March 7, 2013

MEMORANDUM

TO: Honorable Rick Scott
Honorable Pam Bondi
Honorable Jeff Atwater
Honorable Adam Putnam

FROM: Florida Department of Veterans’ Affairs
Mike Prendergast, Executive Director

SUBJECT: Agenda – Cabinet Meeting of March 19, 2013

The next public meeting of the Governor and Cabinet to transact the business of the Department of Veterans’ Affairs will be at 9:00 a.m. (EST), March 19, 2013 in Tallahassee, Florida.

The Agenda and all required back-up materials are attached for your review.

If you have any questions, please call my Cabinet Affairs Officer, Jim Brodie, at (850) 487-1533, ext. 7705.

cc: Michael Sevi, Director of Cabinet Affairs
Executive Office of the Governor

John Konkus, Chief of Staff
Lt. Governor’s Office

Jerry McDaniel, Director
Governor’s Office of Policy and Budget

Attachments

"Honoring Those Who Served U.S."
AGENDA
FLORIDA DEPARTMENT OF VETERANS' AFFAIRS
Meeting materials for the following items are available on the web at:
http://floridavets.org/?page_id=974

MEMBERS
Governor Rick Scott
Attorney General Pam Bondi
Chief Financial Officer Jeff Atwater
Commissioner Adam Putnam

March 19, 2013
9:00 A.M. (EST)
LL-03, The Capitol
Tallahassee, Florida

Contact: Jim Brodie, Director
Legislative and Cabinet Affairs
(850) 487-1533 x 7705

<table>
<thead>
<tr>
<th>ITEM</th>
<th>SUBJECT</th>
<th>RECOMMENDATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Respectfully request approval of the minutes of December 11, 2012</td>
<td>RECOMMEND APPROVAL</td>
</tr>
<tr>
<td></td>
<td>(ATTACHMENT 1)</td>
<td></td>
</tr>
<tr>
<td>2.</td>
<td>Respectfully submit the Quarterly Report for the time period of October 1 – December 31, 2012</td>
<td>RECOMMEND APPROVAL</td>
</tr>
<tr>
<td></td>
<td>(ATTACHMENT 2)</td>
<td></td>
</tr>
</tbody>
</table>
THE CABINET
STATE OF FLORIDA

Representing:

DEPARTMENT OF VETERANS AFFAIRS
GULF REGIONAL AIRSPACE STRATEGIC INITIATIVE
BOARD OF TRUSTEES
DEPARTMENT OF HIGHWAY SAFETY AND MOTOR VEHICLES
DEPARTMENT OF REVENUE
FLORIDA DEPARTMENT OF LAW ENFORCEMENT
OFFICE OF INSURANCE REGULATION
DIVISION OF BOND FINANCE

The above agencies came to be heard before THE FLORIDA CABINET, Honorable Governor Scott presiding, in the Cabinet Meeting Room, LL-03, The Capitol, Tallahassee, Florida, on Tuesday, December 11, 2012, commencing at 9:00 a.m.

Reported by:
CAROLYN L. RANKINE
Register Professional Reporter
Notary Public

ACCURATE STENO TYPE REPORTERS, INC.
2894 REMINGTON GREEN LANE
TALLAHASSEE, FLORIDA 32308
850.878.2221
APPEARANCES:

Representing the Florida Cabinet:

RICK SCOTT
Governor

ADAM H. PUTNAM
Commissioner of Agriculture

PAM BONDI
Attorney General

JEFF ATWATER
Chief Financial Officer
## INDEX

DEPARTMENT OF VETERANS AFFAIRS  
(Presented, by MIKE PRENDERGAST)

<table>
<thead>
<tr>
<th>ITEM</th>
<th>ACTION</th>
<th>PAGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>APPROVED</td>
<td>8</td>
</tr>
<tr>
<td>2</td>
<td>APPROVED</td>
<td>14</td>
</tr>
<tr>
<td>3</td>
<td>APPROVED</td>
<td>18</td>
</tr>
<tr>
<td>4</td>
<td>APPROVED</td>
<td>20</td>
</tr>
</tbody>
</table>

GULF REGIONAL AIRSPACE STRATEGIC INITIATIVE  
(Presented by THE HONORABLE TERRY YONKERS)  

BOARD OF TRUSTEES  
(Presented by SECRETARY HERSCHEL VINYARD)

<table>
<thead>
<tr>
<th>ITEM</th>
<th>ACTION</th>
<th>PAGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>APPROVED</td>
<td>56</td>
</tr>
<tr>
<td>2</td>
<td>APPROVED</td>
<td>57</td>
</tr>
<tr>
<td>3</td>
<td>APPROVED</td>
<td>59</td>
</tr>
<tr>
<td>4</td>
<td>APPROVED</td>
<td>75</td>
</tr>
<tr>
<td>5</td>
<td>APPROVED</td>
<td>76</td>
</tr>
<tr>
<td>6</td>
<td>APPROVED</td>
<td>77</td>
</tr>
</tbody>
</table>

DEPARTMENT OF HIGHWAY SAFETY AND MOTOR VEHICLES  
(Presented by EXEC. DIR. JULIE JONES)

<table>
<thead>
<tr>
<th>ITEM</th>
<th>ACTION</th>
<th>PAGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>APPROVED</td>
<td>79</td>
</tr>
<tr>
<td>2</td>
<td>APPROVED</td>
<td>79</td>
</tr>
<tr>
<td>3</td>
<td>APPROVED</td>
<td>80</td>
</tr>
<tr>
<td>4</td>
<td>WITHDRAWN</td>
<td>81</td>
</tr>
<tr>
<td>5</td>
<td>APPROVED</td>
<td>82</td>
</tr>
<tr>
<td>6</td>
<td>APPROVED</td>
<td>85</td>
</tr>
</tbody>
</table>

DEPARTMENT OF REVENUE  
(Presented by INTERIM EXEC. DIR. MARSHALL STRANBURG)

