

Tab 1	SB 364 by Grimsley (CO-INTRODUCERS) Mayfield; (Identical to H 00177) State Group Health Insurance and Prescription Drug Programs						
947396	A	S	RCS	AGG, Grimsley	Delete L.134 - 135:	12/07 02:14 PM	

Tab 2	SB 368 by Brandes (CO-INTRODUCERS) Rouson; (Similar to H 00111) Department of Management Services						
690710	A	S	RCS	AGG, Brandes	Delete L.23 - 40:	12/07 02:16 PM	

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

MEETING DATE: Thursday, December 7, 2017
TIME: 12:30—3:30 p.m.
PLACE: 301 Senate Office Building

MEMBERS: Senator Simmons, Chair; Senator Bean, Vice Chair; Senators Broxson, Campbell, Gainer, Garcia, Mayfield, Rodriguez, Rouson, Taddeo, and Torres

TAB	BILL NO. and INTRODUCER	BILL DESCRIPTION and SENATE COMMITTEE ACTIONS	COMMITTEE ACTION
1	SB 364 Grimsley (Identical H 177, Compare H 257)	State Group Health Insurance and Prescription Drug Programs; Authorizing a water management district to participate in the state group health insurance program and the prescription drug coverage program upon the affirmative vote of a district's governing board; providing that monthly premium amounts be based on an actuarial analysis conducted by the Department of Management Services; requiring small counties, small municipalities, district school boards, and water management districts participating in the programs to bear the costs of the actuarial analysis, etc. GO 11/07/2017 Favorable AGG 12/07/2017 Fav/CS AP	Fav/CS Yeas 7 Nays 0
2	SB 368 Brandes (Similar H 111)	Department of Management Services; Creating the Statewide Procurement Efficiency Task Force within the department; specifying the purpose and membership of the task force; providing that task force members shall serve without compensation or reimbursement of expenses, etc. GO 11/07/2017 Favorable AGG 12/07/2017 Fav/CS AP	Fav/CS Yeas 7 Nays 0
3	Presentation on Governor's Fiscal Year 2018-2019 Budget Recommendations: -Department of Business and Professional Regulation -Department of Financial Services Office of Financial Regulation Office of Insurance Regulation -Department of Lottery -Department of Management Services Agency for State Technology Division of Administrative Hearings Florida Commission on Human Relations Public Employees Relations Commission -Public Service Commission -Department of Revenue		Presented

COMMITTEE MEETING EXPANDED AGENDA

Appropriations Subcommittee on General Government
Thursday, December 7, 2017, 12:30—3:30 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 Appropriations Subcommittee on General Government

BILL: PCS/SB 364 (159170)

INTRODUCER: Appropriations Subcommittee on General Government; Senators Grimsley and Mayfield

SUBJECT: State Group Health Insurance and Prescription Drug Programs

DATE: December 11, 2017 REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Caldwell</u>	<u>Caldwell</u>	<u>GO</u>	Favorable
2.	<u>Davis/McVaney</u>	<u>Betta</u>	<u>AGG</u>	Recommend: Fav/CS
3.	_____	_____	<u>AP</u>	_____

Please see Section IX. for Additional Information:

COMMITTEE SUBSTITUTE - Substantial Changes

I. Summary:

PCS/SB 364 authorizes a water management district to participate in the State Group Health Insurance Program and the Prescription Drug Coverage Program. Such participation requires an affirmative vote of the water management district's governing board. A water management district may participate upon payment of a \$500 non-refundable fee, approval by the Department of Management Services (DMS), and acceptance of the same conditions that are imposed on small counties, small municipalities, and school board districts. In addition, a water management district must pay for an actuarial analysis conducted by the DMS that establishes premiums.

The bill is expected to have no overall fiscal impact on the state because the new participating entity is required to bear the full costs or any savings resulting from its participation in the programs. The bill is expected to have an indeterminate fiscal impact on water management district expenditures.

The bill takes effect July 1, 2018.

II. Present Situation:

State Group Health Insurance Program

The State Group Insurance Program (Program) is created by s. 110.123, F.S., and the DMS through the Division of State Group Insurance (DSGI) administers the Program. The Program

offers a comprehensive package of health insurance benefits for state employees, which are provided in a cost-efficient and prudent manner, and allows state employees the option to choose benefit plans which best suit their individual needs. The Program is a state self-insured health insurance plan that includes the state group health insurance plan or plans, health maintenance organization plans, group life insurance plans, TRICARE supplemental insurance plans¹, group accidental death and dismemberment plans, group disability insurance plans, other group insurance plans or coverage choices, and other benefits.² As implemented by the DMS, the Program offers two types of state group health insurance plans from which an eligible employee may choose: a standard statewide Preferred Provider Organization (PPO) Plan or a standard Health Maintenance Organization (HMO) Plan.

The DMS is responsible for all aspects of the purchase of health care for state employees under the state group health insurance plan or plans, TRICARE supplemental insurance plans, and the health maintenance organization plans. These responsibilities include the development of requests for proposals or invitations to negotiate for state employee health services, the determination of health care benefits to be provided, and the negotiation of contracts for health care and health care administrative services. Before the negotiation of contracts for health care services, the DMS is required to develop, with respect to state collective bargaining issues, the health benefits and terms to be included in the state group health insurance program. The DMS is responsible for the contract management and day-to-day management of the Program, including, but not limited to, employee enrollment, premium collection, payment to health care providers, and other administrative functions related to the Program.³

Participation by individuals in the Program is available to all state officers, full-time state employees, and part-time state employees and is voluntary. Participation in the Program is also available to retired state officers and employees who elect at the time of retirement to continue coverage under the Program, but may elect to continue all or only part of the coverage they had at the time of retirement. A surviving spouse may elect to continue coverage only under a state group health insurance plan, a TRICARE supplemental insurance plan, or a health maintenance organization plan.⁴

The DMS is required to establish a schedule of minimum benefits for health maintenance organization coverage. The schedule must include physician services; inpatient and outpatient hospital services; emergency medical services, including out-of-area emergency coverage; diagnostic laboratory and diagnostic and therapeutic radiologic services; mental health, alcohol, and chemical dependency treatment services meeting the minimum requirements of state and federal law; skilled nursing facilities and services; prescription drugs; age-based and gender-

¹ The term "TRICARE supplemental insurance plan" means the Department of Defense Health Insurance Program for eligible members of the uniformed services authorized by 10 U.S.C. s. 1097.

² Section 110.123, (3)(b), F.S.

³ Section 110.123, (3)(c), F.S.

⁴ Section 110.123, (3)(g), F.S.

based wellness benefits⁵; and other benefits as may be required by the department. Additional services may be provided subject to the contract between the DMS and the HMO.⁶

The DMS is authorized to establish uniform deductibles, copayments, coverage tiers, or coinsurance schedules for all participating HMO plans.⁷

Each person participating in the State Group Insurance Program may be required to contribute towards a total state group health premium that may vary depending upon the plan, coverage level, and coverage tier selected by the enrollee and the level of state contribution authorized by the Legislature.⁸

Prescription Drug Program

The State Employee’s Prescription Drug Program is administered by the DMS and has a single pharmaceutical benefit manager. All prescriptions are filled using this vendor and its associated network of pharmacies. The costs of the pharmacy benefit are embedded in the overall premiums paid by the employer and employee as well as the copayments made at the time of purchase.

	Standard Plan		High Deductible Plan	
	Retail	Mail	Retail	Mail
Generic	\$7	\$14	30%	30%
Preferred Brand	\$30	\$60	30%	30%
Non Preferred Brand	\$50	\$100	50%	50%

Small Counties, Municipalities, and District School Boards Permissive Participation

Section 110.1228, F.S., authorizes small counties, small municipalities, and district school boards located in small counties to participate in the State Group Insurance Program and the Prescription Drug Program. To participate, a governing body or a district school board must submit an application along with a \$500 nonrefundable fee to the DMS. Any costs or savings to the State Group Insurance Program or the Prescription Drug Program resulting from such participation must be passed on to the local government participants and their employees. The costs or savings must be delineated based on the impact to the state, state officers and employees, and local government employers and their employees.⁹

Before a small county, small municipality, or district school board adopts an ordinance or resolution to participate in the State Group Insurance Program and Prescription Drug Program, it must issue a request for proposals to provide health insurance and prescription drug coverage.

⁵ The term “age-based and gender-based wellness benefits” includes aerobic exercise, education in alcohol and substance abuse prevention, blood cholesterol screening, health risk appraisals, blood pressure screening and education, nutrition education, program planning, safety belt education, smoking cessation, stress management, weight management, and women’s health education. *See* s. 110.123(3)(h)2.a., F.S.

⁶ Section 110.123(3)(h)2.a., F.S.

⁷ Section 110.123(3)(h)2.b., F.S.

⁸ Section 110.123(3)(h)2.e., F.S.

⁹ Section 110.1228(3), F.S.

