



Government Operations Appropriations Subcommittee

**Tuesday, March 8, 2011
3:15 PM – 5:15 PM
Morris Hall**

Meeting Packet



The Florida House of Representatives

Appropriations Committee

Government Operations Appropriations Subcommittee

Dean Cannon
Speaker

Ed Hooper
Chair

March 8, 2011

AGENDA
3:15 PM – 5:15 PM
Morris Hall

- I. Call to Order/Roll Call**
- II. Consideration of Bills**
 - CS/HB 99 Commercial Insurance Rates**
by Insurance & Banking Subcommittee, Drake
 - PCB GOAS 11-01 Operations Trust Fund/DOR**
 - PCB GOAS 11-02 Federal Grants Trust Fund/ DOR**
 - PCB GOAS 11-03 Federal Grants Trust Fund/DFS**
 - PCB GOAS 11-04 Employee Refund Clearing and**
State Treasury Escrow Trust Funds/DFS
 - PCB GOAS 11-05 Florida Drug, Device, and Cosmetic Trust Fund/DBPR**
- III. Update by the Department of Financial Services on the Workers' Compensation Administrative Trust Fund**
- IV. Budget Balancing Exercise**
- V. Adjourn**

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: CS/HB 99 Commercial Insurance Rates
SPONSOR(S): Insurance & Banking Subcommittee and Drake
TIED BILLS: IDEN./SIM. BILLS: CS/SB 178

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
1) Insurance & Banking Subcommittee	14 Y, 0 N, As CS	Callaway	Cooper
2) Government Operations Appropriations Subcommittee		Fox <i>RA</i>	Topp <i>BDT</i>
3) Economic Affairs Committee			

SUMMARY ANALYSIS

Commercial lines insurance (commercial insurance) is insurance designed for and bought by a business to cover losses sustained by the business. In Florida, the Office of Insurance Regulation (OIR) regulates insurance. The OIR reviews and approves or disapproves rates charged by insurance companies. However, insurance companies writing specified types of commercial insurance do not have to file rates with or obtain approval for the rates charged from the OIR. The bill allows five new types of commercial insurance to be exempt from the rate filing and approval process. Thus, insurance companies writing these types of commercial insurance will not have to file with or obtain approval of the rates for these types of commercial insurance by the OIR before the insurer can charge the rate. The new types of commercial insurance exempted are:

- Fiduciary Liability
- General Liability
- Nonresidential Property
- Nonresidential Multiperil
- Excess Property

The bill expands the current rate filing and approval exemption for commercial motor vehicle insurance. Under the bill, all commercial motor vehicle insurance is exempt from the rate filing and approval process, rather than only commercial motor vehicle insurance covering a fleet of 20 or more vehicles.

The bill deletes some of the information required on the notice an insurer must give the OIR when the rate changes for commercial insurance exempt from rate filing. The type of data required to be retained by the insurer or rating organization to support the rate charged for commercial insurance not subject to a rate filing is changed by the bill. Although the bill deletes current law allowing the OIR to obtain information about a commercial insurance rate not subject to the rate filing and approval process at the insurer's or rating organization's expense, the bill requires the insurer or rating organization to incur the cost of any examination of the rate charged by the OIR.

The bill has no fiscal impact on state expenditures. The bill should result in a reduced workload for the OIR because the OIR will no longer be required to review every rate filing for the types of commercial insurance being exempted from the filing requirement. The bill should not have a rate impact on the private sector as rates for the types of commercial insurance covered by the bill still cannot be excessive, inadequate, or unfairly discriminatory as determined by current law. Additionally, the bill will allow insurers selling the types of coverages listed in the bill to make pricing changes for those coverages on a more expedited basis and avoid some of the expense incurred in a full rate filing and review process.

The bill is effective October 1, 2011.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. EFFECT OF PROPOSED CHANGES:

Present Situation

Commercial lines insurance (commercial insurance) is insurance designed for and bought by a business to cover losses sustained by the business.¹ Some commercial insurance, such as workers' compensation, is required to be purchased by businesses²; however, most commercial insurance is purchased by businesses on a voluntary basis. The commercial insurance a business purchases also depends, in part, on the business type and industry.

In Florida, the Office of Insurance Regulation (OIR) regulates insurance. The OIR reviews and approves or disapproves rates charged by insurance companies and the insurance forms³ used by companies. However, insurance companies writing the following types of commercial insurance do not have to file rates with or obtain approval for the rates charged from the OIR⁴:

- Excess or Umbrella Insurance,
- Surety and Fidelity Insurance,
- Boiler and Machinery Insurance and Leakage and Fire Extinguishing Equipment Insurance,
- Fleet Commercial Motor Vehicle Insurance for a fleet of 20 or more self-propelled vehicles,
- Errors and Omissions Insurance ("E & O"),
- Directors' and Officers', Employment Practices, and Management Liability Insurance,
- Intellectual Property and Patent Infringement Insurance,
- Advertising Injury and Internet Liability Insurance,
- Property risks rated under a highly protected risks rating plan, and
- Other types of commercial lines insurance determined by the OIR.

Generally, rates filed with the OIR are disapproved if they are excessive, inadequate or unfairly discriminatory based on standards contained in the law.⁵ Even though insurance companies charge rates for the above listed commercial insurance without the rate being approved by the OIR, the rate charged must not be excessive, inadequate, or unfairly discriminatory, the same requirement for rates filed with and approved by the OIR. The insurance company writing the commercial insurance is responsible for ensuring the rate charged meets this requirement. The OIR can examine a company's documentation supporting a rate to ensure the rate meets the requirement and the company incurs the expense of providing the documentation to the OIR. If the OIR reviews a rate, the OIR uses the rate factors and standards in law that apply to property and casualty and surety insurance rates filed with the OIR to determine whether the rate charged is excessive, inadequate, or unfairly discriminatory.

If an insurance company increases or decreases a rate for the types of commercial insurance listed above, the insurer must notify the OIR within 30 days of the effective date of the rate change and the notification must contain certain information.

¹ <http://www2.iii.org/glossary/> (defining commercial lines) (last viewed January 20, 2011).

² Generally, non-construction businesses employing four or more employees have to buy workers' compensation insurance. Construction businesses must buy workers' compensation insurance if the business has one or more employees.

³ With limited exceptions, section 627.410, F.S., requires every insurance policy, application, endorsement, or rider to be filed with and approved by the OIR prior to use by the insurance company. This statute applies to all types of commercial insurance.

⁴ s. 627.062(3)(d), F.S.

⁵ s. 627.062(1), F.S.; s. 627.062(2)(e), F.S.

Effect of Proposed Changes Relating to Commercial Insurance Rate Filings

The bill allows five new types of commercial insurance to be exempt from the rate filing and approval process in current law. Thus, insurance companies writing these types of commercial insurance will not have to file with or obtain approval of the rates for these types of commercial insurance by the OIR before the insurer can charge the rate. The new types of commercial insurance exempted are:

- **Fiduciary Liability**: Liability protection against the theft or misuse of funds for an entity involved in the management, investment and distributions of funds.⁶
- **General Liability**: Covers the legal liability for the death, injury, or disability of any human being, or for damage to property, irrespective of the legal liability of the insured.⁷
- **Nonresidential Property**: Covers a building, business personal property, and other surrounding property not used for residential purposes for loss or damage from a variety of perils, including but not limited to, fire, lightning, glass breakage, tornado, windstorm, hail, water damage, explosion, riot, civil commotion, rain or damage from aircraft or vehicles.⁸
- **Nonresidential Multiperil**: Packages two or more insurance coverages protecting an enterprise from various property and liability risk exposures.⁹
- **Excess Property**: Covers damage from property insurance perils above the policy limit of the primary property insurance policy.

The bill changes the rate filing and approval exemption for commercial motor vehicle insurance. Under current law, only commercial motor vehicle insurance covering a fleet of 20 or more vehicles is exempt from the rate filing and approval process. The bill exempts all commercial motor vehicle insurance from the rate filing and approval process, regardless of the number of vehicles the insurance covers, thus expanding the current exemption for commercial motor vehicle insurance.

The bill deletes some of the information required on the notice an insurer must give the OIR when the rate changes for commercial insurance exempt from rate filing. Insurers will no longer be required to provide the OIR the amount of insurance premium written during the prior year for the type or kind of insurance subject to the rate change, but will still be required to provide the name of the insurer, the type or kind of insurance subject to the rate change, and the average statewide rate change.

The type of data required to be retained by the insurer or rating organization to support the rate charged for commercial insurance not subject to a rate filing is changed by the bill. Insurers are required to retain "actuarial data" about the commercial risks, but are no longer required to retain "underwriting files, premiums, losses, and expense statistics." Additionally, the bill adds a two year retention period for the insurer or rating organization to retain the actuarial data supporting the rate charged. Current law does not specify a retention period.

Although the bill deletes current law allowing the OIR to obtain information about a commercial insurance rate not subject to the rate filing and approval process at the insurer's or rating organization's expense, the bill requires the insurer or rating organization to incur the cost of any examination of the rate charged by the OIR.

B. SECTION DIRECTORY:

Section 1: Amends s. 627.062, F.S., relating to rate standards for commercial lines risks.

Section 2: Amends s. 627.0651, F.S., relating to making and use of rates for commercial motor vehicle insurance.

Section 3: Provides an effective date of October 1, 2011.

⁶ OIR Property and Casualty Product Review Line of Business Mapping (on file with staff of the Insurance & Banking Subcommittee).

⁷ s. 624.605(1)(b), F.S.

⁸ OIR Property and Casualty Product Review Line of Business Mapping (on file with staff of the Insurance & Banking Subcommittee).

⁹ *Id.*

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

None.

2. Expenditures:

The bill has no fiscal impact on state expenditures. Additionally, the bill should result in a reduced workload for the OIR because the OIR will no longer be required to review every rate filing for the additional types of commercial insurance being exempted from the filing requirement.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None.

2. Expenditures:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

The bill should not impact commercial insurance rates charged to the private sector because rates for the additional types of commercial insurance covered by the bill cannot be excessive, inadequate, or unfairly discriminatory based upon the standards in current law. This is the same requirement contained in current law for these types of commercial insurance.

The bill will allow insurers selling the types of commercial insurance listed in the bill to make pricing changes for those types on a more expedited basis and avoid some of the expense incurred in a rate filing and review process done through the OIR.

D. FISCAL COMMENTS:

None.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

B.

1. Applicability of Municipality/County Mandates Provision:

Not applicable. This bill does not appear to: require counties or municipalities to spend funds or take an action requiring the expenditure of funds; reduce the authority that counties or municipalities have to raise revenues in the aggregate; or reduce the percentage of a state tax shared with counties or municipalities.

2. Other:

None.

C. RULE-MAKING AUTHORITY:

None provided in the bill.

