



CHIEF FINANCIAL OFFICER
JIMMY PATRONIS
STATE OF FLORIDA

LONG-RANGE PROGRAM PLAN

September 13, 2023

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

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 2024-25 through Fiscal Year 2028-29. 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.

Sincerely,

A handwritten signature in blue ink that reads "Chase Mitchell".

Chase Mitchell
Director of Policy and Strategic Initiatives
Department of Financial Services



Department of Financial Services

Long-Range Program Plan

**Fiscal Years
2024-25 through 2028-29**

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	FY2024-25	FY2025-26	FY2026-27	FY2027-28	FY2028-29
92%	92%	92%	92%	92%	92%

Division of Accounting and Auditing:

Outcome 1-1-2: Number of Contracts Reviewed

FY2012-13 Baseline	FY2024-25	FY2025-26	FY2026-27	FY2027-28	FY2028-29
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	FY2024-25	FY2025-26	FY2026-27	FY2027-28	FY2028-29
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	FY2024-25	FY2025-26	FY2026-27	FY2027-28	FY2028-29
72.65%	98%	98%	98%	98%	98%

Outcome 1-1-5: Percentage of Deficiency Letters Sent Out within 15 Business Days of Receiving the Application

FY2012-13 Baseline	FY2024-25	FY2025-26	FY2026-27	FY2027-28	FY2028-29
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	FY2024-25	FY2025-26	FY2026-27	FY2027-28	FY2028-29
\$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	FY2024-25	FY2025-26	FY2026-27	FY2027-28	FY2028-29
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	FY2024-25	FY2025-26	FY2026-27	FY2027-28	FY2028-29
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	FY2024-25	FY2025-26	FY2026-27	FY2027-28	FY2028-29
20%	20%	20%	20%	20%	20%

Investigative and Forensic Services: Forensic Services**Outcome 1-2-5: Lab-Case Turnaround Time**

FY2021-22 Baseline	FY2024-25	FY2025-26	FY2026-27	FY2027-28	FY2028-29
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	FY2024-25	FY2025-26	FY2026-27	FY2027-28	FY2028-29
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	FY2024-25	FY2025-26	FY2026-27	FY2027-28	FY2028-29
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	FY2024-25	FY2025-26	FY2026-27	FY2027-28	FY2028-29
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	FY2024-25	FY2025-26	FY2026-27	FY2027-28	FY2028-29
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	FY2024-25	FY2025-26	FY2026-27	FY2027-28	FY2028-29
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	FY2024-25	FY2025-26	FY2026-27	FY2027-28	FY2028-29
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	FY2024-25	FY2025-26	FY2026-27	FY2027-28	FY2028-29
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	FY2024-25	FY2025-26	FY2026-27	FY2027-28	FY2028-29
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	FY2024-25	FY2025-26	FY2026-27	FY2027-28	FY2028-29
\$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	FY2024-25	FY2025-26	FY2026-27	FY2027-28	FY2028-29
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	FY2024-25	FY2025-26	FY2026-27	FY2027-28	FY2028-29
\$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	FY2024-25	FY2025-26	FY2026-27	FY2027-28	FY2028-29
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	FY2024-25	FY2025-26	FY2026-27	FY2027-28	FY2028-29
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	FY2024-25	FY2025-26	FY2026-27	FY2027-28	FY2028-29
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	FY2024-25	FY2025-26	FY2026-27	FY2027-28	FY2028-29
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	FY2024-25	FY2025-26	FY2026-27	FY2027-28	FY2028-29
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	FY2024-25	FY2025-26	FY2026-27	FY2027-28	FY2028-29
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	FY2024-25	FY2025-26	FY2026-27	FY2027-28	FY2028-29
95%	99%	99%	99%	99%	99%

Division of Treasury: Supplemental Retirement

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

FY2011-12 Baseline	FY2024-25	FY2025-26	FY2026-27	FY2027-28	FY2028-29
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	FY2024-25	FY2025-26	FY2026-27	FY2027-28	FY2028-29
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	FY2024-25	FY2025-26	FY2026-27	FY2027-28	FY2028-29
95%	95%	95%	95%	95%	95%

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

FY2020-21 Baseline	FY2024-25	FY2025-26	FY2026-27	FY2027-28	FY2028-29
80%	80%	80%	80%	80%	80%

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

FY2020-21 Baseline	FY2024-25	FY2025-26	FY2026-27	FY2027-28	FY2028-29
\$89.39	\$116.53	\$116.53	\$116.53	\$116.53	\$116.53

Division of Workers' Compensation:

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

FY2011-12 Baseline	FY2024-25	FY2025-26	FY2026-27	FY2027-28	FY2028-29
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	FY2024-25	FY2025-26	FY2026-27	FY2027-28	FY2028-29
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	FY2024-25	FY2025-26	FY2026-27	FY2027-28	FY2028-29
5.70%	5.70%	5.70%	5.70%	5.70%	5.70%

PROGRAM AUTHORITY AND PRIMARY RESPONSIBILITIES

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

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

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

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

Objective 1: Effectively Manage Regulatory Activities

Office of the General Counsel: Legal Services

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 2026-27 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 contracts and grant 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 2027-28. 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 3600 new and renewal licenses applications are received each year, and approximately 1700 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 2022-23, the BI received complaints against individual licensees, insurance -agencies and unlicensed persons, resulting in 2,596 opened investigations and 2,683 completed investigations. These investigations were conducted by 31 investigators located in offices throughout the state. A total of 353 investigations resulted in formal disciplinary action, such as license suspension, revocation, probation, restitution and/or administrative fines. The BI also referred 30 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 2022-23, 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 2028-29, 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 Division of Early Learning (DEL). 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 DEL 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 2023-2024 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 2027- 2028, 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 workers' 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) 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 the BC to pinpoint employers who have a higher probability of being non-compliant 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.

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 69D-4.001, 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 2023-24.

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.

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 receive 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 one international organization, the American Association for Laboratory Accreditation (A2LA). 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 FY 2022-23, BIF received 19,847 referrals and presented 663 cases for prosecution. During FY 2022-23, five hundred and eighty-one 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 2022-23, BIF's budget was \$27.3 million. In contrast, the BIF requested \$58.2 million and secured \$195.4 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 FY 2022-2023, the department, including both OIR and OFR, had 2,568.5 positions, and 122 Temporary (OPS) employees (as of September 2023). The Division of Administration operates with 53 of these positions. Additionally, for FY 2022-2023, DFS/OFR/OIR has a total combined budget of \$477,238,973. DFS has 37 leases statewide accounting for a total of 755,157 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 2028-29. 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, 2022, through June 30, 2023, the State of Florida Treasury ("Treasury") distributed earnings of \$1.1 billion. These earnings were down from the previous year's distribution of \$413.7 million and more in line with historical trends in the State Treasury. The Treasury exceeded its performance benchmark by 0.10 basis points and 0.15 basis points 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 2028-29.

Bureau of Funds Management:

During the period from July 1, 2022, through June 30, 2023, re-established performance measure timelines based on timing of the new accounting processes in Florida PALM. Treasury's core accounting processes include apportioning interest, issuing certificates of deposit, submitting ratings agency data, as well as reconciling bank and investment statements. On July 1, 2023, the new core accounting time frames were established and percentages will be reported at end of fiscal year 2023-24. Treasury anticipates completing 98% of these processes within the established time frame every fiscal year through FY 2028-29.

Bureau of Collateral Management:

During the period from July 1, 2022, through June 30, 2023, Treasury's Bureau of Collateral Management (BCM) processed over 21,619 transactions involving collateral from a variety of regulated entities. 99.9% 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 2028-29. 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 fund 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 to 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 2022-23, the Division produced approximately 75,488 checks, warrants, and state agency journal transfers.

Claim type	Number of claims reported FY 2022-23	Number of claims with payment FY 2022-23 (for claims reported in all years)	Total loss payments for FY 2022-23 (for claims reported in all years)
Workers' Compensation	9,793	10,308	\$115,406,025
General and Auto Liability	2,831	1,795	\$13,859,186
Federal Civil Rights & Employment Discrimination	427	1,026	\$10,727,291
Property	1,346	1,053	\$18,142,470
Firefighter Cancer Benefits	4	4	\$101,167
Total	14,401	14,186	\$158,236,139

Table 1-RM. Claims reported, claims with payment, and total loss payments by claim type for FY 2022-23.

Claim data from IMS; loss payments from FLAIR fund balance report.

The total loss payments for FY 2022-23 increased by 4.9% or \$7,393,749 from the \$150,842,390 paid in FY 2021-22. Workers' Compensation loss payments decreased by 4.1% or \$4,917,048. General and Auto Liability loss payments decreased by 3.3% or \$469,906. 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 2022-23, total loss payments for federal civil rights claims decreased by 4.3% or \$480,887. Property loss payments increased 266% or \$13,185,423. In FY 2022-23, Firefighter Cancer Benefit loss payments increased by 305% or \$76,167. Operational costs had an increase of \$3,483,283 or 5.5% from \$63,167,253 paid in FY 2021-22 to \$66,650,536 paid in FY 2022-23.

The number of claims reported for FY 2022-23 decreased 11.5% or 1,876 claims from the 16,277 claims reported for FY 2021-22. The majority of the decrease occurred on the Workers' Compensation line of coverage with reported workers' compensation claims decreasing by 25.8% or 3,409 claims. This is due in large part to a continued decrease in COVID-19 related claims. In FY 2022-23, workers' compensation COVID-19 related claims decreased by 89.2% or 3,904 from the 4,375 COVID-19 claims reported during FY 2021-22.

The number of Property claims increased by 682.6% or 1,174 claims. The increase is due to the State of Florida being impacted by Hurricane Nicole and Hurricane Ian during FY 2022-23. Reported claims for the General and Auto Liability lines of coverage had an increase of 279 claims or 10.9%. Reported claims for the Federal Civil Rights line of coverage increased by 22% or 77 claims. Firefighter Cancer Benefit claims increased by 300% or 3 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 and claims management.

Since FY 2016-17, there have been eleven 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 from Hurricane Nicole and Hurricane Ian, the program has received additional funding in FY 2022-23 through the General Appropriations Act.

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 2022 and remain within the current appropriation. For the coverage period February 2023 through February 2024, the Division purchased excess property insurance for 21,134 locations, \$28.3 billion in total insured value. The coverage above the State's \$42 million self-insurance retention for named wind and flood perils is \$38.6 million for named windstorms and \$40.2 million for floods. This is a significant decrease from the \$56.27 million of combined coverage purchased for both named windstorms and flood perils purchased for the coverage period of February 2022 through February 2023. The Division was able to purchase an additional \$30 million in coverage for all other perils, increasing coverage to \$255 million for the February 2023 placement. To date, none of the eleven recent named windstorm and flood events has exceeded the State's current level of self-insurance retention of \$42 million.

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 2022-23, the procurement and contract execution for Statewide Claims and Investigation services and for Pharmacy Benefit Management (PBM) services was completed. The Statewide Claims and Investigation services contract was executed in August 2022. The PBM services contract was executed in December 2022. A procurement for a new MCM contract was released in FY 2022-23. Negotiations are ongoing with an estimated contract execution date in FY 2023-24. The scope of work for the Medical Bill Reviewer (MBR) procurement was developed and submitted for review during FY 2022-23.

The Division continues to support and improve its Insurance Management System (IMS) utilized 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. Automation efforts continue to center on improving the Electronic Data Interchange (EDI) reporting functionality between the Division and the Department's Division of Workers' Compensation (DWC). Enhancements will allow the IMS to autogenerate select reports based upon claim updates and submit each report directly to DWC. For FY 2022-23, the workflows and data validations were enhanced to improve the automation of the data transmissions to DWC. Additional enhancement efforts focused on Centers for Medicare & Medicaid Services (CMS) reporting. During fiscal year 2022-23, the Division continued to evaluate and enhance CMS reporting and query processes, and updated training materials.

The Division also continued work on the Florida Planning, Accounting, and Ledger Management system (Florida PALM) implementation project by identifying and communicating the unique processes and needs of the State Self-Insurance Program's management of reported claims.

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 in Florida. The Division of Rehabilitation and Liquidation (Division) administers the receiverships on behalf of the Department. The Division plans, coordinates, and directs the affairs of the companies placed into receivership for purposes of carrying out the rehabilitation or liquidation order of the Second Judicial Circuit Court in Leon County, Florida. It protects consumer interests by managing receiverships in a manner that yields the maximum value to claimants and the public.

In its role as the Receiver, the Division monitors, controls, and safeguards 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 two insurers are placed in receivership each year, primarily in the areas of property and casualty insurance. During FY 2021-22, the Department received three new receiverships.

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. Nevertheless, the Division continues to manage the financial resources of each estate effectively and remain committed to the provision of quality public service.

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 2022-23, the BL assisted and monitored an average of more than 600,000 licensees with at least one active appointment. In addition to the licensees with an active appointment, the BL had 252,052 licensees who were not required to be appointed or not currently appointed. The BL processed 187,957 new license applications and 2,674,936 appointment actions (new, renewals and terminations). There were 176,348 new licenses issued in Fiscal Year 2022-23, producing a total of 911,008 active licensees who hold 1,180,922 licenses. For every FY through 2028-29, 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 82,000 examinations were administered in Fiscal Year 2022-23. The Bureau also approves and monitors pre-licensing and continuing education providers, courses and instructors. There were approximately 627,000 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 Contract Tracking System (FACTS)" application is an online tool that offers visibility into the State's contracts and grant agreements.

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, benefits, performance reviews, and employee relations. Over the last fiscal year, HR processed 938 hiring appointments and 2,987 classification or organization changes; the office currently employs 14 full-time employees.

Division of Administration: Office of Learning & Development

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

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

The DFS considers employees to be its most valuable resource. Learning and professional development events are conducted to promote customer-focused value and to attract and retain top talent. The L&D team delivered a total of 93 learning events, meetings, and conferences to more than 377 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 initial service of process to insurers through electronic means. The Department's web-based system and procedures have allowed the transmittal of over 99% of SOP documents electronically. This web portal allows plaintiffs and attorneys to retrieve electronic proof of service immediately after an insurance company has been served electronically by the Department. The Department continues to use technology to provide automation and improve information accountability.

Office of Information Technology (OIT)

Information Technology Optimization Analysis:

The OIT supports a vast array of applications and application modules (*i.e.*, document management, scanning, transfers, etc.). 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 to monitor system performance. With the computer application inventory now in place, efforts for performance monitoring have started to find existing trouble spots faster, sometimes before they occur, and integrate these findings with tickets. While these ongoing changes save steps and provide long-term resource tracking, reporting is largely manual, taking additional time to aggregate the data and 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 toward 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 FY 2022-23, 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 95%. For the past fiscal year, the OIT has been collecting surveys through links embedded in incident tickets. Although the Divisions' software portfolio is likely to change, it projects a 95% satisfaction rate annually through FY 2027-28, and no incremental fiscal impact is anticipated.

Information Systems

The OIT's percentage of scheduled hours computer and network is available measures uptime performance. In Fiscal Year 2022-23, the uptime measured 99.43% for FLAIR with all maintenance being performed during scheduled downtime. Based on the degree of consistency the mainframe has provided in past, the OIT projects that FLAIR infrastructure will be available 99.0% of the scheduled time for every Fiscal Year through 2027-28. Whereas, the OIT expects all other systems to be available for 99.95% of the scheduled hours every year through FY 2027-28.

Office of Insurance Consumer Advocate

The Office of the Insurance Consumer Advocate (ICA) searches for solutions to insurance issues Floridians face, 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, filings submitted by insurers to the Office of Insurance Regulation, 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 2027-28 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 held in abandoned safe deposit boxes in financial institutions, such as watches, jewelry, coins, currency, stamps, historical items and other miscellaneous articles. Auction proceeds from the sale of each item are credited to each owner's account, where it can be claimed indefinitely by the owner or owner's heirs. Until claimed, these funds 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 2027-28, 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)

The Division continues to focus attention and resources on preventing and reducing claim costs and frequency by focusing 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. During FY 2022-23, the Loss Prevention Section completed 5 program evaluations; provided training to over 2,500 state employees; and conducted over 850 consultations with state agency and university personnel. The number of paid/reserve occupational injuries (workers' compensation claims) per 100 full-time employees during FY 2022-23 is 2.31, which is based on 201,995 workers' compensation full-time employees and 4,665 claims paid/reserve for the fiscal year.

The Division continues to enhance the IMS to better suit its needs and the needs of its customers. During FY 2022-23, the Division continued working towards its goals of automating and streamlining processes, utilizing the IMS to improve workflows and reduce the potential for human error. Automation efforts continue to center on improving the Electronic Data Interchange (EDI) reporting functionality between the Division and the Department's Division of Workers' Compensation (DWC). Enhancements will allow the IMS to autogenerate reports based upon claim updates and submit each report directly to DWC.

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 569,000 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 96% 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 Division of Rehabilitation & Liquidation.

The DCS is responsible for reporting potential regulatory violations to the appropriate regulators. From July 2022 through June 2023, the DCS sent a total of 2,512 regulatory referrals to the Divisions of Insurance Agent & Agency Services, 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 2027-28. 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 2027-28.

- The Division produces the Insurer Regulatory Report (IRR) in an effort to further engage and inform regulated entities about their overall claims-handling performance. The IRR provides the carrier with information to identify key processes, policies, or practices that are instrumental in maintaining or improving its performance level.
- The Division has published several workers' compensation educational videos, which are 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 2027-28.

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 2022-23, Fire Protection Specialists conducted over 14,792 High-Hazard, Recurring, and Construction building inspections. Construction inspections, including underground and above ground fire mains, installation and performance testing of fire protection systems, and fire rated construction assemblies are required for each new building.

Any reductions in revenue generated at the local level can be expected to have an impact on the State Fire Marshal's workload. If local governments determine they are unable to fully fund their own fire safety programs, including the area of kindergarten through 12th grade school inspections, the State Fire Marshal is statutorily required to assist with these inspections.

Although the total number of fire code inspections can be influenced by many factors, the Division forecasts completing 100% of the inspections within statutorily defined time frames through FY 2027-28. 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 47,000 firefighters, serving more than 460 fire service providers in Florida. The BFST also provides curriculum support, administrative and regulatory authority, and certification testing for 52 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 of these goals are accomplished by efficiently using resources and effectively managing regulatory activities. As part of its strategy, the Department focuses on streamlining programs and processes through legislative and policy revisions.

Task Forces and Studies

Combat Fraud, Abusive Business Practices, and Excessive Regulation

Fraud Free Florida

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

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

Sober Homes Task Force

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

Property and Casualty Insurance Fraud Task Force (PCTF)

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

Workers' Compensation Fraud Task Force (WCTF)

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

Foster Open Government Through Financial Accountability and Transparency

Florida Planning Accounting and Ledger Management (PALM) Project.

The State of Florida's accounting system, FLAIR, has been performing the State's accounting and financial management functions for over thirty years. Although FLAIR has been maintained and

modified over the years to accommodate state and federal mandates, the system is becoming increasingly unable to meet the State's changing and growing needs.

A 2014 study confirmed our concerns and recommended replacing FLAIR and CMS with a single, integrated financial management solution. In 2014, the Legislature 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 ninth year of execution. In July of 2021, the first component of Florida PALM was implemented to replace CMS functionality.

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
- Increase internal controls by enabling standardization and automation of business processes within and between DFS and agencies.

In FY 2022-2023, Florida PALM accomplished the following:

- Completed CMS Wave Remediation;
- Published new learning tools to support CMS end users;
- Completed the Information Warehouse Assessment;
- Completed Personalized Agency Working Sessions (PAWS) with all agencies;
- Completed FLAIR Functions/Subfunctions review;
- Completed Florida PALM Requirements review;
- Executed amendments 8 and 9 to the Software and System Integrator contract;
- Finalized the Financials and Payroll Project Schedule;
- Conducted Advisory Council meetings;
- Conducted Executive Steering Committee meetings;
- Collaborated with the Florida Digital Service for project management oversight;
- Conducted Agency Change Champion Network town halls;
- Conducted monthly Florida Palm Readiness touchpoints with all agencies;
- Conducted Florida PALM Sponsor Summit;
- Conducted Production Support Roundtables;
- Supported successful fiscal year end close;
- Completed an upgrade of PeopleTools in the production environment;
- Implemented 32 enhancements in the production environment; and
- Provided quarterly reporting updates.

