

The Florida Senate  
**COMMITTEE MEETING EXPANDED AGENDA**  
GOVERNMENTAL OVERSIGHT AND ACCOUNTABILITY  
Senator Ring, Chair  
Senator Siplin, Vice Chair

**MEETING DATE:** Thursday, November 3, 2011

**TIME:** 9:00 —10:15 a.m.

**PLACE:** *Toni Jennings Committee Room*, 110 Senate Office Building

**MEMBERS:** Senator Ring, Chair; Senator Siplin, Vice Chair; Senators Benacquisto, Bogdanoff, Dean, Flores, Garcia, Latvala, Margolis, Montford, and Wise

TAB	BILL NO. and INTRODUCER	BILL DESCRIPTION and SENATE COMMITTEE ACTIONS		COMMITTEE ACTION
1	<b>SB 326</b> Bullard (Similar H 395)	State Symbols/State Flagship; Designating the schooner Western Union as the official state flagship, etc.		Favorable Yeas 8 Nays 0
		GO BC	11/03/2011 Favorable	
2	Presentation: Update of Implementation of SB 2100 (2011), relating to retirement, by the Department of Management Services and the State Board of Administration			Presented
Other Related Meeting Documents				



## THE FLORIDA SENATE

Tallahassee, Florida 32399-1100

### COMMITTEES:

Budget - Subcommittee on Transportation, Tourism,  
and Economic Development Appropriations,  
*Vice Chair*  
Reapportionment, *Vice Chair*  
Banking and Insurance  
Budget  
Budget - Subcommittee on Finance and Tax  
Communications, Energy, and Public Utilities  
Criminal Justice  
Governmental Oversight and Accountability  
Rules

**SENATOR GWEN MARGOLIS**  
35th District

October 17, 2011

President Haridopolos,

On Monday, October 24, 2011, I am schedule to undergo surgery for a hip replacement. During this week, I will be having the necessary "pre-ops" that are require pre-surgery. At this time, I am requesting approval of my absence from the current committee week and the committee week of October 31<sup>st</sup>.

My Legislative staff will be in Tallahassee in my absence and should you need anything, please do not hesitate to contact them.

Thank you again for your continued support and understanding.

Sincerely,

A handwritten signature in cursive script that reads "Senator Gwen Margolis".

Gwen Margolis  
State Senator

cc: Chair Alexander  
cc: Chair Benacquisto  
cc: Chair Gaetz  
cc: Chair Richter  
cc: Chair Bogdanoff  
cc: Chair Gardiner  
cc: Chair Evers  
cc: Chair Ring  
cc: Chair Thrasher

### REPLY TO:

- ☐ 3050 Biscayne Boulevard, Suite 600, Miami, Florida 33137 (305) 571-5777
- ☐ 414 Senate Office Building, 404 South Monroe Street, Tallahassee, Florida 32399-1100 (850) 487-5121

Senate's Website: [www.flsenate.gov](http://www.flsenate.gov)

**MIKE HARIDOPOLOS**  
President of the Senate

**MICHAEL S. "MIKE" BENNETT**  
President Pro Tempore



## THE FLORIDA SENATE

Tallahassee, Florida 32399-1100

### COMMITTEES:

Governmental Oversight and Accountability, *Chair*  
Budget - Subcommittee on Education Pre-K - 12  
Appropriations  
Commerce and Tourism  
Community Affairs  
Health Regulation

**SENATOR JEREMY RING**  
32nd District

October 10, 2011

President Mike Haridopolos  
409 The Capitol  
404 S. Monroe Street  
Tallahassee, FL 32399-1100

*Approved*

Dear President Haridopolos,

I am requesting to be excused from all legislative business scheduled until November 15<sup>th</sup> due to my continued recuperation from my recent surgery.

Thank you in advance for considering this request to be excused from legislative business until the week of November 15<sup>th</sup>. Please do not hesitate to contact me if you have any questions.