<table>
<thead>
<tr>
<th>ITEM</th>
<th>ACTION</th>
<th>PAGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>APPROVED</td>
<td>86</td>
</tr>
<tr>
<td>2</td>
<td>APPROVED</td>
<td>88</td>
</tr>
<tr>
<td>3</td>
<td>APPROVED</td>
<td>100</td>
</tr>
<tr>
<td>4</td>
<td>APPROVED</td>
<td>101</td>
</tr>
<tr>
<td>5</td>
<td>APPROVED</td>
<td>102</td>
</tr>
<tr>
<td>6</td>
<td>APPROVED</td>
<td>103</td>
</tr>
</tbody>
</table>

ACCURATE STENO TYPE REPORTERS, INC.
<table>
<thead>
<tr>
<th>ITEM</th>
<th>ACTION</th>
<th>PAGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>APPROVED</td>
<td>106</td>
</tr>
<tr>
<td>2</td>
<td>APPROVED</td>
<td>109</td>
</tr>
<tr>
<td>3</td>
<td>APPROVED</td>
<td>110</td>
</tr>
<tr>
<td>4</td>
<td>APPROVED</td>
<td>111</td>
</tr>
</tbody>
</table>

**OFFICE OF INSURANCE REGULATION**  
(Presented by COMMISSION KEVIN McCARTY)

<table>
<thead>
<tr>
<th>ITEM</th>
<th>ACTION</th>
<th>PAGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>APPROVED</td>
<td>113</td>
</tr>
<tr>
<td>2</td>
<td>APPROVED</td>
<td>114</td>
</tr>
<tr>
<td>3</td>
<td>APPROVED</td>
<td>115</td>
</tr>
<tr>
<td>4</td>
<td>APPROVED</td>
<td>116</td>
</tr>
<tr>
<td>5</td>
<td>APPROVED</td>
<td>117</td>
</tr>
<tr>
<td>6</td>
<td>WITHDRAWN</td>
<td>118</td>
</tr>
<tr>
<td>7</td>
<td>APPROVED</td>
<td>119</td>
</tr>
<tr>
<td>8</td>
<td>APPROVED</td>
<td>124</td>
</tr>
<tr>
<td>9</td>
<td>APPROVED</td>
<td>127</td>
</tr>
</tbody>
</table>

**DIVISION OF BOND FINANCE**  
(Presented by DIRECTOR BEN WATKINS)

<table>
<thead>
<tr>
<th>ITEM</th>
<th>ACTION</th>
<th>PAGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>APPROVED</td>
<td>128</td>
</tr>
<tr>
<td>2</td>
<td>APPROVED</td>
<td>129</td>
</tr>
<tr>
<td>3</td>
<td>APPROVED</td>
<td>130</td>
</tr>
<tr>
<td>4</td>
<td>APPROVED</td>
<td>131</td>
</tr>
<tr>
<td>5</td>
<td>APPROVED</td>
<td>132</td>
</tr>
<tr>
<td>6</td>
<td>APPROVED</td>
<td>135</td>
</tr>
<tr>
<td>7</td>
<td>APPROVED</td>
<td>136</td>
</tr>
<tr>
<td>8</td>
<td>APPROVED</td>
<td>153</td>
</tr>
</tbody>
</table>

CERTIFICATE OF REPORTER  
154
PROCEEDINGS

(Agenda items commenced at 10:20 a.m.)

GOVERNOR SCOTT: Now, I would like to recognize Executive Director Mike Prendergast with the Department of Veterans' Affairs.

EXECUTIVE DIRECTOR PRENDERGAST: Good morning, Governor Scott, General Bondi, CFO Atwater, and Commissioner Putnam. Before we begin our presentation a special thanks to all four of you from all of your state's veterans for taking time out of your busy schedules today to pay honor and respect to Staff Sergeant Robert Miller the most recent recipient of the Medal of Honor to be installed on the Medal of Honor Wall here in the Capitol Complex. That was just a fantastic opportunity for the Miller family to be here for that presentation today, and we are deeply honored by your presence and attendance.

For over 236 years the freedoms and liberties we hold most sacred in this country have been earned by our fellow citizens from the Minutemen at Bunker Hill to our warriors in Iraq and Afghanistan, men and women just like Staff Sergeant Robert Miller, our history is
filled with stories of individuals sacrificing their own lives to secure the profound gift of peace and liberty for others.

For Staff Sergeant Miller's family and friends we know that no words can ease the ache in their hearts, but we also know, and we know this now as of today, that Robert Miller's life and legacy endures in the Capitol of the great State of Florida in the hearts and minds of all of its citizens.

Members of the Cabinet, I'm pleased today to introduce the seven members of Florida Veterans Hall of Fame Council. The Council was established by the 2012 Legislature for the propose of identifying nominees for selection by the Governor and Cabinet to the Florida Veterans Hall of Fame.

Appointments were made by the Governor, each Member of the Cabinet, the President of the Senate, the Speaker of the House of Representatives, and the Executive Director of the Department of Veterans Affairs. They are here in the Capitol today for their organizational meeting and with your permission, Governor Scott, I would like to
introduce them to you and the Members of the 
Cabinet as well as to the rest of the state. 

State Representative Larry Metz is 
Governor Scott's appointee. Representative 
Metz served in the United States Marine Corps. 

Attorney General Bondi appointed 
Chris Hart. Lieutenant Colonel Hart is a 
veteran of the United States Army. 

Chief Financial Atwater appointed 
James Harrell. Dr. Harrell served in the 
United States Army during the Vietnam War. 

Commissioner Putnam appointed 
Adrian Jackson. Admiral Jackson served in the 
United States Navy and his last assignment in 
the service was at the United States Central 
Command. 

President Haridopolos appointed 
Raymond Quinn. Sergeant Major Quinn served in 
the United States Army. 

