October 15, 2024

Brandi Gunder, Deputy Director of Budget
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, Florida 32399-1300

Dear Directors:

Pursuant to chapter 216, Florida Statutes, our Legislative Budget Request 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 proposed needs for the 2025-26 Fiscal Year. This submission has been approved by Jimmy Patronis, Chief Financial Officer.

Sincerely,

Jimmy Patronis
Chief Financial Officer

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

Letter of Transmittal
Office of Insurance Regulation

October 15, 2024

Brandi Gunder, Deputy Budget 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, enclosed is the Legislative Budget Request for the Office of Insurance Regulation. The information contained herein is a true and accurate presentation of our proposed needs for the 2025-26 Fiscal Year. I have approved this submission as the Insurance Commissioner of the State of Florida.

Sincerely,

Michael Yaworsky
Insurance Commissioner

• • •

MICHAEL YAWORSKY • COMMISSIONER
200 EAST GAINES STREET • TALLAHASSEE, FLORIDA 32399-0305 • (850) 413-3140 • FAX (850) 488-3334
WEBSITE: WWW.FLOIR.COM • EMAIL: MICHAEL.YAWORSKY@FLOIR.COM

Affirmative Action / Equal Opportunity Employer

LEGISLATIVE BUDGET REQUEST

Florida Office of Financial Regulation

Tallahassee, Florida

October 15, 2024

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 Legislative Budget Request 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 proposed needs for the 2025-26 Fiscal Year. This submission has been approved by Russell C. Weigel, III, Commissioner of the Office of Financial Regulation.

Sincerely,

Russell C. Weigel, III
Commissioner

DEPARTMENT OF FINANCIAL SERVICES

PAY ADDITIVES PLAN
FISCAL YEAR 2025-2026

The Department of Financial Services (Department), in accordance with Section 110.2035(7)(b), Florida Statutes (F.S.), and Chapter 60L-32.0012(2)(e), Florida Administrative Code (F.A.C.), is requesting approval to implement 'temporary special duties – general' pay additives during Fiscal Year 2025-26.

When approved, the Department can implement and sustain these pay additives from existing appropriations, so no additional appropriations or rate is requested as a part of this plan.

Temporary Special Duties – General (s. 110.2035(7)(b), F.S.)
The Department requests approval to grant a temporary 5% pay additive to Law Enforcement Officers (LEO) who perform additional duties as a canine (K-9) handlers.

1. Justification and Description:
   The Bureau of Fire and Arson Investigations (BFAI) currently has eight (11) K-9 LEO throughout the state. To become a K-9 handler, the LEO must attend and successfully complete a five-week training academy and maintain proficiency and certification for K-9 handling. Each K-9 is specially trained as an Accelerant Detection Canine (ADC) and, along with the LEO, work in the BFAI, as well as assists other agencies on special details. The LEO has full time (24/7) responsibilities for care and feeding of the K-9, and must also be able to house and maintain the K-9 at their residence. The K-9 must be trained daily, even when the handler is not on duty.

2. Length of Time for Additive:
   The LEO is granted the temporary pay increase (calculated at 5% of the LEO's current salary) after completion of the training for K-9 handling duties, and begins on the first day that LEO receives the K-9. The LEO's temporary pay increase ends when the K-9 retires or upon reassignment of the K-9 to a different LEO.

3. Classes and Number of Positions Affected:

Class Code	Class Title	No. of FTE
8541	Law Enforcement Investigator II	11

4. Area of State Impacted:
   The additive will impact employees statewide, as K-9 handlers are assigned to regions throughout Florida.

5. Historical Information:
   The Department has participated in the State Farm Arson Dog Program since 1998. State Farm Insurance provides financial support for the acquisition and training of the ADC and its handler.

6. Estimate Cost of Additive:
   Based on a salary estimate at the mid-range for a Law Enforcement Investigator II, the calculation is as follows: $58,000 x 5% = $2,900 annually x 11 positions = $31,900 annually.

7. Additional Information:
   The Department's K-9 handlers receive recertification annually. The handlers work a full investigative case load in addition to the K-9 duties. These employees often work unusual and long hours. The K-9 LEO pay additive provides the incentive needed to recruit and retain these highly trained employees.

Lastly, the Department respectfully requests the following language be added into the "Pay Additives and Other Incentive Programs" section of the Fiscal Year 2025-2026 General Appropriations Act:

"In addition to the K-9 additive, the temporary special duty - general pay additives outlined in the Department of Financial Services plan may also include duties and responsibilities that will be performed on a temporary basis. This type of pay additive will begin on the first day the special duties are assigned. The temporary special duty pay additive will not go beyond 90 days without the Department reviewing the circumstances to extend it beyond 90 days. When necessary, the Department is authorized to continue temporary special duties beyond 90 days without having to obtain approval from the Department of Management Services. The temporary special pay additive will be an amount up to 15% of the employee's base rate of pay, depending on the extra duties given. These requests meet the requirements specified in the applicable collective bargaining agreements."

DEPARTMENT LEVEL EXHIBITS AND SCHEDULES

Schedule VII: Agency Litigation Inventory

For directions on completing this schedule, please see the "Legislative Budget Request (LBR) Instructions" located on the Florida Fiscal Portal.

Agency:	**Department of Financial Services**

Contact Person:	Kimberly Masson	Phone Number:	850-413-4126

Names of the Case: (If no case name, list the names of the plaintiff and defendant.)	*Delaware v. Pennsylvania and Wisconsin*
Court with Jurisdiction:	United States Supreme Court; United States Court of Appeals for the Second Circuit, Hon. Pierre N. Leval, Special Master
Case Number:	220145; 220146
Summary of the Complaint:	The issue is whether under the Federal Disposition of Abandoned Money Orders and Traveler's Checks Act (Federal Disposition Act), 12 U.S.C. §§ 2501–03, MoneyGram's "official checks" escheat to the state in which they are purchased or, alternatively, to the state where MoneyGram is incorporated (Delaware). When a money order is not cashed, MoneyGram submits the unclaimed funds to the state in which the order was purchased, but when one of its official checks is not cashed, it submits the unclaimed funds to Delaware. Various states, including Florida, learned of that practice in 2014 and demanded all official check funds from Delaware (in total, over $250 million), asserting that under the Federal Disposition Act, the funds escheat to the state in which the checks were purchased. Delaware refused and Pennsylvania and Wisconsin sued in federal district court. Delaware then filed a bill of complaint in the United States Supreme Court seeking a declaratory ruling, and shortly thereafter, Florida and 27 other states filed their own bill of complaint. Arkansas leads that state coalition. The U.S. Supreme Court consolidated the cases and assigned a Special Master, who bifurcated the action into two-stages, liability and damages.
Amount of the Claim:	Approximately $12 million in unclaimed checks will be reported and remitted to the Department of Financial Services' Division of Unclaimed Property (Division). The Division will then execute its statutory duties to notify apparent owners, process claims, and remit the unclaimed funds to the rightful owners.

Specific Statutes or Laws (including GAA) Challenged:	Federal Disposition of Abandoned Money Orders and Traveler's Checks Act, 12 U.S.C. §§ 2501–03
Status of the Case:	The Supreme Court unanimously held that the disputed monetary instruments fall within the scope of the Disposition of Abandoned Money Orders and Traveler's Checks Act (Federal Disposition Act or FDA) and that the states of purchase of the unclaimed monetary instruments may therefore escheat the proceeds. The Court rejected Delaware's contention that the instruments fall outside the scope of the Act noting that the statute does not require a decision as to whether the MoneyGram checks actually are money orders, just whether they are sufficiently "similar" to a money order to fall within the FDA. The case was remanded to the Special Master for a determination as to damages, and the Special Master issued an Order setting a tentative trial date of the fourth quarter of 2024.

In June 2024 the state coalition reached a settlement with Delaware. The settlement agreement has been executed by all parties and notice of same has been filed with the Special Master. The total settlement number for the state coalition is $157,093,705.11 (not including escrow interest). That figure includes a $102,392,751.12 settlement payment from Delaware and $54,700,953.99 from the escrow account. The states will also receive interest on the escrowed funds in an amount to be determined using the pro-rata time in account methodology. The settlement represents the state coalition taking possession of approximately 70% of the instruments escheated during the period in controversy (2006-2023).

Under the settlement framework, there is an escrow and non-escrow component. The escrow funds are made up of the unclaimed items remitted by MoneyGram between February 2018 and May 2023. The non-escrow component concerns the funds that MoneyGram erroneously reported to Delaware between 2006 – 2017. MoneyGram will remit the funds and transmit reports in the standard format approved by the National Association of Unclaimed Property Administrators (NAUPA) for each item disbursed to a state from the escrow account. The principal escrow amount owed to Florida is $4,566,416.14. The final escrow number with an interest figure calculated by the coalition's accountants will be provided before disbursement.

After the escrow funds are disbursed, Delaware will pay each state a settlement payment representing the amount escheated on instruments between 2011 and 2017 (that were not escrowed). Under the settlement, Florida will receive $7,599,494.44 from Delaware along with reports in the standard format approved by NAUPA for each check represented by the settlement payment.

This represents a total settlement of $12,165,910.60 to Florida. |

Who is representing (of record) the state in this lawsuit? Check all that apply.		Agency Counsel
	X	Office of the Attorney General or Division of Risk Management
		Outside Contract Counsel
If the lawsuit is a class action (whether the class is certified or not), provide the name of the firm or firms representing the plaintiff(s).		

Office of Policy and Budget – June 2024

Schedule VII: Agency Litigation Inventory

For directions on completing this schedule, please see the "Legislative Budget Request (LBR) Instructions" located on the Florida Fiscal Portal.

Agency:	**Department of Financial Services**

Contact Person:	Nathan Koch	Phone Number:	850-413-4165

Names of the Case: (If no case name, list the names of the plaintiff and defendant.)	*Rene Garcia, Javier Fernandez, Crystal Wagar, Mack Bernard, & William Proctor v. Commission on Ethics officials, et al, Ashley Moody, and Jimmy Patronis in his official capacity as Chief Financial Officer*
Court with Jurisdiction:	United States Court of Appeals for the Eleventh Circuit
Case Number:	23-12663
Summary of the Complaint:	Plaintiffs/Appellees challenging the State of Florida's anti-lobbying constitutional amendment as an unconstitutional abridgment of free speech and request an injunction to preclude enforcement of Art. II, § 8(f)(1)-(3), Fla. Const., and § 112.3122, Fla. Stat.
Amount of the Claim:	The outcome of this case may require amendments to the law under which the agency operates and may result in current state law not being enforced.
Specific Statutes or Laws (including GAA) Challenged:	Art. II, § 8(f)(1)-(3), Fla. Const., and § 112.3122, Fla. Stat.
Status of the Case:	Appeal proceeding. On August 9, 2023, the district court granted judgment in favor of Plaintiffs and entered a permanent injunction against the Department of Financial Services and other state agencies from enforcing the provisions on any public officer in the State of Florida. On August 15, 2023, Notice of Appeal filed by Appellants. On October 25, 2023, Appellant and Cross Appellee's brief filed. On November 30, 2023, Court ordered stay, in part, of district court's permanent injunction while appeal pending. On January 25, 2024, Appellee-Cross Appellant's brief filed. On March 27, 2024, Cross Appellee reply brief filed. On May 15, 2024, Appellee-Cross Appellant's reply brief filed.

Who is representing (of record) the state in this lawsuit? Check all that apply.		Agency Counsel
	X	Office of the Attorney General or Division of Risk Management
		Outside Contract Counsel

If the lawsuit is a class action (whether the class is certified or not), provide the name of the firm or firms representing the plaintiff(s).	N/A

Schedule VII: Agency Litigation Inventory

For directions on completing this schedule, please see the "Legislative Budget Request (LBR) Instructions" located on the Florida Fiscal Portal.

Agency:	**Department of Financial Services**

Contact Person:	Kimberly Masson	Phone Number:	850-413-4126

Names of the Case: (If no case name, list the names of the plaintiff and defendant.)	*Alieda Maron, individually and on behalf of all others similarly situated, v. Jimmy T. Patronis, Jr., in his official capacity as the Chief Financial of the State of Florida*
Court with Jurisdiction:	United States Court of Appeals for the Eleventh Circuit; United States District Court for the Northern District of Florida, Tallahassee Division
Case Number:	23-13178; 4:22-cv-00255-RH-MAF
Summary of the Complaint:	The issue is whether claimants are entitled to the interest earned on unclaimed funds while the funds are in the State's custody. Pursuant to section 717.123, Florida Statutes, all unclaimed funds received under chapter 717, Florida Statutes, are deposited in the Unclaimed Property Trust Fund. The Department retains $15 million to pay claims and cover the costs incurred in the administration and enforcement of chapter 717, and the remaining funds are deposited into the State School Fund. Currently, section 717.124(4)(a) provides in relevant part, "if a claim is determined in favor of the claimant, the department shall deliver or pay over to the claimant the property or the amount the department actually received." Plaintiffs allege that because the State does not compensate an owner of unclaimed property for (1) lost interest, dividends, or other earnings, (2) the loss of the beneficial use of the property, or (3) the time value of the property while it is in State custody, the State has effectuated a taking of private property without just compensation in violation of the Fifth and Fourteenth Amendments to the United States Constitution and Article X, section 6 of the Florida Constitution.
Amount of the Claim:	No dollar amount has been specified; however, the outcome of this case may require amendments to the law which will likely have a significant fiscal impact on the State.

Specific Statutes or Laws (including GAA) Challenged:	Section 717.124(4)(a), Florida Statutes
Status of the Case:	The Department filed a Motion to Dismiss challenging the class representative's standing and the sufficiency of the Complaint's allegations on September 15, 2022. Plaintiffs filed a Response in Opposition to the Motion to Dismiss on September 29, 2022. The District Court entered an Order of Dismissal on September 5, 2023, for failure to state a claim as to the U.S. constitutional claims and sovereign immunity as to the Florida constitutional claims. Plaintiff/sAppellants filed a Notice of Appeal on September 27, 2023. The Department filed an Answer Brief on February 7, 2024. Oral Argument has been scheduled for November 20, 2024, in Montgomery, AL.
Who is representing (of record) the state in this lawsuit? Check all that apply.	X Agency Counsel
	Office of the Attorney General or Division of Risk Management
	Outside Contract Counsel
If the lawsuit is a class action (whether the class is certified or not), provide the name of the firm or firms representing the plaintiff(s).	Jeeves Law Group, P.A.; Jeeves Mandel Law Group, P.C.; Craig E. Rothburd, P.A.; Smith, Katzenstein & Jenkins, LLP; The Law Office of Arthur Susman.

Schedule VII: Agency Litigation Inventory

For directions on completing this schedule, please see the "Legislative Budget Request (LBR) Instructions" located on the Florida Fiscal Portal.

Agency:	**Department of Financial Services**

Contact Person:	Thomas Nemecek	Phone Number:	850-413-1694

Names of the Case: (If no case name, list the names of the plaintiff and defendant.)	*Normandy Insurance Co., et al. v. Department of Financial Services, Division of Workers' Compensation*
Court with Jurisdiction:	First District Court of Appeal
Case Number:	1D2023-0834; 1D2023-0830
Summary of the Complaint:	Appeal of Final Order of ALJ Darren Schwartz in DOAH Case 22-2767RP finding that proposed Rule 69L-7.501, *Florida Administrative Code*, is not an invalid exercise of delegated legislative authority. Rule 69L-7.501 became effective on May 23, 2023, and sets forth the reimbursement methodology for inpatient hospital services. Despite the ALJ's findings, the insurance carriers continue to argue that the Three-Member Panel did not consider other payment levels for similar treatment and care, and the Division's use of historical payment data that includes stop-loss reimbursements was not appropriate for cost comparison.
Amount of the Claim:	The outcome of this case may require amendments to the law under which the agency operates.
Specific Statutes or Laws (including GAA) Challenged:	Proposed Rule 69L-7.501, *Florida Administrative Code*.
Status of the Case:	On September 16, 2024, the Court affirmed, per curiam, the decision below finding that proposed Rule 69L-7.501, *Florida Administrative Code*, is not an invalid exercise of delegated legislative authority. There is an ongoing mediation effort being facilitated by the parties regarding individual reimbursement disputes involving stop-loss methodology.

Who is representing (of	X	Agency Counsel

record) the state in this lawsuit? Check all that apply.		Office of the Attorney General or Division of Risk Management
		Outside Contract Counsel
If the lawsuit is a class action (whether the class is certified or not), provide the name of the firm or firms representing the plaintiff(s).		

Schedule VII: Agency Litigation Inventory

For directions on completing this schedule, please see the "Legislative Budget Request (LBR) Instructions" located on the Florida Fiscal Portal.

Agency:	**Department of Financial Services**		
Contact Person:	Katie Privett	Phone Number:	850-413-4300

Names of the Case: (If no case name, list the names of the plaintiff and defendant.)	*Publix Super Markets, Inc. v. Department of Financial Services, Division of Workers' Compensation*
Court with Jurisdiction:	First District Court of Appeal
Case Number:	1D2023-0941
Summary of the Complaint:	Appeal of Final Order of ALJ Darren Schwartz in DOAH Case 23-0276RP finding that proposed Rules 69L-7.730(2)(l)1.b. and 69L-7.740(2)(c), *Florida Administrative Code*, are not invalid exercises of delegated legislative authority. These Rules became effective on July 1, 2023, and inform providers and insurance carriers of the billing and bill review process for physician-dispensed medication. Despite the ALJ's findings, the insurance carriers continue to argue that section 440.13(3)(j) only applies to pharmacies and pharmacists, and not dispensing practitioners.
Amount of the Claim:	The outcome of this case may require amendments to the law under which the agency operates.
Specific Statutes or Laws (including GAA) Challenged:	Proposed Rules 69L-7.730(2)(l)1.b. and 69L-7.740(2)(c), *Florida Administrative Code*.
Status of the Case:	Awaiting opinion. Initial Brief filed July 31, 2023. Department's Answer Brief filed August 29, 2023. Oral argument held January 16, 2024.

Who is representing (of record) the state in this lawsuit? Check all that apply.	X	Agency Counsel
		Office of the Attorney General or Division of Risk Management
		Outside Contract Counsel

If the lawsuit is a class action (whether the class is certified or not), provide the name of the firm or firms representing the plaintiff(s).	

Office of Policy and Budget – June 2024

Schedule VII: Agency Litigation Inventory

For directions on completing this schedule, please see the "Legislative Budget Request (LBR) Instructions" located on the Florida Fiscal Portal.

Agency:	**Department of Financial Services**

Contact Person:	Thomas Nemecek	Phone Number:	850-413-1694

Names of the Case: (If no case name, list the names of the plaintiff and defendant.)	*Zenith Insurance Company v. Department of Financial Services, Division of Workers' Compensation*
Court with Jurisdiction:	First District Court of Appeal
Case Number:	DOAH Case 18-3844 1D2023-1346
Summary of the Complaint:	The petition alleged the Department's reimbursement dispute determination requires reimbursement for charges and services that are unreasonable, in violation of section 440.015, 440.13(12-15), and 440.44(2), F.S. The petition further alleged the determination applies to both adopted and unadopted agency rule(s) or policy in violation of section 120.57(1), F.S., and illegally creates a conclusive presumption that all charges billed by the health care provider are reasonable and reimbursable in violation of Florida law. DOAH held a Final Hearing and DOAH issued a Recommended Order (RO). On May 23, 2023, the Department issued an Amended Final Order rejecting DOAH's RO and finding the RO incorrectly determined that the Department's stop-loss rule is invalid. In addition, the Department's Reimbursement Dispute Third Amended Determination correctly determined that Petitioner improperly adjusted payment to Lawnwood Regional Medical Center (LRMC) and Petitioner owes LRMC an additional reimbursement amount of $79,014.54. On June 5, 2023, Petitioner filed a Notice of Appeal to challenge the findings in the Amended Final Order.
Amount of the Claim:	The outcome of this case may require amendments to the law under which the agency operates.
Specific Statutes or Laws (including GAA) Challenged:	Rule 69L-7.501, *Florida Administrative Code*

Status of the Case:	Appeal proceeding. Fully briefed as of February 27, 2024. Awaiting opinion. There is an ongoing mediation effort being facilitated by the parties regarding individual reimbursement disputes involving stop-loss methodology.	
Who is representing (of record) the state in this lawsuit? Check all that apply.	X	Agency Counsel
		Office of the Attorney General or Division of Risk Management
		Outside Contract Counsel
If the lawsuit is a class action (whether the class is certified or not), provide the name of the firm or firms representing the plaintiff(s).		

Office of Policy and Budget – June 2024

Schedule VII: Agency Litigation Inventory

For directions on completing this schedule, please see the "Legislative Budget Request (LBR) Instructions" located on the Florida Fiscal Portal.

Agency:	**Office of Insurance Regulation**

Contact Person:	Sean Gellis	Phone Number:	(850) 413-4122

Names of the Case: (If no case name, list the names of the plaintiff and defendant.)	US Coastal Property & Casualty v. Office of Insurance Regulation
Court with Jurisdiction:	Second Judicial Circuit
Case Number:	OIR Case #313422-23/ Court Case # 2023-CA 1851
Summary of the Complaint:	- Action for declaratory relief. U.S. Coastal argues that section 718.111(11), F.S., does not apply to U.S. Coastal because it is contrary to law and harms U.S. Coastal and its ability to operate its business. - U.S. Coastal specifically argues that Chapter 718 does not impose a mandatory insurance obligation on insurers; it imposes insurance related obligations on condominium associations (there is a 4th DCA opinion that the company relies on for this argument). - Additionally, the company argues that Chapter 718 only requires adequate insurance, not 100% replacement cost.
Amount of the Claim:	$0
Specific Statutes or Laws (including GAA) Challenged:	Section 718.111(11), F.S.
Status of the Case:	Pending hearing on Plaintiff's Motions for Summary Judgment.

Who is representing (of record) the state in this lawsuit? Check all that apply.	X	Agency Counsel
		Office of the Attorney General or Division of Risk Management
		Outside Contract Counsel

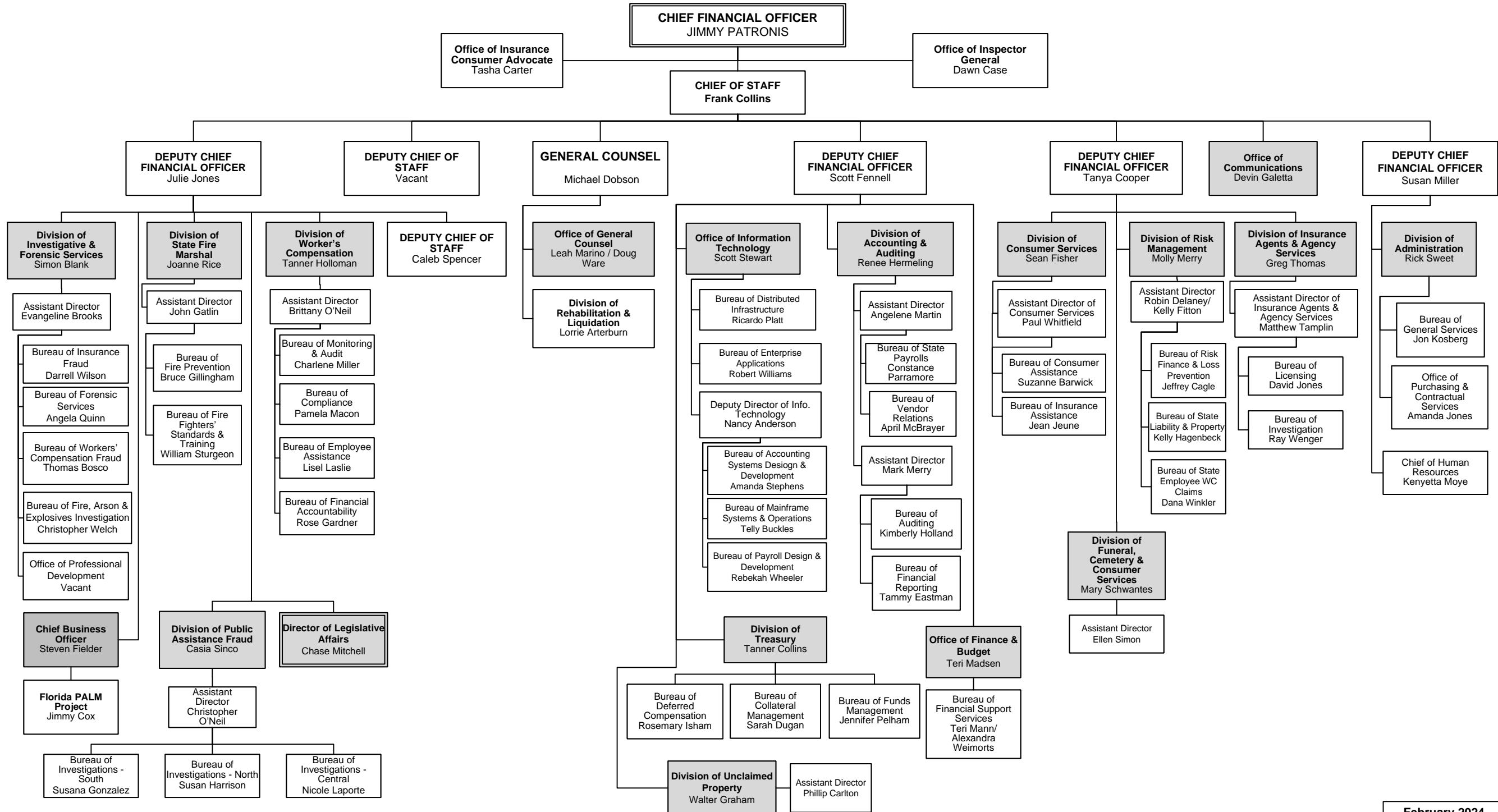|	
If the lawsuit is a class action (whether the class is certified or not), provide the name of the firm or firms representing the plaintiff(s).	N/A

Office of Policy and Budget – June 2024
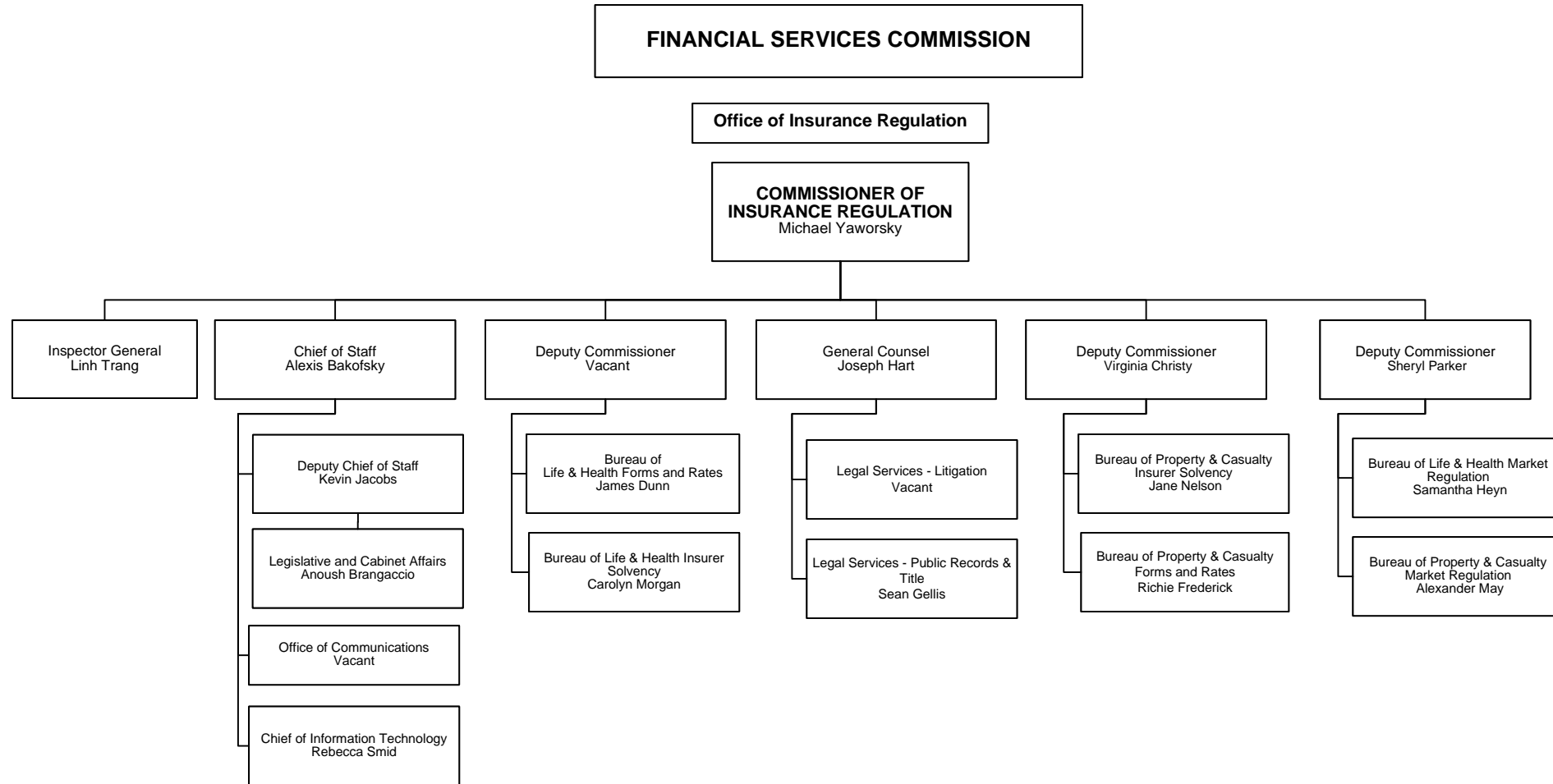
Schedule VII: Agency Litigation Inventory

For directions on completing this schedule, please see the "Legislative Budget Request (LBR) Instructions" located on the Florida Fiscal Portal.

Agency:	**Office of Financial Regulation**

Contact Person:	Counsel to OFR: William Stafford Special Counsel General Civil Division – State Programs Office of the Attorney General	**Phone Number:**	(850) 414-3785

Names of the Case: (If no case name, list the names of the plaintiff and defendant.)	BAM Trading Services, Inc., d/b/a Binance.US (Petitioner) v. State of Florida Office of Financial Regulation (Respondent)
Court with Jurisdiction:	First District Court of Appeal
Case Number:	DCA Case No.: 1D2023-3371; OFR Case No.: 115490
Summary of the Complaint:	Petitioner, an online virtual currency exchange that holds a Florida money transmitter license, appealed a non-final order issued by the OFR on September 29, 2023 ("Emergency Suspension Order" or "ESO"). The ESO had imposed an immediate suspension of Petitioner's license pursuant to F.S. 560.114(2)(c), which specifically authorizes the OFR, pursuant to F.S. 120.60(6), to take such disciplinary action against a licensee when a natural person required to be listed on the application (i.e., a control person) is criminally charged or arrested for, among other things, a crime involving fraud, moral turpitude, or dishonest dealing. The OFR issued the ESO shortly after Petitioner's control person (i.e., 80% indirect owner), Changpeng Zhao, was criminally charged by the U.S. Department of Justice, and immediately pled guilty to, one felony count of willful failure to maintain an effective anti-money laundering ("AML") program for Binance Holdings Limited ("Binance"), a large online virtual currency exchange. Petitioner's appeal asked the court to quash the ESO, arguing that the ESO was facially deficient pursuant to F.S. 120.60(6) and that, absent the requested remedy, the ESO would irreparably harm both Petitioner and its Florida customers.
Amount of the Claim:	Petitioner Requested Court to Quash ESO

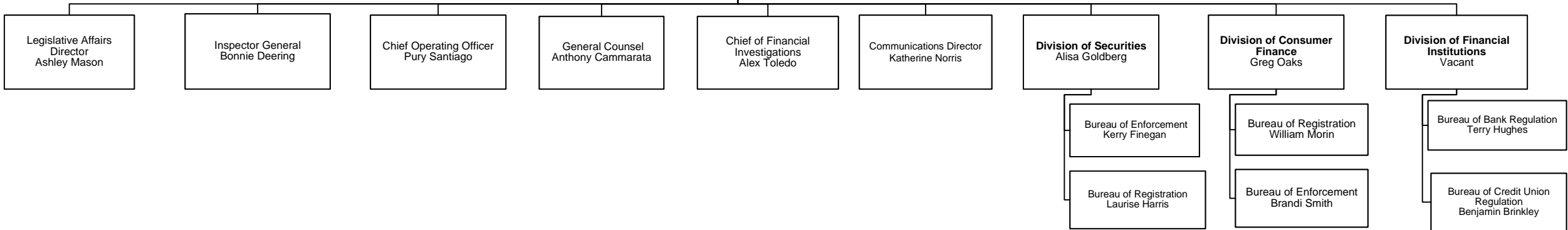| Specific Statutes or Laws (including GAA) Challenged:	F.S. 560.114(2)(c)	
Status of the Case:	Following the parties' filings and oral arguments, on May 22, 2024, the court issued opinion granting Petitioner's request to quash ESO. The court's opinion is not final until disposition of any timely and authorized motion under Fla. R. App. P. 9.330 or 9.331. On July 19, 2024, the Office of Attorney General and Solicitor General's Office, filed a motions on behalf of OFR seeking a Rehearing or Rehearing En Banc, or in the alternative, Certification of Direct Conflict and Questions of Great Public Importance.	
Who is representing (of record) the state in this lawsuit? Check all that apply.	X	Agency Counsel
	X	Office of the Attorney General or Division of Risk Management
		Outside Contract Counsel
If the lawsuit is a class action (whether the class is certified or not), provide the name of the firm or firms representing the plaintiff(s).	N/A	

DEPARTMENT OF FINANCIAL SERVICES

CHIEF FINANCIAL OFFICER
JIMMY PATRONIS

Office of Insurance Consumer Advocate
Tasha Carter

Office of Inspector General
Dawn Case

CHIEF OF STAFF
Frank Collins

DEPUTY CHIEF FINANCIAL OFFICER — Julie Jones

- **Division of Investigative & Forensic Services** — Simon Blank
  - Assistant Director — Evangeline Brooks
    - Bureau of Insurance Fraud — Darrell Wilson
    - Bureau of Forensic Services — Angela Quinn
    - Bureau of Workers' Compensation Fraud — Thomas Bosco
    - Bureau of Fire, Arson & Explosives Investigation — Christopher Welch
    - Office of Professional Development — Vacant
  - **Chief Business Officer** — Steven Fielder
    - **Florida PALM Project** — Jimmy Cox
- **Division of State Fire Marshal** — Joanne Rice
  - Assistant Director — John Gatlin
    - Bureau of Fire Prevention — Bruce Gillingham
    - Bureau of Fire Fighters' Standards & Training — William Sturgeon
- **Division of Worker's Compensation** — Tanner Holloman
  - Assistant Director — Brittany O'Neil
    - Bureau of Monitoring & Audit — Charlene Miller
    - Bureau of Compliance — Pamela Macon
    - Bureau of Employee Assistance — Lisel Laslie
    - Bureau of Financial Accountability — Rose Gardner
- **DEPUTY CHIEF OF STAFF** — Caleb Spencer
- **Division of Public Assistance Fraud** — Casia Sinco
  - Assistant Director — Christopher O'Neil
    - Bureau of Investigations - South — Susana Gonzalez
    - Bureau of Investigations - North — Susan Harrison
    - Bureau of Investigations - Central — Nicole Laporte
- **Director of Legislative Affairs** — Chase Mitchell

DEPUTY CHIEF OF STAFF — Vacant

GENERAL COUNSEL — Michael Dobson

- **Office of General Counsel** — Leah Marino / Doug Ware
- **Division of Rehabilitation & Liquidation** — Lorrie Arterburn

DEPUTY CHIEF FINANCIAL OFFICER — Scott Fennell

- **Office of Information Technology** — Scott Stewart
  - Bureau of Distributed Infrastructure — Ricardo Platt
  - Bureau of Enterprise Applications — Robert Williams
  - Deputy Director of Info. Technology — Nancy Anderson
    - Bureau of Accounting Systems Desiogn & Development — Amanda Stephens
    - Bureau of Mainframe Systems & Operations — Telly Buckles
    - Bureau of Payroll Design & Development — Rebekah Wheeler
- **Division of Accounting & Auditing** — Renee Hermeling
  - Assistant Director — Angelene Martin
    - Bureau of State Payrolls — Constance Parramore
    - Bureau of Vendor Relations — April McBrayer
  - Assistant Director — Mark Merry
    - Bureau of Auditing — Kimberly Holland
    - Bureau of Financial Reporting — Tammy Eastman
- **Division of Treasury** — Tanner Collins
  - Bureau of Deferred Compensation — Rosemary Isham
  - Bureau of Collateral Management — Sarah Dugan
  - Bureau of Funds Management — Jennifer Pelham
  - **Division of Unclaimed Property** — Walter Graham
    - Assistant Director — Phillip Carlton
- **Office of Finance & Budget** — Teri Madsen
  - Bureau of Financial Support Services — Teri Mann / Alexandra Weimorts

DEPUTY CHIEF FINANCIAL OFFICER — Tanya Cooper

- **Division of Consumer Services** — Sean Fisher
  - Assistant Director of Consumer Services — Paul Whitfield
    - Bureau of Consumer Assistance — Suzanne Barwick
    - Bureau of Insurance Assistance — Jean Jeune
- **Division of Risk Management** — Molly Merry
  - Assistant Director — Robin Delaney / Kelly Fitton
    - Bureau of Risk Finance & Loss Prevention — Jeffrey Cagle
    - Bureau of State Liability & Property — Kelly Hagenbeck
    - Bureau of State Employee WC Claims — Dana Winkler
- **Division of Insurance Agents & Agency Services** — Greg Thomas
  - Assistant Director of Insurance Agents & Agency Services — Matthew Tamplin
    - Bureau of Licensing — David Jones
    - Bureau of Investigation — Ray Wenger
- **Division of Funeral, Cemetery & Consumer Services** — Mary Schwantes
  - Assistant Director — Ellen Simon

Office of Communications — Devin Galetta

DEPUTY CHIEF FINANCIAL OFFICER — Susan Miller

- **Division of Administration** — Rick Sweet
  - Bureau of General Services — Jon Kosberg
  - Office of Purchasing & Contractual Services — Amanda Jones
  - Chief of Human Resources — Kenyetta Moye

February 2024

FINANCIAL SERVICES COMMISSION

Office of Insurance Regulation

COMMISSIONER OF INSURANCE REGULATION
Michael Yaworsky

Inspector General
Linh Trang

Chief of Staff
Alexis Bakofsky

Deputy Commissioner
Vacant

General Counsel
Joseph Hart

Deputy Commissioner
Virginia Christy

Deputy Commissioner
Sheryl Parker

Deputy Chief of Staff
Kevin Jacobs

Bureau of
Life & Health Forms and Rates
James Dunn

Legal Services - Litigation
Vacant

Bureau of Property & Casualty
Insurer Solvency
Jane Nelson

Bureau of Life & Health Market
Regulation
Samantha Heyn

Legislative and Cabinet Affairs
Anoush Brangaccio

Bureau of Life & Health Insurer
Solvency
Carolyn Morgan

Legal Services - Public Records &
Title
Sean Gellis

Bureau of Property & Casualty
Forms and Rates
Richie Frederick

Bureau of Property & Casualty
Market Regulation
Alexander May

Office of Communications
Vacant

Chief of Information Technology
Rebecca Smid

February 2024

FINANCIAL SERVICES COMMISSION

Office of Financial Regulation

COMMISSIONER OF FINANCIAL REGULATION
Russell Weigel

Legislative Affairs Director
Ashley Mason

Inspector General
Bonnie Deering

Chief Operating Officer
Pury Santiago

General Counsel
Anthony Cammarata

Chief of Financial Investigations
Alex Toledo

Communications Director
Katherine Norris

Division of Securities
Alisa Goldberg

Bureau of Enforcement
Kerry Finegan

Bureau of Registration
Laurise Harris

Division of Consumer Finance
Greg Oaks

Bureau of Registration
William Morin

Bureau of Enforcement
Brandi Smith

Division of Financial Institutions
Vacant

Bureau of Bank Regulation
Terry Hughes

Bureau of Credit Union Regulation
Benjamin Brinkley

February 2024

FINANCIAL SERVICES, DEPARTMENT OF	FISCAL YEAR 2023-24	
SECTION I: BUDGET	**OPERATING**	**FIXED CAPITAL OUTLAY**
TOTAL ALL FUNDS GENERAL APPROPRIATIONS ACT	613,178,915	66,160,227
ADJUSTMENTS TO GENERAL APPROPRIATIONS ACT (Supplementals, Vetoes, Budget Amendments, etc.)	346,900,594	-14,757,661
FINAL BUDGET FOR AGENCY	960,079,509	51,402,566

SECTION II: ACTIVITIES * MEASURES	Number of Units	(1) Unit Cost	(2) Expenditures (Allocated)	(3) FCO
Executive Direction, Administrative Support and Information Technology (2)				51,402,566
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.	55,844	8.60	480,446	
Process Transactions, Account Changes And Audit Functions * Number of account actions taken on regulatory collateral deposit accounts.	54,132	22.01	1,191,282	
Investment Of Public Funds * Average Dollar Volume of Funds Invested	62,600,000,000	0.00	961,457	
Provide Cash Management Services * Number of cash management consultation services.	27	51,548.41	1,391,807	
Receive Funds, Process Payment Of Warrants And Provide Account And Reconciliation Services * Number of financial management/accounting transactions processed and reports produced.	2,840,000	0.75	2,133,625	
Administer The State Supplemental Deferred Compensation Plan * Number of Participant account actions processed by the Bureau of Deferred Compensation.	1,715,590	1.22	2,085,054	
Accounting And Reporting Of State Funds * State Accounts Managed in the Florida Accounting Information Reporting System.	36,235	142.11	5,149,272	
Migrate Current Accounts Payable Procedures To Electronic Commerce * Payments issued electronically to settle claims against the state.	10,210,658	0.10	972,864	
Conduct Pre-audits Of Selected Accounts Payable * Vendor payment requests that are pre-audited for compliance with statutes and contract requirements	349,829	26.87	9,398,967	
Conduct Post-audits Of Major State Programs * Post-audits completed of major state programs to determine compliance with statutes and contract requirements.	7	83,815.14	586,706	
Process State Employees Payroll * Payroll payments issued	3,219,679	0.77	2,486,191	
Conduct Post-audits Of Payroll * Post-audits completed of state agencies payroll payments to determine compliance with statutes	13	8,281.69	107,662	
Conduct Fiscal Integrity Investigations * Fiscal integrity investigations completed to investigate allegations or suspicions of fraud, waste or abuse.	26	36,070.31	937,828	
Article V - Clerk Of The Courts * N/A	17	25,401.18	431,820	
Collect Unclaimed Property * Accounts reported by holders of unclaimed property.	4,452,460	0.87	3,851,458	
Process And Payment Of Unclaimed Property * Payments processed for claims of unclaimed property.	551,338	7.59	4,186,281	
License The Fire Protection Industry * Number of entity requests for licenses, permits and certificates processed within statutorily mandated time frames.	8,852	80.91	716,172	
Perform Fire Safety Inspections * Number of inspections of fire code compliance completed.	14,757	353.13	5,211,176	
Review Construction Plans For Fire Code Compliance * Number of construction plans reviewed.	1,032	700.65	723,071	
Perform Boiler Inspections * Number of boiler inspections completed by department inspectors.	1,337	584.71	781,762	
Investigate Fires Accidental, Arson And Other * Total number of closed fire investigations involving economic or physical loss.	2,734	8,946.88	24,460,783	
Provide State, Local And Business Professional Training And Education * Number of classroom contact hours provided by the Florida State Fire College.	171,260	16.91	2,895,847	
Provide State, Local And Business Professional Standards, Testing And Statutory Compliance * Number of examinations administered.	11,065	121.46	1,343,988	
Provide Forensic Laboratory Services * Number of evidence items and photographic images processed.	162,678	8.10	1,317,564	
Fire Incident Reporting * Number of total incidents reported to the Florida Fire Incident Reporting System.	3,122,387	0.13	415,963	
Provide Adjusting Services On State Workers' Compensation Claims * Number of workers' compensation claims worked.	10,545	3,658.45	38,578,382	
Provide Adjusting Services On State Liability Claims * Number of liability claims worked.	7,765	2,033.17	15,787,530	
Process Property Claims On State Owned Buildings (structure And Contents) * Number of state property loss/damage claims worked.	1,201	2,300.20	2,762,536	
Provide Risk Services Training And Consultation * Number of agency loss prevention staff trained during the fiscal year.	210	11,718.68	2,460,922	
Rehabilitate And/Or Liquidate Financially Impaired Insurance Companies * Number of insurance companies in receivership during the year.	14	75,395.14	1,055,532	
Review Applications For Licensure (qualifications) * Number of applications for licensure processed.	176,005	19.39	3,412,491	
Administer Examinations And Issue Licenses * Number of examinations administered and licenses authorized.	99,153	18.19	1,803,794	
Administer The Appointment Process From Employers And Insurers * Number of appointment actions processed.	2,906,752	0.31	903,958	
Administration Of Education Requirements (pre Licensing And Continuing Education) * Number of applicants and licensees required to comply with education requirements.	414,974	1.31	543,155	
Investigate Agents And Agencies * Number of agent and agency investigations completed.	3,463	1,955.66	6,772,459	
Investigate Insurance Fraud (general) * Number of insurance fraud investigations completed (not including workers- compensation).	1,354	22,140.83	29,978,682	
Investigate Workers' Compensation Insurance Fraud * Number of workers' compensation insurance fraud investigations completed.	260	17,659.48	4,591,464	
Respond To Consumer Request For Assistance * Number of consumer requests and informational inquiries handled.	62,973	86.71	5,460,656	
Provide Consumer Education Activities * Number of visits to the Consumer Services website.	258,373	2.92	754,354	
Answer Consumer Telephone Calls * Number of telephone calls answered through the consumer helpline.	72,049	80.14	5,773,685	
Examine And Regulate Licensees In The Funeral & Cemetery Business (chapter 497) To Ensure Regulatory Compliance * Number of examinations and inspections completed.	2,091	1,562.70	3,267,598	
Monitor And Audit Workers' Compensation Insurers To Ensure Benefit Payments * Number of claims reviewed annually.	91,227	57.24	5,221,651	
Verify That Employers Comply With Workers' Compensation Laws * Number of employer investigations conducted.	25,060	687.63	17,231,893	
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.	522	11,384.94	5,942,937	
Provide Reimbursement For Workers' Compensation Claims Paid By Insurance Carriers On Employees Hired With Preexisting Conditions * Number of reimbursement requests (SDF-2) audited.	763	1,994.86	1,522,077	
Collection Of Assessments From Workers' Compensation Insurance Providers * Amount of assessment dollars collected.	66,066,637	0.01	823,300	
Data Collection, Dissemination, And Archival * Number of records successfully entered into the division's databases.	5,437,920	0.83	4,487,693	
Reimbursement Disputes * Number of petitions resolved annually	10,317	192.96	1,990,726	
Public Assistance Fraud Investigations * Number of public assistance fraud investigations conducted.	1,998	4,545.85	9,082,610	
Approve And License Entities To Conduct Insurance Business. * Number of Certificates of Authority (COAs) processed.	109	11,548.25	1,258,759	
Conduct And Direct Market Conduct Examinations. * Number of examinations and investigations completed for licensed companies and unlicensed entities	492	8,371.36	4,118,709	
Conduct Financial Reviews And Examinations. * Number of financial reviews and examinations completed.	12,087	1,881.80	22,745,301	
Review And Approve Rate And Form Filings. * Number of rate and forms review completed.	8,747	1,328.63	11,621,558	
Examine And Regulate Financial Services Companies To Ensure Regulatory Compliance. * Examinations of non-depository financial service companies to determine compliance with regulations.	633	9,309.48	5,892,899	
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.	22,165	131.77	2,920,599	
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.	98	129,896.80	12,729,886	
Examine And Enforce Laws Regarding International Financial Institutions To Ensure Safety And Soundness. * Number of international financial institutions examined to ensure safety and soundness.	9	99,835.78	898,522	
Conduct Financial Investigations Into Allegations Of Fraudulent Activity. * Number of financial investigations into allegations of fraudulent activity.	363	13,974.20	5,072,634	
Examine And Regulate Money Services Businesses To Ensure Regulatory Compliance * Examinations of money services businesses conducted to determine compliance with regulations.	235	24,132.34	5,671,101	
Examine And Regulate Securities Firms, Branches To Ensure Regulatory Compliance. * Conduct examinations of securities firms and branches.	204	31,952.02	6,518,212	
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.	61,623	46.18	2,845,660	
TOTAL			326,722,971	51,402,566

SECTION III: RECONCILIATION TO BUDGET			
PASS THROUGHS			
TRANSFER - STATE AGENCIES			
AID TO LOCAL GOVERNMENTS			
PAYMENT OF PENSIONS, BENEFITS AND CLAIMS		3,225,000	
OTHER		276,825,306	
REVERSIONS		353,162,493	
TOTAL BUDGET FOR AGENCY (Total Activities + Pass Throughs + Reversions) - Should equal Section I above. (4)		959,935,770	51,402,566

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.

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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 ***


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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 THROUGHS
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.
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BE	PC	CODE	TITLE	EXPENDITURES	FCO
43500400	1205000000	ACT1020	HOLOCAUST VICTIMS ASSISTANCE	288,181	
43010400	1602000000	ACT1040	INSURANCE CONSUMER ADVOCATE	670,472	
43010500	1603000000	ACT1050	INFORMATION TECHNOLOGY - FLAIR	18,977,041	
43010100	1602000000	ACT1060	MY SAFE FLORIDA HOMES	166,789,282	
43200300	1603000000	ACT2180	FLORIDA ACCOUNTING INFORMATION	58,445,595	
43200100	1601000000	ACT2195	PASS THROUGH FLORIDA CLERKS OF	2,180,890	
43300200	1202000000	ACT3250	CONSTRUCTION MATERIALS MINING	491,509	
43300400	1202000000	ACT3430	PASS-THROUGH GRANTS AND AIDS	1,420,840	
43300500	1202000000	ACT3440	PASS-THROUGH GRANTS AND AIDS LOCAL	5,676,835	
43300500	1202000000	ACT3530	PASS THROUGH - TRANSFER TO	2,000,000	
43700200	1205000000	ACT3610	MAINTENANCE AND REPAIR	1,170,646	
43400100	1601000000	ACT4150	PURCHASE OF EXCESS INSURANCE	14,227,074	
43700100	1205000000	ACT5510	HURRICANES AND OTHER NATURAL	1,836,576	
43600100	1102020000	ACT6010	TRANSFER TO 1ST DISTRICT COURT OF	1,126,926	
43900110	1204000000	ACT9150	HURRICANE RATE/RISK MODEL	1,273,439	

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   43600100  1102020000  ACT9940  TRANSFER TO THE UNIVERSITY OF              250,000


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


   DEPARTMENT: 43                          EXPENDITURES         FCO

   FINAL BUDGET FOR AGENCY (SECTION I):     960,079,509      51,402,566

   TOTAL BUDGET FOR AGENCY (SECTIONS II + III):  959,935,770   51,402,566

                                          --------------- ---------------

   DIFFERENCE:                                 143,739

   (MAY NOT EQUAL DUE TO ROUNDING)          =============== ===============


Difference of 143,823 from Revert and Reappropriation of Domestic Security Funding in 43700100 in FY 22-23
Real difference of 84 due to rounding.
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SCHEDULE XII: OUTSOURCING OR PRIVATIZATION OF A SERVICE OR ACTIVITY

Schedule XII Cover Sheet and Agency Project Approval	
Agency: Department of Financial Services	**Schedule XII Submission Date: 10/01/2024**
Project Name: Business Process Outsourcing (BPO) Call Services	**Is this project included in the Agency's LRPP?** ____ Yes __X__ No
FY 2025 - 2026 LBR Issue Code: 33J0100	**FY 2025 -2026 LBR Issue Title: Business Process Outsourcing (BPO) Call Services**
Agency Contact for Schedule XII (Name, Phone #, and E-mail address): **Phillip Carlton, 850-413-5570, Phillip.Carlton@myfloridacfo.com**	
AGENCY APPROVAL SIGNATURES	
I am submitting the attached Schedule XII in support of our legislative budget request. I have reviewed and agree with the information in the attached Schedule XII.	
Agency Head: *Jimmy Patronis* **Printed Name: Jimmy Patronis**	**Date:10-2-24**
Agency Chief Information Officer: *(If applicable)* **Printed Name:**	**Date:**
Budget Officer: *Teri Madsen* **Printed Name:**	**Date:** 10-2-2024
Planning Officer: **Printed Name:**	**Date:**
Project Sponsor: *Phillip Carlton* **Printed Name: Phillip Carlton**	**Date: 10-2-2024**

Office of Policy and Budget – June 2024

SCHEDULE XII: OUTSOURCING OR PRIVATIZATION OF A SERVICE OR ACTIVITY

I.	Background Information

1.	Describe the service or activity proposed to be outsourced or privatized.

Requesting funds to obtain contracted services for Business Process Outsourcing (BPO) Call Services to answer unclaimed property customer service calls. This service will not eliminate any FTE positions in DUP.

2.	How does the service or activity support the agency's core mission? What are the agency's desired goals and objectives to be achieved through the proposed outsourcing or privatization and the rationale for such goals and objectives?

Obtaining BPO Call Services is needed to promptly and professionally administer expected levels of services and performance. Each year the Division has generated, received, managed and administered sustained record-setting growth in the numbers of unclaimed property reports received, claims created, analyzed and processed. This exponential growth has also caused a proportional increase in the number of customer service inquiries. This increase in workload for existing DUP staff creates a stifling effect in productivity and significantly increases the chances of successful fraud attempts. Obtaining this service will free current staff up to focus only on their primary functions, such as accurate and efficient processing of claims and unclaimed property reports and remittances which will result in meeting statutory requirements, as well as performance and customer service expectations. This service will not eliminate any current FTE positions in DUP, but will allow the Division to better meet customer service needs while improving report and claim processing time.

3.	Provide the legal citation authorizing the agency's performance of the service or activity.

Chapter 717, Florida Statutes.

4.	Identify the service's or activity's major stakeholders, including customers, clients, and affected organizations or agencies.

Florida residents and businesses.

5.	Describe and analyze how the agency currently performs the service or activity and list the resources, including information technology services and personnel resources, and processes used.

Currently, the Division of Unclaimed Property answers customer service calls between the hours of 9AM and noon, Monday through Friday in addition to responding to approximately 12,000 customer emails. Prior to August 2022, the Division of Consumer Services had a team to assist and answer on average 66% of the 115,000 Unclaimed Property related customer service calls received each year. In August 2022, the Division of Consumer Services ceased answering unclaimed property customer service telephone calls. This impacts the timely processing of claims and unclaimed property reports and remittances as well as limits the window of time citizens are able to contact the Division by phone.

6.	Provide the existing or needed legal authorization, if any, for outsourcing or privatizing the service or activity.

N/A

7. Provide the reasons for changing the delivery or performance of the service or activity. What is the current cost of service and revenue source?
As a result of the Division of Consumer Services having to cease their assistance with answering unclaimed property calls in August 2022, the Division currently must utilize existing staff to perform this service. This increased workload impacts the timely and accurate processing of claims and annual unclaimed property reports/remittances and significantly hampers its ability to meet statutory requirements. As a result, the Division has had to reduce customer service call hours of operation and direct the public to reach out via email. In addition, the Division is forced to utilize overtime, all available OPS resources, as well as finding and/or developing every technical efficiency process available or possible, to manage its extraordinary growth in property reported, remitted and claimed. The average annual overtime payments for the previous three fiscal years have been approximately $216,000. In FY20/21, nearly 80% of claims were processed within 60 days of receipt. This percentage had decreased to 59% by the end of FY23/24. Meeting statutory requirements is becomingly increasingly difficult with long-term, relatively low levels of staffing resources. The weekly average number of received claims awaiting processing has increased from pre-pandemic average of 34,000 per week in FY19/20, to a weekly average of 69,000 in FY23/24. This service will not eliminate any current FTE positions in DUP, but will allow the Division to better meet customer service needs while improving report and claim processing time.

II.	Evaluation of Options
1.	Provide a description of the available options for performing the service or activity and list for each option the general resources and processes needed to perform the service or activity. If state employees are currently performing the service or activity, provide at least one option involving maintaining state provision of the service or activity.

| **Option 1:** requesting contractual services recurring funding to obtain Business Process Outsourcing (BPO) Call Services to answer unclaimed property customer service calls at an estimated annual cost of $874,000. This service will not eliminate any current FTE positions in DUP.

Option 2: request funding for one (1) FTE Supervisor and ten (10) FTE career service positions to operate an Unclaimed property Call Center to answer all customer services calls and emails at an estimated annual recurring cost of approximately $935,437, initial start-up cost of $108,208 and a non-recurring cost of $50,765. |
| --- |

2.	For each option, describe its current market for the service or activity under consideration for outsourcing or privatizing. How many vendors are currently providing the specific service or activity on a scale similar to the proposed option? How mature is this market?

| **Option 1:** There is a limited current market for vendors who provide the services specifically for unclaimed property. Currently, we are aware of only two vendors that provide the service specifically for unclaimed property.

Option 2: N/A |
| --- |

3.	List the criteria used to evaluate the options. Include a cost-benefit analysis documenting the direct and indirect specific baseline costs, savings, and qualitative and quantitative benefits involved in or

resulting from the implementation of the recommended option(s).

Estimated cost is the criteria used to evaluate both options.

Option 1: The estimated cost calculation is based on the total estimated calls average over a three-year period (115,000) multiplied by the estimate average number of minutes per call (4) to get a total estimated number of minutes per call (460,000). The total estimated number of minutes per call (460,000) is then multiplied by the estimated price per minute ($1.90) obtained from an external source to get a total estimate cost for this service of $874,000.

Option 2: The estimated cost calculation for one (1) new FTE Supervisor and ten (10) new FTE career service positions is based on a total salary for all positions of $877,994 per year; initial start-up overhead cost (phone, rent, supplies, computer, etc.) of $108,208 with a recurring cost of $57,443; a non-recurring cost of $50,765. This results in an estimated annual recurring total cost of $935,437.

4.	Based upon the evaluation criteria, identify and analyze the advantages and disadvantages of each option, including potential performance improvements and risks.

Option 1: Primary advantage is that it will free current DUP staff from having to answer customer service calls and to focus only on processing claims and reports/remittances and will result in meeting statutory requirements, as well as performance and customer service expectations. Other advantages include, not having to hire more employees, access to a larger talent pool, language skills, cost reduction (equipment and maintenance, salaries and rent), flexibility and scalability. Disadvantages could include a reduction in control, decrease in quality or service levels, cultural and language barriers, and data security and privacy issues.

Option 2: Advantages include more control, increase in quality and service levels, possibly lesser issue with cultural and language barriers, less data security issue than outsourcing the services and no dependence on a service provider. Disadvantages include having to hire more employees, risk of attrition and turnover increasing employment recruitment and retention efforts, overhead costs for infrastructure (equipment and maintenance, salaries and rent), limited flexibility in adjustments to staffing levels which can be slower and more complex.

5.	For each option, describe the anticipated impact on the agency and the stakeholders, including impacts on other state agencies and their operations.

Option 1: will provide a positive impact on the Division as it will free DUP staff to focus only on processing claims and reports/remittances which will result in meeting statutory requirements. This service will not eliminate any current FTE positions in DUP. This option will result in meeting statutory requirements, performance and meeting customer service goals and expectations by promptly and accurately administering and managing all functions of the Division, which ultimately will result in Florida residents and businesses receiving funds for which they are rightfully entitled, weeding out more fraudulent claim attempts, all while boosting Florida's overall economy.

Option 2: will also provide a positive impact on the Division as it will dedicate DUP staff for customer service allowing current claims and reporting staff to focus only on processing claims and reports/remittances which will result in meeting statutory requirements. This service will not eliminate any current FTE positions in DUP. This option will result in meeting statutory requirements, performance and meeting customer service goals and expectations by promptly and accurately administering and managing all functions of the Division, which ultimately will result in Florida residents and businesses receiving funds for which they are rightfully entitled, weeding out more fraudulent claim attempts, all while boosting Florida's overall economy.

6.	Identify changes in cost and/or service delivery that will result from each option. Describe how the

changes will be realized. Describe how benefits will be measured and provide the annual cost.

Option 1: outsourcing call center services will eliminate the need for current DUP staff to perform the function and will allow them to focus on their primary job functions which will result in meeting statutory requirements. In addition, it will also eliminate the need to request funding to establish a call section for the division sparing the burden of employee salaries, payroll taxes, training, turnover, office space, supplies and equipment. The benefits will be measured by the number of calls received and handled each fiscal year along with the average time of the calls.

Option 2: obtaining new positions for a new Division Call Section will also eliminate the need for current DUP staff to perform the function and will allow them to focus on their primary job functions which will result in meeting statutory requirements. However, this will incur costs for employee salaries, payroll taxes, training, turnover, office space, supplies and equipment. The benefits will be measured by the number of calls received and handled each fiscal year along with the average time of the calls.

7. List the major risks for each option and how the risks could be mitigated.

Option 1: major risks include a call volume higher than estimated projection resulting in higher costs, data security and privacy issues.

Option 2: major risks include being unable to hire qualified people to fill the new positions, employee turnover, and/or call volume is higher than estimated projection.

8. Describe any relevant experience of other agencies, other states, or the private sector in implementing similar options.

Louisiana and Virginia have contracted for call services with the same vendor and have had a very positive experience which has allowed their state staff to focus only on processing claims.

III. Information on Recommended Option

1. Identify the proposed competitive solicitation including the anticipated number of respondents.

The Division recommends Option 1 to obtain funding for contracted services for Business Process Outsourcing (BPO) Call Services to answer unclaimed property customer service calls and choosing a vendor through either a RFP or ITB. Will work with the Office of Purchasing and Contractual Services (OPCS) to determine the best option. There are only two known vendors that focus on providing call services specifically for unclaimed property.

2. Provide the agency's projected timeline for outsourcing or privatization of the service or activity. Include key events and milestones from the beginning of the procurement process through the expiration of a contract and key events and milestones for transitioning the service or activity from the state to the vendor. Provide a copy of the agency's transition plan for addressing changes in the number of agency personnel, affected business processes, employee transition issues including reemployment and retraining assistance plan for employees who are not retained by the agency or employed by the contractor, and communication with stakeholders such as agency clients and the public.

Once the Division is notified that it will receive funding to obtain contracted services for Business Process Outsourcing (BPO) Call Services, the Division will work with OPCS to commence a formal solicitation for the services. Key events and milestones include: determining the procurement method, developing scope of work along with the deliverables and performance measures, issuing the solicitation, evaluate potential vendors based on a set of requirements (to be determined), select a vendor and enter into a contract to

perform the services. The Division is looking to implement this service in FY25-26.

This service will not eliminate any current FTE positions in DUP.

3. Identify all forms of compensation to the vendor(s) for performance of the service or activity, including in-kind allowances and state resources to be transferred to the vendor(s). Provide a detailed cost estimate of each.

The contract will include the requirement that the vendor must provide an itemized invoice each month detailing specified data for the total invoice charge. The contract will also provide that the vendor must provide reports on a weekly basis which can be used in validating the monthly invoice charge.

4. Provide an analysis of the potential impact on federal, state, and local revenues, and expenditures. If federal dollars currently fund all or part of the service or activity, what has been the response of the federal funding agency(ies) to the proposed change in the service delivery method? If federal dollars currently fund all or part of the service or activity, does the change in the service delivery method meet federal requirements?

N/A

5. What responsibilities, if any, required for the performance of the service or activity will be retained and performed by the agency? What costs, including personnel costs, will the agency continue to incur after the change in the service delivery model? Provide these cost estimations. Provide the method for monitoring progress in achieving the specified performance standards within the contract.

None of the responsibilities for the contracted service will be retained or be performed by the Division.

6. Describe the agency's contract management process for the outsourced or privatized service or activity, including a description of the specific performance standards that must be met to ensure adequate performance and how the agency will address potential contractor nonperformance. Attach a copy of any competitive solicitation documents, requests for quote(s), service level agreements, or similar documents issued by the agency for this competitive solicitation if available.

The contract will include the requirement that the vendor must provide an itemized invoice each month detailing specified data for the total invoice charge. The contract will also provide that the vendor must provide reports on a weekly basis which can be used in validating the monthly invoice charge. Other metrics to include in the contract are: number of contractor staff answering calls, average time to answer a call (80% of call in 20 seconds or less), average handle time (80% with average time of 4 minutes or less), percentage of calls blocked-busy signal (10% or less), average amount of time that a caller waits before speaking with an agent (80% with average time of 2 minutes or less), average number of callers who hang up before reaching an agent (5% or less of total calls for a month), call arrival rate to measure the frequency of inbound calls (monthly), first call resolution where the agent is able to resolve the caller's problem in the first call, without having to transfer, escalate, pause or return the call.

Once confirmation of the funding is received, the Division will work with OPCS to commence a formal solicitation for the services.

7.	Provide the agency's contingency plan(s) that describes the tasks involved in and costs required for its implementation and how the agency will resume the in-house provision of the service or activity in the event of contract termination/non-renewal.

The main task in transitioning a contracted service vendor to answer unclaimed property customer service calls will be providing the appropriate access the Division's Unclaimed Property Management Information System (UPMIS) and training on using the system. The Division is looking to contract with a vendor that has experience with other states in answering unclaimed property calls. As it is performed now, the Division will utilize existing staff in the event of contract termination/now-renewal. Obtaining this contracted service will not result in the Division eliminating any positions.

8.	Identify all other Legislative Budget Request issues that are related to this proposal.

N/A

9.	Explain whether or not the agency can achieve similar results by a method other than outsourcing or privatization and at what cost. Please provide the estimated expenditures by fiscal year over the expected life of the project.

The Division currently utilizes existing staff to perform this service. This impacts the timely and accurate processing of claims and meeting statutory requirements. Other than utilizing contracted services, similar results can only be achieved by obtaining FTE positions to establish a Customer Service Section as provided in Option 2 above. The estimated recurring cost is $935,437 per fiscal year with an initial start-up cost of $108,208 and a non-recurring cost of $50,765.

10.	Identify the specific performance measures that are to be achieved or that will be impacted by changing the service's or activity's delivery method.

The specific performance measure is handling approximately 115,000 (9,500 a month) calls a year with an average call time of 4 minutes per call.

11.	Provide a plan to verify vendor(s) compliance with public records laws.

Contract for the services will contain language that the vendor must comply with the public records law.

12.	If applicable, provide a plan to verify vender compliance with applicable federal and state law ensuring access by persons with disabilities.

Contract for the services will contain language for the vendor to provide compliance with the laws.

13.	If applicable, provide a description of potential differences among current agency policies or processes and a plan to standardize, consolidate, or revise current policies or processes.
N/A	
14.	If the cost of the outsourcing is anticipated to exceed $10 million in any given fiscal year, provide a copy of the business case study (and cost benefit analysis if available) prepared by the agency for the activity or service to be outsourced or privatized pursuant to the requirements set forth in section 287.0571, Florida Statutes.
N/A	

Schedule XIII-Proposed Consolidated Financing of Deferred-Payment Commodity Contracts

(The Department of Financial Services has no submission for this schedule for the Fiscal Year 2025-26 Legislative Budget Request)

Schedule XIV – Variance from Long Range Financial Outlook

(The Department of Financial Services has no submission for this schedule for the Fiscal Year 2025-26 Legislative Budget Request)

Schedule XV - Contract Reporting

(The Department of Financial Services has no submission for this schedule for the Fiscal Year 2025-26 Legislative Budget Request)

Schedule IV-B for Collateral Administration Program System Replacement

For Fiscal Year 2024-25

November 13, 2023

Florida Department of Financial Services

Contents

I.   Schedule IV-B Cover Sheet

Schedule IV-B Cover Sheet and Agency Project Approval	
Agency: Department of Financial Services	Schedule IV-B Submission Date: [Insert]
Project Name: Collateral Administration Program System Replacement	Is this project included in the Agency's LRPP? _____Yes _X_ No
FY 2024-25 LBR Issue Code: [Insert]	FY 2024-25 LBR Issue Title: [Insert]
Agency Contact for Schedule IV-B (Name, Phone #, and E-mail address): Sarah Dugan, 850-413-3383, sarah.dugan@myfloridacfo.com	
AGENCY APPROVAL SIGNATURES	
I am submitting the attached Schedule IV-B in support of our legislative budget request. I have reviewed the estimated costs and benefits documented in the Schedule IV-B and believe the proposed solution can be delivered within the estimated time for the estimated costs to achieve the described benefits. I agree with the information in the attached Schedule IV-B.	
Agency Head: _____ Printed Name: Jimmy Patronis, Florida Chief Financial Officer	Date: [Insert]
Agency Chief Information Officer (or equivalent): _____ Printed Name: Scott Stewart, DFS Chief Information Officer	Date: [Insert]
Budget Officer: _____ Printed Name: Teri Madsen, Director of the Office of Finance and Budget	Date: [Insert]
Planning Officer: _____ Printed Name Chase Mitchell, Director of the Office of Policy and Planning	Date: [Insert]
Project Sponsor: _____ Printed Name: Tanner Collins, Director, Division of Treasury	Date: [Insert]
Schedule IV-B Preparers (Name, Phone #, and E-mail address):	
Business Need:	The North Highland Company, LLC, 850-222-4733, Tallahassee@northhighland.com
Cost Benefit Analysis:	The North Highland Company, LLC, 850-222-4733, Tallahassee@northhighland.com
Risk Analysis:	The North Highland Company, LLC, 850-222-4733, Tallahassee@northhighland.com
Technology Planning:	The North Highland Company, LLC, 850-222-4733, Tallahassee@northhighland.com
Project Planning:	The North Highland Company, LLC, 850-222-4733, Tallahassee@northhighland.com

General Guidelines

The Schedule IV-B contains more detailed information on information technology (IT) projects than is included in the D-3A issue narrative submitted with an agency's Legislative Budget Request (LBR). The Schedule IV-B compiles the analyses and data developed by the agency during the initiation and planning phases of the proposed IT project. A Schedule IV-B must be completed for all IT projects when the total cost (all years) of the project is $1 million or more.

A Schedule IV-B is not required for requests to:

- Continue existing hardware and software maintenance agreements,
- Renew existing software licensing agreements that are similar to the service level agreements currently in use, or
- Replace desktop units ("refresh") with new technology that is similar to the technology currently in use.
- Contract only for the completion of a business case or feasibility study for the replacement or remediation of an existing IT system or the development of a new IT system.

Documentation Requirements

The type and complexity of an IT project determines the level of detail an agency should submit for the following documentation requirements:

- Background and Strategic Needs Assessment.
- Baseline Analysis.
- Proposed Business Process Requirements.
- Functional and Technical Requirements.
- Success Criteria.
- Benefits Realization.
- Cost Benefit Analysis.
- Major Project Risk Assessment.
- Risk Assessment Summary.
- Current Information Technology Environment.
- Current Hardware/Software Inventory.
- Proposed Technical Solution.
- Proposed Solution Description.
- Project Management Planning.

Compliance with s. 216.023(4)(a)10, F.S. is also required if the total cost for all years of the project is $10 million or more.

A description of each Schedule IV-B component is provided within this general template for the benefit of the Schedule IV-B authors. These descriptions and this guidelines section should be removed prior to the submission of the document.

Sections of the Schedule IV-B may be authored in software applications other than MS Word, such as MS Project and Visio. Submission of these documents in their native file formats is encouraged for proper analysis.

The Schedule IV-B includes two required templates, the Cost Benefit Analysis and Major Project Risk Assessment workbooks. For all other components of the Schedule IV-B, agencies should submit their own planning documents and tools to demonstrate their level of readiness to implement the proposed IT project. It is also necessary to assemble all Schedule IV-B components into one PDF file for submission to the Florida Fiscal Portal and to ensure all personnel can open component files and that no component of the Schedule has been omitted.

Submit all component files of the agency's Schedule IV-B in their native file formats to the Office of Policy and Budget and the Legislature at IT@LASPBS.STATE.FL.US. Reference the D-3A issue code and title in the subject line.

II. Schedule IV-B Business Case – Strategic Needs Assessment

A. Background and Strategic Needs Assessment

Purpose: To clearly articulate the business-related need(s) for the proposed project.

1. Business Need

The Florida Department of Financial Services (DFS, Department) is responsible for safeguarding the integrity of the transactions under its stewardship. The department strives to continually improve the efficiency and cost effectiveness of internal management processes, and to regularly validate the value it provides the consumers and taxpayers it serves.

Section 17.59, Florida Statues, requires the Department to administer a collateral management service for all state agencies as defined in s. 216.011, F.S, any county, city, or political subdivision thereof, or other public authority that requires by statute, rule, or contract the deposit or pledge of collateral. The Bureau of Collateral Management (BCM, Bureau), within the Department's Division of Treasury (Treasury), fulfills this important statutory function by administering collateral assets required of banks, trust businesses, insurance companies, and other entities as a condition of conducting business in Florida. The Bureau, also, administers Florida's public deposits program under Chapter 280, F.S which has the task of ensuring that, through collateralization, governmental entities with deposits on account (or "public depositors") with designated financial institutions (or "qualified public depositories") are guaranteed against loss in the event of a financial institution's default or insolvency. The major responsibility areas for the Bureau are encompassed in the following high-level use-cases:

- Creation, maintenance, and reporting on accounts for entities such as insurance companies, trust businesses, designated banks serving as qualified public depositories (QPDs), and state agencies or other governmental entities.
- Creation, maintenance, and reporting on escrow accounts for Florida state agencies such as the Department of Environmental Protection, the Department of Transportation, the Department of Veterans Affairs, and others.
- Capture and analysis of data from monthly and annual reports received from designated entities guiding minimum required collateral or deposit amounts per entity.
- Maintenance of collateral inventory, including validation of securities and other instruments held by the Bureau, such as certificates of deposit.
- Analysis to determine the financial strength of a financial institution and ensure the minimum collateral requirements are met.
- Management of transactions related to collateral deposits and withdrawals.
- Determination, tracking, and notification of both customer and leadership concerning violations of program and/or statutory requirements.
- Maintenance of up-to-date pricing of securities, reducing risk by ensuring accuracy and collateral compliance.
- Reconciliation and reporting processes to validate that BCM records of collateral held match Custodian[1] inventories.
- Reconciliation and reporting processes to ensure accurate records of the cash held by the Department for the Collateral Administration Program.
- Reconciliation and reporting processes to ensure that the Bureau records of cash held match the Florida Planning, Accounting and Ledger Management (PALM), statewide accounting system.
- Creation and distribution of statements for cash account holders with collateral held by the Bureau
- Apportionment of interest to cash accounts.
- Quarterly payout of interest to account holders who have opted to receive interest payments.
- Processing of mergers and name changes to ensure that data and assets are properly associated and managed for surviving entities.
- Tracking of public depositor claims in the event of a qualified public depository (QPD) default or

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[1] "Custodian" means the Chief Financial Officer or a bank, savings association, or trust company that provides safeguarding services for collateral. See s. 280.02, F.S. for a full definition.

insolvency.

To meet its responsibilities, BCM currently leverages the Collateral Administration Program system (CAP), which is a browser-based application implemented in 2006. As of May 2023, the CAP system supports the management of 4,544 active accounts and a total of $19.2 billion in collateral assets such as book entry securities, cash, and certificates of deposit. During the period from July 1, 2022, through June 30, 2023, the BCM processed over 21,620 transactions involving collateral from a variety of entities using BCM's services.

CAP is custom-built and utilizes hybrid and complementary technology, including .NET, C#, and Visual Basic (VB), with an Oracle database that also contains essential functionality. The Department's Office of Information Technology (OIT) maintains the system with a small team of developers, and typically has up to 15 break-fix and data change tickets in progress at any given time. A primary concern is that much of the functionality is compiled in dynamic link libraries (.dlls) and the Department has limited flexibility to maintain or modify the .dlls. Further, because the system is built on legacy technology, it will become increasingly difficult to acquire new staff to maintain the system as current staff retire or separate from the Department.

The current system poses critical limitations in its technical framework with outdated 3rd-party controls and technologies. This perpetuates inefficiencies in the user experience and results in time-consuming and administratively heavy processes. The technical framework also poses constraints to the BCM when it considers improvements and innovations in the way it conducts its business. The system is highly customized and based on antiquated methodologies that are inherently rigid and difficult to maintain. The age and complexity of the system make updates and fixes challenging, sometimes unfeasible, and is a primary driver of this feasibility study for its eventual replacement.

The Department faces limitations with the current system resulting in increased resource utilization requirements, inefficient data-driven processes, security risks, and overall total cost of ownership. Shortcomings in the system require the majority of BCM staff to spend an inordinate amount of time on manual processes and system workarounds to satisfy statutory obligations, reporting requirements, and performance metrics. Furthermore, the designated entities who benefit or use BCM's collateral management services experience a burden of the manual processes which are necessitated by the system structure. Based on a recent survey of BCM customers, these entities report dissatisfaction with the current reporting and collateral confirmation processes, aligning with their request for automated processes and the ability to provide and receive important data and reports through a customer portal. BCM and the designated entities alike face constraints with the current system, as summarized below. A detailed list of these challenges can be found in Section II.B.1.1 Current Business Process Challenges.

Replacing the Collateral Administration Program system positions the Department to effectively improve outcomes, reduce long term costs, and better serve customers by addressing the following critical business needs:

- **Streamlining and Automation of Administrative Tasks and Manual Processes:** Due to system limitations, BCM staff routinely support administrative tasks and manual processes to meet business and customer needs that could be more efficiently handled by modern technology. As an example, the system's inability to support the data analysis and manipulation necessary to meet BCM's monthly, quarterly, and annual cash management reporting processes, which actively manages approximately $6 billion, requires staff to manually conduct data exports, manipulation, and analyses within Microsoft Excel (Excel) documents outside of the system. Upon completion, reports are individually uploaded or manually keyed into the system and mailed or emailed to the proper recipient. As with any nuanced manual process, the possibility for human error increases. Automation would reduce the need for manual data entry and repetitive manual tasks, and minimize the chances of data entry mistakes, calculation errors, and other inaccuracies that can be costly and time-consuming to correct.
- **Mitigating Risks and Issues Posed by an Outdated System:** The current system configuration and lack of source code for some critical components make system maintenance and enhancement difficult. An aging system, limited in its ability to support or implement enhancements, is increasingly vulnerable to the security threats and attacks common today. Further, the inability to integrate with external systems and the subsequent need to manually upload business-critical data increases the risk of errors and time required for reconciliation, which reduces staff time available for other value-added tasks. Other limitations include the inability to make group selections or deselections, implement workflows and predictive analytics or decision-tree type logic, or upload documentation to the desired location.
- **Enhanced Customer Experience:** The BCM serves many valuable customers, including, but not limited to, public depositors, qualified public depositories, collateral custodians, insurance companies, and trust

businesses. BCM serves multiple state agencies and offices as well, including the Florida Office of Insurance Regulation, Florida Office of Financial Regulation, Florida Department of Transportation, Florida Lottery, and more. The BCM takes pride in maintaining and continuously improving upon a synergetic environment for their customers, ensuring the effective management of risk, customer access to data, clear communication, open collaboration, and customer satisfaction. Through stakeholder interviews and surveys, the designated entities shared their experience with the system's shortcomings. Namely, BCM's customers shared dissatisfaction with the manual nature of corresponding with and submitting reports to the BCM and expressed a clear desire for a customer portal offering greater insights into available data and opportunities automating business processes.

- **Reducing Manual Requirements:** Customers expressed dissatisfaction with the reporting process, which currently requires them to submit their data and any related documentation via email through document-based forms. In some instances, customers must send and receive hard-copy documentation through the mail. Some customers must download, print, and reupload documentation with wet signatures due to the lack of document signing functionality.

- **Implementing a User-Friendly Portal:** Customers have poor, if any, visibility into the data BCM has available. In most instances, customers must send email requests for any information they would like to receive. While the current system offers a customer-facing portal functionality, low user adoption can be attributed to an archaic interface, a history of compatibility and access issues, and a lack of overall awareness and understanding of the function. When surveyed, an average of 83% of customers expressed interest in a portal with self-service tools to pull relevant data, and 88% of customers expressed interest in automated processes such as notifications and reports. Further, they have specifically requested a portal to enhance security, reduce manual submission processes, initiate requests, and virtually sign and submit required documentation.

A clear and high-value opportunity exists to better serve the BCM's customers with a reduction in manual processes, improved customer experience, and streamlined access to data – ultimately furthering a synergetic environment, ensuring the effective management of risk, customer access to data, clear communication, open collaboration, and customer satisfaction.

2. **Business Objectives**

NOTE: For IT projects with total cost in excess of $10 million, the business objectives described in this section must be consistent with existing or proposed substantive policy required in s. 216.023(4)(a)10, F.S.

The Department manages the financial responsibilities of the State of Florida, regulating the state's banking, securities, insurance, and funeral and cemetery businesses, and serving consumers who need assistance or information related to these businesses. The Department keeps track of all money coming into and going out of the Florida state government and helps to reduce the loss of life and property due to fires.

The Long-Range Program Plan (LRPP) submitted by the Department in September 2023 for fiscal years 2024-25 through 2028-29 outlines the goals, objectives, and outcomes needed to fulfill its mission. As part of this mission, the Department is responsible for safeguarding the integrity of the transactions entrusted to DFS, delivering value to the citizens by continually improving the efficiency and cost effectiveness of internal management processes, and regularly validating the value equation with its customers. As documented within the LRPP, 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.

Informed by the LRPP, **Figure 1: DFS Business Objectives and Collateral Administration Opportunity Linkages** outlines opportunities for the Department to meet and exceed their current business objectives with the replacement of the CAP. The proposed opportunities are aligned to the Department's mission statement and goals. Each goal is further supported by opportunities to meet and exceed related objectives and supporting outcomes.

DFS Business Objectives and Collateral Administration Opportunity Linkages		
LRPP Category	**Description**	**Proposed Opportunity**
Mission Statement	Safeguard the integrity of the transactions entrusted to DFS.	Currently, many processes within the existing CAP require staff to manually manipulate data outside of the system in Excel spreadsheets. For example, creation of interest payout transactions to trigger the generation of warrants in the statewide accounting system are manually created in an Excel workbook and transmitted to another division within DFS.
		Opportunity exists to integrate collateral administration processes and implement workflows and data exchanges to reduce risk and speed processing of these transactions.
	Deliver value to the citizens by continually improving the efficiency and cost effectiveness of internal management processes.	Currently, a very small team of dedicated professionals process thousands of individual transactions and conduct reconciliation and reporting activities using a variety of manual processes. While the team does an outstanding job of meeting performance standards, customers would value additional efficiency in turnaround times for requests. [2]
		Opportunity exists to reduce the administrative burden placed on staff by manual, multi-step off-system processes, freeing them to provide enhanced customer service and additional proactive analysis of accounts.
	Regularly validate the value equation with its customers.	Currently, customers do not have access to, or do not utilize external facing components of the existing system due to lack of functionality, outdated technology, or lack of awareness of benefits.
		Opportunity exists to enhance the customer experience by implementing modern self-service features, providing functionality that increases value for the customer, and implementing messaging and support to customers to increase their understanding and adoption of the new system. This could include the capability to regularly collect customer feedback on their interactions with the BCM.
Goals	Combat fraud, abusive practices, and excessive regulation.	While the BCM does not currently have objectives and outcomes directly tied to this goal, system improvements can improve overall outcomes for the Bureau. Currently, controls on authenticating authorized signers are limited, meaning that there is concern about the potential to process transactions or release cash to an unauthorized person within an authorized entity.
		Opportunity exists to strengthen controls around transaction processing and actions such as the deposit and subsequent, release of collateral or cash by requiring individual user

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[2] As an example, BCM currently has a target of processing customer transaction requests within 3 business days, which is currently being met. With automation and process improvements, this measure could be modified to reduce transaction approval and processing times.

DFS Business Objectives and Collateral Administration Opportunity Linkages		
LRPP Category	**Description**	**Proposed Opportunity**
		accounts, implementing digital signatures, and adopting other industry-accepted means of authenticating users and managing their authority to transact certain types of business on behalf of their organizations.
		Related Objective: Effectively Manage Regulatory Activities
		Currently, BCM staff must manually notify regulated entities of violations of requirements, such as timely monthly or annual reporting, or of collateral pledges dropping below required amounts.
		Opportunity exists to reduce the number of violations by building rules-based and predictive analysis and notification capabilities into the system, given regulated entities early warning of potential violations.
		There are also opportunities to reduce the regulatory burden on entities interacting with the BCM by improving the system to allow more business-to-business interactions and data exchanges, reducing the necessity for those entities to complete and manually transmit forms, with additional efficiencies gained by rules-based validation, and reduction of manual data entry by BCM staff.
	Foster open government through financial accountability and transparency.	*Related Objective*: *Responsibly Steward Taxpayer's Funds*
		Supporting LRPP Outcome 2-3-1: % of Collateral Administrative Program Transactions Completed within Three Business Days
		Currently, many of the Bureau's processes are manual and depend on manipulation of data outside of the system via a series of Excel workbooks. The Bureau processes 97% of its transactions within three business days, and is consistently meeting this target; however, automation may increase timeliness and could even lead to a reduction in the number of days to process transactions.
		Opportunity exists to reduce the reliance on manual processes to reconcile and research activities by both individual account and across the program. Providing tools within a system for identification of errors and other problems speeds the process to identify and correct problems and increases accuracy of reporting and management of assets entrusted to the Bureau.
		Related Objective: Responsibly Steward Taxpayer's Funds
		Supporting LRPP Outcome 2-3-3: Percentage of Analyses of the Qualified Public Depositories Analyses Completed within 90 Days of the Start of the Analysis Cycle.

DFS Business Objectives and Collateral Administration Opportunity Linkages		
LRPP Category	**Description**	**Proposed Opportunity**
		Currently, the Bureau meets the standard to complete this process within 90 days.
		Opportunity exists to enhance this process to reduce the manual workload on staff and to reduce manual keying of data from customer reports to reduce risk of errors and rework. This frees staff to provide more direct customer support.
		Further, an updated system presents the opportunity to, through increased efficiency, conduct additional financial analyses of financial institutions and to monitor data more actively with the goal of subsequently reducing risk to public depositors.
		Related Objective: Promote Transparency Through Technology
		Currently, customers must manually request reports from the BCM via email or other similar means to validate their collateral position, to support audits, or for other business purposes.
		Opportunity exists to utilize technology to support real-time online views into customer accounts, and to allow them to pull data and reports on demand, without BCM intervention.
	Promote a customer-focused culture and strengthen efficiency.	While BCM does not currently have objectives and measures directly tied to this goal, system improvements can improve overall outcomes for the Department.
		Related Objective: Enhance Customer Experience
		Currently, customer-facing functionality is limited, and is not available for all business types that interact with the BCM. Customers have expressed a willingness to utilize a portal to transact business with the BCM if it provides functionality that makes their interactions more efficient.
		Opportunity exists to implement customer-facing functionality across business types allowing customers to maintain contact information, upload or import required data and information, submit proposed collateral transactions, pull data for audits, run their own reports, access uploaded documents, and conduct other business that currently requires a phone call, regular mail, or email.
		Further, a modernized system presents the opportunity to minimize human error in currently manual processes and conduct greater levels of data review and monitoring, reducing risk to customers such as public depositors.

Figure 1: DFS Business Objectives and Collateral Administration Opportunity Linkages

B. Baseline Analysis

Purpose: To establish a basis for understanding the business processes, stakeholder groups, and current technologies that will be affected by the project and the level of business transformation that will be required for the project to be successful.

1. Current Business Process(es)

> *NOTE: If an agency has completed a workflow analysis, include through file insertion or attachment the analyses documentation developed and completed by the agency.*

The proposed project modernizes the current Collateral Administration Program (CAP) system. The current solution is used to manage the entire lifecycle of collateral accounts for regulated entities and state agency escrow accounts managed by the BCM, from account creation, through account closeout. This is accomplished through seven business functions related to collateral administration. **Figure 2: DFS Collateral Administration Business Processes** below describes the high-level business processes associated with these seven major business functions.

DFS Collateral Administration Business Processes	
Business Function	**Description**
Program Administration	• Creation and maintenance of accounts for qualified public depositories (QPDs) and public depositors. • Monthly and annual reporting from financial institutions and governmental entities. • Financial analysis of financial institutions. • Management of claims in the event of QPD failure.
Collateral Administration	• Management of collateral transactions. • Management and maintenance of collateral inventory including market valuation of securities. • Lottery account creation and management. • Reconciliation of collateral between the Bureau's records and custodial bank records.
Cash Management	• Cash account connection between Florida Planning, Accounting, and Ledger Management (PALM) and the CAP system. • Deposit and investment of incoming cash. • Reporting of cash managed by the Bureau. • Apportionment of interest to cash accounts in PALM and accounted for in CAP. • Quarterly payout of interest via state warrant. • Generation of quarterly cash account statements. • Reconciliation of CAP cash accounts with PALM sub-funds. • Disinvestment and withdrawal of cash accounts from PALM and accounting of transactions in CAP. • Closure of cash accounts in CAP.
Insurance Entity Administration	• Creation and management of insurance entity accounts including the minimum deposit requirement as set by the Florida Office of Insurance Regulation. • Maintenance of account data for insurance entities.

DFS Collateral Administration Business Processes	
Business Function	**Description**
Trust Business Administration	• Creation and management of trust business accounts including the minimum collateral requirement as determined by the Florida Office of Financial Regulation and associated statute. • Maintenance of account data for trust businesses. • Receipt and processing of inbound required reports.
Escrow Administration	• Creation and management of escrow accounts for state agencies as permitted by s. 17.59, Florida Statutes. • Maintenance of account data for escrow accounts. • Receipt and processing of inbound and outbound reports for escrow accounts.
External Collateral Administration Program (eCAP)	• Current customer-facing portal with limited features. • Upload of files and required reports from custodians, qualified public depositories, and trust businesses. • Self-service capability to manage customer contacts. • View-only access for customers to view account data.

Figure 2: DFS Collateral Administration Business Processes

1.1 Current Business Process Challenges

As summarized in **Figure 2: DFS Collateral Administration Business Processes** above, the Bureau has numerous business processes across multiple entity types reliant on the current system. The current system is augmented by multiple, manual processes. **Figure 3: DFS Collateral Administration Business Process Challenges** below presents the primary challenges associated with the seven major business functions.

DFS Collateral Administration Business Process Challenges	
Business Function	**Challenges**
Program Administration	• Manual data entry from inbound reports received via email. • Lack of workflow for designation application or reapplication. • Lack of interfaces with external financial ranking data sources used for financial analysis of collateral accounts. • Lack of system-generated notifications requires BCM to manually notify entities of exceptions.
Collateral Administration	• Limited ability for customers to upload documents and forms to trigger requests or provide mandatory reports. • Lack of automation of pricing or reconciliation discrepancy identification due to volume. • Lack of interfaces and data exchanges with Custodians. • No automated notifications for upcoming maturity dates. • No integration with PALM. • Need for better authentication of parties requesting release of cash. • Need for integration with external data providers such as Bloomberg. • Workflow and approvals occur outside of the system with statuses and associated date stamps not being recorded in the system.

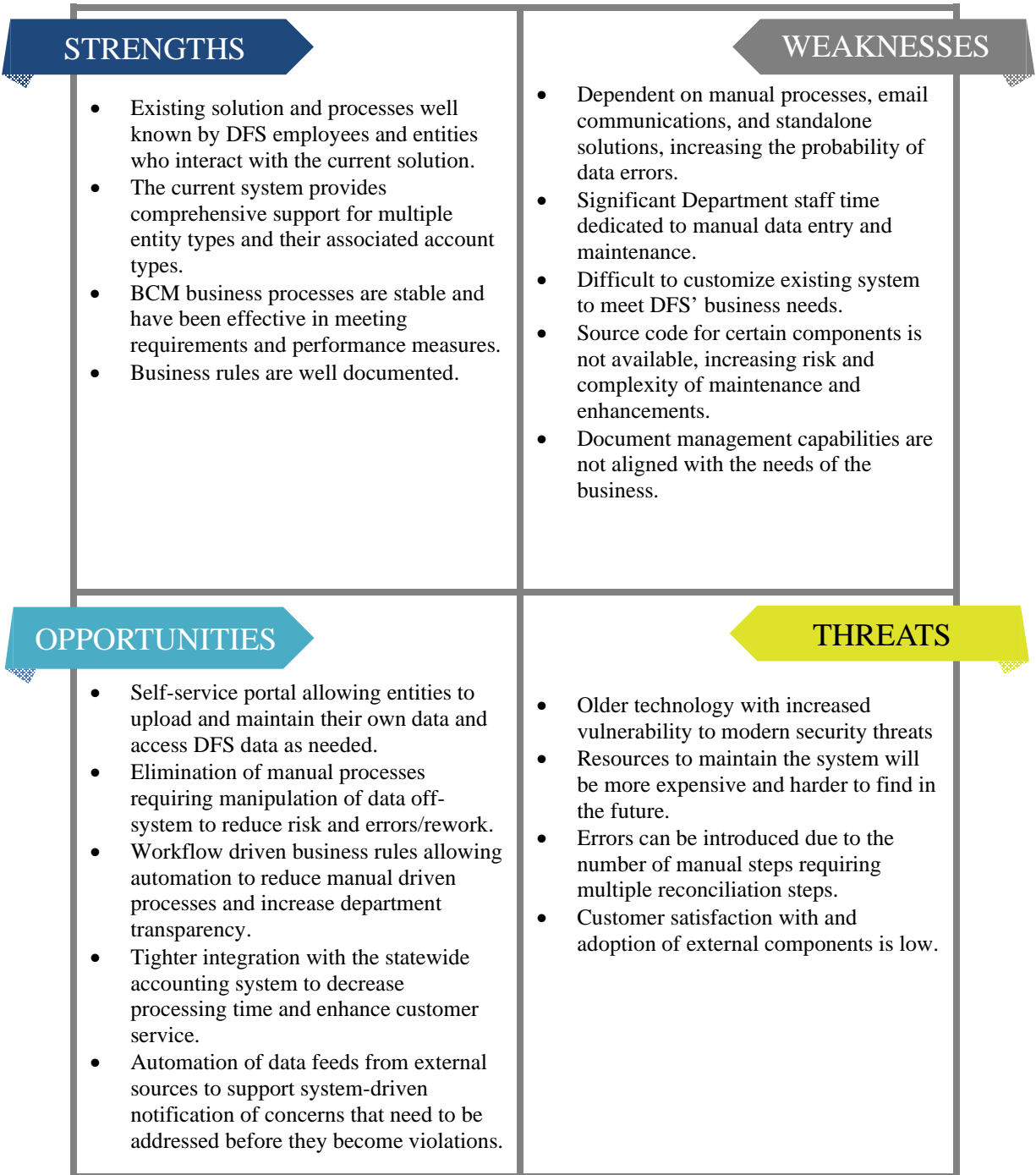| DFS Collateral Administration Business Process Challenges	
Business Function	**Challenges**
Cash Management	- Reporting and reconciliation of cash receipts and balances are highly manual processes. - Ad hoc reports cannot be built in the current system. - Interest payout is a manual process requiring data to be manipulated in multiple spreadsheets. - No direct integration with PALM for payments, payment "files" must be manually created and sent via email to financial services team.
Insurance Entity Administration	- Online submission of forms and data is limited. - The application process could be improved by allowing online submission of forms and documentation. - Entities need extra support to successfully navigate the application process. A built-in decision matrix is needed to guide the applicant through the process, and in determining the type of collateral to be pledged. - Lack of workflow to better control data changes requested by entities, including name changes, and changes to authorized signers. - Inability to electronically submit deposit requirement transactions slows the process and adds complexity. - The inability for customers to pull reports and data on demand to support processes such as third-party audit impacts customer service and satisfaction.
Trust Entity Administration	- Online submission of forms and data is limited, hindering the application and other processes relying on customer supplied data and documents. - Capital stock value verification is a manual process and could be enhanced with online forms and data integrations. - The application process is complex, and entities need extra support to successfully navigate the application process. A built-in decision matrix is needed to guide the applicant through the process, and in determining the type of collateral to be pledged. - Lack of workflow to better control data changes requested by entities, including name changes, and changes to authorized signers - Inability to electronically submit collateral transactions slows the process and adds complexity. - The inability for customers to pull reports and data on demand to support processes such as third-party audit impacts customer service and satisfaction. - Notification of annual reporting deadlines and the need for annual validation of contacts is a manual process that could be automated in the system and effected through a customer portal.
Escrow Administration	- The system does not enforce naming formats as required by PALM accounting system. This is currently a manual process which could be improved if business rules are implemented in the system to ensure standardization of account identifiers. - Online submission of forms and data is limited. The account creation process could be improved by allowing online submission of forms and documentation. - Workflow is needed for routing of agreements for approval to speed the account creation process.

DFS Collateral Administration Business Process Challenges	
Business Function	**Challenges**
	• The inability for customers to pull reports and data on demand to support processes such as third-party audit impacts customer service and satisfaction. • Many cycles of interaction to ensure completeness of documentation are required in the account set-up process. Business rules are needed to enforce completion of prerequisites before account activation. • Electronic submission of deposit data would speed the process. • There is no integration with the statewide accounting system (PALM), leading to inefficiency in certain processes such as the areas of tracking of expected inbound wires and journal transfers.
External Collateral Administration (eCAP)	• Current eCAP usership is limited to a few entity types. • User adoption is low due to limited functionality and limited browser support. • Data that is entered into eCAP[3] by an external user is not viewable by Internal Collateral Administration Program (iCAP) users until it is automatically imported (i.e., a totally back-end process). Functionality and workflow are needed to provide users visibility to the data before it is committed to the system. • There is no support for electronic signatures, which limits security/authentication controls on submitted forms and data. • Users cannot pull documents they submitted, requiring manual intervention by BCM staff to provide them with a copy of "as submitted and received" documents. • There is no push approach on regular reports needed by some customers, leading to decreased efficiency and customer satisfaction. Customers could benefit if they could set up requests to have certain reports/data sent to them on a cadence they define. • The current system does not automatically notify users of upcoming deadlines and changing conditions on their accounts. Violations could be reduced if this capability was added.

Figure 3: DFS Collateral Administration Business Process Challenges

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[3] eCap (external Collateral Administration Program) and iCAP (internal Collateral Administration Program) are the customer facing and BCM-facing components of the existing CAP system, respectively.

Strengths and Weaknesses

Based on a review of business operations, existing documentation, and stakeholder interviews, **Figure 4: SWOT Analysis** below lists the DFS Strengths, Weaknesses, Opportunities, and Threats (SWOT) that were identified for the Collateral Administration Program system replacement.

STRENGTHS

- Existing solution and processes well known by DFS employees and entities who interact with the current solution.
- The current system provides comprehensive support for multiple entity types and their associated account types.
- BCM business processes are stable and have been effective in meeting requirements and performance measures.
- Business rules are well documented.

WEAKNESSES

- Dependent on manual processes, email communications, and standalone solutions, increasing the probability of data errors.
- Significant Department staff time dedicated to manual data entry and maintenance.
- Difficult to customize existing system to meet DFS' business needs.
- Source code for certain components is not available, increasing risk and complexity of maintenance and enhancements.
- Document management capabilities are not aligned with the needs of the business.

OPPORTUNITIES

- Self-service portal allowing entities to upload and maintain their own data and access DFS data as needed.
- Elimination of manual processes requiring manipulation of data off-system to reduce risk and errors/rework.
- Workflow driven business rules allowing automation to reduce manual driven processes and increase department transparency.
- Tighter integration with the statewide accounting system to decrease processing time and enhance customer service.
- Automation of data feeds from external sources to support system-driven notification of concerns that need to be addressed before they become violations.

THREATS

- Older technology with increased vulnerability to modern security threats
- Resources to maintain the system will be more expensive and harder to find in the future.
- Errors can be introduced due to the number of manual steps requiring multiple reconciliation steps.
- Customer satisfaction with and adoption of external components is low.

Figure 4: SWOT Analysis

2. Assumptions and Constraints

The following assumptions and constraints were considered as options were identified, analyzed and a proposed solution approach selected. Other assumptions and constraints may be identified as the project moves forward.

Assumptions

Assumptions are statements about the project, or its environment taken to be true and, accordingly, are factored into the Department's plans and analysis for the proposed project.

- The Department desires to increase process effectiveness, reduce manual steps that rely on the use of ad hoc tools and processes.
- The Department will have a governance structure in place to address project risks and issues.
- The project will be adequately funded to meet the scope of the project.
- The project will be adequately funded to support the activities related to facilitate adoption of a new system and remove dependency of the older environment.
- The project team will be adequately staffed to accomplish the project's deliverables, milestones, and infrastructure, manage user involvement, produce necessary project planning documents, project status reporting and complete other project management tasks.
- Any gains in operational efficiency that the Department realizes through these efforts will be used to allocate additional resources to value-added activities, including enhanced customer service and decreasing transaction processing times.
- Labor rates for contracted staff align with the appropriate State Term Contracts for management consulting, IT State Term Contracts related to services, software, and hardware.
- Changes discovered after approval of detailed business requirements during the project implementation may carry extra costs. For this reason, the cost benefit analysis assumes a percentage of additional costs.
- Changes discovered after approval of detailed business requirements during the project implementation may require the project timeline to be extended.
- Additional elaboration of requirements will be needed prior to the implementation phase of the project.
- The solution is capable of integrating with other systems (Florida PALM and FLAIR, and others such as external securities pricing platforms). Related data and businesses will need to be considered as additional integrations needs are identified.

Constraints

Constraints are identified factors limiting the project management team's options and affecting the progress or success of the proposed project.

- Integration with the Florida PALM solution depends upon the Florida PALM go-live date and the OIT's availability to prioritize connectivity.
- Project funding is appropriated annually and may be subject to periodic releases throughout the year, depending upon suitable schedule and cost performance.
- Approval by either the Executive Office of the Governor (EOG) in consultation with the Legislature, or the Legislative Budget Commission (LBC) may be required before any appropriated funds are made available to the Department.
- The project depends on the continual availability of appropriated funds.
- State and/or federal statutory changes, changes in administrative rules, and DFS policy changes may affect the project including cost and schedule.
- The Department staff's availability to support the project may be limited by internal resource constraints or other Department priorities.
- External stakeholder and customer participation in the project may be limited as most stakeholders are from private entities that use BCM's collateral management services. A representative sample will be included, where feasible.

C. Proposed Business Process Requirements

Purpose: To establish a basis for understanding what business process requirements the proposed solution must meet in order to select an appropriate solution for the project.

1. Proposed Business Process Requirements

Interviews with key BCM stakeholders elicited many business requirements for the new solution, a majority of which involved multiple business functions (see Section II.B.1. Current Business Processes for a comprehensive view of the seven business functions). **Figure 5: Proposed Business Requirements** below presents Representative Requirements organized into six Requirement Types. Requirement Types assist in categorizing the many business requirements captured, while using Representative Requirements aids in communicating the top-level abilities needed in a future solution. A comprehensive listing of all Business Requirements and the Business Functions they align to can be found in the **Appendix 2-DFS-CAP-Requirements-Matrix.**

Proposed Business Process Requirements		
Requirement Type	Description	Representative Requirements
Notification and Communication	Requirements related to sending and receiving of notifications between customers and both internal and external stakeholders.	• Automate customer notifications and reminders based on account type, collateral type, and related statutory reporting requirements. • Receive internal notifications, generated by the customer through the online portal, regarding items such as an incoming wire, a completed application, or data request. • Communicate with customers and both internal and external stakeholders, providing and gathering critical reports and other information.
Document Management	Requirements related to the ability to manage documentation within a repository.	• Seamless upload functionality for customers and BCM staff for documents. • Include a review and approval workflow where necessary. • Implement an electronic signature tool. • Store templates. • Print data fields into a state-approved form. • Download, redact, and/or edit certain documentation. • Store metadata related to document upload and edits. • Upload and edit documents. • Index and archive documents.
Online Portal	Requirements related to providing an efficient and effective online self-service portal for customers.	• Potential customers can request an account and complete the account set-up process virtually. • Update certain account information, triggering an account hold and review and approval workflow where necessary. • Customers can upload required reports. • Review account information, including previously submitted reports. • Automatically generate reports and request ad-hoc reports as needed.
System Functionality	Requirements related to implementing specific functionality.	• Ability to create and maintain accounts. • Transfer collateral, contacts, and agreements from a deceased entity to a surviving entity in the event of a merger. • Maintain historical data and associations to a deceased entity

Proposed Business Process Requirements		
Requirement Type	Description	Representative Requirements
		in the event of a merger. • Provides functionality to group related accounts. • Implements standardized account identifiers. • Is capable of interfacing with external systems, such as FedFis, IDC, and Bloomberg.[4] • Is capable of interfacing with PALM. • Is capable of interfacing with customer systems. • Analyze and manipulate data and generate canned and ad-hoc reports. • Validate and reconcile data, identifying and recommending resolutions to discrepancies in collateral description information.

Reporting	Requirements related to supporting the Bureau's recurring and ad-hoc reporting needs.	• Build specific recurring reports, allow for ad-hoc reporting, as well as the configuration of new reports, such as:
		  o Periodic report capturing data necessary for accounts to issue interest payments to regulated entities that have a "paid out" payment instruction.
		  o Performance and compliance management reports, pulling the date a report was submitted and the date it was reviewed by BCM.
		  o Report of all accounts associated with a failed QPD.
		  o Canned reports on the customer portal, as well as generate certain ad-hoc reports.
		• Produce and download reports in specified formats.
		• Authorized customers, both internal and external stakeholders, (i.e., Auditors and Custodians) can pull necessary reports through the customer portal.

Business Processes	Requirements related to creating, editing, and managing business rules within the system.	• Require certain fields based on data in related fields. • Generate recommended or auto-filled fields based on data in related fields. • Edit, update, or create business rules due to changes in statute or legislative direction.
Workflow Management	Requirements related to creating, editing, and managing workflows within the system.	• Implement workflows with necessary approvals. • Edit and update workflows and related functionalities to support changing or updated legislation and business needs. • Implement workflows triggered by, and requiring input from, both internal and external stakeholders.

Figure 5: Proposed Business Requirements

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[4] FedFis, IDC Financial Publishing, and Bloomberg are sources of financial data BCM uses to conduct financial analysis of entities with collateral requirements.

2. Business Solution Alternatives

To address the business, functional, and technical requirements outlined in Section II.C.1 and Section II.D of this document, the Department assessed numerous alternatives to the current system. The Department conducted a Market Scan, including gathering and assessing research from Forrester, Gartner, and the Government Finance Officers Association (GFAO). The Department supplemented this research with six information gathering sessions, interviewing two Collateral Administration Units in similar states and four system vendors. With collateral administration functionality most commonly existing as a small part of a larger enterprise-wide system solutions, procuring an off-the-shelf collateral administration solution is improbable at this time due to cost of development, implementation, and maintenance in comparison to business value. However, leveraging thorough research and an understanding of the technology market, two viable alternatives were crafted. Both alternatives have the ability to provide a more efficient, forward-thinking Business and IT result that will satisfy and exceed both regulatory and BCM requirements and drive value to the State and its customers. As with any alternative, they both present unique advantages.

Alternative 1: Solution as a Service

A Solution as a Service (SolaaS) approach packages multiple tools and components to achieve the functionality needed. With this alternative, the Department will achieve the desired future state by combining a Case Management Tool and a Collateral Inventory Tool with several components of the typical SolaaS approach, as described below.

- A **Case Management Tool** increases efficiency and accuracy while decreasing turn-around time of workflow items. Such a tool reduces the resource hours allocated to multiple business processes and increases transparency with tracked workflows, metrics, reporting, and user driven dashboards. Further, a Case Management Tool can also offer a user portal, notifications and messaging, conditional logic, and customized and scheduled queries.
- A **Collateral Inventory Management Tool** provides accurate and reliable market valuation and eligibility compliance verification processes, intuitive and user-friendly reporting and dashboarding, integrated communication with third party partners, and a support team that can scale to handle volume increases.
- In addition, a SolaaS offering incorporates the following three components: **Infrastructure as a Service (IaaS), Platform as a Service (PaaS), and Software as a Service (SaaS).** Within these components, the provider supplies the Department with computing devices and/or hardware as needed, systems required to support the solution, the overall platform needed, and the software to run it, respectively. This approach offers the Department a comprehensive solution requiring minimal Department resources over the lifespan of the system.

Alternative 2: Custom Build

With this alternative, the Department will engage a vendor to develop a customized solution to replace the current system. The solution will be designed and constructed in a tailored fashion to meet the BCM's specific needs, with their specific requirements driving the customization process. Further, this solution presents an opportunity to creatively reimagine current ways of working. Within this alternative, it is recommended that the Department engage a vendor experienced with this type of system and public sector environments to support its achievement of goals and objectives of the project.

3. Rationale for Selection

To properly evaluate the solutions available to the Department, the following scoring criteria were identified:

- **Strategic Alignment**: Strategic alignment to the Department's mission, strategic objectives, and priorities, including the solution's ability to combat fraud and abuse, foster open government, promote a customer-focused culture and strengthen efficiency, responsibly steward taxpayer's funds, and promote transparency through technology.
- **Customer Experience:** Value provided to the Bureau's customers, including enhanced customer experience, provision of timely service, promoted user adoption, and reduced administrative burden.
- **Risk Mitigation:** Ability to mitigate financial, data and benefit realization risk, as well as statutory compliance, throughout implementation and service delivery.
- **Modern Solution:** The extent to which the system allows for data security and privacy, data sharing and integration, flexibility and customization, streamlined support and maintenance, and the scalability

necessary to support future demand.

- **Business Alignment:** Support of current and future business processes, outcomes, and reporting requirements, subsequently improving Bureau resource capacity.
- **Cost Benefit:** A positive financial cost and total benefits tradeoff, assessing one-time and ongoing operating costs, financial metrics such as Return on Investment (ROI) and Net Present Value (NPV), and both tangible and intangible benefits.

Establishing a minimum set of capabilities is critical to verify all options are compared to a common standard. A common base will allow option costs, timelines, and capabilities to be compared in a consistent manner. Each of the evaluation criteria are scored based upon specific factors that would contribute to the success and benefit realization of the CAP system replacement. Additionally, each of the six criteria are weighted based on overall strategic importance to the potential project and the Department. Descriptions of the evaluation criteria used for analysis of the options and their weightings are listed below in **Figure 6: Evaluation Criteria Description**.

Evaluation Criteria Description			
#	Criteria	Weight	Description
1	Strategic Alignment	15%	**Combat Fraud and Abuse:** The solution will provide stronger authentication of external users authorized to transact business with the BCM. **Foster Open Government:** The solution will increase accuracy of data and will increase access to information for customers and the public. **Promote Customer-Focused Culture and Strengthen Efficiency:** The solution will provide functionality to better meet customer needs while protecting the statutory responsibilities of BCM. It will reduce the time spent responding to manual requests from customers, allowing BCM staff to increase their proactive stance in managing financial risk. **Responsibly Steward Taxpayer's Funds**: The solution will ensure that program transactions are processed within three days and will support the BCM's ability to complete financial analyses within required timeframes. **Promote Transparency through Technology:** The solution will provide secure access to data and information with minimal manual intervention, that would lead to improved decision-making, increased accountability, and better governance.
2	Customer Experience	10%	**Enhance Customer Experience:** The solution will provide a modern, more efficient experience for customers. **Provide Timely Service:** The solution will increase the Bureau's ability to process transactions and respond to customer requests faster. **Promote Increased User Adoption:** The solution will increase user adoption by providing a more seamless user experience and more value through greater access to data and reports. **Reduce Administrative Burden:** The solution will reduce administrative burden on customers through streamlined interactions with BCM.
3	Risk Mitigation	20%	**Financial Risk:** The solution will support BCM's efforts to reduce financial risks to governmental entities. **Data Risk:** The solution will mitigate BCM's risks related to data integrity and manual manipulation of data.

Evaluation Criteria Description			
#	Criteria	Weight	Description
			• **Implementation Risk:** The solution will mitigate BCM's risk related to the success of project implementation. • **Benefit Realization Risk**: The solution will mitigate BCM's risk related to the realization of expected benefits. • **Statutory Compliance:** The solution will meet mandated state project management, technology, and security standards.
4	Modern Solution	20%	• **Data Security and Privacy:** The solution allows the state to adequately store, protect, and access sensitive information. • **Data Sharing:** The solution provides industry standard interface methodologies. • **Flexibility:** The solution offers the scalability and flexibility necessary to leverage and extend it to support BCM's needs. • **Customization Needs:** The solution requires minimal customization to meet BCM's requirements. • **Integration:** The solution will enable BCM to integrate with other internal and external systems in a cost-effective manner. • **Maintenance Effort**: The solution is easy to maintain and support. • **Reduce Manual System Processes**: The solution will reduce the need for manual system processes such as creating spreadsheets to create payment transactions. • **Future Demand**: The solution offers the stability and scalability necessary to support future demand.
5	Business Alignment	25%	• **Current Business Process**: The solution supports BCM's current business processes without requiring workarounds or extensive staff training. • **Future Business Process**: The solution supports business process re-engineering and streamlining to enable BCM to run its operations more effectively and efficiently. • **Business Outcomes**: The solution will support the achievement of key BCM business outcomes. • **Reporting**: The solution will provide reporting and analytics capabilities to increase BCM's ability to share vital information with interested parties and effectively manage risk through the analysis of financial data. • **Resource Capacity**: The solution will free-up resource capacity so that it can be applied to more value-add activities.
6	Cost Benefit	10%	• **One-time Project Costs:** The solution has a manageable project cost for implementation and other one-time components. • **Ongoing Operational Costs:** The solution's ongoing operational costs are within acceptable ranges and feasible for the Department. • **Financial Metrics:** The solution has acceptable ROI, NPV, and adequate payback period. • **Tangible Benefits:** The solution produces tangible benefits for stakeholders. • **Intangible Benefits:** The solution produces intangible benefits for stakeholders.

Figure 6: Evaluation Criteria Description

Figure 7: Evaluation Criteria Scoring Scale outlines the low-medium-high scale used to score each evaluation criteria.

Evaluation Criteria Scoring Scale		
Score	Explanation	Numeric Value
Low	The alternative minimally addresses the criteria.	1.0
Medium	The alternative moderately addresses the criteria.	2.0
High	The alternative highly addresses the criteria.	3.0

Figure 7: Evaluation Criteria Scoring Scale

Assigned weights were applied to each of the raw evaluation criterion scores, then the results were added together to determine a final, overall score for each alternative. The summary results of the scoring are shown below in **Figure 8: Scores by Alternative**.

