

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

MEETING DATE: Thursday, January 9, 2014
TIME: 4:00 —6:00 p.m.
PLACE: *Toni Jennings Committee Room*, 110 Senate Office Building

MEMBERS: Senator Hays, Chair; Senator Thompson, Vice Chair; Senators Bradley, Braynon, Bullard, Dean, Detert, Joyner, Latvala, Legg, Simpson, Soto, and Stargel

TAB	BILL NO. and INTRODUCER	BILL DESCRIPTION and SENATE COMMITTEE ACTIONS	COMMITTEE ACTION
1	Report by the Florida State University Catastrophic Storm Risk Management Center on Alternative Methods for Managing the Size of the Florida Hurricane Catastrophe Fund		Presented
2	Agency Fiscal Year 2014-2015 Legislative Budget Request Priorities and Reductions: Department of Business and Professional Regulation Department of Environmental Protection Department of Financial Services Department of Management Services		Presented
Other Related Meeting Documents			

The Florida Hurricane Catastrophe Fund: Alternatives for Managing Its Size

***Presented by Lorilee Medders, PhD, Director,
Florida Catastrophic Storm Risk Management Center***

***Presented to the Florida Senate
Appropriations Subcommittee on General Government
January 9, 2014***



FLORIDA STATE UNIVERSITY
COLLEGE OF BUSINESS

The Florida Catastrophic Storm Risk Management Center

*Dr. William T. Hold/The National Alliance Program
in Risk Management & Insurance*

The Storm Risk Center's Charge with regard to the Study of the FHCF

Section 1004.647 F.S. created the Storm Risk Center at The Florida State University College of Business, Department of Risk Management/ Insurance in 2007

Line Item 2410A of the 2013 General Appropriations Act included proviso language requiring the Storm Risk Center to

“produce a report on alternative methods for managing the size of the Florida Hurricane Catastrophe Fund. The center shall coordinate its research efforts with the State Board of Administration. The report shall be submitted to the President of the Senate, Speaker of the House of Representatives, the Governor and Cabinet Officers by December 1, 2013.”

The Project & Report Process

For purposes of the Project, The Storm Risk Center

Studied documents that outlined the legislative and management decision history regarding the FHCF, as well as its bonding capacity estimates and pertinent ratemaking reports

Reviewed the behavior and performance of both the reinsurance and capital markets during the time period since the FHCF's creation

The Project & Report Process

For purposes of the Project, The Storm Risk Center

Engaged in discussions with numerous representatives from relevant financial markets:

- Insurance

- Reinsurance

- Capital markets

To gain insights to Florida's residential insurance market

Evaluated management alternatives and prepared the final report in consultation with the State Board of Administration, as requested

Definition of Cat Fund Size for the Project

Capacity

Maximum potential obligation

Set by statute

Currently \$17 Billion

Resources

Maximum potential for monies with which to provide capacity

Consists of reimbursement premiums paid in by participating insurers plus

- Proceeds of revenue bonds

- Reinsurance cover

- Alternative risk transfers

Estimated; not known with certainty

Importance of Balancing Capacity and Stability

Stability

Relationship between capacity, resources and Florida's level of exposure to risk from hurricanes

FHCF's charge is to **provide additional capacity** for the residential property insurance market – an increased ability for the private market to accept and spread risk
and

Help stabilize the market to protect Florida consumers and the Florida economy

Importance of Balancing Capacity and Stability

Storm Risk Center's view on the Stability issue

In addition to providing increased capacity, FHCF is intended to **provide for a stable and ongoing source of reimbursement** for insurers

FHCF should be structured such that it will be capable of ***recharging*** its capacity and stabilizing the market **for a subsequent season** (the year following an event which exhausts the FHCF's initial season's capacity or exhausts its statutory limit)

FHCF Stability

The practical reality is that

- Amount of coverage available from the FHCF

- Cost of the coverage to participating insurers (that pass this cost on to insurance consumers in rate filings)

- Potential assessments (paid directly by consumers)

Are significant factors in the Florida insurance market

FHCF's published May 2013 Claims-Paying Capacity Estimate indicated that the FHCF had sufficient estimated claims-paying capacity to meet its statutory maximum limit of \$17 billion

FHCF Stability

However,

Estimates for FHCF claims-paying capacity in the two years prior indicated the FHCF would not have been able to provide the full statutory limit of coverage

October 2011 estimates (\$15.17 billion) were \$3.2 billion short of the May 2011 estimates for claims-paying capacity (\$18.551 billion) even though May 2011 estimates initially indicated that mandatory coverage and optional coverage selected by insurers would be capable of being fully funded

No hurricanes occurred, but had a large event occurred, it is highly likely that there would have been financial difficulties for insurers caused by the volatility in the financial markets

This volatility in financial markets makes precise estimation of the FHCF's claims-paying ability difficult

Current Financial Situation

No land falling hurricanes in the last eight years

FHCF has substantially improved its claims paying position as it enters the 2014-2015 reimbursement contract year

The Fund's cash balance for paying claims grew to approximately \$9.8 billion by year-end 2013

FHCF also was able to obtain \$2 billion of pre-event financing in April 2013 to add to its liquidity position

It is anticipated that for the next contract year it will rely on a maximum debt issuance of around \$5.9 billion for a first event

Why Study the Issue Now?

Despite FHCF's relatively improved current financial position, five years ago neither the FHCF nor any other bond issuer would have been able to obtain sufficient investment for multi-billion-dollar bond issues

This was the consequence of infrequent but historically recurring financial market conditions, as well as potentially persistent changes in the municipal bond market

Heavy reliance by the FHCF on debt financing can have disastrous consequences in a liquidity crisis and serve to destabilize the market — consequences that the FHCF was created to prevent

Why Study the Issue Now?

