



CHIEF FINANCIAL OFFICER  
**JIMMY PATRONIS**  
STATE OF FLORIDA

## LONG-RANGE PROGRAM PLAN

Department of Financial Services

Tallahassee, Florida

September 30, 2021

Chris Spencer, Director of Policy and Budget  
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, 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 2022-23 through Fiscal Year 2026-27. 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  
Policy Director and Special Legal Advisor  
Department of Financial Services



# **Department of Financial Services**

## **Long-Range Program Plan**

**Fiscal Years  
2022-23 through 2026-27**

***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	FY2022-23	FY2023-24	FY2024-25	FY2025-26	FY2026-27
92%	92%	92%	92%	92%	92%

#### Division of Accounting and Auditing:

**Outcome 1-1-2:** Number of Contracts Reviewed

FY2012-13 Baseline	FY2022-23	FY2023-24	FY2024-25	FY2025-26	FY2026-27
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	FY2022-23	FY2023-24	FY2024-25	FY2025-26	FY2026-27
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	FY2022-23	FY2023-24	FY2024-25	FY2025-26	FY2026-27
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	FY2022-23	FY2023-24	FY2024-25	FY2025-26	FY2026-27
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	FY2022-23	FY2023-24	FY2024-25	FY2025-26	FY2026-27
\$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	FY2022-23	FY2023-24	FY2024-25	FY2025-26	FY2026-27
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	FY2022-23	FY2023-24	FY2024-25	FY2025-26	FY2026-27
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	FY2022-23	FY2023-24	FY2024-25	FY2025-26	FY2026-27
20%	20%	20%	20%	20%	20%

**Investigative and Forensic Services: Forensic Services**

**Outcome 1-2-5: Lab-Case Turnaround Time**

FY2021-22 Baseline	FY2022-23	FY2023-24	FY2024-25	FY2025-26	FY2026-27
10 days	10 days	10 days	10 days	10 days	10 days

**Investigative and Forensic Services: Insurance Fraud**

**Outcome 1-2-6: Percentage of Referrals that Result in Opened Cases**

FY2021-22 Baseline	FY2022-23	FY2023-24	FY2024-25	FY2025-26	FY2026-27
10%	10%	10%	10%	10%	10%

**Investigative and Forensic Services: Insurance Fraud**

**Outcome 1-2-7: Percentage of Opened Cases That Result in Presentations**

FY2021-22 Baseline	FY2022-23	FY2023-24	FY2024-25	FY2025-26	FY2026-27
46%	46%	46%	46%	46%	46%

**Investigative and Forensic Services: Office of Fiscal Integrity**

**Outcome 1-2-8: Percentage of Referrals that Result in Opened Cases**

FY2021-22 Baseline	FY2022-23	FY2023-24	FY2024-25	FY2025-26	FY2026-27
34%	34%	34%	34%	34%	34%

**Investigative and Forensic Services: Office of Fiscal Integrity**

**Outcome 1-2-9: Percentage of Opened Cases That Result in Presentations**

FY2021-22 Baseline	FY2022-23	FY2023-24	FY2024-25	FY2025-26	FY2026-27
24%	24%	24%	24%	24%	24%

## 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	FY2022-23	FY2023-24	FY2024-25	FY2025-26	FY2026-27
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	FY2022-23	FY2023-24	FY2024-25	FY2025-26	FY2026-27
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	FY2022-23	FY2023-24	FY2024-25	FY2025-26	FY2026-27
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	FY2022-23	FY2023-24	FY2024-25	FY2025-26	FY2026-27
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	FY2022-23	FY2023-24	FY2024-25	FY2025-26	FY2026-27
\$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

FY2012-13 Baseline	FY2022-23	FY2023-24	FY2024-25	FY2025-26	FY2026-27
80%	95%	95%	95%	95%	95%

#### Division of Agent and Agency Services

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

FY2012-13 Baseline	FY2022-23	FY2023-24	FY2024-25	FY2025-26	FY2026-27
\$2.96	\$2.80	\$2.80	\$2.80	\$2.80	\$2.80



**Division of Florida Planning, Accounting, and Leger Management**

**Outcome 2-3-8:** Percentage of Time That the Solution Application in the Production Environment(s) are Available for Access and Use by their Intended Users

FY2021-22 Baseline	FY2022-23	FY2023-24	FY2024-25	FY2025-26	FY2026-27
99.70%	99.70%	99.70%	99.70%	99.70%	99.70%

**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	FY2022-23	FY2023-24	FY2024-25	FY2025-26	FY2026-27
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	FY2022-23	FY2023-24	FY2024-25	FY2025-26	FY2026-27
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	FY2022-23	FY2023-24	FY2024-25	FY2025-26	FY2026-27
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) Business Days of Receipt

FY2010-11 Baseline	FY2022-23	FY2023-24	FY2024-25	FY2025-26	FY2026-27
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	FY2022-23	FY2023-24	FY2024-25	FY2025-26	FY2026-27
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	FY2022-23	FY2023-24	FY2024-25	FY2025-26	FY2026-27
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	FY2022-23	FY2023-24	FY2024-25	FY2025-26	FY2026-27
40%	40%	40%	40%	40%	40%

**Division of Unclaimed Property:**

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

FY2020-21 Baseline	FY2022-23	FY2023-24	FY2024-25	FY2025-26	FY2026-27
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	FY2022-23	FY2023-24	FY2024-25	FY2025-26	FY2026-27
95%	95%	95%	95%	95%	95%

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

FY2020-21 Baseline	FY2022-23	FY2023-24	FY2024-25	FY2025-26	FY2026-27
80%	80%	80%	80%	80%	80%

**Outcome 3-5-10: Cost of Service Requests Operations Per Service Request Completed**

FY2020-21 Baseline	FY2022-23	FY2023-24	FY2024-25	FY2025-26	FY2026-27
\$89.39	\$88.50	\$87.61	\$86.74	\$85.87	\$85.01

**Division of Workers' Compensation:**

**Outcome 3-5-11: Percentage of Overall Accepted Claims Electronic Data Interchange (EDI) Form Filings**

FY2011-12 Baseline	FY2022-23	FY2023-24	FY2024-25	FY2025-26	FY2026-27
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	FY2022-23	FY2023-24	FY2024-25	FY2025-26	FY2026-27
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

FY2019-20 Baseline	FY2022-23	FY2023-24	FY2024-25	FY2025-26	FY2026-27
5.70%	5.70%	5.70%	5.70%	5.70%	5.70%

## PROGRAM AUTHORITY AND PRIMARY RESPONSIBILITIES

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

<b>Programs and Statutes</b>	<b>Description</b>
<p><b><u>Licensing and Consumer Protection</u></b> (<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"> <li>➤ Rehabilitation: The Division takes actions to remedy the problems and conditions that necessitated the receivership.</li> <li>➤ Liquidation: The Division collects all assets of the company and distributes the assets in accordance with statutory priorities.</li> </ul>
<p><b><u>Licensing and Consumer Protection</u></b> (<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"> <li>➤ licensing and appointment of individuals and entities authorized to transact insurance in Florida; and</li> <li>➤ investigating alleged violations of the Florida Insurance Code.</li> </ul>
<p><b><u>Licensing and Consumer Protection</u></b> (<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"> <li>➤ providing information to consumers about insurance-related topics; and</li> <li>➤ serving as a mediator between consumers and insurance companies.</li> </ul>
<p><b><u>Licensing and Consumer Protection</u></b> (<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"> <li>➤ licensing and regulation of death care businesses and professionals;</li> <li>➤ investigating licensees based on consumer complaints;</li> <li>➤ conducting annual inspections of licensed cemeteries and other entities;</li> <li>➤ providing customer service regarding death care industry questions; and</li> <li>➤ serving as the home office for the Board of Funeral, Cemetery, and Consumer Services.</li> </ul>
<p><b><u>Licensing and Consumer Protection</u></b> (<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"> <li>➤ program recipient investigations (eligibility fraud);</li> <li>➤ trafficking investigations of SNAP EBT benefits (both program recipients and retail food stores);</li> <li>➤ Office of Early Learning (OEL) School Readiness program fraud; and</li> <li>➤ DCF ACCESS and OEL School Readiness program employee fraud.</li> </ul>

Programs and Statutes	Description
<p><b><u>Workers' Compensation</u></b>  <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"> <li>➤ auditing insurers to ensure they provide prompt and accurate benefit payments to injured workers;</li> <li>➤ ensuring that employers secure workers' compensation coverage;</li> <li>➤ collecting trust fund assessments;</li> <li>➤ assisting injured workers in obtaining benefits;</li> <li>➤ collecting proof of coverage, medical, and claims data; and</li> <li>➤ resolving reimbursement disputes between health care providers and insurers.</li> </ul>
<p><b><u>Division of Investigative and Forensic Services</u></b>            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"> <li>➤ performing fire, arson and explosives investigations;</li> <li>➤ providing forensic laboratory services;</li> <li>➤ investigating suspected insurance and financial fraud;</li> <li>➤ issuing public information announcements;</li> <li>➤ training insurers to help deter and combat fraud; and</li> <li>➤ investigating misuse of state funds.</li> </ul>

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

## Objective 1: Effectively Manage Regulatory Activities

### Office of the General Counsel: Legal Services

Office of the General Counsel (OGC) provides legal counsel and representation for the Chief Financial Officer and the Department with respect to constitutional, statutory, and regulatory responsibilities in administrative and court proceedings. OGC provides legal counsel on issues of statutory interpretation, prosecutes licensees for statutory violations, prepares and promulgates administrative rules, and assists Department staff in all legal matters. The OGC expects to successfully prosecute 92% of allegations of statutory violations each year through Fiscal Year 2025-26 and does not anticipate significant fluctuations in demand. Barring significant changes in the operating environment, the OGC does not anticipate any incremental fiscal implications.

### 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 2026-27. 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.

## **Objective 2: Conduct Successful Investigations**

### **Division of Agent and Agency Services**

#### ***Bureau of Investigation (BI)***

In Fiscal Year 2020-21, the BI received complaints against individual licensees, insurance agencies and unlicensed persons, resulting in 3,516 opened investigations and 3,571 completed investigations. These investigations were conducted by 34 investigators located in offices throughout the state. A total of 292 investigations resulted in formal disciplinary action, such as license suspension, revocation, probation, restitution and/or administrative fines. The BI also referred 29 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 2020-21, 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 2026-27, 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 2021-2022 as cases investigated with a view toward referral to state attorneys for criminal prosecution represent the core of the DPAF mission. However, the Division may utilize its OPS members to conduct criminal investigations as well if the need arises. The Division expects the measure concerning return on investment to be at least 500% every FY through FY 2026- 2027, barring unforeseen circumstances such as the COVID-19 pandemic.

### **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. 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.). 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. BFAEI projects to clear 20% of arson cases for FY 2021-22. Barring any unforeseen changes in the operating environment, BFAEI does not anticipate any incremental fiscal impacts. 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 2020-21, the number of items analyzed chemically plus the number of imaging items processed was 6364.

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. 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. 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 2020-21, BIF received 15,666 referrals and presented 630 cases for prosecution. During FY 2020-21, three hundred and seventy-three of its cases were cleared by successful prosecution. BIFS 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, BIF generated restitution to insurance fraud victims exceeding its annual budget. For FY 2020-21, BIF's budget was \$22.4 million. In contrast, the BIF requested \$20.4 million and secured \$6.1 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.

### **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. 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. 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 2020-2021, the department, including both OIR and OFR, had 2569.5 positions, and 109 temporary employees (as of July 2021). The Division of Administration operates with 53 of these positions. Additionally, for FY 2020-2021, DFS/OFR/OIR has a total combined budget of \$411,881,753. DFS has 31 leases statewide accounting for a total of 777,224 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 2026-27. 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, 2020, through June 30, 2021, the State of Florida Treasury "Treasury" distributed earnings of \$553.6 million. These earnings were down from the previous year's distribution of \$866.9 million and more in line with historical trends in the State Treasury. The Treasury exceeded its performance benchmark by 0.42% and 0.21% 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 2026-27.

##### *Bureau of Funds Management:*

During the period from July 1, 2020, through June 30, 2021, 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 97% 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 2026-27.

##### *Bureau of Collateral Management:*

During the period from July 1, 2020, through June 30, 2021, 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 2026-27. 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**

The Division is authorized to administer the State Risk Management Trust Fund (Ch. 284, F.S.) and to handle claims on behalf of state agencies for casualty and property lines of insurance coverage (*Table 1-RM*). The Division has 116 employees and is organized into three (3) bureaus under the Office of the Director. 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 is responsible for the management of claims reported by or against state agencies and universities. 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. Claims are paid, and payment information tracked using the Division's Insurance Management System. An adjuster authorizes a claim related payment and the Division's financial section processes the payment. For FY 2020-21, the Division produced approximately 79,567 checks, warrants, and state agency journal transfers.

<b>Claim type</b>	<b>Number of claims reported FY 2020-21</b>	<b>Number of claims with payment FY 2020-21 (for claims reported in all years)</b>	<b>Total loss payments for FY 2020-21 (for claims reported in all years)</b>
Workers' Compensation	16,175	17,249	\$120,468,681
General and Auto Liability	3,071	1,768	\$10,073,628
Federal Civil Rights & Employment Discrimination	433	1,079	\$11,658,582
Property	418	453	\$9,062,083
<b>Total</b>	<b>20,097</b>	<b>20,549</b>	<b>\$151,262,974</b>

*Table 1-RM. Claims reported, claims with payment, and total loss payments by claim type for FY 2020-21. Claim data from IMS; loss payments from FLAIR fund balance report.*

The total loss payments for FY 2020-21 increased 4.7% or \$6,829,612 from the \$144,433,362 paid in FY 2019-20. Workers' Compensation loss payments increased by 13.2% or \$14,003,107. General and Auto Liability loss payments decreased by 7.8% or \$846,667. 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 2020-21, total loss payments for federal civil rights claims increased 63.8% or \$4,541,492. While the number of federal civil rights claims with payments remained flat, the increase is largely the result of one FCR claim settlement payout of \$4.5 million. Property loss payments decreased 54.5% or \$10,868,320. Operational costs had a slight decrease of \$105,990 or less than 1% from \$62,807,899 paid in FY 2019-20 to \$62,701,909 paid in FY 2020-21.

The number of claims reported for FY 2020-21 increased 34.0% or 5,104 claims from the 14,993 claims reported for FY 2019-20. The majority of the increase occurred on the Workers' Compensation line of coverage with reported workers' compensation claims increasing by 41.9% or 4,776 claims. This increase is due in large part to the impact of the COVID-19 Pandemic on state agencies. Of the 16,175 workers' compensation claims reported in FY 2020-21, 45.2% or 7,317 claims were COVID-19 related.

Property claims increased 260.3% or 302 claims. As a result of the damage incurred by Hurricane Sally and Tropical Storm Eta in FY 2020-21, 355 property claims were reported. Reported claims for the General and Auto Liability lines of coverage had an increase of 20 claims or less than 1.0%. Reported claims for the Federal Civil Rights line of coverage increased 1.4% or 6 claims.

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

Since FY 2016-17, there have been seven 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 Division'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 a hard market for the renewal of the State's excess property insurance. As a result of market conditions, the Division was unable to purchase the same amount of insurance for named windstorm and flood events as purchased in February 2020 and remain within the current appropriation. For the coverage period February 2021 through February 2022, the Division purchased excess property insurance for 20,709 locations, \$25.4 billion in total insured value. The coverage above the State's \$42 million self-insurance retention for named wind and flood perils is \$57.5 million, which is \$5.25 million less than the \$62.75 million purchased for the coverage period February 2020 through February 2021. Over the last five fiscal years, the amount of purchased coverage for named wind and flood perils was reduced by a total of \$35 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 2021 placement. None of the seven recent named windstorm and flood events has exceeded the State's current level of self-insurance retention.

The Bureau of Risk Financing and Loss Prevention continues to build upon recent improvements in contract administration and looks for areas where contracted services can maximize value to the State. During FY 2018-19, in preparation for upcoming medical service contract procurements, the Division contracted for medical consulting services to assist the Division in evaluating the current Pharmacy Benefit Management (PBM) and Medical Case Management (MCM) programs and to assist in making recommendations for restructuring the programs. During FY 2019-20, both the PBM and MCM contract review and program evaluations were completed. PBM recommendations were evaluated and have been incorporated into a new scope of work for the FY 2021-22 PBM contract procurement. Recommendations for the MCM program are being evaluated and incorporated into a new MCM contract scope of work in development for an upcoming 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, calculate insurance premiums, 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 being completed in June 2016.

Over the previous year the Division has focused on streamlining the process of collecting and reporting data to the Division of Workers' Compensation's Electronic Data Interchange (EDI). Data fields have been mapped to better accommodate the automatic population of fields required for EDI reporting, with the goal to automate the majority of EDI reports in the coming year. The Division also completed implementation of the Florida Planning, Accounting, and Ledger Management system (PALM) Cash Management System (CMS) interface. This interface ensures payments made through the Division's Consolidated

Revolving Account (CRA) will be captured not only in the Division's IMS, but in PALM as well. In FY 2021-22, the Division will continue to focus on identifying additional areas for process improvement, increased automation, and system efficiencies

## **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 is 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 that are 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 that are distributed to claimants. Therefore, the Division aims to effectively manage financial resources in accordance with Florida Statutes 215.422.

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 inquiries related to Division's involvement with their insurer. The number of insurers in this status is driven by a complex number of factors, and therefore, service request demand may be influenced by external factors. Barring any unforeseen changes in the operating environment, no incremental fiscal impact is anticipated.

Based on a five-year average, approximately 1 insurer is placed in receivership each year, primarily in the areas of property and casualty insurance. During FY 2020-21, the Department received one new receivership.

The domestic insurance market in Florida historically has challenged insurance and reinsurance underwriters in almost every segment of business. 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 the insolvencies our insurance market has encountered. 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 2020-21, the BL assisted and monitored an average of 517,181 licensees with at least one active appointment. In addition to the licensees with an active appointment, the BL had 208,495 licensees who were not required to be appointed or not currently appointed. The BL processed 155,324 new license applications and 2,298,976 appointment actions (new, renewals and terminations). There were 138,191 new licenses issued in Fiscal Year 2020-21, producing a total of 771,860 active licensees who hold 966,000 licenses. For every FY through 2026-27, 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 69,444 examinations were administered in Fiscal Year 2020-21. The Bureau also approves and monitors pre-licensing and continuing education providers, courses and instructors. There were 512,385 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

### **3) Promote a Customer-Focused Culture and Strengthen Efficiency**

#### **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 652 hiring appointments and 2,987 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. Although the DFS was working remotely for the majority of the past fiscal year, the L&D delivered a total of 93 learning events, meetings, and conferences to more than 4,581 attendees, including employees from other agencies. The Division transitioned many of its classes so that they could be delivered virtually, and will continue to do so going forward.

##### **Office of the General Counsel: Legal Services**

The Service of Process (SOP) section provides efficient service of process to insurers through mail or by electronic means. The Department's web-based systems and procedures have allowed the transmittal of over 99% of SOP documents electronically. A web portal for plaintiffs and attorneys allows individuals to retrieve electronic proof of service immediately after the documents are served. The Department continues to increase the use of technology to provide automation and 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 variety of service management software to handle customer requests, system maintenance tickets, and monitor system performance. With the computer/application 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 on-going 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 2020-21, 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 99.64%. 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 2026-27 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 2020-21, the up-time measured 99.999% 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 2026-27. Whereas, the

OIT expects all other systems to be available for 99.95% of the scheduled hours every year through FY 2026-27.

## **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. The ICA identifies market trends affecting Floridians and improves market practices by reviewing market reports, consumer complaints and interacting with industry stakeholders. The ICA also 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 ensure 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 before the Florida Legislature and represents the public in a wide range of public forums.

The ICA maintains projection tables for the percentage of referred cases responded to and/or transferred within three (3) business 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 business 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 at a minimum, 95% of rate filings subject to a public hearing every year through Fiscal Year 2026-27 and does not anticipate significant fluctuations in demand. Barring significant changes in the operating environment, the ICA does not anticipate any 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 2026-27. 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 2026-27, 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 Division began concentrating efforts in 2008 to focus attention and resources on preventing and reducing claim costs and frequency. Since that time, the Division expanded the safety program to a program focused on 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 to all state agencies, state-run universities, and other insured entities. For FY 2020-21, the number of paid/reserve occupational injuries (workers' compensation claims) per 100 full-time employees is 4.11, which is based on 199,772 workers' compensation full-time employees and 8,207 claims paid/reserve for the fiscal year.

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), Florida Statutes. 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 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 implemented the use of the 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, and agency/university participants in the evaluation process

indicated that the risk self-assessment provided added value to their processes for analyzing their programs' effectiveness and identifying areas of concern to better direct program efforts. To date, 14 program evaluations have been conducted utilizing the revised report template.

The Division completed implementation of a new Insurance Management System (IMS) in FY 2015-16. A goal of the project was to ensure the Division continues to accomplish its mission of providing participating state agencies and universities with quality technical assistance in managing risks. In FY 2019-20, the Division implemented the Property Request Portal. Prior to portal implementation, the Division 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. In FY 2020-21, the Division implemented a new interface with the State's replacement accounting system, Florida PALM. The functionality surrounded updating the status of checks issued through the Division's Consolidated Revolving Account (CRA) and PALM's Cash Management System. The Division also made strides on the IT security front, ensuring vendors used secure file transfer protocol for all incoming and outgoing data, and updating functionality in the IMS to be compatible with the most modern and secure browsers available.

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 974,000 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 85% of requests for insurance assistance involve Homeowner's Insurance, Auto Insurance, Health Insurance or Life Insurance. The Division also provides call center services to the Divisions of Insurance Agent & Agency Services, Unclaimed Property, Rehabilitation & Liquidation and Investigative & Forensic Services.

The DCS is responsible for reporting potential regulatory violations to the appropriate regulators. From July 2020 through June 2021, the DCS sent a total of 2,277 regulatory referrals to the Divisions of Insurance Agent & Agency Services and Investigative & 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.

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 2026-27. 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 2026-27.

- 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 2026-27.

##### *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 2020-21, Fire Protection Specialists conducted over 15,004 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 12<sup>th</sup> 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 2026-27. 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 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 46 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 15<sup>th</sup> 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 eighth 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 2020-2021, Florida PALM accomplished the following:

- Conducted Executive Steering Committee meetings;
- Collaborated with the Florida Digital Service for project management oversight;
- Engaged Independent Verification and Validation (IV&V) services;
- Published a Chart of Accounts (COA) Configuration Workbook to document the full listing of Florida PALM COA values for the CMS Wave;
- Shared the updated Reports Catalog for CMS Wave reports available at CMS launch and the updated Reporting Approach;
- Distributed workplan for agency tasks to transition to Florida PALM;
- Reviewed data interface points for agencies and FFMIS partners with their business systems for the CMS Wave;
- Published updated Standardized Business Process Models;
- Published the Florida PALM End User Manuals;
- Completed all necessary testing and readiness activities to receive the positive vote from the Florida PALM Executive Steering Committee indicating that Florida PALM was Ready to Deploy;
- Began pre-cutover activities to implement the Florida PALM CMS Wave;
- Established the Florida PALM Solution Center; 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 (IACLCP)**

The IACLCP 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 IACLCP is the director of DRM or his or her designee. The IACLCP 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 IACLCP, 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 include the following:

- **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 are organized by Consumer Services Community Outreach and conducted across the state of Florida to educate seniors 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.
- **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

English brochures and Spanish brochures to banks, savings banks and savings associations.

- **Community Outreach Events**

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.

