

COMMITTEE MEETING EXPANDED AGENDA

**APPROPRIATIONS SUBCOMMITTEE ON
TRANSPORTATION, TOURISM, AND ECONOMIC
DEVELOPMENT**

**Senator Latvala, Chair
Senator Clemens, Vice Chair**

MEETING DATE: Wednesday, October 7, 2015

TIME: 10:00 a.m.—12:00 noon

PLACE: 301 Senate Office Building

MEMBERS: Senator Latvala, Chair; Senator Clemens, Vice Chair; Senators Brandes, Detert, Diaz de la Portilla, Gibson, Hukill, Sachs, and Thompson

TAB	BILL NO. and INTRODUCER	BILL DESCRIPTION and SENATE COMMITTEE ACTIONS	COMMITTEE ACTION
1	Presentations by the Department of Economic Opportunity - Jesse Panuccio, Executive Director - Reemployment Assistance Program - Economic Development Incentive Programs	Presented	
2	Discussion of the process for formulating the budget and introduction of local initiatives.	Discussed	
Other Related Meeting Documents			



FLORIDA
DEPARTMENT *of*
ECONOMIC
OPPORTUNITY

Reemployment Assistance Program

Jesse Panuccio
DEO Executive Director
October 7, 2015

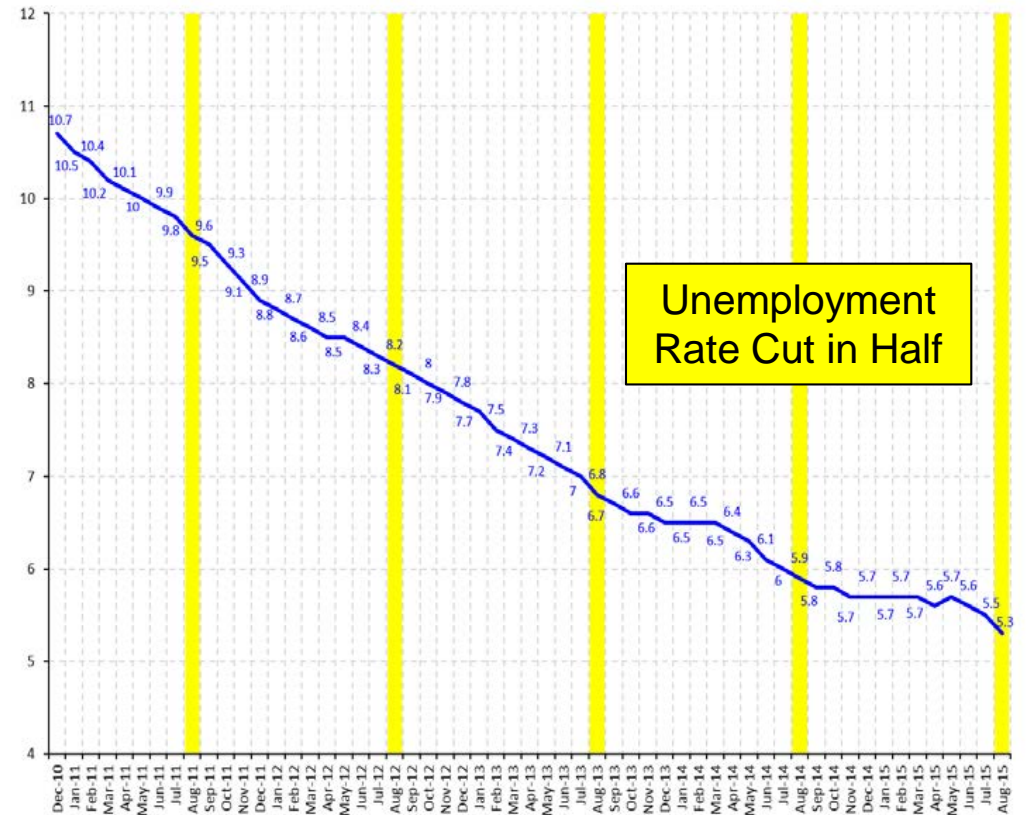
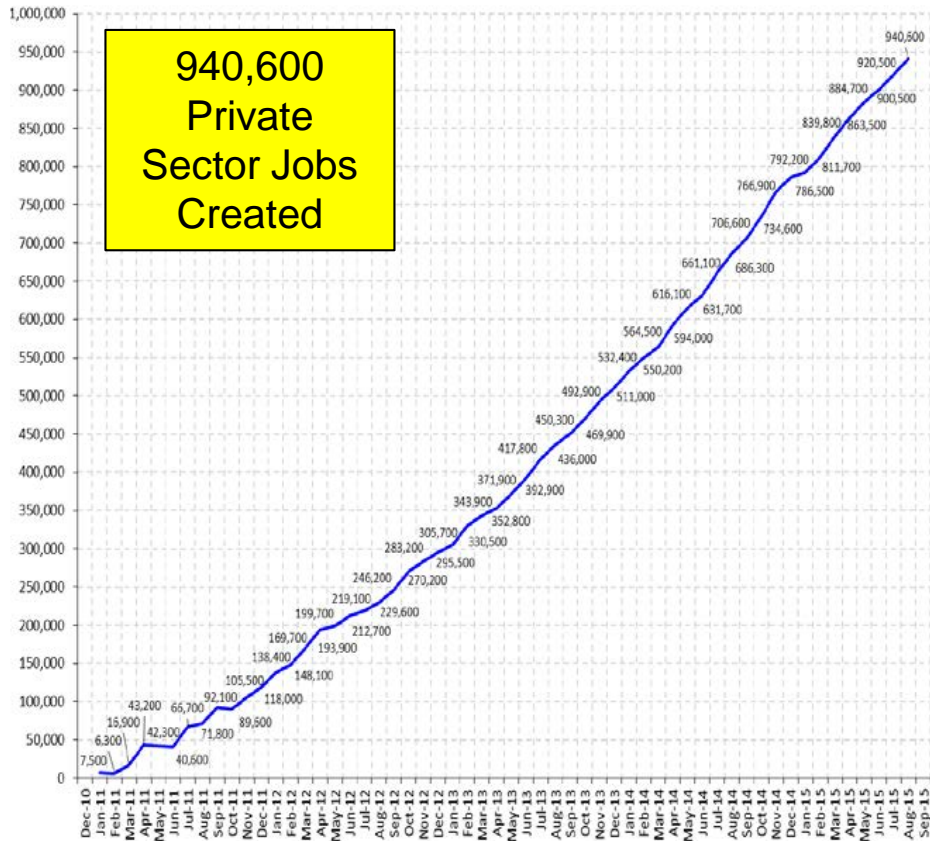


Overview

- Employment in Florida and Claims for the Reemployment Assistance Program
- Reemployment Assistance Taxes
- Staffing, Funding, and Performance
- Fraud Prevention and Detection