This current period of relative quiet (no storms and financially improved) provides a good opportunity to reassess how best to balance the FHCF capacity-stability mission

Storm Risk Center's perspective while considering alternatives:

Be large enough to act as a stabilizing force to offset or mitigate private reinsurance volatility, but not so large as to jeopardize funding capabilities and risk insurer solvency

Size Management Options Considered

Status quo – Capacity set by legislation

Grant statutory responsibility for managing capacity to an independent Panel of Experts

Grant statutory responsibility for managing capacity to SBA Trustees

Formulaic determination of capacity

Methodology to conserve subsequent season capacity

Combination/ hybrid approach

Alternative 1: Independent Panel of Experts

Create a separate, politically “independent” body to determine size of the FHCF’s capacity

Appointed, nonpartisan commission (similar to Public Service Commission)

Statute could spell out a methodology to be used by the panel of experts (approach could be to spread capacity over time to accomplish the FHCF’s purpose of maintaining capacity in the marketplace)

Alternative 2: SBA Trustees

Places control in the executive branch rather than the legislative branch (whose function is to decide questions of public policy)

SBA Trustees are familiar with the administration of the FHCF and managing the FHCF's size is consistent with other administrative matters under their control, such as ratemaking, pre-event and post-event financing, investing, and the claims-paying estimation process

Alternative 3: Formulaic Approach

Systematically takes into account private reinsurance capacity and the FHCF's estimated claims-paying capacity

Could clearly specify how the FHCF estimated claims-paying capacity would be used in conjunction with the determination of the limit for both the initial and subsequent seasons

Formula inputs (presumably some measures of reinsurance, debt market, and/or other financial market capacity) become critical although would still be based on estimates

Alternative 4: Methodology to Conserve Subsequent Season Capacity

Adjust the two year estimated capacity to provide for maintaining claims-paying capacity for a subsequent season
Currently, there is \$24.845 billion of two year capacity with initial season capacity at \$17 billion or 68.4% of two year capacity estimate

An option is redefinition of initial season capacity as no more than a lower percentage of two year FHCF capacity, with a transition to this lower ceiling over time as needed

Provides for subsequent season capacity when the estimated capacity in the initial season is less than the statutory cap (estimated claims-paying capacity more likely to be aligned with actual claims-paying capacity when less reliance on bonding)

Combination/ Hybrid Alternatives Considered

Combination Solution 1: Legislative & Independent Expert Panel shared authority for determination of overall payout limit with an SBA Emergency Release Valve

Combination Solution 2: Independent Expert Panel Authority for determination of payout limit subject to a SBA Trustees defined minimum for subsequent season

Combination Solution 3: Payout limit based on method to conserve subsequent season with Independent Expert Panel to determine shortfall financing

Combination Solution 1: Legislative & Independent Expert Panel Shared Authority for Determination of Overall Payout Limit with an SBA Emergency Release Valve

Legislature could set default capacity (payout limit) within a band of coverage on a periodic basis (such as every five years)

Independent panel of experts could be utilized annually to determine “right” payout limit for a given year within the band of coverage

Decision of expert panel might take into account the estimated claims-paying capacity as well as create cushion around estimate

SBA Trustees would have some time frame within which to vote to reject independent expert panel’s payout limit

Combination Solution 2: Independent Expert Panel Authority for Determination of Payout Limit Subject to a SBA Trustees Defined Minimum for Subsequent Season

Independent expert panel could be appointed to set mandatory capacity (payout limit) two years out

SBA Trustees may define a minimum capacity level for subsequent season

Independent expert panel could also make available floating optional coverage above the mandatory limit that allows for responsiveness of insurers to changes in the private reinsurance environment

Important consideration is that the floating optional coverage would almost certainly be selected by the weakest insurers

Combination Solution 3: Payout Limit Based on Method to Conserve Subsequent Season with Independent Expert Panel to Determine Shortfall Financing

Annual payout limit could take into account estimated claims-paying capacity, possibility of a subsequent year storm, and current reinsurance capacity

FHCF's initial season would be capped at a maximum, but in any year would not exceed a specified %, with allowed % decreasing each year until target % is reached (gives increasing recognition to building subsequent season capacity)

To respond to reinsurance market capacity, elastic (+/-) coverage amount could be triggered by quoted reinsurance pricing crossing an upper or lower limit. An independent expert panel could be utilized to recommend or determine how to finance any shortfall (estimated bonding capacity becomes a critical)

Additional Considerations

Available resources currently untapped

Potential use of **reinsurance and/ or alternative risk transfer** (e.g., catastrophe bond) prices have fallen overall and merit evaluation as *resource* options

Strategic use of *shape* parameters

Structural options that determine FHCF coverage *shape* (as opposed to size) can be changed by the Legislature to implement public policy with regard to

- How FHCF benefits are provided or funded

- Who pays for those benefits

- Which insurers derive the benefits

Additional Considerations

The Concept of a “*One in 100 Year Storm*”

An important question is whether the FHCF’s actual claims-paying capacity would be sufficient to cover the full extent of hurricane reimbursements that participating insurance companies expect (and plan) to receive

Estimated gross loss to insurers in severe scenario, such as “one in 100 year storm”, varies based on

- Hurricane loss model used

- Books of business

- Projected storm path

“One in 100 year storm” for one insurer might not be a “one in 100 year storm” for another with a different spread of risk

Additional Considerations

The Concept of a “*One in 100 Year Storm*”

A 100 year (or 1% annual probability) meteorological event will have disparate impact on insurers based on location of landfall

Furthermore, probability of severe impact grows with time horizon – 1% annual probability implies a one-in-four probability over the 30 years of a typical home mortgage or long-term debt instrument

Overall FHCF **capacity could be stress tested** against not only a one in 100 year storm, but also against several hypothetical storms that make landfall in different localities and have differing severities, and against multi-season erosion of its capacity

Such an analysis would be a prudent use of resources

Thank you for your time!

Questions?

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For access to the Full Report or other Storm Risk Center research



FLORIDA STATE UNIVERSITY
COLLEGE OF BUSINESS

The Florida Catastrophic Storm Risk Management Center

*Dr. William T. Hold/The National Alliance Program
in Risk Management & Insurance*

THE FLORIDA SENATE
APPEARANCE RECORD

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

1/9/2013

Meeting Date

Topic FHCF: Alternatives for Managing Size

Bill Number _____
(if applicable)

Name Lorilee Medders

Amendment Barcode _____
(if applicable)

Job Title Director, FL Catastrophic Storm

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Risk Management Center

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32306-1110

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Zip

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Speaking: For Against Information

Representing Florida Catastrophic Storm Risk Management Center at
Florida State University

Appearing at request of Chair: Yes No

Lobbyist registered with Legislature: Yes No

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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,

1/9/14
Meeting Date

Topic Storm Center Report

Bill Number _____
(if applicable)

Name Jack Nicholson

Amendment Barcode _____
(if applicable)

Job Title Chief Operating Officer PPCR

Address 1401 Hermitage Ctr
Street

Phone 413-1340

City _____ State _____ Zip _____

E-mail jacknicholson@sbpla.com

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.

