

Tab 1 **CS/SB 518** by **CA, Brodeur**; (Identical to H 01555) Private Property Rights to Prune, Trim, and Remove Trees

Tab 2 **CS/SB 1304** by **JU, Gruters**; (Identical to CS/H 01363) Public Records/Trust Proceedings

Tab 3 **SB 1500** by **Bracy**; Special Days of Observance

Tab 4 **CS/SB 1614** by **TR, Harrell**; (Similar to CS/CS/H 01121) Public Records/Motor Vehicle Crashes/Traffic Citations

148404 D S L RCS GO, Harrell Delete everything after 02/10 10:13 AM

Tab 5 **CS/SB 1736** by **CJ, Hooper**; (Similar to CS/H 00453) Records of Physical Examinations

Tab 6 **SPB 7046** by **GO**; Public Employment

183432 A S FAV GO, Brandes btw L.223 - 224: 02/10 10:13 AM

The Florida Senate
COMMITTEE MEETING EXPANDED AGENDA

GOVERNMENTAL OVERSIGHT AND ACCOUNTABILITY

Senator Brandes, Chair
Senator Gruters, Vice Chair

MEETING DATE: Thursday, February 10, 2022
TIME: 8:30—10:30 a.m.
PLACE: Mallory Horne Committee Room, 37 Senate Building

MEMBERS: Senator Brandes, Chair; Senator Gruters, Vice Chair; Senators Farmer, Mayfield, Stargel, and Torres

TAB	BILL NO. and INTRODUCER	BILL DESCRIPTION and SENATE COMMITTEE ACTIONS	COMMITTEE ACTION
1	CS/SB 518 Community Affairs / Brodeur (Identical H 1555)	Private Property Rights to Prune, Trim, and Remove Trees; Revising conditions under which a local government may not require a notice, application, approval, permit, fee, or mitigation for the pruning, trimming, or removal of a tree on residential property; specifying when a tree poses an unacceptable risk, etc. CA 01/18/2022 Fav/CS GO 02/10/2022 Favorable RC	Favorable Yeas 6 Nays 0
2	CS/SB 1304 Judiciary / Gruters (Similar H 1229, Identical CS/H 1363)	Public Records/Trust Proceedings; Making the identities of beneficiaries and specified individuals and certain documents in trust proceedings when a family trust company, licensed family trust company, or foreign licensed family trust company is a party confidential and exempt from public records requirements; requiring the court to seal any documents filed with the court in such proceedings; prohibiting the court from releasing to the public any of the sealed documents or information contained therein; providing a statement of public necessity, etc. JU 01/31/2022 Fav/CS GO 02/10/2022 Favorable RC	Favorable Yeas 5 Nays 1
3	SB 1500 Bracy	Special Days of Observance; Designating "Emancipation Day" to officially commemorate the freeing of enslaved African Americans in Florida; authorizing the Governor to issue an annual proclamation honoring the significance of Emancipation Day; specifying that Juneteenth Day officially commemorates the freeing of all remaining enslaved African Americans in the United States; requiring high school students enrolled in a United States History course to receive specified instruction on the significance of Emancipation Day and Juneteenth Day, etc. GO 02/10/2022 Favorable ED RC	Favorable Yeas 6 Nays 0

COMMITTEE MEETING EXPANDED AGENDA

Governmental Oversight and Accountability
Thursday, February 10, 2022, 8:30—10:30 a.m.

TAB	BILL NO. and INTRODUCER	BILL DESCRIPTION and SENATE COMMITTEE ACTIONS	COMMITTEE ACTION
4	CS/SB 1614 Transportation / Harrell (Similar CS/CS/H 1121)	Public Records/Motor Vehicle Crashes/Traffic Citations; Revising an exemption from public records requirements for written reports of motor vehicle crashes; revising the agencies holding records to which the exemption applies; providing an exemption from public records requirements for driver information contained in a uniform traffic citation; providing for future legislative review and repeal of the exemption; providing statements of public necessity, etc. TR 01/18/2022 Fav/CS GO 02/10/2022 Fav/CS RC	Fav/CS Yeas 6 Nays 0
5	CS/SB 1736 Criminal Justice / Hooper (Similar CS/H 453)	Records of Physical Examinations; Authorizing a specified medical examination to serve as a certain required physical examination for firefighters; requiring an employing agency to maintain records of employee physical examinations for a specified period of time after employee separation from the agency; creating a presumption that applies to employees whose records are not maintained for that period of time, etc. CJ 01/25/2022 Fav/CS GO 02/10/2022 Favorable RC	Favorable Yeas 6 Nays 0
Consideration of proposed bill:			
6	SPB 7046	Public Employment; Authorizing Special Risk Class members who are law enforcement officers and meet certain criteria to participate in the deferred retirement option program for an additional time period; revising required employer retirement contribution rates for each membership class and subclass of the Florida Retirement System; revising allocations to investment plan member accounts, etc.	Submitted and Reported Favorably as Committee Bill Yeas 6 Nays 0
Other Related Meeting Documents			

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.)

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

BILL: CS/SB 518

INTRODUCER: Community Affairs Committee and Senator Brodeur

SUBJECT: Private Property Rights to Prune, Trim, and Remove Trees

DATE: February 9, 2022 REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Hunter</u>	<u>Ryon</u>	<u>CA</u>	Fav/CS
2.	<u>Ponder</u>	<u>McVaney</u>	<u>GO</u>	Favorable
3.	_____	_____	<u>RC</u>	_____

Please see Section IX. for Additional Information:

COMMITTEE SUBSTITUTE - Substantial Changes

I. Summary:

CS/SB 518 amends s. 163.045, F.S., which prohibits a local government from requiring a notice, application, approval, permit, fee, or mitigation for the pruning, trimming, or removal of a tree on residential property if the property owner obtains documentation from a certified arborist or a licensed landscape architect, that the tree *presents a danger* to persons or property. (emphasis added). The bill amends this provision to provide that a local government may not burden a property owner's rights to prune, trim, or remove trees on his or her own property if the tree "poses an unacceptable risk" to persons or property. Under the bill, a tree poses an unacceptable risk if removal is the only means of practically mitigating its risk below moderate as outlined in Best Management Practices – Tree Risk Assessment, Second Edition (2017).

The bill defines "documentation" to mean an onsite tree risk assessment performed in accordance with the tree risk assessment procedures outlined in Best Management Practices - Tree Risk Assessment, Second Edition (2017). Documentation must be signed by an arborist certified by the International Society of Arboriculture (ISA) or Florida licensed landscape architect. The bill also defines the term "residential property" as a single-family detached building located on an existing lot, actively used for single-family residential purposes, and which is either an existing conforming use or a legally recognized nonconforming use following the local jurisdiction's applicable land development regulations.

The bill may have an indeterminate fiscal impact on local governments.

The bill takes effect on July 1, 2022.

II. Present Situation:

Home Rule Powers and Preemption

The Florida Constitution

The State Constitution establishes and describes the duties, powers, structure, function, and limitations of government in Florida. Article VIII, section 1 of the State Constitution, endows counties and municipalities the power of self-government or home rule power. Under the home rule power, local governments have broad authority to exercise the state's sovereign police powers and legislate on any matter that is not inconsistent with the federal and state constitution and laws.

Counties

A county without a charter has power of self-government as provided by general or special law and may enact county ordinances not inconsistent with general law.¹ Counties operating under county charters have all the powers of local self-government not inconsistent with general law or with special law approved by a vote of the electors.² General law authorizes counties "the power to carry on county government"³ and to "perform any other acts not inconsistent with law, which acts are in the common interest of the people of the county, and exercise all powers and privileges not specifically prohibited by law."⁴

Municipalities

Municipalities may be established or abolished, and their charters amended by general or special law. Municipalities have governmental, corporate, and proprietary powers to conduct municipal government, perform municipal functions, and render municipal services. They may exercise any of these powers for municipal purposes except as otherwise provided by law.⁵ Chapter 166, F.S., also known as the Municipal Home Rule Powers Act,⁶ acknowledges these constitutional grants of police powers and better defines municipal powers of self-government.⁷ Chapter 166, F.S., provides municipalities with broad home rule powers to act in a manner not inconsistent with the State Constitution, general and special law, and a charter for the county in which the municipality is located.⁸

¹ FLA. CONST. art. VIII, s. 1(f).

² *Id.* at (g).

³ Section 125.01(1), F.S.

⁴ *Id.* at (w).

⁵ FLA. CONST. art. VIII, s. 2.

⁶ Section 166.011, F.S.

⁷ Florida House of Representatives, Publications, *The Local Government Formation Manual 2017-2018*, p. 16, available at: <https://www.myfloridahouse.gov/Sections/Documents/loaddoc.aspx?PublicationType=Committees&CommitteeId=2911&Session=2017&DocumentType=General%20Publications&FileName=2017-2018%20Local%20Government%20Formation%20Manual%20Final%20Pub.pdf> (last visited Dec. 9, 2021).

⁸ Section 166.021(4), F.S.

State Preemption

Although local governments have broad home rule powers, the state legislature may preempt this self-government power and preclude local governments from exercising legislative authority in particular areas of law.⁹ Florida law recognizes two types of preemption: express and implied.

Express preemption requires a specific legislative statement; it cannot be implied or inferred.¹⁰ In cases where the Legislature expressly preempts an area or forbids local governments from certain actions, there is no problem with ascertaining what the Legislature intended.¹¹ On the other hand, implied preemption is found where the local legislation would present the danger of conflicting with the state's pervasive regulatory scheme.¹² Preemption of a local government enactment is implied only where the legislative scheme is so pervasive as to evidence an intent to preempt the particular area to the state, and there are strong public policy reasons for doing so.¹³ In cases determining the validity of ordinances enacted in the face of express and implied state preemption, the effect has been to find such ordinances null, void, and unenforceable.¹⁴

Local Tree Pruning, Trimming, and Removal Regulations

Florida counties and municipalities have the home rule power to enact ordinances related to tree removal and management. These ordinances regulate how private property owners manage the landscape on their private property. Tree management ordinances address various aspects of land use, including the species used in a given area. Some tree management ordinances require a property owner to receive a permit or pay a fee before pruning, trimming, or removing a tree from their private property.

For example, in Broward County, removing any historical tree¹⁵ without first obtaining approval from the Board of County Commissioners is prohibited. Broward County also outlaws removing any tree without first obtaining a tree removal license from the Environmental Protection and Growth Management Department.¹⁶ Furthermore, municipalities within Broward County have enforced their tree preservation regulations in addition to Broward County's tree regulations.¹⁷

⁹ Wolf, *The Effectiveness of Home Rule: A Preemptions and Conflict Analysis*, 83 Fla. B.J. 92 (June 2009).

¹⁰ See *City of Hollywood v. Mulligan*, 934 So.2d 1238, 1243 (Fla. 2006); *Phantom of Clearwater, Inc. v. Pinellas County*, 894 So.2d 1011, 1018 (Fla. 2d DCA 2005), approved in *Phantom of Brevard, Inc. v. Brevard County*, 3 So.3d 309 (Fla. 2008).

¹¹ *Sarasota Alliance for Fair Elections, Inc. v. Browning*, 28 So.3d 880, 886 (Fla. 2010).

¹² See *GLA & Assocs. Inc. v. City of Boca Raton*, 855 So. 2d 278, 282 (Fla. 4th DCA 2003).

¹³ *Id.*

¹⁴ *Thomas v. State*, 614 So.2d 468, 470 (Fla.1993); *Hillsborough County v. Fla. Rest. Ass'n*, 603 So.2d 587, 591 (Fla. 2d DCA 1992) (“If [a county] has enacted such an inconsistent ordinance, the ordinance must be declared null and void.”)

¹⁵ Ch. 27, art. XIV, s. 404, Broward County Code of Ordinances (2018), defines a “historical tree” as a particular tree or group of trees, which has historical value because of its unique relationship to the history of the region, state, nation or world as designated by the Board of County Commissioners.

¹⁶ *Id.* at s. 405. Nuisance trees are exempt from the prohibitions in the tree preservation ordinances. *Id.* at 406. A “nuisance tree” is defined to be one of 10 identified trees including the *Schinus terebinthifolius* (Brazilian pepper tree/Florida holly). *Id.* at 404.

¹⁷ *Id.* at s. 407. Municipalities may regulate exclusively within their jurisdictions upon certification by Broward County with some exceptions.

Similarly, Orange County requires a permit or authorization to remove a protected tree¹⁸ unless an exception applies. The law does not restrict tree trimming or maintenance but encourages property owners to practice proper trimming habits that avoided the need for "severe" trimming of any tree.¹⁹ Municipalities within Orange County are also allowed to provide tree regulations within their jurisdictions.²⁰

Section 163.045, F.S. – Tree Pruning, Trimming, or Removal on Residential Property

During the 2019 Regular Session, the Legislature created s. 163.045, F.S., which prohibits local governments from requiring "a notice, application, approval, permit, fee, or mitigation for the pruning, trimming, or removal of a tree on residential property if the property owner obtains documentation from an arborist certified by the International Society of Arboriculture or a Florida licensed landscape architect that the tree presents a danger to persons or property." Additionally, a local government may not require a property owner to replant a tree that was pruned, trimmed, or removed in accordance with this section.²¹ These 2019 provisions do not apply to the exercise of authority for mangrove protection pursuant to ss. 403.9321-403.9333, F.S.²²

The subject matter of s. 163.045, F.S., has been the subject of litigation on several occasions since its enactment. Courts have grappled with the statute's express language and whether local governments maintain some residual authority to regulate tree management on private property.²³

Tree Risk Assessment Standards

In 2017, the International Society of Arboriculture (ISA) and the American National Standard Institute (ANSI) produced the first national standards to address tree risk assessment. The ANSI standards represent the industry criteria for performing tree care operations. The standards can be used for general familiarity with professional requirements and preparation of tree care contract specifications. These standards are published in Best Management Practices - Tree Risk

¹⁸ Protected trees are native trees in certain zones and include Red maple, Red buckeye, and Pignut hickory trees. *See* Ch. 15, Art. VIII, ss. 283 and 301(e), Orange County Code of Ordinances (2018).

¹⁹ Ch. 15, Art. VIII, s. 278, Orange County Code of Ordinances (2018).

²⁰ *Id.*

²¹ Section 163.045(2), F.S.

²² *Id.* at (3). Florida has three native species of mangrove trees growing along its coastline, which can be harmed or killed if not trimmed properly. The "1996 Mangrove Trimming and Preservation Act" (Act) requires the Department of Environment Protection (DEP) to regulate the trimming and alteration of mangroves statewide, except where DEP has delegated its authority to local governments that meet certain requirements and request such delegation. The Act prohibits mangrove trimming or alteration without a permit issued by DEP or a delegated local government, unless the trimming or alteration falls within certain exceptions. *See* Florida Department of Environmental Protection, *Mangrove Trimming Guidelines for Homeowners*, "Introduction," 4, available at https://floridadep.gov/sites/default/files/Mangrove-Homeowner-Guide-sm_0.pdf (last visited Dec 9, 2021).

²³ *See Vickery v. City of Pensacola*, 2020 WL 1190558, No. 1D19-4344 (Fla. 1st DCA 2020)(Appellate Brief, file Feb. 5, 2020) (Appealing from a Circuit Court of Escambia County injunction on the removal of a tree); *see also Schuh v. City of St. Petersburg*, 2019 WL 10784582, No. 18-007493-CI. (Fla.Cir.Ct. 6th Jud.Cir., Pinellas County)(Plaintiffs alleged that before altering their landscape in any way—including pruning, trimming, or removing trees—the City requires notification, an application, and approval in violation of s. 163.045, F.S.).

Assessment, Second Edition.²⁴ The stated purpose of Best Management Practices - Tree Risk Assessment, Second Edition is to serve as a guide for arborists to assess tree risk as accurately and consistently as possible, to evaluate that risk, and to recommend measures that achieve an acceptable level of risk.²⁵

Best Management Practices - Tree Risk Assessment, Second Edition covers topics arborists should include in tree risk assessments including:²⁶

- Risk Assessment Basics;
- Levels and Scope of Tree Risk Assessment;
- Assessing Targets, Sites, and Trees;
- Tree Risk Categorization;
- Risk Mitigation: Preventive and Remedial Actions;
- Risk Reporting;
- Tree Related Conflicts That Can Be a Source of Risk;
- Loads on Trees;
- Structural Defects and Conditions That Affect Likelihood of Failure;
- Response Growth; and
- Description of Selected Types of Advanced Tree Risk Assessments.

III. Effect of Proposed Changes:

Section 1 amends s. 163.045, F.S., to define the following terms:

- "Documentation" means an onsite assessment performed in accordance with the tree risk assessment procedures outlined in best Management Practices – Tree Risk Assessment, Second Edition (2017) by an arborist certified by the International Society of Arboriculture (ISA) or a Florida licensed landscape architect and signed by the certified arborist or licensed landscape architect.
- "Residential property" means a single-family, detached building located on a lot actively used for single-family residential purposes, and which is either an existing conforming use or a legally recognized nonconforming use under the local jurisdiction's applicable land development regulations

Before a residential property owner may prune, trim, or remove a tree pursuant to s. 163.045, F.S., the bill requires an arborist certified by the International Society of Arboriculture or a Florida licensed landscape architect to certify that a tree poses "an unacceptable risk" to persons or property. A tree poses an unacceptable risk to persons or property if removal is the only means of practically mitigating the risk below moderate, Best Management Practices - Tree Risk Assessment, Second Edition (2017).

The bill takes effect July 1, 2022.

²⁴ See ISA, Best Management Practices - Tree Risk Assessment, Second Edition (2017), available at: <https://www.isa-arbor.com/store/product/324> (last visited Jan. 19, 2022).

²⁵ *Id.*

²⁶ *Id.*

IV. Constitutional Issues:**A. Municipality/County Mandates Restrictions:**

Not applicable. The bill does not require counties or municipalities to take action requiring the expenditure of funds, reduce the authority that counties or municipalities have to raise revenue in the aggregate, nor reduce the percentage of state tax shared with counties or municipalities.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

D. State Tax or Fee Increases:

None.

E. Other Constitutional Issues:

None identified.

V. Fiscal Impact Statement:**A. Tax/Fee Issues:**

None.

B. Private Sector Impact:

The private sector may avoid future fines and legal costs associated with a local government's implementation of s. 163.055, F.S., due the specificity provided in the bill.

C. Government Sector Impact:

Local governments may avoid future legal costs associated with potential lawsuits filed to challenge a local government's implementation of s. 163.045, F.S., due to the specificity provided in the bill.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Statutes Affected:

This bill substantially amends section 163.045 of the Florida Statutes.

IX. Additional Information:

- A. **Committee Substitute – Statement of Substantial Changes:**
(Summarizing differences between the Committee Substitute and the prior version of the bill.)

CS by Community Affairs on January 18, 2022:

The CS modifies the definitions of “documentation” and “residential property” and changes the title of the bill from “an act relating to residential home protection” to “an act relating to private property rights to prune, trim, and remove trees.”

- B. **Amendments:**

None.

By the Committee on Community Affairs; and Senator Brodeur

578-02092-22

2022518c1

1 A bill to be entitled
 2 An act relating to private property rights to prune,
 3 trim, and remove trees; amending s. 163.045, F.S.;
 4 defining terms; revising conditions under which a
 5 local government may not require a notice,
 6 application, approval, permit, fee, or mitigation for
 7 the pruning, trimming, or removal of a tree on
 8 residential property; specifying when a tree poses an
 9 unacceptable risk; providing an effective date.

10
 11 Be It Enacted by the Legislature of the State of Florida:

12
 13 Section 1. Section 163.045, Florida Statutes, is amended to
 14 read:

15 163.045 Tree pruning, trimming, or removal on residential
 16 property.—

17 (1) For purposes of this section, the term:

18 (a) "Documentation" means an onsite assessment performed in
 19 accordance with the tree risk assessment procedures outlined in
 20 Best Management Practices - Tree Risk Assessment, Second Edition
 21 (2017) by an arborist certified by the International Society of
 22 Arboriculture (ISA) or a Florida licensed landscape architect
 23 and signed by the certified arborist or licensed landscape
 24 architect.

25 (b) "Residential property" means a single-family, detached
 26 building located on a lot that is actively used for single-
 27 family residential purposes and that is either a conforming use
 28 or a legally recognized nonconforming use in accordance with the
 29 local jurisdiction's applicable land development regulations.

Page 1 of 2

CODING: Words ~~stricken~~ are deletions; words underlined are additions.

578-02092-22

2022518c1

30 (2) A local government may not require a notice,
 31 application, approval, permit, fee, or mitigation for the
 32 pruning, trimming, or removal of a tree on a residential
 33 property if the property owner ~~possesses~~ obtains documentation
 34 from an arborist certified by the ~~ISA International Society of~~
 35 ~~Arboriculture~~ or a Florida licensed landscape architect that the
 36 tree ~~poses an unacceptable risk, presents a danger~~ to persons or
 37 property. A tree poses an unacceptable risk if removal is the
 38 only means of practically mitigating its risk below moderate, as
 39 determined by the tree risk assessment procedures outlined in
 40 Best Management Practices - Tree Risk Assessment, Second Edition
 41 (2017).

42 (3) ~~(2)~~ A local government may not require a property owner
 43 to replant a tree that was pruned, trimmed, or removed in
 44 accordance with this section.

45 (4) ~~(3)~~ This section does not apply to the exercise of
 46 specifically delegated authority for mangrove protection
 47 pursuant to ss. 403.9321-403.9333.

48 Section 2. This act shall take effect July 1, 2022.

Page 2 of 2

CODING: Words ~~stricken~~ are deletions; words underlined are additions.



The Florida Senate

Committee Agenda Request

To: Senator Jeff Brandes, Chair
Committee on Government Oversight and Accountability

Subject: Committee Agenda Request

Date: January 21, 2022

I respectfully request that **Senate Bill 518**, relating to **Private Property Rights to Prune, Trim, and Remove Trees**, be placed on the:

- committee agenda at your earliest possible convenience.
- next committee agenda.

A handwritten signature in cursive script that reads "Jason Brodeur".

Senator Jason Brodeur
Florida Senate, District 9

2/10/2022

Meeting Date

Governmental Oversight and Accountability

Committee

Name **Diana Ferguson**

Name

The Florida Senate

APPEARANCE RECORD

Deliver both copies of this form to
Senate professional staff conducting the meeting

SB 518

Bill Number or Topic

Amendment Barcode (if applicable)

Phone **850-681-6788**

Phone

Address **119 S Monroe Street Suite 202**

Address

Email **dferguson@rutledge-ecenia.com**

Email

Street

Tallahassee

City

FL

State

32301

Zip

Speaking: For Against Information **OR** Waive Speaking: In Support Against

PLEASE CHECK ONE OF THE FOLLOWING:

I am appearing without compensation or sponsorship.

I am a registered lobbyist, representing:

American Society of Landscape Architects Florida Chapter

I am not a lobbyist, but received something of value for my appearance (travel, meals, lodging, etc.), sponsored by:

While it is a tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this hearing. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard. If you have questions about registering to lobby please see Fla. Stat. §11.045 and Joint Rule 1. [2020-2022 Joint Rules.pdf \(flsenate.gov\)](#)

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

S-001 (08/10/2021)

APPEARANCE RECORD

578

Bill Number or Topic

2/9/22

Meeting Date

Deliver both copies of this form to
Senate professional staff conducting the meeting

Gov. Ops

Committee

Amendment Barcode (if applicable)

Name Jim ~~SPRATT~~ SPRATT

Phone 850 228 1296

Address 1195 Monroe St

Street

Email Jim@magdiastrofy.com

TLCF

City

FL

State

32301

Zip

Speaking: For Against Information **OR** Waive Speaking: In Support Against

PLEASE CHECK ONE OF THE FOLLOWING:

I am appearing without compensation or sponsorship.

I am a registered lobbyist, representing:

I am not a lobbyist, but received something of value for my appearance (travel, meals, lodging, etc.), sponsored by:

Florida Chapter International Society of Arboriculture

While it is a tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this hearing. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard. If you have questions about registering to lobby please see Fla. Stat. §11.045 and Joint Rule 1. [2020-2022 Joint Rules.pdf \(flsenate.gov\)](https://www.flsenate.gov/2020-2022JointRules.pdf)

The Florida Senate

APPEARANCE RECORD

2/10/22

Meeting Date

518

Bill Number or Topic

Governmental Oversight & Accountability

Committee

Deliver both copies of this form to
Senate professional staff conducting the meeting

Amendment Barcode (if applicable)

Name Philip Sudarman

Phone _____

Address _____

Email _____

Street

City

State

Zip

Speaking: For Against Information

OR

Waive Speaking: In Support Against

PLEASE CHECK ONE OF THE FOLLOWING:

I am appearing without compensation or sponsorship.

I am a registered lobbyist, representing:

Americans for Prosperity

I am not a lobbyist, but received something of value for my appearance (travel, meals, lodging, etc.), sponsored by:

While it is a tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this hearing. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard. If you have questions about registering to lobby please see Fla. Stat. §11.045 and Joint Rule 1. [2020-2022 Joint Rules.pdf \(flsenate.gov\)](#)

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

S-001 (08/10/2021)

The Florida Senate

APPEARANCE RECORD

Deliver both copies of this form to Senate professional staff conducting the meeting

2/10/22

Meeting Date

518

Bill Number or Topic

Gov Ops

Committee

Amendment Barcode (if applicable)

Name Rebecca O'Hara

Phone 850 222 9684

Address PO Box 1757

Street

Email rohara@flcities.com

Tall FL 32302-1757

City

State

Zip

Speaking: For Against Information OR Waive Speaking: In Support Against

PLEASE CHECK ONE OF THE FOLLOWING:

I am appearing without compensation or sponsorship.

I am a registered lobbyist, representing:

Fla League of Cities

I am not a lobbyist, but received something of value for my appearance (travel, meals, lodging, etc.), sponsored by:

While it is a tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this hearing. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard. If you have questions about registering to lobby please see Fla. Stat. §11.045 and Joint Rule 1. [2020-2022 Joint Rules.pdf \(flsenate.gov\)](#)

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

S-001 (08/10/2021)

2/10/22

Meeting Date

GOA 8:30 37 SB

Committee

The Florida Senate

APPEARANCE RECORD

Deliver both copies of this form to
Senate professional staff conducting the meeting

518

Bill Number or Topic

Amendment Barcode (if applicable)

Name DAVID CULLEN

Phone 941-323-2404

Address 9830 ELM ST

Email cullenasea@gmail.com

Street

OCEAN CITY

MD

21842

City

State

Zip

Speaking: For Against Information **OR** Waive Speaking: In Support Against

PLEASE CHECK ONE OF THE FOLLOWING:

I am appearing without compensation or sponsorship.

I am a registered lobbyist, representing:

SIERRA CLUB FLORIDA

I am not a lobbyist, but received something of value for my appearance (travel, meals, lodging, etc.), sponsored by:

While it is a tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this hearing. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard. If you have questions about registering to lobby please see Fla. Stat. §11.045 and Joint Rule 1. [2020-2022 Joint Rules.pdf \(flsenate.gov\)](#)

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

S-001 (08/10/2021)

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.)

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

BILL: CS/SB 1304

INTRODUCER: Judiciary Committee and Senator Gruters

SUBJECT: Public Records/Trust Proceedings

DATE: February 9, 2022

REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Bond</u>	<u>Cibula</u>	<u>JU</u>	Fav/CS
2.	<u>Ponder</u>	<u>McVaney</u>	<u>GO</u>	Favorable
3.	_____	_____	<u>RC</u>	_____

Please see Section IX. for Additional Information:

COMMITTEE SUBSTITUTE - Technical Changes

I. Summary:

CS/SB 1304 creates a public records exemption for certain trust proceedings and other filings held by a court. The bill provides that, in trust proceedings in which a family trust company, licensed family trust company, or foreign licensed family trust company is a party, the identities of those who establish, administer, or benefit from a trust and any information relating to the trust are confidential and exempt from public inspection and copying. The court may not release to the public any of the sealed documents or information contained therein but must make them available to the settlor, a fiduciary or beneficiary and his or her attorney, or any other person if the court determines there is a compelling need for releasing the information requested.

This exemption is not subject to the Open Government Sunset Review Act because it applies solely to judicial branch records.

The bill creates a new public records exemption and, therefore, requires a two-thirds vote of the members present and voting for final passage.

The bill takes effect July 1, 2022.

II. Present Situation:

A trust is a fiduciary relationship with respect to property, subjecting the person by whom the title to the property is held to equitable duties to deal with the property for the benefit of another

person. A trust arises as a result of a manifestation of an intention to create it.¹ Trusts are governed by statute.²

Trust companies are for-profit business organizations that are authorized to engage in trust business and to act as a fiduciary for the general public. A family may form and operate private or family trust companies that provide trust services similar to those that can be provided by an individual trustee or a financial institution. However, these family trust companies are owned exclusively by family members and may not provide fiduciary services to the public. These private, family trust companies are generally formed to manage the wealth of high net-worth families in lieu of traditional individual or institutional trustee arrangements for a variety of personal, investment, regulatory, and tax reasons. In 2014, Florida statutes were amended to authorize the formation of family trust companies, licensed family trust companies, and foreign licensed family trust companies.³ The Florida Office of Financial Regulation may investigate applications for licensure or registration, require annual renewals and other regulatory filings from licensees and registrants, and conduct periodic examinations of family trust companies, licensed family trust companies, and foreign licensed family trust companies.

The books and records of a family trust company, licensed family trust company, or foreign licensed family trust company are confidential, with limited exceptions.⁴ Willful violation of the confidentiality is a third degree felony.⁵

Access to Public Records - Generally

The State Constitution provides that the public has the right to inspect or copy records made or received in connection with official governmental business.⁶ The right to inspect or copy applies to the official business of any public body, officer, or employee of the state, including all three branches of state government, local governmental entities, and any person acting on behalf of the government.⁷

Additional requirements and exemptions related to public records are found in various statutes and rules, depending on the branch of government involved. For instance, s. 11.0431, F.S., provides public access requirements for legislative records. Relevant exemptions are codified in s. 11.0431(2)-(3), F.S., and adopted in the rules of each house of the Legislature.⁸ Chapter 119,

¹ 55A Fla. Jur 2d Trusts § 1.

² *See generally*, ch. 736, F.S.

³ Chapter 2014-97, L.O.F., creating chapter 662, F.S.

⁴ Section 662.146, F.S.

⁵ Section 662.146(2)(c), F.S.

⁶ FLA. CONST. art. I, s. 24(a).

⁷ *Id.*

⁸ *See* Rule 1.48, *Rules and Manual of the Florida Senate*, (2020-2022) and Rule 14.1, *Rules of the Florida House of Representatives*, Edition 1, (2020-2022).

F.S., known as the Public Records Act, provides requirements for public records held by executive agencies⁹. Chapter 119, F.S., does not apply to judicial branch records.¹⁰

Public Access to records of the judicial branch is governed by Florida Rule of Judicial Administration 2.420.¹¹

Open Government Sunset Review Act

The provisions of s. 119.15, F.S., known as the Open Government Sunset Review Act¹² (the Act), prescribe a legislative review process for newly created or substantially amended¹³ public records or open meetings exemptions, with specified exceptions. The Act does not apply to an exemption that applies solely to the State Court System.¹⁴

III. Effect of Proposed Changes:

This bill creates a public records exemption for certain trust proceedings and other filings held by a court. The bill provides that, in trust proceedings in which a family trust company, licensed family trust company, or foreign licensed family trust company is a party, the identities of those who establish, administer, or benefit from a trust and any information relating to the trust are confidential and exempt from article I, section 24(a) of the State Constitution and must be protected in any court proceeding or filing related to the trust. The court must seal any document filed with the court in the trust proceeding, including, but not limited to, the instrument on which the trust is based; any petitions, briefs, or inventories; any statement or report filed by a fiduciary; any court orders; and any other document in the court case file.

The court may not release to the public any of the sealed documents or information contained therein, but shall make them available to the following individuals:

- The settlor;
- Any fiduciary for the trust;
- Any beneficiary of the trust;
- An attorney for the settlor, a fiduciary, or a beneficiary of the trust; and
- Any other person if, upon a showing of a specific interest in the trust or a transaction relating to the trust or an asset held or previously held by the trust, the court determines there is a compelling need for releasing the information requested.

This bill provides a public necessity statement as required by article I, section 24(c) of the State Constitution. The public necessity statement provides that:

⁹ Section 119.011(2), F.S., defines “agency to mean any state, county, district, authority, or municipal officer, department, division, board, bureau, commission, or other separate unit of government created or established by law including, for the purposes of this chapter, the Commission on Ethics, the Public Service Commission, and the Office of Public Counsel, and any other public or private agency, person, partnership, corporation, or business entity acting on behalf of any public agency.

¹⁰ *Times Pub. Co. v. Ake*, 660 So.2d 255 (Fla. 1995).

¹¹ *State v. Wooten*, 260 So. 3d 1060 (Fla. 4th DCA 2018).

¹² Section 119.15, F.S.

¹³ An exemption is considered to be substantially amended if it is expanded to include more records or information or to include meetings as well as records. Section 119.15(4)(b), F.S.

¹⁴ Section 119.15(2)(b), F.S.

The Legislature finds that it is a public necessity that trust proceedings involving family trust companies, licensed family trust companies, or foreign licensed family trust companies be made confidential and exempt from s. 24(a), Article I of the State Constitution. Public disclosure in trust proceedings of information relating to the clients, family members, members, or stockholders of a family trust company, licensed family trust company, or foreign licensed family trust company would vitiate other protections granted by law to such companies and their constituents. In addition, trust proceedings often involve large sums of money or vulnerable people who could be targeted for exploitation or abuse. Public disclosure of sensitive family and financial information in trust proceedings can result in specific harm to beneficiaries and other interested parties in such cases. Therefore, the Legislature finds that the need to protect the identities of beneficiaries of trusts and the sensitive financial information contained in such proceedings is sufficiently compelling to override the state's public policy of open government and that the protection of such information cannot be accomplished without this exemption.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

Not applicable. The bill does not require counties or municipalities to take an action requiring the expenditure of funds, reduce the authority that counties or municipalities have to raise revenue in the aggregate, nor reduce the percentage of state tax shared with counties or municipalities.

B. Public Records/Open Meetings Issues:

Vote Requirement

Article I, section 24(c) of the State Constitution requires a two-thirds vote of the members present and voting for final passage of a bill creating or expanding an exemption to the public records requirements. This bill enacts a new exemption for certain court records related to a family trust company, licensed family trust company, or foreign licensed family trust company, thus, the bill requires a two-thirds vote to be enacted.

Public Necessity Statement

Article I, section 24(c) of the State Constitution requires a bill creating or expanding an exemption to the public records requirements to state with specificity the public necessity justifying the exemption. Section 2 of the bill contains a statement of public necessity for the exemption.

Breadth of Exemption

Article I, section 24(c) of the State Constitution requires an exemption to the public records requirements to be no broader than necessary to accomplish the stated purpose of the law. The purpose of the law is to protect (i) information relating to the clients, family members, members, or stockholders of a family trust company, licensed family trust company, or foreign licensed family trust company; and (ii) sensitive family and financial information in trust proceedings.

The bill makes exempt from public inspection and copying requirements the identities of those who establish, administer, or benefit from a trust and *any* information relating to the trust in a trust proceeding in which a family trust company, licensed family trust company, or foreign licensed family trust company is a party. “*Any information* related to the trust” seems to reach a broad range of topics beyond that necessary to accomplish the stated purpose—protecting sensitive family and financial information. Thus, the exemption may sweep too broadly such that it prohibits access to records beyond the stated purpose of the law.¹⁵

C. Trust Funds Restrictions:

None.

D. State Tax or Fee Increases:

None.

E. Other Constitutional Issues:

None identified.

V. Fiscal Impact Statement:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

None.

C. Government Sector Impact:

This bill does not appear to have a fiscal impact on state or local governments.

¹⁵ See *Halifax Hosp. Med. Ctr. v. News-Journal Corp.*, 724 So. 2d 567, 569-70 (Fla. 1999) (holding that an exemption as to “strategic plans” was unconstitutional under article I, section 24(c) where there was no “justification for the breadth of the exemption”).