D. DRAFTING ISSUES OR OTHER COMMENTS:

None.

IV. AMENDMENTS/ COMMITTEE SUBSTITUTE CHANGES

On February 9, 2011, the Insurance & Banking Subcommittee heard the bill, adopted five amendments and reported the bill favorably with a committee substitute. The amendments:

- restored current law relating to errors and omissions insurance and management liability insurance exempt from the rate filing and approval process, and
- required the insurer or rating organization setting the rates for commercial insurance exempt from the rate filing and approval process to incur the cost of any examination of the rate by the OIR

The staff analysis was updated to reflect adoption of the amendments.

1 A bill to be entitled
2 An act relating to commercial insurance rates; amending s.
3 627.062, F.S.; exempting additional categories or kinds of
4 insurance and types of commercial lines risks from being
5 subject to certain otherwise applicable rate filing
6 requirements; deleting a requirement that an insurer's
7 rate change notice include total premium written for an
8 exempt class of insurance; removing a requirement that
9 specified types of records and information related to a
10 rate change be retained by an insurer; requiring actuarial
11 data regarding a rate change for an exempt class of
12 insurance be retained by an insurer for a specified time;
13 requiring the insurer to incur examination expenses;
14 removing a requirement that a rating organization maintain
15 certain statistics related to changes to loss cost for
16 exempt classes of insurance; requiring certain actuarial
17 data related to loss cost be retained by a rating
18 organization for a specified time; requiring a rating
19 organization to incur examination expenses; deleting
20 authority for the Office of Insurance Regulation to
21 require all necessary information from an insurer in order
22 to evaluate a rate change; amending s. 627.0651, F.S.;
23 expanding an exemption from certain otherwise applicable
24 rate filing requirements to include all commercial motor
25 vehicle insurance; deleting a requirement that a
26 commercial motor vehicle insurer's rate change notice
27 include total premium written; removing a requirement that
28 specified types of records and information related to a

29 commercial motor vehicle insurance rate change be retained
 30 by an insurer; requiring actuarial data regarding a
 31 commercial motor vehicle insurance rate change be retained
 32 by an insurer for a specified time; requiring an insurer
 33 for commercial motor vehicle insurance to incur
 34 examination expenses; removing a requirement that a rating
 35 organization maintain certain statistics related to
 36 changes to loss cost for commercial motor vehicle
 37 insurance; requiring actuarial data related to loss cost
 38 for commercial motor vehicle insurance be retained by a
 39 rating organization for a specified time; requiring a
 40 rating organization for commercial motor vehicle insurance
 41 to incur examination expenses; deleting authority for the
 42 Office of Insurance Regulation to require all necessary
 43 information from an commercial motor vehicle insurer in
 44 order to evaluate a rate change; providing an effective
 45 date.

46

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

48

49 Section 1. Paragraph (d) of subsection (3) of section
 50 627.062, Florida Statutes, is amended to read:

51 627.062 Rate standards.—

52 (3)

53 (d)1. The following categories or kinds of insurance and
 54 types of commercial lines risks are not subject to paragraph
 55 (2)(a) or paragraph (2)(f):

56 a. Excess or umbrella.

- 57 b. Surety and fidelity.
- 58 c. Boiler and machinery and leakage and fire extinguishing
59 equipment.
- 60 d. Errors and omissions.
- 61 e. Directors and officers, employment practices, fiduciary
62 liability, and management liability.
- 63 f. Intellectual property and patent infringement
64 liability.
- 65 g. Advertising injury and Internet liability insurance.
- 66 h. Property risks rated under a highly protected risks
67 rating plan.
- 68 i. General liability.
- 69 j. Nonresidential property.
- 70 k. Nonresidential multiperil.
- 71 l. Excess property.
- 72 ~~m.i.~~ Any other commercial lines categories or kinds of
73 insurance or types of commercial lines risks that the office
74 determines should not be subject to paragraph (2)(a) or
75 paragraph (2)(f) because of the existence of a competitive
76 market for such insurance, similarity of such insurance to other
77 categories or kinds of insurance not subject to paragraph (2)(a)
78 or paragraph (2)(f), or to improve the general operational
79 efficiency of the office.
- 80 2. Insurers or rating organizations shall establish and
81 use rates, rating schedules, or rating manuals to allow the
82 insurer a reasonable rate of return on insurance and risks
83 described in subparagraph 1. which are written in this state.
- 84 3. An insurer must notify the office of any changes to

85 rates for insurance and risks described in subparagraph 1. no
 86 later than 30 days after the effective date of the change. The
 87 notice must include the name of the insurer, the type or kind of
 88 insurance subject to rate change, ~~total premium written during~~
 89 ~~the immediately preceding year by the insurer for the type or~~
 90 ~~kind of insurance subject to the rate change,~~ and the average
 91 statewide percentage change in rates. Actuarial data
 92 ~~Underwriting files, premiums, losses, and expense statistics~~
 93 with regard to rates for insurance and risks described in
 94 subparagraph 1. written by an insurer shall be maintained by the
 95 insurer for 2 years after the effective date of changes to those
 96 rates and are subject to examination by the office. The office
 97 may require the insurer to incur the costs associated with an
 98 examination. Upon examination, the office shall, in accordance
 99 with generally accepted and reasonable actuarial techniques,
 100 consider the rate factors in paragraphs (2)(b), (c), and (d) and
 101 the standards in paragraph (2)(e) to determine if the rate is
 102 excessive, inadequate, or unfairly discriminatory.

103 4. A rating organization must notify the office of any
 104 changes to loss cost for insurance and risks described in
 105 subparagraph 1. no later than 30 days after the effective date
 106 of the change. The notice must include the name of the rating
 107 organization, the type or kind of insurance subject to a loss
 108 cost change, loss costs during the immediately preceding year
 109 for the type or kind of insurance subject to the loss cost
 110 change, and the average statewide percentage change in loss
 111 cost. Actuarial data ~~Loss and exposure statistics~~ with regard to
 112 changes to loss cost for risks applicable to loss costs for a

113 ~~rating organization~~ not subject to paragraph (2)(a) or paragraph
 114 (2)(f) shall be maintained by the rating organization for 2
 115 years after the effective date of the change and are subject to
 116 examination by the office. The office may require the rating
 117 organization to incur the costs associated with an examination.
 118 Upon examination, the office shall, in accordance with generally
 119 accepted and reasonable actuarial techniques, consider the rate
 120 factors in paragraphs (2)(b)-(d) and the standards in paragraph
 121 (2)(e) to determine if the rate is excessive, inadequate, or
 122 unfairly discriminatory.

123 ~~5. In reviewing a rate, the office may require the insurer~~
 124 ~~to provide at the insurer's expense all information necessary to~~
 125 ~~evaluate the condition of the company and the reasonableness of~~
 126 ~~the rate according to the applicable criteria described in this~~
 127 ~~section.~~

128 Section 2. Subsection (14) of section 627.0651, Florida
 129 Statutes, is amended to read:

130 627.0651 Making and use of rates for motor vehicle
 131 insurance.-

132 (14)(a) Commercial motor vehicle insurance ~~covering a~~
 133 ~~fleet of 20 or more self-propelled vehicles~~ is not subject to
 134 subsection (1), subsection (2), or subsection (9) or s.

135 627.0645.

136 (b) The rates for insurance described in this subsection
 137 may not be excessive, inadequate, or unfairly discriminatory.

138 (c) Insurers shall establish and use rates, rating
 139 schedules, or rating manuals to allow the insurer a reasonable
 140 rate of return on commercial motor vehicle insurance written in

141 | this state ~~covering a fleet of 20 or more self-propelled~~
 142 | ~~vehicles.~~

143 | (d) An insurer must notify the office of any changes to
 144 | rates for type of insurance described in this subsection no
 145 | later than 30 days after the effective date of the change. The
 146 | notice shall include the name of the insurer, the type or kind
 147 | of insurance subject to rate change, ~~total premium written~~
 148 | ~~during the immediately preceding year by the insurer for the~~
 149 | ~~type or kind of insurance subject to the rate change,~~ and the
 150 | average statewide percentage change in rates. Actuarial data
 151 | with regard to rates for risks ~~Underwriting files, premiums,~~
 152 | ~~losses, and expense statistics for the type of insurance~~
 153 | described in this subsection shall be maintained by the insurer
 154 | for 2 years after the effective date of changes to those rates
 155 | and are subject to examination by the office. The office may
 156 | require the insurer to incur the costs associated with an
 157 | examination. Upon examination, the office shall, in accordance
 158 | with generally accepted and reasonable actuarial techniques,
 159 | consider the factors in paragraphs (2)(a)-(1) and apply
 160 | subsections (3)-(8) to determine if the rate is excessive,
 161 | inadequate, or unfairly discriminatory.

162 | (e) A rating organization must notify the office of any
 163 | changes to loss cost for the type of insurance described in this
 164 | subsection no later than 30 days after the effective date of the
 165 | change. The notice shall include the name of the rating
 166 | organization, the type or kind of insurance subject to a loss
 167 | cost change, loss costs during the immediately preceding year
 168 | for the type or kind of insurance subject to the loss cost

169 change, and the average statewide percentage change in loss
 170 cost. Actuarial data ~~loss and exposure statistics~~ with regard to
 171 changes to loss cost for risks applicable to loss costs for a
 172 ~~rating organization~~ not subject to subsection (1), subsection
 173 (2), or subsection (9) shall be maintained by the rating
 174 organization for 2 years after the effective date of the change
 175 and are subject to examination by the office. The office may
 176 require the rating organization to incur the costs associated
 177 with an examination. Upon examination, the office shall, in
 178 accordance with generally accepted and reasonable actuarial
 179 techniques, consider the rate factors in paragraphs (2)(a)-(1)
 180 and apply subsections (3)-(8) to determine if the rate is
 181 excessive, inadequate, or unfairly discriminatory.

182 ~~(f) In reviewing the rate, the office may require the~~
 183 ~~insurer to provide at the insurer's expense all information~~
 184 ~~necessary to evaluate the condition of the company and the~~
 185 ~~reasonableness of the rate according to the applicable criteria~~
 186 ~~described herein.~~

187 Section 3. This act shall take effect October 1, 2011.

HOUSE OF REPRESENTATIVES TRUST FUND RE-CREATION STAFF ANALYSIS

BILL #: PCB GOAS 11-01 Operations Trust Fund/DOR
SPONSOR(S): Government Operations Appropriations Subcommittee
TIED BILLS: IDEN./SIM. **BILLS:** SB 1036

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
Orig. Comm.: Government Operations Appropriations Subcommittee		Fox JCF	Topp BDT

I. SUMMARY

This bill re-creates and renames the Operations Trust Fund, FLAIR number 73-2-510, within the Department of Revenue. This trust fund serves as a depository for funds to be used for program operations funded by program revenues. The Operations Trust Fund is renamed the Operating Trust Fund to be consistent and similarly titled as other trust funds in other agencies across state government. In addition, the name change will reflect the fund name in the legislative budgeting system.

