- Requires wartime veteran applicants to provide documentation of wartime service from the U.S. Department of Veterans Affairs or the U.S. Department of Defense.
- Requires the DVA to assist the DMS in the expansion of the certification program.

In addition, this bill provides that a veteran is considered a “wartime veteran” if he or she meets the definition of a “wartime veteran” as used in s. 1.01(14), F.S.,⁶ or the definition of a “veteran of a period of war,” as used in 38 U.S.C. s. 1521.⁷

This bill provides an effective date of July 1, 2012.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

V. Fiscal Impact Statement:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

This bill may assist wartime veterans in competing for state contracts and procurements by expanding the SDVBE certification program to include wartime veterans.

C. Government Sector Impact:

The DMS estimates nonrecurring costs of \$10,000 to implement the changes in MyFloridaMarketPlace and an estimated \$30,000 related to the additional workload for processing certifications for wartime veteran businesses; however, it is unknown how many “wartime veteran-owned” businesses are located in Florida and how many of those businesses would apply for certification. Since these numbers are unknown, the cost to implement the bill is unknown at this time. As the actual costs to implement the bill are known, the funding could be addressed during the budgeting process.

⁶ Section 1.01(14), F.S., defines the term “wartime veteran” as a veteran who has served in a campaign or expedition for which a campaign badge has been authorized or a veteran who has served during one of the following periods of wartime service: Spanish-American War; Mexican Border period; World War I; World War II; Korean Conflict; Vietnam Era; Persian Gulf War; Operation Enduring Freedom; Operation Iraqi Freedom.

⁷ 38 U.S.C. s. 1521 defines “a veteran of a period of war” as a veteran who served in the active military, naval, or air service: for 90 days or more during a period of war; during a period of war and was discharged or released from such service for a service-connected disability; for a period of 90 consecutive days or more and such period began or ended during a period of war; or for an aggregate of 90 days or more in two or more separate periods of service during more than one period of war.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Additional Information:

A. Committee Substitute – Statement of Substantial Changes:

(Summarizing differences between the Committee Substitute and the prior version of the bill.)

None.

B. Amendments:

None.

This Senate Bill Analysis does not reflect the intent or official position of the bill's introducer or the Florida Senate.

By Senator Latvala

16-00051-12

2012152__

1 A bill to be entitled
2 An act relating to business enterprise opportunities
3 for wartime veterans; amending s. 295.187, F.S.;
4 revising legislative intent; renaming and revising the
5 Florida Service-Disabled Veteran Business Enterprise
6 Opportunity Act to expand the vendor preference in
7 state contracting to include certain businesses owned
8 and operated by wartime veterans or veterans of a
9 period of war; providing an effective date.

10
11 Be It Enacted by the Legislature of the State of Florida:

12
13 Section 1. Section 295.187, Florida Statutes, is amended to
14 read:

15 295.187 Florida ~~Service-Disabled~~ Veteran Business
16 Enterprise Opportunity Act.—

17 (1) SHORT TITLE.—This section may be cited as the “Florida
18 ~~Service-Disabled~~ Veteran Business Enterprise Opportunity Act.”

19 (2) INTENT.—It is the intent of the Legislature to rectify
20 the economic disadvantage of service-disabled veterans, who are
21 statistically the least likely to be self-employed when compared
22 to the veteran population as a whole and who have made
23 extraordinary sacrifices on behalf of the nation, the state, and
24 the public, by providing opportunities for service-disabled
25 veteran business enterprises as set forth in this section. The
26 Legislature also intends to recognize wartime veterans and
27 veterans of a period of war for their sacrifices as set forth in
28 this section.

29 (3) DEFINITIONS.—For the purpose of this section, the term:

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CODING: Words ~~stricken~~ are deletions; words underlined are additions.

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30 (a) “Certified ~~service-disabled~~ veteran business
31 enterprise” means a business that has been certified by the
32 Department of Management Services to be a ~~service-disabled~~
33 veteran business enterprise as defined in paragraph (c).

34 (b) “Service-disabled veteran” means a veteran who is a
35 permanent Florida resident with a service-connected disability
36 as determined by the United States Department of Veterans
37 Affairs or who has been terminated from military service by
38 reason of disability by the United States Department of Defense.

39 (c) “~~Service-disabled~~ Veteran business enterprise” means an
40 independently owned and operated business that:

- 41 1. Employs 200 or fewer permanent full-time employees;
 - 42 2. Together with its affiliates has a net worth of \$5
43 million or less or, if a sole proprietorship, has a net worth of
44 \$5 million or less including both personal and business
45 investments;
 - 46 3. Is organized to engage in commercial transactions;
 - 47 4. Is domiciled in this state;
 - 48 5. Is at least 51 percent owned by one or more wartime
49 veterans or service-disabled veterans; and
 - 50 6. The management and daily business operations of which
51 are controlled by one or more wartime veterans or service-
52 disabled veterans or, for a service-disabled veteran having ~~with~~
53 a permanent and total disability, by the spouse or permanent
54 caregiver of the veteran.
- 55 (d) “Wartime veteran” means:
- 56 1. A wartime veteran as defined in s. 1.01(14); or
 - 57 2. A veteran of a period of war, as used in 38 U.S.C. s.
58 1521, who served in the active military, naval, or air service:

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- 59 a. For 90 days or more during a period of war;
 60 b. During a period of war and was discharged or released
 61 from such service for a service-connected disability;
 62 c. For a period of 90 consecutive days or more and such
 63 period began or ended during a period of war; or
 64 d. For an aggregate of 90 days or more in two or more
 65 separate periods of service during more than one period of war.

(4) VENDOR PREFERENCE.—

67 (a) A state agency, when considering two or more bids,
 68 proposals, or replies for the procurement of commodities or
 69 contractual services, at least one of which is from a certified
 70 ~~service-disabled~~ veteran business enterprise, which that are
 71 equal with respect to all relevant considerations, including
 72 price, quality, and service, shall award such procurement or
 73 contract to the certified ~~service-disabled~~ veteran business
 74 enterprise.

75 (b) Notwithstanding s. 287.057(11), if a ~~service-disabled~~
 76 veteran business enterprise entitled to the vendor preference
 77 under this section and one or more businesses entitled to this
 78 preference or another vendor preference provided by law submit
 79 bids, proposals, or replies for procurement of commodities or
 80 contractual services which that are equal with respect to all
 81 relevant considerations, including price, quality, and service,
 82 ~~then~~ the state agency shall award the procurement or contract to
 83 the business having the smallest net worth.

84 (c) Political subdivisions of the state are encouraged to
 85 offer a similar consideration to businesses certified under this
 86 section.

(5) CERTIFICATION PROCEDURE.—

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88 (a) The application for certification as a ~~service disabled~~
 89 veteran business enterprise must, at a minimum, include:

90 1. The name of the business enterprise applying for
 91 certification and the name of the ~~service-disabled~~ veteran
 92 submitting the application on behalf of the business enterprise.

93 2. The names of all owners of the business enterprise,
 94 including owners who are wartime veterans, service-disabled
 95 veterans, and owners who are not a wartime veteran or a service-
 96 disabled veteran ~~veterans~~, and the percentage of ownership
 97 interest held by each owner.

98 3. The names of all persons involved in both the management
 99 and daily operations of the business, including the spouse or
 100 permanent caregiver of a veteran who has with a permanent and
 101 total disability.

102 4. The service-connected disability rating of all persons
 103 listed under subparagraphs 1., 2., and 3., as applicable, with
 104 supporting documentation from the United States Department of
 105 Veterans Affairs or the United States Department of Defense.

106 5. Documentation of the wartime service of all persons
 107 listed under subparagraphs 1., 2., and 3., as applicable, from
 108 the United States Department of Veterans Affairs or the United
 109 States Department of Defense.

110 ~~6.5.~~ The number of permanent full-time employees.

111 ~~7.6.~~ The location of the business headquarters.

112 ~~8.7.~~ The total net worth of the business enterprise and its
 113 affiliates. In the case of a sole proprietorship, the net worth
 114 includes personal and business investments.

115 (b) To maintain certification, a ~~service-disabled~~ veteran
 116 business enterprise shall renew its certification biennially.

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117 (c) ~~The provisions of~~ Chapter 120, relating to application,
118 denial, and revocation procedures, applies ~~shall apply~~ to
119 certifications under this section.

120 (d) A certified ~~service-disabled~~ veteran business
121 enterprise must notify the Department of Management Services
122 within 30 business days after any event that may significantly
123 affect the certification of the business, including, but not
124 limited to, a change in ownership or change in management and
125 daily business operations.

126 (e) The certification of a ~~service-disabled~~ veteran
127 business enterprise shall be revoked for 12 months if the
128 Department of Management Services determines that the business
129 enterprise violated paragraph (d). An owner of a certified
130 ~~service-disabled~~ veteran business enterprise whose certification
131 is revoked may ~~is not permitted to~~ reapply for certification
132 under this section as an owner of any business enterprise during
133 the 12-month revocation period.

134 1. During the 12-month revocation period, a ~~service-~~
135 ~~disabled~~ veteran business enterprise whose certification has
136 been revoked may bid on state contracts but is not eligible for
137 any preference available under this section.

138 2. A ~~service-disabled~~ veteran business enterprise whose
139 certification has been revoked may apply for certification at
140 the conclusion of the 12-month revocation period by complying
141 with requirements applicable to initial certifications.

142 (6) DUTIES OF THE DEPARTMENT OF VETERANS' AFFAIRS.—The
143 department shall:

144 (a) Assist the Department of Management Services in
145 establishing a certification procedure, which shall be reviewed

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146 biennially and updated as necessary.

147 (b) Identify eligible ~~service-disabled~~ veteran business
148 enterprises by any electronic means, including electronic mail
149 or Internet website, or by any other reasonable means.

150 (c) Encourage and assist eligible ~~service-disabled~~ veteran
151 business enterprises to apply for certification under this
152 section.

153 (d) Provide information regarding services that are
154 available from the Office of Veterans' Business Outreach of the
155 Florida Small Business Development Center to ~~service-disabled~~
156 veteran business enterprises.

157 (7) DUTIES OF THE DEPARTMENT OF MANAGEMENT SERVICES.—The
158 department shall:

159 (a) With assistance from the Department of Veterans'
160 Affairs, establish a certification procedure, which shall be
161 reviewed biennially and updated as necessary.

162 (b) Grant, deny, or revoke the certification of a ~~service-~~
163 ~~disabled~~ veteran business enterprise under this section.

164 (c) Maintain an electronic directory of certified ~~service-~~
165 ~~disabled~~ veteran business enterprises for use by the state,
166 political subdivisions of the state, and the public.

167 (8) REPORT.—The Small Business Development Center shall
168 include in its report required by s. 288.705 the percentage of
169 certified ~~service-disabled~~ veteran business enterprises using
170 the statewide contracts register.

171 (9) RULES.—The Department of Veterans' Affairs and the
172 Department of Management Services, as appropriate, may adopt
173 rules as necessary to administer this section.

174 Section 2. This act shall take effect July 1, 2012.

Wanted

THE FLORIDA SENATE

COMMITTEE APPEARANCE RECORD

(Submit to Committee Chair or Administrative Assistant)

11/15/2011
Date

152
Bill Number

Name Brian Pitts

Phone 727/897-9291

Address 1119 Newton Ave S.

E-mail justice2-jesus@yahoo.com

Street St. Petersburg State FL Zip 33705
City

Job Title Trustee

Speaking: For Against Information

Appearing at request of Chair

Subject Wartime Vets

Representing Justice-2-Jesus

Lobbyist registered with Legislature: Yes No

Pursuant to s. 11.061, Florida Statutes, state, state university, or community college employees are required to file the first copy of this form with the Committee, unless appearance has been requested by the Chair as a witness or for informational purposes.
If designated employee: Time: from _____ .m. to _____ .m.

of urban development.¹ The Northwest Wellfield, located at the eastern edge of the Lake Belt, is the largest drinking water wellfield in Florida and supplies approximately 40 percent of the potable water for Miami-Dade County.

Construction aggregates provide the basic materials needed for concrete, asphalt, and road base. Aggregate materials are located in various natural deposits around the state. Geologic conditions and other issues affect decisions in mine planning. These issues include the quality of the rock, thickness of overburden, water table levels, and sinkhole conditions. Rock mined from the Lake Belt supplies one half of the limestone used annually in Florida. Approximately 50 percent of the land within the Lake Belt Area is owned by the mining industry, 25 percent is owned by government agencies, and the remaining 25 percent is owned by non-mining private landowners.²

The Florida Legislature recognized the importance of the Lake Belt Area to the citizens of Florida and mandated that a plan be prepared to address a number of concerns critical to the state in s. 373.4139, F.S. The Legislature established the Lake Belt Committee and assigned it the task of developing a long-term plan for the Lake Belt Area. Through a cooperative process involving government agencies, mining interests, non-mining interests, and environmental groups, the Lake Belt Committee completed the Miami-Dade County Lake Belt Plan.

Limestone operations in the Lake Belt are guided by the Lake Belt Mitigation Plan. Under the plan, the Lake Belt limestone companies pay a special mitigation fee to acquire, restore and preserve environmentally sensitive lands and fund other important environmental projects. The fee is collected from the mining industry by the Department of Revenue and transferred to the District's Lake Belt Mitigation Trust Fund. The Lake Belt limestone companies also pay a water treatment plant upgrade fee of 15 cents per ton. According to the Department of Environmental Protection (department), this fee was established to address the concern that the expansion of mining may cause the wellfield to be designated as "under the influence of surface water," which would mandate upgraded treatment. To date, this designation has not been made by the department, and water quality sampling and studies conducted indicate that such a designation is unlikely.³ Limestone operations in the Lake Belt require water quality certification from the state and a dredge and fill permit from the U.S. Army Corps of Engineers.

