

COMMITTEE MEETING EXPANDED AGENDA

BUDGET SUBCOMMITTEE ON GENERAL GOVERNMENT

APPROPRIATIONS

Senator Hays, Chair

Senator Benacquisto, Vice Chair

MEETING DATE: Thursday, February 17, 2011

TIME: 8:00 —10:15 a.m.

PLACE: James E. "Jim" King, Jr., Committee Room, 401 Senate Office Building

MEMBERS: Senator Hays, Chair; Senator Benacquisto, Vice Chair; Senators Bullard, Diaz de la Portilla, Hill, Jones, and Latvala

TAB	BILL NO. and INTRODUCER	BILL DESCRIPTION and SENATE COMMITTEE ACTIONS	COMMITTEE ACTION
1	Agency Presentations of Schedule VIII B Reduction Proposals for Fiscal Year 2011-12:	Dept. of Agriculture and Consumer Services Dept. of Business and Professional Regulation Dept. of Environmental Protection Dept. of Financial Services Office of Financial Regulation Office of Insurance Regulation Dept. of Lottery Dept. of Management Services Division of Administrative Hearings Florida Commission on Human Relations Public Employees Relations Commission Southwood Shared Resource Center Public Service Commission	
	Budget Workshop		



CHIEF FINANCIAL OFFICER
JEFF ATWATER
FLORIDA DEPARTMENT OF FINANCIAL SERVICES

Department of Financial Services
Schedule VIII B Reductions for Fiscal Year 2011 - 2012

Senate Budget Subcommittee on General Government
Appropriations

February 17, 2011

- This presentation covers the Department of Financial Services – not the Offices of Insurance Regulation nor Financial Regulation.
- All Schedule VIII B reductions in this presentation were reviewed and approved by Chief Financial Officer Sink and her leadership team.
- CFO Atwater is reviewing all programs and the constitutional and statutory requirements of the department.
- As a part of the review process, CFO Atwater is reevaluating each program, looking for reductions and cost savings. The review and reevaluation of all programs will be a continual process throughout the coming years.
- Combating insurance fraud is a priority of CFO Atwater. Fraud costs hundreds of millions of dollars each year; costs that are borne by Florida families.
- CFO Atwater also has concerns regarding the ability of the state accounting system (FLAIR) to properly manage the state's finances. The system is archaic and requires special expertise to keep it functioning, making it expensive to maintain. Keeping the FLAIR system functional until a replacement system can be developed is critical to the core mission of the department.