Promote a Customer-Focused Culture and Strengthen Efficiency

Treasury Investment Council (TIC)

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

Deferred Compensation Advisory Council (DCAC)

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

Interagency Advisory Council on Loss Prevention (IACLP)

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

Financial Literacy for Consumers

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

Approved Performance Measures	Approved Prior Year Standard FY 2022-23	Prior Year Actual FY 2022-23	Approved Standards for FY 2023-24	Requested FY 2024-25 Standard
Administrative Costs as a Percentage of Total Agency Costs	5.00%	3.85%	5.00%	5.00%
Administrative Positions as a Percentage of Total Agency Positions	6.00%	5.02%	6.00%	6.00%

LRPP Exhibit II - Performance Measures and Standards

Department: Department of Financial Services

Department Number: 43

Program: Office of Chief Financial Officer and Administration

Code: 43010000

Service/Budget Entity: Legal Services

Code: 43010200

Approved Performance Measures	Approved Prior Year Standard FY 2022-23	Prior Year Actual FY 2022-23	Approved Standards for FY 2023-24	Requested FY 2024-25 Standard
Percentage of closed files involving allegations of statutory violation that were successfully prosecuted	92%	99.73%	92%	92%

LRPP Exhibit II - Performance Measures and Standards

Department: Department of Financial Services

Department Number: 43

Program: Office of Chief Financial Officer and Administration

Code: 43010000

Service/Budget Entity: Information Technology

Code: 43010300

Approved Performance Measures	Approved Prior Year Standard FY 2022-23	Prior Year Actual FY 2022-23	Approved Standards for FY 2023-24	Requested FY 2024-25 Standard
Percentage of Scheduled Hours Computer and Network is Available	99.95%	99.95%	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%	95%	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

Approved Performance Measures	Approved Prior Year Standard FY 2022-23	Prior Year Actual FY 2022-23	Approved Standards for FY 2023-24	Requested FY 2024-25 Standard
Percentage of Cases Responded to and/or Referred Within Three (3) Business Days of Receipt	95%	100%	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

Approved Performance Measure	Approved Prior Year Standard FY 2022-23	Prior Year Actual FY 2022-23	Approved Standards for FY 2023-24	Requested FY 2024-25 Standard
Percentage of Scheduled Hours Computer and Network is Available	99%	99.43%	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 2022-23	Prior Year Actual FY 2022-23	Approved Standards for FY 2023-24	Requested FY 2024-25 Standard
Percentage of Collateral Administrative Program Transactions Completed within Three Business Days	97%	100%	97%	97%
Percentage of analyses of the Qualified Public Depositories completed within 90 days of the start of the analysis cycle	100%	100%	100%	100%

LRPP Exhibit II - Performance Measures and Standards

Department: Department of Financial Services

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

Approved Performance Measures	Approved Prior Year Standard FY 2022-23	Prior Year Actual FY 2022-23	Approved Standards for FY 2023-24	Requested FY 2024-25 Standard
Percentage of Core Accounting Processes That Meet Established Deadlines and Standards for Accuracy	98%	97%	98%	98%
Percentage by Which the Treasury's Investment Pool Exceeded the Blended Benchmark for a Rolling Three-Year Period	0.20%	0.20%	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

Approved Performance Measures	Approved Prior Year Standard FY 2022-23	Prior Year Actual FY 2022-23	Approved Standards for FY 2023-24	Requested FY 2024-25 Standard
Percentage of State Employees Participation in the State Deferred Compensation Plan	40.0%	40.0%	40.0%	40.0%

LRPP Exhibit II - Performance Measures and Standards

Department: Department of Financial Services

Department Number: 43	
Program: Financial Accountability for Public Funds	Code: 43200000
Service/Budget Entity: State Financial Information and State Agency Accounting	Code: 43200100

Approved Performance Measure	Approved Prior Year Standard FY 2022-23	Prior Year Actual FY 2022-23	Approved Standards for FY 2023-24	Requested FY 2024-25 Standard
Number of Contracts Reviewed	1,100	1,267	1,100	1,100

LRPP Exhibit II - Performance Measures and Standards

Department: Department of Financial Services

Department Number: 43

Program: Financial Accountability for Public Funds

Service/Budget Entity: Recovery and Return of Unclaimed Property

Code: 43200000

Code: 43200200

Approved Performance Measures	Approved Prior Year Standard FY 2022-23	Prior Year Actual FY 2022-23	Approved Standards for FY 2023-24	Requested FY 2024-25 Standard
Percentage of Claims Processed within 60 Days from Date Received (Cumulative Total)	60%	75%	60%	60%
Number of Reported Accounts Uploaded into UPMIS	2.2 million	3.1 million	2.2 million	2.2 million
Number of Claims Paid and Dollar Amount of Claim Payments	400,000 / \$240 million	491,226 / \$345.2 million	400,000 / \$240 million	400,000 / \$240 million
Number of New Holders Reporting Unclaimed Property in the Fiscal Year	2,300	2,067	2,300	2,300

LRPP Exhibit II - Performance Measures and Standards

Department: Department of Financial Services

Department Number: 43	
Program: Financial Accountability for Public Funds	Code: 43200000
Service/Budget Entity: Florida Planning, Accounting and Ledger Management (PALM)	Code: 43200300

Approved Performance Measures	Approved Prior Year Standard FY 2022-23	Prior Year Actual FY 2022-23	Approved Standards for FY 2023-24	Requested FY 2024-25 Standard
Percentage of Time that the Solution Application in the Production Environment(s) are Available for Access and Use by Their Intended Users	99.70%	100%	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

Approved Performance Measures	Approved Prior Year Standard FY 2022-23	Prior Year Actual FY 2022-23	Approved Standards for FY 2023-24	Requested FY 2024-25 Standard
Percentage of Fire Code Inspections Completed within Statutory Defined Timeframes	100%	100%	100%	100%
Percentage of Mandated Regulatory Inspections Completed	100%	100%	100%	100%
Number of Regulatory Inspections Completed	1,000	957	1,000	1,000
Number of Entity Requests for Licenses, Permits and Certifications Processed within Statutorily Mandated Time Frames	8,000	8,180	8,000	8,000

LRPP Exhibit II - Performance Measures and Standards

Department: Department of Financial Services

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

Approved Performance Measures	Approved Prior Year Standard FY 2022-23	Prior Year Actual FY 2022-23	Approved Standards for FY 2023-24	Requested FY 2024-25 Standard
Percentage of Fire College students passing certification exam on first attempt	75%	89%	75%	75%
Number of students trained and classroom contact hours provided by the Florida State Fire College	5,500/175,000	3,542/187,054	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	34	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

Approved Performance Measures	Approved Prior Year Standard FY 2022-23	Prior Year Actual 2022-23	Approved Standards for FY 2023-24	Requested FY 2024-25 Standard
Administrative Costs as a Percentage of Program Agency Costs	5.70%	2.46%	5.70%	5.70%
Administrative Positions as a Percentage of Total Program Positions	11.00%	11.43%	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

Approved Performance Measures	Approved Prior Year Standard FY 2022-23	Prior Year Actual FY 2022-23	Approved Standards for FY 2023-24	Requested FY 2024-25 Standard
Average Loss Adjustment Expense per Claim Worked	\$1,850	\$2,311	\$1,850	\$1,850
Percentage of Indemnity and Medical Payments Made in a Timely Manner in Compliance with DFS Rule 69L-24.006, F.A.C.	95%	99.75%	95%	95%
Percentage of Tort Liability Claim Files Resolved within Four (4) Years Without Litigation	81%	91%	81%	81%
Percentage of Liability Claims Closed in Relation to Liability Claims Worked During the Fiscal Year	64%	60.59%	64%	64%
Number of Workers' Compensation Claims Worked	22,000	16,121	22,000	22,000
Number of Liability Claims Worked	6,000	5,780	6,000	6,000
Number of State Property Loss/Damage Claims Worked	120	1,388	120	120
Number of Agency Loss Prevention Training and consultation events conducted during the fiscal year (top three (3) agencies)	80	1,403	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 2022-23	Prior Year Actual FY 2022-23	Requested FY 2023-24 Standard	Requested FY 2024-25 Standard
Percentage of Service Requests Closed within 30 Days	95.0%	97.38%	95.0%	95.0%
Percentage of Non-Claimant Invoices Paid within 40 Days	96.0%	99.23%	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

Approved Performance Measures	Approved Prior Year Standard FY 2022-23	Prior Year Actual FY 2022-23	Approved Standards for FY 2023-24	Requested FY 2024-25 Standard
Cost of Licensing Operations per Active License	\$2.80	\$2.32	\$2.80	\$2.80
Average Direct Cost of Investigation Operations per Completed Investigation	\$1,100	\$1,400.62	\$1,100	\$1,100
Average Number of Investigations Completed per Investigator	100	86.5	100	100
Average Number of Applications Processed per Licensing FTE	3,750	4,626.7	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 2022-23	Prior Year Actual FY 2022-23	Approved Standards for FY 2023-24	Requested FY 2024-25 Standard
Percentage of Helpline Call and Service Request Audits That Result in Quality Service	95%	96%	95%	95%
Percentage of Answered Phone Calls That are Answered within Four Minutes	80%	40%	80%	80%
Cost of Helpline Operations Per Call Completed	\$12.01	\$25.72	\$12.01	\$12.01
Cost of Service Requests Operations Per Service Request Completed	\$116.53	\$77.38	\$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 2022-23	Prior Year Actual FY 2022-23	Approved Standards for FY 2023-24	Requested FY 2024-25 Standard
Percentage of Funeral Establishment Inspections That Do Not Require Quality Control Follow-Up	98%	100%	98%	98%
Percentage of Investigations Submitted by Legal to Probable Cause Panel in Which the Panel Agrees with the Division's Probable Cause Recommendation	98%	97%	98%	98%
Average Time (Days) to Close an Investigation	65	56.5	65	65
Percentage of Deficiency Letters Sent out within 15 Business Days of Receiving the Application	88%	92%	88%	88%

LRPP Exhibit II - Performance Measures and Standards

Department: Department of Financial Services

Department Number: 43	
Program: Licensing and Consumer Protection	Code: 43500000
Service/Budget Entity: Public Assistance Fraud	Code: 43500700

Approved Performance Measures	Approved Prior Year Standard FY 2022-23	Prior Year Actual FY 2022-23	Approved Standards for FY 2023-24	Requested FY 2024-25 Standard
Dollar Amount of Benefits Withheld, Saved and Recouped as a Percentage of Public Assistance Fraud Annual Budget	500%	464%	500%	500%
Number of Completed Cases Resulting in Referral for Disqualification or Prosecution	3,000	1,334	3,000	3,000

LRPP Exhibit II - Performance Measures and Standards

Department: Department of Financial Services

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

Approved Performance Measures	Approved Prior Year Standard FY 2022-23	Prior Year Actual FY 2022-23	Approved Standards for FY 2023-24	Requested FY 2024-25 Standard
Percentage of overall accepted claims Electronic Data Interchange (EDI) form filings	82%	78%	82%	82%
Percentage of first indemnity payments made timely	95%	93%	95%	95%
Number of employer investigations conducted	32,000	27,515	32,000	32,000
Percentage of disputes resolved for injured workers by the Employee Assistance Office	90%	98%	90%	90%
Number of Petitions for Reimbursement Dispute Resolution resolved	4,000	6,110	4,000	4,000

LRPP Exhibit II - Performance Measures and Standards

Department: Department of Financial Services

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

Approved Performance Measures	Approved Prior Year Standard FY 2022-23	Prior Year Actual FY 2022-23	Approved Standards for FY 2023-24	Requested FY 2024-25 Standard
Percentage of arson cases cleared	20%	30%	20%	20%
Percentage of closed fire investigations successfully concluded, by cause: incendiary, accidental or undetermined.	80%	85%	80%	80%

LRPP Exhibit II - Performance Measures and Standards

Department: Department of Financial Services

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

Approved Performance Measures	Approved Prior Year Standard FY 2022-23	Prior Year Actual FY 2022-23	Approved Standards for FY 2023-24	Requested FY 2024-25 Standard
Number of EOD Requests for Assistance	586	381	586	586
Number of K-9 Requests for Assistance	386	691	386	386

LRPP Exhibit II - Performance Measures and Standards

Department: Department of Financial Services

Department Number: 43

Program: Division of Investigative and Forensic Services

Service/Budget Entity: Forensic Services

Code: 43700000

Code: 43700200

Approved Performance Measure	Approved Prior Year Standard FY 2022-23	Prior Year Actual FY 2022-23	Approved Standards for FY 2023-24	Requested FY 2024-25 Standard
Lab case turnaround time	10	4.13	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

Approved Performance Measures	Approved Prior Year Standard FY 2022-23	Prior Year Actual FY 2022-23	Approved Standards for FY 2023-24	Requested FY 2024-25 Standard
Percentage of Referrals that Result in Opened Cases	10%	10%	10%	10%
Percentage of Opened Cases That Result in Presentations	46%	32%	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

Approved Performance Measures	Approved Prior Year Standard FY 2022-23	Prior Year Actual FY 2022-23	Approved Standards for FY 2023-24	Requested FY 2024-25 Standard
Percentage of Referrals That Result in Opened Cases	34%	54%	34%	34%
Percentage of Opened Cases That Result in Presentations	24%	24%	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: Licensing and Consumer Protection
Service/Budget Entity: Licensure, Sales Appointment and Oversight/43500200
Measure: Average number of investigations completed per investigator

Action:

- | | |
|---|--|
| <input type="checkbox"/> Performance Assessment of <u>Outcome</u> Measure | <input type="checkbox"/> Revision of Measure |
| <input 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
100	86.5	-13.5	14.5%

Factors Accounting for the Difference:

Internal Factors (check all that apply):

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

Explanation:

The average number of investigations completed per investigator was significantly lower than the past fiscal year. The decrease was due to the increase in the Division vacancy rate. In addition to the vacancy, Hurricane Ian caused staff additional workload unrelated to their regular investigative duties. As a result of these factors the Division is handling fewer investigations per investigator.

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:

Hurricane Ian landed in the Ft. Myers area in late September. Investigative staff were pulled away from their normal duties to assist with hurricane disaster relief efforts

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:

During the 2022/2023 legislative session, management requested and received additional salary dollars for retention and recruitment of investigators. Increasing retention and higher wages to be competitive with recruitment will decrease the cost of investigation operations per completed investigation.

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
\$1,100	\$1,400.62	+300.62	24%

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:

The average cost of investigation operations per completed investigation was significantly higher than the past fiscal year. The increase was due to the increase in the Division vacancy rate. In addition to the vacancy, Hurricane Ian caused staff additional workload unrelated to their regular investigative duties. As a result of these factors the Division is handling more investigations with less staff.

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:

Hurricane Ian landed in the Ft. Myers area in late September. Investigative staff were pulled away from their normal duties to assist with hurricane disaster relief efforts.

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:

During the 2022/2023 legislative session, management requested and received additional salary dollars for retention and recruitment of investigators. Increasing retention and higher wages to be competitive with recruitment will decrease the cost of investigation operations per completed investigation.

LRPP Exhibit III: PERFORMANCE MEASURE ASSESSMENT

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:

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

Approved Standard	Actual Performance Results	Difference (Over/Under)	Percentage Difference
\$12.01	\$25.72	\$13.71	73%

Factors Accounting for the Difference:

Internal Factors (check all that apply):

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

Explanation:

Performance results were significantly higher the past fiscal year. This increase was due to an increase in the Division’s vacancy rate which led to a reduction in helpline operation hours. This impact resulted in a decrease in our operational expenses. In addition, a decrease in the number of calls completed was seen since helpline hours were reduced and consumers are being directed to the website to submit insurance questions and concerns. As a result of these factors the Division is handling less calls.

External Factors (check all that apply):

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

Explanation:

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

- Training
- Personnel
- Technology
- Other (Identify)

Recommendations:

The Division is currently monitoring the increase in the cost per call completed but expects once our vacancy rate decreases and our helpline hours of operation increase the performance results should realign with the approved standard.

LRPP Exhibit III: PERFORMANCE MEASURE ASSESSMENT

Department: Department of Financial Services
Program: Licensing and Consumer Protection
Service/Budget Entity: Consumer Assistance/43500400
Measure: Percentage of Answered Phone Calls that are Answered Within Four Minutes

Action:

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

Approved Standard	Actual Performance Results	Difference (Over/Under)	Percentage Difference
80%	40%	-40%	67%

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:

During the past fiscal year, the Division experienced an extremely high turnover rate. Many of our experienced team members retired early or received promotional opportunities outside the Division. The loss of experienced team members and the difficulty of hiring and retaining staff has caused a spike in long hold times.

External Factors (check all that apply):

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

Explanation:

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

- | | |
|---|---|
| <input 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. Recruiting and retaining staff is our highest priority which should result in bringing the vacancy rate down. We've implemented changes to the Division website, updated the helplines Interactive Voice Response (IVR) with messages that address the long hold times and recommend consumers visit our website to submit an insurance question or concern.

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%	75%	(7)	-7%

Factors Accounting for the Difference:

Internal Factors (check all that apply):

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

Explanation:

External Factors (check all that apply):

- | | |
|--|--|
| <input type="checkbox"/> Resources Unavailable | <input type="checkbox"/> Technological Problems |
| <input type="checkbox"/> Legal/Legislative Change | <input type="checkbox"/> Natural Disaster |
| <input type="checkbox"/> Target Population Change | <input 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: Industry recruitment and retention issues are impacting the performance. The standard is dependent on the industry performance of electronically filing claim data.

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: 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	24,703	(7,297)	-22%

Factors Accounting for the Difference:

Internal Factors (check all that apply):

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

Explanation:

Recruitment and retention challenges for the investigator positions decreases the number of investigations that can be conducted.

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:

Hurricane recovery in the state will affect the number of days and weeks available as the investigators educate any impacted areas during the recovery period prior to returning to investigations. the Bureau's ability to conduct onsite investigations. Additionally, private sector salaries and benefits also contribute to the retention challenges.

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:

In-person job fairs in multiple cities in addition to the People First advertisements.

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%	93.5%	(1.5)	-1.5%

Factors Accounting for the Difference:

Internal Factors (check all that apply):

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

Explanation:

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:

Industry recruitment and retention issues are impacting the performance. The standard is dependent on the industry performance of issuing timely first payments to injured workers.

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: Division of Investigative and Forensic Services
Service/Budget Entity: Fire, Arson, and Explosives Investigations/43700100
Measure: Number of EOD Request for Assistance.

Action:

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

Approved Standard	Actual Performance Results	Difference (Over/Under)	Percentage Difference
586	381	+205	-34.42%

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:

Correct the Standard measure by returning it to 386. The Standard for the K9 measure (586) was swapped with the EOD Standard of (386) and vice versa for EOD Standard being swapped with K9 Standard.

External Factors (check all that apply):

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

Explanation: N/A

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

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

Recommendations:

Make the correction by returning it to 386. This correction will produce the following results:

Approved Standard	Actual Performance Results	Difference (Over/Under)	Percentage Difference
386	381	-5	-1.3%

LRPP Exhibit III: PERFORMANCE MEASURE ASSESSMENT

Department: Department of Financial Services

Program: Insurance Fraud

Service/Budget Entity: 43700300

Measure: Percentage of Opened Cases that resulted in presentations

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
46%	32% (663)	(282)	-14%

Factors Accounting for the Difference:

Internal Factors (check all that apply):

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

Explanation: Recruitment and retention continues to be an issue for the division. In FY 22/23 DIFS averaged 34 vacant Detective FTE's. Of the existing FTE's, Insurance Fraud Detectives were assigned and focused on more complex cases involving property and casualty fraud. These cases included a substantial amount of time on surveillance and acting in an undercover capacity.

External Factors (check all that apply):

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

Explanation:

In addition to the high number of vacancies, the Division deployed the existing members to Hurricane Ian for approximately 1.5 months.

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

Continued efforts have been made to recruit and retain qualified applicants. These efforts include implementation of a career path program and requests for a base pay increase for detectives. Additional resources have been provided by the legislature to aid in the purchase and utilization of a new database that is designed to help with complex cases and investigation efficiency.

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

Recommendations:

An internal category change has been made and a revisit of 3 year averages in order to update approved standard.