		Alternative 1		Alternative 2	
Criteria	Wt.	Score	Total	Score	Total
1. Strategic Alignment	15%	High	0.39	Medium	0.30
2. Customer Experience	10%	High	0.28	Medium	0.20
3. Risk Mitigation	20%	Medium	0.48	Medium	0.44
4. Modern Solution	20%	High	0.53	Medium	0.43
5. Business Alignment	25%	High	0.70	Medium	0.50
6. Cost Benefit	10%	Medium	0.20	Low	0.14
Total Weighted Score	100%	2.57		2.01	

Figure 8: Scores by Alternative

4.   Recommended Business Solution

> *NOTE: For IT projects with total cost in excess of $10 million, the project scope described in this section must be consistent with existing or proposed substantive policy required in s. 216.023(4) (a) 10, F.S.*

4.1 Recommended Solution

The results of this feasibility study show that **Alternative 1: Solution as a Service (SolaaS)** represents more closely aligned and beneficial option. Alternative 1 allows BCM to meet its operational mission, goals, and objectives while

satisfying necessary regulations and requirements by bringing together a Case Management System and Collateral Inventory Management System. An overview of these tools and components, as well as their alignment to BCM's needs and subsequent benefits to the Department, is described below.

The Solution as a Service incorporates **Software as a Service (SaaS)** to drive value and provide unique advantages to BCM. **Software as a Service (SaaS)** is a subscription-driven software licensing-based model that is typically hosted by an external party. This allows users or applications and supporting processes to access programs without installing software locally. There are many functions needed by BCM that can be supported in this solution which includes the Case Management System and Collateral Inventory Management System.

A **Case Management System** will bring structure and automation to many highly manual processes. Such automation will not only decrease labor time currently associated with business functions, but it will increase accuracy and turnaround time for both customer requests and regulatory requirements. The Case Management System enables BCM to manage communications via notifications to minimize manual notices and responses to stakeholders. This solution offers the ability to launch a robust customer-facing portal and supplies both BCM and its customers with intricate reporting and dashboard functions, including customized queries and reports that can be devised on an ad hoc or routine basis. A Case Management System supports aspects of BCM's document management need, supporting the ability to upload documentation and allowing the creation of digital forms with customizable data elements, search functionality, and dynamic text boxes.

Incorporated into **Alternative 1: Solution as a Service** is a **Collateral Inventory Management System.** Like the Case Management System, this system brings automation and accuracy to highly manual processes. This system provides an intuitive and user-friendly reporting and dashboarding tool capturing BCM's data, performing required calculations, and providing reliable and accurately reconciled data, affording BCM the ability to make proactive, complex decisions. This system would support all Collateral instruments required for BCM. It enables scheduled, consistent, and periodic attestation of the values held in collateral accounts and can provide a suggested and customizable data dashboard with reporting tools. In addition, a Collateral Inventory Management Solution is equipped to act as an extension of BCM by providing resources, solutions, and answers to BCM's questions and trigger communications to third party partners based on data findings and thresholds. Such a solution also offers technical support team that can scale to handle volume increases.

Some of the benefits of **Alternative 1: Solution as a Service (SolaaS)** include:

- **Workflow Management:** Alternative 1 provides BCM with an opportunity to meet current and future business process requirements through custom workflow management, reducing processing time human intervention and increasing efficiency and accuracy. Workflows include application submission and review, data changes and relates approval, and the routing of important documents and decisions.
- **Increased Automation:** Alternative 1 brings process and reporting automation, reducing currently manual and time-consuming processes, and increasing efficiency. The solution also offers automated system-generated notifications, increasing awareness of upcoming deadlines and improving compliance.
- **Enhanced Security:** Alternative 1 reduces security risk by implementing a more robust risk management capability and offering a strengthened authentication of parties requesting release of cash.
- **Data Integrations:** Alternative 1 enables BCM to receive and provide up-to-date data by implementing integration points and data exchanges sources such as financial data service provides and the statewide accounting system, increasing accuracy and speed and reducing the currently manual and time-consuming processes.
- **Improved Customer Service:** Alternative 1 allows for improved customer service, meeting and exceeding the customers' process improvement requests. The solution allows customers to submit information, kickstart processes, and receive data and reports through a robust and user-friendly online portal. Further, as requested by customers, this solution offers the ability to implement an online signature tool.

If the recommended solution is not funded, the following impacts will occur:

- Continued aging of the system, perpetuating inefficiencies in the ways BCM conducts business including a lack of system integration and data exchanges.
- Increasing cost to recruit and retain resources equipped to maintain an outdated system based on antiquated methodologies.
- Inability to efficiently and effectively update and/or fix the system to meet current and future needs, due

> to the lack of .dll source code, rigidity, and complexity of the system, and more.
- Continuation of highly manual and disproportionately time-consuming administrative processes, subsequently diverting staff from higher value work, increasing the risk of data inaccuracy, and preventing shorter turn-around-times.
- Increasing customer dissatisfaction, negatively impacting the positive customer environment prioritized by BCM.
- Increasing risk of security breaches and exposure of data.

The Department will be best served by **Alternative 1: Solution as a Service** as it represents the best fit to the Department's goals, best value to the State, and best addresses both implementation risk and ongoing operational risk.

The total cost estimate of implementing this proposed project is $3,693,630 as reflected below in **Figure 9: Total Cost Estimates**.

	FY24-25	FY25-26	FY26-27	FY27-28	FY28-29	FY29-30	Total Costs ($)
Cost ($)	$2,086,230	$1,607,400	$0	$0	$0	$0	**$3,693,630**

Figure 9: Total Cost Estimates

Based on the analysis of the alternatives and the needs of the Department, it is recommended that the proposed project be approved and authorized to proceed with the initiation of the project's pre-implementation and procurement activities, and that the required funding be requested by the Executive Office of the Governor and approved by the Legislature.

4.2 Risks of Alternative 2: Custom Build

A custom build poses multiple risks to the Department in terms of time, resources, and cost, from initial procurement and implementation to ongoing maintenance and enhancement for the lifecycle of the system. The risks of Alternative 2 are summarized below.

- Higher vendor costs to design/build/test/deploy a custom solution with potentially complex interfaces to external systems.
- Level of Department capacity, resources, and cost required to manage procurement and implementation and oversee system maintenance and enhancements for the lifespan of the system.
- Extended timeline and delayed benefit realization associated with building a custom system.
- Aging of implemented technologies, resulting in current state limitations in the future.

D. Functional and Technical Requirements

Purpose: To identify the functional and technical system requirements that must be met by the project.

Include through file insertion or attachment the functional and technical requirements analysis documentation developed and completed by the agency.

The high-level functional and technical system requirements that must be met by the project to achieve the business objectives are listed below in **Figure 10: Functional and Technical Requirements**. For an overview of the related Business Requirements, please see Section II.C.1. Proposed Business Requirements. For a complete listing of all requirements gathered, please see Appendix 2-DFS-CAP-Requirements-Matrix.

These functional and technical requirements are fully met by **Alternative 1: Solution as a Service**, the highest ranked alternative.

Proposed Functional and Technical Requirements		
Requirement Type	Description	Requirements
Compliance	Requirements related to adhering to the State and Federal regulations.	• Ability to meet all compliance and regulatory standards related to the use of e-documents, image and data archival, cyber security requirements, the safeguard of data, images, etc. • Ability to adhere to Technical Requirements in Chapter 60GG, F.A.C. • Ability to adhere to § 282, Fla. Stat. (20230). (i.e., § 282.206, Fla. Stat. (2023), §282.318 Fla. Stat. (2023)) • Ability to adhere to NIST SP 800-171. • Ability to utilize best practices within data center operations and management, cloud computing storage, and overall enterprise architecture.
Security	Requirements related to the ability to provide capabilities pertaining to disaster recovery, infrastructure, network, storage, and data loss prevention.	• Ability to provide a native capability for identity management, adhering to State of Florida standards. • Ability to provide a native capability for role-based alignment of privileges at discretion of an account administrator role. • Ability to provide native data loss prevention including data encryption methods between systems and interfaces (data in transit) and within any data storage components (data at rest). • Ability to provide a native cloud security gateway capability directly tying to the Department's central logging and monitoring system (i.e., SPLUNK). • Ability to provide native disaster recovery. • Ability to interface with external authentication systems (i.e., MFA, SSO). • Ability to perform Configuration Posture Management (Cloud Based Solutions). • Ability to enable defined user entitlements, role-based views, data segmentation of specific entities, and redaction of data elements/images.
System	Requirements related to the ability to support integration, scale incoming traffic, and	• Ability to establish identical environments for Development, Testing, and Production phases. • Ability to support integration with other systems (i.e., API, REST, OAuth).

Proposed Functional and Technical Requirements		
Requirement Type	Description	Requirements
	providing multiple environments.	• Ability to meet storage fluctuation requirements including short term historical data load and ongoing data archival per Department standards. • Ability to provide a native capability to distribute/scale incoming traffic (Load balancing) as required to maintain availability and reliability of the functionality.
Functional	Requirements related to the ability to support business-critical functions.	• Ability to automate notifications and reminders. • Ability to communicate with customers and both internal and external stakeholders. • Ability to easily upload, download, edit, index, and archive documents. • Ability to implement an electronic signature tool. • Ability to implement a robust customer portal. • Ability to analyze and manipulate data. • Ability to support third party integration via API, enabling routine or ad hoc data ingestion. • Ability to build specific recurring scheduled reports, allow for ad-hoc reporting, and the configuration of new reports. • Ability to edit, update, or create business rules due to changes in statute or legislative direction. • Ability to implement, edit, and update user defined workflows. • Ability to electronically route documents and information through robust workflow tools and processes.

Figure 10: Functional and Technical Requirements

III.   Success Criteria

Purpose: To identify the critical results, both outputs and outcomes, that must be realized for the project to be considered a success.

The success of the project will be based on several quantitative and qualitative factors. Each of these factors is in alignment with the business objectives and proposed business process requirements, as well as the overall vision and mission of the Department.

The major success criteria for the project, which must be realized for the Department to consider the proposed project a success, are listed in **Figure 11: Success Criteria**.

SUCCESS CRITERIA TABLE				
#	Description of Criteria	How will the Criteria be measured/assessed?	Who benefits?	Realization Date
1	The solution will provide automation to manual processes, including reporting and document	• An increase of automated processes, workflows, and associated level of use. • Is capable of integration with external systems.	• BCM System Users • Entities	FY2025/2026

	SUCCESS CRITERIA TABLE			
#	Description of Criteria	How will the Criteria be measured/assessed?	Who benefits?	Realization Date
	management.	• Reduction of manual processes. • Increased stakeholder satisfaction.		
2	The solution will allow stakeholders to interact and receive information (i.e., send requests, initiate a process, and provide notifications) through the system.	• Ability to send/receive communications through system and associated level of use. • Ability to implement reminders and notifications. • Increased stakeholder satisfaction.	• BCM System Users • Entities	FY2025/2026
3	The solution will enable customers to access and submit data with minimal manual intervention.	• Customer access to data is streamlined and automated. • Customer ability to upload and download data. • Increased customer satisfaction.	• BCM System Users • Entities	FY2025/2026
4	The solution will meet the basic business functions CAP currently supports as defined within the requirements matrix.	• Solution supports current CAP business functions. • Increased stakeholder satisfaction.	• BCM System Users	FY2025/2026
5	The solution will be easily updated to support changes in statutory or legislative direction.	• Increased stakeholder satisfaction. • Increased ability to allow for customization.	• BCM System Users • Entities	FY2025/2026
6	The solution will reduce financial risk to the State and its Customers.	• Increased controls pertaining to authorization of individual users. • Stakeholder satisfaction.	• State of Florida • Department of Financial Services • Entities • Governmental Depositors • Taxpayers	FY2025/2026

Figure 11: Success Criteria

IV. Schedule IV-B Benefits Realization and Cost Benefit Analysis

The purpose of this section is to describe and compare the costs and the expected benefits of the proposed collateral administration solution. The Cost Benefit Analysis (CBA) forms presented in this section identify:

1. Estimated program costs.
2. Estimated program benefits, both tangible and intangible.
3. Fiscal metrics associated with implementing the program.

The recommended solution will enable substantial improvements in the Department's ability to operate the collateral administration and public depository programs.

The solution benefits described in this analysis will be the result of aligning the Department's business processes with technology best practices to maximize return on investment. Benefits will accrue as updated functionality is implemented, in combination with targeted improvements in existing business processes. The expected benefits are described in **Figure 12: Benefits Realization Table**.

A. Benefits Realization Table

Purpose: To calculate and declare the tangible benefits compared to the total investment of resources needed to support the proposed IT project.

For each tangible benefit, identify the recipient of the benefit, how and when it is realized, how the realization will be measured, and how the benefit will be measured to include estimates of tangible benefit amounts.

All benefits identified in collaboration with the Agency have been classified as intangible, as provided below.

BENEFITS REALIZATION TABLE					
#	**Description of Benefit**	**Who receives the benefit?**	**How is benefit realized?**	**How is the realization of the benefit measured?**	**Realization Date**
1	Eliminating manual creation of notifications to entities thus **improving process efficiency** and **promoting timely communication** with entities.	• Entities (recipients of system-generated notifications). • System users.	• Implementing system-generated notifications to entities.	N/A	Upon implementation.
2	**Reducing risk and enhancing security** via enhanced authentication and electronic signatures resulting in a decreased likelihood of releasing cash to the wrong party.	• State of Florida.	• Enhancing authentication of parties requesting release of cash. • Implementing electronic signatures for submitted forms and data.	N/A	Upon implementation.
3	**Reducing risk and enhancing security** by establishing better controls on requested data changes, resulting in reduced risk of loss to	• Governmental depositors • Entities (submitting data change requests).	• Implementing a more robust risk management capability • Incorporating workflow to	N/A	Upon implementation.

#	Description of Benefit	Who receives the benefit?	How is benefit realized?	How is the realization of the benefit measured?	Realization Date
			BENEFITS REALIZATION TABLE		
	governmental depositors.	• State of Florida.	establish better controls on data changes requested by entities (including name changes and changes to contacts and authorized signers).		
4	**Improving customer service** and **process efficiency** by allowing entities to pull pre-defined reports and data on demand to support their internal needs, including processes such as third-party audit.	• Entities. • System users.	• Providing access to pre-defined reports. • Providing access to data as needed to support entities' internal needs.	N/A	Upon implementation.
5	**Improving process efficiency** and **improving the user / customer experience** by virtue of a speedier account creation process.	• System users.	• Incorporating workflow for routing of agreements for approval.	N/A	Upon implementation.
6	**Improving process efficiency** by providing users with the ability to retrieve submitted documents (presently, BCM staff provide users with a copy of "as submitted and received" documents).	• Entities. • System users.	• Providing users with the ability to retrieve submitted documents.	N/A	Upon implementation.
7	**Improving process efficiency** and **user / customer experience**, as well as **data quality** by automating the notification of annual reporting deadlines and annual validation of contacts processes.	• Entities. • System users.	• Implementing a customer portal to support automation of the notification of annual reporting deadlines and annual validation of contacts processes.	N/A	Upon implementation.

				BENEFITS REALIZATION TABLE	
#	Description of Benefit	Who receives the benefit?	How is benefit realized?	How is the realization of the benefit measured?	Realization Date
8	**Improving process efficiency** through the reduction of time associated with approvals and the highly manual cash reporting process.	• Entities. • System users.	• Implementing external workflows and approvals. • Automating the manual cash reporting process with ad hoc reporting capabilities.	N/A	Upon implementation.
9	**Improving process efficiency**, **data quality**, and **enhancing error reduction** by leveraging business rules to help ensure standardization of account identifiers before account activation (currently a manual process due to the specific naming format for escrow accounts required by PALM); and integrating with PALM for expected inbound wires and journal transfers, and to eliminate manual creation and submission of payment "files."	• System users.	• Incorporating business rules. • Integrating with PALM.	N/A	Upon implementation.
10	Leveraging online forms and data integrations for the capital stock value verification process to **improve process efficiency**, **data quality**, **enhance error reduction**, and **improve the user / customer experience.**	• System users. • Entities.	• Implementing online forms and data integrations to improve the capital stock value verification process.	N/A	Upon implementation.
11	Automating the interest payout process to **improve process efficiency**, **enhance data quality**, and **reduce errors.**	• System users.	• Automating the interest payout process (which currently requires data manipulation in	N/A	Upon implementation.

				BENEFITS REALIZATION TABLE	
#	Description of Benefit	Who receives the benefit?	How is benefit realized?	How is the realization of the benefit measured?	Realization Date
			multiple spreadsheets).		
12	**Improving user / customer experience** by expanding current eCAP capabilities and by increasing user adoption via support for multiple browsers.	• Entities. • System users.	• Expanding current ECAP capabilities to include all entity types served by BCM. • Increasing user adoption by providing multiple browser capabilities / support.	N/A	Upon implementation.
13	**Improving process efficiency** and **data quality** by allowing entities (e.g., QPDs) and BCM staff to digitize incoming data.	• Entities (e.g., QPDs). • System users.	• Providing the capability for entities and BCM staff to digitize incoming data.	N/A	Upon implementation.
14	Eliminating manual creation of notifications to entities and thereby **improving process efficiency** and **promoting timely communication.**	• System users.	• Implementing system-generated notifications.	N/A	Upon implementation.
15	**Enhancing user / customer experience** by incorporating a "push" approach to certain reports, allowing entities served by BCM to set up requests to have certain reports / data sent to them on a cadence they define; and **improving process efficiency** due to automation of notifications.	• Entities. • System users.	• Incorporating a "push" approach to certain reports. • Incorporating user notification of upcoming deadlines and changing conditions on their accounts.	N/A	Upon implementation.
16	**Improving process efficiency**, **user / customer experience**, and **data quality** by enabling users to view	• Entities. • System users.	• Implementing workflow and corresponding review functionality to	N/A	Upon implementation.

				BENEFITS REALIZATION TABLE	
#	Description of Benefit	Who receives the benefit?	How is benefit realized?	How is the realization of the benefit measured?	Realization Date
	eCAP data before it is uploaded; data presently uploaded to eCAP is not viewable by iCAP users before it is automatically imported (i.e., a totally back-end process).		enable users to view eCAP data before it is uploaded.		
17	Reducing the considerable amount of manual work associated with cash management (**improved process efficiency**) and increasing the accuracy of the Collateral Administration process (**improved data quality**).	• System users. • State of Florida. • Entities.	• Integrating with PALM.	N/A	Upon implementation.
18	**Improved user / customer experience** by helping entities to more effectively navigate the deposit agreement process (which enhances entities' ability to determine the type of collateral to be pledged) and **improved process efficiency** by reducing processing time of deposit transaction (and also improving **data quality** and promoting **error reduction**).	• Entities. • System users.	• Implementing online submission of forms and data. • Implementing a decision matrix for entities' agreement process. • Incorporating workflow. • Implementing electronic submission of deposit transactions.	N/A	Upon implementation.
19	**Improved user / customer experience**, **process efficiency gain**, and **improved data quality** impacting system users, entities, and external data ultimately reducing involvement by BCM staff and promoting document control by providing the ability for	• Entities. • System users. • External data providers (such as Bloomberg).	• Improving the ability of customers to upload documents and forms to trigger requests or provide mandatory reports. • Automating discrepancy	N/A	Upon implementation.

		BENEFITS REALIZATION TABLE			
#	Description of Benefit	Who receives the benefit?	How is benefit realized?	How is the realization of the benefit measured?	Realization Date
	customers to upload documents and forms, automating discrepancy identification and notifications for upcoming maturity dates, and establishing interfaces and data exchanges with custodians and external data providers.		identification and notifications for upcoming maturity dates. • Establishing interfaces and data exchanges with custodians and external data providers (such as Bloomberg).		

Figure 12: Benefits Realization Table

B. Cost Benefit Analysis (CBA)

Purpose: To provide a comprehensive financial prospectus specifying the project's tangible benefits, funding requirements, and proposed source(s) of funding.

The chart below summarizes the required CBA Forms which are included as an appendix on the Florida Fiscal Portal and must be completed and submitted with the Schedule IV-B.

Cost Benefit Analysis	
Form	**Description of Data Captured**
CBA Form 1 - Net Tangible Benefits	Agency Program Cost Elements: Existing program operational costs versus the expected program operational costs resulting from this project. The agency needs to identify the expected changes in operational costs for the program(s) that will be impacted by the proposed project. Tangible Benefits: Estimates for tangible benefits resulting from implementation of the proposed IT project, which correspond to the benefits identified in the Benefits Realization Table. These estimates appear in the year the benefits will be realized.
CBA Form 2 - Project Cost Analysis	Baseline Project Budget: Estimated project costs. Project Funding Sources: Identifies the planned sources of project funds, e.g., General Revenue, Trust Fund, Grants. Characterization of Project Cost Estimate.
CBA Form 3 - Project Investment Summary	Investment Summary Calculations: Summarizes total project costs and net tangible benefits and automatically calculates: • Return on Investment. • Payback Period. • Breakeven Fiscal Year. • Net Present Value. • Internal Rate of Return.

Figure 13: Cost Benefit Analysis

1. Cost-Benefit Analysis Results

This section contains the CBA forms identified in **Figure 13: Cost Benefit Analysis**. **Figure 14: Operational Costs and Tangible Benefits, Figure 15: Baseline Program Budget, Figure 16: Program Cost Analysis and Figure 17: Investment Summary** are descriptive narrative summarizing the information.

All benefits identified in collaboration with the Agency have been classified as intangible, as indicated in section F of **Figure 14: Operational Costs and Tangible Benefits.**

CBAForm 1 - Net Tangible Benefits

Agency: Dept. of Financial Services Project: Collateral Administration Program System Replacement

Net Tangible Benefits - Operational Cost Changes (Costs of Current Operations versus Proposed Operations as a Result of the Project) and Additional Tangible Benefits -- CBAForm 1A

Agency Program Cost Elements (Recurring Costs Only -- No Project Costs)	FY 2024-25 (a) Existing Program Costs	(b) Operational Cost Change	(c) = (a)+(b) New Program Costs resulting from Proposed Project	FY 2025-26 (a) Existing Program Costs	(b) Operational Cost Change	(c) = (a)+(b) New Program Costs resulting from Proposed Project	FY 2026-27 (a) Existing Program Costs	(b) Operational Cost Change	(c) = (a)+(b) New Program Costs resulting from Proposed Project	FY 2027-28 (a) Existing Program Costs	(b) Cost Change Operational Cost Change	(c) = (a)+(b) New Program Costs resulting from Proposed Project	FY 2028-29 (a) Existing Program Costs	(b) Operational Cost Change	(c) = (a)+(b) New Program Costs resulting from Proposed Project	FY 2029-30 (a) Existing Program Costs	(b) Cost Change Operational Cost Change	(c) = (a)+(b) New Program Costs resulting from Proposed Project
A. Personnel Costs -- Agency-Managed Staff	$275,987	$0	$275,987	$275,987	$0	$275,987	$275,987	$0	$275,987	$275,987	$0	$275,987	$275,987	$0	$275,987	$275,987	$0	$275,987
A.b Total Staff	2.00	0.00	2.00	2.00	0.00	2.00	2.00	0.00	2.00	2.00	0.00	2.00	2.00	0.00	2.00	2.00	0.00	2.00
A-1.a. State FTEs (Salaries & Benefits)	$175,987	$0	$175,987	$175,987	$0	$175,987	$175,987	$0	$175,987	$175,987	$0	$175,987	$175,987	$0	$175,987	$175,987	$0	$175,987
A-1.b. State FTEs (#)	1.50	0.00	1.50	1.50	0.00	1.50	1.50	0.00	1.50	1.50	0.00	1.50	1.50	0.00	1.50	1.50	0.00	1.50
A-2.a. OPS Staff (Salaries)	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
A-2.b. OPS (#)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
A-3.a. Staff Augmentation (Contract Cost)	$100,000	$0	$100,000	$100,000	$0	$100,000	$100,000	$0	$100,000	$100,000	$0	$100,000	$100,000	$0	$100,000	$100,000	$0	$100,000
A-3.b. Staff Augmentation (# of Contractors)	0.50	0.00	0.50	0.50	0.00	0.50	0.50	0.00	0.50	0.50	0.00	0.50	0.50	0.00	0.50	0.50	0.00	0.50
B. Application Maintenance Costs	$80,030	$0	$80,030	$80,030	$318,120	$398,150	$80,030	$318,120	$398,150	$80,030	$318,120	$398,150	$80,030	$318,120	$398,150	$80,030	$318,120	$398,150
B-1. Managed Services (Staffing)	$63,089	$0	$63,089	$63,089	$214,911	$278,000	$63,089	$214,911	$278,000	$63,089	$214,911	$278,000	$63,089	$214,911	$278,000	$63,089	$214,911	$278,000
B-2. Hardware	$14,820	$0	$14,820	$14,820	-$14,820	$0	$14,820	-$14,820	$0	$14,820	-$14,820	$0	$14,820	-$14,820	$0	$14,820	-$14,820	$0
B-3. Software	$2,121	$0	$2,121	$2,121	$118,029	$120,150	$2,121	$118,029	$120,150	$2,121	$118,029	$120,150	$2,121	$118,029	$120,150	$2,121	$118,029	$120,150
B-4. Other Specify	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
C. Data Center Provider Costs	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
C-1. Managed Services (Staffing)	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
C-2. Infrastructure	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
C-3. Network / Hosting Services	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
C-4. Disaster Recovery	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
C-5. Other Specify	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
D. Plant & Facility Costs	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
E. Other Costs	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
E-1. Training	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
E-2. Travel	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
E-3. Other Specify	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Total of Recurring Operational Costs	$356,017	$0	$356,017	$356,017	$318,120	$674,137	$356,017	$318,120	$674,137	$356,017	$318,120	$674,137	$356,017	$318,120	$674,137	$356,017	$318,120	$674,137

F. Additional Tangible Benefits:		$0			$0			$0			$0			$0			$0	
F-1. Specify		$0			$0			$0			$0			$0			$0	
F-2. Specify		$0			$0			$0			$0			$0			$0	
F-3. Specify		$0			$0			$0			$0			$0			$0	
Total Net Tangible Benefits:		$0			($318,120)			($318,120)			($318,120)			($318,120)			($318,120)	

CHARACTERIZATION OF PROJECT BENEFIT ESTIMATE -- CBAForm 1B

Choose Type		Estimate Confidence	Enter % (+/-)
Detailed/Rigorous	☐	Confidence Level	
Order of Magnitude	☑	Confidence Level	15%
Placeholder	☐	Confidence Level	

Figure 14: Operational Costs and Tangible Benefits

CBAForm 2A Baseline Project Budget

Dept. of Financial Services	Collateral Administration Program System Replacement			FY2024-25 $2,086,230			FY2025-26 $1,607,400			FY2026-27 $ -			FY2027-28 $ -			FY2028-29 $ -			FY2029-30 $ -			TOTAL $3,693,630
Item Description	Project Cost Element	Appropriation Category	Current & Previous Years Project-Related Cost	YR 1 #	YR 1 LBR	YR 1 Base Budget	YR 2 #	YR 2 LBR	YR 2 Base Budget	YR 3 #	YR 3 LBR	YR 3 Base Budget	YR 4 #	YR 4 LBR	YR 4 Base Budget	YR 5 #	YR 5 LBR	YR 5 Base Budget	YR 6 #	YR 6 LBR	YR 6 Base Budget	TOTAL
Staffing costs for personnel using Time & Expense.	Pre-DDI Project Management Staff Augmentation	Contracted Services	$ -	0.00	$ 218,400	$ -	0.00	$ -	$ -	0.00	$ -	$ -	0.00	$ -	$ -	0.00	$ -	$ -	0.00	$ -	$ -	$ 218,400
Staffing costs for personnel using Time & Expense.	Pre-DDI Other Staff Augmentation	Contracted Services	$ -	0.00	$ 291,480	$ -	0.00	$ -	$ -	0.00	$ -	$ -	0.00	$ -	$ -	0.00	$ -	$ -	0.00	$ -	$ -	$ 291,480
Staffing costs for personnel using Time & Expense.	DDI Project Management Staff Augmentation	Contracted Services	$ -	0.00	$ 436,800	$ -	0.00	$ 436,800	$ -	0.00	$ -	$ -	0.00	$ -	$ -	0.00	$ -	$ -	0.00	$ -	$ -	$ 873,600
Staffing costs for personnel using Time & Expense.	DDI Other Staff Augmentation	Contracted Services	$ -	0.00	$ 504,400	$ -	0.00	$1,055,600	$ -	0.00	$ -	$ -	0.00	$ -	$ -	0.00	$ -	$ -	0.00	$ -	$ -	$1,560,000
Commercial software purchases and licensing costs.	Commercial Software - Implementation Fee (Collateral Inventory Management)	Contracted Services	$ -		$ 210,000	$ -		$ -	$ -		$ -	$ -		$ -	$ -		$ -	$ -		$ -	$ -	$ 210,000
Commercial software purchases and licensing costs.	Commercial Software - Software Configuration (Case Management)	Contracted Services	$ -		$ 210,000	$ -		$ 105,000	$ -		$ -	$ -		$ -	$ -		$ -	$ -		$ -	$ -	$ 315,000
Commercial software purchases and licensing costs.	Commercial Software - Initial Software Subscription Fees (Case Management)	Contracted Services	$ -		$ 120,150	$ -		$ -	$ -		$ -	$ -		$ -	$ -		$ -	$ -		$ -	$ -	$ 120,150
Commercial software purchases and licensing costs.	Commercial Software - Data and Records Conversion (Case Management)	Contracted Services	$ -		$ 50,000	$ -		$ -	$ -		$ -	$ -		$ -	$ -		$ -	$ -		$ -	$ -	$ 50,000
Commercial software purchases and licensing costs.	Commercial Software - API Integration (Case Management)	Contracted Services	$ -		$ 45,000	$ -		$ -	$ -		$ -	$ -		$ -	$ -		$ -	$ -		$ -	$ -	$ 45,000
Commercial software purchases and licensing costs.	Commercial Software - System Admin Training (Case Management)	Contracted Services	$ -		$ -	$ -		$ 10,000	$ -		$ -	$ -		$ -	$ -		$ -	$ -		$ -	$ -	$ 10,000
Other contracted services not included in other categories.	Other Services	Contracted Services	$ -		$ -	$ -		$ -	$ -		$ -	$ -		$ -	$ -		$ -	$ -		$ -	$ -	$ -
Other project expenses not included in other categories.	Other Expenses	Expense	$ -		$ -	$ -		$ -	$ -		$ -	$ -		$ -	$ -		$ -	$ -		$ -	$ -	$ -
Total			$ -	0.00	$2,086,230	$ -	0.00	$1,607,400	$ -	0.00	$ -	$ -	0.00	$ -	$ -	0.00	$ -	$ -	0.00	$ -	$ -	$3,693,630

Figure 15: Baseline Program Budget

CBAForm 2 - Project Cost Analysis Agency Dept. of Financial Services Project Collateral Administration Program System Replacement

PROJECT COST SUMMARY	PROJECT COST SUMMARY (from CBAForm 2A)						TOTAL
	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	
TOTAL PROJECT COSTS (*)	$2,086,230	$1,607,400	$0	$0	$0	$0	$3,693,630
CUMULATIVE PROJECT COSTS (includes Current & Previous Years' Project-Related Costs)	$2,086,230	$3,693,630	$3,693,630	$3,693,630	$3,693,630	$3,693,630	

Total Costs are carried forward to CBAForm3 Project Investment Summary worksheet.

PROJECT FUNDING SOURCES	PROJECT FUNDING SOURCES - CBAForm 2B						TOTAL
	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2027-28	
General Revenue	$0	$0	$0	$0	$0	$0	$0
Trust Fund	$2,086,230	$1,607,400	$0	$0	$0	$0	$3,693,630
Federal Match ☐	$0	$0	$0	$0	$0	$0	$0
Grants ☐	$0	$0	$0	$0	$0	$0	$0
Other ☐ Specify	$0	$0	$0	$0	$0	$0	$0
TOTAL INVESTMENT	$2,086,230	$1,607,400	$0	$0	$0	$0	$3,693,630
CUMULATIVE INVESTMENT	$2,086,230	$3,693,630	$3,693,630	$3,693,630	$3,693,630	$3,693,630	

Characterization of Project Cost Estimate - CBAForm 2C			
Choose Type		Estimate Confidence	Enter % (+/-)
Detailed/Rigorous		Confidence Level	
Order of Magnitude	×	Confidence Level	15%
Placeholder		Confidence Level	

Figure 16: Program Cost Analysis

CBAForm 3 - Project Investment Summary Agency Dept. of Financial Services Project Collateral Administration Program System Replacement

	COST BENEFIT ANALYSIS -- CBAForm 3A						TOTAL FOR ALL YEARS
	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	
Project Cost	$2,086,230	$1,607,400	$0	$0	$0	$0	$3,693,630
Net Tangible Benefits	$0	($318,120)	($318,120)	($318,120)	($318,120)	($318,120)	($1,590,600)
Return on Investment	($2,086,230)	($1,925,520)	($318,120)	($318,120)	($318,120)	($318,120)	($5,284,230)
						NPV =	($4,930,940)

RETURN ON INVESTMENT ANALYSIS -- CBAForm 3B		
Payback Period (years)	NO PAYBACK IN 6 YEARS	Payback Period is the time required to recover the investment costs of the project.
Breakeven Fiscal Year	NO PAYBACK IN 6 YEARS	Fiscal Year during which the project's investment costs are recovered.
Net Present Value (NPV)	($4,930,940)	NPV is the present-day value of the project's benefits less costs over the project's lifecycle.
Internal Rate of Return (IRR)	NO IRR	IRR is the project's rate of return.

Investment Interest Earning Yield -- CBAForm 3C						
Fiscal Year	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Cost of Capital	2.90%	3.10%	3.30%	3.40%	3.50%	3.60%

Figure 17: Investment Summary

2. Summary

The estimated total cost of implementing the proposed collateral administration solution is $3,693,630 over the program life. In addition, DFS has computed the values in **Figure 18: Financial Return Analysis** for the collateral administration solution. Note that the SFY 2024-25 project cost of $2,086,230 includes one year of licensing costs. Annual licensing costs are included in the projected recurring operating costs of $674,137 (see Figure 14).

The Department achieves numerous intangible benefits through gained efficiencies, leading to better customer service. The project also mitigates a substantial risk by replacing an outdated system utilizing technology no longer

supported, posing potential security risks. There are no financial benefits calculated since all benefits identified in collaboration with the Agency have been classified as intangible as they will not reduce operating costs. There are no financial benefits calculated since all benefits identified in collaboration with the Agency have been classified as intangible as they will not reduce operating costs.

Investment Term	Computed Value
Total Cost	$3,693,630
Benefits	$0
Payback Period	No Payback w/in 6 Years
Breakeven Fiscal Year	Does Not Breakeven in 6 Years
	6-Year Analysis
Return on Investment	($5,284,230) (total benefits minus total costs)
NPV	($4,930,940)
IRR	No IRR

Figure 18: Financial Return Analysis

The Department recommends the proposed collateral administration solution be approved and authorized to proceed with the initiation of the program's planning and procurement activities and that the required funding be requested by the Executive Office of the Governor and approved by the Legislature. The recommended next step is to secure funding of $2,086,230 for SFY 2024-25 to move forward with the collateral administration solution.

V.   Schedule IV-B Major Project Risk Assessment

Purpose: To provide an initial high-level assessment of overall risk incurred by the project to enable appropriate risk mitigation and oversight and to improve the likelihood of project success. The risk assessment summary identifies the overall level of risk associated with the project and provides an assessment of the project's alignment with business objectives.

> *NOTE: All multi-year projects must update the Risk Assessment Component of the Schedule IV-B along with any other components that have been changed from the original Feasibility Study.*

The Risk Assessment Tool and Risk Assessment Summary are included in Appendix B on the Florida Fiscal Portal and must be completed and submitted with the agency's Schedule IV-B. After answering the questions on the Risk Assessment Tool, the Risk Assessment Summary is automatically populated.

A. Risk Assessment Summary

A project risk assessment of the proposed collateral administration replacement project was performed using the assessment tool provided as part of the Information Technology Guidelines and Forms on the Florida Fiscal Portal. The tool requires answering 89 questions about the project being considered, divided into eight assessment categories. The results of the assessment are summarized in **Figure 19: Risk Assessment Summary** below. The full risk assessment is included in the schedule IV-B Appendix.

There are multiple questions within the risk assessment tool that require the software vendor to be identified before work can begin. The risk assessment areas most affected are the Communications Assessment and the Project Management Assessment. Several items within Project Organization Assessment require funding to proceed. When the project progresses to the point where these items can be appropriately addressed, the impacted risk ratings will improve substantially.
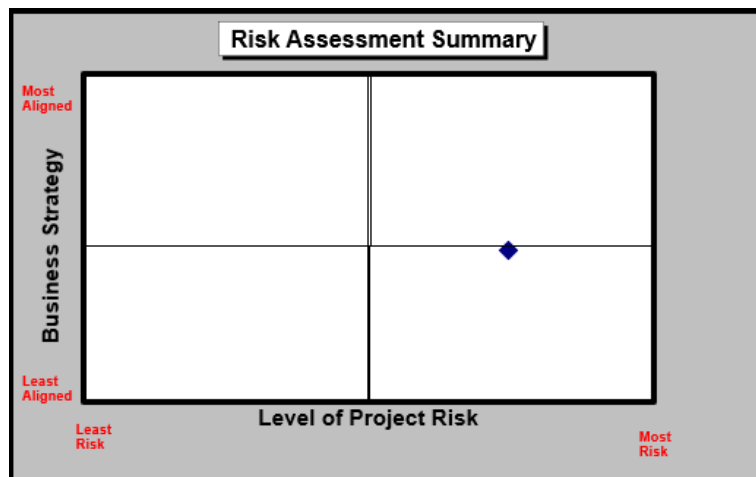

Figure 19: Risk Assessment Summary

Factors that contributed to the project's risk assessment level of High and its placement in the top right quadrant of the Risk Assessment Summary will be addressed within the project's first few months. DFS can begin work prior to procurement to further reduce risks.

- Strategic Risk Mitigation.
  - Clearly documented project objectives with sign-off by all Stakeholders.
  - Developing a Project Charter that is signed by the executive sponsor and executive team.
- Organizational Change Management Risk Mitigation.

- o Document and approve an Organizational Change Management plan for this project.
- Communication Risk Mitigation.
  - o Document and approve a communication plan for this project.
  - o Ensure the communication plan promotes the collection and use of feedback from management, the project team, and business stakeholders.
  - o Identify all required communication channels within the communication.
  - o Ensure all affected stakeholders are included in the communication plan.
  - o Develop and document all key messaging within the communication plan.
  - o Develop and document desired message outcomes and success measures within the communication plan.
  - o Identify and assign needed staff within the communication plan.
- Fiscal Risk Mitigation.
  - o Develop and document a Spending Plan for the entire project lifecycle.
  - o Develop a more detailed and rigorous cost estimate for the project to be accurate with 10% of estimated total cost of the project.
  - o Identify and assign a Contract Manager to the project.
  - o Clearly identify, define, and document all procurement selection criteria and expected outcomes.
- Project Organization Risk Mitigation.
  - o Identify, define, and document all roles and responsibilities for the executive steering committee.
  - o Develop and document a project staffing plan to identify the specific number of required resources and their corresponding roles, responsibilities, and needed skill levels.
  - o Assign an experienced, dedicated project manager to this project.
  - o Identify and assign qualified project management team members to the project.
- Project Management Risk Mitigation.
  - o Define and document all design specifications pertaining to the project.
  - o Define and document all project deliverables, services, and acceptance criteria.
  - o Develop and refine the work breakdown structure for all project related activities.
  - o Develop and approve the project schedule for the entire project lifecycle.
  - o Define and specify all project tasks, go/no-go decision points, critical milestones, and resources.

The overall project risk level will decrease from High when many of the above items are addressed. Additionally, addressing these items will shift the current placement of the project in the higher risk quadrant to reflect a more accurate alignment with the business strategy not currently represented in the risk assessment tool.

Figure 20: Overall Project Risks below illustrates the risk assessment areas evaluated and the breakdown of the risk exposure assessed in each area. As indicated above, the overall project risk should diminish significantly within the first few months when the project structure is in place, business processes and requirements are fully mapped and defined, and the foundational technology elements have been implemented.

Project Risk Area Breakdown	
Risk Assessment Areas	**Risk Exposure**
Strategic Assessment	**MEDIUM**
Technology Exposure Assessment	**HIGH**
Organizational Change Management Assessment	**MEDIUM**
Communication Assessment	**HIGH**
Fiscal Assessment	**HIGH**
Project Organization Assessment	**HIGH**

Project Risk Area Breakdown	
Risk Assessment Areas	**Risk Exposure**
Project Management Assessment	**MEDIUM**
Project Complexity Assessment	**MEDIUM**
Overall Project Risk	**HIGH**

Figure 20: Overall Project Risk

VI.   Schedule IV-B Technology Planning

Purpose: To ensure there is close alignment with the business and functional requirements and the selected technology.

B. Current Information Technology Environment

1. Current System

The current CAP system landscape consists of an internal Intranet site (iCAP) and an external Internet site (eCAP). Both sites were deployed with independent Web Server and Business Logic, with the same underlying Database and Data Storage architecture. While these sites have similar architectures, they are on different servers to support network bifurcation and enhance overall security.

The iCAP environment provides an account creation and management process that is leveraged to add customers into the system, update their account information, assess and maintain pledge levels, maintain contact information, and results in an up-to-date record of participating entities.

The eCAP environment is the central repository for external users to manage account information. It allows external users to review requisite data and perform limited edits to their account information.

The system's single Oracle Database stores data, in various forms (data types). They often receive data through email and email attachments (I.e., .xls or .csv files), which are then manually typed into the system or if applicable, batch loaded. Data and corresponding elements / attributes may also be received through phone calls, where information (attributes) get manually entered.

a. Description of Current System

The current CAP system was developed in 2004 by Infinity Software Development (ISD) and is managed by the State of Florida Department of Financial Services (DFS) Office of Information Technology (OIT) Operations team on site in the DFS building raised floor (Data Center). This solution is outdated, difficult to manage, not scalable and has the potential for errors and potential degradation (or even complete failure of system).

The DFS external facing website is Progress' Sitefinity Content Management platform that facilitates content across all the applicable DFS sites. The process distributes the necessary data for businesses seeking information on how to become a State of Florida Collateral Management Entity (and the requirements involved). The Sitefinity platform supports BCM, while making updates and providing information that is needed for the requisite groups. **Figure 21: High-Level Current State Architecture and Figure 22: Current System Attributes** provides a visual.
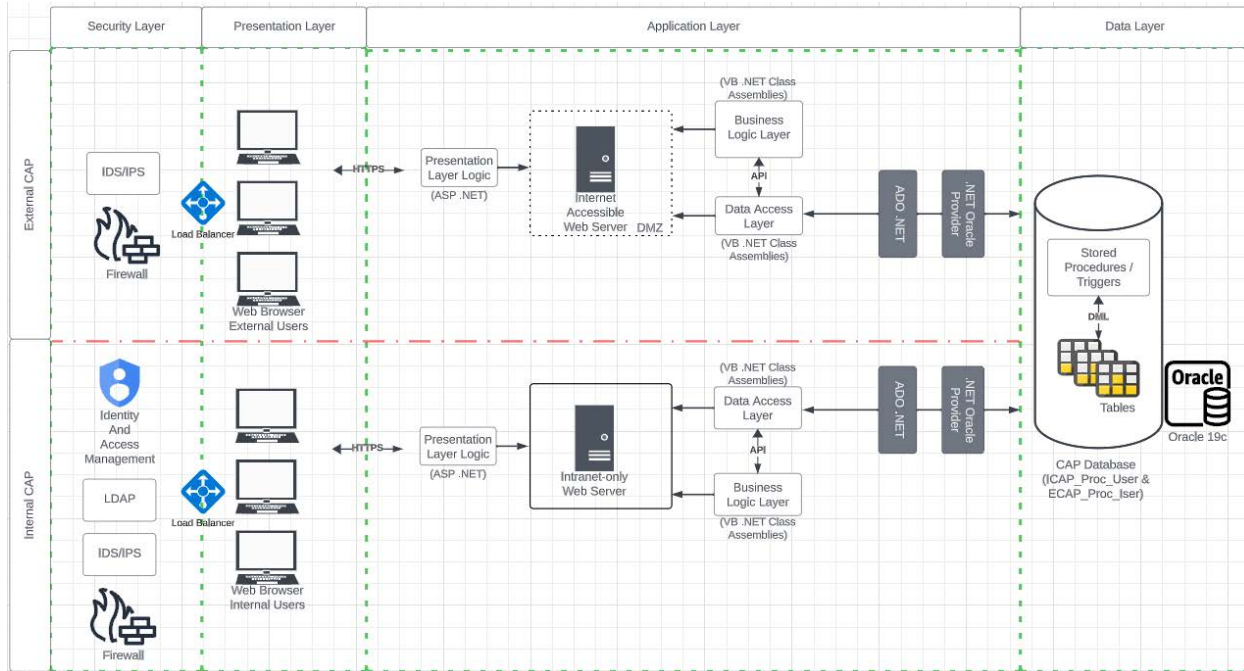
Figure 21: High-Level Current State Architecture

Service	Description	Attributes
User Authentication.	Authenticate users for access to overall system and some/all the required data elements.	The system provides user entitlements based on their level of access for specific data elements and components of data/images.
Web Services .	iCAP.	(2) Windows 2016 VM's per environment, i.e., UAT & Prod.
Web Services.	eCAP.	(2) 2016 VMs per environment, i.e., UAT & Prod. The development environment is also part of load balancing and shared with the internal development environment.
Application Server.	Batch processing server for Dev, UAT & Production environment.	Windows 2016 VM server, the Code is .NET 4.8, C Sharp and HTTP.
Business Rules.	Decision "Maker" as per Predefined Rules & Responses.	Combination of .NET & Oracle Stored Procedures.
Network Monitoring and Logging.	Event & Transaction Tracking/Recording.	F5 Appliance, shared with Integrated centralized environment (SPLUNK).
Data Management.	The collection of storing, curating, and organizing of data.	Enterprise shared database servers (4) production, (2) Staging, (2) UAT, (2).

Service	Description	Attributes
Data Management Encryption.	Encryption and protection of data.	End-to-End encryption across network and all to/from email traffic.
Data Management (Email Document Exchange).	Email Exchange.	eCAP SMTP relay for email document exchange.
Database.	iCAP & eCAP Data.	A shared Oracle 19 Environment.
Storage Environment.	Production Data Storage.	Index Disc Space; 554 MG; Lob Data Space; 101 GB; Table Space, 5GB.
Test Environment.	Test Data Storage.	Index Disc Space; 554 MG; Lob Data Space; 101 GB; Table Space, 5GB.
User Acceptance Testing Environment (UAT).	UAT Data Storage.	Index Disc Space; 554 MG; Lob Data Space; 101 GB; Table Space, 5GB.
Reporting.	Regulatory Reports.	Reports are uploaded to the CAP system as part of qualifying and maintenance entities and report types.
Reporting.	Other Report Types.	QPD Monthly; QPD Annual Report; PD Annual Report; Trust Business Report; Custodian Report; QPD Attestation Annual Report
Reporting (from a shared DFS Crystal Environment).	BCM Generated Reports.	Example reports: Account Report; Cash Collateral Report; Cash Deposit Trust Fund Report; Custodian Collateral Confirmation Report; Governors Report; Inventory Account Summary Report; Percentage Variance Report.
Dashboards (Power BI).	Ad Hoc Reports (from SQL environment).	Configurable reports/views of Collateral Management information largely in support of legislative specific requests. These dashboards are ad hoc in nature.

Figure 22: Current System Attributes

b. Current System Resource Requirements

The current software platform is a proprietary client-server solution that resides on-premises. There are approximately 150 tables with over 24 million records currently in the system, with around 70 Stored Procedures, Packages and Functions. The volume of data storage is 120 gigabytes (GB).

It is anticipated that a go-forward solution will have lower storage requirements, as it will introduce greater self-service customer data entry and fewer large (image) documents. The proposed solution will adhere to the Bureau's retention standards as all data will be migrated into the new system. Data older than five years will be migrated and archived.

c. Current System Performance

The current solution has relatively reliable performance. However, with a modern system, the Bureau will see great improvements in data accuracy, data storage, and reporting capabilities. Modern systems also add functionality for user access control, audit tracking, status monitoring, vendor communications, performance metric tracking capabilities and generation.

The current solution is 20 years old and has some reliable security features in place such as role and user management and Secure Sockets Layer (SSL) encryption for the web portal. However, there are multiple concerns with the current solution when assessing the level to which security has evolved to meet current day risks, including: multifactor authentication, single sign-on, regular security upgrade and patching routines, and system and/or application event logging.

2. Information Technology Standards

The Department's technology is in alignment with the State's cloud-first policy, as documented in s. 282.206, F.S.

In addition, the Department's technology follows the 60GG Florida Digital Services Standards, listed below:

- 60GG-1: Department of Management Services Project Management and Oversight.
- 60GG-2: State of Florida Cybersecurity Standards.
- 60GG-3: Data Center Operations.
- 60GG-4: Cloud Computing.
- 60GG-5: State of Florida Enterprise Architecture.

The Department and its supporting systems are compliant with the applicable Information Technology Standards outlined within the DFS Information Technology Services Standard Operating Procedures (SOPs).

C. Proposed Technical Solution

1. Technical Solution Alternatives

The Department conducted a robust market scan to formulate alternatives that address the business, functional, and technical requirements outlined in Section II.C.1 and Section II.D of this document. The collateral administration software most commonly exists as a small part of a larger enterprise-wide system solution. The procurement of an off-the-shelf collateral administration solution is not a viable undertaking. However, leveraging thorough research and general understanding of the technology market, two viable alternatives were identified. (1) Solution as a Service (SolaaS) and (2) Custom Build (of all components into an integrated solution).

- A **Solution as a Service** combines a Case Management and Collateral Inventory Management System along with the typical technical components of a SolaaS.
- A **Custom Build** allows the BCM to devise and outline the required components and subsequently partner with a systems integrator (vendor) to construct, test, and implement a system tailored to meet the BCM's specific needs. Their desired requirements would effectuate an overall customized solution.

As with any alternative, they both present unique advantages.

Please see Section II.C.2. Business Solution Alternatives for more information.

2. Rationale for Selection

To properly evaluate the solutions available to the department, both alternatives were assessed against the following criteria: Strategic Alignment, Customer Experience, Risk Mitigation, Modern Solution, Business Alignment, and Cost Benefit. Each of the six criteria are weighted based upon an overall strategic importance to the potential project and the Department. The criteria were scored based upon specific factors that would contribute to the success and benefit realization of the collateral administration system replacement.

The assigned weights were applied to the evaluation criterion scores, which were then calculated to determine a final, overall score for each alternative. The summary results are depicted below in **Figure 23: Scores by Alternative**.

			Alternative 1		Alternative 2	
	Criteria	Wt.	Score	Total	Score	Total
1.	Strategic Alignment	15%	High	0.39	Medium	0.30

		Alternative 1		Alternative 2	
Criteria	Wt.	Score	Total	Score	Total
2. Customer Experience	10%	High	0.28	Medium	0.20
3. Risk Mitigation	20%	Medium	0.48	Medium	0.44
4. Modern Solution	20%	High	0.53	Medium	0.43
5. Business Alignment	25%	High	0.70	Medium	0.50
6. Cost Benefit	10%	Medium	0.20	Low	0.14
Total Weighted Score	100%	2.57		2.01	

Figure 23: Scores by Alternative

Please see Section II.C.3. Rationale for Selection for more information.

3. Recommended Technical Solution

The results of this feasibility study show that **Alternative 1: Solution as a Service (SolaaS)** is the most attractive option as it best aligns with the business and agency needs. **Alternative 1: Solution as a Service (SolaaS)** allows BCM to meet its operational mission, goals, and objectives by bringing together a Case Management System and Collateral Inventory Management System. It is comprised of the requisite components of a SolaaS, including DaaS, IaaS, PaaS, and SaaS. This alternative meets the technical and functional requirements that include compliance, security, and system requirements, that were defined in Section II.D. The functional and technical requirements are summarized below:

- **Compliance**: This alternative enables the Department to remain compliant with required Federal, State, and Agency regulations.
- **Security**: This alternative provides required capabilities pertaining to disaster recovery, infrastructure, network demands, storage needs, data loss prevention and overall resumption.
- **System**: This alternative is equipped to support needed system integration and the ability to scale as required to support fluctuating volumes.
- **Functional**: This alternative is enabled/prepared to support and improve business-critical functions that are currently needed and to furnish enhancements that improve efficiency and overall performance.

Alternative 1: Solution as a Service (SolaaS) brings numerous benefits including workflow management, increased automation, enhanced security, data integration, and improved satisfaction and service. If the recommended solution is not funded, the Department should anticipate facing multiple risks, including:

- Continued aging of the system, increased inefficiencies in the business methods BCM uses to conduct required operations.
- Increasing cost to recruit and retain resources to maintain (and modify) the system.
- Inability to troubleshoot required fixes efficiently and effectively and/or issues as they manifest within the system.
- Continuation of highly manual and time-consuming administrative and other required steps/processes.
- Increased customer dissatisfaction and overall faith in the solution.

Please see Section II.C.4. Recommended Solution and Section VI.D.1. Summary Description of Proposed System for more information.

D. Proposed Solution Description

1. Summary Description of Proposed System

The proposed Solution-as-a-Service (SolaaS) would be designed to serve as the Bureau's new system. This solution provides additional functionality, workflow automation, and supports key business processes that will enhance the Bureau's operational/service standards. The future design depicted in **Figure 24: Proposed Solution Overview** includes integration with current State systems while allowing flexibility to adjust for future iterations (and requirements). The gains from the adoption of a modern solution will allow the Department to reduce manual processes, communicate effectively with the customers they serve and improve overall operational efficiency/service across the Bureau.
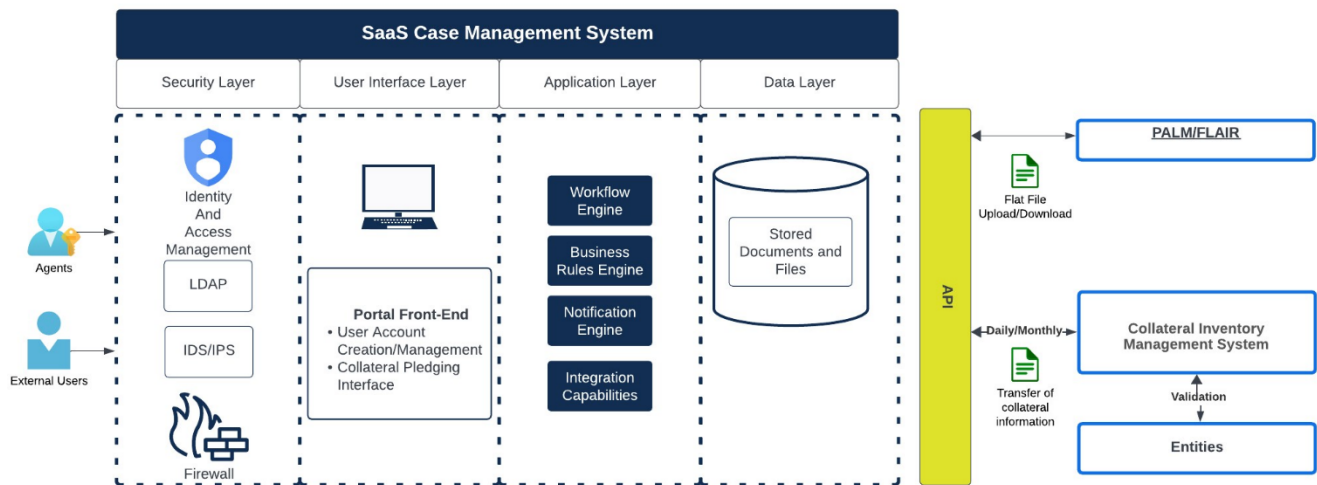

Figure 24: Proposed Solution Overview

The Case Management System (CMS) will act as the central system for handling of user requests, collateral cases while managing the web based online user portal, business-oriented workflows, internal and external notifications with required storage within the document repository.

The user portal is the primary interface for external users. The user portal will provide the ability to facilitate basic account creation and management as well as submitting of data via the use of online forms, while executing electronic signatures. The user portal would also allow customers to pledge/furnish collateral and communicate with the Bureau in an efficient manner.

The notification system will send automated alerts to customers and the capacity to submit required documents for collateral verification. Automated notifications may also be enabled within the Bureau to provide alerts of pending issues, reminders for key business operations and/or support automated workflows within the CMS. The notification system would be created and managed by predetermined SLA's and governed by thresholds/benchmarks and defined system alert notifications.

The reporting function will incorporate a comprehensive reporting engine that can ingest 3rd party data sources to devise required metrics. Reports will be customizable in nature and can be prepared on ad hoc and/or scheduled basis.

The database is a repository for operational data (storing documents and files). The CMS data repository would allow for the Bureau to set a predetermined standard for document /data and records retention. This would meet agency, regulatory and other business drivers for applicable requirements.

The workflow engine executes the progression and management of predefined business processes. The Bureau's requirement for increased automation would be supported by requisite case timeframes (rule), defined user actions, and other predefined criteria.

The business rules engine executes operational rules and policies, by guiding the processing and handling (routing) of cases within the system. The workflow enables use cases to be routed to the appropriate users based upon decisions made after evaluating the document/case. It can employ conditional logic with user defined entitlements, furnishing applicable fields and offering recommendations based on previous answers and/or input.

The integration layer (APIs & File Interchange) within the proposed solution will allow for the Bureau to integrate various data sources, applications, and other elements to effectuate required processing in an efficient and timeline driven manner.

The collateral inventory management system (CIMS) is a holistic solution that encompasses the identification and validation of requisite collateral that incorporates alerts of any exceptions or discrepancies. This process takes advantage of pre-defined rules and workflow steps.

The statewide accounting system (FLAIR/PALM (PeopleSoft)) system is capable of ingesting a CSV flat file from an external system that will enable systematic uploads of requisite data.

User roles is a solution that will utilize a predefined set of instructions that will provide specific levels of access, and user entitlements to data elements and corresponding components of the system (and records).

External users would be enabled to access their required accounts that would allow access to the entitled user for managing of their related accounts, pledging of collateral and other critical tasks necessary to adhere to the Bureau's requirements to conduct business within the State.

The agents/case managers will provide a solution for the Bureau with the ability to assign various levels of access within the CMS. These include basic rights to manage, update, and verify cases and administrative rights to manage workflow rules and subsequent alerts within the CMS.

2. **Resource and Summary Level Funding Requirements for Proposed Solution (if known)**

Resource requirements and summary level funding resource requirements for the Solution as a Service project are included in Appendix 5- DFS-CAP-Cost Benefits Analysis.

E. Capacity Planning

The proposed solution will be managed by a third-party provider and will be able to meet increased production demands while providing a reliable and flexible solution to meet upticks and reductions in volume as the State's needs evolve. The system will be flexible in nature and capable of meeting the targeted thruput of the State regardless of demand.

Figure 25: Capacity and Scalability Challenges below displays the proposed solutions response to potential capacity and scalability challenges the Bureau will face.

Scalability Challenges	Capacity Planning Benefits
Potential downtime of the system when capacity cannot be met.	The solution will be more reliable and adhere to agreed-upon Service Levels Agreements (SLAs). The SLAs will be metric driven with the tracking of (objective) Key Performance Indicators (KPIs).
The inability to scale the system and resources as they are out of date and potentially not supported.	The solution will be managed in the "Cloud" and will be available in a reliable, systematic way as per agreed upon SLAs. The SLAs will have corresponding penalties.
New components may or may not work with an upgraded version or technology or related	The provider will support, maintain, and perform upgrades to the solution. They ensure all components are compatible with

Scalability Challenges	Capacity Planning Benefits
processes, i.e., they are limited as to how they can augment system/solution.	the latest version of software and supporting systems.
Challenges meeting production demand during busy periods.	The solution will be dynamic as the inherit scalability provides support of spikes (or down turns) of demand during peak (and slow) periods.
Demand upticks will require investment in under-utilized resources to support cyclical increases in thruput.	The solution will provide flexible capacity during an increase or reduction in demand. This would be a pay per transaction of what is required as part of the throughput as opposed to building an infrastructure in support of increases in demand.
Manual built reporting and analytic tools may be prone to inaccurate results.	The Solution comes with built in metrics, analytics, and reporting tools. This enables near term monitoring; therefore, support is proactive instead of reactive.
Latency or responsiveness during document retrieval performance and validation of documents/data.	The solution will be more efficient with integrated and updated components. A SLA would dictate the required responsiveness, uptime with pre planned upgrades and outages.

Figure 25: Capacity and Scalability Challenges

VII.   Schedule IV-B Project Management Planning

Include through file insertion or attachment the agency's project management plan and any associated planning tools/documents.

NOTE: For IT projects with a total cost in excess of $10 million, the project scope, business objectives, and timelines described in this section must be consistent with existing or proposed substantive policy required in s.216.023(4)(a)10, FS.

A. Project Approach

Figure 26: High-level Project Timeline below depicts the approach for planning, procurement, and implementation of the components of the system. The approach includes multiple workstreams intended to efficiently manage all lifecycle activities to procure and implement the Case Management and Collateral Inventory Management components. The approach depicted here may be modified if a specific approach is proven to be more efficient for a specific product.
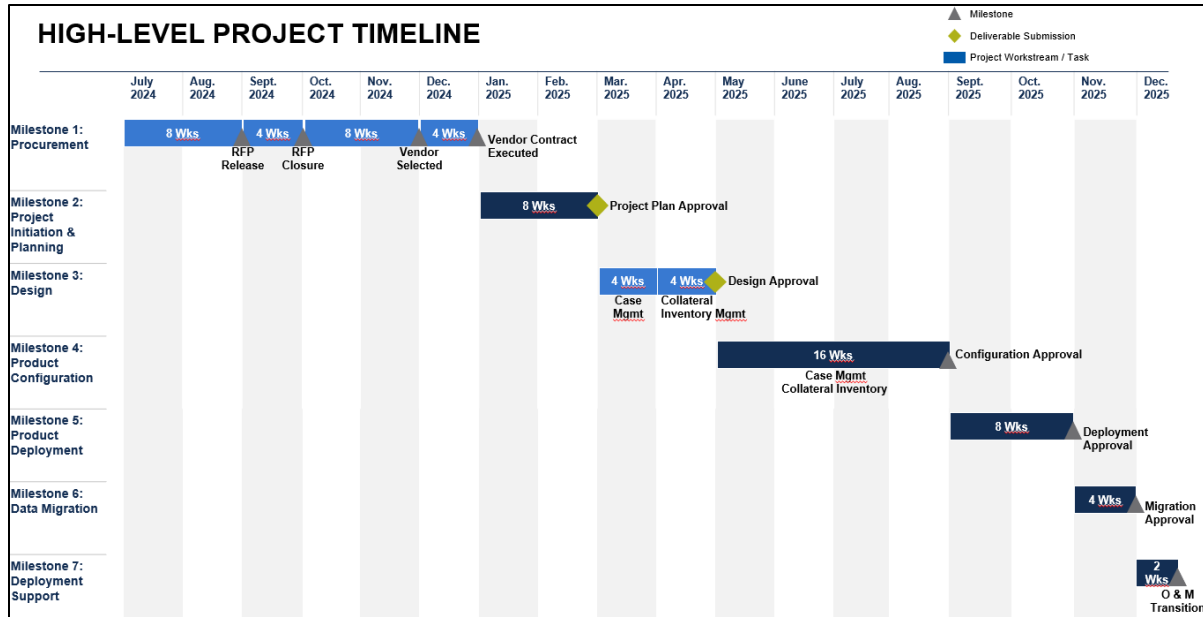
Figure 26: High Level Project Timeline

Milestone 1: Procurement

The Department will procure services of a vendor to plan and manage the procurement component of the project, with a potential continuation of project management services to oversee the design, development, and implementation (DDI) phases of the project.

The proposed solution will require implementation of both Case Management and Collateral Inventory Management components. Market scan research indicates the most efficient and economical approach is to use a Software as a Service model (SaaS), and these components could potentially be procured from separate vendors as the most economically effective approach for the business needs of BCM. While an ERP-like approach could be an option (i.e., leveraging a tool from the Financial Services industry), it would be a prohibitively expensive solution that would not utilize major components of this monolithic approach. As a result, the project will require either separate procurements of the Case Management and Collateral Inventory Management components or should allow for separate responses to these individual components.

The following documents will be leveraged to achieve successful procurement within the recommended 6-month window:

- **Business and Technical Requirements** –Requirements developed for this Schedule IV-B document can be filtered/separated by business function to delineate which requirements support specific business functions (case management versus collateral inventory management).
- **Supplier, Input, Process, Output Customer (SIPOC) documentation** – Material created during high-level analysis of BCM business functions.
- **Existing documentation** of current business functions/processes to create the procurement materials.

Procurement activities can potentially be streamlined as the Market Scan analysis revealed viable solutions are available via pre-negotiated government contracts such as:
- **General Services Administration (GSA)**
- **National Association of State Procurement Officials (NASPO)**.

Other services such as procurement support, project management, and related technical services are available via:
- **State of Florida Management State Term Contract for Management Consulting Services.**
- **Information Technology Staff Augmentation Services.**

The Department will follow Chapter 287, F.S. requirements to determine the correct procurement approach.

Milestone 2: Project Initiation and Planning

The project management methodology used by DFS is based on the PMI's Project Management Framework and adheres to Rule 60GG-1, F.A.C., Department of Management Services Project Management and Oversight Standards. The DFS Project Manager and the implementation vendor will agree on an appropriate project management methodology. The Project Director or Project Sponsor may consider changes to the methodology at any phase of the project, as deemed appropriate, including the use of Agile methodologies that focus on customer satisfaction through the early and continuous delivery of working software, close cooperation between business users and software developers, quality improvement, and continuous attention to technical excellence and good design.

Regardless of the specific project management methodology employed, certain management and control mechanisms will be relevant to all phases of this project, including, but not limited to:

- Project Charter.
- Project Management Plan.
- Project Communications Plan.
- Project Management Status Reports.
- Risk and Issue Registers.
- Meeting Agendas and Minutes.
- Requirements Management Plan.

The use of the project control framework indicated above, together with the Project Management Plan, will assist the Project Manager and Project Sponsor in planning, executing, managing, administering, and controlling all phases of the project. Control activities will include, but may not be limited to:

- Monitoring project progress.
- Reviewing, evaluating, and making decisions on proposed changes; changes to the project scope will be tightly controlled according to a documented change request, review, and approval process agreed to by key stakeholders.
- Identifying risks, developing timely risks mitigation strategies, monitoring, and managing to minimize the impact on the project as required by the risk management plan.
- Identifying issues, developing timely issue resolution strategies, monitoring, and tracking, and managing to minimize the impact on the project as required by a documented issue reporting and management process.
- Monitoring the quality of project deliverables and taking appropriate actions about any project deliverables that are deficient in quality.

    Monitoring the contracts to ensure the terms of the contract and statement of work are being met.

Milestone 3: Design

The design milestone will encompass a detailed plan that incorporates both the Case Management System and the Collateral Inventory Management System to support the DFS solution. The vendor will follow DFS's programming and development standards. Thorough review and acceptance from DFS stakeholders are required to move to the product configuration milestone. Design documentation will include, but may not be limited to the following:

- Technical Requirements
- User Security Requirements
- Technical Design Specification
- To-Be Business Process Flows
- Data Conversion Plan
- Data Migration Plan
- Test Plans

Milestone 4: Product Configuration

The product configuration milestone implements the approved design documentation for the Case Management System and Collateral Inventory Management System in preparation for the upcoming deployment and data migration milestones. The vendor will follow the established methodologies for Software Configuration Management including Stakeholder review and sign-off, documentation management, and appropriate version control standards.

Milestone 5: Product Deployment

The product deployment phase includes multiple steps to both prepare the system and the DFS staff for operations. This phase will include multiple stages of testing, including primary testing, integration testing, and user acceptance testing. A post-go-live period of hypercare will be supported by the vendor.

Milestone 6: Data Migration

The data migration milestone represents all activities required to populate the new system with data from the current production system. As a part of the design and configuration phases, the team will determine data migration and data transformation activities that will occur to ensure seamless deployment and continued business operations in the new environments. Depending on the final project design, data migration might overlap deployment, and will include a separate series of tests to validate that the migration is complete and correct. Data migration activities will leverage Data Migration and the Data Conversion Plans created by the vendors for their specific components.

Milestone 7: Deployment Support

The deployment support milestone includes any additional support required from the vendor to assist DFS with the final production version of the implemented solution. The vendor will also complete the knowledge transfer plan to ensure the DFS staff has sufficient working knowledge of the solution, reduce any knowledge gaps and transition into ongoing maintenance support of the Case Management and Collateral Inventory Systems.

A.   Project Deliverables

Figure 27: Project Deliverables contains a preliminary list of potential project deliverables. The final deliverables list, which will include acceptance criteria, will be developed in conjunction with the selected implementation vendor and will be appropriate to the final implementation methodology.

Name	Owner	Deliverable Description
PROJECT MANAGEMENT		
Project Charter	DFS	Provides an overview of key aspects of the project, including key resource needs, project roadmap, solution description and is authorized by the project executive sponsor.
Project Management Plan	Vendor/ DFS	The Project Management Plan (PMP) is a formal, approved document used to manage project execution. The PMP documents the actions necessary to define, prepare, integrate, and coordinate the various planning activities. The PMP defines how the project is executed, monitored, controlled, and closed. Updates progressively elaborate throughout the project. Includes, but not limited to, the following documents as required by the Project Director and/or the PMO: • Work Breakdown Structure. • Resource and Cost Loaded Project Schedule. • Procurement Management Plan. • Requirements Management Plan.

Name	Owner	Deliverable Description
		• Communication Plan. • Document Management Plan. • Scope Management Plan. • Quality Management Plan. • Deliverable Expectations. • Deliverable Management Plan. • Risk Management Plan. • Risk Response Plan. • Issue Management Plan. • Change Management Plan. • Resource Management Plan. • Conflict Resolution Plan. • Baseline Project Budget.
Project Communication Plan	DFS	The communications management plan defines who (project stakeholders) will need what specific information, when the information is needed, and the expected modality for the communication message. The Communication Plan will include, at a minimum, the purpose and approach, communication goals and objectives, communication roles, communication tools and methods, and high-level project communication messages.
Project Management Status Reports	Vendor	Weekly status reports to the project management team.
Risk and Issue Registers	DFS/ Vendor	Prioritized lists of risks and issues identified and reviewed during the project.
Meeting Minutes	Vendor	Record of decisions, action items, issues, risks, and lessons learned identified along the course of the project and during formal stakeholder meetings.
Contract Compliance Checklist	Vendor	Documents that vendors involved with the project have met all contractual requirements.
CHANGE MANAGEMENT		
Organizational Change Management (OCM) Plan	Vendor	Describes the overall objectives and approach for managing organizational change during the project, including the methodologies and deliverables that will be used to implement OCM for the project.
OCM Status Reports	Vendor	Weekly status reports to the project management team.
Stakeholder Analysis	Vendor	Identifies the groups impacted by the change, the type and degree of impact, group attitude toward the change, and related change management needs.

Name	Owner	Deliverable Description
Training Plan	Vendor	Defines the objectives, scope, and approach for training all stakeholders who require education about the new organizational structures, processes, policies, and system functionality.
Change Readiness Assessment	Vendor	Surveys the readiness of the impacted stakeholders to "go live" with the project and identifies action plans to remedy any lack of readiness.
FUNCTIONAL SOLUTION		
As-Is Business Process Flows	DFS	Represents, graphically, the current state of program areas' business processes using standard business process notation. This document should include narrative descriptions of key activities, including owners, inputs, and outputs.
To-Be Business Process Flows	Vendor	Represents the future state of program area business processes, as re-engineered by the vendor in conjunction with DFS subject matter experts. The process flows are developed using standard business process notation. This document should include narrative descriptions of key activities, including owners, inputs, and outputs.
Business Process Re-Engineering Plan	Vendor	The plan defines potential business process changes and how those changes are to be implemented.
Process Improvement Plan	Vendor	The plan that defines potential business process changes and how those changes are to be implemented.
Functional Requirements	Vendor	Functional requirements determined to implement the solution.
Design Demonstration	Vendor	Review and acceptance of the solution design are required before proceeding to development. Key stakeholders will experience the prototype, and then a go/no-go decision will be submitted to the Project Sponsors for action.
TECHNICAL SOLUTION		
Technical Requirements	Vendor	Technical requirements determined to implement the solution.
Technical Design Specification	Vendor	Detailed technical design for data and information processing in the new business solution.
User Security Requirements	DFS	Detailed requirements so that solution users are given the appropriate level of access to create/maintain/archive/view solution content.
DATA CONVERSION		
Data Conversion Plan	Vendor	Plan to convert data from existing systems that meet the specifications of the new database design, abide by DFS repository guidelines and are economically feasible.

Name	Owner	Deliverable Description
Data Migration Plan	Vendor/ DFS	Plan to migrate data from existing systems to new databases as required.
SOLUTION TESTING		
Test Plans	DFS	Detailed test plans for unit testing, solution testing, load testing, and user acceptance testing.
User Acceptance Testing	DFS	Execution of a documented set of actions to be performed within the solution to confirm that all functional requirements have been met.
CUTOVER		
Functional Business Solution	Vendor	A final production version of the new business solution.
Implementation Plan	Vendor	Detailed process steps to implement the new solution.
Knowledge Transfer Plan	Vendor	Based on a gap analysis, this plan will detail the steps taken to transfer knowledge about the solution to the resources that ultimately will be responsible for post-implementation support; includes a post-go-live period of hypercare by the project team.
Solution Operation and Maintenance Plan	DFS	A detailed plan for how the finished solution will be operated and maintained, including all requirements for the solution to comply with NIST standards.

Figure 27: Project Deliverables

B. Risk Management Plan

The purpose of risk management is to identify the risk factors for the project and establish a risk management plan to minimize the probability that the risk will negatively affect the project.

The project management methodology chosen for this project will include processes, templates, and procedures for documenting and mitigating risk. Formal risk analysis, tracking and mitigation will be ongoing throughout all phases of the project. Risks are actively identified, detailed, and prioritized. Mitigation strategies are developed. Risks are tracked, mitigated, and closed throughout the project lifecycle.

All phases of the project will follow the standards defined by the PMO. Standards include processes, templates, and procedures for documenting and mitigating risk. Formal risk analysis, tracking and mitigation will be ongoing throughout all phases of the project. Risks are actively identified, detailed, and prioritized. Mitigation strategies are developed. Risks are tracked, mitigated, and closed throughout the lifecycle.

A Risk Management Plan (RMP) will be developed and adhered to throughout all project phases. The RMP will include clear risk management procedures, standard checkpoints, and mitigation strategies. Executing a well-defined RMP with clear mitigation strategies for each risk is critical to the project's success. The purpose of risk management is to identify the risk factors for the project and establish a risk management plan to minimize the probability that the risk will negatively affect the project. It is recommended that the following checkpoints in **Figure 28: Risk Checkpoints** be followed during the project:

Task	Recommendation
Risk Management Plan	Have planned semiannual reviews and updates after the submission and approval of the risk management plan with the Project Director and Project Sponsor. More frequent or "as required" updates should be performed.
Risk Management Reviews	As part of a disciplined approach to addressing project risks, monthly risk meetings should be conducted during the project life cycle at intervals agreed upon with the Project Director and Project Sponsor.

Figure 28: Risk Checkpoints

C. Organizational Change Management

Effective Organizational Change Management (OCM) will be integral to the success of this project and will be a critical success factor for ensuring staff participation in business process improvement, implementation, and user acceptance. A significant organizational impact is expected because of automating existing manual processes and consolidation to an enterprise approach. OCM will be effectively implemented throughout the project life cycle through communication, awareness, and training.

A specific OCM methodology has not been identified at this phase but will be identified in the Organizational Change Management Plan.

At a minimum, the following will be included in the final Organizational Change Management Plan:

- Description of roles, responsibilities, and communication between vendor and customer.
- Skill/role gap analysis between the existing system and the proposed solution.
- Training plan including curriculum, platform (e.g., classroom, virtual), and schedule.
- OCM Communication Plan.
- Overview of Changes (Why this, Why Now?).
- Job aids that include changes in policies, business practices, use of tools, data, and reporting.
- Exception Handling, Stakeholder Analysis, Communication Phases.
- Communications Matrix of Activities.
- Implementation Readiness Assessment.
- Readiness Assessment Reporting Process.

The following key roles will have varying degrees of responsibility for executing the change management plan and delivering a consistent, positive message about change throughout the life of the project:

- Project Business Stakeholders Committee.
- Organizational Change Manager (a member of the project management team dedicated to OCM).
- Project Director.
- Project Sponsor(s).

D. Project Communication

All phases of the project will use communication methods proven to be effective in IT transformations and will follow the standards developed by the PMO. These will include a communication plan, a formal project kick-off meeting, status meetings, milestone reviews, adoption of methodology in defining roles, responsibilities, and quality measures of deliverables, regular status reports, regular review and evaluation of project issues and risks, periodic project evaluation, regular demonstrations, and reviews, and a project artifact repository.

Disseminating knowledge among stakeholders is essential to the project's success. Project sponsors, core project team members, and key stakeholders must be kept informed of the project status and how changes to the status affect them. The more people are kept informed about the progress of the project and how it will help them in the future, the more they will participate and benefit.

At this time, the specific communication needs of project stakeholders and the methods and frequency of

communication have not been established. A detailed Communication Plan will be completed, which outlines the requirements for effective communication methods and how they will be implemented, including Legislative reporting requirements as defined in procurement. These will include project kick-off, regular status meetings, regular status reports, regular review and evaluation of project issues and risks, milestone reporting, periodic project evaluation, regular product demonstrations and reviews, a web-based discussion board, project website, etc. It is expected that the Communication Plan will be adhered to and receive updates as applicable during the life of the project.

E. Quality Management Plan

The project will follow guidelines delineating timeline, budget, and quality specifications for each deliverable. Each deliverable will be assigned detailed acceptance criteria in the project contract. Quality will be monitored and controlled by the Project Management Team and deliverables will be accepted only when the acceptance criteria have been met. The PMO will provide oversight and assistance to the entire Project Team to ensure that standards are followed. **Figure 29: Quality Standards by Project Area** below provides a list.

Quality Standards	
Project Area	**Description**
Development Standards	If applicable, the vendor responsible for design and development of the DFS CAP System will follow DFS's programming and development standards.
Testing Management	The vendor will follow the established standards for Testing Management. This includes unit testing, integration testing, system testing, load testing and user acceptance testing.
Approval	All deliverables will require individual stakeholder approval and sign-off upon completion of the final draft.
Software Configuration Management	If applicable, the vendor will follow the established standards for Software Configuration Management. This includes Stakeholder sign-off, documentation, and version control.
Contract Management	All contracts must pass executive and legal approval. In addition, external project oversight will be required for contract negotiation.

Figure 29 Quality Standards by Project Area

Quality will be monitored throughout the project by the assigned DFS Project Manager. Multiple levels of acceptance by all stakeholders will be built into the process to ensure project quality control.

In addition to these formal areas of quality control, the following practices will be maintained during the life of the project:

- Peer reviews of artifacts.
- Project team acceptance and approval.
- Periodic project team meetings.
- Project status meetings.
- Periodic contractor, contract manager, project manager and project team meetings.
- Change control management processes, including the creation of a change review and control board that provides representation for all affected stakeholders.
- Contract manager and DFS Project Director acceptance and approval.
- Maintain detailed requirements definitions under configuration management.
- Defined test plan with standard levels of technical and acceptance testing.
- Risk Management and Mitigation.

VIII.   Appendices

Number and include all required spreadsheets along with any other tools, diagrams, charts, etc. chosen to accompany and support the narrative data provided by the agency within the Schedule IV-B.

- Appendix 1-DFS-CAP-Sample Alt Solution Project Plan Framework
- Appendix 2-DFS-CAP-Requirements-Matrix
- Appendix 3-DFS-CAP-Alternative Scoring
- Appendix 4-DFS-CAP-Risk-Assessment
- Appendix 5-DFS-CAP-Cost Benefits Analysis

Appendix 1-DFS-CAP-Sample A   Appendix 2-DFS-CAP-Requireme   Appendix 3-DFS-CAP-Alternati   Appendix 4-DFS-CAP-Risk-Asse   Appendix 5-DFS-CAP-Cost Bene

CBAForm 1 - Net Tangible Benefits

Agency: Dept. of Financial Services   Project: Collateral Administration Program System Replacement

Net Tangible Benefits - Operational Cost Changes (Costs of Current Operations versus Proposed Operations as a Result of the Project) and Additional Tangible Benefits -- CBAForm 1A

Agency Program Cost Elements	FY 2024-25 (a) Existing Program Costs	(b) Operational Cost Change	(c) = (a)+(b) New Program Costs resulting from Proposed Project	FY 2025-26 (a) Existing Program Costs	(b) Operational Cost Change	(c) = (a)+(b) New Program Costs resulting from Proposed Project	FY 2026-27 (a) Existing Program Costs	(b) Operational Cost Change	(c) = (a)+(b) New Program Costs resulting from Proposed Project	FY 2027-28 (a) Existing Program Costs	(b) Cost Change Operational Cost Change	(c) = (a)+(b) New Program Costs resulting from Proposed Project	FY 2028-29 (a) Existing Program Costs	(b) Operational Cost Change	(c) = (a)+(b) New Program Costs resulting from Proposed Project	FY 2029-30 (a) Existing Program Costs	(b) Cost Change Operational Cost Change	(c) = (a)+(b) New Program Costs resulting from Proposed Project
(Recurring Costs Only -- No Project Costs)																		
A. Personnel Costs -- Agency-Managed Staff	$275,987	$0	$275,987	$275,987	$0	$275,987	$275,987	$0	$275,987	$275,987	$0	$275,987	$275,987	$0	$275,987	$275,987	$0	$275,987
A.b Total Staff	2.00	0.00	2.00	2.00	0.00	2.00	2.00	0.00	2.00	2.00	0.00	2.00	2.00	0.00	2.00	2.00	0.00	2.00
A-1.a. State FTEs (Salaries & Benefits)	$175,987	$0	$175,987	$175,987	$0	$175,987	$175,987	$0	$175,987	$175,987	$0	$175,987	$175,987	$0	$175,987	$175,987	$0	$175,987
A-1.b. State FTEs (#)	1.50	0.00	1.50	1.50	0.00	1.50	1.50	0.00	1.50	1.50	0.00	1.50	1.50	0.00	1.50	1.50	0.00	1.50
A-2.a. OPS Staff (Salaries)	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
A-2.b. OPS (#)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
A-3.a. Staff Augmentation (Contract Cost)	$100,000	$0	$100,000	$100,000	$0	$100,000	$100,000	$0	$100,000	$100,000	$0	$100,000	$100,000	$0	$100,000	$100,000	$0	$100,000
A-3.b. Staff Augmentation (# of Contractors)	0.50	0.00	0.50	0.50	0.00	0.50	0.50	0.00	0.50	0.50	0.00	0.50	0.50	0.00	0.50	0.50	0.00	0.50
B. Application Maintenance Costs	$80,030	$0	$80,030	$80,030	$318,120	$398,150	$80,030	$318,120	$398,150	$80,030	$318,120	$398,150	$80,030	$318,120	$398,150	$80,030	$318,120	$398,150
B-1. Managed Services (Staffing)	$63,089	$0	$63,089	$63,089	$214,911	$278,000	$63,089	$214,911	$278,000	$63,089	$214,911	$278,000	$63,089	$214,911	$278,000	$63,089	$214,911	$278,000
B-2. Hardware	-$14,820	$0	$14,820	$14,820	-$14,820	$0	$14,820	-$14,820	$0	$14,820	-$14,820	$0	$14,820	-$14,820	$0	$14,820	-$14,820	$0
B-3. Software	$2,121	$0	$2,121	$2,121	$118,029	$120,150	$2,121	$118,029	$120,150	$2,121	$118,029	$120,150	$2,121	$118,029	$120,150	$2,121	$118,029	$120,150
B-4. Other Specify	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
C. Data Center Provider Costs	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
C-1. Managed Services (Staffing)	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
C-2. Infrastructure	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
C-3. Network / Hosting Services	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
C-4. Disaster Recovery	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
C-5. Other Specify	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
D. Plant & Facility Costs	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
E. Other Costs	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
E-1. Training	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
E-2. Travel	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
E-3. Other Specify	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Total of Recurring Operational Costs	$356,017	$0	$356,017	$356,017	$318,120	$674,137	$356,017	$318,120	$674,137	$356,017	$318,120	$674,137	$356,017	$318,120	$674,137	$356,017	$318,120	$674,137

F. Additional Tangible Benefits:		$0			$0			$0			$0			$0			$0	
F-1. Specify		$0			$0			$0			$0			$0			$0	
F-2. Specify		$0			$0			$0			$0			$0			$0	
F-3. Specify		$0			$0			$0			$0			$0			$0	
Total Net Tangible Benefits:		$0			($318,120)			($318,120)			($318,120)			($318,120)			($318,120)	

CHARACTERIZATION OF PROJECT BENEFIT ESTIMATE -- CBAForm 1B		
Choose Type	Estimate Confidence	Enter % (+/-)
Detailed/Rigorous ☐	Confidence Level	
Order of Magnitude ☑	Confidence Level	15%
Placeholder ☐	Confidence Level	

						CBAForm 2A Baseline Project Budget																
					FY2024-25			FY2025-26			FY2026-27			FY2027-28			FY2028-29			FY2029-30			TOTAL
Dept. of Financial Services	Collateral Administration Program System Replacement		$ -	$ 2,086,230			$ 1,607,400			$ -			$ -			$ -			$ -			$ 3,693,630
Item Description	Project Cost Element	Appropriation Category	Current & Previous Years Project-Related Cost	YR 1 #	YR 1 LBR	YR 1 Base Budget	YR 2 #	YR 2 LBR	YR 2 Base Budget	YR 3 #	YR 3 LBR	YR 3 Base Budget	YR 4 #	YR 4 LBR	YR 4 Base Budget	YR 5 #	YR 5 LBR	YR 5 Base Budget	YR 6	YR 6 LBR	YR 6 Base Budget	TOTAL
Staffing costs for personnel using Time & Expense.	Pre-DDI Project Management Staff Augmentation	Contracted Services	$ -	0.00	$ 218,400	$ -	0.00	$ -	$ -	0.00	$ -	$ -	0.00	$ -	$ -	0.00	$ -	$ -	0.00	$ -	$ -	$ 218,400
Staffing costs for personnel using Time & Expense.	Pre-DDI Other Staff Augmentation	Contracted Services	$ -	0.00	$ 291,480	$ -	0.00	$ -	$ -	0.00	$ -	$ -	0.00	$ -	$ -	0.00	$ -	$ -	0.00	$ -	$ -	$ 291,480
Staffing costs for personnel using Time & Expense.	DDI Project Management Staff Augmentation	Contracted Services	$ -	0.00	$ 436,800	$ -	0.00	$ 436,800	$ -	0.00	$ -	$ -	0.00	$ -	$ -	0.00	$ -	$ -	0.00	$ -	$ -	$ 873,600
Staffing costs for personnel using Time & Expense.	DDI Other Staff Augmentation	Contracted Services	$ -	0.00	$ 504,400	$ -	0.00	$ 1,055,600	$ -	0.00	$ -	$ -	0.00	$ -	$ -	0.00	$ -	$ -	0.00	$ -	$ -	$ 1,560,000
Commercial software purchases and licensing costs.	Commercial Software - Implementation Fee (Collateral Inventory Management)	Contracted Services	$ -		$ 210,000	$ -		$ -	$ -		$ -	$ -		$ -	$ -		$ -	$ -		$ -	$ -	$ 210,000
Commercial software purchases and licensing costs.	Commercial Software - Software Configuration (Case Management)	Contracted Services	$ -		$ 210,000	$ -		$ 105,000	$ -		$ -	$ -		$ -	$ -		$ -	$ -		$ -	$ -	$ 315,000
Commercial software purchases and licensing costs.	Commercial Software - Initial Software Subscription Fees (Case Management)	Contracted Services	$ -		$ 120,150	$ -		$ -	$ -		$ -	$ -		$ -	$ -		$ -	$ -		$ -	$ -	$ 120,150
Commercial software purchases and licensing costs.	Commercial Software - Data and Records Conversion (Case Management)	Contracted Services	$ -		$ 50,000	$ -		$ -	$ -		$ -	$ -		$ -	$ -		$ -	$ -		$ -	$ -	$ 50,000
Commercial software purchases and licensing costs.	Commercial Software - API Integration (Case Management)	Contracted Services	$ -		$ 45,000	$ -		$ -	$ -		$ -	$ -		$ -	$ -		$ -	$ -		$ -	$ -	$ 45,000
Commercial software purchases and licensing costs.	Commercial Software - System Admin Training (Case Management)	Contracted Services	$ -		$ -	$ -		$ 10,000	$ -		$ -	$ -		$ -	$ -		$ -	$ -		$ -	$ -	$ 10,000
Other contracted services not included in other categories.	Other Services	Contracted Services	$ -		$ -	$ -		$ -	$ -		$ -	$ -		$ -	$ -		$ -	$ -		$ -	$ -	$ -
Other project expenses not included in other categories.	Other Expenses	Expense	$ -		$ -	$ -		$ -	$ -		$ -	$ -		$ -	$ -		$ -	$ -		$ -	$ -	$ -
	Total		$ -	0.00	$ 2,086,230	$ -	0.00	$ 1,607,400	$ -	0.00	$ -	$ -	0.00	$ -	$ -	0.00	$ -	$ -	0.00	$ -	$ -	$ 3,693,630

CBAForm 2 - Project Cost Analysis   Agency Dept. of Financial Services   Project Collateral Administration Program System Replacement

PROJECT COST SUMMARY	*PROJECT COST SUMMARY (from CBAForm 2A)*						TOTAL
	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	
TOTAL PROJECT COSTS (*)	$2,086,230	$1,607,400	$0	$0	$0	$0	$3,693,630
CUMULATIVE PROJECT COSTS *(includes Current & Previous Years' Project-Related Costs)*	$2,086,230	$3,693,630	$3,693,630	$3,693,630	$3,693,630	$3,693,630	
Total Costs are carried forward to CBAForm3 Project Investment Summary worksheet.							

PROJECT FUNDING SOURCES	*PROJECT FUNDING SOURCES - CBAForm 2B*						TOTAL
	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2027-28	
General Revenue	$0	$0	$0	$0	$0	$0	$0
Trust Fund	$2,086,230	$1,607,400	$0	$0	$0	$0	$3,693,630
Federal Match ☐	$0	$0	$0	$0	$0	$0	$0
Grants ☐	$0	$0	$0	$0	$0	$0	$0
Other ☐ Specify	$0	$0	$0	$0	$0	$0	$0
TOTAL INVESTMENT	$2,086,230	$1,607,400	$0	$0	$0	$0	$3,693,630
CUMULATIVE INVESTMENT	$2,086,230	$3,693,630	$3,693,630	$3,693,630	$3,693,630	$3,693,630	

Characterization of Project Cost Estimate - CBAForm 2C			
Choose Type		Estimate Confidence	Enter % (+/-)
Detailed/Rigorous		Confidence Level	
Order of Magnitude	x	Confidence Level	15%
Placeholder		Confidence Level	

Cost Benefit Analysis
CBAForm 3 - Project Investment Summary

Agency _Dept. of Financial Services_   Project _Collateral Administration Program System Replacement_

COST BENEFIT ANALYSIS -- CBAForm 3A						
	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	TOTAL FOR ALL YEARS
Project Cost	$2,086,230	$1,607,400	$0	$0	$0	$0	$3,693,630
Net Tangible Benefits	$0	($318,120)	($318,120)	($318,120)	($318,120)	($318,120)	($1,590,600)
Return on Investment	($2,086,230)	($1,925,520)	($318,120)	($318,120)	($318,120)	($318,120)	($5,284,230)
						NPV =	($4,930,940)

RETURN ON INVESTMENT ANALYSIS -- CBAForm 3B		
Payback Period (years)	NO PAYBACK IN 6 YEARS	Payback Period is the time required to recover the investment costs of the project.
Breakeven Fiscal Year	NO PAYBACK IN 6 YEARS	Fiscal Year during which the project's investment costs are recovered.
Net Present Value (NPV)	($4,930,940)	NPV is the present-day value of the project's benefits less costs over the project's lifecycle.
Internal Rate of Return (IRR)	NO IRR	IRR is the project's rate of return.

Investment Interest Earning Yield -- CBAForm 3C						
Fiscal Year	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Cost of Capital	2.90%	3.10%	3.30%	3.40%	3.50%	3.60%

	B	C	D	E	F	G	H
3	**Project**		*Collateral Administration Program System Replacement*				
4							
5	**Agency**		*Department of Financial Services*				
6	**FY 2024-25 LBR Issue Code:**		**FY 2024-25 LBR Issue Title:**				
7	*Issue Code*		*Issue Title*				
8	**Risk Assessment Contact Info (Name, Phone #, and E-mail Address):**						
9	*Michael Stephens ------ (850) 668-2583 ------ Michael.Stephens @NorthHighalnd.Com*						
10	**Executive Sponsor**		*Tanner Collins*				
11	**Project Manager**		*Jeff Wehling*				
12	Prepared By		*Jeff Wehling*			*11/2/2023*	

Risk Assessment Summary

Business Strategy — Most Aligned / Least Aligned

Level of Project Risk — Least Risk / Most Risk

Project Risk Area Breakdown

Risk Assessment Areas	Risk Exposure
Strategic Assessment	MEDIUM
Technology Exposure Assessment	HIGH
Organizational Change Management Assessment	MEDIUM
Communication Assessment	HIGH
Fiscal Assessment	HIGH
Project Organization Assessment	HIGH
Project Management Assessment	MEDIUM
Project Complexity Assessment	MEDIUM
Overall Project Risk	HIGH

F:\Office of Budgeting\BUDGET\2025 - 2026 LBR\Schedule IV-B - Information Technology Projects\CAP\CAP Schedule IV-B 25-26 Risk Assessment
RAForm1ProjectAssessment

10/15/2024 10:24 AM

	B	C	D	E
1	Agency: Department of Financial Services		Project: Collateral Administration Program System Replacement	
3	Section 1 -- Strategic Area			
4	#	Criteria	Values	Answer
5	1.01	Are project objectives clearly aligned with the agency's legal mission?	0% to 40% -- Few or no objectives aligned	81% to 100% -- All or nearly all objectives aligned
6			41% to 80% -- Some objectives aligned	
7			81% to 100% -- All or nearly all objectives aligned	
8	1.02	Are project objectives clearly documented and understood by all stakeholder groups?	Not documented or agreed to by stakeholders	Informal agreement by stakeholders
9			Informal agreement by stakeholders	
10			Documented with sign-off by stakeholders	
11	1.03	Are the project sponsor, senior management, and other executive stakeholders actively involved in meetings for the review and success of the project?	Not or rarely involved	Most regularly attend executive steering committee meetings
12			Most regularly attend executive steering committee meetings	
13			Project charter signed by executive sponsor and executive team actively engaged in steering committee meetings	
14	1.04	Has the agency documented its vision for how changes to the proposed technology will improve its business processes?	Vision is not documented	Vision is partially documented
15			Vision is partially documented	
16			Vision is completely documented	
17	1.05	Have all project business/program area requirements, assumptions, constraints, and priorities been defined and documented?	0% to 40% -- Few or none defined and documented	81% to 100% -- All or nearly all defined and documented
18			41% to 80% -- Some defined and documented	
19			81% to 100% -- All or nearly all defined and documented	
20	1.06	Are all needed changes in law, rule, or policy identified and documented?	No changes needed	No changes needed
21			Changes unknown	
22			Changes are identified in concept only	
23			Changes are identified and documented	
24			Legislation or proposed rule change is drafted	
25	1.07	Are any project phase or milestone completion dates fixed by outside factors, e.g., state or federal law or funding restrictions?	Few or none	Few or none
26			Some	
27			All or nearly all	
28	1.08	What is the external (e.g. public) visibility of the proposed system or project?	Minimal or no external use or visibility	Moderate external use or visibility
29			Moderate external use or visibility	
30			Extensive external use or visibility	
31	1.09	What is the internal (e.g. state agency) visibility of the proposed system or project?	Multiple agency or state enterprise visibility	Single agency-wide use or visibility
32			Single agency-wide use or visibility	
33			Use or visibility at division and/or bureau level only	
34	1.10	Is this a multi-year project?	Greater than 5 years	1 year or less
35			Between 3 and 5 years	
36			Between 1 and 3 years	
37			1 year or less	

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1_Strategic

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	B	C	D	E
1	Agency: Department of Financial Services		Project: Collateral Administration Program System Replacement	
3	Section 2 -- Technology Area			
4	#	Criteria	Values	Answer
5	2.01	Does the agency have experience working with, operating, and supporting the proposed technical solution in a production environment?	Read about only or attended conference and/or vendor presentation	Read about only or attended conference and/or vendor presentation
6			Supported prototype or production system less than 6 months	
7			Supported production system 6 months to 12 months	
8			Supported production system 1 year to 3 years	
9			Installed and supported production system more than 3 years	
10	2.02	Does the agency's internal staff have sufficient knowledge of the proposed technical solution to implement and operate the new system?	External technical resources will be needed for implementation and operations	External technical resources will be needed through implementation only
11			External technical resources will be needed through implementation only	
12			Internal resources have sufficient knowledge for implementation and operations	
13	2.03	Have all relevant technical alternatives/ solution options been researched, documented and considered?	No technology alternatives researched	Some alternatives documented and considered
14			Some alternatives documented and considered	
15			All or nearly all alternatives documented and considered	
16	2.04	Does the proposed technical solution comply with all relevant agency, statewide, or industry technology standards?	No relevant standards have been identified or incorporated into proposed technology	Proposed technology solution is fully compliant with all relevant agency, statewide, or industry standards
17			Some relevant standards have been incorporated into the proposed technology	
18			Proposed technology solution is fully compliant with all relevant agency, statewide, or industry standards	
19	2.05	Does the proposed technical solution require significant change to the agency's existing technology infrastructure?	Minor or no infrastructure change required	Minor or no infrastructure change required
20			Moderate infrastructure change required	
21			Extensive infrastructure change required	
22			Complete infrastructure replacement	
23	2.06	Are detailed hardware and software capacity requirements defined and documented?	Capacity requirements are not understood or defined	Capacity requirements are defined only at a conceptual level
24			Capacity requirements are defined only at a conceptual level	
25			Capacity requirements are based on historical data and new system design specifications and performance requirements	

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	B	C	D	E
1	Agency: Department of Financial Services		Project: Collateral Administration Program System Replacement	
3	Section 3 -- Organizational Change Management Area			
4	#	Criteria	Values	Answer
5	3.01	What is the expected level of organizational change that will be imposed within the agency if the project is successfully implemented?	Extensive changes to organization structure, staff or business processes	Moderate changes to organization structure, staff or business processes
6			Moderate changes to organization structure, staff or business processes	
7			Minimal changes to organization structure, staff or business processes structure	
8	3.02	Will this project impact essential business processes?	Yes	Yes
9			No	
10	3.03	Have all business process changes and process interactions been defined and documented?	0% to 40% -- Few or no process changes defined and documented	41% to 80% -- Some process changes defined and documented
11			41% to 80% -- Some process changes defined and documented	
12			81% to 100% -- All or nearly all processes defiined and documented	
13	3.04	Has an Organizational Change Management Plan been approved for this project?	Yes	No
14			No	
15	3.05	Will the agency's anticipated FTE count change as a result of implementing the project?	Over 10% FTE count change	Less than 1% FTE count change
16			1% to 10% FTE count change	
17			Less than 1% FTE count change	
18	3.06	Will the number of contractors change as a result of implementing the project?	Over 10% contractor count change	Less than 1% contractor count change
19			1 to 10% contractor count change	
20			Less than 1% contractor count change	
21	3.07	What is the expected level of change impact on the citizens of the State of Florida if the project is successfully implemented?	Extensive change or new way of providing/receiving services or information)	Minor or no changes
22			Moderate changes	
23			Minor or no changes	
24	3.08	What is the expected change impact on other state or local government agencies as a result of implementing the project?	Extensive change or new way of providing/receiving services or information	Moderate changes
25			Moderate changes	
26			Minor or no changes	
27	3.09	Has the agency successfully completed a project with similar organizational change requirements?	No experience/Not recently (>5 Years)	Recently completed project with similar change requirements
28			Recently completed project with fewer change requirements	
29			Recently completed project with similar change requirements	
30			Recently completed project with greater change requirements	

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	B	C	D	E
1	Agency: Agency Name			Project: Project Name
3	Section 4 -- Communication Area			
4	#	Criteria	Value Options	Answer
5	4.01	Has a documented Communication Plan been approved for this project?	Yes	No
6			No	
7	4.02	Does the project Communication Plan promote the collection and use of feedback from management, project team, and business stakeholders (including end users)?	Negligible or no feedback in Plan	Negligible or no feedback in Plan
8			Routine feedback in Plan	
9			Proactive use of feedback in Plan	
10	4.03	Have all required communication channels been identified and documented in the Communication Plan?	Yes	No
11			No	
12	4.04	Are all affected stakeholders included in the Communication Plan?	Yes	No
13			No	
14	4.05	Have all key messages been developed and documented in the Communication Plan?	Plan does not include key messages	Plan does not include key messages
15			Some key messages have been developed	
16			All or nearly all messages are documented	
17	4.06	Have desired message outcomes and success measures been identified in the Communication Plan?	Plan does not include desired messages outcomes and success measures	Plan does not include desired messages outcomes and success measures
18			Success measures have been developed for some messages	
19			All or nearly all messages have success measures	
20	4.07	Does the project Communication Plan identify and assign needed staff and	Yes	No
21			No	

	B	C	D	E
1	Agency:	Department of Financial Services	Project: Collateral Administration Program System Replacement	
3			Section 5 -- Fiscal Area	
4	#	Criteria	Values	Answer
5	5.01	Has a documented Spending Plan been approved for the entire project lifecycle?	Yes	No
6			No	
7	5.02	Have all project expenditures been identified in the Spending Plan?	0% to 40% -- None or few defined and documented	81% to 100% -- All or nearly all defined and documented
8			41% to 80% -- Some defined and documented	
9			81% to 100% -- All or nearly all defined and documented	
10	5.03	What is the estimated total cost of this project over its entire lifecycle?	Unknown	Between $2 M and $10 M
11			Greater than $10 M	
12			Between $2 M and $10 M	
13			Between $500K and $1,999,999	
14			Less than $500 K	
15	5.04	Is the cost estimate for this project based on quantitative analysis using a standards-based estimation model?	Yes	Yes
16			No	
17	5.05	What is the character of the cost estimates for this project?	Detailed and rigorous (accurate within ±10%)	Order of magnitude – estimate could vary between 10-100%
18			Order of magnitude – estimate could vary between 10-100%	
19			Placeholder – actual cost may exceed estimate by more than 100%	
20	5.06	Are funds available within existing agency resources to complete this project?	Yes	No
21			No	
22	5.07	Will/should multiple state or local agencies help fund this project or system?	Funding from single agency	Funding from single agency
23			Funding from local government agencies	
24			Funding from other state agencies	
25	5.08	If federal financial participation is anticipated as a source of funding, has federal approval been requested and received?	Neither requested nor received	Not applicable
26			Requested but not received	
27			Requested and received	
28			Not applicable	
29	5.09	Have all tangible and intangible benefits been identified and validated as reliable and achievable?	Project benefits have not been identified or validated	All or nearly all project benefits have been identified and validated
30			Some project benefits have been identified but not validated	
31			Most project benefits have been identified but not validated	
32			All or nearly all project benefits have been identified and validated	
33	5.10	What is the benefit payback period that is defined and documented?	Within 1 year	Within 5 years
34			Within 3 years	
35			Within 5 years	
36			More than 5 years	
37			No payback	
38	5.11	Has the project procurement strategy been clearly determined and agreed to by affected stakeholders?	Procurement strategy has not been identified and documented	Procurement strategy has not been identified and documented
39			Stakeholders have not been consulted re: procurement strategy	
40			Stakeholders have reviewed and approved the proposed procurement strategy	
41	5.12	What is the planned approach for acquiring necessary products and solution services to successfully complete the project?	Time and Expense (T&E)	Firm Fixed Price (FFP)
42			Firm Fixed Price (FFP)	
43			Combination FFP and T&E	
44	5.13	What is the planned approach for procuring hardware and software for the project?	Timing of major hardware and software purchases has not yet been determined	Purchase all hardware and software at start of project to take advantage of one-time discounts
45			Purchase all hardware and software at start of project to take advantage of one-time discounts	
46			Just-in-time purchasing of hardware and software is documented in the project schedule	
47	5.14	Has a contract manager been assigned to this project?	No contract manager assigned	No contract manager assigned
48			Contract manager is the procurement manager	
49			Contract manager is the project manager	
50			Contract manager assigned is not the procurement manager or the project manager	
51	5.15	Has equipment leasing been considered for the project's large-scale computing purchases?	Yes	No
52			No	
53	5.16	Have all procurement selection criteria and outcomes been clearly identified?	No selection criteria or outcomes have been identified	Some selection criteria and outcomes have been defined and documented
54			Some selection criteria and outcomes have been defined and documented	
55			All or nearly all selection criteria and expected outcomes have been defined and documented	
56	5.17	Does the procurement strategy use a multi-stage evaluation process to progressively narrow the field of prospective vendors to the single, best qualified candidate?	Procurement strategy has not been developed	Multi-stage evaluation not planned/used for procurement
57			Multi-stage evaluation not planned/used for procurement	
58			Multi-stage evaluation and proof of concept or prototype planned/used to select best qualified vendor	
59	5.18	For projects with total cost exceeding $10 million, did/will the procurement strategy require a proof of concept or prototype as part of the bid response?	Procurement strategy has not been developed	Not applicable
60			No, bid response did/will not require proof of concept or prototype	
61			Yes, bid response did/will include proof of concept or prototype	
62			Not applicable	

	B	C	D	E
1	Agency: Department of Financial Services		Project: Collateral Administration Program System Replacement	
3	Section 6 -- Project Organization Area			
4	#	Criteria	Values	Answer
5	6.01	Is the project organization and governance structure clearly defined and documented within an approved project plan?	Yes	No
6			No	
7	6.02	Have all roles and responsibilities for the executive steering committee been clearly identified?	None or few have been defined and documented	Some have been defined and documented
8			Some have been defined and documented	
9			All or nearly all have been defined and documented	
10	6.03	Who is responsible for integrating project deliverables into the final solution?	Not yet determined	System Integrator (contractor)
11			Agency	
12			System Integrator (contractor)	
13	6.04	How many project managers and project directors will be responsible for managing the project?	3 or more	2
14			2	
15			1	
16	6.05	Has a project staffing plan specifying the number of required resources (including project team, program staff, and contractors) and their corresponding roles, responsibilities and needed skill levels been developed?	Needed staff and skills have not been identified	Some or most staff roles and responsibilities and needed skills have been identified
17			Some or most staff roles and responsibilities and needed skills have been identified	
18			Staffing plan identifying all staff roles, responsibilities, and skill levels have been documented	
19	6.06	Is an experienced project manager dedicated fulltime to the project?	No experienced project manager assigned	No experienced project manager assigned
20			No, project manager is assigned 50% or less to project	
21			No, project manager assigned more than half-time, but less than full-time to project	
22			Yes, experienced project manager dedicated full-time, 100% to project	
23	6.07	Are qualified project management team members dedicated full-time to the project	None	None
24			No, business, functional or technical experts dedicated 50% or less to project	
25			No, business, functional or technical experts dedicated more than half-time but less than full-time to project	
26			Yes, business, functional or technical experts dedicated full-time, 100% to project	
27	6.08	Does the agency have the necessary knowledge, skills, and abilities to staff the project team with in-house resources?	Few or no staff from in-house resources	Few or no staff from in-house resources
28			Half of staff from in-house resources	
29			Mostly staffed from in-house resources	
30			Completely staffed from in-house resources	
31	6.09	Is agency IT personnel turnover expected to significantly impact this project?	Minimal or no impact	Minimal or no impact
32			Moderate impact	
33			Extensive impact	
34	6.10	Does the project governance structure establish a formal change review and control board to address proposed changes in project scope, schedule, or cost?	Yes	No
35			No	
36	6.11	Are all affected stakeholders represented by functional manager on the change review and control board?	No board has been established	Yes, all stakeholders are represented by functional manager
37			No, only IT staff are on change review and control board	
38			No, all stakeholders are not represented on the board	
39			Yes, all stakeholders are represented by functional manager	

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1	Agency: Department of Financial Services		Project: Collateral Administration Program System Replacement	
3	Section 7 -- Project Management Area			
4	#	Criteria	Values	Answer
5-7	7.01	Does the project management team use a standard commercially available project management methodology to plan, implement, and control the project?	No / Project Management team will use the methodology selected by the systems integrator / Yes	Yes
8-10	7.02	For how many projects has the agency successfully used the selected project management methodology?	None / 1-3 / More than 3	More than 3
11-13	7.03	How many members of the project team are proficient in the use of the selected project management methodology?	None / Some / All or nearly all	Some
14-16	7.04	Have all requirements specifications been unambiguously defined and documented?	0% to 40% -- None or few have been defined and documented / 41 to 80% -- Some have been defined and documented / 81% to 100% -- All or nearly all have been defined and documented	81% to 100% -- All or nearly all have been defined and documented
17-19	7.05	Have all design specifications been unambiguously defined and documented?	0% to 40% -- None or few have been defined and documented / 41 to 80% -- Some have been defined and documented / 81% to 100% -- All or nearly all have been defined and documented	0% to 40% -- None or few have been defined and documented
20-22	7.06	Are all requirements and design specifications traceable to specific business rules?	0% to 40% -- None or few are traceable / 41 to 80% -- Some are traceable / 81% to 100% -- All or nearly all requirements and specifications are traceable	0% to 40% -- None or few are traceable
23-25	7.07	Have all project deliverables/services and acceptance criteria been clearly defined and documented?	None or few have been defined and documented / Some deliverables and acceptance criteria have been defined and documented / All or nearly all deliverables and acceptance criteria have been defined and documented	Some deliverables and acceptance criteria have been defined and documented
26-28	7.08	Is written approval required from executive sponsor, business stakeholders, and project manager for review and sign-off of major project deliverables?	No sign-off required / Only project manager signs-off / Review and sign-off from the executive sponsor, business stakeholder, and project manager are required on all major project deliverables	Review and sign-off from the executive sponsor, business stakeholder, and project manager are required on all major project deliverables
29-31	7.09	Has the Work Breakdown Structure (WBS) been defined to the work package level for all project activities?	0% to 40% -- None or few have been defined to the work package level / 41 to 80% -- Some have been defined to the work package level / 81% to 100% -- All or nearly all have been defined to the work package level	0% to 40% -- None or few have been defined to the work package level
32-33	7.10	Has a documented project schedule been approved for the entire project lifecycle?	Yes / No	No
34-35	7.11	Does the project schedule specify all project tasks, go/no-go decision points (checkpoints), critical milestones, and resources?	Yes / No	No
36-38	7.12	Are formal project status reporting processes documented and in place to manage and control this project?	No or informal processes are used for status reporting / Project team uses formal processes / Project team and executive steering committee use formal status reporting processes	Project team uses formal processes
39-41	7.13	Are all necessary planning and reporting templates, e.g., work plans, status reports, issues and risk management, available?	No templates are available / Some templates are available / All planning and reporting templates are available	All planning and reporting templates are available
42-43	7.14	Has a documented Risk Management Plan been approved for this project?	Yes / No	Yes
44-46	7.15	Have all known project risks and corresponding mitigation strategies been identified?	None or few have been defined and documented / Some have been defined and documented / All known risks and mitigation strategies have been defined	Some have been defined and documented
47-48	7.16	Are standard change request, review and approval processes documented and in place for this project?	Yes / No	Yes
49-50	7.17	Are issue reporting and management processes documented and in place for this project?	Yes / No	Yes

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	B	C	D	E
1	Agency: Department of Financial Services		Project: Collateral Administration Program System Replacement	
2				
3	Section 8 -- Project Complexity Area			
4	#	Criteria	Values	Answer
5	8.01	How complex is the proposed solution compared to the current agency systems?	Unknown at this time	Less complex
6			More complex	
7			Similar complexity	
8			Less complex	
9	8.02	Are the business users or end users dispersed across multiple cities, counties, districts, or regions?	Single location	Single location
10			3 sites or fewer	
11			More than 3 sites	
12	8.03	Are the project team members dispersed across multiple cities, counties, districts, or regions?	Single location	Single location
13			3 sites or fewer	
14			More than 3 sites	
15	8.04	How many external contracting or consulting organizations will this project require?	No external organizations	1 to 3 external organizations
16			1 to 3 external organizations	
17			More than 3 external organizations	
18	8.05	What is the expected project team size?	Greater than 15	5 to 8
19			9 to 15	
20			5 to 8	
21			Less than 5	
22	8.06	How many external entities (e.g., other agencies, community service providers, or local government entities) will be impacted by this project or system?	More than 4	2 to 4
23			2 to 4	
24			1	
25			None	
26	8.07	What is the impact of the project on state operations?	Business process change in single division or bureau	Business process change in single division or bureau
27			Agency-wide business process change	
28			Statewide or multiple agency business process change	
29	8.08	Has the agency successfully completed a similarly-sized project when acting as Systems Integrator?	Yes	No
30			No	
31	8.09	What type of project is this?	Infrastructure upgrade	Implementation requiring software development or purchasing commercial off the shelf (COTS) software
32			Implementation requiring software development or purchasing commercial off the shelf (COTS) software	
33			Business Process Reengineering	
34			Combination of the above	
35	8.10	Has the project manager successfully managed similar projects to completion?	No recent experience	No recent experience
36			Lesser size and complexity	
37			Similar size and complexity	
38			Greater size and complexity	
39	8.11	Does the agency management have experience governing projects of equal or similar size and complexity to successful completion?	No recent experience	Similar size and complexity
40			Lesser size and complexity	
41			Similar size and complexity	
42			Greater size and complexity	

Schedule IV-B for the

Division of Consumer Services CRM

Modernization

For Fiscal Year 2023-24

Contents

I. Schedule IV-B Cover Sheet

Schedule IV-B Cover Sheet and Agency Project Approval	
Agency: Department of Financial Services	Schedule IV-B Submission Date: March 1, 2023
Project Name: CRM Replacement	Is this project included in the Agency's LRPP? __X__ Yes _____ No
FY 2023-24 LBR Issue Code: 36230C0	FY 2023-24 LBR Issue Title: Customer Relationship Management Software Strategy
Agency Contact for Schedule IV-B (Name, Phone #, and E-mail address): Julie Gowen, (850) 413-3052, Julie.Gowen@myfloridacfo.com	
Agency Approval Signatures	
I am submitting the attached Schedule IV-B in support of our legislative budget request. I have reviewed the estimated costs and benefits documented in the Schedule IV-B and believe the proposed solution can be delivered within the estimated time for the estimated costs to achieve the described benefits. I agree with the information in the attached Schedule IV-B.	
Agency Head: _____ Printed Name: _____Jimmy Patronis_____	Date:
Agency Chief Information Officer (or equivalent): _____ Printed Name: _____Scott Stewart_____	Date:
Budget Officer: _____ Printed Name: _____Teri Madsen_____	Date:
Planning Officer: _____ Printed Name: _____Rob Williams_____	Date:
Project Sponsor: _____ Printed Name: _____Greg Thomas_____ _____	Date:
Schedule IV-B Preparers (Name, Phone #, and E-mail address):	
Business Need:	Danielle Kosberg, (850) 570-8778, dkosberg@kpmg.com
Cost Benefit Analysis:	Danielle Kosberg, (850) 570-8778, dkosberg@kpmg.com
Risk Analysis:	Danielle Kosberg, (850) 570-8778, dkosberg@kpmg.com
Technology Planning:	Danielle Kosberg, (850) 570-8778, dkosberg@kpmg.com
Project Planning:	Danielle Kosberg, (850) 570-8778, dkosberg@kpmg.com

General Guidelines

The Schedule IV-B contains more detailed information on information technology (IT) projects than is included in the D-3A issue narrative submitted with an agency's Legislative Budget Request (LBR). The Schedule IV-B compiles the analyses and data developed by the agency during the initiation and planning phases of the proposed IT project. A Schedule IV-B must be completed for all IT projects when the total cost (all years) of the project is $1 million or more.