The request for proposals are required to seek coverages equivalent to those offered currently by the small county, small municipality, or district school board and coverages equivalent to the State Group Insurance Program and Prescription Drug Program. The request for proposals must provide an opportunity for the receipt of competitive proposals from all interested parties without restriction. All responsive proposals must be reviewed and considered by the small county, small municipality, and district school board before the adoption of any ordinance or resolution for participation in the State Group Insurance Program and Prescription Drug Program.¹⁰

If the DMS determines a small county, small municipality, or district school board is eligible to enroll, the small county, small municipality, or district school board must agree to the following terms and conditions:

- The minimum enrollment or contractual period is three years.
- The small county, small municipality, or district school board must pay to the department an initial administrative fee of not less than \$2.61 per enrollee per month, or such other amount established annually to fully reimburse the department for its costs.
- Termination of participation of a small county, small municipality, or district school board requires written notice one year before the termination date.
- If participation is terminated, a small county, small municipality, or district school board may not reapply for participation for a period of two years.
- Small counties, small municipalities, and district school boards must reimburse the state for 100 percent of its costs, including administrative costs.
- If a small county, small municipality, or district school board employer fails to make the payments required by this section to fully reimburse the state, the Department of Revenue or the Department of Financial Services shall, upon the request of the DMS, deduct the amount owed by the employer from any funds not pledged to bond debt service satisfaction that are to be distributed by it to the small county, small municipality, or district school board. The amounts so deducted shall be transferred to the DMS for further distribution to the trust funds in accordance with ch. 110, F.S.
- The small county, small municipality, or district school board shall furnish the DMS any information requested by the DMS, which the DMS considers necessary to administer the State Group Insurance Program and the Prescription Drug Program.
- The small county, small municipality, or district school board shall adopt the state's eligibility rules.
- The small county, small municipality, or district school board may not participate in the state's cafeteria plan¹¹ that allows for pretax treatment of premium contributions. If pretax treatment is desirable for employees of these participating employers, each employee of a participating employer must execute a salary reduction agreement with that employer, and each participating employer is required to establish its own cafeteria plan.
- The small county, small municipality, or district school board is required to pay monthly premiums in amounts sufficient to cover claims costs, the DMS administrative costs, and third-party administrative costs and provide for adequate reserves and cash flow by contributing three months' premiums and costs in advance of the coverage effective date.¹²

¹⁰ Section 110.1228(4), F.S.

¹¹ See 26 U.S. Code, s. 125 (Internal Revenue Code).

¹² Section 110.1228(5)(j), F.S.

Water Management District Group Insurance

Florida's five water management districts include the Northwest Florida Water Management District, the Suwannee River Water Management District, the St. Johns River Water Management District, the Southwest Florida Water Management District, and the South Florida Water Management District. Section 373.605, F.S., provides that water management districts may provide group insurance for its employees, and the employees of another water management district, in the same manner and with the same provisions and limitations authorized for other public employees under ss. 112.08, 112.09, 112.10, 112.11, and 112.14, F.S.

III. Effect of Proposed Changes:

Section 1 amends s. 110.1228, F.S., to authorize a water management district to participate in the State Group Insurance Program and Prescription Drug Program. Such participation requires an affirmative vote of the governing board of a water management district. A water management district must comply with all requirements of the section. In addition, the premiums to be paid must be established by an actuarial analysis conducted by the DMS in which the requesting party is considered a distinct health insurance risk pool. The actuarial analysis must be paid for by the participating small county, small municipality, district school board, or water management district.

Section 2 amends s. 373.605, F.S., to allow a water management district to alternatively participate in the State Group Insurance Program and Prescription Drug Program after its governing board votes to do so affirmatively.

Section 3 provides an effective date of July 1, 2018.

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:

The impact to private sector health care providers is indeterminate. The impact to water management district members who elect to participate in the State Group Insurance Program and Prescription Drug Program is indeterminate. The impacts on employees will depend upon the changes in the health insurance and prescription drug program benefits, employee/retiree paid premiums, and the out-of-pocket costs when a water management district transitions from its own plan to the State Group Insurance Program and Prescription Drug Program.

C. Government Sector Impact:

There should be no overall fiscal impact on the state since the costs incurred by the DMS are to be offset by payments from the participating water management districts. These costs include any costs to the State Group Health Insurance Program and the Prescription Drug Program resulting from participation by the water management districts.

The fiscal impact on water management districts is indeterminate. A participating water management district is required to pay a \$500 non-refundable application fee, administrative fees of not less than \$2.61 per enrollee per month, and all other costs associated with participation,¹³ including the cost of an actuarial analysis. However, it is most likely the water management district will choose to participate in the state-administered programs only when the overall costs of participation will be less than its current or anticipated costs of continuing its own current plans.

Participating water management districts will be required to remit the equivalent of three months' premiums and costs to the DMS in advance of the coverage effective date.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Statutes Affected:

This bill substantially amends the following sections of the Florida Statutes: 110.1228 and 373.605.

¹³ See Department of Management Services, *2018 Agency Legislative Bill Analysis* (October 31, 2017), (on file with the Senate Committee on Governmental Oversight and Accountability).

IX. Additional Information:

- A. **Committee Substitute – Statement of Substantial Changes:**
(Summarizing differences between the Committee Substitute and the prior version of the bill.)

Recommended CS by Appropriations Subcommittee on General Government on December 7, 2017:

The committee substitute clarifies that the DMS is required to conduct an actuarial analysis to determine the premiums for the newly participating entity based only on its own risk pool (rather than being included in the state’s risk pool).

- B. **Amendments:**

None.



947396

LEGISLATIVE ACTION

Senate	.	House
Comm: RCS	.	
12/07/2017	.	
	.	
	.	
	.	

Appropriations Subcommittee on General Government (Grimsley)
recommended the following:

Senate Amendment

Delete lines 134 - 135
and insert:
considered a distinct health insurance risk pool. The

By Senator Grimsley

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1 A bill to be entitled
 2 An act relating to the state group health insurance
 3 and prescription drug programs; amending s. 110.1228,
 4 F.S.; defining the term "water management district";
 5 authorizing a water management district to participate
 6 in the state group health insurance program and the
 7 prescription drug coverage program upon the
 8 affirmative vote of a district's governing board;
 9 establishing conditions and restrictions regarding
 10 participation; providing that monthly premium amounts
 11 be based on an actuarial analysis conducted by the
 12 Department of Management Services; requiring small
 13 counties, small municipalities, district school
 14 boards, and water management districts participating
 15 in the programs to bear the costs of the actuarial
 16 analysis; conforming provisions to changes made by the
 17 act; amending s. 373.605, F.S.; conforming a
 18 provision; providing an effective date.

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

20 Section 1. Section 110.1228, Florida Statutes, is amended
 21 to read:

22 110.1228 Participation by small counties, small
 23 municipalities, ~~and~~ district school boards, and water management
 24 districts located in small counties.-

25 (1) As used in this section, the term:

26 (a) "District school board" means a district school board
 27 located in a small county or a district school board that

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30 receives funding pursuant to s. 1011.62(7).
 31 (b) "Small municipality" means an incorporated municipality
 32 that has a population of 12,500 or fewer according to the most
 33 recent decennial census.
 34 (c) "Small county" means a county that has a population of
 35 100,000 or fewer according to the most recent decennial census.
 36 (d) "Water management district" has the same meaning as in
 37 s. 373.019.
 38 (2) The governing body of a small county, ~~or~~ small
 39 municipality, or water management district or a district school
 40 board may apply for participation in the state group health
 41 insurance program authorized in s. 110.123 and the prescription
 42 drug coverage program authorized by s. 110.12315 by submitting
 43 an application along with a \$500 nonrefundable fee to the
 44 department.
 45 (3) Any costs or savings to the state group health
 46 insurance program or the prescription drug coverage program
 47 resulting from such participation shall be passed on to the
 48 local government and water management district participants and
 49 their employees. Such costs or savings shall be delineated based
 50 on the impact to the state, state officers and employees, ~~and~~
 51 local government employers and their employees, and water
 52 management districts and their employees.
 53 (4) As a prerequisite to the adoption of an ordinance or
 54 resolution or the affirmative vote of a governing board, for
 55 participation in the state group health insurance program and
 56 prescription drug coverage program, a small county, small
 57 municipality, ~~or~~ district school board, or water management
 58 district shall issue a request for proposals to provide health

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59 insurance and prescription drug coverage. Such request for
 60 proposals shall seek coverages equivalent to those offered
 61 currently by the small county, small municipality, ~~or~~ district
 62 school board, or water management district and coverages
 63 equivalent to the state group health insurance program and
 64 prescription drug coverage program. Such request for proposals
 65 must provide an opportunity for the receipt of competitive
 66 proposals from all interested parties without restriction. The
 67 small county, small municipality, ~~and~~ district school board, and
 68 water management district shall review and consider all
 69 responsive proposals before ~~prior to~~ the adoption of any
 70 ordinance or resolution or the affirmative vote of any governing
 71 board for participation in the state group health insurance
 72 program and prescription drug coverage program.

73 (5) If the department determines that a small county, small
 74 municipality, ~~or~~ district school board, or water management
 75 district is eligible to enroll, the small county, small
 76 municipality, ~~or~~ district school board, or water management
 77 district must agree to the following terms and conditions:

78 (a) The minimum enrollment or contractual period will be 3
 79 years.

