

Long-Range Program Plan

2008 - 2013

Alex Sink

Chief Financial Officer

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MISSION

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

VISION

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

TRENDS & CONDITIONS

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

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

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

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

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

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

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

METHODOLOGY

The department leadership team met in planning sessions in order to create a long range program plan that is inclusive and relevant to its needs. In the first meeting, five goal areas were selected: financial accountability, education, advocacy, fire safety and enforcement. These five became the basis for the mission statement and for all subsequent planning documents. To prepare for the trends and conditions statement, the team conducted a Strengths, Weaknesses, Opportunities and Threats (SWOT) analysis.

Each leader met with his or her divisional or office colleagues to develop goals that the entity hoped to achieve in the long run. The entire leadership team then evaluated each other's goals for their relevance and fit to the departmental goal areas. The leaders again met with their divisional colleagues to work on their trends and conditions statements, objectives, strategies and outcomes that support the mission statement.

The vision statement was agreed upon along with a timetable to complete all work necessary for the Long Range Program Plan. Following their group meetings, members of the leadership team met individually with the Chief of Staff's office, to clarify performance measures and standards. Everyone's work product was integrated and consolidated into a department-wide strategic plan that is the Long Range Program Plan.

As the department prepared its Long Range Program Plan, it did so with the knowledge that Florida's short term financial outlook is uncertain, but with confidence that the long term Florida economy will prove to be resilient and robust. With the pending budget reductions in mind, the department selected the following goals as priorities.

FINANCIAL ACCOUNTABILITY

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

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

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

the Division for understanding what the state is buying and whether it is receiving what it paid for.

The state's financial information system, the Florida Accounting Information Resource System (FLAIR) has hampered the state's efficiency and effectiveness; it is run on an outdated system, lacking the flexibility and capabilities of current technology. FLAIR caters to each individual agency need rather than operating in a standardized environment. Its intended successor, ASPIRE, did not follow expected industry practices in management, planning or implementation, a conclusion made by Gartner, Inc., commissioned by the CFO to assess the project (2007). Project completion was almost a year past its deadline; cost overruns threatened; and the state was not likely to succeed in transforming its business to effectively process and analyze financial information with a promised seamless and enterprise financial system. With likely success so remote, the CFO suspended the project on May 17, 2007.

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

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

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

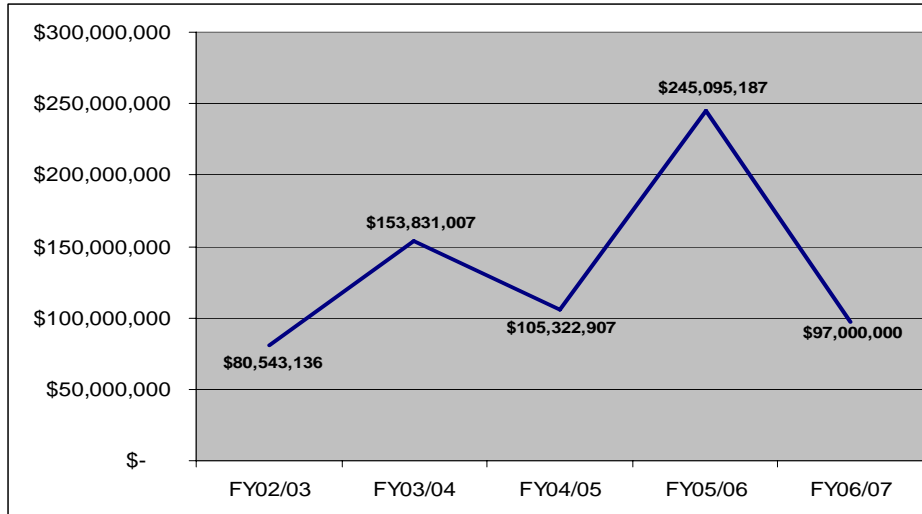


Figure 1-BUP. Unclaimed property receipts (net amounts) transferred to State School Fund.

Unclaimed property receipts are deposited to the State School Fund, a revenue source for education (Figure 1-BUP). The spike in net transfers in FY2006 resulted primarily from 2005 legislative changes decreasing the dormancy period on securities from five years to three years. Thus, three years' worth of securities (five-year, four-year and three-year property) were remitted in FY2006. With the large majority of receipts received near the fiscal year's end, most claims on that property were made and paid the following year. This dramatic increase contributed to record claims payments (\$171 million) in FY2007. Other factors included increased publicity and the Bureau's effective proactive owner notification and more proficient claims processing. These factors, combined with a more "normal" level of receipts in FY2007 (\$271 million), resulted in the lower net transfer to the school fund.

The *Division of Risk Management* is authorized to administer the State Risk Management Trust Fund (Ch. 284, F.S.) and to handle claims on behalf of state agencies for casualty and property lines of coverage (*Table 1-RM*). The Division has 102 employees of whom approximately 75% are dedicated to claims handling services for workers' compensation, general liability, auto liability, federal civil rights, employment discrimination, court-awarded attorney fees and property coverage.

Claim type	Number of claims filed FY 2007
Workers' compensation	13,594
General and auto liability	2,114
Federal civil rights	225
Employment discrimination	155
Property	81
Total	16,169
Average number of claims handled per employee in FY2007	213

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

While the number of claims received by the Division has remained constant, with the exception of property claims during the 2004 and 2005 hurricane seasons (*Figure 1-RM*), the complexity and severity of the claims has increased. External forces such as catastrophic natural events, legislation, excess property market availability, case law, and unlimited exposure and actuarial unpredictability of federal civil rights cases have impacted the claims handling and adjusting. To meet the challenges of these emerging trends and to properly adjust the claims, the Division intends to improve the efficiency of claims handling and communication with its customers.

Property Claims

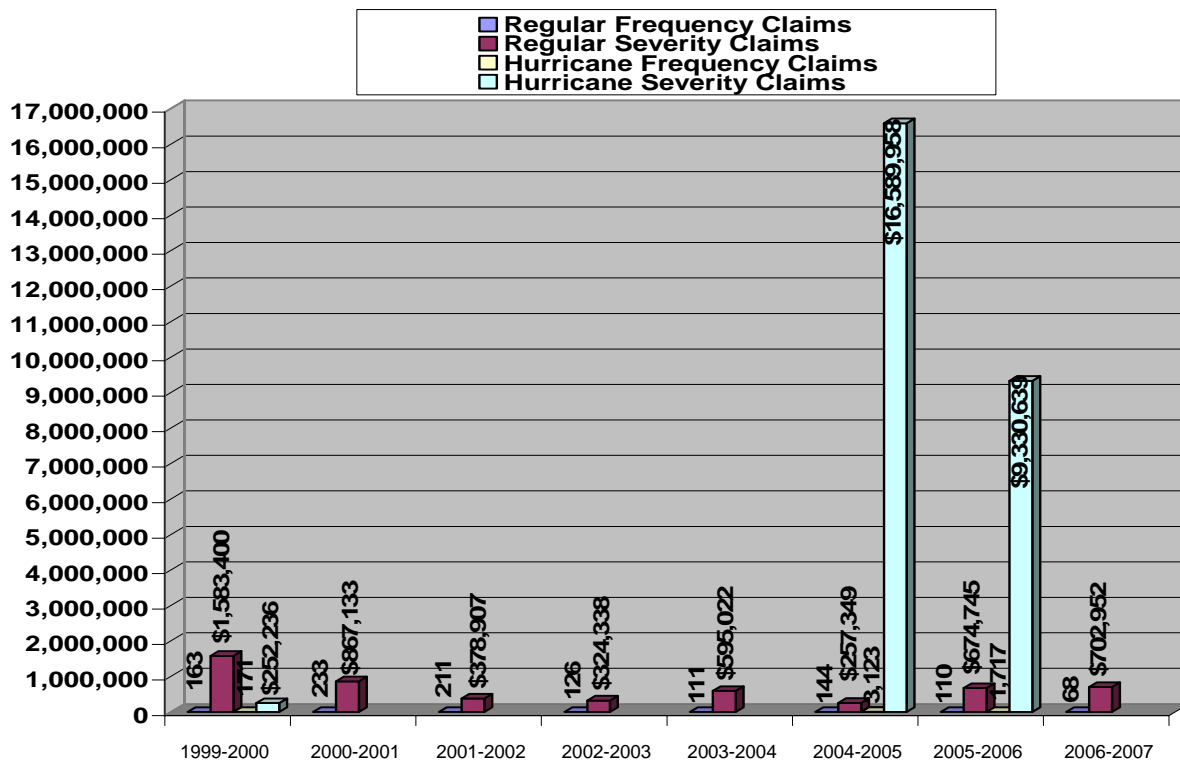


Figure 1-RM Property claims by type and average payment by year

To provide managerial and actuarial information on loss payments and timely payments to claimants and vendors, claims are paid using a risk management information system that accumulates payment information in a relational database. Claim-related payments are authorized by the appropriate claims adjuster and paid by an internal finance section. Approximately 64,000 checks or automated clearing house (ACH) transactions are issued each fiscal year. Payments are made through the Loss Payment Revolving Fund that maintains a \$4,000,000 balance. The revolving fund is maintained in a controlled disbursement/positive payment bank account held with Bank of America to provide financial security for funds held outside of the State Treasury. In order to maximize interest earnings, funds in excess of immediate cash requirements are held in a special purpose investment account maintained by the Division of Treasury, and transfers are made daily to cover checks presented for payment at the

bank. The revolving fund is replenished each week on an imprest basis from the Division's operating fund maintained in FLAIR. Excess funds in the operating fund are maintained in an investment account maintained by the Division of Treasury. Large claim payments that could cause the Loss Payment Revolving Fund to exceed its authorized balance or claim payments made to other state agencies are processed through FLAIR.

Workers' compensation medical payments are presently paid by a contractor that provides medical case management services through funds advanced to the contractor pursuant to sec. 284.33, Florida Statutes. The contractor is required to provide an annual examination of the advanced funds activities by an independent CPA firm as well as a SAS (Statement on Auditing Standards)-70 audit. The contractor provides weekly payment information on payments made from the advanced funds, and is reimbursed for those payments from FLAIR.

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

Division of Treasury. Bureau of Funds Management. The Bureau, which is responsible for posting state receipts and disbursements, performing cash management services, and investing available funds, is working to integrate its systems in order to better protect state funds. The Bureau's non-integrated computer systems hinder transaction efficiency. These changes will be made with current resources and within current capacity.

Division of Treasury. Bureau of Collateral Management. Florida has 204 Qualified Public Depositories with over \$10 billion in public money on deposit. These deposits are protected by more than \$5 billion in pledged assets and a shared contingent liability managed by the Bureau. Due to the softening of Florida's overall economy, the bureau expects that the monitoring of the state's Qualified Public Depositories will need to be more frequent and more in depth than it has been in the recent past. The monitoring will help the Bureau to more accurately gauge the appropriate collateral requirements for these depository institutions.

Division of Rehabilitation and Liquidation. Pursuant to Chapter 631, F.S., the department acts as the court-appointed receiver for Florida insurance companies ordered into receivership. Based on a fifteen-year average workload, four insurers are placed in receivership each year, primarily in the areas of life, health, and property and casualty insurance. Most recently, the department became receiver of two Medicare HMOs, the only Medicare HMOs to be ordered liquidated nationally since 2003. As a result of statute and court orders, the Division is handling these liquidation proceedings on behalf of the department. The department worked very closely with the Centers for Medicare and Medicaid Services (CMS), the federal agency responsible for the Medicare program, to effectively move the Medicare members of these HMOs to other HMOs for replacement health coverage.

The number of insurers entering receivership in any one year depends on factors that are outside the Division's control, including financial condition, management competency, market conditions or fraud. Based on trends across all industry segments, the Division expects that insurers will be placed in receivership at or near the same rate over the next five years. Absent a

catastrophic event in the property insurance market, no major increase in the number of receiverships is expected from this industry segment. The Division focuses on maximizing the value of the estate of an insurer in receivership for the claimants.

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

The CFO has been disappointed with what she has seen as the failure of contracting to add value to state government efficiency and effectiveness. Too many state contracts lack quantifiable and measurable deliverables, clearly defined work statements, and performance standards reported routinely in order to justify payment. She will concentrate her efforts within the department and simultaneously with all state agencies in assuring that the state receives the services for which it is paying.

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

Division of Administration. Bureau of General Services. The Bureau is currently evaluating its internal contracting practices as the focus of its Contract Process Development Project, a six month examination intended to improve accountability and standardize contracting practices in the department. The study is expected to provide useful information to other state agencies grappling with these same concerns.

ENFORCEMENT

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

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

The Coalition Against Insurance Fraud, a national alliance of consumer groups, insurance companies and government agencies, recognized Florida's Division of Insurance Fraud as a national leader in the number of cases prosecuted and convictions obtained. In 2005, Florida led the nation in cases presented for prosecution with 773 and was second in convictions with 493. This has been accomplished despite a budget approximately one-third the size of other state fraud divisions/bureaus, such as California and New Jersey. Florida ranks 8th in budget per capita compared to other state fraud bureaus, 7th in the number of investigators per 100,000 state residents, but 3rd in the number of fraud referrals received per year.

When taking into account court-ordered victim restitution, the Division generates revenue in excess of its budget on an annual basis. Over the past three fiscal years, the Division has returned no less than \$2.50 in restitution on every dollar spent funding the Division.

The Division has experienced a dramatic increase in the number of insurance fraud related referrals. Over the ten year period FY1997 through FY2007, referrals increased 108% (*Figure 1-IF*). Population increases and the Division's electronic referral system, making the complaint referral process more user friendly, are likely to have contributed to this growth (*Figure 2-IF*). In the three year period from 2004 – 2007, referrals increased 70%.

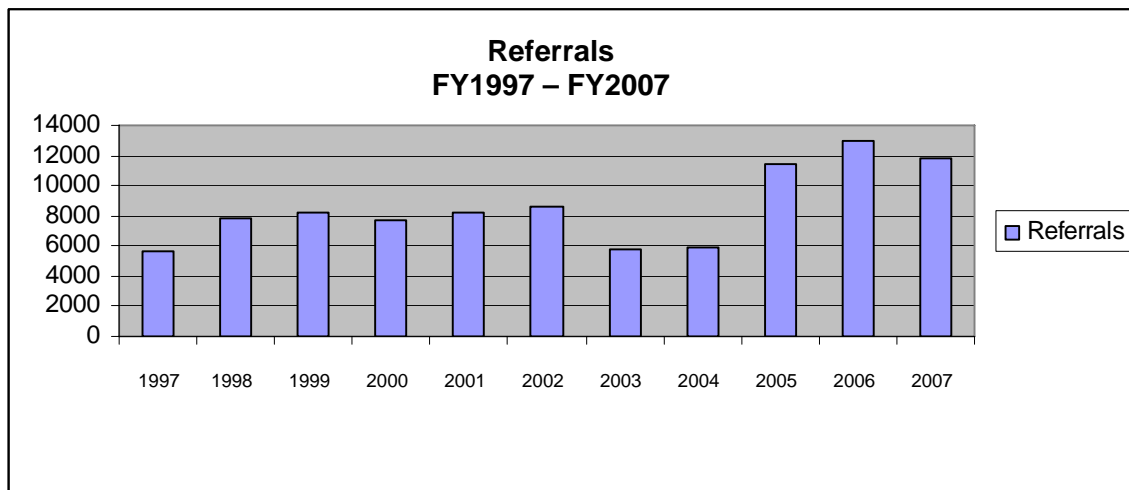


Figure 1-IF. Number of reported insurance fraud referrals received between FY1997 and FY2007. The Division experienced a 108% increase during the 10 year period: from 5,681 referrals in 1997 to 11,814 referrals in 2007.

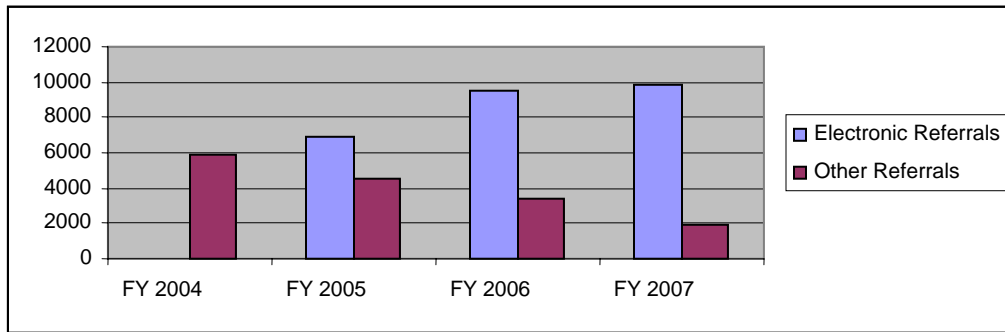


Figure 2-IF. Impact of electronic referral system. Referrals have increased dramatically since the introduction of electronic means in FY2005. In 2003-2004, no electronic referrals were received. In 2004-2005, the total was 6921. In 2005-2006, the total was 9510 and in 2006-2007, 9895, a 70% increase over 3 years.

Moreover, the Division has seen a significant increase in the number of convictions in the past two fiscal years. The increase can be partially attributable to legislation mandating prison terms for those convicted of certain insurance fraud related offenses, thus placing pressure on defendants to plea bargain. (Figure 3-IF)

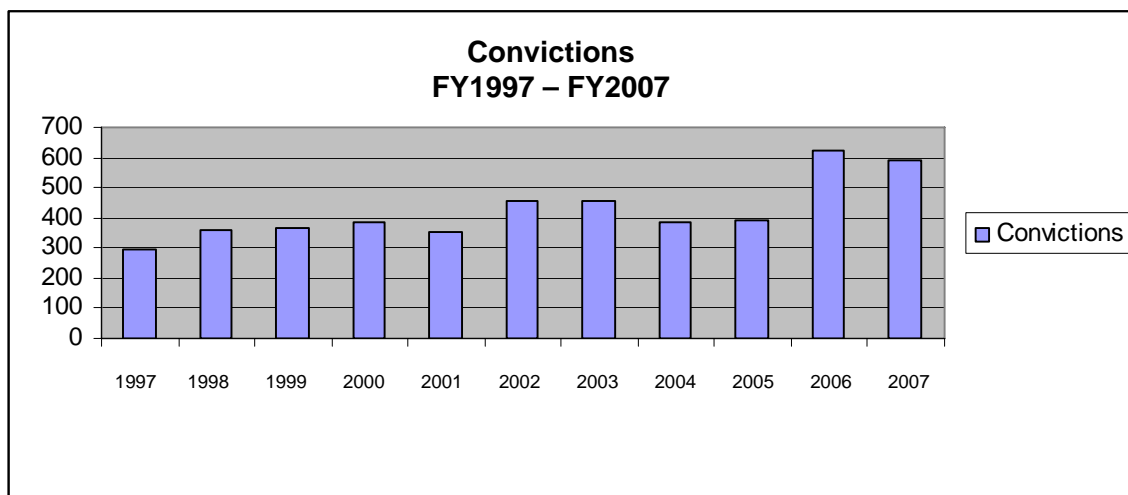


Figure 3-IF. In cases presented to state attorneys for prosecution, the division experienced a 100% increase in convictions between FY 1997 (295) and 2007(590).

Division law enforcement personnel are increasingly engaged in physical and electronic surveillance. Surveillance, while more expensive than other investigatory methods, produces evidence that otherwise might not be attainable. Investigators working on staged auto accidents, workers' compensation premium fraud in check cashing stores, clinic fraud, and other complex cases requiring tactical investigative strategies, use surveillance as a routine practice. Personal Injury Protection (PIP) arrests, primarily for staged accidents, account for 40% of the Division's arrests (Figure 4-IF). Sixty one percent (61%) of the PIP arrests were made by the Miami Field Office where the problem is currently most severe. The use of surveillance in such complex cases has contributed to the Division's success.

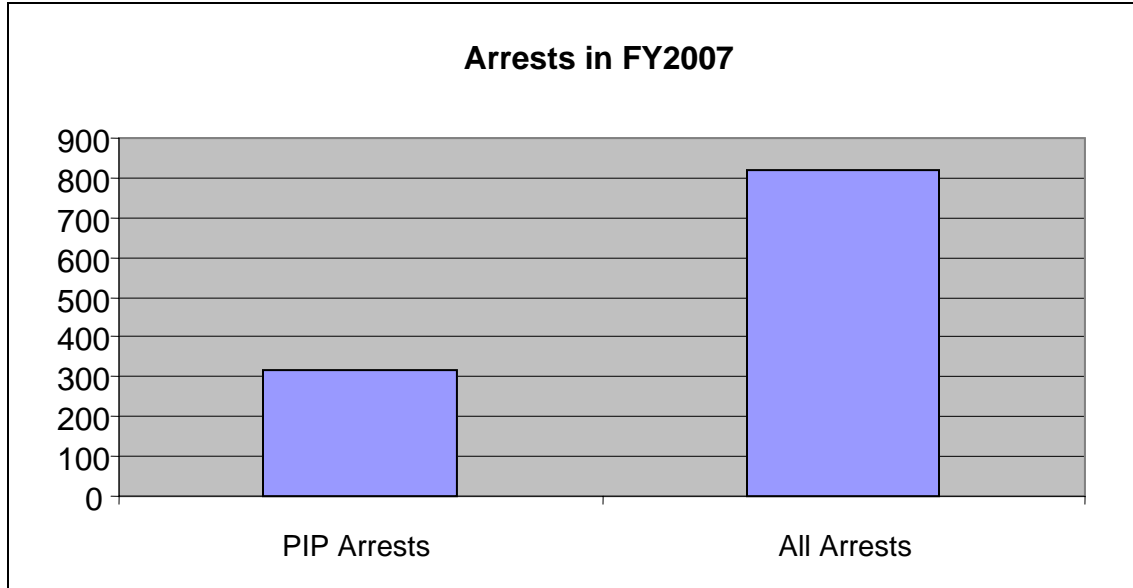


Figure 4-IF. PIP arrests compared to all arrests for FY2007

Two prosecutors are dedicated to insurance fraud cases in Miami-Dade County where PIP fraud has dominated their caseloads. They have prosecuted or supervised the prosecution of over 800 PIP cases since 2003. No other state attorney's office can afford to give the Division's cases that kind of attention. The uncertainty of PIP continuation after October 1, 2007 makes its impact on auto insurance fraud impossible to predict at this time. Even so, with the continued increase of insurance fraud referrals, the Division will still need dedicated prosecutors not only in Miami-Dade County, but across the state. Furthermore, the five year statute of limitations will most likely guarantee a continuance of PIP fraud-related cases for at least that period of time.

The Division's PIP fraud investigative efforts are enhanced through active participation with Medical Fraud Task Force headed up by the National Insurance Crime Bureau (NICB). Attendees include NICB agents, local, state, and federal law enforcement officers, and members of the insurance industry.

Workers' compensation fraud continues to be a problem in Florida, accounting for nearly 30% of the Division's arrests. The Division plays an active role in the Florida Workers' Compensation Task Force in order to stay abreast of emerging issues.

In spite of the challenges with hiring and retention due to less competitive salaries with other law enforcement agencies, the Division of Insurance Fraud made a record 819 felony arrests during FY2007 (*Figure 5-IF*). Of primary concern is the Division's ability to develop each of these cases so that prosecutors can obtain convictions leading to prison sentences, a condition the department believes is a deterrent to others contemplating similar crimes.

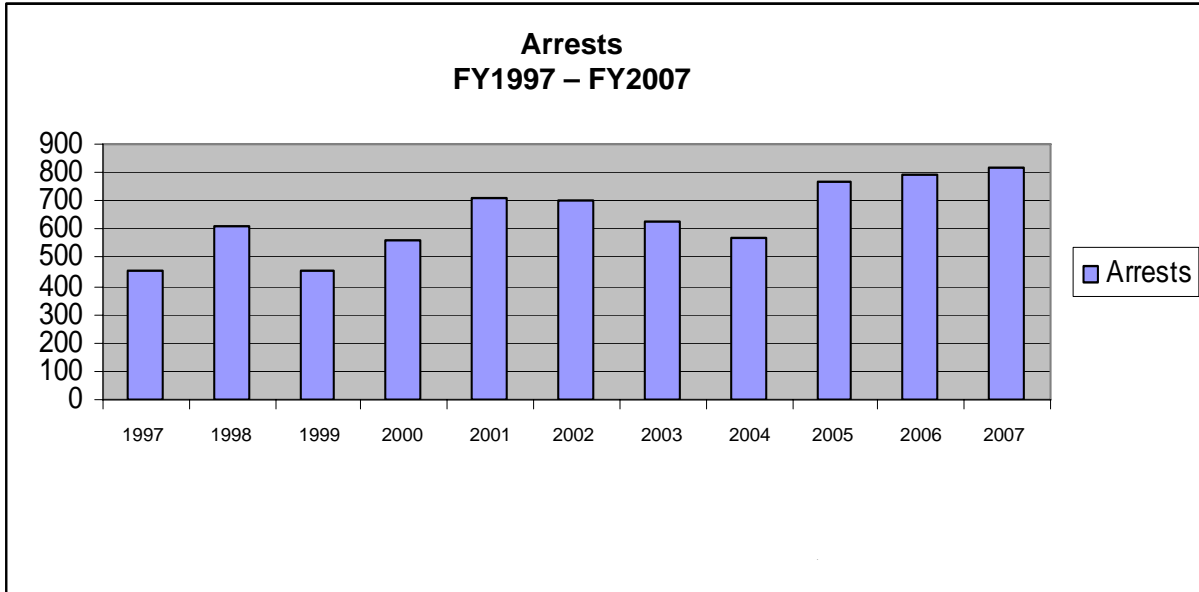
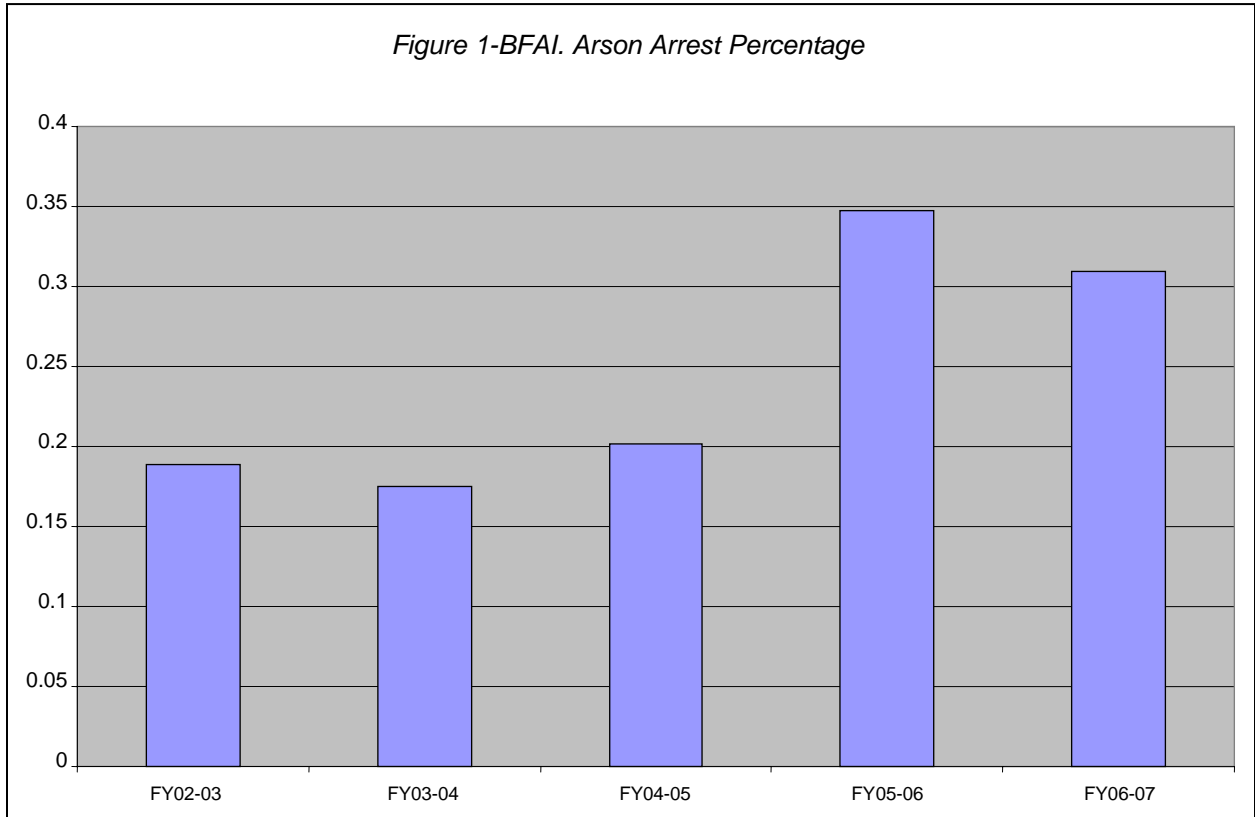


Figure 5-IF. Arrests by the division increased 80% in the 10 year period between FY1997 (454) and FY2007 (819).