Private-Sector Jobs Created vs. Unemployment Rate in Florida, 2010-Current

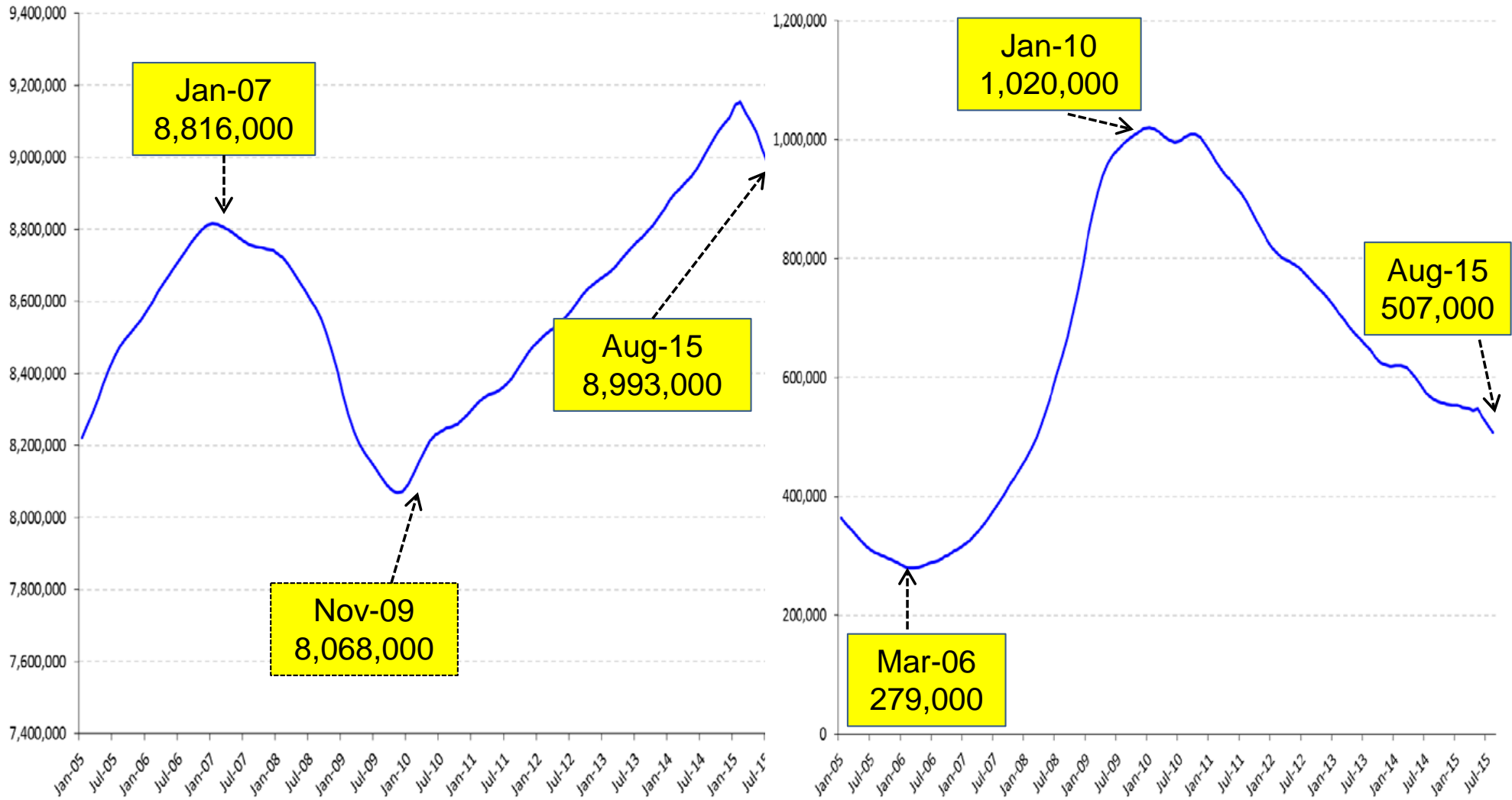


September 18, 2015



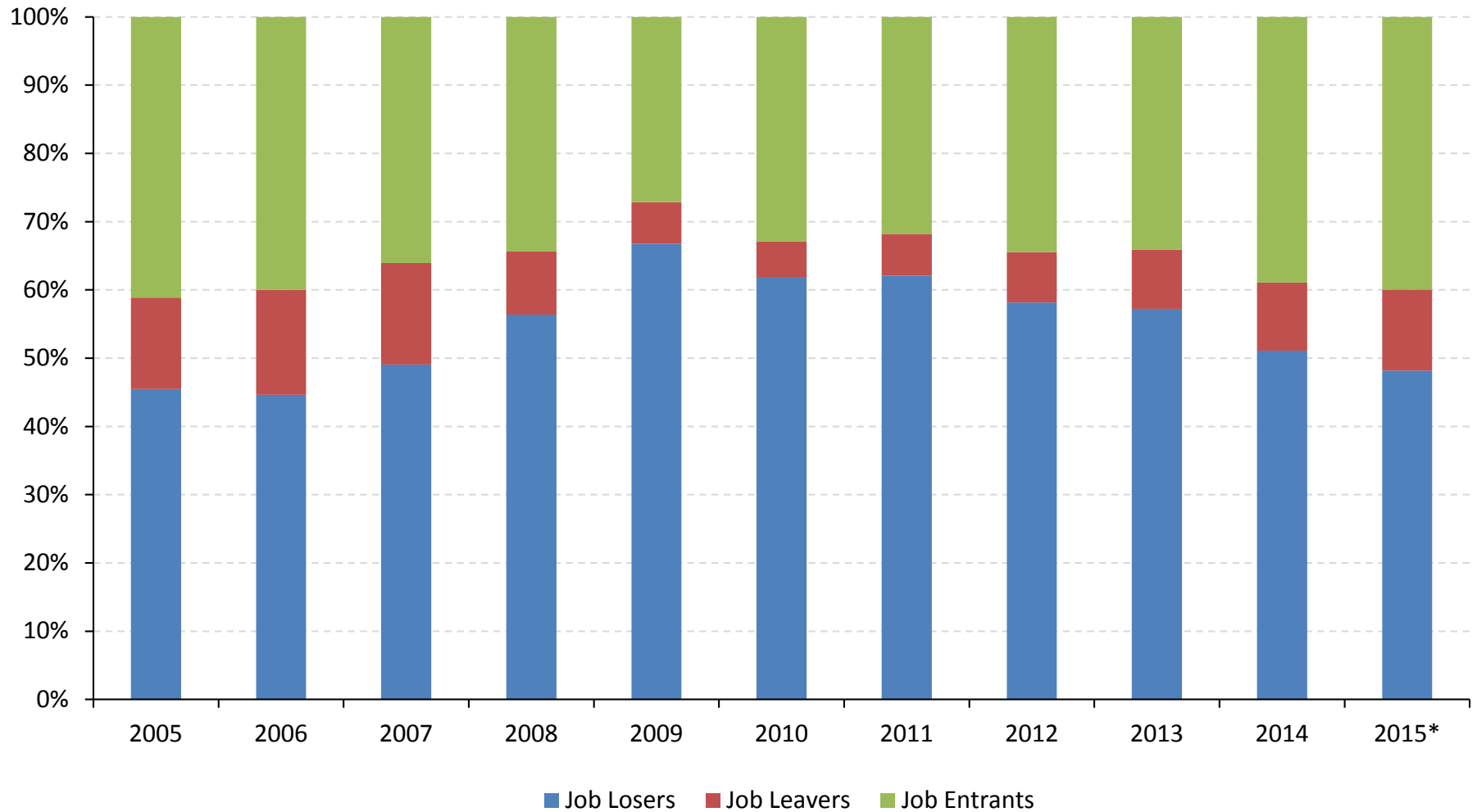
FLORIDA DEPARTMENT of ECONOMIC OPPORTUNITY

