

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:

DEPARTMENT OF HIGHWAY SAFETY AND MOTOR VEHICLES
STATE BOARD OF ADMINISTRATION
FINANCIAL SERVICES COMMISSION, FINANCIAL REGULATION
FLORIDA DEPARTMENT OF LAW ENFORCEMENT
DEPARTMENT OF VETERANS' AFFAIRS
ADMINISTRATION COMMISSION
FLORIDA LAND AND WATER ADJUDICATORY COMMISSION
BOARD OF TRUSTEES OF THE INTERNAL IMPROVEMENT TRUST FUND

The above agencies came to be heard before
THE FLORIDA CABINET, the Honorable Governor Scott
presiding, in the Cabinet Meeting Room, LL-03, The
Capitol, Tallahassee, Florida, on Tuesday, April 24,
2012, commencing at approximately 9:06 a.m.

Reported by:

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APPEARANCES:

Representing the Florida Cabinet:

RICK SCOTT
Governor

PAM BONDI
Attorney General

JEFF ATWATER
Chief Financial Officer

ADAM PUTNAM
Commissioner of Agriculture

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P R O C E E D I N G S

(The agenda items commenced at 9:31 a.m.)

GOVERNOR SCOTT: Next on our agenda are five appointments to the Parole Commission Qualifications Committee. The committee will consider applications for a vacancy on the Parole Commission that will occur this June. The recommended appointees are State Attorney Mark Ober as chair, Sheriff Arnold Lanier, State Attorney Bernie McCabe, Sheriff Susan Benton, and Police Chief Walt McNeil.

Is there a motion to appoint these five individuals to the Parole Qualifications Committee and appoint State Attorney Mark Ober as chair?

ATTORNEY GENERAL BONDI: So moved.

GOVERNOR SCOTT: Is there a second?

COMMISSIONER PUTNAM: Second.

GOVERNOR SCOTT: Moved and seconded. Show it approved without objection. Thank you very much.

1 GOVERNOR SCOTT: Now I would like to recognize
2 Julie Jones with the Department of Highway Safety
3 and Motor Vehicles. Good morning, Julie.

4 MS. JONES: Good morning, Governor and Cabinet
5 members. Today I have five agenda items for your
6 consideration and approval.

7 Item Number 1. I respectfully request
8 approval for the minutes from the February 9th
9 Cabinet meeting.

10 GOVERNOR SCOTT: Is there a motion to approve
11 Item 1?

12 ATTORNEY GENERAL BONDI: So moved.

13 GOVERNOR SCOTT: Is there a second?

14 COMMISSIONER PUTNAM: Second.

15 GOVERNOR SCOTT: Moved and seconded. Show it
16 approved without objection.

17 MS. JONES: Item 2. An important task force
18 has been formed recently to address the driving
19 behavior of the state's law enforcement officers.
20 Task force members include the colonel from the
21 Highway Patrol, Chief Brett Railey representing the
22 Florida Police Chiefs Association, and Sheriff Tom
23 Knight representing the Florida Sheriffs
24 Association.

25 I would like to ask Colonel Brierton to come

1 forward and give you a brief update on the first
2 meeting and what the major tasks for the task force
3 are.

4 GOVERNOR SCOTT: Good morning.

5 COLONEL BRIERTON: Good morning, Governor and
6 members of the Cabinet.

7 On April 6th we held the first meeting of the
8 Law Enforcement Driving Task Force, and it was done
9 in Tampa at our Troop C headquarters, and we were
10 addressing issues involving law enforcement crashes
11 as well as the driving behavior of officers. Also
12 participating were staff members from the Criminal
13 Justice and Standards Training Commission as well
14 as the Florida Commission on Law Enforcement
15 Accreditation.

16 We established teams of subject matter experts
17 to develop statistical data, training needs, and
18 policy language, as well as developing the task
19 force's charge. As part of this, we identified six
20 core areas and created an action plan, and that
21 action plan includes developing a public statement
22 concerning task force activities and expanding our
23 current data analysis. The Patrol did a study from
24 2005 to 2008 regarding law enforcement crashes. We
25 updated it to 2010, and we're taking a look at that

1 data to look at training areas.

2 In addition, we are developing a law
3 enforcement database for crashes, law enforcement
4 crashes. And what we intend to do with that is
5 test it and then offer it to other law enforcement
6 agencies to use as an early warning system.

7 We're reviewing training requirements and
8 potential improvements. We've separated this into
9 two categories, and the two categories are
10 officer-involved crashes as well as driving
11 behavior.

12 We're also looking at exploring the linkage
13 between policy and practices as well as ethical
14 decision-making. We'll be developing model policy
15 and best practice recommendations and defining
16 leadership responsibilities and roles which will be
17 presented to the Police Chiefs, the Sheriffs
18 Association, as well as the Patrol leadership.

19 We'll be developing a public awareness
20 campaign and education program for the public. And
21 the goal of the task force is to address policy,
22 training issues, and behavior modification in order
23 to enhance public safety and officer safety.

24 GOVERNOR SCOTT: All right. Are there any
25 questions?

1 All right. Thank very much.

2 MS. JONES: The task force has already
3 recognized that leadership is going to be a big
4 issue, and that means leadership from the colonels,
5 police chiefs, and sheriffs to make a stand and
6 implement what the task force comes up with. And
7 we'll be keeping you updated on task force
8 activity.

9 Item Number 3. The Department has completed a
10 comprehensive review of all our rules. As a
11 result, we've identified numerous rules that are
12 duplicative and no longer necessary to have on the
13 books. This is the first of three rounds of rules
14 that I'm going to bring to you.

15 We respectfully request final approval to
16 repeal 70 rules in Florida Administrative Codes
17 15A, 15B, and 15C. Areas affected are driver's
18 license, financial responsibility, Medical Advisory
19 Board, Florida Highway Patrol, motor vehicles,
20 mobile home and RV construction, illegal parking,
21 commercial motor vehicles, apportioned licenses of
22 commercial motor vehicles, vessel registration, and
23 vessel titling.

24 GOVERNOR SCOTT: All right. Is there a motion
25 to approve this item?

1 CFO ATWATER: So moved.

2 GOVERNOR SCOTT: Is there a second?

3 ATTORNEY GENERAL BONDI: Second.

4 GOVERNOR SCOTT: Moved and seconded. Show it
5 approved without objection.

6 ATTORNEY GENERAL BONDI: And, Governor, I know
7 you've put so much time into this. I know this is
8 incredibly time-consuming. Thank you.

9 MS. JONES: We took the charge from the
10 Governor and Cabinet earlier last year seriously,
11 and we're going to continue to scrub through and
12 remove duplicative rules. And we're getting into
13 the business rules that we have to also make sure
14 that we eliminate any barriers, forms, or any
15 burden to our business community. That's the next
16 phase of rules.

17 Thank you.

18 GOVERNOR SCOTT: I'm sure they'll all be very
19 appreciative.

20 MS. JONES: Yes, sir.

21 Items Number 4. We respectfully request
22 approval to publish a notice of proposed rule for
23 15C-120 to establish an electronic notification
24 system for salvage motor vehicle dealers and
25 secondary metals recyclers for end-of-life

1 vehicles.

2 Currently recyclers and dealers are required
3 to return paper titles and salvage titles to the
4 Department within one month's period of time.
5 We're hopeful that this new process will reduce the
6 time between the destruction of a vehicle and the
7 time that we get it in the system to help law
8 enforcement track fraudulently titled and stolen
9 vehicles. This is a larger part of a shift by the
10 agency and industry toward electronic processing of
11 all vehicle titles.