Schedule IV-B is not required for requests to:

- Continue existing hardware and software maintenance agreements,

- Renew existing software licensing agreements that are similar to the service level agreements currently in use, or

- Replace desktop units ("refresh") with new technology that is similar to the technology currently in use.

- Contract only for the completion of a business case or feasibility study for the replacement or remediation of an existing IT system or the development of a new IT system.

Documentation Requirements

The type and complexity of an IT project determines the level of detail an agency should submit for the following documentation requirements:

- Background and Strategic Needs Assessment

- Baseline Analysis

- Proposed Business Process Requirements

- Functional and Technical Requirements

- Success Criteria

- Benefits Realization

- Cost Benefit Analysis

- Major Project Risk Assessment

- Risk Assessment Summary

- Current Information Technology Environment

- Current Hardware/Software Inventory

- Proposed Technical Solution

- Proposed Solution Description

- Project Management Planning

Compliance with s. 216.023(4)(a)10, F.S. is also required if the total cost for all years of the project is $10 million or more.

A description of each Schedule IV-B component is provided within this general template for the benefit of the Schedule IV-B authors. These descriptions and this guidelines section should be removed prior to the submission of the document.

Sections of the Schedule IV-B may be authored in software applications other than MS Word, such as MS Project and Visio. Submission of these documents in their native file formats is encouraged for proper analysis.

The Schedule IV-B includes two required templates, the Cost Benefit Analysis and Major Project Risk Assessment workbooks. For all other components of the Schedule IV-B, agencies should submit their own planning documents and tools to demonstrate their level of readiness to implement the proposed IT project. It is also necessary to assemble all Schedule IV-B components into one PDF file for submission to the Florida Fiscal Portal and to ensure that all personnel can open component files and that no component of the Schedule has been omitted.

Submit all component files of the agency's Schedule IV-B in their native file formats to the Office of Policy and Budget and the Legislature at IT@LASPBS.STATE.FL.US. Reference the D-3A issue code and title in the subject line.

II. Schedule IV-B Business Case – Strategic Needs Assessment

A. Background and Strategic Needs Assessment

Purpose: To clearly articulate the business-related need(s) for the proposed project

The Florida Department of Financial Services (DFS or Department) per Florida Statutes 626.307 (10), 627.7015, 627.7074, 627.745, and Chapter 526 as applicable, house several divisions such as the Division of Consumer Services' (DCS) and Division of Insurance Agent & Agency Services to serve the people of Florida. This report largely reports on the mission of the Division of Consumer Services (DCS) which is to proactively educate and assist Florida's insurance and financial consumers through responsive, professional, and innovative services. During the past year, DCS assisted more than 974,000 Floridians with insurance and financial issues. Assistance is provided primarily through the statewide toll-free helpline, the Division's website, email, and direct mail correspondence. Approximately 85% of requests for insurance assistance involve Homeowner's Insurance, Auto Insurance, Health Insurance or Life Insurance. DCS provides individualized service to each consumer calling into the helpline. The DCS Company Complaint Response System (CCRS) and Online Helpline help to streamline the process to 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 request inquiries to help ensure quality service. Audit results are used to enhance the service consumers are provided when they contact the helpline. DCS currently provides call center services to the Division of Rehabilitation & Liquidation. DCS previously provided call center services to the Divisions of Insurance Agent & Agency Services, Unclaimed Property, and Investigative & Forensic Services, and may do so again in the future. When consumers contact the main DCS helpline but require assistance from another department, DCS creates a new request inquiry in the CRM for the other divisions to access. From there,

the other divisions will conduct their own business processes to address the inquiry from the consumers within the CRM.

DCS is responsible for reporting potential regulatory violations to the appropriate regulators. From July 2020 through June 2021, the Division sent a total of 2,277 regulatory referrals to the Divisions of Insurance Agent & Agency Services, Investigative & Forensic Services, and the Office of Insurance Regulation. Monitoring these regulatory referrals allows DCS to identify trends or potential issues regarding specific insurance companies, insurance agents, or state agencies. DCS is proactive in its commitment to consumers using data analysis and consumer educational interactions to assist Floridians with receiving the full benefit of their insurance contracts.

DCS currently leverages a Customer Relationship Manager (CRM) solution, Oracle Siebel (ServicePoint), a technology implemented in the early 2000s, to support its business processes. The current system collects data and information that DCS receives from citizens and information provided back that include answers to inquiries, acceptance, and resolution of complaints, and referrals for investigation. The current Siebel ServicePoint solution is at the end-of-life and is no longer supported in its current version. Given the organization's customizations, there is not a viable upgrade path to the newest version of Siebel, putting the support of these important consumer services at risk.

The following DFS Divisions are stakeholders of the ServicePoint system:

- **Division of Consumer Services (DCS):** Offers resources for its consumers to become educated about numerous insurance and financial topics.

- **Division of Rehabilitation and Liquidation (DRL):** Manages receiverships and asset liquidation of financially insolvent insurance entities.

- **Division of Funeral, Cemetery, and Consumer Services (Funeral Cemetery):** Oversees licensed establishments by conducting investigations, inspections, licensing, and examination activities for funeral and cemetery entities.

- **Division of Insurance Agent and Agency Services (IAAS):** Issues licenses to insurance agents and investigates the misconduct of licensed insurance agents.

- **Office of Insurance Regulation (OIR):** Maintains the requirement for DFS to communicate alleged violations of statutes.

The Department of Financial Services has drafted this Feasibility Study in support of system modernization efforts for the existing CRM system that supports DCS and multiple other divisions in DFS.

1. Business Need

In January 2003, the Department of Insurance, along with the Treasury, State Fire Marshal, and the Department of Banking, were merged into the Florida Department of Financial Services. The Division of Consumer Services (DCS), organizationally underneath DFS, is responsible for handling consumer complaints about insurance claims and other insurance related issues. Later in 2003, DCS began using a new servicing platform to manage these inquiries, built upon the Siebel CRM application from Oracle, labeled as "ServicePoint". Subsequently over time, other DFS Divisions began developing uses for ServicePoint and the system scope increased with new features. As DCS is the most prominent user of ServicePoint, DCS is the business owner of record, coordinates the system changes in support of the other divisions, and ensures the system delivers value internally to DFS and externally to consumers and commercial entities.

ServicePoint collects data and information that is then utilized to provide services for consumers and businesses to respond, manage, and resolve complaints; initiate referrals for investigation regarding insurance matters; and perform licensing management activities.

As ServicePoint has reached a stage where continued investment creates risk to the overall maintainability of an older system, DFS seeks to invite select vendors to propose replacement of the Oracle Siebel system. From a strategic lens, a replacement system can be used for additional services, with the outcome of reducing the number of vendors and applications in use, lowering the overall cost to manage these activities while increasing value to DFS with a modernized system infrastructure. Much of the Siebel platform is no longer supported and has required them to isolate the infrastructure. The lack of support creates significant risk in terms of not being able to implement patches for security issues. The system is well beyond its useful life.

In order to meet the needs of the DCS and the divisions mentioned above, any system selected must address the following needs, at a minimum:

— Provide detailed information on consumers and commercial entities that relate to the services provided by DFS

— Track all interactions of case management activity in real-time

— Provide workflow processing that moves a case to appropriate internal and external resources

— Assign specific skills and experiences to service representatives so inquiries and complaints can be routed to the appropriate resource.

— Track case notes and upload documentation for inquiries and complaints such that the historical information is accessible to all service representatives

— Provide communications tools to send or receive information to manage individual inquiries or complaints

— Archive data at discreet levels to allow for analytics reporting

— Provide data retention capabilities that align with DFS and State regulations

2. Business Objectives

The project seeks to optimize the CRM capabilities by utilizing a modern system solution to increase efficiency and operational standards while aligning with strategic objectives. By integrating a technology solution that supports the Department's business processes, DCS will ensure the Department continues to serve the customers in a timely and accurate manner. Through automation and modernization, the Department's goals are achievable, and benefits can appear both as tangible and intangible. Through the use of a modernized system, DCS will strive towards the following objectives:

Objective 1: Reduce the number of manual processes
DCS staff currently employs multiple manual processes that increase the time to respond, adds duplication of effort, and increases the likelihood of mistakes due to the end-of-life system. With a modernized technology solution, automating operational processes can improve workforce management by streamlining case assignments, reduce manual data entry and subsequently reduce chance for human error, and enhance communications between staff and consumers.

Objective 2: Increase the operational efficiency to process and resolve open cases

The solution shall assist the Department in improving its internal operating efficiency. These efficiencies may reflect increasing the number of cases completed within time standards, reducing days to process cases, and increasing the number of automated processes. By increasing operational efficiency, the DCS staff will work to increase customer self-sufficiency, improve customer satisfaction, and reduce daily challenges for staff.

Objective 3: Enable agents to resolve cases more consistently
By providing staff with the tools to reduce manual processes, DCS staff can generate correspondence, notices, and other requests that are more standardized and consistent. This can lead to reducing the risk of providing misinformation to customers and in turn heighten customer satisfaction.

Objective 4: Enable the business to make more informed decisions through timely and accurate reporting
DCS needs to perform analysis related to data collected and alignment with DCS metrics. Having the ability to create reports without requiring technical support from IT resources allows DCS to improve on program evaluations, business operations, and track accountability to make informed decisions.

NOTE: For IT projects with total cost in excess of $10 million, the business objectives described in this section must be consistent with existing or proposed substantive policy required in s. 216.023(4)(a)10, F.S.

B. Baseline Analysis

Purpose: To establish a basis for understanding the business processes, stakeholder groups, and current technologies that will be affected by the project and the level of business transformation that will be required for the project to be successful.

1. Current Business Process(es)

Below is an overview of how each division uses or interacts with ServicePoint's production environment and Siebel test environment.

Overview of the Division of Consumer Services (DCS):
The DCS offers citizens resources for education about numerous insurance and financial topics. DCS is also the functional owner and primary user of the ServicePoint CRM system. The original system was developed for DCS and is also leveraged by other divisions today. ServicePoint is used as a ticket and case management platform.

DCS has six (6) main communication channels, one (1) specialized that is reserved for disasters, and one (1) for regulatory issues. Each channel of communication may lead to a creation of a Service Requests (request inquires) in ServicePoint.

The eight (8) channels are:

1. Email
2. Phone
3. Mail
4. Fax
5. Walk-Ins
6. Web-Proc (Website Online Portal)
7. Disaster Helpline (Specialized)

8. Notice of Issue (NOI) (outbound to regulatory entity)

Each of these channels provides consumers with the ability to communicate with DCS. Since there are multiple channels of communication, DCS is responsible for manually tracking that communication appropriately in the system. When walk-ins and phone calls are received by DCS staff it is a requirement to enter a request inquiry in real time while speaking to the consumer. When communications are received by mail and fax, DCS is required to scan the documents to a computer and then upload the scanned documents to ServicePoint. DCS Gatekeepers will conduct an initial review of communications uploaded to ServicePoint by mail, fax, web, or email. DCS Gatekeepers determine if the communication was a duplicate request inquiry or if the communication can be routed to its appropriate business area. When there is a duplicate request inquiry, the duplicate record is closed. If there is an existing request inquiry, that request inquiry is updated with the new consumer information. If there is not an existing request inquiry, a new request inquiry is created and assigned to its appropriate business area by coding. Attributes of the coding include Source, request inquiry Type (Correspondence, ADR, Insurance), and Area. The codes provide additional context to efficiently route the request inquiry via ServicePoint. It is important to note that request inquiry batches are scheduled overnight to assign the coded request inquiries to the proper business area in the workflow. The area that receives the request inquiry is then responsible for processing the communication based on their business processes. For general insurance inquiries, DCS staff will send communication to the consumer through ServicePoint using an email template. If the consumer responds to the email, then an alert is sent out via ServicePoint to the DCS request inquiry owner. DCS reviews the consumer responses and determines whether a further response is required.

For more complex insurance inquiries, DCS staff will send communication to the insurance entity(ies) through ServicePoint. When the entity responds to the email, then an alert is sent out via ServicePoint to the DCS request inquiry owner. DCS reviews the response(s) and determines whether a further response is required before resolution to the request inquiry can occur.

There are scenarios where complex insurance inquiries may lead to the creation of a Notice of Issue (NOI). An NOI is a tool by which DCS reports possible illegal or unethical activities committed by a licensee of the Department (DFS) or the Office of Insurance Regulation (OIR). The DCS is required to report actual and suspected violations to the appropriate regulators. NOIs appear as a sub-record within the request inquiry.

Once the review is complete, DCS will send communication to the consumer through ServicePoint using an email template. If the consumer responds to the email, then an alert is sent out via ServicePoint to the DCS request inquiry owner. DCS reviews the consumer responses and determines whether a further response is required. If there is not a follow-up required, then the request inquiry is provided a resolution code and the request inquiry is closed in ServicePoint.

The graphic below provides a high-level overview of the request inquiry creation process. The diagram is intended to provide a snapshot of the beginning of the process starting with the initial consumer contact and ends when the request inquiry is either closed or routed to the appropriate business area.
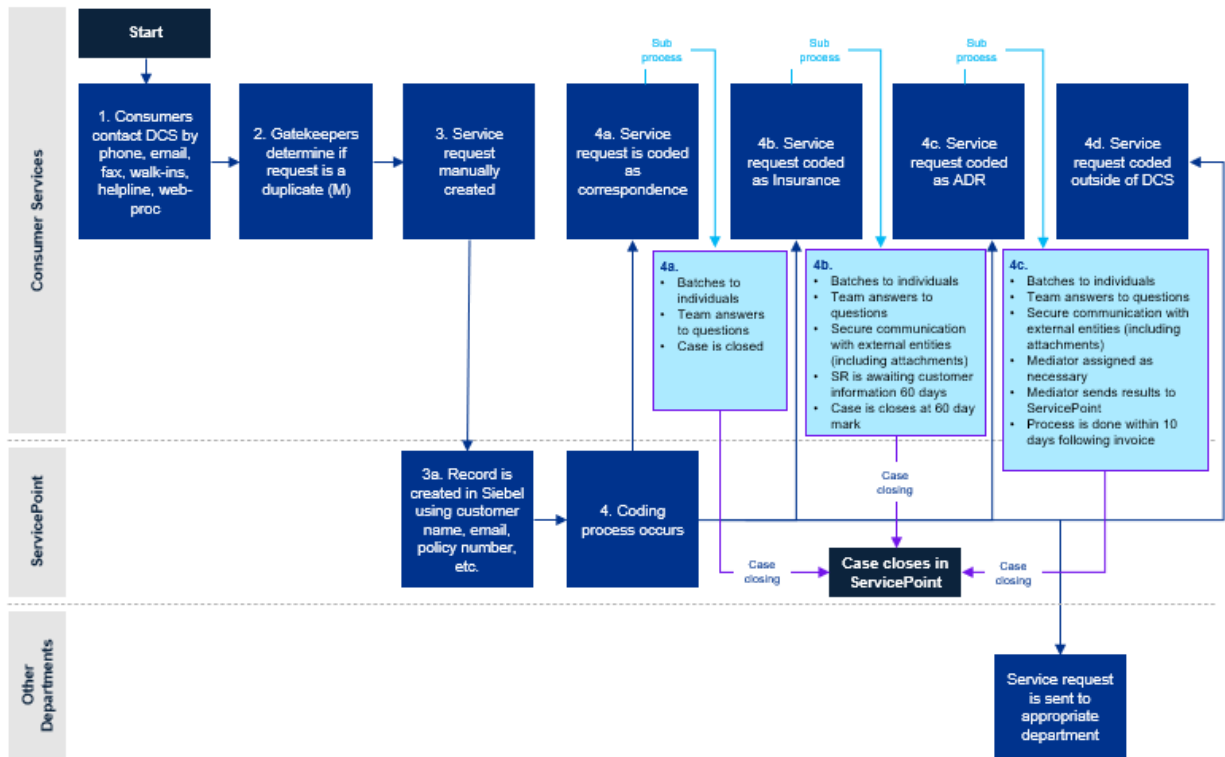
FIGURE 1 CONSUMER SERVICES PROCESS DIAGRAM

Overview of Division of Insurance Agent and Agency Services (IAAS):

The two main functions of the IAAS are issuing licenses to insurance agents and investigating the misconduct of licensed insurance agents. IAAS is a secondary user of the system. IAAS uses a separate technology system (ALIS) to process license applications, but ServicePoint is used to communicate with license applicants and previously licensed agents related to investigations.

When DFS receives communications DFS Gatekeepers code the customer communications based on the request type. IAAS receives assigned request inquiries from a daily batch via the Assignment Manager batch process. This batch process will assign the request inquiry to staff of IAAS based on skillset and bandwidth. From there, IAAS specialists review the request inquiry to confirm the assignments are accurate. If there are any mis-assignments, then a specialist will re-assign the codes to route the request inquiry to a different team.

Once the review is complete, the specialists of IAAS will address the request inquiry. The routine process is to send communication to the consumer through ServicePoint using an email template. If the consumer responds to the email, then an alert is sent out via ServicePoint. IAAS reviews the consumer responses and determines whether a further response is required. If there is not a follow-up required, then the request inquiry is provided a resolution code and the case is closed in the system.

If there is an alleged violation of statutes, DCS communicates violation to IAAS and OIR by creating a Notice of Issue (NOI) in ServicePoint. IAAS interacts with ServicePoint by pulling data that pertains to the noted violations. This process allows IAAS to monitor the number of licensee related complaints by and at the end of each month, an automated report of NOIs created is run and analyzed. The complete process of resolving the cases is out of scope.

Overview of Division of Rehabilitation and Liquidation (DRL):
The Division of Rehabilitation and Liquidation (DRL) is responsible for managing receiverships to maximize the value to consumers and the public. DRL coordinates and administers the receivership processes on behalf of the Department pursuant to the orders of the receivership court. The core function of DRL is to determine who the insurance company owes money and who owes money to the insurance company. DRL communicates with insurance agents and policy holders to guarantee associations and trade associations. DCS is typically the first point of contact by consumers and if the request involves a company that has been put into liquidation. The information is entered into ServicePoint, and DCS Gatekeepers review the request inquiry to code and assign to DRL.

DRL staff receive the request inquiry in ServicePoint via the Assignment Manager overnight batch process. Request inquiries may be entered by DCS, or communication is emailed to the internal departments (Asset Recovery, Claims, and Legal Department). The Claims team and Legal Department have designated email boxes where ServicePoint is utilized to track the communication. Each request inquiry is reviewed by the assigned staff member to ensure the request is coded to the right person. If there are mis-assignments, the staff will re-code to the appropriate team.

Specialists for each of the sections then review the request inquiry. The routine process is to send communication to the consumer through ServicePoint using an email template. If the consumer responds to the email, then an alert is sent out via ServicePoint. When an email is responded to from the consumer, DRL will review the email and determine if a response is required.

If a response is required, then DRL will communicate as necessary with the consumer. If a response is not required, then the request inquiry is provided a resolution code and the request inquiry is closed.

Overview of Office of Insurance Regulation (OIR):
As it relates to DCS, the main function of the Office of Regulation (OIR) performs is to act on alleged violation of statutes that DCS files. To reach OIR, DCS completes an internal process to route the information. If there is an alleged violation of statutes, DCS communicates violation to OIR by creating a Notice of Issue (NOI) in ServicePoint. OIR interacts with ServicePoint by pulling data that pertains to the noted violations. This process allows OIR to monitor the number of complaints by different companies and at the end of each month, an automated report of NOIs created is run and analyzed. The complete process of resolving the cases is out of scope.

Overview of Division of Funeral, Cemetery, and Consumer Services (Funeral Cemetery):
The main functions of this division are to oversee licensed establishments, facilities, and cemetery grounds by conducting annual inspections. Consumers can make a complaint online by completing a form. Calls received by DCS are transferred to this division.

This division does not use ServicePoint in its main operations as Funeral Cemetery uses a separate technology access database system (ATN) to prepare and conduct investigations. They are included in this analysis as Funeral Cemetery may be a user of the CRM in the future and requirements will be notated as such.

NOTE: If an agency has completed a workflow analysis, include through file insertion or attachment the analyses documentation developed and completed by the agency.

DCS has provided the following workflow analysis:

Portal_Interactions.
pdf

HelpLineProcessFlo
w.pdf

ADR_overall_v3-fina
l (1) (1).pdf

2. Assumptions and Constraints

Based on conversations with DFS there are some assumptions and constraints that might limit the technological alternatives.

Assumptions:

The following assumptions are statements about the project that are factored into DFS's plans and analysis for the proposed project:

- DFS desires to increase process effectiveness and reduce manual steps by choosing a new modern CRM platform

- Any gains in operational efficiency that the Department realizes through obtaining a new system will be used to allocate additional resources to value-added activities, including managing the current backlog, reducing the number of outstanding complaints, and improving customer experience/service levels

- DFS shall employ Organizational Change Management (OCM) activities required when the new solution begins its implementation process

- The project will be properly staffed and will have a Project Management Plan to execute its initiatives

- The system will invest in building data interfaces with other divisions/departments rather than re-create the storage of duplicate data

- Data migration from ServicePoint and other relevant systems DFS proposes may be required

Constraints:

Constraints are identified factors that could limit the project management team's options and could affect the progress or success of the proposed project.

- Project funding may impact the chosen solution and its timeframe to implement

- Approval by legislature will be required before any appropriated funds are made available to the Department

- Stakeholder involvement with and understanding of the project will be needed. The project schedule will need to account for their availability (and competing priorities) if responsibilities cannot be backfilled

C. Proposed Business Process Requirements

Purpose: To establish a basis for understanding what business process requirements the proposed solution must meet in order to select an appropriate solution for the project.

1. Proposed Business Process Requirements

Functional Requirements:

Functional requirements are defined as those items which must be met to address the business processes of the Department; and must be supported to perform the actual business of the Department. The major functional areas consist of Access and Permissions, Automation, Communication Intake, Request Inquiry Creation/Closeout, Security, System Integration, User Interface, Workflow Optimization, and Workforce Administration.

Functional Area	Business Requirement	Details
Access and Permissions	The system shall support different permissions.	The system shall configure user access by group, role, and business area. The system would support multiple personas and levels of access. For example, DCS has permissions for different levels based on skill sets and tasks performed.
Access and Permissions	The system shall support different permissions on data updates.	The system shall have the ability for an employee to change customer information such as home address, names, and other consumer fields.
Access and Permissions	They system shall support reopening closed request inquiries.	The system shall have the ability for an internal user to reopen a closed request inquiry based on defined user permissions and consumer needs.
Access and Permissions	The system shall allow a re-assignment of workload based on user permissions.	The system shall have the ability for staff to re-assign workload to other employees based on defined employee permissions, skills, and employment status (Paid Time Off, Leave of Absence, etc.).
Access and Permissions	The system shall allow companies to identify its contacts using unique identifiers when accessing consumer inquiries.	The system shall automatically filter the correct company based on the combination of the organization's Florida company code and National Association of Insurance Commissioners (NAIC) code.
Access and Permissions	The system shall support Mediators and Neutral Evaluators to accept or reject assignments, review claims, submit reports, and review previous assignments.	The system will allow the Mediators and Neutral Evaluators assigned to the service requests dealing with the ADR Mediation or Neutral Evaluation to accept/reject assignments, review claim details, and submit reports to assigned ADR specialist. The Mediators and Neutral Evaluators can also use this portal to review previous assignments.
Access and Permissions	The system shall enable Mediator and Neutral Evaluators to manage various request inquiries, manage assignments, and user access.	The system will allow the Alternative Dispute Resolution (ADR) business unit to assist in the management of Mediator and Neutral Evaluators to their various request inquiries. It will allow the ADR staff to add or remove a mediator or Neutral Evaluator from any given assignment. It also allows the

		management of usernames and passwords for the business unit.
Automation	The system shall have the ability to configure and track Key Performance Indicators (KPIs).	The system shall have the ability to apply and track KPIs in relation to the case lifecycle employee performance by role and trigger alerts during status changes.
Automation	The system shall provide virtual agents for initial self-service and case deflection.	The system shall support the customized implementation of a virtual chat to address initial consumer inquiries and route them to the appropriate customer service users.
Automation	The system shall have the ability to automatically create a case from an email.	The system would have functionality to automatically create cases from email, which will reduce the need for manually creating cases from incoming emails and increase the efficiency of customer service agents by creating automatic case creation rules.
Automation	The system shall support automatic routing based on specific pre-defined skills.	The system shall assign specific request inquiries to staff and teams based on parameters inputted in the system consisting of resource skills/experiences, bandwidth, etc.
Automation	The system shall have the ability to automatically create or update records from incoming consumer activities.	The system would have the capability to capture information and automatically update customer records from multiple portals used to interact with customers and companies.
Automation	The system shall have the capability to use virtual agents that provide automated responses in a conversational manner to a customer.	The system would use virtual agents to help resolve customer queries by using case deflection. The virtual agent can also collect basic information from a customer before escalating to a DFS staff.
Automation	The system shall have the ability to generate standard next steps or custom steps that populate automatically depending on the workflow stage.	The system would intuitively suggest business process activities or standard operating procedures based on the business units such as creating a request inquiry, checking for duplicate records, etc.
Automation	The system shall have the ability to identify potential duplicate contact records.	The system would identify potential duplicate contact records for consumers and companies.
Communication Intake	The system shall support attachments of documents to request inquiries.	The system shall support attachments to request inquiries. File types must include, but are not limited to: PDF, DOCX, XLSX, JPEG, MSG, and TIFF.

Communication Intake	The system shall support different communication channels for inquiry by leveraging an omnichannel experience.	The system shall be able to create an inquiry leveraging omnichannel formats, including Email, Phone (calls and texts), Browsers (desktop and mobile), Mail, Fax, and walk-in inquiries.
Communication Intake	The system shall support email communication for inquiry intake.	Emails sent to the division shall automatically trigger the request inquiry creation process after Gatekeepers approve the request. The system will check to reduce duplicate and unnecessary request inquiries.
Communication Intake	The system shall support anonymous reporting.	The system shall allow users to bypass required contact information fields to support anonymous reporting.
Communication Intake	The system shall provide separate paths for consumers entering a request inquiry depending on their occupation.	The system shall provide a path for the general public to make request inquiries and have a specialized option for medical providers.
Data	The system shall protect Personally Identifiable Information (PII).	The system screens must implement sensitive data masking (e.g., SSN, DOB, Address)
Data	The system shall have USPS address verification.	The system shall have the ability to interface with USPS to validate standard addresses.
Reporting	The system shall have the ability to create reports.	The system shall leverage available data to allow specific users to create and modify reports based on defined permissions.
Reporting	The system shall have the ability to create ad-hoc reports.	The system shall have robust data that allow for ad-hoc reporting capabilities based on DFS defined user permissions.
Reporting	The system shall have comprehensive reporting.	The system shall include drill-down links in reports where the staff can click to aggregate data and view additional details.
Reporting	The system shall have the ability to create automated reports.	The system shall have the ability to run automated scheduled reports based on defined user permissions. Examples of reports are open request inquiries, number of resolved and unresolved request inquiries in a certain timeframe, number of current backlogged request inquiries, communication response due dates, etc.
Reporting	The system shall support different dashboard	The system shall have the ability to load data into dashboards from multiple applications/departments to provide different views for different departments and

	views for different teams within DFS.	support configurable data (e.g., data lists, data graphs, KPIs, to-do items, workflow items).
Reporting	The system shall have customizable views.	The system shall have the ability to configure views based on specific division needs, such as different divisions having dashboards with unique information depending on their needs.
Reporting	The system shall have the ability to print, export/attach data and generate PDFs.	The users shall have the ability to generate, print, export/attach, and forward standard reporting templates. The system would direct output to a number of formats including PDF, DOCX, XLSX, CSV, XML, and TIFF.
Reporting	The system shall have the ability to create reports based on survey data.	The system shall allow survey data and metrics to feed into a report that shows results on a monthly basis.
Request Inquiry Creation	The system shall determine duplicate request inquiries.	The system shall have the ability to search, filter and sort to identify duplicates. The system shall detect duplication and suggest potential duplicates based on pre-determined parameters and a method to handle duplicate merges.
Request Inquiry Creation	The system shall have workflow capabilities.	The system shall support multiple workflows to route request inquiries to specific business areas based on code type.
Request Inquiry Creation	The system shall have the ability to manually create request inquiries through form-based submissions.	The system shall have the ability to manually create request inquiries through form-based submissions for all communication intake types.
Request Inquiry Creation	The system shall provide an external portal where consumers can submit a request inquiry and attachments.	The system will provide an external portal where consumers can input information about their complaints and attachments.
Request Inquiry Creation	The system shall provide an internal portal where the Gatekeepers can access request inquiries generated from the portal.	The system will provide an internal portal where the Gatekeepers can access the request inquiry generated from the external consumer portal.

Request Inquiry Creation	The system shall have the ability to collect multiple issues for each disaster-related request inquiry.	The system shall support multiple issues being listed under one request inquiry. Information can be updated/changed by staff.
Request Inquiry Resolution/Closeout	The system shall have the ability to configure business rules.	The system shall have business rules that need to be met prior to closing a request inquiry such as responses filed, questions addressed, etc.
Request Inquiry Resolution/Closeout	The system shall have the ability to support time logs.	The system shall maintain a time-stamp log of request inquiries activity from initiation to close-out.
Request Inquiry Resolution/Closeout	The system shall have the ability to track licenses and certificates of mediators.	The system shall have the ability to track licenses/certificates and other information by leveraging the CRM or by utilizing integration with Automated Licensing Information Service (ALIS) (e.g., certificates, licenses).
Request Inquiry Resolution/Closeout	The system shall allow for external Mediators and Neutral Evaluators to manage assignments, access claim information, and reports.	The system shall allow for external mediators and neutral evaluators to accept or reject new assignments, research previous assignments, review the details of the claims, submit reports, and mark themselves as active or inactive in the system.
Request Inquiry Resolution/Closeout	The system shall have the ability to allow staff to manage the request inquiry assignments of Mediators and Neutral Evaluators.	The system shall have the ability to allow the department and internal staff to manage the request inquiry assignments of Mediators and Neutral Evaluators and give the department the administrative rights to add and remove users of the external facing application.
Request Inquiry Resolution/Closeout	The system shall have the ability to track finances for services performed by Mediator or Neutral Evaluators	The system shall have the ability to track financial information, personal information, and business rates as necessary for external parties.
Request Inquiry Resolution/Closeout	The system shall have the ability to send an invoice.	The system shall have the ability to send the invoice to the appropriate parties from the system for payment (i.e., Mediators and Neutral Evaluators).
Request Inquiry Resolution/Closeout	The system shall be able to update the response required date for inquiries.	The system shall allow the Request Inquiry owner to update the response time for an inquiry if an extension has been granted.
Request Inquiry Resolution/Closeout	The system shall allow companies to add text and attachments to responses to consumers.	The system shall provide both a text box for companies to write responses and an option for the company to attach necessary files/documents to the response.

Security	The system shall have the ability to provide audits and alerts.	The system shall provide audits and alerts for user activity, changes to records, exports, automated workflows, and printing.
System Integration	The system shall leverage existing integrations to support all communications for inquiry intake.	Faxes sent to the division shall trigger the request inquiry creation process, which requires an integration.
System Integration	The system shall provide the functionalities to collect disaster-related request inquiries by triggering a new interface during disaster declaration period.	The system will create a page when disaster is declared that will manage disaster-related cases and accept new request inquiries from DCS staff and consumers. Request inquiries are not assigned to a specific specialist; instead, they are only opened when contacted by the consumer.
User Interface	The system shall have configurable screens and data fields.	The system shall have the ability to easily configure various elements of the base solution (e.g., addition of data elements to screens and reports, masking of data fields, apply business rules and logic to screens and data fields). The system shall save partially completed screens or documents as drafts, support customizable PDFs, and provide views in a printer friendly PDF format.
User Interface	The system shall have the ability to provide access to source complaints.	The system shall provide user friendly drill-down access on all screens to source complaints and attachments based on security permissions.
User Interface	The system shall have the ability to display request inquiries in a readable format.	The system shall have the ability to securely display forms for viewing and printing in print preview and other desirable methods such as PDF.
User Interface	The system shall have configurable fields.	The system shall support field configurations for field names, display labels, size, format, and other field-based requirements.
User Interface	The system shall have the ability to validate data and edit fields.	The system shall provide data validation on entry via spell and format checks on any editable field, and validation rules for entry content.
User Interface	The system shall have Standard Operating Procedures (SOP)s that can be seen by users.	The system shall have the ability to embed SOPs and policies within the system that can be accessed by staff.

User Interface	The system shall have pre-populated configurable templates for the divisions to leverage.	The system shall allow the different business areas to have pre-populated templates and customizable templates based on the individual team needs (ADR templates, complaint templates, failure to respond templates, etc.)
User Interface	The system shall support standard formats for international addresses.	The system must provide a standard format for international addresses.
User Interface	The system shall support languages where required by the Dymally-Alatorre Bilingual Services Act.	The system must support English, Spanish, and be extensible for future support of other (including double byte character) languages when required by the Dymally-Alatorre Bilingual Services Act.
User Interface	The system shall be accessed by internal users through standards compliant browsers.	The system must be accessible via multiple Internet browsers such as Edge, Chrome, Firefox, and Safari. The system must provide printer-friendly versions of all web pages.
User Interface	The system shall be compliant with Americans with Disabilities Act (ADA).	The system screens must be built in compliance with ADA compliance.
User Interface	The system shall have the ability to automatically review/provide errors at each workflow approval level.	The system would automatically identify potential data errors and notify the user of them.
Workflow Optimization	The system shall have configurable alerts	The system shall have configurable alerts for users based on timelines, request inquiry creation, etc.
Workflow Optimization	The system shall have automatic coding to determine types of complaints.	The system shall allow for categorization and workflow of different types of complaints by customers leveraging a DCS workflow logic.
Workflow Optimization	The system shall have workflow routing based on business areas and request inquiry creation.	The system shall provide functionality for intake activities (Gatekeepers for online requests and Helpline staff for calls) to create and process a new request inquiry within the workflow.
Workflow Optimization	The system shall support automatic workflow routing to different departments.	The system shall automatically send notification and alerts to the appropriate departments of a request to let him/her know that the complaint is pending an action or if an action is overdue.
Workflow Optimization	The system shall support advanced identification and search functionality.	The system shall support search and filter functionality that allows DCS staff to conduct advanced searches when looking for Request Inquiries, such as wildcard and Soundex searches.

Workflow Optimization	The system shall allow DCS gatekeepers to search and filter for Request Inquiries by unique consumer information.	The system shall allow DCS gatekeepers to search for consumer Request Inquiries by usernames, last names, email addresses, and additional identifiable information on file.
Workflow Optimization	The system shall have the ability to redirect workflows.	The system has the ability to change workflow locations after a workflow is initiated (e.g., adjust individual receiving request inquiry , change the department that receives the request inquiry (e.g., routing from IAAS to Rehabilitation and liquidation), and to review the status of the workflow so that users are able to drill down and identify any issues along the workflow path.
Workflow Optimization	The system shall have automated solutions to navigate complex cases.	The system shall have the ability to re-route assignments, provide escalation paths based on user-defined criteria (e.g., minimum period of no response), and automated responses to external users.
Workflow Optimization	The system shall have the ability to manage request inquiry assignments to Mediators or Neutral Evaluators.	The system shall have the functionality to track, assign, and manually adjust the request inquiry assignments for ADR staff in the system.
Workflow Optimization	The system shall have a designated workflow for Mediation Evaluation.	The system shall allow tracking of meditation evaluation related request inquiries through each stage of the mediation process and route them to the appropriate specialized team.
Workflow Optimization	They system shall have a designated workflow for Neutral Evaluation.	The system shall allow tracking of Neutral Evaluation related request inquiries through each stage of the Neutral Evaluation process and route them to the appropriate specialized team.
Workflow Optimization	The system shall have the ability to offer an experience-based survey to consumers.	The system shall automatically offer a survey to consumers who have completed the requirements for submitting a request inquiry.

2. Business Solution Alternatives

DFS evaluated alternative approaches for system modernization based on the business functions and scope of the current system. The alternatives evaluated included:

Alternative 1: Replace ServicePoint, Applets, and Portals

A potential option is to replace ServicePoint and its Applets and portals. This solution would replace ServicePoint and would help to replace Applets such as Report Gen, Disaster Reports, etc. A consolidated modernization will provide a consistent user experience, streamlined workflows, and easier integration because of a consistent technology stack.

Alternative 2: Replace Core ServicePoint functions
A potential option is to replace ServicePoint functions only. In this scenario, the new system would lead to improved performance compared to the old ServicePoint platform; however, there are a few drawbacks to consider, such as core functions of applets and portals may provide for a disparate user experience and additional integrations.

3. Rationale for Selection

The current ServicePoint technology is an end-of-life system with limited capabilities. There is a need for a modern system that can efficiently handle the unique business and technical needs of DFS. The rationale for selection meets defined business objectives, uses available capabilities optimally, and replaces an end-of-life system.

This section describes the rationale behind the recommended alternative selection. The modern system characteristics highlight what the alternative solutions could potentially provide DFS to meet their business needs.

The table below shows a list of functional criteria that is ideal for a future state solution for DFS. The business functional areas would allow for better system integration, workflow optimization and additional security in the future state. It is noted that Alternative 1 meets all the identified criteria. Alternative 2 has all checkmarks besides for 3 for the future state. Alternative 2 does not offer integration with Applets and portals while Alternative 1 does offer this opportunity.

Business Functions	Alternative 1	Alternative 2
Access and Permissions		
Single Sign on	🟩	🟩
Additional security and permissions	🟩	🟩
User Interface		
Cloud Based, browser, mobile device	🟩	🟩
System Integration		
Integration with DFS Applets and software	🟩	🟥
Integration with ALIS, COREN, Report Generator based on DFS needs	🟩	🟥
Real time Integration and data access	🟩	🟥
Security		
Security within modules and different departments	🟩	🟩
Encryption of data	🟩	🟩
Highly restricted data access based on user permissions and needs	🟩	🟩
Reporting		
Analytical dashboards and reporting capabilities	🟩	🟩
Real-time reporting and dashboards	🟩	🟩
Ad-hoc reporting	🟩	🟩
Workflow Optimization		
Configurable rules and workflows	🟩	🟩

Messages and event-based notifications from asynchronous and real-time messages		
Dynamic workflow definition and updating based on defined parameters		
Adjusted business rules to match application capabilities		

4. Recommended Business Solution

Our recommendation is that DFS pursues **Alternative 1 – Replace ServicePoint, Applets, and Portals** to modernize their current CRM solution. This recommendation is based on our analysis of the current system's functionality, the desired future state capabilities, and our understanding of each alternative's ability to meet the business requirements. **Replacing ServicePoint, Applets, and Portals** will enable DFS to meet the prescribed business/ functional needs and enhance the end-to-end experience by:

— **Reducing manual processes**
— **Increasing the efficiency to seamlessly intake, track, and resolve request inquiries**
— **Increasing the connectivity and functionality of DFS's applets and portals to resolve cases more efficiently**
— **Enabling the business to make timely decisions from accurate reports**

* This business transformation cannot be supported by upgrading the current Siebel ServicePoint since the newer Siebel Service software requires a new technical solution implementation. See the Technical Alternatives and Solutions for more details about the technical solution recommended.

NOTE: For IT projects with total cost in excess of $10 million, the project scope described in this section must be consistent with existing or proposed substantive policy required in s. 216.023(4) (a) 10, F.S.

D. Functional and Technical Requirements

Technical requirements are defined as those items which must be met to address technical processes of the Department. The major functional areas consist of Data, Defect Management, Mobility, Operating System, Reporting, Security, System Integration, User Interface, and Workflow Optimization.

*The business functional requirements are highlighted in the Proposed Business Process Requirements section of this document.

Technical Area	Technical Requirement	Details
Access and Permissions	The system shall log users off after a certain timeframe of inactivity.	The system shall have the capability to log a user out after a period of inactivity (timeout) that does not impact any background processes that may have been launched by the user if the system automatically ends the inactive user's session.
Access and Permissions	The system shall require passwords with special characters for external users.	The system shall have the ability to require special characters for passwords and require passwords to be updated (i.e., twice per year).

Access and Permissions	The system shall require passwords with special characters for employees.	The system shall have the ability to require special characters for passwords and require passwords to be updated twice per year for security through Active Directory.
Access and Permissions	The system shall lock user accounts.	The system shall have the ability to lock user accounts after a certain number of unsuccessful login attempts.
Automation	The system shall support low-code automation for new and existing workflows.	The system shall support low-code functionality to configure automated workflows with limited need for overnight batch processes (i.e., case management assignment, resolution status updates).
Automation	The system shall support SMS messaging.	The system shall support the ability to send automated notifications through SMS, email, and other alerts on business and system related messages.
Automation	The system shall have the ability to provide automated reporting capabilities.	The system shall have workflows that can generate reports based on various business users and case status. The reports can be scheduled for emails or be integrated within a page in the future state instead of a separate applet.
Automation	The system shall support process automation in terms of allowing for scheduling of processes/batch jobs.	The system shall allow for the administration of automated processes and schedule them accordingly as well as enable/disable them and see their execution results.
Automation	The system shall have the ability to automatically extract the data from uploaded documents.	The system should have optical character recognition (OCR) capabilities to automatically extract data from documents, and map to fields in forms appropriately including integrations to support mail scanning.
Communication Intake	The system shall support detection of duplicate data and/or reports.	The system would provide alerts to users if there are potentially duplicate data or automatically clean up the duplicate rows to maintain data integrity.
Data	The system shall have a robust data infrastructure to support redundancy and high availability.	The system shall meet the data storage needs as the volume increases over time, ability to handle failover to secondary backups in case of natural disasters.
Data	The system shall have efficient data process.	The system shall have ability to integrate with external Extract, Transform, and Load (ETL) tools that can accommodate mass data transfers.

Data	The system shall have a central data repository.	The system shall have a central repository that collects data input from multiple public portals across different business units and internal case management data.
Data	The system shall support and allow for application data logging.	The system should have extensive logging to allow for a data audit trail to track changes (i.e., user/datetime).
Data	The system shall support the appropriate record retention policy.	The system shall have the ability to support and configure record retention as well as data destruction/purging based upon Florida Statute 119.021.
Data	The system shall support document attachments to request inquiries without being restricted by file size.	The system shall support attachments that can scale in size across file types (including but not limited to PDF, DOCX, XLSX, JPEG, MSG, and TIFF).
Defect Management	The system shall support and allow for application data logging.	The system should have extensive logging to allow tracking bugs and allow for issue fixes.
Disaster Recovery	The system shall support disaster recovery & business continuity capabilities.	The system shall provide a secondary environment if there is an unanticipated region-wide outage such as a natural disaster. Failover to a secondary or backup environment is critical to minimize the Recovery Time Objective (RTO) and the Recovery Point Objective (RPO).
Disaster Recovery	The system shall have redundant data centers.	The system shall provide the redundant data center to address system downtime such as backup generators, uninterruptable power supply (UPS), and other controls to reduce the risks at the enterprise level.
Maintenance	The system shall have DevOps to perform at leading industry standards.	The system shall have DevOps practices to improve overall quality and delivery in a software development life cycle (SDLC).
Maintenance	The system shall support multiple environments in the Development, Testing, Acceptance, and Production (DTAP) approach.	The system shall support lower environments such as Development, Testing, Quality Assurance (QA), User Acceptance Testing (UAT), to deploy customizations, configurations, enhancements, and defect resolutions to support best practices in the SDLC process.
Maintenance	The system shall support scheduled maintenance windows by the vendor.	The system shall have the vendor provide comprehensive support during upgrades to minimize disruptions to business functions and address any ongoing blockers.
Maintenance	The system shall have a flexible batching schedule.	The system shall allow for configurable batch processes to support the business functions to improve throughput of request inquiry creation, assessment, and assignments.

Maintenance	The system shall implement DevOps practices with integration with a source code repository and deployment pipelines.	The system shall include the ability to integrate with a source code repository and allow for continuous integration (CI) and continuous delivery (CD) pipelines.
Mobility	The system shall provide the functionalities on mobile devices.	The system shall have the same functionalities for external users using mobile devices as the desktop (ex. Submitting requests, attaching documents, responding to inquiries, and updating records) through support for mobile browsers on iOS and Android.
Operating System	The system shall be compatible with modern browsers for internal users.	The system must be compatible with most popular browsers (Microsoft Edge, Chrome, Firefox, Safari).
Reporting	The system shall have a centralized Business Intelligence capabilities.	The system will limit dependencies on Crystal Reports, Microsoft Access, and ReportGen by providing a consolidated business intelligence tool for business users.
Reporting	The system shall have the ability to export reports.	The system shall export reporting in the following formats: PDF, DOCX, XLSX, CSV and XML.
Scalability	The system shall be scalable.	The system shall provide capabilities to scale resources depending on increased/decreased traffic volume.
Scalability	The system shall have uptime requirements.	The availability of the system shall be 99.99% unless there are operational updates.
Security	The system shall continue utilizing Active Directory (AD).	The system shall continue using Microsoft Active Directory for single sign-on.
Security	The system shall provide the ability to provide multi-factor authentication methods for both web and the mobile versions of the system.	The system shall provide multi-factor authentication methods for both web and mobile versions of the system.
Security	The system shall meet the standards of State of Florida Cybersecurity Standards.	The system shall meet the standards for State of Florida Cybersecurity Standards (60GG-2), which consists of 5 functions for all agencies: Identify, Protect, Defect, Respond, and Recover.
Security	The system shall the ability to send notifications about any known security risks.	The system shall have the ability to provide for a security incident management process that includes notification of cyber-attacks or security breaches.
System Integration	The system shall integrate with the existing data warehouse.	The system shall integrate with a data warehouse to allow for read/write purposes.
System Integration	The system shall have the ability to integrate with telephony systems.	The system shall be able to integrate with telephony systems to collect data in real time and trigger the request inquiry creation process for cloud-based SaaS solutions.

System Integration	The system shall use web-based integration standards.	The system shall have the ability to use APIs for enterprise-level data integration with applications or to meet reporting requirements.
System Integration	The system shall have Microsoft Outlook Integration.	The system shall support Microsoft Outlook integration to allow for synching calendars, contacts, and email.
System Integration	The system shall allow companies to make responses to issues submitted by consumers to the Consumer Services Division due to a declared disaster.	Future state would allow companies to make responses to issues submitted by consumers to the Consumer Services Division due to a declared disaster. It will only be activated by directive by the Division Director.
System Integration	The system shall have Application Programming Interface (API) management tools.	The system shall have API management tools to support an integrated SaaS CRM system across the legacy and future state components.
System Integration	The system shall be compatible with .NET.	The internal technology resources have familiarity with the .NET framework, and the future state would continue to use this framework to build applications and various services.
System Integration	The system shall provide an interface with the My Safe Florida Home Program.	The system shall provide a link for external users to access the My Safe Florida Home program where consumers can access information about free home inspections, home improvements, and home insurance information.
System Integration	The system shall be able to integrate with COREN, a central internal database where company and related entity information is stored.	The system shall be able to integrate the data from COREN and automatically update company records and add new contacts. The data should include company name, address, authority Status, Authority Type, NAIC Code, Company Website, etc.
System Integration	The system shall interface with the Automated Licensing Information Service (ALIS).	The system shall have the ability to interface with ALIS to track licenses and certificates.
User Interface	The system shall be accessed by external users through standard compliant browsers.	The system must be accessible via multiple Internet browsers such as Edge, Chrome, Firefox, and Safari. The system must provide printer-friendly versions of all web pages.
User Interface	The system shall have the ability to develop custom forms, user interfaces, and portals within the same CRM system.	The system shall allow for the development of custom applications to extend functionality to both internal and external users as well the ability to modify the existing UI to adhere to business requirements.

Workflow Optimization	The system shall support manual alerts.	The system shall support manual notifications and/or alert capabilities as a secondary source of communication if there are lags in the automated alerts.

III. Success Criteria

Purpose: To identify the critical results, both outputs and outcomes, that must be realized for the project to be considered a success.

Realization date is subject to change based on scope and priorities of the scalable solution chosen

Success Criteria Table				
#	Description of Criteria	How will the Criteria be measured/assessed?	Who benefits?	Realization Date
1	Streamlined Case resolution	Efficiency to create and resolve a request inquiry — Time to create request inquiry and time to resolve request inquiry	DFS and customers	1 year
2	Reduced Manual Processes when inputting customer data	Time to complete request inquiry — Automation/Telephony system could be utilized to reduce request inquiry time	DFS and customers	1 year
3	Reduced duplication of data entry	System to identify duplicates — Reduction of duplicate entries — Time it takes to identify the duplicate entries	DFS	1 year
4	Reduce backlog of request inquiry requests	Batching of request inquiries in real-time — Number of request inquiry in Assignment	DFS	1 year

		Manager that are not addressed		
5	Ease of user access to data and reporting	Ability for users to run reports based on user permissions — Level of customizations when assigning permissions	DFS	1 year
6	Scalable data structure to meet future growth	— Ability to support data analytics to create custom reporting/dashboards — Number of cross-program customers identified and served	DFS	2 years
7	Enhanced Workflow/Workforce Management	— Automated routing and assignment of request inquiries to divisions based on configurable rules	DFS	1 year
8	Enhanced customer experience	— Surveys of performance before and after implementation — Time to respond to inquiries	Customers	1 year
9	Enhanced Employee User experience	— Surveys of employee satisfaction before and after implementation — Level of manual effort required for day-to-day operations	Employees of DFS	1 year
10	System integration with ALIS and other system(s) as needed	— Ability to check investigations progress without multiple tabs and multiple systems open	Employees of DFS	1 year

IV. Schedule IV-B Benefits Realization and Cost Benefit Analysis

A. Benefits Realization Table

Purpose: To calculate and declare the tangible benefits compared to the total investment of resources needed to support the proposed IT project.

For each tangible benefit, identify the recipient of the benefit, how and when it is realized, how the realization will be measured, and how the benefit will be measured to include estimates of tangible benefit amounts.

The benefits realization date(s) can vary based on the implementer and the scope/time frame of the project implementation phases.

Benefits Realization Table					
#	Description of Benefit	Who receives the benefit?	How is benefit realized?	How is the realization of the benefit measured?	Realization Date (MM/YY)
1	Streamlined Request Inquiry processes	— Consumers — DFS Specialists	1. Request Inquiries are resolved quicker 2. DFS staff can create and respond to emails quicker by leveraging configurable templates 3. System sends automatic alerts based on pre-configured customized settings	1. Reduction of time to create and resolve request inquiries 2. Number of completed request inquiries increases per week/month 3. Increased consumer satisfaction 4. Reduction in time when creating and responding to correspondence	1 year
2	Enhanced Request Inquiry Routing	— Consumers — DFS Specialists	1. Automatic routing of request inquiries through real-time batch	1. Number of Cases Processed	1 year

	and Automation		processes to the appropriate divisions/stakeholders 2. Automatic routing of physical mail/fax into the system 3. System sends automatic alerts based on pre-configured customized settings 4. Automated request inquiry case closures	2. Case processing times 3. Percentage of applications processed within time standards 4. Reduction of time spent on pick listings (Popups) to input customer data	
3	Integration between related systems	— Consumers — DFS Specialists	1. Consumer data populates automatically 2. Reference customer data/resources seamlessly (e.g., telephony ALIS, Access, etc.) 3. Integration leading to needing one system instead of multiple	1. Number of applications or systems used to input customer information reduced 2. Time to serve consumers reduced due to reduced number of screens (Open pop-ups) utilized by agents	1 year
4	Simplified input requirements and entry validation	— Consumers — DFS Specialists	1. Decreased errors in data entry 2. System identifies invalid/ incomplete data entries	1. Quicker to input consumer information 2. Reduction in time when creating new request inquiries 3. Reduction in the total number of invalid/incomplete data entries	1 year
5	Enhanced searchability, filtering, and identifying duplicate data entries	— DFS Specialists	1. Stronger consumer identifiers 2. System can help recommend	1. Quicker to identify unique consumer records through advanced search	1 year

			potential duplicate entries	2. Reduced time spent looking for specific consumer records	
6	Consumer Service improvements by having additional channels of communication	— Consumers	1. Introduction of instant messaging leads to customers being able to engage with department more efficiently	1. Increased Customer satisfaction (Reduces customer friction) 2. Increased speed of resolving request inquiries	1 year
7	Increased Agent Utilization and Efficiency	— DFS Specialists — Consumers	1. More tasks completed by employees due to limited manual interventions 2. Quicker response to correspondence inquiries	1. Reduction in time when sending correspondence communication to consumers/agencies 2. Better customer survey responses 3. Better employee survey responses	1 year
8	Utilizing a reporting tool to review employee performance, resolved request inquiries, request inquiries outstanding, backlog, etc.	— DFS Specialists	1. Tracking employee performance 2. Tracking how many request inquiries are created and resolved in different timeframes	1. Increased visibility into employee performance 2. Reduction in average backlog	1 year

B. Cost Benefit Analysis (CBA)

Purpose: To provide a comprehensive financial prospectus specifying the project's tangible benefits, funding requirements, and proposed source(s) of funding.

The Cost Benefit Analysis is included as Attachment A - CBA Form.

The chart below summarizes the required CBA Forms which are included as Appendix A on the Florida Fiscal Portal and must be completed and submitted with the Schedule IV-B.

Cost Benefit Analysis	
Form	**Description of Data Captured**
CBA Form 1 - Net Tangible Benefits	**Agency Program Cost Elements:** Existing program operational costs versus the expected program operational costs resulting from this project. The agency needs to identify the expected changes in operational costs for the program(s) that will be impacted by the proposed project. **Tangible Benefits:** Estimates for tangible benefits resulting from implementation of the proposed IT project, which correspond to the benefits identified in the Benefits Realization Table. These estimates appear in the year the benefits will be realized.
CBA Form 2 - Project Cost Analysis	**Baseline Project Budget:** Estimated project costs. **Project Funding Sources:** Identifies the planned sources of project funds, e.g., General Revenue, Trust Fund, Grants. Characterization of Project Cost Estimate.
CBA Form 3 - Project Investment Summary	**Investment Summary Calculations:** Summarizes total project costs and net tangible benefits and automatically calculates: • Return on Investment • Payback Period • Breakeven Fiscal Year • Net Present Value • Internal Rate of Return

V. Schedule IV-B Major Project Risk Assessment

Purpose: To provide an initial high-level assessment of overall risk incurred by the project to enable appropriate risk mitigation and oversight and to improve the likelihood of project success. The risk assessment summary identifies the overall level of risk associated with the project and provides an assessment of the project's alignment with business objectives.

NOTE: All multi-year projects must update the Risk Assessment Component of the Schedule IV-B along with any other components that have been changed from the original Feasibility Study.

The Risk Assessment Tool and Risk Assessment Summary are included in Appendix B on the Florida Fiscal Portal and must be completed and submitted with the agency's Schedule IV-B. After answering the questions on the Risk Assessment Tool, the Risk Assessment Summary is automatically populated. The excel file is located below.

Schedule IV-B -
Project Risk Assessme

The risk assessment was completed for the roadmap and IV-B for the ServicePoint system replacement. For a system replacement, it is expected to score as a high risk, although responses to individual risk questions may change over time once objectives and categories become defined. A rating of "high" for a major system replacement activity for a complex and mission-critical system is expected for this assessment.

The tool collects the risk characteristics of the project based eight assessment categories. The results of the assessment are summarized below.

Strategic:
The strategic risk is low because the project objectives and requirements are clearly defined.

Technology:
The technology risk is high because the agency does not have experience working with and operating in a technical solution environment.

Change Management:
The change management risk is medium because the agency has not previously completed a project of this size, and the expected levels of change are moderate.

Communication:
The communication risk is medium because not all stakeholders are included in a communication plan. The outcomes and success measures are not fully developed yet.

Fiscal:
The fiscal risk is high because a spending plan has not been approved for the project lifecycle and the source of funding is not identified.

Project Organization:
The risk is high because the project governance is not defined, and there is not an approved project plan.

Project Management:
The risk is high because deliverables have not been documented, and the project lifecycle has not been approved yet.

Complexity:
The risk is high because the complexity of the proposed system and a new system would impact the business process.

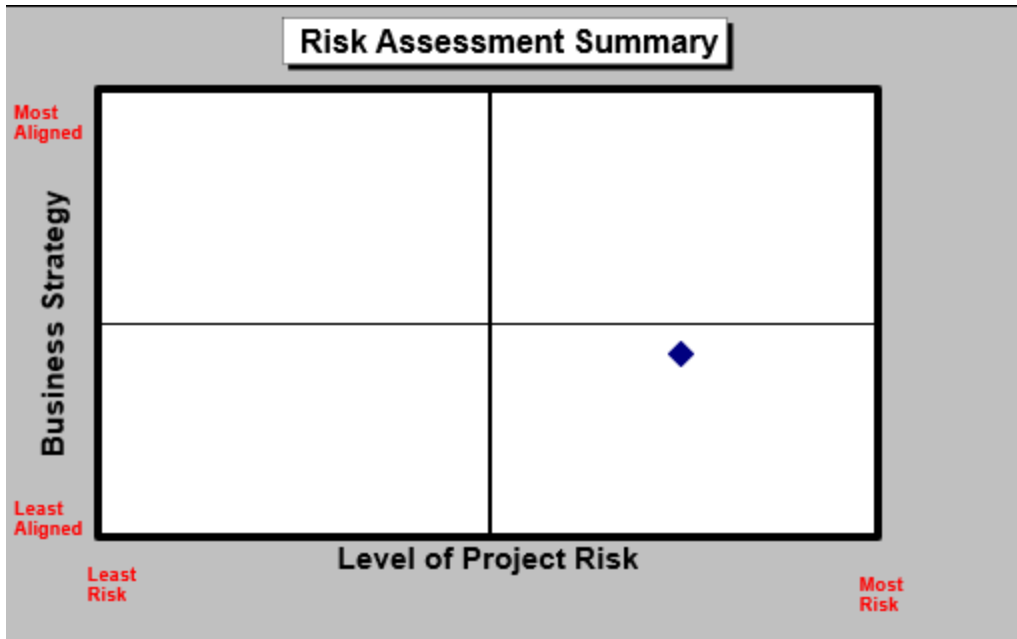The graph below shows the level of project risk based on the business strategy.

FIGURE 2 RISK ASSESSMENT SUMMARY

Project Risk Area Breakdown	
Risk Assessment Areas	*Risk Exposure*
Strategic Assessment	*LOW*
Technology Exposure Assessment	*HIGH*
Organizational Change Management Assessment	*MEDIUM*
Communication Assessment	*MEDIUM*
Fiscal Assessment	*HIGH*
Project Organization Assessment	*HIGH*
Project Management Assessment	*HIGH*
Project Complexity Assessment	*HIGH*
Overall Project Risk	*HIGH*

VI. Schedule IV-B Technology Planning

Purpose: To ensure there is close alignment with the business and functional requirements and the selected technology.

A. Current Information Technology Environment

1. Current System

a. Description of Current System

Overview

The Office of Information Technology (OIT) supports DFS divisions across enterprise applications including ServicePoint. ServicePoint is based on Siebel v7.8 running on a single instance with an Oracle 10g database. Siebel 7.8 was released in 2005. As of 2022, the latest version is Oracle Siebel 22.0. Siebel 7.8 and the underlying software are well past their end-of-life.

Based on the technical architecture as seen in Exhibit 1, ServicePoint is an isolated component. The business functionalities such as Request Inquiries, invoices, letters, notices, surveys, and other activities are supported within the Siebel CRM. The applets and utilities outside of ServicePoint have their own capabilities, and they are connected through the Visual Basic (VB) applications. Many customizations for ServicePoint across these integrations are passed through scripts.
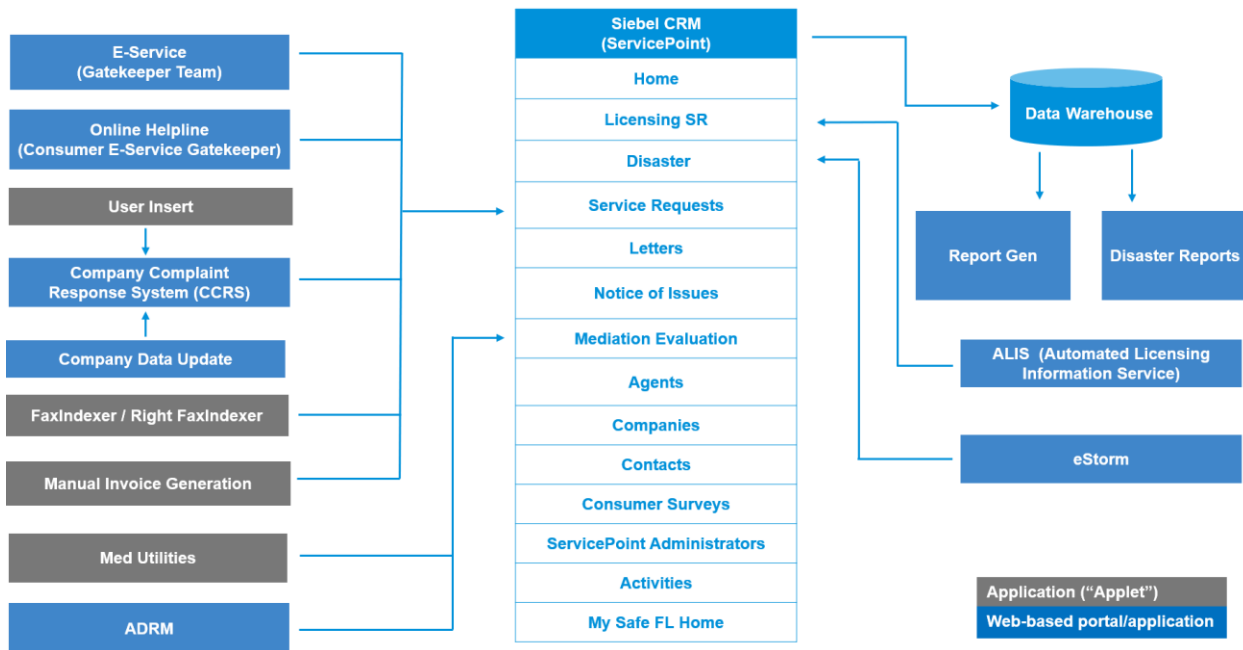

FIGURE 3 TECHNICAL ARCHITECTURE

Within ServicePoint, there are CRM functionalities across various business units. The Contacts object stores the information about individual or commercial businesses. Companies and Agents are public users who are part of the Contacts. Once public users submit information through the Online Helpline, phone calls, emails, mail, and/or fax, there are corresponding request inquiries that will eventually lead to other communication generation or referrals to other divisions. These examples include Generating Letters, Notices of Issues, and/or Mediator & Neutral Evaluator Invoices. Internal users can track Activities on ServicePoint, and ServicePoint Administrators assist the internal users in transferring data, managing records, and other tasks.

ServicePoint acts as a central repository that manages and maintains several sets of data. There are several integrations within ServicePoint connected through Visual Basic (VB) applications:

— **Online Helpline / E-Service:** Online Helpline is the public self-service portal that consumers use to input information such as a written complaint and attachments to generate a request inquiry. Once the information is submitted, the Gatekeepers in DCS access the E-Service portal to review the requests that have been submitted through the Online Helpline. Both of these portals are connected to ServicePoint.

— **Company Complaint Response System (CCRS) / Company Data Update / UserInsert / FaxIndexer / Right FaxIndexer:** CCRS is a web portal for public users such as insurance companies to engage with their request inquiries. Each company is assigned a combination of Florida company code and NAIC code. This portal is directly linked to ServicePoint. The Company Data Update is an additional public portal where companies can request to update point of contact (phone numbers) in the CCRS system. Then, the CCRS Administrative team uses the UserInsert applet to approve those contact changes for the company. The Right FaxIndexer and FaxIndexer are used by Gatekeepers for scenarios where complaints are scanned or physically delivered to create request inquiries.

— **eStorm:** When there is a declared disaster in the State, the Division Director activates the eStorm portal. This allows the companies to make updates to the request inquiries that were created during disasters that would go through the Online Helpline under scenarios without disasters.

— **ADRM Web Portal / Med Utilities / Manual Invoice Creation:** The ADRM web portal used to accept and reject new assignments for the ADR Mediation or Neutral Evaluation. Once the assignments are accepted, the Med Utilities application is used for ADR Insurance specialists to manage Mediators or Neutral Evaluator assignments from the request inquiry. This applet also manages username and password for ADRM Web Portal. There is a direct integration between the ADRM Web Portal and ServicePoint. The Manual Invoice Creation is an applet used for scenarios to send an invoice for payment for the services performed by Mediator and Neutral Evaluators.

— **Data Warehouse / ReportGen / Disaster Reports / Crystal Reports:** ReportGen is an HTML web portal primarily used by DCS that interfaces with the ServicePoint data. ReportGen allows the division to track metrics on variety of items such as the age and status of request inquiries and NOIs Crystal Reports is the tool used during disasters and only activated during disasters.

— **ALIS:** ALIS is the automated licensing system used by DCS, IAAS, and Funeral Cemetery, to manage licensing for various consumers.

User Management

The initial implementation was primarily for the DCS users, who utilized Internet Explorer to access ServicePoint. Internet Explorer is the only browser that is compatible with ServicePoint. However, Internet Explorer is a legacy browser that is not supported on current Windows systems. As a short-term mitigation, users must use Citrix Virtual Desktop Infrastructure (VDI) to access Internet Explorer and ActiveX. There are currently 130 active users and 229 available licenses on ServicePoint. The Siebel Administrator manages access, permission sets, and enhancements.

Security

When the Office of Information Technology users need to provide support, there is a login for a Service Account with Oracle. There is also a username and password for the Active Directory (AD) authentication for the SQL Server, which is not set-up on the Oracle side except the Siebel Administrator. This embeds the username and password for the configuration files. The team uses Password Replace on the Oracle side. Since Oracle is not connected to the Active Directory, there is a security risk.

Jobs Management

The current system uses .NET as the main framework for the scripts in addition to VBCOM for certain systems. Across the division, there are 90+ batch programs. ServicePoint has 56 batch jobs. Windows Scheduler initiates the batches that are within ServicePoint. Control M is the supplemental scheduler. The main ingestion point includes the email to case, which requires a middleware for a single inbox due to limitations in Outlook integrations. The IT team implemented POP3 mail service to replace the Stunnel mail service. Overall, there are limited workflows that support the CRM and the integrated applets.

Data Management

Overall, there is load balancing of the initial user connections to the Siebel web servers using F5 load balancers. The connections from the Siebel web servers to application server is managed by Siebel, and the connections between the application and database servers are also managed by Siebel. The F5 is set to use sticky sessions, so once a user is assigned to a web server for a session the connection remains with that web server. Siebel handles the load balancing between the web server and the data server. The Siebel Schema and the CAS Schema are the two instances within the Oracle database. ReportGen is used to pull the data from ServicePoint by connecting to the Data Warehouse and reaching the CAS Schema. ReportGen generates the report after the data transfer is completed to the CAS Schema. Each of these schemas have their own databases, and the data footprint is more than 200 GB.

The current system has 2 TB of stored files, which are uploaded by consumers. The system currently has a 5-year data retention policy. ServicePoint currently has 3,358 tables and has more than 3.19 million records. If there are changes needed in a data row, updates and inserts are used, and the row IDs are created by DFS.

Reporting

Overall, Microsoft Access, ReportGen, and Disaster Reports are used for reporting purposes. There are more than 45 reports generated within DC, and reporting is decentralized based on the division. The CAS schema within the Data Warehouse generates ad-hoc reports, which is updated nightly from ServicePoint. The data is flattened out with no referential integrity. The Siebel file attachments have emails with multiple attachments, and users will connect through Siebel Downloads since there is no data import into the data "farm."

b. Current System Resource Requirements

Hardware and Software

The Siebel CRM is a virtualized stand-alone instance (version 7.8) with an Oracle 10G stand-alone backend instance in place since 2005. The other supporting applications and portals that interface with Siebel consist of newer technology (2016+). Since they are integrated with VB applications, some of these portals and utilities may not be supported by newer CRMs and may need additional migration.

Due to the age of the current system, upgrading from Siebel 7.8 to Siebel 22.0 would require significant remediation. Citrix Virtual Desktop Infrastructure (VDI) is used as a temporary workaround to allow users

to use ServicePoint via Internet Explorer. The applications are hosted together in their own data center in a load balanced environment behind F5 firewall.

Staffing Requirements

Within the Office of Information Technology, the Siebel Administrator supports the user management, defect management, and daily functions of the software across all divisions. There is an Enterprise Architect, Application Developer, and an Application Development Manager who oversee the operations within ServicePoint and the integrated applets and portals.

DCS staff and roles are designated based on the applications and portals that are connected to ServicePoint. These user groups include Gatekeepers, CCRS administrators, and ADRM users. Additional resources include support across reporting, training, and auditing. There is an additional information technology resource who assist with issues under DCS. These users have touchpoints with ServicePoint and the additional portals necessary for their roles.

Similar to DCS, IAAS also has an in-house information technology and reporting resource who assists with requests under IAAS. The users are designated by Licensing and Investigations request inquiries. IR users are divided by Life & Health and Property & Casualty. Rehabilitation and Liquidation, IR, and IAAS users have touchpoints with ServicePoint once the users receive the request inquiry related to their business functions. IR and RL do not have an in-house IT resource. FCCS users have no touchpoints with ServicePoint, and they primarily utilize ALIS for their functions. The .NET developers and the Siebel Administrators are contracted by DFS.

Cost

The cost information includes the program, total cost, fee structure, estimated users, and cost allocation as a percentage. The rows only include programs that have a non-zero cost. Therefore, Oracle Database, CAS Schema, and Microsoft Office were not included in the table below. The combined $169,128.00 includes the hourly support that is provided for ReportGen, Disaster Reports, CCRS, Company Data Update, UserInsert, FaxIndexer, ADRM Web Portal, Med Utilities, and Manual Invoice Creation.

Program	Total Cost	Fee Structure	Estimated Users	Cost Allocation %
Oracle Siebel Support	$179,536.89	Yearly Enterprise	229	100%
Citrix Virtual Desktops	$19,968.80	Per Person	229	47%
Windows Operating System	$27,543.96	Yearly Enterprise	N/A	1%
ReportGen, CCRS & Additional Applets/Portals	$169,128.00	Hourly Support	N/A	100%
Contractors	$194,400.00	Hourly Support	N/A	100%

c. Current System Performance

Overall, the current system is "aged out" with a vulnerable infrastructure. Due to the age of Siebel, patches are not supported. Given the complexities of the cases processed by DFS, the current workarounds are unable to scale to the future business needs.

Batch Processes

The divisions maintain more than 90 batch programs, and ServicePoint has 56 batch jobs. The scripts have duplicate code that would benefit from consolidation since developers would need to make repetitive fixes across multiple scripts. Since there are limited workflows implemented into the system, the

workarounds are limited to fixes in the scripts. Modern CRMs have workflows and automated solutions that can navigate the complexities of case management business functions. These batch programs can bypass the application logic, which can lead to disruptions in the overall system and potential outages.

Source Code Version Control

The current system uses Team Foundation Server (TFS) for Source Code Control System (SCCS). TFS has a version control for .NET framework, but it does not have a version control for Siebel scripts. SCCS is critical for software configuration management, and this gap increases the complexities in resolution management for the Information Technology users. This user experience could be improved if there were more integrations with aligned business logic and automated workflows.

User Satisfaction

Since Siebel 7.8 is only supported by Internet Explorer, support for which has been discontinued by Microsoft, there is limited user and technical staff satisfaction with ServicePoint. The Citrix environment provides an older Windows desktop that can support the needs of the end-of-life products. The business users encounter display issues, defects, and lags they may not encounter on updated Windows products. Some examples include facing difficulties generating timely communication materials in PDF and navigating restricted email attachment size (10MB). Business users must have multiple touchpoints across ServicePoint and the integrated applications, which lead to repetitive inputs, updates, reporting pulls, and clean-up. This experience has pushed the business users to a future state CRM that can provide a more consolidated system.

Furthermore, the Information Technology team is restricted in creating workarounds for Siebel and the integrations that are linked to the platform. An example includes creating the POP3 solution as the middleware, due to limitations with Outlook/Exchange integrations, to keep the email to case functionality working. The team performs manual system performance checks, which are often time-consuming and have impacted business operations.

Defect Management & Support

Since the tech stack for ServicePoint is no longer supported by Microsoft, the Information Technology team is the only responsible stakeholder during operating system issues. There is limited documentation on the enhancements and batch processes. There is no support or patch management being supplied even when there are random incidents of ServicePoint outages. The information technology team has encountered roadblocks towards performing a comprehensive root cause analysis for defects. There is a dependence on a daily audit log from ServicePoint and other applications that communicate failures. The current workaround includes performing a hard reset and pausing business operations, but the limitations in documentation and audit trails limit the ability to perform long-term workarounds. The IT team utilizes BMC Remedy to log and track defects in the current system.

There is a test environment for ServicePoint primarily used for training with limited testing capabilities, but it is not configured to the production environment. Fixes are performed in the production environment, which can interfere with other functionalities and disrupt the processes for business users. Software testing and deployment leading practices include having a testing environment to assess the impact on existing processes. Some of the most impactful events have included a blockage in Assignment Manager. Assignment Manager is Siebel-based case assignment tool that designates workload across the divisions. There has been at least one major outage per quarter for Assignment Manager. The IT team would investigate the scripts with iterative trial and error processes in the production environment to assess the root cause. The outage can last up to a week. Business units must manually assign the cases, which can lead to backlogs and communication disruptions.

The ServicePoint inbox has encountered inbound and outbound communication blockage. There have been more than 1,000 emails backlogged in the inbox while the defect is investigated. Since the business units have a regulatory requirement for communication within certain time frames, this blockage can

adversely impact the consumers' and public users' abilities to provide timely responses. Furthermore, these outages across ServicePoint Inbox and Assignment Manager have occurred during disaster season, which further elevates the need for an updated system.

Data Management

Since ServicePoint is at the end of life, the Oracle 10g database will also proceed towards the end of life. The overall load balancing environment has limitations since the Siebel handles the balance in the initial connection, but not the overall data flow. There are high risks of data integrity and mishaps in the business logic. Siebel provides Enterprise Integration Manager (EIM) tables, which can transfer large quantities of data between the Siebel database and the other data sources. EIM is a form of Extract Transform and Load (ETL) tool that assists in bulk load data for Siebel.

Furthermore, the flattened data has limited referential integrity. In a relational database, lack of referential integrity can isolate the "child" record from the "parent" records if the request inquiry is deleted. Business units have pulled reports from either Access or ReportGen, and they have observed duplicate data due to modifications to query scripts by various users. Therefore, business units have spent additional time on data clean-up due to limitations of a standardized data pull methodology.

2. Information Technology Standards

The current state and the future state will meet the federal and state-level policies such as the State of Florida Cybersecurity Standards, and additional policies in the DFS Information Technology's Service Delivery Framework (SDF) Standards and Procedures. The State of Florida Cyber Security Standards include the requirement that all Florida state agencies and departments are required to comply with the Florida Administrative Code 60GG-2 in the management and operation of state IT resources.

The Public Records (Ch. 119), Communications and Data Processing (Ch. 282), and Computer Related Crimes (Ch. 815, Section 282.0051) are the applicable Florida Statues. Additional procedures for DFS and Division of Information Technology (DIS) include Information Security Policy (AP&P 4-03), Application Access Control (AP&P 4-05), Change Management and Control Policy (AP&P 4-17), Project Management Information Technology Resource Projects (AP&P 4-28), Change Management Procedure (DIS-015), and Database Change Procedure (DIS-010).

B. Current Hardware and/or Software Inventory

NOTE: Current customers of the state data center would obtain this information from the data center.

Product	Description
Oracle Siebel v7.8 (ServicePoint)	ServicePoint is the current CRM (Custom Relationship Management) and complaint tracking system. Siebel's current release is on 22.0 version, but DFS users are on the 7.8 version.
Oracle Database	This database is a stand-alone back-end database for the Siebel instance.
BMC Remedy	BMC Remedy is an IT Service Management suite to create multiple ticket types such as incidents, work orders, change requests, or Request Inquiries.
Citrix	A virtualization solution that allows end users to run applications independently of the device's operating system. At DFS, it's utilized to access a virtual machine with Internet Explorer to access Siebel.

Team Foundation Server (TFS)	TFS is a collaboration platform that is used as the source/version control system.
E-Service	Gatekeepers in DCS access the E-Service portal to review the requests that have been submitted through the Online Helpline
Online Helpline	Online Helpline is the public self-service portal that consumers use to input information such as a written complaint and attachments to generate a request
User Insert	CCRS Administrative team uses the User Insert applet to approve contact changes for the company.
Company Complaint Response System (CCRS)/eStorm	CCRS is a web portal for public users such as insurance companies to engage with their request inquiries. When there is a declared disaster in the State, the Division Director activates the eStorm portal.
Company Data Update	The Company Data Update is an additional public portal where companies can request to update point of contact (phone numbers) in the CCRS system.
FaxIndexer/ Right FaxIndexer	The Right FaxIndexer and FaxIndexer are used by Gatekeepers for scenarios where complaints are scanned or physically delivered to create request
Manual Invoice Generation	The Manual Invoice Creation is an applet used for scenarios to send an invoice for payment for the services performed by Mediator and Neutral Evaluators.
Med Utilities	The Med Utilities application is used for ADR Insurance specialists to manage Mediators or Neutral Evaluator assignments from the request inquiry.
ADRM	The ADRM web portal is used to accept and reject new assignments for the ADR Mediation or Neutral Evaluation.
ReportGen	ReportGen is an HTML web portal primarily used by DCS that interfaces with the ServicePoint data.
Crystal Reports/Disaster Reports	Crystal Reports is a business intelligence application used across the business units. Disaster Reports is a type of Crystal Report that is only activated during disasters.

C. Proposed Technical Solution

1. Technical Solution Alternatives

As a baseline analysis, upgrading the current Siebel ServicePoint to a newer version was considered as a technical alternative. However, the current Siebel ServicePoint has limited opportunities for upgrades due to the end-of-life processes and technology that would not be supported by the leading CRM systems. After collecting the business, functional, and technical requirements, the new system would require a cloud-based transformation to implement the enhanced system. This system would integrate the business functionalities of Siebel ServicePoint and the connected applets/portals that were initially built as workarounds to support the growing needs of DFS.

Therefore, the technical solution alternatives assessed the following types of CRM solutions: Software as a Service (SaaS) and Commercial Off-the-Shelf (COTS). Both solutions would replace Siebel and the connected applications. However, cloud-based SaaS solutions were prioritized over the COTS solutions due to the "Cloud-first" policy for the State of Florida and the abundance of SaaS solutions in the market.

Software As a Service (SaaS)

SaaS solutions deliver applications through the web instead of manual software installments and maintenance. This solution allows the system to be built from market leading parts and pieces to form the enterprise solution. The end-users would pay a subscription fee to access the software. SaaS vendors provide the software installation, software updates, software management, hosting, and server availability since the customers are in a multi-tenant environment.

Ease of accessibility to the "best of breed" solution is a key benefit since current users are operating on an end-of-life solution with limited opportunities for modernization. SaaS provides flexibility by offering various subscription models and add-ons, which can adapt to meet changes in business needs. Since the solution is already cloud-based, the set-up and deployment are more efficient than traditional software deployment. The vendors will manage the upgrades and security, which reduces the workload on the internal IT team. Although these solutions are available in the government space, not all vendors will meet the compliance standards of the State of Florida Cybersecurity Standards, FedRAMP, and NIST. Since the vendors are more "hands-on," the customers have limited control over the customizations and must depend on the vendor's offerings. The following SaaS solutions have been identified as leading market solutions for the replacement for Service Point. They are Oracle Siebel Service, Salesforce Public Sector Solutions, Microsoft Dynamics 365, and Pega Customer Service.

SaaS - Oracle Siebel Service

Oracle Siebel Service v22.0 is a cloud-based SaaS platform that provides contact center, help desk, claims management, knowledge management, and field service functionalities. Compared to the current state, the future state Siebel Service will not require a virtual desktop since it will be compatible with modern browsers. The Chat on Demand functionality provides opportunities to optimize the request inquiry creation, consolidate the knowledge base articles, utilize smart search, and has email integrations for the chat transcripts. The SmartScript functionality creates workflows where the user interface has the information generated for "just in time" basis. There are additional workflows-driven email processing and auto-acknowledgements that would alleviate the need to use templates and manual responses for email communications. The latest version still utilizes Assignment Manager for case assignment and case queues. Oracle Business Intelligence is the preferred business intelligence tool for Oracle Siebel Service.

SaaS - Salesforce Public Sector Solutions

Salesforce is leading cloud-based SaaS platform across the industry. Salesforce has Public Sector Solutions, which is a customized solution built on the Salesforce platform and the Service Cloud for government customers. Public Sector Solutions specializes in the following prebuilt applications: License and Permit Management, Emergency Program Management, Inspections Management, Contact Center, and Case Management. The overall data model still includes the standard "objects" from Service Cloud and applicable industries. The Public Sector Solutions Toolkit includes the OmniStudio for enhanced automation capabilities, Action Plans, Document Tracking & Approvals, Document Generation capabilities, and Business Rules Engines. Salesforce can also offer add-ons for customers to further customize the functionality of the CRM system. Tableau is the primary business intelligence tool for Salesforce Public Sector Solutions, but the platform can also support PowerBI.

SaaS - Microsoft Dynamics 365

Microsoft Dynamics 365 is a portfolio of cloud-based SaaS applications across sales, marketing, service, commerce, and finance. Dynamics 365 Customer Service solution provides the case management, knowledge management, service level agreements (SLAs) and business process flows that are applicable for DFS. The solution also has Power Apps, a low-code application tool where customers can

build portals and applications for the internal and external users. Additionally, Power Automate and Power Virtual Agents provide many automation opportunities in the business processes. Dynamics 365 Customer Service, Power Apps, and Power Automate can enhance the components within the current Siebel system and consolidate the applications outside the Siebel System such as CCRS. The common data sources include Dataverse, SharePoint, SQL Server, and Office 365. PowerBI is the main business intelligence tool.

SaaS - Pega Customer Service

Pega Customer Service is a low-code platform that specializes in workflow automation, conversational AI, digital self-service, chat & messaging, and email automation. Pega Customer Service is also compatible within Pega Cloud for Government. The main functionalities within Pega Cloud for Government include Pega Co-Browse, Pega Call, and Pega Knowledge Management. The latest enhancements include changes to Pega agent desktop, digital messaging, and conversational artificial intelligence (AI). Pega Call also includes support for the chat channels for computer telephony integration (CTI) providers such as Amazon Connect, Genesys Cloud, and Five9. The Business Intelligence Exchange is the current business intelligence tool for Pega Cloud applications.

Commercial Off-the-Shelf (COTS)

Due to the limited market that could offer COTS product that align with the specific needs for DFS, SaaS solutions were prioritized over COTS. Compared to the SaaS products, COTS solutions are "packages" or "shrink-wrapped" software that are fully functional and requires the basic configuration services for the production environment. Similar to SaaS products, COTS solution can also be cloud-based. A single vendor addresses the functional needs. There is an internal production engine supporting the entire solution, and various "modules" which perform discrete tasks related to a particular function. Customers are required to purchase or license the "core" and manage the configuration of the software. DFS would use out-of-the-box functionality with minimal customization and extensions to the core product. In some cases, current business processes may require modification to align with the COTS capabilities.

2. Rationale for Selection

The table below provides a list of technology criteria of an ideal future-state system. The rationale for selection is that the recommended solution meets defined business objectives, improves user experience, optimizes overall performance, and replaces an end-of-life system. These evaluation criteria categories were prioritized based on findings from the user experience and industry standards. This section will analyze the SaaS technical alternatives (Oracle Siebel Support, Salesforce Public Sector Solutions, Microsoft Dynamics 365, and Pega Customer Service).

Evaluation Criteria	System Characteristics
User Support	• Provide extensibility to provide custom tools, apps, portals for internal / external facing users
User Authentication, Access, & Security	• Support Single Sign-on (SSO), data encryption, audit/logging of data updates/errors • Adhering to State of Florida Cybersecurity Standards
User Interface	• Intuitive user interface, modern browser support, as well as being browser and device agnostic • Support progressive web apps (PWAs) for mobile functionality

Evaluation Criteria	System Characteristics
System Integration and Interoperability	• Provide a Service-Oriented Architecture to allow for integration with 3rd party or custom apps or processes such as through RESTful APIs • Data integration to allow for exchanges of information with both internal and external applications
Analytics & Reporting	• Provide robust reporting capabilities to support both pre-defined and ad-hoc reports • Analysis through data visualizations and dashboard capabilities
Workflow Optimization	• Ability to adapt to business workflows and processes through customizations of user interfaces and business rules
Application Development	• Support for lower environments for testing, QA, UAT, etc. • Interface with new and existing batch processes • Maintainable and customizable business rules as well as user interfaces to meet changing business requirements. • Ability to leverage in-house technical skills
Enterprise Architecture Alignment	• Extensible to support enterprise-wide workflows and processes
Integrate/Use Existing Technology	• Continue to leverage existing IT assets (applications, portals, processes) by integrating with selected solution
Support	• Low-cost and low-impact on the ability to perform upgrades, maintenance on the solution
Technology Support Team	• Utilize personnel with Microsoft-based skillsets to optimize change management with technical support
Business Continuity & Disaster Recovery	• Provide a secondary environment for events such as region-wide outages, natural disasters, cyber-attacks, and system failures to minimize business disruptions and consumer experience

The overall benefit focused on the need to modernize the current end of life CRM system. The transformation will leverage the skillset from the internal Information Technology team. There will also be additional integrations with legacy applications. There will be an integration vendor needed with a licensing system and data warehouse. There are potential risks in the cost estimations since development and hosting may change based on the scope of the transformation.

3. Recommended Technical Solution

With a thorough review of the functional specifications outlined above, a SaaS solution was chosen as a final recommendation over a COTS solution due to the market availability for products and extensive features. The SaaS solution would be existing within the government industry, but it is not limited to the options mentioned above (Salesforce, Microsoft Dynamics 365, Siebel, and Pega). Although the scope primarily focused on departments within DFS, a cloud-based SaaS solution provided future opportunities to integrate other divisions by continuously modifying workflows, reporting capabilities, and business processes. The Department should enter and maintain a Service Level Agreement (SLA) to enter into an agreed upon cost for maintenance, uptime, and functionality of the system. An example of future

integration opportunity after the SaaS implementation includes ALIS, the current licensing software, which is not linked with ServicePoint.

Currently, the business users experience a fragmented experience with multiple portals, and the technical users often navigate workarounds to accommodate the growth in the division's business functions. The SaaS solution would provide the option to scale the capabilities based on the user's size and overall workload. This would be beneficial to changes in workload during the hurricane season. Given that the technology support team are skilled in .NET, the SaaS solution would accommodate the newer skillset needed to support the technical architecture in implementation and maintenance. Furthermore, the future state will unify the customer data, provide activity data for internal users, and maintain a robust security model without a physical infrastructure.

D. Proposed Solution Description

## 1. Summary Description of Proposed System

The future state would provide a significantly enhanced user experience for the internal and external users. Current business objectives are reducing the number of manual processes, increasing the operational efficiency to process and resolve open cases, enabling agents to resolve cases more consistently, and enabling the business to make more informed decisions through timely and accurate reporting. The below table shows the functional areas that will be improved in the future system and what the current system characteristics are for Siebel.

Functional Areas	Legacy System Characteristics	Future System Characteristics
Data	• They system has lags in current data storage and performance	• Integrate with external Extract, Transform, and Load (ETL) tools that can accommodate mass data transfers
Communication Intake	• Manual process to intake emails, mail, fax, phone communications	• Added element of mobile intake communication • Automated intake of fax, mail by utilizing Optical Character Recognition (OCR)
Access and Permissions	• Internal system has role permissions based on department needs	• Single sign-on capabilities • Additional security and permissions • Having DFS change passwords twice per year • locking users after an X amount of unsuccessful log-in attempts • Requiring passwords to have special characters for security purposes • Role and departmental permissions configurable based on DFS need

Functional Areas	Legacy System Characteristics	Future System Characteristics
User Interface	• Fixed character screens with multiple pop-ups and manual interventions • Using Internet Explorer to log in to ServicePoint • System is not configured adequately which causes missing information from vendors/consumers such as an inquiry without an attached PDF	• Cloud-based, browser, mobile device • The system would have field configuration to reflect what fields are required such as requiring a PDF attachment • Integrations with external systems which reduces the character screen pop-ups and reduces manual interventions
System Integration	• Current integrations through batch processes makes it harder for DFS staff to find data • eStorm as an external portal that is only active during disaster season	• Real-time integration and data access • Integration with software such as AiIS • Migrate eStorm functionalities to support customers during active disasters as a new external portal
Security	• Mainframe and firewall	• Security within modules and within different departments • Encryption of data • Highly restricted data access based on user permissions and needs
Reporting	• Limited reporting capabilities and all reporting that does occur requires manual intervention	• Analytical dashboards and reporting capabilities • Real-time reporting and dashboards • Ad-hoc reporting based on DFS needs • Dashboards to track completed Request inquiries incomplete Request inquiries, track employee performance and much more
Workflow Optimization	• Lack of workflow optimization • Most processes are manual in nature such as creating and forwarding Request inquiries and resolving Request inquiries	• Use of rules engine • Configurable rules and workflows for business process optimization • Messages and event-based from asynchronous and real-time messages
Workflow Optimization	• Current workflows are based on coding and nightly batch process	• Dynamic workflow definition and updating based on defined parameters • Real-time batching based on workflow configuration

Functional Areas	Legacy System Characteristics	Future System Characteristics
System Integration	• Currently there is no system integration • All processes are done manually with multiple screen pop-ups	• Integration with data warehouse • Integration with Active Directory and CRM solution • Integration with a software than can generate request inquiries • Integration with SOA, SaaS and other API technologies
System Integration	• Custom-developed with many manual processes	• Service-oriented architecture
Application Ownership	• Oracle	• Application ownership can vary, based on the latest SaaS solutions
Workflow Optimization	• Business rules defined and Manual processes to send Request inquiries to different departments	• Adjusted business rules to match application capabilities
Application Maintenance	• In-house, on-site	• Application maintenance can vary based on platform chosen but is typically on the cloud
Infrastructure	• On-site infrastructure	• Cloud-based, Software as a Service (SaaS)

The below conceptual view provides an overview of the components captured by the future state SaaS CRM. Although the diagram is not exhaustive of all SaaS solutions, it provides the key functionalities that would benefit the business and technical needs of DFS. Overall, the technology team would not depend on scripts and nightly batch processes as the primary method. The system would provide an improved defect management experience that utilizes DevOps practices and proper Development, Testing, Acceptance and Production (DTAP) environments. Since the future state would consolidate the linked applets/portals (CCRS & ADRM), the technology team would specialize in a modernized system. Although there are risks of fragmentation, the technology team would have support for upgrades, installations, and security by the platform vendor.
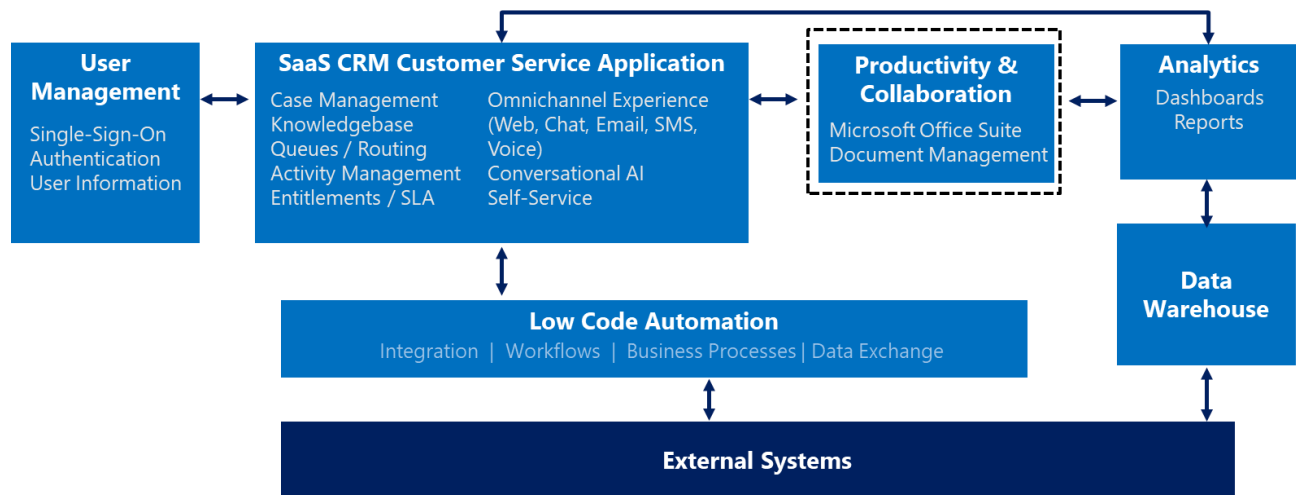
User Management

There will be user management capabilities to manage user access for the customer service applications, data, and other tools linked with the future state. In the current system, the system administrator manages access by adding and removing users for ServicePoint. Similarly, the administrator roles would manage access to the future CRM, roles, security, and field-level settings based on the user license. Internal users will access the future CRM through a single-sign-on (SSO), which would improve efficiency across the customer service and other collaboration applications. The system will maintain user authentication by requiring specific parameters. DFS would continue using the department's Active Directory to store resource information such as users, servers, and accounts at the department level.

SaaS CRM Customer Service Application

The SaaS solution would be a "customer service" or "service" module that focus on case management, knowledge management, and customer self-service functionalities to address the business need for DFS. The solution would not include full-scale implementation of sales and/or marketing modules. Public users would have an enhanced self-service experience through multiple input channels such as email, phone calls, chat, and web-based browsers (computer and mobile) to submit cases. There are also opportunities for partner portals to update contact information, which would limit the need for manual updates such as the current Company Data Update.

The current system uses Siebel's Assignment Manager to delegate cases, but the infrequent outages led to manual case assignment interventions. In the future state, business users will access a consolidated case management system that can manage a higher case volume and complex case assignment logic based on the relevant users. Currently, ADRM and CCRS users must access two separate portals outside of ServicePoint. By configuring various user groups and profiles, these users have a customized view of the same CRM system. This capability would significantly enhance cross-functional collaboration for all users since they can access knowledge articles and receive different case assignments.

Productivity & Collaboration

Microsoft Office Suite is the current collaboration tool for the business users, and there is a preference to continue using the tools. Business units have utilized SharePoint to save templates, communication materials, and case information. Microsoft Outlook integration can also be advantageous for account and contact management since communication and contact information updates are synced in both Outlook and the CRM application.

Low Code Automation

The CRM's automation abilities will reduce the need for current batch jobs that are used to integrate external applications, data updates, and other business processes. Users can develop various workflows by using "drag and drop" functionality to create complex workflows that are currently only supported by code. Users can also manage the logic and filters that provide suggestions for knowledge management articles, templates, emails, and similar cases. Therefore, users will reduce the time spent on searching for templates for consumer communication materials and/or resolution notes to close the Request Inquiries.

Data Management

In the current system, the data flow from the CAS Schema and the Siebel Schema have led to duplicate data being exported from ReportGen and Microsoft Access. The future state will include an enhanced data management infrastructure that contains a central repository that would eventually replace the Siebel Schema. By having a consolidated modernized database, this will allow other applications, applets, dashboards/reporting to use a single source of truth for data. Furthermore, there are various data import, data export, and cleanup tools limit manual workarounds compared to the current cleanup process for public records information.

Reporting & Analytics

The system will have a new business intelligence tool that would provide enhanced reporting capabilities. Current users have multiple touchpoints with various reporting tools such as Microsoft Access, ServicePoint, and the related applications due to a lack of consolidated analytics environment. The future state will minimize the need to conduct repetitive extracts, updates, and data clean-up. Users will have the opportunity to design dashboards with tabular data that can provide key performance indicators by business units and users. Permission sets can manage how users view and edit the dashboards. Lastly, the customer service application will have pages outside of the primary business intelligence tool that provide "list views," where users can export the report in multiple formats without performing manual queries.

External Systems

During the transformation activities, applications and portals will be migrated in various phases. The CRM application, automation, and the data warehouse will be interconnected. This process may include continuing existing batch jobs that links ServicePoint to external applications until the migration applications are completed.

2. Resource and Summary Level Funding Requirements for Proposed Solution (if known)

The proposed solution will include the following 5-year estimates based on the following cost components: Project Deliverables, Commercial Software, Project Management, Consultants/Contractors, Training, and Project Planning/Analysis. The Commercial Software and Other Service (i.e Operations and Maintenance), were adjusted for year-to-year inflation (3%). The staffing hourly rates are based on Florida State Term Contract rates + a 20% price increase contingency. The implementation timeframe is estimated at one year with an additional four weeks of Hypercare. The table below provides a summary of the costs, and the appendix shows the breakdown with additional cost components that were not applicable to the estimations. The 5-year estimate is approximately $13,909,236.

Cost Component	Year 1	Year 2	Year 3	Year 4	Year 5
Project Deliverables	$4,624,680	$136,960	$0	$0	$0
Commercial Software	$679,680	$700,070	$721,073	$742,705	$764,986

Cost Component	Year 1	Year 2	Year 3	Year 4	Year 5
Project Management	$474,430	$9,080	$0	$0	$0
Training	$98,560	$49,280	$0	$0	$0
Project Planning/Analysis	$997,665	$0	$0	$0	$0
Operations & Maintenance	$55,440	$921,360	$949,001	$977,471	$1,006,795
Yearly Total	**$6,930,455**	**$1,816,750**	**$1,670,074**	**$1,720,176**	**$1,771,781**
Grand Total	**$13,909,236**				

Added five-year total may be slightly different due to rounding

Project Deliverables

Project deliverables include the contracted resources that will be performing the implementation activities. These include resources such as business analysts who would support functional requirements for the CRM and the data migration. Technical architects, product owners, scrum masters, developers, system administrators, and testers would be resources who support the development, test execution, quality assurance, integrations, and data migration activities.

Commercial Software

The commercial software includes the software subscription for the CRM, the omnichannel tools, omnichannel tools, virtual agents, and file-sharing tools. The estimations included the cost of the data center installation and maintenance within the software subscription. The pricing for these services were based on internal users per month or the overall activity in a site per month. The costs do not reflect volume discounts or state specific pricing. The costs reflect a 3% increase each year.

Project Management

Project management resource include the lead roles that manage service delivery. These resources would coordinate tasks with the developers, business analysts, escalate issues, and communicate with the stakeholders. Current DFS employees and contractors can be part of the project management workstream. Majority of the cost will be included within the implementation phase. Year 2 Project Management costs increase due to the inclusion of certain project planning resources that were allocated under Project Management and Analysis from Year 1.

Operations & Maintenance

This cost component includes the Operations and Maintenance managed services. These resources provide help desk activities, configure settings for the internal customers, and provide CRM support after the implementation. DFS employees will utilize these services to navigate the CRM, troubleshoot user issues, and log defect tickets. The cost for these services will overlap with the User Acceptance Testing, Go-Live, and Hypercare phases, which also includes services form the selected technology vendor. However, these resources will continue supporting DFS from Year 2 onwards. The costs reflect a 3% increase each year.

Training

This cost component includes resources to provide training and organizational change management. These resources will conduct training and provide materials needed to support users transitioning to the new solution. The cost for these services will overlap with the Development, User Acceptance Testing, Go-Live, and Hypercare phases.

Project Planning/Analysis

This cost component is allocated towards professional services that will support DFS with the planning for the future state. Potential technology vendors will assess their capabilities against the requirements submitted by DFS. The resources would manage the documentation, communication, and support DFS with their decision for the technology vendor.

E. Capacity Planning (historical and current trends versus projected requirements)

The current system supports more than 300,000 external users and 200 internal DFS users. The touchpoints for these users are scattered across ServicePoint, CCRS, ADRM, and other portals for the external users. The future state system must accommodate the user activity in addition to fluctuations during hurricane season, which increases the volume of requests. Overall, ServicePoint approximately has more than 3,358 tables and 3.19 million records. There are two terabytes of consumer-uploaded files that are in storage, and the state requires a data retention policy for up to 5 years. Therefore, data migration activities will need to be planned in multiple phases. There will be risks to the system uptime since the future state requires significant technology and business transformation.

VII. Schedule IV-B Project Management Planning

Purpose: To require the agency to provide evidence of its thorough project planning and provide the tools the agency will use to carry out and manage the proposed project. The level of detail must be appropriate for the project's scope and complexity.

The primary project management methodology used by DFS is based on the Project Management Institute's Project Management Framework. The DFS Project Manager and the chosen implementation vendor will agree upon an appropriate project management methodology. For DFS there are important Project Management elements to be considered for the CRM Modernization. These Project Management processes include:

— Project Charter that conveys what will be accomplished by the project, signed, and authorized by the Project Executive Sponsor
— Project contract(s)
— Project Management Plan
— Baseline project schedule
— Independent Verification and Validation (IV&V)
— Project Change Management
— Organizational Change Management
— Quality Management
— Project Issues and risk Log

— Financial Management and reporting
— Comply with F.S. 282.0051, 626.307 (10), 627.7015, 627.7074, 627.745, and Chapter 526 as applicable

The use of the project control framework indicated above, together with application of the Project Management Plan, will assist DFS and the potential solution vendor project managers in planning, executing, managing, administering, and controlling all phases of the project.

Control activities will include, but may not be limited to:
— Project Status: Monitoring the project and documenting, evaluating, and resolving issues as they arise and having bi-weekly status meetings to track project progression.
— Project Scope: Making critical decisions based on how the project is progressing and monitoring the scope of the project to mitigate any issues.
— Risk Mitigation: Making decisions based on identified risks to reduce the impact of such risk and documenting all risk and issues with resolutions as they occur.
— Deliverable quality: Proactively confirming and monitoring deliverable quality and taking appropriate actions for deliverables that are not meeting the organizations quality expectations.

KPMG believes that Organizational Change Management is critical for managing a transformation program of this size and complexity. As the implementation is occurring DFS needs to address several major 'over-arching' requirements, including:

— **Unwavering executive commitment and championing** – which includes ensuring the right executive sponsors/stakeholders are engaged, regular steering committee meetings are held, and effective engagement with operating committees to drive decision making

— **Monitoring results & communicating successes** – which includes sequencing of priorities based on value impact and speed, articulating quick wins while working on the broader transformation, and a business case that allows for the tracking of benefits

— **Proven change transformation methodology** – which includes making change management activities an integral part of the program, ensuring that operating model changes are directly aligned with driving benefits, understanding and considering employee impacts, and using visible incentives and recognitions where needed

NOTE: For IT projects with total cost in excess of $10 million, the project scope, business objectives, and timelines described in this section must be consistent with existing or proposed substantive policy required in s. 216.023(4)(a)10, F.S.

VIII. Appendices

Number and include all required spreadsheets along with any other tools, diagrams, charts, etc. chosen to accompany and support the narrative data provided by the agency within the Schedule IV-B.

Appendix A
CBA Form 1 – Net Tangible Benefits

Appendix A

CBAForm 1 - Net Tangible Benefits

Agency: Department of Financial Services   Project: FL DFS CRM Feasibility Study

Net Tangible Benefits - Operational Cost Changes (Costs of Current Operations versus Proposed Operations as a Result of the Project) and Additional Tangible Benefits -- CBAForm 1A

Agency (Recurring Costs Only -- No Project Costs)	FY 2023-24 (a) Existing Program Costs	(b) Operational Cost Change	(c) = (a)+(b) New Program Costs resulting from Proposed Project	FY 2024-25 (a) Existing Program Costs	(b) Operational Cost Change	(c) = (a)+(b) New Program Costs resulting from Proposed Project	FY 2025-26 (a) Existing Program Costs	(b) Operational Cost Change	(c) = (a)+(b) New Program Costs resulting from Proposed Project	FY 2026-27 (a) Existing Program Costs	(b) Cost Change Operational Cost Change	(c) = (a)+(b) New Program Costs resulting from Proposed Project	FY 2027-28 (a) Existing Program Costs	(b) Operational Cost Change	(c) = (a)+(b) New Program Costs resulting from Proposed Project
A. Personnel Costs -- Agency-Managed Staff	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
A.b Total Staff	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
A-1.a. State FTEs (Salaries & Benefits)	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
A-1.b. State FTEs (#)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
A-2.a. OPS Staff (Salaries)	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
A-2.b. OPS (#)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
A-3.a. Staff Augmentation (Contract Cost)	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
A-3.b. Staff Augmentation (# of Contractors)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
B. Application Maintenance Costs	$589,881	$0	$589,881	$589,881	$0	$589,881	$0	$0	$0	$194,400	$0	$194,400	$194,400	$0	$194,400
B-1. Managed Services (Staffing)	$194,400	$0	$194,400	$194,400	$0	$194,400		$0	$0	$194,400	$0	$194,400	$194,400	$0	$194,400
B-2. Hardware	$19,272	$0	$19,272	$19,272	$0	$19,272									
B-3. Software	$207,081	$0	$207,081	$207,081	$0	$207,081	$0			$0			$0		
B-4. Other ReportGen/Applets Maintenance	$169,128	$0	$169,128	$169,128	$0	$169,128	$0			$0			$0		
C. Data Center Provider Costs	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
C-1. Managed Services (Staffing)	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
C-2. Infrastructure	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
C-3. Network / Hosting Services	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
C-4. Disaster Recovery	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
C-5. Other Specify	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
D. Plant & Facility Costs	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
E. Other Costs	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
E-1. Training	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
E-2. Travel	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
E-3. Other Specify	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Total of Recurring Operational Costs	$589,881	$0	$589,881	$589,881	$0	$589,881	$0	$0	$0	$194,400	$0	$194,400	$194,400	$0	$194,400
F. Additional Tangible Benefits:		$0			$0			$0			$0			$0	
F-1. Specify		$0			$0			$0			$0			$0	
F-2. Specify		$0			$0			$0			$0			$0	
F-3. Specify		$0			$0			$0			$0			$0	
Total Net Tangible Benefits:		$0			$0			$0			$0			$0	

CHARACTERIZATION OF PROJECT BENEFIT ESTIMATE -- CBAForm 1B		
Choose Type	**Estimate Confidence**	**Enter % (+/-)**
Detailed/Rigorous ☐	Confidence Level	
Order of Magnitude ☐	Confidence Level	
Placeholder ☐	Confidence Level	

Costs entered into each row are mutually exclusive. Insert rows for detail and modify appropriation categories as necessary, but do not remove any of the provided project cost elements. Reference vendor quotes in the Item Description where applicable. Include only one-time project costs in this table. Include any recurring costs in CBA Form 1A.

Item Description (remove guidelines and annotate entries here)	Project Cost Element	Appropriation Category	Previous Years Project-Related Cost	YR 1 #	YR 1 LBR	YR 1 Base Budget	YR 2 #	YR 2 LBR	YR 2 Base Budget	YR 3 #	YR 3 LBR	YR 3 Base Budget	YR 4 #	YR 4 LBR	YR 4 Base Budget	YR 5 #	YR 5 LBR	YR 5 Base Budget	TOTAL
			$ -		FY2023-24 $ 6,930,455			FY2024-25 $ 1,816,750			FY2025-26 $ 1,670,073			FY2026-27 $ 1,720,176			FY2027-28 $ 1,771,781		TOTAL $ 13,909,235
Costs for all state employees working on the project.	FTE	S&B	$ -	0	$ -	$ -	0.00	$ -	$ -	0.00	$ -	$ -	0.00	$ -	$ -	0.00	$ -	$ -	$ -
Costs for all OPS employees working on the project.	OPS	OPS	$ -	0		$ -	0.00	$ -	$ -	0.00	$ -	$ -	0.00	$ -	$ -	0.00	$ -	$ -	$ -
Staffing costs for personnel using Time & Expense.	Staff Augmentation	Contracted Services	$ -	0	$ -	$ -	0.00	$ -	$ -	0.00	$ -	$ -	0.00	$ -	$ -	0.00	$ -	$ -	$ -
Project management personnel and related deliverables.	Project Management	Contracted Services	$ -	5	$ 474,430.00	$ -	3.00	$ 9,080.00	$ -	0.00	$ -	$ -	0.00	$ -	$ -	0.00	$ -	$ -	$ 483,510
Project oversight to include Independent Verification & Validation (IV&V) personnel and related deliverables.	Project Oversight	Contracted Services	$ -	0	$ -	$ -	0.00	$ -	$ -	0.00	$ -	$ -	0.00	$ -	$ -	0.00	$ -	$ -	$ -
Staffing costs for all professional services not included in other categories.	Consultants/Contractors	Contracted Services	$ -		$ -	$ -	0.00		$ -	0.00	$ -	$ -	0.00	$ -	$ -	0.00	$ -	$ -	$ -
Separate requirements analysis and feasibility study procurements.	Project Planning/Analysis	Contracted Services	$ -	3	$ 997,665.00	$ -	0.00		$ -		$ -	$ -		$ -	$ -		$ -	$ -	$ 997,665
Hardware purchases not included in data center services.	Hardware	OCO	$ -	0	$ -	$ -		$ -	$ -		$ -	$ -		$ -	$ -		$ -	$ -	$ -
Commercial software purchases and licensing costs.	Commercial Software	Contracted Services	$ -		$679,680	$ -		$ 700,070.40	$ -		$ 721,072.51	$ -		$ 742,704.69	$ -		$ 764,985.83	$ -	$ 3,608,513
Professional services with fixed-price costs (i.e. software development, installation, project documentation)	Project Deliverables	Contracted Services	$ -	12	$ 4,624,680.00	$ -	12.00	$ 136,960.00	$ -			$ -			$ -			$ -	$ 4,761,640
All first-time training costs associated with the project.	Training	Contracted Services	$ -	2	$ 98,560.00	$ -	2.00	$ 49,280.00	$ -		$ -	$ -		$ -	$ -		$ -	$ -	$ 147,840
Include the quote received from the data center provider for project equipment and services. Only include one-time project costs in this row. Recurring, project-related data center costs are included in CBA Form 1A.	Data Center Services - One Time Costs	Data Center Category	$ -	0	$ -	$ -		$ -	$ -		$ -	$ -		$ -	$ -		$ -	$ -	$ -
Other contracted services not included in other categories.	Other Services	Contracted Services	$ -	4	$ 55,440.00	$ -	4.00	$ 921,360.00	$ -	4.00	$ 949,000.80	$ -	4.00	$ 977,470.82	$ -	4.00	$ 1,006,794.95	$ -	$ 3,910,067
Include costs for non-state data center equipment required by the project and the proposed solution (insert additional rows as needed for detail)	Equipment	Expense	$ -	0	$ -	$ -		$ -	$ -		$ -	$ -		$ -	$ -		$ -	$ -	$ -
Include costs associated with leasing space for project personnel.	Leased Space	Expense	$ -	0	$ -	$ -		$ -	$ -		$ -	$ -		$ -	$ -		$ -	$ -	$ -
Other project expenses not included in other categories.	Other Expenses	Expense	$ -	0	$ -	$ -		$ -	$ -		$ -	$ -		$ -	$ -		$ -	$ -	$ -
	Total		$ -	26.00	$ 6,930,455	$ -	21.00	$ 1,816,750	$ -	4.00	$ 1,670,073	$ -	4.00	$ 1,720,176	$ -	4.00	$ 1,771,781	$ -	$ 13,909,235

CBAForm 2 - Project Cost Analysis | **Agency** | partment of Financial Servic | **Project** | FL DFS CRM Feasibility Study

PROJECT COST SUMMARY	PROJECT COST SUMMARY (from CBAForm 2A)					TOTAL
	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	
TOTAL PROJECT COSTS (*)	$6,930,455	$1,816,750	$1,670,073	$1,720,176	$1,771,781	$13,909,235
CUMULATIVE PROJECT COSTS (includes Current & Previous Years' Project-Related	$6,930,455	$8,747,205	$10,417,279	$12,137,454	$13,909,235	

Total Costs are carried forward to CBAForm3 Project Investment Summary worksheet.