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%	UNDER	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:

No significant difference. 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: 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	1,334	-1,666	55%

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:

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.

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:

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: 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:

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

Approved Standard	Actual Performance Results	Difference (Over/Under)	Percentage Difference
500%	464%	-36%	8%

Factors Accounting for the Difference:

Internal Factors (check all that apply):

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

Explanation:

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.

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:

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: Fire Marshal

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

Measure: Administrative Positions as a Percentage of Total Program Positions

Action:

- | | |
|---|---|
| <input type="checkbox"/> Performance Assessment of <u>Outcome</u> Measure | <input 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
11%	11.43%	+0.43%	+3.9%

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: The number of total FTE positions divided by the Administrative Positions will give us the Actual Performance Results.

External Factors (check all that apply):

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

Explanation:

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

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

Recommendations:

LRPP Exhibit III: PERFORMANCE MEASURE ASSESSMENT

Department: Department of Financial Services

Program: Fire Marshal

Service/Budget Entity: Compliance and Enforcement/43300200

Measure: Number of Regulatory Inspections Completed

Action:

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

Approved Standard	Actual Performance Results	Difference (Over/Under)	Percentage Difference
1000	957	-43	-4.3%

Factors Accounting for the Difference:

Internal Factors (check all that apply):

- | | |
|--|--|
| <input type="checkbox"/> Personnel Factors | <input type="checkbox"/> Staff Capacity |
| <input type="checkbox"/> Competing Priorities | <input type="checkbox"/> Level of Training |
| <input type="checkbox"/> Previous Estimate Incorrect | <input 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 variance in this measure is attributed to economic growth or decline by the number of licenses that are renewed or applied for.

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: Fire Marshal

Service/Budget Entity: Professional Training and Standards/43300400

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

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
75%	89%	+14.2%	14.2%

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: Consistent and frequent evaluation from students and monitoring classes ensured correct information is delivered by instructors.

External Factors (check all that apply):

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

Explanation:

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

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

Recommendations:

LRPP Exhibit III: PERFORMANCE MEASURE ASSESSMENT

Department: Department of Financial Services

Program: 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 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	4,267/189,383	-1,233/+14,383	-22.4%/+8.22%

Factors Accounting for the Difference:

Internal Factors (check all that apply):

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

Explanation:

External Factors (check all that apply):

- | | |
|--|---|
| <input type="checkbox"/> Resources Unavailable | <input type="checkbox"/> Technological Problems |
| <input 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 personnel attended training at the Fire College. Reduction of classes offered during the initial onset and impact from COVID 19.

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: Fire Marshal

Service/Budget Entity: Professional Training and Standards/43300400

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

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
3	34	+31	600%

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: Outside agencies worked with the Bureau to obtain additional certifications in areas that are not offered as statewide programs. Reaccreditation is completed at five (5) year intervals. In intervening years, we expect to achieve three as a norm, but in the fifth year the large numbers occurs as that would be the normal reaccreditation cycle for most BFST programs.

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: 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	2,067	233 Under	10% Under

Factors Accounting for the Difference:

Internal Factors (check all that apply):

- | | |
|--|--|
| <input type="checkbox"/> Personnel Factors | <input type="checkbox"/> Staff Capacity |
| <input type="checkbox"/> Competing Priorities | <input type="checkbox"/> Level of Training |
| <input 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 new holders reporting/remitting unclaimed property.

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: Department of Financial Services

Program: State Property and Casualty Claims

Service/Budget Entity: Self Insured Claims Adjustment/43400100

Measure: Average loss adjustment expense per claim worked.

Action:

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

Approved Standard	Actual Performance Results	Difference (Over/Under)	Percentage Difference
\$1,850	\$2,311	\$461	24.92%

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:

Actual performance results are calculated by dividing the sum of defined operating expenditures by the total number of claims worked during the measured fiscal year. For FY2022-23, total operating expenditures increased by 7.06% or \$3,547,891 while the number of worked claims decreased by 10.68% or 2,785 claims. Operating expenditures increased primarily due to hourly rate increases for defense attorneys and increases in adjusting services related to hurricanes Ian and Nicole. The number of claims worked decreased in FY 2022-23 due to a significant drop in workers' compensation claims. The combination of increasing operating costs and decreasing worked claims caused the actual results in FY 2022-23 to be 25% above the approved standard.

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

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

Recommendations:

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

LRPP Exhibit III: PERFORMANCE MEASURE ASSESSMENT

Department: Department of Financial Services

Program: State Property and Casualty Claims

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

Measure: 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%	60.59%	(3.41%)	(5.33%)

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: State Property and Casualty Claims

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

Measure: Number of Workers' Compensation Claims Worked

Action:

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

Approved Standard	Actual Performance Results	Difference (Over/Under)	Percentage Difference
22,000	16,121	(5,879)	26.72%

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 total number of claims filed decreased significantly in 2022-2023, causing a reduction in the number of claims worked.

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

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

Recommendations:

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

LRPP Exhibit III: PERFORMANCE MEASURE ASSESSMENT

Department: Department of Financial Services
Program: State Property and Casualty Claims
Service/Budget Entity: State Self-Insured Claims Adjustment/43400100
Measure: Number of Liability Claims Worked

Action:

- | | |
|--|--|
| <input 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
6,000	5780	(220)	3.67%

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 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:

While the number of liability claims worked was 220 claims or 3.7% below the approved standard, the number of liability claims worked increased 6% over the prior fiscal year performance results.

The number of liability claims worked is calculated by adding together the liability claims open at the beginning of the fiscal year and the number of new claims received during the fiscal year. Annual results will fluctuate depending on the volume of new claims received, as well as the volume of claims still open at the beginning of the fiscal year. The number of new claims received during fiscal year 2022-2023 increased by 365 over fiscal year 2021-2022. However, new claims received in the last two fiscal years are still below pre-pandemic levels, which has resulted in the number of liability claims worked remaining below the approved standard.

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

- Training
- Personnel

- Technology
- Other (Identify)

Recommendations:

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



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: 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):

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

Requested Revision:

The Division requests that the measure change to the “Percentage of Applications for Licensure Completed Within Statutorily Mandated Time Period.”

On or around June 28, 2022, the Office of Inspector General (OIG) audited the Division’s Fiscal Year 2020-21 performance measure. The OIG recommended that the Division update the measure, such as expressing it as a percentage, to increase the measure’s effectiveness. The Division agrees with the OIG’s recommendation and believes that a percentage value is the most appropriate analysis strategy. Accordingly, the Division requests to change the data from a raw number to a percentage value of 100%.

Data Sources and Methodology:

The data source and methodology will remain the same.

Validity:

The measure will remain valid.

Reliability:

The measure will remain reliable.

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:

.

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: 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:

Division staff maintains activity logs tracking both the total number of agency and university loss prevention staff that received training and consultation services provided. Activity information is reported monthly to the Loss Prevention Section Administrator, who then compiles and reports this information to Division management monthly via a performance activity report.

Report data is further broken down to identify the activities provided to or attended by loss prevention staff at the three agencies with the highest total claim costs. Given the varied nature of training activities and consultative services available, and the varying amount of time these activities may take to be completed, a set unit for training events is needed in order to count the events in an equitable manner. For this measure, one training event is defined as sixty (60) minutes of training or consultation for a single agency staff member. The measure counts all training events conducted during the fiscal year, by agency, for the three agencies with the highest total claim costs.

Validity:

The Division is requesting the annual performance standard be set at 120 training and consultation events for the top three (3) agencies. The previous standard was originally determined using the actual performance results for FY 2013-14.

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)

Validity Continued:

The methods for achieving the standard include formal classroom training, on-line training courses, formal on-site consultations, and informal consultations such as telephone calls, e-mails or informal meetings. These services assist in the reduction of claims filed throughout all lines of coverage provided to state agencies by providing agency loss prevention staff with the conceptual skills, information, and technical resources needed to implement or improve their agency's loss prevention programs.

Training is offered through an online learning management system maintained by the Loss Prevention Section, as well as formal classroom sessions, and webinars. Training participation logs and generated reports from the learning management systems document the number of training courses completed by individual trainees. Consultations are defined as any formal or informal contact involving agency or university loss prevention program staff. Issues discussed must pertain to loss control, loss prevention or other risk management and workplace safety issues. A spreadsheet is maintained by the Loss Prevention Section to track the number of consultations conducted by topic, agency, and agency staff member consulted.

Reliability:

Original agenda, sign-in sheets, copies of resource materials, and completion reports are maintained in the Division's shared drive.

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.

Requested Revision:

The Division is requesting a revision to the measure to better reflect the results of all inspections conducted by the Division, not just the inspection of funeral establishments. For this reason, the Division is requesting that the definition of the performance measure be changed as follows:

Percentage of ~~funeral establishment~~ inspections that do not require quality control follow-up

The Division also proposes updates to the data sources and methodology for the measurement to incorporate current processes.

Data Sources and Methodology:

The Division regulates Florida's deathcare industry, which consists of approximately 10,000 licensees in 23 different types of licenses. By statute the Division must annually inspect each licensed facility, including each licensed cemetery, centralized embalming facility, cinerator facility, direct disposal establishment, funeral establishment, monument establishment builder, monument establishment retailer, refrigeration facility, and removal facility. Prior to licensure, each establishment must also be inspected to ensure compliance with the applicable statutes and rules. Similar inspections are conducted of the facilities which close during the year. In addition to completing inspections, Division field staff also conduct trust account examinations and investigations.

In FY 22-23, the Division field staff completed 1,661 inspections. Due to staffing shortages, these inspections were primarily conducted by 9 employees. Each inspection employs a detailed checklist which requires a review of issues particular to that type of license. For example, the checklist for the annual inspection of a funeral establishment

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

Data Sources and Methodology Continued:

comprises over 145 checkpoints/fields which must be considered by the inspector in determining if the establishment is in compliance with all relevant statutes and rules. Issues for review in a funeral establishment inspection include confirmation that the funeral establishment is properly licensed, the preparation room is properly equipped, the establishment has a funeral director in-charge (FDIC), the establishment maintains a consumer complaint log, deceased bodies are properly stored and maintained, and other requirements are met to ensure compliance with the law.

An inspection assignment is opened at the direction of the inspection team manager or Division management. The inspection is then assigned to an employee on the Division's inspection team to conduct the inspection. When necessary (e.g., during periods of staffing shortages), the inspection may be assigned to an employee on another of the Division's field teams. When the inspection is completed, the employee who conducted the inspection (the "inspector") submits the inspection report to the inspection team manager. The inspection team manager reviews the report to ensure that the inspection is complete. The inspection results are then additionally reviewed by another supervisory level. It is these supervisory reviews which determine if the inspection is complete. If it is not deemed complete, the inspector will be asked to conduct additional follow-up. Examples of follow-up activities include obtaining additional documentation or conducting additional on-site inspection(s). If the inspection is complete with no findings, the supervisor will close the inspection in the Division's assignment tracking system. If the inspection report indicates findings of violations, however, the supervisor will forward the inspection file to Division management for further review. When warranted, the Division forwards the file to the Department's Office of the General Counsel for appropriate administrative or other legal action.

On a monthly basis, the inspection team manager provides a report to Division management on the progress of the inspections that month. That report includes the total number of inspections completed during the month and the total number of inspections which required follow-up. This measure is calculated by dividing the total number of inspections that require follow-up each year by the total number of inspections conducted each year.

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

Validity:

The Division is responsible for the administration and enforcement of chapter 497, Florida Statutes, and rule chapter 69K, Florida Administrative Code, regarding the regulation of Florida's deathcare industry. 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 delivers 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 inspection function. The Division achieves cost effectiveness when it is not required to follow-up to complete tasks that should have been completed during the initial inspection. The measure and underlying data are unbiased, focusing solely on the percentage of inspections which do not require follow-up activity.

Reliability:

The measure will remain reliable. Reports on the Division's progress on this measure are prepared for management review each month. These reports, and their supporting documentation, are stored, backed-up, and archived in accordance with the Department's server and data management guidelines. Although data necessary to calculate this performance measure's results must be manually researched and calculated, it is reviewed

by at least two supervisory levels each month prior to reporting the monthly results and then again at the end of the year for the LRPP reporting.

LRPP EXHIBIT IV: Performance Measure Validity and Reliability

Department: Department of Financial Services

Program: Licensing and Consumer Protection

Service/Budget Entity: Funeral and Cemetery Services/43500500

Measure: Percentage of Investigations Submitted by Legal to Probable Cause Panel in Which the Panel Agrees with the Division's Probable Cause Recommendation

Action (check one): N/A

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

Data Sources and Methodology:

Validity:

Reliability:

LRPP EXHIBIT IV: Performance Measure Validity and Reliability

Department: Department of Financial Services

Program: Licensing and Consumer Protection

Service/Budget Entity: Funeral and Cemetery Services/43500500

Measure: Average Time (Days) to Close an Investigation

Action (check one): N/A

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

Data Sources and Methodology:

Validity:

Reliability:

LRPP EXHIBIT IV: Performance Measure Validity and Reliability

Department: Department of Financial Services

Program: Licensing and Consumer Protection

Service/Budget Entity: Funeral and Cemetery Services/43500500

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

Action (check one): N/A

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

Methodology:

Validity:

Reliability:

LRPP EXHIBIT IV: Performance Measure Validity and Reliability

Department: Department of Financial Services

Program: Licensing and Consumer Protection

Service/Budget Entity: Public Assistance Fraud/43500700

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

Action (check one): N/A

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

Methodology:

Validity:

Reliability:

LRPP EXHIBIT IV: Performance Measure Validity and Reliability

Department: Department of Financial Services

Program: Licensing and Consumer Protection

Service/Budget Entity: Public Assistance Fraud/43500700

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

Action (check one): N/A

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

Data Sources and Methodology:

Validity:

Reliability:

LRPP EXHIBIT IV: Performance Measure Validity and Reliability

Department: Department of Financial Services

Program: Workers' Compensation

Service/Budget Entity: Workers' Compensation/43600100

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

Action (check one): N/A

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

Data Sources and Methodology:

Validity:

Reliability:

LRPP EXHIBIT IV: Performance Measure Validity and Reliability

Department: Department of Financial Services

Program: Workers' Compensation

Service/Budget Entity: Workers' Compensation/43600100

Measure: Percentage of First Indemnity Payments Made Timely

Action (check one): N/A

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

Data Sources and Methodology:

Validity:

Reliability:

LRPP EXHIBIT IV: Performance Measure Validity and Reliability

Department: Department of Financial Services

Program: Workers' Compensation

Service/Budget Entity: Workers' Compensation/43600100

Measure: Number of Employer Investigations Conducted

Action (check one): N/A

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

Data Sources and Methodology:

Validity:

Reliability:

LRPP EXHIBIT IV: Performance Measure Validity and Reliability

Department: Department of Financial Services

Program: Workers' Compensation

Service/Budget Entity: Workers' Compensation/43600100

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

Action (check one): N/A

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

Data Sources and Methodology:

Validity:

Reliability:

LRPP EXHIBIT IV: Performance Measure Validity and Reliability

Department: Department of Financial Services

Program: Workers' Compensation

Service/Budget Entity: Workers' Compensation/43600100

Measure: Number of Petitions for Reimbursement Dispute Resolution Resolved

Action (check one): N/A

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

Data Sources and Methodology:

Validity:

Reliability:

LRPP EXHIBIT IV: Performance Measure Validity and Reliability

Department: Department of Financial Services

Program: 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): N/A

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

Data Source 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.

Requested Revision:

- 1) Rename the Measure to describe it more accurately. Rename the measure to: Number of Bomb Squad Activities and Incidents. The military is associated with the Acronym EOD, whereas civilian law enforcement identifies with the term Bomb Squad.
- 2) Correct the Standard measure by returning it to 386. The Standard for the K9 measure (586) was swapped with the EOD Standard of (386) and vice versa for EOD Standard being swapped with K9 Standard.

Methodology:

These revisions do not impact the methodology, the data for this measure comes from the Bomb Arson Tracking System using the below criteria for counts.

(Assist Another Agency, Assist Another Investigator, Community Outreach - Demonstration/Presentation, Court Testimony, Courtroom Attendance (non-testimony), Demo Range Operation, Demonstration, Deposition, Deposition, Disassembly, Disposal / Destruct, Evidence Examination, Explosives Relief Investigation, Explosives Sweep (Other Than Special Event), Explosives Transfer, Fire Inspection and Code Enforcement, Fire Scene Exam, Investigative Searches (Non-Search Warrant / Non-Canine), Law Enforcement Activity, Liaison, Magazine Custodian, Magazine Inspection, Magazine Inventory, Operational Standby / Special Events, Protective Detail, Routine Disposal Operations, Research & Development, Search Warrant (Assist), Search Warrant Affidavit Prep, SWAT / Explosives Breaching, SWAT / Operational Standby, SWAT / Robot Assist, SWAT/ Tactical Bomb Technician, Task Force Participation, Technical Assist, Trial Prep, Undercover Support).

Validity:

The measure will remain valid.

Reliability:

The measure will remain reliable.

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.

Requested Revision:

Correct the Standard measure by returning it to 586. The Standard for the EOD measure (386) was swapped with the K9 Standard of (586) and vice versa for K9 Standard being swapped with EOD Standard.

Data Sources and Methodology:

This measure requires no new methodology.

Validity:

The measure will remain valid.

Reliability:

The measure will remain reliable.

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: 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: Florida Statutes directs the Bureau of Insurance Fraud (BIF)/ Bureau of Worker’s Compensation Fraud (BWCF) to investigate and establish criminal cases against all persons and entities violating the state’s insurance fraud and workers’ compensation fraud statutes, insurance and workers’ compensation federal codes and other related statutes. ACISS, the Division of Investigative and Forensic Services’ complaint database, contains the investigatory data, which is retrieved weekly and monthly through DIFS Snapshot reports. The percentage of opened cases that resulted in presentations calculation is completed by dividing the number of presentations by the number of open cases for the reporting period. The inclusion of an additional category (CLOSED – Tip consolidated w/an active investigation) accounts for unused data prior to this change. The requested % change is from 46% to 36% average, with 36% being the three (3) year average based on updated data. This process for initiating cases and investigating cases allows BIF/BWCF to meet the Department’s goal to successfully conduct investigations associated with insurance fraud.

Validity: BIF/BWCF’s operational performance enables it to conduct its investigations and leads to successfully prosecuted investigations. In order to obtain the percentages, a mathematical equation is required. The numerator is the number of presentations submitted for prosecution within the respective fiscal year. The denominator is the number of opened cases within the same fiscal year. Since BIF/BWCF directly controls a portion of the measure (data entry), efficiency in entering data may impact the measure as ACISS is a dynamic database. These procedures ensure the validity of this measure.

Reliability: The proposed measure unbiasedly represents the total number of cases BIF/BWCF opened and successfully presented for the specified period. The ACISS system is the Division’s controlled-access, third-party system that tracks cases. 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.

Percentage of Complaints Opened into Cases				
Measure:	FY 19/20	FY 20/21	FY 21/22	FY 22/23
Complaints	15,991	15,665	17,315	19,847
Opened Cases	1,390	1,282	1,520	2,145
% of complaints opened into cases (does not include complaints consolidated with an active investigation)	8.7%	8.2%	8.8%	10.8%
Merged complaint	314	382	607	
New open case total	1,704	1,664	2,127	Last 3 yr Avg
New percentage	34%	38%	36%	36%

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 2023-24	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
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 2023-24	Associated Activities Title
3	Percentage of closed files involving allegations of statutory violation that were successfully prosecuted	ACT0020 General Counsel/Legal

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

Measure Number	Approved Performance Measures for 43010300 FY 2023-24	Associated Activities Title
4	Percentage of scheduled hours computer and network is available	ACT0330 Information Technology-Computer Operations ACT0340 Information Technology-Network Operations ACT0350 Information Technology-Desk Top Support
5	Percentage of customers who returned a customer service satisfaction rating of at least four (4) on a scale of one (1) to five (5) on surveys	ACT0320 Information Technology-Application Development/Support ACT0330 Information Technology-Computer Operations ACT0340 Information Technology-Network Operations ACT0350 Information Technology-Desk Top Support
6	Establish a comprehensive functional inventory of Department software applications	ACT0320 Information Technology-Application Development/Support ACT0330 Information Technology-Computer Operations ACT0340 Information Technology-Network Operations ACT0350 Information Technology-Desk Top Support

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

Measure Number	Approved Performance Measures for 43010400 FY 2023-24	Associated Activities Title
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

Measure Number	Approved Performance Measures for 43010500 FY 2023-24	Associated Activities Title
9	Percentage of Scheduled Hours Computer and Network is Available (FLAIR)	ACT0300 Information Technology-Executive Direction

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

Measure Number	Approved Performance Measures for 43100200 FY 2023-24	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.

