

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

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

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Prepared By: The Professional Staff of the Committee on Appropriations

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BILL: HB 5207

INTRODUCER: State Administration Budget Subcommittee and Representative Abbott

SUBJECT: Department of Management Services

DATE: February 27, 2026

REVISED: 3/2/26

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ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1. Davis	Sadberry	AP	<b>Fav/1 amendment</b>

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**Please see Section IX. for Additional Information:**

AMENDMENTS - Significant amendments were recommended

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**I. Summary:**

HB 5207 makes conforming changes related to the House of Representatives' General Appropriations Act for the 2026-2027 fiscal year, as the bill codifies a health insurance assessment on vacant positions, requires the Department of Management Services (DMS) to implement formulary management beginning January 1, 2027, and removes the scheduled expiration date of July 1, 2026, from the \$3 surcharge imposed on all noncriminal moving traffic violations and specified criminal offenses which funds a portion of the Statewide Law Enforcement Radio System (SLERS).

The bill provides for certain rights and duties concerning the occupation and management of the Capitol Center. The bill specifies that the Governor, Cabinet officers, and Legislature are permanent tenants of the Capitol Center with specifically designated office and parking space. The bill adds the Mayo Building to Memorial Park. The bill ensures that the Legislature is aware of and has the opportunity to approve any project in the Capitol Center that might impact their respective tenancies.

The bill renames "Office of Supplier Diversity" to "Office of Supplier Development," replacing Minority Business Enterprise duties with assistance for Florida-based small businesses and veteran-owned enterprise certification.

The bill deletes a statutory provision that authorized drugs excluded from the State Group Insurance Program to be made available for inclusion if deemed medically necessary by a prescribing physician. The bill also codifies an administrative health insurance assessment for the State Group Insurance Program.

Removing the expiration date of the \$3 traffic violation surcharge generates approximately \$4 million annually for the State Agency Law Enforcement Radio System Trust Fund to support the operation and maintenance of the SLERS.

The bill has an indeterminate, significant fiscal impact. See Section V., Fiscal Impact Statement.

The bill takes effect July 1, 2026.

## II. Present Situation:

### The State Group Insurance Program (SGI Program)

The SGI Program is created by s. 110.123, F.S., and is administered by the Division of State Group Insurance (DSGI) within the Department of Management Services (DMS). The SGI Program is an optional benefit for most state employees employed by executive branch agencies, state universities, the Florida College System, the court system, and the Legislature and includes health, life, dental, vision, disability, and other supplemental insurance benefits.

The SGI Program typically makes benefits changes on a plan year basis, January 1 through December 31. For Fiscal Year 2025-2026, the SGI Program enrollment is estimated to be 194,568 members.<sup>1</sup> In Fiscal Year 2025-2026, the projected cost of the SGI program is \$4.55 billion.<sup>2</sup> The Revenue Estimating Conference forecasts the SGI Program to cost \$4.8 billion in Fiscal Year 2026-2027.<sup>3</sup>

### *Eligible Employees*

The SGI Program is open to the following individuals:

- All state officers;
- All state employees paid from “salaries and benefits” appropriation categories, regardless of the number of hours worked;
- Retired state officers and state employees;
- Surviving spouses of deceased state officers and state employees;
- Certain terminated state officers and state employees; and
- Certain state employees paid from Other Personal Services (OPS) appropriation categories.

For OPS employees hired after April 1, 2013, to be eligible to participate in the health insurance program, the employee must<sup>4</sup>:

- Be reasonably expected to work an average of at least 30 hours per week; and
- Have worked an average of at least 30 hours per week during the employee’s measurement period (which is 12 consecutive months<sup>5</sup> of employment).

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<sup>1</sup> Florida Office of Economic and Demographic Research, <https://edr.state.fl.us/content/conferences/healthinsurance/HealthInsuranceOutlook.pdf> at p. 5 (last visited Feb. 25, 2026).

<sup>2</sup> *Id.* at 7.

<sup>3</sup> *Id.*

<sup>4</sup> Section 110.123(2)(g)2., F.S.

<sup>5</sup> Section 110.123(14)(d), F.S.