PROJECT FUNDING SOURCES	PROJECT FUNDING SOURCES - CBAForm 2B					TOTAL
	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	
General Revenue	$0	$0	$0	$0	$0	$0
Trust Fund	$0	$0	$0	$0	$0	$0
Federal Match ☐	$0	$0	$0	$0	$0	$0
Grants ☐	$0	$0	$0	$0	$0	$0
Other ☐ Specify	$0	$0	$0	$0	$0	$0
TOTAL INVESTMENT	$0	$0	$0	$0	$0	$0
CUMULATIVE INVESTMENT	$0	$0	$0	$0	$0	

Characterization of Project Cost Estimate - CBAForm 2C			
Choose Type		Estimate Confidence	Enter % (+/-)
Detailed/Rigorous		Confidence Level	
Order of Magnitude		Confidence Level	
Placeholder		Confidence Level	

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CBAForm 1 - Net Tangible Benefits

| Agency | Department of Financial Service | Project | FL DFS CRM Feasibility Study |

Net Tangible Benefits - Operational Cost Changes (Costs of Current Operations versus Proposed Operations as a Result of the Project) and Additional Tangible Benefits -- CBAForm 1A

Agency (Recurring Costs Only -- No Project Costs)	FY 2023-24 (a) Existing Program Costs	(b) Operational Cost Change	(c) = (a)+(b) New Program Costs resulting from Proposed Project	FY 2024-25 (a) Existing Program Costs	(b) Operational Cost Change	(c) = (a) + (b) New Program Costs resulting from Proposed Project	FY 2025-26 (a) Existing Program Costs	(b) Operational Cost Change	(c) = (a) + (b) New Program Costs resulting from Proposed Project	FY 2026-27 (a) Existing Program Costs	(b) Cost Change Operational Cost Change	(c) = (a) + (b) New Program Costs resulting from Proposed Project	FY 2027-28 (a) Existing Program Costs	(b) Operational Cost Change	(c) = (a) + (b) New Program Costs resulting from Proposed Project
A. Personnel Costs -- Agency-Managed Staff	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
A.b Total Staff	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
A-1.a. State FTEs (Salaries & Benefits)	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
A-1.b. State FTEs (#)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
A-2.a. OPS Staff (Salaries)	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
A-2.b. OPS (#)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
A-3.a. Staff Augmentation (Contract Cost)	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
A-3.b. Staff Augmentation (# of Contractors)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
B. Application Maintenance Costs	$589,881	$0	$589,881	$589,881	$0	$589,881	$0	$0	$0	$194,400	$0	$194,400	$194,400	$0	$194,400
B-1. Managed Services (Staffing)	$194,400	$0	$194,400	$194,400	$0	$194,400		$0	$0	$194,400	$0	$194,400	$194,400	$0	$194,400
B-2. Hardware	$19,272	$0	$19,272	$19,272	$0	$19,272	$0	$0	$0	$0	$0	$0	$0	$0	$0
B-3. Software	$207,081	$0	$207,081	$207,081	$0	$207,081	$0	$0	$0	$0	$0	$0	$0	$0	$0
B-4. Other ReportGen/Applets Maintenance	$169,128	$0	$169,128	$169,128	$0	$169,128	$0	$0	$0	$0	$0	$0	$0	$0	$0
C. Data Center Provider Costs	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
C-1. Managed Services (Staffing)	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
C-2. Infrastructure	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
C-3. Network / Hosting Services	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
C-4. Disaster Recovery	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
C-5. Other Specify	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
D. Plant & Facility Costs	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
E. Other Costs	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
E-1. Training	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
E-2. Travel	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
E-3. Other Specify	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Total of Recurring Operational Costs	$589,881	$0	$589,881	$589,881	$0	$589,881	$0	$0	$0	$194,400	$0	$194,400	$194,400	$0	$194,400
F. Additional Tangible Benefits:		$0			$0			$0			$0			$0	
F-1. Specify		$0			$0			$0			$0			$0	
F-2. Specify		$0			$0			$0			$0			$0	
F-3. Specify		$0			$0			$0			$0			$0	
Total Net Tangible Benefits:		$0			$0			$0			$0			$0	

CHARACTERIZATION OF PROJECT BENEFIT ESTIMATE -- CBAForm 1B		
Choose Type	Estimate Confidence	Enter % (+/-)
Detailed/Rigorous ☐	Confidence Level	
Order of Magnitude ☐	Confidence Level	
Placeholder ☐	Confidence Level	

State of Florida
Cost Benefit Analysis

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T
1	Department of Financial Services	FL DFS CRM Feasibility Study																	CBAForm 2A Baseline Project Budget	
2	*Costs entered into each row are mutually exclusive. Insert rows for detail and modify appropriation categories as necessary, but do not remove any of the provided project cost elements. Reference vendor quotes in the Item Description where applicable. Include only one-time project costs in this table. Include any recurring costs in CBA Form 1A.*				FY2023-24			FY2024-25			FY2025-26			FY2026-27			FY2027-28			TOTAL
3				$ -	$ 6,930,455			$ 1,816,750			$ 1,670,073			$ 1,720,176			$ 1,771,781			$ 13,909,235
4	**Item Description** *(remove guidelines and annotate entries here)*	**Project Cost Element**	**Appropriation Category**	**Current & Previous Years Project-Related Cost**	**YR 1 #**	**YR 1 LBR**	**YR 1 Base Budget**	**YR 2 #**	**YR 2 LBR**	**YR 2 Base Budget**	**YR 3 #**	**YR 3 LBR**	**YR 3 Base Budget**	**YR 4 #**	**YR 4 LBR**	**YR 4 Base Budget**	**YR 5 #**	**YR 5 LBR**	**YR 5 Base Budget**	**TOTAL**
5	Costs for all state employees working on the project.	FTE	S&B	$ -	0 $ -	$ -	$ -	0.00 $ -	$ -	$ -	0.00 $ -	$ -	$ -	0.00 $ -	$ -	$ -	0.00 $ -	$ -	$ -	$ -
6	Costs for all OPS employees working on the project.	OPS	OPS	$ -	0	$ -	$ -	0.00 $ -	$ -	$ -	0.00 $ -	$ -	$ -	0.00 $ -	$ -	$ -	0.00 $ -	$ -	$ -	$ -
7	Staffing costs for personnel using Time & Expense.	Staff Augmentation	Contracted Services	$ -	0 $ -	$ -	$ -	0.00 $ -	$ -	$ -	0.00 $ -	$ -	$ -	0.00 $ -	$ -	$ -	0.00 $ -	$ -	$ -	$ -
8	Project management personnel and related deliverables.	Project Management	Contracted Services	$ -	5 $ 474,430.00	$ -		3.00 $ 9,080.00	$ -		0.00 $ -	$ -		0.00 $ -	$ -		0.00 $ -	$ -		$ 483,510
9	Project oversight to include Independent Verification & Validation (IV&V) personnel and related deliverables.	Project Oversight	Contracted Services	$ -	0 $ -	$ -		0.00 $ -	$ -		0.00 $ -	$ -		0.00 $ -	$ -		0.00 $ -	$ -		$ -
10	Staffing costs for all professional services not included in other categories.	Consultants/Contractors	Contracted Services	$ -		$ -	$ -	0.00	$ -	$ -	0.00 $ -	$ -		0.00 $ -	$ -		0.00 $ -	$ -		$ -
11	Separate requirements analysis and feasibility study procurements.	Project Planning/Analysis	Contracted Services	$ -	3 $ 997,665.00	$ -		0.00	$ -		$ -	$ -		$ -	$ -		$ -	$ -		$ 997,665
12	Hardware purchases not included in data center services.	Hardware	OCO	$ -	0 $ -	$ -		$ -	$ -		$ -	$ -		$ -	$ -		$ -	$ -		$ -
13	Commercial software purchases and licensing costs.	Commercial Software	Contracted Services	$ -		$679,680	$ -		$ 700,070.40	$ -		$ 721,072.51	$ -		$ 742,704.69	$ -		$ 764,985.83	$ -		$ 3,608,513
14	Professional services with fixed-price costs (i.e. software development, installation, project documentation)	Project Deliverables	Contracted Services	$ -	12 $ 4,624,680.00	$ -		12.00 $ 136,960.00	$ -				$ -				$ -			$ -	$ 4,761,640
15	All first-time training costs associated with the project.	Training	Contracted Services	$ -	2 $ 98,560.00	$ -		2.00 $ 49,280.00	$ -		$ -	$ -		$ -	$ -		$ -	$ -		$ 147,840
16	Include the quote received from the data center provider for project equipment and services. Only include one-time project costs in this row. Recurring, project-related data center costs are included in CBA Form 1A.	Data Center Services - One Time Costs	Data Center Category	$ -	0 $ -	$ -		$ -	$ -		$ -	$ -		$ -	$ -		$ -	$ -		$ -
17	Other contracted services not included in other categories.	Other Services	Contracted Services	$ -	4 $ 55,440.00	$ -		4.00 $ 921,360.00	$ -		4.00 $ 949,000.80	$ -		4.00 $ 977,470.82	$ -		4.00 $ 1,006,794.95	$ -		$ 3,910,067
18	Include costs for non-state data center equipment required by the project and the proposed solution (insert additional rows as needed for detail)	Equipment	Expense	$ -	0 $ -	$ -		$ -	$ -		$ -	$ -		$ -	$ -		$ -	$ -		$ -
19	Include costs associated with leasing space for project personnel.	Leased Space	Expense	$ -	0 $ -	$ -		$ -	$ -		$ -	$ -		$ -	$ -		$ -	$ -		$ -
20	Other project expenses not included in other categories.	Other Expenses	Expense	$ -	0 $ -	$ -		$ -	$ -		$ -	$ -		$ -	$ -		$ -	$ -		$ -
21		Total		$ -	26.00 $ 6,930,455	$ -		21.00 $ 1,816,750	$ -		4.00 $ 1,670,073	$ -		4.00 $ 1,720,176	$ -		4.00 $ 1,771,781	$ -		$ 13,909,235

CBAForm 2 - Project Cost Analysis

| Agency | epartment of Financial Service | Project | FL DFS CRM Feasibility Study |

PROJECT COST SUMMARY	PROJECT COST SUMMARY (from CBAForm 2A)					TOTAL
	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	
TOTAL PROJECT COSTS (*)	$6,930,455	$1,816,750	$1,670,073	$1,720,176	$1,771,781	$13,909,235
CUMULATIVE PROJECT COSTS (includes Current & Previous Years' Project-Related Costs)	$6,930,455	$8,747,205	$10,417,279	$12,137,454	$13,909,235	

Total Costs are carried forward to CBAForm3 Project Investment Summary worksheet.

PROJECT FUNDING SOURCES	PROJECT FUNDING SOURCES - CBAForm 2B					TOTAL
	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	
General Revenue	$0	$0	$0	$0	$0	$0
Trust Fund	$0	$0	$0	$0	$0	$0
Federal Match ☐	$0	$0	$0	$0	$0	$0
Grants ☐	$0	$0	$0	$0	$0	$0
Other ☐ Specify	$0	$0	$0	$0	$0	$0
TOTAL INVESTMENT	$0	$0	$0	$0	$0	$0
CUMULATIVE INVESTMENT	$0	$0	$0	$0	$0	

Characterization of Project Cost Estimate - CBAForm 2C		
Choose Type	Estimate Confidence	Enter % (+/-)
Detailed/Rigorous	Confidence Level	
Order of Magnitude	Confidence Level	
Placeholder	Confidence Level	

CBAForm 3 - Project Investment Summary | Agency | Department of Financial Services | Project L DFS CRM Feasibility Stud

COST BENEFIT ANALYSIS -- CBAForm 3A					
	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	TOTAL FOR ALL YEARS
Project Cost	$6,930,455	$1,816,750	$1,670,073	$1,720,176	$1,771,781	$13,909,235
Net Tangible Benefits	$0	$0	$0	$0	$0	$0
Return on Investment	($6,930,455)	($1,816,750)	($1,670,073)	($1,720,176)	($1,771,781)	($13,909,235)
Year to Year Change in Program Staffing	0	0	0	0	0	

RETURN ON INVESTMENT ANALYSIS -- CBAForm 3B		
Payback Period (years)	NO PAYBACK	Payback Period is the time required to recover the investment costs of the project.
Breakeven Fiscal Year	NO PAYBACK	Fiscal Year during which the project's investment costs are recovered.
Net Present Value (NPV)	($12,871,861)	NPV is the present-day value of the project's benefits less costs over the project's lifecycle.
Internal Rate of Return (IRR)	NO IRR	IRR is the project's rate of return.

Investment Interest Earning Yield -- CBAForm 3C					
Fiscal Year	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28
Cost of Capital	3.50%	3.50%	3.60%	3.60%	3.60%

SCHEDULE IV-B FOR FLORIDA PALM

For Fiscal Year 2025-26

September 23, 2024

FLORIDA PALM

Contents

I. Schedule IV-B Cover Sheet

Schedule IV-B Cover Sheet and Agency Project Approval	
Agency: Department of Financial Services	Schedule IV-B Submission Date: September 23, 2024
Project Name: Florida PALM	Is this project included in the Agency's LRPP? __X__ Yes ____ No
FY 2025-26 LBR Issue Code: 36105C0	FY 2025-26 LBR Issue Title: FLAIR System Replacement
Agency Contact for Schedule IV-B (Name, Phone #, and E-mail address): Jimmy Cox, (850) 410-9020, Jimmy.Cox@myfloridacfo.com	
AGENCY APPROVAL SIGNATURES	
I am submitting the attached Schedule IV-B in support of our legislative budget request. I have reviewed the estimated costs and benefits documented in the Schedule IV-B and believe the proposed solution can be delivered within the estimated time for the estimated costs to achieve the described benefits. I agree with the information in the attached Schedule IV-B.	
Agency Head: Printed Name: Jimmy Patronis	Date:
Agency Chief Information Officer (or equivalent): Printed Name: Scott Stewart	Date:
Budget Officer: Printed Name: Teri Madsen	Date:
Planning Officer: Printed Name:	Date:
Project Sponsor: Printed Name: Steven Fielder	Date:
Schedule IV-B Preparers (Name, Phone #, and E-mail address):	
Business Need:	Cornelius Smith, (850) 410 9076, Cornelius.Smith@myfloridacfo.com
Cost Benefit Analysis:	Cornelius Smith, (850) 410 9076, Cornelius.Smith@myfloridacfo.com
Risk Analysis:	Cornelius Smith, (850) 410 9076, Cornelius.Smith@myfloridacfo.com
Technology Planning:	
Project Planning:	

General Guidelines

The Schedule IV-B contains more detailed information on information technology (IT) projects than is included in the D-3A issue narrative submitted with an agency's Legislative Budget Request (LBR). The Schedule IV-B compiles the analyses and data developed by the agency during the initiation and planning phases of the proposed IT project. A Schedule IV-B must be completed for all IT projects when the total cost (all years) of the project is $1 million or more.

Schedule IV-B is not required for requests to:

- Continue existing hardware and software maintenance agreements,
- Renew existing software licensing agreements that are similar to the service level agreements currently in use, or
- Replace desktop units ("refresh") with new technology that is similar to the technology currently in use.
- Contract only for the completion of a business case or feasibility study for the replacement or remediation of an existing IT system or the development of a new IT system.

Documentation Requirements

The type and complexity of an IT project determines the level of detail an agency should submit for the following documentation requirements:

- Background and Strategic Needs Assessment
- Baseline Analysis
- Proposed Business Process Requirements
- Functional and Technical Requirements
- Success Criteria
- Benefits Realization
- Cost Benefit Analysis
- Major Project Risk Assessment
- Risk Assessment Summary
- Current Information Technology Environment
- Current Hardware/Software Inventory
- Proposed Technical Solution
- Proposed Solution Description
- Project Management Planning

Compliance with s. 216.023(4)(a)10, F.S. is also required if the total cost for all years of the project is $10 million or more.

A description of each IV-B component is provided within this general template for the benefit of the Schedule IV-B authors. These descriptions and this guidelines section should be removed prior to the submission of the document.

Sections of the Schedule IV-B may be authored in software applications other than MS Word, such as MS Project and Visio. Submission of these documents in their native file formats is encouraged for proper analysis.

The Schedule IV-B includes two required templates, the Cost Benefit Analysis and Major Project Risk Assessment workbooks. For all other components of the Schedule IV-B, agencies should submit their own planning documents and tools to demonstrate their level of readiness to implement the proposed IT project. It is also necessary to assemble all Schedule IV-B components into one PDF file for submission to the Florida Fiscal Portal and to ensure that all personnel can open component files and that no component of the Schedule has been omitted.

Submit all component files of the agency's Schedule IV-B in their native file formats to the Office of Policy and Budget and the Legislature at IT@LASPBS.STATE.FL.US. Reference the D-3A issue code and title in the subject line.

II. Schedule IV-B Business Case – Strategic Needs Assessment

A. Background and Strategic Needs Assessment

Purpose: To clearly articulate the business-related need(s) for the proposed project.

1. Business Need

The Chief Financial Officer (CFO) is identified as the chief fiscal officer and designated agency head for the Department of Financial Services (Department of DFS) by Article IV, § 4(c), of the Florida Constitution (Fla. Const.) and Chapter 17, section 17.001 and Chapter 20, section 20.21(1), Florida Statutes (F.S.). Section 215.94, F.S., identifies DFS as the functional owner of the Florida Accounting Information Resource Subsystem (FLAIR) and the CFO as the functional owner of the Financial Management Subsystem (FMS). FLAIR and FMS perform various financial and cash management functions. The systems support the business aspects of the Department's Division of Accounting and Auditing (A&A), Division of Treasury (Treasury), and State agency financial accounting.

A capable, flexible, and reliable financial management system is essential for an enterprise the size of Florida. FLAIR is not keeping up with the state's evolving and growing business needs and, as time goes on, the operational risk of relying on FLAIR only increases. Additionally, FLAIR was built using an outdated code base, causing increasing difficulty finding development staff that can support the environment. The limitations with FLAIR and the associated impacts (e.g., proliferation of agency compensating systems and agency unique processes) are not trivial and negatively impact the operational productivity and the financial management of the state.

- The ability of the CFO and DFS to perform their mission is becoming increasingly difficult given the significant limitations with FLAIR. A new financial management system (FMS) is needed and the need for change is supported by the following factors: Organizations have implemented and continue to implement workarounds and financial related business systems to fill "gaps" created by FLAIR limitations. The proliferation of these organization unique processes and compensating financial systems will only continue as business needs change. The result is an increase in operational complexity, maintenance and administrative costs, and increased difficulty for the CFO and DFS to manage the state's financial resources. A secondary impact related to the number of organization unique processes and homegrown systems will be an increased level of complexity to transition to the new FMS.
- FLAIR was developed over 40 years ago and is maintained on an outdated code base and data structure and cannot be sufficiently updated to meet the state's changing business and financial management needs. This is demonstrated by the complexity and limited ability to add data elements, change data elements, etc. The limiting factor is the structure of the programming modules code base.
- Resources needed to maintain FLAIR are scarce and are becoming more limited. The loss of irreplaceable institutional knowledge and lack of qualified resources to support FLAIR increases future operational risk when changes to the system are needed or system issues need to be resolved. Resource knowledge is critical since system documentation may not always reflect the full productive state.
- FLAIR and the Florida Financial Management Information System (FFMIS) subsystems are designed and operated in a way contrary to supporting an enterprise-wide FMS. If the state wants to move towards an enterprise-wide FMS, the state will need to establish a flexible foundation to allow for evolution and to be a catalyst for future statewide operational efficiency and effectiveness efforts.

In accordance with Proviso Section 6, Line 2340A of the 2014 General Appropriations Act (GAA), the Florida Planning, Accounting, and Ledger Management (PALM) Project (Project), formerly known as the FLAIR and CMS Replacement Project, will replace the existing FLAIR and CMS systems with a single, integrated FMS.

In accordance with Section 122 of the 2022 GAA, the Project procured services to conduct an independent assessment for an information warehouse (IW) solution that retains the current historical reporting functionality and data provided by the FLAIR IW and inclusive of PALM data. The recommendation of the assessment was that an Oracle based data warehouse (DW) be implemented by the software and system integrator (SSI) vendor.

Florida PALM Operations currently uses a shared version of ServiceNow (SNow) provided by the SSI vendor through the SSI Contract. The shared instance is used by multiple clients and therefore limited in its ability to provide desired functionality to Florida PALM Production Operations. In 2024, the Project procured services to

implement a State run instance of SNow with the desired functionality. The implementation of this instance of SNow will continue into FY 24-25 and is expected to go live by January of 2025.

Additional funding was established through:

- Chapter 2015-232, Section 6, Line 2331A, Laws of Florida
- Chapter 2016-066, Section 6, Line2317A, Laws of Florida
- Chapter 2017-070, Section 6, Line2334, Laws of Florida
- Chapter 2018-009, Section 6, Line 2332, Laws of Florida
- Chapter 2019-115, Section 6, Line 2422, Laws of Florida
- Chapter 2020-111, Section 6, Line 2389, Laws of Florida
- Chapter 2021-2022, Section 6, Lines 2344 and 2344A, Laws of Florida
- Chapter 2022-2023, Section 6, Lines 2395 and 2396, Laws of Florida
- Chapter 2023-2024, Section 6, Lines 2449A, 2449B and 2450, Laws of Florida
- Chapter 2024-2025, Section 6, Lines 2458, and 2459, Laws of Florida

2. Business Objectives

> *NOTE: For IT projects with total cost in excess of $10 million, the business objectives described in this section must be consistent with existing or proposed substantive policy required in s. 216.023(4)(a)10, F.S.*

The overall vision for the Florida PALM Project is to:

Implement a statewide accounting system to enforce standardization, acts as a scalable foundation to evolve as business needs change, and positions Florida for future innovation as it considers a true enterprise-wide solution.

To achieve this, the goals for the Project are:

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

B. Baseline Analysis

Purpose: To establish a basis for understanding the business processes, stakeholder groups, and current technologies that will be affected by the project and the level of business transformation that will be required for the project to be successful.

1. Current Business Process(es)

The core financial management transaction processing performed today in FLAIR is limited in scope. The limitations of these transactions, due in large part to the technical limitations of FLAIR has led to agencies developing and maintaining their own processes and systems, linked to FLAIR through automated and manual interfaces, to perform their financial management activities. The State currently lacks a set of clearly documented, enterprise level financial management processes and guidelines.

> *NOTE: If an agency has completed a workflow analysis, include through file insertion or attachment the analyses documentation developed and completed by the agency.*

2. Assumptions and Constraints

The Florida PALM Project is operating under the following assumptions:

- There is commitment to the Project goals from all stakeholders.
- The Project budget will be approved each fiscal year of the Project.
- The Project schedule will be used to establish and monitor scope and progress of tasks supporting defined milestones and deliverables.
- Revisions to the Project schedule will follow the established PMP change management process as appropriate.
- The Executive Steering Committee will provide timely decisions on items impacting project scope and schedule.
- All core functionality to be included in the financial management solution will be identified as part of the requirements gathering and finalized in the Requirements Traceability Matrix.
- Changes resulting from significant Legislative, business requirement, or policy changes during the Project that materially impact the Project will follow the change management process as defined in the PMP.
- Software customization will be evaluated on a case-by-case bases; however not all customizations will be implemented.
- The current FLAIR system will function until the FMS is fully implemented in production.
- Historical FLAIR data migration will be limited to only data needed to support the FMS system (e.g., balances, master data) and reporting needs (data warehouse).
- There is a sufficient talent pool within budget from which to hire state resources.
- SSI contractor and state resources will be available to support the Project Schedule.
- There will be sufficient engagement by agencies by resources knowledgeable about agency business processes and technical capabilities.
- There will be sufficient and adequate responses from the vendor community for contracted services.
- Collaborative partnerships with external advisors will focus on value to and success of the Project.
- Agencies will understand and document their internal processes and modify them where possible to accommodate the financial management solution functionality.
- Agencies will understand and document their current state technical architecture and business systems and modify to integrate with the financial management solution.
- Agencies will request and timely receive budget needed to prepare and modify current business systems to integrate.

C. Proposed Business Process Requirements

Purpose: To establish a basis for understanding what business process requirements the proposed solution must meet in order to select an appropriate solution for the project.

1. Proposed Business Process Requirements

Florida PALM's first activity was to develop a single set of standardized statewide business processes. The business process standardization was performed in two analysis steps, Level 1, and Level 2 analysis. These standard processes were reviewed and approved by representatives from all agencies using FLAIR and CMS.

The Level 1 analysis was completed at the end of 2014 to produce business process models along with supporting information identifying key business events, Accounting Events, and internal Control Points across ten business process areas.

The Level 2 analysis used the Level 1 analysis as the foundation in designing the business processes to a greater level of detail including integration points with statewide administrative systems, agency specific business systems, and other third-party systems. The Level 2 Business Process Model also identifies examples of roles and responsibilities for process areas, sub processes, approvals, and internal activities.

These standardized business processes were included as part of the software and system integrator solicitation.

During the Project solution analysis and design activities, the Project further refined the Level 2 Business Process

Models while considering the functionality of the selected Oracle PeopleSoft software. The result was the creation of the Standardized Business Process Models, which were reviewed by all agencies using FLAIR and CMS and were approved by the Executive Steering Committee. The Standardized Business Process Models have been updated for Financials Wave and created for the Payroll Wave and will be published after the system design for those Waves has been completed.

2. Business Solution Alternatives

Florida PALM released a comprehensive ITN on November 1, 2016, to obtain the software and system integrator (SSI) to replace FLAIR and CMS. The ITN was structured to successfully replace the current systems and implement the standardized financial management business processes while obtaining additional benefits from the software and system integrators.

In addition to identifying the best software to perform future financial management transactions, the ITN requested the respondents provide options and recommendations for additional elements of the system including the timing of implementation activities, timing of agency conversions to the new processes and software, and options for the hardware platform and system support.

Accenture LLP presented an offer to provide an SSI consisting of Commercial Off the Shelf (COTS) software from Oracle PeopleSoft.

3. Rationale for Selection

Through the ITN, the Project established a set of comprehensive evaluation criteria which guided the evaluation, negotiation, and contracting for the software, supporting infrastructure solution, implementation approach, and system integrator which will provide the best value to the State.

A public meeting held on June 15, 2018, by the negotiation team recommended an award for SSI services. Accenture LLP was identified as the responsible and responsive Respondent whose Reply was assessed as providing the best value to the State. The CFO decision on the intent to award for SSI services was obtained. A contract was executed on July 20, 2018 and funding for fiscal years one through seven of the contract have been provided. The awarded contract complies with the scope and cost outlined in Proviso.

The system includes COTS Oracle based software that is used by more than a dozen state governments. Limited customizations would allow for easier maintenance.

4. Recommended Business Solution

NOTE: For IT projects with total cost in excess of $10 million, the project scope described in this section must be consistent with existing or proposed substantive policy required in s. 216.023(4) (a) 10, F.S.

The SSI contract between DFS and Accenture LLP outlines a commitment to provide and implement a COTS Oracle PeopleSoft financial management system to replace FLAIR and CMS.

D. Functional and Technical Requirements

Purpose: To identify the functional and technical system requirements that must be met by the project.

The Florida PALM Business Requirements have been developed in conjunction with the Level 2 Standardized Business Process Models. Business Requirements were developed in three cycles and were reviewed by the Executive Steering Committee (ESC) for update and approval.

During the Project solution analysis and design activities, the Project further refined the Business Requirements while considering the functionality of the selected Oracle PeopleSoft software.

In accordance with FY 2022-23 Proviso, the Project went through extensive reviews of the planned Business Requirements. The requirements were updated as part of Amendment 8 to the SSI Contract.

Updates to the requirements were reviewed and approved by the Executive Steering Committee. The Business Requirements, per Amendment 8 to the SSI contract, are available on the project website at Attachment 5.1 - Business Requirements. Subsequent updates have been approved through Project Change Requests (PCRs) approved by the ESC during public meetings. The resulting changes will be incorporated into a future Amendment to the SSI Contract.

III.   Success Criteria

Purpose: To identify the critical results, both outputs and outcomes, that must be realized for the project to be considered a success.

		SUCCESS CRITERIA TABLE		
#	Description of Criteria	How will the Criteria be measured/assessed?	Who benefits?	Realization Date (MM/YY)
1	A financial management solution to replace CMS is implemented.	Successful execution of a software and system integrator contract. Successful completion of CMS Wave implementation. Successful cutover of first agency onto the CMS replacement component of the new solution.	DFS and State Agencies	07/21
2	A financial management solution to replace Central and Departmental FLAIR is implemented.	Successful implementation of the in-scope Financials (Central and Departmental) functionality.	DFS and State Agencies	01/26
3	A financial management solution to replace Payroll component of FLAIR is implemented.	Successful implementation of the in-scope Payroll functionality.	DFS and State Agencies	01/26
4	A data warehouse and reporting solution to replace the FLAIR Information Warehouse is implemented.	Successful implementation of the in-scope data warehouse functionality.	DFS and State Agencies	01/26

IV.   Schedule IV-B Benefits Realization and Cost Benefit Analysis

A. Benefits Realization Table

Purpose: To calculate and declare the tangible benefits compared to the total investment of resources needed to support the proposed IT project.

For each tangible benefit, identify the recipient of the benefit, how and when it is realized, how the realization will be measured, and how the benefit will be measured to include estimates of tangible benefit amounts.

		BENEFITS REALIZATION TABLE			
#	Description of Benefit	Who receives the benefit?	How is benefit realized?	How is the realization of the benefit measured?	Realization Date (MM/YY)
1	Reduction of the State's financial risk exposure through technology built on the premises of scalability, flexibility, and maintainability.	DFS	Increase in flexibility to scale the system allows for the implementation of new functions in the future. Decrease in risk of system incidents due to a widely used enterprise resource planning solution. Increase in System Availability.	With each Wave, Florida PALM will work with the contractor to document the benefits achieved.	Within 12-18 months following implementation
2	Improvement in the State's decision making by capturing a consistent and an expandable set of data.	DFS, Policymakers, and State Agencies	Increase in cleanliness of master data due to standardized and centralized data repositories.	With each Wave, Florida PALM will work with the contractor to document the benefits achieved.	Within 12-18 months following implementation
3	Improvement in the State's financial management and accounting capabilities to enable more accurate oversight of budget and cash demands today and into the future.	DFS, Policymakers, and State Agencies	Increase accessibility of the system due to cloud infrastructure and mobile device compatibility. Enhanced reporting for cash balances and bank accounts.	With each Wave, Florida PALM will work with the contractor to document the benefits achieved.	Within 12-18 months following implementation

BENEFITS REALIZATION TABLE				
4	Increase of internal controls by enabling standardization and automation of business processes within and between DFS and the State's other governmental agencies.	DFS and State Agencies	Increase internal controls to ensure proper approvals for related financial transactions.	With each Wave, Florida PALM will work with the contractor to document the benefits achieved.	Within 12-18 months following implementation

B. Cost Benefit Analysis (CBA)

Purpose: To provide a comprehensive financial prospectus specifying the project's tangible benefits, funding requirements, and proposed source(s) of funding.

The chart below summarizes the required CBA Forms which are included as Appendix A on the Florida Fiscal Portal and must be completed and submitted with the Schedule IV-B.

Cost Benefit Analysis	
Form	**Description of Data Captured**
CBA Form 1 - Net Tangible Benefits	Agency Program Cost Elements: Existing program operational costs versus the expected program operational costs resulting from this project. The agency needs to identify the expected changes in operational costs for the program(s) that will be impacted by the proposed project. Tangible Benefits: Estimates for tangible benefits resulting from implementation of the proposed IT project, which correspond to the benefits identified in the Benefits Realization Table. These estimates appear in the year the benefits will be realized.
CBA Form 2 - Project Cost Analysis	Baseline Project Budget: Estimated project costs. Project Funding Sources: Identifies the planned sources of project funds, e.g., General Revenue, Trust Fund, Grants. Characterization of Project Cost Estimate.
CBA Form 3 - Project Investment Summary	Investment Summary Calculations: Summarizes total project costs and net tangible benefits and automatically calculates: • Return on Investment • Payback Period • Breakeven Fiscal Year • Net Present Value • Internal Rate of Return

V. Schedule IV-B Major Project Risk Assessment

Purpose: To provide an initial high-level assessment of overall risk incurred by the project to enable appropriate risk mitigation and oversight and to improve the likelihood of project success. The risk assessment summary identifies the overall level of risk associated with the project and provides an assessment of the project's

alignment with business objectives.

> *NOTE: All multi-year projects must update the Risk Assessment Component of the Schedule IV-B along with any other components that have been changed from the original Feasibility Study.*

The Risk Assessment Tool and Risk Assessment Summary are included in Appendix B on the Florida Fiscal Portal and must be completed and submitted with the agency's Schedule IV-B. After answering the questions on the Risk Assessment Tool, the Risk Assessment Summary is automatically populated.

VI.   Schedule IV-B Technology Planning

Purpose: To ensure there is close alignment with the business and functional requirements and the selected technology.

A. Current Information Technology Environment

1. Current System

a. Description of Current System

FLAIR is the State's accounting system. It supports the accounting and financial management functions for the State's CFO including budget posting, receipt and disbursement of funds, payroll processing and employee portal, and the accounting information for the State's Annual Comprehensive Financial Report (ACFR).

FLAIR consists of the following components:

- Payroll (PYRL): Processes the State's payroll. Payroll capabilities are contained within FLAIR.
- Central Accounting: Maintains cash basis records and is used by the CFO to ensure expenditures are made in accordance with the legislative appropriations. It contains cash balances and budget records as well as supports tax reporting; it is not a comprehensive General Ledger.
- Departmental Accounting: Maintains agencies' accounting records and is utilized at the end of each fiscal year to prepare financial statements in accordance with generally accepted accounting principles.
- Information Warehouse: A data repository and reporting system allowing users to access Central Accounting information, most Departmental Accounting information and some Payroll information in FLAIR. The IW receives data from Central FLAIR, Departmental FLAIR, and Payroll.

FLAIR was implemented in the early 1980s based on source code from the 1970s. It runs on a mainframe and is used by state agencies with approximately 14,000+ individual users at 400+ accounting office sites throughout the State. FLAIR supports the financial oversight management of the State's $113 billion budget and processes more than 95 million accounting transactions annually. FLAIR also pays 180,000 State personnel and retirees annually.

FLAIR is primarily a batch system, accessed via terminal emulation with no graphical interface. The mainframe and related database and software technology are difficult to maintain and do not fit with the Department's desired hardware and software platform standards. The current FLAIR architecture is neither flexible nor adaptable. The "siloed" design between FLAIR components presents challenges in making modifications and is not conducive to supporting the industry standard required number of instances necessary to support enterprise applications.

Beginning in July 2021, Florida PALM replaced the legacy Cash Management System (CMS). Some legacy processes were retired, while others were changed or created to support the exchange of information between Florida PALM, banks, Central FLAIR, Departmental FLAIR, Department of Revenue, and the Information Warehouse. DFS uses Florida PALM for enterprise activities, while agencies have a limited role for CMS Wave.

Treasury uses Florida PALM to manage bank account activities and recording accounting entries for investments. Florida PALM receives interfaces from Central FLAIR and the banks to record the cash inflow and outflow information from agency and bank activities. This information is used to maintain cash balances by agency and fund, that are reconciled to the bank account balances. Florida PALM provides transaction status information provided by the banks to Central FLAIR and other business systems to support legacy processes and reports. Treasury uses Florida PALM to record investment accounting entries to support apportioning interest to agencies and pool participants.

A&A maintains the Florida PALM Chart of Accounts (COA) and crosswalk tool. Agencies or DFS business owners may request updates or additions to values needed in operations, which must be updated in Florida PALM and on the crosswalk tool before these values can be used successfully. The COA and crosswalk require ongoing maintenance and monitoring.

Agencies continue to use Departmental FLAIR for daily activities. Agencies use Florida PALM to initiate trust fund disinvestments and for reports. Agencies also use Florida PALM reports to support activities required in Departmental FLAIR for bank deposits and adjustments, and allocated interest earnings. The Department of Revenue makes deposits at the bank on behalf of other agencies and transmits that information to Florida PALM.

b. Current System Resource Requirements

FLAIR is constantly subject to changes from federal and state mandates including IRS yearly mandates, new legislative programs, and impacts due to changes in enterprise (e.g., MFMP) and agency systems. As state resources have retired or left, it is increasingly difficult to attract the required skills to backfill these resources. There is a shortage of skilled resources in the marketplace in these legacy technologies and they come with significant salary expectations in this competitive labor market. The loss of the expertise makes the ongoing support of the FLAIR application increasingly more challenging. It is very difficult to replace the 30 years of knowledge the retiring employee had with a short transition period to a new hire. There will be continued loss of experienced staff over the next three years. The magnitude of the skills lost, and the pace of this loss increases the strain on the remaining FLAIR team.

c. Current System Performance

FLAIR currently meets the minimum requirements to manage the accounts of the State and is not meeting the needs of DFS or the state's agencies. Some of the major concerns that agencies have with FLAIR include:

- Agencies have financial management needs which are not being met by FLAIR and have therefore implemented their own systems to meet these needs.

- The current design of FLAIR creates complex manual processing requirements and produces delays in processing times.

- Integration with FLAIR is technically difficult, and the technology used causes limitations to agency functionality.

Agencies have had to develop reporting capabilities and workaround solutions due to limitations in FLAIR.

For additional information on current system performance and limitations, refer to Appendix 1, the FLAIR Study:

- Chapter 1, Section 1.3 Current State Performance

- Chapter 2, Section 2.2.1.2 Summary of Agency Information

2. Information Technology Standards

FLAIR is the system of record for the State of Florida financial transactions. The current nightly batch process takes most of the night and can therefore only run one time in a 24-hour cycle, presenting a significant limitation to user productivity and causing some complex transactions to take up to five days to process.

FLAIR is over 40-years old running on an IBM z114 2818-W03 mainframe supported at the DFS data center. FLAIR was custom developed beginning in the 1970s, implemented in the 1980s, and continues to be supported by the Department's Office of Information Technology. The FLAIR components were developed separately and rely on batch interfaces to transfer data between them. The Departmental FLAIR, Central FLAIR, and Payroll components utilize Adaptable Database Management System (ADABAS) for the database and Natural and COBOL as the programming languages. FLAIR nightly batch processes are run on the IBM mainframe using Job Control Language (JCL). The IW utilizes IBM DB2 software for the database and WebFOCUS reporting tools.

B. Current Hardware and/or Software Inventory

> *NOTE: Current customers of the state data center would obtain this information from the data center.*

C. Proposed Technical Solution

1. Technical Solution Alternatives

Florida PALM released a comprehensive ITN on November 1, 2016, to obtain the software and system integrator (SSI) to replace FLAIR and CMS. The ITN was structured to successfully replace the current systems and implement the standardized financial management business processes while obtaining additional benefits from the software and system integrators.

In addition to identifying the best software to perform future financial management transactions, the ITN requested the respondents provide options and recommendations for additional elements of the system including the timing of implementation activities, timing of agency conversions to the new processes and software, and options for the hardware platform and system support.

Accenture LLP presented an offer to provide an SSI consisting of Commercial Off the Shelf (COTS) software from Oracle PeopleSoft.

2. Rationale for Selection

Through the ITN, the Project established a set of comprehensive evaluation criteria which guided the evaluation, negotiation, and contracting for the software, supporting infrastructure solution, implementation approach, and system integrator which will provide the best value to the State.

A public meeting held on June 15, 2018, by the negotiation team recommended an award for SSI services. Accenture LLP was identified as the responsible and responsive Respondent whose Reply was assessed as providing the best value to the State. The CFO decision on the intent to award for SSI services was obtained. A contract was executed on July 20, 2018. The awarded contract is in compliance with the scope and cost outlined in Proviso.

The system includes COTS Oracle based software that is used by more than a dozen state governments. Limited customizations would allow for easier maintenance.

3. Recommended Technical Solution

The SSI contract between DFS and Accenture LLP outlines a commitment to provide and implement a COTS Oracle PeopleSoft solution to replace FLAIR and CMS, and an Oracle Analytics Cloud (OAC) solution to replace the Information Warehouse (IW).

To address recommendations from the Independent Verification and Validation (IV&V) vendor in their Comprehensive Assessment report released in March 2023 regarding ticket and customer tracking and management, the Department has procured and is currently implementing a State-run instance of an information technology service management (ITSM) tool for Florida PALM Operations.

D. Proposed Solution Description

1. Summary Description of Proposed System

Accenture LLC has been awarded a contract to replace FLAIR and CMS with COTS, Oracle PeopleSoft, which will meet the State's business needs and the identified functional and technical requirements as outlined above. The contract was amended to include scope to replace the IW.

2. Resource and Summary Level Funding Requirements for Proposed Solution (if known)

Payment for contracted services is based upon a fixed deliverable schedule. The total current projected cost of the contract is $235,317,056 over nine years. The total expense of implementing the SSI is expected to be less than the cost projection indicated in Option 3 of the FLAIR Study.

E. Capacity Planning
(historical and current trends versus projected requirements)

VII. Schedule IV-B Project Management Planning

Purpose: To require the agency to provide evidence of its thorough project planning and provide the tools the agency will use to carry out and manage the proposed project. The level of detail must be appropriate for the project's scope and complexity.

Include through file insertion or attachment the agency's project management plan and any associated planning tools/documents.

> *NOTE: For IT projects with total cost in excess of $10 million, the project scope, business objectives, and timelines described in this section must be consistent with existing or proposed substantive policy required in s. 216.023(4)(a)10, F.S.*

The Florida PALM Project is following a structured approach to manage the design, development, and implementation activities of the project. Appendix 2 contains the current Project Management Plan (PMP) outlining the control and project execution elements currently in place. The current Florida PALM PMP is compliant with FDS project management standards and includes the following sections:

- Performance Management
- Cost Management
- Schedule Management
- Quality Management
- Procurement Management
- Resource Management
- Change Management
- Risk Management
- Communication Management
- Issue Management
- Decision Management
- Deliverable Management
- Action Item Management
- Lessons Learned Management

Florida PALM has a formal governance process to guide its decision making. This process includes an Executive Steering Committee with representation from multiple stakeholder agencies. The Florida PALM governance processes are documented in the Project Charter. (Appendix 3 – Florida PALM Project Charter)

VIII. Appendices

- Appendix 1 – FLAIR Study
- Appendix 2 – Florida PALM Project Management Plan
- Appendix 3 – Florida PALM Project Charter

CBAForm 1 - Net Tangible Benefits

Agency	DFS	Project	Florida PALM

Net Tangible Benefits - Operational Cost Changes (Costs of Current Operations versus Proposed Operations as a Result of the Project) and Additional Tangible Benefits -- CBAForm 1A

Agency *(Recurring Costs Only -- No Project Costs)*	FY 2025-26			FY 2026-27			FY 2027-28			FY 2028-29			FY 2029-30		
	(a) Existing Program Costs	(b) Operational Cost Change	(c) = (a)+(b) New Program Costs resulting from Proposed Project	(a) Existing Program Costs	(b) Operational Cost Change	(c) = (a) + (b) New Program Costs resulting from Proposed Project	(a) Existing Program Costs	(b) Operational Cost Change	(c) = (a) + (b) New Program Costs resulting from Proposed Project	(a) Existing Program Costs	(b) Cost Change Operational Cost Change	(c) = (a) + (b) New Program Costs resulting from Proposed Project	(a) Existing Program Costs	(b) Operational Cost Change	(c) = (a) + (b) New Program Costs resulting from Proposed Project
A. Personnel Costs -- Agency-Managed Staff	$14,098,086	$4,548,310	$18,646,396	$18,646,396	$0	$18,646,396	$18,646,396	$0	$18,646,396	$0	$0	$0	$0	$0	$0
A.b Total Staff	87.00	21.00	108.00	108.00	0.00	108.00	108.00	0.00	108.00	0.00	0.00	0.00	0.00	0.00	0.00
A-1.a. State FTEs (Salaries & Benefits)	$9,886,462	$2,918,334	$12,804,796	$12,804,796	$0	$12,804,796	$12,804,796	$0	$12,804,796	$0	$0	$0	$0	$0	$0
A-1.b. State FTEs (#)	71.00	20.00	91.00	91.00	0.00	91.00	91.00	0.00	91.00	0.00	0.00	0.00	0.00	0.00	0.00
A-2.a. OPS Staff (Salaries)	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
A-2.b. OPS (#)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
A-3.a. Staff Augmentation (Contract Cost)	$4,211,624	$1,629,976	$5,841,600	$5,841,600	$0	$5,841,600	$5,841,600	$0	$5,841,600	$0	$0	$0	$0	$0	$0
A-3.b. Staff Augmentation (# of Contractors)	16.00	1.00	17.00	17.00	0.00	17.00	17.00	0.00	17.00	0.00	0.00	0.00	0.00	0.00	0.00
B. Application Maintenance Costs	$11,879,389	$3,455,630	$15,335,019	$15,335,019	$4,026,805	$19,361,823	$19,361,823	-$13,667,883	$5,693,940	$0	$0	$0	$0	$0	$0
B-1. Managed Services (Staffing)	$9,243,877	$2,657,189	$11,901,066	$11,901,066	$3,756,596	$15,657,662	$15,657,662	-$13,786,339	$1,871,323	$0	$0	$0	$0	$0	$0
B-2. Hardware	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
B-3. Software (Oracle & ServiceNow)	$2,581,673	$736,441	$3,318,113	$3,318,113	$268,209	$3,586,322	$3,586,322	$116,456	$3,702,778	$0	$0	$0	$0	$0	$0
B-4. Other Production Support Admin	$53,839	$62,000	$115,839	$115,839	$2,000	$117,839	$117,839	$2,000	$119,839	$0	$0	$0	$0	$0	$0
C. Data Center Provider Costs	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
C-1. Managed Services (Staffing)	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
C-2. Infrastructure	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
C-3. Network / Hosting Services	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
C-4. Disaster Recovery	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
C-5. Other	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
D. Plant & Facility Costs	$545,416	$2,600	$548,016	$548,016	$2,624	$550,640	$550,640	$2,712	$553,352	$0	$0	$0	$0	$0	$0
E. Other Costs	$242,587	$0	$242,587	$242,587	$0	$242,587	$242,587	$0	$242,587	$0	$0	$0	$0	$0	$0
E-1. Training	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
E-2. Travel	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
E-3. Other HR Transfers, Risk Management, and	$242,587	$0	$242,587	$242,587	$0	$242,587	$242,587	$0	$242,587	$0	$0	$0	$0	$0	$0
Total of Recurring Operational Costs	$26,765,478	$8,006,539	$34,772,017	$34,772,017	$4,029,429	$38,801,446	$38,801,446	-$13,665,171	$25,136,275	$0	$0	$0	$0	$0	$0
F. Additional Tangible Benefits:		$0			$0			$0			$0			$0	
F-1. Specify		$0			$0			$0			$0			$0	
F-2. Specify		$0			$0			$0			$0			$0	
F-3. Specify		$0			$0			$0			$0			$0	
Total Net Tangible Benefits:		($8,006,539)			($4,029,429)			$13,665,171			$0			$0	

CHARACTERIZATION OF PROJECT BENEFIT ESTIMATE -- CBAForm 1B			
Choose Type		Estimate Confidence	Enter % (+/-)
Detailed/Rigorous	☐	Confidence Level	
Order of Magnitude	☐	Confidence Level	
Placeholder	☐	Confidence Level	

DFS — Florida PALM — CBAForm 2A Baseline Project Budget

Costs entered into each row are mutually exclusive. Insert rows for detail and modify appropriation categories as necessary, but do not remove any of the provided project cost elements. Reference vendor quotes in the Item Description where applicable. Include only one-time project costs in this table. Include any recurring costs in CBA Form 1A.

Item Description (remove guidelines and annotate entries here)	Project Cost Element	Appropriation Category	Current & Previous Years Project-Related Cost	YR 1 #	YR 1 LBR	YR 1 Base Budget	YR 2 #	YR 2 LBR	YR 2 Base Budget	YR 3 #	YR 3 LBR	YR 3 Base Budget	YR 4 #	YR 4 LBR	YR 4 Base Budget	YR 5 #	YR 5 LBR	YR 5 Base Budget	TOTAL
			$ 148,721,620		$ 24,801,800			$ 3,997,600			$ 30,000			$ -			$ -		$ 177,551,020
					FY2025-26			FY2026-27			FY2027-28			FY2028-29			FY2029-30		TOTAL
Costs for all state employees working on the project.	FTE	S&B	$ -	0.00	$ -	$ -	0.00	$ -	$ -	0.00	$ -	$ -	0.00	$ -	$ -	0.00	$ -	$ -	$ -
Costs for all OPS employees working on the project.	OPS	OPS	$ -	0.00		$ -	0.00	$ -	$ -	0.00	$ -	$ -	0.00	$ -	$ -	0.00	$ -	$ -	$ -
Staffing costs for personnel using Time & Expense.	Staff Augmentation	Contracted Services	$ -	0.00	$ -	$ -	0.00	$ -	$ -	0.00	$ -	$ -	0.00	$ -	$ -	0.00	$ -	$ -	$ -
Project management personnel and related deliverables.	Project Management	Contracted Services	$ -	0.00	$ -	$ -	0.00	$ -	$ -	0.00	$ -	$ -	0.00	$ -	$ -	0.00	$ -	$ -	$ -
Project oversight to include Independent Verification & Validation (IV&V) personnel and related deliverables.	Project Oversight	Contracted Services	$ 11,678,679	0.00	$ -	$ -	0.00	$ -	$ -	0.00	$ -	$ -	0.00	$ -	$ -	0.00	$ -	$ -	$ 11,678,679
Staffing costs for all professional services not included in other categories.	Consultants/Contractors - ITSM, IW	Contracted Services	$ 1,260,891	0.00	$ -	$ -	0.00	$ -	$ -	0.00	$ -	$ -	0.00	$ -	$ -	0.00	$ -	$ -	$ 1,260,891
Separate requirements analysis and feasibility study procurements.	Project Planning/Analysis	Contracted Services	$ 299,135		$ -	$ -		$ -	$ -		$ -	$ -		$ -	$ -		$ -	$ -	$ 299,135
Hardware purchases not included in data center services.	Hardware	OCO	$ -		$ -	$ -		$ -	$ -		$ -	$ -		$ -	$ -		$ -	$ -	$ -
Commercial software purchases and licensing costs.	Commercial Software	Contracted Services	$ -		$ -	$ -		$ -	$ -		$ -	$ -		$ -	$ -		$ -	$ -	$ -
Professional services with fixed-price costs (i.e. software development, installation, project documentation)	Project Deliverables	Contracted Services	$ 135,482,915		$ 24,801,800	$ -		$ 3,997,600	$ -		$ 30,000	$ -		$ -	$ -		$ -	$ -	$ 164,312,315
All first-time training costs associated with the project.	Training	Contracted Services	$ -		$ -	$ -		$ -	$ -		$ -	$ -		$ -	$ -		$ -	$ -	$ -
Include the quote received from the data center provider for project equipment and services. Only include one-time project costs in this row. Recurring, project-related data center costs are included in CBA Form 1A.	Data Center Services - One Time Costs	Data Center Category	$ -		$ -	$ -		$ -	$ -		$ -	$ -		$ -	$ -		$ -	$ -	$ -
Other contracted services not included in other categories.	Other Services	Contracted Services	$ -		$ -	$ -		$ -	$ -		$ -	$ -		$ -	$ -		$ -	$ -	$ -
Include costs for non-state data center equipment required by the project and the proposed solution (insert additional rows as needed for detail)	Equipment	Expense	$ -		$ -	$ -		$ -	$ -		$ -	$ -		$ -	$ -		$ -	$ -	$ -
Include costs associated with leasing space for project personnel.	Leased Space	Expense	$ -		$ -	$ -		$ -	$ -		$ -	$ -		$ -	$ -		$ -	$ -	$ -
Other project expenses not included in other categories.	Other Expenses	Expense	$ -		$ -	$ -		$ -	$ -		$ -	$ -		$ -	$ -		$ -	$ -	$ -
	Total		$ 148,721,620	0.00	$ 24,801,800	$ -	0.00	$ 3,997,600	$ -	0.00	$ 30,000	$ -	0.00	$ -	$ -	0.00	$ -	$ -	$ 177,551,020

CBAForm 2 - Project Cost Analysis

Agency	DFS	Project	Florida PALM

PROJECT COST SUMMARY	PROJECT COST SUMMARY (from CBAForm 2A)					TOTAL
	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	
TOTAL PROJECT COSTS (*)	$24,801,800	$3,997,600	$30,000	$0	$0	$177,551,020
CUMULATIVE PROJECT COSTS (includes Current & Previous Years' Project-Related Costs)	$173,523,420	$177,521,020	$177,551,020	$177,551,020	$177,551,020	
Total Costs are carried forward to CBAForm3 Project Investment Summary worksheet.						

PROJECT FUNDING SOURCES	PROJECT FUNDING SOURCES - CBAForm 2B					TOTAL
	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	
General Revenue	$ 49,687,355	$ 32,912,584	$ 15,279,813	$0	$0	$97,879,753
Trust Fund	$9,886,462	$9,886,462	$9,886,462	$0	$0	$29,659,386
Federal Match ☐	$0	$0	$0	$0	$0	$0
Grants ☐	$0	$0	$0	$0	$0	$0
Other ☐ Specify	$0	$0	$0	$0	$0	$0
TOTAL INVESTMENT	$59,573,817	$42,799,046	$25,166,275	$0	$0	$127,539,139
CUMULATIVE INVESTMENT	$59,573,817	$102,372,863	$127,539,139	$127,539,139	$127,539,139	

Characterization of Project Cost Estimate - CBAForm 2C		
Choose Type	Estimate Confidence	Enter % (+/-)
Detailed/Rigorous	Confidence Level	
Order of Magnitude	Confidence Level	
Placeholder	Confidence Level	

CBAForm 3 - Project Investment Summary | Agency | DFS | Project | Florida PALM

COST BENEFIT ANALYSIS -- CBAForm 3A					
	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	TOTAL FOR ALL YEARS
Project Cost	$24,801,800	$3,997,600	$30,000	$0	$0	$177,551,020
Net Tangible Benefits	($8,006,539)	($4,029,429)	$13,665,171	$0	$0	$1,629,203
Return on Investment	($181,529,959)	($8,027,029)	$13,635,171	$0	$0	($175,921,818)
Year to Year Change in Program Staffing	21	0	0	0	0	

RETURN ON INVESTMENT ANALYSIS -- CBAForm 3B		
Payback Period (years)	NO PAYBACK	Payback Period is the time required to recover the investment costs of the project.
Breakeven Fiscal Year	NO PAYBACK	Fiscal Year during which the project's investment costs are recovered.
Net Present Value (NPV)	($171,595,816)	NPV is the present-day value of the project's benefits less costs over the project's lifecycle.
Internal Rate of Return (IRR)	-74.72%	IRR is the project's rate of return.

Investment Interest Earning Yield -- CBAForm 3C					
Fiscal Year	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29
Cost of Capital	2.90%	3.10%	3.30%	3.40%	3.50%

	B	C	D	E	F	G	H
3	**Project**		*Florida PALM*				
4							
5	**Agency**		*DFS*				
6	**FY 2025-26 LBR Issue Code:**		**FY 2025-26 LBR Issue Title:**				
7	*36105C0*		*FLAIR Replacement*				
8	**Risk Assessment Contact Info (Name, Phone #, and E-mail Address):**						
9	*Tommy Werner, (850) 410-9062, tommy.werner@myfloridacfo.com*						
10	**Executive Sponsor**		*Steven Fielder*				
11	**Project Manager**		*Jimmy Cox*				
12	Prepared By		*Cornelius Smith*			*09/23/2024*	

Risk Assessment Summary

Business Strategy — Most Aligned (top) to Least Aligned (bottom)

Level of Project Risk — Least Risk (left) to Most Risk (right)

(plotted point located upper-right quadrant)

Project Risk Area Breakdown

Risk Assessment Areas	Risk Exposure
Strategic Assessment	**MEDIUM**
Technology Exposure Assessment	**MEDIUM**
Organizational Change Management Assessment	**HIGH**
Communication Assessment	**LOW**
Fiscal Assessment	**MEDIUM**
Project Organization Assessment	**MEDIUM**
Project Management Assessment	**LOW**
Project Complexity Assessment	**HIGH**
Overall Project Risk	**MEDIUM**

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	B	C	D	E
1	Agency: DFS			Project: Florida PALM
3		Section 1 -- Strategic Area		
4	**#**	**Criteria**	**Values**	**Answer**
5	1.01	Are project objectives clearly aligned with the agency's legal mission?	0% to 40% -- Few or no objectives aligned	81% to 100% -- All or nearly all objectives aligned
6			41% to 80% -- Some objectives aligned	
7			81% to 100% -- All or nearly all objectives aligned	
8	1.02	Are project objectives clearly documented and understood by all stakeholder groups?	Not documented or agreed to by stakeholders	Documented with sign-off by stakeholders
9			Informal agreement by stakeholders	
10			Documented with sign-off by stakeholders	
11	1.03	Are the project sponsor, senior management, and other executive stakeholders actively involved in meetings for the review and success of the project?	Not or rarely involved	Project charter signed by executive sponsor and executive team actively engaged in steering committee meetings
12			Most regularly attend executive steering committee meetings	
13			Project charter signed by executive sponsor and executive team actively engaged in steering committee meetings	
14	1.04	Has the agency documented its vision for how changes to the proposed technology will improve its business processes?	Vision is not documented	Vision is completely documented
15			Vision is partially documented	
16			Vision is completely documented	
17	1.05	Have all project business/program area requirements, assumptions, constraints, and priorities been defined and documented?	0% to 40% -- Few or none defined and documented	81% to 100% -- All or nearly all defined and documented
18			41% to 80% -- Some defined and documented	
19			81% to 100% -- All or nearly all defined and documented	
20	1.06	Are all needed changes in law, rule, or policy identified and documented?	No changes needed	Changes are identified and documented
21			Changes unknown	
22			Changes are identified in concept only	
23			Changes are identified and documented	
24			Legislation or proposed rule change is drafted	
25	1.07	Are any project phase or milestone completion dates fixed by outside factors, e.g., state or federal law or funding restrictions?	Few or none	Few or none
26			Some	
27			All or nearly all	
28	1.08	What is the external (e.g. public) visibility of the proposed system or project?	Minimal or no external use or visibility	Moderate external use or visibility
29			Moderate external use or visibility	
30			Extensive external use or visibility	
31	1.09	What is the internal (e.g. state agency) visibility of the proposed system or project?	Multiple agency or state enterprise visibility	Multiple agency or state enterprise visibility
32			Single agency-wide use or visibility	
33			Use or visibility at division and/or bureau level only	
34	1.10	Is this a multi-year project?	Greater than 5 years	Greater than 5 years
35			Between 3 and 5 years	
36			Between 1 and 3 years	
37			1 year or less	

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1_Strategic

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	B	C	D	E
1	Agency: DFS			Project: Florida PALM
3	Section 2 -- Technology Area			
4	#	Criteria	Values	Answer
5	2.01	Does the agency have experience working with, operating, and supporting the proposed technical solution in a production environment?	Read about only or attended conference and/or vendor presentation	Installed and supported production system more than 3 years
6			Supported prototype or production system less than 6 months	
7			Supported production system 6 months to 12 months	
8			Supported production system 1 year to 3 years	
9			Installed and supported production system more than 3 years	
10	2.02	Does the agency's internal staff have sufficient knowledge of the proposed technical solution to implement and operate the new system?	External technical resources will be needed for implementation and operations	External technical resources will be needed for implementation and operations
11			External technical resources will be needed through implementation only	
12			Internal resources have sufficient knowledge for implementation and operations	
13	2.03	Have all relevant technical alternatives/ solution options been researched, documented and considered?	No technology alternatives researched	All or nearly all alternatives documented and considered
14			Some alternatives documented and considered	
15			All or nearly all alternatives documented and considered	
16	2.04	Does the proposed technical solution comply with all relevant agency, statewide, or industry technology standards?	No relevant standards have been identified or incorporated into proposed technology	Proposed technology solution is fully compliant with all relevant agency, statewide, or industry standards
17			Some relevant standards have been incorporated into the proposed technology	
18			Proposed technology solution is fully compliant with all relevant agency, statewide, or industry standards	
19	2.05	Does the proposed technical solution require significant change to the agency's existing technology infrastructure?	Minor or no infrastructure change required	Complete infrastructure replacement
20			Moderate infrastructure change required	
21			Extensive infrastructure change required	
22			Complete infrastructure replacement	
23	2.06	Are detailed hardware and software capacity requirements defined and documented?	Capacity requirements are not understood or defined	Capacity requirements are based on historical data and new system design specifications and performance requirements
24			Capacity requirements are defined only at a conceptual level	
25			Capacity requirements are based on historical data and new system design specifications and performance requirements	

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2_Technology

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	B	C	D	E
1	Agency: DFS			Project: Florida PALM
3		Section 3 -- Organizational Change Management Area		
4	#	Criteria	Values	Answer
5	3.01	What is the expected level of organizational change that will be imposed within the agency if the project is successfully implemented?	Extensive changes to organization structure, staff or business processes	Extensive changes to organization structure, staff or business processes
6			Moderate changes to organization structure, staff or business processes	
7			Minimal changes to organization structure, staff or business processes structure	
8	3.02	Will this project impact essential business processes?	Yes	Yes
9			No	
10	3.03	Have all business process changes and process interactions been defined and documented?	0% to 40% -- Few or no process changes defined and documented	81% to 100% -- All or nearly all processes defiined and documented
11			41% to 80% -- Some process changes defined and documented	
12			81% to 100% -- All or nearly all processes defiined and documented	
13	3.04	Has an Organizational Change Management Plan been approved for this project?	Yes	Yes
14			No	
15	3.05	Will the agency's anticipated FTE count change as a result of implementing the project?	Over 10% FTE count change	1% to 10% FTE count change
16			1% to 10% FTE count change	
17			Less than 1% FTE count change	
18	3.06	Will the number of contractors change as a result of implementing the project?	Over 10% contractor count change	Over 10% contractor count change
19			1 to 10% contractor count change	
20			Less than 1% contractor count change	
21	3.07	What is the expected level of change impact on the citizens of the State of Florida if the project is successfully implemented?	Extensive change or new way of providing/receiving services or information)	Minor or no changes
22			Moderate changes	
23			Minor or no changes	
24	3.08	What is the expected change impact on other state or local government agencies as a result of implementing the project?	Extensive change or new way of providing/receiving services or information	Extensive change or new way of providing/receiving services or information
25			Moderate changes	
26			Minor or no changes	
27	3.09	Has the agency successfully completed a project with similar organizational change requirements?	No experience/Not recently (>5 Years)	Recently completed project with fewer change requirements
28			Recently completed project with fewer change requirements	
29			Recently completed project with similar change requirements	
30			Recently completed project with greater change requirements	

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	B	C	D	E
1	Agency: Agency Name			Project: Project Name
3	Section 4 -- Communication Area			
4	#	Criteria	Value Options	Answer
5	4.01	Has a documented Communication Plan been approved for this project?	Yes	Yes
6			No	
7	4.02	Does the project Communication Plan promote the collection and use of feedback from management, project team, and business stakeholders (including end users)?	Negligible or no feedback in Plan	Proactive use of feedback in Plan
8			Routine feedback in Plan	
9			Proactive use of feedback in Plan	
10	4.03	Have all required communication channels been identified and documented in the Communication Plan?	Yes	Yes
11			No	
12	4.04	Are all affected stakeholders included in the Communication Plan?	Yes	Yes
13			No	
14	4.05	Have all key messages been developed and documented in the Communication Plan?	Plan does not include key messages	All or nearly all messages are documented
15			Some key messages have been developed	
16			All or nearly all messages are documented	
17	4.06	Have desired message outcomes and success measures been identified in the Communication Plan?	Plan does not include desired messages outcomes and success measures	All or nearly all messages have success measures
18			Success measures have been developed for some messages	
19			All or nearly all messages have success measures	
20	4.07	Does the project Communication Plan identify and assign needed staff and resources?	Yes	Yes
21			No	

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4_Communication

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	B	C	D	E
1	Agency: DFS			Project: Florida PALM
3		Section 5 -- Fiscal Area		
4	#	Criteria	Values	Answer
5	5.01	Has a documented Spending Plan been approved for the entire project lifecycle?	Yes	No
6			No	
7	5.02	Have all project expenditures been identified in the Spending Plan?	0% to 40% -- None or few defined and documented	81% to 100% -- All or nearly all defined and documented
8			41% to 80% -- Some defined and documented	
9			81% to 100% -- All or nearly all defined and documented	
10	5.03	What is the estimated total cost of this project over its entire lifecycle?	Unknown	Greater than $10 M
11			Greater than $10 M	
12			Between $2 M and $10 M	
13			Between $500K and $1,999,999	
14			Less than $500 K	
15	5.04	Is the cost estimate for this project based on quantitative analysis using a standards-based estimation model?	Yes	No
16			No	
17	5.05	What is the character of the cost estimates for this project?	Detailed and rigorous (accurate within ±10%)	Detailed and rigorous (accurate within ±10%)
18			Order of magnitude – estimate could vary between 10-100%	
19			Placeholder – actual cost may exceed estimate by more than 100%	
20	5.06	Are funds available within existing agency resources to complete this project?	Yes	No
21			No	
22	5.07	Will/should multiple state or local agencies help fund this project or system?	Funding from single agency	Funding from single agency
23			Funding from local government agencies	
24			Funding from other state agencies	
25	5.08	If federal financial participation is anticipated as a source of funding, has federal approval been requested and received?	Neither requested nor received	Not applicable
26			Requested but not received	
27			Requested and received	
28			Not applicable	
29	5.09	Have all tangible and intangible benefits been identified and validated as reliable and achievable?	Project benefits have not been identified or validated	All or nearly all project benefits have been identified and validated
30			Some project benefits have been identified but not validated	
31			Most project benefits have been identified but not validated	
32			All or nearly all project benefits have been identified and validated	
33	5.10	What is the benefit payback period that is defined and documented?	Within 1 year	No payback
34			Within 3 years	
35			Within 5 years	
36			More than 5 years	
37			No payback	
38	5.11	Has the project procurement strategy been clearly determined and agreed to by affected stakeholders?	Procurement strategy has not been identified and documented	Stakeholders have reviewed and approved the proposed procurement strategy
39			Stakeholders have not been consulted re: procurement strategy	
40			Stakeholders have reviewed and approved the proposed procurement strategy	
41	5.12	What is the planned approach for acquiring necessary products and solution services to successfully complete the project?	Time and Expense (T&E)	Combination FFP and T&E
42			Firm Fixed Price (FFP)	
43			Combination FFP and T&E	
44	5.13	What is the planned approach for procuring hardware and software for the project?	Timing of major hardware and software purchases has not yet been determined	Just-in-time purchasing of hardware and software is documented in the project schedule
45			Purchase all hardware and software at start of project to take advantage of one-time discounts	
46			Just-in-time purchasing of hardware and software is documented in the project schedule	
47	5.14	Has a contract manager been assigned to this project?	No contract manager assigned	Contract manager assigned is not the procurement manager or the project manager
48			Contract manager is the procurement manager	
49			Contract manager is the project manager	
50			Contract manager assigned is not the procurement manager or the project manager	
51	5.15	Has equipment leasing been considered for the project's large-scale computing purchases?	Yes	No
52			No	
53	5.16	Have all procurement selection criteria and outcomes been clearly identified?	No selection criteria or outcomes have been identified	All or nearly all selection criteria and expected outcomes have been defined and documented
54			Some selection criteria and outcomes have been defined and documented	
55			All or nearly all selection criteria and expected outcomes have been defined and documented	
56	5.17	Does the procurement strategy use a multi-stage evaluation process to progressively narrow the field of prospective vendors to the single, best qualified candidate?	Procurement strategy has not been developed	Multi-stage evaluation and proof of concept or prototype planned/used to select best qualified vendor
57			Multi-stage evaluation not planned/used for procurement	
58			Multi-stage evaluation and proof of concept or prototype planned/used to select best qualified vendor	
59	5.18	For projects with total cost exceeding $10 million, did/will the procurement strategy require a proof of concept or prototype as part of the bid response?	Procurement strategy has not been developed	Yes, bid response did/will include proof of concept or prototype
60			No, bid response did/will not require proof of concept or prototype	
61			Yes, bid response did/will include proof of concept or prototype	
62			Not applicable	

	B	C	D	E
1	Agency: DFS			Project: Florida PALM
3		Section 6 -- Project Organization Area		
4	#	Criteria	Values	Answer
5	6.01	Is the project organization and governance structure clearly defined and documented within an approved project plan?	Yes	Yes
6			No	
7	6.02	Have all roles and responsibilities for the executive steering committee been clearly identified?	None or few have been defined and documented	All or nearly all have been defined and documented
8			Some have been defined and documented	
9			All or nearly all have been defined and documented	
10	6.03	Who is responsible for integrating project deliverables into the final solution?	Not yet determined	System Integrator (contractor)
11			Agency	
12			System Integrator (contractor)	
13	6.04	How many project managers and project directors will be responsible for managing the project?	3 or more	2
14			2	
15			1	
16	6.05	Has a project staffing plan specifying the number of required resources (including project team, program staff, and contractors) and their corresponding roles, responsibilities and needed skill levels been developed?	Needed staff and skills have not been identified	Staffing plan identifying all staff roles, responsibilities, and skill levels have been documented
17			Some or most staff roles and responsibilities and needed skills have been identified	
18			Staffing plan identifying all staff roles, responsibilities, and skill levels have been documented	
19	6.06	Is an experienced project manager dedicated fulltime to the project?	No experienced project manager assigned	Yes, experienced project manager dedicated full-time, 100% to project
20			No, project manager is assigned 50% or less to project	
21			No, project manager assigned more than half-time, but less than full-time to project	
22			Yes, experienced project manager dedicated full-time, 100% to project	
23	6.07	Are qualified project management team members dedicated full-time to the project	None	Yes, business, functional or technical experts dedicated full-time, 100% to project
24			No, business, functional or technical experts dedicated 50% or less to project	
25			No, business, functional or technical experts dedicated more than half-time but less than full-time to project	
26			Yes, business, functional or technical experts dedicated full-time, 100% to project	
27	6.08	Does the agency have the necessary knowledge, skills, and abilities to staff the project team with in-house resources?	Few or no staff from in-house resources	Half of staff from in-house resources
28			Half of staff from in-house resources	
29			Mostly staffed from in-house resources	
30			Completely staffed from in-house resources	
31	6.09	Is agency IT personnel turnover expected to significantly impact this project?	Minimal or no impact	Moderate impact
32			Moderate impact	
33			Extensive impact	
34	6.10	Does the project governance structure establish a formal change review and control board to address proposed changes in project scope, schedule, or cost?	Yes	Yes
35			No	
36	6.11	Are all affected stakeholders represented by functional manager on the change review and control board?	No board has been established	No, all stakeholders are not represented on the board
37			No, only IT staff are on change review and control board	
38			No, all stakeholders are not represented on the board	
39			Yes, all stakeholders are represented by functional manager	

	B	C	D	E
1	Agency: DFS			Project: Florida PALM
3		Section 7 -- Project Management Area		
4	#	Criteria	Values	Answer
5	7.01	Does the project management team use a standard commercially available project management methodology to plan, implement, and control the project?	No	Yes
6			Project Management team will use the methodology selected by the systems integrator	
7			Yes	
8	7.02	For how many projects has the agency successfully used the selected project management methodology?	None	More than 3
9			1-3	
10			More than 3	
11	7.03	How many members of the project team are proficient in the use of the selected project management methodology?	None	All or nearly all
12			Some	
13			All or nearly all	
14	7.04	Have all requirements specifications been unambiguously defined and documented?	0% to 40% -- None or few have been defined and documented	81% to 100% -- All or nearly all have been defined and documented
15			41 to 80% -- Some have been defined and documented	
16			81% to 100% -- All or nearly all have been defined and documented	
17	7.05	Have all design specifications been unambiguously defined and documented?	0% to 40% -- None or few have been defined and documented	81% to 100% -- All or nearly all have been defined and documented
18			41 to 80% -- Some have been defined and documented	
19			81% to 100% -- All or nearly all have been defined and documented	
20	7.06	Are all requirements and design specifications traceable to specific business rules?	0% to 40% -- None or few are traceable	81% to 100% -- All or nearly all requirements and specifications are traceable
21			41 to 80% -- Some are traceable	
22			81% to 100% -- All or nearly all requirements and specifications are traceable	
23	7.07	Have all project deliverables/services and acceptance criteria been clearly defined and documented?	None or few have been defined and documented	All or nearly all deliverables and acceptance criteria have been defined and documented
24			Some deliverables and acceptance criteria have been defined and documented	
25			All or nearly all deliverables and acceptance criteria have been defined and documented	
26	7.08	Is written approval required from executive sponsor, business stakeholders, and project manager for review and sign-off of major project deliverables?	No sign-off required	Review and sign-off from the executive sponsor, business stakeholder, and project manager are required on all major project deliverables
27			Only project manager signs-off	
28			Review and sign-off from the executive sponsor, business stakeholder, and project manager are required on all major project deliverables	
29	7.09	Has the Work Breakdown Structure (WBS) been defined to the work package level for all project activities?	0% to 40% -- None or few have been defined to the work package level	81% to 100% -- All or nearly all have been defined to the work package level
30			41 to 80% -- Some have been defined to the work package level	
31			81% to 100% -- All or nearly all have been defined to the work package level	
32	7.10	Has a documented project schedule been approved for the entire project lifecycle?	Yes	Yes
33			No	
34	7.11	Does the project schedule specify all project tasks, go/no-go decision points (checkpoints), critical milestones, and resources?	Yes	Yes
35			No	
36	7.12	Are formal project status reporting processes documented and in place to manage and control this project?	No or informal processes are used for status reporting	Project team and executive steering committee use formal status reporting processes
37			Project team uses formal processes	
38			Project team and executive steering committee use formal status reporting processes	
39	7.13	Are all necessary planning and reporting templates, e.g., work plans, status reports, issues and risk management, available?	No templates are available	All planning and reporting templates are available
40			Some templates are available	
41			All planning and reporting templates are available	
42	7.14	Has a documented Risk Management Plan been approved for this project?	Yes	Yes
43			No	
44	7.15	Have all known project risks and corresponding mitigation strategies been identified?	None or few have been defined and documented	All known risks and mitigation strategies have been defined
45			Some have been defined and documented	
46			All known risks and mitigation strategies have been defined	
47	7.16	Are standard change request, review and approval processes documented and in place for this project?	Yes	Yes
48			No	
49	7.17	Are issue reporting and management processes documented and in place for this project?	Yes	Yes
50			No	

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	B	C	D	E
1	Agency: DFS			Project: Florida PALM
2				
3	Section 8 -- Project Complexity Area			
4	#	Criteria	Values	Answer
5	8.01	How complex is the proposed solution compared to the current agency systems?	Unknown at this time	Similar complexity
6			More complex	
7			Similar complexity	
8			Less complex	
9	8.02	Are the business users or end users dispersed across multiple cities, counties, districts, or regions?	Single location	More than 3 sites
10			3 sites or fewer	
11			More than 3 sites	
12	8.03	Are the project team members dispersed across multiple cities, counties, districts, or regions?	Single location	More than 3 sites
13			3 sites or fewer	
14			More than 3 sites	
15	8.04	How many external contracting or consulting organizations will this project require?	No external organizations	More than 3 external organizations
16			1 to 3 external organizations	
17			More than 3 external organizations	
18	8.05	What is the expected project team size?	Greater than 15	Greater than 15
19			9 to 15	
20			5 to 8	
21			Less than 5	
22	8.06	How many external entities (e.g., other agencies, community service providers, or local government entities) will be impacted by this project or system?	More than 4	More than 4
23			2 to 4	
24			1	
25			None	
26	8.07	What is the impact of the project on state operations?	Business process change in single division or bureau	Statewide or multiple agency business process change
27			Agency-wide business process change	
28			Statewide or multiple agency business process change	
29	8.08	Has the agency successfully completed a similarly-sized project when acting as Systems Integrator?	Yes	No
30			No	
31	8.09	What type of project is this?	Infrastructure upgrade	Combination of the above
32			Implementation requiring software development or purchasing commercial off the shelf (COTS) software	
33			Business Process Reengineering	
34			Combination of the above	
35	8.10	Has the project manager successfully managed similar projects to completion?	No recent experience	Similar size and complexity
36			Lesser size and complexity	
37			Similar size and complexity	
38			Greater size and complexity	
39	8.11	Does the agency management have experience governing projects of equal or similar size and complexity to successful completion?	No recent experience	Similar size and complexity
40			Lesser size and complexity	
41			Similar size and complexity	
42			Greater size and complexity	

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Schedule IV-B - Modernization of the ALIS and FACS-ALIS Systems, Associated Systems, and Sub-Systems Feasibility Study
For Fiscal Year 2025-26

August 30, 2024

Department of Financial Services

Contents

I.   Schedule IV-B Cover Sheet

Schedule IV-B Cover Sheet and Agency Project Approval	
Agency: Department of Financial Services	Schedule IV-B Submission Date:
Project Name: Modernization of the ALIS and FACS-ALIS Systems, Associated Systems, and Sub-Systems	Is this project included in the Agency's LRPP? _____ Yes _____ No
FY 2025-26 LBR Issue Code:	FY 2025-26 LBR Issue Title:
Agency Contact for Schedule IV-B (Name, Phone #, and E-mail address):	

AGENCY APPROVAL SIGNATURES	
I am submitting the attached Schedule IV-B in support of our legislative budget request. I have reviewed the estimated costs and benefits documented in the Schedule IV-B and believe the proposed solution can be delivered within the estimated time for the estimated costs to achieve the described benefits. I agree with the information in the attached Schedule IV-B.	
Agency Head: Printed Name: Jimmy Patronis	Date:
Agency Chief Information Officer (or equivalent): Printed Name: Scott Stewart	Date:
Budget Officer: Printed Name: Teri Madsen	Date:
Planning Officer: Printed Name: Rob Williams	Date:
Project Sponsor: Printed Name: Greg Thomas	Date:
Schedule IV-B Preparers (Name, Phone #, and E-mail address):	
Business Need:	North Highland, 850-222-4733, tina.worley@northhighland.com
Cost Benefit Analysis:	North Highland, 850-222-4733, tina.worley@northhighland.com
Risk Analysis:	North Highland, 850-222-4733, tina.worley@northhighland.com
Technology Planning:	North Highland, 850-222-4733, tina.worley@northhighland.com
Project Planning:	North Highland, 850-222-4733, tina.worley@northhighland.com

Executive Summary

The Florida Department of Financial Services (DFS, Department) is responsible for regulating the state's banking, securities, insurance, and funeral and cemetery businesses. The Department also tracks and manages all financial transactions for Florida state government and plays a crucial role in minimizing the potential loss of lives and property resulting from fires. This feasibility study focuses on the modernization of the Division of Insurance Agent and Agency Services (IAAS) and the Division of Funeral, Cemetery, and Consumer Services (FCCS) licensing systems. Both systems are 20 years old, end of life, and have increasing vulnerabilities, limitations, and challenges.

Both entities perform typical regulatory licensing functions, including:

- Application Management
- License Issuance and Management
- Continuing Education
- Compliance / Inspection / Enforcement
- Revenue Collection and Processing
- Document Management
- User Management
- Reporting and Analytics

The Automated Licensing Information System (ALIS) was created in 2004 to support IAAS. The system was developed with several other applications, utilities, and data interfaces, including four core applications:

- Automated Licensing Information System (ALIS) - Core licensing system
- Agent and Agency Licensing Functions (AALF) - Online application system
- eAppoint - Electronic appointment system
- Department of Insurance Continuing Education (DICE) - Pre-licensing and continuing education tracking system

Quick Facts

IAAS (FY 2023-24)
- 119 license and appointment types
- 175,417 new license applications
- 977,354 active licensees
- 1,272,287 active licenses
- 2,906,752 appointment actions
- 171,694 new licenses
- 3,463 completed investigations

FCCS (FY 2022-23)
- 35 license types
- 158 applications - establishments
- 194 applications - individuals
- 325 preneed main licenses
- 1,556 business renewals
- 504 individual renewals
- 349 closed investigations

A separate system supporting FCCS was created by duplicating ALIS, resulting in FACS-ALIS, which was modified to meet FCCS requirements. Both systems operate in isolated environments without integration, automation, flexible workflows, or rules engines to efficiently manage the divisions' work.

High impact challenges and limitations of the current systems include:

- Security Vulnerabilities - There are increasing security vulnerabilities with aging technologies past the maintenance lifecycle.
- Inefficient Manual Processes - Application and renewal processes are highly manual and require multiple touchpoints.
- Ineffective Document Management - Applicant and licensee information are saved and archived in multiple locations, including shared drives, FileNet repositories, Microsoft (MS) Access databases, and user email accounts.
- Limited Auditability - Insufficient audit trails make it difficult or impossible in identifying users responsible for incorrect or unauthorized data entry.
- Data Management Limitations - Applicant and licensee data used to perform program-related tasks reside in separate databases and spreadsheets and are not integrated with the systems of record.
- Lack of Automated Alerts - No automated alerts are sent to applicants and licensees regarding upcoming renewals and documentation requirements.
- Critical Points of Risk - Many FCCS work processes are dependent on the knowledge of employees who have no backup.

Three solution options are identified in replacing the current licensing systems, including Software as a Service (SaaS), Platform as a Service (PaaS), and Solution as a Service (SolaaS). Based on scoring criteria identified by Department stakeholders, the SaaS solution option scored highest. This option provides:

- A consolidated system meeting statutorily and functional requirements of both divisions, with configurable

workflows and business rules.
- Industry standard regulatory licensing lifecycle support.
- Integrated Automation - Machine Learning (ML), Robotic Process Automation (RPA), and Generative Artificial Intelligence (GenAI) appropriately threaded through the solution is applied in interactive assistance capabilities, and native workflow automation removes manual activities.
- Improved Efficiency and Workflows - The system empowers users to create, edit, and manage process and business workflows directly within the platform, streamlining processes, increasing performance, and improving operational efficiencies.
- Enhanced Customer Experience - Automated workflows, artificial intelligence, and self-service features provide a more interactive and efficient experience for customers using the self-service portal to access information, submit applications, and track progress easily.
- Improved User Experience - The system employs more intuitive and user-friendly interfaces, enhancing user satisfaction and productivity, and leverages a more responsive design, including the ability to work across a variety of devices such as smartphones and tablets.
- Document Management - Robust document management capabilities ensure organized and centralized storage of licensing documentation within a readily accessible repository.
- Streamlined Communication - Improved notification and communication features facilitate smoother and more timely interactions between applicants, licensees, division staff, and external stakeholders.
- Comprehensive Reporting - The system supports enhanced data analytics and reporting capabilities allowing DFS to make more informed decisions and better utilize data for decision-making, recurring and ad-hoc reporting needs, and other needs such as public records responses.
- Increased System and Data Security - Enhanced security features significantly improve the protection of licensee information and departmental data.
- Increased Flexibility, Scalability, and Agility - The new technology is adaptable to accommodate changing business needs, such as future changes in laws and regulations, without significant development costs, ensuring the Department stays compliant and meets evolving needs. The system also supports future volume increases without significant changes to the infrastructure.
- Performance Improvements - Optimized technical infrastructure, network, and storage ensures peak system performance leading to significant improvements in application performance, faster load times, and better overall functionality.
- System Support Availability - The new technology increases the Department's ability to locate system support for needed maintenance and upgrades.
- Lower Costs - Reducing costs associated with systems maintenance and operations translates into financial benefits for the State of Florida.

A SaaS solution meets technical and functional requirements for IAAS, FCCS, and the Department, and increases the ability to meet compliance, security, and system requirements, including those specified in Rule 60GG, Florida Administrative Code (F.A.C). The recommended solution also complies with section 282.206, Florida Statutes (F.S), supporting the Legislature's desire in improving efficiency and quality of services using cloud computing.

The recommended approach includes a Request for Information (RFI) process prior to the procurement of a system. The RFI process is used in further refining the approach, with the added benefit that solutions will continue maturing in critical areas such as the application of AI within regulatory licensing.

The full lifecycle of the project has an estimated duration of five years and total cost of $35,604,823. The following presents the project's cost per fiscal year starting Fiscal Year 2025-26.

Total Cost by Fiscal Year

FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	Project Total
$ 1,440,335	$ 1,834,264	$ 11,972,755	$ 13,916,232	$ 6,441,237	$ 35,604,823

The project approach includes multiple workstreams intended to efficiently manage all lifecycle activities in procuring and implementing the recommended solution meeting IAAS and FCCS requirements. Further, it includes a phased implementation in managing the complexity of deploying across two divisions and the anticipated need for significant organizational change management. This approach may be modified if a more efficient approach is determined upon completion of the RFI process.

II. Schedule IV-B Business Case – Strategic Needs Assessment

A. Background and Strategic Needs Assessment

Purpose: To clearly articulate the business-related need(s) for the proposed project.

1. Business Need

The Florida Department of Financial Services (DFS, Department) is responsible for safeguarding the integrity of the transactions under its stewardship. The Department strives in continually improving the efficiency and cost effectiveness of internal management processes, and regularly validating the value it provides to the consumers and taxpayers it serves.

Chapters 624, 626, 627, 632, 634, 635, 636, 641, 642, and 648, Florida Statutes (F.S.) requires its Division of Insurance Agent and Agency Services (IAAS) to regulate the insurance industry and the professionals who administer this work for the 23 million citizens of Florida[1]; this includes the investigation of any alleged violations against the Florida Insurance Code. As reported by DFS, the Division regulates 119 insurance professional and facility license and appointment types; examples include professional licenses for Insurance Adjusters (e.g., workers' compensation, motor vehicle) and agency licenses such as title insurance companies. For Fiscal Year (FY) 2023-24, there were 977,354 active insurance licensees and 1,272,287 licenses. This is an increase in the past ten years of 73% and 71% respectively (compared with FY 2013-14). There was also a 134% increase in the number of new licenses issued during the same period[2].

Chapter 497, F.S., requires the Division of Funeral, Cemetery, and Consumer Services (FCCS) to license and regulate the funeral and cemetery businesses and professionals in Florida. This includes processing new and renewal applications, investigating any alleged violations against Florida statutes, conducting annual inspections of licensed cemeteries and crematorium establishments, and answering consumer questions. There are over 10,000 death-care industry licensees regulated by FCCS. This includes 35 FCCS professional and facility license types through FCCS such as Funeral Director, Embalmer, Cemetery, and Cinerator Facility. The number of new Funeral Home and Other Establishment Applications were over 50% higher in 2022-23 than five fiscal years prior (100 in FY 2018-19 compared to 158 in FY 2022-23), but there was a decline in New Individual Applications (e.g., Funeral Director, Embalmers, etc.), 636 in FY 2018-19 compared to 194 in FY 2022-23. Preneed Main Licenses have remained steady around 325 annually[3].

Both divisions have regulatory responsibilities, including:

- Licensing Services: application processing, license issuance and renewals/appointments, and evaluation of qualifying information (continuing education requirements, criminal background).
- Compliance and Investigation: monitoring that licensees are adhering to Florida laws within their license area, investigating reported violations, and enforcing the violations through discipline and revocation. For FCCS, there is also pre-licensure and annual inspections, and examinations of death care facilities.
- Education and Training: evaluation and monitoring of pre-licensing and continuing education to maintain a licensee' license through use of approved courses and education providers and providing resources and monitoring of regulatory updates.
- Support/Customer Assistance: providing potential and current licensees with information and guidance on the licensing and renewal processes, providing information on changes to regulations, and providing feedback through deficiency documents of errors and discrepancies in applications and renewals.

To meet its responsibilities, IAAS leverages the Automated Licensing Information System (ALIS) in providing management of its application, licensure, renewal, appointments, continuing education, and investigations. The

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[1] Demographic Estimating Conference, Office of Economic and Demographic Research between 2013 and 2023, Florida's population grew by 18% from 19.5 million to 23 million.

[2] Department of Financial Services, Division of Agent and Agency Services Monthly Management Report, FY 2013-14 through FY 2023-24.

[3] Department of Financial Service, Division of Funeral, Cemetery, and Consumer Services Monthly Management Report, FY 2018-19 through FY 2022-23.

system was developed in 2004 along with several other applications, utilities, and data interfaces. The legacy core set of applications include ALIS – core licensing system, Agent and Agency Licensing Functions (AALF) – an online application system, eAppoint – an electronic appointment system, and Department of Insurance Continuing Education (DICE) – a pre-licensing and continuing education tracking system. These applications work together supporting the licensing management activities for IAAS.

Because similar licensing functionality and processes were found in FCCS (e.g., continuing education, appointments), DFS determined the ALIS framework (with all four core applications) could be used for FCCS and led the Department to develop a similar, independent solution, called FACS-ALIS. ALIS and FACS-ALIS are central to their own ecosystems and independently expanded over time to consist of a complex set of tools, parallel applications, and manual communication protocols. They each follow similar business processes requiring manual data and document inputs, outputs, and overall management. A lack of integration and automation exist in each division's environment. This includes many one-off Microsoft (MS) Access databases developed outside, and not integrated with, the main ALIS and FACS-ALIS systems. These databases were developed for the divisions to automate certain operational tasks including the processing of preneed applications and renewals, and inspection/examination/investigation assignments.

ALIS was developed by Infinity, ISF, and DFS' Office of Information Technology (OIT) beginning in 2004 and is managed by OIT operations team in DFS' inhouse data center. The solution consists of four core systems leveraging several code bases .NET, C#, and Visual Basic (VB), with an Oracle database and more than ten integrations and interfaces to utilities and external systems. The initial ALIS solution set was cloned for use by FCCS as FACS-ALIS. The ALIS system has been maintained by Tyler Technologies who provide the managed services for development, Operations, and Management (O&M). A primary concern is FCCS has not had technology support for FACS-ALIS, and as a result the FACS-ALIS environment has less integrations driving more manual effort. Further, because these systems are built on legacy technology, it is becoming increasingly difficult to acquire new staff to maintain the system as staff retire or separate from the Department.

The divisions experience constraints with their existing systems and inefficiencies across operational procedures. For example, the systems require the license administration staff to work across many screens, meaning there are countless opportunities for any part of the workflow to be missed. This leads to backtracking, rework, and unnecessary time applied to business-as-usual activities. Applications, renewals, and appointments can either be delayed or processed in error due to the lack of a streamlined workflow. Some of the challenges and limitations identified include:

- Security Vulnerabilities – There are increasing security vulnerabilities with aging technologies past maintenance lifecycle.
- Lack of Automation – There is limited system workflow and a lack of intuitive and user-friendly processes contributing to slow productivity and efficiency.
- Ineffective Document and Data Management – Applicant and licensee information are saved and archived in multiple locations, including shared drives, FileNet repositories, MS Access databases, and user email accounts.
- Lack of Integration – The systems lack the ability to integrate with other systems and work activities, making data sharing and interoperability difficult.
- Responsive Design – The systems do not allow for use on other devices, such as smartphones and tablets, slowing productivity (e.g., investigations) and licensee system interactions.
- Limited Auditability – The lack of sufficient audit trails makes it difficult or impossible to identify users responsible for incorrect or unauthorized data entry.
- Lack of Automated Alerts – No automated alerts are sent to applicants and licensees regarding upcoming renewals and documentation requirements.
- Outdated technologies – The systems use unsupported and inefficient technologies lacking many regulatory requirements (e.g., cybersecurity, HIPAA, ADA). Application scalability is not available without substantial changes to the infrastructure.
- Limited Support – More maintenance and support are required on older systems, which is costly and time-consuming. Expertise needed to work on older systems is also often difficult to locate.
- Reporting – The lack of data analytics and reporting capabilities limits stakeholders from making more informed decisions.

- Cloud – The current technology does not allow for the benefits of being in the cloud, offering scalability, reliability, and lower upfront infrastructure costs.

Modern technology exists benefiting the divisions by automating workflows, integrating all division systems into a single end-to-end solution, while providing enhancements with the cloud, Artificial Intelligence (AI) capabilities, and updated document management technologies. Newer technology allows for an efficient user experience, as well as flexibility and agility to implement future changes required of amended laws and administrative rule without significant costs and development needs. The current generation of solutions support scalability across back-end storage and performance/speed when and where needed and provide ease of shared service or expanded use across organizations with like application requirements. Modernizing the ALIS and FACS-ALIS ecosystems position DFS to increase efficiencies with more streamlined processes and automation correlating in not having to increase staffing in the future while better serving customers by addressing the following critical business needs:

- Streamlining and Automating Administrative Tasks and Manual Processes
  - Automation for business processes reduces the need for repetitive manual tasks and minimizes data entry mistakes.
  - The need to scan and index documents is no longer necessary with the automation and self-service capabilities of a modernized solution. Document upload is driven by the workflows and digital data relationships managed by the system.
- Mitigating Risks and Issues Posed by an Outdated System
  - A reduction in the overall complexity of the system and associated business processes provides greater clarity and accuracy in data and document management, reducing inaccurate or missing information.
  - Clear compliance with Rules 60GG-2.001 through 60GG-2.006, Florida Administrative Code (F.A.C.), improves the overall security of DFS and both divisions.
- Enhancing Customer Experience
  - Customer portal enhanced AI supports self-service across many areas; for example, customer questions are supported by natural language searches that provide answers to questions directly and quickly, eliminating the need to call or email DFS staff. Application submissions and renewal forms and workflows provide real-time prompts to encourage accurate and complete submissions and speed the approval process. These capabilities provide better end-to-end experiences for the customers and reduce per application costs for IAAS and FCCS.
- Implementing a Modern User-Friendly Platform
  - A consolidated modernized platform has lower administrative requirements for operational administration and provides greater ability to configure as new legislation is passed.
  - A Cloud solution provides scalability across several areas which is leveraged to expand the solution to support other like business needs or organizations and reduce the need to hire staff as the licensing demands grow over time.

Modernizing the systems ensures full compliance with Rules 60GG-2.001 through 60GG-2.006, F.A.C., the State of Florida Cyber Security Standards, section 282.206, F.S., Cloud-first policy in state agencies, and other provisions of Chapter 282, F.S. IAAS and FCCS has a business need in upgrading to a modern technology platform providing the necessary automation of business functions and removing the need for manual manipulation of data, documents, and communications.

2. Business Objectives

NOTE: For IT projects with total cost in excess of $10 million, the business objectives described in this section must be consistent with existing or proposed substantive policy required in s. 216.023(4)(a)10, F.S.

The Department regulates the insurance and death care industries of the citizens of the State of Florida. This work allows the state to be confident and have trust these businesses and professionals are managed and evaluated to perform their duties. The state has an opportunity in developing a single modern regulatory system leveraging automation technologies ensuring efficiency, accuracy, and user satisfaction for the two divisions' regulatory programs. A modern system provides compliance with state cybersecurity standards and reduces administrative burden and operational costs.

The State of Florida developed and mandated the State of Florida Cybersecurity Standards modeled after the National Institute of Standards and Technology (NIST) Framework for Improving Critical Infrastructure Cybersecurity. Minimum standards have been established to secure IT resources consisting of five Level 1 functions: Identity, Protect, Detect, Respond, and Recover. These functions support lifecycle management of IT risk. The standards also define minimum management, operational, and technical security controls (i.e., Multi-Factor Authentication (MFA), Least Privilege (PAM), and data encryption) to be used by Agencies to secure IT resources. A modern regulatory system would have security protocols already in place. Any type of remediation of an older system could potentially miss or limit these protocols, jeopardizing the state's integrity of protecting its citizens.

A modern system allows efficiency and accuracy through automation of many of the current processes which includes and promotes self-service of customers. With self-service, division staff concentrate on exceptions in the divisions' work avoiding management of the entire application and renewal process. This includes automation to/for:

- Leveraging cloud infrastructure scaling the system according to demand, ensuring high availability and performance.
- Using cloud storage solutions for secure, scalable, and accessible document management and data storage.
- Implementing cloud-based backup and disaster recovery solutions for data protection and business continuity.
- Using integration platforms connecting the licensing system with other state systems, third-party services, and payment gateways.
- End to end application processing of workflows, including submissions, reviews, approvals, and issuance.
- Repetitive tasks in the application processing such as data entry, document verification, and status updates.
- The scheduling of inspections and follow-up activities based on predefined rules and criteria.
- Extracting text from scanned documents and images automating data entry and verification.
- The handling of payment processing, invoice generation, and receipt issuance for fee collections.
- Sending automated reminders and notifications for license renewals and upcoming deadlines for renewal notifications, and/or when client information has changed.
- Automating personalized communication and follow-ups based on user history and preferences.
- Using AI to analyze and verify submitted documents for authenticity and compliance.
- Streamlining the investigation process with automated case assignment, status tracking, and report generation.
- Enabling secure, legally binding electronic signatures for application approvals, renewals, and other official documents.
- Using predictive analytics to predict trends in application volumes, compliance issues, and investigation outcomes.
- Using AI-powered chatbots assisting users with FAQs, application processes, and troubleshooting.
- Integrate the department's email and SMS to automate timely notifications and updates to applicants, licensees, and stakeholders.
- Automating the logging of all communications and interactions within the system for transparency and record-keeping.
- Implementing automated role-based access control and authentication mechanisms ensuring secure access.
- Using AI-powered security solutions in detecting and responding to potential threats and vulnerabilities in real-time within the application.
- Compliance checks and audits ensuring adherence to regulatory standards and policies.
- The enrollment process for continued education courses, including confirmation and reminders.
- Tracking and updating education credits based on course completions and requirements.
- The assignment of investigation cases based on predefined criteria such as workload and expertise.
- Using automated tools to upload, organize, and analyze evidence collected during investigations.
- Ensuring the system is designed for mobile responsiveness to provide seamless access on smartphones and tablets.

The Long-Range Program Plan (LRPP) submitted by the Department in September 2023 for fiscal years 2024-25

through 2028-29 outlines the goals, objectives, and outcomes needed to fulfill its mission. As part of this mission, the Department is responsible for safeguarding the integrity of the transactions entrusted to DFS, delivering value to the citizens by continually improving the efficiency and cost effectiveness of internal management processes, and regularly validating the value equation with its customers.

Figure 1: DFS Business Objectives and ALIS Opportunity Linkages outlines opportunities for the Department to meet and exceed their current business objectives with the modernization of ALIS and FACS-ALIS ecosystems. The proposed opportunities are aligned to DFS' mission statement and goals. Each goal is further supported by opportunities to meet and exceed related objectives and supporting outcomes.

DFS Business Objectives and ALIS Opportunity Linkages		
LRPP Category	**Description**	**Proposed Opportunity**
Mission Statement	Safeguard the integrity of the transactions entrusted to DFS.	Currently, the ALIS and FACS-ALIS systems utilize aging technology to support operational requirements and needs for the Florida insurance and death care businesses and professionals. Also, older technology increases the risk of cybersecurity vulnerabilities. Opportunity exists to leverage modern technology to implement user friendly system workflows that also adhere to Rules 60GG-2.001 through 60GG-2.006, F.A.C, the State of Florida Cyber Security Standards.
	Deliver value to the citizens by continually improving the efficiency and cost effectiveness of internal management processes.	Currently, FCCS and IAAS team members process thousands of license applications and manage ongoing regulatory oversight activities each month with aging technology, minimal automation, and manual processes. Opportunity exists to enhance the customer experience by implementing modern technology with automated workflows and features such as AI supported self-driven customer service, increasing value for the customer. Self-service and automation provide for customer efficiency by speeding up the application and renewal process.
	Regularly validate the value equation with its customers.	Currently, the external facing components of the existing systems lack modern functionality, resulting in multiple customer interactions to complete licensing requests (40% of IAAS applications are deficient, 10% of submitted documents are duplicates or not required, as reported by division staff) or, in the case of FCCS, certain license applications and renewals are only available using paper (no electronic processing option) which lead to higher error rates and more manual follow-ups for missing information and documentation. Opportunity exists in enhancing the customer experience by implementing modern technology with self-service capabilities, providing functionality increasing customer satisfaction, and supporting increased reduction or elimination of paper forms. Also, the processing time of applications and license renewals are reduced due to staff time being shifted from manually inputting data, performing follow-up requests which could have been avoided up front, and answering questions (this being provided by self-service mechanisms such as chatbot assistance and AI providing the ability to implement real-time workflow guidance in the portal

DFS Business Objectives and ALIS Opportunity Linkages		
LRPP Category	**Description**	**Proposed Opportunity**
		supporting the customer through the application process).
Goals	Combat fraud, abusive practices, and excessive regulation.	*Related Objective: Effectively Manage Regulatory Activities*

Supporting LRPP Outcome 1-1-4: Percentage of Funeral Establishment Inspections That Do Not Require Quality Control Follow-Up

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

FCCS is responsible for performing physical inspections of licensed facilities. There are over 1,600 inspections conducted annually using a combination of standard checklists guiding the work activities. Inspectors write and save reports on a shared drive tracking their assignments on an MS Access database. For deficiencies found in inspections, letters are sent to licensees to remedy the issue; at times multiple letters are required if there is no response.

Shifting these manual activities to modern systems improves work efficiencies, reduces paperwork, automates follow-up activities and deficiency resolutions, and processes disciplinary actions more quickly. Additional portable technology (tablets) also benefits the division's field staff in performing their work activities in real-time with completing checklists and reports, providing licensees with the results of inspections (with any needed follow up documents or activities), and saving documents and notes in a centralized system.

Related Objective: Conduct Successful Investigations

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

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

The Division of Insurance Agent and Agency Services' Bureau of Investigation combats criminal activity by investigating complaints against licensed insurance professionals. Complaints are submitted via a variety of mechanisms. Investigators manage investigation documents and case preparation in the EMILI case management solution and manage disciplinary actions manually in coordination with the Bureau of Licensing. On average, each inspector performs approximately 100 investigations per year.
Opportunity exists in integrating investigative functions into a modern regulatory platform improving data quality via managed workflows, reduced manual steps, and better coordination with internal legal staff and the Bureau of |

DFS Business Objectives and ALIS Opportunity Linkages		
LRPP Category	**Description**	**Proposed Opportunity**
		Licensing. The modernized workflow allows for faster completion of investigations providing licensees with expedient findings ensuring regulatory issues are remedied timely.
	Promote a customer-focused culture and strengthen efficiency.	Currently, customer facing functionality is limited for both divisions and, in some cases bypassed by external users who submit their requests through manual channels such as email or paper forms, increasing the amount of administrative work, and affecting the efficiency and effectiveness of interactions with customers.
		Opportunity exists in improving the technology for the divisions by providing streamlined workflows, data driven decisions, reduction in fraud, and increased focus on the right outcomes promoting customer-focused efficiency. New technology allows for system enhancements, with more automated workflows, more self-service, and with the use of AI assists with customer satisfaction through more streamlined, intuitive application processes and more effective communication with the divisions. Automating alerts and reminders of renewal and completion dates in a new system lowers late and forgotten renewal periods, increasing licensee satisfaction.

Figure 1: DFS Business Objectives and ALIS Opportunity Linkages

B. Baseline Analysis

Purpose: To establish a basis for understanding the business processes, stakeholder groups, and current technologies that will be affected by the project and the level of business transformation that will be required for the project to be successful.

1. Current Business Process(es)

> *NOTE: If an agency has completed a workflow analysis, include through file insertion or attachment the analyses documentation developed and completed by the agency.*

The divisions of Insurance Agent and Agency Services and Funeral, Cemetery, and Consumer Services share many similar activities and work processes, such as the review and approval of license applications for individuals and business entities, and ongoing regulatory compliance management functions, such as continuing education and investigations. Appendix 6 – IAAS Process Maps and Appendix 7 – FCCS Process Maps show the divisions' main business function process flows. The process flows display the steps in each business process including the individual (applicant, analyst, finance & budget) and the process flow to accomplish the business activity function. The way these activities are performed by the divisions and how they leverage their respective systems in performing their work is, in many cases, significantly different. In addition to the divisions' work using the main licensing systems, both have, over time, developed manual workarounds or the use of one-off technical components such as MS Access databases and spreadsheets, to fulfill their respective missions. The following is an overview of each division's current business processes with the current systems. Many of these processes will be required in a future solution due to the divisions' statutory and administrative rule responsibilities; however, the method of the processes and delivery may be changed.
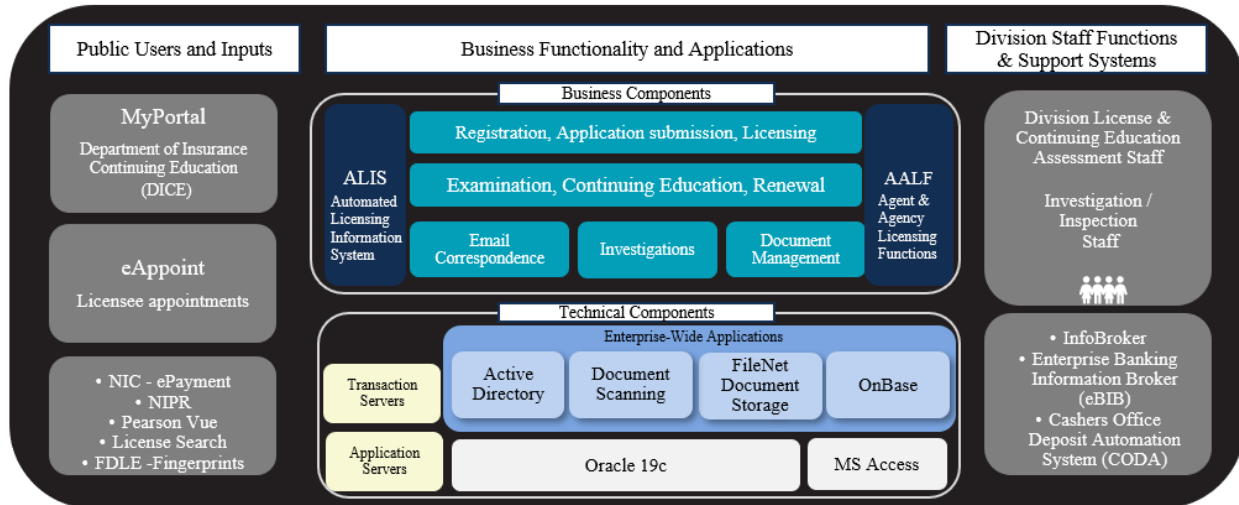
Figure 2: Overview of Current State Solution Components

Division of Insurance Agent and Agency Services' ALIS

The Division of Insurance Agent and Agency Services currently uses a combination of online systems and desktop applications; see **Figure 2: Overview of Current State Solution Components** for solution overview and Figure 22 in Section VI.A.1.a. for the system architecture diagram. ALIS is the system of record for IAAS licenses and is used to review/approve new applications and perform ongoing license management activities. ALIS also serves as the primary repository for documents provided by applicants and licensees, with the records team manually indexing several hundred documents each business day.

DICE/MyProfile and AALF are used by external users (applicants, licensees, education providers) for the submission of applications and for general account management. In Florida, licensees must have active appointments to conduct business. An appointment is the authority given by an insurer or employer to a licensee to transact insurance or adjust claims on behalf of an insurer or employer. The eAppoint application is used by authorized appointing entities to authorize license holders and to manage their list of appointees.

DICE is also used by the Division's education team to approve and manage education providers, review new continuing education applications (providers, instructors, classes) and, in conjunction with ALIS, manage licensee continuing education compliance activities. The education team also has developed a series of MS Access databases to manage work activities arising from licensee email correspondence and to support certain business processes, such as workflow assignments and provider audits.

The EMILI application serves as the case management platform for the Division's Bureau of Investigation and is used by the Bureau to store and maintain documentation on cases/complaints of alleged violation of Florida statutes by licensees. Any resulting administrative actions (probation, license suspension, or revocation) are processed with the ALIS application.

The applications and processes described above are used to manage the lifecycle for regulated entities currently, from account creation and license application, appointments, and ongoing compliance. This is accomplished through seven business functions related to license management. **Figure 3: IAAS Licensing Business Processes** describes the Level 1 business processes associated with these seven major business functions (also see Appendix 6 – IAAS Process Maps for process flows).

Note: While FCCS has a license renewal process (see **Figure 4: FCCS Licensing Business Processes**) IAAS does not have a license renewal process as the Division of Insurance Agent and Agency Services issues perpetual licenses that remain in effect if licensees meet continuing education (CE) and other requirements. Agent appointments are renewed if fees are received by the deadline and CE and other requirements are met.

IAAS Licensing Business Processes	
Business Function	**Description**
Licensing	Application submission, processing, issuance, and evaluation of required documentation. Applicants and Licenses • Create portal accounts, complete license applications, and process application payments for individuals. • Review deficiency notices and submit documentation. Division Staff • Perform reviews of license applications against regulatory and non-regulatory requirements. • Generate notices requesting more information to applicants with deficiencies in an application. • Complete the qualification and approval of applications. • Process exam results and issue licenses.
Appointments	Management of licensee authority to transact insurance or adjust claims on behalf of an insurer or employer, performed by the employing entity. External Users • Register as an appointing entity. • Add active licensee appointments individually or in bulk. • Renew active appointments. • Terminate appointments.
Account Maintenance	Maintenance of a licensee's personal account information. Licensees • Print licenses, Letters of Certification, and Letters of Clearance. • Perform address/contact information updates. • View applications, active licenses, and active appointments. • View deficiency information on pending applications. • View Continuing Education status and class transcripts. • Maintain Agency information (officers, locations, Agent-in-Charge) • Terminate licenses and appointments.
Records Management	Maintenance of licensee documentation received by the Division. Division Staff • Verify and index incoming documents. • Process profile changes, license status changes, appointment terminations, and supporting documents.
Education Provider Management	Maintenance of education resources for licensees. Education Providers • Submit education provider, school official, instructor and continuing education class requests. Division Staff • Review and approve education providers, school officials, instructors, and classes. • Conduct provider audits.
Continuing Education (CE) Compliance	Maintenance of licensee continuing education activities. Division Staff

IAAS Licensing Business Processes	
Business Function	**Description**
	• Process CE reduction and extension requests. • Process signed CE settlement stipulations and consent orders. • Perform monthly CE compliance activities. • Conduct non-resident license cancellations.
Investigations and Administrative Action	Conduct licensee investigative activities. Division Staff • Receive complaints and initiate investigations. • Complete investigations and conduct legal review. • Process settlement stipulations and consent orders. • Process administrative actions (probation, suspension, revocation of license).

Figure 3: IAAS Licensing Business Processes

Division of Funeral, Cemetery, and Consumer Services' FACS-ALIS

The Division of Funeral, Cemetery, and Consumer Services currently uses a combination of online systems and desktop applications; see **Figure 2: Overview of Current State Solution Components** for solution overview and Figure 24 in Section VI.A.1.a. for the system architecture diagram. FACS-ALIS is the system of record for FCCS licensees, with several applications that perform other functions (like IAAS – continuing education, appointments). To perform other administrative and program related functions, FCCS has also developed several independent MS Access databases; however, these databases do not integrate with FACS-ALIS.

For FCCS, all but one of the initial license applications are accepted only by mail (no electronic submission). The Division's website is used to download the required application and renewal documentation. For submission, each application type includes a series of questions related to educational requirements, finger printing, criminal history, as well as some license types requiring prior work and/or an internship. Some of the questions are self-reported; however, others require the applicant to request documents be sent by third parties (finger printing). Each of these documents are reviewed by Division staff ensuring they comply with Florida statutory and administrative rule requirements and additional searches on other websites are performed for continuing education credits and providers.

DICE and AALF are used for professional (individual) and establishment (facility) renewals to process applications and payments. Licensees' login, select the licenses they wish to renew, self-report on certain questions (e.g., any criminal history events), and pay (electronically or by mail).

For renewals, a majority of FCCS licenses are accepted online; however, the initial license and renewals for preneed are currently only available using paper. Preneed license renewals are manual throughout the process. At the end of each calendar year, the Division prints out all required documentation, places the documents in a package, and mails to each Preneed licensee. Documents are completed and mailed back to the Division by the licensee. The processing of the documents is completed in an MS Access database, with all correspondence saved on a shared drive. One FCCS Analyst is dedicated to this work without a secondary backup.

The Division is also responsible for the regulation of funeral and cemetery facilities which require recurring inspections and examinations. Inspectors conduct inspections onsite, use a checklist for the inspection, and save all documents on a shared drive outside of the FACS-ALIS system.

Figure 4: FCCS Licensing Business Processes below describes the Level 1 business processes associated with the major business functions (also see Appendix 7 – FCCS Process Maps for process flows).

FCCS Licensing Business Processes	
Business Function	**Description**
Initial Application	Application submission, processing, issuance, evaluation of required documentation, and approval. Applicants • Print, complete, and mail application. • All initial applications (besides Preneed Sales Agent) are required to be sent using a paper application and associated documents. Division Staff • Receive paper application packet with associated documentation. • Process payments. • Scan, index, and evaluate applications. • Approve applications and develop and send deficiency letters. • Reports applicants to Board.
Intern Application Submission	Application submission, processing, issuance, evaluation of required documentation, review of reports, and approval of Internship. Applicants • Print, complete, and mail application. • Submit supervisor quarterly reports. • Submit application for permanent license prior to the end of the 12-month internship period. Division Staff • Same as Initial Application review. • Review quarterly reports and permanent license application.
Online License Renewal	Application renewal submission, processing, and fees. Licensee • Register and log into the renewal website. • Answers questions (self-reporting criminal history). • Pays fee. Division Staff • Index and review/evaluate applications. • Approve applications and develop and send deficiency letters. • Reports applicants to Board, if needed.
Preneed Application Renewal	Application renewal submission, processing, and fees for preneed. Applicant and Licensee • Completes application and associated documents and mails. Division Staff • Prints and mails application packet. • Process payments. • Scans, indexes, and evaluates application. • Develop and sends Notification of Approval or deficiency letter.
Board Approval	Application review process by Board. Division Staff • Reviews all applications and renewals to determine recommendations. • Develops packets for each recommendation. • Reviews application recommendations and votes to approve or deny. • Emails results.

FCCS Licensing Business Processes	
Business Function	**Description**
Funeral Director in Charge (FDIC) Change	Maintenance of FDIC professional criteria. Licensee • Mails or emails document to have change. Division Personnel • Research requested change. • Updates system.

Figure 4: FCCS Licensing Business Processes

As stated earlier, FCCS has developed several independent MS Access databases to perform other administrative and program related functions. These databases are the primary technology solutions for the management of preneed renewals, claims against closed preneed facilities, assignment tracking for inspections and investigations, and a mail log. MS Excel is used for producing reports (e.g., for public records requests) using FACS- ALIS downloaded data which has been saved in an MS Access database. Since these databases are independent, one-off solutions, any application and/or licensee information would need to be re-entered and saved in the FACS-ALIS system. **Figure 5: FCCS Administrative and Program Business Processes** outlines a Level 1 description of the database functions and processes.

FCCS Administrative and Program Business Processes	
Business Function	**Description**
Preneed Claims – Consumer Protection Trust Fund	Submission, processing, verification, and acknowledgement of preneed claims. Claimant • Completes and mails claims form. Division staff • Scans, indexes, reviews, and verifies documentation. • Create and send Acknowledgement Letter or Notice of Deficiencies. • Sends Notice of Claim after review and vote.
Assignment Tracking (ATN)	Submission, assignment, and saving of assignments. Applicants • Completes and mails application/change form. Division staff • Inspectors and examiners send emails to have assignments added. • Receives email or application, indexes, and saves documents. • Save documentation on shared drive.
Operational Reporting	Download and reporting of licensee data. Division staff • Perform reports on data downloaded from FACS-ALIS monthly.
Preneed Examination Scheduling	Scheduling calculation for examinations. Division staff • Prioritize the scheduling of examinations. • Import and calculate system data.
Incoming Mail Tracking	Maintenance of logging and tracking delivered mail.

FCCS Administrative and Program Business Processes	
Business Function	**Description**
	Division staff • Log and track the Division's delivered mail.

Figure 5: FCCS Administrative and Program Business Processes

1.1. Current Business Process Challenges

As stated in the introduction section of this document, the systems of record for the divisions, ALIS and FACS-ALIS, have been operating for around 20 years with very few updates. Because of limitations of the current systems, the divisions have not been able to further enhance and mature their processes and have been developing one-off independent databases, spreadsheets, and the use of MS SharePoint. Work processes with license applications and renewals have also been maintained using manual, paper-driven processes. Modern licensing solutions and platforms currently available allow for more automation, including configurable process flows, alerts and reminders for key dates and time periods, more reporting functionality, auditability for accountability, and archiving and the saving of licensee documents within one system.