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

Measure Number	Approved Performance Measures for 43100300 FY 2023-24	Associated Activities Title
12	Percentage of Core Accounting Processes That Meet Established Deadlines and Standards for Accuracy	ACT 1330 Receive Funds, Process Payments of Warrants and Provide Account and Reconciliation Services
13	Percentage by Which the Treasury's Investment Pool Exceeded the Blended Benchmark for a Rolling Three-Year Period	ACT 1310 Investment of Public Funds

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

Measure Number	Approved Performance Measures for 43100400 FY 2023-24	Associated Activities Title
14	Percentage of State Employees Participation in the State Deferred Compensation Plan	ACT 1410 Administer the State Supplemental Deferred Compensation Plan

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

Measure Number	Approved Performance Measures for 43200100 FY 2023-24	Associated Activities Title
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

Measure Number	Approved Performance Measures for 43200200 FY 2023-24	Associated Activities Title
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

Measure Number	Approved Performance Measures for 43200300 FY 2023-24	Associated Activities Title
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

Measure Number	Approved Performance Measures for 43300200 FY 2023-24	Associated Activities Title
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

Measure Number	Approved Performance Measures for 43300400 FY 2023-24	Associated Activities Title
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

Measure Number	Approved Performance Measures for 43300500 FY 2023-24	Associated Activities Title
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 2023-24	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 2023-24	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

Measure Number	Approved Performance Measures for 43500200 FY 2023-24	Associated Activities Title
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

Measure Number	Approved Performance Measures for 43500400 FY 2023-24	Associated Activities Title
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

Measure Number	Approved Performance Measures for 43500500 FY 2023-24	Associated Activities Title
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 (15) Business Days of Receiving the Application	ACT5470 Examine and Regulate Licensees in the Funeral & Cemetery Business (Chapter 497) to Ensure Regulatory Compliance

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

Measure Number	Approved Performance Measures for 43500700 FY 2023-24	Associated Activities Title
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

Measure Number	Approved Performance Measures for 43600100 FY 2023-24	Associated Activities Title
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

Measure Number	Approved Performance Measures for 43700100 FY 2023-24	Associated Activities Title
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

Measure Number	Approved Performance Measures for 43700200 FY 2023-24	Associated Activities Title
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 2023-24	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 2023-24	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 2022-23			
SECTION I: BUDGET			OPERATING		FIXED CAPITAL OUTLAY	
TOTAL ALL FUNDS GENERAL APPROPRIATIONS ACT			432,623,973		44,615,000	
ADJUSTMENTS TO GENERAL APPROPRIATIONS ACT (Supplementals, Vetoes, Budget Amendments, etc.)					-10,073,838	
FINAL BUDGET FOR AGENCY			506,411,814		34,541,162	
SECTION II: ACTIVITIES - MEASURES			Number of Units	(1) Unit Cost	(2) Expenditures (Allocated)	(3) FCO
Executive Director, Administrative Support and Information Technology (2)						34,541,162
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.			5,206	85.06	442,834	
Process Transactions, Account Changes And Audit Functions * Number of account actions taken on regulatory collateral deposit accounts.			66,783	16.48	1,100,490	
Investment Of Public Funds * Average Dollar Volume of Funds Invested			60,700,000.00	0.00	964,661	
Provide Cash Management Services * Number of cash management consultation services.			20	137,800.20	2,756,004	
Receive Funds, Process Payment Of Warrants And Provide Account And Reconciliation Services * Number of financial management/accounting transactions processed and reports produced.			2,980,000	0.72	2,152,417	
Administer The State Supplemental Deferred Compensation Plan * Number of Participant account actions processed by the Bureau of Deferred Compensation.			1,708,438	1.09	1,869,493	
Accounting And Reporting Of State Funds * State Accounts Managed in the Florida Accounting Information Reporting System.			36,230	128.69	4,662,406	
Migrate Current Accounts Payable Procedures To Electronic Commerce * Payments issued electronically to settle claims against the state.			10,106,375	0.09	860,198	
Conduct Pre-audits Of Selected Accounts Payable * Vendor payment requests that are pre-audited for compliance with statutes and contract requirements			320,866	24.83	7,967,381	
Process State Employees Payroll * Payroll payments issued			3,164,089	0.69	2,198,274	
Conduct Post-audits Of Payroll * Post-audits completed of state agencies payroll payments to determine compliance with statutes			7	13,581.14	95,068	
Conduct Fiscal Integrity Investigations * Fiscal integrity investigations completed to investigate allegations or suspicions of fraud, waste or abuse.			21	42,735.43	897,444	
Article V - Clerk Of The Courts - N/A			21	15,576.05	327,097	
Collect Unclaimed Property * Accounts reported by holders of unclaimed property.			3,095,341	1.16	3,580,709	
Process And Payment Of Unclaimed Property * Payments processed for claims of unclaimed property.			491,226	7.68	3,771,683	
License The Fire Protection Industry * Number of entity requests for licenses, permits and certificates processed within statutorily mandated time frames.			8,180	80.63	659,560	
Perform Fire Safety Inspections * Number of inspections of fire code compliance completed.			14,792	330.11	4,883,040	
Review Construction Plans For Fire Code Compliance * Number of construction plans reviewed.			437	1,554.65	679,381	
Perform Boiler Inspections * Number of boiler inspections completed by department inspectors.			1,011	722.06	729,999	
Investigate Fires Accidental, Arson And Other * Total number of closed fire investigations involving economic or physical loss.			1,870	11,667.90	21,818,976	
Provide State, Local And Business Professional Training And Education * Number of classroom contact hours provided by the Florida State Fire College.			187,054	15.30	2,862,184	
Provide State, Local And Business Professional Standards, Testing And Statutory Compliance * Number of examinations administered.			10,422	125.97	1,312,840	
Provide Forensic Laboratory Services * Number of evidence items and photographic images processed.			150,241	8.21	1,234,163	
Fire Incident Reporting * Number of total incidents reported to the Florida Fire Incident Reporting System.			2,831,651	0.12	343,700	
Provide Adjusting Services On State Workers' Compensation Claims * Number of workers' compensation claims worked.			16,121	2,433.82	39,235,559	
Provide Adjusting Services On State Liability Claims * Number of liability claims worked.			5,780	2,388.37	13,804,787	
Process Property Claims On State Owned Buildings (structure And Contents) * Number of state property loss/damage claims worked.			1,388	1,756.14	2,437,525	
Provide Risk Services Training And Consultation * Number of agency loss prevention staff trained during the fiscal year.			1,403	1,546.76	2,170,105	
Rehabilitate And/Or Liquidate Financially Impaired Insurance Companies * Number of insurance companies in receivership during the year.			15	51,676.60	775,149	
Review Applications For Licensure (qualifications) * Number of applications for licensure processed.			187,957	15.32	2,879,706	
Administer Examinations And Issue Licenses * Number of examinations administered and licenses authorized.			82,692	20.74	1,714,840	
Administer The Appointment Process From Employers And Insurers * Number of appointment actions processed.			2,674,936	0.29	770,251	
Administration Of Education Requirements (pre Licensing And Continuing Education) * Number of applicants and licensees required to comply with education requirements.			379,789	1.23	468,434	
Investigate Agents And Agencies * Number of agent and agency investigations completed.			2,683	2,138.13	5,736,611	
Investigate Insurance Fraud (general) * Number of insurance fraud investigations completed (not including workers- compensation).			1,072	25,275.57	27,095,408	
Investigate Workers' Compensation Insurance Fraud * Number of workers' compensation insurance fraud investigations completed.			382	10,805.32	4,127,631	
Respond To Consumer Request For Assistance * Number of consumer requests and informational inquiries handled.			58,447	74.95	4,380,563	
Provide Consumer Education Activities * Number of visits to the Consumer Services website.			436,809	1.45	632,710	
Answer Consumer Telephone Calls * Number of telephone calls answered through the consumer helpline.			85,067	57.74	4,911,911	
Examine And Regulate Licensees In The Funeral & Cemetery Business (chapter 497) To Ensure Regulatory Compliance * Number of examinations and inspections completed.			2,055	1,436.11	2,951,210	
Monitor And Audit Workers' Compensation Insurers To Ensure Benefit Payments * Number of claims reviewed annually.			96,721	48.29	4,670,362	
Verify That Employers Comply With Workers' Compensation Laws * Number of employer investigations conducted.			24,703	628.26	15,519,806	
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.			489	10,908.25	5,334,132	
Provide Reimbursement For Workers' Compensation Claims Paid By Insurance Carriers On Employees Hired With Preexisting Conditions * Number of reimbursement requests (SDF-2) audited.			907	1,522.17	1,380,609	
Collection Of Assessments From Workers' Compensation Insurance Providers * Amount of assessment dollars collected.			66,314,280	0.01	706,261	
Data Collection, Dissemination, And Archival * Number of records successfully entered into the division's databases.			5,605,246	0.72	4,044,233	
Reimbursement Disputes * Number of petitions resolved annually			9,762	182.41	1,780,682	
Public Assistance Fraud Investigations * Number of public assistance fraud investigations conducted.			2,270	3,616.51	8,209,469	
Approve And License Entities To Conduct Insurance Business. * Number of Certificates of Authority (COAs) processed.			45	23,610.98	1,062,494	
Conduct And Direct Market Conduct Examinations. * Number of examinations and investigations completed for licensed companies and unlicensed entities			228	15,383.12	3,507,352	
Conduct Financial Reviews And Examinations. * Number of financial reviews and examinations completed.			8,439	2,401.65	20,267,498	
Review And Approve Rate And Form Filings. * Number of rate and forms review completed.			11,280	872.12	9,837,501	
Examine And Regulate Financial Services Companies To Ensure Regulatory Compliance. * Examinations of non-depository financial service companies to determine compliance with regulations.			329	14,415.69	4,742,762	
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.			22,193	110.16	2,444,842	
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.			99	120,385.24	11,918,139	
Examine And Enforce Laws Regarding International Financial Institutions To Ensure Safety And Soundness. * Number of international financial institutions examined to ensure safety and soundness.			8	104,538.63	836,309	
Conduct Financial Investigations Into Allegations Of Fraudulent Activity. * Number of financial investigations into allegations of fraudulent activity.			156	30,122.31	4,699,081	
Examine And Regulate Money Services Businesses To Ensure Regulatory Compliance * Examinations of money services businesses conducted to determine compliance with regulations.			92	60,060.60	5,525,575	
Examine And Regulate Securities Firms, Branches To Ensure Regulatory Compliance. * Conduct examinations of securities firms and branches.			173	31,766.51	5,495,606	
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.			74,757	32.74	2,447,200	
TOTAL					296,692,295	34,541,162
SECTION III: RECONCILIATION TO BUDGET						
PASS THROUGHS						
TRANSFER - STATE AGENCIES						
AID TO LOCAL GOVERNMENTS						
PAYMENT OF PENSIONS, BENEFITS AND CLAIMS						
OTHER						
REVERSIONS						
TOTAL BUDGET FOR AGENCY (Total Activities + Pass Throughs + Reversions) - Should equal Section I above. (4)			506,411,758		34,700,505	
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 Director, 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	304,006	
43010400	1602000000	ACT1040	INSURANCE CONSUMER ADVOCATE	663,719	
43010500	1603000000	ACT1050	INFORMATION TECHNOLOGY - FLAIR	16,115,185	
43010100	1602000000	ACT1060	MY SAFE FLORIDA HOMES	13,678,560	
43200100	1601000000	ACT2010	PASS THROUGH FROM PRISON INDUSTRY	302,645	
43200100	1601000000	ACT2140	CONDUCT POST-AUDITS OF MAJOR	317,829	
43200300	1603000000	ACT2180	FLORIDA ACCOUNTING INFORMATION	40,608,994	
43200100	1601000000	ACT2195	PASS THROUGH FLORIDA CLERKS OF	2,223,459	
43300200	1202000000	ACT3250	CONSTRUCTION MATERIALS MINING	690,475	
43300400	1202000000	ACT3430	PASS-THROUGH GRANTS AND AIDS	1,419,444	
43300500	1202000000	ACT3440	PASS-THROUGH GRANTS AND AIDS LOCAL	798,911	
43300500	1202000000	ACT3530	PASS THROUGH - TRANSFER TO	2,000,000	
43700200	1205000000	ACT3610	MAINTENANCE AND REPAIR	293,147	
43400100	1601000000	ACT4150	PURCHASE OF EXCESS INSURANCE	11,153,549	
43400100	1601000000	ACT5510	HURRICANES AND OTHER NATURAL	3,375,351	

43600100	1102020000	ACT6010	TRANSFER TO 1ST DISTRICT COURT OF	2,040,090
43900110	1204000000	ACT9150	HURRICANE RATE/RISK MODEL	1,093,689
43600100	1102020000	ACT9940	TRANSFER TO THE UNIVERSITY OF	250,000

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

DEPARTMENT: 43	EXPENDITURES	FCO
FINAL BUDGET FOR AGENCY (SECTION I):	506,411,814	34,541,162
TOTAL BUDGET FOR AGENCY (SECTIONS II + III):	506,411,758	34,700,505
	-----	-----
DIFFERENCE:	56	159,343-
(MAY NOT EQUAL DUE TO ROUNDING)	=====	=====

*FCO difference is due to the 159,343 reverted in category 080990 in budget entity 43300400.

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.

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

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

TF: Trust Fund.

TRW: Technology Review Workgroup.

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

WAN: Wide Area Network (Information Technology).



FINANCIAL SERVICES
COMMISSION

RON DESANTIS
GOVERNOR

JIMMY PATRONIS
CHIEF FINANCIAL OFFICER

ASHLEY MOODY
ATTORNEY GENERAL

WILTON SIMPSON
COMMISSIONER OF
AGRICULTURE

OFFICE OF INSURANCE REGULATION

MICHAEL YAWORSKY
COMMISSIONER

September 29, 2023

Chris Spencer, Director
Office of Policy and Budget
Executive Office of the Governor
1701 Capitol
Tallahassee, Florida 32399-0001

Tim Sadberry, Staff Director
Senate Committee on Appropriations
201 The Capitol
Tallahassee, Florida 32399-1100

J. Eric Pridgeon, Staff Director
House Appropriations Committee
221 The 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 2024-25 through Fiscal Year 2028-29. The internet website address that provides the link to the LRPP located on the Florida Fiscal Portal is www.floir.com. This submission of our LRPP has been approved by me.

Sincerely,

Michael Yaworsky
Insurance Commissioner

Long Range Program Plan

Fiscal Years 2024-2025 through 2028-2029



Michael Yaworsky
Insurance Commissioner



Michael Yaworsky
Florida Insurance Commissioner

Michael Yaworsky was nominated by Governor DeSantis and appointed by the Financial Services Commission to serve as the Florida Insurance Commissioner in March 2023.

Prior to his nomination, Mr. Yaworsky served as the Vice Chairman of the Florida Gaming Control Commission and served as the Florida Office of Insurance Regulation's (OIR) Chief of Staff from 2017 – 2021. As OIR's Chief of Staff, he assisted in overseeing one of the largest insurance markets in the world by serving as a policy advisor to the Commissioner and managing agency fiscal matters and administrative operations.

Prior to joining OIR, Mr. Yaworsky served as Legal Counsel for the Georgia Office of Insurance and Safety Fire Commissioner, where he was responsible for advising the Commissioner and senior staff on policy decisions and performing administrative, regulatory and litigation duties associated with the legal unit. He also served as Counsel for the Office of President Pro Tempore in the Georgia Senate from 2014 – 2015.

Mr. Yaworsky honed his skills serving the state of Florida in a variety of government, regulatory and legislative positions from 2006 - 2011. This included working as Chief of Staff with the Florida Department of Business and Professional Regulation and Director of Gubernatorial Appointments and Cabinet Aide at the Executive Office of the Governor.

Mr. Yaworsky has a Bachelor's degree in Social Science from Florida State University and a Juris Doctor degree from Samford University's Cumberland School of Law. He has been a member of the Georgia Bar since 2014.

Mr. Yaworsky also serves on the Board of Directors for Family Promise of the Big Bend. Family Promise of the Big Bend is a nonprofit organization dedicated to ending homelessness in the Big Bend through leadership, education, advocacy, and the provision of quality services.

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) 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) 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) 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) 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.

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) 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%	100%	100%

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) 3.A.1: Percentage of financial examinations completed in compliance with the NAIC accreditation standards.

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) 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) 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) 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) 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 2023-24

Table 1.			
Appropriations Overview - Office of Insurance Regulation			
Positions	FY 2022-23	FY 2023-24	Change
Full-time equivalent (FTE) positions	282	310	28
Funding (By Budget Category)	FY 2022-23	FY 2023-24	Change
Salaries and Benefits	\$22,777,674	\$30,881,086	\$8,103,412
Other Personal Services (OPS)	\$533,537	\$842,220	\$308,683
Expenses	2,429,835	2,728,296	\$298,461
Operating Capital Outlay	\$1,000	\$1,000	\$0
Contracted Services	\$1,780,726	\$3,130,726	\$1,350,000
Financial Examination Contracts*	\$5,901,763	\$5,901,763	\$0
Florida Public Hurricane Loss Model (Maintenance)	\$1,031,689	\$1,273,439	\$241,750
Lease or Lease-Purchase of Equipment	\$47,603	\$47,603	\$0
Risk Management Insurance	\$80,813	\$95,901	\$15,088
DMS Human Resources Contract	\$83,957	\$110,447	\$26,490
	\$34,668,597	\$45,012,481	\$10,343,884
<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. OIR regulates more than 4,830 entities which account for more than 3.5 percent of Florida's GDP in 2010. More than 213,000 Floridians are employed in the insurance sector.¹

2. Reduce Taxes. OIR does not have taxing authority but has helped reduce both the likelihood and amount of any future assessments levied against Floridians to pay the claims of Citizens Property Insurance Corporation (Citizens) policyholders. It has done so through the rate and take-out approval process. During FY 2022-23, OIR approved an additional 95,156 policies for take-out.² As of June 30, 2023, Citizens' policy count had increased from the previous year to 1,317,174.

3. Regulatory Reform. In Fiscal Year 2022-23, the Financial Services Commission (FSC) approved and amended 17 rules proposed by OIR.

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 2021-2022, 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. Also, OIR continues to monitor expenses and has made concerted efforts to reduce unnecessary expenditures such as software renewals and I.T. equipment.

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

¹ U.S. Department of Commerce, Bureau of Economic Analysis,
https://apps.bea.gov/iTable/?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=2020&tableid=31&category=431&area_type=0&statistic=1004

² www.citizensfla.com.

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 through 120.56, 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 2023-24 is \$45.6 million, with 310 full-time equivalent positions. It is funded entirely through the Insurance Regulatory Trust Fund and receives no state general revenue funds. In FY 2021-22, OIR spent over 93 percent of every dollar received on regulatory responsibilities. Administrative costs accounted for less than 7 percent of the funds spent.

a. Certificates of Authority

OIR is actively engaged in licensing insurance companies and certain other insurance related entities through the Certificate of Authority (COA) application process. Florida law requires OIR to approve or deny a complete application for a new COA for an insurance company within 180 days of receipt. OIR must approve or deny a new COA for other entities within 90 days, with the exception of continuing care retirement

communities, which are approved or denied within 45 days. Amendments to existing COA for insurance companies must be approved or denied within 90 days.³

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 2022-23, OIR processed a total of 11,280 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.

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 2022-23, OIR completed 8,439 financial analyses.

³ Section 120.60(1), F.S.

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. In 2023, the Florida Legislature enacted laws requiring mandatory examinations of certain property and casualty insurers after hurricanes occur and mandatory examinations of pharmacy benefit managers. 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 2022-23, OIR completed and finalized a total of 18 examinations and 210 investigations resulting in the recovery of \$2.76 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 2021-22, OIR recovered over \$6.99 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, 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 2022-23, an additional 158 insurance and insurance-related entities entered the Florida market, and 422 new lines of business were added.⁴ 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.