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Statutes Affected:

This bill creates section 662.1465 of the Florida Statutes.

IX. Additional Information:

- A. **Committee Substitute – Statement of Technical Changes:**
(Summarizing differences between the Committee Substitute and the prior version of the bill.)

CS by Judiciary on January 31, 2022:

The committee substitute narrowed the exemption by clarifying that it only applies to the three forms of family trust companies, not to all trusts.

- B. **Amendments:**

None.

By the Committee on Judiciary; and Senator Gruters

590-02523-22

20221304c1

1 A bill to be entitled
 2 An act relating to public records; creating s.
 3 662.1465, F.S.; making the identities of beneficiaries
 4 and specified individuals and certain documents in
 5 trust proceedings when a family trust company,
 6 licensed family trust company, or foreign licensed
 7 family trust company is a party confidential and
 8 exempt from public records requirements; requiring the
 9 court to seal any documents filed with the court in
 10 such proceedings; prohibiting the court from releasing
 11 to the public any of the sealed documents or
 12 information contained therein; providing exceptions;
 13 providing a statement of public necessity; providing
 14 an effective date.
 15
 16 Be It Enacted by the Legislature of the State of Florida:
 17
 18 Section 1. Section 662.1465, Florida Statutes, is created
 19 to read:
 20 662.1465 Confidentiality of family trust company
 21 proceedings and other filings.-In trust proceedings in which a
 22 family trust company, licensed family trust company, or foreign
 23 licensed family trust company is a party, the identities of
 24 those who establish, administer, or benefit from a trust and any
 25 information relating to the trust are confidential and exempt
 26 from s. 24(a), Art. I of the State Constitution and must be
 27 protected in any court proceeding or filing related to the
 28 trust. The court shall seal any document filed with the court in
 29 a trust proceeding in which a family trust company, licensed

Page 1 of 3

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590-02523-22

20221304c1

30 family trust company, or foreign licensed family trust company
 31 is a party, including, but not limited to, the instrument on
 32 which the trust is based; any petitions, briefs, or inventories;
 33 any statement or report filed by a fiduciary; any court orders;
 34 and any other document in the court case file. The court may not
 35 release to the public any of the sealed documents or information
 36 contained therein, but shall make them available to the
 37 following individuals:
 38 (1) The settlor.
 39 (2) Any fiduciary for the trust.
 40 (3) Any beneficiary of the trust.
 41 (4) An attorney for the settlor, a fiduciary, or a
 42 beneficiary of the trust.
 43 (5) Any other person if, upon a showing of a specific
 44 interest in the trust or a transaction relating to the trust or
 45 an asset held or previously held by the trust, the court
 46 determines there is a compelling need for releasing the
 47 information requested.
 48 Section 2. The Legislature finds that it is a public
 49 necessity that trust proceedings involving family trust
 50 companies, licensed family trust companies, or foreign licensed
 51 family trust companies be made confidential and exempt from s.
 52 24(a), Article I of the State Constitution. Public disclosure in
 53 such trust proceedings of information relating to the clients,
 54 family members, members, or stockholders of a family trust
 55 company, licensed family trust company, or foreign licensed
 56 family trust company would vitiate other protections granted by
 57 law to such companies and their constituents. In addition, such
 58 trust proceedings often involve large sums of money or

Page 2 of 3

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590-02523-22

20221304c1

59 vulnerable people who could be targeted for exploitation or
60 abuse. Public disclosure of sensitive family and financial
61 information in trust proceedings can result in specific harm to
62 beneficiaries and other interested parties in these cases.
63 Therefore, the Legislature finds that the need to protect the
64 identities of beneficiaries of trusts for which a family trust
65 company, licensed family trust company, or foreign licensed
66 family trust company is a trustee and the sensitive financial
67 information contained in such proceedings is sufficiently
68 compelling to override the state's public policy of open
69 government and that the protection of such information cannot be
70 accomplished without this exemption.

71 Section 3. This act shall take effect July 1, 2022.



The Florida Senate

Committee Agenda Request

To: Senator Jeff Brandes, Chair
Committee on Governmental Oversight and Accountability

Subject: Committee Agenda Request

Date: February 3, 2022

I respectfully request that **Senate Bill #1304**, relating to Public Records/Trust Proceedings, be placed on the:

- committee agenda at your earliest possible convenience.
- next committee agenda.

Please let me know if you have any questions.

Sincerely,

A handwritten signature in black ink that reads "Joe Gruters".

Joe Gruters

Cc: Joe McVaney, Staff Director
Virginia Ponder, Deputy Staff Director
Tamra Redig, Committee Administrative Assistant

File signed original with committee office

S-020 (03/2004)

APPEARANCE RECORD

~~1304~~ 1304

2-10-22

Meeting Date

Bill Number or Topic

Gov. Oversight & Accountability

Deliver both copies of this form to Senate professional staff conducting the meeting

Committee

Amendment Barcode (if applicable)

Name Virginia Hamrick

Phone 850-222-3518

Address 317 E Park Ave

Email vhamrick@floridafaf.org

Street

Tallahassee

FL

32301

City

State

Zip

Speaking: For Against Information **OR** Waive Speaking: In Support Against

PLEASE CHECK ONE OF THE FOLLOWING:

I am appearing without compensation or sponsorship.

I am a registered lobbyist, representing:

First Amendment Foundation

I am not a lobbyist, but received something of value for my appearance (travel, meals, lodging, etc.), sponsored by:

While it is a tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this hearing. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard. If you have questions about registering to lobby please see Fla. Stat. §11.045 and Joint Rule 1. [2020-2022 Joint Rules.pdf \(flsenate.gov\)](#)

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

S-001 (08/10/2021)

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.)

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

BILL: SB 1500

INTRODUCER: Senator Bracy

SUBJECT: Special Days of Observance

DATE: February 9, 2022

REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Limones-Borja</u>	<u>McVaney</u>	<u>GO</u>	<u>Favorable</u>
2.	_____	_____	<u>ED</u>	_____
3.	_____	_____	<u>RC</u>	_____

I. Summary:

SB 1500 designates May 20 as “Emancipation day” to commemorate the traditional observance of the day that the enslaved African Americans of the State were notified of the Emancipation Proclamation. The bill authorizes the Governor to issue annually a proclamation that designates May 20 as Emancipation Day and to call on public officials, schools, private organizations, and all residents to honor the significance of the day.

The bill amends 683.21, F.S., to clarify that Juneteenth Day commemorates the day all *remaining* enslaved African Americans were notified of the Emancipation Proclamation.

The bill amends s. 1003.4282, F.S., to require the curriculum of a high school United States History class to include, beginning in the 2023-2024 school year, at least 45 minutes of instruction on the Significance of Emancipation Day and Juneteenth Day.

The bill is not expected to impact state or local government revenues or expenditures.

The bill takes effect July 1, 2022.

II. Present Situation:

The Emancipation Proclamation

The Civil War in the United States began in 1861, after decades of tensions between northern and southern states over slavery, states’ rights, and westward expansion. The election of Abraham Lincoln in 1860 caused seven southern states to secede and form the Confederate

States of America.¹ President Lincoln and most of the northern states, also known as the “Union,” refused to recognize the legitimacy of the succession, as they feared it would discredit democracy and fragment the country. On January 1, 1863, President Lincoln issued the Emancipation Proclamation declaring that “all persons held as slaves are, and henceforward shall be free.”² The Emancipation Proclamation was limited only to the states that seceded from the United States, leaving slavery untouched in the northern states. The freedom promised under the Emancipation Proclamation was dependent upon the northern states military victory. Further, the Emancipation Proclamation established the acceptance of black men into the Union military. By the end of the war, almost 200,000 black soldiers and sailors fought for the Union military.³ The Civil War was the costliest and deadliest war ever fought on American soil, with approximately 620,000 soldiers killed. The Civil War ended in 1865, with the Confederate army surrendering to General Ulysses S. Grant and the Union army in North Carolina.

Emancipation Day in Florida

On May 10, 1865, more than two years after President Lincoln issued the Emancipation Proclamation, Union Brigadier General Edward M. McCook arrived in Tallahassee to receive the surrender of Florida’s Confederate troops. On May 20, McCook formally announced President Lincoln’s Emancipation Proclamation from the steps of the Knott House, effectively ending slavery in the state.⁴ As a result, May 20 has been traditionally celebrated as Emancipation Day in Florida.

Juneteenth

On June 19 (“Juneteenth”), 1865, General Gordon Granger of the Union Army arrived in Galveston, Texas, and read General Order No. 3 announcing the end of the Civil War and that all slaves were free in accordance with President Abraham Lincoln’s Emancipation Proclamation. Although the Emancipation Proclamation was issued on January 1, 1863, it had little impact in the South without Union enforcement, and many slaves were unaware of it. The first Juneteenth celebrations were used as political rallies and to teach freed African Americans about their voting rights.⁵ During the era of Jim Crow laws, Juneteenth celebrations diminished until the civil rights movement when the Poor People’s March planned by Martin Luther King, Jr., was purposely scheduled to coincide with the date. The Poor People’s March brought Juneteenth back to the public’s attention, and the holiday was essentially reborn.⁶

¹ American Battlefield Trust, *Civil War Facts*, available at <https://www.battlefields.org/learn/articles/civil-war-facts>, (last visited January 13, 2022).

² National Archives, *The Emancipation Proclamation*, available at <https://www.archives.gov/exhibits/featured-documents/emancipation-proclamation#:~:text=President%20Abraham%20Lincoln%20issued%20the.and%20henceforward%20shall%20be%20free.%22> (last visited on January 13, 2022).

³ *Id.*

⁴ State Library and Archives of Florida, *Juneteenth and Emancipation Day in Florida*, <https://www.floridamemory.com/items/show/333282> (last visited January 13, 2022).

⁵ See *Juneteenth*, <https://tshaonline.org/handbook/online/articles/lkj01>, (last visited January 13, 2022).

⁶ See *12 Things You Might Not Know About Juneteenth*, <https://www.mentalfloss.com/article/501680/12-things-you-mightnot-know-about-juneteenth> (last visited January 13, 2022).

Legislation

Most states officially recognize Juneteenth as a day of observance, however, it is not a national holiday. In 1980, Texas became the first state to declare Juneteenth a state holiday. Since that time, forty-seven other states and the District of Columbia have passed legislation recognizing it as a holiday or day of observance. In 1991, the Florida Legislature designated June 19th of each year as “Juneteenth Day” to commemorate the traditional observance of the day the slaves in Florida were notified of the Emancipation Proclamation.⁷ The following states have established Juneteenth Day as a paid holiday for state employees: Texas,⁸ Virginia;⁹ New York;¹⁰ New Jersey;¹¹ Pennsylvania;¹² and Massachusetts.¹³

Requirements for a Standard High School Diploma

Beginning with students entering grade 9, receipt of a standard high school diploma requires successful completion of 24 credits, an International Baccalaureate curriculum, or an Advanced International Certificate of Education curriculum. Of the 24 required credits, three credits must be social studies. A student must earn one credit in United States History, one-half credit in Economics, and one-half credit in United States Government.¹⁴

III. Effect of Proposed Changes:

Section 1 creates s. 683.20, F.S., to designate May 20 as “Emancipation day” to commemorate the traditional observance of the day that the enslaved African Americans of the State were notified of the Emancipation Proclamation. The bill authorizes the Governor to issue annually a proclamation that designates May 20 as Emancipation Day and to call on public officials, schools, private organizations, and all residents to honor the significance of the day.

Section 2 amends s. 683.21, F.S., to clarify that Juneteenth Day commemorates the day all *remaining* enslaved African Americans were notified of the Emancipation Proclamation.

Section 3 amends s. 1003.4282, F.S., to require high school United States history class to include 45 minutes of instruction on the Significance of Emancipation Day and Juneteenth Day beginning in the 2023-2024 school year.

Section 4 provides that the bill takes effect on July 1, 2022.

⁷ Section 683.21, F.S.

⁸ Texas Comptroller, *State of Texas Holiday Schedule*, available at <https://comptroller.texas.gov/about/holidays.php>, (last visited January 13, 2022).

⁹ Commonwealth of Virginia, *2021 Pay and Holiday Leave*, available at https://www.dhrm.virginia.gov/docs/default-source/default-document-library/payandholidaycalendar2020.pdf?sfvrsn=815b0c03_6 (last visited January 13, 2022).

¹⁰ New York Department of Civil Service, *2021 Calendar of Legal Holidays for State Employees*, available at https://www.cs.ny.gov/attendance_leave/2020_legal_holidays.cfm, (last visited January 13, 2022).

¹¹ Executive Office of the Governor, *State Holidays*, available at <https://www.state.nj.us/nj/about/facts/holidays/>, (last visited January 13, 2022).

¹² Pennsylvania Budget, *State Holidays for 2020*, available at <https://www.budget.pa.gov/Services/ForAgencies/Payroll/Documents/2020-calendar.pdf>, (last visited January 13, 2022).

¹³ Secretary of the Commonwealth of Massachusetts, *Massachusetts Legal Holidays*, available at <https://www.sec.state.ma.us/cis/cishol/holidx.htm> (last visited January 13, 2022).

¹⁴ Section 1003.4282, F.S.

IV. Constitutional Issues:**A. Municipality/County Mandates Restrictions:**

Not applicable. The bill does not require counties or municipalities to take action requiring the expenditure of funds, reduce the authority that counties or municipalities have to raise revenue in the aggregate, nor reduce the percentage of state tax shared with counties or municipalities.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

D. State Tax or Fee Increases:

None.

E. Other Constitutional Issues:

None identified.

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. Statutes Affected:

This bill substantially amends sections 683.21 and 1003.4282 of the Florida Statutes.

This bill creates section 683.20 of the Florida Statutes.

IX. Additional Information:

A. Committee Substitute – Statement of Changes:

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

None.

B. Amendments:

None.

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

By Senator Bracy

11-00772A-22

20221500__

1 A bill to be entitled
 2 An act relating to special days of observance;
 3 creating s. 683.20, F.S.; designating "Emancipation
 4 Day" to officially commemorate the freeing of enslaved
 5 African Americans in Florida; authorizing the Governor
 6 to issue an annual proclamation honoring the
 7 significance of Emancipation Day; amending s. 683.21,
 8 F.S.; specifying that Juneteenth Day officially
 9 commemorates the freeing of all remaining enslaved
 10 African Americans in the United States; amending s.
 11 1003.4282, F.S.; requiring high school students
 12 enrolled in a United States History course to receive
 13 specified instruction on the significance of
 14 Emancipation Day and Juneteenth Day; providing an
 15 effective date.
 16
 17 WHEREAS, on January 1, 1863, President Abraham Lincoln
 18 issued the Emancipation Proclamation, which afforded free status
 19 under federal law to the millions of enslaved African Americans
 20 who resided in states that had seceded from the Union, including
 21 Florida, and
 22 WHEREAS, despite the issuance of the Emancipation
 23 Proclamation, it was not fully enforced in certain regions of
 24 the United States for more than 2 years afterward, and
 25 WHEREAS, emancipation in Florida was proclaimed in
 26 Tallahassee on May 20, 1865, and for this reason Floridians
 27 traditionally celebrate Emancipation Day on May 20 of each year,
 28 and
 29 WHEREAS, on or about June 19, 1865, federal authorities

Page 1 of 4

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11-00772A-22

20221500__

30 arrived in Galveston, Texas, to enforce the Emancipation
 31 Proclamation and inform the remaining enslaved African Americans
 32 that the Civil War had ended and that they were now free, and
 33 WHEREAS, thereafter, former slaves and their descendants
 34 continued to commemorate each June 19 as a celebration of
 35 freedom and the emancipation of all slaves in the United States,
 36 and
 37 WHEREAS, in 1991, the Florida Legislature officially
 38 designated June 19 as "Juneteenth Day" to annually commemorate
 39 the freeing of slaves, and
 40 WHEREAS, this act designates Emancipation Day as a special
 41 day of observance in this state to commemorate the announcement
 42 of the abolition of slavery and to recognize the significant
 43 contributions of African Americans to this state and our nation,
 44 NOW, THEREFORE,
 45
 46 Be It Enacted by the Legislature of the State of Florida:
 47
 48 Section 1. Section 683.20, Florida Statutes, is created to
 49 read:
 50 683.20 Emancipation Day.—
 51 (1) May 20 is hereby designated "Emancipation Day" to
 52 annually commemorate the traditional observance of the day that
 53 the enslaved African Americans of this state were notified of
 54 the Emancipation Proclamation.
 55 (2) The Governor may issue a proclamation each year which
 56 designates May 20 as Emancipation Day and calls on public
 57 officials, schools, private organizations, and all residents to
 58 honor the significance of the day.

Page 2 of 4

CODING: Words ~~stricken~~ are deletions; words underlined are additions.

11-00772A-22

20221500__

59 Section 2. Subsection (1) of section 683.21, Florida
 60 Statutes, is amended to read:
 61 683.21 Juneteenth Day.—
 62 (1) June 19th of each year is hereby designated “Juneteenth
 63 Day” to commemorate the traditional observance of the day all
 64 remaining enslaved African Americans ~~the slaves in Florida~~ were
 65 notified of the Emancipation Proclamation.

66 Section 3. Paragraph (d) of subsection (3) of section
 67 1003.4282, Florida Statutes, is amended to read:
 68 1003.4282 Requirements for a standard high school diploma.—
 69 (3) STANDARD HIGH SCHOOL DIPLOMA; COURSE AND ASSESSMENT
 70 REQUIREMENTS.—
 71 (d) *Three credits in social studies.*—A student must earn
 72 one credit in United States History, which, beginning in the
 73 2023-2024 school year, must include at least 45 minutes of
 74 instruction on the significance of Emancipation Day and
 75 Juneteenth Day as designated in ss. 683.20 and 683.21,
 76 respectively; one credit in World History; one-half credit in
 77 economics; and one-half credit in United States Government,
 78 which must include a comparative discussion of political
 79 ideologies, such as communism and totalitarianism, that conflict
 80 with the principles of freedom and democracy essential to the
 81 founding principles of the United States. The United States
 82 History EOC assessment constitutes 30 percent of the student’s
 83 final course grade. Beginning with the 2021-2022 school year,
 84 students taking the United States Government course are required
 85 to take the assessment of civic literacy identified by the State
 86 Board of Education pursuant to s. 1007.25(4). Students earning a
 87 passing score on the assessment are exempt from the

Page 3 of 4

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11-00772A-22

20221500__

88 postsecondary civic literacy assessment required by s.
 89 1007.25(4).
 90 Section 4. This act shall take effect July 1, 2022.

Page 4 of 4

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THE FLORIDA SENATE

Tallahassee, Florida 32399-1100

COMMITTEES:

Appropriations
Appropriations Subcommittee on Criminal and
Civil Justice
Ethics and Elections
Reapportionment
Rules
Transportation

SELECT SUBCOMMITTEE:

Select Subcommittee on Legislative
Reapportionment

SENATOR RANDOLPH BRACY

11th District

January 18, 2022

The Honorable Jeff Brandes
Chair, Governmental Oversight and Accountability Committee
414 Senate Building
404 South Monroe Street
Tallahassee, Florida 32399-1100

Dear Chair Brandes,

I write to respectfully request that the following bills be placed on the agenda of the Governmental Oversight and Accountability Committee:

- **SB 1164 – Juneteenth Day:** Designates Juneteenth Day as a paid and legal holiday for employees of all branches and agencies of state government.
- **SB 1500 – Special Days of Observance:** Designates “Emancipation Day” to officially commemorate the freeing of enslaved African Americans in Florida and high school students enrolled in a United States History course to receive specified instruction on the significance of Emancipation Day and Juneteenth Day.

Your consideration to this agenda request is greatly appreciated. Should you have any questions or concerns, please do not hesitate to reach out to my office.

Sincerely,

A handwritten signature in blue ink that reads "Randolph Bracy".

Senator Randolph Bracy
District 11

REPLY TO:

- ☐ 6965 Piazza Grande Avenue, Suite 302, Orlando, Florida 32835 (407) 297-2045 FAX: (888) 263-3814
- ☐ 213 Senate Building, 404 South Monroe Street, Tallahassee, Florida 32399-1100 (850) 487-5011

Senate's Website: www.flsenate.gov

WILTON SIMPSON
President of the Senate

AARON BEAN
President Pro Tempore

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.)

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

BILL: CS/CS/SB 1614

INTRODUCER: Governmental Oversight and Accountability Committee; Transportation Committee and Senator Harrell

SUBJECT: Public Records/Motor Vehicle Crashes/Traffic Citations

DATE: February 10, 2022 **REVISED:** _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Proctor</u>	<u>Vickers</u>	<u>TR</u>	<u>Fav/CS</u>
2.	<u>Ponder</u>	<u>McVaney</u>	<u>GO</u>	<u>Fav/CS</u>
3.	_____	_____	<u>RC</u>	_____

Please see Section IX. for Additional Information:

COMMITTEE SUBSTITUTE - Substantial Changes

I. Summary:

CS/CS/SB 1614 amends s. 316.066, F.S., to (i) expand a current public records exemption related to personal information in a crash report; and (ii) make crash report data in a computerized database confidential and exempt from public inspection and copying requirements. The bill also amends s. 316.650, F.S., to make driver information contained in a uniform traffic citation (UTC) exempt from public record inspection and copying requirements.

The exemption for personal information in a crash report is expanded under the bill by enlarging the definition of agency.¹ The bill makes crash report data in a computerized database confidential and exempt from public inspection and copying requirements. The bill designates certain governmental and third-party entities to whom a crash report may be made immediately available. The bill permits a crash report to be immediately available to the media² provided that it does not contain any of the following information related to the parties involved in the crash:

- The home or employment street address;
- Driver license number or identification card number;

¹ The bill provides that agency has the same meaning as that term is defined in s. 119.011, F.S., rather than, as under current law, meaning only those agencies that “regularly receive[] or prepare[] information from or concerning the parties to motor vehicle crashes.” See s. 316.066(2)(a), F.S.

² Radio and television stations licensed by the Federal Communications Commissions and newspapers qualified to publish legal notices under ss. 50.011 and 50.031, F.S.

- Date of birth; and
- Home and employment telephone numbers.

The bill permits a crash report to also be made available to any third party acting on behalf of a person or entity authorized under law to access the crash report, except that the third party may disclose the crash report only to the person or entity authorized to access the crash report on whose behalf the third party has sought the report.

The bill provides that crash reports may be made available 60 days after the report is filed to any person or entity eligible to access crash reports under the bill or in accordance with any of the permissible uses listed in 18 U.S.C. s. 2721(b) and pursuant to the resale and redisclosure requirements in 18 U.S.C. s. 2721(c).

The bill makes driver information in a UTC exempt from public records inspection and copying requirements. The bill defines the term “driver information” to mean a driver’s date of birth, driver license number, address excluding the five-digit zip code, telephone number, motor vehicle license plate number, and trailer tag number. The bill excludes the driver’s name from the definition.

The bill specifically provides authority for an agency to release driver information in a UTC in accordance with the exemptions in the Driver’s Privacy Protection Act (DPPA) of 1994 and in the same manner that prescribed by s. 119.0712(2)(b), F.S., which governs the release of personal information in a motor vehicle record.

The bill provides additional penalties for a person who obtains a crash report or crash data and who knowingly discloses or knowingly uses personal information revealed in the report for a purpose not permitted under 18 U.S.C. s. 2721(b) is liable to the individual to whom the information pertains, who may bring a civil action in any court of competent jurisdiction. The court may award:

- Actual damages, but not less than liquidated damages in the amount of \$2,500;
- Punitive damages upon proof of willful or reckless disregard of the law;
- Reasonable attorney fees and other litigation costs reasonably incurred; or
- Such other preliminary and equitable relief as the court determines to be appropriate.

The bill is subject to the Open Government Sunset Review Act and will stand repealed on October 2, 2027, unless reviewed and reenacted by the Legislature. The bill contains a public necessity statement for each exemption as required by the State Constitution.

Because the bill expands a public records exemption and creates two new public records exemptions, a two-thirds vote of the members present and voting in each house of the Legislature is required for passage.

The bill takes effect March 1, 2023.

II. Present Situation:

Access to Public Records - Generally

The State Constitution provides that the public has the right to inspect or copy records made or received in connection with official governmental business.³ The right to inspect or copy applies to the official business of any public body, officer, or employee of the state, including all three branches of state government, local governmental entities, and any person acting on behalf of the government.⁴

Additional requirements and exemptions related to public records are found in various statutes and rules, depending on the branch of government involved. For instance, section 11.0431, Florida Statutes (F.S.), provides public access requirements for legislative records. Relevant exemptions are codified in s. 11.0431(2)-(3), F.S., and the statutory provisions are adopted in the rules of each house of the legislature.⁵ Florida Rule of Judicial Administration 2.420 governs public access to judicial branch records.⁶ Lastly, chapter 119, F.S., provides requirements for public records held by executive agencies.

Executive Agency Records – The Public Records Act

Chapter 119, F.S., known as the Public Records Act, provides that all state, county and municipal records are open for personal inspection and copying by any person, and that providing access to public records is a duty of each agency.⁷

A public record includes virtually any document or recording, regardless of its physical form or how it may be transmitted.⁸ The Florida Supreme Court has interpreted the statutory definition of “public record” to include “material prepared in connection with official agency business which is intended to perpetuate, communicate, or formalize knowledge of some type.”⁹

The Florida Statutes specify conditions under which public access to public records must be provided. The Public Records Act guarantees every person’s right to inspect and copy any public record at any reasonable time, under reasonable conditions, and under supervision by the

³ FLA. CONST. art. I, s. 24(a).

⁴ *Id.*

⁵ See Rule 1.48, *Rules and Manual of the Florida Senate*, (2018-2020) and Rule 14.1, *Rules of the Florida House of Representatives*, Edition 2, (2018-2020)

⁶ *State v. Wooten*, 260 So. 3d 1060 (Fla. 4th DCA 2018).

⁷ Section 119.01(1), F.S. Section 119.011(2), F.S., defines “agency” as “any state, county, district, authority, or municipal officer, department, division, board, bureau, commission, or other separate unit of government created or established by law including, for the purposes of this chapter, the Commission on Ethics, the Public Service Commission, and the Office of Public Counsel, and any other public or private agency, person, partnership, corporation, or business entity acting on behalf of any public agency.”

⁸ Section 119.011(12), F.S., defines “public record” to mean “all documents, papers, letters, maps, books, tapes, photographs, films, sound recordings, data processing software, or other material, regardless of the physical form, characteristics, or means of transmission, made or received pursuant to law or ordinance or in connection with the transaction of official business by any agency.”

⁹ *Shevin v. Byron, Harless, Schaffer, Reid and Assoc., Inc.*, 379 So. 2d 633, 640 (Fla. 1980).

custodian of the public record.¹⁰ A violation of the Public Records Act may result in civil or criminal liability.¹¹

The Legislature may exempt public records from public access requirements by passing a general law by a two-thirds vote of both the House and the Senate.¹² The exemption must state with specificity the public necessity justifying the exemption and must be no broader than necessary to accomplish the stated purpose of the exemption.¹³

General exemptions from the public records requirements are contained in the Public Records Act.¹⁴ Specific exemptions often are placed in the substantive statutes relating to a particular agency or program.¹⁵

When creating a public records exemption, the Legislature may provide that a record is “exempt” or “confidential and exempt.” Custodians of records designated as “exempt” are not prohibited from disclosing the record; rather, the exemption means that the custodian cannot be compelled to disclose the record.¹⁶ Custodians of records designated as “confidential and exempt” may not disclose the record except under circumstances specifically defined by the Legislature.¹⁷

Open Government Sunset Review Act

The Open Government Sunset Review Act¹⁸ (the Act) prescribes a legislative review process for newly created or substantially amended¹⁹ public records or open meetings exemptions, with specified exceptions.²⁰ It requires the automatic repeal of such exemption on October 2nd of the fifth year after creation or substantial amendment, unless the Legislature reenacts the exemption.²¹

The Act provides that a public records or open meetings exemption may be created or maintained only if it serves an identifiable public purpose and is no broader than is necessary.²²

¹⁰ Section 119.07(1)(a), F.S.

¹¹ Section 119.10, F.S. Public records laws are found throughout the Florida Statutes, as are the penalties for violating those laws.

¹² FLA. CONST. art. I, s. 24(c).

¹³ *Id. See, e.g., Halifax Hosp. Medical Center v. News-Journal Corp.*, 724 So. 2d 567 (Fla. 1999) (holding that a public meetings exemption was unconstitutional because the statement of public necessity did not define important terms and did not justify the breadth of the exemption); *Baker County Press, Inc. v. Baker County Medical Services, Inc.*, 870 So. 2d 189 (Fla. 1st DCA 2004) (holding that a statutory provision written to bring another party within an existing public records exemption is unconstitutional without a public necessity statement).

¹⁴ *See, e.g., s. 119.071(1)(a), F.S.* (exempting from public disclosure examination questions and answer sheets of examinations administered by a governmental agency for the purpose of licensure).

¹⁵ *See, e.g., s. 213.053(2)(a), F.S.* (exempting from public disclosure information contained in tax returns received by the Department of Revenue).

¹⁶ *See Williams v. City of Minneola*, 575 So. 2d 683, 687 (Fla. 5th DCA 1991).

¹⁷ *WFTV, Inc. v. The School Board of Seminole*, 874 So. 2d 48 (Fla. 5th DCA 2004).

¹⁸ Section 119.15, F.S.

¹⁹ An exemption is considered to be substantially amended if it is expanded to include more records or information or to include meetings as well as records. Section 119.15(4)(b), F.S.

²⁰ Section 119.15(2)(a) and (b), F.S., provide that exemptions that are required by federal law or are applicable solely to the Legislature or the State Court System are not subject to the Open Government Sunset Review Act.

²¹ Section 119.15(3), F.S.

²² Section 119.15(6)(b), F.S.

An exemption serves an identifiable purpose if it meets one of the following purposes *and* the Legislature finds that the purpose of the exemption outweighs open government policy and cannot be accomplished without the exemption:

- It allows the state or its political subdivisions to effectively and efficiently administer a governmental program, and administration would be significantly impaired without the exemption;²³
- It protects sensitive, personal information, the release of which would be defamatory, cause unwarranted damage to the good name or reputation of the individual, or would jeopardize the individual's safety. If this public purpose is cited as the basis of an exemption, however, only personal identifying information is exempt;²⁴ or
- It protects information of a confidential nature concerning entities, such as trade or business secrets.²⁵

The Act also requires specified questions to be considered during the review process.²⁶ In examining an exemption, the Act directs the Legislature to carefully question the purpose and necessity of reenacting the exemption.

If the exemption is continued and expanded, then a public necessity statement and a two-thirds vote for passage are required.²⁷ If the exemption is continued without substantive changes or if the exemption is continued and narrowed, then a public necessity statement and a two-thirds vote for passage are *not* required. If the Legislature allows an exemption to sunset, the previously exempt records will remain exempt unless provided for by law.²⁸

Driver Privacy Protection Act of 1994

To obtain a driver's license or register a vehicle, state departments of motor vehicles require an individual to disclose detailed personal information, including name, home address, telephone number, social security number and medical information. The Drivers Privacy Protection Act of 1994²⁹ (DPPA) was enacted to address two concerns (i) the growing threat from stalkers and criminals who could acquire personal information from state departments of motor vehicles; and (ii) to address the concern related to the common practice of some states of selling personal information to business engaged in direct marketing and solicitation. To address these concerns, the DPPA "establishes a regulatory scheme that restricts the States' ability to disclose a driver's

²³ Section 119.15(6)(b)1., F.S.

²⁴ Section 119.15(6)(b)2., F.S.

²⁵ Section 119.15(6)(b)3., F.S.

²⁶ Section 119.15(6)(a), F.S. The specified questions are:

- What specific records or meetings are affected by the exemption?
- Whom does the exemption uniquely affect, as opposed to the general public?
- What is the identifiable public purpose or goal of the exemption?
- Can the information contained in the records or discussed in the meeting be readily obtained by alternative means? If so, how?
- Is the record or meeting protected by another exemption?
- Are there multiple exemptions for the same type of record or meeting that it would be appropriate to merge?

²⁷ See generally s. 119.15, F.S.

²⁸ Section 119.15(7), F.S.

²⁹ 18 U.S.C. §§ 2721-2725.

personal information from motor vehicle records without the driver's consent."³⁰ The DPPA defines "motor vehicle record" to mean "any record that pertains to a motor vehicle operator's permit, motor vehicle title, motor vehicle registration, or identification card issued by a department of motor vehicles."³¹ "[P]ersonal information" is "information that identifies an individual, including [a] ... driver identification number, name, address ..., [or] telephone number, and medical or disability information, but does not include information on vehicular accidents, driving violations and driver's status."³²

The DPPA's disclosure ban is subject to the following 14 exceptions for which personal information may be disclosed:

- For use by any government agency, including any court or law enforcement agency, in carrying out its functions, or any private person or entity acting on behalf of a Federal, State, or local agency in carrying out its functions.
- For use in connection with matters of motor vehicle or driver safety and theft; motor vehicle emissions; motor vehicle product alterations, recalls, or advisories; performance monitoring of motor vehicles, motor vehicle parts and dealers; motor vehicle market research activities, including survey research; and removal of non-owner records from the original owner records of motor vehicle manufacturers.
- For use in the normal course of business by a legitimate business or its agents, employees, or contractors, but only -
 - To verify the accuracy of personal information submitted by the individual to the business or its agents, employees, or contractors; and
 - If such information as so submitted is not correct or is no longer correct, to obtain the correct information, but only for the purposes of preventing fraud by, pursuing legal remedies against, or recovering on a debt or security interest against, the individual.
- For use in connection with any civil, criminal, administrative, or arbitral proceeding in any Federal, State, or local court or agency or before any self-regulatory body, including the service of process, investigation in anticipation of litigation, and the execution or enforcement of judgments and orders, or pursuant to an order of a Federal, State, or local court.
- For use in research activities, and for use in producing statistical reports, so long as the personal information is not published, redisclosed, or used to contact individuals.
- For use by any insurer or insurance support organization, or by a self-insured entity, or its agents, employees, or contractors, in connection with claims investigation activities, antifraud activities, rating or underwriting.
- For use in providing notice to the owners of towed or impounded vehicles;
- For use by any licensed private investigative agency or licensed security service for any purpose permitted under this subsection.
- For use by an employer or its agent or insurer to obtain or verify information relating to a holder of a commercial driver's license.
- For use in connection with the operation of private toll transportation facilities.
- For any other use in response to requests for individual motor vehicle records if the State has obtained the express consent of the person to whom such personal information pertains.

³⁰ See [Reno v. Condon, 528 U.S. 141, 144 \(2000\)](#).

³¹ 18 U.S.C. § 2725(1).

³² *Id.* § 2725(3).

- For bulk distribution for surveys, marketing or solicitations if the State has obtained the express consent of the person to whom such personal information pertains.
- For use by any requester, if the requester demonstrates it has obtained the written consent of the individual to whom the information pertains.
- For any other use specifically authorized under the law of the State that holds the record, if such use is related to the operation of a motor vehicle or public safety.

Information that is not covered by the DPPA is non-personal information contained in motor vehicle and driver license records, such as vehicular crash records, driving violations, and driver status information. This information is considered public.³³

The DPPA Protections Incorporated into Florida's Public Records Laws

Section 119.0712(2)(a) and (b), F.S., specifically incorporate the DPPA protections relating to personal information contained in a motor vehicle record held by the Department of Highway Safety and Motor Vehicles (DHSMV) into the state's public records law. Additionally, state law restrictions extend beyond the DPPA to restrict access to emergency contact information contained in a motor vehicle report and email addresses collected by the DHSMV.³⁴

Crash Reports

Florida law requires written reports of motor vehicle crashes, which must contain the following information:

- The date, time, and location of the crash.
- A description of the vehicles involved.
- The names and addresses of the parties involved, including all drivers and passengers, and the identification of the vehicle in which each was a driver or a passenger.
- The names and addresses of witnesses.
- The name, badge number, and law enforcement agency of the officer investigating the crash.
- The names of the insurance companies for the respective parties involved in the crash.³⁵

Pursuant to s. 316.066(2)(a), F.S., crash reports that reveal the identity, home or employment telephone number or home or employment address of, or other personal information concerning the parties involved in the crash are confidential and exempt for a period of 60 days after the report is filed.³⁶ This exemption applies to crash reports held by any agency that regularly receives or prepares information from or concerning the parties to motor vehicle crashes. During the 60 day period, crash reports may be released to those provided for in law, including but not limited to, the parties involved in the crash, their legal representatives, their licensed insurance agents, their insurers or insurers to which they have applied for coverage, and law enforcement

³³ Florida Department of Highway Safety and Motor Vehicles, *Privacy Statement Driver Privacy Protection Act*, available at <https://www.flhsmv.gov/privacy-statement/driver-privacy-protection-act/> (last visited on January 13, 2022).

