

Long-Range Program Plan

2009 - 2014

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Chief Financial Officer

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MISSION

To safeguard the people of Florida and the state's assets through financial accountability, education, advocacy, fire safety and enforcement.

VISION

The Department of Financial Services is to be known as the most ethical, professional and pro-active state agency in Florida.

TRENDS & CONDITIONS

Article IV, Section 4(c), Florida Constitution. *The chief financial officer shall serve as the chief fiscal officer of the state, and shall settle and approve accounts against the state, and shall keep all state funds and securities.*

The statewide elected Chief Financial Officer (CFO) heads the Department of Financial Services (referred to in this text as “the department” or DFS), consisting of thirteen divisions and one program. The CFO is supported by the Office of the Chief of Staff.

The CFO is also a member of the Financial Services Commission, along with the Governor, Attorney General and Commissioner of Agriculture. The Commission is the agency head for two offices receiving administrative and information systems support from the department: the Office of Financial Regulation (OFR) and the Office of Insurance Regulation (OIR). These two offices develop their own long-range program plans separate from the department.

The department has a wide range of constitutional and statutory responsibilities, some with enterprise (state government) impact. The Division of Treasury performs functions generally associated with private financial institutions as it is responsible for deposit security, funds management and deferred compensation. The Division of Accounting and Auditing is responsible for state government spending as well as the recovery and return of unclaimed property (Ch. 717, Florida Statutes (F.S.)). The Division of Risk Management provides self insurance, purchase of insurance, claims handling and technical assistance to all state agencies.

The department touches the lives of Floridians in many different ways. The Division of Insurance Fraud investigates general and workers’ compensation fraud. The Division of Agent and Agency Services has responsibility for licensing insurance agents and agencies, including investigations of possible law violations. The Division of State Fire Marshal (Ch. 633, F.S.) assures statewide fire safety including licensing, inspections, arson investigations, professional standards and training. The Division of Rehabilitation and Liquidation is the court-appointed receiver for insurers placed in receivership. The Division of Consumer Services responds to nearly a half million calls annually about insurance and consumer protection activities. The Division of Funeral, Cemetery and Consumer Services (Ch. 497, F.S.) protects consumers from illegal practices in the death industry. The Division of Workers’ Compensation delivers disability and medical benefits to injured workers as well as monitoring businesses and insurers, collecting assessments and mediating disputes. A new but time-limited program, My Safe

Florida Home (MSFH), with a June 30, 2009 ending date, provides homeowner inspections and grants to mitigate wind damage from hurricanes.

Three other divisions serve the department and its stakeholders with necessary support: Division of Legal Services, Division of Administration, and the Division of Information Services.

METHODOLOGY

The department leadership team met in planning sessions in order to create the initial long range program plan submitted in September 2007. Five goal areas were selected: financial accountability, education, advocacy, fire safety and enforcement. These five became the basis for the mission statement and for all subsequent planning documents. The plan has been reviewed and updated as necessary for fiscal years 2009-2014.

Major sources of revenue for Florida, including sales tax and documentary stamp taxes have been limited due to declining home sales and consumer spending. In addition, the tightening credit market is also putting a strain on Florida's economy. The Chief Financial Officer views the enforcement and financial accountability programs under this department to be critical for protecting taxpayers and consumers of financial and insurance products. Under the current economic conditions, these programs become even more essential to protecting the public from fraud, waste and abuse of tax dollars and fraud and abuse in the financial and insurance industries.

The priorities of the department discussed in this plan provide the framework for the development of the Legislative Budget Request for fiscal year 2009-10; including the development of proposed recurring reductions to the department's operating budget as required in the Legislative Budget Request instructions.

FINANCIAL ACCOUNTABILITY

Goal 1: The department will be a vigilant steward of the state's and its people's resources.

The Chief Financial Officer is required by the Florida Constitution to ***“serve as the chief fiscal officer of the state, and settle and approve accounts against the state”*** (Art. IV, Sec. 4 (c)). In order to accomplish this, the CFO is responsible for verifying that every dollar is spent legally and that Floridians receive the services for which they pay. The CFO's ability to fulfill her responsibility is affected by the state's spending practices and adequate management controls.

Division of Accounting and Auditing. (Ch. 17, F.S.) The Division of Accounting and Auditing is responsible for the accounting, auditing and reporting of the state's financial information and the fiscal integrity of that information. State government decision makers and the public rely on the Division for understanding what the state is buying and whether it is receiving what it paid for.

The state's financial information system, the Florida Accounting Information Resource System (FLAIR) has hampered the state's efficiency and effectiveness; it is run on an outdated system,

lacking the flexibility and capabilities of current technology. FLAIR caters to each individual agency need rather than operating in a standardized environment. A Task Force, chaired by the CFO, has been formed to develop a strategic business plan for a successor financial and cash management system and draft legislation needed to implement a standardized statewide financial and cash management system. The initial report and draft legislation must be submitted to the Governor, the President of the Senate, and Speaker of the House of Representatives by February 1, 2009. Section 17.0315, Florida Statutes specifically addresses the Task Force and its responsibilities.

The Division of Accounting and Auditing is actively planning other means to improve accountability in managing the state's financial resources. The Division is designating internal "agency consultants" who will work with state agencies to upgrade business processes that support the state's accounting system. The Division will push for enterprise-wide prompt payments (Sec. 215.422, F.S.), reduction in IRS Form 1099 errors, the inclusion of State Wide Cost Allocation Plan reimbursements and achieving statutory compliance for state contracts.

Division of Accounting and Auditing. Bureau of Unclaimed Property. Currently, the Chief Financial Officer holds unclaimed property accounts valued at more than \$1 billion, mostly from dormant accounts in financial institutions, insurance and utility companies, securities and trust holdings. In addition to money and securities, unclaimed property includes tangible property, such as watches, jewelry, coins, currency, stamps, historical items and other miscellaneous articles from abandoned safe deposit boxes. Proceeds from auctions and unclaimed financial assets are deposited into the State School Fund, where it is used for public education. The state provides this service to those who file to re-claim their property; moreover, no statute of limitations applies to claims. Owners can claim their property at any time and at no cost.

For businesses holding unclaimed property and for individuals who may have unclaimed property, the Bureau is seeking to increase public awareness of the law (Ch. 717, F.S.). Not all institutions required by statute to report unclaimed property do so. Also, many persons who are owners of unclaimed property either are not aware or are solicited unnecessarily by firms that charge for retrieving the property. Internally, the Bureau is working on improving its processing times for reports and claims in order to serve the public more efficiently.

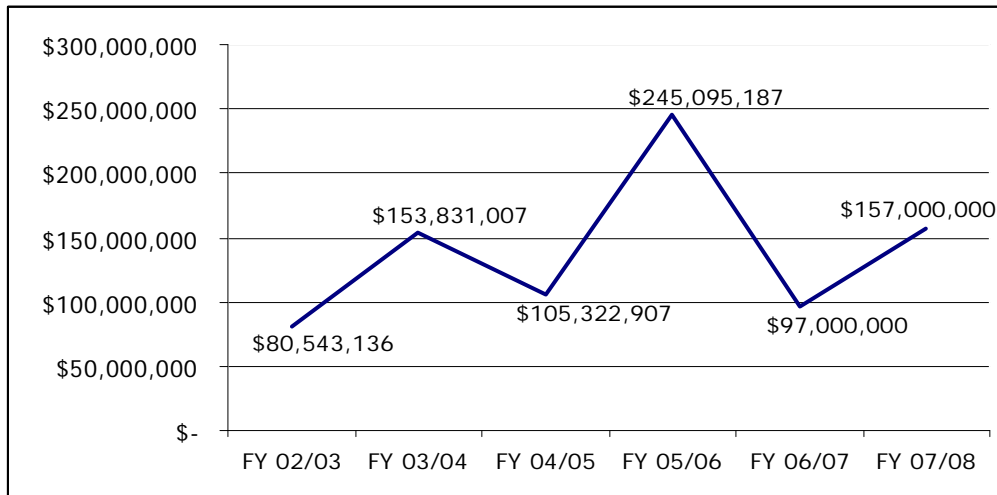


Figure 1-BUP. Unclaimed property receipts (net amounts) transferred to State School Fund.

By law, unclaimed property receipts are deposited to the State School Fund, a revenue source appropriated for education (Figure 1-BUP). Thus, three years' worth of securities (five-year, four-year and three-year property) were remitted in FY2006. With the large majority of receipts received near the fiscal year's end, most claims on that property were made and paid the following year. This dramatic increase contributed to record claims payments (\$171 million) in FY2007. Other factors included increased publicity and the Bureau's effective proactive owner notification and more proficient claims processing. These factors, combined with a more "normal" level of receipts in FY2007 (\$271 million), resulted in the lower net transfer to the school fund.

The **Division of Risk Management** is authorized to administer the State Risk Management Trust Fund (Ch. 284, F.S.) and to handle claims on behalf of state agencies for casualty and property lines of coverage (*Table 1-RM*). The Division has 101 employees of whom approximately 95% are dedicated to claims handling services for workers' compensation, general liability, auto liability, federal civil rights, employment discrimination, court-awarded attorney fees and property coverage.

Claim type	Number of claims filed in FY 2007-2008
Workers' compensation	13,594
General and auto liability	2,487
Federal civil rights	213
Employment discrimination	99
Property	54
Total	16,447
Average number of claims handled per employee in FY2007-2008	216

Table 1-RM. Number of claims filed by claim type in FY2007-2008.

While the number of claims received by the Division has remained constant, with the exception of property claims during the 2004 and 2005 hurricane seasons, the complexity and severity of the claims has increased. External forces such as catastrophic natural events, legislation, excess property market availability, case law, and unlimited exposure and actuarial unpredictability of federal civil rights cases have impacted the claims handling and adjusting. To meet the challenges of these emerging trends and to properly adjust the claims, the Division intends to improve the efficiency of claims handling and communication with its customers.

The number of workers' compensation claims occurring in each of the past five fiscal years has remained constant; however the total of claim payments was 5% higher in FY 2007/2008 compared to FY 2005/2006. The increase in claim payments was primarily due to the following factors: 1) Inclusion of correctional officers and correctional probation officers as covered employees for the heart disease/hypertension presumption in s. 112.18, FS, increased claim cost \$6.2 million in FY 2007/2008; and 2) Increased medical cost shown by the Medical Services Consumer Price Index, All Urban Consumers, Southern Region, to have increased by an annual average of 4.4% over the past three years.

To provide managerial and actuarial information on loss payments and timely payments to claimants and vendors, claims are paid using a risk management information system that accumulates payment information in a relational database. Claim-related payments are authorized by the appropriate claims adjuster and paid by an internal finance section. Approximately 64,000 checks or automated clearing house (ACH) transactions are issued each fiscal year. Payments are made through the Loss Payment Revolving Fund that maintains a \$4,000,000 balance. The revolving fund is part of the consolidated revolving account maintained by the Division of Treasury. The revolving fund is replenished each week on an imprest basis from the division's operating fund maintained in FLAIR. Excess funds in the operating fund are maintained in an investment account maintained by the Division of Treasury. Large claim payments that could cause the Loss Payment Revolving Fund to exceed its authorized balance or claim payments made to other state agencies are processed through FLAIR.

Workers' compensation medical payments are presently paid by a contractor that provides medical case management services through funds advanced to the contractor pursuant to sec. 284.33, Florida Statutes. The contractor is required to provide an annual examination of the advanced funds activities by an independent CPA firm as well as a SAS (Statement on Auditing Standards)-70 audit. The contractor provides weekly payment information on payments made from the advanced funds, and is reimbursed for those payments from FLAIR. In FY2008-2009 the division will utilize a consultant to develop a contract monitoring tool to ensure that the workers' compensation medical case management contractor is providing services as called for in the contract and that funds advanced to the contractor are being used appropriately and with the greatest value to the State.

Division of Treasury ensures that state monies, employee deferred compensation contributions, state and local governments' public funds on deposit in Florida banks and savings associations, and cash and other assets held for safekeeping by the Chief Financial Officer are adequately accounted for, invested and protected.

Division of Treasury. Bureau of Funds Management. The Bureau, which is responsible for posting state receipts and disbursements, performing cash management services, and investing available funds, is working to integrate its systems. The Bureau's non-integrated computer systems hinder transaction efficiency. The Bureau of Funds Management intends to develop and implement an automated general ledger system and to remedy audit concerns for current Cash Management Service application issues. This project will allow Treasury to address Office of the Auditor General's system and operational audit findings.

Division of Treasury. Bureau of Collateral Management. Florida has 205 Qualified Public Depositories with over \$19 billion in public money on deposit. These deposits are protected by more than \$15 billion in pledged assets and a shared contingent liability managed by the Bureau. Due to the current overall economy in the Florida financial industry, the bureau has increased the monitoring of the state's Qualified Public Depositories. Analysis and oversight is more frequent and more in depth than it has been in the past. The monitoring will help the Bureau to more accurately gauge the appropriate collateral requirements for these depository institutions.

Division of Rehabilitation and Liquidation. Pursuant to Chapter 631, F.S., the department acts as the court-appointed receiver for Florida insurance companies ordered into receivership. Based on a fifteen-year average workload, four insurers are placed in receivership each year, primarily in the areas of life, health, and property and casualty insurance. Most recently, the department became receiver of a Medicare HMO and a continuing care retirement community. As a result of statute and court orders, the division handles liquidation proceedings on behalf of the department.

The number of insurers entering receivership in any one year depends on factors that are outside the division's control, including financial condition, management competency, market conditions or fraud. Based on trends across all industry segments, the division expects that insurers will be placed in receivership at or near the same rate over the next five years. Absent a catastrophic event in the property insurance market, no major increase in the number of receiverships is expected from this industry segment. The division focuses on maximizing the value of the estate of an insurer in receivership for the claimants.

Goal 2. The department will ensure financial accountability in state contracts.

The CFO is committed to improving the contracting process to enhance state government efficiency and effectiveness. Too many state contracts lack quantifiable and measurable deliverables, clearly defined work statements, and performance standards reported routinely in order to justify payment.

The ***Bureau of Auditing*** in the ***Division of Accounting and Auditing*** seeks to improve state agency compliance with disbursement standards as well as ensure that agency contracts have the required statement of work. The Bureau will continue to improve its oversight, ensuring that contract and grant managers perform their Ch. 287, F.S. duties.

Division of Administration. Bureau of General Services. The department most recently completed a review of its contracting procurement process and has implemented improvements with three areas of emphasis in DFS procurement operations: equity, integrity and efficiency. A

Contract Procurement Guide was developed as a handbook for anyone in the department who procures or assists in procurement. The department is planning to further evaluate its internal contracting management practices to ensure department contracts consistently meet accountability standards.

ENFORCEMENT

Goal 3. In the execution of its constitutional and statutory mandates, the department will protect the health, safety and welfare of the public.

Division of Insurance Fraud. Pursuant to sec. 626.989, F.S., the Division of Insurance Fraud is charged with investigating and establishing criminal cases against all persons and entities violating the state's insurance fraud and workers' compensation fraud statutes, insurance and workers' compensation federal codes and other related statutes.

The Coalition Against Insurance Fraud, a national alliance of consumer groups, insurance companies and government agencies, recognized Florida's Division of Insurance Fraud as a national leader in the fight against insurance fraud. According to the Coalition's most recent statistics, Florida's Division of Insurance Fraud has been a perennial leader in the number of cases presented for prosecution and conviction related to insurance fraud, ranking no less than 3rd in all benchmark statistics measured by the Coalition (arrests, convictions and referrals). For fiscal year 2006/2007, the Division of Insurance Fraud reported 819 arrests, and for fiscal year 2007/2008, the Division of Insurance Fraud reported 816 arrests.

Also, according to the Coalition, California reported receipt of 27,687 referrals in 2005; comparatively, Florida received 12,920 referrals. California exceeded Florida by only 46%. This comparison is notable considering California's budget is 75% greater than the budget to the Division of Insurance Fraud. At the same time, California employed 298 fulltime members while Florida employed 171 fulltime members. California exceeded the Division of Insurance Fraud staffing by 57%.

When taking into account court-ordered victim restitution, the division generates revenue in excess of its budget on an annual basis. For the fiscal year 2007/2008, the division's budget was \$16,972,216. In contrast, the division secured \$94M in court ordered restitution, accounting for no less than \$5.50 in restitution dollars returned on every dollar spent funding the Division.

The division has experienced continued growth in the number of insurance fraud related referrals over a ten year span; between FY 1996/1997 and 2006/2007, referrals increased 108% (*Figure 1-IF*). However, there has been a 28% decline in the number of referrals received by the division between fiscals year 2006/2007 and 2007/2008 (*Figure 2-IF*), due mostly to the tenure of the electronic referral system in which duplicate referrals and non-insurance fraud related referrals are less frequently submitted to the division. Even so, referrals have increased 26% over the past 10 years (*Figure 3-IF*).

