

CS/SB 560 by **EP, Dean**; (Similar to CS/CS/H 0157) Water Management Districts

222762	A	S	L	RCS	BGA, Latvala	Delete L.66 - 69:	01/24 03:03 PM
564738	A	S	L	RCS	BGA, Latvala	btw L.29 - 30:	01/24 03:03 PM

COMMITTEE MEETING EXPANDED AGENDA

BUDGET SUBCOMMITTEE ON GENERAL GOVERNMENT

APPROPRIATIONS

Senator Hays, Chair

Senator Benacquisto, Vice Chair

MEETING DATE: Tuesday, January 24, 2012

TIME: 1:00 —2:00 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	CS/SB 560 Environmental Preservation and Conservation / Dean (Similar CS/H 157)	Water Management Districts; Authorizing a district to designate another single affected district to conduct resource management responsibilities under an interagency agreement; requiring that the district providing funding assistance for an activity, study, or project receive some or all of the benefits; requiring districts to apply specific reservations, minimum flows and levels, and recovery and prevention strategies in determining certain effects of proposed consumptive uses of water; authorizing a district to provide group health insurance for the employees of another district, etc. EP 12/06/2011 Fav/CS GO 01/09/2012 Favorable BGA 01/24/2012 Fav/CS BC	Fav/CS Yeas 8 Nays 0
2	Review and Discussion of Fiscal Year 2012-2013 Budget Issues relating to: Dept. of Agriculture and Consumer Services Dept. of Business and Professional Regulation Dept. of Citrus Dept. of Environmental Protection Dept. of Financial Services Office of Financial Regulation Office of Insurance Regulation Dept. of Lottery		Presented
3	Review and Discussion of Fiscal Year 2012-2013 Budget Issues relating to: Dept. of Management Services Division of Administrative Hearings Human Relations Commission Northwood Shared Resource Center Public Employees Relations Commission Southwood Shared Resource Center Public Service Commission Fish and Wildlife Conservation Commission Dept. of Revenue		Presented

COMMITTEE MEETING EXPANDED AGENDA

Budget Subcommittee on General Government Appropriations
Tuesday, January 24, 2012, 1:00 —2:00 p.m.

TAB	BILL NO. and INTRODUCER	BILL DESCRIPTION and SENATE COMMITTEE ACTIONS	COMMITTEE ACTION
	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: CS/CS/SB 560

INTRODUCER: Budget Subcommittee on General Government Appropriations; Environmental Preservation and Conservation Committee; and Senator Dean

SUBJECT: Water Management Districts

DATE: January 24, 2012 REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Uchino</u>	<u>Yeatman</u>	<u>EP</u>	Fav/CS
2.	<u>McKay</u>	<u>Roberts</u>	<u>GO</u>	Favorable
3.	<u>Pigott</u>	<u>DeLoach</u>	<u>BGA</u>	Fav/CS
4.	_____	_____	<u>BC</u>	_____
5.	_____	_____	_____	_____
6.	_____	_____	_____	_____

Please see Section VIII. for Additional Information:

- | | | |
|------------------------------|-------------------------------------|---|
| A. COMMITTEE SUBSTITUTE..... | <input checked="" type="checkbox"/> | Statement of Substantial Changes |
| B. AMENDMENTS..... | <input type="checkbox"/> | Technical amendments were recommended |
| | <input type="checkbox"/> | Amendments were recommended |
| | <input type="checkbox"/> | Significant amendments were recommended |

I. Summary:

The bill provides the water management districts (WMDs) greater flexibility to:

- Enter into interagency agreements for resource study and management for impacts to water resources that cross WMD boundaries;
- Apply an adjoining WMD's reservations, minimum flows and levels (MFLs), and recovery or prevention strategies without having to undertake rulemaking to adopt them for those rules adopted after July 1, 2012;
- Allow a WMD to issue a consumptive use permit (CUP) under certain circumstances when that CUP would violate another WMD's reservations, MFLs, or recovery and prevention strategies;
- Grandfather CUPs issued before July 1, 2012, from the provisions of the bill unless the permittee requests modification or increase of the CUP;
- Allow a WMD to offer its employees and the employees of another WMD a group health insurance program in order to minimize health insurance premiums; and
- Jointly develop the water supply development component of a regional water supply plan with a regional water supply authority.

The bill also clarifies that a WMD's cooperative funding programs are not subject to chapter 120, F.S., rulemaking requirements unless they affect a substantial interest of a party.

The bill substantially amends sections 373.046, 373.223, 373.605, 373.709 and 373.171, Florida Statutes.

II. Present Situation:

Interagency Agreements

Subsection 373.046(6), F.S., currently allows the WMDs to enter into an interagency agreement designating one WMD with regulatory responsibilities for the geographic area of projects that affect multiple WMDs or a local government. However, the WMDs do not have the statutory authority to enter into similar agreements for non-regulatory resource management activities, studies, or projects. In addition, a WMD may not fund resource management activities in another WMD even if some benefits inure to it from the activities.

Conditions for Issuance of Consumptive Use Permits

The WMDs were established along surface hydrological boundaries. As Florida's population has grown and groundwater pumping increased, withdrawals along the boundary of one WMD can cause significant harm to the resources in an adjoining WMD. Such effects are becoming more common as technological advances have provided better data on groundwater resources. While a WMD has the authority to protect all water resources, including water bodies in an adjacent WMD, it cannot use the adopted reservation, MFL, and recovery and prevention strategies adopted by a neighboring WMD without separately going through its own rule making process. The current statutory authority may result in duplication of effort and rulemaking activity when a withdrawal affects water bodies in adjoining WMDs. It can also create inconsistent and inequitable treatment of water use permit applicants.

The goal of establishing MFLs is to ensure there is enough water to satisfy the consumptive use of the water resource without causing significant harm to the resource. By establishing MFLs for non-consumptive uses, the WMDs are able to determine how much water is available for consumptive use. This is useful when evaluating a new consumptive use permit (CUP) application.

Section 373.042, F.S., requires the Department of Environmental Protection (DEP) or WMDs to establish MFLs for priority water bodies to prevent significant harm from water withdrawals. However, the WMDs have thus far been solely responsible for establishing MFLs. The WMDs submit annual MFL priority lists to the DEP for review and approval. MFLs are considered rules by the WMDs and are subject to chapter 120, F.S., challenges. MFLs are established using the best available data and are independently and scientifically peer reviewed. To date, 322 MFLs have been adopted and 200 are on the current priority lists from the WMDs.

Health Insurance Benefits for Employees of WMDs

Section 373.605, F.S., authorizes the WMDs to provide group insurance programs for their employees. However, no legislative authority exists for WMDs to pool their employees to

negotiate better insurance rates. Each WMD provides its own insurance programs. WMDs with smaller workforces have difficulty providing plans with adequate coverage at competitive rates. In addition, the quality of health care plans provided currently varies widely among WMDs.

Regional Water Supply Planning

The WMDs are required to conduct water supply needs assessments. A WMD that determines existing resources will not be sufficient to meet reasonable-beneficial uses for the planning period must prepare a regional water supply plan.¹ The plans must contain:

- A water supply development component,
- A water resource development component,
- A recovery and prevention strategy,
- A funding strategy,
- The impacts on the public interest, costs, natural resources, etc.,
- Technical data and information,
- Any MFLs established for the planning area,
- The water resources for which future MFLs must be developed, and
- An analysis of where variances may be used to create water supply development or water resource development projects.²

Currently, only the Southwest Florida WMD is required to jointly develop the water supply development component with a regional water supply authority.³

Cooperative Funding Programs

Senate Bill 2080, passed during the 2009 Regular Session, addressed cooperative funding programs.⁴ However, its statutory placement in s. 373.0363, F.S., limits its application instead of applying generally to all cooperative funding programs, as was intended. Cooperative funding is not considered a regulatory program. It is a cost-share program for local governments for projects that develop sustainable water resources, provide flood protection, and enhance conservation efforts. Therefore, if a district needed to adopt rules for all of the procedures and policies in a cooperative funding program, it would be unable to adapt or modify the program as necessary.

III. Effect of Proposed Changes:

Section 1 amends s. 373.042, F.S., to allow that any person substantially affected under s. 373.223(6), by a proposed establishment of a reservation, minimum flow or level, or recovery or prevention strategy in an adjoining district, may request a preliminary review by the DEP before the rule adoption hearing by the governing board.

