



CHIEF FINANCIAL OFFICER
JIMMY PATRONIS
STATE OF FLORIDA

LONG-RANGE PROGRAM PLAN

Department of Financial Services

Tallahassee, Florida

September 30, 2020

Chris Spencer, Policy Director
Office of Policy and Budget
Executive Office of the Governor
1603 Capitol
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House Appropriations Committee
221 Capitol
Tallahassee, Florida 32399-1300

Tim Sadberry, Staff Director
Senate Committee on Appropriations
201 Capitol
Tallahassee, Florida 32399-1300

Dear Directors:

Pursuant to Chapter 216, Florida Statutes, our Long-Range Program Plan (LRPP) for the Department of Financial Services is submitted in the format prescribed in the budget instructions. The information provided electronically and contained herein is a true and accurate presentation of our mission, goals, objectives and measures for the Fiscal Year 2021-22 through Fiscal Year 2025-26. The internet website address that provides the link to the LRPP located on the Florida Fiscal Portal is <http://www.myfloridacfo.com/>. This submission has been approved by Jimmy Patronis, Chief Financial Officer.

A handwritten signature in blue ink that reads "Michael Dobson".

Michael Dobson
Director of Policy & Special Legal Advisor



Department of Financial Services

Long-Range Program Plan

**Fiscal Years
2021-22 through 2025-26**

Jimmy Patronis
Chief Financial Officer

Agency Mission

To safeguard the integrity of the transactions entrusted to the Department of Financial Services and to ensure that every program within the Department delivers value to the citizens of Florida by continually improving the efficiency and cost effectiveness of internal management processes and regularly validating the value equation with our customers.

GOALS

- 1) Combat Fraud, Abusive Business Practices, and Excessive Regulation**
- 2) Foster Open Government Through Financial Accountability and Transparency**
- 3) Promote a Customer-Focused Culture and Strengthen Efficiency**
- 4) Equip First Responders with the Training and Tools Necessary to Protect Floridians**

Objectives

- 1) Effectively Manage Regulatory Activities**
- 2) Conduct Successful Investigations**
- 3) Responsibly Steward Taxpayer's Funds**
- 4) Promote Transparency Through Technology**
- 5) Enhance Customer Experience**

Agency Service Outcomes and Performance Projection Tables

1) Combat Fraud, Abusive Business Practices, and Excessive Regulation

Objective 1: Effectively Manage Regulatory Activities

Office of the General Counsel, Legal Services:

Outcome 1-1-1: Percentage of Closed Files Involving Allegations of Statutory Violation That Were Successfully Prosecuted

FY2010-11 Baseline	FY2021-22	FY2022-23	FY2023-24	FY2024-25	FY2025-26
92%	92%	92%	92%	92%	92%

Division of Accounting and Auditing:

Outcome 1-1-2: Number of Contracts Reviewed

FY2012-13 Baseline	FY2021-22	FY2022-23	FY2023-24	FY2024-25	FY2025-26
1,100	1,100	1,100	1,100	1,100	1,100

Division of State Fire Marshal: Compliance and Enforcement

Outcome 1-1-3: Percentage of Fire Code Inspections Completed within Statutorily Defined Timeframes

FY2006-07 Baseline	FY2021-22	FY2022-23	FY2023-24	FY2024-25	FY2025-26
100%	100%	100%	100%	100%	100%

Division of Funeral, Cemetery and Consumer Services:

Outcome 1-1-4: Percentage of Funeral Establishment Inspections That do not Require Quality Control Follow-Up

FY2007-08 Baseline	FY2021-22	FY2022-23	FY2023-24	FY2024-25	FY2025-26
72.65%	98%	98%	98%	98%	98%

Outcome 1-1-5: Percentage of Deficiency Letters Sent Out within Five Business Days of Receiving the Application

FY2012-13 Baseline	FY2021-22	FY2022-23	FY2023-24	FY2024-25	FY2025-26
88%	88%	88%	88%	88%	88%

Objective 2: Conduct Successful Investigations

Division of Agent and Agency Services

Outcome 1-2-1: Average Direct Cost of Investigations Operations per Completed Investigation

FY2017-18 Baseline	FY2021-22	FY2022-23	FY2023-24	FY2024-25	FY2025-26
\$935	\$1,100	\$1,100	\$1,100	\$1,100	\$1,100

Outcome 1-2-2: Average Number of Investigations Completed per Investigator

FY2019-20 Baseline	FY2021-22	FY2022-23	FY2023-24	FY2024-25	FY2025-26
100	100	100	100	100	100

Division of Public Assistance Fraud:

Outcome 1-2-3: Dollar Amount of Benefits Withheld, Saved and Recouped as a Percentage of Public Assistance Fraud Annual Budget

FY2020-21 Baseline	FY2021-22	FY2022-23	FY2023-24	FY2024-25	FY2025-26
500%	500%	500%	500%	500%	500%

Investigative and Forensic Services: Fire and Arson Investigations

Outcome 1-2-4: Percentage of Arson Cases Cleared

FY2012-13 Baseline	FY2021-22	FY2022-23	FY2023-24	FY2024-25	FY2025-26
20%	20%	20%	20%	20%	20%

Investigative and Forensic Services: Forensic Services

Outcome 1-2-5: The Number of Items Analyzed Chemically Plus the Number of Imaging Items Processed

FY2020-21 Baseline	FY2021-22	FY2022-23	FY2023-24	FY2024-25	FY2025-26
8,500	8,500	8,500	8,500	8,500	8,500

Investigative and Forensic Services: Insurance Fraud

Outcome 1-2-6: Requested Restitution as a Percentage of the Annual Appropriated Budget

FY2012-13 Baseline	FY2021-22	FY2022-23	FY2023-24	FY2024-25	FY2025-26
200%	200%	200%	200%	200%	200%

Investigative and Forensic Services: Office of Fiscal Integrity

Outcome 1-2-7: Percentage of Office of Fiscal Integrity Investigations That Result in Action

FY2012-13 Baseline	FY2021-22	FY2022-23	FY2023-24	FY2024-25	FY2025-26
50%	50%	50%	50%	50%	50%

2) Foster Open Government Through Financial Accountability and Transparency

Objective 3: Responsibly Steward Taxpayer's Funds

Division of Treasury: Deposit Security

Outcome 2-3-1: Percentage of Collateral Administrative Program Transactions Completed within Three Business Days

FY2011-12 Baseline	FY2021-22	FY2022-23	FY2023-24	FY2024-25	FY2025-26
97%	97%	97%	97%	97%	97%

Outcome 2-3-2: Percentage of analyses of the Qualified Public Depositories Analyses Completed within 90 Days of the Start of the Analysis Cycle

FY2011-12 Baseline	FY2021-22	FY2022-23	FY2023-24	FY2024-25	FY2025-26
100%	100%	100%	100%	100%	100%

Division of Treasury: State Funds Management and Investment

Outcome 2-3-3: Percentage of Core Accounting Processes That Meet Established Deadlines and Standards for Accuracy

FY2011-12 Baseline	FY2021-22	FY2022-23	FY2023-24	FY2024-25	FY2025-26
98%	98%	98%	98%	98%	98%

Outcome 2-3-4: Percentage by Which the Treasury's Investment Pool Exceeded the Blended Benchmark for a Rolling, Three-Year Period

FY2011-12 Baseline	FY2021-22	FY2022-23	FY2023-24	FY2024-25	FY2025-26
0.2%	0.2%	0.2%	0.2%	0.2%	0.2%

Division of Risk Management:

Outcome 2-3-5: Average Loss Adjustment Expense per Claim Worked

FY2015-16 Baseline	FY2021-22	FY2022-23	FY2023-24	FY2024-25	FY2025-26
\$1,850	\$1,850	\$1,850	\$1,850	\$1,850	\$1,850

Division of Rehabilitation and Liquidation:

Outcome 2-3-6: Percentage of Service Requests Closed within 30 Days

FY 2012-13 Baseline	FY2021-22	FY2022-23	FY2023-24	FY2024-25	FY2025-26
80%	95%	95%	95%	95%	95%

Division of Agent and Agency Services

Outcome 2-3-7: Cost of Licensing Operations per Active License

FY2017-18 Baseline	FY2021-22	FY2022-23	FY2023-24	FY2024-25	FY2025-26
\$2.96	\$2.80	\$2.80	\$2.80	\$2.80	\$2.80

3) Promote a Customer-Focused Culture and Strengthen Efficiency

Objective 3: Responsibly Steward Taxpayer's Funds

Division of Administration:

Outcome 3-3-1: Administrative Costs as a Percentage of Total Agency Costs

FY2010-11 Baseline	FY2021-22	FY2022-23	FY2023-24	FY2024-25	FY2025-26
5%	5%	5%	5%	5%	5%

Objective 5: Enhance Customer Experience

Division of Information Systems:

Outcome 3-5-1: Percent of Scheduled Hours Computer and Network is Available

FY2008-09 Baseline	FY2021-22	FY2022-23	FY2023-24	FY2024-25	FY2025-26
99.95%	99.95%	99.95%	99.95%	99.95%	99.95%

Outcome 3-5-2: Percentage of Internal Customers who Returned an Information System's Customer Service Satisfaction Rating of at Least Four (4) on a Scale of One (1) to Five (5) on Surveys

FY2008-09 Baseline	FY2021-22	FY2022-23	FY2023-24	FY2024-25	FY2025-26
95%	95%	95%	95%	95%	95%

Office of Insurance Consumer Advocate:

Outcome 3-5-3: Percentage of Referred Cases Responded to and/or Transferred within Three (3) Days of Receipt

FY2010-11 Baseline	FY2021-22	FY2022-23	FY2023-24	FY2024-25	FY2025-26
90%	95%	95%	95%	95%	95%

Outcome 3-5-4: Percentage of Rate Filings Subject to Public Hearing which Were Reviewed by Our Office

FY2013-14 Baseline	FY2021-22	FY2022-23	FY2023-24	FY2024-25	FY2025-26
95%	95%	95%	95%	95%	95%

Division of Information Systems: FLAIR Infrastructure

Outcome 3-5-5: Percentage of Scheduled Hours Computer and Network is Available

FY2008-09 Baseline	FY2021-22	FY2022-23	FY2023-24	FY2024-25	FY2025-26
95%	99%	99%	99%	99%	99%

Division of Treasury: Supplemental Retirement

Outcome 3-5-6: Percentage of State Employees Participation in the State Deferred Compensation Plan

FY2011-12 Baseline	FY2021-22	FY2022-23	FY2023-24	FY2024-25	FY2025-26
40%	40%	40%	40%	40%	40.0%

Division of Unclaimed Property:

Outcome 3-5-7: Percentage of Claims Processed within 60 Days from Date Received (Cumulative Total)

FY2020-21 Baseline	FY2021-22	FY2022-23	FY2023-24	FY2024-25	FY2025-26
60%	60%	60%	60%	60%	60%

Division of Consumer Services:

Outcome 3-5-8: Percentage of Helpline Call and Service Request Audits That Result in Quality Service

FY2019-20 Baseline	FY2021-22	FY2022-23	FY2023-24	FY2024-25	FY2025-26
95%	95%	95%	95%	95%	95%

Outcome 3-5-9: Percentage of Answered Phone Calls That are Answered within Four Minutes

FY2020-21 Baseline	FY2021-22	FY2022-23	FY2023-24	FY2024-25	FY2025-26
80%	80%	80%	80%	80%	80%

Division of Workers' Compensation:

Outcome 3-5-10: Percentage of Overall Accepted Claims Electronic Data Interchange (EDI) Form Filings

FY 2011-12 Baseline	FY2021-22	FY2022-23	FY2023-24	FY2024-25	FY 2025-26
76%	82%	82%	82%	82%	82%

4) Equip First Responders with the Training and Tools Necessary to Protect Floridians

Objective 1: Effectively Manage Regulatory Activities

Division of State Fire Marshal: Professional Training and Standards

Outcome 4-1-1: Percentage of Fire College Students Passing Certification Exam on First Attempt

FY2011-12 Baseline	FY2021-22	FY2022-23	FY2023-24	FY2024-25	FY2025-26
75%	75%	75%	75%	75%	75%

Division of State Fire Marsal: Administrative and Support Services

Outcome 4-1-2: Administrative Costs as a Percentage of Program Agency Costs

Baseline Year FY2019-20	FY2021-22	FY2022-23	FY2023-24	FY2024-25	FY2025-26
5.70%	5.70%	5.70%	5.70%	5.70%	5.70%

PROGRAM AUTHORITY AND PRIMARY RESPONSIBILITIES

Programs and Statutes	Description
<u>Office of the Chief Financial Officer and Administration</u>	Serves DFS and its stakeholders with necessary support. <ul style="list-style-type: none"> ➤ Office of Chief of Staff ➤ Office of Inspector General ➤ Division of Administration ➤ Office of General Counsel ➤ Office of Information Technology ➤ Office of Insurance Consumer Advocate
<u>Treasury</u> <i>(Division of Treasury)</i> Chapters 17, 112.215, and 280, F.S.	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 CFO are adequately accounted for, completely invested, and protected. Responsible for: <ul style="list-style-type: none"> ➤ deposit security (collateral management); ➤ funds management and investment; and ➤ deferred compensation (supplemental retirement program).
<u>Financial Accountability for Public Funds</u> <i>(Division of Accounting and Auditing)</i> Chapters 17, 215 and 216, F.S.	Promotes financial accountability for public funds throughout state government and provides Florida's citizens with comprehensive information about how state funds are expended. Responsible for: <ul style="list-style-type: none"> ➤ providing the public with timely, accurate, and comprehensive information on the financial status of the state, its component units, and local governments; ➤ auditing disbursements and other financial transactions; and ➤ providing state employee payroll services.
<u>Financial Accountability for Public Funds</u> <i>(Division of Unclaimed Property)</i> Chapter 717, F.S.	"Stands in the shoes" of property owners and protects their rights by taking custody of their lost, abandoned, unknown assets, safeguarding and returning them to the rightful owner or heirs. Responsible for: <ul style="list-style-type: none"> ➤ identifying, recovering, receiving, and safeguarding unclaimed property data and assets received from holders; ➤ performing outreach, education, assistance to holder and holder-related organizations, including examinations and audits; ➤ receiving, evaluating and processing claims from citizens and businesses; and ➤ disbursing all claims and expense payments from the Unclaimed Property Trust Fund, managing the trust fund balances and budget.
<u>Fire Marshal</u> <i>(Division of State Fire Marshal)</i> Chapters 552, 554, 633, and 791, F.S.	The Division is responsible for: <ul style="list-style-type: none"> ➤ licensing and registrations; ➤ inspections and plans reviews; and ➤ professional standards, training, and state firefighter certification.
<u>State Property and Casualty Claims</u> <i>(Division of Risk Management)</i> Chapter 284, F.S.	Ensures that state agencies are provided quality insurance coverage at reasonable rates. Provides to all state agencies: <ul style="list-style-type: none"> ➤ self-insurance program with coverage for workers compensation, general liability, property insurance and others; ➤ claims handling services; and ➤ technical assistance in loss prevention and managing risks.

Programs and Statutes	Description
<p><u>Licensing and Consumer Protection</u> (<i>Division of Rehabilitation and Liquidation</i>) Chapter 631, F.S.</p>	<p>Serves as the court-appointed receiver of financially impaired or insolvent insurance companies that are placed into receivership. Responsible for:</p> <ul style="list-style-type: none"> ➤ Rehabilitation: The Division takes actions to remedy the problems and conditions that necessitated the receivership. ➤ Liquidation: The Division collects all assets of the company and distributes the assets in accordance with statutory priorities.
<p><u>Licensing and Consumer Protection</u> (<i>Division of Agent and Agency Services</i>) Chapters 624, 626, 627, 632, 634, 635, 636, 641, 642, and 648, F.S.</p>	<p>Protects the public by licensing individuals and entities and investigating alleged violations of law. Responsible for:</p> <ul style="list-style-type: none"> ➤ licensing and appointment of individuals and entities authorized to transact insurance in Florida; and ➤ investigating alleged violations of the Florida Insurance Code.
<p><u>Licensing and Consumer Protection</u> (<i>Division of Consumer Services</i>) Subsection 20.121(2)(h), F.S.</p>	<p>Provides education, information and assistance to consumers for all products or services regulated by DFS or the Financial Services Commission. Responsible for:</p> <ul style="list-style-type: none"> ➤ providing information to consumers about insurance-related topics; and ➤ serving as a mediator between consumers and insurance companies.
<p><u>Licensing and Consumer Protection</u> (<i>Division of Funeral, Cemetery and Consumer Services</i>) Chapter 497, F.S.</p>	<p>Protects consumers from illegal practices in the death care industry. Responsible for:</p> <ul style="list-style-type: none"> ➤ licensing and regulation of death care businesses and professionals; ➤ investigating licensees based on consumer complaints; ➤ conducting annual inspections of licensed cemeteries and other entities; ➤ providing customer service regarding death care industry questions; and ➤ serving as the home office for the Board of Funeral, Cemetery, and Consumer Services.
<p><u>Licensing and Consumer Protection</u> (<i>Division of Public Assistance Fraud</i>) Section 414.411, F.S.</p>	<p>The mission of the Division of Public Assistance Fraud (PAF) is to investigate fraud and abuse in the Florida administered public assistance programs. The areas of investigative activity for the PAF unit include:</p> <ul style="list-style-type: none"> ➤ program recipient investigations (eligibility fraud); ➤ trafficking investigations of SNAP EBT benefits (both program recipients and retail food stores); ➤ Office of Early Learning (OEL) School Readiness program fraud; and ➤ DCF ACCESS and OEL School Readiness program employee fraud.

Programs and Statutes	Description
<p><u>Workers' Compensation</u> <i>(Division of Workers' Compensation)</i> Chapter 440, F.S.</p>	<p>Regulates employers, insurers, and health care providers; educates and informs all stakeholders of their rights and responsibilities; leverages data to deliver exceptional value to our customers and stakeholders; and, holds parties accountable for meeting their obligations. Responsible for:</p> <ul style="list-style-type: none"> ➤ auditing insurers to ensure they provide prompt and accurate benefit payments to injured workers; ➤ ensuring that employers secure workers' compensation coverage ➤ collecting trust fund assessments; ➤ assisting injured workers in obtaining benefits; ➤ collecting proof of coverage, medical, and claims data; and ➤ resolving reimbursement disputes between health care providers and insurers.
<p><u>Division of Investigative and Forensic Services</u> Sections 626.989, 633.116 and 17.04, F.S., and 69D-5.001 F.A.C.</p>	<p>Protects Florida citizens, businesses and consumers from persons who commit arson and explosives, financial, and insurance fraud crimes. Responsible for:</p> <ul style="list-style-type: none"> ➤ performing fire, arson and explosives investigations; ➤ providing forensic laboratory services; ➤ investigating suspected insurance and financial fraud; ➤ issuing public information announcements; ➤ training insurers to help deter and combat fraud; and ➤ investigating misuse of state funds.

1) Combat Fraud, Abusive Business Practices, and Excessive Regulation

Objective 1: Effectively Manage Regulatory Activities

Office of the General Counsel: Legal Services

The Office of the General Counsel (OGC) represents the Chief Financial Officer and the Department of Financial Services (DFS) with respect to their constitutional, statutory, and regulatory responsibilities. The OGC receives legal assistance requests, including request for counsel on statutory interpretation, licensure violations and rule development. The OGC expects to successfully prosecute 92% of allegations of statutory violations every year through FY 2025-26. Unless the operating environment changes, incremental fiscal implications and significant fluctuations in demand are not expected.

Division of Accounting and Auditing

Bureau of Auditing (BA)

The BA ensures that agreements contain a (1) scope of work and measurable deliverables; (2) remedies for non-performance; (3) the statutory requirements in Chapters 215, 216, and 287, F.S.; and, when applicable, (4) the Office of Management and Budget's federal grant reporting requirements. The Division expects to review 1,100 contracts every year through FY 2025-26. Unless there are significant changes in the operating environment, an incremental fiscal impact is not anticipated.

Division of Funeral, Cemetery and Consumer Services (DFCCS)

The DFCCS regulates approximately 10,000 death-care industry licensees. Part of its regulatory responsibilities include inspecting licensed cemeteries and facilities, investigating referrals and processing new and renewal applications. More than 1,000 new license applications are received each year, and approximately 1,500 licensees must have their facilities inspected every year by DFCCS staff. The DFCCS is committed to safeguarding the integrity of the state's death-care industry for consumers through increased use of technology, data sharing, advanced data analytics, and standardized business processes.

Barring unforeseen changes in the operating environment, the DFCCS' two projection tables the percentage of funeral establishment inspections that do not require quality control follow-up and the percentage of deficiency letters sent out within 5 business days of receiving the application are expected to remain flat over the forecast horizon. No incremental fiscal impacts are anticipated.

Objective 2: Conduct Successful Investigations

Division of Agent and Agency Services

Bureau of Investigation (BI)

In Fiscal Year 2019-20, the BI received complaints against individual licensees, insurance agencies and unlicensed persons, resulting in 3,446 opened investigations and 3,471 completed investigations. These investigations were conducted by 34 investigators located in offices throughout the state. A total of 396 investigations resulted in formal disciplinary action, such as license suspension, revocation, probation, restitution and/or administrative fines. The BI also referred 37 completed cases for criminal prosecution. These efforts will continue to ensure a more secure insurance purchasing environment

To further ensure compliance with Florida laws and to protect consumers, the BI continues taking a proactive investigative approach by mining criminal court records and disciplinary action data. Of the investigations opened during FY 2019-20, more than half were initiated by the bureau utilizing technology and valuable databases. These proactive procedures enabled the BI to uncover more licensee misconduct. For each fiscal year through FY 2025-26, the BI expects the average investigator to complete 100 investigations and forecasts the direct cost for each investigation will be \$1,100. Barring any unforeseen changes in the operating environment, such as a hurricane that shifts investigator focus, neither measure is expected to contribute to incremental fiscal impacts.

Division of Public Assistance Fraud

The mission of the Division of Public Assistance Fraud (DPAF) is to investigate fraud and abuse in state-administered public assistance programs. The DPAF is Florida's only agency with the statutory authority to expressly investigate public assistance programs under Chapters 409, 411 and 414, F.S. On the state level, the DPAF partners with the Department of Children and Families (DCF), the Agency for Health Care Administration, the Department of Health, and the Department of Education's Office of Early Learning (OEL). The DPAF's federal partners include the Department of Agriculture's Food and Nutrition Service, the Department of Agriculture's Office of Inspector General, and the Social Security Administration's Office of Inspector General. The DPAF investigates fraud committed by recipients, program employees, merchants and contractors. Successful investigations are referred to the appropriate state attorney for criminal prosecution or to the Office of Appeal Hearings for administrative disqualification. The areas of investigative activity for the DPAF unit include:

- Program recipient investigations (eligibility fraud);
- SNAP benefit trafficking investigations (recipient and retailer/merchants);
- School Readiness program and Voluntary Pre-K program fraud (recipient, program administrators and daycare providers);
- DCF or OEL employee fraud (committed against ACCESS programs or School Readiness/VPK programs); and
- Under special agreement with the Social Security Administration, Social Security

disability fraud investigations that include state-administered food stamp and Medicaid benefits.

Over the past year, the DPAF primarily used its full-time investigators to conduct criminal investigations and used its OPS members to support DCF disqualification referrals. That strategy will continue in FY 2020-2021 as cases investigated with a view toward referral to state attorneys for criminal prosecution represent the core of the DPAF mission. The Division and expects the measure return on investment to be at least 500% every FY through FY 2025-2026.

Division of Workers' Compensation (DWC)

The DWC continues to strengthen and safeguard the integrity of the state's worker's compensation programs by: educating system participants on their rights and responsibilities; leveraging data to deliver exceptional value; and holding participants accountable for fulfilling their obligations.

The Bureau of Compliance's (BC's) Investigative Unit continues to leverage internal and external data sources to identify suspected non-compliant employers. The BC uses policy cancellation data and building permit information to develop targeted referrals for its investigators. The BC's employer outreach campaign compares Department of Revenue employment data to policy information electronically filed by carriers. Data comparison results allow us to pinpoint employers who have a higher probability of being noncompliant with law. Outreach letters explaining Florida's coverage requirements and how to obtain a policy are mailed to employers; two to three weeks later, a follow-up letter is mailed to the employers. If potential compliance issues persist, the employer names are provided to field offices for on-site investigations. This data mining initiative enhances employer knowledge of the law, increases voluntarily compliance, expands the number of employees covered and assists with investigative resource allocation. The DWC will continue to refine its data-matching processes to effectively allocate investigative resources. This mission will be supported by increased use of technology, data sharing, advanced data analytics, and standardized business processes.

In response to the COVID-19 pandemic, the DWC will begin conducting investigations via scheduled video interviews. Investigators will contact the employer by telephone to schedule the compliance interview and through this "virtual" investigation, determine whether an employer is complying with the workers' compensation law.

Investigative and Forensic Services: Fire and Arson Investigations

The Bureau of Fire, Arson, and Explosives Investigations (BFAEI) is one of the Division of Investigative and Forensic Services (DIFS) law enforcement bureaus. The BFAEI investigates certain fires and explosions, performs criminal investigative duties and handles other law enforcement activities as required by law (sections 633.112 and 552.113, F.S.). The BFAEI is a member of the State Emergency Response Team (Chapter 252, F.S.) and an active member of the seven Florida Regional Domestic Security Task Forces (Section 943.0312, F.S.).

BFAEI detectives respond to fire scenes that in many cases have been preliminarily investigated by local fire personnel because of the implementation of Rule 69A-61.001, F.A.C. This rule requires local fire departments or law enforcement agencies to conduct preliminary fire cause investigations in most cases prior to requesting assistance from the BFAEI. BFAEI investigator skillsets are most effectively used when resources are concentrated on suspected arson or fires of unknown origin. The BFAEI projects to clear 20% of arson cases annually through FY 2025-26. Barring any unforeseen changes in the operating environment, the BFAEI does not anticipate any incremental fiscal impacts. The BFAEI will strengthen and safeguard the processes for tracking and managing data through increased use of technology, data sharing, advanced data analytics, and standardized business processes.

Investigative and Forensic Services: Forensic Services

The Bureau of Forensic Services (BFS) is the only state crime laboratory performing forensic analysis on fire and explosion crime scene evidence. In FY 2019-20, the number of items analyzed chemically plus the number of imaging items processed was 7,836. Since the BFS is dependent on customer submissions, the BFS plans on modifying its performance measure to capture lab turnaround time. If the revision request is approved for FY 2021-22, the BFS will modify its projection. Otherwise for the immediate term, the BFS will retain the sample-based measure for forecasting purposes. No incremental fiscal implications are anticipated.

The BFS's ability to serve its customers by returning casework in a short turnaround period continues to be lower than most similarly-situated forensic laboratories. In a report from Operation Foresight, operated by the West Virginia State University, a national survey determined that for "trace" evidence (of which fire debris and explosives analyses are a type) the average turnaround exceeded 50 days. Our short turnaround period allows investigators to have forensic results while the case investigation is active. Forensic results can help guide investigations and lead to more effective questioning of suspects and witnesses. The BFS will strengthen and safeguard the processes for tracking and managing data through increased use of technology, data sharing, advanced data analytics, and standardized business processes.

Scientific accreditation and forensic requirements for laboratories continually evolve. The BFS's lab is currently accredited by two international organizations, the ANSI National Accreditation Board and the American Association for Laboratory Accreditation. Maintaining accreditation requires upgrades and updates to laboratory processes, procedures, and equipment. Current requirements for maintenance of accreditation increase the number of audits, procedures, and controls over evidence. This increases the time that Bureau staff must spend performing these tasks and takes time away from their technical and analytical duties. The exact long-term effects caused by increased accreditation and administrative requirements are unknown. Potentially, staff may be able to absorb these requirements without any difficulties; however, other forensic laboratories under similar circumstances have reported general increase in turnaround times.

Investigative and Forensic Services: Insurance Fraud

Section 626.989, F.S., directs the Bureau of Insurance Fraud (BIF) to investigate and establish criminal cases against all persons and entities violating the state's insurance and/or workers' compensation fraud statutes. During Fiscal Year 2019-20, the BIF received 15,980 referrals and presented 581 cases for prosecution. During FY 2019-20, five hundred and ninety-six of its cases were cleared by successful prosecution. The DIFS will strengthen and safeguard the processes for tracking and managing data through increased use of technology, data sharing, advanced data analytics, and standardized business processes.

When considering court-ordered victim restitution, the BIF generated restitution to insurance fraud victims exceeding its annual budget. For FY 2019-20, the BIF's budget was \$22,564,835 million. In contrast, the BIF requested \$28.9 million and secured \$42.9 million in court ordered restitution. There was continued success in securing restitution despite the concentration on working Personal Injury Protection fraud, identity theft, and working without insurance coverage cases. These cases generally contribute to a smaller portion of restitution than other types of cases. If the requested revisions are approved, the DIFS will establish a new primary service outcome for this budget entity. Right now, the DIFS expects requested restitution as a percent of the budget to be 200% for every FY through FY 2025-26.

Investigative and Forensic Services: Office of Fiscal Integrity

The Office of Fiscal Integrity (OFI), a criminal justice agency with subpoena authority, specializes in the investigation of complex state contract fraud, misuse of state purchasing cards, and various other related schemes. The OFI conducts joint investigations with federal, state and local law enforcement and prosecutorial agencies. Upon successful conclusion of its investigations, referrals for prosecution are made to state attorneys, the Statewide Prosecutor or the U.S. Attorney's Office. Many of its investigations have led to the arrest and conviction of the principal party or parties involved. If the requested revisions are approved, the DIFS will establish a new primary service outcome for this budget entity. Otherwise, the OFI anticipates that 50% of investigations will result in action taken against the investigative target for every fiscal year through FY 2025-26. Barring any unforeseen changes in the operating environment, no incremental fiscal impact is anticipated. The OFI will strengthen and safeguard the processes for tracking and managing data through increased use of technology, data sharing, advanced data analytics, and standardized business processes.

2) Foster Open Government Through Financial Accountability and Transparency

Objective 3: Responsibly Steward Taxpayer's Funds

Division of Administration (DA)

The Division of Administration provides administrative support to the department, the Office of Insurance Regulation (OIR), and the Office of Financial Regulation (OFR). For the Fiscal Year 2019-20, the department, including both OIR and OFR, had 2576.5 positions, and 126 temporary employees (as of August 2019). The Division of Administration operates with 58 of these positions. Additionally, for FY 2019-20, DFS/OFR/OIR has a total combined budget of \$388,795,571. DFS has 31 leases statewide accounting for a total of 791,826 square feet and owns two facilities: the State Fire Marshal's Fire College, and the Bureau of Forensic Services' Arson Lab. For the DFS, administrative costs a percentage of total agency costs are expected to be 5% every fiscal year through FY 2025-26. Barring any unforeseen circumstances, the Division of Administration does not anticipate any incremental fiscal impacts.

Division of Administration: Office of Purchasing and Contractual Services

The DFS continues to enhance procurement operations, which promotes fiscal accountability, appropriate planning and contract monitoring. The DFS's strategy includes a Contract Management Life Cycle, a procurement guide handbook and a Contract Administration Manager. The Contract Administration Manager performs quality assurance, monitors the contracting process and advises procurement staff.

Division of Treasury

Investment Section:

During the period from July 1, 2019, through June 30, 2020, the State of Florida Treasury "Treasury" distributed earnings of \$ 866.9 million. These earnings were up from the previous year's distribution of \$592.6 million. The Treasury exceeded its performance benchmark by 0.09% and 0.13 % for the one and the three-year periods, respectively. The Treasury expects to exceed the blended benchmark for a rolling, three-year period by 0.2% a year through FY 2025-26.

Bureau of Funds Management:

During the period from July 1, 2019, through June 30, 2020, Treasury's core accounting processes included: apportioning interest, issuing certificates of deposit, submitting ratings agency data as well as reconciling bank and investment statements. The Bureau of Funds Management scored an average of 98% in completing the core accounting processes within the established performance measure timeframes. The Treasury anticipates completing 98% of these processes within the established time frame every fiscal year through FY 2025-26.

Bureau of Collateral Management:

During the period from July 1, 2019, through June 30, 2020, Treasury's Bureau of Collateral Management (BCM) processed over 20,400 transactions involving collateral from a variety of regulated entities. More than 99.98% of these transactions were completed within the three-day performance standard. This performance was considerably above the desired standard of 97%. The BCM forecasts that at least 97% of collateral administrative program transactions will be completed within three business days. The percentage of qualified public depository financial analyses completed within 90 days was 100%. The BCM anticipates that 100% of these analyses will be completed within 90 days each fiscal year through FY 2025-26. Barring significant changes in the operating environment, the BCM does not expect incremental fiscal impacts to be associated with either measure. The Treasury is committed to strengthening and safeguarding the integrity of the state's investments and funds management programs through increased use of technology, data sharing, advanced data analytics, and standardized business processes.

Division of Accounting and Auditing

Bureaus of Financial Reporting, Auditing and State Payrolls (Chapter 17, F.S.)

The Division of Accounting and Auditing (DAA) is responsible for accounting, auditing and reporting state and local government financial information. State government decision makers and the public rely on the DAA's financial information to understand resource usage and state purchases.

Since Florida Accounting Information Resource System (FLAIR) is run on an outdated system that lacks flexibility, it limits financial efficiency. FLAIR caters to individual agency needs rather than operating in a standardized environment. To work to resolve these issues, the DAA is partnering with Florida PALM to establish a framework prior implementing the successor financial and cash management system

Division of Risk Management (DRM)

The DRM is authorized to administer the State Risk Management Trust Fund (Ch. 284, F.S.) and to handle state agency claims for casualty and property lines of insurance coverage (*Table I-RM*). The DRM's three bureaus have a total of 116 employees. The Bureau of Risk Financing and Loss Prevention, the Bureau of State Employee Workers' Compensation Claims, and the Bureau of State Liability and Property Claims administer the State Property and Casualty Claims Program. The program adjusts reported claims, provides state agencies and universities with managerial and actuarial information on loss payments, and makes timely payments to claimants and vendors. The DRM's Insurance Management System tracks claims and payment information. An adjuster authorizes a claim-related payment, and the DRM's financial section processes the payment. For FY 2019-20, the Division processed checks, warrants, and state agency journal transfers totaling approximately 81,706. Operational costs have decreased \$2,409,417 or 3.7% from \$65,217,315 paid in FY 2018-19 to \$62,807,899 paid in FY 2019-20.

Claim type	Number of claims reported FY 2019-20	Number of claims with payment FY 2019-20 (for claims reported in all years)	Total loss payments for FY 2019-20 (for claims reported in all years)
Workers' Compensation	11,399	12,485	\$106,465,574
General and Auto Liability	3,051	1,874	\$10,920,295
Federal Civil Rights & Employment Discrimination	427	1,076	\$7,117,090
Property	116	772	\$19,930,403
Total	14,993	16,207	\$144,433,362

Table 1-RM. Claims reported, claims with payment, and total loss payments by claim type for FY 2019-20. Claim data from IMS; loss payments from FLAIR fund balance report.

The total loss payments for FY 2019-20 decreased by 13.47% or \$22,481,228 from the \$166,914,590 paid in FY 2018-19. Workers' Compensation loss payments decreased by 5.86% or \$6,622,744. General and auto liability loss payments decreased by 2% or \$222,498. Federal civil rights claims and property claims are greatly impacted by external forces, such as legislation, case law, and catastrophic natural events. As such, each can vary greatly from year to year. In FY 2019-20, total loss payments for federal civil rights claims decreased 43.7% or \$5,525,888, and total property loss payments decreased by 33.65% or \$10,110,098. The DRM finished paying most of the remaining open property claims from Hurricanes Irma and Michael. If the requested revisions are approved, the DRM will select a different primary service outcome for this budget entity. Otherwise, it anticipates that the per claim average loss adjustment expense will be \$1,850 through FY 2025-26. Barring any unforeseen circumstances, the DRM does not anticipate any incremental fiscal impacts.

The number of claims reported for FY 2019-20 decreased by 14% or 2,447 claims from the 17,440 claims reported for FY 2018-19. The bulk of the decrease occurred in the Property line of coverage. Property claims decreased by 93% or 1,543 claims. As a result of the near miss by Hurricane Dorian, only 32 property claims were reported as opposed to the 1,581 property claims reported from Hurricane Michael. Reported claims for the general and auto liability lines of coverage decreased by 8.3% or 275 claims; whereas, reported claims for the Federal Civil Rights line of coverage increased by 3.6% or 15 claims.

Workers' compensation claims decreased by 5.3% or 644 in claims reported. While the number of new claims reported had been trending slightly downward since the beginning of the fiscal year, the majority of this decrease seems to be directly correlated to office closures and telework opportunities, which began in March of 2020.

To better manage and safeguard state resources, the DRM monitors loss payments and continues to implement several initiatives in the areas of contract management, data collection, and claims management.

Since FY 2016-17, there have been five named windstorm and flood events within the State of Florida. These events have impacted both the Risk Management Trust Fund's cash balances and the DRM's annual purchase of excess property insurance for state agency and university owned buildings. To mitigate the impact to the Risk Management Trust Fund's cash balances, the program has received additional funding in FY 2018-19 and FY 2019-20 through the General Appropriations Act.

Recent hurricane property losses in the program and other world-wide property loss events have resulted in renewal challenges for the State's excess property insurance. Because of market conditions, the Division was unable to purchase the same amount of insurance for named windstorm and flood events as purchased in February 2019 and remain within the current appropriation. For the coverage period February 2020 through February 2021, the Division purchased excess property insurance for 20,287 locations, \$23.76 billion in total insured value. The coverage above the State's \$42 million self-insurance retention for named wind and flood perils is \$62.75 million, which is \$5.75 million less than the \$68.5 million purchased for the coverage period February 2019 through February 2020. Over the last four fiscal years, the amount of purchased coverage for named wind and flood perils was reduced by a total of \$29.75 million from the \$92.5 million coverage purchased in February 2017. The Division was able to maintain the purchase of \$225 million in coverage for all other perils for the February 2020 placement. None of the five recent named windstorm and flood events has exceeded the State's current self-insurance retention level.

The Bureau of Risk Financing and Loss Prevention continues to build upon recent improvements in contract administration and to look for areas where contracted services can maximize value. During FY 2018-19, in preparation for upcoming medical service contract procurements, the DRM contracted for medical consulting services to assist the Division in evaluating the current Pharmacy Benefit Management (PBM) and Medical Case Management (MCM) programs. During FY 2019-20, both the PBM and MCM contract review and program evaluations were completed. The PBM recommendations were evaluated and have been incorporated into a new scope of work for the FY 2020-21 PBM contract procurement. Recommendations for the MCM program will be evaluated during FY 2020-21 and incorporated into a new MCM contract scope of work in development for a FY 2021-22 procurement.

The Division continues to support and improve its Insurance Management System (IMS). Administration and improvement of the IMS allows the Division to continue accomplishing its mission of providing participating state agencies with quality technical assistance in managing risks and Division management of workers' compensation, general liability, auto liability, federal civil rights and employment discrimination, and property claims and loss payments. The Division utilizes this system to process and pay claims, to calculate insurance premiums, to maintain covered property and historical claims data used to project claim liabilities and future expenditures as well as to maintain vendor files and other information necessary to comply with federal laws and IRS regulations. Initial implementation was completed in February 2015 with final implementation completed in June 2016.

Over the previous year the DRM has focused on streamlining data collection from its insured agencies and universities. To that end, the values collection process for both the property and casualty lines of coverage was fully implemented. Partially automating the way in which the DRM collects data for premium development and streamlining the process by which agencies and universities reports this data. The Property Request Portal was also fully implemented during FY 2019-20 providing agencies and universities IMS access to request changes to insured properties, request coverage for new buildings, and remove buildings demolished or no longer in use. FY 2020-21 will focus on identifying additional areas for process improvement, increased automation, and system efficiencies, including the automation of statutory reporting of workers' compensation payment data to the Department of Financial Services, Division of Workers' Compensation.

Division of Rehabilitation and Liquidation

Pursuant to Chapter 631, F.S., the Department serves as the court-appointed receiver of financially impaired or insolvent insurance companies to protect consumer interests. The Division of Rehabilitation and Liquidation (Division) administers the receiverships on behalf of the Department. The Division manages receiverships in a manner that yields the maximum value to claimants and the public.

The Division is responsible for monitoring, controlling, and safeguarding the financial resources of insurance companies that are placed into receivership. Among these duties are the responsibility of providing accurate and timely disbursement of payments to vendors that are consistent with regulatory requirements, policy, and appropriate internal controls. To meet this obligation, the Division measures the percentage of non-claimant invoices paid within 40 days. If timely payments are not made, there are financial implications associated with late payments, such as the accumulation of late fees, interest, and other penalties. These transactions have a direct impact on the availability of funds distributed to claimants. Therefore, the Division aims to effectively manage financial resources in accordance with Section 215.422, F.S.

The Division also measures the percentage of service requests it closes in 30 days to track its responsiveness to consumers. The number of service requests are primarily driven by consumer inquires related to Division's involvement with their insurer. The number of insurers in this status is driven by a number of complex factors, and therefore, service request demand may be influenced by external factors. Based on historical performance, the Division is requesting to increase its standard to 95%. The Division is forecasted to meet this standard every year through FY 2025-26. Barring any unforeseen changes in the operating environment, no incremental fiscal impact is anticipated.

Florida's domestic insurance market has historically has challenged insurance and reinsurance underwriters in almost every segment. Florida faces unpredictable natural disasters in addition to volatile underwriting and market conditions. The Division gains insight into the future trends and conditions affecting receiverships by looking at the history of insolvencies. Based on a five-year average, approximately 1.6 insurers are placed in receivership each year, primarily in the areas of life, health, and property and casualty insurance. During FY 2019-20, the Department received two new receiverships. The number of insurers entering receivership in

any one year depends on factors that are outside the Division's control, such as the macroeconomy, company- specific risk and many other external factors.

Division of Agent and Agency Services

Bureau of Licensing (BL)

The Bureau continues to leverage technology to streamline its work through automation and process efficiencies. The BL continued to reduce processing time with ever-increasing workloads while maintaining quality. The BL's commitment to increase the use of technology will continue to lead to additional efficiencies and automation.

In Fiscal Year 2019-20, the BL assisted and monitored an average of 477,715 licensees with at least one active appointment. In addition to the licensees with an active appointment, the BL had 196,783 licensees who were not required to be appointed or not currently appointed. The BL processed 125,288 new license applications and 2,061,738 appointment actions (new, renewals and terminations). There were 115,816 new licenses issued in Fiscal Year 2019-20, producing a total of 724,421 active licensees who hold 909,652 licenses. For every FY through 2025-26, the BL anticipates that licensing operations will cost \$2.80 per active license and forecasts that each licensing FTE will process 3,750 applications. Barring any unforeseen changes to the operating environment, such as a hurricane, the BL does not anticipate any incremental fiscal impacts for either of these projections.

The BL is also responsible for overseeing the examination process for insurance representative licensing. There are 13 licensing examinations, and approximately 44,724 examinations were administered in Fiscal Year 2019-20. The Bureau also approves and monitors pre-licensing and continuing education providers, courses and instructors. There were 496,927 individuals who completed pre-licensing and continuing education courses.

Objective 4: Promote Transparency Through Technology

Division of Accounting and Auditing

The Chief Financial Officer enhances accountability by providing government spending transparency. The Department established several transparency applications on its website. The "Your Money Matters" application provides a variety of financial tools and resource guides for individuals and businesses. The "Florida Accountability in Contracts Tracking System (FACTS)" application is an online tool that offers visibility into the State's contracts. The Department has expanded the FACTS functionality to include images of all contracts and information associated with the grant agreements. The Division will strengthen and safeguard the CFO's commitment to transparency through increased use of technology, data sharing, advanced data analytics, and standardized business processes.

Objective 5: Enhance Customer Experience

Division of Administration

Division of Administration: Bureau of Human Resource Management. The Bureau of Human Resource Management (HR) administers a comprehensive program that includes recruitment, staffing, career enhancement, talent planning, classification and pay, learning and development, attendance and leave, grievances and appeals, employee and labor relations, Affirmative Action/EEO, records, payroll, benefits, the Employee Assistance Program, and performance reviews. Over the last fiscal year, HR processed 799 hiring appointments and 3,467 classification or organization changes; the office currently employs 16 full-time employees.

Division of Administration: Office of Learning & Development

The Office of Learning & Development (L&D) provides training and development in four key areas: 1) leadership, 2) technology, 3) value creation, and 4) personal growth. L&D staff:

- a. Design, develop, deliver and evaluate training courses;
- b. Facilitate and proctor sessions conducted by outside entities;
- c. Manage classroom and meeting space reservations;
- d. Develop leadership programs;
- e. Conduct New Employee Orientation;
- f. Offer Management Bootcamp (Supervisor Training);
- g. Administer the Department's Florida TaxWatch Productivity Awards program;
- h. Maintain the Department's training intranet hub and the learning management system;
- i. Organize leadership development activities;
- j. Develop, deliver and monitor biennial compliance training;
- k. Offer learning-oriented performance consulting and project management;
- l. Customize consulting services; and
- m. Submit monthly compliance reports.

The DFS considers employees to be its most valuable resource. Learning and professional development events are conducted to promote customer-focused value and to attract and retain top talent. The L&D delivered a total of 109 learning events, meetings, and conferences to more than 6,218 attendees during last fiscal year, including employees from other agencies. The Division will leverage increased use of technology to deliver content and training in a virtual environment.

Office of the General Counsel: Legal Services

The Service of Process (SOP) section provides efficient service of process to insurers through mail or electronic means. The DFS' web-based systems and procedures have allowed it to transmit over 99% of SOP documents electronically. A web portal for plaintiffs and attorneys allows individuals to retrieve electronic proof of service immediately after documents are served. The DFS continues to increase the use of technology to provide automation and to improve information accountability.

Office of Information Technology (OIT)

Information Technology Optimization Analysis:

In addition to delivering services, such as desktop and mobile computing, telecommunications and hardware platform support, the OIT supports approximately 286 customer software applications. The substantial size of OIT's service obligations evolved from a series of reorganizations as well as market and statutory changes throughout the DFS' long history. While these services fulfill a variety of business needs for customers, there is room for further technological optimization, and the OIT is committed to leveraging technology to achieve this end.

