



FLORIDA DEPARTMENT OF VETERANS' AFFAIRS

Honoring those who served U.S.

Cabinet Meeting Materials

September 24, 2013



Mike Prendergast
Executive Director

State of Florida
DEPARTMENT OF VETERANS' AFFAIRS
Office of the Executive Director
Suite 311 K
11351 Ulmerton Road
Largo, Florida 33778-1630
Phone: (727) 518-3202 Ext.5594 Fax: (850) 488-4001
www.FloridaVets.org

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

August 22, 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 September 24th, 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), September 24th, 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, Bobby Carbonell, at (850) 487-1533 x7705.

cc: Jerry McDaniel, Director
Governor's Office of Policy and Budget

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

Attachments

AGENDA
FLORIDA DEPARTMENT OF VETERANS' AFFAIRS
Meeting materials for the following items are available on the web at:

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

September 24th, 2012
9:00 A.M. (EST)
LL-03, The Capitol
Tallahassee, Florida

Contact: Bobby Carbonell, Director, Legislative & Cabinet Affairs
(850) 487-1533 x7705

ITEM	SUBJECT	RECOMMENDATION
1.	Respectfully request approval of the minutes of the May 8 th , 2013 meeting. (ATTACHMENT 1)	RECOMMEND APPROVAL
2.	Recognition of FDVA Employee of the Year: Mike Howard, Bureau Chief, Bureau of Veterans' Claims.	
3.	Respectfully request approval of the Florida Veterans Hall of Fame Finalists. (ATTACHMENT 2)	RECOMMEND APPROVAL
4.	Respectfully submit Agency Fourth Quarter Report Fiscal Year 2012-2013. (ATTACHMENT 3)	RECOMMEND APPROVAL
5.	Agency Legislative Policy Proposals for 2014 Session. (ATTACHMENT 4)	RECOMMEND APPROVAL
6.	Agency Legislative Budget Request for Fiscal Year 2014-2015. (ATTACHMENT 5)	RECOMMEND APPROVAL

T H E C A B I N E T
S T A T E O F F L O R I D A

Representing:

HIGHWAY SAFETY AND MOTOR VEHICLES
DEPARTMENT OF VETERANS AFFAIRS
STATE BOARD OF ADMINISTRATION

The above agencies came to be heard before THE FLORIDA CABINET, the Honorable Governor Scott presiding, at Nemours Children's Hospital, in the Auditorium, Orlando, Florida, on Wednesday, May 8, 2013, commencing at approximately 9:14 a.m.

Reported by:

KAREN S. RHINE
Florida Professional Reporter
Notary Public

KAREN S. RHINE, FPR
925 Patrician Place
Oviedo, Florida 32766
KSRhine@aol.com
407.718.8600

APPEARANCES:

Representing the Florida Cabinet:

RICK SCOTT
Governor

PAM BONDI
Attorney General

JEFF ATWATER
Chief Financial Officer

ADAM PUTNAM
Commissioner of Agriculture

* * *

I N D E X

HIGHWAY SAFETY AND MOTOR VEHICLES
(Presented by JULIE JONES)

ITEM	ACTION	PAGE
1	Approved	4
2	Approved	11

DEPARTMENT OF VETERANS AFFAIRS
(Presented by MIKE PRENDERGAST)

ITEM	ACTION	PAGE
1	Approved	14
2	Approved	19
3	Approved	22
4	Approved	30

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STATE BOARD OF ADMINISTRATION
(Presented by ASH WILLIAMS)

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CERTIFICATE OF REPORTER 45

P R O C E E D I N G S

1
2 GOVERNOR SCOTT: Now I'd like to recognize Executive
3 Director Julie Jones with the Department of Highway Safety
4 and Motor Vehicles to present their agenda. Good morning.

5 MS. JONES: Thank you, Governor and Cabinet members.
6 The Department of Highway Safety serves more than 50
7 million drivers and processes more than 18 million vehicle
8 registrations. We patrol 30 million miles per year with
9 the Highway Patrol. Just for our visitors, the Florida
10 Department of Highway Safety, this is your Florida Highway
11 Patrol. We have a motor services unit and then we have an
12 I.T. section that's integral in how we do our business.

13 Governor, I have two agenda items for your
14 consideration and approval today. Item Number 1, I
15 respectfully request approval of the minutes from the
16 February 7th Cabinet meeting.

17 GOVERNOR SCOTT: Is there a motion to approve?

18 ATTORNEY GENERAL BONDI: So moved.

19 GOVERNOR SCOTT: Is there a second?

20 CFO ATWATER: Second.

21 GOVERNOR SCOTT: Moved and seconded. Any objections
22 or comments? Hearing none, the motion carries.

23 MS. JONES: Item Number 2 is the Department's
24 Performance Report for the third quarter of this fiscal
25 year. In our highlight section of the quarterly

1 performance you'll note that we did a number of public
2 outreach projects; the Move Over law, hit and run crashes
3 which I'm going to bring Major Cindy Williams up to talk
4 about just briefly.

5 Spring Break Enforcement. We were very successful in
6 this initiative this year especially in the Panama City
7 Beach area.

8 Bike Week. We do motorcycle safety education leading
9 up to Bike Week and then participate in a lot of events in
10 order to keep the fatality rates down associated with this
11 event. And I'm proud to say that crashes and fatalities
12 were both down this year.

13 This quarter we also worked to educate the public
14 about fake websites. We've had a proliferation of fake
15 public safety websites that when you click on it it
16 appears to be a governmental entity, but it's actually
17 downloading malware and it's also charging extra costs
18 claiming to be a public site when indeed you can get that
19 service for free.

20 So we're working closely with the public and our law
21 enforcement partners to take these sites down as a public
22 service initiative.

23 We also continue to try to put as many troopers on
24 the road as we can. This quarter we graduated another
25 class of 52 and I'm proud to say that the last three basic

1 recruit classes we have 30 veterans that we recruited and
2 got through the academy.

3 GOVERNOR SCOTT: Congratulations.

4 MS. JONES: Revenue Information. We had a solid
5 third quarter. We collected and distributed \$658 million.
6 This is a \$59 million increase in revenue from the prior
7 quarter.

8 The last topic is our Performance Dashboard. As you
9 know, we have 37 performance standards that we rate
10 ourselves on. Thirty-three were in the green meet
11 standards category. I'd like to talk about the four
12 measures that were not.

13 Measure number 2 is the number of reported highway
14 crashes. Last Fall I came to you and said that this might
15 be an issue and this issue has slipped into yellow from
16 green. It's a nationwide trend. It's not just in
17 Florida.

18 While no specific issue has been identified, we
19 believe that the turn in the economy -- the economy is
20 becoming a little more positive, more cars on the road,
21 more miles driven. And in the Fall we'll have more data
22 available to --

23 GOVERNOR SCOTT: More construction too.

24 MS. JONES: Pardon me?

25 GOVERNOR SCOTT: There's way more construction going

1 on right now.

2 MS. JONES: That's correct, sir. Again, it's all
3 associated with the turn in the economy.

4 One of the contributing factors though is the
5 increased number of hit and run crashes and I'm going to
6 bring Cindy Williams up here. She's the troop commander,
7 the major here locally.

8 Orlando is one of the top three counties for hit and
9 run in the state and we've had some specific initiatives
10 on this. Hit and run crashes are up 10 percent and the
11 tragedy here is three out of five fatalities statewide
12 associated with pedestrian fatalities is due to hit and
13 run.

14 So this is not only our educational campaign this
15 quarter, but also our enforcement initiatives across the
16 state. So Cindy is going to spend just two minutes on
17 this.

18 GOVERNOR SCOTT: Good morning.

19 MS. WILLIAMS: Thank you. In FHP Troop D we cover
20 Orange, Seminole, Volusia and Brevard County. We
21 responded just in Orange County to over 4,883 hit and run
22 crashes in 2012. Of the hit and run crashes 17 percent or
23 816 resulted in injury with the majority of them being
24 unsolved. Seventeen of the 21 crashes involved fatalities
25 that remain unsolved.

1 In response to the increased number of hit and run
2 crashes in Troop D, in January we implemented a new
3 approach to solving these cases and dedicated a trooper to
4 these operations.

5 This initiative was utilized through taking data
6 through our cost report system and looking for hit and run
7 tags and strength searches to look for what we could find
8 with cases that were unsolved.

9 Of these we found 53 cases that involved injuries.
10 We were able to assign a trooper to these to go down and
11 look for leads. Forty-two of these actually were within
12 Orange County. Of the data that we analyzed we utilized
13 the Bureau of Intelligence Investigations and our partner
14 with the Orange County Sheriff's Office.

15 Within a few months with this new information 10
16 cases were reopened with further leads. One of these
17 already resulted in an arrest. Two of these resulted in
18 location of the vehicle and insurance information being
19 provided.

20 We've also had numerous letters that we've written to
21 our person that has been doing these thanking them. Even
22 in cases when we didn't find anybody we found further
23 leads and people felt that we were taking that extra step.

24 In February we initiated press conferences that were
25 held around the state kicking off the hit and run

1 awareness campaign. We also in Troop D had a press
2 conference and had the victims of hit and runs come and
3 talk to us, one of which was Jamie McWilliams who was
4 instrumental in getting the law changed for many of the
5 hit and run crimes; mostly serious bodily injury and
6 death, from a third-degree felony to a first degree
7 felony. If you've ever dealt with Ms. McWilliams, she is
8 passionate and she was willing to do whatever to get this
9 taken on.

10 The Florida Highway Patrol is using social media and
11 posting these things on Facebook and our website. We're
12 hitting the younger crowd and the people that are on the
13 website and that's really making a big impact.

14 And in closing, this operation will enhance patrols
15 in an active role in the state for hit and run crashes to
16 try to reduce them and to apprehend the violators.

17 On a side note, I really like the dog so I'm talking
18 to my family. I gotta talk to the family because we
19 already have one.