Total Employment and Unemployment in Florida, 2005-August 2015



FLORIDA DEPARTMENT of ECONOMIC OPPORTUNITY

Reasons for Unemployment In Florida



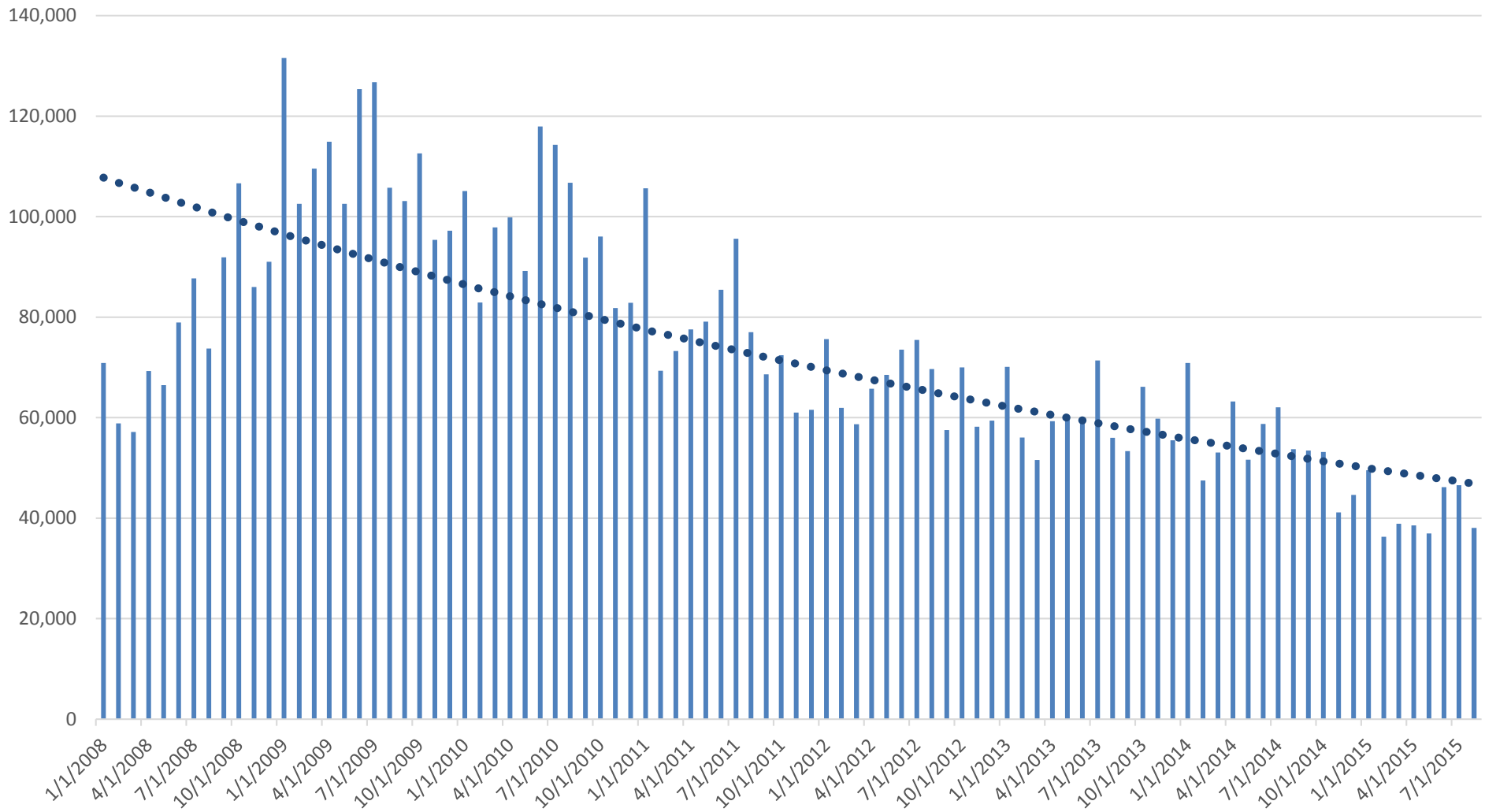
*2015: Includes all 2015 estimates through August

September 18, 2015



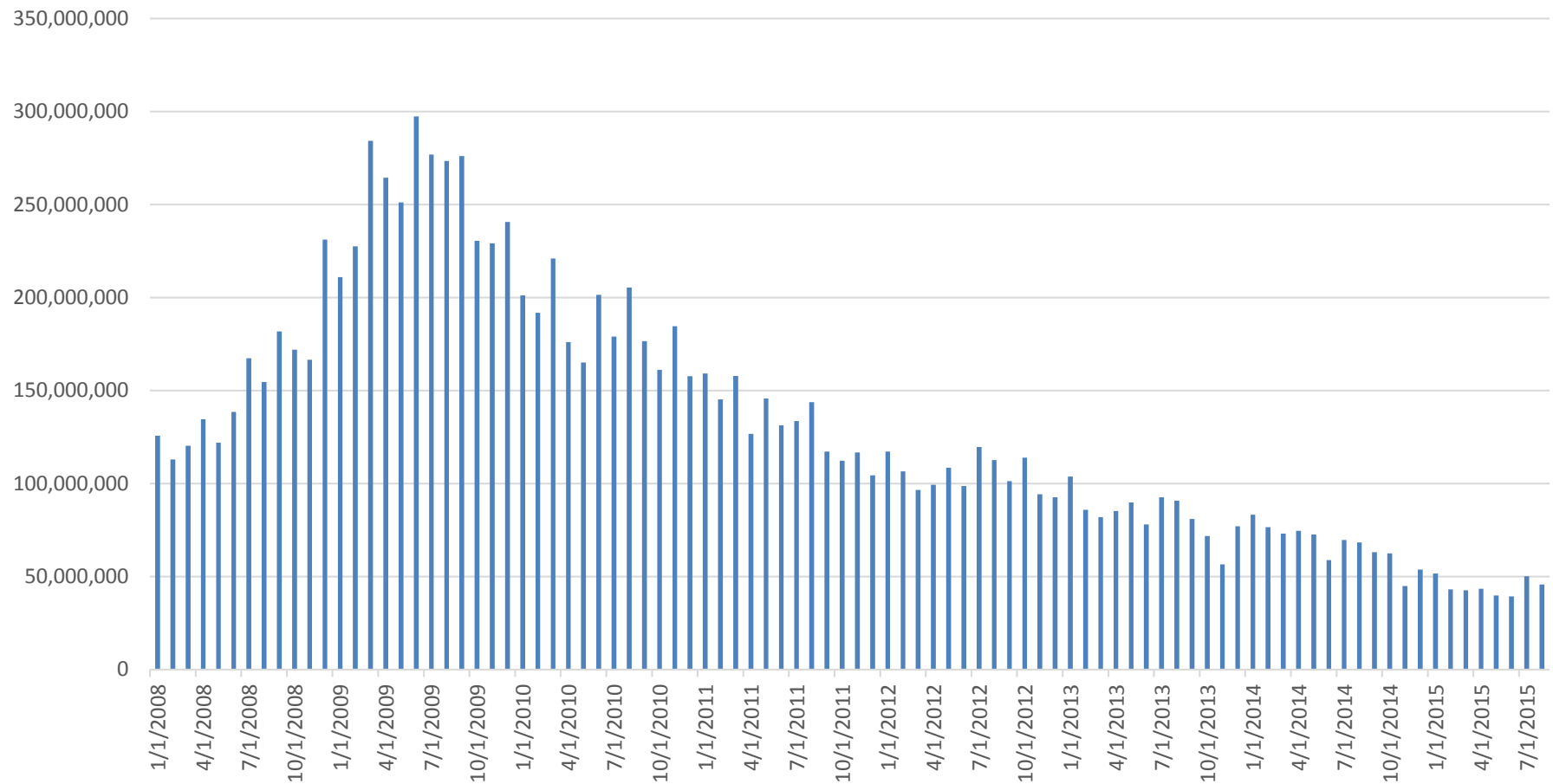
FLORIDA DEPARTMENT of ECONOMIC OPPORTUNITY