Section 2 amends s. 373.046, F.S., to allow the WMDs to enter into interagency agreements to share funding and resource management responsibilities for activities, studies, or projects for

¹ See s. 373.709, F.S.

² Section 373.709(2), F.S.

³ Section 373.709(3), F.S.

⁴ Chapter 2009-243, s. 1, L.O.F.

resources that affect multiple WMDs in a geographic area. This section does not apply to shared regulatory responsibilities already provided for in subsection 373.046(6), F.S. In addition, this section allows a WMD to provide funding assistance to another WMD for resource management activities, studies, or projects if the funding WMD receives some or all of the benefits of the resource management activities. The bill also clarifies that it does not impair any interagency agreement in effect on July 1, 2012.

Section 3 amends s. 373.223, F.S., to allow a WMD to use and consider an adjoining WMD's reservations, minimum flows and levels, and recovery and prevention strategies without adopting them by rule when determining the effect a proposed CUP may have on an adjoining WMD's water resources. The WMD may not issue the CUP if doing so would violate the adjoining WMD's reservations, minimum flows and level, and recovery and prevention strategies. If a party brings a chapter 120, F.S., challenge, the WMD that adopted the rule is responsible for defending it.

Clarifies that when a district is considering a modification to a permit issued prior to July 1, 2012, that would increase permitted quantities or otherwise increase impacts to a reservation or minimum flow and level, it must also consider the reservations, minimum flows and levels, and recovery or prevention strategies adopted by rule on or after July 1, 2012, by the adjoining district.

Section 4 amends s. 373.605, F.S., to allow a WMD to offer its employees and the employees of other WMDs a group health insurance program. It also deletes an obsolete section.

Section 5 amends s. 373.709, F.S., to direct the WMDs to jointly develop the water supply development component of a regional water supply plan with a regional water supply authority. Currently, only the Southwest Florida WMD is required to do so.

Section 6 amends s. 373.171, F.S., to clarify that a WMD's cooperative funding programs are not subject to chapter 120, F.S., rulemaking requirements. However, parties may challenge the program pursuant to s. 120.569, F.S., if any part of the program affects their substantial interests.

Section 7 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:

None.

C. Government Sector Impact:

The bill will result in a positive but indeterminate fiscal impact to the WMDs. It may also allow for streamlining of some administrative and non-regulatory functions.

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 by Budget Subcommittee on General Government Appropriations on January 24, 2012:**

- Clarifies that when a district is considering a modification to a permit issued prior to July 1, 2012, that would increase permitted quantities or otherwise increase impacts to a reservation or minimum flow and level, it must also consider the reservations, minimum flows and levels, and recovery or prevention strategies adopted by rule on or after July 1, 2012, by the adjoining district.
- Provides a process for substantially affected parties to request a preliminary review by the Department of Environmental Protection prior to rule adoption of the establishment of a reservation, minimum flow or level, or recovery or prevention strategy in an adjoining district.

CS by Environmental Preservation and Conservation on December 6, 2011:

The CS provides the WMDs greater flexibility to:

- Apply an adjoining WMD's reservations, minimum flows and levels (MFLs), and recovery or prevention strategies without undertaking rulemaking to adopt them for rules adopted after July 1, 2012;
- Allow a WMD to issue a CUP under certain circumstances when that CUP would violate another WMD's reservations, MFLs, or recovery and prevention strategies;
- Grandfather CUPs issued before July 1, 2012, from the provisions of the bill unless the permittee requests modification or increase of the CUP; and

- Jointly develop the water supply development component of a regional water supply plan with a regional water supply authority.

The CS clarifies that a WMD's cooperative funding programs are not subject to chapter 120, F.S., rulemaking requirements unless they affect a substantial interest of a party.

Finally, the CS fixed the technical deficiency that limited the WMDs to providing only health insurance benefits.

B. Amendments:

None.



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LEGISLATIVE ACTION

Senate	.	House
Comm: RCS	.	
01/24/2012	.	
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The Committee on Budget Subcommittee on General Government Appropriations (Latvala) recommended the following:

Senate Amendment

Delete lines 66 - 69
and insert:
compliance report submitted pursuant to s. 373.236. However, a district must consider the reservations, minimum flows and levels, and recovery or prevention strategies adopted by rule on or after July 1, 2012, by the adjoining district if a modification of a permit issued before July 1, 2012, is requested by the permittee to increase permitted quantities or to transfer permitted quantities to a new or existing source that increases the impact to the reservation or minimum flow or



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13

level.



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LEGISLATIVE ACTION

Senate	.	House
Comm: RCS	.	
01/24/2012	.	
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	.	

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

Senate Amendment (with title amendment)

Between lines 29 and 30
insert:

Section 1. Present subsection (5) of section 373.042, Florida Statutes, is renumbered as subsection (6), and a new subsection (5) is added to that section, to read:

373.042 Minimum flows and levels.—

(5) Any person substantially affected under s. 373.223(6) by a proposed establishment of a reservation, minimum flow or level, or recovery or prevention strategy in an adjoining district may request a preliminary review by the department



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13 before the rule adoption hearing by the applicable governing
14 board. Such request must be made within 21 days after
15 publication of the notice of proposed rulemaking and suspends
16 any applicable rulemaking timeframes in s. 120.54 for 30 days,
17 during which time the department shall review the proposed rule
18 and provide comments for consideration by the governing board.
19 The department review is separate from the review provided under
20 s. 373.114(2).

21
22 ===== T I T L E A M E N D M E N T =====

23 And the title is amended as follows:

24 Delete line 3

25 and insert:

26 amending s. 373.042, F.S.; providing that any person
27 substantially affected by a reservation, proposed
28 minimum flow or level, or recovery or prevention
29 strategy in an adjoining district may request a
30 preliminary review by the Department of Environmental
31 Protection; amending s. 373.046, F.S.; authorizing a
32 district to

By the Committee on Environmental Preservation and Conservation;
and Senator Dean

592-01541-12

2012560c1

1 A bill to be entitled
2 An act relating to water management districts;
3 amending s. 373.046, F.S.; authorizing a district to
4 designate another single affected district to conduct
5 resource management responsibilities under an
6 interagency agreement; requiring that the district
7 providing funding assistance for an activity, study,
8 or project receive some or all of the benefits;
9 amending s. 373.223, F.S.; requiring districts to
10 apply specific reservations, minimum flows and levels,
11 and recovery and prevention strategies in determining
12 certain effects of proposed consumptive uses of water;
13 providing an exception; providing requirements for the
14 challenge of specified rules; providing for
15 applicability; amending s. 373.605, F.S.; authorizing
16 a district to provide group health insurance for the
17 employees of another district; removing obsolete
18 provisions; amending s. 373.709, F.S., relating to
19 regional water supply planning; removing a reference
20 to the Southwest Florida Water Management District;
21 requiring a regional water supply authority and the
22 applicable water management district to jointly
23 develop the water supply component of the regional
24 water supply plan; amending s. 373.171, F.S.;

25 exempting cooperative funding programs from certain
26 rulemaking requirements; providing an effective date.
27
28 Be It Enacted by the Legislature of the State of Florida:
29

592-01541-12

2012560c1

30 Section 1. Subsection (7) is added to section 373.046,
31 Florida Statutes, to read:
32 373.046 Interagency agreements.—
33 (7) If the geographic area of a resource management
34 activity, study, or project crosses water management district
35 boundaries, the affected districts may designate a single
36 affected district to conduct all or part of the applicable
37 resource management responsibilities under this chapter, with
38 the exception of those regulatory responsibilities that are
39 subject to subsection (6). If funding assistance is provided to
40 a resource management activity, study, or project, the district
41 providing the funding must ensure that some or all the benefits
42 accrue to the funding district. This subsection may not impair
43 any interagency agreement in effect on July 1, 2012.
44 Section 2. Subsection (6) is added to section 373.223,
45 Florida Statutes, to read:
46 373.223 Conditions for a permit.—
47 (6) In determining the effect of a proposed consumptive use
48 of water on the water resources of an adjoining district, the
49 governing board shall apply, without adopting by rule, the
50 reservations, minimum flows and levels, and recovery or
51 prevention strategies adopted by rule after July 1, 2012, by the
52 adjoining district. The governing board may not authorize a
53 consumptive use of water which violates any reservation adopted
54 pursuant to subsection (4) or any minimum flow or level adopted
55 pursuant to ss. 373.042 and 373.0421 after July 1, 2012, unless
56 such permit is issued in accordance with the recovery or
57 prevention strategy adopted by rule by the adjoining district.
58 The district may grant a variance from the recovery or

592-01541-12 2012560c1

59 prevention strategy if the applicant identifies an alternative
 60 strategy to assist with the recovery of or the prevention of
 61 harm to a water body. Any rule applied pursuant to this
 62 subsection which is challenged under s. 120.56 or s. 120.569
 63 shall be defended by the district that adopted the rule. This
 64 subsection does not apply to and may not be considered for any
 65 permit issued before July 1, 2012, including a review of a
 66 compliance report submitted pursuant to s. 373.236, or a permit
 67 modification requested by the permittee unless the permittee
 68 requests an increase in permitted quantities or a transfer of
 69 permitted quantities to a new or existing source.