20 GOVERNOR SCOTT: It's over once you start talking
21 about it.

22 ATTORNEY GENERAL BONDI: Thank you. He's so sweet.
23 Thank you.

24 GOVERNOR SCOTT: It's over.

25 MS. JONES: Yeah, it is.

1 ATTORNEY GENERAL BONDI: 10 and 0, people.

2 MS. JONES: She met the dog before you brought the
3 dog up and said okay, I gotta call home. So we're going
4 to continue to do outreach in education and it's training,
5 not only the driver trying to train people to stop and not
6 be afraid of the law enforcement consequences, but also
7 training the hit and run victim to know what to look for
8 and how to report back to the patrol to help with these
9 issues.

10 Performance measure number 20 is our customer service
11 wait times. And these continue to get better and we're up
12 to 87.5 percent of our customers wait less than 30 minutes
13 now in a driver license office.

14 The last measure I'd like to discuss is our average
15 wait times in our customer service centers. These were up
16 27 percent from the last quarter. Two things happened to
17 affect this measure. A new I.T. system was installed and
18 it took a lot of training and we took people off the line
19 to get the training done, but we've also had a higher
20 number of non-citizens calling.

21 Up until this quarter if you were a non-citizen
22 asking for a driver's license or an I.D., we processed you
23 in the office and then we told you to wait and we verified
24 your legal status in the state through the Federal
25 Government through the main office in Tallahassee.

1 We've now this quarter centralized that to reduce
2 those numbers of calls and I'm hoping that will continue
3 to bring this measure into compliance.

4 We focus on technology, but these are complicated
5 questions that take a person to actually talk to. So
6 we're going to work through that.

7 With that, that concludes our quarterly report and I
8 would ask that you respectfully -- I respectfully request
9 you approve the report as it stands.

10 GOVERNOR SCOTT: Thank you very much, Julie. So is
11 there a motion to approve the report?

12 CFO ATWATER: So moved.

13 GOVERNOR SCOTT: Is there a second?

14 COMMISSIONER PUTNAM: Second it.

15 GOVERNOR SCOTT: Okay. Any comments or objections?
16 Hearing none, the motion carries. Thanks.

17 MS. JONES: Thank you, Governor.

18 GOVERNOR SCOTT: Thank you.

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

MR. PRENDERGAST: Good morning, Governor Scott, General Bondi, CFO Atwater and Commissioner Putnam. It's great to be here today as your confirmed Executive Director of the Florida Department of Veterans Affairs.

Before I go into my formal remarks, I wanted to make a special announcement to all of you that I briefed your staff on last week. Today will be Jim Brodie's last official Cabinet meeting as our Director of Legislative and Cabinet Affairs.

After a distinguished career in State Government and in the private sector, Jim has succumbed to the desires of his lovely bride, DeDe, and Jim is retiring from Florida State Government on June 20th, but he's going to stay a fixture in the Tallahassee community. And we'll see if we can get Jim by before he packs up his tent and rolls out the gate for the last time to say goodbye to each and every one of you.

Jim's service started out in the United States Navy and then he worked at the University of Miami.

GOVERNOR SCOTT: Were you in the Navy?

MR. PRENDERGAST: No, I was in the senior service,

1 Governor, the United States Army. My dad was in the Navy
2 in the Second World War, so we do have that bond at least.

3 Jim has been with us in the Department of Veterans
4 Affairs since December of 2004. So he's culminating at
5 about eight and a half years with the Department and more
6 than 14 years in Florida State Government.

7 GOVERNOR SCOTT: Too young to retire.

8 MR. PRENDERGAST: I'm also very proud to report to
9 all of you again today that once again our State Veterans
10 Nursing Home program has filled all 720 beds in our
11 skilled nursing facilities for a 100 percent occupancy
12 rate.

13 In addition to that, CFO Atwater, thank you for
14 recognizing our nurses. We have 671 nurses, registered
15 nurses, LPNs and certified nursing assistants in the
16 Department of Veterans Affairs and we have sent out an
17 announcement thanking them for their service as well. So
18 thank you for recognizing them today.

19 We do have four agenda items for you today. Item 1
20 consists of the minutes from the March 19th Cabinet
21 meeting and we respectfully request approval.

22 GOVERNOR SCOTT: Is there a motion to approve?

23 ATTORNEY GENERAL BONDI: So moved.

24 GOVERNOR SCOTT: Is there a second?

25 CFO ATWATER: Second.

1 GOVERNOR SCOTT: Any comments or objections? Hearing
2 none, the motion carries.

3 MR. PRENDERGAST: Thank you.

4 Item 2 is an after-action report about the Homeless
5 Veterans Stand Down held in Tallahassee at the North
6 Florida Fairgrounds on April 5th through the 7th.

7 This event was coordinated by the Florida Veterans
8 Foundation. As you know, the Florida Veterans Foundation
9 is our direct support organization of the Department of
10 Veterans Affairs.

11 John Haynes is our present Chairman of the Florida
12 Veterans Foundation and John is a retired Marine having
13 served in World War II, Korea and Vietnam. John joined
14 the Corp at the age of 15 and served on active duty for 30
15 years. John was awarded the Silver Star Medal for
16 conspicuous gallantry in combat and also the Purple Heart
17 for wounds received in action against an armed enemy.

18 It's a distinct honor for me to introduce Major
19 Haynes to talk briefly about the Stand Down and the great
20 achievements that we achieved at our first ever Stand Down
21 for the Department of Veterans Affairs.

22 GOVERNOR SCOTT: Great tie.

23 MR. HAYNES: Thank you, sir. Good morning, Governor
24 and members of the Cabinet, my fellow Americans, lovers of
25 freedom all. I'm deeply honored to be here this morning

1 to discuss with you the Stand Down that we recently
2 conducted in Tallahassee.

3 As a result of the study made it was determined that
4 in Leon County alone, which is where our State Capitol is,
5 we have 187 homeless veterans. Within the State of
6 Florida we have 5,300 homeless veterans that is recorded
7 and I can promise you, and I think correctly, that there's
8 many more than that.

9 One of the important things that I think we should
10 remember about a homeless veteran is who are they and why
11 are they homeless. First of all, they're veterans just
12 like I and many of you, regular Americans. For one reason
13 or another they were called to active duty. They went to
14 war, they served their country and while serving their
15 country often in times of great danger, they suffered
16 after effects such as post-traumatic stress syndrome or
17 traumatic brain injuries.

18 These veterans come home, most are out of the service
19 and come back out into the population. Due to the
20 post-traumatic stress or that traumatic brain injury they
21 have great difficulties. Often times they find difficulty
22 obtaining employment and they also have problems
23 conducting themselves like a great citizen or a good
24 citizen would. They run afoul of the law.

25 Many of the homeless veterans that we worked with at

1 our three-day Stand Down are veterans that have active
2 warrants out for their arrest and many of these have to do
3 with child support issues.

4 During the three-day Stand Down that we had, we
5 brought these veterans in. They arrived on a Friday
6 morning at 6:00 a.m. It was very, very cold that day and
7 rainy. We first introduced them to a hot shower, a hot
8 meal and then we issued each and every one a minimum of
9 three issues of clothing.

10 Now I would like to tell you some statistics.
11 Statistics involve numbers and I hope that I don't bore
12 you with this. During the three days we accommodated 282
13 veterans; 256 males and 26 females. And, by the way, some
14 homeless veterans do really have families. They had 21
15 children and they also had 15 dogs. Many homeless
16 veterans have dogs that live with them in the woods.

17 We attempted to reintroduce these veterans to a
18 better way of life. We wanted to do away with those
19 outstanding warrants. So as a result, we had a legal team
20 there. We had a judge. We had 16 attorneys. We had 20
21 law students from Florida State University. During that
22 period of time many of the outstanding warrants were
23 settled. We don't know the exact savings of money to Leon
24 County and the other counties in Florida, but I can tell
25 you that there was indeed a significant saving of money

1 during that three-day period and we really thank our legal
2 system; our judges and lawyers for the hard work that they
3 did. They truly had an interest and they are still
4 continuing until this day to work with these veterans.

5 We had 25 of these homeless veterans that were
6 presented with their birth certificates that day as a
7 result of the legal system being on site. We know that in
8 this day and age you've got to have a birth certificate or
9 you can't get a job, probably can't even get into a
10 hospital.

11 We had 22 that received health care and physical
12 examinations. We had nine that were tested for HIV. One
13 veteran was admitted to a local hospital as a result of
14 very, very serious medical condition that he had. Nine
15 veterans were tested for tuberculosis. We had 60 veterans
16 that received dental care. An additional 100 veterans
17 received emergency prescriptions.

18 All in all we had 90 cases that were seen by our
19 legal system. We had 32 veterans that actually went
20 before the judge and, as I mentioned earlier, a lot of
21 those were involving children and lack of support.

22 Many of those veterans are now free. They can go out
23 now and seek a job because they don't have a warrant
24 hanging over their head. This is very, very important to
25 these veterans.

1 It's our great desire within the State of Florida and
2 I know that the Governor and Colonel Prendergast and
3 everyone concerned, it's their deep desire to bring these
4 veterans back into the community.

5 Where there's retribution to be paid, they can do
6 that. We're not asking that everything just be waived and
7 disregarded. Many of those veterans that went before the
8 judge that day, they're doing time out working for the
9 community, working those fines off.

10 So it wasn't just a handshake and a wave and you're
11 now free. They're facing up, but the main thing is they
12 now have a different outlook on life. Many of these
13 veterans feel that they have been abandoned from society.

14 Our purpose was to change that concept and we feel
15 that next year when we do our Stand Down that many more
16 veterans will come out of the woods and come back to us.
17 After all, the President of the United States has stated
18 that by the year 2015 we want to do away with the word
19 homelessness among veterans and the Secretary of Veterans
20 Affairs has stated the same thing.

21 My boss, Colonel Prendergast, has stated that he
22 wants it to end today. Thank you very kindly.

23 MR. PRENDERGAST: I'd be remiss if I didn't introduce
24 Colonel Retired Washington Sanchez, Former Departmental
25 Commander of the Military awarded the Purple Heart and our

1 key leader for pulling off this year's Stand Down for our
2 homeless veterans in the Northern Florida Panhandle area.
3 Thank you for your leadership, Washington.