³⁴ Section 119.0712(2)(c) and (d), F.S.

³⁵ Section 316.066(a) and (b), F.S.

³⁶ Section 316.066, F.S.

agencies.³⁷ Additionally, any local, state, or federal agency authorized by law to have access to crash reports must be granted access in furtherance of its statutory duties.³⁸

After the 60 day period, all crash report data is released as public record, including all personal information. DHSMV routinely makes crash reports available to the public through the Florida Crash Portal.³⁹ The portal comprises crash reports transmitted by the Florida Highway Patrol (FHP), county sheriff's officers, local police departments, and other law enforcement agencies throughout the state.

In 2020, more than 595,000 crash reports were submitted to the DHSMV, which was a significant decrease from 2019, when more than 740,000 reports were submitted.⁴⁰

Uniform Traffic Citations

Under Florida law, DHSMV has the duty of prescribing and providing to every traffic enforcement agency in the state pre-numbered traffic citation books.⁴¹ In lieu of using printed citation books, traffic enforcement agencies may produce uniform traffic citations (UTCs) by electronic means.⁴² FHP is among the agencies who routinely prepare citations electronically.

UTCs contain various personal information about drivers who are issued citations, including their names, dates of birth, addresses, telephone numbers, and driver license numbers.⁴³

Traffic enforcement agencies, including FHP, submit traffic citations to the clerks of court. The clerks routinely provide searchable traffic court dockets on their internet websites. Electronic citation data is also transmitted to the clerks through the Comprehensive Case Information System maintained by the Florida Association of Court Clerks and Comptrollers, Inc.⁴⁴ The UTCs, arrest, disposition, and criminal financial obligation files are electronically transmitted by the clerks to DHSMV through the Traffic Citation Accounting and Transmission System.

Under current law, all traffic citations, including all personal identifying information on the citations, is a public record and can be freely distributed. In 2020, more than 2 million citations were issued by Florida law enforcement agencies.⁴⁵

³⁷ Section 316.066(2)(b), F.S. permits the immediate availability of crash reports to the parties involved in the crash, their legal representatives, their licensed insurance agents, their insurers or insurers to which they have applied for coverage, persons under contract with such insurers to provide claims or underwriting information, prosecutorial authorities, law enforcement agencies, the Department of Transportation, county traffic operations, victim services programs, radio and television stations licensed by the Federal Communications Commission, and certain newspapers.

³⁸ Section 316.066(2)(c), F.S.

³⁹ FLHSMV, Florida Crash Portal, at <https://www.flhsmv.gov/traffic-crash-reports> (last visited Jan. 18, 2022)

⁴⁰ Email from Kevin Jacobs, Legislative Affairs Director, Department of Highway Safety and Motor Vehicles, *FLHSMV Legislation* (October 8, 2021)(on file with the Senate Committee on Transportation).

⁴¹ Section 316.650(1)(a), F.S.

⁴² Section 316.650(1)(c), F.S.

⁴³ See FLHSMV, Uniform Traffic Citation Procedures Manual (Rev. Nov. 2019), available at <https://www.flhsmv.gov/pdf/courts/utc/UTCCCombinedManual.pdf>. (last visited Jan. 26, 2022)

⁴⁴ See s. 28.2405, F.S.

⁴⁵ See supra note 39.

III. Effect of Proposed Changes:

Section 1 amends s. 316.066, F.S., to provide that personal information held by an agency *as defined in s. 119.011*⁴⁶ are confidential and exempt.⁴⁷ (emphasis added). Current law makes this information confidential and exempt when held by an agency that regularly receives or prepares information from or concerning the parties to motor vehicle crashes.

This section revises the listing in current law of those to whom a crash report may be made immediately available. This section provides that, in addition to the parties involved in their crash and their representatives,⁴⁸ that the crash report may be made immediately available to:

- Victim services programs; and
- Any federal, state, or local governmental agency or any private person or entity acting on behalf of a federal, state, or local governmental agency in carrying out its functions, but not for redistribution to any person or entity not provided in law.

This section makes a crash report immediately available to radio and television stations licensed by the Federal Communications Commission and newspapers qualified to publish legal notices under ss. 50.011 and 50.031, F.S., provided that it does not contain any of the following information related to the parties involved in the crash:

- The home or employment street address;
- Driver license number or identification card number;
- Date of birth;
- Home and employment telephone numbers.

This section permits a crash report to also be made available to any third party acting on behalf of a person or entity authorized under this section to access the crash report, except that the third party may disclose the crash may disclose the crash report only to the person or entity authorized to access the crash report under this section on whose behalf the third party has sought the report.

This section provides that an agency is not prevented, pursuant to a memorandum of understanding, from providing data derived from crash reports to a third party solely for the purpose of identifying vehicles involved in crashes if such data does not reveal the identity, home or employment telephone number or home or employment address, or other personal information of the parties involved in the crash.

This section provides that crash reports may be made available 60 days after the report is filed to any person or entity eligible to access crash reports under the bill or in accordance with any of

⁴⁶Section 119.011(2), F.S., defines the term “agency” to mean any state, county, district, authority, or municipal officer, department, division, board, bureau, commission, or other separate unit of government created or established by law including, for the purposes of this chapter, the Commission on Ethics, the Public Service Commission, and the Office of Public Counsel, and any other public or private agency, person, partnership, corporation, or business entity acting on behalf of any public agency.

⁴⁷ Current law makes the exemption applicable only to “an agency that regularly receives or prepares information from or concerning the parties to motor vehicle crashes.”

⁴⁸ Including their legal representatives, their licensed insurance agents, their insurers or insurers to which they have applied for coverage, persons under contract with such insurers to provide claims or underwriting information.

the permissible uses listed in 18 U.S.C. s. 2721(b) and pursuant to the resale and redisclosure requirements in 18 U.S.C. s. 2721(c).

This section makes crash report data entered in a computerized database held by an agency confidential and exempt from public records requirements. Specifically, the bill provides that if crash reports are created by or submitted to an agency electronically as data elements within a computerized database, or if personal information from a crash report is entered into a computerized database, such crash report data is confidential and exempt. Sixty days after the date the crash report is filed, an agency may provide crash data derived from the crash report which includes personal information to eligible entities under this section or in accordance with any of the permissible uses listed in 18 U.S.C. s. 2721(b) and pursuant to the resale and redisclosure requirements in 18 U.S.C. s. 2721(c). Such data must be provided pursuant to a memorandum of understanding.

This section provides for the repeal of the exemption pursuant to the Open Government Sunset Review Act in accordance with s. 119.15 and shall stand repealed on October 2, 2027, unless reviewed and saved from repeal through reenactment by the Legislature.

This section provides for additional penalties for a person who obtains a crash report or crash data and who knowingly discloses or knowingly uses personal information revealed in the report for a purpose not permitted under 18 U.S.C. s. 2721(b) is liable to the individual to whom the information pertains, who may bring a civil action in any court of competent jurisdiction. The court may award:

- Actual damages, but not less than liquidated damages in the amount of \$2,500;
- Punitive damages upon proof of willful or reckless disregard of the law;
- Reasonable attorney fees and other litigation costs reasonably incurred; or
- Such other preliminary and equitable relief as the court determines to be appropriate.

The section provides that the above penalty provisions do not apply to radio and television stations licensed by the Federal Communications Commission and newspapers qualified to publish legal notices under ss. 50.011 and 50.031.

Section 2 amends s. 316.650, F.S., to make driver information contained in a uniform traffic citation (UTC) held by an agency exempt⁴⁹ from public records inspection and copying requirements. This applies to driver information held by an agency before, on, or after the effective date of the bill.

The section defines the term “driver information” to mean a driver’s date of birth, driver license number, address excluding the five-digit zip code, telephone number, motor vehicle license plate number, and trailer tag number. The section excludes the driver’s name from the definition.

⁴⁹ When creating a public records exemption, the Legislature may provide that a record is “exempt” or “confidential and exempt.” Custodians of records designated as “exempt” are not prohibited from disclosing the record; rather, the exemption means that the custodian cannot be compelled to disclose the record. Custodians of records designated as “confidential and exempt” may not disclose the record except under circumstances specifically defined by the Legislature.

The section permits an agency to release driver information in accordance with any of the permissible uses listed in 18 U.S.C. s. 2721(b), which are:

- For use by any government agency, including any court or law enforcement agency, in carrying out its functions, or any private person or entity acting on behalf of a Federal, State, or local agency in carrying out its functions.
- For use in connection with matters of motor vehicle or driver safety and theft; motor vehicle emissions; motor vehicle product alterations, recalls, or advisories; performance monitoring of motor vehicles, motor vehicle parts and dealers; motor vehicle market research activities, including survey research; and removal of non-owner records from the original owner records of motor vehicle manufacturers.
- For use in the normal course of business by a legitimate business or its agents, employees, or contractors, but only -
 - To verify the accuracy of personal information submitted by the individual to the business or its agents, employees, or contractors; and
 - If such information as so submitted is not correct or is no longer correct, to obtain the correct information, but only for the purposes of preventing fraud by, pursuing legal remedies against, or recovering on a debt or security interest against, the individual.
- For use in connection with any civil, criminal, administrative, or arbitral proceeding in any Federal, State, or local court or agency or before any self-regulatory body, including the service of process, investigation in anticipation of litigation, and the execution or enforcement of judgments and orders, or pursuant to an order of a Federal, State, or local court.
- For use in research activities, and for use in producing statistical reports, so long as the personal information is not published, redisclosed, or used to contact individuals.
- For use by any insurer or insurance support organization, or by a self-insured entity, or its agents, employees, or contractors, in connection with claims investigation activities, antifraud activities, rating or underwriting.
- For use in providing notice to the owners of towed or impounded vehicles.
- For use by any licensed private investigative agency or licensed security service for any purpose permitted under this subsection.
- For use by an employer or its agent or insurer to obtain or verify information relating to a holder of a commercial driver's license that is required under chapter 313 of title 49.
- For use in connection with the operation of private toll transportation facilities.
- For any other use in response to requests for individual motor vehicle records if the State has obtained the express consent of the person to whom such personal information pertains.
- For bulk distribution for surveys, marketing or solicitations if the State has obtained the express consent of the person to whom such personal information pertains.
- For use by any requester, if the requester demonstrates it has obtained the written consent of the individual to whom the information pertains.
- For any other use specifically authorized under the law of the State that holds the record, if such use is related to the operation of a motor vehicle or public safety.

Any such release of driver information must conform to that prescribed by s. 119.0712(2)(b), F.S., which governs the release of personal information in a motor vehicle record and be pursuant to the resale and redisclosure requirements in 18 U.S.C. s. 2721(c).

The public records exemption for driver information is subject to the Open Government Sunset Review Act and shall stand repealed on October 2, 2027, unless reviewed and saved from repeal through reenactment by the Legislature.

Section 3 contains a public necessity statement identifying a public purpose for each exemption.

The public necessity statement justifying the exemption for crash reports that reveal personal information provides that:

- Crash reports reveal significant personal information, not only about drivers involved in a crash but also about motor vehicle owners, motor vehicle passengers, and other witnesses and about owners of nonvehicle property damaged in a crash.
- Use of the Internet and related technologies allows those with malicious purposes to exploit the use of personal information, such as a motorist's date of birth, driver license number, and address, threatening motorist privacy and security.
- Increasing use of information technology for the preparation, submission, and management of crash reports has led agencies to hold vast repositories of computerized crash report data, which includes such personal information.
- Motorist personal information, when held by the DHSMV in motor vehicle records, is confidential pursuant to the DPPA and s. 119.0712(2), F.S.
- Restrictions on disclosure of motorist personal information, however, have not applied to personal information contained in crash reports.
- When crash reports and computerized crash report data are made available to the public, because they comprise much of the same personal information contained in motor vehicle records, the protections afforded by the DPPA are undermined, eroding the privacy and safety of motorists.

The public necessity statement justifying the exemption for driver information states:

- UTCs reveal significant personal information about drivers issued a citation.
- Use of the Internet and related technologies allow those with malicious purpose to exploit the use of personal information, such as a motorist's date of birth, driver license number, and address, threatening motorists' privacy and security.
- Motorist personal information, when held by the DHSMV in motor vehicle records, is confidential pursuant to the DPPA and s. 119.0712(2), F.S.
- Restrictions on disclosure of motorist personal information have not applied to driver information contained in UTCs.
- When driver information contained in UTCs is made available to the public, because it comprises much of the same personal information contained in motor vehicle records, the protections afforded by the DPPA are undermined, eroding the privacy and safety of motorists.

The bill takes effect March 1, 2023.

IV. Constitutional Issues:**A. Municipality/County Mandates Restrictions:**

Not applicable. The bill does not require counties or municipalities to take action requiring the expenditure of funds, reduce the authority that counties or municipalities have to raise revenue in the aggregate, or reduce the percentage of state tax shared with counties or municipalities.

B. Public Records/Open Meetings Issues:**Vote Requirement**

Article I, s. 24(c) of the State Constitution requires a two-thirds vote of the members present and voting for final passage of a bill creating or expanding an exemption to the public records requirements. This bill expands a public records exemption related to personal information in a crash report and makes crash report data in a computerized database confidential and exempt. The bill also makes driver information contained in a uniform traffic citation exempt from public records requirements. Thus, the bill requires a two-thirds vote to be enacted.

Public Necessity Statement

Article I, s. 24(c) of the State Constitution requires a bill creating or expanding an exemption to the public records requirements to state with specificity the public necessity justifying the exemption. Section 3 of the bill contains a statement of public necessity for each exemption.

Breadth of Exemption

Article I, s. 24(c) of the State Constitution requires an exemption to the public records requirements to be no broader than necessary to accomplish the stated purpose of the law. The purpose of the law is to:

- Protect personal information - the home or employment telephone number or home or employment address of, or other personal information concerning the parties involved in the crash - in a crash report and in computerized crash report data; and
- Protect driver information - the driver's date of birth, driver license number, address excluding the five-digit zip code, telephone number, motor vehicle license plate number, and trailer tag number - contained in a uniform traffic citation.

The exemptions do not appear to be broader than necessary to accomplish the purpose of the law.

C. Trust Funds Restrictions:

None.

D. State Tax or Fee Increases:

None.

E. Other Constitutional Issues:

None identified.

V. Fiscal Impact Statement:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

The private sector entities which currently acquire and use personal information and driver information to generate revenue, may be negatively impacted by the provisions of the bill.

C. Government Sector Impact:

Government entities may incur costs related to the redaction of personal information in a crash report, computerized crash report data, and a uniform traffic citation in responding to public records requests.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Statutes Affected:

This bill substantially amends the following sections of the Florida Statutes: 316.066 and 316.650.

IX. Additional Information:

A. Committee Substitute – Statement of Substantial Changes:

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

CS/CS by Governmental Oversight and Accountability on February 10, 2022:

The committee substitute:

- Maintains the 60 day time limitation in current law on the public record exemption related to personal information in a crash report.
 - Expands this exemption by enlarging the definition of the term “agency” to be that as provided in chapter 119.

- A crash report to be released to certain parties within the 60 day exemption period.
- A redacted crash report to be made available within the 60 day exemption period to certain parties.
- Authorizes the release of crash reports after the 60 day exemption period in accordance with the permissible uses provided under the Driver's Privacy Protection Act (DPPA) of 1994 and pursuant to DPPA's resale and redisclosure requirements.
- Creates a public records exemption for data in a computerized database confidential and exempt from public inspection and copying requirements.
- Provides additional penalties for a person who knowingly discloses or knowingly uses exempt personal information in a crash report. This penalty provision does not apply to the media.
- Makes driver information in a uniform traffic citation exempt from public record inspection and copying requirements.
- Authorizes the release of driver information in accordance with any of the permissible uses provided under the DPPA and pursuant to the DPPA's resale and redisclosure requirements.
- Delays the effective date of the bill until March 1, 2023.

CS by Transportation on January 18, 2022:

The committee substitute:

- Clarifies current practice with respect to third parties acting on behalf of entities exempt from the public record exemption. Third parties acting on behalf of persons or entities who are authorized access to crash reports under this legislation may continue to access the report. The third party may only redisclose the report to the entity they are acting on behalf of; and
- Removes conflicting language regarding disclosing crash reports to third parties, and clarifies that crash reports may not be redisclosed for solicitation.

B. Amendments:

None.



148404

LEGISLATIVE ACTION

Senate	.	House
Comm: RCS	.	
02/10/2022	.	
	.	
	.	
	.	

The Committee on Governmental Oversight and Accountability
(Harrell) recommended the following:

Senate Amendment (with title amendment)

Delete everything after the enacting clause
and insert:

Section 1. Subsections (2) and (3) of section 316.066,
Florida Statutes, are amended to read:

316.066 Written reports of crashes.—

(2) (a) Crash reports that reveal the identity, home or
employment telephone number or home or employment address of, or
other personal information concerning the parties involved in



148404

11 the crash and that are held by an any agency, as defined in s.
12 119.011, that regularly receives or prepares information from or
13 concerning the parties to motor vehicle crashes are confidential
14 and exempt from s. 119.07(1) and s. 24(a), Art. I of the State
15 Constitution for a period of 60 days after the date the report
16 is filed.

17 (b) Crash reports held by an agency under paragraph (a) may
18 be made immediately available to the parties involved in the
19 crash, their legal representatives, their licensed insurance
20 agents, their insurers or insurers to which they have applied
21 for coverage, persons under contract with such insurers to
22 provide claims or underwriting information, victim services
23 programs, and any federal, state, or local governmental agency
24 or any private person or entity acting on behalf of a federal,
25 state, or local governmental agency in carrying out its
26 functions, but not for redistribution to any person or entity
27 not listed in this subsection. Crash reports held by an agency
28 under paragraph (a) which do not contain the home or employment
29 street addresses, driver license or identification card numbers,
30 dates of birth, and home and employment telephone numbers of the
31 parties involved in the crash shall be made immediately
32 available to radio and television stations licensed by the
33 Federal Communications Commission and newspapers qualified to
34 publish legal notices under ss. 50.011 and 50.031. A crash
35 report may also be made available to any third party acting on
36 behalf of a person or entity authorized under this section to
37 access the crash report, except that the third party may
38 disclose the crash report only to the person or entity
39 authorized to access the crash report under this section on



148404

40 whose behalf the third party has sought the report. This section
41 shall not prevent an agency, pursuant to a memorandum of
42 understanding, from providing data derived from crash reports to
43 a third party solely for the purpose of identifying vehicles
44 involved in crashes if such data does not reveal the identity,
45 home or employment telephone number or home or employment
46 address, or other personal information of the parties involved
47 in the crash prosecutorial authorities, law enforcement
48 agencies, the Department of Transportation, county traffic
49 operations, victim services programs, radio and television
50 stations licensed by the Federal Communications Commission,
51 newspapers qualified to publish legal notices under ss. 50.011
52 and 50.031, and, in accordance with paragraph (f), free
53 newspapers of general circulation, published once a week or more
54 often, of which at least 7,500 copies are distributed by mail or
55 by carrier as verified by a postal statement or by a notarized
56 printer's statement of press run, which are intended to be
57 generally distributed and circulated, and which contain news of
58 general interest with at least 10 pages per publication,
59 available and of interest to the public generally for the
60 dissemination of news. For the purposes of this section, the
61 following products or publications are not newspapers as
62 referred to in this section: those intended primarily for
63 members of a particular profession or occupational group; those
64 with the primary purpose of distributing advertising; and those
65 with the primary purpose of publishing names and other personal
66 identifying information concerning parties to motor vehicle
67 crashes.

68 (c) Any local, state, or federal agency that is authorized



148404

69 to have access to crash reports by any provision of law shall be
70 granted such access in the furtherance of the agency's statutory
71 duties.

72 (d) As a condition precedent to accessing a crash report
73 ~~within 60 days after the date the report is filed~~, a person must
74 present a valid driver license or other photographic
75 identification, proof of status, or identification that
76 demonstrates his or her qualifications to access that
77 information and file a written sworn statement with the state or
78 local agency in possession of the information stating that
79 information from a crash report made confidential and exempt by
80 this section will not be used for any commercial solicitation of
81 accident victims, or knowingly disclosed to any third party for
82 the purpose of such solicitation, ~~during the period of time that~~
83 ~~the information remains confidential and exempt~~. Such written
84 sworn statement must be completed and sworn to by the requesting
85 party for each individual crash report that is being requested
86 ~~within 60 days after the report is filed~~. In lieu of requiring
87 the written sworn statement, an agency may provide crash reports
88 by electronic means pursuant to a memorandum of understanding to
89 third-party vendors under contract with one or more insurers,
90 but only when such contract states that information from a crash
91 report made confidential and exempt by this section will not be
92 used for any commercial solicitation of accident victims by the
93 vendors, or knowingly disclosed by the vendors to any third
94 party for the purpose of such solicitation, ~~during the period of~~
95 ~~time that the information remains confidential and exempt~~, and
96 only when a copy of such contract is furnished to the agency as
97 proof of the vendor's claimed status.



148404

98 (e) This subsection does not prevent the dissemination or
99 publication of news to the general public by any legitimate
100 media entitled to access confidential and exempt information
101 pursuant to this section.

102 (f) Crash reports held by an agency under paragraph (a) may
103 be made available 60 days after the date the report is filed to
104 any person or entity eligible to access crash reports under
105 paragraph (b) or in accordance with any of the permissible uses
106 listed in 18 U.S.C. s. 2721(b) and pursuant to the resale and
107 redisclosure requirements in 18 U.S.C. s. 2721(c) Free
108 ~~newspapers of general circulation published once a week or more~~
109 ~~often, of which at least 7,500 copies are distributed by mail or~~
110 ~~by carrier as verified by a postal statement or by a notarized~~
111 ~~printer's statement of press run, which are intended to be~~
112 ~~generally distributed and circulated, which contain news of~~
113 ~~general interest with at least 10 pages per publication,~~
114 ~~available and of interest to the public generally for the~~
115 ~~dissemination of news, and which request 10 or more crash~~
116 ~~reports within a 24-hour period before 60 days have elapsed~~
117 ~~after the report is filed may not have access to the home,~~
118 ~~cellular, employment, or other telephone number or the home or~~
119 ~~employment address of any of the parties involved in the crash.~~
120 ~~This paragraph is subject to the Open Government Sunset Review~~
121 ~~Act in accordance with s. 119.15 and shall stand repealed on~~
122 ~~October 2, 2019, unless reviewed and saved from repeal through~~
123 ~~reenactment by the Legislature.~~

124 (g) If crash reports are created by or submitted to an
125 agency electronically as data elements within a computerized
126 database or if personal information from a crash report is



148404

127 entered into a computerized database, such crash data held by an
128 agency is confidential and exempt from s. 119.07(1) and s.
129 24(a), Art. I of the State Constitution. Sixty days after the
130 date the crash report is filed, an agency may provide crash data
131 derived from the crash report which includes personal
132 information to entities eligible to access the crash report
133 under paragraphs (b), or in accordance with any of the
134 permissible uses listed in 18 U.S.C. s. 2721(b) and pursuant to
135 the resale and redisclosure requirements in 18 U.S.C. s.
136 2721(c). Such data shall be provided pursuant to a memorandum of
137 understanding.

138 (h) This subsection is subject to the Open Government
139 Sunset Review Act in accordance with s. 119.15 and shall stand
140 repealed on October 2, 2027, unless reviewed and saved from
141 repeal through reenactment by the Legislature.

142 (3) (a) Any driver failing to file the written report
143 required under subsection (1) commits a noncriminal traffic
144 infraction, punishable as a nonmoving violation as provided in
145 chapter 318.

146 (b) Any employee of a state or local agency in possession
147 of information made confidential and exempt by this section who
148 knowingly discloses such confidential and exempt information to
149 a person not entitled to access such information under this
150 section commits a felony of the third degree, punishable as
151 provided in s. 775.082, s. 775.083, or s. 775.084.

152 (c) Any person, knowing that he or she is not entitled to
153 obtain information made confidential and exempt by this section,
154 who obtains or attempts to obtain such information commits a
155 felony of the third degree, punishable as provided in s.



148404

156 775.082, s. 775.083, or s. 775.084.

157 (d) Any person who knowingly uses confidential and exempt
158 information in violation of a filed written sworn statement,
159 memorandum of understanding, or contractual agreement required
160 by this section commits a felony of the third degree, punishable
161 as provided in s. 775.082, s. 775.083, or s. 775.084.

162 (e) In addition to penalties outlined in paragraphs (c) and
163 (d), a person who obtains a crash report or crash data and who
164 knowingly discloses or knowingly uses personal information
165 revealed in the report for a purpose not permitted under 18
166 U.S.C. s. 2721(b) is liable to the individual to whom the
167 information pertains, who may bring a civil action in any court
168 of competent jurisdiction. The court may award:

169 1. Actual damages, but not less than liquidated damages in
170 the amount of \$2,500.

171 2. Punitive damages upon proof of willful or reckless
172 disregard of the law.

173 3. Reasonable attorney fees and other litigation costs
174 reasonably incurred.

175 4. Such other preliminary and equitable relief as the court
176 determines to be appropriate.

177
178 This paragraph does not apply to radio and television stations
179 licensed by the Federal Communications Commission and newspapers
180 qualified to publish legal notices under ss. 50.011 and 50.031.

181 Section 2. Subsection (11) of section 316.650, Florida
182 Statutes, is amended to read:

183 316.650 Traffic citations.—

184 (11) (a) As used in this subsection, the term "driver



148404

185 information" means a driver's date of birth, driver license or
186 identification card number, address excluding the five-digit zip
187 code, telephone number, motor vehicle license plate number, and
188 trailer tag number. The term does not include the driver's name.

189 (b)1. Driver information contained in a uniform traffic
190 citation held by an agency is exempt from s. 119.07(1) and s.
191 24(a), Art. I of the State Constitution. This paragraph applies
192 to driver information held by an agency before, on, or after the
193 effective date of the exemption.

194 2. An agency may release driver information in accordance
195 with any of the permissible uses listed in 18 U.S.C. s. 2721(b)
196 in the same manner applicable to the release of personal
197 information contained in a motor vehicle record pursuant to s.
198 119.0712(2)(b) and pursuant to the resale and redisclosure
199 requirements in 18 U.S.C. s. 2721(c).

200 3. This paragraph is subject to the Open Government Sunset
201 Review Act in accordance with s. 119.15 and shall stand repealed
202 on October 2, 2027, unless reviewed and saved from repeal
203 through reenactment by the Legislature.

204 (c) Driver information contained in a uniform traffic
205 citation, ~~including which includes but is not limited to,~~ the
206 accused person's name and address, shall not be used for
207 commercial solicitation purposes. However, the use of such
208 driver information contained in a uniform traffic citation shall
209 not be considered a commercial purpose when used for publication
210 in a newspaper or other news periodical, when used for broadcast
211 by radio or television, or when used to inform a person of the
212 availability of driver safety training.

213 Section 3. (1) The Legislature finds that it is a public



148404

214 necessity that crash reports that reveal personal information
215 concerning parties, passengers, and witnesses to a crash for a
216 period of 60 days after the date the crash report is filed with
217 an agency; such personal information revealed in crash reports
218 held by an agency following the 60-day period; and computerized
219 crash report data held by an agency be confidential and exempt
220 from s. 119.07(1), Florida Statutes, and s. 24(a), Article I of
221 the State Constitution. Crash reports reveal significant
222 personal information, not only about parties involved in a
223 crash, but also about passengers and other witnesses to the
224 crash. Pervasive use of the Internet and related technologies
225 abet those with malicious purposes in exploiting the use of
226 personal information revealed in crash reports, such as a
227 party's, passenger's, or witness's date of birth, driver license
228 number, and address, creating ever-expanding threats to privacy
229 and security never envisioned in generations past. Moreover,
230 ever-increasing use of information technology for the
231 preparation, submission, and management of crash reports has led
232 agencies to hold vast repositories of computerized crash report
233 data, which includes such personal information. Personal
234 information, when held by the Department of Highway Safety and
235 Motor Vehicles in driver license and motor vehicle records, is
236 confidential pursuant to the federal Driver's Privacy Protection
237 Act of 1994, 18 U.S.C. ss. 2721 et seq., and s. 119.0712(2),
238 Florida Statutes. These restrictions on disclosure of personal
239 information, however, have not applied to personal information
240 revealed in crash reports. When personal information revealed in
241 crash reports or computerized crash report data is made
242 available to the public, because it comprises much of the same



148404

243 personal information contained in driver license and motor
244 vehicle records, the protections afforded by the federal
245 Driver's Privacy Protection Act of 1994 are significantly
246 undermined, eroding the privacy and safety of drivers.
247 Therefore, the Legislature finds that it is a public necessity
248 to make confidential and exempt from public records requirements
249 crash reports that reveal personal information concerning
250 parties, passengers, and witnesses to a crash for a period of 60
251 days after the date the crash report is filed with an agency;
252 such personal information revealed in crash reports held by an
253 agency following the 60-day period; and computerized crash
254 report data held by an agency.

255 (2) The Legislature finds that it is a public necessity
256 that driver information contained in a uniform traffic citation
257 held by an agency be exempt from s. 119.07(1), Florida Statutes,
258 and s. 24(a), Article I of the State Constitution. Uniform
259 traffic citations reveal significant personal information about
260 drivers issued a citation. Pervasive use of the Internet and
261 related technologies abet those with malicious purposes in
262 exploiting the use of personal information contained in traffic
263 citations, such as a driver's date of birth, driver license
264 number, and address, creating ever-expanding threats to privacy
265 and security never envisioned in generations past. Driver
266 information, when held by the Department of Highway Safety and
267 Motor Vehicles in driver license and motor vehicle records, is
268 confidential pursuant to the federal Driver's Privacy Protection
269 Act of 1994, 18 U.S.C. ss. 2721 et seq., and s. 119.0712(2),
270 Florida Statutes. These restrictions on disclosure of personal
271 information, however, have not applied to driver information



148404

272 contained in uniform traffic citations. When driver information
273 contained in uniform traffic citations is made available to the
274 public, because it comprises much of the same personal
275 information contained in driver license and motor vehicle
276 records, the protections afforded by the federal Driver's
277 Privacy Protection Act of 1994 are significantly undermined,
278 eroding the privacy and safety of drivers. Therefore, the
279 Legislature finds that it is a public necessity to make exempt
280 from public records requirements driver information contained in
281 uniform traffic citations.

282 Section 4. This act shall take effect March 1, 2023.

283

284 ===== T I T L E A M E N D M E N T =====

285 And the title is amended as follows:

286 Delete everything before the enacting clause
287 and insert:

288 A bill to be entitled
289 An act relating to public records; amending s.
290 316.066, F.S.; revising agencies to which a public
291 records exemption for certain motor vehicle crash
292 reports applies; revising entities to whom crash
293 reports may be made immediately available; revising
294 the types of crash reports that may be made
295 immediately available to certain radio and television
296 stations and newspapers; providing that crash reports
297 may be made available to certain third parties subject
298 to a certain restriction; revising conditions for
299 accessing crash reports; specifying the availability
300 of crash reports after a certain period; deleting a



148404

301 restriction on certain crash report information by
302 certain newspapers; providing a public records
303 exemption for certain electronic crash data; providing
304 for future legislative review and repeal of the
305 exemptions; revising applicability of a criminal
306 penalty; providing a private cause of action against a
307 person who violates certain restrictions relating to
308 personal information; specifying damages, attorney
309 fees, costs, and other relief a court may award;
310 providing construction; amending s. 316.650, F.S.;
311 defining the term "driver information"; providing an
312 exemption from public records requirements for driver
313 information contained in a uniform traffic citation;
314 providing retroactive applicability; authorizing the
315 release of driver information under certain
316 circumstances; providing for future legislative review
317 and repeal of the exemption; providing statements of
318 public necessity; providing an effective date.

By the Committee on Transportation; and Senator Harrell

596-02086-22

20221614c1

1 A bill to be entitled
 2 An act relating to public records; amending s.
 3 316.066, F.S.; revising an exemption from public
 4 records requirements for written reports of motor
 5 vehicle crashes; revising the agencies holding records
 6 to which the exemption applies; removing a time limit
 7 for the exemption; providing retroactive
 8 applicability; revising entities to which records may
 9 be made available; specifying a limitation on
 10 redisclosing crash reports by third parties; requiring
 11 certain entities to enter into a memorandum of
 12 understanding; revising conditions precedent to
 13 accessing a crash report; exempting certain
 14 computerized crash report data held by an agency from
 15 public records requirements; providing retroactive
 16 applicability; providing construction; providing for
 17 future legislative review and repeal of the
 18 exemptions; revising applicability of penalties;
 19 amending s. 316.650, F.S.; defining the term "driver
 20 information"; providing an exemption from public
 21 records requirements for driver information contained
 22 in a uniform traffic citation; providing retroactive
 23 applicability; authorizing the release of driver
 24 information under certain circumstances; providing for
 25 future legislative review and repeal of the exemption;
 26 revising a prohibition against the use of driver
 27 information for commercial solicitation purposes;
 28 providing statements of public necessity; providing an
 29 effective date.

Page 1 of 10

CODING: Words ~~stricken~~ are deletions; words underlined are additions.

596-02086-22

20221614c1

30
 31 Be It Enacted by the Legislature of the State of Florida:
 32
 33 Section 1. Subsections (2) and (3) of section 316.066,
 34 Florida Statutes, are amended to read:
 35 316.066 Written reports of crashes.—
 36 (2) (a) Crash reports that reveal the identity of, home or
 37 employment telephone number or home or employment address of, or
 38 other personal information concerning the parties involved in
 39 the crash and that are held by an ~~any~~ agency as defined in s.
 40 119.011 that regularly receives or prepares information from or
 41 concerning the parties to motor vehicle crashes are confidential
 42 and exempt from s. 119.07(1) and s. 24(a), Art. I of the State
 43 Constitution. This exemption applies to such crash reports held
 44 by an agency before, on, or after the effective date of the
 45 exemption for a period of 60 days after the date the report is
 46 filed.
 47 (b) 1. Crash reports held by an agency under paragraph (a)
 48 may be made ~~immediately~~ available to the parties involved in the
 49 crash, their legal representatives, their licensed insurance
 50 agents, their insurers or insurers to which they have applied
 51 for coverage, persons under contract with such insurers to
 52 provide claims or underwriting information, prosecutorial
 53 authorities, law enforcement agencies, the Department of
 54 Transportation, the Department of Health, county and municipal
 55 traffic operations, victim services programs, and any federal,
 56 state, or local governmental agency in carrying out its
 57 functions.
 58 2. A crash report may also be made available to any third

Page 2 of 10

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596-02086-22

20221614c1

59 party acting on behalf of a person or entity authorized under
 60 subparagraph 1. to access the crash report, except that the
 61 third party may redisclose the crash report only to the person
 62 or entity authorized to access the crash report under
 63 subparagraph 1. on whose behalf the third party has sought the
 64 report ~~radio and television stations licensed by the Federal~~
 65 ~~Communications Commission, newspapers qualified to publish legal~~
 66 ~~notices under ss. 50.011 and 50.031, and, in accordance with~~
 67 ~~paragraph (f), free newspapers of general circulation, published~~
 68 ~~once a week or more often, of which at least 7,500 copies are~~
 69 ~~distributed by mail or by carrier as verified by a postal~~
 70 ~~statement or by a notarized printer's statement of press run,~~
 71 ~~which are intended to be generally distributed and circulated,~~
 72 ~~and which contain news of general interest with at least 10~~
 73 ~~pages per publication, available and of interest to the public~~
 74 ~~generally for the dissemination of news. For the purposes of~~
 75 ~~this section, the following products or publications are not~~
 76 ~~newspapers as referred to in this section: those intended~~
 77 ~~primarily for members of a particular profession or occupational~~
 78 ~~group; those with the primary purpose of distributing~~
 79 ~~advertising; and those with the primary purpose of publishing~~
 80 ~~names and other personal identifying information concerning~~
 81 ~~parties to motor vehicle crashes.~~

82 (c) A federal, state, or Any local governmental, state, or
 83 federal agency, or any private person or entity acting on behalf
 84 of a federal, state, or local governmental agency in carrying
 85 out its functions, which that is authorized to have access to
 86 crash reports by any provision of law shall be granted such
 87 access in the furtherance of the agency's statutory duties

Page 3 of 10

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596-02086-22

20221614c1

88 pursuant to a memorandum of understanding approved by the agency
 89 holding the crash reports which requires that personal
 90 information contained in the crash reports remain confidential
 91 and exempt.