80 (b) The small county, small municipality, ~~or~~ district
 81 school board, or water management district must pay to the
 82 department an initial administrative fee of not less than \$2.61
 83 per enrollee per month, or such other amount established
 84 annually to fully reimburse the department for its costs.

85 (c) Termination of participation of a small county, small
 86 municipality, ~~or~~ district school board, or water management
 87 district requires written notice 1 year before the termination

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

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88 date.

89 (d) If participation is terminated, a small county, small
 90 municipality, ~~or~~ district school board, or water management
 91 district may not reapply for participation for a period of 2
 92 years.

93 (e) Small counties, small municipalities, ~~and~~ district
 94 school boards, and water management districts shall reimburse
 95 the state for 100 percent of its costs, including administrative
 96 costs.

97 (f) If a small county, small municipality, ~~or~~ district
 98 school board employer, or water management district fails to
 99 make the payments required by this section to fully reimburse
 100 the state, the Department of Revenue or the Department of
 101 Financial Services shall, upon the request of the Department of
 102 Management Services, deduct the amount owed by the employer from
 103 any funds not pledged to bond debt service satisfaction that are
 104 to be distributed by it to the small county, small municipality,
 105 ~~or~~ district school board, or water management district. The
 106 amounts so deducted shall be transferred to the Department of
 107 Management Services for further distribution to the trust funds
 108 in accordance with this chapter.

109 (g) The small county, small municipality, ~~or~~ district
 110 school board, or water management district shall furnish the
 111 department any information requested by the department which the
 112 department considers necessary to administer the state group
 113 health insurance program and the prescription drug coverage
 114 program.

115 (h) The small county, small municipality, ~~or~~ district
 116 school board, or water management district shall adopt the

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

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117 state's eligibility rules.

118 (i) The small county, small municipality, ~~or~~ district
 119 school board, or water management district may not participate
 120 in the state's cafeteria plan that allows for pretax treatment
 121 of premium contributions. If pretax treatment is desirable for
 122 employees of these participating employers, each employee of a
 123 participating employer shall execute a salary reduction
 124 agreement with that employer, and each participating employer
 125 shall establish its own cafeteria plan.

126 (j) The small county, small municipality, ~~or~~ district
 127 school board, or water management district shall pay monthly
 128 premiums in amounts sufficient to cover claims costs, department
 129 administrative costs, and third-party administrative costs and
 130 provide for adequate reserves and cash flow by contributing 3
 131 months' premiums and costs in advance of the coverage effective
 132 date. The premiums must be established by an actuarial analysis
 133 conducted by the department in which the requesting party is
 134 considered both a distinct health insurance risk pool and as
 135 part of the state group health insurance program risk pool. The
 136 actuarial analysis must be paid for by the participating small
 137 county, small municipality, district school board, or water
 138 management district.

139 (6) ~~Sections The provisions of ss. 624.436-624.446~~ do not
 140 apply to the State Group Insurance Program or to this section.

141 Section 2. Section 373.605, Florida Statutes, is amended to
 142 read:

143 373.605 Group insurance for water management districts.—The
 144 governing board of a water management district may provide group
 145 insurance for its employees, and the employees of another water

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146 management district, in the same manner and with the same
 147 provisions and limitations authorized for other public employees
 148 under ss. 112.08, 112.09, 112.10, 112.11, and 112.14.
 149 Alternatively, a water management district, after an affirmative
 150 vote of its governing board, may participate in the state group
 151 health insurance program and the prescription drug coverage
 152 program under s. 110.1228.

153 Section 3. This act shall take effect July 1, 2018.

THE FLORIDA SENATE
APPEARANCE RECORD

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

DEC. 7, 2017
Meeting Date

SB 364
Bill Number (if applicable)

Topic STATE HEALTH INSURANCE

Amendment Barcode (if applicable)

Name PHIL FLOOD

Job Title REGIONAL REPRESENTATIVE

Address 2301 MCGREGOR BLVD
Street

Phone _____

FT. MYERS FL 33901
City State Zip

Email _____

Speaking: For Against Information

Waive Speaking: In Support Against
(The Chair will read this information into the record.)

Representing SOUTH FLORIDA WATER MANAGEMENT DISTRICT

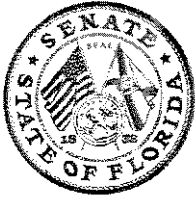
Appearing at request of Chair: Yes No

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 (10/14/14)



The Florida Senate

Committee Agenda Request

To: Senator David Simmons, Chair
Appropriations Subcommittee on General Government

Subject: Committee Agenda Request

Date: November 7, 2017

I respectfully request that **Senate Bill #364**, relating to State Group Health Insurance and Prescription Drug Programs, be placed on the:

- committee agenda at your earliest possible convenience.
- next committee agenda.

A handwritten signature in cursive script that reads "Denise Grimsley".

Senator Denise Grimsley
Florida Senate, District 26

cc: Giovanni Betta, Staff Director
Lisa Waddell, Committee Administrative Assistant

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 Appropriations Subcommittee on General Government

BILL: PCS/SB 368 (152804)

INTRODUCER: Appropriations Subcommittee on General Government; Senators Brandes and Rouson

SUBJECT: Department of Management Services

DATE: December 11, 2017 REVISED: 12/12/17 _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Peacock</u>	<u>Caldwell</u>	<u>GO</u>	Favorable
2.	<u>Davis</u>	<u>Betta</u>	<u>AGG</u>	Recommend: Fav/CS
3.	_____	_____	<u>AP</u>	_____

Please see Section IX. for Additional Information:

COMMITTEE SUBSTITUTE - Substantial Changes

I. Summary:

PCS/SB 368 creates the Statewide Procurement Efficiency Task Force to evaluate the effectiveness and value of state and local procurement laws and policies to the taxpayers of this state, determine where inconsistencies in such laws and policies exist, and submit a report by July 1, 2019. The final report of the task force must include, at a minimum, recommendations for consideration by the Legislature that promote procurement efficiency, streamline procurement policies, establish best management practices, and encourage increased use of state term contracts.

The bill does not impact state revenues or expenditures.

The bill takes effect upon becoming a law.

II. Present Situation:

Procurement of Personal Property and Services

Procurement of Personal Property and Services by State Agencies

Chapter 287, F.S., regulates state agency¹ procurement of personal property and services.² The Department of Management Services (DMS) is responsible for overseeing state purchasing activity including professional and contractual services³ as well as commodities needed to support agency activities.⁴ The DMS assists state agencies and eligible users by providing uniform commodity and contractual service procurement policies, rules, procedures, and forms.⁵

Agencies may use a variety of procurement methods, depending on the cost and characteristics of the needed good or service, the complexity of the procurement, and the number of available vendors. These methods include the following:

- Single source contracts,⁶ which are used when an agency determines that only one vendor is available to provide a commodity or service at the time of purchase;
- Invitations to bid,⁷ which are used when an agency determines that standard services or goods will meet its needs, wide competition is available, and the vendor's experience will not greatly influence the agency's results;
- Requests for proposals (RFP),⁸ which are used when the procurement requirements allow for consideration of various solutions and the agency believes more than two or three vendors exist who can provide the required goods or services; and
- Invitations to negotiate (ITN),⁹ which are used when negotiations are determined to be necessary to obtain the best value and involve a request for high complexity, customized, mission-critical services, by an agency dealing with a limited number of vendors.

¹ As defined in s. 287.012(1), F.S., "agency" means any of the various state officers, departments, boards, commissions, divisions, bureaus, and councils and any other unit of organization, however designated, of the executive branch of state government. "Agency" does not include the university and college boards of trustees or the state universities and colleges.

² Personal property" is not independently defined for purposes of ch. 287, F.S., but the chapter title for Chapter 287, F.S., is "Procurement of Personal Property and Services." Additionally, the definition of "commodity" in s. 287.012(5), F.S., is "any of the various supplies, materials, goods, merchandise, food, equipment, information technology, and other personal property, including a mobile home, trailer, or other portable structure that has less than 5,000 square feet of floor space, purchased, leased, or otherwise contracted for by the state and its agencies." This definition is used in Part I of Ch. 287, F.S., "Commodities, Insurance, and Contractual Services."

³ As defined in s. 287.012(8), F.S. "contractual service" means the rendering by a contractor of its time and effort rather than the furnishing of specific commodities. The term applies only to those services rendered by individuals and firms who are independent contractors, and such services may include, but are not limited to, evaluations; consultations; maintenance; accounting; security; management systems; management consulting; educational training programs; research and development studies or reports on the findings of consultants engaged thereunder; and professional, technical, and social services. The term does not include a contract for the furnishing of labor or materials for the construction, renovation, repair, modification, or demolition of a facility, building, portion of building, utility, park, parking lot, or structure or other improvement to real property entered into pursuant to chapter 255 and rules adopted thereunder.

⁴ See ss. 287.032 and 287.042, F.S.

⁵ Section 287.032(2), F.S.

⁶ Section 287.057(3)(c), F.S.

⁷ Section 287.057(1)(a), F.S.

⁸ Section 287.057(1)(b), F.S.

