

Long-Range Program Plan

2009 - 2014

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Chief Financial Officer

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MISSION

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

VISION

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

TRENDS & CONDITIONS

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

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

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

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

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

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

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

METHODOLOGY

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

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

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

FINANCIAL ACCOUNTABILITY

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

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

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

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

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

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

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

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

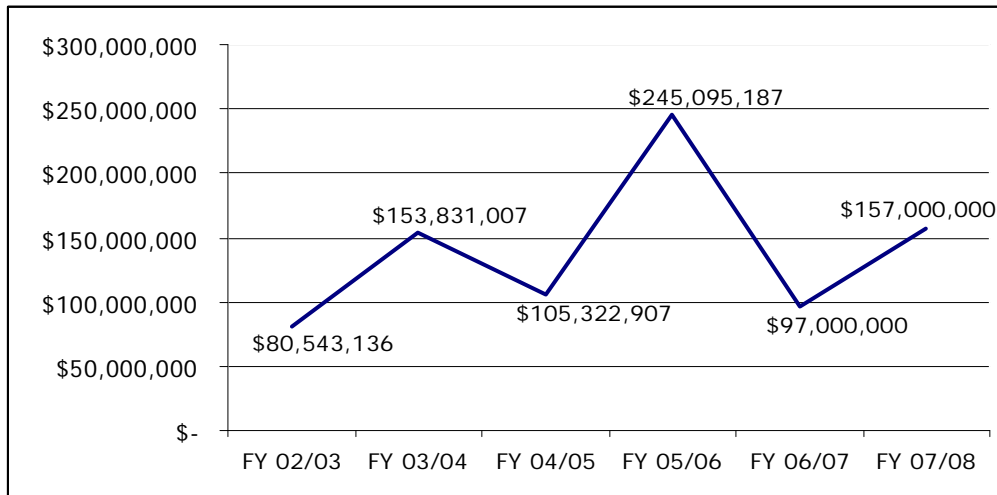


Figure 1-BUP. Unclaimed property receipts (net amounts) transferred to State School Fund.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

ENFORCEMENT

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

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

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

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

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

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

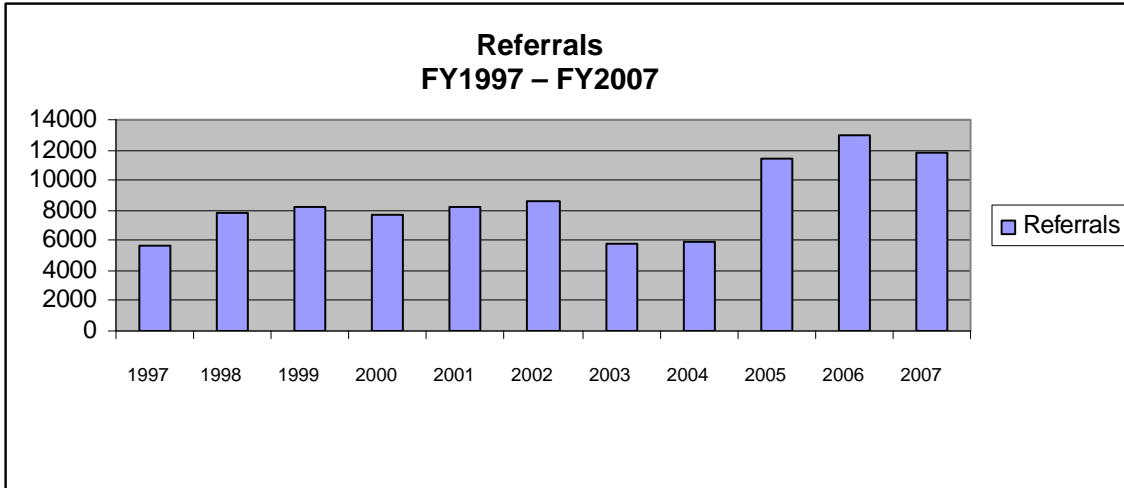
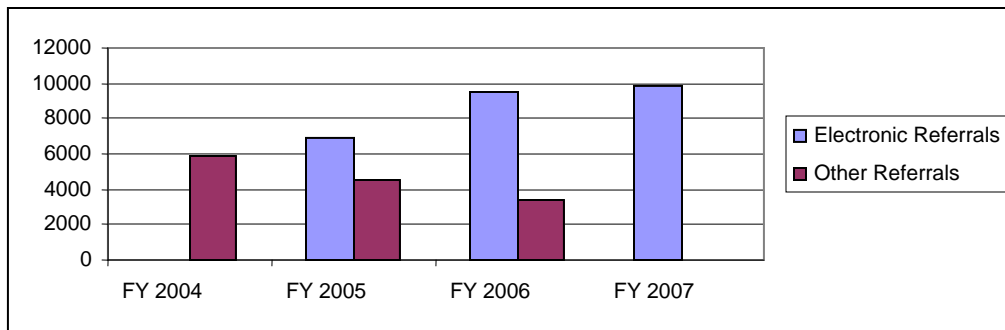


Figure 1-IF. Number of reported insurance fraud referrals received between FY1997 and FY2007. The Division experienced a 108% increase during the 10 year period: from 5,681 referrals in 1997 to 11,814 referrals in 2007.



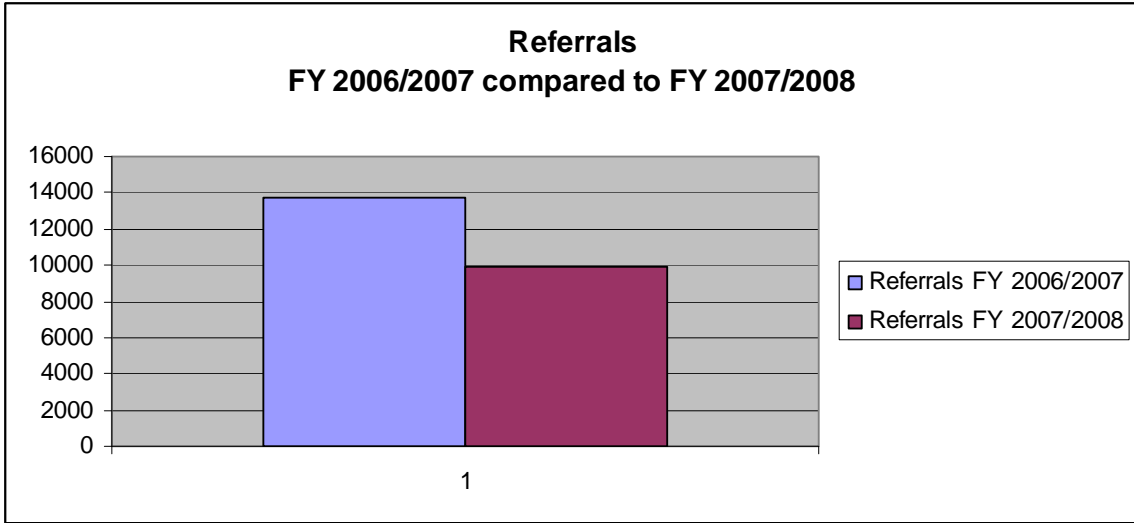


Figure 2-IF. Referrals have declined comparatively from FY 2006/2007 to FY 2007/2008, due mostly due to tenure of the electronic referral system, in which duplicate referrals and non-insurance fraud related referrals are less frequently submitted to the Division.

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

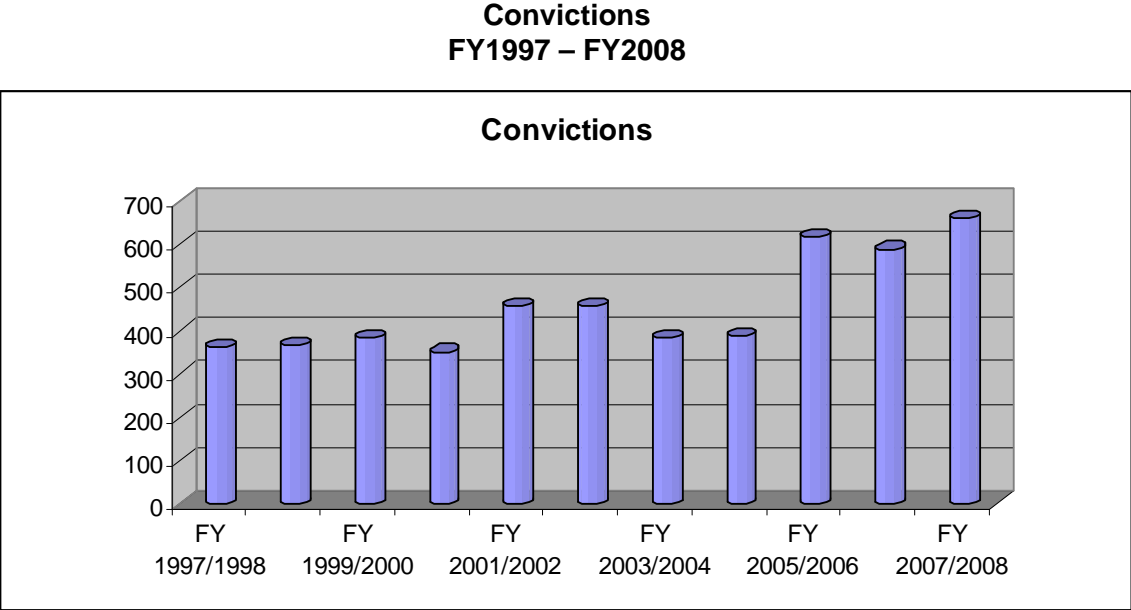


Figure 3-IF. Convictions have increased by 83% over the past 10 years.

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

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

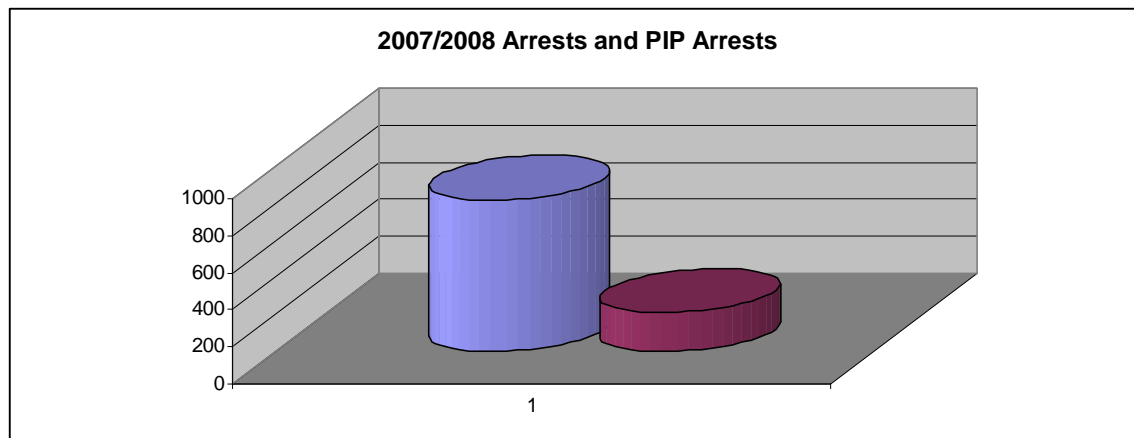


Figure 4-IF. PIP arrests compared to all arrests for FY2007/2008.

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

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

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

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

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

**Arrests
FY1997 – FY2007**

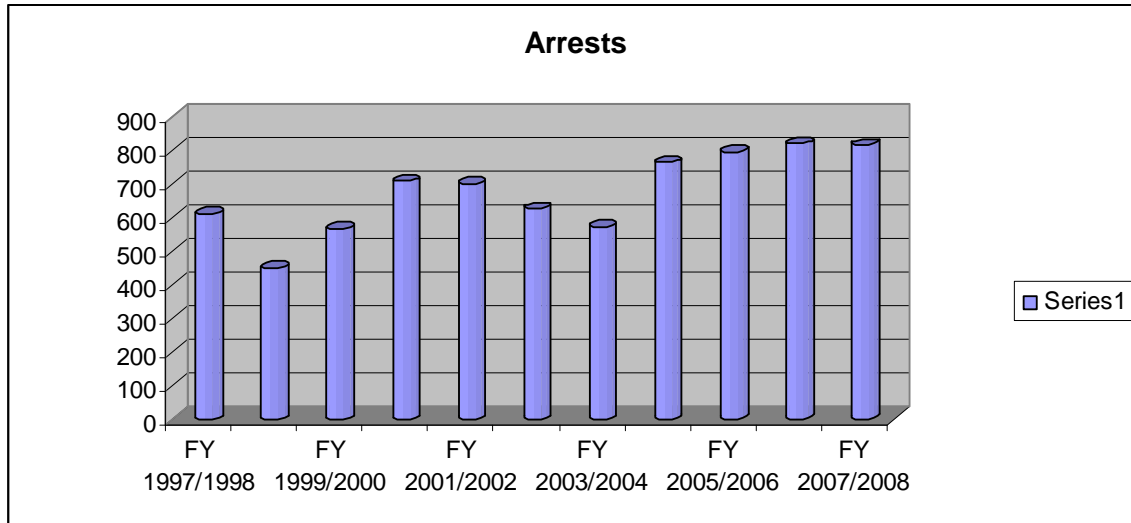


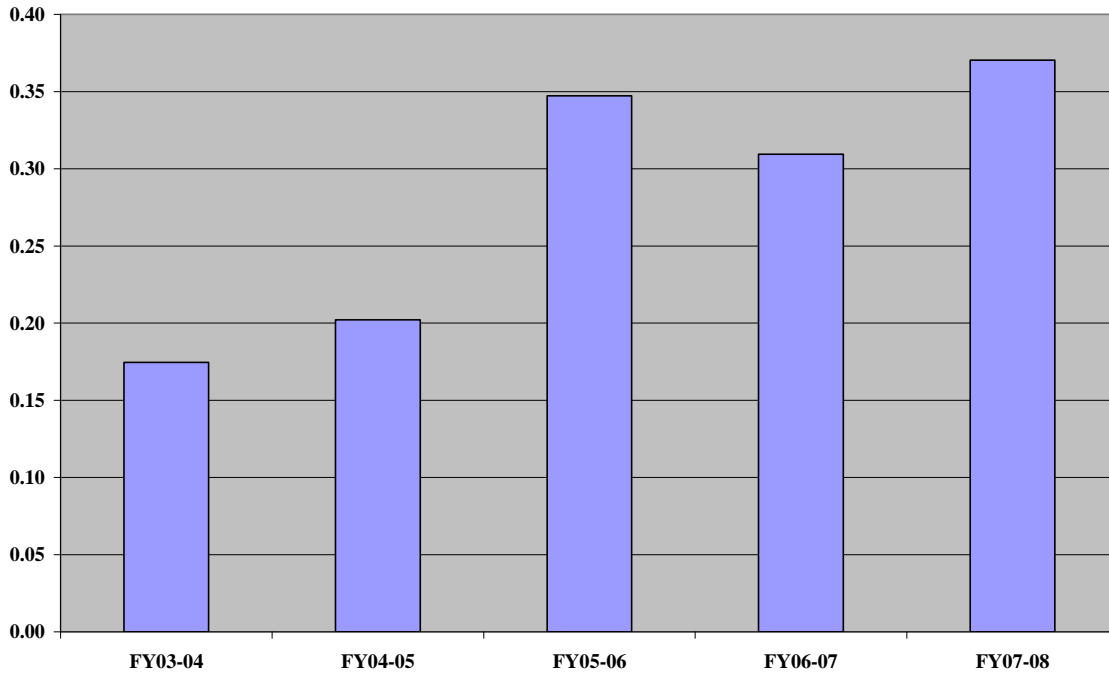
Figure 5-IF. Arrests increased 80% from FY 1997/1998 to FY 2007/2008.

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

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

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

Figure 1 - BFAI Arson Arrest Percentage



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

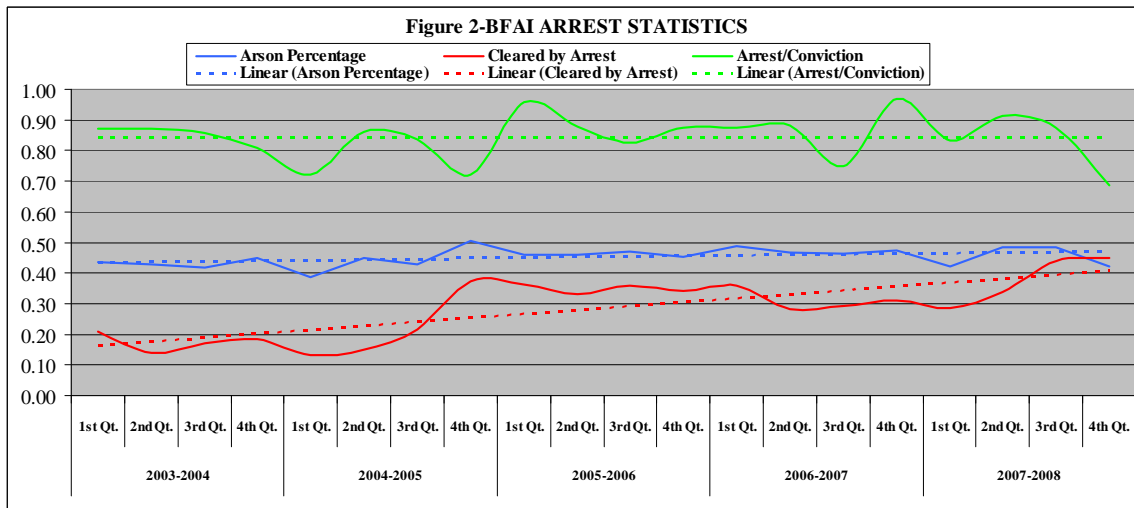


Figure 2-BFAI. Graphical display of fires determined to be arson, cleared by arrest and cleared by arrest with a conviction.

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

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

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

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

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

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

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

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

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

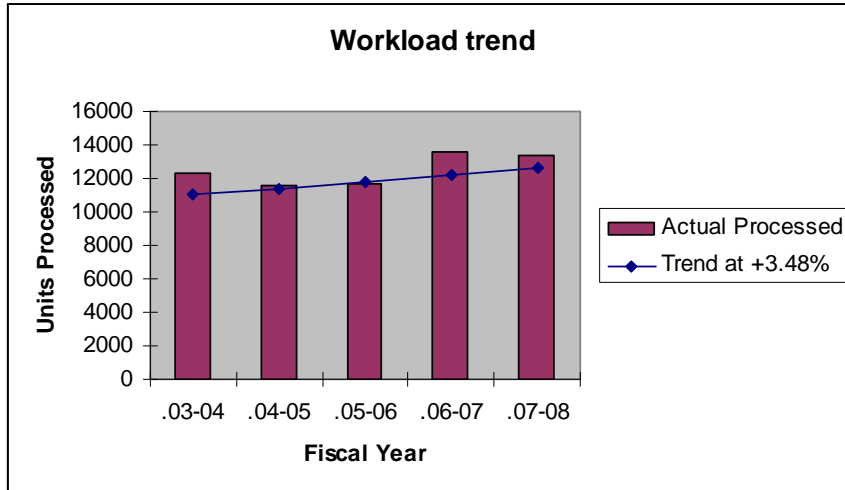


Figure 1-BFFEA. Growth of evidence samples, analyses and images processed from FY2004 to FY2008.

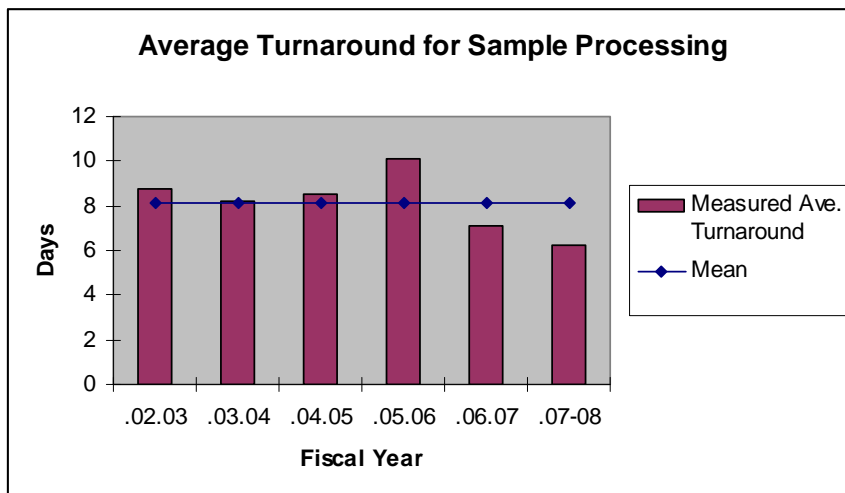


Figure 2-BFFEA. Average turnaround time for sample processing from FY2003 to FY2008.

Despite the trend for workload increases, the Bureau has kept the average turnaround time for completed sample analyses to under the six year mean of 8.15 calendar days (Figure 2-BFFEA) and the measured average has dropped significantly for the past two years (currently 1.95 days under the mean). However, scientific, accreditation and forensic requirements for laboratories continually increase. The laboratory has completed an upgrade to its database in order to meet some of the increased requirements for meeting accreditation goals.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

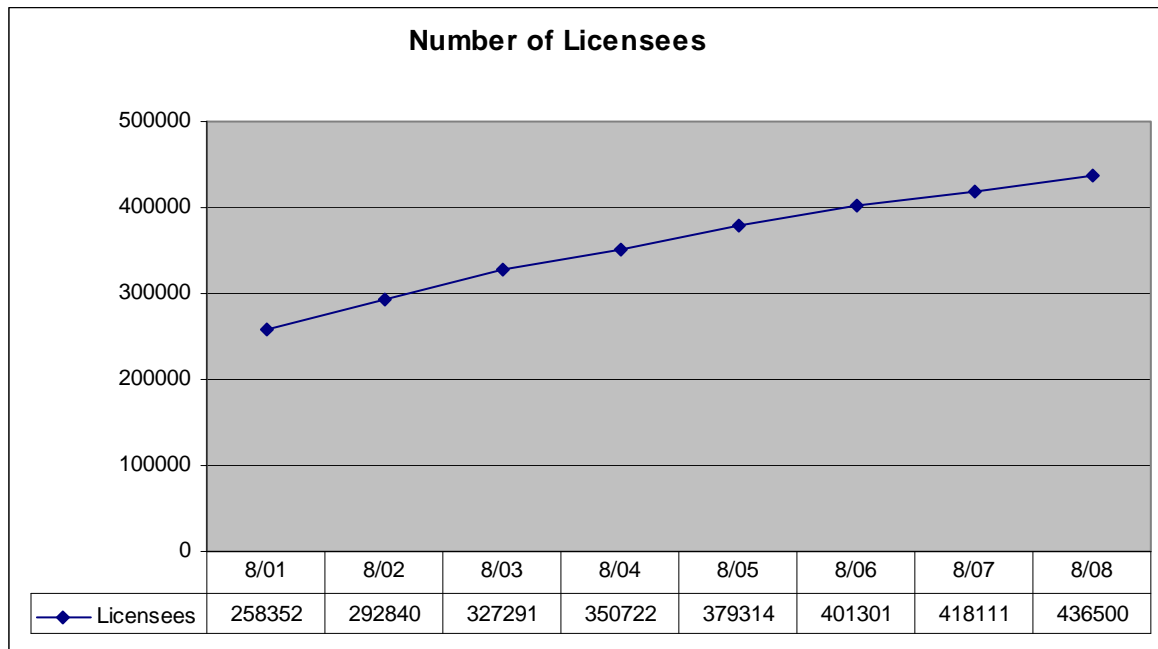
The majority of active title investigations involve title insurance agents and agencies failing to fulfill their fiduciary responsibilities to Florida consumers or the title insurer. Cases involved allegations that the proper premiums were not forwarded to the title insurer, the escrow funds of the consumer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

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

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

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

Figure 1-AAS Licensee Population (Individuals & Firms)



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

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

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

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

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

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

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

FIRE SAFETY

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

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

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

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

Number of Buildings Inspected

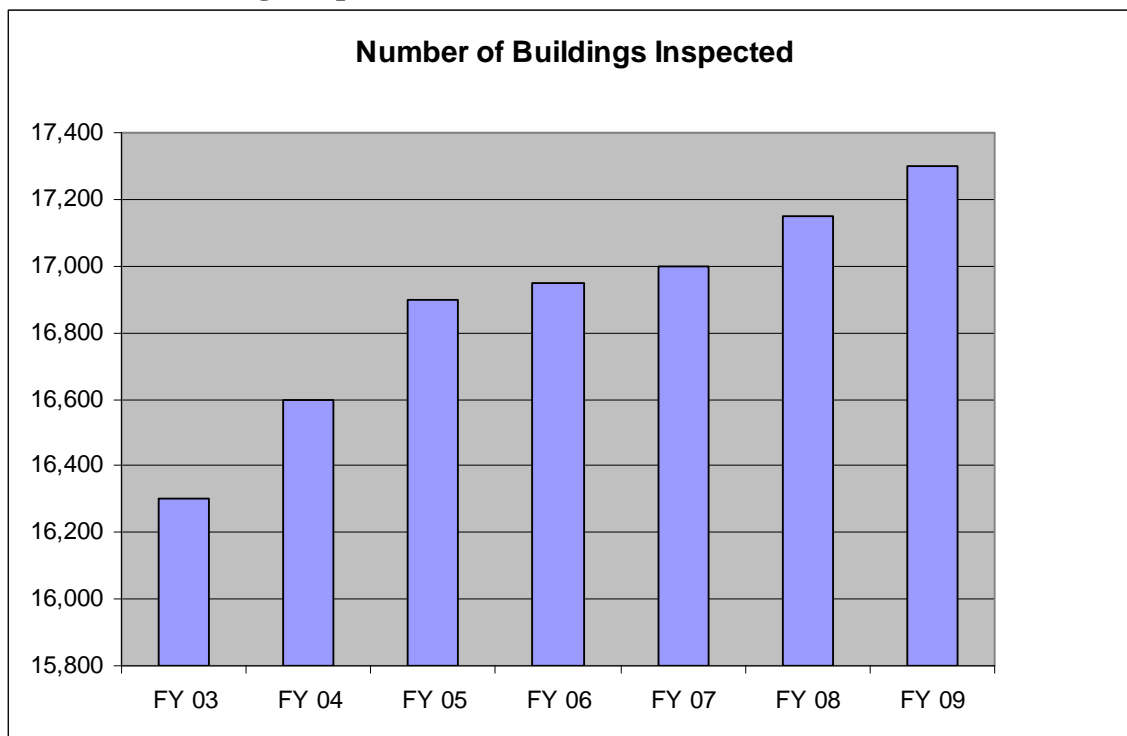


Figure 1-BFP. Number of buildings inspected by fiscal year from FY2003 to FY2008, with the planned inspections for FY2009.

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

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

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

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

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

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

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

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

Table 1-BFFIRS. Five year trend of reported incidents

EDUCATION

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

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

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

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

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

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

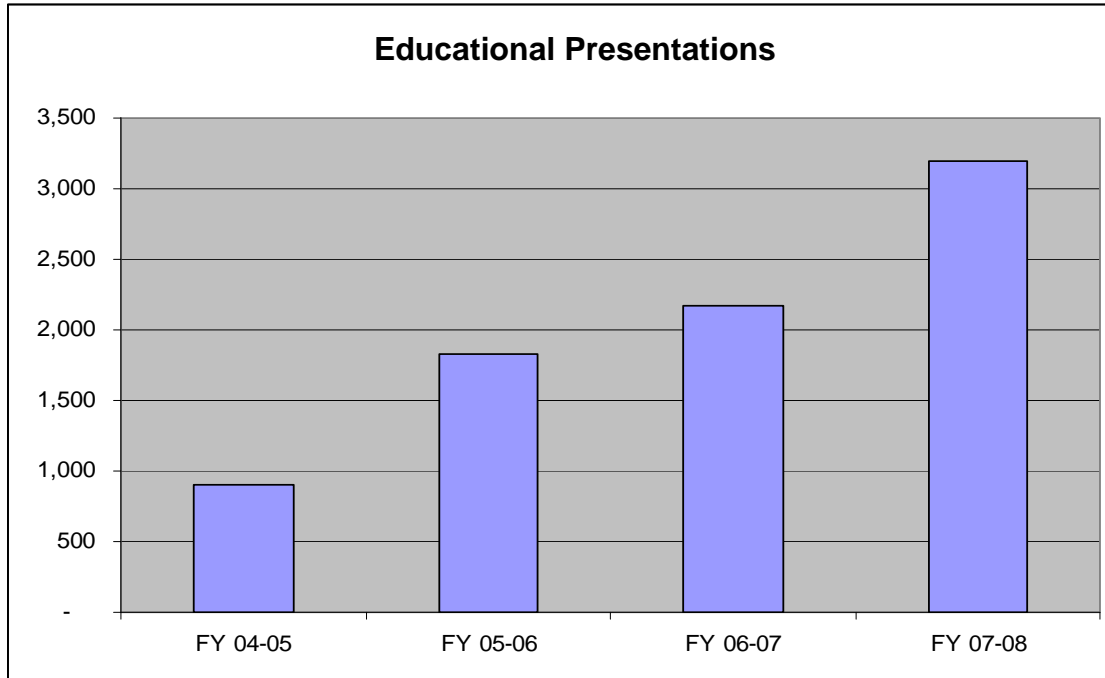


Figure 1-CS. Four year trend in number of educational presentations given by the Division of Consumer Services.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

ADVOCACY

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

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

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

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

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

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

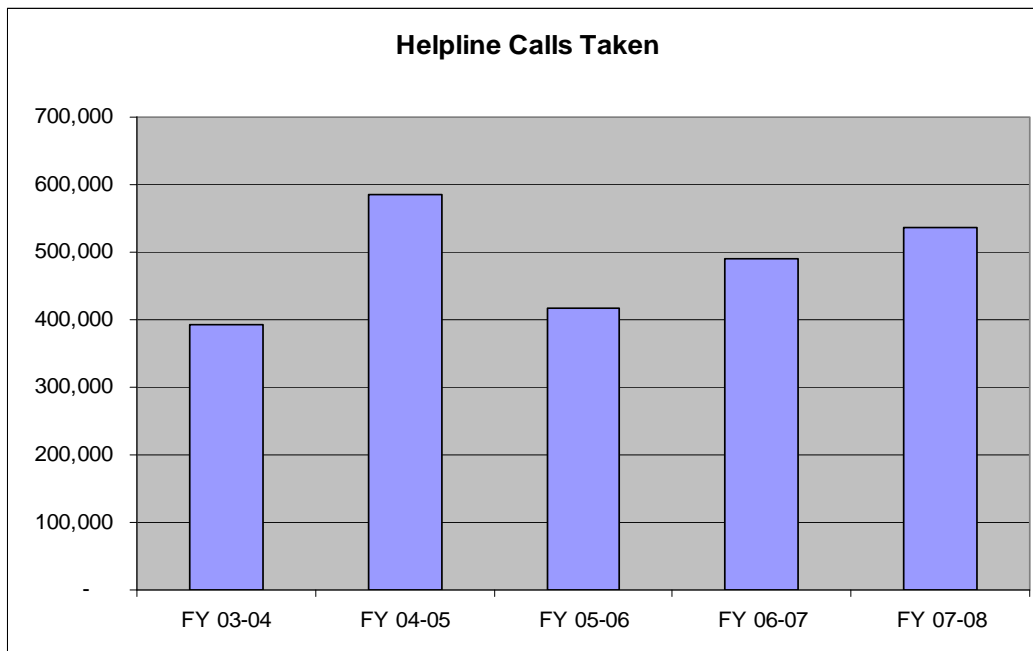


Figure 2-CS. Five year trend in number of calls taken at the Helpline

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

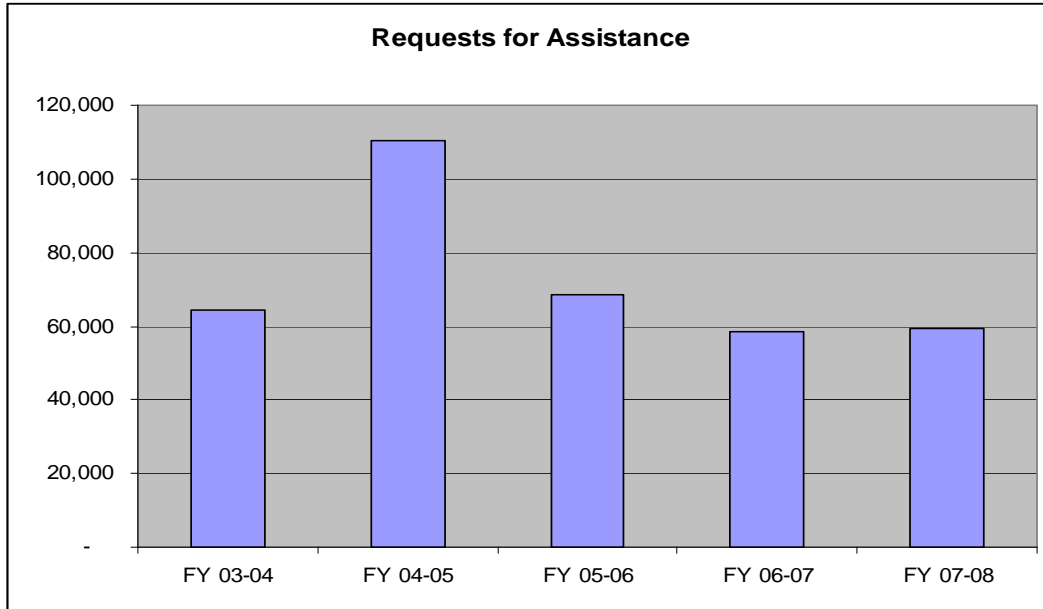


Figure 2-CS. Five year trend in the number of requests for assistance worked on by staff.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

PRIORITIZATION OF GOALS AND OBJECTIVES

FINANCIAL ACCOUNTABILITY

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

Division of Accounting and Auditing

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

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

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

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

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

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

Division of Risk Management

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

Outcome: Percentage of payments made timely.

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

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

Outcome: Annual increases in the number of ACH transactions

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

**Division of Treasury
Bureau of Collateral Management**

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

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

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

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

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

**Division of Treasury
Bureau of Funds Management**

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

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

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

Division of Rehabilitation and Liquidation

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

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

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

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

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

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

FINANCIAL ACCOUNTABILITY

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

Division of Accounting and Auditing

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

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

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

Division of Administration

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

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

ENFORCEMENT

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

Division of Insurance Fraud

Objective 3A: Increase the professionalism of the Division

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

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

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

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

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

* Previously set goal

Division of State Fire Marshal Bureau of Fire and Arson Investigations

Objective 3C: Produce more prosecutable cases

Outcome: Percent of arson arrests resulting in conviction

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

Bureau of Forensic Fire and Explosives Analysis

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

Outcome: Average turnaround time

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

Division of Funeral, Cemetery and Consumer Services

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Division of Legal Services

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

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

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

FIRE SAFETY

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

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

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

Outcome: Percentage of mandated regulatory inspections completed

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

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

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

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

Florida Fire Incident Reporting System

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

Outcome: Percentage of Florida fire departments submitting incidents

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

*Calendar year

EDUCATION

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

Division of Consumer Services

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

Outcome a: Percentage of consumers satisfied with the services provided

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

Outcome b: Percentage of phone calls answered within two minutes

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

Division of Treasury

Bureau of Deferred Compensation

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

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

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

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

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

My Safe Florida Home

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

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

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

*Time-limited program

Division of State Fire Marshal Bureau of Fire Standards and Training

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

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

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

Division of Risk Management

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

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

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

ADVOCACY

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

Office of Insurance Consumer Advocate

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

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

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

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

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

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

Division of Consumer Services

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

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

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

Division of Information Services

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

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

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

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

Division of Administration

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

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

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

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

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

Office of the Inspector General

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

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

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

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

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

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

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

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

SERVICE OUTCOMES

Program: Office of Chief Financial Officer and Administration

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

43010100 Executive Direction and Support Services

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

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

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

43010200 Legal Services

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

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

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

43010300 Information Technology

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

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

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

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

43010400 Consumer Advocate

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

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

43010500 Information Technology – FLAIR Infrastructure

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

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

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

Program: Treasury

43100200 Deposit Security

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

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

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

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

43100300 State Funds Management and Investment

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

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

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

43100400 Supplemental Retirement Plan

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

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

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

Program: Financial Accountability for Public Funds

43200100 State Financial Information and State Agency Accounting

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

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

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

43200200 Recovery and Return of Unclaimed Property

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

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

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

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

Program: Fire Marshal

43300200 Compliance and Enforcement

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

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

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

43300300 Fire and Arson Investigations

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

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

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

43300400 Professional Training and Standards

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

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

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

43300500 Fire Marshal Administrative and Support Services

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

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

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

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

Program: State Property and Casualty Claims

43400100 State Self-Insured Claims Adjustment

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

Service Outcome: Average operational cost per claim worked.

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

Program: Licensing and Consumer Protection

43500100 Insurance Company Rehabilitation and Liquidation

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

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

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

43500200 Licensure Sales Appointment and Oversight

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

Service Outcome: Percent of licensees disciplined.

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

43500300 Insurance Fraud

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

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

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

*represents a 1% percentage increase over the previous year

43500400 Consumer Assistance

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

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

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

43500500 Funeral and Cemetery Services

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

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

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

Program: Workers' Compensation

43600100 Workers' Compensation

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

Service Outcome: Percent of first indemnity payments made timely.

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

Glossary of Terms and Acronyms

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

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

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

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

BFFEA: Bureau of Forensic Fire and Explosives Analysis

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

CAFR – Comprehensive Annual Financial Report

CIO - Chief Information Officer

CIP - Capital Improvements Program Plan

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

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

DFS – Department of Financial Services

EOG - Executive Office of the Governor

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

FCO - Fixed Capital Outlay

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

FLAIR - Florida Accounting Information Resource Subsystem

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

F.S. - Florida Statutes

GAA - General Appropriations Act

GR - General Revenue Fund

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

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

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

Input: See Performance Measure.

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

IOE - Itemization of Expenditure

IT - Information Technology

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

LAN - Local Area Network

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

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

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

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

L.O.F. - Laws of Florida

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

LRPP - Long-Range Program Plan

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

NASBO - National Association of State Budget Officers

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

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

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

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

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

Outcome: See Performance Measure.

Output: See Performance Measure.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Service: See Budget Entity.

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

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

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

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

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

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

STO - State Technology Office

SWOT - Strengths, Weaknesses, Opportunities and Threats

TCS - Trends and Conditions Statement

TF - Trust Fund

TRW - Technology Review Workgroup

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

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

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

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

WAN - Wide Area Network (Information Technology)

LRPP Exhibit II - Performance Measures and Standards

Department: DEPARTMENT OF FINANCIAL SERVICES AND CHIEF FINANCIAL OFFICER

Program: Office of Chief Financial Officer and Administration	Code: 43010000
Service/Budget Entity: Executive Direction and Support Services	Code: 43010100

Approved Performance Measures for FY 2008-09 (Words)	Approved Prior Year Standard FY 2007-08 (Numbers)	Prior Year Actual FY 2007-08 (Numbers)	Approved Standards for FY 2008-09 (Numbers)	Requested FY 2009-10 Standard (Numbers)
Administrative costs as a percent of total agency costs	4.43%	4.37%	4.43%	4.43%
Administrative positions as a percent of total agency positions	4.93%	5.33%	4.93%	4.93%

LRPP Exhibit II - Performance Measures and Standards

Department: DEPARTMENT OF FINANCIAL SERVICES AND CHIEF FINANCIAL OFFICER

Program: Office of Chief Financial Officer and Administration	Code: 43010000
Service/Budget Entity: Legal Services	Code: 43010200

Approved Performance Measures for FY 2008-09 (Words)	Approved Prior Year Standard FY 2007-08 (Numbers)	Prior Year Actual FY 2007-08 (Numbers)	Approved Standards for FY 2008-09 (Numbers)	Requested FY 2009-10 Standard (Numbers)
Percent of closed files involving allegations of statutory violation that were successfully prosecuted	88%	97%	88%	88%

LRPP Exhibit II - Performance Measures and Standards

Department: DEPARTMENT OF FINANCIAL SERVICES AND CHIEF FINANCIAL OFFICER

Program: Office of Chief Financial Officer and Administration	Code: 43010000
Service/Budget Entity: Information Technology	Code: 43010300

Approved Performance Measures for FY 2008-09 (Words)	Approved Prior Year Standard FY 2007-08 (Numbers)	Prior Year Actual FY 2007-08 (Numbers)	Approved Standards for FY 2008-09 (Numbers)	Requested FY 2009-10 Standard (Numbers)
Percent of customers who returned a customer service satisfaction rating of at least seven (4) on a scale of one (1) to ten (5) on surveys	85%	93.8	85%	Request deletion
Information technology costs as a percent of total agency cost	4.21%	10.60%	4.21%	12.00%
Information technology positions as a percent of total agency positions	3.33%	9.08%	3.33%	10.00%
System design and programming hourly cost	\$60	N/A	\$60	Request deletion
Percent of scheduled hours computer and network are available	99.95%	FLAIR: 99.21%; Non-FLAIR: 99.53%; Infrastructure: 98.53%; Oracle DB: 95.34%	99.95%	99.95%
Percent of scheduled services completed timely	90%	N/A	90%	Request deletion

LRPP Exhibit II - Performance Measures and Standards

Department: DEPARTMENT OF FINANCIAL SERVICES AND CHIEF FINANCIAL OFFICER

Program: Office of Chief Financial Officer and Administration	Code: 43010000
Service/Budget Entity: Consumer Advocate	Code: 43010400

Approved Performance Measures for FY 2008-09 (Words)	Approved Prior Year Standard FY 2007-08 (Numbers)	Prior Year Actual FY 2007-08 (Numbers)	Approved Standards for FY 2008-09 (Numbers)	Requested FY 2009-10 Standard (Numbers)

* This budget entity was created effective July 1, 2008. The department is working to develop performance measures and will request consideration of new performance for this entity in a future performance measure amendment.

LRPP Exhibit II - Performance Measures and Standards

Department: DEPARTMENT OF FINANCIAL SERVICES AND CHIEF FINANCIAL OFFICER

Program: Office of Chief Financial Officer and Administration	Code: 43010000
Service/Budget Entity: Information Technology-FLAIR Infrastructure	Code: 43010500

Approved Performance Measures for FY 2008-09 (Words)	Approved Prior Year Standard FY 2007-08 (Numbers)	Prior Year Actual FY 2007-08 (Numbers)	Approved Standards for FY 2008-09 (Numbers)	Requested FY 2009-10 Standard (Numbers)

* This budget entity was created effective July 1, 2008. The department is working to develop performance measures and will request consideration of new performance for this entity in a future performance measure amendment.

