

JEFF ATWATER



CHIEF FINANCIAL OFFICER

THE FLORIDA *Rundown*



FLORIDA DEPARTMENT OF FINANCIAL SERVICES

MESSAGE FROM YOUR CFO



Dear friends,

For years now, I've traveled across Florida to bring the news of our great state's financial strength to those it affects most: Florida's taxpayers. I believe in a government by and for the people—people who deserve to know what their government is doing.

As Chief Financial Officer, it is certainly my job to report on the state's finances, but my duties include much more than that. As set forth in our state's constitution, I head the Department of Financial Services, which is composed of 14 divisions.

Some of the divisions are just what you'd expect in the Department of Financial Services (or our Department, as we call it). **Treasury** maintains and manages our state's assets, and they make our money work for us through smart investing. **Accounting and Auditing** controls the disbursement of state dollars, and they audit state agencies to maintain that high level of accountability Floridians should expect from government.

But some of our divisions are not what you'd expect from our Department at all. For example, I serve as the **State Fire Marshal**, and our department houses **Funeral, Cemetery, and Consumer Services**, which licenses occupations related to that industry.

DFS also has many functions related to the insurance industry. **Insurance Agent and Agency Services** licenses insurance agents in Florida. **Rehabilitation and Liquidation** helps consumers by rehabilitating failing insurance companies helping secure coverage in the event of insolvency. **Risk Management** works with state agencies to ensure they are adequately insured and in compliance with all regulations. **Workers' Compensation** helps Florida's businesses navigate workers' compensation insurance to ensure Florida's workforce is covered.

Further still, our department fights fraud and abuse through **Insurance Fraud**, which investigates and helps prosecute the criminals who commit insurance fraud, and **Public Assistance Fraud**, which investigates and helps prosecute the criminals who defraud government programs.

Lastly, **Consumer Services** keeps a finger on the pulse of Florida's insurance consumers and helps keep Floridians informed about the insurance industry and responsible personal money management.

In addition to leading our Department, I am also a member of the constitutionally created Cabinet. This involves many more responsibilities, like overseeing state bonds and investments, serving as a steward of state lands, and guiding the administration of state government.

As you can see from these abbreviated descriptions of what the job entails, the office of Chief Financial Officer affects almost everyone and many different facets of our state government. But one thing is true for every piece of my job: Floridians deserve to know what we're working on.

For that reason, I've put together this document to update you on some of the highlights. My hope is that, after reading this rundown, you'll feel confident, just as I do, that Florida remains on the right track. We're working hard to safeguard Florida's future and to make sure everyone knows why we are the very best state to call home.

Sincerely,



Jeff Atwater
Chief Financial Officer
State of Florida

P.S. There was simply no way to include all of the things we've accomplished in the last few years, but I encourage you to visit our website at www.MyFloridaCFO.com for more information on our divisions and their projects. And if you have any questions or concerns that you'd like to share, I invite you to call our consumer services line, which is detailed on page 6.

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STREAMLINING GOVERNMENT

There are nearly 20 million people in Florida, each of whom deserves to know that their tax dollars are being spent efficiently. For that reason, I've concentrated on streamlining government to help keep more of your money in your pocket, where it belongs.

ELIMINATING REDUNDANT REGULATIONS

To eliminate duplicative and unnecessary regulatory burdens on the individuals and businesses that drive our economy, my office has **examined all of its rules twice, repealing 135 of them, and amending many others.**



CUTTING RED TAPE

To streamline the licensing process for insurance agents, we **collapsed 49 licenses into 7**, cut the review process by half, and we lowered exam costs by 25%.



REMOVING UNNECESSARY HURDLES FOR OUR MILITARY

In 2015, I launched **Operation Dispatch**, a service transition program that reduces redundant training requirements for military firefighters. We eliminated duplicative training so that **veteran firefighters can become certified in Florida 10x faster.** This program helps attract these exemplary servicemen and women to Florida's fire service.



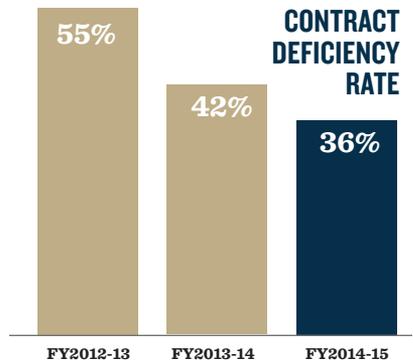
IMPROVING STATE CONTRACTS

We have made it clear what is expected of those who do business with our state by improving our state contracts. We audit the contracts, train state agencies how to write them, and make them available online for taxpayers to see.



Posting state contracts online through the **Florida Accountability Contract Tracking System, or FACTS, has saved taxpayers an estimated \$40 million** through the renegotiation of deficient contracts.