In 2008, Miami-Dade County retained an engineering consultant to plan and design the needed water treatment facilities. The consultant determined that previous estimates for such facilities failed to account for upgrades that would be needed to existing water plant facilities such that constructing the needed facilities would not be practical at the existing water plant site. The minimum design and construction cost for facilities that will meet the current surface water treatment costs is approximately \$350 million. Future bond funding, in addition to the rock mining fees, is identified in the county's capital plan for this project. As of June 30, 2011, Miami-Dade County has received approximately \$17.1 million in rock mining fees. About \$11.2

¹ SOUTH FLORIDA WATER MANAGEMENT DISTRICT, MIAMI DADE, <http://my.sfwmd.gov/portal/page/portal/xweb%20about%20us/miami%20dade%20service%20center> (last visited Sept. 23, 2011).

² *Id.*

³ Department of Environmental Protection, Draft Bill Analysis for SB 514 (2011), on record with the Senate Committee on Community Affairs.

million has been spent on planning and design, and about \$6.3 million remains, of which \$3 million is committed to the current design contract.⁴

Two seepage control projects are identified in the recent Environmental Impact Statement for mining in the Lake Belt. One is required by the recent state and federal mining permits and the other, while not required, is an important wetland enhancement project for Everglades National Park.

A new one-mile long bridge is under construction that will allow a broad flow section into the Park in an area that has not seen comparable sheet flow since the trail was constructed almost 100 years ago. Unless the groundwater seepage from the Park is controlled, releasing additional flow to the Park will not be possible, and the benefits of the bridge will not be realized.

The Environmental Protection Agency's (EPA) Long Term 2 Enhanced Surface Water Treatment Rule

EPA has developed the Long Term 2 Enhanced Surface Water Treatment Rule (LT2 rule) to improve drinking water quality and provide additional protection from disease-causing microorganisms and contaminants that can form during drinking water treatment. The purpose of the LT2 rule is to reduce disease incidence associated with *Cryptosporidium* and other pathogenic microorganisms in drinking water.⁵ The rule applies to all public water systems that use surface water or ground water that is under the direct influence of surface water. The rule bolsters existing regulations:

- Targeting additional *Cryptosporidium* treatment requirements to higher risk systems;
- Requiring provisions to reduce risks from uncovered finished water storage facilities; and
- Providing provisions to ensure that systems maintain microbial protection as they take steps to reduce the formation of disinfection byproducts.

This combination of steps, together with the existing regulations, is designed to provide protection from microbial pathogens while simultaneously minimizing health risks to the population from disinfection byproducts. "Bin classifications" indicate the concentration of pathogens in the water sample.⁶

III. Effect of Proposed Changes:

Section 1 amends s. 373.41492, F.S., to allow the mitigation fees for limerock mining to be applied to seepage mitigation projects, including groundwater and surface water management structures designed to improve wetland habitat and approved by the Lake Belt Mitigation Committee. This would be an explicit authorization to use the funds for more than just upgrading water treatment plants.

⁴ Email from Miami Dade Water and Sewer Department, on file with the Senate Committee on Community Affairs.

⁵ U.S. ENVIRONMENTAL PROTECTION AGENCY, WATER: LONG TERM 2 ENHANCED SURFACE WATER TREATMENT RULE, <http://water.epa.gov/lawsregs/rulesregs/sdwa/lt2/basicinformation.cfm> (last visited Sept. 26, 2011).

⁶ 40 CFR § 141.710; U.S. ENVIRONMENTAL PROTECTION AGENCY, SOURCE WATER MONITORING GUIDANCE MANUAL FOR PUBLIC WATER SYSTEMS, 49 (Feb. 2006) available at http://www.epa.gov/ogwdw/disinfection/lt2/pdfs/guide_lt2_swmonitoringguidance.pdf.

The bill clarifies existing law that “proceeds of a fee” means all funds collected and received by the Department of Revenue under s. 373.41492, F.S., including interest and penalties on delinquent fees. The amount deducted for administrative costs may not exceed 3 percent of the total revenues and may equal only those administrative costs reasonably attributable to the fees.

Beginning July 1, 2012, the proceeds of the water treatment plant upgrade fee will be deposited into the Lake Belt Mitigation Trust Fund until:

- \$20 million is placed in the trust fund, or
- pathogen sampling demonstrates that the water in any quarry lake in the vicinity of the Northwest Wellfield would be classified as being in Bin 2 or higher.

Once either of these qualifications is triggered, the proceeds would again be directed toward a water treatment plant that treats water coming from the Northwest Wellfield. The bill changes the allowed uses of the mitigation fee to require approval by the Miami-Dade County Lake Belt Mitigation Committee rather than simply requiring them to be used in a manner consistent with the recommendations submitted to the Legislature under s. 337.4149, F.S. The bill allows modifications of the hydrology in the Everglades watershed in addition to the Miami-Dade Lake Belt Area.

Proceeds from the Lake Belt Mitigation Trust Fund shall be used to pay for seepage mitigation projects, including groundwater or surface water management structures designed to improve wetland habitat and approved by the Lake Belt Mitigation Committee.

Proceeds from a trust fund established by Miami-Dade County shall be used to upgrade a water treatment plant that treats water coming from the Northwest Wellfield.

Section 2 provides that the bill shall take effect upon becoming law.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

V. Fiscal Impact Statement:

A. Tax/Fee Issues:

See government sector impact section.

B. Private Sector Impact:

None.

C. Government Sector Impact:

The bill temporarily diverts rock mining fees away from Miami-Dade County, which were intended to be used to upgrade a water treatment plant, to South Florida Water Management District to be used for seepage mitigation projects. Even though the diversion is for a limited time, it may adversely impact Miami-Dade County's ability to design and construct the additional treatment facilities needed to protect the drinking water supply in the area. Miami-Dade is concerned that if contamination occurs and no filtration is available, the drinking water for one million people will be unsafe to drink for at least 18 months and up to three years while the facility is constructed.

The water treatment plant upgrade fee currently imposed is 15 cents per ton of extracted limerock and sand. This fee has been collected since January 1, 2007. According to the Department of Revenue, approximately \$17.1 million has been transferred to Miami-Dade County as of June 30, 2011.

Upon becoming law the South Florida WMD will receive the proceeds of the fee to deposit into the appropriate trust fund.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Additional Information:**A. Committee Substitute – Statement of Substantial Changes:**
(Summarizing differences between the Committee Substitute and the prior version of the bill.)**CS/CS by Budget Subcommittee on General Government Appropriations on November 15, 2011:**

The CS clarifies that the mitigation fee imposed for each ton of limerock and sand sold shall be 45 cents per ton beginning close of business December 31, 2011.

CS by Community Affairs on October 4, 2011:

The CS is largely the same as the original bill, except:

- The CS changes the allowed uses of the mitigation fee to require approval by the Miami-Dade County Lake Belt Mitigation Committee rather than simply requiring them to be used in a manner consistent with the recommendations submitted to the Legislature under s. 337.4149, F.S.

- The CS allows modifications of the hydrology in the Everglades watershed in addition to the Miami-Dade Lake Belt Area.

B. Amendments:

None.

This Senate Bill Analysis does not reflect the intent or official position of the bill's introducer or the Florida Senate.



166266

LEGISLATIVE ACTION

Senate	.	House
Comm: RCS	.	
11/15/2011	.	
	.	
	.	
	.	

The Committee on Budget Subcommittee on General Government Appropriations (Latvala) recommended the following:

Senate Amendment

Delete line 69
and insert:
~~2008; 24 cents per ton beginning January 1, 2009; and 45 cents~~

By the Committee on Community Affairs; and Senators Garcia,
Margolis, Braynon, and Diaz de la Portilla

578-00530-12

2012182c1

1 A bill to be entitled
2 An act relating to the Miami-Dade County Lake Belt
3 Mitigation Plan; amending s. 373.41492, F.S.; deleting
4 references to a report by the Miami-Dade County Lake
5 Belt Plan Implementation Committee; providing for the
6 redirection of funds for seepage mitigation projects;
7 requiring the proceeds of the water treatment plant
8 upgrade fee to be transferred by the Department of
9 Revenue to the South Florida Water Management District
10 and to be deposited into the Lake Belt Mitigation
11 Trust Fund; providing criterion when the transfer is
12 not required; providing for the proceeds of the
13 mitigation fee to be used to conduct mitigation
14 activities that are approved by the Miami-Dade County
15 Lake Belt Mitigation Committee; clarifying the
16 authorized uses for the proceeds from the water
17 treatment plant upgrade fee; providing an effective
18 date.

19
20 Be It Enacted by the Legislature of the State of Florida:

21
22 Section 1. Subsections (1), (2), (3), and (6) of section
23 373.41492, Florida Statutes, are amended to read:

24 373.41492 Miami-Dade County Lake Belt Mitigation Plan;
25 mitigation for mining activities within the Miami-Dade County
26 Lake Belt.—

27 (1) The Legislature finds that the impact of mining within
28 the rock mining supported and allowable areas of the Miami-Dade
29 County Lake Belt Plan adopted by s. 373.4149(1) can best be

Page 1 of 7

CODING: Words ~~stricken~~ are deletions; words underlined are additions.

578-00530-12

2012182c1

30 offset by the implementation of a comprehensive mitigation plan
31 ~~as recommended in the 1998 Progress Report to the Florida~~
32 ~~Legislature by the Miami-Dade County Lake Belt Plan~~
33 ~~Implementation Committee.~~ The Lake Belt Mitigation Plan consists
34 of those provisions contained in subsections (2)-(9). The per-
35 ton mitigation fee assessed on limestone sold from the Miami-
36 Dade County Lake Belt Area and sections 10, 11, 13, 14, Township
37 52 South, Range 39 East, and sections 24, 25, 35, and 36,
38 Township 53 South, Range 39 East, shall be used for acquiring
39 environmentally sensitive lands and for restoration,
40 maintenance, and other environmental purposes. It is the intent
41 of the Legislature that the per-ton mitigation fee ~~shall~~ not be
42 a revenue source for purposes other than enumerated in this
43 section herein. Further, the Legislature finds that the public
44 benefit of a sustainable supply of limestone construction
45 materials for public and private projects requires a coordinated
46 approach to permitting activities on wetlands within Miami-Dade
47 County in order to provide the certainty necessary to encourage
48 substantial and continued investment in the limestone processing
49 plant and equipment required to efficiently extract the
50 limestone resource. It is the intent of the Legislature that the
51 Lake Belt Mitigation Plan satisfy all local, state, and federal
52 requirements for mining activity within the rock mining
53 supported and allowable areas.

54 (2) To provide for the mitigation of wetland resources lost
55 to mining activities within the Miami-Dade County Lake Belt
56 Plan, effective October 1, 1999, a mitigation fee is imposed on
57 each ton of limerock and sand extracted by any person who
58 engages in the business of extracting limerock or sand from

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578-00530-12 2012182c1

59 within the Miami-Dade County Lake Belt Area and the east one-
 60 half of sections 24 and 25 and all of sections 35 and 36,
 61 Township 53 South, Range 39 East. The mitigation fee is imposed
 62 for each ton of limerock and sand sold from within the
 63 properties where the fee applies in raw, processed, or
 64 manufactured form, including, but not limited to, sized
 65 aggregate, asphalt, cement, concrete, and other limerock and
 66 concrete products. The mitigation fee imposed by this subsection
 67 for each ton of limerock and sand sold shall be ~~12 cents per ton~~
 68 ~~beginning January 1, 2007; 18 cents per ton beginning January 1,~~
 69 ~~2008; 24 cents per ton beginning January 1, 2009;~~ and 45 cents
 70 per ton beginning close of business December 31, 2011. To pay
 71 for seepage mitigation projects, including groundwater and
 72 surface water management structures designed to improve wetland
 73 habitat and approved by the Lake Belt Mitigation Committee, and
 74 to upgrade a water treatment plant that treats water coming from
 75 the Northwest Wellfield in Miami-Dade County, a water treatment
 76 plant upgrade fee is imposed within the same Lake Belt Area
 77 subject to the mitigation fee and upon the same kind of mined
 78 limerock and sand subject to the mitigation fee. The water
 79 treatment plant upgrade fee imposed by this subsection for each
 80 ton of limerock and sand sold shall be 15 cents per ton
 81 beginning on January 1, 2007, and the collection of this fee
 82 shall cease once the total amount of proceeds collected for this
 83 fee reaches the amount of the actual moneys necessary to design
 84 and construct the water treatment plant upgrade, as determined
 85 in an open, public solicitation process. Any limerock or sand
 86 that is used within the mine from which the limerock or sand is
 87 extracted is exempt from the fees. The amount of the mitigation

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88 fee and the water treatment plant upgrade fee imposed under this
 89 section must be stated separately on the invoice provided to the
 90 purchaser of the limerock or sand product from the limerock or
 91 sand miner, or its subsidiary or affiliate, for which the fee or
 92 fees apply. The limerock or sand miner, or its subsidiary or
 93 affiliate, who sells the limerock or sand product shall collect
 94 the mitigation fee and the water treatment plant upgrade fee and
 95 forward the proceeds of the fees to the Department of Revenue on
 96 or before the 20th day of the month following the calendar month
 97 in which the sale occurs. The proceeds of a fee imposed by this
 98 section include all funds collected and received by the
 99 Department of Revenue relating to the fee, including interest
 100 and penalties on a delinquent fee. The amount deducted for
 101 administrative costs may not exceed 3 percent of the total
 102 revenues collected under this section and may equal only those
 103 administrative costs reasonably attributable to the fee.