⁹ Section 287.057(1)(c), F.S.

Criteria used to evaluate proposals received pursuant to a RFP must include, but are not limited to:

- Price;
- Renewal price, if renewal is contemplated;
- Consideration of the total cost for each year of the contract, including renewal years, as submitted by the vendor; and
- Consideration of prior relevant experience of the vendor.¹⁰

In ITNs, the criteria to be used in determining the acceptability of the reply and guiding the selection of the vendors with which the agency will negotiate must be specified in the ITN. The evaluation criteria must also include consideration of prior relevant experience of the vendor.¹¹

Contracts for commodities or contractual services in excess of \$35,000 must be procured utilizing a competitive solicitation process.¹² However, specified contractual services and commodities, such as artistic services and legal services, are not subject to competitive solicitation requirements.¹³

State Term Contracts

Current law authorizes the DMS to establish purchasing agreements and procure state term contracts for commodities and contractual services using the procurement methods described above.¹⁴ These contracts are generally developed for purchases of commodities and services that are ongoing and common to multiple state agencies. State agencies are required to use state term contracts when they are available.¹⁵ Other eligible users,¹⁶ such as counties, cities, and school districts, may also utilize state term contracts.¹⁷

Procurement of Personal Property and Services by Local Governments

Local governments are not subject to the provisions of ch. 287.057, F.S., which prescribe methods for agencies' procurement of commodities or contractual services.¹⁸ Local governmental units may look to the chapter for guidance in the procurement of goods and services, but many have local policies or ordinances to address competitive solicitations.¹⁹

¹⁰ Section 287.057(1)(b)3., F.S.

¹¹ Section 287.057(1)(c)3., F.S.

¹² Section 287.057(1), F.S., requires all projects that exceed the Category Two (\$35,000) threshold contained in s. 287.017, F.S., to be competitively bid. As defined in s. 287.012(6), F.S., "competitive solicitation" means the process of requesting and receiving two or more sealed bids, proposals, or replies submitted by responsive vendors in accordance with the terms of a competitive process, regardless of the method of procurement.

¹³ See s. 287.057(3)(e), F.S.

¹⁴ Section 287.042(2)(a), F.S.

¹⁵ Section 287.056(1), F.S.

¹⁶ See s. 287.012(11), F.S. and Rule 60A-1.001(2), F.A.C.

¹⁷ Section 287.056(1), F.S.

¹⁸ See ss. 287.012(1), F.S.

¹⁹ In the absence of specific constitutional or statutory requirements, a public agency has no obligation to establish a bidding procedure and may contract in any manner not arbitrary or capricious. *Volume Servs. Div. of Interstate United Corp. v. Canteen Corp.*, 369 So. 2d 391 (Fla. 2d DCA 1979).

State and Local Government Procurement of Certain Professional Services

In 1972, Congress passed the Brooks Act (Public Law 92-582), which codified Qualifications-Based Selection (QBS) as the federal procurement method for architect and engineering services. The QBS process entails first soliciting statements of qualifications from licensed architectural and engineering providers, selecting the most qualified respondent, and then negotiating a fair and reasonable price. The vast majority of states currently require a QBS process when selecting the services of architectural and engineering professionals.²⁰

The Florida Legislature enacted the Consultants' Competitive Negotiation Act (CCNA) in 1973,²¹ which specifies the necessary procedures when procuring professional services²² by an agency.²³

Currently, the CCNA, codified in s. 287.055, F.S., specifies the process that state and local government agencies must follow when procuring the professional services of an architect, professional engineer, landscape architect, or registered surveyor and mapper. The CCNA requires that state agencies publicly announce, in a consistent and uniform manner, each occasion when professional services must be purchased for one of the following:²⁴

- A project, when the agency estimates the basic construction cost to exceed \$325,000.
- A planning or study activity, when the fee for professional services exceeds \$35,000.

The public notice must provide a general description of the project and describe how the interested consultants may apply for consideration.

The CCNA provides a two-phase selection process.²⁵ In the first phase, the “competitive selection,” the agency evaluates the qualifications and past performance of no fewer than three bidders. The agency selects the bidders, ranked in order of preference, and considers the most highly qualified to perform the required services. The CCNA requires consideration of several factors in determining the most highly qualified bidders.²⁶

²⁰ Forty-six states use this process. American Council of Engineering Companies, Qualifications-Based Selection Resource Center, available at <http://www.acec.org/advocacy/qbs/> (last visited October 31, 2017).

²¹ Chapter 73-19, L.O.F.

²² Section 287.055(2)(a), F.S., defines “professional services” as those within the scope of the practice of architecture, professional engineering, landscape architecture, or registered surveying and mapping, as defined by the laws of the state, or those performed by any architect, professional engineer, landscape architect, or registered surveyor and mapper in connection with his or her professional employment or practice.

²³ Section 287.055(2)(b), F.S., defines “agency” as the state, a state agency, a municipality, a political subdivision, a school district, or a school board. The term “agency” does not extend to a nongovernmental developer that contributes public facilities to a political subdivision under s. 380.06, F.S., or ss. 163.3220-163.3243, F.S.

²⁴ Section 287.055(3)(a)1., F.S.

²⁵ Sections 287.055(4) and (5), F.S.

²⁶ Section 287.055(4)(b), F.S., requires agencies to consider the following factors: the ability of professional personnel; whether a firm is a certified minority business enterprise; past performance; willingness to meet time and budget requirements; location; recent, current, and projected workloads of the firms; and, the volume of work previously awarded to each firm by the agency, with the object of effecting an equitable distribution of contracts among qualified firms, provided such distribution does not violate the principle of selection of the most highly qualified firms.

The CCNA prohibits the agency from requesting, accepting, and considering, during the competitive selection process, proposals for the compensation to be paid.²⁷

Section 287.055(2)(d), F.S., defines the term “compensation” to mean the amount paid by the agency for professional services regardless of whether stated as compensation or as other types of rates.

In the second phase, the “competitive negotiation,” the agency negotiates compensation with the most qualified of the minimum three selected firms for professional services at compensation, which the agency determines, is “fair, competitive, and reasonable.”²⁸ If the agency cannot negotiate a satisfactory contract, the agency must formally terminate negotiations with that firm and must then negotiate with the second most qualified firm.²⁹ The agency must negotiate with the third most qualified firm if the negotiation with the second most qualified firm fails to produce a satisfactory contract.³⁰ If the agency cannot negotiate a satisfactory contract with any of the three selected, the agency must select additional firms in order of their competence and qualifications and continue negotiations until it reaches a contract.³¹ Once negotiations with a firm are terminated, the agency cannot resume negotiations with that firm for the project.

In October 2011, the Attorney General opined that local governments could not create a hybrid procurement process for awarding projects and are limited to utilizing statutorily defined procedures.³²

Procurement of Construction Services for Public Property and Publicly Owned Buildings

Chapter 255, F.S., specifies the procedures to be followed in the procurement of construction services for public property and publicly owned buildings. Section 255.29, F.S., requires the DMS to establish, by rule,³³ the following construction contract procedures for:

- Determining the qualifications and responsibility of potential bidders prior to advertisement for and receipt of bids for building construction contracts, including procedures for the rejection of bidders who are reasonably determined from prior experience to be unqualified or irresponsible to perform the work required by a proposed contract.
- Awarding each state agency construction project to the lowest qualified bidder. Additionally, the DMS must provide procedures for cases in which the DMS declares a valid emergency to exist, which would necessitate the waiver of the rules governing the award of state construction contracts to the lowest qualified bidder.
- Governing negotiations for construction contracts and modifications to contract documents when the DMS Secretary determines that such negotiations are in the best interest of the state.

²⁷ *Id.*

²⁸ Section 287.055(5)(a), F.S.

²⁹ Section 287.055(5)(b), F.S.

³⁰ *Id.*

³¹ Section 287.055(5)(c), F.S.

³² Op. Att’y Gen. Fla. 2011-21 (2011).

³³ See Chapter 60D-5, F.A.C., that establishes the procedures for s. 255.29, F.S. Rule 60D-5.001, F.A.C., requires procedures be followed in advertising for bids for construction contracts; in determining the eligibility of potential bidders to submit proposals for construction contracts; in awarding construction contracts; for waiver of non-material bid deviations; for rejection of bids; for disqualification of contractors; in requesting authority to negotiate contracts, and in negotiating contracts.

- Entering into performance-based contracts for the development of public facilities when the DMS determines the use of such contracts to be in the best interest of the state.

These procedures must include, but are not limited to:³⁴

- Prequalification of bidders;
- Criteria to be used in developing requests for proposals which may provide for singular responsibility for design and construction, developer flexibility in material selection, construction techniques, and application of state-of-the-art improvements;
- Accelerated scheduling, including the development of plans, designs, and construction simultaneously; and
- Evaluation of proposals and award of contracts considering such factors as price, quality, and concept of the proposal.