Service Management Software:

The OIT uses a service management software suite to handle customer requests and system maintenance tickets. The software configuration also includes automated application discovery. It is anticipated that this functionality will allow the system to build and sustain an up-to-date inventory of hardware, software and network components. With the computer inventory now in place, we will begin to configure performance monitoring to find existing trouble spots faster, sometimes before they occur, and to integrate these findings with tickets. While these changes save steps and provide long-term resource tracking, reporting is largely manual, taking additional time to aggregate the data and to reconcile collected data.

Combining this inventory with performance monitoring capabilities will allow better optimization and more timely upgrades when needed. Finally, these tools will identify the relationships between systems (e.g., by identifying pieces of hardware supporting applications and determining which applications share databases and/or software code, etc.). This information will highlight opportunities for further optimization.

Systems Security

As the world has become more interconnected, security threats to data are growing and breaches are more common. The OIT has ongoing initiatives to adapt and harden security through both technical changes to IT environments and security policies followed by customers and staff. While these initiatives are varied, they are all geared towards reducing the number of: 1) places where data could be exposed and 2) ways to intrude.

Customer Satisfaction

One of OIT'S Performance Measures records Department satisfaction with division technical support services. During Fiscal Year 2019-20, OIT surveyed users about its trouble ticketing system and asked users to rank their experience on a scale from 1-5 for six different categories. The OIT received an overall customer satisfaction rating of 92%. For the past fiscal year, the OIT has been collecting survey through links embedded in service tickets. Although the Divisions' software portfolio is likely to change, it projects a 95% satisfaction rate annually through FY 2025-26 and no incremental fiscal impact is anticipated.

Information Systems

The OIT's percentage of scheduled hours computer and network is available measures up-time performance. In Fiscal Year 2019-20, the up-time measured 100% for FLAIR with all maintenance being performed during scheduled down-time. Based on the degree of consistency the mainframe has provided in past, the OIT projects that FLAIR infrastructure will be available 99% of scheduled time for every Fiscal Year through 2025-26. Whereas, the OIT expects all other systems to be available for 99.95% of the scheduled hours every year through FY 2025-26.

Office of Insurance Consumer Advocate

The Office of the Insurance Consumer Advocate (ICA) searches for solutions to insurance issues facing Floridians, calls attention to questionable insurance practices, promotes a viable insurance market responsive to the needs of Florida's diverse population and assures that rates are fair and justified. The ICA strives to balance capacity to fulfill obligations to policyholders and consumers' needs for accessible, affordable insurance products.

Tapping into market reports, along with some 300,000 inquiries made annually to the DFS statewide insurance consumer helpline, the ICA identifies market trends affecting Floridians. The ICA meets with various other agencies in order to identify market trends. This data empowers 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 DFS and the Office of Insurance Regulation. The ICA also examines rate and form filings to assure that rate changes are justified and fairly apportioned and that policies clearly and accurately reflect coverage provided. Lastly, the ICA participates in proceedings affecting insurance consumers in the Florida Legislature and represents the public in a wide range of public forums.

Although the ICA will usually refer inquiries to the Division of Consumer Services, the ICA will handle specific consumer inquiries. The ICA has projection tables for the percentage of referred cases responded to and/or transferred within three (3) days of receipt and the percentage of rate filings subject to public hearing which were reviewed. The ICA projects to respond or refer 95% of cases within three days over the forecast horizon. Insurance consumer needs and industry trends may impact the number of cases that are received by the ICA. The ICA expects to review 95% of rate filings subject to public hearing every year through Fiscal Year 2025-26 and does not anticipate significant fluctuations in demand. Barring significant changes in the operating environment, the ICA does not anticipate any incremental fiscal implications.

Division of Treasury

Bureau of Deferred Compensation:

The Bureau provides enrollment information, education and guidance regarding the availability of the state employee Deferred Compensation Program. The Deferred Compensation Program authorized under Section 457(b), Internal Revenue Service Code provides employees a way to supplement retirement savings income by contributing to a variety of investment and bank products on a tax-deferred basis. The Bureau's objective is to assist state employees in achieving

financial security in their retirement years. The Division estimates 40% of state employees will participate in the plan every year until FY 2025-26. The Bureau will continue to create, develop and implement strategies to encourage participants to increase their deferrals and, for non-participants, to enroll in order for employees to achieve their financial retirement goals.

Division of Unclaimed Property

Currently, the Chief Financial Officer holds unclaimed property accounts valued at more than \$2 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. Auction proceeds and unclaimed financial assets are deposited into the State School Fund. The state provides this service at no cost to claimants; no statute of limitations applies to claims.

The Department seeks to increase awareness of the law and claimable accounts. The Division continually enhances efficiencies in receiving unclaimed property from holders and in returning property. Although the Division forecasts an average processing rate of 60% within 60 days through FY 2025-26, the processing rate fluctuates during the year based on claims volume. A large portion of new reports are received during a limited window, which may explain some of the temporary fluctuation. The demand and the fiscal impact are dependent upon claimants; however, the DFS continues to raise awareness of the program and to return increasing amounts of property.

Division of Risk Management (DRM)

With the rising cost of claims throughout all coverage lines, the DRM began focusing on preventing and reducing claims. Since the initial implementation of risk management programs, the DRM has expanded the safety program to include workplace safety, loss prevention, and claim-cost mitigation. The Loss Prevention Section consists of six (6) positions that provide targeted training and consultation in the development and maintenance of comprehensive loss prevention programs. For FY 2019-20, the number of paid/reserve occupational injuries (workers' compensation claims) per 100 full-time employees was 3.18.

Statewide loss prevention standards originally adopted in 2010 were extensively reviewed for revision and redeveloped as *Agency Risk Management Program Evaluation Guidelines* in FY 2016-17. These guidelines function as a model of best practices for the effective implementation of agency risk management programs as well as an assessment tool in the Division's evaluation of agency risk management programs under s. 284.50(4) F.S. Revised guidelines mirror the expanded scope of agency risk management program evaluations from the safety program and workers' compensation line of coverage to the broader risk management program, including the areas of employment discrimination/federal civil rights and general/automobile liability. The implementation of expanded agency risk management program evaluations began in FY 2017-18.

In FY 2018-19, loss prevention staff worked to develop a more collaborative program evaluation process between the Loss Prevention Section and state agency and university risk management programs. This effort resulted in the development of a report template that includes a risk self-assessment for agency/university program analysis. In FY 2019-20, loss prevention staff began using a new report template, streamlining the evaluation content to better assist the agency/university in directing their program efforts. The revised report template was well-received.

The Division completed implementation of a new Insurance Management System (IMS) in FY 2015-16. A project goal was to ensure the DRM continues to accomplish its mission of providing participating state agencies and universities with quality technical assistance in managing risks. In FY 2019-20, the DRM implemented the Property Request Portal. Prior to portal implementation, the DRM would receive property information and updates from agencies and universities via email, a web form, phone calls, or faxes. The Property Request Portal streamlines the process by which an agency or university can review or submit a request to add, delete, or update properties insured by the Florida Risk Management Program. Additional improvements in service to customers will come from Division initiatives, such as increased on-line training, increased use of data mining and analytics (internal and external), and increased consultations to assist our customers in making decisions regarding their claims and loss prevention programs.

Division of Consumer Services (DCS)

The DCS's mission is to proactively educate and assist Florida's insurance and financial consumers through responsive, professional and innovative service. During the past twelve months, the Division assisted more than 771,000 Floridians with insurance or financial issues. Assistance is provided primarily through the statewide, toll-free helpline, the DCS's website, email and direct mail correspondence. Approximately 89% of requests for insurance assistance involve Homeowner's Insurance, Auto Insurance or Health Insurance. The Division also provides call center services to the Divisions of Insurance Agent and Agency Services, Unclaimed Property, Rehabilitation and Liquidation and Investigative and Forensic Services.

The DCS is responsible for reporting potential regulatory violations to the appropriate regulators. From July 2019 through June 2020, the DCS sent a total of 1,300 regulatory referrals to the Divisions of Insurance Agent and Agency Services and Investigative and Forensic Services and the Office of Insurance Regulation.

Monitoring these regulatory referrals allows the Division to identify trends or potential issues regarding specific insurance companies, agents or agencies. The Division is proactive in its commitment to consumers using data analysis and consumer educational interaction to assist Floridians with receiving the full benefit of their insurance contracts.

In the aftermath of Hurricane Michael, the Division received the highest number of Hurricane Michael-related insurance complaints for the following reasons:

- 56% of the complaints involved a claim handling delay
- 19% of the complaints involved a request for mediation

- 15% of the complaints involved a claim underpayment or an unsatisfactory claim settlement offer
- 6% of the complaints involved a claim denial

The types of complaints listed above represented 96% of the total Hurricane Michael-related insurance complaints received.

The Division of Consumer Services provides individualized service to each consumer calling into the helpline. The DCS expects to answer 80% of calls within four minutes for every fiscal year through FY 2025-26. The Division's Company Complaint Response System (CCRS) and Online Helpline streamline the process and provide prompt service to consumers. The Online Helpline allows consumers to file complaints through an online portal on the Division's website. A quality audit program was established for helpline and service request audits that result in quality service. Audit results are used to enhance the service consumers are provided when they contact the helpline. Barring any unforeseen changes in the operating environment, like a natural disaster that causes a demand for services, no incremental fiscal impact is projected to be associated with any forecasted outcome measure.

Division of Workers' Compensation (DWC)

The DWC will continue to leverage data and technology to improve our service to our stakeholders. Here are just several examples of this initiative. The DWC expects the overall percentage of accepted claims via electronic data interchange form filings to be 82% for every fiscal year through FY 2025-26. Barring unforeseen changes in the operating environment, like hurricanes that shift investigator focus, the division does not expect incremental fiscal impacts associated with this measure.

- The Division provided stakeholders and public policymakers with the 2020 edition the "Workers' Compensation Summary", which contains foundational workers' compensation data and information. The report aims to provide insights on workers' compensation issues.
- The DWC publishes monthly editions of its COVID-19 Dashboard Report. The report contains important information and data, which highlights the COVID-19 impact on Florida's workers' compensation system. The data are organized by claim frequency, claim costs & characteristics, coverage information, and telemedicine. Claim frequency and claim costs & characteristics are workers' compensation claim measures while the coverage information provides economic impact insights due to COVID-19. Telemedicine represents how health care providers and carriers may be adapting in the provision of medical treatment to injured workers.
- The Division has published several workers' compensation educational videos available on its website. The purpose of presenting this expanding collection of short videos is to help educate our stakeholders on an assortment of key workers' compensation topics.

4) Equip First Responders with the Training and Tools Necessary to Protect Floridians

Objective 1: Effectively Manage Regulatory Activities

Division of State Fire Marshal

Fire Marshal Administrative and Support Services:

The administrative activities promote a customer-focused culture, strengthen efficiency and allow it to effectively manage regulatory activities. Further, these activities enable the DFSM to train first responders and to provide for the administration of the Florida Fire Prevention Code. The budget entity anticipates that administrative cost as a percentage of program agency costs will be 5.7% for every FY through FY 2025-26.

Bureau of Fire Prevention:

The Bureau of Fire Prevention administers the compliance and enforcement services of the Division under Section 633.218, F.S., by:

- establishing fire safety and life safety codes and standards for statewide application;
- reviewing construction documents and performing inspections on all state-owned and certain state-leased buildings;
- inspecting high and low-pressure boilers in places of public assembly; 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 Florida Fire Prevention Code. In Fiscal Year 2019-20, Fire Protection Specialists conducted over 14,851 High-Hazard, Recurring, and Construction building inspections. Construction inspections, including underground and above ground fire mains, installation and performance testing of fire protection systems, and fire rated construction assemblies are required for each new building.

Any reductions in revenue generated at the local level can be expected to have an impact on the State Fire Marshal's workload. If local governments determine they are unable to fully fund their own fire safety programs, including the area of kindergarten through 12th grade school inspections, the State Fire Marshal is statutorily required to assist with these inspections. Although the total number of fire code inspections can be influenced by many factors, the Division forecasts completing 100% of the inspections within statutorily defined time frames through FY 2025-26. The fiscal impact remains indeterminate and dependent on the degree to which local governments request inspection assistance.

For the Boiler Safety Program, technological enhancements to the data management system have eased form distribution as well as records access for field inspection staff. Additional enhancements are necessary to fully convert the boiler licensing program to an entirely automated, web-based system. Similar technology has also been partially deployed with the

Plans Review and Regulatory Licensing Sections. The boiler safety program has made an effort to ensure deputy boiler inspectors conduct inspections on uninsured boilers throughout the state. Boiler insurance companies are required by section 554.109(1), F.S., to inspect boilers they insure. These efforts have significantly decreased the number of boilers tasked for state inspections and freed up state resources to conduct code compliance activities and public outreach, among other activities.

All four functional areas of the Bureau: Plans Review, Inspection, Regulatory Licensing and Boilers, have benefited from an updated database to permit increased internal and external access. This solution is fully web-based and allows electronic access to inspection reports, which minimizes the need for U.S. Mail distribution and also permits the receipt of fees, adding greater efficiency and customer service for all licensing applicants. Electronic transmission of construction documents has also been implemented and has significantly reduced the time required for decision making as well as improved access to data necessary for field review.

Bureau of Fire Standards and Training (BFST):

The BFST manages training and certification standards for all career and volunteer firefighters, fire inspectors, and fire instructors to establish standardized curricula. Per the Florida Administrative Code, the BFST issues Certificates of Completion and Certificates of Competency for fire officers, fire investigators, hazardous materials technicians, and other advanced and technical specialties. The BFST conducts examinations for these certifications and certificates and maintains required records. Additionally, the BFST develops model curricula to be used by training centers and colleges and operates the Florida State Fire College. The BFST provides regulatory authority and certification, renewals of certification, and testing for approximately 67,000 firefighters, serving more than 530 fire service providers in Florida. The BFST also provides curriculum support, administrative and regulatory authority, and certification testing for 44 certified fire training centers, which provide firefighter minimum standards training.

The BFST operates the Florida State Fire College located near Ocala, providing extensive training for paid and volunteer firefighters. It is projected for the percentage of students passing certification examinations on the first attempt to remain at 75% for the projection period. The demand for certification courses and the resulting fiscal impact is dependent upon the number of students not only attending training at the Florida State Fire College.

The Division is committed to increasing the use of technology by implementing a modern updated solution to reduce duplication, increase automation, improve information accountability, and leverage data to produce valuable analytics.

Health and Safety

The DFS is responsible for managing the Florida Firefighters Occupational Safety and Health Act. The DFS's Health and Safety Section is tasked with improving firefighter safety and health by reducing the incidence of firefighter accidents, occupational diseases, and fatalities. The DFS accomplishes this task by working cooperatively with our firefighters, fire departments and other stakeholders to provide guidance, resources, and education to reduce the incidence of firefighter accidents, diseases, and fatalities. The BFST conducts firefighter safety assessments,

investigations and inspections to meet this goal.

The BFST is involved in firefighter safety initiatives, including participation in firefighter safety studies to identify causes of accidents and injuries. Research includes correlating firefighter line-of-duty deaths with failure to follow best safety practices. The BFST participates in this study with the goal to use outcome data to enhance preventive strategies.

Accreditation

The BFST is currently accredited by the National Board on Professional Firefighter Qualifications (“Pro Board”) in 36 “levels”. The BFST received accreditation from the International Fire Service Accreditation Congress (IFSAC) in nine program areas with additional program areas under review. The BFST was also successful in achieving accreditation from Pro Board for Fire Investigator.

Legislative and Budget Revisions

The Department proactively advocates for residents, visitors, and first responders through everyday business operations. The Department’s goals are to combat abusive commercial practices, foster transparency, promote a consumer-focused culture and equip first responders with the training and tools necessary to protect Floridians. All these goals are accomplished by efficiently using resources and effectively managing regulatory activities. As part of its strategy, the Department focuses on streamlining programs and processes through legislative and policy revisions.

Task Forces and Studies

Combat Fraud, Abusive Business Practices, and Excessive Regulation

Fraud Free Florida

Florida Chief Financial Officer (CFO) Jimmy Patronis launched Fraud Free Florida, a new initiative aimed at better coordinating collective investigative efforts to protect Florida's large population from scam artists. The initiative will bring together statewide law enforcement officials, state attorneys, private sector stakeholders, and members of CFO Patronis' fraud investigative teams. The goal is to help Florida to reduce opioid treatment center fraud, public assistance fraud, identity theft, and cybersecurity issues.

The new Fraud Free Florida initiative joins the ranks of CFO Patronis' already robust Division of Investigative and Forensic Services (DIFS), which includes the Disaster Fraud Action Strike Team aimed at curbing hurricane-related insurance fraud, as well as his Division of Public Assistance Fraud. CFO Patronis' DIFS is one of the top law enforcement agencies in the state and is dedicated to rooting out fraud and investigating financial crimes. Fraud Free Florida will help agencies better collaborate on fraud cases and identify legal revisions needed to make Florida the nation's toughest state on fraud.

Sober Homes Task Force

The DIFS participates in the Sober Homes Task Force (SHTF) established by the State Attorney's Office for the 15th Circuit. The SHTF aids in investigating patient brokering, insurance fraud and/or other types of crimes related to the substance abuse treatment industry and sober homes (drug recovery residences).

Property and Casualty Insurance Fraud Task Force (PCTF)

The PCTF was created by the Florida Department of Financial Services (DFS) to reduce, deter and eliminate Property and Casualty Insurance Fraud. Comprised of approximately 270 members, including regulators, law enforcement officials, risk management professionals, and others concerned about fraud in the industry, the PCTF raises awareness related to Property and Casualty Insurance Fraud and recommends rule changes.

Workers' Compensation Fraud Task Force (WCTF)

The WCTF was created to review industry standards, processes, procedures, laws, administrative rules, and regulations and to provide recommendations for the prevention, investigation, and prosecution of workers' compensation insurance fraud. The original WCTF had approximately 10 to 15 insurance industry representatives, various employers, DIFS personnel and interested citizens. Membership has expanded to 181 and consisted of representatives from insurance carriers and their Special Investigative Units, DFS personnel workers' compensation insurance adjusters, the Florida Workers' Compensation Joint Underwriters Association (FWCJUA), the National Council on Compensation Insurance (NCCI), attorneys and other stakeholders

Foster Open Government Through Financial Accountability and Transparency

Florida Planning Accounting and Ledger Management (PALM) Project.

The State of Florida's current accounting and cash management

systems FLAIR and CMS have been performing the State's accounting and financial management functions for over thirty years. Although they have been maintained and modified over the years to accommodate state and federal mandates, the systems are becoming increasingly unable to meet the State's changing and growing needs.

A 2014 study confirmed our concerns and recommended replacing these systems (FLAIR and CMS) with a single, integrated financial management solution. In 2014, the Legislature wisely appropriated funds to ensure there are dedicated staff and a comprehensive plan in place to manage this complex system transition. This effort, known as *Florida PALM* (for Planning, Accounting, and Ledger Management), is in its seventh year of execution.

The goals of implementing Florida PALM in the State of Florida are to:

- Reduce the state's risk exposure by harnessing modern financial management technology built on the premises of scalability, flexibility, and maintainability;
- Improve state and agency specific decision making by capturing a consistent and an expandable set of data;
- Improve the state's financial management capabilities to enable more accurate oversight of budget and cash demands today and in the future; and
- Improve productivity, reduce operational complexity and increase internal controls by enabling standardization and automation of business processes within and between DFS and agencies.
-

In Fiscal Year 2019-2020, Florida PALM accomplished the following:

- Conducted Executive Steering Committee meetings;
- Collaborated with the Division of State Technology for project management oversight;
- Engaged Independent Verification and Validation (IV&V) services;
- Established representatives for each agency's Change Champion Network including sponsor and liaison roles;
- Distributed workplan for agency tasks to transition to Florida PALM;
- Realigned the implementation approach to transition agencies to Florida PALM by business function;
- Completed solution analysis and design activities with FFMIS and agency stakeholders;
- Finalized statewide chart of accounts structure for Florida PALM;
- Began detailed design and development on cloud-based infrastructure for Cash Management System (CMS) Wave;
- Reviewed data interface points for agencies and FFMIS partners with their business systems for the CMS Wave;
- Documented Florida PALM identity management approach for agency end user access; and
- Maintained continuity of operations during COVID-19 pandemic.

Florida Blockchain Task Force (FBTF)

In accordance with Chapter 2019-140, Laws of Florida, the FBTF is established within the DFS to explore and develop a master plan for fostering the expansion of the blockchain industry in the state, to recommend policies and state investments to help make this state a leader in blockchain technology, and to issue a report to the Governor and the Legislature. The FBTF shall study if and how state, county, and municipal governments can benefit from a transition to a blockchain-based system for recordkeeping, data security, financial transactions, and service delivery and identify ways to improve government interaction with businesses and the public.

Promote a Customer-Focused Culture and Strengthen Efficiency

Treasury Investment Council (TIC)

The TIC exists within the Division of Treasury (DT) consisting of at least five members, at least three of whom are professionals from the private sector, who must possess special knowledge, experience, and familiarity in finance, investments, or accounting. The TIC shall review the investments as required by s. 17.57, F.S, meet with staff of the DT and provide recommendations to the DT and the CFO regarding investment policy, strategy, and procedures.

Deferred Compensation Advisory Council (DCAC)

The DCAC exists under subsection 112.215(8)(a), F.S., and consists of seven appointed members, representing the eligible constituencies for the State of Florida Deferred Compensation Plan. The DCAC provides assistance and recommendations to the CFO relating to plan provisions, plan insurance or investment options, and any other pertinent contracts or appointments.

Interagency Advisory Council on Loss Prevention (IACLP)

The IACLP is established under subsection 284.50(2), F.S., and is composed of the safety coordinators from each Florida agency as well as representatives designated by the Division of State Fire Marshal (DSFM) and the Division of Risk Management (DRM). The Chair of the IACLP is the director of DRM or his or her designee. The IACLP meets on a quarterly basis to discuss statewide loss prevention issues such as safety problems within state government, to attempt to find solutions for these problems, and, when possible, assist in the implementation of the solutions. These quarterly meetings also provide safety coordinators with a shared forum for the exchange of ideas and resources. The Division provides coordination and administrative support to the IACLP, including training presentations and discussions designed to educate and assist safety coordinators on their program responsibilities under Florida statutes.

Financial Literacy for Consumers

The DFS provides several initiatives to help empower Floridians to make informed financial decisions. The DFS offers tailored resources and interactive tools on its website to help students, seniors, veterans, and families manage their finances and to plan for their futures. As part of these efforts during Fiscal Year 2019-2020:

- **Be Scam Smart Operation S.A.F.E. Workshops**
Operation S.A.F.E. is an outreach initiative established by the DFS to protect Florida's seniors. Be Scam Smart Workshops were organized by Consumer Services Community Outreach and conducted a total of 15 times across the state of Florida and 339 seniors were educated about financial frauds and scams.
- **Finance Your Future**
Finance Your Future is a comprehensive financial literacy course maintained by the DFS, and offered as one-half credit elective during the school year. The Finance Your Future homepage received over 9000 unique pageviews during the FY 2019-2020 with over 1800 account users.
- **My Money**
The My Money program, developed by the DFS, is a free financial literacy program for individuals with developmental disabilities. Qualified Public Depositories (QPD) are required to make available the My Money Program brochure. Community Outreach mailed

a total of 4900 English brochures and 700 Spanish brochures to over 50 banks, savings banks and savings associations for the FY 2019-2020.

- **Community Outreach Events**

Consumer Services Community Outreach was present at a total of 14 events with a total of 1441 attendees. Information relayed to the public via face-to-face interaction and publication handouts included subject matter that ranged from fraud awareness to financial literacy to disaster preparedness.

- **Community Outreach Correspondence & Resource Requests**

Consumer Services Community Outreach responded to over 49 inquiries and mailed out a total of nearly 3000 publications per various resource requests from Florida consumers for the Fiscal Year 2019-2020.

Consumer Outreach Efforts

Operation Return the Valor

In honor of National Medal of Honor Day, CFO Jimmy Patronis announced, 'Operation Return the Valor,' a statewide initiative to further honor those who have served or currently serve in our armed forces. The initiative's first mission will be to find owners or heirs of nearly 40 veteran medals left in forgotten safety deposit boxes and sent to the state's unclaimed property program. The medals include decorations such as Purple Hearts, Bronze Stars, and Distinguished Flying Crosses. CFO Patronis needs help from local communities to find these veterans and their families, so they can be reunited with the honors they received during service.

Prepare Florida Disaster Preparedness Initiative

CFO Jimmy Patronis Prepare Florida consumer education initiative encourages Floridians to prepare before a hurricane or storm makes landfall. The PrepareFL.com website serves as a one-stop-shop for disaster preparedness information and resources to help Floridians ensure they are prepared to weather the next storm. The Prepare Florida website includes an Emergency Preparedness Toolkit designed to help consumers prepare a home inventory and organize your financial information before and after a disaster. It also includes a guide to inform consumers on insurance and financial preparation in the event of a natural disaster, information on navigating the flood insurance claims process, a guide to the Assignment of Benefits (AOB) process, and many more disaster related consumer tips.

Florida Business Development Initiative

As part of his economic development initiatives, CFO Jimmy Patronis is highlighting the advantages of Florida's business climate to companies around the country. The initiative uses earned media and social media to encourage businesses large and small to relocate their headquarters to Florida to bolster business growth and job creation in the state. As a member of the Enterprise Florida, Inc. Board, the state's main entity charged with business recruitment, CFO Patronis is passionate about highlighting the advantages Florida has to offer businesses including no personal income tax, low corporate taxes, business-friendly regulations, top ranked colleges and universities, world-wide transportation options and more.

Equip First Responders with the Training and Tools Necessary to Protect Floridians

Firefighters Employment, Standards, and Training Council (FESTC)

The FESTC exists within the DFS and consists of 14 members. Each member must have at least 4 years of experience in the firefighting profession. The FESTC shall have special powers in connection with the employment and training of firefighters to: recommend, for adoption by the DSFM, uniform minimum standards for the employment and training of firefighters and training of volunteer firefighters; recommend, for adoption by the DSFM, minimum curriculum requirements for schools operated by or for any fire service provider for the specific purpose of training firefighter trainees, firefighters, and volunteer firefighters; recommend, for adoption by the DSFM, on matters relating to the funding, general operation, and administration of the Bureau of Fire Standards and Training (Florida State Fire College), including, but not limited to, all standards, training, curriculum, and the issuance of any certificate of competency required by this chapter; make or support studies on any aspect of firefighting employment, education, and training or recruitment; and make recommendations concerning any matter within its purview pursuant to this section.

Florida Fire Code Advisory Council (FCAC)

The FCAC is created within the DFS and composed of 11 members. The FCAC shall advise and recommend to the SFM changes to and interpretation of the uniform fire safety standards adopted under section 633.206, F.S., the Florida Fire Prevention Code, and those portions of the Florida Fire Prevention Code that have the effect of conflicting with building construction standards that are adopted pursuant to sections 633.202 and 633.206, F.S. The FCAC may review proposed changes to the Florida Fire Prevention Code and the uniform fire safety standards pursuant to subsection 633.202(4), F.S.

Fire Code Interpretations Committee (FCIC)

Section 633.212, F.S., requires the SFM to establish by rule an informal process for rendering nonbinding interpretations of the Florida Fire Prevention Code. The FCIC consists of seven members and their alternates from seven separate state regions, issues nonbinding fire code interpretations for issues properly before the committee, allows petitioners to file declaratory statement requests if they disagree with the FCIC's interpretation and requires FCIC interpretations to be issued in 15 business days. Pursuant to subsection 633.312(1), F.S., the SFM contracts with a third party to facilitate the nonbinding interpretation process.

Fire and Emergency Incident Information System Technical Advisory Panel

The Fire and Emergency Incident Information System Technical Advisory Panel "Advisory Panel" is created with the DSFM. The Advisory Panel shall advise, review and recommend to the State Fire Marshal (SFM) with respect to section requirements. The section relates to fire protection agency data transmission, the Fire and Emergency Incident Information Reporting System (FEIIRS), FEIIRS rulemaking and a fire protection agency database.

Operation Dispatch

Operation Dispatch streamlines licensure for military firefighters by granting credit for qualifying military fire-service training; thereby, increasing opportunities for military firefighters to become Florida-certified firefighters. The process seeks to attract military service members and veterans to Florida and recognizes previous training.

To assist veterans with transitional training, essential firefighter text and workbooks are available to program candidates once they register for the courses. This availability enables candidates to study the material that they will be tested on for Firefighter I and II examination prior to attending the class.

In preparation for the practical examination, candidates may review a practical skills video. The video enables the candidates to review required skills for fire ground operations and essential verbal safety commands that are required when performing these tasks. With the delivery of the written text, the workbook and the video, students are better prepared and have a greater understanding of the requirements.

Through partnerships forged with the Florida Department of Veterans' and Military Affairs, Operation Dispatch reduces the costs associated with the Florida-specific training and testing for military firefighters. The program also allows participants to take the certification exam in a timelier fashion than the regularly-scheduled quarterly administrations, which upon successful completion helps newly-certified firefighters enter Florida's workforce faster.



Department of Financial Services

Performance Measures and Standards—LRPP Exhibit II

LRPP Exhibit II - Performance Measures and Standards

Department: Department of Financial Services

Department Number: 43	
Program: Office of Chief Financial Officer and Administration	Code: 43010000
Service/Budget Entity: Executive Direction and Support Services	Code: 43010100

Approved Performance Measures	Approved Prior Year Standard FY 2019-20	Prior Year Actual FY 2019-20	Approved Standards for FY 2020-21	Requested FY 2021-22 Standard
Administrative Costs as a Percentage of Total Agency Costs	5.00%	3.70%	5.00%	5.00%
Administrative Positions as a Percentage of Total Agency Positions	6.00%	4.77%	6.00%	6.00%

LRPP Exhibit II - Performance Measures and Standards

Department: Department of Financial Services

Department Number: 43

Program: Office of Chief Financial Officer and Administration

Code: 43010000

Service/Budget Entity: Legal Services

Code: 43010200

Approved Performance Measures	Approved Prior Year Standard FY 2019-20	Prior Year Actual FY 2019-20	Approved Standards for FY 2020-21	Requested FY 2021-22 Standard
Percentage of Closed Files Involving Alegations of Statutory Violation That Were Successfully Prosecuted	92%	99%	92%	92%

LRPP Exhibit II - Performance Measures and Standards

Department: Department of Financial Services

Department Number: 43	
Program: Office of Chief Financial Officer and Administration	Code: 43010000
Service/Budget Entity: Information Technology	Code: 43010300

Approved Performance Measures	Approved Prior Year Standard FY 2019-20	Prior Year Actual FY 2019-20	Approved Standards for FY 2020-21	Requested FY 2021-22 Standard
Percentage of Scheduled Hours Computer and Network is Available	99.95%	98.92%	99.95%	99.95%
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	95%	92%	95%	95%
Establish a Comprehensive Functional Inventory of Department Software Applications	69	58	69	69

LRPP Exhibit II - Performance Measures and Standards

Department: Department of Financial Services

Department Number: 43

Program: Office of Chief Financial Officer and Administration

Service/Budget Entity: Consumer Advocate

Code: 43010000

Code: 43010400

Approved Performance Measures	Approved Prior Year Standard FY 2019-20	Prior Year Actual FY 2019-20	Approved Standards for FY 2020-21	Requested FY 2021-22 Standard
Request Revision: Percentage of Referred Cases Responded to and/or Transferred within Three (3) Days of Receipt	90%	99%	90%	Request Revision
Revised Measure: Percentage of Cases Responded to and/or Referred Within Three (3) Business Days of Receipt	N/A	N/A	N/A	95%
Percentage of Rate Filings Subject to Public Hearing Which Were Reviewed by our Office	95%	100%	95%	95%

LRPP Exhibit II - Performance Measures and Standards

Department: Department of Financial Services

Department Number: 43	
Program: Office of Chief Financial Officer and Administration	Code: 43010000
Service/Budget Entity: Information Technology-FLAIR Infrastructure	Code: 43010500

Approved Performance Measure	Approved Prior Year Standard FY 2019-20	Prior Year Actual FY 2019-20	Approved Standards for FY 2020-21	Requested FY 2021-22 Standard
Percentage of Scheduled Hours Computer and Network is Available	99%	100.00%	99%	99%

LRPP Exhibit II - Performance Measures and Standards

Department: Department of Financial Services

Department Number: 43	
Program: Treasury	Code: 43100000
Service/Budget Entity: Deposit Security	Code: 43100200

Approved Performance Measures	Approved Prior Year Standard FY 2019-20	Prior Year Actual FY 2019-20	Approved Standards for FY 2020-21	Requested FY 2021-22 Standard
Percentage of Collateral Administrative Program Transactions Completed within Three Business Days	97%	99%	97%	97%
Percentage of Analyses of the Qualified Public Depositories Completed within 90 Days of the Start of the Analysis Cycle	100%	100%	100%	100%

LRPP Exhibit II - Performance Measures and Standards

Department: Department of Financial Services

Department Number: 43	
Program: Treasury	Code: 43100000
Service/Budget Entity: State Funds Management and Investment	Code: 43100300

Approved Performance Measures	Approved Prior Year Standard FY 2019-20	Prior Year Actual FY 2019-20	Approved Standards for FY 2020-21	Requested FY 2021-22 Standard
Percentage of Core Accounting Processes That Meet Established Deadlines and Standards for Accuracy	98%	98%	98%	98%
Percentage by Which the Treasury's Investment Pool Exceeded the Blended Benchmark for a Rolling Three-Year Period	0.2%	0.43%	0.2%	0.2%

LRPP Exhibit II - Performance Measures and Standards

Department: Department of Financial Services

Department Number: 43	
Program: Treasury	Code: 43100000
Service/Budget Entity: Supplemental Retirement Plan	Code: 43100400

Approved Performance Measures	Approved Prior Year Standard FY 2019-20	Prior Year Actual FY 2019-20	Approved Standards for FY 2020-21	Requested FY 2021-22 Standard
Percentage of State Employees Participation in the State Deferred Compensation Plan	40.0%	41.0%	40.0%	40.0%

LRPP Exhibit II - Performance Measures and Standards

Department: Department of Financial Services

Department Number: 43

Program: Financial Accountability for Public Funds

Code: 43200000

Service/Budget Entity: State Financial Information and State Agency Accounting

Code: 43200100

Approved Performance Measures	Approved Prior Year Standard FY 2019-20	Prior Year Actual FY 2019-20	Approved Standards for FY 2020-21	Requested FY 2021-22 Standard
Number of Contracts Reviewed	1,100	992	1,100	1,100
Request Deletion: Number of Agencies Audited for Contract/Grant Managers Performance	8	7	8	Request Deletion

LRPP Exhibit II - Performance Measures and Standards

Department: Department of Financial Services

Department Number: 43

Program: Financial Accountability for Public Funds

Service/Budget Entity: Recovery and Return of Unclaimed Property

Code: 43200000

Code: 43200200

Approved Performance Measures	Approved Prior Year Standard FY 2019-20	Prior Year Actual FY 2019-20	Approved Standards for FY 2020-21	Requested FY 2021-22 Standard
Percentage of Claims Processed within 60 Days from Date Received (Cumulative Total)	60%	93%	60%	60%
Number of Reported Accounts Uploaded into UPMIS	2.2 million	3 million	2.2 million	2.2 million
Number of Claims Paid and Dollar Amount of Claim Payments	400,000 / \$240 million	543,411 / \$328 million	400,000 / \$240 million	400,000 / \$240 million
Number of New Holders Reporting Unclaimed Property in the Fiscal Year	2,300	2,820	2,300	2,300

LRPP Exhibit II - Performance Measures and Standards

Department: Department of Financial Services

Department Number: 43

Program: Financial Accountability for Public Funds

Code: 43200000

Service/Budget Entity: Florida Planning, Accounting and Ledger Management (PALM)

Code: 43200300

Approved Performance Measures	Approved Prior Year Standard FY 2019-20	Prior Year Actual FY 2019-20	Approved Standards for FY 2020-21	Requested FY 2021-22 Standard
New Measure: Percentage of Time that the Solution Application in the Production Environment(s) are Available for Access and Use by Their Intended Users	N/A	N/A	N/A	99.7%

LRPP Exhibit II - Performance Measures and Standards

Department: Department of Financial Services

Department Number: 43	
Program: Fire Marshal	Code: 43300000
Service/Budget Entity: Compliance and Enforcement	Code: 43300200

Approved Performance Measures	Approved Prior Year Standard FY 2019-20	Prior Year Actual FY 2019-20	Approved Standards for FY 2020-21	Requested FY 2021-22 Standard
Percentage of Fire Code Inspections Completed within Statutory Defined Timeframes	100%	100%	100%	100%
Percentage of Mandated Regulatory Inspections Completed	100%	100%	100%	100%
Number of Regulatory Inspections Completed	1,000	995	1,000	1,000
Number of Entity Requests for Licenses, Permits and Certifications Processed within Statutorily Mandated Time Frames	8,000	7,974	8,000	8,000

LRPP Exhibit II - Performance Measures and Standards

Department: Department of Financial Services

Department Number: 43	
Program: Fire Marshal	Code: 43300000
Service/Budget Entity: Professional Training and Standards	Code: 43300400

Approved Performance Measures	Approved Prior Year Standard FY 2019-20	Prior Year Actual FY 2019-20	Approved Standards for FY 2020-21	Requested FY 2020-21 Standard
Percentage of Fire College Students Passing Certification Exam on First Attempt	75%	88%	75%	75%
Number of Students Trained and Classroom Contact Hours Provided by the Florida State Fire College	5,500/175,000	2,644/134,931	5,500/175,000	5,500/175,000
Request Revision: Number of Florida Certification Programs Submitted for National Accreditation or Re-Accreditation	3	3	3	Request Revision
Revised Measure: Number of Florida Certification Programs Updated to NFPA Standard in Preparation for National and International Accreditation or Re-Accreditation	N/A	N/A	N/A	3

LRPP Exhibit II - Performance Measures and Standards

Department: Department of Financial Services

Department Number: 43	
Program: Fire Marshal	Code: 43300000
Service/Budget Entity: Fire Marshal Administrative and Support Services	Code: 43300500

Approved Performance Measures	Approved Prior Year Standard FY 2019-20	Prior Year Actual FY 2019-20	Approved Standards for FY 2020-21	Requested FY 2020-21 Standard
Administrative Costs as a Percentage of Program Agency Costs	5.70%	6.00%	5.70%	5.70%
Request Revision: Administrative Positions as a Percentage of Total Program Positions	3.40%	11.00%	3.40%	11.00%

LRPP Exhibit II - Performance Measures and Standards

Department: Department of Financial Services

Department Number: 43

Program: State Property and Casualty Claims

Code: 43400000

Service/Budget Entity: State Self-Insured Claims Adjustment

Code: 43400100

Approved Performance Measures	Approved Prior Year Standard FY 2019-20	Prior Year Actual FY 2019-20	Approved Standards for FY 2020-21	Requested FY 2021-22 Standard
Average Loss Adjustment Expense per Claim Worked	\$1,850	\$2,034	\$1,850	\$1,850
Percentage of Indemnity and Medical Payments Made in a Timely Manner in Compliance with DFS Rule 69L-24.006, F.A.C.	95%	99.5%	95%	95%
Percentage of Tort Liability Claim Files Resolved within Four (4) Years Without Litigation	81%	86%	81%	81%
Request Deletion: Average Cost of Workers' Compensation Claims Paid	\$7,150	\$8,515	\$7,150	Request Deletion
Percentage of Liability Claims Closed in Relation to Liability Claims Worked During the Fiscal Year	64%	59.2%	64%	64%
Number of Workers' Compensation Claims Worked	22,000	18,223	22,000	22,000
Number of Liability Claims Worked	6,000	5,906	6,000	6,000
Number of State Property Loss/Damage Claims Worked	120	326	120	120
Number of Agency Loss Prevention Training and consultation events conducted during the fiscal year (top three (3) agencies)	80	253	80	80

LRPP Exhibit II - Performance Measures and Standards

Department: Department of Financial Services

Department Number: 43	
Program: Licensing and Consumer Protection	Code: 43500000
Service/Budget Entity: Insurance Company Rehabilitation and Liquidation	Code: 43500100

Approved Performance Measures	Approved Prior Year Standard FY 2019-20	Prior Year Actual FY 2019-20	Approved Standards for FY 2020-21	Requested FY 2021-22 Standard
Request Revision: Percentage of Service Requests Closed within 30 Days	90.0%	99.0%	90.0%	95%
Percentage of Non-Claimant Invoices Paid within 40 Days	96.0%	97.4%	96.0%	96%

LRPP Exhibit II - Performance Measures and Standards

Department: Department of Financial Services

Department Number: 43	
Program: Licensing and Consumer Protection	Code: 43500000
Service/Budget Entity: Licensure, Sales Appointment and Oversight	Code: 43500200

Approved Performance Measures	Approved Prior Year Standard FY 2019-20	Prior Year Actual FY 2019-20	Approved Standards for FY 2020-21	Requested FY 2021-22 Standard
Request Revision: Cost of Licensing Operations per Active License	\$2.96	\$2.68	\$2.96	\$2.80
Request Revision: Average Direct Cost of Investigation Operations per Completed Investigation	\$935	\$1,166	\$935	\$1,100
Request Revision: Average Number of Investigations Completed per Investigator	88	102	88	100
Request Revision: Average Number of Applications Processed per Licensing FTE	3,450	3,932	3,450	\$3,750

LRPP Exhibit II - Performance Measures and Standards

Department: Department of Financial Services

Department Number: 43

Program: Licensing and Consumer Protection

Code: 43500000

Service/Budget Entity: Consumer Assistance

Code: 43500400

Approved Performance Measures	Approved Prior Year Standard FY 2019-20	Prior Year Actual FY 2019-20	Approved Standards for FY 2020-21	Requested FY 2021-22 Standard
Request Revision: Percentage of Helpline Call and Service Request Audits That Result in Quality Service	95%	92%	95%	95%
Request Deletion: Percentage of Consumer Survey Responses That Rate the Division's Services as Very Good or Excellent	78%	N/A	78%	N/A
Percentage of Answered Phone Calls That are Answered within Four Minutes	80%	93%	80%	80%
Request Deletion: Percentage of Monetary Eligible Service Requests That Resulted in a Recovery	85%	62%	85%	N/A
New Measure: Cost of Helpline Operations Per Call Completed	N/A	N/A	N/A	\$12.01
New Measure: Cost of Service Requests Operations Per Service Request Completed	N/A	N/A	N/A	\$116.53

LRPP Exhibit II - Performance Measures and Standards

Department: Department of Financial Services

Department Number: 43

Program: Licensing and Consumer Protection

Code: 43500000

Service/Budget Entity: Funeral and Cemetery Services

Code: 43500500

Approved Performance Measures	Approved Prior Year Standard FY 2019-20	Prior Year Actual FY 2019-20	Approved Standards for FY 2020-21	Requested FY 2021-22 Standard
Percentage of Funeral Establishment Inspections That Do Not Require Quality Control Follow-Up	98%	100%	98%	98%
Percentage of Investigations Submitted by Legal to Probable Cause Panel in Which the Panel Agrees with the Division's Probable Cause Recommendation	98%	99%	98%	98%
Average Time (Days) to Close an Investigation	65	64	65	65
Percentage of Deficiency Letters Sent out within 5 Business Days of Receiving the Application	88%	82%	88%	88%

LRPP Exhibit II - Performance Measures and Standards

Department: Department of Financial Services

Department Number: 43

Program: Licensing and Consumer Protection

Code: 43500000

Service/Budget Entity: Public Assistance Fraud

Code: 43500700

Approved Performance Measures	Approved Prior Year Standard FY 2019-20	Prior Year Actual FY 2019-20	Approved Standards for FY 2020-21	Requested FY 2021-22 Standard
Dollar Amount of Benefits Withheld, Saved and Recouped as a Percentage of Public Assistance Fraud Annual Budget	500%	625%	500%	500%
Number of Completed Cases Resulting in Referral for Disqualification or Prosecution	3,000	1,807	3,000	3,000

LRPP Exhibit II - Performance Measures and Standards

Department: Department of Financial Services

Department Number: 43	
Program: Workers' Compensation	Code: 43600000
Service/Budget Entity: Workers' Compensation	Code: 43600100

Approved Performance Measures	Approved Prior Year Standard FY 2019-20	Prior Year Actual FY 2019-20	Approved Standards for FY 2020-21	Requested FY 2021-22 Standard
Percentage of overall accepted claims Electronic Data Interchange (EDI) form filings	82%	82%	82%	82%
Percentage of first indemnity payments made timely	95%	94.04%	95%	95%
Number of employer investigations conducted	32,000	28,291	32,000	32,000
Percentage of disputes resolved for injured workers by the Employee Assistance Office	90%	98%	90%	90%
Number of Petitions for Reimbursement Dispute Resolution resolved	4,000	4,617	4,000	4,000

LRPP Exhibit II - Performance Measures and Standards

Department: Department of Financial Services

Department Number: 43	
Program: Investigative and Forensic Services	Code: 43700000
Service/Budget Entity: Fire and Arson Investigations	Code: 43700100

Approved Performance Measures	Approved Prior Year Standard FY 2019-20	Prior Year Actual FY 2019-20	Approved Standards for FY 2020-21	Requested FY 2021-22 Standard
Percentage of Arson Cases Cleared	20%	25.6%	20%	20%
Request Deletion: Percentage of Referrals Declined by State Attorney's Office for Prosecution	10%	13.4%	10%	Request Deletion
Percentage of Closed Fire Investigations Successfully Concluded, Including by Cause Determined, Suspect Identified and/or, Arrested or Other Reasons	80%	78.6%	80%	80%
Request Deletion: Percentage of Closed Arson Investigations for Which an Arrest Was Made in Florida	18%	13.3%	18%	Request Deletion

LRPP Exhibit II - Performance Measures and Standards

Department: Department of Financial Services

Department Number: 43	
Program: Investigative and Forensic Services	Code: 43700000
Service/Budget Entity: Forensic Services	Code: 43700200

Approved Performance Measures	Approved Prior Year Standard FY 2019-20	Prior Year Actual FY 2019-20	Approved Standards for FY 2020-21	Requested FY 2021-22 Standard
Request Deletion: The Number of Items Analyzed Chemically Plus the Number of Imaging Items Processed	8,500	7,836	8,500	Request Deletion
New Measure: Lab case turnaround time	N/A	N/A	N/A	10 days

LRPP Exhibit II - Performance Measures and Standards

Department: Department of Financial Services

Department Number: 43

Program: Investigative and Forensic Services

Code: 43700000

Service/Budget Entity: Insurance Fraud

Code: 43700300

Approved Performance Measures	Approved Prior Year Standard FY 2019-20	Prior Year Actual FY 2019-20	Approved Standards for FY 2020-21	Requested FY 2021-22 Standard
Request Deletion: Requested Restitution as a Percentage of the Annual Appropriated Budget	200%	128%	200%	Request Deletion
Request Deletion: Number of Presentations Submitted for Prosecution	1,320	584	1,320	Request Deletion
Request Deletion: Percentage of Opened Insurance Fraud Cases Presented for Prosecution by Law Enforcement Investigators	75%	42%	75%	Request Deletion
Request Deletion: Number of Insurance Fraud Arrests (not Including Workers' Compensation Arrests)	795	267	795	Request Deletion
Request Deletion: Number of Worker's Compensation Insurance Fraud Arrests (not Including General Fraud Arrests)	429	236	429	Request Deletion
New Measure: Percentage of Referrals that Result in Opened Cases	N/A	N/A	N/A	10%
New Measure: Percentage of Opened Cases That Result in Presentations	N/A	N/A	N/A	46%

LRPP Exhibit II - Performance Measures and Standards

Department: Department of Financial Services

Department Number: 43	
Program: Investigative and Forensic Services	Code: 43700000
Service/Budget Entity: Office of Fiscal Integrity	Code: 43700400

Approved Performance Measures	Approved Prior Year Standard FY 2019-20	Prior Year Actual FY 2019-20	Approved Standards for FY 2020-21	Requested FY 2021-22 Standard
Request Deletion: Percentage of Office of Fiscal Integrity Investigations That Result in Action	50%	25%	50%	Request Deletion
New Measure: Percentage of referrals That Result in Opened Cases	N/A	N/A	N/A	34%
New Measure: Percentage of Opened Cases That Result in Presentations	N/A	N/A	N/A	24%



Department of Financial Services

Assessment of Performance for Approved Performance Measures—LRPP Exhibit III

LRPP Exhibit III: PERFORMANCE MEASURE ASSESSMENT

Department: Department of Financial Services

Program: Office of Chief Financial Officer and Administration

Service/Budget Entity: Information Technology/43010300

Measure: Percentage of Scheduled Hours Computer and Network is Available

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
99.95%	98.92%	-1.03% (Under)	-1.03%

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:

N/A

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:

During the transition to enhanced telework capability, certain agency services were temporarily impacted. Under normal circumstances, the network and the application infrastructure does not communicate with as many remote devices. The staff's dedication allowed the agency to minimize disruptions and to continue to provide cost-effective service.