12 GOVERNOR SCOTT: Great. Is there a motion to
13 approve?

14 ATTORNEY GENERAL BONDI: So moved.

15 GOVERNOR SCOTT: Is there a second?

16 CFO ATWATER: Second.

17 GOVERNOR SCOTT: Moved and seconded. Show it
18 approved without objection.

19 MS. JONES: My last item, Item Number 5. We
20 respectfully request approval of the Department's
21 Third Quarter Performance Report.

22 I don't typically discuss the revenue pie
23 charts, the revenue in and out in my performance
24 plan, but on a positive note, our revenue
25 collections are up this quarter. Moneys collected

1 in the third quarter are always good because tax
2 returns come in and people are paying off bills and
3 catching up.

4 But this year, we're experiencing additional
5 growth in title revenue, which is the new car
6 purchases where you actually put a car trade back
7 in, so you trade a car in. That's up 4-1/2
8 percent, so we have an additional 55,000 vehicles
9 this quarter that were purchased and titled in that
10 way.

11 Significant growth in our financial
12 responsibility reinstatement revenue, and modest
13 growth in the new wheels on the road indicator.
14 And this particular -- this is where you buy a car
15 and add to the fleet, you buy a car for your child
16 and you don't have a trade-in. This is up almost
17 4 percent, and this is the first time in five years
18 that we have seen an increase in this area. So we
19 believe that this could be a very good sign that
20 the economy is finally stabilizing relative to the
21 revenue sources that we track and mind.

22 GOVERNOR SCOTT: Julie, do you track how many
23 new people to the state there are that are
24 licensing cars?

25 MS. JONES: Yes, we do. When someone moves

1 into the state, they have to retitle that car in
2 Florida, and there's a special fee associated with
3 that. So, yes, we also track that.

4 GOVERNOR SCOTT: Do you know how much we're
5 up?

6 MS. JONES: No, I don't have that figure for
7 that particular transaction, but I'll get it to
8 you.

9 COMMISSIONER PUTNAM: Governor?

10 GOVERNOR SCOTT: Yes.

11 COMMISSIONER PUTNAM: In this economic
12 climate, about what portion of car sales -- what
13 portion of state sales tax collections are car
14 sales? At one point it was enormous; right?
15 Wasn't it like 20 or 25 percent at the peak?

16 MS. JONES: I think it's less than 20 percent,
17 but it is a large number. It's a large transaction
18 when you buy that many vehicles. And so just for
19 this past quarter, to have 55,000 vehicles
20 purchased with a trade-in and another 8,500 or so
21 brand new, yes, sir.

22 COMMISSIONER PUTNAM: So that's the best
23 barometer out there in terms of hitting our revenue
24 estimates for the overall state sales collections,
25 aren't they?

1 MS. JONES: And what the Department has done
2 in the last year, we've completely automated our
3 revenue process, and we have revenue cubes now that
4 are built, and so we have realtime data as these
5 transactions are fed into the system. Instead of
6 having to wait for the month-end and then two weeks
7 after to hand or, you know, process information
8 manually, we do it all electronically now.

9 And the Legislature has established a Revenue
10 Estimating Commission just for the Department now
11 because of the amount of revenue that we process.

12 GOVERNOR SCOTT: That's great.

13 MS. JONES: So I can get you that information
14 periodically if you would like relative to trends.
15 But this was significant this quarter, and it was a
16 little bit beyond what we had anticipated.

17 GOVERNOR SCOTT: That's great. It's
18 consistent with -- if you think about all the other
19 numbers, whether it's number of people moving into
20 the state, the number of people off unemployment,
21 unemployment rate, everything. I mean, everything
22 you can see is heading up right now. We've just
23 got to keep it up.

24 MS. JONES: This quarter we have 30
25 performance measures within 95 percent of their

1 established goal, three measures between 85 and 95
2 percent, and one measure below 85 percent. On the
3 agency's dashboard, that is reflected in our green,
4 yellow, red dashboard.

5 Criminal investigative cases older than 90
6 days continue in the yellow, but this backlog,
7 these are the cold cases that have been around
8 beyond just in the system. They're going to be
9 caught up the end of June.

10 The customer satisfaction rating was at
11 78.3 percent in the third quarter. This tells us
12 that 22 percent of our customers are still not
13 happy or completely satisfied with our service.
14 Wait times and wait times on the phone are the most
15 common complaint, and we're still doing process
16 improvement and staffing to help improve this
17 measure.

18 The Department's IT staff prides itself on
19 timely delivery of new products. We rely a lot on
20 our IT folks, and so we've got some performance
21 measures to keep them on their toes. And this
22 quarter, they completed five out of six new
23 technology projects on time. One late project, it
24 was only three weeks late, but it was late, and it
25 bumped their measure into the yellow. We've

1 realigned contracted services, and we'll get this
2 measure into the green, and I don't anticipate this
3 to be a recurring problem.

4 Last quarter I was optimistic that our third
5 quarter measure for driver's license wait times
6 would be in the yellow, but we're not there yet.
7 72.4 percent of customers waited 30 minutes or
8 less, which is pretty darn good. But as CFO
9 Atwater mentioned when I presented this performance
10 plan, this measure is set at 95 percent. And we
11 set the goal high because we believe we can get
12 there. And we continue to make improvement in this
13 measure, but we're going to work on staffing and
14 equipment issues that occurred this quarter, and
15 this is tied into our transition to tax collectors,
16 but we'll get there.

17 So I'll be glad to answer any questions.

18 GOVERNOR SCOTT: Commissioner.

19 COMMISSIONER PUTNAM: Thank you, Governor.

20 Have you completed the Highway Patrol field
21 office closings? Has that process pretty well run
22 its course where you were doing a lot of
23 consolidation?

24 MS. JONES: Yes, sir. We had ten offices that
25 we proposed to close. But I think in the end --

1 was it three that we partnered with local agencies
2 with? So we ended up keeping three open, but it
3 was because either a sheriff or a police chief
4 said, "No. We want to keep that open, and we'll
5 pay for it." So, yes, that process is complete.

6 COMMISSIONER PUTNAM: What effect did that
7 have on response time in the areas where you didn't
8 have that -- where you've now closed that office?

9 MS. JONES: It didn't have any effect on
10 response time, because those were basically offices
11 where officers could stop and do paperwork. It had
12 nothing to do with response time. And by
13 partnering with local law enforcement, where we
14 closed an office, if the local sheriff didn't take
15 it over, they gave us space in their offices. So
16 we've just reduced overhead.

17 COMMISSIONER PUTNAM: How do you dispose of
18 that property?

19 MS. JONES: It's a very difficult and
20 cumbersome process. We work with DEP, and it's all
21 laid out in statute. I have a couple of driver's
22 license offices that are in economically depressed
23 neighborhoods that are on our books now for three
24 years because I can't get rid of them, but I have
25 to maintain them.

1 So Secretary Vinyard and I have talked about
2 this, and we're proposing to make some major
3 changes on how this process works. But it is in
4 statute, and we're going to have to propose some
5 statutory changes.

6 COMMISSIONER PUTNAM: We would be happy to
7 help. It's hard to make money for the State around
8 here sometimes.

9 MS. JONES: Yes, sir.

10 COMMISSIONER PUTNAM: They make it hard to
11 sell things.

12 GOVERNOR SCOTT: Just the process?

13 ATTORNEY GENERAL BONDI: If you want to come
14 talk to us about that, we might have some ideas for
15 you.

16 MS. JONES: Okay. Because it's bureaucracy at
17 its finest.

18 GOVERNOR SCOTT: All right. Any questions?

19 Thank you, Julie.

20 MS. JONES: Thank you, Governor.

21 GOVERNOR SCOTT: Have a good day.

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1 GOVERNOR SCOTT: All right. Next I would like
2 to recognize Ash Williams with the State Board Of
3 Administration. Good morning.