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Florida Department of
Business
Professional
Regulation



License efficiently. Regulate fairly.

Ken Lawson
Secretary

Fiscal Year 2014-15 Legislative Budget Request

Senate Appropriations Subcommittee
on General Government

January 9, 2014

Guiding Principles

- Smart De-Regulation
 - Working to identify and remove rules that get in the way of businesses.
- Fair But Strong Enforcement
 - The goal is always to get businesses into compliance. Enforcement will be strong but fair, and our licensees deserve to have a voice in the enforcement process.
- Open Door Policy
 - Meet with licensees and business owners to understand their needs.

Business Regulation

- Division of Pari-Mutuel Wagering
- Division of Hotels and Restaurants
- Division of Alcoholic Beverages and Tobacco
- Division of Florida Condominiums, Timeshares, and Mobile Homes

Professions We Regulate

- Architecture & Interior Design
- Asbestos Contractors & Consultants
- Athlete Agents
- Auctioneers
- Barbers
- Boxing, Kick Boxing & Mixed Martial Arts
- Building Code Administrators & Inspectors
- Certified Public Accounting
- Child Labor
- Community Association Managers & Firms
- Construction Industry
- Cosmetology
- Drugs, Devices and Cosmetics
- Electrical Contractors
- Employee Leasing Companies
- Farm Labor
- Geologists
- Harbor Pilots
- Home Inspectors
- Labor Organizations
- Landscape Architecture
- Mold-Related Services
- Real Estate
- Real Estate Appraisers
- Talent Agents
- Veterinary Medicine

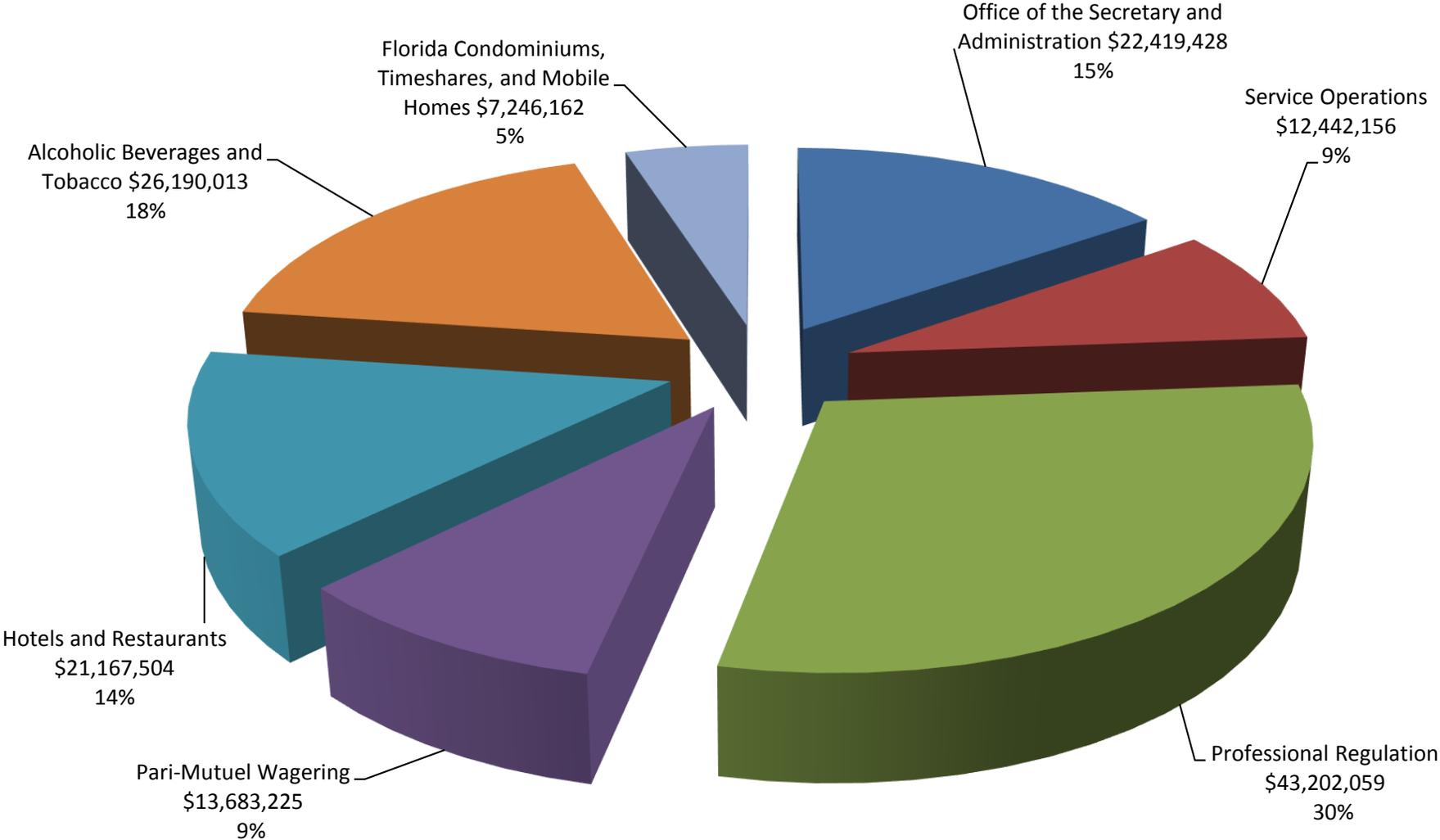
Department Statistics

- **CUSTOMERS:** More than **one million** licensed businesses and professionals
- **FY 2013-14 BUDGET:** \$146.4 million
- **STAFFING:** 1,612.25 Full Time Employees
- **REVENUE SOURCES:**
 - Primarily State Trust Funded
 - Collect approximately \$2.45 billion in fees and taxes that are contributed to General Revenue and other agencies

Strategies

- Focus on consolidating and streamlining duplicative business processes.
 - Reduced license processing time
 - ApplyNow! project
- Regularly and aggressively seek out feedback from our licensees about how we can better serve, analyze, understand and remedy any burdensome barriers for license holders and applicants.
 - Surveys
 - Outreach

Department of Business and Professional Regulation Fiscal Year 2013-14 Appropriation by Program