70 Section 3. Section 373.605, Florida Statutes, is amended to
 71 read:

72 373.605 Group insurance for water management districts.—

73 (1) The governing board of a any water management district
 74 may is hereby authorized and empowered to provide group
 75 insurance for its employees in the same manner and with the same
 76 provisions and limitations authorized for other public employees
 77 by ss. 112.08, 112.09, 112.10, 112.11, and 112.14.

78 (2) The governing board of a water management district may
 79 provide group insurance for its employees and the employees of
 80 another water management district in the same manner and with
 81 the same provisions and limitations authorized for other public
 82 employees by ss. 112.08, 112.09, 112.10, 112.11, and 112.14.

83 ~~(2) Any and all insurance agreements in effect as of~~
 84 ~~October 1, 1974, which conform to the provisions of this section~~
 85 ~~are hereby ratified.~~

86 Section 4. Subsection (3) of section 373.709, Florida
 87 Statutes, is amended to read:

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88 373.709 Regional water supply planning.—

89 (3) The water supply development component of a regional
 90 water supply plan which deals with or affects public utilities
 91 and public water supply for those areas served by a regional
 92 water supply authority and its member governments ~~within the~~
 93 ~~boundary of the Southwest Florida Water Management District~~
 94 shall be developed jointly by the authority and the applicable
 95 water management district. In areas not served by regional water
 96 supply authorities, or other multijurisdictional water supply
 97 entities, and where opportunities exist to meet water supply
 98 needs more efficiently through multijurisdictional projects
 99 identified pursuant to paragraph (2) (a), water management
 100 districts are directed to assist in developing
 101 multijurisdictional approaches to water supply project
 102 development jointly with affected water utilities, special
 103 districts, and local governments.

104 Section 5. Subsection (5) is added to section 373.171,
 105 Florida Statutes, to read:

106 373.171 Rules.—

107 (5) Cooperative funding programs are not subject to the
 108 rulemaking requirements of chapter 120. However, any portion of
 109 an approved program which affects the substantial interests of a
 110 party is subject to s. 120.569.

111 Section 6. This act shall take effect July 1, 2012.

THE FLORIDA SENATE
APPEARANCE RECORD

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

January 24, 2012

Meeting Date

Topic Water Management Districts Bill Number 560

Name Steven Minnis Amendment Barcode 222762
(if applicable)

Job Title Director of Governmental Affairs
(if applicable)

Address 995 CR 49 Phone 386.362.1001

Street

Live Oak Florida 32060

City

State

Zip

E-mail sam@srwmd.org

Speaking: For Against Information

Representing Suwannee River Water Management District

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)

1-24-12
Meeting Date

Topic Water Mgmt

Bill Number CS/
SB 560
(if applicable)

Name Diane Salz

Amendment Barcode 564738
(if applicable)

Job Title Lobbyist

Address 2529 Goose Pond Ct

Phone 850.339.8550

Talla FL 32308
City State Zip

E-mail disalz@yahoo.com

Speaking: For Against Information

Representing Withlacoochee Reg'l Water Authority

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.

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THE FLORIDA SENATE
APPEARANCE RECORD

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

1/24/12

Meeting Date

Topic Water Management Districts

Bill Number SB 560
(if applicable)

Name Frank Bernardino

Amendment Barcode _____
(if applicable)

Job Title _____

Address 324 E. Virginia St.

Phone 561/718-2345

Street
Tallahassee, FL 32301
City State Zip

E-mail frankcanfield@florida.com

Speaking: For Against Information

Representing Florida Section of American Water Works Assoc.

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.

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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)

January 24, 2012

Meeting Date

Topic Water Management Districts Bill Number 560
(if applicable)

Name Steven Minnis Amendment Barcode _____
(if applicable)

Job Title Director of Governmental Affairs

Address 995 CR 49 Phone 386.362.1001
Street

Live Oak Florida 32060

City State Zip

E-mail sam@srwmd.org

Speaking: For Against Information

Representing Suwannee River Water Management District

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.

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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)

1/24/12
Meeting Date

Topic Water Management Districts

Bill Number SB 560
(if applicable)

Name Suzanne Goss

Amendment Barcode _____
(if applicable)

Job Title Government Relations Specialist

Address 21 W. Church St.
Street

Phone 904-665-8331

Jacksonville FL 32202
City State Zip

E-mail gossse@jea.com

Speaking: For Against Information

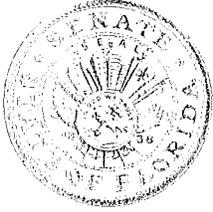
Representing JEPA

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.



THE FLORIDA SENATE

Tallahassee, Florida 32399-1100

✓
COMMITTEES:
Environmental Preservation and Conservation,
Chair
Criminal Justice, *Vice Chair*
Budget - Subcommittee on Transportation, Tourism,
and Economic Development Appropriations
Governmental Oversight and Accountability
Reapportionment
Regulated Industries

SENATOR CHARLES S. DEAN, SR.
3rd District

January 11, 2012

The Honorable Alan Hays
324 Senate Office Building
404 South Monroe Street
Tallahassee, FL 32399-1100

Dear Mr. Chairman:

I respectfully request you place the Committee Substitute for Senate Bill 560, relating to Water Management Districts, on your Budget Subcommittee on General Government Appropriations agenda at your earliest convenience.

If you have any concerns, please do not hesitate to contact me personally.

Sincerely,

Charles S. Dean
State Senator District 3

cc: Jamie DeLoach, Staff Director

SENATE APPROPRIATIONS
12 JAN 11 PM 3:21
STAFF DIR. STAFF

REPLY TO:

- 405 Tompkins Street, Inverness, Florida 34450 (352) 860-5175
- Post Office Box 2558, Ocala, Florida 34478-2558 (352) 873-6513
- 302 Senate Office Building, 404 South Monroe Street, Tallahassee, Florida 32399-1100 (850) 487-5017