The state must competitively bid contracts for construction projects that it projects to cost in excess of \$200,000.³⁵ County, municipal, or other political subdivision contracts for construction projects that are projected to cost in excess of \$200,000 also must be bid competitively.³⁶ Counties, municipalities, special districts, or other political subdivisions seeking to construct or improve a public building must bid the project competitively if the projected cost is in excess of \$300,000.³⁷

The solicitation of competitive bids or proposals for any state construction project with anticipated costs of more than \$200,000 must be advertised publicly in the Florida Administrative Register (FAR) at least 21 days prior to the established bid opening.³⁸ If the state construction project is projected to exceed \$500,000, the advertisement must be published in the FAR at least 30 days prior to the bid opening and at least once in a newspaper of general circulation in the county where the project is located 30 days prior to the bid opening, and at least five days prior to any scheduled prebid conference.³⁹

Advisory Bodies

Section 20.052, F.S., provides that an advisory body created by specific statutory enactment as an adjunct to an executive agency must be established, evaluated, or maintained in accordance with certain requirements. An advisory body may be created only when it is found to be necessary and beneficial to the furtherance of a public purpose,⁴⁰ and it must be terminated by the Legislature when it is no longer necessary and beneficial to the furtherance of the public purpose.⁴¹ The private citizen members of an advisory body that is adjunct to an executive

³⁴ Section 255.29(4)(a)-(d), F.S.

³⁵ Section 255.0525(1), F.S. Also, see Rules 60D-5.002(2) and 60D-5.0073, F.A.C.

³⁶ Section 255.0525(2), F.S.

³⁷ Section 255.20(1), F.S. (Special district as defined in ch. 189, F.S.). For electrical work, local governments must competitively award projects estimated to cost more than \$75,000 to an appropriately licensed contractor.

³⁸ Section 255.0525(1), F.S.

³⁹ *Id.* Similar publishing provisions apply to construction projects projected to cost more than \$200,000 for counties, municipalities, and other political subdivisions. *See* Section 255.0525(2), F.S.

⁴⁰ Section 20.052(1), F.S.

⁴¹ Section 20.052(2), F.S.

agency must be appointed by the Governor, the head of the department, the executive director of the department, or a Cabinet officer.⁴²

III. Effect of Proposed Changes:

Section 1 creates the Statewide Procurement Efficiency Task Force (task force) to evaluate the effectiveness and value of state and local procurement laws and policies to the taxpayers of this state and to determine where inconsistencies in such laws and policies exist. The task force is to be chaired by the DMS Secretary, or a designee, and composed of:

- Seven members appointed by the Governor: one county government official, one municipal government official, one district school board member, one professional engineer licensed under ch. 471, F.S., one general contractor as defined in s. 489.105(3)(a), F.S., and the chairs of the governing boards of two water management districts;
- Two members appointed by the Speaker of the House of Representatives: one member of the House of Representatives and one attorney who is a Florida Bar member in good standing and has expertise in procurement law;
- Two members appointed by the President of the Senate: one member of the Senate and one attorney who is a Florida Bar member in good standing and has expertise in procurement law;
- The Chief Financial Officer or a designee who must be an employee of the Department of Financial Services; and
- The state chief information officer or a designee.

Members of the task force are to serve without compensation and are not entitled to reimbursement for per diem or travel expenses.

The bill also requires appointments to be made by July 31, 2018. By August 31, 2018, the task force is to have met to organize. The task force shall meet at the call of the chair. A majority of task force members constitutes a quorum, and a quorum is necessary for the purpose of voting on any action or recommendation of the task force. All meetings must be held in Tallahassee, unless otherwise decided by the task force, and no more than two such meetings may be held in other locations for the purpose of taking public testimony. The DMS is to provide administrative and technical support for the task force. The final report of the task force is to be submitted to the Governor, President of the Senate, and the Speaker of the House by July 1, 2019, and must include, at a minimum, recommendations for consideration by the Legislature to promote procurement efficiency, streamline procurement policies, establish best management practices, and encourage increased use of state term contracts. The task force is to be terminated December 31, 2019.

Section 2 provides that the bill takes effect upon becoming a law.

⁴² Section 20.052(5)(a), F.S.

IV. Constitutional Issues:**A. Municipality/County Mandates Restrictions:**

The mandate restrictions do not apply because the bill does not require counties and municipalities to spend funds, reduce counties' or municipalities' ability to raise revenue, or reduce the percentage of state tax shared with counties and municipalities.

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:

Administrative and technical support to the Statewide Procurement Efficiency Task Force will be provided by the DMS. Although the DMS may incur an indeterminate amount of administrative expenses,⁴³ the DMS has indicated that it can absorb these duties and expenses with existing resources.⁴⁴

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Statutes Affected:

This bill creates an undesignated section of the Florida Statutes.

⁴³ 2018 Agency Legislative Bill Analysis from the Department of Management Services, October 31, 2017, on file in the office of the Senate Committee on Governmental Oversight and Accountability.

⁴⁴ Telephone conversation with the Director of Legislative Affairs of the Florida Department of Management Services on November 20, 2017.

IX. Additional Information:

- A. **Committee Substitute – Statement of Substantial Changes:**
(Summarizing differences between the Committee Substitute and the prior version of the bill.)

Recommended CS by Appropriations Subcommittee on General Government on December 7, 2017:

The committee substitute increases the membership of the Statewide Procurement Efficiency Task Force from 11 members to 14 members to include the Chief Financial Officer, or a designee who must be an employee of the Department of Financial Services and the state chief information officer or a designee. Also, seven members instead of six are appointed by the Governor, which consist of :

- One county government official;
- One municipal government official;
- One district school board member;
- One professional engineer licensed under ch. 471, F.S.;
- One general contractor as defined in s. 489.105(3)(a), F.S.; and
- The chairs of the governing boards of two water management districts.

- B. **Amendments:**

None.



690710

LEGISLATIVE ACTION

Senate	.	House
Comm: RCS	.	
12/07/2017	.	
	.	
	.	
	.	

Appropriations Subcommittee on General Government (Brandes)
recommended the following:

Senate Amendment

Delete lines 23 - 40
and insert:

(1) The task force is composed of the following members:

(a) The Secretary of Management Services or his or her
designee, who shall serve as chair of the task force.

(b) Seven members appointed by the Governor, as follows:

1. One county government official.

2. One municipal government official.



690710

- 11 3. One district school board member.
- 12 4. One professional engineer licensed under chapter 471,
13 Florida Statutes.
- 14 5. One general contractor as defined in s. 489.105(3)(a),
15 Florida Statutes.
- 16 6. The chairs of the governing boards of two water
17 management districts.
- 18 (c) Two members appointed by the Speaker of the House of
19 Representatives, as follows:
- 20 1. A member of the House of Representatives.
- 21 2. An attorney who is a member in good standing of The
22 Florida Bar and has expertise in procurement law.
- 23 (d) Two members appointed by the President of the Senate,
24 as follows:
- 25 1. A member of the Senate.
- 26 2. An attorney who is a member in good standing of The
27 Florida Bar and has expertise in procurement law.
- 28 (e) The Chief Financial Officer, or his or her designee who
29 must be an employee of the Department of Financial Services.
- 30 (f) The state chief information officer or his or her
31 designee.

By Senator Brandes

24-00558-18

2018368__

1 A bill to be entitled
 2 An act relating to the Department of Management
 3 Services; creating the Statewide Procurement
 4 Efficiency Task Force within the department;
 5 specifying the purpose and membership of the task
 6 force; providing meeting requirements; providing for
 7 administrative and technical support of the task
 8 force; providing that task force members shall serve
 9 without compensation or reimbursement of expenses;
 10 requiring the task force to submit a report to the
 11 Governor and the Legislature by a certain date;
 12 providing for the termination of the task force;
 13 providing an effective date.

14
 15 Be It Enacted by the Legislature of the State of Florida:

16
 17 Section 1. Statewide Procurement Efficiency Task Force.—
 18 There is created the Statewide Procurement Efficiency Task Force
 19 for the purpose of evaluating the effectiveness and value of
 20 state and local procurement laws and policies to the taxpayers
 21 of this state and determining where inconsistencies in such laws
 22 and policies exist.

23 (1) The task force is composed of the following members:

24 (a) The Secretary of Management Services or his or her
 25 designee, who shall serve as chair of the task force.

26 (b) Six members appointed by the Governor, as follows:

27 1. One county government official.

28 2. One municipal government official.

29 3. One district school board member.