LRPP Exhibit II - Performance Measures and Standards

Department: DEPARTMENT OF FINANCIAL SERVICES AND CHIEF FINANCIAL OFFICER

Program: Treasury	Code: 43100000
Service/Budget Entity: Deposit Security	Code: 43100200

Approved Performance Measures for FY 2008-09 (Words)	Approved Prior Year Standard FY 2007-08 (Numbers)	Prior Year Actual FY 2007-08 (Numbers)	Approved Standards for FY 2008-09 (Numbers)	Requested FY 2009-10 Standard (Numbers)
Maximum administrative unit cost per \$100,000 of securities placed for deposit security service purposes	\$20	\$8.69	\$20	\$20
Number of analyses performed on the financial condition of qualified public depositories and custodians, and securities held for regulatory collateral deposit	5,420	10,613	5,420	5,420
Number of account actions taken on regulatory collateral deposit accounts	39,116	52,761	39,116	39,116

LRPP Exhibit II - Performance Measures and Standards

Department: DEPARTMENT OF FINANCIAL SERVICES AND CHIEF FINANCIAL OFFICER

Program: Treasury	Code: 43100000
Service/Budget Entity: State Funds Management and Investment	Code: 43100300

Approved Performance Measures for FY 2008-09 (Words)	Approved Prior Year Standard FY 2007-08 (Numbers)	Prior Year Actual FY 2007-08 (Numbers)	Approved Standards for FY 2008-09 (Numbers)	Requested FY 2009-10 Standard (Numbers)
Ratio of net rate of return to established national benchmarks for: (I) Internal liquidity investments	1	1.25	1	1
Ratio of net rate of return to established national benchmarks for: (II) Internal bridge investments	1	1.17	1	1
Ratio of net rate of return to established national benchmarks for: (III) Internal intermediate investments	1	1.15	1	1
Ratio of net rate of return to established national benchmarks for: (IV) Medium term external portfolio	1	0.75	1	1
Ratio of net rate of return to established national benchmarks for: (V) Investment grade convertible bonds	1	No data available.	1	Request Deletion
Number of financial management/accounting transactions processed and reports produced	4,500,000	5,538,881	4,500,000	Request Deletion
Number of cash management consultation services	22	24	22	22
Dollar volume of funds invested	\$19.0 billion	\$18.269 billion	\$19.0 billion	Request Deletion

LRPP Exhibit II - Performance Measures and Standards

Department: DEPARTMENT OF FINANCIAL SERVICES AND CHIEF FINANCIAL OFFICER

Program: Treasury	Code: 43100000
Service/Budget Entity: Supplemental Retirement Plan	Code: 43100400

Approved Performance Measures for FY 2008-09 (Words)	Approved Prior Year Standard FY 2007-08 (Numbers)	Prior Year Actual FY 2007-08 (Numbers)	Approved Standards for FY 2008-09 (Numbers)	Requested FY 2009-10 Standard (Numbers)
New Measure- Number of new participants in the State Deferred Compensation Plan over previous year	N/A	1454	600	1500
New Measure- Percentage increase in deferred compensation contributions over previous year	N/A	2.62%	2%	2%
Minimum percent of state employees participating in the State Deferred Compensation Plan (excluding SUS employees)	46%		deletion requested	deletion requested
Minimum percent of state employees participating in the State Deferred Compensation Plan (including SUS employees)	39%		deletion requested	deletion requested
Number of participant account actions processed by the state deferred compensation office	2,200,000		deletion requested	deletion requested
Number of educational materials distributed by the state deferred compensation office	400,000		deletion requested	deletion requested

LRPP Exhibit II - Performance Measures and Standards

Department: DEPARTMENT OF FINANCIAL SERVICES AND CHIEF FINANCIAL OFFICER

Program: Financial Accountability for Public Funds	Code: 43200000
Service/Budget Entity: State Financial Information and State Agency Accounting	Code: 43200100

Approved Performance Measures for FY 2008-09 (Words)	Approved Prior Year Standard FY 2007-08 (Numbers)	Prior Year Actual FY 2007-08 (Numbers)	Approved Standards for FY 2008-09 (Numbers)	Requested FY 2009-10 Standard (Numbers)
Percent of program's customers who returned an overall customer service rating of good or excellent on surveys	95%	95%	95%	95%
Percent of vendor payments issued in less than the statutory time limit of 10 days	100%	99.92%	100%	100%
Percent of vendor payments issued electronically	26%	29.07%	26%	29%
New Measure- Percent of vendor payments issued via electronic funds transfer (EFT)	n/a	n/a	n/a	29%
Percent of payroll payments issued electronically	90%	96.06%	90%	90%
New Measure- Percent of payroll payments issued via electronic funds transfer (EFT)	n/a	n/a	n/a	95%
Percent of retirement payments issued electronically	83%	85.55%	83%	83%
New Measure- Percent of retirement payments issued via electronic funds transfer (EFT)	n/a	n/a	n/a	83%
Number of post-audits completed	12	5	12	12
New Measure- Number of Post-Audits and Management Review Completed	n/a	n/a	n/a	12
New Measure- Number of Clerk of the Circuit Court Budget Reviews conducted	n/a	n/a	n/a	33

LRPP Exhibit II - Performance Measures and Standards

Department: DEPARTMENT OF FINANCIAL SERVICES AND CHIEF FINANCIAL OFFICER

Program: Financial Accountability for Public Funds	Code: 43200000
Service/Budget Entity: Recovery and Return of Unclaimed Property	Code: 43200200

Approved Performance Measures for FY 2008-09 (Words)	Approved Prior Year Standard FY 2007-08 (Numbers)	Prior Year Actual FY 2007-08 (Numbers)	Approved Standards for FY 2008-09 (Numbers)	Requested FY 2009-10 Standard (Numbers)
Percent of the total dollar amount of claims paid to the owner compared to the total dollar amount of returnable accounts reported/received (Claims paid as a percent of all dollars in accounts received)	75%	184.17%	deletion requested	deletion requested
Revised Measure- Percent of the total dollar amount of claims paid to the owner in the fiscal year compared to the total dollar amount of returnable accounts reported/received in the prior fiscal year. (Claims paid as a percent of all dollars in accounts received)	n/a	n/a	75%	75%
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)	22%	35.75%	deletion requested	deletion requested
Revised Measure- Percent of the total number of claims paid to the owner in the fiscal year compared to the total number of returnable accounts reported/received in the prior fiscal year. (Number of claims paid as a percent of all accounts)	n/a	n/a	22%	22%
Number / dollar value of owner accounts processed	450,000/\$163 million	1,330,000/\$249 million	450,000/\$163 million	450,000/\$163 million
Number of claims paid / dollar value of claims paid	120,000/ \$90 million	230,000 /\$149 million	120,000/ \$90 million	120,000/ \$90 million
Percent of claims paid within 90 days from date received (cumulative total)	80%	96%	deletion requested	deletion requested
Revised Measure- Percent of claims processed within 45 days from date received (cumulative total)	n/a	n/a	80%	80%
New Measure- Percent of increase in the number of holders reporting unclaimed property this fiscal year compared to the number of holders reporting last fiscal year.	n/a	n/a	10%	10%

LRPP Exhibit II - Performance Measures and Standards

Department: DEPARTMENT OF FINANCIAL SERVICES AND CHIEF FINANCIAL OFFICER

Program: Fire Marshal	Code: 43300000
Service/Budget Entity: Compliance and Enforcement	Code: 43300200

Approved Performance Measures for FY 2008-09 (Words)	Approved Prior Year Standard FY 2007-08 (Numbers)	Prior Year Actual FY 2007-08 (Numbers)	Approved Standards for FY 2008-09 (Numbers)	Requested FY 2009-10 Standard (Numbers)
Number of fire related deaths occurring in state owned properties required to be inspected	0	0	0	0
Amount of direct losses from fires in state owned buildings	\$250,000	N/A	\$250,000	Request Deletion
Percent of mandated regulatory inspections completed	100%	100%	100%	100%
Number of recurring inspections completed	7,200	7,457	7,200	Request Deletion
Number of high hazard inspections completed	6,700	7,839	6,700	Request Deletion
Number of construction inspections completed	1,500	1,411	1,500	Request Deletion
Number of regulatory inspections completed	550	997	550	Request Deletion
Percent of fire code inspections completed within statutory defined timeframes	100%	100%	100%	100%
Percent of fire code plans reviews completed within statutory defined timeframes	100%	91%	100%	100%
Number of boiler inspections completed by department inspectors	3,500	3,969	3,500	4,200
Number of construction plans reviewed	700	966	700	Request Deletion
Number of entity requests for licenses, permits and certifications processed within statutorily mandated time frames	7,603	8,564	7,603	7,603

LRPP Exhibit II - Performance Measures and Standards

Department: DEPARTMENT OF FINANCIAL SERVICES AND CHIEF FINANCIAL OFFICER

Program: Fire Marshal	Code: 43300000
Service/Budget Entity: Fire and Arson Investigations	Code: 43300300

Approved Performance Measures for FY 2008-09 (Words)	Approved Prior Year Standard FY 2007-08 (Numbers)	Prior Year Actual FY 2007-08 (Numbers)	Approved Standards for FY 2008-09 (Numbers)	Requested FY 2009-10 Standard (Numbers)
Percent of closed fire investigations successfully concluded, including by cause determined, suspect identified and/or, arrested or other reasons	80%	80.30%	80%	80%
Percent of arson arrests resulting in conviction	87%	82.90%	87%	87%
Percent of closed arson investigations for which an arrest was made in Florida	18%	37.00%	18%	18%
Total number of closed fire investigations involving economic or physical loss	7,200	4,251	deletion requested	deletion requested

LRPP Exhibit II - Performance Measures and Standards

Department: DEPARTMENT OF FINANCIAL SERVICES AND CHIEF FINANCIAL OFFICER

Program: Fire Marshal	Code: 43300000
Service/Budget Entity: Professional Training and Standards	Code: 43300400

Approved Performance Measures for FY 2008-09 (Words)	Approved Prior Year Standard FY 2007-08 (Numbers)	Prior Year Actual FY 2007-08 (Numbers)	Approved Standards for FY 2008-09 (Numbers)	Requested FY 2009-10 Standard (Numbers)
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	90%	94.00%	90%	90%
Challenges to examination results and eligibility determination as a percent of those eligible to challenge	less than 1%	<1%	less than 1%	less than 1%
Number of students trained and classroom contact hours provided by the Florida State Fire College	4,200/ 220,000	5,105/174,812	4,200/220,000	5,000/220,000
Number of examinations administered	5,500	7,830	5,500	6,500
Percent of Fire College students passing certification exam on first attempt	82%	95.00%	82%	85%

LRPP Exhibit II - Performance Measures and Standards

Department: DEPARTMENT OF FINANCIAL SERVICES AND CHIEF FINANCIAL OFFICER

Program: Fire Marshal	Code: 43300000
Service/Budget Entity: Fire Marshal Administrative and Support Services	Code: 43300500

Approved Performance Measures for FY 2008-09 (Words)	Approved Prior Year Standard FY 2007-08 (Numbers)	Prior Year Actual FY 2007-08 (Numbers)	Approved Standards for FY 2008-09 (Numbers)	Requested FY 2009-10 Standard (Numbers)
Administrative costs as a percent of program agency costs	5.70%	3.80%	5.70%	5.70%
Administrative positions as a percent of total program positions	3.40%	2.30%	3.40%	3.40%
Number of evidence sample analyses / examinations processed and imaging services provided	6,500/ 11,488	2,874/10,822	6,500/ 11,488	6500/4988
Number of total incidents reported to the Florida Fire Incident Reporting System	1,000,000	1,868,839	1,000,000	1,000,000

LRPP Exhibit II - Performance Measures and Standards

Department: DEPARTMENT OF FINANCIAL SERVICES AND CHIEF FINANCIAL OFFICER

Program: State Property and Casualty Claims	Code: 43400000
Service/Budget Entity: Self-Insured Claims Adjustment	Code: 43400100

Approved Performance Measures for FY 2008-09 (Words)	Approved Prior Year Standard FY 2007-08 (Numbers)	Prior Year Actual FY 2007-08 (Numbers)	Approved Standards for FY 2008-09 (Numbers)	Requested FY 2009-10 Standard (Numbers)
Average operational cost per claim worked	\$160	\$217	\$160	\$239
Number of workers' compensation claims requiring some payment per 100 FTE employees	5.7	4.22	5.7	5.7
Average cost of workers' compensation claims paid	\$5,229	\$5,003	\$5,229	\$5,229
Percent of liability claims closed in relation to liability claims worked during the fiscal year	0%	53.5%	49%	49%
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	\$1.33	\$1.03	\$1.33	\$1.10
Percent of indemnity and medical payments made in a timely manner in compliance with DFS Rule 4L-24.021, F.A.C.	95%	98%	95%	95%
Number/percent of responses indicating the risk services training they received was useful in developing and implementing risk management plans in their agencies	100 / 90%	191 / 99%	deletion requested	deletion requested
Average cost of tort liability claims paid	\$8,900	\$7,343	\$8,900	\$9,651
Average cost of federal civil rights liability claims paid	\$37,000	\$50,073	\$37,000	\$44,226
Average cost of property claims paid	\$3,300	\$5,475	\$3,300	\$3,300
Risk services training and consultation as measured by the number of training units (1 unit = 8 hours) provided and consultation contacts made	180	320	180	180
Number of workers' compensation claims worked	25,500	21,874	25,500	22,000
Number of liability claims worked	5,430	5,475	5,430	4,926
Number of workers' compensation claims assigned for litigation during the current fiscal year	500	416	500	421
Number of state property loss/damage claims worked	275	83	275	275

LRPP Exhibit II - Performance Measures and Standards

Department: DEPARTMENT OF FINANCIAL SERVICES AND CHIEF FINANCIAL OFFICER

Program: Licensing and Consumer Protection	Code: 43500000
Service/Budget Entity: Insurance Company Rehabilitation and Liquidation	Code: 43500100

Approved Performance Measures for FY 2008-09 (Words)	Approved Prior Year Standard FY 2007-08 (Numbers)	Prior Year Actual FY 2007-08 (Numbers)	Approved Standards for FY 2008-09 (Numbers)	Requested FY 2009-10 Standard (Numbers)
Ratio of companies in receivership discharged to the number of companies placed in receivership during the fiscal year.	>1:1	3:2	deletion requested	deletion requested
Revised Measure- 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	N/A	100%	90%	90%
Maximum number of insurance companies entering rehabilitation or liquidation	5	2	deletion requested	deletion requested
Percent of appraised value of assets liquidated for real property	90%	512.20%	90%	90%
Percent of appraised value of assets liquidated for personal property	75%	100.00%	75%	75%
Total number of insurance companies in rehabilitation or liquidation during the year	50	46	deletion requested	deletion requested

LRPP Exhibit II - Performance Measures and Standards

Department: DEPARTMENT OF FINANCIAL SERVICES AND CHIEF FINANCIAL OFFICER

Program: Licensing and Consumer Protection	Code: 43500000
Service/Budget Entity: Licensure, Sales Appointment and Oversight	Code: 43500200

Approved Performance Measures for FY 2008-09 (Words)	Approved Prior Year Standard FY 2007-08 (Numbers)	Prior Year Actual FY 2007-08 (Numbers)	Approved Standards for FY 2008-09 (Numbers)	Requested FY 2009-10 Standard (Numbers)
Maximum percent of insurance representatives requiring discipline or oversight	9.97%	11.27%	9.97%	9.97%
Revised Measure - Percent of licensees disciplined	N/A	11.27%	7%	7%
New Measure - Percent of applications processed within 7 working days	N/A	64.39%	90%	90%
New Measure - Percent of licensees complying with continuing education requirements	N/A	63.25%	75%	75%
New Measure - Percent of investigations completed within 150 days	N/A	65.67%	60%	60%
New Measure - Percent of satisfaction of Customer Contact Center services	N/A	83%	90%	90%
New Measure - Percent of completed investigations recommended for formal action that result in an action.	N/A	75.67%	55%	55%
Number of applications for licensure processed	80,694	120,844	deletion requested	deletion requested
Number of appointment actions processed	1,487,454	1,595,844	deletion requested	deletion requested
Number of applicants and licensees required to comply with education requirements	128,724	155,039	deletion requested	deletion requested
Number of examinations administered and licenses authorized	91,449	110,751	deletion requested	deletion requested
Number of agent and agency investigations completed	1,800	3,712	deletion requested	deletion requested
Number of agent and agency investigations opened	1,999	3,456	deletion requested	deletion requested
Percent of investigative actions resulting in administrative action against agents and agencies	35%	75.67%	deletion requested	deletion requested

LRPP Exhibit II - Performance Measures and Standards

Department: DEPARTMENT OF FINANCIAL SERVICES AND CHIEF FINANCIAL OFFICER

Program: Licensing and Consumer Protection	Code: 43500000
Service/Budget Entity: Insurance Fraud	Code: 43500300

Approved Performance Measures for FY 2008-09 (Words)	Approved Prior Year Standard FY 2007-08 (Numbers)	Prior Year Actual FY 2007-08 (Numbers)	Approved Standards for FY 2008-09 (Numbers)	Requested FY 2009-10 Standard (Numbers)
Percent of insurance fraud cases presented for prosecution by law enforcement investigators	1%	41%	1%	1%
Number of insurance fraud investigations completed (not including workers' compensation cases)	1,100	1,113	1,100	1,100
Number of worker's compensation insurance fraud investigations completed (not including general fraud investigations)	400	629	400	400
Number of cases presented for prosecution	680	873	680	680
Dollar amount of restitution ordered by the court as a percent of the amount recommended by the Department for fraud investigations, by year ordered	70%	179%	70%	70%
Dollar amount of recommended orders of restitution, per case	30,000	82,408	30,000	30,000

LRPP Exhibit II - Performance Measures and Standards

Department: DEPARTMENT OF FINANCIAL SERVICES AND CHIEF FINANCIAL OFFICER

Program: Licensing and Consumer Protection	Code: 43500000
Service/Budget Entity: Consumer Assistance	Code: 43500400

Approved Performance Measures for FY 2008-09 (Words)	Approved Prior Year Standard FY 2007-08 (Numbers)	Prior Year Actual FY 2007-08 (Numbers)	Approved Standards for FY 2008-09 (Numbers)	Requested FY 2009-10 Standard (Numbers)
Percent of consumer activities that result in quality service and consumer satisfaction	90%	74%	deletion requested	deletion requested
New Measure - Percent of consumer activities that result in quality service	N/A	82%	80%	80%
New Measure - Percentage of consumers satisfied with the service provided	N/A	74%	80%	80%
Number of consumer educational materials created and distributed	581,880	67,877	deletion requested	deletion requested
Number of telephone calls answered through the consumer helpline	426,888	536,180	deletion requested	deletion requested
New Measure - Percentage of phone calls answered within two minutes	N/A	71%	90%	90%
Number of consumer requests and information inquiries handled	66,540	59,240	deletion requested	deletion requested

LRPP Exhibit II - Performance Measures and Standards

Department: DEPARTMENT OF FINANCIAL SERVICES AND CHIEF FINANCIAL OFFICER

Program: Licensing and Consumer Protection	Code: 43500000
Service/Budget Entity: Funeral and Cemetery Services	Code: 43500500

Approved Performance Measures for FY 2008-09 (Words)	Approved Prior Year Standard FY 2007-08 (Numbers)	Prior Year Actual FY 2007-08 (Numbers)	Approved Standards for FY 2008-09 (Numbers)	Requested FY 2009-10 Standard (Numbers)
New Measure- Percentage of establishments and cemeteries inspected per year	N/A	100%	100%	100%
New Measure- Percentage of financial examinations with deficit findings that result in deficits being corrected	N/A	100%	90%	90%
New Measure- Percentage of cemetery inspections with findings that resulted in improved care and maintenance and/or more accurate burial records	N/A	64.29%	90%	90%
New Measure- Percentage of funeral establishment inspections with health and safety findings that resulted in improved standards and conditions	N/A	72.65%	90%	90%
New Measure- Percentage of license applications processed within 20 days of receipt	N/A	76.70%	90%	90%
Number of cemetery and certificate of authority examinations completed	254	519	deletion requested	deletion requested

LRPP Exhibit II - Performance Measures and Standards

Department: DEPARTMENT OF FINANCIAL SERVICES AND CHIEF FINANCIAL OFFICER

Program: Workers' Compensation	Code: 43600000
Service/Budget Entity: Workers' Compensation	Code: 43600100

Approved Performance Measures for FY 2008-09 (Words)	Approved Prior Year Standard FY 2007-08 (Numbers)	Prior Year Actual FY 2007-08 (Numbers)	Approved Standards for FY 2008-09 (Numbers)	Requested FY 2009-10 Standard (Numbers)
Percent of first indemnity payments made timely	90%	93.5%	90%	95%
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	65%		Requested Deletion	Request deletion
Number of claim files reviewed annually	59,000	85,591	59,000	86,000
Number of employer investigations conducted	55,000	27,674	55,000	26,000
Number of injured workers that obtained one or more benefits due to intervention by the Employee Assistance Office	6,000	2,636	6,000	2,600
Percentage of injured workers that obtain one or more benefits due to intervention by the Employee Assistance Office	40%	65%	40%	55%
Percentage of injured workers verbally contacted by an Employee Assistance Office representative	35%	58%	35%	50%
Number of reimbursement requests (SDF-2) audited	5,200	3,814	5,200	5,200
Number of reimbursement requests (SDF-2) paid	6,500	4,044	6,500	2,526
Amount of assessment dollars collected - WCATF	\$50,000,000	\$29,069,621	\$50,000,000	\$16,500,000
Amount of assessment dollars collected - SDTF	\$233,000,000	\$189,304,919	\$233,000,000	\$195,000,000

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 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%	FLAIR: 99.21% Non-FLAIR: 99.53% Infrastructure: 98.85% Oracle DB: 95.34%	FLAIR: - .74% Non-FLAIR: - .42% Infrastructure: -1.1% Oracle DB: - 4.61%	FLAIR: - .74% Non-FLAIR: - .42% Infrastructure: -1.1% Oracle DB: - 4.61 %

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:

Actual performance results were manually calculated. Mainframe percentages were separated by FLAIR applications and Non-FLAIR applications for the new FLAIR budget entity.

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:

DIS is seeking LBR funding in FY2009-2010 to purchase network management and monitoring software tools that can automatically calculate computer and network availability.

Office of Policy and Budget – July 2008

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
90%	N/A	N/A	N/A

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 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 is not available to monitor and report on the timeliness of DIS services such as calculating percentage of service requests and application requests completed in a specified amount of time. Specified "time" or "timely" are difficult to quantify with DIS current systems. Without the proper software tools, any estimate would be a best guess.

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: Office of Chief Financial Officer and Administration

Service/Budget Entity: Information Technology

Measure: System design and programming hourly cost

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 type="checkbox"/> Adjustment of GAA Performance Standards | |

Approved Standard	Actual Performance Results	Difference (Over/Under)	Percentage Difference
\$60	N/A	N/A	N/A

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:

Data is not available for reporting period. However, DIS began participating in DFS "pilot" Cost Allocation Project July 2008. DIS determined that a cost allocation methodology for collecting information and calculating the standard will be required to accurately report on this measure.

LRPP Exhibit III: PERFORMANCE MEASURE ASSESSMENT

Department: Financial Services

Program: Treasury

Service/Budget Entity: Deposit Security

Measure: Administrative unit cost per \$100,000 of securities

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 type="checkbox"/> Adjustment of GAA Performance Standards | |

Approved Standard	Actual Performance Results	Difference (Over/Under)	Percentage Difference
\$20	\$8.69	-\$11.31	-57%

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: There has been an unusual increase in cash deposits in the Qualified Public Depositories that resulted in an abnormal increase in pledged collateral value while administrative costs had a slight increase. It is anticipated that these deposits will return to their previous levels during the 2008-09 fiscal 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 2008

LRPP Exhibit III: PERFORMANCE MEASURE ASSESSMENT

Department: Financial Services
Program: Treasury
Service/Budget Entity: Deposit Security
Measure: Number of analyses performed

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 type="checkbox"/> Adjustment of GAA Performance Standards | |

Approved Standard	Actual Performance Results	Difference (Over/Under)	Percentage Difference
5,420	10,613	+5193	196%

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: There has been an unusual increase in cash deposits in the Qualified Public Depositories that resulted in an abnormal increase in pledged collateral analyses and transactions. It is anticipated that these deposits will return to their previous levels during the 2008-09 fiscal 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 2008

LRPP Exhibit III: PERFORMANCE MEASURE ASSESSMENT

Department: Financial Services
Program: Treasury
Service/Budget Entity: Deposit Security
Measure: Number of account actions taken.

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 type="checkbox"/> Adjustment of GAA Performance Standards | |

Approved Standard	Actual Performance Results	Difference (Over/Under)	Percentage Difference
39,116	52,761	13,645	135%

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: There has been an unusual increase in cash deposits in the Qualified Public Depositories that resulted in an abnormal increase in pledged collateral analyses and transactions. It is anticipated that these deposits will return to their previous levels during the 2008-09 fiscal 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 2008

LRPP Exhibit III: PERFORMANCE MEASURE ASSESSMENT

Department: Department of Financial Services

Program: Treasury

Service/Budget Entity: 43100300 State Funds Management and Investment

Measure: Ratio of net rate of return to established national benchmarks
for: (IV) Medium term external portfolio

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	.75	(.25)	(25)%

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 primary objective of the External Investment Manager Program is to enhance the long-term capital value of Treasury's investments by leveraging the manager's research and analytic expertise in non-U.S. Treasury fixed income products. Managers actively manage the portfolios mainly comprised of investment grade corporate debt, US agency debt, mortgage-backed (MBS) and asset-backed securities (ABS), commonly referred to as spread product. Over the past fiscal year, while interest rates have fallen precipitously, yield spreads have widened to historic levels creating market value declines in these "spread products." As all of Treasury's external managers emphasize "spread" sectors, the external program has underperformed its benchmark.

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: Department of Financial Services
Program: Treasury
Service/Budget Entity: 43100300 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 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
\$19.0 Billion	\$18.269 Billion	\$731 Million	96%

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 |
| <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 general revenue balances in the state Treasury have declined due to a decrease in revenues.

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: Department of Financial Services

Program: Treasury

Service/Budget Entity: 43100300 State Funds Management and Investment

Measure: Ratio of net rate of return to established national benchmarks
for: (V) Investment grade convertible bonds

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 checked="" type="checkbox"/> Other (Identify) |

Explanation:

This investment strategy is not being used at the current time.

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 2008

LRPP Exhibit III: PERFORMANCE MEASURE ASSESSMENT

Department: Financial Services

Program: Treasury

Service/Budget Entity: Supplemental Retirement Program/43100400

Measure: Percentage Increase in Deferred Compensation Contributions Over Previous Year

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
2%	<2.62%>	Under	231%

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: Economic conditions. Large contributions have left employment, resulting in a decline of contributions.

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: Increase participant communications.

Office of Policy and Budget – July 2008

LRPP Exhibit III: PERFORMANCE MEASURE ASSESSMENT

Department: Financial Services

Program: Treasury

Service/Budget Entity: Supplemental Retirement Plan/43100400

Measure: Number of New Participants in the State Deferred Compensation Plan Over Previous Year

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
600	1454	854 over	41.2%

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 checked="" 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:

Office of Policy and Budget – July 2008

LRPP Exhibit III: PERFORMANCE MEASURE ASSESSMENT

Department: State Fire Marshal

Program: Regulatory Licensing

Service/Budget Entity: Fire Prevention

Measure: Number of regulatory inspections completed

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
550	997	447 Over	181%

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 variable. The number of mandated regulatory inspection in this measure should be based upon the total activity for the previous year, which could increase or be reduced based on licensing fluctuation within the industry. Regulatory inspections are conducted periodically upon renewal of certain industries' licenses and upon new applications for licensure.

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:

The numbers of inspections will fluctuate but will always be based upon the total activity for the previous year, this should allow for consistency within the numbers.

Office of Policy and Budget – July 2007

LRPP Exhibit III: PERFORMANCE MEASURE ASSESSMENT

Department: State Fire Marshal

Program: Inspections

Service/Budget Entity: Fire Prevention

Measure: Number of construction inspections completed

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
1500	1411	89 Under	(6) %

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:

Construction inspections are conducted as required by the timing of the construction and the number will vary based upon the complexity of the project. The number of construction inspections there will be at the beginning of a year is variable and is dependent upon the number of actual projects funded and the progress of each.

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:

See above.

Office of Policy and Budget – July 2007

LRPP Exhibit III: PERFORMANCE MEASURE ASSESSMENT

Department: Financial Services
Program: State Fire Marshal
Service/Budget Entity: Compliance and Enforcement
Measure: Number of High Hazard 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 checked="" type="checkbox"/> Deletion of Measure |
| <input type="checkbox"/> Adjustment of GAA Performance Standards | |

Approved Standard	Actual Performance Results	Difference (Over/Under)	Percentage Difference
6,700	7,839	1,139	17%

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:

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 buildings varies depending on how many come on line or go off line.

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:

Request Deletion of measure. Use percentage as performance indicator

Office of Policy and Budget – July 2008

LRPP Exhibit III: PERFORMANCE MEASURE ASSESSMENT

Department: Department of 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%	91%	9%	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 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 2007/2008 was 88%. The FY 2007/2008 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:

An engineer vacancy that was open for the first seven months of FY 2007/2008 was filled on 2/4/08.

In addition, an accountant position within this section was upgraded to an engineer technician III on 10/22/08. The engineer technician III will assist in the plan review work load by reviewing small projects.

Both positions are still training.

Office of Policy and Budget – July 2008

LRPP Exhibit III: PERFORMANCE MEASURE ASSESSMENT

Department: Financial Services
Program: State Fire Marshal
Service/Budget Entity: Compliance and Enforcement
Measure: Number of recurring inspections 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
7,200	7,457	257	3.5%

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 inspections at the beginning of a year is variable and is dependent upon the number of actual buildings on line.

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:

Delete measure and rely on percentage of inspections completed of those to be made at end of FY.

LRPP Exhibit III: PERFORMANCE MEASURE ASSESSMENT

Department: Financial Services
Program: State 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 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
550	997	447	81.47

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 inspections required is variable through the FY. The measure should be a percentage based on the number of inspections at the end of FY

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 inspections required is variable through the FY. The measure should be a percentage based on the number of inspections at the end of FY.

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:

Delete Measure.

LRPP Exhibit III: PERFORMANCE MEASURE ASSESSMENT

Department: Financial Services

Program: State Fire Marshal

Service/Budget Entity: Compliance and Enforcement

Measure: Number of entity requests for licenses, permits, and certifications processed within statutorily mandated timeframes

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
7,603	8,564	961	12.6%

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:

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:

A greater number of requests were mde than projected.

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 Section will continue to process requests, timely.

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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 effects 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

Personnel

Technology

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: State Fire Marshal

Service/Budget Entity: Fire and Arson Investigations

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 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	N/A	(7,200)	(100%)

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 provides no valid data to enhance management direction.

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 provides no valid data to enhance management direction

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:

Delete Measure. Every fire causes physical loss. Economic loss is difficult to asses for some time after the investigation.

Office of Policy and Budget – July 2008

LRPP Exhibit III: PERFORMANCE MEASURE ASSESSMENT

Department: Department Of Financial Services
Program: Fire Marshal
Service/Budget Entity: Fire & Arson Investigations
Measure: Percent of closed arson cases resulting in arrest

Action:

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

Approved Standard	Actual Performance Results	Difference (Over/Under)	Percentage Difference
18%	37%	19%	

Factors Accounting for the Difference:

Internal Factors (check all that apply):

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

Explanation: More arson arrests were made

External Factors (check all that apply):

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

Explanation:

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

- Training Technology
- Personnel Other (Identify)

Recommendations: 18% is the current National average. During this time period our agency exceeded this percentage.

Office of Policy and Budget – July 2008

LRPP Exhibit III: PERFORMANCE MEASURE ASSESSMENT

Department: Department Of Financial Services
Program: Fire Marshal
Service/Budget Entity: Fire & Arson Investigations
Measure: Percent of arson arrests resulting in conviction

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
87%	82.90	(4.1%)	

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 checked="" 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:

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: Continued both investigators and prosecutors, filling all vacant positions.

LRPP Exhibit III: PERFORMANCE MEASURE ASSESSMENT

Department: Financial Services

Program: State Fire Marshal

Service/Budget Entity: Bureau of Fire Standards and Training

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	5105/174812	+905/-45188	+21%/- .21%

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: Most classes traditionally are 40 hours in length, several federal classes are now 24 hours in length, lessening the number of contact hours and increasing the number of students. Unable to schedule the normal number of 40 hour classes due to instructor vacancies for the year. Several classes were cancelled due to lack of a qualified instructor.

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

Recommendations:

Leave standard as is, more qualified instructors being hired to fill vacancies.

Office of Policy and Budget – July 2007

LRPP Exhibit III: PERFORMANCE MEASURE ASSESSMENT

Department: Financial Services
Program: State Fire Marshal
Service/Budget Entity: Professional Training & Standards
Measure: Number of examinations administered

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
5,500	7,830	2,330	42.36%

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:

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 students enrolling in certified training centers increased

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 will continue to administer exams to those who qualify.

Office of Policy and Budget – July 2008

LRPP Exhibit III: PERFORMANCE MEASURE ASSESSMENT

Department: Financial Services

Program: State Fire Marshal

Service/Budget Entity: Professional Training & Standards

Measure: Number of students trained and classroom contact hours provided by the Florida State Fire College

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
4,200/ 220,000	5,105/174,812	905/(45,188)	21.5%/(20%)

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:

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 students trained by the Fire College increased, but only in the basic coursework which carries fewer hours than advanced courses.

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:

Increase the Standard of Number of Students Trained to 5,000.

Office of Policy and Budget – July 2008

LRPP Exhibit III: PERFORMANCE MEASURE ASSESSMENT

Department: Financial Services

Program: State Fire Marshal

Service/Budget Entity: Administration and Support

Measure: Number of Total Incidents reported to the Florida Fire Incident Reporting System

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
1,000,000	1,868,839	868,839	8.6%

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 checked="" type="checkbox"/> Level of Training |
| <input type="checkbox"/> Previous Estimate Incorrect | <input checked="" type="checkbox"/> Other (Identify) |

Explanation:

Improved training at the local level and outreach program to local fire departments.

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:

Initiate study to determine accurate number of locals that should and will report.

Office of Policy and Budget – July 2008

LRPP Exhibit III: PERFORMANCE MEASURE ASSESSMENT

Department: Financial Services

Program: State Fire Marshal

Service/Budget Entity: Administration and Support

Measure: Number of evidence sample analyses / examinations processed and imaging services provided

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
6,500/ 11,488	2,874/10,822		

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:

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:

Change measure to report "Chemical Evidence Processes/Imaging Casework Processes".

LRPP Exhibit III: PERFORMANCE MEASURE ASSESSMENT

Department: Financial Services

Program: State Property and Casualty Claims Program

Service/Budget Entity: State Self-Insured Claims Adjustment/43400100

Measure: Average Cost of Tort Liability Claims Paid

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
\$8,900	\$7,343	\$1,557	-17%

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 average cost of a tort liability claim in FY 04/05 was \$8,858 and it was \$8,657 in FY 05/06. We expected our average cost per claim to increase at least by the CPI increase each year and so we requested a standard of \$8,900 for FY 06/07, \$9,397 for FY 07/08 and \$9,651 for FY 08/09. However, for reasons that are not clearly identified, our average cost dropped in FY 06/07 to \$8,072 and dropped further in FY 07/08 to \$7,343. The question we are trying to answer is: Is \$9,651 a realistic standard for FY 08/09 considering the actual for FY 07/08 was \$7,343?

The claims we examine for this measure occurred 4 years prior to the year we report the average to allow for claim development and maturity. The claims we will report on in FY 08/09 occurred in FY 04/05. This average is the total amount paid for claims occurring in FY 04/05 as of 6/30/09 divided by the number of claims on which a payment was made. If the total amount paid for tort claims remains steady or increases from year to year but the number of claims that occur and require a payment decreases, the average cost per claim paid will increase. In FY 04/05, the bureau received 406 fewer claims overall than in FY 03/04. The total amount of money paid for tort claims each year has increased by \$3M since FY 04/05. We expect this average, with fewer claims and more money paid, will likely increase to projected levels in FY 08/09. As of 9/23/08, we have paid \$7,641,556 on 1,047 claims that occurred in FY 04/05 for an average of \$7,299. However, we still have 10 months to pay on 96 claims that are still open

before computing our average for FY 08/09. Projecting our payments out for the next 10 months, as best we can, we anticipate the average for FY 08/09 will be approximately \$9,219. Therefore, we maintain our request for \$9,651 for FY 08/09 but we can certainly agree to \$8,900 if that is the decision. This average is very difficult to predict but it is always good news when the average comes in lower than predicted.

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 Division of Risk Management (DRM) and the claim adjusters in the Bureau of State Liability Claims (BSLC) have minimal control over these averages. The major factors are how many claims occur and the severity of these claims.

Our loss prevention/loss control efforts can theoretically reduce the number and severity of claims, but ultimately it depends on actions taken or not taken by state agencies. After a claim occurs, adjusters in BSLC can affect the cost of a claim by completing the investigation and evaluation of the claim quickly and trying to resolve the claim prior to litigation. Mediation is an effective tool to resolve claims prior to trial which can reduce claim cost. Quality claim investigations, retention of quality defense attorneys, negotiating skills of the adjusters and defense attorneys, and accurate evaluation of claims are some additional factors that can reduce the average cost of claims for which we have some control.

These measures are more of an indicator as to how the agencies are operating their programs than how DRM is performing, but as noted, DRM can have an effect on these averages. We have a strong interest in reducing these averages and therefore need to track these averages regardless of whether they are included in a performance measure.

There are also external factors, for which we have no control, that affect the average claim cost. Some of these factors are: inflation; increased jury verdicts; increased settlement expectations; increased legal fees and expenses; and legislative changes increasing exposures covered by our program or claims costs.

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

Training

Technology

Personnel

Other (Identify)

Recommendations:

Since a lower average claim cost is good for the state, there is no problem to address. As noted, this average is difficult to predict as Risk Management has minimal control over the average cost of claims. We will continue to try and estimate this average as best we can and request a realistic standard.

Office of Policy and Budget – July 2008

LRPP Exhibit III: PERFORMANCE MEASURE ASSESSMENT

Department: Financial Services

Program: State Property and Casualty Claims Program

Service/Budget Entity: State Self-Insured Claims Adjustment

Measure: Average Cost of Federal Civil Rights 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
\$37,000	\$50,073	+\$13,073	+35.3%

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 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 (which includes federal civil rights and employment discrimination claims) to predict this measure with any degree of accuracy. There are no monetary limits or caps on federal civil rights (FCR) claims and limited caps on employment discrimination 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: \$19,213; \$47,646; \$32,440; \$37,898; \$34,022; \$38,515 and \$50,073. The cost to resolve our most serious FCR claims has risen dramatically in the last several years and all employment claims have become more expensive to resolve. Anticipating this trend, the bureau requested a standard of \$40,205 for FY 07/08 but the approved standard was held at the previous year standard of \$37,000. The average cost per claim of FY 07/08 was \$50,073. During this year, the bureau settled several expensive claims including a large number of claims on one specific exposure. The bureau worked with several agencies in a concerted effort to resolve some of their most serious FCR cases. The bureau expects to be able to meet the approved standard for FY 08/09 of \$44,226.

External Factors (check all that apply):

- | | |
|---|--|
| <input type="checkbox"/> Resources Unavailable Problems | <input type="checkbox"/> Technological |
| <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 checked="" 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 and all employment discrimination claims has risen dramatically in the last 7 years. Bureau claim adjusters have minimal control over this average. The major factors are how many claims occur and the severity of these claims.

Our loss prevention/loss control efforts can theoretically reduce the number and severity of claims but ultimately it depends on actions taken or not taken by state agencies. After a claim occurs, bureau adjusters can affect the cost of a claim by completing the investigation and evaluation of the claim quickly and trying to resolve the claim prior to litigation. Mediation is an effective tool to resolve claims prior to trial which can reduce claim cost. Quality claim investigations, retention of quality defense attorneys, negotiating skills of the adjusters and defense attorneys, and accurate evaluation of claims are some additional factors that can reduce the average cost of claims for which we have some control.

This measure is more of an indicator as to how the agencies are operating their programs than how the bureau is performing, but as noted, we can have an effect on these averages. We have a strong interest in reducing these averages and therefore need to track these averages.

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

- Training
 Personnel

- Technology
 Other (Identify)

Recommendations:

As noted in the "Internal Factors", this measure is difficult to predict even for actuaries. The high average cost in FY 07/08 was due to several factors but primarily it was due to settling several expensive cases in a concerted effort with several state agencies to resolve these cases. We do not expect this trend to continue to the same extent in FY 08/09. Accordingly, we believe the standard adopted 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. Even though we have minimal control over this measure, we have a strong interest in doing what we can to reduce this average.

Office of Policy and Budget – July 2008

LRPP Exhibit III: PERFORMANCE MEASURE ASSESSMENT

Department: Financial Services

Program: State Property and Casualty Claims

Service/Budget Entity: State Self-Insured Claims Adjustment/43400100

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	\$5,475	\$2,175	+65.9%

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 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 (2005-2006) that this measure's information is based upon, the state sustained losses from three hurricanes and one large fire loss 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 this period there were 1,827 claims incurred with total payments of \$10,002,053 resulting in an average cost per claim of \$5,475. If the hurricane

losses and large fire loss are deducted, the average cost of property claims paid for the period would have been \$2,861.

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 Division 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.

Office of Policy and Budget – July 2008

LRPP Exhibit III: PERFORMANCE MEASURE ASSESSMENT

Department: Financial Services

Program: State Property and Casualty Claims

Service/Budget Entity: Self-Insured Claims Adjustment/ 43400100

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	\$217	\$57	35.6%

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

Personnel

Technology

Other (Identify)

Recommendations:

The standard for this measure was increased to \$239 for FY08-09. We requested in FY07-08 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 FY07-08 actual results.