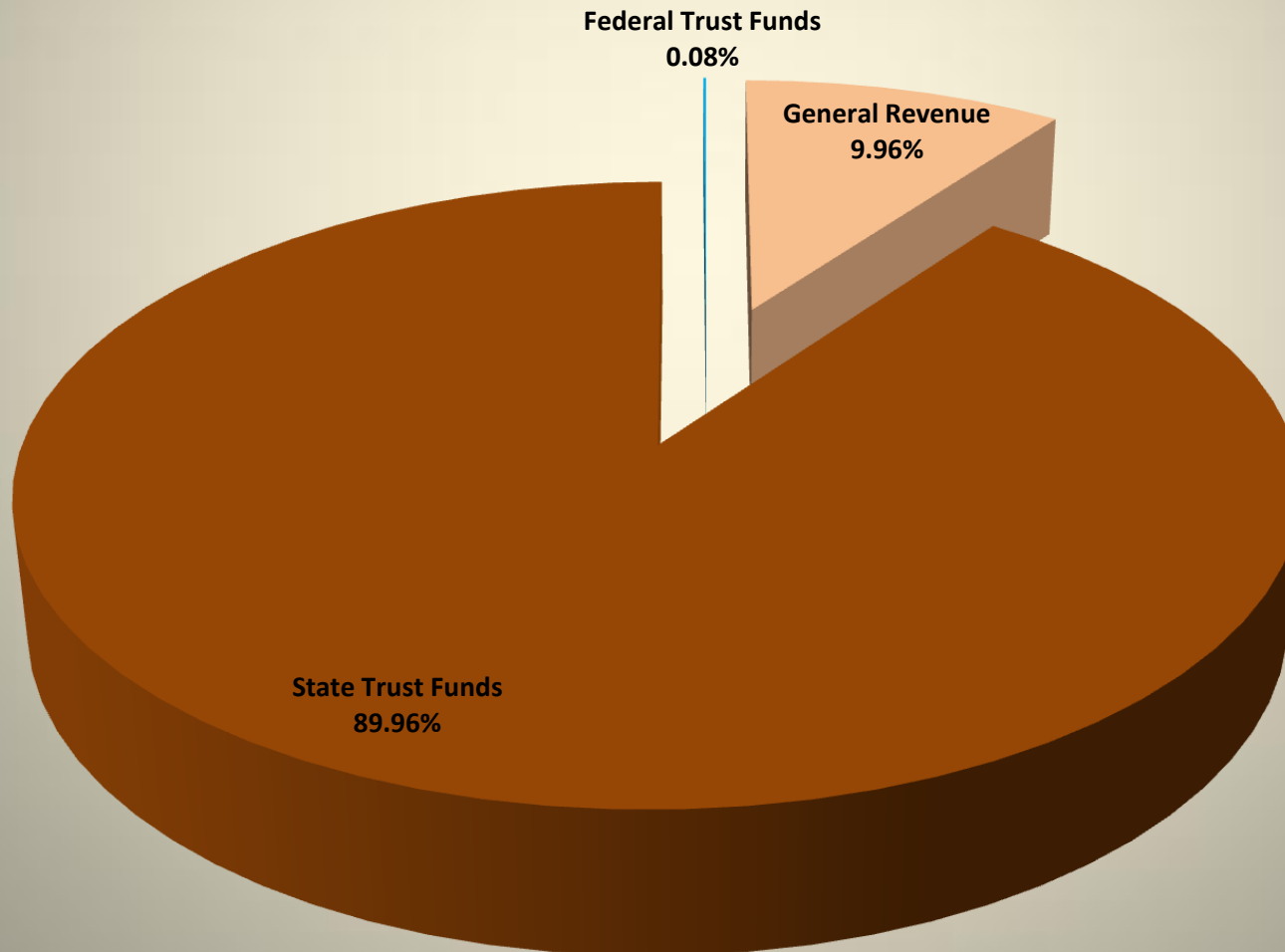
Funding Sources

FY 2011 – 12 Base Budget

General Revenue \$23,080,500

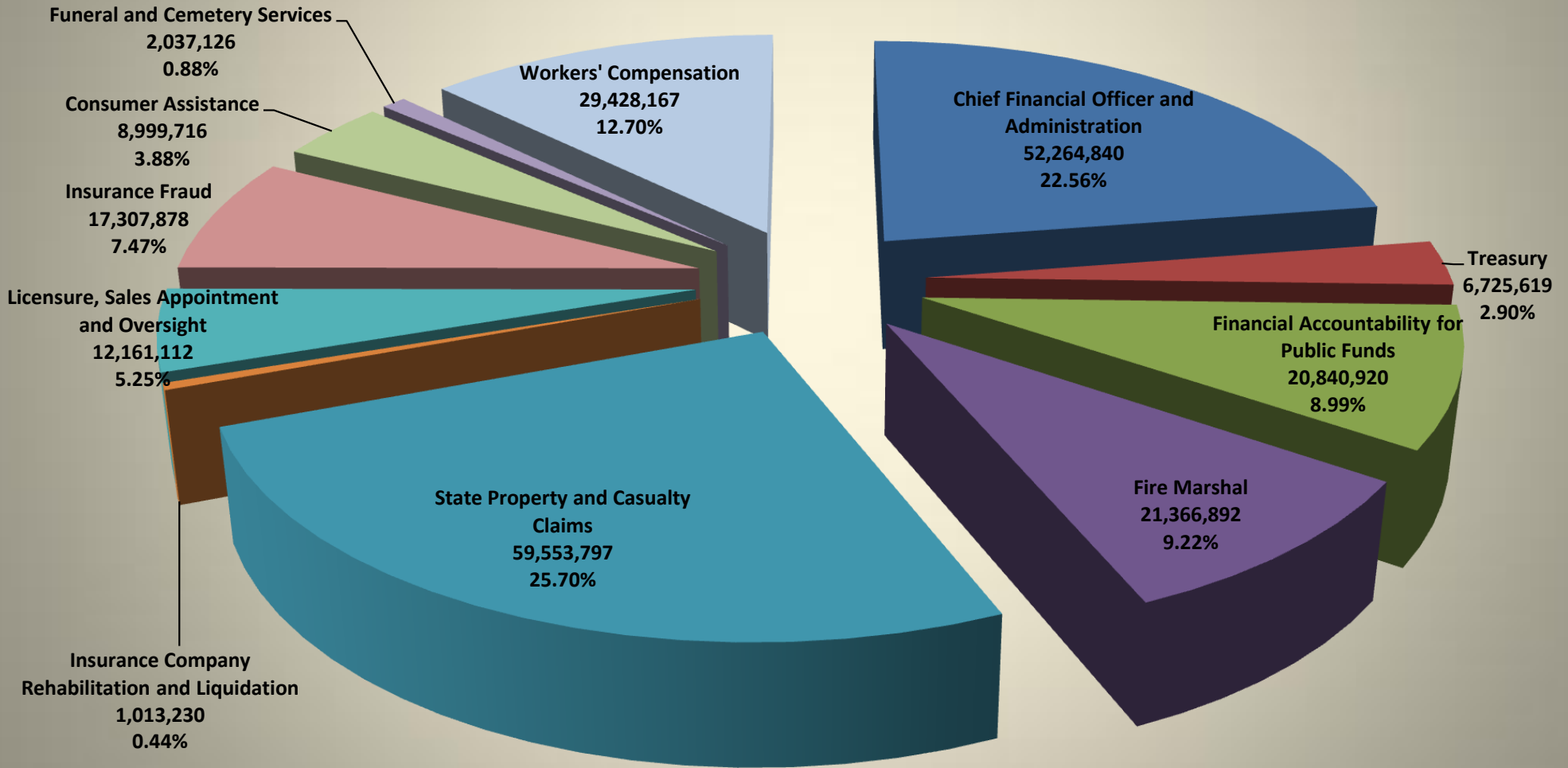
State Trust Funds \$208,434,644

Federal Trust Funds \$184,153

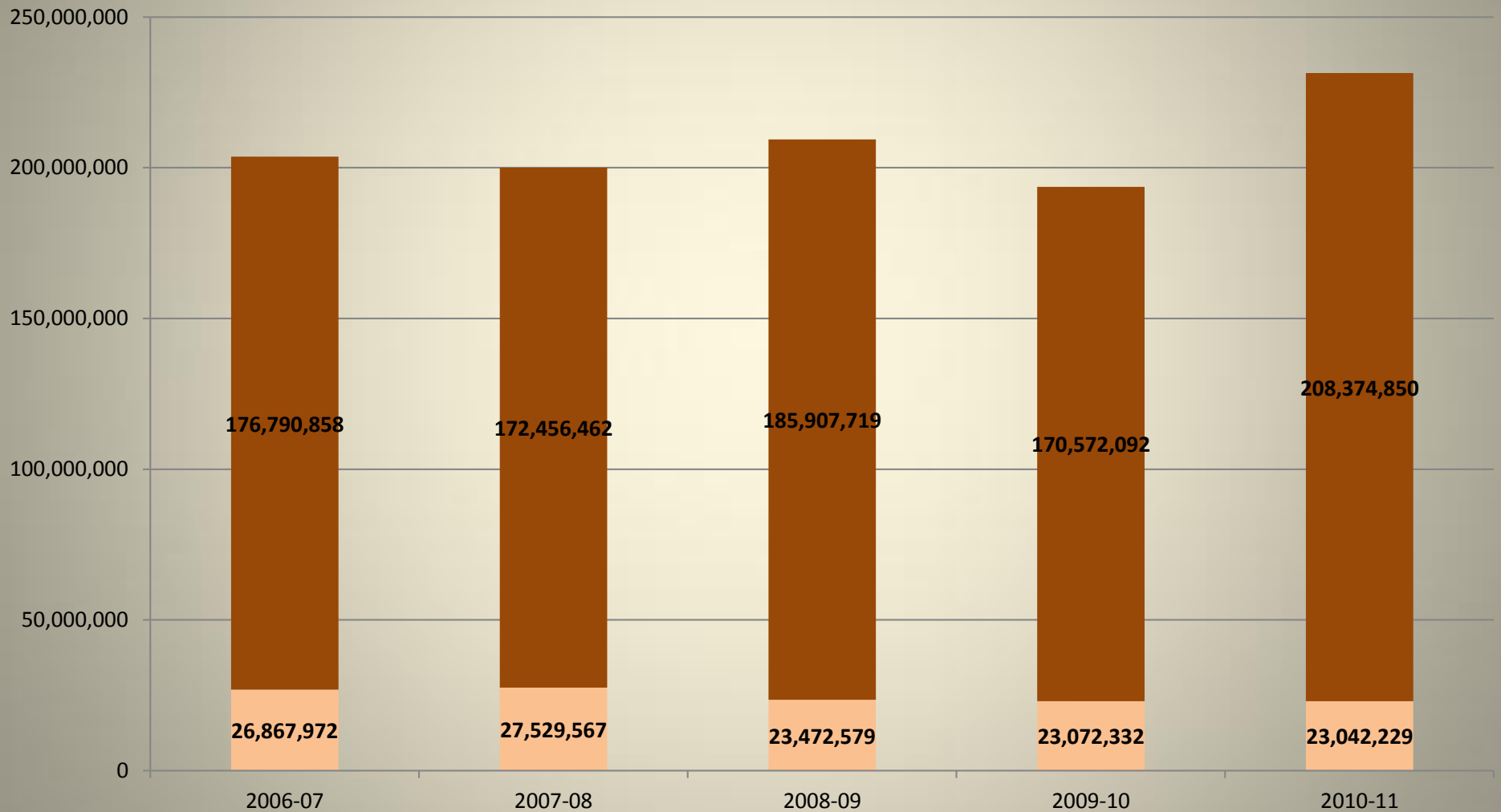


Funding by Area

FY 2011 – 12 Base Budget



Historical Recurring Funding Levels



Historical Trust Fund Sweeps

- Fiscal Years 2008-09 and 2009-10:
(Includes both regular session and Special Session A)
 - Insurance Regulatory TF - \$83 million
 - Workers' Compensation Admin TF - \$40 million
- Fiscal Year 2010 – 11:
 - Administrative TF - \$4 million

Target Reductions

The 15% reduction target for the Department of Financial Services in FY 2011 – 12.