(3) The mitigation fee and the water treatment plant
 104 upgrade fee imposed by this section must be reported to the
 105 Department of Revenue. Payment of the mitigation and the water
 106 treatment plant upgrade fees must be accompanied by a form
 107 prescribed by the Department of Revenue.

(a) The proceeds of the mitigation fee, less administrative
 108 costs, must be transferred by the Department of Revenue to the
 109 South Florida Water Management District and deposited into the
 110 Lake Belt Mitigation Trust Fund.

(b) Beginning July 1, 2012, the proceeds of the water
 111 treatment plant upgrade fee, less administrative costs, must be
 112 transferred by the Department of Revenue to the South Florida
 113 Water Management District and deposited into the Lake Belt
 114 Water Management District and deposited into the Lake Belt
 115 Water Management District and deposited into the Lake Belt
 116 Water Management District and deposited into the Lake Belt

Page 4 of 7

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117 Mitigation Trust Fund until:118 1. A total of \$20 million from the proceeds of the water
119 treatment plant upgrade fee, less administrative costs, is
120 deposited into the Lake Belt Mitigation Trust Fund; or121 2. The quarterly pathogen sampling conducted as a condition
122 of the permits issued by the department for rock mining
123 activities in the Miami-Dade County Lake Belt Area demonstrates
124 that the water in any quarry lake in the vicinity of the
125 Northwest Wellfield would be classified as being in Bin 2 or
126 higher as defined in the Environmental Protection Agency's Long
127 Term 2 Enhanced Surface Water Treatment Rule.128 (c) Upon the earliest occurrence of the criterion under
129 subparagraph (b)1. or subparagraph (b)2., the proceeds of the
130 water treatment plant upgrade fee, less administrative costs,
131 must be transferred by the Department of Revenue to a trust fund
132 established by Miami-Dade County, for the sole purpose
133 authorized by paragraph (6) (a). As used in this section, the
134 term "proceeds of the fee" means all funds collected and
135 received by the Department of Revenue under this section,
136 including interest and penalties on delinquent fees. The amount
137 deducted for administrative costs may not exceed 3 percent of
138 the total revenues collected under this section and may equal
139 only those administrative costs reasonably attributable to the
140 fees.141 (6) (a) The proceeds of the mitigation fee must be used to
142 conduct mitigation activities that are appropriate to offset the
143 loss of the value and functions of wetlands as a result of
144 mining activities and must be approved used in a manner
145 consistent with the recommendations contained in the reports

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146 ~~submitted to the Legislature by the Miami-Dade County Lake Belt~~
147 ~~Mitigation Plan Implementation Committee and adopted under s.~~
148 ~~373.4149.~~ Such mitigation may include the purchase, enhancement,
149 restoration, and management of wetlands and uplands in the
150 Everglades watershed, the purchase of mitigation credit from a
151 permitted mitigation bank, and any structural modifications to
152 the existing drainage system to enhance the hydrology of the
153 Miami-Dade County Lake Belt Area or the Everglades watershed.
154 Funds may also be used to reimburse other funding sources,
155 including the Save Our Rivers Land Acquisition Program, the
156 Internal Improvement Trust Fund, the South Florida Water
157 Management District, and Miami-Dade County, for the purchase of
158 lands that were acquired in areas appropriate for mitigation due
159 to rock mining and to reimburse governmental agencies that
160 exchanged land under s. 373.4149 for mitigation due to rock
161 mining. The proceeds of the water treatment plant upgrade fee
162 deposited into the Lake Belt Mitigation Trust Fund shall be used
163 solely to pay for seepage mitigation projects, including
164 groundwater or surface water management structures designed to
165 improve wetland habitat and approved by the Lake Belt Mitigation
166 Committee. The proceeds of the water treatment plant upgrade fee
167 which are transmitted to a trust fund established by Miami-Dade
168 County shall be used to upgrade a water treatment plant that
169 treats water coming from the Northwest Wellfield in Miami-Dade
170 County. As used in this section, the terms "upgrade a water
171 treatment plant" or "treatment plant upgrade" mean ~~means~~ those
172 works necessary to treat or filter a surface water source or
173 supply or both.

174 (b) Expenditures of the mitigation fee must be approved by

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578-00530-12

2012182c1

175 an interagency committee consisting of representatives from each
176 of the following: the Miami-Dade County Department of
177 Environmental Resource Management, the Department of
178 Environmental Protection, the South Florida Water Management
179 District, and the Fish and Wildlife Conservation Commission. In
180 addition, the limerock mining industry shall select a
181 representative to serve as a nonvoting member of the interagency
182 committee. At the discretion of the committee, additional
183 members may be added to represent federal regulatory,
184 environmental, and fish and wildlife agencies.

185 Section 2. This act shall take effect upon becoming a law.



THE FLORIDA SENATE

Tallahassee, Florida 32399-1100

COMMITTEES:
Health Regulation, *Chair*
Agriculture
Budget - Subcommittee on Health and Human Services
Appropriations
Governmental Oversight and Accountability
Reapportionment
Transportation

SENATOR RENE GARCIA
40th District

October 20, 2011

The Honorable Alan Hays
Chair, Budget Subcommittee on General Government Appropriations
201 The Capitol
404 S. Monroe Street
Tallahassee, FL 32399-1100

Dear Chairman Hays:

This letter should serve as a request to have my bill SB 182 Miami-Dade County Lake Belt Mitigation Plan heard at the next possible committee meeting. There is no fiscal impact on the state budget. If there is any other information needed please do not hesitate to contact me. Thank you.

Sincerely,

State Senator René García
District 40

RG:dm

CC: Jamie DeLoach, Staff Director

SENATE APPROPRIATIONS
11 OCT 20 PM 2:56
STAFF DIR. _____
STAFF _____

REPLY TO:

- 3814 West 12th Avenue, Hialeah, Florida 33012 (305) 824-5058
- 310 Senate Office Building, 404 South Monroe Street, Tallahassee, Florida 32399-1100 (850) 487-5106

Senate's Website: www.flsenate.gov

MIKE HARIDOPOLOS
President of the Senate

MICHAEL S. "MIKE" BENNETT
President Pro Tempore

THE FLORIDA SENATE
APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

11-15-11
Meeting Date

Topic _____
Name Eric Draper
Job Title _____

Bill Number S/S 182
(if applicable)
Amendment Barcode _____
(if applicable)

Address 305 N Monroe
Street
Tallahassee FL 32303
City State Zip

Phone 222-2773
E-mail edraper@audubon.org

Speaking: For Against Information

Representing Audubon

Appearing at request of Chair: Yes No

Lobbyist registered with Legislature: Yes No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

This form is part of the public record for this meeting.

S-001 (10/20/11)

THE FLORIDA SENATE
COMMITTEE APPEARANCE RECORD

(Submit to Committee Chair or Administrative Assistant)

11/15/2011
Date

182
Bill Number

Name BRIAN PITTS
Address 1119 Newton Ave S
Street
St. Petersburg FL 33705
City State Zip

Barcode _____
Phone 727/897-9291
E-mail justice2jesus@yahoo.com
Job Title Trustee

Speaking: For Against Information

Appearing at request of Chair

Subject Mitigation Plan

Representing Justice-2-Jesus

Lobbyist registered with Legislature: Yes No

Pursuant to s. 11.061, Florida Statutes, state, state university, or community college employees are required to file the first copy of this form with the Committee, unless appearance has been requested by the Chair as a witness or for informational purposes.

If designated employee: Time: from _____ .m. to _____ .m.



CHIEF FINANCIAL OFFICER
JEFF ATWATER
FLORIDA DEPARTMENT OF FINANCIAL SERVICES

Department of Financial Services
Schedule VIII A Priority Listing of Issues and Schedule VIII B Possible
Reduction Issues
for
Fiscal Year 2012 - 2013

Senate Budget Subcommittee on General Government Appropriations
November 15, 2011