⁴ Compiled by the Florida Office of Insurance Regulation from the COREN database as of August 21, 2023.

f. Data Collection and Analyses

OIR engaged in extensive data collection and analyses in FY 2022-23 related to:

- Access Control List Review (Twice per year for security)
- Annual Reinsurance Data Collection (3 individual data calls)
- Assignment of Benefits (annual)
- Auditor General IT survey (annual)
- Catastrophe Reporting Form (as needed)
- Catastrophe Stress Test (annual)
- Claims-Handling Manuals-Annual Attestation (annual)
- Department of Revenue /Legislature Tax Premium Report (annual)
- Donor Annuity Agreements (ongoing)
- HMO Provider Contract Terminations (ongoing)
- Individually Rated Risks and Excess (Consent-to-Rate) Rates (quarterly)
- 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 (GAP) (annual)
- Market Conduct Annual Statement (annual)
- Market Conduct Rescinded Policy reporting (ongoing)
- Medicare Supplement Multiple Reporting Form (annual)
- Private Passenger Automobile Policy Count (quarterly)
- Private Passenger Automobile Excessive Profits and policy count reporting (annual)
- Professional liability claims reporting (ongoing)
- Property and casualty annual calendar year experience (annual)
- Property and casualty personal and commercial residential policy data (QUASR) (quarterly)
- Personal and Commercial Residential Property Claims Litigation Reporting (annual)
- Quarterly Comprehensive Health Reporting (quarterly)
- Regulatory Life Settlement Agreements reporting to the states (quarterly)
- Shared Savings Incentive Program (annual)
- 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 2022-23.

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 2022-23.

There were four primary Insurance Regulation Filing System (IRFS) projects worked on during the past year.

- Market Regulation Tracking System (MRTS)
 - Provides Market Regulation staff in both Life & Health and Property & Casualty units with a workflow driven system to create, work, and report upon their inquiries rather than continuing to enter and track them in spreadsheets.
 - Completed implementation of application to create and review MRTS filings.
 - Developed supporting admin tools and made data available in the Internal Search.
 - Fulfilled enhancement requests.
- Applications (iApply/WECAA)
 - Re-written as part of the IRFS solution to allow entities to submit company applications.
 - Designed and built internal application to review company admission filings.
 - Developed supporting admin tools and made data available in the Internal Search.
- Content Search
 - Completed development of an application to allow internal Product Review users to search ten years of form data for approved form language to assist in reviewing filings.
 - Used Content Search functionality to automatically relate filings;
- Entity Management
 - Enhanced IRFS security by giving entities the ability to approve filers request to file on behalf of the entity.
 - In addition to controlling access to their entities, administrators can view filings created by all filers for the entity and reassign filings among users as needed.

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

- Public Records Request Tracking (PRRT) enhancements including, but not limited to, grouping and organizing documents by type, email modifications, adding user instructions in reviews, adding cost involved indicators, providing separate estimate and fulfillment subreview types, and adding functionality to assign a FOIX # to a consent order when it is added to a review.
- Built template and macros to collect and validate large amounts of data for SB76 (Property Claims and Litigation data call).
- Made numerous IRFS Dashboard enhancements to calculations and types of data being displayed.

Changes were also made to other systems:

- Changed the Commissioner name on letterhead and external applications.
- Rebranded all external systems to match the look and feel of FLOIR.com.
- Changed FAME to use IRFS Invoicing.

- Changed QUASR to allow companies to trade secret their QUASR files.
- Changed QUASR to add new claims fields.
- Started work on enhancements to the Access Request System (ARS).
- Began the 2019 server migration.
- Replaced Aspose with OfficeWriter for stamping and .pdf generation.
- Refreshed databases DEV4, TST4, and UAT4.
- Decommissioned legacy system DCAM.
- Switched the NAIC database connection from Oracle to Snowflake.
- Upgraded QUASR SSRS reports to 2019.

3. Market Conditions in Florida

As of July 12, 2023, OIR had oversight of 4,920 entities in Florida.⁵ The Florida homeowners' insurance market is the largest in the nation based on premium volume. Market conditions in Florida can be assessed against a variety of criteria, including market entry (new entities), market concentration/competition, premium volume, premium rates, company financial condition, and size of residual markets.

a. Market Entry

See section 1.e above regarding new entities and new lines of business for existing entities.

b. Market Concentration

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

Line of Business	Top Writer	Top 5 Writers	Top 10 Writers
Accident and Health	13.0	47.2	65.5
Commercial Multi-Peril	5.2	20.1	35.3
Homeowners Multi-Peril	15.6	39.4	53.1
Life	9.7	29.5	46.0
Medical Malpractice	14.7	42.8	55.9
Private Passenger Auto	14.1	51.9	69.6
Title	30.1	78.2	93.1
Workers Compensation	8.6	24.0	36.5

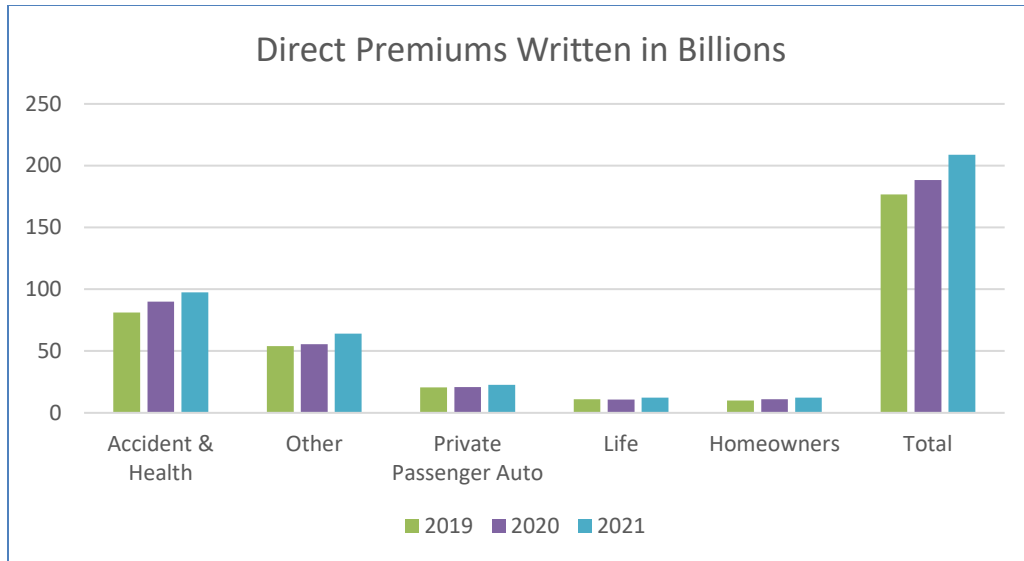
c. Premium volume

As shown in Figure 2, Florida is continuing to experience steady premium growth. Among all writers, total written premium expanded from \$188.3 billion at year-end 2020 to \$235.4 billion in year-end 2022.⁶

Figure 2⁸

⁵ Compiled by the Florida Office of Insurance Regulation from the COREN database as of July 12, 2023.

⁶ Compiled by the Florida Office of Insurance Regulation from NAIC Calendar Year 2022 company-reported premium data.



d. Premium rates

Rate trends vary across insurance lines. Health insurance rates continue to increase at a stable rate. Approved rates for individual major medical plans for the 2023 plan year represent an average increase of 5.3 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 recent hurricane seasons, the impact of higher non-catastrophe claim costs, and excessive litigation costs⁷. However, the Legislature has made efforts to control rising costs with multiple reforms.

During the 2021 Legislative Session, reforms in SB 76 were signed into law to increase the cap on premium increases that Citizens policyholders may receive in a year, reduces 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.

During the 2022D Special Legislative Session, additional reforms in SB 2D were signed into law to:

- Provide the Reinsurance to Assist Policyholders (RAP) program which provides all insurers a level of \$2B free reinsurance below the Florida Hurricane Catastrophe Fund (FHCF) retention. Insurers were required to reduce their rates by June 30, 2022, to reflect the savings attributed to RAP coverage;

⁷ <https://www.flor.com/siteDocuments/CommerceCommitteeDataRequest.pdf> and <https://flor.com/siteDocuments/ChairIngoglia04022021.pdf>

- Changed Assignment of Benefits (AOB) laws providing that a claimant must establish that a property insurer breached the insurance contract to prevail in a claim for extracontractual damages;
- State that in a property lawsuit, the right to attorney fees under s. 627.428, F.S., may not be transferred to, assigned to, or acquired in any other manner by anyone other than a named or omnibus insured or a named beneficiary;
- Added a provision for personal lines residential property policies for a roof deductible that may not exceed the lesser of 2% of the coverage A limit of the policy or 50% of the cost to replace the roof for certain events;
- Restricting when roof age may be used by the insurer to refuse to issue or renew a homeowner's policy;
- Adding a 45-day physical inspection requirement after receipt of proof of loss statement for claims other than those from a hurricane; and

During the 2022A Special Legislative Session, continued reforms in SB 2A were signed into law to:

- Create the Florida Optional Reinsurance Assistance program (FORA), an optional hurricane reinsurance program that insurers can purchase at 'reasonable rates.'
- Reduce the deadline for policyholders to report a claim under the policy from 2 years to 1 year for a new or reopened claim, and from 3 years to 18 months for a supplemental claim.
- Authorize OIR to subject any authorized insurer to a market conduct examination after a hurricane and provides OIR with additional oversight over the financial health of property insurers.
- Enable OIR to take punitive action against a property insurer found to be abusing arbitration during the claims handling process, providing more protection for insureds when dealing with their insurance companies.
- Litigation Reforms:
 - Completely removes one-way attorney fees for property insurance cases, eliminating a major incentive contributing to frivolous lawsuits.
 - Prohibits the use of AOB under any residential or commercial property insurance policy issued on or after January 1, 2023, preventing further AOB abuse by third-party actors.

During the 2023 Legislative Session, two reforms (HB 837 related to Civil Remedies and SB 7052 related to Insurer Accountability) were signed into law to:

HB 837

- Modify Florida's "bad faith" framework by clarifying that negligence alone is not enough to demonstrate bad faith, and by allowing an insurer to avoid third-party bad faith liability if the insurer pays the policy limits or the amount demanded by the claimant within 90 days of receiving the claim.
- Limit the application of contingency fee multipliers to only rare circumstances, aligning Florida law with federal standards.

- Extend SB 2A's removal of one-way attorney fees in property insurance cases to other lines of business, eliminating the opportunity for bad actors to pursue excessive litigation in other areas of the insurance market.

SB 7052 (Section 24)

- Require every residential property insurer and every motor vehicle insurer rate filing made or pending with the Office on or after July 1, 2023 to provide data relative to the combined effects of these past provisions: SB 76 (2021), SB 2D (2022D), SB 2A (2022A), HB 837 (2023).

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

Workers' compensation rates are down an average of approximately 74 percent since 2003. There have been several major decisions which have impacted the workers' compensation market.

- Senate Bill 1402 (2016) 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, 2021, 2022 and 2023. 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 are rising, on average, due to an increased frequency of claims, as well as increasing costs to repair and/or replace vehicles, increasing medical services costs and increased litigation. The cost of materials and the body work labor costs are going up. More and more cars are being outfitted with costly safety equipment that are located in places that have a high incidence of being damaged, which adds to the higher severity.

During the 2023 Legislative Session, additional reforms in HB837 and SB1002 were signed into law. Important changes include:

- Amendment of s. 95.11, F.S., reducing the statute of limitations from four years to two years for negligence actions, with the exception of active duty military.
- Adoption of a modified comparative negligence standard, under which a plaintiff found to be at 51% of fault or more will be unable to recover damages, with the exception of medical malpractice actions.
- Elimination of the one-way fee attorney fee provision under s. 627.48, F.S., which allowed plaintiffs to recover fees and costs if they made even a modest recovery. This may significantly reduce the volume of high-volume, nominal amount suits in practice areas like Personal Injury Protection, Auto Glass Claims, minor property claims, etc.
- Amendment of s. 57.104, F.S., creating a rebuttable presumption regarding the calculation of sufficient and reasonable attorney fees in most civil actions.
- Prohibition of AOB for motor vehicle glass replacement or repair.

These changes could potentially help to reduce the future claim frequency, claim severity or loss adjustment expenses and may offset some of the recent rate activities.

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. For domestic life insurers, direct written premium increased 1.84% from 2021, while policyholder surplus decreased 8.29% from 2021, and increased 1.58% since 2018. For health insurers, direct written premium increased 11.83% from last year and policyholder surplus increased, 16.61% from last year and 59.2% from 2018.

Comparing the results for Property and Casualty insurers from year-end 2021 to year-end 2022, direct premiums written increased 2.86%.^[1] Policyholder surplus decreased 2.95%. Florida's domestic property insurers have decreased their policies in force by 7.22% while foreign insurers have increased policies in force by 8.79%.

f. Residual markets

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 46.2% from year-end 2021 to year-end 2022.

4. New Laws

OIR continues to track and implement legislative changes at the state and national level.

^[1] Information contained in the NAIC Financial Data Repository.

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.

b. Florida

For a comprehensive list of legislation that passed during the 2022 Session affecting various types of insurance products and lines, see OIR's [2023 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;
- 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 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
- Rare Disease 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
- 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
- Property Insurer Stability Unit (ISU) Report (NEW)
- Insurer Accountability Compliance 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

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

LRPP Exhibit II - Performance Measures and Standards

43900000 Financial Services Commission				
Office of Insurance Regulation				
Approved Performance Measures for Fiscal Year 2022-23	Approved Prior Year Standard FY 2022-23 (Numbers)	Prior Year Actual FY 2022-23 (Numbers)	Approved Standards for FY 2023-24 (Numbers)	Requested FY 2024-25 Standard (Numbers)
43900110 Compliance and Enforcement				
Percentage of life and health form and rate filing reviews completed within 45 days.	90%	99.1%	90%	90%
Percentage of property and casualty form filing reviews completed within 45 days and rate filing reviews completed within 90 days.	90%	83%	90%	90%
Percentage of complete applications for a new certificate of authority processed within statutorily required timeframes.	98%	100.0%	98%	98%
Percentage of applications for a new certificate of authority for Life & Health and Property & Casualty processed within 90 days.	98%	100.0%	98%	98%
Percentage of market conduct examinations with violations in which the Office takes enforcement action.	85%	100%	100%	100%
Percentage of Financial Examinations of domestic insurers completed with the NAIC accreditation standards.	98%	76%	98%	98%
Percentage of priority Financial Analyses completed within 60 days.	98%	97.2%	98%	98%
Percentage of non-priority Financial Analyses completed within 90 days.	95%	98.2%	95%	95%
43900120 Executive Direction and Support Services				
Administrative costs as a percentage of total agency costs.	10%	6.5%	10%	10%
Administrative positions as a percentage of total agency positions.	10%	7.8%	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%	99.1%	N/A	9.1%

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 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%	83%	N/A	(5.3)%

Factors Accounting for the Difference:

Internal Factors (check all that apply):

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

Explanation:

This measure 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:

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%	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 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:

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%	100%	N/A	(5.3)%

Factors Accounting for the Difference:

Internal Factors (check all that apply):

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

Explanation:

This measure 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:

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 with the NAIC accreditation standards.

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%	76%	N/A	(8.53%)

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%	97.2%	N/A	(4.2)%

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 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%	98.2%	N/A	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 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%	6.5%	N/A	(3.6%)

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%	7.8%	N/A	(2.1%)

Factors Accounting for the Difference:

Internal Factors (check all that apply):

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

Explanation:

Increased Office efficiencies and legislative budget reductions in administrative positions have contributed to lower administrative positions.

External Factors (check all that apply):

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

Explanation:

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

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

Recommendations:

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

Measure Number	Approved Performance Measures for Fiscal Year 2022-2023	Associated Activities Title
1	Percentage of life and health form and rate filing reviews completed within 45 days.	Review and approve rate and form filings.
2	Percentage of property and casualty form filing reviews completed within 45 days, and rate filing reviews completed within 90 days.	Review and approve rate and form filings.
3	Percentage of complete applications for a new certificate of authority processed within statutorily required timeframes.	Approve and license entities to conduct insurance business.
4	Percentage of applications for a new certificate of authority for Life & Health and Property & Casualty processed within 90 days.	Approve and license entities to conduct insurance business.
5	Percentage of market conduct examinations with violations in which the Office takes enforcement action.	Conduct and direct market conduct examinations.
6	Percentage of Financial Examinations of domestic insurers completed within 18 months of the "as of" exam date.	Conduct financial reviews and examinations.
7	Percentage of priority Financial Analyses completed within 60 days.	Conduct financial reviews and examinations.
8	Percentage of non-priority Financial Analyses completed within 90 days.	Conduct financial reviews and examinations.
9	Administrative costs as a percentage of total agency costs.	Operate agency in an efficient manner.
10	Administrative positions as a percentage of total agency positions.	Operate agency in an efficient manner.

Office of Policy and Budget – June 2023



Commissioner Russell C. Weigel, III

LONG RANGE PROGRAM PLAN

Florida Office of Financial Regulation

Tallahassee, Florida

September 29, 2023

Chris Spencer, Director
Office of Policy and Budget
Executive Office of the Governor
1702 Capitol
Tallahassee, Florida 32399-0001

J. 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, the accompanying 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 2024-25 through Fiscal Year 2028-29. 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 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 2024-25 to 2028-29

September 29, 2023

OFFICE OF FINANCIAL REGULATION LONG RANGE PROGRAM PLAN

Table of Contents

Transmittal Letter	ii
Mission & Goals	3
Agency Service Outcomes	4
Linkage to Governor’s Priorities	7
Trends and Conditions	8
Executive Direction	8
Division of Financial Institutions	14
Division of Consumer Finance	17
Division of Securities	22
Bureau of Financial Investigations	27
Exhibit II – Performance Measures and Standards	32
Exhibit III – Performance Measure Assessment	38
Exhibit IV – Performance Measure Validity and Reliability	45
Exhibit V – Identification of Associated Activities	73
Exhibit VI – Unit Cost	78
Glossary of Terms and Acronyms	82

OFR Mission

To protect Florida's financial services consumers, promote a safe and sound financial marketplace, and contribute to the growth of Florida's economy 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 2024-25 Projected	FY 2025-26 Projected	FY 2026-27 Projected	FY 2027-28 Projected	FY 2028-29 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 2024-25 Projected	FY 2025-26 Projected	FY 2026-27 Projected	FY 2027-28 Projected	FY 2028-29 Projected
100%	95%	95%	95%	95%	95%

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 2024-25 Projected	FY 2025-26 Projected	FY 2026-27 Projected	FY 2027-28 Projected	FY 2028-29 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 institutions.

OUTCOME 2C-1: Percentage of financial institutions rating OFR high performing.

Baseline Year 2002-03	FY 2024-25 Projected	FY 2025-26 Projected	FY 2026-27 Projected	FY 2027-28 Projected	FY 2028-29 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 2024-25 Projected	FY 2025-26 Projected	FY 2026-27 Projected	FY 2027-28 Projected	FY 2028-29 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 2024-25 Projected	FY 2025-26 Projected	FY 2026-27 Projected	FY 2027-28 Projected	FY 2028-29 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 2024-25 Projected	FY 2025-26 Projected	FY 2026-27 Projected	FY 2027-28 Projected	FY 2028-29 Projected
41	130	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 2024-25 Projected	FY 2025-26 Projected	FY 2026-27 Projected	FY 2027-28 Projected	FY 2028-29 Projected
80%	81%	82%	83%	84%	84%

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 within 12 months of case opening.

Baseline Year 2009-10	FY 2024-25 Projected	FY 2025-26 Projected	FY 2026-27 Projected	FY 2027-28 Projected	FY 2028-29 Projected
60%	62%	64%	68%	72%	72%

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 2024-25 Projected	FY 2025-26 Projected	FY 2026-27 Projected	FY 2027-28 Projected	FY 2028-29 Projected
2:33 minutes	1:20 minutes	1:10 minutes	1:00 minute	1:00 minute	1:00 minute

LINKAGE TO GOVERNOR'S PRIORITIES

The Office of Financial Regulation aligns its goals and objectives to three 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 Safety**
 - *Support local and state law enforcement's ability to investigate and prevent criminal activity.*
 - *Develop and implement comprehensive threat assessment strategies to identify and prevent threats to the public.*
- **Public Integrity**
 - *Protect taxpayer resources by ensuring the faithful expenditure of public funds.*
 - *Promote greater transparency at all levels of the Office of Financial Regulation.*

This will be accomplished through the 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 Office of Financial Regulation (“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. As of June 30, 2023, the OFR has more than 525,796 registrants, licensees, and chartered entities.