Article III, s.19(f)(1) of the State Constitution specifies that a trust fund of the State of Florida or other public body may only be created by law in a separate bill. The bill creating or re-creating the trust fund must pass with a three-fifths vote of the membership of each house of the legislature. Thus this bill requires a three-fifths vote for passage.

This bill repeals section 215.198(3), Florida Statutes, which provided for the termination of this trust fund on July 1, 2012.

The bill has no fiscal impact.

The bill is effective July 1, 2011.

II. SUBSTANTIVE ANALYSIS

A. PRESENT SITUATION:

1. MAJOR STATUTES THAT CONTROL THE TRUST FUND:

Section 215.198, Florida Statutes, creates the Operations Trust Fund within the Department of Revenue.

Article III, s.19(f)(1) of the State Constitution specifies that a trust fund of the State of Florida or other public body may only be created by law in a separate bill. The bill creating or re-creating the trust fund must pass with a three-fifths vote of the membership of each house of the legislature. Thus this bill requires a three-fifths vote for passage.

2. BRIEF DESCRIPTION OF THE FUND'S USES OR PURPOSES:

The Operating Trust Fund serves as a depository for funds to be used for the Department of Revenue operations funded by program revenues.

3. MAJOR SOURCES OF REVENUE FOR THE FUND:

Documentary Stamp Tax, Motor Fuel/Gas Tax Collections, Discretionary Sales Surtax, Communications Services Tax and non-compliant taxpayer fees.

4. TOTAL PROJECTED RECEIPTS INTO THE FUND AND CURRENT YEAR APPROPRIATIONS FROM THE FUND:

Projected Receipts into Operating Trust Fund \$77,387,164 (includes fund balance of \$14,904,983 on July 1, 2010)

Fiscal Year 2010-11 Appropriations \$72,087,175

B. EFFECT OF PROPOSED CHANGES:

The Operations Trust Fund within the Department of Revenue is re-created and renamed the Operating Trust Fund prior to the scheduled termination date of July 1, 2012. This bill re-creates and renames the trust fund to be consistent and similarly titled as other trust funds in other agencies across state government. In addition, the name change will reflect the fund name in the legislative budgeting system. The purpose of the fund is not modified.

III. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

This legislation has no fiscal impact on state agencies or state funds, on local governments as a whole or on the private sector. It simply re-creates, without modification, an existing state trust fund and continues the current use of the fund.

IV. COMMENTS

V. AMENDMENTS/COMMITTEE SUBSTITUTE CHANGES

PCB GOAS 11-01

ORIGINAL

2011

1 A bill to be entitled
 2 An act relating to trust funds; re-creating and renaming
 3 the Operations Trust Fund within the Department of
 4 Revenue; renaming such trust fund; repealing s.
 5 215.198(3), F.S.; abrogating provisions relating to the
 6 termination of the trust fund, to conform; providing an
 7 effective date.

8
 9 WHEREAS, the Legislature wishes to extend the life of the
 10 Operations Trust Fund within the Department of Revenue, which is
 11 otherwise scheduled to be terminated pursuant to constitutional
 12 mandate, and

13 WHEREAS, the Legislature has reviewed the trust fund before
 14 its scheduled termination date and has found that it continues
 15 to meet an important public purpose, and

16 WHEREAS, the Legislature has found that existing public
 17 policy concerning the trust fund sets adequate parameters for
 18 its use, NOW, THEREFORE,

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

21
 22 Section 1. The Operations Trust Fund within the Department
 23 of Revenue, FLAIR number 73-2-510, which is to be terminated
 24 pursuant to Section 19(f), Article III of the State Constitution
 25 on July 1, 2012, is re-created and renamed the Operating Trust
 26 Fund.

27 Section 2. Subsection (3) of section 215.198, Florida
 28 Statutes, is repealed.

PCB GOAS 11-01

ORIGINAL

2011

29

Section 3. This act shall take effect July 1, 2011.

HOUSE OF REPRESENTATIVES TRUST FUND RE-CREATION STAFF ANALYSIS

BILL #: PCB GOAS 11-02 Federal Grants Trust Fund/DOR
SPONSOR(S): Government Operations Appropriations Subcommittee
TIED BILLS: IDEN./SIM. BILLS: SB 1034

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
Orig. Comm.: Government Operations Appropriations Subcommittee		Fox <i>RA</i>	Topp <i>BDT</i>

I. SUMMARY

This bill re-creates the Federal Grants Trust Fund, FLAIR number 73-2-261, within the Department of Revenue without modification. The trust fund was established to be used for allowable grant activities funded by restricted program revenues. Funds credited to the Federal Grants Trust Fund consist of grants and funding from the federal government, interest earnings, and cash advances from other trust funds.

The Department of Revenue's Federal Grants Trust Fund is utilized primarily by the Child Support Enforcement Program.

Article III, s. 19(f)(1) of the State Constitution specifies that a trust fund of the State of Florida or other public body may only be created by law in a separate bill. The bill creating or re-creating the trust fund must pass with a three-fifths vote of the membership of each house of the legislature. Thus this bill requires a three-fifths vote for passage

The bill has no fiscal impact.

This bill repeals section 215.197(3), Florida Statutes, which provided for the trust fund's termination on July 1, 2012.

The bill is effective July 1, 2011.

II. SUBSTANTIVE ANALYSIS

A. PRESENT SITUATION:

1. MAJOR STATUTES THAT CONTROL THE TRUST FUND:

Section 215.197, Florida Statutes, creates the Federal Grants Trust Fund within the Department of Revenue.

Article III, s.19(f)(1) of the State Constitution specifies that a trust fund of the State of Florida or other public body may only be created by law in a separate bill. The bill creating or re-creating the trust fund must pass with a three-fifths vote of the membership of each house of the legislature. Thus this bill requires a three-fifths vote for passage.

2. BRIEF DESCRIPTION OF THE FUND'S USES OR PURPOSES:

The Federal Grants Trust Fund serves as a depository for funds to be used for allowable grant activities funded by restricted program revenues. The Department of Revenue's Federal Grants Trust Fund is utilized primarily by the Child Support Enforcement Program.

3. MAJOR SOURCES OF REVENUE FOR THE FUND:

Grants and funding from the federal government, interest earnings, and cash advances from other trust funds.

4. TOTAL PROJECTED RECEIPTS INTO THE FUND AND CURRENT YEAR APPROPRIATIONS FROM THE FUND:

Projected Receipts into Federal Grants Trust Fund	\$220,204,842
Fiscal Year 2010-11 Appropriations	\$213,580,917

B. EFFECT OF PROPOSED CHANGES:

This bill re-creates the Federal Grants Trust Fund within the Department of Revenue without modification prior to the scheduled termination date of July 1, 2012.

III. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

This legislation has no fiscal impact on state agencies or state funds, on local governments as a whole or on the private sector. It simply re-creates, without modification, an existing state trust fund and continues the current use of the fund.

IV. COMMENTS

V. AMENDMENTS/COMMITTEE SUBSTITUTE CHANGES

1 A bill to be entitled
 2 An act relating to trust funds; re-creating the Federal
 3 Grants Trust Fund within the Department of Revenue without
 4 modification; repealing s. 215.197(3), F.S.; abrogating
 5 provisions relating to the termination of the trust fund,
 6 to conform; providing an effective date.

7
 8 WHEREAS, the Legislature wishes to extend the life of the
 9 Federal Grants Trust Fund within the Department of Revenue,
 10 which is otherwise scheduled to be terminated pursuant to
 11 constitutional mandate, and

12 WHEREAS, the Legislature has reviewed the trust fund before
 13 its scheduled termination date and has found that it continues
 14 to meet an important public purpose, and

15 WHEREAS, the Legislature has found that existing public
 16 policy concerning the trust fund sets adequate parameters for
 17 its use, NOW, THEREFORE,

18
 19 Be It Enacted by the Legislature of the State of Florida:

20
 21 Section 1. The Federal Grants Trust Fund within the
 22 Department of Revenue, FLAIR number 73-2-261, which is to be
 23 terminated pursuant to Section 19(f), Article III of the State
 24 Constitution on July 1, 2012, is re-created.

25 Section 2. Subsection (3) of section 215.197, Florida
 26 Statutes, is repealed.

27 Section 3. This act shall take effect July 1, 2011.

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: PCB GOAS 11-03 Federal Grants Trust Fund/DFS
SPONSOR(S): Government Operations Appropriations Subcommittee
TIED BILLS: IDEN./SIM. **BILLS:** SB 1038

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
Orig. Comm.: Government Operations Appropriations Subcommittee		Fox <i>RF</i>	Topp <i>BDT</i>

SUMMARY ANALYSIS

This bill creates the Federal Grants Trust Fund within the Department of Financial Services. The trust fund is established to provide a depository for allowable federal grant activities related to the Public Assistance Fraud Program. Funds to be credited to the Federal Grants Trust Fund will consist of grants and funding from the federal government, interest earnings, and cash advances from other trust funds.

The need for a Federal Grants Trust Fund in the Department of Financial Services occurred with the transfer of the Public Assistance Fraud Program from the Department of Law Enforcement as authorized in chapter 2010-141, Laws of Florida. The transfer was effective January 1, 2011. The Public Assistance Fraud Program receives federal grants from the United States Department of Health and Human Services as well as the United States Department of Agriculture. The federal grants provide annually funding of \$3,974,546 to the Public Assistance Fraud Program.

Section 19(f), Article III of the Florida Constitution requires that every trust fund be created by a three-fifth vote of the membership in each house of the Legislature in a separate bill for the sole purpose of creating a trust fund. In addition, the Florida Constitution provides that all newly created trust funds terminate not more than four years after the initial creation unless re-created. This trust fund will terminate on July 1, 2015, pursuant to s. 19 (f)(2), Article III of the Florida Constitution, unless terminated sooner or re-created by the Legislature.

The bill has no fiscal impact.

The bill is effective July 1, 2011.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. EFFECT OF PROPOSED CHANGES:

Present Situation

Pursuant to section 19(f), Article III of the State Constitution, a trust fund of the State of Florida or other public body may only be created or recreated by law in a separate bill. This bill creating or recreating the trust fund must pass with a three-fifths vote of the membership of each house of the legislature. A state trust fund must generally terminate not more than four years after the effective date of the act authorizing the initial creation of the trusts fund.