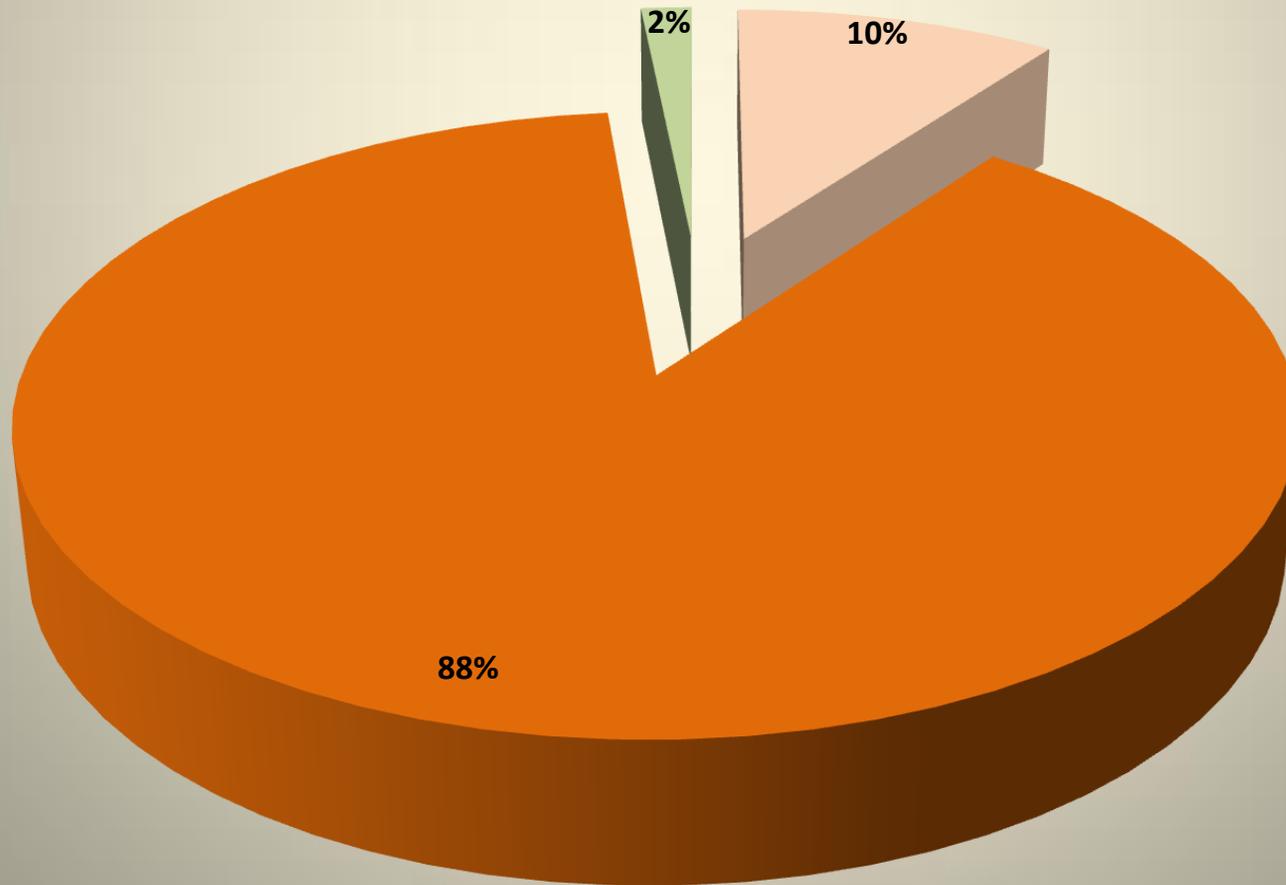
Funding Sources

FY 2012 – 13 Recurring Budget

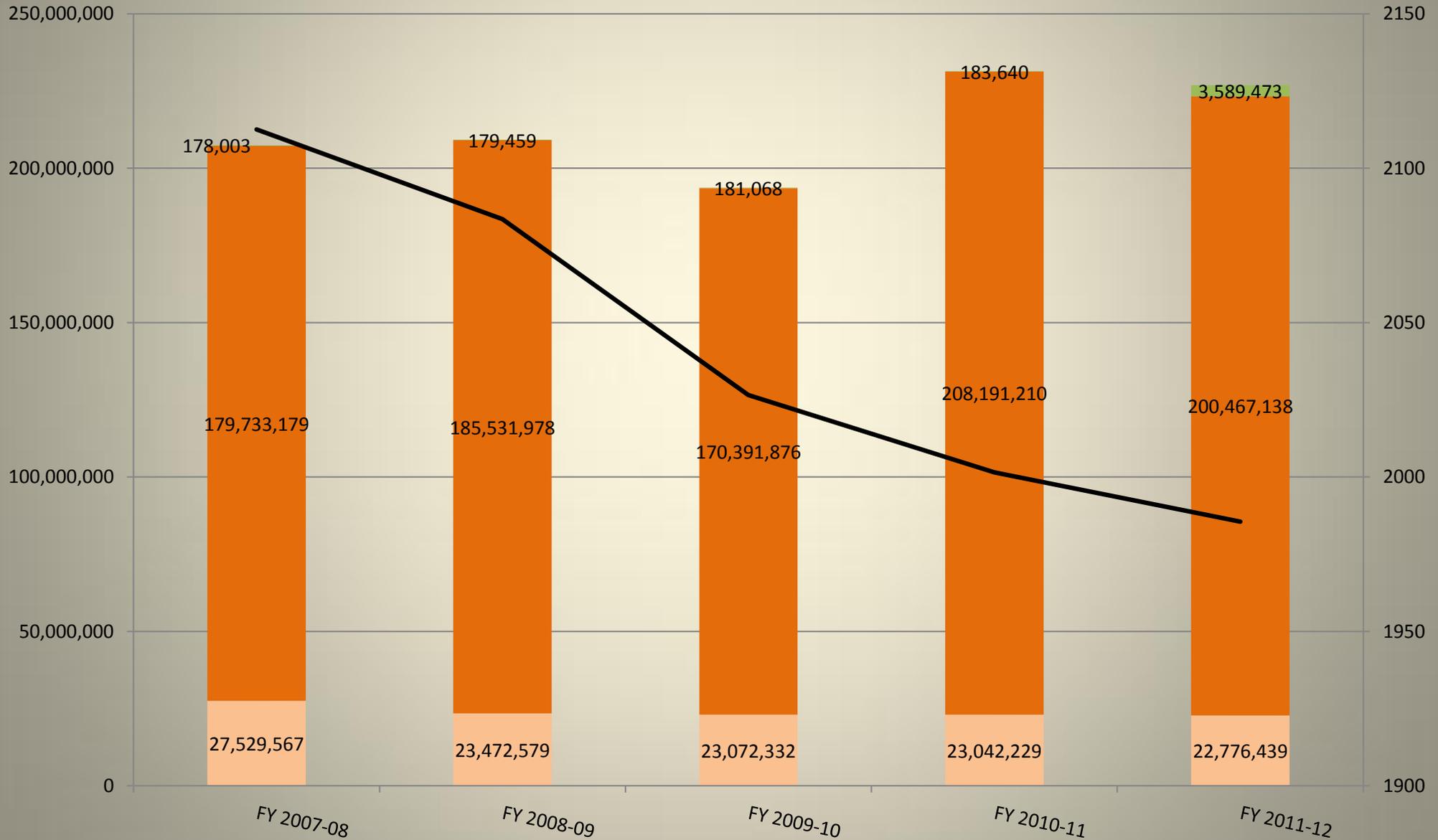
General Revenue \$22,776,439

State Trust Funds \$200,467,138

Federal Trust Funds \$3,589,473

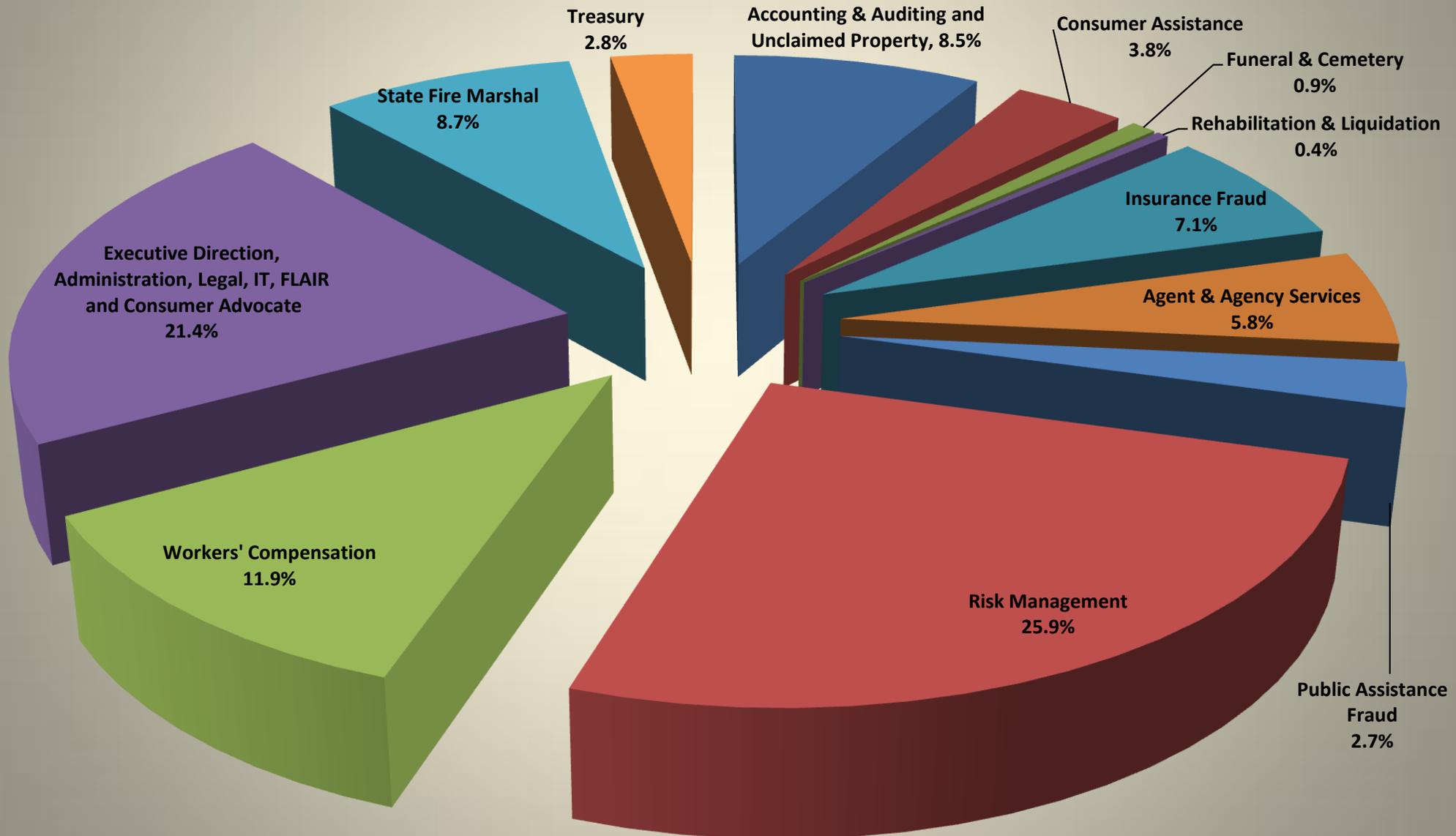


Historical Recurring Funding Levels



Program Funding

FY 2011 – 12 Recurring Budget



Trust Fund Sweeps

- Fiscal Years 2008-09 and 2009-10:
(Includes both regular session and Special Session A)
 - Insurance Regulatory TF - \$83 million
 - Workers' Compensation Admin TF - \$40 million
- Fiscal Year 2010 – 11:
 - Administrative TF - \$4 million
 - Regulatory TF - \$200,000
- Fiscal Year 2011 – 12:
 - Insurance Regulatory TF - \$8.5 million
 - Regulatory TF - \$154,120

10% Target Reductions

The 10% reduction target for the Department of Financial Services in FY 2012 – 13.

- General Revenue = \$2.3 million
- Trust Funds = \$19.3 million
- 98 different issues
- 195.5 FTE – 138.5 FTE filled

Reductions by Program

Program/Division	FTE Reduction	General Revenue	Trust Fund
Chief Financial Officer/Admin (Includes Legal, IT, IT-FLAIR and Consumer Advocate)	17.5 (2 filled)	\$1,120,444	\$3,110,394
Treasury (Includes Deferred Compensation)	6.5 (6.5 filled)		\$794,785
State Accounting and Auditing (Includes Unclaimed Property)	33 (27 filled)	\$1,241,955	\$765,882
State Fire Marshal	34 (31 filled)		\$1,774,346
Risk Management	0		\$5,900,000
Insurance Co. Rehabilitation and Liquidation	0		\$97,548
Agent & Agency Services	9 (6 filled)		\$1,310,353
Insurance Fraud	23 (5 filled)		\$1,304,926
Consumer Assistance	15.5 (8 filled)		\$1,222,348
Funeral & Cemetery Services	3		\$202,658
Public Assistance Fraud	10 (10 filled)	\$41,047	\$437,955
Workers' Compensation	43 (43 filled)		\$2,317,371

10% Reduction in General Revenue

- The department has General Revenue in three divisions – Accounting and Auditing, IT – FLAIR, and Public Assistance Fraud.
- Reductions to either Accounting and Auditing or FLAIR will have a statewide impact.
- The Public Assistance Fraud is funded by both GR and TF. GR can be reduced by shifting to a trust fund to continue the mission of the division.

Accounting and Auditing Reduction Impacts

- The mission of the Division is to safeguard public assets, settle the state's financial obligations, and report financial information.
- Impacts of these reductions:
 - ✓ Lower the accuracy, quality, and timeliness of financial reports to the Legislature and external users
 - ✓ Reduce the number of disbursement and payroll audits performed
 - ✓ Reduce the ability to support local governments with annual financial reporting
 - ✓ Reduce the level of financial and contract management training provided to state agencies
 - ✓ Reduce the ability to provide support to vendors for prompt payment, management of vendor records, and providing 1099s
 - ✓ Increase risk of inaccurate payroll processing
 - ✓ Reduce support for the audit of clerk of courts court-related activities

IT-FLAIR

- More than 9,000 state employees in more than 35 agencies use FLAIR
- 5.1 Million FLAIR Departmental transactions processed annually
- Processed 7,177,481 electronic fund transfers for Retirement, Salary, and Expense payments (> \$37 billion)
- Printed 14,627,172 state warrants (>\$31 billion)
- Processed 261 separate payrolls (weekly, bi-weekly, bi-monthly, monthly, and special payrolls) for state employees totaling \$7.3 billion

IT-FLAIR

The FLAIR application development staff is made up of 57 FTE's:

- 26 are business analysts in the Bureau of Accounting Systems Design
- 31 are programmer analysts in the Bureau of Programming Design.

Over the next 5 years Flair will experience a significant loss of staff due to DROP termination and retirement eligibility:

- 12 people will terminate due to DROP (loss of over 200 years FLAIR experience)
- 14 people will reach 30 year retirement eligibility (additional loss of over 260 years FLAIR experience)
- 4 people will terminate because they returned after DROP only for a short time frame (additional loss with over 100 years FLAIR experience)

CFO Goals

- As promised last year, CFO Atwater is reviewing all programs and the constitutional and statutory requirements of the department.
- Philosophy:
 - ✓ Focus on core mission
 - ✓ Reduce unnecessary workload to reduce costs
 - ✓ Use strategic planning, business process mapping, and regulatory reviews
- Results:
 - ✓ Transparent budgeting process
 - ✓ Reallocation of existing resources where appropriate
 - ✓ Continued commitment to streamlining, process improvements, and focus on core mission

- Regulation Reviews

- ✓ Agency & Agency Services, Workers' Compensation, Accounting and Auditing, and Funeral & Cemetery Services have completed the review
- ✓ 10 reductions placed in the Legislative Budget Request
- ✓ 43.5 FTE and over \$2.7 million in trust fund authority
- ✓ Some reductions will not have an impact until FY 13-14
- ✓ Some reductions will require statutory changes

- Eliminate vacant positions

- Close district offices

- Reduce expenses

New Budget Issues

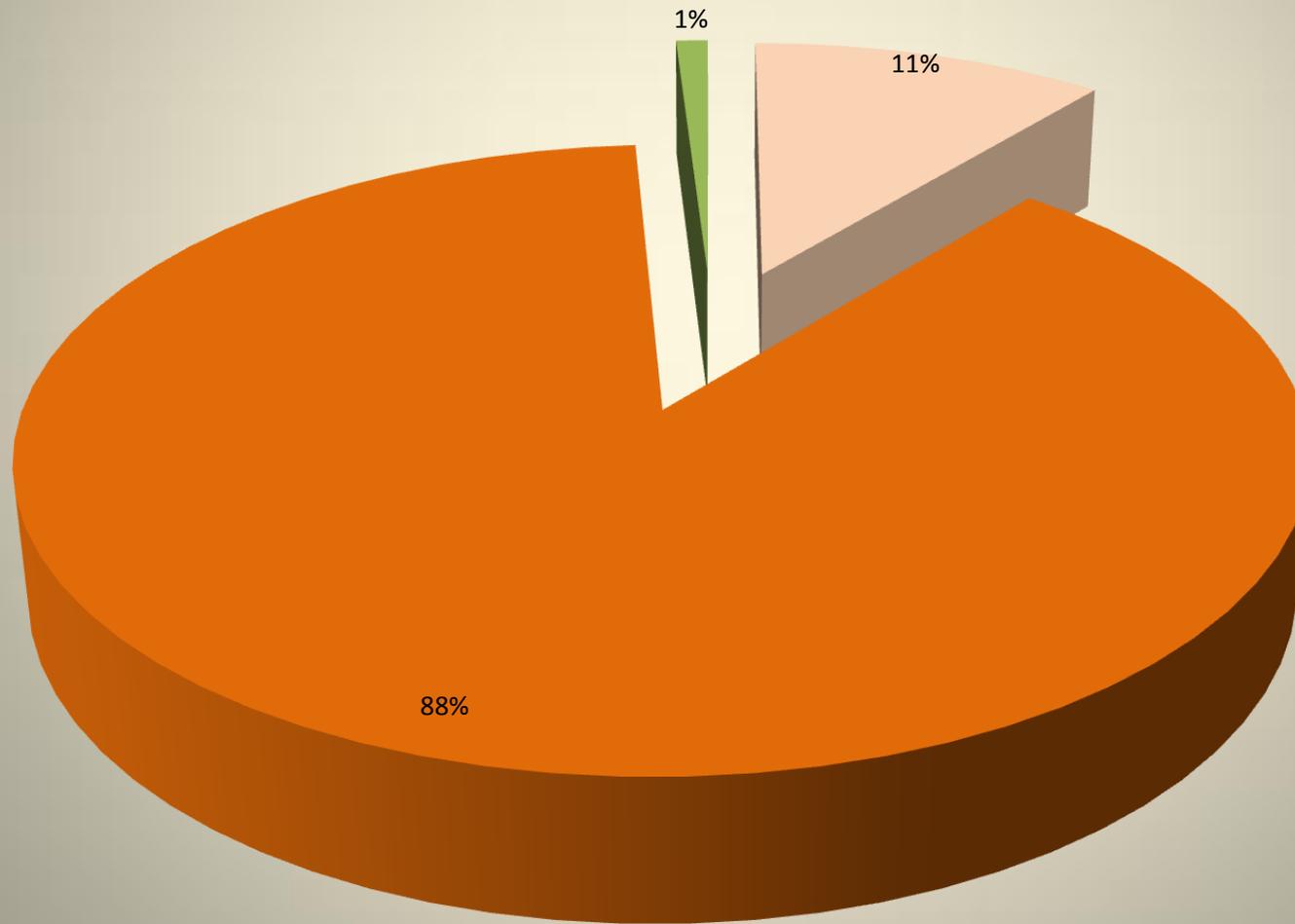
- Schedule VIII A requires state agencies and the judicial branch to list the request for operational expenditures by priority order.
- The department has 12 new issues – 31 FTE, \$2 million in general revenue and \$1.5 million in trust funds.
- General revenue issues:
 - Bank fees
 - FLAIR replacement study
 - FLAIR overlap FTE
- Trust fund issues:
 - Transparency
 - Insurance Fraud - Additional PIP fraud investigators, a database administrator and ad campaign on fraud from federal funds
 - Risk Management – workforce for Loss Prevention legislation and indemnity medical payments
 - Workers' Compensation – information technology self-sufficiency