Senate's Website: www.flsenate.gov

MIKE HARIDOPOLOS
President of the Senate

MICHAEL S. "MIKE" BENNETT
President Pro Tempore

CHIEF FINANCIAL OFFICER
JEFF ATWATER
FLORIDA DEPARTMENT OF FINANCIAL SERVICES

An overview of the Division of Insurance Fraud

Senate Budget Subcommittee on General Government Appropriations
January 19, 2012

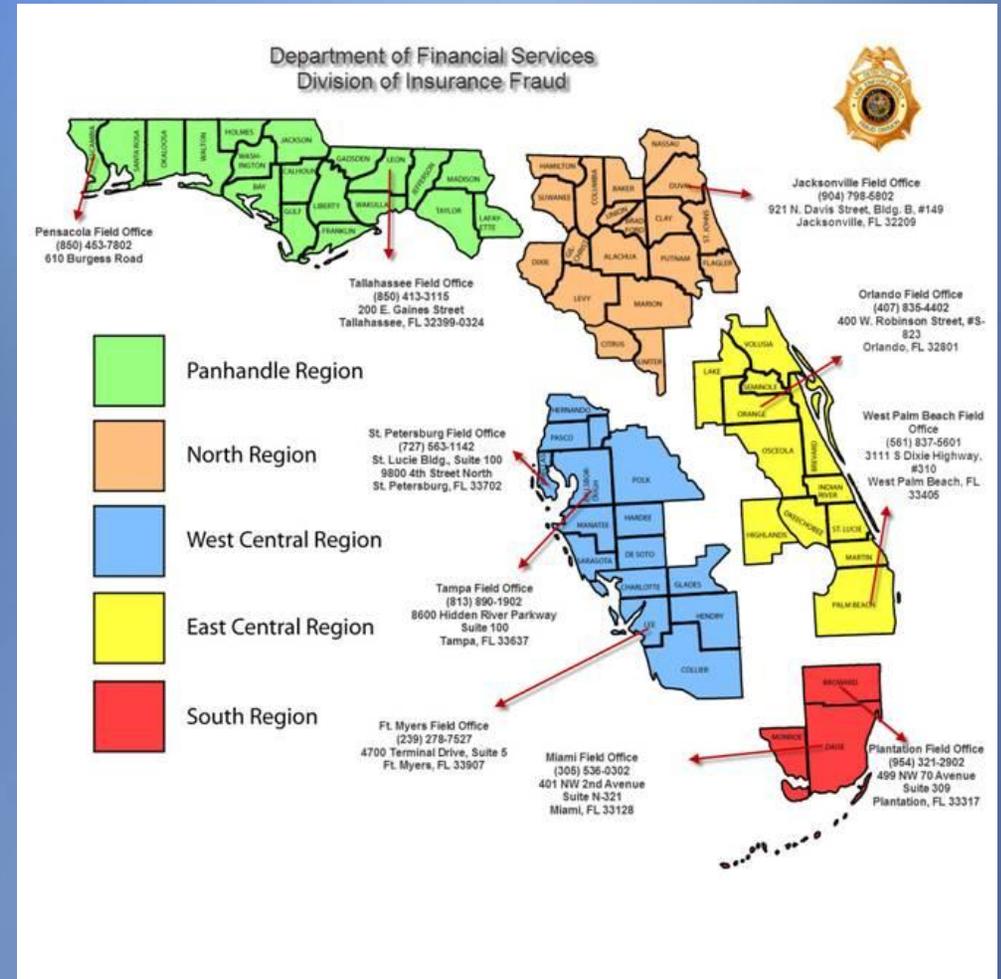


History

- Insurance Fraud is any action taken by an individual with the intent to fraudulently obtain payment from an insurer.
- The Division of Insurance Fraud was created in 1976, and is responsible for investigating insurance fraud, crimes associated with claim fraud, insurance premium fraud, workers' compensation claim fraud, workers' compensation premium avoidance and diversions, insurer insolvency fraud, unauthorized insurance entity fraud, and insurance agent crimes.
- Comprised of sworn law enforcement officers and non-sworn analytic and support personnel, the Division has investigatory and arrest powers. Case referrals are made as jurisdictionally appropriate—either to a state attorney, the Office of Statewide Prosecution, or federal prosecutors.

Organization

- The Division is organized into field offices and jurisdictional units.
- Jurisdictional units include:
 - The Bureau of Crime Intelligence and Analytical Support
 - The Bureau of Workers' Compensation Fraud
 - Fraud Operations
 - Major Case Unit
- Field offices are in the following cities and supervised by a regional Captain:
 - Panhandle Region: Pensacola & Tallahassee
 - North Region: Jacksonville & Ocala
 - West Central Region: Tampa, St. Petersburg & Fort Myers
 - East Central Region: West Palm Beach & Orlando
 - South Region: Miami & Plantation



CHIEF FINANCIAL OFFICER
JEFF ATWATER
FLORIDA DEPARTMENT OF FINANCIAL SERVICES

Specific Crimes of Insurance Fraud

- Unlicensed Entity Fraud: the use of unlicensed companies to sell insurance.
- PIP Fraud: falsifying claims information to inappropriately receive reimbursement from personal injury protection insurance (e.g. staging a car accident, filing false claims, billing for procedures that were never performed).
- Workers' Compensation Fraud: falsifying claims information to inappropriately receive reimbursement from a workers' compensation carrier or fraudulently avoiding the payment of premiums altogether (e.g. faking on-the-job injuries, falsifying payrolls to reduce premiums, forging certificates of insurance).
- Annuity Fraud: bogus offers to purchase an annuity, which is a series of payments similar to a savings plan to provide primary or supplementary retirement income.

FRAUD ALERT
FLORIDA
DIVISION OF INSURANCE FRAUD

“Fake Crash = Real Time”

If you participate in a staged accident, you face a minimum of two (2) years to fifteen (15) years in prison.

File a false claim with your insurance company and you will go to jail.

Insurance Fraud – it's not worth it.



REWARD OFFERED
Up to \$25,000 for information leading to the conviction of persons committing complex and organized insurance crimes

Call Toll-Free 1-800-378-0445



CHIEF FINANCIAL OFFICER
JEFF ATWATER
FLORIDA DEPARTMENT OF FINANCIAL SERVICES

CHIEF FINANCIAL OFFICER
JEFF ATWATER
FLORIDA DEPARTMENT OF FINANCIAL SERVICES

FY 2010/2011 Statistics

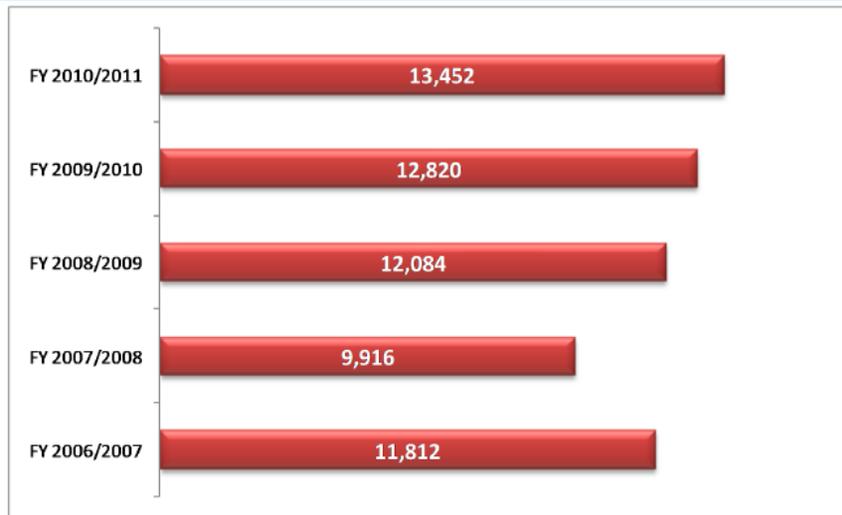
The graphic represents aggregated numbers for the 2010-2011 fiscal year.

Fiscal Year 2010/2011 Statistics

Referrals.....	13,452
Arrests.....	997
Cases Presented for Prosecution.....	1,214
Convictions	840
Court Ordered Restitution.....	\$156,258,674.74



Suspected Fraud Referrals (Tips)



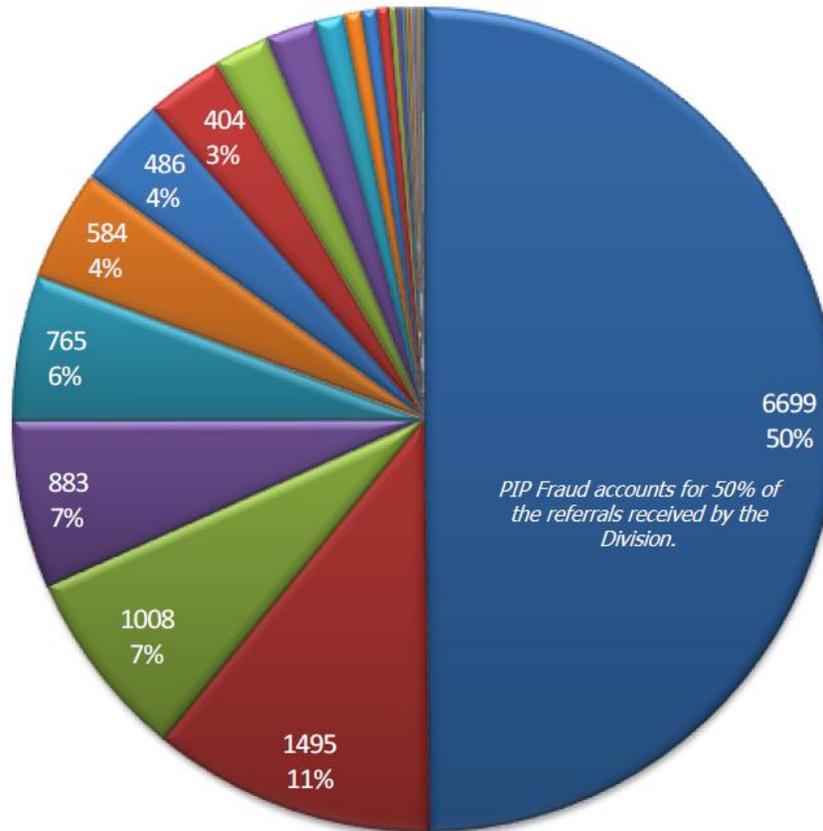
As this graph illustrated, referrals have continued to increase over the years.