I called upon my department to raise the bar on state contracts. Each year, **we've reduced the number of unclear or deficient contracts, safeguarding billions of taxpayer dollars.** This year, I once again challenged state agencies to utilize my department's contracting expertise so that, together, we can entirely eliminate deficient contracts.



Since I took office, we have:

- **Doubled the number of contracts reviewed**
- **Trained 9,300 contract managers**
- **Reduced by 2/3 the number of contracts that fail to define the basic requirements of the contract**
- **Cut by 1/3 the number of contracts that are deficient for any reason**

TRANSFORMING FLORIDA'S ACCOUNTING AND FINANCIAL MANAGEMENT SYSTEM

Florida's accounting and financial management system is antiquated and no longer efficiently meets the needs of Florida's 50 million+ annual transactions. To usher the third largest state into modern day functionalities, my office is currently **developing plans to launch the Florida Planning Accounting and Ledger Management, or Florida PALM, to manage the state's finances.**



FIGHTING FRAUD & ABUSE

One of my primary focuses in this office has been fighting the fraud, waste, and abuse of government resources. Every dime stolen by fraudsters is taken from the pockets of Florida's hardworking taxpayers, and my office is committed to aggressively pursuing financial fraud in Florida.

ARRESTING INSURANCE FRAUDSTERS

Since I took office, we've made **over 6,100 insurance fraud arrests** representing over \$200 million in fraud. That's an average of **4 insurance fraud arrests per day**.





INVESTIGATING FIRES & ARSON

Our world-renowned forensics lab performs more than 10,000 analyses per year. It completes them at **8x the speed of the national average** and has contributed to 1,464 arson arrests since I took office.

The lab is so effective and efficient that **over 40 law-enforcement agencies** from across Florida come to us for processing.

FIGHTING EARLY LEARNING FRAUD

Our investigators have focused their fight on one of the most reprehensible types of fraud around. Some criminals are defrauding Florida's early learning programs—which help working parents find a safe and affordable environment for their young children—preventing deserving Florida families from accessing these programs.

Just this year, our investigations have **opened 232 slots for hardworking families to enroll their children in daycare services**, 92 of which are new slots created as a direct result of our investigations and at no cost to the state.



SAFEGUARDING AGAINST THE IMPACT OF PUBLIC ASSISTANCE FRAUD

Our Division of Public Assistance Fraud protects Florida's taxpayers against criminals who defraud the state's temporary-assistance programs.

Since I took office, our investigations have **stopped \$167 million worth of public assistance fraud.**



INCREASING TRANSPARENCY

Our forefathers provided the Constitution and First Amendment to guarantee Americans access to our government, and it is in this spirit that I continue to fight for the transparency of Florida's finances.

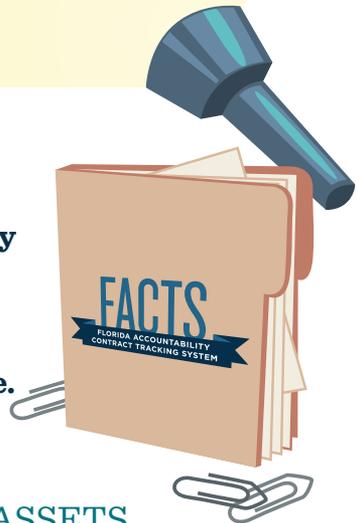
GRANTED UNPRECEDENTED ACCESS

When I took office, my department launched the **Transparency Florida** website, where Floridians can see how tax dollars are spent through state budgets, contracts, and more. Since then, **Florida's transparency grade has risen from a "D" to an "A"** in 2015. (U.S. Public Interest Research Group)



MAKING STATE CONTRACTS AVAILABLE

As discussed earlier, the **Florida Accountability Contract Tracking System**, or FACTS, makes contracts available for all taxpayers to see. Because of FACTS, **70,000 state contracts** and **45,000 contract images** are now available online.



TRACKING STATE ASSETS

Launched in 2012, the State-Owned Lands and Records Information System, or SOLARIS, provides Floridians with a comprehensive, **searchable database of 5.7 million acres** of state-owned and leased properties.

HELPING CONSUMERS

Our department covers a variety of consumer-oriented topics. And we never lose sight of the people we serve. We answer to every tax-paying Floridian, and we strive to help keep Florida's families and individuals informed through all walks of life.

TALKING TO CONSUMERS

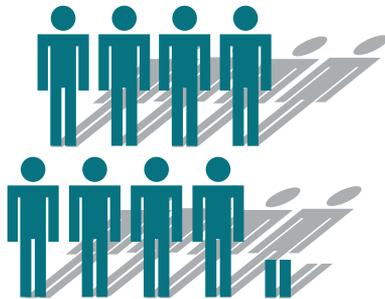
Our Division of Consumer Services helps Floridians who have questions or complaints about their insurance, who want to know more about emergency financial preparedness, or who want to find resources to help them with responsible financial management.