FY 2012 – 13 Funding Request

General Revenue \$24,800,369 (\$1.8 NR)

State Trust Funds \$199,929,664 (\$1.2 NR)

Federal Trust Funds \$2,229,453

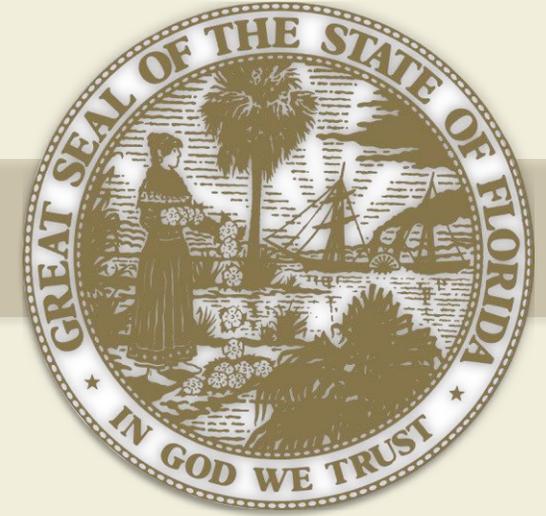


The seal of the State of Florida is centered in the background. It features a palm tree, a sun, and a landscape with water and a bridge. The text "SEAL OF THE STATE OF FLORIDA" is written around the top inner edge, and "IN GOD WE TRUST" is written around the bottom inner edge.

CHIEF FINANCIAL OFFICER
JEFF ATWATER
FLORIDA DEPARTMENT OF FINANCIAL SERVICES

THANK YOU!

QUESTIONS?



**FISCAL YEAR 2012-2013
10% BUDGET REDUCTIONS
AND PRIORITY BUDGET ISSUES**

November 15, 2011

Mission: Providing Smarter, Better, Faster Services



Key services include:

- Division of Retirement,
- Division of State Group Insurance,
- Division of Human Resource Management and People First,
- Division of Telecommunications,
- Division of Real Estate Development and Management and Building Construction
- Division of State Purchasing and MyFloridaMarketPlace,
- Fleet Management,
- Federal Property Assistance,
- Private Prison Monitoring, and
- Office of Supplier Diversity



Administratively Housed at DMS

- Public Employees Relations Commission
- Commission on Human Relations
- State Employee Leasing – Enterprise Florida

-----Dotted Line to DMS-----

- Southwood Shared Resource Center
- Northwood Shared Resource Center
- Division of Administrative Hearings



10% Reductions – Target \$17.6 Million

General Revenue Trust Funds

10% Reduction Target	\$116,161	\$17,518,024
Reduction Amount	\$118,243	\$17,533,723
Target Exceeded	\$2,082	\$15,699



Reductions with Minimal Impact

10% Reduction Issues - \$259,000:

- Reduces the pharmacy benefits manager contract due to contract renegotiations - \$32,000
- Reduces operating categories where appropriations were not used in the previous fiscal year - \$87,000
- Reduces Data Processing appropriations which can be absorbed due to a reduction in services at the Southwood Shared Resource Center - \$140,000



Reductions with Moderate Impact

10% Reduction Issues - \$2.3 Million

- Reduces Contracted and Contracted Legal Services - \$250,000
- Reduces actuarial services - \$129,000
- Reduces active and retired member services - \$1.5 million
- Eliminates the remainder of the Office of Supplier Diversity - \$392,000



Reductions with Severe Impact

10% Reduction Issues - \$15 Million

- Eliminates Federal Property Assistance Program - \$305,000
- Eliminates Fleet Management Program - \$1.5 million
- Eliminates Building Construction Program - \$900,000
- Reduces oversight, inspections and enhancements for the Statewide Law Enforcement Radio System, Florida Interoperability Network and Mutual Aid Build public safety systems - \$335,000
- Reduces contracts for the Statewide Law Enforcement Radio System - \$1.7 million, People First - \$4 million and MyFloridaMarketPlace - \$1.7 million



Reductions with Severe Impact (Cont.)

- Eliminates 28 positions in Real Estate Development and Management which would have a major adverse impact on custodial, maintenance, administrative, leasing and security services - \$3 million

Reductions with Severe Impact (Cont.)



- Reduces SUNCOM and Emergency Communications Services - \$1 million



Reductions with Severe Impact (Cont.)

- Reduces State Group Insurance funding for staff, audit and actuarial services - \$360,000



Reductions by Program (Excludes State Employee Leasing reduction of 41,675 for total target of 17,675,860)

Lesser Priorities	FTE	GR	TF
Federal Property Assistance	5.0		305,491
Motor Vehicle / Watercraft Management	6.0		1,493,100
Office of Supplier Diversity	6.0		392,101
Building Construction	10.0		897,644
Core Mission			
Human Resource Management/People First			3,819,509
Private Prison Monitoring		118,243	
Wireless Services – Statewide Law Enforcement Radio System			2,090,119
Executive Direction / Support Services	8.0		598,080
Core Mission and Best Value to the State			
Telecommunications Services			966,033
State Purchasing	3.0		1,922,786
Real Estate Development and Management	28.0		2,969,754
State Group Insurance	3.0		475,693
Division of Retirement			1,603,413
Department Total	69.0	17,651,966	



Programs Prioritized

Lesser Priorities	FTE	GR	TF
Federal Property Assistance	5.0		305,491
Motor Vehicle / Watercraft Management	6.0		1,493,100
Office of Supplier Diversity	6.0		392,101
Building Construction	10.0		897,644
Core Mission			
Human Resource Management/People First	32.0		41,205,178
Private Prison Monitoring	14.0	1,187,184	959,588
Wireless Services – Statewide Law Enforcement Radio System	13.0		22,178,824
Executive Direction / Support Services	74.0		7,394,852
Core Mission and Best Value to the State			
Telecommunications Services	75.0		258,353,456
State Purchasing	46.0		19,259,116
Real Estate Development and Management	288.5		104,278,731
State Group Insurance	23.0		25,751,755
Division of Retirement	198.0	18,121,621	18,484,647
Department Total	790.5	520,263,288	



Legislative Budget Request

Fiscal Year 2011-12 vs. Fiscal Year 2012-13

FY 2011-12 Appropriation	FY 2012-13 LBR	% Difference
520,681,520	563,769,160	8.3%
794.5 FTE	796.5 FTE	.25%



Major Issues

State Purchasing System Transition Costs \$7M Trust Fund

- Funding for anticipated transition services for MyFloridaMarketPlace (MFMP) if a new vendor is selected through a competitive solicitation for support services for MFMP operations.



Major Issues

Process Analysis – Procurement Process Improvement Project - \$750,000 Trust Fund

- The analysis and enhancements will create efficiencies through standardized processes of the MyFloridaMarketPlace system and increase spend under management through the e-procurement system.



Major Issues

Capital Depreciation Projects

\$8.1M Trust Fund

- Maintaining the integrity of our facilities is critical for extending the useful life of our assets and meeting the bondholder requirements.
- The Florida Facilities Pool has a \$96 million backlog in fixed capital outlay projects.



Major Issues

Special Pension and Benefit Payments
\$758,745 General Revenue

- Florida National Guard – 763 members
- Disabled Justices and Judges – 8 members
- State Officers and Employees – 42 members
- Teachers Special Pension – 1 member



Major Issues

Florida Interoperability Network (FIN) and Mutual Aid - \$5M Trust Fund

- FIN provides reliable communications “highways” or networks to bridge the gap for disparate radio systems and equipment.
- Mutual aid resources provide communications “on-ramps” for public safety responders from neighboring or distant jurisdictions (including other states) with disparate radio equipment.



Major Issues

Health Insurance Management Information System - \$1.1M Trust Fund

- Access to claims and outcome data compiled across multiple vendors is the only means through which the division will have the ability to interpret, analyze, relate, compare, and evaluate medical and pharmacy claims experience from a holistic standpoint.



Major Issues

Compensation Study - \$150,000 Trust Fund

- To conduct wage and salary surveys to achieve the goal of an equitable, competitive, market-based pay policy



Major Issues

Broadband Grant - \$802,000 Trust Fund

- Section 364.0135, Florida Statutes, designates the Department of Management Services (DMS) as the lead Agency to promote broadband... “...broadband Internet service is critical to the economic development and is beneficial for libraries, schools, colleges and universities, health care providers, and community organizations.”



Major Issues

Master Lease Space - \$755,000 Trust Fund

There are 12 agencies located in the four master lease locations:

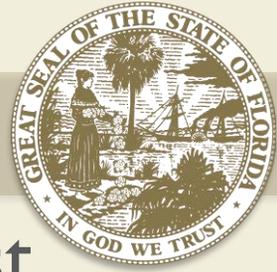
- Ft. Knox Office Complex
- Tallahassee Center (formerly known as The Koger Center)
- Northwood Centre
- Winewood Office Complex



Major Issues

DMS Facilities Interior Refurbishment - \$1.43M Trust Fund

- Funded from \$.25 per square foot from the office space rent collections



Major Issues

People First Contracted Services - \$365,399 Trust Fund

- Unplanned system modifications
- Third party validation of vendor cost/hour estimates
- Train and certify People First team staff in SAP, so that we have the knowledge necessary for the business case, procurement, and transition.

Division of Retirement Actuarial Services - \$467,000 Trust Fund

- Actuarial special studies reveal the impacts of proposed Florida Retirement System Pension Plan benefit changes.



Major Issues

Contracted Legal Services \$1.15M

- Requests additional Contracted Legal Services for several divisions to fund legal counsel representation for various bid protests and law suits.



Major Issues

HMO Administrative Services Only – Bringing Self-Insured HMOs Appropriations on line in the Budget - \$31.2M

OVERVIEW OF THE DIVISION OF ADMINISTRATIVE HEARINGS*

www.doah.state.fl.us

Mission: To provide a uniform and impartial forum for the trial and resolution of disputes in an efficient and timely manner.

ADJUDICATION OF DISPUTES PROGRAM	WORKERS' COMPENSATION APPEALS PROGRAM
<p>Resolves disputes between private citizens and organizations and agencies of the state.</p> <ul style="list-style-type: none">➤ Authorized by Chapter 120, Florida Statutes.➤ 67 FTE – 1 Chief Judge, 1 Deputy Chief Judge, 32 Administrative Law Judges and 33 staff.➤ FY 11-12 budget: \$8.2 million➤ Only 5% of the agency's budget supports administrative activities.➤ 100% Trust Funded.➤ Funded through transfers from state agencies, contracts with outside entities, and administrative assessment from the Workers' Compensation Appeals Program.➤ FY 10-11 cases filed: 11,007, a 60% increase from FY 09-10. Scheduled 58% of cases for hearing within 90 days of filing, and closed 93% of cases within 120 days of filing.➤ Recent jurisdiction expansions include child support and paternity cases, Medicaid waiver cases, and Senate claim bills.	<p>Resolves disputes between workers and their private or public employers arising from job-related injuries.</p> <ul style="list-style-type: none">➤ Authorized by Sections 440.25 and 440.45, Florida Statutes.➤ 182 FTE – 1 Deputy Chief Judge, 32 Judges of Compensation Claims, 32 Mediators and 117 staff.➤ FY 11-12 budget: \$16.7 million➤ 100% Trust Funded.➤ Funded through transfers from the Workers' Compensation Administration Trust Fund (WCATF), of the Department of Financial Services. The WCATF is supported by a 1.75% percent assessment rate on insurance premiums.➤ FY 10-11 petitions filed: 64,679, an 5% decrease from FY 09-10. Closed 86% of petitions within statutory timeframe.➤ FY 10-11 mediations held: 17,906. Held 96% of mediations within 130 days.➤ FY 10-11: Collected \$9.2 million, or 55% of total budget, in outstanding child support arrearages.