4 Thank you, John and Washington, for your leadership.
5 Unless there are any questions, this concludes our report
6 on Item 2 and we respectfully request approval of the
7 Stand Down Report.

8 GOVERNOR SCOTT: Is there a motion to accept the
9 report?

10 CFO ATWATER: So moved.

11 GOVERNOR SCOTT: Is there a second?

12 ATTORNEY GENERAL BONDI: Second.

13 GOVERNOR SCOTT: Any comments or objections? Hearing
14 none, the report is accepted.

15 MR. PRENDERGAST: Thank you, Governor.

16 Item 3 is a brief status report by Mr. Tim Lizzurte,
17 the medical director of the Orlando V.A. Medical Center
18 which is also under construction right here on this same
19 campus as the Nemours Hospital. Tim.

20 MR. LIZZURTE: Thank you, Director. Good morning,
21 Governor. Good morning, Cabinet. It's my honor to
22 provide an update on this and I think it's fitting that
23 you honored teachers. I had one teacher who said in
24 giving a brief, keep it brief, and I aim to do that today.

25 I'm joined in the audience today by Tom Lesniewski

1 (ph.) who is the acting network director for the Sunshine
2 Network. He oversees the seven facilities in the Great
3 State of Florida and I'm privileged to be briefing you on
4 the next one.

5 So the portfolio of the project here in Orlando will
6 be the eighth V.A. Medical Center in the State of Florida.
7 It's targeted to be budgeted at about \$616 million,
8 located on 65 acres. It will build out to 1.2 million
9 square feet, involve 134 in-patient beds, 3,100 parking
10 spots and employ 2,100 staff and serve 113,000 first year
11 of operation veterans in East Central Florida.

12 The way this is contracted out is actually several
13 different contracts. All have been completed with the
14 exception of the last one which is the fitting out of the
15 main medical complex and it is currently on target to be
16 completed contractually by August, but really we're
17 expecting it to be completed by April of 2014. It's
18 currently about 75 percent complete.

19 Not listed here is a fifth phase of the project, the
20 Simulation Center. Orlando was fortunate enough to be
21 designated a national center for simulation for the entire
22 V.A. national healthcare system. That will be 53,000
23 square feet of simulation space here across the complex.

24 We are asked often when the construction is complete
25 when do you expect to see the first patient. When I get

1 the keys to the building, I expect to see our first
2 patient within 90 days for the clinical inventory that we
3 presently have at our Lake Baldwin. The plan today is to
4 move Lake Baldwin services down here to Lake Nona and
5 we'll expect to do that within 90 days.

6 And then expanding current clinical inventory, adding
7 capacity, audiology booths, clinic appointments, et
8 cetera; we expect to be doing that over a 120-day period.
9 And then new clinical inventory, things that we don't have
10 in our hospital today, things like in-patient beds, we
11 expect to be opening that up 180 days from the day that we
12 receive the keys to the building.

13 This is a projected economic impact. In addition to
14 the recurring annual budget that we get from the Federal
15 Government, we'll be targeting about \$400 to \$500 million
16 a year in recurring funding.

17 The rollout and activation is that we will be adding
18 roughly 1,400 jobs between now and the final activation of
19 the medical center in 2015. And that is my update and
20 brief.

21 I just would like to make the final point that this
22 is more than bricks and mortar. We are fundamentally
23 changing the way that we deliver healthcare. It's nice
24 talking about the bricks and mortar, but the programming
25 going into the medical center is really the exciting part.

1 There will be lots of new technology and innovation
2 that will be implemented as part of our activation and
3 build out. Finally, collaborating with great partners
4 that you've heard about already today and Director
5 Prendergast at the State level has been phenomenal in our
6 work in completing this project. Thank you.

7 GOVERNOR SCOTT: Thank you very much.

8 MR. PRENDERGAST: Thank you, Tim. Unless there are
9 any questions from the Governor and Cabinet, this
10 concludes our report on Item Number 3. We respectfully
11 request approval.

12 GOVERNOR SCOTT: Is there a motion to accept the
13 report?

14 ATTORNEY GENERAL BONDI: So moved.

15 GOVERNOR SCOTT: Is there a second?

16 CFO ATWATER: Second.

17 GOVERNOR SCOTT: Any comments or objections? Hearing
18 none, the motion carries.

19 MR. PRENDERGAST: Thank you.

20 Item 4 is a presentation about Paychecks for
21 Patriots. Executive Director Jesse Panuccio briefly
22 touched upon this subject whenever he was doing his
23 presentation a few minutes ago.

24 Speaking of paychecks, 736 veterans joined the
25 Florida workforce last week and since the first of the

1 year more than 10,100 veterans have joined the Florida
2 workforce. That's a real testament to those that have
3 been working hard.

4 The Paychecks for Patriots event is a 10-city job
5 fair for veterans. It's coordinated between the
6 Department of Economic Opportunity, the 24 Regional
7 Workforce Boards, the Employer Support of the Guard and
8 Reserve, the National Guard, the Department of Veterans
9 Affairs and, of course, our corporate partners at Dollar
10 General.

11 We are also grateful to the Governor for his strong
12 letters of support to this initiative and we look forward
13 to the results that this initiative will produce for our
14 veterans out in the workforce community.

15 Our first presenter today is Judge Greg Holder of the
16 13th Judicial Circuit in Hillsborough County. Judge
17 Holder is also the key leader for Employer Support to the
18 Guard and Reserve in the State of Florida. Judge Holder.

19 GOVERNOR SCOTT: Good morning.

20 ATTORNEY GENERAL BONDI: I would be remiss if I
21 didn't say we're so pleased to have you here today, Your
22 Honor. When I was a prosecutor I appeared in front of him
23 many times and he's one of the best judges I know and a
24 dear friend. So thank you for being here, Judge Holder.

25 JUDGE HOLDER: It's a pleasure to salute you.

1 ATTORNEY GENERAL BONDI: That's frightening, but
2 thank you.

3 JUDGE HOLDER: Governor, CFO, Commissioner and
4 Attorney General. I'm proud to say I'm from the
5 Department of Defense and we are here to help you. I
6 think Dr. German said it best when she used the phrase
7 collaborative innovation. I will borrow that phrase,
8 Doctor, because indeed this is a public and private
9 partnership by and between the Federal Government and our
10 State Government.

11 We are extremely pleased and proud to partner with
12 our good friends, the Florida Department of Veterans
13 Affairs, the great Dollar General Corporation, our
14 National Guard, Workforce Florida and, of course, REEO.

15 Sir, we look forward to bringing jobs to Florida and
16 jobs to our veterans and their family members. Thank you.

17 GOVERNOR SCOTT: Thank you very much.

18 MR. PRENDERGAST: Next up will be the Adjutant
19 General of the Great State of Florida, Major General
20 Emmett Titshaw.

21 GOVERNOR SCOTT: Good morning.

22 MR. TITSHAW: Governor Scott, Attorney General Bondi,
23 CFO Atwater and Commissioner Putnum, thank you for this
24 opportunity to make brief remarks today.

25 Our Florida National Guard soldiers and airmen accept

1 many risks and hardships as they serve our communities,
2 our state and our nation. One of those hardships should
3 not be unemployment. We greatly appreciate those
4 employers who are willing to hire our service members and
5 our veterans and we applaud the efforts of everyone who
6 has helped make these Paychecks for Patriots events
7 possible this month.

8 The month of May has been designated as Military
9 Appreciation Month and as the citizens of this state
10 express their appreciation to all of our service members,
11 we would like to express our appreciation back to the
12 State of Florida, the Legislature, this Cabinet, Governor
13 Scott, the Department of Military Affairs, DEO, ESGR and
14 Dollar General for putting on this event. Thank you very
15 much.

16 GOVERNOR SCOTT: Thank you.

17 MR. PRENDERGAST: Most importantly and finally I'd
18 like to introduce Mr. Bob Ravener. I pulled out his card
19 because it's a little bit different from what I had in my
20 notes. It says Bob Ravener, Executive Vice President and
21 Chief People Officer. Ladies and gentlemen, Bob Ravener
22 from Dollar General.

23 MR. RAVENER: Thank you, Mike. Good morning,
24 Governor and Cabinet members. I'm pleased to be here this
25 morning representing the more than 100 employers that are

1 participating in this event on Friday.

2 I would tell you that I have a special place in my
3 heart for the State of Florida as no less than six members
4 of my family who have served in the military have lived at
5 one point in time, including me, in the State of Florida.

6 Across the state so far we have over 115 Florida
7 employers who are participating in our first Paychecks for
8 Patriots veterans hiring event in ten locations across
9 Florida on this Friday, May 10th. All of the corporate
10 partners have been working with the military community to
11 provide job opportunities.

12 This program is proof positive that the public and
13 private sectors cannot only effectively partner to help
14 our veterans successfully transition to civilian life, but
15 this initiative is the best example I've ever seen in my
16 more than 25 years in corporate America of the public and
17 private sectors working effectively together to make a
18 difference.

19 We are proud to be part of this unique groundbreaking
20 partnership that's been supported by the Florida State
21 Government and the Florida military community.

22 This program is not a one size fits all. Paychecks
23 for Patriots has been structured to meet the unique needs
24 of our Florida veterans and the Florida employers. This
25 has been truly a team effort.

1 On behalf of the private sector I'd like to thank
2 General Emmett Titshaw and the Florida National Guard,
3 Colonel Mike Prendergast and the Florida Department of
4 Veterans Affairs, Judge Greg Holder and the Florida ESGR,
5 Executive Director Jesse Panuccio and his team at the
6 Department of Economic Opportunity and Regional Workforce
7 Boards for working so hard to make this a success and to
8 the over 100 employers that are going to be representing
9 their companies this Friday.

10 I'd also like to thank the team that's with me here
11 today who has really donned the bulk of the effort for
12 Dollar General. So my thanks to Steve Brophy, Kathy
13 Reardon, Charlotte Hutchins and Dan McDonald.