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JEFF ATWATER
FLORIDA DEPARTMENT OF FINANCIAL SERVICES

FY 2010-2011 Statistics *continued*

The Number and Percentage of Suspected Fraud Referrals Received for each Fraud Type

- PERSONAL INJURY PROTECTION FRAUD
- WORKERS' COMPENSATION FRAUD
- VEHICLE FRAUD
- APPLICATION FRAUD
- LICENSEE FRAUD
- HOMEOWNERS
- HEALTHCARE
- COMMERCIAL
- BANKING AND SECURITIES
- DUPLICATE ENTRIES
- ARSON FOR PROFIT
- FINANCIAL INVESTIGATION
- DISABILITY FRAUD
- UNAUTHORIZED ENTITIES FRAUD
- LIFE INSURANCE FRAUD
- MARINE FRAUD
- INFORMATION ONLY
- OTHER AGENCY ASSISTANCE
- IDENTITY THEFT
- WARRANTY FRAUD
- NON-INSURANCE FRAUD RELATED REFERRAL
- TITLE FRAUD
- MY SAFE FLORIDA HOME
- BONDS
- RISK MANAGEMENT



PIP Fraud is the most commonly referred crime, which is followed by workers' compensation insurance fraud.

Both have been a major focus for the CFO, as the Insurance Consumer Advocate convened a PIP Working Group this summer, and our Department worked collaboratively with the Attorney General's office on the most common workers' compensation insurance fraud scheme seen today—the use of money service businesses to accomplish premium avoidance.

CHIEF FINANCIAL OFFICER
JEFF ATWATER
 FLORIDA DEPARTMENT OF FINANCIAL SERVICES

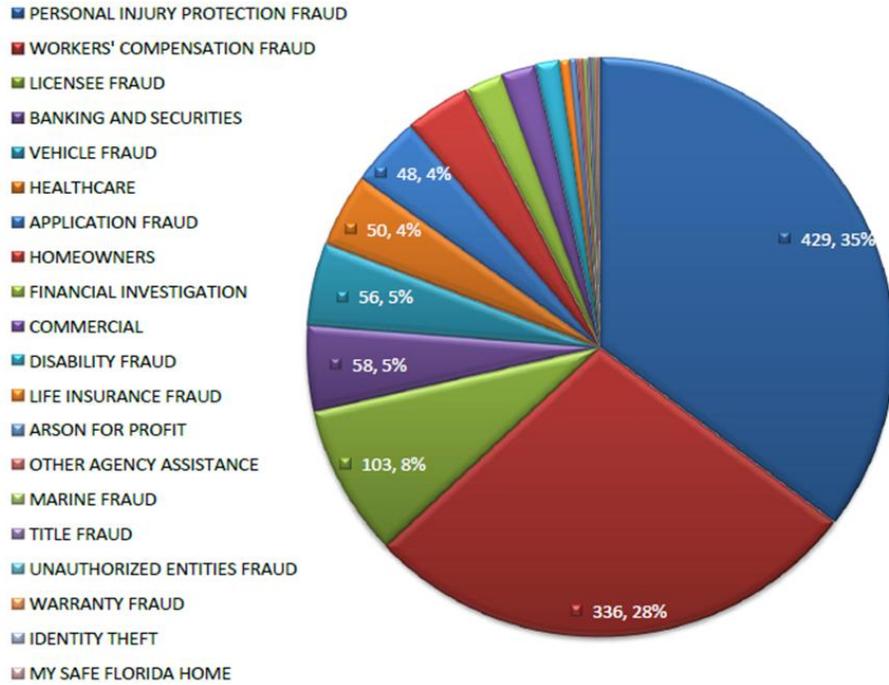
FY 2010-2011 Statistics *continued*

This graphic lists the top 10 fraud referrals to the Division, and how the numbers have changed over time.

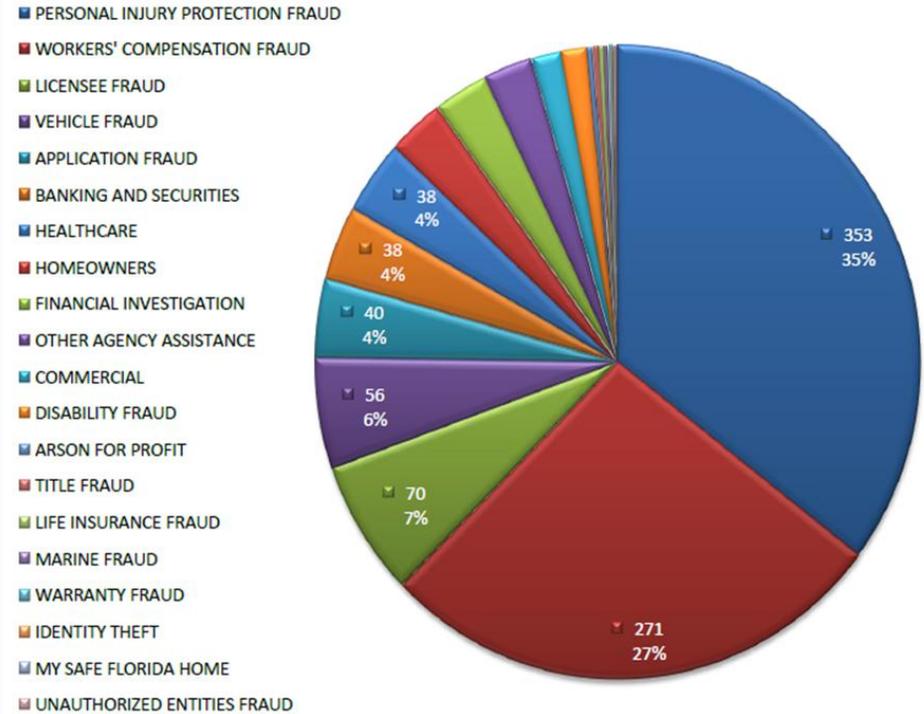
Suspected Fraud Referrals: Increase/Decrease			
CASE TYPE	FY 09/10	FY 10/11	% Increase/ Decrease
PIP FRAUD	5,543	6,699	21%
WORKERS' COMPENSATION FRAUD	1,676	1,495	-11%
VEHICLE FRAUD	1,237	1,008	-19%
APPLICATION FRAUD	821	883	8%
LICENSEE FRAUD	706	765	8%
HOMEOWNERS	644	584	-9%
HEALTHCARE	433	486	12%
COMMERCIAL	494	404	-18%
BANKING AND SECURITIES	286	287	0%
ARSON FOR PROFIT	149	152	2%