Office of Policy and Budget – July 2008

LRPP Exhibit III: PERFORMANCE MEASURE ASSESSMENT

Department: Financial Services

Program: State Property and Casualty Claims

Service/Budget Entity: Self-Insured Claims Adjustment/ 43400100

Measure: Number of state property loss/ damage 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 type="checkbox"/> Adjustment of GAA Performance Standards | |

Approved Standard	Actual Performance Results	Difference (Over/Under)	Percentage Difference
275	83	192	-70%

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:

In order to speed the processing of hurricane claims arising from the 2004 and 2005 hurricanes, the Division changed the method used to process property claims from a reimbursement method to the industry standard method of paying claims based on estimated damages. This change in methodology allowed the Division to complete and close over 5,000 claims arising from the 2004 and 2005 hurricanes by the spring of 2007. Upon completing the hurricane claims, property section staff used the same process to pay and close their pending regular property claims and began the fiscal year with only 21 open claims. The property section also began to use a very stringent evidence-based method of reviewing lightning loss claims, which have historically been the most common type of property claim filed with the Division, and provided training to state agencies and universities on how to file lightning claims. The more stringent review of lightning claims and associated agency training resulted in fewer claims requests being accepted as viable 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:

In addition to the internal factors mentioned above, the state simply did not incur the number of property losses usually incurred in a year's time. No catastrophic losses were reported, and regular losses were lower than normal averages.

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

Training

Technology

Personnel

Other (Identify)

Recommendations:

We recommend that the current standard of 275 claims worked per year be retained, and we will continue to monitor the number of claims worked per fiscal year to determine if the current standard should be revised.

Office of Policy and Budget – July 2008

LRPP Exhibit III: PERFORMANCE MEASURE ASSESSMENT

Department: Financial Services

Program: State Property and Casualty Claims

Service/Budget Entity: Self-Insured Claims Adjustment/ 43400100

Measure: Number of state property loss/ damage 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 type="checkbox"/> Adjustment of GAA Performance Standards | |

Approved Standard	Actual Performance Results	Difference (Over/Under)	Percentage Difference
275	83	192	-70%

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:

In order to speed the processing of hurricane claims arising from the 2004 and 2005 hurricanes, the Division changed the method used to process property claims from a reimbursement method to the industry standard method of paying claims based on estimated damages. This change in methodology allowed the Division to complete and close over 5,000 claims arising from the 2004 and 2005 hurricanes by the spring of 2007. Upon completing the hurricane claims, property section staff used the same process to pay and close their pending regular property claims and began the fiscal year with only 21 open claims. The property section also began to use a very stringent evidence-based method of reviewing lightning loss claims, which have historically been the most common type of property claim filed with the Division, and provided training to state agencies and universities on how to file lightning claims. The more stringent review of lightning claims and associated agency training resulted in fewer claims requests being accepted as viable 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:

In addition to the internal factors mentioned above, the state simply did not incur the number of property losses usually incurred in a year's time. No catastrophic losses were reported, and regular losses were lower than normal averages.

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

Training

Technology

Personnel

Other (Identify)

Recommendations:

We recommend that the current standard of 275 claims worked per year be retained, and we will continue to monitor the number of claims worked per fiscal year to determine if the current standard should be revised.

Office of Policy and Budget – July 2008

LRPP Exhibit III: PERFORMANCE MEASURE ASSESSMENT

Department: Department of Financial Services
Program: State Property and Casualty Claims
Service/Budget Entity: 43400100
Measure: Number of Workers' Compensation Claims Assigned for Litigation During the Current Fiscal Year

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
500	416	84	17%

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 the Florida Workers' Compensation Law in 2003 revising plaintiff attorney fees have lowered the number of litigated claims on claims with a date of accident after 9/30/2003. The workers' compensation industry is awaiting a decision from the Florida Supreme Court in Murray v. Mariners Health regarding the constitutionality of the section of the Florida Workers' Compensation Law dealing with attorney fees. This decision will have an impact on the future outcome of 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: Last year we requested that the approved standard for FY 2008/2009 be changed to 421. The change was not made. We are requesting that the approved standard for FY 2009/2010 be changed to 421.

Office of Policy and Budget – July 2008

LRPP Exhibit III: PERFORMANCE MEASURE ASSESSMENT

Department: Department of Financial Services
Program: State Property and Casualty Claims
Service/Budget Entity: 43400100
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 type="checkbox"/> Adjustment of GAA Performance Standards | |

Approved Standard	Actual Performance Results	Difference (Over/Under)	Percentage Difference
25,500	21,874	3,626	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 type="checkbox"/> Other (Identify) |

Explanation: This measure is the sum of the number of new workers' compensation claims reported during the fiscal year plus the number of prior year claims with at least one payment. The number of new claims per fiscal year has been decreasing. The number of new claims in FY 2000/2001 was 17,161 compared to 13,663 in FY 2007/2008. This accounts for 96% of the difference in the approved standard and the actual outcome for FY 2007/2008. Based on the trend in recent years we anticipate that the number of new claims reported each fiscal year will be between 13,000 and 14,000.

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 type="checkbox"/> Other (Identify) |

Recommendations: We are requesting that the approved standard for FY 2009/2010 be revised to 22,000.

LRPP Exhibit III: PERFORMANCE MEASURE ASSESSMENT

Department: Financial Services

Program: State Property and Casualty Claims

Service/Budget Entity: Self-Insured Claims Adjustment 43400100

Measure: Risk Services training and consultation contacts made

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
180	320	140 Over	78%

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 primary source of training units (1 unit = 8 hours) for this measure is the annual training offered to agency safety coordinators. During FY07-08, the Risk Services section implemented a complete re-design of the training module used in the annual safety coordinator training, resulting in a one-time increase in the number of training units reported. We believe the current standard of 180 units to be reasonable and do not anticipate a need to request revision of this 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 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:

LRPP Exhibit III: PERFORMANCE MEASURE ASSESSMENT

Department: Department of Financial Services

Program: State Property and Casualty Claims

Service/Budget Entity: 43400100

Measure: State Employees' Workers' Compensation Benefit Cost Rate

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
\$1.33	\$1.03	\$.30	22%

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: The lower benefit cost rate is a positive for our program. This measure indicates that workers' compensation cost have increased at a lower rate than the State payroll. Legislative changes to the Florida Workers' Compensation Law in 2003 are having a positive effect on claim costs.

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: Request that the approved standard for FY 2009/2010 be revised to \$1.10.

LRPP Exhibit III: PERFORMANCE MEASURE ASSESSMENT

Department: Florida Department of Financial Services

Program: Licensing and Consumer Protection

Service/Budget Entity: Rehab and Liquidation/43500100

Measure: Percent of appraised value of assets liquidated for real property

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
90%	512.20%	OVER	422.2%

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:

NOT APPLICABLE

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:

A single parcel of property in one receivership sold for \$210,000 (including cash and forgiven liens) which was 512.2% of its appraised value of \$41,000. This sale price abnormally inflated the outcome on this measurement. This was a single, highly unusual event which is unlikely to occur again.

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:

Since the performance measurement results were significantly and favorably higher than the standard, no management efforts were deemed necessary to correct the difference. This involved a single, highly unusual sale; a similar sale is unlikely to occur again in the foreseeable future.

LRPP Exhibit III: PERFORMANCE MEASURE ASSESSMENT

Department: Department of Financial Services
Program: Licensing and Consumer Protection
Service/Budget Entity: Licensure, Sales, Appointment and Oversight
Measure: Percent of Applications Processed within 7 working days

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
90%	64.39%	-25.61%	-28.45%

Factors Accounting for the Difference:

Internal Factors (check all that apply):

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

Explanation: Staff who process applications are often called upon to answer phone inquiries coming into the Licensing Help Line in order to eliminate excessive hold times. When this occurs, applications are processed outside the 7 day performance measure. Staff who process applications have also been involved in process improvement teams in order to make long term changes. While participating in these team meetings, staff was not able process applications.

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 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: Much of the performance measure time period has been spent remediating the computer systems that are used in processing applications. While this remediation did not directly affect the processing of applications, system enhancements to improve the processing of applications were unable to be made. System enhancements to improve the processing of applications are needed due to the increased number of applications received on an annual basis along with the fact that FTEs have not increased in proportion to increased workload.

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

Training

Personnel

Technology

Other (Identify)

Recommendations: As improvements are made on the Licensing Help Line and in customer outreach efforts, fewer staff that process applications will be needed to help answer calls. Additionally, the enhancements to improve the processing of applications are being made. These factors should result in applications being processed within 7 working days 90% of the time.

Office of Policy and Budget – July 2008

LRPP Exhibit III: PERFORMANCE MEASURE ASSESSMENT

Department: Department of Financial Services
Program: Licensing and Consumer Protection
Service/Budget Entity: Licensure, Sales, Appointment and Oversight
Measure: Percent of Satisfaction of Customer Contact Center Services

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
90%	83%	-7%	-7.78%

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 – Call Volume |

Explanation: Phone staff on the Customer Contact Center have not received adequate customer service training in order to provide the highest level of customer service. Also, during certain times of the day, callers are on hold for extended periods of time before talking to a customer service representative. This results in dissatisfaction with the customer service level. Additionally, the Customer Contact Center was not fully staffed for much of the performance measure period which resulted in excessive hold times.

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: Customer Contact Center staff are scheduled to receive customer service training in the near future. The Customer Contact Center will be adequately staffed by anticipating and quickly filling vacancies. We have also improved phone-scripts to better direct customers to resources located on the departments website and improved reporting which has given better data to determine root causes for the calls. These improvements should lead to a customer satisfaction rate that meets this performance measure.

Office of Policy and Budget – July 2008

LRPP Exhibit III: PERFORMANCE MEASURE ASSESSMENT

Department: Department of Financial Services
Program: Licensing and Consumer Protection
Service/Budget Entity: Licensure, Sales, Appointment and Oversight
Measure: Percent of Licensees Disciplined

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
7%	11.27%	+4.27	+61%

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 - Communication |

Explanation: A major portion of this measurement is continuing education non-compliance. Licensees who do not meet their continuing education requirements timely are either fined or have their appointments cancelled. Better communication with our licensee population who are required to meet continuing education requirements is needed to increase the compliance rate.

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: Efforts to communicate electronically via e-mail with our licensee population are ongoing. Within the next year, licensees will receive reminders on an ongoing basis when their continuing education requirements have not been met. We believe this will increase the continuing education compliance rate, and in turn will allow us to meet this performance measure. We will also be working with industry publications to better inform our target audience.

LRPP Exhibit III: PERFORMANCE MEASURE ASSESSMENT

Department: Department of Financial Services
Program: Licensing and Consumer Protection
Service/Budget Entity: Licensure, Sales, Appointment and Oversight
Measure: Percent of Licensees Complying with Continuing Education Requirements

Action:

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

Approved Standard	Actual Performance Results	Difference (Over/Under)	Percentage Difference
75%	63.25%	-11.75%	-15.67%

Factors Accounting for the Difference:

Internal Factors (check all that apply):

- Personnel Factors Staff Capacity
- Competing Priorities Level of Training
- Previous Estimate Incorrect Other - Communication

Explanation: Effective communication with licensees who must meet continuing education requirements needs to be improved. While licensees should know about their requirement to complete continuing education, the compliance rate would increase if communication was improved.

External Factors (check all that apply):

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

Explanation: A method of communicating electronically via e-mail with licensees does not currently exist.

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

- Training Technology
- Personnel Other (Identify)

Recommendations: Efforts to communicate electronically via e-mail with our licensee population are ongoing. Within the next year, licensees will receive reminders on an ongoing basis when their continuing education requirements have not been met. This will increase the continuing education compliance rate, and in turn will allow this performance measure to be met. We will also be working with industry publications to better inform our target audience.

LRPP Exhibit III: PERFORMANCE MEASURE ASSESSMENT

Department: Department of Financial Services and Chief Financial Officer

Program: Insurance Regulation and Consumer Protection Program

Service/Budget Entity: Insurance Representative Licensure, Sales Appointment and oversight

Measure: Percent of Completed Investigations recommended for formal action that resulted in an action

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%	76%	Over	26%

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
(outcome) | <input checked="" type="checkbox"/> Other (limited control over outcome) |

Explanation: Our legal division and our internal legal processing unit have moved more cases to 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 type="checkbox"/> Other (No control over outcome) |
| <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: Because this is a relatively new measure, we do not want to significantly increase our standard until we can truly identify trends.

Office of Policy and Budget – July 2006

LRPP Exhibit III: PERFORMANCE MEASURE ASSESSMENT

Department: Department of Financial Services and Chief Financial Officer

Program: Licensing and Consumer Protection

Service/Budget Entity: Insurance Fraud

Measure: Dollar amount of recommended orders of restitution, per case

Action:

- | | |
|---|--|
| <input type="checkbox"/> Performance Assessment of <u>Outcome</u> Measure | <input type="checkbox"/> Revision of Measure |
| X 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
30,000	82,408	+52,408	

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 | X Other (Identify) |

Explanation: The crime trends that resulted in referrals and cases opened are of a larger dollar amount of exposure to victims (financial fraud); thus resulting in a larger dollar amount of restitution.

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 | X Other (Identify) |

Recommendations: Identifying and monitoring the emerging crime trends of high dollar financially motivated insurance fraud will determine future standards.

Office of Policy and Budget – July 2008

LRPP Exhibit III: PERFORMANCE MEASURE ASSESSMENT

Department: Department of Financial Services and Chief Financial Officer

Program: Licensing and Consumer Protection

Service/Budget Entity: Insurance Fraud

Measure: Dollar amount of restitution ordered by the court as a percent of the amount recommended by the Department for fraud investigations, by year ordered

Action:

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

Approved Standard	Actual Performance Results	Difference (Over/Under)	Percentage Difference
70%	179%		109%

Factors Accounting for the Difference:

Internal Factors (check all that apply):

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

Explanation: The addition of dedicated prosecutors and the hiring of vacant FTE's contributed to an increase in cases presented and resulting amount of restitution ordered by the court.

External Factors (check all that apply):

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

Explanation: Restitution ordered is controlled entirely by the court.

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

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

Recommendations: We do not recommend changes to this measurement.

LRPP Exhibit III: PERFORMANCE MEASURE ASSESSMENT

Department: Department of Financial Services and Chief Financial Officer

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%	41%		40%

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: The addition of dedicated prosecutors and the hiring of vacant FTE's contributed to this substantial percentage overage.

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: At this time the measurement will remain as is until potential cutbacks are more clearly known.

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
90%	74%	(16%)	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 checked="" type="checkbox"/> Other (Identify) |

Explanation:

Six years ago the Department initiated a process to measure consumer satisfaction in a 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%. The Division requested revising its standard to 65% to reflect the true benchmark.

Fiscal year 07/08 statistics indicate that the percentage of consumers satisfied with the Department's service was 74%. This service level is 9% above the revised standard.

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 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:

Recommend this measure be deleted.

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: 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	67,877	(514,003)	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 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 2007 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. The department makes all its consumer publications available on the department's web site where consumers can download and read them at their convenience. This has reduced printing costs and the demand for printed copies of the consumer education materials.

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):

Training

Technology

Personnel

Other (Identify)

Recommendations:

Performance Measure deletion is requested.

Office of Policy and Budget – July 2007

LRPP Exhibit III: PERFORMANCE MEASURE ASSESSMENT

Department: Department of Financial Services

Program: Division of Funeral, Cemetery, and Consumer Services

Service/Budget Entity: Funeral, Cemetery and Consumer Services

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

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 type="checkbox"/> Adjustment of GAA Performance Standards | |

Approved Standard	Actual Performance Results	Difference (Over/Under)	Percentage Difference
90%	64.29%	under	25.71%

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:

Inadequate number of staff for necessary followup.

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: Inadequate computer systems to track needed followup.

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: Seeking funding for additional staff and computer system fixes.

Office of Policy and Budget – July 2008

LRPP Exhibit III: PERFORMANCE MEASURE ASSESSMENT

Department: Department of Financial Services

Program: Division of Funeral, Cemetery, and Consumer Services

Service/Budget Entity: Funeral, Cemetery and Consumer Services

Measure: Percentage of preneed sales agent license applications processed within 20 days of receipt

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 type="checkbox"/> Adjustment of GAA Performance Standards | |

Approved Standard	Actual Performance Results	Difference (Over/Under)	Percentage Difference
90%	76.7%	under	13.3%

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:

Inadequate number of staff for necessary followup.

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: Inadequate computer systems to track needed followup.

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: Seeking funding for additional staff and computer system fixes.

LRPP Exhibit III: PERFORMANCE MEASURE ASSESSMENT

Department: Department of Financial Services

Program: **Division of Funeral, Cemetery, and Consumer Services**

Service/Budget Entity Funeral, Cemetery and Consumer Services

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

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 type="checkbox"/> Adjustment of GAA Performance Standards | |

Approved Standard	Actual Performance Results	Difference (Over/Under)	Percentage Difference
90%	72.65%	under	17.3%

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:

Inadequate number of staff for necessary followup.

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: Inadequate computer systems to track needed followup.

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: Seeking funding for additional staff and computer system fixes.

Office of Policy and Budget – July 2008

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.

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 - SDTF

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
\$233,000,000	\$189,304,918.84	-\$43,695,081.16	-18.75%

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: The combination of multiple rate decreases over the past several years and the current economic conditions resulting in a slowdown in the housing market (and employment in the construction industry) has created a decrease the compensation insurance premium volume. There was no consideration in the estimate for further manual rate decreases that occurred post estimate.

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 explanation above.

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 measure should be deleted because the amount of assessment dollars collected is a data point and does not measure the program's performance.

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 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
\$50,000,000	\$29,069,620.85	-\$20,930,379.15	-41.86%

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: The WCATF assessment revenues collected during 2008-2009 will be paid at 0.25% for the entire period - where a portion of the previous year's assessment revenues were paid at 0.5%. Also, the combination of multiple rate decreases over the past several years and the current economic conditions resulting in a slowdown in the housing market (and employment in the construction industry) has created a decrease the compensation insurance premium volume. There was no consideration in the estimate for further manual rate decreases that occurred post estimate.

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 explanation above.

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 measure should be deleted because the amount of assessment dollars collected is a data point and does not measure the program's performance.

LRPP Exhibit III: PERFORMANCE MEASURE ASSESSMENT

Department: Department of Financial Services
Program: Division of Workers' Compensation / Bureau of Compliance
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 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
55,000	27,674	27,326	49.7%

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 checked="" type="checkbox"/> Previous Estimate Incorrect | <input type="checkbox"/> Other (Identify) |

Explanation:

The number of complex cases have increased. Complex cases are more difficult and time consuming due to the amount of data and information the investigator must review and analyze. Due to the increase in the number of complex cases during FY 2007/2008, the Division anticipated a decrease in the actual performance results. The standard for FY 2008/2009 has been modified and approved. The actual performance results for FY 2007/2008 meet the modified 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 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 2008

LRPP Exhibit III: PERFORMANCE MEASURE ASSESSMENT

Department: Financial Services

Program: Workers' Compensation/ Bureau of Employee Assistance and Ombudsman Office

Service/Budget Entity: Workers' Compensation

Measure: ~~Number of Injured workers that obtained one or more benefits due to intervention by the Employee Assistance Office~~

Number of disputes resolved for injured workers by the Employee Assistance Office

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
6,000	2,636	(3,364)	56%

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 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 current LRPP Performance Measurement was developed to gauge the Employee Assistance and Ombudsman Office's performance for the workers' compensation laws that were in effect prior to the 2003 workers' compensation reform. Prior to the 2003 reform, injured workers' seeking access to the hearing process were first required to file a "Request for Assistance" with EAO. This mandatory submission of the Request for Assistance funneled an estimated 120,000 Requests for Assistance into EAO annually. Conversely, the 2003 reform made the Request for Assistance voluntary. Injured workers' who choose to move ahead by filing their petitions for hearings with the Judges of Compensation Claims were allowed to do so without first filing a Request for Assistance with EAO. The reform substantially reduced the number of Requests for Assistance that were submitted to EAO.

The 2003 reform established a voluntary process whereby injured workers' access EAO's education and dispute resolution processes. Although the reform substantively reduced the number of Requests for Assistance received by EAO, it created a vital opportunity for EAO to move away from a mandatory process that was extraordinarily bureaucratic in nature. EAO is now able to aggressively work with injured workers, insurers, employers and claims administrators in an effort to resolve workers' compensation claims disputes.

The reduction in the number of dispute resolutions may also be attributed to the 2003 reform's heightened accountability standards for insurers with regards to the timely and accurate payment of benefits. Insurers, faced with heightened standards and substantial penalties, focused on delivering benefits in a timelier manner. Additionally, the number of lost time claims filed with the Division has decreased significantly (by 13% for 2007). These reductions are attributed to reduction in the frequency of losses statewide and other legislative changes enacted in the 2003 reform.

Therefore, the current performance measures are no longer appropriate, and we request that the measures be revised as we have recommended below.

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 are requesting that the performance measures be revised to the following:
Number of disputes resolved for injured workers by the Employee Assistance Office
Performance Standard: 2,600

Office of Policy and Budget – July 2008

LRPP Exhibit III: PERFORMANCE MEASURE ASSESSMENT

Department: Financial Services

Program: Workers' Compensation/ Bureau of Employee Assistance and Ombudsman Office

Service/Budget Entity: Workers' Compensation

Measure: Percentage of Injured workers that obtained one or more benefits due to intervention by the Employee Assistance Office

Percentage of disputes resolved for injured workers by the Employee Assistance Office

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
6,000	2,636	(3,364)	56%

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 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 current LRPP Performance Measurement was developed to gauge the Employee Assistance and Ombudsman Office's performance for the workers' compensation laws that were in effect prior to the 2003 workers' compensation reform. Prior to the 2003 reform, injured workers' seeking access to the hearing process were first required to file a "Request for Assistance" with EAO. This mandatory submission of the Request for Assistance funneled an estimated 120,000 Requests for Assistance into EAO annually. Conversely, the 2003 reform made the Request for Assistance voluntary. Injured workers' who choose to move ahead by filing their petitions for hearings with the Judges of Compensation Claims were allowed to do so without first filing a Request for Assistance with EAO. The reform substantially reduced the number of Requests for Assistance that were submitted to EAO.

The 2003 reform established a voluntary process whereby injured workers' access EAO's education and dispute resolution processes. Although the reform substantively reduced the number of Requests for Assistance received by EAO, it created a vital opportunity for EAO to move away from a mandatory process that was extraordinarily bureaucratic in nature. EAO is now able to aggressively work with injured workers, insurers, employers and claims administrators in an effort to resolve workers' compensation claims disputes.

The reduction in the number of dispute resolutions may also be attributed to the 2003 reform's heightened accountability standards for insurers with regards to the timely and accurate payment of benefits. Insurers, faced with heightened standards and substantial penalties, focused on delivering benefits in a timelier manner. Additionally, the number of lost time claims filed with the Division has decreased significantly (by 13% for 2007). These reductions are attributed to reduction in the frequency of losses statewide and other legislative changes enacted in the 2003 reform.

Therefore, the current performance measures are no longer appropriate, and we request that the measures be revised as we have recommended below.

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 are requesting that the performance measures be revised to the following:

Percentage of disputes resolved for injured workers by the Employee Assistance Office

Performance Standard: 55%

Office of Policy and Budget – July 2008

LRPP Exhibit III: PERFORMANCE MEASURE ASSESSMENT

Department: Department of Financial Services
Program: Worker's Compensation / Bureau of Monitoring & Audit
Service/Budget Entity: Worker's Compensation
Measure: Number of claim files reviewed annually

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
59,000	85591	26,591	34%

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:

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: With the implementation

Of the Centralized Performance System CPS in 2004 we now have a history and reliable data that allows the Division to make better performance projections

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: None

Office of Policy and Budget – July 2008

LRPP Exhibit III: PERFORMANCE MEASURE ASSESSMENT

Department: Department of Financial Services

Program: Workers' Compensation / Special Disability Trust Fund

Service/Budget Entity: Workers' Compensation

Measure: Number of reimbursement requests (SDF-2) 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
6,500	4,044	-2,456	-37.78%

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 standard was unchanged from prior years when there was insufficient revenue/spending authority to make all payments that had been approved. The 2007-2008 payments were made on the backlog of approved reimbursements from prior fiscal years and approvals made during 2007-2008. In March 2008, the backlog of approved reimbursements awaiting payment was eliminated. In total, there were far fewer payments possible than the standard states. The SDTF expects to never again have the capacity to meet the number of payments the standard demands. The standard should be revised downward as illustrated in Exhibit II, for all subsequent fiscal years.

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):

Training

Technology

Personnel

Other (Identify)

Recommendations: The program has a fiduciary duty to pay the maximum number of reimbursements possible within the approved spending authority. In the current and future fiscal years, the number paid will be limited by the number

of reimbursements approved during the year. The recent history of the SDTF shows that the stated standard is inaccurately high. The most effective response will be to provide accurate performance standard recommendations.

Office of Policy and Budget – July 2008

LRPP Exhibit III: PERFORMANCE MEASURE ASSESSMENT

Department: Dept. of Financial Services and Chief Financial Officer

Program: Workers' Compensation / Special Disability Trust Fund

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	3,814	-1,386	-26.65%

Factors Accounting for the Difference:

Internal Factors (check all that apply):

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

Explanation: Staff capacity was reduced by one FTE when a vacancy was eliminated, one employee underperformed due to health related absences, and 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 type="checkbox"/> Training | <input type="checkbox"/> Technology |
| <input checked="" type="checkbox"/> Personnel | <input checked="" type="checkbox"/> Other (Identify) |

Recommendations: An OPS – Workers' Compensation Specialist has been hired and an existing FTE was shifted to SDF-2 auditing responsibilities to supplement capacity. The performance standard should be adjusted downward to reflect the capacity of the staff to produce audits.

LRPP EXHIBIT IV: Performance Measure Validity and Reliability

Department: Financial Services

Program: Office of the Chief Financial Officer and Administration

Service/Budget Entity: Legal Services

Measure: Percent of closed files involving allegations of statutory violation that were successfully prosecuted

Action (check one):

- Requesting revision to approved performance measure.
- Change in data sources or measurement methodologies.
- Requesting new measure.
- Backup for performance measure.

Data Sources and Methodology:

Legal Services receives a variety of requests for legal assistance, including requests for legal counsel in responding to issues of statutory interpretation, rulemaking, and a variety of other areas.

At the time of assignment to an attorney for handling, each request for legal assistance, including all requests for assistance concerning suspected violations of statutory or rule requirements, is entered into the Legal tracking system, a computer software system which tracks the case activities, progress and the ultimate disposition of all assignments.

The tracking system has a variety of data fields that enable management to identify the number of assignments made and the nature and final disposition of each assignment.

The tracking system can be used to determine the current status of each assignment, and is capable of generating reports providing relevant information.

Validity:

The Department of Financial Services is responsible for the administration and enforcement of the statutes and administrative rules within its areas of responsibility (Section 8 of Article II, Section 4 of Article IV and Section 15 of Article V of the State Constitution; Titles VI, VII and VIII: Chapters 11, 17, 20, 27, 40, 110, 112, 119, 120, 122, 175, 185, 215, 216, 218, 219, 255, 270, 272, 280, 284, 287, 288, 334, 402, 440, 454, 489, 494, 497, 516, 517, 520, 527, 537, 559, 560, 607, 617, 620, 624, 625, 626, 627, 628, 629, 630, 631, 632, 633, 634, 635, 641, 642, 648, 651, 660, 665, 687, 697, 716, 717, 768.28, Florida Statutes).

The percentage of statutory violations that result in discipline or corrective action will provide an indication of the effectiveness of the Department and of Legal Services in carrying out its responsibilities

Reliability:

It is recognized that not all instances of statutory violation of laws and rules will result in corrective action or discipline. For example, a violation may have occurred, but insufficient facts are available to meet the agency's burden of proof in establishing a violation. In other instances a violation may have occurred, but imposing discipline or requiring corrective action may not be necessary or warranted.

However, it is anticipated that due to the large volume of violations referred to Legal Services each year, the number of cases where disciplinary or corrective action is unnecessary or unwarranted as a percentage of the total number of violations received will be relatively static. Consequently, the percentage of violations referred for legal assistance which result in the imposition of discipline or implementation of corrective action will provide a reliable indication as to the effectiveness of Legal Services.

With respect to the reliability of the data, at the time each assignment is closed, an individual other than the assigned attorney is responsible for completing the final disposition data fields. Consequently, the individual assigned cannot improperly affect the data, which indicates that a violation referred to Legal Services resulted in disciplinary or corrective action.

LRPP EXHIBIT IV: Performance Measure Validity and Reliability

Department: Financial Services

Program: Chief Financial Officer and Administration

Service/Budget Entity: Information Technology

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

Action (check one):

- Requesting revision to approved performance measure.
- Change in data sources or measurement methodologies.
- Requesting new measure.
- Backup for performance measure.

Data Sources and Methodology:

Information technology cost represents 10.60% of DFS total budget. The agency total budget is \$302,252,873 and DIS costs are \$32,034,262. Data was retrieved from DFS Digital Dashboard.

DIS request the approved standard increase to 12% which reflects more of the industry standard metric. The current standard of 4.21% is too low.

Validity:

The purpose of this measure is to determine what percentage of total agency costs are allocated to information technology. DIS believes the methodology used to calculate this measure is appropriate for the measure's intended purpose.

Reliability:

Data for this measure is provided on a quarterly basis. FY 2007-2008 data results consist of two quarters (March and June 2008).

LRPP EXHIBIT IV: Performance Measure Validity and Reliability

Department: Financial Services

Program: Chief Financial Officer and Administration

Service/Budget Entity: Information Technology

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

Action (check one):

- Requesting revision to approved performance measure.
- Change in data sources or measurement methodologies.
- Requesting new measure.
- Backup for performance measure.

Data Sources and Methodology:

FTEs:

DFS: 2,853

DIS: 259

Based on the calculation formula (259 divided by 2853), information technology positions account for 9.078% of the total agency positions.

DIS requested that the approved standard increase to 10% which reflects more of the industry standard metric. The previous standard of 3.33% was based on an estimate by the senate.

Validity:

The purpose of this measure is to determine what percentage of total agency positions are allocated to information technology positions. DIS believes the methodology used to calculate this measure is appropriate for the measure's intended purpose.

Reliability:

Data for this measure is provided on a quarterly basis and provided to DIS by the agency's budget office. FY 2007-08 data results consist of two quarters (March and June 2008). Data was retrieved from DFS Digital Dashboard.

LRPP EXHIBIT IV: Performance Measure Validity and Reliability

Department: Financial Services

Program: Office of Chief Financial Officer and Administration

Service/Budget Entity: Information Technology

Measure: System design and programming hourly cost

Action (check one):

- Requesting revision to approved performance measure.
- Change in data sources or measurement methodologies.
- Requesting new measure.
- Backup for performance measure.
- Delete measure.

Data Sources and Methodology:

This measure was introduced to the division in FY 2006-07. 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.

Validity:

Reliability:

LRPP EXHIBIT IV: Performance Measure Validity and Reliability

Department: Financial Services

Program: Chief Financial Officer and Administration

Service/Budget Entity: Information Technology

Measure: Percent of scheduled hours computer and network is available

Action (check one):

- Requesting revision to approved performance measure.
- Change in data sources or measurement methodologies.
- Requesting new measure.
- Backup for performance measure.

Data Sources and Methodology:

To determine the percent of scheduled hours computer and network is available, DIS made the following manual calculations. This year mainframe percentages were separated by FLAIR applications and Non-FLAIR applications for the new FLAIR budget entity.

Mainframe: 99.21% FLAIR applications
99.53% Non-FLAIR applications

Infrastructure/network: 98.85%

Oracle databases: 95.34%

Note: Unscheduled downtime was factored in the calculations.

Validity:

Until DIS acquires network management and monitoring software tools, data provided for this performance measure will be manually calculated.

Reliability:

Current results are the product of manually recording and calculating computer and network availability hours and subtracting the amount of unscheduled "downtime" hours. DIS is seeking funding in 2009-2010 to purchase monitoring tools that will provide a reliable method of collecting information and calculating the results.

LRPP EXHIBIT IV: Performance Measure Validity and Reliability

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 four (4) on a scale of one (1) to five (5) on surveys

Action (check one):

- Requesting revision to approved performance measure.
- Change in data sources or measurement methodologies.
- Requesting new measure.
- Backup for performance measure.

Data Sources and Methodology:

DIS developed and automated customer surveys from the Remedy Helpdesk software application. Surveys are sent via email to resolve helpdesk calls and results are recorded. The calculation is based upon the number of surveys returned and completed.

Validity:

The customer satisfaction survey rating scale is from one through five (1-5). DIS goal is to earn a rating of four (4) or better.

Scale spectrum:

- 1 – Poor
- 2 – Fair
- 3 – Satisfactory
- 4 - Very Good
- 5 – Excellent

Reliability:

DIS began an automated workflow process for sending customer satisfaction surveys and collecting results in December 2007. Only seven months of reporting data is available.

LRPP EXHIBIT IV: Performance Measure Validity and Reliability

Department: Financial Services

Program: Chief Financial Officer and Administration

Service/Budget Entity: Information Technology

Measure: Percent of scheduled services completed timely

Action (check one):

- Requesting revision to approved performance measure.
- Change in data sources or measurement methodologies.
- Requesting new measure.
- Backup for performance measure.
- Delete measure.

Data Sources and Methodology:

DIS does not have the network management software tools to monitor and report on the timeliness of its services such as calculating percentage of service requests and application requests completed in a specified amount of time. Specified “time” or “timely” are difficult to quantify with DIS current systems. Without the proper software tools, any estimate would be a best guess.

Validity:

Reliability:

LRPP EXHIBIT IV: Performance Measure Validity and Reliability

Department: Financial Services

Program: Treasury

Service/Budget Entity: Deposit Security

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

Action (check one):

- Requesting revision to approved performance measure.
- Change in data sources or measurement methodologies.
- Requesting new measure.
- Backup for performance measure.

Data Sources and Methodology:

The Treasury Program is responsible for the following functions that comprise the Deposit Security Service:

(1) The Chief Financial Officer's Office pursuant to Section 17.59, F. S., serves as 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 as a condition of doing business or acts of guarantee under approximately 40 statutes. The office evaluates deposited collateral in relation to statutory requirements and acts on behalf of state agencies and governmental units requiring the deposit. This deposit specialization allows state agencies to benefit from the use of: a) custodial contracts to perfect security interest, b) financial information services to assure value and quality, and c) personnel knowledgeable in maintaining and reporting securities inventories. These benefits are not available or cost effective for individual agencies when maintaining deposits for regulatory purposes.

(2) The Chief Financial Officer's Office pursuant to Chapter 280, F. S., administers the "Florida Security for Public Deposits Act" which is a statewide "pool" program insuring that public deposits of the state and its political subdivisions are protected from loss due to failure of a financial institution. The office approves qualified public depositories, analyzes financial condition and trends, handles reporting requirements, determines collateral pledging levels, and is responsible for payment of governmental unit claims and financial institution assessments if there are depository failures. The regulatory collateral deposits that are required for the guarantee of institutions in this Public Deposits Program are evaluated and maintained in the same manner as other regulatory collateral deposits of state agencies in the Deposit Security Service.

This measure reflects the Deposit Security Service's unit cost of administering \$100,000 of Securities. This measure states the annual cost of administering the service obtained from the Florida Accounting Information Resource (FLAIR) system divided by the average total funds/assets (par value) administered for the fiscal year.

Validity:

The amount of funds/assets managed in this service, which is used as the denominator in this calculation, is influenced by conditions that are not under the control of the Chief Financial Officer's Office. The quantity and market value amount of regulatory requirements, financial condition of qualified public depositories, and bond market conditions influence this number. Evaluation of the present work components and refining additional indicators that measure outcome and output of the business process is ongoing.

Reliability:

The cost of administering the Deposit Security Service consists of actual annual expenditures that are obtained from FLAIR. The total of funds/securities managed by the service is obtained from the bureau's computer systems. The funds/assets records are periodically reconciled to custodian records.

LRPP EXHIBIT IV: Performance Measure Validity and Reliability

Department: Financial Services

Program: Treasury

Service/Budget Entity: Deposit Security

Measure: Number of analyses performed on the financial condition of qualified public depositories and custodians, and securities held for regulatory collateral deposit

Action (check one):

- Requesting revision to approved performance measure.
- Change in data sources or measurement methodologies.
- Requesting new measure.
- Backup for performance measure.

Data Sources and Methodology:

The Treasury Program is responsible for the following functions that comprise the Deposit Security Service: (1) The Chief Financial Officer's Office pursuant to Section 17.59, F. S., serves as a centralized deposit location for specialized management and reporting of regulatory collateral deposits. Regulatory collateral deposits are required of various entities by state agencies as a condition of doing business or acts of guarantee under approximately 40 statutes. The office evaluates deposited collateral in relation to statutory requirements and acts on behalf of state agencies and governmental units requiring the deposit. This deposit specialization allows state agencies to benefit from the use of: a) custodial contracts to perfect security interest, b) financial information services to assure value and quality, and c) personnel knowledgeable in maintaining and reporting securities inventories. These benefits are not available or cost effective for individual agencies when maintaining deposits for regulatory purposes.

(2) The Chief Financial Officer's Office pursuant to Chapter 280, F. S., administers the "Florida Security for Public Deposits Act" which is a statewide "pool" program insuring that public deposits of the state and its political subdivisions are protected from loss due to failure of a financial institution. The office approves qualified public depositories, analyzes financial condition and trends, handles reporting requirements, determines collateral pledging levels, and is responsible for payment of governmental unit claims and financial institution assessments if there are depository failures. The regulatory collateral deposits that are required for the guarantee of institutions in this Public Deposits Program are evaluated and maintained in the same manner as other regulatory collateral deposits of state agencies in the Deposit Security Service.

This measure of the number of analyses performed on the financial condition of qualified public depositories and custodians, and securities held for all regulatory collateral deposit requirements contains data collected from the activity and includes tasks that involve individual research and study. One of the major task areas associated with this output measure is analyzing the financial condition of banks and savings associations and determining participation levels in the Public Deposits Program. This requires processes to investigate material monthly capital changes, review industry regulatory reports, study industry and economic information, determine collateral pledge levels and restrictions, and handle inquiries

from the qualified public depositories. The other major task area associated with this output is evaluating security issues for deposit eligibility and value, interpreting security inventory exception data developed from external pricing services and monitoring the collateral for continued statutory compliance.

Validity:

The processes associated with this output measure are important relative to providing this service. The result of this measure represents a pure count of the number of times a variety of processes are performed. The underlying work measures count has been defined to provide standardization in the count process. Evaluation of the present work components and refining additional indicators that measure outcome and output of the business process is ongoing.

This measure includes processes influenced by changes that are not under the control of The Office of the Chief Financial Officer. The number of financial analyses performed is based on financial industry conditions and the number of applicants seeking to become qualified public depositories. The amount of resources used in researching securities is controlled by the complexity of products made available in the investment community and the choices of the regulated entities.

Reliability:

The majority of information for this measure is electronically produced or may require some manual intervention. Fluctuations and inconsistencies are investigated by supervisory personnel. Complete documentation of the collection process has been concluded. The collection process has been standardized based on work measure definitions.

LRPP EXHIBIT IV: Performance Measure Validity and Reliability

Department: Financial Services

Program: Treasury

Service/Budget Entity: Deposit Security

Measure: Number of account actions taken on regulatory collateral deposit accounts

Action (check one):

- Requesting revision to approved performance measure.
- Change in data sources or measurement methodologies.
- Requesting new measure.
- Backup for performance measure.

Data Sources and Methodology:

The Treasury Program is responsible for the following functions that comprise the Deposit Security Service:

(1) The Chief Financial Officer's Office pursuant to Section 17.59, F. S., serves as a centralized deposit location for specialized management and reporting of regulatory collateral deposits. Regulatory collateral deposits are required of various entities by state agencies as a condition of doing business or acts of guarantee under approximately 40 statutes. The office evaluates deposited collateral in relation to statutory requirements and acts on behalf of state agencies and governmental units requiring the deposit. This deposit specialization allows state agencies to benefit from the use of: a) custodial contracts to perfect security interest, b) financial information services to assure value and quality, and c) personnel knowledgeable in maintaining and reporting securities inventories. These benefits are not available or cost effective for individual agencies when maintaining deposits for regulatory purposes.

(2) The Chief Financial Officer's Office pursuant to Chapter 280, F. S., administers the "Florida Security for Public Deposits Act" which is a statewide "pool" program insuring that public deposits of the state and its political subdivisions are protected from loss due to failure of a financial institution. The office approves qualified public depositories, analyzes financial condition and trends, handles reporting requirements, determines collateral pledging levels, and is responsible for payment of governmental unit claims and financial institution assessments if there are depository failures. The regulatory collateral deposits that are required for the guarantee of institutions in this Public Deposits Program are evaluated and maintained in the same manner as other regulatory collateral deposits of state agencies in the Deposit Security Service.

Validity:

This measure of the number of account actions taken on regulatory collateral deposit accounts contains data collected from the activity required to process transactions, account changes and audit functions in providing the Deposit Security Service. This activity includes the processes to collect report information for banks, savings associations, trust companies and governmental units, and maintain accounting and inventory systems of eligible quality collateral. The major tasks associated with this output measure are: reconciling and

confirming inventory information, processing financial institution and public unit reports, processing account mergers, processing record changes, taking legal and administrative action, auditing processes, processing security deposit and release transactions, processing interest payments and processing checks presented.

Reliability:

The majority of information for this measure is electronically produced. Fluctuations and inconsistencies are investigated by supervisory personnel. Complete documentation of the collection process has been concluded. The collection process has been standardized based on the work measure definitions.

LRPP EXHIBIT IV: Performance Measure Validity and Reliability

Department: Financial Services

Program: Treasury

Service/Budget Entity: State Funds Management and Investment

Measure: Ratio of net rates of return to establish national benchmarks for

(I) Internal liquidity investments

(II) Internal bridge investments

(III) Internal intermediate investments

(IV) Medium term external portfolio

(V) Investment grade convertible bonds

Action (check one):

- Requesting revision to approved performance measure.
- Change in data sources or measurement methodologies.
- Requesting new measure.
- Backup for performance measure.

Internal Liquidity Investments

Data Sources and Methodology:

Under Sections 17.57 and 17.61, F. S., the Chief Financial Officer is assigned responsibility for the deposit and investment of state funds.

The Treasury maintains an investment operation staffed by a Financial Administrator, two Financial Specialists and a Senior Investment Specialist. This program is referred to as the "internal investment" function. The charge to this function is to provide liquidity to cover the large flows of funds out of the Treasury and secondarily to provide investment income to the state of Florida. As of FYE 6/30/99, there are two portfolios managed by the internal investment staff: one is to provide liquidity (liquidity portfolio) and the other extra investment income (bridge portfolio). The investment maturities of this program are relatively short. These measures are report cards for the Treasury's internal investment effort. Internal investments are securities purchased by Treasury staff members.

This measurement compares the net rate of return (return less operating expenses) earned on investments managed by the Treasury's internal staff for the internal liquidity portfolio, to the average yield on 90-day Treasury bills as reported by Bloomberg L.P. for the same time period.

This measure is calculated by dividing the net investment of the portfolio by the benchmark rate of return for that portfolio.