14 As a Navy veteran myself like you, Governor, I have
15 an understanding of the needs of our military community
16 and the difficulty of making the transition from the
17 public to the private sector. There's just no clear road.
18 Having navigated that road myself more than 25 years ago,
19 I certainly believe that Paychecks for Patriots can make
20 that journey easier for our military families and in so
21 doing it will benefit our veterans, our employers and the
22 economy. This is clearly a win-win.

23 Veterans need career opportunities and growing
24 businesses like Dollar General need great people who have
25 the attitude, aptitude and aspiration to grow with us and

1 build a meaningful career. For me it's not about where
2 you start, it's about where you finish.

3 At Dollar General alone we've hired over 7,000
4 veterans in the last two years and they're making
5 tremendous contributions to our company. In Florida
6 Dollar General has more than 600 stores and we'll open
7 another 35 this year. We have more than 4,300 Florida
8 citizens working in our stores and we're going to hire
9 roughly 600 more Floridians at Dollar General in the month
10 of May.

11 At Dollar General across the country we expect to
12 open our eleven thousandth store this year. In fact,
13 we've opened 2,500 stores and added more than 30,000 new
14 jobs in the last five years alone and we need great people
15 including the veteran community to grow with us.

16 As a former submarine officer and the chief people
17 officer at Dollar General I know the tremendous skill set
18 that our military service members and their spouses offer
19 to the private sector as potential employees.

20 And let me just name a few. They are excellent
21 leaders and outstanding followers. They belong to a
22 community where loyalty, dedication and motivation are
23 highly valued. They exemplify professionalism. They
24 carry themselves with a high degree of integrity, an air
25 of self-respect and sense of duty and honor. They are

1 responsible.

2 They know how to make decisions and they take
3 responsibility in meeting those deadlines and difficulties
4 they face. They embrace diversity. The U.S. Military is
5 a meritocracy to its core measured by one's performance
6 and service to others. They understand that nothing is
7 impossible with enough effort and teamwork. Their
8 mission-oriented mindset is invaluable in the workplace
9 and contagious among their colleagues.

10 This is our first Paychecks for Patriots effort in
11 Florida, but I'm hopeful it will be the first of many. I
12 believe that working together we're starting something
13 great here in the state that can match our veterans and
14 the career opportunities with employers looking for great
15 people for many years to come.

16 Let me conclude by saying thank you, Governor Scott,
17 and your leadership team. We appreciate your support of
18 the Paychecks for Patriots effort and your dedication to
19 the military. And I also want to thank each member of the
20 Cabinet for your support. This will be a great service to
21 our veteran community and it's been a pleasure to work
22 with your state and local officials and the passion that
23 they represent. Thank you very much.

24 GOVERNOR SCOTT: Thank you. Good job.

25 MR. PRENDERGAST: Ladies and gentlemen, subject to

1 your questions, this concludes our agenda Item Number 4.
2 We respectfully request approval.

3 GOVERNOR SCOTT: Thank you. Is there a motion to
4 approve the report?

5 ATTORNEY GENERAL BONDI: So moved.

6 GOVERNOR SCOTT: Is there a second?

7 CFO ATWATER: Second.

8 GOVERNOR SCOTT: Any comments or objections? Hearing
9 none, it passes. Thank you very much.

10 MR. PRENDERGAST: Bob, thank you again for coming and
11 thank you for your leadership in hiring our veterans.

12 GOVERNOR SCOTT: Thank you. Thanks, everybody, for
13 doing this. It makes a big difference for families. So
14 thanks a lot. Great job, Mike.

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GOVERNOR SCOTT: Now I'd like to recognize Teacher of the Year for Orange County, Dorina Sackman with Westridge Middle School. If you'll stand so we can recognize you. Thank you very much and thanks for all you do for these kids. You change people's lives and you inspire them. So thank you for what you're doing.

Now I'd like to recognize Executive Director Ash Williams with the State Board of Administration. Good morning, Ash. The portfolio is up.

MR. WILLIAMS: Yes, it is up and we can just open with that since you've got it. I think it's a segway. As of the close on the 6th we are up 15.6 percent year-to-day. That's 63 basis points ahead of target and leaves a balance of \$136.2 billion.

GOVERNOR SCOTT: That's great.

MR. WILLIAMS: All right.

Item 1 I would like to request approval of the appointment of Mary Ellen Elia to the Investment Advisory Council. She was nominated by Attorney General Bondi.

MS. BONDI: And if I could say a few words, Governor. As we all know, teachers comprise such a huge portion of our Pension Fund and Mary Ellen Elia, if approved by the Governor and Cabinet, will be the first superintendent on the Investment Advisory Council.

1 Under her leadership Hillsborough Schools have
2 invested over half a billion in the Florida PRIME Fund,
3 which is our local government fund, and Mary Ellen Elia
4 previously was Chair of the Participant Local Government
5 Advisory Council.

6 I know her personally. I know her work ethic and I'm
7 just so proud that she's willing to take this on. And I
8 think it would be incredible to have a superintendent of
9 the schools on our Investment Advisory Council.

10 GOVERNOR SCOTT: Is there a motion? Are you making a
11 motion?

12 ATTORNEY GENERAL BONDI: So moved that we appoint
13 Mary Ellen Elia.

14 GOVERNOR SCOTT: Is there a second?

15 CFO ATWATER: Second.

16 GOVERNOR SCOTT: Any comments or objections? Showing
17 none, approved unanimously. She'll be very good. She's
18 very good. You did a great job.

19 ATTORNEY GENERAL BONDI: Thank you.

20 MR. WILLIAMS: Thank you. And I would say too, as
21 one of the founding members of the Participant Local
22 Government Advisory Council, in her chairmanship of that
23 group, she did a terrific job.

24 And if one looks back to the most recent sales of
25 securities we've done on the Pool B, which is a securities

1 that became liquid back in 2007, we are now in a position
2 to distribute or have already distributed a little over 92
3 percent of the original value of those securities.

4 I'd like to move forward with a little update on the
5 Florida Growth Fund as it relates to the State Board of
6 Administration. For those of you who are in the local
7 area and don't know who the State Board is, we're
8 essentially the State's investment organization. We
9 service folks as fiduciaries providing investment services
10 to over 30 different entities as directed by Florida
11 Statute.

12 The aggregate clients we manage are north of \$167
13 billion. We operate in an extraordinarily transparent
14 environment obviously with the leadership of our trustees,
15 but also with very intensive oversight and reporting both
16 internally and externally.

17 We just discussed two of our advisory bodies, the
18 Participant Local Government Advisory Council and our
19 Investment Advisory Council. We also have an Independent
20 Audit Committee and use a number of independent
21 consultants who serve as fiduciaries to us to help us make
22 good investment decisions.

23 This just gives you a sense of how our investment
24 duties break down across the Pension Plan which is the
25 defined benefit part of our pension system, the Investment

1 Plan which is defined contribution, the Hurricane
2 Catastrophe Fund and Florida PRIME which is a local
3 government investment pool that Ms. Elia has been very
4 involved with in recent years.

5 We also have a very interesting entity called the
6 Florida Growth Fund. The legislature in 2008 passed the
7 Florida Technology and Growth Act which allowed investment
8 of up to one and a half percent of the pension's assets in
9 entities with significant ties to Florida that relate to
10 technology, engineering, aviation, computer tech,
11 renewable energy, medical and life sciences.

12 When looking at the business model of how to
13 undertake an investment program of that sort, we looked
14 all over the country and concluded that the best model was
15 to hire a third-party entity with investment expertise who
16 would have discretion in selecting investments and would
17 serve as a fiduciary to us.

18 To fill that role we selected a firm called Hamilton
19 Lane. They're one of the world's leading private equity
20 investment advisory firms and are based in Bala Cynwyd,
21 Pennsylvania. We have a long and deep relationship with
22 them and other private equity investing and we have been
23 fortunate to have Mr. Greg Baty come to Florida full-time
24 and open an office for Hamilton Lane in Florida because we
25 knew the Governor wanted to otherwise, so we did.

1 We have invested two successive tranches of \$250
2 million each in this program. The Legislative Office of
3 Program Policy Analysis and Government Accountability did
4 a review of the program recently and published findings
5 showing that through June 30 of 2012 the internal rate of
6 return on this set of investments is north of 21 percent.
7 It further had an ancillary benefit of creating close to
8 4,200 jobs in Florida with an average income of
9 approximately \$58,000.

10 I'm going to turn this over to Greg Baty, but by way
11 of background I want to share with you that in addition to
12 working with Hamilton Lane, Greg has previously worked in
13 the private equity and venture capital area with Sandhill
14 Capital and Garage.com in both areas where he's created
15 portfolio opportunities.

16 He has owned and operated a retail franchise and has
17 had operational roles in tech startups. He has
18 undergraduate and graduate degrees from Stanford and has a
19 very distinct Florida connection in his past.

20 Before he got a really difficult job as a
21 professional investor he played professional football in
22 the NFL and the last team he played with was the Miami
23 Dolphins. So with that, Greg.

24 MR. BATY: Thank you, Ash, and thank you, Governor
25 Scott and Cabinet. I appreciate the opportunity to be

1 here. Thank you Nemours Hospital as well. This whole
2 Medical City is just an amazing tribute to what's going on
3 here in Florida.

4 I can tell you now it's a lot easier waking up on
5 Mondays doing my job now than it was for nine years
6 playing football. I felt like I had a car accident every
7 Sunday afternoon for about nine years.

8 I'm the last speaker between you and lunch so I know
9 I need to be brief and I will be. No offense to anybody
10 in the room, but I think I have the best job in the entire
11 state.

12 I get to invest in the best and the brightest of what
13 Florida has to offer. In case anybody doesn't know what
14 private equity is, and that's what we do, essentially we
15 invest into private companies. So we buy a piece of a
16 private company or we buy a majority of a private company.
17 We then help that company grow and we hope to sell that
18 company for more than we brought it for. It's pretty
19 simple, but that's what private equity does.

20 And, you know, I'm sorry to see that a lot of the
21 teachers are probably back in their schools teaching,
22 which is what they, I guess, should be doing, but I want
23 you to know -- I see one teacher there and other civil
24 servants that are here that we are investing on behalf of
25 that every time we make an investment we're looking at it

1 through your eyes.