Employees enrolled in the SGI Program who separate from covered-employment are no longer covered by the benefits of the SGI Program. An exception would be continuation of SGI Program benefits under the federal COBRA (Consolidated Omnibus Reconciliation Act) law, which generally allows individuals who separate from employment to extend health care coverage for up to 18 months. Under COBRA, former employees must pay the full cost of insurance premiums, plus an administrative fee of two percent.

### ***Formulary***

A formulary is a list of prescription drugs covered by a health plan's pharmacy benefit design. It dictates which drugs a health plan predetermines will be covered, and at what level, for reimbursement under the terms of its pharmacy benefit plan. Formularies distinguish between preferred or discouraged prescription drugs by dividing products into different tiers, designating different levels of patient out of pocket costs. A formulary may cover both generic and brand name prescription drugs. Formulary selection involves an assessment of both the clinical and financial elements of a prescription medication.

In 2019, the Legislature directed the DMS to modify the State Group Insurance Program to use formulary management techniques to administer the Prescription Drug Plan beginning with the 2020 plan year.<sup>6</sup> Prescription drugs are subject to formulary inclusion or exclusion but may not restrict access to the most clinically appropriate, clinically effective, and lowest net-cost prescription drugs and supplies. Section 110.12315(9)(a), F.S., authorizes excluded drugs to be made available for inclusion if a physician, advanced practice registered nurse, or physician assistant prescribing a pharmaceutical clearly states on the prescription that the excluded drug is medically necessary.

### **Administrative Health Insurance Assessment**

Beginning July 1, 2023, and on the first day of each month thereafter, the DMS is required to assess an administrative health insurance assessment to each state agency.<sup>7</sup> The assessment is equal to the employer's cost of individual employee health care coverage for each vacant position within such agency eligible for coverage through the Division of State Group Insurance. When appropriating positions, the Legislature includes this recurring cost of individual employee health coverage within the Salaries and Benefits category of the agency's budget.

State agencies are defined as an agency within the State Personnel System, the Department of the Lottery, the Justice Administrative Commission, and all entities administratively housed in the Justice Administrative Commission, and the state courts system. Vacant positions that are fully or partially funded by state funds are subject to the assessment. For vacant positions that are partially funded with state funds, the assessment is equal to the percentage share of state funds provided for such vacancies.

For positions that are fully funded with federal funds, the assessment does not apply. For positions that are fully or partially funded with federal funds, agencies are required to take steps

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<sup>6</sup> Chapter 2019-100, Laws of Fla.

<sup>7</sup> Chapter 2023-240, s. 73, Laws of Fla.

to include the administrative health insurance assessment in its indirect cost plan for the 2025-2026 fiscal year and each fiscal year thereafter. Agencies must notify the DMS, the Executive Office of the Governor, the chair of the Senate Committee on Appropriations and the chair of the House of Representatives Appropriations Committee, upon approval of the updated indirect cost plan. If the agency is not able to obtain approval for the positions from the federal awarding agency, the agency must notify the DMS, the Executive Office of the Governor, and the appropriation and budget chairs no later than January 15, 2026.<sup>8</sup>

The Administrative Health Insurance Assessment in the bill is designed to address a critical, projected insolvency in the State Employees' Health Insurance Trust Fund, as expenses are outpacing revenues. Without new revenue sources or structural changes, the State Employees' Health Insurance Trust Fund is projected to face a negative cash balance.

The following is a summary of the Outlook for the State Employees' Health Insurance Trust Fund through FY 2030-31<sup>9</sup>:

\$ in millions	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
	Actuals	Estimate	Estimate	Estimate	Estimate	Estimate
<b>Beginning Cash Balance</b>	\$772.2*	\$240.9	\$0.0	\$0.0	\$0.0	\$0.0
<b>Total Revenues</b>	\$4,019.4	\$4,224.6	\$4,290.4	\$4,368.0	\$4,469.9	\$4,582.2
<b>Total Expenses</b>	\$4,550.7	\$4,828.3	\$5,227.8	\$5,659.3	\$6,132.7	\$6,649.5
<b>Operating Gain/(Loss)</b>	(\$531.3)	(\$603.7)	(\$937.5)	(\$1,291.3)	(\$1,662.8)	(\$2,067.3)
<b>Ending Cash Balance</b>	\$240.9	(\$362.8)	(\$937.5)	(\$1,291.3)	(\$1,662.8)	(\$2,067.3)

\*Includes \$275 million transfer from General Revenue pursuant to Ch. 2025-198, L.O.F. Outlook assumes no carry forward of negative cash balance.