Division of Insurance Agent and Agency Services

While the Division of Insurance Agent and Agency Services makes use of a variety of information technology supported systems, these systems are outdated and difficult to support. They provide a minimally viable and suboptimal set of capabilities. The IAAS staff has developed manual workarounds and processes to help manage the volume of license applications and supporting documents received during business. In addition, many work items require access to multiple systems. Interaction with external users is often completed by email, of which the Division receives thousands per month. The Education team, to better manage their work and perform certain functions, has implemented manual processes, and built several MS Access databases and MS SharePoint sites to manage work requests and assignments and to conduct education provider and course audits in an attempt to work around functional deficits in the current systems. This provides ample opportunity, with a new solution, to improve operational efficiencies allowing staff to focus on value added items, rather than administrative tasks.

As summarized in **Figure 3: IAAS Licensing Business Processes**, the division has numerous business processes across multiple entity types reliant on the current systems. The current systems are augmented by multiple, manual processes and, in several cases, external tools such as MS Access and MS Excel. **Figure 6: IAAS Business Process Challenges** presents the primary challenges associated with the seven major business functions.

IAAS Business Process Challenges	
Business Function	**Challenges**
Licensing	• MyProfile accounts limited to a single role, resulting in the potential an individual may require multiple accounts based on role(s). • Online application forms provide limited instructions/validation, causing a high percentage of applications (up to 40%) to be initially deficient. • Lack of workflow automation/business rules engine leads to multiple manual steps and process inefficiency. • Limited alerts/notifications for staff and applicants.
Appointments	• Performed in a separate application (eAppoint), requiring additional external user accounts and integration. • eAppoint lacks multi-factor authentication (MFA) for external users and Active Directory (AD) integration for Division staff[4].
Account Maintenance	• Viewing and addressing deficiencies is a highly manual process.

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[4] eAppoint is the only component of the current core system that does not address MFA. There are plans to implement by end of calendar year 2024.

IAAS Business Process Challenges	
Business Function	**Challenges**
	• End users often upload incorrect / unnecessary documents as part of the application/deficiency resolution process. • Appointing Entities must have two accounts (MyProfile and eAppoint). • Ability to interact with Division staff is highly limited and occurs outside of the system, via email.
Records Management	• Indexing of documents is a highly manual process, requiring human intervention on thousands of incoming documents each month. • External users can submit documents via multiple channels, resulting in a high degree of duplication of documents. • Users often submit incorrect documents to address application deficiencies.
Education Provider Management	• Work assignments are managed manually and tracked outside of the system in spreadsheets for tracking and reporting purposes. • Evaluation of new course submissions and course material for compliance with state requirements is highly manual. • Provider audits are performed outside of the system, using SharePoint lists and an MS Access database that pulls data from the current systems.
Continuing Education (CE) Compliance	• Incoming email requests and documents (averaging over 2,000/month) are manually processed outside of the system, using an MS Access database to assign/track work. • Documents received must be indexed manually by the Records team. • Lack of integration with the National Association of Insurance Commissioners (NAIC) results in manual activity and the use of MS Access to manage CE compliance activities for non-residents.
Investigations and Administrative Action	• Complaints can come from multiple sources, and validating duplicates increases the administrative burden on the staff. • Current system (EMILI) lacks workflow and business rules, resulting in manual work steps for investigators in multiple systems.

Figure 6: IAAS Business Process Challenges

Division of Funeral, Cemetery, and Consumer Services

Challenges are abundant with the current manual and paper driven processes in place for FCCS applicants and staff. A proper collective system with concrete business and automated processes is lacking. For the three application areas within FCCS (professional, establishments, and preneed), there is one Analyst assigned and dedicated to each area which has created a single point of risk. When the assigned Analyst is out for an extended period, work may stop or become extremely backed up, threatening performance measures and license approvals. A more automated and agile system allows for work to be shifted, if necessary, and have quicker reviews/evaluations with less human error.

There is minimal auditability of updates and tasks for work completed. If an account is added or modified, there is no record of the individual making the change in the system; also, FCCS Analysts do not have the ability to record notes of licensee information (who, what, when) in the system, so they must either locate saved deficiency letters, or rely on evaluation criteria selected (to compare with documents mailed or emailed in by licensees) in the systems when researching or updating a licensee's application or renewal status.

The current systems do not include automatic alerts or reminders for applicants and licensees; having automatic alerts set for certain renewal periods would help decrease fines for late submissions and increase the amount of on-time submissions, benefiting both the applicant/licensee (not having to pay a late fee) and FCCS staff (keeping a more manageable/dependable application cycle). One example is Funeral Director Interns – they are required to submit supervisor reports quarterly and must complete the internship within 12 months. If an internship has not been completed and an extension is not requested, the intern must report to the Board and could potentially lose credit for

the time spent on the internship.

The reporting functionality within systems is limited. For the FACS-ALIS system, reports (i.e., the number of facilities in a certain county, or the number of deficient licensees during a certain period) must be queried using an MS Excel spreadsheet. These queries are the result of public records requests and management reviews of Division licensee data. Currently data is "dumped" from FACS-ALIS monthly for reporting and analysis locally in spreadsheets rather than having real-time data to review/analyze in FACS-ALIS.

Field staff also have been working from processes and procedures developed decades ago and are still being followed today. They work primarily with paper driven checklists and documents; documentation is then saved on shared drives which can contribute to slower work being completed and human error. Use of mobile software applications and hardware (tablet technology) is not incorporated in field staff's work. This technology is helpful ensuring cases are completed quicker and with more accuracy (completing checklists and reports in real time). Also, recruitment in this field is difficult with the amount of travel and being away from home. Younger prospective recruits may also be more attracted to this work if newer technology were used in the daily work.

Figure 7: FCCS Business Process Challenges presents several challenges the Division encounters on a frequent basis with the current business functions in place.

FCCS Business Process Challenges	
Business Function	**Challenges**
Initial Application	• Current process requires paper and manual processes. • No option to complete electronically. • Applicants need more guidance in locating and understanding needed supplemental documents. • Current process requires requesting documents from third parties to send documents – test completion, fingerprint report. • Human error can occur related to each step of the process being manual – application completion on paper, mailing, and indexing. • No automatic alert or reminder of submissions.
Intern Application Submission	• Same challenges as Initial Application. • No Alerts or Reminders of submission of quarterly supervisor reports and applying for permanent license.
Online License Renewal	• Security concerns exist due to system limitations and aging technologies. While they can be mitigated to a degree, risk increases with time. • Reportable criminal history requires completion of paper forms that needs to be mailed.
Preneed Renew Application	• Manual process of printing and mailing of application materials. • Cost of mailing application packets; the cost becomes double if applicant fails to send in documents in a timely manner. • Manual calculation of financials.
Initial Application Review	• With the manual process of receiving applications through the mail, the documents can take seven business days to arrive in the FCCS offices to begin the review/evaluation process. • Manual scanning and indexing of documents. • Current system does not allow certain edits within the system – documents scanned and incorrectly indexed cannot be modified in the system and must be rescanned to index correctly. • Scanned documents are only tagged with generic codes and can be lost or forgotten in a FACS-ALIS queue. • No audit capability in systems – when an addition or change is made, there is no ability to see who made the change. • No alerts of when work or reviews have stopped within the system. • Most updates to licensee information require a printed and mailed form

FCCS Business Process Challenges	
Business Function	**Challenges**
	rather than being a self-service update in the system. • No system document management or journaling/notes – tracking of applicant/licensee correspondence and documents are managed using shared drive or saved emails.
Application Renewal Review	• When a renewal is sent to the system and ready to be evaluated, there is no alert to analysts. • When evaluating renewal applications (e.g., continuing education credits), separate third party systems need to be searched – information is not integrated. • Documents associated with a mailed renewal (e.g., criminal history form) are managed manually by the analyst; documents must be scanned and indexed if saved within the system.
Preneed Application Renewal Review	• Manual process of receiving printed application renewal documents. • Scanning and indexing documents into the system. • Calculations are completed and reconciled manually. • Work input, saved, and reviewed outside of FACS-ALIS system in MS Access database. • Heavy workload for short period of time during the year.
Board Approval	• Main documents reported to Board (e.g., listing of applicants by license type) are updated in MS Word throughout the month, and printed for meetings. • All manual process for preparation (printing), materials (packets assembled), and review. • No systematic process in place for review and approvals.
Funeral Director in Charge (FDIC) Change	• FDIC changes must be mailed or emailed. • Research needed by analysts on change needed – distance of funeral establishments and number of facilities the FDIC oversees.
MS Access databases	• Having the databases for administrative and program related functions not interconnected with and outside of the FACS-ALIS system creates multiple locations and sources for licensee data to be captured, updated, and errors to occur. • Current processes have FCCS staff performing administrative tasks which could be completed by those in the field. • Manual processes of scanning and indexing. • Document repositories for cases are saved in additional locations (shared drives). • With current application functionality, field work is limited to using manual, paper-driven processes.

Figure 7: FCCS Business Process Challenges

1.2. Strengths and Weaknesses

Staff from the divisions of Insurance Agent and Agency Service and Funeral, Cemetery, and Consumer Services met in numerous facilitated sessions over the course of four weeks to discuss their work which included sharing their current work processes – document transfer from various offices and personnel, inputting information into numerous systems, evaluations, and creating reports and notifications to both customer and division management. Strengths, Weaknesses, Opportunities, and Threats (SWOT) were gleaned from these discussion sessions. **Figure 8: SWOT Analysis** lists highlights from the sessions.

STRENGTHS

- Division staff are experienced and knowledgeable in the work they do.
- Statutory and administrative rule changes are infrequent – changes to procedures and processes are not regularly needed.
- Division employees have been working with the same systems and processes for years allowing them to complete their work and fulfill their performance measures.
- The current systems provide a baseline of support for the divisions to deliver on their respective missions.

WEAKNESSES

- Dependent on manual and paper driven processes.
- Significant staff time dedicated to manual processing and indexing of incoming documents.
- Current systems are difficult to maintain and enhance to incorporate updated business processes.
- Document management is highly manual or not present, driving process inefficiency and a heavy administrative burden.
- Multiple systems and standalone applications with limited integration are used in service delivery driving process inefficiency and potential data inconsistency.

OPPORTUNITIES

- Replace multiple systems with a single modern platform capable of supporting the requirements of both divisions.
- Self Service workflow with automation driving customer actions to reduce manual work processes.
- System-driven notifications and alerts to help licensees and division staff monitor required due dates for completion of tasks.

THREATS

- Older technology with increased vulnerability to modern security threats.
- Resources to maintain/enhance the system will be more expensive and harder to find in the future.
- Successful outcomes are highly dependent on the skills and business process knowledge of team members.

Figure 8: SWOT Analysis

2. Assumptions and Constraints

The following assumptions and constraints were considered when a proposed solution approach was selected.

Assumptions

Assumptions are statements about the project, or its environment, taken to be true and, accordingly, are factored into the Department's plans and analysis for the proposed project.

- The divisions desire to increase process effectiveness and reduce manual steps relying on the use of ad hoc tools and processes.
- The Department will have a governance structure in place to address project risks and issues.
- The divisions desire a reduction in manual steps and paper driven processes, and use of enhanced workflow capabilities reducing non-value-added administrative activities.
- In addition to implementing new technology, the divisions are accepting of additional Organizational Change Management activities to successfully implement the new solution.
- The divisions support the implementation of new business processes and technology.
- The project is adequately funded to meet the scope of the project.
- The project is adequately funded to support activities needed to facilitate adoption of a new system and remove dependency of the older environment.
- The project team is adequately staffed to accomplish the project's deliverables, milestones, and infrastructure, manage user involvement, produce necessary project planning documents, project status reporting, and complete other project management tasks.
- Any gains in operational efficiency the Department realizes through these efforts is used to allocate additional resources to value-added activities, including enhanced customer service and decreasing transaction processing times.
- Labor rates for contracted staff align with the appropriate State Term Contracts for management consulting and IT State Term Contracts related to services, software, and hardware.
- Changes discovered after approval of detailed business requirements during the project implementation may require the project timeline to be extended.
- Additional elaboration of requirements is needed prior to the implementation phase of the project.
- Related data and organizations need to be considered as additional integrations needs are identified.
- The Office of Information Technology (OIT) provides a level of support ensuring a successful implementation of a new technology solution.
- The divisions work with OIT and new technology implementor to affect a successful implementation.
- The new technology solution can have legislative and administrative rule changes implemented, when needed.

Constraints

Constraints are identified factors limiting the team's options and affecting the progress or success of the proposed project.

- Approval by either the Executive Office of the Governor (EOG) in consultation with the Legislature, or the Legislative Budget Commission (LBC) may be required before any appropriated funds are made available to the Department, for each fiscal year of the project.
- Project funding is appropriated annually and may be subject to periodic releases throughout the year, depending upon suitable schedule and cost performance.
- State statutory changes, changes in administrative rules, and DFS policy changes may affect the project including cost and schedule.
- The Department or OIT staff's availability to support the project may be limited by internal resource constraints or other Department priorities.
- External stakeholder and customer participation in implementation of the project may be limited due to their daily workloads.

C. Proposed Business Process Requirements

Purpose: To establish a basis for understanding what business process requirements the proposed solution must meet in order to select an appropriate solution for the project.

1. Proposed Business Process Requirements

Interviews with key IAAS and FCCS stakeholders elicited many business requirements for the new solution, a majority of which involved multiple business functions (see Section II.B.1. Current Business Processes). The following is the summary of the components required of a new solution.

Figure 9: Proposed Business Requirements presents Representative Requirements organized into eight Requirement Types. Requirement Types assist in categorizing the many business requirements captured, while using Representative Requirements aids in communicating a representative set of abilities needed in a future solution. A comprehensive listing of all Business Requirements and the Business Functions they align to can be found in **Appendix 2-DFS-ALIS-Requirements-Matrix.**

Proposed Business Requirements		
Requirement Type	**Description**	**Representative Requirements**
Workflow Management	Requirements related to creating, editing, and managing workflows within the system.	• Business logic configuration capabilities providing deterministic assessment of materials. i.e., completion, deficiencies, timeout. • Ability to request additional information from applicant/licensee, i.e., place request in applicant/licensee portal and trigger notification. • Auditability of the document review / approval / work process, with an ability to set parameters and pull reports calculating the span from date uploaded to the date "worked," including authenticated user. • Ability to apply new workflow and/or business rules for a point in time forward to accommodate changes to regulations and/or Florida statutes. This must be able to be applied by Division or license type.
Document Management	Requirements related to the ability to manage documentation within a repository.	• Ability to receive documentation via an online portal uploaded in many formats (.doc, .txt, video, audio, pdf, prn, .jpg), as data (forms or documents) are loaded the relationships, authors, and timestamps are managed via the solution. • Review and approval workflow of loaded documents where appropriate. • Ability to support bulk upload of documents. • Administrative monitoring and reporting capabilities, i.e., number and storage size of uploaded user documents.
Notification and Communication	Requirements related to sending and receiving notifications between customers and both internal and external stakeholders.	• Ability to configure and plan external notifications on a specific date/timeline to all active appointees, license types, or based on other criteria across the system. • Ability to send notification on discrepancies to individual applicant with specific guidance. • Provide multi-channel communication, i.e., chat, SMS, and email messaging to send automated notifications and receive bidirectional messages through chat, SMS, email, and other business and system related messages.
Online Portal	Requirements related to providing an efficient	• Provide a Web portal adhering to responsive design and is easy to visualize on multiple devices.

Proposed Business Requirements

Requirement Type	Description	Representative Requirements
	and effective online self-service portal for customers.	• Provide self-service capabilities to satisfy all portions of customer workflows. Education and Licensee Application, renewal, contact information updates, request add/remove/change of Agents/Funeral Director in Charge to provide to license processors for review and approval. Update certain account information, add/delete/change appointments, triggering an account hold and review and approval workflow where necessary. • Provide AI supported knowledge management allowing Natural Language search and response which integrates disparate data and leverage role-based access rights and provides users the best available information and documents they are allowed to access.
Reporting	Requirements related to supporting both divisions' recurring and ad-hoc reporting needs.	• Ability to schedule reports, pull canned reports from a web portal. • Ability to push reports to specific users. • Ability to create reporting based on Role so that there are IAAS/FCCS/Agent Type reports.
Compliance and Security	Requirements related to confidentiality, availability, and integrity of the go forward solution.	• Adherence to Rule 60GG, F.A.C. • Adherence to State of Florida s. 282, F.S., Communications and Data Processing (i.e., s. 282.206, F.S., Cloud First, s. 282.318, F.S., Cybersecurity) • Support the provisioning of different permissions for internal and external users. The system shall configure user access by group, role, and business area.
System Functionality	Requirements related to implementing specific functionality.	• Ability to apply business rules to workflow processes. • Ability to associate business rules to application processes for early detection of eligibility or denial for cause prior to acceptance of fees. • Standardized unique account identifiers for multiple layers of related entities. i.e., Agency ID and Agent ID. • Compliant with the Americans with Disabilities Act (ADA).
Technical Functionality	Requirement for technical requirements including infrastructure, network, storage.	• Integration capabilities (i.e., API, REST, Oauth). • Integration with eBIB for Credit Card / ACH Payments. • Release Management across environments to promote changes through Development, Testing, and Production. • Encryption of data in motion and at rest.

Figure 9: Proposed Business Requirements

2. Business Solution Alternatives

To address the business and functional requirements outlined in Section II.C.1 and Section II.D of this document, several alternatives were assessed to the current system and outlined four possible broad Business Solution Alternative approaches below. The market analysis was primarily based on a review of documentation, which included inputs from industry analysts such as Gartner and Forrester, an examination of documented solutions utilized by other states, a survey of general industry offerings, and consideration of the State of Florida's statutes related to future technology investments. Through this review "as a Service" is the direction with three specific types of "as a Service" alternatives as viable approaches to meet the Department's needs. There is a fourth option listed as "Do Nothing," and this is not considered a true alternative. Do nothing is not considered due to the overall risk of continuing to leverage solutions having end of life components and significant manual efforts reliant on

individual knowledge and technology skills which are aging and becoming more difficult to hire.

The "as a Service" alternatives encompass variations of Cloud provided approaches to the delivery of applications, tools, and components to achieve the functionality needed. These approaches can deliver across integrated solution sets and leverage existing DFS enterprise solutions and integrations enabling an end-to-end set of capabilities providing holistic business functionality. Regardless of the "as a Service" final solution the service or solution providers are actively pursuing various automation capabilities and DFS would benefit from further exploring capabilities as they progress over the next year.

Alternative 1: Software as a Service (SaaS)

Software as a Service (SaaS) are readily available end-to-end cloud hosted solutions. SaaS provides Commercially Off the Shelf (COTS) infrastructure and application components with standardized capabilities to integrate with other systems. There are available products offering Regulatory solutions and allowing for configuration of self-service workflows to support Applications, Renewals, Continuing Education, and communications. SaaS are usually billed on a per license per month once the implementation is complete. Considerations for this approach are the change management and training to support staff and customers as the solution is implemented. There will be a need for change management across all alternatives, however given the COTS nature of SaaS the amount of business process changes over solution customization will be greater for staff and end users.

SaaS will have limitations to the extent of configuration to meet current workflow, and while change management will be important for any alternative for SaaS, it may be most important to support the business users and customers adjusting to the changes the SaaS will bring.

Alternative 2: Platform as a Service (PaaS) – Custom Build

Platform as a Service are cloud environments providing the infrastructure and access to a collection of utilities or microservices within an overarching Solution set (i.e., MS Dynamics or AWS Cloud). These solutions are designed and deployed for a business need and billed based on the configuration and transactions of the business need. With this alternative, the Department engages a third-party vendor to develop a customized solution to replace the current system. The solution is designed and constructed in a tailored fashion to meet IAAS and FCCS specific needs, with their specific requirements driving the customization process. Further, this solution presents an opportunity to creatively reimagine current ways of working. Within this alternative, it is recommended the Department engage a vendor experienced with this type of system and public sector environments.

Considerations for this approach include management of the development, implementation, and maintenance and operations (M&O), post solution design and build. It is recommended a managed service provider is brought in to both implement and run the system. Note, in a PaaS solution, costing may be transaction based and not licensed. This pricing model is advantageous if the solution architect can determine the number of transactions early in design and manage across the architecture, however, this is unlikely and there is risk to overall financial planning.

Alternative 3: Solution as a Service (Solaas) – Modernize Current System

Solution as a Service (Solaas) are typically a collection of integrated independent solutions meeting business needs as individual components. These solutions have a mix of fees based on the collection of solutions deployed to meet the business need, and solutions are not usually from a single provider, they are selected and integrated in a best of breed view to meet the business need. With this alternative, the Department may need to engage a third-party vendor, or System Integrator (SI), or add project specific staff to provide necessary capacity so the appropriate DFS OIT team members can work with IAAS and FCCS to design and implement key modernization elements. For example, streamline workflows to a single environment, improve access for end users to provide data and documents directly, enhance process automation to actively reduce manual efforts, and migrate all processes and data off end-of-life MS Access databases to the enterprise Oracle environment. This approach presents the opportunity to phase the work for minimal cost and change to the organization.

For considerations, this alternative includes greater risk in meeting the desired efficiencies in a timely manner. The design and implementation while having the ability to be modular and phased, will take longer and this may lead to risks across funding, staffing, and technical areas. Funding may be at risk or lost as requests for budget will be made over several fiscal years and may be reprioritized to lower funding or no funding. In addition, this approach has a greater reliance on staffing than other alternatives as manual efforts will need continue and staff knowledge will need to be balanced between legacy and modernized skills. And finally, the risks inherent in the current solution

related to complexity of maintenance, the brittle nature of the ecosystem, and the age of components will decrease over time but will not be fully resolved until the full system is modernized.

Alternative 4: Do Nothing

This alternative is not an option for IAAS and FCCS as too many portions of the ecosystem are beyond end of life.

3. Rationale for Selection

To evaluate the solutions available to the Department, the following scoring criteria was identified:

- Holistic Application: Integrating end-to-end capabilities, supporting the State of Florida's Cloud First Policy with a cloud-hosted platform, and promoting open government by enhancing data accuracy and accessibility for customers and the public.
- Self-Service Driven: Prioritizes customer experience through a self-service portal with applications, notifications, documentation submission, chatbot assistance, and secure communication channels.
- Highly Automated: Highly automated solutions include intuitive interfaces, streamlined workflows, and flexible business process management capabilities for efficient operations and effective communication through automated notifications.
- Integrated Performance Management: Standardized integration with other systems, robust data management treating all data as assets, enhanced reporting and analytics for informed decision-making and workflow monitoring, and customizable features with low code/no code capabilities.
- Mature DevSecOps Development Framework: Adopts Continuous Implementation (CI) / Continuous Delivery (CD) practices to integrate security, automate testing, and streamline deployment, ensuring compliance with state technology and security standards while supporting stable, scalable infrastructure across multiple environments.
- Time to Implement: Leverages industry-standard practices for easy core solution deployment, intuitive configuration using visual and AI-supported capabilities, utilizing frameworks for resource capacity and workforce reskilling, and facilitating smooth transitions to maintenance and operations with robust monitoring and reporting capabilities to ensure tangible benefits for stakeholders.
- Continual Investment and Enhancement: Maintains a multiyear roadmap with flexible workflow and business rule configuration to accommodate evolving business needs and prioritizing enhancements for improved user experience over more than three years.

Establishing a minimum set of capabilities is critical to verify all options are compared to a common standard. A common base allows option costs, timelines, and capabilities to be compared in a consistent manner. Each of the evaluation criteria are scored based upon specific factors contributing to the success and benefit realization of a system replacement for the IAAS and FCCS ecosystems as outlined in Section VI. C.1. Additionally, each of the seven criteria are weighted based on overall strategic importance to the potential project and the Department. Descriptions of the evaluation criteria used for analysis of the options and their weightings are listed below in **Figure 10: Evaluation Criteria Description**.

Evaluation Criteria Description			
#	Criteria	Weight	Description
1	Holistic Application	15%	• End to End Capabilities – The solution supports requirements from public facing self-service inputs, through workflow management, business rule alignment, continuing education, document management, reporting, and storage in a low touch manner. • Comprehensive Regulatory Solution – The solution will possess the ability to configure license types with all the necessary capabilities including application intake, verification gathering, enforcement, continuing education, inspection, and revenue/fee collection, etc. • Foster Open Government: The solution will increase accuracy of data and will increase access to information for customers and the public.

Evaluation Criteria Description			
#	Criteria	Weight	Description
2	Self Service Driven	15%	• Customer Portal: The solution will provide fully self-service capabilities for customers to initiate applications, respond to notifications, and provide needed documentation. • Customer Service Support: The solution will use modern intuitive User Interface protocols, clear workflow, and chatbot user support throughout the system for customers and staff alike. • Self Service Reporting: The solution will provide drill down role-based reporting capabilities across customer, staff, and operational data. • Self Service Communication: The solution will provide secure notifications and communications across many end user information requirements, i.e., updates, request to provide necessary information.
3	Highly Automated	20%	• Intuitive Highly Automated Design: The solution will use modern/common User Interface visuals and protocols, clear workflow, and chatbot end user support. • Current Business Process: The solution will have workflow and business rule capabilities that will provide current business processes without requiring workarounds or extensive staff training. • Future Business Process: The solution supports business process re-engineering, configuration, and streamlining to enable the divisions to apply continual improvements, or accommodate necessary changes, and run operations more effectively and efficiently. • Communication Management: The solution will provide seamless notifications and communications that can be both preset and initiated by staff as appropriate by license type, status, workflow trigger, business rule etc.
4	Integrated Performance Management	10%	• Internal and External Integration: The solution will provide integration capabilities to other systems in a standardized, flexible, cost-effective manner. • All Data is an Asset of the Solution: The solution will collect, document, and secure data. Customer and system data will be treated as assets of the system and workflow and business rules will be able to be applied to either. i.e., if a statutory change takes effect, historical and future actions can be addressed. • Reporting and Analytics: The solution will provide reporting and analytics capabilities to increase the divisions' ability to share information with interested parties, monitor workflow and status across the system, and improve data driven decisions. • Customization Needs: The solution provides low code/no code customization capabilities.
5	Mature DevSecOps Development Framework	10%	• Continuous Development Framework: The solution adheres to continuous integration / continuous delivery (CI/CD) that embeds security, automates testing and code analysis, and automates and streamlines deployment throughout the development cycle. • Continuous Operational Measuring and Monitoring: The development model includes metrics and monitoring to drive continual improvement and embeds reporting for Division and OIT staff.

Evaluation Criteria Description			
#	Criteria	Weight	Description
			• Statutory Compliance: The solution will meet mandated state technology and security standards. • Infrastructure as Code: The solution leverages Immutable Infrastructure to provide stability and scalability. • Multi Environment Deployment: The solution framework seamlessly deploys across Development, Test, and Production environments.
6	Time to Implement	15%	• Ease of Core Solution Implementation: The solution implementation leverages tested and ready to deploy industry standard practices, solutions components, interfaces, integration capabilities to include plug and play with authentication solutions, responsive web design, data/document movement throughout the environment, error handling, etc. • Ease of Solution Configuration: The solution implementation leverages intuitive configuration to include visual, drag and drop, use of AI supported capabilities for workflow, business rule, and data requirements. • Resource Capacity: The solution will leverage readily available industry standard frameworks allowing for current and new users to be easily trained on the system's functionality. • Ease of Transition to Maintenance and Operations: The solution implementation leverages industry standard practices, solutions components, interfaces, integration capabilities, monitors, and reports system information to support ease of reskilling, transition to ongoing maintenance, and operations.
7	Continual Investment and Enhancement	15%	• Continual Corporate Investment: The solution must have a multiyear roadmap managed quarterly with transparent communications to the user base. • Flexible Configuration Capabilities: The solution will provide flexible workflow and business rule configuration such that Division staff can modify and address changes to business requirements. i.e., new statutory requirements. • History of Maturing Capabilities: The solution has been in use for more than three years and has a history of prioritizing enhancements that have improved end user experience and ability to configure the solution.

Figure 10: Evaluation Criteria Description

Figure 11: Evaluation Criteria Scoring Scale outlines the low-medium-high scale used to score each evaluation criterion item.

Evaluation Criteria Scoring Scale		
Score	Explanation	Numeric Value
Low	The alternative minimally addresses the criteria directly and requires Level 1 of system development engagement for build and run.	1.0
Medium	The alternative moderately addresses the criteria directly and requires a moderate level of system	2.0

Evaluation Criteria Scoring Scale		
Score	**Explanation**	**Numeric Value**
	development engagement for build and run.	
High	The alternative highly addresses the criteria directly and requires a minimal level of development engagement for build and run.	3.0

Figure 11: Evaluation Criteria Scoring Scale

Assigned weights were applied to each of the raw evaluation criterion scores, then the results were added together to determine a final, overall score for each alternative. The summary results of the scoring are shown below in **Figure 12: Scores by Alternative**.

Criteria	Wt.	Alternative 1 | SaaS			Alternative 2 | PaaS Custom Build			Alternative 3 | SolaaS Modernization		
		Score	Total	Weighted Total	Score	Total	Weighted Total	Score	Total	Weighted Total
1. Holistic Application	15%	High	3.00	0.45	High	2.50	0.38	Medium	2.00	0.30
2. Self Service Driven	15%	High	3.00	0.45	Low	1.25	0.19	Medium	2.00	0.30
3. Highly Automated	20%	High	2.50	0.50	Medium	1.50	0.30	Medium	1.75	0.40
4. Integrated Performance Management	10%	Medium	2.25	0.23	Low	1.25	0.13	Medium	1.75	0.20
5. Mature DevSecOps Development Framework	10%	High	3.00	0.30	Medium	2.20	0.22	Medium	1.80	0.20
6. Time to Implement	15%	High	2.75	0.45	Low	1.00	0.15	Medium	1.75	0.30
7. Continual Investment and Enhancement	15%	High	2.50	0.45	Low	1.00	0.15	Medium	1.50	0.30
Total Weighted Score	**100%**		**2.83**			**1.51**			**2.00**	

Figure 12: Scores by Alternative

4. Recommended Business Solution

> *NOTE: For IT projects with total cost in excess of $10 million, the project scope described in this section must be consistent with existing or proposed substantive policy required in s. 216.023(4) (a) 10, F.S.*

The feasibility study is to provide a recommended business solution for IAAS and FCCS addressing the needs across people, processes, and technologies. The solution needs to provide market standards today, remain relevant, and be cost effective over time. The feasibility study must look at the full set of technologies which support a holistic Regulatory Licensing business solution, from an end-user registration through the Application process, and even the peripheral considerations for field inspections, like tablets, and mobile friendly responsive design. Included in the review of solution capabilities is to ensure the recommended technology is built on industry standard frameworks aligning to market available skills and follow best practice for intuitive User Interfaces and AI assisted customer support.

With all these important elements in mind, the results of this feasibility study show Alternative 1: Software as a Service (SaaS) represents the most closely aligned and beneficial option based on what the market has available today. In addition to the overarching alignment of SaaS solution characteristics to most of the Department's

evaluation criteria, the consistent business functions across licensing organizations nationwide provide strong market drivers for software providers to develop SaaS solutions specific to state licensing. Therefore, providing many options for SaaS products could competitively meet the Department's functional and technical requirements as well as layering in change management and Solution Integration in a meaningful way driving successful delivery and running of the solution.

Alternative 1 allows for a consolidated system meeting the needs of both IAAS and FCCS, bringing together standard workflow and business rule configuration needs supported by strong self-service capabilities, industry standard licensing case management, and readily available industry solutions and skills.

While Alternative 1 meets the needs for both IAAS and FCCS it is important to call out the undeniable and remarkably fast-moving SaaS market changes occurring in response to advances in automation and AI advances. DFS may choose to conduct a market scan with a Request for Information (RFI) to receive deeper insights into several critical capabilities needed in the Department's divisions.

A SaaS solution meets the technical and functional requirements including compliance, security, and system requirements, which were defined in Section II.D.

If the recommended solution is not funded, the following impacts will occur:

- Continued aging of the system, perpetuating inefficiencies in the ways IAAS and FCCS conducts business including a lack of system integration and data exchanges.
- Increasing costs to recruit and retain resources equipped to maintain an outdated system based on antiquated methodologies.
- Inability to efficiently and effectively update and/or fix the system to meet current and future needs, due to the lack of .dll source code, rigidity, and complexity of the system, and more.
- Continuation of highly manual and disproportionately time-consuming administrative processes, subsequently diverting staff from higher value work, increasing the risk of data inaccuracy, and preventing shorter turn-around-times.
- Increasing customer dissatisfaction, negatively impacting the positive customer environment prioritized by the Department.
- Increasing risk of security breaches and exposure of data.

Please see VII: Schedule IV-B Project Management Planning for recommendations regarding business solution implementation.

D. Functional and Technical Requirements

Purpose: To identify the functional and technical system requirements that must be met by the project.

See Appendix 2 – DFS ALIS Requirements Matrix for the Functional and Technical Requirements.

III. Success Criteria

Purpose: To identify the critical results, both outputs and outcomes, that must be realized for the project to be considered a success.

The major success criteria for the project, along with the Key Performance Indicators (KPIs), are listed in **Figure 13: Success Criteria Table**, below. The success criteria form the basis of any procurement and contracts pursued to implement the final solution. The Department anticipates the project management team responsible for the implementation of the solution will develop a benefit realization strategy and plan. The benefit realization plan will be designed to contemplate a baseline measurement and several interim measurements before the final benefit realization report is produced.
.

Success Criteria Table				
#	Description of Criteria	How will the Criteria be measured/assessed?	Who benefits?	Realization Date (MM/YY)
1	Project planning, RFI, and procurement process that will lead to a solution and system implementer that provides the best value to the state while meeting the needs of Regulatory divisions.	• Refinement Requirements to accurately reflect market conditions for Regulatory Solutions • Cost refinement performed to accurately reflect licensing, and best application of modernized approaches such as AI	• IAAS, FCCS staff system users • End Users • Taxpayers	06/26
2	Milestones of the Project Implementation are managed and met. Timeliness of the implementation is an important criterion to DFS and users of the system to provide improvements to customer experience and to the taxpayers in management of investment for these improvements.	• Project Management Plan is in place and approved • Project governance structure and control mechanisms established	• IAAS, FCCS staff system users • Educational providers • End Users • Taxpayers	11/27
3	The solution shall incorporate a robust change management plan for internal Division staff members and leadership as well as external users to assure that the proper mechanisms are in place to allow a smooth transition from current to desired state.	• Training plans and supporting materials are identified and developed for each user role • Communication plans are developed to inform users of timing and impact of change	• IAAS, FCCS staff users • Educational providers • End Users	05/28
4	The solution will provide users maximum self-service capabilities including registration, provide and update contact details, upload documents, and	• Reduce/remove direct staff email traffic • Reduction of "out-of-system" workarounds	• IAAS, FCCS staff system users • Educational providers	11/29

Success Criteria Table			
	customer service.	• Reduction of duplicate data • Number of API-based integrations	• End Users	
5	The solution will be flexible to change including changes to underlying integration components, future requirements, and to support changes in statutory direction.	• Cost of implementation of future changes • Time to implement future changes • Pass audits • Number of channels available to public users to interface with the system	• IAAS, FCCS staff system users • Educational providers • End Users	11/29
6	The solution will provide information across several communication channels, including notifications, and access to reporting. Notifications will have the ability to be in multiple languages, support responsive design for mobile devices, and support accessibility features.	• Emails and/or SMS will be triggered via workflow triggers • Content in email and/or SMS notifications in email fully editable by the divisions • Content in Portal fully editable by the divisions • Flexible reporting providing canned and ad hoc reporting (i.e., PowerBI)	• IAAS, FCCS staff system users • Educational providers • End Users	11/29
7	Solution will be implemented using standard technologies and development frameworks.	• Upskilling and/or hiring persons can be accomplished within IAAS/FCCS (does not require a technologists) • Deployment of solution changes is in terms of daily or weekly • Security and Testing are automated	• State of Florida Department of Financial Services • IAAS, FCCS staff system users	11/29

Figure 13: Success Criteria Table

IV. Schedule IV-B Benefits Realization and Cost Benefit Analysis

A. Benefits Realization Table

Purpose: To calculate and declare the tangible benefits compared to the total investment of resources needed to support the proposed IT project.

For each tangible benefit, identify the recipient of the benefit, how and when it is realized, how the realization will be measured, and how the benefit will be measured to include estimates of tangible benefit amounts.

All benefits identified in collaboration with the Department have been classified as intangible, as provided below in **Figure 14: Benefits Realization Table**.

Benefits Realization Table					
#	Description of Benefit	Who receives the benefit?	How is benefit realized?	How is the realization of the benefit measured?	Realization Date (MM/YY)
1	Improving user experience by eliminating multiple login accounts for users with multiple roles that are based on license type.	• System users	• Implementing role-based access	N/A	Upon implementation
2	Improving data quality by requiring supporting documentation to be provided BEFORE applications can be submitted for review and subsequent approval.	• Applicants • System users	• Implementing a requirement that supporting documentation must accompany a submitted application	N/A	Upon implementation
3	Improving communication through the generation of alerts/ notifications for staff and applicants during the Application Review and Approval process.	• Applicants • System users	• Implementing alerts/ notifications for staff and applicants	N/A	Upon implementation
4	Increasing efficiency by introducing automated workflow and e-signature capabilities into the Deficiency process. Deficiencies require writing a memo, using a template, and obtaining three signatures. The process involves scanning, uploading, and indexing.	• System users	• Implementing automated workflow and e-signature capabilities	N/A	Upon implementation
5	Improving data security by virtue of an end-to-end solution.	• Applicants • Licensees • System users	• Implementing an end-to-end solution	N/A	Upon implementation
6	Improving workforce capabilities and stability	• System users • State of Florida/	• Implementing a standardized	N/A	Upon implementation

Benefits Realization Table					
#	Description of Benefit	Who receives the benefit?	How is benefit realized?	How is the realization of the benefit measured?	Realization Date (MM/YY)
	by virtue or reskilling, hiring, and retention of staff due to a standardized modern development framework.	DFS	modern development framework		
7	Improving solution longevity via a highly configurable and embedded workflow capability to help ensure the long-term relevance of the solution.	• State of Florida/ DFS	• Implementing a configurable workflow capability	N/A	Upon implementation

Figure 14: Benefits Realization Table

B. Cost Benefit Analysis (CBA)

Purpose: To provide a comprehensive financial prospectus specifying the project's tangible benefits, funding requirements, and proposed source(s) of funding.

The chart below summarizes the required CBA Forms which are included as Appendix A on the Florida Fiscal Portal and must be completed and submitted with the Schedule IV-B.

Cost Benefit Analysis	
Form	Description of Data Captured
CBA Form 1 – Net Tangible Benefits	Agency Program Cost Elements: Existing program operational costs versus the expected program operational costs resulting from this project. The agency needs to identify the expected changes in operational costs for the program(s) that will be impacted by the proposed project. Tangible Benefits: Estimates for tangible benefits resulting from implementation of the proposed IT project, which correspond to the benefits identified in the Benefits Realization Table. These estimates appear in the year the benefits will be realized.
CBA Form 2 – Project Cost Analysis	Baseline Project Budget: Estimated project costs. Project Funding Sources: Identifies the planned sources of project funds, e.g., General Revenue, Trust Fund, Grants. Characterization of Project Cost Estimate.

Cost Benefit Analysis	
Form	**Description of Data Captured**
CBA Form 3 – Project Investment Summary	Investment Summary Calculations: Summarizes total project costs and net tangible benefits and automatically calculates: • Return on Investment • Payback Period • Breakeven Fiscal Year • Net Present Value • Internal Rate of Return

Figure 15: Cost Benefit Analysis

1. **Cost-Benefit Analysis Results**

This section contains the Cost Benefit Analysis (CBA) forms, and references to appendices, identified in **Figure 15: Cost Benefit Analysis** with a descriptive narrative summarizing the information. All benefits identified in collaboration with the Department have been classified as intangible, as indicated in section F of **Appendix 5 – DFS ALIS Cost Benefit Analysis**.

For Operational Costs and Tangible Benefits, see tab "CBAForm1 NetTangibleBenefits" in **Appendix 5 – DFS ALIS Cost Benefit Analysis**.

For Baseline Program Budget, see tab "CBAForm2A BaselineProjectBudget" in **Appendix 5 – DFS ALIS Cost Benefit Analysis**.

CBAForm 2 - Project Cost Analysis   Agency   Department of Financial Services   Project   Automated Licensing Information Systems

PROJECT COST SUMMARY	PROJECT COST SUMMARY (from CBAForm 2A)						TOTAL
	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31	
TOTAL PROJECT COSTS (*)	$1,440,335	$1,834,264	$11,972,755	$13,916,232	$6,441,237	$0	$35,604,823
CUMULATIVE PROJECT COSTS (includes Current & Previous Years' Project-Related Costs)	$1,440,335	$3,274,599	$15,247,354	$29,163,586	$35,604,823	$35,604,823	

Total Costs are carried forward to CBAForm3 Project Investment Summary worksheet.

PROJECT FUNDING SOURCES	PROJECT FUNDING SOURCES - CBAForm 2B						TOTAL
	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31	
General Revenue	$1,440,335	$1,834,264	$11,972,755	$13,916,232	$6,441,237	$0	$35,604,823
Trust Fund	$0	$0	$0	$0	$0	$0	$0
Federal Match ☐	$0	$0	$0	$0	$0	$0	$0
Grants ☐	$0	$0	$0	$0	$0	$0	$0
Other ☐ Specify	$0	$0	$0	$0	$0	$0	$0
TOTAL INVESTMENT	$1,440,335	$1,834,264	$11,972,755	$13,916,232	$6,441,237	$0	$35,604,823
CUMULATIVE INVESTMENT	$1,440,335	$3,274,599	$15,247,354	$29,163,586	$35,604,823	$35,604,823	

Characterization of Project Cost Estimate - CBAForm 2C			
Choose Type		Estimate Confidence	Enter % (+/-)
Detailed/Rigorous		Confidence Level	
Order of Magnitude	X	Confidence Level	15%
Placeholder		Confidence Level	

Figure 16: Project Cost Analysis

CBAForm 3 - Project Investment Summary   Agency   Department of Financial Services   Project   Automated Licensing Information Systems

	COST BENEFIT ANALYSIS -- CBAForm 3A						
	1	2	3	4	5	6	TOTAL FOR ALL YEARS
	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31	
Project Cost	($1,440,335)	($1,834,264)	($11,972,755)	($13,916,232)	($6,441,237)	$0	($35,604,823)
Net Tangible Benefits	$0	$0	$0	$0	($1,236,366)	($3,812,178)	($5,048,544)
Return on Investment	($1,440,335)	($1,834,264)	($11,972,755)	($13,916,232)	($7,677,603)	($3,812,178)	($40,653,368)

RETURN ON INVESTMENT ANALYSIS -- CBAForm 3B		
Payback Period (years)	NO PAYBACK	Payback Period is the time required to recover the investment costs of the project.
Breakeven Fiscal Year	NO PAYBACK	Fiscal Year during which the project's investment costs are recovered.
Net Present Value (NPV)	($35,726,663)	NPV is the present-day value of the project's benefits less costs over the project's lifecycle.
Internal Rate of Return (IRR)	NO IRR	IRR is the project's rate of return.

Investment Interest Earning Yield -- CBAForm 3C						
Fiscal Year	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
Cost of Capital	2.90%	3.10%	3.30%	3.40%	3.50%	3.50%

Figure 17: Project Investment Summary

2. Summary

The estimated total cost of implementing the proposed solution is **$35,604,823** over the program life. In addition, DFS has computed the values in **Figure 18: Financial Return Analysis** for the solution. The Department sees numerous benefits through efficiencies potentially gained, leading to better customer service. Important is the significant increase in the longevity of the solution due to replacement of outdated and comparatively unsecure technology. There are no financial benefits calculated since all benefits identified in collaboration with the Department will not reduce operating costs. The negative amount for benefits is due to increased annual operating costs associated with the new solution which is more effective and more secure than the existing system(s).

Investment Term	Computed Value
Total Cost	$35,604,823
Benefits	($5,048,544)
Payback Period	No Payback w/in 6 Years
Breakeven Fiscal Year	Does Not Breakeven in 6 Years
	6 Year Analysis
Return on Investment	($40,653,368) (total benefits minus total costs)
NPV	($35,726,663)
IRR	No IRR

Figure 18: Financial Return Analysis

The Department recommends the proposed solution be approved and authorized to proceed with the initiation of the program's planning and procurement activities and that the required funding be requested by the Executive Office of the Governor and approved by the Legislature. The recommended next step is to secure funding of *$1,440,335* for FY 2025-26 to move forward with developing and implementing the solution.

V. Schedule IV-B Major Project Risk Assessment

Purpose: To provide an initial high-level assessment of overall risk incurred by the project to enable appropriate risk mitigation and oversight and to improve the likelihood of project success. The risk assessment summary identifies the overall level of risk associated with the project and provides an assessment of the project's alignment with business objectives.

> *NOTE: All multi-year projects must update the Risk Assessment Component of the Schedule IV-B along with any other components that have been changed from the original Feasibility Study.*

The Risk Assessment Tool and Risk Assessment Summary are included in Appendix B on the Florida Fiscal Portal and must be completed and submitted with the agency's Schedule IV-B. After answering the questions on the Risk Assessment Tool, the Risk Assessment Summary is automatically populated.

A project risk assessment of the proposed project was performed using the assessment tool provided as part of the Information Technology Guidelines and Forms on the Florida Fiscal Portal. The tool requires answering eighty-nine questions about the project being considered, divided into eight assessment categories. The results of the assessment are summarized in **Figure 19: Risk Assessment Summary** below. The full risk assessment is included in the Schedule IV-B Appendix.

There are multiple questions within the risk assessment tool requiring the software vendor to be identified before work can begin. The risk assessment areas most affected are the Communications Assessment and the Project Management Assessment. Several items within Project Organization Assessment require funding to proceed. When the project progresses to the point where these items can be appropriately addressed, the impacted risk ratings improve substantially.
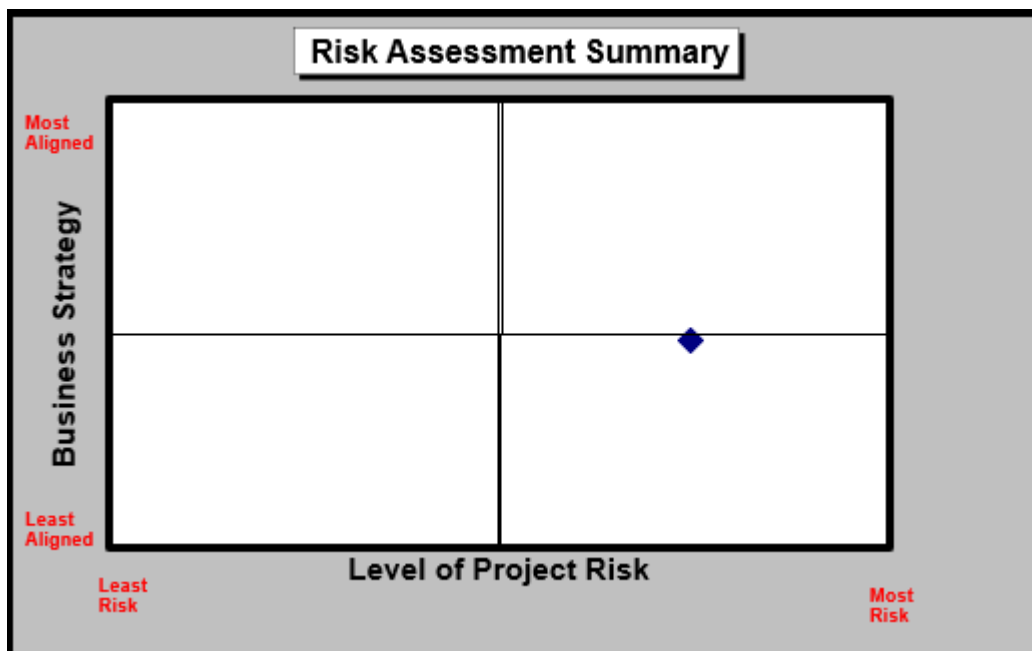
Figure 19: Risk Assessment Summary

Factors contributing to the project's risk assessment level of High and its placement in the lower right quadrant of the Risk Assessment Summary is addressed within the project's first few months. DFS can begin work prior to procurement to further reduce risks.

- Strategic Risk Mitigation.
  - o Clearly documented project objectives with sign-off by all Stakeholders.
  - o Developing a Project Charter signed by the executive sponsor and executive team.
- Technology Exposure Mitigation.
  - o Upskill resources for go forward technologies.
  - o Continue to the MFA implementations across all systems.
- Organizational Change Management Risk Mitigation.
  - o Document and approve an Organizational Change Management plan for this project.
- Communication Risk Mitigation.
  - o Document and approve a communication plan for this project.
  - o Ensure the communication plan promotes the collection and use of feedback from management, the project team, and business stakeholders.
  - o Identify all required communication channels within the communication plan.
  - o Ensure all affected stakeholders are included in the communication plan.
  - o Develop and document all key messaging within the communication plan.
  - o Develop and document desired message outcomes and success measures within the communication plan.
  - o Identify and assign needed staff within the communication plan.
- Fiscal Risk Mitigation.
  - o Develop and document a Spending Plan for the entire project lifecycle.
  - o Develop a more detailed and rigorous cost estimate for the project to be accurate with 10% of estimated total cost of the project.
  - o Identify and assign a Contract Manager to the project.
  - o Clearly identify, define, and document all procurement selection criteria and expected outcomes.
- Project Organization Risk Mitigation.
  - o Identify, define, and document all roles and responsibilities for the executive steering committee.
  - o Develop and document a project staffing plan to identify the specific number of required resources and their corresponding roles, responsibilities, and needed skill levels.
  - o Assign an experienced, dedicated project manager to this project.
  - o Identify and assign qualified project management team members to the project.
- Project Management Risk Mitigation.
  - o Define and document all design specifications pertaining to the project.
  - o Define and document all project deliverables, services, and acceptance criteria.
  - o Develop and refine the work breakdown structure for all project related activities.
  - o Develop and approve the project schedule for the entire project lifecycle.
  - o Define and specify all project tasks, go/no-go decision points, critical milestones, and resources.
- Project Complexity Mitigation.
  - o Project objectives, scope, and approach will be aligned with Division mission and statutory requirements within Project Charter.
  - o Project controls to assure clearly defined requirements and priorities will be established.
  - o Retain the services of 3rd party advisory/consulting services for project support.

The overall project risk level decreases from High when many of the above items are addressed. Additionally, addressing these items shifts the current placement of the project in the higher risk quadrant to reflect a more accurate alignment with the business strategy not currently represented in the risk assessment tool.

Figure 20: Overall Project Risk below illustrates the risk assessment areas evaluated and the breakdown of the risk exposure assessed in each area. As indicated above, the overall project risk should diminish significantly within the first few months when the project structure is in place, business processes and requirements are fully mapped and defined, and the foundational technology elements have been implemented.

Project Risk Area Breakdown	
Risk Assessment Areas	**Risk Exposure**
Strategic Assessment	MEDIUM
Technology Exposure Assessment	HIGH
Organizational Change Management Assessment	HIGH
Communication Assessment	HIGH
Fiscal Assessment	HIGH
Project Organization Assessment	HIGH
Project Management Assessment	MEDIUM
Project Complexity Assessment	HIGH
Overall Project Risk	HIGH

Figure 20: Overall Project Risk

VI.   Schedule IV-B Technology Planning

Purpose: To ensure there is close alignment with the business and functional requirements and the selected technology.

A. Current Information Technology Environment

1. Current System

The current ecosystem supporting the Department has been organically grown from a legacy core set of applications initially developed for IAAS in 2004. Over the last 20 years the IAAS ecosystem has been modified to accommodate additional needs of the organization including a copy being made of the primary applications in support of FCCS and their like business process workflow. Over time the development of these environments has splintered in their use, underlying technology currency, and system/manual workflow modifications.

Both licensing solutions consist of four primary applications:

- Automated Licensing Information System (ALIS) - core licensing system
- Agent and Agency Licensing Functions (AALF) - an online application system
- eAppoint - an electronic appointment system
- Department of Insurance Continuing Education (DICE) - a pre-licensing and continuing education tracking system

The primary application developed for IAAS is ALIS. Because similar licensing functionality and processes were found in FCCS (e.g., continuing education, appointments), the Department determined the ALIS framework could be used for FCCS and led the Department to develop a similar, and independent solution, called FACS-ALIS.

Again, please note while each ecosystem (IAAS and FCCS) has maintained the names of these primary applications and the functionality is similar, they are duplicated and not the same core systems.

IAAS and FCCS each have subsystems and multiple external interfaces. In addition, there are external interfaces with private sector and state third-party systems. Both solutions retrieve pertinent applicant documents, generate license certificates, produce invoices and reminders for appointments and renewals, and perform other business processes necessary to service both divisions.

In parallel to development of the ALIS Replacement Schedule IV-B, the Department partnered with CAST Software, Inc. to apply two of their assessments to the ALIS and FACS-ALIS environments, CAST Imaging and CAST Highlights. CAST Imaging performs a deep review of code, database, and integrations specifically focused on reuse or replace and why. CAST Highlights performs a higher-level review across a broader ecosystem to highlight risks, needed for maintenance, obsolescence, or issues with resiliency.

CAST Software, Inc. finding's further support interviews and other data review:

- **Excessive Complexity:** The system's 10,513 function points indicate a highly complex and functionally dense system, but this complexity, combined with 798 critical violations, makes it a significant maintenance burden and adds to the technical debt.
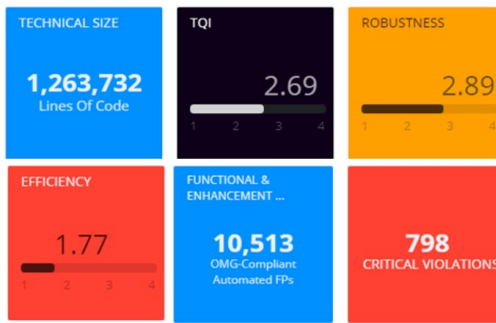
Figure 21: Overall Project Risk

- **Inefficient and Outdated Codebase:** With 1.26 million lines of code, the system suffers from low efficiency (1.77/4) and only moderate robustness (2.89/4), reflecting the challenges of managing outdated, tangled code.

- **Security Vulnerabilities:** A Technical Quality Index (TQI) of 2.69/4 reveals considerable security risks that need immediate remediation.

- **Scalability & Performance Issues:** The outdated architecture severely limits the system's scalability and performance, hindering future growth and modernization efforts.

CAST Software, Inc. recommendation: Addressing immediate security and performance risks may offer short-term relief, but the long-term impact is minimal. A complete system rewrite is the most viable solution, with short-term fixes to extend the system's life until a new application is ready.

Holistically many of the system components are considered aging end-of-life technology which is becoming difficult to support; for example, ALIS has a highly customized web application and many FCCS workflows were developed in MS Access 2003 forms. Given these system components, technical resources to secure, fix, and maintain the application are becoming sparse as newer technology is becoming the focus of the technical community.

a. Description of Current System

Beginning in 2004, the current system was developed over many years by Infinity, ISF and local DFS' Office of Information Technology (OIT) and is managed by the OIT operations team in DFS' inhouse data center. This solution is outdated, difficult to manage, not scalable, and has the potential for errors and potential degradation (or even complete failure of the system).

Division of Insurance Agent and Agency Services (IAAS) Systems

The Division of Insurance Agent and Agency Services (IAAS) systems function with a number of internal and external licensing and investigation systems and applications (see **Figure 23: IAAS Systems and Applications**). The IAAS systems contain workflows allowing applicants to apply for insurance related licenses. Each application currently includes many steps and processes, both through application workflows and manual interaction. Additionally, many documents such as postal mail and facsimiles need to be manually scanned and uploaded into the system.

Figure 22: Current State IAAS Architecture

IAAS Systems and Applications			
Type	**System/Application**	**Description**	**Attributes**
Primary Application Component	Automated Licensing Information System (ALIS)	ALIS is the core application for the Division of Insurance Agent and Agency Services. Functions of this system are as follows: • Approves licenses. • Retrieves documents that were scanned/indexed from FileNet. • Generates license certificates. • Provides notification of insufficient documentation necessary for licenses (alerts). • Generates invoices for license renewals. • Generates appointment renewals. • Provides notices of insufficient documentation to MyProfile (DICE).	State Users: 1,545/year Insurance Licensee Users: 1.2M/year Operating System: Windows Server 2016 Database: Oracle 19c (ALIS, COREN) Environments: DEV, UAT (LB), Prod (LB) Codebase: ASP 1.0 (Classic ASP), VB6 Integration types supported: FTP, API, SQL
Primary Application Component	Agent & Agency Licensing Functions (AALF)	A system that processes online applications for the Division of Insurance Agents and Agencies. This system handles payments and fees for the licenses issued. The system leverages the Enterprise Banking Information Broker (eBIB) and Cashiers Office Deposit Automation System (CODA) systems for payment processing and reconciliation, respectively.	State Users: (accessed via DICE) Licensee Payment processed: 6,700 average/monthly Operating System: Windows Server 2016 Integration Type: Electronic Payment Interface (EPI) Database: Oracle 19c (AALF) Environments: DEV, UAT (LB), Prod (LB) Codebase: ASP 1.0 (Classic ASP), VB6, .NET C# 4.0
Primary Application Component	Electronic Appointment (eAPPOINT)	An electronic appointment (job or position assignment) system. Appointments are authorizations to practice as an insurance provider in Florida. This system allows entities and firms to appoint licensees to their practice. This system handles payments and fees for the appointments issued. The system leverages eBIB and CODA systems for payment processing and reconciliation, respectively.	Please see VIII. Appendices, 1 User Types for State and Licensees User Types and counts. Operating System: Windows Server 2016 Database: Oracle 19c (iALIS, ALIS, ANDI, iPortal, COREN) Environments: DEV, UAT (LB), Prod (LB) Codebase: ASP 1.0 (Classic ASP), VB6
Primary Application Component Public Facing	Department of Insurance Continuing Education (DICE/MyProfile)	A system that allows licensed insurance agents and agencies to track their continuing education efforts to maintain their license status. Insurance providers, instructors, courses, and course offerings are housed within this application.	State Users: 167 Insurance and Instructor Users / All Types: 1.3M/yr. Operating System: Windows Server 2016 Database: Oracle 19c (DICE, ALIS) Environments: DEV, UAT (LB), Prod (LB) Codebase: .NET 4.0 C#, ASP 1.0 (Classic ASP), VB6

IAAS Systems and Applications			
Type	**System/Application**	**Description**	**Attributes**
Public Facing	Internet Portal (IPORTAL)	The Office of Insurance Regulation's IPORTAL serves as the authentication device for IFASS and IFWS data that is received from external web users.	Please see VIII. Appendices, 1 User Types for State and Licensees User Types and counts for eAppoint, will be same users for this system. Third party website Database: Oracle 19c Environments: DEV, UAT, Prod The systems that utilize this database do so using SQL.
Public Facing	Licensee Search	This is a public-facing reporting tool that provides information on Agent and Agency Licensee and Appointment information. This information is pulled from AAS-ALIS.	Operating System: Windows Server 2016 Database: Oracle 19c (ALIS, IE) Environments: DEV, UAT, Prod Codebase: ASP.NET 4.8 C# (MVC), .NET 4.8 C# Console application Use of IE database to get States and Counties for dropdowns
Database	Companies and Other Related Entities Navigator (COREN)	Office of Insurance Regulation's CORE Navigator serves three primary purposes - to view, edit, and report on company related data. Using CORE Navigator's search tool, you can quickly locate company data you wish to view in DOI's CORE database.	Database: Oracle 19C (COREN) Integration Type (API/SFTP): SQL Holds data? Y/N: N Size (if Y): The systems that utilize this database do so using SQL.
Doc Mgt System	Electronic Management of Investigative & Licensing Information (EMILI)	A Commercial Off-the-Shelf (COTS) solution that is the Division of Insurance Agent and Agency Services' Bureau of Investigation's primary case and document management system. EMILI interfaces with ALIS. The COTS system is Hyland's OnBase (version 22.1) - a content services platform that organizes, manages, and optimizes content, processes, and cases.	Operating System: Windows Server 2016 Database: SQL Server 2019 (OnBaseCM) Environments: DEV, UAT (LB), Prod (LB) Size: 59GB The OnBase system is also utilized by the Division of Investigative and Forensic Services (DIFS) FREDD system. The storage is shared so the above size includes both EMILI and FREDD systems
Doc Mgt System	FileNet	IBM FileNet Document Storage Repository (COTS).	Operating System: Windows Server 2016 Database: Oracle 19c Size: IAAS: 2231GB
Utility	Agent & Agency Licensing Functions Administration (AALF Admin)	A utility that allows for the management of various aspects of AALF.	Operating System: Windows Server 2016 Database: Oracle 19c (AALF, ALIS) Environments: DEV, UAT, Prod Codebase: ASP 1.0 (Classic ASP), VB6

IAAS Systems and Applications			
Type	**System/Application**	**Description**	**Attributes**
Utility	Information Broker	This utility has multiple jobs that interact with source systems such as DICE to marshal payment records to and from the CODA system.	Operating System: Windows Server 2016 Database: Oracle 19c (IBSYS) Environments: DEV, UAT, Prod Codebase: .NET 4.0 C# (Console app) Integration Type: Electronic Payment Interface (EPI) Holds data Y/N: Y Size (if Y): 38GB
Utility	Non-Resident Interface for Transfer of Information (NFTI Interface)	A web utility that receives non-resident insurance agent application data from with the NIPR and provides to AALF. Includes NFTI backend processor jobs.	Operating System: Windows Server 2016 Database: Oracle 19c (NFTI, NFTS) Environments: DEV, UAT, Prod Codebase: .NET 4.5 C# console application Integration Type (API/SFTP): Webservice, SFTP Holds data Y/N: Y Size (if Y): 4GB
Utility	ALIS-NIPR Data Interchange (ANDI Interface)	A web utility that receives Agent Appointments from NIPR and provides to eAPPOINT.	Operating System: Windows Server 2016 Codebase: .NET 4.5 C# (Console Application) Database: Oracle 19c (ANDI, ANDS) Integration Type (API/SFTP): Webservice, SFTP Holds data Y/N: Y Size (if Y): 7.25GB
Utility	Enterprise Banking Information Broker (eBIB)	Office of Finance and Budget middleware product that will maintain connectivity and data exchange with the ecommerce provider and insulate applications from change.	Operating System: Windows Server 2016 Database: SQL Server 2019 (eBIB) Codebase: .NET 4.8 C#, ASP.NET (Webforms, MVC), Console App Integration Type: Electronic Payment Interface (EPI) Holds data Y/N: Size (if Y): Y Size (if Y): IAAS: 1804 MB To be retained if new system acquired?: Yes

IAAS Systems and Applications			
Type	**System/Application**	**Description**	**Attributes**
Utility	Cashiers Office Deposit Automation System (CODA)	Office of Finance and Budget's primary revenue accounting system used by DFS and OFR to post and track all transactions manually or electronically.	Operating System: Windows Server 2016 Codebase: .NET 4.8 C# (Windows forms, ASP.NET, Console App) Database: SQL Server Integration Type (API/SFTP): SFTP Holds data Y/N: Y Size (if Y): 981 MB of text files To be retained if new system acquired? Yes
Integration	National Insurance Producer Registry (NIPR)	National Insurance Producer Registry (NIPR). NIPR provides the insurance industry with a data warehouse of producer licensing information from all fifty states, the District of Columbia, and four U.S. territories. NIPR's products and services eliminate paperwork and data entry, allowing for increased productivity, and faster turnaround time for the producer licensing process.	External data repository Data exchange via ANDI Data exchange via NFTI To be retained if new system acquired? Yes
Integration ALIS & AALF	FDLE (Fingerprint)	Review submitted fingerprint results if applicable. The reviewer will note if: • There are any discrepancies between the fingerprint results and the responses made in the application by the applicant. • The results of the fingerprint warrant additional supporting documentation submitted for review.	Integration Type (API/SFTP): SFTP Holds data Y/N: Yes, retained in FileNet as a .txt file for 150 days. Size (if Y): 2 to 10 KB To be retained if new system acquired? Yes Is a .txt file that is ftp'd 4 times a day and has a different name each time.
Integration ALIS	NAIC	Review the applicant's NAIC record for: • Verification of primary residence • Licenses held in other states • The existence of any regulatory action taken against the applicant • Evaluating if the information in NAIC agrees with the information provided in the application by the applicant	This is an external system that provides data to IAAS.
Integration eBIB	NIC/Alacrity/eCommerce	NIC e-Payment Processing DFS Enterprise Credit Card and ACH payment processing system and provider.	Integration Type (API/SFTP): SFTP, API Holds data Y/N: Y Size (if Y): To be retained if new system acquired? Yes REST API transactions to make

IAAS Systems and Applications			
Type	**System/Application**	**Description**	**Attributes**
			payments and to retrieve payment status information.
Integration NIC/Alacrity	Wells Fargo	Financial Services provider	Integration Type (API/SFTP): SFTP Holds data Y/N: Y Size (if Y): Unknown, stored by this provider not at DFS To be retained if new system acquired? Yes
Integration ALIS & AALF	Pearson Vue	Insurance Agent Exam Provide Pass/Fail submissions and reporting	Integration Type (API/SFTP): SFTP Holds data Y/N: Y Size (if Y): Unknown, stored by this provider not at DFS To be retained if new system acquired? Yes
Integration ALIS	iMarcs (Email) SparkPost	Bulk Email provider	Integration Type (API/SFTP): API Holds data Y/N: Y Size (if Y): Unknown To be retained if new system acquired? Yes

Figure 23: IAAS Systems and Applications

Division of Funeral, Cemetery, and Consumer Services (FCCS) Systems

The Division of Funeral, Cemetery, and Consumer Services (FCCS) systems work with a number of internal and external licensing and investigative applications (see **Figure 25: FCCS Systems and Applications**). There have also been a number of MS Access databases developed in the past 20 years to help with division activities but have not been integrated into the system. The FCCS and IAAS systems and applications have similar names and are not the same systems.

Figure 24: Current State FCCS Architecture

FCCS Systems and Applications			
Type	**System/Application**	**Description**	**Attributes**
Primary Application Component	Funeral Cemetery Licensing Forms (AALF)	A derivative of IAAS-AALF. For FCCS, this system processes online applications for Funeral and Cemetery service providers. Pre-need sales agents, a license type, can apply for new licenses, but for other license types, only renewals are processed in this application.	State Users: Insurance Licensee Users: Operating System: Windows Server 2016 Database: Oracle 19c (AALF) Environments: DEV, UAT(LB), Prod(LB) Codebase: ASP 1.0, VB6 Integration types supported: FTP, API, SQL
Primary Application Component	Automated Licensing Information System (ALIS)	ALIS is the core application for the Division of Funeral, Cemetery, and Consumer Services. Functions of this system are as follows: • Approves Licenses. • Document Scanning Indexing (Word, PDF). • Generates License Certificates. • Provides Notification of Insufficient Documentation necessary for licenses (alerts). • Generates invoices for license renewal. • Generates appointment renewals.	State Users: Licensee Payment processed**:** Operating System: Windows Server 2016 Integration Type: Electronic Payment Interface (EPI) Database: Oracle 19c (ALIS, COREN) Environments: DEV, UAT(LB), Prod(LB) Codebase: ASP 1.0, VB6
Primary Application Component	Electronic Appointment (eAPPOINT)	A derivative of IAAS-eAPPOINT. eAPPOINT is an electronic appointment (job or position assignment) system. Appointments are authorizations to practice as a licensed Funeral and Cemetery service provider in Florida. This system allows entities and firms to appoint licensees to their practice. Preneed Sales Agents (PSA) are a special type-class of licenses. Only PSA's can perform appointments.	State Users: Insurance Licensee Users: Operating System: Windows Server 2016 Database: Oracle 19c (iALIS, ALIS) Environments: DEV, UAT(LB), Prod(LB) Codebase: ASP 1.0, VB6
Primary Application Component Public Facing	Department of Insurance Continuing Education (DICE) (External)	A derivative of IAAS-DICE, which stands for Department of Insurance Continuing Education. This version of DICE allows licensed Funeral and Cemetery service providers to enter and track their continuing education efforts to maintain their license status.	State Users: Insurance and Instructor Users / All Types: Operating System: Windows Server 2016 Database: Oracle 19c (iALIS, ALIS, COREN) Environments: DEV, UAT(LB), Prod(LB) Codebase: ASP 1.0, VB6

FCCS Systems and Applications			
Type	**System/Application**	**Description**	**Attributes**
Public Facing	Department of Insurance Continuing Education (DICE) (Internal)	A derivative of IAAS-DICE, which stands for Department of Insurance Continuing Education. This version of DICE allows licensed Funeral and Cemetery service providers to enter and track their continuing education efforts to maintain their license status. The internal version of FCCS-DICE also generates board packets for board meetings. Board Packets are reports of license types that need to be discussed in FCCS's monthly board meetings.	State Users: Insurance Licensee Users: Operating System: Windows Server 2016 Database: Oracle 19c (iALIS, ALIS, COREN) Environments: DEV, UAT(LB), Prod(LB) Codebase: ASP 1.0, VB6
Public Facing	Licensee Search	This is a public-facing reporting tool that provides information on Funeral and Cemetery Service Providers. This information is pulled from ALIS.	Operating System: Windows Server 2016 Database: Oracle 19c (MYDOI) Environments: DEV, UAT, Prod Codebase: ASP 1.0, VB6 MYDOI database is refreshed with ALIS data daily each morning.
Database	Assignment Tracking New System (ATN)	A MS Access database application used by staff to track investigations and inspections.	Operating System: Windows 10 and 11 Access Level: 2007 Size (data): 200,164 KB Data portion and application (GUI) are separate .accdb files.
Database	Exam Scheduling (ES1)	MS Access database application used by staff to assist with scheduling the examinations of preneed licensees and cemeteries.	Operating System: Windows 10 and 11 Access Level: 2007 Size (data): 224,760 KB Is a single MS Access .mdb file containing data (tables) and other business objects (forms, queries, reports…)
Database	JASMIN 405	A MS Access database application to provide reporting on licensing to the Division Director. Data from ALIS is refreshed into this MS Access DB monthly.	Operating System: Windows 10 and 11 Access Level: 2007 Size (data): 155,400 KB Is a single MS Access .mdb file containing data (tables) and other business objects (forms, queries, reports…)

FCCS Systems and Applications			
Type	**System/Application**	**Description**	**Attributes**
Database	Preneed Main License Renewal (PNL)	A MS Access database application used to track the process for the preneed main license holder to file the annual renewal of their license. Through this process, FCCS keeps track of which licensees renew their preneed main license and which do not.	Operating System: Windows 10 and 11 Access Level: 2007 Size (data): 33,232 KB Is a single MS Access .mdb file containing data (tables) and other business objects (forms, queries, reports…)
Doc Mgt System	FileNet	IBM FileNet Document Storage Repository (COTS).	Operating System: Windows Server 2016 Database: Oracle 19c Size: 313GB
Utility	Enterprise Banking Information Broker (eBIB)	Office of Finance and Budget middleware product that will maintain connectivity and data exchange with the ecommerce provider and insulate applications from change.	Operating System: Windows Server 2016 Database: SQL Server 2019 (eBIB) Codebase: .NET 4.8 C#, ASP.NET (Webforms, MVC), Console App Integration Type: Electronic Payment Interface (EPI) Holds data Y/N: Size (if Y): Y Size (if Y):15 MB To be retained if new system acquired?: Yes
Utility	Cashiers Office Deposit Automation System (CODA)	Office of Finance and Budget's primary revenue accounting system used by DFS and OFR to post and track all transactions manually or electronically entered CODA.	Operating System: Windows Server 2016 Codebase: .NET 4.8 C# (Windows forms, ASP.NET, Console App) Database: SQL Server Integration Type (API/SFTP): SFTP Holds data Y/N: Y Size (if Y): 981 MB of text files To be retained if new system acquired?: Yes
Utility	Information Broker	This utility has multiple jobs that interact with source systems such as DICE to marshal payment records to and from the CODA system.	Operating System: Windows Server 2016 Database: Oracle 19c (IBSYS) Environments: DEV, UAT, Prod Codebase: .NET 4.0 C# (Console app) Integration Type: Electronic Payment Interface (EPI) Holds data Y/N: Y Size (if Y): 38GB

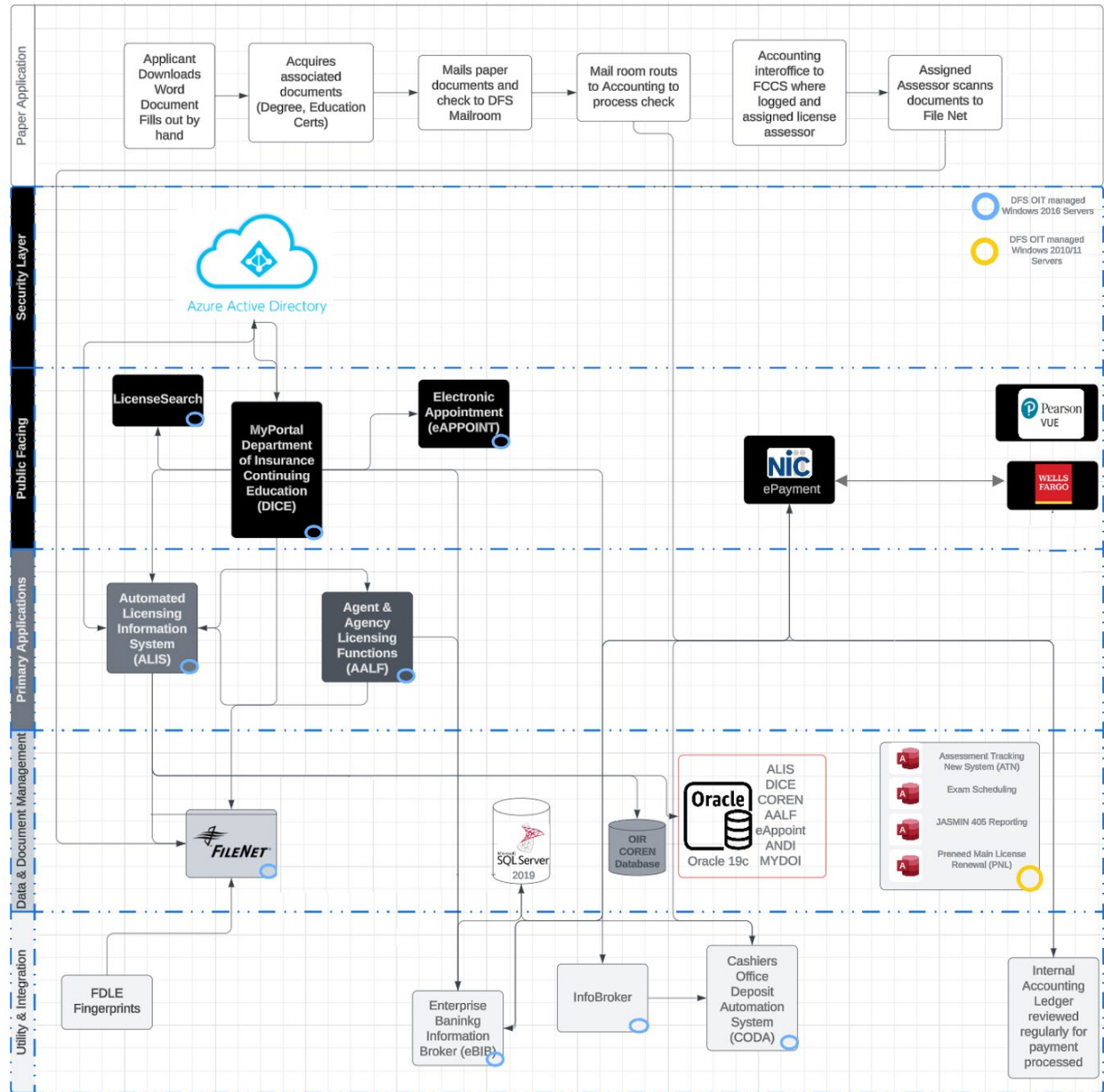| FCCS Systems and Applications			
Type	**System/Application**	**Description**	**Attributes**
Integration COREN	FDLE (Fingerprint)	Review submitted fingerprint results if applicable. The reviewer will note if: o there are any discrepancies between the fingerprint results and the responses made in the application by the applicant o the results of the fingerprint warrant additional supporting documentation submitted for review	Integration Type (API/SFTP): SFTP, Holds data Y/N: Yes, retained in FileNet as a .txt file for 150 days. Size (if Y): 2 to 10 KB To be retained if new system acquired? Yes Is a .txt file that is ftp'd 4 times a day and has a different name each time.
Integration NIC/Alacrity	Wells Fargo	Financial Services provider	Integration Type (API/SFTP): SFTP Holds data Y/N: Y Size (if Y): Unknown To be retained if new system acquired? Yes
Integration eBIB	NIC/Alacrity/eCommerce?	NIC e-Payment Processing DFS Enterprise Credit Card and ACH payment processing system and provider.	Integration Type (API/SFTP): SFTP, API Holds data Y/N: Y Size (if Y): To be retained if new system acquired? Yes REST API transactions to make payments and to retrieve payment status information.

Figure 25: FCCS Systems and Applications

b. Current System Resource Requirements

Storage requirements are currently supported by FileNet for IAAS and FCCS. There are State of Florida retention standards found in *GS1-SL retention policies for State and Local Government Agencies* and each system at this time holds all uploaded application, documents, and other inputs. The trigger for archival is system driven with Active and Inactive status. The document management systems do not flag for active or inactive.

It is anticipated a go-forward solution will have a lower number of and better managed document storage, as it will introduce greater self-service customer data entry, reduce document loading, and support document reference for linked recall over live storage on system.

Please see the Attributes Column in **Figure 23: IAAS Systems and Applications** and **Figure 25: FCCS Systems and Applications** for the current system by system view of resource requirements.

c. Current System Performance

Each of the current solution components provide reliable performance. These systems individually are accessible and responsive across provided functionality. There are deficiencies in end-to-end business process performance in areas of automation and integration, consistent data flow, consistent handling of customer accounts, amount of ecosystem complexity and the impact on operational maintenance, and the lack of metrics to support any transparency across the system.

A great deal of manual effort is embedded in both IAAS and FCCS, FCCS to a greater degree, which increases the potential for human error and data quality concerns. In addition, there is a lack of integration across many of the systems to maintain connection between inputs and outputs, for example the number of email communications sent and received related to any given business process are housed in individual staff outlook mailboxes and are not associated with accounts in ALIS. It is up to the staff to download and attach documents, update check boxes, and notify both internal and external stakeholders of any necessary actions.

With a modern system, both IAAS and FCCS will see great improvements in data accuracy, data storage, and reporting capabilities. Modern systems natively include greater capabilities for automation, integration, customer self-service, and communication; all of which will reduce demands on DFS staff across IAAS, FCCS, and OIT.

2. Information Technology Standards

DFS OIT Services Standard Operating Procedures (SOPs).

Document Retention as found in GS1-SL retention policies for State and Local Government Agencies.

In addition, the Department's technology follows Rule 60GG, F.A.C., Florida Digital Services Standards, listed below:

- 60GG-1: Department of Management Services Project Management and Oversight.
- 60GG-2: State of Florida Cybersecurity Standards.
- 60GG-3: Data Center Operations.
- 60GG-4: Cloud Computing.
- 60GG-5: State of Florida Enterprise Architecture.

B. Current Hardware and/or Software Inventory

The current software platform is a set of proprietary client-server solutions that resides on-premises. Please see the Attributes Column in **Figure 23: IAAS Systems and Applications** and **Figure 25: FCCS Systems and Applications** for the current system by system view of operating system, database, storage, and interface requirements.

C. Proposed Technical Solution

1. Technical Solution Alternatives

The technology feasibility components to consider for a recommendation of modernize or replacement include update, build, and buy. The activities involved in these considerations are outlined below and are addressed in relation to not only the general recommendation to move forward with an "as a Service" solution and specifically with a Software as a Service.

The "as a Service" solutions generally encompass variations of Cloud provided approaches to the delivery of applications, tools, and components to achieve the business functionality needed. These approaches can deliver across integrated solution sets including leveraging existing DFS enterprise solutions to enable an end-to-end set of capabilities providing holistic business functionality. While each of these "as a Service" can meet the needs, there are key considerations of each as outlined across Update, Build, and Buy further described below.

Update of a solution is often the approach taken when an existing solution is providing the business functionality an organization requires with few if any workaround or manual activities, the current system meets overarching policy requirements, and is easily supported by staffing and hiring. A solution update would require an assessment to include an analysis of solution components of the current system and a determination of which components could be refreshed or modernized. This approach can support a phased modernization and allow an organization to address priority components as they are able over time. Solution as a Service is a modernization strategy that can support an Update of a solution.

Solution as a Service - Modernize Current System Across Several SaaS offerings

Solution as a Service (Solaas) are typically a collection of integrated Commercially Off the Self (COTS) SaaS solutions to meet the business need and solutions are rarely from a single provider but selected and integrated in a best of breed view to meet the business need. Solaas can be an excellent approach for to Update a solution set over time.

Build a new solution is the approach taken when the current business needs are so unique that updating or buying an existing solution is not an option. To design and build a new solution will provide for the lowest amount of change management required and will be able to address specific granular organizational needs in a way neither solution updates nor buying will. However custom-built solutions traditionally become out of date quickly thus requiring workarounds or costly updates. This approach can support a solution replacement if IAAS and FCCS business

processes were adequately unique, and the market scan has shown there are many solutions available and in use today in like organizations across the country. Platform as a Service is a modernization strategy which can support a custom build of a solution and leverage Cloud development frameworks.

Platform as a Service - Custom Build

Platform as a Service (PaaS) are typically a collection of utilities or microservices within an overarching Solution set (i.e., MS Dynamics or AWS Cloud), are designed and deployed for a business need, and billed based on the configuration and transactions of the business need.

Buy a replacement solution is the approach taken when an organization knows the work they perform has similarities to work performed in other businesses creating a commercial market need addressed by a market response of Commercially off the Self (COTS) solutions. These solutions are provided with many foundational components ready and the ability for administrative users to adjust configuration elements to align to organizational requirements. It should be noted the Buy solution alternative typically requires the greatest amount of change management to align to the Solution and is rewarded with ongoing updates keeping the solution relevant with modern technology enhancements.

Software as a Service – Buy Commercially Off the Shelf (COTS)

Software as a Service (SaaS) are readily available end-to-end cloud hosted solutions. SaaS provides Commercially Off the Shelf (COTS) infrastructure and application components with standardized capabilities relevant to an Industry's needs. SaaS systems provide common functionality focused on the industry they support, they readily integrate across many other systems, and are innovating and updating on a regular basis. Specifically, there are available products offering Regulatory solutions and provide configuration of self-service workflows to support Applications, Renewals, Continuing Education, and communications. SaaS are usually billed on a per license per month once the implementation is complete. Considerations for this alternative is the SaaS will have limitations to the extent of configuration to meet current workflow, and while change management will be important for any alternative for SaaS, it may be most important to support the business users and customers adjusting to the changes the SaaS will bring.

2. Rationale for Selection

To evaluate the solutions available to the Department, three alternatives were assessed against the following criteria: Holistic Application, Self Service Driven, Highly Automated, Integrated Performance Management, Mature DevSecOps Development Framework, Time to Implement, and Continual Investment and Enhancement. Each of the seven criteria are weighted based upon an overall strategic importance to the potential project and the Department. The criteria were scored based upon specific factors that would contribute to the success and benefit realization.

The assigned weights were applied to the evaluation criterion scores, which were then calculated to determine a final, overall score for each alternative. The summary results are depicted below in **Figure 26: Scores by Alternative**.

Criteria	Wt.	Alternative 1 | SaaS			Alternative 2 | PaaS Custom Build			Alternative 3 | SolaaS Modernization		
		Score	Total	Weighted Total	Score	Total	Weighted Total	Score	Total	Weighted Total
1. Holistic Application	15%	High	3.00	0.45	High	2.50	0.38	Medium	2.00	0.30
2. Self Service Driven	15%	High	3.00	0.45	Low	1.25	0.19	Medium	2.00	0.30
3. Highly Automated	20%	High	2.50	0.50	Medium	1.50	0.30	Medium	1.75	0.40
4. Integrated Performance Management	10%	Medium	2.25	0.23	Low	1.25	0.13	Medium	1.75	0.20
5. Mature DevSecOps Development Framework	10%	High	3.00	0.30	Medium	2.20	0.22	Medium	1.80	0.20
6. Time to Implement	15%	High	2.75	0.45	Low	1.00	0.15	Medium	1.75	0.30
7. Continual Investment and Enhancement	15%	High	2.50	0.45	Low	1.00	0.15	Medium	1.50	0.30
Total Weighted Score	**100%**	**2.83**			**1.51**			**2.00**		

Figure 26: Scores by Alternative

Please see Section II.C.3. Rationale for Selection for more information.

3. Recommended Technical Solution

The results of this feasibility study show buying a Software as a Service (SaaS) is the most attractive option as it best aligns with the business and Department's needs. When you view the Division's requirements, evaluation criteria, and industry analysis against the alternatives, SaaS more than meets the technical and business process requirements.

The consistent business functions across licensing organizations nationwide provide strong market drivers for Software providers to develop SaaS solutions to meet the Department's needs. The functional and technical requirements are summarized below:

- Compliance: This alternative enables the Department to remain compliant with required Federal, State, and Agency regulations.
- Security: This alternative provides required capabilities pertaining to disaster recovery, infrastructure, network demands, storage needs, data loss prevention and overall resumption.
- System: This alternative is equipped to support needed system integration and the ability to scale as required to support fluctuating volumes.
- Functional: This alternative is enabled/prepared to support and improve business-critical functions currently needed and to furnish enhancements improving efficiency and overall performance.

Alternative 1: Software as a Service (SaaS) brings numerous benefits including workflow management, increased automation, enhanced security, data integration, and improved satisfaction and service. If the recommended solution is not funded, the Department should anticipate facing multiple risks, including:

- Continued aging of the system, increased inefficiencies in the business methods BCM uses to conduct required operations.
- Increasing cost to recruit and retain resources to maintain (and modify) the system.
- Inability to troubleshoot required fixes efficiently and effectively and/or issues as they manifest within the system.
- Continuation of highly manual and time-consuming administrative and other required steps/processes.
- Customer dissatisfaction and loss of overall faith in the solution.

D. Proposed Solution Description

1. Summary Description of Proposed System

The feasibility study is to provide a recommended solution for IAAS and FCCS addressing the needs across people, processes, and technologies. The solution needs to provide market standards today, remain relevant, and be cost effective over time. This ensure end users of all types can be trained and hired within readily available skill sets. The business processes must and will change and the business solution will need to embed a support system providing the necessary functional change management and technical development management acumen. And finally, the solution must look at the full set of technologies supporting a holistic business solution to not only include the core solution but also the peripheral considerations like tablets, responsive design, and the ability to leverage current DFS enterprise capabilities.

With all these priority elements in mind, the results of this feasibility study show Alternative 1: Software as a Service (SaaS) represents the most closely aligned and beneficial option. In addition to the overarching alignment of SaaS solution characteristics to most of the Department's evaluation criteria, the consistent business functions across licensing organizations nationwide provide strong market drivers for Software providers to develop SaaS solutions specific to State Licensing. Therefore, providing many options for SaaS products that could competitively meet the Department's business process and technical requirements as well as layering in change management and Solution Integration in a meaningful way driving successful, timely delivery and running of the solution.
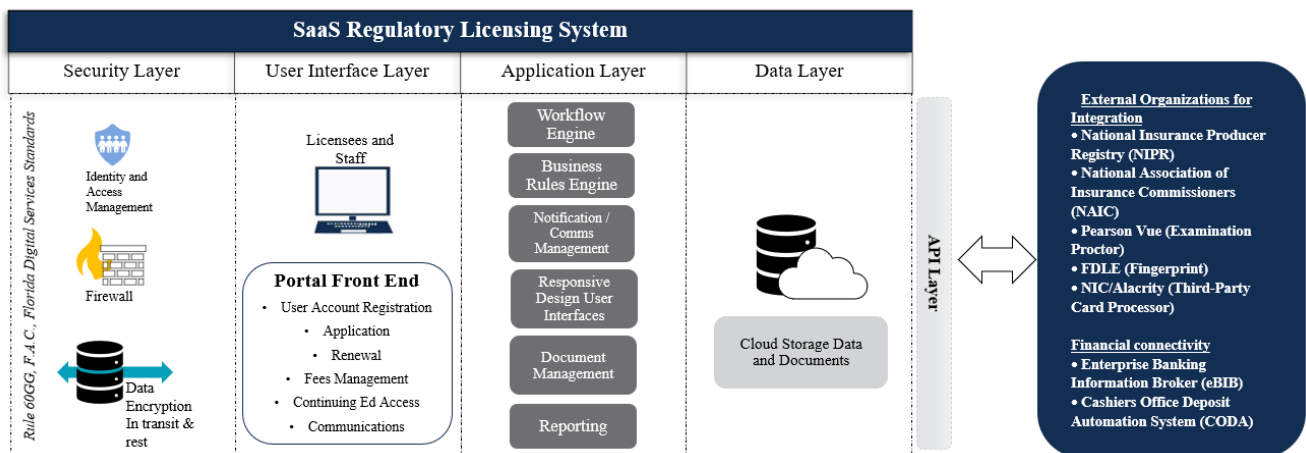
Figure 27: Proposed Solution Overview

The proposed system consists of the following major components and capabilities:

- Cloud Infrastructure - To provide scalability and flexibility, reduce complexity, and accommodate easier implementation of new capabilities in the future, the solution should be deployed to one of the major cloud hosting providers. The cloud solution should automatically scale up to accommodate increasing load while also scaling down when load decreases to minimize costs. High availability will be provided with a multiregional deployment coupled with automatic failover and real-time data replication. The solution should also take advantage of cloud services for traffic routing, software-defined networking, security monitoring, content delivery, caching, and data storage.
- Cloud Security and Compliance to State and Federal Statutes[5] - End to end security considerations are foundational to the Cloud environments. From authentication and access rights management through to secure storage and Disaster Recovery. The proposed solution provides for the Security and Compliance

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[5] Any implemented solution would have to resolve an identified problems resulting from the completion of the Enterprise Architecture form, "*FL[DS]-01 – Technology Initiative Management Form*" in the areas of Strategy, Business, Systems, Security, Data, Infrastructure, and Testing as completed in accordance with Rule 60GG-5.002, F.A.C.

requirements as well as continually invest and upgrade over time as the technology landscape changes to address vulnerabilities, enhance encryption services, and continually improve privacy considerations.

- Self-Service Public Portal - The public portal provides the external access to all licensing features a licensee would need. This includes registration, applying for licenses, renewals, managing communications, uploading documents, searching knowledge base for issue resolution, and making payments. The Portal will adhere to responsive design to support laptop and mobile devices like tables.
- Self-Service Staff Portal - The staff portal allows staff to manage the review and approval of licenses, renewals, continuing education, and complaints. It includes rules-based work distribution capabilities, efficient workflows to ensure review and approval activities are optimized based on the specifics of the license type and applicant.
- Self-Service Admin Portal - The functionality of the solution will be determined by configuration. The admin portal provides access to these configuration options. Actions such as adding a license type, modifying workflows, changing the forms used to maintain licenses, and defining correspondence will be managed in the admin portal. Features such as previewing changes and maintaining versions will be provided to facilitate change management activities.
- Integrated Automation **-** Machine Learning (ML), Robotic Process Automation (RPA), and Generative Artificial Intelligence (GenAI) appropriately threaded through the solution and clearly incorporated in the solution roadmap. Examples are seen in interactive assistance capabilities, native workflow automation to remove manual activities, and expanding capabilities.
- Ability to Edit and Add Workflow Engine - The workflow component includes a visual workflow designer that provides drag-and-drop definition of workflows. Once workflows are defined, they can then be associated with license types to provide streamlined review and approval of licenses along with automated renewal processing.
- Ability to Edit and Add Business Rules – The functionality of the solution will have ability to edit business rules to existing workflows. Copy or add new Business Rules within the solution. These functionalities include actions such as validating required fields on a form, determining rules needed as part of a workflow, and centralizing these business rules to reduce maintenance requirements and improve business agility.
- Form Builder - Accompanying the need for flexible definitions of license types is the need for a flexible presentation of the applications for licenses. This includes defining or configuration of the field layouts in a manner that makes sense for the applicant as well as showing and hiding fields based on both the license type and the answers to previous questions. The form builder must provide a guided experience for the applicant eliciting application information in an intuitive and logical fashion.
- Document Management - Documents are required to support application and investigation. Robust document management capability is required with the ability to retrieve documents in a performant fashion, provide extensive search capabilities based on both the document contents as well as metadata associated with the documents, and provide role-based access to users across business units. Document storage will be in the DFS Enterprise FileNet.
- Reporting Service - DFS staff need easy access to reporting throughout the license lifecycle. The reporting service provides both pre-prepared reports and ad hoc report definition capabilities. Reporting will support operational, and staff needs. For example, system use, record audit, fee payments, renewals, investigation reporting.
- Correspondence Service - Often, documents must be created using data elements from the system. To support this requirement in combination with producing professional communications tailored to the recipient as well as the activity being communicated, the solution must provide a correspondence generation capability.
- Integration Service - The licensing solution will need to interact with other systems both within DFS and external to DFS. This interaction is provided by the integration service. Data flows into the system and out of the system based on formats and timeframes defined via configuration. Additionally, data regarding integration activity is available for review and monitoring.

A SaaS solution meets the technical and functional requirements including compliance, security, and system requirements, which were defined in Section II.D.

Please see VII: Schedule IV-B Project Management Planning for recommendations regarding business solution implementation.

2. Resource and Summary Level Funding Requirements for Proposed Solution (if known)

Refer to Appendix 5 Cost Benefit Analysis Workbook for Staffing counts and costs for FY 25-26 through FY 2029-30.

E. Capacity Planning
(historical and current trends versus projected requirements)

The capacity components of the proposed solution will address capacity needs related to throughput and growth in number of applications.

IAAS new licenses issued grew by more than 100%[6] between FY 2013-14 and FY 2022-23 (**Figure 28: Total Licenses Issued**). This growth is attributed to several factors, including significant population growth in Florida[7] (**Figure 29: Total Population (in Millions)**), an aging population requiring more insurance products, and a strong economy encouraging individuals to enter the industry. Additionally, the changing insurance landscape, such as the introduction of the Affordable Care Act, has increased the need for knowledgeable agents. Florida's propensity for natural disasters like hurricanes may have also prompted insurance companies to hire more agents to handle the increased workload.
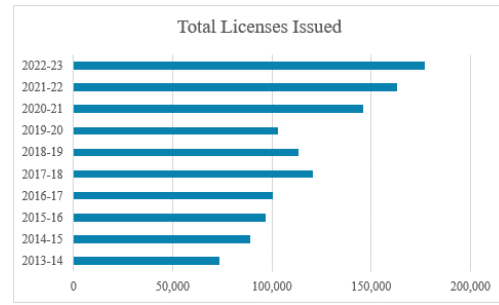
Figure 28: Total Licenses Issued
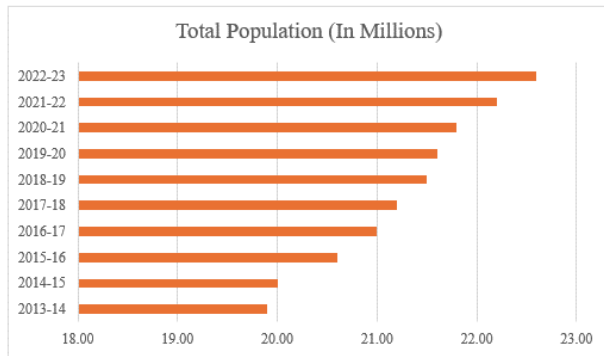
Figure 29: Total Population (in Millions)

Capacity of IAAS and FCCS staff to support growth in the number of licenses, renewals, and investigations is significant and the Division will either need to hire more staff or address the manual processes of the current systems. The improvements to throughput in the proposed solution will be driven by self-service, workflow, and automation capabilities. This increase in throughput will reduce manual processes and increase staff capacity across all areas of the divisions and will increase capacity for customer service focused efforts.

The growth of digital content in the proposed solution will be driven by growth in the number of overall users, applicants, inspections, investigations, and educational courses managed through the solution. These counts should remain on an organic growth trajectory aligned to general population growth and the subsequent growth in the need for insurance and death-care licensed persons. There will also be State Legislation driven upticks to content when new requirements are implemented, and continuing education classes are added and existing are updated. Overall, it is not anticipated growth of the system will experience spikes in transactions, general use, or numbers of users that would drive just in time storage or capacity adjustments as can be seen in other industries. This is not an industry having a peek season and when changes are applied, they typically have a time horizon to allow system updates and end user compliance.

Storage capacity, document storage, should reduce with the implementation of the proposed solution. The expectation is the forms-based data managed will increase and the number of documents managed should decrease with the implementation of a Self-Service Customer Facing Portal. The relative size of forms-based/tabular data

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[6] Department of Financial Services, Division of Agent and Agency Services Monthly Management Report, FY 2013-14 through FY 2022-23.

[7] According to Demographic Estimating Conference, from the Office of Economic and Demographic Research between 2013 and 2023, Florida's population grew by 18% from 19.5 million to 23 million.

storage is lower than documents and therefore overtime there should be a reduction in total storage.

VII. Schedule IV-B Project Management Planning

Purpose: To require the agency to provide evidence of its thorough project planning and provide the tools the agency will use to carry out and manage the proposed project. The level of detail must be appropriate for the project's scope and complexity.

Include through file insertion or attachment the agency's project management plan and any associated planning tools/documents.

> *NOTE: For IT projects with total cost in excess of $10 million, the project scope, business objectives, and timelines described in this section must be consistent with existing or proposed substantive policy required in s. 216.023(4)(a)10, F.S.*

A. Project Approach

Figure 30: Project Timeline below depicts the approach for planning, procurement, and implementation of the components of the system. The approach includes multiple workstreams intended to efficiently manage all lifecycle activities to procure and implement the solution to meet the requirements of IAAS and FCCS. Further, it depicts a phased implementation to address the complexity of deploying across two divisions and to address the significant organizational change management impacts that are expected. The approach depicted here may be modified if a specific approach is proven to be more efficient for a specific product.
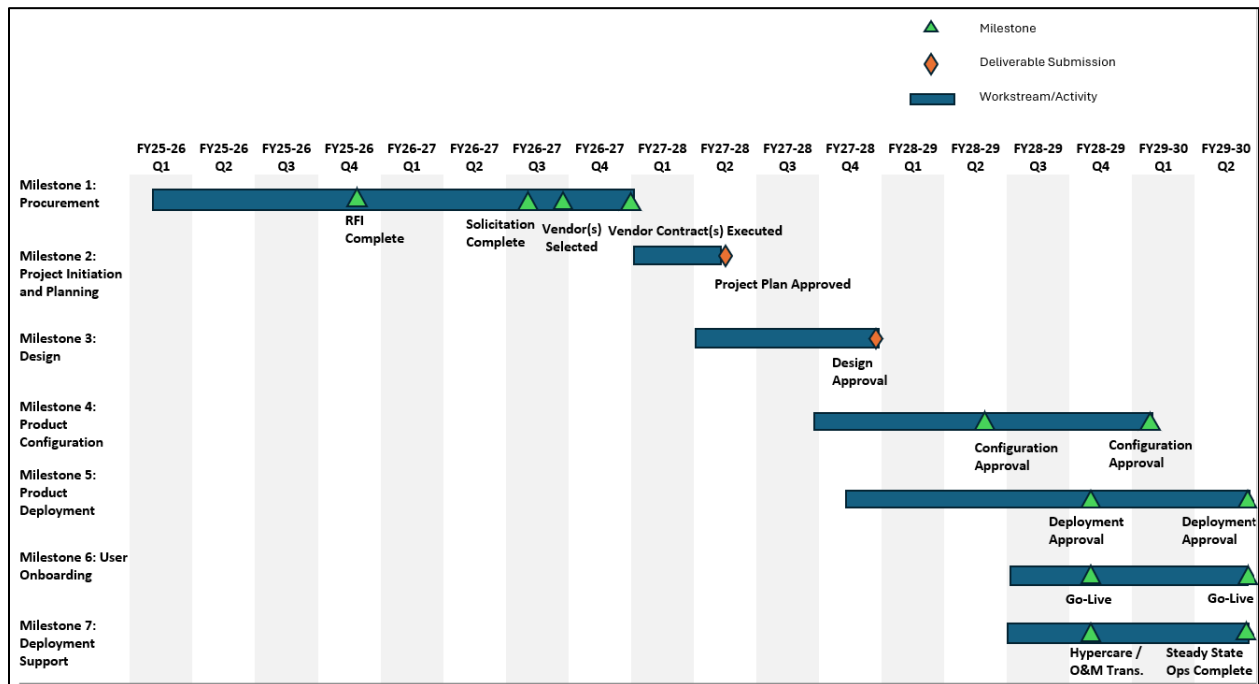
Figure 30: Project Timeline

Milestone 1: Procurement

The Department initially procures vendor services to plan and manage the project's procurement component, with a

potential continuation of project management services to oversee the project's design, development, and implementation (DDI) phases. The vendor assists the Department in conducting a Request for Information (RFI) through FY 2025-26 to further refine the solution through allowed interactions with the vendor community prior to the formal procurement process.

Upon successful completion of the RFI process, the Department uses the results to drive a formal process to select a product. The proposed plan, as illustrated above, depicts a standard RFI process. The Department follows Chapter 287, F.S., requirements to determine the correct appropriate approach.

The proposed solution requires implementation of a common technical platform to support both IAAS and FCCS. The recommendation, a SaaS platform alternative, is most appropriate and indicates multiple procurements may be required. At minimum, it should be expected separate agreements will be negotiated with the product vendor and a systems integrator. Additional advisory services (per s. 282.0051, F.S.) such as Project Management and Independent Verification and Validation (IV&V) may be required as well.

The following documents are leveraged to achieve successful procurement within the targeted window:

- Business and Technical Requirements – Requirements developed for this Schedule IV-B document can be filtered/separated by business function to delineate which requirements support specific business functions.
- Supplier, Input, Process, Output, Customer (SIPOC) documentation and process maps – Material created during Level 1 analysis of IAAS and FCCS business functions.
- Existing documentation of current business functions/processes to create the procurement materials.

Other services such as procurement support, project management, and related technical services are available via:

- State of Florida State Term Contract for Management Consulting Services.
- Information Technology Staff Augmentation Services.

Milestone 2: Project Initiation and Planning

The project management methodology used by DFS is based on the Project Management Institute's (PMI) Project Management Framework and adheres to Rule 60GG-1, F.A.C., Florida Information Technology Project Management and Oversight Standards. The DFS Project Manager and the implementation vendor will agree on an appropriate project management methodology. The Project Director or Project Sponsor may consider changes to the methodology at any phase of the project, as deemed appropriate, including the use of Agile methodologies that focus on customer satisfaction through the early and continuous delivery of working software, close cooperation between business users and software developers, quality improvement, and continuous attention to technical excellence and good design. Regardless of the specific project management methodology employed, certain management and control mechanisms will be relevant to all phases of this project, including, but not limited to:

- Project Charter
- Project Management Plan
- Project Communications Plan
- Project Management Status Reports
- Risk and Issue Registers
- Meeting Agendas and Minutes
- Requirements Management Plan
- Organizational Change Management Plan

The use of the project control framework indicated above, together with the Project Management Plan, will assist the Project Manager and Project Sponsor in planning, executing, managing, administering, and controlling all phases of the project. Control activities will include, but may not be limited to:

- Monitoring project progress.

- Reviewing, evaluating, and making decisions on proposed changes; changes to the project scope will be tightly controlled according to a documented change request, review, and approval process agreed to by key stakeholders.
- Identifying risks, developing timely risks mitigation strategies, monitoring, and managing to minimize the impact on the project as required by the risk management plan.
- Identifying issues, developing timely issue resolution strategies, monitoring, and tracking, and managing to minimize the impact on the project as required by a documented issue reporting and management process.
- Monitoring the quality of project deliverables and taking appropriate actions about any project deliverables that are deficient in quality.
- Monitoring the contracts to ensure the terms of the contract and statement of work are being met.

Milestone 3: Design

The design milestones encompass a detailed plan incorporating the needs of both IAAS and FCCS in the future state solution. The vendor follows DFS's programming and development standards. Thorough review and acceptance from DFS stakeholders are required to move to the product configuration milestone. Design documentation includes, and may not be limited to the following:

- Technical Requirements
- User Security Requirements
- Technical Design Specification
- To-Be Business Process Flows
- Data Conversion Plan
- Data Migration Plan
- Test Plans

Milestone 4: Product Configuration

The product configuration milestones implement the approved design documentation for the System in preparation for the upcoming deployment and data migration milestones. The vendor follows the established methodologies for Software Configuration Management including Stakeholder review and sign-off, documentation management, and appropriate version control standards.

Milestone 5: Product Deployment

The product deployment phase includes multiple steps to both prepare the system and the DFS staff for operations. This phase includes multiple stages of testing, including primary testing, integration testing, and user acceptance testing. This activity also includes the migration of data and validation and testing of the deployed product against the migrated data, to assure it is complete and correct. Data migration activities leverage Data Migration and the Data Conversion Plans created by the vendors for their specific components. A post-go-live period of hypercare is supported by the vendor.

Milestone 6: User Onboarding

The User Onboarding milestones focus on activities necessary to verify appropriate access to the solution by both internal and external users. It focuses on validating these users are prepared to migrate their work activities and they have the necessary training and support to perform their work activities and their accounts are configured to allow them to perform their work activities based on role. Once user onboarding activities are completed and the production environment is deemed ready for production, the in-scope users will be live on the new solution, supported by the hypercare team to help resolve any unexpected problems.

Milestone 7: Deployment Support

The deployment support milestone includes any additional support required from the vendor to assist DFS with the final production version of the implemented solution. The vendor will also complete the knowledge transfer plan to ensure the DFS staff has sufficient working knowledge of the solution, reduce any knowledge gaps and transition into ongoing maintenance support of the System.

		Year-Over-Year Activities		
FY 25-26	**FY 26-27**	**FY 27-28**	**FY 28-29**	**FY 29-30**
Identify Potential Solutions / Market Scan	Develop / Execute Procurement	Onboarding SI / Planning and Analysis / Implementation Begins	Implementation - Continued / Completed	
FY25-26: Procurement process intiated by... - Onboarding required resources - Developing RFI - Releasing RFI - Receiving and evaluating RFI responses	**FY26-27:** Development and execution of the procurement by... - Onboarding staff aug resources that comprise the DFS project team - Developing procurement - Releasing procurement, receiving responses, evaluating responses **(January - June)**	**FY27-28:** - Onboarding solution vendor - Planning, analysis, and design activities jointly conducted by DFS (led by the DFS project team) resources and the solution vendor - DFS (led by the DFS project team) resources involved in configuration review and testing - Training plans developed by DFS project team resources in conjunction w/vendor resources - **Implementation beginning at mid-year** - Staff change management support and end user training being delivered	**FY28-29 and FY29-30:** - **Implementation in full swing** - DFS (led by the DFS project team) resources involved in configuration review and testing - Staff change management support and end user training being delivered - By **12/31/2028**, approximately half of license types fully onboarded - Continuing education, inspections, and investigations fully **tested** by **6/30/2029** - Continuing education, inspections, and investigations fully **implemented** by **12/31/2029**	

<div align="center">

Figure 31: Year-Over-Year Activities

</div>

B. Project Deliverables

Figure 32: Project Deliverables contains a preliminary list of potential project deliverables. The final deliverables list, which will include acceptance criteria, is developed in conjunction with the selected implementation vendor and will be appropriate to the final implementation methodology.

Name	Owner	Deliverable Description
Project Management		
Project Charter	DFS	Provides an overview of key aspects of the project, including key resource needs, project roadmap, solution description and is authorized by the project executive sponsor.
Project Management Plan	Vendor/ DFS	The Project Management Plan (PMP) is a formal, approved document used to manage project execution. The PMP documents the actions necessary to define, prepare, integrate, and coordinate the various planning activities. The PMP defines how the project is executed, monitored, controlled, and closed. Updates progressively elaborate throughout the project. Includes, but not limited to, the following documents as required by the Project Director and/or the Project Management Office (PMO): • Work Breakdown Structure. • Resource and Cost Loaded Project Schedule. • Procurement Management Plan. • Requirements Management Plan. • Communication Plan. • Document Management Plan. • Scope Management Plan. • Quality Management Plan. • Deliverable Expectations. • Deliverable Management Plan. • Risk Management Plan. • Risk Response Plan.

Name	Owner	Deliverable Description
		• Issue Management Plan. • Change Management Plan. • Resource Management Plan. • Conflict Resolution Plan. • Baseline Project Budget.
Project Communication Plan	DFS	The communications management plan defines who (project stakeholders) will need what specific information, when the information is needed, and the expected modality for the communication message. The Communication Plan will include, at a minimum, the purpose and approach, communication goals and objectives, communication roles, communication tools and methods, and Level 1 project communication messages.
Project Management Status Reports	Vendor	Weekly status reports to the project management team.
Risk and Issue Registers	DFS/ Vendor	Prioritized lists of risks and issues identified and reviewed during the project.
Meeting Minutes	Vendor	Record of decisions, action items, issues, risks, and lessons learned identified along the course of the project and during formal stakeholder meetings.
Contract Compliance Checklist	Vendor	Documents that vendors involved with the project have met all contractual requirements.
Change Management		
Organizational Change Management (OCM) Plan	Vendor	Describes the overall objectives and approach for managing organizational change during the project, including the methodologies and deliverables that will be used to implement OCM for the project.
OCM Status Reports	Vendor	Weekly status reports to the project management team.
Stakeholder Analysis	Vendor	Identifies the groups impacted by the change, the type and degree of impact, group attitude toward the change, and related change management needs.
Training Plan	Vendor	Defines the objectives, scope, and approach for training all stakeholders who require education about the new organizational structures, processes, policies, and system functionality.
Change Readiness Assessment	Vendor	Surveys the readiness of the impacted stakeholders to "go live" with the project and identifies action plans to remedy any lack of readiness.
Functional Solution		
As-Is Business Process Flows	DFS	Represents, graphically, the current state of program areas' business processes using standard business process notation. This document should include narrative descriptions of key activities, including owners, inputs, and outputs.
To-Be Business Process Flows	Vendor	Represents the future state of program area business processes, as re-engineered by the vendor in conjunction with DFS subject matter experts. The process flows are developed using standard business process notation. This document should include narrative descriptions of key activities, including owners, inputs, and outputs.
Business Process Re-Engineering Plan	Vendor	The plan defines potential business process changes and how those changes are to be implemented.
Process Improvement Plan	Vendor	The plan that defines potential business process changes and how those changes are to be implemented.
Functional	Vendor	Functional requirements determined to implement the solution.

Name	Owner	Deliverable Description
Requirements		
Design Demonstration	Vendor	Review and acceptance of the solution design are required before proceeding to development. Key stakeholders will experience the prototype, and then a go/no-go decision will be submitted to the Project Sponsors for action.
Technical Solution		
Technical Requirements	Vendor	Technical requirements determined to implement the solution.
Technical Design Specification	Vendor	Detailed technical design for data and information processing in the new business solution.
User Security Requirements	DFS	Detailed requirements so that solution users are given the appropriate level of access to create/maintain/archive/view solution content.
Data Conversion		
Data Conversion Plan	Vendor	Plan to convert data from existing systems that meet the specifications of the new database design, abide by DFS repository guidelines and are economically feasible.
Data Migration Plan	Vendor/ DFS	Plan to migrate data from existing systems to new databases as required.
Solution Testing		
Test Plans	DFS	Detailed test plans for unit testing, solution testing, load testing, and user acceptance testing.
User Acceptance Testing	DFS	Execution of a documented set of actions to be performed within the solution to confirm that all functional requirements have been met.
Cutover		
Functional Business Solution	Vendor	A final production version of the new business solution.
Implementation Plan	Vendor	Detailed process steps to implement the new solution.
Knowledge Transfer Plan	Vendor	Based on a gap analysis, this plan will detail the steps taken to transfer knowledge about the solution to the resources ultimately responsible for post-implementation support; includes a post-go-live period of hypercare by the project team.
Solution Operation and Maintenance Plan	DFS	A detailed plan for how the finished solution will be operated and maintained, including all requirements for the solution to comply with NIST standards.

Figure 32: Project Deliverables

C. Risk Management Plan

The purpose of risk management is to identify the risk factors for the project and establish a risk management plan to minimize the probability the risk will negatively affect the project.

The project management methodology chosen for this project will include processes, templates, and procedures for documenting and mitigating risk. Formal risk analysis, tracking and mitigation will be ongoing throughout all phases of the project. Risks are actively identified, detailed, and prioritized. Mitigation strategies are developed. Risks are tracked, mitigated, and closed throughout the project lifecycle.

All phases of the project follow the standards defined by the PMO. Standards include processes, templates, and procedures for documenting and mitigating risk. Formal risk analysis, tracking and mitigation is ongoing throughout

all phases of the project. Risks are actively identified, detailed, and prioritized. Mitigation strategies are developed. Risks are tracked, mitigated, and closed throughout the lifecycle.

A Risk Management Plan (RMP) is developed and adhered to throughout all project phases. The RMP includes clear risk management procedures, standard checkpoints, and mitigation strategies. Executing a well-defined RMP with clear mitigation strategies for each risk is critical to the project's success. The purpose of risk management is to identify the risk factors for the project and establish a risk management plan to minimize the probability the risk will negatively affect the project. It is recommended the following checkpoints in **Figure 33: Risk Checkpoints** be followed during the project:

Task	Recommendation
Risk Management Plan	Have planned semiannual reviews and updates after the submission and approval of the risk management plan with the Project Director and Project Sponsor. More frequent or "as required" updates should be performed.
Risk Management Reviews	As part of a disciplined approach to addressing project risks, monthly risk meetings should be conducted during the project life cycle at intervals agreed upon with the Project Director and Project Sponsor.

Figure 33: Risk Checkpoints

D. Organizational Change Management

Effective Organizational Change Management (OCM) is integral to the success of this project and is a critical success factor for ensuring staff participation in business process improvement, implementation, and user acceptance. A significant organizational impact is expected because of automating existing manual processes and consolidation to an enterprise approach. OCM is effectively implemented throughout the project life cycle through communication, awareness, and training.

A specific OCM methodology has not been identified at this phase and will be identified in the Organizational Change Management Plan.

At a minimum, the following is included in the final Organizational Change Management Plan:

- Description of roles, responsibilities, and communication between vendor and customer.
- Skill/role gap analysis between the existing system and the proposed solution.
- Training plan including curriculum, platform (e.g., classroom, virtual), and schedule.
- OCM Communication Plan.
- Overview of Changes (Why this, Why Now?).
- Job aids that include changes in policies, business practices, use of tools, data, and reporting.
- Exception Handling, Stakeholder Analysis, Communication Phases.
- Communications Matrix of Activities.
- Implementation Readiness Assessment.
- Readiness Assessment Reporting Process.