2 So, you know, that's the prism we put on things.
3 When we make an investment we say would a teacher, would a
4 retired teacher, would a civil servant be proud of the
5 investment that we're making. We're not always going to
6 be right, but we look at it through that prism. So I want
7 you to know that.

8 If we could go to the first slide here. I just
9 wanted to point out one thing, Governor. I don't know if
10 you noticed, but Fast Company Magazine which studies and
11 goes over technology and that's all they're about, they
12 just ranked Florida as the number one state in the country
13 for innovation. It's the first time that's happened.

14 So I'm going to explain a little bit about venture
15 capital too. Venture capital is a subset of private
16 equity. Same thing, investing in private companies, but
17 venture capital is primarily technology and primarily
18 earlier-stage businesses.

19 Since we're here in Orlando I just want to point out
20 a few things that are happening here in Orlando. A couple
21 of companies, Koni and Pentaho, have attracted a lot of
22 venture capital from top-tier venture capital firms.
23 That's one of the things that we're trying to do with the
24 Florida Growth Fund is have top-tier, nationally-known and
25 internationally-known venture capital firms come and

1 invest in Florida companies.

2 There are two examples right here in Orlando where
3 significant venture capitals come in from really good
4 groups; Insight Venture Partners and Benchmark are
5 probably one of the top five venture firms in the world.

6 There are other firms here, PlanSource, Row Sham Bow,
7 Engineering Support Personnel, Treehouse; these are all
8 companies that have raised money in the last year or year
9 and a half in Orlando.

10 The Florida Growth Fund, we've been very active in
11 this market. We've made investments in Lanzar which is a
12 medical device company here. They've raised over \$31
13 million. Part of that is our investment.

14 And a company Voxeo that I'd like -- it was our first
15 investment that we made and I'd like to talk about it a
16 little bit. Voxeo was founded here in Orlando, but the
17 founder couldn't raise capital here. This was back in the
18 late '90s. So he moved to Silicon Valley because he
19 couldn't find capital here.

20 He raised \$30 million in venture capital, built his
21 company and the dot com crash. His venture capital firm,
22 the one that invested the majority of the money, he wasn't
23 one of their bright, shining students so he was allowed to
24 buy back his company from the venture capital firm.

25 He moved back here to Orlando where he wanted to be.

1 He's built this great company north of \$50 million in
2 revenue creating lots of jobs here in Florida. We were
3 the first outside private equity firm to invest in the
4 company after he bought it back.

5 What's really good here, I've heard a constant theme
6 that's this kind of trickle down or the payback. And so
7 what's happened with Voxeo is he's already spun off
8 another company that is now growing here outside of Voxeo,
9 which we own part of as well, which is kind of nice, but
10 he's also stepped into a chairman role. He's now founded
11 another company.

12 Row Sham Bow here, which is a company that raised \$3
13 million this past year, Row Sham Bow is co-located in his
14 office. He's the chairman of their Board.

15 So that's kind of the grand circle, kind of like what
16 happens when you're teaching a student and then she goes
17 on to win a service award. I mean that's what this is in
18 the technology thing. I want to acknowledge that that's
19 just an amazing -- I don't know if it's coincidence, but
20 it was a really neat story.

21 So we've also invested in a municipal services
22 company here in the Orlando region and we've also invested
23 in a fund that is a venture capital fund that's located
24 here in Winter Park.

25 I'll try to speed things up because I know we're in a

1 hurry. So I also wanted to talk just a little bit about,
2 since we're at Lake Nona and Medical City, about the life
3 sciences activity here in the state.

4 One of the interesting trends is that life sciences
5 investing in the entire nation has gone down significantly
6 over the past couple of years. Florida, thank goodness,
7 is bucking that trend and we're actually up in venture
8 capital investing. So that's a very good sign for our
9 economy here.

10 We've had a number of successful life sciences exits
11 that have happened here in Florida and that's what it's
12 about. It's about investing, but also being able to exit
13 because that's where you make the return for teachers and
14 other people that need to have their pension secured.

15 Envoy. I mentioned Takeda earlier. Takeda bought
16 this company, Envoy, for \$140 million. Pastoria, Sid
17 Martin, Biotechnncology, Spin-Out and they were acquired
18 for \$113 million.

19 That's what it's all about. It's about building
20 companies that are going to stay here in Florida that are
21 going to have successful exits. You can see on the charts
22 that the investing in life sciences is continuing to trend
23 upwards which is a good sign.

24 Real quickly. Here is the Florida Eco System. It
25 doesn't just take a venture capital firm. It takes lots

1 of different entities coming together and working together
2 to -- there's a life cycle of a company and there has to
3 be capital at the early stage. There has to be people
4 helping those companies get from an idea to a product.

5 This is what the venture capital or the Florida
6 Venture Eco System looked like and I'm being kind because
7 I think in universities -- this is four years ago before
8 the Florida Growth Fund was around. Some of these
9 universities I don't think were really focused and this is
10 only a subset of universities. I apologize. I could only
11 fit so much.

12 They weren't really focused on entrepreneurial
13 studies. And the shift that I've seen to this slide is
14 dramatic over the last four years where all the
15 universities are now really focused on entrepreneurial
16 studies, on combining technology and people that are
17 interested in running companies and the shift is just very
18 dramatic.

19 Also, at the top of this, the accelerators and
20 incubators. There's just a number, and I couldn't fit
21 them all on this page, that are required to get companies
22 from an idea standpoint to a product being able to sell.

23 Conferences. The number of conferences people here,
24 it's just a huge gain in the last four years. Okay. I'm
25 going to go quickly.

1 Florida Growth Fund. This is just -- it's all about
2 the outreach. What we've done with the Florida Growth
3 Fund is just tried to get out there in the community so
4 that every university knows about us, all the
5 entrepreneurs know about us and we are successful in that
6 endeavor.

7 The pipeline. The pipeline is huge. We see over 200
8 deals a year. We hope to see every deal that is
9 significant that happens in Florida and we'd like to try
10 to be a part of it. If we can't invest in it because of
11 risk return profile, we still try to be helpful.

12 That's the number one -- we help more early-stage
13 venture type companies that might be too risky for us to
14 invest in, but we make introductions. We introduce them
15 to accelerators; we introduce them to early-stage angels;
16 whatever we can do to help those companies so they're
17 around three years from now for us to invest in.

18 We also make investments in funds and so we invest
19 directly into companies, but we also invest into private
20 equity -- other private equity funds that are investing
21 here successfully in Florida.

22 One of the ones I'd like to highlight is MPM's
23 Sunstate Fund. They're an internationally-known life
24 sciences investor. They came to us. We worked with them.
25 The University of Florida worked with them, David Day, and

1 we attracted them here by showing them the number of
2 opportunities that exist here in Florida.

3 So not only did they open an office here, they opened
4 a separate fund focused on Florida which is really
5 dramatic to have that kind of venture capital aimed at
6 life sciences here resident in the State of Florida. And
7 we continue to try to do those types of things.

8 On the direct investments we've made 20 direct
9 investments. We had our first major liquidity event in
10 December of last year. We invested in a company that was
11 a Tampa company, a venture capital company, and it turned
12 out to be a good one for us. It was a 5X return. So we
13 made 5X our money in two years, which is nice. If we
14 could do that repetitively we'd be very -- everybody would
15 be very happy.

16 And we continue to look at life sciences companies.
17 I had a lot more to say, but I wanted to be brief. So
18 thank you for having me and thank you for the support.

19 GOVERNOR SCOTT: Thank you very much. And is that
20 all for you, Ash?

21 MR. WILLIAMS: Yes.

22 GOVERNOR SCOTT: Thank you very much. And I want to
23 thank Nemours and everybody who put this together. I want
24 to thank CFO Atwater for organizing this and getting us
25 here. And this concludes our Cabinet meeting. Our next

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meeting will be Tuesday, June 4, at 9:00 a.m. in
Tallahassee. We are adjourned.

(Proceedings concluded at 11:53 a.m.)

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CERTIFICATE OF REPORTER

STATE OF FLORIDA]
COUNTY OF SEMINOLE]

I, Karen S. Rhine, FPR, do hereby certify that I was authorized to and did report stenographically and electronically the foregoing proceedings at the time and place therein designated and that the foregoing pages transcribed by me constitute a true and correct transcription of the aforesaid proceedings.

DATED THIS 18th day of May, 2013.

Karen S. Rhine, FPR
KSRhine@aol.com
925 Patrician Place
Oviedo, Florida 32766
Telephone: 407.718.8600



FLORIDA DEPARTMENT OF VETERANS' AFFAIRS

Honoring those who served U.S.

2013 Florida Veteran's Hall of Fame Finalists:

Major General John R. D. Cleland, USA (Retired)

Honorable Sam M. Gibbons, USA (Retired)

Major John Leroy Haynes, USMC (Retired)

Lt. Gen. Robert Frank "Bob" Milligan, USMC (Retired)

Captain Jeanne Grushinski Rubin, USN (Retired)

Captain Robert J. Silah, USN (Retired)



Mike Prendergast
Executive Director

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

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

July 25, 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 – 4th Quarter 2012-2013

The Florida Department of Veterans' Affairs submits this Quarterly Report for the Fourth Quarter of the 2012-2013 Fiscal Year, covering the period April 1 – June 30, 2013.

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, or our department Legislative Affairs Director Bobby Carbonell, at (850) 487-1533.

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

Attachment 1: FDVA Quarterly Report

ATTACHMENT 1

FLORIDA DEPARTMENT OF VETERANS' AFFAIRS FOURTH QUARTER REPORT April 1 – June 30, 2013

This report covers the activities of the Florida Department of Veterans' Affairs (FDVA) for the Fourth 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. During this quarter, the Florida Senate unanimously confirmed Colonel Prendergast as the Executive Director. He joined Secretary of State Ken Detzner and Viva Florida 500 partners (including Visit Florida, the Florida League Lottery, and the Florida League of Cities) to announce the celebration of Viva Florida 500 Week. ED Prendergast attended and provided comments at legislative committee meetings. He attended and provided an update on veteran bills favorably considered by the legislature at the Florida Veterans Council Meeting at the American Legion Headquarters. Colonel Prendergast attended ceremonies and dedications within the state and served as the Memorial Day guest speaker at the Florida National Cemetery in Bushnell. His Memorial Day remarks focused on how we can give to our veterans, past and present. He also attended and provided remarks at the Florida Association of Counties Annual Convention and Exhibition.