➤ General Revenue = \$3.4 million

➤ Trust Funds = \$30.8 million

Reduction Results for FY 2011 - 12

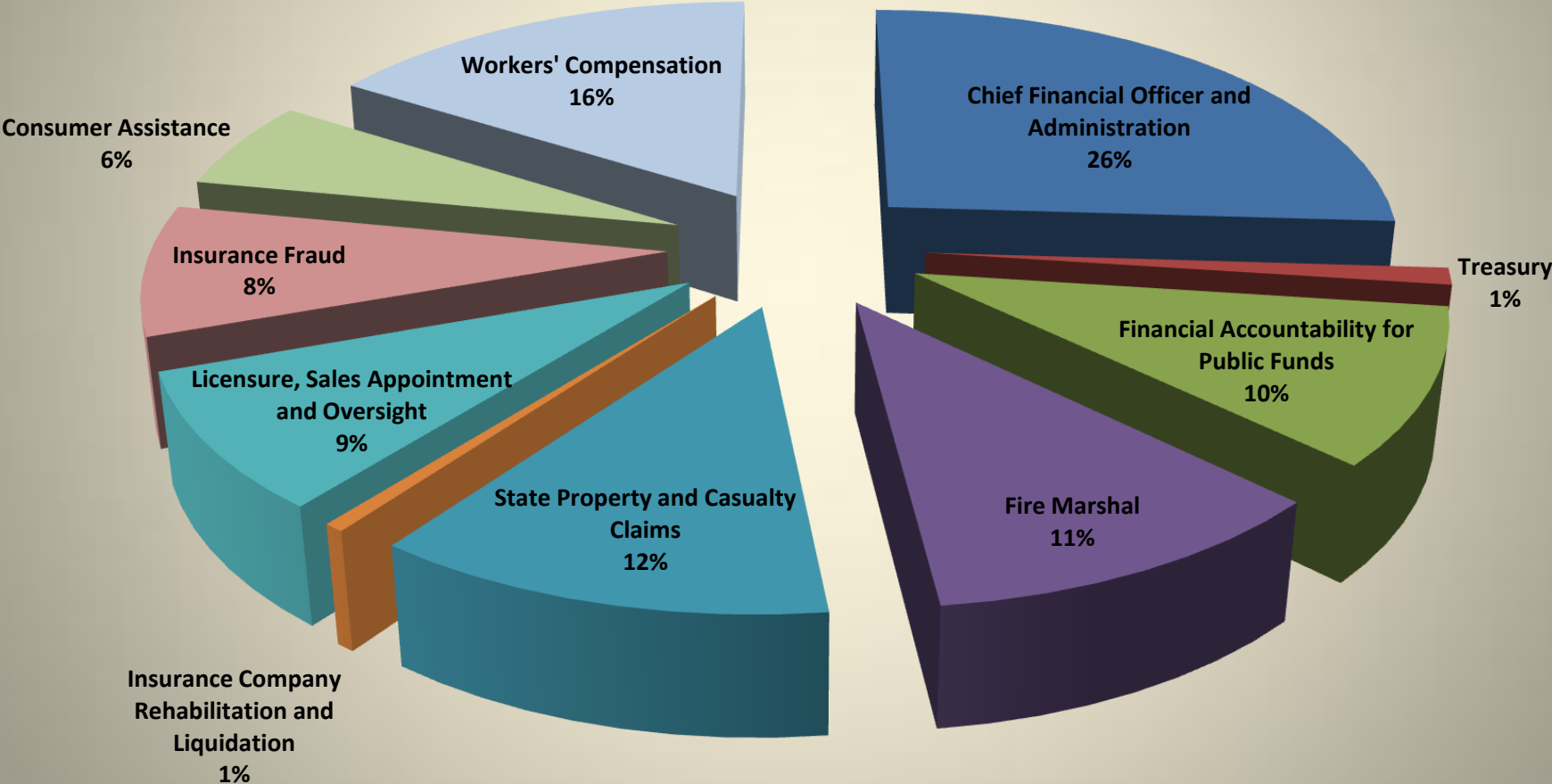
- Total reduction issues – 174 different reductions
 - 351.5 FTE - 255 FTE filled
 - \$3.4 million in General Revenue
 - \$30.8 million in Trust Funds*
- ***Minimum – 56 issues – 121 FTE (68.5 filled); \$2.1M GR; \$12.1M TF***
- ***Moderate – 80 issues – 118.5 FTE (95.5 filled); \$.1M GR; \$8.1M TF***
- ***Significant – 38 issues – 112 FTE (91 filled); \$1.2M GR; \$10.6M TF***

*Recurring Trust Fund appropriations were reduced \$30.8 million; however, a GR fund shift to a TF in IT-FLAIR reduced our trust fund reductions by \$395,105 making it appear the department only reduced \$30.4 million and did not comply with the 15% reduction target.

Reductions by Program

Program/Division	FTE Reduction	General Revenue	Trust Fund
Chief Financial Officer/Admin (Includes Legal, IT and IT-FLAIR)	95.5 (72 filled)	\$1,374,708	\$7,423,175*
Treasury (Includes Deferred Compensation)	10.5 (9.5 filled)		\$745,320
Financial Accountability for Public Funds (Includes Unclaimed Property)	45 (35 filled)	\$2,056,896	\$1,363,562
Fire Marshal	48.5 (34.5 filled)		\$3,717,967
State Property and Casualty Claims	7 (4 filled)		\$4,049,112
Insurance Co. Rehabilitation and Liquidation	0		\$184,555
Licensure, Sales Appointments and Oversight	44 (32 filled)		\$3,003,697
Insurance Fraud	24 (6 filled)		\$2,893,332
Consumer Assistance	27 (19 filled)		\$2,001,837
Workers' Compensation	50 (43 filled)		\$5,425,518

Percent of Overall Reductions



Examples of Reductions

- Vacant positions over 180 days
- Span of Control
- Fund shifts from General Revenue to Trust Funds
- Reduce various categories to the average annual usage
- Close check cashing service at the Capitol
- Close and consolidate district offices
- Reduce positions – both filled and vacant less than 180 days

Reduction Issues

- The department only has general revenue in two divisions – Accounting and Auditing and IT – FLAIR.
- Reductions to either division will have a statewide impact.
- Accounting and Auditing audits and approves payments for all state agencies.
- In order to reach the 15% reduction total, Accounting and Auditing eliminated approximately 21% of their FTE and 17% of their total funding (34 of 162 FTE and \$2.7M of \$16.2M).
- IT – FLAIR maintains the statewide accounting system.
- Any GR reduction in IT-FLAIR further places the accounting system in jeopardy of not being able to perform its necessary functions.