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

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

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



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

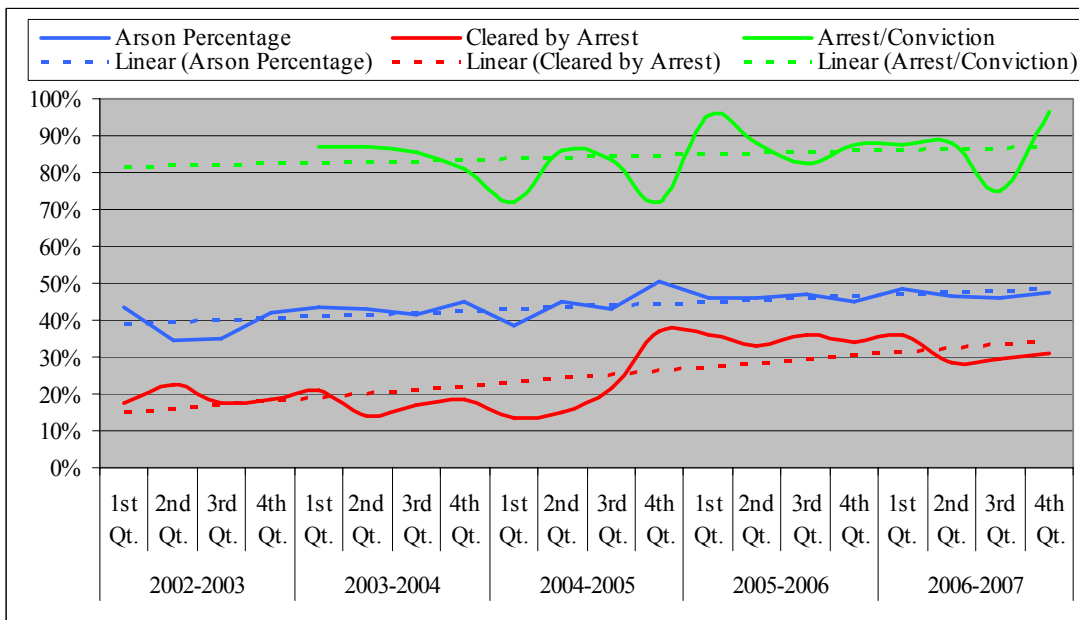


Figure 2-BFAI. Graphical display of fires determined to be arson, cleared by arrest and cleared by arrest with a conviction.

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

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

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

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

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

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

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

Division of Funeral, Cemetery and Consumer Services. In FY2003, the Division oversaw 3,024 death care businesses and professionals. As a result of 2004 legislation, the department assumed the full supervision of Florida’s death industry, taking over responsibility for licensing and regulating funeral directors and embalmers from the Department of Business and Professional Regulation, as well as continuing to regulate sellers of preneed funeral goods and services, cemetery companies, and monument establishments. The division is charged with protecting the public’s health and safety through its licensing, continuing education and investigatory responsibilities. Where law violations are found, the division also imposes discipline on its practitioners.

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

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

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

When a licensed professional fails to properly handle a body, perform a cremation or direct a burial, the affected public is subjected to severe emotional harm, as evidenced in the Tri-State

crematory case in Noble, Georgia. Florida needs not only strong regulations but also the staff to enforce those regulations and deter others from breaking the law.

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

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

The Division wants to proactively regulate the industry by conducting annual inspections and periodic audits to ensure compliance with health and safety regulations and to prevent misappropriation of the trust funds. It plans to go forward with requesting release of nine positions currently held in reserve in order to provide adequate and expected service to the public. Process mapping is now being undertaken in order to correct inefficiencies in the Division's practices.

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

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

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

For the first time in Florida, 100% of all medical bills submitted are being examined for timely disposition. The increase to 4.4 million medical bills in FY2007 is nearly one million medical bills more than the prior year. The Division increased the examination of medical bills from

approximately 2% (about 80,000 medical bills) at on-site audits to 100% review through electronic data collection. The Division can now hold insurers more accountable for timely data filing and accurate benefit payment than it could by reviewing hard-copy documents. Additionally, the electronic reporting system allows the Division data to become promptly transparent to stakeholders, industry, and the public.

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

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

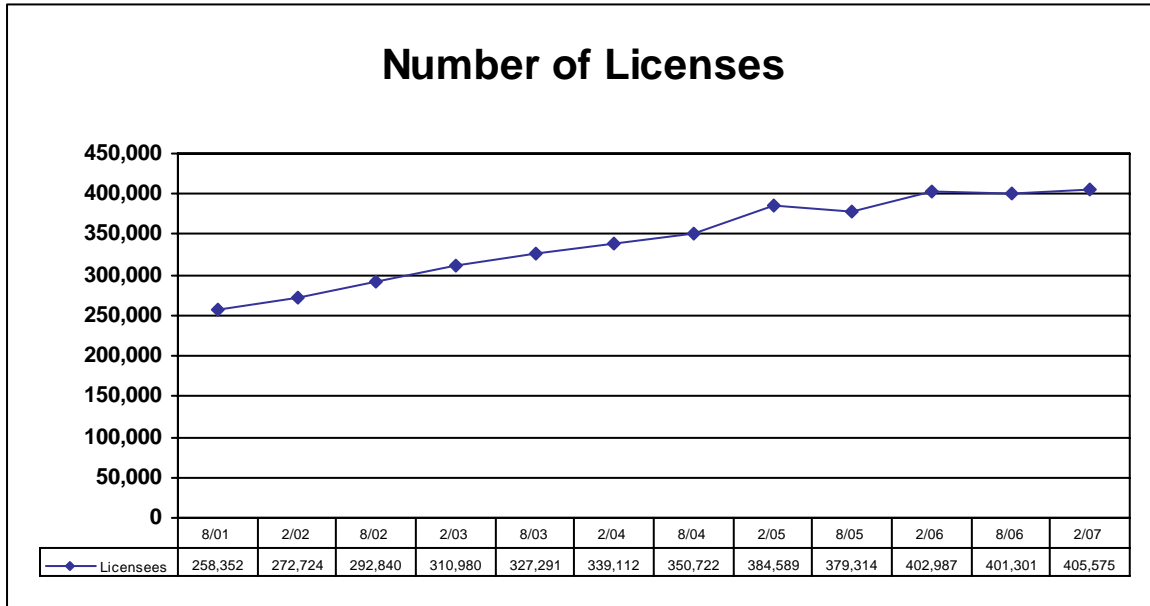
Division of Agent and Agency Services. Bureau of Investigation. In FY2007, the Bureau received complaints about insurance agents and agencies that resulted in 2,659 opened investigations. Six hundred and seventy-five (675) of these cases, or 27%, resulted in formal disciplinary action such as license suspension or revocation, including restitution and fines of \$542,548. These cases were handled by 56 investigators located in Tallahassee and nine field offices.

In a recent disturbing trend, seniors have been the victims of agents' deceptive practices in annuity sales, particularly fixed equity annuities, and Medicare Advantage Plans. In FY2006, the Bureau opened 24 investigations in the senior annuity market; in FY2007, 142 investigations were opened, representing an almost 600% increase. In FY2006, 134 Medicare investigations were opened compared to 230 in FY2007, an increase of 42%. The division expects this trend to continue to increase its workload.

The Bureau requires investigators with insurance knowledge and experience in order to protect consumers from fraudulent schemes. However, promising investigators have been leaving for better paying jobs. For example, in FY2003, the Bureau saw a turnover of 15 investigators; four (4) in FY2004; seven (7) in FY2005; and 15 in FY2006. Even within the department, the Bureau has competition for investigator positions. Investigators in the Office of Financial Regulation (OFR) have an average salary of \$42,532 as compared to the Bureau's average of \$35,851, a 19% gap. The Bureau's investigators comprise five pay grades, ranging from pay grade 19 to pay grade 26. The majority (79%) are pay grade 20. OFR's investigators comprise three pay grades ranging from pay grade 21 to pay grade 25. The majority (56%) are pay grade 25.

Division of Agent and Agency Services. Bureau of Licensing. In FY2007, the Bureau of Licensing received approximately 100,500 new applications for insurance licenses;

Figure 1-AAS . Licensee Population (Individuals & Firms)



monitored 274,070 licensees with at least one active appointment and 189,457 licensees not required to be appointed or not holding an active appointment; answered over 470,000 phone calls; and oversaw 2,630,244 appointments, renewals and terminations. New licenses historically increase annually by approximately 10%, and as of June 2007, 34,445 insurance agencies doing business in the state have been licensed or registered. Florida has a total of 462,507 active licenses, with many agents having more than one license. The Bureau’s workload increased, just in the past year, nearly 50% in appointments, renewals and terminations.

The Bureau of Licensing is responsible for the oversight of the examination process for licensing and annually reviews examination content. Twenty-three types and classes of licenses require examination prior to licensure; approximately 31,800 examinations are administered each year.

The Bureau staff also approves and monitors pre-licensing and continuing education providers, courses, and instructors. Approximately 13,000 continuing education courses and 300 pre-licensing courses have been approved. Further, approximately 5,000 new courses and 24,500 course offerings are approved each year.

Division of Legal Services. Service of process on insurers is currently done by hard copy, in duplicate to Legal Services, totaling five million pages per year. Two and one half (2.5) million pages per year are forwarded by postal mail from the department. The division scans its copy of the 2.5 million pages for records retention.

The Division proposes to save time and paper by electronically transmitting notification and availability of documents. Electronic process can reduce the number of copies to one set and therefore the number of pages by one half; it can also provide same day availability to insurers.

Currently, the average time to set up and prepare to serve process by certified mail to the insurer is 24-48 hours, which would be reduced by more than half. The mail delivery time of 3-5 days would be eliminated. The Division's goal is to have 70% of all insurers set up with access to the electronic notification and availability within twelve months.

Due to a conflict in statutory language, the day of service has two different definitions. One statute states that insurers are "served" when the Division receives the documents. Another statute states that insurers are "served" on the day that the Division sends the documents via certified mail. Under the new electronic procedures, the insurers can be served the same day that the Division receives the documents.

The number of suits that Legal Services is currently receiving for insurers has already increased 31% over last year and is escalating. Consumer concern about the sunset of the vehicle no-fault insurance law has created uncertainty in what will happen with insurance claims after October 1, 2007. The service of process workload is predicted to continue rising, especially if the determination of fault in vehicle accidents moves to the courts and claims are unpaid.

FIRE SAFETY

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

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

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

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

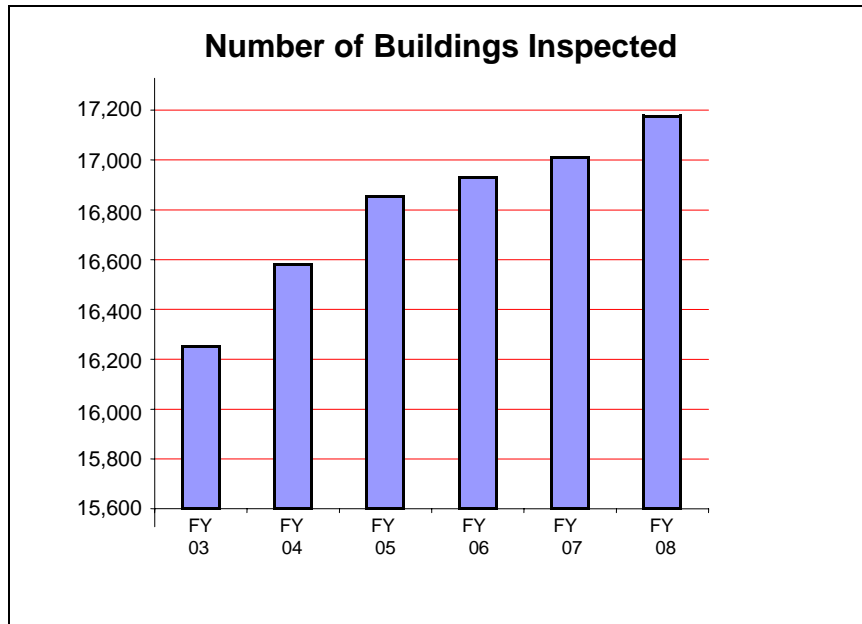


Figure 1-BFP. Number of buildings inspected by fiscal year from FY2003 to FY2007, with the planned inspections for FY2008.

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

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

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

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

Division of State Fire Marshal. Bureau of Forensic Fire and Explosives Analysis. (secs. 633.01, 633.03, 633.101, and 633.111, F.S.). The Bureau of Forensic Fire and Explosives Analysis (BFFEA) is the only state crime laboratory performing forensic analysis of fire and explosion evidence. Since FY2002, the number of items processed per year has increased 6.7%.

In FY2007, the Bureau saw a 13% increase over FY2006 in the number of evidence samples, analyses, and images processed. This nearly 50% increase in a single year compared with the past four years (*Figure 1-BFFEA*) has been accomplished with the same ten full-time positions.

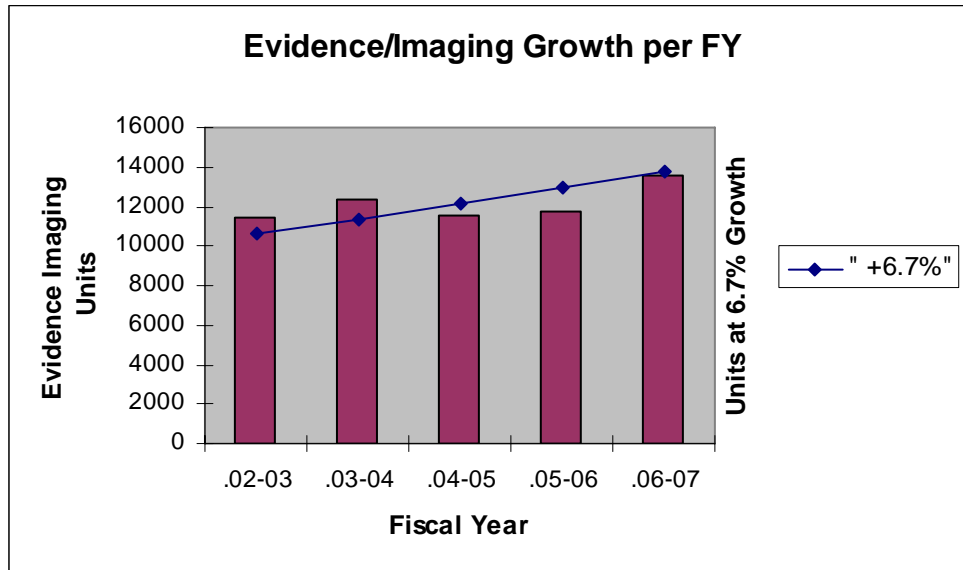


Figure 2-BFFEA. Growth of evidence samples, analyses and images processed from FY2003 to FY2007.

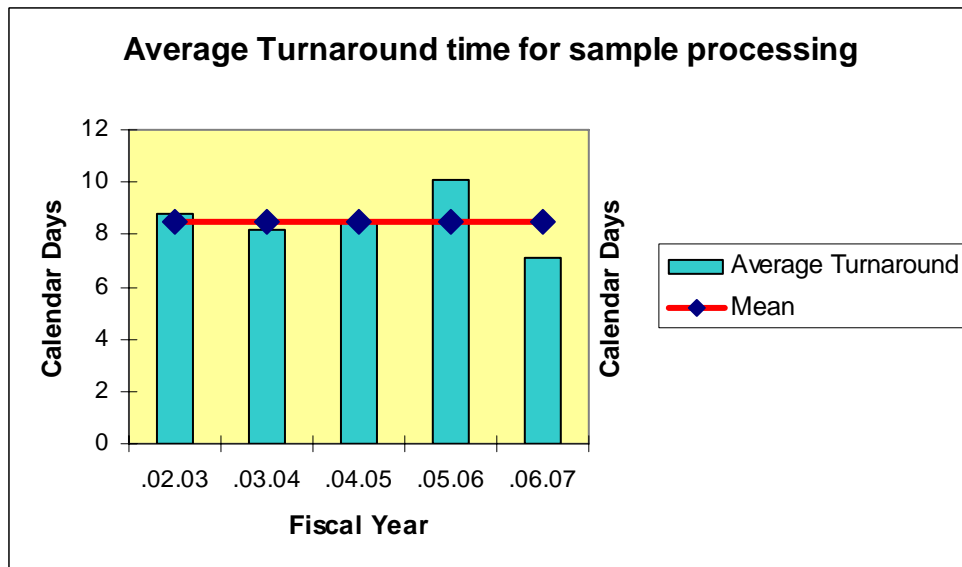


Figure 3-BFFEA. Average turnaround time for sample processing from FY2003 to FY2007.

Despite these workload increases, the Bureau has kept the average turnaround time for completed sample analyses to 8.5 calendar days (*Figure3-BFFEA*). Expected turnaround time increases due to static staff size and growing workloads has been offset by process improvements and equipment upgrades until now. However, scientific and forensic requirements for criminal

investigations and the courts have increased. The upward trend in numbers of samples and increased scientific requirements are expected to affect turnaround time, given constraints on positions.

The lab is working toward meeting the American Society of Crime Laboratory Directors Laboratory Accreditation guidelines.

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

The Florida Fire Incident Reporting System (FFIRS) establishes standards and procedures for uniform local fire department reporting of fire and non-fire incidents to the Division of State Fire Marshal. FFIRS is the established reporting channel to the United States Fire Administration (USFA) National Fire Incident Reporting System (NFIRS). However, because reporting is voluntary, only eighty percent (497 out of 615) of Florida’s fire departments submitted emergency medical services and fire incidents in 2006 (*Table 1-FFIRS*). Seventy percent of those that do not report are volunteer departments. These data provide useful information that can be evaluated in order to enhance public safety.

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

Year	Depts Reporting	Structure Fires	Vehicle Fires	Outside Fires	Total Fires	Rescue/EMS	Other Emergency	False Alarms	Total Incidents
2002	298	21,890	12,349	19,489	53,728	879,335	218,270	89,091	1,240,424
2003	383	22,393	12,783	22,975	58,151	1,077,079	264,345	101,871	1,501,446
2004	402	14,614	10,631	24,827	50,072	966,015	283,071	101,113	1,400,271
2005	451	19,653	13,880	27,033	60,566	1,405,494	337,654	126,423	1,930,137
2006	497	20,729	14,935	40,240	75,904	1,563,898	377,635	135,525	2,152,962

Table 1-BFFIRS. Five year trend of reported incidents

EDUCATION

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

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

Not all calls, obviously, are for complaints. The Divisions of Consumer Services, Agent and Agency Services, Workers’ Compensation and My Safe Florida Home (MSFH) all have call centers that have licensing, educational and advocacy purposes. Other divisions, specifically

Rehabilitation and Liquidation, Funeral and Cemetery Services and Insurance Fraud depend upon the Consumer Services Helpline for their consumer calls. In the Division of Administration, the Office of Customer Services is responsible for resolving customer complaints regarding unsatisfactory treatment by department employees (sec. 23.30(4)(a) F.S.).

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

In addition to providing services to consumers in their time of need, the Division also attempts to predict and prevent financial concerns for our citizens. Since 2004, the Division has performed 4,890 educational outreach programs to the citizens of Florida (*Figure 1-CS*). Our audiences include a wide variety of organizations, such as military personnel, senior groups, school age children, churches, and small business owners. The presentations cover a wide array of topics such as My Safe Florida Home, First Time Home Buyers, Financial Literacy, Hurricane Preparedness and insurance issues.

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

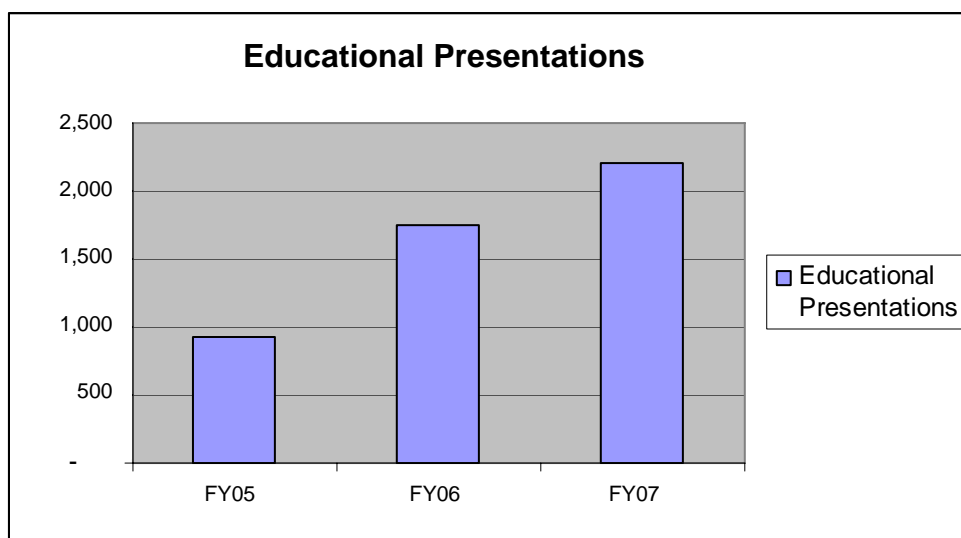


Figure 1-CS. Three year trend in number of educational presentations done by the Division of Consumer Services.

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

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

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

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

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

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

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

State Fire Marshal. Bureau of Fire Standards and Training (BFST). The BFST governs the nearly 30 Certified Firefighter Training Centers located throughout the state, ensuring that the

facilities, the curriculum, and the instructors comply with state statutes and administrative codes. The Bureau also administers the Fire Safety Inspector and Special Fire Safety Inspector Certifications (sec. 633.081, F.S.).

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

The Bureau operates the Florida State Fire College located near Ocala, providing extensive training for paid and volunteer firefighters (*Figure 1-BFST*). Each firefighter trained results in a cascade of transactions, including responses to inquiries and data collection to update files. As the transactions have increased annually, over 50% in eight years for both types of exams, the Bureau is proposing to automate its processes through web-based applications in order to increase its efficiency.

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

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

If property tax changes reduce local governmental revenues, the Fire College anticipates an increase in demand for firefighter classes. Currently, many local fire departments send trainees to local community colleges; but, with a likely reduction in firefighter training funds, the less-costly Fire College classes will be much more attractive. More demand for classes will impose a severe workload strain as the Fire College is currently canceling classes for lack of qualified instructors and revising personnel specifications to employ less qualified instructors in order to have adequate faculty for the remaining courses. Moreover, each Fire College trainee imposes additional workload demands in the form of queries, applications, file searches and verifications.

Division of Risk Management. Chapter 284, Part III, F.S., authorizes the Division of Risk Management to have a loss prevention program which trains and consults with agency

coordinators with regard to safety and loss prevention. Currently the Division provides training to agency and university safety coordinators to enable them to implement and maintain agency loss prevention programs through an annual Safety Academy. Although this training is required by law, all agencies do not participate.

Due to increased claim severity and complexity, the Division needs to put more emphasis on loss prevention training, education and agency interaction. The Division will develop training procedures, data analyses methods and best practices to address these issues. However, for the program to be successful, each agency on the Interagency Advisory Council needs to follow the mandatory requirement to participate.

ADVOCACY

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

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

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

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

The toll-free telephone "Helpline" is one of the primary means through which the Division's goals and objectives are met (*Figure 2-CS*). During the past five fiscal years, the number of calls has ranged from a low of 325,813 in FY2004 to a high of 585,001 in FY2005, largely because of active hurricane seasons. Each of these calls receives the personal service of a DCS Insurance Specialist. Based on the statistical trends of the past five years, the annual number of calls to the Helpline is expected to remain within the same range for the next five years, but could increase dramatically because of major hurricanes or other natural disasters.

The Division strives to provide personal service to each individual calling the Helpline within two minutes regardless of the fluctuation in the number of calls.

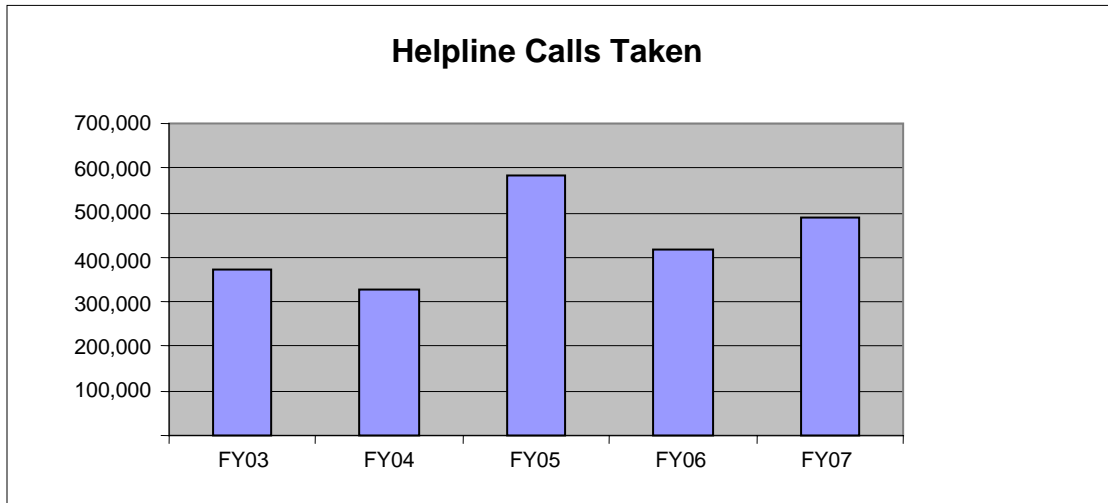


Figure 2-CS. Five year trend in number of calls taken at the Helpline

Calls to the Helpline often result in the generation of Service Request (SR) files in which consumers seek resolutions to specific problems they are having with insurance companies or financial institutions (Figure 3-CS). The number of annual service requests has ranged from a low of 28,660 in FY2004 to a high of 59,618 in hurricane-laden FY2005. Even though the average number of service requests is approximately 40,000, the Division attempts to provide an equitable resolution within 30 days.

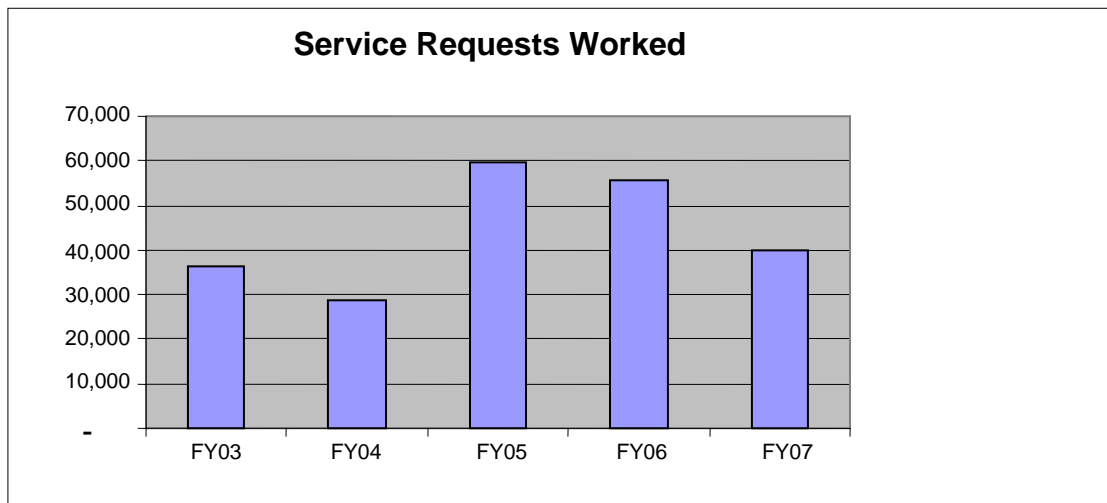


Figure 2-CS. Five year trend in the number of service requests worked on by staff.

While Consumer Services continues to maintain a high level of professionalism among its Insurance Specialists, several conditions are being addressed on an ongoing basis. The Division has a high turnover rate due to employee burnout and the lack of competitive salaries. Additionally, due to the complex and ever-changing nature of the insurance and financial sectors,

specialists are required to receive lengthy and frequent training to assure that they have the necessary expertise to advise consumers.

Division of Information Services. The Division of Information Services seeks to provide a reliable and cost effective technical infrastructure that allows the divisions and the department to achieve their goals and objectives. One of the problems it faces is turnover in technically proficient staff members, in large part attributed to its inability to both attract and keep skilled persons. In the past two years (FY2006 and FY2007), the Division has lost 23 employees to the private sector, universities or other state agencies, all willing to pay an average of 30% more in salaries than the Division was able to offer (*Table DIS-1*).

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

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

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

The Division has found vendor outsourcing for technological development and maintenance to be expensive, difficult to manage and often unsuccessful. For example, the department ends up contracting with outside organizations, which charge overhead and expect the state to cover employee benefits and routine salary increases, rather than being able to fill state positions with applicants who have the essential and critical skills needed in a modern technology setting. The

Division is conducting a research initiative, Technology Staff Augmentation Review and Recommendations, which is a cost-benefit evaluation, comparing FTEs to contracted staff.

Division of Administration. The Division of Administration provides administrative support to the department, the Office of Insurance Regulation (OIR), and the Office of Financial Regulation (OFR). The department, including both OIR and OFR, has 2,850.5 full time equivalent positions and averages 250 temporary employees annually, depending upon budget and need. Additionally, for FY2008, DFS has a total combined budget of \$283,339,718. DFS has 40 leases statewide for a total of 767,200 square feet and owns two facilities: State Fire Marshal Arson Lab and the Fire College.