## **Consumer Outreach Efforts**

### **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

<b>Approved Performance Measures</b>	<b>Approved Prior Year Standard FY 2020-21</b>	<b>Prior Year Actual FY 2020-21</b>	<b>Approved Standards for FY 2021-22</b>	<b>Requested FY 2022-23 Standard</b>
Administrative Costs as a Percentage of Total Agency Costs	5.00%	3.63%	5.00%	5.00%
Administrative Positions as a Percentage of Total Agency Positions	6.00%	4.79%	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

<b>Approved Performance Measures</b>	<b>Approved Prior Year Standard FY 2020-21</b>	<b>Prior Year Actual FY 2020-21</b>	<b>Approved Standards for FY 2021-22</b>	<b>Requested FY 2022-23 Standard</b>
Percentage of closed files involving allegations of statutory violation that were successfully prosecuted	92%	98%	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

<b>Approved Performance Measures</b>	<b>Approved Prior Year Standard FY 2020-21</b>	<b>Prior Year Actual FY 2020-21</b>	<b>Approved Standards for FY 2021-22</b>	<b>Requested FY 2022-23 Standard</b>
Percentage of Scheduled Hours Computer and Network is Available	99.95%	99.64%	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%	100%	95%	95%
Establish a Comprehensive Functional Inventory of Department Software Applications	69	71	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	Code: 43010000
Service/Budget Entity: Consumer Advocate	Code: 43010400

<b>Approved Performance Measures</b>	<b>Approved Prior Year Standard FY 2020-21</b>	<b>Prior Year Actual FY 2020-21</b>	<b>Approved Standards for FY 2021-22</b>	<b>Requested FY 2022-23 Standard</b>
Percentage of Referred Cases Responded to and/or Transferred within Three (3) Days of Receipt	90%	100%	N/A	N/A
Percentage of Cases Responded to and/or Referred Within Three (3) Business Days of Receipt	N/A	N/A	95%	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

<b>Approved Performance Measure</b>	<b>Approved Prior Year Standard FY 2020-21</b>	<b>Prior Year Actual FY 2020-21</b>	<b>Approved Standards for FY 2021-22</b>	<b>Requested FY 2022-23 Standard</b>
Percentage of Scheduled Hours Computer and Network is Available	99%	99.999%	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 2020-21	Prior Year Actual FY 2020-21	Approved Standards for FY 2021-22	Requested FY 2022-23 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

Service/Budget Entity: State Funds Management and Investment

Code: 43100000

Code: 43100300

<b>Approved Performance Measures</b>	<b>Approved Prior Year Standard FY 2020-21</b>	<b>Prior Year Actual FY 2020-21</b>	<b>Approved Standards for FY 2021-22</b>	<b>Requested FY 2022-23 Standard</b>
Percentage of Core Accounting Processes That Meet Established Deadlines and Standards for Accuracy	98%	98%	97%	1.02%
Percentage by Which the Treasury's Investment Pool Exceeded the Blended Benchmark for a Rolling Three-Year Period	0.20%	3.63%	0.20%	0.20%

**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

<b>Approved Performance Measures</b>	<b>Approved Prior Year Standard FY 2020-21</b>	<b>Prior Year Actual FY 2020-21</b>	<b>Approved Standards for FY 2021-22</b>	<b>Requested FY 2022-23 Standard</b>
Percentage of State Employees Participation in the State Deferred Compensation Plan	40.0%	42.2%	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

<b>Approved Performance Measures</b>	<b>Approved Prior Year Standard FY 2020-21</b>	<b>Prior Year Actual FY 2020-21</b>	<b>Approved Standards for FY 2021-22</b>	<b>Requested FY 2022-23 Standard</b>
Number of Contracts Reviewed	1,100	1,303	1,100	1,100
Number of Agencies Audited for Contract/Grant Managers Performance	8	0	N/A	N/A

## 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: Recovery and Return of Unclaimed Property

Code: 43200200

Approved Performance Measures	Approved Prior Year Standard FY 2020-21	Prior Year Actual FY 2020-21	Approved Standards for FY 2021-22	Requested FY 2022-23 Standard
Percentage of Claims Processed within 60 Days from Date Received (Cumulative Total)	60%	83%	60%	60%
Number of Reported Accounts Uploaded into UPMIS	2.2 million	2.7 million	2.2 million	2.2 million
Number of Claims Paid and Dollar Amount of Claim Payments	400,000 / \$240 million	716,172 / \$349.7 million	400,000 / \$240 million	400,000 / \$240 million
Number of New Holders Reporting Unclaimed Property in the Fiscal Year	2,300	2,249	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

<b>Approved Performance Measures</b>	<b>Approved Prior Year Standard FY 2020-21</b>	<b>Prior Year Actual FY 2020-21</b>	<b>Approved Standards for FY 2021-22</b>	<b>Requested FY 2022-23 Standard</b>
Percentage of Time that the Solution Application in the Production Environment(s) are Available for Access and Use by Their Intended Users	99.70%	N/A	99.70%	99.70%

**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

<b>Approved Performance Measures</b>	<b>Approved Prior Year Standard FY 2020-21</b>	<b>Prior Year Actual FY 2020-21</b>	<b>Approved Standards for FY 2021-22</b>	<b>Requested FY 2022-23 Standard</b>
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	1,110	1,000	1,000
Number of Entity Requests for Licenses, Permits and Certifications Processed within Statutorily Mandated Time Frames	8,000	7,741	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

<b>Approved Performance Measures</b>	<b>Approved Prior Year Standard FY 2020-21</b>	<b>Prior Year Actual FY 2020-21</b>	<b>Approved Standards for FY 2021-22</b>	<b>Requested FY 2022-23 Standard</b>
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	2,978/150,220	5,500/175,000	5,500/175,000
Number of Florida Certification Programs Updated to NFPA Standard in Preparation for National and International Accreditation or Re-Accreditation	3	4	3	3

**LRPP Exhibit II - Performance Measures and Standards**

**Department: DEPARTMENT OF FINANCIAL SERVICES AND CHIEF FINANCIAL OFFICER**

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

<b>Approved Performance Measures</b>	<b>Approved Prior Year Standard FY 2020-21</b>	<b>Prior Year Actual 2020-21</b>	<b>Approved Standards for FY 2021-22</b>	<b>Requested FY FY 2022-23 Standard</b>
Administrative Costs as a Percentage of Program Agency Costs	5.70%	4.29%	5.70%	5.70%
Administrative Positions as a Percentage of Total Program Positions	3.40%	11.00%	11.00%	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

<b>Approved Performance Measures</b>	<b>Approved Prior Year Standard FY 2020-21</b>	<b>Prior Year Actual FY 2020-21</b>	<b>Approved Standards for FY 2022-23</b>	<b>Requested FY 2022-23 Standard</b>
Average Loss Adjustment Expense per Claim Worked	\$1,850	\$1,686	\$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%	98.26%	95%	95%
Percentage of Tort Liability Claim Files Resolved within Four (4) Years Without Litigation	81%	91%	81%	81%
Average Cost of Workers' Compensation Claims Paid	\$7,150	\$8,963	N/A	N/A
Percentage of Liability Claims Closed in Relation to Liability Claims Worked During the Fiscal Year	64%	59.95%	64%	64%
Number of Workers' Compensation Claims Worked	22,000	22,994	22,000	22,000
Number of Liability Claims Worked	6,000	6,038	6,000	6,000
Number of State Property Loss/Damage Claims Worked	120	489	120	120
Number of Agency Loss Prevention Training and consultation events conducted during the fiscal year (top three (3) agencies)	80	138.75	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 2020-21	Prior Year Actual FY 2020-21	Requested FY 2021-22 Standard	Requested FY 2022-23 Standard
Percentage of Service Requests Closed within 30 Days	90.0%	99.1%	95.0%	95.0%
Percentage of Non-Claimant Invoices Paid within 40 Days	96.0%	96.9%	96.0%	96.0%



**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

<b>Approved Performance Measures</b>	<b>Approved Prior Year Standard FY 2020-21</b>	<b>Prior Year Actual FY 2020-21</b>	<b>Approved Standards for FY 2021-22</b>	<b>Requested FY 2022-23 Standard</b>
Cost of Licensing Operations per Active License	\$2.96	\$2.55	\$2.80	\$2.80
Average Direct Cost of Investigation Operations per Completed Investigation	\$935	\$1,035	\$1,100	\$1,100
Average Number of Investigations Completed per Investigator	88	112	100	100
Average Number of Applications Processed per Licensing FTE	3,450	4,743	3,750	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 2020-21	Prior Year Actual FY 2020-21	Approved Standards for FY 2021-22	Requested FY 2022-23 Standard
Percentage of Helpline Call and Service Request Audits That Result in Quality Service	95%	93%	95%	95%
<b>Request Deletion:</b> Percentage of Consumer Survey Responses That Rate the Division's Services as Very Good or Excellent	78%	0%	78%	<b>N/A</b>
Percentage of Answered Phone Calls That are Answered within Four Minutes	80%	90%	80%	80%
<b>Request Deletion:</b> Percentage of Monetary Eligible Service Requests That Resulted in a Recovery	85%	55%	85%	<b>N/A</b>
Cost of Helpline Operations Per Call Completed	N/A	\$11.74	\$12.01	\$12.01
Cost of Service Requests Operations Per Service Request Completed	N/A	\$89.39	\$116.53	\$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 2020-21	Prior Year Actual FY 2020-21	Approved Standards for FY 2021-22	Requested FY 2022-23 Standard
Percentage of Funeral Establishment Inspections That Do Not Require Quality Control Follow-Up	98%	99%	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%	97%	98%	98%
<b>Request Revision:</b> Average Time (Days) to Close an Investigation	65	78	65	<b>Request Revision</b>
<b>Revised Measure:</b> Average Time (Days) to Close an Investigation that does not involve complex proof or other issues requiring coordination with law enforcement authorities or Department counsel*	N/A	N/A	N/A	65
<b>Request Revision:</b> Percentage of Deficiency Letters Sent out within 5 Business Days of Receiving the Application*	88%	78%	88%	<b>Request Revision</b>
<b>Revised Measure:</b> Percentage of Deficiency Letters Sent out within 15 Business Days of Receiving the Application*	N/A	N/A	N/A	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

<b>Approved Performance Measures</b>	<b>Approved Prior Year Standard FY 2020-21</b>	<b>Prior Year Actual FY 2020-21</b>	<b>Approved Standards for FY 2021-22</b>	<b>Requested FY 2022-23 Standard</b>
Dollar Amount of Benefits Withheld, Saved and Recouped as a Percentage of Public Assistance Fraud Annual Budget	500%	602%	500%	500%
Number of Completed Cases Resulting in Referral for Disqualification or Prosecution	3,000	1,782	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

<b>Approved Performance Measures</b>	<b>Approved Prior Year Standard FY 2020-21</b>	<b>Prior Year Actual FY 2020-21</b>	<b>Approved Standards for FY 2021-22</b>	<b>Requested FY 2022-23 Standard</b>
Percentage of overall accepted claims Electronic Data Interchange (EDI) form filings	82%	79%	82%	82%
Percentage of first indemnity payments made timely	95%	92%	95%	95%
Number of employer investigations conducted	32,000	10,513	32,000	32,000
Percentage of disputes resolved for injured workers by the Employee Assistance Office	90%	97%	90%	90%
Number of Petitions for Reimbursement Dispute Resolution resolved	4,000	4,432	4,000	4,000

**LRPP Exhibit II - Performance Measures and Standards**

**Department: DEPARTMENT OF FINANCIAL SERVICES AND CHIEF FINANCIAL OFFICER**

Program: Division of Investigative and Forensic Services	Code: 43700000
Service/Budget Entity: Fire and Arson Investigations	Code: 43700100

Approved Performance Measures for	Approved Prior Year Standard FY 2020-21	Prior Year Actual FY 2020-21	Approved Standards for FY 2021-22	Requested FY 2022-23 Standard
Percentage of referrals declined by State Attorney's Office for prosecution	10%	25.56%	N/A	N/A
Percentage of arson cases cleared	20%	23.39%	20%	20%
<b>Request Revision:</b> Percent of closed fire investigations successfully concluded, including by cause determined, suspect identified and/or, arrested or other reasons	80%	78.60%	80%	<b>Revision Request</b>
<b>Revised Measure:</b> Percentage of closed fire investigations successfully concluded, by cause: incendiary, accidental or undetermined.	N/A	N/A	N/A	<b>80%</b>
Percent of closed arson investigations for which an arrest was made in Florida	18%	23.16%	N/A	N/A
<b>New Measure:</b> Number of EOD Requests for Assistance	N/A	N/A	N/A	<b>586</b>
<b>New Measure:</b> Number of K-9 Requests for Assistance	N/A	N/A	N/A	<b>386</b>

**LRPP Exhibit II - Performance Measures and Standards**

**Department:** Department of Financial Services

Program: Division of Investigative and Forensic Services	Code: 43700000
Service/Budget Entity: Forensic Services	Code: 43700200

Approved Performance Measures for	Approved Prior Year Standard FY 2020-21	Prior Year Actual FY 2020-21	Approved Standards for FY 2021-22	Requested FY 2022-23 Standard
The number of items analyzed chemically plus the number of imaging items processed.	8,500	6,364	N/A	N/A
Lab case turnaround time	N/A	8	10	10

**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

<b>Approved Performance Measures</b>	<b>Approved Prior Year Standard FY 2020-21</b>	<b>Prior Year Actual FY 2020-21</b>	<b>Approved Standards for FY 2021-22</b>	<b>Requested FY 2022-23 Standard</b>
Number of Presentations Submitted for Prosecution	1,320	625	N/A	N/A
Requested Restitution as a Percentage of the Annual Appropriated Budget	200%	90%	N/A	N/A
Percentage of Opened Insurance Fraud Cases Presented for Prosecution by Law Enforcement Investigators	75%	49.52%	N/A	N/A
Number of Insurance Fraud Arrests (not Including Workers' Compensation Arrests)	795	319	N/A	N/A
Number of Worker's Compensation Insurance Fraud Arrests (not Including General Fraud Arrests)	429	206	N/A	N/A
Percentage of Referrals that Result in Opened Cases	N/A	N/A	10%	10%
Percentage of Opened Cases That Result in Presentations	N/A	N/A	46%	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

<b>Approved Performance Measures</b>	<b>Approved Prior Year Standard FY 2020-21</b>	<b>Prior Year Actual FY 2020-21</b>	<b>Approved Standards for FY 2021-22</b>	<b>Requested FY 2022-23 Standard</b>
Percentage of Office of Fiscal Integrity Investigations That Result in Action	50%	83%	N/A	N/A
Percentage of Referrals That Result in Opened Cases	N/A	133.3%	34%	34%
Percentage of Opened Cases That Result in Presentations	N/A	65%	24%	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:** 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 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	0	8	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:**

The Bureau of Auditing is comprised of 73 FTE. The Bureau of Auditing provides assurance to the taxpayers of Florida, through the efficient pre-audit of state disbursements, and other financial transactions, that funds disbursed from the State Treasury are in accordance with applicable laws, rules and administrative policies.

Of the 73 FTE, six (6) FTE are responsible for conducting audits of contract and grant manager files to evaluate whether agency management has established and implemented contract monitoring processes that promote an appropriate level of oversight and control over the accomplishment and receipt of significant deliverables and the authorization of payments for invoiced deliverables.

The Contract Management Review (CMR) team is comprised of six (6) FTE, as follows: one (1) Financial Administrator, four (4) Government Analyst II and one (1) Professional Accountant Specialist positions. Due to the impact of COVID-19, the Division's mission to ensure that COVID relief funds are spent according to Federal guidelines has prompted the redirection of team efforts to conducting post audits of COVID relief fund expenditures. The Contract Management Review teams' focus for Fiscal Year 21/22 will be conducting post audits of payments tied to the CARES Act Relief Funds.

**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 Divisions mission to ensure that COVID relief funds are spent according to Federal guidelines has prompted the redirection of team efforts to conducting post audits of COVID relief fund expenditures

**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 Contract Management Review teams' focus for FY 20/21 will be conducting post audits of payments tied to the CARES Act Relief Funds. We are requesting the LRPP measure tied to Number of agencies audited for Contract/Grant Managers Performance be deleted.

## LRPP Exhibit III: PERFORMANCE MEASURE ASSESSMENT

**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:**

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

Approved Standard	Actual Performance Results	Difference (Over/Under)	Percentage Difference
2,300	2,249	-51	-2.2%

**Factors Accounting for the Difference:**

**Internal Factors** (check all that apply):

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

**Explanation:**

**External Factors** (check all that apply):

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

**Explanation:** Increased efforts in holder outreach education and compliance (as well as audits), combined with an overall increase in general awareness of unclaimed property requirements have resulted in more new holders reporting/remitting unclaimed property. The division is going to increase efforts for holder outreach to increase performance results.

**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:** Continue monitoring the measure.

## LRPP Exhibit III: PERFORMANCE MEASURE ASSESSMENT

**Department:** Financial Services

**Program:** State 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 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
8,000	7,741	-259	-3.23%

**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:**

**External Factors** (check all that apply):

- |  |  |
|--|--|
| <input type="checkbox"/> Resources Unavailable                               | <input checked="" type="checkbox"/> Technological Problems |
| <input type="checkbox"/> Legal/Legislative Change                            | <input type="checkbox"/> Natural Disaster                  |
| <input type="checkbox"/> Target Population Change                            | <input 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 data for this measure fluctuates 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.

As the number of licenses processed varies from month to month, the measurement of licenses processed within the statutorily mandated time frame must be calculated by determining the number of licenses issued, denied, or renewed within a month as RLS does not have the functionality to determine whether an application was processed within the statutorily mandated time frames.

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

Training

Technology

Personnel

Other (Identify)

**Recommendations:**

## 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	2,978/150,220	-2,522/-24,780	-45.8%/-14.1%

**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:**

**External Factors** (check all that apply):

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

**Explanation:** Includes numbers of military students completing specialized training. These students cannot be depended on as regular students as they are from out-of-state installations. During this reporting period a minimal number of U.S. Military personal attended training at the Fire College. In addition to the reduction of classes offered due to the initial onset of COVID-19, the combination of these factors resulted in a negative impact on this performance measure.

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

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

**Recommendations:**



## LRPP Exhibit III: PERFORMANCE MEASURE ASSESSMENT

**Department:** Department of Financial Services

**Program:** State Property and Casualty Claims

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

**Measure:** Average Cost of Workers' Compensation Claims Paid

**Action:**

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

Approved Standard	Actual Performance Results	Difference (Over/Under)	Percentage Difference
\$7,150	\$8,963	\$1,813	25.4%

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

**Explanation:**

**External Factors** (check all that apply):

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

**Explanation:**

This measure calculates the average cost of claims after four (4) years of claim development. As anticipated, legislative increases in the medical fee schedule and maximum compensation rate, as well as court rulings affecting the cost of providing workers' compensation benefits continued to contribute to increased costs.

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

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

**Recommendations:**

After meeting with the Office of Policy & Strategic Initiatives the decision was made to request deletion of this performance measure due to the influence of external factors affecting the outcome.

## 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%	59.95%	(4.1%)	(6.3%)

**Factors Accounting for the Difference:**

**Internal Factors** (check all that apply):

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

**Explanation:**

Lack of adequate staffing due to a number of adjuster vacancies in the bureau resulted in a slightly lower claim closure percentage than anticipated.

**External Factors** (check all that apply):

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

**Explanation:**

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

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

**Recommendations:**

Management is working diligently to fill vacancies which have impacted the Division's ability to settle and close claims at the anticipated percentage.

## 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 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
\$935	\$1,035	+\$100	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:**

**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 20-21 the Bureau of Investigation had multiple vacancies throughout the year and less time to work in the field due to being shut down because of COVID19. This resulted in increased costs to the Bureau per 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:**

Increase the performance assessment of the output measure to the cost per investigation.

## 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%	93.15%	-1.85%	1.97%

**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:**

Performance was slightly lower than expectations for the approved standard. The Division experienced a high turnover the past fiscal year.

**External Factors** (check all that apply):

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

**Explanation:**

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

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

**Recommendations:**

The Division is currently working to address the issue.

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

Approved Standard	Actual Performance Results	Difference (Over/Under)	Percentage Difference
78%	0%	-78%	200%

**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 measure provides little insight into customer satisfaction since the Department cannot control the customer surveys returned. Division proposes to delete measure and replace it with Cost of Helpline Operations Per Call Completed.

**External Factors** (check all that apply):

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

**Explanation:**

Survey data is no longer available and was not tracked during the 2020/2021 FY.

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

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

**Recommendations:**

**Delete measure and replace it with Cost of Helpline Operations Per Call Completed.**

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

Approved Standard	Actual Performance Results	Difference (Over/Under)	Percentage Difference
85%	55.24%	-29.76%	42.44%

**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:**

The Department cannot control how many service requests result in recovery. Division proposes to delete measure and replace it with Cost of Service Requests Operations Per Service Request Completed.

**External Factors** (check all that apply):

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

**Explanation:**

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

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

**Recommendations:**

We will continue to capture the amount involved and the amount recovered in consumer service requests. **Delete measure and replace it with Cost of Service Requests Operations Per Service Request Completed.**

## 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 Investigations Submitted by Legal to Probable Cause Panel in Which the Panel Agrees with the Division's Probable Cause Recommendation

**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
98%	97%	-1%	1.02%

**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 will continue to streamline its processes and closely coordinate with the Department's Office of the General Counsel on all legal actions to best perform on this 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:**

The Division coordinates legal actions with the Department's Office of the General Counsel. It is the Office of the General Counsel that actually prepares and presents the administrative complaints to the Probable Cause panels. Infrequently, the Probable Cause panels do not agree with the recommendations presented by counsel.

**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 to streamline its processes and closely coordinate with the Department's Office of the General Counsel on all legal actions to best perform on 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:** Average Time (Days) to Close an Investigation

**Action:**

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

Approved Standard	Actual Performance Results	Difference (Over/Under)	Percentage Difference
65 days	78 days	13+	20%

**Factors Accounting for the Difference:**

**Internal Factors** (check all that apply):

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

**Explanation:**

The number of days utilized to close an investigation is monitored and calculated on a monthly basis. The standard for the performance measure is currently set at 65 days. The Division continues to change and streamline its processes to best perform on this measure while still providing quality services to the consumers and others with complaints against the establishments and individuals licensed under chapter 497, Florida Statutes. As a customer service improvement, for example, within the past 5 years, the Division changed its investigation procedures to open investigations on all complaints that are received. The Division has also improved its coordination efforts with law enforcement and legal authorities to better ensure that those licensees conducting unlicensed or criminal activities are appropriately pursued and disciplined. Since these investigations frequently involve complex legal issues, the length of time to close the investigations for these cases often exceeds 100 days and negatively impacts the outcome on this performance measure. In FY20-21, 52 investigations exceeded 100 days to closure. At least 1/3 of these 100+day investigations involved complex proof or other issues requiring close coordination with law enforcement authorities or Department counsel. Because the Division does not have database systems capable of “suspending” an investigation while the more complex issues are resolved, the investigations remained open in the Division’s systems during these efforts.

**External Factors** (check all that apply):

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

**Explanation:**

As above mentioned, many of the investigations closed during FY20-21 involved complex proof and other issues requiring close coordination with law enforcement and legal authorities before the investigations could be closed. For example, several investigative cases this year involved cemeteries and a funeral home which were placed in federal bankruptcy. As a result of the legal issues involved, including coordination efforts with the bankruptcy trustee, those investigations took much longer to close. Additionally, due to technological issues involving the Division's database capabilities (the majority of the Division's databases are unsupported Microsoft Access databases), the Division does not have the current ability to "suspend" an investigation during such coordination efforts. Other delays in closing the referenced 52 investigations which were open 100+ days were as follows:

- 1) COVID pandemic related issues such as travel limitations in certain areas which delayed necessary on-site investigations or responses from licensees
- 2) Licensee failure to respond/delay in response (sometimes COVID related)
- 3) Complainant unresponsiveness or delay in responding to the investigator's requests for proof or witness statements
- 4) Other issues in securing necessary proof and/or documentation to support possible administrative law action against the licensees

For FY20-21, the results of this performance measure would have shown that the Division completed its investigation responsibilities and closed investigations in an average of 36.40 days if the 52 outlier investigations were removed from the calculations for this performance measure. This result would more accurately reflect conditions within the control of Division staff which lead to the closure of an investigation.