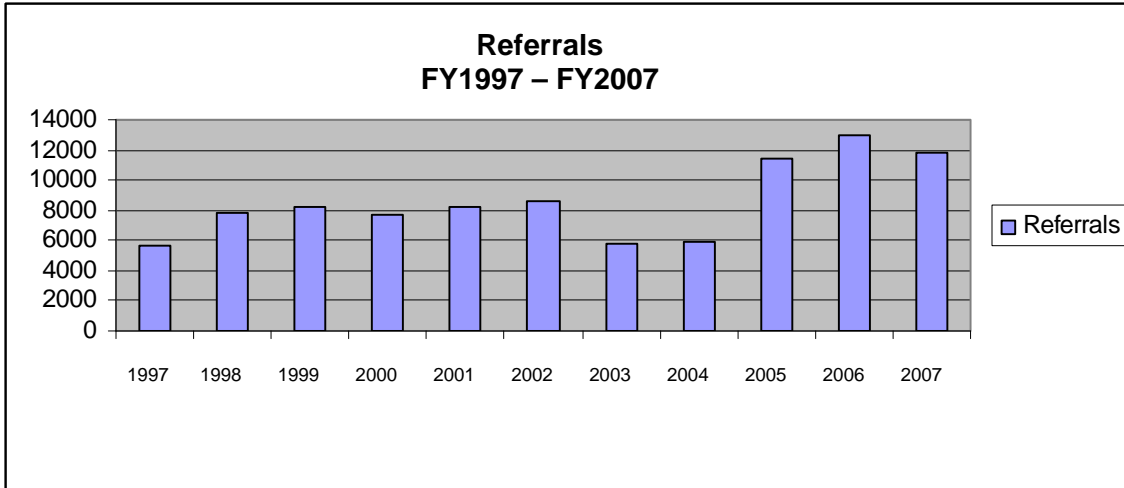
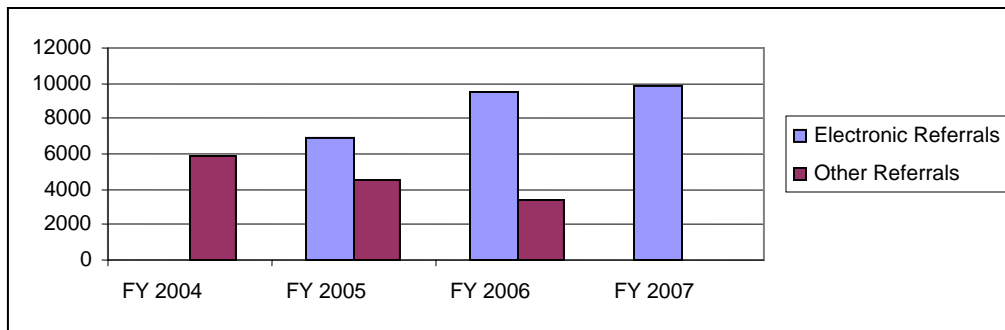


Figure 1-IF. Number of reported insurance fraud referrals received between FY1997 and FY2007. The Division experienced a 108% increase during the 10 year period: from 5,681 referrals in 1997 to 11,814 referrals in 2007.



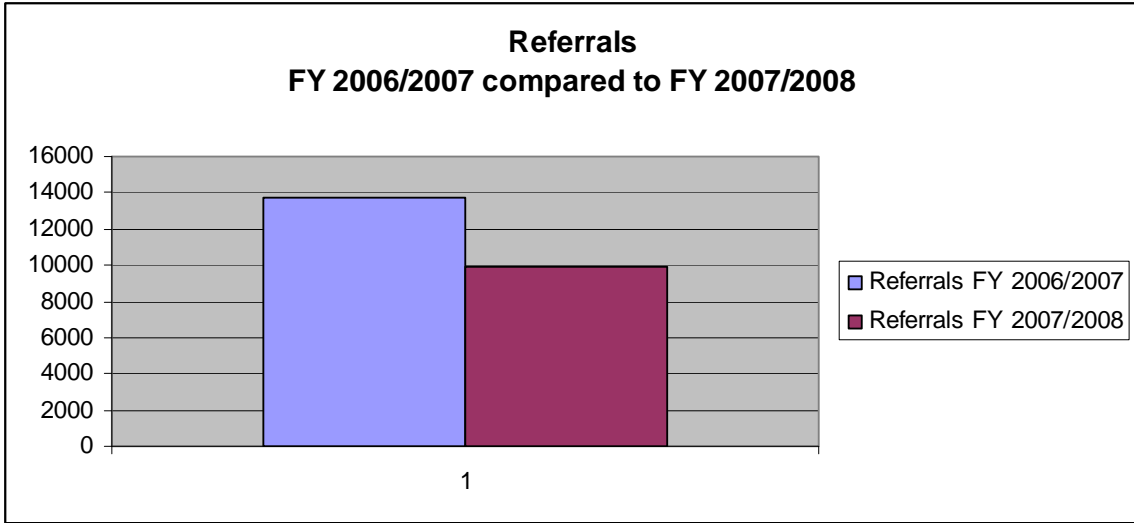


Figure 2-IF. Referrals have declined comparatively from FY 2006/2007 to FY 2007/2008, due mostly due to tenure of the electronic referral system, in which duplicate referrals and non-insurance fraud related referrals are less frequently submitted to the Division.

Moreover, the division continues to see increases in the number of convictions which have increased by 83% over the past 10 years (Figure 3-IF). Legislation mandating prison terms for those convicted of certain insurance fraud related offenses is certainly a contributing factor, wherein defendants are increasingly willing to plea bargain.

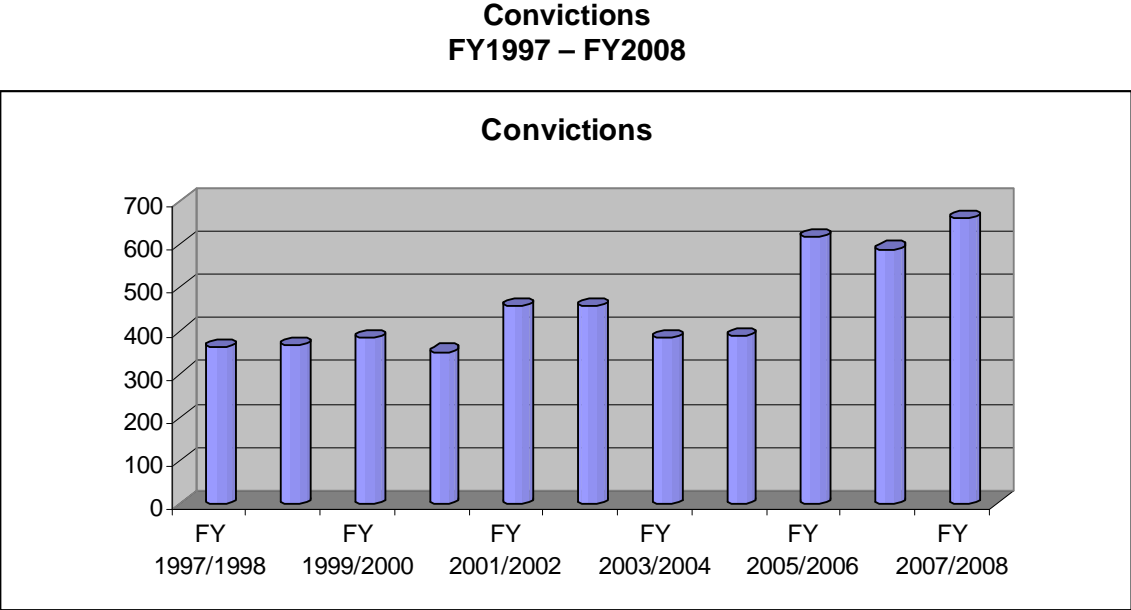


Figure 3-IF. Convictions have increased by 83% over the past 10 years.

Division law enforcement personnel are increasingly engaged in physical and electronic surveillance. Surveillance, while more expensive than other investigatory methods, produces evidence that otherwise might not be attainable. Investigators working on staged auto accidents, workers' compensation premium fraud in check cashing stores, clinic fraud, and other complex

cases requiring tactical investigative strategies, use surveillance as a routine practice. Personal Injury Protection (PIP) arrests, primarily for staged accidents, account for 25% of the division's arrests. The use of surveillance in such complex cases has contributed to the division's success (*Figure 4-IF*).

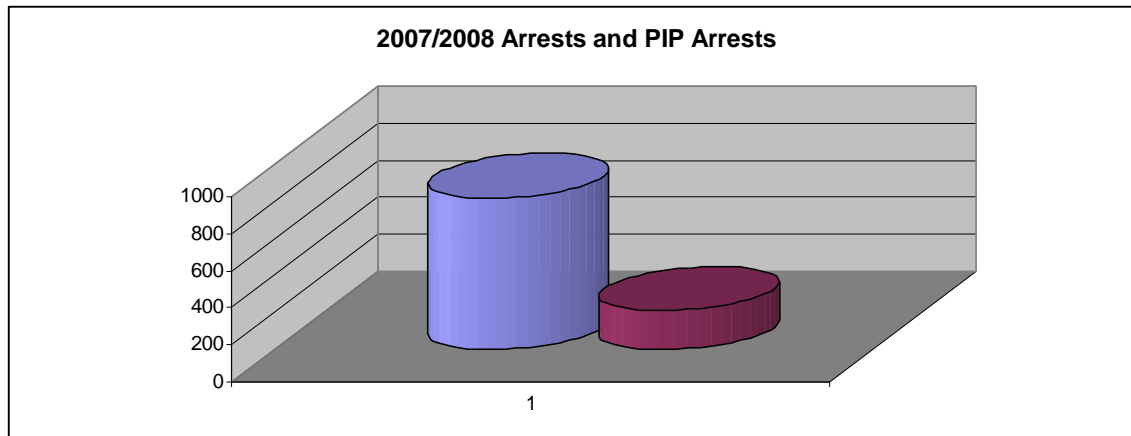


Figure 4-IF. PIP arrests compared to all arrests for FY2007/2008.

The division now has access to the services of seven (7) dedicated prosecutors in State Attorney's Offices across the state, whose mission is to prosecute insurance fraud cases exclusively. The addition of dedicated prosecutors is anticipated to increase prosecutions and convictions in areas such as Dade, Hillsborough, Orange, Duval, Palm Beach and Broward Counties.

The division's PIP fraud investigative efforts are enhanced through active participation with Medical Fraud Task Force headed up by the National Insurance Crime Bureau (NICB). Attendees include NICB agents, local, state, and federal law enforcement officers, and members of the insurance industry. The development of the Crime Intelligence Analyst Unit has contributed to greater participation by the division; Crime Intelligence Analyst Supervisors and Crime Intelligence Analysts from ten (10) field offices across the state attend the task force meetings regularly and contribute to joint task force initiatives.

Workers' compensation fraud continues to be a problem in Florida, accounting for nearly 28% of the division's arrests. The division plays an active role in the Florida Workers' Compensation Task Force in order to stay abreast of emerging issues.

The challenges with hiring and retention faced by the division in years past improved dramatically in the last fiscal year with the implementation of a rate increase matrix implemented by division commanders, with funds appropriated from the legislature, primarily based on performance measurements. These processes allowed the division to offer more competitive salaries with other law enforcement agencies. The introduction of the Department of Financial Services Law Enforcement Academy will undoubtedly result in even greater productivity, albeit, the division made 816 record arrests during FY 2007/2008, an increase of 80% over the past 10 years (between FY 1997/1998 and FY 2007/2008) (*Figure 5-IF*). Of primary concern is the division's ability to develop each of these cases so that prosecutors can obtain convictions

leading to prison sentences, a condition the department believes is a deterrent to others contemplating similar crimes.

**Arrests
FY1997 – FY2007**

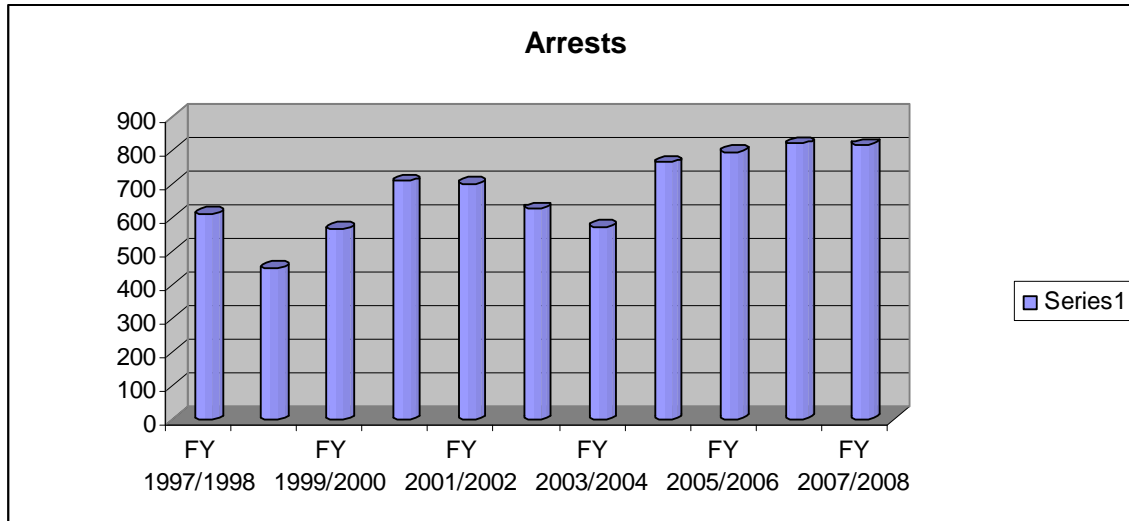


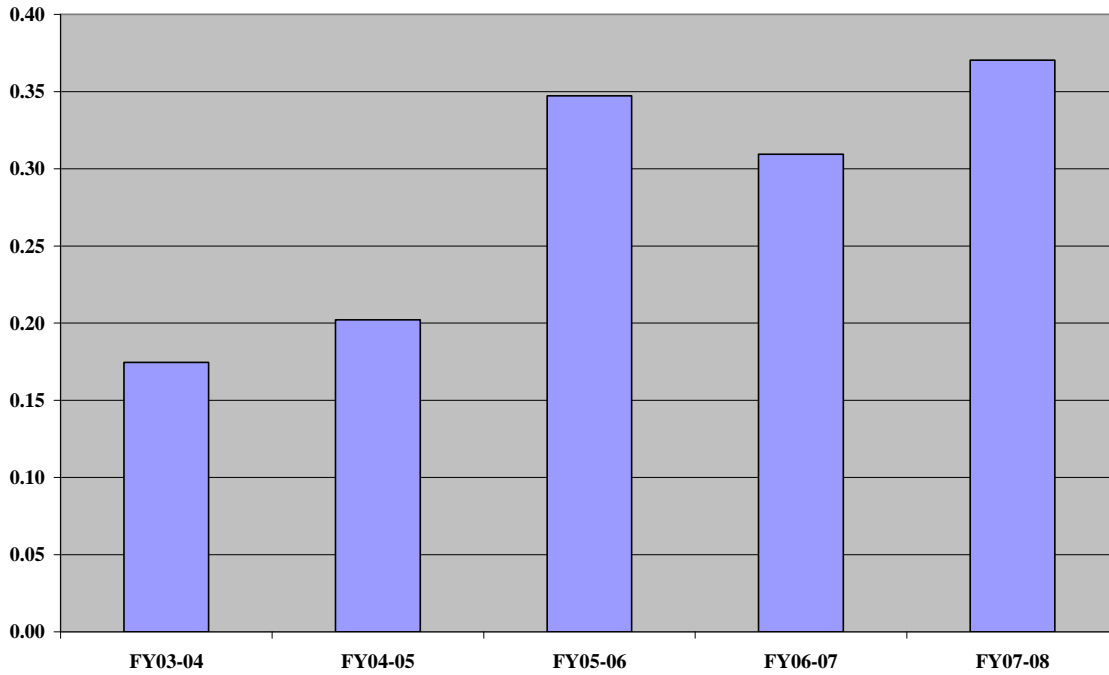
Figure 5-IF. Arrests increased 80% from FY 1997/1998 to FY 2007/2008.

Division of State Fire Marshal. Bureau of Fire and Arson Investigations.