* Per Section 120.65, Florida Statutes, the Division of Administrative Hearings is administratively attached to the Department of Management Services (DMS), but is not subject to the control, supervision, or direction by DMS in any manner, including, but not limited to, personnel, purchasing, transactions involving real or personal property, and budgetary matters.

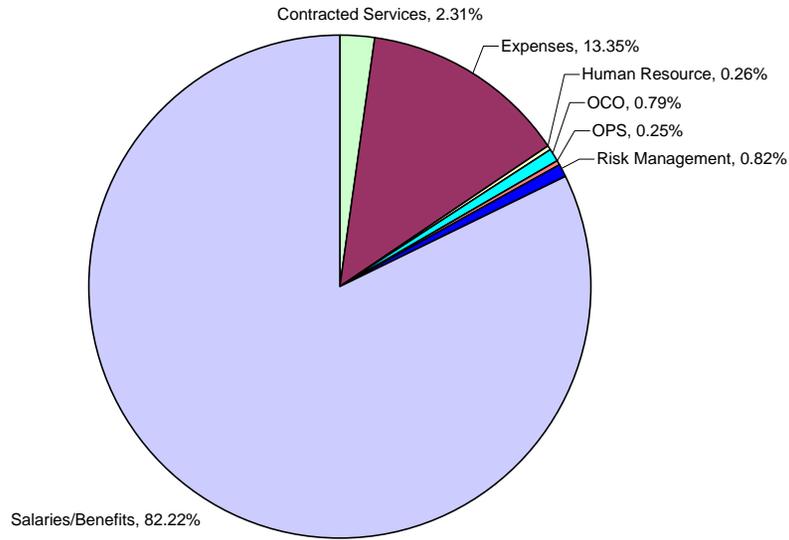
Division of Administrative Hearings
FY 2012-13 Budget Reduction Proposals
10% Target Amount: \$0 GR \$2,470,021 TF

<i>Issue</i>	<i>FTE</i>	Recurring General Revenue	Recurring Trust Fund Amount	Issue	Impact
1		0	-2,009	Reduce Temporary Employment - Adjudication of Disputes	Minimal impact on this program's operations. Reduces the Other Personal Services category.
2		0	-31,715	Reduce Allocation for Expenditures - Workers' Compensation Appeals	Moderate impact on this program's operations. Reduces Expenses and Contracted Services categories.
3		0	-38,208	Reduce Allocation for Expenditures - Adjudication of Disputes	Moderate impact on this program's operations. Reduces Expenses and Contracted Services categories.
4	-8	0	-769,788	Workforce Reduction - Adjudication of Disputes	Significant impact on this program's ability to fulfill its mission. Reduces this program's workforce by (12)%
5	-18	0	-1,628,301	Workforce Reduction - Workers' Compensation Appeals	Significant impact on this program's ability to fulfill its mission. Reduces this program's workforce by (10)%
	-26	0	-2,470,021		

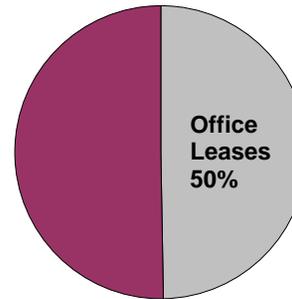
**DIVISION OF ADMINISTRATIVE HEARINGS CUTS
(FY 2003-04 to FY 2011-12)**

	<u>FTE</u>	<u>AMOUNT</u>
FY 2003-04	(2.0)	(\$194K)
FY 2004-05	(3.0)	(\$231K)
FY 2005-06	(7.0)	(\$291K)
FY 2006-07	(1.0)	(\$31K)
FY 2007-08	(2.0)	(\$291K)
FY 2008-09	(1.0)	(\$234K)
FY 2009-10	0.0	(\$514K)
FY 2010-11	0.0	(\$153K)
FY 2011-12	(17.0)	(\$922K)
TOTAL RECURRING CUTS	<u>(33.0)</u>	<u>(\$2.9M)</u>

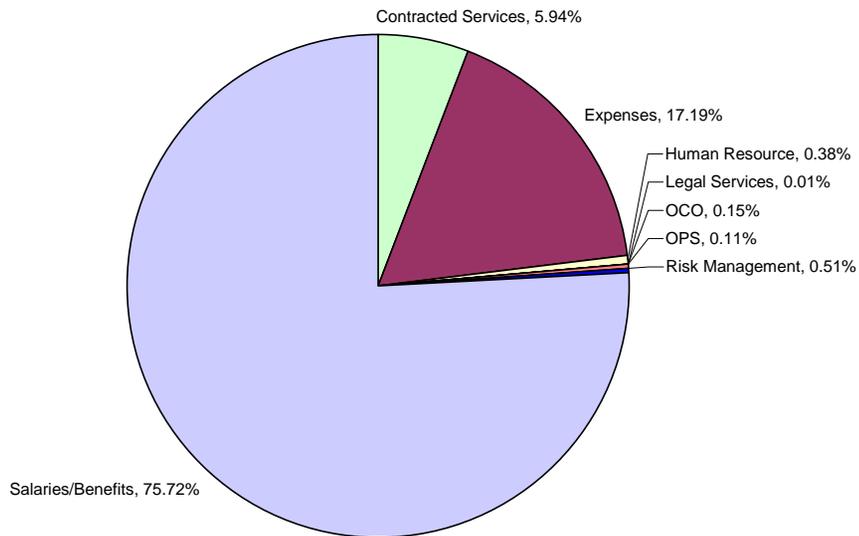
Division of Administrative Hearings FY 2011-12 BASE BUDGET Adjudication of Disputes Program



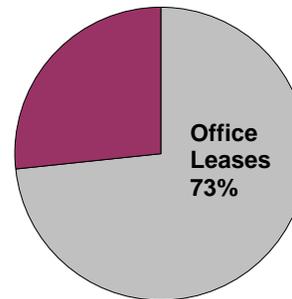
Expenses Breakout



Workers' Compensation Appeals Program



Expenses Breakout



Florida Commission on Human Relations

*Resolving discrimination allegations faster,
better and less costly for businesses and the
state of Florida*



Presented by:

Michelle Wilson

Interim Co-Executive Director

A CORE FUNCTION OF STATE GOVERNMENT



Section 2, Article 1, Florida Constitution states:

Basic rights.—All natural persons, female and male alike, are equal before the law and have inalienable rights . . . No person shall be deprived of any right because of race, religion, national origin, or physical disability.

The Constitution guarantees this right and Chapter 760 provides remedies and procedures for ensuring that this right is protected.

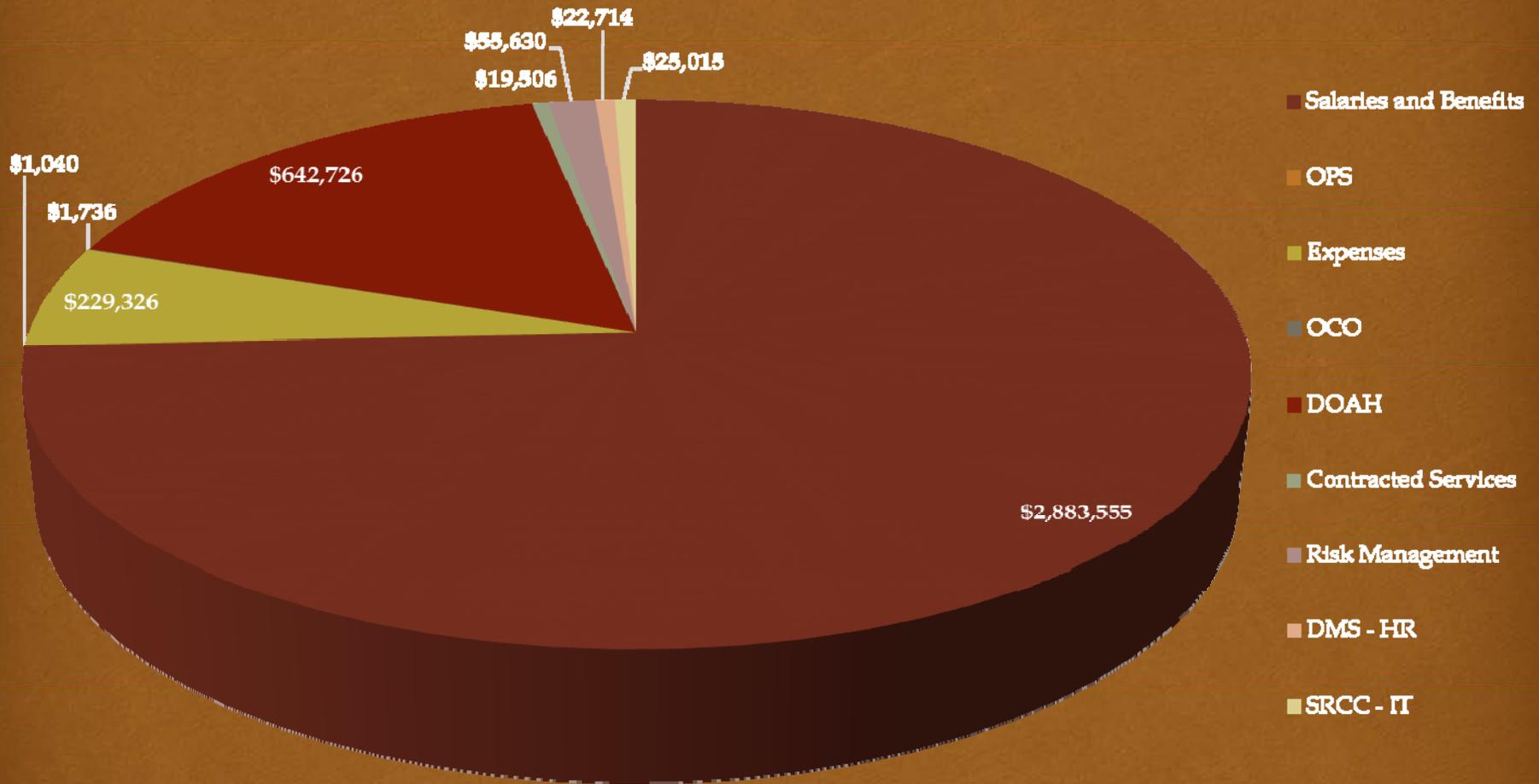
VALUE OF FCHR

- **Return on Investment: 144% (5-year average)**

For every \$1 spent, FCHR has returned an additional \$1.44 to Florida businesses

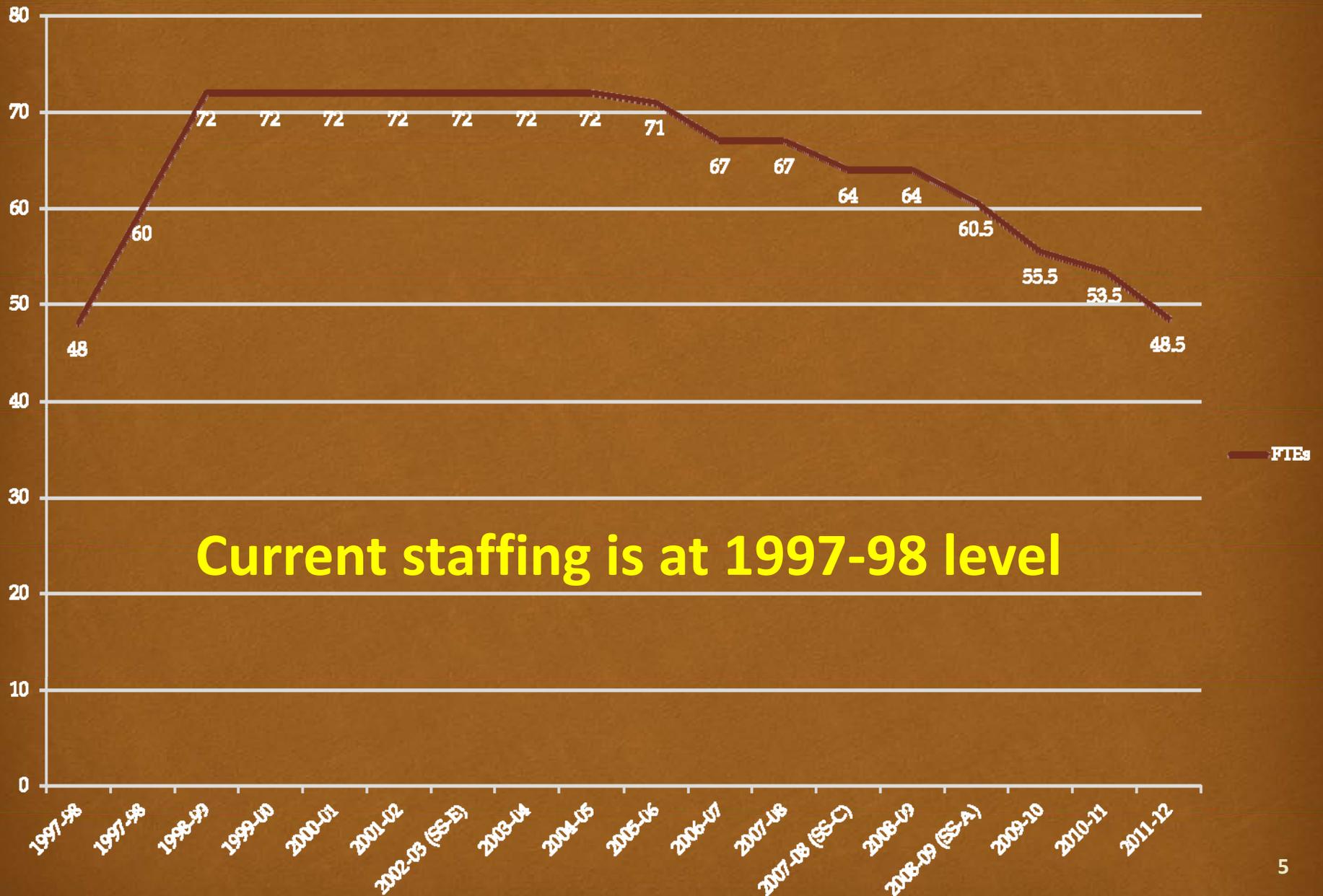
- **Since 2006, FCHR has helped 500+ businesses avoid more than \$61 million in litigation costs**