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 Office of Information Technology will continue to monitor performance and to request revisions as appropriate.

LRPP Exhibit III: PERFORMANCE MEASURE ASSESSMENT

Department: Department of Financial Services
Program: Office of Chief Financial Officer and Administration
Service/Budget Entity: Information Technology/43010300
Measure: Percentage 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:

- 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
95%	92%	-3% (Under)	-3.2%

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:

N/A

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:

During the transition to enhanced telework capability, certain agency services were temporarily impacted. Agency employees swiftly transitioned to remote work and some encountered atypical technical challenges. The staff's dedication allowed the agency to minimize disruptions and to continue to provide cost-effective service.

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 Office of Information Technology will continue to monitor performance and to request revisions as appropriate.

LRPP Exhibit III: PERFORMANCE MEASURE ASSESSMENT

Department: Department of Financial Services

Program: Office of Chief Financial Officer and Administration

Service/Budget Entity: Information Technology/43010300

Measure: Establish a Comprehensive Functional Inventory of Department Software Applications

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
69	58	-11 (under)	-15.9%

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

Explanation:

A total of 295 applications have been reviewed through Fiscal Year 19/20, putting the five (5) year cyclical measure ahead of schedule. The number of applications to score during this fiscal year was reduced due to resource capacity constraints based on the organization's project and operational workload.

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:

N/A

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:

Greater emphasis on application decommissioning has reduced active applications available for review. The Office of Information Technology will continue to monitor actual performance.

LRPP Exhibit III: PERFORMANCE MEASURE ASSESSMENT

Department: Department of Financial Services

Program: Office of Chief Financial Officer and Administration

Service/Budget Entity: Consumer Advocate/43010400

Measure: Percentage of Referred Cases Responded to and/or Transferred within Three (3) 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 checked="" type="checkbox"/> Adjustment of GAA Performance Standards | |

Approved Standard	Actual Performance Results	Difference (Over/Under)	Percentage Difference
90%	99%	9% (Over)	10%

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 OICA staff's commitment to enhance customer experience allowed it to exceed the benchmark.

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:

N/A

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:

During the prior two fiscal years, actual performance results exceeded the approved standard. Based upon an analysis of historical performance, the OICA anticipates requesting an increase to the approved standard.

LRPP Exhibit III: PERFORMANCE MEASURE ASSESSMENT

Department: Department of Financial Services
Program: Financial Accountability for Public Funds
Service/Budget Entity: State Financial Information and State Agency Accounting/43200100
Measure: Number of Contracts Reviewed

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
1,100	992	-108 (Under)	-9.8%

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

Explanation:

The Bureau of Auditing (BA) contains 73 FTE positions. The BA provides assurance to Florida taxpayers through state disbursement pre-audit and State Treasury transaction verification. Thirty FTE positions review contracts and grant agreements to ensure that they comply with applicable laws. Due to the COVID-19 pandemic, certain staffing capacity was temporarily reassigned to pre-audit state agency disbursements. The BA expects to meet the standard for FY 2020-21.

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:

N/A

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

Training

Technology

Personnel

Other (Identify)

Recommendations:

The BA expects to resume normal contract reviews for Fiscal Year 2020-21. The estimated number of contracts and grant agreement reviews to be completed for Fiscal Year 20/21 is 1,100.

LRPP Exhibit III: PERFORMANCE MEASURE ASSESSMENT

Department: Department of Financial Services

Program: Financial Accountability for Public Funds

Service/Budget Entity: State Financial Information and State Agency Accounting/43200100

Measure: Number of Agencies Audited for Contract/Grant Managers Performance

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
8	7	-1 (Under)	-12.5%

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

Explanation:

The Bureau of Auditing (BA) contains 73 FTE positions. The BA provides assurance to Florida taxpayers through state disbursement pre-audit and State Treasury transaction verification. Of the 73 FTE, six FTE staff on the Contract Management Review (CMR) team is responsible for auditing agency contract monitoring processes to evaluate whether agency management established and implemented certain contract monitoring processes. Due to the COVID-19 pandemic, the CMR team was unable to complete their scheduled, on-site audits. The teams' focus was shifted towards establishing post-audit criteria for CARES Act payments.

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:

Due to COVID-19 pandemic, the CMR team was unable to complete a portion of their scheduled, on-site audits.

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

Training

Technology

Personnel

Other (Identify)

Recommendations:

Since the CMR team's focus for FY 2020-21 will be on the post audit of CARES Act payments, the Division anticipates requesting to delete this measure.

LRPP Exhibit III: PERFORMANCE MEASURE ASSESSMENT

Department: Department of Financial Services

Program: Fire Marshal

Service/Budget Entity: Compliance and Enforcement/43300200

Measure: Number of Regulatory Inspections Completed

Action:

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

Approved Standard	Actual Performance Results	Difference (Over/Under)	Percentage Difference
1,000	995	-5 (Under)	-0.5%

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

Explanation:

N/A

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:

Mandated regulatory inspections are conducted on fire equipment dealers and at certain other facilities. Although inspections occur on regular intervals, certain changes in licensee status may require additional inspections. The Division is unable to project non-routine inspection demands, and therefore, the figure is susceptible to fluctuation.

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

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

Recommendations:

The Division will monitor performance and will request revisions if appropriate.

LRPP Exhibit III: PERFORMANCE MEASURE ASSESSMENT

Department: Financial Services

Program: Fire Marshal

Service/Budget Entity: Compliance and Enforcement/43300200

Measure: Number of Entity Requests for Licenses, Permits, and Certifications Processed within Statutorily Mandated Time Frames

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
8,000	7,974	-26 Under)	-0.325%

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:

N/A

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 will fluctuate 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. Fire Equipment Dealers and permit holders renew their authorities on a two-year cycle as well. Licensing demand and the biennial structure of certain licenses may lead to annual licensing figure fluctuations.

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:

N/A

LRPP Exhibit III: PERFORMANCE MEASURE ASSESSMENT

Department: Department of Financial Services

Program: Fire Marshal

Service/Budget Entity: Professional Training and Standards/43300400

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 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
5,500/175,000	2,644/134,931	-2,856 (Under)/ -40,069 (Under)	-52%/ -23%

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:

N/A

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:

Due to the COVID-19 pandemic, the Fire College temporarily ceased training operations. Since most courses offered by the Fire College are not conducive to remote learning, the pandemic had a disproportionate impact on the Fire College.

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

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

Recommendations:

The Division will continue to monitor performance and might request revisions.

LRPP Exhibit III: PERFORMANCE MEASURE ASSESSMENT

Department: Department of Financial Services

Program: Fire Marshal

Service/Budget Entity: Professional Training and Standards/43300400

Measure: Number of Florida State Fire College Certification Programs Submitted for National Accreditation or Re-Accreditation

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
3	3	0	0%

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:

N/A

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:

N/A

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 DFS anticipates requesting a revision consistent with the other exhibits.

LRPP Exhibit III: PERFORMANCE MEASURE ASSESSMENT

Department: Department of Financial Services

Program: Fire Marshal

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

Measure: Administrative Costs as a Percentage of Program Agency Costs

Action:

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

Approved Standard	Actual Performance Results	Difference (Over/Under)	Percentage Difference
5.70%	6.00%	0.30% (Under)	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 type="checkbox"/> Other (Identify) |

Explanation:

N/A

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:

Fluctuations in funding and allocations across budget entities within the program explain the deviation.

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:

N/A

LRPP Exhibit III: PERFORMANCE MEASURE ASSESSMENT

Department: Department of Financial Services

Program: Fire Marshal

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

Measure: Administrative positions as a percentage of total program positions

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
3.40%	11%	7.6% (Under)	224%

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:

N/A

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 Florida Legislature authorized the Bureau of Fire and Arson Investigation to be moved from the Division of State Fire Marshal to the Division of Investigative and Forensic Services. The position transfers realigned the Division of State Fire Marshal's (DSFM's) staffing structure.

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 DSFM will request a revision to its performance measures to reflect the revised staffing.

LRPP Exhibit III: PERFORMANCE MEASURE ASSESSMENT

Department: Department of Financial Services

Program: State Property and Casualty Claims

Service/Budget Entity: Self Insured Claims Adjustment/43400100

Measure: Average Loss Adjustment Expense Per Claim Worked

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
\$1,850	\$2,034	\$184 (Under)	10%

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:

N/A

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:

Actual performance results are calculated by dividing the sum of defined operating expenditures by the total number of claims worked during the fiscal year. For FY 2019-20, defined operating expenditures decreased by 3.4% or \$1.8 million while the number of worked claims decreased by 16.7% or 4,908 claims. The FY 2019-20 variance in measured operational expenditures can be attributed to a 90% decrease or \$2 million in contracted hurricane claims adjusting services. Adjusting for the decrease, the overall operational expenditure variance is less than 1% for the fiscal year. The FY 2019-20 claim variance is attributable to a decrease in hurricane claims processed in FY 2019-20 and to the affect of the COVID-19 pandemic on workers' compensation claims reported. Hurricane claims worked decreased by 9.8% or 1,946 claims in FY 2019-20. In March 2020, the COVID-19 pandemic resulted in the implementation of teleworking processes and temporary office closures by some state agencies. In comparison to the same time period in FY 2018-19, the number of claims worked decreased by 4.8% or 654 claims. Adjusting the number of claims worked to account for the COVID-19 impact on claims, the average loss adjustment cost for FY 2019-20 is \$1,981 per claim.

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

Training

Technology

Personnel

Other (Identify)

Recommendations:

The Division will continue to monitor this measure and the approved standard to determine if future adjustments are required.

LRPP Exhibit III: PERFORMANCE MEASURE ASSESSMENT

Department: Department of Financial Services

Program: State Property and Casualty Claims

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

Measure: Average Cost of Workers' Compensation Claims Paid

Action:

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

Approved Standard	Actual Performance Results	Difference (Over/Under)	Percentage Difference
\$7,150	\$8,515	\$1,365 (Under)	19%

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:

N/A

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:

N/A

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 legislative increases in the medical fee schedule and maximum compensation rates as well as court rulings are the primary influencers of claims cost, the DFS will request a revision to delete this measure. The Division of Risk Management's other measures are more indicative of the unit's performance.

LRPP Exhibit III: PERFORMANCE MEASURE ASSESSMENT

Department: Department of Financial Services

Program: State Property and Casualty Claims

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

Measure: Percentage of Liability Claims Closed in Relation to Liability Claims Worked during the Fiscal Year

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
64%	59.2%	-4.8% (Under)	-7.5%

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

Explanation:

In the last quarter of the fiscal year, the transition to telework temporarily impacted the measure.

External Factors (check all that apply):

- | | |
|--|--|
| <input type="checkbox"/> Resources Unavailable | <input type="checkbox"/> Technological Problems |
| <input type="checkbox"/> Legal/Legislative Change | <input type="checkbox"/> Natural Disaster |
| <input type="checkbox"/> Target Population Change | <input 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:

Due to the COVID-19 pandemic, claimant and plaintiff attorney activity on existing claims slowed during the last quarter, impacting the Division's ability to settle and close certain claims.

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:

Although the COVID-19 pandemic disrupted operations, the Division of Risk Management has transitioned to the new operating environment.

LRPP Exhibit III: PERFORMANCE MEASURE ASSESSMENT

Department: Department of Financial Services

Program: State Property and Casualty Claims

Service/Budget Entity: State Self-Insured Claims Adjustment/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
22,000	18,223	-3,777 (Under)	-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:

N/A

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 reduction in the number of new workers' compensation claims reported this fiscal year and the impact of the COVID-19 pandemic on Division operations resulted in fewer total workers' compensation claims worked. In March 2020, the COVID-19 pandemic resulted in the implementation of teleworking processes by covered entities that continued for the remainder of the fiscal year. The significant increase in teleworking directly resulted in a reduction in new workers' compensation claims in the last quarter of the fiscal year. In comparison to FY 2018-19, the number of new workers' compensation claims filed in FY 2019-20 dropped by 5.3% or 642 claims; the number of workers' compensation claims worked decreased by 3.6% or 358 claims.

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

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

Recommendations:

The Division will continue to monitor this measure and the approved standard to determine if future adjustments are required.

LRPP Exhibit III: PERFORMANCE MEASURE ASSESSMENT

Department: Department of Financial Services

Program: State Property and Casualty Claims

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

Measure: Number of Liability Claims Worked

Action:

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

Approved Standard	Actual Performance Results	Difference (Over/Under)	Percentage Difference
6,000	5,906	-94 (Under)	-1.57%

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:

N/A

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 was a 5.8% decrease in the number of claims reported to the Bureau in FY 2019-20 compared to the previous reporting period. This decline had an effect on output for this measure.

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

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

Recommendations:

Due to COVID-19, claims reporting was delayed. These delays provided staff with an abbreviated period to process and settle claims.

LRPP Exhibit III: PERFORMANCE MEASURE ASSESSMENT

Department: Department of Financial Services

Program: Licensing and Consumer Protection

Service/Budget Entity: Insurance Company Rehabilitation and Liquidation /43500100

Measure: Percentage of Service Requests Closed within 30 Days

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

Approved Standard	Actual Performance Results	Difference (Over/Under)	Percentage Difference
90%	99%	9% (Over)	10%

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 Division strives to consistently reach and to exceed the standard for this performance measure. Through effective communication, teamwork, and accountability, the Division performed above the approved standard.

External Factors (check all that apply):

- | | |
|--|---|
| <input type="checkbox"/> Resources Unavailable | <input type="checkbox"/> Technological Problems |
| <input type="checkbox"/> Legal/Legislative Change | <input type="checkbox"/> Natural Disaster |
| <input type="checkbox"/> Target Population Change | <input 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:

N/A

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 sustained performance exceeding the current standard, the Division of Rehabilitation and Liquidation plans to request an increase to the standard.

LRPP Exhibit III: PERFORMANCE MEASURE ASSESSMENT

Department: Department of Financial Services

Program: Licensing and Consumer Protection

Service/Budget Entity: Licensure, Sales Appointment and Oversight/43500200

Measure: Cost of Licensing Operations per Active License

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
\$2.96	\$2.68	-\$0.28 (Over)	-9%

Factors Accounting for the Difference:

Internal Factors (check all that apply):

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

Explanation:

Talented personnel and efficient workflows allowed the Bureau of Licensing (BL) to process additional temporary license applications.

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:

Due to COVID-19 licensing activities, the BL received an increased number of temporary license applications. The increase in licenses allocated licensing cost across more applications.

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:

Based on the BL's performance, excluding temporary licenses, the DFS anticipates requesting a revision to the standard.

LRPP Exhibit III: PERFORMANCE MEASURE ASSESSMENT

Department: Department of Financial Services

Program: Licensing and Consumer Protection

Service/Budget Entity: Licensure, Sales Appointment and Oversight/43500200

Measure: Average Direct Cost of Investigation Operations per Completed Investigation

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
\$935	\$1,166	\$231 (Under)	25%

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:

Although the employed investigators exceeded their productivity benchmarks, the Bureau of Investigation (BI) had multiple vacancies, which reduced the total number of investigations completed.

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 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 vacancies noted above, the COVID-19 outbreak limited the BI's ability to conduct field work. Collectively, these factors increased the cost of investigation operations per completed investigation.

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:

Based on a detailed analysis of historical performance, the BI plans to request a revision to the approved standard.

LRPP Exhibit III: PERFORMANCE MEASURE ASSESSMENT

Department: Department of Financial Services
Program: Licensing and Consumer Protection
Service/Budget Entity: Licensure, Sales Appointment and Oversight/43500200
Measure: Average number of Investigations Completed per Investigator

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
88	102	14 (Over)	16%

Factors Accounting for the Difference:

Internal Factors (check all that apply):

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

Explanation:

N/A

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:

During FY 2019-20, the Bureau of Investigation (BI) had multiple vacancies. When COVID-19 limited investigative field work, existing investigators focused on cases where field work was not necessary. This priority shift caused the actual number of cases completed per FTE to be greater than previously estimated.

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:

Based on historical performance, the BI plans on requesting a revision to the standard.

LRPP Exhibit III: PERFORMANCE MEASURE ASSESSMENT

Department: Department of Financial Services

Program: Licensing and Consumer Protection

Service/Budget Entity: Licensure, Sales Appointment and Oversight/43500200

Measure: Average Number of Applications Processed per Licensing FTE

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
3,450	3,932	482 (Over)	14%

Factors Accounting for the Difference:

Internal Factors (check all that apply):

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

Explanation:

Talented personnel and efficient workflows allowed the Bureau of Licensing (BL) to process additional temporary license applications.

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:

Due to COVID-19 licensing activities, the BL received an increased number of temporary license applications.

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 increased number of licenses processed per licensing FTE for FY 2019-20 represents DFS's commitment to responding to an ever-evolving environment. Based on the Division's performance, excluding temporary licenses, the DFS anticipates requesting a revision to the standard.

LRPP Exhibit III: PERFORMANCE MEASURE ASSESSMENT

Department: Department of Financial Services

Program: Licensing and Consumer Protection

Service/Budget Entity: Consumer Assistance/43500400

Measure: Percentage of Helpline Call and Service Request Audits That Result in Quality Service

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
95%	92.09%	-2.91%	3.06%

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

Recommendations:

Performance was slightly lower than expectations for the approved standard.

The Division audit program was completely revamped during the 2019/2020 FY and only January 1, 2020 – June 30, 2020 could be reflected in the performance standard results.

The new quality audits are intended to have a positive focus where helpline employees may earn quality points for properly handling the consumer's concerns instead of deducting quality points when processes are not followed properly. Using the new

methodology allow us to measure the degree in which our service satisfies the consumers concerns.

The results will be used to evaluate how to improve the service consumers are provided when they contact the Helpline.

The benchmark remains 95% for FY19/20.

LRPP Exhibit III: PERFORMANCE MEASURE ASSESSMENT

Department: Department of Financial Services

Program: Licensing and Consumer Protection

Service/Budget Entity: Consumer Assistance/43500400

Measure: Percentage of consumer survey responses that rate the Division's services as good or excellent

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
78%	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:

N/A

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:

N/A

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

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

Recommendations:

The Division would like to delete this measure because the data is insufficient for measurement.

LRPP Exhibit III: PERFORMANCE MEASURE ASSESSMENT

Department: Department of Financial Services

Program: Licensing and Consumer Protection

Service/Budget Entity: Consumer Assistance/43500400

Measure: Percentage of Monetary Eligible Service Requests that Resulted in a Recovery

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
85%	62%	-23% (Under)	-27%

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:

N/A

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 Consumer Services (DCS') helpline assists insurance consumers. Oftentimes after talking with the DCS, the insurance consumer reaches a resolution with the insurer and does not always communicate the resolution to DFS staff.

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 DCS's existing measures and measures in the amendment request provide enhanced insights into its efforts. The DCS anticipates requesting a revision to this measure.

LRPP Exhibit III: PERFORMANCE MEASURE ASSESSMENT

Department: Department of Financial Services

Program: Licensing and Consumer Protection

Service/Budget Entity: Funeral and Cemetery Services/43500500

Measure: Percentage of Deficiency Letters Sent out Within 5 Business Days of Receiving the Application

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
88%	82%	-6% (Under)	-7%

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 Division did not meet the approved standard for this performance measure in FY 2019-20 primarily due to losses of licensing employees. These employees processed deficiency letters.

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 COVID-19 pandemic impacted staffing and actual performance.

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

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

Recommendations:

The Division will continue streamlining its processes and cross-training its personnel to mitigate the impact of unique circumstances on output. The Division will continue analyzing trends and requesting modifications as needed.

LRPP Exhibit III: PERFORMANCE MEASURE ASSESSMENT

Department: Department of Financial Services

Program: Licensing and Consumer Protection

Service/Budget Entity: Public Assistance Fraud/43500700

Measure: Number of Completed Cases Resulting in Referral for Disqualification or Prosecution

Action:

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

Approved Standard	Actual Performance Results	Difference (Over/Under)	Percentage Difference
3,000	1,807	-1,193 (Under)	-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 checked="" type="checkbox"/> Other (Identify) |

Explanation:

Investigator staff turnover and temporary reductions in field activities impacted the Division's ability to meet the standard. In addition to the 33% turnover in investigative staff, replacement investigators typically take time to reach comparable output to experienced investigators. Since field operations were suspended for a portion of the fiscal year, investigators were unable to conduct interviews and to complete certain cases.

External Factors (check all that apply):

- | | |
|--|--|
| <input checked="" 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 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 COVID-19 pandemic closed state attorney offices and businesses. The closures slowed responses to payroll record requests and hindered efforts to close investigations in the normal timeframe.

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

- Training
- Personnel

- Technology
- Other (Identify)

Recommendations:

The Division will continue to monitor the performance measure and to request revisions if appropriate.

LRPP Exhibit III: PERFORMANCE MEASURE ASSESSMENT

Department: Department of Financial Services

Program: Workers' Compensation

Service/Budget Entity: Workers' Compensation/43600100

Measure: Percentage of First Indemnity Payments Made Timely

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
95%	94.04%	-0.96% (Under)	-1%

Factors Accounting for the Difference:

Internal Factors (check all that apply):

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

Explanation:

N/A

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 impact of COVID-19 likely contributed to the performance deviation.

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:

N/A

LRPP Exhibit III: PERFORMANCE MEASURE ASSESSMENT

Department: Department of Financial Services
Program: Workers' Compensation
Service/Budget Entity: Workers' Compensation/43600100
Measure: Number of Employer Investigations Conducted

Action:

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

Approved Standard	Actual Performance Results	Difference (Over/Under)	Percentage Difference
32,000	28,291	-3,709 (Under)	-12%

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:

N/A

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 COVID-19 pandemic impacted our ability to conduct onsite, employer investigations because of businesses closures and restricted field operations.

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

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

Recommendations:

The DFS is developing a virtual process to conduct employer investigations via videoconferencing (in lieu of visiting the employer's jobsite) to ensure compliance and to educate employers on Florida's coverage requirements.

LRPP Exhibit III: PERFORMANCE MEASURE ASSESSMENT

Department: Department of Financial Services

Program: Investigative and Forensic Services

Service/Budget Entity: Fire and Arson Investigations/43700100

Measure: Percentage of Referrals Declined by State Attorney's for Prosecution

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
10%	13.4%	3% (Under)	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 type="checkbox"/> Previous Estimate Incorrect | <input type="checkbox"/> Other (Identify) |

Explanation:

N/A

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:

Based on the number of presentations for the fiscal year, the deviation above represents only approximately seven additional case declinations over the standard.

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

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

Recommendations:

The Division of Investigative and Forensic Services anticipates requesting revisions consistent with the other exhibits.

LRPP Exhibit III: PERFORMANCE MEASURE ASSESSMENT

Department: Department of Financial Services

Program: Fire Marshal

Service/Budget Entity: Fire and Arson Investigations/43700100

Measure: Percentage of Closed Fire Investigations Successfully Concluded, Including by Cause Determined, Suspect Identified and/or, Arrested or Other Reasons

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
80%	78.6%	-1.4% (Under)	-1.8%

Factors Accounting for the Difference:

Internal Factors (check all that apply):

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

Explanation

N/A

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 initial transition to telework temporarily impacted Division of Investigative and Forensic Services (DIFS) operations.

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 DIFS will continue to monitor the performance measure and to request revisions as appropriate.

LRPP Exhibit III: PERFORMANCE MEASURE ASSESSMENT

Department: Department of Financial Services

Program: Investigative and Forensic Services

Service/Budget Entity: Fire and Arson Investigations/43700100

Measure: Percentage of Closed Arson Investigations for which an Arrest was made in Florida

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
18%	13.3%	-4.7% (Under)	-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 type="checkbox"/> Previous Estimate Incorrect | <input type="checkbox"/> Other (Identify) |

Explanation

Although the Division of Investigative and Forensic Services (DIFS) failed to meet the standard for FY 2019-20, when the annual figure is allocated across months it translates to missing the standard by approximately four arrests per month.

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:

N/A

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 DIFS anticipates requesting to delete this measure.

LRPP Exhibit III: PERFORMANCE MEASURE ASSESSMENT

Department: Department of Financial Services

Program: Investigative and Forensic Services

Service/Budget Entity: Forensic Services/43700200

Measure: The Number of Items Analyzed Chemically Plus the Number of Imaging Items Processed

Action:

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

Approved Standard	Actual Performance Results	Difference (Over/Under)	Percentage Difference
8,500	7,836	-664 (Under)	-8%

Factors Accounting for the Difference:

Internal Factors (check all that apply):

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

Explanation:

N/A

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 COVID-19 pandemic and the reduction in sample submissions caused the lab to end the fiscal year below the standard.

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:

To better capture the lab's output and efficiency, the DFS is requesting a revised measure.

LRPP Exhibit III: PERFORMANCE MEASURE ASSESSMENT

Department: Department of Financial Services

Program: Investigative and Forensic Services

Service/Budget Entity: Insurance Fraud/43700300

Measure: Requested Restitution as a Percentage of the Annual Appropriated Budget

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
200%	128%	-72% (Under)	-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 type="checkbox"/> Previous Estimate Incorrect | <input checked="" type="checkbox"/> Other (Identify) |

Explanation:

A high vacancy rate coupled with recruitment challenges affected the Division of Investigative and Forensic Services (DIFS's) ability to satisfy the standard.

External Factors (check all that apply):

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

Explanation:

The COVID-19 pandemic and court closures magnified the impact of the staffing issues described 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 DIFS anticipates requesting a revision to delete the measure.

LRPP Exhibit III: PERFORMANCE MEASURE ASSESSMENT

Department: Department of Financial Services
Program: Investigative and Forensic Services
Service/Budget Entity: Insurance Fraud/43700300
Measure: Number of Presentations Submitted for Prosecution

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
1,320	584	-736 (Under)	-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 checked="" type="checkbox"/> Other (Identify) |

Explanation:

A high vacancy rate coupled with recruitment challenges affected the Division of Investigative and Forensic Services (DIFS's) ability to satisfy the standard.

External Factors (check all that apply):

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

Explanation:

The COVID-19 pandemic and court closures magnified the impact of the staffing issues described 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 DIFS anticipates requesting a revision to delete the measure.

LRPP Exhibit III: PERFORMANCE MEASURE ASSESSMENT

Department: Department of Financial Services

Program: Investigative and Forensic Services

Service/Budget Entity: Insurance Fraud/43700300

Measure: Percentage of Opened Insurance Fraud Cases Presented for Prosecution by Law Enforcement Investigators

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
75%	42%	-33% (Under)	-44%

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:

A high vacancy rate coupled with recruitment challenges affected the Division of Investigative and Forensic Services (DIFS's) ability to satisfy the standard.

External Factors (check all that apply):

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

Explanation:

The COVID-19 pandemic and court closures magnified the impact of the staffing issues described 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 DIFS anticipates requesting a revision to delete the measure.

LRPP Exhibit III: PERFORMANCE MEASURE ASSESSMENT

Department: Department of Financial Services
Program: Investigative and Forensic Services
Service/Budget Entity: Insurance Fraud/43700300
Measure: Number of Insurance Fraud Arrests (Not Including Workers' Compensation Arrests)

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
795	267	-528 (Under)	-66%

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:

A high vacancy rate coupled with recruitment challenges affected the Division of Investigative and Forensic Services (DIFS's) ability to satisfy the standard.

External Factors (check all that apply):

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

Explanation:

The COVID-19 pandemic and court closures magnified the impact of the staffing issues described 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 DIFS anticipates requesting a revision to delete the measure.

LRPP Exhibit III: PERFORMANCE MEASURE ASSESSMENT

Department: Department of Financial Services

Program: Investigative and Forensic Services

Service/Budget Entity: Insurance Fraud/43700300

Measure: Number of Workers' Compensation Insurance Fraud Arrests (Not Including General Fraud Arrests)

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
429	236	-193 (Under)	-45%

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:

A high vacancy rate coupled with recruitment challenges affected the Division of Investigative and Forensic Services (DIFS's) ability to satisfy the standard.

External Factors (check all that apply):

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

Explanation:

The COVID-19 pandemic and court closures magnified the impact of the staffing issues described 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 DIFS anticipates requesting a revision to delete the measure.

LRPP Exhibit III: PERFORMANCE MEASURE ASSESSMENT

Department: Department of Financial Services

Program: Investigative and Forensic Services

Service/Budget Entity: Office of Fiscal Integrity/43700400

Measure: Percentage of Office of Fiscal Integrity Investigations that Result in Action

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%	25%	-25% (Under)	-50%

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:

N/A

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 Office of Fiscal Integrity (OFI) investigates a vast array of complex fraud cases. Although division investigative expertise influences the outcome, referrals and case-specific facts are more controlling on actual performance. When compared to FY 2018-19, OFI referrals declined by nearly 48%. The OFI's underperformance can be partially attributed to the significant reduction in referrals.

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:

To better capture performance, the OFI is requesting two new measures.



Department of Financial Services

Performance Measure Validity and Reliability–LRPP Exhibit IV

LRPP EXHIBIT IV: Performance Measure Validity and Reliability

Department: Department of Financial Services

Program: Office of Chief Financial Officer and Administration

Service/Budget Entity: Executive Direction and Support Services/43010100

Measure: Administrative Costs as a Percentage of Total Agency Costs

Action (check one): N/A

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

Data Sources and Methodology:

Validity:

Reliability:

LRPP EXHIBIT IV: Performance Measure Validity and Reliability

Department: Department of Financial Services

Program: Office of Chief Financial Officer and Administration

Service/Budget Entity: Executive Direction and Support Services/43010100

Measure: Administrative Positions as a Percentage of Total Agency Positions

Action (check one): N/A

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

Data Sources and Methodology:

Validity:

Reliability:

LRPP EXHIBIT IV: Performance Measure Validity and Reliability

Department: Department of Financial Services

Program: Office of Chief Financial Officer and Administration

Service/Budget Entity: Legal Services/43010200

Measure: Percentage of Closed Files Involving Allegations of Statutory Violation That Were Successfully Prosecuted

Action (check one): N/A

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

Data Sources and Methodology:

Validity:

Reliability:

LRPP EXHIBIT IV: Performance Measure Validity and Reliability

Department: Department of Financial Services

Program: Office of Chief Financial Officer and Administration

Service/Budget Entity: Information Technology/43010300

Measure: Percentage of Scheduled Hours Computer and Network is Available

Action (check one): N/A

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

Data Sources and Methodology:

Validity:

Reliability:

LRPP EXHIBIT IV: Performance Measure Validity and Reliability

Department: Department of Financial Services

Program: Office of Chief Financial Officer and Administration

Service/Budget Entity: Information Technology/43010300

Measure: Percentage 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): N/A

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

Data Sources and Methodology:

Validity:

Reliability:

LRPP EXHIBIT IV: Performance Measure Validity and Reliability

Department: Department of Financial Services

Program: Office of Chief Financial Officer and Administration

Service/Budget Entity: Information Technology/43010300

Measure: Establish a Comprehensive Functional Inventory of Department Software Applications

Action (check one): N/A

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

Data Sources and Methodology:

Validity:

Reliability:

LRPP EXHIBIT IV: Performance Measure Validity and Reliability

Department: Department of Financial Services

Program: Office of Chief Financial Officer and Administration

Service/Budget Entity: Consumer Advocate/43010400

Measure: Percentage of Cases Responded to and/or Referred Within Three (3) Business 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 Office of the Insurance Consumer Advocate (OICA) uses a MS Access database to track consumer cases. The database includes a received date, an initial response date, and other information. The received date and the initial response date are used to determine the number of days it takes the OICA to respond to and/or refer a case. The measurement is calculated by subtracting the received date from the date responded to and/or referred. The response and referral dates will be the same. Once the number of days is determined, the total number of cases for the fiscal year is counted. The percentage is calculated by dividing the number of cases that were responded to and/or referred within the specified number of days by the total number of cases received during the fiscal year. This calculation is run annually for the OICA's LRPP or at the request of management. Each month, a tracking report is provided to management for the review of industry trends and OICA timeliness.

$$= \frac{\text{\# of cases responded to/referred within 3 business days}}{\text{Total \# of cases received during fiscal year}}$$

Validity:

The OICA strives to provide excellent service and to assist with the insurance issue resolution. To help ensure a high level of service, the OICA has determined that cases should be responded to and/or referred within three (3) business days of receipt. The response time is an appropriate way to measure the OICA's efficiency and commitment to serving Florida consumers. The exclusion of Saturday and Sunday and other state holidays creates a more accurate assessment of the OICA's response time.

The OICA's employee correspondence guide provides instructions and timeliness requirements. Cases received are assigned to an OICA employee within one business day of receipt to ensure the consumer is responded to timely. Current staffing is sufficient to achieve an appropriate response time to consumer cases; however, staffing measures and case volume can affect the outcome of this measure.

The current three-day standard is based on historical performance by the OICA. Every case received by the OICA during the fiscal year is counted this measure, and the OICA has met or surpassed this measurement for more than four fiscal years. Counting each case and providing a response to consumers within three business days helps the OICA continue to represent the DFS in a professional and consumer-focused manner.

Reliability:

OICA staff enter information and dates as cases are received, assigned, and worked. This process ensures accurate and up-to-date information is in the database. When the time between the date received and the date responded is calculated, the dates are checked for input errors. If any errors are found, the errors are corrected, and the calculation is done again. Once the data is error free, any repeat calculations will continue to yield the same results. The database's date fields require entered information to be in a date format, further mitigating input errors.

The OICA counts every case received during the fiscal year in its calculation of this measure, which ensures that calculation is not under-or-overstated. Since the measurement is based on the received date and initial response dates, reopened cases will not impact prior or future calculations.

The database is password protected to help eliminate unauthorized access. All OICA employees have access to the database and can enter consumer cases. Each month, management reviews the consumer cases entered into the database for that month, adding an additional level of monitoring for input errors and accuracy. The Department of Financial Services' Office of Inspector General expects to assess the validity and the reliability of new or revised measures after actual performance data becomes available.

LRPP EXHIBIT IV: Performance Measure Validity and Reliability

Department: Department of Financial Services

Program: Office of Chief Financial Officer and Administration

Service/Budget Entity: Consumer Advocate/43010400

Measure: Percentage of Rate Filings Subject to Public Hearing Which Were Reviewed by our Office

Action (check one): N/A

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

Data Sources and Methodology:

Validity:

Reliability:

LRPP EXHIBIT IV: Performance Measure Validity and Reliability

Department: Department of Financial Services

Program: Office of Chief Financial Officer and Administration

Service/Budget Entity: Information Technology-FLAIR Infrastructure/43010500

Measure: Percentage of Scheduled Hours Computer and Network is Available

Action (check one): N/A

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

Data Sources and Methodology:

Validity:

Reliability:

LRPP EXHIBIT IV: Performance Measure Validity and Reliability

Department: Department of Financial Services

Program: Treasury

Service/Budget Entity: Deposit Security/43100200

Measure: Percentage of Collateral Administrative Program Transactions Completed within Three Business Days

Action (check one): N/A

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

Data Sources and Methodology:

Validity:

Reliability:

LRPP EXHIBIT IV: Performance Measure Validity and Reliability

Department: Department of Financial Services

Program: Treasury

Service/Budget Entity: Deposit Security/43100200

Measure: Percentage of Analyses of the Qualified Public Depositories Completed within 90 Days of the Start of the Analysis Cycle

Action (check one): N/A

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

Data Sources and Methodology:

Validity:

Reliability:

LRPP EXHIBIT IV: Performance Measure Validity and Reliability

Department: Department of Financial Services

Program: Treasury

Service/Budget Entity: State Funds Management and Investment/43100300

Measure: Percentage of Core Accounting Processes that Meet Established Deadlines and Standards for Accuracy

Action (check one): N/A

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

Data Sources and Methodology:

Validity:

Reliability:

LRPP EXHIBIT IV: Performance Measure Validity and Reliability

Department: Department of Financial Services

Program: Treasury

Service/Budget Entity: State Funds Management and Investment/43100300

Measure: Percentage by Which the Treasury's Investment Pool Exceeded the Blended Benchmark for a Rolling, Three-Year Period

Action (check one): N/A

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

Data Sources and Methodology:

Validity:

Reliability:

LRPP EXHIBIT IV: Performance Measure Validity and Reliability

Department: Department of Financial Services

Program: Treasury

Service/Budget Entity: Supplemental Retirement Plan/43100400

Measure: Percentage of State Employees Participation in the State Deferred Compensation Plan

Action (check one): N/A

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

Data Sources and Methodology

Validity:

Reliability:

LRPP EXHIBIT IV: Performance Measure Validity and Reliability

Department: Department of Financial Services

Program: Financial Accountability for Public Funds

Service/Budget Entity: State Financial Information and State Agency Accounting/43200100

Measure: Number of Contracts Reviewed

Action (check one): N/A

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

Data Sources and Methodology:

Validity:

Reliability:

LRPP EXHIBIT IV: Performance Measure Validity and Reliability

Department: Department of Financial Services

Program: Financial Accountability for Public Funds

Service/Budget Entity: State Financial Information and State Agency Accounting/43200100

Measure: Number of Agencies Audited for Contract/Grant Managers Performance

Action (check one): N/A: Requested Deletion

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

Data Sources and Methodology:

Validity:

Reliability:

LRPP EXHIBIT IV: Performance Measure Validity and Reliability

Department: Department of Financial Services

Program: Financial Accountability for Public Funds

Service/Budget Entity: Recovery and Return of Unclaimed Property/43200200

Measure: Percentage of Claims Processed within 60 Days from Date Received (Cumulative Total)

Action (check one): N/A

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

Data Sources and Methodology:

Validity:

Reliability:

LRPP EXHIBIT IV: Performance Measure Validity and Reliability

Department: Department of Financial Services

Program: Financial Accountability for Public Funds

Service/Budget Entity: Recovery and Return of Unclaimed Property/43200200

Measure: Number of Reported Accounts Uploaded into UPMIS

Action (check one): N/A

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

Data Sources and Methodology:

Validity:

Reliability:

LRPP EXHIBIT IV: Performance Measure Validity and Reliability

Department: Department of Financial Services

Program: Financial Accountability for Public Funds

Service/Budget Entity: Recovery and Return of Unclaimed Property/43200200

Measure: Number of Claims Paid and Dollar Amount of Claim Payments

Action (check one): N/A

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

Data Sources and Methodology:

Validity:

Reliability:

LRPP EXHIBIT IV: Performance Measure Validity and Reliability

Department: Department of Financial Services

Program: Financial Accountability for Public Funds

Service/Budget Entity: Recovery and Return of Unclaimed Property/43200200

Measure: Number of New Holders Reporting Unclaimed Property in the Fiscal Year

Action (check one): N/A

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

Data Sources and Methodology:

Validity:

Reliability:

LRPP EXHIBIT IV: Performance Measure Validity and Reliability

Department: Department of Financial Services

Program: Financial Accountability for Public Funds

Service/Budget Entity: Florida Planning, Accounting and Ledger Management /43200300

Measure: Percentage of Time That the Solution Application in the Production Environment(s) Are Available for Access and Use by Their Intended Users

Action (check one):

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

Available (and its derivative forms):

Available means that the application or environment is available for access and use by its intended users without experiencing any Severity Level 1 or Severity Level 2 Deficiencies or problems

Deficiency:

An error, defect, non-conformity or other problem in or with a Deliverable, software, or system that prevents it from meeting or operating properly in accordance with its requirements and specifications.

Deliverable:

Deliverables are classified as documents, services, technology implementations, events, or qualified and quantified benefits. All results, items and/or materials representing goods and Services, provided, prepared and delivered or to be delivered to the Department in the course of performance under the Florida PALM SSI Contract, FP004, of the Services by the Contractor.

Production Environment:

The Florida PALM production environment is the infrastructure and software enabling end users to process financial transactions for the State of Florida.

Severity Level 1 (Critical) Problem:

A problem or Deficiency that causes total failure of critical Solution components or unrecoverable data loss, resulting in a critical business impact.

Severity Level 2 (Major) Problem:

A problem or Deficiency that causes substantial failure of critical Solution components or data to be incorrectly processed or stored, causing a major business impact.

Solution (Financial Management Solution):

Collectively, the new integrated system, including all of its components and elements, is the principal object of the Project. The system is intended to replace the four main components of the FLAIR subsystem, those being central FLAIR, departmental FLAIR, payroll, information warehouse and the cash management and accounting management components of the CMS.

Data Sources and Methodology:

System availability is measured monthly. The total outage periods for a reporting month will be deducted from scheduled availability to calculate the actual availability. Failure factors caused by an agency or Department are excluded. Planned maintenance schedules will be defined in the Production Support Operations Plan deliverable. Planned maintenance will be excluded from the measurement. The annual measure will be calculated as an average of the months that the system is active.

Per the Service Level Expectation (SLE) Reporting Plan, the measurement method for availability of the application will be based on data from the Oracle Enterprise Manager (OEM) monitoring tool. Severity Level 1 or Severity Level 2 incidents may be created either automatically by the monitoring tool or manually by the Department, a State user, or a Project team member.

The start time of a Severity Level 1 or Severity Level 2 incident will begin at the creation of the automated incident in the incident management system. The start time of manually created Severity Level 1 or Severity Level 2 incident will be manually entered into the incident management system. The end time of the Severity Level 1 or Severity Level 2 will be the time when OEM generated a clear alert. When OEM is unavailable to provide a clear alert, the end time will be manually entered and confirmed by the Department.

Total hours of actual availability = Total hours of scheduled availability - total outage times incurred during the Severity Level 1 and Severity Level 2 incidents in the reporting month. The measure requires the Solution application in the production environment(s) to be Available for access and use by their intended users at least 99.7% of the time, calculated using the following formula:

$$\frac{\textit{Total Hours of Actual Availability during Scheduled Hours}}{\textit{Total Hours of Scheduled Availability}} \times 100$$

Validity:

This measure supports the Department's goal to "Foster Open Government Through Financial Accountability and Transparency". The measure assists in maintaining the availability of the Solution for access and use, which helps to facilitate state financial information accessibility. The Department of Financial Services' Office of Inspector General expects to assess the validity and the reliability of new or revised measures after actual performance data becomes available.

Reliability:

The "Total Hours of Scheduled Availability" will be defined in the Production Support Operations deliverable prior to the measurement period. Performance measurement tools used to gather and track application data are listed in the SLE Reporting Plan and currently include OEM, and the Incident management system. The availability of the system is automatically tracked and entered into the incident management system by OEM, which increases accuracy of the measurement. There is a potential degree of external influence as incidents may be manually entered. In the event that the monitoring tools are not available to provide a clear alert, and a manual entry is required, the Department will perform a confirmation step. The measure is unbiased as the data is either predefined or automatically generated.