The Bureau of Fire and Arson Investigations (BFAI) is the law enforcement branch of the Division of State Fire Marshal. The Bureau is responsible for initial investigation of the origin and cause of fires and explosions, criminal investigative duties associated with fires and/or explosions, and the reports relative to explosions or explosive devices and other law enforcement activities, as required by law (633.03, F.S.), and for providing state assistance to the seven Regional Domestic Security Task Forces.

The Bureau has observed an overall increase in arrests for arson and other related crimes in the past five years (*Figure 1-BFAI*). Arrests have been projected to increase since the State Fire Marshal implemented Rule 4A-61.001, F.A.C. in August 2003, requiring the local fire department/law enforcement agency to conduct a preliminary fire cause investigation prior to requesting assistance from the State Fire Marshal. The Bureau now concentrates on solving the fires most likely caused by arson.

Figure 1 - BFAI Arson Arrest Percentage



Thirty-five to fifty percent of the fires/explosions investigated by this agency are determined to be arson fires. Twenty to thirty percent of these fire cases are cleared by arrest, with conviction rates averaging from 70% to over 90%. As noted in *Figure 2-BFAI*, the trends for each have been increasing in the past 5 years, most impressively with arrests followed by conviction.

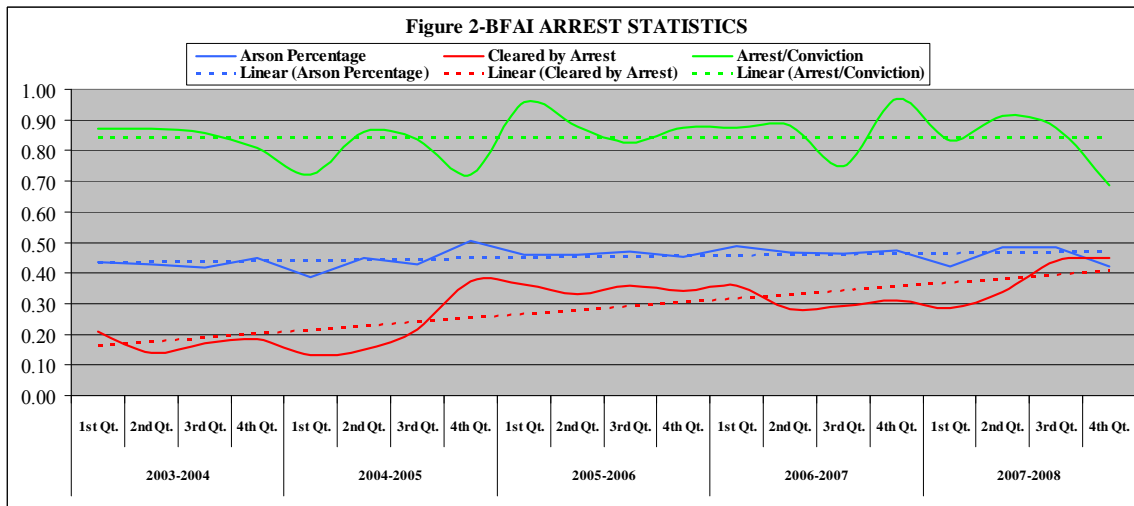


Figure 2-BFAI. Graphical display of fires determined to be arson, cleared by arrest and cleared by arrest with a conviction.

Certain conditions have an impact on arson or explosions and their investigation:

Economic - In times of economic uncertainty, local fire and police agencies employing fire investigative units seek ways to decrease spending by minimizing or eliminating specialized units. The investigative burden then shifts from local agencies to the BFAI. For example, during a statewide budget shortfall in FY1993, cities and counties deployed their investigative units elsewhere, which increased our workload.

As economic trends move downward, some desperate individuals respond by using fire to destroy property and gain insurance pay-outs. The National Association of Realtors stated that median home prices in Florida have plunged by 25%. The State Fire Marshal has a concern that falling home prices provide a motive for fraud, liquidating property, dissolving a business or destroying unprofitable inventory through arson.

Technological - New materials and synthetics used in building and in furnishings react with fire differently than traditional natural materials, requiring up-to-date research into the determining fire cause and origin. The public sector, given its budget constraints, is less likely to have modern state-of-the-art technology available. This technology includes laboratories with the ability to re-create specific scenarios, fire modeling templates, and information presentation technology for displaying evidence in trials.

Terrorism – In recent years, terrorist activity has increased throughout the world. Fire and explosives are two of the weapons in the terrorist’s arsenal. These tools are used not only for the primary goal of inflicting an irreparable loss against the enemy but also as a diversionary tactic. In a recent national survey of over fifty bomb squads, the Bureau’s squad ranked eleventh in the number of Explosive Ordinance Disposal (EOD) call-outs. Over 42% of all Bureau EOD call-outs turn out to be live explosives. In recent years, the FBI and ATF have reported Florida as second or third in the nation in explosive events.

The Florida Advisory Committee on Arson Prevention has reported that “arson for profit” may be responsible for approximately half of all fire-related property damage in America. These cases require extensive investigations, involving proof that the fire was set as well as tracking the fire setters and determining their motives. Typically, the arsonist has less than one chance in ten of being arrested and an even smaller chance of being convicted.

Publications such as the National Fire Protection Association (NFPA) 921 – *Guide for Fire and Explosion Investigations*, are becoming accepted as a definitive reference source for practices regarding fire and explosion investigations. Recent court cases, including *Daubert v. Merrell Dow Pharmaceuticals, Inc.* and *Kumho Tire Company v. Carmichael*, have restricted fire investigators in what they can offer as expert opinion. These court decisions have made it extremely difficult for local police and fire investigators to establish cause unless the investigator has significant training and experience. Such advanced credentials necessitate continuous and intensive training.

Division of State Fire Marshal. Bureau of Forensic Fire and Explosives Analysis. (secs. **633.01, 633.03, 633.101, and 633.111**) The Bureau of Forensic Fire and Explosives Analysis (BFFEA) is the only state crime laboratory performing forensic analysis of fire and explosion evidence. Since FY2003, the number of items processed per year has increased an average of 3.48% per year.

In FY2008 there was a 14.7% increase in the number of samples processed in FY2003. For that period the number of full-time positions has remained the same. Compared to the immediate past fiscal year, the Bureau saw a 1.2% decrease from FY2007 in the number of evidence samples, analyses, and images processed.

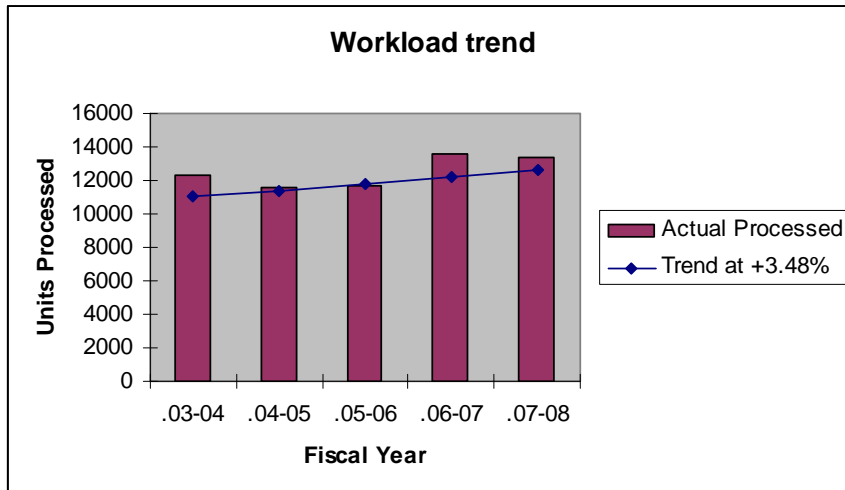


Figure 1-BFFEA. Growth of evidence samples, analyses and images processed from FY2004 to FY2008.

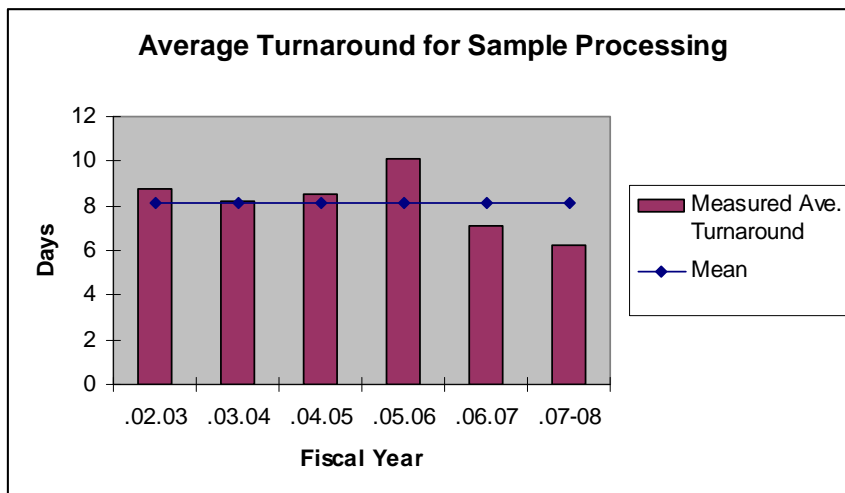


Figure 2-BFFEA. Average turnaround time for sample processing from FY2003 to FY2008.

Despite the trend for workload increases, the Bureau has kept the average turnaround time for completed sample analyses to under the six year mean of 8.15 calendar days (*Figure2-BFFEA*) and the measured average has dropped significantly for the past two years (currently 1.95 days under the mean). However, scientific, accreditation and forensic requirements for laboratories continually increase. The laboratory has completed an upgrade to its database in order to meet some of the increased requirements for meeting accreditation goals.

Division of Funeral, Cemetery and Consumer Services. In FY2003, the division oversaw 3,024 death care businesses and professionals. As a result of 2004 legislation, the department assumed

the full supervision of Florida's death industry, taking over responsibility for licensing and regulating funeral directors and embalmers from the Department of Business and Professional Regulation, as well as continuing to regulate sellers of preneed funeral goods and services, cemetery companies, and monument establishments. The division is charged with protecting the public's health and safety through its licensing, continuing education and investigatory responsibilities. Where law violations are found, the division also imposes discipline on its practitioners.

With the transfer of the licensing and regulation of funeral directors and embalmers, the division oversaw 6,400 businesses in FY2007, more than twice the number four years ago. Each year, the division receives approximately 4,600 new and renewal applications for licensure. All preneed sellers must be licensed and receive a financial re-qualification annually. In addition, each new application for a cemetery and/or establishment requires a physical inspection.

Although mandated to meet only every six months (s. 497.101, F.S.), because of the workload, the statutory Board of Funeral and Cemetery Services (s. 497.109, F.S.) meets once a month to review all new applications. Applications currently take approximately 77 days from date of application to licensure. Factors that affect this process are the agenda and notice requirements for board meetings as well as the workload carried by six (6) staff solely dedicated to this process. Each staff person reviews and recommends an average of 64 applications each month. The division is seeking to reduce the wait time as applicants are unable to serve the public until they receive a license.

The number of people who die in Florida is steadily increasing, from 169,795 in 2003 to 172,259 in 2005. Many are choosing cremation as their method of final disposition. In 2003, 49% chose cremation while 35.5% chose burial. In 2005, the number choosing cremation rose to 50.8%.

When a licensed professional fails to properly handle a body, perform a cremation or direct a burial, the affected public is subjected to severe emotional harm, as evidenced in the Tri-State crematory case in Noble, Georgia. Florida needs not only strong regulations but also the staff to enforce those regulations and deter others from breaking the law.

In FY2006 over \$2.7 billion of preneed contracts that previously had been written remained unfulfilled. Approximately 80,000 preneed contracts are written each year. Fourteen (14) division staff statewide enforces the law by inspecting funeral establishments and cemetery companies, conducting financial audits of preneed sellers and investigating consumer complaints. The skills needed for each of these functions is different and comprehensive; division staff struggle with balancing priorities and being able to assure the public that each of these statutorily required functions is done thoroughly.

The division has investigatory and mediation responsibility for an average of 200 consumer complaints each year. If an investigation reveals a violation of the law, disciplinary action is pursued.

The division wants to proactively regulate the industry by conducting annual inspections and periodic audits to ensure compliance with health and safety regulations and to prevent misappropriation of the trust funds.

Division of Workers' Compensation. Bureau of Data Quality and Collection/Bureau of Monitoring and Audit. The division's labor-intensive, paper-driven claims reporting process was inefficient for both the insurance industry and the state. Insurers used hard copy files to submit paper claim forms, which in many cases created reporting delays. Communications necessary to reconcile claim and indemnity payment issues were performed only by postal mail or telephone. As a consequence, the division's access to data was delayed along with its ability to timely monitor and analyze the payment of benefits and to promptly assist workers with legitimate workers' compensation claims.

The division instituted electronic data collection systems for all medical and benefits data in the Bureau of Monitoring and Audit (the Centralized Performance System), and the Bureau of Data Quality and Collection (the Medical Data System). These two systems have significantly increased data reporting accuracy and efficiency to better serve customers.

The Medical Data System collects medical data that transfers seamlessly to the Centralized Performance System, which also provides customized performance feedback reports to customers. The Centralized Performance System electronically reviews and analyzes the First Report of Injury (DWC-1) form data and all workers' compensation medical billing form data for timely payment and form filing requirements. The system is an interactive, web-based process, which allows stakeholders to respond to performance feedback in real-time.

As a result of improved system information and performance, 100% of all medical bills submitted (4.5 million in FY 2008) are being examined for timely disposition. Over the past several years, the division has increased the examination of medical bills from approximately 2% (about 80,000 medical bills) at on-site audits to 100% in-house review through electronic data collection. The division can now hold insurers more accountable for timely data filing and accurate benefit payment than it could by reviewing hard-copy documents. Additionally, the electronic reporting system allows the division data to become promptly transparent to stakeholders, industry, and the public.

As part of this new medical data system, the division created a website for small insurers, including self-insured employers, who submit fewer than 200 medical bills per month. The website allows direct entry, review and management of medical claims data without the necessity of hiring extra technical staff or outside vendors. All insurers are now able to comply with the statutory mandate, regardless of size or resources.

The division aspires to be a model in the accurate calculation of permanent total supplemental disability benefits. The amount of benefits is tied to the statutes in effect at the time of the covered injury. However, case law constantly changes how these benefits are calculated. The division's internal and external audit processes identified major discrepancies in the benefit calculations, prompting the division to evaluate all court decisions, and educate the industry on how to utilize a consistent calculation process. The audit process also identified the division's

long term permanent total supplemental disability benefit liabilities, as well as opportunities to resolve those liabilities at the earliest date.

Division of Agent and Agency Services. Bureau of Investigation. In FY 2007-2008, the Bureau received complaints about insurance agents and agencies that resulted in 3,236 opened investigations. Eight hundred ninety-nine (899) of these cases, or 28%, resulted in formal disciplinary action such as license suspension or revocation, including restitution and fines of \$2,097,068. These cases were handled by 56 investigators located in Tallahassee and nine field offices.

Seniors continue to be the target of unscrupulous agents' deceptive practices in annuity sales, particularly equity indexed annuities. In FY2006-2007, the bureau opened 142 investigations in the senior annuity market; and in FY 2007-2008 284 investigations were opened, representing an almost 50% increase. Seniors have also recently been targeted by unscrupulous agents to participate in Stranger Owned Life Insurance (STOLI) transactions. These are unsolicited transactions where an agent promotes the purchase of a large life insurance policy by a senior for reselling the policy to an investor at a later date. This undermines the insurance market for seniors and exposes them to unexpected taxes, potential legal liability and loss of insurance benefits. The division expects this trend to continue to increase its workload.