FY 2010-2011 Statistics *continued*

Cases Presented for Prosecution

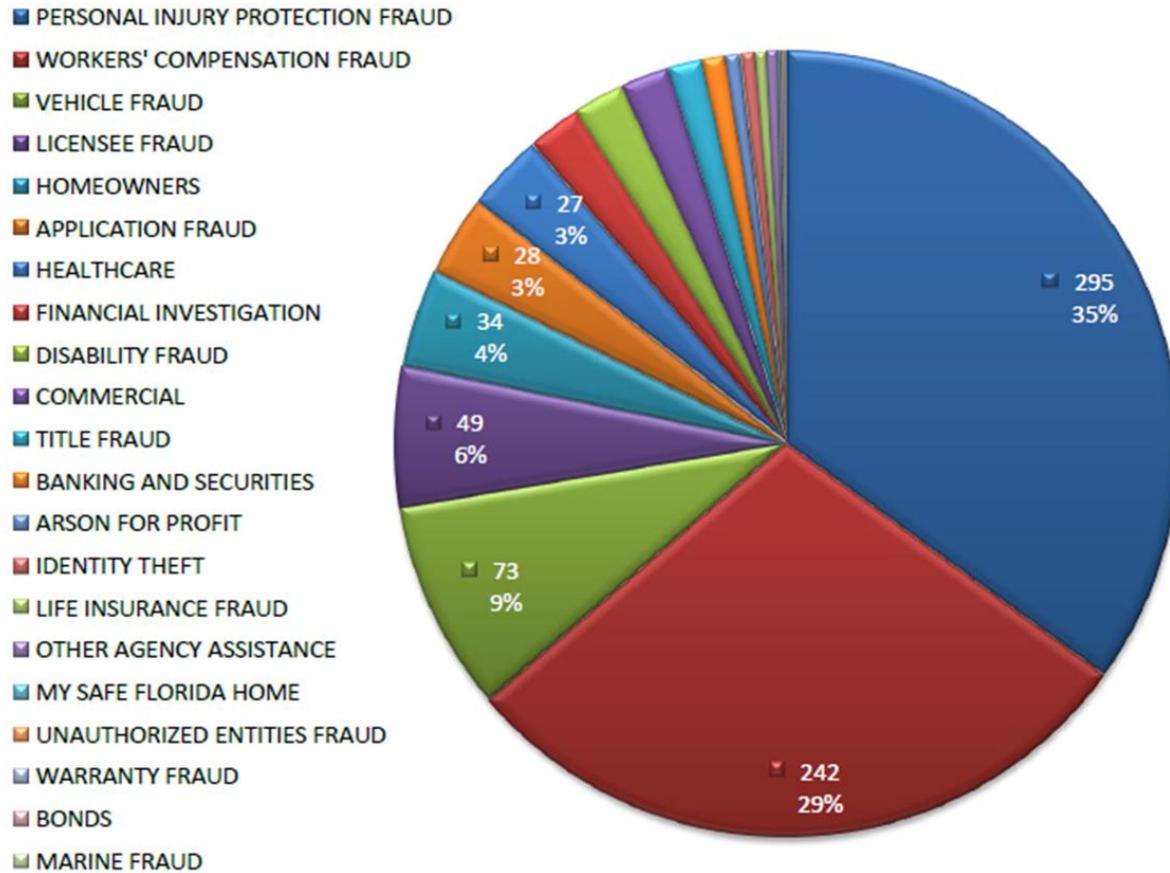


Arrests



FY 2010-2011 Statistics *continued*

Convictions



Insurance Fraud Reporting

- Insurance Fraud can be reported online or by phone.
- Two web pages are accessible from our home page: one for insurance fraud reports from consumers and another for reports from the insurance industry. Consumers can report anonymously, insurance companies are mandated by statute to report suspected fraud.
- Additionally, we have an Insurance Fraud “Most Wanted” web page, for suspects who have outstanding warrants.

JEFF ATWATER, CHIEF FINANCIAL OFFICER
FLORIDA DEPARTMENT OF FINANCIAL SERVICES

Home News Contact Us About the Agency Español Search

Report Suspected Fraud

Enter all information and click on the SUBMIT button at the bottom of the page.
If information is unknown, leave that block blank and skip to the next block.
A confirmation number will be provided upon submission.
If you do not receive a confirmation number within 24 hours, please email your submission information to FraudReferralSupport@MyFloridaCFO.Com

Required fields are noted by the white arrow in the red circle next to the field.

**Florida Department of Financial Services
Division of Insurance Fraud**

Please provide a brief summary of the facts of this matter:
Who, What, Where, When, Why and How

(Maximum 65,000 Characters)

Florida county the fraud Occurred:

Date fraud Occurred:

Type of fraud Occurred:

Insurance Fraud MOST WANTED

Home Wanted News and Remarks Report Fraud Search Results Assistance

Enry Adaly Izaguirre
Hispanic Male, DOB 5/20/1977
5'00", 160lbs, Brown Eyes, Brown Hair

Warrant Information:
1) Warrant Number: 0704420CPAE18
Failure to Appear (Failure to Obtain Workers Compensation Insurance)
2) Warrant Number: 07CP14510
Violation of Probation (Workers Compensation Fraud)

Details:
The Florida Department of Financial Services, Division of Insurance Fraud is attempting to locate Enry Adaly Izaguirre in reference to the outstanding warrant.

Enry Adaly Izaguirre maintained a construction business through which he was sub-contracted to do framing and structural work on a site of new residences. Investigations revealed that Izaguirre recruited employees and paid the workers in cash. Izaguirre also received, under oath, that he was employing the workers without liability insurance and without having workers compensation insurance, in violation of Florida requirements.

Enry Adaly Izaguirre was arrested on July 24, 2007 on felony charges for...

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CHIEF FINANCIAL OFFICER
JEFF ATWATER
FLORIDA DEPARTMENT OF FINANCIAL SERVICES

2012-2013 Appropriation Requests

This year, the Department has made the following appropriations requests relative to the Division of Insurance Fraud:

- \$10,000 in authority for Anti-Fraud awareness and education (from new private funds)
- \$30,805 in authority for advertising campaign (from forfeiture funds)
- \$297,000 in authority for new cars (from forfeiture funds)
- 6 FTE, 669,546 for PIP Fraud

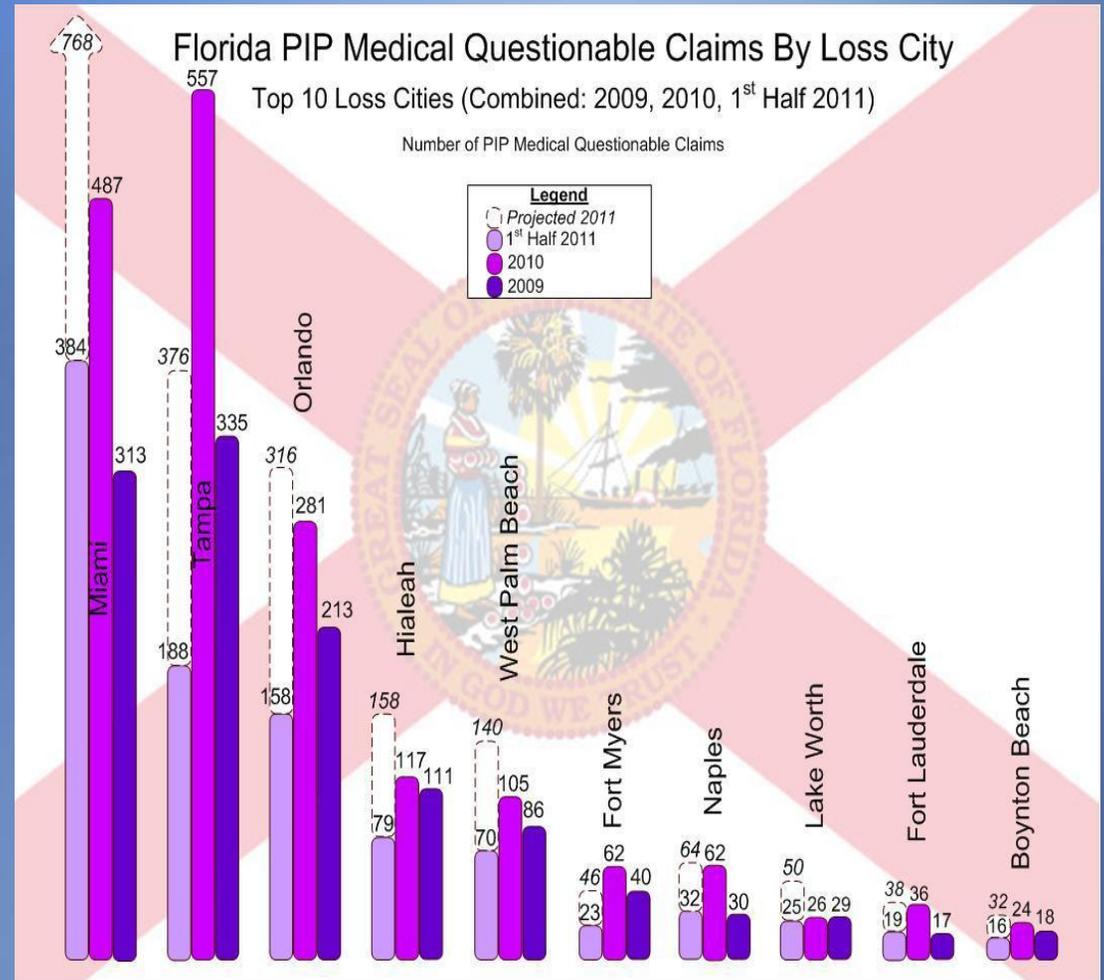
PIP Fraud Trends

- Since 2008, PIP fraud cost Florida vehicle owners and insurers an estimated \$853 million and is projected to reach \$1.5 billion by 2012
- DIF received 3624 PIP referrals in FY 2008/2009 and 6699 in FY 2010/2011, an 85% increase.
- At current trends, DIF is expecting to receive 8184 PIP referrals in FY 2011/2012, which would constitute a 22% increase for the year.
- Florida has been ranked in the top 3 states in questionable claims by NICB since 2008
- Miami, Tampa and Orlando are the top 3 cities when it comes to PIP fraud in Florida