92 (d) As a condition precedent to accessing a crash report
 93 ~~within 60 days after the date the report is filed~~, a person must
 94 submit to the agency that holds the crash report, in a format
 95 prescribed by the agency, ~~present a valid driver license or~~
 96 ~~other photographic identification, proof of status, or~~
 97 ~~identification that demonstrates his or her qualifications to~~
 98 ~~access that information and file a written sworn statement~~
 99 ~~attesting to the person's identity, authority to access the~~
 100 ~~crash report under paragraph (b), and agreement to refrain from~~
 101 ~~using the with the state or local agency in possession of the~~
 102 ~~information stating that information from a crash report made~~
 103 ~~confidential and exempt by this section will not be used for any~~
 104 ~~commercial solicitation of accident victims, or knowingly~~
 105 ~~redisclosing the crash report disclosed to any third party for~~
 106 ~~the purpose of such solicitation, during the period of time that~~
 107 ~~the information remains confidential and exempt. Such written~~
 108 ~~sworn statement must be completed and sworn to by the requesting~~
 109 ~~party for each individual crash report that is being requested~~
 110 ~~within 60 days after the report is filed. In lieu of requiring~~
 111 ~~the written sworn statement, an agency may provide crash reports~~
 112 ~~by electronic means pursuant to a memorandum of understanding~~
 113 ~~that requires third-party vendors under contract with one or~~
 114 ~~more insurers, but only when such contract states that personal~~
 115 ~~information contained in from a crash report remain made~~
 116 ~~confidential and exempt and prohibits such personal information~~

Page 4 of 10

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596-02086-22

20221614c1

117 ~~from being by this section will not be used for any commercial~~
 118 ~~solicitation of accident victims by the vendors, or knowingly~~
 119 ~~disclosed by the vendors to any third party who is not~~
 120 ~~authorized by this section to access such personal information~~
 121 ~~for the purpose of such solicitation, during the period of time~~
 122 ~~that the information remains confidential and exempt, and only~~
 123 ~~when a copy of such contract is furnished to the agency as proof~~
 124 ~~of the vendor's claimed status.~~

125 (e) This subsection does not prohibit an agency from
 126 providing summary reports of crashes to radio and television
 127 stations, newspapers, and other news media, which reports may
 128 disclose information about crashes, including, but not limited
 129 to, the time, date, and location of a crash; the name, age,
 130 gender, race, and ethnicity of any driver involved in the crash;
 131 a general description of any vehicle involved in the crash,
 132 including the vehicle's color, make, model, body style, and
 133 year; the names of the law enforcement agencies and officers
 134 responding to the scene or investigating the crash; the
 135 circumstances of the crash; and whether any arrests were made or
 136 traffic citations were issued prevent the dissemination or
 137 publication of news to the general public by any legitimate
 138 media entitled to access confidential and exempt information
 139 pursuant to this section.

140 (f) If crash reports are created by or submitted to an
 141 agency electronically as data elements within a computerized
 142 database, or if personal information from a crash report is
 143 entered into a computerized database, such crash report data
 144 held by an agency is confidential and exempt from s. 119.07(1)
 145 and s. 24(a), Art. I of the State Constitution. This exemption

Page 5 of 10

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596-02086-22

20221614c1

146 applies to such crash report data held by an agency before, on,
 147 or after the effective date of the exemption. This paragraph
 148 does not prevent an agency from disclosing:

149 1. A crash report pursuant to paragraphs (b)-(d) which is
 150 rendered as an individual report in its original format, whether
 151 printed as a paper document or provided in electronic format
 152 such as Portable Document Format or Tagged Image File Format.

153 2. Extracts of crash report data if all personal
 154 information is omitted from the extracts.

155 ~~(g) Free newspapers of general circulation published once a~~
 156 ~~week or more often, of which at least 7,500 copies are~~
 157 ~~distributed by mail or by carrier as verified by a postal~~
 158 ~~statement or by a notarized printer's statement of press run,~~
 159 ~~which are intended to be generally distributed and circulated,~~
 160 ~~which contain news of general interest with at least 10 pages~~
 161 ~~per publication, available and of interest to the public~~
 162 ~~generally for the dissemination of news, and which request 10 or~~
 163 ~~more crash reports within a 24 hour period before 60 days have~~
 164 ~~elapsed after the report is filed may not have access to the~~
 165 ~~home, cellular, employment, or other telephone number or the~~
 166 ~~home or employment address of any of the parties involved in the~~
 167 ~~crash. This subsection paragraph is subject to the Open~~
 168 ~~Government Sunset Review Act in accordance with s. 119.15 and~~
 169 ~~shall stand repealed on October 2, 2027 2019, unless reviewed~~
 170 ~~and saved from repeal through reenactment by the Legislature.~~
 171 (3) (a) A Any driver failing to file the written report
 172 required under subsection (1) commits a noncriminal traffic
 173 infraction, punishable as a nonmoving violation as provided in
 174 chapter 318.

Page 6 of 10

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596-02086-22

20221614c1

175 (b) ~~An Any~~ employee of ~~an a state or local~~ agency, as
 176 defined in s. 119.011, in possession of information made
 177 confidential and exempt by this section who knowingly discloses
 178 such confidential and exempt information to a person not
 179 entitled to access such information under this section commits a
 180 felony of the third degree, punishable as provided in s.
 181 775.082, s. 775.083, or s. 775.084.

182 (c) ~~A Any~~ person ~~who~~, knowing that he or she is not
 183 entitled to obtain information made confidential and exempt by
 184 this section, ~~who~~ obtains or attempts to obtain such information
 185 commits a felony of the third degree, punishable as provided in
 186 s. 775.082, s. 775.083, or s. 775.084.

187 (d) ~~A Any~~ person who knowingly uses confidential and exempt
 188 information in violation of a filed ~~written~~ sworn statement,
 189 memorandum of understanding, or contractual agreement required
 190 by this section commits a felony of the third degree, punishable
 191 as provided in s. 775.082, s. 775.083, or s. 775.084.

192 Section 2. Subsection (11) of section 316.650, Florida
 193 Statutes, is amended to read:

194 316.650 Traffic citations.—

195 (11)(a) As used in this subsection, the term “driver
 196 information” means a driver’s date of birth, driver license
 197 number, address excluding the five-digit zip code, telephone
 198 number, motor vehicle license plate number, and trailer tag
 199 number. The term does not include the driver’s name.

200 (b)1. Driver information contained in a uniform traffic
 201 citation held by an agency is exempt from s. 119.07(1) and s.
 202 24(a), Art. I of the State Constitution. This paragraph applies
 203 to driver information held by an agency before, on, or after the

Page 7 of 10

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596-02086-22

20221614c1

204 effective date of the exemption.

205 2. An agency may release driver information in accordance
 206 with any of the permissible uses listed in 18 U.S.C. s. 2721(b)
 207 in the same manner applicable to the release of personal
 208 information contained in a motor vehicle record pursuant to s.
 209 119.0712(2)(b).

210 3. This paragraph is subject to the Open Government Sunset
 211 Review Act in accordance with s. 119.15 and shall stand repealed
 212 on October 2, 2027, unless reviewed and saved from repeal
 213 through reenactment by the Legislature.

214 (c) Driver information contained in a uniform traffic
 215 citation may, which includes but is not limited to, the accused
 216 person’s name and address, shall not be used for commercial
 217 solicitation purposes. However, the use of such driver
 218 information contained in a uniform traffic citation shall not be
 219 considered a commercial purpose when used for publication in a
 220 newspaper or other news periodical, when used for broadcast by
 221 radio or television, or when used to inform a person of the
 222 availability of driver safety training.

223 Section 3. (1) The Legislature finds that it is a public
 224 necessity that crash reports that reveal personal information
 225 concerning parties involved in a crash and the computerized
 226 crash report data be confidential and exempt from s. 119.07(1),
 227 Florida Statutes, and s. 24(a), Article I of the State
 228 Constitution. Crash reports reveal significant personal
 229 information, not only about drivers involved in a crash but also
 230 about motor vehicle owners, motor vehicle passengers, and other
 231 witnesses and about owners of nonvehicle property damaged in a
 232 crash. Pervasive use of the Internet and related technologies

Page 8 of 10

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596-02086-22 20221614c1

233 abet those with malicious purposes in exploiting the use of
 234 personal information, such as a motorist's date of birth, driver
 235 license number, and address, creating ever-expanding threats to
 236 motorist privacy and security never envisioned in generations
 237 past. Moreover, ever-increasing use of information technology
 238 for the preparation, submission, and management of crash reports
 239 has led agencies to hold vast repositories of computerized crash
 240 report data, which includes such personal information. Motorist
 241 personal information, when held by the Department of Highway
 242 Safety and Motor Vehicles in motor vehicle records, is
 243 confidential pursuant to the federal Driver's Privacy Protection
 244 Act of 1994, 18 U.S.C. ss. 2721 et seq., and s. 119.0712(2),
 245 Florida Statutes. These restrictions on disclosure of motorist
 246 personal information, however, have not applied to personal
 247 information contained in crash reports. When crash reports and
 248 computerized crash report data are made available to the public,
 249 because they comprise much of the same personal information
 250 contained in motor vehicle records, the protections afforded by
 251 the federal Driver's Privacy Protection Act of 1994 are
 252 significantly undermined, eroding the privacy and safety of
 253 motorists. Therefore, the Legislature finds that it is a public
 254 necessity to make confidential and exempt from public records
 255 requirements crash reports that reveal personal information and
 256 computerized crash report data.

257 (2) The Legislature finds that it is a public necessity
 258 that driver information contained in a uniform traffic citation
 259 held by an agency be exempt from s. 119.07(1), Florida Statutes,
 260 and s. 24(a), Article I of the State Constitution. Uniform
 261 traffic citations reveal significant personal information about

596-02086-22 20221614c1

262 drivers issued a citation. Pervasive use of the Internet and
 263 related technologies abet those with malicious purposes in
 264 exploiting the use of personal information, such as a motorist's
 265 date of birth, driver license number, and address, creating
 266 ever-expanding threats to motorist privacy and security never
 267 envisioned in generations past. Motorist personal information,
 268 when held by the Department of Highway Safety and Motor Vehicles
 269 in motor vehicle records, is confidential pursuant to the
 270 federal Driver's Privacy Protection Act of 1994, 18 U.S.C. ss.
 271 2721 et seq., and s. 119.0712(2), Florida Statutes. These
 272 restrictions on disclosure of motorist personal information,
 273 however, have not applied to driver information contained in
 274 uniform traffic citations. When driver information contained in
 275 uniform traffic citations is made available to the public,
 276 because it comprises much of the same personal information
 277 contained in motor vehicle records, the protections afforded by
 278 the federal Driver's Privacy Protection Act of 1994 are
 279 significantly undermined, eroding the privacy and safety of
 280 motorists. Therefore, the Legislature finds that it is a public
 281 necessity to make exempt from public records requirements driver
 282 information contained in uniform traffic citations.

283 Section 4. This act shall take effect July 1, 2022.



THE FLORIDA SENATE

Tallahassee, Florida 32399-1100

SENATOR GAYLE HARRELL

25th District

January 19, 2022

Senator Jeff Brandes
414 Senate Building
404 South Monroe Street
Tallahassee, FL 32399

Chair Brandes,

I respectfully request that **SB 1614 – Public Records Motor Vehicle Crashes** be placed on the next available agenda for the Governmental Oversight and Accountability Committee Meeting.

Should you have any questions or concerns, please feel free to contact my office. Thank you in advance for your consideration.

Thank you,

A handwritten signature in blue ink that reads "Gayle".

Senator Gayle Harrell
Senate District 25

Cc: Joe McVany, Staff Director
Tamra Redig, Committee Administrative Assistant

COMMITTEES:
Transportation, *Chair*
Military and Veterans Affairs, Space,
and Domestic Security, *Vice Chair*
Appropriations Subcommittee on Health and
Human Services
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WILTON SIMPSON
President of the Senate

AARON BEAN
President Pro Tempore

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.)

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

BILL: CS/SB 1736

INTRODUCER: Criminal Justice Committee and Senator Hooper

SUBJECT: Records of Physical Examinations

DATE: February 9, 2022

REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Erickson</u>	<u>Jones</u>	<u>CJ</u>	<u>Fav/CS</u>
2.	<u>Limonos-Borja</u>	<u>McVaney</u>	<u>GO</u>	<u>Favorable</u>
3.	_____	_____	<u>RC</u>	_____

Please see Section IX. for Additional Information:

COMMITTEE SUBSTITUTE - Substantial Changes

I. Summary:

CS/SB 1736 amends s. 943.13(6), F.S., to require the employing agency of a law enforcement officer, correctional officer, or correctional probation officer to maintain records of the officer's pre-employment physical examination for at least 5 years after the officer's separation from that agency. If an employing agency fails to maintain the records of the physical examination for the 5-year period after the officer's separation, it is presumed that the officer has met the requirement of successfully passing a pre-employment physical examination that failed to reveal any evidence of tuberculosis, heart disease, or hypertension. The absence of any finding of such disease in the pre-employment examination is a crucial prerequisite to the workers' compensation presumption that an officer with such disease acquired it accidentally and in the line of duty. *Therefore, retention of the physical examination record is essential evidence to establish a compensable occupational disease.*

The previously-described presumption of compensability also applies to firefighters. The bill amends s. 112.18, F.S., to specify that the medical examination required for firefighter certification pursuant to s. 633.412(5), F.S., may serve as a physical examination upon entering service for a firefighter if the employer did not retain or conduct a physical examination upon entering service.

The bill corrects omissions in ss. 112.18 and 943.13(6), F.S., to reference "correctional officers and correctional probation officers" regarding the presumption of compensability.

The retention of these records should not have any fiscal impact on state and local government. The impact of the change on workers' compensation claims is indeterminate. See Section V. Fiscal Impact Statement.

The bill is effective July 1, 2022.

II. Present Situation:

Physical Examination Requirement for Employment or Appointment as a Law Enforcement, Correctional, or Probation Officer

Section 943.13, F.S., provides minimum qualifications for employment or appointment as a fulltime, part-time, or auxiliary law enforcement, correctional officer, or correctional probation officer. Among the qualifications is a requirement to pass a physical examination.¹

Physical Examination Requirement for Certification as a Firefighter

Section 633.412, F.S., provides qualifications for certification as a firefighter. Among the qualifications is a requirement to be in good physical condition as determined by a medical examination.² The medical professional must certify that the applicant is medically fit to engage in firefighting training and does not have any pre-existing or current condition, illness, injury, or deficiency.³ There does not appear to be a provision for firefighters comparable to s. 943.13(6), F.S., which requires a pre-employment physical examination.

Workers' Compensation – Presumption of Compensability

In regards to a workers' compensation claim relating to an occupational disease, the term "occupational disease" means only a disease which is due to causes and conditions which are characteristic of and peculiar to a particular trade, occupation, process, or employment, and to exclude all ordinary diseases of life to which the general public is exposed, unless the incidence of the disease is substantially higher in the particular trade, occupation, process, or employment than for the general public. It is also a disease for which there are epidemiological studies showing that exposure to the specific substance involved, at the levels to which the employee was exposed, may cause the precise disease sustained by the employee.⁴

Section 112.18(1)(a), F.S., provides that any condition or impairment of health of any firefighter, law enforcement officer, correctional officer, or correctional probation officer caused by tuberculosis, heart disease, or hypertension resulting in total or partial disability or death is presumed to have been accidental and suffered in the line of duty unless the contrary be shown by competent evidence.

¹ Section 943.13(6), F.S.

² Section 633.412(5), F.S.

³ Rule 69A-37.037 ("Firefighter Training Course Medical Examination"), F.A.C., available at https://www.flrules.org/gateway/notice_Files.asp?ID=21630435 (last visited on Feb. 4, 2022) and Form DFS-K3-1022 ("Medical Examination to Determine Fitness for Firefighter Training, Bureau of Fire Standards and Training"), Division of State Fire Marshal, Department of Financial Services, available at https://www.myfloridacfo.com/division/sfm/bfst/DFS-K4-1022_Medical_Jan2018.pdf (last visited on Feb. 4, 2022).

⁴ Section 440.151(2), F.S.

However, a crucial prerequisite to this statutory presumption is that the firefighter or officer successfully passed a physical examination prior to entering into any such service that failed to reveal any evidence of tuberculosis, heart disease, or hypertension. This prerequisite is provided in s. 112.18(1)(a), F.S., and is relevant to any firefighter, law enforcement officer, correctional officer, or correctional probation officer. A similar provision relevant only to law enforcement officers, correctional officers, and correctional probation officers is found in s. 943.13(6), F.S.

If the examination fails to reveal evidence of such disease, the firefighter or officer must present evidence of suffering from such disease but doesn't have to present evidence of causation that is typically required to demonstrate that an occupational disease is compensable.⁵ The evidentiary burden then shifts to the employer to show by clear and convincing evidence that the disease was caused by a non-work-related event or exposure.⁶

The Pre-Employment Physical is Crucial Evidence for the Compensability Presumption

As provided in s. 112.18(1)(a), F.S., to be eligible to use the presumption of compensability, a firefighter or officer must have successfully passed a physical examination upon entering into service, which examination failed to reveal any evidence of any tuberculosis, heart disease, or hypertension. This physical examination is crucial evidence in a dispute over workers' compensation benefits.

When the parties cannot produce a record of a pre-employment physical, the firefighter or officer cannot use the presumption to establish a compensable occupational disease. For example, in testimony before the House Banking and Insurance Committee, staff of the Florida State Fraternal Order of Police noted they had a workers compensation issue because an agency hired a third party vendor to handle medical records and that vendor purged the records system for anyone who was hired prior to 1998. One officer impacted by this purge suffered from posttraumatic stress disorder due to a violent public incident.⁷

Eligibility for the Workers' Compensation Presumption

In a disputed workers' compensation determination, the legal presumption does not apply if a law enforcement, correctional, or correctional probation officer:

- Departed in a material fashion from the prescribed course of treatment of his or her personal physician and the departure is demonstrated to have resulted in a significant aggravation of the tuberculosis, heart disease, or hypertension resulting in disability or increasing the disability or need for medical treatment; or
- Was previously compensated pursuant to s. 112.18, F.S., and ch. 440, F.S. (workers' compensation) for tuberculosis, heart disease, or hypertension and thereafter sustains and

⁵ *McDonald v. City of Jacksonville*, 286 So.3d 792, 795 (Fla. 1st DCA 2019), relying primarily on *Walters v. State, DOC, Div. of Risk Management*, 100 So.3d 1173 (Fla. 1st DCA 2012) (rehearing denied), review denied by *Florida Dept. of Corrections v. Walters*, 108 So. 3d 654 (Fla. 2013).

⁶ *Butler v. City of Jacksonville*, 980 So.2d 1250, 1251-1252 (Fla. 1st DCA 2008).

⁷ Public testimony of Lisa Henning, representing the Florida State Fraternal Order of Police, before the House Insurance & Banking Subcommittee hearing on HB 453 (2022), Jan. 19, 2022. This testimony is available at <https://thefloridachannel.org/videos/1-19-22-house-insurance-banking-subcommittee/> (last visited on Feb. 4, 2022).

reports a new compensable workers' compensation claim under s. 112.18, F.S., and ch. 440, F.S., and the officer has departed in a material fashion from the prescribed course of treatment of an authorized physician for the preexisting workers' compensation claim and the departure is demonstrated to have resulted in a significant aggravation of the tuberculosis, heart disease, or hypertension resulting in disability or increasing the disability or need for medical treatment.⁸

To be eligible for workers' compensation benefits, a law enforcement officer, correctional officer, or correctional probation officer must make a claim for benefits prior to or within 180 days of leaving the employment of the employing agency.⁹

Firefighters are not subject to the exclusion for prior treatment or compensation and are not covered by the claim-filing deadline that allows a law enforcement officer, correctional officer, or correctional probation officer file a claim up to 180 days after leaving employment. A firefighter suffering from tuberculosis, heart disease, or hypertension must advise his or her employer of the injury within 90 days of the initial manifestation of the disease or 90 days after the firefighter obtains a medical opinion that the injury (occupational disease) is due to the nature of the firefighter's employment.¹⁰

Records Retention

According to the records retention schedule for state and local government agencies published by the Florida Department of State, reports of job-related medical examinations must be retained by the Florida Retirement System (FRS) for 25 years after a participating employee separates from government employment.¹¹

Local governments that do not participate in the FRS must maintain reports of job-related medical examinations for 50 years after a participating employee separates from government employment.¹²

State agencies that employ people through the Other Personnel Services system, as interns, or on a voluntary basis must maintain reports of job-related medical examinations for three years after the employee separates from government employment.¹³

III. Effect of Proposed Changes:

The bill amends s. 943.13(6), F.S., to require the employing agency of a law enforcement officer, correctional officer, or correctional probation officer to maintain records of the officer's pre-employment physical examination for at least five years after the officer's separation from that agency. If an employing agency fails to maintain the records of the physical examination for the

⁸ Section 112.18(1)(b)(1), F.S.

⁹ Section 112.18(1)(b)(4), F.S.

¹⁰ Sections 440.151(6) and 440.185(1), F.S.

¹¹ Florida Department of State, Division of Library and Information Services, *General Records Schedule GS1-SL for State and Local Government Agencies*, p. 31, available at <https://dos.myflorida.com/media/703328/gsl-sl-2020.pdf> (last visited on Feb. 4, 2022).

¹² *Id.* at 32.

¹³ *Id.*

5-year period after the officer's separation, it is presumed that the officer has met the requirement of that subsection that the officer successfully passed a pre-employment physical examination that failed to reveal any evidence of tuberculosis, heart disease, or hypertension. The absence of any finding of such disease in the pre-employment examination is a crucial prerequisite to the workers' compensation presumption that an officer with such disease acquired it accidentally and in the line of duty. *Therefore, retention of the physical examination record is essential evidence to establish a compensable occupational disease.*¹⁴

The previously-described presumption of compensability also applies to firefighters. The bill amends s. 112.18, F.S., to specify that the medical examination required for firefighter certification pursuant to s. 633.412(5), F.S., may serve as a physical examination upon entering service for a firefighter if the employer did not retain or conduct a physical examination upon entering service.

Finally, s. 112.18, F.S., mistakenly omits in two places in the statute, reference to correctional officers and correctional probation officers in regard to the presumption of compensability, even though the statute and s. 943.13(6), F.S., specifically provide that the presumption of compensability applies to these officers. The bill corrects these reference omissions.

The bill takes effect July 1, 2022.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

Not applicable. The bill does not require counties or municipalities to take an action requiring the expenditure of funds, reduce the authority that counties or municipalities have to raise revenue in the aggregate, nor reduce the percentage of state tax shared with counties or municipalities.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

D. State Tax or Fee Increases:

None.

E. Other Constitutional Issues:

None identified.

¹⁴ This record retention provision does not apply to firefighters. Medical examination records required for firefighter certification are retained by the Department of Financial Services.

V. Fiscal Impact Statement:**A. Tax/Fee Issues:**

None.

B. Private Sector Impact:

None.

C. Government Sector Impact:

The record retention requirement of the bill does not impose additional duties on government employers, because state and local government agencies are already subject to record retention requirements that exceed the five-year benchmark established in this bill. (See discussion of records retention schedule, *supra*.)

The impact of the change on workers' compensation claims is indeterminate.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Statutes Affected:

This bill substantially amends sections 943.13 and 112.18 of the Florida Statutes.

IX. Additional Information:**A. Committee Substitute – Statement of Substantial Changes:**
(Summarizing differences between the Committee Substitute and the prior version of the bill.)**CS by Criminal Justice on January 25, 2022:**

The committee substitute:

- Provides that a medical examination required for firefighter certification pursuant to s. 633.412(5), F.S., may serve as a physical examination upon entering service for a firefighter if the employer did not retain or conduct a physical examination upon entering service; and
- Corrects the omission of references to correctional officers and correctional probation officers in regard to a presumption of compensability (in workers' compensation law) that applies to these officers.

B. Amendments:

None.

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

By the Committee on Criminal Justice; and Senator Hooper

591-02278-22

20221736c1

A bill to be entitled

An act relating to records of physical examinations; amending s. 112.18, F.S.; authorizing a specified medical examination to serve as a certain required physical examination for firefighters; making technical changes; amending s. 943.13, F.S.; requiring an employing agency to maintain records of employee physical examinations for a specified period of time after employee separation from the agency; creating a presumption that applies to employees whose records are not maintained for that period of time; providing an effective date.

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

Section 1. Paragraph (a) of subsection (1) of section 112.18, Florida Statutes, is amended to read:

112.18 Firefighters and law enforcement or correctional officers; special provisions relative to disability.—

(1) (a) Any condition or impairment of health of any Florida state, municipal, county, port authority, special tax district, or fire control district firefighter or any law enforcement officer, correctional officer, or correctional probation officer as defined in s. 943.10(1), (2), or (3) caused by tuberculosis, heart disease, or hypertension resulting in total or partial disability or death shall be presumed to have been accidental and to have been suffered in the line of duty unless the contrary be shown by competent evidence. However, any such firefighter, ~~or~~ law enforcement officer, correctional officer,

Page 1 of 3

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591-02278-22

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or correctional probation officer must have successfully passed a physical examination upon entering into any such service as a firefighter, ~~or~~ law enforcement officer, correctional officer, or correctional probation officer, which examination failed to reveal any evidence of any such condition. The medical examination required by s. 633.412(5) may serve as a physical examination upon entering service for a firefighter if the employer did not retain or conduct a physical examination upon entering service. Such presumption does not apply to benefits payable under or granted in a policy of life insurance or disability insurance, unless the insurer and insured have negotiated for such additional benefits to be included in the policy contract.

Section 2. Subsection (6) of section 943.13, Florida Statutes, is amended to read:

943.13 Officers' minimum qualifications for employment or appointment.—On or after October 1, 1984, any person employed or appointed as a full-time, part-time, or auxiliary law enforcement officer or correctional officer; on or after October 1, 1986, any person employed as a full-time, part-time, or auxiliary correctional probation officer; and on or after October 1, 1986, any person employed as a full-time, part-time, or auxiliary correctional officer by a private entity under contract to the Department of Corrections, to a county commission, or to the Department of Management Services shall:

(6) Have passed a physical examination by a licensed physician, physician assistant, or licensed advanced practice registered nurse, based on specifications established by the commission. In order to be eligible for the presumption set

Page 2 of 3

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59 forth in s. 112.18 while employed with an employing agency, a
60 law enforcement officer, correctional officer, or correctional
61 probation officer must have successfully passed the physical
62 examination required by this subsection upon entering into
63 service as a law enforcement officer, correctional officer, or
64 correctional probation officer with the employing agency, which
65 examination must have failed to reveal any evidence of
66 tuberculosis, heart disease, or hypertension. A law enforcement
67 officer, correctional officer, or correctional probation officer
68 may not use a physical examination from a former employing
69 agency for purposes of claiming the presumption set forth in s.
70 112.18 against the current employing agency. An employing agency
71 shall maintain records of the physical examination required
72 under this subsection for at least 5 years after the employee's
73 separation from that agency. If an employing agency fails to
74 maintain such records for the required period of time, it is
75 presumed that the law enforcement officer, correctional officer,
76 or correctional probation officer satisfied the requirement of
77 this subsection of having passed a physical examination.

78 Section 3. This act shall take effect July 1, 2022.



The Florida Senate

Committee Agenda Request

To: Honorable Jeff Brandes, Chair
Committee on Governmental Oversight and Accountability

Subject: Committee Agenda Request

Date: January 25, 2022

I respectfully request that **Senate Bill # 1736**, relating to Records of Physical Examinations of Officers, be placed on the:

- committee agenda at your earliest possible convenience.
- next committee agenda.

A handwritten signature in black ink, appearing to read "Ed Hooper", written over a horizontal line.

Senator Ed Hooper
Florida Senate, District 16

The Florida Senate
APPEARANCE RECORD

1736

Meeting Date
Gov Ops
Committee

Deliver both copies of this form to
Senate professional staff conducting the meeting

Bill Number or Topic

Name Lisa Henning

Amendment Barcode (if applicable)
Phone 850-766-8808

Address 242 Office Plaza Dr
Street

Email lphlegislative@aol.com

Tallahassee FL 32301
City State Zip

Speaking: For Against Information **OR** Waive Speaking: In Support Against

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While it is a tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this hearing. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard. If you have questions about registering to lobby please see Fla. Stat. §11.045 and Joint Rule 1. [2020-2022 Joint Rules.pdf \(flsenate.gov\)](#)

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S-001 (08/10/2021)

2/10/22

The Florida Senate

APPEARANCE RECORD

1736

Meeting Date

Govt. Oversight & Accountability

Bill Number or Topic

Committee

Wayne "Bernie" Bernoska

Amendment Barcode (if applicable)

321-231-9116

Name

Phone

Address

343 W. Madison St

Email

bernie@fpp.org

Street

Tallahassee

Fl.

32301

City

State

Zip

Reset Form

Speaking: For Against Information **OR** Waive Speaking: In Support Against

PLEASE CHECK ONE OF THE FOLLOWING:

I am appearing without compensation or sponsorship.

I am a registered lobbyist, representing:

I am not a lobbyist, but received something of value for my appearance (travel, meals, lodging, etc.), sponsored by:

While it is a tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this hearing. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard. If you have questions about registering to lobby please see Fla. Stat. §11.045 and Joint Rule 1. [2020-2022 Joint Rules.pdf \(flsenate.gov\)](#)

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

S-001 (08/10/2021)

2/10/2022

Meeting Date

Gov Oversight

Committee

The Florida Senate APPEARANCE RECORD

Deliver both copies of this form to
Senate professional staff conducting the meeting

1736

Bill Number or Topic

Amendment Barcode (if applicable)

Name Matt Puckett

Phone _____

Address 306 East Brevard Street

Email _____

Street

Tallahassee

FL

32301

City

State

Zip

Speaking: For Against Information

OR

Waive Speaking: In Support Against

PLEASE CHECK ONE OF THE FOLLOWING:

I am appearing without compensation or sponsorship.

I am a registered lobbyist, representing:

Florida Police Benevolent Association

I am not a lobbyist, but received something of value for my appearance (travel, meals, lodging, etc.), sponsored by:

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

S-001 (08/10/2021)

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.)

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

BILL: SPB 7046

INTRODUCER: Governmental Oversight and Accountability Committee

SUBJECT: Public Employment

DATE: February 10, 2022 REVISED: _____

ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1. <u>McVaney</u>	<u>McVaney</u>	_____	GO submitted as Comm. Bill/Fav

I. Summary:

SPB 7046 establishes the contribution rates paid by employers participating in the Florida Retirement System (FRS) beginning July 1, 2022. These rates are intended to fund the full normal cost and the amortization of the unfunded actuarial liability of the FRS. With these modifications to employer contribution rates, the FRS Trust Fund will receive roughly \$438 million more in revenue on an annual basis beginning July 1, 2022. The public employers that will incur these additional costs are state agencies, state universities and colleges, school districts, counties, municipalities, and other governmental entities that participate in the FRS.

The bill increases the amount of employer-paid contributions allocated to each active member's investment plan account by three percent of the member's compensation. The bill also extends the period that law enforcement officers may participate in the Deferred Option Retirement Program from 60 months to 96 months. To be eligible for this extended participation period, the law enforcement officer must be participating in DROP before July 1, 2028.

The bill requires the Department of Management Services (DMS) to conduct compensation surveys every ten years to determine the competitiveness of the State of Florida's compensation plan to the public and private employers in the state. The bill establishes survey methodology that must be included in the survey. The bill requires the DMS to provide a report of their results to the Governor and the presiding officers of the Legislature.

The bill will have a fiscal impact on state funds appropriated by the Legislature for employee benefits. The bill will increase the amounts, in the aggregate, employers participating in the FRS and the retiree health insurance subsidy program must pay for retiree benefits. See Section V.

The bill takes effect July 1, 2022.

II. Present Situation:

The Florida Retirement System (FRS)

The Florida Retirement System (FRS) was established in 1970 when the Legislature consolidated the Teachers' Retirement System, the State and County Officers and Employees' Retirement System, and the Highway Patrol Pension Fund. In 1972, the Judicial Retirement System was consolidated into the FRS, and in 2007, the Institute of Food and Agricultural Sciences Supplemental Retirement Program was consolidated under the Regular Class of the FRS as a closed group.¹ The FRS is a contributory system, with active members contributing three percent of their salaries.²

The FRS is a multi-employer, contributory plan, governed by the Florida Retirement System Act in ch. 121, F.S. As of June 30, 2021, the FRS had 635,266 active members, 440,307 annuitants, 15,138 disabled retirees, and 31,655 active participants of the Deferred Retirement Option Program (DROP).³ As of June 30, 2021, the FRS consisted of 985 total employers; it is the primary retirement plan for employees of state and county government agencies, district school boards, Florida College institutions, and state universities, and includes the 179 cities and 151 special districts that have elected to join the system.⁴

The membership of the FRS is divided into five membership classes:

- The Regular Class⁵ consists of 541,698 active members and 7,645 in renewed membership;
- The Special Risk Class⁶ includes 74,355 active members and 1,163 in renewed membership;
- The Special Risk Administrative Support Class⁷ has 98 active members and 1 in renewed membership;
- The Elected Officers' Class⁸ has 2,095 active members and 110 in renewed membership; and
- The Senior Management Service Class⁹ has 7,875 active members and 220 in renewed membership.¹⁰

¹ Florida Retirement System Pension Plan and Other State Administered Retirement Systems FY 2020-21 Annual Comprehensive Financial Report, at p. 35. Available online at: https://employer.frs.fl.gov/forms/2020-21_ACFR.pdf. (last visited February 8, 2022).

² Prior to 1975, members of the FRS were required to make employee contributions of either 4 percent for Regular Class employees or 6 percent for Special Risk Class members. Employees were again required to contribute to the system after July 1, 2011. Members in the Deferred Retirement Option Program do not contribute to the system.

³ Florida Retirement System Pension Plan and Other State Administered Retirement Systems FY 2020-21 Annual Comprehensive Financial Report, at p. 164.

⁴ *Id.* at p. 200.

⁵ The Regular Class is for all members who are not assigned to another class. Section 121.021(12), F.S.

⁶ The Special Risk Class is for members employed as law enforcement officers, firefighters, correctional officers, probation officers, paramedics and emergency technicians, among others. Section 121.0515, F.S.

⁷ The Special Risk Administrative Support Class is for a special risk member who moved or was reassigned to a nonspecial risk law enforcement, firefighting, correctional, or emergency medical care administrative support position with the same agency, or who is subsequently employed in such a position under the Florida Retirement System. Section 121.0515(8), F.S.

⁸ The Elected Officers' Class includes elected state and county officers, and those elected municipal or special district officers whose governing body has chosen Elected Officers' Class participation for its elected officers. Section 121.052, F.S.

⁹ The Senior Management Service Class is for members who fill senior management level positions assigned by law to the Senior Management Service Class or authorized by law as eligible for Senior Management Service designation. Section 121.055, F.S.

¹⁰ All figures are from Florida Retirement System Pension Plan and Other State Administered Retirement Systems FY 2020-21 Annual Comprehensive Financial Report, at p. 167.

Each class is funded separately based upon the costs attributable to the members of that class.