Florida RA Initial Claims By Month



FLORIDA DEPARTMENT of ECONOMIC OPPORTUNITY

Florida RA Total Benefits Paid By Month



FLORIDA DEPARTMENT of ECONOMIC OPPORTUNITY

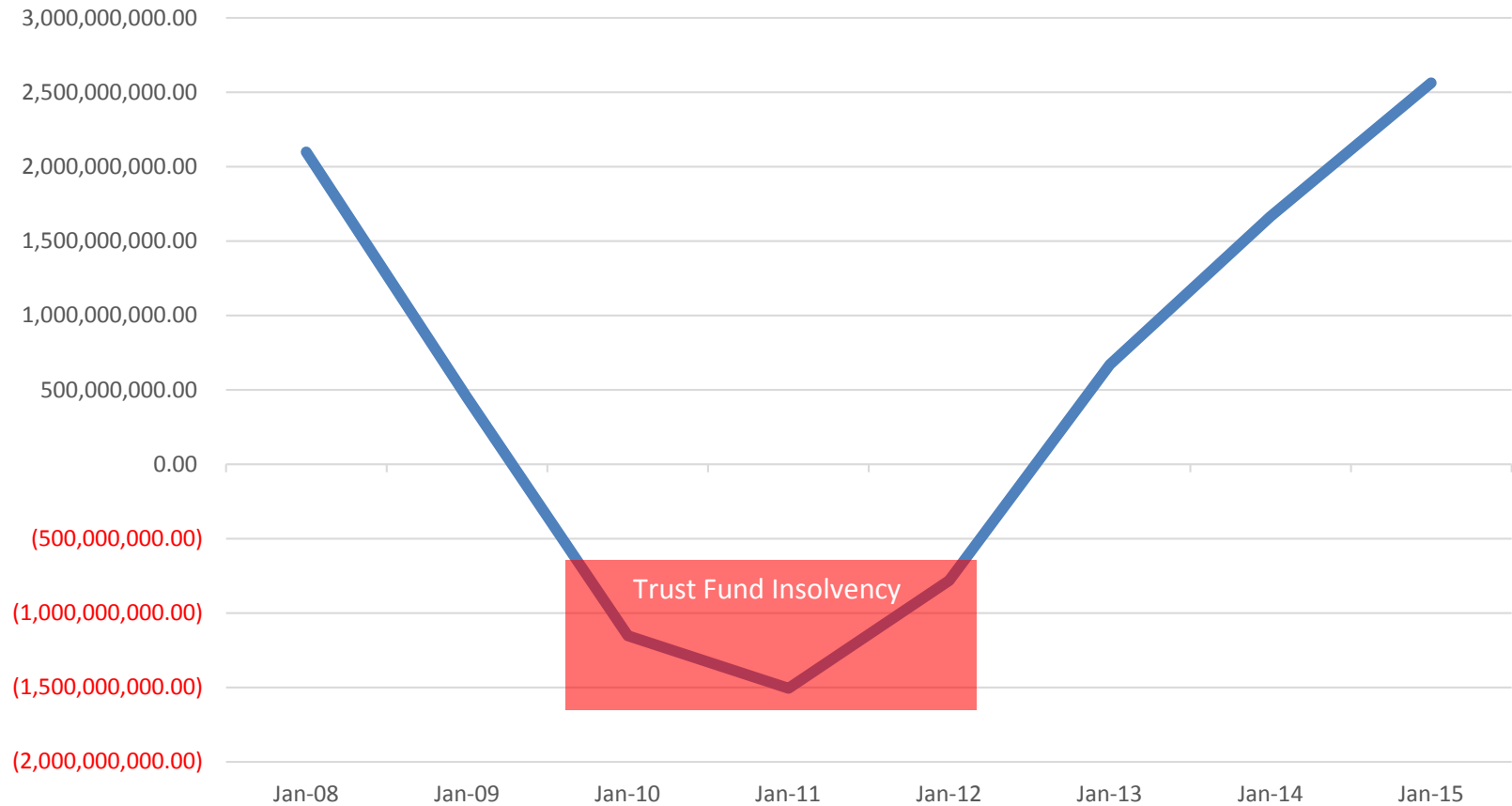


Overview

- Employment in Florida and Claims for the Reemployment Assistance Program
- **Reemployment Assistance Taxes**
- Staffing, Funding, and Performance
- Fraud Prevention and Detection