The department has been through a number of reorganizations and mergers in the recent past. In 2002, the Division of Workers' Compensation within the Department of Labor was moved to the Department of Insurance. In 2003, the Department of Insurance merged with the Department of Banking and Finance, to create the current Department of Financial Services. About the same time, DFS implemented the MyFloridaMarketPlace procurement system. Business processes from three different entities were merged into one agency. The Division is part of a department-wide review, mapping and evaluation of its business processes in order to identify inefficiencies and duplication. Also, the Division is reviewing facility space allocations in order to identify the best use of space. These steps will allow for the effective use of limited financial and operational resources, as is appropriate for the agency responsible for handling state funds in a fiscally conservative manner.

The department considers its full-time and temporary employees to be its most valuable resource. The department cannot compete with the private sector in certain areas of recruitment and retention, such as the use of professional headhunters or substantial benefit packages. However, DFS can take proactive measures to help improve the quality and effectiveness of its workforce. These include developing an aggressive recruitment process that will seek out and attract quality candidates and providing a workplace environment that is conducive to retaining quality employees. Moreover, the Division will be developing improved supervisory training, addressing department-wide salary issues and implementing the department's cost allocation methodology.

Office of the Inspector General (OIG). The OIG's mission is "to promote integrity, accountability and process improvement within the Department." The OIG has also created a vision statement that paints a flexible, focused and communicable picture of the future as a goal for OIG: "to be a key and indispensable player on the department team championed by our customers, benchmarked by our counterparts and dedicated to quality in our products and services."

A new Inspector General was appointed by the Chief Financial Officer in June 2007. The new IG discovered that the office was not fully staffed. For the long term, the IG is seeking experienced investigators and auditors to help carry out its mission and work plan. For the short run, the learning curve relating to the department's complex and varied responsibilities will hamper efforts to produce the expected volume of work. Additionally, the office's internal

policies need to be reviewed for compliance with statutes and professional standards. Expected revisions will necessarily slow production while training and adaptation take place.

Chief of Staff (COS). The CFO's constitutional and legal authority is clearly spelled out, but her leadership and policy roles continue to be defined. The CFO has an opportunity to shape the role in light of the Department's stated goals. Because the CFO is new to state government, the Office must initially work to acquaint the CFO with the cabinet and legislative landscape before aggressively defining her role and advocating her policy goals to the Legislature and Cabinet. The COS is undertaking a study of its communications and legislative support processes in order to better serve the CFO's constituency as well as achieve efficient use of its resources.

The Office of the Chief of Staff is responsible for communicating the CFO's policy goals, leadership role, and the work of the department, consistent with the department's goals, to the public, using media outlets, business and advocacy groups, and consumer outreach campaigns. The COS also researches and analyzes issues for legislative and cabinet decision making, assuring that the CFO is fully prepared and informed on each subject that confronts law and policy makers. The COS works at the direction of the CFO; both are subject to significant forces, whether internal from state government or external from the electorate.

PRIORITIZATION OF GOALS AND OBJECTIVES

FINANCIAL ACCOUNTABILITY

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

Division of Accounting and Auditing

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

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

FY2007-08	FY2008-09	FY2009-10	FY2010-11	FY2011-12	FY2012-13
Setting baseline	60%	65%	70%	75%	80%

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

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

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

Division of Risk Management

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

Outcome: Percentage of payments made timely.

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

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

Outcome: Annual increases in the number of ACH transactions

FY2007-08	FY2008-09	FY2009-10	FY2010-11	FY2011-12	FY2012-13
Baseline					
3893	4282	4710	5181	5699	5699

**Division of Treasury
Bureau of Collateral Management**

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

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

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

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

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

**Division of Treasury
Bureau of Funds Management**

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

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

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

Division of Rehabilitation and Liquidation

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

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

FY2007 Baseline	FY2008-09	FY2009-10	FY2010-11	FY2011-12	FY2012-13
94.74%	90%	90%	90%	90%	90%

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

FY2007-08	FY2008-09	FY2009-10	FY2010-11	FY2011-12	FY2012-13
131%*	75%	75%	75%	75%	75%

*Sales price of a disaster response vehicle inflated outcome.

FINANCIAL ACCOUNTABILITY

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

Division of Accounting and Auditing

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

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

FY2008-09	FY2009-10	FY2010-11	FY2011-12	FY2012-13
TBD	TBD	TBD	TBD	TBD

Division of Administration

Outcome b: Percentage of DFS contracts submitted for review to the Division of Administration Purchasing Office meeting established accountability standards

FY2007-08 Baseline year	FY2008-09	FY2009-10	FY2010-11	FY2011-12	FY2012-13
50%	55%	60%	65%	70%	75%

ENFORCEMENT

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

Division of Insurance Fraud

Objective 3A: Increase the professionalism of the Division

Outcome: Percentage reduction in turnover of sworn personnel (50% each year over the previous year)

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

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

Outcome: Increase in dollar amount of recommended restitution orders per case (100% each year over the previous year)

FY2006-07	FY2007-08	FY2008-09	FY2009-10	FY2010-11	FY2011-12	FY2012-13
\$366,737	30,000*	\$439,000	\$512,000	\$585,000	\$658,000	\$732,000

* Previously set goal

Division of State Fire Marshal Bureau of Fire and Arson Investigations

Objective 3C: Produce more prosecutable cases

Outcome: Percent of arson arrests resulting in conviction

FY2006-07 Baseline	FY2007-08	FY2008-09	FY2009-10	FY2010-11	FY2011-12	FY2012-13
87.1%	87%	87%	87%	87%	87%	87%

Division of Funeral, Cemetery and Consumer Services

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

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

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

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

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

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

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

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

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

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

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

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

FY2006-07 Baseline	FY2007-08	FY2008-09	FY2009-10	FY2010-11	FY2011-12	FY2012-13
33%	45%	75%	100%	100%	100%	100%

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

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

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

FY2006-07 Baseline	FY2008	FY2008-09	FY2009-10	FY2010-11	FY2011-12	FY2012-13
27%	35%	37%	40%	45%	47%	50%

Division of Legal Services

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

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

FY2006-07 Baseline	FY2007-08	FY2008-09	FY2009-10	FY2010-11	FY2011-12	FY2012-13
10%	70%	75%	80%	85%	90%	95%

FIRE SAFETY

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

Division of State Fire Marshal Bureau of Fire Prevention

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

Outcome: Percentage of mandated regulatory inspections completed

FY2006-07 Baseline	FY2007-08	FY2008-09	FY2009-10	FY2010-11	FY2011-12	FY2012-13
100%	100%	100%	100%	100%	100%	100%

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

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

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

Bureau of Forensic Fire and Explosives Analysis

Objective 4C: Maintain average turnaround time for sample analyses completions

Outcome: Average turnaround time

FY2006-07 Baseline	FY2008	FY2008-09	FY2009-10	FY2010-11	FY2011-12	FY2012-13
8.5 days	8.5 days	8.5 days	8.5 days	8.5 days	8.5 days	8.5 days

Florida Fire Incident Reporting System

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

Outcome: Percentage of Florida fire departments submitting incidents

CY2006*	CY2007	CY2008	CY2009	CY2010	CY2013
80%	81.5%	82%	82%	82.5%	84%

*Calendar year

EDUCATION

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

Division of Consumer Services

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

Outcome a: Percentage of consumers satisfied with the services provided

FY2006-07 Baseline	FY2007-08	FY2008-09	FY2009-10	FY2010-11	FY2011-12	FY2012-13
75%	80%	82 %	84 %	86 %	88%	90 %

Outcome b: Percentage of phone calls answered within two minutes

FY2006-07 Baseline	FY2007-08	FY2008-09	FY2009-10	FY2010-11	FY2011-12	FY2012-13
86%	88%	90%	92%	94%	96%	98%

Division of Treasury

Bureau of Deferred Compensation

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

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

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

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

FY2006-07 Baseline	FY2007-08	FY2008-09	FY2009-10	FY2010-11	FY2011-12	FY2012-13
\$10,537,179	\$10,747,922	\$10,962,881	\$11,182,138	\$11,405,781	\$11,633,897	\$11,866,574

My Safe Florida Home

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

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

FY2007	FY2008	FY2008-09	FY2009-10	FY2010-11	FY2011-12	FY2012-13
125,000 homeowners save an average of 15% on wind premiums	200,000 homeowners save an average of 15% on wind premiums	N/A*	N/A	N/A	N/A	N/A

*Time-limited program

Division of State Fire Marshal Bureau of Fire Standards and Training

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

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

FY2007-08 Baseline	FY2008-09	FY2009-10	FY2010-11	FY2011-12	FY2012-13
92%	93%	94%	95%	96%	97%

Division of Risk Management

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

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

FY2006-07 Baseline	FY2007-08	FY2008-09	FY2009-10	FY2010-11	FY2011-12	FY2012-13
13	26	39	59	89	89	89

ADVOCACY

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

Office of Insurance Consumer Advocate

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

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

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

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

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

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

Division of Consumer Services

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

Outcome: Percentage of consumer activities that result in quality service

FY2008-09 Baseline	FY2008-09	FY2009-10	FY2010-11	FY2011-12	FY2012-13
N/A	80%	82%	84%	86%	88%

Division of Information Services

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

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

FY2007-08	FY2008-09	FY2009-10	FY2010-11	FY2011-12	FY2012-13
N/A	4	4	4	4	4

Division of Administration

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

Outcome a: Percentage of vendor invoices submitted to the Division of Accounting and Auditing for payment processing within 10 days of transaction

FY2007-08 Baseline	FY2008-09	FY2009-10	FY2010-11	FY2011-12	FY2012-13
70%	72%	74%	76%	78%	80%

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

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

Office of the Inspector General

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

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

FY2007-08	FY2008-09	FY2009-10	FY2010-11	FY2011-12	FY2012-13
Setting baseline	80%	90%	90%	100%	100%

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

FY2007-08	FY2008-09	FY2009-10	FY2010-11	FY2011-12	FY2012-13
Setting baseline	80%	90%	90%	100%	100%

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

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

FY2007-08	FY2008-09	FY2009-10	FY2010-11	FY2011-12	FY2012-13
Setting baseline	80%	80%	80%	80%	80%

Office of the Chief of Staff

Objective 6H: Ensure that quality services are provided to the public by the department

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

FY2008-09	FY2009-10	FY2010-11	FY2011-12	FY2012-13
TBD	TBD	TBD	TBD	TBD

SERVICE OUTCOMES

Program: Office of Chief Financial Officer and Administration

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

43010100 Executive Direction and Support Services

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

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

FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13
4.43%	4.43%	4.43%	4.43%	4.43%

43010200 Legal Services

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

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

FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13
88%	88%	88%	88%	88%

43010300 Information Technology

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

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

Service Outcome: Percent of customers who returned a service satisfaction rating of at least seven (7) on a scale of one (1) to ten (10) on surveys.

FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13
TBD	TBD	TBD	TBD	TBD

Program: Treasury

43100200 Deposit Security

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

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

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

FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13
\$20	\$20	\$20	\$20	\$20

43100300 State Funds Management and Investment

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

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

FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13
1.0	1.0	1.0	1.0	1.0

43100400 Supplemental Retirement Plan

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

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

FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13
600	600	600	600	600

Program: Financial Accountability for Public Funds

43200100 State Financial Information and State Agency Accounting

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

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

FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13
95%	95%	95%	95%	95%

43200200 Recovery and Return of Unclaimed Property

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

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

FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13
75%	75%	75%	75%	75%

Program: Fire Marshal

43300200 Compliance and Enforcement

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

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

FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13
0	0	0	0	0

43300300 Fire and Arson Investigations

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

interrogations, apprehension of offenders and providing expert testimony assistance with criminal prosecutions and external investigators and litigants.

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

FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13
80%	80%	80%	100%	100%

43300400 Professional Training and Standards

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

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

FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13
90%	90%	90%	90%	92%

43300500 Fire Marshal Administrative and Support Services

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

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

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

FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13
5.70%	5.70%	5.70%	5.7%	5.7%

Program: State Property and Casualty Claims

43400100 State Self-Insured Claims Adjustment

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

Service Outcome: Average operational cost per claim worked.

FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13
\$239	\$249	\$254	\$260	\$267

Program: Licensing and Consumer Protection

43500100 Insurance Company Rehabilitation and Liquidation

This service is responsible for coordinating and directing the conservation, rehabilitation and liquidation of financially impaired or insolvent insurance companies. The rehabilitation process includes taking control of and protecting the property of the insurer, conducting the business of the insurer, and formulating a rehabilitation plan. The liquidation process includes consolidating

and liquidating the insurer assets, identifying and paying claims, distributing assets to claimants and responding to consumer inquiries about the receivership process.

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

FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13
90%	90%	90%	90%	90%

43500200 Licensure Sales Appointment and Oversight

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

Service Outcome: Percent of licensees disciplined.

FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13
7%	7%	7%	7%	7%

43500300 Insurance Fraud

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

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

FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13
1%	1%	1%	1%	1%

*represents a 1% percentage increase over the previous year

43500400 Consumer Assistance

This service educates consumers by providing information that assists them in purchasing appropriate insurance and financial products for their needs and provides direct consumer

assistance in resolving insurance and financial product problems. Consumers are assisted with insurance and financial product claims, complaints and inquiries. Programs are developed and presented at public forums, which provide information on insurance and financial product matters. Consumer outreach programs are developed and administered to assist insurance and financial product consumers in proceeding against regulated entities that have used deceptive sales practices or other misrepresentation in sales.

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

FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13
80%	80%	80%	80%	80%

43500500 Funeral and Cemetery Services

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

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

FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13
100%	100%	100%	100%	100%

Program: Workers' Compensation

43600100 Workers' Compensation

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

Service Outcome: Percent of first indemnity payments made timely.

FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13
95%	95%	95%	95%	95%

Glossary of Terms and Acronyms

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

Actual Expenditures: Includes prior year actual disbursements, payables and encumbrances. Payables and encumbrances are certified forward at the end of the fiscal year. They may be disbursed between July 1 and December 31 of the subsequent fiscal year. Certified forward amounts are included in the year in which the funds are committed and not shown in the year the funds are disbursed.

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

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

BFFEA: Bureau of Forensic Fire and Explosives Analysis

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

CAFR – Comprehensive Annual Financial Report

CIO - Chief Information Officer

CIP - Capital Improvements Program Plan

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

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

DFS – Department of Financial Services

EOG - Executive Office of the Governor

ERP – Enterprise Resource Planning

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

FCO - Fixed Capital Outlay

FFMIS - Florida Financial Management Information System

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

FLAIR - Florida Accounting Information Resource Subsystem

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

Florida Workers' Compensation Fraud Task Force: The Florida Workers' Compensation Fraud Task Force is made up of citizens, employers, insurance company special investigative units, labor union reps. Division of Insurance Fraud Detectives, and other government department employees. The goal of the task force is to come up with legislative suggestions and rule change suggestions aimed at combating workers' compensation fraud. Current membership stands at 130. The Task Force meets quarterly in Orlando.

F.S. - Florida Statutes

GAA - General Appropriations Act

GR - General Revenue Fund

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

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

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

Input: See Performance Measure.

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

IOE - Itemization of Expenditure

ISDM - Information Systems Development Methodology

IT - Information Technology

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

LAN - Local Area Network

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

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

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

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

L.O.F. - Laws of Florida

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

LRPP - Long-Range Program Plan

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

MAN - Metropolitan Area Network (Information Technology)

NASBO - National Association of State Budget Officers

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

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

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

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

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

Outcome: See Performance Measure.

Output: See Performance Measure.

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

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

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

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

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

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

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

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

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

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

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

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

Qualified public depositories: Banks, savings banks, or savings associations that are organized and exist under the laws of the United States, the laws of this state or any other state or territory of the United States. They have their principal place of business or a branch office in this state which is authorized under the laws of this state or of the United States to receive deposits in Florida. Qualified public depositories have deposit insurance under the provision of the Federal Deposit Insurance Act, as amended, 12 U.S.C. ss. 1811 et seq. and have procedures and practices for accurate identification, classification, reporting, and collateralization of public deposits. They meet all the requirements of Chapter 280, F.S. and have been designated by the Chief Financial Officer as a qualified public depository.

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

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

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

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

Service: See Budget Entity.

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

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

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

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

State Wide Cost Allocation Plan (SWCAP): The methodology used to allocate general and administrative costs to various programs, grants, contracts and agreements. The plan identifies costs associated with programs; describes the programs for which cost data is needed; includes the methodology for identifying program-specific costs; and displays the techniques used to accumulate cost data. Florida's SWCAP requires that each state agency and the judicial branch include a prorated share of general and administrative costs, such as accounting, provided by central service agencies. For federal grants or contracts, these costs are reimbursable to the state pursuant to the provisions of U.S. Office of Management and Budget Circular A-87. DFS ensures that the SWCAP presents the most favorable allocation of central services costs allowable to the state by the federal government.

STO - State Technology Office

SWOT - Strengths, Weaknesses, Opportunities and Threats

TCS - Trends and Conditions Statement

TF - Trust Fund

TRW - Technology Review Workgroup

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

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

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

VOIP – Voice Over Internet Protocol

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

WAN - Wide Area Network (Information Technology)

LRPP Exhibit III: PERFORMANCE MEASURE ASSESSMENT

Department: Financial Services

Program: Office of Chief Financial Officer and Administration

Service/Budget Entity: Information Technology

Measure: Information Technology Costs as a Percent of Total Agency Cost

Action:

- | | |
|--|---|
| <input checked="" type="checkbox"/> Performance Assessment of <u>Outcome</u> Measure | <input checked="" type="checkbox"/> Revision of Measure |
| <input type="checkbox"/> Performance Assessment of <u>Output</u> Measure | <input type="checkbox"/> Deletion of Measure |
| <input type="checkbox"/> Adjustment of GAA Performance Standards | |

Approved Standard	Actual Performance Results	Difference (Over/Under)	Percentage Difference
4.21%	11.7% (R)*	+7.49% (R)*	+7.49% (R)*
	12% (NR)~	+7.79% (NR)~	+7.79% (NR)~

Factors Accounting for the Difference:

Internal Factors (check all that apply):

- | | |
|---|--|
| <input type="checkbox"/> Personnel Factors | <input type="checkbox"/> Staff Capacity |
| <input type="checkbox"/> Competing Priorities | <input type="checkbox"/> Level of Training |
| <input checked="" type="checkbox"/> Previous Estimate Incorrect | <input type="checkbox"/> Other (Identify) |

Explanation:

Industry standard metrics for an information-centric organization indicate 7-10% as a more reasonable standard for this performance measure.

External Factors (check all that apply):

- | | |
|--|---|
| <input type="checkbox"/> Resources Unavailable | <input type="checkbox"/> Technological Problems |
| <input type="checkbox"/> Legal/Legislative Change | <input type="checkbox"/> Natural Disaster |
| <input type="checkbox"/> Target Population Change | <input type="checkbox"/> Other (Identify) |
| <input type="checkbox"/> This Program/Service Cannot Fix The Problem | |
| <input type="checkbox"/> Current Laws Are Working Against The Agency Mission | |

Explanation:

Management Efforts to Address Differences/Problems (check all that apply):

- | | |
|------------------------------------|--|
| <input type="checkbox"/> Training | <input type="checkbox"/> Technology |
| <input type="checkbox"/> Personnel | <input checked="" type="checkbox"/> Other (Identify) |

Recommendations:

It is requested that the approved standards for FY 2007-08 and beyond be increased to 12% with the understanding that, as DIS and the agency as a whole continue to grow and mature, DIS will continue its effort to ensure that the percentage of information technology costs as a percent of total agency costs fall more in line with the industry standard of 7-10%.

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* (R) = Recurring funding only calculation

~ (NR) = Non-recurring funds included in calculation

LRPP Exhibit III: PERFORMANCE MEASURE ASSESSMENT

Department: Financial Services

Program: Office of Chief Financial Officer and Administration

Service/Budget Entity: Information Technology

Measure: Information Technology Positions as a Percent of Total Agency Positions

Action:

- | | |
|--|---|
| <input checked="" type="checkbox"/> Performance Assessment of <u>Outcome</u> Measure | <input checked="" type="checkbox"/> Revision of Measure |
| <input type="checkbox"/> Performance Assessment of <u>Output</u> Measure | <input type="checkbox"/> Deletion of Measure |
| <input type="checkbox"/> Adjustment of GAA Performance Standards | |

Approved Standard	Actual Performance Results	Difference (Over/Under)	Percentage Difference
3.33%	9.4%	6.07% over	6.07% over

Factors Accounting for the Difference:

Internal Factors (check all that apply):

- | | |
|---|--|
| <input type="checkbox"/> Personnel Factors | <input type="checkbox"/> Staff Capacity |
| <input type="checkbox"/> Competing Priorities | <input type="checkbox"/> Level of Training |
| <input checked="" type="checkbox"/> Previous Estimate Incorrect | <input type="checkbox"/> Other (Identify) |

Explanation:

In order to meet the goals set forth by the administration, such as relying less on outsourcing and handling more of the agency's efforts internally, the approved standard of 3.33% must be increased.

External Factors (check all that apply):

- | | |
|--|---|
| <input type="checkbox"/> Resources Unavailable | <input type="checkbox"/> Technological Problems |
| <input type="checkbox"/> Legal/Legislative Change | <input type="checkbox"/> Natural Disaster |
| <input type="checkbox"/> Target Population Change | <input type="checkbox"/> Other (Identify) |
| <input type="checkbox"/> This Program/Service Cannot Fix The Problem | |
| <input type="checkbox"/> Current Laws Are Working Against The Agency Mission | |

Explanation:

Management Efforts to Address Differences/Problems (check all that apply):

- | | |
|------------------------------------|--|
| <input type="checkbox"/> Training | <input type="checkbox"/> Technology |
| <input type="checkbox"/> Personnel | <input checked="" type="checkbox"/> Other (Identify) |

Recommendations:

DIS requests that the approved standards for FY 2007-08 and beyond be increased to 10%.

LRPP Exhibit III: PERFORMANCE MEASURE ASSESSMENT

Department: Financial Services

Program: Office of Chief Financial Officer and Administration

Service/Budget Entity: Information Technology

Measure: System design and programming hourly cost

Action:

- | | |
|--|---|
| <input checked="" type="checkbox"/> Performance Assessment of <u>Outcome</u> Measure | <input type="checkbox"/> Revision of Measure |
| <input type="checkbox"/> Performance Assessment of <u>Output</u> Measure | <input checked="" type="checkbox"/> Deletion of Measure |
| <input type="checkbox"/> Adjustment of GAA Performance Standards | |

Approved Standard	Actual Performance Results	Difference (Over/Under)	Percentage Difference

Factors Accounting for the Difference:

Internal Factors (check all that apply):

- | | |
|--|--|
| <input type="checkbox"/> Personnel Factors | <input type="checkbox"/> Staff Capacity |
| <input type="checkbox"/> Competing Priorities | <input type="checkbox"/> Level of Training |
| <input type="checkbox"/> Previous Estimate Incorrect | <input type="checkbox"/> Other (Identify) |

Explanation:

External Factors (check all that apply):

- | | |
|--|---|
| <input type="checkbox"/> Resources Unavailable | <input type="checkbox"/> Technological Problems |
| <input type="checkbox"/> Legal/Legislative Change | <input type="checkbox"/> Natural Disaster |
| <input type="checkbox"/> Target Population Change | <input type="checkbox"/> Other (Identify) |
| <input type="checkbox"/> This Program/Service Cannot Fix The Problem | |
| <input type="checkbox"/> Current Laws Are Working Against The Agency Mission | |

Explanation:

Management Efforts to Address Differences/Problems (check all that apply):

- | | |
|------------------------------------|--|
| <input type="checkbox"/> Training | <input type="checkbox"/> Technology |
| <input type="checkbox"/> Personnel | <input checked="" type="checkbox"/> Other (Identify) |

Recommendations:

The division has determined that a cost allocation methodology for collecting information and calculating the standard will be required to accurately report on this measure. Until, the division acquires these detailed statistics, the division is requesting deletion of this measure for FY 2008-09.

LRPP Exhibit III: PERFORMANCE MEASURE ASSESSMENT

Department: Financial Services

Program: Office of Chief Financial Officer and Administration

Service/Budget Entity: Information Technology

Measure: Percent of Scheduled Hours Computer and Network is Available

Action:

- | | |
|---|---|
| <input type="checkbox"/> Performance Assessment of <u>Outcome</u> Measure | <input checked="" type="checkbox"/> Revision of Measure |
| <input type="checkbox"/> Performance Assessment of <u>Output</u> Measure | <input type="checkbox"/> Deletion of Measure |
| <input type="checkbox"/> Adjustment of GAA Performance Standards | |

Approved Standard	Actual Performance Results	Difference (Over/Under)	Percentage Difference
99.95%	Mainframe: 99.85% Infrastructure: 99.9% Oracle DB: 89.95%	Mainframe: - .10% Infrastructure: + .04% Oracle DB: - 10%	Mainframe: - .10% Infrastructure: + .04% Oracle DB: - 10%

Note: Unscheduled downtime was factored in the calculations

Factors Accounting for the Difference:

Internal Factors (check all that apply):

- | | |
|--|--|
| <input type="checkbox"/> Personnel Factors | <input type="checkbox"/> Staff Capacity |
| <input type="checkbox"/> Competing Priorities | <input type="checkbox"/> Level of Training |
| <input type="checkbox"/> Previous Estimate Incorrect | <input type="checkbox"/> Other (Identify) |

Explanation:

External Factors (check all that apply):

- | | |
|--|---|
| <input type="checkbox"/> Resources Unavailable | <input type="checkbox"/> Technological Problems |
| <input type="checkbox"/> Legal/Legislative Change | <input type="checkbox"/> Natural Disaster |
| <input type="checkbox"/> Target Population Change | <input type="checkbox"/> Other (Identify) |
| <input type="checkbox"/> This Program/Service Cannot Fix The Problem | |
| <input type="checkbox"/> Current Laws Are Working Against The Agency Mission | |

Explanation:

Management Efforts to Address Differences/Problems (check all that apply):

- | | |
|------------------------------------|--|
| <input type="checkbox"/> Training | <input checked="" type="checkbox"/> Technology |
| <input type="checkbox"/> Personnel | <input type="checkbox"/> Other (Identify) |

Recommendations:

The existing recording processes are dependent on manual input. In 2007-08 DIS received partial funding for network monitoring tools. DIS is seeking funding for the remaining funding needed to purchase monitoring tools that can automatically calculate computer and network availability. The monitoring tools will provide a reliable method for collecting information and calculating the standard.

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LRPP Exhibit III: PERFORMANCE MEASURE ASSESSMENT

Department: Financial Services

Program: Office of Chief Financial Officer and Administration

Service/Budget Entity: Information Technology

Measure: Percent of customers who returned a customer service satisfaction rating of at least seven (7) on a scale of one (1) to ten (10) on surveys

Action:

- | | |
|---|---|
| <input type="checkbox"/> Performance Assessment of <u>Outcome</u> Measure | <input checked="" type="checkbox"/> Revision of Measure |
| <input type="checkbox"/> Performance Assessment of <u>Output</u> Measure | <input type="checkbox"/> Deletion of Measure |
| <input type="checkbox"/> Adjustment of GAA Performance Standards | |

Approved Standard	Actual Performance Results	Difference (Over/Under)	Percentage Difference

Factors Accounting for the Difference:

Internal Factors (check all that apply):

- | | |
|--|--|
| <input type="checkbox"/> Personnel Factors | <input type="checkbox"/> Staff Capacity |
| <input type="checkbox"/> Competing Priorities | <input type="checkbox"/> Level of Training |
| <input type="checkbox"/> Previous Estimate Incorrect | <input type="checkbox"/> Other (Identify) |

Explanation:

External Factors (check all that apply):

- | | |
|--|---|
| <input type="checkbox"/> Resources Unavailable | <input type="checkbox"/> Technological Problems |
| <input type="checkbox"/> Legal/Legislative Change | <input type="checkbox"/> Natural Disaster |
| <input type="checkbox"/> Target Population Change | <input type="checkbox"/> Other (Identify) |
| <input type="checkbox"/> This Program/Service Cannot Fix The Problem | |
| <input type="checkbox"/> Current Laws Are Working Against The Agency Mission | |

Explanation:

Management Efforts to Address Differences/Problems (check all that apply):

- | | |
|------------------------------------|--|
| <input type="checkbox"/> Training | <input type="checkbox"/> Technology |
| <input type="checkbox"/> Personnel | <input checked="" type="checkbox"/> Other (Identify) |

Recommendations:

Division of Information System is working on a revision to this measure to reflect an appropriate satisfaction scale for resolved helpdesk calls from the Remedy application.

LRPP Exhibit III: PERFORMANCE MEASURE ASSESSMENT

Department: Financial Services

Program: Office of Chief Financial Officer and Administration

Service/Budget Entity: Information Technology

Measure: Percent of scheduled services completed timely

Action:

- | | |
|---|---|
| <input type="checkbox"/> Performance Assessment of <u>Outcome</u> Measure | <input type="checkbox"/> Revision of Measure |
| <input type="checkbox"/> Performance Assessment of <u>Output</u> Measure | <input checked="" type="checkbox"/> Deletion of Measure |
| <input type="checkbox"/> Adjustment of GAA Performance Standards | |

Approved Standard	Actual Performance Results	Difference (Over/Under)	Percentage Difference

Factors Accounting for the Difference:

Internal Factors (check all that apply):

- | | |
|---|--|
| <input type="checkbox"/> Personnel Factors | <input type="checkbox"/> Staff Capacity |
| <input type="checkbox"/> Competing Priorities | <input type="checkbox"/> Level of Training |
| <input checked="" type="checkbox"/> Previous Estimate Incorrect | <input type="checkbox"/> Other (Identify) |

Explanation:

Previous estimates are not reliable. Manual input was required to compile data from Remedy and Pets tracking applications. Averaging three percentages can hide operational issues/opportunities for improvement.