In order to determine the net investment return it is necessary to deduct expenses for the program from earnings on the program. A number in excess of one indicates that the investment program has beaten the benchmark even after expenses have been deducted.

The sources for this calculation are from Treasury records on investment earnings and average invested balance and from budget records that show related expenses. Personnel, systems and space costs are included in investment related expenses.

Validity:

The comparison is appropriate in that internal liquidity investments have relatively short maturities and the 90-day Treasury bill is a relatively short investment security.

Reliability:

The information used to create this measure is from audited state records and from Bloomberg L.P., which is a world recognized investment information source.

Internal Bridge Investments**Data Sources and Methodology:**

Under Sections 17.57 and 17.61, F. S., the Chief Financial Officer is assigned responsibility for the deposit and investment of state funds.

The Treasury maintains an investment operation staffed by a Financial Administrator, two Financial Specialists and a Senior Investment Specialist. This program is referred to as the "internal investment" function. The charge to this function is to provide liquidity to cover the large flows of funds out of the Treasury and secondarily to provide investment income to the state of Florida. There are two portfolios managed by the internal investment staff one is to provide liquidity (liquidity portfolio) and the other extra investment income (bridge portfolio). The investment maturities of this program are relatively short. These measures are report cards for the Treasury's internal investment effort. Internal investments are securities purchased by Treasury staff members.

This measurement compares the net rate of return (return less operating expenses) earned on the internal bridge portfolio managed by the Treasury's internal staff, to the Merrill Lynch 1 to 3 year Government/Corporate Index for the same time period. The measure is calculated by dividing the net investment return for each part the internal investment program by the benchmark rate of return that portfolio. In order to determine the net investment return it is necessary to deduct expenses for the program from earnings on the program. A number in excess of one indicates that the investment program has beaten the benchmark even after expenses have been deducted.

The sources for this calculation are from Treasury records on investment earnings and average invested balance and from budget records that show related expenses. Personnel, systems and space costs are included in investment related expenses. The return on the internal bridge portfolio is compared to the return of the Merrill Lynch 1 to 3 year Government/Corporate Index which is a standard industry benchmark prepared by Merrill Lynch group and easily verified from other sources.

Validity:

The comparison is appropriate in that internal bridge investments have an average maturity of 1-3 years which is similar in maturity levels for the benchmark. The internal bridge portfolio uses the Merrill Lynch 1 to 3 year Government Corporate Index as a benchmark.

Reliability:

The information used to create this measure is from audited state records and from Merrill Lynch which is a large investment firm.

Medium Term External Portfolio

Data Sources and Methodology:

Under Sections 17.57 and 17.61, F. S., the Chief Financial Officer is assigned responsibility for the deposit and investment of state funds. The Chief Financial Officer has selected external investment managers to invest a portion of Treasury funds as determined by the asset allocation strategy adopted by the Chief Financial Officer. Twenty five managers have been assigned responsibility for managing medium-term funds. These investments provide additional earnings for the state on funds that are not needed for liquidity. These external investment managers are well established asset management firms selected by the Chief Financial Officer based on a review of investment specialties, reputation and performance history. The maximum portfolio duration for the medium-term portfolio is six years. The benchmark for this program is the Shearson Lehman Aggregate Index. The measure is calculated by dividing the net portfolio return (after expenses have been deducted) by the benchmark return. A number in excess of one indicates that the investment program has beaten the benchmark even after expenses of the program have been deducted.

JP Morgan Chase is the trustee for the external investment program. As trustee, JP Morgan Chase is responsible for gathering and reporting investment accounting and performance information for each manager and aggregate information for the medium-term portfolio. The Shearson Lehman Aggregate Index is a standard industry benchmark prepared by the Shearson Lehman Group.

Validity:

The Shearson Lehman Aggregate is a widely accepted industry benchmark prepared by the Shearson Lehman Group and easily verified from other sources.

Reliability:

JP Morgan Chase maintains a highly sophisticated computer based investment accounting and reporting system. Market value returns are prepared by using one or more market sources for the valuation of securities in the Treasury's portfolio. These valuations are then reported to the individual investment managers, who have an opportunity to dispute individual security prices. Once the window of opportunity for price correction is closed, JP Morgan Chase prepares performance reports on a monthly basis and forwards them to Treasury staff members. Performance numbers are then reviewed and tested by the Financial Administrator in charge of external investment managers.

Investment Grade Convertible Bonds**Data Sources and Methodology:**

Under Sections 17.57 and 17.61, F. S., the Chief Financial Officer is assigned responsibility for the deposit and investment of state funds. The Chief Financial Officer has selected external investment managers to invest a portion of Treasury funds. One manager has been assigned the responsibility for managing a convertible bond portfolio. These investments provide returns similar to stocks and are therefore more volatile than bond returns. The benchmark for this program is the Merrill Lynch Investment Trade Convertible Bond Index. The measure is calculated by dividing the net portfolio return (after expenses have been deducted) by the benchmark return. A number in excess of one indicates that the investment program has beaten the benchmark even after expenses of the program have been deducted.

JP Morgan Chase is the trustee for the external investment program. As trustee, JP Morgan Chase is responsible for gathering and reporting investment accounting and performance information for each manager and aggregate information for the convertible bond program.

Validity:

The Merrill Lynch Investment Grade Convertible Bond Index is a standard industry benchmark prepared by the Merrill Lynch group and easily verified from other sources.

Reliability:

JP Morgan Chase maintains a highly sophisticated investment accounting and reporting function. Market value returns are prepared by using one or more market sources for the valuation of securities in the Treasury's portfolio. These valuations are then reported to the individual investment managers, who have an opportunity to dispute individual security prices. Once the window of opportunity for price correction is closed, JP Morgan Chase prepares performance reports and forwards them to Treasury staff members. Performance numbers are then reviewed and tested by the Financial Administrator in charge of external investment managers.

LRPP EXHIBIT IV: Performance Measure Validity and Reliability

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 (check one):

- Requesting revision to approved performance measure.
- Change in data sources or measurement methodologies.
- Requesting new measure.
- Backup for performance measure.

Data Sources and Methodology:

The Chief Financial Officer is responsible for keeping and paying out state funds in accordance with Article IV, Section 4(e) of the Constitution of the State of Florida. The Division of Treasury pays warrants and other orders by the Chief Financial Officer for the disbursement of state funds in accordance with Section 17.52, F. S. The Chief Financial Officer accounts for all state funds and securities in accordance with Section 17.555, F. S. The Chief Financial Officer deposits and invests funds in accordance with Sections 17.57 and 17.61, F. S. The Chief Financial Officer is designated the cash management officer for the state in accordance with Section 17.57 of the Florida Statutes and is responsible for supervising the collection of funds by all means i.e. checks, credit cards and other electronic forms of payment. This measure counts the number of financial management and accounting transactions performed in the Cash Management, Warrant, Receipts, Accounting and Auditing Sections of the State Funds Management and Investment Service.

In order to perform the aforementioned duties, the Treasury operates high volume data processing applications and complex accounting systems. The processes necessary to complete these tasks are performed in the Cash Management, Warrant, Receipts, Accounting and Auditing Sections of the Bureau of Funds Management. There are 28 different outputs that are included in this measurement. The data sources are bank records, Division of Accounting and Auditing records and Division of Treasury records.

The Cash Management Section operates a Treasury Concentration System, and maintains a depository account at Bank of America. The primary purpose of the account is to serve the deposit requirements of state agencies and institutions made into a Treasury account by means of over the counter deposit, wire transfer, and Automated Clearing House (ACH). State agencies make their deposits into the Treasury Concentration System Account using deposit slips provided by the Cash Management Section. These deposit slips provide the basis for identifying the agency that made the deposit and include the deposit number (serial number), which is used to verify deposit entries made to FLAIR. On each business day, the Accounting Systems Analyst downloads deposits made into the account on the previous day. The Cash Management section also maintains depository accounts at Bank of America for processing EFT payments for the Department of Revenue and Electronic Payments (Credit Card) receipts. Bank statements are received daily, the accounts are reconciled monthly, and any outstanding items are submitted to the appropriate state agency for review or offset against other outstanding bank or Treasury entries. Any items that are deposited into the depository bank accounts that are returned/charged back are processed through the Return Items System on the AS400 and then forwarded to the Receipts section for preparation of a Debit Memorandum and posting to FLAIR.

The Consolidated Revolving Account is a system developed and administered by the Cash Management Section for state agencies to deposit their revolving funds, write checks on their portion of the account, and receive a statement of account activity at the end of the month. Participating agencies make deposits and write checks on a consolidated account at Wachovia Bank. Agencies provide a listing (signature card) of authorized signers for their sub-account. Agency transactions are posted through the use of participant numbers on checks and deposit slips. The Treasury operates a sub-account banking system using an AS400 mini-computer with programs developed within the Treasury. Master participant records are maintained on all agencies participating within the account. Transactions are posted to sub-accounts in the system by downloading posting information of all items posted to the account at Wachovia. A ten-digit number encoded in the auxiliary on-us field of checks or deposit slips identifies the sub-account for sorting and posting of items. Cash Management determines the amount of funds to be invested in the Special Purpose Investment Account (SPIA), and notifies the Investment Section of the amount to be invested or withdrawn from investment status. A report of investments in the SPIA is reviewed to confirm investments of the revolving account funds. Interest earnings are apportioned monthly to the sub-accounts on a pro-rata basis.

Florida Administrative Code Chapter 4C-1 establishes procedures for the approval and administration of clearing accounts maintained in qualified public depositories outside the State Treasury. This rule also establishes guidelines for the methods and frequency of transmitting moneys to the State Treasury for such clearing accounts. Any agency, board, bureau, commission, institution or department desiring to establish a clearing account must forward a letter to the State Treasury requesting approval. The Cash Management Section reviews each request before approval is granted. At the end of each calendar quarter, clearing account balances are reported to the Treasury along with a copy of the three monthly account analysis statements from the previous quarter.

The transactions reported by the cash management section are:

- Bank deposit transactions

The Warrant Section contracts with a Florida bank selected through a competitive bidding process to collect state warrants after they have cleared through the banking system. The current contractor is Capital City Bank. The bank has arranged to receive warrants from the Miami and Jacksonville branches of the Federal Reserve Bank as well as by direct delivery from major Florida banks. The contract bank prepares a computerized listing of warrants to be presented for payments, and compares this list with the warrant issue file which was prepared by the Division of Accounting and Auditing and delivered to the Treasury. The Treasury system on which the issue file resides is an IBM AS400 mini-computer. The bank delivers the warrants presented for payments to the Treasury. Treasury staff members ensure on a sample basis that all warrants have been received from the Contract Bank and deliver them to the Division of Accounting and Auditing for archiving. The warrants are approved for payment by the Treasury through a process on the AS400 minicomputer, which matches the warrants presented for payment with the Treasury issue file. The Division of Accounting and Auditing's issue file is updated to show that the warrants have been paid. In addition, Treasury staff members must deal with warrants that do not match the issue file and with warrants which are returned for reasons such as a stop payment order from the Division of Accounting and Auditing, year old, altered warrants and other errors.

The transactions reported by the warrant section are:

- Warrants paid
- Warrants returned

The Receipts Section works closely with the Cash Management Section in accounting for money coming into the State Treasury. It is essential to promptly credit the correct account in the Florida Accounting Information Reporting (FLAIR) system in order to make funds available for disbursement. This process is initiated by the individual state agencies that receive or expect to receive funds. The agency enters the transaction into FLAIR pending verification of receipt by the Treasury. The Treasury has created a matching code system for transactions processed through the deposit concentration bank (Bank of America). A ten-digit code exists on the deposit ticket used and the same code is input into FLAIR. The concentration bank delivers the ten-digit code with the amount of the deposit using an on-line hook-up to the Treasury IBM AS400 mini-computer. Over the counter deposits that do not match must receive individual attention from Receipts Section staff members. In many cases, Treasury must contact the affected agency in order to have the FLAIR entry initiated or corrected. The Treasury has also created an automated system for credit card deposits. No automated verification system yet exists for wire transfers received or for electronic funds transfers received other than credit cards. These receipts must be manually matched to FLAIR entries. The Receipts Section also must charge back to the appropriate agency all checks that have been deposited and then returned unpaid. These charge backs are listed on a debit memorandum which reduces the balance in the FLAIR account that has previously been credited.

The transactions reported for the Receipts Section are:

- Verified Treasury Receipts
- Debit memoranda

The Audit Section checks behind the other operating sections and performs the function of moving money from "invested status" to "ready for disbursement" status. The latter function is related to trust funds which have moved excess funds into "invested status" in order to have interest earnings accrue to the trust fund rather than general revenue. The transfer into "invested status" is performed by the initiation of a journal transfer in FLAIR by the agency administering the trust fund. In order to make funds available for disbursement, the administrative agency must instruct Treasury to transfer funds from the Treasury trust fund where the "invested status" trust funds are held to the trust fund under the control of the administrative agency. The audit section also prepares reports as assigned by the Financial Administrator in charge of operations and accounting.

The transactions/reports for the Audit Section are:

- Investment balance sheets
- Compliance audit reports
- Unemployment Compensation Account Balance Reports
- Disinvestments
- Bank statement audits
- Warrant verification audit
- Certificate of Deposit Contract audits
- Manual Treasury receipts and debit memoranda audits

The Accounting Section connects with and supports all other areas of the State Funds Management and Investment Service. The accounting section supports our internal investment operation by performing investment accounting on proprietary software housed on the IBM AS400 mini-computer for the internal portfolio. This function is performed by a professional accountant in the accounting section. This position is also responsible for performing monthly allocations of investment earnings to the general revenue fund, trust funds and Special Purpose Investment Accounts. This function is performed on proprietary software housed on the IBM AS400 mini-computer. This position is also responsible for posting trust fund investment and disinvestment transactions and preparing trust fund statements and ledgers. These functions are also performed on proprietary software housed on the IBM AS400 mini-computer.

In order to perform the receipt, payment and investment functions assigned to the Treasury, ten bank accounts are maintained. Numerous transactions occur in these accounts daily. These transactions are posted at the banks and also in bank ledgers by a professional accountant in the accounting section. These daily bank ledgers are used by the Cash Management Section to reconcile to the bank records. Treasury records are maintained on proprietary software on the IBM AS400 and on Excel software housed on a microcomputer. This position is also required to match total assets in bank accounts and investments with state accounting records in the Florida Accounting Information Reporting (FLAIR) system.

An accountant II in the accounting section is responsible for managing the certificate of deposit placement program mandated by Section 17.57, F.S. This statute requires that Florida banks and savings and loan associations must be given preference in the placement of Treasury investment funds. The Treasury places certificates of deposit in these financial institutions in one-year maturity renewable contracts and two and three-year maturity bid contracts. Interest payable to the Treasury is collected on the due date using electronic fund transfer debits. This application is maintained on proprietary software housed on the IBM AS400 mini-computer. This position is also responsible for maintaining the Treasury's version of the state books. Account balances differ in the Treasury's version and the Division of Accounting and Auditing's version of state accounting records because the Division of Accounting and Auditing deducts warrants from account balances when issued and the Division of Treasury deducts warrants from account balances when paid. Inputs necessary for this function are receipt, journal transfer and warrants paid information received from either the Division of Accounting and Auditing or other sections of the Treasury. State account records are maintained on proprietary software housed on the IBM AS400 mini-computer.

The transactions/reports for the Accounting Section are:

- Investment purchases and sales
- Investment reports
- Fund summary/interest allocation reports
- Trust fund investments/disinvestments
- Trust fund statements and ledgers
- Bank account receipts
- Bank account warrant credits
- Bank account investment purchases, sales and maturities
- Bank money transfers/internal
- Bank money transfers for the Special Purpose Investment Account
- Bank ledgers
- Governor's report
- Certificate of deposit interest notices
- Certificate of deposit contracts and reports
- Certificate of deposit monthly reports
- State accounts receipts summary
- State accounts disbursement summary
- State accounts transfer registers
- State accounts balance summary reports
- State accounts reconciliation reports
- State accounts investment purchases/sales/maturities
- Chief Financial Officer's Annual Treasury Report

Validity:

These various activities listed below are a valid reflection of the work produced in the accounting/operations section of the State Funds Management and Investment. Rising volumes indicate that more work is being produced.

Reliability:

The accuracy of the individual outputs that constitute this measure is verified in the following manner:

1. Those outputs which are recorded on software which creates a transaction total:
 - Bank deposit transactions
 - Certificate of deposit contract audits
 - Investment purchases and sales
 - Trust fund investments/disinvestments
 - Trust fund statements and ledgers
 - Bank account investment purchases, sales and investments
 - Bank money transfers/internal
 - Bank money transfers for the Special Purpose Investment Account
 - Certificate of deposit interest notices
 - Certificate of deposit contracts and reports
 - State accounts investment purchases, sales and maturities

2. Those outputs for which periodic totals are input manually into spreadsheet software and then totaled by the software:
 - Warrants paid
 - Warrants returned
 - Verified Treasury receipts
 - Debit memoranda
 - Manual Treasury receipts and debit memoranda audits
 - Bank account receipts

3. Those outputs which are created to match a time period, e.g. daily or monthly:
 - Investment balance sheets
 - Compliance audit reports
 - Unemployment Compensation Account Balance reports
 - Warrant verification audit
 - Investment reports
 - Fund summary/interest allocation reports
 - Bank account warrant credits
 - Bank ledgers
 - Governor's report
 - Certificate of deposit monthly reports
 - State accounts receipt summary
 - State accounts disbursement summary
 - State accounts transfer register reports
 - State accounts balance summary
 - State accounts reconciliation reports

LRPP EXHIBIT IV: Performance Measure Validity and Reliability

Department: Financial Services

Program: Treasury

Service/Budget Entity: State Funds Management and Investment

Measure: Number of cash management consultation services

Action (check one):

- Requesting revision to approved performance measure.
- Change in data sources or measurement methodologies.
- Requesting new measure.
- Backup for performance measure.

Data Sources and Methodology:

The Chief Financial Officer is responsible for keeping and paying out state funds in accordance with Article IV, Section 4(e) of the Constitution of the State of Florida. Section 17.57(6), F. S., designates the Chief Financial Officer as the cash management officer for all of state government. As cash management officer, the Chief Financial Officer is charged with the supervision of procedures in all state agencies and institutions to ensure the efficient handling of financial assets. The Chief Financial Officer Treasurer has established a section within the State Funds Management and Investment Service that performs cash management consultations.

A cash management consultation is considered to have taken place if Treasury cash management employees communicate with a state agency or institution, research a procedure, and make recommendations back to the agency or institution. The cash management personnel who work on some or all consultations are the Financial Administrator, Financial Specialist, Accounting Systems Administrator and Accounting Systems Analyst.

The Financial Administrator in charge of the Cash Management Section is responsible for keeping records on all cash management consultations completed for each fiscal year. Written records are maintained regarding each consultation and files are maintained for future reference. The complexity of consultations will vary from a complete review of money handling procedures to the review of a single process. Most consultations involve visits by the Treasury cash management personnel to the agency under review. Consultations may be initiated by the Treasury and take the form of an audit, or they may be initiated by an agency with particular questions or needs. Consultations may stretch over a number of weeks or may be completed in a very few days.

Validity:

A system of documenting consultations has been developed which requires the completion of a consultation report (paper) from the Financial Administrator in charge of cash management, who is also in charge of every consultation. This report is submitted to the Chief of the State Funds Management and Investment Service. These reports are completed at the end of each consultation and are maintained as a method of verifying the number of consultations performed.

Reliability:

All staff will use the same form to count consultations throughout the year. From year to year, the count for this measure should stay fairly consistent.

LRPP EXHIBIT IV: Performance Measure Validity and Reliability

Department: Financial Services

Program: Treasury

Service/Budget Entity: State Funds Management and Investment

Measure: Dollar volume of funds invested

Action (check one):

- Requesting revision to approved performance measure.
- Change in data sources or measurement methodologies.
- Requesting new measure.
- Backup for performance measure.

Data Sources and Methodology:

The Chief Financial Officer is responsible for keeping and paying out state funds in accordance with Article IV Section 4(e) of the Constitution of the State of Florida. Section 17.57, F. S., assigns the Chief Financial Officer the responsibility of maintaining bank accounts and establishing investment operations in order to keep state funds fully invested or deposited and to realize maximum earnings while providing for the cash requirements of the State. Section 17.61, F. S., authorizes the Chief Financial Officer to invest funds for any statutorily created board, association, or entity (other than the Florida Retirement System) which requests such service from the Chief Financial Officer. These funds are held outside the Treasury in the Treasury's Special Purpose Investment Account. Funds within the Treasury and in the Special Purpose Investment Account are combined in one investment portfolio. The investment function is performed partially by Treasury staff members and partially by investment managers hired by the Chief Financial Officer. This measurement indicates the amount of money invested in both the Treasury internal and external investment programs.

State revenues are deposited into the Treasury. Special Purpose Investment Account funds are wired into a bank account maintained by the Treasury. Funds received are converted to investments by the purchase of securities by Treasury staff members or by transferring funds to the trustee for the Treasury external investment program which are in turn invested by managers hired by the Chief Financial Officer. Portfolio records for internally invested funds are maintained by Treasury staff members using proprietary software on the IBM AS400. Securities purchased are added to the inventory on proprietary software on the IBM AS400, and securities that mature or are sold are deducted from the inventory on proprietary software on the IBM AS400. The securities custody bank for the internal investment program, Bank of New York, maintains a second portfolio record. The wire transfer of money to the trustee for the program, JP Morgan Chase, creates the balance in the external investment program. JP Morgan Chase maintains separate portfolio records for each investment manager hired by the Chief Financial Officer. JP Morgan Chase prepares a monthly statement showing beginning balances, investment and securities lending fees earned and investment management and custody fees charged, and the resulting ending balance.

Validity:

The dollar volume of funds invested is an indication of the significance of the Treasury investment function. This measure is a standard in the investment industry.

Reliability:

The internal investment balance is verified daily by comparing the proprietary software on the IBM AS400 investment accounting records maintained by state employees to the Bank of New York portfolio accounting system. The balance in the external investment program is verified by Treasury staff members who review the monthly report prepared by JP Morgan Chase to ensure that the beginning balance matches the previous month ending balance, that transactions reported are proper and that fees paid are correct.

LRPP EXHIBIT IV: Performance Measure Validity and Reliability

Department: Financial Services

Program: Treasury

Service/Budget Entity: Supplemental Retirement Plan

Measure: Percentage increase in deferred compensation contributions over previous year

Action (check one):

- Requesting revision to approved performance measure.
- Change in data sources or measurement methodologies.
- Requesting new measure.
- Backup for performance measure.

Data Sources and Methodology:

Section 112.215, F.S., designates the Bureau of Deferred Compensation (BODC) is responsible for administering the Internal Revenue Code 457 Plan. The BODC must make available to all state employees the most secure, well diversified and proficiently administered voluntary supplemental retirement plan available under Section 457 of the Internal Revenue Code.

Individuals qualified to participate in the State Deferred Compensation Plan are employees, who are appointed, elected, or under contract, providing services to the State of Florida for which compensation or statutory fees are paid. This definition includes employees paid from regularly appropriated funds. The total deferrals in the Plan in this measure are calculated for state employees (not including OPS or university employees).

The total of participant deferrals in the Deferred Compensation Plan is reported by the Deferred Compensation Records Keeper. The total of special contributions is separately tabulated by BODC staff on a unique database.

Validity: This measure is the increase in the participant's average contributions to the Deferred Compensation program. The increase in participant's contributions is an indicator of the effectiveness of the Plan's goal. Assist state employees in achieving financial security in their retirement years.

Reliability: The State has a contract with an outside recordkeeping vendor. SUNGARD of Birmingham, Alabama was awarded the contract in 2005, due to a competitive bid process.

LRPP EXHIBIT IV: Performance Measure Validity and Reliability

Department: Financial Services

Program: Treasury

Service/Budget Entity: Supplemental Retirement Plan

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

Action (check one):

- Requesting revision to approved performance measure.
- Change in data sources or measurement methodologies.
- Requesting new measure.
- Backup for performance measure.

Data Sources and Methodology:

Section 112.215, F.S., designates the Bureau of Deferred Compensation (BODC) is responsible for administering the Internal Revenue Code 457 Plan. The BODC must make available to all state employees the most secure, well diversified and proficiently administered voluntary supplemental retirement plan available under Section 457 of the Internal Revenue Code.

Individuals qualified to participate in the State Deferred Compensation Plan are employees who are appointed, elected, or under contract, providing services to the State of Florida for which compensation or statutory fees are paid. This definition includes employees paid from regularly appropriated funds. The number of new accounts in the Plan in this measure is for state employees (not including OPS or university employees).

The number of new accounts in the Deferred Compensation Plan is reported by the Deferred Compensation Records Keeper.

Validity: This measure is the number of new accounts added to the program minus any distribution or closing of accounts. The number of new accounts is an indicator of the effectiveness of the Plan's goal. Assist state employees in achieving financial security in their retirement years.

Reliability: The State has a contract with an outside recordkeeping vendor. SUNGARD of Birmingham, Alabama was awarded the contract in 2005, due to a competitive bid process.

LRPP EXHIBIT IV: Performance Measure Validity and Reliability

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 **in the fiscal year** compared to the total dollar amount of returnable accounts reported/received **in the prior fiscal year**

Action (check one):

- Requesting revision to approved performance measure.
- Change in data sources or measurement methodologies.
- Requesting new measure.
- Backup for performance measure.

Data Sources and Methodology: The Unclaimed Property Management of Information System (UPMIS) database was designed to collect, compile, and report unclaimed property data on Property Reporting, Cash Property Management, Securities Property Management, Tangible Property Management, and Property Claims in Florida. It also provides information on an unclaimed asset as it is maintained in its various stages through the UPMIS system.

Validity:

This measure will provide a valid percentage of total dollar amount of claims paid in a fiscal year as a percent of the total dollar amount of returnable accounts reported/received in the prior fiscal year. The measure previously read "Percent of the total dollar amount of claims paid to the owner as a percent of the total dollars in returnable accounts reported/received." The annual reporting deadline is April 30th. Many of these reports are not loaded until after the fiscal year ends on June 30th. As a result, the majority of the total dollar amount in claims paid during a fiscal year is from funds that were received in prior fiscal years. We feel that this measure would be more meaningful if we compared the total dollar amount claims paid during the present fiscal year to the dollars in returnable accounts received during the previous fiscal year.

Reliability:

The unclaimed property data is maintained on the Unclaimed Property database and the Department's Division of Information Systems supports it.

LRPP EXHIBIT IV: Performance Measure Validity and Reliability

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 **in the fiscal year** compared to the total number returnable accounts reported/received **in the prior fiscal year**

Action (check one):

- Requesting revision to approved performance measure.
- Change in data sources or measurement methodologies.
- Requesting new measure.
- Backup for performance measure.

Data Sources and Methodology: The Unclaimed Property Management of Information System (UPMIS) database was designed to collect, compile, and report unclaimed property data on Property Reporting, Cash Property Management, Securities Property Management, Tangible Property Management, and Property Claims in Florida. It also provides information on an unclaimed asset as it is maintained in its various stages through the UPMIS system.

Validity:

This measure will provide a valid percentage of total number of claims paid to the owner this fiscal year as a percent of the total number of returnable accounts reported/received last fiscal year. The measure previously read "Percent of the total number of claims paid to the owner as a percent of the total number in returnable accounts reported/received." The annual reporting deadline is April 30th. Many of these reports are not loaded until after the fiscal year ends on June 30th. As a result, the majority of the total number of claims paid during a fiscal year is from accounts that were received in prior fiscal years. We feel that this measure would be more meaningful if we compared the total number of claims paid during the present fiscal year to the number of returnable accounts received during the previous fiscal year.

Reliability:

The unclaimed property data is maintained on the Unclaimed Property database and the Department's Division of Information Systems supports it.

LRPP EXHIBIT IV: Performance Measure Validity and Reliability

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 (check one):

- Requesting revision to approved performance measure.
- Change in data sources or measurement methodologies.
- Requesting new measure.
- Backup for performance measure.

Data Sources and Methodology:

The data source for this measure is the Unclaimed Property database. The number of owner accounts processed is determined by counting the number of owner accounts, (C, D, and E records), that have a "date added" in the period. The date added is a programmatic date added to these records when the record is entered on the database. The dollar amount of the owner accounts processed is determined by accumulating the cash reported on the owner cash records, ("C" records), that have a date added within the period.

Validity:

This measure is a valid measure of the number of owner records entered on the Unclaimed Property database for the period. This measure will also provide a valid measure of the value of the dollar amount reported for owners.

Reliability:

The data is maintained on the Unclaimed Property database and the Department's Division of Information Systems supports it. This number could change as a result of records being entered on the database in one period, determined to be incorrectly entered, and removed after the report is created.

LRPP EXHIBIT IV: Performance Measure Validity and Reliability

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 to owners

Action (check one):

- Requesting revision to approved performance measure.
- Change in data sources or measurement methodologies.
- Requesting new measure.
- Backup for performance measure.

Data Sources and Methodology:

The source for this data is the Unclaimed Property database. The measure "number of claims paid to owners" is determined by counting the number of claim records ("F", "G", and "H" records), that have a warrant date within the date range. The dollar value is determined by accumulating the approved amount on the cash claim records, ("F" records.)

Validity:

This measure will provide a valid number and amount of claims paid within the period. Although these claims were paid within the period, they may have completed the approval/denial process in a prior period. An example of this is those claims approved toward the end of the fiscal year that will not be paid until the following fiscal year.

Reliability:

The Unclaimed Property data is maintained on the Unclaimed Property database and the Department's Division of Information Systems supports it.

LRPP EXHIBIT IV: Performance Measure Validity and Reliability

Department: Financial Services

Program: Financial Accountability for Public Funds

Service/Budget Entity: Recovery and Return of Unclaimed Property

Measure: Percent of claims ~~paid~~ processed within ~~90~~ 45 days from date received.

Action (check one):

- Requesting revision to approved performance measure.
- Change in data sources or measurement methodologies.
- Requesting new measure.
- Backup for performance measure.

Data Sources and Methodology: The Unclaimed Property Management of Information System (UPMIS) database was designed to collect, compile, and report unclaimed property data on Property Reporting, Cash Property Management, Securities Property Management, Tangible Property Management, and Property Claims in Florida. It also provides information on an unclaimed asset as it is maintained in its various stages through the UPMIS system.

Validity:

This measure will provide a valid percentage of claims processed within 45 days of being received. This is a customer service issue and the measure should only be used to ensure the program is providing an adequate level of service. The measure previously read "Percent of claims paid within 90 days from date received". The Bureau does not pay every claim that is received. Not every claim that is received and eventually paid comes into the Bureau with all the required documentation to support the claim. Bureau staff spends significant time and resources researching claims that may never be paid. We think it's important to capture data for this measure for claims processed, or worked, rather than claims paid.

Reliability:

The unclaimed property data is maintained on the Unclaimed Property database and the Department's Division of Information Systems supports it.

LRPP EXHIBIT IV: Performance Measure Validity and Reliability

Department: Financial Services

Program: Financial Accountability for Public Funds

Service/Budget Entity: Recovery and Return of Unclaimed Property

Measure: Increase in Holders Reporting Unclaimed Property

Action (check one):

- Requesting revision to approved performance measure.
- Change in data sources or measurement methodologies.
- Requesting new measure.
- Backup for performance measure.

Data Sources and Methodology: The Unclaimed Property Management of Information System (UPMIS) database was designed to collect, compile, and report unclaimed property data on Property Reporting, Cash Property Management, Securities Property Management, Tangible Property Management, and Property Claims in Florida. It also provides information on an unclaimed asset as it is maintained in its various stages through the UPMIS system.

Validity:

This measure will provide a valid percentage of holders reporting unclaimed property this fiscal year compared to the number of holders reporting last year. It is our goal to increase compliance within the business community by conducting more statewide education seminars and performing more compliance examinations throughout the state. We hope to increase the number of holders reporting unclaimed property by 10% each year. The outcome would be that the State School Fund receives additional funds as a result of increased compliance by the business community. The data used for this measure is already captured internally.

Reliability:

The unclaimed property data is maintained on the Unclaimed Property database and the Department's Division of Information Systems supports it.

LRPP EXHIBIT IV: Performance Measure Validity and Reliability

Department: Financial Services

Program: Fire Marshal

Service/Budget Entity: Compliance and Enforcement

Measure: Number of fire related deaths occurring in state owned properties required to be inspected

Action (check one):

- Requesting revision to approved performance measure.
- Change in data sources or measurement methodologies.
- Requesting new measure.
- Backup for performance measure.

Data Sources and Methodology:

The list of the state owned properties inspected is updated regularly from a mainframe database maintained in the Department of Financial Service's Information Technology Service called the Fire Marshal Application in the Treasury Management Information Center (TMIC). The Fire Marshal Application keeps track of which buildings have been inspected, violations identified, the Fire Protection Specialist assigned, and the date of the inspection.

Each of the six regional field offices is assigned a specific geographical area according to the number of inspections and size of the geographical area. Fire Protection Specialists conduct inspections in the field and record the data into a 'Red Book' which is monitored by administrative support personnel. Administrative support personnel key the inspection data, including cited fire code violations, into the database.

With the exception of special inspections, the criterion for initiating an inspection in a facility is set by statute and workload factors, is maintained in the Fire Marshal Application and Lotus Notes Database, and is supported by the Inspector's 'Red Book'. Each inspection is given a unique inspection number and recorded in the database systems. A completed inspection involves a physical review and identification of possible fire code violations in the facility, including all spaces within, and adjacent to, the facility.

Upon completion of the inspection, identified violations are recorded and a report is written citing the violations. The Inspection Report is explained to the facility manager or designee, input into the Fire Marshal Application and Lotus Notes Database, and submitted to the head of the state agency responsible for the building or facility. If violations are found, and are sufficiently severe and/or complex, a re-inspection will be performed that involves a compliance schedule for the agency to correct the violations. Initial inspections, re-inspections, and compliance schedules are collected in a monthly inspection survey report to record the number of violations cited, and to analyze workload and staffing needs.

Validity:

Identification and correction of fire code violations is a critical part of the State Fire Marshal's efforts to ensure a fire safe environment, and enhance public safety. From a management

perspective, this is a key component measure of the core service of the Bureau of Fire Prevention.

Reliability:

Data for this measure is recorded in a consistent manner in the 'Red Book', and is maintained by the thirty Fire Protection Specialists. On a monthly basis, data is keyed into the Fire Marshal Application, Lotus Notes, and the Inspection Survey Report by support personnel, and is reviewed by a supervisor to ensure accuracy.

The Bureau is developing a technology program and database to replace the current Fire Marshal Application, Lotus Notes, and the local inspector's 'Red Book'.

LRPP EXHIBIT IV: Performance Measure Validity and Reliability

Department: Financial Services

Program: Fire Marshal

Service/Budget Entity: Compliance and Enforcement

Measure: Amount of direct losses from fires in state owned buildings

Action (check one):

- Requesting revision to approved performance measure.
- Change in data sources or measurement methodologies.
- Requesting new measure.
- Backup for performance measure.

Data Sources and Methodology:

State Property and Casualty Claims maintains a database, in Oracle on an IBM AS-400 minicomputer, accessed through an application called STARS, which includes the insured value of each building or structure owned by the state and the contents of these buildings. State Property and Casualty Claims provides the State Fire Marshal with periodic and annual reports of these values from this database.

State Property and Casualty Claims updates these values whenever a state agency submits a Coverage Request Form or a Change of Value Form. Each agency can change the values as frequently as necessary. There is no required schedule to submit coverage changes. Every three years, however, each agency is required to use one of the industry standard value assessment computer programs (of their own choosing) to determine the Actual Cash Value (ACV) of each building and that each agency submits this information to the State Property and Casualty Claims' Property Section along with their worksheet. A Property Engineer in the Property Section reviews the worksheet to spot check the methodology and to check for reasonableness.

The dollar value of loss from fires in state owned buildings that are insured under the Property Fund is derived from information maintained on State Property and Casualty Claims' STARS database. Fire loss claims are reported to State Property and Casualty Claims by the agency property coordinator for the relevant property. The value of the loss is determined through a joint effort of State Property and Casualty Claims and the agency suffering the damages through an estimate derived by the property engineer or an insurance administrator. The estimate is developed with a cost work up on the repairs that need to be made as a result of the fire or from the initial estimate provided by the agency on the Notice of Property Loss Form. When the repairs are completed, the review of the cost is compared to the property estimate. Then a determination of what is owed due to the insurance contract is determined by the State Property and Casualty Claims Insurance Administrator. In turn, the State Fire Marshal obtains a quarterly report from State Property and Casualty Claims on the number of fire claims reported, including the estimated loss at the time of the report.

Validity:

This outcome measure contributes to the aspect of the State Fire Marshal Program that addresses enhanced public safety and property conservation by monitoring the total loss from fires in state-owned buildings. While this measure does not, directly, impact on minimizing or eliminating fire, it does assist the agency in measuring the effectiveness of the Code Compliance Program. The values making up this measurement represent data that State Property and Casualty Claims has been tracking as a management tool for several years.

The staff of the agencies using these buildings determines the values of the buildings and their contents. They select one of a variety of industry standard, value assessment, tools to arrive at these values. State Property and Casualty Claims personnel later spot-check the values for reasonableness. The internal forms and procedures used for both the values and losses are consistent and well documented in a Program Information & Administration Handbook and in the State Property and Casualty Claims Policies and Procedures.

Reliability:

The State Fire Marshal keeps track of its inspections in a separate Cobol program called the Fire Prevention System (FPS) which is run off the department's mainframe (TMIC). However, the State Fire Marshal does not inspect all structures represented in the State Property and Casualty Claims database. They do not inspect state-leased property, pursuant to the passage of Chapter 98-287 Laws of Florida, and structures such as, but not limited to, towers, pole barns and greenhouses that are designated 'Z' structures. These properties are inactive or not required to be inspected.

These two databases serve two distinct business processes and have been maintained separately. Therefore, both numbers for this measurement will include values for structures, and losses that are not related to the work of the State Fire Marshal. State Fire Marshal staff is working with State Property and Casualty Claims staff to find a method for extracting the state-leased property and 'Z' buildings from the State Property and Casualty Claims data so these property categories will not be included in the baseline value and dollar loss from fires. Additionally, staff is evaluating an inspection software program that will ensure uniform data entry and enhance record keeping. This new form of reporting and recording should provide direct upload to the mainframe, and ensure uniform data entry and enhance record keeping during Fiscal Year 2004-05.

LRPP EXHIBIT IV: Performance Measure Validity and Reliability

Department: Financial Services

Program: Fire Marshal

Service/Budget Entity: Compliance and Enforcement

Measure: Percent of mandated regulatory inspections completed

Action (check one):

- Requesting revision to approved performance measure.
- Change in data sources or measurement methodologies.
- Requesting new measure.
- Backup for performance measure.

Data Sources and Methodology:

Seven Fire Protection Specialists work out of field offices around the state where they maintain files on firms and individuals regulated by the section, these files include fire equipment dealers and/or explosive users, manufactures, and dealers. Florida Statutes require the fire equipment dealers and explosive users, manufacturers and dealers to be inspected on regular intervals or as deemed necessary. The inspections are articulated in a number of categories: pre-license, annual, mobile and re-inspections. Fire Protection Specialists record the number of inspections completed in each day and how many hours it takes to complete them on Time Study and Labor Report forms which are completed daily and submitted monthly to the Tallahassee office. The Program Manager receives monthly time labor and study reports and hand counts all activities performed, the portion of the time labor and study report related to inspections are counted on these charts for each of the seven fire protection specialists on a monthly basis, which constitutes the number of regulatory inspections completed and reported.

Upon completion of the inspection a report is written. The inspection report is explained to the facility manager or designee, inputted into the Fire Prevention System database and submitted to the head of the state agency responsible for the building. If code violations are found, and are sufficiently severe and/or complex, a re-inspection will be performed which will involve a Compliance Schedule for the agency to correct the violations identified.

Re-inspections and Compliance Schedules are collected monthly to analyze workload and staffing needs. If a re-inspection is necessary, the inspection is not counted as a second inspection for this measure.

Validity:

This outcome measure is a measure of the productivity of the Regulatory Licensing Section's efforts to enhance public safety by maintaining the safest possible environment through regulation of the fire equipment dealer's facilities and explosive storage facilities.

Reliability:

Data for this measure is recorded in a consistent manner on the Time Study and Labor Report forms which are utilized by this section to capture all activities performed by the seven Fire Protection Specialists. Data is tabulated by hand.

The Program Manager may cross check the inspection numbers reported with inspection reports with numbers contained in a Cobol application called the Fire Marshal Licensing System (System ID: FIR) which runs on the department's mainframe.

LRPP EXHIBIT IV: Performance Measure Validity and Reliability

Department: Financial Services

Program: Fire Marshal

Service/Budget Entity: Compliance and Enforcement

Measure: Number of recurring inspections completed

Action (check one):

- Requesting revision to approved performance measure.
- Change in data sources or measurement methodologies.
- Requesting new measure.
- Backup for performance measure.

Data Sources and Methodology:

The list of the state owned properties inspected is updated regularly from a Cobol database maintained by the Department of Financial Services Information Technology service called Fire Prevention System. This system keeps track of which buildings have been inspected, the exact violations, the Fire Protection Specialist and the date of the inspection.

Each of the five regional field offices is assigned a specific geographical work area according to the number of potential inspections and size of the geographical area. Fire Protection Specialists conduct inspections in the field; record the data into a 'red book' which they submit to their field administrative support personnel. Administrative support personnel key the inspection data into the database.

With the exception of special inspections, the criterion initiating an inspection, is set by statute and workload factors, and is maintained in the Fire Marshal Licensing database supported by the Inspectors 'red book'. Each inspection is given a unique inspection number and recorded in the database system. A completed inspection involves a physical review of the facilities including all spaces enclosed within the perimeter walls and its adjacent auxiliary facilities.

Upon completion of the inspection a report is written. The inspection report is explained to the facility manager or designee, input into the Fire Prevention System database and submitted to the head of the state agency responsible for the building. If code violations are found and are sufficiently severe and/or complex, a re-inspection will be performed which involves a compliance schedule for the agency to correct the violations. Re-inspections and compliance schedules are collected monthly to analyze workload and staffing needs. If a re-inspection were necessary, the re-inspection would not be counted as a second inspection for this measure.

Construction Inspections are initiated by the Plans Review Section. They alert the regional Fire Protection Specialist Supervisor to the need for inspecting new construction and renovations. The number of construction inspections is tracked by an Alpha 4 database maintained by the Plans Review section.

Validity:

Fire code inspections are a critical part of the State Fire Marshal's efforts to enhance public safety. From a management perspective, this is a measure of the core service of the Bureau of Fire Prevention.