Accounting and Auditing Reduction Impacts

- The mission of the Division is to safeguard public assets, settle the state's financial obligations, and report financial information.
- Accounting and Auditing positions reductions in the Schedule VIIIB are as follows:
 - Span of Control – 8 FTE (all filled) and \$660,284 GR
 - Vacancies Over 180 days – 6 FTE and \$357,208 GR
 - Reduce positions – 20 FTE (19 filled) and \$987,986 GR, \$237,950 TF

Accounting & Audit Reduction (cont'd)

- Impacts of these reductions:
 - ✓ Lowers the accuracy, quality and timeliness of financial reports to the Legislature and external users
 - ✓ Reduces the number of disbursement and payroll audits performed
 - ✓ Reduces the ability to support local governments with annual financial reporting
 - ✓ Reduces the level of financial and contract management training provided to state agencies
 - ✓ Reduces the ability to provide support to vendors for prompt payment, management of vendor records and providing 1099s
 - ✓ Increases risk of inaccurate payroll processing
 - ✓ Reduce support for the audit of clerk of courts court-related activities – required by s. 28.36(8) Florida Statutes

The seal of the State of Florida is centered in the background. It features a palm tree, a sun, and a landscape with water and a bridge. The text "SEAL OF THE STATE OF FLORIDA" is written around the top inner edge, and "IN GOD WE TRUST" is written around the bottom inner edge.

CHIEF FINANCIAL OFFICER
JEFF ATWATER
FLORIDA DEPARTMENT OF FINANCIAL SERVICES

THANK YOU!

QUESTIONS?



Senate Budget Subcommittee on General Government Appropriations

J. Thomas Cardwell

Commissioner

February 17, 2011



Office of Financial Regulation

MISSION

The mission of the Florida Office of Financial Regulation is to protect the citizens of Florida by carrying out the banking, securities and financial laws of the state efficiently and effectively and to provide regulation of business that promotes the sound growth and development of Florida's economy.



Office of Financial Regulation

- OFR reports to the Governor and Cabinet, sitting as the Financial Services Commission.
- OFR's budget is funded entirely from license and assessment fees paid by the industries we regulate.
- OFR receives no General Revenue dollars.
- Revenues are deposited into trust funds for the purpose of regulating our industries.



Office of Financial Regulation

OFR is comprised of four operational units:

- Division of Financial Institutions
- Division of Securities
- Division of Finance
- Bureau of Financial Investigations

These units are supported by Executive Direction, which includes the Commissioner's Office and the Office of Legal Services



Office of Financial Regulation

OFR's budget is funded entirely from license and assessment fees paid by the industries we regulate.

OFR's 2010-11 Budget

	FTE		Budget
Safety and Soundness	121.0	\$	12,336,211
Financial Investigations	64.0	\$	4,617,011
Executive Direction	35.0	\$	3,328,241
Finance Regulation	137.0	\$	15,803,555
Securities Regulation	97.0	\$	7,384,572
Total for OFR	454.0	\$	43,469,590

OFR's 15% reduction target for 2011-12 \$6,410,573



Office of Financial Regulation

15% Reductions for FY 2011-12

Priority	FTE	GR	Trust Fund	Impact
1			\$ (201,030) Eliminate Mortgage Broker Examinations (Finance)	Minimal: As a result of S.A.F.E. Act legislation passed at the federal and state level, the pre-licensure mortgage broker examination is conducted at the federal level and OFR no longer administers the examination effective October 1, 2010.
2			\$ (8,000) Cell Phone Plan Renegotiation	Minimal: Second reduction in cell phone plans
3			\$ (6,912) Reduce Equipment Leasing in Tallahassee (Securities)	Minimal: Reduction of one printer/copier
4	(1.0)		\$ (32,380) Reduce Administrative Support in Legal due to Realignment of Attorneys	Minimal: OFR realigned most of the attorneys in Tallahassee into the divisions they support. As a result, a single point of entry for the Legal office no longer exists and this position is no longer required.



Office of Financial Regulation

15% Reductions for FY 2011-12 (Continued)

Priority	FTE	GR	Trust Fund	Impact
5			\$ (500,000) Eliminate Money Services Business (MSB) Contract Examination Program	Minimal: The funding for contract examiners in the MSB program is no longer required. MSB is able to meet its statutorily required examination schedule using its existing resources based on the number of current registrants and new applications being received.
6			\$ (30,000) Reduce Replacement Equipment (Securities)	Moderate: This would preclude the Division from upgrading or replacing failing equipment which is critical to meeting the Division's mission of consumer protection. It would result in a decrease in the number of examinations or investigations into unlawful activity, and impact the Division's ability to conduct substantive review of applications within the statutory timeframes.



Office of Financial Regulation

15% Reductions for FY 2011-12 (Continued)

Priority	FTE	GR	Trust Fund	Impact
7			\$ (200,000) Reduce OPS (Finance)	Moderate: This reduction would impact the timely processing of applications for licensure, especially at peak periods, as well as imaging records for the Regulatory Enforcement and Licensing (REAL) System.
8			\$ (250,000) Reduce Finance Expense	Significant: This reduction will impact the Division's ability to conduct examinations by reducing travel for enforcement examinations, as well as general operating expenses for the entire division.
9			\$ (400,000) Reduce Contractual Services (Finance)	Significant: This would have an impact on consumers as well as the Division. These funds are used to pay bank charges for credit card transactions in Regulatory Review as well as operate the statutorily required Deferred Presentment Transaction database. The database helps protect consumers when using a payday lender. It would also impact certain operational contracts for the Division, such as equipment leases and maintenance.



Office of Financial Regulation

15% Reductions for FY 2011-12 (Continued)

Priority	FTE	GR	Trust Fund	Impact
10	(6.0)		\$ (259,139)	<p>Reduce Finance Administrative Support Staff</p> <p>Critical: The reduction of 6 administrative positions would impact the overall productivity of the Division, decreasing the number of examinations conducted and slowing the licensing process. This would force professional staff (supervisors, examiners and analysts) to perform the ministerial duties of the administrative staff.</p>



Office of Financial Regulation

15% Reductions for FY 2011-12 (Continued)

Priority	FTE	GR	Trust Fund	Impact
11	(11.0)		\$ (671,761)	Reduce Finance Examiners Critical: This reduction would substantially weaken the regulation and supervision of lenders licensed by OFR. During FY 2009-10, violations were found and action was taken in 42% of the examinations and complaint investigations conducted. Successfully deterring violations helps protect consumers and reduces bad business practices. When significant violations are identified, OFR revokes the license and the business is put out of operation. Reduced staffing for examinations would significantly impact oversight of the mortgage industry, and coupled with reductions in expenses, would eliminate priority examination issues such as loan modification sweeps to enforce new regulations, as well as consumer finance and installment sales examinations altogether. (11 of 53 examiners or 21%)



Office of Financial Regulation

15% Reductions for FY 2011-12 (Continued)

Priority	FTE	GR	Trust Fund	Impact
12			\$ (590,000)	<p>Reduce Division of Financial Institutions' Contract Examiner Program</p> <p>Critical: The citizens of Florida would be placed at risk if the Division was unable to examine state financial institutions as frequently as required by statute or economic conditions. Reduction of approximately half of the OPS Contract Examiner Program and related expenses would severely impact the Division's ability to carry out its primary goal of examining state financial institutions. It would result in the reduction of examiners that augment staffing needs when FTE are not sufficient to meet statutory workload requirements.</p>



Office of Financial Regulation

15% Reductions for FY 2011-12 (Continued)