The need for a Federal Grants Trust Fund in the Department of Financial Services occurred with the transfer of the Public Assistance Fraud Program from the Department of Law Enforcement as authorized in chapter 2010-141, Laws of Florida. The transfer was effective January 1, 2011. The Public Assistance Fraud Program receives federal grants from the U.S. Department of Health and Human Services and the U.S. Department of Agriculture. The federal grants provide annually funding of \$3,974,546 to the Public Assistance Fraud Program. Additionally, the program receives \$2,318,175 in state funds.

Effect of Proposed Changes

This bill creates the Federal Grants Trust Fund within the Department of Financial Services. The creation of this trust fund will allow the department to separately account for funds from federal grants, interest earnings, and cash advances from other trust funds.

The department will utilized this trust fund as a depository for funds to be used for allowable grant activities funded by restricted program revenues from federal sources related to the Public Assistance Fraud Program.

This trust fund will terminate on July 1, 2015, pursuant to s. 19 (f)(2), Article III of the Florida Constitution, unless terminated sooner or re-created by the Legislature.

B. SECTION DIRECTORY:

Section 1. Creates the Federal Grants Trust Fund with the Department of Financial Services.

Section 1. Provides an effective date of July 1, 2011.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

None

2. Expenditures:

None

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None

2. Expenditures:

None

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

None

D. FISCAL COMMENTS:

None.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

None

3. Other:

Section 19(f), Article III of the Florida Constitution requires that every trust fund be created by a three-fifth vote of the membership in each house of the Legislature in a separate bill for the sole purpose of creating a trust fund. In addition, the Florida Constitution provides that all newly created trust funds terminate not more than four years after the initial creation unless re-created. This trust fund will terminate on July 1, 2015, pursuant to s. 19 (f)(2), Article III of the Florida Constitution, unless terminated sooner or re-created by the Legislature.

B. RULE-MAKING AUTHORITY:

None

C. DRAFTING ISSUES OR OTHER COMMENTS:

IV. AMENDMENTS/ COMMITTEE SUBSTITUTE CHANGES

1 A bill to be entitled
 2 An act relating to trust funds; creating s. 17.67, F.S.;
 3 creating the Federal Grants Trust Fund within the
 4 Department of Financial Services; providing for the
 5 purpose of the trust fund and sources of funds; providing
 6 for future review and termination or re-creation of the
 7 trust fund; providing an effective date.

8
 9 Be It Enacted by the Legislature of the State of Florida:

10
 11 Section 1. Section 17.67, Florida Statutes, is created to
 12 read:

13 17.67 Federal Grants Trust Fund.-

14 (1) The Federal Grants Trust Fund is created within the
 15 Department of Financial Services.

16 (2) The trust fund is established for use as a depository
 17 for funds to be used for allowable grant activities funded by
 18 restricted program revenues from federal sources. Moneys to be
 19 credited to the trust fund shall consist of grants and funding
 20 from the Federal Government, interest earnings, and cash
 21 advances from other trust funds. Funds shall be expended only
 22 pursuant to legislative appropriation or an approved amendment
 23 to the department's operating budget pursuant to the provisions
 24 of chapter 216, Florida Statutes.

25 (3) In accordance with s. 19(f)(2), Article III of the
 26 State Constitution, the Federal Grants Trust Fund shall, unless
 27 terminated sooner, be terminated on July 1, 2015. Before its

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28 scheduled termination, the trust fund shall be reviewed as
29 provided in s. 215.3206(1) and (2), Florida Statutes.

30 Section 2. This act shall take effect July 1, 2011 except
31 that this act shall not take effect unless it is enacted by a
32 three-fifths vote of the membership of each house of the
33 Legislature.

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: PCB GOAS 11-04 Employee Refund Clearing and State Treasury Escrow Trust Funds/DFS
SPONSOR(S): Government Operations Appropriations Subcommittee
TIED BILLS: IDEN./SIM. **BILLS:** SB 1030

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
Orig. Comm.: Government Operations Appropriations Subcommittee		Fox <i>RT</i>	Topp <i>BDT</i>

SUMMARY ANALYSIS

This bill provides for the termination of the State Treasury Escrow Trust Fund and the Employee Refund Clearing Trust Fund within the Department of Financial Services.

The State Treasury Escrow Trust Fund was originally used to hold escrow monies related to the transactions of state agencies and provided an account for assets held by the state in a trustee capacity as agent or fiduciary. Currently, the Treasury Cash Deposit Trust Fund is being utilized to provide this service. The department has not used this trust fund in recent years.

The Employee Refund Clearing Trust Fund was originally used as a clearing account for the deposit of salary overpayment refunds received from state employees until the funds could be transferred back to the fund of its original purpose. The need for the Employee Refund Clearing Trust Fund was eliminated more than ten years ago as a result of the implementation of new processes for salary refunds. State agencies currently utilize the Bureau of State Payroll on-line system for processing salary refunds.

The trust funds proposed for termination do not have a cash balance or any outstanding debts and obligations.

The bill has no fiscal impact.

The bill is effective July 1, 2011.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. EFFECT OF PROPOSED CHANGES:

Present Situation

Legislative review of trust funds is required at least once every four years pursuant to s. 215.3208, F.S., and s. 19(f), Article III of the State Constitution. The schedule for the review is included in the legislative budget instructions developed pursuant to the requirements of s. 216.023, F.S. An analysis of the trust funds indicated the need for two trust funds for the Department of Financial Services to be terminated.

The State Treasury Escrow Trust Fund, FLAIR number 43-2-194, was originally used to hold escrow monies related to the transactions of state agencies. The trust fund provided accounts for assets held by the state in a trustee capacity as agent or fiduciary, thereby eliminating the need for costly private escrow accounts. Currently, the Treasury Cash Deposit Trust Fund is being utilized to provide this service. The department has not used this trust fund in recent years.

The Employee Refund Clearing Trust Fund, FLAIR number 43-2-194, was originally used as a clearing account for the deposit of salary overpayment refunds received from state employees until these funds could be transferred back to the fund of its original disbursement. The need for the Employee Refund Clearing Trust Fund was eliminated more than ten years ago as a result of the implementation of new processes for salary refunds. State agencies currently utilize the Bureau of State Payroll on-line system for processing salary refunds.

Both the State Treasury Escrow Trust Fund and the Employee Clearing Trust Fund are currently inactive, and the department has requested termination of these trust funds.

Effect of Proposed Changes

This bill terminates the State Treasury Escrow Trust Fund and the Employee Clearing Trust Fund within the Department of Financial Services.

B. SECTION DIRECTORY:

Section 1. Terminates the State Treasury Escrow Trust Fund and the Employee Refund Clearing Trust Fund within the Department of Financial Services.

Section 2. Provides an effective date of July 1, 2011.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

None

2. Expenditures:

None

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None

2. Expenditures:

None

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

None

D. FISCAL COMMENTS:

None

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

None

2. Other:

None

B. RULE-MAKING AUTHORITY:

None

C. DRAFTING ISSUES OR OTHER COMMENTS:

IV. AMENDMENTS/ COMMITTEE SUBSTITUTE CHANGES

1 A bill to be entitled
 2 An act relating to trust funds; terminating specified
 3 trust funds within the Department of Financial Services;
 4 providing for the disposition of balances in and revenues
 5 of such trust funds; prescribing procedures for the
 6 termination of such trust funds; providing an effective
 7 date.

8
 9 Be It Enacted by the Legislature of the State of Florida:

10
 11 Section 1. (1) The following trust funds within the
 12 Department of Financial Services are terminated:

13 (a) The State Treasury Escrow Trust Fund, FLAIR number 43-
 14 2-622; and

15 (b) The Employee Refund Clearing Trust Fund, FLAIR number
 16 43-2-194.

17 (2) All current balances remaining in, and all revenues of,
 18 the State Treasury Escrow Trust Fund on the date of termination
 19 shall be transferred to the Treasury Cash Deposit Trust Fund.

20 (3) All current balances remaining in, and all revenues of,
 21 the Employee Refund Clearing Trust Fund on the date of
 22 termination shall be transferred to the Treasury Cash Deposit
 23 Trust Fund.

24 (4) The Department of Financial Services shall pay any
 25 outstanding debts and obligations of the terminated funds as
 26 soon as practicable, and the Chief Financial Officer shall close
 27 out and remove the terminated funds from various state
 28 accounting systems using generally accepted accounting

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29 | principles concerning warrants outstanding, assets, and
30 | liabilities.

31 | Section 2. This act shall take effect July 1, 2011.

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: PCB GOAS 11-05 Florida Drug, Device, and Cosmetic Trust Fund/DBPR
SPONSOR(S): Government Operations Appropriations Subcommittee
TIED BILLS: IDEN./SIM. **BILLS:** SB 1040

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
Orig. Comm.: Government Operations Appropriations Subcommittee		Topp	Topp <i>BDT</i>

SUMMARY ANALYSIS

This bill creates the Florida Drug, Device and Cosmetic Trust Fund within the Department of Business and Professional Regulation. The trust fund is established to provide for the deposit of revenues and the recording of expenditures related to the regulation and administration of the Florida Drug, Device and Cosmetic Act authorized in chapter 499, Florida Statutes.

Section 27 of chapter 210-161, Laws of Florida, transferred the administration of chapter 499, Florida Statutes, from the Department of Health to the Department of Business and Professional Regulation, effective October 1, 2011.

Section 19(f), Article III of the Florida Constitution requires that every trust fund be created by a three-fifth vote of the membership in each house of the Legislature in a separate bill for the sole purpose of creating a trust fund. In addition, the Florida Constitution provides that all newly created trust funds terminate not more than four years after the initial creation unless re-created. This trust fund will terminate on July 1, 2015, pursuant to s. 19 (f)(2), Article III of the Florida Constitution, unless terminated sooner or re-created by the Legislature.

The bill has no fiscal impact.

The bill is effective July 1, 2011.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. EFFECT OF PROPOSED CHANGES:

Present Situation

Section 27 of chapter 210-161, Laws of Florida, transferred the administration of chapter 499, Florida Statutes, from the Department of Health to the Department of Business and Professional Regulation, effective October 1, 2011.

Section 19(f), Article III of the Florida Constitution requires that every trust fund be created by a three-fifth vote of the membership in each house of the Legislature in a separate bill for the sole purpose of creating a trust fund. In addition, the Florida Constitution provides that all newly created trust funds terminate not more than four years after the initial creation unless re-created.

The Department of Health will transfer \$2.9 million in annual appropriation to the Department of Business and Professional Regulation for the Florida Drug, Device and Cosmetics Program. Annual revenues for the program are estimated at \$3.3 million. The program has 31.00 full-time employees.

Effect of Proposed Changes

This bill creates the Florida Drug, Device and Cosmetic Trust Fund within the Department of Business and Professional Regulation. This trust fund will be utilized for activities related to the regulation and administration of the Florida Drug, Device and Cosmetic Act as authorized in chapter 499, F.S. The revenues to be deposited into the trust fund will consist of license fees, fines and interest earnings.