LRPP EXHIBIT IV: Performance Measure Validity and Reliability

Department: Department of Financial Services

Program: Fire Marshal

Service/Budget Entity: Compliance and Enforcement/43300200

Measure: Percentage of Fire Code Inspections Completed within Statutory Defined Timeframes

Action (check one): N/A

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

Data Sources and Methodology:

Validity:

Reliability:

LRPP EXHIBIT IV: Performance Measure Validity and Reliability

Department: Department of Financial Services

Program: Fire Marshal

Service/Budget Entity: Compliance and Enforcement/43300200

Measure: Percentage of Mandated Regulatory Inspections Completed

Action (check one): N/A

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

Data Sources and Methodology:

Validity:

Reliability:

LRPP EXHIBIT IV: Performance Measure Validity and Reliability

Department: Department of Financial Services

Program: Fire Marshal

Service/Budget Entity: Compliance and Enforcement/43300200

Measure: Number of Regulatory Inspections Completed

Action (check one): N/A

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

Data Sources and Methodology:

Validity:

Reliability:

LRPP EXHIBIT IV: Performance Measure Validity and Reliability

Department: Department of Financial Services

Program: Fire Marshal

Service/Budget Entity: Compliance and Enforcement/43300200

Measure: Number of Entity Requests for Licenses, Permits and Certifications Processed within Statutorily Mandated Time Frames

Action (check one): N/A

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

Data Sources and Methodology:

Validity:

Reliability:

LRPP EXHIBIT IV: Performance Measure Validity and Reliability

Department: Department of Financial Services

Program: Fire Marshal

Service/Budget Entity: Professional Training and Standards/43300400

Measure: Percentage of Fire College Students Passing Certification Exam on First Attempt

Action (check one): N/A

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

Data Sources and Methodology:

Validity:

Reliability:

LRPP EXHIBIT IV: Performance Measure Validity and Reliability

Department: Department of Financial Services

Program: Fire Marshal

Service/Budget Entity: Professional Training and Standards/43300400

Measure: Number of Students Trained and Classroom Contact Hours Provided by the Florida State Fire College

Action (check one): N/A

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

Data Sources and Methodology:

Validity:

Reliability:

LRPP EXHIBIT IV: Performance Measure Validity and Reliability

Department: Department of Financial Services

Program: Fire Marshal

Service/Budget Entity: Professional Training and Standards/43300400

Measure: Number of Florida Certification Programs Updated to NFPA standard in Preparation for National and International Accreditation or Re-Accreditation

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 certification program is defined as a class or series of classes that leads to certification or competency in a particular area. The Fire College has achieved international accreditation through the National Board on Firefighter Professional Qualifications (Pro Board) and the International Fire Service Accreditation Council (IFSAC). Both accrediting bodies and the Florida State Fire College utilize the National Fire Protection Association's job performance requirements (JPR) as the basis for developing all certifications. The JPR standard provides for consistent program validation.

Validity:

Certification program accreditation or re-accreditation by both Pro Board and IFSAC bear direct relationships with each certification programs currency with the relevant NFPA standard and provides for measurement consistent with consensus national standards. The Fire College's certification programs directly relate to the agency goal to equip first responders with the training and tools necessary to protect Floridians.

Reliability:

The Pro Board and the IFSAC both conduct historical accredited program review to assure that certification programs and classes leading to certification follow the current NFPA standard before re-accreditation may be granted. The currency monitoring with NFPA standards is conducted annually by each accrediting agency. If the agency determines that an NFPA standard is not current, the agency will notify the deficient entity and provide a defined correction period for addressing issues. Both entities conduct reaccreditation on five-year cycles. Each NFPA standard is revised on a five-year cycle but not typically within the same five-year window as the program re-accreditation. The revision of each certification program and associated classes to the current NFPA standard(s) will ensure all Pro Board and IFSAC re-accreditation will be achieved through the regular and ongoing efforts of the Fire College. The Department of Financial Services' Office of Inspector General expects to assess the validity and the reliability of new or revised measures after actual performance data becomes available.

LRPP EXHIBIT IV: Performance Measure Validity and Reliability

Department: Department of Financial Services

Program: Fire Marshal

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

Measure: Administrative Costs as a Percentage of Program Agency Costs

Action (check one): N/A

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

Data Sources and Methodology:

Validity:

Reliability:

LRPP EXHIBIT IV: Performance Measure Validity and Reliability

Department: Department of Financial Services

Program: Fire Marshal

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

Measure: Administrative Positions as a Percentage 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:

Definitions:

“Administrative Positions” means the total number of GAA-authorized, full-time equivalent positions in the Fire Marshal Administrative and Support budget entity.

“Total Program Positions” means the total number of GAA-authorized, full-time equivalent (FTE) positions in the Fire Marshal program.

The Division of State Fire Marshal (DSFM) annually retrieves authorized FTE figures from the GAA for each of its budget entities. The DSFM applies the formula below using the definitions above to calculate the measure. Unless special legislation modifies authorizations, the DSFM does not anticipate intra-year fluctuations. The figure timely depicts staffing structure.

$$\frac{\textit{Administrative Positions}}{\textit{Total Program Positions}} \times 100$$

Validity:

The budget entity’s administrative activities promote a customer-focused culture, strengthen efficiency and allow it to effectively manage regulatory activities. Further, these activities enable the DSFM to train first responders and to provide for the administration of the Florida Fire Prevention Code. The target can be substantiated through an analysis of historical data and trends.

Reliability:

Agency personnel unbiasedly report GAA position data. The measure accurately reflects authorized positions, and division staff will make interim adjustments as required. Since leadership allocates funding and position authorizations, the measure might be influenced by external activities. Third parties can verify the data definition values through the Laws of Florida website. Although source data is posted by the Florida Department of State, division staff periodically calculate and verify the values.

LRPP EXHIBIT IV: Performance Measure Validity and Reliability

Department: Department of Financial Services

Program: State Property and Casualty Claims

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

Measure: Average Loss Adjustment Expense per Claim Worked

Action (check one): N/A

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

Data Sources and Methodology:

Validity:

Reliability:

LRPP EXHIBIT IV: Performance Measure Validity and Reliability

Department: Department of Financial Services

Program: State Property and Casualty Claims

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

Measure: Percentage of Indemnity and Medical Payments Made in a Timely Manner in Compliance with DFS Rule 69L-24.006, F.A.C.

Action (check one): N/A

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

Data Sources and Methodology:

Validity:

Reliability:

LRPP EXHIBIT IV: Performance Measure Validity and Reliability

Department: Department of Financial Services

Program: State Property and Casualty Claims

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

Measure: Percentage of Tort Liability Claim Files Resolved within Four (4) years Without Litigation

Action (check one): N/A

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

Data Sources and Methodology:

Validity:

Reliability:

LRPP EXHIBIT IV: Performance Measure Validity and Reliability

Department: Department of Financial Services

Program: State Property and Casualty Claims

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

Measure: Average Cost of Workers' Compensation Claims Paid

Action (check one): N/A: Request Deletion

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

Data Sources and Methodology:

Validity:

Reliability:

LRPP EXHIBIT IV: Performance Measure Validity and Reliability

Department: Department of Financial Services

Program: State Property and Casualty Claims

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

Measure: Percentage of Liability Claims Closed in Relation to Liability Claims Worked During the Fiscal Year

Action (check one): N/A

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

Data Sources and Methodology:

Validity:

Reliability:

LRPP EXHIBIT IV: Performance Measure Validity and Reliability

Department: Department of Financial Services

Program: State Property and Casualty Claims

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

Measure: Number of Workers' Compensation Claims Worked

Action (check one): N/A

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

Data Sources and Methodology:

Validity:

Reliability:

LRPP EXHIBIT IV: Performance Measure Validity and Reliability

Department: Department of Financial Services

Program: State Property and Casualty Claims

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

Measure: Number of Liability Claims Worked

Action (check one): N/A

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

Data Sources and Methodology:

Validity:

Reliability:

LRPP EXHIBIT IV: Performance Measure Validity and Reliability

Department: Department of Financial Services

Program: State Property and Casualty Claims

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

Measure: Number of State Property Loss/Damage Claims Worked

Action (check one): N/A

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

Data Sources and Methodology:

Validity:

Reliability:

LRPP EXHIBIT IV: Performance Measure Validity and Reliability

Department: Department of Financial Services

Program: State Property and Casualty Claims

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

Measure: Number of Agency Loss Prevention Training and Consultation Events Conducted during the Fiscal Year (Top Three (3) Agencies)

Action (check one): N/A

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

Data Sources and Methodology:

Validity:

Reliability:

LRPP EXHIBIT IV: Performance Measure Validity and Reliability

Department: Department of Financial Services

Program: Licensing and Consumer Protection

Service/Budget Entity: Insurance Company Rehabilitation and Liquidation/
43500100

Measure: Percentage of Service Requests Closed within 30 Days

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, impaired or insolvent insurance companies are placed in receivership for conservation, rehabilitation, or liquidation by an order of the Second Judicial Circuit Court in Leon County, Florida (the "Court"). The Florida Department of Financial Services ("Department") is the court appointed receiver for certain insurance entities that are ordered into receivership. The Division of Rehabilitation and Liquidation ("Division") administers the receiverships on behalf of the Department coordinating and directing the receivership processes from the entry of the initial receivership order until a discharge order is entered by the Court.

Consumer inquiries are received by the means listed below.

1) Phone Inquiries Received by Department's Division of Consumer Services: Calls received via this toll-free phone number are initially handled by the Division of Consumer Services' customer service representatives. If a consumer inquiry requires further research or a receivership-specific response, the call is forwarded to the Division by a specialized, dedicated consumer service software. The inquiries are then processed by Division employees in accordance with approved policies and procedures.

2) Phone Inquiries Received Directly by Division: Infrequently, the Division directly receives phone inquiries. The Division employee enters call information into the consumer service database and processes the inquiry in accordance with approved policies and procedures.

3) Email Inquiries Received Directly by Division: Email inquiries are frequently received via the Division's "contact us" form but may also be sent directly to Division employees. Division employees review email inquiries daily, enter them into the dedicated consumer services database and process the inquiries in accordance with approved policies and procedures.

4) Fax Inquiries Received by Division: Fax inquiries are received via the Division fax machine. Division employees review the fax inquiries daily, enter them into the dedicated consumer services database and process the inquiries in accordance with approved policies and procedures.

Regardless of the original source of the consumer inquiry, all consumer inquiries entered into the consumer service database are known as “service requests.” When a service request assigned to a Division employee is resolved (e.g., through response to the inquiring consumer), the service request is marked “closed”. The performance measure is calculated using results obtained from the “*Rehab Assigned SRs > Not PR*” automated report. This report reflects the information related to the percentage of service requests assigned to the Division and closed within 30 days from the date they were assigned in the database. The query excludes public records.

The performance measure is calculated using the automated results of the query referenced above. Although the Division tracks the figures monthly, the number reported for the LRPP is based on a single report at the end of the fiscal year. The total number of service requests assigned and closed within 30 days is divided by the total number of service requests assigned to the Division during the fiscal year the resulting fraction is multiplied by 100 to create the LRPP percentage.

Validity:

The measure is an essential aspect of performance because it directly relates to the mission, goals, and objectives of the Department and Division. Specifically, the measure helps to ensure that the Division delivers value to the public, including receivership claimants and Florida citizens. As noted in the methodology section, all service requests meeting the definitions above captured in the report are analyzed. Since the Division calculates the figure monthly and annually, it can assess performance trends overtime. Although the Division’s operational efficiency significantly impacts the number of service requests closed within 30 days, an increase in receiverships is likely to increase the number of inquiries, which would increase the divisor.

The changes would modify the approved performance standard and would change the data source. The current approved performance measure for FY 2020-2021 is 90%. The requested revision to the performance measure would increase the standard to 95%. The Department of Financial Services’ Office of Inspector General expects to assess the validity and the reliability of new or revised measures after actual performance data becomes available.

Reliability:

The queries used to determine the receipt and the aging of individual service requests have been tested and have been routinely used throughout the Department. Division consumer inquiry controls require sources to be checked daily, prevent receipt date changes (unless the request is reopened), and create an audit trail for each request, which shows when the request was initially received and when it was resolved/closed. Further, all data maintained in the consumer service software is stored, backed-up and archived in accordance with the Department’s server and data management guidelines.

Based on the internal controls described above, the measure is correctly defined, verifiable, consistent with the definition and reliable. The measure and underlying data are unbiased and representative of the target population because they reflect only the length of time it takes to close all service requests, excluding public records. However, the measure is subject to a degree of external influence because inquiries are driven by consumer needs.

LRPP EXHIBIT IV: Performance Measure Validity and Reliability

Department: Department of Financial Services

Program: Licensing and Consumer Protection

Service/Budget Entity: Insurance Company Rehabilitation and Liquidation/
43500100

Measure: Percentage of Non-Claimant Invoices Paid within 40 Days

Action (check one): N/A

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

Data Sources and Methodology:

Validity:

Reliability:

LRPP EXHIBIT IV: Performance Measure Validity and Reliability

Department: Department of Financial Services

Program: Licensing and Consumer Protection

Service/Budget Entity: Licensure, Sales Appointment and Oversight/43500200

Measure: Cost of Licensing Operations per Active License

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 Definitions

“Operational Expenses” are calculated by identifying the sum of expenditures directly attributable to the Bureau of Licensing (BL) for the respective fiscal year. To do this, BL staff tabulates monthly expenditures for organization code 43532000000 in the categories listed below¹. Indirect costs, such as services provided to the BL by other areas of the department (Executive Direction, Legal Services, General Services, and Information Technology) are not used in this measure because they are wholly outside of the control of the BL.

“Active Licenses” are licenses in a valid status, which authorize a person to be appointed to transact insurance or to adjust claims for any kind, line, or class of insurance. The number of active licenses for June, the last month of the fiscal year, will be the number of active licenses used to calculate the cost per active license for that fiscal year’s report.

This measure looks at the operational cost of the Division per active license (some licensees may hold more than one active license). Since this measure contains expenditure information, the value changes throughout the year. The operational cost for the fiscal year per active license for June, the last month of the fiscal year, will be the final amount for that fiscal year’s report. To find the annual value, the BL divides Operational Expenses by Active Licenses as shown in the formula below.

$$\frac{\text{Operational Expenses}}{\text{Active Licenses}}$$

¹ Salary & Benefits (Object 10000), OPS (Object 30000), Expense (Object 40000), OCO (Object 60000), Contracted Services (Object 100777), Insurance (Object 103241), Lease/Purchase Equipment (Object 105281), and DMS HR Services (Object 107040)

Validity:

This measure helps monitor the effectiveness of the Division of Agent & Agency Services and to ensure we are maximizing efficiency and resources. Based on historical performance, the Division would like to revise its standard to \$2.80 per active license. Although the measure is influenced by demand for licensing, the operational efficiency created by the Division impacts the outcome. Since division staff tabulates all information meeting the specified parameters, the metric unbiasedly reflects all data elements.

Reliability:

All systems required to track this measure are deemed to be reliable. The expenditure information contained in Florida's financial management systems is verified according to state internal controls. The Department of Financial Services' Office of Inspector General expects to assess the validity and the reliability of new or revised measures after actual performance data becomes available.

LRPP EXHIBIT IV: Performance Measure Validity and Reliability

Department: Department of Financial Services

Program: Licensing and Consumer Protection

Service/Budget Entity: Licensure, Sales Appointment and Oversight/43500200

Measure: Average Direct Cost of Investigation Operations per Completed Investigation

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 looks at the operational cost of the Bureau of Investigations (BI) per completed investigation. Investigations are completed when all necessary facts are gathered and a probable cause determination is made. If probable cause exists, the BI transfers the case to the Legal Processing Unit (LPU) for regulatory action; when probable cause does not exist, the investigation is closed without further action or with a letter of guidance.

1. The overall BI operational expenses during the fiscal year are calculated by identifying BI expenditures¹ on a monthly basis. The overall operational expenses will come from the Division's budget information in the FLAIR system, which is provided by the Division of Accounting and Auditing every month. Indirect costs, such as services provided to the BI by other areas of the department (Executive Direction, Legal Services, General Services, and Information Technology) are not used in this measure as they are wholly outside of the control of the BI.

2. The number of completed investigations are counted using reports in the investigative database, EMILI. Investigations are considered completed when they are closed without action or when they have been submitted to the LPU. These are the steps to identify the number of completed investigations:

A. Total number of investigations that were completed and closed without regulatory action:

Using the "Cases Closed" report in EMILI, enter the appropriate date range in the "Date Closed" field. Staff filters out investigations that have a date in the "Submit to LPU" field.

B. Total number of investigations that were referred to the LPU for regulatory action

¹ (Flair Org # 43531000000) for Salary & Benefits (Object 10000), OPS (Object 30000), Expense (Object 40000), OCO (Object 60000), Contracted Services (Object 100777), Insurance (Object 103241), Lease/Purchase Equipment (Object 105281), and DMS HR Services (Object 107040)

Using the same "Cases Closed" report in EMILI, enter the date range being measured in the "Submit to LPU" field.

C. Add A and B together to get the total number of investigations completed.

3. Divide the operational expense amount from Step 1 by the total number of completed investigations from Step 2.

Validity:

This measure helps monitor the effectiveness of the Division of Agent & Agency Services to ensure we are maximizing efficiency and resources.

Reliability:

All systems required to track this measure are deemed to be reliable. Procedures are in place to ensure that data is entered timely into BAAITS, and proper system access controls are in place to make sure that data cannot be manipulated by investigators or other users. The Department of Financial Services' Office of Inspector General expects to assess the validity and the reliability of new or revised measures after actual performance data becomes available.

LRPP EXHIBIT IV: Performance Measure Validity and Reliability

Department: Department of Financial Services

Program: Licensing and Consumer Protection

Service/Budget Entity: Licensure, Sales Appointment and Oversight/43500200

Measure: Average Number of Investigations Completed per Investigator

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 looks at the output of the Bureau of Investigations (BI), measuring the average number of completed investigations per investigator.

An investigation results from the receipt of a complaint alleging a violation of law. Investigations are completed when all the necessary facts of the issue are gathered and a probable cause determination is made. If probable causes exists, the investigation is handed over to the Legal Processing Unit (LPU) for regulatory action; when probable cause does not exist, the investigation is closed without further action or with a letter of guidance.

1. Get overall number of completed investigations from the investigation database, EMILI. Investigations are considered completed when they are closed without action, or when they have been submitted to the LPU. These are the steps to identify the number of completed investigations:

A. Total number of investigations that were completed and closed without regulatory action: Using the "Cases Closed" report in EMILI, enter the appropriate date range in the "Date Closed" field. Then filter out the investigations that have a date in the "Submit to LPU" field.

B. Total number of investigations that were referred to the LPU for regulatory action: Using the same "Cases Closed" report in EMILI, enter the date range being measured in the "Submit to LPU" field.

C. Add A and B together to get the total number of investigations completed.

2. Pull the number of budgeted investigators from the agency budget. Currently, all investigator positions are assigned to the Field Operations Section of the Bureau of Investigations, and are classified as Insurance Analyst II or Government Analyst I.

3. We will then divide the number of investigations in Step 1 by the total number of investigators in step 2.

Validity:

This measure helps monitor the effectiveness of the Division of Agent & Agency Services to ensure we are maximizing efficiency and resources.

Reliability:

All systems required to track this measure are deemed to be reliable. Procedures are in place to ensure that data is entered timely into EMILI, and proper system access controls are in place to make sure that data cannot be manipulated by investigators or other users. The Department of Financial Services' Office of Inspector General expects to assess the validity and the reliability of new or revised measures after actual performance data becomes available.

LRPP EXHIBIT IV: Performance Measure Validity and Reliability

Department: Department of Financial Services

Program: Licensing and Consumer Protection

Service/Budget Entity: Licensure, Sales Appointment and Oversight/43500200

Measure: Average Number of Applications Processed per Licensing FTE

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 evaluate productivity within the Bureau of Licensing (BL) by looking at the average number of applications processed per full-time employee. Applications are considered processed when they are approved, denied, or withdrawn. Several application types are included in this measure, and two BL systems are used to collect the data.

Licensing systems:

- AALF is the external system where outside entities and individuals submit online applications for new licenses. AALF Admin is the internal system interface that contains system reports, which the division use to track and count applications.
- ALIS is the division's internal licensing system that contains all records related to licensees, except continuing education information. This system is used by staff to process applications that have been submitted online or on paper.
- DICE is the division's system for all records related to pre-licensing and continuing education. This system is used by external individuals and entities to submit all education related applications but also has an internal side used by staff to process all education related applications and manage records.

The application counts for all application types are pulled monthly by division office staff and entered into a spreadsheet for tracking.

Application types included in this measure (data source):

- New license applications for individuals and firms.
These applications are tracked by their source:
AALF - applications submitted through the Division's online application system,
Paper - new license applications for certain license types that require paper applications
NFTI - applications received through the National Association of Insurance Commissioners (NAIC) non-resident application program
(ALIS, Application, Application linked to Person or Firm record, Application Source Code = A, AALF / P, Paper / N, NFTI)
 - New insurance agency applications (ALIS, Agency application queue item)
 - New firm branch license applications (AALF, Applications, Service Type = 5)
 - New agency location applications (AALF, Applications, Application Type = A (Add New Location), Service Type = 18)
 - Education provider applications (DICE, Provider Application report)
 - School Official applications (DICE, Official Application report)
 - Instructor applications (DICE, Instructor Application report)
 - Course applications (DICE, Course Application report)
 - Course offering applications (DICE, Course Offering Application report)
2. The number of budgeted FTEs for the Bureau of Licensing is pulled from the agency budget. All staff in the Bureau are involved in some portion of the licensing process.
3. We will then divide the number of applications in Step 1 by the total number of FTEs in step 2.

Validity:

This measure will help monitor the efficiency of our licensing operations to ensure we are properly utilizing resources.

Reliability:

All systems required to track this measure are deemed to be reliable. System reports and email notifications are in place to make sure that all applications submitted online are moved into the work queues for staff processing in a timely manner. Processes are in place to ensure that the data is pulled around the same time each month, and proper system access controls are in place to prohibit any data manipulation by staff. The Department of Financial Services' Office of Inspector General expects to assess the validity and the reliability of new or revised measures after actual performance data becomes available.

LRPP EXHIBIT IV: Performance Measure Validity and Reliability

Department: Department of Financial Services

Program: Licensing and Consumer Protection

Service/Budget Entity: Consumer Assistance/43500400

Measure: Percentage of Helpline Call and Service Request Audits 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 looks at the percentage of helpline calls and service request audits that result in quality service. The audit data sources include calls received on the helpline and closed service requests (files worked by helpline employees). Each month audit assignments are sent to Division auditors to complete. Audits are entered into a Microsoft Office Secure Access Audit Database for tracking.

The overall result in quality service during the fiscal year is calculated by identifying the total number of helpline and service request audits completed between January 1st and June 30th. Next, the number of quality audits was determined by identifying the number of audits that achieved the benchmark score or higher for each audit type. The number of quality audits is then divided by the total number of audits completed to equal the combined audit quality percentage.

Commented [AT1]: Is it not for the entire fiscal year?

Validity:

The Division audit program was completely revamped during FY 2019-20. The revised employee assessment program tracks favorable performance outcomes by front-line employees. Quality points are awarded when quality service is provided to the consumer. The results will be used to evaluate how to improve the service consumers are provided when they contact the Helpline. The Department of Financial Services' Office of Inspector General expects to assess the validity and the reliability of new or revised measures after actual performance data becomes available.

Reliability:

For quality control, all data is monitored by the Division's audit coordinator. Data errors are corrected as identified. Guidelines and procedures are in place to ensure that the data is entered timely into the audit database, and proper controls are in place to prevent data manipulation by auditors or helpline employees.

LRPP EXHIBIT IV: Performance Measure Validity and Reliability

Department: Department of Financial Services

Program: Licensing and Consumer Protection

Service/Budget Entity: Consumer Assistance/43500400

Measure: Percentage of Consumer Survey Responses That Rate the Division's Services as Very Good or Excellent

Action (check one): N/A: Requested Deletion

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

Data Sources and Methodology:

Validity:

Reliability:

LRPP EXHIBIT IV: Performance Measure Validity and Reliability

Department: Department of Financial Services

Program: Licensing and Consumer Protection

Service/Budget Entity: Consumer Assistance/43500400

Measure: Percentage of Answered Phone Calls That are Answered within Four Minutes

Action (check one): N/A

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

Data Sources and Methodology:

Validity:

Reliability:

LRPP EXHIBIT IV: Performance Measure Validity and Reliability

Department: Department of Financial Services

Program: Licensing and Consumer Protection

Service/Budget Entity: Consumer Assistance/43500400

Measure: Percentage of Monetary Eligible Service Request that Resulted in a Recovery

Action (check one): N/A: Requested Deletion

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

Data Sources and Methodology:

Validity:

Reliability:

LRPP EXHIBIT IV: Performance Measure Validity and Reliability

Department: Department of Financial Services

Program: Licensing and Consumer Protection

Service/Budget Entity: Consumer Assistance/43500400

Measure: Cost of Helpline Operations Per Call 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:

This measure looks at the operational cost of the Division and the average number of calls completed per Consultant.

1. Get overall Division operational expenses during the current fiscal year. Use half of the Operational expenses, which are calculated by identifying the sum of expenditures directly attributable to the following areas

Division Director's Office (Flair Org # 43-52-00-00-000) for Salary & Benefits (Object 10000), OPS (Object 30000), Expense (Object 40000), OCO (Object 60000), Lease or Purchase Equipment (Object 105281), Contracted Services (Object 100777), HR (Object 107040), and Risk Management (Object 103241).

Consumer Assistance (Flair Org # 43-52-10-00-000) for Salary & Benefits (Object 10000), Expense (Object 40000), and Contracted Services (Object 100777).

Bureau of Education, Advocacy and Research (Flair Org # 43-52-40-00-000) for Salary & Benefits (Object 10000), Expense (Object 40000), and Contracted Services (Object 100777).

Consumer Outreach (Flair Org # 43-52-20-00-000) for Expense (Object 40000) and Operation MC (Object 102289).

Indirect costs, such as services provided to the Division by other areas of the department (Executive Direction, Legal Services, General Services, and Information Technology) are not used in this measure as they are wholly outside of the control of the Division.

2. Divide the operational expense amount from Step 1 by the total number of helpline calls answered. An answered call is a call handled through the Cisco Unified Intelligence Center (CUIC). The number of handled calls between July 1st and June 30th, will be the number of answered calls used to calculate the cost per helpline call for that fiscal year's report.

The overall operational expenses will come from the Division's budget information in the FLAIR system. The number of answered calls will be pulled from the Cisco Unified Intelligence Center (CUIC).

Validity:

This measurement helps monitor the effectiveness of the Division of Consumer Services to ensure we are maximizing efficiency and resources.

Reliability:

All systems required to track this measure are deemed to be reliable. This measurement looks at the amount the Division has spent during the current fiscal year. The operational cost for the fiscal year per call completed. The Department of Financial Services' Office of Inspector General expects to assess the validity and the reliability of new or revised measures after actual performance data becomes available.

LRPP EXHIBIT IV: Performance Measure Validity and Reliability

Department: Department of Financial Services

Program: Licensing and Consumer Protection

Service/Budget Entity: Consumer Assistance/43500400

Measure: Cost of Service Requests Operations Per Service Request 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:

This measure looks at the operational cost of the Division the average number of service requests completed per Examiner/Analyst.

1. Get overall Division operational expenses during the current fiscal year. Use half of the Operational expenses which are calculated by identifying the sum of expenditures directly attributable to the following areas

Division Director's Office (Flair Org # 43-52-00-00-000) for Salary & Benefits (Object 10000), OPS (Object 30000), Expense (Object 40000), OCO (Object 60000), Lease or Purchase Equipment (Object 105281), Contracted Services (Object 100777), HR (Object 107040), and Risk Management (Object 103241).

Consumer Assistance (Flair Org # 43-52-10-00-000) for Salary & Benefits (Object 10000), Expense (Object 40000), and Contracted Services (Object 100777).

Bureau of Education, Advocacy and Research (Flair Org # 43-52-40-00-000) for Salary & Benefits (Object 10000), Expense (Object 40000), and Contracted Services (Object 100777).

Consumer Outreach (Flair Org # 43-52-20-00-000) for Expense (Object 40000) and Operation MC (Object 102289).

Indirect costs, such as services provided to the Division by other areas of the department (Executive Direction, Legal Services, General Services, and Information Technology) are not used in this measure as they are wholly outside of the control of the Division.

2. Divide the operational expense amount from Step 1 by the total number of service requests closed. The number of closed service requests will be pulled from the Division's file tracking system called ServicePoint. A closed service request is an Insurance service request where an entity was contacted by a first letter and the consumer issue is deemed resolved. The number of closed service requests between July 1st and June 30th, will be the number of closed service requests used to calculate the cost per service request for that fiscal year's report.

The overall operational expenses will come from the Division's budget information in the FLAIR system. The number of closed service requests will be pulled from historical ServicePoint tables.

Validity:

This measurement helps monitor the effectiveness of the Division of Consumer Services to ensure we are maximizing efficiency and resources.

Reliability:

All systems required to track this measure are deemed to be reliable. This measurement looks at the amount the Division has spent during the current fiscal year. The operational cost for the fiscal year per service request completed. The Department of Financial Services' Office of Inspector General expects to assess the validity and the reliability of new or revised measures after actual performance data becomes available.

LRPP EXHIBIT IV: Performance Measure Validity and Reliability

Department: Department of Financial Services

Program: Licensing and Consumer Protection

Service/Budget Entity: Funeral and Cemetery Services/43500500

Measure: Percentage of Funeral Establishment Inspections That do Not Require Quality Control Follow-Up

Action (check one): N/A

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

Data Sources and Methodology:

Validity:

Reliability:

LRPP EXHIBIT IV: Performance Measure Validity and Reliability

Department: Department of Financial Services

Program: Licensing and Consumer Protection

Service/Budget Entity: Funeral and Cemetery Services/43500500

Measure: Percentage of Investigations Submitted by Legal to Probable Cause

Panel in Which the Panel Agrees with the Division's Probable Cause

Recommendation

Action (check one): N/A

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

Data Sources and Methodology:

Validity:

Reliability:

LRPP EXHIBIT IV: Performance Measure Validity and Reliability

Department: Department of Financial Services

Program: Licensing and Consumer Protection

Service/Budget Entity: Funeral and Cemetery Services/43500500

Measure: Average Time (Days) to Close an Investigation

Action (check one): N/A

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

Data Sources and Methodology:

Validity:

Reliability:

LRPP EXHIBIT IV: Performance Measure Validity and Reliability

Department: Department of Financial Services

Program: Licensing and Consumer Protection

Service/Budget Entity: Funeral and Cemetery Services/43500500

Measure: Percentage of Deficiency Letters Sent out within 5 Business Days of Receiving the Application

Action (check one): N/A

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

Data Sources and Methodology:

Validity:

Reliability:

LRPP EXHIBIT IV: Performance Measure Validity and Reliability

Department: Department of Financial Services

Program: Licensing and Consumer Protection

Service/Budget Entity: Public Assistance Fraud/43500700

Measure: Dollar Amount of Benefits Withheld, Saved and Recouped as a Percentage of Public Assistance Fraud Annual Budget

Action (check one): N/A

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

Methodology:

Validity:

Reliability:

LRPP EXHIBIT IV: Performance Measure Validity and Reliability

Department: Department of Financial Services

Program: Licensing and Consumer Protection

Service/Budget Entity: Public Assistance Fraud/43500700

Measure: Number of Completed Cases Resulting in Referral for Disqualification or Prosecution

Action (check one): N/A

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

Data Sources and Methodology:

Validity:

Reliability:

LRPP EXHIBIT IV: Performance Measure Validity and Reliability

Department: Department of Financial Services

Program: Workers' Compensation

Service/Budget Entity: Workers' Compensation/43600100

Measure: Percentage of Overall Accepted Claims Electronic Data Interchange (EDI) Form Filings

Action (check one): N/A

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

Data Sources and Methodology:

Validity:

Reliability:

LRPP EXHIBIT IV: Performance Measure Validity and Reliability

Department: Department of Financial Services

Program: Workers' Compensation

Service/Budget Entity: Workers' Compensation/43600100

Measure: Percentage of First Indemnity Payments Made Timely

Action (check one): N/A

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

Data Sources and Methodology:

Validity:

Reliability:

LRPP EXHIBIT IV: Performance Measure Validity and Reliability

Department: Department of Financial Services

Program: Workers' Compensation

Service/Budget Entity: Workers' Compensation/43600100

Measure: Number of Employer Investigations Conducted

Action (check one): N/A

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

Data Sources and Methodology:

Validity:

Reliability:

LRPP EXHIBIT IV: Performance Measure Validity and Reliability

Department: Department of Financial Services

Program: Workers' Compensation

Service/Budget Entity: Workers' Compensation/43600100

Measure: Percentage of Disputes Resolved for Injured Workers by the Employee Assistance Office

Action (check one): N/A

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

Data Sources and Methodology:

Validity:

Reliability:

LRPP EXHIBIT IV: Performance Measure Validity and Reliability

Department: Department of Financial Services

Program: Workers' Compensation

Service/Budget Entity: Workers' Compensation/43600100

Measure: Number of Petitions for Reimbursement Dispute Resolution Resolved

Action (check one): N/A

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

Data Sources and Methodology:

Validity:

Reliability:

LRPP EXHIBIT IV: Performance Measure Validity and Reliability

Department: Department of Financial Services

Program: Investigative and Forensic Services

Service/Budget Entity: Fire and Arson Investigations/43700100

Measure: Percentage of Arson Cases Cleared

Action (check one): N/A

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

Data Sources and Methodology:

Validity:

Reliability:

LRPP EXHIBIT IV: Performance Measure Validity and Reliability

Department: Department of Financial Services

Program: Investigative and Forensic Services

Service/Budget Entity: Fire and Arson Investigations/43700100

Measure: Percentage of Referrals Declined by State Attorney's Office for Prosecution

Action (check one): N/A: Request Deletion

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

Data Sources and Methodology:

Validity:

Reliability:

LRPP EXHIBIT IV: Performance Measure Validity and Reliability

Department: Department of Financial Services

Program: Investigative and Forensic Services

Service/Budget Entity: Fire and Arson Investigations/43700100

Measure: Percentage of Closed Fire Investigations Successfully Concluded, including by Cause Determined, Suspect Identified and/or Arrested or Other Reasons

Action (check one): N/A

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

Data Sources and Methodology:

Validity:

Reliability:

LRPP EXHIBIT IV: Performance Measure Validity and Reliability

Department: Department of Financial Services

Program: Investigative and Forensic Services

Service/Budget Entity: Fire and Arson Investigations/43700100

Measure: Percentage of Closed Arson Investigations for Which an Arrest Was Made in Florida

Action (check one): N/A: Request Deletion

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

Data Sources and Methodology:

Validity:

Reliability:

LRPP EXHIBIT IV: Performance Measure Validity and Reliability

Department: Department of Financial Services

Program: Investigative and Forensic Services

Service/Budget Entity: Forensic Services/43700200

Measure: The Number of Items Analyzed Chemically Plus the Number of Imaging Items Processed

Action (check one): N/A: Request Deletion

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

Data Sources and Methodology:

Validity:

Reliability:

LRPP EXHIBIT IV: Performance Measure Validity and Reliability

Department: Department of Financial Services
Program: Investigative and Forensic Services
Service/Budget Entity: Forensic Services/43700200
Measure: Lab Case Turnaround Time

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 laboratory chemically analyzes samples in response to customer requests. Chemical analyses and their associated quality assurance samples constitute the majority of the work done by the Bureau (70% to 80% depending on the service requests submitted in a month). As part of the request, the lab receives the samples and creates the case files. A case must contain at least one sample but could contain twenty or more samples. Case and sample information is input into the Laboratory Information Management System Database (SQL*LIMS or LIMS). The tracking period begins the day the samples within a case are assigned (assignment date), which is typically the received date or the following business day. After sample extraction and chemical analysis, the analyst reviews and interprets the data and must enter their findings for the sample in the LIMS. Only after all the samples within a case are entered is the case considered complete. The Lab Case Turnaround Time for an individual sample is calculated as the difference between the sample assignment date and completion date established by the analyst's final finding submission. For example, a five-sample case where three findings are input within three days and two findings within five days of assignment would result in a 3.8-day lab case turnaround time. The case turnaround time would be calculated as $(3 \text{ samples} * 3 \text{ days}) + (2 \text{ samples} * 5 \text{ days}) / 5 \text{ samples} = 3.8 \text{ days/sample (mean)}$.

Although the division monitors monthly performance at the lab and analyst levels, the annual figure should be calculated based on an annual report run for the fiscal year. The annual figure provides the best overall performance snapshot. As described in further detail below, the measure is correctly computed and stated.

Validity:

Tracking this measure promotes a customer-focused culture and strengthens efficiency. These results support investigative efforts of state, county and local law enforcement agencies and ultimately protect Floridians. Analyzing evidence for ignitable liquids, explosives or hazardous chemical associated with suspected crime scenes is one of the budget entity's primary functions and the one that consumes the majority of resources. Changes in operational efficiency may alter the turnaround time; however, submission timing, analyst time spent on leave, training time and testifying responsibilities will also impact performance and be reflected in the turnaround time.

Reliability:

The measure unbiasedly reflects the turnaround time for all accepted samples for chemical analyses received by the budget entity. A very small portion of samples may be returned to the requestor for not meeting established standards. All accepted chemical analysis samples are assigned in LIMS. The measure is susceptible to a degree of external influence; it may be influenced by demand for analyses, the portion of time analyst spends on leave or testifying, case complexity and other considerations. However, operational factors enable the division to exert some control over these figures. Technical and administrative reviews are conducted on all cases. Given the robust internal controls and verifiable queries, repeated trials should yield consistent results. The Department of Financial Services' Office of Inspector General expects to assess the validity and the reliability of new or revised measures after actual performance data becomes available.

LRPP EXHIBIT IV: Performance Measure Validity and Reliability

Department: Department of Financial Services

Program: Investigative and Forensic Services

Service/Budget Entity: Insurance Fraud/43700300

Measure: Requested Restitution as a Percentage of the Annual Appropriated Budget

Action (check one): N/A: Request Deletion

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

Data Sources and Methodology:

Validity:

Reliability:

LRPP EXHIBIT IV: Performance Measure Validity and Reliability

Department: Department of Financial Services

Program: Investigative and Forensic Services

Service/Budget Entity: Insurance Fraud/43700300

Measure: Percentage of Opened Insurance Fraud Cases Presented for Prosecution by Law Enforcement Investigators

Action (check one): N/A: Request Deletion

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

Data Sources and Methodology:

Validity:

Reliability:

LRPP EXHIBIT IV: Performance Measure Validity and Reliability

Department: Department of Financial Services

Program: Investigative and Forensic Services

Service/Budget Entity: Insurance Fraud/43700300

Measure: Number of Insurance Fraud Arrests (Not Including Workers' Compensation Arrests)

Action (check one): N/A: Request Deletion

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

Data Sources and Methodology:

Validity:

Reliability:

LRPP EXHIBIT IV: Performance Measure Validity and Reliability

Department: Department of Financial Services

Program: Investigative and Forensic Services

Service/Budget Entity: Insurance Fraud/43700300

Measure: Number of Workers' Compensation Insurance Fraud Arrests (not Including General Fraud Arrests)

Action (check one): N/A Request Deletion

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

Data Sources and Methodology:

Validity:

Reliability:

LRPP EXHIBIT IV: Performance Measure Validity and Reliability

Department: Department of Financial Services

Program: Investigative and Forensic Services

Service/Budget Entity: Insurance Fraud/43700300

Measure: Number of Presentations Submitted for Prosecution

Action (check one): N/A: Request Deletion

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

Data Sources and Methodology:

Validity:

Reliability:

LRPP EXHIBIT IV: Performance Measure Validity and Reliability

Department: Department of Financial Services

Program: Investigative and Forensic Services

Service/Budget Entity: Insurance Fraud/43700300

Measure: Percentage of Referrals That Result in Opened 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:

Individuals submit insurance fraud referrals by web portal, email, mail and/or telephone. Supervisory staff evaluate referrals, open cases and assign investigators. ACISS, the fraud complaint database, contains the investigatory data, which is retrieved monthly by the COPSaver reports. The calculation is completed by dividing the number of insurance fraud cases opened by the number of insurance fraud referrals. The figure is reviewed monthly, and an annual number is calculated based on the respective referral and open dates for the entire fiscal year. The measure is correctly stated and reflects ACISS investigatory data.

Validity:

The Insurance Fraud Budget Entity (IFBE's) process for reviewing referrals, assigning cases and investigating cases allows it to meet the Department's goal to combat fraud, abusive business practices and excessive regulation. Activities associated with the goal allow it to carry out the Department's objective to conduct successful investigations, which is an essential aspect of IFBE performance.

The IFBE's operational performance enables it to conduct its investigations and leads to favorable investigatory outcomes. The numerator, the insurance fraud referrals that result in opened cases, is determined by supervisory staff and influenced by the nature of referrals. The denominator of the percentage, the number of insurance fraud referrals, depends on fraud prevalence and reporting propensity. Since the IFBE directly controls a portion of the measure, efficiency may impact the measure. Referrals, open cases and other key statistics are continuously monitored at the IFBE and squad levels to track performance.

Reliability:

The proposed measure unbiasedly represents the total population or all insurance fraud referrals received through the enumerated means described in the Data Source Section. The ACISS system is the IFBE's controlled-access, third-party system that tracks referrals and cases. Since COPSaver reports only retrieve data from the database, all modifications to underlying data must be made by an approved ACISS user with case access. Although, the IFBE largely controls the numerator, the denominator is susceptible to a degree of external influence by the factors described above. The measuring procedure is reliable, verifiable, based on limited-access data and repeatable. The Department of Financial Services' Office of Inspector General expects to assess the validity and the reliability of new or revised measures after actual performance data becomes available.

LRPP EXHIBIT IV: Performance Measure Validity and Reliability

Department: Department of Financial Services

Program: Investigative and Forensic Services

Service/Budget Entity: Insurance Fraud/43700300

Measure: Percentage of Opened Cases That Result in Presentations

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:

Individuals submit insurance fraud referrals by web portal, email, mail and/or telephone. Supervisory staff evaluate referrals, open cases and assign investigators. ACISS, the fraud complaint database, contains the investigatory data, which is retrieved monthly by the COPSaver reports. The calculation is completed by dividing the number of insurance fraud case presentations by the number of opened insurance fraud cases for the reporting period. The figure is reviewed monthly, and an annual number is calculated based on the respective dates for the entire fiscal year. The measure is correctly stated and reflects ACISS investigatory data.

Validity:

The Insurance Fraud Budget Entity (IFBE's) process for reviewing referrals, assigning and investigating cases allows it to meet the Department's goal to combat fraud, abusive business practices and excessive regulation. IFBE's investigative activities allow the DFS to achieve the DFS objective by combating fraud through successful investigations.

The IFBE's operational performance enables it to conduct its investigations and leads to favorable investigatory outcomes. The numerator, the number of insurance fraud case presentations, are determined by the post-investigation merits of a case and influenced by the nature of referrals. The denominator of the percentage, the number of opened insurance fraud cases, depends on fraud prevalence, reporting propensity and whether a complaint is actionable. Since the IFBE directly controls a portion of the measure, efficiency may impact the measure. Presentations, opened cases and other key statistics are continuously monitored at the IFBE and squad levels to track performance.

For open cases to be presented, the evidence must establish probable cause. In addition, internal reviews track the number of declination by prosecutor allowing oversight of quality of presentations being made. These procedures ensure the validity of this measure.

Reliability:

The proposed measure unbiasedly represents opened insurance fraud cases and insurance fraud presentations for the period. The ACISS platform is the IFBE's controlled-access, third-party system, which tracks presentations and cases. Since COPSaver reports only retrieve data from the database, all modifications to underlying data must be made by an approved ACISS user with case access. Although, the IFBE controls the denominator to a degree, the numerator is susceptible to a degree of external influence by the factors described above. The measuring procedure is reliable, verifiable, based on limited-access data and repeatable. The Department of Financial Services' Office of Inspector General expects to assess the validity and the reliability of new or revised measures after actual performance data becomes available.

LRPP EXHIBIT IV: Performance Measure Validity and Reliability

Department: Department of Financial Services

Program: Investigative and Forensic Services

Service/Budget Entity: Office of Fiscal Integrity/43700400

Measure: Percentage of Office of Fiscal Integrity Investigations That Result in Action

Action (check one): N/A: Request Deletion

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

Data Sources and Methodology:

Validity:

Reliability:

LRPP EXHIBIT IV: Performance Measure Validity and Reliability

Department: Department of Financial Services

Program: Investigative and Forensic Services

Service/Budget Entity: Office of Fiscal Integrity/43700400

Measure: Percentage of Referrals That Result in Opened 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:

Individuals submit fiscal integrity referrals by web portal, email, mail and/or telephone. Supervisory staff evaluate referrals, open cases and assign investigators. ACISS, the fraud complaint database, contains the investigatory data, which is retrieved monthly by the COPSaver reports. The calculation is completed by dividing the number of fiscal integrity cases opened by the number of fiscal integrity referrals. The figure is reviewed monthly, and an annual number is calculated based on the respective referral and open dates for the entire fiscal year. The measure is correctly stated and reflects ACISS investigatory data.

Validity:

The Fiscal Integrity Budget Entity's (FIBE) process for reviewing referrals, assigning cases and investigating cases allows it to meet the Department's goal to combat fraud, abusive business practices and excessive regulation. Activities associated with the goal allow it to carry out the Department's objective to conduct successful investigations, which is an essential aspect of FIBE performance.

The FIBE's operational performance enables it to conduct its investigations and leads to favorable investigatory outcomes. The numerator, the fiscal integrity referrals that result in opened cases, are determined by supervisory staff and influenced by the nature of referrals. The denominator of the percentage, the number of fiscal integrity referrals, depends on fraud prevalence and reporting propensity. Since the FIBE directly controls a portion of the measure, efficiency may impact the measure. Referrals, open cases and other key statistics are continuously monitored at the FIBE level to track performance.