Fiscal Year 2014-15 Legislative Budget Request

- Total Request – \$144,190,844 and 1,612.25 FTE
 - \$358,154 in General Revenue
 - \$143,627,690 in State Trust Funds
 - \$205,000 in Federal Trust Funds

Priority Budget Issues

- Florida State Boxing Commission
 - Request for General Revenue funding to sustain operations of the Boxing Commission - \$158,154
 - \$15,527 recurring, \$142,627 non-recurring
- Division of Real Estate
 - Request for Other Personal Services funding for investigative support staff in the North and South regional offices and to retain an expert appraiser
 - OPS support staff - \$64,410
 - OPS expert appraiser - \$20,000
- Division of Professions
 - Request to increase authority for Claims Payments from the Construction Recovery Fund - \$3,000,000
 - Request to increase Attorney General contract for board legal services - \$19,305
- Division of Alcoholic Beverages and Tobacco
 - Request to utilize forfeiture funds in the Federal Law Enforcement Trust Fund for training and equipment - \$205,000

Fiscal Year 2014-15

LBR Reductions

- Division of Pari-Mutuel Wagering
 - Eliminate Transfer to Florida Department of Law Enforcement (FDLE) for Slot Investigations – **(\$232,730)**
- Division of Alcoholic Beverages & Tobacco
 - Efficiency Savings Due to Civilianization Initiative – **(\$243,241)**

Contact Information

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Legislative Affairs Director

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850-717-1580

Florida Department of Environmental Protection



Senate Appropriations Subcommittee on General Government

Legislative Budget Request

Lennie Zeiler

Chief of Staff

January 9, 2014





Secretary Vinyard's Priorities

- **Regulatory Consistency and Efficiency**
- **Getting the Water Right**
- **Better Access to Florida State Parks**

The State of Florida will benefit from funding the Department's major legislative budget priorities by:

- Ensuring the future supply and quality of water meet Florida's economic and quality of life goals.
- Promoting, developing, protecting and leveraging Florida's natural, art and cultural assets in a sustainable manner.
- Creating and sustaining vibrant, safe and health communities that attract workers, businesses, residents and visitors.
- Ensuring Florida's environment and quality of life are sustained and enhanced by future growth plans and development decisions.



Total Budget Request – Fiscal Year 2014-15

The Department's Legislative Budget Request totals nearly \$1.4 billion to protect Florida's natural resources.

	Approved Appropriation Act FY 2013-14	Legislative Budget Request FY 2014-15	Difference	% Difference
Operating Budget	434,357,245	446,986,461	12,629,216	3%
Fixed Capital Outlay	864,759,988	936,481,678	71,721,690	8%
TOTAL	1,299,117,233	1,383,468,139	84,350,906	6%



Budget Priorities For 2014-15

The Department's Legislative Budget Request totals nearly \$1.4 billion to protect Florida's natural resources.

Major Budget Priorities

- \$ 75 million Everglades
- \$ 40 million Florida Forever
- \$ 15 million Springs Restoration
- \$ 19 million State Parks Repairs and Renovations
- \$ 25 million Beach Restoration
- \$125 million Petroleum Tanks Clean Up



Proposed Budget Reductions

The Department's Legislative Budget Request includes the following reduction issues:

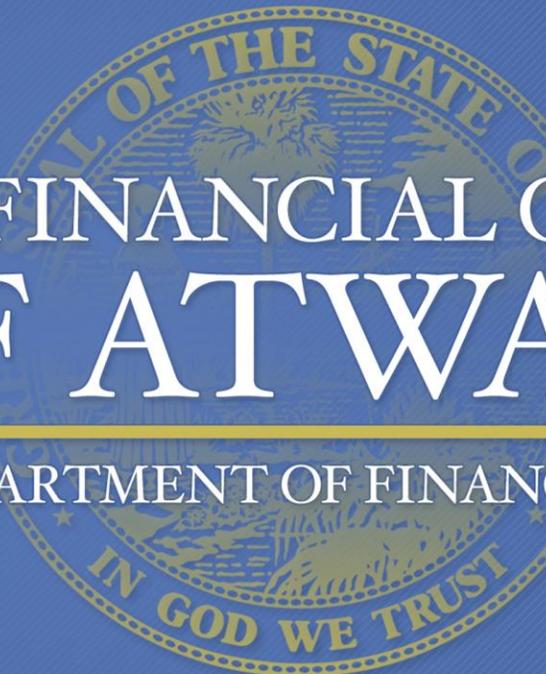
- \$1,140,507 Agency Wide Lease Savings
- \$ 889,952 Regulatory Programs Other Personal Services Savings
- \$ 521,000 Reduction the National Pollution Discharge Elimination System special category



Proposed Reprioritizations

The Department's Schedule VIII C includes the following Reprioritization Proposals:

- Regulatory Programs Other Personal Services to FTE Conversion
- CAMA Other Personal Services to FTE Conversion
- Division of Air Resources Management