Sincerely,

*Jeremy Ring*

Jeremy Ring  
Senator District 32

### REPLY TO:

- ☐ 5790 Margate Boulevard, Margate, Florida 33063 (954) 917-1392
- ☐ 210 Senate Office Building, 404 South Monroe Street, Tallahassee, Florida 32399-1100 (850) 487-5094

Senate's Website: [www.flsenate.gov](http://www.flsenate.gov)

**MIKE HARIDOPOLOS**  
President of the Senate

**MICHAEL S. "MIKE" BENNETT**  
President Pro Tempore

# CourtSmart Tag Report

**Room:** EL 110

**Case:**

**Caption:** Senate Committee on Governmental Oversight and Accountability

**Type:**

**Judge:**

**Started:** 11/3/2011 9:01:39 AM

**Ends:** 11/3/2011 9:35:15 AM

**Length:** 00:33:37

9:01:43 AM Meeting called to order.  
9:01:48 AM Roll call.  
9:02:14 AM Senator Montford leads in prayer.  
9:02:59 AM Pledge.  
9:03:32 AM Chairman Siplin makes opening statement and recognizes Senator Latvala's birthday.  
9:04:28 AM Senator Latvala makes comments.  
9:04:46 AM Senators Ring, Margolis and Flores are excused.  
9:05:04 AM Senator Bullard recognized to present SB 326.  
9:05:21 AM Senator Bullard presents SB 326.  
9:07:43 AM Senator Wise recognized.  
9:08:05 AM Senator Bullard responds.  
9:08:15 AM Chris Hansen, City of Key West, waives in support.  
9:08:30 AM SB 326 passes.  
9:09:11 AM Ron Poppell and Sarabeth Snuggs recognized to present an update on SB 2100 and FRS Retirement Plan.  
9:09:40 AM Sarabeth Snuggs, Division of Retirement, updates committee on SB 2100.  
9:10:22 AM Major changes to active and new employees - summary provided on web page in May 2011.  
9:11:36 AM Mid-June all participants notified of SB 2100.  
9:13:23 AM Cost associated with moving back and forth between plans (one time only throughout career) - actuarial calculators updated  
9:14:02 AM 4 new positions approved; 3 filled  
9:14:35 AM Chairman Siplin poses question to Sarabeth Snuggs re: participants notified.  
9:14:45 AM SaraBeth responds.  
9:15:04 AM Chairman Siplin asked follow up question as to type of members (secretary, plumbers, etc.)  
9:15:18 AM Sarabeth Snuggs identified participants as anyone enrolled in the FRS.  
9:15:37 AM 275 different programs had to be changed and are now update, finishing last piece.  
9:16:37 AM Provided information as to reporting errors and reported 3% errors in July across the system.  
9:17:17 AM DROP program changed with interest rate changing in SB 2100.  
9:18:17 AM 682 enrolled in June 2009; 3000 in June 2010 and over 7000 in June 2011.  
9:19:09 AM Audit requests increased since SB 2100 (8000 audit requests in May and June 2011).  
9:19:43 AM Since May, 44 retirement seminars across the state.  
9:20:07 AM Senator Montford thanks Sarabeth and her division for their hard work.  
9:20:55 AM Sarabeth Snuggs responds to Senator Montford's compliment.  
9:21:08 AM Ron Poppell, State Board of Administration, recognized to present an update on SB 2100.  
9:22:05 AM Provides background on State Board of Administration (SBA).  
9:22:34 AM SB 2100 was "uneventful" as SBA began meeting with 2 dozen vendors during 2011 session.  
9:23:07 AM Timely implemented contracts, some are coming on board January 1st due to program issues at DMS.  
9:23:51 AM Workarounds set up.  
9:24:04 AM 140,000 active accounts, 6.7 billion dollars in assets  
9:24:50 AM Projecting 45,000 new hires coming through CHOICE.  
9:28:10 AM Gradual increase in phone calls.  
9:29:55 AM Private letter ruling update sent to IRS for determination.  
9:30:18 AM Letter of determination is pending at IRS, hopeful it will be soon (maybe by next summer).  
9:31:09 AM Chairman Siplin asked how accounting firms were chosen.  
9:31:23 AM Mr. Poppell responded ITN process  
9:31:37 AM Chairman Siplin asked follow up question.  
9:31:46 AM Mr. Poppell responded.  
9:34:32 AM Chairman Siplin introduced John Seay, new analyst for GO, welcomed.  
9:34:52 AM John Seay made a few comments.  
9:35:04 AM Meeting is adjourned.

**The Florida Senate**  
**BILL ANALYSIS AND FISCAL IMPACT STATEMENT**

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

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Prepared By: The Professional Staff of the Governmental Oversight and Accountability Committee

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BILL: SB 326

INTRODUCER: Senator Bullard

SUBJECT: State Symbols/State Flagship

DATE: October 25, 2011

REVISED: \_\_\_\_\_

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Roberts	Roberts	GO	<b>Favorable</b>
2.			BC	
3.				
4.				
5.				
6.				

**I. Summary:**

This bill designates the Schooner Western Union the official state flagship.

This bill creates section 15.0465 of the Florida Statutes.

**II. Present Situation:**

Currently, no ship is designated as the official state flagship.