Executive Direction

Executive Direction and Support Services (Executive Direction), headed by the Commissioner, includes the: Chief Operating Officer, Legislative Affairs Director, and Offices of Inspector General (OIG), General Counsel (OGC), Communications (OOC), and a Fintech policy advisor, who report to the Commissioner. Executive Direction also includes the Director of Budget & Analytics, the internal IT support team, Operations Manager and regional administrative support, all of whom report to the Chief Operating Officer. Executive Direction provides direction, executive guidance, legal, IT 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.

During FY 2020-2021, the OFR implemented an agency reorganization to enhance the services of the Office of General Counsel (OGC). Agency attorneys who had previously been assigned respectively to the Divisions of Consumer Finance, Securities, and Financial Institutions were transferred to the OGC and assigned to one of the three newly created operational areas: Internal Agency Services, Consultative and Regulatory Services, or Administrative and Civil Litigation Services. The goal of the newly created OGC is to maximize the work performance and effectiveness of the attorneys and to improve the legal services the attorneys provide agency wide. The growth in the OFR's licensee base has resulted in a corresponding growth in legal cases. With all OFR cases now flowing through a common supervisory chain of command, metrics show a compelling case for additional legal resources being needed.

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 operations and maintenance (O&M) contract. Additionally, the OFR received funds to leverage the re-procurement, migrate the Division of Financial Institutions into REAL, and facilitate the replacement of the custom web services portal with the VERSA-

Online - Commercial Off The Shelf (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 2026, the Office is seeking 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 seamlessly integrate with our Federal and corporate partners, will provide a greater value to the OFR and those citizens and industries we serve and regulate. The OFR has completed a feasibility study and needs analysis. The feasibility study and needs analysis constitute the core of the Schedule IV-B. The OFR has submitted a Legislative Budget Request seeking Legislative authority for an appropriation to procure and replace our aging REAL platform based on the documented need. This initiative will also seek to align the REAL system procurement with the State's cloud-first initiative in Chapter 282, Florida Statutes. Thus, the new REAL system is intended to comply with the rules governing IT infrastructure, security, and data governance in rule 60GG, F.A.C.

Employee Retention Efforts

The OFR has initiated steps to reduce staff turnover and increase staff retention by engaging in several approaches to compile and collect information.

- (1) Recruitment and Retention: The Legislature provided approximately \$4.4M in additional salaries and benefits for the OFR to address ongoing recruitment and retention needs over the last two legislative sessions. Beginning in October of 2023, the OFR will be able to target critical vacancies with competitive salaries and attempt to make significant progress in reducing both turnover and the overall vacancy rate.
- (2) Salary Realignment Project: In 2019, 2020, and 2022, the OFR conducted comprehensive reviews of salaries of existing OFR employees and new hires 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. This ongoing 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.
- (3) Employee Job Satisfaction. Starting in May 2020, the 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. 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 has developed a "Compliance Tips" section on the website to provide solutions to frequently recurring but avoidable compliance issues. It is hoped this will also reduce the number of public assistance requests and regulatory enforcement cases on these topics and saving the staff time that otherwise is dedicated to public responses.

- b. Pilot Project for Use of State Fleet Vehicles. The Bureau of Financial Investigations (Bureau) has continued to benefit from the use of state fleet vehicles through its partnership with the Department of Financial Services (DFS). In addition to allowing the Bureau to borrow DFS fleet vehicles from time to time for conducting onsite appearances and other enforcement related activities, the Bureau was also able to acquire at no cost two additional motor vehicles from DFS that were otherwise being taken out of service.
- c. Internal Inefficiency. The OFR amended the administrative rules governing the application process to allow the OFR to efficiently close expired applications where the applicant has failed to complete the application. The result of these changes is the elimination of some of the 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 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.

- d. “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 involvement programs:
- i. 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 OFR’s resources through innovation.
 - ii. 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 finance-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

Training is critical to the success of OFR’s 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. 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 OFR’s Bureau of Investigations are in the process of achieving Cybercrime certification.

OFR has continued to utilize 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 technology risk management, lending and loan modification standards, Bank Secrecy Act and anti-money laundering compliance, cryptocurrency blockchain 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 Meeting, the OFR has been able to facilitate and participate in effective meetings and training events, internally and with outside stakeholders. More recently, several units within OFR have begun to again participate in joint (in-person) training events, including a week-long, practical litigation-oriented workshop that was conducted between the BFI's investigators and attorneys from the OFR's OGC.

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 act 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, 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. In the 2022 Legislative Session, the Legislature passed

language effectively reaffirming the OFR's historical interpretation of money transmitter licensure and including virtual currency as a medium of exchange that not currency.

However, the growing prominence of all forms of cryptocurrencies in all aspects of the financial marketplace and the resulting overlap between the three regulatory divisions of the agency warrants a more dedicated regulatory focus within the OFR. Working directly through the Office of the Commissioner, a dedicated management level staff member is tasked to monitor industry developments and propose policy options to the Commissioner, Florida Legislature and Financial Services Commission.

(The remainder of this page left intentionally blank)

Division of Financial Institutions

The Office of Financial Regulation's Role in Financial Institution Supervision

Banks and credit unions in the United States are chartered and regulated under a dual banking system. Financial institutions may elect to have a national charter and a federal primary regulator, or they may choose to be chartered and regulated by the state in which they are headquartered. State-chartered banks and credit unions headquartered in Florida are regulated by the OFR. The OFR also regulates and licenses other financial entities including non-depository trust companies; branches, agencies, and offices of international banking organizations; family trust companies, and qualified limited service affiliates of international trust companies.

Florida-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 knowledgeable of the communities and markets in which the institution operates and allows for flexible, proactive, and responsive regulation. The Florida regulation of financial institutions, with its understanding of Florida's economy and consumers, is a benefit to the institutions as well as to the citizens of the state.

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

The Division of Financial Institutions (Division) has regulatory oversight of 200 state-chartered financial institutions and regulated entities, with approximate total assets of \$210 billion as of June 30, 2023. Florida-chartered trust companies and bank trust departments had total assets under administration / management of \$83.33 billion as of June 30, 2023. The financial institution industry continues to see consolidation, although the rate of mergers and acquisitions has tempered somewhat as a result of economic conditions that are less conducive to these activities. New bank formation and charter conversions continued throughout the past year. The number of state-chartered financial institutions has decreased by 20% 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 113% during the same period, which is indicative of the increasing complexity of Florida's state-chartered financial institutions.

While the number of De Novo bank formations has moderated, Florida continues to lead the nation in new state-chartered bank formations. The Division has chartered six De Novo banks in the last four years. The Division also chartered one non-depository Trust Company and licensed one new international branch of international banking organizations during the same timeframe. The Division currently has one pending De Novo bank application. Additionally, multiple financial institutions have converted from nationally chartered financial institutions to Florida state-chartered institutions over the past few years, thus increasing the size and complexity of financial institutions regulated by the Division.

The last few years have seen uncertainty and change in Florida's financial markets. After a long period of historically low interest rates, rates began an upward trend, rising significantly. The increase in rates is due to efforts of the Federal Reserve to reduce

historically high levels of inflation. High inflation continues to greatly impact the citizens of Florida and the United States as a whole. Florida's economy remains strong and vibrant despite the challenges of high inflation. While the increasing rate environment has resulted in reduced pressure on financial institutions' net interest margins, the OFR remains vigilant in its monitoring of potential effects the increasing rates and inflationary pressures could have on the ability of consumers to pay existing debts and impacts to liquidity in financial institutions. In its role as the regulator of the safety and soundness of Florida's state-chartered financial institutions, the OFR conducts routine examinations of its regulated entities and monitors economic changes and factors to ensure that its regulation is timely and appropriate.

Improving Taxpayer Value

The Division 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 working with Florida-chartered financial institutions to ensure that complaints are handled and resolved appropriately. When complaints are received against entities not regulated by the OFR, the complaint is referred to the appropriate agency in order to ensure that consumers receive the best service from decision makers which have jurisdictional power over a particular financial institution. The number of complaints received by the Division increased slightly from 436 in FY 2021-2022 to 497 for FY 2022-2023, representing an increase of approximately 14%. Of the 508 complaints processed in FY 2022-2023, 349, or approximately 68% of the complaints were referred to other agencies as the matter did not fall under the jurisdiction of the Division. Complaints that were referred to other agencies for FY 2022-2023 were processed and referred in approximately one day and complaints against state-chartered financial institutions were processed in approximately 18 days.

Deliver Value to Business

The Division continues to conduct its examinations utilizing a combination of onsite examinations, with portions of the examination conducted offsite when feasible. This allows the Division to leverage technology in order to complete thorough and detailed examinations while minimizing the regulatory burden to the institution and minimizing travel costs.

The Division continues to focus on reducing employee turnover and maintaining a well-trained and experienced examination team. In 2022, the Division was able to receive an increase in its budget to be utilized with the goal of increasing retention of experienced examiners. That increase continues to be used to address the increase in turnover rates. 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 will continue to make this a priority.

Promote a Safe and Sound Financial Marketplace

The Division 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. In the ever-changing and challenging economic environment, it is vital that the Division continue to assess not only the financial condition of regulated institutions, but also the ability of financial institutions' management and board of directors to identify, mitigate, and manage risk.

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, as part of its safety and soundness examination process, conducts examinations of financial institution's cybersecurity and information technology risk management. Cybersecurity and information technology risks continue to be a top threat to financial institutions, and training in this area continues to be a top priority of the Division. The Division continues to be supportive of innovation in the financial institutions industry, while keeping the financial institution marketplace safe and sound and retaining a strong examination team.

Legislation

During the 2024 Legislative Session, the Division will monitor any legislation affecting the financial institutions industry. The Division continues to monitor and gather information related to potential statutory needs related to emerging financial technology, including blockchain, cryptocurrency, and modern delivery channels of financial services. The Division's goal is to create a more competitive and welcoming atmosphere in which potential and current financial institutions can comfortably engage with the OFR as its chosen regulator, while ensuring that all regulated entities are safe and sound.

Division of Consumer Finance

The Division of Consumer Finance (Division) 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
- Director's Office

Bureau of Enforcement

The Bureau of Enforcement (Bureau) 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. During the FY 2022 – 23, the Bureau opened 298 examinations, of which 182 were field exams and 116 limited scope exams. The Bureau also closed 422 examinations, of which 70 were field exams and 352 limited scope exams.

The Bureau is responsible for the examination of 23 different types of licensed entities and the continuous monitoring of the activities of existing licensees and registrants.

The Bureau conducts examinations of money services businesses pursuant to a statutorily mandated five year examination cycle. In addition, the Bureau is required to investigate all complaints filed with the OFR regarding Consumer Collection Agencies. For all other finance laws, the Bureau 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 OFR 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 OFRs' 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 OFR's intended action. The OFR 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 OFR affecting Florida consumers also result from these close relationships.

Bureau of Registration

The Bureau of Registration (Bureau) 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, 2023, there were 15,353 businesses, 57,541 branches/vendors and 57,514 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, which includes reviewing an individual credit report. 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 the 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 Secure and Fair Enforcement for Mortgage Licensing Act (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 reviews, tracks, and maintains pertinent information regarding the final approval or denial decision. In addition to the information maintained in the REAL System, the NMLS is also viewed by all state regulators as the system of record for licensure information is considered the national source for consumer to verify if an individual, business, or branch office is licensed. The OFR retains all other records within REAL that are provided outside of NMLS.

The Bureau received 15,021 mortgage related applications during the fiscal year,¹ 25,149 in FY 2021-22 and 24,765 for FY 2020-21 and 12,258 for FY 2019-20. Although mortgage related applications have decreased by 40% since the last fiscal year, applications received are still 23% greater compared to FY 2019-20.

The number of active mortgage related licenses as of July 1, 2023, was 71,403 and was 79,012 as of July 1, 2022. Just three years prior, this number was 47,000. Although there was a 10% decrease from the last fiscal year, this still represents a 52% increase from fiscal year 2019-20 to fiscal year 2021-22.

As a result of overwhelming demand to process mortgage applications, the Division submitted a Legislative Budget Request during the 2022 legislative session requesting seven additional full-time equivalent positions for the Bureau of Registration. The request was funded, and the Division was appropriated seven additional positions, effective July 1, 2022.

While the Division continues to fill these new positions, the Division has achieved positive results. The Bureau reviewed all renewals filed during the renewal season. In addition, the number of renewals approved greatly increased from the previous fiscal year: Comparing July 2023 to July 2022, there was a 20% increase in Loan Originator renewal approvals, an 83% increase in Mortgage Broker renewal approvals, and a 79% increase in the Mortgage Lender renewal approvals.

Improving Taxpayer Value

¹ The Federal Reserve raised its Federal Funds lending rate 8 times from June 2022 to June 2023 in an effort to tame inflation. The rate hikes have resulted in a significant drop in levels of mortgage lending of up to 45% from prior-year highs. With the downturn in mortgage lending, OFR has seen a decrease in mortgage-related applications and licenses.

Improving Taxpayer Value

The OFR continues to focus on enhancing taxpayer value. With expanded data collection and analysis, the Division has been able to make data-driven decisions and create performance measures to improve productivity with its current complement of staff. The Division uses technology to better analyze data and more efficiently allocate limited resources to target areas of highest risk of harm to consumers.

Additionally, with the addition of seven new positions, the Division anticipates increased productivity and efficiency.

Delivering Value to Businesses

The Division strives to improve service to its applicants and licensees by processing submissions in a timely manner. During FY 2021-22, the Division approved applications for licensure in approximately twelve days.

Providing quick, responsive service to applicants is a current measure for the Division 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. The Division has, on average, notified applicants of deficiencies within 12 days. This is substantially faster than required by the statutory timeframe.

Legislation

The 2023 Legislative Session resulted in the passage of four laws affecting the Division.

Senate Bill 32 - Laws of Florida Chapter 2023-8

The bill repealed language in subsection 560.141(1)(c)7, Florida Statutes, that required MSB licensees to submit live-scan fingerprints during their 2014 & 2015 renewal filing. This language became obsolete in 2016. The Governor signed H.B. 3 into law on March 24, 2023, and it went into effect immediately.

House Bill 3 - Laws of Florida Chapter 2023-28

This bill is titled “An act relating to government and corporate activism.” The bill creates new sections in chapters 516 & 560, Florida Statutes by establishing unsafe and unsound practices surrounding the provision or denial of service. Unsafe and unsound practices is determined based on a defined list of characteristics where a licensee is prohibited from denying or cancelling services to a person. New language created by the bill also requires applicants and licensees, beginning on July 1, 2023, to attest under penalty of perjury, on a form prescribed by commission rule, whether the applicant or licensee is acting in compliance. Lastly, the bill makes it that a violation of these provisions is also a violation of Florida’s Deceptive and Unfair Trade Practices Act under Part II of chapter 501, Florida Statutes. The Governor signed H.B. 3, and it became effective July 1, 2023.

House Bill 607 - Laws of Florida Chapter 2023-125

H.B. 607 was a priority for OFR because the Federal Bureau of Investigation (FBI) rejected OFR's application for FBI fingerprinting authority under chapter 560, Florida Statutes for the Sandbox license. The FBI believed that the control person definition in chapter 560 was overly broad and did not comply with federal law. To address the FBI's concerns during the 2022 Legislative Session, a similar bill was passed; however, the FBI rejected that version. During this past session the OFR worked with members of the House Insurance and Banking subcommittee who diligently sought a remedy. H.B. 607 amends the control person definition to remove any unclear language and pinpoints specific titles, ownership thresholds, and individuals identified in "governing documents" which are defined in the bill. The Governor signed H.B. 607, and it became effective July 1, 2023.

House Bill 1185 – Laws of Florida Chapter 2023-130

This was the Florida Chief Financial Officer's Consumer Protection bill and contains amendments to chapters 494 and 560, Florida Statutes. The amendment to chapter 494 allows a loan originator to meet customers at a remote location without the need for the location to be licensed as a branch office. The bill also amended section 494.0067(1), Florida Statutes, clarifying that only loan originators who work for a licensed mortgage lender are allowed to conduct business at a remote location thereby disallowing loan originators who work for a mortgage broker to work from a remote location.

For the 2024 Legislative Session, the Division is considering creating regulatory efficiency in chapter 516, Florida Statutes, by creating a branch office license for each additional location of a consumer finance company in lieu of the current requirement to file a full application including redundant review of control person's background. The proposed legislation would eliminate the need for each additional location to include the \$200 background investigation fee as required under currently statutory structure. This effort would also reduce staff workload and allow for branch applications to be approved automatically under certain conditions.

Division of Securities

The mission of the 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 the OFR for violations of the securities laws.

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) such as 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 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 2022-23, Securities opened 171 and closed 170 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 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 may include 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, 2023, there were 10,701 dealer and investment adviser firms, 11,667 branches and 373,710 individual associated persons, and two crowdfunding intermediaries 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 10,700 disciplinary updates on registrants in FY 2022-23. 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 the OFR and the other state securities regulators. The OFR registers securities dealers and associated persons conducting business in, to or from Florida, and FINRA registers its member dealers through the CRD. The 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 514 in FY 2021-22 to 577 for FY 2022- 23, representing an increase of approximately 12%. In FY 2021-22 and 2022-23, Securities closed 209 and 399 complaints, respectively, and referred 277 and 151 complaints, respectively. On average, complaints are closed within 27 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 FY 2022-23 and currently, an applicant's registration request is approved, on average, in four 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 10 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 1,981 investment advisory firms registered in Florida, with approximately 1,235 physically located within the state. Securities determined it would be prudent to examine all investment advisers physically located in Florida on a 10-year cycle. Since the implementation of the cycle examination program, compliance by investment advisory firms with Securities' statutes and rules has increased considerably.

The 10-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 10-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.

Securities 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. Securities will also use data analytic software to proactively identify areas of concern for firms and investors, including investment products.

Legislation

Securities is continuing to update Chapter 517, Florida Statutes. During the 2023 Legislative Session, the OFR proposed changes that made technical, clarifying and modernizing updates, especially with respect to registration requirements and exemptions. The legislation also eliminated registration requirements for issuers of securities offerings, reduced the filing fee for certain securities offerings, created a continuing education requirement for associated persons of investment advisers and federal covered advisers, and created a registration exemption for investment advisers to private funds. The legislation was approved by the Governor on June 9, 2023, and becomes effective October 1, 2023.

The OFR has participated in multiple subgroups formed by the Business Law Section of the Florida Bar to initiate substantive changes to the Act. Areas specifically addressed are exempt securities and exempt transactions, crowdfunding, the Florida Invest Local Exemption, integration of offerings, safe harbors for demo day presentations and testing the waters for issuers, the Securities Guaranty Fund and procedures for payment from the fund, enforcement remedies, and fraudulent transactions. The purpose of the proposals is to reform the Florida Securities and Investor protection Act and help stimulate the growth of a capital market for the financing of Florida businesses. OFR's 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.

Bureau of Financial Investigations

The Bureau of Financial Investigations (BFI) is a criminal justice agency with investigative teams headquartered in the 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 frauds. 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. The BFI has also devoted resources to the formation of a new and proactive investigative unit, the Electronic Emergent Financial Crimes Unit (EFCU). This unit actively searches for ongoing investment and/or lending schemes (including those perpetrated over the Internet), and then expedites the investigation of such matters in order to prevent, halt or mitigate the financial harm to Florida's citizens.

Investment Fraud

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 the first half of 2023. A strong market usually helps to mask illegal activity. The BFI traditionally sees a spike in customer complaints and investigations in the time periods subsequent to a meaningful downward movement in the financial markets.

Interest rates have continued to rise during 2023 following a prolonged period of historically low rates. A 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.

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 and not from the operations of the business. 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.

Misrepresentations and Promises of High Returns

Two hallmarks of financial fraud - false representations and unrealistic promises of high returns 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.