This trust fund will terminate on July 1, 2015, pursuant to s. 19 (f)(2), Article III of the Florida Constitution, unless terminated sooner or re-created by the Legislature.

B. SECTION DIRECTORY:

Section 1. Amends section 455.116, Florida Statutes, to include the Florida Drug, Device and Cosmetic Trust Fund among the trust funds within the Department of Business and Professional Regulation.

Section 2. Creates the Florida Drug, Device and Cosmetic Trust Fund within the Department of Business and Professional Regulation.

Section 3. Provides for an effective date of July 1, 2011.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

None.

2. Expenditures:

None.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None.

2. Expenditures:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

None.

D. FISCAL COMMENTS:

The creation of the Florida Drug, Device and Cosmetic Trust Fund within the Department of Business and Professional Regulation will allow for the deposit of revenues and the recording of expenditures related to the regulation and administration of the Florida Drug, Device and Cosmetic Act authorized in chapter 499, Florida Statutes.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

None.

3. Other:

Section 19(f), Article III of the Florida Constitution requires that every trust fund be created by a three-fifth vote of the membership in each house of the Legislature in a separate bill for the sole purpose of creating a trust fund. In addition, the Florida Constitution provides that all newly created trust funds terminate not more than four years after the initial creation unless re-created.

B. RULE-MAKING AUTHORITY:

None.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

IV. AMENDMENTS/ COMMITTEE SUBSTITUTE CHANGES

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1 A bill to be entitled
 2 An act relating to trust funds; amending s. 455.116, F.S.;
 3 creating s. 499.0031, F.S.; creating the Florida, Drug,
 4 Device, and Cosmetic Trust Fund within the Department of
 5 Business and Professional Regulation; providing for the
 6 purpose of the trust fund and sources of funds; providing
 7 for future review and termination or re-creation of the
 8 trust fund; providing an effective date.

9
 10 Be It Enacted by the Legislature of the State of Florida:

11
 12 Section 1. Section 455.116, Florida Statutes, is amended
 13 to read:

14 455.116 Regulation trust funds.—The following trust funds
 15 shall be placed in the department:

- 16 (1) Administrative Trust Fund.
- 17 (2) Alcoholic Beverage and Tobacco Trust Fund.
- 18 (3) Cigarette Tax Collection Trust Fund.
- 19 (4) Hotel and Restaurant Trust Fund.
- 20 (5) Division of Florida Condominiums, Timeshares, and
 21 Mobile Homes Trust Fund.
- 22 (6) Pari-mutuel Wagering Trust Fund.
- 23 (7) Professional Regulation Trust Fund.
- 24 (8) Florida Drug, Device, and Cosmetic Trust Fund.

25 Section 2. Section 499.0031, Florida Statutes, is created
 26 to read:

27 499.0031 Florida, Drug, Device, and Cosmetic Trust Fund.—

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28 | (1) The Florida Drug, Device, and Cosmetic Trust Fund is
29 | created within the Department of Business and Professional
30 | Regulation.

31 | (2) Funds to be credited to and uses of the trust fund
32 | shall be administered in accordance with the provisions of
33 | chapter 499. Funds shall be expended only pursuant to
34 | legislative appropriation or an approved amendment to the
35 | department's operating budget pursuant to the provisions of
36 | chapter 216, Florida Statutes.

37 | (3) In accordance with s. 19(f) (2), Article III of the
38 | State Constitution, the Florida Drug, Device, and Cosmetic Trust
39 | Fund shall, unless terminated sooner, be terminated on July 1,
40 | 2015. Before its scheduled termination, the trust fund shall be
41 | reviewed as provided in s. 215.3206() and (2), Florida Statutes.

42 | Section 3. This act shall take effect July 1, 2011, except
43 | that this act shall not take effect unless it is enacted by a
44 | three-fifths vote of the membership of each house of the
45 | Legislature.



CHIEF FINANCIAL OFFICER
JEFF ATWATER
FLORIDA DEPARTMENT OF FINANCIAL SERVICES

Presentation on the
Workers' Compensation Administration Trust Fund (WCATF)

Andrew Sabolic, Assistant Director, Division of Workers' Compensation
Ashley Mayer, Director, Office of Legislative Affairs

WCATF Background

- Established pursuant to s. 440.50, Florida Statutes.
- Provides for the payment of all expenses in respect to the administration of Chapter 440, Florida's Workers' Compensation Law.
- Expenses are primarily funded by an assessment on carrier premiums and premiums as calculated by the Department for self-insured employers.

WCATF Expenses

- Department of Financial Services, Division of Workers' Compensation
- Payment of Permanent Total Supplemental Benefits to injured workers – s. 440.50(1)(a), F.S.
- Division of Administrative Hearings, Office of the Judges of Compensation Claims – s. 440.45(1)(a), F.S.
- Department of Education, Bureau of Rehabilitation and Reemployment Services for injured workers – s. 440.50(1)(a), F.S.

WCATF Expenses (continued)

- Division of Insurance Fraud, Bureau of Workers' Compensation Fraud – s. 440.50(1)(a), F.S.
- Agency for Health Care Administration, Workers' Compensation Managed Care Section
- Department of Business and Professional Regulation, Child Labor and Farm Labor enforcement programs
- First District Court of Appeals FTE/Operating Costs
- First District Court of Appeals Courthouse: Debt Service Transfer to DMS

WCATF Assessment Rate Calculation

- Amount of expenses in relation to the workers' compensation insurance premium base.
- Expenses: Based upon anticipated expenses for the upcoming calendar year.
- Premium base: Employers' payroll and workers' compensation rates charged to employers.
- Statutorily capped at 2.75%.
- Required to notify carriers and self-insured employers, by July 1st of each year, of the assessment rate for the next calendar year.
- Becomes effective on January 1 and is included in the annual workers' compensation insurance rate filing.

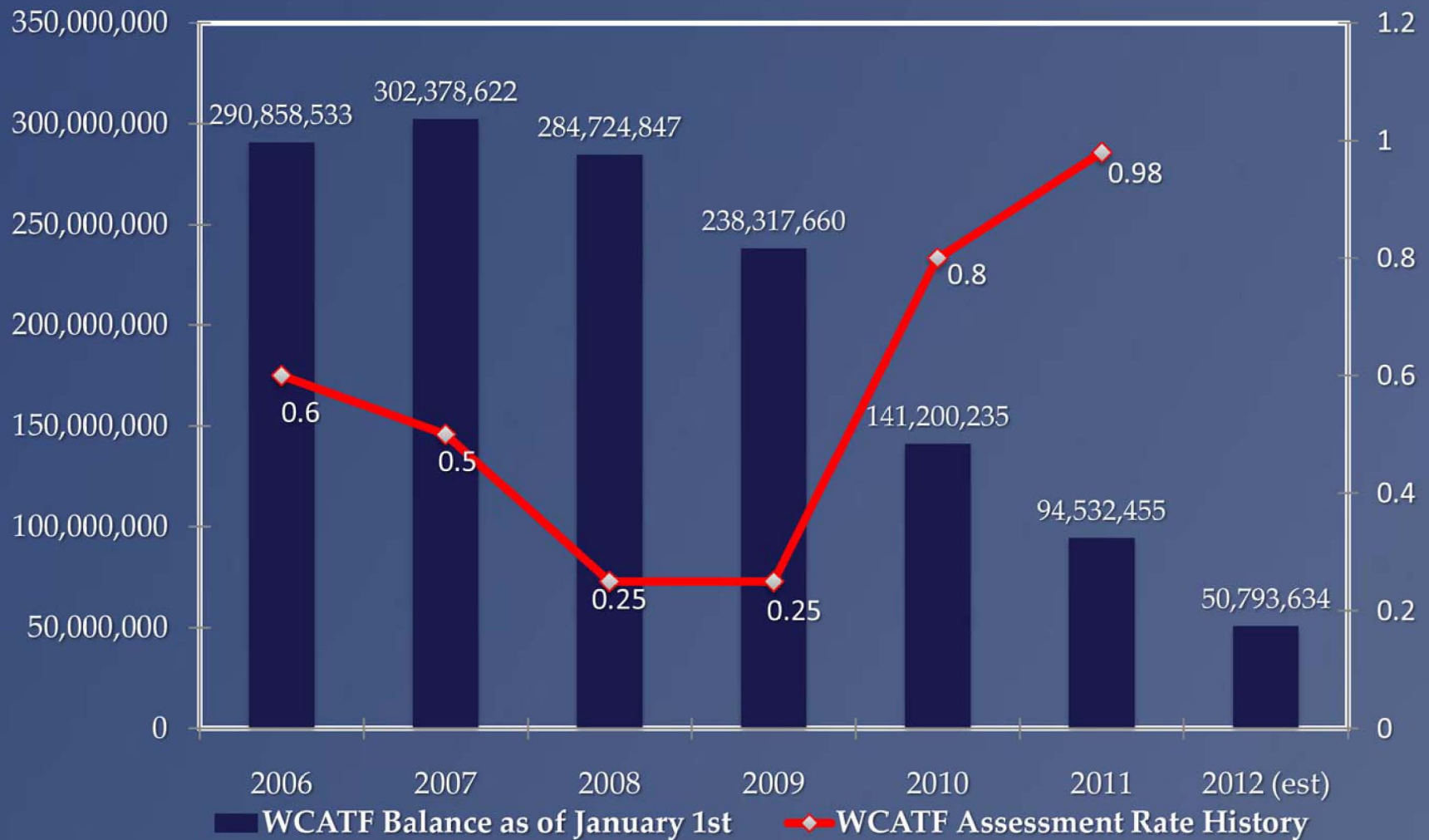
WCATF Schedule 1 Information

REVENUE SOURCE	FY 2009 - 2010	FY 2010-2011	FY 2011-2012
Fees and Assessments	\$28,597,624	\$29,420,922	\$37,391,200
Fines Forfeitures and Penalties	\$15,493,940	\$13,785,000	\$16,728,000
Interest Earned	\$3,696,920	\$2,500,000	\$1,750,000
Other Misc. Revenues	\$246,019	\$326,878	\$231,427
TOTAL	\$48,034,503	\$46,032,800	\$56,100,627
EXPENDITURES	FY 2009 - 2010	FY 2010-2011	FY 2011-2012
Transfer to DBPR Child/Farm Labor	\$2,389,591	\$2,348,726	\$2,348,726
Transfer to DOE Reemployment	\$5,198,300	\$7,666,958	\$7,745,683
Transfer to Judges Compensation Claims	\$18,679,228	\$18,755,154	\$18,794,198
Dist. Supplemental WC Benefits	\$18,805,597	\$21,250,000	\$21,250,000
Transfer to DMS 1st DCA Courthouse/Debt Service	\$2,494,088	\$2,491,512	\$0
Transfer to 1st DCA Operating Costs	\$1,973,939	\$2,034,210	\$2,038,590
Transfer to ACHA	\$437,743	\$250,000	\$250,000
Transfer to Insurance Fraud	\$4,500,000	\$4,500,000	\$4,500,000
Transfer to DFS Administrative Trust Fund	\$6,583,305	\$7,583,184	\$7,608,228
Trust fund Sweep to General Revenue	\$5,000,000	\$0	\$0
Other Non-Operating Expenditures	\$4,834,681	\$4,127,955	\$4,905,568
Operating Expenditures	\$25,151,717	\$26,087,003	\$26,458,750
TOTAL	\$96,048,189	\$97,094,702	\$95,899,743
BALANCE SUMMARY	FY 2009 - 2010	FY 2010-2011	FY 2011-2012
Beginning Balance July 1	\$231,369,092	\$141,545,422	\$91,181,114
Plus Revenues	\$48,034,503	\$46,032,800	\$56,100,627
Less Expenditures	(\$96,048,189)	(\$97,094,702)	(\$95,899,743)
Adjustments	(\$41,809,984)	\$697,594	\$0
Ending Balance June 30	\$141,545,422	\$91,181,114	\$51,381,998

WCATF Assessment Rate History



WCATF Balances and Assessment Rate History



THANK YOU

Questions?