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

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

**Recommendations:**

The Division will continue to streamline its processes and provide training to personnel to best perform on this measure. Additionally, the Division is seeking a change to the definition of the performance measure to better reflect the impact that the more complex investigations have on the overall length of time it takes to close an investigation.

The revised performance measure definition which the Division is proposing by virtue of Exhibit IV is as follows:

Average Time (Days) to Close an Investigation **that does not involve complex proof or other issues requiring coordination with law enforcement authorities or Department counsel**

## 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%	78%	-10%	11.36%

**Factors Accounting for the Difference:**

**Internal Factors** (check all that apply):

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

**Explanation:**

As in FY19-20, this is primarily due to a loss of employees available to perform licensing functions, including the review of licensing applications and processing of deficiency notices. The Division has approximately 10,000 licensees in 23 different types of licenses. Approximately 700 new license applications were received during the year. The Division's licensing team consists of 5 FTE positions (currently including 1 vacancy, 1 employee who has been with the Division under 2 years, and 1 employee who has been with the Division under 6 months). Generally, it takes approximately 2 years to fully train a new employee in the licensing functions, particularly as the licensing requirements for each type of license differ. The personnel shortage in the Division's licensing team over the past few years was caused in part by the COVID-19 pandemic (see below), budget reductions, competing priorities regarding employee assignments, employees' need for and use of sick leave, and normal attrition. As a result of these factors, the Division lost approximately 33% of the employees specially trained and working on these licensing functions. The majority of the licensing application processes have had to be handled by the Division's 2 long-term licensing employees, who must also fulfill other licensing responsibilities with competing priorities and train the newer team members on all functions.

**External Factors** (check all that apply):

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

**Explanation:**

The outcome on this performance measure is primarily the result of the internal factors referenced above. The COVID pandemic, however, also contributed to the underperformance on this measure in that it impacted employees' need for and use of sick leave, thus making them unavailable to perform the licensing functions. Another result of the COVID pandemic was the 6% budget reduction directed in FY20-21. These budget constraints prevented the Division from filling the licensing team vacancy during FY20-21 and part of FY21-22.

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

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

**Recommendations:**

The Division plans to fill the vacant licensing position and will continue cross-training team members in the application processes and other licensing functions. The Division will also continue to streamline its processes to best perform on this measure going forward, including exploring the possibility of automating certain reporting features of the Division's database used for this measure. To better reflect the realities of the changing workforce, staff capacity issues, and other process changes that have been implemented, however, the Division is requesting a change in the definition of this performance measure to allow 15 business days for Division staff to process deficiency notices. Section 120.60(1), Florida Statutes, and rule 69K-1.005, Florida Administrative Code, provide that the Division has 30 days from receipt of an application to review the application to determine if it is a complete or an incomplete application and notify the applicant(s) of any deficiencies. The proposed revised definition for this performance measure is as follows:

*Percentage of Deficiency Letters Sent out within **5 15** Business Days of Receiving the Application*

The proposed change will provide greater flexibility to the licensing team in its initial review of applications and potentially alleviate possible data input or other errors that otherwise might be made in rushing to meet the existing 5-day deadline. Additionally, the proposed change remains consistent with the 30-day timeframe permitted by the referenced statute and rule for the initial review of license applications.

## 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	1,782	-1,218	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:**

Investigation staff turnover and temporary reductions in field activities impacted the Division's ability to meet the standard. Replacement investigators typically take time to reach comparable output to experienced investigators. Often times, field investigators were unable to conduct interviews, obtain documents, and complete certain cases due to the COVID-19 pandemic.

**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):

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

**Recommendations:**

The Division is concentrating on training its personnel and continues to fill vacancies as soon as they arise.

## LRPP Exhibit III: PERFORMANCE MEASURE ASSESSMENT

**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:**

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

Approved Standard	Actual Performance Results	Difference (Over/Under)	Percentage Difference
82%	79.18%	-2.82	-3.44%

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

**Explanation:**

**External Factors** (check all that apply):

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

**Explanation:** The EDI acceptance rates decreased in fiscal year 2020-2021 as a result of ongoing industry obstacles due to the COVID-19 pandemic.

**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 enhance the Claims EDI training/triage programs as well as develop educational tutorials to help increase the overall EDI filing results.



## 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 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%	-3%	-3.16

**Factors Accounting for the Difference:**

**Internal Factors** (check all that apply):

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

**Explanation:**

**External Factors** (check all that apply):

- |  |  |
|--|--|
| <input type="checkbox"/> Resources Unavailable                               | <input type="checkbox"/> Technological Problems      |
| <input 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 First Indemnity Payments decreased in FY 20/21 as a result of ongoing industry obstacles due to the COVID-19 Pandemic.

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

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

**Recommendations:**

The Division plans to enhance the industry triage/training process as well as develop education tutorials.

## 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	10,513	-21,487	-67%

**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:**

Due to the COVID-19 pandemic, the Bureau conducted virtual investigations in lieu of onsite investigations. Virtual investigations contained more phases to ensure employer compliance and often resulted in multiple days to schedule and complete investigations depending on the employer's availability to speak with the investigator.

**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:**

COVID-19 impacted the Bureau's ability to conduct onsite investigations.

**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:**

Onsite investigations resumed in April, 2021 with safety measures in place to protect investigators and employers.

## LRPP Exhibit III: PERFORMANCE MEASURE ASSESSMENT

**Department:** Department of Financial Services  
**Program:** Division of Investigative and Forensic Services  
**Service/Budget Entity:** Fire, Arson, and Explosives 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%	25.56%	+15.56	155.6%

**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:**

Prosecutorial decisions are not controlled by DIFS. Each Judicial Circuit oversees the prosecutorial process which is independent of the DIFS criminal investigation process.

**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:**



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

Approved Standard	Actual Performance Results	Difference (Over/Under)	Percentage Difference
8,500	6,364	-2136	25%

**Factors Accounting for the Difference:**

**Internal Factors** (check all that apply):

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

**Explanation:**

Digital camera use impacts the performance results for this measure as well as negative impacts related to COVID-19. COVID-19 caused a reduction in the submission of the number of digital image cases. In addition to methamphetamine from foreign sources have flooded the country allowing for the testing of this chemical to be tested using a one-pot test.

**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:**

Use of digital camera reduce the number of digital image case submission, use of one pot test on methamphetamine, and the number of explosives and other unknown chemical analyses have also decreased.

**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:**

Recommend deletion of measure due to multiple changes in process. Use of digital camera reduce the number of digital image case submission, use of one pot test on methamphetamine, and the number of explosives and other unknown chemical analyses have also decreased.

## LRPP Exhibit III: PERFORMANCE MEASURE ASSESSMENT

**Department:** Department of Financial Services  
**Program:** Division of 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
1320	625	-695	52.65%

**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:**

COVID 19 and State Attorney's and Court closures

**External Factors** (check all that apply):

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

**Explanation:**

COVID 19 and State Attorney's and Court closures

**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:**

With the division returning to normal working conditions and the courts reopening this measure should improve. Management will continue to monitor training of all staff and correct any issues.

## LRPP Exhibit III: PERFORMANCE MEASURE ASSESSMENT

**Department:** Department of Financial Services  
**Program:** Division of 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%	90%	-81.8	55%

**Factors Accounting for the Difference:**

**Internal Factors** (check all that apply):

- |  |  |
|--|--|
| <input type="checkbox"/> Personnel Factors           | <input type="checkbox"/> Staff Capacity    |
| <input type="checkbox"/> Competing Priorities        | <input type="checkbox"/> Level of Training |
| <input 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:**

Court closures due to Covid-19 negatively impacted the performance results 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 type="checkbox"/> Other (Identify) |

**Recommendations:**

The division has no control over this number, it is all conducted by the courts.



## 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 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
75%	49.52%	-56.62	81.9%

**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:**

Covid-19 and high turnover and vacancy rate

**External Factors** (check all that apply):

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

**Explanation:**

Covid-19 affected the Bureaus ability to arrest individuals due to the restrictions of the court and law enforcement. In addition, the division has a salary competition with other law enforcement agencies.

**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:**

Management will continue to diligently work to increase the number of officers employed and trained and with the division assuming normal operations this number should improve.

## 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	319	-476	59.8%

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

**Explanation:**

Covid-19 restrictions

**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:**

Covid-19 restrictions have impacted the entire division due to the shutdown of the agency and the courts.

**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:**

Hopefully we will have a vaccine soon which will allow the division to return to normal work schedules.

## 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	206	-223	52%

**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:**

Covid-19 restrictions

**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:**

Covid-19 restrictions have impacted the entire division due to the shutdown of the agency and the courts.

**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:**

Hopefully we will have a vaccine soon which will allow the division to return to normal work schedules.



# 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: Office of the General Counsel/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): 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 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

- 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): 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 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): 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:**

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**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 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): 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 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

- 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): 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 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): 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: Average Direct Cost of Investigation Operations per completed 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: Licensure, Sales Appointment and Oversight/43500200

Measure: Average number of investigations completed per investigator

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: Average number of applications processed per licensing FTE

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 Helpline Call and Service Request Audits That Result in Quality Service

**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 Consumer Survey Responses That Rate the Division's Services as Very Good or Excellent

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 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

- 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): 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: Cost of Service Requests Operations Per Service Request 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: 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):

- 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 497, Florida Statutes, the Division investigates all complaints that are made by consumers or others against the establishments and individuals licensed under that chapter. These complaints are received via phone, email, and written communications. Complainants are requested to complete and submit their complaints, along with any documentation supporting the complaint, using the Complaint Form that is available for download from the Division's website at:

<https://www.myfloridacfo.com/Division/FuneralCemetery/Consumers/default.htm>.

Investigations may also be opened by the Division based upon information obtained from media articles, from Division staff obtained during their work responsibilities, or from other sources. An investigation is considered "closed" by the Division when 1) Division staff do not find evidence of violations of chapter 497, Florida Statutes, and inform the complainant that the matter will not be pursued further, or 2) the matter is forwarded to the Department's Office of the General Counsel for possible administrative action against the licensee(s).

The number of days utilized to close an investigation is monitored and calculated on a monthly basis. The standard for the performance measure is currently set at 65 days. The Division does not have database systems capable of automating the calculation of this performance measure. The elements of the performance measure are hand calculated from results of queries of the Division's current Microsoft Access databases, including its "ATN" database which in relevant part records the investigation assignments made to Division staff. Information obtained from these systems is logged into an Excel spreadsheet each month. Division staff use the Excel spreadsheet to calculate the average number of days to close each logged investigation. Each month, the Division reports the number of investigations which are closed within that month and the average number of days it took to close those investigations, as recorded on the Excel spreadsheet. The final, annual performance measure result is calculated by adding the reported monthly averages and dividing that total by 12 months.

The Division has consistently met or exceeded the 65-day standard over the past numerous years. In recent years, however, the Division has changed some of its

investigation processes to better serve consumers. As a customer service improvement, for example, within the past 5 years, the Division has improved its coordination efforts with law enforcement and legal authorities to better ensure that those licensees conducting unlicensed or criminal activities are appropriately pursued and disciplined. Similarly, the Division has kept investigations open in order to better coordinate legal issues involving licensees' federal bankruptcies and probate court battles impacting establishment ownership. Since these investigations frequently involve complex legal issues, the length of time to close the investigations for these cases often exceeds 100 days and negatively impacts the outcome on this performance measure. In FY20-21, for example, 52 investigations exceeded 100 days to closure. At least 1/3 of these 100+day investigations involved complex proof or other issues requiring close coordination with law enforcement authorities or Department counsel. Because the Division does not have database systems capable of "suspending" an investigation while the more complex issues are resolved, the investigations remain open in the Division's systems during these efforts. FY20-21 is the first year in which some of these long-term, complex investigations were closed, with the resulting negative impact on the results of this performance measure due to the length of time it took to resolve the matters and close the investigations.

For the above reasons, the Division is requesting that the definition of the performance measure, and thus the underlying calculation methodology, be changed as follows:

*Average Time (Days) to Close an Investigation that does not involve complex proof or other issues requiring coordination with law enforcement authorities or Department counsel*

If the revised performance measure definition is approved, additional fields will be added to the Excel spreadsheet to indicate which investigations involve complex issues requiring coordination with law enforcement authorities or Department counsel. These investigations would then not be considered in the calculation of the results for this performance measure. No other changes would be made to the methodology for the performance measure.

**Validity:**

The measure is an essential aspect of performance as it directly relates to the mission, goals, and objectives of the Department. Specifically, the measure is designed to ensure that the Division's consumer services program, including the investigation of complaints against licensees, delivers value to the public by continually critiquing its own performance in order to ultimately improve the efficiency and cost effectiveness of the program.

The measure and underlying data are unbiased, focusing solely on the length of time it takes for an investigation to be closed. Although the data elements cannot be automatically generated with the Division's current database systems and instead must be calculated each month using an Excel spreadsheet, the monthly and annual results

are carefully reviewed by Division management before reporting. The data elements are consistent with the current definition of the measure. By changing the definition of the performance measure as proposed, however, the performance measure results will more accurately reflect conditions within the control of Division staff which lead to the closure of an investigation.

**Reliability:**

The supporting data contained in the Division's databases is periodically tested. Additionally, there are a number of controls as part of the Division's processing of complaints and handling of investigations. The Division's procedures require that email inquiries are checked daily, that all complaints are investigated, and that investigation assignments are recorded in the Division's "ATN" database system. The procedure also requires staff to "close" an investigation when 1) Division staff do not find evidence of violations of chapter 497, Florida Statutes, and inform the complainant that the matter will not be pursued further, or 2) the matter is forwarded to the Department's Office of the General Counsel for possible administrative action against the licensee(s). The Excel spreadsheet used to calculate the monthly results on this performance measure also records the date that an investigation is open and the date on which it is closed, with an automated calculation of the number of days it took to close the investigation. The monthly and annual results for the performance measure are carefully reviewed by at least two layers of Division management prior to reporting. This would seem to provide sufficient control for Division management to determine the accuracy of the reported results on this performance measure. Further, all data maintained in the Division's databases is stored, backed-up and archived in accordance with the Department's server and data management guidelines.

## 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):

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

### **Data Sources and Methodology:**

The Division regulates Florida's deathcare industry, which consists of approximately 10,000 licensees in 23 different types of licenses. The Division's licensing team consists of 5 FTE positions (currently including 1 vacancy, 1 employee who has been with the Division under 2 years, and 1 employee who has been with the Division under 6 months). The team receives additional support in some of the initial processing functions from 1 OPS file clerk position and 1 administrative assistant position. Generally, it takes approximately 2 years to fully train a new employee in the licensing functions, particularly as the licensing requirements for each type of license differ.

License applications must include the appropriate licensing fees. For this reason, the majority of license applications are received via mail. At this time, only pre-need sales agents are able to apply, and pay applicable fees, electronically over the internet. However, many pre-need sales agents still elect to apply via mail.

When an application is received via mail, it is initially delivered to the Department's Division of Accounting and Auditing, which processes the application payment. This provides financial/audit controls in that no payments are directly received by the Division. The application packet, with a copy of the relevant payment, is then sent to the Division for processing. This initial processing of the applications generally takes 1 – 2 days.

Upon receipt of the application, Division support staff date stamp the application and manually record the application in the Division's mail log. Applications are handled through the mail log process in the order received, along with all other mail received by the Division. Another Division support team member then images the packet and saves the image to the Division's licensing database (ALIS), which places the license application in a queue for review by the Division's licensing team staff. Again, this part of the overall process may take between 1 – 3 days, primarily depending upon staff availability, the volume of mail received, and the volume of applications or other

documents which require imaging. The ALIS database contains a field which records when the license application was received.

License applications are assigned to the license team staff by license type. Although cross-trained in many functions, licensing team members in this way develop specialized knowledge and experience in handling their assigned license types. For example, one team member primarily handles cemetery and pre-need license issues while another employee is responsible for the majority of the other establishment and individual license types.

An assigned licensing team member will review the application and index/record the various portions of the application in ALIS for future reference. The licensing employee then reviews the application to determine if it contains all information required to further process the application. Most pre-need sales agent applications require less information to process the applications. The review process of these applications therefore generally takes less time, especially since the majority of the applications are received electronically. Further, the deficiency notice process for these license types is more fully automated. All other license type applications must be manually reviewed and processed. If an application is deemed to be insufficient, the Division licensing team employee assigned to the review will send a deficiency notice to the applicant. This notice is generated and sent from ALIS, with a copy maintained in the applicant's profile in the ALIS database. There is not a corresponding field in ALIS to record the date upon which a deficiency notice is mailed.

Each month, licensing team members review ALIS records for their assigned license types to determine: 1) the number of application deficiency letters sent and 2) the number of application deficiency letters sent within 5 business days. Currently, the only automated report from ALIS relating to this performance measure provides the date upon which an application was received. Using this report, the licensing employees must then review the applicant profile and supporting documents (including any deficiency letters sent) maintained in the ALIS database to specifically determine how many deficiency letters were sent and, based upon the date of the deficiency letter itself, whether it was sent within 5 days of the receipt of the application. These figures are recorded on a monthly basis in the Department's performance measure tracking software, currently Smartsheet. The annual results for this performance measure are determined by dividing the annual "total number of application deficiency letters sent within 5 business days" by the annual "total number of application deficiency letters sent" to arrive at the percentage of deficiency letters which are sent out within 5 business days of the receipt of the application.

Under section 120.60(1), Florida Statutes, and rule 69K-1.005, Florida Administrative Code, the Division has 30 days from receipt of an application to review the application to determine if it is a complete or an incomplete application and notify the applicant(s) of any deficiencies. The current definition for this performance measure only provides 5 business days for the initial review; the approved standard for this measure is 88%.

By the time the Division's licensing team members receive an application packet for their initial review, anywhere from 1 – 4 days may have lapsed since its receipt by the Department. Due to staff availability/capacity issues and the length of time it takes to adequately train new staff, the majority of the licensing application processes are being handled by the Division's two long-term licensing employees, who also perform other licensing functions with competing priorities and train the newer team members on all functions. Even when the team is fully staffed and trained, the performance measure as currently defined places an inordinate burden on licensing team members to complete the initial review of the application and send a deficiency letter within an unnecessarily short number of business days of the receipt of the application.

For the above reasons, the Division is requesting that the definition of the performance measure, and thus the underlying calculation methodology, be changed as follows:

*Percentage of Deficiency Letters Sent out within ~~5~~ 15 Business Days of Receiving the Application*

The proposed change will provide greater flexibility to the licensing team in its initial review of applications and potentially alleviate possible data input or other errors that otherwise might be made in rushing to meet the existing 5-day deadline. Additionally, the proposed change remains consistent with the 30-day timeframe permitted by the referenced statute and rule for the initial review of license applications.

**Validity:**

The measure is an essential aspect of performance as it directly relates to the mission, goals, and objectives of the Department. Specifically, the measure is designed to ensure that the Division's licensing functions deliver value to the public and potential licensees by continually critiquing its own performance in order to ultimately improve the efficiency and cost effectiveness of the functions. Ultimately, it is the Division's plan that more of these functions will be automated, potentially providing for the electronic submission and processing of applications for all 23 license types.

The measure and underlying data are unbiased, focusing solely on the length of time it takes between the receipt of an application and the date upon which a deficiency notice, if any, is sent. At this time, only the ALIS report on the monthly applications received is automated. All other data necessary to calculate this performance measure results must be manually researched in the ALIS database and calculated. This results in some possibility of human error in data entry and the resulting calculation of this measure.

**Reliability:**

The images and other supporting data contained in the Division's ALIS database relating to each application is reviewed against the hard copy applications received to make sure it is accurate. The Division's ALIS database, and all data maintained therein,

is stored, backed-up and archived in accordance with the Department's server and data management guidelines.



## 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: Division of Investigative and Forensic Services

Service/Budget Entity: Fire, Arson, and Explosives Investigations/43700100

Measure: Percentage of referrals declined by State Attorney's Office for 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: Division of Investigative and Forensic Services

Service/Budget Entity: Fire, Arson, and Explosives 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:** Division of Investigative and Forensic Services

**Service/Budget Entity:** Fire, Arson, and Explosives Investigations/43700100

**Measure:** Percentage of closed fire investigations successfully concluded, by cause: incendiary, accidental or undetermined,

**Action** (check one):

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

### **Data Source and Methodology:**

Bureau of Fire, Arson and Explosives Investigations (BFAEI) Detectives are dispatched to a fire scene when any local fire department requests our assistance. Once dispatched a case number is generated to track activities associated with the fire scene. ACISS, the Division of Investigative and Forensic Services' complaint database, contains the investigatory data, which is retrieved weekly, monthly through DIFS Snapshot reports. The calculation is completed by dividing the number of closed Incendiary, Accidental, and Undetermined cases by the number of open cases for the reporting period. The figure is reviewed weekly, monthly, and an annual number is calculated based on the respective dates for the entire fiscal year.

The Bureau of Fire, Arson and Explosives Investigations process for initiating cases and investigating cases allows it to meet the Department's goal to successfully close fire investigation cases. Activities associated with the goal allow it to carry out the Department's objective to conduct successful investigations, which is an essential aspect of BFAEI's performance.

### **Validity**

BFAEI's operational performance enables it to conduct its investigations and leads to successfully closed fire investigation cases. The numerator, the number of Incendiary, Accidental, or Undetermined, are determined by the post-investigation merits of a case and influenced by the cause and origin of the fire. The denominator of the percentage, the number of opened cases, depends on the actionable requests received. Since the BFAEI directly controls a portion of the measure, (data entry) efficiency in entering data may impact the measure as ACISS is a dynamic database.

For closed cases to meet the threshold of a successfully closed fire investigation the cause of the fire must be determined. National Fire Protection Association (NFPA) publishes NFPA 921 a "Guide for Fire and Explosion Investigations" and provides recommendations for the safe and systematic investigation or analysis of fire and

explosion incidents. The only determinations used in NFPA 921 to successfully close a case are Incendiary, Accidental, and Undetermined. These procedures insure the validity of this measure.

**Reliability:**

The proposed measure unbiasedly represents the total number of opened Bureau of Fire, Arson and Explosives Investigations cases opened and successfully concluded for the specified period. The ACISS system is the Bureau of Fire, Arson and Explosives Investigations controlled-access, third-party system that tracks case statuses. Since DIFS Snapshot reports only retrieve data from the database, all modifications to underlying data must be made by an approved ACISS user with case access. The measuring procedure is reliable, repeatable and verifiable.

## LRPP EXHIBIT IV: Performance Measure Validity and Reliability

Department: Department of Financial Services

Program: Division of Investigative and Forensic Services

Service/Budget Entity: Fire, Arson, and Explosives Investigations/43700100

Measure: Percentage of closed arson investigations for which an arrest was made in Florida

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:** Number of EOD Requests for Assistance

**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:**

Bureau of Fire, Arson and Explosives Investigations (BFAEI) Explosives Ordinance Disposal (EOD) Detectives are dispatched to a scene when any local fire or law enforcement department requests our assistance. Once an EOD team is dispatched a report is generated to track activities associated with the scene. Bomb Arson Tracking System (BATS), the Alcohol, Tobacco, Firearms-Explosives (ATF-E) complaint database, contains the investigatory data, which is used to retrieve specifically selected EOD activity data used to produce an EOD activity report. ACISS, the Division of Investigative and Forensic Services complaint database, contains the investigatory data, which is used to retrieve the data used to produce the total number of requests opened by BFAEI. The calculation is completed by dividing the number of EOD activities by the number of BFAEI requests opened 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 both Bats and ACISS investigatory data.