Reliability:

The proposed measure unbiasedly represents the total population or all fiscal integrity referrals received through the enumerated means described in the Data Source Section. The ACISS system is the FIBE's controlled-access, third-party system that tracks referrals and cases. Since COPSaver reports only retrieve data from the database, all modifications to underlying data must be made by an approved ACISS user with case access. Although, the FIBE largely controls the numerator, the denominator is susceptible to a degree of external influence by the factors described above. The measuring procedure is reliable, verifiable, based on limited-access data and repeatable. The Department of Financial Services' Office of Inspector General expects to assess the validity and the reliability of new or revised measures after actual performance data becomes available.

LRPP EXHIBIT IV: Performance Measure Validity and Reliability

Department: Department of Financial Services

Program: Investigative and Forensic Services

Service/Budget Entity: Office of Fiscal Integrity/43700400

Measure: Percentage of Opened Cases That Result in Presentations

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:

Individuals submit fiscal integrity fraud referrals by web portal, email, mail and/or telephone. Supervisory staff evaluate referrals, open cases and assign investigators. ACISS, the fraud complaint database, contains the investigatory data, which is retrieved monthly by the COPSaver reports. The calculation is completed by dividing the number of fiscal integrity fraud case presentations by the number of opened fiscal integrity cases for the reporting period. The figure is reviewed monthly, and an annual number is calculated based on the respective dates for the entire fiscal year. The measure is correctly stated and reflects ACISS investigatory data.

Validity:

The Fiscal Integrity Budget Entity's (FIBE) process for reviewing referrals, assigning cases and investigating cases allows it to meet the Department's goal to combat fraud, abusive business practices and excessive regulation. Activities associated with the goal allow it to carry out the Department's objective to conduct successful investigations, which is an essential aspect of FIBE performance.

The FIBE's operational performance enables it to conduct its investigations and leads to favorable investigatory outcomes. The numerator, the number of fiscal integrity case presentations, are determined by the post-investigation merits of a case and influenced by the nature of referrals. The denominator of the percentage, the number of opened fiscal integrity cases, depends on fraud prevalence, reporting propensity and whether a complaint is actionable. Since the FIBE directly controls a portion of the measure, efficiency may impact the measure. Presentations, opened cases and other key statistics are continuously monitored at the FIBE level to track performance.

For open case to meet the threshold of presentation enough evidence must be established to prove probable cause. In addition, internal reviews track the number of declination by prosecutor allowing oversight of quality of presentations being made. These procedures insure the validity of this measure.

Reliability:

The proposed measure unbiasedly represents the total number of opened fiscal integrity cases and fiscal integrity presentations for the period. The ACISS system is the FIBE's controlled-access, third-party system that tracks presentations and cases. Since COPsaver reports only retrieve data from the database, all modifications to underlying data must be made by an approved ACISS user with case access. Although, the FIBE controls the denominator to a degree, the numerator is susceptible to a degree of external influence by the factors described above. The measuring procedure is reliable, verifiable, based on limited-access data and repeatable.



Department of Financial Services

Associated Activities Contributing to Performance Measure—LRPP Exhibit V

LRPP Exhibit V: Identification of Associated Activity Contributing to Performance Measures

Measure Number	Approved Performance Measures for 43010100 FY 2020-21	Associated Activities Title
1	Administrative Costs as a Percentage of Total Agency Costs	ACT0010 Executive Direction ACT0030 Legislative Affairs ACT0040 External Affairs ACT0050 Cabinet Affairs ACT0060 Inspector General ACT0070 Communications/Public Information ACT0080 Director of Administration ACT0090 Planning and Budgeting ACT0100 Finance and Accounting ACT0110 Personnel Services/Human Resources ACT0120 Training ACT0130 Mail Room
2	Administrative Positions as a Percentage of Total Agency Positions	ACT0010 Executive Direction ACT0030 Legislative Affairs ACT0040 External Affairs ACT0050 Cabinet Affairs ACT0060 Inspector General ACT0070 Communications/Public Information ACT0080 Director of Administration ACT0090 Planning and Budgeting ACT0100 Finance and Accounting ACT0110 Personnel Services/Human Resources ACT0120 Training ACT0130 Mail Room

LRPP Exhibit V: Identification of Associated Activity Contributing to Performance Measures

Measure Number	Approved Performance Measures for 43010200 FY 2020-21	Associated Activities Title
3	Percentage of Closed Files Involving Allegations of Statutory Violation That Were Successfully Prosecuted	ACT0020 General Counsel/Legal

LRPP Exhibit V: Identification of Associated Activity Contributing to Performance Measures

Measure Number	Approved Performance Measures for 43010300 FY 2020-21	Associated Activities Title
4	Percentage of scheduled hours computer and network is available	ACT0330 Information Technology-Computer Operations ACT0340 Information Technology-Network Operations ACT0350 Information Technology-Desk Top Support
5	Percentage 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	ACT0320 Information Technology-Application Development/Support ACT0330 Information Technology-Computer Operations ACT0340 Information Technology-Network Operations ACT0350 Information Technology-Desk Top Support
6	Establish a comprehensive functional inventory of Department software applications	ACT0320 Information Technology-Application Development/Support ACT0330 Information Technology-Computer Operations ACT0340 Information Technology-Network Operations ACT0350 Information Technology-Desk Top Support

LRPP Exhibit V: Identification of Associated Activity Contributing to Performance Measures

Measure Number	Approved Performance Measures for 43010400 FY 2020-21	Associated Activities Title
7	Percentage of Referred Cases Responded to and/or Transferred within Three (3) Days of Receipt	ACT1040 Insurance Consumer Advocate
8	Percentage of Rate Filings Subject to Public Hearing which Were Reviewed by Our Office	ACT1040 Insurance Consumer Advocate

LRPP Exhibit V: Identification of Associated Activity Contributing to Performance Measures

Measure Number	Approved Performance Measures for 43010500 FY 2020-21	Associated Activities Title
9	Percentage of Scheduled Hours Computer and Network is Available	ACT0300 Information Technology-Executive Direction

LRPP Exhibit V: Identification of Associated Activity Contributing to Performance Measures

Measure Number	Approved Performance Measures for 43100200 FY 2020-21	Associated Activities Title
10	Percentage of Collateral Administrative Program Transactions Completed within Three Business Days	ACT 1220 Process Transactions, Account Changes and Audit Functions ACT 0010 Executive Direction
11	Percentage of Analyses of the Qualified Public Depositories Completed within 90 Days of the Start of the Analysis Cycle	ACT 1210 Provide Analysis on Securities Held for Deposit and Qulaified Public Depositories ACT 0010 Executive Direction

LRPP Exhibit V: Identification of Associated Activity Contributing to Performance Measures

Measure Number	Approved Performance Measures for 43100300 FY 2020-21	Associated Activities Title
12	Percentage of Core Accounting Processes That Meet Established Deadlines and Standards for Accuracy	ACT 1330 Receive Funds, Process Payments of Warrants and Provide Account and Reconciliation Services
13	Percentage by Which the Treasury's Investment Pool Exceeded the Blended Benchmark for a Rolling Three-Year Period	ACT 1310 Investment of Public Funds

LRPP Exhibit V: Identification of Associated Activity Contributing to Performance Measures

Measure Number	Approved Performance Measures for 43100400 FY 2020-21	Associated Activities Title
14	Percentage of State Employees Participation in the State Deferred Compensation Plan	ACT 1410 Administer the State Supplemental Deferred Compensation Plan

LRPP Exhibit V: Identification of Associated Activity Contributing to Performance Measures

Measure Number	Approved Performance Measures for 43200100 FY 2020-21	Associated Activities Title
15	Number of Contracts Reviewed	ACT2140 Conduct Post-Audits of Major State Programs
		ACT2110 Accounting and Reporting of State Funds
16	Number of Agencies Audited for Contract/Grant Managers Performance	ACT2140 Conduct Post-Audits of Major State Programs
		ACT2110 Accounting and Reporting of State Funds

LRPP Exhibit V: Identification of Associated Activity Contributing to Performance Measures

Measure Number	Approved Performance Measures for 43200200 FY 2020-21	Associated Activities Title
17	Percentage of Claims Processed within 60 Days from Date Received (Cumulative Total)	ACT2220 Process and Payment of Unclaimed Property
18	Number of Reported Accounts Uploaded into UPMIS	ACT2220 Process and Payment of Unclaimed Property
19	Number of Claims Paid and Dollar Amount of Claim Payments	ACT2220 Process and Payment of Unclaimed Property
20	Number of New Holders Reporting Unclaimed Property in the Fiscal Year	ACT2220 Process and Payment of Unclaimed Property
		ACT2210 Collect Unclaimed Property

LRPP Exhibit V: Identification of Associated Activity Contributing to Performance Measures

Measure Number	Approved Performance Measures for 43200300 FY 2020-21	Associated Activities Title
N/A	N/A	N/A

LRPP Exhibit V: Identification of Associated Activity Contributing to Performance Measures

Measure Number	Approved Performance Measures for 43300200 FY 2020-21	Associated Activities Title
21	Percentage of Fire Code Inspections Completed within Statutory Defined Timeframes	ACT3220 Perform Fire Safety Inspections
22	Percentage of Mandated Regulatory Inspections Completed	ACT3220 Perform Fire Safety Inspections
23	Number of Regulatory Inspections Completed	ACT3220 Perform Fire Safety Inspections
24	Number of Entity Requests for Licenses, Permits and Certifications Processed within Statutorily Mandated Time Frames	ACT3210 License the Fire Protection Industry

LRPP Exhibit V: Identification of Associated Activity Contributing to Performance Measures

Measure Number	Approved Performance Measures for 43300400 FY 2020-21	Associated Activities Title
25	Percentage of Fire College Students Passing Certification Exam on First Attempt	ACT3410 Provide State, Local, and Business Professional Training and Education ACT3420 Provide State, Local, and Business Professional Standards, Testing and Statutory Compliance
26	Number of Students Trained and Classroom Contract Hours Provided by the Florida State Fire College	ACT3410 Provide State, Local, and Business Professional Training and Education
27	Number of Florida Certification Programs Submitted for National Accreditation or Re-Accreditation	ACT3410 Provide State, Local, and Business Professional Training and Education

LRPP Exhibit V: Identification of Associated Activity Contributing to Performance Measures

Measure Number	Approved Performance Measures for 43300500 FY 2020-21	Associated Activities Title
28	Administrative Costs as a Percentage of Program Agency Costs	ACT0010 Executive Direction
29	Administrative Positions as a Percentage of Total Program Positions	ACT0010 Executive Direction

LRPP Exhibit V: Identification of Associated Activity Contributing to Performance Measures

Measure Number	Approved Performance Measures for 43400100 FY 2020-21	Associated Activities Title
30	Average Loss Adjustment Expense per Claim Worked	ACT4110 Provide Adjusting Services on State Workers' Compensation Claims ACT4120 Provide Adjusting Services on State Liability Claims ACT4130 Process Property Claims on State Owned Buildings (Structure & Contents)
31	Percentage of Indemnity and Medical Payments Made in a Timely Manner in Compliance with DFS Rule 69L-24.006, F.A.C.	ACT4110 Provide Adjusting Services on State Workers' Compensation Claims
32	Percentage of Tort Liability Claim Files Resolved within Four (4) Years Without Litigation	ACT4120 Provide Adjusting Services on State Liability Claims
33	Average Cost of Workers' Compensation Claims Paid	ACT4110 Provide Adjusting Services on State Workers' Compensation Claims
34	Percentage of Liability Claims Closed in Relation to Liability Claims Worked during the Fiscal Year	ACT4120 Provide Adjusting Services on State Liability Claims
35	Number of Workers' Compensation Claims Worked	ACT4110 Provide Adjusting Services on State Workers' Compensation Claims
36	Number of Liability Claims Worked	ACT4120 Provide Adjusting Services on State Liability Claims
37	Number of State Property Loss/Damage Claims Worked	ACT4130 Process Property Claims on State Owned Buildings (Structure & Contents)
38	Number of Agency Loss Prevention Training and Consultation Events Conducted during the Fiscal Year (Top Three (3) Agencies)	ACT4140 Provide Risk Services Training and Consultation

LRPP Exhibit V: Identification of Associated Activity Contributing to Performance Measures

Measure Number	Approved Performance Measures for 43500100 FY 2020-21	Associated Activities Title
39	Percentage of Service Requests Closed within 30 Days	ACT5110 Rehabilitate and/or Liquidate Financially Impaired Insurance Companies
40	Percentage of Non-Claimant Invoices Paid within 40 Days	ACT5110 Rehabilitate and/or Liquidate Financially Impaired Insurance Companies

LRPP Exhibit V: Identification of Associated Activity Contributing to Performance Measures

Measure Number	Approved Performance Measures for 43500200 FY 2020-21	Associated Activities Title
41	Cost of Licensing Operations per Active License	ACT5210 Review Applications for Licensure (Qualifications) ACT5240 Administration of Education Requirements (Pre-Licensing and Continuing Education) ACT5220 Administer Examinations and Issue Licenses
42	Average Direct Cost of Investigation Operations per Completed Investigation	ACT5250 Investigate Agents & Agencies
43	Average Number of Investigations Completed per Investigator	ACT5250 Investigate Agents & Agencies
44	Average Number of Applications Processed per Licensing FTE	ACT5210 Review Applications for Licensure (Qualifications)

LRPP Exhibit V: Identification of Associated Activity Contributing to Performance Measures

Measure Number	Approved Performance Measures for 43500400 FY 2020-21	Associated Activities Title
45	Percentage of Helpline Call and Service Audits That Result in Quality Service	ACT5410 Respond to Consumer Requests for Assistance ACT5420 Provide Consumer Education Activities ACT5430 Answer Consumer Telephone Calls
46	Percentage of Consumer Survey Responses that Rate the Division's Services as Very Good or Excellent	ACT5410 Respond to Consumer Requests for Assistance
47	Percentage of Answered Phone Calls that are Answered within Four Minutes	ACT5430 Answer Consumer Telephone Calls
48	Percentage of Monetary Eligible Service Requests that Resulted in a Recovery	ACT5410 Respond to Consumer Requests for Assistance

LRPP Exhibit V: Identification of Associated Activity Contributing to Performance Measures

Measure Number	Approved Performance Measures for 43500500 FY 2020-21	Associated Activities Title
49	Percentage of Funeral Establishment Inspections That do not Require Quality Control Follow-Up	ACT5470 Examine and Regulate Licensees in the Funeral & Cemetery Business (Chapter 497) to Ensure Regulatory Compliance
50	Percentage of Investigations Submitted by Legal to Probable Cause Panel in which the Panel Agrees with the Division's Probable Cause Recommendation	ACT5470 Examine and Regulate Licensees in the Funeral & Cemetery Business (Chapter 497) to Ensure Regulatory Compliance
51	Average Time (Days) to Close an Investigation	ACT5470 Examine and Regulate Licensees in the Funeral & Cemetery Business (Chapter 497) to Ensure Regulatory Compliance
52	Percentage of Deficiency Letters Sent Out within Five (5) Business Days of Receiving the Application	ACT5470 Examine and Regulate Licensees in the Funeral & Cemetery Business (Chapter 497) to Ensure Regulatory Compliance

LRPP Exhibit V: Identification of Associated Activity Contributing to Performance Measures

Measure Number	Approved Performance Measures for 43500700 FY 2020-21	Associated Activities Title
53	Dollar amount of Benefits Withheld, Saved, and Recouped as a Percentage of Public Assistance Fraud Annual Budget	ACT9070 Public Assistance Fraud Investigations
54	Number of Completed Cases Resulting in Referral for Disqualification or Prosecution	ACT9070 Public Assistance Fraud Investigations

LRPP Exhibit V: Identification of Associated Activity Contributing to Performance Measures

Measure Number	Approved Performance Measures for 43600100 FY 2020-21	Associated Activities Title
55	Percentage of Overall Accepted Claims Electronic Data Interchange (EDI) Form Filings	ACT6110 Monitor and Audit Workers' Compensation Insurers to Ensure Benefit Payments
56	Percentage of First Indemnity Payments Made Timely	ACT6110 Monitor and Audit Workers' Compensation Insurers to Ensure Benefit Payments
57	Number of Employer Investigations Conducted	ACT6120 Verify That Employers Comply with Workers' Compensation Laws
58	Percentage of Disputes Resolved for Injured Workers by the Employee Assistance Office	ACT6130 Facilitate the Informal Resolution of Disputes with Injured Workers, Employers and Insurance Carriers
59	Number of Petitions for Reimbursement Dispute Resolution Resolved	ACT6130 Facilitate the Informal Resolution of Disputes with Injured Workers, Employers and Insurance Carriers
		ACT6140 Provide Reimbursement for Workers' Compensation Claims Paid by Insurance Carriers on Employees Hired with Preexisting Conditions
		ACT6190 Reimbursement Disputes

LRPP Exhibit V: Identification of Associated Activity Contributing to Performance Measures

Measure Number	Approved Performance Measures for 43700100 FY 2020-21	Associated Activities Title
60	Percentage of Arson Cases Cleared	ACT3310 Investigate Fires Accidental, Arson and Other
61	Percentage of Referrals Declined by State Attorney's Office for Prosecution	ACT3310 Investigate Fires Accidental, Arson and Other
62	Percentage of Closed Fire Investigations Successfully Concluded, including by Cause Determined, Suspect Identified and/or Arrested or Other Reasons	ACT3310 Investigate Fires Accidental, Arson and Other
63	Percentage of Closed Arson Investigations for which an Arrest was Made in Florida	ACT3310 Investigate Fires Accidental, Arson and Other

LRPP Exhibit V: Identification of Associated Activity Contributing to Performance Measures

Measure Number	Approved Performance Measures for 43700200 FY 2020-21	Associated Activities Title
64	The number of Items Analyzed Chemically Plus the Number of Imaging Items Processed	ACT3510 Provide Forensic Laboratory Services

LRPP Exhibit V: Identification of Associated Activity Contributing to Performance Measures

Measure Number	Approved Performance Measures for 43700300 FY 2020-21	Associated Activities Title
65	Requested Restitution as a Percentage of the Annual Appropriated Budget	ACT5310 Investigate Insurance Fraud ACT5320 Investigate Workers' Compensation Insurance Fraud
66	Percentage of Opened Insurance Fraud Cases Presented for Prosecution by Law Enforcement Investigators	ACT5310 Investigate Insurance Fraud ACT5320 Investigate Workers' Compensation Insurance Fraud
67	Number of Insurance Fraud Arrests (not Including Workers' Compensation Arrests)	ACT5310 Investigate Insurance Fraud
68	Number of Worker's Compensation Insurance Fraud Arrests (not Including General Fraud Arrests)	ACT5320 Investigate Workers' Compensation Insurance Fraud
69	Number of Presentations Submitted for Prosecution	ACT5310 Investigate Insurance Fraud ACT5320 Investigate Workers' Compensation Insurance Fraud

LRPP Exhibit V: Identification of Associated Activity Contributing to Performance Measures

Measure Number	Approved Performance Measures for 43700400 FY 2020-21	Associated Activities Title
70	Percentage of Office of Fiscal Integrity investigations That Result in Action	ACT 2170 Conduct Fiscal Integrity Investigations



Department of Financial Services

Agency-Level Unit Cost Summary – LRPP Exhibit VI

FINANCIAL SERVICES, DEPARTMENT OF		FISCAL YEAR 2019-20			
SECTION I: BUDGET		OPERATING		FIXED CAPITAL OUTLAY	
TOTAL ALL FUNDS GENERAL APPROPRIATIONS ACT			380,274,192	8,521,379	
ADJUSTMENTS TO GENERAL APPROPRIATIONS ACT (Supplementals, Vetoes, Budget Amendments, etc.)			53,897,520	-5,500,000	
FINAL BUDGET FOR AGENCY			434,171,712	3,021,379	
SECTION II: ACTIVITIES * MEASURES		Number of Units	(1) Unit Cost	(2) Expenditures (Allocated)	(3) FCO
Executive Direction, Administrative Support and Information Technology (2)					441,482
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.		3,736	117.78	440,026	
Process Transactions, Account Changes And Audit Functions * Number of account actions taken on regulatory collateral deposit accounts.		56,920	19.82	1,128,114	
Investment Of Public Funds * Average Dollar Volume of Funds Invested		27,200,000,000	0.00	1,019,900	
Provide Cash Management Services * Number of cash management consultation services.		51	28,809.69	1,469,294	
Receive Funds, Process Payment Of Warrants And Provide Account And Reconciliation Services * Number of financial management/accounting transactions processed and reports produced.		2,800,000	0.80	2,239,342	
Administer The State Supplemental Deferred Compensation Plan * Number of Participant account actions processed by the Bureau of Deferred Compensation.		1,838,999	1.00	1,839,971	
Accounting And Reporting Of State Funds * State Accounts Managed in the Florida Accounting Information Reporting System.		35,933	129.32	4,646,804	
Migrate Current Accounts Payable Procedures To Electronic Commerce * Payments issued electronically to settle claims against the state.		12,978,616	0.07	859,561	
Conduct Pre-audits Of Selected Accounts Payable * Vendor payment requests that are pre-audited for compliance with statutes and contract requirements		349,573	24.55	8,580,738	
Conduct Post-audits Of Major State Programs * Post-audits completed of major state programs to determine compliance with statutes and contract requirements.		6	85,086.33	510,518	
Process State Employees Payroll * Payroll payments issued		3,135,434	0.70	2,196,644	
Conduct Fiscal Integrity Investigations * Fiscal integrity investigations completed to investigate allegations or suspicions of fraud, waste or abuse.		98	7,898.71	774,074	
Article V - Clerk Of The Courts * N/A		15	34,239.40	513,591	
Collect Unclaimed Property * Accounts reported by holders of unclaimed property.		3,090,797	1.16	3,594,818	
Process And Payment Of Unclaimed Property * Payments processed for claims of unclaimed property.		543,411	6.59	3,578,938	
License The Fire Protection Industry * Number of entity requests for licenses, permits and certificates processed within statutorily mandated time frames.		7,974	76.75	612,001	
Perform Fire Safety Inspections * Number of inspections of fire code compliance completed.		14,581	319.24	4,654,902	
Review Construction Plans For Fire Code Compliance * Number of construction plans reviewed.		457	1,337.19	611,096	
Perform Boiler Inspections * Number of boiler inspections completed by department inspectors.		847	805.95	682,639	
Investigate Fires Accidental, Arson And Other * Total number of closed fire investigations involving economic or physical loss.		3,757	4,637.23	17,422,088	
Provide State, Local And Business Professional Training And Education * Number of classroom contact hours provided by the Florida State Fire College.		134,931	18.36	2,477,241	
Provide State, Local And Business Professional Standards, Testing And Statutory Compliance * Number of examinations administered.		8,020	146.30	1,173,320	
Provide Forensic Laboratory Services * Number of evidence items and photographic images processed.		10,145	116.36	1,180,427	
Fire Incident Reporting * Number of total incidents reported to the Florida Fire Incident Reporting System.		2,245,552	0.15	335,317	
Provide Adjusting Services On State Workers' Compensation Claims * Number of workers' compensation claims worked.		18,233	2,024.05	36,904,586	
Provide Adjusting Services On State Liability Claims * Number of liability claims worked.		5,906	2,170.00	12,815,999	
Process Property Claims On State Owned Buildings (structure And Contents) * Number of state property loss/damage claims worked.		326	7,149.98	2,330,894	
Provide Risk Services Training And Consultation * Number of agency loss prevention staff trained during the fiscal year.		253	8,110.34	2,051,917	
Rehabilitate And/Or Liquidate Financially Impaired Insurance Companies * Number of insurance companies in receivership during the year.		12	72,652.92	871,835	
Review Applications For Licensure (qualifications) * Number of applications for licensure processed.		125,288	24.66	3,089,738	
Administer Examinations And Issue Licenses * Number of examinations administered and licenses authorized.		44,724	42.30	1,891,900	
Administer The Appointment Process From Employers And Insurers * Number of appointment actions processed.		2,061,738	0.42	860,285	
Administration Of Education Requirements (pre Licensing And Continuing Education) * Number of applicants and licensees required to comply with education requirements.		302,315	1.47	445,861	
Investigate Agents And Agencies * Number of agent and agency investigations completed.		3,471	1,805.55	6,267,067	
Investigate Insurance Fraud (general) * Number of insurance fraud investigations completed (not including workers- compensation).		1,098	21,056.15	23,119,651	
Investigate Workers' Compensation Insurance Fraud * Number of workers' compensation insurance fraud investigations completed.		470	7,749.45	3,642,241	
Respond To Consumer Request For Assistance * Number of consumer requests and informational inquiries handled.		58,738	82.97	4,873,265	
Provide Consumer Education Activities * Number of visits to the Consumer Services website.		509,419	1.42	724,368	
Answer Consumer Telephone Calls * Number of telephone calls answered through the consumer helpline.		261,929	20.88	5,468,332	
Examine And Regulate Licensees In The Funeral & Cemetery Business (chapter 497) To Ensure Regulatory Compliance * Number of examinations and inspections completed.		1,885	1,556.36	2,933,746	
Monitor And Audit Workers' Compensation Insurers To Ensure Benefit Payments * Number of claims reviewed annually.		104,850	46.65	4,891,456	
Verify That Employers Comply With Workers' Compensation Laws * Number of employer investigations conducted.		28,291	559.63	15,832,510	
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.		589	9,299.15	5,477,197	
Provide Reimbursement For Workers' Compensation Claims Paid By Insurance Carriers On Employees Hired With Preexisting Conditions * Number of reimbursement requests (SDF-2) audited.		1,169	1,329.07	1,553,683	
Collection Of Assessments From Workers' Compensation Insurance Providers * Amount of assessment dollars collected.		66,729,914	0.01	753,158	
Data Collection, Dissemination, And Archival * Number of records successfully entered into the division's databases.		5,118,578	0.82	4,180,669	
Reimbursement Disputes * Number of petitions resolved annually		4,091	438.71	1,794,764	
Public Assistance Fraud Investigations * Number of public assistance fraud investigations conducted.		3,248	2,407.73	7,820,295	
Approve And License Entities To Conduct Insurance Business. * Number of Certificates of Authority (COAs) processed.		147	7,083.93	1,041,338	
Conduct And Direct Market Conduct Examinations. * Number of examinations and investigations completed for licensed companies and unlicensed entities		197	17,809.24	3,508,421	
Conduct Financial Reviews And Examinations. * Number of financial reviews and examinations completed.		7,258	2,564.93	18,616,265	
Review And Approve Rate And Form Filings. * Number of rate and forms review completed.		12,720	749.40	9,532,323	
Examine And Regulate Financial Services Companies To Ensure Regulatory Compliance. * Examinations of non-depository financial service companies to determine compliance with regulations.		297	18,319.35	5,440,846	
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.		20,605	113.48	2,338,235	
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.		89	141,232.02	12,569,650	
Examine And Enforce Laws Regarding International Financial Institutions To Ensure Safety And Soundness. * Number of international financial institutions examined to ensure safety and soundness.		10	86,571.60	865,716	
Conduct Financial Investigations Into Allegations Of Fraudulent Activity. * Number of financial investigations into allegations of fraudulent activity.		130	32,877.82	4,274,116	
Examine And Regulate Money Services Businesses To Ensure Regulatory Compliance * Examinations of money services businesses conducted to determine compliance with regulations.		164	37,363.49	6,127,613	
Examine And Regulate Securities Firms, Branches To Ensure Regulatory Compliance. * Conduct examinations of securities firms and branches.		176	39,087.99	6,879,486	
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.		53,115	58.28	3,095,346	
TOTAL				287,426,036	441,482
SECTION III: RECONCILIATION TO BUDGET					
PASS THROUGHS					
TRANSFER - STATE AGENCIES					
AID TO LOCAL GOVERNMENTS					
PAYMENT OF PENSIONS, BENEFITS AND CLAIMS				4,150,000	
OTHER				102,490,581	2,566,379
REVERSIONS				40,105,121	
TOTAL BUDGET FOR AGENCY (Total Activities + Pass Throughs + Reversions) - Should equal Section I above. (4)				434,171,738	3,007,861

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 costs.

(4) Final Budget for Agency and Total Budget for Agency may not equal due to rounding.

 SECTION III - PASS THROUGH ACTIVITY ISSUE CODES SELECTED:

TRANSFER-STATE AGENCIES ACTIVITY ISSUE CODES SELECTED:

1-8:

AID TO LOCAL GOVERNMENTS ACTIVITY ISSUE CODES SELECTED:

1-8:

 AUDIT #1: THE FOLLOWING STATEWIDE ACTIVITIES (ACT0010 THROUGH ACT0490) HAVE AN OUTPUT STANDARD
 (RECORD TYPE 5) AND SHOULD NOT:

*** NO ACTIVITIES FOUND ***

 AUDIT #2: 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 ***

 AUDIT #3: THE ACTIVITIES LISTED IN AUDIT #3 DO NOT HAVE AN ASSOCIATED OUTPUT STANDARD. IN ADDITION, THE
 ACTIVITIES WERE NOT IDENTIFIED AS A TRANSFER-STATE AGENCIES, AS AID TO LOCAL GOVERNMENTS, OR A PAYMENT OF
 PENSIONS, BENEFITS AND CLAIMS (ACT0430). ACTIVITIES LISTED HERE SHOULD REPRESENT TRANSFERS/PASS THROUGH
 THAT ARE NOT REPRESENTED BY THOSE ABOVE OR ADMINISTRATIVE COSTS THAT ARE UNIQUE TO THE AGENCY AND
 ARE NOT APPROPRIATE TO BE ALLOCATED TO ALL OTHER ACTIVITIES.

BE	PC	CODE	TITLE	EXPENDITURES	FCO
43500400	1205000000	ACT1020	HOLOCAUST VICTIMS ASSISTANCE	289,769	
43010400	1602000000	ACT1040	INSURANCE CONSUMER ADVOCATE	696,737	
43010500	1603000000	ACT1050	INFORMATION TECHNOLOGY - FLAIR	14,030,089	
43200100	1601000000	ACT2010	PASS THROUGH FROM PRISON INDUSTRY	408,774	
43200100	1601000000	ACT2020	PASS THROUGH - TRANSFER TO STATE	24,553,356	
43200100	1601000000	ACT2160	CONDUCT POST-AUDITS OF PAYROLL	67,897	
43200300	1603000000	ACT2180	FLORIDA ACCOUNTING INFORMATION	30,842,133	
43200100	1601000000	ACT2195	PASS THROUGH FLORIDA CLERKS OF	2,300,000	
43300400	1202000000	ACT3430	PASS-THROUGH GRANTS AND AIDS	893,513	
43300500	1202000000	ACT3440	PASS-THROUGH GRANTS AND AIDS LOCAL	3,818,659	2,566,379
43300500	1202000000	ACT3530	PASS THROUGH - TRANSFER TO	1,000,000	
43400100	1601000000	ACT4150	PURCHASE OF EXCESS INSURANCE	11,163,301	
43700400	1205000000	ACT5510	HURRICANES AND OTHER NATURAL	9,108,269	
43700300	1205000000	ACT5520	CORONAVIRUS COVID 19	171,000	
43600100	1102020000	ACT6010	TRANSFER TO 1ST DISTRICT COURT OF	1,927,395	

43900110	1204000000	ACT9150	HURRICANE RATE/RISK MODEL	969,689
43600100	1102020000	ACT9940	TRANSFER TO THE UNIVERSITY OF	250,000

AUDIT #4: TOTALS FROM SECTION I AND SECTIONS II + III:

DEPARTMENT: 43	EXPENDITURES	FCO
FINAL BUDGET FOR AGENCY (SECTION I):	434,171,712	3,021,379
TOTAL BUDGET FOR AGENCY (SECTIONS II + III):	434,171,738	3,007,861
	-----	-----
DIFFERENCE:	26-	13,518
(MAY NOT EQUAL DUE TO ROUNDING)	=====	=====

*FCO Difference is due to amount remaining in unbudgeted reserve.

GLOSSARY OF TERMS AND ACRONYMS

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

CAFR: Comprehensive Annual Financial Report

CFO: Chief Financial Officer

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.

DFS: Department of Financial Services

DIFS: Division of Investigative and Forensic Services

FACTS: Florida Accountability Contract Tracking System

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

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.

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

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.

IT: Information Technology

LAN: Local Area Network

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.

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.

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.

PAF: Division of Public Assistance Fraud

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.

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.

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, Florida Statutes. 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.

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.

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.

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.

TF: Trust Fund

TRW: Technology Review Workgroup

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

WAN: Wide Area Network (Information Technology)



FINANCIAL SERVICES
COMMISSION

RON DESANTIS
GOVERNOR

JIMMY PATRONIS
CHIEF FINANCIAL OFFICER

ASHLEY MOODY
ATTORNEY GENERAL

NICOLE "NIKKI" FRIED
COMMISSIONER OF
AGRICULTURE

OFFICE OF INSURANCE REGULATION

DAVID ALTMAIER
COMMISSIONER

September 30, 2020

Chris Spencer, Policy Director
Office of Policy and Budget
Executive Office of the Governor
1603 Capitol
Tallahassee, Florida 32399-0001

Eric Pridgeon, Staff Director
House Appropriations Committee
221 Capitol
Tallahassee, Florida 32399-1300

Tim Sadberry, Staff Director
Senate Committee on Appropriations
201 Capitol
Tallahassee, Florida 32399-1300

Dear Directors:

Pursuant to Chapter 216, Florida Statutes, the Long Range Program Plan (LRPP) for the Office of Insurance Regulation is submitted in the format prescribed in the budget instructions. The information provided electronically and contained herein is a true and accurate presentation of our mission, goals, objectives, and measures for the Fiscal Year 2021-22 through Fiscal Year 2025-26. The internet website address that provides the link to the LRPP located on the Florida Fiscal Portal is www.flor.com. This submission of our LRPP has been approved by me.

Sincerely,

David Altmaier

David Altmaier
Insurance Commissioner

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DAVID ALTMAIER • INSURANCE COMMISSIONER
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Affirmative Action / Equal Opportunity Employer



Florida Office of Insurance Regulation

David Altmaier
Insurance Commissioner

Long Range Program Plan

Fiscal Years 2021-2022 through 2025-2026





David Altmaier
Florida Insurance Commissioner

David Altmaier was appointed as the Florida Insurance Commissioner in April 2016 by the Financial Services Commission. He leads the Office of Insurance Regulation (OIR) and has oversight of one of the largest insurance markets in the world. Under Altmaier’s leadership, OIR has worked to cultivate a market in Florida in which insurance products are reliable, available, and affordable.

Altmaier began his public service at OIR in 2008, serving in a number of roles including Chief Analyst of the Property and Casualty Financial Oversight unit and Deputy Commissioner of Property and Casualty Insurance.

In 2019, Altmaier was voted Vice President of the National Association of Insurance Commissioners (NAIC) and was voted NAIC President-Elect for 2020. In his role as President-Elect, Altmaier serves as Vice Chair of the Executive Committee, Internal Administration Subcommittee and the Government Relations Leadership Council. Commissioner Altmaier was also appointed by Governor DeSantis to serve as a member Florida’s Blockchain Task Force.

Prior to joining OIR, Altmaier worked as a Florida licensed 2-20 and 2-14 insurance agent and as a high school math teacher. Altmaier graduated from Western Kentucky University in 2004 with a bachelor’s degree in mathematics.

OIR Mission, Vision, and Goals

Mission

To promote a stable and competitive insurance market for consumers.

Vision

OIR envisions a robust and competitive insurance market while maintaining protections for the insurance-buying public.

Goals

1. Promote insurance markets that offer products to meet the needs of Floridians with fair, understandable coverage that is priced in a manner that is adequate, but not excessive or unfairly discriminatory.
2. Protect the public from illegal, unethical insurance products and practices.
3. Monitor the financial condition of licensed insurance companies and take action to address financial issues as early as reasonably possible to prevent unnecessary harm to consumers.
4. Operate in an efficient, effective, and transparent manner.

Goals, Objectives, Service Outcomes, and Performance Projection Tables

Program: Office of Insurance Regulation
43900110 Compliance and Enforcement

GOAL 1:

Promote insurance markets that offer products to meet the needs of Floridians with fair, understandable coverage that is priced in a manner that is adequate, but not excessive or unfairly discriminatory.

OBJECTIVE 1.A: Process product filings expeditiously.

- 1) OUTCOME 1.A.1: Percentage of life and health form and rate filing reviews completed within 45 days.

Baseline FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
90%	90%	90%	90%	90%	90%

- 2) OUTCOME 1.A.2: Percentage of property and casualty form filing reviews completed within 45 days, and rate filing reviews completed within 90 days.

Baseline FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
90%	90%	90%	90%	90%	90%

OBJECTIVE 1.B: Enable new companies to enter the market expeditiously.

- 3) OUTCOME 1.B.1: Percentage of complete applications for a new certificate of authority processed within statutorily required timeframes.

Baseline FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
98%	98%	98%	98%	98%	98%

- 4) OUTCOME 1.B.2: Applications for a new certificate of authority for life & health and property & casualty companies processed within 90 days.

Baseline FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
98%	98%	98%	98%	98%	98%

GOAL 2:

Protect the public from illegal, unethical insurance products and practices.

OBJECTIVE 2.A: To act upon allegations of unethical or illegal products or practices.

- 5) **OUTCOME 2.A.1:** Percentage of market conduct examinations with violations in which the OIR takes enforcement action.

Baseline FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
85%	85%	85%	85%	85%	85%

GOAL 3:

Monitor the financial condition of licensed insurance companies and take action to address financial issues as early as reasonably possible to prevent unnecessary harm to consumers.

OBJECTIVE 3.A: Conduct financial examinations of domestic companies in a timely manner.

- 6) **OUTCOME 3.A.1:** Percentage of financial examinations of domestic insurers completed within 18 months of the "as of" exam date.

Baseline FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
98%	98%	98%	98%	98%	98%

OBJECTIVE 3.B: Conduct financial analyses of companies in a timely manner.

- 7) **OUTCOME 3.B.1:** Percentage of priority financial analyses completed within 60 days.

Baseline FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
98%	98%	98%	98%	98%	98%

- 8) **OUTCOME 3.B.2:** Percentage of non-priority financial analyses completed within 90 days.

Baseline FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
95%	95%	95%	95%	95%	95%

Program: Office of Insurance Regulation
43900120 Executive Direction and Support Services

GOAL 4:

Operate in an efficient, effective, and transparent manner.

OBJECTIVE 4.A: Maximize administrative efficiency and productivity for the benefit of insurance consumers and companies.

9) OUTCOME 4.A.1: Administrative costs as a percentage of total agency costs.

Baseline FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
10%	10%	10%	10%	10%	10%

10) OUTCOME 4.A.2.: Administrative positions as a percentage of total agency positions.

Baseline FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
10%	10%	10%	10%	10%	10%

OIR Budget

Fiscal Year 2020-2021

Table 1. Appropriations Overview - Office of Insurance Regulation			
Positions	FY 2019-20	FY 2020-21	Change
Full-time equivalent (FTE) positions	283	283	0
Funding (By Budget Category)	FY 2019-20	FY 2020-21	Change
Salaries and Benefits	\$20,847,350	\$21,039,617	\$192,267
Other Personal Services (OPS)	\$290,169	\$330,169	\$40,000
Expenses	\$2,479,173	2,418,973	(\$60,200)
Operating Capital Outlay	\$98,000	\$98,000	\$0
Contracted Services	\$1,430,726	\$1,780,726	\$350,000
Financial Examination Contracts*	\$4,626,763	\$4,626,763	\$0
Florida Public Hurricane Loss Model (Maintenance)	\$969,689	\$969,689	\$0
Lease or Lease-Purchase of Equipment	\$27,403	\$47,603	\$20,200
Risk Management Insurance	\$156,143	\$182,751	\$26,608
DMS Human Resources Contract	\$91,002	\$90,647	(\$355)
TOTAL	\$31,016,418	\$31,584,938	\$568,520
*Budget authority for financial examinations of property and casualty, and life and health insurance companies. Insurance companies reimburse the Insurance Regulatory Trust Fund for the examination costs. The Trust Fund acts as a pass through.			

Linkage to Governor's Priorities

Economic Development and Job Creation

1. Focus on Florida's Job Growth and Retention. Through consistent leadership, regulatory innovation and stakeholder outreach, the OIR fosters an insurance environment conducive to business expansion and job growth. More than 247,000 Floridians are employed in the insurance sector.¹

2. Reduce Taxes. OIR does not have taxing authority but has helped reduce both the likelihood and amount of any future assessments levied against Floridians to pay the claims of Citizens Property Insurance Corporation (Citizens) policyholders. It has done so through the rate and take-out approval process. During FY 2019-20, OIR approved an additional 116,154 policies for take-out.² As of June 30, 2020, Citizens' policy count had increased from the previous year to 475,191.

3. Regulatory Reform. In Fiscal Year 2019-20, the Financial Services Commission (FSC) updated 45 rules proposed for repeal by OIR. OIR also updated 33 rules through the FSC. OIR implemented many other innovations such as allowing insurers to consolidate certain filings and focusing OIR review of amended forms on the specific change proposed rather than re-reviewing an entire form.

Public Integrity

1. Accountability Budgeting. OIR does not receive any state General Revenue dollars and is exclusively funded by the Insurance Regulatory Trust Fund. OIR continues to keep its cost of regulation low relative to other states.

Through performance-based budgeting, OIR carefully monitors both expenditures and outcomes, and appropriately adjusts to accomplish its mission as efficiently as possible. OIR maintains low administrative expenses and closely monitors staff productivity by tracking workload and processing times.

2. Reduce Government Spending. During Fiscal Year 2019-2020, OIR continued to improve performance by utilizing data analytics. These automation and technology efficiencies have resulted in savings of staff time and costs for form and rate filings.

3. Reduce Taxes. See item number 2 under "Economic Development and Job Creation" above.

¹ The cited jobs number is from regional data published by the U.S. Department of Commerce, Bureau of Economic Analysis, under "Private nonfarm employment: insurance carriers and related activities" for Florida in 2018. <https://apps.bea.gov/iTable/iTable.cfm?reqid=70&step=1&isuri=1>

² Florida Office of Insurance Regulation, Citizens Take-Out Spreadsheet, Total Policies Approved and Assumed 2018 and Total Policies Approved and Assumed 2019.

Trends and Conditions

Primary Statutory Responsibilities of OIR

The Florida Legislature created the Office of Insurance Regulation (OIR) in 2003. Section 20.121,(3)(a)1, Florida Statutes states “The Office of Insurance Regulation, which shall be responsible for all activities concerning insurers and other risk bearing entities, including licensing, rates, policy forms, market conduct, claims, issuance of certificates of authority, solvency, viatical settlements, premium financing, and administrative supervision, as provided under the insurance code or chapter 636. The head of the Office of Insurance Regulation is the Director of the Office of Insurance Regulation, who may also be known as the Commissioner of Insurance Regulation.”

The Insurance Commissioner is appointed by the Financial Services Commission. The Commission is comprised of the Governor, the Attorney General, the Chief Financial Officer, and the Commissioner of Agriculture. The Commission serves as agency head for purposes of rulemaking pursuant to sections 120.536-120.565, Florida Statutes. The Insurance Commissioner is considered the agency head for purposes of final agency action for all areas within the regulatory authority delegated to the OIR.

The following are the primary statutory responsibilities of OIR:

- Attract companies and capital to the Florida insurance market;
- License insurance companies and insurance-related entities;
- Monitor the financial condition of insurers and require corrective actions when necessary;
- Enforce insurer and insurance-related entity compliance with statutory market conduct requirements; and
- Collect and analyze insurance market data for use by OIR, policymakers, companies, the general public, and issue reports.

1. Status of Key Statutory Responsibilities

OIR’s budget for Fiscal Year 2020-21 is \$31.6 million, with 283 full-time equivalent positions. It is funded entirely through the Insurance Regulatory Trust Fund and receives no state general revenue funds. In FY 2019-20, OIR spent over 94 percent of every dollar received on regulatory responsibilities. Administrative costs accounted for less than six percent of the funds spent.

a. Certificates of Authority

OIR is actively engaged in licensing insurance companies and certain other insurance related entities through the Certificate of Authority (COA) application process. Florida law requires OIR to approve or deny a complete application for a new COA for an insurance company within 180 days of receipt. OIR must approve or deny a new COA for other entities within 90 days, with the exception of continuing care retirement communities, which are approved or denied within 45 days. Amendments to existing COA for insurance companies must be approved or denied within 90 days.³

³ Section 120.60(1), F.S.

In Fiscal Year 2019-20, OIR approved 147 new COAs and processed 92 percent of new COA applications within 90 days.

b. Form and Rate Review

OIR reviews form and rate filings for compliance with Florida law. The statutorily required timeframes for OIR review of forms and rates vary by line and product type. The speed at which new products move to market depends in large part on the complexity of the filing and the quality and completeness of the company submission. As with applications, rate and form filings are filed electronically. OIR has worked to provide insurers with additional options for getting products to market more expeditiously. Insurers submitting forms for certain property and casualty commercial products may take products to market immediately upon certifying that submitted forms comply with current law, rather than having to first obtain OIR approval. Companies may also choose to combine multiple sub-types of insurance into a single filing, rather than having to file each sub-type of insurance separately.

In Fiscal Year 2019-20, OIR processed a total of 12,720 rate and form filings.

c. Financial Oversight

OIR monitors the financial condition of regulated insurance entities through financial examinations and financial analyses. By examining the financial books and records of insurance companies and related entities, OIR evaluates the quality of assets, adequacy of stated liabilities, and general operating results.

OIR is statutorily required to conduct a financial examination of each domestic insurer at least once every five years. Law requires all new domestic insurers to be examined each of the first three years. Finalized examination reports must be published within 18 months of the “as of” examination date pursuant to the National Association of Insurance Commissioners (NAIC) accreditation standards. When circumstances warrant heightened scrutiny, OIR performs targeted reviews of specific companies. OIR also participates in multi-state financial examinations coordinated by the NAIC.

In Fiscal Year 2019-20, OIR completed 54 financial examinations.

Financial analyses are conducted on either a monthly, quarterly, and/or annual basis. Under NAIC accreditation standards, OIR must complete the review of a priority company (those with a major or serious violation or problem) within 60 days, and a non-priority company (those with minor or no violations) within 90 days.