The assessment is authorized in the current Fiscal Year 2025-2026 Implementing Bill,<sup>10</sup> which requires agencies to pay the employer's cost of single coverage for each vacant position. The administrative health insurance assessment has been included in the estimated revenue for FY 2026-2027. Without codification, the Legislature will need to transfer an additional \$58.1 million from the General Revenue Fund in FY 2026-2027 to cover the trust fund deficit.

### Capitol Center and Capitol Complex

Chapter 272, F.S., provides that the Capitol Center is under the general control and supervision of the DMS, which includes the management and maintenance of both grounds and buildings. The DMS is authorized to allocate space in the specified buildings to house various departments, agencies, boards, and commissions except the Supreme Court Building.

The term “Capitol Complex” is defined to include: that portion of Tallahassee, Leon County, Florida, commonly referred to as the Capitol, the Historic Capitol, the Senate Office Building,

<sup>8</sup> Chapter 2025-199, s. 108, Laws of Fla.

<sup>9</sup> Florida Office of Economic and Demographic Research, <https://edr.state.fl.us/content/conferences/healthinsurance/HealthInsuranceOutlook.pdf> at p.7 (last visited February 25, 2026).

<sup>10</sup> Chapter 2025-199, s. 108, Laws of Fla.

the House Office Building, the Knott Building, the Pepper Building, the Holland Building, the Elliot Building, the R.A. Gray building, and the associated parking garages curtilage of each, including the state-owned lands and public streets adjacent thereto within an area bounded by and including Calhoun Street, East Pensacola Street, Monroe Street, Jefferson Street, West Pensacola, Martin Luther King Jr. Boulevard, and Gaines Street. The term does not include the Supreme Court Building or the public streets adjacent thereto. The portion of the Capitol Complex existing between and including the Elliot Building and the Holland Building within an area bounded by and including Monroe Street, Gaines Street, Calhoun Street, and East Pensacola Street shall be known as “Memorial Park.”

The DMS is responsible for the management, maintenance, and upkeep of the Capital Complex and has authority to employ a superintendent of the grounds and other employees, and to designate or appoint a non-salaried advisory committee to advise them.

### **Mayo Building**

The Mayo Building currently serves as the headquarters for the Department of Agriculture and Consumer Services (DACs). The Legislature began funding the planning for a new DACs headquarters in 2022. The facility is scheduled for completion in late 2027, at the Conner Complex in Tallahassee.

### **The Office of Supplier Diversity and Florida Minority Business Loan Mobilization Program**

The Florida Small and Minority Business Assistance Act of 1985<sup>11</sup> established the state’s initial framework for promoting minority business participation in state procurement. The Office of Supplier Diversity (OSD) was subsequently established within DMS under s. 287.09451, F.S., to assist minority business enterprises (MBEs) in becoming suppliers of commodities, services, and construction to the state.

The Florida Minority Business Loan Mobilization Program was created in s. 288.706, F.S., to assist the MBEs in obtaining working capital for state contracts. The program allows state agencies to disburse a portion of a contract award (typically five percent to 10 percent) to a participating financial institution to help the vendor secure financing.

### **Statewide Law Enforcement Radio System (SLERS)**

Chapter 282, F.S., provides duties and responsibilities required of the DMS. Specifically, the DMS is authorized to acquire and administer a statewide radio communications system, which is known as the Statewide Law Enforcement Radio System (SLERS), to serve state law enforcement officers and other participating agencies throughout the state. The DMS bears the overall responsibility for the design, engineering, acquisition, and implementation of the system for ensuring the proper operation and maintenance of all common SLERS equipment.<sup>12</sup>

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<sup>11</sup> Chapter 1985-104, Laws of Fla.

<sup>12</sup> Section 282.709(1)(b), F.S.