CHIEF FINANCIAL OFFICER
JEFF ATWATER
FLORIDA DEPARTMENT OF FINANCIAL SERVICES

**Legislative Budget Request Issues and
Schedule VIII B-2 Possible Reduction Issues
for
Fiscal Year 2014 – 2015**

*Senate Appropriations Subcommittee on General Government
January 9, 2014*

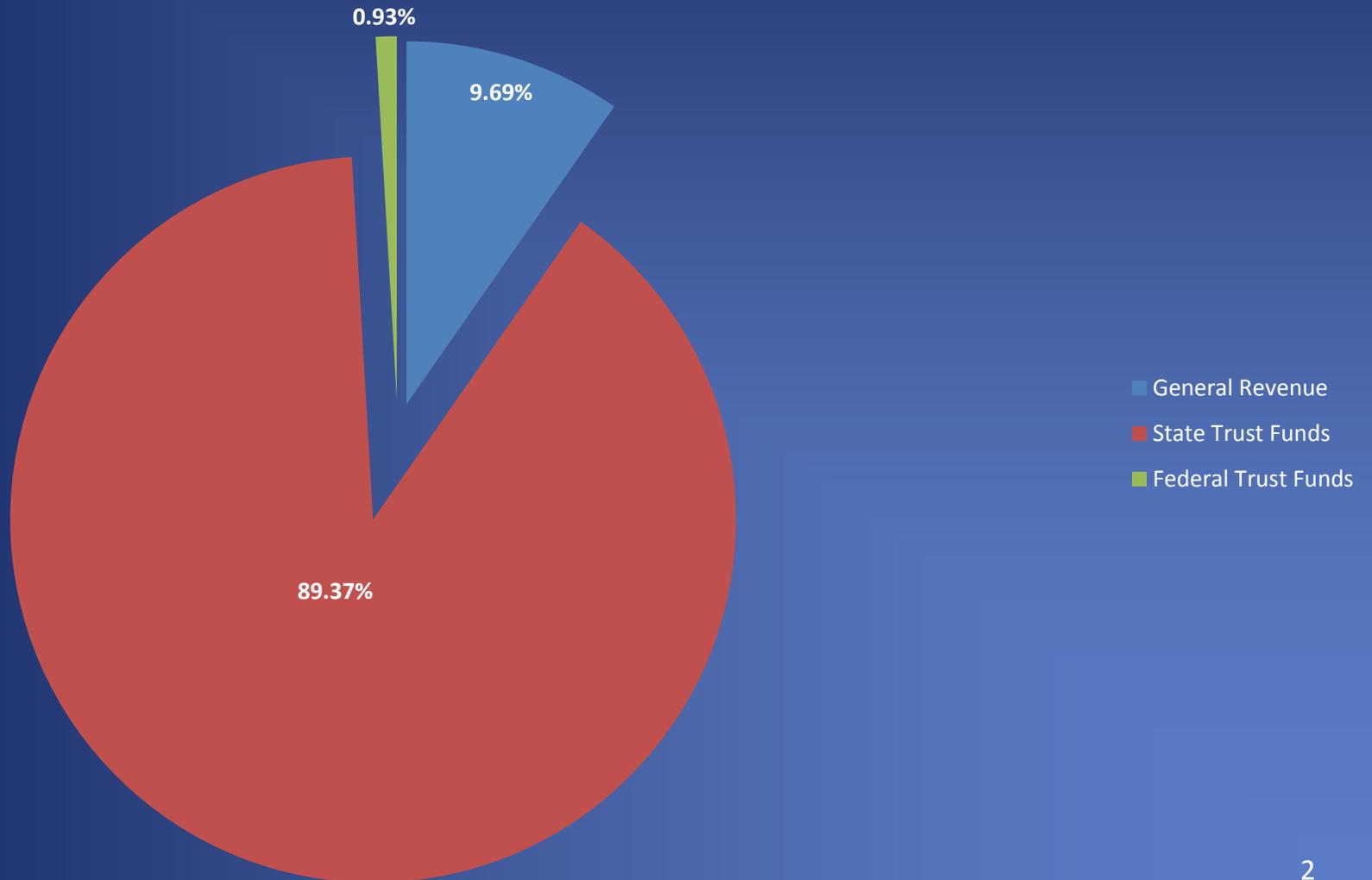
Funding Sources for FY 2013 – 14

Recurring, Non-recurring and Fixed Capital Outlay

General Revenue \$23,399,477

State Trust Funds \$215,704,886

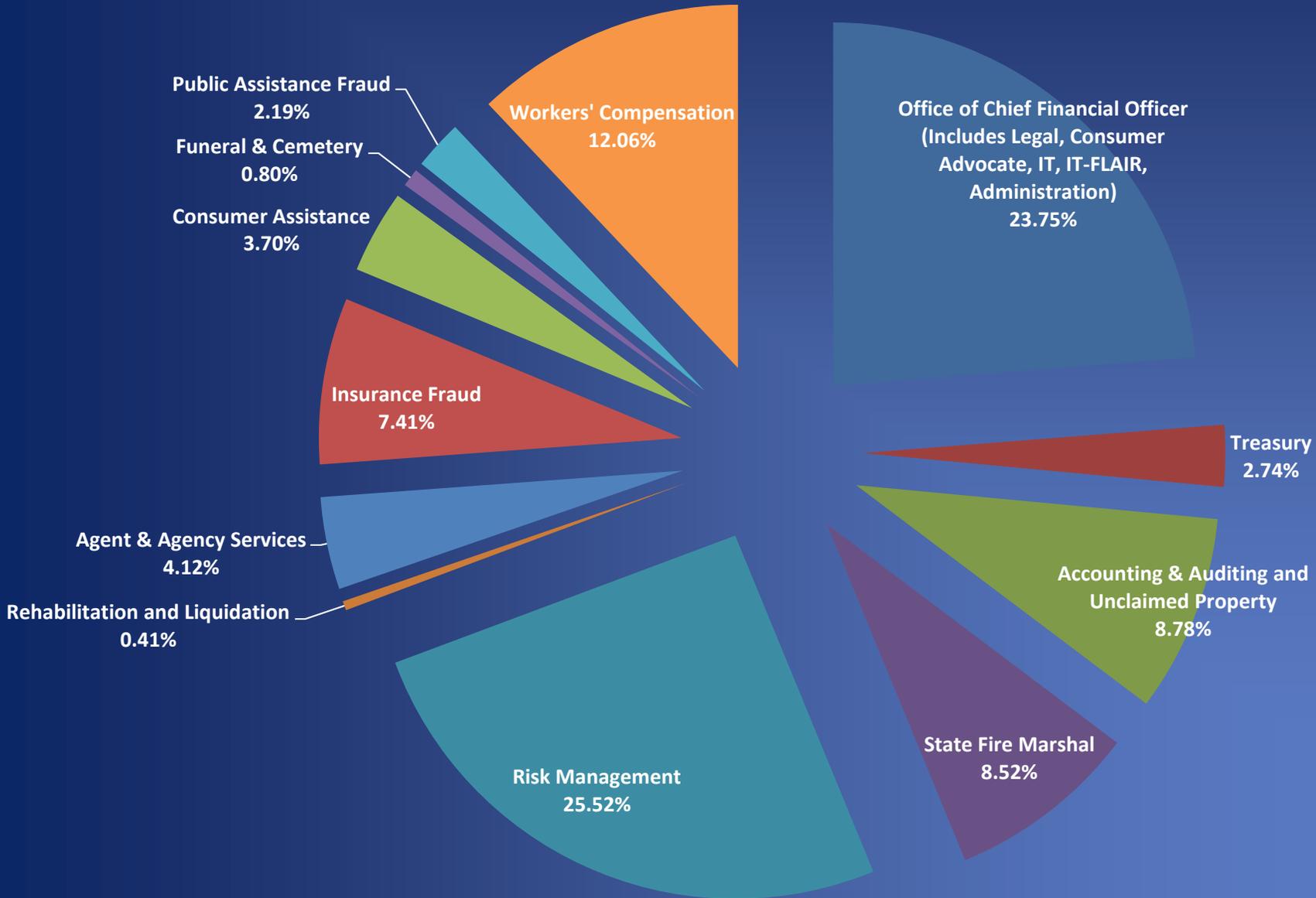
Federal Trust Funds \$2,252,742



Historical Funding Levels



Program Funding FY 2013 – 14 Budget



Legislative Budget Request Reductions for FY 2014 – 15

There are 13 reductions:

- General Revenue = \$0
- Trust Funds = \$4.2 million
- 25 FTE

Reductions by Program

Executive Direction (CFO)

(4.00) FTE – (170,581) TF

Rehabilitation and Liquidation

(6.00) FTE – (397,014) TF

Treasury – Funds Management

(1.00) FTE

Agent & Agency Services

(8.00) FTE – (413,311) TF

Accounting and Auditing

(6.00) FTE – (1,983,517) TF

Public Assistance Fraud

(173,388) TF

Workers' Compensation

(1,110,000) TF

Specific Reductions

- **Programmatic Reductions**
 - Article V: (6.00) FTE & (367,521) TF
 - Rehab & Liquidation: (6.00) FTE & (397,014) TF
 - Pre-licensing education: (1.00) FTE & (49,962) TF
 - Continuing education: (7.00) FTE & (363,349) TF
- **Management Reductions**
 - (5.00) FTE & (1,453,969) TF
- **Registry Attorneys (HB 7083 Post Conviction Collateral)**
 - (1,615,996) TF

Accounting and Auditing

- The mission of the Division is to safeguard public assets, settle the state's financial obligations, and report financial information.
- In Fiscal Year 2012–2013, the Division:
 - Audited 55,524 invoices totaling \$79,357,318,652 to ensure state expenditures were in accordance with the GAA and laws of Florida;
 - Managed the distribution of 148,255 warrants and 881,439 EFT transactions;
 - Conducted 34 preliminary investigations into possible fraud, waste, or abuse of state funds;
 - Monitored transfers to GR for SWCAP totaling \$8,685,934 and for Service Charges totaling \$2,524,066,479;
 - And provided 95 training sessions to 3,291 attendees on the proper use of the State's accounting system and on best practices in management of state contracts.

IT-FLAIR

- More than 9,000 state employees in more than 35 agencies use the Florida Accounting Information Resource (FLAIR).
- 5.1 Million FLAIR Departmental transactions are processed annually.
- 7,177,481 electronic fund transfers for Retirement, Salary, and Expense payments (over \$37 billion) are processed annually.
- 14,627,172 state warrants (over \$31 billion) are printed annually.
- And 261 separate payrolls (weekly, bi-weekly, bi-monthly, monthly, and special payrolls) for state employees totaling approx. \$7.3 billion, are processed annually.

DFS 2014–2015 Legislative Budget Request

- CFO Atwater continues to review all programs as well as the constitutional and statutory requirements of the department.
- Philosophy:
 - Focus on core missions;
 - Reduce unnecessary workload to reduce costs;
 - And use strategic planning, business process mapping, and regulatory reviews.
- Results:
 - A transparent budgeting process;
 - Reallocation of existing resources where appropriate;
 - And continued commitment to streamlining, improving processes, and focusing on core missions.

FY 2014 – 15 Funding Request

General Revenue \$23,307,548

State Trust Funds \$217,623,527

Federal Trust Funds \$3,459,483



New Budget Issues

- Total LBR request is 244.4 million – \$23.3M in General Revenue and \$221.1M in trust funds.
 - This equates to a 1.2% increase in total budget, however a 1% decrease in total positions, at 1,938.5 FTE.
- Funding for on-going IT projects: FLAIR, Cash Management System, Risk Management, Unclaimed Property.
- State Fire Marshal is requesting 3 positions, budget authority for 2 new federal grants, and Fixed Capital Outlay for the Fire College and the Arson Lab.
- Insurance Fraud is requesting budget authority for increased workloads, software, and training.
- Consumer Services is requesting budget for staff retention.

Questions?