Priority	FTE	GR	Trust Fund	Impact
13	(16.0)		\$ (885,229)	<p>Critical: The reduction of 16 FTE represents 31% of the Bureau of Financial Investigation's staff. This would have a significant negative impact on financial security for Florida citizens and the industries OFR regulates. Currently, the Bureau has 466 open investigations involving approximately 15,600 potential victims. It is estimated that 40% - 45% of the current investigative priority case load could not be adequately investigated if 16 FTE are reduced. Fewer financial investigations would be worked, more suspected unlawful activity would not be investigated and victimization of consumers will increase.</p>



Office of Financial Regulation

15% Reductions for FY 2011-12 (Continued)

Priority	FTE	GR	Trust Fund	Impact
14	(10.0)		\$ (334,347) Reduce Administrative Staff (6 Tally, 4 Regions) in Securities	Critical: This reduction would impact the division's ability to protect investors. It would require that administrative functions be transferred to professional staff, would delay application processing and reduce the number of examinations conducted
15			\$ (49,192) Reduce OPS (Securities)	Critical: This would have a critical impact on investors and the Division by reducing their ability to obtain information in a timely manner.
16	(1.0)		\$ (41,184) Reduce Accounting Staff (Securities)	Critical: This would slow the regulatory functions of the Division, reducing the Division's ability to protect the public.



Office of Financial Regulation

15% Reductions for FY 2011-12 (Continued)

Priority	FTE	GR	Trust Fund		Impact
17	(10.0)		\$ (653,254)	Eliminate 10 MSB examiners and reassign duties	Critical: This reduction would virtually eliminate the examination staff of the MSB bureau (10 of 14 or 71%), thus reducing the number of MSB examinations conducted. The focus would be on meeting the statutorily required examinations which would require shifting some of the required examinations to the Bureau of Finance Regulation, thereby reducing the number of examinations conducted in the mortgage fraud area.



Office of Financial Regulation

15% Reductions for FY 2011-12 (Continued)

Priority	FTE	GR	Trust Fund	Impact
18	(12.0)		\$ (736,173)	<p>Eliminate Finance Consumer Complaint and Industry Support staff</p> <p>Critical: Eliminating the Consumer Complaint staff would cause great harm to Florida consumers. During FY 2009-10, more than 3,900 consumer complaints were completed. Consumer complaints continue to increase as consumers struggle with rising unemployment, impacting their ability to repay mortgage loans or obtain mortgage modifications. Financial difficulties stimulate collection efforts, which also increases the consumer complaints received. The elimination of staff to handle industry calls related to licensing and compliance questions would delay responses, and would impact the Division's ability to assist consumers in making informed decisions.</p>



Office of Financial Regulation

15% Reductions for FY 2011-12 (Continued)

Priority	FTE	GR	Trust Fund	Impact
19			\$ (590,000)	Eliminate Division of Financial Institutions' Contract Examiner Program Critical: This would eliminate the balance of the OPS Examiner Program (Priority 12) and would place the citizens of Florida at risk if the Division was unable to examine state financial institutions as frequently as required by statute or economic conditions. Elimination of the OPS Contract Examiner Program and related expenses would severely impact the Division's ability to carry out its primary goal of examining state financial institutions. It would eliminate examiners that augment staffing needs when FTE are not sufficient to meet statutory workload requirements.
	(67.0)		\$ (6,438,601)	Total Reductions



Office of Financial Regulation

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Senate Budget Subcommittee on General Government Appropriations

Budget Reduction Proposals

Audrey S. Brown
Chief of Staff
Office of Insurance Regulation
Financial Services Commission

February 17, 2011

The Florida Legislature created the Office of Insurance Regulation (Office) in 2003:

“The Office of Insurance Regulation, which shall be responsible for all activities concerning insurers and other risk bearing entities, including licensing, rates, policy forms, market conduct, claims, issuance of certificates of authority, solvency, viatical settlements, premium financing, and administrative supervision, as provided under the insurance code. The head of the Office of Insurance Regulation is the Director of the Insurance Regulation, who may also be known as the Commissioner of Insurance Regulation.”

Section 20.121,(3)(a),1, Florida Statutes

Insurance Regulatory Trust Fund

- The Office is administratively housed within the Department of Financial Services (DFS) for some administrative and technology support services.
- Office funding is appropriated directly by the Legislature from the Insurance Regulatory Trust Fund (IRTF).
- The Office is 100% Trust Funded and uses no General Revenue.

Past Budget vs. Current Budget

	FY 2007-2008	FY 2007-2008 adjusted	FY 2008-2009	FY 2009-2010	FY 2010-2011
FTE	315	314	314	300	290
OIR Budget	\$26,939,144	\$27,599,607	\$24,966,951	\$28,003,462	\$28,141,641

Beginning in 2009-2010, a recurring Special Category was funded in the amount of \$4.7 million in budget authority. This budget authority is used to outsource a portion of financial exams. Insurance companies reimburse the cost of the examinations, therefore the IRTF acts as a pass-through.

Compliance and Enforcement

This service protects the public through regulatory oversight of company solvency, policy forms and rates, and market investigations performance.

➤ Salaries and Benefits	\$15,929,261
❖ Provides salaries and benefits for 255 FTE positions	
➤ Other Personal Services	\$150,000
➤ Operating Capital Outlay	\$2,000
➤ Expenses* includes \$1 million for office building rent	\$2,831,633
➤ Contracted Services	\$728,016
➤ Risk Management Insurance	\$121,462
➤ Transfers to DMS for HR Services	\$110,555
➤ Financial Exams (budget authority only)	\$4,701,763
➤ Public Hurricane Model Maintenance & Support	\$623,512

Executive Direction

This service provides overall direction in carrying out the Office’s statutory and administrative responsibilities. The Commissioner and support staff provide administrative support, leadership, direction and executive guidance in carrying out the Office’s statutory responsibilities.

➤ Salaries and Benefits	\$2,665,811
❖ Provides salaries and benefits for 35 FTE positions	
➤ Expenses	\$144,469
➤ Transfers to DMS for HR Services	\$15,449
➤ Contracted Services	\$117,710

Budget Reduction Options

Proposals that do not require statutory change:

1. Reduce Other Personal Services (OPS) - \$44,709 recurring
2. Reduce Base Expense - \$1,348,181 recurring
3. Reduce Contracted Services - \$404,724 recurring

Proposals that would require statutory change:

4. Discontinue Review and Approval of Insurance Policy Forms - \$1,083,729 Overall Reduction and 21 FTE Recurring
5. Florida Public Hurricane Loss Projection Model Maintenance and Support - \$623,512 Recurring Special Category

Questions?

Contacts:

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Audrey Brown

Chief of Staff

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OVERVIEW OF THE DIVISION OF ADMINISTRATIVE HEARINGS*

www.doah.state.fl.us

Mission: To provide a uniform and impartial forum for the trial and resolution of disputes in an efficient and timely manner.