### **Validity:**

The Bureau of Fire, Arson and Explosives Investigations process for determining the usage of EOD assets and capturing their EOD activities essential to BFAEI's EOD mission performance.

The BFAEI's operational performance enables it to conduct its EOD specialized mission of SWAT, Personnel Protection, Operational Standby, to list a few. This accomplished by, the numerator, the number of BFAEI requests for service. The denominator of the percentage, the number of EOD activities, depends on the EOD activities completed. Since the BFAEI directly controls a portion of the measure, (data entry) efficiency in entering data may impact the measure as both BATS and ACISS are dynamic database.

An EOD Activity is required to be entered in BATS whenever an EOD Activity is completed. These procedures ensure the validity of this measure.

**Reliability:** The proposed measure unbiasedly represents the total number of opened Bureau of Fire, Arson and Explosives Investigations and EOD Activities entered in BATS for the period. The BATS and ACISS systems are the Bureau of Fire, Arson and Explosives Investigations controlled-access, third-party system that tracks case statuses and activities. Since EOD Activities only retrieve data from these databases, all modifications to underlying data must be made by an approved BATS and ACISS user with case access. The measuring procedure is reliable, verifiable, based on limited-access data and repeatable

## 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:** Number of K-9 Requests for Assistance

**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:**

Bureau of Fire, Arson and Explosives Investigations (BFAEI) Detectives are dispatched to a fire scene when any local fire department requests our assistance. Once a K9 team is dispatched a report is generated to track activities associated with the fire scene. ACISS, the Division of Investigative and Forensic Services complaint database, contains the investigatory data, which is used to retrieve the data used to produce a K9 report. The calculation is completed by dividing the number of K9 reports by the number of opened Incendiary and Undetermined 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 Bureau of Fire, Arson and Explosives Investigations process for determining the usage of K9 accelerant teams for cause and origin detection are an essential aspect of an incendiary or undetermined fire investigation. The use of Accelerant K9 Detection teams aids in BFAEI's fire investigation performance.

BFAEI's operational performance enables it to conduct its investigations and leads to successfully making arrests in arson cases; and allows for establishing an accelerant cause and origin for a fire investigation. This accomplished by, the numerator, the number of Incendiary and Undetermined cases, are determined by the post-investigation merits. The denominator of the percentage, the number of opened K9 reports, depends on the actionable K9 callouts received. Since BFAEI directly controls a portion of the measure, (data entry) efficiency in entering data may impact the measure as ACISS is a dynamic database.

A K9 report is required to be entered in ACISS whenever a K9 Team is called to a fire scene. These procedures ensure the validity of this measure.

**Reliability:**

The proposed measure unbiasedly represents the total number of opened Bureau of Fire, Arson and Explosives Investigations incendiary and undetermined cases opened and cases in which a K9 callout was made for the period. The ACISS system is the Bureau of Fire, Arson and Explosives Investigations controlled-access, third-party system that tracks case statuses. Since K9 Callout reports only retrieve data from the database, all modifications to underlying data must be made by an approved ACISS user with case access. The measuring procedure is reliable, verifiable, based on limited-access data and repeatable.



## LRPP EXHIBIT IV: Performance Measure Validity and Reliability

Department: Department of Financial Services

Program: Division of Investigative and Forensic Services

Service/Budget Entity: Forensic Fire and Explosives Analysis/43700200

Measure: The number of items analyzed chemically plus the number of imaging items processed

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: Division of Investigative and Forensic Services

Service/Budget Entity: Fire, Arson, and Explosives Investigations/43700200

Measure: Lab Case Turnaround Time

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: Insurance Fraud/43700300

Measure: Number of Presentations Submitted for 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: 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

- 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

- 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

- 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

- 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): 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: Insurance Fraud/43700300

Measure: Percentage of Opened Cases that Result in Presentations

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: Division of 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

- 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): 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:** Division of Investigative and Forensic Services

**Service/Budget Entity:** Office of Fiscal Integrity/43700400

**Measure:** Percentage of opened cases that result in presentations

**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:**



# 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 2021-22	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 2021-22	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**

<b>Measure Number</b>	<b>Approved Performance Measures for 43010300 FY 2021-22</b>		<b>Associated Activities Title</b>
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**

<b>Measure Number</b>	<b>Approved Performance Measures for 43010400 FY 2021-22</b>	<b>Associated Activities Title</b>
7	Percentage of Referred Cases Responded to and/or Transferred within Three (3) Days	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**

<b>Measure Number</b>	<b>Approved Performance Measures for 43010500 FY 2021-22</b>	<b>Associated Activities Title</b>
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 2021-22	Associated Activities Title
10	Percentage of analyses of the Qualified Public Depositories completed within 90 days of the start of the analysis cycle.	ACT1210 Provide Analysis on Securities Held for Deposit and Qualified Public Depositories
11	Percentage of Collateral Administrative Program transactions completed within three business days.	ACT1220 Process Transactions, Account Changes and Audit Functions.
		ACT0010 Executive Direction

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

<b>Measure Number</b>	<b>Approved Performance Measures for 43100300 FY 2021-22</b>	<b>Associated Activities Title</b>
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**

<b>Measure Number</b>	<b>Approved Performance Measures for 43100400 FY 2021-22</b>	<b>Associated Activities Title</b>
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**

<b>Measure Number</b>	<b>Approved Performance Measures for 43200100 FY 2021-22</b>	<b>Associated Activities Title</b>
15	Number of Contracts Reviewed	ACT2140 Conduct Post-Audits of Major State Programs ACT2110 Accounting and Reporting of State Funds
16	Percentage of Referrals that result in Presentations	ACT2140 Conduct Post-Audits of Major State Programs ACT2110 Accounting and Reporting of State Funds
17	Percentage of Opened Cases That Result in Presentations	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**

<b>Measure Number</b>	<b>Approved Performance Measures for 43200200 FY 2021-22</b>	<b>Associated Activities Title</b>
18	Percentage of Claims Processed within 60 Days from Date Received (Cumulative Total)	ACT2220 Process and Payment of Unclaimed Property
19	Number of Reported Accounts Uploaded into UPMIS	ACT2220 Process and Payment of Unclaimed Property
20	Number of Claims Paid and Dollar Amount of Claim Payments	ACT2220 Process and Payment of Unclaimed Property
21	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**

<b>Measure Number</b>	<b>Approved Performance Measures for 43200300 FY 2021-22</b>	<b>Associated Activities Title</b>
22	Percentage of Time that the Solution Application in the Production Environment(s) are Available for Access and Use by Their Intended Users	ACT2180 Florida Accounting Information Resource Subsystem (FLAIR) and Cash Management Subsystem (CMS) replacement Project ACT1320 Provide Cash Management Services



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

<b>Measure Number</b>	<b>Approved Performance Measures for 43300200 FY 2021-22</b>	<b>Associated Activities Title</b>
23	Percentage of Fire Code Inspections Completed within Statutory Defined Timeframes	ACT3220 Perform Fire Safety Inspections
24	Percentage of Mandated Regulatory Inspections Completed	ACT3220 Perform Fire Safety Inspections
25	Number of Regulatory Inspections Completed	ACT3220 Perform Fire Safety Inspections
26	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**

<b>Measure Number</b>	<b>Approved Performance Measures for 43300400 FY 2021-22</b>	<b>Associated Activities Title</b>
27	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
28	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
29	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**

<b>Measure Number</b>	<b>Approved Performance Measures for 43300500 FY 2021-22</b>	<b>Associated Activities Title</b>
30	Administrative Costs as a Percentage of Program Agency Costs	ACT0010 Executive Direction
31	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
32	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)
33	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
34	Percentage of Tort Liability Claim Files Resolved within Four (4) Years Without Litigation	ACT4120 Provide Adjusting Services on State Liability Claims
35	Average Cost of Workers' Compensation Claims Paid	ACT4110 Provide Adjusting Services on State Workers' Compensation Claims
36	Percentage of Liability Claims Closed in Relation to Liability Claims Worked during the Fiscal Year	ACT4120 Provide Adjusting Services on State Liability Claims
37	Number of Workers' Compensation Claims Worked	ACT4110 Provide Adjusting Services on State Workers' Compensation Claims
38	Number of Liability Claims Worked	ACT4120 Provide Adjusting Services on State Liability Claims
39	Number of State Property Loss/Damage Claims Worked	ACT4130 Process Property Claims on State Owned Buildings (Structure & Contents)
40	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 2021-22	Associated Activities Title
41	Percentage of service requests closed within 30 days	ACT5110 Rehabilitate and/or Liquidate Financially Impaired Insurance Companies
42	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**

<b>Measure Number</b>	<b>Approved Performance Measures for 43500200 FY 2021-22</b>	<b>Associated Activities Title</b>
43	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
44	Average Direct Cost of Investigation Operations per Completed Investigation	ACT5250 Investigate Agents & Agencies
45	Average Number of Investigations Completed per Investigator	ACT5250 Investigate Agents & Agencies
46	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**

<b>Measure Number</b>	<b>Approved Performance Measures for 43500400 FY 2021-22</b>	<b>Associated Activities Title</b>
47	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
48	Percentage of Consumer Survey Responses that Rate the Division's Services as Very Good or Excellent	ACT5410 Respond to Consumer Requests for Assistance
49	Percentage of Answered Phone Calls that are Answered within Four Minutes	ACT5430 Answer Consumer Telephone Calls
50	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**

<b>Measure Number</b>	<b>Approved Performance Measures for 43500500 FY 2021-22</b>	<b>Associated Activities Title</b>
51	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
52	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
53	Average Time (Days) to Close an Investigation	ACT5470 Examine and Regulate Licensees in the Funeral & Cemetery Business (Chapter 497) to Ensure Regulatory Compliance
54	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**

<b>Measure Number</b>	<b>Approved Performance Measures for 43500700 FY 2021-22</b>	<b>Associated Activities Title</b>
55	Dollar amount of Benefits Withheld, Saved, and Recouped as a Percentage of Public Assistance Fraud Annual Budget	ACT9070 Public Assistance Fraud Investigations
56	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**

<b>Measure Number</b>	<b>Approved Performance Measures for 43600100 FY 2021-22</b>	<b>Associated Activities Title</b>
57	Percentage of Overall Accepted Claims Electronic Data Interchange (EDI) Form Filings	ACT6110 Monitor and Audit Workers' Compensation Insurers to Ensure Benefit Payments
58	Percentage of First Indemnity Payments Made Timely	ACT6110 Monitor and Audit Workers' Compensation Insurers to Ensure Benefit Payments
59	Number of Employer Investigations Conducted	ACT6120 Verify That Employers Comply with Workers' Compensation Laws
60	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
61	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**

<b>Measure Number</b>	<b>Approved Performance Measures for 43700100 FY 2021-22</b>	<b>Associated Activities Title</b>
62	Percentage of Arson Cases Cleared	ACT3310 Investigate Fires Accidental, Arson and Other
63	Percentage of Referrals Declined by State Attorney's Office for Prosecution	ACT3310 Investigate Fires Accidental, Arson and Other
64	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
65	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**

<b>Measure Number</b>	<b>Approved Performance Measures for 43700200 FY 2021-22</b>	<b>Associated Activities Title</b>
66	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
67	Percentage of opened insurance fraud cases presented for prosecution by law enforcement investigators	ACT5310 Investigate Insurance Fraud (General) ACT5320 Investigate Workers' Compensation Insurance Fraud
68	Number of insurance fraud arrests (not including workers' compensation cases)	ACT5310 Investigate Insurance Fraud (General)
69	Number of worker's compensation insurance fraud arrests (not including general fraud investigations)	ACT5320 Investigate Workers' Compensation Insurance Fraud
70	Number of presentations submitted for prosecution	ACT5310 Investigate Insurance Fraud (General) ACT5320 Investigate Workers' Compensation Insurance Fraud
71	Requested restitution as a percentage of the annual appropriated budget	ACT5310 Investigate Insurance Fraud (General) ACT5320 Investigate Workers' Compensation Insurance Fraud

Measure Number	Approved Performance Measures for 43700400 FY 2020-21	Associated Activities Title
72	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 2020-21			
SECTION I: BUDGET		OPERATING		FIXED CAPITAL OUTLAY	
TOTAL ALL FUNDS GENERAL APPROPRIATIONS ACT		393,683,531		18,198,222	
ADJUSTMENTS TO GENERAL APPROPRIATIONS ACT (Supplementals, Vetoes, Budget Amendments, etc.)		15,314,473		-12,445,222	
FINAL BUDGET FOR AGENCY		408,998,004		5,753,000	
SECTION II: ACTIVITIES * MEASURES		Number of Units	(1) Unit Cost	(2) Expenditures (Allocated)	(3) FCO
Executive Direction, Administrative Support and Information Technology (2)					5,753,000
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.		2,917	139.60	407,210	
Process Transactions, Account Changes And Audit Functions * Number of account actions taken on regulatory collateral deposit accounts.		59,106	17.66	1,043,598	
Investment Of Public Funds * Average Dollar Volume of Funds Invested		33,700,000,000	0.00	1,014,147	
Provide Cash Management Services * Number of cash management consultation services.		31	47,062.10	1,458,925	
Receive Funds, Process Payment Of Warrants And Provide Account And Reconciliation Services * Number of financial management/accounting transactions processed and reports produced.		2,660,000	0.84	2,232,428	
Administer The State Supplemental Deferred Compensation Plan * Number of Participant account actions processed by the Bureau of Deferred Compensation.		1,739,731	0.98	1,706,880	
Accounting And Reporting Of State Funds * State Accounts Managed in the Florida Accounting Information Reporting System.		36,472	117.09	4,270,458	
Migrate Current Accounts Payable Procedures To Electronic Commerce * Payments issued electronically to settle claims against the state.		39,811,852	0.02	789,662	
Conduct Pre-audits Of Selected Accounts Payable * Vendor payment requests that are pre-audited for compliance with statutes and contract requirements		376,667	20.50	7,721,542	
Process State Employees Payroll * Payroll payments issued		3,162,743	0.64	2,018,017	
Conduct Post-audits Of Payroll * Post-audits completed of state agencies payroll payments to determine compliance with statutes		32	2,728.97	87,327	
Conduct Fiscal Integrity Investigations * Fiscal integrity investigations completed to investigate allegations or suspicions of fraud, waste or abuse.		94	6,306.12	592,775	
Article V - Clerk Of The Courts * N/A		12	36,975.58	443,707	
Collect Unclaimed Property * Accounts reported by holders of unclaimed property.		2,745,619	1.17	3,225,390	
Process And Payment Of Unclaimed Property * Payments processed for claims of unclaimed property.		716,172	4.81	3,444,110	
License The Fire Protection Industry * Number of entity requests for licenses, permits and certificates processed within statutorily mandated time frames.		7,983	71.51	570,878	
Perform Fire Safety Inspections * Number of inspections of fire code compliance completed.		15,004	288.67	4,331,264	
Review Construction Plans For Fire Code Compliance * Number of construction plans reviewed.		368	1,541.71	567,351	
Perform Boiler Inspections * Number of boiler inspections completed by department inspectors.		916	691.37	633,294	
Investigate Fires Accidental, Arson And Other * Total number of closed fire investigations involving economic or physical loss.		2,637	6,815.77	17,973,190	
Provide State, Local And Business Professional Training And Education * Number of classroom contact hours provided by the Florida State Fire College.		150,220	14.89	2,236,108	
Provide State, Local And Business Professional Standards, Testing And Statutory Compliance * Number of examinations administered.		10,246	103.57	1,061,165	
Provide Forensic Laboratory Services * Number of evidence items and photographic images processed.		6,266	203.56	1,275,487	
Fire Incident Reporting * Number of total incidents reported to the Florida Fire Incident Reporting System.		2,316,530	0.13	307,794	
Provide Adjusting Services On State Workers' Compensation Claims * Number of workers' compensation claims worked.		22,994	1,661.84	38,212,407	
Provide Adjusting Services On State Liability Claims * Number of liability claims worked.		6,038	2,266.01	13,682,147	
Process Property Claims On State Owned Buildings (structure And Contents) * Number of state property loss/damage claims worked.		489	5,072.67	2,480,538	
Provide Risk Services Training And Consultation * Number of agency loss prevention staff trained during the fiscal year.		139	15,667.31	2,177,756	
Rehabilitate And/Or Liquidate Financially Impaired Insurance Companies * Number of insurance companies in receivership during the year.		10	78,185.10	781,851	
Review Applications For Licensure (qualifications) * Number of applications for licensure processed.		150,703	17.91	2,699,315	
Administer Examinations And Issue Licenses * Number of examinations administered and licenses authorized.		69,444	23.28	1,616,486	
Administer The Appointment Process From Employers And Insurers * Number of appointment actions processed.		2,298,976	0.33	769,557	
Administration Of Education Requirements (pre Licensing And Continuing Education) * Number of applicants and licensees required to comply with education requirements.		322,408	1.24	400,947	
Investigate Agents And Agencies * Number of agent and agency investigations completed.		3,571	1,559.04	5,567,339	
Investigate Insurance Fraud (general) * Number of insurance fraud investigations completed (not including workers- compensation).		1,024	21,743.41	22,265,255	
Investigate Workers' Compensation Insurance Fraud * Number of workers' compensation insurance fraud investigations completed.		321	10,638.50	3,414,957	
Respond To Consumer Request For Assistance * Number of consumer requests and informational inquiries handled.		48,919	88.41	4,324,873	
Provide Consumer Education Activities * Number of visits to the Consumer Services website.		647,886	0.99	638,563	
Answer Consumer Telephone Calls * Number of telephone calls answered through the consumer helpline.		267,561	18.21	4,872,014	
Examine And Regulate Licensees In The Funeral & Cemetery Business (chapter 497) To Ensure Regulatory Compliance * Number of examinations and inspections completed.		2,003	1,395.99	2,796,175	
Monitor And Audit Workers' Compensation Insurers To Ensure Benefit Payments * Number of claims reviewed annually.		109,219	40.73	4,447,964	
Verify That Employers Comply With Workers' Compensation Laws * Number of employer investigations conducted.		10,513	1,378.52	14,492,384	
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.		496	10,047.62	4,983,620	
Provide Reimbursement For Workers' Compensation Claims Paid By Insurance Carriers On Employees Hired With Preexisting Conditions * Number of reimbursement requests (SDF-2) audited.		1,145	1,067.42	1,222,193	
Collection Of Assessments From Workers' Compensation Insurance Providers * Amount of assessment dollars collected.		59,738,743	0.01	684,746	
Data Collection, Dissemination, And Archival * Number of records successfully entered into the division's databases.		5,186,493	0.73	3,792,034	
Reimbursement Disputes * Number of petitions resolved annually		4,432	369.22	1,636,390	
Public Assistance Fraud Investigations * Number of public assistance fraud investigations conducted.		3,045	2,545.65	7,751,512	
Approve And License Entities To Conduct Insurance Business. * Number of Certificates of Authority (COAs) processed.		67	14,571.28	976,276	
Conduct And Direct Market Conduct Examinations. * Number of examinations and investigations completed for licensed companies and unlicensed entities		60	54,404.88	3,264,293	
Conduct Financial Reviews And Examinations. * Number of financial reviews and examinations completed.		6,048	3,005.69	18,178,431	
Review And Approve Rate And Form Filings. * Number of rate and forms review completed.		11,163	798.11	8,909,312	
Examine And Regulate Financial Services Companies To Ensure Regulatory Compliance. * Examinations of non-depository financial service companies to determine compliance with regulations.		290	17,366.35	5,036,241	
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.		33,197	68.43	2,271,727	
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.		96	105,576.71	10,135,364	
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	70,086.10	700,861	
Conduct Financial Investigations Into Allegations Of Fraudulent Activity. * Number of financial investigations into allegations of fraudulent activity.		159	26,561.27	4,223,242	
Examine And Regulate Money Services Businesses To Ensure Regulatory Compliance * Examinations of money services businesses conducted to determine compliance with regulations.		121	45,789.88	5,540,575	
Examine And Regulate Securities Firms, Branches To Ensure Regulatory Compliance. * Conduct examinations of securities firms and branches.		152	38,346.28	5,828,635	
Evaluate And Process Applications For Registration As A Securities Firm, Branch, And/Or Individual. * Securities applications processed for registration of firms, branches, and/or individuals.		59,919	44.01	2,636,763	
TOTAL				272,825,450	5,753,000
SECTION III: RECONCILIATION TO BUDGET					
PASS THROUGHS					
TRANSFER - STATE AGENCIES					
AID TO LOCAL GOVERNMENTS					
PAYMENT OF PENSIONS, BENEFITS AND CLAIMS					
OTHER				73,997,759	
REVERSIONS				56,674,832	
TOTAL BUDGET FOR AGENCY (Total Activities + Pass Throughs + Reversions) - Should equal Section I above. (4)				403,498,041	5,753,000

## 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	296,948	
43010400	1602000000	ACT1040	INSURANCE CONSUMER ADVOCATE	529,428	
43010500	1603000000	ACT1050	INFORMATION TECHNOLOGY - FLAIR	14,922,561	
43200100	1601000000	ACT2010	PASS THROUGH FROM PRISON INDUSTRY	294,457	
43200100	1601000000	ACT2140	CONDUCT POST-AUDITS OF MAJOR	315,193	
43200300	1603000000	ACT2180	FLORIDA ACCOUNTING INFORMATION	30,798,485	
43200100	1601000000	ACT2195	PASS THROUGH FLORIDA CLERKS OF	2,300,000	
43300400	1202000000	ACT3430	PASS-THROUGH GRANTS AND AIDS	1,043,140	
43300500	1202000000	ACT3440	PASS-THROUGH GRANTS AND AIDS LOCAL	285,000	
43300500	1202000000	ACT3530	PASS THROUGH - TRANSFER TO	2,000,000	
43400100	1601000000	ACT4150	PURCHASE OF EXCESS INSURANCE	11,160,650	
43700100	1205000000	ACT5510	HURRICANES AND OTHER NATURAL	6,383,303	
43700300	1205000000	ACT5520	CORONAVIRUS COVID 19	499,974	
43600100	1102020000	ACT6010	TRANSFER TO 1ST DISTRICT COURT OF	1,838,198	
43900110	1204000000	ACT9150	HURRICANE RATE/RISK MODEL	1,080,422	

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

DEPARTMENT: 43	EXPENDITURES	FCO
FINAL BUDGET FOR AGENCY (SECTION I):	408,998,004	5,753,000
TOTAL BUDGET FOR AGENCY (SECTIONS II + III):	403,498,041	5,753,000
	-----	-----
DIFFERENCE:	5,499,963	
(MAY NOT EQUAL DUE TO ROUNDING)	=====	=====

The difference is due to the appropriation of the DEP transfer from SFM Fire College (5,500,000) in a non-operating category (180122). True difference is 37.

## 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)



## OFFICE OF INSURANCE REGULATION

**DAVID ALTMAIER**  
COMMISSIONER

**FINANCIAL SERVICES  
COMMISSION**

**RON DESANTIS**  
GOVERNOR

**JIMMY PATRONIS**  
CHIEF FINANCIAL OFFICER

**ASHLEY MOODY**  
ATTORNEY GENERAL

**NICOLE "NIKKI" FRIED**  
COMMISSIONER OF  
AGRICULTURE

September 30, 2021

Chris Spencer, Policy Director  
Office of Policy and Budget  
Executive Office of the Governor  
1702B 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, our 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 2022-23 through Fiscal Year 2026-27. The internet website address that provides the link to the LRPP located on the Florida Fiscal Portal is [www.floir.com](http://www.floir.com). This submission of our LRPP has been approved by me.