Violating Investor Trust

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

False Claims of Superior Returns from High-Tech or Proprietary Technology

Some unscrupulous sellers of securities seek to portray themselves as having exclusive access to high technology investment opportunities. They will claim to possess state of the art technologies and lure investors with promises of outsized returns. Often the claims prove false, and the fraudsters behind these schemes are revealed to have no superior or advanced technology with which to earn the promised returns. In fact, the investigation often reveals that far from ever being put to use in developing high tech products- 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.

Unconventional or “Exclusive” Investment Opportunities

Investors may be drawn to unconventional asset classes as a means of generating higher returns. Oftentimes they do so following the advice and misrepresentations of wily con artists who may claim they are providing exclusive opportunities while not fully understanding the instruments themselves or the true risks underlying the investments. Those risks, however, should never be compounded by the risk of falling victim to fraudsters peddling false promises.

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.

Cryptocurrency Scams

The OFR has seen a rise in crypto-related frauds over the past year and has taken a proactive stance in identifying and combating these frauds, mining victim data from sources such as the FBI's IC3 database and responding quickly to complaints.

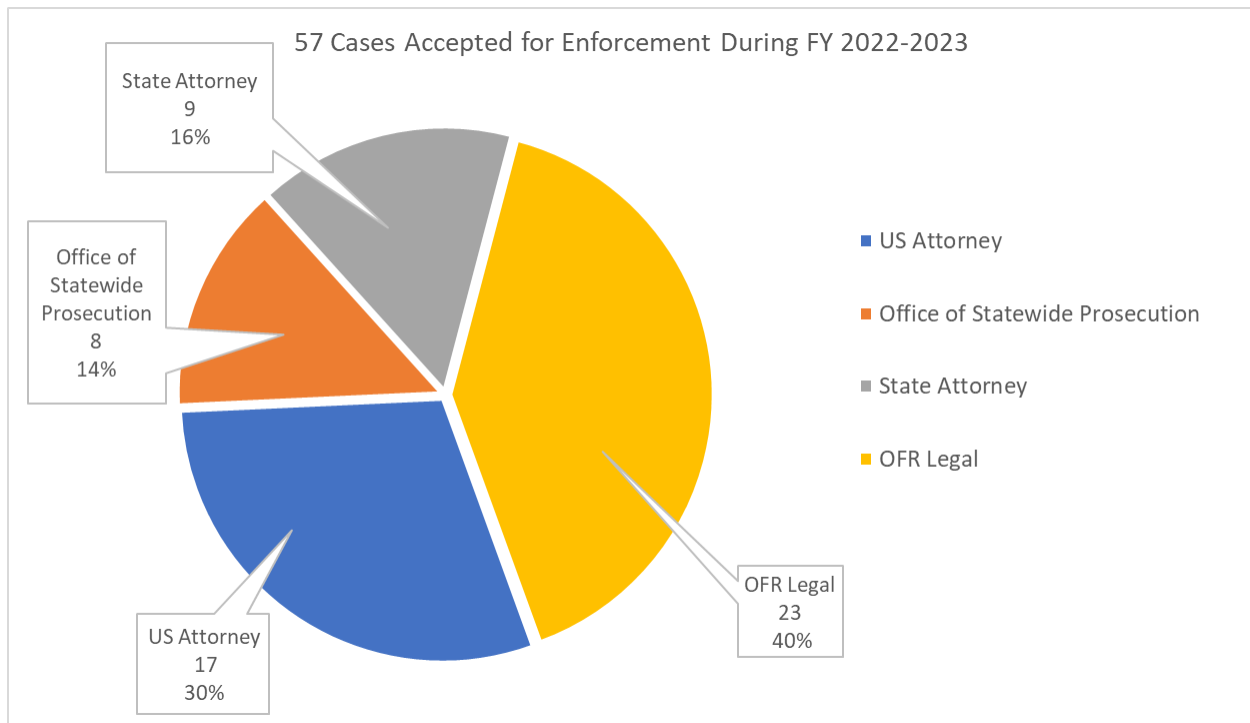
Caseload

As of July 1, 2023, BFI had approximately 467 open cases. These investigations involve approximately 10,000 consumers and approximately \$1.2 billion dollars in alleged losses.

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 FY 2022-23, 94% of these types of cases resulted in enforcement action.

During FY 2022-2023, BFI completed 155 cases. Of those, 92 cases involved formal investigations, including 43 investigations where enforcement action was taken. In total, during the fiscal year, BFI investigations resulted in 133 enforcement actions involving 65 separate cases, including 19 administrative actions, 15 Cease and Desist notices, 6 civil actions and 93 criminal actions.

As a result of investigative work performed by the bureau on its criminal cases, 21 defendants were arrested, 18 defendants were convicted, and 21 defendants were sentenced to a total of 107 years imprisonment and 126 years of probation or supervised release during the latest fiscal year. In addition, court ordered and voluntary restitution of approximately \$69 million was ordered or returned to victims. Finally, as reflected in the chart below, BFI referred a total of 57 cases for enforcement action this year; it also made an additional 12 referrals to law enforcement agencies and prosecutors involving matters that were determined to be outside OFR's jurisdictional authority.



Initiatives

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, BFI has undertaken a number of new initiatives aimed at increasing the effectiveness of its team in investigating and deterring financial crimes.

One such initiative being undertaken by BFI is the development of a specialized Electronic Financial Crimes Unit. Internet crimes represent a growing nationwide problem. According to the FBI's Annual Internet Crime Report, for the year 2022, the FBI's Internet Crime Complaint Center (IC3) received more than 800,000 complaints, representing more than \$10.2 billion in losses from internet-based schemes. The losses related to these complaints increased by 48% over the prior year and follow an established trend over the past five years of ever-increasing numbers.

Crimes within BFI's jurisdiction make up an important component of these numbers. The total number of victims as reported by the FBI in 2022 in the areas of identity theft (a common element of financial crime within BFI's jurisdiction), investment frauds and advance fee for loan frauds was 69,715. In 2022, investment scams were the costliest scheme reported to the IC3. Investment fraud complaints increased from \$1.45 billion in 2021 to \$3.31 billion in 2022, which is a 127% increase. Within those complaints, cryptocurrency investment fraud rose from \$907 million in 2021 to \$2.57 billion in 2022, an increase of 183%. The OFR's Electronic Financial Crimes Unit (EFCU) focuses 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 carry out those responsibilities effectively and efficiently.

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 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

List of all task forces and studies in progress: None.

Performance Measures and Standards – LRPP Exhibit II

(The remainder of this page left intentionally blank)

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 2023-24**

**Approved
Prior Year
Standard
FY 2022-23**

**Prior Year
Actual
FY 2022-23**

**Approved
Standards
for
FY 2023-24**

**Requested
FY 2024-25
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%

97%

97%

97%

New Measure: Number of outreach events OFR Division of Financial Institutions participated in during fiscal year.

4

8

4

8

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 2023-24**

**Approved
Prior Year
Standard
FY 2022-23**

**Prior Year
Actual
FY 2022-23**

**Approved
Standards
for
FY 2023-24**

**Requested
FY 2024-25
Standard**

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%

94%

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%

84%

60%

60%

New Measure: Percentage of preliminary investigations completed or upgraded to formal investigation within 90 days of case opening

75%

85%

75%

75%

New Measure: Percentage of formal investigations completed or referred for enforcement action within management established time frames based on case complexity

75%

93%

75%

75%

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 2023-24**

**Approved
Prior Year
Standard
FY 2022-23**

**Prior Year
Actual
FY 2022-23**

**Approved
Standards
for
FY 2023-24**

**Requested
FY 2024-25
Standard**

Executive Direction and Support Services

Code: 43900550

Program administration costs (including Office of General Counsel) as a percentage of total program costs

Less than
10%

6.77%

Less than
10%

Less than
10%

Program administration positions (including Office of General Counsel) as a percentage of total program positions.

Less than
10%

6.32%

Less than
10%

Less than
10%

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 2023-24

Approved Prior Year Standard FY 2022-23

Prior Year Actual FY 2022-23

Approved Standards for FY 2023-24

Requested FY 2024-25 Standard

Finance Regulation

Code: 43900560

Primary Service Outcome:

Percentage of license applications processed within Administrative Procedure Act requirements

100%

100%

100%

100%

Percentage of money service businesses examined within statutory timeframes per S.560.109, F.S.

100%

100%

100%

100%

New Measure: Percentage of complex examinations that are completed or referred to the Office of General Counsel within 330 days

55%

73%

55%

55%

New Measure: Average number of days to manually review an initial application for licensure and notify the applicant of a request for additional information

10

10

10

10

New Measure: Number of industry and/or consumer outreach events the Division of Consumer Finance participated in during the fiscal year

4

7

4

4

Approved Performance Measures for FY 2023-24	Approved Prior Year Standard FY 2022-23	Prior Year Actual FY 2022-23	Approved Standards for FY 2023-24	Requested FY 2024-25 Standard
Securities Regulation			Code: 43900570	
Primary Service Outcome: Number of complex securities examinations completed	100	130	100	100
Primary Service Outcome: Percentage of license applications processed within Administrative Procedure Act requirements	100%	98%	100%	97%
New Measure: Percentage of complex examinations that are completed or referred to the Office of General Counsel within 210 days	45%	88%	45%	45%
New Measure: Average number of days to manually review an initial application for licensure and notify the applicant of a request for additional information	7	10	7	7
New Measure: Number of industry and/or consumer outreach events the Division of Securities participated in during the fiscal year	4	4	4	4

Assessment of Performance for Approved Performance Measures – LRPP Exhibit III

(The remainder of this page left intentionally blank)

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:

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

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

Factors Accounting for the Difference:

Internal Factors (check all that apply):

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

Explanation:

External Factors (check all that apply):

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

Explanation:

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

- Training
- Personnel
- Technology
- Other (Identify)

Recommendations:

LRPP Exhibit III: PERFORMANCE MEASURE ASSESSMENT

Department: Department of Financial Services
Program: Financial Services Commission – Office of Financial Regulation
Service/Budget Entity: 43900540 – Financial Investigations
Measure: N/A – All performance metrics met.

Action:

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

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

Factors Accounting for the Difference:

Internal Factors (check all that apply):

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

Explanation:

External Factors (check all that apply):

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

Explanation:

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

- Training
- Personnel
- Technology
- Other (Identify)

Recommendations:

LRPP Exhibit III: PERFORMANCE MEASURE ASSESSMENT

Department: Department of Financial Services
Program: Financial Services Commission – Office of Financial Regulation
Service/Budget Entity: 43900550 – Executive Direction and Support Services
Measure: N/A – All performance metrics met.

Action:

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

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

Factors Accounting for the Difference:

Internal Factors (check all that apply):

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

Explanation:

External Factors (check all that apply):

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

Explanation:

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

- Training
- Personnel
- Technology
- Other (Identify)

Recommendations:

LRPP Exhibit III: PERFORMANCE MEASURE ASSESSMENT

Department: Department of Financial Services
Program: Financial Services Commission – Office of Financial Regulation
Service/Budget Entity: 43900560 – Finance Regulation
Measure: N/A – All performance metrics met.

Action:

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

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

Factors Accounting for the Difference:

Internal Factors (check all that apply):

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

Explanation:

External Factors (check all that apply):

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

Explanation:

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

- Training
- Personnel
- Technology
- Other (Identify)

Recommendations:

LRPP Exhibit III: PERFORMANCE MEASURE ASSESSMENT

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 Procedure Act requirements

Action:

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

Approved Standard	Actual Performance Results	Difference (Over/Under)	Percentage Difference
100%	98%	Under 2%	2%

Factors Accounting for the Difference:

Internal Factors (check all that apply):

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

Explanation: Due to vacancies in the Bureau of Registration, some of the applications that were deemed abandoned pursuant to the agency’s administrative rules were not administratively processed within the specified timeframe. These applications had no bearing on applicants’ ability to start working or opening their firm. Deficiency letters were sent to applicants and determinations were made on applications well within the APA requirements. Priority was placed on those applications impacting employment.

External Factors (check all that apply):

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

Explanation:

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

- Training Technology
- Personnel Other (Identify)

Recommendations: Division management has implemented technological alerts to remind staff of application timelines; staff has been reminded of the need to timely process abandoned applications. Division management is also working diligently to fill vacant positions to ease staff workload.

LRPP Exhibit III: PERFORMANCE MEASURE ASSESSMENT

Department: Department of Financial Services
Program: Financial Services Commission – Office of Financial Regulation
Service/Budget Entity:
43900570 – Securities Regulation

Measure: Average number of days to manually review an initial application for licensure and notify the applicant of a request for additional information

Action:

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

Approved Standard	Actual Performance Results	Difference (Over/Under)	Percentage Difference
7	10	Over 3 Days	42%

Factors Accounting for the Difference:

Internal Factors (check all that apply):

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

Explanation: Due to a number of personnel vacancies and an increase in the number of applications, the time to send deficiency letters took longer than expected. However, the 10 days is currently well within the APA requirement of 30 days.

External Factors (check all that apply):

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

Explanation:

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

- Training Technology
- Personnel Other (Identify)

Recommendations: Management is working diligently to fill vacancies and reduce processing times.

Performance Measure Validity and Reliability – LRPP Exhibit IV

(The remainder of this page left intentionally blank)

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 Statutes.

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: 43900530 Safety & Soundness of State Banking System

Measure: Outreach conducted by the Division with industry and/or consumer representatives.

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: Outreach events hosted by the OFR DFI and/or industry or consumer representatives in which members of the OFR DFI team present and participate. OFR DFI should always be available and at the forefront of matters impacting financial institutions, their customers, and members. By participating in these events OFR DFI will be providing for and promoting the safe and sound conduct of business by financial institutions and the maintenance of public confidence in the financial institutions subject to the financial institutions codes.

The measure will be calculated as follows:

- a. Determine the total number of events OFR DFI participated in.
- b. OFR DFI will need to participate in a minimum of 4 events per year to meet the metric.

Validity: The measure requires OFR DFI to conduct outreach and be at the forefront of matters impacting state financial institutions and consumers.

Reliability: OFR DFI will have agendas and specific meeting topics to submit as part of the documentation for meeting this metric.

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 by SAO
Case Accepted by OSWP
Case Accepted by USAO
Case Accepted by Legal

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- Arrest
Criminal Action- Conviction
Criminal Action- Judgment of Sentence
Criminal Action- Other

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 measure.

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, and 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 opened based on 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.

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 in obtaining a successful enforcement 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 an ongoing 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 prosecutors and agency attorneys. 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.

(The remainder of this page left intentionally blank)

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 laws and regulations within the jurisdiction of the Office.

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 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 prosecutors 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 of case opening 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 opened based on 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 identify 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 an ongoing 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: 43900540 Financial Investigations

Measure: Percentage of preliminary investigations completed or upgraded to formal investigation within 90 days 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. These cases typically are opened as "Preliminary Investigations/Inquiries" and are coded as such in REAL.

Upgraded Date – When it is deemed by the investigations managers that there is sufficient evidence or information to believe that violations of law and/or administrative rules have occurred, the case is upgraded from a preliminary to a formal investigation. This is accomplished by entering a "Prelim Upgraded to Formal" activity and corresponding activity date in REAL.

Closed Date – If no violations of law and/or administrative rules have been documented the preliminary investigation may be closed without having been upgraded to formal. The status of the case will be changed to "Closed Investigations" and the status date will be changed to reflect the date a case was closed.

The Bureau uses the REAL codes 1) Entered Date, 2) Activity Date and 3) Closed Date to determine the number of days from case opening to case upgrade to formal or closure (whichever is earliest).

There are occasions where, due to circumstances outside the control of the Bureau the investigative case cannot be completed or upgraded within established timeframes, including for example: where there are substantial delays in production of necessary records by financial institutions or other third party witnesses; victim's refusal to cooperate or extended unavailability; avoidance of service by material witnesses; need for court assistance to enforce subpoenas; and need for domestication of subpoenas outside the state. These cases may, where appropriated be closed with a disposition of "Exceptional Clearance" and will not be used when calculating this measure.

Calculation of Outcome Measure: Cases closed as Exceptional Clearance are eliminated from the data pool for both the numerator and denominator. Percentage of preliminary investigations completed or upgraded to formal investigation within 90 days of case opening will be calculated by: 1) Determining the total number of cases that have been upgraded or preliminary investigations that were closed without having been upgraded during the evaluation period 2) Determining the number of cases that fall within the scope of the performance measures and 3) Dividing the number of cases within the scope (2) by the total number of cases (1).

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 REAL 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 opened based on alleged or suspected violations that fall under the jurisdiction of the Office.

The timeliness of case closure or upgrade to formal measures our ability to assess the information and gather evidence of potential violation in an expedited manner. Once an investigative case is upgraded our investigators continue to gather evidence, prepare reports, and if the case was accepted for enforcement, provide full investigative support as needed to facilitate a successful prosecution and enforcement result.

Reliability: Data inconsistencies can occur from input errors. To enhance 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 an ongoing 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: 43900540 Financial Investigations

Measure: Percentage of formal investigations completed or referred for enforcement action within management established time frames based on case complexity.

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.

Case complexity – Based on certain parameters each case is assigned a complexity level (Low, Medium, or High) in REAL. The parameters are as follows:

Low Complexity/Narrow Scope

1. Involves no more than 10 victims and/or less than \$300,000.
2. Involves the analysis of no more than two bank/brokerage accounts and/or less than 1,000 aggregate transactions.
3. The number of memorandums of interview/affidavits completed is less than six.
4. Involves less than three respondents.
5. The nature of the case is sufficiently narrow and straightforward such that, in the manager's professional judgment, it can be closed or referred for enforcement action in less than 180 days.

Medium Complexity/Moderate Scope

1. Involves between 11 and 20 victims and/or between \$300,000 and \$1,500,000.
2. Involves the analysis of between three and seven bank/brokerage accounts and/or between 1,000 and 5,000 transactions.
3. The number of memorandums of interviews/affidavits completed is between 6 and 12.
4. Involves between three and five respondents.
5. The nature, scope and complexity of the case is such that, in the manager's professional judgment, it would take greater than 180 days and less than 270 days to close or refer the case for enforcement action.

High Complexity/Broad Scope

1. Involves more than 20 victims and/or more than \$1,500,000.
2. Involves the analysis of more than seven bank/brokerage accounts and/or more than 5,000 aggregate transactions.
3. The number of memorandums of interview/affidavits completed is greater than 12.
4. Involves more than five respondents.
5. The nature of the case is sufficiently broad and complex such that, in the manager's professional judgment, it cannot be closed or referred for enforcement action in less than 270 days.

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.

Referral Date – 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 by Legal
Case Accepted by OSWP
Case Accepted by SAO
Case Accepted by USAO

Closed Date – If no violations of law and/or administrative rules have been documented the case may be closed without having been referred for enforcement. The status of the case will be changed to "Closed Investigations" and the status date will be changed to reflect the date a case was closed.

The Bureau uses the REAL codes 1) Entered Date, 2) Activity Date and 3) Closed Date to determine the number of days from case opening to case acceptance for enforcement or closure (whichever is earliest). This number is then used in conjunction with the complexity of the case (Low, Medium, or High) to determine if it falls within the performance measures (less than 180 days for low complexity case, less than 270 days for medium complexity case, and less than 365 days for high complexity case).

There are occasions where, due to circumstances outside the control of the Bureau the investigative case cannot be completed or referred within established timeframes, including for example: where there are substantial delays in production of necessary records by financial institutions or other third party witnesses; victim's refusal to cooperate or extended unavailability; avoidance of service by material witnesses; need for court assistance to enforce subpoenas; and need for domestication of subpoenas outside the state. These cases may, where appropriate be closed with a disposition of "Exceptional Clearance" and will not be used when calculating this measure.

Calculation of Outcome Measure: Cases closed as exceptional clearance are eliminated from the data pool for both the numerator and denominator. Percentage of formal investigations completed or accepted for enforcement action within management established time frames based on case complexity will be calculated by: 1) Determining the total number of cases that have been referred or closed without having been referred during the evaluation period 2) Determining the number of cases that fall within the scope of the performance measures and 3) Dividing the number of cases within the scope (2) by the total number of cases (1).

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 REAL 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 timeliness of case closure or referral for enforcement measures our ability to conduct quality investigations in an expedited manner. Once an investigative case is accepted for enforcement, our investigators provide full investigative support as needed, to facilitate a successful prosecution and enforcement result.