<p align="center">ADJUDICATION OF DISPUTES PROGRAM</p>	<p align="center">WORKERS' COMPENSATION APPEALS PROGRAM</p>
<p align="center">Resolves disputes between private citizens and organizations and agencies of the state.</p> <ul style="list-style-type: none"> ➤ Authorized by Chapter 120, Florida Statutes. ➤ 68 FTE – 1 Chief Judge, 1 Deputy Chief Judge, 33 Administrative Law Judges and 33 staff. ➤ FY 10-11 budget: \$8.6 million ➤ Only 5% of the agency's budget supports administrative activities. ➤ 100% Trust Funded. ➤ Funded through transfers from state agencies, contracts with outside entities, and administrative assessment from the Workers' Compensation Appeals Program. ➤ FY 09-10 cases filed: 6,901, a 6% increase from FY 08-09. Scheduled 87% of cases for hearing within 90 days of filing, and closed 80% of cases within 120 days of filing. ➤ Recent jurisdiction expansions include child support and paternity cases, Medicaid waiver cases, and Senate claim bills. 	<p align="center">Resolves disputes between workers and their private or public employers arising from job-related injuries.</p> <ul style="list-style-type: none"> ➤ Authorized by Sections 440.25 and 440.45, Florida Statutes. ➤ 198 FTE – 1 Deputy Chief Judge, 32 Judges of Compensation Claims, 32 Mediators and 133 staff. ➤ FY 10-11 budget: \$18.2 million ➤ 100% Trust Funded. ➤ Funded through transfers from the Workers' Compensation Administration Trust Fund (WCATF), of the Department of Financial Services. The WCATF is supported by a .98% percent assessment rate on insurance premiums. ➤ FY 09-10 petitions filed: 67,981, an 8% decrease from FY 08-09. Closed 83% of petitions within statutory timeframe. ➤ FY 09-10 mediations held: 19,864. Held 94% of mediations within 130 days. ➤ FY 09-10: Collected \$10.2 million, or 56% of total budget, in outstanding child support arrearages.

* Per Section 120.65, Florida Statutes, the Division of Administrative Hearings is administratively attached to the Department of Management Services (DMS), but is not subject to the control, supervision, or direction by DMS in any manner, including, but not limited to, personnel, purchasing, transactions involving real or personal property, and budgetary matters.

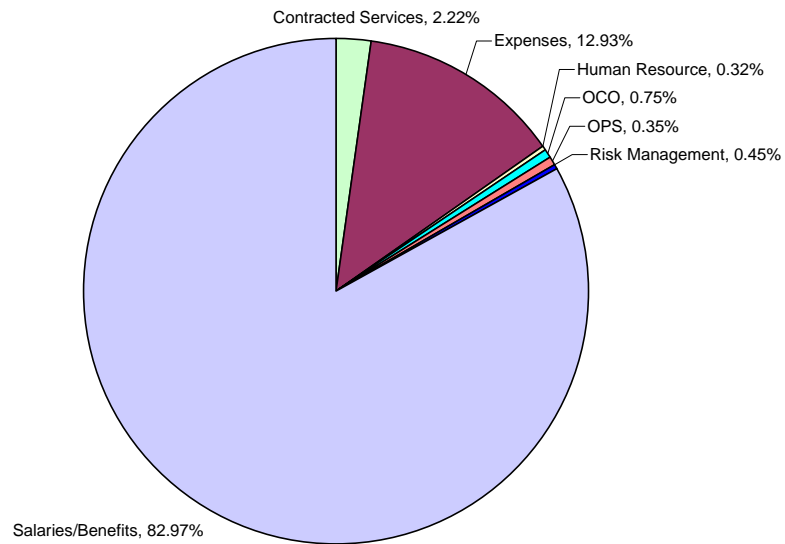
**Division of Administrative Hearings
FY 2011-12 Budget Reduction Proposals
15% Target Amount: \$0 GR \$3,982,464 TF**

<i>Issue</i>	<i>FTE</i>	Recurring General Revenue	Recurring Trust Fund Amount	Issue	Impact
1		0	-10,000	Reduce Temporary Employment - Adjudication of Disputes	Minimal impact on this program's operations. Reduces the Other Personal Services category.
2		0	-10,889	Reduce Temporary Employment - Workers' Compensation Appeals	Minimal impact on this program's operations. Reduces the Other Personal Services category.
3		0	-21,520	Reduce Allocation for Expenditures - Adjudication of Disputes	Moderate impact on this program's operations. Reduces Expenses and Contracted Services categories.
4		0	-100,469	Reduce Allocation for Expenditures - Workers' Compensation Appeals	Moderate impact on this program's operations. Reduces Expenses, Operating Capital Outlay and Contracted Services categories.
5		0	-127,860	Eliminate Security Guard Overtime - Workers' Compensation Appeals	Significant impact on this program's operations by restricting security guards in the seventeen district offices to work no more than 40 hours per week.
6	-9	0	-1,251,784	Workforce Reduction - Adjudication of Disputes	Significant impact on this program's ability to fulfill its mission. Reduces this program's workforce by (13)%
7	-28	0	-2,459,942	Workforce Reduction - Workers' Compensation Appeals	Significant impact on this program's ability to fulfill its mission. Reduces this program's workforce by (14)%
	-37	0	-3,982,464		

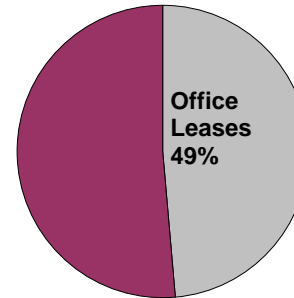
**DIVISION OF ADMINISTRATIVE HEARINGS CUTS
(FY 2003-04 to FY 2010-11)**

	<u>FTE</u>	<u>AMOUNT</u>
FY 2003-04	(2.0)	(\$194K)
FY 2004-05	(3.0)	(\$231K)
FY 2005-06	(7.0)	(\$291K)
FY 2006-07	(1.0)	(\$31K)
FY 2007-08	(2.0)	(\$291K)
FY 2008-09	(1.0)	(\$234K)
FY 2009-10	0.0	(\$514K)
FY 2010-11	<u>0.0</u>	<u>(\$153K)</u>
TOTAL RECURRING CUTS	<u>(16.0)</u>	<u>(\$1.9M)</u>

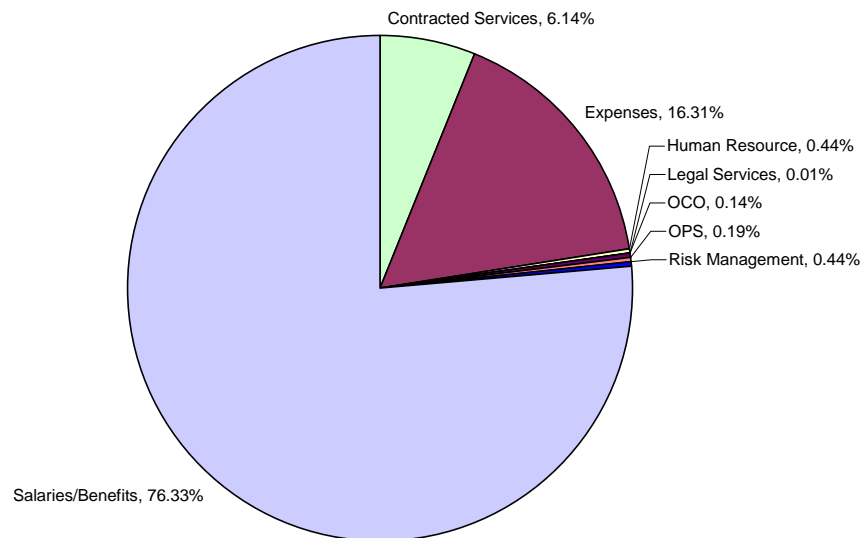
Division of Administrative Hearings FY 2010-11 BASE BUDGET Adjudication of Disputes Program