External Factors (check all that apply):

- | | |
|--|--|
| <input type="checkbox"/> Resources Unavailable | <input checked="" type="checkbox"/> Technological Problems |
| <input type="checkbox"/> Legal/Legislative Change | <input type="checkbox"/> Natural Disaster |
| <input type="checkbox"/> Target Population Change | <input type="checkbox"/> Other (Identify) |
| <input type="checkbox"/> This Program/Service Cannot Fix The Problem | |
| <input type="checkbox"/> Current Laws Are Working Against The Agency Mission | |

Explanation:

Network management software was not available to monitor and report on the integrity of the network infrastructure.

Management Efforts to Address Differences/Problems (check all that apply):

- | | |
|------------------------------------|--|
| <input type="checkbox"/> Training | <input checked="" type="checkbox"/> Technology |
| <input type="checkbox"/> Personnel | <input type="checkbox"/> Other (Identify) |

Recommendations:

Purchase network management software tools.

LRPP Exhibit III: PERFORMANCE MEASURE ASSESSMENT

Department: Financial Services

Program: Treasury

Service/Budget Entity: State Funds Management and Investment

Measure: Ratio of net of return to established national benchmarks for Internal Intermediate Investments

Action:

- | | |
|--|--|
| <input checked="" type="checkbox"/> Performance Assessment of <u>Outcome</u> Measure | <input type="checkbox"/> Revision of Measure |
| <input type="checkbox"/> Performance Assessment of <u>Output</u> Measure | <input type="checkbox"/> Deletion of Measure |
| <input type="checkbox"/> Adjustment of GAA Performance Standards | |

Approved Standard	Actual Performance Results	Difference (Over/Under)	Percentage Difference
1.0	.99	<.01>	-1%

Factors Accounting for the Difference:

Internal Factors (check all that apply):

- | | |
|--|--|
| <input type="checkbox"/> Personnel Factors | <input type="checkbox"/> Staff Capacity |
| <input type="checkbox"/> Competing Priorities | <input type="checkbox"/> Level of Training |
| <input type="checkbox"/> Previous Estimate Incorrect | <input checked="" type="checkbox"/> Other (Identify) |

Explanation:

The Internal Intermediate portfolio's primary objective is to enhance long-term capital value by maximizing the total rate of return while minimizing realized losses. Over the past fiscal year, yields have risen and credit spreads have widened creating unrealized losses on most, if not all of the securities. If we continued to have an active portfolio management style (i.e., investing to yield curve/interest rate movement, sector rotation, etc), the portfolio would have taken realized losses. To meet this objective in this market environment, we took a more passive investment management approach where we held securities and reinvested coupon payments and maturities. Since we were not actively trading securities, the portfolio held low coupon paying bonds in a higher interest rate environment which negatively impacted the income component of our return. The result is a slight under performance in the Internal Intermediate portfolio.

External Factors (check all that apply):

- | | |
|--|---|
| <input type="checkbox"/> Resources Unavailable | <input type="checkbox"/> Technological Problems |
| <input type="checkbox"/> Legal/Legislative Change | <input type="checkbox"/> Natural Disaster |
| <input type="checkbox"/> Target Population Change | <input type="checkbox"/> Other (Identify) |
| <input type="checkbox"/> This Program/Service Cannot Fix The Problem | |
| <input type="checkbox"/> Current Laws Are Working Against The Agency Mission | |

Explanation:

Management Efforts to Address Differences/Problems (check all that apply):

- | | |
|------------------------------------|---|
| <input type="checkbox"/> Training | <input type="checkbox"/> Technology |
| <input type="checkbox"/> Personnel | <input type="checkbox"/> Other (Identify) |

Recommendations:

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LRPP Exhibit III: PERFORMANCE MEASURE ASSESSMENT

Department: Financial Services

Program: Treasury

Service/Budget Entity: State Funds Management and Investment

Measure: Number of financial management/accounting transactions processed and reports produced

Action:

- | | |
|---|---|
| <input type="checkbox"/> Performance Assessment of <u>Outcome</u> Measure | <input type="checkbox"/> Revision of Measure |
| <input type="checkbox"/> Performance Assessment of <u>Output</u> Measure | <input checked="" type="checkbox"/> Deletion of Measure |
| <input type="checkbox"/> Adjustment of GAA Performance Standards | |

Approved Standard	Actual Performance Results	Difference (Over/Under)	Percentage Difference

Factors Accounting for the Difference:

Internal Factors (check all that apply):

- | | |
|--|--|
| <input type="checkbox"/> Personnel Factors | <input type="checkbox"/> Staff Capacity |
| <input type="checkbox"/> Competing Priorities | <input type="checkbox"/> Level of Training |
| <input type="checkbox"/> Previous Estimate Incorrect | <input type="checkbox"/> Other (Identify) |

Explanation:

External Factors (check all that apply):

- | | |
|--|---|
| <input type="checkbox"/> Resources Unavailable | <input type="checkbox"/> Technological Problems |
| <input type="checkbox"/> Legal/Legislative Change | <input type="checkbox"/> Natural Disaster |
| <input type="checkbox"/> Target Population Change | <input type="checkbox"/> Other (Identify) |
| <input type="checkbox"/> This Program/Service Cannot Fix The Problem | |
| <input type="checkbox"/> Current Laws Are Working Against The Agency Mission | |

Explanation:

Management Efforts to Address Differences/Problems (check all that apply):

- | | |
|------------------------------------|---|
| <input type="checkbox"/> Training | <input type="checkbox"/> Technology |
| <input type="checkbox"/> Personnel | <input type="checkbox"/> Other (Identify) |

Recommendations:

The Division of Treasury requests deletion of this performance measure as it does not adequately measure the performance of this program. The Division is working on developing a more appropriate outcome measure.

LRPP Exhibit III: PERFORMANCE MEASURE ASSESSMENT

Department: Financial Services

Program: Treasury

Service/Budget Entity: State Funds Management and Investment

Measure: Dollar volume of funds invested

Action:

- | | |
|---|---|
| <input type="checkbox"/> Performance Assessment of <u>Outcome</u> Measure | <input type="checkbox"/> Revision of Measure |
| <input type="checkbox"/> Performance Assessment of <u>Output</u> Measure | <input checked="" type="checkbox"/> Deletion of Measure |
| <input type="checkbox"/> Adjustment of GAA Performance Standards | |

Approved Standard	Actual Performance Results	Difference (Over/Under)	Percentage Difference

Factors Accounting for the Difference:

Internal Factors (check all that apply):

- | | |
|--|--|
| <input type="checkbox"/> Personnel Factors | <input type="checkbox"/> Staff Capacity |
| <input type="checkbox"/> Competing Priorities | <input type="checkbox"/> Level of Training |
| <input type="checkbox"/> Previous Estimate Incorrect | <input type="checkbox"/> Other (Identify) |

Explanation:

External Factors (check all that apply):

- | | |
|--|---|
| <input type="checkbox"/> Resources Unavailable | <input type="checkbox"/> Technological Problems |
| <input type="checkbox"/> Legal/Legislative Change | <input type="checkbox"/> Natural Disaster |
| <input type="checkbox"/> Target Population Change | <input type="checkbox"/> Other (Identify) |
| <input type="checkbox"/> This Program/Service Cannot Fix The Problem | |
| <input type="checkbox"/> Current Laws Are Working Against The Agency Mission | |

Explanation:

Management Efforts to Address Differences/Problems (check all that apply):

- | | |
|------------------------------------|---|
| <input type="checkbox"/> Training | <input type="checkbox"/> Technology |
| <input type="checkbox"/> Personnel | <input type="checkbox"/> Other (Identify) |

Recommendations:

The Division of Treasury requests deletion of this performance measure as it does not adequately measure the performance of this program. The Division is working on developing a more appropriate outcome measure.

LRPP Exhibit III: PERFORMANCE MEASURE ASSESSMENT

Department: Financial Services

Program: Treasury

Service/Budget Entity: Supplemental Retirement Plan

Measure: Minimum % of state employees participating in the State DC Plan(excluding SUS)

Action:

- | | |
|---|---|
| <input type="checkbox"/> Performance Assessment of <u>Outcome</u> Measure | <input type="checkbox"/> Revision of Measure |
| <input checked="" type="checkbox"/> Performance Assessment of <u>Output</u> Measure | <input checked="" type="checkbox"/> Deletion of Measure |
| <input type="checkbox"/> Adjustment of GAA Performance Standards | |

Approved Standard	Actual Performance Results	Difference (Over/Under)	Percentage Difference
46%	43%	3% under	6.9%

Factors Accounting for the Difference:

Internal Factors (check all that apply):

- | | |
|---|--|
| <input type="checkbox"/> Personnel Factors | <input type="checkbox"/> Staff Capacity |
| <input type="checkbox"/> Competing Priorities | <input type="checkbox"/> Level of Training |
| <input checked="" type="checkbox"/> Previous Estimate Incorrect | <input checked="" type="checkbox"/> Other (Identify) |

Explanation:

Due to the change of Federal legislation, participants are able to roll their accounts out to the private sector.

External Factors (check all that apply):

- | | |
|--|---|
| <input type="checkbox"/> Resources Unavailable | <input type="checkbox"/> Technological Problems |
| <input checked="" type="checkbox"/> Legal/Legislative Change | <input type="checkbox"/> Natural Disaster |
| <input type="checkbox"/> Target Population Change | <input type="checkbox"/> Other (Identify) |
| <input type="checkbox"/> This Program/Service Cannot Fix The Problem | |
| <input type="checkbox"/> Current Laws Are Working Against The Agency Mission | |

Explanation:

Management Efforts to Address Differences/Problems (check all that apply):

- | | |
|------------------------------------|---|
| <input type="checkbox"/> Training | <input type="checkbox"/> Technology |
| <input type="checkbox"/> Personnel | <input type="checkbox"/> Other (Identify) |

Recommendations:

The Division of Treasury is requesting deletion of this performance measure. The data provided is not meaningful for management or others to determine the effectiveness of the program. The division proposes replacing this performance measure with measures providing information related to the increase in plan participants and contributions. The division believes these replacement measures will assist management in determining the effectiveness of program efforts.

LRPP Exhibit III: PERFORMANCE MEASURE ASSESSMENT

Department: Financial Services

Program: Treasury

Service/Budget Entity: Supplemental Retirement Plan

Measure: Minimum % of state employees participating in the State DC Plan(including SUS)

Action:

- | | |
|---|---|
| <input type="checkbox"/> Performance Assessment of <u>Outcome</u> Measure | <input type="checkbox"/> Revision of Measure |
| <input checked="" type="checkbox"/> Performance Assessment of <u>Output</u> Measure | <input checked="" type="checkbox"/> Deletion of Measure |
| <input type="checkbox"/> Adjustment of GAA Performance Standards | |

Approved Standard	Actual Performance Results	Difference (Over/Under)	Percentage Difference
39%	41%	2% over	4.8 %

Factors Accounting for the Difference:

Internal Factors (check all that apply):

- | | |
|--|--|
| <input type="checkbox"/> Personnel Factors | <input type="checkbox"/> Staff Capacity |
| <input type="checkbox"/> Competing Priorities | <input type="checkbox"/> Level of Training |
| <input type="checkbox"/> Previous Estimate Incorrect | <input type="checkbox"/> Other (Identify) |

Explanation:

External Factors (check all that apply):

- | | |
|--|---|
| <input type="checkbox"/> Resources Unavailable | <input type="checkbox"/> Technological Problems |
| <input type="checkbox"/> Legal/Legislative Change | <input type="checkbox"/> Natural Disaster |
| <input type="checkbox"/> Target Population Change | <input type="checkbox"/> Other (Identify) |
| <input type="checkbox"/> This Program/Service Cannot Fix The Problem | |
| <input type="checkbox"/> Current Laws Are Working Against The Agency Mission | |

Explanation:

Management Efforts to Address Differences/Problems (check all that apply):

- | | |
|------------------------------------|---|
| <input type="checkbox"/> Training | <input type="checkbox"/> Technology |
| <input type="checkbox"/> Personnel | <input type="checkbox"/> Other (Identify) |

Recommendations:

The Division of Treasury is requesting deletion of this performance measure. The data provided is not meaningful for management or others to determine the effectiveness of the program. The division proposes replacing this performance measure with measures providing information related to the increase in participants and contributions. The division believes these replacement measures will assist management in determining the effectiveness of program efforts.

LRPP Exhibit III: PERFORMANCE MEASURE ASSESSMENT

Department: Financial Services

Program: Treasury

Service/Budget Entity: Supplemental Retirement Plan

Measure: Number of participant account actions processed by the state deferred compensation office

Action:

- | | |
|---|---|
| <input type="checkbox"/> Performance Assessment of <u>Outcome</u> Measure | <input type="checkbox"/> Revision of Measure |
| <input checked="" type="checkbox"/> Performance Assessment of <u>Output</u> Measure | <input checked="" type="checkbox"/> Deletion of Measure |
| <input type="checkbox"/> Adjustment of GAA Performance Standards | |

Approved Standard	Actual Performance Results	Difference (Over/Under)	Percentage Difference
2,200,000	1,212,196	987,804 under	55%

Factors Accounting for the Difference:

Internal Factors (check all that apply):

- | | |
|---|--|
| <input type="checkbox"/> Personnel Factors | <input type="checkbox"/> Staff Capacity |
| <input type="checkbox"/> Competing Priorities | <input type="checkbox"/> Level of Training |
| <input checked="" type="checkbox"/> Previous Estimate Incorrect | <input checked="" type="checkbox"/> Other (Identify) |

Explanation:

The Deferred Compensation office has streamlined its processes.

External Factors (check all that apply):

- | | |
|--|---|
| <input type="checkbox"/> Resources Unavailable | <input type="checkbox"/> Technological Problems |
| <input type="checkbox"/> Legal/Legislative Change | <input type="checkbox"/> Natural Disaster |
| <input type="checkbox"/> Target Population Change | <input type="checkbox"/> Other (Identify) |
| <input type="checkbox"/> This Program/Service Cannot Fix The Problem | |
| <input type="checkbox"/> Current Laws Are Working Against The Agency Mission | |

Explanation:

Management Efforts to Address Differences/Problems (check all that apply):

- | | |
|------------------------------------|---|
| <input type="checkbox"/> Training | <input type="checkbox"/> Technology |
| <input type="checkbox"/> Personnel | <input type="checkbox"/> Other (Identify) |

Recommendations:

This output measures the workload of the Plan as it relates to participant account activities. The division proposes replacing this performance measure with measures providing information related to the increase in participants and contributions. The division believes these replacement measures will assist management in determining the effectiveness of programs efforts.

LRPP Exhibit III: PERFORMANCE MEASURE ASSESSMENT

Department: Financial Services

Program: Treasury

Service/Budget Entity: Supplemental Retirement Plan

Measure: Number of educational materials distributed by the State DC Office

Action:

- | | |
|---|---|
| <input type="checkbox"/> Performance Assessment of <u>Outcome</u> Measure | <input type="checkbox"/> Revision of Measure |
| <input type="checkbox"/> Performance Assessment of <u>Output</u> Measure | <input checked="" type="checkbox"/> Deletion of Measure |
| <input type="checkbox"/> Adjustment of GAA Performance Standards | |

Approved Standard	Actual Performance Results	Difference (Over/Under)	Percentage Difference
400,000	495,000	95,000 over	23.7 %

Factors Accounting for the Difference:

Internal Factors (check all that apply):

- | | |
|--|--|
| <input type="checkbox"/> Personnel Factors | <input type="checkbox"/> Staff Capacity |
| <input type="checkbox"/> Competing Priorities | <input type="checkbox"/> Level of Training |
| <input type="checkbox"/> Previous Estimate Incorrect | <input type="checkbox"/> Other (Identify) |

Explanation:

External Factors (check all that apply):

- | | |
|--|---|
| <input type="checkbox"/> Resources Unavailable | <input type="checkbox"/> Technological Problems |
| <input type="checkbox"/> Legal/Legislative Change | <input type="checkbox"/> Natural Disaster |
| <input type="checkbox"/> Target Population Change | <input type="checkbox"/> Other (Identify) |
| <input type="checkbox"/> This Program/Service Cannot Fix The Problem | |
| <input type="checkbox"/> Current Laws Are Working Against The Agency Mission | |

Explanation:

Management Efforts to Address Differences/Problems (check all that apply):

- | | |
|------------------------------------|---|
| <input type="checkbox"/> Training | <input type="checkbox"/> Technology |
| <input type="checkbox"/> Personnel | <input type="checkbox"/> Other (Identify) |

Recommendations:

The Division of Treasury is requesting deletion of this performance measure. The data provided is not meaningful for management or others to determine the effectiveness of the program.

LRPP Exhibit III: PERFORMANCE MEASURE ASSESSMENT

Department: Financial Services

Program: Financial Accountability for Public Funds

Service/Budget Entity: Recovery and Return of Unclaimed Property

Measure: Percent of the total dollar amount of claims paid to the owner as a percent of the total dollars in returnable accounts reported/received.

Action:

- | | |
|--|---|
| <input checked="" type="checkbox"/> Performance Assessment of <u>Outcome</u> Measure | <input checked="" type="checkbox"/> Revision of Measure |
| <input type="checkbox"/> Performance Assessment of <u>Output</u> Measure | <input type="checkbox"/> Deletion of Measure |
| <input type="checkbox"/> Adjustment of GAA Performance Standards | |

Approved Standard	Actual Performance Results	Difference (Over/Under)	Percentage Difference
75%	162%	+87%	216%

Factors Accounting for the Difference:

Internal Factors (check all that apply):

- | | |
|--|--|
| <input type="checkbox"/> Personnel Factors | <input type="checkbox"/> Staff Capacity |
| <input type="checkbox"/> Competing Priorities | <input type="checkbox"/> Level of Training |
| <input type="checkbox"/> Previous Estimate Incorrect | <input type="checkbox"/> Other (Identify) |

Explanation:

External Factors (check all that apply):

- | | |
|--|--|
| <input type="checkbox"/> Resources Unavailable | <input type="checkbox"/> Technological Problems |
| <input type="checkbox"/> Legal/Legislative Change | <input type="checkbox"/> Natural Disaster |
| <input type="checkbox"/> Target Population Change | <input checked="" type="checkbox"/> Other (Identify) |
| <input type="checkbox"/> This Program/Service Cannot Fix The Problem | |
| <input type="checkbox"/> Current Laws Are Working Against The Agency Mission | |

Explanation:

The deadline for holders to submit their annual reports of unclaimed owner accounts to the Bureau is April 30th. For example: Calendar year 2005 reports are due to this office by April 30, 2006. Because this reporting deadline falls so close to the end of the fiscal year, the funds that are received for a particular year will typically be paid out during the next fiscal year. An example of this scenario occurred in FY 05-06, when the bureau received a record \$354 million in receipts. In the following fiscal year 06-07, the Bureau paid a record amount in claims. This is a trend that repeats itself every year.

Management Efforts to Address Differences/Problems (check all that apply):

- | | |
|------------------------------------|---|
| <input type="checkbox"/> Training | <input type="checkbox"/> Technology |
| <input type="checkbox"/> Personnel | <input type="checkbox"/> Other (Identify) |

Recommendations:

LRPP Exhibit III: PERFORMANCE MEASURE ASSESSMENT

Department: Financial Services

Program: Financial Accountability for Public Funds

Service/Budget Entity: Recovery and Return of Unclaimed Property

Measure: Percent of the total number of claims paid to the owner compared to the total number of returnable accounts reported/received.

Action:

- | | |
|--|---|
| <input checked="" type="checkbox"/> Performance Assessment of <u>Outcome</u> Measure | <input checked="" type="checkbox"/> Revision of Measure |
| <input type="checkbox"/> Performance Assessment of <u>Output</u> Measure | <input type="checkbox"/> Deletion of Measure |
| <input type="checkbox"/> Adjustment of GAA Performance Standards | |

Approved Standard	Actual Performance Results	Difference (Over/Under)	Percentage Difference
22%	39%	+17%	177%

Factors Accounting for the Difference:

Internal Factors (check all that apply):

- | | |
|--|--|
| <input type="checkbox"/> Personnel Factors | <input type="checkbox"/> Staff Capacity |
| <input type="checkbox"/> Competing Priorities | <input type="checkbox"/> Level of Training |
| <input type="checkbox"/> Previous Estimate Incorrect | <input type="checkbox"/> Other (Identify) |

Explanation:

External Factors (check all that apply):

- | | |
|--|--|
| <input type="checkbox"/> Resources Unavailable | <input type="checkbox"/> Technological Problems |
| <input type="checkbox"/> Legal/Legislative Change | <input type="checkbox"/> Natural Disaster |
| <input type="checkbox"/> Target Population Change | <input checked="" type="checkbox"/> Other (Identify) |
| <input type="checkbox"/> This Program/Service Cannot Fix The Problem | |
| <input type="checkbox"/> Current Laws Are Working Against The Agency Mission | |

Explanation:

The deadline for holders to submit their annual reports of unclaimed owner accounts to the Bureau is April 30th. For example: Calendar year 2005 reports are due to this office by April 30, 2006. Because this reporting deadline falls so close to the end of the fiscal year, the accounts that are received for a particular year will typically be paid out during the next fiscal year. An example of this scenario occurred in FY 05-06, when the bureau received a record \$354 million in receipts. In the following fiscal year 06-07, the Bureau paid a record number of claims. This is a trend that repeats itself every year.

Management Efforts to Address Differences/Problems (check all that apply):

- | | |
|------------------------------------|---|
| <input type="checkbox"/> Training | <input type="checkbox"/> Technology |
| <input type="checkbox"/> Personnel | <input type="checkbox"/> Other (Identify) |

Recommendations:

Office of Policy and Budget – July 2007

LRPP Exhibit III: PERFORMANCE MEASURE ASSESSMENT

Department: Financial Services

Program: Financial Accountability for Public Funds

Service/Budget Entity: Recovery and Return of Unclaimed Property

Measure: Number/dollar value of owner accounts processed.

Action:

- | | |
|---|--|
| <input type="checkbox"/> Performance Assessment of <u>Outcome</u> Measure | <input type="checkbox"/> Revision of Measure |
| <input checked="" type="checkbox"/> Performance Assessment of <u>Output</u> Measure | <input type="checkbox"/> Deletion of Measure |
| <input type="checkbox"/> Adjustment of GAA Performance Standards | |

Approved Standard	Actual Performance Results	Difference (Over/Under)	Percentage Difference
450,000/ \$163 million	914,217/ \$140,107,412	+464,217/ - \$22,892,588	203%/ 85%

Factors Accounting for the Difference:

Internal Factors (check all that apply):

- | | |
|--|--|
| <input type="checkbox"/> Personnel Factors | <input type="checkbox"/> Staff Capacity |
| <input type="checkbox"/> Competing Priorities | <input type="checkbox"/> Level of Training |
| <input type="checkbox"/> Previous Estimate Incorrect | <input type="checkbox"/> Other (Identify) |

Explanation:

External Factors (check all that apply):

- | | |
|--|--|
| <input type="checkbox"/> Resources Unavailable | <input type="checkbox"/> Technological Problems |
| <input type="checkbox"/> Legal/Legislative Change | <input type="checkbox"/> Natural Disaster |
| <input type="checkbox"/> Target Population Change | <input checked="" type="checkbox"/> Other (Identify) |
| <input type="checkbox"/> This Program/Service Cannot Fix The Problem | |
| <input type="checkbox"/> Current Laws Are Working Against The Agency Mission | |

Explanation:

Legislative changes in FY 03-04 and FY 04-05 have significantly increased the amount of unclaimed property receipts during FY 05-06 and FY 06-07. Dormancy periods for certain types of unclaimed property were reduced from 5 years to 3 years, causing more property to be reported. The deadline for holders of unclaimed property to file 2006 annual reports was April 30, 2007. As of the end of this fiscal year, several large 2006 reports were received but not processed due to various compliance issues. These reports will subsequently be processed during FY 07-08.

Management Efforts to Address Differences/Problems (check all that apply):

- | | |
|------------------------------------|---|
| <input type="checkbox"/> Training | <input type="checkbox"/> Technology |
| <input type="checkbox"/> Personnel | <input type="checkbox"/> Other (Identify) |

Recommendations:

Office of Policy and Budget – July 2007

LRPP Exhibit III: PERFORMANCE MEASURE ASSESSMENT

Department: Financial Services

Program: Financial Accountability for Public Funds

Service/Budget Entity: Recovery and Return of Unclaimed Property

Measure: Number/dollar value of claims paid.

Action:

- | | |
|---|--|
| <input type="checkbox"/> Performance Assessment of <u>Outcome</u> Measure | <input type="checkbox"/> Revision of Measure |
| <input checked="" type="checkbox"/> Performance Assessment of <u>Output</u> Measure | <input type="checkbox"/> Deletion of Measure |
| <input type="checkbox"/> Adjustment of GAA Performance Standards | |

Approved Standard	Actual Performance Results	Difference (Over/Under)	Percentage Difference
120,000/ \$90 million	249,253/ \$167,583,890	+129,253/ +\$77,583,890	208%/ 186%

Factors Accounting for the Difference:

Internal Factors (check all that apply):

- | | |
|--|--|
| <input type="checkbox"/> Personnel Factors | <input type="checkbox"/> Staff Capacity |
| <input type="checkbox"/> Competing Priorities | <input type="checkbox"/> Level of Training |
| <input type="checkbox"/> Previous Estimate Incorrect | <input type="checkbox"/> Other (Identify) |

Explanation:

External Factors (check all that apply):

- | | |
|--|--|
| <input type="checkbox"/> Resources Unavailable | <input type="checkbox"/> Technological Problems |
| <input type="checkbox"/> Legal/Legislative Change | <input type="checkbox"/> Natural Disaster |
| <input type="checkbox"/> Target Population Change | <input checked="" type="checkbox"/> Other (Identify) |
| <input type="checkbox"/> This Program/Service Cannot Fix The Problem | |
| <input type="checkbox"/> Current Laws Are Working Against The Agency Mission | |

Explanation:

Legislative changes in FY 03-04 and FY 04-05 have significantly increased the amount of unclaimed property receipts during FY 05-06 and FY 06-07. Dormancy periods for certain types of unclaimed property were reduced from 5 years to 3 years, causing more property to be reported. This spike in receipts has caused a corresponding increase in the number and total dollar amounts of claims paid. Due to more advanced technology and proactive methods used in finding owners of unclaimed property, the amounts paid to owners will continue to increase, while the amount of unclaimed property received in FY 05-06 and FY 06-07 will prove to be an anomaly.

Management Efforts to Address Differences/Problems (check all that apply):

- | | |
|------------------------------------|---|
| <input type="checkbox"/> Training | <input type="checkbox"/> Technology |
| <input type="checkbox"/> Personnel | <input type="checkbox"/> Other (Identify) |

Recommendations:

LRPP Exhibit III: PERFORMANCE MEASURE ASSESSMENT

Department: Financial Services

Program: Financial Accountability for Public Funds

Service/Budget Entity: Recovery and Return of Unclaimed Property

Measure: Percent of claims paid within 90 days from date received.

Action:

- | | |
|---|---|
| <input type="checkbox"/> Performance Assessment of <u>Outcome</u> Measure | <input checked="" type="checkbox"/> Revision of Measure |
| <input checked="" type="checkbox"/> Performance Assessment of <u>Output</u> Measure | <input type="checkbox"/> Deletion of Measure |
| <input type="checkbox"/> Adjustment of GAA Performance Standards | |

Approved Standard	Actual Performance Results	Difference (Over/Under)	Percentage Difference
80%	73%	80%	80%

Factors Accounting for the Difference:

Internal Factors (check all that apply):

- | | |
|--|--|
| <input type="checkbox"/> Personnel Factors | <input type="checkbox"/> Staff Capacity |
| <input type="checkbox"/> Competing Priorities | <input type="checkbox"/> Level of Training |
| <input type="checkbox"/> Previous Estimate Incorrect | <input type="checkbox"/> Other (Identify) |

Explanation:

External Factors (check all that apply):

- | | |
|--|--|
| <input type="checkbox"/> Resources Unavailable | <input type="checkbox"/> Technological Problems |
| <input type="checkbox"/> Legal/Legislative Change | <input type="checkbox"/> Natural Disaster |
| <input type="checkbox"/> Target Population Change | <input checked="" type="checkbox"/> Other (Identify) |
| <input type="checkbox"/> This Program/Service Cannot Fix The Problem | |
| <input type="checkbox"/> Current Laws Are Working Against The Agency Mission | |

Explanation:

In FY 06-07 the Bureau paid a record 249,253 claims totaling over \$167 million. A spike in receipts due to legislative changes the two previous years caused a corresponding increase in the total number of claims received. Also, due to more advanced technology and proactive methods used in finding owners of unclaimed property, the volume of claims during the first quarter of the fiscal year reached over 58,000, causing the percentage of claims paid within 90 days from the date received to dip to 29%. After hiring additional OPS staff and realigning other FTE's to assist with claims processing, the second quarter showed improvement to 67%. The percentages for the 3rd and 4th quarter were back up to 98% and 99% respectively. The number of pending claims is currently less than 5,000.