Sincerely,

David Altmaier

# Long Range Program Plan

*Fiscal Years 2022-2023 through 2026-2027*

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**David Altmaier**  
Insurance Commissioner





**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.

Commissioner Altmaier was voted President of the National Association of Insurance Commissioners (NAIC) for 2021, after serving as President-Elect in 2020 and Vice President in 2019. In his role as NAIC President, Altmaier serves as Chair of the Executive Committee, Internal Administration Subcommittee, Government Relations Leadership Council, and Co-Chair of the Special Committee on Race and Insurance. Commissioner Altmaier also serves as a Vice Chair of the Executive Committee for the International Association of Insurance Supervisors (IAIS), representing insurance regulators and supervisors of more than 200 jurisdictions worldwide.

Commissioner Altmaier was appointed by Governor DeSantis to serve as a member Florida’s Blockchain Task Force and during the COVID-19 pandemic, selected to participate in the Governor’s Re-Open Florida Task Force Industry Working Group on Agriculture, Finance, Government, Healthcare, Management and Professional Services.

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 2021-2022

<b>Table 1. Appropriations Overview - Office of Insurance Regulation</b>			
<b>Positions</b>	<b>FY 2020-21</b>	<b>FY 2021-22</b>	<b>Change</b>
Full-time equivalent (FTE) positions	283	279	(4)
<b>Funding (By Budget Category)</b>	<b>FY 2020-21</b>	<b>FY 2021-22</b>	<b>Change</b>
Salaries and Benefits	\$21,039,617	\$22,102,869	\$1,063,252
Other Personal Services (OPS)	\$330,169	\$429,106	\$98,937
Expenses	2,418,973	2,418,973	\$0
Operating Capital Outlay	\$98,000	\$1,000	(\$97,000)
Contracted Services	\$1,780,726	\$1,780,726	\$0
Financial Examination Contracts*	\$4,626,763	\$5,151,763	\$525,000
Florida Public Hurricane Loss Model (Maintenance)	\$969,689	\$969,689	\$0
Lease or Lease-Purchase of Equipment	\$47,603	\$47,603	\$0
Risk Management Insurance	\$182,751	\$89,428	(\$93,323)
DMS Human Resources Contract	\$90,647	\$90,616	(\$31)
<b>TOTAL</b>	<b>\$31,584,938</b>	<b>\$33,081,773</b>	<b>\$1,496,835</b>
<p>*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.</p>			

# 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 203,000 Floridians are employed in the insurance sector.<sup>1</sup>

**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 2020-21, OIR approved an additional 5,635 policies for take-out.<sup>2</sup> As of June 30, 2021, Citizens' policy count had increased from the previous year to 638,263.

**3. Regulatory Reform.** In Fiscal Year 2020-21, the Financial Services Commission (FSC) updated 12 rules proposed for repeal by OIR. OIR also updated 25 rules through the FSC.

## 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 2020-2021, OIR continued to have improved performances by integrating and utilizing data analytics. These automation and technology efficiencies continue to result in savings of staff time and costs, when reviewing form and rate filings.

**3. Reduce Taxes.** See item number 2 under "Economic Development and Job Creation" above.

<sup>1</sup> The cited jobs number is from regional data published by the U.S. Department of Commerce, Bureau of Economic Analysis, [https://apps.bea.gov/iTable/iTable.cfm?reqid=70&step=30&isuri=1&year\\_end=-1&acrdrn=4&classification=naics&state=0&yearbegin=-1&unit\\_of\\_measure=levels&major\\_area=0&area=12000&year=2019&tableid=31&category=431&area\\_type=0&statistic=1004](https://apps.bea.gov/iTable/iTable.cfm?reqid=70&step=30&isuri=1&year_end=-1&acrdrn=4&classification=naics&state=0&yearbegin=-1&unit_of_measure=levels&major_area=0&area=12000&year=2019&tableid=31&category=431&area_type=0&statistic=1004)

<sup>2</sup> [www.citizensfla.com](http://www.citizensfla.com) Total Policies Approved and Assumed 2020 and Total Policies Approved and Assumed 2021.

# 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 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 2021-22 is \$33.1 million, with 279 full-time equivalent positions. It is funded entirely through the Insurance Regulatory Trust Fund and receives no state general revenue funds. In FY 2020-21, OIR spent over 92 percent of every dollar received on regulatory responsibilities. Administrative costs accounted for less than 8 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.<sup>3</sup>



In Fiscal Year 2020-21, OIR approved 67 new COAs and processed 99 percent of new COA applications within 180 Days. 48 percent of the new COA applications were approved 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 2020-21, OIR processed a total of 12,052 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 2020-21, OIR completed 58 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 2020-21, OIR completed 9,854 financial analyses.

<sup>3</sup> Section 120.60(1), F.S.

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 2020-21, OIR completed 9,854 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 the trend nationally, 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 2020-21, OIR completed and finalized a total of 3 examinations and 57 investigations resulting in the recovery of \$2.6 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 2020-21, OIR recovered over \$5.8 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 2020-21, an additional 179 insurance and insurance-related entities entered the Florida market and 401 new lines of business were added to existing COAs.<sup>4</sup> While some, such as donor annuities, are largely unregulated entities with little economic or regulatory impact, there were newly licensed Property & Casualty and Life & Health insurers.

<sup>4</sup> Compiled by the Florida Office of Insurance Regulation from the COREN database as of July 19, 2021.

## **f. Data Collection and Analyses**

OIR engaged in extensive data collection and analyses in FY 2020-21 related to:

- Access Control List Review (Twice per year for network security)
- Annual Reinsurance Data Collection (3 individual data calls)
- Assignment of Benefits (one-time)
- Auditor General IT survey (annual)
- Catastrophe Stress Test (annual)
- Catastrophe Reporting Form for Hurricane Michael (5 individual data calls)
- Catastrophe Reporting Form for Hurricane Irma (1 individual data calls)
- 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)
- 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 2020-21.

## **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 look for ways to enhance its technology and made specific advancements in FY 2020-21.

Several new Insurance Regulation Filing System (IRFS) applications were developed during the past year.

- The Public Records Request Tracking (PRRT) allows Legal to manage their public record requests in a single location that provides a consistent automation of their business process, permits input from other business units, and provides necessary data searching and reporting modules.
- The Insurance Consumer Advocate Tracking (ICA) provides Communications with a method to enter, manage, and report upon the requests they receive.
- The Legal Case Tracking application has been created, and the first module to be developed is one to manage Consent Orders. Discussions have begun to migrate existing consent order data from the previous system NetDMS to IRFS.
- The Market Regulation Tracking System (MRTS) has been designed. The effort began with the Property & Casualty unit but now includes Life & Health as well. This application, like PRRT, will automate an existing business process, gather input from other business units, and provide necessary data searching and reporting modules. Additionally, a method to add data from spreadsheets will be developed.
- Analysis and design began to bring Company Admissions process into IRFS. It would replace the iApply/WECAA systems currently in use.

OIR made additional IRFS enhancements throughout the year, which include:

- Enhanced recording of modification history in Administrative Tools
- Enhanced recording of modification history in the Application Process Control (APC) areas Users, Applications, Privileges, and Templates
- Added writing ratios for Life & Health and Property & Casualty companies on the Dashboard
- Added administrative privileges to external IRFS so that companies control their filers access and manage their filings
- Allow password protected documents to be uploaded into IRFS - only edit passwords – not open passwords
- In the Internal Review part of IRFS
  - Provided the ability to generate RCS territory sets as Excel templates
  - Allow bulk send of invoices
  - Changed the way outgoing emails containing trade secret information are handled
- Internal Search of IRFS was enhanced to display data from the new systems PRRT, ICA, and Legal Tracking

Changes were also made to other systems

- Modified FAME to use IRFS invoices
- Built an application prototype that uses the Elasticsearch search engine to search document content. It allows a user to enter a phrase and it will search across the documents in its indices for matches and provide a score to indicate the level of match.
- The FileNet Migration utility was built to move EDMS documents from FileNet to the file share and update a table. If a document is not searchable, a process will make it searchable for the Elasticsearch tool

- Added the ability to mark uploaded documents as trade secret in RCS

Throughout the year, the team made various modifications to backend processes and services. An Outlook plug-in is now available to associate emails and attachments to existing IRFS filings. The PDF Generation, Convert, Stamp and API services were updated to the latest version of Aspose.

In coordination with the National Association of Insurance Commissioners (NAIC) and the Department of Financial Services Office of Information Technology (OIT), we completed the pilot phase of the NAIC’s project to change the way we access data in the NAIC systems to use a web-based data warehouse (Snowflake) instead of an Open Database Connectivity (ODBC) interface. The company dashboard was successfully tested using the new method. We await information on implementation from the NAIC.

### 3. Market Conditions in Florida

As of July 12, 2021, OIR had oversight of 4,793 entities in Florida.<sup>5</sup> 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.

#### b. Market Concentration

Florida insurance markets are generally competitive, although market concentration varies considerably from one line to another, as shown in Table 2.

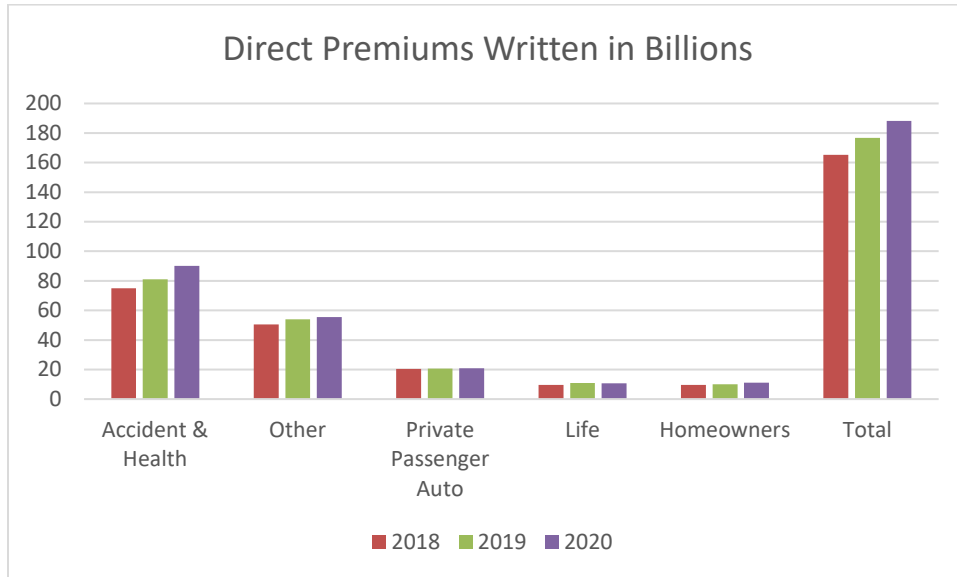
<b>Line of Business</b>	<b>Top Writer</b>	<b>Top 5 Writers</b>	<b>Top 10 Writers</b>
Accident and Health	13.2	47.4	65.9
Commercial Multi-Peril	4.8	20.0	34.4
Homeowners Multi-Peril	10.4	30.1	45.5
Life	8.4	28.0	44.4
Medical Malpractice	15.2	49.2	63.3
Private Passenger Auto	13.6	55.3	70.7
Title	28.6	77.7	93.3
Workers Compensation	5.1	22.7	37.1

<sup>5</sup> Compiled by the Florida Office of Insurance Regulation from the COREN database as of July 12, 2021.

### c. Premium volume

As shown in Figure 2, Florida is continuing to experience steady premium growth. Among all writers, total written premium expanded from \$165.3 billion at year-end 2018 to \$188.3 billion in year-end 2020<sup>6</sup>. 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.<sup>7</sup>

Figure 2<sup>8</sup>



### 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.<sup>9</sup> 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 and roof claims containing litigation and Assignment of Benefits (AOB) costs.

<sup>6</sup> Compiled by the Florida Office of Insurance Regulation from NAIC Calendar Year 2019 company-reported premium data.

<sup>7</sup> Premium data based on retrievals from NAIC - data reported for Calendar Year 2019.

<sup>8</sup> Premium data based on retrievals from NAIC - data reported for Calendar Year 2019.

<sup>9</sup> 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.

OIR conducted two 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.

During the 2021 Legislative Session, additional reforms in SB 76 were signed into law to increase the cap on premium increases that Citizens policyholders may receive in a year, increase the reduce the number of years for which a property claim could be filed, require claimants to provide a notice of intent to initiate litigation at least 10 days prior to filing suit for property claims, and to limit the attorney fees that may be awarded under a suit arising under a property policy.

These important consumer protections should help reduce the amount of AOB and litigation abuse in the market and may offset some of the recent rate activity.

Workers' compensation rates are down an average of approximately 70 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, 2020, and 2021. 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.

During the 2021 Legislative Session, SB 54 proposed to repeal PIP and revise the minimum required limits for Financial Responsibility but was ultimately repealed. The Office contracted with Pinnacle Actuarial Resources to estimate the impact of repealing PIP in SB 76 would have on Florida drivers. Pinnacle estimated that the bill would result in an overall increase in premiums of 13.3% for all coverages combined or \$202 per car annually for the average vehicle.

#### **e. Financial condition**

The Florida life and Health insurance markets are stable and competitive, and domestic insurers are well positioned to meet the needs of the market. Though written premium decreased 3.97% from 2019 for domestic life insurers due to the COVID-19 pandemic, policyholder surplus increased 4.29% from 2019 and is up 28.93% since 2016. For health insurers, direct written premium is up 8.90% from last year. Policyholder surplus increased 7.55% from last year and 27.54% from 2016.

In the property insurance sector, Florida domestics continue to be stable and competitive. Comparing the results from year-end 2019 to year-end 2020, direct premiums written increased 5.97 %.<sup>10</sup> Policyholder surplus increased .24 % and surplus is up 27.84 % since 2015.<sup>11</sup> Florida's domestic property insurers have decreased their policies in force by 1.62 % while foreign insurers have increased policies in force by 18.36 % which should satisfy the demand from continued population growth.

#### **f. Residual markets<sup>12</sup>**

Growth in residual markets are generally associated with stagnant or declining 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. However, Citizens Property Insurance Corporation, the largest residual insurer, increased its policies in force by 29.12% from year-end 2019 to year-end 2020 which is still a 13.34 % decrease in its policy count since 2014.

### **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 Act continue to evolve and shape the requirements of the Act through annual agency rulemaking, guidance, and frequently asked questions.

<sup>10</sup> Information contained in the NAIC Financial Data Repository.

<sup>11</sup> Calculated from information contained in the NAIC Financial Data Repository.

<sup>12</sup> 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.



## **b. Florida**

For a comprehensive list of legislation that passed during the 2021 Session affecting various types of insurance products and lines, see OIR's [2021 Legislative Summary](#).

### **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 promote a stable and competitive individual and group health insurance markets;
- Actively engaging in regulatory activities to help stabilize the property insurance market to promote greater resiliency 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 boards and commissions, including the following:

### **a. Life and health**

- Continuing Care Advisory Council
- Florida Employee Long-Term Care Plan
- Florida Health Maintenance Organization Consumer Assistance Plan
- Florida Health Insurance Advisory Board
- Florida Interagency Coordinating Council for Infants & Toddlers
- 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 Insurance Guaranty Association
- Florida Automobile Joint Underwriting Association
- Florida Commission on Hurricane Loss Projection Methodology
- Florida Workers' Compensation Joint Underwriting Association
- Florida Workers' Compensation Insurance Guaranty Association
- Workers' Compensation Three Member Panel
- 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.



[www.FLOIR.com](http://www.FLOIR.com)

J. Edwin Larson Building  
200 E. Gaines Street  
Tallahassee, Florida 32399  
Phone: (850) 413-3140

## LRPP Exhibit II - Performance Measures and Standards

<b>43900000 Financial Services Commission</b>				
<b>Office of Insurance Regulation</b>				
<b>Approved Performance Measures for Fiscal Year 2020-21</b>	<b>Approved Prior Year Standard FY 2020-21 (Percentage)</b>	<b>Prior Year Actual FY 2020-21 (Percentage)</b>	<b>Proposed Revised Standards for FY 2021-22 (Percentage)</b>	<b>Requested FY 2022-23 Standard (Percentage)</b>
<b>43900110 Compliance and Enforcement</b>				
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%	88.1%	90%	90%
Percentage of complete applications for a new certificate of authority processed within statutorily required timeframes.	98%	99.0%	98%	98%
Percentage of applications for a new certificate of authority for Life & Health and Property & Casualty processed within 90 days.	98%	48.0%	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%	100%	98%	98%
Percentage of priority Financial Analyses completed within 60 days.	98%	93.2%	98%	98%
Percentage of non-priority Financial Analyses completed within 90 days.	95%	97.1%	95%	95%
<b>43900120 Executive Direction and Support Services</b>				
Administrative costs as a percentage of total agency costs.	10%	7.0%	10%	10%
Administrative positions as a percentage of total agency positions.	10%	8.8%	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%	88.1%	N/A	(1.9)%

**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:**

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 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:**

COVID-19 pandemic slowed down the filing process.

**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%	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 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 Fiscal Year 2020-21.

**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                     |  |

W

Current Approved Standard	Actual Performance Results	Difference (Over/Under)	Percentage Difference
98%	48%	N/A	(50.0)%

**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 Fiscal Year 2020-21.

**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%	100%	N/A	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 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%	93.2%	N/A	(4.8)%

**Factors Accounting for the Difference:**

**Internal Factors** (check all that apply):

- |  |  |
|--|--|
| <input type="checkbox"/> Personnel Factors           | <input type="checkbox"/> Staff Capacity              |
| <input type="checkbox"/> Competing Priorities        | <input type="checkbox"/> Level of Training           |
| <input type="checkbox"/> Previous Estimate Incorrect | <input 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%	97.1%	N/A	2.1%

**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 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%	7%	N/A	(3%)

**Factors Accounting for the Difference:**

**Internal Factors** (check all that apply):

- |  |  |
|--|--|
| <input type="checkbox"/> Personnel Factors           | <input checked="" type="checkbox"/> Staff Capacity   |
| <input type="checkbox"/> Competing Priorities        | <input type="checkbox"/> Level of Training           |
| <input type="checkbox"/> Previous Estimate Incorrect | <input 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%	8.8%	N/A	(1.2%)

**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**

<b>Measure Number</b>	<b>Approved Performance Measures for Fiscal Year 2019-2020</b>	<b>Associated Activities Title</b>
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 2021*

FINANCIAL SERVICES, DEPARTMENT OF		FISCAL YEAR 2020-21			
SECTION I: BUDGET		OPERATING		FIXED CAPITAL OUTLAY	
TOTAL ALL FUNDS GENERAL APPROPRIATIONS ACT		393,683,531		18,198,222	
ADJUSTMENTS TO GENERAL APPROPRIATIONS ACT (Supplementals, Vetoes, Budget Amendments, etc.)		15,314,473		-12,445,222	
FINAL BUDGET FOR AGENCY		408,998,004		5,753,000	
SECTION II: ACTIVITIES * MEASURES		Number of Units	(1) Unit Cost	(2) Expenditures (Allocated)	(3) FCO
Executive Direction, Administrative Support and Information Technology (2)					5,753,000
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.		2,917	139.60	407,210	
Process Transactions, Account Changes And Audit Functions * Number of account actions taken on regulatory collateral deposit accounts.		59,106	17.66	1,043,598	
Investment Of Public Funds * Average Dollar Volume of Funds Invested		33,700,000,000	0.00	1,014,147	
Provide Cash Management Services * Number of cash management consultation services.		31	47,062.10	1,458,925	
Receive Funds, Process Payment Of Warrants And Provide Account And Reconciliation Services * Number of financial management/accounting transactions processed and reports produced.		2,660,000	0.84	2,232,428	
Administer The State Supplemental Deferred Compensation Plan * Number of Participant account actions processed by the Bureau of Deferred Compensation.		1,739,731	0.98	1,706,880	
Accounting And Reporting Of State Funds * State Accounts Managed in the Florida Accounting Information Reporting System.		36,472	117.09	4,270,458	
Migrate Current Accounts Payable Procedures To Electronic Commerce * Payments issued electronically to settle claims against the state.		39,811,852	0.02	789,662	
Conduct Pre-audits Of Selected Accounts Payable * Vendor payment requests that are pre-audited for compliance with statutes and contract requirements		376,667	20.50	7,721,542	
Process State Employees Payroll * Payroll payments issued		3,162,743	0.64	2,018,017	
Conduct Post-audits Of Payroll * Post-audits completed of state agencies payroll payments to determine compliance with statutes		32	2,728.97	87,327	
Conduct Fiscal Integrity Investigations * Fiscal integrity investigations completed to investigate allegations or suspicions of fraud, waste or abuse.		94	6,306.12	592,775	
Article V - Clerk Of The Courts * N/A		12	36,975.58	443,707	
Collect Unclaimed Property * Accounts reported by holders of unclaimed property.		2,745,619	1.17	3,225,390	
Process And Payment Of Unclaimed Property * Payments processed for claims of unclaimed property.		716,172	4.81	3,444,110	
License The Fire Protection Industry * Number of entity requests for licenses, permits and certificates processed within statutorily mandated time frames.		7,983	71.51	570,878	
Perform Fire Safety Inspections * Number of inspections of fire code compliance completed.		15,004	288.67	4,331,264	
Review Construction Plans For Fire Code Compliance * Number of construction plans reviewed.		368	1,541.71	567,351	
Perform Boiler Inspections * Number of boiler inspections completed by department inspectors.		916	691.37	633,294	
Investigate Fires Accidental, Arson And Other * Total number of closed fire investigations involving economic or physical loss.		2,637	6,815.77	17,973,190	
Provide State, Local And Business Professional Training And Education * Number of classroom contact hours provided by the Florida State Fire College.		150,220	14.89	2,236,108	
Provide State, Local And Business Professional Standards, Testing And Statutory Compliance * Number of examinations administered.		10,246	103.57	1,061,165	
Provide Forensic Laboratory Services * Number of evidence items and photographic images processed.		6,266	203.56	1,275,487	
Fire Incident Reporting * Number of total incidents reported to the Florida Fire Incident Reporting System.		2,316,530	0.13	307,794	
Provide Adjusting Services On State Workers' Compensation Claims * Number of workers' compensation claims worked.		22,994	1,661.84	38,212,407	
Provide Adjusting Services On State Liability Claims * Number of liability claims worked.		6,038	2,266.01	13,682,147	
Process Property Claims On State Owned Buildings (structure And Contents) * Number of state property loss/damage claims worked.		489	5,072.67	2,480,538	
Provide Risk Services Training And Consultation * Number of agency loss prevention staff trained during the fiscal year.		139	15,667.31	2,177,756	
Rehabilitate And/Or Liquidate Financially Impaired Insurance Companies * Number of insurance companies in receivership during the year.		10	78,185.10	781,851	
Review Applications For Licensure (qualifications) * Number of applications for licensure processed.		150,703	17.91	2,699,315	
Administer Examinations And Issue Licenses * Number of examinations administered and licenses authorized.		69,444	23.28	1,616,486	
Administer The Appointment Process From Employers And Insurers * Number of appointment actions processed.		2,298,976	0.33	769,557	
Administration Of Education Requirements (pre Licensing And Continuing Education) * Number of applicants and licensees required to comply with education requirements.		322,408	1.24	400,947	
Investigate Agents And Agencies * Number of agent and agency investigations completed.		3,571	1,559.04	5,567,339	
Investigate Insurance Fraud (general) * Number of insurance fraud investigations completed (not including workers- compensation).		1,024	21,743.41	22,265,255	
Investigate Workers' Compensation Insurance Fraud * Number of workers' compensation insurance fraud investigations completed.		321	10,638.50	3,414,957	
Respond To Consumer Request For Assistance * Number of consumer requests and informational inquiries handled.		48,919	88.41	4,324,873	
Provide Consumer Education Activities * Number of visits to the Consumer Services website.		647,886	0.99	638,563	
Answer Consumer Telephone Calls * Number of telephone calls answered through the consumer helpline.		267,561	18.21	4,872,014	
Examine And Regulate Licensees In The Funeral & Cemetery Business (chapter 497) To Ensure Regulatory Compliance * Number of examinations and inspections completed.		2,003	1,395.99	2,796,175	
Monitor And Audit Workers' Compensation Insurers To Ensure Benefit Payments * Number of claims reviewed annually.		109,219	40.73	4,447,964	
Verify That Employers Comply With Workers' Compensation Laws * Number of employer investigations conducted.		10,513	1,378.52	14,492,384	
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.		496	10,047.62	4,983,620	
Provide Reimbursement For Workers' Compensation Claims Paid By Insurance Carriers On Employees Hired With Preexisting Conditions * Number of reimbursement requests (SDF-2) audited.		1,145	1,067.42	1,222,193	
Collection Of Assessments From Workers' Compensation Insurance Providers * Amount of assessment dollars collected.		59,738,743	0.01	684,746	
Data Collection, Dissemination, And Archival * Number of records successfully entered into the division's databases.		5,186,493	0.73	3,792,034	
Reimbursement Disputes * Number of petitions resolved annually		4,432	369.22	1,636,390	
Public Assistance Fraud Investigations * Number of public assistance fraud investigations conducted.		3,045	2,545.65	7,751,512	
Approve And License Entities To Conduct Insurance Business. * Number of Certificates of Authority (COAs) processed.		67	14,571.28	976,276	
Conduct And Direct Market Conduct Examinations. * Number of examinations and investigations completed for licensed companies and unlicensed entities		60	54,404.88	3,264,293	
Conduct Financial Reviews And Examinations. * Number of financial reviews and examinations completed.		6,048	3,005.69	18,178,431	
Review And Approve Rate And Form Filings. * Number of rate and forms review completed.		11,163	798.11	8,909,312	
Examine And Regulate Financial Services Companies To Ensure Regulatory Compliance. * Examinations of non-depository financial service companies to determine compliance with regulations.		290	17,366.35	5,036,241	
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.		33,197	68.43	2,271,727	
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.		96	105,576.71	10,135,364	
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	70,086.10	700,861	
Conduct Financial Investigations Into Allegations Of Fraudulent Activity. * Number of financial investigations into allegations of fraudulent activity.		159	26,561.27	4,223,242	
Examine And Regulate Money Services Businesses To Ensure Regulatory Compliance * Examinations of money services businesses conducted to determine compliance with regulations.		121	45,789.88	5,540,575	
Examine And Regulate Securities Firms, Branches To Ensure Regulatory Compliance. * Conduct examinations of securities firms and branches.		152	38,346.28	5,828,635	
Evaluate And Process Applications For Registration As A Securities Firm, Branch, And/Or Individual. * Securities applications processed for registration of firms, branches, and/or individuals.		59,919	44.01	2,636,763	
TOTAL				272,825,450	5,753,000
SECTION III: RECONCILIATION TO BUDGET					
PASS THROUGHS					
TRANSFER - STATE AGENCIES					
AID TO LOCAL GOVERNMENTS					
PAYMENT OF PENSIONS, BENEFITS AND CLAIMS					
OTHER				73,997,759	
REVERSIONS				56,674,832	
TOTAL BUDGET FOR AGENCY (Total Activities + Pass Throughs + Reversions) - Should equal Section I above. (4)				403,498,041	5,753,000