Speaker Cannon appointed Bruce Host a 
fixture here in Tallahassee, and Colonel Host 
served in the United States Air Force. 

I appointed Mariana Carter. Lieutenant 
Colonel Carter served in the United States Army 
and is a veteran of Operation Iraqi Freedom.
With your concurrence the Florida Veterans Hall of Fame Council will now depart so they can now get to work, Governor Scott

(Applause.)

EXECUTIVE DIRECTOR PRENDERGAST: The Florida Department of Veterans Affairs has four agenda items for your consideration this morning. Item 1 consists of the minutes from the September 18th Cabinet meeting and we respectfully request approval of these minutes.

GOVERNOR SCOTT: Is there a motion to approve?

ATTORNEY GENERAL BONDI: So moved.

GOVERNOR SCOTT: Is there a second?

CFO ATWATER: Second.

GOVERNOR SCOTT: Any comments or objections.

(No response.)

GOVERNOR SCOTT: Hearing none, the motion carries.

EXECUTIVE DIRECTOR PRENDERGAST: Thank you, gentlemen. Item 2 contains the Department's Annual Report for Fiscal Year 2011 and 2012 and our Quarterly Report for the period ending September 30th, 2012. Each of
your offices has a copy of our Annual Report as far as the Cabinet material. Subject to your approval today, bound copies will be delivered to your offices and as well as the Members of the Legislature later this week.

Some of the major trends noted in our Annual Report include services provided to veterans by our Division of Benefits and Assistance at the VA Regional Office in Bay Pines experienced a 28-percent increase over the past three years. What this amounted to was more than 578,000 of the Sunshine State's veterans came to your Department of Veterans Affairs for support and assistance over the past one year.

The value of issue resolution has increased by 52 percent over the past three fiscal years. Last year's results exceeded 57.8 million for our veterans. These included assisting our veterans in obtaining medications, durable medical equipment, eye glasses, hearing aid, some of their documents that may have been lost times, and other things that the veterans have requested our support and assistance in obtaining.
The Annual Report also documents that the return investment for our veterans' claims examiners has averaged a hundred-and-forty dollars to the dollar over the past several years, we spiked last year to a hundred-and-eighty dollars to the dollar. This large increase was due to the federal VA's initiatives to expedite processing of the class-action lawsuit claims pertaining to Nemer that are the result of veterans exposure during the Vietnam War, to Agent Orange, and other herbicides. I'll talk a little bit more about that in a moment.

As we highlight in our report, it's important to note the significance of these efforts and the result and direct infusion of more than $13.7 billion annually in Florida's economy.

Briefly I'd like to highlight our legislative accomplishments last session which included bills that provide for early course registration of our veterans to obtain access to their Post-9/11 GI Bill benefits so that they're on an equal footing with our scholar athletes at our colleges and universities.
We also had legislation that passed and
the Governor signed into law that provides
college credit for education and training that
our veterans received on active duty. We as a
nation spend a lot of money training and
ensuring that our veterans who are then on
active duty on our Guard and Reserve have
world-class opportunities to be educated,
perform their duties to the standards of
excellence for their military occupational
specialty.

We as a nation and certainly as a state
owe it to ourselves to harvest this training
and education for the good of our veterans but
also for the good of our taxpayers when these
veterans enter the workforce upon completion of
their education and training. Both of these
bills will ultimately enhance degree of
completion, reduce attrition, and put our
veterans back into the workforce more
expeditiously.

Briefly I'd also like to highlight the T.
Patt Maney Veterans' Treatment Intervention Act
that was passed through the last session. And
this is a pretrial intervention in veterans --
pretrial veterans and service members' treatment intervention program for veterans or service members still serving on active duty suffering from posttraumatic stress disorder, traumatic brain injury, or alcohol or drug dependency. Elements of this act are now being implemented in courts across the state.

Finally working with our colleagues at the Department of Business and Professional Regulation legislation was passed waiving the application of licensing fees for returning veterans in many trades and professional careers. And earlier back in the summertime Governor Scott signed a bill and also signed the first license that was issued to one of our state’s veterans to go to work down in Highlands County. A detailed 2012 legislation session wrap-up was sent to each of your offices earlier this spring.

According to our Quarterly Report, for the period ending on September 30th -- this has also previously been delivered to your office -- and I would just to like to highlight performance measures continue to be met or exceeded by Department of Veterans Affairs.
I would like to draw your attention to one aspect of the Quarterly Report, however. On page 5 of the report under the heading of Bureau of Claims Services, you will note a slight drop in the retroactive compensation from 66 million to 46 million for last year. That drop was due to the velocity of the Nemer claims being settled, and most of those now have been adjudicated by the Department of Veterans Affairs, but we continue to see new claims coming in. Nevertheless, for the first quarter we had a return on investment of $203 to the dollar for the bureau of -- our veterans claims out of Benefits and Assistance Division.

The first quarter data report outstanding levels of census in our six state veterans nursing homes. We've averaged 99 percent since we reported out to you earlier this summer when we eclipsed our goal much earlier than anticipated with a hundred-percent occupancy in all six of our state's veterans nursing homes. Ninety-nine percent is unprecedented. The industry average across the state is only 86 percent.

Subject to your questions we respectfully
request approval of our annual and quarterly
reports.

GOVERNOR SCOTT: Is there -- is there a
motion to approve?

ATTORNEY GENERAL BONDI: So moved.

GOVERNOR SCOTT: Is there a second?

CFO ATWATER: Second.

GOVERNOR SCOTT: Any comments or
objections?

(No response.)

GOVERNOR SCOTT: Hearing none, the motion
carries.

EXECUTIVE DIRECTOR PRENDERGAST: Thank
you, Governor. Item 3 consists of two
legislative policy proposals for your review
and consideration. And from my distinguished
colleague Mr. Dave Wilkins and other
colleagues, I got a couple of things here I
want to incorporate in my comments.