PIP Fraud Trends

In order to address the growing PIP fraud in the State, DIF has reallocated resources and created dedicated squads in the following locations:

- Miami – 3 PIP Squads
- Tampa – 2 PIP Squads
- Orlando – 1 PIP Squad
- Palm Beach – 1 PIP Squad
- Broward – 1 PIP Squad
- Ft. Myers – 3 PIP Detectives



FY 2011-2012 Statistics

7/1/11 to 12/31/11	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	YTD Totals
Total Number of Referrals or Insurance Fraud complaints received **	1,304	1,318	1,275	1,122	1,091	1,186	7,296
Total Number of Cases Opened/Assigned **	146	170	164	130	129	84	830
Total Number of Arrests (Warrant and Probable Cause)	67	62	71	122	71	52	445
Total Number of Convictions	59	87	75	46	47	47	361
Total Number of Case Hours spent on investigations **	7,205.43	9,498.45	7,268.51	7,483.79	6,271.77	6,866.50	44,755
Total Amount of Court Ordered Restitution ordered from Convictions **	\$265,338.75	\$2,633,732.20	\$800,560.78	\$259,850.57	\$7,074,863.00	\$228,057.89	\$11,262,403.19
Total Amount of Court Ordered Investigative Costs from Convictions **	\$32,057.52	\$44,257.85	\$35,755.62	\$17,482.50	\$47,500.00	\$19,091.19	\$196,144.68

***Monthly totals reflect numbers taken from the published COPSaver statistical reports. Arrests and Conviction numbers were updated on 1/23/11 to reflect actual YTD totals.*

FY 2011-2012 Statistics

Cumulative Arrests Totals:

7/1/11 to 1/20/12: 493

7/1/10 to 1/20/11: 474 (same time last year)

Questions?

CHIEF FINANCIAL OFFICER
JEFF ATWATER
FLORIDA DEPARTMENT OF FINANCIAL SERVICES

THE FLORIDA SENATE
APPEARANCE RECORD

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

1-24-12

Meeting Date

Topic DRUG INSURANCE FRAUD

Bill Number _____
(if applicable)

Name TOM KIRWIN

Amendment Barcode _____
(if applicable)

Job Title DEPUTY CFO, DFS

Address DFS

Phone 413-2851

Street

E-mail _____

City

State

Zip

Speaking: For Against Information

Representing _____

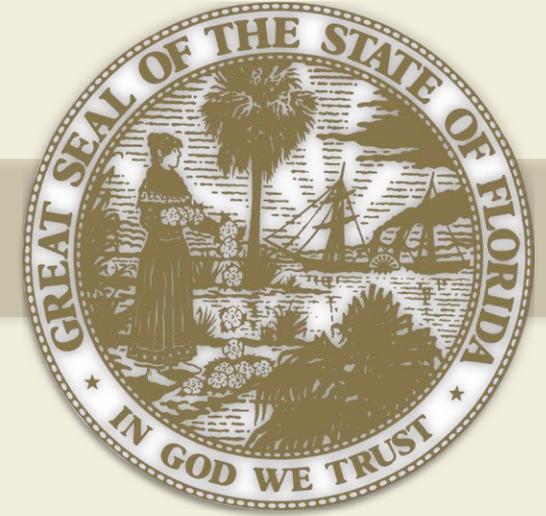
Appearing at request of Chair: Yes No

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)



Statewide Law Enforcement Radio System (SLERS)

January 19, 2012

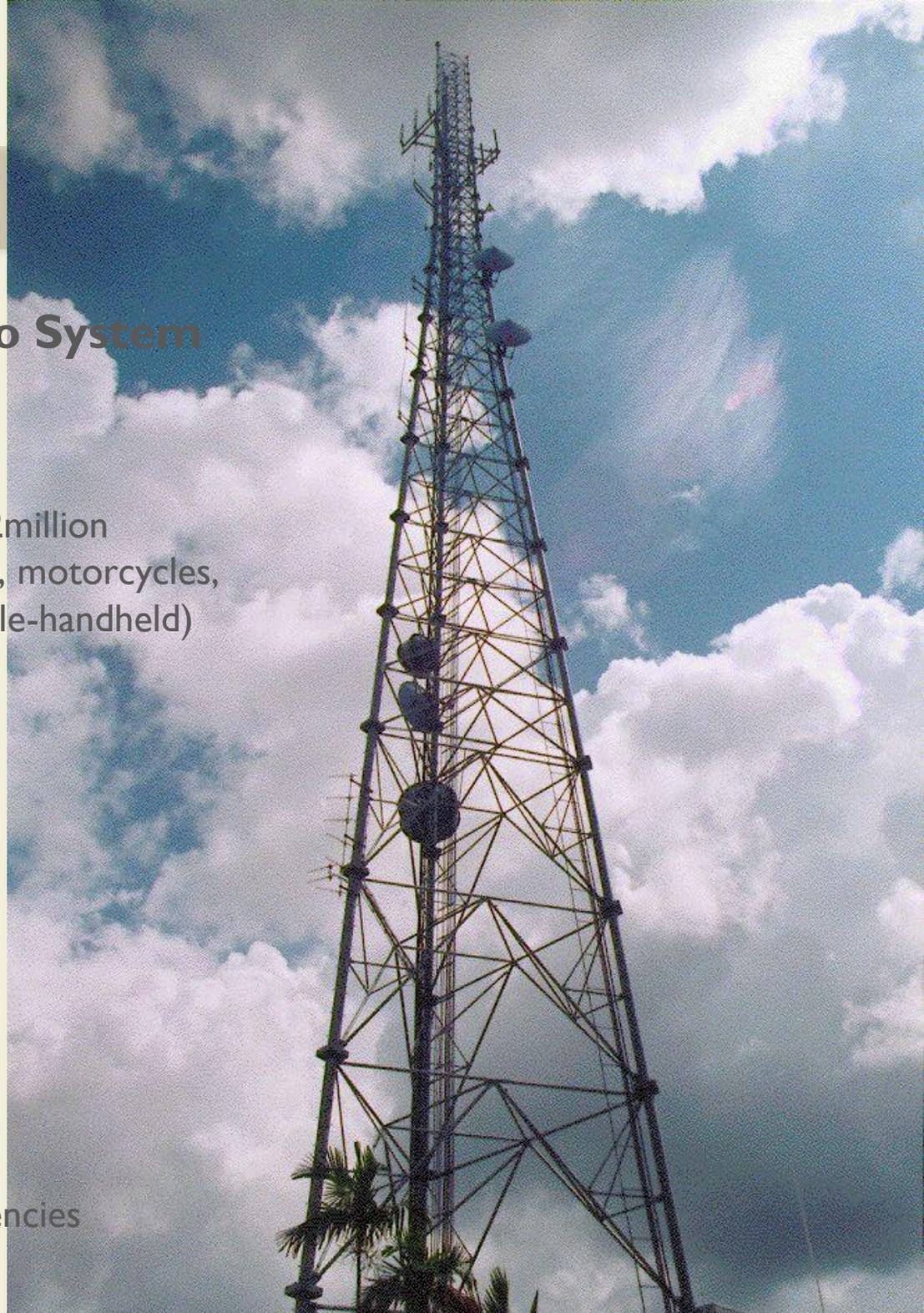
**General Government
Appropriations Subcommittee**

SLERS

Statewide Law Enforcement Radio System

- Chapter 282, Florida Statutes
 - 24 State law enforcement entities
 - 27 Federal and local jurisdictions
 - Average annual contract payment \$18.2million
 - 18,246 total radios in patrol cars, boats, motorcycles, aircraft (mobile) and on foot (portable-handheld)
-
- **History**
 - Procured in 2000; operational by 2005
 - 98% coverage (outdoor mobile)
 - 58,000 square miles
 - 20,000 square miles off-shore coverage
 - 199 tower sites, 657 radio channels
 - 99% network uptime

 - **Joint Task Force (JTF) Board**
 - Advisory Board
 - Represents State Law Enforcement Agencies





SLERS

Funding Sources

- \$1.00 surcharge on vehicle and vessel annual registrations generates \$18.2 million paid to Harris Corp. annually for Service and Access Agreement
- **\$3.00 fee on traffic violations generates \$5.3 million annually for DMS staffing, administration, and enhancement projects**

Performance

- Bureau of Public Safety monitors daily and audits monthly to validate and justify quarterly payments to Harris Corp.