The following key roles have varying degrees of responsibility for executing the change management plan and delivering a consistent, positive message about change throughout the life of the project:

- Project Business Stakeholders Committee.
- Organizational Change Manager (a member of the project management team dedicated to OCM).
- Project Director.
- Project Sponsor(s).

E. Project Communication

All phases of the project use communication methods proven to be effective in IT transformations and follow the standards developed by the PMO. These include a communication plan, a formal project kick-off meeting, status meetings, milestone reviews, adoption of methodology in defining roles, responsibilities, and quality measures of

deliverables, regular status reports, regular review and evaluation of project issues and risks, periodic project evaluation, regular demonstrations, and reviews, and a project artifact repository.

Disseminating knowledge among stakeholders is essential to the project's success. Project sponsors, core project team members, and key stakeholders must be kept informed of the project status and how changes to the status affect them. The more people are kept informed about the progress of the project and how it will help them in the future, the more they will participate and benefit.

At this time, the specific communication needs of project stakeholders and the methods and frequency of communication have not been established. A detailed Communication Plan will be completed, which outlines the requirements for effective communication methods and how they will be implemented, including Legislative reporting requirements as defined in procurement. These will include project kick-off, regular status meetings, regular status reports, regular review and evaluation of project issues and risks, milestone reporting, periodic project evaluation, regular product demonstrations and reviews, a web-based discussion board, project website, etc. It is expected that the Communication Plan will be adhered to and receive updates as applicable during the life of the project.

F. Quality Management Plan

The project follows guidelines delineating timeline, budget, and quality specifications for each deliverable. Each deliverable is assigned detailed acceptance criteria in the project contract. Quality is monitored and controlled by the Project Management Team and deliverables are accepted only when the acceptance criteria have been met. The PMO provides oversight and assistance to the entire Project Team ensuring standards are followed. **Figure 34: Quality Standards by Project Area** below provides a list.

Quality Standards by Project Area	
Project Area	**Description**
Development Standards	If applicable, the vendor responsible for design and development of the DFS ALIS System will follow DFS's programming and development standards.
Testing Management	The vendor will follow the established standards for Testing Management. This includes unit testing, integration testing, system testing, load testing and user acceptance testing.
Approval	All deliverables will require individual stakeholder approval and sign-off upon completion of the final draft.
Software Configuration Management	If applicable, the vendor will follow the established standards for Software Configuration Management. This includes Stakeholder sign-off, documentation, and version control.
Contract Management	All contracts must pass executive and legal approval. In addition, external project oversight will be required for contract negotiation.

Figure 34: Quality Standards by Project Area

Quality is monitored throughout the project by the assigned DFS Project Manager. Multiple levels of acceptance by all stakeholders are built into the process ensuring project quality control.

In addition to these formal areas of quality control, the following practices are maintained during the life of the project:

- Peer reviews of artifacts.
- Project team acceptance and approval.
- Periodic project team meetings.
- Project status meetings.
- Periodic contractor, contract manager, project manager and project team meetings.
- Change control management processes, including the creation of a change review and control board that provides representation for all affected stakeholders.
- Contract manager and DFS Project Director acceptance and approval.

- Maintain detailed requirements definitions under configuration management.
- Defined test plan with standard levels of technical and acceptance testing.
- Risk Management and Mitigation.

VIII.   Appendices

The following are appendices that support this Schedule IV-B.

- Appendix 1 - DFS User Counts and Active Licenses
- Appendix 2 - DFS ALIS Requirements Matrix
- Appendix 3 - DFS ALIS Alternative Scoring
- Appendix 4 - DFS ALIS Risk Assessment
- Appendix 5 - DFS ALIS Cost Benefit Analysis
- Appendix 6 - IAAS Process Maps
- Appendix 7 - FCCS Process Maps
- Appendix 8 - DFS ALIS SaaS Solution Project Plan Framework

Appendix 1 - DFS
User Counts and Activ

Appendix
2-DFS-ALIS-Requirem

Appendix
3-DFS-ALIS-Alternative

Appendix
4-DFS-ALIS-Risk-Asses

Appendix
5-DFS-ALIS-Cost Bene

Appendix 6 - IAAS
Process Maps-100.pd

Appendix 7-FCCS
Process Maps-100.pd

Appendix
8-DFS-ALIS-SaaS Solu

CBAForm 1 - Net Tangible Benefits

Agency Department of Financial Services   **Project** Automated Licensing Information Systems

Net Tangible Benefits - Operational Cost Changes (Costs of Current Operations versus Proposed Operations as a Result of the Project) and Additional Tangible Benefits -- CBAForm 1A

Agency Program Cost Elements (Recurring Costs Only -- No Project Costs)	FY 2025-26 (a) Existing Program Costs	(b) Operational Cost Change	(c)=(a)+(b) New Program Costs resulting from Proposed Project	FY 2026-27 (a) Existing Program Costs	(b) Operational Cost Change	(c)=(a)+(b) New Program Costs resulting from Proposed Project	FY 2027-28 (a) Existing Program Costs	(b) Operational Cost Change	(c)=(a)+(b) New Program Costs resulting from Proposed Project	FY 2028-29 (a) Existing Program Costs	(b) Cost Change Operational Cost Change	(c)=(a)+(b) New Program Costs resulting from Proposed Project	FY 2029-30 (a) Existing Program Costs	(b) Operational Cost Change	(c)=(a)+(b) New Program Costs resulting from Proposed Project
A. Personnel Costs -- Agency-Managed Staff	$1,174,811	$0	$1,174,811	$1,174,811	$0	$1,174,811	$1,174,811	$0	$1,174,811	$1,174,811	$0	$1,174,811	$1,174,811	$0	$1,174,811
A.b Total Staff	7.50	0.00	7.50	7.50	0.00	7.50	7.50	0.00	7.50	7.50	0.00	7.50	7.50	0.00	7.50
A-1.a. State FTEs (Salaries & Benefits)	$277,694	$0	$277,694	$277,694	$0	$277,694	$277,694	$0	$277,694	$277,694	$0	$277,694	$277,694	$0	$277,694
A-1.b. State FTEs (#)	2.60	0.00	2.60	2.60	0.00	2.60	2.60	0.00	2.60	2.60	0.00	2.60	2.60	0.00	2.60
A-2.a. OPS Staff (Salaries)	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
A-2.b. OPS (#)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
A-3.a. Staff Augmentation (Contract Cost)	$897,117	$0	$897,117	$897,117	$0	$897,117	$897,117	$0	$897,117	$897,117	$0	$897,117	$897,117	$0	$897,117
A-3.b. Staff Augmentation (# of Contractors)	4.90	0.00	4.90	4.90	0.00	4.90	4.90	0.00	4.90	4.90	0.00	4.90	4.90	0.00	4.90
B. Application Maintenance Costs	$166,090	$0	$166,090	$166,090	$0	$166,090	$166,090	$0	$166,090	$166,090	$0	$166,090	$166,090	$1,236,366	$1,402,456
B-1. Managed Services (Staffing)	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
B-2. Hardware	$86,324	$0	$86,324	$86,324	$0	$86,324	$86,324	$0	$86,324	$86,324	$0	$86,324	$86,324	-$86,324	$0
B-3. Software	$79,766	$0	$79,766	$79,766	$0	$79,766	$79,766	$0	$79,766	$79,766	$0	$79,766	$79,766	$1,238,895	$1,318,661
B-4. Other Storage/Environments (Dev/Test/Prod)	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$83,795	$83,795
C. Data Center Provider Costs	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
C-1. Managed Services (Staffing)	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
C-2. Infrastructure	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
C-3. Network / Hosting Services	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
C-4. Disaster Recovery	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
C-5. Other Specify	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
D. Plant & Facility Costs	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
E. Other Costs	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
E-1. Training	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
E-2. Travel	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
E-3. Other Cell Service	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Total of Recurring Operational Costs	$1,340,902	$0	$1,340,902	$1,340,902	$0	$1,340,902	$1,340,902	$0	$1,340,902	$1,340,902	$0	$1,340,902	$1,340,902	$1,236,366	$2,577,267
F. Additional Tangible Benefits:		$0			$0			$0			$0			$0	
F-1. Specify		$0			$0			$0			$0			$0	
F-2. Specify		$0			$0			$0			$0			$0	
F-3. Specify		$0			$0			$0			$0			$0	
Total Net Tangible Benefits:		$0			$0			$0			$0			($1,236,366)	

CHARACTERIZATION OF PROJECT BENEFIT ESTIMATE -- CBAForm 1B			
Choose Type		Estimate Confidence	Enter % (+/-)
Detailed/Rigorous	☐	Confidence Level	
Order of Magnitude	☑	Confidence Level	15%
Placeholder	☐	Confidence Level	

Department of Financial Services — Automated Licensing Information Systems

CBAForm 2A Baseline Project Budget

Costs entered into each row are mutually exclusive. Insert rows for detail and modify appropriation categories as necessary, but do not remove any of the provided

Item Description (remove guidelines and annotate entries here)	Project Cost Element	Appropriation Category	Current & Previous Years Project-Related Cost	YR 1 #	YR 1 LBR	YR 1 Base Budget	YR 2 #	YR 2 LBR	YR 2 Base Budget	YR 3 #	YR 3 LBR	YR 3 Base Budget	YR 4 #	YR 4 LBR	YR 4 Base Budget	YR 5 #	YR 5 LBR	YR 5 Base Budget	YR 6 #	YR 6 LBR	YR 6 Base Budget	TOTAL
					FY2025-26 $ 1,440,335			FY2026-27 $ 1,834,264			FY2027-28 $ 11,972,755			FY2028-29 $ 13,916,232			FY2029-30 $ 6,441,237			FY2030-31 $ -		$ 35,604,823
Project management personnel and related deliverables.	Pre-DDI: Project Management (Program Director and Project Manager)	Contracted Services	$ -	0.00 $	549,834 $ -		0.00 $	562,480 $ -		0.00 $	- $ -		0.00 $	- $ -		0.00 $	- $ -		0.00 $	- $ -		$ 1,112,314
Project management personnel and related deliverables.	Pre-DDI: Procurement	Contracted Services	$ -	0.00 $	285,663 $ -		0.00 $	389,644 $ -		0.00 $	- $ -		0.00 $	- $ -		0.00 $	- $ -		0.00 $	- $ -		$ 675,306
Project management personnel and related deliverables.	Pre-DDI: Solution Requirements	Contracted Services	$ -	0.00 $	571,325 $ -		0.00 $	779,287 $ -		0.00 $	- $ -		0.00 $	- $ -		0.00 $	- $ -		0.00 $	- $ -		$ 1,350,612
Project oversight to include Independent Verification & Validation (IV&V) personnel and related deliverables.	Project Oversight	Contracted Services	$ -	0.00 $	- $ -		0.00 $	- $ -		0.00 $	584,547 $ -		0.00 $	597,992 $ -		0.00 $	114,702 $ -		0.00 $	- $ -		$ 1,297,241
Separate requirements analysis and feasibility study procurements.	DDI: Project Planning/Analysis - Project Management (Program Director and Project Manager)	Contracted Services	$ -	$	- $ -		$	- $ -		$	537,115 $ -		$	- $ -		$	- $ -		$	- $ -		$ 537,115
Separate requirements analysis and feasibility study procurements.	DDI: Project Planning/Analysis	Contracted Services	$ -	$	- $ -		$	- $ -		$	1,096,722 $ -		$	- $ -		$	- $ -		$	- $ -		$ 1,096,722
Separate requirements analysis and feasibility study procurements.	DDI: Project Management (Program Director and Project Manager)	Contracted Services	$ -	$	- $ -		$	- $ -		$	537,115 $ -		$	1,098,938 $ -		$	823,118 $ -		$	- $ -		$ 2,459,171
Project management personnel and related deliverables.	DDI: Implementation Support	Contracted Services	$ -	$	- $ -		$	- $ -		$	1,096,722 $ -		$	2,243,893 $ -		$	1,486,833 $ -		$	- $ -		$ 4,827,448
Hardware purchases not included in data center services.	Dev/Test and Production Environments (Storage and Data Transfer): Amazon Elastic Block Storage (total = 2,600 GB)	Contracted Services	$ -	$	- $ -		$	- $ -		$	95,696 $ -		$	125,552 $ -		$	62,776 $ -		$	- $ -		$ 284,024
Hardware purchases not included in data center services.	Hardware - Tablets (35 IAAS, 6 FCCS) and Cases (45 total)	OCO	$ -	$	- $ -		$	- $ -		$	- $ -		$	- $ -		$	43,725 $ -		$	- $ -		$ 43,725
Commercial software purchases and licensing costs.	Admin Commercial Software License	Contracted Services	$ -	$	- $ -		$	- $ -		$	25,726 $ -		$	55,053 $ -		$	- $ -		$	- $ -		$ 80,779
Commercial software purchases and licensing costs.	Configuration User Commercial Software License	Contracted Services	$ -	$	- $ -		$	- $ -		$	15,436 $ -		$	33,032 $ -		$	- $ -		$	- $ -		$ 48,468
Commercial software purchases and licensing costs.	General Users Commercial Software License	Contracted Services	$ -	$	- $ -		$	- $ -		$	390,176 $ -		$	834,977 $ -		$	- $ -		$	- $ -		$ 1,225,153
Commercial software purchases and licensing costs.	Continual Education Commercial Software License	Contracted Services	$ -	$	- $ -		$	- $ -		$	- $ -		$	- $ -		$	8,836 $ -		$	- $ -		$ 8,836
Commercial software purchases and licensing costs.	Investigations Commercial Software License	Contracted Services	$ -	$	- $ -		$	- $ -		$	- $ -		$	- $ -		$	54,784 $ -		$	- $ -		$ 54,784
Commercial software purchases and licensing costs.	Inspections Commercial Software License	Contracted Services	$ -	$	- $ -		$	- $ -		$	- $ -		$	- $ -		$	10,603 $ -		$	- $ -		$ 10,603
Hardware purchases not included in data center services.	Production - Applications, Renewals, Inspections, Education, Document Management, Security (Monday through Sunday intermittent peek, no/low nights): Compute & API	OCO	$ -	$	- $ -		$	- $ -		$	48,867 $ -		$	97,734 $ -		$	48,867 $ -		$	- $ -		$ 195,468
Hardware purchases not included in data center services.	Production - Applications, Renewals, Inspections, Education, Document Management, Security (Monday through Sunday intermittent peek, no/low nights): Network - Data Transfer & Encryption	OCO	$ -	$	- $ -		$	- $ -		$	10,528 $ -		$	21,056 $ -		$	10,528 $ -		$	- $ -		$ 42,111
Hardware purchases not included in data center services.	Production - Applications, Renewals, Inspections, Education, Document Management, Security (Monday through Sunday intermittent peek, no/low nights): Storage & Document Management	OCO	$ -	$	- $ -		$	- $ -		$	47,190 $ -		$	94,380 $ -		$	47,190 $ -		$	- $ -		$ 188,759
Hardware purchases not included in data center services.	Production - Applications, Renewals, Inspections, Education, Document Management, Security (Monday through Sunday intermittent peek, no/low nights): Security	OCO	$ -	$	- $ -		$	- $ -		$	11,090 $ -		$	22,180 $ -		$	11,090 $ -		$	- $ -		$ 44,359
Hardware purchases not included in data center services.	Development and 2 SIT Environments - Applications, Renewals, Inspections, Education, Document Management, Security (Monday through Friday intermittent peek. No/low nights): Compute	OCO	$ -	$	- $ -		$	- $ -		$	39,632 $ -		$	79,264 $ -		$	39,632 $ -		$	- $ -		$ 158,527
Hardware purchases not included in data center services.	Development and 2 SIT Environments - Applications, Renewals, Inspections, Education, Document Management, Security (Monday through Friday intermittent peek. No/low nights): Data Transfer	OCO	$ -	$	- $ -		$	- $ -		$	8,708 $ -		$	17,417 $ -		$	8,708 $ -		$	- $ -		$ 34,833
Hardware purchases not included in data center services.	Development and 2 SIT Environments - Applications, Renewals, Inspections, Education, Document Management, Security (Monday through Friday intermittent peek. No/low nights): Storage	OCO	$ -	$	- $ -		$	- $ -		$	20,250 $ -		$	40,499 $ -		$	20,250 $ -		$	- $ -		$ 80,999
Hardware purchases not included in data center services.	Development and 2 SIT Environments - Applications, Renewals, Inspections, Education, Document Management, Security (Monday through Friday intermittent peek. No/low nights): Security	OCO	$ -	$	- $ -		$	- $ -		$	5,825 $ -		$	11,650 $ -		$	5,825 $ -		$	- $ -		$ 23,300
Hardware purchases not included in data center services.	UAT - Applications, Renewals, Inspections, Education, Document Management, Security (Monday through Friday, one week a month peek, running mid level rest of month 8 hr days; more data transfer for testing and retesting): Compute	OCO	$ -	$	- $ -		$	- $ -		$	46,201 $ -		$	92,403 $ -		$	46,201 $ -		$	- $ -		$ 184,806
Hardware purchases not included in data center services.	UAT - Applications, Renewals, Inspections, Education, Document Management, Security (Monday through Friday, one week a month peek, running mid level rest of month 8 hr days; more data transfer for testing and retesting): Data Transfer	OCO	$ -	$	- $ -		$	- $ -		$	9,954 $ -		$	19,907 $ -		$	9,954 $ -		$	- $ -		$ 39,814
Hardware purchases not included in data center services.	UAT - Applications, Renewals, Inspections, Education, Document Management, Security (Monday through Friday, one week a month peek, running mid level rest of month 8 hr days; more data transfer for testing and retesting): Storage	OCO	$ -	$	- $ -		$	- $ -		$	44,355 $ -		$	88,710 $ -		$	44,355 $ -		$	- $ -		$ 177,419
Hardware purchases not included in data center services.	UAT - Applications, Renewals, Inspections, Education, Document Management, Security (Monday through Friday, one week a month peek, running mid level rest of month 8 hr days; more data transfer for testing and retesting): Security	OCO	$ -	$	- $ -		$	- $ -		$	10,485 $ -		$	20,970 $ -		$	10,485 $ -		$	- $ -		$ 41,939
Professional services with fixed-price costs (i.e. software development, installation, project documentation)	Project Deliverables	Contracted Services	$ -	$	- $ -		$	- $ -		$	6,986,452 $ -		$	7,912,854 $ -		$	1,756,074 $ -		$	- $ -		$ 16,655,380
All first-time training costs associated with the project.	Training	Contracted Services	$ -	$	- $ -		$	- $ -		$	303,965 $ -		$	407,773 $ -		$	208,576 $ -		$	- $ -		$ 920,314
Other contracted services not included in other categories.	Dedicated Support Services - Product Owners for IAAS (2) and FCCS (2)	Contracted Services	$ -	$	- $ -		$	- $ -		$	- $ -		$	- $ -		$	1,547,425 $ -		$	- $ -		$ 1,547,425
Other contracted services not included in other categories.	Other Services - Legal	Contracted Services	$ -	$	33,513 $ -		$	102,853 $ -		$	- $ -		$	- $ -		$	- $ -		$	- $ -		$ 136,366
Other project expenses not included in other categories.	Cell Service	Expense	$ -	$	- $ -		$	- $ -		$	- $ -		$	- $ -		$	20,702 $ -		$	- $ -		$ 20,702
Total			$ -	0.00 $	1,440,335 $ -		0.00 $	1,834,264 $ -		0.00 $	11,972,755 $ -		0.00 $	13,916,232 $ -		0.00 $	6,441,237 $ -		0.00 $	- $ -		$ 35,604,823

$ 1,440,335	$ 1,834,264	$ 11,972,755	$ 13,916,232	$ 6,441,237	$ -	$ 35,604,823
$ -	$ -	$ -	$ (0)	$ -	$ -	

CBAForm 2 - Project Cost Analysis

Agency	Department of Financial Services	Project	Automated Licensing Information Systems

PROJECT COST SUMMARY	PROJECT COST SUMMARY (from CBAForm 2A)						TOTAL
	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31	
TOTAL PROJECT COSTS (*)	$1,440,335	$1,834,264	$11,972,755	$13,916,232	$6,441,237	$0	$35,604,823
CUMULATIVE PROJECT COSTS *(includes Current & Previous Years' Project-Related Costs)*	$1,440,335	$3,274,599	$15,247,354	$29,163,586	$35,604,823	$35,604,823	

Total Costs are carried forward to CBAForm3 Project Investment Summary worksheet.

PROJECT FUNDING SOURCES	PROJECT FUNDING SOURCES - CBAForm 2B						TOTAL
	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31	
General Revenue	$1,440,335	$1,834,264	$11,972,755	$13,916,232	$6,441,237	$0	$35,604,823
Trust Fund	$0	$0	$0	$0	$0	$0	$0
Federal Match ☐	$0	$0	$0	$0	$0	$0	$0
Grants ☐	$0	$0	$0	$0	$0	$0	$0
Other ☐ Specify	$0	$0	$0	$0	$0	$0	$0
TOTAL INVESTMENT	$1,440,335	$1,834,264	$11,972,755	$13,916,232	$6,441,237	$0	$35,604,823
CUMULATIVE INVESTMENT	$1,440,335	$3,274,599	$15,247,354	$29,163,586	$35,604,823	$35,604,823	

Characterization of Project Cost Estimate - CBAForm 2C			
Choose Type		Estimate Confidence	Enter % (+/-)
Detailed/Rigorous		Confidence Level	
Order of Magnitude	X	Confidence Level	15%
Placeholder		Confidence Level	

Cost Benefit Analysis
CBAForm 3 - Project Investment Summary

Agency	Department of Financial Services	Project	Automated Licensing Information Systems

COST BENEFIT ANALYSIS -- CBAForm 3A

	1	2	3	4	5	6	
	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31	TOTAL FOR ALL YEARS
Project Cost	($1,440,335)	($1,834,264)	($11,972,755)	($13,916,232)	($6,441,237)	$0	($35,604,823)
Net Tangible Benefits	$0	$0	$0	$0	($1,236,366)	($3,812,178)	($5,048,544)
Return on Investment	($1,440,335)	($1,834,264)	($11,972,755)	($13,916,232)	($7,677,603)	($3,812,178)	($40,653,368)

RETURN ON INVESTMENT ANALYSIS -- CBAForm 3B

Payback Period (years)	NO PAYBACK	Payback Period is the time required to recover the investment costs of the project.
Breakeven Fiscal Year	NO PAYBACK	Fiscal Year during which the project's investment costs are recovered.
Net Present Value (NPV)	($35,726,663)	NPV is the present-day value of the project's benefits less costs over the project's lifecycle.
Internal Rate of Return (IRR)	NO IRR	IRR is the project's rate of return.

Investment Interest Earning Yield -- CBAForm 3C

Fiscal Year	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
Cost of Capital	2.90%	3.10%	3.30%	3.40%	3.50%	3.50%

	B	C	D	E	F	G	H
3	**Project**		*ALIS/FACS-ALIS Systems Replacement*				
4							
5	**Agency**		*Department of Financial Services*				
6	**FY 2025-26 LBR Issue Code:**		**FY 2025-26 LBR Issue Title:**				
7	*Issue Code*		*Issue Title*				
8	**Risk Assessment Contact Info (Name, Phone #, and E-mail Address):**						
9	*North Highland ----- (850) 222-4733 ----Tina.Worley@NorthHighalnd.Com*						
10	**Executive Sponsor**		*Scott Stewart*				
11	**Project Manager**		*Jimmy Veal*				
12	Prepared By		*Jimmy Veal*			*6/25/2024*	

Risk Assessment Summary

Most Aligned

Business Strategy

Least Aligned

Least Risk

Level of Project Risk

Most Risk

Project Risk Area Breakdown

Risk Assessment Areas	Risk Exposure
Strategic Assessment	MEDIUM
Technology Exposure Assessment	HIGH
Organizational Change Management Assessment	HIGH
Communication Assessment	#N/A
Fiscal Assessment	HIGH
Project Organization Assessment	HIGH
Project Management Assessment	MEDIUM
Project Complexity Assessment	HIGH
Overall Project Risk	#N/A

	B	C	D	E
1	Agency: Department of Financial Services		Project: ALIS/FACS-ALIS Systems Replacement	
3	Section 1 -- Strategic Area			
4	#	Criteria	Values	Answer
5	1.01	Are project objectives clearly aligned with the agency's legal mission?	0% to 40% -- Few or no objectives aligned	81% to 100% -- All or nearly all objectives aligned
6			41% to 80% -- Some objectives aligned	
7			81% to 100% -- All or nearly all objectives aligned	
8	1.02	Are project objectives clearly documented and understood by all stakeholder groups?	Not documented or agreed to by stakeholders	Informal agreement by stakeholders
9			Informal agreement by stakeholders	
10			Documented with sign-off by stakeholders	
11	1.03	Are the project sponsor, senior management, and other executive stakeholders actively involved in meetings for the review and success of the project?	Not or rarely involved	Not or rarely involved
12			Most regularly attend executive steering committee meetings	
13			Project charter signed by executive sponsor and executive team actively engaged in steering committee meetings	
14	1.04	Has the agency documented its vision for how changes to the proposed technology will improve its business processes?	Vision is not documented	Vision is partially documented
15			Vision is partially documented	
16			Vision is completely documented	
17	1.05	Have all project business/program area requirements, assumptions, constraints, and priorities been defined and documented?	0% to 40% -- Few or none defined and documented	81% to 100% -- All or nearly all defined and documented
18			41% to 80% -- Some defined and documented	
19			81% to 100% -- All or nearly all defined and documented	
20	1.06	Are all needed changes in law, rule, or policy identified and documented?	No changes needed	No changes needed
21			Changes unknown	
22			Changes are identified in concept only	
23			Changes are identified and documented	
24			Legislation or proposed rule change is drafted	
25	1.07	Are any project phase or milestone completion dates fixed by outside factors, e.g., state or federal law or funding restrictions?	Few or none	Few or none
26			Some	
27			All or nearly all	
28	1.08	What is the external (e.g. public) visibility of the proposed system or project?	Minimal or no external use or visibility	Extensive external use or visibility
29			Moderate external use or visibility	
30			Extensive external use or visibility	
31	1.09	What is the internal (e.g. state agency) visibility of the proposed system or project?	Multiple agency or state enterprise visibility	Use or visibility at division and/or bureau level only
32			Single agency-wide use or visibility	
33			Use or visibility at division and/or bureau level only	
34	1.10	Is this a multi-year project?	Greater than 5 years	Between 1 and 3 years
35			Between 3 and 5 years	
36			Between 1 and 3 years	
37			1 year or less	

	B	C	D	E
1	Agency: Department of Financial Services		Project: ALIS/FACS-ALIS Systems Replacement	
3	Section 2 -- Technology Area			
4	#	Criteria	Values	Answer
5	2.01	Does the agency have experience working with, operating, and supporting the proposed technical solution in a production environment?	Read about only or attended conference and/or vendor presentation	Read about only or attended conference and/or vendor presentation
6			Supported prototype or production system less than 6 months	
7			Supported production system 6 months to 12 months	
8			Supported production system 1 year to 3 years	
9			Installed and supported production system more than 3 years	
10	2.02	Does the agency's internal staff have sufficient knowledge of the proposed technical solution to implement and operate the new system?	External technical resources will be needed for implementation and operations	External technical resources will be needed for implementation and operations
11			External technical resources will be needed through implementation only	
12			Internal resources have sufficient knowledge for implementation and operations	
13	2.03	Have all relevant technical alternatives/ solution options been researched, documented and considered?	No technology alternatives researched	All or nearly all alternatives documented and considered
14			Some alternatives documented and considered	
15			All or nearly all alternatives documented and considered	
16	2.04	Does the proposed technical solution comply with all relevant agency, statewide, or industry technology standards?	No relevant standards have been identified or incorporated into proposed technology	Proposed technology solution is fully compliant with all relevant agency, statewide, or industry standards
17			Some relevant standards have been incorporated into the proposed technology	
18			Proposed technology solution is fully compliant with all relevant agency, statewide, or industry standards	
19	2.05	Does the proposed technical solution require significant change to the agency's existing technology infrastructure?	Minor or no infrastructure change required	Moderate infrastructure change required
20			Moderate infrastructure change required	
21			Extensive infrastructure change required	
22			Complete infrastructure replacement	
23	2.06	Are detailed hardware and software capacity requirements defined and documented?	Capacity requirements are not understood or defined	Capacity requirements are defined only at a conceptual level
24			Capacity requirements are defined only at a conceptual level	
25			Capacity requirements are based on historical data and new system design specifications and performance requirements	

	B	C	D	E
1	Agency: Department of Financial Services		Project: ALIS/FACS-ALIS Systems Replacement	
3	Section 3 -- Organizational Change Management Area			
4	#	Criteria	Values	Answer
5	3.01	What is the expected level of organizational change that will be imposed within the agency if the project is successfully implemented?	Extensive changes to organization structure, staff or business processes	Moderate changes to organization structure, staff or business processes
6			Moderate changes to organization structure, staff or business processes	
7			Minimal changes to organization structure, staff or business processes structure	
8	3.02	Will this project impact essential business processes?	Yes	Yes
9			No	
10	3.03	Have all business process changes and process interactions been defined and documented?	0% to 40% -- Few or no process changes defined and documented	81% to 100% -- All or nearly all processes defiined and documented
11			41% to 80% -- Some process changes defined and documented	
12			81% to 100% -- All or nearly all processes defiined and documented	
13	3.04	Has an Organizational Change Management Plan been approved for this project?	Yes	No
14			No	
15	3.05	Will the agency's anticipated FTE count change as a result of implementing the project?	Over 10% FTE count change	Less than 1% FTE count change
16			1% to 10% FTE count change	
17			Less than 1% FTE count change	
18	3.06	Will the number of contractors change as a result of implementing the project?	Over 10% contractor count change	Over 10% contractor count change
19			1 to 10% contractor count change	
20			Less than 1% contractor count change	
21	3.07	What is the expected level of change impact on the citizens of the State of Florida if the project is successfully implemented?	Extensive change or new way of providing/receiving services or information)	Moderate changes
22			Moderate changes	
23			Minor or no changes	
24	3.08	What is the expected change impact on other state or local government agencies as a result of implementing the project?	Extensive change or new way of providing/receiving services or information	Minor or no changes
25			Moderate changes	
26			Minor or no changes	
27	3.09	Has the agency successfully completed a project with similar organizational change requirements?	No experience/Not recently (>5 Years)	No experience/Not recently (>5 Years)
28			Recently completed project with fewer change requirements	
29			Recently completed project with similar change requirements	
30			Recently completed project with greater change requirements	

	B	C	D	E
1	Agency: Agency Name			Project: Project Name
3	Section 4 -- Communication Area			
4	#	Criteria	Value Options	Answer
5	4.01	Has a documented Communication Plan been approved for this project?	Yes	No
6			No	
7	4.02	Does the project Communication Plan promote the collection and use of feedback from management, project team, and business stakeholders (including end users)?	Negligible or no feedback in Plan	Negligible or no feedback in Plan
8			Routine feedback in Plan	
9			Proactive use of feedback in Plan	
10	4.03	Have all required communication channels been identified and documented in the Communication Plan?	Yes	No
11			No	
12	4.04	Are all affected stakeholders included in the Communication Plan?	Yes	No
13			No	
14	4.05	Have all key messages been developed and documented in the Communication Plan?	Plan does not include key messages	Plan does not include key messages
15			Some key messages have been developed	
16			All or nearly all messages are documented	
17	4.06	Have desired message outcomes and success measures been identified in the Communication Plan?	Plan does not include desired messages outcomes and success measures	
18			Success measures have been developed for some messages	
19			All or nearly all messages have success measures	
20	4.07	Does the project Communication Plan identify and assign needed staff and	Yes	No
21			No	

	B	C	D	E
1	Agency:	Department of Financial Services	Project: ALIS/FACS-ALIS Systems Replacement	
3			Section 5 -- Fiscal Area	
4	#	Criteria	Values	Answer
5	5.01	Has a documented Spending Plan been approved for the entire project lifecycle?	Yes	No
6			No	
7	5.02	Have all project expenditures been identified in the Spending Plan?	0% to 40% -- None or few defined and documented	41% to 80% -- Some defined and documented
8			41% to 80% -- Some defined and documented	
9			81% to 100% -- All or nearly all defined and documented	
10	5.03	What is the estimated total cost of this project over its entire lifecycle?	Unknown	Between $2 M and $10 M
11			Greater than $10 M	
12			Between $2 M and $10 M	
13			Between $500K and $1,999,999	
14			Less than $500 K	
15	5.04	Is the cost estimate for this project based on quantitative analysis using a standards-based estimation model?	Yes	Yes
16			No	
17	5.05	What is the character of the cost estimates for this project?	Detailed and rigorous (accurate within ±10%)	Order of magnitude – estimate could vary between 10-100%
18			Order of magnitude – estimate could vary between 10-100%	
19			Placeholder – actual cost may exceed estimate by more than 100%	
20	5.06	Are funds available within existing agency resources to complete this project?	Yes	No
21			No	
22	5.07	Will/should multiple state or local agencies help fund this project or system?	Funding from single agency	Funding from single agency
23			Funding from local government agencies	
24			Funding from other state agencies	
25	5.08	If federal financial participation is anticipated as a source of funding, has federal approval been requested and received?	Neither requested nor received	Not applicable
26			Requested but not received	
27			Requested and received	
28			Not applicable	
29	5.09	Have all tangible and intangible benefits been identified and validated as reliable and achievable?	Project benefits have not been identified or validated	Most project benefits have been identified but not validated
30			Some project benefits have been identified but not validated	
31			Most project benefits have been identified but not validated	
32			All or nearly all project benefits have been identified and validated	
33	5.10	What is the benefit payback period that is defined and documented?	Within 1 year	Within 5 years
34			Within 3 years	
35			Within 5 years	
36			More than 5 years	
37			No payback	
38	5.11	Has the project procurement strategy been clearly determined and agreed to by affected stakeholders?	Procurement strategy has not been identified and documented	Procurement strategy has not been identified and documented
39			Stakeholders have not been consulted re: procurement strategy	
40			Stakeholders have reviewed and approved the proposed procurement strategy	
41	5.12	What is the planned approach for acquiring necessary products and solution services to successfully complete the project?	Time and Expense (T&E)	Firm Fixed Price (FFP)
42			Firm Fixed Price (FFP)	
43			Combination FFP and T&E	
44	5.13	What is the planned approach for procuring hardware and software for the project?	Timing of major hardware and software purchases has not yet been determined	Timing of major hardware and software purchases has not yet been determined
45			Purchase all hardware and software at start of project to take advantage of one-time discounts	
46			Just-in-time purchasing of hardware and software is documented in the project schedule	
47	5.14	Has a contract manager been assigned to this project?	No contract manager assigned	No contract manager assigned
48			Contract manager is the procurement manager	
49			Contract manager is the project manager	
50			Contract manager assigned is not the procurement manager or the project manager	
51	5.15	Has equipment leasing been considered for the project's large-scale computing purchases?	Yes	No
52			No	
53	5.16	Have all procurement selection criteria and outcomes been clearly identified?	No selection criteria or outcomes have been identified	Some selection criteria and outcomes have been defined and documented
54			Some selection criteria and outcomes have been defined and documented	
55			All or nearly all selection criteria and expected outcomes have been defined and documented	
56	5.17	Does the procurement strategy use a multi-stage evaluation process to progressively narrow the field of prospective vendors to the single, best qualified candidate?	Procurement strategy has not been developed	Procurement strategy has not been developed
57			Multi-stage evaluation not planned/used for procurement	
58			Multi-stage evaluation and proof of concept or prototype planned/used to select best qualified vendor	
59	5.18	For projects with total cost exceeding $10 million, did/will the procurement strategy require a proof of concept or prototype as part of the bid response?	Procurement strategy has not been developed	Not applicable
60			No, bid response did/will not require proof of concept or prototype	
61			Yes, bid response did/will include proof of concept or prototype	
62			Not applicable	

	B	C	D	E
1	Agency: Department of Financial Services		Project: ALIS/FACS-ALIS Systems Replacement	
3	Section 6 -- Project Organization Area			
4	#	Criteria	Values	Answer
5	6.01	Is the project organization and governance structure clearly defined and documented within an approved project plan?	Yes	No
6			No	
7	6.02	Have all roles and responsibilities for the executive steering committee been clearly identified?	None or few have been defined and documented	Some have been defined and documented
8			Some have been defined and documented	
9			All or nearly all have been defined and documented	
10	6.03	Who is responsible for integrating project deliverables into the final solution?	Not yet determined	System Integrator (contractor)
11			Agency	
12			System Integrator (contractor)	
13	6.04	How many project managers and project directors will be responsible for managing the project?	3 or more	2
14			2	
15			1	
16	6.05	Has a project staffing plan specifying the number of required resources (including project team, program staff, and contractors) and their corresponding roles, responsibilities and needed skill levels been developed?	Needed staff and skills have not been identified	Some or most staff roles and responsibilities and needed skills have been identified
17			Some or most staff roles and responsibilities and needed skills have been identified	
18			Staffing plan identifying all staff roles, responsibilities, and skill levels have been documented	
19	6.06	Is an experienced project manager dedicated fulltime to the project?	No experienced project manager assigned	No experienced project manager assigned
20			No, project manager is assigned 50% or less to project	
21			No, project manager assigned more than half-time, but less than full-time to project	
22			Yes, experienced project manager dedicated full-time, 100% to project	
23	6.07	Are qualified project management team members dedicated full-time to the project	None	None
24			No, business, functional or technical experts dedicated 50% or less to project	
25			No, business, functional or technical experts dedicated more than half-time but less than full-time to project	
26			Yes, business, functional or technical experts dedicated full-time, 100% to project	
27	6.08	Does the agency have the necessary knowledge, skills, and abilities to staff the project team with in-house resources?	Few or no staff from in-house resources	Few or no staff from in-house resources
28			Half of staff from in-house resources	
29			Mostly staffed from in-house resources	
30			Completely staffed from in-house resources	
31	6.09	Is agency IT personnel turnover expected to significantly impact this project?	Minimal or no impact	Minimal or no impact
32			Moderate impact	
33			Extensive impact	
34	6.10	Does the project governance structure establish a formal change review and control board to address proposed changes in project scope, schedule, or cost?	Yes	No
35			No	
36	6.11	Are all affected stakeholders represented by functional manager on the change review and control board?	No board has been established	Yes, all stakeholders are represented by functional manager
37			No, only IT staff are on change review and control board	
38			No, all stakeholders are not represented on the board	
39			Yes, all stakeholders are represented by functional manager	

	B	C	D	E
1	Agency: Department of Financial Services		Project: ALIS/FACS-ALIS Systems Replacement	
3	Section 7 -- Project Management Area			
4	#	Criteria	Values	Answer
5	7.01	Does the project management team use a standard commercially available project management methodology to plan, implement, and control the project?	No	Yes
6			Project Management team will use the methodology selected by the systems integrator	
7			Yes	
8	7.02	For how many projects has the agency successfully used the selected project management methodology?	None	More than 3
9			1-3	
10			More than 3	
11	7.03	How many members of the project team are proficient in the use of the selected project management methodology?	None	Some
12			Some	
13			All or nearly all	
14	7.04	Have all requirements specifications been unambiguously defined and documented?	0% to 40% -- None or few have been defined and documented	81% to 100% -- All or nearly all have been defined and documented
15			41 to 80% -- Some have been defined and documented	
16			81% to 100% -- All or nearly all have been defined and documented	
17	7.05	Have all design specifications been unambiguously defined and documented?	0% to 40% -- None or few have been defined and documented	0% to 40% -- None or few have been defined and documented
18			41 to 80% -- Some have been defined and documented	
19			81% to 100% -- All or nearly all have been defined and documented	
20	7.06	Are all requirements and design specifications traceable to specific business rules?	0% to 40% -- None or few are traceable	0% to 40% -- None or few are traceable
21			41 to 80% -- Some are traceable	
22			81% to 100% -- All or nearly all requirements and specifications are traceable	
23	7.07	Have all project deliverables/services and acceptance criteria been clearly defined and documented?	None or few have been defined and documented	Some deliverables and acceptance criteria have been defined and documented
24			Some deliverables and acceptance criteria have been defined and documented	
25			All or nearly all deliverables and acceptance criteria have been defined and documented	
26	7.08	Is written approval required from executive sponsor, business stakeholders, and project manager for review and sign-off of major project deliverables?	No sign-off required	Review and sign-off from the executive sponsor, business stakeholder, and project manager are required on all major project deliverables
27			Only project manager signs-off	
28			Review and sign-off from the executive sponsor, business stakeholder, and project manager are required on all major project deliverables	
29	7.09	Has the Work Breakdown Structure (WBS) been defined to the work package level for all project activities?	0% to 40% -- None or few have been defined to the work package level	0% to 40% -- None or few have been defined to the work package level
30			41 to 80% -- Some have been defined to the work package level	
31			81% to 100% -- All or nearly all have been defined to the work package level	
32	7.10	Has a documented project schedule been approved for the entire project lifecycle?	Yes	No
33			No	
34	7.11	Does the project schedule specify all project tasks, go/no-go decision points (checkpoints), critical milestones, and resources?	Yes	No
35			No	
36	7.12	Are formal project status reporting processes documented and in place to manage and control this project?	No or informal processes are used for status reporting	Project team uses formal processes
37			Project team uses formal processes	
38			Project team and executive steering committee use formal status reporting processes	
39	7.13	Are all necessary planning and reporting templates, e.g., work plans, status reports, issues and risk management, available?	No templates are available	All planning and reporting templates are available
40			Some templates are available	
41			All planning and reporting templates are available	
42	7.14	Has a documented Risk Management Plan been approved for this project?	Yes	Yes
43			No	
44	7.15	Have all known project risks and corresponding mitigation strategies been identified?	None or few have been defined and documented	Some have been defined and documented
45			Some have been defined and documented	
46			All known risks and mitigation strategies have been defined	
47	7.16	Are standard change request, review and approval processes documented and in place for this project?	Yes	Yes
48			No	
49	7.17	Are issue reporting and management processes documented and in place for this project?	Yes	Yes
50			No	

	B	C	D	E
1	Agency: Department of Financial Services		Project: ALIS/FACS-ALIS Systems Replacement	
2				
3	Section 8 -- Project Complexity Area			
4	#	Criteria	Values	Answer
5	8.01	How complex is the proposed solution compared to the current agency systems?	Unknown at this time	Less complex
6			More complex	
7			Similar complexity	
8			Less complex	
9	8.02	Are the business users or end users dispersed across multiple cities, counties, districts, or regions?	Single location	More than 3 sites
10			3 sites or fewer	
11			More than 3 sites	
12	8.03	Are the project team members dispersed across multiple cities, counties, districts, or regions?	Single location	Single location
13			3 sites or fewer	
14			More than 3 sites	
15	8.04	How many external contracting or consulting organizations will this project require?	No external organizations	1 to 3 external organizations
16			1 to 3 external organizations	
17			More than 3 external organizations	
18	8.05	What is the expected project team size?	Greater than 15	9 to 15
19			9 to 15	
20			5 to 8	
21			Less than 5	
22	8.06	How many external entities (e.g., other agencies, community service providers, or local government entities) will be impacted by this project or system?	More than 4	2 to 4
23			2 to 4	
24			1	
25			None	
26	8.07	What is the impact of the project on state operations?	Business process change in single division or bureau	Statewide or multiple agency business process change
27			Agency-wide business process change	
28			Statewide or multiple agency business process change	
29	8.08	Has the agency successfully completed a similarly-sized project when acting as Systems Integrator?	Yes	No
30			No	
31	8.09	What type of project is this?	Infrastructure upgrade	Implementation requiring software development or purchasing commercial off the shelf (COTS) software
32			Implementation requiring software development or purchasing commercial off the shelf (COTS) software	
33			Business Process Reengineering	
34			Combination of the above	
35	8.10	Has the project manager successfully managed similar projects to completion?	No recent experience	No recent experience
36			Lesser size and complexity	
37			Similar size and complexity	
38			Greater size and complexity	
39	8.11	Does the agency management have experience governing projects of equal or similar size and complexity to successful completion?	No recent experience	Similar size and complexity
40			Lesser size and complexity	
41			Similar size and complexity	
42			Greater size and complexity	

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8_Complexity

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SCHEDULE IV-B FOR LIQUIDATION CLAIMS PROCESSING SYSTEM REPLACEMENT

For Fiscal Year 2025-26

October 11, 2024

FLORIDA DEPARTMENT OF FINANCIAL SERVICES

Contents

I.   Schedule IV-B Cover Sheet

Schedule IV-B Cover Sheet and Agency Project Approval	
Agency: Department of Financial Services	Schedule IV-B Submission Date: [Insert]
Project Name: Claims Processing System Replacement	Is this project included in the Agency's LRPP? _____ Yes __X__ No
FY 2025-26 LBR Issue Code: [Insert]	FY 2025-26 LBR Issue Title: [Insert]

Agency Contact for Schedule IV-B (Name, Phone #, and E-mail address):
Lorrie Arterburn, 850.413.4492, Lorrie.Arterburn@myfloridacfo.com

AGENCY APPROVAL SIGNATURES
I am submitting the attached Schedule IV-B in support of our legislative budget request. I have reviewed the estimated costs and benefits documented in the Schedule IV-B and believe the proposed solution can be delivered within the estimated time for the estimated costs to achieve the described benefits. I agree with the information in the attached Schedule IV-B.

Agency Head:	Date: [Insert]
Printed Name: Jimmy Patronis, Florida Chief Financial Officer	
Agency Chief Information Officer (or equivalent):	Date: [Insert]
Printed Name: Scott Stewart, DFS Chief Information Officer	
Budget Officer:	Date: [Insert]
Printed Name: Teri Madsen, Director of the Office of Finance and Budget	
Planning Officer:	Date: [Insert]
Printed Name: Chase Mitchell, Director of the Office of Policy and Planning	
Project Sponsor:	Date: [Insert]
Printed Name: Lorrie Arterburn, Division Director, Division of Rehabilitation & Liquidation	

Schedule IV-B Preparers (Name, Phone #, and E-mail address):	
Business Need:	Michael Stephens, 229-413-2583, Michael.Stephens@northhighland.com
Cost Benefit Analysis:	Michael Stephens, 229-413-2583, Michael.Stephens@northhighland.com
Risk Analysis:	Michael Stephens, 229-413-2583, Michael.Stephens@northhighland.com
Technology Planning:	Michael Stephens, 229-413-2583, Michael.Stephens@northhighland.com
Project Planning:	Michael Stephens, 229-413-2583, Michael.Stephens@northhighland.com

General Guidelines

The Schedule IV-B contains more detailed information on information technology (IT) projects than is included in the D-3A issue narrative submitted with an agency's Legislative Budget Request (LBR). The Schedule IV-B compiles the analyses and data developed by the agency during the initiation and planning phases of the proposed IT project. A Schedule IV-B must be completed for all IT projects when the total cost (all years) of the project is $1 million or more.

Schedule IV-B is not required for requests to:

- Continue existing hardware and software maintenance agreements,
- Renew existing software licensing agreements that are similar to the service level agreements currently in use, or
- Replace desktop units ("refresh") with new technology that is similar to the technology currently in use.
- Contract only for the completion of a business case or feasibility study for the replacement or remediation of an existing IT system or the development of a new IT system.

Documentation Requirements

The type and complexity of an IT project determines the level of detail an agency should submit for the following documentation requirements:

- Background and Strategic Needs Assessment
- Baseline Analysis
- Proposed Business Process Requirements
- Functional and Technical Requirements
- Success Criteria
- Benefits Realization
- Cost Benefit Analysis
- Major Project Risk Assessment
- Risk Assessment Summary
- Current Information Technology Environment
- Current Hardware/Software Inventory
- Proposed Technical Solution
- Proposed Solution Description
- Project Management Planning

Compliance with s. 216.023(4)(a)10, F.S. is also required if the total cost for all years of the project is $10 million or more.

A description of each IV-B component is provided within this general template for the benefit of the Schedule IV-B authors. These descriptions and this guidelines section should be removed prior to the submission of the document.

Sections of the Schedule IV-B may be authored in software applications other than MS Word, such as MS Project and Visio. Submission of these documents in their native file formats is encouraged for proper analysis.

The Schedule IV-B includes two required templates, the Cost Benefit Analysis and Major Project Risk Assessment workbooks. For all other components of the Schedule IV-B, agencies should submit their own planning documents and tools to demonstrate their level of readiness to implement the proposed IT project. It is also necessary to assemble all Schedule IV-B components into one PDF file for submission to the Florida Fiscal Portal and to ensure that all personnel can open component files and that no component of the Schedule has been omitted.

Submit all component files of the agency's Schedule IV-B in their native file formats to the Office of Policy and Budget and the Legislature at IT@LASPBS.STATE.FL.US. Reference the D-3A issue code and title in the subject line.

II. Schedule IV-B Business Case – Strategic Needs Assessment

A. Background and Strategic Needs Assessment

Purpose: To clearly articulate the business-related need(s) for the proposed project. [OBJ]

1. Background

As part of the Florida Department of Financial Services (DFS, Department), the Division of Rehabilitation and Liquidation (DRL) is the designated agency responsible for serving as the "Receiver" of all insurance companies deemed insolvent and ordered by the Florida state court into receivership per Chapter 631 of the Florida Statutes. Once an insurance company is ordered into receivership, DRL assumes control of the company to protect the interests of claimants who can be policy holders with loss claims, creditors (e.g., vendors who provided the insolvent insurance company with services but have outstanding unpaid bills and invoices), or guaranty associations. Depending on the type of court-ordered receivership, DRL plans, coordinates, and directs the affairs of the insurance company for purposes of either: a) rehabilitating the company to restore it back to a sound financial condition and returning it back to the marketplace, or b) when the insurance company cannot be rehabilitated, starting the liquidation process and closing the company. DRL is responsible for managing receiverships for all types of insolvent insurance companies such as property, casualty, life, health, worker's compensation, as well as certain annuities. The financial resilience of any insurance company may be tested during challenging periods, potentially leading to the prospect of entering liquidation, especially in the face of adverse weather events or significant actuarial uncertainties.

To sustain daily activities, DRL invoices each insolvent insurance company's estate monthly for all direct and indirect costs related to the receivership. State appropriations account for only approximately $950,000 of the 2023 budget of $9,993,000. Due to inefficiencies in the current system, the average duration of liquidations is extended, increasing the cost to administer the estate which decreases the funds available to pay claims.

During rehabilitation, DRL takes possession of all assets within an insolvent insurance company and manages operations utilizing the company's existing infrastructure and resources. Once DRL has returned the company to a sound financial condition, it ends the receivership.

If an insurance company cannot be rehabilitated and a liquidation proceeding is ordered by the court, DRL has the following responsibilities:

- Marshal and take possession of the assets of the insurer, including all records, and administer them under court order.
- Employ or hire agents and counsel to compensate those employed, as appropriate.
- Assist in the transition of policyholders to other insurance coverage.
- Conduct investigations into the causes of insolvency.
- Collect all debts and money due to the insurer.
- Litigate, as necessary, to recover any funds that may be owed to the insurer for the good of the insurer's policyholders and other creditors.
- Liquidate real and personal property assets.
- Evaluate and pay claims with the available funds.

During the claims process, DRL collaborates closely with the insurance guaranty association(s) of the respective state(s) where the Florida-based insurance company operated. Guaranty associations ease the burden on policy-related claimants of the insolvent insurer by immediately stepping in to assume financial responsibility for most policy claims following liquidation. However, most states, including Florida, impose an overall cap of $300,000 in total benefits for any individual with one or multiple policies with the insolvent insurer.

Distribution of claims is based on a statutory priority scheme as set forth in Section 631.271, Florida Statutes, where claims are paid by class, beginning with Class 1 and concluding with Class 11. All approved claims in a class must be paid in full or adequate funds must be retained before any payment is made to the next class. If there are insufficient funds to pay a class in full, all approved claims in that class are paid in equal pro rata shares.

DRL is responsible for evaluating and sharing information related to filed claims between interstate receivers to determine total liabilities. DRL then issues checks, prepares a final accounting, distributes funds to policyholders and creditors and obtains a court order to discharge itself from further responsibilities while closing the receivership/liquidation proceeding. Overall, the receivership lifecycle for each insolvent insurance company can take 7-10 years to bring to closure.

2. Business Need

To fulfill its mission of protecting insurance consumer interests and maximizing the amount of recoverable funds to cover outstanding liquidation claims payments, DRL relies heavily on a highly customized, home-grown liquidation claims processing system (LCP) that was originally built over 20 years ago using Visual FoxPro (VFP), a Windows desktop client application programming language developed by Microsoft in the 1990's and that has not been supported by Microsoft since 2015. The liquidation claims processing system was not designed to scale to support the level of claims processing that has occurred with the skyrocketing insolvency of insurance companies compared to twenty years ago. When the system was developed in the early 2000's, DRL was processing and storing approximately 30,000 polices annually. Currently, DRL processes 14,000,000 polices annually, a factor of over 450 times more volume. Due to the antiquated system and the highly manual processed deployed to supplement the system, estates are spending as much as 18 months longer in liquidation than they could with a better solution. The costs of those 18 months are borne by the insolvent insurance companies' claimants in the form of fewer claimants receiving full or even partial distributions.

DRL has a staff of 14 IT resources solely responsible for the maintenance and operation of the liquidation claims processing system and the supporting applications deployed to mitigate the system's limitations. Supporting applications include tools like FIGA RP, a site designed to allow teams to view data in the LCP database that is not visible through the LCP user interface, and the IBM DataCap scanning system, which had to be sunset when it required upgrades and the team did not have the bandwidth to support the system. The DRL IT staff has been unable to modify the LCP codebase to incorporate either fixes for known software defects or add new features/enhancements for the LCP code base for the past 8 years for several reasons:

- The team has to allocate their time to uphold ongoing operations, which involves sustaining various manual solutions and workarounds implemented to address identified issues.
- VFP is an unsupported programming language. The last version of VFP (VFP 9) was released by Microsoft in December 2004. Microsoft published the last Service Pack for VFP 9 (SP2) in October 2007, and completely dropped support for it in 2015.
- DRL IT staff turnover has occurred over time, leaving only one remaining developer from the original development team who has intimate knowledge of the VFP source code. Technical documentation on the LCP system design and business logic is limited. In-depth knowledge of the LCP application exists with the last developer who remains from the original team that developed this over 20 years ago. As time passes, there is a risk of losing corporate knowledge as well as the ability to infuse this knowledge into a new replacement application.
- There is increasing difficulty finding software developers in the marketplace who have VFP programming knowledge, and recruiting new software developers to invest time in learning a programming language that provides no transferable or marketable skills.

To manage the known issues and technical limitations with LCP, the DRL team has developed manually intensive and time-consuming workarounds to their workflow processes to continue to meet DRL's mission. A detailed list of these challenges can be found in **Section II.B.1.1 Current Business Process Challenges**.

Replacing the legacy Windows client-based claims processing system with a contemporary, modern system will dramatically improve DRL's ability to process claims more efficiently which will ultimately result in delivering better claimant outcomes by addressing the following critical business needs:

- **Improved Claimant Outcomes through Operational Speed and Efficiency:** As DRL processes the liquidation of an insolvent insurance company, DRL charges the estate of the insolvent insurance company monthly for all costs incurred to operate the business and process claims. The duration of the liquidation process is approximately 7-10 years, depending on the type of insurance involved. Over the course of this liquidation lifecycle, the pool of funds available for claims reimbursement continues to dwindle. Therefore,

it is incumbent upon the DRL to operate a highly efficient and cost-effective process of managing the liquidation and claims processing lifecycle to maximize the available funds to claimants. Furthermore, any protracted delays with processing claims can have a material impact on the buying power of the claim's payout due to inflationary pressures and rising costs in building materials and labor. Due to the significant workflow limitations with the 20+ year old legacy system and the inability to make system and performance improvements to claims processing, the DRL staff has had to resort to performing highly inefficient, time intensive manual workarounds which increases the risk of errors and can cause delays in claims processing. A modern claims processing solution which leverages contemporary workflow automation technologies can streamline the claims process, reducing the business operating costs and maximizing the funds available for reimbursing claimants.

- **Mitigation of Risks and Issues Posed by an Outdated System:**
  - **Security Risks:** As mentioned previously, the current claims processing system is based on VFP, which Microsoft has not supported since 2015. It has been 9 years since the last published security patch update, putting not only the DRL claims processing system at increasing risk for a security breach (such as stolen sensitive personal data of claimants or a ransomware attack locking up the system) but also the DFS network that underpins it. Furthermore, security patch support for Microsoft SQL Server 2014 that serves as the backend database underpinning the claims processing system will be sunset within the next 3 years. DRL needs a modern claims processing system that can receive regular security patch updates.
  - **Windows Desktop Client Operating System Dependency Risks:** Although the 32-bit LCP desktop client application currently runs on the latest Windows 10/11 workstation operating systems, there is a growing concern that upcoming Microsoft patch updates or future Windows versions may cease to support LCP functionality. Microsoft has already messaged that they have started the process of dropping support for 32-bit applications with the last release of Microsoft Windows 11. This represents the first Windows Operating System (OS) release that Microsoft did not include a 32-bit version. While existing 32-bit applications can continue to run on 64-bit Windows OS without modification, Microsoft will eventually drop its support as they move to supporting web and mobile applications. A modern claims processing system would bring a robust web-based application that is independent of the underlying end user's desktop client hardware or operating system and support for mobile devices.
  - **Disaster Recovery Risks**: The backend computer and database storage servers supporting the claims processing system is housed in a single standalone, on-premise environment housed within the DFS data center and, due to Visual FoxPro constraints, there is no mechanism to provide a dynamic site failover capability. A disaster event would significantly interrupt DRL's ability to process claims in a timely manner, potentially taking weeks to stand up a backup site and restore operations. Manually recovering from a disaster event would further compound the DRL claims processing and IT staff's workload challenges. DRL needs a modern claims processing system that automatically syncs with fail-over to a standby backup site for business continuity purposes.

- **Self-Service End User Capability and Customer Service Improvements:** DRL serves both external and internal customers, including but not limited to insurance company policy holders, claimants (policy holders with loss claims, creditors, and interstate guaranty funds), the State Treasurer, other DFS stakeholders, and the Florida Legislature. The adoption of widely used self-service functionality in the insurance industry can effectively streamline a significant number of manual tasks in these areas:
  - **Form Processing**: For claimants, the process for submitting Proof of Claim (POC) forms or filing objections to Notices of Determination (NOD) is manual. Claimants must fill out, sign, and submit these forms either via mail delivery service or by scanning the documents and uploading the files to the DRL web site. Likewise, the process for claimants to inquire on the status of these submissions is manual. Claimants must either send an email or call the toll-free number for the DRL service center with their inquiry. These processes are frustrating and time-consuming for the claimants, and they also create considerable workload for DRL staff who must manually enter the form information into the claims processing system.
  - **Responses to Status Requests**: The DRL team also responds to more than 7,000 status requests annually that come in via emails, direct calls, and ServicePoint, DFS's customer service ticket management system. Each of these requests can take up to an hour to process given the need to

check multiple systems, including LCP, the accounting system, FIGA, and Guaranty Fund communications, to determine and confirm the status requested.

- o **Legal Support:** The DRL Legal team has seen a sharp increase in the number of Special Investigations Unit (SIU) fraud investigation requests that must be handled by the DRL Claims team. Previously, the team supported approximately 100 of these types of requests annually. The number has spiked to around 2,000 requests for just the first ten months of the current year (2023) and will continue to increase as the number of companies in receivership increases. The Claims team now supports twenty times the number of SIU requests than just a year and a half ago. The Claims analyst must log into multiple systems on both the DRL Claims System side and the receivership company side to pull the required information and document images needed to create the Claims file that is provided to the Legal team. It takes experienced Claims analysts around an hour to process each of the ~200 requests received each month.

DRL needs a modern claims processing system with a rich web browser-based user interface with customer self-service capability to submit requests and query the status of these requests. This would improve the customer experience and eliminate the need for slow, time-consuming manual workflows and processes.

- **Highly Extensible, Dynamically Scalable, and Sustainable Solution:** As outlined above, after 20+ years, the claims processing system has far exceeded its life expectancy. No further code changes are being made to fix the bug defects or add enhancements due to the challenges and risks of modifying the existing VFP source code. Instead, the DRL IT staff has developed (and continues to develop) several .NET utility scripts to serve as workarounds to support the business as the need arises. When the claims processing system was designed, DRL typically only supported liquidating one insolvent insurance company at a time. In addition, insurance companies rarely had more than one insurance claims system with a total number of policies on the order of approximately 30,000. The DRL claims processing system was never intended to manage today's complex situation in which there are multiple insolvent insurance companies undergoing liquidation. Many of the insolvent companies have multiple insurance claims systems with an inventory on the order of 2.4 million policies, 400,000 claimants and 350,000 claims. DRL needs a modern claims processing system that:
  - o is multi-tenanted and dynamically scalable to support concurrent claims processing for multiple insurance companies under receivership.
  - o is built on top of mainstream, contemporary technologies, and supports Application Programming Interfaces (APIs) for integrating with off-the-shelf 3rd party tools and applications.
  - o provides a low-code/no-code application development capability allowing non-developers and business users to easily add, extend, and/or enhance new business workflow and reporting capabilities as needed.

- **Retaining and Attracting Talent**: Every day, each Senior IT staff member invests at least an hour manually inspecting processes and batch jobs from the previous evening to verify their successful execution. Intractable limitations with the legacy claims processing system force IT staff to manually populate, cleanse, and normalize data on a routine basis to meet business objectives. IT leadership has noted the team typically has to spend 60+ hours per week focused on providing tactical support for the business' daily needs for the claims and liquidation process rather than addressing more strategic, higher value IT work. Consistent deployment of senior resources to support these tasks degrades the value of staff time to deliver more meaningful work. As an example, the IBM DataCap system, a document capture and data extraction solution that helps organizations manage the processing of large volumes of documents, is inoperable because it requires upgrades, and the IT staff does not have the bandwidth to support the system. As a result, the DRL business team must resort to manually scanning incoming mail rather than take advantage of the DataCap system's automated Optical Character Recognition (OCR) document scanning capture capabilities. DRL will benefit from a modern claims processing system that eliminates unnecessary manual work due to the antiquated legacy system. This will also provide a rich and compelling contemporary work experience that will attract and retain highly skilled IT talent. The heavy workload demands on the IT staff are not sustainable and will ultimately result in turnover causing DRL to lose its knowledgeable and skilled resources.

A clear and high-value opportunity exists to better serve the claimants with a reduction in manual processes,

improved customer experience, and streamlined access to data – ultimately furthering a synergetic environment, ensuring the effective management of risk, customer access to data, clear communication, open collaboration, and customer satisfaction.

3. **Business Objectives**

> *NOTE: For IT projects with total cost in excess of $10 million, the business objectives described in this section must be consistent with existing or proposed substantive policy required in s. 216.023(4)(a)10, F.S.*

DFS manages the financial responsibilities of the State of Florida, regulating the state's banking, securities, insurance, funeral, and cemetery businesses, and serves consumers who need assistance or information related to these businesses. The Department keeps track of all money coming into and going out of the Florida state government. Acting on behalf of DFS, DRL serves as the court-appointed receiver of financially impaired or insolvent insurance companies headquartered in Florida per Chapter 631 of the Florida Statutes. The Division plans, coordinates, and directs the affairs of the companies placed into receivership. It protects consumer interests by managing receiverships in a manner that yields the maximum value to claimants and the public.

The Long-Range Program Plan (LRPP) submitted by the Department in September 2023 for fiscal years 2024-25 through 2028-29 outlines the goals, objectives, and outcomes needed to fulfill its mission. As part of this mission, the Department is responsible for safeguarding the integrity of the transactions entrusted to DFS, delivering value to the citizens by continually improving the efficiency and cost effectiveness of internal management processes, and regularly validating the value equation with its customers.

Informed by the LRPP, **Figure 1: DFS Business Objectives and DRL Claims Process Opportunity Linkages,** below outlines how replacing the DRL claims processing system helps the Department meet and exceed their current business objectives. The proposed opportunities are aligned to the Department's mission statement and goals. Each goal is further supported by opportunities to meet and exceed related objectives and supporting outcomes.

DFS Business Objectives and DRL Claims Process Opportunity Linkages		
LRPP Category	**Description**	**Proposed Opportunity**
Mission Statement	Safeguard the integrity of the transactions entrusted to DFS.	Currently many processes within the DRL Liquidation process are highly manual which require the keying of all existing and new claims during the process. The process to send data to other systems requires manual intervention to initiate the transfer and additional manual review to ensure processes are completed successfully. Due to the complexity of integrating data and the already excessive demands on the IT team, some key data is not able to be loaded into LCP. For example, claims that have been paid by the Guaranty Fund are not closed in LCP and when distribution checks are sent from the accounting system, the checks status is not loaded into LCP. Opportunity exists to implement workflows and data exchanges to improve centralization of data, reduce risk and increase the speed of processing these transactions.
	Deliver value to the citizens by continually improving the efficiency and cost effectiveness of internal management processes.	Currently, a team of 14 IT professionals oversee and support LCP and the DRL liquidation processes. They are overburdened with the work required to facilitate the existing process and keep the system running. They do not have the time, knowledge base or technology to implement

DFS Business Objectives and DRL Claims Process Opportunity Linkages		
LRPP Category	**Description**	**Proposed Opportunity**
		improvements that could improve the efficiency of the liquidation process, reduce operating costs, and maximize the claims payout coverage available to impacted Floridians.
		Opportunity exists to reduce the administrative burden placed on IT staff by manual, multi-step processes in an obsolete system, freeing them to deploy process, reporting and self-service enhancements that would provide cost-savings benefits as well as improve customer service.
	Regularly validate the value equation with its customers.	Customers do not have access to any external facing components of the existing system due to lack of functionality or outdated technology.
		Opportunity exists to enhance the customer experience by implementing modern self-service features, providing functionality that increases value for the customer. This could include the capability to regularly collect customer feedback on their interactions with the DRL.
Goals	Foster open government through financial accountability and transparency.	For outcome 2-3-6 of the DFS LRRP, DRL has the responsibility to close 95% of all service requests within 30 days.
		Opportunity exists to implement customer-facing functionality across business types allowing claimants and insurance agencies to maintain mailing address, upload or import required data and information, run their own reports, and conduct other business that currently requires a phone call, regular mail, or email.
		Further, a modernized system presents the opportunity to minimize the risk of human error that exists in the current manual processes.
	Promote a customer-focused culture and strengthen efficiency	While DRL does not currently have objectives and measures directly tied to this goal, system improvements can improve overall outcomes for the Department.
		Opportunity exists to enhance customer service by providing more self-service opportunities, facilitating easier transmission of forms and information to DRL, and reducing the time to process claims and subsequently issue payments. Implementing improvements to the claims system will also reduce the volume of service requests processed by the Division of Consumer Services on behalf of DRL.

Figure 1: DFS Business Objectives and DRL Claims Process Opportunity Linkages

B. Baseline Analysis

Purpose: To establish a basis for understanding the business processes, stakeholder groups, and current technologies that will be affected by the project and the level of business transformation that will be required for the project to be successful.

1. Current Business Process(es)

NOTE: If an agency has completed a workflow analysis, include through file insertion or attachment the analyses documentation developed and completed by the agency.

When an insurance company enters into a receivership under Florida Law, the Department takes on the duty of planning, coordinating, and directing the affairs of the insolvent company, with the goal of protecting the interests of consumers while maximizing the value to claimants and the public. To accomplish this, DRL must quickly take over both business and technology aspects of the company in receivership. From a claims perspective, for insurance companies where rehabilitation is not successful, this includes loading data from existing claims systems in to DRLs systems, notifying policyholders and other stakeholders of the liquidation, processing outstanding and new claims from both policyholders and vendors, and ensuring that assets are maximized for the payment of claims.

DRL's business functions are carried out via the following high-level use cases for insurance companies subject to liquidation:

1. Data Extraction and Loading:

From a claims perspective, the liquidation process commences by extracting policy and claims data from the insolvent insurance company's system(s) and loading it into the DRL claims management system. As insurance companies often expand through acquisitions, the claims system must accommodate multiple policy portfolios, treating them as distinct entities. This highly manual process involves mapping data to predefined fields, verifying completeness, addressing any issues, and conducting rigorous testing, including the identification of duplicate claims.

2. Notification of Liquidation:

Upon the initiation of the liquidation process, notifications are dispatched to all stakeholders, including policyholders, creditors, and guaranty associations. These notifications include contact information, instructions for filing claims, deadlines, and documentation requirements. All claimants are expected to submit claims by the noted deadlines. While requests submitted beyond the cutoff date are accepted, these claims are processed and classified as class 8 – *Late Filed Claims*.

3. Processing Claims:

Recognizing that data loading may take time, the claims team manually enters time-sensitive hardship claims into the claims system to expedite processing and payment through the Guaranty Association. Once all pre-existing claims are loaded, the team completes a check for duplicate claims and then processes the claims, determines their classification and status, and forwards payable claims for quick payment via manual data download to the Guaranty Association.

4. Proof of Claim Notices (POC):

Proof of Claim (POC) notices are sent to policyholders and parties with potential insolvency claims, informing them of the liquidation and providing instructions for filing claims including claim types, deadlines, and documentation requirements. POC forms are populated using the best name and address found in the systems of the company in receivership. This is accomplished by the IT team manually running a mail merge utility tool that extracts the address information from the claims processing system's backend database and populating the POC forms. The populated forms are then sent to a bulk mailer application where the forms are printed and mailed out via the US Postal Service. All claimants are expected to submit claims by the noted deadlines. If POC notices are returned as undeliverable, a claims team member updates the system, and new notices are issued, if a better address is available.

5. **Claim Submission and Processing:**

When POCs are submitted by claimants, the documents and supporting materials are imaged and manually entered in the claims system. Claims are categorized to facilitate bulk migration to specific classes. Each claim's class and total amount are determined through a rigorous process involving validation, policy analysis, and approval by relevant authorities. All physical documentation is stored in a warehouse until the estate is liquidated.

6. **Notices of Determination (NOD):**

Once all claims have been processed, Notices of Determination (NOD) are sent to claimants notifying them of the established claim value and classification. Like the POC claim notices, sending the NODs entails manual download of the necessary NOD data and printing of notices through mail merge. Claims team members manually update the claims system for returned mail and new NODs are sent if a better address is available. In cases where claimants dispute claim amounts or classifications, they can submit objections.

7. **Objection Processing:**

If a claimant objects to the classification or valuation of their claim or for any other reason, they can submit an objection. The objection type and recorded date are manually entered into the claims system. The objection is then re-evaluated based upon the objection reason. If the initial claim cannot be resolved, DRL will file a claim with the court and receive a final ruling. The claims system will be manually updated based upon the re-evaluation or court decision.

8. **Distribution and Discharge:**

Upon capturing all estate assets and finalizing all claims and objections, the estate can disburse payments. Payment amounts and class prioritization are based on available estate funds. Payments are distributed by class, with full payment preferred whenever possible. After complete payment is received for a class, if it's not possible to make full payment for the subsequent class, funds will be proportionally allocated based on the percentage that the remaining assets can cover against the outstanding balance of claims within the class. All remaining classes receive no payment against their claim. IT handles retrieving payment processing data from DRL's internal accounting system to populate LCP's backend database.

Outside Requests:

Throughout the claims process, DRL also processes external requests for information and support, which often require significant manual effort. These requests include Special Investigative Unit (SIU) requests, non-party subpoenas, loss run report requests, claim status requests, and other miscellaneous inquiries requiring significant manual effort to deliver. Examples of external requests include:

- 2,000+ annual Special Investigations Unit (SIU) insurance fraud information requests are received annually requiring a claims team member to retrieve all claims files from the claims system for the identified property and upload them via a link prepared by legal.
- 550+ annual Non-party Subpoenas received annually requiring a claims team member to retrieve all claims files from the claims system for the identified property and upload via a link prepared by legal.
- At least 2,800 Loss run report requests from insurance agents writing new policies for policyholders caught in the dissolution. While this capability is typically an automated, self-service process that is made available with most contemporary insurance company system portals, the DRL team does not have such a user-facing portal and must process each request manually by running multiple iterations of a report and sending the available information.
- ~7,000 ServicePoint customer service requests that require manual lookup of claim details and a response.

1.1 Current Business Process Challenges

As discussed in the section above, the Division of Rehabilitation and Liquidation has numerous manual business processes and at-risk technological solutions that is not currently supported.

Figure 2: Current Business Process Challenges below presents the primary challenges associated with the key

functions.

DFS Division of Rehabilitation and Liquidation Process Challenges	
Business Function	**Challenges**

Claims – Migration of Data from Company in Receivership	• Highly manual process.
	• Manual entry of data extracted from receivership company systems keyed into a DRL template by Claims team.
	• The current process is dependent upon IT to import a populated DRL template into the Claims System (LCP).
	• No automated way to check for common/routine data issues:
	   ○ Duplicate or hardship claims in the systems.
	   ○ Bad data in the receivership company systems.
	   ○ Required data missing.
	• Some LCP fields are not long enough to hold the Receivership Company data and must be truncated.
	• Fields cannot be updated or added – i.e., no designated field for email address.
	• No way to import data from more than one company system at a time – only one pipeline from staging environment to main production environment.
	• Claimant and Claim records are not set-up for each active policy when data is migrated requiring manual effort or subsequent data migration, even though most policies require returned premium payments.
	• The current system does not capture the submission of the UDS I (Images) record to the applicable Guaranty Association.

Claims – New, Open, Reopen Processing – Migration of Data from LCP to the applicable Guaranty Association	• Entering new claims from the Guarantee Association into LCP prior to data migration requires manual entry of all required policy and claim information. • Entering open and reopen claims that qualify for immediate transfer post liquidation to a Guaranty Association prior to data migration requires manual entry of all required policy and claim information. • The current process is dependent upon IT to push subsequent data elements that reside in the company data (once migrated into LCP) to the applicable Guaranty Association(s). • Unable to update LCP to send a file to the applicable Guaranty Association without adversely affecting the daily IT process of UDS Submissions (which transfers the file for continued handling). Requires updating the record after the IT process is completed. • Unable to update LCP to send a proof of claim form (POC) to the claimant without adversely affecting the twice weekly IT process of POC Mailing. Requires updating the record after the IT process is completed as there is not a way to communicate with the Guaranty Associations (information on recoveries, reopened claims, claim status, etc.). • Limited Business Rules & Data Integrity Validation Rules result in potential data entry errors, requiring follow up data review & corrections. • No built-in workflow processes for entering New, Open, or Reopen claims, decreasing the efficiency and quality of data input. Current processing requires navigation and toggling within LCP to enter data into the necessary fields. • No embedded or interfaced correspondence application requiring all form letters to be individually created outside of LCP and manually stored in the records management system.
Claims – Notice of Liquidation, Proof of Claim (POC), Notice of	• Highly manual process.

DFS Division of Rehabilitation and Liquidation Process Challenges	
Business Function	**Challenges**
Determination (NOD), Objections	• Notices of Liquidation depend on insurance company data report(s) and must be sent immediately after a Liquidation order is entered and prior to data migration. • USPS returned mail from Notice of Liquidation is not captured in any system, so POCs and any other subsequent mailings are sent to same bad addresses until the addresses are manually corrected. • No way to send POCs electronically. • No way for claimant to return POC electronically (leading to a low response rate of 20%). • All POC responses must be imaged, filed in the records management system, and keyed manually into LCP. • No built-in workflow processes for POC, NOD, Objections, Name/Address Changes, Evaluations, and Return Check processing that would increase the efficiency and quality of data input. Current processing requires navigation and toggling within LCP to enter data into the necessary fields. • No way to send NOD electronically. • No way for claimant to file an objection to the NOD electronically. • All objection responses to NODs must be keyed manually. • Document management systems containing records relating to each claim file are not accessible via the claim record in LCP. • Documents are stored in different applications depending on whether they are pre- or post-liquidation documents.
Claims – Support	• No way to limit LCP access to individual records or fields as access is at the company level. • Address Management is not embedded in LCP requiring manual intervention by Claims and IT for address standardization etc. • Enhancements to the current claim system are difficult and costly to achieve due to the age of the system. • LCP does not support reserving funds at the claim/claimant level requiring manual creation of liabilities for each company's quarterly financial statement. • The current system does not support processing/linking 'master claimants' to individual claim file records. • Claims dashboard reports must be created outside of LCP with limited canned reports. • The current search mechanism is not robust. There is no way to search for a claim/claimant across all companies or to search using more than one search parameter at a time. • There is not a way for a Policyholder with loss claims, Agents, and the Guaranty Association to see the status of claim or to have centralized access to claims and policy information. • There is not a mechanism allowing a claimant to manage their address electronically; all claimant requests for name/address changes must be submitted on provided forms and manually reviewed and processed into LCP. • The current system does not support system generated notes to capture activity such as defined system events on a specific claim, requiring manual entry to do so. • The claims team processes 7,000+ claim information requests a year through Service Point.

DFS Division of Rehabilitation and Liquidation Process Challenges	
Business Function	**Challenges**
	• There has been a significant increase in requests from the DRL Legal team to manually gather policy and claim information. 　○ Over 2,000 SIU fraud requests in 2023 (as of October 15th). 　○ There are 500-600 non-party subpoenas annually.
Accounting – Estate Accounting	• The current process is dependent upon IT to push data on uncashed claim checks to LCP after Claims team has reviewed and prepared the required templates. • The current process is dependent upon manual reporting from Claims to prepare financial statements for the receivership company. • No way to import information on recoveries made by the Receiver without manual tracking, logging, and preparing a template for IT to process.
Accounting – W9/1099 Process	• No way to send or receive W9 requests electronically - W9 request return is managed via USPS. • No way for claimant to manage address electronically. • Manual entry of W9 info or it may be pushed into the system by IT. • Manual verification is needed to ensure W9 address matches to send Form 1099 and check with claim payment. • The current process allows for paper checks as the only means to pay claims. • Increased risk of sending checks to bad address. • The process is dependent upon IT to set up SQL Server reporting to determine if W9 is required. • The process also requires IT to send claim data to the claims and accounting system as a voucher in order to process the check-out of the claims and accounting system. • No communication between the accounting system and LCP to track any tax liens or levies that are outstanding.
Asset Recovery – Collection	• Highly manual process. • Unearned commissions paid to insurance agents are tracked by spreadsheets outside of the claims system. • Return Premium calculated using company policy management system and extracted out into DRL system. 　○ Data from FIGA RP – the required fields are not viewable in the claims system even though FIGA RP and LCP share the same backend Data Base. 　○ Over 250,000 returned premiums this calendar year through 11/2023, which is not sustainable to continue managing in spreadsheets. • The current process is dependent upon IT to push return premium claims into LCP once the amount is determined. • Non-claim Subrogation collection tracked in spreadsheets and investigated in the Receivership Company system. Claims connected to subrogation are processed and pushed into LCP creating a gap between recoveries and what LCP reports. • Timing of data being loaded into the LCP system and providing updated information. Loading Guaranty Fund information into the system. • Reinsurance must run a report across the entire claim population and then manually edit results to target an individual Catastrophe versus being able to run the report only against Catastrophe claims. • All spreadsheets are maintained manually.
Asset Recovery – Property Management	• Highly manual process.

DFS Division of Rehabilitation and Liquidation Process Challenges	
Business Function	**Challenges**
	• Any property is tracked in a separate system called HardCat and not in the Claims system. • There is no communication between HardCat and LCP.
Asset Recovery – Reinsurance Administration	• Highly manual process. • No visibility into payments that are tracked by LCP. • Reliant upon LCP reporting or Receivership Company systems to track payments or gather claim files for auditing by reinsurance companies. • Reliant upon LCP reporting to generate reinsurance bills to insurers and see claim payment activity. • Reinsurance payments dependent upon the amount paid out for Loss Claims, lack of Guaranty Fund communications can cause reported values to be different than actuals. • The current document management system does not support filtering or searching, requiring team members to search image-by-image to find necessary documentation. • Creation of Loss Run reports requires running multiple manual reports and consolidating them to capture the lifetime of the policy.
General Challenges	• LCP's limitations and resulting manual processing have driven the average duration of liquidations to extend approximately 24 months, increasing the cost to administer the estate which decreases the funds available to pay claims. • No ad hoc reporting. Any special reporting requires engagement of IT when the IT team is already stretched thin. • Unable to pull general account notes from the current system into a pdf report for review. • LCP lacks the ability to pull or view history. • LCP lacks the ability to pull a detailed list of transactions paid on a claim. • Unable to see in LCP when checks paid to claimants have cleared. • Claims are not closed automatically when paid out by the Guaranty Fund. • Unable to filter or search imaged documents to find necessary items. (Some claims can have thousands of pages of supporting detail). • Loss run reports do not include reserves, so open are claims not captured in the report. • Loss run report data must be retrieved by each years policy number, requiring the report to be run manually multiple times for each request.

Figure 2: DFS Division of Rehabilitation and Liquidation Process Challenges

1.2 Strengths and Weaknesses

Based on a review of business operations, existing documentation, and stakeholder interviews, **Figure 3: Strengths and Weaknesses Analysis** below identifies Strengths, Weaknesses, Opportunities, and Threats that were identified for the Liquidation and Claims Processing system replacement.

STRENGTHS

- The dedication and ability of the IT team in supporting and maintaining the operation of the legacy system that allows the system to continue to meet the Business processing needs of DRL.
- Current system provides comprehensive support for multiple insurance types.
- DRL Business processes are stable and have been effective in meeting requirements and performance measures.
- Business rules are well documented.

WEAKNESSES

- Dependent on manual processes, printed mailings, email communications, and standalone solutions, increasing the probability of data errors.
- Significant Division staff time dedicated to manual data entry and maintenance.
- The Virtual FoxPro platform the system is built on is no longer supported, making it impossible to enhance the existing system to meet DRL needs.
- Heavy demand on IT team bandwidth to monitor legacy system processes and address maintenance needs.
- Document management capabilities are not aligned with the needs of the business.

OPPORTUNITIES

- Self-service portal allowing entities to upload and maintain their own data and access claims and liquidation data as needed.
- Elimination of manual processes requiring manual data entry to reduce risk and errors/rework.
- Tighter integration with the statewide accounting system to increase processing time and enhance customer service.
- Automation of data feeds to and from external sources to allow the most up to date data to be available to Division staff and available for stakeholder inquiries.

THREATS

- Older, out of support technology that may be vulnerable to modern security threats presents significant risks: a) financially, for those impacted Floridians who are unable to receive claims payments, b) regulatorily, and c) reputationally, for the DFS agency and the State of Florida legislature.
- Database built on technology that will go out of date in 3 years.
- Staffing resources required to maintain the system are more expensive and are increasingly difficult to find and retain.
- Errors can be introduced due to the number of manual steps requiring multiple reconciliation steps.
- Customer satisfaction with and adoption of external components is low.

Figure 3: Strengths and Weaknesses Analysis

2. Assumptions and Constraints

For consideration in moving forward with the project, the following assumptions and constraints are considered.

Assumptions

Assumptions are statements about the project, or its environment taken to be true and, accordingly, are factored into the Department's plans and analysis for the proposed project.

- DRL will support the Organizational Change Management (OCM) activities needed to implement the recommended solution.
- The project team will be adequately staffed to accomplish the project's deliverables, milestones, and infrastructure, manage user involvement, produce necessary project planning documents, project status reporting and complete other project management tasks.
- Labor rates for contracted staff are assumed to be in accordance with the State Term Contract for staff augmentation or the Management Consulting State Term Contract (depending on role/expertise needed) and comparable to similar projects recently undertaken by other Florida state agencies.
- DRL will provide the implementation vendor with adequate resources to support the implementation and will make decisions on a timely basis.
- Any gains in operational efficiency that the Department realizes through these efforts will be used to allocate additional resources to value-added activities, including expediting the policy-holder claims process and managing expected future increases in claims volumes.
- Changes discovered after approval of detailed business requirements during the project implementation may carry extra costs.
- The operational costs of the proposed system will be supported by funds from the estates of companies in receivership.
- Changes discovered after approval of detailed business requirements during the project implementation may require the project timeline to be extended.
- Additional elaboration of requirements will be needed prior to the implementation phase of the project.
- The solution is capable of integrating with other DRL systems. Related data and businesses will need to be considered as additional integrations needs are identified.

Constraints

Constraints are identified factors limiting the project management team's options and affecting the progress or success of the proposed project.

- Project funding is appropriated annually and may be subject to periodic releases throughout the year, depending upon suitable schedule and cost performance.
- Approval by either the Executive Office of the Governor (EOG) in consultation with the Legislature, or the Legislative Budget Commission (LBC) may be required before any appropriated funds are made available to the Department.
- All project schedules depend on the continual availability of appropriated funds.
- State and/or federal statutory changes, changes in administrative rules, and DFS policy changes may affect the project.
- DRL staff availability to support the project may be limited by internal resource constraints, occurrence of insurance company liquidations, or other priorities.
- External stakeholder and customer participation in the project may be limited as most stakeholders are private citizens. Representative stakeholder and customer samples will be included, where feasible.

C. Proposed Business Process Requirements

Purpose: Establish a basis for understanding what business process requirements the proposed solution must meet in order to select an appropriate solution for the project.

1. Proposed Business Process Requirements

Interviews with key DFS stakeholders elicited many business requirements for the new solution. Many of the requirements gathered support multiple business functions. (see Section II.B.1. Current Business Processes for a

comprehensive view of the seven business functions), The table below, **Figure 4: Proposed Business Process Requirements**, presents representative requirements organized into eleven requirement types. Requirement types assist in categorizing the many business requirements captured, while using representative requirements aids in communicating the top-level abilities needed in a future solution. A comprehensive listing of all business requirements and the business functions they align to can be found in Appendix**, 2: DRL-Requirements-Matrix**.

Representative Requirements	
Requirement Type	**Description**
General Set-up	• Ability to support all types of insurance policies, including but not limited to: Property & Casualty, Health Maintenance, Workers' Compensation, Service Warranty, Title, and Continuing Care Insurance. • Ability to support all types of claims, including but not limited to: Bond, Employee, General Creditor, Government, Guaranty Association, Health Subscriber, Policy Loss, Premium Return, Shareholder, and Vendor claims. • Ability to create custom DRL specific data fields to support the liquidation process, e.g., Claim filing deadlines, Objection filing deadlines, and Lawyers name and address for noticing.
Data Migration	• Ability to support multiple parallel data migration efforts across a multitude of organizations as well as across varying systems within the organization. • Ability to provide a flexible staging template data schema to accommodate the mapping of a myriad of company database schemas and file types. • Ability to conduct standard validation that identifies business rules violations prior to company data migrating to production. • Ability to identify, outline, and resolve duplicate entries, i.e., policies, claims, and their claimants. • Ability to set certain fields as mandatory or optional and manage cross-edits based on data in applicable fields. • Ability to validate and reconcile data, while subsequently identifying and recommending resolutions of resulting discrepancies. • Ability to generate recommended or auto-filled fields based on data in corresponding fields.
Policy & Claims Management	• Ability to manually create policies and claims in the system, prior to main data migration, thus enabling the support (processing) of the Guaranty Fund. • Ability to capture data related to required policy and claim types. ◦ e.g., Claim type, UDS coverage codes, payment information, reserve information, claim numbers, check numbers, multiple addresses, emails, and claimant demographic info. • Ability to report and track the disposition of claims.
Noticing (Liquidation Noticing, Proof of Claim (POC) noticing, and Notices of Determination (NOD))	• Ability to validate and update policy holder/claimant addresses. • Ability to identify and select bulk notification recipients. • Ability to select recipients for ad hoc notifications. • Ability to send notifications individually and in bulk. • Ability to send notifications electronically as well as via paper mail. • Ability to automate notification generation. • Ability to update addresses from returned mail and reissue notifications with corrected addresses. • Ability to note undeliverable notices to prevent check mailing. • Ability to associate image of returned envelope with policy or claim.

Representative Requirements	
Requirement Type	**Description**
	• Ability to suppress notifications.
Inbound Document Processing (Claim, POC, NOD Objection, W-9)	• Ability to automatically process inbound electronic and imaged documents. • Ability to use Optical Character Recognition on imaged documents. • Ability to identify document exceptions with signatures, forms, and document issues. • Ability to view POC disposition, history, and response times for each claim. • Ability to allow NOD Objection periods waivers. • Ability to assign and balance work tasks manually and automatically.
Claims Processing	• Ability to easily upload documents, enter new claims, and update claims triggering a review and approval workflow where necessary. • Ability to set processing time goals, timers, and reminders. • Ability to evaluate claims individually and in bulk, with tracking. • Ability to establish workflows to drive approvals of bulk evaluations. • Ability to recommend claim amounts and class type. • Ability to support payments to claimants via printed checks and electronic distribution.

Reporting	• Ability to build specific recurring reports with drill-down capability, such as:
	  o Ability to create and provide a periodic report capturing data necessary for DRL operations requirements, i.e., Interim Claims Report (ICR), estate financial statement preparation, reserve planning, and claim status.
	  o Ability to create performance and compliance management reports.
	• Ability to support ad-hoc reporting, as well as the configuration of new reports with drill-down capability.
	• Ability to build dashboards with drill-down capability.
	• Ability to produce and download reports in specified formats.
	• Ability to create and share dashboards, especially to monitor business process KPIs.

System Functionality	• Ability to edit and update workflows and related functionalities to support process improvements or changing business needs. • Ability to create and assign workflow items manually or automatically. • Ability to configure/customize system in a low-code/no-code environment. • Ability to capture and support international addresses. • Ability to maintain historical transaction data to support all state auditing requirements. • Ability to interface with external systems, such as Guaranty Associations. • Ability to interface with the DRL accounting system. • Ability to validate and reconcile data, identifying and recommending resolutions to discrepancies. • Ability to archive or restore all data related to a particular company in receivership, setting rules, as needed. • Ability to add and edit catastrophe codes, claim and claimant types, and exception criteria by Guaranty Association. • Ability to manage user and profile access and authority at the terminal, operator, and menu application levels. • Ability to maintain a complete history of all data changes, noting the date of change and user for auditing purposes. • Ability to utilize robotic process automation to minimize manual tasks.

Representative Requirements	
Requirement Type	**Description**
	• Ability to provide a menu-driven system with comprehensive utility and "help" screen capabilities. • Ability to support electronic/digital signatures. • Ability to support Web Content Accessibility Guidelines (WCAG). • Ability to search, categorize, group, and filter policies, claimants and claims by keyword, type, source, date, user, and company and be able to receive exact matches as well as partial matches
Imaging	• Ability to import images in bulk and individually. • Ability to index and archive documents. • Ability to send policy and claim images to the Guaranty Associations • Ability to prevent and eliminate duplicate images. • Ability to capture images of incoming and outgoing physical and electronic notices and communications. • Ability to filter and search images associated with policies using tags, creation dates, policy numbers and wildcards.
Notes	• Ability to access all policy, claim, claimant, and objection notes from a unified interface. • Ability to prevent editing or deletion of saved notes. • Ability to import notes from company and General Agent. • Ability to generate free-form or automatic notes for defined activities including rerouted work, sent for approval, and sent correspondence or notices. • Ability to search, categorize, group, and filter notes by keyword, type, source, date, user, and company.
Stakeholder Portal	• Ability to run a loss run report utilizing policy number and policy holder name and address. • Ability for both internal and external stakeholders (i.e., Agents and Guaranty Funds) to pull necessary reports through the stakeholder portal. • Ability to submit Claims and Objections via portal, including registration and submission. • Ability for claimants to update certain information, triggering review and approval workflows where necessary. • Ability for claimants to upload required documentation and images. • Ability to view Claim and Objection status and payment information. • Ability to support responsive design for use across device types.

Figure 4: Proposed Business Process Requirements

2. Business Solution Alternatives

To address the business, functional, and technical requirements outlined in Section II.C.1 and Section II.D of this document, the Department diligently assessed numerous alternatives to the current system. The Department conducted a robust Market Scan, including gathering and assessing research from Forrester and six system vendors as well as engaging four subject matter experts. A liquidated insurance company receivership is a niche operating model that differs considerably from typical insurance companies. Consequently, there is no off-the-shelf solution that can be procured, hence the original impetus 20+ yrs ago for DRL to develop a custom, in-house solution. However, leveraging thorough research and an understanding of the technology market, three viable alternatives were identified. All three alternatives have the ability to provide a more efficient, forward-thinking business and IT result that will satisfy and exceed both regulatory as well as DRL requirements. This solution will drive value to the State as well as the stakeholders (constituents they serve). The alternatives present unique advantages that could/will

benefit the State of Florida.

Alternative 1: Custom Build (i.e., "Build it from Scratch")

With this alternative, DRL will decommission the current system and facilitate the development of a customized system. This solution will be tailored to meet DRL's specific needs, while satisfying targeted requirements and providing overall support for forward-thinking growth. Further, this solution presents an opportunity to creatively reimagine current ways of working. Within this alternative, it is recommended that DRL procure a systems integrator that demonstrates alignment with the goals and objectives of the required solution. The design should be aligned with the Division's strategic direction, the trends in this space and be in a position to support future growth.

Alternative 2: Platform as a Service (PaaS)-based Solution

A Platform as a Service (PaaS)-based approach packages multiple tools and components to achieve the functionality needed, while meeting Division and other relevant drivers. PaaS is a cloud computing service that provides a platform allowing customers to develop, run, and manage applications without dealing with the complexity of building and maintaining the underlying infrastructure. PaaS systems offer various benefits for organizations with unique needs, including:

- **Rapid Development and Deployment:** PaaS provides tools and services that streamline the development process, enabling organizations to quickly build and deploy applications. This is particularly advantageous for organizations with unique needs like DRL.
- **Scalability**: PaaS platforms often provide automatic scalability, allowing applications to handle varying workloads. This can be helpful when catastrophes occur, and multiple insurance providers enter receivership at the same time.
- **Focus on Core Competencies**: PaaS allows organizations to focus on developing their applications and services without the burden of managing the underlying infrastructure.
- **Collaboration and Integration:** PaaS provides collaboration tools and integration capabilities, allowing organizations to easily connect different components of their systems.
- **Security and Compliance:** Many PaaS providers offer robust security features and compliance certifications. This is crucial for organizations with unique needs that must adhere to specific security and regulatory standards.
- **Flexibility and Customization:** While PaaS abstracts much of the infrastructure management, it often allows for customization and flexibility in the development process. This is valuable for organizations with unique needs that may require tailored solutions.
- **Automatic Updates and Maintenance:** PaaS providers typically handle updates, maintenance, and patching of the underlying infrastructure. This ensures that organizations with unique needs can benefit from the latest technologies and security updates without the hassle of manually managing these tasks.

With this alternative, the Department will leverage, applicable out-of-the box functionality as the foundation to the system but provide for customization as necessary to support DRL's specialized data field, workflow, and integration needs.

Alternative 3: Claims System with Customization

A dedicated claims management system designed to cater to the intricacies of the insurance industry forms a robust foundation for an enhanced DRL liquidation claims processing system. Both entities share commonalities in their need to efficiently capture, assess, and settle claims, potentially leading to a direct synergy. Nevertheless, conventional systems are typically tailored to specific insurance types, posing a challenge for DRL, which necessitates flexibility across various insurance policy types and claims. Substantial customization is imperative to align the system with DRL's unique data field requirements and alternative liquidation workflows. Engaging with a suitable vendor holds the promise of a cost-effective solution that can be deployed more expeditiously compared to traditional custom builds and PaaS alternatives. With the right partnership, this alternative approach could offer an agile and efficient resolution to DRL's diverse requirements in the realm of liquidation claims processing.

3. Rationale for Selection

To properly evaluate the solutions available to the Department, the following minimum set of requirements were identified and subsequently considered:

- **Strategic Alignment**: Strategic alignment to DRL's mission, strategic objectives, roadmap, and priorities, including the solution's ability to strengthen processes, while efficiency delivering increased value to the stakeholders of the insolvent insurance company estates.
- **Stakeholder Experience:** Value provided to the estate stakeholders, including enhanced customer experience, provision of tools to provide reliable and timely support, while improving direct and self-service mechanisms.
- **Data Management Process:** In addition to ensure data security, **t**he system supports DRL's need to support multiple parallel data migrations from insurance companies in liquidation and communicate with external systems via sharing UDS files or direct linkages like APIs.
- **DRL Business Alignment:** Support of current and future business processes, outcomes, and reporting requirements, subsequently reducing manual effort, and improving DRL's resource capacity.
- **Modern Solution:** Ability to easily scale and flex the solution to capture custom data fields, create ad hoc reports and support the evolving DRL processes. The system requires minimal customization and can be configured in a low or no-code environment with minimal DRL IT maintenance and support.
- **Risk Mitigation:** Ability to mitigate financial, data and benefit realization risk, as well as statutory compliance, throughout implementation and service delivery.
- **Cost Benefit:** A positive financial cost and total benefits tradeoff, assessing one-time and ongoing operating costs, financial metrics such as Return on Investment and Net Present Value, and both tangible and intangible benefits.

Establishing a minimum set of capabilities is critical to verify all options are compared to a common standard. A common base will allow option costs, timelines, and capabilities to be compared in a consistent manner. Each of the evaluation criteria are scored based upon specific factors that would contribute to the success and benefit realization of the Liquidation Claims Processing system replacement. Additionally, each of the seven criteria are weighted based on overall strategic importance to the potential project and the Division. Descriptions of the evaluation criteria used for analysis of the options and their weightings are listed below in **Figure 5: Evaluation Criteria Description**.

Evaluation Criteria Description			
#	Criteria	Weight	Description
1	Strategic Alignment	5%	• **Promote Stakeholder-Focused Culture and Strengthen Efficiency -** The solution will provide functionality to better meet stakeholder needs while protecting the statutory responsibilities of the Division. It will reduce the time spent responding to manual requests from stakeholders, allowing Division staff to increase their proactive stance in managing the liquidation process. • **Responsibly Steward Receivership Funds -** The solution will ensure that a larger pool of assets will be available to distribute to claimants, allowing more claimants to receive payments through a more efficient liquidation and distribution process.
2	Stakeholder Experience	15%	• **Maximize Value to Claimants -** The solution will provide efficiencies that will reduce the time required to complete the key steps including data migration, business rule validation, policy claim and document research, stakeholder communication, and reporting required to accommodate effective receivership liquidation and distribution of funds to claimants. • **Promote Stakeholder Self-Service -** The solution will provide a modern, more efficient experience for all stakeholders, including

Evaluation Criteria Description			
#	Criteria	Weight	Description
			Claimants, Agents, and Guaranty Associations through the availability of self-service options through an online portal. • **Provide Timely Service -** The solution will increase the Division's ability to process and respond to stakeholder requests faster, including the Circuit Courts, through more efficient research and reporting capabilities.
3	Data Management Process	20%	• **Data Security and Privacy -** The solution allows the department to adequately store, protect, and manage access to sensitive information. • **Data Migration** - The solution will support multiple migrations of insolvent insurance company data in parallel including policies, claims, claimants, and documents. The solution will support validation tools to manage errors, business rules violations, and duplicate entries. • **Data Ownership** - The solution will support DRL IT resources migrating data without the need for system/vendor IT support and DRL will own the data post migration. • **Data Sharing -** The solution provides industry standard interface methodologies such as UDS file transfers with the Guaranty Associations. • **Integration -** The solution will enable the Division to integrate with other internal and external systems in a cost-effective manner such as via APIs.
4	DRL Business Alignment	20%	• **Current Business Scope -** The solution will support all required lines of insurance and claim types via out-of-other-box, configured, or custom functionality. • **Current Business Process -** The solution can support the Division's current business processes through configuration and/or development of custom workflows. • **Future Business Process -** The solution supports business process re-engineering and streamlining to enable the Department to run its operations more effectively and efficiently. • **Reduce Manual Processes** - The solution will reduce the need for manual system processes such as creating spreadsheets to track stakeholder correspondence, claim data, and payments. The solution will also be able to use Optical Character Recognition (OCR) optical readers on physical and digital form submissions to scan and populate data into the system. • **Reporting -** The solution will provide reporting and analytics capabilities to increase DRL's ability to share vital information with interested parties and effectively manage risk through the analysis of data, including ad-hoc and drill-down capability. • **Noticing -** The solution will support batch and ad hoc noticing via digital (email) and physical distribution.
5	Modern Solution	15%	• **Flexibility -** The solution offers the scalability and flexibility necessary to leverage and extend it to support the Division's needs. This includes the ability to add custom fields and create

Evaluation Criteria Description			
#	Criteria	Weight	Description
			ad-hoc reporting that can support both current and evolving Business Processes. • **Supports Customization / Extensibility Needs -** The solution requires minimal customization to meet the Division's requirements. • **Supports Low-code/No-code Configuration -** The solution will allow configuration in a low/no code environment. • **Maintenance Effort -** The solution is easy to maintain and support.
6	Risk Mitigation	15%	• **Data Risk Mitigation -** The solution will mitigate the Department's risks related to data integrity by ensuring the accuracy of claim and claimant data. • **Implementation Risk Mitigation -** The solution will mitigate the Department's risk related to the success of project implementation. • **Benefit Realization Risk Mitigation -** The solution will mitigate the Department's risk related to the realization of expected benefits. • **Statutory Compliance -** The solution will meet mandated state technology, audit, and security standards.
7	Cost Benefit	10%	• **One-time Project Costs -** The solution has a manageable project cost for implementation and other one-time components. • **Ongoing Operational Costs -** The solution's ongoing operational costs are within acceptable ranges and feasible for the Department. • **Financial Metrics** - The solution has acceptable ROI, NPV, and adequate payback period. • **Tangible Benefits** - The solution produces tangible benefits for stakeholders. • **Intangible Benefits** - The solution produces intangible benefits for stakeholders.

Figure 5: Evaluation Criteria Description

Figure 6: Evaluation Criteria Scoring Scale outlines the low-medium-high scale used to score each evaluation criteria.

Evaluation Criteria Scoring Scale		
Score	Explanation	Numeric Value
Low	The alternative minimally addresses the criteria.	1.0
Medium	The alternative moderately addresses the criteria.	2.0
High	The alternative highly addresses the criteria.	3.0

Figure 6: Evaluation Criteria Scoring Scale

Assigned weights were applied to each of the raw evaluation criterion scores, then the results were added together to determine a final, overall score for each alternative. The summary results of the scoring are shown below in **Figure 7: Scores by Alternative.**

		Alternative 1		Alternative 2		Alternative 3	
Criteria	Wt.	Score	Total	Score	Total	Score	Total
1. Strategic Alignment	5%	High	2.50	High	2.50	Low	1.00
2. Stakeholder Experience	15%	Medium	2.33	Medium	2.67	Low	1.00
3. Data Management Processes	20%	Medium	2.40	High	2.60	Medium	2.00
4. DRL Business Alignment	20%	Medium	2.33	High	2.83	Medium	1.50
5. Modern Solution	15%	Medium	1.75	High	3.00	Low	1.00
6. Risk Mitigation	15%	Medium	1.75	High	3.00	Low	1.25
7. Cost Benefit	10%	Low	1.00	Low	1.40	Low	1.00
Total Weighted Score	100%	2.05		2.65		1.34	

Figure 7: Scores by Alternative

4. Recommended Business Solution

NOTE: For IT projects with total cost in excess of $10 million, the project scope described in this section must be consistent with existing or proposed substantive policy required in s. 216.023(4) (a) 10, F.S.

4.1 Recommended Solution

The results of this feasibility study show that **Alternative 2: Platform as a Service (PaaS)** represents the option most closely aligned with business and technical needs.

A PaaS-based solution allows DRL to meet its operational mission, goals, and objectives while satisfying necessary

regulations and requirements by bringing together improved data migration and management, automation of key processes, workflow creation, and a self-service user portal. A PaaS-based solution will bring structure and automation to many highly manual processes. This automation will not only decrease labor time currently associated with business functions requiring manual data entry, but it will increase accuracy and turnaround time for processing claims, including providing claim information to Guaranty Associations. A PaaS-based solution enables DRL to implement notification and communication functions, minimizing the time spent sending manual notices to and manually keying in responses from stakeholders. This solution offers the ability to launch a robust customer-facing portal and supplies both DRL and its stakeholders with reporting functions for agents and agencies as well as claim statuses for claimants and associations.

Some of the benefits of PaaS-based solution include:

- **Data Integrations:** Enables DRL to receive and provide up-to-date data by implementing integration and data exchanges both with external sources such as Guaranty Associations and internal sources such as the DRL accounting system, increasing accuracy and speed with a reduction in the currently manual and time-consuming processes.
- **Workflow Management:** Provides DRL with an opportunity to meet current and future business process requirements through custom workflow management, reducing processing time and human intervention, while increasing efficiency and accuracy.
- **Increased Automation:** Brings process and reporting automation, reducing current manual and time-consuming processes. The solution also offers automated system-generated notifications, giving stakeholders increased awareness of claim and objection deadlines.
- **Reduced CyberSecurity Risk:** Reduces security risk and administrative overhead by offloading the responsibility of securing the underlying infrastructure to the PaaS provider, and providing a common set of security features such as authentication and authorization mechanisms to control access to applications and data as well as encryption available to secure data both in transit and at rest.
- **Lower Maintenance Cost:** Because the underlying core platform services are being maintained by the PaaS provider, the total annual maintenance cost is reduced and only required for those custom-built features.
- **Greater Access to New and Enhanced Features –** Any enhancements or new features developed for the platform by the PaaS provider are made available to the PaaS customers to take advantage.
- **Improved Customer Service:** Allows for improved customer service. The solution allows customers to submit information, initiate certain processes, and receive data and reports through a robust and user-friendly online self-service portal.
- **Scalability and Extensibility:** Enables scaling capabilities that automatically adjust resources based on demand. A PaaS-based solution provides software development kits (SDKs) and application programming interfaces (APIs) that enable developers to build, integrate, and manage applications on the platform. Services and tools support the execution of applications, including runtime environments for various programming languages, frameworks, and libraries.

4.1 Risks of Alternative 2: Platform as a Service (PaaS)

Risks associated with a **Platform as a Service (PaaS)** include:

- **Cost Management:** Alternative 2: Platform as a Service (PaaS) can offer cost savings compared to traditional infrastructure management; however, costs can escalate if usage increases significantly. DRL will need effective cost management strategies to prevent unexpected expenses.
- **Limited Control Over Infrastructure:** Since the underlying infrastructure is managed by the Platform as a Service (PaaS) provider, organizations have less direct control over server configurations, network settings, and other low-level details.
- **Dependency on Internet Connectivity:** Alternative 2: Platform as a Service (PaaS) solutions rely on internet connectivity. Any disruptions in internet service can impact access to cloud-based resources and applications. DRL will need to ensure SLA with internet providers ensure minimal downtime.
- **Downtime and Reliability:** Reliability is crucial for any Platform as a Service (PaaS). Organizations may face downtime or service interruptions, impacting critical business operations. It's essential DRL assesses each provider's service level agreements (SLAs) and redundancy measures.

- **Vendor Dependency**: Any customization and business logic built on top of the underlying PaaS solution's features could be platform specific and not easily portable.
- **Custom Application Security**: While PaaS vendors secure the infrastructure and platform functionality, PaaS customers are responsible for ensuring the custom applications built on top of the platform are properly secured.

4.2 Risks of Alternative 1: Custom Build

A custom build poses multiple risks to DRL in terms of time, resources, and cost, from initial procurement and implementation to ongoing maintenance and enhancement for the lifecycle of the system. The risks of Alternative 1: Custom Build are summarized below.

- **Higher Vendor Costs:** Design, build, test, and deploy a custom solution with potentially complex interfaces to external systems.
- **Resource Support**: A higher level of DRL resource support and cost is required to manage procurement and implementation of the system.
- **Implementation Duration**: Extended timeline to deploy and a delay in benefit realization associated with building a custom system.
- **Annual Operating Costs:** Higher level of DRL resources and cost required to oversee system maintenance and enhancements for the lifespan of the system.
- **Potential for Repeating Current Situation in the Future:** Aging of technologies used for custom build could result in lack of future support, inability to patch, maintain, and secure system if the software and tools used to implement a custom system become out of date or unsupported.

4.3 Risks of Alternative 3: Insurance Claims Management System

The opportunity to leverage a system designed to support insurance claims and customize it to support the breadth of insurance and claim types in scope for DRL appeared to be a great opportunity. However, the two top tier, Gartner "Magic Quadrant" vendors we engaged shared that their systems would not be able to support the requirements. Based on their response their issues were:

- **Contract Pricing**: Most claims systems available base their fees on total written premium the insurance company is supporting. In the case of DRL, they quickly cancel all active policies. The vendors were not interested in developing a new pricing model for a one-off client.
- **Breadth of Policy/Claim Coverage**: Each type of insurance is unique, and a system built to support property and casualty policies and claims will not work for health, workers compensation, or long-term care insurance. The vendors shared that it is not possible to customize their systems enough to support the breadth of insurance types DRL supports.
- **Inability to turn off workflows**: There are many tasks that an operating insurance company conducts that are part of a policy/claims management system, but not work that DRL engages. (e.g., re-enrollment processing, automated billing)
- **Custom Data Capture**: Given DRL's unique processes, they require numerous unsupported data fields to capture important information and dates (e.g., POC submission deadlines, MOD objection deadlines, court dates, and claim classification). The vendors shared they would not be able to support the creation of all the required custom fields.

4.4 Risks of Not Acting

DRL faces serious risks to its ability to satisfy statutory duties and responsibilities if the recommended system replacement solution is not funded.

- **Increased Risk of Security Breaches:** DRL is operating in an environment in which there have been no Visual FoxPro patches or support since 2015 to address vulnerabilities, increasing the risk of liability for data breaches and exposure of sensitive personal data.
- **Continued Aging and Degradation of the Legacy System:** DRL faces the risk of component degradation

that may result in component failures, including and up to a system failure. Continued aging and degradation may lead to inability to address the lengthening technical backlog.

- **Impossible to Update or Enhance the Legacy System:** DRL will be unable to meet current and future business needs due to the inflexibility and complexity of the legacy system and the software platform being out of support. The legacy system is unable to scale with the workload resulting from the increasing number of companies in receivership and increases in policies and claims.
- **Increasing Cost and Difficulty in Recruiting and Retaining Staff Resources:** Staffing will require requisite knowledge and experience to maintain the outdated system based on an antiquated programming language platform. DRL will face increasing:
  - Difficulty in finding IT staffing knowledgeable in Visual FoxPro due to the age of the language.
  - Challenges in retaining IT staffing willing to develop knowledge and expertise in Visual FoxPro due to the lack of meaningful career track benefits or transferrable skills.
  - Risk of loss of sole IT team member possessing extensive knowledge of the existing system's design and deployment, resulting from ultimate retirement.
  - Potential for current IT staff burnout due to the increasing overtime hours spent monitoring processes and performing maintenance.
- **Continuation of Highly Manual and Disproportionately Time-Consuming Data Entry Processes:** The manual processes required with the current system subsequently divert staff from higher value work, increasing the risk of data inaccuracy and lengthening liquidation process timelines.
  - Increase in time required to provide claims data to the Guaranty Associations, extending timelines in payments to claimants.

D. Functional and Technical Requirements

Purpose: To identify the functional and technical system requirements that must be met by the project.

The high-level functional and technical system requirements that must be met by the project to achieve the business objectives are listed below in **Figure 8: Functional and Technical Requirements**. For an overview of the related Business Requirements, please see Section II.C.1. Proposed Business Requirements. For a complete listing of all requirements gathered, please see **Appendix 2: DRL-Requirements-Matrix.**

These functional and technical requirements are fully met by **Alternative 2**: **Platform as a Service**, the highest ranked alternative.

Proposed Functional and Technical Requirements		
Requirement Type	**Description**	**Requirements**
Compliance	Requirements related to adhering to the State and Federal regulations.	• Ability to adhere to Technical Requirements in Chapter 60GG, F.A.C. • Ability to adhere to § 282, Fla. Stat. (20230). (i.e., § 282.206, Fla. Stat. (2023), §282.318 Fla. Stat. (2023)). • Ability to adhere to NIST SP 800-171. • Ability to maintain historical transaction data to support all state auditing requirements. • Ability to support Web Content Accessibility Guidelines (WCAG).
Security	Requirements related to the ability to provide	• Ability to provide a native capability for identity management, adhering to State of Florida standards.

Proposed Functional and Technical Requirements		
Requirement Type	**Description**	**Requirements**
	capabilities pertaining to disaster recovery, infrastructure, network, storage, and data loss prevention.	• Ability to provide a native capability for role-based alignment of privileges at the terminal, operator, and menu application levels at discretion of an account administrator role. • Ability to provide native data loss prevention including data encryption methods between systems and interfaces (data in transit) and within any data storage components (data at rest). • Ability to provide native disaster recovery. • Ability to interface with external authentication systems (i.e., MFA, SSO).
System	Requirements related to the ability to support integration, scale incoming traffic, and providing multiple environments.	• Ability to establish identical environments for Development, Testing, and Production phases. • Ability to support integration with other systems (i.e., API, REST, Oauth). • Ability to meet storage fluctuation requirements including short term historical data load and ongoing data archival per DFS standards. • Ability to provide a native capability to distribute/scale incoming traffic (Load Balancing) as required to maintain availability and reliability of the functionality.
Functional	Requirements related to the ability to support business-critical functions.	• Ability to support multiple parallel data migration efforts across multiple organizations or across multiple systems within one organization. • Ability to provide flexible staging template data schema to accommodate the mapping of numerous company database schemas and file types. • Ability to conduct standard validation that identifies business rules violations before company data is moved to production. • Ability to identify and resolve duplicate entries, i.e., policies, claims, and claimants. • Ability to require certain fields based on data in related fields. • Ability to validate and reconcile data, identifying and recommending resolutions to discrepancies. • Ability to generate recommended or auto-filled fields based on data in related fields. • Ability to automate notifications and reminders. • Ability to communicate with customers and both internal and external stakeholders. • Ability to easily upload, download, edit, index, and archive documents. • Ability to implement a robust customer portal. • Ability to analyze and manipulate data. • Ability to integrate with external systems, such as Guaranty Associations. • Ability to interface with the DRL accounting system. • Ability to build specific recurring reports, allow for ad-hoc reporting, as well as the configuration of new reports, all with drill down capability, as necessary.

Proposed Functional and Technical Requirements		
Requirement Type	**Description**	**Requirements**
		• Ability to edit, update, or create business rules due to changes in statute or legislative direction. • Ability to implement, edit, and update workflows and related functionalities to support process improvements or changing business needs. • Ability to configure/customize system in low-code/no-code environment. • Ability to utilize robotic process automation to minimize manual tasks. • Ability to provide a menu-driven system with comprehensive utility and "help" screen capabilities. • Ability to support electronic/digital signatures. • Ability to search, categorize, group, and filter policies, claimants and claims by keyword, type, source, date, user, and company and be able to receive exact matches as well as partial matches.

Figure 8: Functional and Technical Requirements

III.   Success Criteria

Purpose: To identify the critical results, both outputs and outcomes, that must be realized for the project to be considered a success.

The success of the project will be based on several quantitative and qualitative factors. Each of these factors is in alignment with the business objectives and proposed business process requirements, as well as the overall vision and mission of DRL.

The major success criteria for the project, which must be realized for the Department to consider the proposed project a success, are listed in **Figure 9: Success Criteria**.