Section 282.709(2), F.S., creates the Joint Task Force on State Agency Law Enforcement Communications (task force). The task force consists of the following members:

- A representative of the Division of Alcoholic Beverages and Tobacco of the Department of Business and Professional Regulation appointed by the secretary of the department.
- A representative of the Division of Florida Highway Patrol of the Department of Highway Safety and Motor Vehicles appointed by the executive director of the department.
- A representative of the Department of Law Enforcement appointed by the executive director of the department.
- A representative of the Fish and Wildlife Conservation Commission appointed by the executive director of the commission.
- A representative of the Division of Law Enforcement of the Department of Environmental Protection appointed by the secretary of the department.
- A representative of the Department of Corrections appointed by the secretary of the department.
- A representative of the Department of Financial Services appointed by the Chief Financial Officer.
- A representative of the Department of Agriculture and Consumer Services appointed by the Commissioner of Agriculture.
- A representative of the Florida Sheriffs Association appointed by the president of the Florida Sheriffs Association.<sup>13</sup>

The DMS, in consultation with the task force and in conjunction with the Department of Law Enforcement and the Division of Emergency Management, is required to establish policies, procedures, and standards to incorporate into a comprehensive management plan for the use and operation of SLERS.<sup>14</sup> Chapter 2021-37, Laws of Florida, required the DMS to execute a 15-year contract with the current system operator, which became effective July 1, 2021. The contract is required to include: the purchase of radios; the upgrade to the Project 25 communications standard; increased system capacity and enhanced coverage for system users; operations, maintenance, and support at a fixed annual rate; the conveyance of communications towers to the DMS; and the assignment of communications tower leases to the DMS.

Section 282.709(3)(b), F.S., creates the State Agency Law Enforcement Radio System Trust Fund (trust fund). Moneys deposited into the trust fund are used to fund the operations, maintenance and support costs of the SLERS system and may be used by the DMS for payment of recurring maintenance costs of SLERS. The current 15-year contract for the operation of the SLERS system is currently funded in the Fiscal Year 2025-2026 General Appropriations Act at \$19 million. The funding to support the \$19 million appropriation is derived from two surcharges established in statute and deposited in the trust fund. The surcharges include:

- A \$1 surcharge collected from the general public on motor vehicle and vessel registrations as provided in ss. 320.0802 and 328.72(9), F.S., respectively; and
- A \$3 surcharge on specified criminal offenses and for all noncriminal moving traffic violations as established in s. 318.18(18), F.S., for the SLERS system and to provide for system enhancements of the SLERS network. However, the \$3 fee established in s. 318.18(18), F.S., is set to expire July 1, 2026.

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<sup>13</sup> Section 282.709(2)(a), F.S.

<sup>14</sup> Section 282.709(4)(b), F.S.

### III. Effect of Proposed Changes:

#### State Group Insurance Program

**Section 1** amends s. 110.12315(9), F.S., to require DMS to implement formulary management for prescription drugs and supplies beginning with the 2027 plan year. The bill removes the requirement for drugs excluded from the formulary to be available for inclusion if a physician, advanced practice registered nurse, or physician assistant prescribing a pharmaceutical clearly states on the prescription that the excluded drug is medically necessary.

**Section 2** creates s. 110.12316, F.S., to codify the Administrative Health Insurance Assessment that was included in the Fiscal Year 2025-2026, Fiscal Year 2024-2025, and Fiscal Year 2023-2024 Implementing Bills.

#### Capitol Complex Management (Space Allocation, Projects, and Parking Assignments)

**Section 4** amends s. 272.04, F.S., to specify that the Governor, Cabinet officers, and the Legislature are permanent tenants of the Capitol Center. The bill states that interior space allocated to each tenant on or after January 1, 2026, may not be reduced or moved without express consent of the tenant. The bill specifies that the Legislature has the first right of refusal for use of any additional space in the Capitol Center that becomes vacant.

**Section 5** amends s. 272.09, F.S., to formally include the Mayo Building within the definition of the "Capitol Complex". The bill adds the Mayo Building and its associated parking to the Capitol Complex, designating the property as part of "Memorial Park." While the DMS generally manages the Capitol Center, the bill specifically requires the DMS to commence management, maintenance, and upkeep of the Nathan Mayo Building only after the Department of Agriculture and Consumer Services vacates the building.