## 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	296,948	
43010400	1602000000	ACT1040	INSURANCE CONSUMER ADVOCATE	529,428	
43010500	1603000000	ACT1050	INFORMATION TECHNOLOGY - FLAIR	14,922,561	
43200100	1601000000	ACT2010	PASS THROUGH FROM PRISON INDUSTRY	294,457	
43200100	1601000000	ACT2140	CONDUCT POST-AUDITS OF MAJOR	315,193	
43200300	1603000000	ACT2180	FLORIDA ACCOUNTING INFORMATION	30,798,485	
43200100	1601000000	ACT2195	PASS THROUGH FLORIDA CLERKS OF	2,300,000	
43300400	1202000000	ACT3430	PASS-THROUGH GRANTS AND AIDS	1,043,140	
43300500	1202000000	ACT3440	PASS-THROUGH GRANTS AND AIDS LOCAL	285,000	
43300500	1202000000	ACT3530	PASS THROUGH - TRANSFER TO	2,000,000	
43400100	1601000000	ACT4150	PURCHASE OF EXCESS INSURANCE	11,160,650	
43700100	1205000000	ACT5510	HURRICANES AND OTHER NATURAL	6,383,303	
43700300	1205000000	ACT5520	CORONAVIRUS COVID 19	499,974	
43600100	1102020000	ACT6010	TRANSFER TO 1ST DISTRICT COURT OF	1,838,198	
43900110	1204000000	ACT9150	HURRICANE RATE/RISK MODEL	1,080,422	

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

DEPARTMENT: 43	EXPENDITURES	FCO
FINAL BUDGET FOR AGENCY (SECTION I):	408,998,004	5,753,000
TOTAL BUDGET FOR AGENCY (SECTIONS II + III):	403,498,041	5,753,000
	-----	-----
DIFFERENCE:	5,499,963	
(MAY NOT EQUAL DUE TO ROUNDING)	=====	=====

The difference is due to the appropriation of the DEP transfer from SFM Fire College (5,500,000) in a non-operating category (180122). True difference is 37.



Commissioner Russell C. Weigel, III

LONG RANGE PROGRAM PLAN

Florida Office of Financial Regulation

Tallahassee, Florida

September 30, 2021

Chris Spencer, Director  
Office of Policy and Budget  
Executive Office of the Governor  
1702B 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 2022-23 through Fiscal Year 2026-27. 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



Commissioner Russell C. Weigel, III

# Office of Financial Regulation Long Range Program Plan

Fiscal Years 2022-23 to 2026-27

September 30, 2021

# OFFICE OF FINANCIAL REGULATION LONG RANGE PROGRAM PLAN

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# **OFR Mission**

**To protect Florida's financial services consumers, promote a safe and sound financial marketplace, and contribute to the growth of Florida's through fair, innovative, and excellent 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 2022-23 Projected	FY 2023-24 Projected	FY 2024-25 Projected	FY 2025-26 Projected	FY 2026-27 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 2022-23 Projected	FY 2023-24 Projected	FY 2024-25 Projected	FY 2025-26 Projected	FY 2026-27 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 2022-23 Projected	FY 2023-24 Projected	FY 2024-25 Projected	FY 2025-26 Projected	FY 2026-27 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 2022-23 Projected	FY 2023-24 Projected	FY 2024-25 Projected	FY 2025-26 Projected	FY 2026-27 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-chartered financial institutions examined within the last 18 and 36 months as required by sec. 655.045, F.S.

Baseline Year 2002-03	FY 2022-23 Projected	FY 2023-24 Projected	FY 2024-25 Projected	FY 2025-26 Projected	FY 2026-27 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 sec. 560.109, F.S.

Baseline Year 2015-16	FY 2022-23 Projected	FY 2023-24 Projected	FY 2024-25 Projected	FY 2025-26 Projected	FY 2026-27 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 2022-23 Projected	FY 2023-24 Projected	FY 2024-25 Projected	FY 2025-26 Projected	FY 2026-27 Projected
41	120	130	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 2022-23 Projected	FY 2023-24 Projected	FY 2024-25 Projected	FY 2025-26 Projected	FY 2026-27 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 2022-23 Projected	FY 2023-24 Projected	FY 2024-25 Projected	FY 2025-26 Projected	FY 2026-27 Projected
60%	73%	75%	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 2022-23 Projected	FY 2023-24 Projected	FY 2024-25 Projected	FY 2025-26 Projected	FY 2026-27 Projected
2.33 minutes	1:30 minutes	1:20 minutes	1:10 minutes	1:00 minute	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, financial technology innovators, and money transmitters throughout Florida and, as of June 30, 2021, has more than 465,339 licensees.

### **Executive Direction**

Executive Direction includes the Commissioner, the Office of General Counsel, the Office of the Inspector General, the Budget and Analytics unit, 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.

In FY2017 the OFR re-procured the REAL System operations and maintenance support services (O&M) contract. Additionally, the OFR received funds to leverage the re-procurement and migrate the Division of Financial Institutions into REAL and facilitate the replacement of the custom web services portal with the VERSA-Online COTS package to seamlessly integrate the online portal into REAL. 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. The licensure and operational (O&M) contracts associated with the REAL System have been renewed for the period beginning July 1, 2021 and running through June 30, 2026.

With the licensure and O&M contracts expiring in 5 years, the Office will seek to procure a system to enhance the overall user experience and provide greater value to the State. The emergence of more modern cloud-based technologies with greater flexibility and more robust capabilities, including the ability to more seamlessly integrate with our Federal and corporate partners, may provide a cost benefit to a future procurement. The Office will begin the process to determine its needs through a feasibility study and needs analysis. After completion of the feasibility study and needs analysis, the Office will

submit a Schedule IV-B through the Legislative Budget Request process, seek Legislative approval to begin the procurement process, and finally request an appropriation to procure and replace our aging regulatory platform based on the documented needs.

## **Employee Retention Efforts**

Over the last several years, the OFR has experienced higher staff vacancy rates and spikes in employee turnover. The OFR's employees work in highly-specialized areas, which require certain technical skill-sets, industry knowledge, and significant training. Discussions with senior management and agency vacancy report data reflect an ongoing challenge to hire and retain highly-qualified staff. Additionally, the COVID-19 pandemic in early-to-mid-2020, resulted in a statewide hiring freeze that drove the vacancy rate up to approximately twenty percent (sixty-nine (69) positions) for the agency as late as February of 2021. In January of 2021, at the direction of the Commissioner, the OFR began a concerted effort to fill all critical and long-term vacancies. As of September 1, 2021, the Office has reduced the overall vacancy rate to approximately 13.27% (about 47 FTE).

While turnover is not unique in state government, it threatens the OFR's institutional knowledge, work product, production, and job satisfaction of the remaining employees. Likewise, long-term employees who leave the agency deplete institutional knowledge and contribute to higher demands being placed on newer employees. These departures also result in thousands of hours of training, an opportunity cost and expenditure which the OFR never sees a full return on its investment.

In response to these issues, the OFR has 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 comprehensive review of salaries of existing employees and new hires in the agency to better align employee compensation with experience, geography, performance, and market competition for skilled workers, while also attempting to identify and correct instances of discrepancies in pay. In addition to analyzing salary data for internal consistency, we compared our data to that of financial regulatory agencies in other states and the federal government. The analysis revealed one very clear driver of the OFR's employee retention challenges is the attractiveness of lateral positions with our federal regulatory counterparts and those in other states based on significantly higher compensation levels. In 2019 and again in 2020, OFR made some salary adjustments. However, salary adjustments were halted in mid-2020 due to COVID-19-related statewide revenue shortfall concerns. The OFR has resumed its salary analysis and adjustment plans now that statewide hiring and pay adjustment limitations have been removed. This plan involves the continued analysis and evaluation of all aspects impacting employee retention, in particular those related to direct compensation, market competition, and employee satisfaction.

(2) Employee Job Satisfaction. Starting in May 2020 OFR conducted a series of statewide whiteboard exercises with all of its non-supervisory employees. The exercise was designed to measure employee satisfaction by having them collectively respond to a series of questions posed by a moderator, who was one of their peers. It was also intended to bridge gaps and build relationships between our regulatory divisions by grouping together similarly-classed employees across divisions. A similarly structured opportunity, with the same overall goals, was provided for supervisors. The results of the exercises were anonymized and communicated directly to the Commissioner. The evaluation of the results has resulted in the implementation of a number of the employees' suggestions, while certain other suggestions were addressed by initiatives already in progress. Some of the whiteboard results are:

- a. Revisions to Formal Telework, Flex Time, and Dress Code Policies. In March 2020 the OFR embarked on an emergency telework style of operation. However, the OFR's existing formal telework policy was also re-evaluated for broad use in all OFR offices. The OFR also re-evaluated and implemented its flex time policy. Employees submitted their requests for a telework schedule and in some cases a flex schedule, and management balanced the requests to maintain a consistent in-office presence and functionality in all of its offices. The revised formal telework and flex time policies became effective in June of 2021 after emergency telework became unnecessary. Likewise, since the OFR generally does not have public-facing personnel, its dress code was relaxed to business casual status all year in all offices with certain appropriate exceptions.
- b. 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 all 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 the OFR executive agendas and the Commissioner's vision for the future of the agency. In addition, the Commissioner has commenced periodic "all-hands" video conferenced meetings where he addresses the office-wide staff and allows Q&A, has consolidated Tallahassee personnel into a single floor in the Fletcher building where his office is easily accessible and visible to all staff, and he maintains an open-door policy for staff and encourages the staff to set one-on-one meetings with him.

For the OFR's regulated entities, the agency is developing a "Compliance Tips" outreach strategy utilizing electronic, and in-person, communications 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.



- c. Better Working Spaces. The OFR has evaluated its floorspace needs as part of its implementation of its formal telework policy. Floorspace reduction as a direct result of telework is being proposed for all currently occupied offices. As a part of our ongoing review of all floorspace needs, OFR management also continues to evaluate work location alternatives to determine whether we can obtain more affordable, modern, coworking facilities, saving Floridians tax dollars and increasing productivity through an enhanced working environment.
- d. 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.
- e. Internal Inefficiency. The OFR amended the administrative rules governing the application process to allow the Office to efficiently close expired applications where the applicant has failed to complete the application. The result of these changes is the elimination of needless and burdensome administrative processes and has saved the Registration and Legal staff hundreds of hours of staff time and thousands of dollars on certified mail. The OFR's reorganization of the Office of General Counsel (OGC), reassigning all of the OFR's legal support staff and attorneys under the direct supervision of the agency's General Counsel has recently been completed. This change in the organizational and reporting structure will allow for the maximization of available resources by directing and controlling the work of all legal staff through a central chain of command.
- f. "Your OFR." The OFR's efforts related to employee retention are not only focused on the monetary, physical, and material facets of our workforce, but also on those that relate to the atmosphere, culture, and morale of the workplace. In an effort to address all aspects of our retention efforts, the OFR initiated a number of staff inclusiveness programs:
  - i. Logo Ratification and Adoption: The Commissioner provided all staff the opportunity to submit proposals and then vote on five logo options for use as the visual symbol associated with the Office. This initiative resulted in the creation of a new logo that is now in use by the Office due to an overwhelming percentage of OFR employees who supported the selected logo.
  - ii. Bright Ideas. This is an ongoing communications initiative to incentivize the staff to submit constructive ideas for policy changes. The goal of the

initiative is to allow employees to have a direct line of communication with all senior management for the express purpose of providing feedback and ideas to streamline work processes and make better use of Office resources through innovation.

- iii. External Outreach: The Ambassador program, alumni network, and participation in job fairs are all ongoing efforts where 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. These external outreach programs are aimed at recruitment of employees and promotion of the work done by the OFR. Things like collaboration with former OFR employees in social settings to exchange ideas and discuss the culture of the OFR and job fair participation are proactive ways for OFR to get feedback, promote the Office's mission publicly, and get leads on hiring college grads with the educational background most relevant to the regulation of the financial industry in Florida.

## **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, keeping our team informed about the latest trends and risks in the marketplace, maintaining optimum productivity, and enhancing 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 continues to advance training opportunities including working with industry groups and federal regulators to take part in training opportunities, expanding 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) License within the OFR's Division of Consumer Finance, 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. The 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 promulgated rules and updated the REAL System to implement the sandbox program. The REAL System went live on January 18, 2021. To date, only two applications have been filed for a sandbox license and one remains pending. The other application was withdrawn as it was filed in error.

Initial Coin Offerings (ICOs) and other 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 Florida Third District Court of Appeal issued a decision involving a criminal case that impacted the licensure of money service businesses in the State of Florida creating a conflict with existing OFR policy which traditionally interpreted the money transmitter statute to require licensure for third party fiduciaries (e.g., Western Union), and did not include "peer-to-peer" transactions. In *Florida v. Espinoza* the appellate court held that bitcoin is a "payment instrument," thereby requiring licensure under Florida's money transmission laws for its sale. The OFR has studied the matter and has drafted legislative language for consideration by the Legislature to clarify this issue in the area of money transmission. However, the growing prominence of all forms of

cryptocurrencies in all aspects of the financial marketplace and the resulting overlap between the three regulatory division of the agency warrants a more dedicated regulatory presence within the OFR. Working directly through the Office of the Commissioner, a dedicated unit of management level staff will be tasked to monitor, coordinate, and guide the development of a comprehensive regulatory framework for Florida's financial markets.

## **Division of Financial Institutions**

### **Florida Office of Financial Regulation's Role in Financial Institution Supervision**

Financial institutions can choose to be a state-chartered or federally/nationally chartered financial institution. This means banks and credit unions can elect to apply for a charter from a state banking authority or a federal/national charter from the Office of the Comptroller of the Currency (OCC) or the National Credit Union Administration (NCUA). A financial institution's choice of chartering authority also determines their primary prudential regulator, as state regulatory agencies serve as the primary regulators of state-chartered financial institutions, and the OCC or NCUA serves as the primary regulator of national banks or credit unions, respectively.

The Florida Office of Financial Regulation is the primary prudential regulator of all Florida state-chartered financial institutions. State-chartered financial institutions are an important part of Florida's financial services industry and tend to be community-focused, offering products and services that are tailored to the needs of that community. Regulation at the state level allows for regulatory supervision that is more familiar and proactive when it comes to local perspectives and has knowledge of the community and markets in which the institution operates. This allows for more flexible, proactive and responsive regulation, and thus benefits Florida's financial institutions as well as their customers.

### **Economic Trends and the Impact on Florida State-Chartered Financial Institutions**

The Division of Financial Institutions has regulatory oversight of 208 state-chartered financial institutions with total assets of \$180.65 Billion as of June 30, 2021. 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 \$54.6 Billion as of June 30, 2021. The number of regulated financial institutions has decreased 31 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 86 percent during the same period. The increase in total assets is attributed to growth in existing institutions, mergers and acquisitions, and conversions of federal-charters to Florida-charters. This growth in assets is representative of the increasing complexity of Florida's state-chartered financial institutions.

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. The pandemic evolved into a global public health and economic crisis that affected the economy, both globally and at a state level, in a way that has never been experienced before. Because Florida's state-chartered financial institutions came into the pandemic from a position of financial strength and strong capitalization, they were able to weather the economic fallout from the pandemic without any overall negative financial impact.

While dealing with the unprecedented COVID-19 pandemic, Florida financial institutions not only weathered the storm without major financial deterioration, they provided a much-needed lifeline to businesses and Floridians who relied on the financial services provided by financial institutions during the pandemic. 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 were at the forefront of the response to COVID-19. Services were adjusted to maintain health and safety for their teams and customers, but financial institutions never stopped providing financial services. Financial institutions actively worked with customers and borrowers to make needed accommodations to assist those affected by the COVID-19 pandemic.

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 slowed in 2020 as a result of the pandemic. We continue to monitor the marketplace for future merger and acquisition activity in 2021 and beyond, as the economy recovers and uncertainty in the market diminishes. The number of state-chartered banks has decreased 50% since 2013, while assets have increased by 56% during the same period. Recent economic growth and the demand for community banks has spurred an increase in De Novo activity. The Division has chartered three De Novo banks in the last three 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 international banking organizations during the same timeframe. The Division currently has 6 pending De Novo bank applications and 1 De Novo non-depository trust company, 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 to find success. Additionally, multiple financial institutions have converted from nationally chartered financial institutions to Florida state-chartered institutions, thus increasing the size and complexity of financial institutions regulated by the Division.

The credit union assets under the Division's supervision have continued to grow and are \$70.4 billion as June 30, 2021, 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 10 conversions of federal charters to state charters. The Division continues to see the purchase and acquisition of banks by state-chartered credit unions. Since 2019, there were nine such transactions. 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 415 for fiscal year 2020-2021, representing an increase of approximately 18%. Of the 415 complaints, 356, or approximately 86% of the 415 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 2020-2021 were processed in approximately 1 day and complaints against state-chartered financial institutions were processed in approximately 18 days. 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. With the Divisions emphasis on minimizing cost and onsite disruption to the financial institution pre-COVID-19, the Division was able to easily transition to completely

offsite examinations during the pandemic. Post pandemic, the Division expects to continue to operate a hybrid model of portions of the examination being conducted onsite and offsite.

### 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. Post pandemic, 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, the advancement of blockchain utilization, and the emergence of 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. Included with the safety and soundness examination is the assessment of a financial institution's cybersecurity and information technology risk management. This aspect of the examination is very important, due to the increased cybersecurity challenges businesses and individuals face. As such, training continues to be a top priority of the Division. Our goals remain to be supportive of innovation in the financial institutions industry, while keeping the financial institution marketplace safe and sound and retain a strong team to support a safe and sound marketplace.



## Legislation

During the 2022 Legislative Session, the Division will monitor any legislation affecting the financial services industry. The Division is going to pursue some updates to existing statutes, in an effort to modernize certain aspects of the financial institutions codes. We are also monitoring and gathering information related to potential statutory needs related to emerging financial technology related to blockchain, cryptocurrency, and modern delivery channels of financial services. Our goal with any legislative pursuits 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 & XII), and 560, Florida Statutes, which cover mortgage loan origination, brokering, and servicing; consumer finance lending; retail and installment financing; title loan lending; collection agencies; financial technology sandbox; 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 23 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, 2021, there were 14,150 businesses, 57,767 branches/vendors and 53,727 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 23 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.

The Bureau continues to see growth in mortgage related applications and licenses. With mortgage interest rates at historically low levels and a robust housing market, consumers have rushed to refinance their existing mortgage or purchase a new home. This has resulted in an explosion of applications during the fiscal year. The bureau received 24,765 mortgage related applications during the fiscal year compared to 12,258 for fiscal year 2019-20. A 102% increase.

The number of active mortgage related licenses as of July 1, 2021 is 71,061 compared to 47,000 as of July 1, 2020. An increase of 51%.

As a result of the increased volume, the Bureau proposes an increase in full-time equivalent positions (FTE's) to absorb the increase workload.

### **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 2020-21, the Division approved licenses in less than 9 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 eight days. This is substantially faster than required by the statutory timeframe.

## **Legislation**

No legislation passed during the 2021 legislative session impacting the Division of Consumer Finance.

For the 2022 legislative session, Consumer Finance has proposed revisions to Chapter 560 (money services businesses), a fingerprint-related definitional fix, repeals of the commercial collector license and the requirement for mortgage loan originator applicants to provide proof of having a high school diploma, and the inclusion of virtual currency in the regulated payments included in the money transmitter regulation and the *Espinoza* definitional fix mentioned above.

## **Division of Securities**

The mission of the Florida Division of Securities (Securities) is investor protection through registration and examinations of firms, branches and individuals offering investment services. Securities administers and enforces compliance with Chapter 517, Florida Statutes, the Florida Securities and Investor Protection Act (Act). The Act is also designed to help protect the investing public 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 conduct 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. During FY 2020-21, Securities opened 140 and closed 153 examinations.