**1-877-MY-FL-CFO
(1-877-693-5236)**

Since I took office in 2011, our consumer helpline has:



Answered
more than
1.5 million
consumer calls



Advocated on
behalf of
83,000
Floridians



Returned
\$114 million
to insurance
consumers

RETURNING UNCLAIMED PROPERTY TO RIGHTFUL OWNERS

Since I took office, we have uncovered **over \$1 billion in unclaimed property**, which amounts to nearly 40% of all returns since the program was created in 1961.

We also fight for consumers in court. In conjunction with the Office of Insurance Regulation, our department took action against several life insurance companies for failing to pay out life insurance policies.

We have recovered more than **\$100 million** in unclaimed life insurance benefits for Floridians.

FINANCIAL LITERACY

Our department offers a variety of resources and interactive tools on our website to help **students, seniors, veterans, and families** manage their finances responsibly and plan for their futures.



FAMILY FOUNDATIONS
BUILDING A STRONG FINANCIAL FUTURE



SERVE SAVE SUCCEED
Tools for Financial Success

SERVING FLORIDA'S SENIORS

We are committed to ensuring seniors have the information they need to make smart insurance and financial decisions.



On Guard for Seniors educates Florida seniors about financial planning and protection.

Our Department has hosted **75 Operation S.A.F.E. workshops** throughout Florida to Stop Adult Financial Exploitation.

Since 2011, DFS has **educated more than 67,000 seniors** through its various senior outreach initiatives.



FIGHTING FOR THE RIGHTS OF INSURANCE POLICYHOLDERS

Our Division of Rehabilitation and Liquidation, which helps consumers whose insurance companies are facing bankruptcy, has issued over 31,000 checks to claimants and policyholders, **resulting in \$114 million returned to consumers** over the past four years.

KEEPING YOU UP TO SPEED ON FLORIDA'S ECONOMY

The inside track on Florida's financial health, **Florida's Bottom Line** is an in-depth quarterly financial newsletter focused on providing the latest news and analysis on Florida's economic and financial health. Check out the latest edition at <http://www.myfloridacfo.com/FloridasBottomLine/>.

FLORIDA'S BOTTOM LINE

Inside Track on Florida's Financial Health

SMART INVESTING FOR THE FUTURE

As Florida's Chief Financial Officer, I am responsible for managing the state's finances. Through smart saving and investing and strong fiscal discipline, Florida has earned a reputation of financial resolve that will carry us into the future.

MAINTAINING STRONG CREDIT

Reducing State Debt

Since 2011, Florida has **reduced its debt by \$4 billion** and saved an **additional \$1.6 billion** in debt due to refinancing.



Protecting Florida's Bond Rating

A top bond rating reduces the cost of borrowing, saving millions of taxpayer dollars. Florida is **one of only 16 states with a top "AAA" rating** from Standard & Poor's and **one of only 8 states** to maintain this rating since 2005. This ranking recognizes our state's strong financial management practices, low debt, stable pension system, and solid long-term economic prospects.

MAKING OUR MONEY WORK FOR US

Award-Winning Public Pension Fund

The Florida Retirement System Pension Plan has been identified as the lowest “all-in” cost provider among its peers, and it was named **“Public Pension of the Year”** in 2015 by *Institutional Investor*.



Leading the Nation

George Mason University’s Mercatus Center **ranked Florida’s financial solvency 5th in the nation—far above all of our peer states**. This ranking shows that our unique dedication to responsible spending and planning has paid off and earned Florida recognition as a national leader.

Saving Money by Making Money

The Division of Treasury manages and invests the state’s money. Since I’ve been in office, the Treasury’s investments have **generated \$1.6 billion in earnings for the state**, returning that amount to the state’s coffers.



HONORING FLORIDA'S FIREFIGHTERS

Many people do not realize that, in addition to being Florida's Chief Financial Officer, I am also the **State Fire Marshal**. This is an especially important position for me because I am the son and the father of two exemplary firefighters. I am proud to know and serve so many exceptional fire service professionals. I am humbled that they risk their lives every day for the safety of Floridians' lives and property.

On March 17, 2015, I hosted a ribbon cutting ceremony to open the **Fallen Firefighter Monument** at the State Capitol. The event and memorial pay tribute to fire service personnel who lost their lives in the line of duty. The Firefighter Monument serves as a reminder to appreciate the first responders who put their lives on the line for us every day. I invite you to visit this place of reflection and to pay your respects for the fallen the next time you visit Tallahassee.



THE FLORIDA RUNDOWN 2015



The seal of the State of Florida is centered in the background. It features a circular design with a palm tree in the center, surrounded by the text "SEAL OF THE STATE OF FLORIDA" and "IN GOD WE TRUST".

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