The complexity of an inspection may vary from a tollbooth to the twenty-two story state capitol. Similarly, some buildings may have very complex fire protection systems such as fire alarm, fire sprinkler and/or smoke evacuation system, which require an extensive amount of time for compliance testing. However, each of these inspections is currently measured as one inspection.

The Inspection Section is currently developing a standard definition for structures internally known as "Z" structures. These are structures that are state owned but do not require inspections. They include such things as towers, fish tanks and open-air pavilions. Therefore, baseline data collected in Fiscal Year 1997-98 will not be consistent with data collected in Fiscal Year 1998-99, when this new definition is in place.

Reliability:

Data for this measure is recorded in a consistent manner in the 'red book' maintained by the twenty-four Fire Protection Specialists. On a monthly basis the data are keyed into the mainframe database by support personnel and reviewed by supervisors to assure that key errors are caught.

The department is developing a Lotus notes application to replace the local inspector's 'red book'.

LRPP EXHIBIT IV: Performance Measure Validity and Reliability

Department: Financial Services

Program: Fire Marshal

Service/Budget Entity: Compliance and Enforcement

Measure: Number of high hazard inspections completed

Action (check one):

- Requesting revision to approved performance measure.
- Change in data sources or measurement methodologies.
- Requesting new measure.
- Backup for performance measure.

Data Sources and Methodology:

The list of the state owned properties inspected is updated regularly from a Cobol database maintained by the Department of Financial Services Information Technology service called Fire Prevention System. This system keeps track of which buildings have been inspected, the exact violations, the Fire Protection Specialist and the date of the inspection.

Each of the five regional field offices is assigned a specific geographical work area according to the number of potential inspections and size of the geographical area. Fire Protection Specialists conduct inspections in the field; record the data into a 'red book' which they submit to their field administrative support personnel. Administrative support personnel key the inspection data into the database.

With the exception of special inspections, the criterion initiating an inspection, is set by statute and workload factors, and is maintained in the Fire Marshal Licensing database supported by the Inspectors 'red book'. Each inspection is given a unique inspection number and recorded in the database system. A completed inspection involves a physical review of the facilities including all spaces enclosed within the perimeter walls and its adjacent auxiliary facilities.

Upon completion of the inspection a report is written. The inspection report is explained to the facility manager or designee, input into the Fire Prevention System database and submitted to the head of the state agency responsible for the building. If code violations are found and are sufficiently severe and/or complex, a re-inspection will be performed which involves a compliance schedule for the agency to correct the violations. Re-inspections and compliance schedules are collected monthly to analyze workload and staffing needs. If a re-inspection were necessary, the re-inspection would not be counted as a second inspection for this measure.

Construction Inspections are initiated by the Plans Review Section. They alert the regional Fire Protection Specialist Supervisor to the need for inspecting new construction and renovations. The number of construction inspections is tracked by an Alpha 4 database maintained by the Plans Review section.

Validity:

Fire code inspections are a critical part of the State Fire Marshal's efforts to enhance public safety. From a management perspective, this is a measure of the core service of the Bureau of Fire Prevention.

The complexity of an inspection may vary from a tollbooth to the twenty-two story state capitol. Similarly, some buildings may have very complex fire protection systems such as fire alarm, fire sprinkler and/or smoke evacuation system, which require an extensive amount of time for compliance testing. However, each of these inspections is currently measured as one inspection.

The Inspection Section is currently developing a standard definition for structures internally known as "Z" structures. These are structures that are state owned but do not require inspections. They include such things as towers, fish tanks and open-air pavilions. Therefore, baseline data collected in Fiscal Year 1997-98 will not be consistent with data collected in Fiscal Year 1998-99, when this new definition is in place.

Reliability:

Data for this measure is recorded in a consistent manner in the 'red book' maintained by the twenty-four Fire Protection Specialists. On a monthly basis the data are keyed into the mainframe database by support personnel and reviewed by supervisors to assure that key errors are caught.

The department is developing a Lotus notes application to replace the local inspector's 'red book'.

LRPP EXHIBIT IV: Performance Measure Validity and Reliability

Department: Financial Services

Program: Fire Marshal

Service/Budget Entity: Compliance and Enforcement

Measure: Number of construction inspections completed

Action (check one):

- Requesting revision to approved performance measure.
- Change in data sources or measurement methodologies.
- Requesting new measure.
- Backup for performance measure.

Data Sources and Methodology:

The list of the state owned properties inspected is updated regularly from a Cobol database maintained by the Department of Financial Services Information Technology service called Fire Prevention System. This system keeps track of which buildings have been inspected, the exact violations, the Fire Protection Specialist and the date of the inspection.

Each of the five regional field offices is assigned a specific geographical work area according to the number of potential inspections and size of the geographical area. Fire Protection Specialists conduct inspections in the field; record the data into a 'red book' which they submit to their field administrative support personnel. Administrative support personnel key the inspection data into the database.

With the exception of special inspections, the criterion initiating an inspection, is set by statute and workload factors, and is maintained in the Fire Marshal Licensing database supported by the Inspectors 'red book'. Each inspection is given a unique inspection number and recorded in the database system. A completed inspection involves a physical review of the facilities including all spaces enclosed within the perimeter walls and its adjacent auxiliary facilities.

Upon completion of the inspection a report is written. The inspection report is explained to the facility manager or designee, input into the Fire Prevention System database and submitted to the head of the state agency responsible for the building. If code violations are found and are sufficiently severe and/or complex, a re-inspection will be performed which involves a compliance schedule for the agency to correct the violations. Re-inspections and compliance schedules are collected monthly to analyze workload and staffing needs. If a re-inspection were necessary, the re-inspection would not be counted as a second inspection for this measure.

Construction Inspections are initiated by the Plans Review Section. They alert the regional Fire Protection Specialist Supervisor to the need for inspecting new construction and renovations. The number of construction inspections is tracked by an Alpha 4 database maintained by the Plans Review section.

Validity:

Fire code inspections are a critical part of the State Fire Marshal's efforts to enhance public safety. From a management perspective, this is a measure of the core service of the Bureau of Fire Prevention.

The complexity of an inspection may vary from a tollbooth to the twenty-two story state capitol. Similarly, some buildings may have very complex fire protection systems such as fire alarm, fire sprinkler and/or smoke evacuation system, which require an extensive amount of time for compliance testing. However, each of these inspections is currently measured as one inspection.

The Inspection Section is currently developing a standard definition for structures internally known as "Z" structures. These are structures that are state owned but do not require inspections. They include such things as towers, fish tanks and open-air pavilions. Therefore, baseline data collected in Fiscal Year 1997-98 will not be consistent with data collected in Fiscal Year 1998-99, when this new definition is in place.

Reliability:

Data for this measure is recorded in a consistent manner in the 'red book' maintained by the twenty-four Fire Protection Specialists. On a monthly basis the data are keyed into the mainframe database by support personnel and reviewed by supervisors to assure that key errors are caught.

The department is developing a Lotus notes application to replace the local inspector's 'red book'.

LRPP EXHIBIT IV: Performance Measure Validity and Reliability

Department: Financial Services

Program: Fire Marshal

Service/Budget Entity: Compliance and Enforcement

Measure: Number of regulatory inspections completed

Action (check one):

- Requesting revision to approved performance measure.
- Change in data sources or measurement methodologies.
- Requesting new measure.
- Backup for performance measure.

Data Sources and Methodology:

Seven Fire Protection Specialists work out of field offices around the state where they keep files on companies who are fire equipment dealers and/or have explosives storage facilities. The state statutes require their facilities to be inspected at regular intervals. The inspections are articulated in a number of categories: pre-license, annual and re-inspections. Fire Protection Specialists record the number of inspections completed in each day and how many hours it takes to complete them on Time Study and Labor Report forms which they fill out daily and submit monthly to the Tallahassee office. The Fire Protection Specialist Supervisor hand tallies the various inspection columns on these charts for each of the seven Fire Protection Specialists on a monthly basis, which constitutes the number of regulatory inspections completed.

Validity:

The number of regulatory inspections completed accurately reflects the actual work accomplished by the regulatory inspectors. This figure can then be used in helping determine workload, schedules and analyses of the efficiency of this section.

Reliability:

Data for this measure is recorded in a consistent manner on the Time Study and Labor Report forms, which are tabulated by hand.

The Fire Protection Specialist Supervisor may cross check the specialists' numbers with numbers contained in a Cobol application called the Fire Marshal Licensing System, which runs on the Office of the Comptroller's mainframe. However, this application has not been modified to reflect changes in the business process and is therefore not capable of producing full reports for this measure.

The department's Office of Information Services has contracted with an outside software development company to produce a client/server application to collect, analyze, track and report on the functions of the Licensing & Statistics Section. The application, called Regulatory Licensing System (RLS) will primarily serve the business function of processing licenses, permits and certificates of competency. It will also support the Fire Protection Specialists in the field enabling them to process their investigative information and transmit it to the main office in Tallahassee. This application will provide reliable data on this measure. Implementation of the Regulatory Licensing System is planned in several phases beginning in the fall of 2001. Until that time the manual method of data collection will be used.

LRPP EXHIBIT IV: Performance Measure Validity and Reliability

Department: Financial Services

Program: Fire Marshal

Service/Budget Entity: Compliance and Enforcement

Measure: Percent of fire code inspections completed within statutory defined timeframes

Action (check one):

- Requesting revision to approved performance measure.
- Change in data sources or measurement methodologies.
- Requesting new measure.
- Backup for performance measure.

Data Sources and Methodology:

The list of the state owned properties to be inspected is updated regularly from a Cobol database maintained by the Department's Information Technology service called Fire Prevention System. This system keeps track of buildings inspected, violations identified, the Fire Protection Specialist who inspected the facility, and the date the inspection was conducted.

When a fire occurs in a state owned property, an appropriate local official notifies either the Bureau of Fire and Arson Investigations or the Bureau of Fire Prevention by phone. These fires will be tracked by the Bureau of Fire Prevention either through an enhancement to their mainframe database or a personal computer based system yet to be developed.

Each of eight regional headquarters and service offices' is assigned a specific geographical area of responsibility according to the number of potential inspections and size of the geographical area. Fire Protection Specialists conduct inspections in the field, record the data into the Inspectors 'red book' which maintained and secured by administrative support personnel in each field office. These administrative personnel key the inspection data received into a Fire Prevention System database.

With the exception of special inspections, the criterion, initiating an inspection, is set by statute and workload factors; and is maintained in the Fire Prevention System database supported by the Inspectors 'red book'. Each inspection is given a unique inspection number in the Fire Prevention System database. A completed inspection involves the physical review of the facilities including all spaces enclosed within the perimeter walls and its adjacent auxiliary facilities.

Upon completion of the inspection a report is written. The inspection report is explained to the facility manager or designee, inputted into the Fire Prevention System database and submitted to the head of the state agency responsible for the building. If code violations are found, and are sufficiently severe and/or complex, a re-inspection will be performed which will involve a Compliance Schedule for the agency to correct the violations identified.

Re-inspections and Compliance Schedules are collected monthly to analyze workload and staffing needs. If a re-inspection is necessary, the inspection is not counted as a second inspection for this measure.

Validity:

Fire code inspections are a critical part of the Bureau of Fire Prevention's efforts to enhance public safety through Code Compliance. While compliance with codes will not prevent or minimize certain fires such as, accidental and incendiary, code violations can contribute to the propagation of fires, thereby, requiring effective inspection programs to reduce the incidence of fire, over all.

The scope of an inspection may vary from a small tollbooth to the twenty-two story state capital building. Similarly, some buildings inspected contain complex fire suppression and life safety systems such as fire sprinkler, fire alarm, and/or smoke evacuation systems, which require additional assessment time and compliance testing. Each of these inspections is currently measured as one inspection.

The Inspection Section in the Bureau of Fire Prevention has developed a standard definition for "state-owned building", to establish those properties that do not require inspection. These properties are internally known as "Z" structures and include structures or occupancies such as pole barns, picnic shelters, lift stations, animal pens, animal feeders, pump houses, one-family private residences, two-family private residences, forestry tower, other fire towers, buildings no longer in use, empty buildings and greenhouses.

Reliability:

Inspections are recorded in a consistent manner in the 'red book' maintained by the 24 Fire Protection Specialists'. The data are keyed in to the mainframe database by support personnel and reviewed by supervisors to assure that key errors are caught on a monthly basis. Currently, the department is developing a Lotus Notes application to replace the Inspection 'red book'.

LRPP EXHIBIT IV: Performance Measure Validity and Reliability

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 (check one):

- Requesting revision to approved performance measure.
- Change in data sources or measurement methodologies.
- Requesting new measure.
- Backup for performance measure.

Data Sources and Methodology:

State agencies, their architects or engineers, send plans to the Bureau of Fire Prevention's Plans and Alarms Section for review. When the plans are received, they are date stamped and assigned a 4-digit file number by an Alpha4 database maintained by the Plans and Alarms Section. The Alpha4 database automatically generates a due date depending on whether the plans are for a State leased or State owned building. The Alpha4 system then tracks the disposition of the plans. Each month the Accountant I (support staff) runs a report from the Alpha4 to determine if any plans are over due. Each Engineer then individually checks the paper files for plans that are over due, and then a final report is produced which constitutes the count for this measure.

Validity:

The core responsibility of the Plans Review Section is to review construction plans for fire code compliance within the statutorily defined time frame. The percent of fire code plans reviewed within this time frame is an accurate output that reflects the performance level of this section and can be used in determining workload issues and schedules.

Reliability:

The complexity of the plans varies greatly. They may constitute the building of a non-load-bearing wall in an existing office building or the construction of a new 20-story state owned building. In either case, this measure counts as only one plan completed on time. Data for this measure is recorded in a consistent manner in a database that automatically produces a due date.

The Plans and Alarms Section is proposing to start tracking other duties it performs as supportive measurements relating to the numbers of plans reviewed. These include: code research and assisting professional architects and engineers, local government authorities, other state agencies and the general public regarding applicable state laws, fire marshal's rules and regulations and code compliance

The Plans and Alarms Section also is planning to develop an in-house training program for its staff on code compliance. In addition, Plans Review is planning to return to conducting on-site building inspections to assist the Bureau of Prevention's Inspections Section.

LRPP EXHIBIT IV: Performance Measure Validity and Reliability

Department: Financial Services

Program: Fire Marshal

Service/Budget Entity: Compliance and Enforcement

Measure: Number of boiler inspections completed by department inspectors

Action (check one):

- Requesting revision to approved performance measure.
- Change in data sources or measurement methodologies.
- Requesting new measure.
- Backup for performance measure.

Data Sources and Methodology:

The State Fire Marshal is responsible for assuring that boilers meeting the statutory requirements are inspected. If an insurance company fails to inspect an insured boiler in a timely fashion, the State Fire Marshal must inspect it. In addition, the State Fire Marshal Boiler Inspector is required to inspect boilers even if the boiler owner/user fails to pay the required certificate of compliance fee.

Each registered boiler in the state of Florida has a metal tag affixed to it with a Florida identification number. Boilers with tag numbers under 50k are high pressure and require an external inspection as well as an internal inspection annually. Boilers with tag numbers over 50K are low pressure and require inspection every other year.

All the fire marshal boiler inspectors have access to the "FOCUS" Boiler Management System, which is a licensing application database used by the boiler safety program. The inspectors can view details of all the boilers in the data base and print list of boilers which are due for inspection every month.

When the State Fire Marshal inspectors inspect a boiler a report of inspection is submitted to the main office in Tallahassee so the boiler owner can obtain a valid Certificate of Compliance. At this time, the inspection is entered into the "FOCUS" Boiler Management System for processing of certificates.

Validity:

The number of boiler inspections recorded by "FOCUS" system reflects the safety inspection service performed by the deputy boiler inspectors. These numbers are useful in determining assignments of workload and schedules and also the examination and evaluation of the program's efficiency.

Reliability:

Data for this measure is recorded and generated by the "FOCUS" Boiler Management System. All the invoices, certificates of compliance, and certificates of competency are printed directly from this system.

LRPP EXHIBIT IV: Performance Measure Validity and Reliability

Department: Financial Services

Program: Fire Marshal

Service/Budget Entity: Compliance and Enforcement

Measure: Number of construction plans reviewed

Action (check one):

- Requesting revision to approved performance measure.
- Change in data sources or measurement methodologies.
- Requesting new measure.
- Backup for performance measure.

Data Sources and Methodology:

State agencies, their architects or engineers, send plans to the Bureau of Fire Prevention's Plans and Alarms Section for review. When the plans are received, they are date stamped and assigned a 4-digit file number by an Alpha 4 database maintained by the Plans and Alarms Section. The Alpha 4 database automatically generates a due date dependent on whether the plans are for a state leased or state owned building. The Alpha 4 system then tracks the disposition of the plans. Each month the Accountant I (support staff) runs a report from the Alpha 4 to determine if any plans are over due. Each Engineer then individually checks the paper files for plans that are over due, and then a final report is produced which constitutes the count for this measure.

Validity:

Plans review is a critical part of the State Fire Marshal's Office. Efforts to enhance public safety by correcting deficiencies and violations remains a major objective both in the planning stage and during the construction stage of any state project. From a management perspective, this function is a measurement of one of the core services of the Bureau of Fire Prevention.

Reliability:

The complexity of the plans varies greatly. They may constitute the building of a non-load-bearing wall in an existing office building or the construction of a new 20-story state owned building. In either case, this measure counts as only one plan completed on time. Date for this measure is recorded in a consistent manner in a database that automatically produces a due date.

The Plans and Alarms Section is proposing to start tracking other duties it performs as supportive measurements relating to the number of plans reviewed. These include: code research and assisting professional architects and engineers, local government authorities, other state agencies and general public regarding applicable state laws, Fire Marshal's rules and regulations and code compliance.

The Plans and Alarms Section also is planning to develop an in-house training program for its staff on code compliance. In addition, Plans Review is planning to return to conducting on-site building inspections, to assist the Bureau of Fire Prevention's Inspections Section.

LRPP EXHIBIT IV: Performance Measure Validity and Reliability

Department: Financial Services

Program: Fire Marshal

Service/Budget Entity: Compliance and Enforcement

Measure: Number of entity requests for licenses, permits and certifications processed within statutorily mandated timeframes

Action (check one):

- Requesting revision to approved performance measure.
- Change in data sources or measurement methodologies.
- Requesting new measure.
- Backup for performance measure.

Data Sources and Methodology:

This measures the number of applications for licenses, permits, registrations, certificates of competency that are received, reviewed and processed within the statutorily mandated time parameters. This would be the number of applications received and either a license, permit, certificate is issued or a notice of deficiency is sent to the applicant within 30 days of the date of receipt by the State Fire Marshal's Regulatory Licensing Section in the five industries listed above.

Each of the industries has a statutorily defined licensing and renewal period, each pertaining to a variety of licenses allowing businesses and individuals to work in that industry. When an individual or company requires a license they contact the State Fire Marshal, Bureau of Fire Prevention, Regulatory Licensing Section to request a license packet or access the department's website to obtain the information via the Internet.

The license, permit, and certificate requests are returned to the State Fire Marshal with fees, photographs, and other required documents to the Department of Insurance's Bureau of Financial Services. This Bureau deposits the fee and mechanically stamps a receipt number onto the original license form. This receipt number is entered into the accounting database with a code relating to what type license it is for. The original paper application is then forwarded to the Bureau of Fire Prevention's Regulatory Licensing Section. When applications are received in the Regulatory Licensing Section, they are immediately entered into the Regulatory Licensing System.

If an application is complete and correct and no other statutory or administrative code requirements must be met, the license, permit or certificate is issued and mailed to the applicant. If the application is incomplete, a deficiency letter is mailed to the applicant requesting either corrective action or additional information. If the applicant requires training or examination prior to issuance of a license, permit or certificate, and no other deficiencies exist in the request; the applicant is provided information related to the training and examination requirements along with examination scheduling information.

All information is entered into the Regulatory Licensing System.

Validity:

Fire Data for this measure is recorded as applicant application detail and is entered into the Regulatory Licensing System (RLS). Data produced provides the following detail:

The number of applications received within a month.

The number of applications acted upon by the Regulatory Licensing Staff (both the application is processed and a license, certificate or permit issued or the application is incomplete and a deficiency letter or some other action such as training or examination is required) within 30 calendar days.

Baseline data for this measure will vary from fiscal year to fiscal year. Chapter 633, Florida Statutes, provides that the five classifications of fire protection system contractors shall be required to renew their licenses on a two year cycle, rather than every year, and that Fire Equipment Dealers and Permit holders renew their authorities on a two year cycle, rather than every year.

Reliability:

Section staff relies on daily task reports maintained by each employee as a part of their daily assignments and the reports that can be produced by OIS staff by running queries against the RLS database to produce statistical data.

Therefore in producing baseline data, the Regulatory Licensing Section, projects the number of original license, permit and certificate requests anticipated to be received during each fiscal year, as well as the number of renewal requests that will be received from the regulated industries, two of which are on a bi-annual cycle which causes the standard to fluctuate each fiscal year of reporting.

LRPP EXHIBIT IV: Performance Measure Validity and Reliability

Department: Financial Services

Program: Fire Marshal

Service/Budget Entity: Fire and Arson Investigations

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

Action (check one):

- Requesting revision to approved performance measure.
- Change in data sources or measurement methodologies.
- Requesting new measure.
- Backup for performance measure.

Data Sources and Methodology:

State Fire Marshal fire investigations start when either a law enforcement officer, a local fire service representative, an insurance company official or a private citizen calls the State Fire Marshal on its 800 number to request assistance determining the cause of a fire. This request goes through the Statewide Law Enforcement Radio System Regional Communication Center to dispatch a State Fire Marshal Law Enforcement Investigator to the fire/explosion scene. Once on the scene, the Investigator radios the Communication Officer to obtain an incident case number, which starts the tracking of the investigation. This incident number will relate to a unique file number generated by a computer program called the Augmented Criminal Investigative Support System (ACISS).

The Investigator physically examines and removes debris, processes and documents the scene and collects any evidence that could lead to determining the cause of the fire. Once the physical examination of the scene and the evidence is completed the Investigators pursue a lengthy behind the scenes investigative process referred to as "latent" investigation which is the information gathering and analysis stage of the investigation that ties together the facts of the case and brings closure to the investigation.

Investigators maintain activity logs pertaining to their investigative productivity. Information from these logs is input into the Augmented Criminal Investigative Support System as the investigation develops. Activity information recorded on a log is submitted to the supervisor for overall review. Case management by the supervisor assures activity hours are documented in the Augmented Criminal Investigative Support System.

Causes are defined in the Augmented Criminal Investigative Support System as: accidental, incendiary, or undetermined. There are three additional fields called "under investigation", used when the investigation cause is pending, "not applicable", used when cause and origin are not an issue, and "exposure", when another property is damaged due being exposed to the original source. Case Status are defined as 'Open', 'Closed', and 'Arrest Pending Disposition' each with eight possible definitions of the Case Status field of the Augmented Criminal Investigative Support System:

- Administratively Closed
- Cleared by Arrest

- Exceptionally Cleared - Accidental
- Exceptionally Cleared - Warrant Issued
- Exceptionally Cleared
- Exceptionally Cleared - Juvenile
- No Further Leads
- Unfounded

For the purpose of this measure, cases 'closed' with the cause 'accidental' and 'incendiary' are used as cases with a determined causation of the fire and is tracked as such.

Validity:

This outcome measures the program's productivity. As the number investigations closed for which a cause is determined increases, due to improved funding and/or increased number of fires, the program's mission of providing effective investigation and forensic services and increasing the solvability of criminal cases will be achieved. This will in turn assist in reducing the risk to life and property that arson represents.

Currently Florida's economy is fairly stable with low unemployment rates. However, if the economy should suffer a downturn, historically the number of arson cases has 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.

Other unpredictable forces that impact this number are political, economic, societal, and technological, such as priorities of type cases to prosecute and support, 'Arson-for-Profit' cases, number of juvenile and pathological type firesetters, development of newer materials, natural and man made disasters, wild land fires also have a significant impact on the program's overall performance.

Reliability:

The Augmented Criminal Investigative Support System is a standard law enforcement computer software package used throughout the country by law enforcement agencies. The Augmented Criminal Investigative Support System has been specifically enhanced to aid the State Fire Marshal in investigative reporting and tracks arson incidents from these reports. Standard operating procedures and software design insure that Augmented Criminal Investigative Support System input is made in a consistent manner. Management systems in place insure that Augmented Criminal Investigative Support System input is accurate. Only a Supervisor may close an investigation, and similarly, only a Supervisor may reopen an investigation.

LRPP EXHIBIT IV: Performance Measure Validity and Reliability

Department: Financial Services

Program: Fire Marshal

Service/Budget Entity: Fire and Arson Investigations

Measure: Percent of arson arrests resulting in conviction

Action (check one):

- Requesting revision to approved performance measure.
- Change in data sources or measurement methodologies.
- Requesting new measure.
- Backup for performance measure.

Data Sources and Methodology:

State Fire Marshal fire investigations start when either a law enforcement officer, a local fire service representative, an insurance company official or a private citizen calls the State Fire Marshal on its 800 number to request assistance determining the cause of a fire. This request goes through the Statewide Law Enforcement Radio System Regional Communication Center to dispatch a State Fire Marshal Law Enforcement Investigator to the fire/explosion scene. Once on the scene, the Investigator radios the Communication Officer to obtain an incident case number, which starts the tracking of the investigation. This incident number will relate to a unique file number generated by a computer program called the Augmented Criminal Investigative Support System (ACISS).

The Investigator physically examines and removes debris, processes and documents the scene and collects any evidence that could lead to determining the cause of the fire. Once the physical examination of the scene and the evidence is completed, the Investigators pursue a lengthy behind the scenes investigative process referred to as 'latent' investigation which is the information gathering and analysis stage of the investigation that ties together the facts of the case and brings closure to the investigation.

Once the cause of the fire/explosion is determined to be incendiary, a criminal investigation has started in terms of the data collected in ACISS.

Each Law Enforcement Investigator working for the SFM is a sworn law enforcement officer, and thus capable of not only contributing to, but also actually making arrests. The Investigators' supplemental reports to ACISS include a large section of the database devoted to the details of arrests as linked to specific arson investigation cases. This information is used by the US or State Attorneys to prosecute cases. The number of arson cases for which an arrest was made includes both actual arrests made by SFM Law Enforcement Investigators as well as those arrests considered 'assists'. The case is then 'closed' as 'arrest pending disposition'. After processing through the Judicial System, resulting information is entered into ACISS. The total number of closed arson investigation cases with an adjudicated final disposition is divided by the total number of closed arson investigation cases with a final disposition. This results in percentage of the arrests where a conviction was derived.

Validity:

If a fire is determined to be an arson fire, the investigator must provide certain requisites of proof. Four elements must be proven: (1) there has been willful and unlawful damage, (2) by fire or explosion, (3) to any structure, and (4) whether actually occupied or not. These criteria are codified in statute and interpreted in case law. Consequently, the results of arson arrests resulting in conviction are held to established and high criteria, however, once submitted for prosecution the investigator is no longer in control of the case or its results.

This outcome measures the program's performance in processing an Arson case, from its beginning with the fire/explosion scene, to its conclusion in the judicial system. This process includes: scene and evidence processing, latent evidence gathering, preparation of any prosecution reports and the expert testimony leading to the conviction of the perpetrator(s).

Reliability:

The ACISS system is a standard law enforcement computer software package used throughout the country by law enforcement agencies. ACISS has been specifically enhanced to aid the SFM in fire and arson investigative reporting and tracks arson incidents through conclusion from these reports. Standard operating procedures and software design insure that ACISS input is made in a consistent manner. Management systems in place insure that ACISS input is accurate. Only a supervisor may close a case, and similarly, only a supervisor may reopen a case.

The judicial process plays a strong role in the outcome of the investigation in which a suspect has been identified, and can influence the outcome of the ability to affect an arrest. Interpretation of the law varies at each judicial level and each judicial district.

LRPP EXHIBIT IV: Performance Measure Validity and Reliability

Department: Financial Services

Program: Fire Marshal

Service/Budget Entity: Fire and Arson Investigations

Measure: Percent of closed arson investigations for which an arrest was made in Florida

Action (check one):

- Requesting revision to approved performance measure.
- Change in data sources or measurement methodologies.
- Requesting new measure.
- Backup for performance measure.

Data Sources and Methodology:

State Fire Marshal fire investigations start when either a law enforcement officer, a local fire service representative, an insurance company official or a private citizen calls the State Fire Marshal on its 800 number to request assistance determining the cause of a fire. This request goes through the Statewide Law Enforcement Radio System Regional Communication Center to dispatch a State Fire Marshal Law Enforcement Investigator to the fire/explosion scene. Once on the scene, the Investigator radios the Communication Officer to obtain an incident case number, which starts the tracking of the investigation. This incident number will relate to a unique file number generated by a computer program called the Augmented Criminal Investigative Support System (ACISS).

The Investigator physically examines and removes debris, processes and documents the scene and collects any evidence that could lead to determining the cause of the fire. Once the physical examination of the scene and the evidence is completed, the Investigators pursue a lengthy behind the scenes investigative process referred to as 'latent' investigation which is the information gathering and analysis stage of the investigation that ties together the facts of the case and brings closure to the investigation.

Once the cause of the fire/explosion is determined to be incendiary (Arson), a criminal investigation has started in terms of the data collected in ACISS.

Each Law Enforcement Investigator working for the SFM is a sworn law enforcement officer, and thus capable of not only contributing to, but also actually making arrests. The Investigators' supplemental reports to ACISS include a large section of the database devoted to the details of arrests as linked to specific arson investigation cases. This information is used by the US or State Attorneys to prosecute cases. The number of arson cases for which an arrest was made includes both actual arrests made by SFM Law Enforcement Investigators as well as those arrests considered 'assists'. The case is then 'closed' as 'arrest pending disposition'. The number of closed arson investigation cases with an arrest is divided by the number of closed arson investigations for that time period resulting in the percentage of the arson cases closed by arrest.

Validity:

If a fire is determined to be an arson fire, the investigator must provide certain requisites of proof to cause an arrest. Four elements must be proven: (1) there has been willful and unlawful damage, (2) by fire or explosion, (3) to any structure, and (4) whether actually occupied or not. These criteria are codified in statute and interpreted in case law. Consequently, the results of arson arrests are held to established and high criteria, however, once submitted for prosecution the investigator is no longer in control of the case or its results.

This outcome measures the program's performance in processing and preparing an Arson case, from its beginning with the fire/explosion scene, to presenting the case for prosecution in the judicial system. This process includes: scene and evidence processing, latent evidence gathering, and preparation of probable cause leading to the arrest of the perpetrator(s).

Reliability:

The ACISS system is a standard law enforcement computer software package used throughout the country by law enforcement agencies. ACISS has been specifically enhanced to aid the SFM in fire and arson investigative reporting and tracks arson incidents through conclusion from these reports. Standard operating procedures and software design insure that ACISS input is made in a consistent manner. Management systems in place insure that ACISS input is accurate. Only a supervisor may close a case, and similarly, only a supervisor may reopen a case.

LRPP EXHIBIT IV: Performance Measure Validity and Reliability

Department: Financial Services

Program: Fire Marshal

Service/Budget Entity: Fire and Arson Investigations

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

Action (check one):

- Requesting revision to approved performance measure.
- Change in data sources or measurement methodologies.
- Requesting new measure.
- Backup for performance measure.

Data Sources and Methodology:

State Fire Marshal fire investigations start when either a law enforcement officer, a local fire service representative, an insurance company official or a private citizen calls the State Fire Marshal on its 800 number to request assistance determining the cause of a fire. This request goes through the Statewide Law Enforcement Radio System Regional Communication Center to dispatch a State Fire Marshal Law Enforcement Investigator to the fire/explosion scene. Once on the scene, the Investigator radios the Communication Officer to obtain an incident case number, which starts the tracking of the investigation. This incident number will relate to a unique file number generated by a computer program called the Augmented Criminal Investigative Support System (ACISS).

The Investigator physically examines and removes debris, processes and documents the scene and collects any evidence that could lead to determining the cause of the fire. Once the physical examination of the scene and the evidence is completed, the Investigators pursue a lengthy behind the scenes investigative process referred to as 'latent' investigation which is the information gathering and analysis stage of the investigation that ties together the facts of the investigation and brings closure to the investigation.

Investigators maintain activity logs pertaining to their investigative productivity (scene and latent investigation) and are input into the Augmented Criminal Investigation Support System as the investigation develops. The activity information log is submitted to the supervisor for overall activity and review. Management by the supervisor assures caseload, activity hours, and other pertinent information is documented in the Augmented Criminal Investigation Support System.

Each Investigator working for the State Fire Marshal is a sworn law enforcement officer, and thus capable of not only contributing to, but also actually making arrests. Their latent investigation work on criminal cases is supported by a team of Crime Intelligence Analysts and a direct link to the Florida Department of Law Enforcement's database. The Investigative Supplement section of the Augmented Criminal Investigation Support

System contains fields relating to criminal charges, the subsequent status of the criminal subjects, as well as referral to the State or US Attorneys.

Augmented Criminal Investigation Support System accepts seven types of closure for investigations. These help supervisors in closing an investigation. Cases closed for which cause was determined use the first five possible definitions listed below:

- Administratively Closed
- Cleared by Arrest
- Exceptionally Cleared - Accidental
- Exceptionally Cleared - Warrant Issued
- Exceptionally Cleared
- Exceptionally Cleared - Juvenile
- No Further Leads
- Unfounded

For the purpose of this measure, cases 'closed where a case did not involve economic or physical loss are those cases closed as: Administratively Closed, and Unfounded.

Validity:

This output measures the program's productivity. As the number investigations closed increases, due to improved funding and/or increased number of fires, the program's mission of providing effective investigation and forensic services and increasing the solvability of criminal cases will be achieved. This will in turn assist in reducing the risk to life and property that arson represents.

Other unpredictable forces that impact this number are political, economic, societal, and technological, such as priorities of type cases to prosecute and support, 'Arson-for-Profit' cases, number of juvenile and pathological type firesetters, development of newer materials, natural and man made disasters, wild land fires also have a significant impact on the program's overall performance. This output number in itself rises and falls due to the unpredictable variables above.

Reliability:

The Augmented Criminal Investigation Support System is a standard law enforcement computer software package used throughout the country by law enforcement agencies. Augmented Criminal Investigation Support System has been specifically enhanced to aid the State Fire Marshal in fire and arson investigative reporting and tracks arson incidents from these reports. Standard operating procedures and software design insure that Augmented Criminal Investigation Support System input is made in a consistent manner. Management systems in place insure that Augmented Criminal Investigation Support System input is accurate. Only a Supervisor may close a case, and similarly, only a Supervisor may reopen a case.

LRPP EXHIBIT IV: Performance Measure Validity and Reliability

Department: Financial Services

Program: Fire Marshal

Service/Budget Entity: Professional Training and Standards

Measure: 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

Action (check one):

- Requesting revision to approved performance measure.
- Change in data sources or measurement methodologies.
- Requesting new measure.
- Backup for performance measure.

Data Sources and Methodology:

It is the policy of the Bureau of Fire Standards and Training to provide training and education that is of benefit to the individual receiving the instruction and ultimately to the organization to which he or she belongs.

Enhanced job performance is defined as an observable improvement in skills or knowledge over a prior observation. The only person(s) capable of making such judgments are those who have observed the individual both before and after the instruction received.

Students report their supervisor's name and contact information when they register for a course at the college. The Training Section captures this information according to class and dates.

Between three and six months after the completion of a course, college staff will mail a post-class evaluation to the supervisor of record or to the fire department of record requesting it be properly distributed.

The completed evaluations are fed into a scanner. Then Optical Character Recognition (OCR) software reads the scanned information and converts it into digital data that is uploaded to the Course Evaluation database. Quarterly summaries of the results are run from the Course Evaluation database.

Validity:

A high number of above satisfactory ratings by employers/supervisors that students have improved their ability to perform assigned job tasks would indicate that the college course content and delivery is providing professional instruction and training for students who work in the fire and emergency service agencies in Florida.

Reliability:

The printed Employer Evaluation was modeled after a similar instrument used by the National Fire Academy specifically to address the evaluation needs of the college. It was designed to be OCR-readable and meet the tests of an evaluation instrument. Feeding the forms into the scanner/reader is conducted in a consistent manner.

LRPP EXHIBIT IV: Performance Measure Validity and Reliability

Department: Financial Services

Program: Fire Marshal

Service/Budget Entity: Professional Training and Standards

Measure: Challenges to examination results and eligibility determination as a percent of those eligible to challenge

Action (check one):

- Requesting revision to approved performance measure.
- Change in data sources or measurement methodologies.
- Requesting new measure.
- Backup for performance measure.

Data Sources and Methodology:

Firefighter recruits and firefighters are offered training at the Florida State Fire College, community colleges, community vocational schools and fire service organizations training facilities all certified by the State. The Division of the State Fire Marshal administers all examinations for verification and competency in the titles listed above.

Section 633.382, F.S., provides for supplemental compensation to be paid to firefighters who meet certain educational requirements as set forth in the statute. The division is responsible for making the eligibility determination.

Customers may challenge the rulings for supplemental compensation eligibility and examination results under the Administrative Procedures Act (Chapter 120). This results in an appeal being heard by a state appointed officer.

Validity:

A low number of challenges and the number of those challenges resulting in favorable results to the division has a direct relationship to ensuring that emergency responders and service providers are the most qualified, competent and ethical, through quality training, education and the establishment of professional standards and that the Florida State Fire College is carrying out those responsibilities effectively

Reliability:

Customers elect to pursue the right of a hearing by notifying the Department of Financial Services Division of Legal Services by returning an 'Election of Rights Form'. This form is included in the notification the department sends to a customer who fails to meet the minimum requirements. The department's Division of Legal Services notifies the Standards Section of the Florida State Fire College of this action and asks the Florida State Fire College to forward the relevant customer files for review. The Florida State

Fire College maintains a manual log of these requests and an electronic record in an Access database for this purpose. The Division of Legal Services maintains these requests in their client/server application called Legal Assignment Tracking system (LAsT). Next the Division of Legal Services notifies the Standards Section of the hearing date and who should attend. The hearings are conducted by the state's Division of Administrative Hearings. The Division of Administrative Hearings notifies the Division of Legal Services of the disposition of each case. When this decision is received, the Division of Legal Services notifies the customer and forwards the paper disposition to the Florida State Fire College Standards Section, where it is recorded in the manual log and the database.

The LAsT system was put into production in May 1998. It will be contributing to the reliability of this measure. The Division of Legal Services owns some data pertaining to this measure. That data is currently being captured electronically and reports and query capabilities are under development

LRPP EXHIBIT IV: Performance Measure Validity and Reliability

Department: Financial Services

Program: Fire Marshal

Service/Budget Entity: Professional Training and Standards

Measure: Number of students trained and classroom contact hours provided by the Florida State Fire College

Action (check one):

- Requesting revision to approved performance measure.
- Change in data sources or measurement methodologies.
- Requesting new measure.
- Backup for performance measure.

Data Sources and Methodology:

All students register for classes conducted by the Florida State Fire College and the registration information is maintained by the registrar's office in a database. The Florida State Fire College Catalogue describes the courses offered and the number of college credits and 'contact hours' that may be earned upon successful completion of the course. All courses provide some amount of contact hours, though not all courses offer college credits. The number of contact hours multiplied by the number of students constitutes the number of contact hours provided. The number of students trained and the total number of contact hours provided are part of a monthly report regularly produced by the registrar's office.

Validity:

The number of students trained and classroom hours provided is an indication of customer demands and response to customer needs. It supports the division's mission of ensuring that emergency responders and service providers in the state of Florida are the most qualified, competent and ethical through quality education and training.

Reliability:

Data for this measure is recorded automatically as students are registered for individual classes. This data comes from simple arithmetic functions utilizing the existing information in the registration database.

LRPP EXHIBIT IV: Performance Measure Validity and Reliability

Department: Financial Services

Program: Fire Marshal

Service/Budget Entity: Professional Training and Standards

Measure: Number of examinations administered

Action (check one):

- Requesting revision to approved performance measure.
- Change in data sources or measurement methodologies.
- Requesting new measure.
- Backup for performance measure.

Data Sources and Methodology:

Students must submit an application for testing 10 days prior to the examination. Examinations are administered at regional testing sites by State Fire Marshal staff.

Students take classes in pursuit of a certificate or competency rating. When applications for testing are received along with appropriate documentation and payment applicants are entered into the scheduling database and a roster is produced on demand. Original rosters are kept in a secure file area. Field examiners are scheduled to administer testing at 27 certified training centers.

Validity:

Uniform tests and testing processes for the certification of firefighters has a direct relationship to ensuring that emergency responders and service providers are the most qualified, competent and ethical through quality training and education.

Reliability:

The data is collected and maintained in a database at the Florida State Fire College. The database is accessible only to a select group of individuals. Results of the examinations are issued only in writing.

LRPP EXHIBIT IV: Performance Measure Validity and Reliability

Department: Financial Services

Program: Fire Marshal

Service/Budget Entity: Compliance and Enforcement

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

Action (check one):

- Requesting revision to approved performance measure.
- Change in data sources or measurement methodologies.
- Requesting new measure.
- Backup for performance measure.

Data Sources and Methodology:

The Florida State Fire College was created, pursuant to 633.43, F.S., to provide professional and volunteer firefighters with needed professional instruction and training in subjects, including, but not limited to, firefighting, fire prevention, and emergency operations.

This data is available from the Department's Oracle database, particularly the FCDICE application, which tracks test scheduling, completion and grades for all persons taking certification or competency examinations.

Validity:

A high number of passing students on first attempt provides an accurate measure of the quality of training being delivered. Because passing standards are established by a separate entity, the ability of the Professional Training Activity to teach students to achieve those standards is reflected by the percentage of students passing examinations on their first attempt.

Reliability:

Test scoring data and origin of training information is maintained on all applicants seeking firefighter certification regardless of where the training originated. This data is easily sorted by training center providing a performance measure for each center.

The Florida State Fire College provides testing for certification as well as competency in several subject areas. The number of examinations rises annually as the demand from the Florida fire service grows. In order to maintain these important records in perpetuity a database is used to store all information and is backed up daily to provide minimum exposure to catastrophic events. This data is utilized to analyze trends, performance and needs.

LRPP EXHIBIT IV: Performance Measure Validity and Reliability

Department: Financial Services

Program: Fire Marshal

Service/Budget Entity: Fire Marshal Administrative and Support Services

Measure: Administrative costs as a percent of program agency costs

Action (check one):

- Requesting revision to approved performance measure.
- Change in data sources or measurement methodologies.
- Requesting new measure.
- Backup for performance measure.

Data Sources and Methodology:

Total administrative costs are determined using the FLAIR system and then divided by the total costs of the program, also determined by the FLAIR system. This provides the ratio of administration cost to the cost of the program.