Members of the FRS have two primary plan options available for participation:

- The defined contribution plan, also known as the Investment Plan; and
- The defined benefit plan, also known as the Pension Plan.

Investment Plan

In 2000, the Public Employee Optional Retirement Program (investment plan) was created as a defined contribution plan offered to eligible employees as an alternative to the FRS Pension Plan. The State Board of Administration (SBA) is responsible for administering the investment plan.¹¹ The Board of Trustees of the SBA is comprised of the Governor as chair, the Chief Financial Officer, and the Attorney General.¹²

Benefits under the investment plan accrue in individual member accounts funded by both employee and employer contributions and earnings. Benefits are provided through employee-directed investments offered by approved investment providers.

A member vests immediately in all employee contributions paid to the investment plan.¹³ With respect to the employer contributions, a member vests after completing one work year of employment with an FRS employer.¹⁴ Vested benefits are payable upon termination or death as a lump-sum distribution, direct rollover distribution, or periodic distribution.¹⁵ The investment plan also provides disability coverage for both in-line-of-duty and regular disability retirement benefits.¹⁶ An FRS member who qualifies for disability while enrolled in the investment plan may apply for benefits as if the employee were a member of the pension plan. If approved for retirement disability benefits, the member is transferred to the pension plan.¹⁷

The table below shows the percentage of compensation deposited into individual investment accounts by membership class for members in the investment plan.¹⁸

¹¹ Section 121.4501(8), F.S.

¹² FLA CONST. art. IV, s. 4.

¹³ Section 121.4501(6)(a), F.S.

¹⁴ If a member terminates employment before vesting in the investment plan, the nonvested money is transferred from the member's account to the SBA for deposit and investment by the SBA in its suspense account for up to five years. If the member is not reemployed as an eligible employee within five years, any nonvested accumulations transferred from a member's account to the SBA's suspense account are forfeited. Section 121.4501(6)(b)-(d), F.S.

¹⁵ Section 121.591, F.S.

¹⁶ See s. 121.4501(16), F.S.

¹⁷ Pension plan disability retirement benefits, which apply for investment plan members who qualify for disability, compensate an in-line-of-duty disabled member up to 65 percent of the average monthly compensation as of the disability retirement date for special risk class members. Other members may receive up to 42 percent of the member's average monthly compensation for disability retirement benefits. If the disability occurs other than in the line of duty, the monthly benefit may not be less than 25 percent of the average monthly compensation as of the disability retirement date. Section 121.091(4)(f), F.S.

¹⁸ Section 121.72(5), F.S.

Membership Class	Percentage of Compensation*
Regular Class	6.3%
Special Risk Class	14.0%
Special Risk Admin. Support Class	7.95%
Elected Officers' Class	
State	9.38%
Justice and Judges	13.23%
Local	11.34%
Senior Management Service Class	7.67%

*Includes the three percent employee contribution

Pension Plan

The pension plan is administered by the Secretary of Management Services (DMS) through the Division of Retirement.¹⁹ The SBA is responsible for the management of the pension fund assets.

Any member initially enrolled in the pension plan before July 1, 2011, vests in the pension plan after completing six years of service with an FRS employer.²⁰ For members initially enrolled on or after July 1, 2011, the member vests in the pension plan after eight years of creditable service.²¹ Benefits payable under the pension plan are calculated based on the member's years of creditable service multiplied by the service accrual rate multiplied by the member's average final compensation.²² For most current members of the pension plan, normal retirement (when first eligible for unreduced benefits) occurs at the earliest attainment of 30 years of service or age 62.²³ For public safety employees in the Special Risk and Special Risk Administrative Support Classes, normal retirement is the earliest of 25 years of service or age 55.²⁴ Members initially enrolled in the pension plan on or after July 1, 2011, have longer service requirements. For members initially enrolled after that date, the member must complete 33 years of service or attain age 65, and members in the Special Risk classes must complete 30 years of service or attain age 60.²⁵

Deferred Retirement Option Program

The Deferred Retirement Option Program (DROP)²⁶ allows an eligible member of the FRS pension plan to continue employment with an FRS-participating employer and defer receipt of retirement benefits. The deferred monthly benefits accrue, plus 1.3% annual interest, in the FRS on behalf of the member while the member participates in the DROP. Upon termination of employment, the member receives the accumulated DROP benefits and begins to receive the previously determined normal retirement benefit amounts.²⁷

¹⁹ Section 121.025, F.S.

²⁰ Section 121.021(45)(a), F.S.

²¹ Section 121.021(45)(b), F.S.

²² Section 121.091, F.S.

²³ Section 121.021(29)(a)1., F.S.

²⁴ Section 121.021(29)(b)1., F.S.

²⁵ Sections 121.021(29)(a)2. and (b)2., F.S.

²⁶ Section 121.091(13), F.S.

²⁷ Section 121.091(13)(a), F.S.

Eligible members may elect to participate in DROP for a period not to exceed a maximum of 60 consecutive calendar months.²⁸ However, instructional personnel employed by the Florida School for the Deaf and the Blind, instructional personnel in grades K-12, and personnel employed by a developmental research school may participate in DROP for up to 36 calendar months beyond the 60-month period.²⁹

Optional Retirement Programs

Eligible employees may choose to participate in one of three retirement programs instead of participating in the FRS:

- Members of the Senior Management Service Class may elect to enroll in the Senior Management Service Optional Annuity Program;³⁰
- Members in specified positions in the State University System may elect to enroll in the State University System Optional Retirement Program;³¹ and
- Members in specified positions at a Florida College institution may elect to enroll in the State Community College System Optional Retirement Program.³²

Contribution Rates

Employers participating in the FRS are required to contribute a specified percentage of the member's monthly compensation to the Division of Retirement to be distributed into the FRS Contributions Clearing Trust Fund. The employer contribution rate is a blended contribution rate set by statute, which is the same percentage regardless of whether the member participates in the pension plan or the investment plan.³³ The rate is determined annually based on an actuarial study by the DMS that calculates the necessary level of funding to support all of the benefit obligations under both FRS retirement plans.

In the annual actuarial valuation of the Florida Retirement System based on July 1, 2021, plan assets and liabilities, Milliman, Inc., the state actuary, determined the following key data relating to the FRS pension plan:³⁴

²⁸ Section 121.091(13)(b), F.S.

²⁹ Section 121.091(13)(b)1.a., F.S.

³⁰ The Senior Management Service Optional Annuity Program (SMSOAP) was established in 1986 for members of the Senior Management Service Class. Employees in eligible positions may irrevocably elect to participate in the SMSOAP rather than the FRS. Effective July 1, 2017, the SMSOAP is closed to new members. Section 121.055(6), F.S.

³¹ Eligible participants of the State University System Optional Retirement Program (SUSORP) are automatically enrolled in the SUSORP. However, the member must execute a contract with a SUSORP provider within the first 90 days of employment or the employee will default into the pension plan. If the employee decides to remain in the SUSORP, the decision is irrevocable and the member must remain in the SUSORP as long as the member remains in a SUSORP-eligible position. Section 121.35, F.S.

³² If the member is eligible for participation in a State Community College System Optional Retirement Program, the member must elect to participate in the program within 90 days of employment. Unlike the other optional programs, an employee who elects to participate in this optional retirement program has one opportunity to transfer to the FRS. Section 1012.875, F.S.

³³ Section 121.70(1), F.S.

³⁴ Florida Retirement System Pension Plan Actuarial Valuation as of July 1, 2021, at p. 3.

	Valuation Results (in \$ billions)			
	July 1, 2018	July 1, 2019	July 1, 2020	July 1, 2021
Actuarial Liability	\$186.0	\$191.3	\$200.3	\$209.6
Actuarial Value of Assets	\$156.1	\$161.0	\$164.3	\$174.9
Unfunded Actuarial Liability	\$29.9	\$30.3	\$36.0	\$34.7
Funded Percentage (Actuarial Value of Assets/Actuarial Liability)	83.9%	84.2%	82.0%	83.4%

The state actuary determines a rate associated with the normal cost of the pension plan (funding the prospective benefits) and a rate necessary to amortize prior unfunded actuarial liabilities (UAL) over a thirty-year period and new tranches of unfunded actuarial liabilities over a twenty-year period. The following are the current employer contribution rates³⁵ for each class and the blended rates recommended by the state actuary beginning in July 2022:³⁶

Membership Class	Current Rates Effective July 1, 2021		Recommended Rates to be effective July 1, 2022	
	Normal Cost	UAL Rate	Normal Cost	UAL Rate
Regular Class	4.91%	4.19%	5.16%	4.23%
Special Risk Class	15.27%	8.90%	15.91%	9.53%
Special Risk Administrative Support Class	9.73%	26.31%	9.91%	26.16%
Elected Officer’s Class				
• Legislators, Governor, Lt. Governor, Cabinet Officers, State Attorneys, Public Defenders	8.49%	53.52%	8.34%	56.76%
• Justices and Judges	13.38%	25.81%	13.90%	27.64%
• County Officers	10.28%	39.42%	10.31%	43.98%
Senior Management Service Class	6.49%	20.80%	6.83%	22.15%
Deferred Retirement Option Program	7.23%	9.45%	7.77%	9.15%

For all membership classes, except the DROP and certain members with renewed membership, employees contribute three percent of their compensation towards retirement.³⁷

After employer and employee contributions are placed into the FRS Contributions Clearing Trust Fund, the allocations under the investment plan are transferred to third-party administrators to be

³⁵ Section 121.71(4) and (5), F.S.

³⁶ Letter to Ms. Andrea Simpson, *Re: Blended Proposed Statutory Rates for the 2022-2023 Plan Year Reflecting a Uniform UAL Rate for All Membership Classes and DROP*, dated December 1, 2021 (on file with the Senate Committee on Governmental Oversight and Accountability).

³⁷ Section 121.71(3), F.S.

placed in the employee’s individual investment accounts, whereas contributions under the pension plan are transferred into the FRS Trust Fund.³⁸

Actuarial Special Studies

The state actuary has completed an actuarial study to determine the uniform blended employer rates for each membership class and subclass of the FRS necessary to fund the current normal cost and the amortization of the unfunded actuarial liabilities of the FRS and reflecting an increase of investment plan benefits by three percent of payroll. The table below shows the incremental increases by membership class and subclass associated with the investment plan benefit increases over the blended rates recommended by the state actuary based on the 2021 Actuarial Valuation.³⁹

Membership Class	Increase in Blended Normal Cost Contribution Rate
Regular Class	0.80 %
Special Risk Class	0.44%
Special Risk Admin. Support Class	0.86%
Elected Officers’ Class	
State	0.97%
Justice and Judges	0.51%
Local	0.99%
Senior Management Service Class	0.87%

The state actuary also has completed a special actuarial study on the recommended blended statutory rates for 2022-2023 reflecting the extension of the maximum length of DROP participation for law enforcement members by up to 36 months.⁴⁰ The study shows increases for the Special Risk Class by 0.09 percentage points in the normal cost contribution rate and 0.14 percentage points for the UAL contribution rate. An increase of 0.02 percentage points in the DROP rate is also necessary.

III. Effect of Proposed Changes:

Section 1 amends s. 110.2035, F.S., to require the Department of Management Services (DMS) to contract with a management consulting firm no later than September 1, 2022, and every ten years thereafter, to conduct a compensation survey of classes in the Career Service, Senior Management Service, and Selected Exempt Service. The goal of the survey is to determine the competitiveness of the state’s compensation plan to competing employers in the state. The section requires the following survey methodology be included:

³⁸ See ss. 121.4503 and 121.72(1), F.S.

³⁹Letter to Ms. Andrea Simpson, *Re: Projected Blended 2022-2023 Statutory Rates Reflecting 3.00% of Pay Increase in FRS Investment Plan Employer Contribution Rate*, dated December 5, 2021 (on file with the Senate Committee on Governmental Oversight and Accountability).

⁴⁰ Letter to Ms. Andrea Simpson, *Re: Extend Maximum DROP Participation by 36 Months for Law Enforcement Officer Members*, dated January 26, 2022 (on file with the Senate Committee on Governmental Oversight and Accountability).

- Geographical differentials in cost of living;
- Demand for labor; and
- Compensation plans of regional competitors.

The section requires the DMS to:

- Select at least 75 benchmark classes and ten high turnover classes that have at least 5 full-time equivalent positions for the Career Service Class survey;
- Select at least 95 benchmark classes for the Senior Management Service and Selected Exempt Service Class survey; and

The DMS must provide a report of the survey results to the Governor, President of the Senate, and Speaker of the House of Representatives.

Section 2 amends s. 121.091, F.S., to extend the maximum period of DROP participation for law enforcement members by 36 months. To be eligible for the extended period, the member must enter DROP by June 30, 2028.

Section 3 amends s. 121.71, F.S., to set the employer-paid contribution rates to the Florida Retirement System Trust Fund for each membership class and subclass of the FRS. The bill also updates the employer-paid contribution rates for each membership class to address the unfunded actuarial liabilities of the FRS.

Section 4 amends s. 121.72, F.S., to increase the amounts allocated to individual investment accounts by three percent of the member's compensation.

Section 5 provides findings that the bill fulfills an important state interest.

Section 6 provides an effective date of July 1, 2022

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

Article VII, s. 18(a) of the State Constitution provides that: "No county or municipality shall be bound by any general law requiring such county or municipality to spend funds...unless the legislature has determined that such law fulfills an important state interest and unless: ...the expenditure is required to comply with a law that applies to all persons similarly situated...."

This bill includes legislative findings that the bill fulfills important state interests, and the bill applies to all persons similarly situated (those employers participating in the Florida Retirement System), including state agencies, school boards, state universities, community colleges, counties, municipalities, and special districts.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

D. State Tax or Fee Increases:

This bill does not impose, authorize to impose, or raise a state tax or fee. Thus, the requirements of Art. III, s. 19 of the State Constitution are not applicable.

E. Other Constitutional Issues:

None identified.

V. Fiscal Impact Statement:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

None.

C. Government Sector Impact:

The aggregate employer contributions anticipated to be paid into the Florida Retirement System Trust Fund in Fiscal Year 2022-2023 will increase by approximately \$438 million when compared to the employer contributions paid in Fiscal Year 2021-2022. The impacts by employer group for Fiscal Year 2022-2023 are noted below.

Employer Group	Additional Contributions
State Agencies	\$65.9 m
Universities	\$31.3 m
Colleges	\$12.6 m
School Boards	\$156.3 m
Counties	\$145.0 m
Other	\$26.6 m
Total	\$437.6 m

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Statutes Affected:

This bill substantially amends sections 110.2035, 121.091, 121.071, and 121.072 of the Florida Statutes.

IX. Additional Information:

A. Committee Substitute – Statement of Changes:

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

None.

B. Amendments:

None.

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



183432

LEGISLATIVE ACTION

<u>Senate</u>	.	<u>House</u>
Comm: FAV	.	
02/10/2022	.	
	.	
	.	
	.	

The Committee on Governmental Oversight and Accountability
(Brandes) recommended the following:

Senate Amendment (with title amendment)

Between lines 223 and 224
insert:

Section 5. Paragraph (c) is added to subsection (6) of
section 110.2035, Florida Statutes, to read:

110.2035 Classification and compensation program.—

(6) The department shall establish and maintain an
equitable pay plan applicable to all occupations and be
responsible for the overall review, coordination, and



11 administration of the pay plan.

12 (c) 1. No later than September 1, 2022, and every 10 years
13 thereafter, the Department of Management Services shall contract
14 with a management consulting firm to conduct a compensation
15 survey of classes in the Career Service, Senior Management
16 Service, and Selected Exempt Service to determine the
17 competitiveness of the state's compensation plan to competing
18 employers in the state, including public sector and private
19 sector employers. The survey methodology shall include the
20 following:

- 21 a. Geographical differentials in cost of living;
- 22 b. Demand for labor; and
- 23 c. Compensation plans of regional competitors.

24 2. For the Career Service Class survey, the Department of
25 Management Services shall select at least 75 benchmark classes
26 and ten high turnover classes that have at least 50 full-time
27 equivalent positions.

28 3. For the Senior Management Service and Selected Exempt
29 Service Class survey, the Department of Management Services
30 shall select at least 95 benchmark classes.

31 4. The Department of Management Service shall provide its
32 report on the results of the surveys to the Governor, the
33 President of the Senate, and the Speaker of the House of
34 Representatives.

35
36 ===== T I T L E A M E N D M E N T =====

37 And the title is amended as follows:

38 Delete line 12

39 and insert:



183432

40 state interest; amending s. 110.2035, F.S.; requiring
41 the Department of Management Services to contract for
42 the completion of compensation surveys; establishing
43 methodologies to be used; requiring a report to the
44 Governor and presiding officers of the legislature;
45 providing an effective date.

FOR CONSIDERATION By the Committee on Governmental Oversight and Accountability

585-02745-22

20227046pb

A bill to be entitled

An act relating to public employment; amending s. 121.091, F.S.; authorizing Special Risk Class members who are law enforcement officers and meet certain criteria to participate in the deferred retirement option program for an additional time period; amending s. 121.71, F.S.; revising required employer retirement contribution rates for each membership class and subclass of the Florida Retirement System; amending s. 121.72, F.S.; revising allocations to investment plan member accounts; providing a declaration of important state interest; providing an effective date.

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

Section 1. Paragraph (b) of subsection (13) of section 121.091, Florida Statutes, is amended to read:

121.091 Benefits payable under the system.—Benefits may not be paid under this section unless the member has terminated employment as provided in s. 121.021(39) (a) or begun participation in the Deferred Retirement Option Program as provided in subsection (13), and a proper application has been filed in the manner prescribed by the department. The department may cancel an application for retirement benefits when the member or beneficiary fails to timely provide the information and documents required by this chapter and the department's rules. The department shall adopt rules establishing procedures for application for retirement benefits and for the cancellation of such application when the required information or documents

Page 1 of 11

CODING: Words ~~stricken~~ are deletions; words underlined are additions.

585-02745-22

20227046pb

are not received.

(13) DEFERRED RETIREMENT OPTION PROGRAM.—In general, and subject to this section, the Deferred Retirement Option Program, hereinafter referred to as DROP, is a program under which an eligible member of the Florida Retirement System may elect to participate, deferring receipt of retirement benefits while continuing employment with his or her Florida Retirement System employer. The deferred monthly benefits shall accrue in the Florida Retirement System on behalf of the member, plus interest compounded monthly, for the specified period of the DROP participation, as provided in paragraph (c). Upon termination of employment, the member shall receive the total DROP benefits and begin to receive the previously determined normal retirement benefits. Participation in the DROP does not guarantee employment for the specified period of DROP. Participation in DROP by an eligible member beyond the initial 60-month period as authorized in this subsection shall be on an annual contractual basis for all participants.

(b) *Participation in DROP.*—Except as provided in this paragraph, an eligible member may elect to participate in DROP for a period not to exceed a maximum of 60 calendar months.

1.a. ~~An eligible member may elect to participate in DROP for a period not to exceed a maximum of 60 calendar months.~~
~~However,~~ Members who are instructional personnel employed by the Florida School for the Deaf and the Blind and authorized by the Board of Trustees of the Florida School for the Deaf and the Blind, who are instructional personnel as defined in s. 1012.01(2) (a)-(d) in grades K-12 and authorized by the district school superintendent, or who are instructional personnel as

Page 2 of 11

CODING: Words ~~stricken~~ are deletions; words underlined are additions.

585-02745-22

20227046pb

59 defined in s. 1012.01(2)(a) employed by a developmental research
 60 school and authorized by the school's director, or if the school
 61 has no director, by the school's principal, may participate in
 62 DROP for up to 36 calendar months beyond the 60-month period.
 63 Effective July 1, 2018, instructional personnel who are
 64 authorized to extend DROP participation beyond the 60-month
 65 period must have a termination date that is the last day of the
 66 last calendar month of the school year within the DROP extension
 67 granted by the employer. If, on July 1, 2018, the member's DROP
 68 participation has already been extended for the maximum 36
 69 calendar months and the extension period concludes before the
 70 end of the school year, the member's DROP participation may be
 71 extended through the last day of the last calendar month of that
 72 school year. The employer shall notify the division of the
 73 change in termination date and the additional period of DROP
 74 participation for the affected instructional personnel.

75 b. Administrative personnel in grades K-12, as defined in
 76 s. 1012.01(3), who have a DROP termination date on or after July
 77 1, 2018, may be authorized to extend DROP participation beyond
 78 the initial 60 calendar month period if the administrative
 79 personnel's termination date is before the end of the school
 80 year. Such administrative personnel may have DROP participation
 81 extended until the last day of the last calendar month of the
 82 school year in which their original DROP termination date
 83 occurred if a date other than the last day of the last calendar
 84 month of the school year is designated. The employer shall
 85 notify the division of the change in termination date and the
 86 additional period of DROP participation for the affected
 87 administrative personnel.

Page 3 of 11

CODING: Words ~~stricken~~ are deletions; words underlined are additions.

585-02745-22

20227046pb

88 c. Effective July 1, 2022, a member of the Special Risk
 89 Class who is a law enforcement officer who meets the criteria in
 90 s. 121.0515(3)(a) may participate in DROP for up to 36 calendar
 91 months beyond the 60-month period if he or she enters DROP on or
 92 before June 30, 2028.

93 2. Upon deciding to participate in DROP, the member shall
 94 submit, on forms required by the division:

95 a. A written election to participate in DROP;

96 b. Selection of DROP participation and termination dates
 97 that satisfy the limitations stated in paragraph (a) and
 98 subparagraph 1. The termination date must be in a binding letter
 99 of resignation to the employer establishing a deferred
 100 termination date. The member may change the termination date
 101 within the limitations of subparagraph 1., but only with the
 102 written approval of the employer;

103 c. A properly completed DROP application for service
 104 retirement as provided in this section; and

105 d. Any other information required by the division.

106 3. The DROP participant is a retiree under the Florida
 107 Retirement System for all purposes, except for paragraph (5)(f)
 108 and subsection (9) and ss. 112.3173, 112.363, 121.053, and
 109 121.122. DROP participation is final and may not be canceled by
 110 the participant after the first payment is credited during the
 111 DROP participation period. However, participation in DROP does
 112 not alter the participant's employment status, and the member is
 113 not deemed retired from employment until his or her deferred
 114 resignation is effective and termination occurs as defined in s.
 115 121.021.

116 4. Elected officers are eligible to participate in DROP

Page 4 of 11

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585-02745-22 20227046pb

117 subject to the following:

118 a. An elected officer who reaches normal retirement date
 119 during a term of office may defer the election to participate
 120 until the next succeeding term in that office. An elected
 121 officer who exercises this option may participate in DROP for up
 122 to 60 calendar months or no longer than the succeeding term of
 123 office, whichever is less.

124 b. An elected or a nonelected participant may run for a
 125 term of office while participating in DROP and, if elected,
 126 extend the DROP termination date accordingly; however, if such
 127 additional term of office exceeds the 60-month limitation
 128 established in subparagraph 1., and the officer does not resign
 129 from office within such 60-month limitation, the retirement and
 130 the participant's DROP is null and void as provided in sub-
 131 subparagraph (c)5.d.

132 c. An elected officer who is dually employed and elects to
 133 participate in DROP must terminate all employment relationships
 134 as provided in s. 121.021(39) for the nonelected position within
 135 the original 60-month period or maximum participation period as
 136 provided in subparagraph 1. For DROP participation ending:

137 (I) Before July 1, 2010, the officer may continue
 138 employment as an elected officer as provided in s. 121.053. The
 139 elected officer shall be enrolled as a renewed member in the
 140 Elected Officers' Class or the Regular Class, as provided in ss.
 141 121.053 and 121.122, on the first day of the month after
 142 termination of employment in the nonelected position and
 143 termination of DROP. Distribution of the DROP benefits shall be
 144 made as provided in paragraph (c).

145 (II) On or after July 1, 2010, the officer may continue

585-02745-22 20227046pb

146 employment as an elected officer but must defer termination as
 147 provided in s. 121.053.

148 Section 2. Subsections (4) and (5) of section 121.71,
 149 Florida Statutes, are amended to read:

150 121.71 Uniform rates; process; calculations; levy.—

151 (4) Required employer retirement contribution rates for
 152 each membership class and subclass of the Florida Retirement
 153 System for both retirement plans are as follows:

	Percentage of Gross Compensation, Effective
Membership Class	July 1, <u>2022</u> 2021
Regular Class	<u>5.96%</u> 4.91%
Special Risk Class	<u>16.44%</u> 15.27%
Special Risk Administrative Support Class	<u>10.77%</u> 9.73%
Elected Officers' Class— Legislators, Governor, Lt. Governor, Cabinet Officers,	<u>9.31%</u> 8.49%

585-02745-22 20227046pb

160	State Attorneys, Public Defenders	
161	Elected Officers' Class— Justices, Judges	<u>14.41%</u> 13.38%
162	Elected Officers' Class— County Elected Officers	<u>11.30%</u> 10.28%
163	Senior Management <u>Service</u> Class	<u>7.70%</u> 6.49%
164	DROP	<u>7.79%</u> 7.23%
165	(5) In order to address unfunded actuarial liabilities of	
166	the system, the required employer retirement contribution rates	
167	for each membership class and subclass of the Florida Retirement	
168	System for both retirement plans are as follows:	
169		
	Membership Class	Percentage of Gross Compensation, Effective July 1, <u>2022</u> 2021
170		
171	Regular Class	<u>4.23%</u> 4.19%
172		

585-02745-22 20227046pb

173	Special Risk Class	<u>9.67%</u> 8.90%
174	Special Risk Administrative Support Class	<u>26.16%</u> 26.31%
175	Elected Officers' Class— Legislators, Governor, Lt. Governor, Cabinet Officers, State Attorneys, Public Defenders	<u>56.76%</u> 53.52%
176	Elected Officers' Class— Justices, Judges	<u>27.64%</u> 25.81%
177	Elected Officers' Class— County Elected Officers	<u>43.98%</u> 39.42%
178	Senior Management Service Class	<u>22.15%</u> 20.80%
179	DROP	<u>9.15%</u> 9.45%
180	Section 3. Subsection (5) of section 121.72, Florida	
181	Statutes, is amended, and subsection (6) is added to that	
182	section, to read:	
183	121.72 Allocations to investment plan member accounts;	
184	percentage amounts.—	

585-02745-22 20227046pb

185 (5) Effective July 1, 2012, through June 30, 2022,
 186 allocations from the Florida Retirement System Contributions
 187 Clearing Trust Fund to investment plan member accounts are as
 188 follows:

Membership Class	Percentage of Gross Compensation
Regular Class	6.30%
Special Risk Class	14.00%
Special Risk Administrative Support Class	7.95%
Elected Officers' Class— Legislators, Governor, Lt. Governor, Cabinet Officers, State Attorneys, Public Defenders	9.38%
Elected Officers' Class— Justices, Judges	13.23%
Elected Officers' Class— County Elected Officers	11.34%

585-02745-22 20227046pb

197 Senior Management Service
 198 Class 7.67%

199 (6) Effective July 1, 2022, allocations from the Florida
 200 Retirement System Contributions Clearing Trust Fund to
 201 investment plan member accounts are as follows:

<u>Membership Class</u>	<u>Percentage of Gross Compensation</u>
<u>Regular Class</u>	<u>9.30%</u>
<u>Special Risk Class</u>	<u>17.00%</u>
<u>Special Risk Administrative Support Class</u>	<u>10.95%</u>
<u>Elected Officers' Class— Legislators, Governor, Lt. Governor, Cabinet Officers, State Attorneys, Public Defenders</u>	<u>12.38%</u>
<u>Elected Officers' Class— Justices, Judges</u>	<u>16.23%</u>

585-02745-22

20227046pb

209

Elected Officers' Class-

210

County Elected Officers 14.34%

211

Senior Management Service

212

Class 10.67%

213

Section 4. The Legislature finds that a proper and legitimate state purpose is served when employees, officers, and retirees of the state and its political subdivisions, and the dependents, survivors, and beneficiaries of such employees, officers, and retirees, are extended the basic protections afforded by governmental retirement systems. These persons must be provided benefits that are fair and adequate and that are managed, administered, and funded in an actuarially sound manner as required by s. 14, Article X of the State Constitution and part VII of chapter 112, Florida Statutes. Therefore, the Legislature determines and declares that this act fulfills an important state interest.

224

Section 5. This act shall take effect July 1, 2022.

The Florida Senate

APPEARANCE RECORD

7046

2/10/2022

Meeting Date

Deliver both copies of this form to Senate professional staff conducting the meeting

Bill Number or Topic

Gov Oversight

Committee

Amendment Barcode (if applicable)

Name Matt Puckett

Phone

Address 300 East Beverard Street

Email

Street

Tallahassee

FL

32351

City

State

Zip

Speaking: For Against Information

OR

Waive Speaking: In Support Against

PLEASE CHECK ONE OF THE FOLLOWING:

I am appearing without compensation or sponsorship.

I am a registered lobbyist, representing:

Florida Police Benevolent Association

I am not a lobbyist, but received something of value for my appearance (travel, meals, lodging, etc.), sponsored by:

While it is a tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this hearing. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard. If you have questions about registering to lobby please see Fla. Stat. §11.045 and Joint Rule 1. [2020-2022 Joint Rules.pdf \(flsenate.gov\)](#)

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

S-001 (08/10/2021)



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December 1, 2021

Andrea Simpson
Interim State Retirement Director
Florida Department of Management Services, Division of Retirement

Re: **Blended Proposed Statutory Rates for the 2022-2023 Plan Year
Reflecting a Uniform UAL Rate for All Membership Classes and DROP**

Dear Director Simpson:

As requested, we have calculated the uniform or “blended” proposed statutory employer rates for the 2022-2023 plan year based on the statutory contributions for the FRS Investment Plan and the actuarially calculated 2022-2023 rates for the defined benefit FRS Pension Plan, as specified in the FRS 2021 Actuarial Valuation Report. The blended rates reflect a uniform Unfunded Actuarial Liability (UAL) Contribution Rate for all payroll bases on which the Blended UAL Contribution Rate is assessed.

Analysis

We determined the uniform blended 2022-2023 employer rate for each membership class and subclass of the Florida Retirement System by projecting contributions for both the FRS Pension Plan and the FRS Investment Plan. We did this by dividing the projected combined amount that would be contributed for both the FRS Pension Plan and the FRS Investment Plan by the total projected combined payroll for both plans. The uniform blended rate calculation assumes plan year 2022-2023 contributions for the FRS Pension Plan will be made at the actuarially calculated rate levels. The actuarially calculated rate levels are based on the July 1, 2021 actuarial valuation of the FRS Pension Plan, as presented in Table 4-11 of the FRS 2021 Actuarial Valuation Report. The FRS Investment Plan rates are the sum of the rates in Sections 121.72, 121.73, and 121.735 of Florida Statutes and assume those rates continue in effect during plan year 2022-2023. The employer contribution rates shown in the attached table are net of the 3% of payroll employee contribution rate.

The payroll for some employee groups is subject to only the UAL Cost component of the FRS Pension Plan’s contribution rate (e.g. participants in SUSORP, SMSOAP, and SCCORP, and reemployed retirees not eligible for renewed membership in a state-sponsored retirement program). The payroll for those employee groups is included in the calculation of the Blended UAL Contribution Rate, but is excluded from the calculation of the Blended Normal Cost Contribution Rate.

Based on the data provided to us for this study, as of July 1, 2021 FRS Investment Plan payroll comprised 23% of total payroll. On a headcount basis, FRS Investment Plan members constitute between 27% and 28% of active FRS membership. Please note, Senate Bill 7022 enacted by the 2017 Florida legislature changed the default plan for initial enrollments on and after January 1, 2018

from the FRS Pension Plan to the FRS Investment Plan for all membership classes other than Special Risk. As a result of the enactment, new entrants who would have defaulted into the FRS Pension Plan under prior statute will now default into the FRS Investment Plan in the absence of an active election. The actual levels of participation in the FRS Pension Plan and the FRS Investment Plan as of July 1, 2021 reflect that Investment Plan payroll comprises an increased percentage of total payroll than it did one year ago.

Results

Table I shows the results of our study based on actual levels of participation in the FRS Pension Plan and the FRS Investment Plan as of July 1, 2021, projected to plan year 2022-2023 using the long-term payroll growth assumption of 3.25%.

Section A of the table includes the Normal Cost Rates developed in the July 1, 2021 funding actuarial valuation of the FRS Pension Plan. Section A does not include the UAL Cost. UAL Cost Rates are applied to a larger total payroll than the Normal Cost Rates and are developed in a later section. Section A, line 3 shows the total employer Normal Cost of the FRS Pension Plan as the product of Normal Cost Rates and projected Normal Cost payroll.

Similarly, Section B calculates the total employer cost of the FRS Investment Plan as the product of applicable employer contribution rates in effect since July 1, 2019 and the projected FRS Investment Plan payroll.

Section C of the table shows the sum of the FRS Pension Plan employer Normal Cost and FRS Investment Plan employer cost as dollars and as a percentage of total projected combined payroll (FRS Pension Plan projected Normal Cost payroll plus FRS Investment Plan projected payroll).

Section D of the table shows the UAL Cost as of July 1, 2021 of the FRS Pension Plan, as shown in Table 4-11 of the FRS 2021 Actuarial Valuation Report.

Section E shows the projected payroll of the FRS Investment Plan. There is no UAL Cost attributable to the FRS Investment Plan.

Section F calculates the “Blended” UAL Cost as dollars and as a percentage of total payroll (FRS Pension Plan projected UAL payroll plus FRS Investment Plan projected payroll).

Section G shows the Total “Blended” Contribution Rates as the sum of the “Blended” Normal Cost Contribution Rates from Line (C3) and the “Blended” UAL Contribution Rates from Line (F3). The employers of employee groups subject to only the UAL Contribution Rate would contribute the “Blended” UAL Contribution Rates shown in Line (G2) of the table on applicable payroll. The Total “Blended” Contribution Rates shown in Line (G3) of the table will be applied to all other payroll subject to employer contributions.

The contribution rates shown in Table I exclude the 0.06% contribution rate for FRS Investment Plan administration and education (applied to all classes except DROP) and the 1.66% contribution rate for the Florida Retiree Health Insurance Subsidy (HIS) program, which apply across the board to the FRS Pension Plan and the FRS Investment Plan.

The calculations are based on census and payroll data provided to us by the Florida Department of Management Services, Division of Retirement for the July 1, 2021 actuarial valuation. We have not audited or verified this data and other information. If the underlying data or information is inaccurate or incomplete, the results of our analysis may likewise be inaccurate or incomplete. These calculations are based on the Individual Entry Age actuarial cost allocation method, as described in the FRS 2021 Actuarial Valuation Report for use in developing 2022-2023 actuarially calculated contribution rates for the FRS Pension Plan.

Certification

We performed a limited review of the data used directly in our analysis for reasonableness and consistency and have not found material defects in the data. If there are material defects in the data, it is possible that they would be uncovered by a detailed, systematic review and comparison of the data to search for data values that are questionable or for relationships that are materially inconsistent. Such a review was beyond the scope of our assignment.

Except where otherwise noted in this letter, this analysis is based on the FRS Pension Plan provisions, actuarial methods and actuarial assumptions as summarized in the FRS 2021 Actuarial Valuation Report published on December 1, 2021. Further, the data used in these calculations were based on FRS Pension Plan data as summarized in the FRS 2021 Actuarial Valuation Report and FRS Investment Plan census data as of July 1, 2021 as provided to us by the Florida Department of Management Services, Division of Retirement. The results of our study depend on future experience conforming to those actuarial assumptions discussed earlier in this letter. Future actuarial measurements may differ significantly from the current measurements presented in this analysis due to many factors, including: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period) and changes in plan provisions or applicable law. Due to the limited scope of our assignment, we did not perform an analysis of the potential range of future measurements.