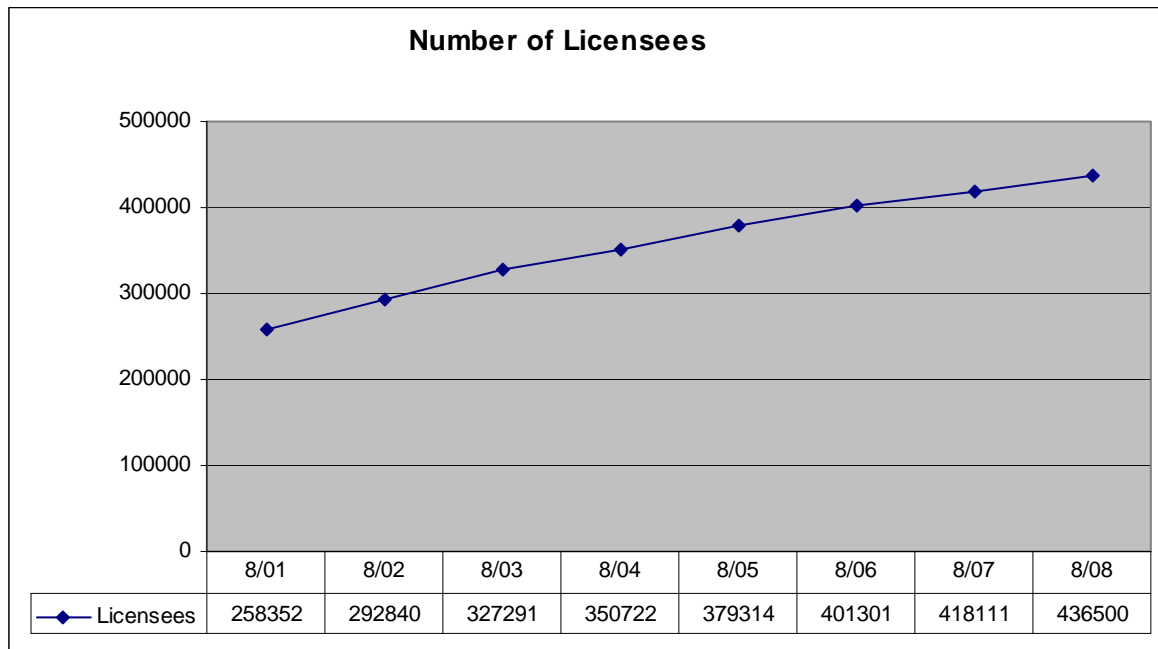
The majority of active title investigations involve title insurance agents and agencies failing to fulfill their fiduciary responsibilities to Florida consumers or the title insurer. Cases involved allegations that the proper premiums were not forwarded to the title insurer, the escrow funds of the consumer were not suitably protected, and the agent failed to disburse the funds from a closing accurately and timely.

In FY 2007-2008, 342 title cases were opened. Of those cases, 111 were title surcharge or surety bond cases. The remaining 231 cases, 61 (26%) were escrow violations, 29 (12.5%) were misappropriation of fiduciary funds and 60 (26%) were fraud and deceptive practices.

The Bureau requires investigators with insurance knowledge and transactional experience in order to effectively protect consumers from fraudulent schemes. However, talented investigators have been leaving for better paying jobs. For example, in FY 2002-2003, the Bureau saw a turnover of 15 investigators; 4 in FY 2003-2004; 7 in FY 2004-2005; 15 in FY 2005-2006; 8 in FY 2006-2007; and 6 in FY 2007-2008. Even within the department, the Bureau has competition for investigator positions. Investigators in the Office of Financial Regulation (OFR) have an average salary of \$42,532 as compared to the Bureau's average of \$35,851, a 19% gap. The Bureau's investigators comprise 4 pay grades, ranging from pay grade 20 to pay grade 26. The majority (79%) are pay grade 20. OFR's investigators comprise 3 pay grades ranging from pay grade 21 to pay grade 25. The majority (56%) are pay grade 25.

Division of Agent and Agency Services. Bureau of Licensing. In FY 2007-2008, the Bureau of Licensing received approximately 120,800 new applications for insurance licenses;

Figure 1-AAS Licensee Population (Individuals & Firms)



monitored 285,855 licensees with at least one active appointment and 202,707 licensees not required to be appointed or not holding an active appointment; answered over 280,000 phone calls; and processed 1,595,844 appointment actions (new, renewals and terminations). The licensees population has increased at approximately 7% per year, although this slowed to 4% from August, 2007 to August, 2008. New licenses issued during FY 2007–2008 totaled 69,860; the increase is approximately 10% annually. Florida has a total of 712,085 insurance licenses issued, with many licensees having more than one license. Each year license types are either newly added or requirements are changed. The Bureau continues to adapt and improve computer systems to implement these changes. Further, we are using technology to change the way we communicate with licensees. Email and personal account portals will be used instead of paper and traditional mail, saving as much as \$150,000. We anticipate creating electronic communication back to applicants as soon as an action is taken, thereby reducing phone calls to check on application status.

The Bureau of Licensing is responsible for the oversight of the qualification examination process for insurance representatives licensing and annually reviews the content of these examinations. Twenty-three types and classes of licenses require examination prior to licensure; approximately 34,989 examinations were administered in FY 2007- 2008.

The Bureau staff also approves and monitors pre-licensing and continuing education providers, courses, and instructors. Approximately 14,600 continuing education courses and 300 pre-licensing courses have been approved and are available. Further, 4,381 new courses and 24,826 course offerings were approved in FY 2007-2008.

Division of Legal Services. Service of process on insurers is currently done by hard copy, in duplicate to Legal Services, totaling five million pages per year. Two and one half (2.5) million pages per year are forwarded by postal mail from the department. The division scans its copy of the 2.5 million pages for records retention. The division is proposing a statutory amendment in the 2009 Legislative Session to change the statutory required submission to one copy of the process. This change will reduce by one half the number of pages submitted to the division and also reduce the handling time associated with reviewing, managing, filing, shipping and storing the extra copy of documents.

The division proposes to save time and paper by electronically transmitting notification and availability of documents. Electronic delivery of the process can reduce the number of copies to one set and therefore the number of pages by one half; it can also provide same day availability to insurers. Currently, the average time to set up and prepare to serve process by certified mail to the insurer is 24-48 hours, which would be reduced by more than half. The mail delivery time of 3-5 days would be eliminated. The division met its goal of providing access of electronic notification and availability to at least 40% of all insurers by July 1, 2008. The division's goal is to have 70 % of the insurers set up with access to electronic notification by July 1, 2009.

Due to a conflict in statutory language, the day of service has two different definitions. One statute states that insurers are "served" when the division receives the documents. Another statute states that insurers are "served" on the day that the division sends the documents via certified mail. Once all companies are using the new electronic procedures in lieu of the paper delivery method, the agency staff should recoup sufficient time and expenses to allow the insurers to be served the same day the division receives the documents.

The service of process workload is predicted to continue rising and by reducing the volume of documents, handling time, postage and paper expense, the improvements should not only allow the division to keep pace with the extra work, but assure the insurers are notified in the most expedient and efficient manner possible. This will also benefit the plaintiffs, consumers and courts by allowing extra response or settlement time, prior to or in lieu of further litigation.

FIRE SAFETY

Goal 4. The State Fire Marshal shall effectively prevent and discourage arson and arson related crimes for the protection of Florida's citizens and their property.

Division of State Fire Marshal. Bureau of Fire Prevention. The Bureau of Fire Prevention administers the compliance and enforcement services of the division under Section 633.085, F.S., as follows:

- setting establishing fire safety and other life safety codes and standards,
- reviewing plans and inspecting state-owned and certain state-leased buildings,
- inspecting of boilers in places of public assembly, and
- licensing and regulating fire equipment dealers, fire protection contractors, explosives and construction mining industries, and registration of fireworks manufacturers, wholesalers, retailers, and seasonal retailers.

Field inspections of state-owned buildings are conducted annually for compliance with the Life Safety Code. *Figure 1-BFP* exhibits the growth in the number of state-owned buildings that the Bureau inspected, starting in FY2003 through FY2007. Bureau FTEs have remained the same while the number of buildings has increased by 1,000. In FY2007, thirty-four (34) Fire Protection Specialists conducted 16,782 building inspections, including High Hazard where annual inspections are required, Recurring (once every two years) and Construction (buildings under construction). A specialist is inspecting forty-one (41) buildings in a month with 22 business days.

Number of Buildings Inspected

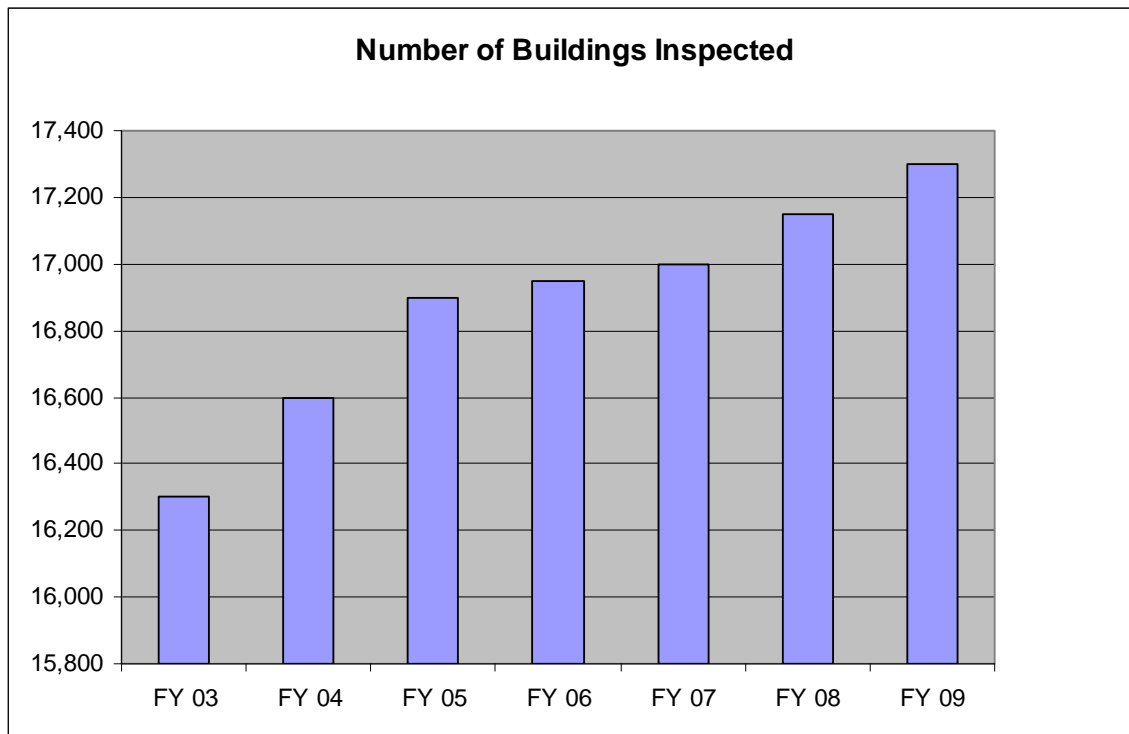


Figure 1-BFP. Number of buildings inspected by fiscal year from FY2003 to FY2008, with the planned inspections for FY2009.

The proposed property tax reductions at the local level are expected to have an impact on the State Fire Marshal’s workload. If local governments determine they are unable to fund their own fire safety inspectors, particularly in the area of school inspections, the State Fire Marshal is statutorily required to conduct these inspections.

For the Boiler Safety Program, technology enhancement to its data management system has eased forms distribution and web access for the public as well as records access for field inspection staff.

Scanning technology in the Regulatory/ Licensing Program has reduced storage space and may consequently reduce rent cost. The division is able to concentrate these freed-up resources to create consumer-friendly web access. Similar technology is being reviewed for the use from other sections within the bureau to reduce substantial storage space required by the Records Retention Schedules Program maintained by the Secretary of State.

Two areas, Plans Reviews and Building Inspections, would benefit from an updated database to permit increased access and allow inspectors to communicate with each other more efficiently. Electronic plans transmission can significantly reduce the time required for decision making as well as improving access to data necessary for field review.

Florida Fire Incident Reporting System (secs. 633.115, F.S.; FAC, Ch. 69A-66.001)

The Florida Fire Incident Reporting System (FFIRS) establishes standards and procedures for uniform local fire department reporting of fire and non-fire incidents to the Division of State Fire Marshal. FFIRS is the established reporting channel to the United States Fire Administration (USFA) National Fire Incident Reporting System (NFIRS). However, because reporting is voluntary, only eighty-four percent (518 out of 617) of Florida’s fire departments submitted emergency medical services and fire incidents in 2007 (*Table 1-FFIRS*). Seventy percent of those that do not report are volunteer departments. These data provide useful information that can be evaluated in order to enhance public safety.

The FFIRS is working toward achieving 100% reporting in order to be able to predict fire-related and non-fire events. As the number of incidents increase each year, the State Fire Marshal would be best served by an interactive web-based reporting system that will display both real-time and historical information.

Year	Depts Reporting	Structure Fires	Vehicle Fires	Outside Fires	Total Fires	Rescue/ EMS	Other Emergency	False Alarms	Total Incidents
2003	383	22,393	12,783	22,975	58,151	1,077,079	264,345	101,871	1,501,446
2004	402	14,614	10,631	24,827	50,072	966,015	283,071	101,113	1,400,271
2005	451	19,653	13,880	27,033	60,566	1,405,494	337,654	126,423	1,930,137
2006	497	20,729	14,935	40,240	75,904	1,563,898	377,635	135,525	2,152,962
2007	518	19,671	13,204	35,547	68,422	1,558,191	396,235	143,814	2,166,662

Table 1-BFFIRS. Five year trend of reported incidents

EDUCATION

Goal 5. Our customers will receive timely, helpful and accurate information.

In the Office of Program Policy Analysis and Government Accountability Report 06-51, the department ranked second to the Department of Agriculture and Consumer Services call center (FY2005) in the number of consumer complaint calls. The department received about 20% of all consumer complaint calls made to all state agency call centers that year.

Not all calls, obviously, are for complaints. The Divisions of Consumer Services, Agent and Agency Services, Workers' Compensation and My Safe Florida Home (MSFH) all have call centers that have licensing, educational and advocacy purposes. Other divisions, specifically Rehabilitation and Liquidation, Funeral and Cemetery Services and Insurance Fraud depend upon the Consumer Services Helpline for their consumer calls.

Division of Consumer Services (DCS). The Division of Consumer Services has served more than one million Floridians for the past five years by providing insurance education, financial information and direct assistance through the division's Bureaus of Consumer Assistance, Consumer Outreach, and Education Advocacy and Research. This has led Consumer Services to place high priorities on providing prompt and accurate service to the people of Florida, effectively increasing their insurance and financial knowledge.

In addition to providing services to consumers in their time of need, the division also attempts to predict and prevent financial concerns for our citizens. Since 2004, the division has performed 8,089 educational outreach programs to the citizens of Florida (*Figure 1-CS*). Our audiences include a wide variety of organizations, such as military personnel, senior groups, school age children, churches, and small business owners. The presentations cover a wide array of topics such as My Safe Florida Home, First Time Home Buyers, Financial Literacy, Hurricane Preparedness and insurance issues.

Consumer outreach is driven, in large part, by the information gathered from consumer calls being taken on the statewide Helpline. Trends in our marketplace are captured and reviewed indicating areas of educational needs. The outreach is performed from regional field offices located across the state. Outreach staff makes contact with organizations and consumer groups who are most affected by the prevailing trend.

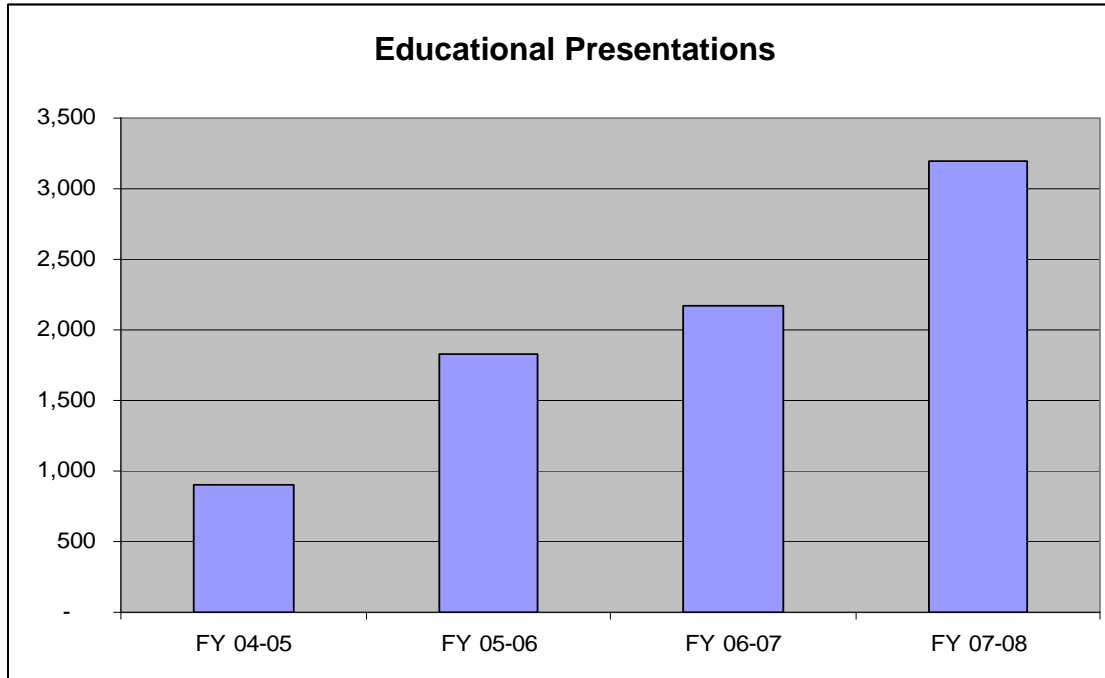


Figure 1-CS. Four year trend in number of educational presentations given by the Division of Consumer Services.