We strive daily to execute our mission
with a standard bearing model of best practices
and a relentless pursuit of excellence in
delivering world-class services and support for
our veterans. We captured our lessons learned,
and those lessons learned permit us to deploy
innovative solutions to challenges in an environment that is in a persistent state of transformation.

The one constant in our model that we have to adapt to is change, and we're doing that while we're seamlessly delivering this world-class support for the nation's third largest population of veterans. This is in that operational environment where we have veterans who range in age from prior to World War II residing in state's veterans nursing homes to veterans all the way up to the contemporary war in Afghanistan.

Ninety plus years, we will have a hundred-year-old veteran in one of our homes, and I hope to be there for his birthday later this month. And it's just an awesome thing to see those veterans when they celebrate those centennials like that. And we got some younger veterans from the Desert Storm Era as well in some of our homes.

Therefore, we can ill-afford to allow ourselves to become complacent or rely on our present successes in predicting future outcomes. We must transform and we must
continually look forward to working with colleagues here in Tallahassee to innovate and reinvent the processes so that we can stay abreast of the model that's made us successful but also use some of those best practices that are out there in the industry.

Having laid this great background information before you, I'd like to brief our concern on two policy initiatives. We've requested two proposals. The first one relates to exempting the Veterans' Homes Trust Funds from the state management fee. In the Fiscal Year ending on June 30th, 2012, the agency was assessed $235,000 in management fees. Over the past five years these fees amounted to in excess of a million dollars. Currently there are 17 state agency trust funds that are exempt from state management fees.

Proposal 2 relates to the exempting of the Veterans' Homes Trust Funds from budget sweeps. Veterans' Homes Trust Funds are generated primarily by long-term care services we provide for our veterans. They are also generated by voluntary contributions of our citizens in the state who purchase the
veterans-related license plates which help us with in excess of $2 million of operational funds.

We have those on our own vehicles and I know a lot of our citizens across the state do as well. And I would still like to point out, gentlemen, that the Marine Corps leads the way with the most license plates purchased during the fiscal year that ended on June --

GOVERNOR SCOTT: That's part of the Navy, right?

EXECUTIVE DIRECTOR PRENDERGAST: Yes, sir, it is. As you all know, our state veterans homes are renovated, built of course, and maintained with a 35-percent state fund and 65-percent federal matching fund. We respectfully request approval of the agency legislative policy proposals for the 2013 Session of the Legislature.

GOVERNOR SCOTT: Is there a motion to approve?

CFO ATWATER: So moved.

GOVERNOR SCOTT: Is there a second?

COMMISSIONER PUTNAM: Second.

GOVERNOR SCOTT: The Florida Constitution
requires me to independently act on all legislation passed by the Florida Legislature, therefore, I'm abstaining from voting on this item and the record should reflect my abstention. Are there any other comments or objections?

(No response.)

GOVERNOR SCOTT: Hearing none the motion is approved with one abstention.

EXECUTIVE DIRECTOR PRENDERGAST: Thank you, Governor. Item 4 contains the Department's Legislative Budget Request for fiscal year of 2013 through 2014. Our original legislative budget request contained 16 items on a prioritized list. Two of those items have subsequently been rolled into the base budget leaving 14 items for your review and consideration.

Overwhelmingly these items fall within the Operations and Maintenance Trust Fund or state Veterans Homes Trust Funds for sourcing. As you know, and we're very proud to announce again, the Department of Veterans Affairs provides world-class, unmatched across the United States long-term health care for its
state's veterans and we do it at zero general
revenue appropriations to the taxpayers of
State of Florida.

The purpose of our general revenue
requests are better reach approximately 60
percent of Florida's veterans who are not yet
enrolled with the US Department of Veterans
Affairs and yet who may be not -- may not be
aware of the benefits or services they have
earned by their military service. The result
of this knowledge have -- that the state of
Florida is leaving unknown millions of earned
federal VA benefit dollars unused by our
state's veterans while equally unknown number
of eligible veterans are receiving state social
services for perhaps Medicaid dollars, and we'd
like to close that gap for the good of the
constituents of the state, Governor.

We've had the opportunity to brief each of
your offices on our original Department's
Legislative Budget Request for the upcoming
fiscal year and will be pleased to have further
discussions and we desire to develop a budget
for the Governor. We respectfully recommend
approval of our budget request.
GOVERNOR SCOTT: Is there a motion to approve?

ATTORNEY GENERAL BONDI: So moved.

GOVERNOR SCOTT: Is there a second?

CFO ATWATER: Second.

GOVERNOR SCOTT: Florida law requires me to independently submit budgets proposals. Accordingly I'm abstaining from a voting on this item and the record should reflect my abstention. Are there other comments or objections?

(No response.)

GOVERNOR SCOTT: Hearing none the motion is approved with one abstention. Thank you and thanks for all the things you're doing for veterans, Mike. Do you need to add something else?

EXECUTIVE DIRECTOR PRENDERGAST: Governor Scott and Members of the Cabinet: on behalf of all the state's veterans, we'd like to wish you all a very merry Christmas, a great New Year, great success. We really do appreciate all that you do on behalf of our state's veterans and we are a world-class leaders when it comes to taking care of veterans. Thank you and
happy holidays.

ATTORNEY GENERAL BONDI: Thank you, colonel.

GOVERNOR SCOTT: Thank you, bye, bye. Tell Naomi hi.
State of Florida
DEPARTMENT OF VETERANS’ AFFAIRS
Office of the Executive Director
11351 Ulmerton Road, Suite 311-K
Largo, Florida 33778-1630
(727) 518-3202
www.FloridaVets.org

January 31, 2013

TO: The Honorable Rick Scott
    The Honorable Pam Bondi
    The Honorable Jeff Atwater
    The Honorable Adam Putnam

FROM: Mike Prendergast
      Executive Director

SUBJECT: Quarterly Report – 2nd Quarter 2012-2013

The Florida Department of Veterans’ Affairs submits this Quarterly Report for the Second Quarter of the 2012-2013 Fiscal Year, covering the period October 1 – December 31, 2012.