4 MR. WILLIAMS: Good morning, Governor and
5 Trustees.

6 First, by way of an update on how the fund is
7 doing, as of Friday's close, fiscal year to date,
8 the fund is up 1.41 percent.

9 GOVERNOR SCOTT: For the fiscal year?

10 MR. WILLIAMS: Yes, that's fiscal year.

11 GOVERNOR SCOTT: Since last July 1st?

12 MR. WILLIAMS: Correct. That's 41 basis
13 points ahead of target. Taking it the other way,
14 calendar year to date -- I always give you the
15 longer data series. Calendar year to date is 7.43
16 percent, which just illustrates the way these
17 things --

18 GOVERNOR SCOTT: So we're down the first six
19 months, and we made money the last four, whatever?

20 MR. WILLIAMS: Correct, correct.

21 GOVERNOR SCOTT: And Europe is going to do
22 what?

23 MR. WILLIAMS: Well, Spain is more interesting
24 than Greece these days. I would say stay tuned on
25 that one. Not a great picture for long-term

1 solutions at this point.

2 GOVERNOR SCOTT: And what do you think is
3 going happen if Sarkozy loses in France?

4 MR. WILLIAMS: Well, as I understand from the
5 news coverage, his opponent is more or less a
6 socialist, which doesn't bode well for austerity
7 and responsibility. So we'll see. France is a
8 huge economy in Europe, obviously.

9 GOVERNOR SCOTT: And Germany is going to run
10 everything?

11 MR. WILLIAMS: Interestingly, Germany is the
12 strongest economy in the European Union. It is
13 seen as the bellwether of responsibility. Germany
14 itself exceeds the debt-to-GDP limit set up in the
15 founding documents of the European Union by
16 arguably a material amount, so we shall see.

17 GOVERNOR SCOTT: Okay.

18 MR. WILLIAMS: Item 1. Request approval of
19 the minutes of the March 20 meeting.

20 GOVERNOR SCOTT: Is there a motion to approve
21 Item 1?

22 CFO ATWATER: So moved.

23 GOVERNOR SCOTT: Is there a second?

24 ATTORNEY GENERAL BONDI: Second.

25 GOVERNOR SCOTT: Moved and seconded. Show it

1 approved without objection.

2 MR. WILLIAMS: Thank you. Item 2. Request
3 approval of a draft letter to the Joint Legislative
4 Auditing Committee affirming that the SBA Trustees
5 have reviewed and approved the monthly Florida
6 PRIME and Fund B management summary reports and
7 actions taken, if any, to address any material
8 impacts. There were no material impacts.

9 GOVERNOR SCOTT: Is there a motion to approve
10 this item?

11 CFO ATWATER: So moved.

12 GOVERNOR SCOTT: Is there a second?

13 ATTORNEY GENERAL BONDI: Second.

14 GOVERNOR SCOTT: Moved and seconded. Show it
15 approved without objection.

16 MR. WILLIAMS: Thank you. Item 3. Request
17 approval of the 2012/13 Florida Hurricane
18 Catastrophe Fund premium formula and proposed
19 2012/13 rates.

20 Essentially what we have here is a process
21 that has been followed from the inception of the
22 Cat Fund, and I guess it was last modified with the
23 creation of the advisory council and modeling
24 commissions back in the mid '90s. But essentially
25 we have a process here that is designed to use the

1 best analytical capability available today to
2 anticipate what our loss exposures could be, and
3 then to, using that analysis, put it into a formula
4 using an independent actuary.

5 Modelers are approved by an independent and
6 highly qualified modeling commission in accordance
7 with statute. Then the formula itself is approved
8 by the Florida Hurricane Catastrophe Fund Advisory
9 Council, another independent, highly qualified body
10 including representatives of industry, et cetera,
11 also meeting in public. And the independent
12 actuary we have with us today, Andy Rapoport from
13 Paragon.

14 I would say the general direction we continue
15 to move with the Cat Fund is one of less reliance
16 on debt and more reliance on current assets. We
17 come into this rating reason in the strongest
18 position the Cat Fund has been in from a cash
19 perspective, and will be stronger still presuming
20 this formula is adopted.

21 And we continue to follow the formula set
22 forth in the glide path legislation in 2009, which
23 again reduces the temporary increased coverage
24 layer, increases its costs over time, which is
25 designed to drive insurance companies away from the

1 Cat Fund and toward the private sector, and also to
2 continue building up cash consistent with the rapid
3 cash buildup factors of that legislation.

4 So that is the formula. Request approval.

5 GOVERNOR SCOTT: And we hope for no
6 hurricanes; right?

7 MR. WILLIAMS: That's always a good thing,
8 yes.

9 GOVERNOR SCOTT: Is there a motion to approve?

10 ATTORNEY GENERAL BONDI: So moved.

11 GOVERNOR SCOTT: Is there a second?

12 CFO ATWATER: Second.

13 GOVERNOR SCOTT: Moved and seconded. Show it
14 approved without objection.

15 MR. WILLIAMS: Thank you. Item 4. Request
16 approval to file a notice of proposed rule for the
17 reimbursement premium formula. This goes along
18 with the prior item.

19 I would like to make one clarification. To
20 the extent a hearing is requested, the date for
21 that hearing will be May 29. In the preliminary
22 documents we had anticipated a date of May 23. The
23 correct -- or 23 April. The correct date would be
24 May 29th.

25 GOVERNOR SCOTT: Okay. Is there a motion to

1 approve?

2 ATTORNEY GENERAL BONDI: So moved.

3 GOVERNOR SCOTT: Is there a second?

4 CFO ATWATER: Second.

5 GOVERNOR SCOTT: Moved and seconded. Show it
6 approved without objection.

7 MR. WILLIAMS: Thank you. Item 5. Request
8 approval to file for notice the following rule
9 amendments pertaining to the Florida Retirement
10 System Investment Plan and to file all the rules,
11 along with any incorporated documents, for adoption
12 if no member of the public timely requests a rule
13 hearing.

14 This looks very voluminous. In fact, what
15 this is is the closure of the statutorily directed
16 biennial review of administrative rules in which we
17 have consolidated rules that were duplicative,
18 we've clarified language where appropriate, and
19 stricken obsolete rules where appropriate. There
20 are not substantive changes contained in these
21 changes recommended today. Request approval.

22 GOVERNOR SCOTT: Is there a motion to approve?

23 CFO ATWATER: So moved.

24 GOVERNOR SCOTT: Is there a second?

25 ATTORNEY GENERAL BONDI: Second.

1 GOVERNOR SCOTT: Moved and seconded. Show it
2 approved without objection.

3 MR. WILLIAMS: Thank you.

4 GOVERNOR SCOTT: Hey, Ash, could I ask you a
5 question? On the Cat Fund, the insurance
6 companies, they're informed that at present the Cat
7 Fund might not have enough cash to fulfill its
8 obligations to the insurance they're buying; is
9 that right?

10 MR. WILLIAMS: If you look solely at cash, as
11 I understood the background, the amount of cash
12 that's on hand would be sufficient to cover a storm
13 probability up to a likelihood of about -- well,
14 let me put it the other way. The probability of
15 storm coming along that would exhaust the cash on
16 hand resources is about 5-1/2 percent, so less than
17 6 percent, roughly a 20-year storm event, 19- to
18 20-year storm event.

19 If the Cat Fund goes to borrowing -- and in
20 its history going back to '93, it has only had to
21 borrow on a post-event basis once in the wake of
22 the '04-05 storms. If it did go into the markets
23 to borrow, it would have the ability to borrow over
24 potentially a protracted period of time. You don't
25 have to go in and do a single issuance all at once,

1 because the claims don't come in all at once. As
2 we've seen, unfortunately, claims can come in for a
3 lengthy period of time after a storm event, so
4 you're not tied to a single window of opportunity
5 in the market.