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 involving unregistered firms, individuals and securities offerings. These matters often result in 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, 2021, there were 9,660 dealer and investment adviser firms, 11,209 branches and 342,880 individual associated persons, and one crowdfunding intermediary 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 2020-21. 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**

Securities receives and processes complaints in a timely and responsive manner. Complaints are received by the Enforcement bureau and are triaged to determine if the issue is product or account servicing-related which can be resolved quickly, or if the complaint involves a registered entity or individual. Complaints involving registered entities are referred to a regional office for further review and often lead to examinations. Complaints involving unregistered entities, individuals or securities are referred to the Bureau of Financial investigations. Those complaints not falling within the jurisdiction of Securities are referred to appropriate agencies such as the Department of Financial Services, the U.S. Securities and Exchange Commission and the Commodity Futures Trading Commission. Complaints increased from 166 in fiscal year 2019-20 to 392 for fiscal year 2020-2021, representing an increase of approximately 136%. In FY 2019-20 and 2020-21, Securities closed 160 and 361 complaints, respectively, and referred 60 and 59 complaints, respectively. On average, complaints are closed within 28 days of receipt.

With expanded data collection and analysis, Securities has been able to make data-driven decisions to assist in creating examination plans and schedules. Prior to beginning an



on-site examination or requesting documents from a registrant, Securities can obtain documents from the dealer's clearing firm or investment adviser's custodian; this permits the Enforcement bureau to focus their attention on specific areas of concern and can decrease the time spent on the examination. This increases taxpayer value by minimizing the time spent on-site and the registrants' response time to records requests associated with the examination.

### **Delivering Value to Businesses**

Securities strives to improve service to its applicants and registrants by processing submissions timely. During fiscal year 2020-21 and currently, an applicant's registration request is approved, on average, in 4 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**

Securities is the sole regulator of investment advisers with up to \$100 million in assets under management. Currently, Securities has approximately 1,813 investment advisory firms registered in Florida, with approximately 1,150 physically located within the state. Securities determined it would be prudent to examine all investment advisers physically located in Florida on a ten-year cycle. Since the implementation of the cycle examination program, compliance by investment advisory firms with Securities' statutes and rules has increased considerably.

The 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 are 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. The ten-year cycle permits adequate staff resources to be allocated to conduct

broker dealer, branch, associated person, and special initiative examinations when there is a determination of heightened risk or need.

As part of the investment adviser examination, a review of the firm's cybersecurity program is conducted to determine if the firm has a written cybersecurity policy that is appropriate for its size and type of business, if the firm is following the policy, and has adequate controls in place.

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 COVID-19 pandemic.

## **Legislation**

Since the end of the 2021 legislative session, the OFR has drafted legislation to reform the Florida Securities and Investor protection Act and help stimulate the growth of a capital market for the financing of Florida businesses. Our goal is to promote Florida's economy through the creation of a self-sustaining, in-state capital market where many newly formed businesses can obtain seed or expansion capital. The desired outcome is to have our residents and businesses obtain capital from within our state and ultimately remain in Florida and contribute to the state's economy.

We sought and received feedback from numerous Florida capital financing industry professionals, small business owners and from a task force formed by the Florida Bar. We have taken some of the responses and implemented them into the statutory framework of our proposal for the 2022 legislative session and will study the remainder during this coming year. The proposed bill represents the first set of major changes to Florida's securities laws in many years. It improves the capacity of Florida-based companies to raise money in Florida by amending the crowdfunding statute, adding the Accredited Investor exemption, allowing for pre-offering testing of potential investor interest, and revising onerous securities integration provisions; adds investor protection measures through the Finder registration provisions and increased enforcement powers; allows Florida to coordinate its review process of securities offerings with those of other states; and clarifies and improves numerous provisions that are outdated or incomplete.

## **Bureau of Financial Investigations**

The Bureau of Financial Investigations (BFI) is a criminal justice agency with investigative teams headquartered in OFR's, Orlando, Tampa, West Palm Beach and Miami Regional Offices. While reporting to these Regional Offices, BFI also has additional investigative personnel who occupy Permanently Designated Teleworking positions and are physically located in other parts of the State. The BFI 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 BFI 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 BFI 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 most 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 over about the last twelve years. 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 generally continued their long-term downward trajectory and are presently at near 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 July 13, 2021, the OFR filed a civil complaint in the 15th Judicial Circuit in Palm Beach County alleging multiple violations of Florida's Securities and

Investor Protection Act (Chapter 517, Florida Statutes) against National Senior Insurance, Inc. d/b/a Seeman Holtz.

The OFR's complaint alleged that Marshal Seeman, Eric Charles Holtz (now deceased), and Brian Schwartz engaged in a complex securities fraud scheme centered on the sale of promissory notes purportedly "secured" by life settlement policies and other insurance related assets. Seeman and Holtz's long-time insurance agency, National Senior Insurance, Inc. d/b/a Seeman Holtz, was named as a defendant along with more than 20 other affiliated entities known to be controlled by Seeman, Holtz, and Schwartz which operated as part of the scheme. The complaint sought an injunction, the appointment of a receiver, civil penalties, disgorgement of ill-gotten gains, and restitution for investors. Due to Holtz's passing, his estate was named as a party in the suit as well.

The complaint further alleged that Seeman, Holtz, and Schwartz operated this investment scheme using a network of unregistered investment funds and unregistered sales representatives associated with Seeman and Holtz's insurance agency and raised approximately \$400 million from over 1,000 investors located throughout the United States. The investments, called "secured promissory notes," purportedly boasted fixed rates of return substantially above market rates, and in some instances as high as 18 percent. The investments were allegedly generating returns from the trios' efforts in buying, selling, and trading life settlement insurance policies (also known as viaticals). However, the OFR's investigation revealed that in many instances new investor funds were used to pay returns to previous investors rather than to purchase new policies or fund premium payments on existing policies as represented.

The complaint also alleged that Seeman, Holtz, and Schwartz misled investors through numerous misrepresentations and omissions associated with the safety of the note investments, the security interests promised, the intended use of the proceeds, and the overall financial condition and success of the enterprise and its affiliated entities.

### **Scams Targeting Elderly Investors**

The BFI continues to see Ponzi schemes and other investment frauds being perpetrated against the investing public, and particularly targeting elderly investors. A Ponzi scheme is a fraudulent investment operation where the perpetrators pay returns to existing investors from capital raised from new investors. Ponzi schemes can be difficult to detect as investors rarely complain while they are receiving their promised returns. Ponzi schemes generally collapse when the money needed to pay the existing investors becomes larger than the amount of money being raised from the newer investors, causing a default. Ponzi schemes and other investment schemes that target elderly investors will often rely on savvy, unregistered sales agents who are capable of earning a victim's trust and ultimately receive substantial amounts of unlawful compensation from their victim's investment proceeds.

On May 13, 2021, Jeremy Kee Anderson, a former resident of Odessa, Florida and principal of Tri-Med Corporation, was sentenced to 151-months' imprisonment after pleading guilty to charges of conspiracy to commit mail and wire fraud.

From October of 2011 to March of 2014, Anderson, together with convicted co-conspirators Anthony Nick Nicholas, Jr., Irwin Charles Ager, and Eric Leon Ager of Tri-Med Associates, Inc., orchestrated a fraudulent investment scheme targeted mostly at elderly Florida residents. The group sold unregistered securities purported to be backed by medical receivables purchased from medical providers throughout the country.

These representations were false and Tri-Med's investment scheme proved to be fraudulent from inception. Anderson forged a securities opinion letter to commence sales of the bogus investments and Nicholas, Jr. created hundreds of bogus "assignment of interest" certificates reflecting major insurance carrier names that had no relation to the investments. The Agers marketed and sold the company's investments to hundreds, leading to more than \$17 million in illicit proceeds from the sales and known losses to investors exceeding \$11 million.

The OFR's investigation revealed that very few receivables were purchased and the majority of the investors' funds were used for the personal benefit of Anderson, Nicholas, Jr., and the Agers.

The OFR's investigation was predicated upon receipt of a complaint from a New Port Richey, FL resident in December of 2011. The case was developed jointly with the United States Secret Service and was prosecuted by the United States Attorney's Office in Orlando. More than 3,650 combined investigative hours were committed to the case by OFR investigative staff.

### **False Documents and Misrepresentations**

Two Hallmarks of financial fraud - false representations and phony documents are often used by bad actors to 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 making their investment decisions.

On July 9, 2021, Steven Allen Schwartz, 76, of Delray Beach, was sentenced to 24 months in federal prison for his role in a \$287 million investment fraud scheme which impacted more than 3,600 investors nationwide. Schwartz worked as director, consultant and chief operating officer of 1 Global Capital, LLC a purported merchant cash advance business located in Hallandale Beach. Schwartz made misrepresentations to investors as to the profitability of 1 Global in marketing materials and periodic account statements. In January 2020, Schwartz pled guilty to one count of conspiracy to commit wire fraud and securities fraud in connection with the scheme.

Contrary to the misrepresentations made by Schwartz, investigation revealed that 1 Global was losing money and was using new investor funds to pay earlier investors in typical Ponzi fashion. Investigation also revealed that investment monies were misappropriated, and substantial commissions were paid to sales agents without disclosing the extent of these payments to investors. Schwartz is also alleged to have

known that 1 Global received written legal advice from an outside law firm in or around July 2016, expressing that the company was improperly offering unregistered securities, and in violation of federal law. Despite this knowledge, Schwartz and other co-conspirators hid the advice contained in the legal memoranda from investors and failed to disclose the risks it described. Furthermore, Schwartz and other co-conspirators sought false legal cover from co-conspirator, Jan Douglas Atlas, who authored opinion letters containing false and fraudulent information, stating that 1 Global's offerings were not securities. 1 Global operated from 2013 through July 27, 2018, when it filed for bankruptcy.

Attorney Jan Douglas Atlas who facilitated the alleged Ponzi scheme, pled guilty and was recently sentenced to a term of 8 months imprisonment for his role in the scheme.

Andrew Dale Ledbetter, attorney and former outside counsel for 1 Global who was personally involved in raising more than \$100 million from investors is awaiting sentencing.

Alan G. Heide, the former Chief Financial Officer of 1 Global, was convicted for his role in the scheme and began serving a sentence of 60 months' imprisonment in January 2020.

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.

### **Violating Investor Trust**

Trust and transparency are the bedrock of any thriving financial marketplace and one of the most important functions of the Bureau of Financial Investigations is to keep Florida's financial marketplace fair and competitive by rooting out bad actors.

On January 5, 2021, Rebeca Gonzalez ("Gonzalez"), 46, of Boca Raton, appeared in state court for the 15th Judicial Circuit and entered a plea of guilty to charges of Organized Scheme to Defraud, Sale of Unregistered Securities and Sale of Securities by an Unregistered Person. The charges and conviction related to Gonzalez's role in an elaborate investment fraud scheme that targeted at least six Florida victims, five of whom were elderly.

Immediately following the entry of her guilty plea, Gonzalez was sentenced to six months of community control with electronic monitoring and five years of probation. Pursuant to the written plea agreement accepted by the Court, Gonzalez was also ordered to complete fifty hours of community service and to pay \$389,040 in restitution to victims and more than \$34,000 in combined investigative, prosecutorial and court

costs. Gonzalez was also barred from any and all future employment in the investment advisory and securities industry. In addition, as a condition of the plea, Gonzalez agreed to cooperate as a witness in all future proceedings with co-defendants and to be resentenced up to the maximum sentence allowed by law for her crimes (40 years imprisonment) should she violate the cooperation provisions in the plea agreement, as determined by the prosecutor.

Gonzalez's conviction and sentence stems from her involvement in a fraudulent fish farm investment offering that was marketed to investors between March 2013 and November 2014. The fraud resulted in losses of approximately \$389,000 to the investors. OFR's investigation revealed that Gonzalez and two other defendants (one now deceased and a third pending trial) conspired to defraud the victims through the use of shell companies in South Dakota and Florida (Blue Ocean Farm, LLC and Blue Ocean Farm, Inc. respectively) which they professed to be startup aquaculture businesses.

Gonzalez solicited investments in Blue Ocean by personally visiting her victims at their homes. The victims were clients of Gonzalez with whom she had established relationships through a securities brokerage firm where she was previously employed. Five of the six victims were over the age of 65 at the time that the investments were made. Investors claim that Gonzalez told them that Blue Ocean Farm had developed advanced technologies for raising fish for food consumption and guaranteed a monthly return of 6% for three years.

Contrary to those representations, however, financial records revealed that certain investor monies were deposited without the investors' knowledge or consent into a trading account held by one of the defendants at Fidelity Investments. Most of these funds were then lost as a result of unprofitable trading activity. The analysis also showed that investor funds were diverted from Fidelity Investments into personal accounts belonging to Gonzalez and the two co-defendants. These monies were spent by the trio on personal living expenses.

Investigation found no evidence of investor funds being used to develop fish farm operations. Moreover, Blue Ocean Farm Inc. did not hold any permits or licensure to conduct an aquaculture business in Florida.

The OFR served as the lead investigative agency in this joint criminal enforcement case with the Florida Department of Law Enforcement. The Attorney General's Office of Statewide Prosecution in West Palm Beach prosecuted this case.

## **False Claims of Superior Returns from Secret or Proprietary Technology**

Some unscrupulous sellers of securities seek to portray themselves as having exclusive access to secret money-making platforms or opportunities. They will claim to possess state of the art software or trading algorithms that reliably “beat the market.” These claims are used to lure unsuspecting investors with promises of exponential returns. Often the claims prove false, and the fraudsters behind these schemes are revealed to have no superior insight or secret technology with which to earn the promised returns. In fact, investigation often reveals that -far from ever being put to use in special high-yield trading activities- investor funds are just stolen by the fraudsters and either paid out as Ponzi payments to other investors or used for personal and lavish expenses, or both.

On April 15, 2021, Larry Ramos Mendoza of Miami was arrested on a criminal complaint filed by the United States Attorney’s Office for the Southern District of Florida. Ramos was charged with mail fraud and conspiracy to commit mail fraud for his role in an alleged \$22 million investment fraud scheme. Ramos was the sole manager of TWT Group, Inc. and The W Trade Group, LLC and told investors he had developed a commodities trading algorithm that would help generate a 4% return per trade. According to investors, Ramos also indicated that the algorithm would terminate any trade that reached losses of 2% in value.

The OFR’s joint investigation with the FBI revealed that from at least December 2013 until the time of his arrest, Ramos solicited funds from investors in the United States, Mexico, Colombia and elsewhere, promising returns of 4% on their investments per quarter. Ramos told investors that they would have their own segregated account at TD Ameritrade and their funds would not be touched unless a trade was being made. Ramos instructed investors to log into their accounts through a TWT mobile application which showed investors were always making money.

Contrary to Ramos’s representations, however, investor funds were pooled together and sometimes placed in at least one interest bearing account at TD Ameritrade. Ramos would later transfer the funds back to checking accounts he and his partner controlled at several financial institutions. Investigation found no evidence suggesting that any trade ever occurred. Of the approximately \$22 million Ramos and his partner raised from investors, approximately \$17.5 million was used to make Ponzi payments to earlier investors. Approximately \$2.8 million of investor funds was appropriated by Ramos directly and approximately \$1.7 million went to Ramos’s partner.

This investigation was developed jointly with the Federal Bureau of Investigation and the United States Attorney’s Office. The OFR is responsible for approximately half of the investigative work performed in the case, which included interviewing witnesses, drafting subpoena attachments, creating charts, and performing financial records analyses.



## Cryptocurrency Investment Scams

With rapid and sharp fluctuations in the prices of digital currencies making headlines throughout the past year, investors have been attracted to this asset class as a means of generating high-risk returns. Those risks, however, should never be compounded by the risk of falling victim to fraudsters peddling false promises.

On September 14, 2020, Philip Jay Reichenthal, a resident of Homestead, FL was arrested and charged with commodities fraud, wire fraud, and money laundering for his alleged involvement in two fraudulent crypto-currency investment schemes which victimized investors throughout the United States.

In the first fraudulent scheme, which is believed to have begun in June 2018, Reichenthal along with co-conspirator, Randy Craig Levine allegedly induced the principal of a cryptocurrency escrow firm to wire Reichenthal over \$3 million dollars for the sale of Bitcoin. Reichenthal is alleged to have then wired \$2 million of the \$3 million to Levine. Investigation determined that Levine never sold any Bitcoin and the investors' monies were never returned.

In the second fraudulent scheme which is believed to have commenced around February 2019, Levine is alleged to have persuaded a Florida resident and entrepreneur to solicit investors for the purchase of discounted Bitcoin. Again, Levine did not sell any Bitcoin. Instead, investigation revealed that the money was sent to a bank account controlled by Reichenthal. After receiving the investors' funds, Reichenthal sent \$1.9 million to foreign bank accounts controlled by Levine. As in the first scheme, the investors' monies were never returned.

This OFR/FBI investigation was predicated upon a complaint received through the Florida Attorney General's Office from a Missouri resident who invested more than \$150,000 in what he thought was the purchase of Bitcoin. Preliminary investigation revealed the existence of an FBI case being developed against the defendants in the state of New York. The OFR supported the FBI by identifying witnesses involved in the second fraudulent scheme, identifying the bank account used to facilitate the fraud, conducting bank records analysis and conducting a joint interview of Reichenthal.

Levine has been a fugitive from U.S. justice since 2005, when he was charged with passport fraud. He is currently pending extradition from Austria after having been arrested there in June 2020 carrying a fraudulent Bulgarian passport.

If convicted, each of the defendants faces a maximum of 65 years in federal prison for the alleged offenses.

## **Boiler Rooms and Precious Metals Investment Scams**

The BFI continues to investigate unregistered “boiler rooms” operating in South Florida and elsewhere that victimize Florida investors. 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 September 22, 2020, the OFR filed a consolidated nationwide enforcement action in federal court in Texas, alongside the Florida Attorney General’s Office, the Commodities Futures Trading Commission and 28 other States, to disrupt a fraudulent precious metals scheme that allegedly scammed seniors and vulnerable investors nationwide out of more than \$180 million.

The Bureau’s investigation revealed that at least 60 consumers in Florida alone were victimized by this scheme, resulting in virtually every investor losing the majority of the funds invested in fraudulently overpriced precious metals bullion. The OFR’s complaint named TMTE Inc., also known as Metals.com, Chase Metals Inc., Chase Metals LLC, Barrick Capital Inc., Simon Batashvili, Lucas Thomas Erb a/k/a Lucas Asher a/k/a/ Luke Asher as defendants, and Tower Equity, LLC as a relief defendant.

The Complaint alleged, among other things, that the defendants used sales tactics that were designed to instill fear in elderly and retirement-aged investors and build trust with investors based on representations of political or religious affinity. Investors were allegedly advised to liquidate their holdings at registered investment firms to fund investments in precious metals through self-directed individual retirement accounts and bullion coins.

The defendants charged investors prices for gold or silver bullion averaging from 100 percent to more than 300 percent of the melt value or spot price of that gold or silver bullion. In many cases, the market value of the precious metals sold to investors was substantially lower than the value of the securities and other retirement savings investors had liquidated to fund their purchases.

The Court granted the co-plaintiff’s emergency motion for a Statutory Restraining Order, which included an asset freeze as to all defendants and appointed a Temporary Receiver. On October 14, 2020, the Court entered a Consent Order of Preliminary Injunction and Other Equitable Relief Against the Individual Defendants.

The OFR’s case is ongoing and is being litigated by the Office of General Counsel.

## **Affinity Frauds**

Affinity fraud is a type of investment fraud in which swindlers 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 January 20, 2021 Claude Saint Jean was booked into the Hillsborough County Jail on charges of organized fraud, investment fraud, and acting in the capacity of securities dealer without registration.

The felony charges stem from two affinity fraud investment schemes Saint Jean is alleged to have simultaneously operated from January of 2018 to October of 2018 through his Tampa, FL based businesses, Kodo Enterprises, Inc. and Club 1804. Using his ties to the Haitian-American Christian Community, Saint Jean raised over \$160,000 from 10 investors located in Florida, Connecticut, and Massachusetts to either trade securities or develop two properties in Lehigh Acres, FL. Saint Jean's securities trading pitch included guarantees of high returns and no loss of principal. Saint Jean's real estate development pitch included promises of a 15% return on investment.

The OFR's investigation revealed that Saint Jean used a portion of the investment funds from both schemes for personal use and to make Ponzi-styled payments to investors. Additionally, Saint Jean misappropriated funds from one scheme to the other at the expense of both purported ventures. Saint Jean also failed to disclose to investors that he had been barred from the securities industry when he began trading their funds. Saint Jean's actions resulted in over \$150,000 in losses to known victim investors.

The investigation was predicated upon a complaint filed directly with the OFR which served as the sole investigative agency in this matter. The case is being prosecuted by the Hillsborough County State Attorney's Office.

## **Advance Fee Loan Scams**

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 victims, in addition to losing their money, have also lost their dreams of owning a home to an unscrupulous loan broker.

On October 20, 2020, Lucille Poag, 83, of North Miami, voluntarily surrendered to jail authorities in Miami-Dade County after being charged with felony grand theft, organized scheme to defraud, and violations of Florida's loan broker laws. The charges stem from Poag's alleged involvement in an elaborate advance fee for loan scheme which resulted in losses of approximately \$420,000 to unsuspecting victims.

A former licensed real estate broker whose license was revoked, Poag is alleged to have placed advertisements in the Classifieds section of the Miami Times for more than a decade, offering homebuyers assistance with obtaining government grants of up to \$65,000. According to certain prospective homebuyers who met with Poag, upon responding to her ads Poag represented that she had direct connections to a government grant program intended for first time homebuyers, minorities and low-income families. Victims claim that Poag would explain the grant process to them, then request a "down payment" in the amount of \$1,800 which she claimed would be remitted to the government or a third-party escrow agent in order to facilitate the grant funding. Victims further claimed that shortly after paying the so-called "down payment," Poag would advise them that they were approved for the grant and were qualified to obtain a low-cost residential mortgage loan.

The OFR's investigation revealed that from January 1, 2015, through April 30, 2020, Poag received approximately \$420,000 from approximately two hundred and forty prospective homebuyers. Most prospective homebuyers were never given the opportunity to complete a loan or grant application. When they requested a copy of the applications that Poag claimed to have submitted on their behalf, Poag would refuse, claiming that these were proprietary. When prospective homebuyers requested the return of their down payments, Poag is alleged to have used fraudulent statements and stall tactics to keep the victims believing that a grant was still in process.

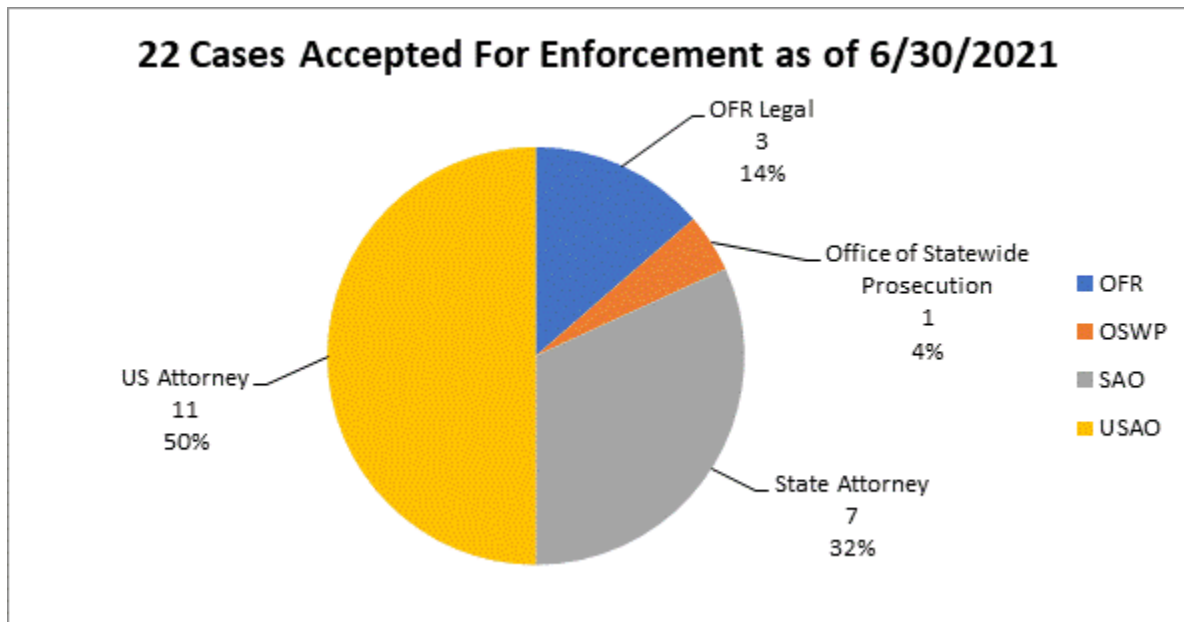
Poag allegedly made a variety of claims to victims to explain away her inability to provide funding, including that she was waiting for the funds to be released and that government shutdowns or hurricanes were causing delays. Contrary to those representations, however, analysis of relevant bank records revealed that Poag used her victims' funds to pay for personal expenses, to make rent payments for her office, and to pay refunds to select victims. The OFR's investigation found no evidence that any grants or loans were secured by Poag for any prospective homebuyers.