This Quarterly Report is submitted pursuant to the procedures authorized by Rules 55-1.003 and 55-2.010, Florida Administrative Code. The Report will be placed on the agenda at a future meeting of the Governor and Cabinet.

If you have any questions regarding any matter covered by this report, you or your staff may reach me or my Deputy Executive Director, Al Carter, at (727) 518-3202.

cc: Senator Denise Grimsley, Chairman, Senate Health and Human Services Appropriations Committee
    Senator Thad Altman, Chairman, Senate Military Affairs, Space and Domestic Security Committee
    Representative John Wood, Chairman, Health Innovation Sub-Committee
    Representative Matt Hudson, Chairman, Health Care Appropriations Sub-Committee
    Representative Ronald Renuart, Chairman, Veterans and Military Affairs Sub-Committee
    John Konkus, Chief of Staff, Office of the Lieutenant Governor
    Jerry McDaniel, Director, Governor’s Office of Policy and Budget

Attachment 1: FDVA Quarterly Report

"Honoring Those Who Served U.S."
ATTACHMENT 1

FLORIDA DEPARTMENT OF VETERANS’ AFFAIRS
FIRST QUARTER REPORT
October 1 – December 31, 2012

This report covers the activities of the Florida Department of Veterans’ Affairs (FDVA) for the Second Quarter of the 2012-2013 Fiscal Year.

1. Administrative Highlights:

   a. Current Issues/Concerns

      • Executive Direction: This quarter, Executive Director Mike Prendergast continued his campaign of advocating with purpose and passion for Florida veterans and linking them to superior services, benefits and support. Col. Prendergast discussed veteran employment issues as he met with several employers across the state. He emphasized training opportunities available with use of the Post 9/11 GI Bill benefits when he met with schools, educational and training centers, and veteran students. He discussed the groundbreaking research into traumatic brain injury and polytrauma issues ongoing at the James A. Haley Veterans’ Medical Center in Tampa, and connected key researchers at the hospital with counterparts in the Florida Department of Health to open possibilities for collaboration. He also initiated discussions between VA Medical Centers and Florida Medical Schools for clinical training and residency opportunities. Colonel Prendergast presented department overviews and updates on current federal and state legislative initiatives to veterans’ groups, civic groups, and legislative committees preparing for the upcoming session.

   • Division of Benefits and Assistance:

      • VA Regional Office Updates: The VA Regional Office has instituted Transformation and provided the VA Regional Office and Veterans’ Service Offices a briefing by the VA’s Southern Area Director. Each VA Regional Office strives to meet The Veterans Benefits Administration (VBA) Transformation Strategy that will enable VBA to meet the Department of Veterans Affairs Agency Priority Goals and Integrated Objectives, including:

          Eliminate the Veterans disability claims backlog and improve rating accuracy to 98% in 2015. The strategy to Transform VBA’s claims process is a people-centric, results-oriented, forward looking integration of solutions that will ensure total lifelong engagement with veterans, service members, their families and survivors. Consisting of more than 40 “People, Process and Technology” initiatives that are in various stages of implementation and evaluation, the VA’s strategy will improve claims production by 40 to 60 percent and enhance quality by 14 percent. VBA built the plan on a data-driven approach that focuses on performance management, using key metrics to enable business decisions that improve claims processing and assure Transformation.

      • Bureau of Veterans’ Claims: During this second quarter the Claims Bureau received 25,192 phone calls requesting the assistance of claims representatives. During this same period, Claims representatives placed or returned 30,026 phone calls to veterans,
their families or survivors. Additionally, we received 8,618 letters or email requests for information. Total services to veterans for this quarter was 82,849 actions, which includes the submission of claims, hearings, Disabled ID Cards and school applications reviewed on behalf of our veterans.

- **Bureau of Field Services**: Field Services Supervisors Dennis Latta and Reggie Fujimoto and Executive Assistant Ed Ortiz organized and facilitated the American Legion Post Service Officer training in November, with over one hundred fifty in attendance. The course covered various VA benefits, including: Disability Compensation, Pension, Healthcare, Life Insurance, and Education. Field Services attended 169 outreach events providing benefit information to 12,859 veterans and their families. Field Services hired new VCE’s for Tampa, Miami, West Palm Beach, The Villages and Broward, and opened an office in the Panama Vet Center on December 3, 2012. The office in Fort Myers VAOPC was closed and reopened in the new Lee County VAOPC.

- **The Bureau of State Approving for Veterans’ Education and Training (or State Approving Agency/SAA)**: Full responsibility for document retrieval, data input and monitoring the progression of open compliance reports, within the VA computer system have been assigned to SAA this fiscal year. With two SAA employees still without VA computer access, and one employee who only recently was given access, it has created an additional burden for the four SAA members who were given access in the prior fiscal year.

b. **Audits**

- The FDVA Office of Inspector General completed an audit of Employee Compensation (Report IA-1301). The objectives of the audit were to (1) determine if decisions related to employee compensation are in compliance with applicable state and federal laws, regulations and current FDVA policies and procedures; and (2) evaluate actions taken by FDVA to address findings disclosed in audit report IA-1002 “Personnel Management” dated June 11, 2010. The report has been forwarded to the Deputy Executive Director for review and management comments.

- The FDVA Office of Inspector General completed an employee survey with 742 of 1,254 employees (59%) providing responses. Results from the survey indicate FDVA employee perceptions of the agency have improved over the last survey, with 42 of 59 questions showing improvement greater than 1%. Specifically noteworthy is that 97% of FDVA employees feel the work they do is important and 93% like the kind of work they do. The final report was released by the Executive Director to all FDVA employees for their review and suggestions for continued improvement.