**Budget Balancing
Exercise**

A	B	C	D	E	F	G	H
Budget Balancing Exercise FY 2011-2012 Government Operations Appropriations Subcommittee	INSTRUCTIONS: (1) Total Base Budget is \$1,480,061,654 (state funds only - all federal funds have been removed). The Base Budget for this exercise also contains the Key Budget Drivers (Tiers 1 & 2) of the Long Range Financial Outlook (LRFO). Amounts below for Key Budget Drivers may differ from the LRFO due to updated estimates. (2) Target Budget is \$1,258,052,406 or 85% of the Base Budget. (3) Reductions of \$222,009,248 (15% of the Base Budget) will be entered in Column E. Enter the percentage of reduction desired for programs chosen for reduction in Column E until total funding is equal or less than the total Target Budget. Values in Column F Adjusted Total State Funds will automatically calculate as will the running total and difference when percentages are entered in Column E. (4) Program/Department activities blocked out in Column E cannot be reduced as the issue is an obligation of the state or affects a statewide policy issue not in the jurisdiction of this subcommittee.						
Program / Department Activity	FY 2011-2012 Base Budget (State Funds Only) 1,480,061,654			Target Budget = 1,258,052,406 Running Total = <u>1,251,541,134</u> Difference = 6,511,272			
	FTE	Total State Funds	MOE/MATCH or Revenue Generating	Percent of Reduction Proposed	Adjusted Total State Funds	Page Reference for Base Budget or Long-Range Financial Outlook (LRFO)	Comments
1 Department of Business and Professional Regulation							
2 Office of the Secretary / Administration							
3 Office of the Secretary	8.00	1,134,096		13%	984,602	7 through 9	
4 Budget and Financial Management	27.00	1,955,914		13%	1,698,089	7 through 9	
5 Communications	6.00	495,575		25%	371,681	7 through 9	
6 General Counsel	64.00	5,727,882		15%	4,869,741	7 through 9	
7 Inspector General	10.00	885,181		14%	760,451	7 through 9	
8 Legislative Affairs	4.00	361,224		20%	287,337	7 through 9	
9 Human Resources	16.00	1,025,929		14%	878,568	7 through 9	
10 Departmental Purchasing	6.00	341,730		12%	299,790	7 through 9	
11 Mail Services/Print Shop (Dir. Office/Agency Services)	14.50	1,638,223		24%	1,239,092	7 through 9	
12 Information Technology	54.00	8,067,714		16%	6,762,211	10 through 12	
13							
14 Service Operations							
15 Customer Contact Center (Call Center)	92.00	5,071,474		25%	3,780,553	14 through 15	
16 Central In-Take Center (Licensing & Revenue)	111.50	6,909,912		18%	5,647,283	16 through 17	
17							
18 Professional Regulation							
19 Division of Professions (includes board offices)	28.00	4,741,453		15%	4,043,166	21 through 24	
20 Division of Regulation (investigations)	99.00	6,518,338		21%	5,167,264	21 through 24	
21 Unlicensed Activity	0.00	1,255,050		19%	1,017,731	21 through 24	
22 Division of Real Estate	77.00	5,902,376		12%	5,220,920	21 through 24	
23 Division of Certified Public Accounting	8.00	1,035,190		10%	932,612	21 through 24	
24 Florida Engineering Management Corporation	0.00	2,070,000		12%	1,823,482	21 through 24	
25 Board of Architecture & Interior Design - Compliance/Investigations	0.00	425,239		29%	301,147	21 through 24	
26 Child Labor Regulation	9.00	532,613		41%	312,305	25	
27 Farm Labor Regulation	20.00	1,292,426		67%	422,976	25	
28 Florida Boxing Commission	4.00	615,350		30%	428,507	24	
29 Testing and Continuing Education	43.00	3,521,244		16%	2,954,644	18 through 19	
30							

A	B	C	D	E	F	G	H
Budget Balancing Exercise FY 2011-2012 Government Operations Appropriations Subcommittee	INSTRUCTIONS: (1) Total Base Budget is \$1,480,061,654 (state funds only - all federal funds have been removed). The Base Budget for this exercise also contains the Key Budget Drivers (Tiers 1 & 2) of the Long Range Financial Outlook (LRFO). Amounts below for Key Budget Drivers may differ from the LRFO due to updated estimates. (2) Target Budget is \$1,258,052,406 or 85% of the Base Budget. (3) Reductions of \$222,009,248 (15% of the Base Budget) will be entered in Column E. Enter the percentage of reduction desired for programs chosen for reduction in Column E until total funding is equal or less than the total Target Budget. Values in Column F Adjusted Total State Funds will automatically calculate as will the running total and difference when percentages are entered in Column E. (4) Program/Department activities blocked out in Column E cannot be reduced as the issue is an obligation of the state or affects a statewide policy issue not in the jurisdiction of this subcommittee.						
Program / Department Activity	FY 2011-2012 Base Budget (State Funds Only) 1,480,061,654			Target Budget = 1,258,052,406 Running Total = 1,251,541,134 Difference = 6,511,272			
	FTE	Total State Funds	MOE/MATCH or Revenue Generating	Percent of Reduction Proposed	Adjusted Total State Funds	Page Reference for Base Budget or Long-Range Financial Outlook (LRFO)	Comments
31	Pari-Mutuel Wagering						
32	66.00	6,744,695	R	12%	5,921,842	27 through 28	
33	52.00	4,934,868	R	13%	4,270,904	29 through 30	
34	0.00	2,266,000		26%	1,668,600	28	
35	0.00	100,000		33%	66,818	28	
36							
37	Hotels and Restaurants						
38	280.00	17,139,005		16%	14,396,764	32 through 33	
39	16.00	1,173,334		7%	1,093,334	32 through 33	
40							
41	Alcoholic Beverages & Tobacco						
42	190.75	15,352,073		15%	13,077,175	35 through 36	
43	63.00	4,236,508		10%	3,832,114	37 through 38	
44	87.00	6,494,453	R	6%	6,116,594	39 through 40	
45							
46	Condominiums, Timeshares and Mobile Homes						
47	9.00	480,845		38%	295,938	42 through 43	
48	104.00	6,795,783		40%	4,065,114	42 through 43	
49	3.00	155,543		36%	99,972	42 through 43	
50	2.00	108,845		45%	60,063	42 through 43	
51							
52	0.00	1,415,397			1,415,397		The appropriation for Risk Management is based on several factors including the claims history of each department and the funding of the Division of Risk Management. Reductions must align with the statewide funding based on the most recent Revenue Estimating Conference.

A	B	C	D	E	F	G	H
<p align="center">Budget Balancing Exercise FY 2011-2012 Government Operations Appropriations Subcommittee</p>	<p>INSTRUCTIONS: (1) Total Base Budget is \$1,480,061,654 (state funds only - all federal funds have been removed). The Base Budget for this exercise also contains the Key Budget Drivers (Tiers 1 & 2) of the Long Range Financial Outlook (LRFO). Amounts below for Key Budget Drivers may differ from the LRFO due to updated estimates. (2) Target Budget is \$1,258,052,406 or 85% of the Base Budget. (3) Reductions of \$222,009,248 (15% of the Base Budget) will be entered in Column E. Enter the percentage of reduction desired for programs chosen for reduction in Column E until total funding is equal or less than the total Target Budget. Values in Column F Adjusted Total State Funds will automatically calculate as will the running total and difference when percentages are entered in Column E. (4) Program/Department activities blocked out in Column E cannot be reduced as the issue is an obligation of the state or affects a statewide policy issue not in the jurisdiction of this subcommittee.</p>						
<p align="center">Program / Department Activity</p>	<p align="center">FY 2011-2012 Base Budget (State Funds Only)</p> <p align="center">1,480,061,654</p>			<p>Target Budget = 1,258,052,406 Running Total = 1,251,541,134 Difference = 6,511,272</p>			
	FTE	Total State Funds	MOE/MATCH or Revenue Generating	Percent of Reduction Proposed	Adjusted Total State Funds	Page Reference for Base Budget or Long-Range Financial Outlook (LRFO)	Comments
53	Transfer to DMS for HR Services/Statewide Contract	0.00	602,837			602,837	Reductions to this line must be allocated in the General Appropriations Act based on the appropriations to the Division of Human Resources and the People First contract.
54	Data Processing Services - Southwood Shared Resource Center	0.00	5,000			5,000	Reductions to this line must be allocated in the General Appropriations Act based on the appropriations to the Southwood Shared Resource Center.
55	Data Processing Services - Northwood Shared Resource Center	0.00	1,005,849			1,005,849	Reductions to this line must be allocated in the General Appropriations Act based on the appropriations to the Northwood Shared Resource Center.
56	Transfer to Division of Administrative Hearings	0.00	382,785			382,785	8 Reductions to this line must be allocated in the General Appropriations Act based on reductions to the appropriations provided to the Division of Administrative Hearings.
57	Department of Business and Professional Regulation Total	1,573.75	130,917,953			108,581,253	

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<p align="center">Program / Department Activity</p>	<p align="center">FY 2011-2012 Base Budget (State Funds Only)</p> <p align="center">1,480,061,654</p>			<p>Target Budget = 1,258,052,406 Running Total = 1,251,541,134 Difference = 6,511,272</p>				
	FTE	Total State Funds	MOE/MATCH or Revenue Generating	Percent of Reduction Proposed	Adjusted Total State Funds	Page Reference for Base Budget or Long-Range Financial Outlook (LRFO)	Comments	
58								
59	Department of Revenue							
60	Executive Director/Administration							
61	Office of the Executive Director	26.00	1,452,686	M	13%	1,267,799	9 through 10	\$575,907 of this budget is state match related to Child Support Enforcement. Federal funds provided as a result of this state match total \$1,117,936. State Match is 34% of Child Support Enforcement costs.
62	Office of the Inspector General	20.00	1,036,401	M	10%	928,050	9 through 10	\$410,862 of this budget is state match related to Child Support Enforcement. Federal funds provided as a result of this state match total \$797,556. State Match is 34% of Child Support Enforcement costs.
63	Office of General Counsel	44.00	3,535,530	M	12%	3,101,624	9 through 10	\$1,401,693 of this budget is state match related to Child Support Enforcement. Federal funds provided as a result of this state match total \$2,720,933. State Match is 34% of Child Support Enforcement costs.
64	Technical Assistance & Dispute Resolution	43.00	2,879,909	M	12%	2,526,466	9 through 10	\$1,141,758 of this budget is state match related to Child Support Enforcement. Federal funds provided as a result of this state match total \$2,216,354. State Match is 34% of Child Support Enforcement costs.