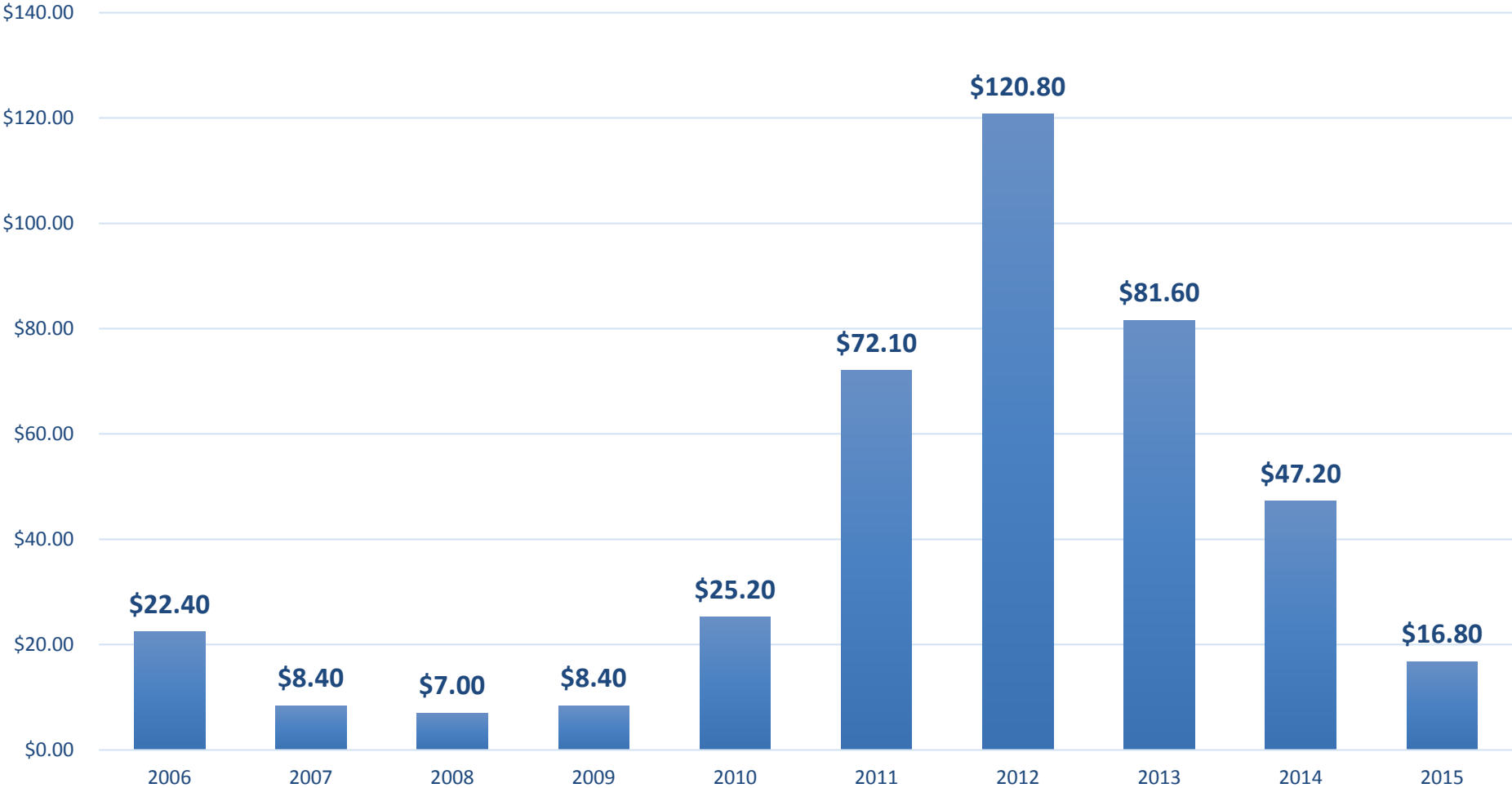


Unemployment Trust Fund



Minimum RA Tax Rate

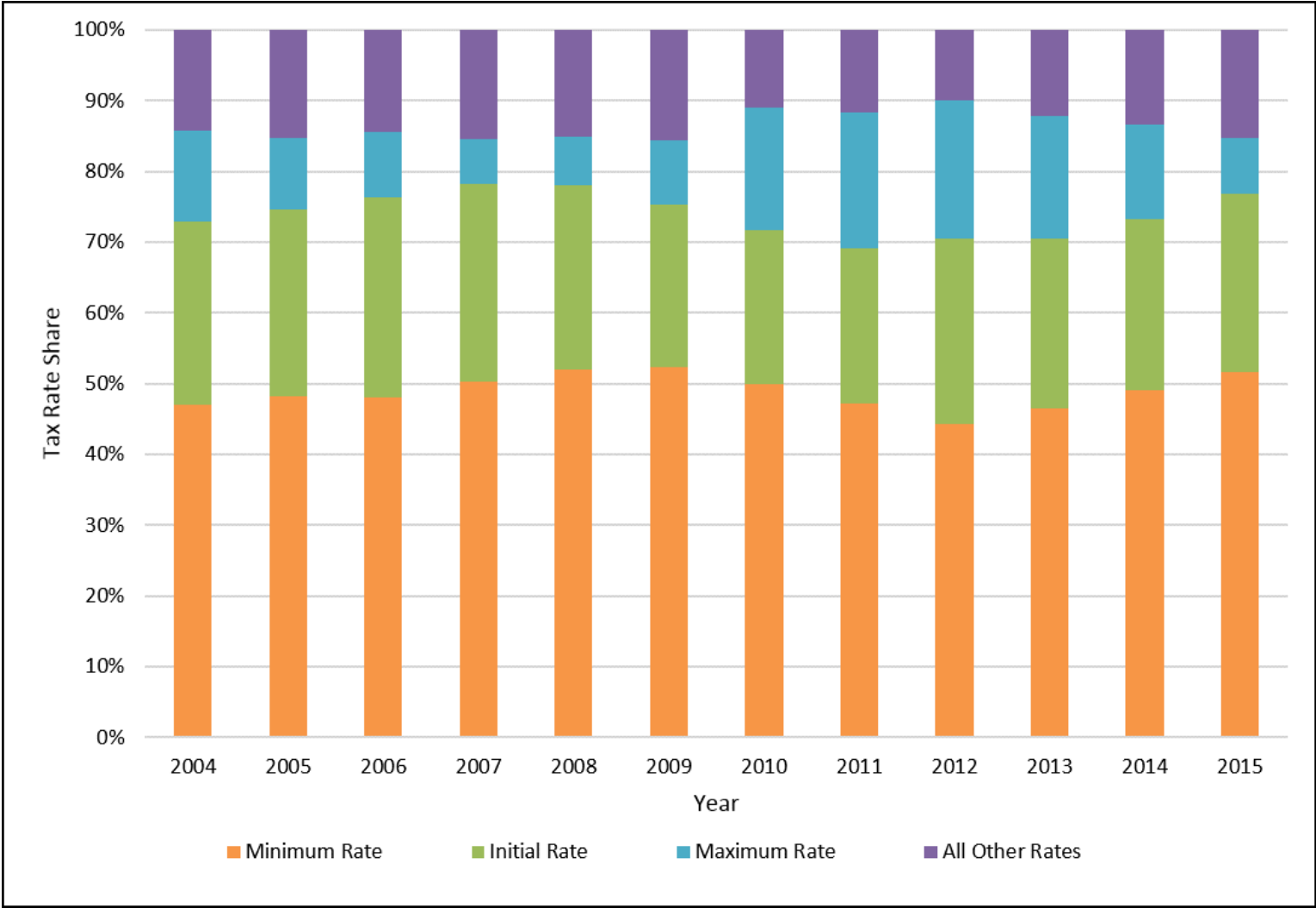
2006-Present, Calendar Year



FLORIDA DEPARTMENT of ECONOMIC OPPORTUNITY



RA Tax Rate Distribution

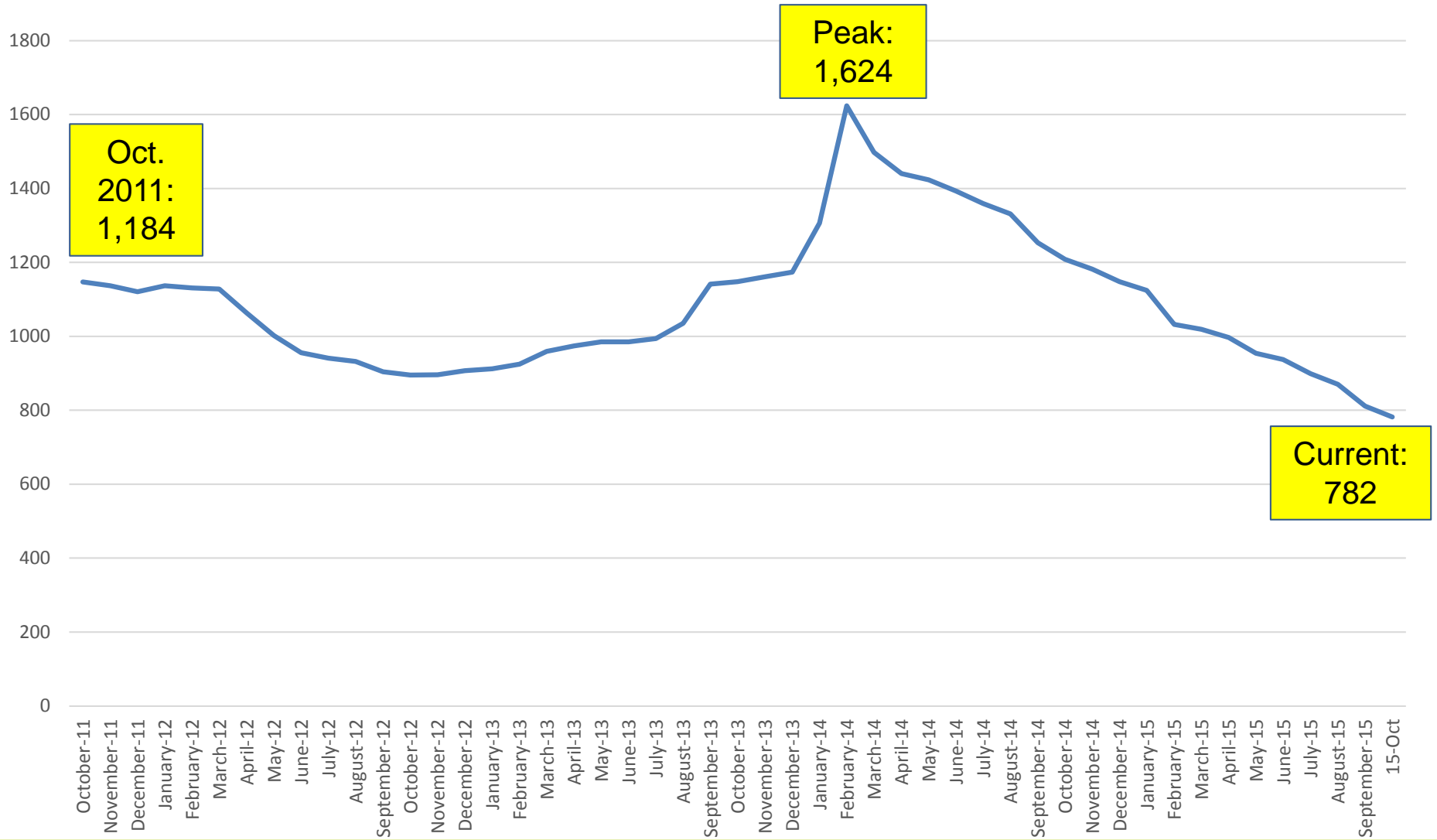


Overview

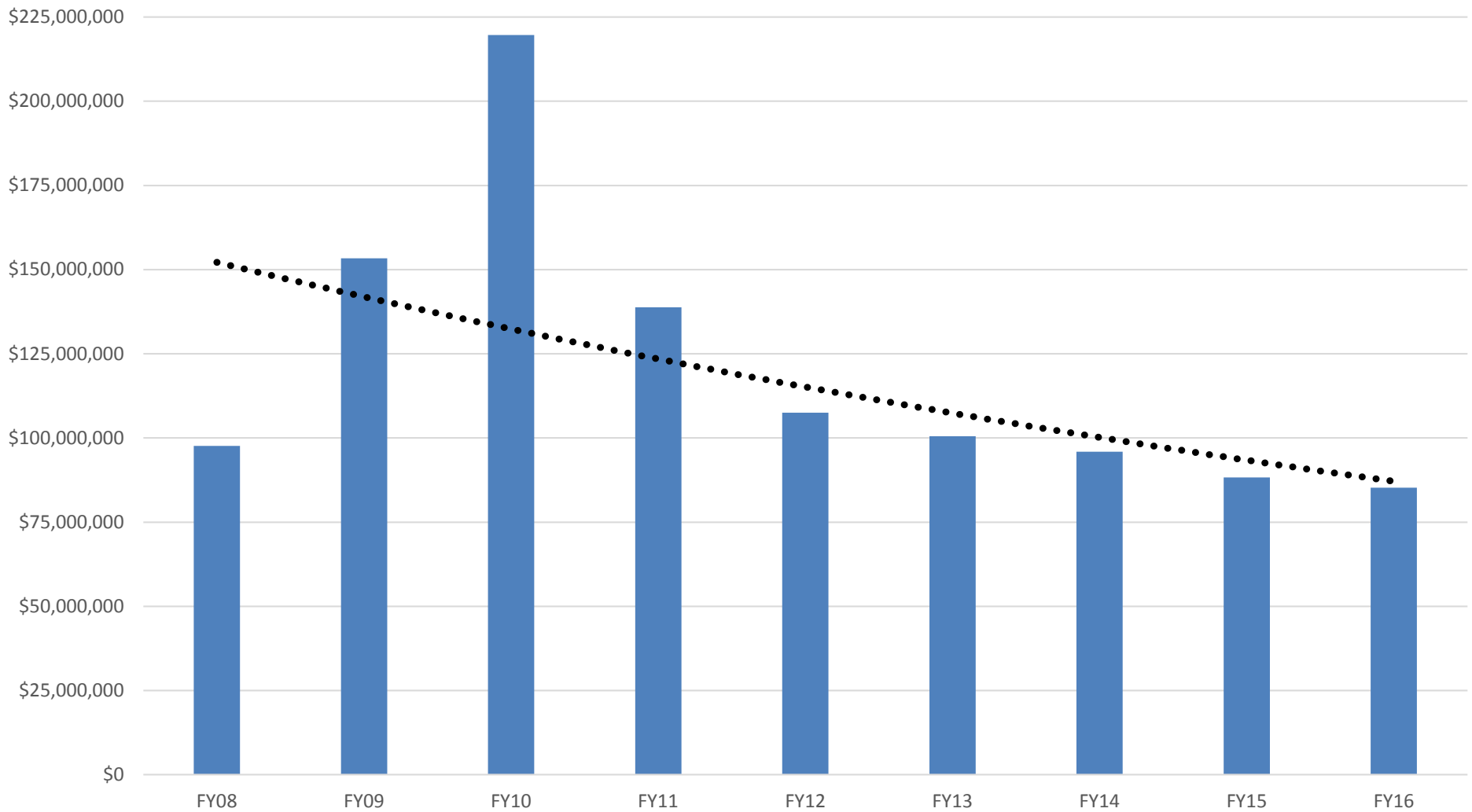
- Employment in Florida and Claims for the Reemployment Assistance Program
- Reemployment Assistance Taxes
- **Staffing, Funding, and Performance**
- Fraud Prevention and Detection



RA Staffing



Federal Administrative Funding



FLORIDA DEPARTMENT *of* ECONOMIC OPPORTUNITY



Overview

- Employment in Florida and Claims for the Reemployment Assistance Program
- Reemployment Assistance Taxes
- Staffing, Funding, and Performance
- **Fraud Prevention and Detection**



DEO Fraud Prevention

- **2013:** Identified about **9,600 fraudulent claims**
- **2014:** fully deployed in-house data analytics program (FIRRE) and found nearly **70,000 fraudulent claims.**
- **2015** (as of 9/26): identified **60,000 fraudulent claims** (on pace for **80,000 fraudulent claims**).
- Potential value of fraudulent claims = **\$529 million.**



DEO Fraud Prevention

- DEO's goal is to be the national leader in best practices for public-benefits fraud detection.
- DEO is consulting with other agencies in Florida and in other states to raise awareness of the fraud crisis and to export best practices.
- DEO's FIRRE team has twice won the Prudential Productivity Award.
- DEO this week will be presented with NASWA's State Excellence Award for Leadership.





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OPPORTUNITY

Economic Development Incentives

Jesse Panuccio
DEO Executive Director
October 7, 2015



What is the status of the Closing Fund?

Closing Fund Dollars Spent by Year

Current Year



■ Expenditures
 ■ FY 15-16 Toolkit Appropriation
 ■ Closing Fund Available at Start of FY 15-16
 ■ Approved
 ■ Pipeline



FLORIDA DEPARTMENT of ECONOMIC OPPORTUNITY

Why does the state use escrow?

Closing Fund Escrow Account

- An escrow account is a bank account held in the name of the depositor and an escrow agent, which must be paid to a third party on the fulfillment of escrow conditions or is returnable to depositor if conditions are not met.