Validity:

This measure provides the ratio of administrative costs of the State Fire Marshal Program to the operational cost of the entire program.

Reliability:

Data is selected from the FLAIR system for both administrative costs (funds expended) and program costs. This is done for all 12 months of the fiscal year reported.

LRPP EXHIBIT IV: Performance Measure Validity and Reliability

Department: Financial Services

Program: Fire Marshal

Service/Budget Entity: Fire Marshal Administrative and Support Services

Measure: Administrative positions as a percent of total program positions

Action (check one):

- Requesting revision to approved performance measure.
- Change in data sources or measurement methodologies.
- Requesting new measure.
- Backup for performance measure.

Data Sources and Methodology:

Administrative positions are determined by People First reports at the end of the fiscal year and compared with those of the entire program.

Validity:

This measure provides the ratio of administrative positions of the State Fire Marshal Program to the total number of positions of the entire program.

Reliability:

Data is selected from the People First for both administrative positions and program positions

LRPP EXHIBIT IV: Performance Measure Validity and Reliability

Department: Financial Services

Program: Fire Marshal

Service/Budget Entity: Fire Marshal Administrative and Support Services

Measure: Number of evidence sample analyses/examinations processed and photographic imaging services provided

Action (check one):

- Requesting revision to approved performance measure.
- Change in data sources or measurement methodologies.
- Requesting new measure.
- Backup for performance measure.

Data Sources and Methodology:

All fire scene evidence samples, film, some quality assurance samples, and digital images (provided by the investigator at the fire scene) are entered into the Structured Query Language Laboratory Information Management Systems (SQL*LIMS) database, Excel spreadsheets, and the Cumulus database. Additionally with film there is a handwritten log to double-check inputs. Some quality assurance samples are not logged to the database, but are created, run and archived in a separate virtual drive. All data and outputs are calculated from the actual count of samples, analyses, film, videos and digital images received and processed by the laboratory.

Calculation: Number of Evidence Sample Analysis/Examinations Processed = Total Forensic Samples (Fire Debris Samples, Explosives Analyses, Quality Assurance Samples, and Latent Print Cases) + Total Rolls of film developed + Total Digital Images Scanned + Total Forensic Video Submitted.

Validity:

The validity of all items, except the quality assurance samples, is verified by conducting an actual count of the items from the database. They can be further verified and validated through a check of handwritten logs and files.

Quality assurance samples are required in order to assess the validity of the data from evidence samples. They must be included in any determination of work quantity as they require time and resources to prepare, analyze, and interpret. In a typical forty sample batch, the minimum number of quality assurance samples would consist of: 2 test mixes, 2 oven blanks, 2 calibration/spike mixes, 10 between case blanks, and 5 standards for a total of 21 quality assurance samples.

Reliability:

The data and outputs reliably reflect the work activity at the laboratory. The base data calculations typically increase every year, but are entirely dependent on submissions made to the Bureau by its external customers. Additional techniques (analytical and imaging) and improved quality measuring tools may affect the base data for the output measures as well.

LRPP EXHIBIT IV: Performance Measure Validity and Reliability

Department: Financial Services

Program: Fire Marshal

Service/Budget Entity: Fire Marshal Administrative and Support Services

Measure: Number of total incidents reported to the Florida Fire Incident Reporting System

Action (check one):

- Requesting revision to approved performance measure.
- Change in data sources or measurement methodologies.
- Requesting new measure.
- Backup for performance measure.

Data Sources and Methodology:

Fire and emergency incidents are reported to the activity by fire departments throughout the state using hard copy, emailing the report as an attachment to FFIRS@fldfs.com, saving it to a CD or diskette and mailing it to the FFIRS Section, or direct input into the Florida Fire Incident Reporting System (FFIRS). Those submitted by hard copy are input by the Division of State Fire Marshal FFIRS staff.

All incidents in the database are compiled and can be reported in a variety of ways including a cumulative total.

Validity:

All fire and emergency incidents are imported into the Fire Incident Reporting System using one of the four methods cited above. These incidents reports are received from fire departments throughout Florida on a regular basis. All reported incidents are maintained in the Florida Fire Incident Reporting System.

Reliability:

All fire and emergency incidents reported to the FFIRS are available for reporting in an annual report in a variety of formats. On an annual basis, the fire and emergency incidents imputed into the system are accrued and reported as the total number of fire incidents reported in a given year.

LRPP EXHIBIT IV: Performance Measure Validity and Reliability

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 (check one):

- Requesting revision to approved performance measure.
- Change in data sources or measurement methodologies.
- Requesting new measure.
- Backup for performance measure.

Data Sources and Methodology:

The procedure used to arrive at the percentage of operational costs in relation to program claims worked is to divide the operational costs by the total number of claims worked.

Program operating costs are recorded in the Florida Accounting Information Resource (FLAIR) Accounting System including:

1. Salaries and benefits
2. Other personal services
3. Expenses
4. Operating capital outlay
5. Contracted Services
6. Transfer to DMS/HR Outsourcing

The source has been established statewide for fiscal year reporting and provides “on-line” data that can be used to calculate this and other measurements at month end for any measurement period.

Validity:

The comparison of work activity to operating expense for an organization and the specific components is a standard measurement that aids in identifying the utilization of resources in relation to the organizational workflow.

Reliability:

FLAIR is universal to state of Florida accounting and is prepared and reconciled consistently by accounting departments of all agencies. The selected budget criteria utilized to define the operation cost calculation relates specifically to those work functions that are within the scope of administering the State Property and Casualty Claims Program. The data collected within FLAIR is input locally encompassing all financial transactions originated by the program and then reviewed and audited by the Department of Financial Services. The posted data is verified by staff to the programs records and reconciled to the Chief Financial Officer’s appropriation ledger. Due to the universality of the source we cannot foresee a time when the measurement indicator could not be performed.

LRPP EXHIBIT IV: Performance Measure Validity and Reliability

Department: Financial Services

Program: State Property and Casualty Claims

Service/Budget Entity: State Self-Insured Claims Adjustment

Measure: Number of workers' compensation claims requiring some payment per 100 FTE employees

Action (check one):

- Requesting revision to approved performance measure.
- Change in data sources or measurement methodologies.
- Requesting new measure.
- Backup for performance measure.

Data Sources and Methodology:

All state agencies are requested to report all work related injuries sustained by employees to the State Property and Casualty Claims Program within 24 hours so any benefits required may be provided in a timely manner. Agencies may report all accidents whether or not an injury has occurred or any benefits are due. Often times first aid at the job site is administered and no benefits are due or desired by the employee. Therefore, it has been determined that a more accurate measure of the injury rate is to count only the injuries that require some amount of monies to be spent on benefits for the injury.

When a work-related injury occurs, the injured employee is required to report the injury to their supervisor or to their agency's personnel department. The injury information is then phoned into CorVel by the supervisor or injured employee. From this information, CorVel produces a First Report of Injury, which is sent overnight mail to the State Property and Casualty Claims Program. CorVel electronically transfers the daily claim information to this program. A copy of the First Report of Injury is mailed to the injured employee, and another copy is faxed to the reporting agency. The State Property and Casualty Claims Program electronically inputs the First Report of Injury information into a Claims Administration Database, and this becomes the basis for a paper file maintained in the Bureau of State Employees' Workers' Compensation Claims. The file, when entered into the computer system, is counted as an injury. Once any amount of money is spent on a claim for medical treatment, payments for lost wages, or expenses, it becomes a 'claim with some amount'. The State Property and Casualty Claims Program receive claims from all state agencies, which totals approximately 16,000 reported claims each year.

Each state agency reports the number of full time equivalent employees to the State Property and Casualty Claims Program on an Exposure Base Inquiry form. One full time equivalent employee is equal to 2080 hours of work per year. Up until 1993 the agencies reported only the number of budgeted positions. Beginning in 1993, the agencies began reporting the actual number of budgeted positions plus forecasts for other personal services and volunteer employees converted to full time equivalent employees in order to more clearly define the state's exposure to risk. Each June, the agencies report their total number of full time equivalent employees effective in the subsequent budget year. The numbers are reported based on the best information they have prior to performing the premium calculation. The number reported for the known budget year is utilized since the premium is calculated a year in advance.

The Auditor General's Office requires signed confirmation by the reporting agency of the submitted numbers. Changes are analyzed from one year to the next and if changes are material they are contacted for an explanation.

This outcome measures the frequency of workers' compensation claims with some amount as a percentage of the employee population. As each agency receives training and implements safety programs the number of claims should decrease over time.

Validity:

Due to the time lags associated with the numerous steps in this process determined that the total number of claims is available after 18 months of development. (Reliable to 97%.) Fully developed claim counts for Fiscal Year 1997-98 would appear in Cash Flow Reports produced for March 1, 1999, through March 31, 1999. The total number of full time equivalent positions for that year divides the total claim count for the fiscal year.

Claim data has been entered into the Claims Administration Database since the inception of the self-insurance program in 1977. The information is made available to the state agencies from an Internet connection to Risk Management's Claims Administration Database. Internal Cash Flow Reports with claim counts are produced to perform statistical tracking and analysis. The number of full time equivalent employees is reported annually to the State Property and Casualty Claims Program by each state agency and is part of the information used to compute each state agency's insurance premium.

To compute this measurement the total number of claims is divided by the number of full time equivalent positions reported on diskette to the State Property and Casualty Claims Program for the same fiscal year.

Reliability:

When a work-related injury occurs, the injured employee is required to report the injury to their supervisor or to their agency's personnel department. The injury information is then phoned into CorVel by the supervisor or injured employee. From this information, CorVel produces a First Report of Injury, which is sent overnight mail to Risk Management. A copy of the First Report of Injury is mailed to the injured employee, and another copy is faxed to the reporting agency. The State Property and Casualty Claims Program inputs the First Report of Injury information into a Claims Administration Database, and this becomes the basis for our statistical records maintained in the Bureau of State Employees' Workers' Compensation Claims. Over 16,000 reported claims are received each year and are received from all state agencies.

Since June 2004, Marsh, Inc. STARS claims administration software has been the contract vendor providing software services for the State Self-Insured Claims Adjustment Service. The hardware is housed and supported by the Department of Financial Services Technical Services Division.

Section 4H-2.007(3), F.A.C., requires each agency to review the claims reported for their agency and report any discrepancies to Risk Management for correction. Benefit checks are computer generated and cannot be issued until a claim is established. The number of full time equivalents is reported by each agency annually to the State Property and Casualty Claims Program based on the most current budget allocated by the legislature.

LRPP EXHIBIT IV: Performance Measure Validity and Reliability

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 (check one):

- Requesting revision to approved performance measure.
- Change in data sources or measurement methodologies.
- Requesting new measure.
- Backup for performance measure.

Data Sources and Methodology:

The procedure used to arrive at the percentage of operational costs in relation to program claims worked is to divide the operational costs by the total number of claims worked.

Program operating costs are recorded in the Florida Accounting Information Resource (FLAIR) Accounting System including:

1. Salaries and benefits
2. Other personal services
3. Expenses
4. Operating capital outlay
5. Contracted Services
6. Transfer to DMS/HR Outsourcing

The source has been established statewide for fiscal year reporting and provides "on-line" data that can be used to calculate this and other measurements at month end for any measurement period.

Validity:

The comparison of work activity to operating expense for an organization and the specific components is a standard measurement that aids in identifying the utilization of resources in relation to the organizational workflow.

Reliability:

FLAIR is universal to state of Florida accounting and is prepared and reconciled consistently by accounting departments of all agencies. The selected budget criteria utilized to define the operation cost calculation relates specifically to those work functions that are within the scope of administering the State Property and Casualty Claims Program. The data collected within FLAIR is input locally encompassing all financial transactions originated by the program and then reviewed and audited by the Department of Financial Services. The posted data is verified by staff to the programs records and reconciled to the Chief Financial Officer's appropriation ledger. Due to the universality of the source we cannot foresee a time when the measurement indicator could not be performed.

LRPP EXHIBIT IV: Performance Measure Validity and Reliability

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 (check one):

- Requesting revision to approved performance measure.
- Change in data sources or measurement methodologies.
- Requesting new measure.
- Backup for performance measure.

Data Sources and Methodology:

The working of a liability claim is initiated when a claim is received from either the injured party or their legal representative. When the claim is received it is sorted, date stamped, scanned and given to the appropriate administrator, who determines the appropriate claim codes for computer entry. These claim codes are standardized codes and include claimant information, location of the occurrence, cause of the claim, type of coverage and status. In addition, codes are selected denoting the date of the incident and date the report was received. The appropriate section administrative secretary assigns a unique claim number to the claim, enters the claim data into the claims administration computer system. The claim is then given to the assigned claims specialist to be worked. Data is entered into the database using a standardized screen format. As the claim is investigated, evaluated, settled, denied and/or closed the system is updated.

A query performed by the in-house computer system is able to extract the number of claims worked, the claim number, date the claim was received, the number of claims closed and the closing date.

Validity:

Claims data entered into the claims administration can be retrieved through menu searches, standard and special reports and customized queries. The method used to collect and store the data will remain constant in accordance with the claims administration system.

This measure charts the movement of claims from the beginning investigation to closure. Upon receipt of the claim, staff begins to investigate the facts surrounding the occurrence to determine if there is legal liability on the part of the state, to evaluate the damages claimed by an injured party, and to make appropriate disposition of the claim by denying the claim or settling the claim.

This measure compares the number of claims that staff is able to close during a fiscal year to the number of claims worked during that fiscal year. The number of claims worked is the number of open, pending claims as of the first day of the fiscal year plus the number of new claims received during the fiscal year. This measurement tracks the movement of claims through the system to ensure timely processing and disposition of claims.

Reliability:

All data pertaining to claims *'worked'* is entered into the claims administration system database and can be displayed on a uniform computer screen designed specifically for liability claims. Procedures are in place for entry of the claims data into the system. Consequently, claims being worked by staff can be easily obtained from this database. The measurement will fluctuate depending on the number of current, pending claims open on the first day of the fiscal year and the number of new claims received during a fiscal year, however, the methodology of obtaining the measurement will remain constant. Certain events such as claims from highway deterioration, MedFly spraying, etc., can cause the number of new claims received to increase dramatically. Also, legislative changes and case law changes can impact new claims. The events cannot be controlled and the number of new claims received impacts the number of claims staff is able to close.

LRPP EXHIBIT IV: Performance Measure Validity and Reliability

Department: Financial Services

Program: State Property and Casualty Claims

Service/Budget Entity: State Self-Insured Claims Adjustment

Measure: 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

Action (check one):

- Requesting revision to approved performance measure.
- Change in data sources or measurement methodologies.
- Requesting new measure.
- Backup for performance measure.

Data Sources and Methodology:

When a work-related injury occurs, the injured employee is required to report the injury to their supervisor or to their agency's personnel department. The injury information is then phoned into 1-800 claims reporting service provider by the supervisor or injured employee. From this information, the 1-800 claims reporting service provider produces a First Report of Injury, which is sent overnight mail to the State Property and Casualty Claims Program. The 1-800 claims reporting service provider electronically transfers the daily claim information to the State Property and Casualty Claims Program. A copy of the First Report of Injury is mailed to the injured employee, and another copy is faxed to the reporting agency. The State Property and Casualty Claims Program electronically down-loads the First Report of Injury information into the claims administration system (STARS), and this becomes the origin of a claim file maintained in the Bureau of State Employees' Workers' Compensation Claims. The State Property and Casualty Claims Program receive claims from all state agencies and average approximately 15,000 reported claims each year.

From 1977 until June 2004 Corporate Systems, Inc. was the contract vendor providing computer software services and mainframe back-up support for the State Self-Insured Claims Adjustment Service. The claims administration software vendor since June 2004 is Marsh, and the software system is called STARS.

The Benefit Cost Rate is a nationally recognized method for comparison of workers' compensation costs representing dollars paid in indemnity (lost wages) and medical benefits as a percentage of payroll reflecting the cost of workers' compensation claims per \$100 of payroll. Data used to calculate the amounts paid for indemnity and medical benefits is maintained in STARS. This data is retrieved by a report that totals the indemnity and medical benefits for a given fiscal year. The amount of payroll is obtained from the Department of Financial Services. The program's Benefit Cost Rate has been calculated since Fiscal Year 1991-92.

Validity:

This measurement recognizes the relationship between an employer's payroll and the cost of workers' compensation claims. Since the Benefit Cost Rate compares the total benefits paid to the employer's total payroll, this ratio reflects whether an employer has a high cost of claims or a relatively low cost of claims. Many factors play a role in this measurement including the number of claims, severity of claims, medical cost containment programs, return to work programs, quality of claims adjusting, quality of legal defense firms and the amount of fraud involved.

During a period of a worsening economy, the Benefit Cost Rate (workers compensation claim costs) would be expected to increase because workers would likely choose workers' compensation benefits instead of unemployment or no wages at all.

This measurement is a valid indicator of the bureau's adjusting service since the cost of claims is reflected by how well they are handled. When claims are handled efficiently and economically a lower "bottom line" paid for medical and indemnity benefits should be reflected. The Benefit Cost Rate is nationally recognized for expressing how well workers' compensation programs are handling claims and controlling costs per \$100 of payroll. In addition, the Benefit Cost Rate accounts for changes in the number of employees, employee salaries, medical benefit and indemnity costs rather than total costs for a specific period of time.

Reliability:

The same procedures for collecting and analyzing data necessary to calculate the Benefit Cost Rate have been used for each year that Benefit Cost Rate figures have been calculated. Therefore, the State Property and Casualty Claims Program Benefit Cost Rate figures calculated over the years have been based on data that was recorded consistently and calculations that were made consistently.

One program that may have affected this measurement is managed care. Statewide implementation of the program began January 1, 1997 with Humana Medical Plan, Inc. as the vendor. Humana is responsible for all medically necessary medical services for a period of three years following the date of injury on claims with a date of accident between January 1, 1997 and December 31, 2002. Beginning with dates of accident on or after January 1, 2003, CorVel is the managed care vendor. CorVel is responsible for medical case management, but the responsibility for payment of medical services from the inception of claims reverted back to the State Property and Casualty Claim Program.

Prior to the implementation of managed care, the State Property and Casualty Claims Program paid for all medical services. The total amount paid for medical services and other medical benefits for a specific fiscal year was used to compute the Benefit Cost Rate.

Following the implementation of managed care the amount paid by Humana for medical services was added to the medical benefits paid by the State Property and Casualty Claims Program on non-managed care claims to obtain the total amount for medical benefits used to calculate the Benefit Cost Rate.

Another variable that can affect reliability is injuries and associated costs incurred by "other statutory employees". These "other statutory employees" are covered and included for workers' compensation benefits but are not included for payroll purposes, therefore, resulting in a higher Benefit Cost Rate. Fortunately, injuries to "other statutory employees" have been rare in the past and not resulted in a significant financial impact. However, if the legislature continues to add coverage for "other statutory employees" this could have an impact.

Finally legislative changes may have a positive or negative impact on the Benefit Cost Rate. Changes to Chapter 440 in October 2003 were made with intentions to lower claims cost, which if successful will positively impact the program Benefit Cost Rate. Providing presumption for law enforcement and correctional officers in Chapter 112 will increase benefits paid and have a negative impact on the program Benefit Cost Rate.

LRPP EXHIBIT IV: Performance Measure Validity and Reliability

Department: Financial Services

Program: State Property and Casualty Claims

Service/Budget Entity: State Self-Insured Claims Adjustment

Measure: Percent of Indemnity and Medical Payments Made in a Timely Manner in compliance with Florida Department of Financial Services Rule 69L-24.0231, FAC.

Action (check one):

- Requesting revision to approved performance measure.
- Change in data sources or measurement methodologies.
- Requesting new measure.
- Backup for performance measure.

Data Sources and Methodology:

A timely medical payment is a medical payment that was made within the time limits specified in Division of Workers' Compensation Rules. Physicians and pharmacy bills must be paid within 45 days after the bill is submitted.

A timely indemnity payment is an indemnity payment that was paid within the time limits specified in s. 440.20, FS. Indemnity payments are based on weekly earnings but the vast majority of benefits are paid every two weeks. In determining whether an indemnity payment was made timely, claim administration reports (STARS) examine the "from and through" dates of the pay period and compare the date of the payment to the from date plus 13 days of the pay period. With the exception of initial indemnity payments, an indemnity payment made on or before the from date plus 13 days is considered a timely payment. The initial indemnity payment is measured against the from date plus 6 days.

When a work-related injury occurs, the injured employee is required to report the injury to their supervisor or to their agency's personnel department. The injury information is then phoned into 1-800 claims reporting service provider by the supervisor or injured employee. From this information, the 1-800 claims reporting service provider produces a First Report of Injury, which is sent overnight mail to the State Property and Casualty Claims Program. The 1-800 claims reporting service provider electronically transfers the daily claim information to the State Property and Casualty Claims Program. A copy of the First Report of Injury is mailed to the injured employee, and another copy is faxed to the reporting agency. The State Property and Casualty Claims Program electronically down-loads the First Report of Injury information into the claims administration system (STARS), and this becomes the origin of a claim file maintained in the Bureau of State Employees' Workers' Compensation Claims. The State Property and Casualty Claims Program receive approximately 15,650 new claims each year from all state agencies and universities.

From 1977 until June 2004 Corporate Systems, Inc. was the contract vendor providing computer software services and mainframe back-up support for the State Self-Insured Claims Adjustment Service. The claims administration software vendor since June 2004 is Marsh, and the software system is called STARS.

Workers' Compensation Specialists, Insurance Specialists II's, and Workers' Compensation Examiners investigate new claims, determine the compensation amount and if appropriate, calculate benefits due

and initiate indemnity payments (payments for lost wages) to injured workers. Also, bureau claims staff initiate the process for the payment of medical bills on all non-managed care claims.

All medically necessary medical care provided to employees injured after 1/1/97, is provided by one of the state's contracted medical case management service provider. The medical case manager arranges and monitors medical care. Humana is responsible for providing medical services for a period of three years following a job related injury or illness with an accident date of 1/1/97 through 12/31/02. The State Property and Casualty Claims Program is responsible for the payment of medical services on Humana managed care claims for services rendered more than three years after the accident date. However Humana remains contractually obligated to provide medical case management on these dates of accident.

Medical bills on non-managed care claims are received and reviewed by the claims staff before being processed by our medical bill review and adjustment contracted provider. The vendor re-prices these bills according to the Workers' Compensation Fee Schedule and forwards them to the Financial Section in the State Property and Casualty Claims Program. The Financial Section issues the check to the medical provider. Indemnity payments are authorized and requested by the bureau claims staff. The Financial Section also issues checks for indemnity benefits.

All payment data is entered into STARS for each claim including the date of each indemnity and medical payment. Time limits for the payment of indemnity and medical benefits are set forth in the Department of Financial Services, Division of Workers' Compensation Rules and Chapter 440, FS. Pursuant to these requirements, entities providing workers' compensation benefits must meet the timeliness standards 95% of benefit payments. Medical payment audits are conducted by registered nursing consultants at the Bureau of State Employees' Workers' Compensation Claims to determine the percentage of compliance for medical payments. The results of these audits are reported each month in a written report to the Bureau Chief including the percent of timely payments. Beginning in 2005 information regarding timely payment of medical bills is captured by the Division of Workers' Compensation Central Performance System (CPS). Data is provided from this source on the number of medical bills processed and the number paid timely.

In determining whether an indemnity payment was made timely, claim administration reports (STARS) examine the "from and through" dates of the pay period and compare the date of the payment to the from date plus 13 days of the pay period. With the exception of initial indemnity payments, an indemnity payment made on or before the from date plus 13 days is considered a timely payment. The initial indemnity payment is measured against the from date plus 6 days. The total number of timely-payments is divided by the total number of indemnity payments to determine the percentage of timely indemnity payments.

Validity:

Timeliness is a generally recognized measurement, which is documented in the Florida Department of Financial Services, Division of Workers' Compensation Rules and Chapter 440, FS. There is a standard of performance for carriers, self-insurers, employers and servicing agents in promptness of payment of indemnity benefits and payment of medical bills. The minimum timely performance standard is ninety-five percent (95%). There are monetary penalties for late indemnity and medical payments not meeting the 95% standard.

One goal of the workers' compensation claims coverage service is to provide indemnity and medical benefits appropriately, timely, and correctly. In order to meet the timeliness requirement, the program strives to consistently meet the 95% standard. A substantial portion of the work activities of the bureau claims staff involves initiating and processing indemnity and medical payments. Therefore, the percent

of timely payments has been shown to be a valid indicator of overall program performance. If indemnity payments are made in a timely manner, claimants are more likely to be satisfied with the manner in which their claim is being handled and are less likely to retain an attorney. This benefits the overall program and reduces the cost of a workers' compensation claim.

The Department of Financial Services, Division of Workers' Compensation audits claim handling entities to determine compliance with the minimum timeliness standards. Such an audit was conducted on the State Property and Casualty Claims Program during 1997. The findings of this audit documented that the Program was prompt in the payment of compensation and prompt in the disposition of medical bills.

Reliability:

Indemnity and medical payment data is maintained in STARS, the claims administration system of the State Property and Casualty Claims Program. This data is retrieved by reports comparing the indemnity payment date (date the check is printed and mailed) to the indemnity payment from date plus 13 days (the from date of the pay period). The total number of payments for medical is retrieved as well. Monthly claim audits accomplished by the program's registered nurse consultants determine the percent of medical bills processed and paid timely. Also beginning in 2005 information regarding timely payment of medical bills is captured by the Division of Workers' Compensation Central Performance System (CPS). Data is provided from this source on the number of medical bills processed and the number paid timely. The percent of timely payments is calculated using these numbers. Data to make these calculations has been entered and retrieved in a consistent manner since 1991.

Even though the process of making indemnity and medical payments is initiated by the bureau claims staff, there are other personnel and work units that are involved in this process that can affect timeliness. If agency personnel do not report lost time injuries in a timely manner, indemnity payments could be late. If our Financial Section does not process requests for indemnity payments in a timely manner, this could cause indemnity payments to be late.

In order to initiate indemnity payments, the bureau claims staff must receive information that the injured employee is not able to work. If this information is not received timely from physicians, medical providers, medical case management providers, the employer or the employee, this can cause indemnity payments to be late.

Medical bills are processed by our bill review/re-pricing contracted vendor and must be completed timely. In addition to the timely review/re-pricing of medical bills, the State Property and Casualty Claims' Financial Section must also issue checks in a timely manner to meet the standard.

The number of new claims, pending claims, and the number of medical bills that the bureau claims staff must handle can also affect the percentage of timely payments. If the claims staff is overloaded with work, this can cause the percentage of timely payments to drop. Certain improvements such as increased automation and imaging can increase the number of claims and medical bills that the claims staff can handle on time. Contracted services such as medical case management reduce the number of medical bills that must be processed by the claims staff, which should increase the percentage of timely medical payments.

LRPP EXHIBIT IV: Performance Measure Validity and Reliability

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 (check one):

- Requesting revision to approved performance measure.
- Change in data sources or measurement methodologies.
- Requesting new measure.
- Backup for performance measure.

Data Sources and Methodology:

The topics selected for training were the result of examining several areas. First the frequency statistics found in the Claims Administration Database identifying the most frequent types of injuries. State Self-Insured Claims Adjustment Service staff solicited input from the agencies on what topics they needed assistance with and also included topics for training to address current trends and emerging issues in loss prevention. These assessment tools are used on a periodic basis to continue to meet customer's needs.

A training evaluation form was implemented in 1994 to obtain feedback from attendees. A new training critique form was created in 1999. On this evaluation form the attendees are asked open-ended questions about the training program, the training facility and requested input on the most and least beneficial aspects of the training program. In addition, the attendees are asked to rate each segment of the training on a scale of one through five with five being a rating of excellent and one being a rating of poor.

Validity:

This outcome provides information to determine the agency program impact of training, which will assist in reduction of the frequency of injuries.

A spreadsheet tracking system has been established to capture the information in order to analyze the survey results. The data obtained allows for determination of acceptability and effectiveness of the training on the attendees and result in a more customer oriented safety program for the agencies. The training critiques also allow adjustments to the training programs according to the indicated responses of the attendees.

Reliability:

The survey form is completed at the end of each segment of the training program. The survey includes the name of the training program, the date of the training program, the safety position of the attendee and whether or not the training pertains to the duties of the attendees.

Completed critique forms are maintained on file. Periodically the survey instrument will be reviewed to determine if any modifications are necessary. If any improvements are made to the survey instrument, those improvements will not change the proposed baseline or integrity of the data.

LRPP EXHIBIT IV: Performance Measure Validity and Reliability

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 (check one):

- Requesting revision to approved performance measure.
- Change in data sources or measurement methodologies.
- Requesting new measure.
- Backup for performance measure.

Data Sources and Methodology:

In accordance with Chapter 284, Part II, F.S., the State Self-Insured Claims Adjustment Service is given the responsibility of investigating, evaluating, and making the appropriate disposition of civil negligence (general and auto liability), federal civil rights and employment claims and lawsuits filed against the state of Florida (its employees, agents and volunteers). This involves determining the state's legal liability and the amount of damages that should be paid (or not paid) as a result of the claim.

Claims that are filed by the public at large are sorted and scanned when received then routed to the appropriate administrator. The administrator reviews the claim(s) and determines the following: the claimant information, the appropriate agency, the county of the claim, the allegation stated, the applicable coverage, the date of the occurrence and the date reported. The administrator(s) also establishes a reserve and assigns the claim to staff. All codes are standardized in the claims administration system. Using the completed code sheet the administrative secretary enters the data in the claims administrative system and establishes a claim and a unique claim number. All payments made on a specific claim are entered into the payments field of the database and are categorized by type (bodily injury, property damage, and expenses (legal, non-legal)). To determine the amount paid on a claim(s), a query is used to extract the costs from the payments file. A query is also used to extract the number of cases reported for a given fiscal year.

Claims data is entered into the Divisions STARS claims administration system. Data is retrieved from this system through standard menu searches, standard and special reports and customized queries.

Claims are analyzed by fiscal year. Claims occurring during a particular fiscal year are analyzed on June 30th four years after the end of the fiscal year. For example, claims that occurred during Fiscal Year 1992-93 would be analyzed on June 30th, 1997.

The total number of claims with payment activity and the total amount paid are extracted from data stored in the computer system by the use of special queries.

Validity:

The average cost of state liability claims measures the overall effectiveness of the program by comparing the average cost of liability, civil rights and employment claims from year to year.

This measurement is the average cost for tort liability claims occurring in a particular fiscal year after four years of claim development for tort claims. This period of time (four years) is necessary to capture claim payments that may spread over many years after a claim occurs. These payments include legal and non-legal expenses, not just the settlement payment that may be made to a claimant. From analyzing data it is determined that data for at least four years for tort claims would be necessary to encompass a sufficient percentage of the total payments ultimately made for tort claims occurring within a fiscal year. Over a period of years, this measurement will indicate whether the average cost per claim is increasing, decreasing or remaining stable. Many factors play a role in this measurement including the number of claims, severity of claims, timely reporting of claims, the scope and effectiveness of agency safety programs, inflation, quality of claims adjusting, quality of legal defense firms, legislation/laws effecting recoverable damages and the amount of fraud involved.

Reliability:

The same procedures for analyzing the data necessary to calculate the average cost per liability claim have been used since 1977. Therefore, average cost per claim figures are based on data that was recorded consistently and calculations that were made consistently.

LRPP EXHIBIT IV: Performance Measure Validity and Reliability

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 (check one):

- Requesting revision to approved performance measure.
- Change in data sources or measurement methodologies.
- Requesting new measure.
- Backup for performance measure.

Data Sources and Methodology:

In accordance with Chapter 284, Part II, F.S., the State Self-Insured Claims Adjustment Service is given the responsibility of investigating, evaluating, and making appropriate disposition of civil negligence (general and auto liability), federal civil rights and employment claims and lawsuits filed against the state of Florida (its employees, agents and volunteers). This involves determining the state's legal liability and the amount of damages that should be paid (or not paid) as a result of the claim.

Claims that are filed by the public at large are sorted and scanned when received and routed to the appropriate administrator. The administrator reviews the claims(s) and determines the following: the claimant information, the appropriate agency, the county of the claim, the allegation stated, the applicable coverage, the date of the occurrence and the date reported. The administrator(s) also establishes a reserve and assigns the claim to a program specialist. All codes are standardized in the claims administration system. Using the completed code sheet, the data is entered into the claims administration system and establishes a claim and a unique claim number. All payments made on a specific claim are entered into the payments field of the computer and are categorized by type (bodily injury, property damage, and expenses (legal, non-legal)). To determine the amount of money paid on a claim(s), a query is used to extract the costs from the payments file. A query is also used to extract the number of cases reported for a given fiscal year.

Validity:

Claims are analyzed by fiscal year. Claims occurring during a particular fiscal year are analyzed on June 30th six years after the end of the fiscal year. For example, claims that occurred during Fiscal Year 1992-93 would be analyzed on June 30th, 1999.

The total number of claims with payment activity and the total amount paid are extracted from data stored in the computer system by the use of special queries.

The average cost of federal civil rights liability claims measures the overall effectiveness of the program by comparing the average cost of these claims from year to year.

This measurement is the average cost for federal civil rights and employment liability claims occurring in a particular fiscal year after six years of claim development. This period of time (six years) is necessary in order to allow capture of claim payments that may spread over many years after a claim occurs. These payments include legal and non-legal expenses, not just the settlement payment that may be made to a claimant. From analyzing our data, we determined that data for at least six years for civil rights and employment claims would be necessary to encompass a sufficient percentage of the total payments ultimately made for this group of claims occurring within a fiscal year. Over a period of years, this measurement will indicate whether the average cost per claim is increasing, decreasing or remaining stable. It is recognized that many factors play a role in this measurement including the number of claims, severity of claims, timely reporting of claims, the scope and effectiveness of agency safety programs, inflation, quality of claims adjusting, quality of legal defense firms, legislation/laws effecting recoverable damages and the amount of fraud involved.

Reliability:

The State Property and Casualty Claims Program has used the same procedures for collecting and analyzing data necessary to calculate the average cost per liability claim since 1977. Therefore, average cost per claim figures are based on data that was recorded consistently and calculations that were made consistently.

LRPP EXHIBIT IV: Performance Measure Validity and Reliability

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 (check one):

- Requesting revision to approved performance measure.
- Change in data sources or measurement methodologies.
- Requesting new measure.
- Backup for performance measure.

Data Sources and Methodology:

The claim process begins upon receipt of a Notice of Loss (NOL) form or a telephone report of property damage. The insurance administrator verifies property coverage after the current insurance certificate file is pulled. The information is attached to the NOL. Once coverage is verified the claim is assigned to an adjuster. When the adjuster recommends that a damaged site needs an inspection, it is reviewed with the supervisor and/or bureau chief to determine whether or not a site visit is warranted. If a site visit is warranted, the adjuster and/or supervisor visit the damage site to obtain information and document damages. This is done using photographs, sketches, measurements, and interviews with agency personnel and securing agency inventory documents. Upon return to the office the adjuster begins the claim estimating process using standard estimating procedures based on the most current cost data available from published industry construction cost manuals in conjunction with the collected field data. The adjuster provides final cost estimate figures for use in claims processing.

The set up of the claim file process includes assignment of a unique claim number that incorporates the appropriate fiscal year, insured agency certificate number and a sequence number according to the order the claim was received. It further includes input into a manual claims logbook, input into the claims administration system database by staff in the property section. Information initially input into the system includes claim number, date of loss, report date, location number, cause of loss and claim reserve/estimate of loss. Actual claim payment information will be input at a later date once the amount to be reimbursed is determined. The information in the database is checked and verified by the insurance administrator immediately after file setup to ensure it is correct in both systems.

Once documentation has been received staff reviews are conducted to determine that sufficient documentation is present to conclude the claim. A Certificate of Proof of Loss and a letter is prepared indicating the amount transferred into the appropriate account for the agency's loss.

Validity:

The average cost of property claims measures the average cost of property claims paid from year to year. This measurement is the average cost for a property claim occurring in a particular fiscal year after two years of claim development. Over a period of years this

measurement will indicate whether the average cost per claim is increasing, decreasing or remaining stable. It is recognized that many factors play a role in this measurement including such things as the number of claims, severity of claims, the scope and effectiveness of agency safety programs, inflation and quality of claims adjusting

Reliability:

The same procedures for collecting and analyzing data necessary to calculate the average cost per property claim have been used since 1994. Therefore, average cost per claim figures are based on data that was recorded consistently and calculations that were made consistently.

LRPP EXHIBIT IV: Performance Measure Validity and Reliability

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 (1unit = 8 hours) provided and consultation contacts made

Action (check one):

- Requesting revision to approved performance measure.
- Change in data sources or measurement methodologies.
- Requesting new measure.
- Backup for performance measure.

Data Sources and Methodology:

Prior to 1994, the same multi-day training program was presented several times a year consisting of numerous subjects covered in a brief fashion. During 1994, the State Self-Insured Claims Adjustment Service was reorganized and the goals and services were changed to address specific technical loss control and loss prevention issues on an in-depth basis. The topics selected for training were the result of examining several areas. First the frequency statistics found in the Claims Administration Database are analyzed identifying the most frequent types of injuries. The State Self-Insured Claims Adjustment Service staff solicited input from the agencies on what topics they needed assistance with and also included topics for training to address current trends and emerging issues in loss prevention. These assessment tools are used on a periodic basis to continue to meet the customers' needs.

Section 284.50, F.S., requires each agency head to appoint a Safety Coordinator and an Alternate Safety Coordinator who are responsible for implementing the agency's loss prevention program. Since 1995 State Self-Insured Claims Adjustment Service has been offering training to the Safety Coordinators and Alternates on specific topics on an in-depth basis to assist them in the development and implementation of their programs.

Training programs are organized to provide attendees with sufficient technical information that will allow them to establish programs in their agencies. They include, whenever possible, forms and information that can be readily copied and easily implemented to address specific hazards and assist in the reduction of work related injuries.

Each training and consultation unit is counted based on eight hours of work contribution equaling one unit. In the area of safety training, researching the topic, developing a course outline, writing the oral presentation, researching, designing and developing visual aids; researching, developing, and formatting resource materials and handouts; and preparing and rehearsing the oral presentation is counted as work contribution. The work contribution also includes clerical support efforts for typing, formatting, printing and collating. In the area of safety consultations all time involved for the staff in preparing, researching, developing and follow up for the consultation is counted. Therefore as the hours are counted, we can measure the number of training units provided and consultations made.

Validity:

This output provides the number of units supplied to the agencies in the areas of training and consultation. These units assist in the reduction of the number of injuries in state government. As training, resource materials and consultations are provided to the Safety Coordinators and Alternates; it will be easier to implement programs at the agencies.

Training is defined as any formal or informal training involving loss prevention, loss control or any other type of industrial safety training that is meant to lower claims cost for the state of Florida.

Formal training announcements are distributed to all agencies regarding each training program that is offered. Agencies then register for classes and sign in at the beginning of each course. Sign-in sheets are retained indicating the names of the attendees from each agency. Informal training involves an invitation from an agency for specific safety training for only that agency. Sign-in sheets are retained indicating the names of the attendees from that agency.

Consultations are defined as any formal or informal contact involving an agency safety official. The issues discussed must pertain to loss control, loss prevention or other risk management and safety issues.

Reliability:

A monthly time log is maintained by all staff members and is turned in to the administrator at the end of the month being counted. The administrator maintains a running total of the time.

Original agendas, sign-in sheets, and copies of resource materials are maintained and input into a spreadsheet file for analysis.

This measure combined Risk Services training units provided to state agency personnel and the number of Risk Services consultative contacts made into the current measure. The actual measure of consultative contacts made had several levels of measure depending on the complexity of the consultation. The training units provided measured one-half hour modules for each unit. Some of the training is performed in the form of consultative contacts on a one-on-one basis with the agencies. Therefore a more standardized measure was developed and training unit has been defined as eight hours of training.

LRPP EXHIBIT IV: Performance Measure Validity and Reliability

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 (check one):

- Requesting revision to approved performance measure.
- Change in data sources or measurement methodologies.
- Requesting new measure.
- Backup for performance measure.

Data Sources and Methodology:

When a work-related injury occurs, the injured employee is required to report the injury to their supervisor or to their agency's personnel department. The injury information is then phoned into 1-800 claims reporting service provider by the supervisor or injured employee. From this information, the 1-800 claims reporting service provider produces a First Report of Injury, which is sent overnight mail to the State Property and Casualty Claims Program. The 1-800 claims reporting service provider electronically transfers the daily claim information to the State Property and Casualty Claims Program. A copy of the First Report of Injury is mailed to the injured employee, and another copy is faxed to the reporting agency. The State Property and Casualty Claims Program electronically down-loads the First Report of Injury information into the claims administration system (STARS), and this becomes the origin of a claim file maintained in the Bureau of State Employees' Workers' Compensation Claims. The State Property and Casualty Claims Program receive approximately 15,650 new claims each year from all state agencies and universities.

From 1977 until June 2004 Corporate Systems, Inc. was the contract vendor providing computer software services and mainframe back-up support for the State Self-Insured Claims Adjustment Service. The claims administration software vendor since June 2004 is Marsh, and the software system is called STARS.

The 1-800 claims reporting service vendor assigns unique claim numbers for each incident involving workers' compensation. These claims are assigned to staff for administration. Each claim entered into the system is consistently recorded by date of accident and date reported. This allows for access to the number of new claims reported during any given period.

Staff investigates new claims, determine qualification of compensation, calculate benefits due and initiate payments to injured workers. They also coordinate, supervise and monitor the state's contracted medical management organization. Some claims are settled through negotiation, litigation or mediation. All payment data is entered into the claims administration system (STARS) by date allowing for payments to be identified during a certain period of time.

The number of new claims reported during the current year plus the number of claims from prior years requiring payment activity represent the number of claims worked. This is the number of claims that require action. There is a myriad of work activities that staff are required to perform in providing claims adjusting services. The number of claims worked is a simplified measurement that has been shown to be a good indicator of the total work activities performed by staff. The claims administration system has tracked the number of claims worked consistently in the same manner since Fiscal Year 1977-78. The number of claims worked has also been utilized since the mid-1980's to determine staffing requirements needed to accomplish the mission of providing workers' compensation claims adjusting services for injured state employees since it has proven to be an excellent indicator of workload.

Validity:

The output measures the workload of the program as it measures staff work activities required on new claims, plus work activities required on prior year claims in the current year. It is important to note that workers' compensation claims have historically had a *long tail*. This *long tail* requires active prior year claims be worked for many years after the original date of occurrence.

Reliability:

The number of workers' compensation claims worked represents all work required on new workers' compensation claims, and work required on prior year claims as defined by payment activity during the current year. It is recognized that there could be work done on prior year claims with no payments made in the current year. However, this number is recognized to be negligible. Considering the large number of claims reported each year and the large number of claims on which payments are made this methodology has demonstrated accuracy in reflecting the number of claims requiring work.