FLORIDA DEPARTMENT *of*

management
SERVICES

We serve those who serve Florida

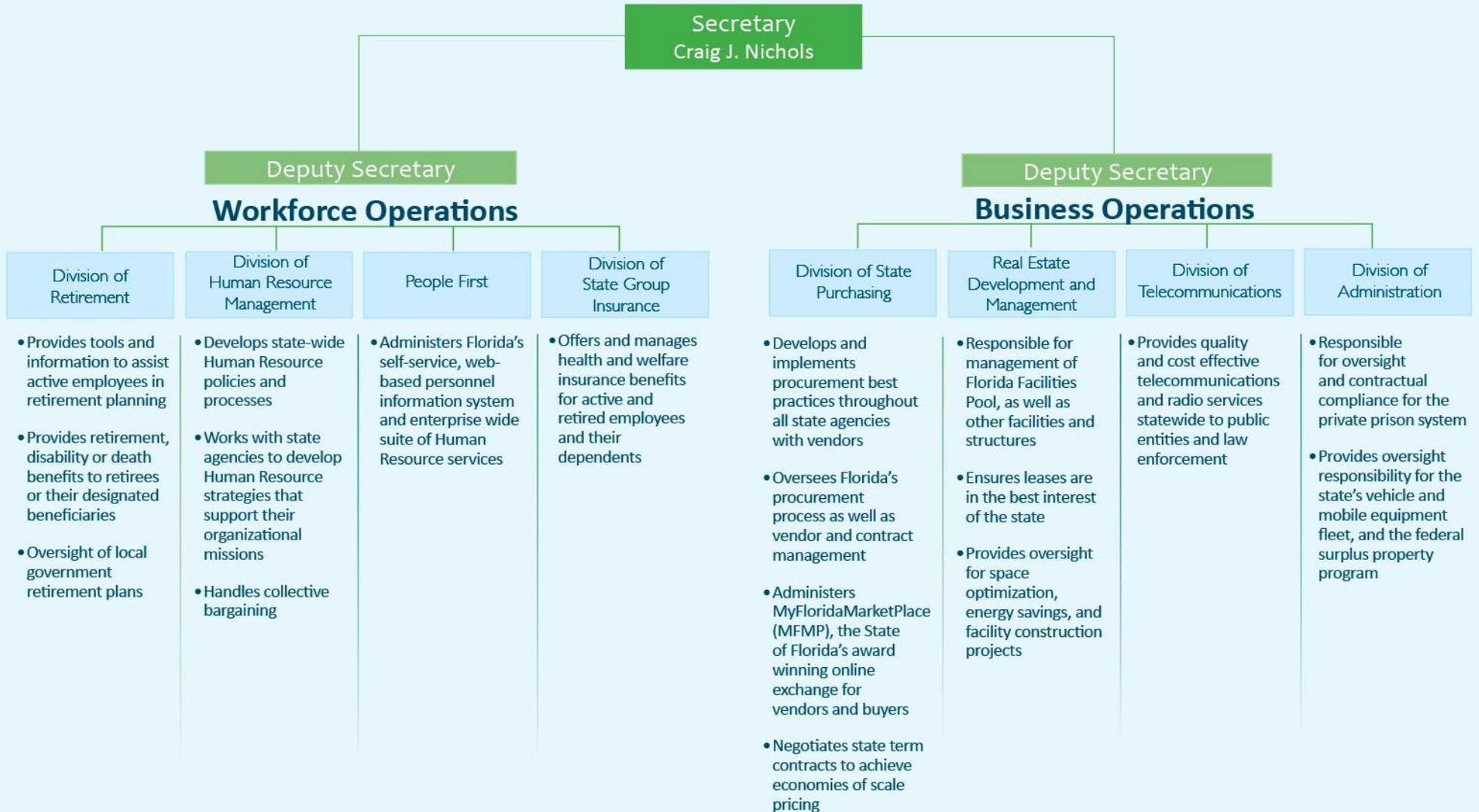
Craig J. Nichols, Secretary

WHO WE ARE

The Department of Management Services (DMS) is the administrative and operations arm of Florida's state government.

The department provides shared administrative support services, management oversight, and agency-wide executive policies, practices and guidance.

Through the efficient provision of shared services, state agencies can direct their time, energy and resources to their core missions.



Fiscal Year 2014-15 Legislative Budget Request

FY 2013-14 Appropriation	FY 2014-15 Legislative Budget Request	Difference
\$592,734,087	\$573,345,759	(\$19,388,328)
FTE 775	FTE 726	(49.0)

Priority Requests

Florida Interoperability Network (FIN)/Mutual Aid Build-Out - \$3.5 Million General Revenue

- 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.

Priority Requests

Special Pension and Benefit Payments - \$151,250 General Revenue

- Florida National Guard – 787 members
- Disabled Justices and Judges – 9 members
- State Officers and Employees – 25 members
- Teachers Special Pension – 1 member

Priority Requests

Registered Nursing Consultant for Private Prisons - \$150,000 General Revenue

To fund subject matter expert to conduct medical and mental health site visits of the medical departments within the seven private prisons.

Priority Requests

Local Retirement Additional Support Staff and Electronic Reporting - \$276,325 and 2 FTE - General Revenue

- To accommodate the expansion of Florida's reporting and monitoring requirements
- To provide technical assistance to local government plans to ensure compliance with the new mandate
- To help sustain the current actuarial review schedule of local government pension plans

Business Operations

- Vendor Bid System \$800K
- General Building Repairs \$8M
- Facilities Management System \$4M
- OPS for Public Safety \$71K
- OPS for E-Rate Administrator \$244K
- Fleet Management Business Case Recs TBD
- Private Prison Maintenance and Repairs \$540K
- Business Case – Voice Over IP Systems \$250K
- Custodial Outsourcing (50.75) FTE (\$114K)
- Real Estate Optimization: Tools and Trucks \$3M
- Real Estate Optimization: Staff Augmentation \$1.3M

Workforce Operations

- Third-party Consultant for PF \$234K
- HSA Custodian \$425K
- Retirement Contact Center \$254K
- Retirement Technology Review \$1M
- External Vulnerability Assessment \$200K

DMS LBR Reductions

- Custodial outsourcing (50.75) FTE (\$114,000)
- Utilities Reduction (\$3,200,000)
- E911 Grant (\$1,392,228)
- Broadband Grant (\$609,362)



FLORIDA DEPARTMENT *of*

management
SERVICES

We serve those who serve Florida

Craig J. Nichols, Secretary

THE FLORIDA SENATE
APPEARANCE RECORD

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

1/9/2014

Meeting Date

Topic DBPR Fiscal Year 2014-2015 Legislative Budget Request

Bill Number _____
(if applicable)

Name Ken Lawson

Amendment Barcode _____
(if applicable)

Job Title Secretary, Dept. of Business & Professional Regulation

Address 1940 N. Monroe St.
Street

Phone 850-413-0755

Tallahassee FL 32399
City *State* *Zip*

E-mail Ken.Lawson@myfloridalicense.com

Speaking: For Against Information

Representing DBPR

Appearing at request of Chair: Yes No

Lobbyist registered with Legislature: Yes No

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1/9/14
Meeting Date

Topic DEP CBR Presentations

Bill Number _____
(if applicable)

Name Lennie Zeiter

Amendment Barcode _____
(if applicable)

Job Title Chief of Staff

Address 3900 Commonwealth Blvd
Street
Tallahassee
City State Zip

Phone _____

E-mail _____

Speaking: For Against Information

Representing DEP

Appearing at request of Chair: Yes No

Lobbyist registered with Legislature: Yes No

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1/9/2014

Meeting Date

Topic Department of Financial Services 2014-15 LBR

Bill Number _____
(if applicable)

Name Teri Madsen

Amendment Barcode _____
(if applicable)

Job Title Budget Officer

Address _____
Street

Phone 413-2100

City State Zip

E-mail teri.madsen@myfloridacfo.com

Speaking: For Against Information

Representing Dept. of Financial Services

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)

1/9/14
Meeting Date

Topic DMS LBR

Bill Number _____
(if applicable)

Name Debra Forbes

Amendment Barcode _____
(if applicable)

Job Title Administration Director

Address 4050 Esplanade Way
Street
Tallahassee FL 32399
City State Zip

Phone 487-9911

E-mail debra.forbes@dms.myflorida.com

Speaking: For Against Information

Representing Department of Management Services

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*
Appropriations Subcommittee on Criminal and Civil Justice
Appropriations Subcommittee on General Government
Children, Families, and Elder Affairs
Criminal Justice
Gaming
Military Affairs, Space, and Domestic Security

SENATOR CHARLES S. DEAN, SR.
5th District

January 8, 2014

The Honorable Alan Hays
320 Senate Office Building
404 South Monroe St.
Tallahassee, FL 32399-1100

Dear Chairman Hays,

The purpose of this letter is to seek your permission to be excused from the scheduled Appropriations Subcommittee on General Government meeting on January 9, 2014. Due to an important public hearing in my district, I will not be able to attend.