In Fiscal Year 2019-20, OIR completed 7,204 financial analyses.

d. Market Conduct Examinations and Investigations

OIR monitors insurance company products and practices for compliance with the Florida Insurance Code through market conduct examinations and investigations. Consistent with national trends, OIR emphasizes issue-specific, complaint-driven, and targeted examinations and collaborative multi-state examinations, rather than routine examinations performed at regular intervals. The examinations identify issues such as

policy form deficiencies, claims communication response times, proper claims investigation, cancellation and nonrenewal notices, failure to pay interest on overdue claims and monitor a third-party administrator, unfavorable claims settlements, and internal coding errors.

In Fiscal Year 2019-20, OIR completed and finalized a total of 71 examinations and 126 investigations resulting in the recovery of \$1.35 million on behalf of Florida consumers.

Florida is also one of five managing lead states engaged in the nationwide examinations of the claims settlement practices of life insurance and annuity companies.

In Fiscal Year 2019-20, OIR recovered over \$39 million on behalf of Florida consumers and helped reform claims settlement practices used by life insurance companies.

OIR also uses market analyses to identify significant issues adversely affecting consumers. These consist of a review and analysis of information reported in financial statements, in complaint data, lawsuit activity and other available data sources. This monitoring role also includes identifying unlicensed entities transacting insurance illegally.

e. Attract Companies and Capital to the Florida Insurance Market

In Fiscal Year 2019-20, an additional 147 insurance and insurance-related entities entered the Florida market and 178 new lines of business were added to existing COAs.⁴ While some, such as donor annuities, are largely unregulated entities with little economic or regulatory impact, OIR continues to license new Property & Casualty and Life & Health insurers.

f. Data Collection and Analyses

OIR engaged in extensive data collection and analyses in FY 2019-20 related to:

- Access Control List Review (Twice per year for network security)
- Annual Reinsurance Data Collection (three individual data calls)
- Assignment of Benefits (one-time)
- Auditor General IT survey (annual)
- Catastrophe Stress Test (annual)
- Catastrophe Reporting Form for Hurricane Michael (five individual data calls)
- Catastrophe Reporting Form for Hurricane Irma (One data call)
- Donor Annuity Agreements (ongoing)
- Department of Revenue /Legislature Tax Premium Report (annual)
- HMO Provider Contract Terminations (ongoing)
- Long-Term Care Claims Denial Reporting (ongoing)
- Long-Term Care Replacement/Lapse (annual)
- Long-Term Care Rescission (annual)
- Long-Term Care Suitability (annual)

⁴ Compiled by the Florida Office of Insurance Regulation from the COREN database as of July 31, 2020.

- Major medical and other accident and health enrollment and premium reporting with life and annuity policy breakdowns added (annual)
- Market Conduct Annual Statement (annual)
- Market Conduct Rescinded Policy reporting (ongoing)
- Medicare Supplement Multiple Reporting Form (annual)
- Motor Vehicle in Force Policy Count Report (quarterly)
- Motor Vehicle excess profits and policy count reporting (annual)
- Multiple Medicare Supplement Report (annual)
- Professional liability claims reporting (ongoing)
- Property and casualty annual calendar year experience (annual)
- Property and casualty personal and commercial residential policy data (quarterly)
- Quarterly Comprehensive Health Reporting (quarterly)
- Regulatory Life Settlement Agreements reporting to the states (quarterly)
- Title agency data call (annual)
- Title underwriter Florida-only financial data calls (annual)
- Unfair discrimination based on travel annual life insurance survey (annual)
- Update Disaster Contacts and Claims Number (annual)

OIR completed numerous statutorily required reports related to its data collection in Fiscal Year 2019-20.

2. Technology in Carrying Out Statutory Responsibilities

OIR has one of the most sophisticated regulatory technology systems in the country, featuring applications that receive and process insurance company form, rate, data, and financial filings. OIR continues to identify ways to enhance its technology and made specific advancements in FY 2019-20.

Significant changes were made to the made in the Insurance Regulation Filing System (IRFS) related to the Medicare Supplement (MGAP). Changes made to the MGAP Rate Management System (MRMS) include internal review, admin tools, and internal search. The Filing Summary screen was moved into IRFS Internal Review under the new MGAP Rate Data modal. Users were given the ability to publish rate schedules and plans to the OIR consumer website, CHOICES, allowing consumers the ability to research Medicare Supplement rates. OIR developed an administrative tool to allow users to manage what filings, rate schedules, and plans are available on the consumer website.

OIR made additional IRFS enhancements throughout the year, which include:

- Allowing users to delete unsubmitted filings;
- Improving modification logging history;
- Updating Life & Health Product Review Rate templates;
- Developing QUASR trade secret integration in IRFS. OIR is finalizing its integration of the trade secret updates;
- Adding validations to check assigned filings when workflow user roles change;
- Adding indexing permissions to the workflow user's business units.

- Enhancing the IRFS Tracking application to allow for greater collaboration and tracking of legislative proposals, bill analyses and other items across multiple business units to ensure accurate and timely legislative information;
- Making invoicing enhancements to allow the editing of invoice and expense type detail text fields, allowing for non-associated payments, and adding invoice data tabs.
- Making specific Product Review changes within the IRFS Internal Review including stamping, related filing, sub review, adding a documents tab, and enhancing the Life and Health UDL Rate template;
- Adding periodic filings to financial reviews, ARDC filings to reinsurance summary, and IRFS Invoicing data, and an interactive premium/surplus panel to the Company Dashboard.

Throughout the year, the team made various modifications to backend processes and services; some originating from business units and others from the team itself. The PDF generation service was enhanced to use a new reprocess table and make changes to converted/stamped document filenames.

In coordination with Department of Financial Services Office of Information Technology (OIT), applications were moved from a server retired by OIT. In total, 16 applications were migrated to a new server, nine were updated due to API web service dependencies, and five were updated due to FileNet web service dependencies. Every application was thoroughly tested following the move.

OIR coordinated and made necessary updates to over 30 FAME Live Cycle Forms. That effort involved rewriting every page of every form from Live Cycle to Excel, making significant database changes and formatting of data, and adding/modifying/verifying formulas and form validations.

OIR has also begun development of a Public Records Request Tracking application which will allow the Public Records Office to better manage and report upon requests for information.

3. Market Conditions in Florida

As of June 30, 2020, OIR had oversight of 4,794 entities in Florida.⁵ The Florida homeowners' insurance market is the largest in the nation based on premium volume. Market conditions in Florida can be assessed against a variety of criteria, including market entry (new entities), market concentration/competition, premium volume, premium rates, company financial condition, and size of residual markets.

a. Market Entry

See section 1.e above regarding new entities and new lines of business for existing entities.

⁵ Compiled by the Florida Office of Insurance Regulation from the COREN database as of July 31, 2020.

b. Market Concentration

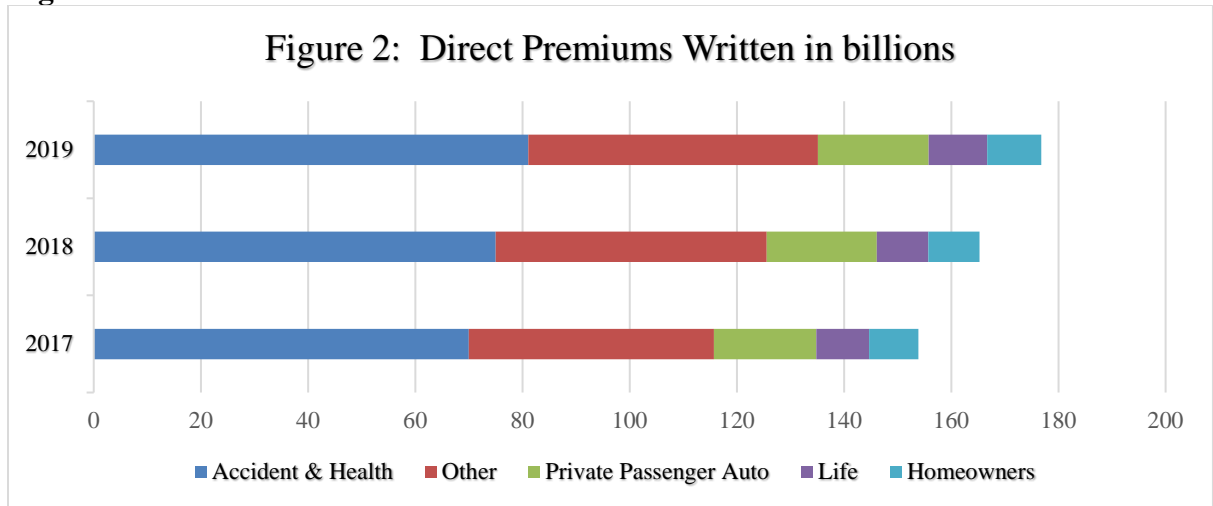
Florida insurance markets are generally competitive, although market concentration varies considerably from one line to another, as shown in Table 2.

Line of Business	Top Writer	Top 5 Writers	Top 10 Writers
Accident and Health	14.2	50.0	67.5
Commercial Multi-Peril	5.0	19.5	34.5
Homeowners Multi-Peril	9.8	28.8	44.0
Life	7.7	26.9	41.7
Medical Malpractice	16.9	50.5	64.2
Private Passenger Auto	14.6	55.7	71.5
Title	29.8	81.3	95.3
Workers Compensation	5.9	24.0	38.0

c. Premium volume

As shown in Figure 2, Florida is continuing to experience steady premium growth. Among all writers, total written premium expanded from \$153.9 billion at year-end 2017 to \$176.8 billion in year-end 2019. This increase primarily resulted from a surge in premium written by accident and health providers. In 2018, Florida ranked tenth globally in total direct written premium.⁷

Figure 2⁸



d. Premium rates

Rate trends vary across insurance lines. Health insurance rates continue to increase because of the Patient Protection and Affordable Care Act (PPACA). Rates in the individual market for the 2018 plan year were 44.7 percent higher than rates for the 2017 plan year, largely due to a 31 percent increase to account for the elimination of cost-share reduction (CSR) payments to health insurers.⁹

⁶ Compiled by the Florida Office of Insurance Regulation from NAIC Calendar Year 2019 company-reported premium data.

⁷ Premium data based on retrievals from NAIC - data reported for Calendar Year 2019.

⁸ Premium data based on retrievals from NAIC - data reported for Calendar Year 2019.

⁹ National Association of Insurance Commissioners, 2018 Premium Volume -- Worldwide (An Alternative Look), 2017. The average rate change is based upon rate filings submitted to the Florida Office of Insurance Regulation.

Approved rates for individual major medical plans for the 2019 plan year represent an average increase of 5.2 percent. Some of this cost may be offset for individuals eligible for a premium subsidy and purchasing coverage through the federally facilitated marketplace.

Property insurance rates are trending upwards due to a combination of higher reinsurance costs for the 2019 and 2020 hurricane seasons and the impact of higher non-catastrophe claim costs due principally to water claims containing litigation and Assignment of Benefits (AOB) costs.

OIR conducted data calls in February 2016, and January 2018 to collect claims information regarding AOB. The results of the data calls showed an initial increase in the frequency and severity of water loss claims and annualized loss trends for frequency and severity of water loss claims that more than doubled those shown in the first data call report. During the 2019 Legislative Session, HB 7065, AOB Reform, was signed into law to reduce AOB abuse. These important consumer protections should help reduce the amount of AOB abuse in the market and may offset some of the recent rate activity.

Workers' compensation rates are down an average of approximately 68 percent since 2003. There have been several major decisions which have impacted the workers' compensation market.

- Senate Bill 1402 ratified the Florida Workers' Compensation Health Care Provider Reimbursement Manual, 2015 Edition.
- On April 28, 2016, in *Marvin Castellanos v. Next Door Company, et al.*, Case No. SC13-2082, the Florida Supreme Court found the statutory mandatory attorney fee schedule in section 440.34, Florida Statutes, unconstitutional as a violation of due process under both the Florida and United States Constitutions.
- On June 9, 2016, in *Bradley Westphal v. City of St. Petersburg, etc., et al.*, Case No. SC13-1930, the Florida Supreme Court found the 104-week statutory limitation on temporary total disability benefits in section 440.15(2)(a), Florida Statutes, unconstitutional because it causes a statutory gap in benefits in violation of an injured worker's constitutional right of access to courts.

The Castellanos decision continues to create uncertainty in the marketplace as stakeholders adjust and adapt to the new legal environment. Even after considering the impact of the Castellanos decision, other factors at work in the marketplace combined to contribute to two rate decreases in 2018 and one rate decrease in 2019, and another rate decrease in 2020. The contributing factors to the recent rate decreases include, but are not limited to, increases in investment income, declines in claim frequency, lower assessments, and the Tax Cuts and Jobs Act of 2017.

Private passenger automobile insurance premiums benefited from lower Personal Injury Protection (PIP) rates following the implementation of HB 119, the 2012 PIP reform law. Overall, all auto insurance rates decreased 0.1 percent in the two-year period post-HB 119. This trend started reversing in 2016, and auto insurance coverages continue to see

incremental rate increases due to increasing medical costs, and higher repair costs. There were significant declines in the frequency of auto accidents due to COVID-19 stay-at-home orders, and many insurers have provided significant refunds and credits to policyholders due to this unexpected drop in claims.

e. Financial condition

A combination of changes to the Medicare and Medicaid programs and large enrollment volume as a result of the PPACA has created a more challenging financial environment for some health insurers, HMOs, and life insurers. Particularly concerning to OIR is the financial condition of long-term care insurers and the impact of potential insolvencies on the health insurance market.

Florida has experienced multiple hurricanes over the past several years, which has challenged the the property and casualty insurance market. The storms, along with other market challenges like AOB, have led to high loss reserve development, increased litigation, and increased cost of catastrophe reinsurance. OIR continues to engage in regulatory activities to protect consumers and is closely and consistently monitoring the financial condition and operational results of the state's domestic property insurers.

f. Residual markets¹²

Small residual markets are generally associated with healthy voluntary markets. Private insurers write the overwhelming majority of premium in Florida in the voluntary market. Except for the property insurance market, residual markets remain small in Florida. OIR continues to track Citizens Property Insurance Corporation, the state's largest residual insurer.

4. New Laws

OIR continues to track and implement legislative changes at the state and national level.

a. Federal

While the PPACA became law in 2010 and, therefore, is not a new law, the regulations spawned by the Patient Protection and Affordable Care Act⁶ continue to evolve and shape the requirements of the Act through annual agency rulemaking, guidance, and frequently asked questions.

b. Florida

For a comprehensive list of legislation that passed during the 2020 Session affecting various types of insurance products and lines, see OIR's [2020 Legislative Summary](#).

¹⁰ Information contained in the NAIC Financial Data Repository.

¹¹ Calculated from information contained in the NAIC Financial Data Repository.

¹² For purposes of this report, "Residual market premium" means insurance premium written by the insurer of last resort. In Florida, this would include, among others, Citizens, the Florida Life and Health Insurance Guaranty Association, and the Florida Workers' Compensation Joint Underwriting Association.

What Led OIR to Select its Priorities?

OIR priorities are selected as a result of market conditions, in accordance with the statutory responsibilities assigned by the Legislature, and consistent with the performance measures adopted by the FSC.

How Does OIR Plan to Address the Priorities over the Next Five-Year Period?

OIR will address stated priorities and pursue its mission by:

- Evaluating approaches to help stabilize the individual and group health insurance markets so that carriers return to our market and alleviate consumer rate uncertainty;
- Advocating for policies that encourage more vibrant private flood insurance market so that more homeowners receive private flood coverage;
- Examining ways to mitigate rising automobile insurance premiums so that Florida consumers receive lower prices and better coverage;
- Judiciously enforcing insurer and insurance-related entity compliance with statutory market conduct requirements;
- Working with industry stakeholders to promote best practices in COVID-19 and monitoring short and long-term impacts to consumers;
- Assessing strategies to address challenges in the workers' compensation market to remove the burden on Florida's small businesses and help them thrive; and
- Monitoring use of big data and developing tools to better understand its impact on consumers.

Justification of Revised or Proposed New Programs and/or Services

OIR is not recommending any new programs or services.

Justification of the Final Projection for each Outcome (Include an Impact Statement Relating to Demand and Fiscal Implications)

The final projection for each outcome is based on historical experience, trend, and resources, and reflects the relative priorities of OIR as established by the Legislature, the FSC, and the Insurance Commissioner. Demand is expressed through workload, which is described under each goal contained in this Long-Range Program Plan. OIR continues to focus on productivity enhancements in an effort to achieve goals consistent with the stated mission.

List of Potential Policy Changes Affecting OIR's Budget Request or Governor's Recommended Budget

None anticipated.

List of Changes Requiring Legislative Action, including the Elimination of Programs, Services and/or Activities

None.

List of all Task Forces and Studies in Progress

1. Commissions, Boards, and Task Forces - OIR is involved with numerous insurance-related commissions, boards and task forces, including the following:

a. Life and health

- Continuing Care Advisory Council
- Cover Florida Health Care
- Florida Employee Long-Term Care Plan
- Florida Health Maintenance Organization Consumer Assistance Plan
- Florida Health Insurance Advisory Board
- Florida KidCare Coordinating Council
- State Consumer Health Information and Policy Advisory Council

b. Property and casualty

- Citizens Property Insurance Corporation
 - Citizens Market Accountability Advisory Committee and other committees
- Florida Automobile Joint Underwriting Association
- Florida Commission on Hurricane Loss Projection Methodology
- Florida Workers' Compensation Joint Underwriting Association
- Florida Hurricane Catastrophe Fund
- Florida Medical Malpractice Joint Underwriting Association
- Florida Patient's Compensation Fund
- Florida Surplus Lines Service Office
- National Council on Compensation Insurance (NCCI) Appeal Board
- Birth-Related Neurological Injury Compensation Association (NICA)

2. Studies and reports

a. Annual reports

- Accident and Health Gross Annual Premium Report
- “Freedom to Travel”/Life Insurance Travel Underwriting Company Report
- Health Flex Program Evaluation (Joint Report with Agency for Health Care Administration)
- Regulatory Plan
- Legislative Budget Request
- Long-Range Program Plan
- Medical Malpractice Liability Claims—Annual Summary
- Office of Insurance Regulation Annual Report
- Officers and Directors Liability Claims—Annual Summary (within the Annual Report)

- Workers' Compensation—Marketplace Availability and Affordability
- Continuing Care Retirement Communities (CCRC) Annual Industry Report

b. Biennial – triennial – quadrennial reports

- Citizens Market Conduct Examination–Plan of Operation and Internal Operations Compliance
- Financial Services Commission—Independent Actuarial Peer Review of Workers' Compensation Rating Organization
- Neurological Injury Compensation Association Actuarial Investigation
- Restrictions on the Employment of Ex-offenders
- Title Insurance – Premium Review
- Workers' Compensation Three Member Panel—Methods to Improve the Workers' Compensation Health Care Delivery System (OIR provides data and support to the Department of Financial Services to complete recommendations)

c. Other reports

- Managed Care Summary Report (quarterly)

In addition, reports detailing OIR activities and achievements are submitted to the FSC.

Glossary

- 1. Actual Expenditures:** Includes prior year actual disbursements, payables, and encumbrances. The payables and encumbrances are certified forward at the end of the fiscal year and 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 in the year funds are disbursed.
- 2. Appropriation Category:** The lowest level line item of funding in the General Appropriations Act, representing a major expenditure classification of the budget entity. Within budget entities, categories may include salaries and benefits, other personal services, expenses, operating capital outlay, data processing services, fixed capital outlay, and others.
- 3. Budget Entity:** A unit or function at the lowest level to which funds are specifically appropriated. “Budget entity” and “service” have the same meaning.
- 4. Fixed Capital Outlay:** Real property, 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.
- 5. Financial Services Commission (FSC):** Pursuant to section 20.121(3), Florida Statutes, the FSC is composed of the Governor and Cabinet and appoints the Directors of the Office of Insurance Regulation and Office of Financial Regulation and makes rules.
- 6. 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.
- 7. 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.
- 8. 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.

9. Program: A set of activities undertaken in accordance with a plan of action organized to realize identifiable goals based on legislative authorization (a program can consist of single or multiple services). Programs are identified in the General Appropriations Act.

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



Florida Office of Insurance Regulation

David Altmaier, Insurance Commissioner

200 East Gaines Street – Tallahassee, FL 32399

(850) 413-3140
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LRPP Exhibit II - Performance Measures and Standards

43900000 Financial Services Commission				
Office of Insurance Regulation				
Approved Performance Measures for Fiscal Year 2019-20	Approved Prior Year Standard FY 2019-20 (Number)	Prior Year Actual FY 2019-20 (Number)	Proposed Revised Standards for FY 2020-21 (Number)	Requested FY 2021-22 Standard (Number)
43900110 Compliance and Enforcement				
Percentage of life and health form and rate filing reviews completed within 45 days.	90%	99.4%	90%	90%
Percentage of property and casualty form filing reviews completed within 45 days and rate filing reviews completed within 90 days.	90%	94.4%	90%	90%
Percentage of complete applications for a new certificate of authority processed within statutorily required timeframes.	98%	95.3%	98%	98%
Percentage of applications for a new certificate of authority for Life & Health and Property & Casualty processed within 90 days.	98%	92.0%	98%	98%
Percentage of market conduct examinations with violations in which the Office takes enforcement action.	85%	100%	85%	85%
Percentage of Financial Examinations of domestic insurers completed within 18 months of the "as of" exam date.	98%	99%	98%	98%
Percentage of priority Financial Analyses completed within 60 days.	98%	98.6%	98%	98%
Percentage of non-priority Financial Analyses completed within 90 days.	95%	97.3%	95%	95%
43900120 Executive Direction and Support Services				
Administrative costs as a percentage of total agency costs.	10%	5.2%	10%	10%
Administrative positions as a percentage of total agency positions.	10%	5.8%	10%	10%

LRPP Exhibit III: PERFORMANCE MEASURE ASSESSMENT

Department: Office of Insurance Regulation

Program: Financial Services Commission

Service/Budget Entity: Compliance and Enforcement

Measure: Percentage of life and health form and rate filing reviews completed within 45 days.

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 | |

Current Approved Standard	Actual Performance Results	Difference (Over/Under)	Percentage Difference
90%	99.4%	N/A	9.4%

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 reflects a 45-day timeframe for Office completion of life and health form and rate filings. The superior performance reflects Office innovations and staff productivity.

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: Office of Insurance Regulation

Program: Financial Services Commission

Service/Budget Entity: Compliance and Enforcement

Measure: Percentage of property and casualty form filing reviews completed within 45 days and rate filing reviews completed within 90 days.

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 | |

Current Approved Standard	Actual Performance Results	Difference (Over/Under)	Percentage Difference
90%	94.4%	N/A	4.4%

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 reflects a 45-day timeframe for Office completion of property and casualty form filings and 90 days for property and casualty rate filings. The superior performance reflects Office innovations and staff productivity.

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: Office of Insurance Regulation

Program: Financial Services Commission

Service/Budget Entity: Compliance and Enforcement

Measure: Percentage of complete applications for a new certificate of authority processed within statutorily required 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 | |

Current Approved Standard	Actual Performance Results	Difference (Over/Under)	Percentage Difference
98%	95.3%	N/A	(2.7)%

Factors Accounting for the Difference:

Internal Factors (check all that apply):

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

Explanation:

This measure sets forth the statutory timeframe as the standard for the Office when processing complete certificates of authority.

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:

Due to the COVID-19 pandemic and the transition to teleworking for all State employees, the approval process for Certificate of Authority's was affected and unfortunately slowed during the 4th quarter of Fiscal Year 2019-20.

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:

OIR Management will continue to make sure that all OIR employees who telework, are set up with the I.T. equipment that is needed to perform their jobs.

LRPP Exhibit III: PERFORMANCE MEASURE ASSESSMENT

Department: Office of Insurance Regulation

Program: Financial Services Commission

Service/Budget Entity: Compliance and Enforcement

Measure: Applications for a new certificate of authority for Life & Health and Property & Casualty processed within 90 Days.

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 | |

Current Approved Standard	Actual Performance Results	Difference (Over/Under)	Percentage Difference
98%	92%	N/A	(6.0)%

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 accelerates the timeframe for the Office to process a new certificate of authority from the statutorily required 180 days to 90 days.

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:

Due to the COVID-19 pandemic and the transition to teleworking for all State employees, the approval process for Certificate of Authority's was affected and unfortunately slowed during the 4th quarter of Fiscal Year 2019-20.

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:

OIR Management will continue to make sure that all OIR employees who telework, are set up with the I.T. equipment that is needed to perform their jobs.

LRPP Exhibit III: PERFORMANCE MEASURE ASSESSMENT

Department: Office of Insurance Regulation

Program: Financial Services Commission

Service/Budget Entity: Compliance and Enforcement

Measure: Percentage of market conduct examinations with violations in which the Office takes enforcement 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 | |

Current Approved Standard	Actual Performance Results	Difference (Over/Under)	Percentage Difference
85%	100%	N/A	15%

Factors Accounting for the Difference:

Internal Factors (check all that apply):

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

Explanation:

This measure gauges the extent to which the Office requires company remediation of violations identified in a market conduct examination.

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: Office of Insurance Regulation

Program: Financial Services Commission

Service/Budget Entity: Compliance and Enforcement

Measure: Percentage of Financial Examinations of domestic insurers completed within 18 months of the “as of” exam date.

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 | |

Current Approved Standard	Actual Performance Results	Difference (Over/Under)	Percentage Difference
98%	99%	N/A	1%

Factors Accounting for the Difference:

Internal Factors (check all that apply):

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

Explanation:

This measure sets forth the timeframe for the Office to complete financial examinations. This timeframe is consistent with NAIC accreditation standards.

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: Office of Insurance Regulation

Program: Financial Services Commission

Service/Budget Entity: Compliance and Enforcement

Measure: Percentage of priority Financial Analyses completed within 60 days.

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 | |

Current Approved Standard	Actual Performance Results	Difference (Over/Under)	Percentage Difference
98%	98.6%	N/A	0.6%

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 sets forth the timeframe for the Office to complete priority financial analyses. The shorter timeframe reflects the priority status and is consistent with NAIC accreditation standards.

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: Office of Insurance Regulation

Program: Financial Services Commission

Service/Budget Entity: Compliance and Enforcement

Measure: Percentage of non-priority Financial Analyses completed within 90 days.

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 | |

Current Approved Standard	Actual Performance Results	Difference (Over/Under)	Percentage Difference
95%	97.3%	N/A	2.3%

Factors Accounting for the Difference:

Internal Factors (check all that apply):

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

Explanation:

This measure sets forth the timeframe for the Office to complete nonpriority financial analyses. It assigns a lower priority to analyses where there are minor or no violations. The longer timeframe reflects the lower priority status and is consistent with NAIC accreditation standards.

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: Office of Insurance Regulation

Program: Financial Services Commission

Service/Budget Entity: Executive Direction and Support Services

Measure: Administrative costs as a percentage of total agency costs.

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 | |

Current Approved Standard	Actual Performance Results	Difference (Over/Under)	Percentage Difference
10%	5.2%	N/A	(4.8%)

Factors Accounting for the Difference:

Internal Factors (check all that apply):

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

Explanation:

Increased Office efficiencies and legislative budget reductions in administrative positions have contributed to lower administrative costs.

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: Office of Insurance Regulation

Program: Financial Services Commission

Service/Budget Entity: Executive Direction and Support Services

Measure: Administrative positions as a percentage of total agency positions.

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 | |

Current Approved Standard	Actual Performance Results	Difference (Over/Under)	Percentage Difference
10%	5.8%	N/A	(4.2%)

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

Explanation:

Increased Office efficiencies and legislative budget reductions in administrative positions have contributed to lower administrative positions.

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 V: Identification of Associated Activity Contributing to Performance Measures

Measure Number	Approved Performance Measures for Fiscal Year 2019-2020	Associated Activities Title
1	Percentage of life and health form and rate filing reviews completed within 45 days.	Review and approve rate and form filings.
2	Percentage of property and casualty form filing reviews completed within 45 days, and rate filing reviews completed within 90 days.	Review and approve rate and form filings.
3	Percentage of complete applications for a new certificate of authority processed within statutorily required timeframes.	Approve and license entities to conduct insurance business.
4	Percentage of applications for a new certificate of authority for Life & Health and Property & Casualty processed within 90 days.	Approve and license entities to conduct insurance business.
5	Percentage of market conduct examinations with violations in which the Office takes enforcement action.	Conduct and direct market conduct examinations.
6	Percentage of Financial Examinations of domestic insurers completed within 18 months of the "as of" exam date.	Conduct financial reviews and examinations.
7	Percentage of priority Financial Analyses completed within 60 days.	Conduct financial reviews and examinations.
8	Percentage of non-priority Financial Analyses completed within 90 days.	Conduct financial reviews and examinations.
9	Administrative costs as a percentage of total agency costs.	Operate agency in an efficient manner.
10	Administrative positions as a percentage of total agency positions.	Operate agency in an efficient manner.

Office of Policy and Budget – July 2020

FLORIDA OFFICE OF
FINANCIAL REGULATION

www.flofr.com

LONG RANGE PROGRAM PLAN

Florida Office of Financial Regulation

Tallahassee, Florida

September 30, 2020

Chris Spencer, Policy Director
Office of Policy and Budget
Executive Office of the Governor
1603 Capitol
Tallahassee, Florida 32399-0001


Eric Pridgeon, Staff Director
House Appropriations Committee
221 Capitol
Tallahassee, Florida 32399-1300

Tim Sadberry, Staff Director
Senate Committee on Appropriations
201 Capitol
Tallahassee, FL 32399-1300

Dear Directors:

Pursuant to Chapter 216, Florida Statutes, our Long Range Program Plan (LRPP) for the Office of Financial Regulation is submitted in the format prescribed in the budget instructions. The information provided electronically and contained herein is a true and accurate presentation of our mission, goals, objectives and measures for the Fiscal Year 2021-22 through Fiscal Year 2025-26. The internet website address that provides the link to the LRPP located on the Florida Fiscal Portal is <http://floridafiscalportal.state.fl.us/Home.aspx>. This submission has been approved by Russell C. Weigel, III, Commissioner of the Florida Office of Financial Regulation.

Sincerely,



Russell C. Weigel, III
Commissioner
Office of Financial Regulation



Office of Financial Regulation Long Range Program Plan

Fiscal Years 2021-22 to 2025-26

September 30, 2020

OFFICE OF FINANCIAL REGULATION LONG RANGE PROGRAM PLAN

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OFR Mission

To protect the citizens of Florida, promote a safe and sound financial marketplace, and contribute to the growth of Florida's economy with smart, efficient and effective regulation of the financial services industry.

OFR Goals and Objectives

GOAL #1: Improving taxpayer value

GOAL #2: Delivering value to businesses

GOAL #3: Promoting a safe and sound financial marketplace

GOAL #4: Improving customer service

AGENCY SERVICE OUTCOMES

PRIORITY #1: Improving taxpayer value

OBJECTIVE 1A: Improve metrics to measure agency results to foster an atmosphere of continuous improvement

OUTCOME 1A-1: Review all existing performance measures annually to ensure they are meaningful and “results” oriented rather than process driven

Baseline Year 2012-13	FY 2021-22 Projected	FY 2022-23 Projected	FY 2023-24 Projected	FY 2024-25 Projected	FY 2025-26 Projected
100%	100%	100%	100%	100%	100%

PRIORITY #2: Delivering value to businesses

OBJECTIVE 2A: Improve service to Securities applicants and registrants by processing submissions in a timely manner

OUTCOME 2A-1: Percentage of Securities registration applications processed within the Administrative Procedures Act

Baseline Year 2007-08	FY 2021-22 Projected	FY 2022-23 Projected	FY 2023-24 Projected	FY 2024-25 Projected	FY 2025-26 Projected
100%	100%	100%	100%	100%	100%

OBJECTIVE 2B: Improve service to Finance applicants and registrants by processing submissions in a timely manner

OUTCOME 2B-1: Percentage of Finance license applications processed within the Administrative Procedures Act

Baseline Year 2008-09	FY 2021-22 Projected	FY 2022-23 Projected	FY 2023-24 Projected	FY 2024-25 Projected	FY 2025-26 Projected
100%	100%	100%	100%	100%	100%

OBJECTIVE 2C: Provide fair, balanced and responsive service to Division of Financial Institutions' customers, the state chartered or licensed financial institution.

OUTCOME 2C-1: Percentage of financial institutions rating OFR high-performing.

Baseline Year 2002-03	FY 2021-22 Projected	FY 2022-23 Projected	FY 2023-24 Projected	FY 2024-25 Projected	FY 2025-26 Projected
77%	97%	97%	97%	97%	97%

PRIORITY #3: Promoting a safe and sound financial marketplace

OBJECTIVE 3A: Examine all state financial institutions within statutory timeframes

OUTCOME 3A-1: Percentage of state financial institutions examined within the last 18 and 36 months as required by S. 655.045, F.S.

Baseline Year 2002-03	FY 2021-22 Projected	FY 2022-23 Projected	FY 2023-24 Projected	FY 2024-25 Projected	FY 2025-26 Projected
50%/100%	100%/100%	100%/100%	100%/100%	100%/100%	100%/100%

OBJECTIVE 3B: Examine all money services businesses within statutory timeframes

OUTCOME 3B-1: Percentage of money services businesses examined as required by S. 560.109, F.S.

Baseline Year 2015-16	FY 2021-22 Projected	FY 2022-23 Projected	FY 2023-24 Projected	FY 2024-25 Projected	FY 2025-26 Projected
100%	100%	100%	100%	100%	100%

OBJECTIVE 3C: Examine companies and individuals regulated under the Florida Securities & Investor Protection Act to more effectively protect Florida investors

OUTCOME 3C-1: The number of complex Securities examinations completed

Baseline Year 2009-10	FY 2021-22 Projected	FY 2022-23 Projected	FY 2023-24 Projected	FY 2024-25 Projected	FY 2025-26 Projected
41	115	120	130	130	130

OBJECTIVE 3D: Ensure effectiveness of financial investigations through consistent application of administrative, civil and/or criminal enforcement action against individuals or entities that conduct fraudulent or illegal financial services activities

OUTCOME 3D-1: Percentage of investigations accepted by prosecutors or OFR legal counsel for enforcement action that result in action being taken

Baseline Year 2007-08	FY 2021-22 Projected	FY 2022-23 Projected	FY 2023-24 Projected	FY 2024-25 Projected	FY 2025-26 Projected
80%	85%	85%	85%	85%	85%

OBJECTIVE 3E: Improve investigative efficiency by reducing the time required to prepare a legally sufficient case for potential enforcement action

OUTCOME 3E-1: Percentage of priority investigations accepted by prosecutors or OFR legal counsel for enforcement action with 12 months of case opening

Baseline Year 2009-10	FY 2021-22 Projected	FY 2022-23 Projected	FY 2023-24 Projected	FY 2024-25 Projected	FY 2025-26 Projected
60%	72%	73%	75%	75%	75%

PRIORITY #4: Improving Customer Service

OBJECTIVE 4A: Improve customer service provided by the Division of Securities by reducing the overall call wait time

OUTCOME 4A-1: Reduce the average time it takes from receipt of an incoming call until the call is answered

Baseline Year 2014-15	FY 2021-22 Projected	FY 2022-23 Projected	FY 2023-24 Projected	FY 2024-25 Projected	FY 2025-26 Projected
2.33 minutes	1:30 minutes	1:30 minutes	1:20 minutes	1:10 minutes	1:00 minute

LINKAGE TO GOVERNOR'S PRIORITIES

The Office of Financial Regulation aligns its goals and objectives to two of the six priorities identified by Governor DeSantis:

- **Economic Development and Job Creation**
 - *Focus on diversifying Florida's job market, including a focus on an expansion of the financial services and technology sectors.*
 - *Maintain Florida's status as a low-tax state and continue to find opportunities to reduce taxes and fees.*
 - *Reduce existing regulations, and stop any new regulations that do not serve the public health, safety and welfare.*
- **Public Integrity**
 - *Protect taxpayer resources by ensuring the faithful expenditure of public funds.*
 - *Promote greater transparency at all levels of government.*
 - *Hold public officials and government employees accountable for failure to serve the public interest at all times.*

This will be accomplished through promotion of a safe and sound marketplace and growth of Florida's economy with smart, efficient and effective regulation of the financial services industry.

TRENDS AND CONDITIONS

Agency Statutory Responsibilities

The OFR is responsible for licensing, chartering, examining, and regulating depository and non-depository financial institutions and financial service companies, including state-chartered banks, credit unions, trust companies, loan originators, mortgage lenders, securities dealers, investment advisers, consumer collection agencies and money transmitters throughout Florida and, as of June 30, 2020, has more than 465,339 licensees.

Executive Direction

Executive Direction for the OFR includes the Commissioner, the Office of General Counsel, the Office of the Inspector General, and other executive-level team members. It provides direction, executive guidance, legal and administrative support to carry out the OFR's statutory and administrative responsibilities. Executive Direction is currently engaged in several initiatives to improve the overall effectiveness and efficiency of the OFR's operations.

Regulatory, Enforcement and Licensing (REAL) System

In 2008, the OFR consolidated more than 20 legacy information technology systems and paper-based business processes within the Division of Securities and Division of Consumer Finance into its Regulatory Enforcement and Licensing (REAL) System, an integrated financial regulatory management system. The Division of Financial Institutions was not integrated into REAL at that time.

The REAL System is critical to OFR-wide operations, and combines core processes for licensing, investigation, examination, legal and complaint functions. In addition, it provides imaging, workflow and document management components to ensure more efficient and effective OFR-wide business operations. Citizens benefit from the system by obtaining complete and accurate information about licensed entities.

The REAL System was implemented through a system integration and maintenance contract with Accenture, LLP, and was built using Versa Regulation (VR) software, a configurable, Commercial Off-the-Shelf (COTS) product owned and licensed by MicroPact Global, Inc. (formerly Iron Data Solutions, LLC). Under the implementation contract with Accenture, LLP, the OFR's custom web services portal was also developed, which provides self-service processing to the general public and to licensees.

The OFR submitted a legislative budget request in September 2015 for the 2016 Legislative Session requesting funding for the re-procurement of the REAL System operations and maintenance support services contract. In addition, the OFR requested funding to leverage the re-procurement by also migrating the Division of Financial

Institutions into REAL and facilitating the replacement of the custom web services portal with a COTS package that will seamlessly integrate into REAL.

The legislature and Governor granted the OFR's requested funding for the three REAL initiatives in the 2016 General Appropriations Act, effective July 1, 2016. Thereafter, the OFR began its competitive re-procurement of the operations and maintenance support services contract, to be effective on July 1, 2017, and procurement of system integration vendor services for Division of Financial Institutions migration into REAL and portal replacement. Following a competitive solicitation, a contract was awarded to Accenture, LLC.

Seamless continuation of REAL System operation and maintenance began on July 1, 2017, and successful migration of the Division of Financial Institutions was completed as scheduled. The portal replacement initiative was completed on May 21, 2018.

Employee Turnover and Retention Efforts

Over the last several years, the OFR has experienced staff vacancy and spikes of employee turnover. OFR employees work in highly-specialized areas, which require certain technical skillsets, industry knowledge and significant training. Discussions with senior management and agency vacancy report data reflect an ongoing challenge to hire, train, and retain highly-qualified staff. Additionally, under the COVID-19 pandemic during early 2020, a hiring freeze was put into effect. The hiring freeze has resulted in an approximate twenty percent vacancy rate for the agency as of September 2020, which equates to over sixty-nine vacancies.

While turnover is not unique in state government, it threatens OFR's institutional knowledge, work production and job satisfaction of the remaining employees. Likewise, long-term employees that leave the agency deplete institutional knowledge and contribute to higher demands being placed on newer employees.

In response to these issues, the OFR initiated steps to reduce staff turnover and increase staff retention. Rather than relying on anecdotal information, the OFR is engaging several approaches to compile and collect information.

(1) Salary Realignment Project. In 2019 and again in 2020, the OFR conducted a holistic review of salaries of existing employees and new hires in the agency to better align employee compensation with experience, geography, and performance, while also attempting to identify and correct instances of gender bias in pay. One driver of the OFR's employee retention challenges is the attractiveness of lateral positions with our federal counterparts at significantly higher compensation levels. In addition to analyzing our own salary data for internal consistency, we compared that data to that of financial regulatory agencies in other states and the federal government. In 2019 and again in 2020, OFR made upward salary adjustments for individual employees when possible. Salary adjustments became impermissible in 2020 due to COVID-19-related statewide revenue shortfall concerns. OFR plans to resume its salary analysis

and adjustment plans when statewide hiring and pay adjustment limitations have been eliminated.

- (2) Employee Job Satisfaction. In May 2020 OFR conducted a statewide whiteboarding exercise with all of its employees using Skype. The exercise was designed to bridge gaps between our different industry regulatory divisions by situating similarly-classed employees together in groups and having them collectively respond to a series of questions. Anonymity was attempted and supervisors were excluded from staff groups as supervisors had their own groups. The results of the exercise were communicated directly to the Commissioner who has evaluated and begun to implement a number of the suggestions, while certain other suggestions were addressed by initiatives already in progress. Some of the whiteboard results are:
- a. Emergency Telework Environment. In March 2020 (pre-whiteboard) OFR transformed its operations into an all-employee work-at-home mode to protect them from the ravages of the COVID-19 pandemic. OFR provided all essential equipment to its employees to work from home. The employees favorably weighted their whiteboard responses based on OFR's rapid response to implement teleworking with most advocating that telework be made a permanent feature of OFR's benefits. Teleworking keeps them healthy, saves them money, and enables them to have a better work/life balance. OFR conducted a subsequent "telework lessons learned" survey of the employees to identify the issues they had in changing to a telework environment and to identify specific examples of how telework benefitted them. Approximately 89% of the responding staff members believed they were able to complete their jobs effectively while teleworking. Many were in favor of continuing a formal telework policy as a staff benefit. Telework is an option offered now to prospective employees and has served to retain at least one employee who relocated to a location in Florida where OFR does not have an office.
 - b. Revisions to Formal Telework, Flex Time, and Dress Code Policies. Although in March 2020 OFR embarked on an emergency telework style of operation, OFR's existing formal telework policy was re-evaluated for broad use in all OFR offices. OFR also reevaluated and implemented its flex time policy. Employees submitted their preferences for a telework schedule and in some cases a flex schedule, and management balanced the requests to maintain a consistent in-office functionality in each of its offices. The formal telework and flex time policies are ready for implementation once the emergency telework policy becomes unnecessary. Likewise, since OFR generally does not have public-facing personnel, its dress code was relaxed to business casual status all year in all offices.
 - c. Greater Communication and Transparency from Supervisory Staff. The Commissioner has included all senior management in Executive Direction's Monday meetings. This is designed to educate the supervisors on Executive Direction's concerns and processes, which will facilitate the succession of

executive management and preserve institutional memory. Likewise, this access to meetings will enable better communication to lower level employees of OFR executive agendas. In addition, the Commissioner has commenced quarterly “all-hands” video conferenced meetings where he addresses the office-wide staff and allows Q&A.

For the public, OFR is commencing a “Compliance Tips” outreach by email, social media, and the internet to provide solutions to frequently recurring but avoidable compliance issues. It is hoped this will also reduce the number of public assistance requests on these topics and saving the staff time that otherwise is dedicated to public responses.

- d. Better Working Spaces. OFR is engaged in an evaluation of its floorspace needs as part of its preparation for implementation of its formal telework policy. Floorspace reduction is anticipated as a direct result of telework. Nonetheless, the staff seek better on-site work facilities. Therefore, as management evaluates its floorspace needs, we are also evaluating work location alternatives to determine whether we can obtain affordable, modern, coworking facilities while saving the state money and increasing productivity through an enhanced atmospheric working environment.
- e. Pilot Project for Use of State Fleet Vehicles. Some staff requested to travel in state fleet cars. After discussions with divisional management, the Commissioner decided that OFR’s Bureau of Financial Investigations was an appropriate division to benefit from the use of state fleet vehicles. Florida-tagged vehicles may provide a degree of safety for investigators who may risk misidentification when conducting on-site appearances where their law enforcement capacity must be made known upon initial contact. OFR is partnering with the Department of Financial Services to borrow from time to time their vehicles for this purpose.
- f. Internal Inefficiency. A number of staff complained that it takes a year for OFR lawyers to issue final correspondence to deny pending incomplete applications. (This practice is followed by the issuance in every case of a final order to be signed by the Commissioner.) It is believed that this situation will be remedied by two initiatives being pursued by the OFR independently from the whiteboard comments. OFR is both reorganizing the Office of General Counsel to supervise all OFR lawyers, reassigning them from their current embedded division assignments, and has submitted an administrative rules proposal to the Financial Services Commission whereby stale applications will time-out and terminate automatically without the need for additional correspondence or the issuance of a final order. These actions should save the registrations staff considerable review time, save mailing expenses for the OFR, and eliminate a substantial amount of time currently devoted to legal review of delinquent applications. The reorganization of the OFR attorney assignments should provide more objective legal analysis and counseling to the divisions and will

provide oversight of attorneys by attorneys when headed by the General Counsel.

- g. “Your OFR.” The staff cited a lack of participation in decisions that affect their job performance and work environment as a significant issue in morale. Accordingly, OFR initiated a number of staff inclusiveness programs:
- i. Logo Ratification and Adoption: Some staff complained that each new commissioner creates a new OFR logo requiring a change in letterhead. This wastes paper. Also, the staff sends out letters with one logo while envelopes have a different logo, which creates confusion and credibility issues with correspondence recipients. Accordingly, the Commissioner instituted an opportunity where the staff can vote on the last two logos used by OFR as well as three new options. This initiative is in progress.
 - ii. Bright Ideas. This is a communications initiative to incentivize the staff to submit constructive ideas for policy changes outside of the whiteboard exercise.
 - iii. External Outreach: Ambassador program, alumni network, and participation on job fairs. The Commissioner is encouraging staff to volunteer to be speakers at OFR program-related college classes where OFR can be in front of students and describing our work. Former OFR employees will be contacted to meet in a social setting to exchange ideas and discuss the New OFR. Job fair participation is desirable for OFR to get a lead on hiring college grads. These external outreach programs are aimed at recruitment.