Success Criteria				
#	**Description of Criteria**	**How will the Criteria be measured/assessed?**	**Who benefits?**	**Realization Date (MM/YY)**
1	The solution will meet the basic business functions DRL currently supports through the Liquidation and Claims Processing system.	• Solution supports the current DRL Liquidation and Claims Processing-driven liquidation processes. • Increased process efficiency.	• DRL Staff • Claimants • Agents / Agencies	FY 26/27
2	The solution will provide more efficient and effective data migration from the systems of insurance companies in	• Ability to perform multiple parallel data migrations from multiple companies in receivership, as well as the multiple systems used by these companies. • Ability to utilize validation tools to enforce business rules.	• DRL Staff	FY 26/27

Success Criteria				
	receivership.	• Error handling for data errors and rule violations. • Detection and elimination of duplicate records. • Reduction in time required to migrate data from an insolvent company to DRL.		
3	The solution will provide automation to manual processes, including reporting and document management.	• An increase of automated processes, workflows, and associated level of use. • Integration with external systems. • Reduction of manual processes. • Increased stakeholder satisfaction. • Reduction in time to pay claims.	• DRL Staff • Agents / Agencies	FY 26/27
4	The solution will enable stakeholders to submit and access data via an online portal.	• Deployment of integrated online portal. • Portal supports submission of claims and proof of claims documentation. • Portal supports submission of notice of determination objections. • Portal supports claim status look-up. • Portal supports agent loss-run self-service reporting. • Reduction in manual documents received. • Reduction in customer service calls to the call center.	• DRL Staff • Claimants • Agents / Agencies	FY 26/27
5	The solution will be easily updated to support process improvements and/or inclusion of processes not currently supported by LCP.	• Increased ability to allow for low code or no code configuration. • Increased ability to allow for low code customization. • Increased flexibility. • Reduced time to implement changes.	• DRL Staff	FY 26/27

Figure 9: Succes Criteria

IV. Schedule IV-B Benefits Realization and Cost Benefit Analysis

A. Benefits Realization Table

Purpose: To calculate and declare the tangible benefits compared to the total investment of resources needed to support the proposed IT project.

For each tangible benefit, identify the recipient of the benefit, how and when it is realized, how the realization will be measured, and how the benefit will be measured to include estimates of tangible benefit amounts.

BENEFITS REALIZATION TABLE					
#	**Description of Benefit**	**Who receives the benefit?**	**How is benefit realized?**	**How is the realization of the benefit measured?**	**Realization Date (MM/YY)**
1	Implement a portal to provide for the uploading of data from receivership companies into the new system, improving process efficiency and reducing data error and therefore realizing cost savings by **eliminating the need to manually enter data extracted from receivership company systems (and also not having to correct data errors introduced via manual data entry)**	• Receivership companies • System users (i.e., Division staff)	• Implementing a portal to support uploading of data from receivership company systems	• Eliminating hours spent by Claims staff manually entering data received (extracted) from receivership company systems	Upon implementation
2	**Data quality and completeness can be improved** by implementing the capability for data fields in the new system to be efficiently added and / or modified	• System users (i.e., Division staff)	• Implementing the capability for data fields in the new system to be efficiently added and / or modified	• Intangible benefit and therefore not measured	Upon implementation
3	Improved process efficiency by incorporating in the new system the capability for active policies to be set-up so that claimant information and claim records **do not have to be set-up manually**	• System users (i.e., Division staff)	• Incorporating in the new system the capability for active policies to be set-up automatically	• Eliminating time spent by Claims staff manually setting up active policies	Upon implementation
4	Implementing the capability for Notice of Liquidation (NOL) return mail to be entered into the solution will **reduce (possibly completely eliminate) sending NOLs to bad addresses** thereby reducing risk and improving process	• System users (i.e., Division staff)	• Implementing the capability for NOL return mail to be entered into the solution	• Cost savings realized via a reduction in manual processing time spent on returned NOLs	Upon implementation

	BENEFITS REALIZATION TABLE				
	efficiency				
5	Improved process efficiency and improved customer service by providing the capability for Proof of Claims (POCs) to be sent and received electronically; cost savings will result from **eliminating the manual sending of POCs** and from **elimination of POC imaging and manual data entry upon receipt**	• System users (i.e., Division staff) • Claimants	• Implementing the capability for automation supporting the sending and receiving of POCs	• Cost savings realized via eliminating manual sending of POCs AND eliminating POC imaging and manual data entry upon receipt	Upon implementation
6	Improved customer / user service by **allowing claimants to file Notice of Determination (NOD) objections electronically**; and realized cost savings by staff **not having to process manually submitted NOD objections**	• System users (i.e., Division staff) • Claimants	• Implementing the capability for claimants to file NOD objections electronically	• Cost savings realized via not having to process manually submitted NOD objections	Upon implementation
7	Improved process efficiency and improved data quality by implementing the capability for the solution to **receive directly (i.e., without it having to be pushed by IT) data on uncashed claim checks** and by **incorporating into the solution data on which claims checks have cleared**	• System users (i.e., Division staff)	• Implementing the capability for the solution to receive directly data on uncashed claim checks AND by incorporating into the solution data on which claims checks have cleared	• IT and Claims staff time spent supporting work involving uncashed claim checks and claims checks that have cleared can be saved	Upon implementation
8	Improved process efficiency and improved data quality by implementing the capability to **pull into the new system information on recoveries made by the Guaranty Fund**	• System users (i.e., Division staff)	• Incorporating functionality to pull into the new system information on recoveries made by the Guaranty Fund	• Eliminating staff time associated with this activity being manual	Upon implementation
9	By providing claimants with the ability to manage their address information electronically, customer service can be improved and staff time can be saved in that staff **no longer have to process manually submitted claimant**	• System users (i.e., Division staff) • Claimants	• Implementing the capability for claimants to manage their own address information electronically	• Eliminating staff time associated with manually submitted claimant addresses	Upon implementation

	BENEFITS REALIZATION TABLE				
	address information				
10	Promote process efficiency gain and improved data quality by providing automated address verification in the new system, thus **eliminating manual address verification** and thereby **increasing the accuracy of Form 1099 and check mailings**	• System users (i.e., Division staff) • Form 1099 recipients and (therefore) payment (check) recipients	• Implementing automated address verification in the new system	• A measurable increase in the accuracy of Form 1099 and check mailings	Upon implementation
11	Improve data quality and reduce errors by establishing the capability for property to be tracked within the solution, thus **eliminating the need for a separate property tracking component** and **saving support-related resources associated with separate property tracking**	• System users (i.e., Division staff)	• Establish the capability for property to be tracked within the new system	• Reduced costs associated with property tracking	Upon implementation
12	Improved user / customer experience and improved process efficiency gain by providing the capability in the new system for users to view payments tracked (by the new system), thus **increasing the likelihood that payment-related issues can be identified timely**	• System users (i.e., Division staff) • Payment recipients	• Implementing the capability in the new system for users to view payments tracked (by the new system)	• Confirming a more timely identification of payment-related issues	Upon implementation
13	It takes approximately two more years to complete an estate liquidation than it otherwise would due to inefficiencies in the current system; improved process efficiency provided by a new system can cut 24 months off the time to process a liquidation and thus **increase the funds available to pay claims**	• Claimants • Estates in receivership • System users (i.e., Division staff)	• Implementing the identified system capabilities that will facilitate the necessary process efficiencies and data access to reduce the average length of the receivership life cycle for an estate	• Confirming a reduction in the length of time an estate is in receivership (i.e., a reduction in the receivership life cycle)	Beginning upon implementation

Figure 10: Benefits Realization Table

B. Cost Benefit Analysis (CBA)

Purpose: To provide a comprehensive financial prospectus specifying the project's tangible benefits, funding requirements, and proposed source(s) of funding.

The chart below summarizes the required CBA Forms which are included as Appendix A on the Florida Fiscal Portal and must be completed and submitted with the Schedule IV-B.

Cost Benefit Analysis	
Form	**Description of Data Captured**
CBA Form 1 - Net Tangible Benefits	Agency Program Cost Elements: Existing program operational costs versus the expected program operational costs resulting from this project. The agency needs to identify the expected changes in operational costs for the program(s) that will be impacted by the proposed project. Tangible Benefits: Estimates for tangible benefits resulting from implementation of the proposed IT project, which correspond to the benefits identified in the Benefits Realization Table. These estimates appear in the year the benefits will be realized.
CBA Form 2 - Project Cost Analysis	Baseline Project Budget: Estimated project costs. Project Funding Sources: Identifies the planned sources of project funds, e.g., General Revenue, Trust Fund, Grants. Characterization of Project Cost Estimate.
CBA Form 3 - Project Investment Summary	Investment Summary Calculations: Summarizes total project costs and net tangible benefits and automatically calculates: • Return on Investment • Payback Period • Breakeven Fiscal Year • Net Present Value • Internal Rate of Return

Figure 11: Cost Benefit Analysis Forms

1. Cost-Benefit Analysis Results

This section contains the CBA forms identified in **Figure 11: Cost Benefit Analysis Forms**. **Figure 12: Operational Costs and Tangible Benefits**, **Figure 13: Baseline Program Budget**, **Figure 14: Program Cost Analysis**, **and Figure 15: Investment Summary** are all presented along with descriptive narrative summarizing the information.

CBAForm 1 – Net Tangible Benefits

Agency: Department of Financial Service   Project: ims Processing System Replacem

Figure 12: Operational Costs and Tangible Benefits

Department of Financial Services   Claims Processing System Replacement

CBAForm 2A Baseline Project Budget

Costs entered into each row are mutually exclusive. Insert rows for detail and modify appropriation categories as necessary, but do not remove any of the provided project cost elements. Reference vendor quotes in the Item Description where applicable. Include only one-time project costs in this table. Include any recurring costs in CBA Form 1A.

Item Description	Project Cost Element	Appropriation Category	Previous Years Project-Related Cost		FY2024-25		FY2025-26		FY2026-27	FY2027-28	FY2028-29	FY2029-30	FY2030-31	TOTAL
Staffing costs for personnel using Time & Expense.	Pre-DDI Project Management Staff Augmentation	Contracted Services	-	0.00 $ 218,400 $ -		0.00 $ - $ -		0.00 $ - $ -	0.00 $ - $ -	0.00 $ - $ -	0.00 $ - $ -	0.00 $ - $ -	$ 218,400
Staffing costs for personnel using Time & Expense.	Pre-DDI Other Staff Augmentation	Contracted Services	-	0.00 $ 291,480 $ -		0.00 $ - $ -		0.00 $ - $ -	0.00 $ - $ -	0.00 $ - $ -	0.00 $ - $ -	0.00 $ - $ -	$ 291,480
Staffing costs for personnel using Time & Expense.	DDI Project Management Staff Augmentation	Contracted Services	-	0.00 $ 218,400 $ -		0.00 $ 436,800 $ -		0.00 $ - $ -	0.00 $ - $ -	0.00 $ - $ -	0.00 $ - $ -	0.00 $ - $ -	$ 655,200
Staffing costs for personnel using Time & Expense.	DDI Other Staff Augmentation	Contracted Services	-	0.00 $ 671,360 $ -		0.00 $ 2,485,880 $ -		0.00 $ - $ -	0.00 $ - $ -	0.00 $ - $ -	0.00 $ - $ -	0.00 $ - $ -	$ 3,157,240
Commercial software purchases and licensing costs.	Commercial Software - Software Configuration	Contracted Services	-	$ 780,995 $ -		$ 1,561,990 $ -		$ - $ -	$ - $ -	$ - $ -	$ - $ -	$ - $ -	$ 2,342,985
Commercial software purchases and licensing costs.	Commercial Software - Initial Software Subscription Fees	Contracted Services	-	$ 250,834 $ -		$ 250,834 $ -		$ - $ -	$ - $ -	$ - $ -	$ - $ -	$ - $ -	$ 501,668
Commercial software purchases and licensing costs.	Commercial Software - Data and Records Conversion	Contracted Services	-	$ 289,258 $ -		$ 578,515 $ -		$ - $ -	$ - $ -	$ - $ -	$ - $ -	$ - $ -	$ 867,773
Commercial software purchases and licensing costs.	Commercial Software - API Integration	Contracted Services	-	$ 52,067 $ -		$ 104,133 $ -		$ - $ -	$ - $ -	$ - $ -	$ - $ -	$ - $ -	$ 156,200
Commercial software purchases and licensing costs.	Commercial Software - System Admin Training	Contracted Services	-	$ 11,571 $ -		$ 23,141 $ -		$ - $ -	$ - $ -	$ - $ -	$ - $ -	$ - $ -	$ 34,712
Other contracted services not included in other categories.	Other Services	Contracted Services	-	$ - $ -		$ - $ -		$ - $ -	$ - $ -	$ - $ -	$ - $ -	$ - $ -	$ -
Other project expenses not included in other categories.	Other Expenses	Expense	-	$ - $ -		$ - $ -		$ - $ -	$ - $ -	$ - $ -	$ - $ -	$ - $ -	$ -
Total			-	0.00 $ 2,784,365 $ -		0.00 $ 5,441,293 $ -		0.00 $ - $ -	0.00 $ - $ -	0.00 $ - $ -	0.00 $ - $ -	0.00 $ - $ -	$ 8,225,658

Figure 13: Baseline Program Budget

CBAForm 2 - Project Cost Analysis   Agency Department of Financial Services   Project Claims Processing System Replacement

PROJECT COST SUMMARY	PROJECT COST SUMMARY (from CBAForm 2A)							
	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31	TOTAL
TOTAL PROJECT COSTS (*)	$1,400,000	$5,441,293	$1,384,365	$0	$0	$0	$0	$8,225,658
CUMULATIVE PROJECT COSTS *(includes Current & Previous Years' Project-Related Costs)*	$1,400,000	$6,841,293	$8,225,658	$8,225,658	$8,225,658	$8,225,658	$8,225,658	

Total Costs are carried forward to CBAForm3 Project Investment Summary worksheet.

PROJECT FUNDING SOURCES	PROJECT FUNDING SOURCES - CBAForm 2B							
	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31	TOTAL
General Revenue	$0	$0	$1,384,365	$0	$0	$0	$0	$1,384,365
Trust Fund	$1,400,000	$5,441,293	$0	$0	$0	$0	$0	$6,841,293
Federal Match ☐	$0	$0	$0	$0	$0	$0	$0	$0
Grants ☐	$0	$0	$0	$0	$0	$0	$0	$0
Other ☐ Specify	$0	$0	$0	$0	$0	$0	$0	$0
TOTAL INVESTMENT	$1,400,000	$5,441,293	$1,384,365	$0	$0	$0	$0	$8,225,658
CUMULATIVE INVESTMENT	$1,400,000	$6,841,293	$8,225,658	$8,225,658	$8,225,658	$8,225,658	$8,225,658	

Characterization of Project Cost Estimate - CBAForm 2C		
Choose Type	Estimate Confidence	Enter % (+/-)
Detailed/Rigorous		Confidence Level	
Order of Magnitude	x	Confidence Level	15%
Placeholder		Confidence Level	

Figure 14: Program Cost Analysis

CBAForm 3 - Project Investment Summary   Agency Department of Financial Services   Project Claims Processing System Replacement

	COST BENEFIT ANALYSIS -- CBAForm 3A							
	1	2	3	4	5	6	7	
	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31	TOTAL FOR ALL YEARS
Project Cost	($1,400,000)	($5,441,293)	($1,384,365)	$0	$0	$0	$0	($8,225,658)
Net Tangible Benefits	$0	$0	$2,257,302	$2,257,302	$2,257,302	$2,257,302	$2,257,302	$11,286,508
Return on Investment	($1,400,000)	($5,441,293)	$872,937	$2,257,302	$2,257,302	$2,257,302	$2,257,302	$3,060,850
							NPV =	$1,798,232

RETURN ON INVESTMENT ANALYSIS -- CBAForm 3B		
Payback Period (years)	5.64	Payback Period is the time required to recover the investment costs of the project.
Breakeven Fiscal Year	2029-30	Fiscal Year during which the project's investment costs are recovered.
Net Present Value (NPV)	$1,798,232	NPV is the present-day value of the project's benefits less costs over the project's lifecycle.
Internal Rate of Return (IRR)	11.48%	IRR is the project's rate of return.

Investment Interest Earning Yield -- CBAForm 3C							
Fiscal Year	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
Cost of Capital	2.90%	3.10%	3.30%	3.40%	3.50%	3.50%	3.50%

Figure 15: Investment Summary

2. Summary

The estimated Net Present Value (NPV) from the Liquidation Claims Processing System Replacement over the next seven years is $1,708,766. The NPV calculation includes an estimate of $11,286,508 in total program benefits and total program costs of $8,225,658. This NPV is a positive investment metric for the new system. While the investment analysis period identified in Figure 15 is seven years, it is expected that the identified benefits will

continue to be realized beyond seven years. As a result, the financial metrics for the investment would shift in an even more positive direction were the analysis period to be longer than seven years. Note that the SFY 2025-26 project cost of $5,441,293 includes one year of licensing costs, as does the SFY 2026-27 project cost. Annual licensing costs of $250,834 are included in the projected recurring operating costs beginning in SFY 2026-27 (see Figure 12).

The estimated total cost of implementing the proposed Liquidation Claims Processing System Replacement is $8,225,658 over the program life. In addition, DFS has computed the values in **Figure 16: Financial Return Analysis** for the Liquidation Claims Processing System Replacement.

Investment Term	Computed Value
Total Cost	$8,225,658
Benefits	$11,286,508
Payback Period	5.64 Years
Breakeven Fiscal Year	SFY 2029-30
	7-Year Analysis
Return on Investment	$3,060,850 (total benefits minus total costs)
NPV	$1,708,766
IRR	10.22%

Figure 16: Financial Return Analysis

The seven-year NPV is $1,708,766 and the Internal Rate of Return (IRR) is 10.22%.

The Department recommends the proposed Liquidation Claims Processing System Replacement be approved and authorized to proceed with the initiation of the program's planning and procurement activities and that the required funding be requested by the Executive Office of the Governor and approved by the Legislature. The Department is confident that the investment required to fund the Liquidation Claims Processing System Replacement will produce the identified benefits. The recommended next step is to secure funding of $5,441,293 for SFY 2025-26 to move forward with the Liquidation Claims Processing System Replacement.

V.   Schedule IV-B Major Project Risk Assessment

Purpose: To provide an initial high-level assessment of overall risk incurred by the project to enable appropriate risk mitigation and oversight and to improve the likelihood of project success. The risk assessment summary identifies the overall level of risk associated with the project and provides an assessment of the project's alignment with business objectives.

> *NOTE: All multi-year projects must update the Risk Assessment Component of the Schedule IV-B along with any other components that have been changed from the original Feasibility Study.*

The Risk Assessment Tool and Risk Assessment Summary are included in Appendix B on the Florida Fiscal Portal and must be completed and submitted with the agency's Schedule IV-B. After answering the questions on the Risk Assessment Tool, the Risk Assessment Summary is automatically populated.

A.   Risk Assessment Summary

A project risk assessment of the proposed Liquidation Claims Processing system replacement project was performed using the assessment tool provided as part of the Information Technology Guidelines and Forms on the Florida Fiscal Portal. The tool requires answering 89 questions about the project being considered, divided into eight assessment categories. The results of the assessment are summarized below. The full risk assessment is included in **Appendix 4: DRL-Risk-Assessment**.

There are multiple questions within the risk assessment tool that require the software vendor to be identified before work can begin. The risk assessment areas most affected are the Communications Assessment, Fiscal Assessment, Project Organization Assessment and Project Management Assessment. Several items within the Fiscal Assessment, the Project Organization, and the Project Organization Assessment require funding to proceed. When the project progresses to the point where these items can be appropriately addressed, the impacted risk ratings will improve substantially.
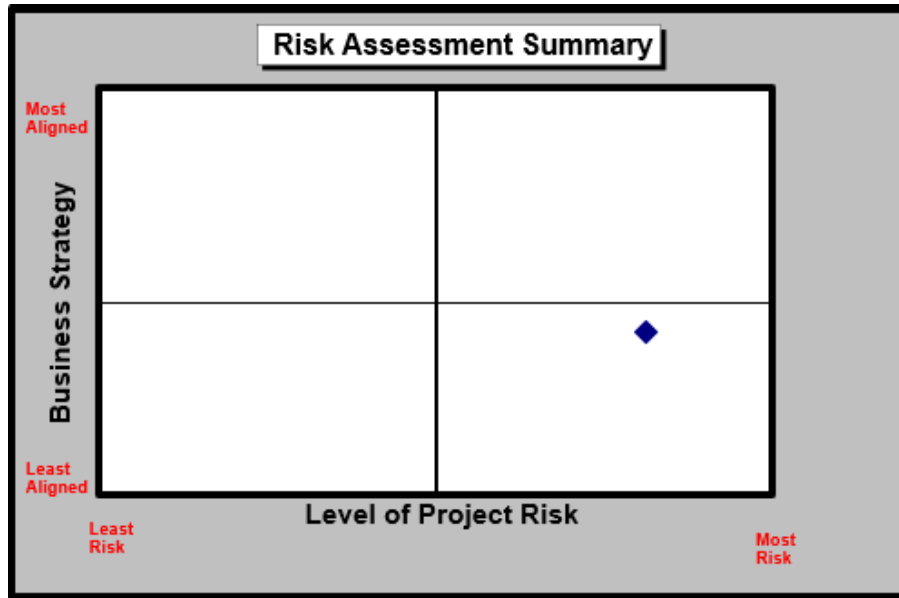
Figure 17: Risk Assessment Summary

Factors that contributed to the project's risk assessment level of High and its placement in the lower right quadrant of the Risk Assessment Summary will be addressed within the project's first few months. DRL can begin work prior to procurement to further reduce risks.

Key tasks DRL will focus on to remediate project risk:
- **Strategic Risk Mitigation.**
    - o Document project objectives with sign-off by all Stakeholders.
    - o Develop a Project Charter that is signed by the executive sponsor and executive team.
- **Technology Exposure Risk Mitigation.**
    - o Develop new system design specifications and performance requirements.
- **Organizational Change Management Risk Mitigation.**
    - o Document and approve an Organizational Change Management plan for this project.
    - o Establish a communication plan to educate the stakeholders of the additional engagement channels available.
- **Communication Risk Mitigation.**
    - o Document and approve a communication plan for this project.
    - o Ensure the communication plan promotes the collection and use of feedback from management, the project team, and business stakeholders.
    - o Identify all required communication channels within the communication.
    - o Ensure all affected stakeholders are included in the communication plan.
    - o Develop and document all key messaging within the communication plan.
    - o Develop and document desired message outcomes and success measures within the communication plan.
    - o Identify and assign needed staff within the communication plan.
- **Fiscal Risk Mitigation.**
    - o Develop and document a Spending Plan for the entire project lifecycle.

- o Develop a more detailed and rigorous cost estimate for the project to be accurate within 10% of estimated total cost of the project.
- o Document and approve procurement strategy that includes multi-stage evaluation and proof of concept or prototype to select the best qualified vendor.
- o Identify and assign a Contract Manager to the project.
- o Clearly identify, define, and document all procurement selection criteria and expected outcomes.
- **Project Organization Risk Mitigation.**
  - o Identify, define, and document all roles and responsibilities for the executive steering committee.
  - o Develop and document a project staffing plan to identify the specific number of required resources and their corresponding roles, responsibilities, and needed skill levels.
  - o Assign an experienced, dedicated project manager to this project.
  - o Identify and assign qualified project management team members to the project.
  - o Ensure plan exists to backfill necessary project team members so they can be 100% dedicated to the project.
- **Project Management Risk Mitigation.**
  - o Ensure dedicated project manager is experienced in the vendor's project management methodology of choice.
  - o Define and document all design specifications pertaining to the project.
  - o Identify a dedicated DRL IT team member to oversee and approve all the System Integrator integration activities.
  - o Define and document all project deliverables, services, and acceptance criteria.
  - o Develop and refine the work breakdown structure for all project related activities.
  - o Develop and approve the project schedule for the entire project lifecycle.
  - o Define and specify all project tasks, go/no-go decision points, critical milestones, and resources.
  - o Develop and approve all project templates for use by the project team.

The overall project risk level will decrease from High when many of the above items are addressed. Additionally, addressing these items will shift the current placement of the project in the higher risk quadrant to reflect a more accurate alignment with the business strategy not currently represented in the risk assessment tool.

The table below illustrates the risk assessment areas evaluated and the breakdown of the risk exposure assessed in each area. As indicated above, the overall project risk should diminish significantly within the first few months when the procurement plan is defined, the project structure is in place, business processes and requirements are fully mapped and defined, and the foundational technology elements have been implemented.

Project Risk Area Breakdown		
Risk Assessment Areas	**Risk Exposure**	
Strategic Assessment	**LOW**	
Technology Exposure Assessment	**MEDIUM**	
Organizational Change Management Assessment	**HIGH**	
Communication Assessment	**HIGH**	
Fiscal Assessment	**HIGH**	
Project Organization Assessment	**HIGH**	
Project Management Assessment	**HIGH**	
Project Complexity Assessment	**HIGH**	

Project Risk Area Breakdown	
Risk Assessment Areas	**Risk Exposure**
Overall Project Risk	**HIGH**

Figure 18: Overall Project Risk

VI. Schedule IV-B Technology Planning

Purpose: To ensure there is close alignment with the business and functional requirements and the selected technology.

A. Current Information Technology Environment

1. Current System

a. Description of Current System

The core functionality of the current claims processing system is based on a legacy custom application known as the Liquidation Claims Processing system (LCP). This system was developed internally by the DRL IT team as a two-tier client-server architecture consisting of a heavy-weight Windows desktop-based client application that was built on Microsoft Visual FoxPro 9.0, which serves as the Tier 1 Front-end, and Microsoft SQL Server called "RL Master Database" which serves as the Tier 2 Back-end database server as illustrated in the figure below.
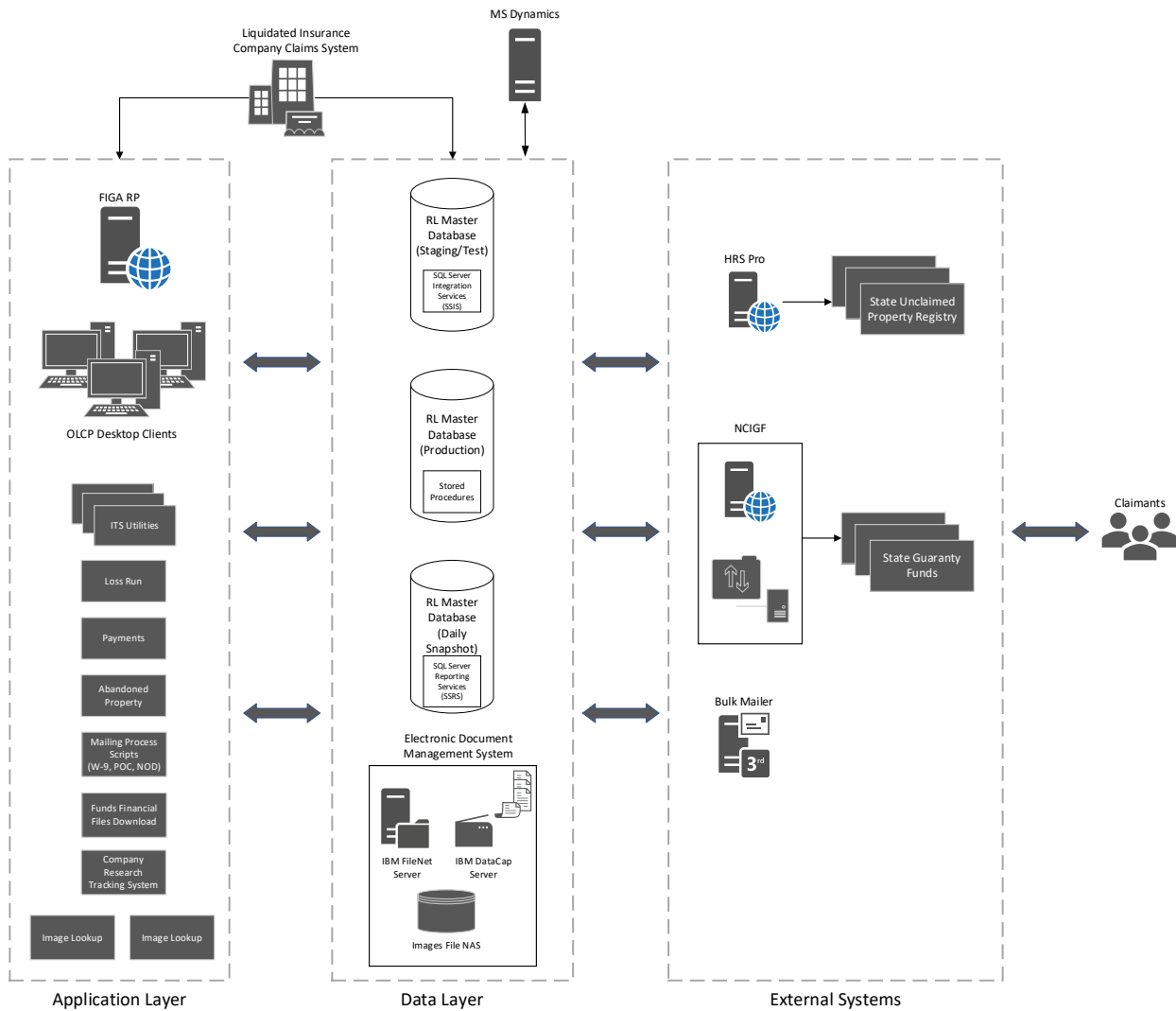
Figure 19: Current System Architecture

Over time, as the need for enhanced capabilities in supporting the liquidation and claims business process evolved, additional standalone applications and utilities were developed. This was done by combining VFP, .NET, and Stored Procedures to extend the core LCP functionality. These extensions were necessary due to challenges or limitations encountered in modifying the existing LCP codebase. The tools created from this development are detailed in the Current System Architecture, described further below.

FIGA RP is the LCP web application tool that provides the web browser-based UI for DRL business users to: 1) search for policy by number, and 2) upload Return Premium record data into the RL Master Database. Uploading of RP data is restricted to less than 100 records due to performance limitations. When the data set exceeds this limit, the DRL business team submits a request to the DRL IT team to manually write a script to upload 100 records to the RL Master Database.

ITS Utilities consists of a series of VSP applications developed to support IT administrative type functions in support of the claim processing system (e.g., locking database record, address verification, etc..). This includes the utilities for generating the requisite CSV-formatted flat files for Uniform Data Standard (UDS) A, B, F, G, and I records for transmitting to the Guaranty Funds via the National Conference of Insurance Guaranty Funds' (NCIGF) Data Mapper or Secure UDS (SUDS) file posting service. *See Appendix A for more information on UDS files.*

The Loss Run tool is used to support reinsurance billing and claims payment processing. It consists of a combination of an Excel query to determine how many claimants have been paid as well as ad hoc scripts to update the RL Master database.

Electronic Documentation Management System consists of a combination of IBM FileNet, which is a document management, security, and storage management engine, IBM DataCap, which augments FileNet with document capture and ingestion capabilities (i.e., OCR scanning, data extract, verify, and store processes), and a SAN file storage system.

Mailing Process Scripts (W-9, POC, NOD) consists of a series of scripts written to perform the Microsoft Word Mail Merge in support of mailing the W-9, POC, and NOD forms to claimants while populating the RL Master Database with the mailing dates.

Payments consists of a combination of SQL Server Integration Services (SSIS) packages, ad hoc scripts, and stored procedures used to update and reconcile the RL Master Database directly with the SQL Server database that underlies DRL's Microsoft Dynamics financial accounting application with updated claims and expense payments information.

The Abandoned Property utility script extracts the list of unclaimed property from the RL Master Database and creates a flat file which is manually uploaded to the HRS Pro web site, as well as a 3rd party service for reporting unclaimed property to the appropriate agency for each state.

Funds Financial Files Download is a .NET job script that is run daily to log into the NCIGF's SUDS ftp site to check for new UDS C or D record files that have been posted by the Guaranty Funds.

b. Current System Resource Requirements

The system requirements for the LCP desktop application are captured in the table below.

Minimum System Requirements	Recommended System Requirements
IBM PC compatible, 166-50 Megahertz machine or higher	IBM PC compatible, 466 Pentium III machine or higher
12 Megabytes of RAM or higher	128 Megabytes of RAM or higher
At least 80 Megabytes of free hard drive disk space	At least 80 Megabytes of free hard drive disk space
Windows 95 or higher	Windows 95 or higher
Screen resolution 600 x 800 or higher	Screen resolution 600 x 800 or higher
Industry standard keyboard	Industry standard keyboard
Mouse (not necessary but strongly recommended)	Mouse (not necessary but strongly recommended)

Figure 20: LCP Desktop Client System Requirements

c. Current System Performance

When the claims processing system was designed back in the early 2000's, the architectural solution design approach and supporting technology chosen was a prudent choice at that time given: a) the pre-emergent state of the modern technology that is commonplace today, i.e. high-speed broadband Internet was beginning to manifest and become available on a consumer level, dramatic improvements in the cost, capacity, and size of storage as well as computing resources, and the early evolution of cloud computing and modern web application technologies; and b) the volume of insurance company insolvencies, policies, claims, and claimants required to be shepherded through the liquidation process. Today, the exponential growth in the number of claims volume has far exceeded the original application's design, leaving the DRL team to work around these limitations by developing a series of ad hoc tools and adding manual processes. This has resulted in placing additional workload demands on the staff, claimants experiencing delays with receiving claims payments, and prolongment in shutting down the insolvent companies.

2. Information Technology Standards

At the Division level, DRL must support the record file formats and data exchange protocols as defined by the National Association of Insurance Commissioners (NAIC) organization's Uniform Data Standard (UDS) specification for interoperability working with the consortium of the state insurance commissioners and guaranty funds across the 50 states, the District of Columbia, as well as five U.S. territories.

Overall, at the department level, DFS' technology standards align with the State's cloud-first policy, as documented in s. 282.206, F.S. and more specifically the following 60GG Florida Digital Services Standards:

- 60GG-1: Department of Management Services Project Management and Oversight.
- 60GG-2: State of Florida Cybersecurity Standards.
- 60GG-3: Data Center Operations.
- 60GG-4: Cloud Computing.
- 60GG-5: State of Florida Enterprise Architecture.

B. Current Hardware and/or Software Inventory

NOTE: Current customers of the state data center would obtain this information from the data center.

DRL is currently running nine (9) Dell PowerEdge ESXi 7 hosts connected in a VMware Datacenter dedicated for DRL operations. All virtual machines (VM) are Microsoft Windows Servers except for a few appliances required for SAN or vSphere functions. Connected to the VMware Datacenter are NetApp SAN storage and Unity Dell SAN storage. The production systems are backed up using Commvault to NetApp archive SAN and NetApp copy to offsite DR SAN. All systems are on premises with no cloud-based systems. There are also two physical Dell PowerEdge servers running Microsoft Window Server 2016 used for various copy and backup functions. All systems reside within the DFS network and use the State of Florida WAN.

The following outlines the on-premise hardware currently used to operate the claims processing system.

- Dell PowerEdge R820 (quantity of 6)
- Dell PowerEdge R840 (quantity of 1)
- Dell PowerEdge R750 (quantity of 2)
- Dell Unity Storage
- Dell Network switches

The following outlines the inventory of software used to support the claims processing system.

- VMware ESXi 6.5.0, 6.7.0, 7.0.3
- VMware vSphere VCenter Server40
- Microsoft Windows Server 2016, 2019 Standard (22 Servers with total of 184 cores)
- Microsoft SQL Server 2014 Enterprise with Service Pack 3 (SP3)
- Informatica
- Commvault Backup Solution
- Veritas Backup Exec Solution
- Microsoft Visual Studio MSDN

C. Proposed Technical Solution

1. Technical Solution Alternatives

The Department conducted a robust market scan to formulate alternatives that address the business, functional, and technical requirements outlined in Section II.C.1 of this document. The procurement of an off-the-shelf, Liquidation Processing System solution is not a viable undertaking. However, leveraging thorough research and general understanding of the technology market, three potentially viable alternatives were identified. (1) Custom Build (of all components into an integrated solution), (2) Platform as a Service and (3) Claims System with Customization.

- **Alternative 1**: **Custom Build** solution would facilitate the decommissioning of the existing system and provide a customized solution tailored to meet the business and technical requirements of DRL. A customized solution requires the agency account for and build components such as, a production level imaging solution with OCR driven documents, and a comprehensive database capable of ingesting (and indexing) data from multiple data sources, applicable systems of record with numerous data format types. The custom build solution will require an improved workflow definition and subsequent document management tool, a standardized data transformation process, and a self-service (browser based) portal that enables the upload and update of requisite forms and data. The system would need a notification (rules driven) alert mechanism, a master system of record that has ability to collate and track numerous data elements, a telephonic status process where users can directly interface with applicable agency representatives. A holistic security and entitlements function capable of segmenting specific data elements, along with a redaction tool to enable secure communication and access (of proprietary information and data).
- **Alternative 2**: **Platform as a Service approach** combines multiple tools and elements to satisfy the functionality, requirements, and drivers of DRL. This approach would combine an insurance policy system,

a claims process mechanism, and the support of a myriad of insurance entities (and corresponding systems/processes). Essentially, this solution would utilize applicable out-of-the box functions, while augmenting/customizing it to handle the DRL's required data elements and related processes.

- **Alternative 3: A Claims System with Customization** solution would include leveraging an existing, widely used insurance claims management system, turning off unnecessary functionality, creating all additional data fields required for the liquidation process, and establishing the DRL-specific workflows. The solution would utilize the claims systems' inherent customer portal integration and the report functionality or identify an add-on to meet DRL's needs.

Please see Section II.C.2. for more information and details.

2. **Rationale for Selection**

To properly evaluate the solutions available to the department, the alternatives were assessed against the following criteria:

- **Strategic Alignment:** Strategic alignment to DRL's mission, strategic objectives, roadmap, and priorities. This includes the solutions ability to strengthen the process, while efficiently delivering increased value to the stakeholders of the insolvent insurance company estates.
- **Stakeholder Experience:** Value provided to the estate stakeholders, including enhanced customer experience, provision of tools to provide reliable and timely support, while improving direct and self-service mechanisms.
- **Data Management Process:** The ability to accept and reconcile data from multiple source systems and/or entities.
- **DRL Business Alignment:** Support of current and future business processes, outcomes, and reporting requirements (that would subsequently improve the overall capacity).
- **Modern Solution:** The system would allow for data security (privacy), data sharing, integration, and flexibility with streamlined support and maintenance. This would include the potential scalability required to support future demand and volume spikes.
- **Risk Mitigation:** Ability to mitigate financial, data, and benefit realization risk, as well as regulatory and compliance drivers.
- **Cost Benefit:** A positive financial cost and total benefit tradeoff, assessing one-time and ongoing costs, financial metrics, such as Return on Investment (ROI) and Net Present Value (NPV). These metrics are both tangible and intangible benefits.

The assigned weights were applied to the evaluation criterion scores, which were then calculated to determine a final, overall score for each alternative. The summary results are depicted below in **Figure 21: Scores by Alternative**.

		Alternative 1		Alternative 2		Alternative 3	
Criteria	Wt.	Score	Total	Score	Total	Score	Total
1. Strategic Alignment	5%	High	2.50	High	2.50	Low	1.00
2. Stakeholder Experience	15%	Medium	2.33	Medium	2.67	Low	1.00
3. Data Management Processes	20%	Medium	2.40	High	2.60	Medium	2.00
4. DRL Business Alignment	20%	Medium	2.33	High	2.83	Medium	1.50
5. Modern Solution	15%	Medium	1.75	High	3.00	Low	1.00

		Alternative 1		Alternative 2		Alternative 3	
Criteria	Wt.	Score	Total	Score	Total	Score	Total
6. Risk Mitigation	15%	Medium	1.75	High	3.00	Low	1.25
7. Cost Benefit	10%	Low	1.00	Low	1.40	Low	1.00
Total Weighted Score	100%	2.05		2.65		1.34	

Figure 21: Scores by Alternative

Please see Section II.C.3. Rationale for Selection for more information.

3. Recommended Technical Solution

The results of this feasibility study show that **Alternative 2: Platform as a Service** is the most attractive option as it best aligns with the business, technical and overall agency needs. Alternative 2 allows the DRL group to meet its operational mission, goals, and objectives by utilizing an out-of-the box, yet customized solution. It is suggested that the agency utilize the inherent functionality of the Platform and customize it to meet the specific needs of the group (with a system/process capacity plan that aligns with the DRL roadmap). This alternative will meet the technical and functional requirements that include compliance, security, capacity management and system requirements, which were defined in Section II.C.3. The functional and technical requirements are summarized below:

- **Compliance**: This alternative enables the Department to remain compliant with required Federal, State, and Agency regulations.
- **Security**: This alternative provides required capabilities pertaining to disaster recovery, infrastructure, network demands, storage needs, data loss prevention and overall business and system resumption.
- **System**: This alternative is equipped to support needed system integration and the ability to scale as required to support fluctuating volumes.
- **Functional**: This alternative is enabled/prepared to support and improve business-critical functions that are currently needed and to furnish enhancements that improve efficiency and overall performance. This includes self-service claim inquiries as well as improved process workflow.

Alternative 2 brings numerous benefits including workflow management, increased automation, enhanced security, data integration, and the ability to process data from a myriad of source systems. This model will foster improved satisfaction and service to constituents and end user-base. If the recommended solution is not funded, the Department should anticipate facing multiple risks, including:

- Continued aging of the system and increased inefficiencies with service, turn-around time, reconciliation, and planning for volume spikes.
- Increasing cost to recruit and retain resources to maintain (and modify) the system.
- Inability to troubleshoot required fixes efficiently and effectively and/or issues as they manifest within the system.
- Continuation of highly manual and time-consuming administrative and other required steps/processes.
- Increased customer dissatisfaction and overall faith in the solution.

Please see Section II.C.3. Recommended Solution for more information and supporting details.

D. Proposed Solution Description

1. Summary Description of Proposed System

The selected PaaS provider will provide out-of-the box components and workflows that generally aligned with the current requisites of a claims processing system. Additional customization and integration work will be required to

replicate DRL's unique claim processing business functionality, but this approach will reduce the overall level of development and testing effort required to deliver a replacement solution. The system will enable ingesting data from multiple data sources, improving tracking of claims, supporting a self-service inquiry component (that will reduce the strain on claim inquiries) and providing a holistic improvement to the process and system in totality. Given its cloud-based nature, the performance of the new solution will intrinsically scale and be fault tolerant as the volume of data and number of liquidated companies and claimant end users grow over time. Furthermore, because it's a PaaS-based solution, DRL will not have to worry about monitoring or maintaining the underlying common hardware and software provided by the PaaS service provider. **Figure 22: Proposed Solution Diagram** represents the high-level solution architecture.
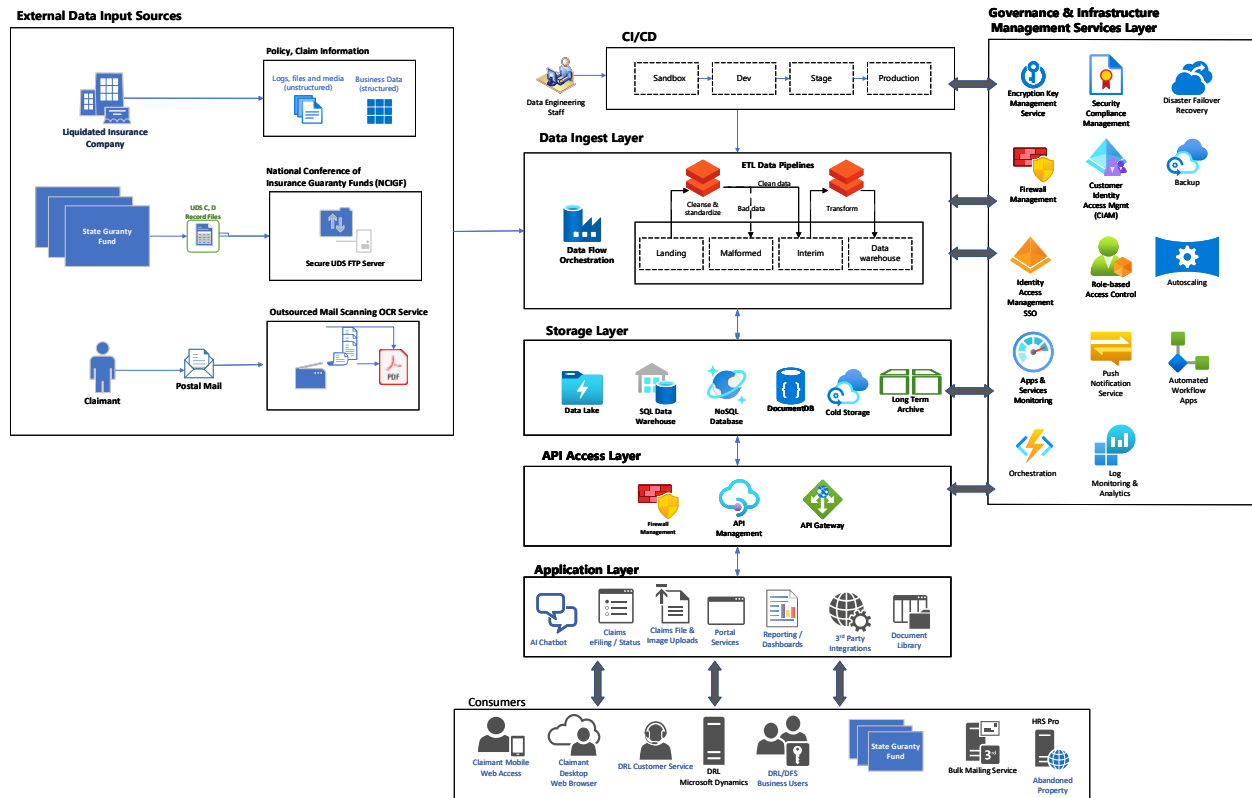
Figure 22: Proposed Solution Diagram

Information from **External Data Input Sources** is seamlessly integrated through secure electronic data exchanges with insurance companies, FTP server connections for State Guaranty Fund files, and mailroom automation for postal mail. Unstructured data, such as logs and media, is parsed and transformed into a structured format, while files received via FTP or postal mail undergo automated processes for ingestion and conversion. This comprehensive approach ensures accurate and efficient handling of diverse data sources within the system.

In the **Continuous Integration/Continuous Deployment (CI/CD)** environment, data engineering staff develop and test changes in a Dev environment, validate them in a sandbox, and integrate and deploy through continuous integration and deployment. The Staging environment provides an additional layer of testing before changes are automatically deployed to the Production environment, ensuring a streamlined and controlled workflow.

The **Data Ingest Layer** is responsible for orchestrating the flow of data through Extract, Transform, Load (ETL) pipelines. It includes processes for cleansing and standardizing incoming data to ensure consistency and accuracy. The layer also addresses challenges related to bad data, employing transformative measures to enhance data quality and reliability throughout the liquidation claims management process.

The **Storage Layer** integrates various storage solutions to cater to different data requirements. It utilizes a Data Lake to efficiently store and manage diverse, unstructured data, while a SQL Data Warehouse handles structured

data for analytical purposes. A NoSQL Database, Document DB, facilitates flexible and scalable storage, while Cold Storage and Long-term Archive options ensure cost-effective, secure, and compliant retention of data over extended periods, optimizing the overall storage strategy for the system.

The **API Access Layer** focuses on orchestrating secure and controlled access to application programming interfaces (APIs). It involves firewall management to fortify the system against unauthorized access and potential security threats. Additionally, it incorporates API management and an API gateway to streamline the interaction between internal and external components, ensuring secure, well-managed, and efficient API utilization within the claims processing ecosystem.

The **Application Layer** of the Liquidation Claims Management system encompasses a suite of features and functionalities, ranging from advanced AI-driven Chatbots to robust document management capabilities. These components work cohesively to streamline the claims process, enhance user experience, and provide stakeholders with valuable insights through reporting and integrations with third-party services.

The **Customers** are made up of all users and systems connecting to the Liquidation Claims Processing system to access information or do their job. This includes claimants utilizing mobile and web access, DRL customer service and business users, State Guaranty funds, and bulk mailing services.

The **Governance & Infrastructure Management Service Layer** is responsible for overseeing and managing the governance policies, procedures, and infrastructure components that support the system environment. This layer plays a crucial role in ensuring that the platform operates efficiently, securely, and in compliance with organizational policies. Some of the key functions typically associated with the Governance & Infrastructure Management Service Layer include:

- Monitoring and **Autoscaling** for capacity requirements to handle changes in demand, ensuring optimal resource utilization.
- **Identity Access Management & Role-based Access Control** to manage user access, permissions, and roles within the PaaS environment.
- Robust **Backup** and disaster recovery strategies to safeguard data and ensure business continuity in the event of system failures.
- The **Workflow Automation App** automates and streamlines the claims processing workflow, managing tasks and approvals to enhance efficiency and compliance from submission to resolution.

2. Resource and Summary Level Funding Requirements for Proposed Solution (if known)

Resource requirements and summary level funding resource requirements for the Solution as a Service project are included in **Appendix 6- DRL-Cost Benefits Analysis**.

E. Capacity Planning

(Historical and current trends versus projected requirements)

DRL IT will oversee the management of the proposed solution, leveraging a cloud-based Platform-as-a-Service infrastructure. This setup ensures the system's ability to seamlessly accommodate heightened production demands while delivering a dependable and adaptable solution to address fluctuations in volume. The system's inherent flexibility allows it to meet the targeted throughput requirements of DRL estate population consistently, regardless of surges in demand.

The below table displays the proposed solutions response to potential capacity and scalability challenges that DRL might face.

Scalability Challenges	Capacity Planning Benefits
Potential downtime and/or degradation of the system when capacity cannot be met or handled properly.	The solution will enhance reliability and meet pre-defined service levels (SLAs) with a focus on metric-driven Key Performance Indicators (KPIs).

Scalability Challenges	Capacity Planning Benefits
The inability to scale the system and corresponding resources as they are out of date and potentially not supported.	The solution will be cloud-managed, ensuring reliability according to agreed-upon Service Levels (SLAs), with pre-defined penalties for non-compliance.
New components may or may not work with an upgraded version or technology (and/or related processes), i.e., they are limited as to how they can augment the system/solution.	The PaaS provider will support, maintain, and perform upgrades for those solution capabilities that are provided out-of-the-box. The PaaS provider will ensure all components are compatible with the latest version of software, resources and supporting systems. DRL will be responsible for maintaining any customized components built on top of the platform.
Challenges meeting production demand during peak or event driven (spike) periods.	The solution's dynamic nature and inherent scalability supports fluctuations in demand during peaks, e.g., when multiple estates enter liquidation within the same period.
Manual built reporting and analytic tools may be prone to inaccurate results. This condition may cause a loss of faith in a component or in the totality of the system.	Solution comes with built in metrics, analytics, and reporting tools. This enables near-term monitoring; therefore, support is proactive instead of reactive. The no-code/low-code capabilities will enable non-technical resources to easily build and maintain custom dashboards and reports as needed.
Latency or unresponsiveness during document retrieval and/or validation of documents/data.	The solution's efficiency will be enhanced through the integration of updated components. The Service Level Agreement will articulate the necessary responsiveness, uptime, with a pre-defined schedule of upgrades and subsequent outages.

Figure 23: Capacity and Scalability Challenges

VII.   Schedule IV-B Project Management Planning

Purpose: To require the agency to provide evidence of its thorough project planning and provide the tools the agency will use to carry out and manage the proposed project. The level of detail must be appropriate for the project's scope and complexity.

Figure 24: High-level Project Timeline below outlines the strategy for planning, procuring, and implementing the various components of the system. This approach encompasses the implementation of multiple product increments aimed at effectively overseeing all lifecycle activities related to acquiring and deploying components for the insurance policy system and claims process solution. It's important to note that the depicted approach is subject to modification should a more efficient strategy be identified for a particular product.
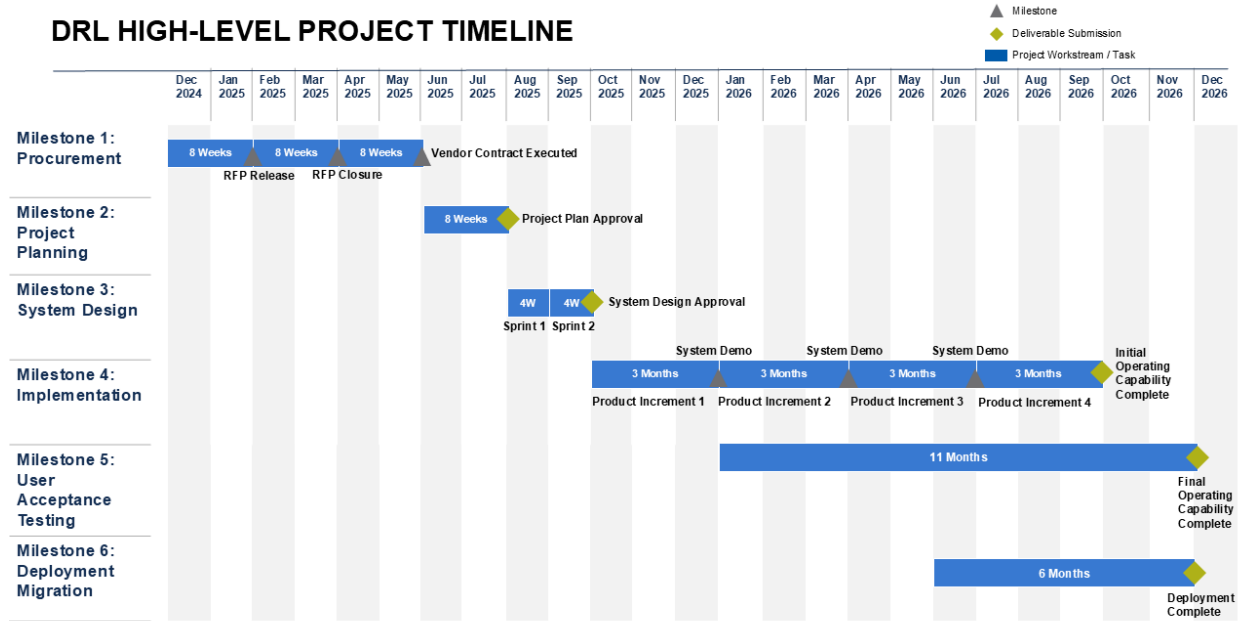
Figure 24: High-level Project Timeline

Milestone 1: Procurement

The Division will procure services of a vendor to plan and manage the procurement component of the project, with a potential continuation of project management services to oversee the design, development, and implementation (DDI) phases of the project. The Division will follow Chapter 287, F.S. requirements to determine the correct procurement approach.

The following documents will be leveraged to achieve successful procurement within the recommended 6-month window:

- **Business and Technical Requirements** – Requirements developed for this Schedule IV-B document can be filtered/separated by business function to delineate which requirements support specific business functions. Please see **Appendix 2: DRL-Requirements-Matrix.**
- **Existing documentation** of current business functions/processes to create the procurement materials.

Milestone 2: Project Planning

The project management methodology used by DRL is based on the PMI's Project Management Framework and adheres to Rule 60GG-1, F.A.C., Department of Management Services Project Management and Oversight Standards. The DRL Project Manager and the implementation vendor will agree on an appropriate project management methodology. The Project Director or Project Sponsor may consider changes to the methodology at any phase of the project, as deemed appropriate, including the use of Agile methodologies that focus on customer satisfaction through the early and continuous delivery of working software, close cooperation between business users and software developers, quality improvement, and continuous attention to technical excellence and good design.

Regardless of the specific project management methodology employed, certain management and control mechanisms will be relevant to all phases of this project, including, but not limited to:

- Project Charter.
- Project Management Plan.

- Project Communications Plan.
- Project Management Status Reports.
- Risk and Issue Registers.
- Meeting Agendas and Minutes.
- Requirements Management Plan.

The use of the project control framework indicated above, together with the Project Management Plan, will assist the Project Manager and Project Sponsor in planning, executing, managing, administering, and controlling all phases of the project. Control activities will include, but may not be limited to:

- Monitoring project progress.
- Reviewing, evaluating, and making decisions on proposed changes; changes to the project scope will be tightly controlled according to a documented change request, review, and approval process agreed to by key stakeholders.
- Identifying risks, developing timely risks mitigation strategies, monitoring, and managing to minimize the impact on the project as required by the risk management plan.
- Identifying issues, developing timely issue resolution strategies, monitoring, and tracking, and managing to minimize the impact on the project as required by a documented issue reporting and management process.
- Monitoring the quality of project deliverables and taking appropriate actions about any project deliverables that are deficient in quality.
- Monitoring the contracts to ensure the terms of the contract and statement of work are being met.

Milestone 3: System Design

The system design milestone will encompass a detailed plan that incorporates both the insurance policy system and the claims process system to support the DRL solution. The system design will be achieved through two 4-week sprints while working in partnership with DRL. The vendor will follow DRL's programming and development standards. Thorough review and acceptance from DRL stakeholders are required to move to the product configuration milestone. Design documentation will include, but may not be limited to the following:

- Technical Requirements
- User Security Requirements
- Technical Design Specification
- To-Be Business Process Flows
- Data Conversion Plan
- Data Migration Plan
- Test Plans

Milestone 4: Implementation

The implementation phase includes multiple deployment increments to both prepare the system and the DRL staff for operations. This phase will include periodic system demos at the end of each product increment phase to show the DRL staff progress made. The vendor will follow the established methodologies for Software Configuration Management including Stakeholder review and sign-off, documentation management, and appropriate version control standards. The implementation milestone will be run in parallel with the User Acceptance Testing and Deployment Migration milestones.

Milestone 5: User Acceptance Testing

The user acceptance testing milestone will start after the completion of the first product increment phase within the implementation milestone. User acceptance testing will allow the DRL team to utilize, test and provide feedback to the vendor on completed increments of the new solution. This will allow the DRL team to submit additional change requests and request modifications before each product increment migrates into production.

Milestone 6: Deployment Migration

The deployment migration milestone represents all activities required to deploy the new solution with data from the current production system. Once a product increment completes the user acceptance testing and is approved by the DRL team it will be ready to be deployed into the new solution environment. As a part of the design milestone, the

team will determine data migration and deployment activities that will occur to ensure seamless delivery and continued business operations in the new environments. Data migration activities will leverage Data Migration and the Data Conversion Plans created by the vendors for their specific components.

A. Project Deliverables

Figure 25: Project Deliverables contains a preliminary list of potential project deliverables. The final deliverables list, which will include acceptance criteria, will be developed in conjunction with the selected implementation vendor and will be appropriate to the final implementation methodology.

Name	Owner	Deliverable Description
PROJECT MANAGEMENT		
Project Charter	DRL	Provides an overview of key aspects of the project, including key resource needs, project roadmap, solution description and is authorized by the project executive sponsor.
Project Management Plan	Vendor/ DRL	The Project Management Plan (PMP) is a formal, approved document used to manage project execution. The PMP documents the actions necessary to define, prepare, integrate, and coordinate the various planning activities. The PMP defines how the project is executed, monitored, controlled, and closed. Updates progressively elaborate throughout the project. Includes, but not limited to, the following documents as required by the Project Director and/or Department standards: • Work Breakdown Structure. • Resource and Cost Loaded Project Schedule. • Procurement Management Plan. • Requirements Management Plan. • Communication Plan. • Document Management Plan. • Scope Management Plan. • Quality Management Plan. • Deliverable Expectations. • Deliverable Management Plan. • Risk Management Plan. • Risk Response Plan. • Issue Management Plan. • Change Management Plan. • Resource Management Plan. • Conflict Resolution Plan. • Baseline Project Budget.
Project Communication Plan	DRL	The communications management plan defines who (project stakeholders) will need what specific information, when the information is needed, and the expected modality for the communication message. The Communication Plan will include, at a minimum, the purpose and approach, communication goals and objectives, communication roles, communication tools and methods, and high-level project communication messages.

Name	Owner	Deliverable Description
Project Management Status Reports	Vendor	Weekly status reports to the project management team.
Risk and Issue Registers	DRL/ Vendor	Prioritized lists of risks and issues identified and reviewed during the project.
Meeting Minutes	Vendor	Record of decisions, action items, issues, risks, and lessons learned identified along the course of the project and during formal stakeholder meetings.
CHANGE MANAGEMENT		
Organizational Change Management (OCM) Plan	Vendor	Outlines the overarching goals and strategy for orchestrating organizational change within the context of the PaaS implementation project, detailing the specific methodologies and deliverables employed to execute Change Management effectively.
OCM Status Reports	Vendor	Weekly status reports to the project management team.
Stakeholder Analysis	Vendor	Identifies the groups impacted by the change, the type and degree of impact, group attitude toward the change, and related change management needs.
Training Plan	Vendor	Defines the objectives, scope, and approach for training all stakeholders who require education about the new organizational structures, processes, policies, and system functionality.
Change Readiness Assessment	Vendor	Surveys the readiness of the impacted stakeholders to "go live" with the project and identifies action plans to remedy any lack of readiness.
FUNCTIONAL SOLUTION		
As-Is Business Process Flows	DRL	Represents, graphically, the current state of program areas' business processes using standard business process notation. This document should include narrative descriptions of key activities, including owners, inputs, and outputs.
To-Be Business Process Flows	Vendor	Represents the future state of program area business processes, as re-engineered by the vendor in conjunction with DFS subject matter experts. The process flows are developed using standard business process notation. This document should include narrative descriptions of key activities, including owners, inputs, and outputs.
Process Improvement Plan	Vendor	The plan that defines potential business process changes and how those changes are to be implemented.
Functional Requirements	Vendor	Functional requirements determined to implement the solution.

Name	Owner	Deliverable Description
Design Demonstration	Vendor	Review and acceptance of the solution design are required before proceeding to development. Key stakeholders will experience the prototype, and then a go/no-go decision will be submitted to the Project Sponsors for action.
TECHNICAL SOLUTION		
Technical Requirements	Vendor	A comprehensive document outlining all technical requirements, configurations, and specifications for the PaaS implementation.
Technical Design Specification	Vendor	Detailed technical design for data and information processing in the new business solution.
Solution Architecture Design	Vendor	Comprehensive architectural documentation outlining the structure and components of the solution design.
Integration Specifications	Vendor	Documentation detailing how the solution integrates with other systems, services, or applications within the organization's infrastructure.
User Security Requirements	DRL	Detailed requirements so that solution users are given the appropriate level of access to create/maintain/archive/view solution content.
DATA CONVERSION		
Data Conversion Plan	Vendor	Plan to convert data from existing systems that meet the specifications of the new database design, abide by DFS repository guidelines and are economically feasible.
Data Migration Plan	Vendor/ DRL	A plan for migrating existing data to the PaaS platform, ensuring a smooth transition with minimal disruption.
SOLUTION TESTING		
Testing Framework	DRL	Specifications for testing methodologies, including unit testing, integration testing, and performance testing, to validate the functionality and performance of the PaaS implementation.
Test Plans	DRL	Detailed test plans for unit testing, solution testing, load testing, and user acceptance testing.
User Acceptance Testing	DRL	Execution of a documented set of actions to be performed within the PaaS solution to confirm that all functional requirements have been met.
CUTOVER		
Functional Business Solution	Vendor	A final production version of the PaaS platform.
Implementation Plan	Vendor	Detailed process steps to implement the PaaS platform.

Name	Owner	Deliverable Description
Knowledge Transfer Plan	Vendor	Based on a gap analysis, this plan will detail the steps taken to transfer knowledge about the solution to the resources that ultimately will be responsible for post-implementation support; includes a post-go-live period of Hypercare by the project team.
Solution Operation and Maintenance Plan	DRL	A detailed plan for how the solution will be operated and maintained, including all requirements for the solution to comply with NIST standards .

Figure 25: Project Deliverables

B. Risk Management Plan

All phases of the project will follow the standards defined by the Florida Digital Service (FL[DS]). Standards include processes, templates, and procedures for documenting and mitigating risk.

A Risk Management Plan (RMP) will be developed and adhered to throughout all project phases. The RMP will include clear risk management procedures, standard checkpoints, and mitigation strategies. Executing a well-defined RMP with clear mitigation strategies for each risk is critical to the project's success. The primary objective of risk management is to identify potential risk factors for the project and establish a proactive risk management plan to mitigate the likelihood of these risks adversely impacting the project. It is strongly advised to adhere to the following checkpoints throughout the project:

Task	Recommendation
Risk Management Plan	Have planned semiannual reviews and updates after the submission and approval of the risk management plan with the Project Director and Project Sponsor. More frequent or "as required" updates should be performed.
Risk Management Reviews	As part of a disciplined approach to addressing project risks, monthly risk meetings should be conducted during the project life cycle at intervals agreed upon with the Project Director and Project Sponsor.

Figure 26: Risk Checkpoints

C. Organizational Change Management

Effective Organizational Change Management (OCM) will be integral to the success of this project and will be a critical success factor for ensuring staff participation in business process improvement, implementation, and user acceptance. A significant organizational impact is expected because of automating existing manual processes and consolidation to an enterprise approach. OCM will be effectively implemented throughout the project life cycle through communication, awareness, and training.

A specific OCM methodology has not been identified at this phase but will be identified in the Organizational Change Management Plan.

At a minimum, the following will be included in the final Organizational Change Management Plan:

- Description of roles, responsibilities, and communication between vendor and customer.
- Skill/role gap analysis between the existing system and the proposed solution.
- Training plan including curriculum, platform (e.g., classroom, virtual), and schedule.
- OCM Communication Plan.
- Overview of Changes (Why this, Why Now?).
- Job aids that include changes in policies, business practices, use of tools, data, and reporting.
- Exception Handling, Stakeholder Analysis, Communication Phases.

- Communications Matrix of Activities.
- Implementation Readiness Assessment.
- Readiness Assessment Reporting Process.

The following key roles will have varying degrees of responsibility for executing the change management plan and delivering a consistent, positive message about change throughout the life of the project:

- Project Business Stakeholders Committee.
- Organizational Change Manager (a member of the project management team dedicated to OCM).
- Project Director.
- Project Sponsor(s).

D. Project Communication

All phases of the project will use communication methods proven to be effective in IT transformations and will follow the standards documented in the Communications Management Plan. At this time, the specific communication needs of project stakeholders and the methods and frequency of communication have not been established. A detailed Communication Plan will be completed, which outlines the requirements for effective communication methods and how they will be implemented, including Legislative reporting requirements, as required. These will include project kick-off, regular status meetings, regular status reports, regular review and evaluation of project issues and risks, milestone reporting, periodic project evaluation, regular product demonstrations and reviews, a web-based discussion board, project website, etc. It is expected that the Communication Plan will be adhered to and receive updates as applicable during the life of the project.

Disseminating knowledge among stakeholders is essential to the project's success. Project sponsors, core project team members, and key stakeholders must be kept informed of the project status and how changes to the status affect them. The more people are kept informed about the progress of the project and how it will help them in the future, the more they will participate and benefit.

E. Quality Management Plan

The project will follow guidelines delineating timeline, budget, and quality specifications for each deliverable. Each deliverable will be assigned detailed acceptance criteria in the project contract. Quality will be monitored and controlled by the Project Management Team and deliverables will be accepted only when the acceptance criteria have been met. The PMO will provide oversight and assistance to the entire Project Team to ensure that standards are followed.

Quality Standards	
Project Area	**Description**
Development Standards	If applicable, the vendor responsible for design and development of the DRL Liquidation Claims Management System will follow DFS's programming and development standards.
Testing Management	The vendor will follow the established standards for Testing Management. This includes unit testing, integration testing, system testing, load testing and user acceptance testing.
Approval	All deliverables will require individual stakeholder approval and sign-off upon completion of the final draft.
Software Configuration Management	If applicable, the vendor will follow the established standards for Software Configuration Management. This includes Stakeholder sign-off, documentation, and version control.
Contract Management	All contracts must pass executive and legal approval. In addition, external project oversight will be required for contract negotiation.

Figure 27: Quality Standards by Project Area

Quality will be monitored throughout the project by the assigned DFS Project Manager. Multiple levels of acceptance by all stakeholders will be built into the process to ensure project quality control.

In addition to these formal areas of quality control, the following practices will be maintained during the life of the project:

- Peer reviews of artifacts.
- Project team acceptance and approval.
- Periodic project team meetings.
- Project status meetings.
- Periodic contractor, contract manager, project manager and project team meetings.
- Change control management processes, including the creation of a change review and control board that provides representation for all affected stakeholders.
- Contract manager and DRL Project Director acceptance and approval.
- Maintain detailed requirements definitions under configuration management.
- Defined test plan with standard levels of technical and acceptance testing.
- Risk Management and Mitigation.

VIII. Appendices

Number and include all required spreadsheets along with any other tools, diagrams, charts, etc. chosen to accompany and support the narrative data provided by the agency within the Schedule IV-B.

- Appendix 1: DRL Claim and Payment Process Data Exchange
- Appendix 2: DRL Sample Alt Solution Project Plan Framework
- Appendix 3: DRL Requirements Matrix
- Appendix 4: DRL Alternative Scoring
- Appendix 5: DRL Risk Assessment
- Appendix 6: DRL Cost Benefits Analysis

Appendix 5 - DRL Risk Assessment.xlsx   Appendix 4 - DRL Alternative Scoring.x   Appendix 3 - DRL Requirements Matri: Appendix 2 - DRL Sample Alt Solution   Appendix 6 - DRL Cost Benefits Analys

Appendix 1: DRL - Claim and Payment Process Data Exchange

For DRL to facilitate the coordination and exchange of claims processing, they must follow the Uniform Data Standard (UDS) specification process. The UDS defines the record file formats, which are CSV-flat file based, and the data encoding schema that the receivers and funds must follow when exchanging information. The tables below outline the different record file types in **Figure 23: Receiver to Fund Record File Types,** and **Figure 24: Funds to Receivers Record File Types**.

UDS Record File Type	Purpose
A Record	Open Claims information
B Record	Unearned Return Premium information
E Record	Closed Claim information
F Record	Claim Notes information
G Record	Payment History information
I Record	Image File Index information
M Record	Medicare Secondary Payer information

Figure 23: Receiver to Fund Record File Types

UDS Record File Type	Purpose
C Record	Loss & Unearned Premium Claim activity information
D Record	Quarterly Financial Information Questionnaire (FIQ)
I Record	Image File Index information
M Record	Medicare Secondary Payer information

Figure 24: Fund to Receiver Record File Types

For transferring files between the Receivers and the Funds, DRL must adhere to the Secure UDS (SUDS) system. This system provides a secure file transfer (SFTP) server platform for uploading and downloading files. New funds files are uploaded nightly while receivers typically upload files once available. Notification of the file(s) posting is performed manually by the transmitting party sending an email to the receiving party. Files are retained on a SUDS server for 30 days before automatically being deleted.

An alternative method for DRL to transfer UDS record files is using the Data Mapper web application. The Data Mapper application provides a user-friendly web browser user interface that receivers can use to upload either the UDS-formatted record file or a generic CSV file. Using the data mapper tool, the receiver can convert the CSV file fields to the appropriate UDS record specification fields and generate the requisite UDS-formatted record file. Once the receiver completes uploading or publishing the UDS record file, the data mapper web application stores the file on the SUDS server and generates a confirmation email.

CBAForm 1 - Net Tangible Benefits

Agency	Office of Financial Regulation	Project	REAL Replacement

Net Tangible Benefits - Operational Cost Changes (Costs of Current Operations versus Proposed Operations as a Result of the Project) and Additional Tangible Benefits -- CBAForm 1A

Agency	FY 2023-24			FY 2024-25			FY 2025-26			FY 2026-27			FY 2027-28		
(Recurring Costs Only -- No Project Costs)	(a) Existing Program Costs	(b) Operational Cost Change	(c) = (a)+(b) New Program Costs resulting from Proposed Project	(a) Existing Program Costs	(b) Operational Cost Change	(c) = (a) + (b) New Program Costs resulting from Proposed Project	(a) Existing Program Costs	(b) Operational Cost Change	(c) = (a) + (b) New Program Costs resulting from Proposed Project	(a) Existing Program Costs	(b) Cost Change Operational Cost Change	(c) = (a) + (b) New Program Costs resulting from Proposed Project	(a) Existing Program Costs	(b) Operational Cost Change	(c) = (a) + (b) New Program Costs resulting from Proposed Project
A. Personnel Costs -- Agency-Managed Staff	$1,549,498	$0	$1,549,498	$1,641,498	$0	$1,641,498	$1,641,498	$0	$1,641,498	$1,641,498	$492,944	$2,134,442	$2,137,500	$50,000	$2,187,500
A.b Total Staff	6.00	0.00	1.00	6.00	0.00	1.00	6.00	0.00	1.00	6.00	0.00	6.00	11.00	0.00	6.00
A-1.a. State FTEs (Salaries & Benefits)	$128,950	$0	$128,950	$134,442	$0	$134,442	$134,442	$0	$134,442	$134,442	$0	$134,442	$137,500	$0	$137,500
A-1.b. State FTEs (#)	1.00	0.00	1.00	1.00	0.00	1.00	1.00	0.00	1.00	1.00	0.00	1.00	1.00	0.00	1.00
A-2.a. OPS Staff (Salaries)	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
A-2.b. OPS (#)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
A-3.a. Staff Augmentation (Contract Cost - Accenture)	$1,420,548	$0	$1,420,548	$1,507,056	$0	$1,507,056	$1,507,056	$0	$1,507,056	$1,507,056	($1,507,056)	$0	$0	$0	$0
A-3.b. Staff Augmentation (# of Contractors)	5.00	0.00	5.00	5.00	0.00	5.00	5.00	0.00	5.00	5.00	(5)	0.00	5.00	0	5.00
A-3.a. Staff Augmentation (Contract Cost - EY)	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$2,000,000	$2,000,000	$2,000,000	$50,000	$2,050,000
A-3.b. Staff Augmentation (# of Contractors)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	5	5.00	5.00	0	5.00
B. Application Maintenance Costs	$546,856	$0	$546,856	$582,950	$359,037	$941,987	$941,987	$307,215	$1,249,202	$1,249,202	($553,973)	$695,229	$695,229	$20,066	$715,295
B-1. Managed Services (Staffing)	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
B-2. Hardware	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
B-3. Software Versa (Tyler)	$546,856	$0	$546,856	$582,950	$0	$582,950	$582,950	$0	$582,950	$582,950	($582,950)	$0	$0	$0	$0
B-3. Software Dynamics Power Apps (Microsoft)	$0	$0	$0	$0	$359,037	$359,037	$359,037	$307,215	$666,252	$666,252	$28,977	$695,229	$695,229	$20,066	$715,295
B-4. Other System Operations	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
C. Data Center Provider Costs	$675,322	$0	$675,322	$675,322	$0	$675,322	$675,322	$0	$675,322	$675,322	($675,322)	$0	$0	$0	$0
C-1. Managed Services (Staffing)	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
C-2. Infrastructure	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
C-3. Network / Hosting Services	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
C-4. Disaster Recovery	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
C-5. Other DFS-OIT (Non-Operating)	$675,322	$0	$675,322	$675,322	$0	$675,322	$675,322	$0	$675,322	$675,322	($675,322)	$0	$0	$0	$0
D. Plant & Facility Costs	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
E. Other Costs	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
E-1. Training	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
E-2. Travel	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
E-3. Other	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Total of Recurring Operational Costs	$2,771,676	$0	$2,771,676	$2,899,770	$359,037	$3,258,807	$3,258,807	$307,215	$3,566,022	$3,566,022	($736,351)	$2,829,671	$2,832,729	$70,066	$2,902,795
F. Additional Tangible Benefits:		$0			$0			$0			$0			$0	
F-1. Specify		$0			$0			$0			$0			$0	
F-2. Specify		$0			$0			$0			$0			$0	
F-3. Specify		$0			$0			$0			$0			$0	
Total Net Tangible Benefits:		$0			($359,037)			($307,215)			$736,351			($70,066)	

CHARACTERIZATION OF PROJECT BENEFIT ESTIMATE -- CBAForm 1B			
Choose Type		Estimate Confidence	Enter % (+/-)
Detailed/Rigorous	✓	Confidence Level	75%
Order of Magnitude		Confidence Level	
Placeholder		Confidence Level	

	A	B	C	D	E-G FY2022-23	H-J FY2023-24	K-M FY2024-25	N-P FY2025-26	Q-S FY2026-27	T TOTAL
1	Office of Financial Regulation	REAL Replacement					CBAForm 2A Baseline Project Budget			
2	Costs entered into each row are mutually exclusive. Insert rows for detail and modify appropriation categories as necessary, but do not remove any of the provided project cost elements. Reference vendor quotes in the Item Description where applicable. Include only one-time project costs in this table. Include any recurring costs in CBA Form 1A.				FY2022-23	FY2023-24	FY2024-25	FY2025-26	FY2026-27	TOTAL
3				$ -	$ 813,200	$ 495,000	$ 5,055,025	$ 3,692,070	$ 323,005	$ 10,378,300

Detailed table:

#	Item Description (remove guidelines and annotate entries here)	Project Cost Element	Appropriation Category	Current & Previous Years Project-Related Cost	YR 1 #	YR 1 LBR	YR 1 Base Budget	YR 2 #	YR 2 LBR	YR 2 Base Budget	YR 3 #	YR 3 LBR	YR 3 Base Budget	YR 4 #	YR 4 LBR	YR 4 Base Budget	YR 5 #	YR 5 LBR	YR 5 Base Budget	TOTAL	
5	Costs for all state employees working on the project.	FTE	S&B	$ -	0.00	$ -	$ -	0.00	$ -	$ -	0.00	$ -	$ -	0.00	$ -	$ -	0.00	$ -	$ -	$ -	
6	Costs for all OPS employees working on the project.	OPS	OPS	$ -	0.00		$ -	0.00	$ -	$ -	0.00	$ -	$ -	0.00	$ -	$ -	0.00	$ -	$ -	$ -	
7	Staffing costs for personnel using Time & Expense.	Staff Augmentation	Contracted Services	$ -	0.00	$ -	$ -	0.00	$ -	$ -	0.00	$ -	$ -	0.00	$ -	$ -	0.00	$ -	$ -	$ -	
8	Project management personnel and related deliverables.	Project Management	Contracted Services	$ -	0.00	$ -	$ -	0.00	$ -	$ -	1.00	$ -	$ 166,400	1.00	$ -	$ 249,600	1.00	$ -	$ 124,800	$ 540,800	
9	Project oversight to include Independent Verification & Validation (IV&V) personnel and related deliverables.	Project Oversight	Contracted Services	$ -	0.00	$ -	$ -	0.00	$ -	$ -	0.00	$ 380,952	$ -	0.00	$ 571,429	$ -	0.00	$ 47,619	$ -	$ 1,000,000	
10	Staffing costs for all professional services not included in other categories.	Consultants/Contractors	Contracted Services	$ -	0.00	$ -	$ -	0.00	$ -	$ -	0.00	$ -	$ -	0.00	$ -	$ -	0.00	$ -	$ -	$ -	
11	Separate requirements analysis and feasibility study procurements.	Project Planning/Analysis	Contracted Services	$ -		$ -	$ 813,200		$ -	$ 495,000		$ -	$ -		$ -	$ -		$ -	$ -	$ 1,308,200	
12	Hardware purchases not included in data center services.	Hardware	OCO	$ -		$ -	$ -		$ -	$ -		$ -	$ -		$ -	$ -		$ -	$ -	$ -	
13	Commercial software purchases and licensing costs.	Commercial Software	Contracted Services	$ -		$ -	$ -		$ -	$ -		$ -	$ -		$ -	$ -		$ -	$ -	$ -	
14	Professional services with fixed-price costs (i.e. software development, installation, project documentation)	Project Deliverables	Contracted Services	$ -		$ -	$ -		$ -	$ -		$ 4,507,673	$ -		$ 2,871,041	$ -		$ 150,586	$ -	$ 7,529,300	Implementation, System Enhancements
15	All first-time training costs associated with the project.	Training	Contracted Services	$ -		$ -	$ -		$ -	$ -		$ -	$ -		$ -	$ -		$ -	$ -	$ -	
16	Include the quote received from the data center provider for project equipment and services. Only include one-time project costs in this row. Recurring, project-related data center costs are included in CBA Form 1A.	Data Center Services - One Time Costs	Data Center Category	$ -		$ -	$ -		$ -	$ -		$ -	$ -		$ -	$ -		$ -	$ -	$ -	
17	Other contracted services not included in other categories.	Other Services	Contracted Services	$ -		$ -	$ -		$ -	$ -		$ -	$ -		$ -	$ -		$ -	$ -	$ -	
18	Include costs for non-state data center equipment required by the project and the proposed solution (insert additional rows as needed for detail)	Equipment	Expense	$ -		$ -	$ -		$ -	$ -		$ -	$ -		$ -	$ -		$ -	$ -	$ -	
19	Include costs associated with leasing space for project personnel.	Leased Space	Expense	$ -		$ -	$ -		$ -	$ -		$ -	$ -		$ -	$ -		$ -	$ -	$ -	
20	Other project expenses not included in other categories.		Expense	$ -		$ -	$ -		$ -	$ -		$ -			$ -			$ -	$ -	$ -	
21		Total		$ -	0.00	$ -	$ 813,200	0.00	$ -	$ 495,000	1.00	$ 4,888,625	$ 166,400	1.00	$ 3,442,470	$ 249,600	1.00	$ 198,205	$ 124,800	$ 10,378,300	

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CBAForm 2 - Project Cost Analysis

Agency	Office of Financial Regulation	Project	REAL Replacement

PROJECT COST SUMMARY	PROJECT COST SUMMARY (from CBAForm 2A)					TOTAL
	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	
TOTAL PROJECT COSTS (*)	$813,200	$495,000	$5,055,025	$3,692,070	$323,005	$10,378,300
CUMULATIVE PROJECT COSTS (includes Current & Previous Years' Project-Related Costs)	$813,200	$1,308,200	$6,363,225	$10,055,295	$10,378,300	

Total Costs are carried forward to CBAForm3 Project Investment Summary worksheet.

PROJECT FUNDING SOURCES	PROJECT FUNDING SOURCES - CBAForm 2B					TOTAL
	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	
General Revenue	$0	$0	$0	$0	$0	$0
Trust Fund	$813,200	$495,000	$5,055,025	$3,692,070	$323,005	$10,378,300
Federal Match ☐	$0	$0	$0	$0	$0	$0
Grants ☐	$0	$0	$0	$0	$0	$0
Other ☐ Additional Need	$0	$0	$0	$0	$0	$0
TOTAL INVESTMENT	$813,200	$495,000	$5,055,025	$3,692,070	$323,005	$10,378,300
CUMULATIVE INVESTMENT	$813,200	$1,308,200	$6,363,225	$10,055,295	$10,378,300	

Characterization of Project Cost Estimate - CBAForm 2C			
Choose Type		Estimate Confidence	Enter % (+/-)
Detailed/Rigorous	☑	Confidence Level	100%
Order of Magnitude	☐	Confidence Level	0%
Placeholder	☐	Confidence Level	0%

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ProjectCostAnalysis

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CBAForm 3 - Project Investment Summary   Agency   Office of Financial Regulation   Project   REAL Replacement

COST BENEFIT ANALYSIS -- CBAForm 3A					
	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	TOTAL FOR ALL YEARS
Project Cost	$813,200	$495,000	$5,055,025	$3,692,070	$323,005	$10,378,300
Net Tangible Benefits	$0	($359,037)	($307,215)	$736,351	($70,066)	$33
Return on Investment	($813,200)	($854,037)	($5,362,240)	($2,955,719)	($393,071)	($10,378,267)
Year to Year Change in Program Staffing	0	0	0	0	0	

RETURN ON INVESTMENT ANALYSIS -- CBAForm 3B		
Payback Period (years)	NO PAYBACK	Payback Period is the time required to recover the investment costs of the project.
Breakeven Fiscal Year	NO PAYBACK	Fiscal Year during which the project's investment costs are recovered.
Net Present Value (NPV)	($9,309,778)	NPV is the present-day value of the project's benefits less costs over the project's lifecycle.
Internal Rate of Return (IRR)	NO IRR	IRR is the project's rate of return.

Investment Interest Earning Yield -- CBAForm 3C					
Fiscal Year	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27
Cost of Capital	3.30%	3.42%	3.51%	3.63%	3.80%

Schedule VI – Detail of Debt Service

(The Department of Financial Services has no submission for this schedule for the Fiscal Year 2025-26 Legislative Budget Request)

Department: Department of Financial Services

Chief Internal Auditor: Debbie K. Clark, Director of Audit

Budget Entity: Multiple

Phone Number: 850-413-3112

(1) REPORT NUMBER	(2) PERIOD ENDING	(3) UNIT/AREA	(4) SUMMARY OF FINDINGS AND RECOMMENDATIONS	(5) SUMMARY OF CORRECTIVE ACTION TAKEN	(6) ISSUE CODE
Inspector General Report IA 24-502	June-24	Division of State Fire Marshal	Finding 1: The OIG audit of Bookstore processes revealed that Bookstore management and staff were not following specific parts of the Standard Operating Procedures. Specifically: A) SOP #5.1.1., requires the Bookstore management to perform quarterly, non-scheduled counts of cash in the cash register and change box. B) SOP #5.1.2., requires that physical counts of all merchandise in the bookstore be conducted no less than on a quarterly schedule and that totals shall be reconciled with an inventory report generated through the cash register. C) SOP #5.1.2., requires at the end of each fiscal year, a complete count of all merchandise be conducted. Further, counted merchandise totals shall be reconciled with an inventory report generated through the cash register and recorded in the applicable year-end closeout documents. D) Bookstore management stated that SOPs # 5.1.1. and #5.1.2. were approved; however, management could not provide documentation of the approval. Finding 1 Recommendation: The OIG recommends that Florida State Fire College management take steps to document the approval of written SOPs and ensure Bookstore management and staff follow established SOPs relating to cash counts and physical counts of all merchandise.	Finding 1 Corrective Action: The Division of State Fire Marshal, Bureau of Fire Standards and Training agrees with the findings of the Bookstore Audit. Finding A in reference to SOP #5.1.1, cash count has been corrected. The Bureau will ensure that when a non-scheduled count is conducted of cash in either the cash register or change box, the count will be annotated on the "Cash Register Drawer Daily Count Log" and the "Change Box Daily Count Log". The cash register count will be conducted for the drawer and initialed by the individual performing the count. The same process will be conducted for the change box with the exception that this count will not require a count in the am. The logs will be maintained in the Student Services folder on the I-Drive. Finding B in reference to SOP #5.1.2, physical counts of all merchandise have been corrected. A quarterly physical count of all merchandise will be conducted. This inventory will be reconciled using the inventory report that can be generated from the cash register. All documentation will be maintained in the Student Services folder on the I-Drive. Finding C in reference to SOP #5.1.2, complete count of merchandise has been corrected. The Operations Management Consultant II position will ensure that the bookstore clerk conducts and reconciles the inventory no later than June 30 each fiscal year. This inventory report will be generated and reconciled to the physical counts of inventory in the bookstore. All documentation will be maintained in the Student Services folder I-drive. Finding D Both SOP #5.1.1 and #5.1.2 will be reviewed and updated. Current SOPs are on an outdated format, and they will be placed in the new format. The SOPs will be updated when a change is made to any process and reviewed annually. The Division of State Fire Marshall (Division) has partially completed the corrective action according to the audit's six-month follow-up report on May 9, 2024. The Division updated some of its standard operating procedures. However, no document was provided to indicate the operating procedures have been implemented as stated in the original response. Finding 1 Expected Completion Date: October 30, 2024	

Inspector General Report IA 24-501	June-24	Division of Investigative and Forensic Services	Finding 1: The start and end time reported on the *Monthly Secondary Employment Report* of some Division members varied from the start and end time reported to the Regional Communications Centers (RCC). Additionally, there were some *Monthly Secondary Employment Reports* filed in which no data was reported to the RCC. Finding 1 Recommendation: The OIG recommends that Division management remind members of the requirement to properly report secondary employment hours to the RCC. The OIG also recommends Division management revise Standard Operating Procedure 1.2.2 to provide specific guidance for conducting supervisory review and monitoring to ensure the consistency of reporting secondary employment hours.	Finding 1 Corrective Action: The Division concurs with the findings. SOP 1.2.2 will be revised and the need for proper reporting will be reinforced with personnel. Finding 1 Expected Completion Date: Completed
			Finding 2: The mileage reported on the *Monthly Secondary Employment Report* of some Division members varied from the mileage reported to the RCC. The variances resulted in either an underpayment or overpayment of the reimbursement due to the state. Finding 2 Recommendation: The OIG recommends that Division management remind members of the requirement to accurately report and reimburse mileage utilized in secondary employment. The OIG also recommends Division management revise Standard Operating Procedure 1.2.2 to provide specific guidance for conducting supervisory review and monitoring to ensure the consistency of reporting mileage reimbursement.	Finding 2 Corrective Action: The Division concurs with the findings. A new form will be developed to use each time a member works a secondary employment event in addition to completing a monthly report. This will require supervisors to approve and review days, hours, and mileage for accuracy in a timely fashion. SOP 1.2.2 will be revised and the need for proper reporting will be reinforced with personnel. Finding 2 Expected Completion Date: Completed
			Finding 3: The start and end time reported on the *Monthly Secondary Employment Report* of some Division members varied from the start and end time reported to the Regional Communications Centers (RCC). The variances resulted in some members exceeding the sixteen hours of combined work allowed. Finding 3 Recommendation: The OIG recommends that Division management remind members of the requirement to properly report secondary employment hours to the RCC. The OIG also recommends Division management revise Standard Operating Procedure 1.2.2 to provide specific guidance for conducting supervisory review and monitoring to ensure the consistency of reporting secondary employment hours.	Finding 3: The Division concurs with the findings. SOP 1.2.2 will be revised and the need for proper reporting will be reinforced with personnel. A new form will be developed to use each time a member works a secondary employment event in addition to completing a monthly report. This will require supervisors to approve and review days, hours, and mileage for accuracy in a timely fashion. Expected Date of Completion: Completed
			Finding 4: The start and end time reported on the *Monthly Secondary Employment Report* of some Division members varied from the start and end time reported to the Regional Communications Centers (RCC). The variances resulted in some members working six or more hours of secondary employment and not obtaining the required eight hours of rest. Finding 4 Recommendation: The OIG recommends that Division management remind members of the requirement to accurately report secondary employment hours. The OIG also recommends Division management revise Standard Operating Procedure 1.2.2 to provide specific guidance for conducting supervisory review and monitoring to ensure the consistency of reporting secondary employment hours.	Finding 4 Corrective Action: The Division concurs with the findings. SOP 1.2.2 will be revised and the need for proper reporting will be reinforced with personnel. A new form will be developed to use each time a member works a secondary employment event in addition to completing a monthly report. This will require supervisors to approve and review days, hours, and mileage for accuracy in a timely fashion. Finding 4 Expected Completion Date: Completed

| | | | | Finding 5: The People First timesheets of some Division members indicated that they were on call while working secondary employment and may not have been able to give precedence to the Division, if the member is called back.

Finding 5 Recommendation: The OIG recommends that Division management enhance its Standard Operating Procedure to provide written guidance on the process to be followed for on call members who are working secondary employment should they be called back to work for the primary employer. | Finding 5 Corrective Action: The Division concurs with the findings. SOP 1.2.2 will be revised and the need for proper reporting will be reinforced with personnel.

Finding 5 Expected Completion Date: Completed | | |
| | | | | Finding 6: *Secondary Employment Request* forms for some Division members were incomplete but approved. Additionally, some members did not include their self-employment on their *Secondary Employment Request* form.

Finding 6 Recommendation: The OIG recommends that Division management enhance its process of review and approval of *Secondary Employment Request* forms to ensure that forms are properly completed, and that secondary employment does not interfere with the ability and availability of the member to perform his or her primary job duties. Additionally, the OIG recommends that Division management revise its Standard Operating Procedure to include a requirement to report self-employment as secondary employment to ensure that the self-employment does not involve a conflict of interest. | Finding 6 Corrective Action: The Division concurs with the findings. SOP 1.2.2 and the Secondary Employment Request Form will be revised. The need for proper documentation and reporting will be reinforced with personnel.

Finding 6 Expected Completion Date: Completed | | |
| | | | | Finding 7: *Secondary Employment Request* forms for some Division members did not include approval for all secondary employers that a member provided services. Additionally, no documentation was available to evidence that supervisory approval was provided prior to each instance of secondary employment.

Finding 7 Recommendation: The OIG recommends Division management revise Standard Operating Procedure 1.2.2 to provide specific guidance for conducting supervisory review and monitoring of both the *Secondary Employment Request* forms and the *Monthly Secondary Employment Reports* to ensure secondary employment was preapproved and did not constitute a conflict of interest. Additionally, we recommend that each instance of secondary employment is preapproved and documented. | Finding 7 Corrective Action: The Division concurs with the findings. SOP 1.2.2 will be revised and the need for proper reporting will be reinforced with personnel. A new form will be developed to use each time a member works a secondary employment event in addition to completing a monthly report. This will require supervisors to approve and review days, hours, and mileage for accuracy in a timely fashion.

Finding 7 Expected Completion Date: Completed | | |
| | | | | Finding 8: Documentation provided by some sworn members to evidence required insurance coverage was not sufficient to show they met the insurance requirements. Additionally, two members did not provide evidence of insurance coverage but were able to work secondary employment.

Finding 8 Recommendation: The OIG recommends that Division management enhance their review process of insurance documents to ensure that required coverage limitations are met. | Finding 8 Corrective Action: The Division concurs with the findings. The need for proper review of compliance will be reinforced with personnel.

Finding 8 Expected Completion Date: Completed | | |

Inspector General Report IA 24 - 505	June-24	Office of Chief of Staff	Finding 1: The My Safe Florida Home Program (Program) should strengthen its payment request review process. Finding 1 Recommendation: The OIG recommends that Program management take steps to ensure the reviewers perform each payment request review accurately, completely, and consistently.	Finding 1 Corrective Action: The Program concurs with the recommendation. Program management has reviewed and discussed this finding with the Program Management Consultant (PMC). The PMC has indicated they are taking the following steps: 1. Checklist verification is added to the Secondary QC review. 2 Project cost will be electronically imported from prior entry to eliminate data re-entry. 3. System changes are being made to ensure the same member does not fulfill both approver and reviewer roles, along with other system changes to remove reliance upon manual signatures. The Program is in the process of taking corrective actions. The audit's six-month follow-up report will be issued by November 2024. Finding 1 Expected Completion Date: July 1, 2024
			Finding 2: The Program should enhance its background screening process for contracted workers. Finding 2 Recommendation: The OIG recommends that Program management develop controls to ensure all Program Management Consultant (PMC) employees and Wind Certification Entity (WCE) inspectors, who are required to undergo background screenings, complete this process before the start of contracted work or access to the Program's system and data.	Finding 2 Corrective Action: The Program concurs with the recommendation. Program staff has had discussions with the PMC and WCE inspectors to ensure they are aware of the need to obtain background checks prior to allowing employees to work with MSFH data or homeowner applicants. All parties are aware of the importance of compliance. The contract manager for these contracts will continue to monitor this issue to ensure compliance with contract provisions and agency policy. The Program is in the process of taking corrective actions. The audit's six-month follow-up report will be issued by November 2024. Finding 2 Expected Completion Date: May 13, 2024
			Finding 3: The quality assurance (QA) programs of certain Wind Certification Entities can be improved. Finding 3 Recommendation: The OIG recommends that Program management develop controls to ensure all WCEs meet the minimum QA re-inspection requirement and accurately report re-inspections to the Program for each service month. The OIG also recommends that Program management provide the WCEs with guidelines to ensure complete and consistent reporting. Finally, the OIG recommends that Program management monitor the WCEs' ongoing QA activities to ensure their QA programs in place are consistent with the terms of the contracts.	Finding 3 Corrective Action: The Program concurs with the recommendation. The contract manager for the WCE contracts has communicated with the WCEs about the findings. Contract amendments have been drafted to assist with clarifying the requirements surrounding the QA inspections. In addition, the Program is planning to hire additional State employees to assist with reviewing all documentation submitted by the WCEs for review by the Program to ensure compliance. The Program is in the process of taking corrective actions. The audit's six-month follow-up report will be issued by November 2024. Finding 3 Expected Completion Date: May 31, 2024
			Finding 4: Certain contractors' qualifications should be properly verified before being authorized to participate in the Program. Finding 4 Recommendation: The OIG recommends that Program management improve the contractor approval process and ensure all contractors' qualifications are properly verified before they are authorized to perform mitigation projects under the Program.	Finding 4 Corrective Action: The Program concurs with the recommendation. Pursuant to legislation enacted by the 2024 Florida Legislature, the requirement to maintain a contractor list is being removed from statute and homeowners will be allowed to choose their own state-licensed contractor. The PMC for the program is implementing new electronic verifications to ensure that the state license number of the contractor chosen by the homeowner is correct and up to date. The Program is in the process of taking corrective actions. The audit's six-month follow-up report will be issued by November 2024. Finding 4 Expected Completion Date: July 1, 2024

Inspector General Report IA 24 - 503	June-24	Office of Information Technology	The OIG conducted an operational audit of the Office of Information Technology's Incident Response, Reporting, and Recovery Process. The audit's purpose was to evaluate agency controls and compliance with incident response, reporting, and recovery requirements contained in the Florida Cybersecurity Standards (Rules 60GG-2.001 through 60GG-2.006, Florida Administrative Code) from July 1, 2022, through December 31, 2023. The audit was completed on June 27, 2024, and resulted in four confidential findings. These findings are not included in this schedule pursuant to section 282.318(5), Florida Statutes. Recommendations: The audit's recommendations are confidential pursuant to section 282.318 (5), Florida Statutes.	Corrective Action: The Office of Information Technology (OIT) is in the process of taking corrective actions. The audit's six-month follow-up report will be issued by December 31, 2024. Expected Completion Date: June 30, 2025
Inspector General Report IA 23 - 505	June-24	Office of Information Technology	The OIG conducted a compliance audit of the Office of Information Technology's access controls over safeguarding the data contained in the Department of Highway Safety and Motor Vehicles' (DHSMV's) Driver and Vehicle Information Database (DAVID). The audit's purpose was to evaluate the adequacy of OIT access controls for protecting personal data in the DAVID system from unauthorized access, distribution, use, modification, or disclosure and the compliance with the requirements of the DAVID data sharing Memorandum of Understanding (MOU) between the DFS and the DHSMV. The audit was completed on September 1, 2023, and resulted in four confidential findings. These confidential findings are not included in this schedule pursuant to section 282.318 (5), Florida Statutes. Recommendations: The audit's recommendations are confidential pursuant to section 282.318 (5), Florida Statutes.	Corrective Action: The OIT completed corrective actions for all findings when the OIG issued the final report on September 1, 2023. Expected Completion Date: Completed
Auditor General Report AG 2024-138	June-24	Office of Information Technology	Finding 1: Department change management controls continue to need improvement to ensure that all FLAIR program changes are appropriately authorized, tested, reviewed, and approved prior to implementation into the FLAIR production environment, and are managed by, and do not bypass, the Department's change management process. Finding 1 Recommendation: We recommend that Department management ensure that Department records evidence through reconciliations that all FLAIR Payroll COBOL program changes are managed by, and do not bypass, the Department's change management process. Also, we again recommend that Department management improve change management controls to ensure that Department records evidence that FLAIR program changes are appropriately authorized, tested, independently reviewed, approved for production, and implemented into the production environment by the appropriate personnel.	Finding 1 Corrective Action: OIT Concurs, the FLAIR Payroll Bureau Chief and Business Analyst Manager have been granted access to the COBOL change report and are reviewing the report daily to ensure COBOL program changes are managed by the Department's change management process. We will improve change management controls to ensure FLAIR records evidence that program changes have been appropriately authorized, tested, independently reviewed, approved for production, and implemented into the production environment by the appropriate personnel. Finding 1 Expected Completion Date: Completed

		Division of Accounting and Auditing	Finding 2: FLAIR central accounting component and payroll component statewide access controls need improvement to ensure that access privileges are appropriately restricted. Finding 2 Recommendation: We recommend that Department management limit Statewide access to FLAIR Payroll and CAC access privileges to only those access privileges that are appropriate and necessary for the users' assigned responsibilities.	Finding 2 Corrective Action: The Bureau of State Payrolls updated the business rules governing PYRL Statewide access in December 2022. At that time, six employees who were previously approved for access for use in daily job duties were reevaluated. It was determined that these employees/positions could obtain needed information in another way or no longer needed this access. A full reconciliation of the updated business rules and the current access was not completed until 2023. This reconciliation has now occurred, and all identified employees have had the access removed. One PYRL user and one CAC user were found to have unnecessary access. In both cases, the employee moved to another position within the Division. The access was retained to help continue completing work until vacant positions could be filled and new staff trained on the needed processes. In the case of the CAC user, the business rules were updated to reflect approval of the temporary access. our business rules have been further reviewed and refined during the fall of 2023 to standardize the process of updating and approving changes to the business rules. This should ensure that changes are made timely, and all access aligns with the current business rules. Finding 2 Expected Completion Date: Completed
		Office of Information Technology	Finding 3: Certain security controls related to logical access, user authentication, and configuration management continue to need improvement to ensure the confidentiality, integrity, and availability of FLAIR data and Department resources. Finding 3 Recommendation: We again recommend that Department management improve certain security controls related to logical access, user authentication, and configuration management.	Finding 3 Corrective Action: The Office of Information Technology agrees to improve certain security controls related to logical access, user authentication, and configuration management. Finding 3 Expected Completion Date: Completed
Auditor General Report AG 2024-174	June-24	Office of Finance and Budget	Finding 1: The FDFS did not properly record all opioid settlement amounts that met recognition requirements for the 2022-23 fiscal year and incorrectly recorded amounts related to fiduciary activities to a governmental fund. Finding 1 Recommendation: We recommend that the FDFS enhance year-end financial reporting controls to ensure that all settlement agreements are accounted for and required accounting entries for opioid settlements are recorded to the appropriate reporting fund in the State's financial statements.	Finding 1 Corrective Action: The Bureau of Financial Services, Reporting & Reconciliation Unit (RRU) enhanced established procedures to ensure that all settlement agreements are accounted for and that all required accounting entries are recorded appropriately and timely. Additionally, the RRU team added a task to our overall year-end checklist tool that the team uses to ensure tasks are completed during the closing process. Finding 1 Expected Completing Date: Completed

Inspector General Report IA 23-502	June-23	Division of Accounting and Auditing	Finding 1: The audit revealed an opportunity for the Division of Accounting and Auditing (Division) to strengthen its process for accepting manual warrant requests to help ensure manual warrant requests are only processed on an as-needed, exceptional basis. Finding 1 Recommendation: The OIG recommends that the Division limit use of manual warrant processing by developing a process or methodology in which the requesting agency is required to provide detailed justification for the manual transaction that must be signed by someone of sufficient authority within the requesting agency. In addition, the DFS OIG recommends that A&A release a Chief Financial Officer (CFO) Memo reminding the state agencies of their responsibilities regarding the processing of their own transactions.	Finding 1 Corrective Action: We concur that manual warrant production should be limited to exceptional circumstances. We further concur that authorization from agency leadership should be required, at a minimum. We appreciate the OIG's recommendation that the Division release a memo reminding state agencies of their responsibilities regarding the state's payment processes and deadlines. Such memo would reiterate that invoices for payment without sufficient time for FLAIR processing will be rejected. The Division has partially completed the corrective action according to the audit's eighteen-month follow-up report on July 30, 2024. The Division updated its fiscal year 2023-24 procedures to provide directions on the acceptance and processing of manual vouchers. However, the Division is still in the process of drafting a CFO memo to remind all agencies of the responsibility to plan ahead and meet processing deadlines so that exceptions are rare. Finding 1 Expected Completion Date: August 31, 2024	
Inspector General Report IA 23-504	June-23	Office of Information Technology	Findings: The OIG conducted an operational audit of the Office of Information Technology's identity management and access control. The audit's purpose was to evaluate agency controls and compliance with Rule 60GG-2.003(1), Florida Administrative Code, Identity Management, Authentication, and Access Controls. The audit was completed on June 30, 2023, and resulted in nine confidential findings. The confidential findings are not included in this report pursuant to section 282.318 (5), Florida Statutes. Recommendations: The audit's recommendations are confidential pursuant to section 282.318 (5), Florida Statutes.	Finding 1 Corrective Action: The audit's twelve-month follow-up report indicates that as of June 7, 2024, the Office of Information Technology has completed corrective actions for six of nine findings, and the remaining three are partially completed. Finding 1 Expected Completion Date: June 30, 2024	

Auditor General Report AG 2023-196	June-23	Division of Accounting & Auditing	Finding 1: Statutory requirements for annual statements of county compliance for court-related functions could be clarified to ensure that the statements are properly and consistently prepared in accordance with Legislative intent. Finding 1 Recommendation: The Legislature should consider revising State law, or alternately, the DFS should consider adopting administrative rules governing CPA statements of compliance to: •Require CPAs to follow specified professional standards, such as AICPA examination attestation standards or AICPA auditing standards, when providing assurance on the statements of compliance. •Require DFS personnel to document verification that the CPA statements of compliance were prepared in compliance with State law, DFS rules and instructions, and applicable professional standards. •Clarify what provisions of law should be addressed in the CPAs' determinations of compliance so that the determinations are not duplicative of DFS procedures. In addition, we recommend that the DFS apply remedies specified in State law to compel counties to timely file functions reports and CPA statements of compliance.	Finding 1 Corrective Action: The Division of Accounting & Auditing is updating its internal policies and procedures to provide assurance that court-related functions data is properly submitted and reported. With regards to AICPA professional standards and compliance with s. 29.008, FS, DFS will need to work collaboratively with the Auditor General and have ongoing conversations for defining compliance and establishing which auditing standards should be required. Section 29.0085(2)(a), FS, provides that within four months of the close of the local government fiscal year, each county shall submit to the Chief Financial Officer a statement of compliance from its independent certified public accountant, engaged pursuant to s. 218.39, FS, that the certified statement of expenditures was in accordance with s. 29.008, FS, and this section. Since 218.39, FS is the Auditor General's statute which provides that all audits conducted pursuant to that section must be conducted in accordance with the rules the Auditor General adopted pursuant to s.11.45, FS, we will work in consultation with Auditor General and the Florida Clerk of the Court Operations Corporations in providing this guidance. Finally, the application of remedies should be considered on a case by case basis. The Division of Accounting and Auditing has partially completed the corrective action of the finding according to the audit's twelve-month follow-up report on June 11, 2024. Finding 1 Expected Completion Date: December 31, 2024		
Auditor General Report AG 2023-187	June-23	Division of State Fire Marshal	Finding 1: The Division of State Fire Marshal (SFM) Bureau of Fire Prevention (Bureau) procedures for ensuring of record the accuracy and completeness of building inspection data included in CitizenServe continue to need improvement. Finding 1 Recommendation: We recommend that Bureau management perform and document of record procedures to verify the accuracy and completeness of CitizenServe data.	Finding 1 Corrective Action: The Bureau of Fire Prevention (BFP) staff will coordinate with Citizen Serve the review and update of data quality assurance reports to ensure audit identified fields are captured in these reports for all active buildings. BFP staff will modify and update procedure 4.4.9.I (2.4) to include development of a uniform process for documenting the quality assurance reports being performed of active buildings. The State Fire Marshal (SFM) has partially completed the corrective action according to the audit's twelve-month follow-up report on April 26, 2024. Finding 1 Expected Completion Date: June 30, 2024		
		Division of State Fire Marshal	Finding 2: As similarly noted in our report No. 2018-211, Bureau inspection activities were not always adequately documented. Finding 2 Recommendation: We recommend that Bureau management enhance controls to ensure that inspections and follow-up inspection activities are appropriately conducted and documented in CitizenServe and that inspection results are properly communicated to building managers and State agency heads.	Finding 2 Corrective Action: SFM staff will modify and update procedures to include development of a uniform process for documenting the quality assurance reports of bureau inspection activities being performed on active buildings. Finding 2 Expected Completion Date: Completed		

		Division of State Fire Marshal and the Office of Information Technology	Finding 3: The Department did not timely take steps to reasonably ensure that service organization controls for CitizenServe were suitably designed and operating effectively. A similar finding was noted in our report No. 2018-211. Finding 3 Recommendation: Because of the critical nature of CitizenServe data, we again recommend that Department management timely make or obtain independent and periodic assessments of the effectiveness of the service organization's relevant internal controls.	Finding 3 Corrective Action: SFM staff will modify and update procedures to include development of a procedure for requesting a SOCII report form Citizen Serve and the procedure and documentation of review and approval of the SOCII report by Office of Information Technology (OIT) staff. SFM will request the SOC II Report from Citizen Serve by April 1st of each calendar year, and provide the report to the OIT for their review of service organization controls. Finding 3 Expected Completion Date: Completed		
		Division of State Fire Marshal	Finding 4: Division controls for conducting periodic reviews of CitizenServe and Fire College Department of Insurance Continuing Education (FCDICE) System user access privileges continue to need enhancement. Finding 4 Recommendation: We recommend that Division management ensure that CitizenServe and FCDICE System user access privilege reviews are periodically conducted and documented establishing the continued appropriateness of assigned user access privileges.	Finding 4 Corrective Action: SFM staff will modify and update procedures to include development of a procedure which provides for uniform collection, retention, and quarterly review of Citizen Serve user access privileges. The process is already in place for the FCDICE system. However, we are reviewing the process with each supervisor to ensure the review is conducted as identified in policy and procedure. SFM has partially completed the corrective action according to the audit's twelve-month follow-up report on April 24, 2024. Finding 4 Expected Completion Date: June 30, 2024		
		Division of State Fire Marshal	Finding 5: Department controls over CitizenServe and FCDICE System user access privileges continue to need improvement. Finding 5 Recommendation: We again recommend that Department management retain CitizenServe access control records sufficient to demonstrate that user access privileges are timely deactivated upon a user's separation from Department employment or when the access privileges are no longer required. We also recommend that Department management ensure that FCDICE System access privileges are promptly reassigned or deactivated after a user separates from Department employment.	Finding 5 Corrective Action: SFM is in the process of making the necessary corrective action. SFM staff will modify and update procedures to include development of a procedure which provides for uniform collection and retention of Citizen Serve user access privileges. The process is already in place. However due to management oversight, this process was not fully followed. We have reviewed the process with each supervisor to ensure the review is conducted as identified below. Finding 5 Expected Completion Date: Completed		
		Division of Administration	Finding 6 The Department did not always verify that employees authorized to operate motor vehicles for State business purposes possessed a valid and current driver's license. Finding 6 Recommendation: We recommend that Department management conduct regular monitoring to ensure that employees who are authorized to operate motor vehicles for State business purposes possess a current and valid driver's license, and that such monitoring activities are documented in Department records.	Finding 6 Corrective Action: The Department revised and published Administrative Policy and Procedure (AP&P) 2-07, Fleet Management – Use of State Vehicles. The amended AP&P adds additional language related to the semi-annual review of driver's license history, for employees who are authorized to drive a state vehicle. Furthermore, the Division of Administration has enhanced its internal procedures related to the scheduling, administering, documenting, and communicating the results of the semi-annual review of employee driver's license records. Finding 6 Expected Completion Date: Completed		

Auditor General Report AG 2023-174	June-23	Division of Accounting and Auditing	Finding 1: The DFS did not prepare and furnish complete financial statements to the Auditor General or prepare and publish the Annual Comprehensive Financial Report (ACFR) within statutorily prescribed time periods. Finding 1 Recommendation: We recommend that DFS management enhance ACFR preparation processes to account for the implementation of new accounting standards and to ensure that the financial statements are provided to the Auditor General and the ACFR is prepared and published by the dates prescribed in statute.	Finding 1 Corrective Action: Governmental Accounting Standards Board (GASB) Statement No. 87 – Leases required implementation for fiscal year ended June 30, 2022. The implementation required many changes to the ACFR financial statements, notes, and other required supplemental information. FDFS's current processes to make updates and changes is very manual and labor intensive. For the GASB 87 changes, FDFS established over 23 new general ledger codes, 6 new rollup codes, and 31 new funds. FDFS prepared and processed over 13,000 adjustments. There were also programing modifications to FLAIR, the Statewide Master Adjustment application, 25 Access databases, Excel files, and Wokiva WDesk. DFS is working in conjunction with JF Black and Workiva for the systematic development of the ACFR compilation process. This development will greatly reduce or eliminate many of the manual steps it takes to produce an ACFR and provide for better checkoffs and control points all the way to the published document. In addition, this new process will provide for a more even flow of work which will greatly reduce the piling up effect of many task assignments at the December 31st date. This same process is used successfully in many other states and local governments throughout the country. The Division of Accounting and Auditing has partially completed the corrective action based on the audit's six-month follow-up report on September 15, 2023. Finding 1 Expected Completion Date: December 31, 2023	
			Finding 2: DFS, Statewide Financial Reporting Section (SFRS), incorrectly accounted for amounts associated with the operations of Florida Department of Transportation (FDOT) toll facilities and the Florida Turnpike Enterprise. Finding 2 Recommendation: We recommend that SFRS management enhance year-end fund determination review procedures to ensure that amounts are recorded to the appropriate fund based on the sources of fund financial resources and the nature of activities financed.	Finding 2 Corrective Action: The Division of Accounting and Auditing management will provide additional review and monitoring steps. In addition, procedures will be enhanced to require analytical review of all columns including non major columns of the financial statements to identify funds that may be assigned to the incorrect SWF or SWGF. Finding 2 Expected Completion Date: Completed	
Auditor General Report AG 2023-097	June-23	Office of Information Technology	Finding 1: FLAIR program change controls continue to need improvement to ensure that all program changes are appropriately authorized, tested, reviewed, and approved prior to implementation into the FLAIR production environment, and are managed by, and do not bypass, the Department's change management process. Finding 1 Recommendation: Part 1: We again recommend the Department management improve change management controls to ensure that Department records evidence the FLAIR program and related changes are appropriately authorized, tested, approved for production, and implemented into the production environment. Part 2: We also recommend that Department management ensure that Department records evidence through reconciliations and program code reviews that all FLAIR program changes are managed by, and do not bypass, the Department's change management process.	Finding 1 Corrective Action: Part 1: Standardized change management desk procedures were implemented September 30, 2022. The procedures were developed with input from all FLAIR sections and cover the change process from the original request through implementation of changes and reconciliation of the audit reports. Part 2: Code review checklists have been implemented for program code reviews. These checklists will be stored in a central location for each FLAIR section. Audit reports will now be run 7 days a week and the report results will be documented each day. Finding 1 Expected Completion Date: Completed.	