Milliman's work product was prepared exclusively for the internal business use of Florida Department of Management Services, Division of Retirement. It is a complex technical analysis that assumes a high level of knowledge concerning the Florida Retirement System's operations, and uses Division data, which Milliman has not audited. To the extent that Milliman's work is not subject to disclosure under applicable public record laws, Milliman's work may not be provided to third parties without Milliman's prior written consent. Milliman does not intend to benefit or create a legal duty to any third party recipient of its work product. Milliman's consent to release its work product to any third party may be conditioned on the third party signing a Release, subject to the following exceptions:

- (a) The Florida Department of Management Services, Division of Retirement may provide a copy of Milliman's work, in its entirety, to the System's professional service advisors who are subject to a duty



of confidentiality and who agree to not use Milliman's work for any purpose other than to benefit the System.

- (b) The Florida Department of Management Services, Division of Retirement may provide a copy of Milliman's work, in its entirety, to other governmental entities, as required by law.

No third party recipient of Milliman's work product should rely upon Milliman's work product. Such recipients should engage qualified professionals for advice appropriate to their own specific needs.

The valuation results relied upon for this work were developed using models intended for valuations that use standard actuarial techniques.

The consultants who worked on this assignment are retirement actuaries. Milliman's advice is not intended to be a substitute for qualified legal or accounting counsel.

The signing actuaries are independent of the plan sponsor. We are not aware of any relationship that would impair the objectivity of our work.

On the basis of the foregoing, we hereby certify that, to the best of our knowledge and belief, this report is complete and accurate and has been prepared in accordance with generally recognized and accepted actuarial principles and practices which are consistent with the principles prescribed by the Actuarial Standards Board and the *Code of Professional Conduct and Qualification Standards for Actuaries Issuing Statements of Actuarial Opinion in the United States* published by the American Academy of Actuaries.

We are consulting actuaries for Milliman, Inc. We are also members of the American Academy of Actuaries and meet their Qualification Standards to render the actuarial opinion contained herein. Please call if you would like to further discuss this project.

Respectfully submitted,

Matt Larrabee, FSA, EA, MAAA
Principal and Consulting Actuary

Daniel Wade, FSA, EA, MAAA
Principal and Consulting Actuary

Kathryn Hunter, FSA, EA, MAAA
Consulting Actuary

Enclosures

FLORIDA RETIREMENT SYSTEM
FISCAL IMPACT ANALYSIS

Blended Proposed Statutory Normal Cost Plus UAL Rates for 2022-2023 Plan Year
Please see the attached letter for details regarding data, assumptions, methodology, and plan provisions used
(Dollars in Thousands)

Blended Proposed Statutory Normal Cost Contribution Rates	Regular	Special Risk	Special Risk Administrative	Judicial	-----Elected Officers' Class----- Leg-Atty-Cab	Local	Senior Management	Composite (excluding DROP)	DROP	Composite (including DROP)
A. Defined Benefit FRS Pension Plan Normal Cost										
1. Employer Cost										
a. Normal Cost Rate ¹	5.73%	16.32%	11.70%	14.48%	9.00%	10.98%	7.59%	7.77%	7.77%	7.77%
b. Rate Reduction Techniques	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
c. Total Adjusted Contribution Rate ² -PYE 2023	5.73%	16.32%	11.70%	14.48%	9.00%	10.98%	7.59%	7.77%	7.77%	7.77%
2. Projected Payroll	\$19,861,536	\$4,654,614	\$3,485	\$114,681	\$5,619	\$44,147	\$573,600	\$25,257,682	\$2,419,435	\$27,677,117
3. Total Employer Normal Cost [(1c) x (2)] -PYE 2023	\$1,138,066	\$759,633	\$408	\$16,606	\$506	\$4,847	\$43,536	\$1,963,602	\$187,990	\$2,151,592
B. Defined Contribution FRS Investment Plan (IP) Employer Cost										
1. Employer Rates effective July 1, 2019 (Sec 121.72, Sec 121.73 and Sec 121.735)										
	3.60%	13.54%	5.43%	11.05%	6.94%	8.95%	4.98%	4.64%	0.00%	4.64%
2. Projected Payroll	\$7,199,162	\$800,533	\$1,400	\$23,417	\$2,703	\$21,701	\$236,389	\$8,285,305	\$0	\$8,285,305
3. Total Employer Cost [(1) x (2)] -PYE 2023	\$259,170	\$108,392	\$76	\$2,588	\$188	\$1,942	\$11,772	\$384,128	\$0	\$384,128
C. Total System Normal Cost (FRS Pension Plan + FRS Investment Plan)										
1. Total Normal Cost Contribution [(A3) + (B3)]	\$1,397,236	\$868,025	\$484	\$19,194	\$694	\$6,789	\$55,308	\$2,347,730	\$187,990	\$2,535,720
2. Total System Projected Payroll [(A2) + (B2)]	\$27,060,698	\$5,455,147	\$4,885	\$138,098	\$8,322	\$65,848	\$809,989	\$33,542,987	\$2,419,435	\$35,962,422
3. "Blended" Normal Cost Contribution Rate As a Percentage of Total Payroll [(C1) / (C2)] ²	5.16%	15.91%	9.91%	13.90%	8.34%	10.31%	6.83%	7.00%	7.77%	7.05%

¹ As reported in the July 1, 2021 actuarial valuation report Table 4-11.

² Rates shown do not include the Health Insurance Subsidy contribution rate or FRS Investment Plan education and administration assessment.

This work product was prepared solely for the Florida Department of Management Services for the purposes stated herein, and may not be appropriate to use for other purposes. Milliman does not intend to benefit and assumes no duty or liability to other parties who receive this work. Milliman recommends that third parties be aided by their own actuary or other qualified professional when reviewing the Milliman work product.

FLORIDA RETIREMENT SYSTEM
FISCAL IMPACT ANALYSIS

Blended Proposed Statutory Normal Cost Plus UAL Rates for 2022-2023 Plan Year
Please see the attached letter for details regarding data, assumptions, methodology, and plan provisions used
(Dollars in Thousands)

	Regular	Special Risk	Special Risk Administrative	Judicial	-----Elected Officers' Class----- Leg-Atty-Cab	Local	Senior Management	Composite (excluding DROP)	DROP	Composite (including DROP)
Blended Proposed Statutory UAL Contribution Rates										
D. Defined Benefit FRS Pension Plan UAL Contribution										
1. Employer UAL Contribution Rate ^{1 & 2}	5.52%	11.16%	36.66%	33.24%	80.39%	63.41%	31.03%	7.17%	9.15%	7.33%
2. Projected Payroll	\$23,632,063	\$4,683,880	\$3,485	\$115,595	\$6,489	\$49,133	\$589,858	\$29,080,503	\$2,419,435	\$31,499,938
3. Total Employer UAL Contribution [(1) x (2)] -PYE 2023	\$1,304,490	\$522,721	\$1,278	\$38,424	\$5,217	\$31,155	\$183,033	\$2,086,318	\$221,378	\$2,307,696
E. Defined Contribution FRS Investment Plan Projected Payroll	\$7,199,162	\$800,533	\$1,400	\$23,417	\$2,703	\$21,701	\$236,389	\$8,285,305	\$0	\$8,285,305
F. Total System UAL Contribution (FRS Pension Plan + FRS Investment Plan)										
1. Total UAL Contribution [(D3)]	\$1,304,490	\$522,721	\$1,278	\$38,424	\$5,217	\$31,155	\$183,033	\$2,086,318	\$221,378	\$2,307,696
2. Total System Projected Payroll [(D2) + (E)]	\$30,831,225	\$5,484,413	\$4,885	\$139,012	\$9,192	\$70,834	\$826,247	\$37,365,808	\$2,419,435	\$39,785,243
3. "Blended" UAL Contribution Rate As a Percentage of Total Payroll [(F1) / (F2)] ²	4.23%	9.53%	26.16%	27.64%	56.76%	43.98%	22.15%	5.58%	9.15%	5.80%
Blended Proposed Statutory Uniform Contribution Rates ³										
G: Total Employer Contribution Rate (FRS Pension Plan + FRS Investment Plan)										
1. "Blended" Normal Cost Contribution Rate [(C3)]	5.16%	15.91%	9.91%	13.90%	8.34%	10.31%	6.83%	7.00%	7.77%	7.05%
2. "Blended" UAL Contribution Rates [(F3)]	<u>4.23%</u>	<u>9.53%</u>	<u>26.16%</u>	<u>27.64%</u>	<u>56.76%</u>	<u>43.98%</u>	<u>22.15%</u>	<u>5.58%</u>	<u>9.15%</u>	<u>5.80%</u>
3. Total Blended Contribution Rate ² -PYE 2023 [(G1) + (G2)]	9.39%	25.44%	36.07%	41.54%	65.10%	54.29%	28.98%	12.58%	16.92%	12.85%

¹ As reported in the July 1, 2021 actuarial valuation report Table 4-11.

² Rates shown do not include the Health Insurance Subsidy contribution rate or FRS Investment Plan education and administration assessment.

³ Employers of employee groups subject to only the UAL contribution rate will pay the rates shown in line (G2).

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December 5, 2021

Andrea Simpson
Interim State Retirement Director
Florida Department of Management Services, Division of Retirement

Re: **Projected Blended 2022-2023 Statutory Rates Reflecting 3.00% of Pay Increase in FRS Investment Plan Employer Contribution Rates**

Director Simpson:

Per a request from DMS and our associated November 22 project scope letter, this letter provides results of our analysis of projected blended statutory contribution rates for the 2022-2023 plan year reflecting FRS Investment Plan benefit levels increased by 3.00% of payroll.

Background

Annually, we determine uniform blended employer rates for each membership class and subclass of the Florida Retirement System by projecting contributions for both the FRS Pension Plan and the FRS Investment Plan. This is done by dividing the projected combined dollar amount that would be contributed for both the FRS Pension Plan and the FRS Investment Plan by the total projected combined payroll for both plans.

In this analysis, the actuarially calculated rate levels for Pension Plan members are based on the July 1, 2021 actuarial valuation of the FRS Pension Plan. Results of that 2021 actuarial valuation are presented in Table 4-11 of the 2021 FRS Actuarial Valuation Report and the associated FRS 2022-2023 Blended Rate Study.

FRS Investment Plan Benefit Level – Current Policy

Current FRS Investment Plan benefit policy is defined as the sum of the rates in Sections 121.72, 121.73, and 121.735 of Florida Statutes. Those components of the overall contribution rates include the allocations for disability and in-line-of-duty-death benefits available from the FRS Pension Plan to FRS Investment Plan participants and their eligible survivor beneficiaries. The employer contribution rates shown in this analysis exclude the 0.06% contribution rate for FRS Investment Plan administration and education (applied to all classes except DROP) and the 1.66% contribution rate for the Florida Retiree Health Insurance Subsidy (HIS) program, which applies uniformly to the FRS Pension Plan and the FRS Investment Plan. The employer contribution rates shown in the attached tables are net of the 3.00% of payroll employee contribution rate.

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FRS Investment Plan Benefit Level – Policy Variation

The alternate benefit policy studied in this analysis would modify the current FRS Investment Plan allocation rates to increase the annual employer allocation to FRS Investment Plan Member Accounts by 3.00% of payroll.

Using Regular Class as an example, Section 121.72 currently specifies an allocation of 6.30% of pay (before reflection of the allocations for disability and in-line-of-duty-death benefits). This allocation consists of a 3.00% of pay employee contribution deposit plus a 3.30% of pay employer contribution deposit. Under this study, the employer contribution deposit would be 6.30% of pay, a 3.00% of pay increase. Employer rates shown in the exhibits additionally include the Section 121.73 allocations for member disability coverage (0.25% of pay for Regular Class) and the Section 121.735 allocations for member in-line-of-duty death benefits (0.05% of pay for Regular Class).

For Special Risk Class, Section 121.72 currently specifies an allocation of 14.00% of pay, which consists of a 3.00% of pay employee contribution deposit plus an 11.00% of pay employer contribution deposit. Under this study, the employer contribution deposit would be 14.00% of pay, a 3.00% of pay increase. Under both the baseline current policy scenario and the study policy scenario, the Special Risk rates shown herein include the contribution cost of benefit enhancements made for death and disability events occurring since July 1, 2012. The contribution cost of those enhancements is 2.54% of pay for Special Risk.

Other membership classes in the study follow the same framework illustrated for Regular Class and Special Risk Class.

FRS Pension Plan and Investment Plan Participation Levels – Two Modeled Alternatives

Based on the data as of July 1, 2021 provided to us for 2022-2023 Blended Rate Study, FRS Investment Plan payroll comprised 23% of total FRS payroll. The studied benefit policy scenario reflects material increases to the cost and value of FRS Investment Plan benefits. Given that improvement, it is likely that some portion of the current FRS Pension Plan population would make a “second election” and transfer to the FRS Investment Plan if the studied policy variation was enacted by the Florida Legislature.

To illustrate the sensitivity of blended rates to member plan participation behavior, the study also models two alternatives for plan participation levels in 2022-2023.

Modeled Alternative	Plan Participation Levels (as a % of Payroll)
Current enrollment	Payroll allocation consistent with 2022-2023 Blended Rate Study
Transfers to Investment Plan	50% of payroll in Pension Plan / 50% of payroll in Investment Plan

The current enrollment modeling reflects the estimated one-year cost of the studied concept if there was no modification to member second election behavior in response to concept enactment. The transfers to Investment Plan modeling alternative indicates the potential additional effect on one-year cost of member second elections in response to a benefit policy change. In developing results under that modeling alternative, we have assumed that the payroll transferring from the Pension Plan to the Investment Plan will come first from Tier II Pension Plan members and then, if needed to achieve the 50% of payroll weighting for the Investment Plan, from Tier I Pension Plan members. As a result, in this illustration of the sensitivity of blended rates to the plan in which current members participate, the Pension Plan normal cost rates prior to blending with Investment Plan rates will shift upward reflecting the underlying change in the by-tier composition of Pension Plan active members.

Approach

The actuarially calculated rate levels for Pension Plan members are based on member class and tier-specific results in the July 1, 2021 actuarial valuation of the FRS Pension Plan. Results of that 2021 actuarial valuation are presented in Table 4-11 of the FRS 2021 Actuarial Valuation Report and the associated FRS 2022-2023 Blended Rate Study.

We have modeled the impact of the proposed policy variation scenario as if it would be effective prior to the Legislature setting the uniform “blended” statutory employer rates for the 2022-2023 plan year. Total payroll for statutory contributions is projected to increase from that shown in the July 1, 2021 valuation by the long-term payroll growth assumption of 3.25% annually.

Analysis

We estimated the uniform blended 2022-2023 employer rate for each membership class and subclass of the Florida Retirement System by projecting contributions for both the FRS Pension Plan and the FRS Investment Plan. We did this by dividing the projected combined amount that would be contributed for both the FRS Pension Plan and the FRS Investment Plan by the total projected combined payroll for both plans. The uniform blended rate calculation assumes plan year 2022-2023 contributions for the FRS Pension Plan will be made at the actuarially calculated rate levels. The actuarially calculated rate levels shown in this study are based on the July 1, 2021 actuarial valuation of the FRS Pension Plan, as presented in Table 4-11 of the FRS

2021 Actuarial Valuation Report. The FRS Investment Plan rates are the sum of the rates in Sections 121.72, 121.73, and 121.735 of Florida Statutes for the current policy scenario.

The payroll for some employee groups is subject to only the UAL Cost component of the FRS Pension Plan's contribution rate (e.g., participants in SUSORP, SMSOAP, and SCCORP, and reemployed retirees not eligible for renewed membership in a state-sponsored retirement program). The payroll for those employee groups is included in the calculation of the blended proposed statutory UAL Contribution Rate but is excluded from the calculation of the blended proposed statutory Normal Cost Contribution Rate.

Results

Tables 1A – 2A derive the projected blended statutory rates for the 2022-2023 plan year under the current benefit policy and the alternate FRS Investment Plan benefit policy variation. These tables reflect plan participation levels consistent with current enrollment in the FRS Pension Plan and FRS Investment Plan.

Tables 1B – 2B derive the projected blended statutory rates for the 2022-2023 plan year under the current benefit policy and the alternate FRS Investment Plan benefit policy variation. These tables illustrate plan participation levels of 50% FRS Pension Plan and 50% FRS Investment Plan.

Tables 1A, 1B, 2A, and 2B all follow the same format, which includes the following sections:

Section A of each table expands the Normal Cost Rates developed in the July 1, 2021 funding actuarial valuation of the FRS Pension Plan into the tier-specific Pension Plan normal cost rates applicable to the tier-specific Pension Plan payroll. Section A does not include the UAL Cost. UAL Cost Rates are applied to a larger total payroll than the Normal Cost Rates and are developed in a later section. Section A, line 3a shows the total employer Normal Cost of the FRS Pension Plan as the product of Normal Cost Rates and projected Normal Cost payroll.

Similarly, Section B calculates the total employer cost of the FRS Investment Plan as the product of applicable employer contribution rates and the projected FRS Investment Plan payroll.

Section C of each table shows the sum of the FRS Pension Plan employer Normal Cost and FRS Investment Plan employer cost as dollars and as a percentage of total projected combined payroll (FRS Pension Plan projected Normal Cost payroll plus FRS Investment Plan projected payroll). This section derives the blended proposed statutory normal cost contribution rates.

Section D of each table shows the projected UAL Cost. In the "A" versions of the tables (which reflect current plan enrollment levels), the UAL cost equals the amortization payments for plan year 2022-2023 for UAL bases established as of July 1, 2021. In the "B" versions of the tables

(which illustrate the 50% Pension Plan / 50% Investment Plan payroll weightings), this section additionally reflects the amortization of the actuarial gain associated with the modeled second election transfer of members from the Pension Plan to the Investment Plan. For each member transferring from the Pension Plan to the Investment Plan, liabilities equal to the member's Actuarial Liability, and assets equal to the member's Accumulated Benefit Obligation (ABO) are transferred from the Pension Plan to the Investment Plan. In aggregate, the Actuarial Liability of transferring members is expected to be larger than the ABO of transferring members, resulting in a decrease in Pension Plan UAL and an actuarial liability gain of equal magnitude.

Section E shows the projected payroll of the FRS Investment Plan. There is no UAL Cost attributable to the FRS Investment Plan.

Section F calculates the blended proposed statutory UAL Cost in dollars and as a percentage of total payroll (FRS Pension Plan projected UAL payroll plus FRS Investment Plan projected payroll).

Section G shows the total blended proposed statutory Contribution Rates as the sum of the blended proposed statutory Normal Cost Contribution Rates from Line (C3) and the blended proposed statutory UAL Contribution Rates from Line (F3). The employers of employee groups subject to only the UAL Contribution Rate would contribute the blended proposed statutory UAL Contribution Rates shown in Line (G2) of the table on applicable payroll. The total blended proposed statutory contribution rates shown in Line (G3) of the table will be applied to all other payroll subject to employer contributions.

Section H shows the estimated 2022-2023 increases/(decreases) in employer contribution rates due to the Investment Plan benefit policy change with no change in payroll allocation.

Tables 3A and 3B show the estimated 2022-2023 employer contributions under current policy and the modeled Investment Plan benefit policy variation. These tables also summarize the estimated increase/(decrease) in 2022-2023 employer contributions of the modeled benefit policy variation, when compared to the current benefit policy. Table 3A reflects plan participation levels consistent with current enrollment in the FRS Pension Plan and FRS Investment Plan. Table 3B illustrates plan participation levels for a 50% FRS Pension Plan and 50% FRS Investment Plan payroll weighting.

The contribution rates and amounts shown in the tables exclude the 0.06% contribution rate for FRS Investment Plan administration and education (applied to all classes except DROP) and the 1.66% contribution rate for the Florida Retiree Health Insurance Subsidy (HIS) program, which apply uniformly to the FRS Pension Plan and the FRS Investment Plan.

The calculations are based on census and payroll data provided to us by the Florida Department of Management Services, Division of Retirement for the July 1, 2021 actuarial valuation. We have not audited or verified this data and other information. If the underlying data

or information is inaccurate or incomplete, the results of our analysis may likewise be inaccurate or incomplete. These calculations are based on the individual entry age normal actuarial cost allocation method, as described in the FRS 2021 Actuarial Valuation Report for use in developing 2022-2023 actuarially calculated contribution rates for the FRS Pension Plan.

Certification

We performed a limited review of the data used directly in our analysis for reasonableness and consistency and have not found material defects in the data. If there are material defects in the data, it is possible that they would be uncovered by a detailed, systematic review and comparison of the data to search for data values that are questionable or for relationships that are materially inconsistent. Such a review was beyond the scope of our assignment.

Except where otherwise noted in this letter, this analysis is based on the FRS Pension Plan provisions, actuarial methods and actuarial assumptions as summarized in the FRS 2021 Actuarial Valuation Report as published on December 1, 2021. Further, the data used in these calculations were based on FRS Pension Plan data as summarized in the FRS 2021 Actuarial Valuation Report and FRS Investment Plan census data as of July 1, 2021 as provided to us by the Florida Department of Management Services, Division of Retirement. The results of our study depend on future experience conforming to those actuarial assumptions discussed earlier in this letter. Future actuarial measurements may differ significantly from the current measurements presented in this analysis due to many factors, including plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period) and changes in plan provisions or applicable law. Due to the limited scope of our assignment, we did not perform an analysis of the potential range of future measurements.

Milliman's work product was prepared exclusively for the internal business use of Florida Department of Management Services, Division of Retirement. It is a complex technical analysis that assumes a high level of knowledge concerning the Florida Retirement System's operations, and uses Division data, which Milliman has not audited. To the extent that Milliman's work is not subject to disclosure under applicable public record laws, Milliman's work may not be provided to third parties without Milliman's prior written consent. Milliman does not intend to benefit or create a legal duty to any third-party recipient of its work product. Milliman's consent to release its work product to any third party may be conditioned on the third party signing a Release, subject to the following exceptions:

- (a) The Florida Department of Management Services, Division of Retirement may provide a copy of Milliman's work, in its entirety, to the System's professional service advisors who are subject to a duty of confidentiality and who agree to not use Milliman's work for any purpose other than to benefit the System.



Andrea Simpson
Division of Retirement
December 5, 2021
Page 7

(b) The Florida Department of Management Services, Division of Retirement may provide a copy of Milliman's work, in its entirety, to other governmental entities, as required by law.

No third-party recipient of Milliman's work product should rely upon Milliman's work product. Such recipients should engage qualified professionals for advice appropriate to their own specific needs.

The valuation results relied upon for this work were developed using models intended for valuations that use standard actuarial techniques.

The consultants who worked on this assignment are retirement actuaries. Milliman's advice is not intended to be a substitute for qualified legal or accounting counsel.

The signing actuary is independent of the plan sponsor. I am not aware of any relationship that would impair the objectivity of Milliman's work.

On the basis of the foregoing, I hereby certify that, to the best of my knowledge and belief, this report is complete and accurate and has been prepared in accordance with generally recognized and accepted actuarial principles and practices which are consistent with the principles prescribed by the Actuarial Standards Board and the *Code of Professional Conduct and Qualification Standards for Actuaries Issuing Statements of Actuarial Opinion in the United States* published by the American Academy of Actuaries.

I am a consulting actuary for Milliman, Inc. I am a member of the American Academy of Actuaries and meet their Qualification Standards to render the actuarial opinion contained herein. Please call if you would like to further discuss this project.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Matt Larrabee".

Matt Larrabee, FSA, EA, MAAA
Principal and Consulting Actuary

Enclosures

FLORIDA RETIREMENT SYSTEM
FISCAL IMPACT ANALYSIS

Blended Proposed Statutory Normal Cost Plus UAL Rates for 2022-2023 Plan Year
Reflecting Current Benefit Policy
Reflecting Allocation of Payroll Between FRS Pension Plan and FRS Investment Plan Consistent with July 1, 2021 Actuarial Valuation
Please see the attached letter for details regarding data, assumptions, methodology, and plan provisions used
(Dollars in Thousands)

	Regular	Special Risk	Special Risk Administrative	Judicial	-----Elected Officers' Class----- Leg-Atty-Cab	Local	Senior Management	Composite (excluding DROP)	DROP	Composite (including DROP)
Blended Proposed Statutory Normal Cost Contribution Rates										
A. Defined Benefit FRS Pension Plan Normal Cost ¹										
1. Tier I-Specific Employer Cost										
a. Tier I-Specific FRS Pension Plan Employer Normal Cost Rate	6.27%	18.54%	12.13%	14.53%	9.05%	10.80%	8.08%	8.43%		
b. Projected Tier I Pension Plan Normal Cost Payroll	\$12,454,326	\$2,615,315	\$3,272	\$89,368	\$4,212	\$29,309	\$414,712	\$15,610,514		
c. Tier I-Specific Pension Plan Employer Normal Cost [(1a) x (1b)] -PYE 2023	\$781,038	\$484,939	\$397	\$12,984	\$381	\$3,166	\$33,494	\$1,316,399		
2. Tier II-Specific Employer Cost										
a. Tier II-Specific FRS Pension Plan Employer Normal Cost Rate	4.82%	13.47%	5.24%	14.31%	8.86%	11.33%	6.32%	6.71%		
b. Projected Tier II Pension Plan Normal Cost Payroll	\$7,407,210	\$2,039,299	\$213	\$25,313	\$1,407	\$14,838	\$158,888	\$9,647,168		
c. Tier II-Specific Pension Plan Employer Normal Cost [(2a) x (2b)] -PYE 2023	\$357,028	\$274,694	\$11	\$3,622	\$125	\$1,681	\$10,042	\$647,203		
3. Total Defined Benefit FRS Pension Plan Employer Cost										
a. Total Defined Benefit FRS Pension Plan Employer Normal Cost [(1c) + (2c)] -PYE 2023	\$1,138,066	\$759,633	\$408	\$16,606	\$506	\$4,847	\$43,536	\$1,963,602	\$187,990	\$2,151,592
b. Projected FRS Pension Plan Normal Cost Payroll [(1b) + (2b)]	\$19,861,536	\$4,654,614	\$3,485	\$114,681	\$5,619	\$44,147	\$573,600	\$25,257,682	\$2,419,435	\$27,677,117
c. FRS Pension Plan Employer Normal Cost Rate [(3a) / (3b)] ³	5.73%	16.32%	11.70%	14.48%	9.00%	10.98%	7.59%	7.77%	7.77% ²	7.77%
B. Defined Contribution FRS Investment Plan (IP) Employer Cost										
1. Employer Rates as Specified by Studied Concept: Current Policy (Sec 121.72, Sec 121.73 and Sec 121.735)	3.60%	13.54%	5.43%	11.05%	6.94%	8.95%	4.98%	4.64%	0.00%	4.64%
2. Projected Investment Plan Payroll	\$7,199,162	\$800,533	\$1,400	\$23,417	\$2,703	\$21,701	\$236,389	\$8,285,305	\$0	\$8,285,305
3. Total Employer Cost [(1) x (2)] -PYE 2023	\$259,170	\$108,392	\$76	\$2,588	\$188	\$1,942	\$11,772	\$384,128	\$0	\$384,128
C. Total System Employer Normal Cost (FRS Pension Plan + FRS Investment Plan)										
1. Total Normal Cost Contribution [(A3a) + (B3)]	\$1,397,236	\$868,025	\$484	\$19,194	\$694	\$6,789	\$55,308	\$2,347,730	\$187,990	\$2,535,720
2. Total System Projected Normal Cost Payroll [(A1b) + (A2b) + (B2)]	\$27,060,698	\$5,455,147	\$4,885	\$138,098	\$8,322	\$65,848	\$809,989	\$33,542,987	\$2,419,435	\$35,962,422
3. "Blended" Normal Cost Contribution Rate As a Percentage of Total Normal Cost Payroll [(C1) / (C2)] ³	5.16%	15.91%	9.91%	13.90%	8.34%	10.31%	6.83%	7.00%	7.77%	7.05%

¹ Developed in the July 1, 2021 actuarial valuation report - Table 4-11.

² As described in the July 1, 2021 actuarial valuation, the Normal Cost rate for DROP is set to the composite FRS Pension Plan average employer-paid normal cost rate.

³ Rates shown do not include the Health Insurance Subsidy contribution rate or FRS Investment Plan education and administration assessment.

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FLORIDA RETIREMENT SYSTEM
FISCAL IMPACT ANALYSIS

*Blended Proposed Statutory Normal Cost Plus UAL Rates for 2022-2023 Plan Year
Reflecting Current Benefit Policy
Reflecting Allocation of Payroll Between FRS Pension Plan and FRS Investment Plan Consistent with July 1, 2021 Actuarial Valuation
Please see the attached letter for details regarding data, assumptions, methodology, and plan provisions used
(Dollars in Thousands)*

	Regular	Special Risk	Special Risk Administrative	Judicial	-----Elected Officers' Class----- Leg-Atty-Cab	Local	Senior Management	Composite (excluding DROP)	DROP	Composite (including DROP)
Blended Proposed Statutory UAL Contribution Rates										
D. Defined Benefit FRS Pension Plan UAL Contribution										
1. Projected Employer UAL Contribution -PYE 2023	\$1,304,490	\$522,721	\$1,278	\$38,424	\$5,217	\$31,155	\$183,033	\$2,086,318	\$221,378	\$2,307,696
2. Projected UAL Payroll	\$23,632,063	\$4,683,880	\$3,485	\$115,595	\$6,489	\$49,133	\$589,858	\$29,080,503	\$2,419,435	\$31,499,938
3. Projected Employer UAL Contribution Rate [(D1) / (D2)] ^{1 & 3}	5.52%	11.16%	36.66%	33.24%	80.39%	63.41%	31.03%	7.17%	9.15%	7.33%
E. Defined Contribution FRS Investment Plan Projected Payroll										
	\$7,199,162	\$800,533	\$1,400	\$23,417	\$2,703	\$21,701	\$236,389	\$8,285,305	\$0	\$8,285,305
F. Total System UAL Contribution (FRS Pension Plan + FRS Investment Plan)										
1. Total UAL Contribution [(D1)]	\$1,304,490	\$522,721	\$1,278	\$38,424	\$5,217	\$31,155	\$183,033	\$2,086,318	\$221,378	\$2,307,696
2. Total System Projected UAL Payroll [(D2) + (E)]	\$30,831,225	\$5,484,413	\$4,885	\$139,012	\$9,192	\$70,834	\$826,247	\$37,365,808	\$2,419,435	\$39,785,243
3. "Blended" UAL Contribution Rate As a Percentage of Total UAL Payroll [(F1) / (F2)] ³	4.23%	9.53%	26.16%	27.64%	56.76%	43.98%	22.15%	5.58%	9.15%	5.80%
Blended Proposed Statutory Uniform Contribution Rates⁴										
G: Total Employer Contribution Rate (FRS Pension Plan + FRS Investment Plan)										
1. "Blended" Normal Cost Contribution Rate [(C3)]	5.16%	15.91%	9.91%	13.90%	8.34%	10.31%	6.83%	7.00%	7.77%	7.05%
2. "Blended" UAL Contribution Rates [(F3)]	4.23%	9.53%	26.16%	27.64%	56.76%	43.98%	22.15%	5.58%	9.15%	5.80%
3. Total Blended Contribution Rate ³ -PYE 2023 [(G1) + (G2)]	9.39%	25.44%	36.07%	41.54%	65.10%	54.29%	28.98%	12.58%	16.92%	12.85%

¹ As reported in the July 1, 2021 actuarial valuation report - Table 4-11.

² As described in the July 1, 2021 actuarial valuation, the Normal Cost rate for DROP is set to the composite FRS Pension Plan average employer-paid normal cost rate.

³ Rates shown do not include the Health Insurance Subsidy contribution rate or FRS Investment Plan education and administration assessment.

⁴ Employers of employee groups subject to only the UAL contribution rate will pay the rates shown in line (G2).

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FLORIDA RETIREMENT SYSTEM
FISCAL IMPACT ANALYSIS

Blended Proposed Statutory Normal Cost Plus UAL Rates for 2022-2023 Plan Year
Reflecting Policy Variation: FRS Investment Plan Rates Increased by 3% of Payroll
Reflecting Allocation of Payroll Between FRS Pension Plan and FRS Investment Plan Consistent with July 1, 2021 Actuarial Valuation
Please see the attached letter for details regarding data, assumptions, methodology, and plan provisions used
(Dollars in Thousands)

	Regular	Special Risk	Special Risk Administrative	Judicial	-----Elected Officers' Class----- Leg-Atty-Cab	Local	Senior Management	Composite (excluding DROP)	DROP	Composite (including DROP)
Blended Proposed Statutory Normal Cost Contribution Rates										
A. Defined Benefit FRS Pension Plan Normal Cost ¹										
1. Tier I-Specific Employer Cost										
a. Tier I-Specific FRS Pension Plan Employer Normal Cost Rate	6.27%	18.54%	12.13%	14.53%	9.05%	10.80%	8.08%	8.43%		
b. Projected Tier I Pension Plan Normal Cost Payroll	\$12,454,326	\$2,615,315	\$3,272	\$89,368	\$4,212	\$29,309	\$414,712	\$15,610,514		
c. Tier I-Specific Pension Plan Employer Normal Cost [(1a) x (1b)] -PYE 2023	\$781,038	\$484,939	\$397	\$12,984	\$381	\$3,166	\$33,494	\$1,316,399		
2. Tier II-Specific Employer Cost										
a. Tier II-Specific FRS Pension Plan Employer Normal Cost Rate	4.82%	13.47%	5.24%	14.31%	8.86%	11.33%	6.32%	6.71%		
b. Projected Tier II Pension Plan Normal Cost Payroll	\$7,407,210	\$2,039,299	\$213	\$25,313	\$1,407	\$14,838	\$158,888	\$9,647,168		
c. Tier II-Specific Pension Plan Employer Normal Cost [(2a) x (2b)] -PYE 2023	\$357,028	\$274,694	\$11	\$3,622	\$125	\$1,681	\$10,042	\$647,203		
3. Total Defined Benefit FRS Pension Plan Employer Cost										
a. Total Defined Benefit FRS Pension Plan Employer Normal Cost [(1c) + (2c)] -PYE 2023	\$1,138,066	\$759,633	\$408	\$16,606	\$506	\$4,847	\$43,536	\$1,963,602	\$187,990	\$2,151,592
b. Projected FRS Pension Plan Normal Cost Payroll [(1b) + (2b)]	\$19,861,536	\$4,654,614	\$3,485	\$114,681	\$5,619	\$44,147	\$573,600	\$25,257,682	\$2,419,435	\$27,677,117
c. FRS Pension Plan Employer Normal Cost Rate [(3a) / (3b)] ³	5.73%	16.32%	11.70%	14.48%	9.00%	10.98%	7.59%	7.77%	7.77% ²	7.77%
B. Defined Contribution FRS Investment Plan (IP) Employer Cost										
1. Employer Rates as Specified by Studied Concept: Policy Variation: FRS Investment Plan Rates Increased by 3% of Payroll	6.60%	16.54%	8.43%	14.05%	9.94%	11.95%	7.98%	7.64%	0.00%	7.64%
2. Projected Investment Plan Payroll	\$7,199,162	\$800,533	\$1,400	\$23,417	\$2,703	\$21,701	\$236,389	\$8,285,305	\$0	\$8,285,305
3. Total Employer Cost [(1) x (2)] -PYE 2023	\$475,145	\$132,408	\$118	\$3,290	\$269	\$2,593	\$18,864	\$632,687	\$0	\$632,687
C. Total System Employer Normal Cost (FRS Pension Plan + FRS Investment Plan)										
1. Total Normal Cost Contribution [(A3a) + (B3)]	\$1,613,211	\$892,041	\$526	\$19,896	\$775	\$7,440	\$62,400	\$2,596,289	\$187,990	\$2,784,279
2. Total System Projected Normal Cost Payroll [(A1b) + (A2b) + (B2)]	\$27,060,698	\$5,455,147	\$4,885	\$138,098	\$8,322	\$65,848	\$809,989	\$33,542,987	\$2,419,435	\$35,962,422
3. "Blended" Normal Cost Contribution Rate As a Percentage of Total Normal Cost Payroll [(C1) / (C2)] ³	5.96%	16.35%	10.77%	14.41%	9.31%	11.30%	7.70%	7.74%	7.77%	7.74%

¹ Developed in the July 1, 2021 actuarial valuation report - Table 4-11.

² As described in the July 1, 2021 actuarial valuation, the Normal Cost rate for DROP is set to the composite FRS Pension Plan average employer-paid normal cost rate.