- **Division of Benefits and Assistance:**
 - **VA Regional Office Updates:** The VA Regional Office has completed 97% of claims greater than two years old. 75% of the claims greater than one year old will be completed by September 2013, while Fully Developed Claims are worked in about 61 days. There are currently 23,000 claims greater than one year old. The rating accuracy rate has climbed to 92%.

 - **Bureau of Veterans' Claims:** During this fourth quarter the Claims Bureau has attended VA training and implemented the VA's claims management system known as Veterans' Benefits Management System (VBMS). This new system provides easier access to veterans' information and the ability to review documents electronically. All Claims personnel have been trained in the use of VBMS and the VA Regional Office is slowly implementing VBMS for VSOs. Additionally, the Bureau requested computer keyboard card readers so that they can assist veterans with filing electronic claims, requests for representation and other functions. Eventually, utilizing a new procedure now known as Digits-to-Digits, VSOs hope to be able to utilize a new proprietary database to submit electronic claims.

 - **Bureau of Field Services:** Field Services attended 169 outreach events providing benefit information to 14,437 veterans and their families. Three congressional events were supported in June alone. Cynthia Brown, VCE from Pensacola, represented FDVA

at the National Association of Women Veterans Coordinators' 14th annual training conference in Columbus, Ohio. The Bureaus of Field Services and Veterans' Claims worked together to provide American Legion Post Service Officer Training in Orlando, for 113 attendees. The course serves as a basic course in veterans' benefits, how the VA is structured, and instruction on benefits and services available, including service connection, Dependency and Indemnity Compensation, pension, health care, home loan guarantee, burial, waivers, education benefits, vocational rehabilitation, and more.

- **The Bureau of State Approving for Veterans' Education and Training (or State Approving Agency/SAA):** SAA found avenues to increase its effectiveness and presence this quarter. Delivering presentations at four large conferences forged personal relationships with more than 600 College Registrars, Financial Aid Administrators, and VA School Certifying Officials. Program Specialist Katherine Snyder was requested to assist in updating the Veterans Benefits Administration's M22-4 Manual, in the areas of Flight and On-the-Job Training. These edits are to be included when VA re-publishes this national manual. In efforts to realign services, the VA announced in May that Florida and South Carolina education processing would transition from the Atlanta Regional Office to the Muskogee, Oklahoma office. Seamless to the beneficiary, the speed of the Muskogee Education Claims Examiners has enabled faster submission of compliance survey reports for closure.

b. **Audits**

- The FDVA Office of Inspector General (OIG) issued the Resident Trust Fund audit report for the Douglas T. Jacobson State Veterans' Nursing Home in Port Charlotte. The objectives of the audit were to determine if the Resident Trust Fund is being operated in compliance with applicable laws, regulations, and current FDVA policies and procedures; and verify that the internal controls over the Resident Trust Fund were adequate.
- The OIG assisted the Douglas T. Jacobson State Veterans' Nursing Home in Port Charlotte with an annual physical inventory of supplies.
- The OIG prepared the annual Enterprise Risk Assessment report and completed the Audit Plan for FY 2013-2014. The report and plan are pending approval from senior management.
- The office also supported the Auditor General's staff in conducting an Operational Audit of FDVA.

c. **Consultants**

- Sachs Media Group media services contract renewal was signed this quarter, to become effective July 1.

d. **Contracts**

- Jacobson State Veterans' Nursing Home (SVNH) interior repainting contract to be completed in July. Secured second contract price reduction of \$2,400 for unrequired services.
- Health Information Technology System ITN formal negotiations pending vendor's response to FDVA legal clarifications.
- Bennett SVNH fire alarm system upgrades single/sole source order fully executed in May. Project cost of \$59,213, \$20,877 under budget authority.

- Sachs Media Group media services contract amendment providing for 3 portable display units fully executed in April.
- Sachs Media Group media services contract renewal fully executed 6/24/13 (effective July).
- Moore Stephens Lovelace contract amendment addressing admissions process fully executed 5/8/13.
- Therapy Services ITN responses opening performed 6/25/13. Vendor proposals under review. Next public meeting, for scoring and short list selection, scheduled for 7/8/13.
- US Food Letter of Intent for Lopez SVNH emergency/disaster subsistence delivery service executed on 4/23/13.
- FDVA letters of intent to renew VA Pharmacy VISN-8 and VISN-16 contracts issued 6/5/13.

e. **Leases**

- There were no changes to any FDVA leases this quarter.

f. **Lawsuits/Claims in Litigation or Settled**

- Administrative Proceedings: 2
- State Court Proceedings: 3
- Federal Court Proceedings: 0
- Settlements: 1

g. **Donations**

Cash Donations by State Veterans' Home

<i>FISCAL YEAR 2012-2013</i>	<i>FIRST QUARTER</i>	<i>SECOND QUARTER</i>	<i>THIRD QUARTER</i>	<i>FOURTH QUARTER</i>	<i>Total, Year to Date</i>
Jenkins SVDH, Lake City	\$665	\$500	\$800	\$50	\$2,015
Bennett SVNH, Daytona Beach	\$2,243.75	\$680.90	\$894	\$7,636	\$11,454.65
Lopez SVNH, Land O' Lakes	\$0	\$75	\$304.50	\$50	\$429.50
Nininger SVNH, Pembroke Pines	\$250	\$475	\$590.01	\$575	\$1,890.01
Sims SVNH, Springfield	\$575	\$1,020	\$989.72	\$300	\$2,884.72
Jacobson SVNH, Port Charlotte	\$0	\$523	\$300	\$150	\$973
Lassen SVNH, St. Augustine	\$150	\$50	\$400	\$300	\$900

Non Cash Donations

- Sims State Veterans' Nursing Home: a motorized wheelchair.
- Jacobson State Veterans' Nursing Home: a HydroStacker system and a video camera.
- Lassen State Veterans' Nursing Home: a digital Yamaha clavinova.
- Lopez State Veterans' Nursing Home: a gazebo and a barbecue grill.

h. Memberships in Professional Organizations Paid this Quarter

- National Institute of Government Purchasing, \$345.
- Health Planning Council of Northeast Florida, \$200.
- Membership in Florida Bar, \$265.
- National Association of State Directors of Veterans' Affairs, \$800.

2. Division of Benefits and Assistance: Statistics

- Summary of veterans' benefits derived vs. cost of the benefits staff: \$111:1 (ROI).

a. Bureau of Claims

<i>EVENT 2012-2013</i>	<i>FIRST QUARTER</i>	<i>SECOND QUARTER</i>	<i>THIRD QUARTER</i>	<i>FOURTH QUARTER</i>	<i>YEAR TO DATE</i>	<i>PREVIOUS FY to this Qtr</i>
Retroactive compensation	\$46,800,632	\$37,679,025	43,029,028	\$43,846,130	\$171,354,815	\$216,741,916
Largest single retro. benefit	\$652,924	\$669,784	\$669,784	\$297,337	\$669,784	\$736,746
Debt relief	\$208,245	\$104,166	\$114,608	\$35,358	\$462,377	\$868,704
Notices of Disagreement	380	327	342	316	1,365	1,524
Statements of Argument in Appeals Cases*	293	280	417	372	1,362	874
Act as Representative at Hearings*	34	36	48	33	151	215
Veterans' Appeals Hearings*	41	91	13	95	185	351
Ratings Reviewed	10,149	7,450	7,734	8,043	33,376	37,431

* 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

<i>EVENT 2012-2013</i>	<i>FIRST QUARTER</i>	<i>SECOND QUARTER</i>	<i>THIRD QUARTER</i>	<i>FOURTH QUARTER</i>	<i>YEAR TO DATE</i>	<i>PREVIOUS FY to this Qtr</i>
SAA Programs Approved	1,904	1,242	980	926	5,052	7,412
Other Approval	341	319	304	236	1,200	1,511
Compliance Visits	43	19	25	35	122	115
Inspection Visits	7	11	7	20	45	56
Outreach Activities*	282	305	118	343	874	657
Liaison Activities**	768	840	137	299	1,023	204
Technical Assistance***	1,904	1,242	859	1,329	3,796	1,709

* 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

EVENT 2012-2013	FIRST QUARTER	SECOND QUARTER	THIRD QUARTER	FOURTH QUARTER	YEAR TO DATE	PREVIOUS FY to this Qtr
Issue Resolution	3243	2,956	3,867	3,855	13,921	16,444
Total Amount	\$9,134,750	\$8,785,917	\$12,130,364	12,024,229	\$42,075,260	\$57,804,381
Outreach Visits	135	169	160	169	633	573
Veterans Served at Outreach	7173	12,859	8,392	14,437	42,861	42,513
Bedside Interviews	7064	4,829	5,319	5,643	22,855	27,958
Walk-ins/ Counseling	27,305	25,788	30,088	31,911	115,092	113,990
Claims	6982	6,349	6,535	6,373	26,239	27,953
Voter Regis/ Pref forms	2013	1,189	2,616	3,604	9,922	434
Homeless Walk In	930	543	330	408	2,211	2,971
Ratings Reviewed Orlando/W Palm	882	795	648	486	2,811	4,304

d. Outreach*

EVENT 2012-2013	FIRST QUARTER	SECOND QUARTER	THIRD QUARTER	FOURTH QUARTER	YEAR TO DATE	PREVIOUS FY to this Qtr
Reintegration and Pre-Deployment Events for Guard and Reserve units	7	5	5	7	24	43
Homeless Veteran Stand Down Events	15	13	11	16	55	55
Medical Center Welcome Home events	1	1	2	0	4	10
Congressional Open House events	5	3	5	2	15	21
National Conferences	0	0	2	1	3	2
New Patient Orientation	43	70	51	57	221	144
Transition Assistance Briefings	16	12	7	2	37	75
Other	48	65	77	82	272	102