- FDVA’s Finance and Accounting group continues to conduct audits of current and former resident accounts to ensure compliance with Medicare/Medicaid rule changes.

c. **Consultants**

- No new agreements were signed with outside consultants this quarter.
d. Contracts

- Jacobson State Veterans' Nursing Home in Port Charlotte's kitchen and dietary area walls rehabilitation contract was closed out December 24, 2012.
- DMS (Project Agent)/Lopez State Veterans' Nursing Home in Land O' Lakes building rehabilitation contract was executed. Project is underway, expected to be completed in May 2013.
- DMS (Project Agent)/Bennett State Veterans' Nursing Home HVAC contract was executed. Project is underway, and is expected to be completed in April 2013.
- DMS (Project Agent)/Jacobson State Veterans' Nursing Home in Port Charlotte HVAC contract was closed out on November 28, 2012.
- Jacobson State Veterans' Nursing Home in Port Charlotte interior repainting contract was executed on November 7, 2012, and is underway. The project is expected to be completed by February 2013.
- Florida Veterans' Foundation (FVF) annual performance certification for FY 2011-12 was issued by FDVA on December 4, 2012.
- NOAA Medical bed systems contract renewed for final 3 year term, effective December 14, 2012. In addition to previously secured 3-7% price reductions, a further 7% price reduction was secured to renew the contract.

e. Leases

- The lease for the Mary Grizzle Office Building in Largo was modified this quarter, reflecting a small increase in square footage. The update was enacted November 1, 2012.

f. Lawsuits/Claims in Litigation or Settled

- Administrative Proceedings: 6
- State Court Proceedings: 6
- Federal Court Proceedings: 0
- Settlements: 2

g. Donations

<table>
<thead>
<tr>
<th>Cash Donations by State Veterans' Home</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
<tr>
<td>FISCAL YEAR</td>
</tr>
<tr>
<td>2012-2013</td>
</tr>
<tr>
<td>Jenkins SVDH, Lake City</td>
</tr>
<tr>
<td>Bennett SVNH, Daytona Beach</td>
</tr>
<tr>
<td>Lopez SVNH, Land O' Lakes</td>
</tr>
<tr>
<td>Nininger SVNH, Pembroke Pines</td>
</tr>
<tr>
<td>Sims SVNH, Springfield</td>
</tr>
<tr>
<td>Jacobson SVNH, Port Charlotte</td>
</tr>
<tr>
<td>Lassen SVNH, St. Augustine</td>
</tr>
</tbody>
</table>
Non Cash Donations

- Bennett State Veterans' Nursing Home: one outdoor grill and one HP Printer library
- Sims State Veterans Nursing Home: one enhanced vision reader.

h. **Memberships in Professional Organizations Paid this Quarter**

- Annual dues for membership in the National Association of State Directors of Veterans Affairs were paid, total amount: $800
2. **Division of Benefits and Assistance: Statistics**

- Summary of veterans’ benefits derived vs. cost of the benefits staff: 156:1 (ROI).

  a. **Bureau of Claims**

<table>
<thead>
<tr>
<th>EVENT 2012-2013</th>
<th>FIRST QUARTER</th>
<th>SECOND QUARTER</th>
<th>THIRD QUARTER</th>
<th>FOURTH QUARTER</th>
<th>YEAR TO DATE</th>
<th>PREVIOUS FY to this Qtr</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retroactive compensation</td>
<td>$46,800,632</td>
<td>$37,679,025</td>
<td>$94,479,657</td>
<td>$98,234,777</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Largest single retro. benefit</td>
<td>$652,924</td>
<td>$669,784</td>
<td>$669,784</td>
<td>$736,746</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Debt relief</td>
<td>$208,245</td>
<td>$104,166</td>
<td>$312,411</td>
<td>$566,244</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Notices of Disagreement</td>
<td>380</td>
<td>327</td>
<td>707</td>
<td>769</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Statements of Argument in Appeals Cases*</td>
<td>293</td>
<td>280</td>
<td>573</td>
<td>331</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Act as Representative at Hearings*</td>
<td>34</td>
<td>36</td>
<td>70</td>
<td>92</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Veterans’ Appeals Hearings*</td>
<td>41</td>
<td>91</td>
<td>132</td>
<td>188</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ratings Reviewed</td>
<td>10,149</td>
<td>7,450</td>
<td>17,599</td>
<td>18,617</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* The appeals representation process includes formal filing of the appeal application, and paralegal representation with the veteran at the Regional Office and in teleconferences with the Board of Veterans’ Appeals (BVA).

b. **Bureau of State Approving**

<table>
<thead>
<tr>
<th>EVENT 2012-2013</th>
<th>FIRST QUARTER</th>
<th>SECOND QUARTER</th>
<th>THIRD QUARTER</th>
<th>FOURTH QUARTER</th>
<th>YEAR TO DATE</th>
<th>PREVIOUS FY to this Qtr</th>
</tr>
</thead>
<tbody>
<tr>
<td>SAA Programs Approved</td>
<td>1,904</td>
<td>1,242</td>
<td>3,146</td>
<td>4,513</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other Approval</td>
<td>341</td>
<td>319</td>
<td>660</td>
<td>840</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Supervisory Visits</td>
<td>43</td>
<td>19</td>
<td>62</td>
<td>62</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Compliance Visits</td>
<td>7</td>
<td>11</td>
<td>18</td>
<td>34</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Inspection Visits</td>
<td>236</td>
<td>177</td>
<td>413</td>
<td>23</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Outreach Activities*</td>
<td>282</td>
<td>305</td>
<td>587</td>
<td>268</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Liaison Activities**</td>
<td>768</td>
<td>840</td>
<td>1,608</td>
<td>114</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Technical Assistance***</td>
<td>1,904</td>
<td>1,242</td>
<td>3,146</td>
<td>786</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* Outreach Activities are any activity designed to inform or encourage those with entitlement to use it.

** Liaison activities are those that foster education about the SAA with other education and training professionals, which promote and encourage the exchange of information and support to raise awareness of the professional nature of the SAA approval function.