Management Efforts to Address Differences/Problems (check all that apply):

- | | |
|------------------------------------|---|
| <input type="checkbox"/> Training | <input type="checkbox"/> Technology |
| <input type="checkbox"/> Personnel | <input type="checkbox"/> Other (Identify) |

Recommendations:

Office of Policy and Budget – July 2007

LRPP Exhibit III: PERFORMANCE MEASURE ASSESSMENT

Department: Financial Services

Program: Fire Marshal

Service/Budget Entity: Compliance and Enforcement

Measure: Number of construction inspections completed

Action:

- | | |
|---|--|
| <input type="checkbox"/> Performance Assessment of <u>Outcome</u> Measure | <input type="checkbox"/> Revision of Measure |
| <input checked="" type="checkbox"/> Performance Assessment of <u>Output</u> Measure | <input type="checkbox"/> Deletion of Measure |
| <input type="checkbox"/> Adjustment of GAA Performance Standards | |

Approved Standard	Actual Performance Results	Difference (Over/Under)	Percentage Difference
550	511	39 Under	8% Under

Factors Accounting for the Difference:

Internal Factors (check all that apply):

- | | |
|---|--|
| <input type="checkbox"/> Personnel Factors | <input type="checkbox"/> Staff Capacity |
| <input type="checkbox"/> Competing Priorities | <input type="checkbox"/> Level of Training |
| <input checked="" type="checkbox"/> Previous Estimate Incorrect | <input checked="" type="checkbox"/> Other (Identify) |

Explanation:

The number of construction inspections there will be at the beginning of a year is unknown. The number in the Measures is, therefore of necessity, only an estimate. No one can know how many construction inspections there will be in any given year.

External Factors (check all that apply):

- | | |
|--|--|
| <input type="checkbox"/> Resources Unavailable | <input type="checkbox"/> Technological Problems |
| <input type="checkbox"/> Legal/Legislative Change | <input type="checkbox"/> Natural Disaster |
| <input type="checkbox"/> Target Population Change | <input checked="" type="checkbox"/> Other (Identify) |
| <input type="checkbox"/> This Program/Service Cannot Fix The Problem | |
| <input type="checkbox"/> Current Laws Are Working Against The Agency Mission | |

Explanation:

Please see above.

Management Efforts to Address Differences/Problems (check all that apply):

- | | |
|------------------------------------|--|
| <input type="checkbox"/> Training | <input type="checkbox"/> Technology |
| <input type="checkbox"/> Personnel | <input checked="" type="checkbox"/> Other (Identify) |

Recommendations:

Office of Policy and Budget – July 2007

LRPP Exhibit III: PERFORMANCE MEASURE ASSESSMENT

Department: Financial Services

Program: Fire Marshal

Service/Budget Entity: Compliance and Enforcement

Measure: Number of regulatory inspections completed

Action:

- | | |
|---|--|
| <input type="checkbox"/> Performance Assessment of <u>Outcome</u> Measure | <input type="checkbox"/> Revision of Measure |
| <input checked="" type="checkbox"/> Performance Assessment of <u>Output</u> Measure | <input type="checkbox"/> Deletion of Measure |
| <input type="checkbox"/> Adjustment of GAA Performance Standards | |

Approved Standard	Actual Performance Results	Difference (Over/Under)	Percentage Difference
550	511	39 Under	8% Under

Factors Accounting for the Difference:

Internal Factors (check all that apply):

- | | |
|---|--|
| <input type="checkbox"/> Personnel Factors | <input type="checkbox"/> Staff Capacity |
| <input type="checkbox"/> Competing Priorities | <input type="checkbox"/> Level of Training |
| <input checked="" type="checkbox"/> Previous Estimate Incorrect | <input checked="" type="checkbox"/> Other (Identify) |

Explanation:

The number of regulatory inspections there will be at the beginning of a year is unknown. The standard is only an estimate. No one can determine exactly how many regulatory inspections there will be in a given year. Regulatory inspections are conducted yearly upon renewal of certain industries' licenses and upon new applications for licensure. It is impossible to determine the actual number of applications for licensure requiring regulatory inspections that will be received each year.

External Factors (check all that apply):

- | | |
|--|--|
| <input type="checkbox"/> Resources Unavailable | <input type="checkbox"/> Technological Problems |
| <input type="checkbox"/> Legal/Legislative Change | <input type="checkbox"/> Natural Disaster |
| <input type="checkbox"/> Target Population Change | <input checked="" type="checkbox"/> Other (Identify) |
| <input type="checkbox"/> This Program/Service Cannot Fix The Problem | |
| <input type="checkbox"/> Current Laws Are Working Against The Agency Mission | |

Explanation:

See above.

Management Efforts to Address Differences/Problems (check all that apply):

- | | |
|------------------------------------|--|
| <input type="checkbox"/> Training | <input type="checkbox"/> Technology |
| <input type="checkbox"/> Personnel | <input checked="" type="checkbox"/> Other (Identify) |

Recommendations:

LRPP Exhibit III: PERFORMANCE MEASURE ASSESSMENT

Department: Financial Services

Program: Fire Marshal

Service/Budget Entity: Compliance and Enforcement

Measure: Percent of fire code plans reviews completed within statutory defined timeframes

Action:

- | | |
|--|--|
| <input checked="" type="checkbox"/> Performance Assessment of <u>Outcome</u> Measure | <input type="checkbox"/> Revision of Measure |
| <input type="checkbox"/> Performance Assessment of <u>Output</u> Measure | <input type="checkbox"/> Deletion of Measure |
| <input type="checkbox"/> Adjustment of GAA Performance Standards | |

Approved Standard	Actual Performance Results	Difference (Under)	Percentage Difference
100%	92%	8%	8%

Factors Accounting for the Difference:

Internal Factors (check all that apply):

- | | |
|---|---|
| <input checked="" type="checkbox"/> Personnel Factors | <input type="checkbox"/> Staff Capacity |
| <input type="checkbox"/> Competing Priorities | <input checked="" type="checkbox"/> Level of Training |
| <input type="checkbox"/> Previous Estimate Incorrect | <input type="checkbox"/> Other (Identify) |

Explanation: For the purpose of this explanation, 100% staffing of the Plans Review Section means five experienced plan review engineers. The average staffing level for FY 06-07 was 82%. The FY 06-07 staffing level was affected by engineer vacancies and level of training of new employees.

External Factors (check all that apply):

- | | |
|--|---|
| <input type="checkbox"/> Resources Unavailable | <input type="checkbox"/> Technological Problems |
| <input type="checkbox"/> Legal/Legislative Change | <input type="checkbox"/> Natural Disaster |
| <input type="checkbox"/> Target Population Change | <input type="checkbox"/> Other (Identify) |
| <input type="checkbox"/> This Program/Service Cannot Fix The Problem | |
| <input type="checkbox"/> Current Laws Are Working Against The Agency Mission | |

Explanation:

Management Efforts to Address Differences/Problems (check all that apply):

- | | |
|---|---|
| <input checked="" type="checkbox"/> Training | <input type="checkbox"/> Technology |
| <input checked="" type="checkbox"/> Personnel | <input type="checkbox"/> Other (Identify) |

Recommendations: Currently there is an Engineer II vacancy that we hope to fill. We plan to upgrade a support position to an Engineering Technician to help with the review of small projects.

Office of Policy and Budget – July 2007

LRPP Exhibit III: PERFORMANCE MEASURE ASSESSMENT

Department: Financial Services

Program: Fire Marshal

Service/Budget Entity: Compliance and Enforcement

Measure: Number of boiler inspections completed

Action:

- | | |
|---|--|
| <input type="checkbox"/> Performance Assessment of <u>Outcome</u> Measure | <input type="checkbox"/> Revision of Measure |
| <input checked="" type="checkbox"/> Performance Assessment of <u>Output</u> Measure | <input type="checkbox"/> Deletion of Measure |
| <input type="checkbox"/> Adjustment of GAA Performance Standards | |

Approved Standard	Actual Performance Results	Difference (Over/Under)	Percentage Difference
3,500	3,065	435 Under	

Factors Accounting for the Difference:

Internal Factors (check all that apply):

- | | |
|---|--|
| <input checked="" type="checkbox"/> Personnel Factors | <input checked="" type="checkbox"/> Staff Capacity |
| <input type="checkbox"/> Competing Priorities | <input type="checkbox"/> Level of Training |
| <input type="checkbox"/> Previous Estimate Incorrect | <input type="checkbox"/> Other (Identify) |

Explanation:

For the entire fiscal year, the Boiler Section was operating with three inspectors. When the standard was established there were four inspectors in the section. The standard was never adjusted to reflect this reduction in staff. In addition, for a couple of months the Section was without a Chief Boiler Inspector. A new Chief Boiler Inspector is in place, and an additional inspector is expected to soon be hired. The Section is expected to reach the full standard by the end of the current fiscal year (2007-2008).

External Factors (check all that apply):

- | | |
|--|---|
| <input checked="" type="checkbox"/> Resources Unavailable | <input type="checkbox"/> Technological Problems |
| <input type="checkbox"/> Legal/Legislative Change | <input type="checkbox"/> Natural Disaster |
| <input type="checkbox"/> Target Population Change | <input type="checkbox"/> Other (Identify) |
| <input type="checkbox"/> This Program/Service Cannot Fix The Problem | |
| <input type="checkbox"/> Current Laws Are Working Against The Agency Mission | |

Explanation:

Management Efforts to Address Differences/Problems (check all that apply):

- | | |
|------------------------------------|--|
| <input type="checkbox"/> Training | <input type="checkbox"/> Technology |
| <input type="checkbox"/> Personnel | <input checked="" type="checkbox"/> Other (Identify) |

Recommendations: Continue as before, but with an additional inspector.

LRPP Exhibit III: PERFORMANCE MEASURE ASSESSMENT

Department: Financial Services

Program: Fire Marshal

Service/Budget Entity: Fire and Arson Investigation

Measure: Total number of closed fire investigations involving economic or physical loss

Action:

- | | |
|---|---|
| <input type="checkbox"/> Performance Assessment of <u>Outcome</u> Measure | <input type="checkbox"/> Revision of Measure |
| <input checked="" type="checkbox"/> Performance Assessment of <u>Output</u> Measure | <input checked="" type="checkbox"/> Deletion of Measure |
| <input type="checkbox"/> Adjustment of GAA Performance Standards | |

Approved Standard	Actual Performance Results	Difference (Over/Under)	Percentage Difference
7,200	4,292	(2,908)	

Factors Accounting for the Difference:

Internal Factors (check all that apply):

- | | |
|--|--|
| <input type="checkbox"/> Personnel Factors | <input type="checkbox"/> Staff Capacity |
| <input type="checkbox"/> Competing Priorities | <input type="checkbox"/> Level of Training |
| <input type="checkbox"/> Previous Estimate Incorrect | <input type="checkbox"/> Other (Identify) |

Explanation:

External Factors (check all that apply):

- | | |
|---|--|
| <input type="checkbox"/> Resources Unavailable | <input type="checkbox"/> Technological Problems |
| <input type="checkbox"/> Legal/Legislative Change | <input checked="" type="checkbox"/> Natural Disaster |
| <input type="checkbox"/> Target Population Change | <input checked="" type="checkbox"/> Other (Identify) |
| <input checked="" type="checkbox"/> This Program/Service Cannot Fix The Problem | |
| <input type="checkbox"/> Current Laws Are Working Against The Agency Mission | |

Explanation:

This performance measure/standard varies according to how economics affects the number of investigative requests, thus workload increases and numbers of cases closed lowers. A high number of closed investigations may not necessarily represent "success" due to closing more cases. In addition, essentially, all fires (arson or otherwise) involve economic or physical loss.

If the economy should suffer a downturn, historically the number of arson cases have risen. This is assumed to be influenced by the idea that individuals are more inclined to deliberately burn vehicles and buildings for insurance proceeds during times of financial difficulty.

Another factor not under the control of the SFM is that local governments, due to budgetary constraints, are reducing or eliminating their fire investigation staff. The SFM is required by statute to pick up this workload. For example, in 1999, the Jacksonville Sheriff's Office, began turning all arson investigations over to the SFM, Jacksonville Field Office. In 1998, Duval County requested the SFM respond and investigate 40 fires, and the projected 1999 caseload will be well over 500. Another similar circumstance is occurred in Dade County in 2001, as

budgetary constraints and realignment of resources has caused the SFM be available and respond to the majority of requests for investigation.

Other unpredictable circumstances, such as natural disasters, the 1998 wildland fires, the 1996 church fires or forms of serial arson could also have a significant impact on the program's overall performance.

Management Efforts to Address Differences/Problems (check all that apply):

- Training Technology
 Personnel Other (Identify)

Recommendations:

The department recommends deletion of this performance measure.

Office of Policy and Budget – July 2007

LRPP Exhibit III: PERFORMANCE MEASURE ASSESSMENT

Department: Financial Services

Program: Fire Marshal

Service/Budget Entity: Training and Standards

Measure: Number of Students Trained and classroom contact hours provided.

Action:

- | | |
|---|--|
| <input type="checkbox"/> Performance Assessment of <u>Outcome</u> Measure | <input type="checkbox"/> Revision of Measure |
| <input checked="" type="checkbox"/> Performance Assessment of <u>Output</u> Measure | <input type="checkbox"/> Deletion of Measure |
| <input type="checkbox"/> Adjustment of GAA Performance Standards | |

Approved Standard	Actual Performance Results	Difference (Over/Under)	Percentage Difference
4200/220,000	6,099/218,828	+1899/-1132	+31%/-0.05%

Factors Accounting for the Difference:

Internal Factors (check all that apply):

- | | |
|--|--|
| <input type="checkbox"/> Personnel Factors | <input type="checkbox"/> Staff Capacity |
| <input type="checkbox"/> Competing Priorities | <input type="checkbox"/> Level of Training |
| <input type="checkbox"/> Previous Estimate Incorrect | <input checked="" type="checkbox"/> Other (Identify) |

Explanation: Most classes traditionally are 40 hours in length. Several federal classes are now 24 hours in length, lessening the number of contact hours

External Factors (check all that apply):

- | | |
|--|---|
| <input type="checkbox"/> Resources Unavailable | <input type="checkbox"/> Technological Problems |
| <input type="checkbox"/> Legal/Legislative Change | <input type="checkbox"/> Natural Disaster |
| <input type="checkbox"/> Target Population Change | <input type="checkbox"/> Other (Identify) |
| <input type="checkbox"/> This Program/Service Cannot Fix The Problem | |
| <input type="checkbox"/> Current Laws Are Working Against The Agency Mission | |

Explanation:

None applicable

Management Efforts to Address Differences/Problems (check all that apply):

- | | |
|------------------------------------|---|
| <input type="checkbox"/> Training | <input type="checkbox"/> Technology |
| <input type="checkbox"/> Personnel | <input type="checkbox"/> Other (Identify) |

Recommendations:

Leave standard as is

Office of Policy and Budget – July 2007

LRPP Exhibit III: PERFORMANCE MEASURE ASSESSMENT

Department: Financial Services

Program: State Property and Casualty Claims

Service/Budget Entity: State Self-Insured Claims Adjustment

Measure: Average Operational Cost per Claim Worked

Action:

- | | |
|--|---|
| <input checked="" type="checkbox"/> Performance Assessment of <u>Outcome</u> Measure | <input checked="" type="checkbox"/> Revision of Measure |
| <input type="checkbox"/> Performance Assessment of <u>Output</u> Measure | <input type="checkbox"/> Deletion of Measure |
| <input checked="" type="checkbox"/> Adjustment of GAA Performance Standards | |

Approved Standard	Actual Performance Results	Difference (Over/Under)	Percentage Difference
\$160	\$207	\$47	29%

Factors Accounting for the Difference:

Internal Factors (check all that apply):

- | | |
|--|--|
| <input type="checkbox"/> Personnel Factors | <input type="checkbox"/> Staff Capacity |
| <input type="checkbox"/> Competing Priorities | <input type="checkbox"/> Level of Training |
| <input type="checkbox"/> Previous Estimate Incorrect | <input checked="" type="checkbox"/> Other (Identify) |

Explanation:

This measure is calculated by dividing the sum of our operating expenditures by the number of claims worked. While our operating costs have remained fairly constant, our number of claims worked have decreased, resulting in a higher average operational cost per claim worked.

External Factors (check all that apply):

- | | |
|--|--|
| <input type="checkbox"/> Resources Unavailable | <input type="checkbox"/> Technological Problems |
| <input type="checkbox"/> Legal/Legislative Change | <input type="checkbox"/> Natural Disaster |
| <input type="checkbox"/> Target Population Change | <input checked="" type="checkbox"/> Other (Identify) |
| <input type="checkbox"/> This Program/Service Cannot Fix The Problem | |
| <input type="checkbox"/> Current Laws Are Working Against The Agency Mission | |

Explanation:

The majority of our claims are workers' compensation claims, and the number of new claims incurred each year has been decreasing over the last several years. This is a positive development for the State because it should lead to a reduction in the amount paid for this type of claim. However, our operating costs will increase as salaries and benefits increase, and as the Division begins handling claims that were previously outsourced and paid from non-operating categories in an effort to reduce overall claim costs. This increase in operating costs and decline in the number of claims worked will cause this outcome measure to increase over time.

Management Efforts to Address Differences/Problems (check all that apply):

Training

Technology

Personnel

Other (Identify)

Recommendations:

We request that the standard for this measure be increased to \$239 for FY08-09. Additionally, we request that the measure be revised to include the new operating categories "Human Resource Outsourcing" and "Contracted Services" in the calculations. We have included them in the calculation for FY06-07 actual results.

Office of Policy and Budget – July 2007

LRPP Exhibit III: PERFORMANCE MEASURE ASSESSMENT

Department: Financial Services

Program: State Property and Casualty Claims

Service/Budget Entity: State Self-Insured Claims Adjustment

Measure: Average cost of workers' compensation claims paid

Action:

- | | |
|--|--|
| <input checked="" type="checkbox"/> Performance Assessment of <u>Outcome</u> Measure | <input type="checkbox"/> Revision of Measure |
| <input type="checkbox"/> Performance Assessment of <u>Output</u> Measure | <input type="checkbox"/> Deletion of Measure |
| <input type="checkbox"/> Adjustment of GAA Performance Standards | |

Approved Standard	Actual Performance Results	Difference (Over/Under)	Percentage Difference
\$5,229	\$6,040	\$811	16%

Factors Accounting for the Difference:

Internal Factors (check all that apply):

- | | |
|--|--|
| <input type="checkbox"/> Personnel Factors | <input type="checkbox"/> Staff Capacity |
| <input type="checkbox"/> Competing Priorities | <input type="checkbox"/> Level of Training |
| <input type="checkbox"/> Previous Estimate Incorrect | <input type="checkbox"/> Other (Identify) |

Explanation:

External Factors (check all that apply):

- | | |
|--|--|
| <input type="checkbox"/> Resources Unavailable | <input type="checkbox"/> Technological Problems |
| <input checked="" type="checkbox"/> Legal/Legislative Change | <input type="checkbox"/> Natural Disaster |
| <input type="checkbox"/> Target Population Change | <input checked="" type="checkbox"/> Other (Identify) |
| <input type="checkbox"/> This Program/Service Cannot Fix The Problem | |
| <input type="checkbox"/> Current Laws Are Working Against The Agency Mission | |

Explanation: The legislative changes in 2003 amended the workers' compensation medical fee schedule to increase the amounts paid to medical benefit providers. The medical costs associated with claims occurring in FY 2002/2003 increased by 25% compared to the prior year evaluation. Also, the number of workers' compensation claims reported each fiscal year has been decreasing each year, from a peak of 18,074 claims reported in FY 1995/1996 to 13,499 claims reported in FY 2006/2007. The increase in medical costs combined with a decrease in reported claims causes the average cost per claim to increase.

Management Efforts to Address Differences/Problems (check all that apply):

- | | |
|------------------------------------|--|
| <input type="checkbox"/> Training | <input type="checkbox"/> Technology |
| <input type="checkbox"/> Personnel | <input checked="" type="checkbox"/> Other (Identify) |

Recommendations: As with many large workers' compensation entities, we are transitioning from a workers' compensation model that emphasizes cost containment to a quality of medical benefits model, focusing on stay at work/ return to work programs to minimize medical and indemnity costs.

LRPP Exhibit III: PERFORMANCE MEASURE ASSESSMENT

Department: Financial Services

Program: State Property and Casualty Claims

Service/Budget Entity: State Self-Insured Claims Adjustment

Measure: Percent of liability claims closed in relation to liability claims worked during the fiscal year

Action:

- | | |
|---|--|
| <input type="checkbox"/> Performance Assessment of <u>Outcome</u> Measure | <input type="checkbox"/> Revision of Measure |
| <input type="checkbox"/> Performance Assessment of <u>Output</u> Measure | <input type="checkbox"/> Deletion of Measure |
| <input checked="" type="checkbox"/> Adjustment of GAA Performance Standards | |

Approved Standard	Actual Performance Results	Difference (Over/Under)	Percentage Difference
Not Applicable	47.9%	47.9%	47.9%

Factors Accounting for the Difference:

Internal Factors (check all that apply):

- | | |
|--|--|
| <input type="checkbox"/> Personnel Factors | <input type="checkbox"/> Staff Capacity |
| <input type="checkbox"/> Competing Priorities | <input type="checkbox"/> Level of Training |
| <input type="checkbox"/> Previous Estimate Incorrect | <input type="checkbox"/> Other (Identify) |

Explanation:

External Factors (check all that apply):

- | | |
|---|---|
| <input type="checkbox"/> Resources Unavailable | <input type="checkbox"/> Technological Problems |
| <input type="checkbox"/> Legal/Legislative Change | <input type="checkbox"/> Natural Disaster |
| <input type="checkbox"/> Target Population Change | <input type="checkbox"/> Other (Identify) |
| <input checked="" type="checkbox"/> This Program/Service Cannot Fix The Problem | |
| <input type="checkbox"/> Current Laws Are Working Against The Agency Mission | |

Explanation:

The listing of Performance Measures and Standards Approved by the Legislature for Fiscal Year 2006-07 did not include an approved standard for this measure.

Management Efforts to Address Differences/Problems (check all that apply):

- | | |
|------------------------------------|--|
| <input type="checkbox"/> Training | <input type="checkbox"/> Technology |
| <input type="checkbox"/> Personnel | <input checked="" type="checkbox"/> Other (Identify) |

Recommendations:

We request that the standard for this measure be revised to 49% for FY08-09.

Office of Policy and Budget – July 2007

LRPP Exhibit III: PERFORMANCE MEASURE ASSESSMENT

Department: Financial Services

Program: State Property and Casualty Claims

Service/Budget Entity: State Self-Insured Claims Adjustment

Measure: Number/ percent of responses indicating the risk services training they received was useful in developing and implementing risk management plans in their agencies

Action:

- | | |
|---|---|
| <input type="checkbox"/> Performance Assessment of <u>Outcome</u> Measure | <input type="checkbox"/> Revision of Measure |
| <input type="checkbox"/> Performance Assessment of <u>Output</u> Measure | <input checked="" type="checkbox"/> Deletion of Measure |
| <input type="checkbox"/> Adjustment of GAA Performance Standards | |

Approved Standard	Actual Performance Results	Difference (Over/Under)	Percentage Difference
100/ 90%	303/ 99%	203/ 9%	203%/ 9%

Factors Accounting for the Difference:

Internal Factors (check all that apply):

- | | |
|--|--|
| <input type="checkbox"/> Personnel Factors | <input type="checkbox"/> Staff Capacity |
| <input type="checkbox"/> Competing Priorities | <input type="checkbox"/> Level of Training |
| <input type="checkbox"/> Previous Estimate Incorrect | <input type="checkbox"/> Other (Identify) |

Explanation:

External Factors (check all that apply):

- | | |
|--|--|
| <input type="checkbox"/> Resources Unavailable | <input type="checkbox"/> Technological Problems |
| <input type="checkbox"/> Legal/Legislative Change | <input type="checkbox"/> Natural Disaster |
| <input type="checkbox"/> Target Population Change | <input checked="" type="checkbox"/> Other (Identify) |
| <input type="checkbox"/> This Program/Service Cannot Fix The Problem | |
| <input type="checkbox"/> Current Laws Are Working Against The Agency Mission | |

Explanation:

We believe that the purpose in training agency safety coordinators to implement and maintain risk management programs is to reduce claim costs for this program. Outcome measures that address the average claim costs or the number of workers' compensation claims per 100 FTEs are more indicative of successful training programs than this measure.

Management Efforts to Address Differences/Problems (check all that apply):

- | | |
|------------------------------------|--|
| <input type="checkbox"/> Training | <input type="checkbox"/> Technology |
| <input type="checkbox"/> Personnel | <input checked="" type="checkbox"/> Other (Identify) |

Recommendations:

We request that this measure be deleted for FY08-09.

LRPP Exhibit III: PERFORMANCE MEASURE ASSESSMENT

Department: Financial Services

Program: State Property and Casualty Claims

Service/Budget Entity: State Self-Insured Claims Adjustment

Measure: Average Cost of Tort Liability Claims Paid

Action:

- | | |
|---|--|
| <input type="checkbox"/> Performance Assessment of <u>Outcome</u> Measure | <input type="checkbox"/> Revision of Measure |
| <input type="checkbox"/> Performance Assessment of <u>Output</u> Measure | <input type="checkbox"/> Deletion of Measure |
| <input checked="" type="checkbox"/> Adjustment of GAA Performance Standards | |

Approved Standard	Actual Performance Results	Difference (Over/Under)	Percentage Difference
\$8,900	\$8,072	\$828	9.3%

Factors Accounting for the Difference:

Internal Factors (check all that apply):

- | | |
|--|--|
| <input type="checkbox"/> Personnel Factors | <input type="checkbox"/> Staff Capacity |
| <input type="checkbox"/> Competing Priorities | <input type="checkbox"/> Level of Training |
| <input type="checkbox"/> Previous Estimate Incorrect | |
| <input checked="" type="checkbox"/> Other (Identify) | |

Explanation:

Over the last several years, we have been receiving fewer tort liability claims and the claims we are receiving are more serious. This has caused the average cost to increase. We requested a standard of \$9,397 for FY 07/08 to reflect this trend and inflationary increases. The approved standard for FY 07/08 is \$8,900 which was unchanged from FY 06/07. We are requesting an inflationary increase (2.7%) for FY 08/09 above the \$9,397 figure we requested for FY 07/08. Our request for FY 08/09 is therefore \$9,651.

External Factors (check all that apply):

- | | |
|--|--|
| <input type="checkbox"/> Resources Unavailable | <input type="checkbox"/> Technological Problems |
| <input type="checkbox"/> Legal/Legislative Change | <input type="checkbox"/> Natural Disaster |
| <input type="checkbox"/> Target Population Change | <input checked="" type="checkbox"/> Other (Identify) |
| <input type="checkbox"/> This Program/Service Cannot Fix The Problem | |
| <input type="checkbox"/> Current Laws Are Working Against The Agency Mission | |

Explanation:

Generally, the cost of claims increases each year due to inflationary factors, increased jury verdicts, increased settlement expectations, increased legal expenses and fees, etc.

Key factors in this measure are the number of claims that we make a payment on and the severity of the claim or the amount of money we have to pay. Over the last several years, the number of claims has steadily decreased and external factors (such as legislative changes, lack of events that result in large numbers of minor claims such as MedFly spraying, highway deterioration, etc.) have reduced the number of minor claims (low cost value). This has had a "double impact" on the average cost per claim causing the average to go higher each year

than would be expected due to inflation alone. We believe we have reached a point where we can limit increases to inflationary increases and our request for FY 08/09 reflects this belief.

Management Efforts to Address Differences/Problems (check all that apply):

- | | |
|------------------------------------|--|
| <input type="checkbox"/> Training | <input type="checkbox"/> Technology |
| <input type="checkbox"/> Personnel | <input checked="" type="checkbox"/> Other (Identify) |

Recommendations:

We request that this standard be revised to \$9,651 for FY 08-09

LRPP Exhibit III: PERFORMANCE MEASURE ASSESSMENT

Department: Financial Services

Program: State Property and Casualty Claims

Service/Budget Entity: State Self-Insured Claims Adjustment

Measure: Average Cost of Federal Civil Rights Liability Claims Paid

Action:

- | | |
|--|--|
| <input checked="" type="checkbox"/> Performance Assessment of <u>Outcome</u> Measure | <input type="checkbox"/> Revision of Measure |
| <input type="checkbox"/> Performance Assessment of <u>Output</u> Measure | <input type="checkbox"/> Deletion of Measure |
| <input checked="" type="checkbox"/> Adjustment of GAA Performance Standards | |

Approved Standard	Actual Performance Results	Difference (Over/Under)	Percentage Difference
\$37,000	\$38,515	+ \$1,515	+ 4.1%

Factors Accounting for the Difference:

Internal Factors (check all that apply):

- | | |
|---|--|
| <input type="checkbox"/> Personnel Factors | <input type="checkbox"/> Staff Capacity |
| <input type="checkbox"/> Competing Priorities | <input type="checkbox"/> Level of Training |
| <input checked="" type="checkbox"/> Previous Estimate Incorrect | <input checked="" type="checkbox"/> Other (Identify) |

Explanation: It is difficult due to the unpredictability and volatility of this coverage line to predict this measure with any degree of accuracy. Also, there are generally no monetary limits or caps on federal civil rights (FCR) claims. Each year, actuaries try to predict how much we will pay on FCR claims but they admit, their estimates have a large margin of error. This is illustrated by the actual average cost of an FCR claim paid over the last 7 years: \$13,339; \$19,213; \$47,646; \$32,440; \$37,897; \$34,022; and \$38,515. Two factors have increased the average FCR claim value over the last several years. We are receiving fewer claims and fewer minor claims (claims with low monetary value). These two factors result in a “double impact”, resulting in an increase in the average cost of an FCR claim. Also, the cost to resolve our most serious FCR claims has been rising dramatically in the last 6 years. This rise has far exceeded the rise in inflation and has been as much as 3X to 4X. Based on an increase in the average cost of an FCR claim from FY 03/04 to FY04/05 (17%) and normal inflation increases, we had requested a standard of \$40,205 for FY 06/07. The standard of \$37,000 was adopted and our average of \$38,515 was just 4.1% over this lower standard. The standard of \$37,000 has been adopted for FY 07/08 and we will make every effort to meet this standard, but we may not be able to achieve this standard due to the factors mentioned above.