* 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

<i>FISCAL YEAR 2012-2013</i>	<i>FIRST QUARTER</i>	<i>SECOND QUARTER</i>	<i>THIRD QUARTER</i>	<i>FOURTH QUARTER</i>	<i>YEAR TO DATE</i>	<i>PREVIOUS FY, same 1/4</i>
Jenkins SVDH, Lake City	84.2%	87.6%	85.4%	86.1%	86.0%	84.7%
Bennett SVNH, Daytona Beach	99.7%	99.1%	99.3%	99.6%	99.4%	94.0%
Lopez SVNH, Land O' Lakes	99.4%	99.4%	99.1%	99.7%	99.4%	99.9%
Nininger SVNH, Pembroke Pines	98.9%	98.7%	98.9%	98.6%	98.8%	97.5%
Sims SVNH, Panama City	99.9%	99.9%	99.9%	99.8%	99.9%	99.9%
Jacobson SVNH, Port Charlotte	99.9%	99.7%	99.4%	99.4%	99.6%	99.3%
Lassen SVNH, St. Augustine ¹	99.0%	98.8%	99.1%	99.8%	99.1%	82.8%

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

- a. Quality of Care: FDVA provides the highest standard of care and services while managing the cost of its programs and being efficient stewards of resources entrusted to us by the people of Florida. Improving the quality of care provided at State Veterans' Homes is our top priority. FDVA is constantly striving for highest quality and continuous improvement to better serve veteran residents in the best way possible that promotes their health and well-being. Our goal is to provide the best health care with an enjoyable, pleasant environment, to provide a safe, warm, comforting, and secure place while being treated with the dignity and respect residents deserve.
- b. Occupancy Trends: There are 680 skilled nursing homes in Florida. They contain over 80,000 beds, at roughly 85% occupancy. FDVA's State Veterans' Nursing Homes are maintaining an occupancy rate over 99%. According to the Florida Health Care Association, the population of Americans over 65 will double to 71.5 million by 2026.
- 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.

Revised Substantial Completion date now set for 9/25/13. Change order #2 being processed to include the glycol system piping replacement, Alternate # 3 Zone Temperature Coils and Alternate # 4 Replacement of 8 Exhaust Fans. Total for Change Order #2 is \$341,806.00 and has necessitated Amendment 3 to the DMS agreement.

- Air Handler Units 1- 5 is on schedule.
- New chiller cooling tower and pump are all running without problems.
- New water pumps are installed
- Revised contract total – \$1,888,302. Completed to date - \$1,119,065.

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.
 No change in revised substantial completion date of July 30, 2013. Current progress includes:

- Continue soffit framing to include reframing of all perimeter and lower soffits.
- Window replacement continues on Units A, C and D.
- Roofing project continues with delays due to weather, hand and crash rail replacement.
- Fire alarm system nearing completion, approved by AHCA survey on 7/2/13.
- Change Order #3 being processed for soffit reframing and a new super gutter.
- Original contract sum – \$1,604,873.00 Completed to date - \$487,348.

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.

FISCAL YEAR 2012-2013	FIRST QUARTER	SECOND QUARTER	THIRD QUARTER	FOURTH QUARTER	YEAR TO DATE
Jenkins SVDH, Lake City, Hours Contributed	288.75	150	367.75	367.5	1,174
# of Volunteers	50	36	58	58	
Bennett SVNH, Daytona Beach, Hours Contributed	1,038	1,107	1,004.5	850	3,999.5
# of Volunteers	100	184	68	115	
Lopez SVNH, Land O' Lakes, Hours Contributed	205	269	357.75	477.75	1,309.5
# of Volunteers	28	41	20	18	
Nininger SVNH, Pembroke Pines, Hours Contributed	1,014.5	349	543	197.25	2,103.75
# of Volunteers	10	6	6	5	
Sims SVNH, Springfield, Hours Contributed	180.5	192	258.5	238	889
# of Volunteers	16	22	20	14	
Jacobson SVNH, Port Charlotte, Hours Contributed	222	344.5	315	824	1,705.5
# of Volunteers	5	20	19	70	
Lassen SVNH, St. Augustine, Hours Contributed	100	270.75	135.75	126.5	633
# of Volunteers	221	40	26	24	



2014 Legislative Proposals

1. In-State Tuition for Veterans using the GI Bill

The Post 9/11 GI Bill is one of the most significant pieces of veteran's legislation to come out of Washington in the last few decades. Millions of veterans of Operation Iraqi Freedom and Operation Enduring Freedom have and will use this benefit to get an education that will allow them to successfully transition to civilian occupations. But the GI Bill that passed in 2008 had some limitations that are now becoming more evident as an increasing number of servicemen and women make the transition from soldier to student.

Military life requires one to move from base to base every 2 to 3 years, which means that when they separate from the service they usually have to pick a new home state. College is next step for the majority of the young veterans and they are savvy shoppers when it comes to finding the right school and the right place to start their post-military lives and careers.

Florida is a compelling choice for a number of reasons: beaches, weather, low taxes, low cost of living, and great schools and universities. The only thing holding back potential future residents is the State's high out-of-state tuition cost.

Current Situation:

Florida's average in-state tuition for undergraduate students was \$6,069 in 2012-13.

Florida's average in-state tuition for graduate students was \$10,118 in 2012-13.

Florida's average out-of-state tuition was \$20,590 for undergrads and \$24,910 for graduate students.

Last school year, there were 2,166 non-resident veteran students in the state universities and state colleges.

Non-resident veteran students are left with a \$14,000+ bill for tuition above their GI Bill coverage.

Federal Legislation to force the state to give veterans in-state tuition has strong bi-partisan support and could pass this year, leaving Florida without \$782,267,000 worth of Federal funds.

Solution:

FDVA should run a resident for tuition purposes bill as an Agency priority with the full support of the Governor and the Cabinet.

HB 7501 passed the house almost unanimously last session and contained language giving all veterans in-state tuition.

Impact: Sustained revenue to Florida's education system in the manner of VA tuition coverage. Improved business and employment outlook.

Estimates from last year's bill analysis from HB 7105 showed an approximate \$21.0 Million impact to the State College System and Florida University System for FY12-13.

2. Modernize the Veteran's Preference for State Employment

Current Situation:

The State of Florida currently gives veteran's preference to the following individuals:

- Veteran's with a service connected disability
- Veteran's receiving compensation, disability retirement benefits or pension from DoD or USDVA
- Spouses of total and permanently disable veterans, spouses of and POW/MIA persons
- Wartime Veterans as defined in F.S. 1.01(14)
- Un-remarried widows and widowers of veterans who died of a service connected disability
- All the above categories of personnel must be Florida Residents to claim veteran's preference.

The Florida Department of Veterans' Affairs is responsible for investigating complaints from veterans who believe their right to preference has been violated by the State. **Currently, the only enforcement method is to bring cases before the Public Employees Relations Commission which is timely, expensive and ineffective.**

Solution:

FDVA should run legislation to correct gaps in the Veteran's Preference for State Employment, making the State of Florida the most veteran friendly employer in the State.

- All veteran's should receive preference, not just disabled or wartime veterans
- Veteran's preference should be applied to non-Florida residents who wish to move to Florida and work for the State or any of its political subdivisions.
- Gold Star Mothers should receive preference for State employment, mirroring Federal Law.
- Florida National Guard members should receive preference for State employment. These members often do not qualify as veterans by current law.
- Veteran's preference process should be more detailed to give Agencies more clarity in applying preference equally across all agencies.
- Enforcement should include a simpler method of adjudication and/or include penalties
- Points values will be modified to:
 - 15 Points for Disabled Veterans
 - 10 Points for Spouses of Disabled Veterans, Gold Star Spouses/Mothers/Fathers, Wartime veterans
 - 5 Points for Non-Wartime veterans and current Florida National Guard/Reserve members

Impact: There is no fiscal impact to the State from this proposal. The State of Florida has the opportunity to greatly reduce veteran's unemployment and simultaneously hire highly trained military veterans.

3. State Veteran's Nursing Home (SVNH) Residency Requirement

Current Situation:

- Currently F.S. 296.06(2)(b) and 296.36(1)(b) establish a 1 year state residency requirement prior to admission to the State Veteran's Domiciliary Home and State Veteran's Nursing Homes, respectfully.
- There have been situations where Veterans have met all the other requirements for admission, beds have been available, and the veteran has to wait for several months until their residency year is fulfilled.

Solution:

- FDVA should run a technical correction bill to remove the 1-year statutory residence requirement making admission available to them based on FDVA approved priority.

Impact: There is no cost to the State of Florida caused by this bill; but this allows the State of Florida to maximize its assets while lowering the cost of SVNH to resident.

This proposal would improve our ability to run SVNH in a revenue neutral capacity.

4. Veteran's Walk of Honor and Memorial Garden

Established by the Florida Legislature, the Florida Veterans Foundation is a 501(c)(3) non-profit Direct Support Organization of the FDVA. Tax deductible contributions help to fulfill our mission to provide assistance to Florida's veterans and their families.

The Florida Veterans Foundation helps hundreds of veterans and their families each year and currently relies on donations from the community to fund their efforts. The Foundation would like to have a recurring funding stream that would allow them to serve more veterans each year. To meet that goal the Foundation has proposed the creation of the Veteran's Walk of Honor and Memorial Gardens

The Veteran's Walk of Honor is a proposed effort by the Foundation to sell memorial bricks to be laid in the Capitol Courtyard. The Foundation will take orders from the public for bricks inscribed with loved ones name, rank, military service, awards, etc. The bricks will then replace current bricks in the courtyard. The Florida Veterans Foundation will be responsible for the cost, construction, coordination and maintenance of the Veteran's Walk of Honor. Proceeds from the sale of memorial bricks will go to the Florida Veterans Foundation.