In addition, the bill requires that before the DMS, plans or schedules any project that impacts space occupied by a permanent tenant other than the Governor, the DMS must coordinate and receive the tenant's approval on the scope, design, and timeline of the project. For projects that would impact space in which the Legislature is the tenant, the DMS must coordinate with and receive approval from the President of the Senate or the Speaker of the House of Representatives, or both, as appropriate. For any project that impacts space in which the Legislature is the tenant, the DMS must consider the schedule and time constraints of the Legislature, as well as the Legislature's needs. Additionally, the bill states that the Legislature may renovate any space allocated to their chamber without approval from the DMS.

**Section 6** amends s. 272.121, F.S., to specify that the DMS must solicit feedback of all permanent tenants of the Capitol Center, including the Governor, the Chief Financial Officer, the Attorney General, the Commissioner of Agriculture, the President of The Senate, and the Speaker of the House of Representatives, when completing the Capitol Center's long-range plan report. The bill also specifies that the DMS must consult with and receive approval from the President of the Senate or the Speaker of the House of Representatives, or both, as appropriate, before including in the DMS' Capitol Center's long-range plan report, any project that impacts any space in the Capitol Center in which the Legislature is the tenant.

**Section 7** amends s. 272.16, F.S., to specify that parking spaces allocated to the Legislature on January 1, 2026, may not be reduced or reassigned without the express consent of the Legislature. In addition, the Legislature has the first right of refusal for the use of spaces upon availability.

### **Office of Supplier Development**

Current law establishes the Office of Supplier Diversity (OSD) to assist minority business enterprises (MBEs).

**Section 3** amends s. 110.605, F.S., to repeal the requirement for the DMS to develop programs for women and minorities in the Selected Exempt Service.

**Sections 8, 9, 12, 17, and 24** amend ss. 287.012, 287.042, 287.09451, 17.11, 287.094, F.S., respectively, to rename the OSD the "Office of Supplier Development" (the Office).

The bill restructures the DMS responsibilities by removing all statutory requirements related to the certification and monitoring of Minority Business Enterprises (MBEs). Currently, the OSD is responsible for certifying MBEs, monitoring agency compliance with utilization plans, and maintaining a directory of certified enterprises.

**Sections 10, 11, and 12** relate to the certification of MBEs. Specifically the bill repeals ss. 287.0943 and 287.09431, F.S., and deletes s. 287.09451(4)(m), F.S., eliminating the state's process for certifying and recertifying MBEs.

**Section 12** amends s. 287.09451, F.S., relating the Office's powers, duties, and functions. The bill does the following:

- Elimination of Agency Compliance Duties: the bill deletes s. 287.09451(6), F.S., to remove the requirement for state agencies to coordinate with the Office, designate minority enterprise assistance officers, and submit minority business utilization plans.
- Removal of Spending Goals: the bill deletes s. 287.09451(4)(n), F.S., which established sector-specific spending goals (e.g., 21 percent for construction and 25 percent for architectural services) for certified MBEs.
- Removal of Protest Standing: the bill deletes s. 287.09451(5)(d), F.S., to remove the Office's standing to protest agency contract awards that fail to include MBE participation.

In addition, the bill amends s. 287.09451, F.S., to modify the Office's focus toward "Florida-based small businesses" and veterans. The Office is authorized to:

- Receive and disseminate information:
  - For the continued growth and success of Florida's small businesses, including the planning, hosting, and support of events for Florida-based small business enterprises.
  - Related to procurement opportunities for Florida-based small business enterprises.
- Create an electronic certification and recertification process for veteran-owned small business enterprises as defined in s. 295.187, F.S. Currently, the DMS designates "Certified Veteran Business Enterprises" under s. 295.187, F.S., primarily for the purpose of granting vendor preferences. The bill formalizes this into an electronic certification process within the newly named Office of Supplier Development, valid for two-year terms.