Page 1 of 3

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

24-00558-18

2018368__

30 4. Three representatives of the business community.
 31 (c) Two members appointed by the Speaker of the House of
 32 Representatives, as follows:
 33 1. A member of the House of Representatives.
 34 2. An attorney who is a member in good standing of The
 35 Florida Bar and has expertise in procurement law.
 36 (d) Two members appointed by the President of the Senate,
 37 as follows:
 38 1. A member of the Senate.
 39 2. An attorney who is a member in good standing of The
 40 Florida Bar and has expertise in procurement law.
 41 (2) Task force members must be appointed by July 31, 2018.
 42 By August 31, 2018, the task force shall meet to establish
 43 procedures for the conduct of its business and to elect a vice
 44 chair. The task force shall meet at the call of the chair. A
 45 majority of the members of the task force constitutes a quorum,
 46 and a quorum is necessary for the purpose of voting on any
 47 action or recommendation of the task force. All meetings shall
 48 be held in Tallahassee, unless otherwise decided by the task
 49 force, and then no more than two such meetings may be held in
 50 other locations for the purpose of taking public testimony.
 51 Administrative and technical support shall be provided by the
 52 department. Task force members shall serve without compensation
 53 and are not entitled to reimbursement for per diem or travel
 54 expenses.
 55 (3) The task force must submit a final report to the
 56 Governor, the President of the Senate, and the Speaker of the
 57 House of Representatives by July 1, 2019. Such report must, at a
 58 minimum, include recommendations for consideration by the

Page 2 of 3

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

24-00558-18

2018368__

59 Legislature to promote procurement efficiency, streamline
60 procurement policies, establish best management practices, and
61 encourage increased use of state term contracts.
62 (4) The task force is terminated December 31, 2019.
63 Section 2. This act shall take effect upon becoming a law.



The Florida Senate

Committee Agenda Request

To: Senator David Simmons
Appropriations Subcommittee on General
Government

Subject: Committee Agenda Request

Date: November 11, 2017

I respectfully request that **Senate Bill #368**, relating to **Department of Management Services**, be placed on the:

- committee agenda at your earliest possible convenience.
- next committee agenda.

A handwritten signature in black ink, appearing to read "Jeff Brandes", written over a horizontal line.

Senator Jeff Brandes
Florida Senate, District 24

GOVERNOR RICK SCOTT'S 2018-2019 BUDGET
SECURING FLORIDA'S
FUTURE



General Government Recommendations

GOVERNOR RICK SCOTT'S 2018-2019 BUDGET
SECURING FLORIDA'S
FUTURE



Governor Scott's priorities for Florida's Future

Tax Cuts for Florida Families

Jobs for Florida Families

Education for Florida's Students

Protecting Florida's Environment

Keeping Florida's Residents and Tourists Safe

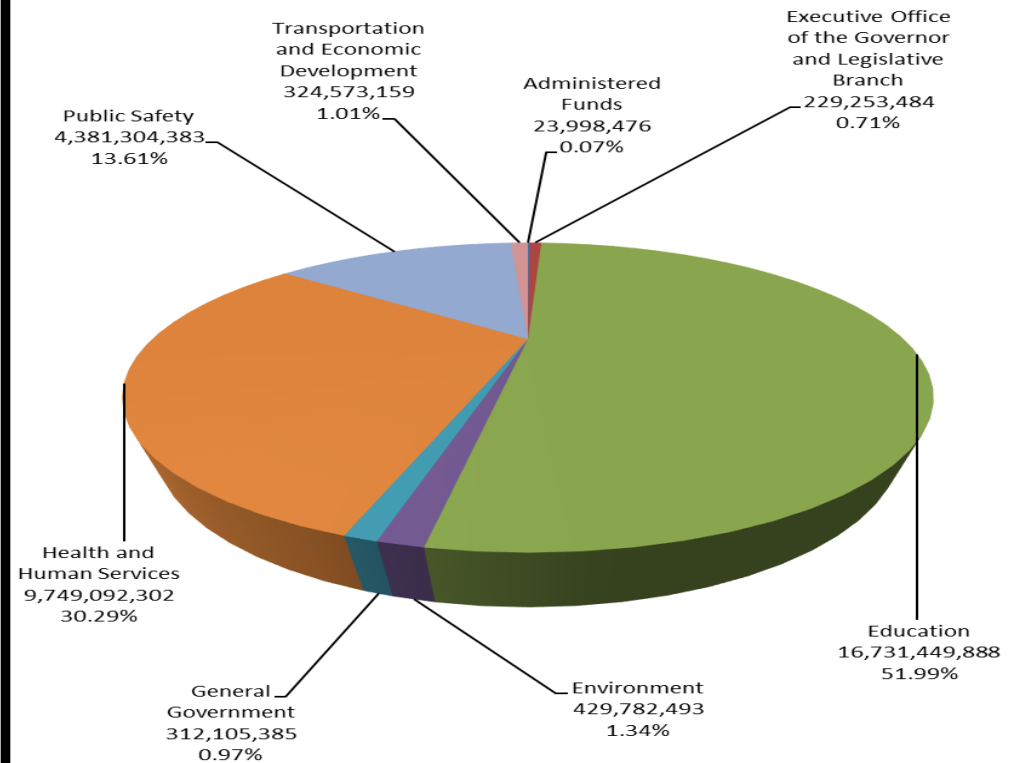
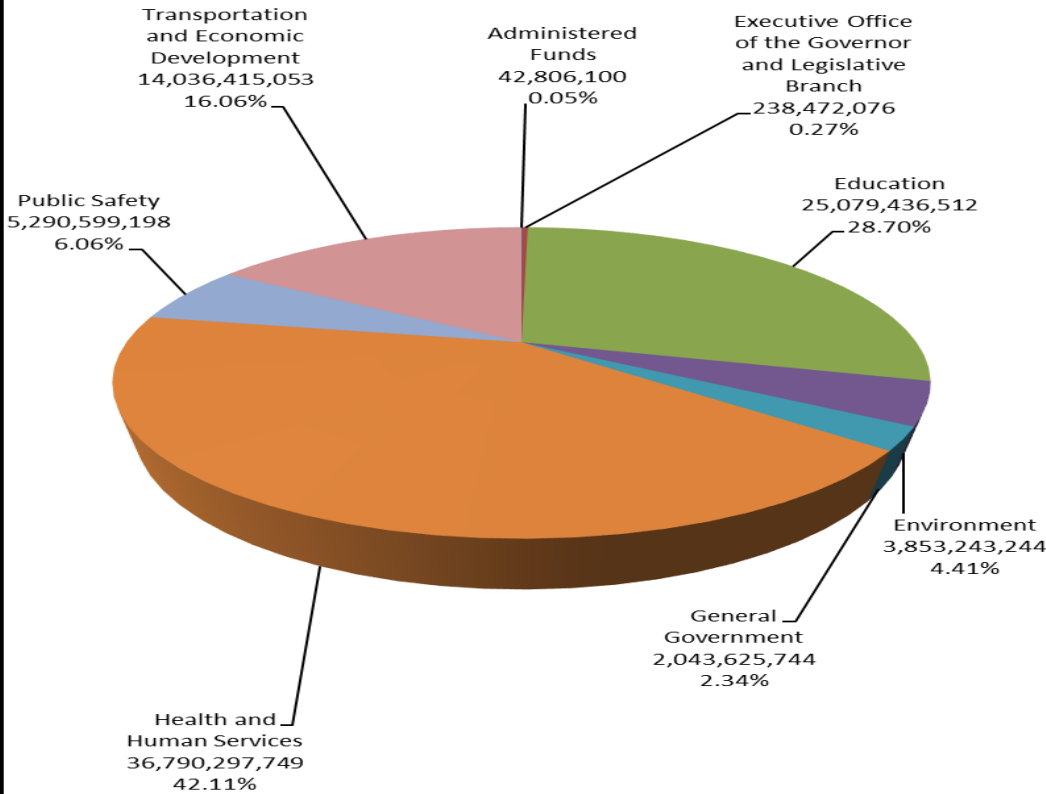
Ensuring a Healthy Future