External Factors (check all that apply):

- | | |
|--|--|
| <input type="checkbox"/> Resources Unavailable | <input type="checkbox"/> Technological Problems |
| <input checked="" type="checkbox"/> Legal/Legislative Change | <input type="checkbox"/> Natural Disaster |
| <input type="checkbox"/> Target Population Change | <input checked="" type="checkbox"/> Other (Identify) |
| <input type="checkbox"/> This Program/Service Cannot Fix The Problem | |
| <input type="checkbox"/> Current Laws Are Working Against The Agency Mission | |

Explanation: Generally, the cost of claims increases each year due to inflationary factors, increased jury verdicts, increased settlement expectations, increased legal expenses and fees, etc.

Key factors in this measure are the number of claims that we make a payment on and the severity of the claim or the amount of money we have to pay. Over the past 7 years, the number of claims received has steadily decreased and external factors (such as legislative and case law changes which have increased the elements of damages available to claimants in employment claims and made it more difficult for prisoners to file FCR claims) have reduced the number of minor claims (low cost value). This has had a “double impact” on the average cost per claim causing the average to go higher each year than would be expected due to inflation alone as there are fewer claims with more severity. As noted, the cost to settle our most serious FCR claims has risen dramatically in the last 6 years.

Management Efforts to Address Differences/Problems (check all that apply):

- | | |
|------------------------------------|--|
| <input type="checkbox"/> Training | <input type="checkbox"/> Technology |
| <input type="checkbox"/> Personnel | <input checked="" type="checkbox"/> Other (Identify) |

Recommendations: We request that the standard for this measure be increased to \$44,226 for FY08-09. As noted in the “Internal Factors”, this measure is difficult to predict even for actuaries. We believe the standard requested for FY 08/09 is realistic and achievable. These FCR claims are the most expensive type of claim we adjust and we will continue to focus on these claims and ways to reduce the average claim cost.

Office of Policy and Budget – July 2007

LRPP Exhibit III: PERFORMANCE MEASURE ASSESSMENT

Department: Financial Services

Program: State Property and Casualty Claims

Service/Budget Entity: State Self-Insured Claims Adjustment

Measure: Average Cost of Property Claims Paid

Action:

- | | |
|--|--|
| <input checked="" type="checkbox"/> Performance Assessment of <u>Outcome</u> Measure | <input type="checkbox"/> Revision of Measure |
| <input type="checkbox"/> Performance Assessment of <u>Output</u> Measure | <input type="checkbox"/> Deletion of Measure |
| <input type="checkbox"/> Adjustment of GAA Performance Standards | |

Approved Standard	Actual Performance Results	Difference (Over/Under)	Percentage Difference
\$3,300	\$5,076	\$1,776	+154%

Factors Accounting for the Difference:

Internal Factors (check all that apply):

- | | |
|--|--|
| <input type="checkbox"/> Personnel Factors | <input type="checkbox"/> Staff Capacity |
| <input type="checkbox"/> Competing Priorities | <input type="checkbox"/> Level of Training |
| <input type="checkbox"/> Previous Estimate Incorrect | <input type="checkbox"/> Other (Identify) |

Explanation:

External Factors (check all that apply):

- | | |
|--|--|
| <input type="checkbox"/> Resources Unavailable | <input type="checkbox"/> Technological Problems |
| <input type="checkbox"/> Legal/Legislative Change | <input checked="" type="checkbox"/> Natural Disaster |
| <input type="checkbox"/> Target Population Change | <input checked="" type="checkbox"/> Other (Identify) |
| <input type="checkbox"/> This Program/Service Cannot Fix The Problem | |
| <input type="checkbox"/> Current Laws Are Working Against The Agency Mission | |

Explanation: The State of Florida has always been impacted by hurricanes. The time span between notable hurricane losses varies; such that ten years may have passed without a significant hurricane loss. The average cost of regular claims over any of these “lull” years is generally low year to year. Even with the occasional large fire, the average cost does not spike over the entire year and the average remains relatively low. The impact of one major hurricane in one year will affect the average cost of property claims paid in a significant way.

During the fiscal year (2004-2005) that this measure’s information is based upon, the state sustained massive losses from four hurricanes that caused the average cost to be much greater than normal. This measurement is the average cost for a property claim after two years of claim development. During FY2004-2005 there were 3,267 claims incurred with total payments or reserves of \$16,589,958 resulting in an average cost per claim of \$5,078. Included in these claims were 3,123 hurricane claims. If these four hurricanes had not occurred, the average cost of property claims paid for the period would have been \$1,786.

Management Efforts to Address Differences/Problems (check all that apply):

- Training Technology
 Personnel Other (Identify)

Recommendations: Since hurricanes cannot be prevented, the best solution to lessen the average cost of each loss is training and protection. Our insurance training process includes sections on protecting the loss site from additional damages from exposure to rain and heat that can follow a hurricane event. Also if multiple hurricanes strike the state in a short period of time, the Bureau will retain contracted adjusters to assist the field assigned Property Staff to quickly identify the scope of these losses, thus preventing the growth of the loss due to failure to cover-up and protect from further non-hurricane related damages.

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LRPP Exhibit III: PERFORMANCE MEASURE ASSESSMENT

Department: Financial Services

Program: State Property and Casualty Claims

Service/Budget Entity: State Self-Insured Claims Adjustment

Measure: Risk services training and consultation as measured by the number of training units (1 unit = 8 hours) provided and consultation contacts made

Action:

- | | |
|---|---|
| <input type="checkbox"/> Performance Assessment of <u>Outcome</u> Measure | <input type="checkbox"/> Revision of Measure |
| <input type="checkbox"/> Performance Assessment of <u>Output</u> Measure | <input checked="" type="checkbox"/> Deletion of Measure |
| <input type="checkbox"/> Adjustment of GAA Performance Standards | |

Approved Standard	Actual Performance Results	Difference (Over/Under)	Percentage Difference
180	238	58	32%

Factors Accounting for the Difference:

Internal Factors (check all that apply):

- | | |
|--|--|
| <input type="checkbox"/> Personnel Factors | <input type="checkbox"/> Staff Capacity |
| <input type="checkbox"/> Competing Priorities | <input type="checkbox"/> Level of Training |
| <input type="checkbox"/> Previous Estimate Incorrect | <input type="checkbox"/> Other (Identify) |

Explanation:

External Factors (check all that apply):

- | | |
|--|--|
| <input type="checkbox"/> Resources Unavailable | <input type="checkbox"/> Technological Problems |
| <input type="checkbox"/> Legal/Legislative Change | <input type="checkbox"/> Natural Disaster |
| <input type="checkbox"/> Target Population Change | <input checked="" type="checkbox"/> Other (Identify) |
| <input type="checkbox"/> This Program/Service Cannot Fix The Problem | |
| <input type="checkbox"/> Current Laws Are Working Against The Agency Mission | |

Explanation:

We believe that the purpose in training agency safety coordinators to implement and maintain risk management programs is to reduce claim costs for this program. Outcome measures that address the average claim costs or the number of workers' compensation claims per 100 FTEs are more indicative of successful training programs than this measure. Additionally, we are shifting the emphasis of the Risk Services section to loss analysis and safety program evaluations, so less time will be devoted to training activities in the future.

Management Efforts to Address Differences/Problems (check all that apply):

- | | |
|------------------------------------|--|
| <input type="checkbox"/> Training | <input type="checkbox"/> Technology |
| <input type="checkbox"/> Personnel | <input checked="" type="checkbox"/> Other (Identify) |

Recommendations:

We request that this measure be deleted for FY08-09.

Office of Policy and Budget – July 2007

LRPP Exhibit III: PERFORMANCE MEASURE ASSESSMENT

Department: Financial Services

Program: State Property and Casualty Claims

Service/Budget Entity: State Self-Insured Claims Adjustment

Measure: Number of workers' compensation claims worked

Action:

- | | |
|---|--|
| <input type="checkbox"/> Performance Assessment of <u>Outcome</u> Measure | <input type="checkbox"/> Revision of Measure |
| <input checked="" type="checkbox"/> Performance Assessment of <u>Output</u> Measure | <input type="checkbox"/> Deletion of Measure |
| <input checked="" type="checkbox"/> Adjustment of GAA Performance Standards | |

Approved Standard	Actual Performance Results	Difference (Over/Under)	Percentage Difference
25,500	22,030	3,470	14%

Factors Accounting for the Difference:

Internal Factors (check all that apply):

- | | |
|---|--|
| <input type="checkbox"/> Personnel Factors | <input type="checkbox"/> Staff Capacity |
| <input type="checkbox"/> Competing Priorities | <input type="checkbox"/> Level of Training |
| <input checked="" type="checkbox"/> Previous Estimate Incorrect | <input checked="" type="checkbox"/> Other (Identify) |

Explanation:

This measure is the sum of the number of new claims reported during the fiscal year and the number of prior year claims with a payment. The number of new claims per fiscal year has been decreasing since the peak in FY 1995-1996 (18,074 claims) to 13,499 in FY 2006-2007. Based on the decrease in claims we are requesting revision of the standard for FY 2008-2009 to 22,000.

External Factors (check all that apply):

- | | |
|--|---|
| <input type="checkbox"/> Resources Unavailable | <input type="checkbox"/> Technological Problems |
| <input type="checkbox"/> Legal/Legislative Change | <input type="checkbox"/> Natural Disaster |
| <input type="checkbox"/> Target Population Change | <input type="checkbox"/> Other (Identify) |
| <input type="checkbox"/> This Program/Service Cannot Fix The Problem | |
| <input type="checkbox"/> Current Laws Are Working Against The Agency Mission | |

Explanation:

Management Efforts to Address Differences/Problems (check all that apply):

- | | |
|------------------------------------|--|
| <input type="checkbox"/> Training | <input type="checkbox"/> Technology |
| <input type="checkbox"/> Personnel | <input checked="" type="checkbox"/> Other (Identify) |

Recommendations: Reduce the standard to 22,000.

LRPP Exhibit III: PERFORMANCE MEASURE ASSESSMENT

Department: Financial Services

Program: State Property and Casualty Claims

Service/Budget Entity: State Self-Insured Claims Adjustment

Measure: Number of Liability Claims Worked

Action:

- | | |
|---|--|
| <input type="checkbox"/> Performance Assessment of <u>Outcome</u> Measure | <input type="checkbox"/> Revision of Measure |
| <input checked="" type="checkbox"/> Performance Assessment of <u>Output</u> Measure | <input type="checkbox"/> Deletion of Measure |
| <input checked="" type="checkbox"/> Adjustment of GAA Performance Standards | |

Approved Standard	Actual Performance Results	Difference (Over/Under)	Percentage Difference
5,430	5,226	-204	-3.9%

Factors Accounting for the Difference:

Internal Factors (check all that apply):

- | | |
|--|--|
| <input type="checkbox"/> Personnel Factors | <input type="checkbox"/> Staff Capacity |
| <input type="checkbox"/> Competing Priorities | <input type="checkbox"/> Level of Training |
| <input type="checkbox"/> Previous Estimate Incorrect | <input checked="" type="checkbox"/> Other (Identify) |

Explanation:

The number of claims worked is the sum of the number of claims on hand at the beginning of the fiscal year (pending) plus the number of new claims received (entered) during the fiscal year. The number of claims worked has been decreasing for the last 7 years due to the fact we are receiving fewer new claims and are making an effort to reduce the number of pending claims.

External Factors (check all that apply):

- | | |
|--|--|
| <input type="checkbox"/> Resources Unavailable | <input type="checkbox"/> Technological Problems |
| <input type="checkbox"/> Legal/Legislative Change | <input type="checkbox"/> Natural Disaster |
| <input type="checkbox"/> Target Population Change | <input checked="" type="checkbox"/> Other (Identify) |
| <input type="checkbox"/> This Program/Service Cannot Fix The Problem | |
| <input type="checkbox"/> Current Laws Are Working Against The Agency Mission | |

Explanation:

The number of claims worked is the sum of the number of claims on hand at the beginning of the fiscal year (pending) plus new claims received (entered) during the fiscal year. A key component of this measure is the number of new claims received. The Bureau does not have any control over the number of new claims received during a fiscal year. Also, one of our goals is to close as many or more claims than we receive each year. Over a period of years, this reduces the number of "pending claims" or claims on hand at the start of the year. When you reduce the number of pending claims and number received, the number of claims worked will go down.

Management Efforts to Address Differences/Problems (check all that apply):

- Training Technology
 Personnel Other (Identify)

Recommendations:

We request that the standard for this measure be revised to 4,926 claims worked for FY08-09. As noted above, the Bureau does not have any control over a key component of this measure – the number of new claims received. Therefore, no management efforts are required. The fewer new claims received is really a positive development for the State of Florida as it means fewer claims are being filed and less money paid than would be paid otherwise. Also, the bureau strives to reduce the number of pending cases which reduces the number of claims worked. We fully expect to meet this measure for FY 08-09.

Office of Policy and Budget – July 2007

LRPP Exhibit III: PERFORMANCE MEASURE ASSESSMENT

Department: Financial Services

Program: State Property and Casualty Claims

Service/Budget Entity: State Self-Insured Claims Adjustment

Measure: Number of workers' compensation claims litigated

Action:

- | | |
|---|---|
| <input type="checkbox"/> Performance Assessment of <u>Outcome</u> Measure | <input checked="" type="checkbox"/> Revision of Measure |
| <input checked="" type="checkbox"/> Performance Assessment of <u>Output</u> Measure | <input type="checkbox"/> Deletion of Measure |
| <input checked="" type="checkbox"/> Adjustment of GAA Performance Standards | |

Approved Standard	Actual Performance Results	Difference (Over/Under)	Percentage Difference
500	438	62	13%

Factors Accounting for the Difference:

Internal Factors (check all that apply):

- | | |
|--|--|
| <input type="checkbox"/> Personnel Factors | <input type="checkbox"/> Staff Capacity |
| <input type="checkbox"/> Competing Priorities | <input type="checkbox"/> Level of Training |
| <input type="checkbox"/> Previous Estimate Incorrect | <input type="checkbox"/> Other (Identify) |

Explanation:

External Factors (check all that apply):

- | | |
|--|---|
| <input type="checkbox"/> Resources Unavailable | <input type="checkbox"/> Technological Problems |
| <input checked="" type="checkbox"/> Legal/Legislative Change | <input type="checkbox"/> Natural Disaster |
| <input type="checkbox"/> Target Population Change | <input type="checkbox"/> Other (Identify) |
| <input type="checkbox"/> This Program/Service Cannot Fix The Problem | |
| <input type="checkbox"/> Current Laws Are Working Against The Agency Mission | |

Explanation: Fewer litigated workers' compensation claims is a positive for our program. Legislative changes to Chapter 440 in October 2003 revising plaintiff attorney fees have lowered the number of litigated claims on dates of accident after 9/30/2003. The approved standard for FY 06/07 was revised from 658 in FY 2005/2006 to 500 in FY 2006/2007. We are requesting further revision to 421 in FY 2008/2009.

Management Efforts to Address Differences/Problems (check all that apply):

- | | |
|------------------------------------|--|
| <input type="checkbox"/> Training | <input type="checkbox"/> Technology |
| <input type="checkbox"/> Personnel | <input checked="" type="checkbox"/> Other (Identify) |

Recommendations: Legislative changes to Chapter 440 in October 2003 have lowered the number of litigated claims. Change the standard for 2008/2009 to 421. Also, we request that the title of this measure be changed as indicated above in order to clarify that this measure does not include all workers' compensation claims being litigated- it represents only the claims assigned for litigation during the current fiscal year.

LRPP Exhibit III: PERFORMANCE MEASURE ASSESSMENT

Department: Financial Services

Program: Licensing and Consumer Protection Program

Service/Budget Entity: Insurance Company Rehabilitation and Liquidation

Measure: Maximum number of insurance companies entering rehabilitation and liquidation

Action:

- | | |
|--|---|
| <input checked="" type="checkbox"/> Performance Assessment of <u>Outcome</u> Measure | <input type="checkbox"/> Revision of Measure |
| <input type="checkbox"/> Performance Assessment of <u>Output</u> Measure | <input checked="" type="checkbox"/> Deletion of Measure |
| <input type="checkbox"/> Adjustment of GAA Performance Standards | |

Approved Standard	Actual Performance Results	Difference (Over/Under)	Percentage Difference
5	2		

Factors Accounting for the Difference:

Internal Factors (check all that apply):

- | | |
|--|--|
| <input type="checkbox"/> Personnel Factors | <input type="checkbox"/> Staff Capacity |
| <input type="checkbox"/> Competing Priorities | <input type="checkbox"/> Level of Training |
| <input type="checkbox"/> Previous Estimate Incorrect | <input type="checkbox"/> Other (Identify) |

Explanation:

External Factors (check all that apply):

- | | |
|---|--|
| <input type="checkbox"/> Resources Unavailable | <input type="checkbox"/> Technological Problems |
| <input type="checkbox"/> Legal/Legislative Change | <input type="checkbox"/> Natural Disaster |
| <input type="checkbox"/> Target Population Change | <input checked="" type="checkbox"/> Other (Identify) |
| <input checked="" type="checkbox"/> This Program/Service Cannot Fix The Problem | |
| <input type="checkbox"/> Current Laws Are Working Against The Agency Mission | |

Explanation:

The Department has no control over the number of companies placed in rehabilitation or liquidation during any year. Pursuant to Section 631.031, Florida Statutes, the Florida Office of Insurance Regulation has the statutory responsibility to notify the Department of Financial Services that grounds for receivership exist. If the Florida Office of Insurance Regulation provides the necessary documentation and evidence the Department of Financial Services shall then initiate a receivership proceeding. If the Court finds that grounds for a receivership exist, the Court is required to appoint the Department as receiver (Section 631.141, Florida Statutes). The Department does not regulate companies prior to its appointment as receiver and as such does not have any ability to prevent a receivership. When grounds for receivership exist, it is necessary to place companies in receivership to protect the public of The State of Florida. Based on the foregoing this is not a valid measure and in some cases may be contrary to public policy.

Management Efforts to Address Differences/Problems (check all that apply):

- Training
- Personnel
- Technology
- Other (Identify)

Recommendations:

Office of Policy and Budget – July 2007

LRPP Exhibit III: PERFORMANCE MEASURE ASSESSMENT

Department: Financial Services
Program: Licensing and Consumer Protection Program
Service/Budget Entity: Insurance Company Rehabilitation and Liquidation
Measure: Total number of insurance companies in rehabilitation or liquidation during the year

Action:

- Performance Assessment of Outcome Measure
- Performance Assessment of Output Measure
- Adjustment of GAA Performance Standards
- Revision of Measure
- Deletion of Measure

Approved Standard	Actual Performance Results	Difference (Over/Under)	Percentage Difference
50	47		

Factors Accounting for the Difference:

Internal Factors (check all that apply):

- Personnel Factors
- Competing Priorities
- Previous Estimate Incorrect
- Staff Capacity
- Level of Training
- Other (Identify)

Explanation:

External Factors (check all that apply):

- Resources Unavailable
- Legal/Legislative Change
- Target Population Change
- This Program/Service Cannot Fix The Problem
- Current Laws Are Working Against The Agency Mission
- Technological Problems
- Natural Disaster
- Other (Identify)

Explanation:

The Department has no control over the number of companies placed in rehabilitation or liquidation during any year. Pursuant to Section 631.031, Florida Statutes, the Florida Office of Insurance Regulation has the statutory responsibility to notify the Department of Financial Services that grounds for receivership exist. If the Florida Office of Insurance Regulation provides the necessary documentation and evidence the Department of Financial Services shall then initiate a receivership proceeding. If the Court finds that grounds for a receivership exist, the Court is required to appoint the Department as receiver (Section 631.141, Florida Statutes). The Department does not regulate companies prior to its appointment as receiver and as such does not have any ability to prevent a receivership. When grounds for receivership exist, it is necessary to place companies in receivership to protect the public of The State

of Florida. In addition, the Federal Government has asserted its rights to file a claim in any receivership at any time, with no deadline to file its claim. This position has been upheld by the courts. Until Congress takes some action to clarify this situation the Division is effectively prevented from closing some existing receiverships. Based on the foregoing this measure is not valid.

Management Efforts to Address Differences/Problems (check all that apply):

Training

Technology

Personnel

Other (Identify)

Recommendations:

Office of Policy and Budget – July 2007

LRPP Exhibit III: PERFORMANCE MEASURE ASSESSMENT

Department: Financial Services

Program: Licensing and Consumer Protection Program

Service/Budget Entity: Licensure, Sales Appointment and oversight

Measure: Number of Applications for licensure processed

Action:

- | | |
|---|---|
| <input type="checkbox"/> Performance Assessment of <u>Outcome</u> Measure | <input type="checkbox"/> Revision of Measure |
| <input type="checkbox"/> Performance Assessment of <u>Output</u> Measure | <input checked="" type="checkbox"/> Deletion of Measure |
| <input type="checkbox"/> Adjustment of GAA Performance Standards | |

Approved Standard	Actual Performance Results	Difference (Over/Under)	Percentage Difference

Factors Accounting for the Difference:

Internal Factors (check all that apply):

- | | |
|--|--|
| <input type="checkbox"/> Personnel Factors | <input type="checkbox"/> Staff Capacity |
| <input type="checkbox"/> Competing Priorities | <input type="checkbox"/> Level of Training |
| <input type="checkbox"/> Previous Estimate Incorrect | <input type="checkbox"/> Other (Identify) |

Explanation:

External Factors (check all that apply):

- | | |
|--|---|
| <input type="checkbox"/> Resources Unavailable | <input type="checkbox"/> Technological Problems |
| <input type="checkbox"/> Legal/Legislative Change | <input type="checkbox"/> Natural Disaster |
| <input type="checkbox"/> Target Population Change | <input type="checkbox"/> Other (Identify) |
| <input type="checkbox"/> This Program/Service Cannot Fix The Problem | |
| <input type="checkbox"/> Current Laws Are Working Against The Agency Mission | |

Explanation:

Management Efforts to Address Differences/Problems (check all that apply):

- | | |
|------------------------------------|---|
| <input type="checkbox"/> Training | <input type="checkbox"/> Technology |
| <input type="checkbox"/> Personnel | <input type="checkbox"/> Other (Identify) |

Recommendations:

JUSTIFICATION FOR DELETION: This measure only captures the number of applications for licensure this bureau processes, which is out of our control. This measure does not reflect how effective and efficient we are in processing these applications. We feel that by deleting this measure and using our newly proposed measures we can better capture the performance assessment of our outcome measures.

LRPP Exhibit III: PERFORMANCE MEASURE ASSESSMENT

Department: Financial Services

Program: Licensing and Consumer Protection Program

Service/Budget Entity: Licensure, Sales Appointment and oversight

Measure: Number of Appointment Actions Processed

Action:

- | | |
|---|---|
| <input type="checkbox"/> Performance Assessment of <u>Outcome</u> Measure | <input type="checkbox"/> Revision of Measure |
| <input checked="" type="checkbox"/> Performance Assessment of <u>Output</u> Measure | <input checked="" type="checkbox"/> Deletion of Measure |
| <input type="checkbox"/> Adjustment of GAA Performance Standards | |

Approved Standard	Actual Performance Results	Difference (Over/Under)	Percentage Difference
1,487,454	1,474,207	13,247	-.89%

Factors Accounting for the Difference:

Internal Factors (check all that apply):

- | | |
|--|--|
| <input type="checkbox"/> Personnel Factors | <input type="checkbox"/> Staff Capacity |
| <input type="checkbox"/> Competing Priorities | <input type="checkbox"/> Level of Training |
| <input type="checkbox"/> Previous Estimate Incorrect | <input type="checkbox"/> Other (Identify) |

Explanation:

External Factors (check all that apply):

- | | |
|--|--|
| <input type="checkbox"/> Resources Unavailable | <input type="checkbox"/> Technological Problems |
| <input type="checkbox"/> Legal/Legislative Change | <input type="checkbox"/> Natural Disaster |
| <input type="checkbox"/> Target Population Change | <input checked="" type="checkbox"/> Other (Identify) |
| <input type="checkbox"/> This Program/Service Cannot Fix The Problem | |
| <input type="checkbox"/> Current Laws Are Working Against The Agency Mission | |

Explanation: This measure is based on the number of appointment actions the Bureau of Licensing receives from the insurance industry. The processing of these appointment actions are streamlined and automated and occur "real-time". The decrease was extremely small (-.89%). This slight decrease represents that the appointments actions being requested by the insurance industry has relatively stayed consistent.

Management Efforts to Address Differences/Problems (check all that apply):

- | | |
|------------------------------------|---|
| <input type="checkbox"/> Training | <input type="checkbox"/> Technology |
| <input type="checkbox"/> Personnel | <input type="checkbox"/> Other (Identify) |

Recommendations:

JUSTIFICATION FOR DELETION: This measure only captures the number of appointment actions (new appointments, terminations/cancellation of appointments, renewal of appointments) requested by the entity. The requests are out of this bureau's control. This is a measure of our workload not the effectiveness. We feel that by deleting this measure and using our newly proposed measures we can better capture the performance assessment of our outcome measures.

Office of Policy and Budget – July 2007

LRPP Exhibit III: PERFORMANCE MEASURE ASSESSMENT

Department: Financial Services

Program: Licensing and Consumer Protection Program

Service/Budget Entity: Licensure, Sales Appointment and oversight

Measure: Number of applicants and licensees required to comply with education requirements

Action:

- | | |
|---|---|
| <input type="checkbox"/> Performance Assessment of <u>Outcome</u> Measure | <input type="checkbox"/> Revision of Measure |
| <input type="checkbox"/> Performance Assessment of <u>Output</u> Measure | <input checked="" type="checkbox"/> Deletion of Measure |
| <input type="checkbox"/> Adjustment of GAA Performance Standards | |

Approved Standard	Actual Performance Results	Difference (Over/Under)	Percentage Difference

Factors Accounting for the Difference:

Internal Factors (check all that apply):

- | | |
|--|--|
| <input type="checkbox"/> Personnel Factors | <input type="checkbox"/> Staff Capacity |
| <input type="checkbox"/> Competing Priorities | <input type="checkbox"/> Level of Training |
| <input type="checkbox"/> Previous Estimate Incorrect | <input type="checkbox"/> Other (Identify) |

Explanation:

External Factors (check all that apply):

- | | |
|--|---|
| <input type="checkbox"/> Resources Unavailable | <input type="checkbox"/> Technological Problems |
| <input type="checkbox"/> Legal/Legislative Change | <input type="checkbox"/> Natural Disaster |
| <input type="checkbox"/> Target Population Change | <input type="checkbox"/> Other (Identify) |
| <input type="checkbox"/> This Program/Service Cannot Fix The Problem | |
| <input type="checkbox"/> Current Laws Are Working Against The Agency Mission | |

Explanation:

Management Efforts to Address Differences/Problems (check all that apply):

- | | |
|------------------------------------|---|
| <input type="checkbox"/> Training | <input type="checkbox"/> Technology |
| <input type="checkbox"/> Personnel | <input type="checkbox"/> Other (Identify) |

Recommendations:

JUSTIFICATION FOR DELETION: This measure only captures the number of licensees who must comply with continuing education, which is out of the control of this bureau. By deleting this measure and using our newly proposed measures we can better capture the performance assessment of our outcome measures.

LRPP Exhibit III: PERFORMANCE MEASURE ASSESSMENT

Department: Financial Services

Program: Licensing and Consumer Protection Program

Service/Budget Entity: Licensure, Sales Appointment and oversight

Measure: Number of examination administered and licenses authorized

Action:

- | | |
|---|---|
| <input type="checkbox"/> Performance Assessment of <u>Outcome</u> Measure | <input type="checkbox"/> Revision of Measure |
| <input type="checkbox"/> Performance Assessment of <u>Output</u> Measure | <input checked="" type="checkbox"/> Deletion of Measure |
| <input type="checkbox"/> Adjustment of GAA Performance Standards | |

Approved Standard	Actual Performance Results	Difference (Over/Under)	Percentage Difference

Factors Accounting for the Difference:

Internal Factors (check all that apply):

- | | |
|--|--|
| <input type="checkbox"/> Personnel Factors | <input type="checkbox"/> Staff Capacity |
| <input type="checkbox"/> Competing Priorities | <input type="checkbox"/> Level of Training |
| <input type="checkbox"/> Previous Estimate Incorrect | <input type="checkbox"/> Other (Identify) |

Explanation:

External Factors (check all that apply):

- | | |
|--|---|
| <input type="checkbox"/> Resources Unavailable | <input type="checkbox"/> Technological Problems |
| <input type="checkbox"/> Legal/Legislative Change | <input type="checkbox"/> Natural Disaster |
| <input type="checkbox"/> Target Population Change | <input type="checkbox"/> Other (Identify) |
| <input type="checkbox"/> This Program/Service Cannot Fix The Problem | |
| <input type="checkbox"/> Current Laws Are Working Against The Agency Mission | |

Explanation:

Management Efforts to Address Differences/Problems (check all that apply):

- | | |
|------------------------------------|---|
| <input type="checkbox"/> Training | <input type="checkbox"/> Technology |
| <input type="checkbox"/> Personnel | <input type="checkbox"/> Other (Identify) |

Recommendations:

JUSTIFICATION FOR DELETION: This measure only captures the number of examinations this bureau administers and the licenses authorized, which are out of our control. We feel that by deleting this measure and using our newly proposed measures we can better capture the performance assessment of our outcome measures.