Training and Surveillance

Training is critical to the success of OFR regulatory efforts. The highly specialized, continually changing, nature of our regulated entities requires continual technical training to enhance skillsets, keep our team informed about the latest trends and risks in the marketplace, maintain optimum productivity, and enhance employee morale and professional development. Without a strong commitment to training, we jeopardize, our ability to perform our regulatory functions and create reputational risk for the agency and the financial services marketplace. The OFR therefore continues to advance training opportunities including working with industry groups and federal regulators to take part in training opportunities that expand our knowledge base concerning cybersecurity, information technology, risk management best practices, and risk mitigation strategies. Further, we are staying apprised, through training opportunities related to COVID-19, of new issues related to debt restructuring and payment modification brought by COVID-19 economic hardships. We continue to develop our knowledge base concerning emerging financial products and technology through participation in industry training events and webinars. In particular, some of the members of our Bureau of Investigations are in the process of achieving Cybercrime certification.

In response to the limitations on in-person training caused by COVID-19, the OFR has utilized virtual training platforms to participate in industry training events, federal and other state training events, and internal training throughout all divisions. Training topics in the virtual setting have included cybersecurity and information technological risk management, lending and loan modification standards, Bank Secrecy Act and anti-money laundering compliance, cryptocurrency chain analysis, and internal training on the use of different technology platforms to facilitate strong virtual communication and collaboration. Through the use of products like Microsoft Teams and Go To Meetings, the OFR has been able to facilitate and participate in effective meetings and training events, internally and with outside stakeholders.

Emerging Products and Technologies

Financial technology (Fintech) platforms and virtual currencies continue to be an area of focus for the OFR. On June 30th, 2020 CS/CS/CS/HB 1391 an act relating to Technology Innovation, was signed into law by Governor DeSantis, *in part, through a coalition between the OFR and the American Consumer Financial Innovation Network (ACFIN)*. Fintech is technology used to support or enable banking and financial services. Google Pay, Apple Pay, and Rocket Mortgage are just a few examples of fintech platforms that deliver financial products and services to consumers.

The bill created the Financial Technology Sandbox (sandbox) within the OFR, to allow a sandbox licensee to make an innovative financial product or service available to consumers as a money transmitter, payment instrument seller, or lender of consumer finance loans. The sandbox period is initially 24 months but can be extended one time for an additional 12 months. Upon approval of an application, a sandbox licensee is exempt from specified provisions of general law and the corresponding rule requirements during the sandbox period. OFR may initially authorize a sandbox licensee to provide the financial product or service to a maximum of 15,000 consumers but may authorize up to 25,000 consumers if the sandbox licensee demonstrates adequate financial capitalization, risk management processes, and management oversight. OFR is currently in the process of promulgating rules to implement this legislation that goes into effect January 1, 2021.

Initial Coin Offerings (ICOs) and cryptocurrency related products continue to be identified as an emerging threat to investors. Cryptocurrencies like Bitcoin, Ethereum and Litecoin are a medium of exchange created and stored electronically in a blockchain. Unlike traditional currency, these alternatives have no physical form. They are a distributed database that keeps a permanent record of digital transactions and typically they are not backed by tangible assets. They are not insured or controlled by a central bank or other governmental authority, cannot always be exchanged for other commodities, and are subject to little or no regulation.

In February 2019, the Third District Court of Appeal, within a criminal court case, issued a decision affecting cryptocurrency licensure in Florida; coming into conflict with OFR policy; and creating confusion in that industry. In *Florida v. Espinoza*, the appellate court,

reversing the lower court's decision, held that bitcoin is a "payment instrument," thereby requiring licensure under Florida's money transmission laws for its sale. OFR has studied the matter and has drafted legislative language for consideration during the next legislative session to clarify this issue.

Division of Financial Institutions

Florida Office of Financial Regulation's Role in Financial Institution Supervision

The Florida Office of Financial Regulation plays a key role in the United States' dual banking regulatory system. This system provides each financial institution with the option to have either a federal charter or state charter. The federal charter's powers and limits are defined under federal law, operates under federal standards, and regulatory oversight is provided by a federal supervisor. Federally chartered (national) banks are supervised by the Office of the Comptroller of the Currency (OCC), while the National Credit Union Administration (NCUA) is the primary regulator of federally chartered credit unions.

State-chartered banks and credit unions operate under the powers and laws established by the state in which it is chartered. The Florida Office of Financial Regulation is the primary regulator of all Florida state-chartered financial institutions. State-chartered financial institutions tend to be community-focused institutions that provide products and services that are tailored to the needs of that community. A state charter offers financial institutions the ability to be regulated at the state-level, thus allowing for regulatory supervision that is more familiar with local perspectives and has knowledge of the community and markets in which the institution operates. This allows for more flexible and responsive regulation, and thus benefits the financial institution as well as its customers.

Economic Trends and the Impact on Florida State-Chartered Financial Institutions

The Division of Financial Institutions has regulatory oversight of 196 state-chartered financial institutions with total assets of \$111.6 Billion as of March 31, 2020. This includes state-chartered banks, credit unions, trust companies and licensed domestic offices of international banking corporations operating in Florida. Florida-chartered trust companies had total assets under administration of \$55.4 Billion as March 31, 2020. The number of regulated financial institutions has decreased 21 percent since 2013 when there were 249 state-chartered financial institutions. Despite the decrease in the number of state-chartered financial institutions, the total assets of these institutions have increased approximately 15 percent during the same period. The increase in total assets is mainly attributed to an almost 83% increase in credit union assets over this period of time.

The state of Florida benefited from strong economic growth and expansion in the years following the "Great Recession," which lasted from December 2007 to June 2009. The financial condition of financial institutions across the state strengthened and the number of troubled institutions declined post 2009. As Florida entered 2020, financial institutions were poised to continue on a positive trajectory.

In January 2020, the Novel Coronavirus Disease 2019 (COVID-19) was declared to be a world-wide health crisis. Since then, the pandemic has evolved into a global public health and economic crisis that has affected the economy, both globally and at a state level, in a way that has never been experienced before. It is unknown at this point what the long-

term effect will be on the economy and how long-lasting the impact will be. Financial institutions came into the pandemic from a position of financial strength and strong capitalization, and this will help them weather any negative repercussions that are experienced moving forward.

Florida financial institutions have actively worked with customers and borrowers to make needed accommodations to assist those affected by the COVID-19 pandemic. In fact, financial institutions have played a key role in the response to COVID-19. They increased their efforts to work with customers, members, and their communities to provide assistance during COVID-19. From working with existing customers and members to restructure and modify terms of existing loans, to helping their communities seek PPP loans under provisions of the CARES Act, financial institutions have been at the forefront of the response to COVID-19. Financial institutions have adjusted their services to maintain health and safety for their teams and customers, but never stopped providing financial services.

In its role as primary regulator of Florida-chartered financial institutions, the Office has supported the industry during this time of turmoil, from accommodating requests for modifications of services in order to ensure the health and safety of customers and employees, to extending due dates of financial reporting, and performing remote examinations. As Florida continues to experience detrimental economic effects from the pandemic, the Office will continue to monitor the safety and soundness of the financial institutions it regulates and work with the industry to ensure that the citizens of Florida continue to benefit from a robust financial services industry.

Merger and acquisition activity continued in the industry through the end of 2019, although the future of such activity is uncertain in light of the COVID-19 pandemic. The number of state-chartered banks has decreased 50% since 2013, while assets have declined by 25% during the same period. However, recent economic growth and the demand for community banks has spurred an increase in De Novo activity. The Division has chartered two De Novo banks in the last two years, which are the first Florida-chartered De Novo institutions since 2009. The Division also chartered 3 non-depository Trust Companies and licensed 2 international branches of foreign banking organizations during the same timeframe. The Division currently has 1 pending De Novo bank application, and more are anticipated. After the rebound to the economic stress created by COVID-19, Florida should experience economic growth and continued opportunities for existing and new financial institutions.

The credit union assets under the Division's supervision have continued to grow and are \$55.6 billion as March 31, 2020, compared to \$45.2 billion at year end 2018. There are currently twelve credit unions with assets over \$1 billion compared to eight over \$1 billion at year end 2013.

The growth in assets is coming primarily from the larger credit unions, those over \$250 million in assets. Since 2018, there have been four conversions of federal charters to state charters and another federal charter will convert in the 3rd quarter of 2020. A

positive contribution to the conversion activity is the flexibility permitted within the State of Florida's field of membership parameters in comparison to the more restrictive parameters of the National Credit Union Administration. The Division continues to see the merger of banks into state-chartered credit unions. There were seven such transactions in 2019 and one in 2020. There have been a few credit union mergers and the industry may continue to experience some consolidation through mergers, with smaller credit unions merging into larger credit unions. However, many of the smaller credit unions have closed field of memberships and some are also located in areas without a great deal of competition, so they remain viable operations.

The healthy financial performance of the credit union industry is attributed mainly to the growth in vehicle lending (both direct & indirect), and to a lesser extent other consumer loans, such as residential first mortgages, along with member business lending. The credit unions have also benefited from loan portfolios that have generally lower delinquency and charge off ratios than 5 to 10 years ago.

Most of our state credit unions have loan portfolios consisting of vehicle loans, residential first mortgage loans and other consumer type loans which performed relatively well in the last economic downturn. However, we continue to monitor economic conditions which may create challenges for the consumer and credit issues for the credit union.

Improving Taxpayer Value

The Division of Financial Institutions receives and processes complaints in a timely and responsive manner. The primary responsibility of the Division in the complaint process is to facilitate the resolution of complaints by referring them to the appropriate agency and ensuring that consumers receive the best service from decision makers which have jurisdictional power over a particular financial institution. Complaints have increased from 341 in fiscal year 2018-2019 to 403 for fiscal year 2019-2020, representing an increase of approximately 18%. Of the 403 complaints, 279, or approximately 69% of the 403 processed, were referred to other agencies as the matter did not fall under the jurisdiction of the Division of Financial Institutions. Complaints that were referred to other agencies for fiscal year 2019-2020 were processed in approximately 1.08 days and complaints against state-chartered financial institutions were processed in approximately 17.3 days. The processing of complaints against state-chartered institutions improved from 21.7 days for fiscal year 2018-2019 to 17.3 days for fiscal year 2019-2020.

The Division of Financial Institutions continues to utilize off-site safety and soundness examinations, which serve to reduce cost and increase taxpayer value, as well as minimize disruption and burden to the financial institutions. This has also been very beneficial in allowing the Office to continue with examinations during the COVID-19 pandemic, without risk to the health of financial institution employees or the examination team.

Deliver Value to Business

As Florida faces an uncertain economic future, the Division of Financial Institutions continues to focus on reducing employee turnover and maintaining a well-trained and experienced examination team. High levels of turnover have been very costly to the Division in recent years. Compressed salary levels offered by the Division continue to make it difficult to compete with the private sector and federal regulatory agencies, who are able to offer significantly higher wages, more advanced and modern work life schedule balance opportunities, and greater benefits packages. The Division realizes that investing in its employees is critical to the successful regulation of the financial institution industry in the State of Florida, and this will continue to be a priority.

Promote a Safe and Sound Financial Marketplace

As the State of Florida faces the challenging economic situation arising from the COVID-19 pandemic, the Division of Financial Institutions remains dedicated to providing forward-looking, risk focused safety and soundness examinations of all state-chartered financial institutions, as set forth by Florida Statutes. In accomplishing this, the Division works in conjunction with its Federal counterparts to facilitate an examination schedule that provides optimal regulatory supervision while minimizing the impact and disruption to the financial institution being examined. During the potentially challenging economic times ahead, it will be vital that the Division continue to assess not only the financial condition of the institution, but the ability of management and its board of directors to manage the risk and guide the institution in order to maintain safety and soundness.

Emerging technology, such as financial technology (FinTech) platforms and cryptocurrency, pose both opportunities and risks to institutions. The Division of Financial Institutions is dedicated to maintaining a team of experienced and well-trained examiners to perform safety and soundness examinations and assess the risks faced by the institutions we regulate. As such, training continues to be a top priority of the Division. Our goal remains to be supportive of innovation in the financial institutions industry, while keeping the financial institution marketplace safe and sound.

Legislation

During the 2020 Legislative Session, the Division worked with the Legislature to provide bill analyses and other requested information, when necessary. Industry legislation related to allowing a financial institution to pay funds on deposit of certain accounts to a specified family member of a decedent without court proceedings.

During the 2021 Legislative Session, the Division will monitor any legislation affecting the financial services industry. The Division intends to pursue a substantial rewrite of section 655.057, F.S., and other statutes under the Financial Institutions Codes, that govern supervisory records held by the Division and the limitations and restrictions placed upon public access to such records. The rewrite is intended to create a more competitive and

welcoming atmosphere in which potential and current financial institutions can comfortably engage with the Florida Office of Financial Regulation as its chosen regulator. In addition, the Division intends to pursue other changes to the Financial Institutions Codes, and the rules promulgated thereunder, to improve the agency's processes and ensure that Florida maintains its position as a viable and business friendly state for financial institutions to conduct business.

Division of Consumer Finance

The Division of Consumer Finance administers and enforces Chapters 494, 516, 520, 537, 559 (Parts V & VI), and 560, Florida Statutes, which cover mortgage loan origination, brokering, and servicing; consumer finance lending; retail and installment financing; title loan lending; collection agencies; and, money services businesses, including payday lending. These statutes are designed to help protect the public from unlawful activities while promoting the sound growth and development of Florida's economy.

The division is organized into the following units:

- Bureau of Enforcement
- Bureau of Registration
- Legal
- Director's Office

Bureau of Enforcement

The Bureau of Enforcement is charged with the following responsibilities:

- Conducting examinations of consumer finance industries to ensure compliance with Florida statutes and administrative rules.
- Processing consumer complaints and where appropriate utilizing consumer complaints as a tool to identify entities that warrant an examination.

The Bureau consists of employees located in Tallahassee Headquarters and each regional office (Tampa, Orlando, West Palm Beach, and Miami). Enforcement staff conduct field examinations primarily within the state, but may also travel to another state when required by law or otherwise deemed mission critical.

Enforcement is responsible for the examination of 15 different types of licensed entities and the continuous monitoring of the activities of existing licensees and registrants. Enforcement conducts examinations of money services businesses pursuant to a statutorily mandated five (5) year examination cycle. In addition, Enforcement is required to investigate all complaints filed with the OFR regarding Consumer Collection Agencies. For all other finance laws, Enforcement does not require "cause" or grounds for legal action to examine a business, so businesses licensed or registered with the division may be subject to an unannounced examination. These examinations typically target businesses whose history shows a pattern of conduct warranting further examination.

Some examinations involve more complex issues and are commenced when there appears to be significant violation of law (i.e., fraud or money laundering) or significant risk of consumer harm. These examinations require substantial time and resources and may require complex and lengthy litigation.

Through cases developed by the Bureau, the Office may seek administrative remedies such as revoking or suspending a license, denying a license application, assessing an administrative fine, or restricting a license. Persons subject to the Office' administrative

actions are afforded due process pursuant to Chapter 120, Florida Statutes (Administrative Procedures Act) and can request either a formal or informal administrative hearing to challenge the Office's intended action. The Office may also seek civil remedies in circuit court, including cease and desist orders, civil penalties, fines, freezing of assets or appointment of a receiver. The Bureau also works with the Office's Bureau of Financial Investigations in cases involving possible criminal activity.

The Bureau works closely with other state and federal regulatory agencies, including the Internal Revenue Services, the Financial Crimes Enforcement Network, and the Consumer Financial Protection Bureau. These relationships result in case referrals, joint or concurrent examinations, which allow for leveraging of resources, taking advantage of the experience and expertise of each entity, and the ability to prosecute larger, multi-jurisdictional cases. Referrals of matters to the Office affecting Florida consumers also result from these close relationships

Bureau of Registration

The Bureau of Registration is charged with the following responsibilities:

- Reviewing applications for license or registration of individuals, business, and branch offices/authorized vendors.
- Reviewing applications for license renewal and amendments to existing licenses or registrations.

As of June 30, 2020, there were 14,693 businesses, 58,023 branches/vendors and 38,385 individuals licensed in Consumer Finance. Florida ranks in the top three in the nation in the number of consumer finance industries. Registration is responsible for the review of 25 different types of applications and with monitoring the activities of existing licensees and registrants through renewal applications and amendments.

Licensing and registering individuals, businesses, and branch offices/authorized vendors ensures that only those applicants that meet the standards set by laws and rules are allowed to conduct business in Florida. In instances where the qualifications are not met, denial of the application may be required, thus helping protect consumers.

Applications are reviewed based on the specific laws and regulations depicting the minimum standards by which an individual or business is qualified to act in the capacity of the license. Many of the applications involve a detailed review of criminal backgrounds of the controlling individuals and for mortgage applicants a determination of financial responsibility. Registration analysts are required to conduct a thorough review of each application and communicate with the applicant if there are any deficiencies found in the application. The OFR, as an agency that processes licensing and registration applications, must comply with Chapter 120, Florida Statutes (Administrative Procedures Act or APA) in its review of applications. Failure to adhere to the timelines mandated by the APA could result in the OFR being required to approve an application for a license where the applicant or controlling individuals do not meet the minimum licensing standards thereby placing Florida consumers at risk for financial harm. In addition, review

of criminal backgrounds and determination of financial responsibility are also reviewed on a yearly basis when mortgage licensees renew their license.

Registration utilizes OFR's Regulatory Enforcement and Licensing (REAL) System to perform the majority of its licensing activities. In addition to REAL, Registration also participates in the Nationwide Mortgage Licensing System (NMLS) as mandated by the federal S.A.F.E. Act, which was enacted in 2008. The S.A.F.E. Act requires all states to utilize the NMLS for licensure filings related to the regulation of the mortgage industry. The NMLS acts as the portal by which all filings are received and then, through programs established within REAL, the NMLS data is programmatically entered in REAL where staff completes their review, tracks their progress, and maintain pertinent information regarding the final decision. NMLS is also the system of record for states for information provided in conjunction with their NMLS filings. The OFR retains all other records within REAL that are provided outside of NMLS.

Improving Taxpayer Value

The OFR continues to focus on enhancing taxpayer value. With expanded data collection and analysis, Consumer Finance has been able to make data-driven decisions and create performance measures to improve productivity with its current complement of staff. Consumer Finance uses technology to better analyze data and more efficiently allocate limited resources to target areas of highest risk of harm to consumers.

Delivering Value to Businesses

Consumer Finance strives to improve service to its applicants and licensees by processing submissions in a timely manner. During Fiscal Year 2019-20, the Division approved licenses in less than 12 days.

Providing quick, responsive service to applicants is a current measure for Consumer Finance on the agency Long Range Program Plan. The Administrative Procedures Act requires that all applicants for licensure be notified of application deficiencies or outstanding concerns within 30 days of receipt of the application. Consumer Finance has, on average, notified applicants of deficiencies within four days. This is substantially faster than required by the statutory timeframe.

Legislation

House Bill 1391 (HB 1391) passed during the 2020 legislative session creating a Financial Technology Sandbox license for innovators offering a product or service covered under Chapters 516 and 560 (Part II only), Florida Statutes. The bill has an effective date of January 1, 2021 and the Office has drafted proposed rules and forms necessary to implement the provision of HB 1391.

The Office was also appropriated funding for updates to the Regulatory Enforcement and Licensing (REAL) system needed to implement new transactions and promulgated forms. Changes include configuration changes to the back office and portal (external facing) to support online filings. The Office will be presenting its proposed rules and forms before the Financial Services Commission to initiate the rulemaking process. The Office anticipates successful implementation by the effective date of the legislation.

No additional positions were provided as part of the legislation; however, the Division of Consumer Finance received two additional FTE's (Full-Time Equivalent) positions as part of its 2020-21 budget that were transferred from the Division of Financial Institutions. One of the transferred positions will be utilized to processing all filings related to the new Financial Technology Sandbox program.

Division of Securities

The mission of the Florida Office of Financial Regulation (OFR), Division of Securities (Securities) is investor protection. Securities administers and enforces compliance with Chapter 517, Florida Statutes, the Florida Securities and Investor Protection Act (Act). The Act is designed to help protect the investing public from unlawful securities activity while promoting the sound growth and development of Florida's economy.

Securities accomplishes its mission through its Bureau of Registration (Registration) by registering securities firms and their employees to do business in, to or from the state of Florida. The Bureau of Enforcement (Enforcement) receives and processes consumer complaints regarding securities industry activities and participants. Enforcement conducts examinations of securities firms and their employees and develops enforcement actions brought by OFR for violations of the securities laws.

The Commissioner of OFR has broad authority to enforce the Act. Registration recommends to the Commissioner whether to deny, suspend, revoke or restrict the registrations of firms and persons that apply for registration, or are currently registered under the Act. Through cases developed by Enforcement, the Commissioner may seek administrative remedies in the Division of Administrative Hearings or civil remedies in court including cease and desist orders, civil penalties, fines, suspension, revocation, bar, freezing of assets or appointment of a receiver.

Registration and Enforcement maintain close relationships with other states and Canadian securities regulators through the North American Securities Administrators Association (NASAA), the organization of U.S. state and Canadian provincial and territorial securities regulators; the U.S. Securities and Exchange Commission (SEC); self-regulatory organizations (SROs), e.g., the Financial Industry Regulatory Authority (FINRA), which regulates its securities broker dealer industry members; and state and local prosecutors and law enforcement. These relationships result in case referrals, joint investigations and enforcement cases, which allow for leveraging of resources, taking advantage of the experience and expertise of each entity, and the ability to prosecute larger, multi-jurisdictional cases. Referrals of matters to OFR affecting Florida investors also result from these close relationships.

Both bureaus engage in outreach to consumers and selected groups, such as seniors, the securities industry and the Florida Bar.

Enforcement

Enforcement conducts examinations of dealers, investment advisers and their associated persons located in Florida, to determine whether any person has violated or is about to violate the securities Act, or to aid in the enforcement of the securities law and rules. Enforcement does not require "cause" or grounds for legal action to examine a dealer or investment adviser, so firms registered with the division may be subject to an

unannounced examination. These examinations typically target registered firms and individuals whose history shows a pattern of conduct warranting further examination.

Some examinations involve more complex issues and are commenced when there appear to be significant securities law violations (i.e., fraud or abusive sales practices) or significant investor losses. These examinations require significant time and resources and may be resource intensive. They frequently result in an enforcement action.

Enforcement works with OFR's Bureau of Financial Investigations regarding matters warranting criminal prosecution.

Civil, administrative or criminal violations of the Act can take many forms, but the most serious violations involve fraudulent conduct. Fraudulent conduct involves material misrepresentations or omissions by the perpetrator to prospective or actual investors which frequently result in substantial losses of money or property by the victims. In the securities realm, this often involves one or more sales practice abuses.

Securities staff also has the ability to jointly investigate cases with the Office of the Attorney General pursuant to section 517.191, Florida Statutes, which provides the Attorney General with the authority to investigate and bring actions under the anti-fraud provisions of the Act.

Registration

As of June 30, 2020, there were 9,260 dealer and investment adviser firms, 10,841 branches and 333,941 individual associated persons actively registered with OFR. Florida ranks third in the nation in the number of registered dealers, investment advisers and their registered associated persons, and fourth in the number of registered branch offices. Registration is responsible for the review of 15 different application types including dealers, investment advisers, branches and their employees, and with monitoring the activities of existing registrants.

By registering dealers (firms that buy and sell securities) and their sales persons (commonly known as stockbrokers, agents or associated persons), and by registering investment advisers (firms that manage money for a flat fee or a fee based on a percentage of the assets under management) and their employees (commonly known as investment adviser representatives, agents or associated persons) who conduct business in Florida, Registration ensures that only applicants that meet the registration requirements set by the Act and the rules are allowed to conduct business in Florida. In instances where the qualifications are not met, denial of the application for registration, or restriction of the applicants' business activities upon registration, may be required, thus helping protect consumers.

Applicants for registration are reviewed for any prior securities law violations and, once registered, are continually monitored for any actions in violation of the Act. Registration analysts check the disciplinary history (including any criminal history) for the firms and

individual applicants, and the educational and employment background for the individual applicants employed by the dealers and investment advisers.

Once firms and individuals become registered, Registration identifies problems that require remedial or regulatory action. Regulatory action can include revocation, suspension or restriction of the right to do business in, to, or from Florida, which also protects consumers.

Applicants must disclose disciplinary events at the time of the initial application and registrants have a duty to report any updated disciplinary matters in a timely fashion. Registration received more than 15,287 disciplinary updates on registrants in Fiscal Year 2019-20. Updated disciplinary and background information is carefully reviewed to determine if there are legal grounds to take regulatory action.

Registration participates in the Central Registration Depository (CRD) and Investment Adviser Registration Depository (IARD) systems, which are national databases of dealers and investment advisers and their associated persons. CRD and IARD are jointly administered by NASAA and FINRA on behalf of OFR and the other state securities regulators. OFR registers securities dealers and associated persons conducting business in, to or from Florida, and FINRA registers its member dealers through the CRD. OFR registers investment advisers with up to \$100 million in assets under management and associated persons of all investment advisers conducting business in Florida and the SEC registers the investment adviser firms over the \$100 million threshold through the IARD.

Improving Taxpayer Value

The OFR continues to focus on enhancing taxpayer value. With expanded data collection and analysis, Securities has been able to make data-driven decisions and create performance measures to improve productivity without increasing staffing.

Delivering Value to Businesses

Securities strives to improve service to its applicants and registrants by processing submissions timely. During fiscal year 2019-20 and currently, an applicant's registration request is approved, on average, in 3 days.

Providing quick, responsive service to applicants is a current measure for Securities on the agency Long Range Program Plan. Overall, Securities sends notices of deficiency to an applicant within 5 calendar days from receipt of their application, well within the Florida Administrative Procedures Act requirement that applicants be notified of deficiencies or outstanding concerns within 30 days from receipt of the application.

Securities holds a pre-registration conference with investment advisers to discuss registration maintenance, record keeping and compliance requirements after registration. Securities also sends a user-friendly guide to newly registered investment advisers to

assist them in understanding their compliance obligations. This guide is available for all investment advisers via the agency website.

These efforts provide state registered investment advisers with helpful and useful information regarding Securities' rules and regulations, including common violations detected during examinations, and promote a stronger and safer investment advisory industry.

Promoting a Safe and Sound Marketplace

As part of the agency's measure to foster a safe and sound marketplace, Securities evaluated its regulatory responsibilities following the enactment of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 relating to the regulation of Investment Advisers. As the sole regulator of investment advisers with up to \$100 million in assets under management, Securities determined it would be prudent to examine all investment advisers domiciled in Florida on a five-year cycle. At present, Securities has approximately 1,789 investment advisory firms registered in Florida, with approximately 1,115 domiciled within the state. Since the implementation of the cycle examination program, compliance by investment advisory firms with Securities' statutes and rules has increased considerably.

Due to the increase in compliance, the division has assessed the timeline for future investment adviser examinations. The division has determined that a ten-year cycle is appropriate and allows continued support for the initiative that all investment adviser firms be examined on a cyclical basis. Newly registered firms will be examined during their first year of operation to ensure they comply with books and records, net capital, and financial reporting requirements, and appropriate business practices. This change to a ten-year cycle will allow for adequate staff resources to conduct broker dealer, branch, associated person, and special initiative examinations when there is a determination of heightened risk or need.

The division uses data analytics software to assist in the identification of higher risk activity, firms, and individuals; this software improves the effectiveness and efficiency of our examination program. That improvement translates into less disruption and time spent in a securities industry business, allowing the business to provide more of its services to the Florida investor. The division will also use data analytic software to proactively identify areas of concern for firms and investors, including investment products, due to anticipated economic downturns related to the novel coronavirus pandemic.

Legislation

During the 2020 legislative session, the division worked with industry to support legislation designed to protect vulnerable investors from financial exploitation. The legislation created section 517.34, Florida Statutes, and became effective July 1, 2020. This was significant legislation due to Florida having one of the largest populations of

senior investors in the United States. The statute applies to both disbursements and securities transactions, and allows a securities dealer or investment adviser to delay a transaction or disbursement if the dealer or investment adviser reasonably believes financial exploitation has occurred, is occurring, has been attempted, or will be attempted in connection with the disbursement or transaction at issue.

Bureau of Financial Investigations

The Bureau of Financial Investigations (BFI) is a criminal justice agency with investigative teams located in Tallahassee, Orlando, Tampa, West Palm Beach and Miami. The bureau generally conducts financial crimes investigations involving securities and lending fraud. Cases are prioritized, and resources are typically devoted to matters that significantly impact the citizens of Florida. The bureau also participates in joint investigations with local, state and federal law enforcement agencies.

Cases are presented to OFR attorneys and/or criminal prosecutors for appropriate enforcement action. Once an investigation is accepted for administrative, civil, or criminal prosecution, the bureau continues to lend support and expertise until the final disposition of the case.

Most investigations originate from consumer complaints, referrals from other agencies, confidential sources and coordination with law enforcement. The BFI also works with staff from the Divisions of Securities, Consumer Finance and Financial Institutions to enforce the securities, consumer finance and banking laws of the state.

Investment Fraud

As has been the historical norm, the BFI continues to deploy a majority of its resources to investigate investment fraud. Common schemes include those that target retirees and others seeking low risk, fixed return investments that generate income, Ponzi schemes in which new investor funds are used to pay returns to earlier investors, boiler room scams and affinity frauds.

The stock market has performed well since 2009. A strong recovery following a market correction in the first quarter of 2020 saw many equity markets reach all-time highs by the third quarter of 2020. A strong market usually helps to mask illegal activity. The BFI traditionally sees a spike in customer complaints and investigations in the time periods subsequent to a meaningful downward movement in the financial markets.

Interest rates have continued their downward trajectory in 2020 and are presently at historic lows. This low interest rate environment can tempt investors to chase higher yields by investing in unregistered, non-traditional investment opportunities that are often fraudulent. The BFI continues to investigate schemes that target retirees by offering them low or no risk investments coupled with a promise to pay them above market rate returns.

In one such case, on June 26th, 2020, insurance agent and former lawyer, Phillip Roy Wasserman of Sarasota and insurance agent and CPA Kenneth Murry Rossman of Bradenton were each arrested and charged with conspiracy to commit wire fraud and multiple counts of wire fraud for their involvement in an alleged \$6 Million + fraudulent investment scheme.

The charges stemmed from a promissory note investment offering which Wasserman and Rossman were alleged to have sold from on or before August of 2016 through June of 2020. Wasserman and Rossman are accused of primarily operating the investment scheme through Wasserman's Sarasota, FL based companies, Phillip Roy Financial Consultants, LLC DBA Fastlife and Fastlife, LLC (collectively "Fastlife").

Investigation revealed that Wasserman and Rossman solicited their insurance clients and other investors to invest in the development of Fastlife, an internet-based life insurance company. Wasserman and Rossman raised over \$6,000,000 from over 30 investors in and outside of Florida by selling Fastlife promissory notes that purportedly paid their investors a 10 to 12% annual return. Wasserman and Rossman made representations to investors that their funds would be used towards Fastlife's business development and operational expenses.

Contrary to those representations, however, analysis of financial records revealed Wasserman and Rossman used investor monies to fund lavish personal lifestyles that included luxury residences, high-end vehicles, jet skis, jewelry, personal celebrity entertainment, gambling, retail shopping, home improvements, personal insurance, and a host of other non-business-related expenses. As a result of Wasserman and Rossman's mismanagement of investors' funds, most investors were left with partial or total losses.

The investigation was predicated upon a complaint referral from the Alabama Securities Commission. The case was developed jointly with IRS Criminal Investigation (Sarasota Office) and is being prosecuted by the U.S. Attorney's Office in Tampa.

Ponzi Schemes

The BFI continues to see Ponzi schemes being perpetrated against the investing public. A Ponzi scheme is a fraudulent investment operation where the conman pays returns to existing investors from capital raised from new investors. Ponzi schemes can be difficult to detect as investors do not complain when they are getting paid their promised returns. Ponzi schemes generally collapse when the money needed to pay the existing investors outstrips the amount of money being raised from the newer investors, causing a default.

On January 14, 2020, Alan G. Heide of Lake Worth, FL was sentenced to 60 months in federal prison for his role in a \$287 million investment fraud scheme that defrauded at least 3,400 investors in 42 states. Heide was Chief Financial Officer of 1 Global Capital, LLC ("1 Global"), a purported commercial lending business. In his role as CFO, Heide misled investors into believing that the company was profitable and subject to reviews by an independent auditor. Contrary to those representations, however, investigation revealed that the business was losing money and was using new investor funds to pay

earlier investors in typical Ponzi fashion. Investigation also revealed that Heide and his co-conspirators misappropriated investor funds for their personal benefit and paid substantial commissions to sales agents without disclosing the extent of these payments to investors.

From early 2014 through July 2018, 1 Global operated a Merchant Cash Advance (“MCA”) business providing short-term funding to businesses that could not obtain a traditional financing through bank loans. 1 Global utilized a network of Independent Sales Organizations (“ISOs”) nationwide consisting of registered and unregistered advisers, barred brokers, insurance agents, and other sales agents to offer and sell its unregistered securities to investors. The monies raised would be used to provide MCA loans to merchants. 1 Global raised more than \$287 million from more than 3,400 investors nationwide between 2014 to 2018 and paid millions in commissions to its ISOs for selling the company’s unregistered securities.

The OFR initiated the 1 Global investigation in August 2017. Owing to the large volume of investments and loan transactions involved, and the fact that sellers and investors were located throughout the country, the OFR presented its financial records analysis and investor statements to a joint meeting of the FBI, USAO and SEC where a decision was made to collaborate on the investigation.

False Documents and Misrepresentations

Hallmarks of financial fraud, false representations and phony documents are often the vehicles through which bad actors will entice unsuspecting investors to part with their money. BFI investigators are trained to zero in on documentary evidence that can prove that victims relied upon false representations in arriving at their investment decisions.

On December 16, 2019, Bryan L. Brewer of Ponte Vedra, FL was sentenced to five years in federal prison for his role in orchestrating both a \$1 million fraudulent investment scheme and an \$8 million mortgage fraud scheme. The sentence followed Brewer’s August 2019 guilty plea to charges of wire fraud, bank fraud, and money laundering in connection with the schemes.

In the first scheme, investigation revealed that Brewer solicited an investor to invest in a paddleboard company by providing the investor with false bank statements, tax returns, and other documents showing that the business represented a viable investment opportunity. In actual fact, the documents contained inflated sales figures, false representations of profits and phony bank account balances. Based on the information provided by Brewer, the investor invested \$1 million. The investor’s monies were never invested in the company but instead were used by Brewer to fund his personal lifestyle.

In the second scheme, Brewer defrauded a bank out of nearly \$8 million by providing forged documents as part of a business loan application. The bank funded the loan based on Brewer's misrepresentation of his net worth -which he inflated by falsely minimizing his liabilities, utilizing phony mortgage and estoppel documents to give the appearance of lesser balances on his existing loans than he actually owed.

This investigation was developed jointly with the Federal Bureau of Investigation and the Internal Revenue Service. The OFR committed more than 300 investigative hours to the development of the case, providing much of the financial records analysis upon which the case was based. The case was prosecuted by the U.S. Attorney's Office for the Middle District of Florida.

In addition to the five-year prison sentence, Brewer was also ordered to pay \$8.9 million in restitution.

Boiler Rooms and Precious Metals Investment Scams

The BFI continues to investigate unregistered "boiler rooms" operating primarily in South Florida. Boiler rooms selling precious metals and other fraudulent investments are easy to set up and equally easy to move once identified. As these fraudulent schemes often victimize out-of-state or international investors, some local prosecutors may be less inclined to accept these cases. The BFI continues to work closely with other regulators and state and federal law enforcement in an attempt to rein in this illegal activity.

On August 2, 2019, defendant John Anthony Cavallo, Jr. of Jupiter, was sentenced to 24 years in state prison for perpetrating a \$1.2 million fraudulent investment and money laundering scheme that targeted at least 17 people from various parts of the country. Cavallo was one of six defendants charged in a sixty-five count Criminal Information filed by the Office of Statewide Prosecution for Racketeering, Conspiracy to Commit Racketeering, Grand Theft, Fraudulent Securities Transactions, Money Laundering and Unlicensed Telemarketing related to this scheme.

Cavallo and his co-conspirators operated several shell companies to broker the buying and selling of precious metals as an investment option. Cavallo assured investors (the majority of whom were senior citizens) that the investments would turn a quick profit. Unknown to investors, however, was the fact that less than one percent of the money they invested was used for the purchase of precious metals.

The six defendants opened more than 30 bank accounts into which victims mailed checks or wired funds. The OFR developed this investigation jointly with the Florida

Department of Law Enforcement and the case was prosecuted by the Attorney General's Office of Statewide Prosecution.

Affinity Fraud

Affinity fraud is a type of investment fraud in which conmen prey upon members of self-identifying groups, such as religious or ethnic communities, the elderly, or professional groups. The conmen who perpetrate affinity scams frequently are also members of the group or have established relationships with them.

On October 1, 2019 Jackson St. Lot of Miami was arrested on felony charges of engaging in a scheme to defraud and grand theft. The charges stem from the sale of a \$50,000, "100% guaranteed return" investment St. Lot sold to his North Miami, FL based victim in April of 2018. St. Lot was acquainted with his victim through church and represented that he was a real estate broker and real estate investor.

St. Lot frequently visited his victim at her residence. It was during one of these visits that his victim advised St. Lot she was going to invest \$50,000 with a group of real estate investors who offered her 10% return on her investment. St. Lot told his victim to invest her money with him instead and promised to pay her a guaranteed 100% return based on his own real estate investment activities. Contrary to those representations, however, an analysis of St Lot's business and personal bank accounts revealed that he used all of his victim's funds for personal living expenses rather than the purchase of real estate.

The case is being prosecuted by the Miami-Dade State Attorney's Office and a trial is still pending in this matter.

Advance Fee for Loan Fraud

Stricter lending criteria on the part of financial institutions, while providing a benefit to the real economy, also create an environment where opportunities for advance fee for loan frauds flourish. These cases are challenging for the BFI as the crime usually occurs over the internet. The perpetrators taking the advance fees typically conceal their true identities and physical whereabouts. The BFI has also noted that many of the victims pay the upfront fees in cash, transmitted by pre-paid stored value cards or via a money transfer service. These payment methods make it difficult to follow the money and identify the perpetrators of the crimes.

The BFI has successfully investigated other advance fee cases in which large dollar amounts are collected as fees to purportedly fund commercial ventures. These funds are typically transmitted by wire or by check to someone operating in Florida.

On September 4, 2019, Barry Carl Vigoda of Fort Myers was sentenced to 26 months in prison to be followed by 24 months' probation for his role in illegally assessing and collecting more than \$151,161 in advance fees from prospective borrowers on the promise of obtaining more than \$200 million in business loans.

From July 2016 to June 2017, Vigoda and his wife Catherine Vigoda (who was sentenced separately to ten years' probation) used a website to offer commercial loans to prospective borrowers. The website displayed "client testimonials" which claimed that Gulf Coast had obtained more than \$400 million in commercial loans and had more than \$450 million in loans pending. Evidence obtained during the course of the investigation, however, showed that no business loans or refunds ever materialized and losses to prospective borrowers both within and outside of Florida were estimated to be greater than \$300,000.

Gulf Coast maintained a virtual office in Fort Myers and a mail drop at a UPS store in North Fort Myers. The Vigodas are believed to have victimized more than 40 prospective borrowers throughout the US and Canada, 6 of whom were Florida residents.

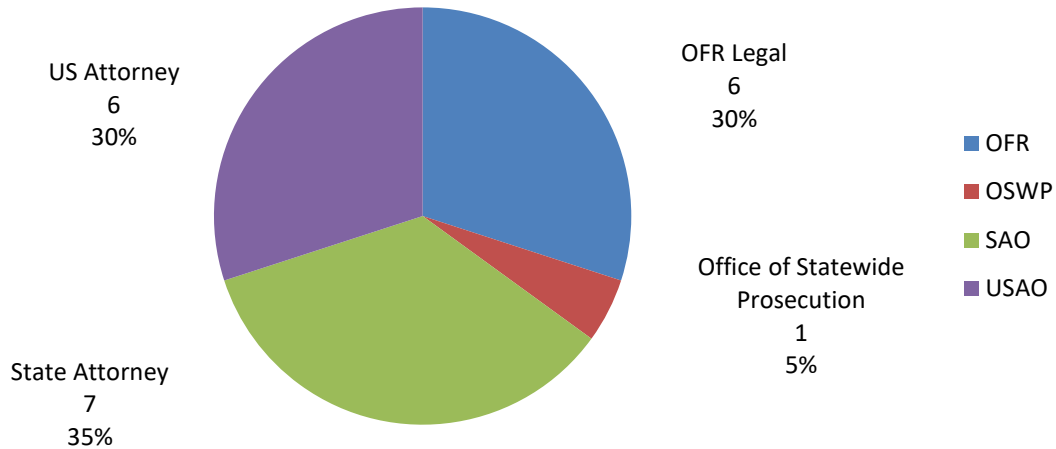
The OFR committed approximately 641 hours to the development of this case. The Lee County Sheriff's Office executed the arrest warrants. The case was prosecuted by the Office of the State Attorney for the 20th Judicial Circuit in Lee County.

Caseload

As of July 1, 2020, BFI had 226 open cases. These investigations involve approximately 6,406 consumers and more than 1.3 billion dollars in alleged losses. The average investigator's caseload is approximately 10 cases.

When an investigation substantiates a violation(s), the case is presented for criminal prosecution and/or to OFR attorneys for administrative or civil enforcement action. Historically, approximately 80% of investigations accepted for enforcement result in criminal, civil and/or administrative action. For the 2019-20 fiscal year, 84% of these types of cases resulted in enforcement action.

20 Cases Accepted For Enforcement as of 7/1/2020



During FY 2019-20, BFI closed 119 cases. 47 of those cases were formal investigations, including 17 investigations where enforcement action was taken. These cases resulted in 1 administrative action, and 16 criminal actions. As a result of investigative work performed in these cases by the bureau, 11 criminal defendants were sentenced to a total of 48 years imprisonment and 73 years of probation.

Initiatives

The BFI believes that the more judicious and efficient it remains in deploying scarce resources, the greater the value it will return to the victims of financial crime and to the citizens of Florida. To that end, all new complaint cases are assessed for potential enforcement action and where appropriate, assigned to investigators as preliminary investigations until such time as a determination to escalate the case to a formal investigation can be made (usually within 90 days). Cases will not be escalated from the preliminary stage unless there is a firm belief by both the investigator and the Investigations Manager that the case is viable and can result in criminal, administrative or civil enforcement action. Ideally every case that the BFI determines to pursue will result in action. However, early assessments, even if well founded, will need to be revisited and sometimes revised based on the evidence obtained in the case. Because of this fact and the BFI's reluctance to upgrade cases in only the most clearly prosecutable instances (as this could lead to potentially overlooking cases that pose serious threat of financial harm to the public), the BFI's goal remains to have at least 80% of the cases it refers for action actually result in enforcement action.

What led OFR to select its priorities?

The priorities of OFR are driven by our statutory responsibilities and the needs of the agency to effectively and efficiently carry out those responsibilities.

How does OFR plan to address the priorities over the next five-year period?

OFR will address priorities and carry out its mission by:

- Engaging in collaboration on Fintech-related policies and initiatives
- Supporting legislation that promotes an innovative environment for financial services companies while ensuring the protection of consumers
- Seeking solutions to support employee retention and satisfaction through salary realignment and meaningful engagement
- Identifying training opportunities for employees and managers to keep up with emerging trends and risks
- Leveraging partnerships with other agencies and interest groups to identify new avenues to educate consumers on financial fraud

Justification for revised or proposed new programs or services.

At this time, OFR is not requesting new programs or services.

Justification of the final projection for each outcome and impact statement relating to demand and fiscal implications.

The final projection for each outcome is based on OFR's historical performance and trends and takes into account future efficiencies or trends in the market conditions that may affect the measures. Upward or downward demand on the agency is largely determined by economic conditions which will impact each of our divisions uniquely. Historically, OFR has successfully met demand without a significant fiscal implication in either direction.

However, OFR would note that any increase in demand on the agency for the remainder of the 2020-21 fiscal year would likely negatively impact the agency's performance due to the current level of vacancies.

Potential policy changes affecting the agency's budget request or Governor's Recommended Budget.

None at this time.

List of changes that would require legislative action, including the elimination or programs, services, and/or activities.

None at this time.

List of all task forces and studies in progress.

None.

**Performance Measures and Standards –
LRPP Exhibit II**

LRPP Exhibit II – Performance Measures and Standards

Department of Financial Services

Department No.: 43

Financial Services Commission – Office of Financial Regulation

Code: 43900500

**Approved Performance Measures for
FY 2020-21**

**Approved
Prior Year
Standard
FY 2019-20**

**Prior Year
Actual
FY 2019-20**

**Approved
Standards
for
FY 2020-21**

**Requested
FY 2021-22
Standard**

Safety and Soundness of State Banking System

Code: 43900530

Percentage of state financial institutions examined within the last 18 and 36 months, as required by S. 655.045, F.S.

100%

100%

100%

100%

Percentage of state financial institutions rating OFR high-performing.

97%

99%

97%

97%

Financial Investigations

Code: 43900540

Primary Service Outcome:
Percentage of investigations accepted by prosecutors or OFR Legal Counsel for enforcement that result in action being taken.