6 It is a correct statement to say that the Cat
7 Fund does not have enough cash in the bank today to
8 pay all of its claims out of cash. But the balance
9 on that is, the mechanism that the Legislature in
10 its wisdom established with the Cat Fund's creation
11 in '93 was to try and balance -- create a mechanism
12 that would provide stability to the reinsurance and
13 primary insurance markets while optimizing the cost
14 to consumers.

15 And you could have an all-cash model. This
16 premium would look very different if that was the
17 case. And to date, it has worked reasonably well.
18 What we all believe, I think, is that the direction
19 we want to go is to have less reliance on debt so
20 we have less exposure to volatile credit markets
21 that, as we saw in 2008, can actually close for
22 periods of time. We don't want exposure to that
23 risk. We want to have minimal exposure to that
24 risk. So the direction we're moving with the Cat
25 Fund is to have more cash and less reliance on debt

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over time.

GOVERNOR SCOTT: All right. Thank you.

MR. WILLIAMS: Thank you.

1 GOVERNOR SCOTT: All right. Now I would like
2 to recognize Bruce Kuhse with the Office of
3 Financial Regulation. Good morning.

4 MR. KUHSE: Good morning. I'm Bruce Kuhse.
5 I'm the general counsel of the Office. Linda
6 Charity is up in Atlanta meeting with our federal
7 banking regulators today.

8 The Office brings three items to your agenda
9 today for your approval. First of all, we request
10 approval of the minutes for the March 20, 2012
11 meeting.

12 GOVERNOR SCOTT: Is there a --

13 CFO ATWATER: So moved.

14 GOVERNOR SCOTT: Is there a second?

15 COMMISSIONER PUTNAM: Second.

16 GOVERNOR SCOTT: Okay. Moved and seconded.
17 Show it approved without objection.

18 MR. KUHSE: The second item we have for you
19 today is, we request the approval to file for
20 adoption amendments to the rules in Chapter 69T-1
21 relating to the Office's organizational structure
22 that basically reflects a streamlined organization
23 and more accurately reflects the roles and
24 responsibilities of the divisions and bureaus
25 within the agency. Rule 69V -- or 69W-600 has a

1 series of rules that are going to reflect a
2 reduction in fingerprinting fees as a reduction of
3 federal charges there. And then the final one is
4 adoption of the latest SEC forms that we use,
5 again, just to update our forms and process there.

6 GOVERNOR SCOTT: Is there a motion to approve?

7 ATTORNEY GENERAL BONDI: So moved.

8 GOVERNOR SCOTT: Is there a second?

9 COMMISSIONER PUTNAM: Second.

10 GOVERNOR SCOTT: Moved and seconded. Show it
11 approved without objection.

12 MR. KUHSE: Our final item here today is, we
13 request approval to publish notices proposed rules
14 for repeal as part of the agency's process for
15 reviewing rules for repeal. There's 19 rules here
16 that we would move or are recommending for repeal
17 that have no impact on consumer safety or any
18 fiscal impact upon the agency or the state. We
19 also have one that will be amended just as a
20 conforming change to these rules.

21 GOVERNOR SCOTT: Okay. Any questions?

22 ATTORNEY GENERAL BONDI: And thank you for
23 working with us on that, because protecting
24 consumers, of course, is very important to us, and
25 thank you for working with us on that.

1 The collection agency rule, that will have no
2 impact on the bad debt collectors, will it?

3 MR. KUHSE: No, it will not. The rules that
4 we've brought up today have no impact at all on
5 that. We have another nine rules that we have
6 pulled from the agenda we were recommending for
7 repeal where, based upon comments received from the
8 various staffs, we're looking at those again, and
9 we will review those and bring them up at a later
10 Cabinet meeting.

11 ATTORNEY GENERAL BONDI: And thank you for all
12 your hard work on this.

13 GOVERNOR SCOTT: All right. Any other
14 questions? Is there a motion to approve?

15 ATTORNEY GENERAL BONDI: So moved.

16 GOVERNOR SCOTT: Is there a second?

17 CFO ATWATER: Second.

18 GOVERNOR SCOTT: Moved and seconded. Show it
19 approved without objection. Thank you very much.
20 Have a great day.

21 MR. KUHSE: Thank you.

22

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25

1 GOVERNOR SCOTT: All right. Now I would like
2 to recognize Mark Zadra with the Department of Law
3 Enforcement. Mark?

4 MR. ZADRA: Good morning, Governor and Cabinet
5 members. We have four items on today's agenda.

6 First, we respectfully would submit the
7 minutes of the October 18, 2011, and November 15,
8 2011 meetings.

9 GOVERNOR SCOTT: Is there a motion to approve?

10 ATTORNEY GENERAL BONDI: So moved.

11 GOVERNOR SCOTT: Is there a second?

12 COMMISSIONER PUTNAM: Second.

13 GOVERNOR SCOTT: Moved and seconded. Show it
14 approved without objection.

15 MR. ZADRA: Our next item is, we respectfully
16 submit the Department's fiscal year 2011-2012
17 second quarter performance report and contracts
18 over 100,000.

19 You will see from our numbers that the
20 Department's performance remained strong. Some
21 things I would like to highlight include, the
22 Department released the 2011 Semiannual Uniform
23 Crime Report showing a 2 percent decline in crime
24 in Florida for the first half of the year over the
25 same period in 2010. We anticipate releasing the

1 results of the full year report next week.

2 Then following the merger of the Department's
3 Computer Crime Center and the Attorney General's
4 Child Predator Cybercrime Unit last year, we
5 announced the conclusion of Operation Amalgamate
6 involving the arrest of 48 child predators which
7 took place in 17 of Florida's counties. And this
8 merger has allowed us to work much more effectively
9 and efficiently, to focus on investigations and
10 Internet crimes against our juveniles in the state.
11 And since that merger, we continue to actively
12 investigate these type of crimes with a lot of
13 success, albeit unfortunate that we have to
14 investigate these types of crimes.

15 And finally, a United States district judge
16 sentenced James Rishner to 20 years in prison for
17 his role in an elaborate Ponzi scheme that
18 defrauded more than 100 victims, including
19 teachers, police officers, and retired Publix
20 employees, out of some \$17 million. This is an
21 example of the type of investigation that the
22 Department has significantly dedicated resources to
23 in the recent years.

24 I would be happy to answer any questions about
25 that item.

1 GOVERNOR SCOTT: Any questions?

2 COMMISSIONER PUTNAM: What's the long-term
3 trend on the crime rate?

4 MR. ZADRA: As far as rate, we are at a
5 40-year low. And as I mentioned, next week we will
6 be -- hope to be announcing the full year of 2011
7 -- I'm sorry. Yes, 2011, and we expect to see a
8 continued positive trend in a downward direction.

9 COMMISSIONER PUTNAM: So it's the lowest in
10 40, but it hasn't been a flat glide path; right?
11 We went through the cocaine wars in the '80s and
12 the crack epidemics and everything else; right?

13 MR. ZADRA: That's correct. I mean, we use --
14 when you look at an annual report, we base that on
15 a rate, which is the number of actual crimes
16 compared to Florida's population, so that does
17 fluctuate. When you look back at last year's
18 numbers and compare it with the actual volume of
19 crime, it's the same approximate volume of crime as
20 what we had in the early to mid 1980s. But when
21 you look at the rate as far as population, it is
22 the lowest in 40 years.

23 COMMISSIONER PUTNAM: So what do you attribute
24 that to? Is it birth rate, literacy rate,
25 incarceration rate? What do you attribute it to?

1 MR. ZADRA: Commissioner Putnam, that's a very
2 difficult thing to answer. And the Department
3 views its role and responsibility to be the entity
4 that collects that information and provides those
5 reports back. We leave that to the criminologists.