Chapter 15, F.S. designates official state emblems. To date there are designations for a state tree, fruit, beverage, anthem, song, shell, stone, gem, wildflower, play, animal, freshwater fish, saltwater fish, marine mammal, saltwater mammal, butterfly, reptile, saltwater reptile, tortoise, air fair, rodeo, festival, moving image center and archive, litter control symbol, pageant, opera, renaissance festival, railroad museums, transportation museum, soil, fiddle contest, band, sports hall of fame, pie, maritime museum, and horse.

The Schooner Western Union is a 130-foot historic sailing vessel of the tall ship class. Construction of the ship began in Grand Cayman, but it was completed in Key West and first launched on April 7, 1939.<sup>1</sup> The Schooner is made of yellow pine and mahogany. For thirty-five years the Schooner served as a cable vessel for the Western Union Telegraph Company, repairing underwater cables throughout the Keys, Cuba, and the Caribbean. Since retiring, the Schooner was used as a charter boat, in various events, and is now an open maritime museum.

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<sup>1</sup> Schooner Western Union Maritime Museum—Boat History, <http://www.schoonerwesternunion.org/key-west/boat-history.htm> (last visited October 25, 2011).

**III. Effect of Proposed Changes:**

**Section 1.** Creates section 15.0465, F.S., to designate the Schooner Western Union as the official state flagship.

**Section 2.** Provides that this act shall take effect July 1, 2012.

**IV. Constitutional Issues:**

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

**V. Fiscal Impact Statement:**

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

None.

C. Government Sector Impact:

None.

**VI. Technical Deficiencies:**

None.

**VII. Related Issues:**

None.

**VIII. Additional Information:**

A. Committee Substitute – Statement of Substantial Changes:

(Summarizing differences between the Committee Substitute and the prior version of the bill.)

None.

B. Amendments:

None.

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This Senate Bill Analysis does not reflect the intent or official position of the bill's introducer or the Florida Senate.

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By Senator Bullard

39-00128-12

2012326\_\_

A bill to be entitled

An act relating to state symbols; creating s. 15.0465,  
F.S.; designating the schooner Western Union as the  
official state flagship; providing an effective date.

Be It Enacted by the Legislature of the State of Florida:

Section 1. Section 15.0465, Florida Statutes, is created to  
read:

15.0465 Official state flagship.—The schooner Western  
Union, a 130-foot historic sailing vessel of the tall ship  
class, built in Key West and first launched in 1939, is  
designated the official state flagship.

Section 2. This act shall take effect July 1, 2012.



# SB 326 State Symbol / Flagship

## SCHOONER WESTERN UNION

*MARITIME MUSEUM  
PROPOSED OFFICIAL FLAGSHIP OF  
THE STATE OF FLORIDA*

- **\$1 million restoration completed March 2011 including support from:**
  - Monroe County Tourist Development Council: \$405K
  - Historic Florida Keys Foundation: \$300K
  - Funding raised : \$126K



The Schooner Western Union is docked in the Key West Old Town Charter Boat Row



## THE FLORIDA SENATE

Tallahassee, Florida 32399-1100

### COMMITTEES:

Agriculture, *Vice Chair*  
Education Pre-K - 12, *Vice Chair*  
Budget - Subcommittee on General Government  
Appropriations  
Budget - Subcommittee on Transportation, Tourism,  
and Economic Development Appropriations  
Military Affairs, Space, and Domestic Security  
Reapportionment  
Rules  
Transportation

### SENATOR LARCENIA J. BULLARD

39th District

October 25, 2011

Senator Jeremy Ring  
Governmental Oversight & Accountability  
210 Senate Office Building  
404 South Monroe Street  
Tallahassee, Florida 32399-1100

Dear Senator Ring:

Senate Bill 326 regarding State Symbol/Flagship is on the November 3<sup>rd</sup> agenda of the Governmental Oversight and Accountability Committee. I am seeking your support and that of committee members in passage of this legislation.

The Schooner Western Union was built in Key West in 1939. She is one of the oldest working wooden schooners in the United States. Constructed to tend the Western Union cable lines, she offers a mix of romance, fun, and excitement that could only be offered by THE premier sailing vessel of the Florida Keys. With your vote, the Schooner Western Union will also become THE Flagship of the State of Florida.

Your thoughtful consideration on passage of this bill is greatly appreciated.

Sincerely,

A handwritten signature in black ink, appearing to read "L. Bullard", is written over the word "Sincerely,".