Challenges

- **\$3.00 fee sunsets 6/30/12, legislation needed to extend**
- Coverage Gaps (1,160 sq miles with no mobile coverage & 11,250 sq miles with no portable coverage)



Interoperability Section

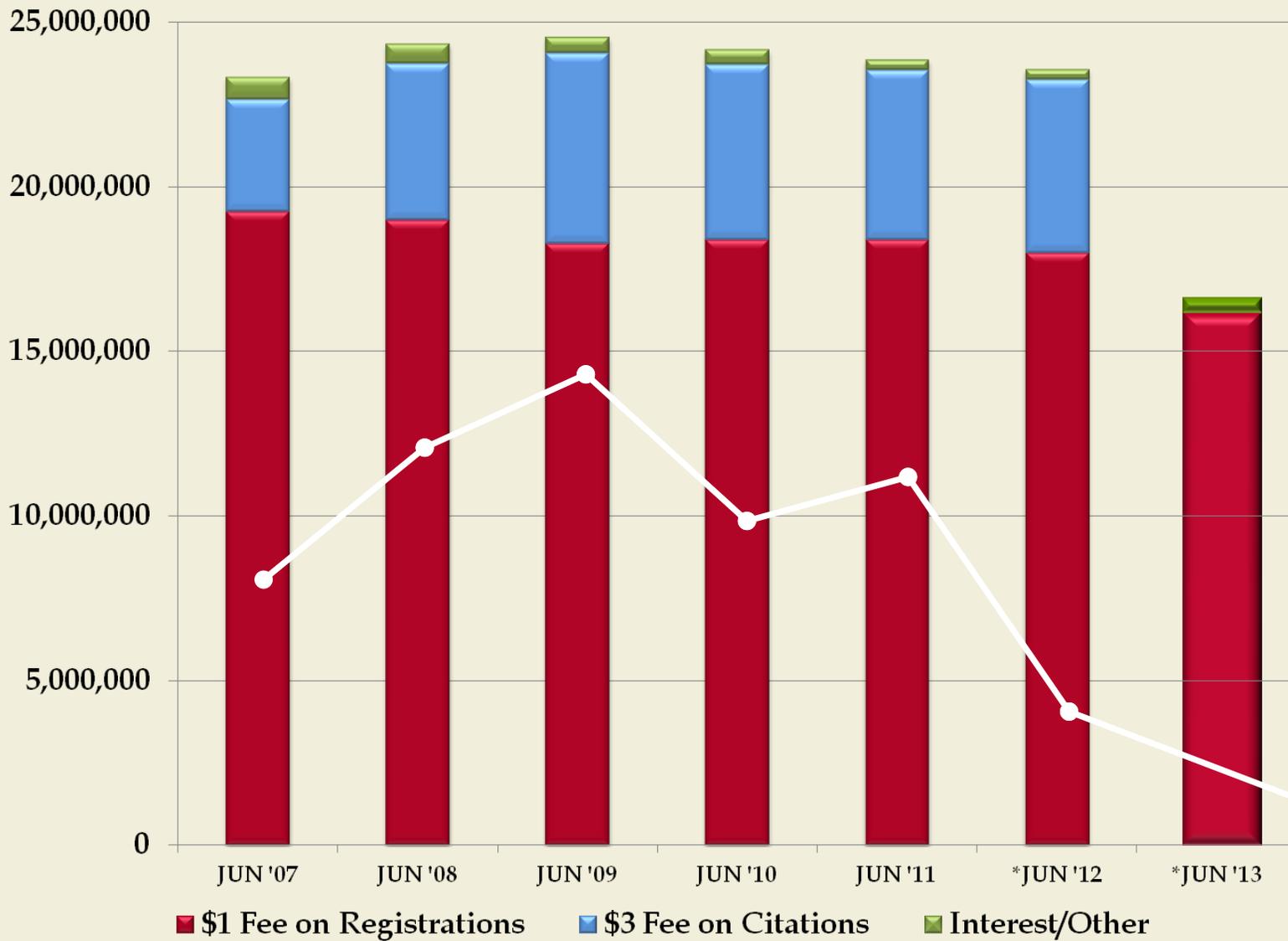
- **Florida Interoperability Network (FIN)**
 - 236 FIN (Moto-bridge) devices in communications centers
 - Federal Grant Funding Reduced 33%
 - 2012 grant applications limited to \$1M
 - **2012 LBR - Need \$2M annually or plan to dismantle**

- **Mutual Aid Build-out (MAB)**
 - 103 towers with mutual aid channels
 - Grant funds not available FY 2011 & 2012
 - **2012 LBR - Need \$3M annually or plan to dismantle**

- **Emergency Medical Services (EMS) Communications Plan**
 - Legislation needed to establish funding for dedicated staffing



SLERS Funding w-Forecast





Legislative Support

Extension of \$3 Surcharge for SLERS

- SLERS Enhancements
- Funding:
 - Florida Interoperability Network
 - Mutual Aid
- Extension to July 1, 2021

THE FLORIDA SENATE

APPEARANCE RECORD

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

1/24/12

Meeting Date

Topic Statewide Law Enforcement Radio System

Bill Number _____ (if applicable)

Name Christopher Campbell

Amendment Barcode _____ (if applicable)

Job Title Director - Div of Telecommunications - DMS

Address 4030 Esplanade Way

Phone 922-2963

Street

Tallahassee FL 32399

City

State

Zip

E-mail Christopher.campbell@
dms.myflorida.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.

CourtSmart Tag Report

Room: SB 401

Case:

Type:

Caption: Senate Budget Subcommittee on General Government Appropriations

Judge:

Started: 1/24/2012 1:03:23 PM

Ends: 1/24/2012 1:56:44 PM

Length: 00:53:22

1:03:27 PM Senator Alan Hays (Chair), meeting called to order
1:04:17 PM Insurance Fraud Presentation
1:04:36 PM Tom Kirwin, Deputy Chief Financial Officer, Department of Financial Services
1:10:33 PM Sen. Braynon
1:11:01 PM T. Kirwin
1:13:06 PM Sen. Hays
1:14:00 PM Sen. Bullard
1:14:39 PM T. Kirwin
1:15:48 PM Sen. Bullard
1:16:50 PM T. Kirwin
1:20:16 PM Sen. Gibson
1:21:24 PM T. Kirwin
1:22:21 PM Sen. Gibson
1:22:32 PM T. Kirwin
1:22:56 PM Sen. Gibson
1:23:34 PM T. Kirwin
1:24:45 PM Sen. Hays
1:25:02 PM SB 560
1:25:08 PM Sen. Dean
1:27:07 PM Sen. Bullard
1:27:34 PM Sen. Dean
1:28:16 PM Sen. Bullard
1:28:30 PM Sen. Dean
1:29:24 PM Am. 222762
1:29:38 PM Sen. Latvala
1:29:51 PM Sen. Dean
1:30:45 PM Steven Minnis, Director of Governmental Affairs, Suwannee River Water Management District
1:31:06 PM Sen. Dean
1:31:21 PM Am. 564738
1:32:02 PM Sen. Bullard
1:34:00 PM Sen. Dean
1:35:44 PM Sen. Bullard
1:35:51 PM Sen. Dean
1:35:54 PM Sen. Bullard
1:36:41 PM Diane Salz, waive in Support
1:36:59 PM Sen. Hays
1:37:10 PM S. Minnis, waive in support
1:37:30 PM Frank Bernardino, Florida Section of American Water Works Associates
1:39:38 PM Suzanne Goss, Government Relations Specialist, JEA
1:40:14 PM Sen. Diaz de la Portilla
1:40:34 PM Sen. Dean
1:41:20 PM Sen. Diaz de la Portilla
1:41:34 PM Sen. Dean
1:41:51 PM Sen. Gibson
1:43:41 PM Sen. Bullard
1:44:29 PM Sen. Dean
1:45:29 PM Sen. Bullard
1:46:42 PM Sen. Dean
1:46:56 PM Sen Hays
1:47:44 PM Christopher Campbell, Division Director of Telecommunications, Department of Management Services
1:49:04 PM Statewide Law Enforcement Radio System
1:53:28 PM Sen. Hays

1:53:45 PM	C. Campbell
1:54:08 PM	Sen. Hays
1:54:43 PM	Sen. Jones
1:54:50 PM	C. Campbell
1:55:09 PM	Sen. Jones
1:55:18 PM	Sen. Latvala
1:55:45 PM	Sen. Hays
1:56:25 PM	Meeting adjourned