6 I can say that we certainly believe that the
7 outstanding efforts on behalf of the local and
8 state and federal law enforcement agencies, the
9 proactive responses that we've done, the increased
10 uses of technology certainly impact that. There
11 are all types of socioeconomic factors that we
12 believe contribute to that. But as far as the
13 Department, we've never taken a stance of
14 identifying exactly what those items are.

15 COMMISSIONER PUTNAM: Do you know what every
16 tenth of a point increase in the crime rate costs
17 our economy?

18 MR. ZADRA: No, sir, I don't have those
19 numbers.

20 COMMISSIONER PUTNAM: Does anybody? I mean,
21 is that something that --

22 ATTORNEY GENERAL BONDI: It probably depends
23 on the crime.

24 COMMISSIONER PUTNAM: I mean, I know there's
25 conversation about -- you know, the Legislature

1 went through this conversation about do we change
2 our approach. Well, if -- I mean, it's expensive
3 to incarcerate people, but how expensive is
4 recidivism? I mean, has anybody run those numbers?

5 ATTORNEY GENERAL BONDI: Well, that's why you
6 have to look at property crime versus violent crime
7 versus drug-related crime. I mean, it's all so
8 different. You know, you're going to have to look
9 at the violent crime increase.

10 I can tell you that this cybercrime bust that
11 they just made would -- if you look at the details
12 of that, it was astounding. I mean, these were
13 businessmen. These were church-going men. I mean,
14 these were -- it was sickening. And they are
15 working so hard every day at combating, I know, the
16 child predators, which in my opinion falls into one
17 of the most violent crimes that can happen.

18 MR. ZADRA: And, Commissioner Putnam, as
19 Attorney General Bondi said, it really does depend
20 on the crime. I know previously when I worked
21 investigations, you could have perhaps one that was
22 very complicated, but may only take several months
23 to conclude, and you could also have one that would
24 take several years to investigate and have a
25 tremendous amount of resources, again, depending on

1 whether it's multi-jurisdictional, whether it's
2 multi-victim, multi-perpetrator crime. So there's
3 all types of issues that come into play.

4 It's something we can certainly try to look at
5 in conjunction with whatever statistics we're able
6 to pull and see if we could come up with something.
7 I know it would be extremely difficult.

8 COMMISSIONER PUTNAM: It's more curiosity than
9 anything. I know the General has got her arms
10 around it. I'm just curious how you -- you know,
11 if we're at the lowest rate in 40 years, sort of
12 the logical question is: Why? What are we doing
13 right?

14 MR. ZADRA: And, Commissioner Putnam, another
15 thing that the Department does is, we have an
16 investigative strategy that defines the types of
17 crimes, due to the limited resources that we have,
18 albeit we have statewide jurisdiction. And we are
19 always using what we call intelligence-led policing
20 to look at the issues that are occurring in our
21 communities, the things that are impacting our
22 local law enforcement agencies, and then to find
23 that niche, particularly with respect to the
24 Department, where we can best utilize our resources
25 to impact crime.

1 The local law enforcement agencies are
2 receiving every day more and more crimes across
3 their desk. We have the luxury to look across the
4 spectrum of that and choose those that are most
5 impacting, that we can best utilize our expertise
6 and try to attack. Like I said, the locals have no
7 choice, because they're being reported by their
8 citizens every day. So that's why we utilize an
9 investigative strategy to best use our resources.
10 And we examine that on an annual basis to ensure
11 that it reflects the current crime trends.

12 COMMISSIONER PUTNAM: Thank you.

13 GOVERNOR SCOTT: Thank you.

14 MR. ZADRA: Our third item is the final
15 adoption of proposed rules for repeal. These rules
16 for repeal were noticed at the November 15, 2011
17 Cabinet meeting. Nine rules were identified for
18 repeal as part of the comprehensive review of the
19 Department's 150 total rules, in accordance with,
20 Governor, your Executive Order 11-1, and in
21 coordination with the Office of Fiscal
22 Accountability and Regulatory Reform.

23 Examples of the proposed rules include
24 unnecessary medical examiner requirements and some
25 internal disciplinary investigative procedures.

1 These rules either duplicated statute or were not
2 statutorily mandated.

3 I'll be happy to answer any questions about
4 those nine rules.

5 GOVERNOR SCOTT: Any questions?

6 Is there a motion to approve this item?

7 CFO ATWATER: So moved.

8 GOVERNOR SCOTT: Is there a second?

9 COMMISSIONER PUTNAM: Second.

10 GOVERNOR SCOTT: Moved and seconded. Show it
11 approved without objection.

12 MR. ZADRA: And our final item is the final
13 adopted of proposed rules. These rules were also
14 noticed at the November 15, 2011 meeting. The
15 Department did not receive either comments or
16 requests for any public hearings.

17 Real briefly, I will summarize the proposed
18 changes. Six of the rules involve our Criminal
19 Justice Standards and Training Commission
20 activities. They do such things as repealing
21 obsolete training plans, revising forms, updating
22 definitions of good moral character for an officer,
23 and additional forms. It implements the new
24 computer-based state officer certification exam and
25 implements the new correctional basic recruit

1 training program. That's the essence of what these
2 are.

3 Chapter 11C-6 involves the information program
4 and includes housekeeping, and updates applicant
5 fingerprint retention procedures as mandated by
6 statute.

7 And the final three involve the Medical
8 Examiner's Commission. 11G-1 is housekeeping,
9 11G-2 updates preliminary autopsy and autopsy
10 procedures to more accurately match practices, and
11 then 11G-5 clarifies the process for appointing the
12 district medical examiners.

13 I'll be happy to answer any questions about
14 our last item.

15 GOVERNOR SCOTT: Any questions?

16 Is there a motion?

17 ATTORNEY GENERAL BONDI: So moved.

18 GOVERNOR SCOTT: Is there a second?

19 CFO ATWATER: Second.

20 GOVERNOR SCOTT: Moved and seconded. Show it
21 approved without objection.

22 Thank you very much. Tell Commissioner Bailey
23 we all said "hi."

24 MR. ZADRA: I will. Thank you, sir.

25

1 GOVERNOR SCOTT: Good morning.

2 COLONEL PENDERGAST: Good morning, Governor
3 Scott, General Bondi, CFO Atwater, and Commissioner
4 Putnam. It's good to see all of you today.

5 GOVERNOR SCOTT: Great tie.

6 COLONEL PENDERGAST: Thank you, sir.

7 Before I begin the items on the agenda,
8 Governor Scott, I had the privilege of speaking at
9 a veterans appreciation affair this past Saturday
10 in Sarasota, and it was hosted at the Sarasota
11 Military Academy. It's a great school, and if you
12 get an opportunity to go out there, you would be
13 absolutely impressed by the young students who are
14 there going through the education process, but also
15 going through a great mentoring process.

16 GOVERNOR SCOTT: Did you go there in the
17 morning? Were you there in the morning when they
18 were out on the field?

19 COLONEL PENDERGAST: Not when they were out on
20 the field, but the band did come in and play for
21 the entire audience on Saturday morning, and that
22 was pretty special. It was very loud too inside
23 the gymnasium. They moved it inside because of the
24 threatening weather.

25 The turnout was great on Saturday. And the

1 opportunity to spend time with veterans ranging
2 from a 90-year-old naval aviator who served in the
3 Second World War, Korea, and Vietnam, who was
4 proudly wearing his Distinguished Flying Cross,
5 among many other medals, to a 23-year-old Operation
6 Iraqi Freedom infantryman who humbly displayed his
7 Combat Infantryman's Badge, it was absolutely
8 priceless. It was a great opportunity to
9 participate and represent our state.