80%

84%

80%

80%

Primary Service Outcome:
Percentage of priority investigations accepted by prosecutors or OFR Legal Counsel for enforcement action within 12 months of case opening

60%

80%

60%

60%

Approved Performance Measures for FY 2020-21	Approved Prior Year Standard FY 2019-20	Prior Year Actual FY 2019-20	Approved Standards for FY 2020-21	Requested FY 2021-22 Standard
Executive Direction and Support Services			Code: 43900550	
Program administration costs (including Office of Legal Services) as a percentage of total program costs	Less than 10%	6.8%	Less than 10%	Less than 10%
Program administration positions (including Office of Legal Services) as a percentage of total program positions.	Less than 10%	5.0%	Less than 10%	Less than 10%
Finance Regulation			Code: 43900560	
Primary Service Outcome: Percentage of license applications processed within Administrative Procedure Act requirements	100%	100%	100%	100%
Percentage of money service businesses examined within statutory timeframes per S.560.109, F.S.	100%	100%	100%	100%
Securities Regulation			Code: 43900570	
Primary Service Outcome: Number of complex securities examinations completed	100	135	100	100
Primary Service Outcome: Percentage of license applications processed within Administrative Procedure Act requirements	100%	100%	100%	100%

**Assessment of Performance for
Approved Performance Measures –
LRPP Exhibit III**

Performance Measure Validity and Reliability – LRPP Exhibit IV

LRPP EXHIBIT IV: Performance Measure Validity and Reliability

Department: Department of Financial Services

Program: Financial Services Commission – Office of Financial Regulation

Service/Budget Entity: 43900530 Safety & Soundness of State Banking System

Measure: Percentage of state financial institutions examined within the last 18 and 36 months, as required by S. 655.045. F.S.

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: Examination scheduling sources of data are created by OFR DFI Area Financial Managers (AFM) as a result of periodic (monthly/quarterly) meetings with their counterparts at the Federal Deposit Insurance Corporation (FDIC), Federal Reserve Bank (FRB), and the National Credit Union Association (NCUA).

At these periodic (monthly/quarterly) meetings the following is performed to assure that examination scheduling conforms to statutory/regulatory cycles:

- a. OFR DFI AFM's and FDIC/FRB/NCUA managerial counterparts compare mandated schedules of exams to determine statutory/regulatory examination start dates which reflect examination cycles for financial institutions.
- b. Utilizing the established examination cycle and coordinated with examination team availability, an Examination Schedule is created.
- c. Examination Schedules are forwarded to OFR DFI Bureau Chiefs for analysis and review.
- d. Bureau Chiefs coordinate and confirm compliance with the Examination Schedule on a bi-monthly basis.
- e. Upon completion of the examination, Bureau Chiefs receive Examination Report Completion Requirement memorandum included with the Report of Examination to confirm examinations have been conducted and completed as scheduled on the Examination Schedule and according to Florida Statute.

Validity: The Examination Schedule is jointly prepared by OFR DFI, FDIC, FRB, and NCUA management which provides checks and balances that each regulatory agency is scheduled to perform the required examinations and fulfill their respective statutory/regulatory mandates. The preparation and review of the Examination Report Completion Requirement memorandum along with the Report of Examination by OFR DFI Bureau Chiefs assures that DFI is fulfilling its statutory mandate. These types of processes and measures are broadly used throughout the regulatory industry to confirm statutory/regulatory compliance.

Reliability: All examination and calendar information needed to calculate this measure is maintained in Excel spreadsheets in a centralized network repository to be migrated into REAL.

Recommendations: Due to an agency realignment in priorities, this measure best represents the direction of the Bureaus and should be continued.

LRPP EXHIBIT IV: Performance Measure Validity and Reliability

Department: Department of Financial Services

Program: Financial Services Commission – Office of Financial Regulation

Service/Budget Entity: 43900530 Safety & Soundness of State Banking System

Measure: Percentage of state financial institutions rating OFR high-performing.

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 financial institutions serve as the sources of data. OFR DFI has developed an examination survey that is sent to all state financial institutions annually. The survey solicits a variety of comments on the safety and soundness examination process, the examination team, the examination report, and various other meaningful examination related matters.

The survey also elicits a response from financial institutions regarding the contribution of the State examination process in promoting safe and sound institutions.

The measure will be calculated as follows:

- a. Determine the total number of responses to the four (4) sections of the survey.
- b. Sort all responses in ascending order.
- c. Determine the number of responses that rated OFR as 1, 2, or 3.
- d. $\% = (\text{Number of responses that rated OFR as 1 or 2}) / (\text{Total number of responses})$.

Validity: The survey results provide OFR DFI with an objective evaluation of the quality and performance of the safety and soundness examination process, the examination team, the examination report, and various other meaningful examination related matters. This type of measure is broadly used throughout the business industry as a form of quality control.

The measure provides OFR DFI with direct feedback from its customer base, the state financial institutions, and is used to evaluate the product provided. Survey results provide OFR DFI with a perspective from the “outside” which can be used to improve the processes.

Reliability: All survey information needed to calculate this measure is maintained in Excel spreadsheets within a network repository. OFR DFI maintains back-up documents to validate entries in the spreadsheets. Efforts have been made to assure data is promptly and correctly entered into an Excel spreadsheet and tabulated.

Recommendations: By removing the neutral answer, this measure now best represents the direction of the Division and should be revised accordingly.

LRPP EXHIBIT IV: Performance Measure Validity and Reliability

Department: Department of Financial Services

Program: Financial Services Commission – Office of Financial Regulation

Service/Budget Entity: 43900540 Financial Investigations

Measure: Percentage of investigations accepted by prosecutors or OFR General Counsel for enforcement that result in action being taken.

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 Financial Investigations (Bureau) tracks all investigative case activity in the Office of Financial Regulation's (Office) Regulatory Enforcement and Licensing (REAL) System.

When violations of law and/or administrative rules have been documented by evidence, the Bureau seeks legal assistance in taking enforcement action. Administrative cases are presented to OFR Legal Counsel. Criminal cases are frequently presented to the State Attorney's Office, the Office of Statewide Prosecution, and the United States Attorney's Office. Below are the REAL activity codes used to track cases accepted for prosecution:

- Case Accepted for Civil Action
- Case Accepted by Legal
- Case Accepted by OSWP
- Case Accepted by SAO
- Case Accepted by USAO

When an action is taken on cases accepted for enforcement, the investigator assigned will record the action in REAL.

Below are the REAL disposition codes used to track actions:

- Administrative Action Taken
- Civil Action
- Civil and Administrative Action
- Criminal Action
- Criminal and Civil Action
- Criminal, Civil & Administrative Action
- Criminal and Administrative Action

Criminal Action – Fugitive

An investigation is closed when the investigator assigned, and the reviewing authority, deem all matters complete. The investigation is not closed until the final disposition of the administrative, civil or criminal case. REAL is updated and reviewed for completeness. With proper documentation made to the file, the matter is closed.

There are occasions where, due to circumstances outside the control of the Bureau and no matter how strong the investigative case is, the prosecutor is unable to file an enforcement action. Examples include:

- 1) Death of the offender or sole victim/key witness
- 2) Victim(s) refused to cooperate in the prosecution
- 3) Extradition of an offender was denied
- 4) Prosecution was declined for a reason other than lack of evidence, e.g., does not meet prosecutorial guidelines or priorities.

These cases will be closed with a disposition of “Exceptional Clearance” and will not be used when calculating this

Calculation of Outcome Measure: Cases closed as Exceptional Clearance are eliminated from the data pool for both the numerator and denominator. The percentage of investigative cases accepted for prosecution that result in enforcement action will be determined by: dividing 1) the total number of closed cases that result in action, by 2) the number of closed investigative cases that were accepted for prosecution during the review period.

Data Source: The data is obtained from the REAL System Enforcement Investigative Module. Data entry into this module is restricted to the Bureau of Financial Investigations. Investigators are required to enter data into this database as per Bureau Operational Memorandum on Investigative Standards. There are specific fields in REAL to adequately capture Performance Based Budgeting data. Cases closed as Exceptional Clearance are removed from the data set prior to calculating the result.

Validity: The Office strives to protect consumers from financial fraud while preserving the integrity of Florida's markets and financial service industries. Investigations are conducted into alleged or suspected violations that fall under the jurisdiction of the Office.

The acceptance of an investigation for prosecution measures OFR's ability to conduct quality financial investigations which identify and sufficiently documents fraudulent activity under OFR jurisdiction and the Bureau's support to the prosecution.

Due to the circumstances surrounding cases that are closed with a disposition of Exceptional Clearance, the Bureau believes it is not appropriate to include these cases when calculating this outcome.

This Outcome measures ability to efficiently conduct quality financial investigations that are accepted by prosecutors for enforcement action and the Bureau's commitment to assist the prosecutors obtain a successful action.

Reliability: Data inconsistencies can occur from input errors. To enhance database accuracy and integrity, Bureau Quality Assurance Guidelines have been established for investigators and managers. Additionally, managers conduct a complete review of active and recently closed investigations on a quarterly and annual basis to validate REAL data and ensure compliance with operational memoranda and established procedures.

Ultimately, the decision to file administrative, civil or criminal action is outside the control of the Bureau and is impacted by the priorities and resources of the prosecutor. Many enforcement actions resulting from investigations conducted by the Bureau are complex and resource intensive. When presenting investigations for potential prosecution, the Bureau is committed to provide continued investigative resources or litigation support as needed.

LRPP EXHIBIT IV: Performance Measure Validity and Reliability

Department: Department of Financial Services

Program: Financial Services Commission – Office of Financial Regulation

Service/Budget Entity: 43900540 Financial Investigations

Measure: Percentage of priority investigations accepted by prosecutors or OFR General Counsel for enforcement action within 12 months of case opening

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 Financial Investigations (Bureau) tracks all investigative case activity in the Office of Financial Regulation's (Office) Regulatory Enforcement and Licensing (REAL) System.

An investigation is the gathering of pertinent evidence to identify noncompliance or prove/disprove allegations and violations of the law and regulations within the jurisdiction of the Office of Financial Regulation.

Investigation Start Date – An investigation is commenced when there is information/evidence of possible violations of Florida Statutes or Rules. When it is determined that an investigation is warranted, the case is entered into REAL and assigned to an Investigator. At this point, a case priority is assigned. Factors used in making the priority determination include:

- 1) The egregiousness of conduct, including the length of time conduct occurred and whether recidivists were involved.
- 2) Whether the impact or potential impact to Florida Citizens is significant (i.e. due to the large number of victims, high dollar losses, or vulnerability of victims.
- 3) Whether the persons involved in the conduct are licensees or registrants
- 4) Whether the alleged illegal conduct is on-going
- 5) Whether the subject matter is an OFR/Division priority.

The codes established in REAL to track case priority are 1, 2 or 3 (1 being the highest). An Investigation will be deemed a "Priority" if the code is a 1 or 2.

When violations of law and/or administrative rules have been documented with evidence, the Bureau seeks legal assistance in taking enforcement action. Administrative cases are presented to OFR Legal Counsel. Criminal cases are frequently presented to the State Attorney's Offices, the Office of Statewide Prosecution, and the United States Attorney's Office. Once an investigative case is accepted for enforcement, our investigators provide full investigative support as needed. Below are the REAL activity codes used to track cases accepted for prosecution:

- Case Accepted for Civil Action
- Case Accepted by Legal
- Case Accepted by OSWP
- Case Accepted by SAO
- Case Accepted by USAO

The Bureau uses the REAL codes 1) Entered Date and 2) Activity Date to determine the number of months from case opening to case acceptance for prosecution.

Calculation of Outcome Measure: The percentage of priority investigations accepted by prosecutor or OFR Legal Counsel for enforcement action within 12 months of case opening will be calculated by: 1) The number of priority investigations accepted by prosecutors or OFR Legal Counsel for enforcement within 12 months divided by 2) The total number of priority investigations accepted by prosecutors or OFR Legal Counsel for enforcement during the review period.

Data Source: The data is obtained from the REAL System Enforcement Investigative Module. Data entry into this module is restricted to the Bureau of Financial Investigations. Investigators are required to enter data into these databases as per Bureau Operational Memorandum on Investigative Standards. There are specific fields in REAL to adequately capture Performance Based Budgeting data.

Validity: The Office strives to protect consumers from financial fraud while preserving the integrity of Florida's markets and financial service industries. Investigations are conducted of alleged or suspected violations that fall under the jurisdiction of the Office.

The acceptance of an investigation for prosecution measures our ability to conduct quality investigations which identifies and sufficiently documents fraudulent activity under OFR jurisdiction. Once an investigative case is accepted for enforcement, our investigators provide full investigative support as needed, to facilitate a successful prosecution and enforcement result.

This Outcome measures our ability to conduct quality financial investigations, and have the investigation accepted for enforcement in a timely manner.

Reliability: Data inconsistencies can occur from input errors. To enhance database accuracy and integrity, Bureau Quality Assurance Guidelines have been established for investigators and managers. Additionally, managers conduct a complete review of active and recently closed investigations on a quarterly and annual basis to validate REAL data and ensure compliance with operational memoranda and established procedures.

LRPP EXHIBIT IV: Performance Measure Validity and Reliability

Department: Department of Financial Services

Program: Financial Services Commission – Office of Financial Regulation

Service/Budget Entity: 43900550 Executive Direction

Measure: Program administration costs (including Office of General Counsel) as a percentage of total program 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:

Data is maintained in FLAIR, the statewide financial accounting system, reflecting the expenditures of Office of Financial Regulation as a whole and of the budget entity for Executive Direction. Executive Direction includes the Office of Commissioner, Office of Inspector General and the Office of General Counsel. The total expenditures for Executive Direction (less expenditures for the REAL System) are divided by the expenditures for OFR as a whole.

Validity:

The measure assesses the percentage of the OFR budget that is expended for program administration to demonstrate effective use of the state dollars used to operate the regulatory program. This measure was established on a statewide basis to allow comparison between agencies of cost of administrative programs.

Reliability:

FLAIR is the statewide accounting system used by all agencies to capture information on receipts and expenditures.

LRPP EXHIBIT IV: Performance Measure Validity and Reliability

Department: Department of Financial Services

Program: Financial Services Commission – Office of Financial Regulation

Service/Budget Entity: 43900550 Executive Direction

Measure: Program administration positions (including Office of General Counsel) 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:

Executive Direction includes the Office of Commissioner, Office of Inspector General and the Office of General Counsel. The total number of Full Time Equivalent (FTE's) for Executive Direction is divided by the number of FTE's for OFR as a whole.

Validity:

The measure assesses the percentage of the OFR staffing that is dedicated to program administration to demonstrate effective use of the state resources used to operate the regulatory program. This measure was established on a statewide basis to allow comparison between agencies of size of administrative programs.

Reliability:

LRPP EXHIBIT IV: Performance Measure Validity and Reliability

Department: Department of Financial Services

Program: Financial Services Commission – Office of Financial Regulation

Service/Budget Entity: 43900560 Finance Regulation

Measure: Percentage of license applications processed within Administrative Procedures Act requirements

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 applications where the Office processed applications for licensure within the timeframes required by the Administrative Procedures Act (APA, Section 120.60, Florida Statutes). The APA requires state agencies that process applications for licensure to notify applicants of any deficiencies in the application within 30 days of receipt of the application. If the agency has complied with this requirement and the applicant does not complete the application within the time frame prescribed in the deficiency letter, the agency may technically deny the application for failure to complete the application. In the event the agency does not issue a deficiency letter within the 30 days, the agency cannot technically deny the application and must consider the application complete upon receipt. Furthermore, the APA requires that the agency approve or deny any application within 90 days of completion of the application. The percentage will be computed by dividing the total number of applications processed within the APA guidelines during the year by the total number of applications processed during the year.

Validity: This measure helps to ensure the timely processing of all applications and compliance with state law. This furthers the agency's mission to support the industries regulated and consumers by providing a timely service to these entities and individuals.

Reliability: Data will be captured and reported quarterly. The Division tracks applications in the REAL System.

LRPP EXHIBIT IV: Performance Measure Validity and Reliability

Department: Department of Financial Services

Program: Financial Services Commission – Office of Financial Regulation

Service/Budget Entity: 43900560 Finance Regulation

Measure: Percentage of money service businesses examined within statutory timeframes per S.560.109, F.S.

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 ensure we meet this requirement we produce an examination scheduling report. The report uses licensing and prior examination information from the REAL database to compute a date the next examination is due for each license. The “due date” is set to be the later of 5 years after the date the licensee was first licensed and the status date of the last closed examination of the licensee (if any). This metric will indicate the percentage of the examinations due within the measurement period that were conducted prior to their due date.

Validity: This measure helps to ensure money business service exams are in compliance with state law. This supports the agency’s mission of promoting a safe and sound financial marketplace.

Reliability: Data will be exported, computed and reviewed quarterly. The Division tracks licensees and examinations using the REAL database.

LRPP EXHIBIT IV: Performance Measure Validity and Reliability

Department: Department of Financial Services

Program: Financial Services Commission – Office of Financial Regulation

Service/Budget Entity: 43900570 – Securities Regulation

Measure: The number of complex securities examinations 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:

This number will report the number of complex examinations completed. Complex examinations involve potential violations of the securities laws and regulations relating to supervision, fraud, sales practices or sales of unregistered, non-exempt securities.

Sales practices for dealers include, but are not limited to, selling away, unapproved outside business activity, unauthorized trading, improper advertising, excessive trading, and unsuitable recommendations.

Sales practices for investment advisers include, but are not limited to, improper performance reporting, excessive fee deductions, custody violations, unsuitable recommendations, and improper advertising.

Complex examinations are risk-based and enforcement examinations in which at least 60 hours have been logged and involve the following issue codes in the agency's REAL system: 1035 – 1035 Exchange, AML – Anti Money Laundering, BRKP – Breakpoints, CCMP – Customer Complaints, CPUB – Communications with the Public, CONF – Conflicts of Interest, CUST – Investment Advisory Custody, EXTR – Excessive Trading, FMAN – Fraud Manipulation, FMAP – Fraud Misappropriation, FMAR – Fraud Markups, FMRP – Fraud Misrepresentation, FOMS – Fraud Omission, IARS – IA/IA Agent Risk Score, OBA – Outside Business Activity, RBEX – Risk Based Targeting Exam, SAWY – Selling Away, SUIT - Suitability, SUPR - Supervision, SWTC – Improper Switching, UNAT – Unauthorized Trades, USEC – Unregistered Security.

Validity: Complex examinations and investigations typically involve fraud or sales practice abuses. The division believes resources should be focused on these types of cases.

Reliability: Information will be retrieved from the agency's Registration Enforcement and Licensing (REAL) system using the Standard Query Language (SQL) Server Reporting Services (Report Manager). The agency will utilize the Report Manager to extract the data for each quarter and fiscal year end. These reports will be updated each quarter to reflect any entries made into REAL for prior periods. At the end of the fiscal year, all affected areas of the agency will make final entries to REAL. REAL is the primary source for the capturing, computing and reporting of the performance measures.

LRPP EXHIBIT IV: Performance Measure Validity and Reliability

Department: Department of Financial Services

Program: Financial Services Commission – Office of Financial Regulation

Service/Budget Entity: 43900570 Securities Regulation

Measure: Percentage of license applications processed within Administrative Procedures Act requirements

Action:

- 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 applications where the Office processed applications for licensure within the timeframes required by the Administrative Procedures Act (APA, Section 120.60, Florida Statutes. The APA requires state agencies that process applications for licensure to notify applicants of any deficiencies in the application within 30 days of receipt of the application. If the agency has complied with this requirement and the applicant does not complete the application within the time frame prescribed in the deficiency letter, the agency may technically deny the application for failure to complete the application. In the event the agency does not issue a deficiency letter within the 30 days, the agency cannot technically deny the application and must consider the application complete upon receipt. Furthermore, the APA requires that the agency approve or deny any application within 90 days of completion of the application. The percentage will be computed by dividing the total number of applications processed within the APA guidelines during the year by the total number of applications processed during the year.

Validity: This measure helps to ensure the timely processing of all applications and compliance with state law. This furthers the agency's mission to support the industries regulated and consumers by providing a timely service to these entities and individuals.

Reliability: Data will be captured and reported quarterly. The Division tracks applications in the REAL System.

Associated Activity Contributing to Performance Measures – LRPP Exhibit V

LRPP Exhibit V: Identification of Associated Activity Contributing to Performance Measures

43900530 - Safety and Soundness of State Banking System

Measure Number	Approved Performance Measures for FY 2020-21		Associated Activities Title
1	Percentage of state financial institutions examined within the last 18 and 36 months, as required by S. 655.045, F.S.		Examine and enforce laws regarding banks, trusts and credit unions to ensure safety and soundness.
			Examine and enforce laws regarding international financial institutions to ensure safety and soundness
2	Percentage of state financial institutions rating OFR high-performing.		Examine and enforce laws regarding banks, trusts and credit unions to ensure safety and soundness
			Examine and enforce laws regarding international financial institutions to ensure safety and soundness

43900540 - Financial Investigations

Measure Number	Approved Performance Measures for FY 2020-21		Associated Activities Title
1	Percentage of investigations accepted by prosecutors or OFR Legal Counsel for enforcement that result in action being taken		Conduct financial investigations into allegations of fraudulent activity
2	Percentage of priority investigations accepted by prosecutors or OFR Legal Counsel for enforcement action within 12 months of case opening		Conduct financial investigations into allegations of fraudulent activity

LRPP Exhibit V: Identification of Associated Activity Contributing to Performance Measures

43900560 - Finance Regulation

Measure Number	Approved Performance Measures for FY 2020-21		Associated Activities Title
1	Percentage of license applications processed within Administrative Procedure Act requirements.		Evaluate and process applications for licensure as a financial services entity.
2	Percentage of money service businesses examined within statutory timeframes per S.560.109, F.S.		Examine and regulate money service businesses to ensure regulatory compliance.

43900570 - Securities Regulation

Measure Number	Approved Performance Measures for FY 2020-21		Associated Activities Title
1	The number of complex securities examinations completed.		Regulate Securities Firms, Branches and Individuals, and review appropriateness of securities offerings to ensure regulatory compliance
2	Percentage of license applications processed within Administrative Procedure Act requirements		Evaluate and process application for registration as a securities firm, branch, and/or individuals.

LRPP Agency-Level Unit Cost Summary-LRPP Exhibit VI

FINANCIAL SERVICES, DEPARTMENT OF		FISCAL YEAR 2019-20			
SECTION I: BUDGET		OPERATING		FIXED CAPITAL OUTLAY	
TOTAL ALL FUNDS GENERAL APPROPRIATIONS ACT			380,274,192	8,521,379	
ADJUSTMENTS TO GENERAL APPROPRIATIONS ACT (Supplementals, Vetoes, Budget Amendments, etc.)			53,897,520	-5,500,000	
FINAL BUDGET FOR AGENCY			434,171,712	3,021,379	
SECTION II: ACTIVITIES * MEASURES		Number of Units	(1) Unit Cost	(2) Expenditures (Allocated)	(3) FCO
Executive Direction, Administrative Support and Information Technology (2)					441,482
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.		3,736	117.78	440,026	
Process Transactions, Account Changes And Audit Functions * Number of account actions taken on regulatory collateral deposit accounts.		56,920	19.82	1,128,114	
Investment Of Public Funds * Average Dollar Volume of Funds Invested		27,200,000,000	0.00	1,019,900	
Provide Cash Management Services * Number of cash management consultation services.		51	28,809.69	1,469,294	
Receive Funds, Process Payment Of Warrants And Provide Account And Reconciliation Services * Number of financial management/accounting transactions processed and reports produced.		2,800,000	0.80	2,239,342	
Administer The State Supplemental Deferred Compensation Plan * Number of Participant account actions processed by the Bureau of Deferred Compensation.		1,838,999	1.00	1,839,971	
Accounting And Reporting Of State Funds * State Accounts Managed in the Florida Accounting Information Reporting System.		35,933	129.32	4,646,804	
Migrate Current Accounts Payable Procedures To Electronic Commerce * Payments issued electronically to settle claims against the state.		12,978,616	0.07	859,561	
Conduct Pre-audits Of Selected Accounts Payable * Vendor payment requests that are pre-audited for compliance with statutes and contract requirements		349,573	24.55	8,580,738	
Conduct Post-audits Of Major State Programs * Post-audits completed of major state programs to determine compliance with statutes and contract requirements.		6	85,086.33	510,518	
Process State Employees Payroll * Payroll payments issued		3,135,434	0.70	2,196,644	
Conduct Fiscal Integrity Investigations * Fiscal integrity investigations completed to investigate allegations or suspicions of fraud, waste or abuse.		98	7,898.71	774,074	
Article V - Clerk Of The Courts * N/A		15	34,239.40	513,591	
Collect Unclaimed Property * Accounts reported by holders of unclaimed property.		3,090,797	1.16	3,594,818	
Process And Payment Of Unclaimed Property * Payments processed for claims of unclaimed property.		543,411	6.59	3,578,938	
License The Fire Protection Industry * Number of entity requests for licenses, permits and certificates processed within statutorily mandated time frames.		7,974	76.75	612,001	
Perform Fire Safety Inspections * Number of inspections of fire code compliance completed.		14,581	319.24	4,654,902	
Review Construction Plans For Fire Code Compliance * Number of construction plans reviewed.		457	1,337.19	611,096	
Perform Boiler Inspections * Number of boiler inspections completed by department inspectors.		847	805.95	682,639	
Investigate Fires Accidental, Arson And Other * Total number of closed fire investigations involving economic or physical loss.		3,757	4,637.23	17,422,088	
Provide State, Local And Business Professional Training And Education * Number of classroom contact hours provided by the Florida State Fire College.		134,931	18.36	2,477,241	
Provide State, Local And Business Professional Standards, Testing And Statutory Compliance * Number of examinations administered.		8,020	146.30	1,173,320	
Provide Forensic Laboratory Services * Number of evidence items and photographic images processed.		10,145	116.36	1,180,427	
Fire Incident Reporting * Number of total incidents reported to the Florida Fire Incident Reporting System.		2,245,552	0.15	335,317	
Provide Adjusting Services On State Workers' Compensation Claims * Number of workers' compensation claims worked.		18,233	2,024.05	36,904,586	
Provide Adjusting Services On State Liability Claims * Number of liability claims worked.		5,906	2,170.00	12,815,999	
Process Property Claims On State Owned Buildings (structure And Contents) * Number of state property loss/damage claims worked.		326	7,149.98	2,330,894	
Provide Risk Services Training And Consultation * Number of agency loss prevention staff trained during the fiscal year.		253	8,110.34	2,051,917	
Rehabilitate And/Or Liquidate Financially Impaired Insurance Companies * Number of insurance companies in receivership during the year.		12	72,652.92	871,835	
Review Applications For Licensure (qualifications) * Number of applications for licensure processed.		125,288	24.66	3,089,738	
Administer Examinations And Issue Licenses * Number of examinations administered and licenses authorized.		44,724	42.30	1,891,800	
Administer The Appointment Process From Employers And Insurers * Number of appointment actions processed.		2,061,738	0.42	860,285	
Administration Of Education Requirements (pre Licensing And Continuing Education) * Number of applicants and licensees required to comply with education requirements.		302,315	1.47	445,861	
Investigate Agents And Agencies * Number of agent and agency investigations completed.		3,471	1,805.55	6,267,067	
Investigate Insurance Fraud (general) * Number of insurance fraud investigations completed (not including workers- compensation).		1,098	21,056.15	23,119,651	
Investigate Workers' Compensation Insurance Fraud * Number of workers' compensation insurance fraud investigations completed.		470	7,749.45	3,642,241	
Respond To Consumer Request For Assistance * Number of consumer requests and informational inquiries handled.		58,738	82.97	4,873,265	
Provide Consumer Education Activities * Number of visits to the Consumer Services website.		509,419	1.42	724,368	
Answer Consumer Telephone Calls * Number of telephone calls answered through the consumer helpline.		261,929	20.88	5,468,332	
Examine And Regulate Licensees In The Funeral & Cemetery Business (chapter 497) To Ensure Regulatory Compliance * Number of examinations and inspections completed.		1,885	1,556.36	2,933,746	
Monitor And Audit Workers' Compensation Insurers To Ensure Benefit Payments * Number of claims reviewed annually.		104,850	46.65	4,891,456	
Verify That Employers Comply With Workers' Compensation Laws * Number of employer investigations conducted.		28,291	559.63	15,832,510	
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.		589	9,299.15	5,477,197	
Provide Reimbursement For Workers' Compensation Claims Paid By Insurance Carriers On Employees Hired With Preexisting Conditions * Number of reimbursement requests (SDF-2) audited.		1,169	1,329.07	1,553,683	
Collection Of Assessments From Workers' Compensation Insurance Providers * Amount of assessment dollars collected.		66,729,914	0.01	753,158	
Data Collection, Dissemination, And Archival * Number of records successfully entered into the division's databases.		5,118,578	0.82	4,180,669	
Reimbursement Disputes * Number of petitions resolved annually		4,091	438.71	1,794,764	
Public Assistance Fraud Investigations * Number of public assistance fraud investigations conducted.		3,248	2,407.73	7,820,295	
Approve And License Entities To Conduct Insurance Business. * Number of Certificates of Authority (COAs) processed.		147	7,083.93	1,041,338	
Conduct And Direct Market Conduct Examinations. * Number of examinations and investigations completed for licensed companies and unlicensed entities		197	17,809.24	3,508,421	
Conduct Financial Reviews And Examinations. * Number of financial reviews and examinations completed.		7,258	2,564.93	18,616,265	
Review And Approve Rate And Form Filings. * Number of rate and forms review completed.		12,720	749.40	9,532,323	
Examine And Regulate Financial Services Companies To Ensure Regulatory Compliance. * Examinations of non-depository financial service companies to determine compliance with regulations.		297	18,319.35	5,440,846	
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.		20,605	113.48	2,338,235	
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.		89	141,232.02	12,569,650	
Examine And Enforce Laws Regarding International Financial Institutions To Ensure Safety And Soundness. * Number of international financial institutions examined to ensure safety and soundness.		10	86,571.60	865,716	
Conduct Financial Investigations Into Allegations Of Fraudulent Activity. * Number of financial investigations into allegations of fraudulent activity.		130	32,877.82	4,274,116	
Examine And Regulate Money Services Businesses To Ensure Regulatory Compliance * Examinations of money services businesses conducted to determine compliance with regulations.		164	37,363.49	6,127,613	
Examine And Regulate Securities Firms, Branches To Ensure Regulatory Compliance. * Conduct examinations of securities firms and branches.		176	39,087.99	6,879,486	
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.		53,115	58.28	3,095,346	
TOTAL				287,426,036	441,482
SECTION III: RECONCILIATION TO BUDGET					
PASS THROUGHS					
TRANSFER - STATE AGENCIES					
AID TO LOCAL GOVERNMENTS					
PAYMENT OF PENSIONS, BENEFITS AND CLAIMS				4,150,000	
OTHER				102,490,581	2,566,379
REVERSIONS				40,105,121	
TOTAL BUDGET FOR AGENCY (Total Activities + Pass Throughs + Reversions) - Should equal Section I above. (4)				434,171,738	3,007,861

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 costs.
- (4) Final Budget for Agency and Total Budget for Agency may not equal due to rounding.

SECTION III - PASS THROUGH ACTIVITY ISSUE CODES SELECTED:

TRANSFER-STATE AGENCIES ACTIVITY ISSUE CODES SELECTED:

1-8:

AID TO LOCAL GOVERNMENTS ACTIVITY ISSUE CODES SELECTED:

1-8:

AUDIT #1: THE FOLLOWING STATEWIDE ACTIVITIES (ACT0010 THROUGH ACT0490) HAVE AN OUTPUT STANDARD (RECORD TYPE 5) AND SHOULD NOT:

*** NO ACTIVITIES FOUND ***

AUDIT #2: 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 ***

AUDIT #3: THE ACTIVITIES LISTED IN AUDIT #3 DO NOT HAVE AN ASSOCIATED OUTPUT STANDARD. IN ADDITION, THE ACTIVITIES WERE NOT IDENTIFIED AS A TRANSFER-STATE AGENCIES, AS AID TO LOCAL GOVERNMENTS, OR A PAYMENT OF PENSIONS, BENEFITS AND CLAIMS (ACT0430). ACTIVITIES LISTED HERE SHOULD REPRESENT TRANSFERS/PASS THROUGH THAT ARE NOT REPRESENTED BY THOSE ABOVE OR ADMINISTRATIVE COSTS THAT ARE UNIQUE TO THE AGENCY AND ARE NOT APPROPRIATE TO BE ALLOCATED TO ALL OTHER ACTIVITIES.

BE	PC	CODE	TITLE	EXPENDITURES	FCO
43500400	1205000000	ACT1020	HOLOCAUST VICTIMS ASSISTANCE	289,769	
43010400	1602000000	ACT1040	INSURANCE CONSUMER ADVOCATE	696,737	
43010500	1603000000	ACT1050	INFORMATION TECHNOLOGY - FLAIR	14,030,089	
43200100	1601000000	ACT2010	PASS THROUGH FROM PRISON INDUSTRY	408,774	
43200100	1601000000	ACT2020	PASS THROUGH - TRANSFER TO STATE	24,553,356	
43200100	1601000000	ACT2160	CONDUCT POST-AUDITS OF PAYROLL	67,897	
43200300	1603000000	ACT2180	FLORIDA ACCOUNTING INFORMATION	30,842,133	
43200100	1601000000	ACT2195	PASS THROUGH FLORIDA CLERKS OF	2,300,000	
43300400	1202000000	ACT3430	PASS-THROUGH GRANTS AND AIDS	893,513	
43300500	1202000000	ACT3440	PASS-THROUGH GRANTS AND AIDS LOCAL	3,818,659	2,566,379
43300500	1202000000	ACT3530	PASS THROUGH - TRANSFER TO	1,000,000	
43400100	1601000000	ACT4150	PURCHASE OF EXCESS INSURANCE	11,163,301	
43700400	1205000000	ACT5510	HURRICANES AND OTHER NATURAL	9,108,269	
43700300	1205000000	ACT5520	CORONAVIRUS COVID 19	171,000	
43600100	1102020000	ACT6010	TRANSFER TO 1ST DISTRICT COURT OF	1,927,395	

43900110	1204000000	ACT9150	HURRICANE RATE/RISK MODEL	969,689
43600100	1102020000	ACT9940	TRANSFER TO THE UNIVERSITY OF	250,000

AUDIT #4: TOTALS FROM SECTION I AND SECTIONS II + III:

DEPARTMENT: 43	EXPENDITURES	FCO
FINAL BUDGET FOR AGENCY (SECTION I):	434,171,712	3,021,379
TOTAL BUDGET FOR AGENCY (SECTIONS II + III):	434,171,738	3,007,861
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DIFFERENCE:	26-	13,518
(MAY NOT EQUAL DUE TO ROUNDING)	=====	=====

*FCO Difference is due to amount remaining in unbudgeted reserve.

Glossary of Terms and Acronyms

AARMR – American Association of Residential Mortgage Regulators – a non-profit association of state regulators of mortgage lenders and mortgage brokers. This organization, in conjunction with the Conference of State Bank Supervisors (CSBS), owns and manages the Nationwide Mortgage Licensing System (NMLS)

AARP – American Association of Retired Persons – a non-governmental organization

Activity – a set of transactions within a budget entity that translates inputs into outputs using resources in response to a business requirement. Sequences of activities in logical combinations form services. Unit cost information is determined using the outputs of activities

AFM – Area Financial Manager

AML – Anti-money laundering

APA – Administrative Procedures Act, Chapter 120, Florida Statutes

Administrative Procedures Act, Chapter 120, Florida Statutes

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

BFI – Bureau of Financial Investigations, a criminal justice agency housed within the Office of Financial Regulation

BR – Board Resolution of a financial institution

BRR – Bureau of Regulatory Review-Finance

BSA – Bank Secrecy Act of 1970 – requires financial institutions to keep records of cash purchases of negotiable instruments and file reports of such cash purchases of more than \$10,000 daily to detect and prevent money laundering

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

C&D – Cease and Desist Order – formal enforcement order issued after notice and opportunity for hearing, requiring a person to terminate unlawful practices

CFE – Certified Fraud Examiner – designation given by the Association of Certified Fraud Examiners which denotes proven expertise in fraud prevention, detection and deterrence

CFPB – Consumer Financial Protection Bureau established under the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 – a federal agency which will hold primary responsibility for enforcing federal laws and regulating consumer protection in the United States

CFTC – Commodities Futures Trading Commission – independent agency of the United States government that regulates futures and option markets

Check casher – a person who receives compensation for exchanging currency for payment instruments

CFO – Chief Financial Officer

CL – Commitment Letter

CRD – Central Registration Depository – computerized database that provides information on securities dealers, sales representatives, and supervisory personnel. This national database is compiled from application forms, exchange-developed tests, reported enforcement actions, and related information. The Financial Industry Regulatory Authority (FINRA) owns the CRD system and its facilities, operating them on behalf of state and federal regulators and other users

CSBS – Conference of State Bank Supervisors – national organization of state banking regulators. This organization, in conjunction with the American Association of Residential Mortgage Regulators (AARMR), owns and manages the Nationwide Mortgage Licensing System (NMLS)

Consumer finance company – company **that** loans to consumers in an amount less than \$25,000 with maximum interest rates between 18% and 30% per annum

Correspondent mortgage lender – company permitted to broker and make mortgage loans, and service loans for others for a limited time period. They are authorized to originate mortgage loans and close loans in their name, and may broker mortgage loans to other lenders

Consumer collection agency – **company that collects or attempts** to collect consumer debts, which are owed or due to another person. They may also collect third party commercial debts as long as less than one-half of the collection revenue is from the collection of commercial claims

Commercial collection agency – company that collects or solicits collections on commercial claims owed or due to another person

De novo bank – a newly chartered bank

DFI – Division of Financial Institutions within the Office of Financial Regulation

DFS – Department of Financial Services – provides administrative and information systems support to the Office of Financial Regulation

Dodd-Frank Act – Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010

DOGI – Division of Financial Institutions' Database of General Information

DOR – Document of Resolution

DPP – Deferred Presentment Provider – an entity that engages in deferred presentment transactions (commonly referred to as payday loans) and is registered under Part II or Part III of the Money Transmitter Code and has filed a declaration of intent with the Office

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

FAC – Florida Administrative Code

Fannie Mae – Federal National Mortgage Association – a government sponsored enterprise founded in 1938 (publicly traded company since 1968) to expand the secondary mortgage market

FDIC – Federal Deposit Insurance Corporation – independent deposit insurance agency created by Congress in 1933 to maintain stability and public confidence in the nation's banking system

FHFA – Federal Housing Finance Agency – the regulator and conservator of Fannie Mae (Federal National Mortgage Association) and Freddie Mac (Federal Home Loan Mortgage Corporation) and the regulator of the 12 Federal Home Loan Banks

FINRA – Financial Industry Regulatory Authority, formerly known as the National Association of Securities Dealers (NASD) – a Self-Regulatory Organization (SRO) of broker/dealers. All securities firms, stockbrokers, and registered representatives doing business with the American public must register with FINRA

Freddie Mac – Federal Home Loan Mortgage Corporation – public government sponsored enterprise created in 1970 to expand the secondary market for mortgages

FS – Florida Statutes

FSAIF – Florida Seniors Against Investment Fraud – made possible in part from a grant by the Investment Protection Trust. This is a statewide outreach program, developed by

Seniors vs. Crime and the Florida Office of Financial Regulation, created to help Florida's seniors avoid becoming the victims of financial fraud. The program's primary goals are to educate Florida seniors over the age of 50 about investment fraud and to help Florida seniors avoid being victimized

FSC – Financial Services Commission – composed of the Governor, the Attorney General, the Chief Financial Officer, and the Commissioner of Agriculture

FSOC – Financial Stability Oversight Council – created under the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 to identify and respond to emerging risks throughout the financial system

FTC – Federal Trade Commission – independent agency of the United States government established in 1914 to promote consumer protection and eliminate and prevent harmful anti-competitive business practices

FTE – Full Time Equivalent

FY – Fiscal Year

GAA – General Appropriations Act

GAO – Government Accountability Office – the audit, evaluation and investigative arm of the US Congress

GDP – Gross Domestic Product – all goods and services produced or exchanged

GR – General Revenue Fund

HOPE NOW Alliance – an alliance of housing counselors, mortgage servicers, investors, and other mortgage market participants to maximize outreach to efforts to at-risk homeowners and help them stay in their homes

HUD – Federal Department of Housing and Urban Development

IA – Investment adviser – individual or firm who, for compensation, engages in the business of advising others as to the value of securities or as to the advisability of investing in, purchasing or selling securities

IARD – Investment Adviser Registration Depository – computerized database which provides information on investment adviser firms, investment adviser representatives, and supervisory personnel. This national database is owned by the FINRA and its facilities are operated on behalf of state and federal regulators and other users

IG – Inspector General

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

Investment advisers – individuals who give advice about securities including stocks, bonds, mutual funds, and annuities. They may use a variety of titles including investment manager, investment counsel, asset manager, wealth manager, and portfolio manager. They provide ongoing management of investments based on the client’s objectives, typically with the client giving discretionary authority to make decisions without having to get prior approval for each transaction. Generally, an investment adviser’s compensation is considered to be a “fee”

IPT – Investor Protection Trust – a nonprofit organization devoted to investor education. Its primary mission is to provide independent, objective information needed by consumers to make informed investment decisions and serves as an independent source of non-commercial investor education materials

IT – Information Technology

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

Loan modification – a permanent change in one or more of the mortgagor’s loan terms

Loan originator – an individual who, directly or indirectly, solicits or offers to solicit a mortgage loan, accepts or offers to accept an application for a mortgage loan, negotiates or offers to negotiate the terms or conditions of a new or existing mortgage loan on behalf of a borrower or lender, processes a mortgage loan application, or negotiates or offers to negotiate the sale of an existing mortgage loan to a non-institutional investor for compensation or gain

Loan servicing – the collection for an investor of periodic payments of principal, interest, taxes and insurance in accordance with the terms of a note or mortgage

LUA – Letter of Understanding and Agreement

LRPP – 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

Money transmitter – a person who sends funds, either by wire, facsimile, electronic transfer, courier or other means

Mortgage broker – a person conducting loan originator activities through one or more licensed loan originators employed by the mortgage broker or as independent contractors to the mortgage broker

Mortgage brokerage business – a company that arranges mortgage loans for a borrower, accepts loan applications, and negotiates terms and conditions of a mortgage loan on behalf of a lender on real estate located in Florida. A mortgage broker business may only use licensed mortgage brokers to solicit or negotiate loans on its behalf

Mortgage lender – a company that brokers, makes, and services loans for others on Florida real estate. They function similarly to a correspondent mortgage lender, however, they may sell loans to non-institutional investors and service loans indefinitely for consumers

MOU – Memorandum of Understanding

MSB – Money Services Business – any person located or doing business in the State who acts as a payment instrument seller, foreign currency exchanger, check casher or money transmitter

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

NASAA – North American Securities Administrators Association – the organization of US state and Canadian provincial and territorial securities regulators

NASCUS – National Association of Credit Union Supervisors – an association of professional regulators made up of the 47 state governmental agencies that charter, regulate and examine state-chartered credit unions

NASD – National Association of Securities Dealers – now known as the Financial Industry Regulatory Association (FINRA)

NCUA – National Credit Union Association – independent federal agency that regulates, charters and supervises federal credit unions. NCUA operates and manages the National Credit Union Share Insurance Fund

NMLS – Nationwide Mortgage Licensing System – national mortgage licensing system being developed by the Conference of State Bank Supervisors (CSBS) and American Association of Residential Mortgage Regulators (AARMR). Use of the system is required under federal law and is intended to provide uniform license applications and reporting requirements for State licensed loan originators; provide a comprehensive licensing and supervisory database; improve the flow of information to and between regulators; provide increased accountability and tracking of loan originators; enhance consumer protection; and support anti-fraud measures

Non-recurring – expenditure or revenue which is not expected to be needed or available after the current fiscal year

NSMIA – National Securities Market Improvement Act of 1996

OCC – Office of Comptroller of the Currency – charters, regulates and supervises all national banks and federal savings associations, as well as branches and agencies of foreign banks

OCO – Operating Capital Outlay

OIR – Office of Insurance Regulation

OFR – Office of Financial Regulation

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

OPS – Other Personal Services

OTS – Office of Thrift Supervision – now part of the Office of Comptroller of the Currency

Outcome – see Performance measure

Output – see Performance measure

Outsourcing – describes situations where the state retains responsibility for the service, but contracts outside of state government for its delivery. Outsourcing includes everything from contracting for minor administration tasks to contracting for major portions of activities or services which support the agency mission

Payment instrument seller – a company qualified to do business in this state that sells or issues checks, drafts, warrants, money orders, traveler’s checks, electronic instruments, other instruments, payment of money of monetary value whether or not negotiable

Payday lenders – common name for companies registered as Deferred Presentment Providers under Part IV of Chapter 560, Florida Statutes

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 – is 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

Privatization – occurs when the state relinquishes its responsibility or maintains some partnership type of role in the delivery of an activity or service

Program – a set of activities undertaken in accordance with a plan of action organized to realize identifiable goals 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 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

REAL System – Regulatory Enforcement and Licensing System – a comprehensive system which provides OFR with an integrated financial regulatory management system by combining core processes for fiscal, licensing, investigations, examination, legal and complaint functions – initial funding for the project was granted in Fiscal Year 2006-07 and the System was completed in January 2009 on time and within budget

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

S.A.F.E. Mortgage Licensing Act – Secure and Fair Enforcement in Mortgage Licensing Act of 2008 – major federal housing reform legislation (Public Law 110-289) designed to

prevent foreclosures, stabilize the declining housing market, and reform the government-sponsored enterprises Fannie Mae and Freddie Mac

SBA – State Board of Administration – manages the pension funds for current and retired Florida employees, as well as school districts and state and local government entities. The SBA is governed by the Board of Trustees, made up of the governor, chief financial officer and attorney general

SEC – United States Securities and Exchange Commission – federal agency which holds primary responsibility for enforcing the federal securities laws and regulating the securities industry, the nation's stock and options exchanges, and other electronic securities markets in the United States

Service – see Budget Entity

SRO – self regulatory organization – an organization that exercises some degree of regulatory authority over an industry or profession

Standard – the level of performance of an outcome or output

SWOT – Strengths, Weaknesses, Opportunities and Threats

TCS – Trends and Conditions Statement

TF – Trust Fund

Unit cost – the average total cost of producing a single unit of output – goods and services for a specific agency activity

USA PATRIOT Act – Uniting and Strengthening America by Providing Appropriate Tools Required to Interrupt and Obstruct Terrorism Act

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

WA – Written Agreement