GOVERNOR RICK SCOTT'S 2018-2019 BUDGET SECURING FLORIDA'S FUTURE



Total Budget \$87.4 Billion

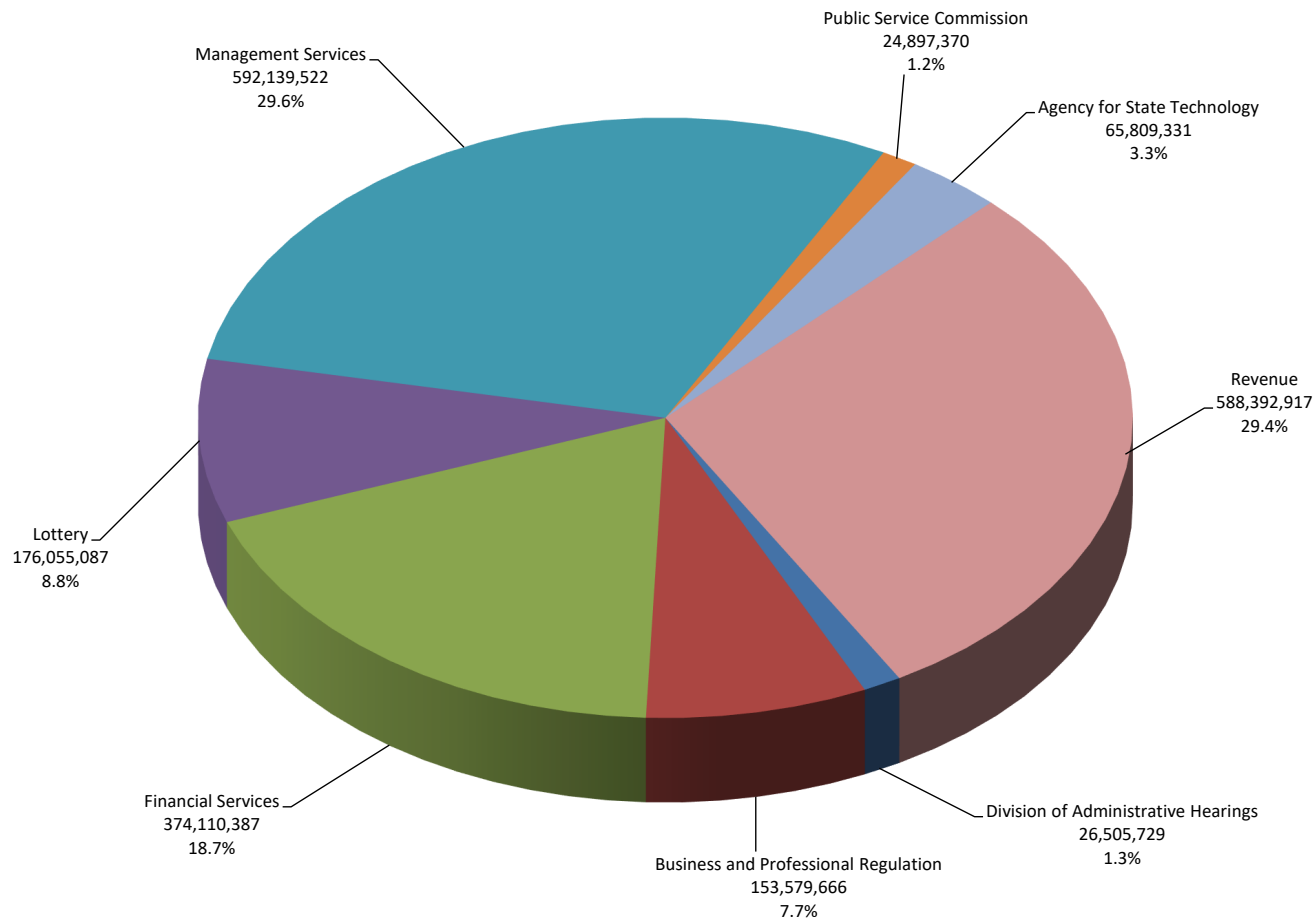
General Revenue \$32.2 Billion



GOVERNOR RICK SCOTT'S 2018-2019 BUDGET SECURING FLORIDA'S *FUTURE*



Governor's Recommended Budget Fiscal Year 2018-19 General Government \$2 billion



GOVERNOR RICK SCOTT'S 2018-2019 BUDGET SECURING FLORIDA'S FUTURE



Department	Current Year Appropriation 2017-18		Governor's Recommended Budget 2018-19		Governor's Recommended Budget Over/(Under) Current Year	
	Total Budget	Positions	Total Budget	Positions	Total Budget	Positions
Administrative Hearings	\$ 26,421,172	241	\$ 26,505,729	240	\$ 84,557	(1)
Business and Professional Regulation	\$ 153,535,867	1,617	\$ 153,579,666	1,615	\$ 43,799	(2)
Financial Services	\$ 373,325,570	2,608	\$ 374,110,387	2,583	\$ 784,817	(25)
Lottery	\$ 168,009,070	419	\$ 176,055,087	419	\$ 8,046,017	0
Management Services	\$ 590,360,690	834	\$ 592,139,522	834	\$ 1,778,832	0
Public Service Commission	\$ 25,001,711	267	\$ 24,897,370	265	\$ (104,341)	(2)
Revenue	\$ 580,147,765	5,058	\$ 588,392,917	5,024	\$ 8,245,152	(34)
State Technology	\$ 66,816,641	210	\$ 65,809,331	209	\$ (1,007,310)	(1)
General Government Agencies	\$ 1,983,618,486	11,253	\$ 2,001,490,009	11,188	\$ 17,871,523	(65)



Department of Management Services

- DMS is the central services provider for the State of Florida and consists of eight divisions that provide services ranging from retirement and health care to telecommunications.
- The department is committed to achieving cost savings.
 - Through the procurement process:
 - Self-insured HMO style health plan services projected cost avoidance of \$95.4 million.
 - Reduced administrative services costs for health plans by \$700,000.
 - Through the Legislative process:
 - Proposing a prescription drug formulary management for the state employee's prescription drug plan with an estimated savings/cost avoidance of \$54 million annually.



Department of Management Services **\$592.1 million / 833.5 Full-Time Positions**

- Statewide Law Enforcement Radio System and Florida Region Interference Program: \$1.4 million
- Florida Interoperability Network and Mutual Aid: \$1.9 million
- Fixed Capital Outlay: \$38.5 million
- Health Savings Accounts: \$1.0 million



Agency for State Technology

- Serves 34 agencies, boards, commissions, and municipalities in a Tier-III state-of-the-art data center
- Oversees \$966 million of the state's technology projects



Agency for State Technology
\$65.8 million / 209 Full-Time Positions

- Information technology security training for state agencies: \$220,000
- Reduction in projected obligations: (\$1,000,000)



Department of Business and Professional Regulation

DBPR serves over 1 million licensees each year. In Fiscal Year 2016-17:

- DBPR processed an average of 7,000 applications each week. Over 99% of license-renewal applications were completed online.
- DBPR performed 726 sweeps, 41 undercover enforcement operations and 797 outreach events related to Unlicensed Activity.
- DBPR launched its new Business Information Portal at www.OpenMyFloridaBusiness.gov. The new site takes prospective business owners step-by-step through starting a new business in Florida.



Department of Business and Professional Regulation

\$154 million / 1,615.25 Full-Time Positions

- Credit card transaction charges: \$500,000
- Utilization of federal forfeiture funds for law enforcement training and travel: \$141,500



Department of the Lottery

- In Fiscal Year 2016-17, the Lottery had a record sales year achieving \$6.16 billion in sales and transferring \$1.66 billion to enhance education.
- In Fiscal Year 2016-17, for every \$1 appropriated to the Lottery, \$9.73 was generated to enhance education.
- The Lottery has transferred more than \$1 billion to enhance education for each of the past 15 consecutive years.
- The Lottery has funded more than 777,000 students via Bright Futures Scholarships.



Department of the Lottery
\$176.1 million / 418.5 Full-Time Positions

- Gaming vendor fees: \$7,666,291
- Information technology: \$1,325,365
 - Business system enhancements
 - Electronic document management system
 - Improvements to disaster recovery capabilities
 - Phone system replacement
 - Website content management system



Highlights of Other Issues

Department of Financial Services

- PALM (FLAIR replacement): \$32,471,137
- Information technology issues: \$847,575

Department of Revenue

- Replacement of Image Management System: \$3,738,891

THE FLORIDA SENATE
APPEARANCE RECORD

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

12-7-17

Meeting Date

Bill Number (if applicable)

Topic Governor's Recommended Budget

Amendment Barcode (if applicable)

Name Laurie Grasel

Job Title Policy Coordinator

Address 1801 The Capitol
Street

Phone 717-9396

Tallahassee FL
City State Zip

Email laurie.grasel@myflorid.com

Speaking: For Against Information

Waive Speaking: In Support Against
(The Chair will read this information into the record.)

Representing The Governor's Office (Executive Office of the Governor)

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 (10/14/14)

THE FLORIDA SENATE

APPEARANCE RECORD

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

12/7/17

Meeting Date

Bill Number (if applicable)

Topic Governor Scott's Securing Florida's Future Budget

Amendment Barcode (if applicable)

Name Erin Rock

Job Title Secretary

Address 4050 Esplanade Way

Phone 850-544-7924

Street

Tallahassee

FL

32399

Email erin.rock@dms.

City

State

Zip

myflorida.com

Speaking: For Against Information

Waive Speaking: In Support Against
(The Chair will read this information into the record.)

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
APPEARANCE RECORD

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

12/7/17

Meeting Date

Bill Number (if applicable)

Topic Governor's Recommended Budget

Amendment Barcode (if applicable)

Name Eric Larson

Job Title Exec Director of State CIO

Address 4650 Espinole way suite 115

Phone (850) 412-6580

Street

Tallahassee, FL 32309

City

State

Zip

Email eric.larson@asthmyflorida.com

Speaking: For Against Information

Waive Speaking: In Support Against
(The Chair will read this information into the record.)

Representing Agency for State Technology

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

APPEARANCE RECORD

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

12/7/2017

Meeting Date

Bill Number (if applicable)

Topic Governor's Recommendations

Amendment Barcode (if applicable)

Name Jonathan Zachem

Job Title Secretary of DBPR

Address 2101 Blair Stone Road

Phone (850) 487-4827

Tallahassee FL 32399
City State Zip

Email jonathan.zachem@myfloridareg.com

Speaking: For Against Information

Waive Speaking: In Support Against
(The Chair will read this information into the record.)

Representing DBPR

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
APPEARANCE RECORD

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

12/7/17
Meeting Date

Bill Number (if applicable)

Topic Governor's Recommended Budget

Amendment Barcode (if applicable)

Name Jim Poppell

Job Title Secretary

Address 250 Marriott Drive

Phone _____

Street

Tallahassee FL

Email _____

City

State

Zip

Speaking: For Against Information

Waive Speaking: In Support Against
(The Chair will read this information into the record.)