Larcenia J. Bullard  
39<sup>th</sup> District

LJB/al

Cc: Members, Committee on Governmental Oversight & Accountability  
Dawn Roberts, Staff Director  
Courtney Hicks, Committee Administrative Assistant

### REPLY TO:

■ 8603 South Dixie Highway, Suite 304, Miami, Florida 33143 (305) 668-7344  
□ 218 Senate Office Building, 404 South Monroe Street, Tallahassee, Florida 32399-1100 (850) 487-5127

Senate's Website: [www.flsenate.gov](http://www.flsenate.gov)

MIKE HARIDOPOLOS  
President of the Senate

MICHAEL S. "MIKE" BENNETT  
President Pro Tempore

**THE FLORIDA SENATE**  
**APPEARANCE RECORD**

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

Nov 3<sup>rd</sup>

Meeting Date

Topic Schooner Western Union

Bill Number 326  
(if applicable)

Name Chris Hansen

Amendment Barcode \_\_\_\_\_  
(if applicable)

Job Title Lobbyist

Address Gray Robinson

Phone 850/577-9090

Street

Tallahassee FL 32301

City

State

Zip

E-mail Chansen@gray-robinson.com

Speaking: ☒ For ☐ Against ☐ Information

Representing City of Key West

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 (10/20/11)

# SENATE GOVERNMENTAL OVERSIGHT AND ACCOUNTABILITY COMMITTEE

November 3, 2011

## Completed Updates

- Mailed one-page legislative summary notice to ALL FRS members in mid-June 2011
- Mailed Employer Quarterly Newsletter to ALL FRS Retirement Coordinators in mid-June 2011
- Mailed Investment Plan Employee Quarterly Newsletter to ALL Investment Plan members in late-July
- Posted to Web site in a pop-up box on Home page of MyFRS.com in mid to late-May:
  - A Summary of the legislation - Summarizes the legislative changes
  - A Take Home Pay Calculator - Permits members to determine how 3% contribution affects their net pay
  - A list of FAQ's - List of frequently asked questions on the legislation
- Conducted Employee and Employer web casts to discuss legislative changes in mid-June 2011
- Updated ALL member print and web materials
- Updated New Hire materials; including a legislative summary insert to the New Hire Kit and the New hire video
- Updated ALL financial and retirement planning workshops
- Educated SBA service providers (Ernst & Young and AonHewitt) on legislative changes

## Outstanding Updates Projected for Completion Before January 1, 2012

- Updates to the:
  - Online Choice Service
  - Online 2<sup>nd</sup> Choice Service
  - Online Advisor Service for Pension Plan
  - Printed Benefit Comparison Statement for New Hires
- Updates to the Employer Manual and Tool Kit

### Statistics for Period May through August 2011

- **Calls to Ernst & Young -** 97,162 (26,085 more than last year in same time period)
- **Web Hits to Retirement Legislation Summary -** 175,577
- **Web Hits to Take Home Pay Calculator –** 13,677
- **Web Hits to online employee web cast video of legislative changes -** 1,484
- **Web Hits to online employer web cast video of legislative changes -** 915
- **Web Hits to online FAQ's relating to legislation -** 3,415
- **2<sup>nd</sup> Elections Pension Plan to Investment Plan –** 4,531 members, \$637 million in assets  
1,784 members, \$364 million in assets  
in 2010
- **2<sup>nd</sup> Elections Investment Plan to Pension Plan –** 135 members, \$5 million in assets  
100 members in 2010
- **Rescind Elections during Grace Period -** 73 members (32 more than last year in same  
time period)

