



Government Operations Appropriations Subcommittee

**Wednesday, October 9, 2013
4:00 PM – 6:00 PM
Morris Hall (17 HOB)**

MEETING PACKET

**Will Weatherford
Speaker**

**Clay Ingram
Chair**



The Florida House of Representatives
Appropriations Committee
Government Operations Appropriations Subcommittee

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October 9, 2013

AGENDA
4:00 PM – 6:00 PM
Morris Hall

- I. Call to Order/Roll Call
- II. Presentations
 - Department of Business and Professional Regulation
 - Florida State Boxing Commission, *Cynthia Hefren*
 - Florida Homeowner's Construction Recovery Fund, *Tim Vaccaro*
 - Florida Mobile Home Relocation Trust Fund, *Ruth Dillard*
 - Department of Revenue
 - One-Stop Business Registration Portal, *Marshall Stranburg*
- III. Closing/Adjourn

Florida Department of
Business &
Professional
Regulation

License efficiently. Regulate fairly.

Ken Lawson
Secretary



Florida State Boxing Commission

Cynthia Hefren,
Executive Director
October 9, 2013



Mission

To provide customer-focused services to the combat sports industry in order to protect the health and safety of participants and maintain the integrity of combat sports.



Statutory Authority and Rules

- Chapter 548, Florida Statutes
- Rule Chapter 61K1, Florida Administrative Code

Duties and Responsibilities

- License and regulate professional boxing, kickboxing and mixed martial arts participants and activities.
- Approve and monitor amateur sanctioning organizations.

Florida State Boxing Commission

- Five members
- Appointed by the Governor, confirmed by the Senate
- Responsibilities include:
 - Disciplinary matters
 - Informal hearings
 - Rulemaking
 - Approval of Amateur Sanctioning Organizations

Commission Structure

- Headquarters (Tallahassee)
 - Three FTE
 - Perform day-to-day operations
 - Licensing, approval and issuance of live event permits, compiling event data, collection of revenue and facilitation of Commission meetings
- Field Staff
 - One FTE and 30+ OPS
 - Oversee professional weigh-ins and events
 - Approval of bout cards, assignment of officials and inspectors, venue inspection, direct supervision of participants

Historical Information

- Repeal of s. 548.061, Florida Statutes
 - Provided \$200,000 in General Revenue in 2012
 - Pay-per-view collections averaged \$215,000 per year, which is approximately one-third of the Commission's budget
- Workgroup
- OIG Audit
 - Requested by Deputy Secretary to closely examine business processes.
 - Findings:
 - Collection of Revenue, particularly post event taxes
 - Licensing
 - Policies and Procedures



Improvements and Initiatives

- Compliance with post event tax requirements
- Controls over licensing process strengthened through greater oversight and implementation of on-line applications (expected rollout in late 2013)
- Policies and procedures refined to address re-engineered business processes

FY 2013-14 Budget

- FY 2012-13 ended with a fund deficit of (\$392,924)
 - Contributing Factors
 - Cumulative impact of under-reported post event taxes
 - Reduced number of sanctioned events

Fiscal Year 2013-14

Appropriations

- The Commission was appropriated a total operating budget of \$1,098,393.
 - \$582,569 in the Professional Regulation Trust Fund
 - \$515,824 in General Revenue (\$200,000 recurring/\$315,824 non-recurring)
- The Commission has a non-operating budget of \$293,414.

Fiscal Year 2013-14 Budget

Operating

Category	Appropriation
General Revenue Transfer to Professional Regulation Trust Fund	515,824
Salaries and Benefits (4.00 FTE)	308,943
Other Personal Services	110,371
Expenses	156,920
Contracted Services	2,000
Risk Management Insurance	701
Transfer to DMS/HR Services	3,634
Total Operating Budget	1,098,393

Fiscal Year 2013-14 Budget

Non-Operating

Category	Appropriation
Transfer to Administrative Trust Fund – Service Operations	2,917
Transfer to Administrative Trust Fund – Executive Direction	162,497
Transfer within Agency for Investigative Costs	22,000
Refunds	66,000
Service Charge to General Revenue	40,000
Total Non-Operating Budget	293,414

Assumptions

- FY 2013-14 post event taxes projected at \$250,000
- License fee collections remain consistent with FY 2012-13 collections
- Forty-one sanctioned events in FY 2013-14

Budget Projection

The Commission is projected to end Fiscal Year 2013-14 with a fund deficit of (\$142,627).

Moving Forward

- Refinement of Business Processes
 - On-line application deployment in late 2013
 - More efficient weigh-in activities
- Continued reduction of expenses
 - Hire Panhandle OPS employees
 - Broaden overall pool of OPS staff to reduce travel costs
- Continued excellent customer service
 - Attract high-caliber events
 - Repeat business



Questions

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Florida Homeowners' Construction Industry Recovery Fund

- Fund of last resort available to compensate homeowners who suffered monetary damages due to the financial misconduct or fraud of a Division I contractor
- Payments limited to \$25,000 or \$50,000 per consumer, depending on the date of contract
- Total statutory cap of \$500,000 in recovery payments against each Construction Industry Licensing Board (CILB) license holder
- Received an average of 333 claims per year during the previous 5 fiscal years

Funding

- Funded through one half of a 1.5% surcharge on permitting fees associated with enforcement of the Florida Building Code
- HB 57 permitted the transfer of excess funds from the Florida Building Code Administrators and Inspectors Board (BCAIB) when those funds are not necessary for the operation of the BCAIB