Division of Treasury, Bureau of Deferred Compensation. The division provides information, education and guidance regarding the availability of the state employee deferred compensation plan and its available investment options and their corresponding relative performance. The deferred compensation program (Internal Revenue Service Code, section 457), provides a way for employees to supplement retirement income by investing in a variety of instruments on a tax-deferred basis. Participating employees make their own investment decisions based upon their retirement needs, time horizons and risk tolerance. The Bureau has a broad range of investment options with varying degrees of risk and return that offer:

- a variety of reasonable investment options
- essential information and
- minimal administrative costs

The Bureau's objective is to assist state employees in achieving financial security in their retirement years. Two trends have had an impact on the robustness of Florida's Deferred Compensation Program. First, as baby boomers hit retirement age and government downsizes its employed workforce, the number of participants decreases, reducing the pool of available funds. Recently, state retirees have also been moving their deferred compensation accounts to accounts with higher fees recommended by private financial planners. Not only is the state's pool of assets available for investment reduced, but the leaving retirees may be disserved by lower net returns from private advisors. Secondly, when the economy trends downward, most recently in the housing and mortgage sectors, participants are likely to decrease or stop deferrals if they have increased living costs and are wary of investing.

In order to address these concerns, the Bureau of Deferred Compensation is stepping up its marketing and educational efforts. The Bureau will be encouraging participants to increase their deferrals and non-participants to sign up in order for both of these groups of employees to meet their financial retirement goals.

My Safe Florida Home. During the 2004 and 2005 hurricane seasons, more than \$33 billion in insured property damage was inflicted on more than 2.8 million Florida homeowners. As a result, the availability of insurance is limited and thousands of homeowners are struggling with rising insurance premiums.

Hurricane experts estimate that Florida is in a 10-year cycle of frequent and more intense storm activity. There are approximately 4.4 million single-family, site-built homes in Florida representing \$1.65 trillion in insurance exposure. The National Institute for Building Sciences concluded in a 2005 study that for every dollar invested in mitigation, there is a savings of \$4 to the homeowner.

Hardening homes against hurricanes plays a key role in keeping property insurance coverage available and affordable for homeowners, and helps reduce the state's exposure to catastrophic losses.

State Fire Marshal. Bureau of Fire Standards and Training (BFST). The BFST governs 33 Certified Firefighter Training Centers located throughout the state, ensuring that the facilities, the curriculum, and the instructors comply with state statutes and administrative codes. The Bureau also administers the Fire Safety Inspector and Special Fire Safety Inspector Certifications (sec. 633.081, F.S.).

When the Department of Labor and Employment Security was dismantled in 2002, Florida's firefighters were left without health and safety administrative rules or an oversight body. The State Fire Marshal (SFM) moved quickly, donating two fulltime employees and developing emergency rules to establish itself as the regulatory authority. The BFST's role is largely confined to investigations into complaints and line-of-duty deaths. The Bureau would like to accomplish more, specifically in the areas of inspection and accreditation. For example, firefighter line-of-duty deaths are hypothesized to correlate with failure to follow best safety practices. However, the Bureau does not have the resources to collect and analyze the empirical data needed to study preventive strategies.

The Bureau operates the Florida State Fire College located near Ocala, providing extensive training for paid and volunteer firefighters (*Figure 1-BFST*). Each firefighter trained results in a cascade of transactions, including responses to inquiries and data collection to update files. As the transactions have increased annually, over 50% in eight years for both types of exams, the Bureau is proposing to automate its processes through web-based applications in order to increase its efficiency. Fiscal year 2007-08 resulted in almost 20% less examinations but no significant difference in the travel to and from the various test sites.

Fiscal Year	Total Exams	Firefighter II Exams
2000-01	4898	2349
2001-02	6313	3651
2002-03	6447	3888
2003-04	7885	4623
2004-05	9765	5586
2005-06	8429*	3353*
2006-07	10,096	4840
2007-08	8,173	3381

*Figure 1-BFST.Eight year trend for examinations conducted by the Bureau of Fire Standards and Training. * During summer and fall 2005, the state and regional hurricane activity reduced BFST ability to deliver tests and training.*

As predicted, property tax changes have reduced local governmental revenues; the Fire College has seen the impact in the actual numbers of examinations given. However, this has not resulted in a significant decrease in the number of remote deliveries required to accommodate the candidates. Currently, many local fire departments send trainees to local community colleges; but, with a likely reduction in firefighter training funds, the less-costly Fire College classes will be much more attractive. More demand for classes will impose a severe workload strain as the Fire College is currently canceling classes for lack of qualified instructors and revising personnel specifications to employ less qualified instructors in order to have adequate faculty for the remaining courses. Moreover, each Fire College trainee imposes additional workload demands in the form of queries, applications, file searches and verifications. In addition, new national standards are causing the Bureau to employ new administrative code that will result in practical testing for Firefighter I greatly increasing workload of examination administration.

Division of Risk Management. Chapter 284, Part III, F.S., authorizes the Division of Risk Management to have a loss prevention program which trains and consults with agency coordinators with regard to safety and loss prevention. Currently the division provides training to agency and university safety coordinators to enable them to implement and maintain agency loss prevention programs through an annual Safety Academy. Although this training is required by law, all agencies do not participate.

Due to increased claim severity and complexity, the division needs to put more emphasis on loss prevention training, education and agency interaction. The division will develop training procedures, data analyses methods and best practices to address these issues. The division will address these issues through a three-pronged approach consisting of loss prevention training using division staff, data analysis and use of loss control consultants to interact with agencies, and safety program evaluations and monitoring activities. As mandated by the legislature, in FY2008-2009 the division will conduct a statewide loss analysis to determine which agencies have the highest annual claims expense and frequency of claims and will provide recommendations on how to mitigate those losses and also develop minimum standards for agency loss prevention programs. However, for the program to be successful, each agency on the Interagency Advisory Council needs to follow the mandatory requirement to participate.

Along with liability and property coverage, the division handles workers' compensation claims filed by employees and volunteers of state agencies and universities, and other statutory employees. The division receives approximately 14,000 new workers' compensation claims each year, and historically 10% of the reported claims result in the employee missing in excess of one week from work. Lost-time claims are significant because even though they represent only 10% of the reported claims, lost-time claims account for over 80% of claim payments.

Reducing the number of lost-time claims and the length of disability on lost-time claims significantly lower program costs. A stay-at-work/return-to-work program is essential to obtain the goal of lower program costs. The success of such a program depends on the flow of medical information and the employing agency's policy concerning alternate duty. The division coordinates the flow of information concerning the employee's functional limitations from the medical providers to the employer, which enables the employer to accommodate the restrictions of employee.

The management of disability begins when the claim is reported. The future division workers' compensation medical case management model includes triage by a registered nurse or other clinician to direct the injured employee to the appropriate medical care. Nurse case managers coordinate medical care and timely provide information on employee restrictions to the employer. After a new model vendor has been selected, the division will be scheduling training with state employers on the new model.

ADVOCACY

Goal 6. The department will protect customer interests inside and outside state government.

The *Office of the Insurance Consumer Advocate (ICA)* in the CFO's office is responsible for finding solutions to insurance issues facing Floridians, calling attention to questionable insurance practices, promoting a viable insurance market responsive to the needs of Florida's diverse population and assuring that rates are fair and justified.

The ICA strives to maintain a balance between a viable, competitive insurance market with the fiscal capacity to fulfill obligations to policyholders and consumers' needs for accessible, affordable insurance products that protect their lives, their health and their property. Tapping into market reports, along with some 500,000 inquiries made annually to the Department of Financial Services statewide consumer helpline, the ICA is able to identify, first hand, market trends affecting Floridians. These data empower the ICA to seek early and proactive resolution of business practices that may adversely affect Floridians, as well as to assist in expansion of those beneficial to the consumer. Florida law authorizes the ICA to represent consumer interests in regulatory proceedings regarding all insurance activities conducted under jurisdiction of the Department of Financial Services and the Office of Insurance Regulation. The ICA also examines rate and form filings to assure rate changes are justified and fairly apportioned and that policies clearly and accurately reflect coverage provided. The ICA also participates in proceedings affecting insurance consumers in the Florida Legislature.

The *Division of Consumer Services* promotes public policies and legislative actions which protect consumers' financial interest, and ensure that consumers receive the full benefits and services as stated in their financial contracts and insurance policies.

The toll-free telephone "Helpline" is one of the primary means through which the division's goals and objectives are met (*Figure 2-CS*). During the past five fiscal years, the number of calls has ranged from a low of 392,909 in FY2003-04 to a high of 536,180 in FY2007-08. A significant number of calls were related to the My Safe Florida Home hurricane mitigation program. Each of these calls receives the personal service of a DCS Insurance Specialist. Based on the statistical trends of the past five years, the annual number of calls to the Helpline is expected to remain within the same range for the next five years, but could increase dramatically because of major hurricanes or other natural disasters.

The division strives to provide personal service to each individual calling the Helpline within two minutes regardless of the fluctuation in the number of calls. The division also conducts a continuous audit program to ensure a high level of service and information is provided to consumers.

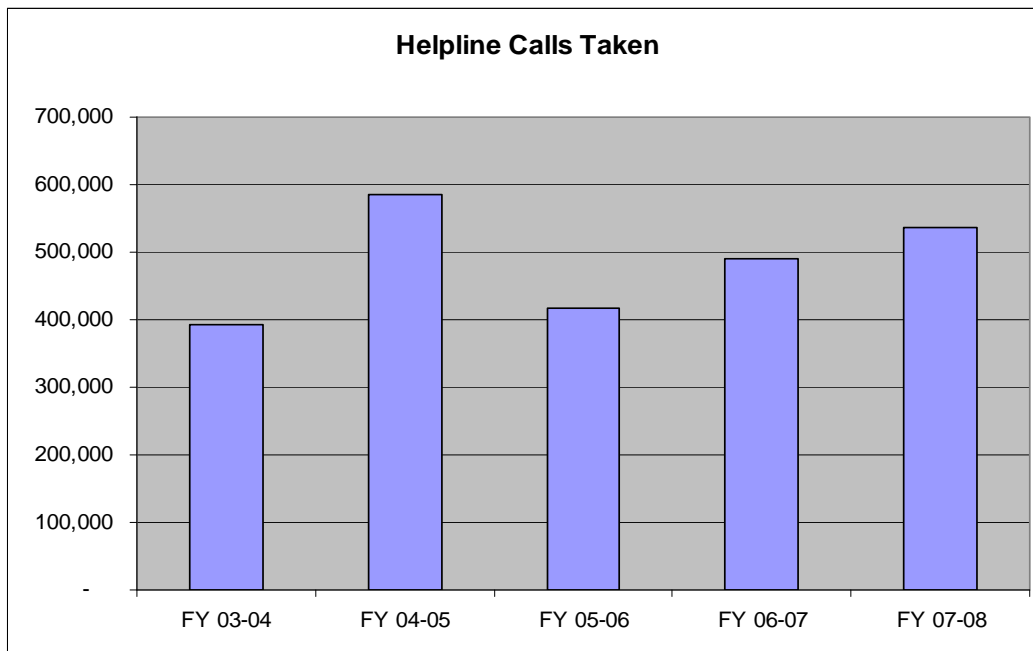


Figure 2-CS. Five year trend in number of calls taken at the Helpline

Calls to the Helpline often result in the generation of requests for assistance in which consumers seek resolutions to specific problems they are having with insurance companies or financial institutions (*Figure 3-CS*). The number of annual requests for assistance has ranged from a low of 59,240 in FY2007-08 to a high of 110,430 in hurricane-laden FY2004-05. Even though the average number of requests for assistance is approximately 63,000 (excluding hurricane files), the division attempts to provide an equitable resolution within 30 days.

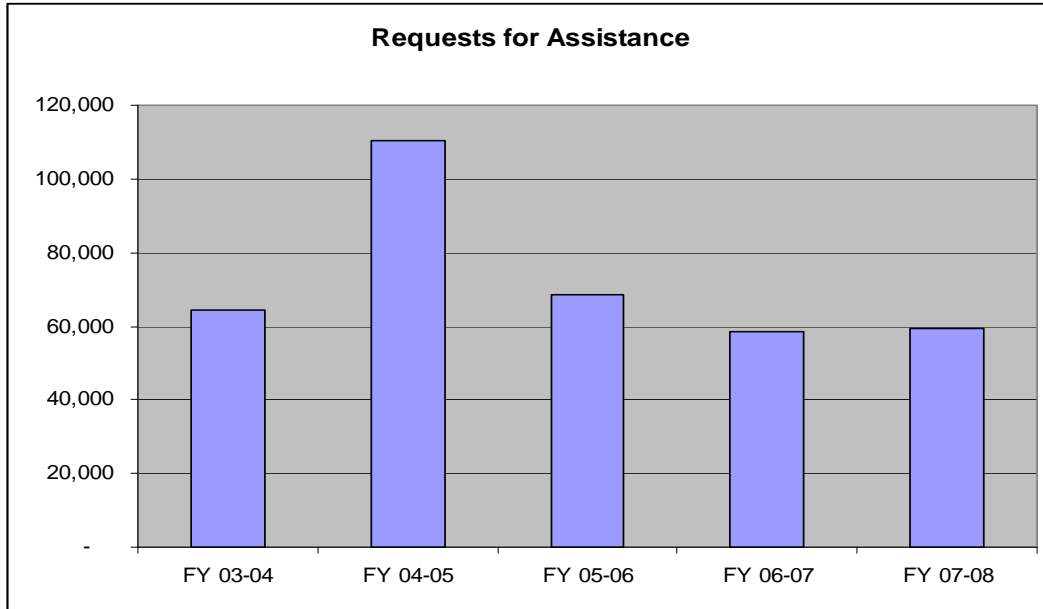


Figure 2-CS. Five year trend in the number of requests for assistance worked on by staff.

While Consumer Services continues to maintain a high level of professionalism among its Insurance Specialists, several conditions are being addressed on an ongoing basis. The division has a high turnover rate due to employee burnout and the lack of competitive salaries. Additionally, due to the complex and ever-changing nature of the insurance and financial sectors, specialists are required to receive lengthy and frequent training to assure that they have the necessary expertise to advise consumers.

Division of Information Services plans, develops, manages and operates the information technology (IT) resources for the Department of Financial Services (DFS), Office of Financial Regulation (OFR) and Office of Insurance Regulation (OIR). These entities rely heavily on information and IT resources for the efficient and effective management of its operations.

The Division of Information Services seeks to provide a reliable and cost effective technical infrastructure that allows DFS, OFR and OIR to achieve their goals and objectives. One of the problems it faces is turnover in technically proficient staff members, in large part attributed to its inability to both attract and keep skilled persons. In the past three years DIS has lost 23 employees to the private sector, universities or other state agencies, all willing to pay an average of 30% more in salaries than DIS was able to offer (*Table DIS-1*).

DIS Section	DFS Salary	Approximate salary employee left for	Difference	Private/State	Percent increase
Application Design	\$39,949	\$50,000.00	\$10,051.00	Private	25%
Distributed Infrastructure	\$39,358	\$55,000.00	\$15,641.68	Private	40%
Distributed Infrastructure	\$41,439	\$65,000.00	\$23,561.00	Private	57%
Distributed Infrastructure	\$37,203	\$60,000.00	\$22,797.00	Private	61%
Distributed Infrastructure	\$43,512	\$80,000.00	\$36,488.00	Private	84%
Distributed Infrastructure	\$36,314	\$60,000.00	\$23,686.00	Private	65%
Distributed Infrastructure	\$58,605	\$90,000.00	\$31,395.00	Private	54%
Financial Application	\$40,900	\$63,000.00	\$22,100.00	Private	54%
Mainframe Infrastructure	\$55,000	\$70,000.00	\$15,000.00	University	27%
Office of the Director	\$86,402	\$104,999.96	\$18,597.56	University	22%
Application Design	\$51,949	\$57,145.00	\$5,196.00	State	10%
Application Design	\$49,164	\$54,000.00	\$4,836.00	State	10%
Distributed Infrastructure	\$47,655	\$70,000.00	\$22,345.00	State	47%
Distributed Infrastructure	\$49,728	\$59,159.00	\$9,431.00	State	19%
Distributed Infrastructure	\$39,358	\$60,000.00	\$20,641.68	State	52%
Financial Application	\$27,800	\$38,000.00	\$10,200.00	State	37%
Financial Application	\$35,400	\$41,000.00	\$5,600.00	State	16%
Financial Application	\$31,400	\$35,000.00	\$3,600.00	State	11%
Office of the Director	\$98,117	\$100,940.00	\$2,823.34	State	3%
Office of the Director	\$82,224	\$87,000.00	\$4,775.75	State	6%
Programming Design	\$46,767	\$56,000.00	\$9,233.00	State	20%
Programming Design	\$47,090	\$55,300.00	\$8,210.00	State	17%
Programming Design	\$36,439	\$46,836.00	\$10,397.00	State	29%
TOTALS	\$1,121,774	\$1,458,379.96	\$336,606.01		30%

Table DIS-1. Loss of DIS expertise displayed by DFS salary, competing salary and competing employer.