10 To the person, including both veterans and
11 their families members, and a couple of survivors I
12 spoke with, they wanted me to thank you for your
13 leadership as the Governor and the Cabinet for
14 keeping Florida as the most veteran-friendly state
15 in the nation. They were very impressed by what we
16 offer to our veterans in the state and through our
17 partnerships with our federal partners and our
18 county veterans services offices. We are unlike
19 any other state in the nation. And they just
20 wanted me to make sure that at my next opportunity
21 I said that to the members of the Governor -- the
22 Governor's staff and the Cabinet.

23 GOVERNOR SCOTT: And how many veterans do we
24 have?

25 COLONEL PENDERGAST: There were a little over

1 100 veterans that were there at the actual --

2 GOVERNOR SCOTT: No, I mean in the state, how
3 many veterans?

4 COLONEL PENDERGAST: Oh, in our state? I'm
5 sorry. 1,650,000 and change, and approximately --

6 GOVERNOR SCOTT: And growing.

7 COLONEL PENDERGAST: And growing. And also
8 approximately 1 million family members or survivors
9 of veterans in our state.

10 ATTORNEY GENERAL BONDI: If I may interject,
11 my cousin is periodontist at the VA in Tampa. And
12 when I go there, I used to see the older veterans,
13 and now it's just -- you've been there, Governor.
14 I mean, it's just amazing. You're seeing kids,
15 babies, kids -- they're 18, 19 -- come in without
16 limbs, and they're receiving remarkable treatment
17 there. And thank you for being such a great
18 representative, Colonel, for all of us and for the
19 Governor.

20 COLONEL PENDERGAST: Not only are they
21 receiving remarkable treatment; they're making
22 remarkable strides in their recovery.

23 The Lieutenant Governor just recently had the
24 opportunity to participate in the Ride to Recovery,
25 which is a national event that takes place all

1 around the country, and the most recent ride
2 culminated in Tallahassee on Friday, the last day
3 of our legislative session on March 9th. And then
4 the Lieutenant Governor and I had the opportunity
5 to ride with approximately 200 wounded warriors who
6 are continuing their recovery, and many of them
7 multiple amputees, who went out and rode a 25-mile
8 ride at a very brisk clip after already riding 400
9 miles from New Orleans to Tallahassee.

10 GOVERNOR SCOTT: How long did you get to ride?

11 COLONEL PENDERGAST: I only got to ride the
12 24-mile ride on Saturday, Governor, but --

13 GOVERNOR SCOTT: That's still enough. That's
14 still enough.

15 COLONEL PENDERGAST: It was a very fast clip,
16 but it was good to be out there.

17 ATTORNEY GENERAL BONDI: And, Colonel -- may
18 I Governor? And, Colonel, I know we're doing a lot
19 to help these veterans, these young veterans get
20 jobs as well. Is that correct?

21 COLONEL PENDERGAST: We absolutely are. And
22 in fact, we continue to make great strides through
23 our partnership with the Department of Economic
24 Opportunity and also through the various agencies.

25 Most recently I met with Nick Wiley from the

1 Fish and Wildlife Commission, and he is actively
2 going after military veterans to recruit them and
3 bring them in to help with their law enforcement
4 operations, as is Julie Jones and the other agency
5 heads who have law enforcement officials.

6 But as well, we actually have opportunities to
7 recruit them into the private sector. And by
8 working with the president of the Chamber of
9 Commerce, Enterprise Florida, and other enterprises
10 across our state, we are getting our veterans back
11 into the employment stream at a very fast pace.
12 And we really appreciate the efforts --

13 GOVERNOR SCOTT: And wasn't veterans a big
14 part of the class, the last Highway Patrol class?
15 Weren't they veterans?

16 COLONEL PENDERGAST: I believe it was
17 overwhelmingly -- a very large number in that last
18 class.

19 GOVERNOR SCOTT: And you were making them
20 stand at attention; right?

21 ATTORNEY GENERAL BONDI: Yes.

22 COLONEL BRIERTON: There were a lot of vets.

23 GOVERNOR SCOTT: Yes. We came up, and we
24 couldn't tell if you were going to lead
25 calisthenics or . . .

1 All right. But thanks for everything you do
2 for our veterans. It's a very big part of our
3 state.

4 COLONEL PENDERGAST: It's very humbling, but
5 it is an honor to be out there with them. And like
6 I said many months ago, Governor, when we were
7 talking about it, I have gentlemen that range in
8 age from gentlemen, or ladies, who could be my
9 father, down to young men and women who could be my
10 son or daughter. And that's what gets me up every
11 day and wants me to go out and do these great
12 things for our veterans and their family members.

13 GOVERNOR SCOTT: And they all want to retire
14 in Florida.

15 COLONEL PENDERGAST: And we want them to
16 retire in Florida.

17 GOVERNOR SCOTT: That's right.

18 COLONEL PENDERGAST: We absolutely do.

19 We have two items for the agenda for you
20 today. Item number 1 is the minutes of the
21 December 6th meeting, and we request approval of
22 those minutes.

23 GOVERNOR SCOTT: Is there a motion to approve?

24 ATTORNEY GENERAL BONDI: So moved.

25 GOVERNOR SCOTT: Is there a second?

1 CFO ATWATER: Second.

2 GOVERNOR SCOTT: Moved and seconded. Show it
3 approved without objection.

4 COLONEL PENDERGAST: Item Number 2 is our
5 quarterly report for the period ending December 31,
6 2011, and this report covers the activities of the
7 Department, wherein we exceeded all of our
8 performance measures for the quarter reported.

9 Related to the Division of Veterans Benefits
10 and Assistance, the majority of the federal VA
11 Nehmer claims, which is the class action lawsuit I
12 briefed you all on back in December, those have
13 been completed for the most part, and it will
14 reduce the number of retroactive benefits compared
15 to what we reported last year. Thus far, there
16 have been over 8,641 claims processed through our
17 benefits and assistance office co-located with the
18 federal VA regional office down at Bay Pines.

19 The wait for the backlog on the claims process
20 still is unsatisfactory, and Secretary Shinseki, my
21 counterpart at the federal Department of Veterans
22 Affairs, is working mightily to reduce that number
23 of days waiting from a very high number, in excess
24 of 250 days, down to something around the range of
25 about 125 days.

1 We are pleased that the Legislature approved
2 our request for six additional veterans claims
3 examiners, which will help continue to process of
4 getting folks through the gauntlet of all the
5 challenges associated with filing their veterans
6 claims, requests for assistance, or for medical
7 attention or for other veterans benefits. And that
8 will help us as we move forward in the upcoming
9 fiscal year starting on July 1st.

10 And having that item in the Governor's
11 recommended budget was very, very helpful to us.
12 The additional claims examiners will supplement the
13 staff, but also go into some of the brand new
14 federal VA outpatient clinics that have opened or
15 will open in the not-too-distant future, and also
16 as they work towards getting the brand new VA
17 Medical Center at Lake Nona ready for opening.
18 They're going to give us the ability to put a
19 couple of additional claims examiners in that
20 office whenever we're ready to put them in there
21 and the doors finally do open.

22 In the homes program, our occupancy rate
23 continues to exceed the state average. Most
24 recently, we had an average occupancy rate of
25 97-plus percent, and last week's occupancy rate was

1 at 98 percent for our six skilled nursing homes
2 that we run on behalf of the State. And the area
3 we would like to really highlight is, our homes are
4 award winners, each and every one of them, in their
5 own right. And most recently we had one home that
6 we highlighted to you, Governor, in last week's
7 report, and we're very, very proud of our staff
8 down there. And we --

9 GOVERNOR SCOTT: These are nice homes.

10 COLONEL PENDERGAST: They're remarkable
11 facilities, and they're a home that all of us would
12 be very proud to have a family member of ours stay
13 there.