Representing Florida Lottery

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:

Appropriations Subcommittee on Finance and Tax
Appropriations Subcommittee on General
Government
Commerce and Tourism
Community Affairs
Ethics and Elections
Appropriations Subcommittee on Civil and Criminal
Justice
Rules

SENATOR JOSE JAVIER RODRIGUEZ

Deputy Democratic Whip
37th District

November 28, 2017

Senator David Simmons
Appropriations Subcommittee on General Government, Chair
201 The Capitol
404 S. Monroe St.
Tallahassee, FL 32399-1100
Sent via email to simmons.david@flsenate.gov

Chairman Simmons,

I respectfully request to be excused from the December 7th, 2017, meeting of the Appropriations Subcommittee on General Government. I will be traveling for a previously scheduled event.

Please let me know if you have any questions. Thank you.

Regards,

A handwritten signature in black ink, appearing to read "JJR", written over a light blue horizontal line.

Senator José Javier Rodríguez
District 37, Miami

CC: Giovanni Betta, Staff Director
Lisa Waddell, Committee Administrative Assistant

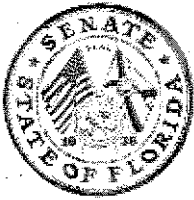
REPLY TO:

- 2100 Coral Way, Suite 505, Miami, Florida 33145 (305) 854-0365
- 220 Senate Office Building, 404 South Monroe Street, Tallahassee, Florida 32399-1100 (850) 487-5037

Senate's Website: www.flsenate.gov

JOE NEGRON
President of the Senate

ANITERE FLORES
President Pro Tempore



THE FLORIDA SENATE

Tallahassee, Florida 32399-1100

COMMITTEES:

Transportation, *Vice Chair*
Appropriations Subcommittee on General
Government
Appropriations Subcommittee on Pre-K - 12 Education
Criminal Justice
Governmental Oversight and Accountability

SELECT COMMITTEE:

Joint Select Committee on Collective Bargaining

SENATOR DARRYL ROUSON

19th District

November 29, 2017

Chair David Simmons,

I am requesting an excused absence for the General Government Appropriations meeting taking place on December 7th. I will be traveling out of state for a close friend's celebration of life.

Thank you for your understanding,

A handwritten signature in cursive script, appearing to read "Darryl Rouson".

Sen. Darryl Rouson

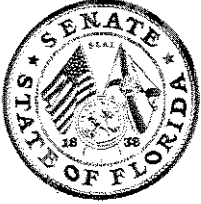
REPLY TO:

- 535 Central Avenue, Suite 302, St. Petersburg, Florida 33701 (727) 822-6828
- 212 Senate Office Building, 404 South Monroe Street, Tallahassee, Florida 32399-1100 (850) 487-5019

Senate's Website: www.flsenate.gov

JOE NEGRON
President of the Senate

ANITERE FLORES
President Pro Tempore



THE FLORIDA SENATE

Tallahassee, Florida 32399-1100

COMMITTEES:
Appropriations Subcommittee on Finance and Tax
Appropriations Subcommittee on General Government
Children, Families, and Elder Affairs
Communications, Energy, and Public Utilities
Community Affairs

JOINT COMMITTEE:
Joint Administrative Procedures Committee

SENATOR DAPHNE CAMPBELL

38th District

December 1, 2017

Chair David Simmons
Appropriations Subcommittee on General Government
201 The Capitol
404 S. Monroe Street
Tallahassee, FL 32399-1100

Dear Chair Simmons,

I am writing to respectfully request that I be excused from the Appropriations Subcommittee on General Government scheduled for Thursday, December 7, 2017 at 12:30-3:30 p.m. due to an engagement related to my district.

If you have any questions regarding this request, please feel free to contact my office, or myself. Thank you for your time and consideration in this matter.

Sincerely,

A handwritten signature in cursive script that reads "D Campbell".

Daphne Campbell, RN
State Senator, District 38

REPLY TO:

- 633 N.E. 167th Street, Suite 1101, North Miami Beach, Florida 33162 (305) 493-6009
- 218 Senate Office Building, 404 South Monroe Street, Tallahassee, Florida 32399-1100 (850) 487-5038

Senate's Website: www.flsenate.gov

JOE NEGRON
President of the Senate

ANITERE FLORES
President Pro Tempore



The Florida Senate
State Senator René García
36th District

Please reply to:

District Office:

1490 West 68 Street
Suite # 201
Hialeah, FL 33014
Phone# (305) 364-3100

December 7, 2017

Senator David Simmons
Senate President
409 Capitol
404 S. Monroe Street
Tallahassee, FL 32399-1100

Dear Chair Simmons,

Due to an unforeseen issue, I will not be able to attend the General Government Appropriations Subcommittee scheduled for December 7, 2017 at 12:30pm. Should you have any questions or concerns, please do not hesitate to contact my office.

Sincerely,

A handwritten signature in black ink, appearing to read "René García".

State Senator René García
District 36

CC: Giovanni Betta
Lisa Waddell

Committees: Children, Families, and Elder Affairs, Chair, Appropriations Subcommittee on Finance and Tax, Vice Chair, Appropriations Subcommittee on the Environment and Natural Resources, Appropriations Subcommittee on General Government, Banking and Insurance, Judiciary, Joint Administrative Procedures Committee.

CourtSmart Tag Report

Room: SB 301
Caption: Appropriations subcommittee on General Government

Case No.:

Type:
Judge:

Started: 12/7/2017 12:31:49 PM

Ends: 12/7/2017 1:32:39 PM

Length: 01:00:51

12:32:00 PM Sen. Simmons (Chair)
12:32:03 PM Roll Call
12:32:19 PM Sen. Simmons
12:34:07 PM S 364
12:34:19 PM Sen. Mayfield
12:35:16 PM Sen. Simmons
12:35:29 PM Am. 947396
12:35:36 PM Sen. Mayfield
12:36:15 PM Sen. Simmons
12:37:20 PM S 364 (cont.)
12:37:24 PM Sen. Simmons
12:37:42 PM Phil Flood, South Florida Water Management District (waives in support)
12:37:52 PM Sen. Simmons
12:39:38 PM TAB 3 - Presentation of Governor's Fiscal Year 2018-2019 Budget Recommendations
12:39:42 PM Sen. Simmons
12:40:05 PM Laurie Grasel, General Government Policy Coordinator, Executive Office of the Governor
12:42:56 PM Erin Rock, Secretary, Department of Management Services
12:47:41 PM Sen. Simmons
12:47:56 PM Sen. Mayfield
12:48:19 PM E. Rock
12:48:44 PM Sen. Mayfield
12:48:52 PM E. Rock
12:49:33 PM Sen. Mayfield
12:49:46 PM E. Rock
12:50:23 PM Sen. Mayfield
12:50:36 PM E. Rock
12:51:01 PM Sen. Torres
12:51:25 PM E. Rock
12:51:34 PM Sen. Torres
12:53:23 PM L. Grasel
12:54:23 PM Sen. Torres
12:54:32 PM Sen. Simmons
12:54:59 PM S 368
12:55:06 PM Sen. Brandes
12:55:34 PM Sen. Simmons
12:55:54 PM Am. 690710
12:55:57 PM Sen. Brandes
12:56:01 PM Sen. Simmons
12:56:39 PM S 368 (cont.)
12:56:48 PM Sen. Simmons
12:57:48 PM TAB 3 (cont.)
12:57:55 PM Sen. Torres
12:59:10 PM L. Grasel
1:00:56 PM Sen. Torres
1:01:48 PM Sen. Simmons
1:02:05 PM Sen. Mayfield
1:02:36 PM L. Grasel
1:02:41 PM E. Rock
1:03:40 PM Sen. Simmons
1:04:54 PM Eric Larson, Executive Director and State CIO, Agency for State Technology
1:05:43 PM Sen. Simmons
1:09:23 PM E. Larson

1:10:45 PM Sen. Simmons
1:11:58 PM E. Larson
1:12:25 PM Sen. Simmons
1:14:34 PM E. Larson
1:15:13 PM Sen. Simmons
1:16:19 PM Jonathan Zachem, Secretary, Department of Business and Professional Regulation
1:18:30 PM Sen. Torres
1:18:47 PM J. Zachem
1:18:50 PM Sen. Torres
1:19:20 PM J. Zachem
1:19:33 PM Sen. Torres
1:19:55 PM J. Zachem
1:20:22 PM Sen. Torres
1:20:29 PM Sen. Simmons
1:20:35 PM Sen. Taddeo
1:21:07 PM J. Zachem
1:21:53 PM Sen. Simmons
1:22:12 PM J. Zachem
1:22:34 PM Sen. Simmons
1:22:53 PM Jim Poppell, Secretary, Florida Lottery
1:29:13 PM Sen. Simmons
1:29:49 PM L. Grasel
1:30:51 PM Sen. Simmons
1:31:35 PM Sen. Mayfield
1:31:41 PM Sen. Simmons
1:32:06 PM Sen. Bean (Vice Chair)
1:32:09 PM Sen. Simmons
1:32:31 PM Meeting Adjourned