³ Rates shown do not include the Health Insurance Subsidy contribution rate or FRS Investment Plan education and administration assessment.

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FLORIDA RETIREMENT SYSTEM
FISCAL IMPACT ANALYSIS

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Reflecting Policy Variation: FRS Investment Plan Rates Increased by 3% of Payroll
Reflecting Allocation of Payroll Between FRS Pension Plan and FRS Investment Plan Consistent with July 1, 2021 Actuarial Valuation*
Please see the attached letter for details regarding data, assumptions, methodology, and plan provisions used
(Dollars in Thousands)

	Regular	Special Risk	Special Risk Administrative	Judicial	-----Elected Officers' Class----- Leg-Atty-Cab	Local	Senior Management	Composite (excluding DROP)	DROP	Composite (including DROP)
Blended Proposed Statutory UAL Contribution Rates										
D. Defined Benefit FRS Pension Plan UAL Contribution										
1. Projected Employer UAL Contribution -PYE 2023	\$1,304,490	\$522,721	\$1,278	\$38,424	\$5,217	\$31,155	\$183,033	\$2,086,318	\$221,378	\$2,307,696
2. Projected UAL Payroll	\$23,632,063	\$4,683,880	\$3,485	\$115,595	\$6,489	\$49,133	\$589,858	\$29,080,503	\$2,419,435	\$31,499,938
3. Projected Employer UAL Contribution Rate [(D1) / (D2)] ^{1 & 3}	5.52%	11.16%	36.66%	33.24%	80.39%	63.41%	31.03%	7.17%	9.15%	7.33%
E. Defined Contribution FRS Investment Plan Projected Payroll										
	\$7,199,162	\$800,533	\$1,400	\$23,417	\$2,703	\$21,701	\$236,389	\$8,285,305	\$0	\$8,285,305
F. Total System UAL Contribution (FRS Pension Plan + FRS Investment Plan)										
1. Total UAL Contribution [(D1)]	\$1,304,490	\$522,721	\$1,278	\$38,424	\$5,217	\$31,155	\$183,033	\$2,086,318	\$221,378	\$2,307,696
2. Total System Projected UAL Payroll [(D2) + (E)]	\$30,831,225	\$5,484,413	\$4,885	\$139,012	\$9,192	\$70,834	\$826,247	\$37,365,808	\$2,419,435	\$39,785,243
3. "Blended" UAL Contribution Rate As a Percentage of Total UAL Payroll [(F1) / (F2)] ³	4.23%	9.53%	26.16%	27.64%	56.76%	43.98%	22.15%	5.58%	9.15%	5.80%
Blended Proposed Statutory Uniform Contribution Rates⁴										
G: Total Employer Contribution Rate (FRS Pension Plan + FRS Investment Plan)										
1. "Blended" Normal Cost Contribution Rate [(C3)]	5.96%	16.35%	10.77%	14.41%	9.31%	11.30%	7.70%	7.74%	7.77%	7.74%
2. "Blended" UAL Contribution Rates [(F3)]	<u>4.23%</u>	<u>9.53%</u>	<u>26.16%</u>	<u>27.64%</u>	<u>56.76%</u>	<u>43.98%</u>	<u>22.15%</u>	<u>5.58%</u>	<u>9.15%</u>	<u>5.80%</u>
3. Total Blended Contribution Rate ³ -PYE 2023 [(G1) + (G2)]	10.19%	25.88%	36.93%	42.05%	66.07%	55.28%	29.85%	13.32%	16.92%	13.54%
Increase/(Decrease) in Blended Proposed Statutory Uniform Contribution Rates Compared to Current Benefit Policy and Current Payroll Allocation										
H: Total Employer Contribution Rate (FRS Pension Plan + FRS Investment Plan)										
1. "Blended" Normal Cost Contribution Rate	0.80%	0.44%	0.86%	0.51%	0.97%	0.99%	0.87%	0.74%	0.00%	0.69%
2. "Blended" UAL Contribution Rates	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>
3. Total Blended Contribution Rate -PYE 2023	0.80%	0.44%	0.86%	0.51%	0.97%	0.99%	0.87%	0.74%	0.00%	0.69%

¹ As reported in the July 1, 2021 actuarial valuation report - Table 4-11.

² As described in the July 1, 2021 actuarial valuation, the Normal Cost rate for DROP is set to the composite FRS Pension Plan average employer-paid normal cost rate.

³ Rates shown do not include the Health Insurance Subsidy contribution rate or FRS Investment Plan education and administration assessment.

⁴ Employers of employee groups subject to only the UAL contribution rate will pay the rates shown in line (G2).

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FLORIDA RETIREMENT SYSTEM
FISCAL IMPACT ANALYSIS

Estimated 2022-2023 Employer Contributions Showing Investment Plan Benefit Policy Variation
Modeled Payroll Allocation for Current Investment Plan Benefit Policy; Consistent with 2022-2023 Blended Rate Study
Modeled Payroll Allocation for Investment Plan Benefit Policy Variation; Consistent with 2022-2023 Blended Rate Study
Please see the attached letter for details regarding data, assumptions, methodology, and plan provisions used
(Dollars in Thousands)

Estimated 2022-2023 Employer Contributions	Regular	Special Risk	Special Risk Administrative	-----Elected Officers' Class----			Senior Management	Composite (excluding DROP)	DROP	Composite (including DROP)
				Judicial	Leg-Atty-Cab	Local				
A. Current Policy (Sec 121.72, Sec 121.73 and Sec 121.735)¹										
State	\$284,609	\$262,258	\$1,717	\$57,618	\$5,911	\$0	\$103,125	\$715,238	\$59,330	\$774,568
School Boards	\$1,347,725	\$17,822	\$0	\$0	\$0	\$7,669	\$25,124	\$1,398,339	\$171,553	\$1,569,892
State Universities	\$300,621	\$8,189	\$0	\$0	\$0	\$0	\$3,634	\$312,444	\$12,858	\$325,302
Community Colleges	\$105,329	\$664	\$0	\$0	\$0	\$0	\$9,207	\$115,201	\$11,293	\$126,493
Counties	\$512,678	\$1,016,982	\$45	\$0	\$0	\$26,139	\$67,186	\$1,623,029	\$133,004	\$1,756,034
Other	\$150,765	\$84,831	\$0	\$0	\$0	\$4,137	\$30,064	\$269,797	\$21,330	\$291,127
Total	\$2,701,726	\$1,390,746	\$1,762	\$57,618	\$5,911	\$37,944	\$238,341	\$4,434,048	\$409,368	\$4,843,416
B. Policy Variation: FRS Investment Plan Rates Increased by 3% of Payroll										
State	\$307,361	\$266,786	\$1,758	\$58,320	\$5,992	\$0	\$106,194	\$746,411	\$59,330	\$805,741
School Boards	\$1,455,461	\$18,129	\$0	\$0	\$0	\$7,800	\$25,872	\$1,507,263	\$171,553	\$1,678,815
State Universities	\$324,652	\$8,331	\$0	\$0	\$0	\$0	\$3,743	\$336,725	\$12,858	\$349,583
Community Colleges	\$113,749	\$676	\$0	\$0	\$0	\$0	\$9,481	\$123,906	\$11,293	\$135,199
Counties	\$553,661	\$1,034,544	\$46	\$0	\$0	\$26,587	\$69,185	\$1,684,023	\$133,004	\$1,817,027
Other	\$162,817	\$86,296	\$0	\$0	\$0	\$4,208	\$30,959	\$284,279	\$21,330	\$305,610
Total	\$2,917,701	\$1,414,762	\$1,804	\$58,320	\$5,992	\$38,595	\$245,433	\$4,682,607	\$409,368	\$5,091,975
C. Estimated 2022-2023 Increases/(Decreases) in Employer Contributions Due to Investment Plan Benefit Policy Change With No Change in Payroll Allocation										
State	\$22,752	\$4,529	\$41	\$702	\$81	\$0	\$3,069	\$31,173	\$0	\$31,173
School Boards	\$107,737	\$308	\$0	\$0	\$0	\$132	\$748	\$108,924	\$0	\$108,924
State Universities	\$24,032	\$141	\$0	\$0	\$0	\$0	\$108	\$24,281	\$0	\$24,281
Community Colleges	\$8,420	\$11	\$0	\$0	\$0	\$0	\$274	\$8,705	\$0	\$8,705
Counties	\$40,983	\$17,562	\$1	\$0	\$0	\$448	\$1,999	\$60,994	\$0	\$60,994
Other	\$12,052	\$1,465	\$0	\$0	\$0	\$71	\$895	\$14,483	\$0	\$14,483
Total	\$215,975	\$24,016	\$42	\$702	\$81	\$651	\$7,092	\$248,559	\$0	\$248,559

¹ Totals by employer group and membership class differ slightly from Estimated 2022-2023 Contributions by Employer.xlsx file. The Estimated 2022-2023 Contributions by Employer.xlsx file calculates the estimated contribution for each of the 1,000+ employers and sums them by employer group. This calculation allocates the total estimated contribution to each employer group in proportion to projected 2022-2033 compensation.

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FLORIDA RETIREMENT SYSTEM
FISCAL IMPACT ANALYSIS

Blended Proposed Statutory Normal Cost Plus UAL Rates for 2022-2023 Plan Year
Reflecting Current Benefit Policy
Reflecting Illustrative 50%/50% Allocation of Payroll Between FRS Pension Plan and FRS Investment Plan
Please see the attached letter for details regarding data, assumptions, methodology, and plan provisions used
(Dollars in Thousands)

	Regular	Special Risk	Special Risk Administrative	Judicial	-----Elected Officers' Class----- Leg-Atty-Cab	Local	Senior Management	Composite (excluding DROP)	DROP	Composite (including DROP)
Blended Proposed Statutory Normal Cost Contribution Rates										
A. Defined Benefit FRS Pension Plan Normal Cost ¹										
1. Tier I-Specific Employer Cost										
a. Tier I-Specific FRS Pension Plan Employer Normal Cost Rate	6.27%	18.54%	12.13%	14.53%	9.05%	10.80%	8.08%	8.42%		
b. Projected Tier I Pension Plan Normal Cost Payroll	\$12,454,326	\$2,615,315	\$2,442	\$69,049	\$4,161	\$29,309	\$404,994	\$15,579,596		
c. Tier I-Specific Pension Plan Employer Normal Cost [(1a) x (1b)] -PYE 2023	\$781,038	\$484,939	\$296	\$10,033	\$377	\$3,166	\$32,724	\$1,312,573		
2. Tier II-Specific Employer Cost										
a. Tier II-Specific FRS Pension Plan Employer Normal Cost Rate	4.82%	13.47%	5.24%	14.31%	8.86%	11.33%	6.32%	5.65%		
b. Projected Tier II Pension Plan Normal Cost Payroll	\$1,076,023	\$112,259	\$0	\$0	\$0	\$3,615	\$0	\$1,191,897		
c. Tier II-Specific Pension Plan Employer Normal Cost [(2a) x (2b)] -PYE 2023	\$51,864	\$15,121	\$0	\$0	\$0	\$410	\$0	\$67,395		
3. Total Defined Benefit FRS Pension Plan Employer Cost										
a. Total Defined Benefit FRS Pension Plan Employer Normal Cost [(1c) + (2c)] -PYE 2023	\$832,902	\$500,060	\$296	\$10,033	\$377	\$3,576	\$32,724	\$1,379,968	\$199,120	\$1,579,088
b. Projected FRS Pension Plan Normal Cost Payroll [(1b) + (2b)]	\$13,530,349	\$2,727,574	\$2,442	\$69,049	\$4,161	\$32,924	\$404,994	\$16,771,493	\$2,419,435	\$19,190,928
c. FRS Pension Plan Employer Normal Cost Rate [(3a) / (3b)] ³	6.16%	18.33%	12.12%	14.53%	9.06%	10.86%	8.08%	8.23%	8.23% ²	8.23%
B. Defined Contribution FRS Investment Plan (IP) Employer Cost										
1. Employer Rates as Specified by Studied Concept: Current Policy (Sec 121.72, Sec 121.73 and Sec 121.735)	3.60%	13.54%	5.43%	11.05%	6.94%	8.95%	4.98%	5.29%	0.00%	5.29%
2. Projected Investment Plan Payroll	\$13,530,349	\$2,727,573	\$2,443	\$69,049	\$4,161	\$32,924	\$404,995	\$16,771,494	\$0	\$16,771,494
3. Total Employer Cost [(1) x (2)] -PYE 2023	\$487,093	\$369,313	\$133	\$7,630	\$289	\$2,947	\$20,169	\$887,574	\$0	\$887,574
C. Total System Employer Normal Cost (FRS Pension Plan + FRS Investment Plan)										
1. Total Normal Cost Contribution [(A3a) + (B3)]	\$1,319,995	\$869,373	\$429	\$17,663	\$666	\$6,523	\$52,893	\$2,267,542	\$199,120	\$2,466,662
2. Total System Projected Normal Cost Payroll [(A1b) + (A2b) + (B2)]	\$27,060,698	\$5,455,147	\$4,885	\$138,098	\$8,322	\$65,848	\$809,989	\$33,542,987	\$2,419,435	\$35,962,422
3. "Blended" Normal Cost Contribution Rate As a Percentage of Total Normal Cost Payroll [(C1) / (C2)] ³	4.88%	15.94%	8.78%	12.79%	8.00%	9.91%	6.53%	6.76%	8.23%	6.86%

¹ Developed in the July 1, 2021 actuarial valuation report - Table 4-11.

² As described in the July 1, 2021 actuarial valuation, the Normal Cost rate for DROP is set to the composite FRS Pension Plan average employer-paid normal cost rate.

³ Rates shown do not include the Health Insurance Subsidy contribution rate or FRS Investment Plan education and administration assessment.

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FLORIDA RETIREMENT SYSTEM
FISCAL IMPACT ANALYSIS

Blended Proposed Statutory Normal Cost Plus UAL Rates for 2022-2023 Plan Year
Reflecting Current Benefit Policy
Reflecting Illustrative 50%/50% Allocation of Payroll Between FRS Pension Plan and FRS Investment Plan
Please see the attached letter for details regarding data, assumptions, methodology, and plan provisions used
(Dollars in Thousands)

	Regular	Special Risk	Special Risk Administrative	Judicial	-----Elected Officers' Class----- Leg-Atty-Cab	Local	Senior Management	Composite (excluding DROP)	DROP	Composite (including DROP)
Blended Proposed Statutory UAL Contribution Rates										
D. Defined Benefit FRS Pension Plan UAL Contribution										
1. Projected Employer UAL Contribution ^{3 & 4} -PYE 2023	\$1,163,406	\$437,662	\$1,202	\$35,787	\$5,192	\$30,931	\$178,199	\$1,852,379	\$221,378	\$2,073,757
2. Projected UAL Payroll	\$17,300,876	\$2,756,840	\$2,442	\$69,963	\$5,031	\$37,910	\$421,252	\$20,594,314	\$2,419,435	\$23,013,749
3. Projected Employer UAL Contribution Rate [(D1) / (D2)]	6.72%	15.88%	49.22%	51.15%	103.20%	81.59%	42.30%	8.99%	9.15%	9.01%
E. Defined Contribution FRS Investment Plan Projected Payroll										
	\$13,530,349	\$2,727,573	\$2,443	\$69,049	\$4,161	\$32,924	\$404,995	\$16,771,494	\$0	\$16,771,494
F. Total System UAL Contribution (FRS Pension Plan + FRS Investment Plan)										
1. Total UAL Contribution [(D1)]	\$1,163,406	\$437,662	\$1,202	\$35,787	\$5,192	\$30,931	\$178,199	\$1,852,379	\$221,378	\$2,073,757
2. Total System Projected UAL Payroll [(D2) + (E)]	\$30,831,225	\$5,484,413	\$4,885	\$139,012	\$9,192	\$70,834	\$826,247	\$37,365,808	\$2,419,435	\$39,785,243
3. "Blended" UAL Contribution Rate As a Percentage of Total UAL Payroll [(F1) / (F2)] ³	3.77%	7.98%	24.61%	25.74%	56.48%	43.67%	21.57%	4.96%	9.15%	5.21%
Blended Proposed Statutory Uniform Contribution Rates⁵										
G: Total Employer Contribution Rate (FRS Pension Plan + FRS Investment Plan)										
1. "Blended" Normal Cost Contribution Rate [(C3)]	4.88%	15.94%	8.78%	12.79%	8.00%	9.91%	6.53%	6.76%	8.23%	6.86%
2. "Blended" UAL Contribution Rates [(F3)]	<u>3.77%</u>	<u>7.98%</u>	<u>24.61%</u>	<u>25.74%</u>	<u>56.48%</u>	<u>43.67%</u>	<u>21.57%</u>	<u>4.96%</u>	<u>9.15%</u>	<u>5.21%</u>
3. Total Blended Contribution Rate ³ -PYE 2023 [(G1) + (G2)]	8.65%	23.92%	33.39%	38.53%	64.48%	53.58%	28.10%	11.72%	17.38%	12.07%
Increase/(Decrease) in Blended Proposed Statutory Uniform Contribution Rates Compared to Current Benefit Policy and Current Payroll Allocation										
H: Total Employer Contribution Rate (FRS Pension Plan + FRS Investment Plan)										
1. "Blended" Normal Cost Contribution Rate	-0.28%	0.03%	-1.13%	-1.11%	-0.34%	-0.40%	-0.30%	-0.24%	0.46%	-0.19%
2. "Blended" UAL Contribution Rates	<u>-0.46%</u>	<u>-1.55%</u>	<u>-1.55%</u>	<u>-1.90%</u>	<u>-0.28%</u>	<u>-0.31%</u>	<u>-0.58%</u>	<u>-0.62%</u>	<u>0.00%</u>	<u>-0.59%</u>
3. Total Blended Contribution Rate -PYE 2023	-0.74%	-1.52%	-2.68%	-3.01%	-0.62%	-0.71%	-0.88%	-0.86%	0.46%	-0.78%

¹ As reported in the July 1, 2021 actuarial valuation report - Table 4-11.

² As described in the July 1, 2021 actuarial valuation, the Normal Cost rate for DROP is set to the composite FRS Pension Plan average employer-paid normal cost rate.

³ Rates shown do not include the Health Insurance Subsidy contribution rate or FRS Investment Plan education and administration assessment.

⁴ Amortization Payment for PY 2022-2023 of UAL Bases established as of July 1, 2021, using methods and assumptions from July 1, 2021 actuarial valuation. Additionally reflects actuarial (gain)/loss associated with transfer of members from the Pension Plan to the Investment Plan to achieve illustrated payroll allocation.

⁵ Employers of employee groups subject to only the UAL contribution rate will pay the rates shown in line (G2).

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FLORIDA RETIREMENT SYSTEM
FISCAL IMPACT ANALYSIS

Blended Proposed Statutory Normal Cost Plus UAL Rates for 2022-2023 Plan Year
Reflecting Policy Variation: FRS Investment Plan Rates Increased by 3% of Payroll
Reflecting Illustrative 50%/50% Allocation of Payroll Between FRS Pension Plan and FRS Investment Plan
Please see the attached letter for details regarding data, assumptions, methodology, and plan provisions used
(Dollars in Thousands)

	Regular	Special Risk	Special Risk Administrative	Judicial	-----Elected Officers' Class----- Leg-Atty-Cab	Local	Senior Management	Composite (excluding DROP)	DROP	Composite (including DROP)
Blended Proposed Statutory Normal Cost Contribution Rates										
A. Defined Benefit FRS Pension Plan Normal Cost ¹										
1. Tier I-Specific Employer Cost										
a. Tier I-Specific FRS Pension Plan Employer Normal Cost Rate	6.27%	18.54%	12.13%	14.53%	9.05%	10.80%	8.08%	8.42%		
b. Projected Tier I Pension Plan Normal Cost Payroll	\$12,454,326	\$2,615,315	\$2,442	\$69,049	\$4,161	\$29,309	\$404,994	\$15,579,596		
c. Tier I-Specific Pension Plan Employer Normal Cost [(1a) x (1b)] -PYE 2023	\$781,038	\$484,939	\$296	\$10,033	\$377	\$3,166	\$32,724	\$1,312,573		
2. Tier II-Specific Employer Cost										
a. Tier II-Specific FRS Pension Plan Employer Normal Cost Rate	4.82%	13.47%	5.24%	14.31%	8.86%	11.33%	6.32%	5.65%		
b. Projected Tier II Pension Plan Normal Cost Payroll	\$1,076,023	\$112,259	\$0	\$0	\$0	\$3,615	\$0	\$1,191,897		
c. Tier II-Specific Pension Plan Employer Normal Cost [(2a) x (2b)] -PYE 2023	\$51,864	\$15,121	\$0	\$0	\$0	\$410	\$0	\$67,395		
3. Total Defined Benefit FRS Pension Plan Employer Cost										
a. Total Defined Benefit FRS Pension Plan Employer Normal Cost [(1c) + (2c)] -PYE 2023	\$832,902	\$500,060	\$296	\$10,033	\$377	\$3,576	\$32,724	\$1,379,968	\$199,120	\$1,579,088
b. Projected FRS Pension Plan Normal Cost Payroll [(1b) + (2b)]	\$13,530,349	\$2,727,574	\$2,442	\$69,049	\$4,161	\$32,924	\$404,994	\$16,771,493	\$2,419,435	\$19,190,928
c. FRS Pension Plan Employer Normal Cost Rate [(3a) / (3b)] ³	6.16%	18.33%	12.12%	14.53%	9.06%	10.86%	8.08%	8.23%	8.23% ²	8.23%
B. Defined Contribution FRS Investment Plan (IP) Employer Cost										
1. Employer Rates as Specified by Studied Concept: Policy Variation: FRS Investment Plan Rates Increased by 3% of Payroll	6.60%	16.54%	8.43%	14.05%	9.94%	11.95%	7.98%	8.29%	0.00%	8.29%
2. Projected Investment Plan Payroll	\$13,530,349	\$2,727,573	\$2,443	\$69,049	\$4,161	\$32,924	\$404,995	\$16,771,494	\$0	\$16,771,494
3. Total Employer Cost [(1) x (2)] -PYE 2023	\$893,003	\$451,141	\$206	\$9,701	\$414	\$3,934	\$32,319	\$1,390,718	\$0	\$1,390,718
C. Total System Employer Normal Cost (FRS Pension Plan + FRS Investment Plan)										
1. Total Normal Cost Contribution [(A3a) + (B3)]	\$1,725,905	\$951,201	\$502	\$19,734	\$791	\$7,510	\$65,043	\$2,770,686	\$199,120	\$2,969,806
2. Total System Projected Normal Cost Payroll [(A1b) + (A2b) + (B2)]	\$27,060,698	\$5,455,147	\$4,885	\$138,098	\$8,322	\$65,848	\$809,989	\$33,542,987	\$2,419,435	\$35,962,422
3. "Blended" Normal Cost Contribution Rate As a Percentage of Total Normal Cost Payroll [(C1) / (C2)] ³	6.38%	17.44%	10.28%	14.29%	9.50%	11.41%	8.03%	8.26%	8.23%	8.26%

¹ Developed in the July 1, 2021 actuarial valuation report - Table 4-11.

² As described in the July 1, 2021 actuarial valuation, the Normal Cost rate for DROP is set to the composite FRS Pension Plan average employer-paid normal cost rate.

³ Rates shown do not include the Health Insurance Subsidy contribution rate or FRS Investment Plan education and administration assessment.

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FLORIDA RETIREMENT SYSTEM
FISCAL IMPACT ANALYSIS

Blended Proposed Statutory Normal Cost Plus UAL Rates for 2022-2023 Plan Year
Reflecting Policy Variation: FRS Investment Plan Rates Increased by 3% of Payroll
Reflecting Illustrative 50%/50% Allocation of Payroll Between FRS Pension Plan and FRS Investment Plan
Please see the attached letter for details regarding data, assumptions, methodology, and plan provisions used
(Dollars in Thousands)

	Regular	Special Risk	Special Risk Administrative	Judicial	-----Elected Officers' Class----- Leg-Atty-Cab	Local	Senior Management	Composite (excluding DROP)	DROP	Composite (including DROP)
Blended Proposed Statutory UAL Contribution Rates										
D. Defined Benefit FRS Pension Plan UAL Contribution										
1. Projected Employer UAL Contribution ^{3 & 4} -PYE 2023	\$1,163,406	\$437,662	\$1,202	\$35,787	\$5,192	\$30,931	\$178,199	\$1,852,379	\$221,378	\$2,073,757
2. Projected UAL Payroll	\$17,300,876	\$2,756,840	\$2,442	\$69,963	\$5,031	\$37,910	\$421,252	\$20,594,314	\$2,419,435	\$23,013,749
3. Projected Employer UAL Contribution Rate [(D1) / (D2)]	6.72%	15.88%	49.22%	51.15%	103.20%	81.59%	42.30%	8.99%	9.15%	9.01%
E. Defined Contribution FRS Investment Plan Projected Payroll	\$13,530,349	\$2,727,573	\$2,443	\$69,049	\$4,161	\$32,924	\$404,995	\$16,771,494	\$0	\$16,771,494
F. Total System UAL Contribution (FRS Pension Plan + FRS Investment Plan)										
1. Total UAL Contribution [(D1)]	\$1,163,406	\$437,662	\$1,202	\$35,787	\$5,192	\$30,931	\$178,199	\$1,852,379	\$221,378	\$2,073,757
2. Total System Projected UAL Payroll [(D2) + (E)]	\$30,831,225	\$5,484,413	\$4,885	\$139,012	\$9,192	\$70,834	\$826,247	\$37,365,808	\$2,419,435	\$39,785,243
3. "Blended" UAL Contribution Rate As a Percentage of Total UAL Payroll [(F1) / (F2)] ³	3.77%	7.98%	24.61%	25.74%	56.48%	43.67%	21.57%	4.96%	9.15%	5.21%
Blended Proposed Statutory Uniform Contribution Rates⁵										
G: Total Employer Contribution Rate (FRS Pension Plan + FRS Investment Plan)										
1. "Blended" Normal Cost Contribution Rate [(C3)]	6.38%	17.44%	10.28%	14.29%	9.50%	11.41%	8.03%	8.26%	8.23%	8.26%
2. "Blended" UAL Contribution Rates [(F3)]	<u>3.77%</u>	<u>7.98%</u>	<u>24.61%</u>	<u>25.74%</u>	<u>56.48%</u>	<u>43.67%</u>	<u>21.57%</u>	<u>4.96%</u>	<u>9.15%</u>	<u>5.21%</u>
3. Total Blended Contribution Rate ³ -PYE 2023 [(G1) + (G2)]	10.15%	25.42%	34.89%	40.03%	65.98%	55.08%	29.60%	13.22%	17.38%	13.47%
Increase/(Decrease) in Blended Proposed Statutory Uniform Contribution Rates Compared to Current Benefit Policy and Current Payroll Allocation										
H: Total Employer Contribution Rate (FRS Pension Plan + FRS Investment Plan)										
1. "Blended" Normal Cost Contribution Rate	1.22%	1.53%	0.37%	0.39%	1.16%	1.10%	1.20%	1.26%	0.46%	1.21%
2. "Blended" UAL Contribution Rates	<u>-0.46%</u>	<u>-1.55%</u>	<u>-1.55%</u>	<u>-1.90%</u>	<u>-0.28%</u>	<u>-0.31%</u>	<u>-0.58%</u>	<u>-0.62%</u>	<u>0.00%</u>	<u>-0.59%</u>
3. Total Blended Contribution Rate -PYE 2023	0.76%	-0.02%	-1.18%	-1.51%	0.88%	0.79%	0.62%	0.64%	0.46%	0.62%

¹ As reported in the July 1, 2021 actuarial valuation report - Table 4-11.

² As described in the July 1, 2021 actuarial valuation, the Normal Cost rate for DROP is set to the composite FRS Pension Plan average employer-paid normal cost rate.

³ Rates shown do not include the Health Insurance Subsidy contribution rate or FRS Investment Plan education and administration assessment.

⁴ Amortization Payment for PY 2022-2023 of UAL Bases established as of July 1, 2021, using methods and assumptions from July 1, 2021 actuarial valuation. Additionally reflects actuarial (gain)/loss associated with transfer of members from the Pension Plan to the Investment Plan to achieve illustrated payroll allocation.

⁵ Employers of employee groups subject to only the UAL contribution rate will pay the rates shown in line (G2).

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FLORIDA RETIREMENT SYSTEM
FISCAL IMPACT ANALYSIS

Estimated 2022-2023 Employer Contributions Showing Investment Plan Benefit Policy Variation
Modeled Payroll Allocation for Current Investment Plan Benefit Policy; Consistent with 2022-2023 Blended Rate Study
Modeled Payroll Allocation for Investment Plan Benefit Policy Variation: 50% of Payroll in Pension Plan / 50% of Payroll in Investment Plan
Please see the attached letter for details regarding data, assumptions, methodology, and plan provisions used
(Dollars in Thousands)

Estimated 2022-2023 Employer Contributions	Regular	Special Risk	Special Risk Administrative	-----Elected Officers' Class----			Senior Management	Composite (excluding DROP)	DROP	Composite (including DROP)
				Judicial	Leg-Atty-Cab	Local				
A. Current Policy (Sec 121.72, Sec 121.73 and Sec 121.735)¹										
State	\$284,609	\$262,258	\$1,717	\$57,618	\$5,911	\$0	\$103,125	\$715,238	\$59,330	\$774,568
School Boards	\$1,347,725	\$17,822	\$0	\$0	\$0	\$7,669	\$25,124	\$1,398,339	\$171,553	\$1,569,892
State Universities	\$300,621	\$8,189	\$0	\$0	\$0	\$0	\$3,634	\$312,444	\$12,858	\$325,302
Community Colleges	\$105,329	\$664	\$0	\$0	\$0	\$0	\$9,207	\$115,201	\$11,293	\$126,493
Counties	\$512,678	\$1,016,982	\$45	\$0	\$0	\$26,139	\$67,186	\$1,623,029	\$133,004	\$1,756,034
Other	\$150,765	\$84,831	\$0	\$0	\$0	\$4,137	\$30,064	\$269,797	\$21,330	\$291,127
Total	\$2,701,726	\$1,390,746	\$1,762	\$57,618	\$5,911	\$37,944	\$238,341	\$4,434,048	\$409,368	\$4,843,416
B. Policy Variation: FRS Investment Plan Rates Increased by 3% of Payroll										
State	\$304,370	\$261,902	\$1,661	\$55,521	\$5,983	\$0	\$105,246	\$734,683	\$60,943	\$795,626
School Boards	\$1,441,299	\$17,798	\$0	\$0	\$0	\$7,769	\$25,641	\$1,492,507	\$176,217	\$1,668,723
State Universities	\$321,493	\$8,178	\$0	\$0	\$0	\$0	\$3,709	\$333,380	\$13,207	\$346,588
Community Colleges	\$112,642	\$664	\$0	\$0	\$0	\$0	\$9,397	\$122,702	\$11,600	\$134,302
Counties	\$548,274	\$1,015,605	\$43	\$0	\$0	\$26,481	\$68,567	\$1,658,971	\$136,621	\$1,795,591
Other	\$161,233	\$84,716	\$0	\$0	\$0	\$4,191	\$30,682	\$280,822	\$21,910	\$302,733
Total	\$2,889,311	\$1,388,863	\$1,704	\$55,521	\$5,983	\$38,441	\$243,242	\$4,623,065	\$420,498	\$5,043,563
C. Estimated 2022-2023 Increases/(Decreases) in Employer Contributions Due to Investment Plan Benefit Policy Change With Change in Payroll Allocation										
State	\$19,761	(\$355)	(\$57)	(\$2,097)	\$72	\$0	\$2,121	\$19,445	\$1,613	\$21,058
School Boards	\$93,575	(\$24)	\$0	\$0	\$0	\$100	\$517	\$94,168	\$4,664	\$98,832
State Universities	\$20,873	(\$11)	\$0	\$0	\$0	\$0	\$75	\$20,936	\$350	\$21,286
Community Colleges	\$7,313	(\$1)	\$0	\$0	\$0	\$0	\$189	\$7,502	\$307	\$7,809
Counties	\$35,596	(\$1,377)	(\$1)	\$0	\$0	\$342	\$1,382	\$35,942	\$3,616	\$39,558
Other	\$10,468	(\$115)	\$0	\$0	\$0	\$54	\$618	\$11,025	\$580	\$11,605
Total	\$187,585	(\$1,883)	(\$58)	(\$2,097)	\$72	\$497	\$4,901	\$189,017	\$11,130	\$200,147

¹ Totals by employer group and membership class differ slightly from Estimated 2022-2023 Contributions by Employer.xlsx file. The Estimated 2022-2023 Contributions by Employer.xlsx file calculates the estimated contribution for each of the 1,000+ employers and sums them by employer group. This calculation allocates the total estimated contribution to each employer group in proportion to projected 2022-2033 compensation.

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January 26, 2022

Ms. Andrea Simpson
 Interim State Retirement Director
 Florida Department of Management Services, Division of Retirement

Re: Extend Maximum DROP Participation by 36 Months for Law Enforcement Officer Members

Dear Director Simpson:

In response to a House request dated January 5, 2022, and as outlined in our project scope letter dated January 14, 2022, this letter provides actuarial analysis on a concept that would extend the maximum length of Deferred Retirement Option Program (DROP) participation for law enforcement officer (LEO) members, who are a subset of members in the Special Risk Membership Class, by up to 36 months.

Executive Summary

The estimated impact of the proposed concept on the blended proposed 2022-2023 statutory contribution rates is shown in the table below. The concept would increase the projected present value of future benefits for affected members. As such, under the individual entry age normal actuarial cost allocation method as most recently adopted by the 2021 FRS Actuarial Assumption Conference, the concept, if adopted, would increase the Normal Cost, the Actuarial Liability and the Unfunded Actuarial Liability. The concept would affect the DROP Normal Cost Rate, which is set equal to the composite FRS Pension Plan average employer-paid Normal Cost Rate, which would increase from 7.77% to 7.79% of applicable payroll.

Blended Proposed 2022-2023 Statutory Contribution Rate Changes Due to Concept (as a % of Payroll):			
	Special Risk Class	DROP	Composite System including DROP
Employer Normal Cost Contribution Rate	0.09%	0.02%	0.02%
Employer UAL Contribution Rate	<u>0.14%</u>	<u>0.00%</u>	<u>0.02%</u>
Total Employer Contribution Rate	0.23%	0.02%	0.04%

The table above shows the increase in blended proposed 2022-2023 statutory contribution rates, which would be assessed on both FRS Pension Plan and FRS Investment Plan payroll.

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Proposed Concept

Law enforcement officers are a subset of the Special Risk Class. Under current statute, all members of the Special Risk Class may participate in the DROP for a maximum of 60 months. The proposed concept would extend the maximum DROP participation period by 36 months, for a new maximum DROP participation period of 96 months, or 8 years, for eligible law enforcement officer members. The proposed concept would afford law enforcement officers the same maximum DROP participation period that current statute provides to K-12 instructional personnel in Regular Class. The proposed concept would not affect the maximum DROP participation period of Special Risk Class members who are not law enforcement officers. Further, the concept applies only to eligible active members who have not yet entered DROP as of the concept's effective date.

Eligible Members

The Division of Retirement provided us a listing of members in law enforcement officer positions who meet the criteria to be affected by this concept. The listing identified 22,198 eligible law enforcement officer actives among the Special Risk Class active members included in the July 1, 2021 actuarial valuation data. Said another way, as of July 2021 by headcount, law enforcement officers comprise about 35% of the active Special Risk Class Pension Plan membership.

Background – What is the DROP?

FRS's DROP was established in 1998. Members who have reached eligibility for immediate unreduced retirement benefits and who satisfy certain other criteria (as discussed later in this letter) can elect to enter the DROP. The member's monthly retirement benefit payable as of the DROP entry date, based on final average pay and service as of that date, is calculated. The member then continues to work until the member's selected DROP exit date, which under current rules for members other than K-12 instructional personnel can be up to five years subsequent. The proposed concept would allow law enforcement officers' selected DROP exit dates to be up to eight years after DROP entry. At DROP exit, the member receives the accumulated monthly benefit "payments" during the DROP participation period plus interest as a single lump sum, rollovers, or a combination. Then the member commences receipt of the monthly annuity calculated at time of DROP entry, plus any applicable COLA increases between DROP entry and DROP exit. Many members may view a DROP as a financially attractive proposition since it provides a member the opportunity to simultaneously collect both a paycheck and accumulate a monthly retirement benefit payment for a period. Our current valuation assumptions anticipate that over half of all full-career male Tier 1 Special Risk Pension Plan members who start their FRS-covered employment by age 25 choose to participate in DROP. Those assumptions are based on recently observed actual experience. For employers, a DROP can have the benefit of providing significant advance notice of retirements, which can assist in management of personnel and staffing levels.