14 GOVERNOR SCOTT: Nice people.

15 COLONEL PENDERGAST: And the staff really does
16 love their job, and they love supporting our
17 veterans.

18 We've been pleased to respond to some of the
19 specific inquiries coming from the Cabinet staff
20 regarding some of these issues that we've talked
21 about, and we look forward to following up if you
22 have any additional issues on some of those
23 questions that were asked previously.

24 Thank you again, Governor and Cabinet, and
25 also a special note of thanks to Lieutenant

1 Governor Carroll for her support and her weighing
2 in at appropriate times during the very last week
3 of session when we were trying to make sure that
4 some of the bills of substance were taken care of
5 for our veterans.

6 Unless there are any questions, Governor and
7 members of the Cabinet, this concludes my report.

8 GOVERNOR SCOTT: Any questions?

9 All right. Is there a motion to -- I guess we
10 don't have to approve your performance report. All
11 right. Thank you.

12 COLONEL PENDERGAST: Thanks a lot.

13 GOVERNOR SCOTT: Have a good day. Tell Naomi
14 "hi."

15 COLONEL PENDERGAST: I will, Governor. Thank
16 you.

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1 GOVERNOR SCOTT: All right. Now we'll
2 recognize Phillip Miller with the Administration
3 Commission. Good morning. It's still morning.

4 MR. MILLER: Good morning, Governor and
5 members of the Commission.

6 We have three items on the Administration
7 Commission agenda. Item 1 is approval of the
8 minutes of the January 18th meeting.

9 GOVERNOR SCOTT: Is there a motion to approve?

10 CFO ATWATER: So moved.

11 GOVERNOR SCOTT: Is there a second?

12 ATTORNEY GENERAL BONDI: Second.

13 GOVERNOR SCOTT: Moved and seconded. Show it
14 approved without objection.

15 MR. MILLER: Thank you. Item 2 is the
16 Division of Administrative Hearings 38th Annual
17 Report. Chief Judge and Executive Director Bob
18 Cohen will present highlights of the report.

19 MR. COHEN: Thanks, Phil. Good morning,
20 Governor and Cabinet members.

21 GOVERNOR SCOTT: How are you doing?

22 MR. COHEN: Great. How are you today?

23 GOVERNOR SCOTT: Great.

24 MR. COHEN: It's been an exciting year for us.
25 What we do is not always looked at as the most

1 exciting part of judicial --

2 GOVERNOR SCOTT: But it's very important.

3 MR. COHEN: But we believe a very important
4 part of the system.

5 But this year, and really the past year and a
6 half, we've had a large number of retirements of
7 our judges. We had about eight people have left
8 us, either retired or decided they've had enough
9 and have gone out to the private sector to do
10 something else.

11 So we have six new judges within the past
12 year, and that has brought in a new level of, I
13 believe, enthusiasm and energy that we haven't seen
14 in some time, and it's been exciting for us. It's
15 a diverse group of people from the public and
16 private sectors, people with all sorts of
17 backgrounds in terms of the type of work they did,
18 whether it was litigation, whether it was working
19 for agencies. Some were supervisors within state
20 agencies. Others came out of the university system
21 or even from the Legislature.

22 We've done a lot of contract work, as we do
23 every year, for non-state agencies. All the school
24 districts send us their cases. We unfortunately
25 see a lot of teachers who have gone astray and have

1 got themselves into precarious situations, and we
2 help adjudicate those cases for them. The
3 counties, the cities, we heard again the special
4 masters, the claims bills for the Senate, some very
5 high-profile, interesting claims bills this past
6 year.

7 Twelve agencies use 97 percent of our judges'
8 time, and that's led by the Department of Revenue,
9 thanks to the child support enforcement program,
10 which is a large number of cases that takes up lot
11 of time, but also the other agencies that have sent
12 their cases to us. It's a unique group of
13 agencies.

14 GOVERNOR SCOTT: I'm sorry. You do disputes
15 on the child support?

16 MR. COHEN: We do, yes. You have an option.
17 Someone has an option of going to circuit court or
18 coming the administrative route.

19 GOVERNOR SCOTT: Okay. Even though it's
20 voluntary to work with the Department of Revenue?

21 MR. COHEN: That's correct.

22 GOVERNOR SCOTT: That's interesting.

23 MR. COHEN: That's correct. And it's
24 enforcement. And just as an aside, in our workers'
25 comp program, anytime that a workers' comp

1 settlement or judgment is entered and an award is
2 made to a claimant, any past due child support is
3 collected at that time and deducted from the award.
4 So we bring in about -- last year about \$15 million
5 just in past due child support through the workers'
6 comp program, which is totally independent of the
7 child support enforcement program.

8 We have seen again a slight decrease in
9 petitions, another 5 percent decrease in petitions
10 in the workers' comp side, meaning that --
11 hopefully meaning that more people are settling
12 their cases quickly when they get hurt. We know
13 that fewer people are getting injured with the
14 downturn in the economy and really the downturn in
15 construction, because so many injuries are in the
16 construction area.

17 We work with the Statewide Nominating
18 Commission on judges of compensation claims. We
19 supply them with the data and the information they
20 use to evaluate judges going for reappointment. We
21 conduct surveys among the Bar for applicants for
22 new positions or to fill positions for workers'
23 comp judges. And we actually had a judge who was
24 recommended not to be reappointed last year, and
25 that was sent to your office, Governor, and that

1 judge is now out in the private sector.

2 GOVERNOR SCOTT: So I listened well.

3 MR. COHEN: You looked at the facts and came
4 to the same reasonable conclusion as I believe the
5 Nominating Commission did.

6 We are right now in the process of rule
7 development and promulgating some new rules to
8 implement, which was the electronic filing, which
9 was made mandatory July 1 of last year. It has
10 been widely accepted and welcomed by the legal
11 practitioners. We still make exceptions for people
12 that don't have access to computers. But nowadays
13 most people, whether they have lawyers or not, have
14 some computer access and want to do this because
15 it's free and it's easy and you can do it from
16 home.

17 Because of cuts that we've suffered to our
18 budget in the last several years and employee
19 reductions, we have gone out and looked at all of
20 our leased space around the state. We have
21 renegotiated leases, and we have moved into lower
22 cost space in several instances, and this has
23 helped us absorb the reductions. And when we've
24 had a reduction in staff and we didn't need as much
25 space, we've cut down the space, and that has saved

1 money, which allows us to continue at the rate we
2 do.

3 We are -- I have a wonderful group of
4 colleagues and staff. We are constantly recognized
5 for our generosity in the state employees
6 charitable campaign. We have people who mentor in
7 the schools, justice teaching. They're involved in
8 Bar activities. They're involved in all sorts of
9 religious activities with their churches, synagogs,
10 and other religious organizations. We are -- we're
11 a giving organization in addition to what we do for
12 the State. And I'm honored to serve at the head of
13 this organization, and I would ask that you accept
14 our 38th Annual Report.

15 GOVERNOR SCOTT: Thank you very much. Any
16 questions?

17 Did you have any rules?

18 MR. COHEN: We do not have any rules for --

19 GOVERNOR SCOTT: Okay. Thank you.

20 MR. COHEN: Thank you.

21 MR. MILLER: Governor, we would recommend that
22 the DOAH administrative hearings report be
23 accepted.

24 GOVERNOR SCOTT: Is there a motion?

25 ATTORNEY GENERAL BONDI: So moved.

1 GOVERNOR SCOTT: Is there a second?

2 CFO ATWATER: Second.

3 GOVERNOR SCOTT: Moved and seconded. Show it
4 approved without objection.

5 MR. MILLER: Thank you. Item 3 is a request
6 for authorization to publish notice of proposed
7 rule repeal for Rule Chapters 28-35 and 28-111. If
8 no requests for public hearings are received, staff
9 also requests authorization to file for final rule
10 repeal. This item is brought to the Commission as
11 a results of a comprehensive review of all the
12 Commission's rules and the determination that these
13 rule chapters have become obsolete.