FY 2011-12 BUDGET BY CATEGORY



48.5 positions
\$3.8 million (total budget)

FCHR FTE LOSSES, 1997-2012



MEASURES TAKEN TO REDUCE BURDEN ON TAXPAYERS

- ✓ Reduced FTEs by 27%
- ✓ Reduced office space needs
- ✓ Increased telecommuting (56% of staff now telecommutes)
- ✓ Negotiated lower square footage costs
- ✓ Flattened management structure
- ✓ Renegotiated copier leases
- ✓ Reduced cell phone usage
- ✓ Reduced office supply purchases
- ✓ Reduced paper usage
- ✓ Eliminated subscriptions
- ✓ Reduced technology costs
- ✓ Reduced postage costs
- ✓ Eliminated non-essential travel costs



FY 2012-13 BUDGET CUTS

10% Target Reduction

Amount:

\$188,385/GR

\$7,807/TF

CIVIL RIGHTS HALL OF FAME *(s. 760.065)*

- ❖ **Enacted by 2010 Legislature; no staff or funding provided**
- ❖ **Program significantly scaled back in 2011 due to lack of funds and staffing resources**
- ❖ **Review panel received 21 nominees, selected 10 finalists**
- ❖ **Finalists submitted to Governor's Office for selection of 3 inductees *(pending final selection)***
- ❖ **Display is to be in the Capitol building; no funding available for induction ceremony or plaques**

Questions



Contact:

Michelle Wilson

Interim Co-Executive Director

(850) 488-7082

<http://fchr.state.fl.us>



THE FLORIDA SENATE
APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

Meeting Date _____

Topic LBR/10% Reductions Bill Number _____ (if applicable)
Name Debra Forbes Amendment Barcode _____ (if applicable)
Job Title Dir of Admin
Address 4050 Esplanade way Phone 850-487-9911
Street
 Tallahassee FL 32399-0950 E-mail debra.forbes@dms.in.florid
City *State* *Zip* *Com*
Speaking: For Against Information
Representing DMS

Appearing at request of Chair: Yes No Lobbyist registered with Legislature: Yes No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

This form is part of the public record for this meeting. S-001 (10/20/11)

THE FLORIDA SENATE
APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

Meeting Date 11/17/11

Topic BUDGET PRESENTATION Bill Number _____ (if applicable)
Name PAUL WHITFIELD Amendment Barcode _____ (if applicable)
Job Title DEPUTY CFO
Address _____ Phone _____
Street
E-mail _____
City *State* *Zip*
Speaking: For Against Information
Representing CFO JEFF ATWATER

Appearing at request of Chair: Yes No Lobbyist registered with Legislature: Yes No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

This form is part of the public record for this meeting. S-001 (10/20/11)

THE FLORIDA SENATE
APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

11-15-2011

Meeting Date

Topic Schedule VIII B Reduction Proposals for Fiscal Year 2012-13

Bill Number _____
(if applicable)

Name Robert S. Cohen

Amendment Barcode _____
(if applicable)

Job Title Director and Chief Judge

Address 1230 Apalachee Parkway

Phone 850-488-9675

Street

Tallahassee

FL

32399

City

State

Zip

E-mail Bob_Cohen@doah.state.fl.us

Speaking: For Against Information

Representing Division of Administrative Hearings

Appearing at request of Chair: Yes No

Lobbyist registered with Legislature: Yes No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

This form is part of the public record for this meeting.

S-001 (10/20/11)

THE FLORIDA SENATE
APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

11/15/11

Meeting Date

Topic BUDGET SUB. COMM - GENERAL GOV.

Bill Number _____
(if applicable)

Name JOE BOURASSA

Amendment Barcode _____
(if applicable)

Job Title RETIRED

Address 800 LEWIS DRIVE.

Phone 386-253-9017

Street

DAYTONA BEACH, FL. 32117

City

State

Zip

E-mail BOURASSA.JOE@GMAIL.COM

Speaking: For Against Information

Representing COMMON PEOPLE

Appearing at request of Chair: Yes No

Lobbyist registered with Legislature: Yes No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

S-001 (10/20/11)



THE FLORIDA SENATE

Tallahassee, Florida 32399-1100

COMMITTEES:
Communications, Energy, and Public Utilities
Ethics and Elections
Judiciary
Subcommittee on General Government
Appropriations
Subcommittee on Higher Education
Appropriations
Reapportionment
Regulated Industries

SENATOR OSCAR BRAYNON II
33rd District

November 10, 2011

Senator Hays, Chair
Budget Subcommittee on General Government Appropriations
324 Senate Office Building
404 South Monroe Street
Tallahassee, FL 32399-1300

Dear Chair Hays:

I respectfully request an excused absence for the *General Government Appropriations* meeting on, November 15, 2011.

Thank you in advance for your consideration.

Sincerely,

Handwritten signature of Oscar Braynon II.

Senator Oscar Braynon II,
District 33

Handwritten signature of Michael S. Bennett.

cc. Senator Nan Rich, Minority Leader
Jamie DeLoach, Staff Director
Lisa Waddell, Committee Administrative Asst.

REPLY TO

□ 806 NW 183rd Street, Miami Gardens, Florida 33169 (305) 654-7160 FAX (305) 654-7154
□ 213 Senate Office Building, 404 South Monroe Street, Tallahassee, Florida 32399-1100 (904) 487-5116

Senate's Website www.flsenate.gov

MIKE HARIDOPOLOS
President of the Senate

MICHAEL S. "MIKE" BENNETT
President Pro Tempore

CourtSmart Tag Report

Room: SB 401

Case:

Type:

Caption: Senate Budget Subcommittee on General Government Appropriations

Judge:

Started: 11/15/2011 10:48:58 AM

Ends: 11/15/2011 12:34:41 PM **Length:** 01:45:44

10:48:58 AM

10:48:58 AM

10:49:00 AM Meeting called to order

10:49:53 AM SB 152 by Sen. Latvala

10:52:13 AM Chmn. Hays

10:52:42 AM CS/SB 182 by Sen. Garcia presented by David Marin

10:55:41 AM Mr. Bruce

10:56:12 AM amendment barcode # 166266

10:57:48 AM Brian Pitts, Justice-2-Jesus

11:04:11 AM Sen. Latvala

11:05:51 AM Eric Draper, Audubon

11:06:28 AM Sen. Bullard

11:08:12 AM Chmn. Hays

11:08:15 AM Dept of Financial Services, Paul Whitfield

11:30:58 AM Judge Robert Cohen, Div. of Administrative Hearings

11:46:45 AM Michelle Wilson, Fl. Commission on Human Relations

11:57:12 AM Debra Forbess, Dept. of Management Services

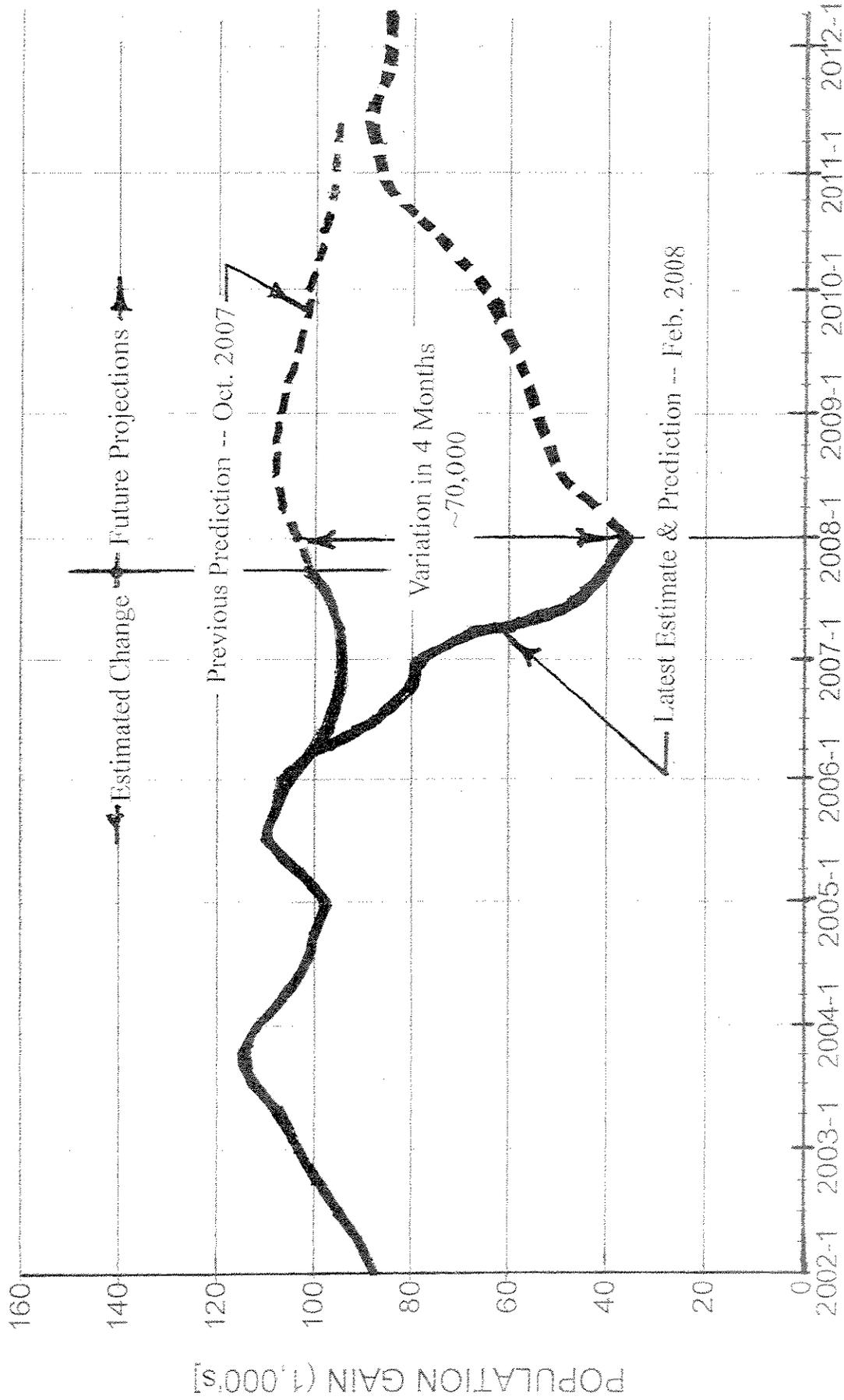
12:19:43 PM Chmn. Hays

12:25:35 PM Joe Bourassa

12:34:24 PM meeting adjourned

FLORIDA POPULATION CHANGE per QUARTER

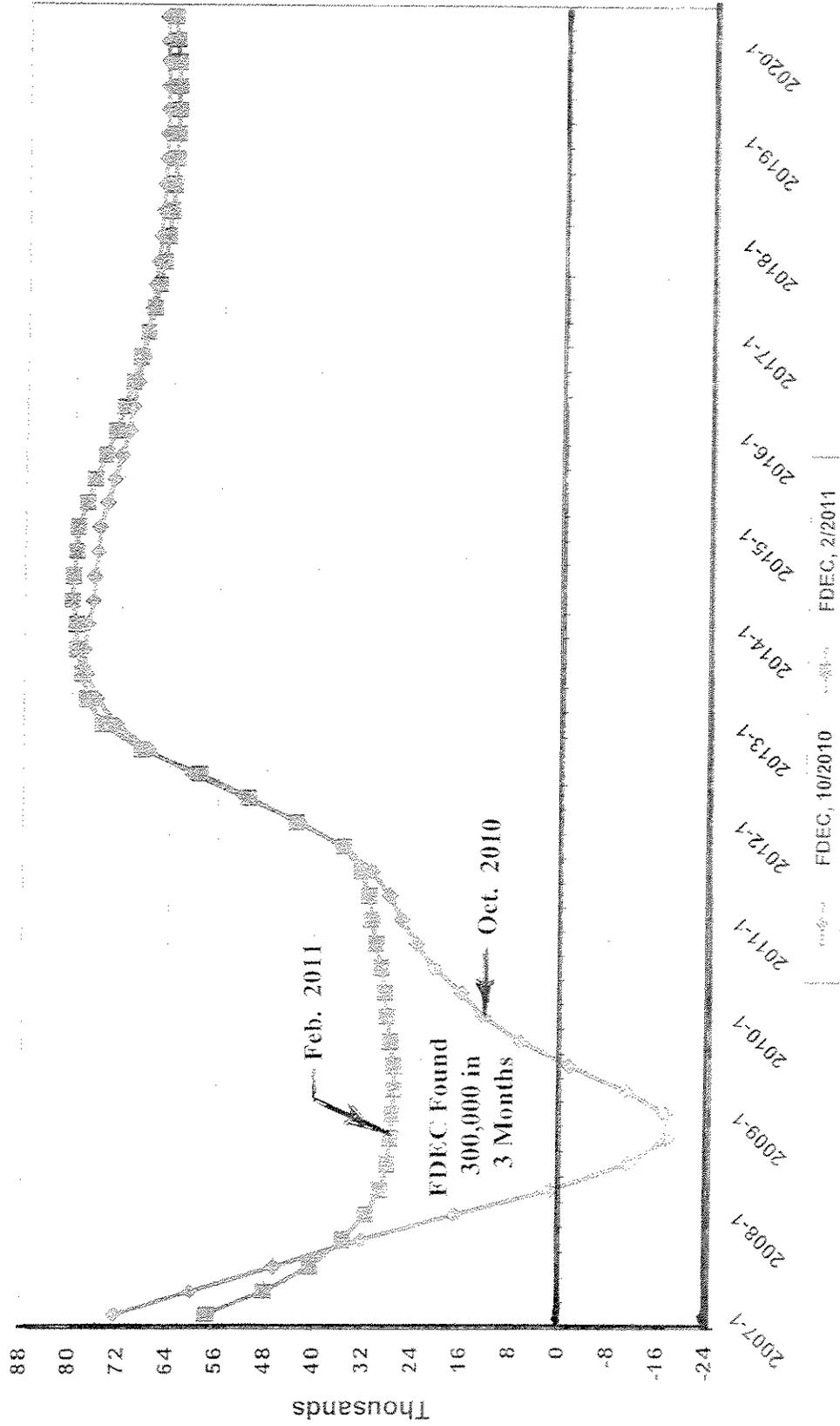
2002 - 2012



DATA: FDEC, Feb 2008

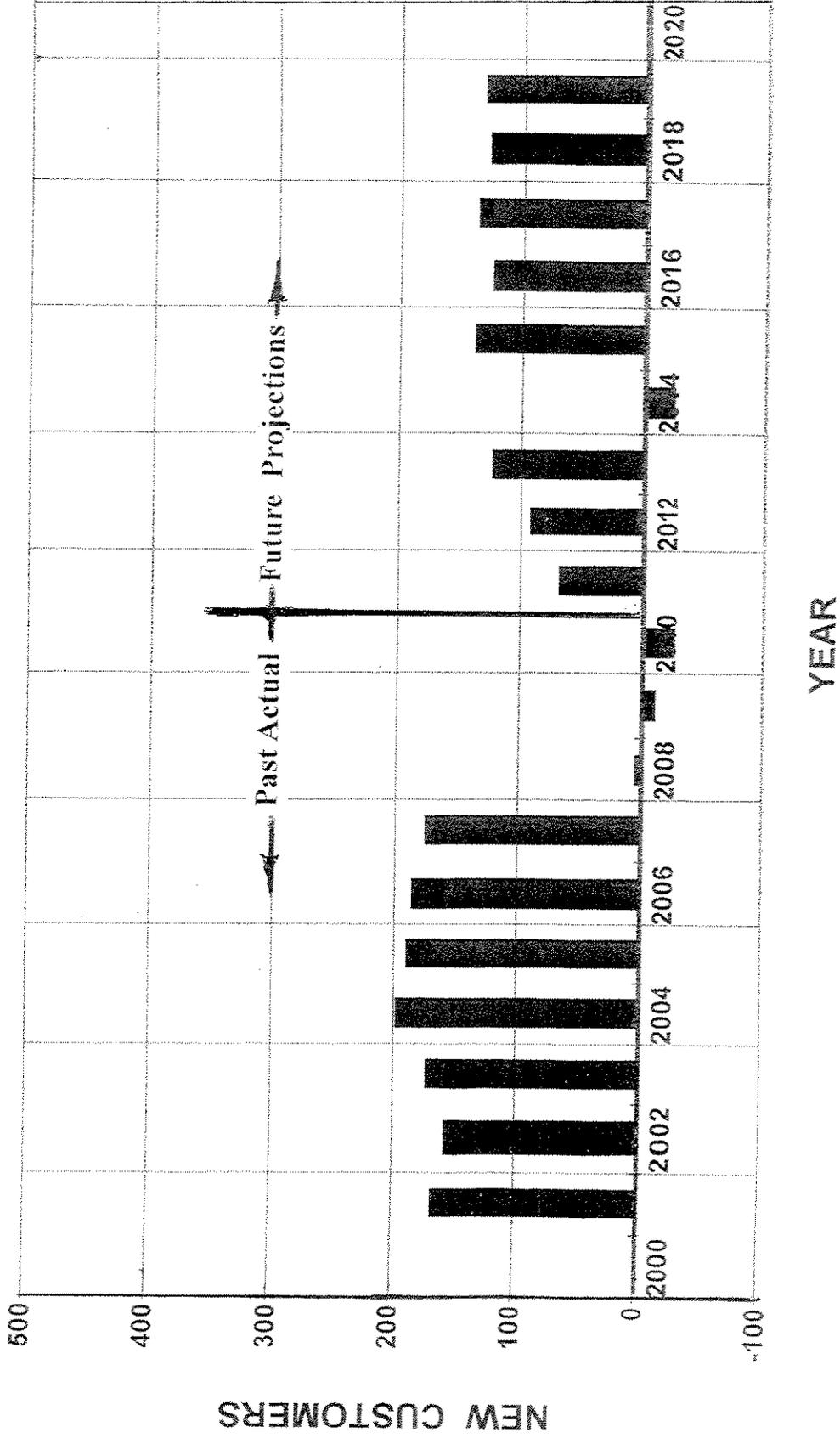
JB 3/3/08

Net Change In Florida Resident Population



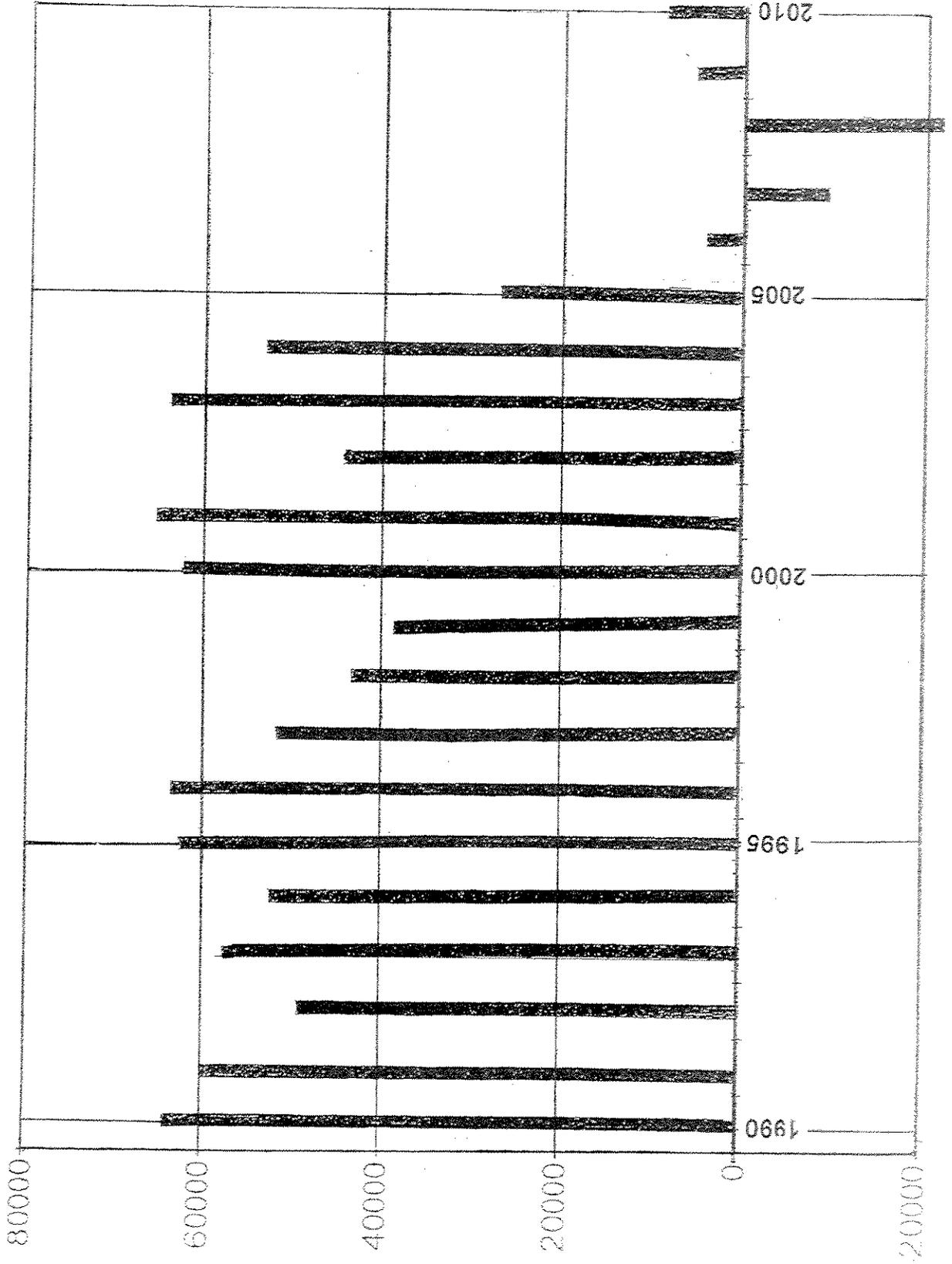
FLORIDA ELECTRIC CUSTOMER CHANGE

2000 -- 2020



FLORIDA PK-12 SCHOOL POPULATION

CHANGE per YEAR

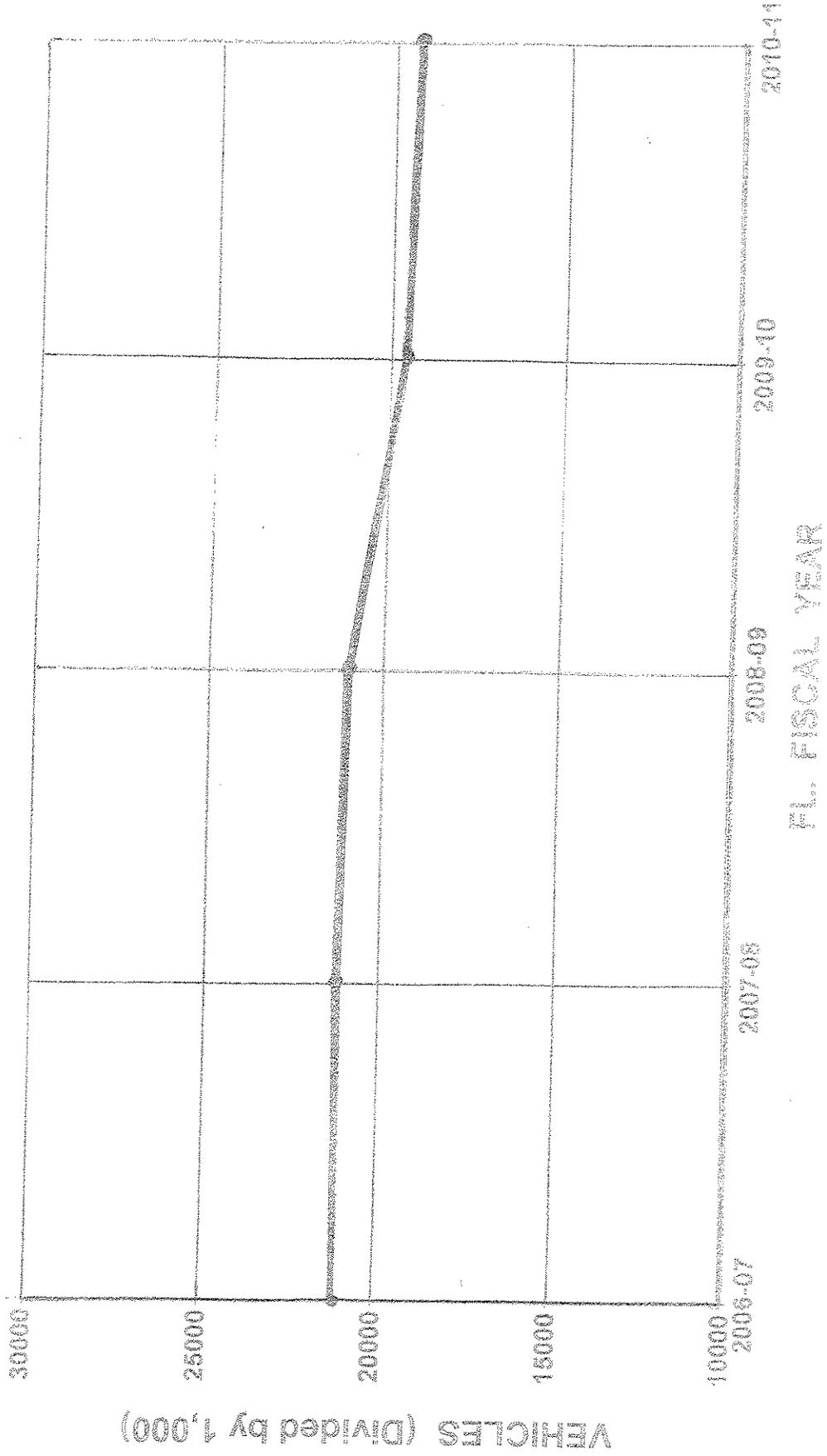


ENROLLMENT CHANGE {from Previous Year}

VEHICLES INCLUDE CARS, MOTOR HOMES and BOATS

FLORIDA VEHICLE REGISTRATIONS

2006 -- 2010



Net Change in Florida Resident Population