The Division of Information Services seeks to provide exceptional service but has found that, in the highly competitive technology market, it has limited ability to recruit, attract, hire or retain employees with needed skills. It is difficult to provide adequate, much less exceptional, customer service while losing valuable employees. As seen in *Table DIS-1*, DIS loses out not only to the private sector but also to other state agencies. Consequently, DIS must hire technical expertise from the private sector.

The Division of Information Service has found vendor outsourcing for technological development and maintenance to be expensive, difficult to manage and often unsuccessful. For example, DIS ends up contracting with outside organizations at greater cost, rather than being able to fill state positions with applicants who have the essential and critical skills needed in a modern technology setting. DIS conducted a study to review the benefits of using FTE replacement versus Augmented Staff Contracting. The study concluded that the Department

could potentially recognize a cost savings by using FTE replacement in lieu of Augmented Staff Contracting.

Division of Administration. The Division of Administration provides administrative support to the department, the Office of Insurance Regulation (OIR), and the Office of Financial Regulation (OFR). The department, including both OIR and OFR, has 2870.5 full time equivalent positions and averages 250 temporary employees annually, depending upon budget and need. The Division of Administration operates with 110.5 of these positions. Additionally, for FY 2009, DFS/OFR/OIR have a total combined budget of \$292,054,582. DFS has 40 leases statewide for a total of 754,704 square feet and owns two facilities: State Fire Marshal Arson Lab and the Fire College.

The department has been through a number of reorganizations and mergers in the recent past. In 2002, the Division of Workers' Compensation within the Department of Labor was moved to the Department of Insurance. In 2003, the Department of Insurance merged with the Department of Banking and Finance, to create the current Department of Financial Services. Business processes from three different entities were merged into one agency. The department continues to review its business processes in order to ensure efficient use of human, operational and financial resources. The department most recently completed a review of its contracting procurement process and has implemented improvements with three areas of emphasis in DFS procurement operations: equity, integrity and efficiency. Also, a Contract Procurement Guide was developed for anyone in the department who procures or assists in procurement. This handbook describes policies and procedures, as well as providing useful information that reflects the experience and best practices in government purchasing.

The department considers its full-time and temporary employees to be its most valuable resource. Even though the department cannot compete with the private sector in certain areas of recruitment and retention, the department can take proactive measures to help improve the quality and effectiveness of its workforce. These include developing an aggressive recruitment process that will seek out and attract quality candidates and providing a workplace environment that is conducive to retaining quality employees. With this in mind, the Department established the Academy of Leadership and Excellence Program. This Program strives to be recognized as the benchmark internship program in Florida state government for identifying, recruiting and retaining new talent and building careers in public service. The Academy provides real-world work experience, professional development, and career opportunities in public service for Florida's best and brightest university students. Students receive substantive and challenging work assignments from their assigned mentor and have their work evaluated on a professional level. The inaugural class of 2008 consisted of 18 university students from FSU and FAMU who were assigned within 11 divisions across the Department. Students have paid positions and are required to work at least 20 hours a week. All students must maintain above a 3.0 GPA and be a junior, senior or a graduate student. Future opportunities will be open to all state university students. Further, the department plans to develop a leadership training program, continue improving upon existing supervisory training, addressing department-wide salary issues and implementing the department's cost allocation methodology. Most recently, the department established an Office of Learning and Development in an effort to proactively address the quality and effectiveness of its workforce.

Office of the Inspector General (OIG). The OIG’s mission is “to promote integrity, accountability and process improvement within the Department.” The OIG has also updated their vision statement to reflect a flexible, focused and communicable picture of the future as a goal for OIG: “to provide key feedback and insights to the DFS team in achieving the Department’s mission: championed by our customers, benchmarked by our counterparts and dedicated to quality in our products and services.” This vision statement reflects the priority the Office of Inspector General places on identifying and evaluating key internal controls as a standard part of each engagement. We believe this perspective helps the Department improve the activities DFS performs on behalf of the citizens.

Staff of the Office of Inspector General routinely interface with citizens who have issues they need to have addressed by government. Although these concerns do not usually fall into the typical inspector general misconduct categories, office staff members make sure consumer complaints are routed to the appropriate entity either within the Department, or within the Enterprise, for a thorough review.

Chief of Staff (COS). The CFO’s constitutional and legal authority is clearly spelled out, but her leadership and policy roles continue to be defined. The CFO has an opportunity to shape the role in light of the Department’s stated goals. The COS is undertaking a study of its communications and legislative support processes in order to better serve the CFO’s constituency as well as achieve efficient use of its resources. The Office of the COS is responsible for communicating the CFO’s policy goals, leadership role, and the work of the department, consistent with the department’s goals, to the public, using media outlets, business and advocacy groups, and consumer outreach campaigns. The COS also researches and analyzes issues for legislative and cabinet decision making, assuring that the CFO is fully prepared and informed on each subject that confronts law and policy makers. Most recently, the legislature established a Strategic Markets Research and Assessment Unit within the department in order to monitor the status of the state’s financial services markets. Periodic reports, including findings/recommendations regarding regulatory and policy changes, are due to the Cabinet, the President of the Senate and the Speaker of the House. The COS works at the direction of the CFO; both are subject to significant forces, whether internal from state government or external from the electorate.

PRIORITIZATION OF GOALS AND OBJECTIVES

FINANCIAL ACCOUNTABILITY

Goal 1. The department will be a vigilant steward of the state's and its people's resources.

Division of Accounting and Auditing

Objective 1A: Establish performance metrics that improve state agency financial accountability

Outcome: Percentage of agencies evaluated who achieve compliance with year-end closing procedures and financial statement preparation for the Comprehensive Annual Financial Report

FY2008-09	FY2009-10	FY2010-11	FY2011-12	FY2012-13	FY2013-14
60%	65%	70%	75%	80%	85%

Objective 1B: Customers will receive prompt, satisfactory and accurate service

Outcome: Percentage of program's customers who returned an overall customer service rating of good or excellent on surveys

FY2007-08	FY2008-09	FY2009-10	FY2010-11	FY2011-12	FY2012-13	FY2013-14
95%	95%	95%	95%	95%	95%	95%

Division of Risk Management

Objective 1C: Maintain a prompt payment compliance rate, as defined by F.S. 215.422.

Outcome: Percentage of payments made timely.

FY2007-08	FY2008-09	FY2009-10	FY2010-11	FY2011-12	FY2012-13	FY2013-14
95%	95%	95%	95%	95%	95%	95%

Objective 1D: Increase efficiency by using Automated Clearing House (ACH) payments for workers' compensation claims with expected expansion to other clients

Outcome: Annual increases in the number of ACH transactions

FY2007-08 Baseline/Actual	FY2008-09	FY2009-10	FY2010-11	FY2011-12	FY2012-13	FY2013-14
7,104	7,814	8,595	9,454	10,399	11,438	12,581

**Division of Treasury
Bureau of Collateral Management**

Objective 1E: To be effective stewards of the operational monies and other financial assets of the state

Outcome a: Percent of analyses of those institutions with the “Special Handling” designation will be completed within 5 working days of the end of the quarterly cycle.

FY2007-08 Baseline	FY2008-09	FY2009-10	FY2010-11	FY2011-12	FY2012-13	FY2013-14
100%	100%	100%	100%	100%	100%	100%

Outcome b: Percentage of transactions that are completed within three business days

FY2007-08 Baseline	FY2008-09	FY2009-10	FY2010-11	FY2011-12	FY2012-13	FY2013-14
80%	82%	84%	86%	88%	90%	90%

**Division of Treasury
Bureau of Funds Management**

Objective 1F: Agencies will have faster access to funds received in the Treasury.

Outcome: Percentage of all agency concentration account deposit transactions to be matched and credited within four days of the bank deposit date

FY2007-08 Baseline	FY2008-09	FY2009-10	FY2010-11	FY2011-12	FY2012-13	FY2013-14
86%	88%	90%	90%	90%	90%	90%

Division of Rehabilitation and Liquidation

Objective 1G: Protect the financial interests of claimants in a receivership through comprehensive estate management

Outcome a: Percentage of appraised value of assets liquidated for real property

FY2007-08	FY2008-09	FY2009-10	FY2010-11	FY2011-12	FY2012-13	FY2013-14
512.2%*	90%	90%	90%	90%	90%	90%

*Only one property was sold in 2007-08. This property sold for more than five times the appraised value.

Outcome b: Percentage of appraised value of assets liquidated for personal property

FY2007-08	FY2008-09	FY2009-10	FY2010-11	FY2011-12	FY2012-13	FY2013-14
100%	75%	75%	75%	75%	75%	75%

FINANCIAL ACCOUNTABILITY

Goal 2. The department will promote financial accountability in state contracts.

Division of Accounting and Auditing

Objective 2: Improve state agency contract compliance with statutory statement of work standards

Outcome a: Percentage of new agency contracts meeting established accountability standards: objective measurable deliverables; specific time periods for performance; objective criteria for measuring deliverables; criteria for sanctions; and legal compliance

FY2008-09	FY2009-10	FY2010-11	FY2011-12	FY2012-13	FY2013-14
35%	40%	40%	50%	50%	50%

Division of Administration

Outcome b: Percentage of DFS contracts sampled for review prior to execution by the Division of Administration's Purchasing Office that meet the Division of Accounting and Auditing accountability standards.

FY2008-09 Baseline	FY2009-10	FY2010-11	FY2011-12	FY2012-13	FY2013-14
TBD	75%	80%	85%	85%	85%

ENFORCEMENT

Goal 3. *In the execution of its constitutional and statutory mandates, the department will protect the health, safety and welfare of the public.*

Division of Insurance Fraud

Objective 3A: Increase the professionalism of the Division

Outcome: Percentage reduction in turnover of sworn personnel (50% reduction over seven years from the baseline year)

Baseline FY2006-07	FY2007-08	FY2008-09	FY2009-10	FY2010-11	FY2011-12	FY2012-13	FY2013-14
11%	10%	9%	8%	7%	6%	5%	4%

Objective 3B: Increase the impact of investigations completed by the Division

Outcome: Increase in dollar amount of recommended restitution orders per case (100% over seven years from the baseline years)

FY2007-08	FY2008-09	FY2009-10	FY2010-11	FY2011-12	FY2012-13	FY2013-14
30,000*	\$439,000	\$512,000	\$585,000	\$658,000	\$732,000	\$878,000

* Previously set goal

Division of State Fire Marshal Bureau of Fire and Arson Investigations

Objective 3C: Produce more prosecutable cases

Outcome: Percent of arson arrests resulting in conviction

FY2006-07 Baseline	FY2008-09	FY2009-10	FY2010-11	FY2011-12	FY2012-13	FY2013-14
87.1%	89%	89%	90%	90%	90%	90%

Bureau of Forensic Fire and Explosives Analysis

Objective 3D: Maintain average turnaround time for sample analyses completions

Outcome: Average turnaround time

FY2006-07 Baseline	FY2007-08	FY2008-09	FY2009-10	FY2010-11	FY2011-12	FY2012-13	FY2013-14
8.5 days	8.0 days	7.75 days	7.5 days	7.50 days	7.25 days	7.25 days	7.0 days

Division of Funeral, Cemetery and Consumer Services

Objective 3E: Prevent misappropriation of care and maintenance, preconstruction and preneed trust funds

Outcome: Percentage of financial examinations with deficit findings that result in deficits being corrected

FY2007-08 Baseline	FY2008-09	FY2009-10	FY2010-11	FY2011-12	FY2012-13	FY2013-14
90%	90%	91%	91%	92%	93%	95%

Objective 3F: Ensure funeral establishments, direct disposal establishments, central embalming facilities, refrigeration services and removal services comply with health and safety standards

Outcome: Percentage of funeral establishment inspections with health and safety findings that resulted in improved standards and conditions

FY2007-08 Baseline	FY2008-09	FY2009-10	FY2010-11	FY2011-12	FY2012-13	FY2013-14
72.65%	90%	91%	91%	92%	93%	93%

Objective 3G: Ensure all licensed cemeteries are keeping accurate burial records and are properly maintaining the cemetery grounds

Outcome: Percentage of cemetery inspections with findings that resulted in improved care and maintenance and/or more accurate burial records

FY2007-08 Baseline	FY2008-09	FY2009-10	FY2010-11	FY2011-12	FY2012-13	FY2013-14
64.29%	75%	85%	91%	92%	93%	93%

**Division of Workers Compensation
Bureau of Data Quality and Collection**

Objective 3H: Implement an efficient, accurate and real time electronic data interchange claims reporting system for the Florida Workers' Compensation system, using the national standard for electronic claims reporting.

Outcome: Percentage of indemnity claim information reports that are filed electronically during the fiscal year.

FY2006-07 Baseline	FY2007-08	FY2008-09	FY2009-10	FY2010-11	FY2011-12	FY2012-13	FY2013-14
33%	36%	75%	100%	100%	100%	100%	100%

**Division of Agent and Agency Services
Bureau of Investigation**

Objective 3I: Protect insurance-buying consumers from financial harm and deceitful practices

Outcome: Percent of completed investigations recommended for formal action that result in an action

FY2006-07 Baseline	FY 2007-2008 Actual	FY2008-09	FY2009-10	FY2010-11	FY2011-12	FY2012-13	FY2013-14
27%	75%	75%	75%	75%	75%	75%	75%

Division of Legal Services

Objective 3J: Increase the number of insurers receiving service of process by electronic means

Outcome: Percentage of insurers receiving service of process by electronic means

FY2006-07 Baseline	FY2007-08	FY2008-09	FY2009-10	FY2010-11	FY2011-12	FY2012-13	FY2013-14
10%	40%	50%	60%	70%	80%	90%	100%

FIRE SAFETY

Goal 4. The State Fire Marshal shall effectively prevent and discourage arson and arson related crimes for the protection of Florida’s citizens and their property.

**Division of State Fire Marshal
Bureau of Fire Prevention**

Objective 4A: Increase fire and life safety through aggressive inspections, investigations and education

Outcome: Percentage of mandated regulatory inspections completed

FY2006-07 Baseline	FY2008-09	FY2009-10	FY2010-11	FY2011-12	FY2012-13	FY2013-14
100%	100%	100%	100%	100%	100%	100%

Objective 4B: Increase fire and life safety through aggressive inspections, investigations and education (Boiler Safety)

Outcome: Percentage of boilers inspected within the timeframe required by administrative rule

FY2007-08 Baseline	FY2008-09	FY2009-10	FY2010-11	FY2011-12	FY2012-13	FY2013-14
100%	100%	100%	100%	100%	100%	100%

Florida Fire Incident Reporting System

Objective 4C: Obtain 100% reporting by Florida fire departments submitting EMS and fire incidents to the Florida Fire Incident Reporting System

Outcome: Percentage of Florida fire departments submitting incidents

CY2008	CY2009	CY2010	CY2011	CY2012	CY2013	CY2014
84.5%	85%	86.5%	87%	88%	89%	90%

*Calendar year

EDUCATION

Goal 5. Our customers will receive timely, helpful and accurate information upon which they can act to protect themselves and their assets

Division of Consumer Services

Objective 5A: Increase service levels for those Floridians requiring insurance or financial assistance.

Outcome a: Percentage of consumers satisfied with the services provided

FY2006-07 Baseline	FY2007-08	FY2008-09	FY2009-10	FY2010-11	FY2011-12	FY2012-13	FY2013-14
75%	74%	82 %	84 %	86 %	88%	90 %	90%

Outcome b: Percentage of phone calls answered within two minutes

FY2006-07 Baseline	FY2007-08	FY2008-09	FY2009-10	FY2010-11	FY2011-12	FY2012-13	FY2013-14
86%	70%	90%	92%	94%	96%	98%	98%

Division of Treasury

Bureau of Deferred Compensation

Objective 5B: Assist state employees in achieving financial security in their retirement years

Outcome a: The net increase of state employees participating in the State Deferred Compensation Plan

FY2006-07 Baseline	FY2007-08	FY2008-09	FY2009-10	FY2010-11	FY2011-12	FY2012-13	FY2013-14
74,358	75,812	75,558	76,159	76,758	77,358	77,958	78,737

Outcome b: Percentage increase in the deferred compensation average contributions year over year (two percent)

FY2006-07 Baseline	FY2007-08	FY2008-09	FY2009-10	FY2010-11	FY2011-12	FY2012-13	FY2013-14
\$10,537,179	\$10,503,818	\$10,962,881	\$11,182,138	\$11,405,781	\$11,633,897	\$11,866,574	12,103,905

My Safe Florida Home

Objective 5C: To increase the number of homeowners obtaining savings on their hurricane insurance.