Office of Policy and Budget – July 2007

LRPP Exhibit III: PERFORMANCE MEASURE ASSESSMENT

Department: Financial Services

Program: Licensing and Consumer Protection Program

Service/Budget Entity: Licensure, Sales Appointment and oversight

Measure: Number of agent and agency investigations completed

Action:

- | | |
|---|---|
| <input type="checkbox"/> Performance Assessment of <u>Outcome</u> Measure | <input type="checkbox"/> Revision of Measure |
| <input type="checkbox"/> Performance Assessment of <u>Output</u> Measure | <input checked="" type="checkbox"/> Deletion of Measure |
| <input type="checkbox"/> Adjustment of GAA Performance Standards | |

Approved Standard	Actual Performance Results	Difference (Over/Under)	Percentage Difference

Factors Accounting for the Difference:

Internal Factors (check all that apply):

- | | |
|--|--|
| <input type="checkbox"/> Personnel Factors | <input type="checkbox"/> Staff Capacity |
| <input type="checkbox"/> Competing Priorities | <input type="checkbox"/> Level of Training |
| <input type="checkbox"/> Previous Estimate Incorrect | <input type="checkbox"/> Other (Identify) |

Explanation:

External Factors (check all that apply):

- | | |
|--|---|
| <input type="checkbox"/> Resources Unavailable | <input type="checkbox"/> Technological Problems |
| <input type="checkbox"/> Legal/Legislative Change | <input type="checkbox"/> Natural Disaster |
| <input type="checkbox"/> Target Population Change | <input type="checkbox"/> Other (Identify) |
| <input type="checkbox"/> This Program/Service Cannot Fix The Problem | |
| <input type="checkbox"/> Current Laws Are Working Against The Agency Mission | |

Explanation:

Management Efforts to Address Differences/Problems (check all that apply):

- | | |
|------------------------------------|---|
| <input type="checkbox"/> Training | <input type="checkbox"/> Technology |
| <input type="checkbox"/> Personnel | <input type="checkbox"/> Other (Identify) |

Recommendations:

JUSTIFICATION FOR DELETION: This measure only captures the number of investigations completed. The data does not provide any substantial information regarding quality of investigations or other areas of needed improvement. By deleting this measure and using our newly proposed measures we can better capture the performance assessment of our outcome measures.

LRPP Exhibit III: PERFORMANCE MEASURE ASSESSMENT

Department: Financial Services

Program: Licensing and Consumer Protection Program

Service/Budget Entity: Licensure, Sales Appointment and oversight

Measure: Number of agent and agency investigations opened

Action:

- | | |
|---|---|
| <input type="checkbox"/> Performance Assessment of <u>Outcome</u> Measure | <input type="checkbox"/> Revision of Measure |
| <input type="checkbox"/> Performance Assessment of <u>Output</u> Measure | <input checked="" type="checkbox"/> Deletion of Measure |
| <input type="checkbox"/> Adjustment of GAA Performance Standards | |

Approved Standard	Actual Performance Results	Difference (Over/Under)	Percentage Difference

Factors Accounting for the Difference:

Internal Factors (check all that apply):

- | | |
|--|--|
| <input type="checkbox"/> Personnel Factors | <input type="checkbox"/> Staff Capacity |
| <input type="checkbox"/> Competing Priorities | <input type="checkbox"/> Level of Training |
| <input type="checkbox"/> Previous Estimate Incorrect | <input type="checkbox"/> Other (Identify) |

Explanation:

External Factors (check all that apply):

- | | |
|--|---|
| <input type="checkbox"/> Resources Unavailable | <input type="checkbox"/> Technological Problems |
| <input type="checkbox"/> Legal/Legislative Change | <input type="checkbox"/> Natural Disaster |
| <input type="checkbox"/> Target Population Change | <input type="checkbox"/> Other (Identify) |
| <input type="checkbox"/> This Program/Service Cannot Fix The Problem | |
| <input type="checkbox"/> Current Laws Are Working Against The Agency Mission | |

Explanation:

Management Efforts to Address Differences/Problems (check all that apply):

- | | |
|------------------------------------|---|
| <input type="checkbox"/> Training | <input type="checkbox"/> Technology |
| <input type="checkbox"/> Personnel | <input type="checkbox"/> Other (Identify) |

Recommendations:

JUSTIFICATION FOR DELETION: This measure only captures the number of Investigations opened. By deleting this measure and using our newly proposed measures we can better capture the performance assessment of our outcome measures.

LRPP Exhibit III: PERFORMANCE MEASURE ASSESSMENT

Department: Financial Services

Program: Licensing and Consumer Protection Program

Service/Budget Entity: Licensure, Sales Appointment and oversight

Measure: Percent of Investigative Actions Resulting in Administrative Action against Agents

Action:

- | | |
|--|---|
| <input checked="" type="checkbox"/> Performance Assessment of <u>Outcome</u> Measure | <input type="checkbox"/> Revision of Measure |
| <input type="checkbox"/> Performance Assessment of <u>Output</u> Measure | <input checked="" type="checkbox"/> Deletion of Measure |
| <input type="checkbox"/> Adjustment of GAA Performance Standards | |

Approved Standard	Actual Performance Results	Difference (Over/Under)	Percentage Difference
35%	27%	-8%	22.8%

Factors Accounting for the Difference:

Internal Factors (check all that apply):

- | | |
|--|---|
| <input type="checkbox"/> Personnel Factors | <input checked="" type="checkbox"/> Staff Capacity |
| <input type="checkbox"/> Competing Priorities | <input checked="" type="checkbox"/> Level of Training |
| <input type="checkbox"/> Previous Estimate Incorrect | <input type="checkbox"/> Other (Identify) |

Explanation: All complaints and referrals received by the Bureau must be opened and investigated regardless of their legitimacy. Although cases are investigated, many cases are unprovable. In fiscal year 2006-2007 the Bureau lost 14% of our investigative staff. Without this staffing loss we could have completed more cases resulting in administrative action.

External Factors (check all that apply):

- | | |
|--|--|
| <input type="checkbox"/> Resources Unavailable | <input type="checkbox"/> Technological Problems |
| <input type="checkbox"/> Legal/Legislative Change | <input type="checkbox"/> Natural Disaster |
| <input type="checkbox"/> Target Population Change | <input checked="" type="checkbox"/> Other (Identify) |
| <input type="checkbox"/> This Program/Service Cannot Fix The Problem | |
| <input type="checkbox"/> Current Laws Are Working Against The Agency Mission | |

Explanation: Administrative action taken involves outside factors including legal services, attorney's opinions and administrative hearing decisions and other matters which are out of our control.

Management Efforts to Address Differences/Problems (check all that apply):

- | | |
|------------------------------------|---|
| <input type="checkbox"/> Training | <input type="checkbox"/> Technology |
| <input type="checkbox"/> Personnel | <input type="checkbox"/> Other (Identify) |

Recommendations:

Justification for Deletion:

A similar measure will be substituted that will better measure quality and outcome.

Office of Policy and Budget – July 2006

LRPP Exhibit III: PERFORMANCE MEASURE ASSESSMENT

Department: Financial Services

Program: Licensing and Consumer Protection

Service/Budget Entity: Insurance Fraud

Measure: Percent of Insurance fraud cases presented for prosecution by law enforcement investigators

Action:

- | | |
|--|--|
| <input checked="" type="checkbox"/> Performance Assessment of <u>Outcome</u> Measure | <input type="checkbox"/> Revision of Measure |
| <input type="checkbox"/> Performance Assessment of <u>Output</u> Measure | <input type="checkbox"/> Deletion of Measure |
| <input type="checkbox"/> Adjustment of GAA Performance Standards | |

Approved Standard	Actual Performance Results	Difference (Over/Under)	Percentage Difference
1%	-9%		

Factors Accounting for the Difference:

Internal Factors (check all that apply):

- | | |
|---|--|
| <input checked="" type="checkbox"/> Personnel Factors | <input checked="" type="checkbox"/> Staff Capacity |
| <input type="checkbox"/> Competing Priorities | <input type="checkbox"/> Level of Training |
| <input type="checkbox"/> Previous Estimate Incorrect | <input type="checkbox"/> Other (Identify) |

Explanation:

External Factors (check all that apply):

- | | |
|--|---|
| <input type="checkbox"/> Resources Unavailable | <input type="checkbox"/> Technological Problems |
| <input type="checkbox"/> Legal/Legislative Change | <input type="checkbox"/> Natural Disaster |
| <input type="checkbox"/> Target Population Change | <input type="checkbox"/> Other (Identify) |
| <input type="checkbox"/> This Program/Service Cannot Fix The Problem | |
| <input type="checkbox"/> Current Laws Are Working Against The Agency Mission | |

Explanation:

Management Efforts to Address Differences/Problems (check all that apply):

- | | |
|---|---|
| <input type="checkbox"/> Training | <input type="checkbox"/> Technology |
| <input checked="" type="checkbox"/> Personnel | <input type="checkbox"/> Other (Identify) |

Recommendations:

Office of Policy and Budget – July 2007

LRPP Exhibit III: PERFORMANCE MEASURE ASSESSMENT

Department: Financial Services

Program: Licensing and Consumer Protection

Service/Budget Entity: Insurance Fraud

Measure: Number of Insurance fraud investigations completed (not including workers' compensation cases)

Action:

- | | |
|---|--|
| <input type="checkbox"/> Performance Assessment of <u>Outcome</u> Measure | <input type="checkbox"/> Revision of Measure |
| <input checked="" type="checkbox"/> Performance Assessment of <u>Output</u> Measure | <input type="checkbox"/> Deletion of Measure |
| <input type="checkbox"/> Adjustment of GAA Performance Standards | |

Approved Standard	Actual Performance Results	Difference (Over/Under)	Percentage Difference
1,100	992	-108	-9.8%

Factors Accounting for the Difference:

Internal Factors (check all that apply):

- | | |
|---|--|
| <input checked="" type="checkbox"/> Personnel Factors | <input checked="" type="checkbox"/> Staff Capacity |
| <input type="checkbox"/> Competing Priorities | <input type="checkbox"/> Level of Training |
| <input type="checkbox"/> Previous Estimate Incorrect | <input type="checkbox"/> Other (Identify) |

Explanation:

External Factors (check all that apply):

- | | |
|--|---|
| <input type="checkbox"/> Resources Unavailable | <input type="checkbox"/> Technological Problems |
| <input type="checkbox"/> Legal/Legislative Change | <input type="checkbox"/> Natural Disaster |
| <input type="checkbox"/> Target Population Change | <input type="checkbox"/> Other (Identify) |
| <input type="checkbox"/> This Program/Service Cannot Fix The Problem | |
| <input type="checkbox"/> Current Laws Are Working Against The Agency Mission | |

Explanation:

Management Efforts to Address Differences/Problems (check all that apply):

- | | |
|---|---|
| <input type="checkbox"/> Training | <input type="checkbox"/> Technology |
| <input checked="" type="checkbox"/> Personnel | <input type="checkbox"/> Other (Identify) |

Recommendations:

Office of Policy and Budget – July 2007

LRPP Exhibit III: PERFORMANCE MEASURE ASSESSMENT

Department: Financial Services

Program: Licensing and Consumer Protection

Service/Budget Entity: Consumer Assistance

Measure: Percent of consumer activities that result in quality service and consumer satisfaction

Action:

- | | |
|--|---|
| <input checked="" type="checkbox"/> Performance Assessment of <u>Outcome</u> Measure | <input type="checkbox"/> Revision of Measure |
| <input type="checkbox"/> Performance Assessment of <u>Output</u> Measure | <input checked="" type="checkbox"/> Deletion of Measure |
| <input type="checkbox"/> Adjustment of GAA Performance Standards | |

Approved Standard	Actual Performance Results	Difference (Over/Under)	Percentage Difference
95%	59%	(15%)	15%

Factors Accounting for the Difference:

Internal Factors (check all that apply):

- | | |
|--|--|
| <input type="checkbox"/> Personnel Factors | <input type="checkbox"/> Staff Capacity |
| <input type="checkbox"/> Competing Priorities | <input type="checkbox"/> Level of Training |
| <input type="checkbox"/> Previous Estimate Incorrect | <input checked="" type="checkbox"/> Other (Identify) |

Explanation:

Five years ago the Department initiated a process to measure consumer satisfaction in an effort to better serve Florida citizens. To ensure proper measures were developed, the department selected an outside vendor with expertise in this area. Programmers working with the contractor developed survey input and data reporting tools to evaluate results from consumer surveys. A programming error by the individuals developing these tools led to incorrect statistics being reported. A recent re-evaluation of the data has determined the satisfaction statistics were inflated. In the original year of data collection, the actual survey results indicated 63% of consumers felt they had received quality service. Due to the programming error a satisfaction rating of 88% was reported. Using the 88% outcome, a performance standard of 90% was established. The actual historic average over all years of the program has been 65%. Fiscal year 06/07 statistics indicate that the percentage of consumers satisfied with the Department's service has declined to 59%. Complaint data indicates the number of consumers complaining about homeowner's insurance rate increases and non-renewals have significantly increased. The Division's inability to resolve these problems due to the current difficulties in the homeowner's insurance marketplace has negatively affected consumer outcomes. Overall consumer satisfaction has declined in direct correlation with this trend.

This measure represents two different activities performed by staff that requires two different types of measurements. Quality of service reflects the department's ability to correctly identify the consumer's issue, take appropriate action within a specified time period, document the

activities and advise the consumer promptly of the outcome. Consumer satisfaction measures the department's ability to meet the consumer's expectation of service and outcome for requests for assistance. Due to the different types of activities and the process for measuring these activities, this Performance Measure will be split into two Performance Measures; 1) Percent of consumer activities that result in quality service and 2) Percent of consumers satisfied with the level of service provided.

External Factors (check all that apply):

- | | |
|--|--|
| <input type="checkbox"/> Resources Unavailable | <input checked="" type="checkbox"/> Technological Problems |
| <input type="checkbox"/> Legal/Legislative Change | <input type="checkbox"/> Natural Disaster |
| <input type="checkbox"/> Target Population Change | <input type="checkbox"/> Other (Identify) |
| <input type="checkbox"/> This Program/Service Cannot Fix The Problem | |
| <input type="checkbox"/> Current Laws Are Working Against The Agency Mission | |

Explanation:

Computer programming error resulted in incorrect results being reported.

Management Efforts to Address Differences/Problems (check all that apply):

- | | |
|------------------------------------|--|
| <input type="checkbox"/> Training | <input checked="" type="checkbox"/> Technology |
| <input type="checkbox"/> Personnel | <input checked="" type="checkbox"/> Other (Identify) |

Recommendations:

The computer programming that resulted in incorrect satisfaction levels being reported has been corrected.

LRPP Exhibit III: PERFORMANCE MEASURE ASSESSMENT

Department: Financial Services

Program: Licensing and Consumer Protection

Service/Budget Entity: Consumer Assistance

Measure: Number of consumer education materials created and distributed

Action:

- | | |
|--|---|
| <input checked="" type="checkbox"/> Performance Assessment of <u>Outcome</u> Measure | <input type="checkbox"/> Revision of Measure |
| <input type="checkbox"/> Performance Assessment of <u>Output</u> Measure | <input checked="" type="checkbox"/> Deletion of Measure |
| <input type="checkbox"/> Adjustment of GAA Performance Standards | |

Approved Standard	Actual Performance Results	Difference (Over/Under)	Percentage Difference
581,880	239,100	(342,780)	59%

Factors Accounting for the Difference:

Internal Factors (check all that apply):

- | | |
|--|--|
| <input type="checkbox"/> Personnel Factors | <input type="checkbox"/> Staff Capacity |
| <input type="checkbox"/> Competing Priorities | <input type="checkbox"/> Level of Training |
| <input type="checkbox"/> Previous Estimate Incorrect | <input type="checkbox"/> Other (Identify) |

Explanation:

External Factors (check all that apply):

- | | |
|--|--|
| <input type="checkbox"/> Resources Unavailable | <input type="checkbox"/> Technological Problems |
| <input type="checkbox"/> Legal/Legislative Change | <input checked="" type="checkbox"/> Natural Disaster |
| <input type="checkbox"/> Target Population Change | <input checked="" type="checkbox"/> Other (Identify) |
| <input type="checkbox"/> This Program/Service Cannot Fix The Problem | |
| <input type="checkbox"/> Current Laws Are Working Against The Agency Mission | |

Explanation:

This Performance Measure shows how many consumer education materials have been printed and distributed to Florida citizens. Due to a quiet hurricane season in 2006 the department was not required to print and distribute additional consumer guides, information pamphlets and other material to assist hurricane victims with their insurance claims. The department was also not required to produce and distribute additional consumer educational material to help homeowners avoid fraudulent practices by individuals hoping to illegally profit from storm damage.

This Performance Measure does not quantify performance by the agency. Instead, it counts how much of a product is produced. This Performance Measure should be deleted.

Management Efforts to Address Differences/Problems (check all that apply):

- | | |
|------------------------------------|--|
| <input type="checkbox"/> Training | <input type="checkbox"/> Technology |
| <input type="checkbox"/> Personnel | <input checked="" type="checkbox"/> Other (Identify) |

Recommendations:

Performance Measure deletion is requested.

Office of Policy and Budget – July 2006

LRPP Exhibit III: PERFORMANCE MEASURE ASSESSMENT

Department: Financial Services

Program: Licensing and Consumer Protection

Service/Budget Entity: Consumer Assistance

Measure: Number of telephone calls answered through the consumer helpline

Action:

- | | |
|---|---|
| <input type="checkbox"/> Performance Assessment of <u>Outcome</u> Measure | <input type="checkbox"/> Revision of Measure |
| <input type="checkbox"/> Performance Assessment of <u>Output</u> Measure | <input checked="" type="checkbox"/> Deletion of Measure |
| <input type="checkbox"/> Adjustment of GAA Performance Standards | |

Approved Standard	Actual Performance Results	Difference (Over/Under)	Percentage Difference
426,888	491,066	64,178	15%

Factors Accounting for the Difference:

Internal Factors (check all that apply):

- | | |
|--|--|
| <input type="checkbox"/> Personnel Factors | <input type="checkbox"/> Staff Capacity |
| <input type="checkbox"/> Competing Priorities | <input type="checkbox"/> Level of Training |
| <input type="checkbox"/> Previous Estimate Incorrect | <input checked="" type="checkbox"/> Other (Identify) |

Explanation:

This Performance Measure shows how many telephone calls were received through the toll-free consumer helpline during the fiscal year.

This Performance Measure does not quantify performance by the agency. Instead, it counts how many telephone calls were received through the toll-free consumer helpline. This Performance Measure should be deleted.

External Factors (check all that apply):

- | | |
|--|---|
| <input type="checkbox"/> Resources Unavailable | <input type="checkbox"/> Technological Problems |
| <input type="checkbox"/> Legal/Legislative Change | <input type="checkbox"/> Natural Disaster |
| <input type="checkbox"/> Target Population Change | <input type="checkbox"/> Other (Identify) |
| <input type="checkbox"/> This Program/Service Cannot Fix The Problem | |
| <input type="checkbox"/> Current Laws Are Working Against The Agency Mission | |

Explanation:

Management Efforts to Address Differences/Problems (check all that apply):

- | | |
|------------------------------------|--|
| <input type="checkbox"/> Training | <input type="checkbox"/> Technology |
| <input type="checkbox"/> Personnel | <input checked="" type="checkbox"/> Other (Identify) |

Recommendations:

Performance Measure deletion is requested.

LRPP Exhibit III: PERFORMANCE MEASURE ASSESSMENT

Department: Financial Services

Program: Licensing and Consumer Protection

Service/Budget Entity: Consumer Assistance

Measure: Number of consumer requests and information inquiries handled

Action:

- | | |
|---|---|
| <input type="checkbox"/> Performance Assessment of <u>Outcome</u> Measure | <input type="checkbox"/> Revision of Measure |
| <input type="checkbox"/> Performance Assessment of <u>Output</u> Measure | <input checked="" type="checkbox"/> Deletion of Measure |
| <input type="checkbox"/> Adjustment of GAA Performance Standards | |

Approved Standard	Actual Performance Results	Difference (Over/Under)	Percentage Difference
66,540	58,443	(8,107)	14%

Factors Accounting for the Difference:

Internal Factors (check all that apply):

- | | |
|--|--|
| <input type="checkbox"/> Personnel Factors | <input type="checkbox"/> Staff Capacity |
| <input type="checkbox"/> Competing Priorities | <input type="checkbox"/> Level of Training |
| <input type="checkbox"/> Previous Estimate Incorrect | <input checked="" type="checkbox"/> Other (Identify) |

Explanation:

This Performance Measure shows how many consumer requests for assistance and requests for information are received and responded to during the fiscal year.

This Performance Measure does not quantify performance by the agency. Instead, it counts how many how many information and assistance requests are handled by the department. This Performance Measure should be deleted.

External Factors (check all that apply):

- | | |
|--|---|
| <input type="checkbox"/> Resources Unavailable | <input type="checkbox"/> Technological Problems |
| <input type="checkbox"/> Legal/Legislative Change | <input type="checkbox"/> Natural Disaster |
| <input type="checkbox"/> Target Population Change | <input type="checkbox"/> Other (Identify) |
| <input type="checkbox"/> This Program/Service Cannot Fix The Problem | |
| <input type="checkbox"/> Current Laws Are Working Against The Agency Mission | |

Explanation:

Management Efforts to Address Differences/Problems (check all that apply):

- | | |
|------------------------------------|--|
| <input type="checkbox"/> Training | <input type="checkbox"/> Technology |
| <input type="checkbox"/> Personnel | <input checked="" type="checkbox"/> Other (Identify) |

Recommendations:

Performance Measure deletion is requested.

LRPP Exhibit III: PERFORMANCE MEASURE ASSESSMENT

Department: Financial Services

Program: Licensing and Consumer Services

Service/Budget Entity: Funeral, Cemetery and Consumer Services

Measure: Number of Cemetery and Certificate of Authority Examinations completed

Action:

- | | |
|---|---|
| <input type="checkbox"/> Performance Assessment of <u>Outcome</u> Measure | <input type="checkbox"/> Revision of Measure |
| <input type="checkbox"/> Performance Assessment of <u>Output</u> Measure | <input checked="" type="checkbox"/> Deletion of Measure |
| <input type="checkbox"/> Adjustment of GAA Performance Standards | |

Approved Standard	Actual Performance Results	Difference (Over/Under)	Percentage Difference

Factors Accounting for the Difference:

Internal Factors (check all that apply):

- | | |
|--|--|
| <input type="checkbox"/> Personnel Factors | <input type="checkbox"/> Staff Capacity |
| <input type="checkbox"/> Competing Priorities | <input type="checkbox"/> Level of Training |
| <input type="checkbox"/> Previous Estimate Incorrect | <input type="checkbox"/> Other (Identify) |

Explanation:

External Factors (check all that apply):

- | | |
|--|---|
| <input type="checkbox"/> Resources Unavailable | <input type="checkbox"/> Technological Problems |
| <input type="checkbox"/> Legal/Legislative Change | <input type="checkbox"/> Natural Disaster |
| <input type="checkbox"/> Target Population Change | <input type="checkbox"/> Other (Identify) |
| <input type="checkbox"/> This Program/Service Cannot Fix The Problem | |
| <input type="checkbox"/> Current Laws Are Working Against The Agency Mission | |

Explanation:

Management Efforts to Address Differences/Problems (check all that apply):

- | | |
|------------------------------------|---|
| <input type="checkbox"/> Training | <input type="checkbox"/> Technology |
| <input type="checkbox"/> Personnel | <input type="checkbox"/> Other (Identify) |

Recommendations:

Due to a change in legislation that no longer mandates an examination at least once every three years, it is recommended this measure be deleted and replaced with a measure that is more meaningful.

LRPP Exhibit III: PERFORMANCE MEASURE ASSESSMENT

Department: Financial Services

Program: Workers' Compensation

Service/Budget Entity: Workers' Compensation

Measure: Percent of injured workers returning to work at 80% or more of previous average quarterly wage during the four-quarter period following the quarter of injury

Action:

- | | |
|---|---|
| <input type="checkbox"/> Performance Assessment of <u>Outcome</u> Measure | <input type="checkbox"/> Revision of Measure |
| <input type="checkbox"/> Performance Assessment of <u>Output</u> Measure | <input checked="" type="checkbox"/> Deletion of Measure |
| <input type="checkbox"/> Adjustment of GAA Performance Standards | |

Approved Standard	Actual Performance Results	Difference (Over/Under)	Percentage Difference

Factors Accounting for the Difference:

Internal Factors (check all that apply):

- | | |
|--|--|
| <input type="checkbox"/> Personnel Factors | <input type="checkbox"/> Staff Capacity |
| <input type="checkbox"/> Competing Priorities | <input type="checkbox"/> Level of Training |
| <input type="checkbox"/> Previous Estimate Incorrect | <input type="checkbox"/> Other (Identify) |

Explanation:

External Factors (check all that apply):

- | | |
|--|---|
| <input type="checkbox"/> Resources Unavailable | <input type="checkbox"/> Technological Problems |
| <input type="checkbox"/> Legal/Legislative Change | <input type="checkbox"/> Natural Disaster |
| <input type="checkbox"/> Target Population Change | <input type="checkbox"/> Other (Identify) |
| <input type="checkbox"/> This Program/Service Cannot Fix The Problem | |
| <input type="checkbox"/> Current Laws Are Working Against The Agency Mission | |

Explanation:

Management Efforts to Address Differences/Problems (check all that apply):

- | | |
|------------------------------------|---|
| <input type="checkbox"/> Training | <input type="checkbox"/> Technology |
| <input type="checkbox"/> Personnel | <input type="checkbox"/> Other (Identify) |

Recommendations:

The division requests the deletion of this measure, as the information that was previously gleaned from this measure pertained to both what is now the Division of Workers' Compensation and the Rehabilitation and Reemployment Office of the Division of Vocational Rehabilitation with the Department of Education. The division must request and receive information from the Division of Unemployment Compensation in AWI to be able to calculate the actual for this measure. The Division has very little impact on the return to work of injured workers.

LRPP Exhibit III: PERFORMANCE MEASURE ASSESSMENT

Department: Financial Services

Program: Workers' Compensation

Service/Budget Entity: Division of Workers' Compensation

Measure: Number of Employer Investigations Conducted

Action:

- | | |
|---|--|
| <input type="checkbox"/> Performance Assessment of <u>Outcome</u> Measure | <input type="checkbox"/> Revision of Measure |
| <input checked="" type="checkbox"/> Performance Assessment of <u>Output</u> Measure | <input type="checkbox"/> Deletion of Measure |
| <input checked="" type="checkbox"/> Adjustment of GAA Performance Standards | |

Approved Standard	Actual Performance Results	Difference (Over/Under)	Percentage Difference
55,000	25,831	29,169	53%

Factors Accounting for the Difference:

Internal Factors (check all that apply):

- | | |
|--|--|
| <input type="checkbox"/> Personnel Factors | <input checked="" type="checkbox"/> Staff Capacity |
| <input type="checkbox"/> Competing Priorities | <input type="checkbox"/> Level of Training |
| <input type="checkbox"/> Previous Estimate Incorrect | <input type="checkbox"/> Other (Identify) |

Explanation:

The number of complex cases have increased, which is evident in the increased amount of penalties assessed against employers. Complex cases are more difficult and time consuming due to the amount of data and information the investigator must review and analyze. In addition, During FY 2006/2007, the investigators participated in numerous training initiatives reducing the amount of time the investigators had to conduct employer investigations in the field.