Should you have any questions concerning this matter, please do not hesitate to contact me personally.

Sincerely,

Charles S. Dean
State Senator District 5

cc: Jamie DeLoach, Staff Director

SENATE APPROPRIATION
RECEIVED
14 JAN - 8 AM 9:05
SENATE CHAIRMAN
STAFF DIR. _____ STAFF _____

REPLY TO:

- 405 Tompkins Street, Inverness, Florida 34450 (352) 860-5175
- 311 Senate Office Building, 404 South Monroe Street, Tallahassee, Florida 32399-1100 (850) 487-5005
- 315 SE 25th Avenue, Ocala, Florida 34471-2689 (352) 873-6513

Senate's Website: www.flsenate.gov

DON GAETZ
President of the Senate

GARRETT RICHTER
President Pro Tempore

CourtSmart Tag Report

Room: EL 110

Case:

Type:

Caption: Senate Appropriations Subcommittee on General Government

Judge:

Started: 1/9/2014 4:01:25 PM

Ends: 1/9/2014 5:52:52 PM **Length:** 01:51:28

4:01:35 PM Chairman Alan Hays
4:02:56 PM Secretary Ken Lawson, Dept. of Business and Professional Regulation presenting agency LBR priorities/reductions
4:12:47 PM Senator Latvala
4:13:03 PM Secretary Lawson
4:13:19 PM Senator Latvala
4:13:32 PM Secretary Lawson
4:13:45 PM Chairman Hays
4:13:59 PM Senator Latvala
4:14:11 PM Secretary Lawson
4:14:18 PM Senator Latvala
4:14:24 PM Secretary Lawson
4:14:33 PM Chairman Hays
4:15:03 PM Lorilee Medders, Director FI Catastrophic Storm Risk Management Center presenting report on Florida Hurricane Catastrophe Fund
4:19:45 PM Chairman Hays
4:19:55 PM Ms. Medders
4:20:21 PM Senator Bradley
4:20:54 PM Ms. Medders
4:21:22 PM Sen. Bradley
4:21:28 PM Ms. Medders
4:24:59 PM Chmn. Hays
4:25:26 PM Senator Simpson
4:25:31 PM Ms. Medders
4:25:49 PM Chairman Hays
4:26:15 PM Ms. Medders
4:26:43 PM Senator Legg
4:27:21 PM Ms. Medders
4:31:06 PM Senator Detert
4:31:40 PM Chair Hays
4:31:47 PM Ms. Medders
4:32:15 PM Sen. Bradley
4:32:23 PM Ms. Medders
4:32:38 PM Sen. Hays
4:32:55 PM Ms. Medders
4:34:00 PM Chair Hays
4:34:16 PM Ms. Medders
4:34:49 PM Chair Hays
4:35:08 PM Ms. Medders
4:35:34 PM Sen. Bradley
4:35:50 PM Ms. Medders
4:36:01 PM Sen. Bradley
4:36:21 PM Ms. Medders
4:38:34 PM Chair Hays
4:38:44 PM Ms. Medders
4:43:10 PM Sen. Thompson
4:43:38 PM Ms. Medders
4:45:20 PM Chair Hays
4:45:25 PM Ms. Medders
4:47:34 PM Chair Hays
4:47:50 PM Ms. Medders
5:00:52 PM Chair Hays

5:01:15 PM Ms. Medders
5:01:36 PM Sen. Soto
5:01:46 PM Ms. Medders
5:01:49 PM Sen. Soto
5:01:54 PM Ms. Medders
5:02:02 PM Chair Hays
5:02:54 PM Dr. Jack Nicholson re: FI Hurricane Catastrophe Fund
5:04:36 PM Sen. Soto
5:05:00 PM Dr. Nicholson
5:08:35 PM Sen. Soto
5:08:48 PM Dr. Nicholson
5:13:23 PM Chair Hays
5:13:53 PM Lennie Zeiler, Chief of Staff, Dept. of Environmental Protection re: agency LBR priorities/reductions
5:18:13 PM Sen. Detert
5:19:51 PM Mr. Zeiler
5:19:59 PM Sen. Latvala
5:20:21 PM Mr. Zeiler
5:20:38 PM Sen. Latvala
5:20:47 PM Mr. Zeiler
5:20:53 PM Sen. Latvala
5:21:33 PM Chair Hays
5:22:34 PM Sen. Latvala
5:22:42 PM Chair Hays
5:22:45 PM Sen. Latvala
5:23:25 PM Sen. Soto
5:23:39 PM Mr. Zeiler
5:23:52 PM Sen. Soto
5:23:59 PM Chair Hays
5:24:14 PM Sen. Detert
5:24:32 PM Chair Hays
5:24:54 PM Sen. Soto
5:25:07 PM Mr. Zeiler
5:25:17 PM Sen. Soto
5:25:32 PM Mr. Zeiler
5:26:24 PM Chair Hays
5:26:41 PM Sen. Soto
5:26:51 PM Chair Hays
5:27:09 PM Teri Madsen, Budget Officer, Dept. of Financial Services re: agency LBR priorities/reductions
5:37:26 PM Chair Hays
5:38:04 PM Ms. Madsen
5:38:48 PM Chair Hays
5:38:52 PM Ms. Madsen
5:41:01 PM Chair Hays
5:41:21 PM Debra Forbess, Administration Director, Dept. of Management Services re: agency LBR priorities/reductions
5:46:13 PM Sen. Latvala
5:47:15 PM Ms. Forbess
5:47:49 PM Sen. Latvala
5:48:29 PM Ms. Forbess
5:50:37 PM Chair Hays
5:52:15 PM Sen. Thompson
5:52:24 PM Ms. Forbess
5:52:31 PM Chair Hays
5:52:38 PM Meeting adjourned