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	<p>1,480,061,654</p>			<p>Percent of Reduction Proposed</p>	<p>Adjusted Total State Funds</p>	<p>Page Reference for Base Budget or Long-Range Financial Outlook (LRFO)</p>	<p>Comments</p>
65 Office of Financial Management	60.00	3,270,797	M	10%	2,928,850	9 through 10	\$1,296,734 of this budget is state match related to Child Support Enforcement. Federal funds provided as a result of this state match total \$2,517,190. State Match is 34% of Child Support Enforcement costs.
66 Office of Workforce Management	60.00	3,238,440	M	12%	2,840,995	9 through 10	\$1,283,869 of this budget is state match related to Child Support Enforcement. Federal funds provided as a result of this state match total \$2,492,216. State Match is 34% of Child Support Enforcement costs.
67							
68 Property Tax Oversight							
69 Compliance Determination	127.00	8,628,095		29%	6,157,322	12 through 13	
70 Compliance Assistance	49.00	5,167,113		42%	3,006,320	13 through 14	
71							
72 Child Support Enforcement							
73 Case Processing (State Match)	926.00	19,379,336	M	9%	17,705,666	16 through 17	All state funds in this line are state match. Federal funds provided as a result of this state match total \$37,618,712. State match is 34% of Child Support Enforcement costs.
74 Child Support Enforcement Annual Fee	0.00	1,980,000		5%	1,886,400	17	

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75 Remittance and Distribution (State Match)	78.00	5,337,090	M	6%	5,012,013	17 through 18	All state funds in this line are state match. Federal funds provided as a result of this state match total \$10,360,234. State Match is 34% of Child Support Enforcement costs.
76 Cover Loss Child Support Payments	0.00	2,241,987		14%	1,928,109	18	
77 Establishment (State Match)	658.00	16,532,598	M	6%	15,465,494	19 through 20	All state funds in this line are state match. Federal funds provided as a result of this state match total \$32,092,690. State Match is 34% of Child Support Enforcement costs.
78 Compliance (State Match)	626.00	15,165,117	M	7%	14,103,559	20	All state funds in this line are state match. State Match is 34% of Child Support Enforcement costs. Federal funds provided as a result of this state match total \$29,438,168.
79 CAMS - Operations & Maintenance (State Match)	0.00	2,454,740	M	7%	2,271,750	16 through 20	All state funds in this line are state match. Federal funds provided as a result of this state match total \$4,765,084. State Match is 34% of Child Support Enforcement costs.
80							

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	FTE	Total State Funds	MOE/MATCH or Revenue Generating	Percent of Reduction Proposed	Adjusted Total State Funds	Page Reference for Base Budget or Long-Range Financial Outlook (LRFO)	Comments
81 General Tax Administration							
82 Tax Processing	423.50	25,852,131	R	6%	24,183,493	22 through 23	
83 Pass through funds - Local Government Half-Cent Sales Tax	0.00	16,760,000		4%	16,104,836	22	A reduction in this line will reduce the distribution of funds to local governments.
84 Taxpayer Aid	128.00	9,036,797	R	12%	7,985,242	23 through 24	
85 Compliance Determination	1,157.00	66,860,412	R	8%	61,329,232	24 through 25	
86 Compliance Resolution	524.50	30,614,305	R	9%	27,859,018	25 through 26	
87							
88 Information Services Program	183.00	14,548,302	M	13%	12,696,700	29	\$673,274 of this budget is state match related to Child Support Enforcement. Federal funds provided as a result of this state match total \$1,306,944. State Match is 34% of Child Support Enforcement costs.
89							
90 Transfer to Division of Administrative Hearings	0.00	860,713			860,713		Reductions to this line must be allocated in the General Appropriations Act based on reductions to the appropriations provided to the Division of Administrative Hearings.
91 Risk Management Insurance	0.00	1,707,636			1,707,636		The appropriation for Risk Management is based on several factors including the claims history of each department and the funding of the Division of Risk Management. Reductions must align with the statewide funding based on the most recent Revenue Estimating Conference.

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92	Transfer to DMS for HR Services/Statewide Contract	0.00	1,757,771			1,757,771	Reductions to this line must be allocated in the General Appropriations Act based on the appropriations to the Division of Human Resources and the People First contract.
93	Data Processing Services - DCF Data Center	0.00	4,201,473			4,201,473	Reductions to this line must be allocated in the General Appropriations Act based on the appropriations to the Dept. of Children and Families Data Center.
94	Data Processing Services - Southwood Shared Resource Center	0.00	2,744,103			2,744,103	Reductions to this line must be allocated in the General Appropriations Act based on the appropriations to the Southwood Shared Resource Center.
95	Data Processing Services - Northwood Shared Resource Center	0.00	1,047,133			1,047,133	Reductions to this line must be allocated in the General Appropriations Act based on the appropriations to the Northwood Shared Resource Center.

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104	Department of Financial Services						
105	Office of Chief Financial Officer/Administration						
106	164.50	13,051,747		20%	10,382,071	9 through 10	
107	87.50	7,491,283		16%	6,292,678	10 through 11	
108	130.00	17,391,032		18%	14,292,266	11 through 12	
109	9.00	1,088,865		30%	762,206	12 through 13	
110	111.00	12,395,424		20%	9,950,145	13 through 14	
111							
112	Treasury						
113	26.50	1,906,675		7%	1,766,274	16	
114	28.50	2,945,058		7%	2,752,291	17	
115	12.50	1,829,992		9%	1,668,620	18	
116							
117	Financial Accounting for Public Funds						
118	7.00	2,431,296		10%	2,185,956	20 through 21	
119	48.00	2,781,970		12%	2,455,721	20 through 21	
120	12.00	1,207,907		13%	1,046,487	20 through 21	
121	54.00	5,299,029		12%	4,643,876	20 through 21	
122	29.00	2,145,861		11%	1,903,964	20 through 21	
123	10.00	684,431		21%	538,212	20 through 21	
124	7.00	466,740		19%	379,757	20 through 21	
125	0.00	1,513,285		82%	268,264	20 through 21	Debt Service completed in January 2011.
126	60.00	4,087,816		30%	2,842,890	22	
127							
128	249.50	20,849,430		16%	17,428,228	24 through 29	
129							

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130 State Property and Casualty Claims (Risk Management)	105.00	59,399,637		10%	53,189,675	31 through 32	
131							
132 Licensing and Consumer Protection							
133 Insurance Company Rehabilitation and Liquidation	7.00	1,008,480		8%	928,718	34	
134 Licensure, Sales, Appointments, and Oversight	159.00	11,938,082		14%	10,299,309	35	
135 Insurance Fraud	196.00	17,087,161		12%	15,052,235	36 through 37	
136 Consumer Assistance	123.50	8,862,444		18%	7,243,034	37 through 38	
137 Funeral & Cemetery Services	23.00	2,018,822		16%	1,699,481	38 through 39	
138 Public Assistance Fraud	63.00	6,292,721		22%	4,885,440		This program was transferred from FDLE to DFS on January 1, 2011.
139							
140 Workers' Compensation							
141 Workers' Compensation	342.00	26,448,295		19%	21,495,251	41 through 42	
142 Transfer to First District Court of Appeal	0.00	2,038,590		23%	1,573,421	41	
143 Transfer to Justice Admin. for Prosecution of Workers' Comp. Fraud	0.00	278,498		23%	214,950	42	
144							
145 Transfer to Division of Administrative Hearings	0.00	487,413			487,413		Reductions to this line must be allocated in the General Appropriations Act based on reductions to the appropriations provided to the Division of Administrative Hearings.
146 Risk Management Insurance	0.00	1,634,027			1,634,027		The appropriation for Risk Management is based on several factors including the claims history of each department and the funding of the Division of Risk Management. Reductions must align with the statewide funding based on the most recent Revenue Estimating Conference.

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	<p align="center">1,480,061,654</p>			<p>Percent of Reduction Proposed</p>	<p>Adjusted Total State Funds</p>	<p>Page Reference for Base Budget or Long-Range Financial Outlook (LRFO)</p>	<p>Comments</p>
171	Risk Management Insurance	0.00	115,643			115,643	<p>The appropriation for Risk Management is based on several factors including the claims history of each department and the funding of the Division of Risk Management. Reductions must align with the statewide funding based on the most recent Revenue Estimating Conference.</p>
172	Transfer to DMS for HR Services/Statewide Contract	0.00	110,832			110,832	<p>Reductions to this line must be allocated in the General Appropriations Act based on the appropriations to the Division of Human Resources and the People First contract.</p>
173	Office of Insurance Regulation Total	290.00	28,342,721			24,038,809	
174							

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175	Office of Financial Regulation						
176	9.00	955,547		16%	807,003	49 through 50	
177	88.00	8,356,817		15%	7,080,503	49 through 50	
178	24.00	2,858,525		18%	2,343,991	49 through 50	
179							
180	64.00	4,478,348		16%	3,774,026	50	
181							
182	35.00	3,261,351		27%	2,395,611	51	
183							
184	Finance Regulation						
185	11.00	910,457		16%	763,129	52 through 53	
186	75.00	6,153,796		18%	5,062,896	52 through 53	
187	25.00	5,598,829		15%	4,753,915	52 through 53	
188	26.00	1,006,907		14%	864,109	52 through 53	
189	0.00	1,974,670		8%	1,811,311	53	
190							
191	Securities Regulation						
192	7.00	684,268		17%	571,053	53	
193	62.00	4,647,650		18%	3,823,748	53	
194	28.00	1,928,245		16%	1,621,479	53	
195							