- Advise and provide education or other resources to agencies on methods and techniques for achieving procurement objectives that increase the use of Florida-based small business enterprises in state and local government procurement contracts.
- Adopt rules, establish processes, and prescribe and publish forms as necessary to carry out its duties.

### **Conforming Amendments and Repeal of Related References**

To align with the substantive repeal of the Minority Business Enterprise (MBE) certification program, the bill includes the following series of conforming changes to remove related references to the Office of Supplier Diversity and certified MBEs:

- **Sections 8 and 26** amend ss. 287.012 and 288.703, F.S., respectively, to repeal the definition of "minority business enterprise."
- **Section 13** repeals s. 287.0947, relating to the creation, membership, and duties of the Florida Advisor Council on Small and MBEs.
- **Sections 20 through 23** amend ss. 255.101, 255.102, 287.055, and 287.057, F.S., respectively, relating to procurement and public works, to prohibit agencies from reserving contracts solely for minority business enterprises or using price preferences (up to 10 percent) to favor them. It further removes the requirement for the Office of Supplier Development to monitor "good faith efforts" in construction contracts.
- **Sections 18 and 30** amend ss. 24.113 and 1001.706, F.S., relating to the Department of the Lottery and the Board of Governors, respectively, to remove mandates for those entities to meet the MBE procurement goals or ensure compliance with the repealed statutes.
- **Sections 19, 25, 27, 28, and 29** amend ss. 212.096, 288.1167, 376.3072, 376.84, and 473.3065, F.S., respectively, to remove the MBE status as a qualification factor for various state incentives, brownfield redevelopment programs, sports franchise concession requirements, and the Clay Ford Scholarship Program for Certified Public Accountants.

### **Florida Minority Business Loan Mobilization Program**

Current law requires the DMS to administer the Florida Minority Business Loan Mobilization Program and maintain a list of participating financial institutions.

**Section 14** amends s. 288.706, F.S., to remove the DMS as the administrator of this program. It also removes the requirement for the DMS to maintain a list of participating financial institutions and to collaborate with the Department of Commerce on black business enterprise development.

### **Statewide Law Enforcement Radio System (SLERS)**

**Sections 15 and 16** amend ss. 318.18 and 318.21, F.S., to remove the expiration date (July 1, 2026) of the \$3 surcharge assessed on all noncriminal moving traffic violations and specified criminal offenses to continue the support for the cost of the SLERS.

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

None.

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

None.

**C. Trust Funds Restrictions:**

None.

**D. State Tax or Fee Increases:**

Article VII, s. 19 of the Florida Constitution requires the imposition, authorization, or raising of a state tax or fee be contained in a separate bill that contains no other subject and be approved by two-thirds of the membership of each house of the Legislature. The bill applies to an existing surcharge, as such, Art. VII, s. 19 of the Florida Constitution does not apply. The bill does not raise a state tax or fee, as defined by the constitutional provision. Rather, the bill merely removes the current expiration date of the existing \$3 surcharge.

**E. Other Constitutional Issues:**

None.

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

The bill removes the expiration date of the \$3 surcharge imposed on all noncriminal moving traffic violations and specified criminal offenses to continue the support for the cost of the SLERS system. The fee generates approximately \$4 million annually for the trust fund to support the maintenance and administrative functions of the system.

**B. Private Sector Impact:****Veteran-Owned Businesses**

Veteran-owned small business enterprises may benefit from the new certification process, potentially increasing their visibility and access to state procurement opportunities.

**Minority Business Enterprises**

The elimination of statutory spending goals (e.g., 24 percent for commodities, 50.5 percent for contractual services) and "good faith effort" requirements for prime

contractors may result in a decrease in state contract awards to minority-owned businesses.

### **SLERS**

Individuals committing a noncriminal moving traffic violation or a specified criminal offense will continue to be assessed a \$3 surcharge to support the Statewide Law Enforcement Radio System (SLERS).

### **C. Government Sector Impact:**

The bill has an indeterminate; significant fiscal impact related to the following.

#### **Operations**

- The Department of Management Services (DMS) may incur nominal administrative costs associated with updating rules, forms, and websites to reflect the name change to the "Office of Supplier Development."
- Developing the electronic certification process for veteran-owned businesses may require upfront technology adjustments.
- To the extent that direct control over utilities for any space for which the Legislature is the tenant includes the responsibility for funding the costs for maintenance, the Legislature may be required to expend additional funds.