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Current DROP Entry Eligibility Criteria

Except as allowed by statute, notably for K-12 instructional personnel¹, members have a limited eligibility window during which they can elect to enter the DROP. A member initially becomes eligible to enter DROP in the same month the member first becomes eligible to file for unreduced immediate retirement benefits. Eligibility windows differ by tier and membership class and are initially reached via satisfying either service-only criteria or age-plus-service criteria.

For most members achieving DROP entry eligibility via service-only criteria, the window to enter DROP lasts more than 12 months, with the DROP entry window’s length varying by individual. (The window must be at least 12 months in length.) The window for Special Risk members satisfying service-only eligibility criteria is shown in the table below.

DROP Entry Eligibility Window for Special Risk Members Satisfying Service-Only Criteria			
Tier	Window Initially Opens	Window Remains Open	Window Closes
Tier I	25 Years of Service	Age 52	Age 53*
Tier II	30 Years of Service	Age 55	Age 56*

*Or 12 months after window opens, if opening is after the “remains open” age listed above

Members who have not yet reached unreduced immediate retirement eligibility through service-only criteria become eligible to enter DROP upon satisfaction of age-plus-service criteria. For those members, the eligibility window to enter DROP lasts for 12 months. The window for Special Risk members satisfying age-plus-service eligibility criteria is shown in the table below.

DROP Entry Eligibility Window for Special Risk Members Satisfying Age-Plus-Service Criteria		
Tier	Window Opens	Window Closes
Tier I	Age 55 and 6 Years of Service	After 12 months
Tier II	Age 60 and 8 Years of Service	After 12 months

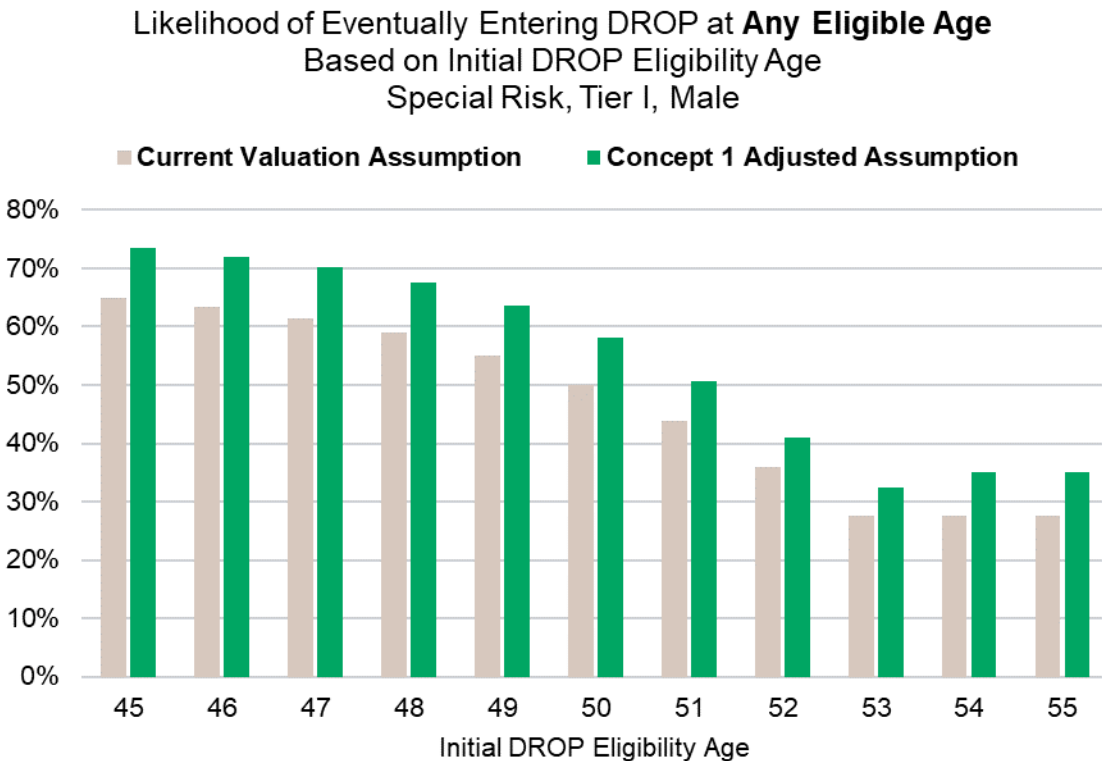
Modeling of Concept

We anticipate DROP entry and exit behavior patterns for some eligible members would be modified in response to this concept’s enactment. Accordingly, we have estimated the cost impact of this concept by modeling the revised DROP duration provisions and modifying the actuarial valuation’s assumptions for likelihood and timing of DROP entry and length of DROP participation for the law enforcement officer subset of the Special Risk Class. We expect that enactment of the concept would impact member behavior by lowering the average age at which

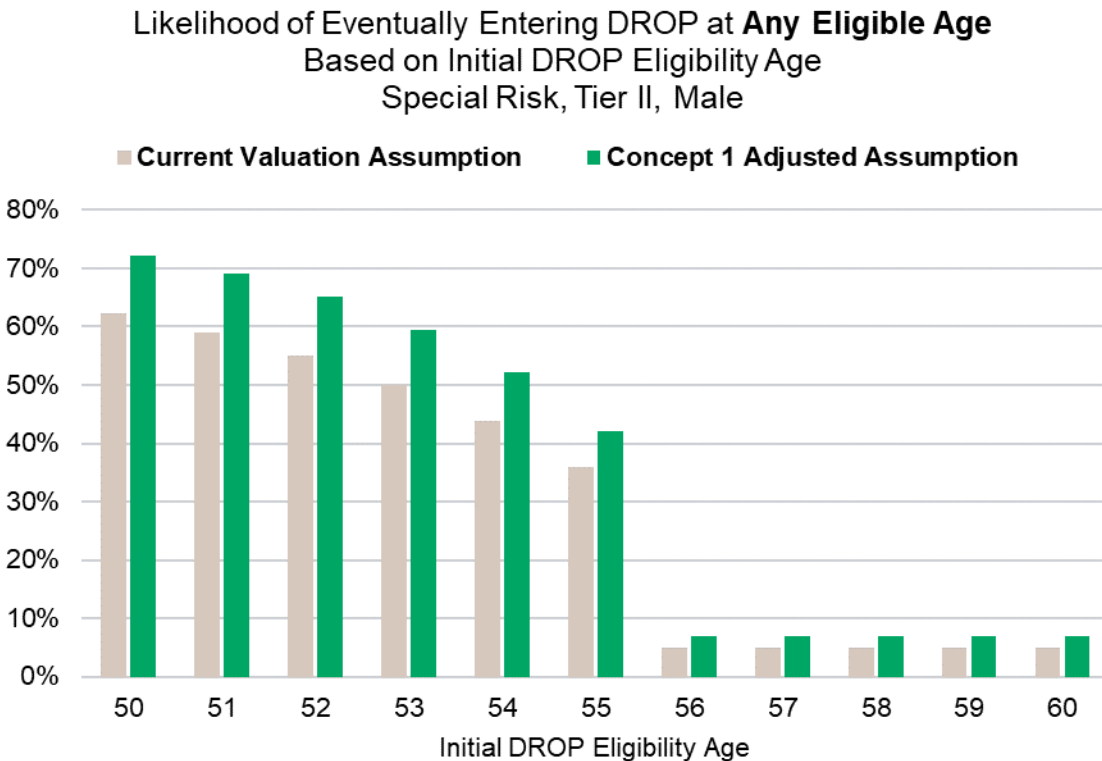
¹ Instructional personnel in grades K-12 may defer DROP participation to any age under current statute.

law enforcement officers enter DROP and extending the duration of DROP participation for such members.

To reflect the modified behavior anticipated by the concept, we modified the valuation assumptions for DROP entry at ages 45-55 for Tier I law enforcement officers, and ages 50-60 for Tier II law enforcement officers. We anticipate that members who become initially eligible for DROP at ages with modified assumptions under the studied concept would have a somewhat higher overall likelihood of eventually entering DROP at any eligible age, as shown in the charts below for Tier I and Tier II males.



Tier I Special Risk members who reach normal retirement eligibility before age 52 have a DROP entry eligibility window greater than 12 months. Accordingly, the bar chart above represents the cumulative likelihood of entering DROP at any age during the window. Tier I Special Risk members who reach normal retirement eligibility on and after age 52 have a DROP entry eligibility window length of 12 months.



Tier II Special Risk members who reach normal retirement eligibility before age 55 have a DROP entry eligibility window greater than 12 months. Accordingly, the bar chart above represents the cumulative likelihood of entering DROP at any age during the window. Tier II Special Risk members who reach normal retirement eligibility on and after age 55 have a DROP entry eligibility window length of 12 months. Due to the demanding nature of Special Risk Class positions, the assumed likelihood of entering DROP at ages 56 and older is notably lower than the assumed likelihood of entering DROP at ages younger than 56. However, we anticipate that concept enactment would increase the rates of DROP entry somewhat at ages 56 and older.

Tier I and Tier II DROP entry rates for eligible female law enforcement officers were adjusted similarly to the tier-specific male rates. See Table 3 for more detail on the specific rate adjustments.

The current valuation assumption is that members electing DROP will participate in the DROP on average for 48 months, or 4 years. The assumption is based on actual FRS experience of the average duration of DROP participation, which does not vary notably for Special Risk Class compared to the other large membership classes. Furthermore, FRS experience for K-12 instructional Regular Class personnel, who under current statute have the ability to remain in

DROP up to 96 months, reflects an average duration of DROP participation not much different from non-instructional members of the Regular class.

In considering how the concept may affect the average duration of DROP participation of affected members, we reviewed the provisions and assumptions for other public safety DROP programs that allow participation periods of greater than 60 months. The experience and assumptions show that most members do not remain in DROP for the maximum duration allowed. Therefore, we have assumed that the average duration of DROP participation for law enforcement officers affected by this concept would increase from 48 months to 60 months.

Summary of Results

The projected impact of the concept was assessed on a member-by-member basis for each current active member not already in DROP projected to be eligible under the concept. The magnitude of the effect of the concept varies from member to member and depends on the member's age and service. Our analysis quantifies the estimated impact of the concept when compared to the current benefit structure for the Special Risk Class FRS Pension Plan participants.

Applying the adopted actuarial cost allocation method used for determining 2022-2023 fiscal year actuarially calculated contribution rates, the FRS Pension Plan Normal Cost, Actuarial Liability and Unfunded Actuarial Liability would be increased by this concept.

Under the concept, both FRS Pension Plan Actuarial Liability and Unfunded Actuarial Liability (UAL) for the Special Risk Membership Class would increase by approximately \$99 million. The impact on the proposed blended statutory 2022-2023 contribution rates is as shown on the table on page one of this analysis, and in Table 2 of the attached exhibits.

Table 1 of the attached exhibits shows the impact of the change on the FRS Pension Plan's July 1, 2021 actuarial valuation results for Special Risk Class members prior to blending with FRS Investment Plan cost levels to create 2022-2023 proposed blended statutory employer contribution rates. The concept would also affect the DROP Normal Cost Rate, which is set equal to the composite FRS Pension Plan average employer-paid Normal Cost Rate. Section A of the table shows the estimated increase to the actuarially calculated Employer Normal Cost Rate and UAL Cost Rate. Section B of the table shows the estimated increase to the FRS Pension Plan's Unfunded Actuarial Liability and Present Value of Projected Benefits calculated based on the methodology used to calculate Actuarial Liability for FRS Pension Plan funding calculations as approved by the 2021 FRS Actuarial Assumption Conference.

Table 2 shows the estimated impact of the concept on the proposed blended statutory rates for the 2022-2023 plan year. Section A of the table develops the 2022-2023 proposed blended statutory employer-paid Normal Cost Rate reflecting the expected impact of the concept, based on the concept's increase to the FRS Pension Plan employer Normal Cost Rate for the Special Risk Class and the DROP. The FRS Pension Plan rates shown are based on the results of this

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study's analysis. The FRS Investment Plan rates would be unchanged by enactment of this concept.

Section B of Table 2 develops the proposed blended statutory Employer UAL Contribution Rate as the total employer UAL Cost derived from the FRS Pension Plan divided by the total projected payroll of the FRS Pension Plan and FRS Investment Plan. Section C of the table compares the proposed blended statutory rates reflecting the impact of the concept to those developed in the 2022-2023 Blended Rate Study, which was developed as part of the July 1, 2021 Actuarial Valuation. Section D of the table translates the estimated change in 2022-2023 proposed blended statutory rates to an estimated increase in employer contributions during the 2022-2023 plan year.

The payroll for some employee groups is subject to only the blended Employer UAL Contribution Rate component of the overall employer contribution rate (e.g., participants in the SUSORP, SMSOAP, and SCCORP, and reemployed members not eligible for renewed membership). The payroll for those employee groups is included in the calculation of the proposed blended statutory Employer UAL Contribution Rate but is excluded from the calculation of the proposed blended statutory Employer Normal Cost Contribution Rate.

The contribution rates shown in Table 2 excludes the 0.06% contribution rate for FRS Investment Plan administration and education (applied to all membership classes except DROP) and the 1.66% contribution rate for the Florida Retiree Health Insurance Subsidy (HIS) program, which is charged to all FRS Pension Plan and FRS Investment Plan payroll.

Table 3 compares the valuation DROP entry assumptions to the rates as modified by this study, at the ages for which the rates were modified.

Other Assumptions and Methods

The calculations are based on census and payroll data as of July 1, 2021 provided to us by the Division of Retirement for development of the FRS Actuarial Valuation as of July 1, 2021 and the FRS 2022-2023 Blended Rate Study. Additionally, the Division of Retirement provided us a file identifying law enforcement officer members who have met the criteria to be eligible for this concept. We have not audited or verified this data and other information. If the underlying data or information is inaccurate or incomplete, the results of our analysis may likewise be inaccurate or incomplete. The impact of the concept was modeled by applying the concept's provisions and adjusted assumptions to Special Risk active members who were also on the listing of eligible members provided by the Division of Retirement. Valuation results for all other members were unchanged from the FRS Actuarial Valuation as of July 1, 2021.

We performed a limited review of the data used directly in our analysis for reasonableness and consistency and have not found material defects in the data. If there are material defects in the data, it is possible that they would be uncovered by a detailed, systematic review and

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comparison of the data to search for data values that are questionable or for relationships that are materially inconsistent. Such a review was beyond the scope of our assignment.

Except where otherwise noted in this letter, this analysis is based on the methods and assumptions as stated in the FRS Actuarial Valuation as of July 1, 2021 report. The data was based on the July 1, 2021 FRS actuarial valuation database and supplemental data provided for this study and described above. The results of our study depend on future experience conforming to those actuarial assumptions discussed earlier in this letter. Future actuarial measurements may differ significantly from the current measurements presented in this analysis due to many factors, including plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period) and changes in plan provisions or applicable law. Due to the limited scope of our assignment, we did not perform an analysis of the potential range of future measurements. In addition, the cost of the proposed change will depend on the actual legislation.

The study results were developed using models intended for valuations that use standard actuarial techniques.

Milliman's work product was prepared exclusively for the internal business use of Florida Department of Management Services, Division of Retirement. It is a complex technical analysis that assumes a high level of knowledge concerning the Florida Retirement System's operations, and uses Division data, which Milliman has not audited. To the extent that Milliman's work is not subject to disclosure under applicable public record laws, Milliman's work may not be provided to third parties without Milliman's prior written consent. Milliman does not intend to benefit or create a legal duty to any third-party recipient of its work product. Milliman's consent to release its work product to any third party may be conditioned on the third party signing a Release, subject to the following exceptions:

- a. The Division of Retirement may provide a copy of Milliman's work, in its entirety, to the System's professional service advisors who are subject to a duty of confidentiality and who agree to not use Milliman's work for any purpose other than to benefit the System.
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The consultants who worked on this assignment are retirement actuaries. Milliman's advice is not intended to be a substitute for qualified legal or accounting counsel.

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Ms. Andrea Simpson
January 26, 2022
Page 9

Milliman consultants are independent of the plan sponsor. We are not aware of any relationship that would impair the objectivity of our work.

On the basis of the foregoing, I hereby certify that, to the best of my knowledge and belief, this report is complete and accurate and has been prepared in accordance with generally recognized and accepted actuarial principles and practices which are consistent with the principles prescribed by the Actuarial Standards Board and the *Code of Professional Conduct and Qualification Standards for Actuaries Issuing Statements of Actuarial Opinion in the United States* published by the American Academy of Actuaries.

I am a consulting actuary for Milliman, Inc. I am a member of the American Academy of Actuaries and meet their Qualification Standards to render the actuarial opinion contained herein. Please call if you would like to further discuss this project.

Respectfully Submitted,



Matt Larrabee, FSA, EA, MAAA
Principal & Consulting Actuary

cc: Garry Green (Division of Retirement), Daniel Wade (Milliman), Kathryn Hunter (Milliman)

Enclosures

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FLORIDA RETIREMENT SYSTEM
FISCAL IMPACT ANALYSIS

**Effect on July 1, 2021 Defined Benefit FRS Pension Plan Actuarial Valuation Results
of Proposal for Prospective Extension of Maximum DROP Participation by 36-months for Law Enforcement Officer Members Effective July 1, 2021
Please see the attached letter for details regarding data, assumptions, methodology, and plan provisions used
(Dollars in Thousands)**

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	Regular	Special Risk	Special Risk Administrative	Judicial	-----Elected Officers' Class----- Leg-Atty-Cab	Local	Senior Management	Composite (excluding DROP)	DROP	Composite (including DROP)
A. Actuarially Calculated Pension Plan Employer Contribution Rates (prior to blending to create proposed blended statutory contribution rates)										
1. Actuarially Calculated Pension Plan Employer Contribution Rates Developed in July 1, 2021 Valuation ¹										
a. Employer Normal Cost	5.73%	16.32%	11.70%	14.48%	9.00%	10.98%	7.59%	7.77%	7.77%	7.77%
b. UAL Cost	<u>5.52%</u>	<u>11.16%</u>	<u>36.66%</u>	<u>33.24%</u>	<u>80.39%</u>	<u>63.41%</u>	<u>31.03%</u>	<u>7.17%</u>	<u>9.15%</u>	<u>7.33%</u>
c. Total Employer Cost	11.25%	27.48%	48.36%	47.72%	89.39%	74.39%	38.62%	14.95%	16.92%	15.10%
2. Actuarially Calculated Pension Plan Employer Contribution Rates Reflecting Proposed Change										
a. Employer Normal Cost	5.73%	16.42%	11.70%	14.48%	9.00%	10.98%	7.59%	7.79%	7.79%	7.79%
b. UAL Cost	<u>5.52%</u>	<u>11.32%</u>	<u>36.66%</u>	<u>33.24%</u>	<u>80.39%</u>	<u>63.41%</u>	<u>31.03%</u>	<u>7.20%</u>	<u>9.15%</u>	<u>7.35%</u>
c. Total Employer Cost	11.25%	27.74%	48.36%	47.72%	89.39%	74.39%	38.62%	14.99%	16.94%	15.14%
3. Change in Actuarially Calculated Pension Plan Employer Contribution Rates due to Proposed Change										
a. Normal Cost	0.00%	0.10%	0.00%	0.00%	0.00%	0.00%	0.00%	0.02%	0.02%	0.02%
b. UAL Cost	<u>0.00%</u>	<u>0.16%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.03%</u>	<u>0.00%</u>	<u>0.02%</u>
c. Total Cost	0.00%	0.26%	0.00%	0.00%	0.00%	0.00%	0.00%	0.05%	0.02%	0.04%
B. FRS Pension Plan Unfunded Actuarial Liability (UAL) and Present Value of Projected Benefits (Dollars in Thousands)										
1. July 1, 2021 Actuarial Valuation UAL ²	\$20,187,663	\$7,938,690	\$16,278	\$535,788	\$72,136	\$421,656	\$2,512,289	\$31,684,500	\$3,053,094	\$34,737,594
2. July 1, 2021 UAL Reflecting Proposed Change	<u>20,187,663</u>	<u>8,037,975</u>	<u>16,278</u>	<u>535,788</u>	<u>72,136</u>	<u>421,656</u>	<u>2,512,289</u>	<u>31,783,785</u>	<u>3,053,094</u>	<u>34,836,879</u>
3. Increase in UAL due to Proposed Change	\$0	\$99,285	\$0	\$0	\$0	\$0	\$0	\$99,285	\$0	\$99,285
4. Decrease in Present Value of Future Normal Costs	<u>\$0</u>	<u>(\$78,070)</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>(\$78,070)</u>	<u>\$0</u>	<u>(\$78,070)</u>
5. Increase in Present Value of Projected Benefits (3. + 4.)	\$0	\$21,215	\$0	\$0	\$0	\$0	\$0	\$21,215	\$0	\$21,215

¹ As reported in the July 1, 2021 valuation - Table 4-11

² As reported in the July 1, 2021 valuation - Table 3-2

FLORIDA RETIREMENT SYSTEM
FISCAL IMPACT ANALYSIS

**Effect on Proposed Blended Statutory Employer Contribution Rates for 2022-2023 Plan Year
of Proposal for Prospective Extension of Maximum DROP Participation by 36-months for Law Enforcement Officer Members Effective July 1, 2021
Assumes 3.25% Annual Growth in Total Payroll**

Please see the attached letter for details regarding data, assumptions, methodology, and plan provisions used

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	Regular	Special Risk	Special Risk Administrative	Judicial	-----Elected Officers' Class----- Leg-Atty-Cab	Local	Senior Management	Composite (excluding DROP)	DROP	Composite (including DROP)
A. Proposed Blended Statutory Normal Cost Contribution Rates Reflecting the Concept (Dollars in Thousands)										
1. Actuarially Calculated Defined Benefit Pension Plan Normal Cost										
a. Employer Pension Plan Normal Cost Rate	5.73%	16.42%	11.70%	14.48%	9.00%	10.98%	7.59%	7.79%	7.79%	7.79%
b. Projected Pension Plan Normal Cost Payroll	\$19,861,536	\$4,654,614	\$3,485	\$114,681	\$5,619	\$44,147	\$573,600	\$25,257,682	\$2,419,435	\$27,677,117
c. Total Employer Pension Plan Normal Cost [(1a) x (1b)]	\$1,138,066	\$764,288	\$408	\$16,606	\$506	\$4,847	\$43,536	\$1,968,257	\$188,474	\$2,156,731
2. Investment Plan Employer Cost										
a. Employer Rates effective July 1, 2021 (Sec 121.72-73; 121.735)	3.60%	13.54%	5.43%	11.05%	6.94%	8.95%	4.98%	4.64%	0.00%	4.64%
b. Projected Investment Plan Payroll	\$7,199,162	\$800,533	\$1,400	\$23,417	\$2,703	\$21,701	\$236,389	\$8,285,305	\$0	\$8,285,305
c. Total Employer Investment Plan Cost [(2a) x (2b)]	\$259,170	\$108,392	\$76	\$2,588	\$188	\$1,942	\$11,772	\$384,128	\$0	\$384,128
3. Proposed Blended Statutory Employer Normal Cost Rate (Pension Plan + Investment Plan)										
a. Total Employer Normal Cost Contribution [(1c) + (2c)]	\$1,397,236	\$872,680	\$484	\$19,194	\$694	\$6,789	\$55,308	\$2,352,385	\$188,474	\$2,540,859
b. Total System Projected Payroll [(1b) + (2b)]	\$27,060,698	\$5,455,147	\$4,885	\$138,098	\$8,322	\$65,848	\$809,989	\$33,542,987	\$2,419,435	\$35,962,422
c. Proposed Blended Statutory Employer Normal Cost Contribution Rate ¹ As a Percentage of Total Payroll [(3a) / (3b)]	5.16%	16.00%	9.91%	13.90%	8.34%	10.31%	6.83%	7.01%	7.79%	7.07%
B. Proposed Blended Statutory Unfunded Actuarial Liability (UAL) Cost Contribution Rates Reflecting the Concept (Dollars in Thousands)										
1. Actuarially Calculated Defined Benefit Pension Plan UAL Cost										
a. Pension Plan UAL Cost Rate	5.52%	11.32%	36.66%	33.24%	80.39%	63.41%	31.03%	7.20%	9.15%	7.35%
b. Projected Pension Plan UAL Cost Payroll	\$23,632,063	\$4,683,880	\$3,485	\$115,595	\$6,489	\$49,133	\$589,858	\$29,080,503	\$2,419,435	\$31,499,938
c. Total Employer UAL Cost [(1a) x (1b)]	\$1,304,490	\$530,215	\$1,278	\$38,424	\$5,217	\$31,155	\$183,033	\$2,093,812	\$221,378	\$2,315,190
2. Investment Plan Projected Payroll										
	\$7,199,162	\$800,533	\$1,400	\$23,417	\$2,703	\$21,701	\$236,389	\$8,285,305	\$0	\$8,285,305
3. Proposed Blended Statutory Employer UAL Contribution Rate (Pension Plan + Investment Plan)										
a. Total Employer UAL Cost [(1c)]	\$1,304,490	\$530,215	\$1,278	\$38,424	\$5,217	\$31,155	\$183,033	\$2,093,812	\$221,378	\$2,315,190
b. Total System Projected Payroll [(1b) + (2)]	\$30,831,225	\$5,484,413	\$4,885	\$139,012	\$9,192	\$70,834	\$826,247	\$37,365,808	\$2,419,435	\$39,785,243
c. Proposed Blended Statutory Employer UAL Contribution Rate ¹ As a Percentage of Total Payroll [(3a) / (3b)]	4.23%	9.67%	26.16%	27.64%	56.76%	43.98%	22.15%	5.60%	9.15%	5.82%

¹ Rates shown do not include the HIS contribution rate or IP administrative fees.

FLORIDA RETIREMENT SYSTEM
FISCAL IMPACT ANALYSIS

**Effect on Proposed Blended Statutory Employer Contribution Rates for 2022-2023 Plan Year
of Proposal for Prospective Extension of Maximum DROP Participation by 36-months for Law Enforcement Officer Members Effective July 1, 2021
Assumes 3.25% Annual Growth in Total Payroll**

Please see the attached letter for details regarding data, assumptions, methodology, and plan provisions used

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	Regular	Special Risk	Special Risk Administrative	-----Elected Officers' Class----- Judicial	Leg-Atty-Cab	Local	Senior Management	Composite (excluding DROP)	DROP	Composite (including DROP)
C. Proposed Blended Statutory Employer Contribution Rates Reflecting the Concept										
1. Proposed Blended Statutory Employer Contribution Rates Based on July 1, 2021 Valuation ²										
a. Employer Normal Cost Contribution Rate	5.16%	15.91%	9.91%	13.90%	8.34%	10.31%	6.83%	7.00%	7.77%	7.05%
b. Employer UAL Contribution Rate	<u>4.23%</u>	<u>9.53%</u>	<u>26.16%</u>	<u>27.64%</u>	<u>56.76%</u>	<u>43.98%</u>	<u>22.15%</u>	<u>5.58%</u>	<u>9.15%</u>	<u>5.80%</u>
c. Total Employer Contribution Rate [(C1a) + (C1b)]	9.39%	25.44%	36.07%	41.54%	65.10%	54.29%	28.98%	12.58%	16.92%	12.85%
2. Proposed Blended Statutory Employer Contribution Rates Reflecting Proposed Change ¹										
a. Employer Normal Cost Contribution Rate [(A3c)]	5.16%	16.00%	9.91%	13.90%	8.34%	10.31%	6.83%	7.01%	7.79%	7.07%
b. Employer UAL Contribution Rate [(B3c)] ³	<u>4.23%</u>	<u>9.67%</u>	<u>26.16%</u>	<u>27.64%</u>	<u>56.76%</u>	<u>43.98%</u>	<u>22.15%</u>	<u>5.60%</u>	<u>9.15%</u>	<u>5.82%</u>
c. Total Employer Contribution Rate [(C3a) + (C3b)]	9.39%	25.67%	36.07%	41.54%	65.10%	54.29%	28.98%	12.61%	16.94%	12.89%
3. Change in Proposed Blended Statutory Employer Contribution Rates due to Proposed Change										
a. Employer Normal Cost Contribution Rate [(C2a) - (C1a)]	0.00%	0.09%	0.00%	0.00%	0.00%	0.00%	0.00%	0.01%	0.02%	0.02%
b. Employer UAL Contribution Rate [(C2b) - (C1b)]	<u>0.00%</u>	<u>0.14%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.02%</u>	<u>0.00%</u>	<u>0.02%</u>
c. Total Employer Contribution Rate [(C3a) + (C3b)]	0.00%	0.23%	0.00%	0.00%	0.00%	0.00%	0.00%	0.03%	0.02%	0.04%
D. Additional/(Reduced) Proposed Statutory Employer Contributions for the 2022-2023 Plan Year Due to Proposed Change (Dollars in Thousands)										
1. State	\$0	\$2,375	\$0	\$0	\$0	\$0	\$0	\$2,375	\$70	\$2,445
2. School Boards	\$0	\$162	\$0	\$0	\$0	\$0	\$0	\$162	\$203	\$365
3. State Universities	\$0	\$74	\$0	\$0	\$0	\$0	\$0	\$74	\$15	\$89
4. Community Colleges	\$0	\$6	\$0	\$0	\$0	\$0	\$0	\$6	\$13	\$19
5. Counties	\$0	\$9,202	\$0	\$0	\$0	\$0	\$0	\$9,202	\$157	\$9,359
6. Other	<u>\$0</u>	<u>\$768</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$768</u>	<u>\$25</u>	<u>\$793</u>
7. Total	\$0	\$12,587	\$0	\$0	\$0	\$0	\$0	\$12,587	\$483	\$13,070

¹ Rates shown do not include the HIS contribution rate or IP administrative fees.

² As reported in the 2022-2023 Blended Rates Study dated December 1, 2021.

³ Employers of employee groups subject to only the UAL contribution rate would pay the rates shown in line (C.2.b.) and line (C.3.b.).

FLORIDA RETIREMENT SYSTEM
DROP ENTRY RATE ASSUMPTIONS

DROP Entry Rates Effective July 1, 2021 for the Defined Benefit FRS Pension Plan

Please see the attached letter for details regarding data, assumptions, methodology, and plan provisions used

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Age	Tier I Special Risk: Valuation Assumptions		Tier I Law Enforcement Officers: Study Assumptions		Tier II Special Risk: Valuation Assumptions		Tier II Law Enforcement Officers: Study Assumptions	
	Female	Male	Female	Male	Female	Male	Female	Male
45	8.0%	13.0%	11.0%	18.0%				
46	8.0%	13.0%	11.0%	18.0%				
47	8.0%	13.0%	11.0%	18.0%				
48	11.0%	15.0%	14.0%	20.0%				
49	11.0%	15.0%	14.0%	20.0%				
50	11.0%	15.0%	14.0%	20.0%	11.0%	15.0%	15.0%	21.0%
51	11.0%	15.0%	14.0%	20.0%	11.0%	15.0%	15.0%	21.0%
52	15.0%	36.0%	18.0%	41.0%	11.0%	15.0%	15.0%	21.0%
53	15.0%	27.5%	18.0%	32.5%	11.0%	15.0%	15.0%	21.0%
54	15.0%	27.5%	22.0%	35.0%	11.0%	15.0%	15.0%	21.0%
55	32.0%	27.5%	40.0%	35.0%	17.0%	36.0%	23.0%	42.0%
56					11.0%	5.0%	13.0%	7.0%
57					11.0%	5.0%	13.0%	7.0%
58	Tier I rates modified only for ages 45-55				11.0%	5.0%	13.0%	7.0%
59					11.0%	5.0%	13.0%	7.0%
60					20.0%	5.0%	22.0%	7.0%

CourtSmart Tag Report

Room: SB 37

Case No.:

Type:

Caption: Senate Governmental Oversight and Accountability Committee

Judge:

Started: 2/10/2022 8:35:35 AM

Ends: 2/10/2022 8:52:56 AM

Length: 00:17:22

8:35:39 AM Meeting called to order by Chair Brandes
8:35:55 AM Comments from Chair Brandes
8:36:05 AM Tab 1 - SB 518 by Senator Brodeur
8:36:13 AM Senator Brodeur explains the bill
8:36:39 AM Diana Ferguson, Florida Chapter of American Society of Landscape Architects, waives speaking in support of the bill
8:36:55 AM Jim Spratt waives speaking in support of the bill
8:37:07 AM Phillip Suderman waives speaking in support of the bill
8:37:12 AM Rebecca O'Hara, Florida League of Cities, waives speaking in support of the bill
8:37:25 AM Senator Brodeur waives close on the bill
8:37:32 AM CS/SB 518 is reported favorably
8:37:45 AM Tab 4 - CS/SB 1614, Public Records/Motor Vehicle Crashes/Traffic Citations by Senator Harrell
8:37:51 AM Senator Harrell explains the bill
8:39:01 AM Delete-all amendment 148404
8:39:13 AM Senator Harrell explains the delete-all amendment
8:39:47 AM Senator Farmer with question
8:40:26 AM Senator Harrell responds
8:40:51 AM Back and forth in questions
8:41:40 AM Senator Harrell waives close on amendment
8:41:49 AM Amendment is adopted
8:41:53 AM Back on bill as amended
8:42:04 AM Senator Harrell waives close on bill
8:42:17 AM CS/CS/SB 1614 is reported favorably
8:42:31 AM Tab 5 - CS/SB 1736, Records of Physical Examinations by Senator Hooper
8:42:35 AM Senator Hooper explains the bill
8:43:18 AM Lisa Henning, Fraternal Order of Police, waives speaking in support of the bill
8:43:23 AM Wayne Bernoska waives speaking in support of the bill
8:43:30 AM Matt Pucket, Florida Police Benevolent Assoc., waives speaking in support of the bill
8:43:39 AM Senator Hooper waives close on bill
8:43:51 AM CS/SB 1736 is reported favorably
8:44:06 AM Senator Brandes turns chair over to Senator Gruters
8:44:14 AM Tab 6 - SPB 7046, Public Employment by Governmental Oversight and Accountability Committee
8:44:24 AM Senator Brandes explains the proposed bill
8:45:28 AM Amendment 183432
8:45:40 AM Senator Brandes explains the amendment
8:45:56 AM Senator Brandes waives close on amendment
8:46:01 AM The amendment is adopted
8:46:06 AM Back on the proposed bill
8:46:09 AM Matt Pucket waives speaking in support of the bill
8:46:20 AM Motion by Senator Brandes to submit the proposed bill as a committee bill
8:46:29 AM Motion adopted
8:46:37 AM SPB 7046 is reported favorably as a committee bill
8:46:52 AM Chair Gruters turns chair back over to Senator Brandes
8:46:55 AM Tab 3 - SB 1500, Special Days of Observance by Senator Bracy
8:47:03 AM Senator Bracy explains the bill
8:47:45 AM Senator Bracy waives close on the bill
8:48:06 AM SB 1500 is reported favorably
8:48:14 AM Tab 2 - CS/SB 1304, Public Records/Trust Proceedings by Senator Gruters
8:48:21 AM Senator Gruters explains the bill
8:48:43 AM Virginia Hamrick, First Amendment Foundation, speaks against the bill
8:50:13 AM Senator Gruters closes on the bill
8:50:35 AM CS/SB 1304 is reported favorably

8:50:51 AM Motion by Senator Farmer to be shown as voting "yea" on CS/SB 518
8:51:21 AM Senator Brandes reads a late appearance card relating to CS/SB 518 into the record
8:51:55 AM Comments by Chair Brandes
8:52:45 AM Meeting is adjourned