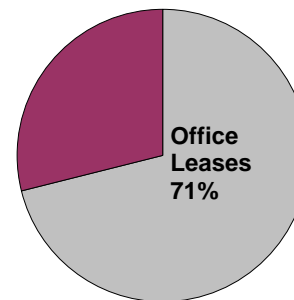
Expenses Breakout



Workers' Compensation Appeals Program



Expenses Breakout



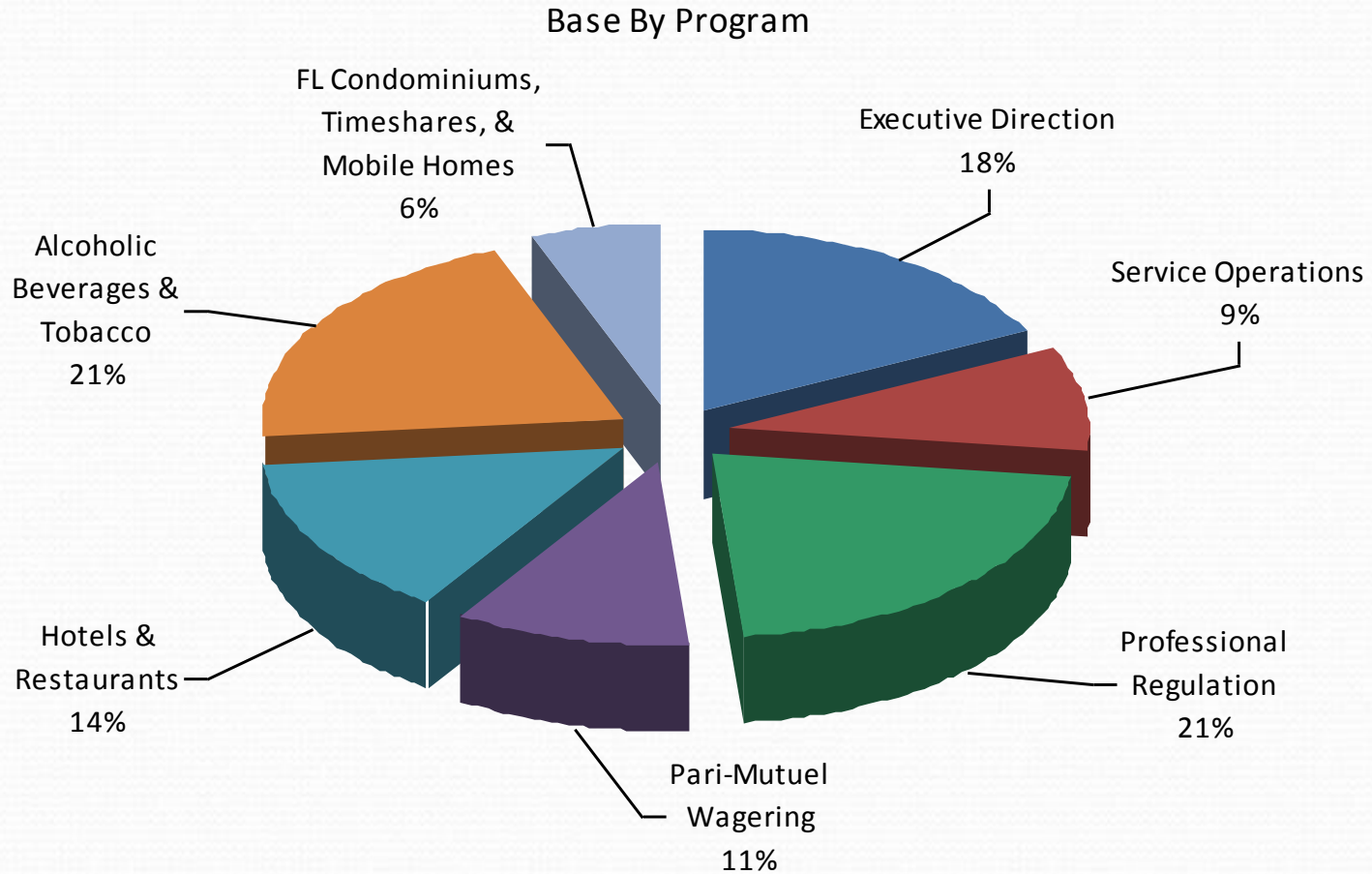


Schedule VIII B-2
Proposed 15% Reductions for Fiscal Year 2011-12
Subcommittee on General Government Appropriations
February 2011



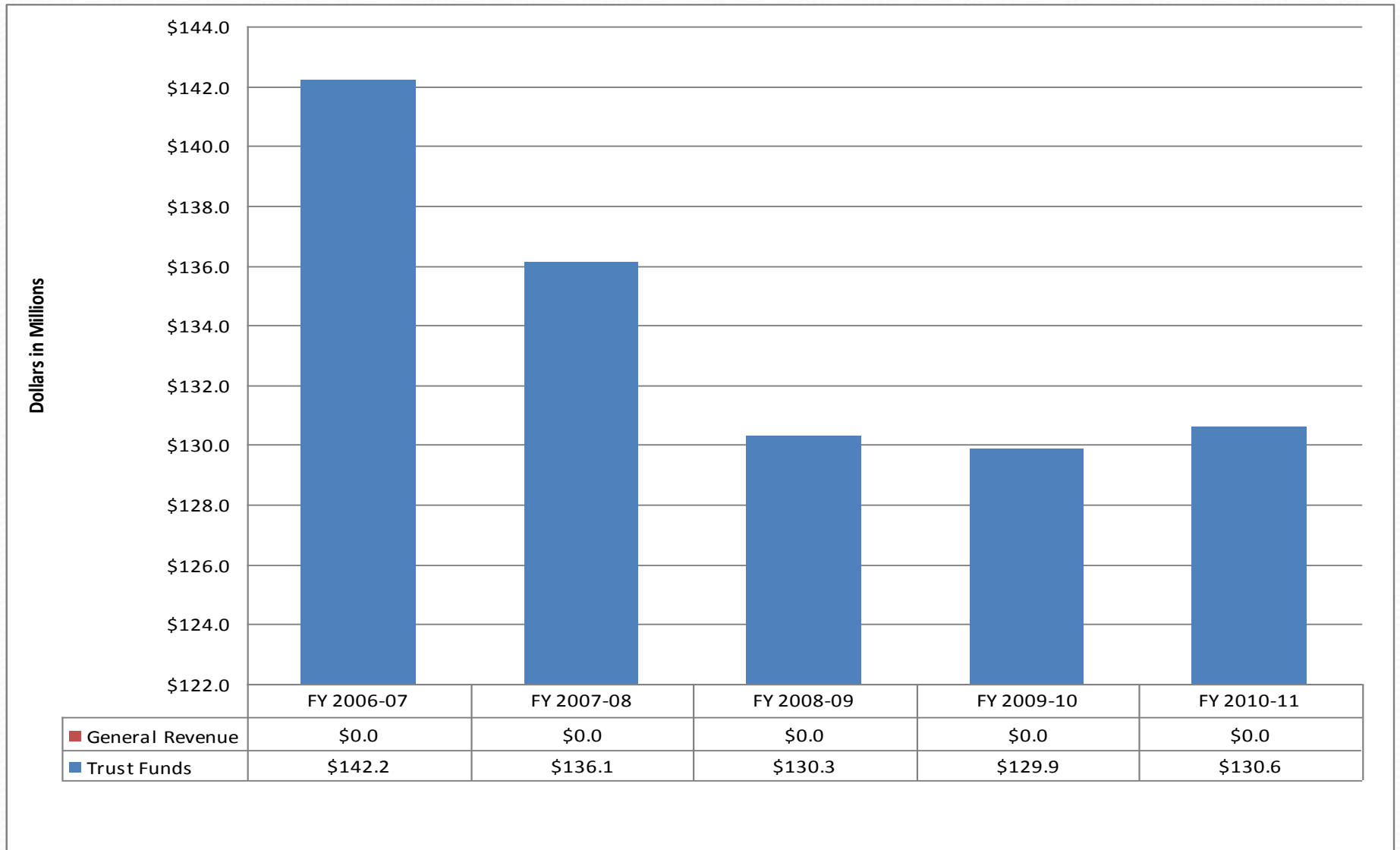
**Department Mission:
License efficiently. Regulate fairly.**