External Factors (check all that apply):

- | | |
|--|---|
| <input type="checkbox"/> Resources Unavailable | <input type="checkbox"/> Technological Problems |
| <input type="checkbox"/> Legal/Legislative Change | <input type="checkbox"/> Natural Disaster |
| <input type="checkbox"/> Target Population Change | <input type="checkbox"/> Other (Identify) |
| <input type="checkbox"/> This Program/Service Cannot Fix The Problem | |
| <input type="checkbox"/> Current Laws Are Working Against The Agency Mission | |

Explanation:

Management Efforts to Address Differences/Problems (check all that apply):

- | | |
|------------------------------------|---|
| <input type="checkbox"/> Training | <input type="checkbox"/> Technology |
| <input type="checkbox"/> Personnel | <input type="checkbox"/> Other (Identify) |

Recommendations:

Office of Policy and Budget – July 2007

LRPP Exhibit III: PERFORMANCE MEASURE ASSESSMENT

Department: Financial Services

Program: Workers' Compensation

Service/Budget Entity: Workers' Compensation

Measure: Number of injured workers that obtain one or more benefits due to intervention by the Employee Assistance Office

Action:

- | | |
|---|--|
| <input type="checkbox"/> Performance Assessment of <u>Outcome</u> Measure | <input type="checkbox"/> Revision of Measure |
| <input checked="" type="checkbox"/> Performance Assessment of <u>Output</u> Measure | <input type="checkbox"/> Deletion of Measure |
| <input type="checkbox"/> Adjustment of GAA Performance Standards | |

Approved Standard	Actual Performance Results	Difference (Over/Under)	Percentage Difference
6,000	5,539	461	-7.7%

Factors Accounting for the Difference:

Internal Factors (check all that apply):

- | | |
|---|--|
| <input checked="" type="checkbox"/> Personnel Factors | <input type="checkbox"/> Staff Capacity |
| <input type="checkbox"/> Competing Priorities | <input type="checkbox"/> Level of Training |
| <input type="checkbox"/> Previous Estimate Incorrect | <input checked="" type="checkbox"/> Other (Identify) |

Explanation:

As part of the reorganization of the Employee Assistance Office (EAO) in the past fiscal year, the Bureau implemented new coding procedures for EAO employees to enter information into the EAO database for tracking purposes. We are continuing training and quality reviewing entries from staff into the EAO database to ensure that the database reflects every case in which EAO assistance results in benefits to the injured worker.

External Factors (check all that apply):

- | | |
|--|---|
| <input type="checkbox"/> Resources Unavailable | <input type="checkbox"/> Technological Problems |
| <input type="checkbox"/> Legal/Legislative Change | <input type="checkbox"/> Natural Disaster |
| <input checked="" type="checkbox"/> Target Population Change | <input type="checkbox"/> Other (Identify) |
| <input type="checkbox"/> This Program/Service Cannot Fix The Problem | |
| <input type="checkbox"/> Current Laws Are Working Against The Agency Mission | |

Explanation:

The number of workers injured annually continues to decline in Florida as well as nationwide.

Management Efforts to Address Differences/Problems (check all that apply):

- | | |
|--|---|
| <input checked="" type="checkbox"/> Training | <input type="checkbox"/> Technology |
| <input type="checkbox"/> Personnel | <input type="checkbox"/> Other (Identify) |

Recommendations:

Continued training of EAO employees will ensure that the Bureau captures every case in which EAO intervention results in the receipt of benefits by injured workers.

Office of Policy and Budget – July 2007

LRPP Exhibit III: PERFORMANCE MEASURE ASSESSMENT

Department: Financial Services

Program: Workers' Compensation

Service/Budget Entity: Workers' Compensation

Measure: Number of reimbursement requests (SDF-2) audited

Action:

- | | |
|---|--|
| <input type="checkbox"/> Performance Assessment of <u>Outcome</u> Measure | <input type="checkbox"/> Revision of Measure |
| <input type="checkbox"/> Performance Assessment of <u>Output</u> Measure | <input type="checkbox"/> Deletion of Measure |
| <input checked="" type="checkbox"/> Adjustment of GAA Performance Standards | |

Approved Standard	Actual Performance Results	Difference (Over/Under)	Percentage Difference
5,200	4,765	-435	-8.17%

Factors Accounting for the Difference:

Internal Factors (check all that apply):

- | | |
|--|---|
| <input type="checkbox"/> Personnel Factors | <input checked="" type="checkbox"/> Staff Capacity |
| <input checked="" type="checkbox"/> Competing Priorities | <input checked="" type="checkbox"/> Level of Training |
| <input type="checkbox"/> Previous Estimate Incorrect | <input type="checkbox"/> Other (Identify) |

Explanation: Staff experience declined due to the replacement of two senior staff with less experienced staff. In addition, the implementation of a data verification audit shifted resources away from SDF-2 audits.

External Factors (check all that apply):

- | | |
|--|---|
| <input type="checkbox"/> Resources Unavailable | <input type="checkbox"/> Technological Problems |
| <input type="checkbox"/> Legal/Legislative Change | <input type="checkbox"/> Natural Disaster |
| <input type="checkbox"/> Target Population Change | <input type="checkbox"/> Other (Identify) |
| <input type="checkbox"/> This Program/Service Cannot Fix The Problem | |
| <input type="checkbox"/> Current Laws Are Working Against The Agency Mission | |

Explanation:

Management Efforts to Address Differences/Problems (check all that apply):

- | | |
|--|--|
| <input checked="" type="checkbox"/> Training | <input type="checkbox"/> Technology |
| <input type="checkbox"/> Personnel | <input checked="" type="checkbox"/> Other (Identify) |

Recommendations: The two less experienced staff members have increased their productivity as they underwent training and gained experience. The performance standard should be adjusted downward to reflect the capacity of the staff to produce audits.

Office of Policy and Budget – July 2007

LRPP Exhibit III: PERFORMANCE MEASURE ASSESSMENT

Department: Financial Services

Program: Workers' Compensation

Service/Budget Entity: Workers' Compensation

Measure: Amount of assessment dollars collected - WCATF

Action:

- | | |
|--|--|
| <input checked="" type="checkbox"/> Performance Assessment of <u>Outcome</u> Measure | <input type="checkbox"/> Revision of Measure |
| <input type="checkbox"/> Performance Assessment of <u>Output</u> Measure | <input type="checkbox"/> Deletion of Measure |
| <input type="checkbox"/> Adjustment of GAA Performance Standards | |

Approved Standard	Actual Performance Results	Difference (Over/Under)	Percentage Difference
\$50,000,000	\$48,172,851	-\$1,827,149	-3.7%

Factors Accounting for the Difference:

Internal Factors (check all that apply):

- | | |
|--|--|
| <input type="checkbox"/> Personnel Factors | <input type="checkbox"/> Staff Capacity |
| <input type="checkbox"/> Competing Priorities | <input type="checkbox"/> Level of Training |
| <input type="checkbox"/> Previous Estimate Incorrect | <input checked="" type="checkbox"/> Other (Identify) |

Explanation:

Decreases in the WCATF assessment rate. The \$50,000,000 performance measure was established when the assessment rate was 0.6%, but that rate was later decreased, to 0.5%, effective Jan 1, 2007. (The majority of assessment revenue received during Apr – Jun 2007 was paid at the lower rate accounting for most of the indicated difference in collections, over the approved standard.)

External Factors (check all that apply):

- | | |
|--|--|
| <input type="checkbox"/> Resources Unavailable | <input type="checkbox"/> Technological Problems |
| <input type="checkbox"/> Legal/Legislative Change | <input type="checkbox"/> Natural Disaster |
| <input type="checkbox"/> Target Population Change | <input checked="" type="checkbox"/> Other (Identify) |
| <input type="checkbox"/> This Program/Service Cannot Fix The Problem | |
| <input type="checkbox"/> Current Laws Are Working Against The Agency Mission | |

Explanation:

The WCATF assessments are paid as a percentage of premiums applicable to compensation insurance written by the carriers, in the state, and individual self-insurers. The Assessments Unit has the responsibility to ensure that premiums are reported, and assessed, correctly, but does not control the number of compensation policies written, nor the volume of premiums themselves. Also, the department must establish the upcoming calendar year's assessment rate based upon expected expenses during the next calendar year. Because these computations are completed during the month of June, the expense estimates are determined from the most recent legislatively approved budget. Further, as the economy changes, so might compensation paid to employees and, in turn, premium dollars ultimately assessed and assessment dollars collected.

Management Efforts to Address Differences/Problems (check all that apply):

- | | |
|------------------------------------|---|
| <input type="checkbox"/> Training | <input type="checkbox"/> Technology |
| <input type="checkbox"/> Personnel | <input type="checkbox"/> Other (Identify) |

Recommendations:

Office of Policy and Budget – July 2007

LRPP Exhibit V: Identification of Associated Activity Contributing to Performance Measures

Measure Number	Approved Performance Measures for FY 2007-08 (Words)	Associated Activities Title
1	Administrative costs as a percent of total agency costs	ACT 0010 Executive Direction ACT 0030 Legislative Affairs ACT 0040 External Affairs (Consumer Advocate) ACT 0050 Cabinet Affairs ACT 0060 Inspector General ACT 0070 Communications/Public Information ACT 0080 Director of Administration ACT 0090 Planning and Budgeting ACT 0100 Finance and Accountin ACT 0110 Personnel Svcs/Human Resources ACT 0120 Training ACT 0130 Mail Room ACT 0140 Print Shop ACT 0170 Property and Records Management ACT 0200 Procurement
2	Administrative positions as a percent of total agency positions	ACT 0010 Executive Direction ACT 0030 Legislative Affairs ACT 0040 External Affairs (Consumer Advocate) ACT 0050 Cabinet Affairs ACT 0060 Inspector General ACT 0070 Communications/Public Information ACT 0080 Director of Administration ACT 0090 Planning and Budgeting ACT 0100 Finance and Accountin ACT 0110 Personnel Svcs/Human Resources ACT 0120 Training ACT 0130 Mail Room ACT 0140 Print Shop ACT 0170 Property and Records Management ACT 0200 Procurement

Office of Policy and Budget – July, 2007

LRPP Exhibit V: Identification of Associated Activity Contributing to Performance Measures

Measure Number	Approved Performance Measures for FY 2007-08 (Words)	Associated Activities Title
3	Percent of closed files involving allegations of statutory violation that were successfully prosecuted	ACT0020 General Counsel

Office of Policy and Budget – July, 2007

LRPP Exhibit V: Identification of Associated Activity Contributing to Performance Measures

Measure Number	Approved Performance Measures for FY 2007-08 (Words)	Associated Activities Title
4	Information technology costs as a percent of total agency cost	ACT0300 Information Technology - Executive Direction
5	Information technology positions as a percent of total agency positions	ACT0300 Information Technology - Executive Direction
6	System design and programming hourly costs	Requesting Deletion of Performance Measure
7	Percent of scheduled hours computer and network is available	ACT0300 Information Technology - Executive Direction ACT0330 Information Technology - Computer Operations ACT 0340 Information Technology- Network Operations ACT 0350 Information Technology - Desktop Support
8	Percent of customers who returned a customer service satisfaction rating of at least seven (7) on a scale of one (1) to ten (10) on surveys - New Measure	ACT0300 Information Technology - Executive Direction ACT0330 Information Technology - Computer Operations ACT 0340 Information Technology- Network Operations ACT 0350 Information Technology - Desktop Support
9	Percent of scheduled services completed timely	Requesting Deletion of Performance Measure

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LRPP Exhibit V: Identification of Associated Activity Contributing to Performance Measures

Measure Number	Approved Performance Measures for FY 2007-08 (Words)	Associated Activities Title
10	Maximum administrative unit cost per \$100,000 of securities placed for deposit security service purposes	ACT 1210 Provide analysis on securities held for deposit and qualified public depositories. ACT 1220 Process Transactions, account changes and audit functions.
11	Number of analyses performed on the financial condition of qualified public depositories and custodians, and securities held for regulatory collateral deposit	ACT 1210 Provide analysis on securities held for deposit and qualified public depositories.
12	Number of account actions taken on regulatory collateral deposit accounts	ACT 1220 Process Transactions, account changes and audit functions.

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LRPP Exhibit V: Identification of Associated Activity Contributing to Performance Measures

Measure Number	Approved Performance Measures for FY 2007-08 (Words)	Associated Activities Title
13	Ratio of net rate of return to established national benchmarks for: (I) Internal liquidity investments	ACT 1310 Investment of Public Funds
14	Ratio of net rate of return to established national benchmarks for: (II) Internal bridge investments	ACT 1310 Investment of Public Funds
15	Ratio of net rate of return to established national benchmarks for: (III) Internal intermediate investments - New Measure	ACT 1310 Investment of Public Funds
16	Ratio of net rate of return to established national benchmarks for: (IV) Medium term external portfolio	ACT 1310 Investment of Public Funds
17	Ratio of net rate of return to established national benchmarks for: (V) Investment grade convertible bonds	ACT 1310 Investment of Public Funds
18	Number of financial management/accounting transactions processed and reports produced	ACT 1330 Receive funds, process payment of warrants and provide account and reconciliation services
19	Number of cash management consultation services	Act 1320 Provide cash management services
20	Dollar volume of funds invested	ACT 1310 Investment of public funds

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LRPP Exhibit V: Identification of Associated Activity Contributing to Performance Measures

Measure Number	Approved Performance Measures for FY 2007-08 (Words)	Associated Activities Title
21	Minimum percent of state employees participating in the State Deferred Compensation Plan (excluding SUS employees)	ACT 1410 Administer the state supplemental deferred compensation plan REQUESTING DELETION
22	Minimum percent of state employees participating in the State Deferred Compensation Plan (including SUS employees)	ACT 1410 Administer the state supplemental deferred compensation plan REQUESTING DELETION
23	Number of participant account actions processed by the state deferred compensation office	ACT 1410 Administer the state supplemental deferred compensation plan REQUESTING DELETION
24	Number of educational materials distributed by the state deferred compensation office	ACT 1410 Administer the state supplemental deferred compensation plan REQUESTING DELETION
	New Measure - Percentage increase in deferred compensation contributions over previous year	ACT 1410 Administer the state supplemental deferred compensation plan
	New Measure - Number of new participants in the State Deferred Compensation Plan over previous year	ACT 1410 Administer the state supplemental deferred compensation plan

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LRPP Exhibit V: Identification of Associated Activity Contributing to Performance Measures

Measure Number	Approved Performance Measures for FY 2007-08 (Words)	Associated Activities Title
25	Percent of program's customers who returned an overall customer service rating of good or excellent on surveys.	ACT 2110 Accounting and Reporting of State Funds ACT 2180 FLAIR and CMS Replacement Project
26	Percent of vendor payments issued in less than the statutory time limit of 10 days.	ACT 2120 Migrate current Accounts Payable Procedures to Electronic Commerce ACT 2130 Conduct pre-audits of Selected Accounts Payable
27	Percent of vendor payments issued electronically.	ACT 2120 Migrate current Accounts Payable Procedures to Electronic Commerce
28	Percent of payroll payments issued electronically.	ACT 2150 Process State Employee Payroll
29	Percent of retirement payments issued electronically.	ACT 2120 Migrate current Accounts Payable Procedures to Electronic Commerce
30	Number of post-audits completed.	ACT 2140 Conduct post-audits of major State Programs.

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LRPP Exhibit V: Identification of Associated Activity Contributing to Performance Measures

Measure Number	Approved Performance Measures for FY 2007-08 (Words)	Associated Activities Title
31	Total dollar amount of claims paid to the owner as a percent of the total dollars in returnable accounts reported/received (Claims paid as a percent of all dollars in accounts received)	ACT 2210 Collect Unclaimed Property ACT 2220 Process and Payment of Unclaimed Property
32	Percent of the total number of claims paid to the owner compared to the total number of returnable accounts reported/received (Number of claims paid as a percent of all accounts)	ACT 2210 Collect Unclaimed Property ACT 2220 Process and Payment of Unclaimed Property
33	Number / dollar value of owner accounts processed	ACT 2220 Process and Payment of Unclaimed Property
34	Number of claims paid / dollar value of claims paid	ACT 2220 Process and Payment of Unclaimed Property
35	Percent of claims paid within 90 days from date received (cumulative total)	ACT 2220 Process and Payment of Unclaimed Property

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LRPP Exhibit V: Identification of Associated Activity Contributing to Performance Measures

Measure Number	Approved Performance Measures for FY 2007-08 (Words)	Associated Activities Title
	Compliance and Enforcement 43300200	
36	Number of fire related deaths occurring in state owned properties required to be inspected	ACT 3220 Perform Fire Safety Inspections
37	Amount of direct losses from fires in state owned buildings	ACT 3220 Perform Fire Safety Inspections
38	Percent of mandated regulatory inspections completed	ACT 3220 Perform Fire Safety Inspections
39	Number of recurring inspections completed	ACT 3220 Perform Fire Safety Inspections
40	Number of high hazard inspections completed	ACT 3220 Perform Fire Safety Inspections
41	Number of construction inspections completed	ACT 3220 Perform Fire Safety Inspections
42	Number of regulatory inspections completed	ACT 3220 Perform Fire Safety Inspections
43	Percent of fire code inspections completed within statutory defined timeframes	ACT 3220 Perform Fire Safety Inspections
44	Percent of fire code plans reviews completed within statutory defined timeframes	ACT 3230 Review construction plans for fire code compliance
45	Number of boiler inspections completed by department inspectors	ACT 3240 Perform boiler inspections
46	Number of construction plans reviewed	ACT 3230 Review construction plans for fire code compliance
47	Number of entity requests for licenses, permits and certifications processed within statutorily mandated time frames	ACT 3210 License the fire protection industry

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LRPP Exhibit V: Identification of Associated Activity Contributing to Performance Measures

Measure Number	Approved Performance Measures for FY 2007-08 (Words)	Associated Activities Title
	Fire and Arson Investigations 43300300	
48	Percent of closed fire investigations successfully concluded, including by cause determined, suspect identified and/or, arrested or other reasons	ACT 3310 Investigate Fires - accidental, arson and other
49	Percent of arson arrests resulting in conviction	ACT 3310 Investigate Fires - accidental, arson and other
50	Percent of closed arson investigations for which an arrest was made in Florida	ACT 3310 Investigate Fires - accidental, arson and other
51	Total number of closed fire investigations involving economic or physical loss	ACT 3310 Investigate Fires - accidental, arson and other

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LRPP Exhibit V: Identification of Associated Activity Contributing to Performance Measures

Measure Number	Approved Performance Measures for FY 2007-08 (Words)	Associated Activities Title
	Professional Training and Standards 43300400	
52	Percent of above satisfactory ratings by supervisors of students' job performance from post-class evaluations of skills gained through training at the Florida State Fire College	ACT 3410 Provide state, local, and business professional training & education
53	Challenges to examination results and eligibility determination as a percent of those eligible to challenge	ACT 3410 Provide state, local, and business professional training & education
54	Number of students trained and classroom contact hours provided by the Florida State Fire College	ACT 3410 Provide state, local, and business professional training & education
55	Number of examinations administered	ACT 3421 Provide state, local, and business professional standards, testing and statutory compliance
56	Percent of Fire College students passing certification exam on first attempt	ACT 3410 Provide state, local, and business professional training & education

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LRPP Exhibit V: Identification of Associated Activity Contributing to Performance Measures

Measure Number	Approved Performance Measures for FY 2007-08 (Words)	Associated Activities Title
	Fire Marshal Admin and Support Services 43300500	
57	Administrative costs as a percent of program agency costs	ACT 0010 Executive Direction
58	Administrative positions as a percent of total program positions	ACT 0010 Executive Direction
59	Number of evidence sample analyses / examinations processed and photographic services provided	ACT 3510 Provide forensic laboratory services
60	Number of total incidents reported to the Florida Fire Incident Reporting System	ACT 3520 Fire Incident Reporting

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LRPP Exhibit V: Identification of Associated Activity Contributing to Performance Measures

Measure Number	Approved Performance Measures for FY 2007-08 (Words)	Associated Activities Title
61	Average operational cost per claim worked	ACT 4110 Provide adjusting services on state workers' compensation ACT 4120 Provide adjusting services on state liability claims ACT 4130 Process property claims on state-owned buildings (structure & contents)
62	Number of workers' compensation claims requiring some payment per 100 FTE employees	ACT 4110 Provide adjusting services on state workers' compensation
63	Average cost of workers' compensation claims paid	ACT 4110 Provide adjusting services on state workers' compensation
64	Percent of liability claims closed in relation to liability claims worked during the fiscal year	ACT 4120 Provide adjusting services on state liability claims
65	State employees' workers' compensation benefit cost rate, as defined by indemnity and medical benefits, per \$100 of state employees' payroll as compared to prior years	ACT 4110 Provide adjusting services on state workers' compensation
66	Percent of indemnity and medical payments made in a timely manner in compliance with DFS Rule 4L-24.021, F.A.C.	ACT 4110 Provide adjusting services on state workers' compensation
67	Number/percent of responses indicating the risk services training they received was useful in developing and implementing risk management plans in their agencies	ACT 4140 Provide risk services training and consultation
68	Average cost of tort liability claims paid	ACT 4120 Provide adjusting services on state liability claims
69	Average cost of federal civil rights liability claims paid	ACT 4120 Provide adjusting services on state liability claims
70	Average cost of property claims paid	ACT 4130 Process property claims on state-owned buildings (structure & contents)
71	Risk services training and consultation as measured by the number of training units (1 unit = 8 hours) provided and consultation contacts made	ACT 4140 Provide risk services training and consultation
72	Number of workers' compensation claims worked	ACT 4110 Provide adjusting services on state workers' compensation
73	Number of liability claims worked	ACT 4120 Provide adjusting services on state liability claims
74	Number of workers' compensation claims litigated	ACT 4110 Provide adjusting services on state workers' compensation
75	Number of state property loss/damage claims worked	ACT 4130 Process property claims on state-owned buildings (structure & contents)

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LRPP Exhibit V: Identification of Associated Activity Contributing to Performance Measures

Measure Number	Approved Performance Measures for FY 2007-08 (Words)	Associated Activities Title
76	Ratio of companies in receivership discharged to the number of companies placed in receivership during the fiscal year. <u>Revised Measure-</u> Percentage of companies with only class 3 or higher claims closed within 2 years after all litigation is concluded and all objections have been resolved	ACT 5110 Rehabilitate and/or liquidate financially impaired insurance companies
77	Maximum number of insurance companies entering rehabilitation or liquidation	ACT 5110 Rehabilitate and/or liquidate financially impaired insurance companies <u>Requesting Deletion of Performance Measure</u>
78	Percent of appraised value of assets liquidated for real property	ACT 5110 Rehabilitate and/or liquidate financially impaired insurance companies
79	Percent of appraised value of assets liquidated for personal property	ACT 5110 Rehabilitate and/or liquidate financially impaired insurance companies
80	Total number of insurance companies in rehabilitation or liquidation during the year	ACT 5110 Rehabilitate and/or liquidate financially impaired insurance companies <u>Requesting Deletion of Performance Measure</u>

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LRPP Exhibit V: Identification of Associated Activity Contributing to Performance Measures

Measure Number	Approved Performance Measures for FY 2007-08 (Words)	Associated Activities Title
81	Maximum percent of insurance representatives requiring discipline or oversight <u>Percent of licensees disciplined.</u>	ACT 5250 Investigate Agents & Agencies ACT 5240 Administration of education requirements (pre-licensing and continuing education) ACT 5210 Review Applications for licensure (qualification)
82	Number of applications for licensure processed	Request Deletion of Performance Measure
83	Number of appointment actions processed	Request Deletion of Performance Measure
84	Number of applicants and licenses required to comply with education requirements	Request Deletion of Performance Measure
85	Number of examinations administered and licenses authorized	Request Deletion of Performance Measure
86	Number of agent and agency investigations completed	Request Deletion of Performance Measure
87	Number of agent and agency investigations opened	Request Deletion of Performance Measure
88	Percent of investigative actions resulting in administrative action against agents and agencies	Request Deletion of Performance Measure
	New Measure - Percent of applications processed within 7 working days	ACT 5210 Review Applications for licensure (qualification) ACT 5220 Administers examinations and issues licenses. ACT 5240 Administration of education requirements (pre-licensing and continuing education)
	New Measure- Percent of satisfaction of Customer Contract Center services.	ACT 5210 Review Applications for licensure (qualification) ACT 5230 Administer the appointment process from employers and insurers ACT 5240 Administration of education requirements (pre-licensing and continuing education)
	New Measure- Percent of licensees complying with continuing education requirements	ACT 5240 Administration of education requirements (pre-licensing and continuing education)
	New Measure- Percent of investigations completed within 150 days.	ACT 5250 Investigate agents and agencies
	New Measure- Percent of completed investigations recommended for formal action that result in an action.	ACT 5250 Investigate agents and agencies

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LRPP Exhibit V: Identification of Associated Activity Contributing to Performance Measures

Measure Number	Approved Performance Measures for FY 2007-08 (Words)	Associated Activities Title
89	Percent of insurance fraud cases presented for prosecution by law enforcement investigators	ACT 5310 Investigate insurance fraud (general) ACT 5320 Investigate workers' compensation insurance fraud
90	Number of insurance fraud investigations completed (not including workers' compensation cases)	ACT 5310 Investigate insurance fraud (general)
91	Number of worker's compensation insurance fraud investigations completed (not including general fraud investigations)	ACT 5320 Investigate workers' compensation insurance fraud
92	Number of cases presented for prosecution	ACT 5310 Investigate insurance fraud (general) ACT 5320 Investigate workers' compensation insurance fraud
93	Dollar amount of restitution ordered by the court as a percent of the amount recommended by the Department for fraud investigations, by year ordered	ACT 5310 Investigate insurance fraud (general) ACT 5320 Investigate workers' compensation insurance fraud
94	Dollar amount of recommended orders of restitution, per <i>capita case</i>	ACT 5310 Investigate insurance fraud (general) ACT 5320 Investigate workers' compensation insurance fraud

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LRPP Exhibit V: Identification of Associated Activity Contributing to Performance Measures

Measure Number	Approved Performance Measures for FY 2007-08 (Words)	Associated Activities Title
95	Percent of consumer activities that result in quality service and consumer satisfaction	ACT 5410 Respond to consumer requests for assistance ACT 5420 Provide consumer educational activities ACT 5430 Answer consumer telephone calls Request Deletion of Performance Measure
96	Number of consumer educational materials created and distributed	ACT 5420 Provide consumer educational activities Request Deletion of Performance Measure
97	Number of telephone calls answered through the consumer helpline	ACT 5430 Answer consumer telephone calls Request Deletion of Performance Measure
98	Number of consumer requests and information inquiries handled	ACT 5410 Respond to consumer requests for assistance Request Deletion of Performance Measure
	New Measure -Percent of consumer activities that result in quality service	ACT 5410 Respond to consumer requests for assistance ACT 5420 Provide consumer educational activities ACT 5430 Answer consumer telephone calls
	New Measure - Percentage of consumers satisfied with the service provided	ACT 5410 Respond to consumer requests for assistance ACT 5420 Provide consumer educational activities ACT 5430 Answer consumer telephone calls
	New Measure - Percentage of phone calls answered within two minutes	ACT 5430 Answer consumer telephone calls

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LRPP Exhibit V: Identification of Associated Activity Contributing to Performance Measures

Measure Number	Approved Performance Measures for FY 2007-08 (Words)	Associated Activities Title
99	Number of cemetery and certificate of authority examinations completed	Requesting deletion of performance measure
	New Measure - Percentage of establishments and cemeteries inspected per year	ACT 5470 Examine and regulate licensees in the Funeral & Cemetery business (Chapter 497) to ensure regulatory compliance
	New Measure - Percentage of financial examinations with deficit findings that result in deficits being corrected	ACT 5470 Examine and regulate licensees in the Funeral & Cemetery business (Chapter 497) to ensure regulatory compliance
	New Measure - Percentage of cemetery inspections with findings that resulted in improved care and maintenance and/or more accurate burial records	ACT 5470 Examine and regulate licensees in the Funeral & Cemetery business (Chapter 497) to ensure regulatory compliance
	New Measure - Percentage of funeral establishment inspections with health and safety findings that resulted in improved standards and conditions	ACT 5470 Examine and regulate licensees in the Funeral & Cemetery business (Chapter 497) to ensure regulatory compliance
	New Measure - Percentage of license applications processed within 20 days of receipt	ACT 5470 Examine and regulate licensees in the Funeral & Cemetery business (Chapter 497) to ensure regulatory compliance

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LRPP Exhibit V: Identification of Associated Activity Contributing to Performance Measures

Measure Number	Approved Performance Measures for FY 2007-08 (Words)	Associated Activities Title
100	Percent of first indemnity payments made timely	ACT 6110 Monitor and audit workers' compensation insurers to ensure benefit payments
101	Percent of injured workers returning to work at 80% or more of previous average quarterly wage during the four-quarter period following the quarter of injury	Requesting deletion of performance measure
102	Number of claim files reviewed annually	ACT 6110 Monitor and audit workers' compensation insurers to ensure benefit payments
103	Number of employer investigations conducted	ACT 6120 Verify that employers comply with workers' compensation laws
104	Number of injured workers that obtained one or more benefits due to intervention by the Employee Assistance Office	ACT 6130 Facilitate the informal resolution of disputes with injured workers, employers and insurance carriers
105	Percentage of injured workers that obtain one or more benefits due to intervention by the Employee Assistance Office	ACT 6130 Facilitate the informal resolution of disputes with injured workers, employers and insurance carriers
106	Percentage of injured workers verbally contacted by an Employee Assistance Office representative	ACT 6130 Facilitate the informal resolution of disputes with injured workers, employers and insurance carriers
107	Number of reimbursement requests (SDF-2) audited	ACT 6140 Provide reimbursement for workers' compensation claims paid by insurance carriers on employees hired with preexisting conditions
108	Number of reimbursement requests (SDF-2) paid	ACT 6140 Provide reimbursement for workers' compensation claims paid by insurance carriers on employees hired with preexisting conditions
109	Amount of assessment dollars collected - WCATF	ACT 6150 Collection of assessments from workers' compensation insurance providers
110	Amount of assessment dollars collected - SDTF	ACT 6150 Collection of assessments from workers' compensation insurance providers

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