LRPP EXHIBIT IV: Performance Measure Validity and Reliability

Department: Financial Services

Program: State Property and Casualty Claims

Service/Budget Entity: State Self-Insured Claims Adjustment

Measure: Number of Liability Claims Worked

Action (check one):

- Requesting revision to approved performance measure.
- Change in data sources or measurement methodologies.
- Requesting new measure.
- Backup for performance measure.

Data Sources and Methodology:

In accordance with Chapter 284, Part II, F.S., the State Property and Casualty Claims Program is given the responsibility of investigating, evaluating, and making appropriate disposition of civil negligence (general and auto liability), federal civil rights and employment claims and lawsuits filed against the state of Florida (its employees, agents and volunteers). This involves determining the state's legal liability and the amount of damages that should be paid as a result of the claim.

The original providers for data are the *'third party'* persons who file claims against the state and in turn the *'data sources'* are the claims that are received to *'work'*. All measurements are reflected by fiscal year and there should be no instance when this data is not available.

Claims that are filed by the public at large are sorted and scanned when received, then routed to the appropriate administrator. The administrator reviews the claim(s) and determines the following: the claimant information, the appropriate agency the claim is filed against, the county of the claim, the allegation stated, the applicable coverage (general, auto liability, federal civil rights, etc.), the date of the occurrence and the date reported. The administrator also establishes a reserve and assigns the claim to staff. All codes are standardized in the claims administration system. Using a completed code sheet the administrative secretary enters the data in the computer and establishes a claim and a unique claim number. The claim is then given to the assigned specialist to begin the claim evaluation process.

Claims data entered into the claims administration system can be retrieved through menu searches, standard and special reports and customized queries.

Validity:

To determine the number of claims worked a query is used to extract the claim number(s) of claims open on the first day of the fiscal year and of claims received during the fiscal year. The procedures, database and codes used remain constant with no fluctuation and will not change in the near future. The only possible change not under control would be prediction of unusual circumstances (e.g., MedFly Claims, highway deterioration claims) that might affect claims numbers. Also, anticipation of legislative or case law changes that might impact the caseload cannot be controlled. These “changes” however would only influence the number(s) of claims ‘worked’ and not the basic validity of this output.

This measurement establishes the number of claims worked. The number of claims worked is the number of new claims reported during the current fiscal year, plus the number of open, pending unresolved cases from prior fiscal years that are open at the beginning of the fiscal year. This measurement tracks the movement of claims to ensure timely processing and disposition of these claims.

Reliability:

All data pertaining to claims ‘worked’ is entered into the claims administration system database and can be displayed on a uniform computer screen designed specifically for liability claims. Procedures are in place for entry of the claims data into the system. Consequently, claims being worked by staff can be easily obtained from this database. The measurement will fluctuate depending on the number of current, pending claims open on the first day of the fiscal year and the number of new claims received during a fiscal year, however, the methodology of obtaining the measurement will remain constant.

LRPP EXHIBIT IV: Performance Measure Validity and Reliability

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 (check one):

- Requesting revision to approved performance measure.
- Change in data sources or measurement methodologies.
- Requesting new measure.
- Backup for performance measure.

Data Sources and Methodology:

When a work-related injury occurs, the injured employee is required to report the injury to their supervisor or to their agency's personnel department. The injury information is then phoned into 1-800 claims reporting service provider by the supervisor or injured employee. From this information, the 1-800 claims reporting service provider produces a First Report of Injury, which is sent overnight mail to the State Property and Casualty Claims Program. The 1-800 claims reporting service provider electronically transfers the daily claim information to the State Property and Casualty Claims Program. A copy of the First Report of Injury is mailed to the injured employee, and another copy is faxed to the reporting agency. The State Property and Casualty Claims Program electronically down-loads the First Report of Injury information into the claims administration system (STARS), and this becomes the origin of a claim file maintained in the Bureau of State Employees' Workers' Compensation Claims. The State Property and Casualty Claims Program receive approximately 15,650 new claims each year from all state agencies and universities.

From 1977 until June 2004 Corporate Systems, Inc. was the contract vendor providing computer software services and mainframe back-up support for the State Self-Insured Claims Adjustment Service. The claims administration software vendor since June 2004 is Marsh, and the software system is called STARS.

Claims are handled or adjusted by Workers' Compensation Specialists, Insurance Specialist II's, and Workers' Compensation Examiners at the State Property and Casualty Claims Program. Claims are handled directly with the injured employee until the injured employee elects to retain an attorney. At that time, the bureau claims staff retains an attorney to defend the claim, and a "to Legal" date is entered into STARS in a special date field. This method of data entry has been used consistently since 1978 with the number of claims in litigation being tracked.

Validity:

This measurement is an indicator of employee satisfaction with how their claims were handled and how well the claims staff is handling claims. An injured employee who is satisfied with the way his/her claim is handled is less likely to retain an attorney than an employee who is dissatisfied. A decrease in the number of claims litigated indicates an increase in employee satisfaction with the way their claim was handled and that claims are being handled properly, timely and correctly by claims staff.

Work activities that can affect satisfaction and whether the claim is handled properly, timely and correctly include:

- >prompt contact with the claimant
- >prompt investigation of the claim
- >prompt and fair determination of compensation
- >prompt delivery of quality medical care
- >prompt and accurate payment of lost wages (indemnity benefits)
- >continuing contact with the claimant
- >return to work activities
- >a fair settlement offer on cases that are settled

Reliability:

Although the number of claims litigated is a measure of claim handling satisfaction, there are factors beyond the control of claims staff that can cause the number of claims litigated to increase. If there were a significant increase in the number of claims reported, then the number of claims litigated would be expected to increase at a similar rate. The lower the case load the more time claims staff have to spend on each claim and translates into better quality of claims handling and increased employee satisfaction.

Another aspect of the workers' compensation claims process that is somewhat beyond the control of the claims staff is the delivery and quality of medical care. The State Property and Casualty Claims Program contracts with a medical case management vendor to provide medical care to injured employees and this care is provided through the vendor's network of medical providers. Although the bureau claims staff supervise all activities on a claim, the delivery and quality of medical care provided by the medical case management vendor is somewhat out of their control. Dissatisfaction with medical care can lead to increased attorney involvement and number of claims litigated.

LRPP EXHIBIT IV: Performance Measure Validity and Reliability

Department: Financial Services

Program: State Property and Casualty Claims

Service/Budget Entity: State Self-Insured Claims Adjustment

Measure: Number of state property loss/damage claims worked

Action (check one):

- Requesting revision to approved performance measure.
- Change in data sources or measurement methodologies.
- Requesting new measure.
- Backup for performance measure.

Data Sources and Methodology:

The claim process begins upon receipt of a Notice of Loss form or a telephone report of property damage. Coverage of the property is verified by pulling the current certificate file and attaching a copy of coverage information to the Notice of Loss. Once coverage is verified a determination is made whether or not a site visit is warranted. If a site visit is warranted the insurance adjuster and/or engineer visit the damaged site to obtain information and document damages. This is done using photographs, sketches, measurement, and interviews with agency personnel and agency inventory documents. Upon return to the office the engineer begins the claim estimating process using standard estimating procedures based on the most current cost data available from published industry construction cost manuals in conjunction with the collected field data.

The Administrative Secretary establishes the claim file. This process includes assignment of a unique claim number that incorporates the appropriate fiscal year, insured agency certificate number and a sequence number according to the order the claim was received. It further includes input into a manual claims logbook and input into the claims administration system database. Information initially input into the database includes claim number, date of loss, report date, location number, cause of loss and claim reserve/estimate of loss. Actual claim payment information is input at a later date once the amount to be paid is determined. The information in the database is checked and verified by the insurance administrator immediately after the file is setup to ensure it is correct in both systems.

Once a claim file is set up, an acknowledgement letter is sent advising the claim number and requesting any additional information required to conclude the claim. An initial claim diary is set up in the claims administration system for follow-up in 30 days. If no response is received or the file lacks the documentation necessary to conclude the claim, a second request is mailed requesting response within 30 days and the diary is extended. If after this time no response is received or the file lacks the documentation necessary to conclude the claim, a final request is mailed requesting response within 30 days and the diary is extended. If no response is received 30 days after the final request, the file is forwarded to higher level management with recommendations for file closure. If a response is received, it is either resolved or the diary for the file is extended at the agency's request to allow additional time to secure the required documentation. This diary system is designed to facilitate flow of information from the state agency to the staff.

At each point that the above requests are made, the appropriate data field in the claims administration system is updated. Once documentation is received from the agency, it is reviewed by the adjuster to determine if sufficient documentation is present to conclude the claim. Once all required information is received, the adjuster enters the information in the system. The adjuster reviews all documents to

determine that they are relevant to the loss and that they fall within the scope of coverage provided by the fund. The adjuster utilizes the documentation provided by the Agency or other sources to create the appropriate costs for the repairs or replacements based on the scope of loss as part of the adjustment process. A Claim Summary is prepared which includes a summary of all items which will be reimbursed and any deductions for depreciation, betterment and the applicable deductible. The adjuster enters the completed adjustment data field in the system. If the adjuster ACV amount is within the adjuster's claim settlement authority a Certificate of Proof of Loss is prepared indicating the amount to be reimbursed to the agency. If the ACV settlement amount is beyond the adjuster's authority, it is forwarded to the supervisors with recommendation for payment approval. When approval is received from the supervisor, a Certificate of Proof of Loss is prepared and the amount to be reimbursed is sent to the agency for review and signature. The approval data field and the proof sent data field are entered into the claims administration system by the adjuster. Once the proof has been accepted and signed by the agency and received by adjuster, the file is forwarded to the Accountant III for claim payment and to process the Journal Transfer of funds to the agency account. The Accountant III sends the file to the Property section Administrative Secretary and the claim payment is entered into the claims administration system. Once the journal transfer is confirmed in the FLAIR accounting system, a letter is sent to the agency indicating the amount transferred and the account number the funds were transferred to. The file is then closed by the Administrative Secretary.

Two reports are run to determine the number of claims worked. First, the property claims with loss dates during the current fiscal year are used as they indicate all new claim files that were opened during the current fiscal year relative to a reported loss. Second, the property claims with loss dates during prior fiscal years that were open at the beginning of the current fiscal year are used, as they are still worked periodically in accordance with our claims adjusting procedures. The combination of these reports is totaled to determine the number of claims worked and the reports are verified to ensure that no claim is counted more than once during the fiscal year.

Validity:

This output measures the volume of claim files processed by the State Self-Insured Claims Adjustment Service in its efforts to provide payment to state agencies suffering property losses by named perils.

Buildings and contents are subject to many exposures to loss. The causes of loss covered through the State Risk Management Trust Fund occur at unexpected times and could cause undue financial hardship on the agencies to repair or replace damaged property. This state self-insurance program is set up to provide a means of paying agencies for their unexpected losses as provided by Chapter 284, Florida Statutes.

Reliability:

Claims data entered into the system is maintained on dedicated servers that have nightly file backups. The data can be retrieved through menu searches, standard and special reports and customized queries.

LRPP EXHIBIT IV: Performance Measure Validity and Reliability

Department: Financial Services

Program: Licensing and Consumer Protection

Service/Budget Entity: Insurance Company Rehabilitation and Liquidation

Measure: Ratio of companies in receivership discharged to the number of companies placed in receivership during the fiscal year 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

Action (check one):

- Requesting revision to approved performance measure.
- Change in data sources or measurement methodologies.
- Requesting new measure.
- Backup for performance measure.

Data Sources and Methodology:

Pursuant to Chapter 631, F. S., the Division of Rehabilitation and Liquidation is responsible for marshaling the assets of insolvent companies and rehabilitating impaired companies as directed by the Court.

Companies are placed in Receivership for purposes of Rehabilitation, Liquidation or Conservation by an order of the Second Judicial Circuit Court in Leon County, Florida. The court-appointed Receiver performs rehabilitation and liquidation activity for companies in receivership until entry of a discharge order by the Court. The current ratio is determined by counting the number of companies that have been placed in rehabilitation or liquidation during the fiscal year and comparing it to the number of companies where the Receiver was discharged during the fiscal year.

Validity: 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.

We request that this measure be revised as follows: "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" with a standard of 90%. This provides a more accurate performance measure for the Division's closure rate of receiverships. The proposed revisions to the measure remove elements of the current measure that are beyond the control of the Division.

The requested revision to the approved performance measure provides greater validity to this measure because currently only receivership of companies in liquidation that have funds available to pay only class 3 and higher priority claims can be closed. This is because the federal government has successfully litigated its right to file a "super priority" claim (i.e., a Class 4 claim under Chapter 631, Florida Statutes) at any time, even after all the funds have been distributed and the receivership has been closed. Currently, there are federal congressional proposals to resolve this issue. However, until

these issues are resolved, the state as receiver cannot close receiverships in which there are sufficient funds to pay Class 4 or lower priority claims - government claims (including the federal government) fall into the class 4 category and if the state has already distributed receivership funds but the federal government later files a claim, the state may be individually liable to pay the federal claim from state budget funds. Therefore, it is an invalid measure of performance to include receiverships that cannot be closed because of federal law which overrides our Florida law and effectively takes away state control over the timing of closing of those estates.

The revision also provides greater validity because it measures the Department's timely closing of a receivership from a point in time when the claims evaluation process (including any objections on claims evaluations) is concluded and there has been a final determination of litigated issues in the receivership. Up until that time, court cases involving litigation to collect assets and objections filed by claimants in the receivership are controlled by the judicial system; the Department as receiver has no control over the time that those matters may take to be resolved. The two year period of time is a reasonable time period to employ since even after litigated matters have been concluded, assets such as reinsurance proceeds, insurance agents' unearned commissions, installment plan payments from entities owing the estate money, and real estate sale proceeds will still need to be collected until a distribution of funds can be made.

For the revised measure, the Division would report information on liquidations which:

- 1) Are closed during the fiscal year; and
- 2) Only involve distributions on Class 3 or higher claims.

The Division would use the following measurement method for the revised measure:

- 1) Determine which closures during the year only involve distributions on Class 3 or higher priority claims under Section 631.271, Florida Statutes;
- 2) For each such receivership, determine the last day of the month in which all litigation was completed;
- 3) For each such receivership, determine the last day of the month in which all objections to the claims evaluation were resolved;
- 4) Using the later of the above dates, calculate 2 years from the date (this will be considered the "closing deadline month" for each receivership in determining whether or not a receivership met the 2 year closing deadline);
- 5) Percentage reported is calculated by dividing the number of receiverships with Class 3 or higher claims closed year to date that met the 2 year deadline by the total number of receiverships closed year to date.

Reliability: The Division of Rehabilitation and Liquidation maintains data on insurance entities that are in rehabilitation or liquidation. The data is supported by a signed court order and is considered very reliable.

The revision provides greater reliability for this performance measure as it provides for a measuring procedure that will yield the same results on repeated trials, and the data is complete and essentially error free. It is easily determined from the data currently maintained by the Department as to when all litigation is resolved since the Department as receiver currently tracks this information on every litigated issue in all receiverships. It is also easy to determine when all objections to the receiver's evaluation of claims have been resolved, and this data is also maintained by the Department. Claimants are entitled to a court hearing if they have filed an objection; those resolved without a court hearing involve a dated settlement agreement or equivalent correspondence. The two year time period from the date of conclusion of litigation and resolution of objections to claim evaluations is also a very definitive period of time that provides for consistent measurement and accurate data.

LRPP EXHIBIT IV: Performance Measure Validity and Reliability

Department: Financial Services

Program: Licensing and Consumer Protection

Service/Budget Entity: Insurance Company Rehabilitation and Liquidation

Measure: Maximum number of insurance companies entering rehabilitation or liquidation during the year

Action (check one):

- Requesting revision (**Deletion**) to approved performance measure.
- Change in data sources or measurement methodologies.
- Requesting new measure.
- Backup for performance measure.

Data Sources and Methodology: Pursuant to Chapter 631, F. S., the Division of Rehabilitation and Liquidation is responsible for marshaling the assets of insolvent companies and rehabilitating impaired companies as directed by the Court.

Companies are placed in Receivership for purposes of Rehabilitation, Liquidation or Conservation by an order of the Second Judicial Circuit Court in Leon County, Florida. The court-appointed Receiver performs rehabilitation and liquidation activity for companies in receivership until entry of a discharge order by the Court. The number of companies is determined by counting the companies placed in rehabilitation or liquidation during the fiscal year. Companies that are in both rehabilitation and liquidation during the same fiscal year are only counted once.

Validity: *We request that this measure be deleted.* 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.

Reliability: The Division of Rehabilitation and Liquidation maintains data on insurance entities that are in rehabilitation or liquidation. The data is supported by a signed court order and is considered very reliable.

LRPP EXHIBIT IV: Performance Measure Validity and Reliability

Department: Financial Services

Program: Licensing and Consumer Protection

Service/Budget Entity: Insurance Company Rehabilitation and Liquidation

Measure: Percent of appraised value of assets liquidated for real property

Action (check one):

- Requesting revision to approved performance measure.
- Change in data sources or measurement methodologies.
- Requesting new measure.
- Backup for performance measure.

Data Sources and Methodology:

Pursuant to Chapter 631, Florida Statutes, the Division of Rehabilitation and Liquidation is responsible for marshaling the assets of insurance companies ordered into receivership by the Court.

Impaired or insolvent insurance companies are placed in receivership for purposes of conservation, rehabilitation, or liquidation by an order of the Second Judicial Circuit Court in Leon County, Florida. The Department of Financial Services as the court-appointed receiver coordinates and directs the receivership process until entry of a discharge order by the Court.

Upon entry of an order appointing the receiver, the company's records are reviewed to determine ownership of any real property. Title to any real property is recorded in the name of the Receiver in order to safeguard the property. An appraisal is then obtained. When the determination is made to sell the real property, it is listed with an agent or broker. The Court approves all sales before being finalized.

The percent of appraised value of assets liquidated by the department for real property is determined by dividing the total amount received from the sale of real property by the total amount shown on the appraisal report.

Validity:

The validity of the measure is strongly dependent on the accuracy of the appraisal. Also, there may be a lag time between the appraisal and the contract for sale, the court approval and the closing, during which market conditions may fluctuate. This may result in a significantly higher or lower sale price than the appraisal.

Reliability:

Different appraisers may arrive at different appraisal values for the same property, which limits repeatable results.

LRPP EXHIBIT IV: Performance Measure Validity and Reliability

Department: Financial Services

Program: Licensing and Consumer Protection

Service/Budget Entity: Insurance Company Rehabilitation and Liquidation

Measure: Percent of appraised value of assets liquidated for personal property

Action (check one):

- Requesting revision to approved performance measure.
- Change in data sources or measurement methodologies.
- Requesting new measure.
- Backup for performance measure.

Data Sources and Methodology:

Pursuant to Chapter 631, Florida Statutes, the Division of Rehabilitation and Liquidation is responsible for marshaling the assets of insurance companies ordered into receivership by the Court.

Impaired or insolvent insurance companies are placed in receivership for purposes of conservation, rehabilitation, or liquidation by an order of the Second Judicial Circuit Court in Leon County, Florida. The Department of Financial Services as the court-appointed receiver coordinates and directs the receivership process until entry of a discharge order by the Court.

Upon entry of an order appointing the receiver, the company's records are reviewed to determine ownership of any personal property. Personal property is inventoried and tagged. Then an appraisal is obtained. When the determination is made to sell the personal property, the preferred method is by auction.

The percent of appraised value of assets liquidated by the department for personal property is determined by dividing the total amount received from the sale of inventory by the total amount shown on the appraisal report.

Validity:

This measure assesses the service's ability to receive a fair price for inventory liquidated by dividing the total amount received from the sale by the appraised value.

The validity of the measure is strongly dependent on the accuracy of the appraisal. Also, there may be a lag time between the appraisal and the sale during which market conditions may fluctuate. This may result in a significantly higher or lower sale price than the appraisal. These inventories typically include personal computers (hardware and software) and other office equipment that rapidly depreciate or become obsolete due to changes in technology. Due to the long periods of time between the appraisal and the sale of the inventories these factors may result in inventories being sold for less than the appraisal value.

Reliability:

Different appraisers may arrive at different appraisal values for the same property, which limits repeatable results.

LRPP EXHIBIT IV: Performance Measure Validity and Reliability

Department: Financial Services

Program: Licensing and Consumer Protection

Service/Budget Entity: Insurance Company Rehabilitation and Liquidation

Measure: Total number of companies in rehabilitation or liquidation during the year

Action (check one):

- Requesting revision (**Deletion**) to approved performance measure.
- Change in data sources or measurement methodologies.
- Requesting new measure.
- Backup for performance measure.

Data Sources and Methodology: Pursuant to Chapter 631, F. S., the Division of Rehabilitation and Liquidation is responsible for marshaling the assets of insolvent companies and rehabilitating impaired companies as directed by the Court.

Companies are placed in Receivership for purposes of Rehabilitation, Liquidation or Conservation by an order of the Second Judicial Circuit Court in Leon County, Florida. The court-appointed Receiver performs rehabilitation and liquidation activity for companies in receivership until entry of a discharge order by the Court. The number of companies is determined by counting the companies in rehabilitation or liquidation at the end of the fiscal year.

Validity: *We request that this measure be deleted.* 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.

Reliability: The Division of Rehabilitation and Liquidation maintains data on insurance entities that are in rehabilitation or liquidation. The data is supported by a signed court order and is considered very reliable.

LRPP EXHIBIT IV: Performance Measure Validity and Reliability

Department: Department of Financial Services

Program: Licensing and Consumer Protection Program

Service/Budget Entity: Licensure, Sales, Appointment & Oversight

Measure: Percent of applications processed within 7 working days (increase)

Action (check one):

- Requesting revision to approved performance measure.
- Change in data sources or measurement methodologies.
- Requesting new measure.
- Backup for performance measure.

Data Sources and Methodology:

“Application processing” means the process of reviewing applications, whether a new application is reviewed for the first time or an application that is being reviewed because additional required information has been received from the applicant on a previously reviewed application. These applications are for those applicants that do not have a criminal, civil or administrative background.

The bureau’s licensing database (ALIS) tracks the date an application is received and the date that additional information is received from the applicant. The database also tracks the date that an application was either processed to completion or pended due to outstanding deficiencies. The system calculates the difference between the date a new application or additional information is received and the date that the application is processed to completion or pended due to outstanding deficiencies. The determination of whether the application was processed with seven (7) days will be determined by this calculation.

Validity:

This measure is valid because it shows timeliness, efficiency and service for each time an application is processed. This measure is an important tool in determining if upgrades in technology, additional training of employees, staffing, or other actions are needed.

Reliability:

The tracking of an application’s received date is reliable since this data is captured in a fully-automated database that has been in existence since December 2003. Additional database programming will be done in fiscal year 2007/2008 to create the report that will provide the data for this measure and to ensure that the report is both valid and reliable. The report is currently captured manually.

LRPP EXHIBIT IV: Performance Measure Validity and Reliability

Department: Department of Financial Services

Program: Licensing and Consumer Protection Program

Service/Budget Entity: Licensure, Sales, Appointment & Oversight

Measure: Percent of licensees complying with continuing education requirements (increase)

Action (check one):

- Requesting revision to approved performance measure.
- Change in data sources or measurement methodologies.
- Requesting new measure.
- Backup for performance measure.

Data Sources and Methodology:

“Licensees” refers to those individuals who hold a license(s) that requires them to complete a continuing education requirement. “Complying” is defined as being compliant with one’s continuing education requirement when the initial evaluation is calculated 30 days from the licensee’s compliance date. Many types of licenses require the licensee to complete continuing education requirements. These requirements are due on a biennial cycle. Licensees may be required to take certain courses in order to satisfy their continuing education requirement. The bureau’s education database (DICE) holds all information regarding a licensee’s continuing education status. To calculate this measure, a report found in DICE under “Reports”, then “Enforcement”, is run. The name of the report is “Compliance Status”. Under “Report Type”, select “Statistics only”. Enter the compliance period(s) for which you want to run the report and ensure that the “ALL” selection is chosen for the remaining fields. The report generated will list the statistics for Agents, Adjusters, and Bail Bonds license type/classes separately. Sum the “Initial Evaluation” numbers for each license type/class to get the total number of compliant licensees. To get the total number of licensees required to complete continuing education, sum the “Number of Licensees” for each license type/class and subtract the “No CE Requirement” statistics. Divide the total number of compliant licensees by the total number of licensees required to complete continuing education to get this measure.

Validity:

This measure is important in determining whether the bureau is doing an effective job in communicating with all licensees, providers, and other groups about continuing education requirements. It measures how well we educate, assist and discipline licensees, and educate and assist providers, in order to influence voluntary compliance with requirements. Providers offer the courses that licensees complete in order to meet their continuing education requirements.

Reliability:

The data regarding a licensee’s continuing education compliance status is stored in the bureau’s education database (DICE), which has been in existence since December 2002. This measure is therefore deemed reliable. This measure is calculated using the methodology described in “Data Sources and Methodology”, which includes some manual calculation. In fiscal year 2007/2008, the calculation of this measure will be fully automated.

LRPP EXHIBIT IV: Performance Measure Validity and Reliability

Department: Department of Financial Services

Program: Licensing and Consumer Protection Program

Service/Budget Entity: Licensure, Sales, Appointment & Oversight

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

Action (check one):

- Requesting revision to approved performance measure.
- Change in data sources or measurement methodologies.
- Requesting new measure.
- Backup for performance measure.

Data Sources and Methodology:

The Bureau requests reports of needed data from the tracking systems BAAITS (Bureau of Agent and Agency Investigation Tracking System) and the Legal Services tracking system Client Profiles.

This measurement analyzes the resolution of cases against licensed agents/entities through a variety of actions available to the Compliance and Enforcement Service (Agent and Agency Investigation). Actions include: a) Number of license revocations; b) Number of license suspensions; c) Number of fines; d) Number of cease and desist orders; e) Number of letters of guidance; and f) Number of insurance agents/entities placed on probation.

1. Determine total number of cases completed and submitted for legal review and action for a time period.
2. Determine total number of actions for the same time period.
3. Divide the number in item 2 by number in item 1 to compute percentage.

Validity:

This measure provides data to reflect the percentage of completed cases recommended for action that actually result in action. This information is important for allocation of investigative and legal resources as well as for measuring the quality of our cases. This measure will also help us identify gaps in our entire prosecutorial process.

Reliability:

The Bureau and Legal Division databases and systems have been in existence for over five years and are deemed reliable.

LRPP EXHIBIT IV: Performance Measure Validity and Reliability

Department: Department of Financial Services

Program: Insurance Regulation and Consumer Protection Program

Service/Budget Entity: Licensure, Sales, Appointment & Oversight

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

Action (check one):

- Requesting revision to approved performance measure.
- Change in data sources or measurement methodologies.
- Requesting new measure.
- Backup for performance measure.

Data Sources and Methodology:

The Bureau requests reports of needed data from the tracking systems BAAITS (Bureau of Agent and Agency Investigation Tracking System) and the Legal Services tracking system Client Profiles.

This measurement analyzes the resolution of cases against licensed agents/entities through a variety of actions available to the Compliance and Enforcement Service (Agent and Agency Investigation). Actions include: a) Number of license revocations; b) Number of license suspensions; c) Number of fines; d) Number of cease and desist orders; e) Number of letters of guidance; and f) Number of insurance agents/entities placed on probation.

1. Determine total number of cases completed and submitted for legal review and action for a time period.
2. Determine total number of actions for the same time period.
3. Divide the number in item 2 by number in item 1 to compute percentage.

Validity:

This measure provides data to reflect the percentage of completed cases recommended for action that actually result in action. This information is important for allocation of investigative and legal resources as well as for measuring the quality of our cases. This measure will also help us identify gaps in our entire prosecutorial process.

Reliability:

The Bureau and Legal Division databases and systems have been in existence for over five years and are deemed reliable.

LRPP EXHIBIT IV: Performance Measure Validity and Reliability

Department: Financial Services

Program: Licensing and Consumer Protection Program

Service/Budget Entity: Licensure, Sales Appointment and oversight

Measure: Percent of satisfaction of Customer Contact Center services

Action (check one):

- Requesting revision to approved performance measure.
- Change in data sources or measurement methodologies.
- Requesting new measure.
- Backup for performance measure.

Data Sources and Methodology:

This measure will be calculated by use of surveys (electronic, mail, phone). Survey questions will measure areas such as the bureau's customer contact center (call center) and email system. Surveys will provide the customer the opportunity to rate on a scale their satisfaction level. Surveys will be completed, and then returned to the bureau, where we will gather the data and compute this measure.

Validity:

Measures, via survey (electronic, mail, phone), satisfaction of callers (and those who e-mail) with the services received. This is an important tool that the bureau will utilize to measure and evaluate the services that we provide.

Reliability:

In fiscal year 2007/2008, the bureau will develop the survey methods described above and utilize technology to distribute. While statistics show that only 10% of customers complete surveys, the bureau will be able to receive adequate data in order to ensure a reliable and valid measure.

LRPP EXHIBIT IV: Performance Measure Validity and Reliability

Department: Department of Financial Services

Program: Licensing and Consumer Protection Program

Service/Budget Entity: Licensure, Sales, Appointment & Oversight

Measure: Percent of licensees disciplined ~~Maximum percent of insurance representatives requiring discipline of oversight.~~

Action (check one):

- Requesting revision to approved performance measure.
- Change in data sources or measurement methodologies.
- Requesting new measure.
- Backup for performance measure.

Data Sources and Methodology:

Discipline is considered “administered” at the point the department’s action is considered final. (The matter has been disposed of through a lawful department order, if required.) The department enters an order which is considered final agency action whereby the licensee’s license or appointment(s) is suspended, revoked, or otherwise terminated, or placed on department probation; or whereby the licensee is assessed a monetary fine or required to complete the deficient continuing education hours; or any combination of the foregoing.

1. Query the licensing database (ALIS) to select the number of licensed insurance representatives.
2. Query the licensing database (ALIS) to identify the number of licensees whose appointments were terminated due to continuing education non-compliance.
3. Query the education database to find the number of consent orders issued for Continuing Education noncompliance.
4. Query the Legal Tracking System (maintained by Legal Services) which is referred to as Client Profiles to identify all final department actions recorded relative to insurance representatives for the fiscal or calendar year in question.

The sum of 2, 3 and 4 will yield the total number of insurance representatives disciplined. The ratio of that total to the number in item 1 will yield the percent of insurance representatives requiring discipline.

Validity:

The “discipline” part of this measurement measures the ratio of licensed insurance representatives who commit Insurance code violations. The “oversight” part of this measure takes in the department’s effectiveness in enforcing the continuing education statutes and ensures that only those licensees who meet such requirements remain active licensees. This measure represents the percent of our regulated population where we have additional work to do and is an indicator of the effectiveness of our education, outreach and assistance, our investigations, and the clarity of laws, rules, policies and procedures. This is important in validating the effectiveness of the Insurance Code’s eligibility standards for insurance representatives in the areas of applicant fitness, trustworthiness and competence.

Reliability:

Item 1 above is an existing program and is deemed to be reliable.

Item 2 above is an existing program and is deemed to be reliable.

Item 3 above is an existing tracking system and is deemed to be reliable

Item 4 above is an existing program and is deemed to be reliable.

LRPP EXHIBIT IV: Performance Measure Validity and Reliability

Department: Department of 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 (check one):

- Requesting revision to approved performance measure.
- Change in data sources or measurement methodologies.
- Requesting new measure.
- Backup for performance measure.

Data Sources and Methodology:

Once a fraud referral is investigated, substantiated and approved by a division supervisor, it is presented to the appropriate prosecutorial authority for review. If the prosecuting authority decides to prosecute the case, it is introduced into the criminal justice system. All cases presented for prosecution are entered into the division's case management tracking system. A case is deemed closed upon final court action such as dismissal, a negotiated plea or conviction by trial. Once the case is closed, the method of closure is entered into the division's case management tracking system. By utilizing the statistics entered into the automated system, a year-to-year comparison can be conducted, thereby providing the percentage change in cases presented for prosecution.

Validity:

All referrals received by the Division of Insurance Fraud are evaluated to determine evidence of fraud. Only cases containing evidence or indicators of fraud are opened for investigation. Only open cases may be presented for prosecution. All cases presented for prosecution are entered into the division's case management tracking system. The disposition of all cases presented for prosecution is entered into the case tracking system.

Reliability:

Cases presented for prosecution are reliable data in that they are recorded in the division's case management tracking system. "Cases presented" is a searchable field for the purposes of compiling statistics.

LRPP EXHIBIT IV: Performance Measure Validity and Reliability

Department: Department of 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 (check one):

- Requesting revision to approved performance measure.
- Change in data sources or measurement methodologies.
- Requesting new measure.
- Backup for performance measure.

Data Sources and Methodology:

Once an insurance fraud referral is submitted to the Division of Insurance Fraud, it is routed to the appropriate field office based on geographic location or area of responsibility. It is then entered into the Division of Insurance Fraud Case Management Tracking System and evaluated by a division supervisor. If the referral and support documentation warrant an investigation, the referral is opened as a criminal case and assigned to an investigator for further investigation. Once the investigation is completed, a division supervisor reviews it. If the allegation of fraud was substantiated, the case is then presented to the appropriate prosecutorial authority. If the case is approved for prosecution, the defendant(s) are introduced into the criminal justice system, typically by custodial arrest. Cases are disposed of via negotiated plea, trial or other prosecutorial action. The resulting court action results in the closing of a case. If evidence gathered by the investigator is insufficient to warrant presentation to a prosecutor, the case may be closed as unfounded, lack of evidence, prosecution declined etc. In every case the disposition of the case is documented in the tracking system.

Validity:

All referrals/inquires or complaints received by the Division of Insurance Fraud are evaluated to determine fraud indicators. Only cases containing evidence or indicators of fraud are opened for investigation and assigned to an investigator. Only cases that have been opened may be submitted for prosecution.

Reliability:

Closed investigations are reliable data in that they are recorded in both the division's case management tracking system and physical files. "Closed investigations" is a searchable field in the automated system for the purpose of compiling statistics

LRPP EXHIBIT IV: Performance Measure Validity and Reliability

Department: Department of Financial Services

Program: Licensing and Consumer Protection

Service/Budget Entity: Insurance Fraud

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

Action (check one):

- Requesting revision to approved performance measure.
- Change in data sources or measurement methodologies.
- Requesting new measure.
- Backup for performance measure.

Data Sources and Methodology:

Once an insurance fraud referral is submitted to the Division of Insurance Fraud, it is routed to the appropriate field office based on geographic location or area of responsibility. It is then entered into the Division of Insurance Fraud's case management tracking system and evaluated by a division supervisor. If the referral and support documentation warrant an investigation, the referral is opened as a criminal case and assigned to an investigator for further investigation. Once the investigation is completed, a division supervisor reviews it. If the allegation of fraud was substantiated, the case is then presented to the appropriate prosecutorial authority. If the case is approved for prosecution, the defendant(s) are introduced into the criminal justice system, typically by custodial arrest. Cases are disposed of via negotiated plea, trial or other prosecutorial action. The resulting court action results in the closing of a case. If evidence gathered by the investigator is insufficient to warrant presentation to a prosecutor, the case may be closed as unfounded, lack of evidence, prosecution declined, etc. In every case the disposition of the case is documented in the tracking system.

Validity:

All referrals/inquires or complaints received by the Division of Insurance Fraud are evaluated to determine fraud indicators. Only cases containing evidence or indicators of fraud are opened for investigation and assigned to an investigator. Only cases that have been opened may be submitted for prosecution.

Reliability:

Closed investigations are reliable data in that they are recorded in both the division's case management tracking system and physical files. "Closed investigations" is a searchable field in the automated system for the purpose of compiling statistics.

LRPP EXHIBIT IV: Performance Measure Validity and Reliability

Department: Department of Financial Services

Program: Licensing and Consumer Protection

Service/Budget Entity: Insurance Fraud

Measure: Number of cases presented for prosecution

Action (check one):

- Requesting revision to approved performance measure.
- Change in data sources or measurement methodologies.
- Requesting new measure.
- Backup for performance measure.

Data Sources and Methodology:

Once a fraud referral is investigated, substantiated and approved by a division supervisor, it is presented to the appropriate prosecutorial authority for review. If the prosecuting authority decides to prosecute the case, it is introduced into the criminal justice system. All cases presented for prosecution are continually tracked in the division's case management tracking system. A case is deemed closed upon final court action such as dismissal, a negotiated plea or conviction by trial. Once the case is closed, the method of closure is entered into the division's case management tracking system.

Validity:

All referrals received by the Division of Insurance Fraud are evaluated to determine evidence of fraud. Only cases containing evidence or indicators of fraud are opened for investigation. Only open cases may be presented for prosecution. All cases presented for prosecution are entered into the division's case management tracking system. The disposition of all cases presented for prosecution is entered into the automated system.

Reliability:

Cases presented for prosecution are reliable data in that they are recorded in the division's case management tracking system. "Cases presented" is a searchable field for the purposes of compiling statistics.

LRPP EXHIBIT IV: Performance Measure Validity and Reliability

Department: Department of Financial Services

Program: Licensing and Consumer Protection

Service/Budget Entity: Insurance Fraud

Measure: Dollar amount of restitution ordered by the court as a percent of the amount recommended by the Department for fraud investigations, by year ordered

Action (check one):

- Requesting revision to approved performance measure.
- Change in data sources or measurement methodologies.
- Requesting new measure.
- Backup for performance measure.

Data Sources and Methodology:

Once a fraud referral is investigated, substantiated and approved by a Division supervisor, it is presented to the appropriate prosecutorial authority for review. If the prosecuting authority decides to prosecute the case, it is introduced into the criminal justice system. All cases presented for prosecution are entered into the division's case management tracking system.

Restitution is broken down into two categories. Court ordered investigative costs to the investigating agencies and reimbursements to individuals or companies who are victims of insurance fraud. A memorandum is authored by the lead investigator and submitted to the prosecutor during the case presentation. The amount of restitution recommended is obtained from the case file or investigative summary report that outlines the total loss incurred.

Validity:

All fraud referrals received by the Division of Insurance Fraud are evaluated to determine evidence of fraud. Only cases containing evidence or indicators of fraud are opened for investigation. Only open cases may be presented for prosecution and court ordered restitution. All restitution ordered will be entered into the division's case management tracking system.

Reliability:

Cases presented for court ordered restitution is reliable data in that it will be recorded in the division's case management tracking system. "Restitution ordered" will be a searchable field for the purposes of compiling statistics.

LRPP EXHIBIT IV: Performance Measure Validity and Reliability

Department: Department of Financial Services

Program: Licensing and Consumer Protection

Service/Budget Entity: Insurance Fraud

Measure: Dollar amount of recommended orders of restitution, per ~~capita~~-case

Action (check one):

- Requesting revision to approved performance measure.
- Change in data sources or measurement methodologies.
- Requesting new measure.
- Backup for performance measure.

Data Sources and Methodology:

Once a fraud referral is investigated, substantiated and approved by a division supervisor, it is presented to the appropriate prosecutorial authority for review. If the prosecuting authority decides to prosecute the case, it is introduced into the criminal justice system. All cases presented for prosecution are entered into the division's case management tracking system.

Restitution is broken down into two categories. Court ordered investigative costs to the investigating agencies and reimbursements to individuals or companies who are victims of insurance fraud. A memorandum is authored by the lead investigator and submitted to the prosecutor during the case presentation. The amount of restitution recommended is obtained from the case file or investigative summary report that outlines the total loss incurred. This dollar amount of recommended orders of restitution, per case is derived by relating the total amount of court ordered restitution to the actual number of criminal presentations.

Validity:

All referrals received by the Division of Insurance Fraud are evaluated to determine evidence of fraud. Only cases containing evidence or indicators of fraud are opened for investigation. Only open cases may be presented for prosecution and court ordered restitution. All restitution ordered will be entered into the division's case management tracking system.

Reliability:

Cases presented for court ordered restitution is reliable data in that it will be a recorded in the Division's Case Management Tracking System. "Restitution ordered" will be a searchable field for the purposes of compiling statistics.

LRPP EXHIBIT IV: Performance Measure Validity and Reliability

Department: Financial Services

Program: Licensing and Consumer Protection

Service/Budget Entity: Consumer Assistance

Measure: Percentage of phone calls answered within two minutes

Action (check one):

- Requesting revision to approved performance measure.
- Change in data sources or measurement methodologies.
- Requesting new measure.
- Backup for performance measure.

Data Sources and Methodology:

This measure reflects the percentage of phone calls received through the department's toll-free Consumer Helpline that are answered within two minutes.

This percentage is determined by dividing the number of calls answered by staff by the amount of time it took to reach a live person.

Validity:

The CISCO Voice Over Internet Protocol (VOIP) telephone system used by the Department of Financial Services automatically gathers, logs and stores data associated with each telephone call received through the toll-free Consumer Helpline. This data is stored, backed-up and archived in accordance with the department's normal server and data management guidelines.

Reports are generated using the data gathered by the CISCO VOIP phone system.

Reliability:

The documentation of all data is stored on a database and a back-up copy is created nightly.

LRPP EXHIBIT IV: Performance Measure Validity and Reliability

Department: Financial Services

Program: Licensing and Consumer Protection

Service/Budget Entity: Consumer Assistance

Measure: Percent of consumer activities that result in quality service

Action (check one):

- Requesting revision to approved performance measure.
- Change in data sources or measurement methodologies.
- Requesting new measure.
- Backup for performance measure.

Data Sources and Methodology:

This measure reflects the percent of activities performed by department employees that result in quality service to Florida insurance and financial services consumers. An internal audit of requests for assistance has been developed to evaluate employee performance in providing quality service. The audit includes such measures as the quality of information provided, the accuracy of information, quality of the communication and timeliness.

The audits are performed by the division managers and quality auditors. Reports are produced and shared with staff.

A standard for providing quality service was determined by reviewing the audit form and evaluating the minimum necessary ingredients to provide quality service. This standard was set by division management. In order to generate the percentage, the report counts the number of audits conducted during a given time period, determines how many of those audits score at or above the division standard for quality service, then divides the count of those above quality service by the number of audits during the given timeframe. This will result in the percentage score of those consumer activities that resulted in quality service.

Validity:

The process was developed with division managers and quality auditors based on the internal procedures designed to provide quality assistance to consumers. The percent of quality service provided is determined by the score on the audits.

Reliability:

The documentation of this process includes audit reports which are stored on a database and backed up nightly.

LRPP EXHIBIT IV: Performance Measure Validity and Reliability

Department: Financial Services

Program: Licensing and Consumer Protection

Service/Budget Entity: Consumer Assistance

Measure: Percentage of consumers satisfied with the services provided

Action (check one):

- Requesting revision to approved performance measure.
- Change in data sources or measurement methodologies.
- Requesting new measure.
- Backup for performance measure.