*** Technical assistance is any interaction designed to assist an individual or a facility with any aspect of the approval function.
### c. Bureau of Field Services

<table>
<thead>
<tr>
<th>EVENT 2012-2013</th>
<th>FIRST QUARTER</th>
<th>SECOND QUARTER</th>
<th>THIRD QUARTER</th>
<th>FOURTH QUARTER</th>
<th>YEAR TO DATE</th>
<th>PREVIOUS FY to this Qtr</th>
</tr>
</thead>
<tbody>
<tr>
<td>Issue Resolution</td>
<td>3243</td>
<td>2,956</td>
<td></td>
<td></td>
<td>6,199</td>
<td>8,193</td>
</tr>
<tr>
<td>Total Amount</td>
<td>$9,134,750</td>
<td>$8,785,917</td>
<td></td>
<td></td>
<td>$17,920,687</td>
<td>$29,446,805</td>
</tr>
<tr>
<td>Outreach Visits</td>
<td>135</td>
<td>169</td>
<td></td>
<td></td>
<td>304</td>
<td>287</td>
</tr>
<tr>
<td>Veterans Served at Outreach</td>
<td>7173</td>
<td>12,859</td>
<td></td>
<td></td>
<td>20,032</td>
<td>23,918</td>
</tr>
<tr>
<td>Bedside Interviews</td>
<td>7084</td>
<td>4,829</td>
<td></td>
<td></td>
<td>11,893</td>
<td>12,237</td>
</tr>
<tr>
<td>Walk-ins/ Counseling</td>
<td>27,305</td>
<td>25,788</td>
<td></td>
<td></td>
<td>53,093</td>
<td>57,016</td>
</tr>
<tr>
<td>Claims</td>
<td>6982</td>
<td>6,349</td>
<td></td>
<td></td>
<td>13,331</td>
<td>13,607</td>
</tr>
<tr>
<td>Voter Regs/ Pref forms</td>
<td>2013</td>
<td>1,189</td>
<td></td>
<td></td>
<td>3,202</td>
<td>73</td>
</tr>
<tr>
<td>Homeless Walk In</td>
<td>930</td>
<td>543</td>
<td></td>
<td></td>
<td>1,473</td>
<td>1,512</td>
</tr>
<tr>
<td>Ratings Reviewed Orlando/W Palm</td>
<td>882</td>
<td>795</td>
<td></td>
<td></td>
<td>1,677</td>
<td>2,406</td>
</tr>
</tbody>
</table>

### d. Outreach*

<table>
<thead>
<tr>
<th>EVENT 2012-2013</th>
<th>FIRST QUARTER</th>
<th>SECOND QUARTER</th>
<th>THIRD QUARTER</th>
<th>FOURTH QUARTER</th>
<th>YEAR TO DATE</th>
<th>PREVIOUS FY to this Qtr</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reintegration and Pre-Deployment Events for Guard and Reserve units</td>
<td>7</td>
<td>5</td>
<td></td>
<td></td>
<td>12</td>
<td>21</td>
</tr>
<tr>
<td>Assistance to Guard Units</td>
<td>0</td>
<td>0</td>
<td></td>
<td></td>
<td>0</td>
<td>9</td>
</tr>
<tr>
<td>Homeless Veteran Stand Down Events</td>
<td>15</td>
<td>13</td>
<td></td>
<td></td>
<td>28</td>
<td>30</td>
</tr>
<tr>
<td>Medical Center Welcome Home events</td>
<td>1</td>
<td>1</td>
<td></td>
<td></td>
<td>2</td>
<td>9</td>
</tr>
<tr>
<td>Congressional Open House events</td>
<td>5</td>
<td>3</td>
<td></td>
<td></td>
<td>8</td>
<td>9</td>
</tr>
<tr>
<td>National Conferences</td>
<td>0</td>
<td>0</td>
<td></td>
<td></td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>New Patient Orientation</td>
<td>43</td>
<td>70</td>
<td></td>
<td></td>
<td>113</td>
<td>64</td>
</tr>
<tr>
<td>Transition Assistance Briefings</td>
<td>16</td>
<td>12</td>
<td></td>
<td></td>
<td>28</td>
<td>36</td>
</tr>
<tr>
<td>Other</td>
<td>48</td>
<td>65</td>
<td></td>
<td></td>
<td>113</td>
<td>5</td>
</tr>
</tbody>
</table>

---

* Supervisors and VCEs throughout the Division of Benefits and Assistance provide presentation, orientations, and briefings on state, federal, and local veterans' laws and benefits.
3. State Veterans' Homes Program

State Veterans' Homes Census

<table>
<thead>
<tr>
<th>FISCAL YEAR</th>
<th>FIRST QUARTER</th>
<th>SECOND QUARTER</th>
<th>THIRD QUARTER</th>
<th>FOURTH QUARTER</th>
<th>YEAR TO DATE</th>
<th>PREVIOUS FY, same 1/4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jenkins SVDH, Lake City</td>
<td>84.2%</td>
<td>87.6%</td>
<td></td>
<td></td>
<td>85.9%</td>
<td>87%</td>
</tr>
<tr>
<td>Bennett SVNH, Daytona Beach</td>
<td>99.7%</td>
<td>99.1%</td>
<td></td>
<td></td>
<td>99.4%</td>
<td>90%</td>
</tr>
<tr>
<td>Lopez SVNH, Land O' Lakes</td>
<td>99.4%</td>
<td>99.4%</td>
<td></td>
<td></td>
<td>99.4%</td>
<td>100%</td>
</tr>
<tr>
<td>Nininger SVNH, Pembroke Pines</td>
<td>98.9%</td>
<td>98.7%</td>
<td></td>
<td></td>
<td>98.8%</td>
<td>98%</td>
</tr>
<tr>
<td>Sims SVNH, Springfield</td>
<td>99.9%</td>
<td>99.9%</td>
<td></td>
<td></td>
<td>99.9%</td>
<td>100%</td>
</tr>
<tr>
<td>Jacobson SVNH, Port Charlotte</td>
<td>99.9%</td>
<td>99.7%</td>
<td></td>
<td></td>
<td>99.8%</td>
<td>99%</td>
</tr>
<tr>
<td>Lassen SVNH, St. Augustine</td>
<td>99.0%</td>
<td>98.8%</td>
<td></td>
<td></td>
<td>98.9%</td>
<td>73%1</td>
</tr>
</tbody>
</table>