Outcome: Amount and percentage increase in hurricane insurance premium dollars saved by homeowners following a state-sponsored wind inspection.

FY2007	FY2008
125,000 homeowners save an average of 15% on wind premiums	225,000 homeowners save an average of 15% on wind premiums

*Time-limited program

Division of State Fire Marshal Bureau of Fire Standards and Training

Objective 5D: Increase firefighter safety and health through aggressive inspection, investigation and accreditation

Outcome: Percent of Fire College students passing certification exam on first attempt

FY2007-08 Baseline	FY2008-09	FY2009-10	FY2010-11	FY2011-12	FY2012-13	FY2013-14
92%	92%	92%	92%	92%	92%	92%

Division of Risk Management

Objective 5E: Reduce the frequency of claims resulting from unsafe working conditions in state agencies

Outcome: Number of notices, called target referrals, that inform state agencies of potentially unsafe working conditions

FY2006-07 Baseline	FY2007-08	FY2008-09	FY2009-10	FY2010-11	FY2011-12	FY2012-13	FY2013-14
13	29	39	59	89	89	89	89

ADVOCACY

Goal 6. The department will protect customer interests inside and outside state government.

Office of Insurance Consumer Advocate

Objective 6A: Identify market conditions or insurer practices that adversely or positively affect Florida's insurance policyholders.

Outcome: Number of available resources used to research and respond to insurance market conditions that affect Florida's insurance policyholders.

FY2007-08 Baseline	FY2008-09	FY2009-10	FY2010-11	FY2011-12	FY2012-13	FY2013-14
60	70	80	90	95	96	96

Objective 6B: Review all incoming individual consumer requests for assistance including inquiries received via internet and e-mail.

Outcome: Percentage of requests for assistance that are reviewed, responded to and/or referred within 10 days.

FY2008-09 Baseline	FY2008-09	FY2009-10	FY2010-11	FY2011-12	FY2012-13	FY2013-14
85%	86%	89%	90%	91%	92%	92%

Division of Consumer Services

Objective 6C: Ensure consumers are provided full benefits and services as stated in their financial contracts and insurance policies

Outcome: Percentage of consumer activities provided by the department that result in quality service

FY2008-09 Baseline	FY2008-09	FY2009-10	FY2010-11	FY2011-12	FY2012-13	FY2013-14
80%	80%	82%	84%	86%	88%	88%

Division of Information Services

Objective 6D: Provide exceptional customer service and achieve a customer survey rating of a (4) or better in a 5 point rating scale.

Outcome: Percent of customers who returned a customer service satisfaction rating of at least four (4) on a scale of one (1) to five (5) on surveys (with 5 being highest rating).

FY2007-08	FY2008-09	FY2009-10	FY2010-11	FY2011-12	FY2012-13	FY2013-14
* 93.8%	93.8%	93.8%	94%	94%	94%	94.5%

* FY2007-2008 reporting data is for seven (7) months. DIS began monthly surveys December 2007.

Division of Administration

Objective 6E: Assist the department in maximizing financial, operational and human resources

Outcome a: Percentage of vendor invoices submitted to the Division of Accounting and Auditing for payment processing within 20 days of transaction

FY2007-08 Actual	FY2008-09	FY2009-10	FY2010-11	FY2011-12	FY2012-13	FY2013-14
94%	96%	96%	97%	97%	97%	97%

Outcome b: Percentage of department employees responding to an annual survey who indicate overall satisfaction with Division of Administration services

FY2007-08 Actual	FY2008-09	FY2009-10	FY2010-11	FY2011-12	FY2012-13	FY2013-14
85%	86%	87%	88%	89%	90%	91%

Office of the Inspector General

Objective 6F: Provide internal customers with what they need most in OIG investigations: timeliness and sufficiency

Outcome a: Timeliness. Percentage of internal employee misconduct investigation completed in an average of 75 days

FY2007-08	FY2008-09	FY2009-10	FY2010-11	FY2011-12	FY2012-13	FY2013-14
60%	80%	90%	90%	90%	90%	90%

Outcome b: Sufficiency. By survey, percentage of internal customers who are satisfied with sufficiency of investigation

FY2007-08	FY2008-09	FY2009-10	FY2010-11	FY2011-12	FY2012-13	FY2013-14
Not Measured	Setting baseline	75%	80%	85%	90%	95%

Objective 6G: Provide internal customers with audit coverage of high risk projects and programs

Outcome: Percentage of project audits identified in annual audit work plan that are completed

FY2007-08	FY2008-09	FY2009-10	FY2010-11	FY2011-12	FY2012-13	FY2013-14
20%	60%	60%	60%	60%	60%	60%

SERVICE OUTCOMES

Program: Office of Chief Financial Officer and Administration

This program provides support to the elected Chief Financial Officer and to the agency's programs. This program includes the Chief Financial Officer, Chief of Staff, Deputy Chief Financial Officer(s), Inspector General, Insurance Consumer Advocate, Cabinet Affairs, Legislative Affairs, and the Divisions of Administration, Information Systems and Legal Services.

43010100 Executive Direction and Support Services

The Office of Chief Financial Officer (CFO) provides overall direction in carrying out the department's constitutional, statutory and administrative responsibilities. The Executive Office, in support of the CFO, is directed by the Chief of Staff who provides leadership, direction and executive guidance to all units of the department. Executive Direction and Support Services includes the following: Executive Direction, Legislative Affairs, Cabinet Affairs, Inspector General, Communication, and Administration.

Service Outcome: Administrative costs as a percent of total agency costs.

FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14
4.43%	4.43%	4.43%	4.43%	4.43%

43010200 Legal Services

This service provides legal services, counsel and advice regarding the constitutional and statutory responsibilities of the Chief Financial Officer and to the agency's program staff, as well as to the agency's external customers. Legal Services is responsible for drafting and reviewing legal documents, construing law, handling litigation or the threat of litigation, in a judicial or administrative forums and advising the CFO and program staff on legal matters pertinent to carrying out their constitutional and statutory responsibilities. Legal Services also assists agency staff in drafting new legislation or amendments to existing statutes, preparing and promulgating administrative rules, and assists with the preparation of legal and related documents.

Service Outcome: Percent of closed files involving allegations of statutory violation that were successfully prosecuted.

FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14
88%	88%	88%	88%	88%

43010300 Information Technology

This service provides the data processing infrastructure and information technology resources for the agency's core process systems. This service provides expertise on information technology design, development, purchase and implementation, and provides programming, maintenance

and desktop support for all of the agency's programs. This service provides the platform and support for the agency's web applications. These resources are critical for the agency to achieve its mission and are defined by policy to be "information processing hardware/software, communication resources, strategic applications, personnel, contracts with outside information technology consultants, facility resources, information technology maintenance, information technology training and other related resources."

Outcome: [Percent of customers who returned a customer service satisfaction rating of at least four \(4\) on a scale of one \(1\) to five \(5\) on surveys](#) (with 5 being the highest rating).

FY2009-10	FY2010-11	FY2011-12	FY2012-13	FY2013-14
85%	85%	85%	85%	85%

43010400 Consumer Advocate

The Office of the Insurance Consumer Advocate is created by s. 627.0613, Florida Statutes, to represent the general public of the state before the Department of Financial Services and the Office of Insurance Regulation. The Consumer Advocate must report directly to the Chief Financial Officer but is not otherwise under the authority of the department or any employee of the department. By statute, the duties of the Office of the Insurance Consumer Advocate include, but are not limited to, representation of the general public by petition or testimony or by commencement of any proceeding or action in regulatory matters before the department or office. Specifically, the Office of the Insurance Consumer Advocate is charged with the examination of rate and form filings submitted to the Office of Insurance Regulation; and is further charged with the responsibility to recommend to the department or Office of Insurance Regulation any position deemed by the Consumer Advocate to be in the public interest. In furtherance of its duties, the Consumer Advocate also has the authority to hire consultants as necessary. In addition, the Consumer Advocate or his or her designee serves, by statutory appointment, on numerous Boards and Commissions related to the regulation of insurance-related entities.

Outcome: * A separate budget entity was created for the Consumer Advocate, effective July 1, 2008. The department is working to develop meaningful performance measures and service outcome measure for this entity.

43010500 Information Technology – FLAIR Infrastructure

This service provides for the day-to-day operations of the State of Florida's accounting system. The Florida Accounting Information Resource system (FLAIR) is a statewide accounting system which is used by end-users at state agencies and consists of four major components; Departmental Accounting, Central Accounting, Payroll, and Information Warehouse. The core service responsibilities for FLAIR are analysis, design, development, maintenance and operations.

Outcome: [Percent of scheduled hours computer and network are available](#)

FY2009-10	FY2010-11	FY2011-12	FY2012-13	FY2013-14
99.95%	99.95%	99.95%	99.95%	99.95%

Program: Treasury

43100200 Deposit Security

The Deposit Security Service is a centralized deposit location for specialized management, control, and reporting of regulatory collateral deposits. Regulatory collateral deposits are required of various entities by state agencies and governmental units as a condition of doing business or acts of guarantee. The office evaluates deposited collateral in relation to statutory requirements and acts on behalf of state agencies and governmental units requiring the deposit.

This specialization allows the use of custodial contracts and financial information services that are not available or cost effective for individual regulatory purposes. The service includes the program administration of the "Florida Security for Public Deposits Act", which is a statewide "pool" program insuring that public deposits of the state and governmental units are protected from loss due to failure of a financial institution. The office approves institutions, analyzes financial condition and trends, handles all reporting requirements and determines collateral pledging levels. The regulatory collateral deposits guaranteeing institutions in the Public Deposits Program are evaluated, and maintained in the same manner as other regulatory collateral deposits in the service.

Service Outcome: Maximum administrative unit cost per \$100,000 of securities placed for deposit security service purposes.

FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14
\$20	\$20	\$20	\$20	\$20

43100300 State Funds Management and Investment

The State Funds Management and Investment Service receives funds, pays warrants and other orders for payment made by the Division of Accounting and Auditing, invests funds and performs cash management services. This service also performs accounting and reporting services related to each of the above functions.

Service Outcome: Ratio of net rate of return to established national benchmarks for (I) Internal liquidity investments.

FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14
1.0	1.0	1.0	1.0	1.0

43100400 Supplemental Retirement Plan

This service administers the State of Florida Deferred Compensation Plan in order to provide Florida governmental employees with an effective, safe, and convenient method of supplementing their retirement income. The State Deferred Compensation Plan also ensures that qualified participants are informed as to the availability of the plan, approves the Investment Provider companies and reviews their investment products. The service is responsible for developing marketing materials to encourage enrollment, developing educational materials to assist state employees in making sound investment decisions, and providing participants with customer service phone lines.

Service Outcome: Number of new participants in the State Deferred Compensation Plan over previous year

FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14
600	600	600	600	600

Program: Financial Accountability for Public Funds

43200100 State Financial Information and State Agency Accounting

This service provides financial management and financial policy as provided by the Constitution and Florida Statutes. The Department maintains all of the state's financial information in the Florida Accounting Information Resource (FLAIR) Central and Departmental subsystems to provide accountability of state funds. The Department prepares and issues the State of Florida Comprehensive Annual Financial Report. This service benefits state agencies, legislators, vendors, capital markets, media providers, and other public and private enterprises needing financial information relevant to the State of Florida. The department is seeking to implement a replacement to the existing state accounting system and treasurer's cash management system. The replacement system will provide needed improvements in reporting, financial and system control, and improved functionality to users.

Service Outcome: Percent of program's customers who returned an overall customer service rating of good or excellent on surveys.

FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14
95%	95%	95%	95%	95%

43200200 Recovery and Return of Unclaimed Property

This service locates, takes custody of and returns unclaimed property to the rightful owners in accordance with the Florida Disposition of Unclaimed Property Act. The unclaimed property program exists in parallel with the unclaimed property programs in each state, the District of Columbia, Puerto Rico, British Columbia and Quebec. The programs exist in order to identify,

collect, store and ultimately return unclaimed assets to businesses, governmental units, and the general public.

Service Outcome: Total dollar amount of claims paid to the owner as a percent of the total dollars in returnable accounts reported/received in prior fiscal year.

FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14
75%	75%	75%	75%	75%

Program: Fire Marshal

43300200 Compliance and Enforcement

This service is responsible for enforcement of all laws and rules relating to the construction of state-owned buildings, the Boiler Safety Act and the licensing and regulation of fire equipment dealers, pre-engineered systems, fire protection (sprinkler) systems and contractors, engineered fire protection systems, explosives, and fireworks industries. This service is also responsible for promulgation, administration and interpretation of the Florida Fire Prevention Code (comprised of uniform and minimum fire safety codes and standards). Building inspections of state owned and certain state leased buildings are conducted for Fire Code and Life Safety Code compliance. Boilers are inspected for compliance with the Boiler Safety Act and construction documents are evaluated for code compliance in advance of construction of state owned and state leased buildings. Industry regulation includes the investigation of complaints against the industry providers, licensing, administrative prosecution of licensees when appropriate, product testing, and field inspections.

Service Outcome: Number of fire related deaths occurring in state owned properties required to be inspected.

FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14
0	0	0	0	0

43300300 Fire and Arson Investigations

This service investigates the origin, cause, and circumstances of fires and explosions for the detection and prevention of hazards and crimes against the public including, but not limited to, arson. This includes investigations of incidents where explosives or destructive devices may have been utilized or illegally sold or fires that resulted in firefighter injuries or deaths. Investigations include examinations of fire and explosion scenes; taking, storing and tracking evidence, photographing and videotaping scenes and suspects, conducting interviews and interrogations, apprehension of offenders and providing expert testimony assistance with criminal prosecutions and external investigators and litigants.

Service Outcome: Percent of closed fire investigations successfully concluded, including by cause determined, suspect identified and/or, arrested or other reasons.

FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14
80%	80%	100%	100%	100%

43300400 Professional Training and Standards

This service provides for the development and delivery of educational programs leading to certification or competency in a variety of fire service disciplines. Currently over fifty courses are offered through the Florida State Fire College. The Bureau is the accrediting agency for firefighters staffing the state's Urban Search and Rescue teams and Hazardous Materials teams. The College also offers Bachelor and Master of Science degrees through the University of Florida. The Bureau also is required to track firefighter injuries and deaths, to investigate serious firefighter accidents and fatalities for purposes of reducing similar incidents, to determine trends, write reports, revise training, and when necessary to propose legislation with regards to firefighter occupation safety and health. In addition, certification and compliance examinations are developed and administered throughout the state. This service is also responsible for making eligibility determinations for all firefighters regarding participation in the state education "Salary Incentive Program."

Service Outcome: Percent of above satisfactory ratings by supervisors of students' job performance from post-class evaluations of skills gained through training at the Florida State Fire College.

FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14
90%	90%	90%	92%	92%

43300500 Fire Marshal Administrative and Support Services

This service includes the Office of the Director and the Forensic Laboratory.

The Office of the Director provides executive direction and support to all areas within the State Fire Marshal Program. Also included in the Director's Office, is the Fire Incident Reporting Section. This Section compiles fire incident data from fire departments throughout Florida. Additionally, this Office manages the activities of Emergency Support Functions 4 and 9 at the State Emergency Operations Center, coordinating statewide fire and search rescue operations during disasters. The Forensic Laboratory supports investigations by law enforcement components of police and fire agencies by providing specialized forensic analysis of evidence and images from fire and explosion scenes. The Bureau of Forensic Fire and Explosives Analysis is the only state laboratory providing fire debris and explosives analysis. Its imaging section provides processing, development, analysis, and archiving of film, digital, and video media in support of criminal investigations. The majority of its efforts are for internal customers of the Bureau of Fire and Arson Investigations (80 to 85%). The remainder of the work is performed for external customers from local police and fire agencies as well as other state law enforcement entities (15 to 20%).

Service Outcome: Administrative costs as a percent of program agency costs.

FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14
5.70%	5.70%	5.7%	5.7%	5.7%

Program: State Property and Casualty Claims

43400100 State Self-Insured Claims Adjustment

This program ensures that participating state agencies are provided quality workers' compensation, general liability, federal civil rights, auto liability, and property insurance coverage at reasonable rates by providing self-insurance, purchase of excess insurance as needed for the types of self insurance coverages provided by the program, claims handling, and technical assistance in managing risk.

Service Outcome: Average operational cost per claim worked.

FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14
\$239	\$244	\$249	\$255	\$261

Program: Licensing and Consumer Protection

43500100 Insurance Company Rehabilitation and Liquidation

This service is responsible for coordinating and directing the conservation, rehabilitation and liquidation of financially impaired or insolvent insurance companies. The rehabilitation process includes taking control of and protecting the property of the insurer, conducting the business of the insurer, and formulating a rehabilitation plan. The liquidation process includes consolidating and liquidating the insurer assets, identifying and paying claims, distributing assets to claimants and responding to consumer inquiries about the receivership process.

Service Outcome: Percentage of companies with only class 3 or higher claims closed within 2 years after all litigation is concluded and all objections have been resolved.

FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14
90%	90%	90%	90%	90%

43500200 Licensure Sales Appointment and Oversight

This service, through the Bureau of Licensing, administers the insurance laws and rules related to insurance representative license qualifications and eligibility, examinations, continuing education, and pre-licensing schools and courses, and issues licenses and appointments for all classes of insurance representatives. In addition, this service, through the Bureau of Investigation, investigates complaints received from various sources alleging violations of the Florida insurance code by licensees as well as unlicensed persons. As a result of the complaints, investigations are conducted and administrative action is taken against licensees resulting in fines and probation, suspensions, revocations and/or permanent removal from participation in the insurance industry. This service includes the Agent and Agency Services Director's office which provides direction and support to all agent and agency licensing and investigation activities.

Service Outcome: Percent of licensees disciplined.

FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14
7%	7%	7%	7%	7%

43500300 Insurance Fraud

This service has jurisdiction over and is authorized to investigate all allegations of insurance fraud and related criminal offenses in Florida. A case management tracking system with an internet interface is utilized to input referrals (complaints) received from the industry, the public, and internal referrals from other services/activities in the department. These complaints are assessed and, given the presence of sufficient information/evidence and resources, a criminal investigation is opened. The investigations that are successfully completed are presented for prosecution and may result in a criminal arrest and ultimately final disposition of the case.

Service Outcome: Percent of insurance fraud cases presented for prosecution by law enforcement investigators.

FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14
1%	1%	1%	1%	1%

*represents a 1% percentage increase over the previous year

43500400 Consumer Assistance

This service educates consumers by providing information that assists them in purchasing appropriate insurance and financial products for their needs and provides direct consumer assistance in resolving insurance and financial product problems. Consumers are assisted with insurance and financial product claims, complaints and inquiries. Programs are developed and presented at public forums, which provide information on insurance and financial product matters. Consumer outreach programs are developed and administered to assist insurance and financial product consumers in proceeding against regulated entities that have used deceptive sales practices or other misrepresentation in sales.

Service Outcome: Percent of consumer activities that result in quality service.

FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14
80%	80%	80%	80%	80%

43500500 Funeral and Cemetery Services

This service administers the funeral and cemetery laws and rules related to professional licensing qualifications and eligibility, examinations, and continuing education. It also issues licenses to establishments and cemetery companies who provide services to the public. This service conducts compliance examinations and inspections and investigates consumer complaints against funeral and cemetery industry establishments. Examination and inspection includes financial examinations of trust funds and on-site inspections of facilities. The service also provides administrative support to Board of Funeral, Cemetery and Consumer Services.

Service Outcome: Percentage of establishments and cemeteries inspected per year.

FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14
100%	100%	100%	100%	100%

Program: Workers' Compensation

43600100 Workers' Compensation

This service is to actively ensure the self-execution of the workers' compensation system through educating and informing all stakeholders in the system of their rights and responsibilities, compiling and monitoring system data, and holding parties accountable for meeting their obligations.

Service Outcome: Percent of first indemnity payments made timely.

FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14
95%	95%	95%	95%	95%

Glossary of Terms and Acronyms

Activity: A unit of work which has identifiable starting and ending points, consumes resources, and produces outputs. Unit cost information is determined using the outputs of activities.

Actual Expenditures: Includes prior year actual disbursements, payables and encumbrances. Payables and encumbrances are certified forward at the end of the fiscal year. They may be disbursed between July 1 and September 30 of the subsequent fiscal year. Certified forward amounts are included in the year in which the funds are committed and not shown in the year the funds are disbursed.

Appropriation Category: The lowest level line item of funding in the General Appropriations Act which represents a major expenditure classification of the budget entity. Within budget entities, these categories may include: salaries and benefits, other personal services (OPS), expenses, operating capital outlay, data processing services, fixed capital outlay, etc. These categories are defined within this glossary under individual listings. For a complete listing of all appropriation categories, please refer to the ACTR section in the LAS/PBS User's Manual for instructions on ordering a report.

Baseline Data: Indicators of a state agency's current performance level, pursuant to guidelines established by the Executive Office of the Governor in consultation with legislative appropriations and appropriate substantive committees.

BFFEA: Bureau of Forensic Fire and Explosives Analysis

Budget Entity: A unit or function at the lowest level to which funds are specifically appropriated in the appropriations act. "Budget entity" and "service" have the same meaning.

CAFR – Comprehensive Annual Financial Report

CIO - Chief Information Officer

CIP - Capital Improvements Program Plan

D3-A: A legislative budget request (LBR) exhibit which presents a narrative explanation and justification for each issue for the requested years.

Demand: The number of output units which are eligible to benefit from a service or activity.

DFS – Department of Financial Services

EOG - Executive Office of the Governor

Estimated Expenditures: Includes the amount estimated to be expended during the current fiscal year. These amounts will be computer generated based on the current year appropriations adjusted for vetoes and special appropriations bills.

FCO - Fixed Capital Outlay

Fixed Capital Outlay: Real property (land, buildings including appurtenances, fixtures and fixed equipment, structures, etc.), including additions, replacements, major repairs, and renovations to real property which materially extend its useful life or materially improve or change its functional use. Includes furniture and equipment necessary to furnish and operate a new or improved facility.

FLAIR - Florida Accounting Information Resource Subsystem

Florida Advisory Committee on Arson Prevention (FACAP): A non-profit corporation, founded in 1975, made up of personnel from the Bureau of Fire and Arson Investigations, Division of State Fire Marshal; federal, county and city law enforcement officers throughout the state, fire service personnel, insurance representatives, private arson investigators, attorneys and others engaged, on a continuing basis, in eradicating arson in Florida.

F.S. - Florida Statutes

GAA - General Appropriations Act

GR - General Revenue Fund

High Hazard (building inspections): Any building or structure, containing combustible or explosive matter; where persons receive educational instruction; that is a non-private dwelling residence; or contains three or more floor levels.

Indicator: A single quantitative or qualitative statement that reports information about the nature of a condition, entity or activity. This term is used commonly as a synonym for the word “measure.”

Information Technology Resources: Includes data processing-related hardware, software, services, telecommunications, supplies, personnel, facility resources, maintenance, and training.

Input: See Performance Measure.

Interagency Advisory Council on Loss Prevention: Representatives from state agencies meet quarterly to discuss safety problems within Florida state government, to attempt to find solutions for these problems, and, when possible, to assist in the implementation of the solutions.

IOE - Itemization of Expenditure

IT - Information Technology

Judicial Branch: All officers, employees, and offices of the Supreme Court, district courts of appeal, circuit courts, county courts, and the Judicial Qualifications Commission.

LAN - Local Area Network

LAS/PBS - Legislative Appropriations System/Planning and Budgeting Subsystem. The statewide appropriations and budgeting system owned and maintained by the Executive Office of the Governor.

LBC - Legislative Budget Commission: A standing joint committee of the Legislature. The Commission was created to: review and approve/disapprove agency requests to amend original approved budgets; review agency spending plans; and take other actions related to the fiscal matters of the state, as authorized in statute. It is composed of 14 members appointed by the President of the Senate and by the Speaker of the House of Representatives to two-year terms, running from the organization of one Legislature to the organization of the next Legislature.

LBR - Legislative Budget Request: A request to the Legislature, filed pursuant to section 216.023, Florida Statutes, or supplemental detailed requests filed with the Legislature, for the amounts of money an agency or branch of government believes will be needed to perform the functions that it is authorized, or which it is requesting authorization by law, to perform.

Life Safety Code: Also known as NFPA 101, it is a publication of the National Fire Protection Association (NFPA). In 1998, the Florida Legislature mandated that NFPA 101 and NFPA 1, the Uniform Fire Code, be adopted by the Florida State Fire Marshal as the base codes for the Florida Fire Prevention Code. With the adoption of the 2006 edition of the Life Safety Code along with the State Fire Marshal's adaptations for Florida, it will be entitled NFPA 101—2006 Florida Edition. The entire Florida Fire Prevention Code is scheduled to become effective on October 1, 2008, to match the planned effective date for the Florida Building Code.

L.O.F. - Laws of Florida

Loss Payment Revolving Fund: A fund maintained in a controlled disbursement/positive payment bank account for claim-related payments to claimants and vendors for casualty and property lines of coverage.

LRPP - Long-Range Program Plan

Long-Range Program Plan: A plan developed on an annual basis by each state agency that is policy based, priority-driven, accountable, and developed through careful examination and justification of all programs and their associated costs. Each plan is developed by examining the needs of agency customers and clients and proposing programs and associated costs to address those needs based on state priorities as established by law, the agency mission, and legislative authorization. The plan provides the framework and context for preparing the legislative budget request and includes performance indicators for evaluating the impact of programs and agency performance.

NASBO - National Association of State Budget Officers

Narrative: Justification for each service and activity is required at the program component detail level. Explanation, in many instances, will be required to provide a full understanding of how the dollar requirements were computed.

National Fire Incident Reporting System: A national database that collects data nationwide on all fire incidences and provides reports to interested parties for development of local and national fire prevention policies.

National Fire Protection Association (NFPA): A private, non-profit corporation whose mission is “to reduce the worldwide burden of fire and other hazards on the quality of life by providing and advocating consensus, codes and standards, research, training, and education.” It has more than 81,000 U.S. and international members representing more than 80 national trade and professional organizations. NFPA drafts and publishes over 300 fire prevention codes and standards, and is an authoritative source on fire safety and public safety. Its codes and standards have been adopted by state and local governments, including the State of Florida.

Nonrecurring: Expenditure or revenue which is not expected to be needed or available after the current fiscal year.

OPB - Office of Policy and Budget, Executive Office of the Governor

Outcome: See Performance Measure.

Output: See Performance Measure.

Outsourcing: Means the process of contracting with a vendor(s) to provide a service or an activity. Management responsibility is transferred to the vendor for the delivery of resources and performance. Outsourcing includes everything from contracting for minor administration tasks to contracting for major portions of activities or services which support the agency mission.

Pass Through: Funds that the state distributes directly to other entities, e.g., local governments, without being managed by the agency distributing the funds. These funds flow through the agency’s budget; however, the agency has no discretion regarding how the funds are spent, and the activities (outputs) associated with the expenditure of funds are not measured at the state level. *NOTE: This definition of “pass through” applies ONLY for the purposes of long-range program planning.*

Performance Ledger: The official compilation of information about state agency performance-based programs and measures, including approved programs, approved outputs and outcomes, baseline data, approved standards for each performance measure and any approved adjustments thereto, as well as actual agency performance for each measure.

Performance Measure: A quantitative or qualitative indicator used to assess state agency performance.

- Input means the quantities of resources used to produce goods or services and the demand for those goods and services.
- Outcome means an indicator of the actual impact or public benefit of a service.
- Output means the actual service or product delivered by a state agency.

Policy Area: A grouping of related activities to meet the needs of customers or clients which reflects major statewide priorities. Policy areas summarize data at a statewide level by using the first two digits of the ten-digit LAS/PBS program component code. Data collection will sum across state agencies when using this statewide code.

Primary Service Outcome Measure: The service outcome measure which is approved as the performance measure which best reflects and measures the intended outcome of a service. Generally, there is only one primary service outcome measure for each agency service.

Privatization: Occurs when the state relinquishes its responsibility or maintains some partnership type of role in the delivery of an activity or service.

Process Mapping: Process mapping creates a workflow diagram intended to help clarify the steps in a series of routine, repeated activities. Diagramming is used to understand inputs received, activities conducted and outputs sent to a customer. Process maps are used to identify gaps and duplications as well as measure tasks and activities.

Program: A set of services and activities undertaken in accordance with a plan of action organized to realize identifiable goals and objectives based on legislative authorization (a program can consist of single or multiple services). For purposes of budget development, programs are identified in the General Appropriations Act by a title that begins with the word "Program." In some instances a program consists of several services, and in other cases the program has no services delineated within it; the service is the program in these cases. The LAS/PBS code is used for purposes of both program identification and service identification. "Service" is a "budget entity" for purposes of the LRPP.

Program Purpose Statement: A brief description of approved program responsibility and policy goals. The purpose statement relates directly to the agency mission and reflects essential services of the program needed to accomplish the agency's mission.

Program Component: An aggregation of generally related objectives which, because of their special character, related workload and interrelated output, can logically be considered an entity for purposes of organization, management, accounting, reporting, and budgeting.

Qualified public depositories: Banks, savings banks, or savings associations that are organized and exist under the laws of the United States, the laws of this state or any other state or territory of the United States. They have their principal place of business or a branch office in this state which is authorized under the laws of this state or of the United States to receive deposits in Florida. Qualified public depositories have deposit insurance under the provision of the Federal Deposit Insurance Act, as amended, 12 U.S.C. ss. 1811 et seq. and have procedures and practices for accurate identification, classification, reporting, and collateralization of public deposits. They

meet all the requirements of Chapter 280, F.S. and have been designated by the Chief Financial Officer as a qualified public depository.

Records Retention Schedules: Retention schedules identify agency records and establish minimum periods of time for which the records must be retained based on the records' administrative, fiscal, legal, and historical values. The Department of State administers Florida's Records Management Program which requires an inventory of records maintained by an agency and the identification of existing retention schedules or the establishment of new retention schedules.

Recurring (building inspections): Any building or structure not under the High Hazard definition.

Regional Domestic Security Task Forces: Each task force consists of representatives from law enforcement, fire rescue, health and medical and emergency management/regulatory. Each component plays a vital role in efforts to prevent a terrorist attack and, if necessary, responds immediately to and coordinates efforts at disaster sites.

Reliability: The extent to which the measuring procedure yields the same results on repeated trials and data are complete and sufficiently error free for the intended use.

Service: See Budget Entity.

Service of Process: All authorized insurers (insurance companies) registered to do business in the State of Florida are required to designate the Chief Financial Officer of Florida as their Registered Agent for Service of Process. These processes (Summons & Complaint or Subpoenas) may be delivered by personal service or mail.

Special Purpose Investment Account (SPIA): An optional investment program open to any entities established by the Florida Constitution or Florida Statutes. The Division of Treasury manages a fixed income investment operation for both general revenue and trust funds in the Treasury and funds of organizations participating in the Treasury SPIA.

Standard: The level of performance of an outcome or output.

Statement on Auditing Standards (SAS) No.70, Service Organizations: A service auditor's examination performed in accordance with SAS No. 70 (a recognized auditing standard developed by the American Institute of Certified Public Accountants (AICPA)) is widely recognized, because it represents that a service organization has been through an in-depth audit of its control objectives and control activities, which often include controls over information technology and related processes.

State Wide Cost Allocation Plan (SWCAP): The methodology used to allocate general and administrative costs to various programs, grants, contracts and agreements. The plan identifies costs associated with programs; describes the programs for which cost data is needed; includes the methodology for identifying program-specific costs; and displays the techniques used to accumulate cost data. Florida's SWCAP requires that each state agency and the judicial branch

include a prorated share of general and administrative costs, such as accounting, provided by central service agencies. For federal grants or contracts, these costs are reimbursable to the state pursuant to the provisions of U.S. Office of Management and Budget Circular A-87. DFS ensures that the SWCAP presents the most favorable allocation of central services costs allowable to the state by the federal government.

STO - State Technology Office

SWOT - Strengths, Weaknesses, Opportunities and Threats

TCS - Trends and Conditions Statement

TF - Trust Fund

TRW - Technology Review Workgroup

Unit Cost: The average total cost of producing a single unit of output – goods and services for a specific agency activity.

United States Fires Administration: Federal sub-agency that provides a clearing house for national fire issues and is the repository of the National Fire Incident Reporting System

Validity: The appropriateness of the measuring instrument in relation to the purpose for which it is being used.

WAGES - Work and Gain Economic Stability (Agency for Workforce Innovation)

WAN - Wide Area Network (Information Technology)