- The Closing Fund is a cash incentive competing with other states' up-front cash payment programs.
- Balances (1) competitiveness and certainty for companies with (2) protection of taxpayer funds.



How have incentive projects performed?

Toolkit Performance

INCENTIVES TOOLKIT SUMMARY					
Incremental Jobs Per Fiscal Year ¹					
	2011-12	2012-13	2013-14	2014-15 ²	Total
NEW JOBS COMMITTED	3,514	5,810	6,886	9,597	25,807
NEW JOBS CONFIRMED	3,256	5,698	7,331	6,705	22,990
NEW JOBS COMMITTED CUMULATIVE	15,565	19,070	20,873	27,261	
NEW JOBS CONFIRMED CUMULATIVE	17,444	18,630	18,387	17,029	
PERFORMANCE PAYMENTS TO BUSINESSES ³	\$9,086,414	\$26,882,993	\$20,965,445	\$12,604,255	\$69,539,107

Notes:

1. Fiscal year payments are for prior calendar year performance (e.g., CY 2012 performance is paid from state FY 13-14).
2. Some outstanding FY 14-15 performance confirmations (appx. 8%) may increase job confirmation counts.
3. Total payments should not be divided by the total job counts to calculate a per job cost because every project has unique performance requirements and weighted economic impact, and because payments may also related to capital investment.



How have incentive projects performed?

QUALIFIED TARGET INDUSTRY TAX REFUND					
Incremental Jobs Per Fiscal Year ¹					
	2011-12	2012-13	2013-14	2014-15 ²	Total
NEW JOBS COMMITTED	1,787	3,014	3,612	4,715	13,128
NEW JOBS CONFIRMED	2,304	3,495	4,221	3,443	13,463
NEW JOBS COMMITTED CUMULATIVE	9,697	10,403	11,980	15,975	
NEW JOBS CONFIRMED CUMULATIVE	12,449	12,108	11,650	10,879	
PERFORMANCE PAYMENTS TO BUSINESSES ³	\$3,695,267	\$7,918,103	\$8,442,991	\$5,762,115	\$25,818,476

Quick Action Closing Fund					
Incremental Jobs Per Fiscal Year ¹					
	2011-12	2012-13	2013-14	2014-15 ²	Total
NEW JOBS COMMITTED	1,852	3,011	2,877	2,654	10,394
NEW JOBS CONFIRMED	1,024	2,087	2,902	2,813	8,826
NEW JOBS COMMITTED CUMULATIVE	5,865	8,560	8,791	10,077	
NEW JOBS CONFIRMED CUMULATIVE	4,832	6,290	6,450	6,261	
PERFORMANCE PAYMENTS TO BUSINESSES ³	\$2,707,500	\$11,142,447	\$10,966,040	\$3,758,500	\$28,574,487