#### **Program Administration**

- The bill requires the DMS to implement formulary management for prescription drugs which will provide savings to the State Group Insurance Program (SGI Program). A cost containment analysis study authorized by the DMS in 2023, estimated that a formulary may save an estimated \$126 million per year<sup>15</sup>. Savings related to the formulary management required in the bill will depend on how such measures are implemented by the DMS.
- Based on the January 2026 Financial Outlook, the administrative health insurance assessment is projected to generate \$58.1 million in revenue for the trust fund in Fiscal Year 2025-2026. This amount is included in the total projected revenues of \$4,019.4 million for that fiscal year.
- The DMS may realize savings from the removal of the statutory requirement for the DMS to certify and recertify minority business enterprises, investigate complaints regarding minority status, and monitor agency compliance with spending goals. These savings are likely to be offset by the establishment and operations of the Office's new duties for Florida small businesses and veterans.
- The removal of the requirement for the DMS to administer the Florida Minority Business Loan Mobilization Program may also result in operational savings or a reallocation of staff resources.

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<sup>15</sup> Cost Containment Analysis Study, State of Florida Department of Management Services, Division of State Group Insurance, January 9, 2023.

**State Employees Health Insurance Trust Fund Savings**

The Administrative Health Insurance Assessment (Assessment) is currently contemplated by the Revenue Estimating Conference as part of the revenues into the State Employees Health Insurance Trust Fund. For the Fiscal Year 2025-2026, the Assessment will transfer an estimated \$58.1 million to the Trust Fund. For Fiscal Year 2026-2027, the estimated Assessment is \$61.7 million, and for Fiscal Year 2027-2028 the estimated Assessment is \$61.1 million.

Savings related to the formulary management required in the bill will depend on how such measures are implemented by the DMS and therefore, such savings are indeterminate.

**SLERS**

The chart<sup>16</sup> below, as provided by the DMS, shows the collections and miscellaneous revenues deposited into the State Agency Law Enforcement Radio System Trust Fund.

Revenues (actual and estimated):					
	2021-22	2022-23	2023-24	2024-25	2025-26 (estimated)
\$1 Surcharge Collection (autos and vessels)	\$23,067,033	\$23,683,564	\$23,676,800	\$25,129,875	\$24,443,865
\$3 Surcharge Collection* (Expires July 1, 2026)	\$3,958,711	\$4,022,516	\$4,147,980	\$4,295,201	\$4,022,516
Miscellaneous Revenues	\$145,681	\$311,878	\$606,822	\$958,587	\$926,477
<b>TOTAL</b>	<b>\$27,171,425</b>	<b>\$28,017,959</b>	<b>\$28,431,602</b>	<b>\$30,383,663</b>	<b>\$29,392,858</b>

Total appropriations related to program costs for Fiscal Year 2025-2026 are \$29.5 million, which includes the cost of the current contract. Removing the expiration date of the \$3 surcharge authorizes the collection of an estimated \$4 million per year to fund the overall cost of the SLERS.

**VI. Technical Deficiencies:**

None.

**VII. Related Issues:**

None.

<sup>16</sup> Email from the DMS (dated January 23, 2026) (on file with the with the Senate Appropriations Committee on Agriculture, Environment, and General Government).

**VIII. Statutes Affected:**

This bill substantially amends the following sections of the Florida Statutes: 110.12315, 110.605, 272.04, 272.09, 272.121, 272.16, 287.012, 287.042, 287.09451, 288.706, 318.18, 318.21, 17.11, 24.113, 212.096, 255.101, 255.102, 287.055, 287.057, 287.094, 288.1167, 288.703, 376.3072, 376.84, 473.3065, and 1001.706.

This bill creates section 110.12316 of the Florida Statutes.

This bill repeals the following sections of the Florida Statutes: 287.0943, 287.09431, and 287.0947.

**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:****Barcode 604948 by Appropriations on March 2, 2026:**

This amendment deletes everything and does not insert additional language.

(WITH TITLE AMENDMENT)