Claims

- FY 2013-14 number of claims paid to date
 - 86 claims reviewed
 - 79 claims approved
 - \$1,967,908.56 in recovery payments approved
- 56 additional claims valued at \$1,013,804 to be considered at CLB Recovery Fund Committee meeting on October 9, 2013

FY 2013-14

- Beginning Status
 - 589 pending claims valued at \$13,153,267 in anticipated recovery payments
- Annual Appropriation: \$8 Million
- Anticipated Claim Payout
 - 371 claims = \$7,986,624
- Remaining Claims
 - 218 claims valued at \$5,166,643 in anticipated recovery payments

Revenues

- Received \$2, 486,215 in surcharge revenues in FY 2012-13
- Projected to receive approximately \$3,000,000 in surcharge revenue each year over the next 5 fiscal years
- Projected combined surcharge revenues and transfers:
 - \$5,500,000 FY 2014-15
 - \$5,000,000 FY 2015-16
 - \$5,000,000 FY 2016-17
 - \$5,000,000 FY 2017-18



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Florida Mobile Home Relocation Corporation

House Government Operations
Appropriations Subcommittee
October 9, 2013

Florida Mobile Home Relocation Corporation

- The Florida Mobile Home Relocation Corporation (FMHRC), established by the Legislature in 2001, is tasked with providing payments to mobile home owners displaced when a mobile park is closed due to a change in land use.
- Pursuant to s. 723.06115, F.S., the Florida Mobile Home Relocation Trust Fund (FMHRTF) is funded from:
 - \$1 surcharge by the Department of Highway Safety and Motor Vehicles
 - \$1 surcharge collected by the Department of Business and Professional Regulation
 - Funds collected from mobile home park owners for change of use payouts
 - \$2,750 per single section mobile home
 - \$3,750 per multi-section mobile home
- The FMHRC relocation from Tallahassee to Clearwater is complete.

HB 573 Implementation

- In 2012, an agency audit noted that FMHRC had \$2,094,860 of cash in various accounts earning very little, if any, investment income.
- Funds were collected into the FMHRTF; the trust fund paid the surcharge to general revenue (8%), and the balance of the funds were transferred to the FMHRC.
- Funds were used to pay for FMHRC's day-to-day operations as well as any claims filed and approved.
- HB 573 implemented policy and operational changes to better align the FMHRC's operations with its financial needs.
- FMHRC continues to process all claims and submits requests to the department for transfer of funds to make payments to mobile home owners under the relocation program.
- Funds are processed by the department within 5 business days after receipt of request.
- To implement HB 573, FMHRC transferred \$1,100,000 to the MHRTF.

Funding

- FMHRC's budget is submitted to agency by June 30th of each year and distributed on a quarterly basis.
- Annual budget of \$236,250.00 was approved on June 26, 2013, by the Mobile Home Relocation Corporation and submitted to DBPR on June 28, 2013.
- First quarter of FY 2013- 14:
 - \$59,062.50 distribution for the Mobile Home Relocation Corporation was distributed on July 1, 2013
 - FMHTF paid out \$49,750 to the FMHRC for claims

Anticipated Payouts

- Seminole Estates
 - 429 potential lots
- Whitehaven Mobile Home Park
 - 84 potential lots
- Alafia Village Mobile Home park
 - 20 potential lots
- Ideal Trailer Park
 - 38 potential lots

Revenues and Expenditures

	FY 2012-13	FY 2013-14	FY 2014-15
Revenues			
Park Owner Fees	70,125	329,074	
Surcharge HSMV	409,808	409,808	409,808
Surcharge FLSCMH	291,030	291,030	291,030
Transfer From Mobile Home Relocation Corp		1,100,000	
Interest		10,000	5,000
Total Revenues	770,963	2,139,912	705,838
Expenditures			
Service Charge to GR	61,667	83,193	56,467
Transfer to Mobile Home Relocation Corp	677,821	2,083,050	236,250
Total Expenditures	739,488	2,166,243	292,717
Fund Balance	31,475	5,143	418,264



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**Department of Revenue
One-Stop Business Registration Portal**

Item	Amount
FY 2012-13 Appropriation	3,000,000
FY 2013-14 Appropriation	712,408
Total Appropriations	3,712,408
Expenditures to Date	1,595,673
Appropriations Balance	2,116,735
Original Contract Amount Over 5 Years	4,764,181
Total Amendments	616,978
Amendment 1 - Training	60,000
Amendment 2 - Fund Accounting	488,083
Amendment 3 - Licenses	68,895
Total Contract with Amendments	5,381,159
Difference of Appropriation Under Contract and Amendments	(1,668,751)

HB 5501 in 2012 provided the following departments would cooperate in developing and implementing the Portal for Phase I*	DOR's project scope for Phase I as of October 2013
Department of Financial Services	A link to the DFS Workers' Compensation web site
Department of the Lottery	Referral of applicants' information for business interested in becoming Lottery retailers
Department of Business and Professional Regulation	28% of total business license types
Department of State	All domestic entity registrations except general partnerships
Department of Revenue	Nine of the 32 taxes administered by the department and a link to the Child Support New Hire Database
Department of Management Services	Vendor registration
Department of Economic Opportunity	Not included in Phase I

*It was anticipated that other agencies and potentially local governments would be included in subsequent legislation.