			Finding 2: Department records did not evidence periodic reviews of the Department network domain privileged accounts' access privileges. Finding 2 Recommendation: We recommend that Department management ensure that employees responsible for conducting periodic reviews of privileged network domain access privileges for user and service accounts understand and adhere to Department policies and procedures and maintain documentation of such reviews. Finding 3: Certain security controls related to physical access, logical access, user authentication, configuration management, and logging and monitoring need improvement to ensure the confidentiality, integrity, and availability of FLAIR data and Department IT resources (Confidential Finding). Finding 3 Recommendation: We recommend that Department management improve certain security controls related to physical access, logical access, user authentication, configuration management, and logging and monitoring to ensure the confidentiality, integrity, and availability of FLAIR data and other Department IT resources (Confidential Finding).	Finding 2 Corrective Action: The Department has implemented a process to document access reviews for privileged accounts to its resources. Finding 2 Expected Completion Date: Completed. Finding 3 Corrective Action: The Office of Information Technology agrees to improve security controls related to physical access, logical access, user authentication, configuration management, and logging and monitoring to ensure the confidentiality, integrity, and availability of FLAIR data and other Department IT resources. The Office of Information Technology has partially completed the corrective action according to the audit's six-month follow-up report on July 21, 2023. Finding 3 Expected Completion Date: October 31, 2023	

SCHEDULE IX: MAJOR AUDIT FINDINGS AND RECOMMENDATIONS   **Budget Period: 2025-2026**

Department: Office of Insurance Regulation   **Chief Internal Auditor:** Linh Trang

Budget Entity: 43900120   **Phone Number:** (850) 413-3113

(1) REPORT NUMBER	(2) PERIOD ENDING	(3) UNIT/AREA	(4) SUMMARY OF FINDINGS AND RECOMMENDATIONS	(5) SUMMARY OF CORRECTIVE ACTION TAKEN	(6) ISSUE CODE
AUD-2122-159 OIR-OIG	9/22/2023	Cybersecurity Audit of SAS User Access Privileges	**Finding 1** The audit resulted in one finding regarding privileges not agreeing with job duties and responsibilities. *The OIG recommended management take appropriate corrective actions to ensure access is based on the principles of "least privilege" and "need to know determination" for legitimate business purposes.* OIG Note: Specific details have been omitted to avoid the possibility of compromising OIR resources.	**Corrective Actions:** Management acknowledged the finding and recommendation. OIR management strives to provide employees sufficient access to data as necessary to complete its mission while maintaining data security. OIR Management is in the process of adding controls to limit access to reports as necessary.	

| Auditor General Report No. 2023-189 | 05/23/23 | OIR Operational Audit - Certificates of Authority, Selected Administrative Activities, and Prior Audit Follow-Up | **Finding 1:**
Office telework controls established in response to the COVID-19 pandemic did not always capture the information necessary to maintain accountability for telework arrangements and equipment assigned to teleworking employees.

The Auditor General recommended Office management ensure that all telework arrangements are supported and documented by complete and approved telework agreements and equipment inventory forms and that the Office maintain a comprehensive list of all equipment in use by teleworking employees. | **Corrective Action 1:**
OIR's primary goal when facilitating temporary telework was to ensure the safety of employees and to transition swiftly from in-office to telework operations. OIR management stressed the importance of filling out paperwork properly to each employee and supervisor and provided detailed instructions on how to access technology and files remotely. OIR acknowledges, however, that a limited number of forms did not include all required signatures. Accordingly, OIR, in future, will ensure that any and all telework arrangements are supported and documented by complete and approved telework agreements and equipment inventory forms. Further, OIR has updated its policies and procedures to ensure maintenance of a comprehensive list of all equipment in use by teleworking employees.

OIG Note: Management's corrective actions were determined to be in progress during the initial audit follow-up review. | |

Auditor General Report No. 2023-189	05/23/23	OIR Operational Audit - Certificates of Authority, Selected Administrative Activities, and Prior Audit Follow-Up	**Finding 2:** The Office did not maintain a complete contract listing or ensure that all contract managers and administrators adhered to the training, certification, and assignment requirements specified in State law. *The Auditor General recommended Office management enhance contract management controls to ensure that a complete listing of all Office contracts is maintained, all contract managers complete the training and certification requirements specified in State law, and contract administrators do not serve as the contract manager for any contract in excess of $500,000.*	**Corrective Action 2:** OIR Acknowledges the finding related to contract management and continues to work to ensure contract management personnel are fully aware of applicable contract requirements and receive proper training. Additionally, during the 2021 legislative session, OIR received authority and funding for a Contracts Administrator position, which is now filled and incorporated into OIR contract management processes. OIR continues to review its processes to ensure compliance with all contract management requirements and responsibilities. OIG Note: Management's corrective actions were determined to be in progress during the initial audit follow-up review.	
Auditor General Report No. 2023-189	05/23/23	OIR Operational Audit - Certificates of Authority, Selected Administrative Activities, and Prior Audit Follow-Up	**Finding 3:** As similarly noted in our report No. 2020-065, the Office did not always timely post contract information and documents to the Florida Accountability Contract Tracking System as required by State law. *The Auditor General recommended Office management ensure that all contract information and documents are timely posted to FACTS in accordance with State law.*	**Corrective Action 3:** OIR acknowledges the finding related to contract information reporting and has since updated its policies and procedures to ensure timely reporting. The OIG determined this finding to be closed.	

| AUD-2122-009 OIR-OIG | 02/08/23 | Cybersecurity Audit of the OIR System Development Life Cycle and Change Management Processes | **Findings 1 thru 4:** The audit resulted in four findings over separation of duties; policies, procedures, and guides; and certain security controls.

The OIG recommended management take appropriate corrective actions to address Findings 1 thru 4.

OIG Note: Specific details have been omitted to avoid the possibility of compromising OIR resources. | **Corrective Actions 1 thru 4:** Management generally concurred with the findings and acknowledged the recommendations to enhance the existing processes. The office has already begun its review of the relevant administrative policies and procedures to provide updates. In addition, the office will continue to look for ways to enhance and improve its processes, in collaboration with the Department of Financial Services, including updates to guides.

OIG Note: Management's corrective actions were determined to be in progress during the initial audit follow-up review. | |

Office of Policy and Budget - June 2024

SCHEDULE IX: MAJOR AUDIT FINDINGS AND RECOMMENDATIONS   **Budget Period: 2023-24**

Department: Office of Financial Regulation   **Chief Internal Auditor: Cynthia Hefren**

Budget Entity: 43900500   **Phone Number: (850) 410-9712**

(1) REPORT NUMBER	(2) PERIOD ENDING	(3) UNIT/AREA	(4) SUMMARY OF FINDINGS AND RECOMMENDATIONS	(5) SUMMARY OF CORRECTIVE ACTION TAKEN	(6) ISSUE CODE
No major audit findings and recommendations					

Fiscal Year 2025-26 LBR Technical Review Checklist

Department/Budget Entity (Service): Financial Services
Agency Budget Officer/OPB Analyst Name: Teri Madsen

A "Y" indicates "YES" and is acceptable, an "N/J" indicates "NO/Justification Provided" - these require further explanation/justification

Action	Program or Service (Budget Entity Codes)				
	43010	43100	43200	43300	43400

1. GENERAL

		43010	43100	43200	43300	43400
1.1	Are Columns A01, A04, A05, A91, A92, A93, A36, A10, IA1, IA4, IA5, IP1, IV1, IV3 and NV1 set to TRANSFER CONTROL for DISPLAY status and MANAGEMENT CONTROL for UPDATE status for both the Budget and Trust Fund columns (no trust fund files for narrative columns)? Is Column A02 set to TRANSFER CONTROL for DISPLAY status and MANAGEMENT CONTROL for UPDATE status for the Trust Fund Files (the Budget Files should already be on TRANSFER CONTROL for DISPLAY and MANAGEMENT CONTROL for UPDATE)? Are Columns A06, A07, A08 and A09 for Fixed Capital Outlay (FCO) set to TRANSFER CONTROL for DISPLAY status only (UPDATE status remains on OWNER)? **(CSDI or Web LBR Column Security)**	Y	Y	Y	Y	Y
1.2	Is Column A03 set to TRANSFER CONTROL for DISPLAY and UPDATE status for both the Budget and Trust Fund columns? **(CSDI)**	Y	Y	Y	Y	Y

AUDITS:

		43010	43100	43200	43300	43400
1.3	Have Column A03 budget files been copied to Column A12? Run the Exhibit B Audit Comparison Report to verify. **(EXBR, EXBA)**	Y	Y	Y	Y	Y
1.4	Have Column A03 trust fund files been copied to Column A12? Run Schedule I **(SC1R, SC1 or SC1R, SC1D adding column A12)** to verify.	Y	Y	Y	Y	Y
1.5	Has Column A12 security been set correctly to ALL for DISPLAY status and MANAGEMENT CONTROL for UPDATE status for Budget and Trust Fund files? **(CSDR, CSA)**	Y	Y	Y	Y	Y
TIP	The agency should prepare the budget request for submission in this order: 1) Copy Column A03 to Column A12, and 2) Lock columns as described above. A security control feature included in the LAS/PBS Web upload process requires columns to be in the proper status before uploading to the portal.					

2. EXHIBIT A (EADR, EXA)

		43010	43100	43200	43300	43400
2.1	Is the budget entity authority and description consistent with the agency's LRPP and does it conform to the directives provided on page 56 of the LBR	Y	Y	Y	Y	Y
2.2	Are the statewide issues generated systematically (estimated expenditures, nonrecurring expenditures, etc.) included?	Y	Y	Y	Y	Y
2.3	Are the issue codes and titles consistent with *Section 3* of the LBR Instructions (pages 14 through 27)? Do they clearly describe the issue?	Y	Y	Y	Y	Y

3. EXHIBIT B (EXBR, EXB)

		43010	43100	43200	43300	43400
3.1	Is it apparent that there is a fund shift where an appropriation category's funding source is different between A02 and A03? Were the issues entered into LAS/PBS correctly? Check D-3A funding shift issue 340XXX0 - a unique deduct and unique add back issue should be used to ensure fund shifts display correctly on the LBR exhibits.	Y	Y	Y	Y	Y

AUDITS:						
3.2	Negative Appropriation Category Audit for Agency Request (Columns A03 and A04): Are all appropriation categories positive by budget entity and program component at the FSI level? Are all nonrecurring amounts less than requested amounts? **(NACR, NAC - Report should print "No Negative Appropriation Category Found")**	Y	Y	Y	Y	Y
3.3	Current Year Estimated Verification Comparison Report: Is Column A02 equal to Column B07? **(EXBR, EXBC - Report should print "Records Selected Net To Zero")**	Y	Y	Y	Y	Y
TIP	Generally look for and be able to fully explain significant differences between A02 and A03.					
TIP	Exhibit B - A02 equal to B07: Compares Current Year Estimated column to a backup of A02. This audit is necessary to ensure that the historical detail records have not been adjusted. Records selected should net to zero.					
TIP	Requests for appropriations which require advance payment authority must use the sub-title "Grants and Aids". For advance payment authority to local units of government, the Aid to Local Government appropriation category (05XXXX) should be used. For advance payment authority to non-profit organizations or other units of state government, a Special Categories appropriation category (10XXXX) should be used.					
4. EXHIBIT D (EADR, EXD)						
4.1	Is the program component objective statement consistent with the agency LRPP, and does it conform to the directives provided on page 59 of the LBR	Y	Y	Y	Y	Y
4.2	Is the program component code and title used correct?	Y	Y	Y	Y	Y
TIP	Fund shifts or transfers of services or activities between program components will be displayed on an Exhibit D whereas it may not be visible on an Exhibit A.					
5. EXHIBIT D-1 (ED1R, EXD1)						
5.1	Are all object of expenditures positive amounts? (This is a manual check.)	Y	Y	Y	Y	Y
AUDITS:						
5.2	Do the fund totals agree with the object category totals within each appropriation category? **(ED1R, XD1A - Report should print "No Differences Found For This Report")**	Y	Y	Y	Y	Y
5.3	FLAIR Expenditure/Appropriation Ledger Comparison Report: Is Column A01 less than Column B04? **(EXBR, EXBB - Negative differences [with a $5,000 allowance] need to be corrected in Column A01.)**	Y	Y	Y	Y	Y
5.4	A01/State Accounts Disbursements and Carry Forward Comparison Report: Does Column A01 equal Column B08? **(EXBR, EXBD - Differences [with a $5,000 allowance at the department level] need to be corrected in Column A01.)**	Y	Y	Y	Y	Y
TIP	If objects are negative amounts, the agency must make adjustments to Column A01 to correct the object amounts. In addition, the fund totals must be adjusted to reflect the adjustment made to the object data.					
TIP	If fund totals and object totals do not agree or negative object amounts exist, the agency must adjust Column A01.					

6. EXHIBIT D-3 (ED3R, ED3) (Not required in the LBR - for analytical purposes only.)

6.1	Are issues appropriately aligned with appropriation categories?	Y	Y	Y	Y	Y
TIP	Exhibit D-3 is not required in the budget submission but may be needed for this particular appropriation category/issue sort. Exhibit D-3 is also a useful report when identifying negative appropriation category problems.					

7. EXHIBIT D-3A (EADR, ED3A) (Required to be posted to the Florida Fiscal Portal)

7.1	Are the issue titles correct and do they clearly identify the issue? (See pages 14 through 27 of the LBR Instructions.)	Y	Y	Y	Y	Y
7.2	Does the issue narrative adequately explain the agency's request and is the explanation consistent with the LRPP? (See pages 64 through 69 of the LBR Instructions.)	Y	Y	Y	Y	Y
7.3	Does the narrative for Information Technology (IT) issue follow the additional narrative requirements described on pages 66 through 69 of the LBR	Y	Y	Y	Y	Y
7.4	Are all issues with an IT component identified with a "Y" in the "IT COMPONENT?" field? If the issue contains an IT component, has that component been identified and documented?	Y	Y	Y	Y	Y
7.5	Does the issue narrative explain any variances from the Standard Expense and Human Resource Services Assessments package? Is the nonrecurring portion in the nonrecurring column? (See pages E.4 through E.7 of the LBR Instructions.)	Y	Y	Y	Y	Y
7.6	Does the salary rate request amount accurately reflect any new requests and are the amounts proportionate to the Salaries and Benefits request? Note: Salary rate should always be annualized.	Y	Y	Y	Y	Y
7.7	Does the issue narrative thoroughly explain/justify all Salaries and Benefits amounts entered into the Other Salary Amounts transactions (OADA/C)? Amounts entered into OAD are reflected in the Position Detail of Salaries and Benefits section of the Exhibit D-3A. (See pages 93 through 94 of the LBR	Y	Y	Y	Y	Y
7.8	Does the issue narrative include the Consensus Estimating Conference forecast, where appropriate?	Y	Y	Y	Y	Y
7.9	Does the issue narrative reference the specific county(ies) where applicable?	Y	Y	Y	Y	Y
7.10	Do the 160XXX0 issues reflect budget amendments that have been approved (or in the process of being approved) and that have a recurring impact (including Lump Sums)? Have the approved budget amendments been entered in Column A18 as instructed in Memo #24-040?	Y	Y	Y	Y	Y
7.11	When appropriate are there any 160XXX0 issues included to delete positions placed in reserve in the LAS/PBS Position and Rate Ledger (e.g. unfunded grants)? Note: Lump sum appropriations not yet allocated should not be	Y	Y	Y	Y	Y

7.12	Does the issue narrative include plans to satisfy additional space requirements when requesting additional positions?	Y	Y	Y	Y	Y
7.13	Has the agency included a 160XXX0 issue and 210XXXX and 260XXX0 issues as required for lump sum distributions?	Y	Y	Y	Y	Y
7.14	Do the amounts reflect appropriate FSI assignments?	Y	Y	Y	Y	Y
7.15	Are the 33XXXX0 issues negative amounts only and do not restore nonrecurring cuts from a prior year or fund any issues that net to a positive or zero amount? Check D-3A issues 33XXXX0 - a unique issue should be used for issues that net to zero or a positive amount.	Y	Y	Y	Y	Y
7.16	Do the issue codes relating to special *Salaries and Benefits* issues (e.g., position reclassification, pay grade adjustment, overtime/on-call pay, etc.) have an "A" in the fifth position of the issue code (XXXXAXX) and are they self-contained (not combined with other issues)? (See pages 26 and 27 of the LBR Instructions.)	Y	Y	Y	Y	Y
7.17	Do the issues relating to *Information Technology (IT)* have a "C" in the sixth position of the issue code (36XXXCX) and are the correct issue codes used (361XXC0, 362XXC0, 363XXC0, 24010C0, 30010C0, 33011C0, 160E470, or 160E480)?	Y	Y	Y	Y	Y
7.18	Are the issues relating to *Major Audit Findings and Recommendations* properly coded (4A0XXX0, 4B0XXX0)?	Y	Y	Y	Y	Y
7.19	Does the issue narrative identify the strategy or strategies in the Five Year Statewide Strategic Plan for Economic Development?	Y	Y	Y	Y	Y
AUDIT:						
7.20	Does the General Revenue for 160XXXX (Adjustments to Current Year Expenditures) issues net to zero? **(GENR, LBR1)**	Y	Y	Y	Y	Y
7.21	Does the General Revenue for 180XXXX (Intra-Agency Reorganizations) issues net to zero? **(GENR, LBR2)**	Y	Y	Y	Y	Y
7.22	Does the General Revenue for 200XXXX (Estimated Expenditures Realignment) issues net to zero? **(GENR, LBR3)**	Y	Y	Y	Y	Y
7.23	Have FCO appropriations been entered into the nonrecurring column (A04)? **(GENR, LBR4 - Report should print "No Records Selected For Reporting" or a listing of D-3A issue(s) assigned to Debt Service (IOE N) or in some cases State Capital Outlay - Public Education Capital Outlay (IOE L)**	Y	Y	Y	Y	Y
7.24	Has narrative been entered for all issues requested by the agency? Agencies do not need to include narrative for startup issues (1001000, 2103XXX, etc.) that were not input by the agency. **(NAAR, BSNR)**	Y	Y	Y	Y	Y
7.25	Has the agency entered annualization issues (260XXX0) for any issue that was partially funded in Fiscal Year 2024-25? Review Column G66 to determine whether any incremental amounts are needed to fully fund an issue that was initially appropriated in Fiscal Year 2024-25. Do not add annualization issues for pay and benefit distribution issues, as those annualization issues (26AXXXX) have already been added to A03.	Y	Y	Y	Y	Y
TIP	Salaries and Benefits amounts entered using the OADA/C transactions must be thoroughly justified in the D-3A issue narrative. Agencies can run **OADA/OADR** from STAM to identify the amounts entered into OAD and ensure these entries have been thoroughly explained in the D-3A issue narrative.					

TIP	The issue narrative must completely and thoroughly explain and justify each D-3A issue. Agencies must ensure it provides the information necessary for the OPB and legislative analysts to have a complete understanding of the issue submitted. Thoroughly review pages 64 through 69 of the LBR Instructions.					
TIP	Check BAPS to verify status of budget amendments. Check for reapprovals not picked up in the General Appropriations Act. Verify that Lump Sum appropriations in Column A02 do not appear in Column A03. Review budget amendments to verify that 160XXX0 issue amounts correspond accurately and net to zero for General Revenue funds.					
TIP	If an agency is receiving federal funds from another agency the FSI should = 9 (Transfer - Recipient of Federal Funds). The agency that originally receives the funds directly from the federal agency should use FSI = 3 (Federal Funds).					
TIP	If an appropriation made in the FY 2024-25 General Appropriations Act duplicates an appropriation made in substantive legislation, the agency must create a unique deduct nonrecurring issue to eliminate the duplicated appropriation. Normally this is taken care of through line item veto.					

8. SCHEDULE I & RELATED DOCUMENTS (SC1R, SC1 - Budget Entity Level *or* SC1R, SC1D - Department

8.1	Has a separate department level Schedule I and supporting documents package been submitted by the agency?	Y	Y	Y	Y	Y
8.2	Has a Schedule I and Schedule IB been completed in LAS/PBS for each operating trust fund?	Y	Y	Y	Y	Y
8.3	Have the appropriate Schedule I supporting documents been included for the trust funds (Schedule IA, Schedule IC, and Reconciliation to Trial Balance)?	Y	Y	Y	Y	Y
8.4	Have the Examination of Regulatory Fees Part I and Part II forms been included for the applicable regulatory programs?	Y	Y	Y	Y	Y
8.5	Have the required detailed narratives been provided (5% trust fund reserve narrative; method for computing the distribution of cost for general management and administrative services narrative; adjustments narrative; revenue estimating methodology narrative**;** fixed capital outlay adjustment narrative)?	Y	Y	Y	Y	Y
8.6	Has the Inter-Agency Transfers Reported on Schedule I form been included as applicable for transfers totaling $100,000 or more for the fiscal year?	Y	Y	Y	Y	Y
8.7	If the agency is scheduled for the annual trust fund review this year, have the Schedule ID and applicable draft legislation been included for recreation, modification or termination of existing trust funds?	Y	Y	Y	Y	Y
8.8	If the agency is scheduled for the annual trust fund review this year, have the necessary trust funds been requested for creation pursuant to section 215.32(2)(b), Florida Statutes - including the Schedule ID and applicable	Y	Y	Y	Y	Y
8.9	Are the revenue codes correct? In the case of federal revenues, has the agency appropriately identified direct versus indirect receipts (object codes 000700, 000750, 000799, 001510 and 001599)? For non-grant federal revenues, is the correct revenue code identified (codes 000504, 000119, 001270, 001870, 001970)?	Y	Y	Y	Y	Y
8.10	Are the statutory authority references correct?	Y	Y	Y	Y	Y
8.11	Are the General Revenue Service Charge percentage rates used for each revenue source correct? (Refer to section 215.20, Florida Statutes, for appropriate General Revenue Service Charge percentage rates.)	Y	Y	Y	Y	Y

8.12	Is this an accurate representation of revenues based on the most recent Consensus Estimating Conference forecasts?	Y	Y	Y	Y	Y
8.13	If there is no Consensus Estimating Conference forecast available, do the revenue estimates appear to be reasonable?	Y	Y	Y	Y	Y
8.14	Are the federal funds revenues reported in Section I broken out by individual grant? Are the correct CFDA codes used?	Y	Y	Y	Y	Y
8.15	Are anticipated grants included and based on the state fiscal year (rather than federal fiscal year)?	Y	Y	Y	Y	Y
8.16	Are the Schedule I revenues consistent with the FSI's reported in the Exhibit D-	Y	Y	Y	Y	Y
8.17	If applicable, are nonrecurring revenues entered into Column A04?	Y	Y	Y	Y	Y
8.18	Has the agency certified the revenue estimates in columns A02 and A03 to be the latest and most accurate available? Does the certification include a statement that the agency will notify OPB of any significant changes in revenue estimates that occur prior to the Governor's Budget Recommendations being	Y	Y	Y	Y	Y
8.19	Is a 5% trust fund reserve reflected in Section II? If not, is sufficient justification provided for exemption? Are the additional narrative requirements	Y	Y	Y	Y	Y
8.20	Are appropriate General Revenue Service Charge nonoperating amounts included in Section II?	Y	Y	Y	Y	Y
8.21	Are nonoperating expenditures to other budget entities/departments cross-referenced accurately?	Y	Y	Y	Y	Y
8.22	Do transfers balance between funds (within the agency as well as between agencies)? (See also 8.6 for required transfer confirmation of amounts totaling $100,000 or more.)	Y	Y	Y	Y	Y
8.23	Are nonoperating expenditures recorded in Section II and adjustments recorded in Section III?	Y	Y	Y	Y	Y
8.24	Are prior year September operating reversions appropriately shown in column A01, Section III?	Y	Y	Y	Y	Y
8.25	Are current year September operating reversions (if available) appropriately shown in column A02, Section III?	Y	Y	Y	Y	Y
8.26	Does the Schedule IC properly reflect the unreserved fund balance for each trust fund as defined by the LBR Instructions, and is it reconciled to the agency accounting records?	Y	Y	Y	Y	Y
8.27	Has the agency analyzed for continuing appropriations (category 13XXXX) and properly accounted for in the appropriate column(s) in Section III?	Y	Y	Y	Y	Y
8.28	Does Column A01 of the Schedule I accurately represent the actual prior year accounting data as reflected in the agency accounting records, and is it provided in sufficient detail for analysis?	Y	Y	Y	Y	Y
8.29	Does Line I of Column A01 (Schedule I) equal Line K of the Schedule IC?	Y	Y	Y	Y	Y
AUDITS:						
8.30	Is Line I a positive number? (If not, the agency must adjust the budget request to eliminate the deficit).	Y	Y	Y	Y	Y
8.31	Is the June 30 Adjusted Unreserved Fund Balance (Line I) equal to the July 1 Unreserved Fund Balance (Line A) of the following year? If a Schedule IB was prepared, do the totals agree with the Schedule I, Line I? **(SC1R, SC1A - Report should print "No Discrepancies Exist For This Report")**	Y	Y	Y	Y	Y

8.32	Has a Department Level Reconciliation been provided for each trust fund and does Line A of the Schedule I equal the CFO amount? If not, the agency must correct Line A. **(SC1R, DEPT)**	Y	Y	Y	Y	Y
8.33	Has a Schedule IB been provided for ALL trust funds having an unreserved fund balance in columns A01, A02 and/or A03, and if so, does each column's total agree with line I of the Schedule I?	Y	Y	Y	Y	Y
8.34	Have A/R been properly analyzed and any allowances for doubtful accounts been properly recorded on the Schedule IC?	Y	Y	Y	Y	Y
TIP	The Schedule I is the most reliable source of data concerning the trust funds. It is very important that this schedule is as accurate as possible!					
TIP	Determine if the agency is scheduled for trust fund review. (See page 124 of the LBR Instructions.) Transaction DFTR in LAS/PBS is also available and provides an LBR review date for each trust fund.					
TIP	Review the unreserved fund balances and compare revenue totals to expenditure totals to determine and understand the trust fund status.					
TIP	Typically nonoperating expenditures and revenues should not be a negative number. Any negative numbers must be fully justified.					

9. SCHEDULE II (PSCR, SC2)

AUDIT:

9.1	Is the pay grade minimum for salary rate utilized for positions in segments 2 and 3? **(BRAR, BRAA - Report should print "No Records Selected For This Request")** Note: Amounts other than the pay grade minimum should be fully justified in the D-3A issue narrative. (See *Base Rate Audit* on page 155 of the LBR Instructions.)	Y	Y	Y	Y	Y

10. SCHEDULE III (PSCR, SC3)

10.1	Is the appropriate lapse amount applied? (See page 90 of the LBR Instructions.)	Y	Y	Y	Y	Y
10.2	Are amounts in *Other Salary Amount* appropriate and fully justified? (See pages 93 and 94 of the LBR Instructions for appropriate use of the OAD transaction.) Use **OADI** or **OADR** to identify agency other salary amounts	Y	Y	Y	Y	Y

11. SCHEDULE IV (EADR, SC4)

11.1	Are the correct Information Technology (IT) issue codes used?	Y	Y	Y	Y	Y
TIP	If IT issues are not coded (with "C" in 6th position or within a program component of 1603000000), they will not appear in the Schedule IV.					

12. SCHEDULE VIIIA (EADR, SC8A)

12.1	Is there only one #1 priority, one #2 priority, one #3 priority, etc. reported on the Schedule VIII-A? Are the priority narrative explanations adequate? Note: FCO issues can be included in the priority listing.	Y	Y	Y	Y	Y

13. SCHEDULE VIIIB-1 (EADR, S8B1)

13.1	**NOT REQUIRED FOR THIS YEAR**					
TIP	If all or a portion of an issue is intended to be reduced on a nonrecurring basis, include the total reduction amount in Column A91 and the nonrecurring portion in Column A92.					

14. SCHEDULE VIIIB-2 (EADR, S8B2) (Required to be posted to the Florida Fiscal Portal)

14.1	Do the reductions comply with the instructions provided on pages 99 through 102 of the LBR Instructions regarding a 10% reduction in General Revenue and Trust Funds, including the verification that the 33BXXX0 issue has NOT been used? Verify that excluded appropriation categories and funds were not used (e.g. funds with FSI 3 and 9, etc.)	Y	Y	Y	Y	Y
TIP	Compare the debt service amount requested (IOE N or other IOE used for debt service) with the debt service need included in the Schedule VI: Detail of Debt Service, to determine whether any debt has been retired and may be reduced.					
TIP	If all or a portion of an issue is intended to be reduced on a nonrecurring basis, in the absence of a nonrecurring column, include that intent in narrative.					

15. SCHEDULE VIIIC (EADR, S8C) (NO LONGER REQUIRED)

16. SCHEDULE XI (UCSR,SCXI) (LAS/PBS Web - see pages 104-108 of the LBR Instructions for detailed

16.1	Agencies are required to generate this spreadsheet via the LAS/PBS Web. **The Final Excel version no longer has to be submitted to OPB for inclusion on the Governor's Florida Performs Website.** (Note: Pursuant to section 216.023(4) (b), Florida Statutes, the Legislature can reduce the funding level for any agency that does not provide this information.)	Y	Y	Y	Y	Y
16.2	Do the PDF files uploaded to the Florida Fiscal Portal for the LRPP (if submitting) and LBR match?	Y	Y	Y	Y	Y

AUDITS INCLUDED IN THE SCHEDULE XI REPORT:

16.3	Does the FY 2023-24 Actual (prior year) Expenditures in Column A36 reconcile to Column A01? (**GENR, ACT1**)	Y	Y	Y	Y	Y
16.4	None of the executive direction, administrative support and information technology statewide activities (ACT0010 thru ACT0490) have output standards (Record Type 5)? (**Audit #1 should print "No Activities Found"**)	Y	Y	Y	Y	Y
16.5	Does the Fixed Capital Outlay (FCO) statewide activity (ACT0210) only contain 08XXXX or 14XXXX appropriation categories? (**Audit #2 should print "No Operating Categories Found"**)	Y	Y	Y	Y	Y
16.6	Has the agency provided the necessary standard (Record Type 5) for all activities which <u>should</u> appear in Section II? (Note: The activities listed in **Audit #3** do not have an associated output standard. In addition, the activities were not identified as a Transfer to a State Agency, as Aid to Local Government, or a Payment of Pensions, Benefits and Claims. Activities listed here should represent transfers/pass-throughs 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.)	Y	Y	Y	Y	Y
16.7	Does Section I (Final Budget for Agency) and Section III (Total Budget for Agency) equal? (**Audit #4 should print "No Discrepancies Found"**)	Y	Y	Y	Y	Y
TIP	If Section I and Section III have a small difference, it may be due to rounding and therefore will be acceptable.					

17. MANUALLY PREPARED EXHIBITS & SCHEDULES (Required to be posted to the Florida Fiscal Portal)

17.1	Do exhibits and schedules comply with LBR Instructions (pages 52 through 152 of the LBR Instructions), and are they accurate and complete?	Y	Y	Y	Y	Y
17.2	Does manual exhibits tie to LAS/PBS where applicable?	Y	Y	Y	Y	Y
17.3	Are agency organization charts (Schedule X) provided and at the appropriate level of detail?	Y	Y	Y	Y	Y

17.4	Does the LBR include a separate Schedule IV-B for each IT project over $1 million (see page 128 and 129 of the LBR instructions for exceptions to this rule)? Have all IV-Bs been emailed to: **IT@LASPBS.STATE.FL.US?**	Y	Y	Y	Y	Y
17.5	Are all forms relating to Fixed Capital Outlay (FCO) funding requests submitted in the proper form, including a Truth in Bonding statement (if applicable) ?	Y	Y	Y	Y	Y

AUDITS - GENERAL INFORMATION						
TIP	Review *Section 6: Audits* of the LBR Instructions (pages 154 through 156) for a list of audits and their descriptions.					
TIP	Reorganizations may cause audit errors. Agencies must indicate that these errors are due to an agency reorganization to justify the audit error.					

18. CAPITAL IMPROVEMENTS PROGRAM (CIP) (Required to be posted to the Florida Fiscal Portal)						
18.1	Are the CIP-2, CIP-3, CIP-A and CIP-B forms included?	Y	Y	Y	Y	Y
18.2	Are the CIP-4 and CIP-5 forms submitted when applicable (see CIP	Y	Y	Y	Y	Y
18.3	Do all CIP forms comply with CIP Instructions where applicable (see CIP Instructions)?	Y	Y	Y	Y	Y
18.4	Does the agency request include 5 year projections (Columns A03, A06, A07, A08 and A09)?	Y	Y	Y	Y	Y
18.5	Are the appropriate counties identified in the narrative?	Y	Y	Y	Y	Y
18.6	Has the CIP-2 form (Exhibit B) been modified to include the agency priority for each project and the modified form saved as a PDF document?	Y	Y	Y	Y	Y
TIP	Requests for Fixed Capital Outlay appropriations which are Grants and Aids to Local Governments and Non-Profit Organizations must use the Grants and Aids to Local Governments and Non-Profit Organizations - Fixed Capital Outlay major appropriation category (140XXX) and include the sub-title "Grants and Aids". These appropriations utilize a CIP-B form as justification.					

19. FLORIDA FISCAL PORTAL						
19.1	Have all files been assembled correctly and posted to the Florida Fiscal Portal as outlined in the Florida Fiscal Portal Submittal Process?	Y	Y	Y	Y	Y

Fiscal Year 2025-26 LBR Technical Review Checklist

Department/Budget Entity (Service):	
Agency Budget Officer/OPB Analyst Name:	

A "Y" indicates "YES" and is acceptable, an "N/J" indicates "NO/Justification Provided" - these require further explanation/justification

Action	Program or Service (Budget Entity Codes)				
	43500	43600	43700		

1. GENERAL

		43500	43600	43700		
1.1	Are Columns A01, A04, A05, A91, A92, A93, A36, A10, IA1, IA4, IA5, IP1, IV1, IV3 and NV1 set to TRANSFER CONTROL for DISPLAY status and MANAGEMENT CONTROL for UPDATE status for both the Budget and Trust Fund columns (no trust fund files for narrative columns)? Is Column A02 set to TRANSFER CONTROL for DISPLAY status and MANAGEMENT CONTROL for UPDATE status for the Trust Fund Files (the Budget Files should already be on TRANSFER CONTROL for DISPLAY and MANAGEMENT CONTROL for UPDATE)? Are Columns A06, A07, A08 and A09 for Fixed Capital Outlay (FCO) set to TRANSFER CONTROL for DISPLAY status only (UPDATE status remains on OWNER)? **(CSDI or Web LBR Column Security)**	Y	Y	Y	Y	Y
1.2	Is Column A03 set to TRANSFER CONTROL for DISPLAY and UPDATE status for both the Budget and Trust Fund columns? **(CSDI)**	Y	Y	Y	Y	Y

AUDITS:

		43500	43600	43700		
1.3	Have Column A03 budget files been copied to Column A12? Run the Exhibit B Audit Comparison Report to verify. **(EXBR, EXBA)**	Y	Y	Y	Y	Y
1.4	Have Column A03 trust fund files been copied to Column A12? Run Schedule I **(SC1R, SC1 or SC1R, SC1D adding column A12)** to verify.	Y	Y	Y	Y	Y
1.5	Has Column A12 security been set correctly to ALL for DISPLAY status and MANAGEMENT CONTROL for UPDATE status for Budget and Trust Fund files? **(CSDR, CSA)**	Y	Y	Y	Y	Y
TIP	The agency should prepare the budget request for submission in this order: 1) Copy Column A03 to Column A12, and 2) Lock columns as described above. A security control feature included in the LAS/PBS Web upload process requires columns to be in the proper status before uploading to the portal.					

2. EXHIBIT A (EADR, EXA)

		43500	43600	43700		
2.1	Is the budget entity authority and description consistent with the agency's LRPP and does it conform to the directives provided on page 56 of the LBR	Y	Y	Y	Y	Y
2.2	Are the statewide issues generated systematically (estimated expenditures, nonrecurring expenditures, etc.) included?	Y	Y	Y	Y	Y
2.3	Are the issue codes and titles consistent with *Section 3* of the LBR Instructions (pages 14 through 27)? Do they clearly describe the issue?	Y	Y	Y	Y	Y

3. EXHIBIT B (EXBR, EXB)

		43500	43600	43700		
3.1	Is it apparent that there is a fund shift where an appropriation category's funding source is different between A02 and A03? Were the issues entered into LAS/PBS correctly? Check D-3A funding shift issue 340XXX0 - a unique deduct and unique add back issue should be used to ensure fund shifts display correctly on the LBR exhibits.	Y	Y	Y	Y	Y

	AUDITS:					
3.2	Negative Appropriation Category Audit for Agency Request (Columns A03 and A04): Are all appropriation categories positive by budget entity and program component at the FSI level? Are all nonrecurring amounts less than requested amounts? **(NACR, NAC - Report should print "No Negative Appropriation**	Y	Y	Y	Y	Y
3.3	Current Year Estimated Verification Comparison Report: Is Column A02 equal to Column B07? **(EXBR, EXBC - Report should print "Records Selected Net To Zero")**	Y	Y	Y	Y	Y
TIP	Generally look for and be able to fully explain significant differences between A02 and A03.					
TIP	Exhibit B - A02 equal to B07: Compares Current Year Estimated column to a backup of A02. This audit is necessary to ensure that the historical detail records have not been adjusted. Records selected should net to zero.					
TIP	Requests for appropriations which require advance payment authority must use the sub-title "Grants and Aids". For advance payment authority to local units of government, the Aid to Local Government appropriation category (05XXXX) should be used. For advance payment authority to non-profit organizations or other units of state government, a Special Categories appropriation category (10XXXX) should be used.					
4. EXHIBIT D (EADR, EXD)						
4.1	Is the program component objective statement consistent with the agency LRPP, and does it conform to the directives provided on page 59 of the LBR	Y	Y	Y	Y	Y
4.2	Is the program component code and title used correct?	Y	Y	Y	Y	Y
TIP	Fund shifts or transfers of services or activities between program components will be displayed on an Exhibit D whereas it may not be visible on an Exhibit A.					
5. EXHIBIT D-1 (ED1R, EXD1)						
5.1	Are all object of expenditures positive amounts? (This is a manual check.)	Y	Y	Y	Y	Y
	AUDITS:					
5.2	Do the fund totals agree with the object category totals within each appropriation category? **(ED1R, XD1A - Report should print "No Differences Found For This Report")**	Y	Y	Y	Y	Y
5.3	FLAIR Expenditure/Appropriation Ledger Comparison Report: Is Column A01 less than Column B04? **(EXBR, EXBB - Negative differences [with a $5,000 allowance] need to be corrected in Column A01.)**	Y	Y	Y	Y	Y
5.4	A01/State Accounts Disbursements and Carry Forward Comparison Report: Does Column A01 equal Column B08? **(EXBR, EXBD - Differences [with a $5,000 allowance at the department level] need to be corrected in Column A01.)**	Y	Y	Y	Y	Y
TIP	If objects are negative amounts, the agency must make adjustments to Column A01 to correct the object amounts. In addition, the fund totals must be adjusted to reflect the adjustment made to the object data.					
TIP	If fund totals and object totals do not agree or negative object amounts exist, the agency must adjust Column A01.					

6. EXHIBIT D-3 (ED3R, ED3) (Not required in the LBR - for analytical purposes only.)

6.1	Are issues appropriately aligned with appropriation categories?	Y	Y	Y	Y	Y

7. EXHIBIT D-3A (EADR, ED3A) (Required to be posted to the Florida Fiscal Portal)

7.1	Are the issue titles correct and do they clearly identify the issue? (See pages 14 through 27 of the LBR Instructions.)	Y	Y	Y	Y	Y
7.2	Does the issue narrative adequately explain the agency's request and is the explanation consistent with the LRPP? (See pages 64 through 69 of the LBR Instructions.)	Y	Y	Y	Y	Y
7.3	Does the narrative for Information Technology (IT) issue follow the additional narrative requirements described on pages 66 through 69 of the LBR	Y	Y	Y	Y	Y
7.4	Are all issues with an IT component identified with a "Y" in the "IT COMPONENT?" field? If the issue contains an IT component, has that component been identified and documented?	Y	Y	Y	Y	Y
7.5	Does the issue narrative explain any variances from the Standard Expense and Human Resource Services Assessments package? Is the nonrecurring portion in the nonrecurring column? (See pages E.4 through E.7 of the LBR Instructions.)	Y	Y	Y	Y	Y
7.6	Does the salary rate request amount accurately reflect any new requests and are the amounts proportionate to the Salaries and Benefits request? Note: Salary rate should always be annualized.	Y	Y	Y	Y	Y
7.7	Does the issue narrative thoroughly explain/justify all Salaries and Benefits amounts entered into the Other Salary Amounts transactions (OADA/C)? Amounts entered into OAD are reflected in the Position Detail of Salaries and Benefits section of the Exhibit D-3A. (See pages 93 through 94 of the LBR	Y	Y	Y	Y	Y
7.8	Does the issue narrative include the Consensus Estimating Conference forecast, where appropriate?	Y	Y	Y	Y	Y
7.9	Does the issue narrative reference the specific county(ies) where applicable?	Y	Y	Y	Y	Y
7.10	Do the 160XXX0 issues reflect budget amendments that have been approved (or in the process of being approved) and that have a recurring impact (including Lump Sums)? Have the approved budget amendments been entered in Column A18 as instructed in Memo #24-040?	Y	Y	Y	Y	Y
7.11	When appropriate are there any 160XXX0 issues included to delete positions placed in reserve in the LAS/PBS Position and Rate Ledger (e.g. unfunded grants)? Note: Lump sum appropriations not yet allocated should not be	Y	Y	Y	Y	Y

7.12	Does the issue narrative include plans to satisfy additional space requirements when requesting additional positions?	Y	Y	Y	Y	Y
7.13	Has the agency included a 160XXX0 issue and 210XXXX and 260XXX0 issues as required for lump sum distributions?	Y	Y	Y	Y	Y
7.14	Do the amounts reflect appropriate FSI assignments?	Y	Y	Y	Y	Y
7.15	Are the 33XXXX0 issues negative amounts only and do not restore nonrecurring cuts from a prior year or fund any issues that net to a positive or zero amount? Check D-3A issues 33XXXX0 - a unique issue should be used for issues that net to zero or a positive amount.	Y	Y	Y	Y	Y
7.16	Do the issue codes relating to special *Salaries and Benefits* issues (e.g., position reclassification, pay grade adjustment, overtime/on-call pay, etc.) have an "A" in the fifth position of the issue code (XXXXAXX) and are they self-contained (not combined with other issues)? (See pages 26 and 27 of the LBR Instructions.)	Y	Y	Y	Y	Y
7.17	Do the issues relating to *Information Technology (IT)* have a "C" in the sixth position of the issue code (36XXXCX) and are the correct issue codes used (361XXC0, 362XXC0, 363XXC0, 24010C0, 30010C0, 33011C0, 160E470, or 160E480)?	Y	Y	Y	Y	Y
7.18	Are the issues relating to *Major Audit Findings and Recommendations* properly coded (4A0XXX0, 4B0XXX0)?	Y	Y	Y	Y	Y
7.19	Does the issue narrative identify the strategy or strategies in the Five Year Statewide Strategic Plan for Economic Development?	Y	Y	Y	Y	Y
AUDIT:						
7.20	Does the General Revenue for 160XXXX (Adjustments to Current Year Expenditures) issues net to zero? **(GENR, LBR1)**	Y	Y	Y	Y	Y
7.21	Does the General Revenue for 180XXXX (Intra-Agency Reorganizations) issues net to zero? **(GENR, LBR2)**	Y	Y	Y	Y	Y
7.22	Does the General Revenue for 200XXXX (Estimated Expenditures Realignment) issues net to zero? **(GENR, LBR3)**	Y	Y	Y	Y	Y
7.23	Have FCO appropriations been entered into the nonrecurring column (A04)? **(GENR, LBR4 - Report should print "No Records Selected For Reporting" or a listing of D-3A issue(s) assigned to Debt Service (IOE N) or in some cases State Capital Outlay - Public Education Capital Outlay (IOE L)**	Y	Y	Y	Y	Y
7.24	Has narrative been entered for all issues requested by the agency? Agencies do not need to include narrative for startup issues (1001000, 2103XXX, etc.) that were not input by the agency. **(NAAR, BSNR)**	Y	Y	Y	Y	Y
7.25	Has the agency entered annualization issues (260XXX0) for any issue that was partially funded in Fiscal Year 2024-25? Review Column G66 to determine whether any incremental amounts are needed to fully fund an issue that was initially appropriated in Fiscal Year 2024-25. Do not add annualization issues for pay and benefit distribution issues, as those annualization issues (26AXXXX) have already been added to A03.	Y	Y	Y	Y	Y
TIP	Salaries and Benefits amounts entered using the OADA/C transactions must be thoroughly justified in the D-3A issue narrative. Agencies can run **OADA/OADR** from STAM to identify the amounts entered into OAD and ensure these entries have been thoroughly explained in the D-3A issue narrative.					

TIP	The issue narrative must completely and thoroughly explain and justify each D-3A issue. Agencies must ensure it provides the information necessary for the OPB and legislative analysts to have a complete understanding of the issue submitted. Thoroughly review pages 64 through 69 of the LBR Instructions.					
TIP	Check BAPS to verify status of budget amendments. Check for reapprovals not picked up in the General Appropriations Act. Verify that Lump Sum appropriations in Column A02 do not appear in Column A03. Review budget amendments to verify that 160XXX0 issue amounts correspond accurately and net to zero for General Revenue funds.					
TIP	If an agency is receiving federal funds from another agency the FSI should = 9 (Transfer - Recipient of Federal Funds). The agency that originally receives the funds directly from the federal agency should use FSI = 3 (Federal Funds).					
TIP	If an appropriation made in the FY 2024-25 General Appropriations Act duplicates an appropriation made in substantive legislation, the agency must create a unique deduct nonrecurring issue to eliminate the duplicated appropriation. Normally this is taken care of through line item veto.					

8. SCHEDULE I & RELATED DOCUMENTS (SC1R, SC1 - Budget Entity Level _or_ SC1R, SC1D - Department

8.1	Has a separate department level Schedule I and supporting documents package been submitted by the agency?	Y	Y	Y	Y	Y
8.2	Has a Schedule I and Schedule IB been completed in LAS/PBS for each operating trust fund?	Y	Y	Y	Y	Y
8.3	Have the appropriate Schedule I supporting documents been included for the trust funds (Schedule IA, Schedule IC, and Reconciliation to Trial Balance)?	Y	Y	Y	Y	Y
8.4	Have the Examination of Regulatory Fees Part I and Part II forms been included for the applicable regulatory programs?	Y	Y	Y	Y	Y
8.5	Have the required detailed narratives been provided (5% trust fund reserve narrative; method for computing the distribution of cost for general management and administrative services narrative; adjustments narrative; revenue estimating methodology narrative; fixed capital outlay adjustment narrative)?	Y	Y	Y	Y	Y
8.6	Has the Inter-Agency Transfers Reported on Schedule I form been included as applicable for transfers totaling $100,000 or more for the fiscal year?	Y	Y	Y	Y	Y
8.7	If the agency is scheduled for the annual trust fund review this year, have the Schedule ID and applicable draft legislation been included for recreation, modification or termination of existing trust funds?	Y	Y	Y	Y	Y
8.8	If the agency is scheduled for the annual trust fund review this year, have the necessary trust funds been requested for creation pursuant to section 215.32(2)(b), Florida Statutes - including the Schedule ID and applicable	Y	Y	Y	Y	Y
8.9	Are the revenue codes correct? In the case of federal revenues, has the agency appropriately identified direct versus indirect receipts (object codes 000700, 000750, 000799, 001510 and 001599)? For non-grant federal revenues, is the correct revenue code identified (codes 000504, 000119, 001270, 001870, 001970)?	Y	Y	Y	Y	Y
8.10	Are the statutory authority references correct?	Y	Y	Y	Y	Y
8.11	Are the General Revenue Service Charge percentage rates used for each revenue source correct? (Refer to section 215.20, Florida Statutes, for appropriate General Revenue Service Charge percentage rates.)	Y	Y	Y	Y	Y

8.12	Is this an accurate representation of revenues based on the most recent Consensus Estimating Conference forecasts?	Y	Y	Y	Y	Y
8.13	If there is no Consensus Estimating Conference forecast available, do the revenue estimates appear to be reasonable?	Y	Y	Y	Y	Y
8.14	Are the federal funds revenues reported in Section I broken out by individual grant? Are the correct CFDA codes used?	Y	Y	Y	Y	Y
8.15	Are anticipated grants included and based on the state fiscal year (rather than federal fiscal year)?	Y	Y	Y	Y	Y
8.16	Are the Schedule I revenues consistent with the FSI's reported in the Exhibit D-	Y	Y	Y	Y	Y
8.17	If applicable, are nonrecurring revenues entered into Column A04?	Y	Y	Y	Y	Y
8.18	Has the agency certified the revenue estimates in columns A02 and A03 to be the latest and most accurate available? Does the certification include a statement that the agency will notify OPB of any significant changes in revenue estimates that occur prior to the Governor's Budget Recommendations being	Y	Y	Y	Y	Y
8.19	Is a 5% trust fund reserve reflected in Section II? If not, is sufficient justification provided for exemption? Are the additional narrative requirements	Y	Y	Y	Y	Y
8.20	Are appropriate General Revenue Service Charge nonoperating amounts included in Section II?	Y	Y	Y	Y	Y
8.21	Are nonoperating expenditures to other budget entities/departments cross-referenced accurately?	Y	Y	Y	Y	Y
8.22	Do transfers balance between funds (within the agency as well as between agencies)? (See also 8.6 for required transfer confirmation of amounts totaling $100,000 or more.)	Y	Y	Y	Y	Y
8.23	Are nonoperating expenditures recorded in Section II and adjustments recorded in Section III?	Y	Y	Y	Y	Y
8.24	Are prior year September operating reversions appropriately shown in column A01, Section III?	Y	Y	Y	Y	Y
8.25	Are current year September operating reversions (if available) appropriately shown in column A02, Section III?	Y	Y	Y	Y	Y
8.26	Does the Schedule IC properly reflect the unreserved fund balance for each trust fund as defined by the LBR Instructions, and is it reconciled to the agency accounting records?	Y	Y	Y	Y	Y
8.27	Has the agency analyzed for continuing appropriations (category 13XXXX) and properly accounted for in the appropriate column(s) in Section III?	Y	Y	Y	Y	Y
8.28	Does Column A01 of the Schedule I accurately represent the actual prior year accounting data as reflected in the agency accounting records, and is it provided in sufficient detail for analysis?	Y	Y	Y	Y	Y
8.29	Does Line I of Column A01 (Schedule I) equal Line K of the Schedule IC?	Y	Y	Y	Y	Y
AUDITS:						
8.30	Is Line I a positive number? (If not, the agency must adjust the budget request to eliminate the deficit).	Y	Y	Y	Y	Y
8.31	Is the June 30 Adjusted Unreserved Fund Balance (Line I) equal to the July 1 Unreserved Fund Balance (Line A) of the following year? If a Schedule IB was prepared, do the totals agree with the Schedule I, Line I? **(SC1R, SC1A - Report should print "No Discrepancies Exist For This Report")**	Y	Y	Y	Y	Y

8.32	Has a Department Level Reconciliation been provided for each trust fund and does Line A of the Schedule I equal the CFO amount? If not, the agency must correct Line A. **(SC1R, DEPT)**	Y	Y	Y	Y	Y
8.33	Has a Schedule IB been provided for ALL trust funds having an unreserved fund balance in columns A01, A02 and/or A03, and if so, does each column's total agree with line I of the Schedule I?	Y	Y	Y	Y	Y
8.34	Have A/R been properly analyzed and any allowances for doubtful accounts been properly recorded on the Schedule IC?	Y	Y	Y	Y	Y
TIP	The Schedule I is the most reliable source of data concerning the trust funds. It is very important that this schedule is as accurate as possible!					
TIP	Determine if the agency is scheduled for trust fund review. (See page 124 of the LBR Instructions.) Transaction DFTR in LAS/PBS is also available and provides an LBR review date for each trust fund.					
TIP	Review the unreserved fund balances and compare revenue totals to expenditure totals to determine and understand the trust fund status.					
TIP	Typically nonoperating expenditures and revenues should not be a negative number. Any negative numbers must be fully justified.					

9. SCHEDULE II (PSCR, SC2)

AUDIT:

9.1	Is the pay grade minimum for salary rate utilized for positions in segments 2 and 3? **(BRAR, BRAA - Report should print "No Records Selected For This Request")** Note: Amounts other than the pay grade minimum should be fully justified in the D-3A issue narrative. (See *Base Rate Audit* on page 155 of the LBR Instructions.)	Y	Y	Y	Y	Y

10. SCHEDULE III (PSCR, SC3)

10.1	Is the appropriate lapse amount applied? (See page 90 of the LBR Instructions.)	Y	Y	Y	Y	Y
10.2	Are amounts in *Other Salary Amount* appropriate and fully justified? (See pages 93 and 94 of the LBR Instructions for appropriate use of the OAD transaction.) Use **OADI** or **OADR** to identify agency other salary amounts	Y	Y	Y	Y	Y

11. SCHEDULE IV (EADR, SC4)

11.1	Are the correct Information Technology (IT) issue codes used?	Y	Y	Y	Y	Y
TIP	If IT issues are not coded (with "C" in 6th position or within a program component of 1603000000), they will not appear in the Schedule IV.					

12. SCHEDULE VIIIA (EADR, SC8A)

12.1	Is there only one #1 priority, one #2 priority, one #3 priority, etc. reported on the Schedule VIII-A? Are the priority narrative explanations adequate? Note: FCO issues can be included in the priority listing.	Y	Y	Y	Y	Y

13. SCHEDULE VIIIB-1 (EADR, S8B1)

13.1	**NOT REQUIRED FOR THIS YEAR**	Y	Y	Y	Y	Y
TIP	If all or a portion of an issue is intended to be reduced on a nonrecurring basis, include the total reduction amount in Column A91 and the nonrecurring portion in Column A92.					

14. SCHEDULE VIIIB-2 (EADR, S8B2) (Required to be posted to the Florida Fiscal Portal)

14.1	Do the reductions comply with the instructions provided on pages 99 through 102 of the LBR Instructions regarding a 10% reduction in General Revenue and Trust Funds, including the verification that the 33BXXX0 issue has NOT been used? Verify that excluded appropriation categories and funds were not used (e.g. funds with FSI 3 and 9, etc.)	Y	Y	Y	Y	Y
TIP	Compare the debt service amount requested (IOE N or other IOE used for debt service) with the debt service need included in the Schedule VI: Detail of Debt Service, to determine whether any debt has been retired and may be reduced.					
TIP	If all or a portion of an issue is intended to be reduced on a nonrecurring basis, in the absence of a nonrecurring column, include that intent in narrative.					

15. SCHEDULE VIIIC (EADR, S8C) (NO LONGER REQUIRED)

16. SCHEDULE XI (UCSR,SCXI) (LAS/PBS Web - see pages 104-108 of the LBR Instructions for detailed

16.1	Agencies are required to generate this spreadsheet via the LAS/PBS Web. **The Final Excel version no longer has to be submitted to OPB for inclusion on the Governor's Florida Performs Website.** (Note: Pursuant to section 216.023(4) (b), Florida Statutes, the Legislature can reduce the funding level for any agency that does not provide this information.)	Y	Y	Y	Y	Y
16.2	Do the PDF files uploaded to the Florida Fiscal Portal for the LRPP (if submitting) and LBR match?	Y	Y	Y	Y	Y

AUDITS INCLUDED IN THE SCHEDULE XI REPORT:

16.3	Does the FY 2023-24 Actual (prior year) Expenditures in Column A36 reconcile to Column A01? (**GENR, ACT1**)	Y	Y	Y	Y	Y
16.4	None of the executive direction, administrative support and information technology statewide activities (ACT0010 thru ACT0490) have output standards (Record Type 5)? (**Audit #1 should print "No Activities Found"**)	Y	Y	Y	Y	Y
16.5	Does the Fixed Capital Outlay (FCO) statewide activity (ACT0210) only contain 08XXXX or 14XXXX appropriation categories? (**Audit #2 should print "No Operating Categories Found"**)	Y	Y	Y	Y	Y
16.6	Has the agency provided the necessary standard (Record Type 5) for all activities which should appear in Section II? (Note: The activities listed in **Audit #3** do not have an associated output standard. In addition, the activities were not identified as a Transfer to a State Agency, as Aid to Local Government, or a Payment of Pensions, Benefits and Claims. Activities listed here should represent transfers/pass-throughs 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.)	Y	Y	Y	Y	Y
16.7	Does Section I (Final Budget for Agency) and Section III (Total Budget for Agency) equal? (**Audit #4 should print "No Discrepancies Found"**)	Y	Y	Y	Y	Y
TIP	If Section I and Section III have a small difference, it may be due to rounding and therefore will be acceptable.					

17. MANUALLY PREPARED EXHIBITS & SCHEDULES (Required to be posted to the Florida Fiscal Portal)

17.1	Do exhibits and schedules comply with LBR Instructions (pages 52 through 152 of the LBR Instructions), and are they accurate and complete?	Y	Y	Y	Y	Y
17.2	Does manual exhibits tie to LAS/PBS where applicable?	Y	Y	Y	Y	Y
17.3	Are agency organization charts (Schedule X) provided and at the appropriate level of detail?	Y	Y	Y	Y	Y

17.4	Does the LBR include a separate Schedule IV-B for each IT project over $1 million (see page 128 and 129 of the LBR instructions for exceptions to this rule)? Have all IV-Bs been emailed to: **IT@LASPBS.STATE.FL.US?**	Y	Y	Y	Y	Y
17.5	Are all forms relating to Fixed Capital Outlay (FCO) funding requests submitted in the proper form, including a Truth in Bonding statement (if applicable) ?	Y	Y	Y	Y	Y

AUDITS - GENERAL INFORMATION						
TIP	Review *Section 6: Audits* of the LBR Instructions (pages 154 through 156) for a list of audits and their descriptions.					
TIP	Reorganizations may cause audit errors. Agencies must indicate that these errors are due to an agency reorganization to justify the audit error.					

18. CAPITAL IMPROVEMENTS PROGRAM (CIP) (Required to be posted to the Florida Fiscal Portal)						
18.1	Are the CIP-2, CIP-3, CIP-A and CIP-B forms included?	Y	Y	Y	Y	Y
18.2	Are the CIP-4 and CIP-5 forms submitted when applicable (see CIP	Y	Y	Y	Y	Y
18.3	Do all CIP forms comply with CIP Instructions where applicable (see CIP Instructions)?	Y	Y	Y	Y	Y
18.4	Does the agency request include 5 year projections (Columns A03, A06, A07, A08 and A09)?	Y	Y	Y	Y	Y
18.5	Are the appropriate counties identified in the narrative?	Y	Y	Y	Y	Y
18.6	Has the CIP-2 form (Exhibit B) been modified to include the agency priority for each project and the modified form saved as a PDF document?	Y	Y	Y	Y	Y
TIP	Requests for Fixed Capital Outlay appropriations which are Grants and Aids to Local Governments and Non-Profit Organizations must use the Grants and Aids to Local Governments and Non-Profit Organizations - Fixed Capital Outlay major appropriation category (140XXX) and include the sub-title "Grants and Aids". These appropriations utilize a CIP-B form as justification.					

19. FLORIDA FISCAL PORTAL						
19.1	Have all files been assembled correctly and posted to the Florida Fiscal Portal as outlined in the Florida Fiscal Portal Submittal Process?	Y	Y	Y	Y	Y

Fiscal Year 2025-26 LBR Technical Review Checklist

Department/Budget Entity (Service): **Office of Insurance Regulation**

Agency Budget Officer/OPB Analyst Name: **Jillian Wheeler / Jessica Krause**

A "Y" indicates "YES" and is acceptable, an "N/J" indicates "NO/Justification Provided" - these require further explanation/justification

Action	Program or Service (Budget Entity Codes)				
	4.4E+07	4.4E+07			

	1. GENERAL					
1.1	Are Columns A01, A04, A05, A91, A92, A93, A36, A10, IA1, IA4, IA5, IP1, IV1, IV3 and NV1 set to TRANSFER CONTROL for DISPLAY status and MANAGEMENT CONTROL for UPDATE status for both the Budget and Trust Fund columns (no trust fund files for narrative columns)? Is Column A02 set to TRANSFER CONTROL for DISPLAY status and MANAGEMENT CONTROL for UPDATE status for the Trust Fund Files (the Budget Files should already be on TRANSFER CONTROL for DISPLAY and MANAGEMENT CONTROL for UPDATE)? Are Columns A06, A07, A08 and A09 for Fixed Capital Outlay (FCO) set to TRANSFER CONTROL for DISPLAY status only (UPDATE status remains on OWNER)? **(CSDI or Web LBR Column Security)**	Y	Y			
1.2	Is Column A03 set to TRANSFER CONTROL for DISPLAY and UPDATE status for both the Budget and Trust Fund columns? **(CSDI)**	Y	Y			
AUDITS:						
1.3	Have Column A03 budget files been copied to Column A12? Run the Exhibit B Audit Comparison Report to verify. **(EXBR, EXBA)**	N/A	N/A			
1.4	Have Column A03 trust fund files been copied to Column A12? Run Schedule I **(SC1R, SC1 or SC1R, SC1D adding column A12)** to verify.	N/A	N/A			
1.5	Has Column A12 security been set correctly to ALL for DISPLAY status and MANAGEMENT CONTROL for UPDATE status for Budget and Trust Fund files? **(CSDR, CSA)**	N/A	N/A			
TIP	The agency should prepare the budget request for submission in this order: 1) Copy Column A03 to Column A12, and 2) Lock columns as described above. A security control feature included in the LAS/PBS Web upload process requires columns to be in the proper status before uploading to the portal.					

	2. EXHIBIT A (EADR, EXA)					
2.1	Is the budget entity authority and description consistent with the agency's LRPP and does it conform to the directives provided on page 56 of the LBR	Y	Y			
2.2	Are the statewide issues generated systematically (estimated expenditures, nonrecurring expenditures, etc.) included?	Y	Y			
2.3	Are the issue codes and titles consistent with *Section 3* of the LBR Instructions (pages 14 through 27)? Do they clearly describe the issue?	Y	Y			

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	Action	Program or Service (Budget Entity Codes)				
		4.4E+07	**4.4E+07**			

3. EXHIBIT B (EXBR, EXB)						
3.1	Is it apparent that there is a fund shift where an appropriation category's funding source is different between A02 and A03? Were the issues entered into LAS/PBS correctly? Check D-3A funding shift issue 340XXX0 - a unique deduct and unique add back issue should be used to ensure fund shifts display correctly on the LBR exhibits.	**N/A**	**N/A**			
AUDITS:						
3.2	Negative Appropriation Category Audit for Agency Request (Columns A03 and A04): Are all appropriation categories positive by budget entity and program component at the FSI level? Are all nonrecurring amounts less than requested amounts? (**NACR, NAC - Report should print "No Negative Appropriation Category Found"**)	**Y**	**Y**			
3.3	Current Year Estimated Verification Comparison Report: Is Column A02 equal to Column B07? (**EXBR, EXBC - Report should print "Records Selected Net To Zero"**)	**Y**	**Y**			
TIP	Generally look for and be able to fully explain significant differences between A02 and A03.					
TIP	Exhibit B - A02 equal to B07: Compares Current Year Estimated column to a backup of A02. This audit is necessary to ensure that the historical detail records have not been adjusted. Records selected should net to zero.					
TIP	Requests for appropriations which require advance payment authority must use the sub-title "Grants and Aids". For advance payment authority to local units of government, the Aid to Local Government appropriation category (05XXXX) should be used. For advance payment authority to non-profit organizations or other units of state government, a Special Categories appropriation category (10XXXX) should be used.					
4. EXHIBIT D (EADR, EXD)						
4.1	Is the program component objective statement consistent with the agency LRPP, and does it conform to the directives provided on page 59 of the LBR	**Y**	**Y**			
4.2	Is the program component code and title used correct?	**Y**	**Y**			
TIP	Fund shifts or transfers of services or activities between program components will be displayed on an Exhibit D whereas it may not be visible on an Exhibit A.					

Fiscal Year 2025-26 LBR Technical Review Checklist

Department/Budget Entity (Service): **Office of Insurance Regulation**	
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Action		Program or Service (Budget Entity Codes)				
		4.4E+07	**4.4E+07**			
5. EXHIBIT D-1 (ED1R, EXD1)						
5.1	Are all object of expenditures positive amounts? (This is a manual check.)	Y	Y			
AUDITS:						
5.2	Do the fund totals agree with the object category totals within each appropriation category? **(ED1R, XD1A - Report should print "No Differences Found For This Report")**	Y	Y			
5.3	FLAIR Expenditure/Appropriation Ledger Comparison Report: Is Column A01 less than Column B04? **(EXBR, EXBB - Negative differences [with a $5,000 allowance] need to be corrected in Column A01.)**	Y	Y			
5.4	A01/State Accounts Disbursements and Carry Forward Comparison Report: Does Column A01 equal Column B08? **(EXBR, EXBD - Differences [with a $5,000 allowance at the department level] need to be corrected in Column A01.)**	Y	Y			
TIP	If objects are negative amounts, the agency must make adjustments to Column A01 to correct the object amounts. In addition, the fund totals must be adjusted to reflect the adjustment made to the object data.					
TIP	If fund totals and object totals do not agree or negative object amounts exist, the agency must adjust Column A01.					
TIP	Exhibit B - A01 less than B04: This audit is to ensure that the disbursements and carry/certifications forward in A01 are less than FY 2023-24 approved budget. Amounts should be positive. The $5,000 allowance is necessary for					
TIP	If B08 is not equal to A01, check the following: 1) the initial FLAIR disbursements or carry forward data load was corrected appropriately in A01; 2) the disbursement data from departmental FLAIR was reconciled to State Accounts; and 3) the FLAIR disbursements did not change after Column B08 was created. Note that there is a $5,000 allowance at the department level.					
6. EXHIBIT D-3 (ED3R, ED3) (Not required in the LBR - for analytical purposes only.)						
6.1	Are issues appropriately aligned with appropriation categories?	Y	Y			
TIP	Exhibit D-3 is not required in the budget submission but may be needed for this particular appropriation category/issue sort. Exhibit D-3 is also a useful report when identifying negative appropriation category problems.					
7. EXHIBIT D-3A (EADR, ED3A) (Required to be posted to the Florida Fiscal Portal)						
7.1	Are the issue titles correct and do they clearly identify the issue? (See pages 14 through 27 of the LBR Instructions.)	Y	Y			

Fiscal Year 2025-26 LBR Technical Review Checklist

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Action	Program or Service (Budget Entity Codes)				
	4.4E+07	4.4E+07			
7.2 Does the issue narrative adequately explain the agency's request and is the explanation consistent with the LRPP? (See pages 64 through 69 of the LBR Instructions.)	Y	Y			
7.3 Does the narrative for Information Technology (IT) issue follow the additional narrative requirements described on pages 66 through 69 of the LBR	Y	Y			
7.4 Are all issues with an IT component identified with a "Y" in the "IT COMPONENT?" field? If the issue contains an IT component, has that component been identified and documented?	Y	Y			
7.5 Does the issue narrative explain any variances from the Standard Expense and Human Resource Services Assessments package? Is the nonrecurring portion in the nonrecurring column? (See pages E.4 through E.7 of the LBR Instructions.)	N/A	N/A			
7.6 Does the salary rate request amount accurately reflect any new requests and are the amounts proportionate to the Salaries and Benefits request? Note: Salary rate should always be annualized.	Y	Y			
7.7 Does the issue narrative thoroughly explain/justify all Salaries and Benefits amounts entered into the Other Salary Amounts transactions (OADA/C)? Amounts entered into OAD are reflected in the Position Detail of Salaries and Benefits section of the Exhibit D-3A. (See pages 93 through 94 of the LBR Instructions.)	N/A	N/A			
7.8 Does the issue narrative include the Consensus Estimating Conference forecast, where appropriate?	N/A	N/A			
7.9 Does the issue narrative reference the specific county(ies) where applicable?	N/A	N/A			
7.10 Do the 160XXX0 issues reflect budget amendments that have been approved (or in the process of being approved) and that have a recurring impact (including Lump Sums)? Have the approved budget amendments been entered in Column A18 as instructed in Memo #24-040?	N/A	N/A			
7.11 When appropriate are there any 160XXX0 issues included to delete positions placed in reserve in the LAS/PBS Position and Rate Ledger (e.g. unfunded grants)? Note: Lump sum appropriations not yet allocated should <u>not</u> be	N/A	N/A			
7.12 Does the issue narrative include plans to satisfy additional space requirements when requesting additional positions?	N/A	N/A			
7.13 Has the agency included a 160XXX0 issue and 210XXXX and 260XXX0 issues as required for lump sum distributions?	N/A	N/A			
7.14 Do the amounts reflect appropriate FSI assignments?	Y	Y			
7.15 Are the 33XXXX0 issues negative amounts only and do not restore nonrecurring cuts from a prior year or fund any issues that net to a positive or zero amount? Check D-3A issues 33XXXX0 - a unique issue should be used for issues that net to zero or a positive amount.	N/A/	N/A			

Fiscal Year 2025-26 LBR Technical Review Checklist

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	Action	Program or Service (Budget Entity Codes)				
		4.4E+07	**4.4E+07**			
7.16	Do the issue codes relating to special *Salaries and Benefits* issues (e.g., position reclassification, pay grade adjustment, overtime/on-call pay, etc.) have an "A" in the fifth position of the issue code (XXXXAXX) and are they self-contained (not combined with other issues)? (See pages 26 and 27 of the LBR Instructions.)	**N/A/**	**N/A**			
7.17	Do the issues relating to *Information Technology (IT)* have a "C" in the sixth position of the issue code (36XXXCX) and are the correct issue codes used (361XXC0, 362XXC0, 363XXC0, 24010C0, 30010C0, 33011C0, 160E470, or 160E480)?	**Y**	**Y**			
7.18	Are the issues relating to *Major Audit Findings and Recommendations* properly coded (4A0XXX0, 4B0XXX0)?	**N/A**	**N/A**			
7.19	Does the issue narrative identify the strategy or strategies in the Five Year Statewide Strategic Plan for Economic Development?	**N/A**	**N/A**			
AUDIT:						
7.20	Does the General Revenue for 160XXXX (Adjustments to Current Year Expenditures) issues net to zero? **(GENR, LBR1)**	**N/A**	**N/A**			
7.21	Does the General Revenue for 180XXXX (Intra-Agency Reorganizations) issues net to zero? **(GENR, LBR2)**	**N/A**	**N/A**			
7.22	Does the General Revenue for 200XXXX (Estimated Expenditures Realignment) issues net to zero? **(GENR, LBR3)**	**Y**	**Y**			
7.23	Have FCO appropriations been entered into the nonrecurring column (A04)? **(GENR, LBR4 - Report should print "No Records Selected For Reporting" or a listing of D-3A issue(s) assigned to Debt Service (IOE N) or in some cases State Capital Outlay - Public Education Capital Outlay (IOE L)**	**N/A**	**N/A**			
7.24	Has narrative been entered for all issues requested by the agency? Agencies do not need to include narrative for startup issues (1001000, 2103XXX, etc.) that were not input by the agency. **(NAAR, BSNR)**	**Y**	**Y**			
7.25	Has the agency entered annualization issues (260XXX0) for any issue that was partially funded in Fiscal Year 2024-25? Review Column G66 to determine whether any incremental amounts are needed to fully fund an issue that was initially appropriated in Fiscal Year 2024-25. Do not add annualization issues for pay and benefit distribution issues, as those annualization issues (26AXXXX) have already been added to A03.	**N/A**	**N/A**			
TIP	Salaries and Benefits amounts entered using the OADA/C transactions must be thoroughly justified in the D-3A issue narrative. Agencies can run **OADA/OADR** from STAM to identify the amounts entered into OAD and ensure these entries have been thoroughly explained in the D-3A issue narrative.					

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Action	Program or Service (Budget Entity Codes)				
	4.4E+07	4.4E+07			

TIP	The issue narrative must completely and thoroughly explain and justify each D-3A issue. Agencies must ensure it provides the information necessary for the OPB and legislative analysts to have a complete understanding of the issue submitted. Thoroughly review pages 64 through 69 of the LBR Instructions.						
TIP	Check BAPS to verify status of budget amendments. Check for reapprovals not picked up in the General Appropriations Act. Verify that Lump Sum appropriations in Column A02 do not appear in Column A03. Review budget amendments to verify that 160XXX0 issue amounts correspond accurately and net to zero for General Revenue funds.						
TIP	If an agency is receiving federal funds from another agency the FSI should = 9 (Transfer - Recipient of Federal Funds). The agency that originally receives the funds directly from the federal agency should use FSI = 3 (Federal Funds).						
TIP	If an appropriation made in the FY 2024-25 General Appropriations Act duplicates an appropriation made in substantive legislation, the agency must create a unique deduct nonrecurring issue to eliminate the duplicated appropriation. Normally this is taken care of through line item veto.						

8. SCHEDULE I & RELATED DOCUMENTS (SC1R, SC1 - Budget Entity Level *or* SC1R, SC1D - Department

8.1	Has a separate department level Schedule I and supporting documents package been submitted by the agency?	N/A	N/A			
8.2	Has a Schedule I and Schedule IB been completed in LAS/PBS for each operating trust fund?	N/A	N/A			
8.3	Have the appropriate Schedule I supporting documents been included for the trust funds (Schedule IA, Schedule IC, and Reconciliation to Trial Balance)?	N/A	N/A			
8.4	Have the Examination of Regulatory Fees Part I and Part II forms been included for the applicable regulatory programs?	N/A	N/A			
8.5	Have the required detailed narratives been provided (5% trust fund reserve narrative; method for computing the distribution of cost for general management and administrative services narrative; adjustments narrative; revenue estimating methodology narrative; fixed capital outlay adjustment narrative)?	N/A	N/A			
8.6	Has the Inter-Agency Transfers Reported on Schedule I form been included as applicable for transfers totaling $100,000 or more for the fiscal year?	N/A	N/A			
8.7	If the agency is scheduled for the annual trust fund review this year, have the Schedule ID and applicable draft legislation been included for recreation, modification or termination of existing trust funds?	N/A	N/A			
8.8	If the agency is scheduled for the annual trust fund review this year, have the necessary trust funds been requested for creation pursuant to section 215.32(2)(b), Florida Statutes - including the Schedule ID and applicable	N/A	N/A			

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	Action	Program or Service (Budget Entity Codes)				
		4.4E+07	4.4E+07			
8.9	Are the revenue codes correct? In the case of federal revenues, has the agency appropriately identified direct versus indirect receipts (object codes 000700, 000750, 000799, 001510 and 001599)? For non-grant federal revenues, is the correct revenue code identified (codes 000504, 000119, 001270, 001870, 001970)?	N/A	N/A			
8.10	Are the statutory authority references correct?	N/A	N/A			
8.11	Are the General Revenue Service Charge percentage rates used for each revenue source correct? (Refer to section 215.20, Florida Statutes, for appropriate General Revenue Service Charge percentage rates.)	N/A	N/A			
8.12	Is this an accurate representation of revenues based on the most recent Consensus Estimating Conference forecasts?	N/A	N/A			
8.13	If there is no Consensus Estimating Conference forecast available, do the revenue estimates appear to be reasonable?	N/A	N/A			
8.14	Are the federal funds revenues reported in Section I broken out by individual grant? Are the correct CFDA codes used?	N/A	N/A			
8.15	Are anticipated grants included and based on the state fiscal year (rather than federal fiscal year)?	N/A	N/A			
8.16	Are the Schedule I revenues consistent with the FSI's reported in the Exhibit D-	N/A	N/A			
8.17	If applicable, are nonrecurring revenues entered into Column A04?	N/A	N/A			
8.18	Has the agency certified the revenue estimates in columns A02 and A03 to be the latest and most accurate available? Does the certification include a statement that the agency will notify OPB of any significant changes in revenue estimates that occur prior to the Governor's Budget Recommendations being issued?	N/A	N/A			
8.19	Is a 5% trust fund reserve reflected in Section II? If not, is sufficient justification provided for exemption? Are the additional narrative requirements	N/A	N/A			
8.20	Are appropriate General Revenue Service Charge nonoperating amounts included in Section II?	N/A	N/A			
8.21	Are nonoperating expenditures to other budget entities/departments cross-referenced accurately?	N/A	N/A			
8.22	Do transfers balance between funds (within the agency as well as between agencies)? (See also 8.6 for required transfer confirmation of amounts totaling $100,000 or more.)	N/A	N/A			
8.23	Are nonoperating expenditures recorded in Section II and adjustments recorded in Section III?	N/A	N/A			
8.24	Are prior year September operating reversions appropriately shown in column A01, Section III?	N/A	N/A			
8.25	Are current year September operating reversions (if available) appropriately shown in column A02, Section III?	N/A	N/A			

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Action	Program or Service (Budget Entity Codes)				
	4.4E+07	**4.4E+07**			
8.26 Does the Schedule IC properly reflect the unreserved fund balance for each trust fund as defined by the LBR Instructions, and is it reconciled to the agency accounting records?	**N/A**	**N/A**			
8.27 Has the agency analyzed for continuing appropriations (category 13XXXX) and properly accounted for in the appropriate column(s) in Section III?	**N/A**	**N/A**			
8.28 Does Column A01 of the Schedule I accurately represent the actual prior year accounting data as reflected in the agency accounting records, and is it provided in sufficient detail for analysis?	**N/A**	**N/A**			
8.29 Does Line I of Column A01 (Schedule I) equal Line K of the Schedule IC?	**N/A**	**N/A**			
AUDITS:					
8.30 Is Line I a positive number? (If not, the agency must adjust the budget request to eliminate the deficit).	**N/A**	**N/A**			
8.31 Is the June 30 Adjusted Unreserved Fund Balance (Line I) equal to the July 1 Unreserved Fund Balance (Line A) of the following year? If a Schedule IB was prepared, do the totals agree with the Schedule I, Line I? **(SC1R, SC1A - Report should print "No Discrepancies Exist For This Report")**	**N/A**	**N/A**			
8.32 Has a Department Level Reconciliation been provided for each trust fund and does Line A of the Schedule I equal the CFO amount? If not, the agency must correct Line A. **(SC1R, DEPT)**	**N/A**	**N/A**			
8.33 Has a Schedule IB been provided for ALL trust funds having an unreserved fund balance in columns A01, A02 and/or A03, and if so, does each column's total agree with line I of the Schedule I?	**N/A**	**N/A**			
8.34 Have A/R been properly analyzed and any allowances for doubtful accounts been properly recorded on the Schedule IC?	**N/A**	**N/A**			
TIP The Schedule I is the most reliable source of data concerning the trust funds. It is very important that this schedule is as accurate as possible!					
TIP Determine if the agency is scheduled for trust fund review. (See page 124 of the LBR Instructions.) Transaction DFTR in LAS/PBS is also available and provides an LBR review date for each trust fund.					
TIP Review the unreserved fund balances and compare revenue totals to expenditure totals to determine and understand the trust fund status.					
TIP Typically nonoperating expenditures and revenues should not be a negative number. Any negative numbers must be fully justified.					

9. SCHEDULE II (PSCR, SC2)

AUDIT:

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Action	Program or Service (Budget Entity Codes)				
	4.4E+07	4.4E+07			
9.1 Is the pay grade minimum for salary rate utilized for positions in segments 2 and 3? **(BRAR, BRAA - Report should print "No Records Selected For This Request")** Note: Amounts other than the pay grade minimum should be fully justified in the D-3A issue narrative. (See *Base Rate Audit* on page 155 of the LBR Instructions.)	**N/A**	**N/A**			

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Action	Program or Service (Budget Entity Codes)				
	4.4E+07	**4.4E+07**			

10. SCHEDULE III (PSCR, SC3)

10.1	Is the appropriate lapse amount applied? (See page 90 of the LBR Instructions.)	N/A	N/A			
10.2	Are amounts in *Other Salary Amount* appropriate and fully justified? (See pages 93 and 94 of the LBR Instructions for appropriate use of the OAD transaction.) Use **OADI** or **OADR** to identify agency other salary amounts	N/A	N/A			

11. SCHEDULE IV (EADR, SC4)

11.1	Are the correct Information Technology (IT) issue codes used?	N/A	N/A			
TIP	If IT issues are not coded (with "C" in 6th position or within a program component of 1603000000), they will not appear in the Schedule IV.					

12. SCHEDULE VIIIA (EADR, SC8A)

12.1	Is there only one #1 priority, one #2 priority, one #3 priority, etc. reported on the Schedule VIII-A? Are the priority narrative explanations adequate? Note: FCO issues can be included in the priority listing.	Y	Y			

13. SCHEDULE VIIIB-1 (EADR, S8B1)

13.1	**NOT REQUIRED FOR THIS YEAR**	N/A	N/A			
TIP	If all or a portion of an issue is intended to be reduced on a nonrecurring basis, include the total reduction amount in Column A91 and the nonrecurring portion in Column A92.					

14. SCHEDULE VIIIB-2 (EADR, S8B2) (Required to be posted to the Florida Fiscal Portal)

14.1	Do the reductions comply with the instructions provided on pages 99 through 102 of the LBR Instructions regarding a 10% reduction in General Revenue and Trust Funds, including the verification that the 33BXXX0 issue has NOT been used? Verify that excluded appropriation categories and funds were not used (e.g. funds with FSI 3 and 9, etc.)	Y	Y			
TIP	Compare the debt service amount requested (IOE N or other IOE used for debt service) with the debt service need included in the Schedule VI: Detail of Debt Service, to determine whether any debt has been retired and may be reduced.					
TIP	If all or a portion of an issue is intended to be reduced on a nonrecurring basis, in the absence of a nonrecurring column, include that intent in narrative.					

15. SCHEDULE VIIIC (EADR, S8C) (NO LONGER REQUIRED)

16. SCHEDULE XI (UCSR,SCXI) (LAS/PBS Web - see pages 104-108 of the LBR Instructions for detailed

16.1	Agencies are required to generate this spreadsheet via the LAS/PBS Web. **The Final Excel version no longer has to be submitted to OPB for inclusion on the Governor's Florida Performs Website.** (Note: Pursuant to section 216.023(4) (b), Florida Statutes, the Legislature can reduce the funding level for any agency that does not provide this information.)	N/A	N/A			
16.2	Do the PDF files uploaded to the Florida Fiscal Portal for the LRPP (if submitting) and LBR match?	N/A	N/A			

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Action	Program or Service (Budget Entity Codes)				
	4.4E+07	**4.4E+07**			

	AUDITS INCLUDED IN THE SCHEDULE XI REPORT:					
16.3	Does the FY 2023-24 Actual (prior year) Expenditures in Column A36 reconcile to Column A01? **(GENR, ACT1)**	**N/A**	**N/A**			
16.4	None of the executive direction, administrative support and information technology statewide activities (ACT0010 thru ACT0490) have output standards (Record Type 5)? **(Audit #1 should print "No Activities Found")**	**N/A**	**N/A**			
16.5	Does the Fixed Capital Outlay (FCO) statewide activity (ACT0210) only contain 08XXXX or 14XXXX appropriation categories? **(Audit #2 should print "No Operating Categories Found")**	**N/A**	**N/A**			
16.6	Has the agency provided the necessary standard (Record Type 5) for all activities which <u>should</u> appear in Section II? (Note: The activities listed in **Audit #3** do not have an associated output standard. In addition, the activities were not identified as a Transfer to a State Agency, as Aid to Local Government, or a Payment of Pensions, Benefits and Claims. Activities listed here should represent transfers/pass-throughs 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.)	**N/A**	**N/A**			
16.7	Does Section I (Final Budget for Agency) and Section III (Total Budget for Agency) equal? **(Audit #4 should print "No Discrepancies Found")**	**N/A**	**N/A**			
TIP	If Section I and Section III have a small difference, it may be due to rounding and therefore will be acceptable.					
17. MANUALLY PREPARED EXHIBITS & SCHEDULES (Required to be posted to the Florida Fiscal Portal)						
17.1	Do exhibits and schedules comply with LBR Instructions (pages 52 through 152 of the LBR Instructions), and are they accurate and complete?	**Y**	**Y**			
17.2	Does manual exhibits tie to LAS/PBS where applicable?	**Y**	**Y**			
17.3	Are agency organization charts (Schedule X) provided and at the appropriate level of detail?	**Y**	**Y**			
17.4	Does the LBR include a separate Schedule IV-B for each IT project over $1 million (see page 128 and 129 of the LBR instructions for exceptions to this rule)? Have all IV-Bs been emailed to: **IT@LASPBS.STATE.FL.US?**	**N/A**	**N/A**			
17.5	Are all forms relating to Fixed Capital Outlay (FCO) funding requests submitted in the proper form, including a Truth in Bonding statement (if applicable) ?	**N/A**	**N/A**			
AUDITS - GENERAL INFORMATION						
TIP	Review *Section 6: Audits* of the LBR Instructions (pages 154 through 156) for a list of audits and their descriptions.					
TIP	Reorganizations may cause audit errors. Agencies must indicate that these errors are due to an agency reorganization to justify the audit error.					

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Action	Program or Service (Budget Entity Codes)				
	4.4E+07	4.4E+07			

18. CAPITAL IMPROVEMENTS PROGRAM (CIP) (Required to be posted to the Florida Fiscal Portal)							
18.1	Are the CIP-2, CIP-3, CIP-A and CIP-B forms included?	Y	Y				
18.2	Are the CIP-4 and CIP-5 forms submitted when applicable (see CIP	Y	Y				
18.3	Do all CIP forms comply with CIP Instructions where applicable (see CIP Instructions)?	Y	Y				
18.4	Does the agency request include 5 year projections (Columns A03, A06, A07, A08 and A09)?	Y	Y				
18.5	Are the appropriate counties identified in the narrative?	Y	Y				
18.6	Has the CIP-2 form (Exhibit B) been modified to include the agency priority for each project and the modified form saved as a PDF document?	Y	Y				
TIP	Requests for Fixed Capital Outlay appropriations which are Grants and Aids to Local Governments and Non-Profit Organizations must use the Grants and Aids to Local Governments and Non-Profit Organizations - Fixed Capital Outlay major appropriation category (140XXX) and include the sub-title "Grants and Aids". These appropriations utilize a CIP-B form as justification.						
19. FLORIDA FISCAL PORTAL							
19.1	Have all files been assembled correctly and posted to the Florida Fiscal Portal as outlined in the Florida Fiscal Portal Submittal Process?						

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Action	Program or Service (Budget Entity Codes)				
	43900530	**43900540**	**43900550**	**43900560**	**43900570**

1. GENERAL

1.1	Are Columns A01, A04, A05, A91, A92, A93, A36, A10, IA1, IA4, IA5, IP1, IV1, IV3 and NV1 set to TRANSFER CONTROL for DISPLAY status and MANAGEMENT CONTROL for UPDATE status for both the Budget and Trust Fund columns (no trust fund files for narrative columns)? Is Column A02 set to TRANSFER CONTROL for DISPLAY status and MANAGEMENT CONTROL for UPDATE status for the Trust Fund Files (the Budget Files should already be on TRANSFER CONTROL for DISPLAY and MANAGEMENT CONTROL for UPDATE)? Are Columns A06, A07, A08 and A09 for Fixed Capital Outlay (FCO) set to TRANSFER CONTROL for DISPLAY status only (UPDATE status remains on OWNER)? **(CSDI or Web LBR Column Security)**	N/A	N/A	N/A	N/A	N/A
1.2	Is Column A03 set to TRANSFER CONTROL for DISPLAY and UPDATE status for both the Budget and Trust Fund columns? **(CSDI)**	N/A	N/A	N/A	N/A	N/A
AUDITS:						
1.3	Have Column A03 budget files been copied to Column A12? Run the Exhibit B Audit Comparison Report to verify. **(EXBR, EXBA)**	N/A	N/A	N/A	N/A	N/A
1.4	Have Column A03 trust fund files been copied to Column A12? Run Schedule I **(SC1R, SC1 or SC1R, SC1D adding column A12)** to verify.	N/A	N/A	N/A	N/A	N/A
1.5	Has Column A12 security been set correctly to ALL for DISPLAY status and MANAGEMENT CONTROL for UPDATE status for Budget and Trust Fund files? **(CSDR, CSA)**	N/A	N/A	N/A	N/A	N/A
TIP	The agency should prepare the budget request for submission in this order: 1) Copy Column A03 to Column A12, and 2) Lock columns as described above. A security control feature included in the LAS/PBS Web upload process requires columns to be in the proper status before uploading to the portal.					

2. EXHIBIT A (EADR, EXA)

2.1	Is the budget entity authority and description consistent with the agency's LRPP and does it conform to the directives provided on page 57 of the LBR Instructions?	Y	Y	Y	Y	Y
2.2	Are the statewide issues generated systematically (estimated expenditures, nonrecurring expenditures, etc.) included?	Y	Y	Y	Y	Y
2.3	Are the issue codes and titles consistent with *Section 3* of the LBR Instructions (pages 15 through 28)? Do they clearly describe the issue?	Y	Y	Y	Y	Y

3. EXHIBIT B (EXBR, EXB)

3.1	Is it apparent that there is a fund shift where an appropriation category's funding source is different between A02 and A03? Were the issues entered into LAS/PBS correctly? Check D-3A funding shift issue 340XXX0 - a unique deduct and unique add back issue should be used to ensure fund shifts display correctly on the LBR exhibits.	N/A	N/A	N/A	N/A	N/A
AUDITS:						

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	Action	Program or Service (Budget Entity Codes)				
		43900530	43900540	43900550	43900560	43900570
3.2	Negative Appropriation Category Audit for Agency Request (Columns A03 and A04): Are all appropriation categories positive by budget entity and program component at the FSI level? Are all nonrecurring amounts less than requested amounts? **(NACR, NAC - Report should print "No Negative Appropriation Categories Found")**	Y	Y	Y	Y	Y
3.3	Current Year Estimated Verification Comparison Report: Is Column A02 equal to Column B07? **(EXBR, EXBC - Report should print "Records Selected Net To Zero")**	Y	Y	Y	Y	Y
TIP	Generally look for and be able to fully explain significant differences between A02 and A03.					
TIP	Exhibit B - A02 equal to B07: Compares Current Year Estimated column to a backup of A02. This audit is necessary to ensure that the historical detail records have not been adjusted. Records selected should net to zero.					
TIP	Requests for appropriations which require advance payment authority must use the sub-title "Grants and Aids". For advance payment authority to local units of government, the Aid to Local Government appropriation category (05XXXX) should be used. For advance payment authority to non-profit organizations or other units of state government, a Special Categories appropriation category (10XXXX) should be used.					
4. EXHIBIT D (EADR, EXD)						
4.1	Is the program component objective statement consistent with the agency LRPP, and does it conform to the directives provided on page 60 of the LBR Instructions?	Y	Y	Y	Y	Y
4.2	Is the program component code and title used correct?	Y	Y	Y	Y	Y
TIP	Fund shifts or transfers of services or activities between program components will be displayed on an Exhibit D whereas it may not be visible on an Exhibit A.					
5. EXHIBIT D-1 (ED1R, EXD1)						
5.1	Are all object of expenditures positive amounts? (This is a manual check.)	Y	Y	Y	Y	Y
AUDITS:						
5.2	Do the fund totals agree with the object category totals within each appropriation category? **(ED1R, XD1A - Report should print "No Differences Found For This Report")**	Y	Y	Y	Y	Y
5.3	FLAIR Expenditure/Appropriation Ledger Comparison Report: Is Column A01 less than Column B04? **(EXBR, EXBB - Negative differences [with a $5,000 allowance] need to be corrected in Column A01.)**	Y	Y	Y	Y	Y
5.4	A01/State Accounts Disbursements and Carry Forward Comparison Report: Does Column A01 equal Column B08? **(EXBR, EXBD - Differences [with a $5,000 allowance at the department level] need to be corrected in Column A01.)**	Y	Y	Y	Y	Y

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	Action	Program or Service (Budget Entity Codes)				
		43900530	**43900540**	**43900550**	**43900560**	**43900570**
TIP	If objects are negative amounts, the agency must make adjustments to Column A01 to correct the object amounts. In addition, the fund totals must be adjusted to reflect the adjustment made to the object data.					
TIP	If fund totals and object totals do not agree or negative object amounts exist, the agency must adjust Column A01.					
TIP	Exhibit B - A01 less than B04: This audit is to ensure that the disbursements and carry/certifications forward in A01 are less than FY 2022-23 approved budget. Amounts should be positive. The $5,000 allowance is necessary for rounding.					
TIP	If B08 is not equal to A01, check the following: 1) the initial FLAIR disbursements or carry forward data load was corrected appropriately in A01; 2) the disbursement data from departmental FLAIR was reconciled to State Accounts; and 3) the FLAIR disbursements did not change after Column B08 was created. Note that there is a $5,000 allowance at the department level.					
6. EXHIBIT D-3 (ED3R, ED3) (Not required in the LBR - for analytical purposes only.)						
6.1	Are issues appropriately aligned with appropriation categories?	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**
TIP	Exhibit D-3 is not required in the budget submission but may be needed for this particular appropriation category/issue sort. Exhibit D-3 is also a useful report when identifying negative appropriation category problems.					
7. EXHIBIT D-3A (EADR, ED3A) (Required to be posted to the Florida Fiscal Portal)						
7.1	Are the issue titles correct and do they clearly identify the issue? (See pages 15 through 28 of the LBR Instructions.)	**Y**	**Y**	**Y**	**Y**	**Y**
7.2	Does the issue narrative adequately explain the agency's request and is the explanation consistent with the LRPP? (See pages 63 through 70 of the LBR Instructions.)	**N/A**	**N/A**	**Y**	**Y**	**Y**
7.3	Does the narrative for Information Technology (IT) issue follow the additional narrative requirements described on pages 67 through 70 of the LBR Instructions?	**N/A**	**N/A**	**Y**	**N/A**	**N/A**
7.4	Are all issues with an IT component identified with a "Y" in the "IT COMPONENT?" field? If the issue contains an IT component, has that component been identified and documented?	**N/A**	**N/A**	**Y**	**N/A**	**N/A**
7.5	Does the issue narrative explain any variances from the Standard Expense and Human Resource Services Assessments package? Is the nonrecurring portion in the nonrecurring column? (See pages E.4 through E.5 of the LBR Instructions.)	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**
7.6	Does the salary rate request amount accurately reflect any new requests and are the amounts proportionate to the Salaries and Benefits request? Note: Salary rate should always be annualized.	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**

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Action	Program or Service (Budget Entity Codes)				
	43900530	43900540	43900550	43900560	43900570
7.7 Does the issue narrative thoroughly explain/justify all Salaries and Benefits amounts entered into the Other Salary Amounts transactions (OADA/C)? Amounts entered into OAD are reflected in the Position Detail of Salaries and Benefits section of the Exhibit D-3A. (See pages 93 through 95 of the LBR Instructions.)	N/A	N/A	N/A	N/A	N/A
7.8 Does the issue narrative include the Consensus Estimating Conference forecast, where appropriate?	N/A	N/A	N/A	N/A	N/A
7.9 Does the issue narrative reference the specific county(ies) where applicable?	N/A	N/A	N/A	N/A	N/A
7.10 Do the 160XXX0 issues reflect budget amendments that have been approved (or in the process of being approved) and that have a recurring impact (including Lump Sums)? Have the approved budget amendments been entered in Column A18 as instructed in Memo #24-003?	N/A	N/A	N/A	N/A	N/A
7.11 When appropriate are there any 160XXX0 issues included to delete positions placed in reserve in the LAS/PBS Position and Rate Ledger (e.g. unfunded grants)? Note: Lump sum appropriations not yet allocated should <u>not</u> be deleted. **(PLRR, PLMO)**	N/A	N/A	N/A	N/A	N/A
7.12 Does the issue narrative include plans to satisfy additional space requirements when requesting additional positions?	N/A	N/A	N/A	N/A	N/A
7.13 Has the agency included a 160XXX0 issue and 210XXXX and 260XXX0 issues as required for lump sum distributions?	N/A	N/A	N/A	N/A	N/A
7.14 Do the amounts reflect appropriate FSI assignments?	N/A	N/A	N/A	N/A	N/A
7.15 Are the 33XXXX0 issues negative amounts only and do not restore nonrecurring cuts from a prior year or fund any issues that net to a positive or zero amount? Check D-3A issues 33XXXX0 - a unique issue should be used for issues that net to zero or a positive amount.	N/A	N/A	N/A	N/A	N/A
7.16 Do the issue codes relating to special *salary and benefits* issues (e.g., position reclassification, pay grade adjustment, overtime/on-call pay, etc.) have an "A" in the fifth position of the issue code (XXXXAXX) and are they self-contained (not combined with other issues)? (See pages 27 and 89 of the LBR Instructions.)	N/A	N/A	N/A	N/A	N/A
7.17 Do the issues relating to *Information Technology (IT)* have a "C" in the sixth position of the issue code (36XXXCX) and are the correct issue codes used (361XXC0, 362XXC0, 363XXC0, 24010C0, 30010C0, 33011C0, 160E470, or 160E480)?	N/A	N/A	Y	N/A	N/A
7.18 Are the issues relating to *major audit findings and recommendations* properly coded (4A0XXX0, 4B0XXX0)?	N/A	N/A	N/A	N/A	N/A
7.19 Does the issue narrative identify the strategy or strategies in the Five Year Statewide Strategic Plan for Economic Development?	N/A	N/A	Y	Y	Y
AUDIT:					
7.20 Does the General Revenue for 160XXXX (Adjustments to Current Year Expenditures) issues net to zero? **(GENR, LBR1)**	N/A	N/A	N/A	N/A	N/A

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Action	Program or Service (Budget Entity Codes)				
	43900530	43900540	43900550	43900560	43900570
7.21 Does the General Revenue for 180XXXX (Intra-Agency Reorganizations) issues net to zero? **(GENR, LBR2)**	N/A	N/A	N/A	N/A	N/A
7.22 Does the General Revenue for 200XXXX (Estimated Expenditures Realignment) issues net to zero? **(GENR, LBR3)**	N/A	N/A	N/A	N/A	N/A
7.23 Have FCO appropriations been entered into the nonrecurring column (A04)? **(GENR, LBR4 - Report should print "No Records Selected For Reporting" or a listing of D-3A issue(s) assigned to Debt Service (IOE N) or in some cases State Capital Outlay - Public Education Capital Outlay (IOE L))**	N/A	N/A	N/A	N/A	N/A
7.24 Has narrative been entered for all issues requested by the agency? Agencies do not need to include narrative for startup issues (1001000, 2103XXX, etc.) that were not input by the agency. **(NAAR, BSNR)**	N/A	N/A	Y	Y	Y
7.25 Has the agency entered annualization issues (260XXX0) for any issue that was partially funded in Fiscal Year 2023-24? Review Column G66 to determine whether any incremental amounts are needed to fully fund an issue that was initially appropriated in Fiscal Year 2023-24. Do not add annualization issues for pay and benefit distribution issues, as those annualization issues (26AXXXX) have already been added to A03.	N/A	N/A	N/A	N/A	N/A
TIP Salaries and Benefits amounts entered using the OADA/C transactions must be thoroughly justified in the D-3A issue narrative. Agencies can run **OADA/OADR** from STAM to identify the amounts entered into OAD and ensure these entries have been thoroughly explained in the D-3A issue narrative.					
TIP The issue narrative must completely and thoroughly explain and justify each D-3A issue. Agencies must ensure it provides the information necessary for the OPB and legislative analysts to have a complete understanding of the issue submitted. Thoroughly review pages 63 through 70 of the LBR Instructions.					
TIP Check BAPS to verify status of budget amendments. Check for reapprovals not picked up in the General Appropriations Act. Verify that Lump Sum appropriations in Column A02 do not appear in Column A03. Review budget amendments to verify that 160XXX0 issue amounts correspond accurately and net to zero for General Revenue funds.					
TIP If an agency is receiving federal funds from another agency the FSI should = 9 (Transfer - Recipient of Federal Funds). The agency that originally receives the funds directly from the federal agency should use FSI = 3 (Federal Funds).					
TIP If an appropriation made in the FY 2023-24 General Appropriations Act duplicates an appropriation made in substantive legislation, the agency must create a unique deduct nonrecurring issue to eliminate the duplicated appropriation. Normally this is taken care of through line item veto.					

8. SCHEDULE I & RELATED DOCUMENTS (SC1R, SC1 - Budget Entity Level *or* SC1R, SC1D - Department Level) (Required to be posted to the Florida Fiscal Portal)

8.1 Has a separate department level Schedule I and supporting documents package been submitted by the agency?	N/A	N/A	N/A	N/A	N/A

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	Action	Program or Service (Budget Entity Codes)				
		43900530	**43900540**	**43900550**	**43900560**	**43900570**
8.2	Has a Schedule I and Schedule IB been completed in LAS/PBS for each operating trust fund?	N/A	N/A	N/A	N/A	N/A
8.3	Have the appropriate Schedule I supporting documents been included for the trust funds (Schedule IA, Schedule IC, and Reconciliation to Trial Balance)?	N/A	N/A	N/A	N/A	N/A
8.4	Have the Examination of Regulatory Fees Part I and Part II forms been included for the applicable regulatory programs?	N/A	N/A	N/A	N/A	N/A
8.5	Have the required detailed narratives been provided (5% trust fund reserve narrative; method for computing the distribution of cost for general management and administrative services narrative; adjustments narrative; revenue estimating methodology narrative; fixed capital outlay adjustment narrative)?	N/A	N/A	N/A	N/A	N/A
8.6	Has the Inter-Agency Transfers Reported on Schedule I form been included as applicable for transfers totaling $100,000 or more for the fiscal year?	N/A	N/A	N/A	N/A	N/A
8.7	If the agency is scheduled for the annual trust fund review this year, have the Schedule ID and applicable draft legislation been included for recreation, modification or termination of existing trust funds?	N/A	N/A	N/A	N/A	N/A
8.8	If the agency is scheduled for the annual trust fund review this year, have the necessary trust funds been requested for creation pursuant to section 215.32(2)(b), Florida Statutes - including the Schedule ID and applicable legislation?	N/A	N/A	N/A	N/A	N/A
8.9	Are the revenue codes correct? In the case of federal revenues, has the agency appropriately identified direct versus indirect receipts (object codes 000700, 000750, 000799, 001510 and 001599)? For non-grant federal revenues, is the correct revenue code identified (codes 000504, 000119, 001270, 001870, 001970)?	N/A	N/A	N/A	N/A	N/A
8.10	Are the statutory authority references correct?	N/A	N/A	N/A	N/A	N/A
8.11	Are the General Revenue Service Charge percentage rates used for each revenue source correct? (Refer to section 215.20, Florida Statutes, for appropriate General Revenue Service Charge percentage rates.)	N/A	N/A	N/A	N/A	N/A
8.12	Is this an accurate representation of revenues based on the most recent Consensus Estimating Conference forecasts?	N/A	N/A	N/A	N/A	N/A
8.13	If there is no Consensus Estimating Conference forecast available, do the revenue estimates appear to be reasonable?	N/A	N/A	N/A	N/A	N/A
8.14	Are the federal funds revenues reported in Section I broken out by individual grant? Are the correct CFDA codes used?	N/A	N/A	N/A	N/A	N/A
8.15	Are anticipated grants included and based on the state fiscal year (rather than federal fiscal year)?	N/A	N/A	N/A	N/A	N/A
8.16	Are the Schedule I revenues consistent with the FSI's reported in the Exhibit D-3A?	N/A	N/A	N/A	N/A	N/A
8.17	If applicable, are nonrecurring revenues entered into Column A04?	N/A	N/A	N/A	N/A	N/A

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Action	Program or Service (Budget Entity Codes)				
	43900530	**43900540**	**43900550**	**43900560**	**43900570**
8.18 Has the agency certified the revenue estimates in columns A02 and A03 to be the latest and most accurate available? Does the certification include a statement that the agency will notify OPB of any significant changes in revenue estimates that occur prior to the Governor's Budget Recommendations being issued?	N/A	N/A	N/A	N/A	N/A
8.19 Is a 5% trust fund reserve reflected in Section II? If not, is sufficient justification provided for exemption? Are the additional narrative requirements provided?	N/A	N/A	N/A	N/A	N/A
8.20 Are appropriate General Revenue Service Charge nonoperating amounts included in Section II?	N/A	N/A	N/A	N/A	N/A
8.21 Are nonoperating expenditures to other budget entities/departments cross-referenced accurately?	N/A	N/A	N/A	N/A	N/A
8.22 Do transfers balance between funds (within the agency as well as between agencies)? (See also 8.6 for required transfer confirmation of amounts totaling $100,000 or more.)	N/A	N/A	N/A	N/A	N/A
8.23 Are nonoperating expenditures recorded in Section II and adjustments recorded in Section III?	N/A	N/A	N/A	N/A	N/A
8.24 Are prior year September operating reversions appropriately shown in column A01, Section III?	N/A	N/A	N/A	N/A	N/A
8.25 Are current year September operating reversions (if available) appropriately shown in column A02, Section III?	N/A	N/A	N/A	N/A	N/A
8.26 Does the Schedule IC properly reflect the unreserved fund balance for each trust fund as defined by the LBR Instructions, and is it reconciled to the agency accounting records?	N/A	N/A	N/A	N/A	N/A
8.27 Has the agency analyzed for continuing appropriations (category 13XXXX) and properly accounted for in the appropriate column(s) in Section III?	N/A	N/A	N/A	N/A	N/A
8.28 Does Column A01 of the Schedule I accurately represent the actual prior year accounting data as reflected in the agency accounting records, and is it provided in sufficient detail for analysis?	N/A	N/A	N/A	N/A	N/A
8.29 Does Line I of Column A01 (Schedule I) equal Line K of the Schedule IC?	N/A	N/A	N/A	N/A	N/A
AUDITS:					
8.30 Is Line I a positive number? (If not, the agency must adjust the budget request to eliminate the deficit).	N/A	N/A	N/A	N/A	N/A
8.31 Is the June 30 Adjusted Unreserved Fund Balance (Line I) equal to the July 1 Unreserved Fund Balance (Line A) of the following year? If a Schedule IB was prepared, do the totals agree with the Schedule I, Line I? **(SC1R, SC1A - Report should print "No Discrepancies Exist For This Report")**	N/A	N/A	N/A	N/A	N/A
8.32 Has a Department Level Reconciliation been provided for each trust fund and does Line A of the Schedule I equal the CFO amount? If not, the agency must correct Line A. **(SC1R, DEPT)**	N/A	N/A	N/A	N/A	N/A

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Action	Program or Service (Budget Entity Codes)				
	43900530	43900540	43900550	43900560	43900570
8.33 Has a Schedule IB been provided for ALL trust funds having an unreserved fund balance in columns A01, A02 and/or A03, and if so, does each column's total agree with line I of the Schedule I?	N/A	N/A	N/A	N/A	N/A
8.34 Have A/R been properly analyzed and any allowances for doubtful accounts been properly recorded on the Schedule IC?	N/A	N/A	N/A	N/A	N/A
TIP The Schedule I is the most reliable source of data concerning the trust funds. It is very important that this schedule is as accurate as possible!					
TIP Determine if the agency is scheduled for trust fund review. (See pages 121 through 126 of the LBR Instructions.) Transaction DFTR in LAS/PBS is also available and provides an LBR review date for each trust fund.					
TIP Review the unreserved fund balances and compare revenue totals to expenditure totals to determine and understand the trust fund status.					
TIP Typically nonoperating expenditures and revenues should not be a negative number. Any negative numbers must be fully justified.					
9. SCHEDULE II (PSCR, SC2)					
AUDIT:					
9.1 Is the pay grade minimum for salary rate utilized for positions in segments 2 and 3? **(BRAR, BRAA - Report should print "No Records Selected For This Request")** Note: Amounts other than the pay grade minimum should be fully justified in the D-3A issue narrative. (See *Base Rate Audit* on page 156 of the LBR Instructions.)	N/A	N/A	N/A	N/A	N/A
10. SCHEDULE III (PSCR, SC3)					
10.1 Is the appropriate lapse amount applied? (See page 91 of the LBR Instructions.)	N/A	N/A	N/A	N/A	N/A
10.2 Are amounts in *Other Salary Amount* appropriate and fully justified? (See pages 94 and 95 of the LBR Instructions for appropriate use of the OAD transaction.) Use **OADI** or **OADR** to identify agency other salary amounts requested.	N/A	N/A	N/A	N/A	N/A
11. SCHEDULE IV (EADR, SC4)					
11.1 Are the correct Information Technology (IT) issue codes used?	N/A	N/A	N/A	N/A	N/A
TIP If IT issues are not coded (with "C" in 6th position or within a program component of 1603000000), they will not appear in the Schedule IV.					
12. SCHEDULE VIIIA (EADR, SC8A)					
12.1 Is there only one #1 priority, one #2 priority, one #3 priority, etc. reported on the Schedule VIII-A? Are the priority narrative explanations adequate? Note: FCO issues can be included in the priority listing.	N/A	N/A	N/A	N/A	N/A
13. SCHEDULE VIIIB-1 (EADR, S8B1)					
13.1 **NOT REQUIRED FOR THIS YEAR**	N/A	N/A	N/A	N/A	N/A
TIP If all or a portion of an issue is intended to be reduced on a nonrecurring basis, include the total reduction amount in Column A91 and the nonrecurring portion in Column A92.					

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Action	Program or Service (Budget Entity Codes)				
	43900530	**43900540**	**43900550**	**43900560**	**43900570**
14. SCHEDULE VIIIB-2 (EADR, S8B2) (Required to be posted to the Florida Fiscal Portal)					
14.1 Do the reductions comply with the instructions provided on pages 100 through 103 of the LBR Instructions regarding a 10% reduction in General Revenue and Trust Funds, including the verification that the 33BXXX0 issue has NOT been used? Verify that excluded appropriation categories and funds were not used (e.g. funds with FSI 3 and 9, etc.)	Y	Y	Y	Y	Y
TIP Compare the debt service amount requested (IOE N or other IOE used for debt service) with the debt service need included in the Schedule VI: Detail of Debt Service, to determine whether any debt has been retired and may be reduced.					
TIP If all or a portion of an issue is intended to be reduced on a nonrecurring basis, in the absence of a nonrecurring column, include that intent in narrative.					
15. SCHEDULE VIIIC (EADR, S8C) (NO LONGER REQUIRED)					
16. SCHEDULE XI (UCSR,SCXI) (LAS/PBS Web - see pages 105-109 of the LBR Instructions for detailed instructions) (Required to be posted to the Florida Fiscal Portal in Manual Documents)					
16.1 Agencies are required to generate this spreadsheet via the LAS/PBS Web. **The Final Excel version no longer has to be submitted to OPB for inclusion on the Governor's Florida Performs Website.** (Note: Pursuant to section 216.023(4) (b), Florida Statutes, the Legislature can reduce the funding level for any agency that does not provide this information.)	N/A	N/A	N/A	N/A	N/A
16.2 Do the PDF files uploaded to the Florida Fiscal Portal for the LRPP and LBR match?	N/A	N/A	N/A	N/A	N/A
AUDITS INCLUDED IN THE SCHEDULE XI REPORT:					
16.3 Does the FY 2022-23 Actual (prior year) Expenditures in Column A36 reconcile to Column A01? **(GENR, ACT1)**	N/A	N/A	N/A	N/A	N/A
16.4 None of the executive direction, administrative support and information technology statewide activities (ACT0010 thru ACT0490) have output standards (Record Type 5)? **(Audit #1 should print "No Activities Found")**	N/A	N/A	N/A	N/A	N/A
16.5 Does the Fixed Capital Outlay (FCO) statewide activity (ACT0210) only contain 08XXXX or 14XXXX appropriation categories? **(Audit #2 should print "No Operating Categories Found")**	N/A	N/A	N/A	N/A	N/A
16.6 Has the agency provided the necessary standard (Record Type 5) for all activities which <u>should</u> appear in Section II? (Note: The activities listed in **Audit #3** do not have an associated output standard. In addition, the activities were not identified as a Transfer to a State Agency, as Aid to Local Government, or a Payment of Pensions, Benefits and Claims. Activities listed here should represent transfers/pass-throughs 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.)	N/A	N/A	N/A	N/A	N/A
16.7 Does Section I (Final Budget for Agency) and Section III (Total Budget for Agency) equal? **(Audit #4 should print "No Discrepancies Found")**	N/A	N/A	N/A	N/A	N/A

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		43900530	**43900540**	**43900550**	**43900560**	**43900570**
TIP	If Section I and Section III have a small difference, it may be due to rounding and therefore will be acceptable.					
17.	**MANUALLY PREPARED EXHIBITS & SCHEDULES (Required to be posted to the Florida Fiscal Portal)**					
17.1	Do exhibits and schedules comply with LBR Instructions (pages 53 through 109 of the LBR Instructions), and are they accurate and complete?	N/A	N/A	N/A	N/A	N/A
17.2	Does manual exhibits tie to LAS/PBS where applicable?	N/A	N/A	N/A	N/A	N/A
17.3	Are agency organization charts (Schedule X) provided and at the appropriate level of detail?	N/A	N/A	N/A	N/A	N/A
17.4	Does the LBR include a separate Schedule IV-B for each IT project over $1 million (see page 129 and 130 of the LBR instructions for exceptions to this rule)? Have all IV-Bs been emailed to: **IT@LASPBS.STATE.FL.US?**	N/A	N/A	Y	N/A	N/A
17.5	Are all forms relating to Fixed Capital Outlay (FCO) funding requests submitted in the proper form, including a Truth in Bonding statement (if applicable) ?	N/A	N/A	N/A	N/A	N/A
AUDITS - GENERAL INFORMATION						
TIP	Review *Section 6: Audits* of the LBR Instructions (pages 155 through 157) for a list of audits and their descriptions.					
TIP	Reorganizations may cause audit errors. Agencies must indicate that these errors are due to an agency reorganization to justify the audit error.					
18.	**CAPITAL IMPROVEMENTS PROGRAM (CIP) (Required to be posted to the Florida Fiscal Portal)**					
18.1	Are the CIP-2, CIP-3, CIP-A and CIP-B forms included?	N/A	N/A	N/A	N/A	N/A
18.2	Are the CIP-4 and CIP-5 forms submitted when applicable (see CIP Instructions)?	N/A	N/A	N/A	N/A	N/A
18.3	Do all CIP forms comply with CIP Instructions where applicable (see CIP Instructions)?	N/A	N/A	N/A	N/A	N/A
18.4	Does the agency request include 5 year projections (Columns A03, A06, A07, A08 and A09)?	N/A	N/A	N/A	N/A	N/A
18.5	Are the appropriate counties identified in the narrative?	N/A	N/A	N/A	N/A	N/A
18.6	Has the CIP-2 form (Exhibit B) been modified to include the agency priority for each project and the modified form saved as a PDF document?	N/A	N/A	N/A	N/A	N/A
TIP	Requests for Fixed Capital Outlay appropriations which are Grants and Aids to Local Governments and Non-Profit Organizations must use the Grants and Aids to Local Governments and Non-Profit Organizations - Fixed Capital Outlay major appropriation category (140XXX) and include the sub-title "Grants and Aids". These appropriations utilize a CIP-B form as justification.					
19. FLORIDA FISCAL PORTAL						
19.1	Have all files been assembled correctly and posted to the Florida Fiscal Portal as outlined in the Florida Fiscal Portal Submittal Process?	Y	Y	Y	Y	Y