14 General Bondi, I would like to thank your
15 office and Assistant Attorney General Clark
16 Jennings for his assistance in our review of the
17 Commission's rules.

18 ATTORNEY GENERAL BONDI: You're welcome.

19 MR. MILLER: Rule Chapter 28-35 is the Coastal
20 Energy Impact Program. This program was
21 transferred to DEP during the 2011 legislative
22 session. As a result, the Commission no longer has
23 statutory authority for the rule chapter.

24 Rule Chapter 28-111 relates to court costs and
25 court facilities. The Commission's rulemaking

1 authority for this chapter was deleted in 2004 as
2 part of comprehensive court funding reforms.

3 So our recommendation is that we be authorized
4 to publish notices of proposed rule repeal for
5 these two chapters and to file for final repeal if
6 no requests for public hearings are received.

7 Any questions?

8 GOVERNOR SCOTT: Is there a motion to approve?

9 ATTORNEY GENERAL BONDI: So moved.

10 GOVERNOR SCOTT: Is there a second?

11 COMMISSIONER PUTNAM: Second.

12 GOVERNOR SCOTT: Moved and seconded. Show it
13 approved without objection.

14 MR. MILLER: And just as a note, we'll be
15 bringing further rules to the Commission in future
16 months as a result of our review.

17 GOVERNOR SCOTT: Thank you.

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1 MR. MILLER: Moving on to the Florida Land and
2 Water Adjudicatory Commission, Governor, we have
3 two items on this agenda.

4 Item 1 is approval of the minutes of the
5 August 2nd and August 16th meetings.

6 GOVERNOR SCOTT: Is there a motion to approve?

7 ATTORNEY GENERAL BONDI: So moved.

8 GOVERNOR SCOTT: Is there a second?

9 COMMISSIONER PUTNAM: Second.

10 GOVERNOR SCOTT: Moved and seconded. Show it
11 approved without objection.

12 MR. MILLER: Item 2 is a request for
13 authorization to publish a notice of proposed rule
14 repeal of Rule Chapter 42DDD-1, Florida
15 Administrative Code, to dissolve the Twin Creeks
16 Community Development District. If no request for
17 public hearing is received, staff also requests
18 authorization to file for final rule repeal.

19 The Twin Creeks Community Development District
20 consists of 3,037 acres in St. Johns County and was
21 established in 2007. The district has been
22 inactive since it was established. South
23 Jacksonville Properties, LLC, the majority
24 landowner of the district, filed a request with the
25 Commission to repeal the rule chapter and dissolve

1 the district.

2 The supporting documents in your packages
3 demonstrate that the repeal of the rule and
4 dissolution of the district are appropriate. The
5 district has been inactive since the initial rules
6 were adopted in 2007. The district has not held
7 any elections and has not had a governing board or
8 enough board members for a quorum. There are no
9 current services provided by the district and no
10 future services that the district will perform.
11 And the district is not indebted, and no bonds were
12 issued by the district.

13 The majority landowner has provided consent to
14 this dissolution and has provided notice of the
15 repeal request to all the other district
16 landowners, to the appropriate county and state
17 agencies, and to the general public. No objections
18 to the request have been received as a result of
19 the repeal notifications, and all landowners in the
20 district have either consented to the dissolution
21 or have submitted letters indicating that they have
22 no objection to the dissolution.

23 Are there any questions?

24 GOVERNOR SCOTT: Any questions?

25 Is there a motion to approve Item 2?

1 CFO ATWATER: So moved.

2 GOVERNOR SCOTT: Is there a second?

3 COMMISSIONER PUTNAM: Second.

4 GOVERNOR SCOTT: Moved and seconded. Show it
5 approved without objection.

6 MR. MILLER: Thank you, Governor. That
7 concludes our agenda.

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1 GOVERNOR SCOTT: All right. Now I would like
2 to recognize Herschel Vinyard with the Board of
3 Trustees. Good morning.

4 MR. VINYARD: Good morning, Governor and
5 members of the Cabinet.

6 We have three items for you today. The first
7 one is a request for approval of the minutes from
8 the February 9th Cabinet meeting.

9 GOVERNOR SCOTT: Is there a motion to approve?

10 ATTORNEY GENERAL BONDI: So moved.

11 GOVERNOR SCOTT: Is there a second?

12 CFO ATWATER: Second.

13 COMMISSIONER PUTNAM: Second.

14 GOVERNOR SCOTT: Moved and seconded. Show it
15 approved without objection.

16 MR. VINYARD: Governor, the second item is,
17 the Department requests consideration of the 2012
18 Florida Forever Land Acquisition Priority List and
19 the Division of State Lands 2012 Interim Annual
20 Work Plan. The Acquisition Priority List is
21 produced by the Acquisition and Restoration
22 Council. You may have of heard the acronym "ARC."
23 And the Interim Annual Work Plan is prepared by the
24 Division of State Lands.

25 The work plan focuses on 14 projects: Those

1 that protect Florida's water resources; those that
2 have funding partnerships, such as the Department
3 of Defense, which I know the Governor has been
4 focused on; those that have conservation easement
5 opportunities, Commissioner; and those that are
6 substantially complete. And the Department
7 recommends approval.

8 GOVERNOR SCOTT: Are there any questions?

9 All right. Is there a motion to approve?

10 ATTORNEY GENERAL BONDI: So moved.

11 CFO ATWATER: So moved.

12 GOVERNOR SCOTT: Is there a second?

13 CFO ATWATER: Second.

14 ATTORNEY GENERAL BONDI: Second.

15 GOVERNOR SCOTT: Moved and seconded. Show it
16 approved without objection.

17 MR. VINYARD: Governor, our last item is
18 renewal and modification of a five-year sovereignty
19 submerged land lease to increase the preempted area
20 of a docking facility to Waterview Towers
21 Condominium Association. The lease fee for the
22 area will be \$6,100.

23 This lease modification is the second that
24 we've had in the last five months, and I know we
25 have a third on the way, so perhaps it's an

1 indication that the good work you all are doing to
2 improve our economy is working.

3 The Department recommends approval.

4 GOVERNOR SCOTT: As I travel the state, I've
5 heard of all your good work and your team's good
6 work. It's helping get our state going. So you
7 guys, your team has a great reputation now for
8 getting things done quickly. Somebody was -- I was
9 at a -- I can't remember where I was the other day,
10 and somebody just couldn't believe that the
11 Department could make a decision as quickly as they
12 did.

13 MR. VINYARD: Thank you. Sir.

14 GOVERNOR SCOTT: So congratulations.
15 Are there any questions on this one?
16 Is there a motion to approve?

17 ATTORNEY GENERAL BONDI: So moved.

18 GOVERNOR SCOTT: Is there a second?

19 COMMISSIONER PUTNAM: Second.

20 GOVERNOR SCOTT: Moved and seconded. Show it
21 approved without objection. Thank you, Herschel.

22 This concludes the Cabinet meeting. Our next
23 meeting will be May 8th in the Keys, in Marathon.

24 We are adjourned.

25 (Proceedings concluded at 10:30 a.m.)

CERTIFICATE OF REPORTER

STATE OF FLORIDA:

COUNTY OF LEON:

I, MARY ALLEN NEEL, Registered Professional Reporter, do hereby certify that the foregoing proceedings were taken before me at the time and place therein designated; that my shorthand notes were thereafter translated under my supervision; and the foregoing pages numbered 1 through 62 are a true and correct record of the aforesaid proceedings.

I FURTHER CERTIFY that I am not a relative, employee, attorney or counsel of any of the parties, nor relative or employee of such attorney or counsel, or financially interested in the foregoing action.

DATED THIS 25th day of May, 2012.

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