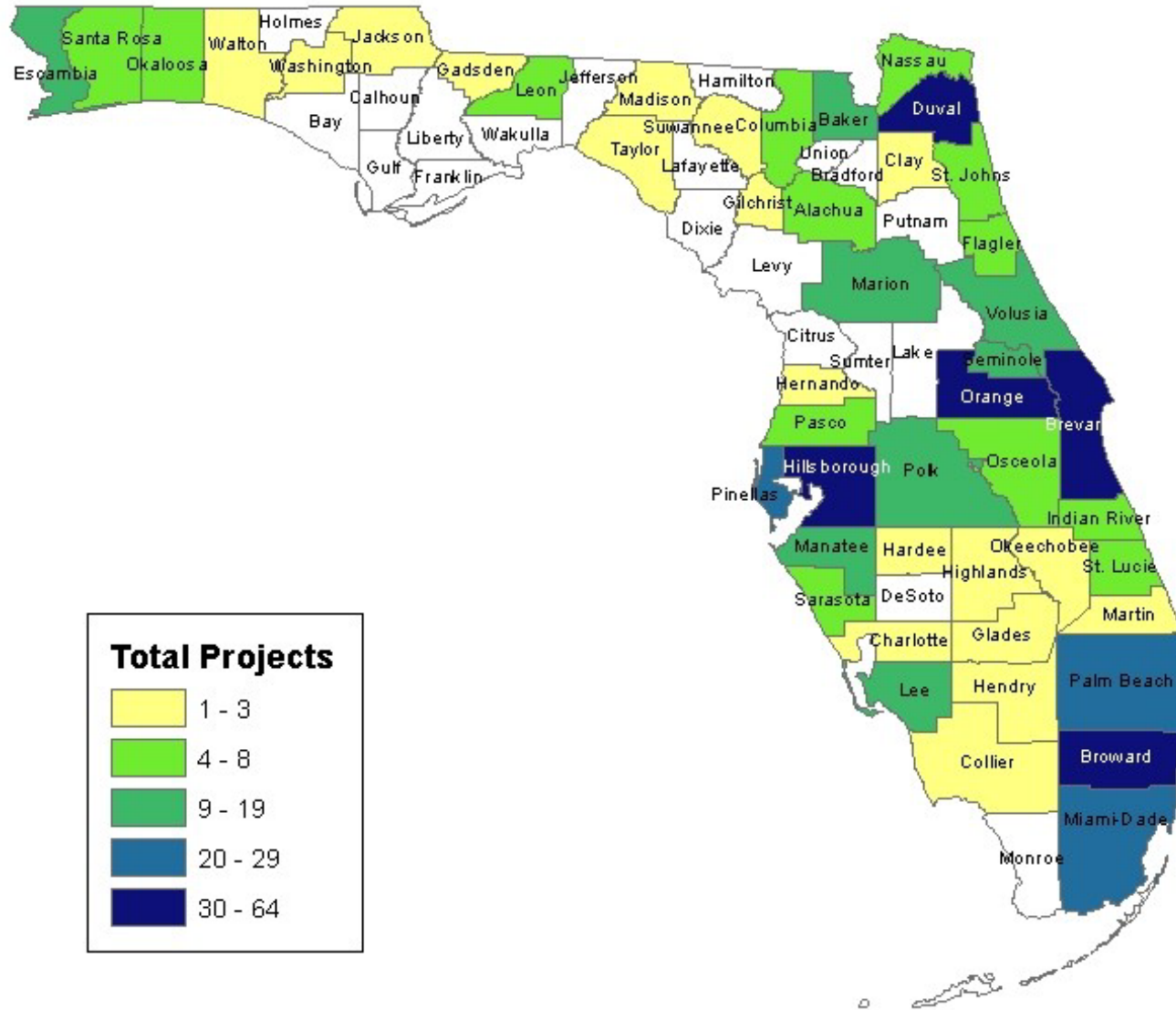
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Where are incentive projects creating jobs?

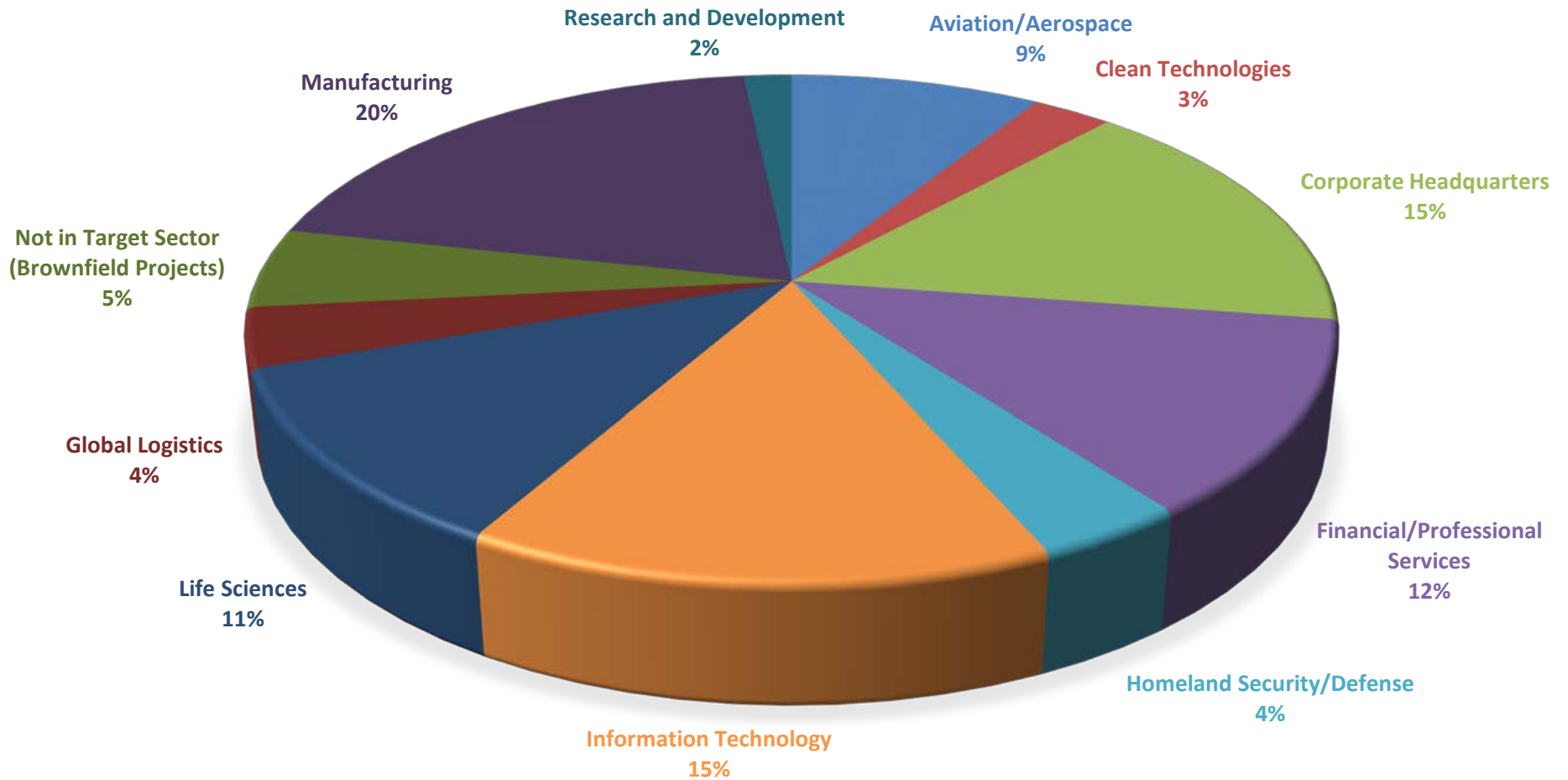
Geographic Reach of Projects with Performance Due in Last Five Years