Department of Business and Professional Regulation Fiscal Year 2010-11 Base Budget



The Department is 100% State Trust Funded.

Department of Business and Professional Regulation 5 Year Funding History Trend



Department of Business and Professional Regulation

Proposed Fiscal Year 2011-12 Reductions by Division/Budget Entity

• Office of the Secretary & Administration	\$ 1,711,579
• Information Technology	1,775,013
• Division of Service Operations	1,183,632
• Professional Regulation Compliance & Enforcement	
• Division of Professions	1,026,640
• Division of Regulation	1,379,148
• Division of Real Estate	1,100,226
• Division of Certified Public Accounting	230,497
• Florida State Boxing Commission	132,366
• Bureau of Education & Testing	780,362
• Farm and Child Labor Program	283,482
• Division of Pari-Mutuel Wagering	2,713,672
• Division of Hotels & Restaurants	1,984,400
• Division of Alcoholic Beverages & Tobacco	3,732,456
• Division of Florida Condominiums, Timeshares and Mobile Homes	1,136,985
• Total Reductions	\$19,170,458

Department of Business and Professional Regulation

Proposed Fiscal Year 2011-12 Reductions by Appropriation Category

● Salaries and Benefits	\$11,242,296
● Other Personal Services	645,326
● Expenses	2,370,859
● Operating Capital Outlay	187,867
● Acquisition of Motor Vehicles	203,900
● Gambling Prevention Contract	675,000
● Examination Testing Services	454,816
● Unlicensed Activity	640,857
● Claims Payments from Construction Recovery Fund	200,000
● Claims Payments from Auctioneer Recovery Fund	50,000
● Transfer Architect & Interior Design Activities	63,786
● Transfer to FDLE for Slot Investigations	150,000
● Contracted Services	987,751
● Operation of Motor Vehicles	42,500
● Minority Scholarships – Certified Public Accounting	55,000
● Racing Animal Medical Research	100,000
● Pari-Mutuel Laboratory Contracted Services	540,000
● Florida Engineering Management Corp Contracted Services	310,500
● Real Estate Scholarship and Recovery Fund	250,000
● Total Reductions	\$19,170,458

Office of the Secretary and Administration Information Technology

- **Reduction**

- Executive Leadership and Support Services \$1,711,579
- Information Technology \$1,775,013

- **Impact**

- **Minimal**

- Reduce records storage and warehouse rent
- Reduce paper costs and printing equipment
- Reduce postage expense due to decrease in outgoing mail
- Reduce expenditures for office supplies

- **Moderate**

- Reduce Inspector General Investigation travel
- Reduce Office of the General Counsel training

- **Significant**

- Elimination of OPS staff in Information Technology
- Reduce purchases of data processing equipment
- Reduce staff augmentation and support services
- Furloughs

Division of Service Operations

- **Reduction**

- Customer Contact Center \$504,409
- Central Intake Unit \$679,223

- **Impact**

- **Minimal**
 - Reduce expenditures for office supplies
- **Significant**
 - Furloughs

Professional Regulation

- **Reductions**

- Division of Professions **\$1,073,478**
- Division of Regulation **\$1,359,300**
- Division of Real Estate **\$1,075,580**
- Division of Certified Public Accounting **\$ 228,153**

- **Impact**

- **Minimal**

- Reduce expenditures for office supplies and travel in the Division of Real Estate
- Reduce Methyl Methacrylate (MMA) contract in the Division of Regulation
- Reduce Operation of Motor Vehicles expenditures in the Division of Real Estate

- **Moderate**

- Reduce Unlicensed Activity advertising & public service announcements
- Minority Scholarships in Certified Public Accounting
- Real Estate Scholarships and Recovery Fund
- Construction Recovery Fund
- Auctioneer Recovery Fund

- **Significant**

- Reduce Board Meeting expenditures in the Division of Professions
- Eliminate conference travel in the Division of Real Estate
- Partially close Division of Regulation offices in Jacksonville, Gainesville, and Margate
- Furloughs

Professional Regulation (Con't.)

- **Reductions**

- Florida Boxing Commission \$ 132,366
- Testing and Continuing Education \$ 780,362
- Farm and Child Labor \$ 283,482

- **Impact**

- **Minimal**

- Reduce Exam Testing Services
- Reduce Expense, OCO and contracted Services

- **Moderate**

- Operation of Motor Vehicles
- Salary
- Reduce number of construction exam sites

- **Significant**

- Reduce Boxing OPS and Expense budget
- Furloughs

Division of Pari-Mutuel Wagering

Reduction

- Pari-Mutuel Wagering **\$ 1,540,941**
- Slot Machine Regulation **\$ 1,172,731**

Impact

- **Minimal**
 - Transfer to FDLE for Slot Investigation
 - Gambling Prevention Contract
- **Moderate**
 - Racing Animal Medical Research
 - Other Personal Services (OPS)
- **Significant**
 - Pari-Mutuel Lab Contract
 - Furloughs

Division of Hotels and Restaurants

Reduction

- Compliance and Enforcement \$ 1,984,400

Impacts

- Minimal
 - Expenses
- Significant
 - Furloughs

Division of Alcoholic Beverages and Tobacco

Reduction

• Compliance and Enforcement	\$ 2,337,223
• Standards and Licensure	\$ 540,954
• Tax Collection	\$ 854,279

Impact

- Significant
 - Eliminate Spring Break Coverage
 - Eliminate Alcoholic Beverage and Tobacco Surveys
 - Eliminate Training for Alcoholic Beverage & Tobacco
 - Office Closures
 - Furloughs

Division of Florida Condominiums, Timeshares, and Mobile Homes

Reduction

- Compliance and Enforcement \$ 1,136,985

Impact

- Moderate
 - Eliminate Other Personal Services (OPS)
 - Eliminate Operating Capital Outlay (OCO)
 - Reduce Travel and Office Supply Expenditures
- Significant
 - Furloughs



Questions?