The OFR's investigation was predicated upon a complaint referred by the Florida Office of the Attorney General. The OFR has committed more than 260 investigative hours to the development of the case to date, which includes interviewing witnesses as well as analyzing victim and financial institution records for evidence of fraud. The case is being prosecuted by the Economic Crimes Unit of the Miami-Dade County State Attorney's Office.

## Caseload

As of July 1, 2021, BFI had approximately 250 open cases. These investigations involve approximately 17,000 consumers and more than 2.5 billion dollars in alleged losses. The average investigator's caseload is approximately 11 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 2020-21 fiscal year, 83% of these types of cases resulted in enforcement action.



During FY 2020-2021, BFI completed 159 cases. Seventy-one (71) of those cases were formal investigations, including 19 investigations where enforcement action was taken. These cases resulted in two (2) administrative actions, four (4) Cease and Desist notices, and thirteen (13) criminal actions. As a result of investigative work performed by the Bureau, 17 defendants were arrested, and 6 criminal defendants were sentenced to a total of 32 years imprisonment and 12 years of probation or supervised release during the current fiscal year. In addition, court ordered and voluntary restitution of approximately \$91 million was ordered or returned to victims.

## 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 citizens of Florida, and in particular, the victims of financial crime. To that end, the BFI continues to promptly assess all new complaint cases are assessed for potential enforcement action and where appropriate, conducts preliminary investigations (usually within 90 days) to determine whether the

matter should be escalated to a formal investigation. In addition, the Bureau has undertaken a number of new initiatives aimed at increasing the effectiveness of its team in investigating and deterring financial crimes.

One of these is our law enforcement initiative, which involves examining the potential for converting the Bureau of Financial Investigations from a criminal justice agency to a law enforcement agency in order to more effectively respond to the growing threat of financial crime in Florida. By maintaining a dedicated group of law enforcement professionals in each of the OFR's four regional offices, the Bureau will be better equipped to handle essential tasks that, up to now, it has been heavily reliant upon outside law enforcement agencies to accomplish. Though that cooperation is not often withheld by our agency partners, it is nonetheless, conditioned upon the partner agency's availability of personnel and other resources. The fact that the vast majority of the Bureau's cases are of a complex and egregious criminal nature, means that any time spent waiting on the availability of another agency's resources is time in which a criminal financial scheme or enterprise is allowed to flourish.

Essential law enforcement tasks include such things as conducting undercover operations, administration of photo line-ups, performing arrests and search warrant executions, participating in law-enforcement-only task forces, providing enhanced security to non-sworn investigators and other activities vital to the completion of many financial crimes investigations.

Another initiative being undertaken by the Bureau is the development of a specialized internet financial crimes surveillance unit. Internet crimes represent a growing nationwide problem. According to the FBI's Annual Internet Crime Report, for the year 2020, the FBI's Internet Crime Complaint Center received more than 791,000 complaints, representing approximately \$4.1 billion in losses from internet-based schemes. The number of these complaints increased by 69% over the prior year and follows an established trend over the past five years of ever-increasing numbers.

Crimes within the Bureau's jurisdiction make up an important component of these numbers. The total number of victims as reported by the FBI in 2020 in the areas of identity theft (a common element of financial crime within the Bureau's jurisdiction), investment frauds and advance fee for loan frauds was 65,138. For investment frauds alone, the number of victims as reported by the FBI more than doubled between the years 2019 and 2020. The OFR's Internet Surveillance Unit (ISU) is expected to focus on these and other types of crimes for purposes of bringing enforcement actions within the OFR's jurisdiction, and this initiative is expected to be a vital part of the OFR's efforts to protect Florida's citizens from financial crime.

## **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.**

### **Bureau of Financial Investigations – Special Investigations Unit – Internet Crimes**

The Office of Financial Regulation (OFR or Office), Bureau of Financial Investigations (BFI or Bureau) is working to further pursue online financial crimes against the citizens of Florida by establishing a dedicated online financial crime unit. This unit will specialize in proactive investigation of online (Internet) financial crimes and undercover investigations. The staff will be specially trained civil and criminal investigators with significant technical, technological, and financial skills capable of working proactively to identify fraudulent and predatory financial schemes and prevent victimization of Floridians. The purpose of the Digital Crimes (or Internet Surveillance) Unit will be to work proactively to uncover developing fraud schemes in the area of investments and financial services before they have a chance to fully develop, thereby minimizing the threat of systemic harm to consumers and investors in Florida's financial services marketplace. This will be achieved by expanding our technical resources, skills, and proactive investigative activities such that we can identify threats earlier and bring these criminals to justice.

Nearly all of the OFR's investment fraud cases over the past five years have had an internet component. Of 334 cases worked by the Bureau of Financial Investigations during the current calendar year, 310 of these, or roughly 93%, have involved the use of the internet as a means of victimizing investors and consumers. Many of the purveyors of fraudulent investment opportunities hide behind telephone and internet solicitations and rarely meet their victims face to

face. Even in cases where investors are not lured to an investment through the internet, they are often pointed to websites which proclaim wildly unrealistic returns in order to induce unsuspecting investors to invest. These facts are borne out even on a nationwide level. The FBI's reporting shows Florida ranks second in the nation in the total number of victims of internet crime and second in the nation in the total number of suspected perpetrators of internet crime by state. The time to build up Florida's defenses against this alarming and increasing threat to Florida's consumers, investors and economy is now.

Internet crimes represent a growing nationwide problem that does not seem to be abating. According to the FBI's Annual Internet Crime Report, for the year 2020, the FBI's Internet Crime Complaint Center received more than 791,000 complaints, representing approximately \$4.1 billion in losses from internet-based schemes. The number of these complaints increased by 69% over the prior year and follows an established trend over the past five years of ever-increasing numbers. States with similar demographics (Texas) and other foreign jurisdictions (British Columbia, Canada) have implemented similar investigative units and estimate that approximately 50% of their overall caseload is now being generated from cases in those units.

### **Blockchain, Crypto Currency, and FinTech Regulatory Policy Unit**

The challenges facing Florida related to the regulation of the crypto currency marketplace are being felt across the full spectrum of the regulatory authority vested in the Office of Financial Regulation. Financial Institutions, Securities, and Consumer Finance each potentially regulate some portion of the financial marketplace involving virtual currencies. The rapidly evolving financial marketplace has very little (if any) centralized regulation at either the Federal or State level.

The OFR is seeking to establish a policy unit dedicated to establishing the regulatory framework, and to provide formal guidance to the State, across all financial sectors relative to blockchain technology, virtual currencies, and FinTech businesses. The businesses involved in these markets span all of the regulatory areas of the OFR. This policy unit would work under the direct supervision of the Commissioner and help coordinate the policies required to regulate these markets and businesses across all three regulatory Divisions of the Office.

### **Bureau of Financial Investigations – Law Enforcement Authority**

The Office of Financial Regulation – Bureau of Financial Investigations (OFR or Office) is pursuing substantive legislation to grant law enforcement status to the Bureau of Financial Investigations (Bureau or BFI). This need is based on the diminishing availability of local, state, and federal law enforcement resources capable of assisting BFI's non-sworn staff in pursuing criminal investigations related to financial crimes.



The OFR is uniquely equipped to be the primary financial crimes enforcement authority in the State of Florida and this change will not compete with any other law enforcement agency. The statutory enforcement authority for the prosecution of financial crimes lies with the Office. Many of the OFR's investigators already possess a deep knowledge and multi-faceted background in both financial services and law enforcement. Adding to these core strengths is the fact that the OFR is uniquely suited to, and statutorily charged with, identifying areas of fraud, abuse and criminal malfeasance in the areas of banking, securities, and consumer finance where it already serves as the State's statutory regulatory authority. The Florida Department of Law Enforcement (FDLE), while operating various economic, fraud, and property crimes units throughout the state, does not have a dedicated unit for the investigation of crimes perpetrated exclusively within the financial services arena. The FDLE's economic crimes cases often include such diverse issues as money laundering, retail theft rings, identity thefts, thefts of real estate, embezzlements, and public corruption. Though some of these cases may have a component of investment fraud, they do not specialize in cases involving violations of Chapter 517 (Florida's Securities and Investor Protection Act) and do not have agents dedicated to rooting out nascent investment fraud schemes, or financial services scams such as mortgage, business loan, or bank frauds.

The OFR seeks to complement and enhance the FDLE's general application of criminal investigative activities in the financial sector with a specific focus as it pertains to financial and economic crimes. The FDLE is diverse and functions without the degree of specialization the OFR brings to financial crimes such as investment fraud. The Federal Bureau of Investigation's (FBI's) Annual Internet Crime Report for 2020 reveals that for investment frauds alone, the number of victims more than doubled between the years 2019 and 2020. This is an area where the OFR maintains its core competence and empowering BFI with law enforcement authority will allow it to respond with even greater efficiency in dispatching the OFR's statutory duties to protect the public from fraudsters and financial predators.

**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.

**Potential policy changes affecting the agency’s budget request or Governor’s Recommended Budget.**

The Office of Financial Regulation’s (OFR) - Bureau of Financial Investigations – Law Enforcement Authority initiative will require ongoing appropriations for costs associated with special risk sworn personnel, accreditation, continued certification, and necessary equipment used in the execution of duties related to criminal enforcement of Florida statutes regulated by the Office.

The Bureau of Financial Investigations – Special Investigations Unit – Internet Crimes unit and the Blockchain, Crypto Currency, and FinTech Regulatory Policy Unit, both will require recurring funding of the positions associated with the functions.

**List of changes that would require legislative action, including the elimination of programs, services, and/or activities.**

The Office of Financial Regulation’s (OFR) - Bureau of Financial Investigations – Law Enforcement Authority initiative will require a change in statute, designating OFR as a Law Enforcement Entity. This change is being proposed in legislation in the upcoming Legislative Session.

**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 2021-22**

**Approved  
Prior Year  
Standard  
FY 2020-21**

**Prior Year  
Actual  
FY 2020-21**

**Approved  
Standards  
for  
FY 2021-22**

**Requested  
FY 2022-23  
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%

98%

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%

83%

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%

62%

60%

60%

Approved Performance Measures for FY 2021-22	Approved Prior Year Standard FY 2020-21	Prior Year Actual FY 2020-21	Approved Standards for FY 2021-22	Requested FY 2022-23 Standard
<b>Executive Direction and Support Services</b>			<b>Code: 43900550</b>	
Program administration costs (including Office of General Counsel) as a percentage of total program costs	Less than 10%	6.8%	Less than 10%	Less than 10%
Program administration positions (including Office of General Counsel) as a percentage of total program positions.	Less than 10%	5.0%	Less than 10%	Less than 10%
<b>Finance Regulation</b>			<b>Code: 43900560</b>	
<b>Primary Service Outcome:</b> 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%
<b>Securities Regulation</b>			<b>Code: 43900570</b>	
<b>Primary Service Outcome:</b> Number of complex securities examinations completed	100	100	100	100
<b>Primary Service Outcome:</b> Percentage of license applications processed within Administrative Procedure Act requirements	100%	100%	100%	100%

**Assessment of Performance for  
Approved Performance Measures –  
LRPP Exhibit III**

**LRPP Exhibit III: PERFORMANCE MEASURE ASSESSMENT**

**Department:** Department of Financial Services  
**Program:** Financial Services Commission – Office of Financial Regulation  
**Service/Budget Entity:** 43900530 – Safety & Soundness of State Banking System  
**Measure:** N/A – All performance metrics met.

**Action:**

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

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

**Factors Accounting for the Difference:**

**Internal Factors** (check all that apply):

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

**Explanation:**

**External Factors** (check all that apply):

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

**Explanation:**

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

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

**Recommendations:**











# **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.

**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 Legal 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 Legal 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 Equivalents (FTEs) for Executive Direction is divided by the number of FTEs 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 2021-22		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 2021-22		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 2021-22		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 2021-22		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.

# **Agency-Level Unit Cost Summary-LRPP Exhibit VI**



FINANCIAL SERVICES, DEPARTMENT OF		FISCAL YEAR 2020-21			
SECTION I: BUDGET		OPERATING		FIXED CAPITAL OUTLAY	
TOTAL ALL FUNDS GENERAL APPROPRIATIONS ACT		393,683,531		18,198,222	
ADJUSTMENTS TO GENERAL APPROPRIATIONS ACT (Supplementals, Vetoes, Budget Amendments, etc.)		15,314,473		-12,445,222	
FINAL BUDGET FOR AGENCY		408,998,004		5,753,000	
SECTION II: ACTIVITIES * MEASURES		Number of Units	(1) Unit Cost	(2) Expenditures (Allocated)	(3) FCO
Executive Direction, Administrative Support and Information Technology (2)					5,753,000
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.		2,917	139.60	407,210	
Process Transactions, Account Changes And Audit Functions * Number of account actions taken on regulatory collateral deposit accounts.		59,106	17.66	1,043,598	
Investment Of Public Funds * Average Dollar Volume of Funds Invested		33,700,000,000	0.00	1,014,147	
Provide Cash Management Services * Number of cash management consultation services.		31	47,062.10	1,458,925	
Receive Funds, Process Payment Of Warrants And Provide Account And Reconciliation Services * Number of financial management/accounting transactions processed and reports produced.		2,660,000	0.84	2,232,428	
Administer The State Supplemental Deferred Compensation Plan * Number of Participant account actions processed by the Bureau of Deferred Compensation.		1,739,731	0.98	1,706,880	
Accounting And Reporting Of State Funds * State Accounts Managed in the Florida Accounting Information Reporting System.		36,472	117.09	4,270,458	
Migrate Current Accounts Payable Procedures To Electronic Commerce * Payments issued electronically to settle claims against the state.		39,811,852	0.02	789,662	
Conduct Pre-audits Of Selected Accounts Payable * Vendor payment requests that are pre-audited for compliance with statutes and contract requirements		376,667	20.50	7,721,542	
Process State Employees Payroll * Payroll payments issued		3,162,743	0.64	2,018,017	
Conduct Post-audits Of Payroll * Post-audits completed of state agencies payroll payments to determine compliance with statutes		32	2,728.97	87,327	
Conduct Fiscal Integrity Investigations * Fiscal integrity investigations completed to investigate allegations or suspicions of fraud, waste or abuse.		94	6,306.12	592,775	
Article V - Clerk Of The Courts * N/A		12	36,975.58	443,707	
Collect Unclaimed Property * Accounts reported by holders of unclaimed property.		2,745,619	1.17	3,225,390	
Process And Payment Of Unclaimed Property * Payments processed for claims of unclaimed property.		716,172	4.81	3,444,110	
License The Fire Protection Industry * Number of entity requests for licenses, permits and certificates processed within statutorily mandated time frames.		7,983	71.51	570,878	
Perform Fire Safety Inspections * Number of inspections of fire code compliance completed.		15,004	288.67	4,331,264	
Review Construction Plans For Fire Code Compliance * Number of construction plans reviewed.		368	1,541.71	567,351	
Perform Boiler Inspections * Number of boiler inspections completed by department inspectors.		916	691.37	633,294	
Investigate Fires Accidental, Arson And Other * Total number of closed fire investigations involving economic or physical loss.		2,637	6,815.77	17,973,190	
Provide State, Local And Business Professional Training And Education * Number of classroom contact hours provided by the Florida State Fire College.		150,220	14.89	2,236,108	
Provide State, Local And Business Professional Standards, Testing And Statutory Compliance * Number of examinations administered.		10,246	103.57	1,061,165	
Provide Forensic Laboratory Services * Number of evidence items and photographic images processed.		6,266	203.56	1,275,487	
Fire Incident Reporting * Number of total incidents reported to the Florida Fire Incident Reporting System.		2,316,530	0.13	307,794	
Provide Adjusting Services On State Workers' Compensation Claims * Number of workers' compensation claims worked.		22,994	1,661.84	38,212,407	
Provide Adjusting Services On State Liability Claims * Number of liability claims worked.		6,038	2,266.01	13,682,147	
Process Property Claims On State Owned Buildings (structure And Contents) * Number of state property loss/damage claims worked.		489	5,072.67	2,480,538	
Provide Risk Services Training And Consultation * Number of agency loss prevention staff trained during the fiscal year.		139	15,667.31	2,177,756	
Rehabilitate And/Or Liquidate Financially Impaired Insurance Companies * Number of insurance companies in receivership during the year.		10	78,185.10	781,851	
Review Applications For Licensure (qualifications) * Number of applications for licensure processed.		150,703	17.91	2,699,315	
Administer Examinations And Issue Licenses * Number of examinations administered and licenses authorized.		69,444	23.28	1,616,486	
Administer The Appointment Process From Employers And Insurers * Number of appointment actions processed.		2,298,976	0.33	769,557	
Administration Of Education Requirements (pre Licensing And Continuing Education) * Number of applicants and licensees required to comply with education requirements.		322,408	1.24	400,947	
Investigate Agents And Agencies * Number of agent and agency investigations completed.		3,571	1,559.04	5,567,339	
Investigate Insurance Fraud (general) * Number of insurance fraud investigations completed (not including workers- compensation).		1,024	21,743.41	22,265,255	
Investigate Workers' Compensation Insurance Fraud * Number of workers' compensation insurance fraud investigations completed.		321	10,638.50	3,414,957	
Respond To Consumer Request For Assistance * Number of consumer requests and informational inquiries handled.		48,919	88.41	4,324,873	
Provide Consumer Education Activities * Number of visits to the Consumer Services website.		647,886	0.99	638,563	
Answer Consumer Telephone Calls * Number of telephone calls answered through the consumer helpline.		267,561	18.21	4,872,014	
Examine And Regulate Licensees In The Funeral & Cemetery Business (chapter 497) To Ensure Regulatory Compliance * Number of examinations and inspections completed.		2,003	1,395.99	2,796,175	
Monitor And Audit Workers' Compensation Insurers To Ensure Benefit Payments * Number of claims reviewed annually.		109,219	40.73	4,447,964	
Verify That Employers Comply With Workers' Compensation Laws * Number of employer investigations conducted.		10,513	1,378.52	14,492,384	
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.		496	10,047.62	4,983,620	
Provide Reimbursement For Workers' Compensation Claims Paid By Insurance Carriers On Employees Hired With Preexisting Conditions * Number of reimbursement requests (SDF-2) audited.		1,145	1,067.42	1,222,193	
Collection Of Assessments From Workers' Compensation Insurance Providers * Amount of assessment dollars collected.		59,738,743	0.01	684,746	
Data Collection, Dissemination, And Archival * Number of records successfully entered into the division's databases.		5,186,493	0.73	3,792,034	
Reimbursement Disputes * Number of petitions resolved annually		4,432	369.22	1,636,390	
Public Assistance Fraud Investigations * Number of public assistance fraud investigations conducted.		3,045	2,545.65	7,751,512	
Approve And License Entities To Conduct Insurance Business. * Number of Certificates of Authority (COAs) processed.		67	14,571.28	976,276	
Conduct And Direct Market Conduct Examinations. * Number of examinations and investigations completed for licensed companies and unlicensed entities		60	54,404.88	3,264,293	
Conduct Financial Reviews And Examinations. * Number of financial reviews and examinations completed.		6,048	3,005.69	18,178,431	
Review And Approve Rate And Form Filings. * Number of rate and forms review completed.		11,163	798.11	8,909,312	
Examine And Regulate Financial Services Companies To Ensure Regulatory Compliance. * Examinations of non-depository financial service companies to determine compliance with regulations.		290	17,366.35	5,036,241	
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.		33,197	68.43	2,271,727	
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.		96	105,576.71	10,135,364	
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	70,086.10	700,861	
Conduct Financial Investigations Into Allegations Of Fraudulent Activity. * Number of financial investigations into allegations of fraudulent activity.		159	26,561.27	4,223,242	
Examine And Regulate Money Services Businesses To Ensure Regulatory Compliance * Examinations of money services businesses conducted to determine compliance with regulations.		121	45,789.88	5,540,575	
Examine And Regulate Securities Firms, Branches To Ensure Regulatory Compliance. * Conduct examinations of securities firms and branches.		152	38,346.28	5,828,635	
Evaluate And Process Applications For Registration As A Securities Firm, Branch, And/Or Individual. * Securities applications processed for registration of firms, branches, and/or individuals.		59,919	44.01	2,636,763	
TOTAL				272,825,450	5,753,000
SECTION III: RECONCILIATION TO BUDGET					
PASS THROUGHS					
TRANSFER - STATE AGENCIES					
AID TO LOCAL GOVERNMENTS					
PAYMENT OF PENSIONS, BENEFITS AND CLAIMS					
OTHER				73,997,759	
REVERSIONS				56,674,832	
TOTAL BUDGET FOR AGENCY (Total Activities + Pass Throughs + Reversions) - Should equal Section I above. (4)				403,498,041	5,753,000

### 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	296,948	
43010400	1602000000	ACT1040	INSURANCE CONSUMER ADVOCATE	529,428	
43010500	1603000000	ACT1050	INFORMATION TECHNOLOGY - FLAIR	14,922,561	
43200100	1601000000	ACT2010	PASS THROUGH FROM PRISON INDUSTRY	294,457	
43200100	1601000000	ACT2140	CONDUCT POST-AUDITS OF MAJOR	315,193	
43200300	1603000000	ACT2180	FLORIDA ACCOUNTING INFORMATION	30,798,485	
43200100	1601000000	ACT2195	PASS THROUGH FLORIDA CLERKS OF	2,300,000	
43300400	1202000000	ACT3430	PASS-THROUGH GRANTS AND AIDS	1,043,140	
43300500	1202000000	ACT3440	PASS-THROUGH GRANTS AND AIDS LOCAL	285,000	
43300500	1202000000	ACT3530	PASS THROUGH - TRANSFER TO	2,000,000	
43400100	1601000000	ACT4150	PURCHASE OF EXCESS INSURANCE	11,160,650	
43700100	1205000000	ACT5510	HURRICANES AND OTHER NATURAL	6,383,303	
43700300	1205000000	ACT5520	CORONAVIRUS COVID 19	499,974	
43600100	1102020000	ACT6010	TRANSFER TO 1ST DISTRICT COURT OF	1,838,198	
43900110	1204000000	ACT9150	HURRICANE RATE/RISK MODEL	1,080,422	

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

DEPARTMENT: 43	EXPENDITURES	FCO
FINAL BUDGET FOR AGENCY (SECTION I):	408,998,004	5,753,000
TOTAL BUDGET FOR AGENCY (SECTIONS II + III):	403,498,041	5,753,000
	-----	-----
DIFFERENCE:	5,499,963	
(MAY NOT EQUAL DUE TO ROUNDING)	=====	=====

The difference is due to the appropriation of the DEP transfer from SFM Fire College (5,500,000) in a non-operating category (180122). True difference is 37.

## **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

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 Nation 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 Nation 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.

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