The Veteran's Memorial Garden is a proposed monument to Florida's men and women that have served in our nation's military services. The project would authorize the construction of 6 cenotaphs, approximately four feet wide by nine feet tall, each containing a bronze service seal and tablet describing the service. Behind each cenotaph would be a flag pole containing the appropriate military service flag. The preferred location of the Veteran's Memorial Garden is the courtyard immediately in front of the House Office Building facing North Monroe Street. Construction would begin on the Memorial Garden after the second year of brick sales is approved by the legislature.

Impact: There is no cost to the State of Florida for either of these projects. The construction of the Veteran's Memorial Garden will be funded by the sale of the memorial bricks in the Veteran's Walk of Honor. This proposal would create heightened awareness of Florida's military, their sacrifices and contributions.

Florida Department of Veterans' Affairs (FDVA)
Summary of FY 2014-15 LBR Issues, in Priority Order
September 3, 2013

1. Issue – Additional Equipment for Homes (2402000)

Budget Entity: State Veterans' Homes Program

Funding Source – Operations & Maintenance Trust Fund (\$481,875) and Grants & Donations Trust Fund (\$219,013)

Request – Increase in budget authority in the amount of **\$700,888 – Recurring** (This is a change this year; we have generally requested this annually on a non-recurring basis.)

Summary:

- Replacement of furniture and equipment that have reached or exceeded useful life.
 - Old medical and non-medical equipment necessary for daily operation.
- Purchase of recreational equipment and furnishings that improve the quality of life for veteran residents.

2. Issue – Capital Improvement Plan (990M000)

Budget Entity: State Veterans' Homes Program

Funding Source –State Homes for Veterans Trust Fund

Request – Increase in budget authority in the amount of **\$1,635,000 – Non-Recurring**

Summary:

This issue requests funds for maintenance, repair, and replacement of fixed capital assets at each State Veterans' Home operated by the department. Examples of Capital Improvement Projects are:

- Repair/replace rain gutters
- Replace chillers, water heaters, and boiler pumps
- Repave driveways and parking areas

3. Issue—Federal and Matching Funds for Three Construction/Renovation Grants (990M000)

Budget Entity: State Veterans' Homes Program

Funding Source – Operations & Maintenance Trust Fund, Fund 2516, (\$6,005,361) and Federal Funds to be administered in the Federal Grants Trust Fund, Fund 2261, (\$11,152,813)

Request – Increase in budget authority in the amount of **\$17,158,174 – Non-Recurring**

Summary:

This issue requests budget authority to match federal funds from the Operations and Maintenance Trust Fund (2516) in the total amount of \$6,005,361 (35%) and for the use of federal funds in the Federal Grants Trust Fund (2261) in the total amount of \$11,152,813 (65%) for construction/renovations of the State Veterans' Homes operated by the department. The scope of these grants is safety and security issues. The three grants are:

- Install a new lift and transfer system in each of the six (6) skilled nursing facility.
 - State Matching Amount - \$2,155,361 (35%)
 - Federal Funds (VA) - \$4,002,813 (65%)
 - Total Amount of Project - \$6,158,174
- Replacement of fire alarm system, replacement/upgrades to the nurse call system and elopement system, and replacement of the emergency generator and fuel storage tank at Douglas Jacobson (Port Charlotte).

- State Marching Amount - \$1,925,000 (35%)
 - Federal Funds (VA) - \$3,575,000 (65%)
 - Total Amount of Project - \$5,500,000
- Replacement of fire alarm system, replacement/upgrades to the nurse call system and elopement system, and replacement of the emergency generator and fuel storage tank at Sandy Nininger (Pembroke Pines).
 - State Marching Amount - \$1,925,000 (35%)
 - Federal Funds (VA) - \$3,575,000 (65%)
 - Total Amount of Project - \$5,500,000

4. Issue – Operational Cost of Health Information Technology System used to Administer State Veterans’ Homes (36010C0)

Budget Entity: Executive Direction and Support Services

Funding Source – Operations & Maintenance Trust Fund

Request – Increase in budget authority in the amount of **\$323,000** – Recurring

Summary:

- Funds are needed to support annual user access costs of the new Health Information Technology System used to manage the clinical and financial aspects of the long term care services provided to our veteran residents.
- Completes the re-appropriation approved for FY 2013-14 for the replacement of UltraCare for Windows system .
 - New application will provide integrated processing and reporting of both clinical and financial information.

5. Issue – Replacement of V-BOLTS (36360C0)

Budget Entity: Executive Direction and Support Services

Funding Source – General Revenue

Request – Increase in budget in the amount of **\$40,000** – \$35,000 Recurring, \$5,000 Non-Recurring

Summary:

- V-BOLTS has reached the end of its life cycle; current system not able to make the change to electronic claims submission.
- New system will be web-based, to allow for access at any location.

6. Issue – AHCA Quality Assessment - Increase to Expense Category (1600010)

Budget Entity – Homes Program

Funding Source – Operations & Maintenance Trust Fund

Request – Increase in expense budget authority in the amount of **\$204,000** – Recurring

Summary:

- Funds are needed to meet the stringent requirements of section 409.9082, Florida Statutes, for the Quality Assessment (QA) fee for the six (6) State Veterans’ Nursing Homes.
- Fiscal Year 2014-15 QA rate is projected to increase from \$23.78 to \$25.22 per patient day, representing an increase in total QA of \$204,000.
- The amount requested and received last year covers previous increases, not the projected one.
- If the department is unable to meet this financial obligation, the Agency for Healthcare Administration may impose any or all of the following remedies:
 - Withholding medical assistance reimbursement payments
 - Suspension or revocation of the facility’s operating license

- Imposition of a fine of up to \$1,000 per day for each delinquent payment

7. Issue – Minimally Mission Essential Key Staffing Increases (2 new positions) (3000800)

Budget Entity – Executive Direction and Support Services

Funding Source – General Revenue

Request – Increase in funds in the amount of **\$192,218** – Recurring \$182,174; Non-recurring \$10,044

Summary:

- Two (2) additional mission essential Full Time Equivalent (FTE) positions in the Department’s Executive Direction and Support Services (EDSS) as follows:
 - one (1) Legislative Specialist
 - one (1) Senior Management Analyst II.
- Request furthers the Governor’s initiative of “Economic Development and Job Creation” by improving the efficiency and effectiveness of the Department’s operations.
- Unfavorable consideration for the funding of this additional mission critical position would significantly degrade the Department’s ability to comply with statutory requirements.
- Daily, this agency risks falling short of adequately serving the veterans in Florida, deferring/setting aside these initiatives for a later date as we scramble to fulfill current functions with extremely limited staff.
- Currently Department administrative staffing manning is at 2.3% of its total agency employee structure; a figure that is woefully insufficient to conduct operations.

8. Issue – Funding of the Bureau of Information & Research (5 new positions) (3000810)

Budget Entity – Executive Direction & Support Services

Funding Source – General Revenue

Request – Increase in funds in the amount of **\$442,230** – Recurring \$417,891; Non-recurring \$24,339

Summary:

- Five (5) Full Time Equivalent (FTE) mission essential positions:
 - one (1) Bureau Chief
 - one (1) Research Associate
 - two (2) Senior Management Analyst II
 - one (1) Administrative Assistant
- To fulfill statutory requirements pursuant to section 20.37(2) (a) (1), Florida Statutes.
- Request furthers the Governor’s initiative of “Economic Development and Job Creation” by strengthening the Department’s leadership in expanding and emerging talent and innovation clusters and helping transition established clusters to serve a higher number of Florida Veterans and to increase the number of benefits received by them and their families.
- \$15,000 are requested to support travel expenses associated with the outreach
- Responsible for strategic planning, research, project management, compilation and analysis of a wide array of data related to Florida veterans to produce and disseminate useful information for agency staff, the governor’s office, legislature, other state agencies, the media and the public.
 - Conducting trend analyses and surveys to better understand veterans’ needs and ultimately improve the services provided to those who served our nation.
 - Review issues impacting veterans’ population and will develop statistical publications and surveys to target solutions impacting veterans, their families and communities.
- Ongoing research and surveys will be performed as well as periodic specific studies of current issues.

9-10. Issue – Technical Correction to FSI Distribution (160S020 and 160S010)

Budget Entity – State Veterans’ Homes Program

Funding Source – Operations & Maintenance Trust Fund

Request – Increase/decrease FSI-3 and decrease/increase FSI-1

Summary:

- Reflects revenues split between state and federal funding source.
- Two-part issue, one to add, one to deduct; zero dollar impact.

Florida Department of Veterans' Affairs
Summary of FY 2014-15 Draft Issues by Budget Entity
(In Millions)

		Amount Requested by Budget Entity and Funding Source ⁽¹⁾																	
		Operations & Maintenance TF			State Homes for Veterans TF			Federal Grants TF			All Trust Fund			General Revenue			Total All		
Budget Entity	# of Issues	Rec.	Non-Rec.	Total	Rec.	Non-Rec.	Total	Rec.	Non-Rec.	Total	Rec.	Non-Rec.	Total	Rec.	Non-Rec.	Total	Rec.	Non-Rec.	Total
Homes Program	6	\$0.905	\$6.005	\$6.910	\$-	\$1.635	\$1.635	\$-	\$11.153	\$11.153	\$0.905	\$18.793	\$19.698	\$ -	\$ -	\$ -	\$0.905	\$ 18.793	\$19.698
EDSS ⁽²⁾	4	\$0.323	\$ -	\$0.323	\$-	\$ -	\$ -	\$-	\$ -	\$ -	\$0.323	\$ -	\$ 0.323	\$0.640	\$0.034	\$0.674	\$0.963	\$ 0.034	\$ 0.997
Total	10	\$1.228	\$6.005	\$7.233	\$-	\$1.635	\$1.635	\$-	\$11.153	\$11.153	\$1.228	\$18.793	\$20.021	\$0.640	\$0.034	\$0.674	\$1.868	\$ 18.827	\$20.695

Notes:

(1) Includes preliminary amounts for some issues - Amounts will be updated at a later date.

(2) IT issues are allocated under IT, EDSS.