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Budget Balancing Exercise FY 2011-2012 Government Operations Appropriations Subcommittee		INSTRUCTIONS: (1) Total Base Budget is \$1,480,061,654 (state funds only - all federal funds have been removed). The Base Budget for this exercise also contains the Key Budget Drivers (Tiers 1 & 2) of the Long Range Financial Outlook (LRFO). Amounts below for Key Budget Drivers may differ from the LRFO due to updated estimates. (2) Target Budget is \$1,258,052,406 or 85% of the Base Budget. (3) Reductions of \$222,009,248 (15% of the Base Budget) will be entered in Column E. Enter the percentage of reduction desired for programs chosen for reduction in Column E until total funding is equal or less than the total Target Budget. Values in Column F Adjusted Total State Funds will automatically calculate as will the running total and difference when percentages are entered in Column E. (4) Program/Department activities blocked out in Column E cannot be reduced as the issue is an obligation of the state or affects a statewide policy issue not in the jurisdiction of this subcommittee.						
		FY 2011-2012 Base Budget (State Funds Only) 1,480,061,654			Target Budget = 1,258,052,406 Running Total = <u>1,251,541,134</u> Difference = 6,511,272			
Program / Department Activity		FTE	Total State Funds	MOE/MATCH or Revenue Generating	Percent of Reduction Proposed	Adjusted Total State Funds	Page Reference for Base Budget or Long-Range Financial Outlook (LRFO)	Comments
		196 Risk Management Insurance		0.00	436,010		436,010	
197 Transfer to DMS for HR Services/Statewide Contract		0.00	166,412			166,412		Reductions to this line must be allocated in the General Appropriations Act based on the appropriations to the Division of Human Resources and the People First contract.
198 Office of Financial Regulation Total		454.00	43,417,832			36,275,194		
199								

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<p align="center">Program / Department Activity</p>	<p align="center">FY 2011-2012 Base Budget (State Funds Only)</p> <p align="center">1,480,061,654</p>			<p>Target Budget = 1,258,052,406 Running Total = <u>1,251,541,134</u> Difference = 6,511,272</p>			
	FTE	Total State Funds	MOE/MATCH or Revenue Generating	Percent of Reduction Proposed	Adjusted Total State Funds	Page Reference for Base Budget or Long-Range Financial Outlook (LRFO)	Comments
200 Public Service Commission							
201 Public Service Commissioners	18.00	2,387,347		39%	1,464,963	3 through 8	
202 Executive Direction and Support Services	80.00	7,262,403		32%	4,971,445	3 through 8	
203 Legal Services	32.00	2,927,048		26%	2,152,711	3 through 8	
204 Utility Regulation	159.00	12,197,368		28%	8,726,662	3 through 8	
205 Auditing and Performance Analysis	34.00	2,627,218		32%	1,798,450	3 through 8	
206							
207 Risk Management Insurance	0.00	99,591			99,591		The appropriation for Risk Management is based on several factors including the claims history of each department and the funding of the Division of Risk Management. Reductions must align with the statewide funding based on the most recent Revenue Estimating Conference.
208 Transfer to DMS for HR Services/Statewide Contract	0.00	119,009			119,009		Reductions to this line must be allocated in the General Appropriations Act based on the appropriations to the Division of Human Resources and the People First contract.
209 Data Processing Services - Southwood Shared Resource Center	0.00	70,555			70,555		Reductions to this line must be allocated in the General Appropriations Act based on the appropriations to the Southwood Shared Resource Center.
210 Public Service Commission Total	323.00	27,690,539			19,403,386		
211							

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<p align="center">Program / Department Activity</p>	<p align="center">FY 2011-2012 Base Budget (State Funds Only)</p>			<p>Target Budget = 1,258,052,406 Running Total = 1,251,541,134 Difference = 6,511,272</p>			
	<p align="center">1,480,061,654</p>			<p>Percent of Reduction Proposed</p>	<p>Adjusted Total State Funds</p>	<p>Page Reference for Base Budget or Long-Range Financial Outlook (LRFO)</p>	<p>Comments</p>
212	<p>Department of the Lottery</p>						
213	62.50	10,191,989		16%	8,589,067	5 through 8	
214	14.00	2,203,886		20%	1,773,126	5 through 8	
215	85.00	38,279,133	R	7%	35,564,794	5 through 8	<p>Net proceeds of lottery games are transferred to the Educational Enhancement Trust Fund. \$1.17 billion is estimated to be transferred during FY 2011-12.</p>
216	42.50	2,648,908	R	4%	2,552,584	5 through 8	<p>Net proceeds of lottery games are transferred to the Educational Enhancement Trust Fund. \$1.17 billion is estimated to be transferred during FY 2011-12.</p>
217	12.00	33,461,667	R	9%	30,450,117	5 through 8	<p>Net proceeds of lottery games are transferred to the Educational Enhancement Trust Fund. \$1.17 billion is estimated to be transferred during FY 2011-12.</p>
218	195.00	12,081,568	R	3%	11,697,154	5 through 8	<p>Net proceeds of lottery games are transferred to the Educational Enhancement Trust Fund. \$1.17 billion is estimated to be transferred during FY 2011-12.</p>
219	26.00	34,462,114	R	5%	32,770,337	5 through 8	<p>Net proceeds of lottery games are transferred to the Educational Enhancement Trust Fund. \$1.17 billion is estimated to be transferred during FY 2011-12.</p>

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	FTE	Total State Funds	MOE/MATCH or Revenue Generating	Percent of Reduction Proposed	Adjusted Total State Funds	Page Reference for Base Budget or Long-Range Financial Outlook (LRFO)	Comments	
220	Compulsive Gambling Program	0.00	1,119,000		82%	198,368	5 through 8	Provided pursuant to Proviso in the GAA. The program is outsourced. Dollars saved by reducing contract payments or by eliminating the program increases dollars transferred to education.
222	Risk Management Insurance	0.00	375,065			375,065		The appropriation for Risk Management is based on several factors including the claims history of each department and the funding of the Division of Risk Management. Reductions must align with the statewide funding based on the most recent Revenue Estimating Conference.
223	Transfer to DMS for HR Services/Statewide Contract	0.00	159,184			159,184		Reductions to this line must be allocated in the General Appropriations Act based on the appropriations to the Division of Human Resources and the People First contract.
224	Data Processing Services - Southwood Shared Resource Center	0.00	35,346			35,346		Reductions to this line must be allocated in the General Appropriations Act based on the appropriations to the Southwood Shared Resource Center.
225	Department of the Lottery Total	437.00	135,017,860			124,165,144		
226								

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	1,480,061,654						
	FTE	Total State Funds	MOE/MATCH or Revenue Generating	Percent of Reduction Proposed	Adjusted Total State Funds	Page Reference for Base Budget or Long-Range Financial Outlook (LRFO)	Comments
227	Department of Management Services						
228	Administration Program						
229	Executive Direction/Support Services						
230	5.00	656,934		14%	565,560	12 through 14	
231	7.00	1,531,701		13%	1,328,403	12 through 14	
232	4.00	159,428		26%	118,412	12 through 14	
233	14.00	1,143,890		14%	981,666	12 through 14	
234	6.00	575,401		14%	495,368	12 through 14	
235	1.00	118,795		28%	85,532	12 through 14	
236	5.00	492,290		17%	410,391	12 through 14	
237	5.00	283,960		17%	236,719	12 through 14	
238	5.00	278,154		19%	224,293	12 through 14	
239	2.00	304,950		17%	254,217	12 through 14	
240	20.00	1,082,428		15%	924,984	12 through 14	
241	4.00	433,931		31%	300,596	14 through 15	
242							
243	Facilities Program						
244	292.50	55,435,176		22%	43,138,646	17 through 19	
245	10.00	1,006,932		16%	845,823	20 through 21	
246							
247	Support Program						
248	11.00	1,526,854		100%	-	23	
249	5.00	314,412		30%	221,518	24 through 25	
250	7.00	1,469,026		16%	1,231,311	25 through 26	
251	44.00	18,684,676		15%	15,898,961	27 through 29	
252	13.00	2,318,937		23%	1,794,014	27 through 29	
253	6.00	384,843		80%	75,219	29 through 30	
254							

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255	Workforce Program							
256	Human Resource Management	22.00	2,112,706		23%	1,622,942	32 through 34	
257	People First Management	18.00	41,699,600		10%	37,453,823	32 through 34	
258	Governor's Commission on Disabilities	5.00	555,692		55%	252,082	32 through 34	
259	Insurance Benefits Administration	23.00	24,424,075		15%	20,671,649	34 through 36	
260	Retirement Benefits Administration	194.00	18,352,709		17%	15,299,486	37 through 39	
261	National Guard and Other Special Pensions and Benefits	0.00	16,742,980		0%	16,742,980	39	
262								
263	Technology Program							
264	Telecommunications Services	75.00	255,106,965		22%	198,983,433	41 through 44	
265	Wireless Services	13.00	22,718,905		13%	19,744,794	44 through 46	
266								
267	Independent Entities							
268	Southwood Shared Resource Center	97.00	21,459,244		18%	17,694,122	48 through 50	
269	Public Employees Relations Commission	28.00	3,092,838		28%	2,221,220	52 through 53	
270	Florida Commission on Human Relations	53.50	2,320,541		43%	1,318,489	55 through 56	
271	Division of Administrative Hearings							
272	Adjudication/Disputes	68.00	8,566,555		15%	7,297,147	58 through 59	
273	Workers' Compensation Appeals	198.00	18,032,620		24%	13,737,578	59 through 61	
274								
275	Risk Management Insurance	0.00	782,358			782,358		The appropriation for Risk Management is based on several factors including the claims history of each department and the funding of the Division of Risk Management. Reductions must align with the statewide funding based on the most recent Revenue Estimating Conference.

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		276		Transfer to DMS for HR Services/Statewide Contract	0.00	458,915		
277		Data Processing Services - Southwood Shared Resource Center	0.00	4,197,868		4,197,868		Reductions to this line must be allocated in the General Appropriations Act based on the appropriations to the Southwood Shared Resource Center.
278		Transfer to Division of Administrative Hearings	0.00	864,243		864,243		Reductions to this line must be allocated in the General Appropriations Act based on reductions to the appropriations provided to the Division of Administrative Hearings.
279		FCO: Debt Service Obligation	0.00	29,949,943		29,949,943		
280								
281		Key Budget Driver - LRFO (Tier 1) National Guard Pensions	0.00	1,100,000		0%	1,100,000	103 LRFO
282		Key Budget Driver - LRFO (Tier 2) State Aircraft Program	0.00	889,320		91%	80,847	
283		Department of Management Services Total	1,261.00	561,630,795			459,605,551	
284								
285		Total	11,536.25	1,480,061,654		-15.4%	1,251,541,134	