**SENATE  
GOVERNMENTAL OVERSIGHT and  
ACCOUNTABILITY COMMITTEE**

**November 3, 2011**

Senate Bill 2100 Implementation Review  
Division of Retirement

**Updates Completed**

- Senate Bill 2100 summary posted to the website in mid-May 2011.
- Information releases sent to:
  - Florida Retirement System (FRS) employers in late May 2011 about required employee contribution and the method for reporting employee contributions.
  - State universities and the Department of Financial Services in late May 2011 about required employee contribution and separate reporting and tracking for participants of the State University System Optional Retirement Program (SUSORP) and the Senior Management Service Optional Annuity Program (SMSOAP).
  - FRS employers at the end of May about the reporting plan codes and employer contribution rates, including the unfunded actuarial liability reporting on the salaries of the participants in the SUSORP, SMSOAP, and the State Community College Optional Retirement Program, effective July 1, 2011 with a summary of 2011 legislation.
- Provided notice in mid-June to FRS Pension Plan members and participants in the other optional retirement programs for the state universities, state community colleges, and state senior managers about required employee contributions and other 2011 legislative changes.
- Division of Retirement and the State Board of Administration held web casts about the 2011 legislative changes for FRS members and employers in mid-June 2011. These web casts were recorded and are posted to the websites.
- Updated all the program descriptions, FRS Quick Clips and Frequently Asked Questions on the website to include required employee contributions and other 2011 legislative changes.
- Revised member annual statements to include 2011 legislative changes.
- Publications:
  - July 2011 Retiree Newsletter
  - Employer Handbook
  - Retirement Online Help Modules
  - Retirement guide for the Elected Officers' Class.
  - Retirement guide for the Senior Management Service Class.
  - Retirement guide for the Special Risk and Special Risk Administrative Support Classes.
  - Retirement guide for the Regular Class.
  - Preparing to Retire
  - Deferred Retirement Option Program
  - 2011 Member Annual Statements
  - 2011 Edition of FRS Bulletin
  - After You Retire
- Consulting actuary revised valuation-based calculator to determine the actuarial present value cost of transferring membership between the Pension Plan and the Investment Plan.
- Consulting actuary revised calculator to determine the actuarial accrued liability cost of transferring from the Investment Plan to the Pension Plan.
- Completed 30 systemic process changes impacting 275 separate program components including 34 program components for the Investment Plan.
- Completed hiring three of the four positions authorized by SB 2100 for the workload increase related to employee contributions and processing refunds of employee contributions.

## Updates in Process to be Completed Before January 1, 2012

- Eighteen other systemic changes in process.
- Hire the fourth position authorized by SB 2100.
- Publications:
  - Survivor Benefits
  - Disability Benefits
- Consulting actuary to revise valuation-based calculator to determine the actuarial accrued liability cost of upgrading service credit.

## Statistics

- Employer reporting errors for July 2011 were at 3 percent which is the same as last year when we had the rate change in employer contributions only.
  - Two universities did not include the UAL amount in the employer rate for SUSORP (one university for one bi-weekly and the other for 2 bi-weekly payrolls).
  - Only three local agencies out of 943 did not include employee contributions on the July retirement report.

- Total DROP Applications for effective dates in:

	2011	2010	2009
May	1,295	1,127	598
June	7,154	3,030	682

- Account audit requests received in:
  - May and June 2011 – 8,071
  - May and June 2010 – 6,452
  - May and June 2009 – 5,209
- Presented at 44 employee retirement planning seminars from May 2011 through September 2011 with 4,391 attendees
- Telephone calls and visitors received by the division:

2011	Calls Received	Visitors
May	43,968	327
June	44,438	319
July	36,924	268
August	41,432	269
September	36,924	221
<b>Total</b>	<b>203,686</b>	<b>1,404</b>

2010	Calls Received	Visitors
May	36,881	282
June	38,697	215
July	36,709	224
August	39,595	249
September	33,493	195
<b>Total</b>	<b>185,375</b>	<b>1,165</b>

2009	Calls Received	Visitors
May	28,089	211
June	33,180	266
July	35,184	250
August	33,672	270
September	30,225	217
<b>Total</b>	<b>160,350</b>	<b>1,214</b>

- Web hits to the Senate Bill 2100 summary:
  - May 2011 – 37,090
  - June 2011 – 8,839
  - July 2011 – 3,842
  - August 2011 – 1,557
  - September 2011 – 975

THE FLORIDA SENATE  
**APPEARANCE RECORD**

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

11/3/11  
Meeting Date

Topic SB 2100 and FRS Investment Plan Bill Number \_\_\_\_\_  
Name Ron Pappell Amendment Barcode \_\_\_\_\_ (if applicable)  
Job Title Senior DC Programs Officer (if applicable)  
Address 1801 Hermitage Blvd Phone 413-1497  
Tallahassee FL 32308 E-mail ron.pappell@SBAFA.com  
City State Zip  
Speaking: ☐ For ☐ Against ☐ Information  
Representing State Board of Administration  
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.

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S-001 (10/20/11)

THE FLORIDA SENATE  
**APPEARANCE RECORD**

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

11/03/2011  
Meeting Date

Topic Update of Implementation of SB 2100 (2011) Bill Number NA  
Name Sarabeth Snuggs Amendment Barcode NA (if applicable)  
Job Title Retirement Director (if applicable)  
Address 1316 Winewood Blvd, Bldg 8 Phone 487-4133  
Tallahassee FL 32315 E-mail sarabeth.snuggs@dms.myflorida.com  
City State Zip  
Speaking: ☐ For ☐ Against ☒ Information  
Representing Department of Management Services  
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.

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S-001 (10/20/11)