Data Sources and Methodology:

This measure reflects the percent of consumers satisfied with the services provided by the Department of Financial Services when those consumer have asked the department for assistance with an insurance or financial services issue or problem. Upon receipt of a request for assistance, the consumer's contact information and issue are entered into the department's complaint tracking system. The affected regulated entity is contacted and the department attempts to resolve the consumer's issue.

A random sample of department consumers are sent a customer service satisfaction survey within 30 days of the completion of the request for assistance. The surveys, their format and questions were developed in cooperation with the Florida State University business school to achieve a reliable format and survey questions that could be sent to a statistically valid random sampling of department consumers.

Department staff receiving, reviewing and compiling survey data are not the same staff that performed the work related to requests for assistance. As surveys are returned they are entered into a database. Reports are generated to determine the level of satisfaction of the consumer. In order to generate the percentage, the report counts the number of surveys returned, counts the number of consumers who responded that they were satisfied with our services and divides those who were satisfied by the total number of surveys returned. This produces the percentage of consumers satisfied with the services provided by the department.

Validity:

A consumer satisfaction survey is mailed to approximately 15 percent of consumers who request assistance from the department with an insurance or financial services issue. Of the surveys mailed, approximately 20 percent are completed and returned to the department. Upon receipt of the survey, the results are entered into a database. The percent of satisfaction of services provided is determined based on the response of the consumer. No individual involved with the survey is involved with assisting consumer resolve their issue with the regulated entity.

Reliability:

The documentation of this process includes the physical consumer satisfaction surveys and the database the survey results are entered into. This database and is backed up nightly.

LRPP EXHIBIT IV: Performance Measure Validity and Reliability

Department: Financial Services

Program: Licensing and Consumer Protection

Service/Budget Entity: Funeral, Cemetery and Consumer Services

Measure: Percentage of establishments and cemeteries inspected per year

Action (check one):

- Requesting revision to approved performance measure.
- Change in data sources or measurement methodologies.
- Requesting new measure.
- Backup for performance measure.

Data Sources and Methodology: Chapter 497 requires the Department to conduct an inspection of every licensed cemetery company, funeral establishment, direct disposal establishment, cinerator facility, central embalming facility, refrigeration facility and removal service at least once per year

Reporting data will be obtained from the closed inspection reports that are recorded in ServicePoint tracking system. When an inspection is assigned to a field examiner, the examiner opens a service request and obtains a number for the inspection. The on-site inspection is completed and the report is entered into ServicePoint. Completed inspections will be those inspections with a disposition of closed in Service Point.

Validity: This measure will address the effectiveness of the Department's ability to meet its statutory mandates. Conducting inspections is an integral part of the Department's regulatory responsibilities.

Reliability: Information gathered for this measure will be obtained from Service Point, a Seibel application. Each inspection will be scheduled using Service Point. Service Point is also used to develop the report, automate correspondence and track the subsequent enforcement action.

LRPP EXHIBIT IV: Performance Measure Validity and Reliability

Department: Financial Services

Program: Licensing and Consumer Protection

Service/Budget Entity: Funeral, Cemetery and Consumer Services

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

Action (check one):

- Requesting revision to approved performance measure.
- Change in data sources or measurement methodologies.
- Requesting new measure.
- Backup for performance measure.

Data Sources and Methodology: Chapter 497 authorizes the Department to conduct a financial examination of any cemetery company and any preneed licensee as needed. Reporting data will be obtained from closed examination reports that are recorded in Service Point tracking system. When an examination is assigned to an examiner, the examiner opens a service request and obtains a number for the examination. The examination is conducted on-site. Upon completion, the examination is sent to the supervisor for review. If deficits are reported, a notation is made in Service Point. When the examiner receives confirmation of a trust fund deposit, the examiner makes a notation in Service Point. All examinations reporting trust fund deficits will be monitored by the appropriate examiner and supervisor.

Validity: This measure will report the effectiveness of the financial examination program by showing a direct correlation between the examination and additional funds being deposited into the trust funds.

Reliability: Information gathered for this measure will be obtained from Service Point, a Seibel application. Each examination will be scheduled using Service Point. Service Point is also used to develop the report, automate correspondence and track the subsequent enforcement action.

LRPP EXHIBIT IV: Performance Measure Validity and Reliability

Department: Financial Services

Program: Licensing and Consumer Protection

Service/Budget Entity: Funeral, Cemetery and Consumer Services

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

Action (check one):

- Requesting revision to approved performance measure.
- Change in data sources or measurement methodologies.
- Requesting new measure.
- Backup for performance measure.

Data Sources and Methodology: Chapter 497 authorizes the Department to conduct an inspection of every licensed cemetery at least once per year. The inspection consists of a review of the grounds and verification of burial records. The examiner conducts a straight check (from burial records to grounds) and a blind check (from the grounds to the burial records). In addition, the ownership records and maps are also checked. Management and grounds superintendents are interviewed to ensure procedures are being followed.

Validity: This measure will report the effectiveness of the cemetery inspection program by showing a direct correlation between the inspection and improvement to the grounds or records.

Reliability: Information gathered for this measure will be obtained from Service Point, a Seibel application. Each inspection will be scheduled using Service Point. Service Point is also used to develop the report, automate correspondence and track the subsequent enforcement action.

LRPP EXHIBIT IV: Performance Measure Validity and Reliability

Department: Financial Services

Program: Licensing and Consumer Protection

Service/Budget Entity: Funeral, Cemetery and Consumer Services

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

Action (check one):

- Requesting revision to approved performance measure.
- Change in data sources or measurement methodologies.
- Requesting new measure.
- Backup for performance measure.

Data Sources and Methodology: Chapter 497 authorizes the department to conduct an inspection of every funeral establishment, direct disposal establishment, cinerator facility, central embalming facility, refrigeration facility and removal service. When an inspection is assigned to an examiner, the examiner opens a service request in Service Point and obtains a tracking number for the inspection. The inspection is conducted and forwarded to the supervisor via Service Point. A comment is made in Service Point if a finding is noted and when the finding is corrected.

Validity: This measure will report the effectiveness of the inspection program by showing a direct correlation between the inspection and corrections and improvements being made to the licensed facilities.

Reliability: Information gathered for this measure will be obtained from Service Point, a Seibel application. Each inspection will be scheduled using Service Point. Service Point is also used to develop the report, automate correspondence and track the subsequent enforcement action.

LRPP EXHIBIT IV: Performance Measure Validity and Reliability

Department: Financial Services

Program: Licensing and Consumer Protection

Service/Budget Entity: Funeral, Cemetery and Consumer Services

Measure: Percentage of license applications processed within 20 days of receipt

Action (check one):

- Requesting revision to approved performance measure.
- Change in data sources or measurement methodologies.
- Requesting new measure.
- Backup for performance measure.

Data Sources and Methodology: The division is mandated to process applications for licensure. The application process involves a review of the application, preparation of correspondence, verification of fee payment, submission of fingerprints and any resulting reports. Processing also includes date stamping, scanning into ALIS, indexing, conducting an initial inspection (for establishments), a supervisor review and preparation of a board summary. Processing begins when the completed application is received in Division and ends when the application is deemed ready for approval.

Validity: This measure will report the effectiveness of the licensing function by measuring the number of days an average application takes to process.

Reliability: Information gathered for this measure will be obtained from ALIS. Until the division can develop a means for automating this measurement, the staff will keep a manual record of the dates applications are received in Division and the dates the applications were deemed ready for approval.

LRPP EXHIBIT IV: Performance Measure Validity and Reliability

Department: Department of Financial Services

Program: Workers' Compensation

Service/Budget Entity: Workers' Compensation

Measure: Percent of first indemnity payments made timely

Action (check one):

- Requesting revision to approved performance measure.
- Change in data sources or measurement methodologies.
- Requesting new measure.
- Backup for performance measure.

Data Sources and Methodology:

Data are derived from the Workers' Compensation Integrated database, lost time claims file as of June 30 of each fiscal year. Data fields used to calculate this measure are reported either electronically or on paper to the Division on the DWC-1 form by insurers.

Formula:

For all cases with DWC-1s coded during the fiscal year and initially reported as lost-time or medical only that becomes lost time cases by the insurer:

Number of cases where the date of first payment – the date of accident (or the date of employer knowledge if later than the date of accident) < or = 14 days + Number of cases in which the employer continued paying the salary in lieu of compensation X 100, divided by the Number of cases initially reported as lost time cases by the insurer. For medical only cases that become lost time, the date first payment mailed – the employee's 8th day of disability should be < or = to 6 days.

Validity:

This value is valid for all cases in which a payment of indemnity is made to the injured employee. Statute requires the timely initial payment of indemnity to the injured employee and sets penalties and interest payments to the injured employee for the untimely payment. The Division has expanded the monitoring of this critical payment by use of the Centralized Performance System (CPS) in which all initial payments are reviewed.

Reliability:

CPS reviews all initial payments for timeliness and the audit section confirms the reported data to the division. The Division considers the timely initial payment of indemnity to the injured employee as a critical measure of the carrier's claims handling practices.

LRPP EXHIBIT IV: Performance Measure Validity and Reliability

Department: Department of 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~~ DELETE

Action (check one):

- Requesting revision to approved performance measure.
- Change in data sources or measurement methodologies.
- Requesting new measure.
- Backup for performance measure.

Data Sources and Methodology:

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.

Data are obtained from a cross match between the workers' compensation Integrated database and the unemployment compensation (UC) wage database. Workers injured during a specific quarter are identified using the social security number. That social security number is tracked to the UC database for the four quarters following the date of accident. Any worker working during any of the four quarters following the accident at 80% of their pre-injury wages or more is counted as a return to work.

Formula: For a given injury year, identify the population of lost time claims, using the division's Integrated database. For each of these injured workers, obtain UC wage data to calculate the average quarterly wage for the four quarters preceding the injury and to determine earnings during the four quarters following the quarter of the injury. (Average = total quarterly wages paid over all quarters showing wages greater than \$0, divided by the number of quarters showing wages greater than \$0.) The formula is as follows: Percent RTW = number of injured workers with one or more quarters of post injury quarterly wage greater than 80% of Average quarterly wage for 4 quarters before injury divided by number of lost time cases.

Validity:

This measure was determined in consultation with Disability Income Systems, particularly with Monroe Berkowitz, Ph. D., John Burton, Ph. D. and David Dean, Ph. D. Many methods for calculating return to work for injured workers were considered. A consensus was reached that this was a valid measure because:

- It took into account return to gainful employment relative to pre-injury earnings
- It was decided that the system should not be held accountable for sustained employment after the initial return to gainful employment

This is a valid measure of the percentage of injured workers returning to work. It utilizes two established databases (WC Claims and UC Wage). Both databases have been used to capture data, which are analyzed on an annual basis. Data include all WC claims with at least one UC wage record on file before, during, or after injury. The Division is charged to facilitate the gainful re-employment of injured workers at a reasonable cost. Data must be maintained to reflect the percentage of injured workers who are gainfully employed.

Reliability:

There have been many opportunities to recalculate return to work data using identical input data. The same figure is always obtained. However, over the years, there are changes in the quarterly wage data, which yields slight changes in previously calculated return-to-work rates when new wage data files are used. Data are collected in a consistent manner, compiled on an annual basis, use the same data sources, apply the same methodology, and can be duplicated to achieve the same results regardless of time of query.

LRPP EXHIBIT IV: Performance Measure Validity and Reliability

Department: Department of Financial Services

Program: Workers' Compensation

Service/Budget Entity: Workers' Compensation

Measure: Number of claim files reviewed annually

Action (check one):

- Requesting revision to approved performance measure.
- Change in data sources or measurement methodologies.
- Requesting new measure.
- Backup for performance measure.

Data Sources and Methodology:

The Division has historically audited critical components of injured employee's claim files while conducting on-site audits and while reviewing claims data internally. The information reviewed directly impacts the Division's mission.

The Audit Section audits claim files for the accurate and timely payment of indemnity benefits to the injured employee, timely and accurate filing of Division forms, and the accuracy of both indemnity and medical data submitted electronically. Each claim file is selected to be reviewed for one or more of the areas referenced above. The files are randomly selected by the audit section to include all disability types and all dates of accident for the audited time period in which either indemnity or medical has been paid. The selection process allows for the audit process to incorporate a larger number of claim files in the audit process.

The Permanent and Total Section reviews all essential claims information submitted by insurers and self-insurers. Once the information is submitted on the required Division forms, the information is evaluated to determine if PT benefits are paid accurately. The PT Insurance Specialist III's are required to data input PT claim information, analyze the information relative to the claim information stored on our Integrated computer system, and evaluate the accuracy of the benefits. The PT Section also routinely validates the accuracy of all Division paid PT supplemental benefits on PT claims with dates of accident before 1984.

The Centralized Performance System (CPS) reviews each submitted First Report of Injury or Illness (DFS-F2-DWC-1) to determine if the First Report of Injury was submitted timely to the insurer and to the Division, and if the initial payment of indemnity benefit was paid timely. This process allows for the Bureau to review 100% of all reported First Reports of Injury with regards to the timely provision of benefits to the injured employee.

Validity:

The Number of Claims Files Reviewed Annually is an accurate measure of the Bureau of Monitoring and Audit's productivity. The Number of Claim Files Reviewed Annually is calculated by summing all of the claim file reviews for each Section described below:

Audit Section - The number of claim files reviewed during all on-site examinations of insurers during the fiscal year. Auditors may review claim files for a specific reason or they may review all auditable portions of the claim file.

Permanent Total Section – The PT Section evaluates essential claims data submitted by the insurer on each PT claim file. Staff data inputs the claims information provided by the insurers and evaluates the PT benefits to make certain they have been correctly calculated according to statutes, rules and court rulings.

Centralized Performance System (CPS) – The CPS and our staff evaluate 100% all new First Report of Injury claims reported to the Division. Each First Report of Injury is a new loss time claim.

This measurement allows for the Bureau to measure its productivity and effectiveness and attain the Division's goal of maintaining a self-executing workers' compensation system.

Reliability:

The Number of Claim Files Reviewed is an easily quantifiable measurement of the Bureau of Monitoring and Audit. We track and manage these numbers in our Audit Section, PT Section and CPS. The supervisors located in the Bureau are responsible for monitoring the quality assurance or the program and the quality reviewing of the auditor's work.

LRPP EXHIBIT IV: Performance Measure Validity and Reliability

Department: Department of Financial Services

Program: Workers' Compensation

Service/Budget Entity: Workers' Compensation

Measure: Number of Employer Investigations Conducted

Action (check one):

- Requesting revision to approved performance measure.
- Change in data sources or measurement methodologies.
- Requesting new measure.
- Backup for performance measure.

Data Sources and Methodology:

The Bureau of Compliance prepares a statistical report that contains data identifying the number of investigations conducted to determine employer compliance with the workers' compensation law. Investigators obtain employer compliance information and transfer the data into a Daily Activity Report (DAR). The DAR is accessed electronically and can be reviewed on a daily, weekly and monthly basis.

The number of employer investigations conducted is a result of referrals received from the public or other enforcement agencies, geographic sweep operations and random worksite visits.

Validity:

District Supervisors and Investigation Managers review the DARs. In addition, the Investigation managers conduct annual quality management reviews in which five cases for each investigator are reviewed to ensure that the investigations meet all statutory and regulatory requirements.

Reliability:

Data is collected in a consistent manner and compiled on a monthly and annual basis. The same data sources are used, the same methodology is applied and it can be duplicated to achieve the same results.

LRPP EXHIBIT IV: Performance Measure Validity and Reliability

Department: Financial Services

Program: Workers' Compensation

Service/Budget Entity: Workers' Compensation

Measure: ~~Number of injured workers that obtained one or more benefits due to intervention by the Employee Assistance Office~~

Number of disputes resolved for injured workers by the Employee Assistance Office

Action (check one):

- Requesting revision to approved performance measure.
- Change in data sources or measurement methodologies.
- Requesting new measure.
- Backup for performance measure.

Data Sources and Methodology:

EAO utilizes the Division's Integrated System to document its dispute resolution efforts. Requests from injured workers for assistance with their workers' compensation claims are tracked in the Integrated System. EAO staff first categorizes whether an issue is an educational issue or an issue which will require intervention / assistance. Those issues requiring intervention and assistance by EAO are considered "disputes." EAO staff log and track in the Integrated System each dispute submitted to EAO and how many disputes were resolved. The Integrated System currently generates reports reflecting the "Total Number of Resolved Disputes" and the "Percentage of Resolved Disputes."

Validity:

EAO supervisors conduct quality assurance reviews of disputes to verify that staff members are consistently entering key dispute data. All Integrated programs are tested extensively prior to being put into use to ensure that the data being reflected on the reports is correct. This process is repeated each time there is a new system release or enhancements are implemented. Team supervisor review these reports monthly and individual production reports are shared with the team.

Reliability:

Management and supervisors have been using these reports and data for the Division of Workers' Compensation for several years.

LRPP EXHIBIT IV: Performance Measure Validity and Reliability

Department: Financial Services

Program: Workers' Compensation

Service/Budget Entity: Workers' Compensation

Measure: Percentage of injured workers that obtain one or more benefits due to intervention by the Employee Assistance Office

Percentage of disputes resolved for injured workers by the Employee Assistance Office

Action (check one):

- Requesting revision to approved performance measure.
- Change in data sources or measurement methodologies.
- Requesting new measure.
- Backup for performance measure.

Data Sources and Methodology:

EAO utilizes the Division's Integrated System to document its dispute resolution efforts. Requests from injured workers for assistance with their workers' compensation claims are tracked in the Integrated System. EAO staff first categorizes whether an issue is an educational issue or an issue which will require intervention / assistance. Those issues requiring intervention and assistance by EAO are considered "disputes." EAO staff log and track in the Integrated System each dispute submitted to EAO and how many disputes were resolved. The Integrated System currently generates reports reflecting the "Total Number of Resolved Disputes" and the "Percentage of Resolved Disputes."

Validity:

EAO supervisors conduct quality assurance reviews of disputes to verify that staff members are consistently entering key dispute data. All Integrated programs are tested extensively prior to being put into use to ensure that the data being reflected on the reports is correct. This process is repeated each time there is a new system release or enhancements are implemented. Team supervisor review these reports monthly and individual production reports are shared with the team.

Reliability:

Management and supervisors have been using these reports and data for the Division of Workers' Compensation for several years.

LRPP EXHIBIT IV: Performance Measure Validity and Reliability

Department: Department of Financial Services

Program: Workers' Compensation

Service/Budget Entity: Workers' Compensation

Measure: Percentage of injured workers who are verbally contacted by an Employee Assistance Office (EAO) representative.

Action (check one):

- Requesting revision to approved performance measure.
- Change in data sources or measurement methodologies.
- Requesting new measure.
- Backup for performance measure.

Data Sources and Methodology:

When a lost time injury occurs, the employer files a First Report of Illness or Injury (DWC-1) with the division. Those DWC-1s are received through both EDI and paper documents. Those paper documents are "imaged" through our OFFIS system and distributed/assigned to specialists for processing. Specialists are required to make two telephone attempts to contact the injured worker in addition to sending a letter containing information about our EIP program and the services we offer. Upon completion of these tasks, unique codes indicating the attempts to reach the injured worker and the outcomes are entered into the Integrated system and that case is considered contacted. A query is run against the database to count all cases wherein the Employee Assistance Office representative actually spoke with an injured worker.

Cases are established based on unique social security numbers matched with a date of accident and are only counted once. The formula used is as follows: $\text{Formula} = \text{Sum of all injured workers for whom verbal contact was made} \div \text{the number of cases entered}$.

Validity:

Formulas have been created in the Integrated System that are used to generate a report to reflect the results of this query. This is the most valid way to calculate the percentage of injured workers that the EAO was able to speak with.

Reliability:

Calculations can always be replicated if STO keeps a read-only copy of the EIP data the day the calculation was run.

LRPP EXHIBIT IV: Performance Measure Validity and Reliability

Department: Department of Financial Services

Program: Workers' Compensation

Service/Budget Entity: Workers' Compensation

Measure: Number of reimbursement requests (SDF-2) audited.

Action (check one):

- Requesting revision to approved performance measure.
- Change in data sources or measurement methodologies.
- Requesting new measure.
- Backup for performance measure.

Data Sources and Methodology:

Reimbursement requests received are entered into the database daily.

Each Specialist immediately upon completion of the audit records the results information daily. This information is summarized daily and is reflected in activity summaries for each specialist as well as totaled monthly.

The audit data entry screen is GUI-based to insure user inputs correct information. Performance measure is generated using standardized SQL query information against the audit information to count the number of SDF-2s audited during that period. The indicator is measured by calculating the sum of audits performed each month.

Validity:

Measure is valid because it is based directly on audit information entered by the Specialists completing the task. Supervisors routinely monitor this information to determine individual productivity and to assure the timely completion of the audit.

The function is in direct correlation to the measure and reflects the purpose of accurately reviewing the requests to ensure that the information is accurate and correct to determine the amount of reimbursement to be paid.

Reliability:

Reimbursement requests, along with the claim file are located in the SDTF file room. The information, as to location, file name and number are entered into the database upon receipt. Specialists are assigned files through the database and the system is updated daily. The SDTF system was built to capture this type of information to determine effectiveness in meeting goals and objectives.

Audits are pre-assigned via the PC making it easy for the Specialist to locate the correct record and document all audit activity. Internal, web-based audit reports instantly detail how many audits each Specialist has completed for any period. Any anomalies are immediately detected, investigated and corrected in a short time frame. Using the same criteria to query the database, same results will be given repeatedly. Currently only the database administrator has sufficient privileges to delete or correct information.

LRPP EXHIBIT IV: Performance Measure Validity and Reliability

Department: Department of Financial Services

Program: Workers' Compensation

Service/Budget Entity: Workers' Compensation

Measure: Number of reimbursement requests (SDF-2) paid.

Action (check one):

- Requesting revision to approved performance measure.
- Change in data sources or measurement methodologies.
- Requesting new measure.
- Backup for performance measure.

Data Sources and Methodology:

SDTF Claims Manager 2004 database and Actuarial Valuation of the Florida Department of Financial Services Division of Workers' Compensation Special Disability Trust Fund, Actuarial Analysis as of June 30, 2007, prepared by Pinnacle Actuarial Resources, Inc. The average amount paid per reimbursement during FY 2007-2008 divided into the amount projected to be paid in FY 2009-2010 according to the Pinnacle report reveals that only 2,526 payments should be expected during FY 2009-2010. The GAA Performance Standard (Number) should be adjusted down to account for the reality that the approved 2008-2009 standard exceeds the number of approved SDF-2s that will be available for payment during the current and future fiscal years.

Validity:

The SDTF database has been shown to be accurate as a historical reference. The Pinnacle report was performed by qualified actuaries. Experience has shown that the assumptions made in the actuarial estimates sometimes lead to overstatements, but rarely understatements of future liability.

Reliability:

Using this methodology on prior years data has shown it to be a reasonable estimate of the number of reimbursement approvals during the next immediate fiscal year.

LRPP EXHIBIT IV: Performance Measure Validity and Reliability

Department: Department of Financial Services

Program: Workers' Compensation

Service/Budget Entity: Workers' Compensation

Measure: Amount of assessment dollars collected - WCATF.

Action (check one):

- Requesting revision to approved performance measure.
- Change in data sources or measurement methodologies.
- Requesting new measure.
- Backup for performance measure.

Data Sources and Methodology:

Historical assessment data obtained from internal databases that include records of assessable premiums and assessments paid.

Expected WCATF revenues are slightly lower because of the pending reduction in the assessment rate (from 0.75% for calendar year 2006 to 0.5% for calendar year 2007). Historical assessable premium volume has shown an overall increase over the past several years, as a result of the inclusion of full policy premium value for deductible policies in the amounts assessed and, if continued through the next fiscal year, may partially offset the assessment rate reduction. (This estimate has not considered whether manual rates will increase/decrease at some future date that will affect the total reported assessable premiums for fiscal year 2007.)

Validity:

The division's historical data is the result of the preparation of Revenue Deposit spreadsheets using both the DFS Cash Receipts Deposit Abstracts and Quarterly Premium Reports filed by the carriers and self-insurers, and should be accurate and representative of assessment revenue receipts.

Reliability:

Reliability of the data should be identically accurate and representative, since it follows the same verification pattern prior to being entered into the premium databases.

LRPP EXHIBIT IV: Performance Measure Validity and Reliability

Department: Department of Financial Services

Program: Workers' Compensation

Service/Budget Entity: Workers' Compensation

Measure: Amount of assessment dollars collected - WCSDTF.

Action (check one):

- Requesting revision to approved performance measure.
- Change in data sources or measurement methodologies.
- Requesting new measure.
- Backup for performance measure.

Data Sources and Methodology:

Expected WCSDTF assessment revenues are based upon historical assessment data projected from internal databases that include carrier and individual self-insurer records of assessable premiums and assessments paid.

Expected revenues have increased over previous years due to continued growth in premium volume, which has not shown any propensity to reverse itself. .

(This estimate has not considered whether manual rates will increase/decrease at some future date that will affect the total reported assessable premiums.)

Validity:

The division's historical data is the result of the preparation of Revenue Deposit spreadsheets using both the DFS Cash Receipts Deposit Abstracts and Quarterly Premium Reports filed by the carriers and self-insurers, and should be accurate and representative of assessment revenue receipts.

Reliability:

Reliability of the data should be identically accurate and representative, since it follows the same verification pattern prior to being entered into the premium databases.

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 Accounting ACT 0110 Personnel Svcs/Human Resources ACT 0120 Training ACT 0130 Mail Room ACT 2150 Process State Employee Payroll
2	Administrative positions as a percent of total agency positions	ACT 0110 Personnel Svcs/Human Resources ACT 0120 Training ACT 0130 Mail Room ACT 0140 Print Shop ACT 0200 Procurement

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 <hr/> <hr/> <hr/>

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 measure
7	Percent of scheduled hours computer and network is available	Requesting deletion of measure
8	Percent of customers who returned a customer service satisfaction rating of at least seven (4) on a scale of one (1) to ten (5) 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 measure

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.

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 2150 Process State Employee Payroll
19	Number of cash management consultation services	Act 1320 Provide cash management services
20	Dollar volume of funds invested	

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 2150 Process State Employee Payroll

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.

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)	Request deletion of measure

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	Request deletion of measure.
38	Percent of mandated regulatory inspections completed	ACT 3220 Perform Fire Safety Inspections
39	Number of recurring inspections completed	Request deletion of measure.
40	Number of high hazard inspections completed	Request deletion of measure.
41	Number of construction inspections completed	Request deletion of measure.
42	Number of regulatory inspections completed	Request deletion of measure.
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	Request deletion of measure.
47	Number of entity requests for licenses, permits and certifications processed within statutorily mandated time frames	ACT 3210 License the fire protection industry

LRPP Exhibit V: Identification of Associated Activity Contributing to Performance Measures

Measure Number	Approved Performance Measures for FY 2007-08 (Words)	Associated Activities Title
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	Request deletion of measure.

LRPP Exhibit V: Identification of Associated Activity Contributing to Performance Measures

Measure Number	Approved Performance Measures for FY 2007-08 (Words)	Associated Activities Title
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

LRPP Exhibit V: Identification of Associated Activity Contributing to Performance Measures

Measure Number	Approved Performance Measures for FY 2007-08 (Words)	Associated Activities Title
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

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	Requestion deletion of measure.
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)

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	<p>Ratio of companies in receivership discharged to the number of companies placed in receivership during the fiscal year <u>Revised Measure- 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</u></p>	<p>ACT 5110 Rehabilitate and/or liquidate financially impaired insurance companies</p>
77	<p>Maximum number of insurance companies entering rehabilitation or liquidation</p>	<p>Requesting deletion of measure.</p>
78	<p>Percent of appraised value of assets liquidated for real property</p>	<p>ACT 5110 Rehabilitate and/or liquidate financially impaired insurance companies</p>
79	<p>Percent of appraised value of assets liquidated for personal property</p>	<p>ACT 5110 Rehabilitate and/or liquidate financially impaired insurance companies</p>
80	<p>Total number of insurance companies in rehabilitation or liquidation during the year</p>	<p>Requesting deletion of measure.</p>

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	Requesting deletion of measure.
83	Number of appointment actions processed	Requesting deletion of measure.
84	Number of applicants and licenses required to comply with education requirements	Requesting deletion of measure.
85	Number of examinations administered and licenses authorized	Requesting deletion of measure.
86	Number of agent and agency investigations completed	Requesting deletion of measure.
87	Number of agent and agency investigations opened	Requesting deletion of measure.
88	Percent of investigative actions resulting in administrative action against agents and agencies	Requesting deletion of measure.

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

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
96	Number of consumer educational materials created and distributed	Requesting deletion of measure.
97	Number of telephone calls answered through the consumer helpline	Requesting deletion of measure.
98	Number of consumer requests and information inquiries handled	Requesting deletion of measure.

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 measure

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 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,
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,
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

FINANCIAL SERVICES, DEPARTMENT OF		FISCAL YEAR 2007-08			
SECTION I: BUDGET		OPERATING		FIXED CAPITAL OUTLAY	
TOTAL ALL FUNDS GENERAL APPROPRIATIONS ACT		293,452,438		0	
ADJUSTMENTS TO GENERAL APPROPRIATIONS ACT (Supplementals, Vetoes, Budget Amendments, etc.)		10,031,070		0	
FINAL BUDGET FOR AGENCY		303,483,508		0	
SECTION II: ACTIVITIES * MEASURES		Number of Units	(1) Unit Cost	(2) Expenditures (Allocated)	(3) FCO
<i>Executive Direction, Administrative Support and Information Technology (2)</i>					
Provide Analysis On Securities Held For Deposit And Qualified Public Depositories *Number of analyses performed on the financial condition of qualified public depositories and custodians, and securities held for regulatory collateral deposit.	10,613	73.87	783,936		0
Process Transactions, Account Changes And Audit Functions *Number of account actions taken on regulatory collateral deposit accounts.	52,761	31.03	1,636,924		
Investment Of Public Funds * Dollar Volume of Funds Invested	18,269	84.32	1,540,504		
Provide Cash Management Services *Number of cash management consultation services.	24	11,336.63	267,279		
Receive Funds, Process Payment Of Warrants And Provide Account And Reconciliation Services *Number of financial management/accounting transactions processed and reports produced.	5,538,881	0.27	1,468,811		
Administer The State Supplemental Deferred Compensation Plan *Number of participant account actions processed by the state deferred compensation office.	395,224	2.74	1,082,059		
Accounting And Reporting Of State Funds * State Accounts Managed in the Florida Accounting Information Reporting System.	32,152	129.85	4,174,874		
Migrate Current Accounts Payable Procedures To Electronic Commerce *Payments issued electronically to settle claims against the state.	8,448,576	0.15	1,261,704		
Conduct Pre-audits Of Selected Accounts Payable * Vendor payment requests that are pre-audited for compliance with statutes and contract requirements.	530,254	8.29	4,396,289		
Conduct Post-audits Of Major State Programs * Post-audits completed of major state programs to determine compliance with statutes and contract requirements.	5	345,322.20	1,726,611		
Process State Employees Payroll * Payroll payments issued.	3,467,784	0.71	2,448,253		
Conduct Post-audits Of Payroll * Post-audits completed of state agencies payroll payments to determine compliance with statutes.	45	9,740.16	438,307		
Conduct Fiscal Integrity Investigations * Fiscal integrity investigations completed to investigate allegations or suspicions of fraud, waste or abuse.	24	46,129.83	1,107,116		
Collect Unclaimed Property * Accounts reported by holders of unclaimed property.	1,357,847	2.01	2,725,431		
Process And Payment Of Unclaimed Property * Payments processed for claims of unclaimed property.	239,518	12.24	2,931,538		
License The Fire Protection Industry * Number of entity requests for licenses, permits and certificates processed within statutorily mandated time frames.	8,564	63.94	547,566		
Perform Fire Safety Inspections * Number of inspections of fire code compliance completed.	16,707	278.14	4,646,809		
Review Construction Plans For Fire Code Compliance * Number of construction plans reviewed.	966	662.98	640,440		
Perform Boiler Inspections * Number of boiler inspections completed by department inspectors.	3,969	161.36	640,440		
Investigate Fires Accidental, Arson And Other * Total number of closed fire investigations involving economic or physical loss.	4,251	3,451.50	14,672,339		
Provide State, Local And Business Professional Training And Education * Number of classroom contact hours provided by the Florida State Fire College.	174,812	27.00	4,719,679		
Provide State, Local And Business Professional Standards, Testing And Statutory Compliance * Number of examinations administered.	7,830	299.36	2,343,971		
Provide Forensic Laboratory Services * Number of photographic images processed.	10,822	108.73	1,176,690		
Fire Incident Reporting * Number of total incidents reported to the Florida Fire Incident Reporting System.	1,868,839	0.25	470,797		
Provide Adjusting Services On State Workers' Compensation Claims * Number of workers' compensation claims worked.	21,874	192.10	4,202,025		
Provide Adjusting Services On State Liability Claims * Number of liability claims worked.	5,475	617.71	3,381,943		
Process Property Claims On State Owned Buildings (Structure And Contents) * Number of state property loss/damage claims worked.	83	7,255.88	602,238		
Provide Risk Services Training And Consultation * Risk services training and consultation as measured by the number of training units (1 unit = 8 hours) provided and consultation contacts made.	320	1,613.14	516,206		
Rehabilitate And/Or Liquidate Financially Impaired Insurance Companies * Number of insurance companies in receivership during the year.	46	22,736.33	1,045,871		
Review Applications For Licensure (qualifications) * Number of applications for licensure processed.	120,844	41.52	5,016,948		
Administer Examinations And Issue Licenses * Number of examinations administered and licenses authorized.	110,751	7.54	834,546		
Administer The Appointment Process From Employers And Insurers * Number of appointment actions processed.	1,595,844	0.72	1,150,015		
Administration Of Education Requirements (pre Licensure And Continuing Education) * Number of applicants and licensees required to comply with education requirements.	155,039	3.89	602,667		
Investigate Agents And Agencies * Number of agent and agency investigations completed.	3,712	2,585.37	9,596,904		
Investigate Insurance Fraud (general) * Number of insurance fraud investigations completed (not including workers' compensation).	1,113	13,549.25	15,080,311		
Investigate Workers' Compensation Insurance Fraud * Number of workers' compensation insurance fraud investigations completed (not including general fraud investigations).	629	7,899.56	4,968,824		
Respond To Consumer Request For Assistance * Number of consumer requests and informational inquiries handled.	59,240	129.94	7,697,793		
Provide Consumer Education Activities * Number of consumer educational materials created and distributed.	67,877	34.89	2,368,266		
Answer Consumer Telephone Calls * Number of telephone calls answered through the consumer helpline.	536,180	9.79	5,250,171		
Examine And Regulate Licensees In The Funeral & Cemetery Business (chapter 497) To Ensure Regulatory Compliance * Number of examinations and inspections completed.	1,466	1,872.86	2,745,616		
Monitor And Audit Workers' Compensation Insurers To Ensure Benefit Payments * Number of claims reviewed annually.	85,591	55.73	4,769,592		
Verify That Employers Comply With Workers' Compensation Laws * Number of employer investigations conducted.	27,674	482.78	13,360,336		
Facilitate The Informal Resolution Of Disputes With Injured Workers, Employers And Insurance Carriers * Number of injured workers that obtained one or more benefits due to intervention by the Employee Assistance Office.	2,636	2,771.09	7,304,605		
Provide Reimbursement For Workers' Compensation Claims Paid By Insurance Carriers On Employees Hired With Preexisting Conditions * Number of reimbursement requests (SDF-2) audited.	3,814	426.66	1,627,265		
Collection Of Assessments From Workers' Compensation Insurance Providers * Amount of assessment dollars collected.	218,386,036	0.00	892,439		
Occupation Injury And Illness Survey * Number of injuries and illnesses and incidence rates of injuries/illnesses.	15,609	31.97	498,958		
Data Collection, Dissemination, And Archival * Number of records successfully entered into the division's databases.	5,719,354	1.23	7,043,645		
Approve And License Entities To Conduct Insurance Business. * Number of applications processed.	311	3,681.01	1,144,794		
Conduct And Direct Market Conduct Examinations. * Number of examinations and investigations completed for licensed companies and unlicensed entities.	744	5,984.27	4,452,300		
Conduct Financial Reviews And Examinations. * Number of financial reviews and examinations completed.	9,105	1,791.54	16,312,012		
Review And Approve Rate And Form Filings. * Number of rate and forms review completed.	19,534	540.69	10,561,889		
Examine And Regulate Financial Services Companies To Ensure Regulatory Compliance. * Examinations of non-depository financial service companies to determine compliance with regulations.	389	41,775.58	16,250,699		
Evaluate And Process Applications For Licensure As A Financial Services Entity. * Applications processed or evaluated for licensure or registration as a non-depository financial services entity.	84,032	49.53	4,161,762		
Examine And Enforce Laws Regarding Banks, Trusts, And Credit Unions To Ensure Safety And Soundness. * Number of domestic financial institutions examined to ensure safety and soundness.	308	39,094.88	12,041,223		
Examine And Enforce Laws Regarding International Financial Institutions To Ensure Safety And Soundness. * Number of international financial institutions examined to ensure safety and soundness.	27	31,567.89	852,333		
Conduct Financial Investigations Into Allegations Of Fraudulent Activity. * Number of financial investigations into allegations of fraudulent activity.	162	37,344.63	6,049,830		
Examine And Regulate Money Services Businesses To Ensure Regulatory Compliance * Examinations of money services businesses conducted to determine compliance with regulations.	162	18,349.94	2,972,690		
Examine And Regulate Securities Firms, Branches To Ensure Regulatory Compliance. * Conducted examinations of securities firms and branches.	183	33,463.58	6,123,835		
Evaluate And Process Applications For Registration As A Securities Firm, Branch, And/Or Individual. * Securities applications processed for registration of firms, branches, and/or individuals.	59,526	38.03	2,263,882		
TOTAL			241,592,800		
SECTION III: RECONCILIATION TO BUDGET					
PASS THROUGHS					
TRANSFER - STATE AGENCIES					
AID TO LOCAL GOVERNMENTS					
PAYMENT OF PENSIONS, BENEFITS AND CLAIMS					
OTHER			34,730,656		
REVERSIONS (Include 7,552,162 Domestic Security re-appropriation/HS5001, section7b)			27,159,904		
TOTAL BUDGET FOR AGENCY (Total Activities + Pass Throughs + Reversions) - Should equal Section I above. (4)			303,483,360		

SCHEDULE XI/EXHIBIT VI: AGENCY-LEVEL UNIT COST SUMMARY

- (1) Some activity unit costs may be overstated due to the allocation of double budgeted items
(2) Expenditures associated with Executive Direction, Administrative Support and Information Technology have been allocated based on FTE. Other allocation methodologies could result in significantly different unit costs per activity
(3) Information for FCO depicts amounts for current year appropriations only. Additional information and systems are needed to develop meaningful FCO unit cost
(4) Final budget for Agency and total budget for Agency may not equal due to rounding

ACTIVITY ISSUE CODES SELECTED:

TRANSFER-STATE AGENCIES ACTIVITY ISSUE CODES SELECTED:

1-8:

AID TO LOCAL GOVERNMENTS ACTIVITY ISSUE CODES SELECTED:

1-8:

THE FOLLOWING STATEWIDE ACTIVITIES (ACT0010 THROUGH ACT0490) HAVE AN OUTPUT STANDARD (RECORD TYPE 5) AND SHOULD NOT:

*** NO ACTIVITIES FOUND ***

THE FCO ACTIVITY (ACT0210) CONTAINS EXPENDITURES IN AN OPERATING CATEGORY AND SHOULD NOT:

(NOTE: THIS ACTIVITY IS ROLLED INTO EXECUTIVE DIRECTION, ADMINISTRATIVE SUPPORT AND INFORMATION TECHNOLOGY)

*** NO OPERATING CATEGORIES FOUND ***

THE FOLLOWING ACTIVITIES DO NOT HAVE AN OUTPUT STANDARD (RECORD TYPE 5) AND ARE REPORTED AS 'OTHER' IN SECTION III: (NOTE: 'OTHER' ACTIVITIES ARE NOT 'TRANSFER-STATE AGENCY' ACTIVITIES OR 'AID TO LOCAL GOVERNMENTS' ACTIVITIES. ALL ACTIVITIES WITH AN OUTPUT STANDARD (RECORD TYPE 5) SHOULD BE REPORTED IN SECTION II.)

BE	PC	CODE	TITLE	EXPENDITURES	FCO
43010200	1602000000	ACT1020	HOLOCAUST VICTIMS ASSISTANCE	225,517	
43200100	1601000000	ACT2010	PASS THROUGH FROM PRISON INDUSTRY	558,574	
43200100	1601000000	ACT2180	FLAIR AND CMS REPLACEMENT PROJECT	15,434,144	
43200100	1601000000	ACT2190	ARTICLE V - CLERK OF THE COURTS	1,926,881	
43200100	1601000000	ACT2195	RELIEF BILLS	1,250,000	
43400100	1601000000	ACT4150	PURCHASE OF EXCESS INSURANCE	11,488,944	
43500400	1205000000	ACT5490	TRANSFER TO FLORIDA CASTASTROPHIC	750,000	
43900110	1204000000	ACT9150	HURRICANE RATE/RISK MODEL	1,484,012	
43500400	1205000000	ACT9900	MY SAFE FLORIDA HOME PROGRAM	922,455	
43900120	1204000000	ACT9910	SPECIAL WIND LOSS MITIGATION	690,129	

TOTALS FROM SECTION I AND SECTIONS II + III:

DEPARTMENT: 43	EXPENDITURES	FCO
FINAL BUDGET FOR AGENCY (SECTION I):	303,483,508	
TOTAL BUDGET FOR AGENCY (SECTION III):	303,483,360	Includes Domestic Security reversion 7,552,162 reappropriated by HB 5001, section 76.
DIFFERENCE:	148	
(MAY NOT EQUAL DUE TO ROUNDING)	=====	=====

THE FOLLOWING STATEWIDE ACTIVITIES (ACT0010 THROUGH ACT0490) HAVE AN OUTPUT STANDARD (RECORD TYPE 5) AND SHOULD NOT:

*** NO ACTIVITIES FOUND ***

THE FCO ACTIVITY (ACT0210) CONTAINS EXPENDITURES IN AN OPERATING CATEGORY AND SHOULD NOT:

(NOTE: THIS ACTIVITY IS ROLLED INTO EXECUTIVE DIRECTION, ADMINISTRATIVE SUPPORT AND INFORMATION TECHNOLOGY)

*** NO OPERATING CATEGORIES FOUND ***