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 an ongoing 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, Office of Communications, 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, Office of Communications, and the Office of General Counsel. The total number of Full Time Equivalent (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 five 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: 43900560 Finance Regulation

Measure: Percentage of complex examinations that are completed or referred to the Office of General Counsel within an average of 330 days.

Action (check one):

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

Data Sources and Methodology: This measure will report the percentage of complex examinations where the disposition of the REAL examination case is set to “Closed – No violation, Closed – License Terminated, Closed – No Business and Closed, and Closed – Referred to Legal.” Complex examinations will not include those examinations related to late or non-filed compliance filings such as quarterly reports, mortgage call reports, audited financial reports, and security device calculations forms.

The methodology for determining the measure will be as follows:

1. Identify the number of complex examinations where the disposition of the REAL case is set to “Closed – No violation, Closed – License Terminated, Closed – No Business and Closed, and Closed – Referred to Legal” and the disposition date is during the fiscal year.
2. Calculate the number of days from date received to disposition date for each examination.
3. Calculate the number of examination cases where the number of days is less than or equal to 330 days.
4. Calculate the percentage by dividing the number of cases within 330 days by the total number of cases identified.

Validity: This measure helps to ensure the timely processing of complex examinations and compliance with state law. This furthers the agency’s mission to support regulated industries and consumers by providing a timely service to these entities and individuals.

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: 43900560 Finance Regulation

Measure: Average number of days to manually review an initial application for licensure and notify the applicant of a request for additional information.

Action (check one):

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

Data Sources and Methodology: Section 120.60, Florida Statutes, also known as the Administrative Procedures Act or APA, sets forth timeframes by which an agency must review an application for a license and notify the applicant of a request for additional information. Pursuant to the APA, an agency must review an application for a license and notify the applicant of a request for additional information within 30 days of receipt of the application. Also pursuant to the APA, upon completion of an application, an agency must either approve or deny the application within 90, unless it is withdrawn prior to expiration of the 90 days. Failure by an agency to comply with the APA would force the agency to approve a license where the applicant did not qualify. This action could likely expose the public to a risk of unlawful activity or fraud.

This measure reflects the average number of days to manually review an initial application for licensure and notify the applicant of a request for additional information, which is necessary to complete the application. The measure is determined by the following methodology:

1. Count the number of initial applications that were reviewed, and the applicant was notified of a request for additional information during the fiscal year.
2. Count the number of days for each initial application from the received date to the date the applicant was notified of a request for additional information.
3. Calculate the total number of days for all initial applications that were notified of a request for additional information.
4. Divide the total number of days for all initial applications by the total number of initial applications to determine the average number of days.

Validity: This measure helps to ensure the division reviews initial applications and notifies applicants of any request for additional information in compliance with state law. This furthers the agency's mission to support regulated industries and consumers by providing a timely service to these entities and individuals.

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.

(The remainder of this page left intentionally blank)

LRPP EXHIBIT IV: Performance Measure Validity and Reliability

Department of Financial Services

Program: Financial Services Commission – Office of Financial Regulation
Service/Budget Entity: 43900560 – Finance Regulation

Measure: Number of industry and/or consumer outreach events the Division of Consumer Finance participated in during the fiscal year

Action (check one):

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

Data Sources and Methodology: This measure will identify the number of industry and/or consumer outreach events in which members of the Division of Consumer Finance host or participate. Outreach events may include, but not be limited to, sharing industry market and regulatory trends to industries and consumers related to those areas registered and regulated by the Division. The outreach may also include providing consumer educational information to help consumers navigate the complex financial services products and services offered by professionals regulated by the Division.

The measure will be calculated based on the number of industry and/or consumer outreach events where at least one member of the Division of Consumer Finance team provides a presentation to an industry or consumer group designed to educate and share valuable information.

Validity: An agenda will be retained in electronic format for documentation of the outreach. A PowerPoint presentation, if provided, will also be retained in electronic format for documentation of the outreach.

Reliability: The Division of Consumer Finance will have agendas and specific meeting topics to submit as part of the documentation for meeting this metric. Employee names will be included to document the outreach was conducted by a member of the Division.

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.

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 complex examinations that are completed or referred to the Office of General Counsel within 210 days

Action (check one):

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

Data Sources and Methodology: This number will report the percentage of complex examinations that are closed with no legal action or referred to the General Counsel's Office within 210 days. Complex examinations include a review of a firm's books and records and may 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.

The list of total complex examinations closed or referred to the General Counsel's Office during the reporting period will be filtered by those complex examinations closed or referred within 210 days. The measure will be calculated by dividing the number of complex examinations closed or referred to the General Counsel's office within 210 days by the total number of complex examinations closed or referred to the General Counsel's office during the reporting period.

Validity: The Division of Securities is the sole regulator of investment advisers with up to \$100 million of assets under management. Complex examinations include a review of books and records and may involve sales practice abuses or entities with higher risk scores. The division

believes resources should be focused on examinations of state-registered investment advisers to ensure they are in compliance with applicable laws and rules and examinations where there are or may be sales practice abuses. This furthers the agency's mission to promote a safe and sound financial marketplace.

Reliability: Information with respect to each examination is entered into the agency's Registration Enforcement and Licensing (REAL) system. Information will be retrieved from REAL 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, Bureau of Enforcement staff 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: Average number of days to manually review an initial application for licensure and notify the applicant of a request for additional information

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 Administrative Procedures Act (APA, Section 120.60, Florida Statutes) 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. This measure reflects the average number of days to manually review an initial application for registration and notify the applicant of a request for additional information or documents necessary to complete the application. The measure is determined by the following methodology:

1. Count the number of initial applications that were manually reviewed where the applicant was notified of a request for additional information during the fiscal year.
2. Count the number of days for each manually reviewed initial application from the received date to the date the applicant was notified of a request for additional information.
3. Total the number of days from Step 2.
4. Divide the total number of days by the total number of manually reviewed initial applications requiring notifications for additional information to determine the average number of days.

Validity: This measure helps to ensure the Division's timely review of all manually reviewed initial applications and compliance with state law. This furthers the agency's mission to provide quick, responsive service to entities and individuals applying to offer investment products and services in, to, or from Florida.

Reliability: The Division tracks manually reviewed initial applications in the agency's Registration Enforcement and Licensing (REAL) system. Information will be retrieved from REAL 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.

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: Number of industry and/or consumer outreach events the Division of Securities participated in during the fiscal year

Action (check one):

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

Data Sources and Methodology: This measure will identify the number of industry and/or consumer outreach events in which members of the Division of Securities host or participate. Outreach events may include, but not be limited to, sharing industry market and regulatory trends to industries and consumers related to those areas registered and regulated by the Division. The outreach may also include providing consumer educational information to help consumers navigate the complex financial services products and services offered by professionals regulated by the Division.

The measure will be calculated based on the number of industry and/or consumer outreach events where at least one member of the Division of Securities team provides a presentation to an industry or consumer group designed to educate and share valuable information.

Validity: An agenda will be retained in electronic format for documentation of the outreach. A PowerPoint presentation, if provided, will also be retained in electronic format for documentation of the outreach.

Reliability: The Division of Securities will have agendas and specific meeting topics to submit as part of the documentation for meeting this metric. Employee names will be included to document the outreach was conducted by a member of the Division.

Associated Activity Contributing to Performance Measures – LRPP Exhibit V

(The remainder of this page left intentionally blank)

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 2023-24		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
3	New Measure: Number of outreach events OFR Division of Financial Institutions participated in during the fiscal year		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 2023-24	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
3	New Measure: Percentage of preliminary investigations completed or upgraded to formal investigation within 90 days of case opening	Conduct financial investigations into allegations of fraudulent activity
4	New Measure: Percentage of formal investigations completed or referred for enforcement action within management established time frames based on case complexity	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 2023-24		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
3	New Measure: Percentage of complex examinations that are completed or referred to the Office of General Counsel within 330 days		Examinations of non-depository financial service companies to determine compliance with regulations
			Examine and regulate money service businesses to ensure regulatory compliance
4	New Measure: Average number of days to manually review an initial application for licensure and notify the applicant of a request for additional information		Evaluate and process applications for licensure as a financial services entity.
5	New Measure: Number of industry and/or consumer outreach events the Division of Consumer Finance participated in during the fiscal year		Examinations of non-depository financial service companies to determine compliance with regulations
			Examine and regulate money service businesses to ensure regulatory compliance

43900570 - Securities Regulation			
Measure Number	Approved Performance Measures for FY 2023-24		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.
3	New Measure: Percentage of complex examinations that are completed or referred to the Office of General Counsel within 210 days		Regulate Securities Firms, Branches and Individuals, and review appropriateness of securities offerings to ensure regulatory compliance
4	New Measure: Average number of days to manually review an initial application for licensure and notify the applicant of a request for additional information		Evaluate and process application for registration as a securities firm, branch, and/or individuals
5	New Measure: Number of industry and/or consumer outreach events the Division of Securities participated in during the fiscal year		Regulate Securities Firms, Branches and Individuals, and review appropriateness of securities offerings to ensure regulatory compliance
			Evaluate and process application for registration as a securities firm, branch, and/or individuals

LRPP Agency-Level Unit Cost Summary-LRPP Exhibit VI

(The remainder of this page left intentionally blank)

FINANCIAL SERVICES, DEPARTMENT OF		FISCAL YEAR 2022-23			
SECTION I: BUDGET		OPERATING	FIXED CAPITAL OUTLAY		
TOTAL ALL FUNDS GENERAL APPROPRIATIONS ACT		432,623,973	44,615,000		
ADJUSTMENTS TO GENERAL APPROPRIATIONS ACT (Supplementals, Vetoes, Budget Amendments, etc.)		73,787,841	-10,073,838		
FINAL BUDGET FOR AGENCY		506,411,814	34,541,162		
SECTION II: ACTIVITIES * MEASURES		Number of Units	(1) Unit Cost	(2) Expenditures (Allocated)	(3) FCO
Executive Direction, Administrative Support and Information Technology (2)					34,541,162
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.		5,206	85.06	442,834	
Process Transactions, Account Changes And Audit Functions * Number of account actions taken on regulatory collateral deposit accounts.		66,783	16.48	1,100,490	
Investment Of Public Funds * Average Dollar Volume of Funds Invested		60,700,000,000	0.00	964,661	
Provide Cash Management Services * Number of cash management consultation services.		20	137,800.20	2,756,004	
Receive Funds, Process Payment Of Warrants And Provide Account And Reconciliation Services * Number of financial management/accounting transactions processed and reports produced.		2,980,000	0.72	2,152,417	
Administer The State Supplemental Deferred Compensation Plan * Number of Participant account actions processed by the Bureau of Deferred Compensation.		1,708,438	1.09	1,869,493	
Accounting And Reporting Of State Funds * State Accounts Managed in the Florida Accounting Information Reporting System.		36,230	128.69	4,662,406	
Migrate Current Accounts Payable Procedures To Electronic Commerce * Payments issued electronically to settle claims against the state.		10,106,375	0.09	860,198	
Conduct Pre-audits Of Selected Accounts Payable * Vendor payment requests that are pre-audited for compliance with statutes and contract requirements		320,866	24.83	7,967,381	
Process State Employees Payroll * Payroll payments issued		3,164,089	0.69	2,198,274	
Conduct Post-audits Of Payroll * Post-audits completed of state agencies payroll payments to determine compliance with statutes		7	13,581.14	95,068	
Conduct Fiscal Integrity Investigations * Fiscal integrity investigations completed to investigate allegations or suspicions of fraud, waste or abuse.		21	42,735.43	897,444	
Article V - Clerk Of The Courts * NA		21	15,576.05	327,097	
Collect Unclaimed Property * Accounts reported by holders of unclaimed property.		3,095,341	1.16	3,580,709	
Process And Payment Of Unclaimed Property * Payments processed for claims of unclaimed property.		491,226	7.68	3,771,663	
License The Fire Protection Industry * Number of entity requests for licenses, permits and certificates processed within statutorily mandated time frames.		8,180	80.63	659,560	
Perform Fire Safety Inspections * Number of inspections of fire code compliance completed.		14,792	330.11	4,883,400	
Review Construction Plans For Fire Code Compliance * Number of construction plans reviewed.		437	1,554.65	679,381	
Perform Boiler Inspections * Number of boiler inspections completed by department inspectors.		1,011	722.06	729,999	
Investigate Fires Accidental, Arson And Other * Total number of closed fire investigations involving economic or physical loss.		1,870	11,667.90	21,818,976	
Provide State, Local And Business Professional Training And Education * Number of classroom contact hours provided by the Florida State Fire College.		187,054	15.30	2,862,184	
Provide State, Local And Business Professional Standards, Testing And Statutory Compliance * Number of examinations administered.		10,422	125.97	1,312,840	
Provide Forensic Laboratory Services * Number of evidence items and photographic images processed.		150,241	8.21	1,234,163	
Fire Incident Reporting * Number of total incidents reported to the Florida Fire Incident Reporting System.		2,831,651	0.12	343,700	
Provide Adjusting Services On State Workers' Compensation Claims * Number of workers' compensation claims worked.		16,121	2,433.82	39,235,559	
Provide Adjusting Services On State Liability Claims * Number of liability claims worked.		5,780	2,388.37	13,804,787	
Process Property Claims On State Owned Buildings (structure And Contents) * Number of state property loss/damage claims worked.		1,388	1,756.14	2,437,525	
Provide Risk Services Training And Consultation * Number of agency loss prevention staff trained during the fiscal year.		1,403	1,546.76	2,170,105	
Rehabilitate And/Or Liquidate Financially Impaired Insurance Companies * Number of insurance companies in receivership during the year.		15	51,676.60	775,149	
Review Applications For Licensure (qualifications) * Number of applications for licensure processed.		187,957	15.32	2,879,706	
Administer Examinations And Issue Licenses * Number of examinations administered and licenses authorized.		82,692	20.74	1,714,840	
Administer The Appointment Process From Employers And Insurers * Number of appointment actions processed.		2,674,936	0.29	770,251	
Administration Of Education Requirements (pre Licensing And Continuing Education) * Number of applicants and licensees required to comply with education requirements.		379,789	1.23	468,434	
Investigate Agents And Agencies * Number of agent and agency investigations completed.		2,683	2,138.13	5,736,611	
Investigate Insurance Fraud (general) * Number of insurance fraud investigations completed (not including workers- compensation).		1,072	25,275.57	27,095,408	
Investigate Workers' Compensation Insurance Fraud * Number of workers' compensation insurance fraud investigations completed.		382	10,805.32	4,127,631	
Respond To Consumer Request For Assistance * Number of consumer requests and informational inquiries handled.		58,447	74.95	4,380,563	
Provide Consumer Education Activities * Number of visits to the Consumer Services website.		436,809	1.45	632,710	
Answer Consumer Telephone Calls * Number of telephone calls answered through the consumer helpline.		85,067	57.74	4,911,911	
Examine And Regulate Licensees In The Funeral & Cemetery Business (chapter 497) To Ensure Regulatory Compliance * Number of examinations and inspections completed.		2,055	1,436.11	2,951,210	
Monitor And Audit Workers' Compensation Insurers To Ensure Benefit Payments * Number of claims reviewed annually.		96,721	48.29	4,670,362	
Verify That Employers Comply With Workers' Compensation Laws * Number of employer investigations conducted.		24,703	628.26	15,519,806	
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.		489	10,908.25	5,334,132	
Provide Reimbursement For Workers' Compensation Claims Paid By Insurance Carriers On Employees Hired With Preexisting Conditions * Number of reimbursement requests (SDF-2) audited.		907	1,522.17	1,380,609	
Collection Of Assessments From Workers' Compensation Insurance Providers * Amount of assessment dollars collected.		66,314,280	0.01	706,261	
Data Collection, Dissemination, And Archival * Number of records successfully entered into the division's databases.		5,605,246	0.72	4,044,233	
Reimbursement Disputes * Number of petitions resolved annually		9,762	182.41	1,780,682	
Public Assistance Fraud Investigations * Number of public assistance fraud investigations conducted.		2,270	3,616.51	8,209,469	
Approve And License Entities To Conduct Insurance Business. * Number of Certificates of Authority (COAs) processed.		45	23,610.98	1,062,494	
Conduct And Direct Market Conduct Examinations. * Number of examinations and investigations completed for licensed companies and unlicensed entities		228	15,383.12	3,507,352	
Conduct Financial Reviews And Examinations. * Number of financial reviews and examinations completed.		8,439	2,401.65	20,267,498	
Review And Approve Rate And Form Filings. * Number of rate and forms review completed.		11,280	872.12	9,837,501	
Examine And Regulate Financial Services Companies To Ensure Regulatory Compliance. * Examinations of non-depository financial service companies to determine compliance with regulations.		329	14,415.69	4,742,762	
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.		22,193	110.16	2,444,842	
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.		99	120,385.24	11,918,139	
Examine And Enforce Laws Regarding International Financial Institutions To Ensure Safety And Soundness. * Number of international financial institutions examined to ensure safety and soundness.		8	104,538.63	836,309	
Conduct Financial Investigations Into Allegations Of Fraudulent Activity. * Number of financial investigations into allegations of fraudulent activity.		156	30,122.31	4,699,081	
Examine And Regulate Money Services Businesses To Ensure Regulatory Compliance * Examinations of money services businesses conducted to determine compliance with regulations.		92	60,060.60	5,525,575	
Examine And Regulate Securities Firms, Branches To Ensure Regulatory Compliance. * Conduct examinations of securities firms and branches.		173	31,766.51	5,495,606	
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.		74,757	32.74	2,447,200	
TOTAL				296,692,295	34,541,162
SECTION III: RECONCILIATION TO BUDGET					
PASS THROUGHS					
TRANSFER - STATE AGENCIES					
AID TO LOCAL GOVERNMENTS					
PAYMENT OF PENSIONS, BENEFITS AND CLAIMS				3,042,000	
OTHER				97,329,053	
REVERSIONS				109,348,410	159,343
TOTAL BUDGET FOR AGENCY (Total Activities + Pass Throughs + Reversions) - Should equal Section I above. (4)				506,411,758	34,700,505

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	304,006	
43010400	1602000000	ACT1040	INSURANCE CONSUMER ADVOCATE	663,719	
43010500	1603000000	ACT1050	INFORMATION TECHNOLOGY - FLAIR	16,115,185	
43010100	1602000000	ACT1060	MY SAFE FLORIDA HOMES	13,678,560	
43200100	1601000000	ACT2010	PASS THROUGH FROM PRISON INDUSTRY	302,645	
43200100	1601000000	ACT2140	CONDUCT POST-AUDITS OF MAJOR	317,829	
43200300	1603000000	ACT2180	FLORIDA ACCOUNTING INFORMATION	40,608,994	
43200100	1601000000	ACT2195	PASS THROUGH FLORIDA CLERKS OF	2,223,459	
43300200	1202000000	ACT3250	CONSTRUCTION MATERIALS MINING	690,475	
43300400	1202000000	ACT3430	PASS-THROUGH GRANTS AND AIDS	1,419,444	
43300500	1202000000	ACT3440	PASS-THROUGH GRANTS AND AIDS LOCAL	798,911	
43300500	1202000000	ACT3530	PASS THROUGH - TRANSFER TO	2,000,000	
43700200	1205000000	ACT3610	MAINTENANCE AND REPAIR	293,147	
43400100	1601000000	ACT4150	PURCHASE OF EXCESS INSURANCE	11,153,549	
43400100	1601000000	ACT5510	HURRICANES AND OTHER NATURAL	3,375,351	

43600100	1102020000	ACT6010	TRANSFER TO 1ST DISTRICT COURT OF	2,040,090
43900110	1204000000	ACT9150	HURRICANE RATE/RISK MODEL	1,093,689
43600100	1102020000	ACT9940	TRANSFER TO THE UNIVERSITY OF	250,000

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

DEPARTMENT: 43	EXPENDITURES	FCO
FINAL BUDGET FOR AGENCY (SECTION I):	506,411,814	34,541,162
TOTAL BUDGET FOR AGENCY (SECTIONS II + III):	506,411,758	34,700,505
	-----	-----
DIFFERENCE:	56	159,343-
(MAY NOT EQUAL DUE TO ROUNDING)	=====	=====

*FCO difference is due to the 159,343 reverted in category 080990 in budget entity 43300400.

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 – Unitng 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