FLORIDA DEPARTMENT of ECONOMIC OPPORTUNITY

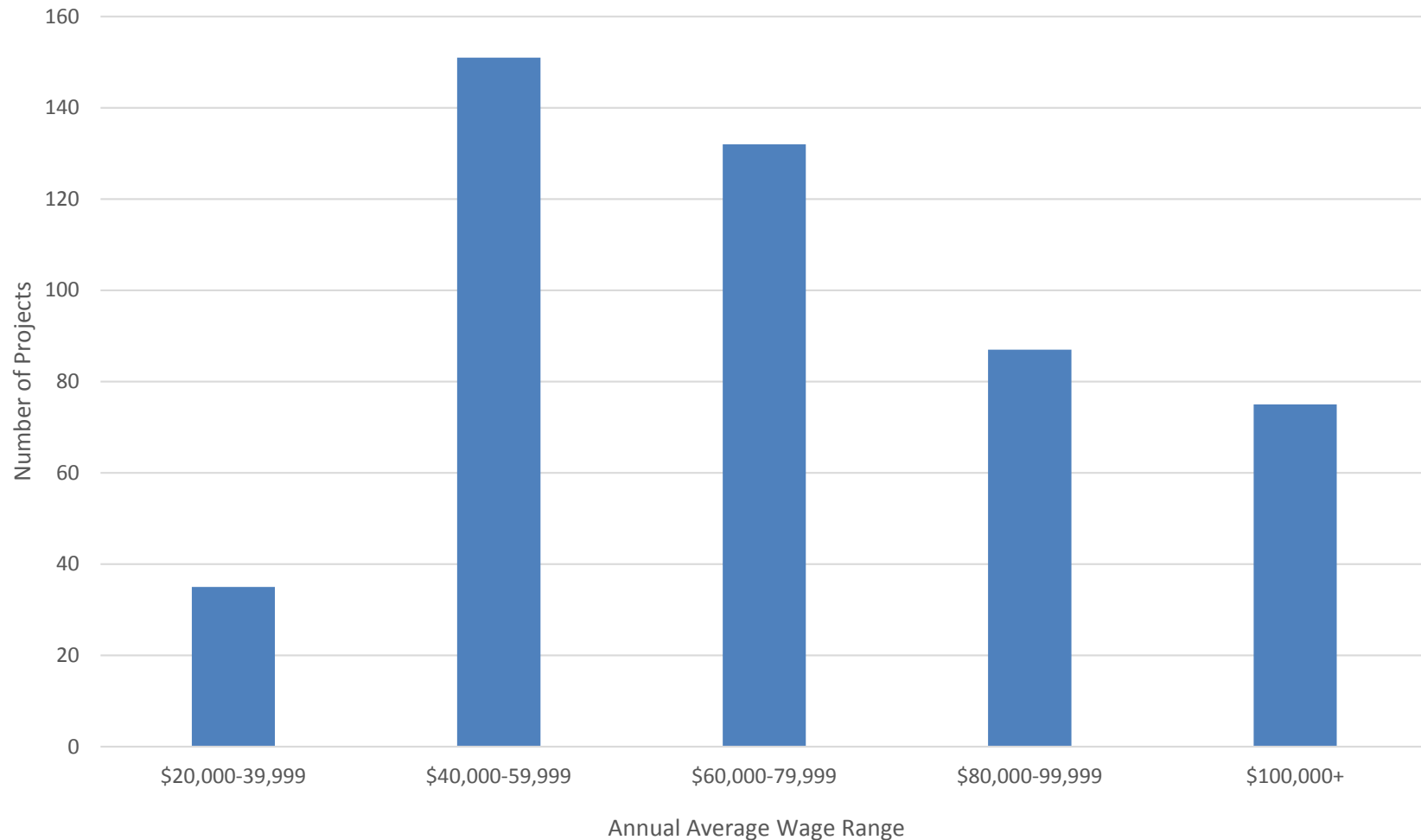
What type of jobs are created?

Percent of Confirmed Projects by Industry



How much are the jobs paying?

Confirmed Annual Average Project Wages



FLORIDA DEPARTMENT of ECONOMIC OPPORTUNITY

CourtSmart Tag Report

Room: SB 301

Case:

Type:

Caption: Appropriations Subcommittee on Transportation, Tourism, and Economic Development **Judge:**

Started: 10/7/2015 10:02:10 AM

Ends: 10/7/2015 11:36:39 AM **Length:** 01:34:30

10:02:46 AM Sen. Latvala with opening comments
10:03:44 AM Jesse Panuccio, Director of DOE
10:04:39 AM Presentation on reemployment
10:06:15 AM Sen. Detert - question about cut in benefits
10:06:33 AM Mr. Panuccio - responds
10:07:50 AM Sen. Clemens - follow up on unemployment totals
10:07:59 AM Mr. Panuccio responds
10:11:09 AM Sen. Clemens - how many claims result in reemployment assistance?
10:11:14 AM Panuccio responds
10:14:10 AM Sen. Thompson - what is the determination for claims that qualify
10:14:32 AM Mr. Panuccio
10:18:18 AM Sen. Gibson - how are the unemployment statistics calculated?
10:19:39 AM Mr. Panuccio responds
10:27:26 AM Sen. Clemens - Staffing at Miami Worker Center regarding language barriers
10:27:51 AM Mr. Panuccio responds
10:34:07 AM Sen. Sachs asks about data regarding fraudulent claims vs. total claims
10:40:07 AM Mr. Panuccio and Sen. Sachs - responses and follow up questions
10:55:53 AM Rich Templin, Florida AFL-CIO
11:00:01 AM Sen. Sachs - questions on fraud statistics
11:00:44 AM Sen. Sachs and Mr. Templin - questions and responses
11:05:49 AM Sen. Brandes - asking for specific examples
11:06:06 AM Mr. Templin responds
11:09:20 AM Sen. Sachs also requests specific examples and other statistical reports
11:10:39 AM Mr. Templin responds
11:11:22 AM Mr. Panuccio responds to Mr. Templin's comments
11:14:47 AM Sen. Latvala with comments for Mr. Panuccio
11:16:55 AM Mr. Panuccio responds to Sen. Latvala
11:21:01 AM Sen. Clemens - asking if the statistics are incorrect due to the new system
11:21:48 AM Mr. Panuccio responds
11:23:51 AM Chair Latvala - defer the Economic Development presentation for the next meeting
11:24:26 AM Chair Latvala
11:24:46 AM discussion on the process for local initiatives
11:25:22 AM there will be a standardized system
11:27:32 AM Sen. Clemens - would like to have the same process as last year.
11:28:00 AM Sen. Clemens would like to have some direction from the Governor's office
11:28:36 AM Sen. Latvala responds
11:34:07 AM Sen. Detert comments on previous years' local initiatives
11:36:29 AM meeting adjourned

THE FLORIDA SENATE
APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

10/7/15

Meeting Date

Bill Number (if applicable)

Topic REEMPLOYMENT ASSISTANCE + ECONOMIC DEVELOPMENT INCENTIVES Amendment Barcode (if applicable)

Name JESSE PANUCCIO

Job Title EXECUTIVE DIRECTOR

Address CAUDWELL BUILDING
Street

Phone 245-7298

TALLAHASSEE FL
City State

32399
Zip

Email JESSE.PANUCCIO@DEO.MYFLORIDA.COM

Speaking: For Against Information

Waive Speaking: In Support Against
(The Chair will read this information into the record.)

Representing DEO

Appearing at request of Chair: Yes No

Lobbyist registered with Legislature: Yes No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

This form is part of the public record for this meeting.

S-001 (10/14/14)

THE FLORIDA SENATE

APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

10/7/18

Meeting Date

Bill Number (if applicable)

Topic Reemployment Assistance

Amendment Barcode (if applicable)

Name Tom Lendinning

Job Title Workforce Services Director

Address Caldwell Building

Phone 850 245 7499

Street

Tallahassee FL 32399

Email TOM.Lendinning@FSO.mylife.com

City

State

Zip

Speaking: For Against Information

Waive Speaking: In Support Against
(The Chair will read this information into the record.)

Representing Department of Economic Opportunity

Appearing at request of Chair: Yes No

Lobbyist registered with Legislature: Yes No

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THE FLORIDA SENATE
APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

10/2/15
Meeting Date

Bill Number (if applicable)

Topic Unemployment Insurance

Amendment Barcode (if applicable)

Name Rita Templin

Job Title Florida AFL-CIO

Address 135 S. Monroe
Street

Phone 850-566-4348

Tallahassee FL 32307
City State Zip

Email _____

Speaking: For Against Information

Waive Speaking: In Support Against
(The Chair will read this information into the record.)

Representing Florida AFL-CIO

Appearing at request of Chair: Yes No

Lobbyist registered with Legislature: Yes No

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