1 St. Augustine Home not held to 90% occupancy standard until open for two years, second quarter of 2012/13.

a. Quality of Care: The FDVA has a "veterans first" philosophy that combines care, compassion, and clinical excellence with a focus on service to all our residents. The monitoring of quality of care is provided by the Agency for Health Care Administration (AHCA) and the United States Department of Veterans Affairs (VA). When AHCA conducted surveys, FDVA nursing homes received an average number of 4.6 deficiencies, which is half the State of Florida average of 9.3. During VA surveys, FDVA's nursing homes had an average of .5 deficiencies per survey compared to 2.8 deficiencies for Veterans Administration homes throughout the nation.

b. Occupancy Trends: The second quarter data confirms that census levels are greater than 99% for FDVA skilled nursing homes with the average occupancy for the State of Florida at 87%. Florida has the third highest population of veterans in the United States. The U.S. Census Bureau data indicates that based on population figures, Florida has the highest number of elderly residents. This segment of the population will continue to increase because people born during the baby boom generation are beginning to retire. This trend of occupancy for FDVA nursing homes will likely continue as the State of Florida has a rapidly growing veteran population and the third largest population of disabled veterans in the nation.

c. State Veterans' Homes Program Renovations:

- Daytona HVAC Renovation #12-018: Total Grant: $2,000,000 -- Federal Funding (65%): $1,300,000 - State O/M Trust Fund Match (35%): $700,000. Chiller Replacement. Building Permit approved just prior to holidays, select demolition underway, monthly site progress settings scheduled.

- Land O' Lakes Renovation #12-016: Total Grant: $2,830,000--Federal Funding (65%): $1,839,500 - State O/M Trust Fund Match (35%): $990,500. Pasco County will not issue building permit until plans submitted to resolve a site buffer landscaping issue. The contractor, Fleischman Garcia, with FDVA and DMS approval, contracted with Florida Design Consultants to design the landscape plan. Fleischman Garcia reported a pre-approval meeting with Pasco County and will submit the landscape drawings. Once plans submitted it will take an additional
30 plus days to issue building permit. DMS will then issue a Notice to Proceed with Construction.

d. **Volunteer Hours:** There are a number of registered volunteers in the State Veterans' Homes that provide invaluable services for our veteran residents. The multitude of hours that are contributed add to the quality of life for the residents as well as allow the skilled employees to attend to more complicated, professional level tasks associated with resident care.

<table>
<thead>
<tr>
<th>FISCAL YEAR 2012-2013</th>
<th>FIRST QUARTER</th>
<th>SECOND QUARTER</th>
<th>THIRD QUARTER</th>
<th>FOURTH QUARTER</th>
<th>YEAR TO DATE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jenkins SVDH, Lake City, Hours Contributed</td>
<td>288.75</td>
<td>150</td>
<td></td>
<td></td>
<td>438.75</td>
</tr>
<tr>
<td># of Volunteers</td>
<td>50</td>
<td>36</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bennett SVNH, Daytona Beach, Hours Contributed</td>
<td>1038</td>
<td>1107</td>
<td></td>
<td></td>
<td>2145</td>
</tr>
<tr>
<td># of Volunteers</td>
<td>100</td>
<td>184</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lopez SVNH, Land O' Lakes, Hours Contributed</td>
<td>205</td>
<td>269</td>
<td></td>
<td></td>
<td>474</td>
</tr>
<tr>
<td># of Volunteers</td>
<td>28</td>
<td>41</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Nininger SVNH, Pembroke Pines, Hours Contributed</td>
<td>1014.5</td>
<td>349</td>
<td></td>
<td></td>
<td>1,363.5</td>
</tr>
<tr>
<td># of Volunteers</td>
<td>10</td>
<td>6</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sims SVNH, Springfield, Hours Contributed</td>
<td>180.5</td>
<td>192</td>
<td></td>
<td></td>
<td>372.5</td>
</tr>
<tr>
<td># of Volunteers</td>
<td>16</td>
<td>22</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Jacobson SVNH, Port Charlotte, Hours Contributed</td>
<td>222</td>
<td>344.5</td>
<td></td>
<td></td>
<td>566.5</td>
</tr>
<tr>
<td># of Volunteers</td>
<td>5</td>
<td>20</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lassen SVNH, St. Augustine, Hours Contributed</td>
<td>100</td>
<td>270.75</td>
<td></td>
<td></td>
<td>370.75</td>
</tr>
<tr>
<td># of Volunteers</td>
<td>221</td>
<td>40</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Item 1 - Cabinet Meeting Minutes, Dec 11, 2012

Item 2 - FDVA Second Quarter Report FY 2012/13
Cabinet Meeting Minutes

December 11, 2012

Agenda Item 1
Biennial Survey – deficiency free
Clyde Lassen State Veterans Nursing Home (St. Augustine) undergoes VA

Administration Annual Survey - Receives only one minor deficiency
Robert Jenkings Domincilliary (Lake City) undergoes Agency for Health Care
Home (Daytona Beach) for Resident Projects

Home Depot awards $72K grant to Emory Bennett State Veterans Nursing
Home (Domincilliary not included)

Maintained 99% State Veterans Nursing Home Occupancy Rate

Public Service Announcement, Facebook, Mobile App, etc...
State-wide outreach campaign expanded with new website,

FDVA Second Quarter Fiscal Year 2012/13

Agenda Item 2: