

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

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Representing:

DIVISION OF BOND FINANCE  
STATE BOARD OF ADMINISTRATION  
LAND MANAGEMENT PRESENTATION  
DEPARTMENT OF HIGHWAY SAFETY AND MOTOR VEHICLES  
FLORIDA DEPARTMENT OF LAW ENFORCEMENT

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, October 23,  
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Reported by:

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## APPEARANCES:

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Governor

PAM BONDI  
Attorney General

JEFF ATWATER  
Chief Financial Officer

ADAM PUTNAM  
Commissioner of Agriculture

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I N D E X

DIVISION OF BOND FINANCE  
(Presented by BEN WATKINS)

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(Presented by ASH WILLIAMS)

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LAND MANAGEMENT PRESENTATION  
(Presented by AL DOUGHERTY)

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

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## P R O C E E D I N G S

(The agenda items commenced at 9:50 a.m.)

GOVERNOR SCOTT: All right. Now let's recognize Director Ben Watkins of the Division of Bond Finance. Ben will be providing us with a report on Florida's latest debt figures before presenting the Bond Finance agenda. Good morning, Ben.

MR. WATKINS: Good morning, Governor and Cabinet members.

COMMISSIONER PUTNAM: Ben, you look like a man that needs a Candy Corn flushing trail dog.

MR. WATKINS: We have two cats at home, but more importantly, my wife would kill me.

I have put together some preliminary information on where the State stands with respect to debt at the end of fiscal '12, which is June 30, 2012. To highlight some important points, this is a preview to a more comprehensive analysis and report that we expect to present in December when we complete our debt affordability analysis and debt affordability report.

So the first slide is to show a history of debt outstanding at the end of each fiscal year since 1990. And this shows the net change, so it

1 includes both the new money issuance during the  
2 fiscal year as well as the principal repayment. So  
3 this is the net change in debt outstanding at the  
4 end of each fiscal year.

5 And so what we see is a long historical trend  
6 of increasing debt. And over the last two years,  
7 for the first time since 1990, we see a decrease in  
8 the amount of debt that we have outstanding.

9 So I know the numbers are a vision test, but  
10 what it shows is that from 2010 to 2011, debt  
11 decreased by \$500 million from \$28.2 billion to  
12 \$27.7 billion, and then rolling forward to the end  
13 of fiscal 2012, debt was again reduced from  
14 27.7 billion to 26.2 billion. So we've reduced  
15 debt by the \$500 million in 2011 and another  
16 billion five in 2012. And this is the first time  
17 that we decreased year-over-year debt outstanding.

18 Secondly is a slide to explain the reasons for  
19 the decrease in the debt outstanding. And so what  
20 this shows is a 10-year history of the amount of  
21 new money debt that we issued in each fiscal year.  
22 So new money debt issuance averaged about  
23 \$2.2 billion a year for the last 10 years, and we  
24 see a significant reduction in 2011 and 2012  
25 because of the decrease in the new money debt that

1 we issued, primarily due to a reduction in gross  
2 receipts taxes, and therefore no additional PECO  
3 bond issuance being supported, as well as a  
4 decrease or curtailment in the amount of debt that  
5 we historically had issued for land acquisition.

6 And then lastly is a history of refunding  
7 activity. Refunding is what we refer to in the  
8 muni world as basically refinancing higher interest  
9 rate debt with lower interest rate debt and  
10 redeeming those bonds, those high interest rate  
11 bonds that are outstanding and replacing those with  
12 lower interest rate bonds.

13 Over the last three years, we've benefited by  
14 taking advantage of very favorable market  
15 conditions and a low interest rate environment. We  
16 had low interest rates because of -- I won't say  
17 caused by, but influenced by the extraordinary  
18 federal intervention and federal monetary policy,  
19 QE1, QE2, and now QE-forever.

20 And also we've benefited from very favorable  
21 market conditions in the municipal market. And  
22 what I mean by that is that we've had net dollar  
23 inflows to be invested into the muni space, coupled  
24 with a reduction in the normal amount of supply  
25 that would be available.

1           So those basic dynamics work in favor of  
2           greater demand for municipal bonds. So because of  
3           the relative safety and security of the sector, as  
4           well as the yields offered, there has been very  
5           strong demand in the municipal market.

6           So this convergence of circumstances has  
7           really, from my perspective, provided a once in a  
8           lifetime opportunity for the State to lower its  
9           effective interest rate on all of our outstanding  
10          debt. So what this shows, the numbers show is that  
11          in the aggregate, we've executed over the last  
12          three years 67 transactions totaling \$6.1 billion,  
13          which has generated gross debt service savings of  
14          \$900 million, and converting that to a present  
15          value basis, \$740 million. So that's from my  
16          perspective pretty extraordinary.

17          And then what it doesn't show and is not on  
18          your chart is that so far in 2013 since June 30,  
19          we've executed refundings totaling \$766 million  
20          generating gross debt service savings of about  
21          \$200 million, or on a present value basis,  
22          \$155 million.

23          So adding all of that up, what that means is  
24          refinancing \$6.8 billion in debt over the last  
25          three years and three months or so. That's about

1           28 percent of the entire debt portfolio. And it  
2           has generated -- it has enabled us to reduce our  
3           effective interest rate on all of our outstanding  
4           debt from about 4.65 percent to about 4.33 percent,  
5           so a 32 basis point reduction.

6           Well, that doesn't sound like a lot in terms  
7           of lower interest rates, but then when you do the  
8           bond math, times, you know, \$26.2 billion  
9           outstanding, what that means in a very tangible way  
10          is that we've reduced the future interest cost on  
11          our portfolio of debt by \$1.1 billion. And when  
12          you convert that to a present value basis, it's  
13          \$895 million, so that's real money by any measure.

14          So that's what we've been doing. That has  
15          been our focus. That has been our priority, is to  
16          take advantage of the opportunities that have been  
17          offered and to save the State money.

18          So that will conclude a preview of what's to  
19          come in terms of debt outstanding.

20          If I may, Governor, move on, unless there are  
21          any questions, move on to our agenda today.

22          GOVERNOR SCOTT: Any questions?

23          CFO ATWATER: Governor, just a quick one.

24          Ben, so 28 percent of the portfolio. What's  
25          the potential for what you might see, any



1           opportunities that are available for other  
2           refundings?

3           MR. WATKINS: We've got a portfolio of about  
4           300 different loans outstanding, and they all have  
5           different call provisions. And we're limited under  
6           federal law, what we call generationally limited to  
7           one advance refunding. So unlike your home  
8           mortgage, where you can refinance it as many times  
9           as you can as it becomes economically feasible,  
10          there are structural impediments to when we can  
11          call bonds. So that's one thing.

12          We've basically refunded everything that's  
13          economically feasible to refund today, but going  
14          forward, as we hit dates where bonds can be  
15          currently refunded, not advance refunded, but  
16          issuing bonds and taking the money and paying bonds  
17          off, we'll have additional opportunities.

18          So there are some candidates that we'll be  
19          able to refund in the spring, most notably Turnpike  
20          and PECO, probably to the tune of close to a  
21          billion dollars in the aggregate. So we're  
22          constantly monitoring the portfolio, those dates on  
23          when things are called.

24          And as you know, this is getting a little bit  
25          into the weeds, but what has enabled us to

1           effectively take advantage of the low interest  
2           rates is the ability to invest money in the  
3           Treasury and earn more money than we would  
4           otherwise earn by investing in new Treasury  
5           securities.

6           So what that does for us is what we call  
7           eliminate negative arbitrage. Negative arbitrage  
8           is the difference between what we can borrow and  
9           what we reinvest at, and to the extent that you're  
10          underwater, it negatively affects the economics of  
11          the refunding. So what we've been doing over the  
12          last three years, which has enabled us to move  
13          forward and successfully implement a lot of these  
14          transactions, where other issuers who didn't have  
15          this tool available to them, is investing money in  
16          the Treasury as opposed to buying Treasury  
17          securities to defease the debt with.

18          So those two things have enabled us to move  
19          quickly and effectively in order to do what we've  
20          done. There are more candidates. We do expect to  
21          have more as long as interest rates remain  
22          favorable and market conditions remain favorable.

23                 GOVERNOR SCOTT: All right. Anything else?

24                 All right, Ben.

25                 MR. WATKINS: Okay. Proceeding with the

1 agenda, the first is a report of award on  
2 competitive bond sales. The first was the  
3 competitive sale of \$7,860,000 of parking facility  
4 revenue bonds for the University of Central  
5 Florida. The bonds were awarded to the low bidder  
6 at a true interest cost rate of 2.88 percent.

7 Item B is the competitive sale of \$234,715,000  
8 in right-of-way refunding bonds for the Department  
9 of Transportation. The bonds were sold to the low  
10 bidder a true interest cost of 2.699 percent. That  
11 enabled us to reduce the interest rate on  
12 outstanding bonds of 5 percent to 2.7 percent,  
13 which generates gross debt service savings of  
14 \$63.7 million, or \$48 million on a present value  
15 basis, or 19.7 percent of the principal amount of  
16 the refunded bonds.

17 And lastly, Item 2 are resolutions authorizing  
18 the issuance and competitive sale of \$21 million in  
19 revenue refunding bonds for Florida State  
20 University Research Foundation. The bonds are  
21 secured by lease revenues and a guaranty of the  
22 Foundation. These bonds are not full faith and  
23 credit obligations of the State, and the bonds are  
24 being sold to achieve debt service savings by  
25 lowering the interest rate on outstanding bonds.

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GOVERNOR SCOTT: Is there a motion to approve  
Item 2?

CFO ATWATER: So moved.

GOVERNOR SCOTT: Is there a second?

ATTORNEY GENERAL BONDI: Second.

GOVERNOR SCOTT: Any objections or comments?  
Hearing none, the motion is approved.

Thank you, Ben.

MR. WATKINS: Thank you, sir.

1           GOVERNOR SCOTT: Okay. Now I would like to  
2 recognize Executive Director Ash Williams of the  
3 State Board of Administration. Good morning, Ash.

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

6           As usual, I would like to give you an update  
7 on where we are in the Fund calendar year-to-date.  
8 Through the close on the 19th, the Florida  
9 Retirement System Trust Fund stands at  
10 11.37 percent return for the year. That's 105  
11 basis points ahead of target. And the balance was  
12 \$127.6 billion.

13           Item 1, request approval of a fiscal  
14 sufficiency of an amount not exceeding \$21 million  
15 State of Florida, Board of Governors, Florida State  
16 University Research Foundation revenue refunding  
17 bonds.

18           GOVERNOR SCOTT: Is there a motion to approve?

19           ATTORNEY GENERAL BONDI: Move to approve.

20           GOVERNOR SCOTT: Is there a second?

21           CFO ATWATER: Second.

22           GOVERNOR SCOTT: Any objections or comments?

23           Hearing none, the motion is approved.

24           MR. WILLIAMS: Thank you. Item 2, request  
25 approval of a fiscal determination of an amount not

1           exceeding \$7.25 million Florida Housing Finance  
2           Corporation multifamily mortgage revenue refunding  
3           bonds.

4           GOVERNOR SCOTT: All right. Is there a motion  
5           to approve?

6           ATTORNEY GENERAL BONDI: Move to approve.

7           GOVERNOR SCOTT: Is there a second?

8           CFO ATWATER: Second.

9           GOVERNOR SCOTT: Any objections or comments?  
10          Hearing none, the motion is approved.

11          MR. WILLIAMS: Thank you. Item 3, request  
12          approval to a file a notice for proposed amendments  
13          to Rule Chapters 19-11 and 19-13 pertaining to the  
14          Florida Retirement System Investment Plan, and to  
15          file for adoption if no member of the public  
16          requests a rule hearing related to these rules.

17          The substantive portion of this request  
18          relates to rules that would respond to the IRS's  
19          approval of the tax-exempt status of the Investment  
20          Plan. There are certain areas of the rule that  
21          they asked for clarification, and this provides the  
22          remainder of purely technical and clarifying  
23          changes.

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

1 ATTORNEY GENERAL BONDI: Move to approve.

2 GOVERNOR SCOTT: Is there a second?

3 CFO ATWATER: Second.

4 GOVERNOR SCOTT: Any objections or comments?

5 Hearing none, the motion is approved.

6 MR. WILLIAMS: Thank you. Item 4 is the  
7 statutorily required annual reaffirmation of the  
8 executive director.

9 GOVERNOR SCOTT: This is a hard one.

10 MR. WILLIAMS: Pardon me?

11 GOVERNOR SCOTT: This one is a hard one;  
12 right?

13 MR. WILLIAMS: I think it should be  
14 straightforward, sir.

15 GOVERNOR SCOTT: You hope so, right?

16 MR. WILLIAMS: Yes, I do.

17 GOVERNOR SCOTT: So is there a motion to  
18 reaffirm Ash Williams as the executive director of  
19 the SBA?

20 ATTORNEY GENERAL BONDI: So moved.

21 GOVERNOR SCOTT: Is there a second?

22 CFO ATWATER: Eh, second.

23 GOVERNOR SCOTT: Do you have any objections or  
24 comments?

25 Ash, I just want to thank you for your hard

1 work. I think all of us would say the same thing.  
2 We appreciate your hard work. We appreciate your  
3 transparency. We appreciate your giving us all the  
4 information we wanted, so we're very appreciative.

5 MR. WILLIAMS: It's a honor and a pleasure.  
6 Thank you very much.

7 ATTORNEY GENERAL BONDI: Thank you, Ash.

8 GOVERNOR SCOTT: Hearing none, the  
9 reaffirmation is approved. Congratulations, Ash.

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1                   GOVERNOR SCOTT: Next I would like to  
2                   recognize Al Dougherty, Deputy Secretary of the  
3                   Department of Environmental Protection.  
4                   Mr. Dougherty and our state land managers are going  
5                   to provide an overview of how Florida's public  
6                   lands are managed.

7                   I want to thank Commissioner Putnam for  
8                   requesting this presentation. I am pleased to see  
9                   it before the Cabinet today.

10                  Good morning.

11                  MR. DOUGHERTY: Good morning. Good morning,  
12                  Governor Scott, Attorney General Bondi, CFO  
13                  Atwater, and Commissioner Putnam. I appreciate the  
14                  opportunity to speak with you today about Florida's  
15                  public lands and specifically how we manage those  
16                  lands.

17                  Who better to talk about managing state lands  
18                  than the manager themselves? I'm thrilled to have  
19                  three of them with me here today.

20                  First I would like to give you an update on  
21                  our land acquisition efforts since last fall. Last  
22                  November we spoke about the 5.4 million acres of  
23                  land in the State's inventory and our process for  
24                  acquiring those lands. We said we would take a  
25                  critical look at the land we currently own and

1 evaluate whether or not we own the right land at  
2 the right place.

3 A review of our inventory has led us to a more  
4 narrowly focused land-buying strategy. Along with  
5 traditional core values of FWC, Forestry, and  
6 conservation values, other variables are also being  
7 used with this strategy.

8 For example, we know that ensuring a clean and  
9 adequate water supply for Floridians is critical to  
10 ensuring the health of our economy and our future.  
11 Therefore, we are targeting land deals that protect  
12 water quality and water quantity and critical areas  
13 of need across the State. We're also looking for  
14 ways to buffer our military bases, which are  
15 sufficient economic drivers for Florida, by  
16 targeting less than fee projects and funding  
17 partnerships.

18 The Division of State Lands, while charged  
19 with land acquisition and management oversight,  
20 does not actually do the on-site management. Our  
21 role is to acquire land on behalf of the Board of  
22 Trustees, identify the appropriate agency to manage  
23 the land, and coordinate periodic land management  
24 reviews to ensure that lands are being managed  
25 according to the stated purpose. We also serve in

1 an administrative capacity by facilitating the  
2 disbursement of management dollars allocated by the  
3 Florida Legislature.

4 While the Division of State Lands plays an  
5 important support role in managing state lands, it  
6 is the land managers themselves that deserve all  
7 the credit for the unique experience they create  
8 for visitors, the creative ways they've found to  
9 stretch and leverage available resources, and the  
10 success they've seen in protecting Florida's  
11 endangered species and preserving our state's  
12 important natural resources.

13 Today we have representatives from the three  
14 largest land management agencies here, and I'm sure  
15 some very familiar faces to all of you, Nick Wiley,  
16 Executive Director of FWC; Jim Karels, Director of  
17 the Florida Forest Service; and Donald Forgione,  
18 Director of Florida State Parks. Combined, they  
19 are responsible for over 98.5 percent of the total  
20 lands managed on behalf of the Board of Trustees.

21 While today's focus is on these three main  
22 land managers, I would be remiss if I didn't  
23 recognize other managers of state-owned lands, the  
24 Department of State's Division of Historical  
25 Resources, DEP's Office of Coastal and Aquatic

1 Managed Areas, the Water Management Districts, and  
2 occasionally local governments.

3 Although the ultimate goal of all of our land  
4 managers is to protect Florida's valuable natural  
5 and cultural resources, each one of these agencies  
6 has a distinct statutory mission that directs its  
7 management priorities. Today you'll hear the big  
8 three talk about achieving their various land  
9 management goals, the success and challenges that  
10 each of them face, and the passion they have for  
11 the work that they do every day.

12 I would like to ask all three top managers to  
13 share with you their agencies' approach to land  
14 management. To get things started, here is Nick  
15 Wiley.

16 GOVERNOR SCOTT: Good morning, Nick.

17 MR. WILEY: Good morning. And thank you, Al,  
18 for the introduction. I'm pleased to be here  
19 today. I appreciate this opportunity.

20 Since 1941, Florida's wildlife management area  
21 system -- we fondly call them WMAs -- has been  
22 providing exciting and affordable hunting  
23 opportunities, fishing opportunities, and wildlife  
24 viewing for Florida's citizens and tourists. WMAs  
25 offer remote getaways for outdoor enthusiasts in

1 every corner of the state where people can explore  
2 wild and rugged landscapes.

3 FWC is the lead manager on 1.4 million acres  
4 in the wildlife management area system where we  
5 have primary responsibility for all land management  
6 activities. FWC is a cooperating manager on  
7 4.4 million acres in the wildlife management area  
8 system. On these lands we administrator public  
9 hunting programs, and we assist with wildlife  
10 management activities.

11 We are always grateful for our partner  
12 agencies like the Florida Forest Service, the Water  
13 Management Districts, the National Forest Service,  
14 the Department of Defense, and others who enroll  
15 lands in our wildlife management area system and  
16 provide great access for public hunting.

17 FWC's emphasis for management of state land  
18 derives from our mission, which is managing the  
19 fish and wildlife resources for their long-term  
20 wellbeing and the benefit of people. Our mission  
21 is simple but strong, and it really guides our  
22 approach to everything we do, including land  
23 management.

24 We place great emphasis on the "benefit of  
25 people" part of the statement. We work hard to

1           make sure people have great outdoor experiences and  
2           ample opportunity to enjoy and appreciate fish and  
3           wildlife. We believe these experiences are  
4           critical to maintaining public support for fish and  
5           wildlife conservation in Florida and strong support  
6           for Florida's system of public state lands.

7                     FWC's approach to land management can be  
8           described in three general focal areas: Public use  
9           management, which focuses on providing high  
10          quality, safe outdoor experiences for the public.  
11          We maintain access roads, hiking trails, dove  
12          fields, campgrounds, boat ramps, and fishing docks.  
13          We establish seasons, bag limits, and quotas for  
14          hunting and fishing and other public uses. Then we  
15          monitor these activities using check stations,  
16          hunter and angler surveys, and FWC law enforcement  
17          support.

18                    We also manage fish and wildlife habitat. We  
19          focus on providing the best possible habitat for  
20          Florida's native wildlife. Habitat is maintained  
21          or improved using a variety of practices, including  
22          prescribed burning, various mechanical treatments  
23          like mowing and disking, wildlife food plantings,  
24          and invasive plant control. We work closely with  
25          the Florida Forest Service on tree thinning and

1           planting to ensure our forests are well managed for  
2           wildlife. Prescribed fire is our most common tool,  
3           and we average burning about 100,000 acres each  
4           year.

5                       Finally, fish and wildlife population  
6           management is also a focus where we manage the  
7           actual species of fish and wildlife and make sure  
8           they're responding positively to our management  
9           efforts and are healthy and robust. We monitor the  
10          status and needs of key species, and we prioritize  
11          management actions accordingly.

12                      Now I want to go into some slides that will  
13          cover some of the financials, costs, revenues, and  
14          funding relative to land management programs. This  
15          pie chart reflects uniform cost accounting  
16          categories that are established and used by each  
17          agency. All of us use this so we can have uniform  
18          reports and costs can be combined for all state  
19          agencies. You'll note the visitor services,  
20          resource management, and law enforcement  
21          categories. These capture most of our work  
22          associated with public use management, taking care  
23          of habitat, and taking care of wildlife  
24          populations.

25                      During the 2011-2012 fiscal year, our total

1 cost for management of the 1.4 million acres where  
2 we're the lead agency was about \$23.4 million, and  
3 it ranges between 16 to \$17 per acre.

4 FWC is unique in the level of cooperative  
5 funding we invest to help provide public hunting  
6 opportunities and wildlife management assistance on  
7 lands where other agencies are the lead manager.  
8 Our role in these lands range from oversight of  
9 hunting to more boots on the ground in wildlife and  
10 habitat management. During the 2011-12 fiscal  
11 year, our total cost for management assistance on  
12 the 4.4 million acres of cooperative lands was  
13 \$24.7 million or \$5.60 an acre.

14 Now let's talk about revenues. We continually  
15 seek creative ways to generate revenues and  
16 diversify revenue sources from the state lands that  
17 we manage. As we do this, we work to make sure  
18 revenue-generating activities are compatible with  
19 public use and fish and wildlife management  
20 objectives.

21 During fiscal year 2011-12, \$6.2 million were  
22 derived from a variety of activities. We have  
23 traditional sources such as timber harvesting,  
24 cattle grazing contracts, and hunting license and  
25 permit fees. Then we have concessionaire contracts



1           for camping, canoeing, and shooting ranges that  
2           generate some revenues. We also have apiary  
3           leases. Yes, we manage honeybees. We have farming  
4           contracts, and we have citrus grove contracts where  
5           we manage citrus throughout the life of a grove.

6           As you'll see, direct revenues generated from  
7           land are just one important component of our land  
8           management funding structure. We depend on a  
9           diverse array of funding sources, including federal  
10          funds from the Federal Aid in Wildlife Restoration  
11          program, which, by the way, is celebrating its 75th  
12          anniversary this year. These are funds paid by  
13          hunters and anglers through excise taxes on guns,  
14          ammunition, and other supplies, where they give  
15          back to conservation and land management. We also  
16          rely on direct user fees, such as wildlife  
17          management area permits and hunting licenses.

18          We get general revenue funding which covers a  
19          portion of the cost for FWC law enforcement  
20          support. And we also get doc stamp funding, which  
21          is important to cover the cost of habitat  
22          management, public access infrastructure, and  
23          contracted services. This diversity of funding  
24          sources helps us maintain sufficient funding levels  
25          to keep the WMAs open for public access.

1           In addition, we have built-in efficiencies and  
2           budgetary resilience by keeping staffing rates at  
3           low levels, using volunteer support and prison  
4           labor as much as possible, leveraging partnerships  
5           and in-kind support from other agencies, and  
6           leaning heavily on private sector contracting to  
7           accomplish many land management activities. This  
8           approach gives us the flexibility to adjust land  
9           management priorities and workloads relative to  
10          fluctuating funding levels.

11          We're also always looking for efficiencies,  
12          looking at things -- can we extend the timeline for  
13          repairing and replacing vehicles, can we extend  
14          timelines for maintaining roads and fences, can we  
15          delay some habitat restoration work till funding is  
16          in better shape, can we pursue grant funding to  
17          accomplish additional priorities.

18          Our operational model for wildlife management  
19          areas really focuses on three key areas. We have a  
20          core of FWC staff, full-time staff that has  
21          remained at a consistent level over the past eight  
22          years relative to the lands we're managing. This  
23          core staff includes professional level wildlife  
24          biologists and technicians with a unique skill set  
25          ranging from understanding wildlife population

1 dynamics to overseeing general maintenance  
2 projects.

3 What does that really mean on the ground? Our  
4 wildlife management area staff wear many hats. We  
5 often call them the Swiss army knives of the  
6 agency. During certain times of the year, a  
7 typical day for a wildlife management area  
8 biologist might be to conduct a bobwhite quail call  
9 count in the morning, go out and conduct a  
10 prescribed burn or plant a wildlife food plot  
11 during the day, and then at night survey whitetail  
12 deer using a spotlight count.

13 We also, again, rely heavily on contracted  
14 services. It's a major component of our model.  
15 Over the years, we have strategically identified  
16 land management activities that can be accomplished  
17 more efficiently through private sector contracts.  
18 Over the past seven years, we have expended an  
19 average of \$7.7 million per year on outsourced  
20 contracts for projects such as road repair and  
21 maintenance, boundary fencing, invasive plant  
22 treatments, and trail maintenance.

23 And then finally, we lean heavily on the  
24 expertise of our partner land managing agencies.  
25 For example, the Florida Forest Service provides

1 FWC with timber sale assistance and forest  
2 assessment information, supporting our highest  
3 revenue-generating program. We use lots of prison  
4 labor and volunteer support as much possible.  
5 During fiscal year '11-12, prison labor provided  
6 almost 16,000 hours of work on wildlife management  
7 areas. Also, in '11-12, volunteers provided 21,641  
8 hours of service valued at almost half a million  
9 dollars.

10 The broad landscapes of Florida's wildlife  
11 management area system provide the opportunity for  
12 people to escape busy lives and relax with friends  
13 and family in the outdoors. On WMAs, people can  
14 learn and practice outdoor skills and actively  
15 enjoy fish and wildlife resources, creating a  
16 lifetime of memories.

17 The WMA system is located primarily in rural  
18 areas of the state, and many are located in  
19 designated Rural Areas of Critical Concern.  
20 Because WMAs are an attraction for visitors and  
21 tourists from urban and suburban areas, rural  
22 communities become gateways where access to WMAs is  
23 an especially important economic asset for small  
24 businesses.

25 It also helps that Florida is a top

1 destination in the United States for wildlife  
2 viewing and also the fishing capital of the world,  
3 with truly world class fishing destinations. I  
4 can't stop bragging a little bit on that.

5 We also know that WMAs are --

6 GOVERNOR SCOTT: It's not bragging if it's  
7 true, though.

8 MR. WILEY: It is true.

9 We also know that WMAs provide some unique and  
10 exciting Florida hunting experiences. Florida is  
11 the only place in the world you can call in an  
12 Osceola wild turkey, and many Osceola gobblers are  
13 taken in wildlife management areas. From pine  
14 flatwoods to live oak hammocks to cypress swamps to  
15 Everglades tree islands, WMAs offer an unrivaled  
16 variety of settings to pursue whitetail deer and  
17 wild hogs. WMAs are often the best places to take  
18 young hunters to discover the fun of squirrel,  
19 rabbit, dove, and bobwhite quail hunting.

20 We believe wildlife management areas are  
21 essential to conserving fish and wildlife for  
22 future generations. Well-managed habitats on WMAs  
23 sustain rich and diverse fish and wildlife  
24 resources. This sets the table for visitors to  
25 have rewarding and memorable experiences fostering

1 a deep appreciation for public lands and enduring  
2 support for fish and wildlife conservation.

3 I want to thank you for giving us the  
4 opportunity today to showcase these programs.

5 And with that, my next task is to introduce my  
6 good friend and colleague, Jim Karels, director of  
7 the Florida Forest Service, and he's going to walk  
8 you through their programs. Thank you.

9 Jim?

10 GOVERNOR SCOTT: Thank you. Good morning.

11 MR. KARELS: Good morning, Governor and  
12 Cabinet. I would like to thank you for the  
13 opportunity to speak today and briefly talk to you  
14 about my personal favorite state land, state public  
15 lands, which is the Florida state forest system.

16 The Florida Forest Service -- the Florida  
17 Forest Service has managed state forests since  
18 1936. For 76 years we've managed state forests  
19 under the multiple use concept, and that concept is  
20 managing for multiple uses, including recreation,  
21 public access, wildlife enhancement, threatened and  
22 endangered species, forest resources, timber  
23 management, clean water and air, and healthy forest  
24 ecosystems.

25 Before I go into management of state lands, I

1           have to really talk about our mission, as well, as  
2           an agency, because they overlap our land management  
3           so much. The Florida Forest Service, one of its  
4           primary missions along with state land management  
5           is wildfire suppression and prevention and  
6           mitigation throughout the state of Florida,  
7           26 million acres of jurisdictional responsibility  
8           in Florida. Five million of those acres are state  
9           public lands that we're talking about today, in  
10          addition to water management district land.

11                 In addition, we also provide oversight,  
12           administration, and training for our prescribed  
13           fire program across the state that is intimately  
14           involved in our state land management of all three  
15           agencies. We have about 600 firefighters, both  
16           firefighters and supervisors that do this fire  
17           suppression work across the state.

18                 And the key to that is that when they're not  
19           fighting fire, when they're not doing fire  
20           prevention, fire mitigation, emergency response,  
21           they're on our state forest land helping us to  
22           manage those lands. They're doing prescribed  
23           burning, road maintenance, bridge repair,  
24           campground hosts, you name it. They're  
25           firefighters while fighting fire; they're land

1 management personnel while they're not.

2 And our land management personnel provide  
3 really our primary backbone for fire support when  
4 we go into escalated times of fire. And that's why  
5 I say that we're multifunctional and our people  
6 move across the board from land management to fire.

7 This pie chart shows our expenditures on state  
8 lands, on the state forest system in Florida,  
9 17 million acres -- I mean \$17 million on about 1.5  
10 -- 1,058,000 acres. That \$17 million is our total  
11 pot for land management in Florida, and it's really  
12 the primary -- the three primary areas where we  
13 spend that money is resource management, visitor  
14 services, and support.

15 And those three areas really involve the over  
16 2 million recreational people, over 2 million  
17 visitors we have to our forests, maintaining the  
18 roads, the campgrounds, the trails that we have for  
19 those visitors, including prescribed fire,  
20 including timber management, threatened and  
21 endangered species, exotic species control, and  
22 many other functions that deal with management of  
23 that million acres of the state forest system.

24 This bar graph I wanted to show you really  
25 shows where the expenditures and where the revenue



1           went over the last four years, or how they're  
2           going. Expenditures -- and this goes back to  
3           '08-09. It's actually been dropping longer than  
4           that, but expenditures dropped from about  
5           23 million to \$17 million on the state forest  
6           system in Florida.

7           And the revenue actually has increased. You  
8           see a little dip in that revenue if you look at  
9           that chart about '08, '09. And during the worst of  
10          the economy, we really took an impact on our timber  
11          resources at that time. We stepped back and said,  
12          "How are we going to look at and increase the  
13          revenue in the state?" And we looked at -- we're  
14          really looking at a lot of different resources, a  
15          lot of different nontraditional revenue resources  
16          to continually increase our revenue across our  
17          state forest lands.

18          As I said, 35 state forests from Pensacola to  
19          the Everglades, 1,058,000 acres. A couple of key  
20          things I'll address on this slide. 12,000 acres of  
21          invasive exotic species control across our state  
22          forests, and that number continually increases.  
23          It's a fight to push back the cogongrass, the Old  
24          World climbing fern, the Chinese tallow, all of the  
25          exotics of this state that continually increase.

1           And that battle is a nonstop, constant battle for  
2           all the agencies trying to push the exotic species,  
3           invasive species back across the public lands. Our  
4           total cost per acre, \$16.02 on average across all  
5           our state forests in 2010-11.

6           And probably the more important numbers are  
7           the net cost per acre. Our net cost per acre,  
8           which is the expense minus the revenue, is \$9.78 an  
9           acre on all of our land across the state.

10           I talked about nontraditional forest resources  
11           and how we look at generating revenue and how we  
12           deal with being able to provide the services to the  
13           public. And timber, forest resources, grazing,  
14           those are the services -- those all have been our  
15           traditional revenue. And what we've done in the  
16           last three or four years is, we've been looking at  
17           what are those nontraditional revenues, palm  
18           fronds, citrus, pine straw, Christmas trees, to  
19           name a few, even worm grunting as a revenue source.  
20           So we look at a lot of different ways of generating  
21           revenue on the land while preserving and increasing  
22           the environment integrity of the land. \$6,200,000  
23           in timber revenue and forest products in the last  
24           year, a million in recreational revenue.

25           We reforested over 2,000 acres in 2010-11.

1           Our goal for this year was 4,000 acres. Over 10  
2           years, we've reforested over 61,000 acres across  
3           our state forest system, mostly longleaf pine,  
4           which is one of the rarest ecosystems left in the  
5           Southeast, trying to bring back that natural,  
6           native system back into Florida. And we support  
7           both FWC and DEP very strongly with their  
8           reforestation programs as well.

9           Our forest resources in the past 10 years,  
10          \$64 million in timber revenue. Last year in 2010  
11          and '11, our economic impact in just forest  
12          products alone across the state of Florida was  
13          \$412 million and over 2,000 jobs in Florida. And  
14          that's based on economy -- a \$14.7 billion forest  
15          industry economy in Florida that creates about  
16          90,000 jobs. If you include the timber resources  
17          that we help to manage, sell, and administer for  
18          both FWC and DEP, that number increases  
19          significantly. So it's a very good economic  
20          driver, the forest resources of the state, as well.

21          I'll talk a little bit about our state  
22          management, state forest management activities and  
23          how we do it. I'll mention two things. We have  
24          about 230 state forest employees across the state.  
25          We have about 600 firefighters, and when they're

1 not working fire, they're working our state forest  
2 management.

3 We also have a tremendous volunteer program,  
4 528 volunteers, over 65,000 hours, and a very large  
5 inmate labor program in our state forest system,  
6 150,000 hours of inmate labor across the state in  
7 2010 and '11.

8 We always say our state forests are open to  
9 everyone, and that's one of our mottos, is having  
10 the public be able to access our lands, 1,500 miles  
11 of hiking, equestrian, OHV, and canoeing trails  
12 across our state forests. We have two OHV areas,  
13 and we're in the process of opening a third one in  
14 northwest Florida.

15 We've got 7-1/2 thousand miles of state roads,  
16 and that's the largest road amount of all three  
17 agencies, and it's because our state forests so  
18 many times are upland areas with people living in  
19 the middle of them, and those roads all have to be  
20 maintained. We have to get buses down them, and we  
21 have to get emergency vehicles down them. We have  
22 to maintain those roads and public access.

23 Over 1 million acres open to public hunting.  
24 Nick mentioned it. Very strong cooperative effort  
25 with FWC on our lands. Ninety-six percent of the

1 state forest system is open to public hunting.

2 Prescribed fire, as Nick mentioned, is one of  
3 the most important tools we can have. I preach  
4 that often and always. And it helps us from the  
5 wildlife standpoint, from the forest ecosystem and  
6 the forest health, and it reduces fuels. We use  
7 our public lands in many cases in our fire  
8 suppression efforts to help us stop fire or help us  
9 hold them off those critical private land resources  
10 that we don't want to lose.

11 And part of that is because our public lands  
12 tend to be burned very well in many cases. It  
13 gives us in the fire suppression effort a much  
14 better chance of holding those fires. 120,000  
15 acres in 2010-11 that we burned. In 2009 we burned  
16 215,000 acres on state forest land. That was the  
17 most land burned by any agency in one state  
18 anywhere in the nation ever, so it was a pretty  
19 impressive amount. And our goal this year is to  
20 try to exceed that 215,000 acres of prescribed  
21 burning.

22 Florida state forest land is home to over 200  
23 species of threatened and endangered species. We  
24 work very closely with FWC in the management of  
25 these species and to protect, to enhance, and to

1 preserve the threatened and endangered species on  
2 our state forest lands.

3 One of the examples -- I'll use one very  
4 briefly. Our red-cockaded woodpecker population in  
5 northwest Florida on Blackwater 20 years ago, there  
6 were only 18 colonies. Today there's over 100  
7 colonies. That is a healthy population. And at  
8 the same time, we've continued to provide access  
9 for hunting, for recreation. The public is  
10 accessing that land, using it for our forest  
11 resources. We're making money off that land.  
12 We're cutting the timber, we're growing the trees,  
13 and we're growing the threatened and endangered  
14 species. And we can do all three when we manage it  
15 right. We can have our endangered species, we can  
16 have our public access, and we can make revenue off  
17 the land.

18 And our last and our newest program on our  
19 state forest system is our Operation Outdoor  
20 Freedom program, which is near and dear to the  
21 heart of our Commissioner and strongly supported by  
22 his office. Our Operation Outdoor Freedom program  
23 is where we provide our wounded veterans with  
24 special opportunities to heal, to bond, to come  
25 together, and to have opportunities and experiences

1 on some of the greatest outdoor land Florida has to  
2 offer.

3 This year alone on state forests we're going  
4 to have 16 different events, weekend and week-long  
5 events that we have with our wounded veterans  
6 giving them something back for what they've given  
7 us over the course of their time with the military  
8 service. And in the last two and a half years, 52  
9 of these events, and we've provided something for  
10 314 of these wounded veterans. A great program,  
11 something that is supported so strongly by our  
12 local resources that most everything we do with it  
13 is donated by the public, and we're providing  
14 something for our wounded vets that is a healing  
15 process for them that really brings them back.

16 And with that, I would like to thank you for  
17 the opportunity, and I would like to introduce my  
18 friend and colleague, Donald Forgione, who is the  
19 director of the Florida Park Service. Donald?

20 MR. FORGIONE: Thank you.

21 GOVERNOR SCOTT: Hey, Donald.

22 MR. FORGIONE: Thank you. Good morning,  
23 everyone, Governor and Cabinet members.

24 The Division of Recreation and Parks, known to  
25 our visitors as the Florida Park Service, has the

1 mission to provide resource-based recreation while  
2 preserving, interpreting, and restoring natural and  
3 cultural resources. From our mission statement,  
4 you can see we have two core responsibilities:  
5 First, maintaining and interpreting natural and  
6 cultural resources, and just as important,  
7 providing resource-based recreation on the same  
8 national and cultural resources we are preserving  
9 without depleting them, creating a delicate  
10 balance.

11 Our resource management goal is to restore and  
12 maintain the original landscape of the nearly  
13 800,000 acres we manage. This ensures that park  
14 visitors have the opportunity to experience the  
15 real Florida, including over 200 state-listed  
16 threatened and endangered species.

17 We manage more than 2,500 historic sites,  
18 including eight national landmarks. This includes  
19 historic buildings, archaeological sites, and much  
20 more. But we do not only manage the physical  
21 structure, but interpret the day-to-day lives of  
22 these sites and literally bring them alive for our  
23 visitors. For example, the photo on your left is  
24 of Fort Foster, a Second Seminole War fort in  
25 Hillsborough River State Park. Governor Scott is



1            pictured here on his eleventh "Let's Get to Work  
2            Day." One day --

3            GOVERNOR SCOTT: And you cannot hear after  
4            they shoot the canon, by the way. They don't give  
5            you enough earplugs.

6            MR. FORGIONE: You did a great job.

7            One day this summer he worked as a park  
8            ranger, and one of this jobs was interpreting the  
9            firing of the canon to a enthusiastic crowd who  
10           were eager to learn about Florida's amazing  
11           history.

12           ATTORNEY GENERAL BONDI: And how did he do?

13           MR. FORGIONE: He did awesome.

14           GOVERNOR SCOTT: I didn't hit anybody, and it  
15           didn't explode.

16           MR. FORGIONE: It was terrific. Everybody  
17           loved him. It is loud, isn't it?

18           GOVERNOR SCOTT: Yes, it's loud.

19           MR. FORGIONE: It's remarkably loud.

20           Every Floridian is within about an hour's  
21           drive to the nearest state park. The Florida Park  
22           Service manages 171 properties. In fact, we manage  
23           over 1,500 miles of trails. We manage nearly  
24           100 miles of beach. Recently two state parks, Cape  
25           Florida and St. George Island, were named in

1 American's Finest Beaches.

2 We have 3,616 campsites and 235 cabins. We  
3 have 84 swimming areas, 27 restaurants and snack  
4 bars, and it goes on and on and on, including the  
5 maintenance of well over 2 million square feet of  
6 buildings. State parks offer dozens of  
7 resource-based recreational activities, including  
8 paddling, camping, picnicking, hiking, fishing,  
9 biking, you name it.

10 One of Secretary Vinyard's priorities is to  
11 increase access to all state parks, and we are  
12 meeting this challenge by increasing attendance  
13 3.4 percent this past year. We served nearly  
14 25 million visitors last year. So far this fiscal  
15 year, the attendance is up by 235,000, and revenue  
16 is up by \$650,000 over the first quarter of the  
17 previous year. Last month was -- September was the  
18 highest ever September in all of our 76-year  
19 history with 1.4 million visitors just in one  
20 month.

21 State parks generate an estimated \$1.1 billion  
22 in local economic impact. Over 23,000 private  
23 sector jobs were supported and generated an  
24 estimated \$75 million in sales tax.

25 The Division of Recreation and Parks spends

1           about \$100 per acre per year, or about \$3 per  
2           visitor. Most of these costs are for managing  
3           people on the land, not actual land management.  
4           Secretary Vinyard has asked me to develop a plan to  
5           streamline our administrative process by December  
6           31st. This efficiency will help us protect more  
7           natural and cultural resources and increase visitor  
8           service.

9           The operating budget of the Division of  
10          Recreation and Parks last year was just over  
11          \$80 million. State parks generated more than  
12          \$52 million in revenue, making the Florida Park  
13          Service nearly 64 percent self-sufficient in park  
14          operations. The Florida State Parks' two largest  
15          revenue sources are entrance fees totaling more  
16          than \$21 million a year and overnight  
17          accommodations totaling over \$19 million a year.

18          We are studying the benefits of a market-based  
19          fee schedule that looks at market trends,  
20          seasonality, attendance, and resource protection in  
21          order to have the right balance to meet the needs  
22          of our visitors.

23          And another revenue source is our concession  
24          program. Concession operations grossed over  
25          \$30 million last year. The concession program

1 established about 50 years ago is a public-private  
2 partnership that was created to provide goods and  
3 services to enhance the park visitors' experience.  
4 For the most part, these are private businesses  
5 doing business within state parks. The Division  
6 currently manages more than 100 agreements  
7 statewide. The concession program also plays a  
8 vital role in helping to create jobs for the  
9 private sector. Currently our concessionaires  
10 employ over 800 workers throughout the year.

11 How do we operate an award-winning state park  
12 system at such a high level with overcoming some  
13 financial obstacles? By partnering and leveraging  
14 those partnerships. The Florida Park Service  
15 partners with federal, state, and local government  
16 agencies and nonprofit organizations in areas like  
17 training and in park operations. We work  
18 seamlessly with FWC and the Florida Forest Service,  
19 and I am proud of the relationship and all that we  
20 have accomplished.

21 We are increasing the opportunity for more  
22 concession operations and providing more services  
23 and amenities that are appropriate. We work with  
24 Visit Florida, the Florida Association of  
25 Destination Marketing, Florida Attractions

1 Association, and others, adding value-added benefit  
2 to our state's portfolio of attractions. We partner  
3 with 84 nonprofit organizations, also known as  
4 citizen support organizations or friends groups,  
5 and manage more than 27,000 volunteers who  
6 contribute nearly 1.4 million hours of service per  
7 year. These volunteers are made up of retirees,  
8 working professionals, families, and corporate  
9 civic groups.

10 You know, the large number of our volunteer  
11 program is just a part of the success. And, yes,  
12 while that number is impressive, the quality of our  
13 volunteers is quite remarkable. An example is Gail  
14 and Bob Mitchell from Homosassa Springs Wildlife  
15 Park in Citrus County. And they are here in the  
16 audience today, and if you don't mind, let me  
17 introduce them at this time.

18 Gail and Bob, could you stand, please?

19 (Applause.)

20 MR. FORGIONE: Gail has a master's in Asian  
21 studies and is a retired high school teacher,  
22 having taught honors and advanced placement  
23 English. She now volunteers 40 hours a week, 40  
24 hours a week, providing administrative services to  
25 the park. After Bob retired from the United States

1 Army after 23 years of service, he went to work for  
2 Avery Label for 18 years. He now volunteers 40,  
3 count them, 40 hours a week as a boat captain  
4 providing environmental education tours to visitors  
5 within the park. They have rarely missed a day of  
6 work in the nine years of volunteering. Together  
7 they have donated more than 43,000 hours of service  
8 to the park.

9 Thank you very much, Gail and Bob.

10 (Applause.)

11 MS. MITCHELL: That's because of Donald.

12 GOVERNOR SCOTT: He does a good job, doesn't  
13 he?

14 MS. MITCHELL: He's my hero.

15 MR. FORGIONE: Okay, easy, easy.

16 Okay. Here we go.

17 Governor and Cabinet members, we work with all  
18 kinds of youth groups, from church groups to scout  
19 groups. One special group that we work with is the  
20 High Teen Adventure Camp, a program of the United  
21 States Air Force. This program serves the teen  
22 population of active duty military families. The  
23 Florida Park Service supports our servicemen and  
24 women by helping to empower military children and  
25 their families to develop and maintain healthy and

1 connected relationships in spite of their families'  
2 current military involvement.

3 For nine summers, we have hosted this fine  
4 group of young, strong girls and boys. We  
5 challenge them with service projects in the natural  
6 environment of our state parks. This program is  
7 life-changing, but to be quite honest, I'm not sure  
8 who changes the most, the children or the park  
9 rangers.

10 When visitors enjoy a day at Florida state  
11 parks, they come alive, using all of their senses.  
12 They see their grandchildren playing. They hear  
13 birds. They feel the sand between their toes.  
14 They taste new foods at a festival, and they touch  
15 a part of their history. Visitors benefit so much  
16 from Florida state parks, physically, mentally,  
17 spiritually, helping to build better citizens, to  
18 create better communities. This enhances quality  
19 of life and helps keep business in Florida and is a  
20 value to businesses looking to relocate. The  
21 Florida Park Service has met or exceeded visitors'  
22 expectations for 76 years, and with your continued  
23 support, we will for generations to come.

24 Thank you very much for the opportunity to  
25 speak with you today, and I encourage each of you

1 to get out there and get a little park on you.

2 Thank you.

3 GOVERNOR SCOTT: Thanks, Donald.

4 (Applause.)

5 MR. DOUGHERTY: I would like to leave you with  
6 these lasting thoughts.

7 This chart shows the direct economic impact  
8 that has been made by the preserves, forests,  
9 wildlife management areas, and other lands managed  
10 by state agencies. 29.8 million visitors, over  
11 \$2 billion in direct economic impact, an estimated  
12 28,000 jobs directly related to these managed  
13 lands.

14 Thank you for the opportunity to showcase the  
15 management of our state lands. Each one of these  
16 managers is passionate about their lands, which is  
17 evident when you step foot into a state park, state  
18 forest, or wildlife management area.

19 I want to thank Nick, Jim, and Donald for  
20 their presentation today as well as their efforts  
21 in protecting our state lands for the benefit of  
22 future generations.

23 I would like to introduce Executive Director  
24 Eric Draper of Florida Audubon, who has a couple of  
25 comments on our presentation. Thank you.



1 GOVERNOR SCOTT: Thank you very much.

2 Good morning. How are you doing?

3 MR. DRAPER: Good morning. Eric Draper with  
4 Audubon Florida. I certainly appreciate the  
5 opportunity to follow up this presentation, which  
6 mostly will be complimentary remarks.

7 I'm really impressed by what the State's land  
8 managers do. I'm standing here today on behalf of  
9 the Florida Forever Coalition, which is the Florida  
10 conservation groups that advocate for public land  
11 management and public land acquisition. This is  
12 some of what they're doing.

13 I can tell you this as a landowner myself.  
14 Our organization owns in fee or less than fee and  
15 manages 50,000 acres of land. We employ 20 people  
16 at our Corkscrew Swamp Sanctuary with a budget of  
17 over \$1 1/2 million, so we're facing the exact same  
18 problems they're facing, and it's good to hear the  
19 details.

20 I want to make sure that in addition to  
21 everything else that was discussed today that we  
22 recognize the ecosystem services that these public  
23 lands also provide. It's not just a question of  
24 making sure that we've got the economic activity  
25 out there. It's also the water that's penetrating

1 through the soils. Of course, it's the wildlife  
2 that they talked about. And those are invaluable  
3 tools.

4 So we really are grateful for the fact that  
5 the Trustees have taken the time to take a real  
6 interest in the lands that you manage on behalf of  
7 the people of the state of Florida and listen to  
8 these fine agency leaders to see how they are  
9 stretching their resources to do the best job they  
10 can and to figure out how to bring in additional  
11 income, and we support that idea of additional  
12 revenue.

13 I'm just going to close by telling my own  
14 story from -- and you'll appreciate this, Don --  
15 Bald Point State Park, a great park, by the way. I  
16 was down there recently to do a little bird  
17 watching, and I saw a family, a family of fairly  
18 modest means there. And a boy, a teenage boy was  
19 walking in the water looking at something, and all  
20 of a sudden I heard him yell, "Dad, Dad, a  
21 horseshoe crab, a horseshoe crab." And the father  
22 ran over there to take a look at what he was doing,  
23 and I could see in that moment, that family bonded  
24 in a way that they had not been together in the 30  
25 minutes that I had been watching.

1           And the boy continued to look at that crab,  
2           and I thought that may be a budding naturalist,  
3           maybe a budding park volunteer, maybe a budding  
4           state leader. And I think that's what our parks  
5           really contribute.

6           And, Governor, you've heard me say before how  
7           much I appreciate your leadership in setting a goal  
8           for increased attendance at state parks. I think  
9           that's what we actually need to do, is get more  
10          people out on our public lands to use them, because  
11          we know that people actually are spending their  
12          money that way.

13          And we're not just attracting people here in  
14          the state of Florida. We're attracting people from  
15          around the world. That's our market there in  
16          Corkscrew Swamp Sanctuary. We charge a couple of  
17          dollars a head to get in and do pretty well with  
18          it. But we're attracting people from around the  
19          world, because you can see things in Florida that  
20          you just can't see any other place, the wildlife  
21          habitat and the plants and animals. And so the  
22          land management agencies must do more.

23          Thank you.

24          GOVERNOR SCOTT: Thank you very much, Eric.  
25          Thank each of you very much. Thanks for what

1           you're doing. Anybody who travels our state knows  
2           that people love our land. We've won two gold  
3           medals for our parks, and we're going to win again;  
4           right?

5                     MR. FORGIONE: That's correct.

6                     GOVERNOR SCOTT: But all three of you are  
7           doing a great job, so thank you very much. Thanks  
8           a lot. And thank you, Commissioner Putnam.

9                     All right. Now I would like to recognize  
10          Executive Director Julie Jones of the Department of  
11          Highway Safety and Motor Vehicles. Good morning,  
12          Julie. And thanks for what you're doing as far as  
13          hiring the National Guard. You're doing a great  
14          job.

15                    COMMISSIONER PUTNAM: Governor, could I just  
16          pursue that briefly? Not the National Guard part,  
17          but the state lands part.

18                    Al, we're not quite done yet.

19                    I just want to thank you for the presentation.  
20          It's very helpful and I think important for all of  
21          us on the Cabinet to have a better understanding of  
22          what our portfolio of assets are that we're  
23          responsible for managing on the State's behalf.  
24          And clearly, each of these land management agencies  
25          are doing an exceptional job with what they have,

1 and there's clearly a strong sense of cooperation.

2 There's also a big range in terms of cost per  
3 acre, you know, a lot of that dictated by the  
4 mission of the agency. What the parks are asked to  
5 do is very different from what the Forest Service  
6 is asked to do, and I recognize those distinctions.  
7 But from a management perspective, it seems to me  
8 that there are a couple of things that would lend  
9 themselves to finding greater synergy and even  
10 efficiency that would allow our land management  
11 dollars to go further.

12 One thing that strikes me is, I would love for  
13 us to see a common marketing portal online for all  
14 public lands. I think Parks probably just does an  
15 exceptional job, FWC is extraordinary, but  
16 everybody is kind of doing their own thing. And if  
17 you're coming to Florida, you don't know to search  
18 for state parks versus state forests versus FWC  
19 versus Water Management. There ought to be a  
20 common site that anybody looking to recreate would  
21 be able to find all public lands, including Water  
22 Management lands. Obviously, we didn't hear from  
23 Water Management today, but that's another million  
24 and a half acres of land in the state, five  
25 different entities doing their own thing.

1           The second piece, it seems to me that on the  
2           fire side, everybody kind of maintains and trains  
3           their own prescribed fire guys. And it would seem  
4           to me that there's an opportunity there to have  
5           some type of greater cooperative effort or  
6           efficiency by finding a different way to do that  
7           than everyone maintaining their own fire  
8           department, essentially.

9           And then the third piece -- and this one is  
10          kind of out there, but in doing a lot of driving  
11          through the Green Swamp, it's an example of  
12          multiple state landowners right next to each other.  
13          So in the distance between Lakeland and Wildwood,  
14          you have Colt Creek State Park on one side of the  
15          road and SWFWMD on the other side of the road. A  
16          little bit further you have Richloam and the  
17          management area and the hatchery, and then you're  
18          into the Withlacoochee State Forest. So you've got  
19          Forestry, DEP, Water Management, and FWC  
20          maintaining the same ecosystem adjacent to one  
21          another.

22          Now, if you want to hunt, you take a right  
23          turn. If you want to go to the state park, then  
24          you take a left turn. If you wanted to go through  
25          the state forest -- I mean, it's crazy. And one of

1           them I think you could reasonably say over decades  
2           has been intensively harvested because of hunting  
3           pressures, and the other area is not open to  
4           hunters.

5                     And it seems to me that it's an example of an  
6           opportunity for a pilot project of managing a  
7           sector plan, if you will, for the resource that  
8           would continue to allow all of the multiple uses,  
9           but recognize that that patchwork that has been put  
10          together over the last number of decades really  
11          reflects a bureaucratic structure and not an  
12          ecosystem management approach and not a public  
13          approachability type of concept.

14                    And I think of examples like Tate's Hell,  
15          where you have a similar situation of multiple  
16          state agencies. I think of Tiger Bay in Flagler  
17          County, where you have -- again, the same taxpayers  
18          pay for the same land, but it's being -- and it's  
19          all co-located and adjacent to one another. It  
20          seems that somewhere in there there's an  
21          opportunity to have a sector plan for resource  
22          management that would be more customer friendly,  
23          and probably almost certainly better for the  
24          resources as well.

25                    So I just think that we do an extraordinary

1           job. We've got unbelievable diversity in the state  
2           for people to come and see in the dead of winter an  
3           abundance of migratory birds, the only place in the  
4           world to get a Osceola turkey, the only place to  
5           get some of the wonderful fishing opportunities we  
6           have and the type of interactions.

7           And I just think it's important that we  
8           continue to look for ways to build that  
9           cross-agency cooperation, not with who the Trustees  
10          or ARC decided to dole it out to at the time of  
11          purchase. And we know that at the peak of the  
12          acquisitions when doc stamps were rolling in, it  
13          was often the luck of the draw which agency became  
14          the lead manager of that. It wasn't always well  
15          thought out as much as it was just, so-and-so is  
16          overwhelmed because they got the last three, so  
17          we're going to give this one to somebody, to a  
18          different agency.

19          And so instead of letting the bureaucracy  
20          drive the management decisions, I think we ought to  
21          let the resource drive the management decisions and  
22          look for ways to save, because in that example I  
23          gave, everybody's got maintenance barns and tools  
24          and mechanics to maintain the same equipment. It's  
25          just got a different sticker on the door.



1           So I think that we all share a passion for  
2           expanding public access to these lands, making sure  
3           that the taxpayers who paid for it can enjoy them  
4           and appreciate them for multiple uses.

5           I know that across these agencies, we all have  
6           a passion for doing more to get kids on these  
7           lands. I think we ought to aggressively pursue  
8           school districts, make it easy for teachers and  
9           schools districts to want to get there, align  
10          lesson plans on state lands with a standard so that  
11          they can have additional incentives that they feel  
12          like it's worth their while to be there, because  
13          it's the future generation of conservationists;  
14          it's the future hunters; it's the future Audubon  
15          members; it's the future volunteers. You know,  
16          that last job in the woods concept, we can't let  
17          that happen in Florida.

18          But there are ways that I think we can do a  
19          better job on outreach and public accessibility on  
20          the front end to be more welcoming of these folks.  
21          And I think there are things that we can do on the  
22          back end in terms of managing personnel and  
23          missions more efficiently that will stretch those  
24          limited land management dollars further and allow  
25          us to continue to provide a premier outdoor

1 opportunity for Florida residents and visitors  
2 alike.

3 GOVERNOR SCOTT: All right. Anybody else?

4 CFO ATWATER: I would like to add to that. I  
5 think that maybe that 45 minutes of thinking about  
6 3 million acres that we're managing, 5 million in  
7 total, it sounded as if supporting all kinds of  
8 resources and management and firefighting across  
9 agencies, \$2 billion in economic impact, that's a  
10 lot in 45 minutes. That's almost a teaser.

11 What's the -- as a Trustee here, I'm really  
12 wanting to ask if we could consider -- maybe we  
13 could present that to you for a future agenda item.  
14 What about this process as -- to the decisions that  
15 were made as to -- maybe there are those lands that  
16 from -- should be converted from one of our  
17 agencies to the other. Maybe there are nearby  
18 lands that would be far more valuable for us to be  
19 preserving than the ones that we have.

20 It's that entire process by which we could  
21 think about -- I would be curious if one day we  
22 could put up a map that showed the state and then  
23 overlay State Parks in a color, overlay FWC in a  
24 color, overlay Forestry in a color, overlay Water  
25 Managements in a different color, overlay city

1 parks, county parks, federal parks, just overlay  
2 that map and see how does the process work, and  
3 with the finite resources, are there changes to the  
4 process that we should be making as to how we could  
5 go about adding greater value and deploying  
6 resources in the best possible way.

7 So I thought it was an extraordinary  
8 presentation today. I think it -- I would hope  
9 that it teases us enough to suggest that follow-up  
10 conversation goes far further, how do we look at  
11 this overall process, how can we take advantage of  
12 this talent that we have working on our behalf, the  
13 resources that are there, the extraordinary assets  
14 of the land and ecosystem and wildlife and see if  
15 we can't add some value to the process.

16 ATTORNEY GENERAL BONDI: The Governor has a  
17 button under his desk.

18 CFO ATWATER: Well, thank you for the warning.

19 GOVERNOR SCOTT: I think that's a good idea.  
20 I think what we'll do is, we'll come back with an  
21 agenda to talk about the state, local, federal,  
22 these three agencies and the Water Management  
23 Districts, and do all that.

24 COMMISSIONER PUTNAM: Because they're another  
25 million and a half, and they really -- for a couple

1 of decades, we were on a very focused acquisition  
2 mission. We need to take care of what we bought,  
3 and I think that there are some additional ways  
4 that we can be better stewards of state lands.

5 ATTORNEY GENERAL BONDI: And, Governor, most  
6 of us, to Commissioner Putnam's point, have been  
7 out to see a lot of these conservation lands. And  
8 I think it's a great idea, Commissioner Putnam, to  
9 put it on a link on a website that we can all link  
10 it to ours, because it's amazing what's in our  
11 state that I had never seen before I took office.

12 MR. DOUGHERTY: Well, thank you. Those are  
13 very exciting comments. It was an incredible  
14 pleasure working with the land managers putting  
15 this together. I know it was a great experience  
16 for me, and the dialogue was great and creative. I  
17 think we talked about some challenges, but we also  
18 looked at opportunities into the future, and I  
19 think these comments dovetail beautifully into  
20 that. Thank you for the challenge, and we'll put  
21 an outline together addressing your questions, and  
22 we'll work towards another presentation at a future  
23 Cabinet meeting.

24 GOVERNOR SCOTT: Thank you very much.

25 MR. DOUGHERTY: Thank you all. Thank you.

1                   GOVERNOR SCOTT: All right. Julie Jones,  
2                   you're back.

3                   MS. JONES: Thank you. We have been working  
4                   with the National Guard folks for about six months  
5                   now, not only on the trooper positions, but they  
6                   have quite a number of communications folks that  
7                   are coming back that would make good dispatchers,  
8                   so there's some nonsworn positions.

9                   And prior to Tropical Storm Isaac, Colonel  
10                  Sutphin and I were meeting on how to smooth out the  
11                  transition for commercial truck drivers that are  
12                  coming. They get these truck driving, heavy  
13                  equipment criteria when they're in the military.  
14                  How do you transition those folks back and get them  
15                  a commercial driver license? The Florida Trucking  
16                  Association is looking for new members to do those  
17                  kind of scales.

18                  So there's any number of things that we're  
19                  trying to push out, initiatives to get that  
20                  unemployment number lower for our returning troops.

21                  GOVERNOR SCOTT: Thanks for what you're doing.

22                  MS. JONES: So, good morning, Governor and  
23                  Cabinet members. I have three agenda items for you  
24                  this morning.

25                  We respectfully request approval for the

1 Department's first quarter performance report for  
2 fiscal year 2012-2013.

3 We had several campaigns this quarter that  
4 addressed consumer protection and public safety.  
5 In September you passed a resolution designating  
6 October 1 through 7 as Register Your Emergency  
7 Contact Information Week. This resulted in 32,654  
8 new registrants. That's -- we now have more than  
9 6 1/2 million people that have their emergency  
10 contact information with us. So just to refresh  
11 your memory, if there's an accident and we have  
12 someone that's unconscious, we can look that person  
13 up in our system and get immediate information,  
14 contact family members, get someone to the hospital  
15 to help them. And if there's anyone who's  
16 listening that you've not registered, please go to  
17 our website, *www.flhsmv.gov*, and please sign up.

18 This quarter we put an emphasis on staged  
19 automobile crashes. We trained all of our troopers  
20 on how to identify a staged crash and then shared  
21 the training curriculum with the sheriffs  
22 association and the police chiefs association.

23 CFO, we've also partnered with your Division  
24 of Insurance Fraud on some very high incident areas  
25 around the state. We have targeted two counties in

1 particular to put our heads together to get not  
2 only the staged crash information, but the  
3 subsequent insurance fraud on the back side. So  
4 we're working very closely with your folks on a  
5 little bit of a task force, and that will be in the  
6 Metro Dade area and the Tampa area.

7 We've highlighted our Drowsy Driving  
8 Prevention Week, and we also held an awareness  
9 campaign in Miami about the dangers of distracted  
10 driving.

11 We continue our aggressive recruitment and  
12 training of troopers. We've placed extra emphasis,  
13 obviously, on the military and guard. Last month  
14 we graduated 56 new state troopers. Six of those  
15 men and women were veterans. We have a recruitment  
16 class coming up in December. We have another one  
17 in April and two more in August. So I'll be  
18 working with the colonel to see how many more  
19 people we can get from their ranks back into that,  
20 in as Highway Patrol troopers. We're being very  
21 aggressive with some of these positions because the  
22 Legislature continues to fund them, and we need to  
23 get as many troopers as we can out on the road.

24 I'm happy to report that we successfully  
25 completed the migration of our data center to the

1 Northwood Shared Resource Center. That was a  
2 little scary for us. That was a huge effort with  
3 many, many, many hours of preparation and planning,  
4 and it affected all of our major systems. Most  
5 importantly, it was done efficiently and  
6 effectively with little or no disruption to our  
7 services to our customers and our stakeholders.

8 GOVERNOR SCOTT: Good job.

9 MS. JONES: Under our revenue heading in our  
10 report, we had a solid first quarter, collecting  
11 and distributing more than \$585 million. The  
12 majority of these moneys come from vehicle title  
13 and registration fees.

14 Looking at our performance dashboard, overall  
15 we had a very good first quarter. When you  
16 approved my performance contract this summer, it  
17 included updates to many of our measures. Our  
18 dashboard focuses on performance indicators that  
19 are linked to our strategic plan. All our primary  
20 measures remain in the green.

21 We only have one specific performance measure  
22 that's in red. Number 8 reflects the numbers of  
23 hours that we spend on safety education, and we  
24 missed our standard for this quarter due to  
25 vacancies in key positions in the Patrol. But



1           also, this is an annual measure that typically lags  
2           for the first quarter, because our primary  
3           constituents for this are students, and we target  
4           our education efforts on schools, and they're on  
5           summer vacation. So I expect this will be green  
6           next quarter as we get our troopers into schools  
7           and start our safety messaging.

8           I would also like to direct your attention to  
9           performance measurement number 20. I have often  
10          talked about customer service wait times in our  
11          driver's license offices. Now, this measure is  
12          still in yellow, but for our driver's license  
13          offices in Miami-Dade, Broward, and Volusia, which  
14          we operate, more than 83 percent of our customers  
15          now we serve in less than 30 minutes. As a  
16          reminder, this goal is 95 percent. So we've made  
17          recent procedural and organizational changes, and  
18          we're committed to getting to that 95. We actually  
19          had a couple of days last month where we exceeded  
20          95. So we're continuing to march forward on that  
21          particular measure.

22          Our goal for measure 22 is to reduce wait  
23          times for customers calling by 5 percent from the  
24          previous year's performance. And this is one we  
25          changed. Instead of putting a number out there, we

1 changed it to push for constant improvement and  
2 then improvement on top of improvement. Last year  
3 we lowered these wait times 32 percent, so now  
4 we're going for 5 percent more on top of that  
5 32 percent. It's ambitious, and it's improving on  
6 significant gains last year, but we're going to  
7 continue to strive for continuous improvements.

8 Unfortunately, we had durations for calls  
9 increase so that the amount of time call-takers  
10 were spending on calls was longer, so we had a  
11 15-second increase in wait times this quarter.  
12 This is an annual measure, and so we had a slight  
13 decrease. I still think we're going to get to that  
14 5 percent overall throughout the entire year, so  
15 we're going to continue to monitor closely the  
16 performance, and I'm sure that we can get this in  
17 the green.

18 Measure 26 reflects the percentage of  
19 electronic titles we issue. We raised the standard  
20 to 35 percent based on legislation that was passed  
21 this year requiring commercial lienholders to  
22 register their titles electronically. They're  
23 required to do this effective January 1. We went  
24 ahead and changed the measure early. We're at  
25 33 percent, so we didn't meet the 35 percent

1 target, but we're confident that will happen this  
2 year after all of our business partners have  
3 implemented their electronic processes.

4 Staff reviews our performance every month to  
5 look for trends and troubleshoot any negative  
6 movements in a measure. I hate coming to you  
7 saying everything is rosy and everything is green,  
8 but I feel it's important to mention that we do  
9 have a couple of areas that are slipping, and we're  
10 monitoring very closely trends in traffic crashes  
11 and fatalities. Both nationally and in Florida,  
12 they're up quite a bit. Florida is up 4 percent.  
13 That is about half the increase nationwide. Our  
14 data shows that we've seen significant increases in  
15 crashes and fatalities in Duval, Broward, Palm  
16 Beach, Hillsborough, Pasco, Orange, and Volusia.

17 So our troop commanders in those areas have  
18 the data to assist them. We're adjusting staffing,  
19 and we're also doing some strategic enforcement  
20 efforts. We're also working very diligently with  
21 all of our other public safety partners, the  
22 sheriffs and the police chiefs, to make sure that  
23 we address this trend.

24 So it's still -- our measure is still green,  
25 but I'm afraid that the next time I see you, I may

1           be talking about what we actually did and that it  
2           slipped into yellow. But again --

3           CFO ATWATER: Is there a type of behavior that  
4           is contributing to the increase in the accidents?

5           MS. JONES: I think we've had a change in how  
6           people travel because of the economy. There's a  
7           lot more cars on the road. Statistically, across  
8           the country, there are states that are doing a  
9           little bit better than us that have addressed the  
10          distracted driving issues, but I think overall, we  
11          just have more vehicles on the road right now.

12          GOVERNOR SCOTT: And do we have a statistic  
13          that says that, that there's more vehicles on the  
14          road?

15          MS. JONES: Yes. I can get the specific  
16          numbers to you, but the Patrol is looking at a lot  
17          of trends. People are driving more. People are  
18          driving more short distances. And the intermediate  
19          distances, say 100 miles to 500 miles, they're  
20          driving where they may have flown or they may have  
21          grouped.

22          We're also seeing an increase in the numbers  
23          of multiple fatalities, and I can't tell you why  
24          that is. We've had multicar pileups, but we've  
25          also had vans and larger vehicles that have created

1 multiple fatalities. That's also contributing to  
2 the large numbers.

3 ATTORNEY GENERAL BONDI: Are many of those  
4 charged criminally? Excuse me. Are many of those  
5 charged criminally, or are they just accidents?

6 MS. JONES: The majority of those are  
7 accidents, but, yes, we do charge some criminally,  
8 yes.

9 ATTORNEY GENERAL BONDI: I'm curious how many  
10 were related to drinking and driving.

11 MS. JONES: I don't have that number. I'll  
12 get it to you, though.

13 GOVERNOR SCOTT: Do we have statistics that  
14 say a lot more or the majority is distracted  
15 drivers? Do we have data?

16 MS. JONES: No, we don't have -- we don't have  
17 good enough data. We require on an accident report  
18 that you speak to the cause of the accident. But  
19 because we don't have -- we track what is --  
20 there's a definition for distracted driving, but  
21 there's no charge for distracted driving, so you  
22 don't see that indicated as a violation, because  
23 it's only defined in law. There's no specific  
24 violation that you can charge for it.

25 ATTORNEY GENERAL BONDI: So if somebody was

1           texting --

2                   GOVERNOR SCOTT:  Who's going to do it?  I  
3           mean, who's going say they were distracted if they  
4           were texting?

5                   MS. JONES:  The only way that we're going to  
6           get that is, typically, if there is a fatality,  
7           they will go -- the responding traffic homicide  
8           investigator will ask for phone records.  They'll  
9           interview folks that were involved, and they'll try  
10          to develop a database, and through questioning and  
11          investigation try to determine the result of the  
12          accident.

13                   GOVERNOR SCOTT:  So you could do it on all  
14          accidents, but it would just cost money; right?

15                   MS. JONES:  That's correct.

16                   So with that, that's my first quarter  
17          performance.

18                   GOVERNOR SCOTT:  Is there a motion to accept  
19          the quarterly report?

20                   COMMISSIONER PUTNAM:  So moved.

21                   CFO ATWATER:  Second.

22                   GOVERNOR SCOTT:  Any objections or comments?  
23          Hearing none, the motion is approved.

24                   MS. JONES:  At this time I would like to  
25          withdraw Item Number 2.

1           GOVERNOR SCOTT: Is there a motion to withdraw  
2 the legislative proposal?

3           ATTORNEY GENERAL BONDI: So moved.

4           GOVERNOR SCOTT: Is there a second?

5           COMMISSIONER PUTNAM: Second.

6           GOVERNOR SCOTT: Any objection. Hearing none,  
7 the motion is approved.

8           MS. JONES: Item Number 3, I respectfully  
9 request approval for the Department's 2013-14  
10 legislative budget request. We are requesting  
11 funding for nine budget items, all from the Highway  
12 Safety Operating Trust Fund or our Law Enforcement  
13 Trust Fund.

14           Our focus is on law enforcement and ensuring  
15 that our IT infrastructure is able to support the  
16 mission-critical functions that impact service  
17 delivery to the public. Our first four issues are  
18 related to IT.

19           Our first priority seeks \$15 million for the  
20 Florida Highway Patrol's contract for  
21 computer-aided dispatch and records management  
22 systems. This current system supports nine state  
23 law enforcement agencies. General, CFO,  
24 Commissioner, all of your agencies are involved in  
25 this contract. These nine agencies rely on the

1 system daily for officer safety during dispatched  
2 calls, and the record management system allows  
3 officers to efficiently submit reports generated  
4 for crashes to utilize in investigations. The  
5 Patrol supports this service for all state law  
6 enforcement in an enterprise approach and in an  
7 effort to reduce costs and so we don't have  
8 redundant systems.

9 Our second priority is for 4.9 million for our  
10 motor services modernization initiative. Several  
11 years ago I brought forward a budget request and  
12 said I needed about \$80 million to redo all our IT  
13 systems. And we realized that was probably not a  
14 good approach, so we've broken up our modernization  
15 of our IT systems into a five-phased project. This  
16 is Phase 1, and the idea is to modernize pieces  
17 that have a specific business focus and create a  
18 savings, document that savings, and then move on to  
19 another phase instead of having it all in play at  
20 one time.

21 So this issue consolidates driver license and  
22 motor vehicle IT functions into an integrated  
23 structure that supports all of the motor services.  
24 Efficiencies are created by making manual processes  
25 electronic and business friendly. We're projecting



1 at the end of Phase 1 that this will create  
2 \$3 million in savings by merging databases and  
3 changing the business process.

4 Our third item seeks to fund disaster recovery  
5 for our IT systems. The Legislature gave me  
6 nonrecurring money as of this year to just keep  
7 this afloat and ask for the real dollar figure from  
8 this coming session, so this is a placeholder.  
9 We're conducting a gap analysis of disaster  
10 recovery needs for critical systems, and the final  
11 cost will not be available until January, so I will  
12 be submitting a supplemental budget request for  
13 this.

14 The project enables the timely availability of  
15 the core computer systems, communications, and to  
16 ensure core systems function effectively in case  
17 there's a severe disruption in normal operations.  
18 This is all of the law enforcement data that we  
19 have, all of the data that the tax collectors use  
20 to do issuance. So it's important that we have a  
21 robust disaster recovery process.

22 Item 4, we're requesting \$221,500 to rewrite  
23 our accounting applications from a very antiquated  
24 FoxPro to .NET. This particular rewrite includes  
25 all of the Department's revenue distribution

1 systems. We took in last year \$2.4 billion, and we  
2 disburse to state and local governments annually.  
3 And we do this -- it's done three times a week to  
4 about to about 500 different entities. So getting  
5 this system modernized is critical to keeping the  
6 money moving and getting accurate disbursement of  
7 the dollars that we collect.

8 Item 6 is a request for 11.3 million to  
9 replace Florida Highway Patrol pursuit vehicles  
10 over 100,000 miles. Governor, this is the third  
11 year of the project that I laid out with you, and  
12 end result of this is a request for a recurring  
13 replacement base so I'm not come back to you again  
14 asking for extra dollars. After utilizing the  
15 current year funding, we're projecting the Patrol  
16 will still have 520 vehicles over 100,000 miles by  
17 the end of '13-14, so this will help replace all of  
18 those vehicles next year.

19 Item 7 seeks permission to implement a pilot.  
20 And what I'm trying to do is to increase  
21 productivity and again lower those call times in  
22 our customer service center. Our customer service  
23 center folks train for two or three months and have  
24 about a 20 percent turnover. And in order to  
25 incentivize them staying in the call center, I'm

1           proposing a performance-based incentive plan to our  
2           front line customer service specialists. It would  
3           affect about 50 people. And because it's a pilot,  
4           I'm proposing it would cost about \$42,000, and I'm  
5           taking that out of the existing budget. I'm just  
6           asking for the permission to try to again  
7           incentivize performance in the call center.

8           Item 8 requests \$787,000 to replace phone  
9           systems in four of the Florida Highway Patrol  
10          regional communications centers. Last year we did  
11          three of the seven communications centers. This  
12          finishes out the replacement.

13          These centers are staffed 24/7, 24 hours a  
14          day, 365 days a year. This is where the  
15          dispatching occurs. This is where they run the  
16          statewide law enforcement radio system. And again,  
17          we're dispatching for those nine agencies. The  
18          remaining systems are analogue, and we're going to  
19          replace them with digital Voice-over-Internet  
20          protocol.

21          Item 9, our last item, seeks 7.5 million for  
22          fixed capital outlay projects as noted in the DMS  
23          deficiency report. This is also asbestos  
24          abatement, mold abatement, HVAC upgrades, plumbing,  
25          interior repairs, and projects to meet ADA

1 requirements for our facilities.

2 Finally, I know there's been a lot of  
3 discussion about license plate redesign. Based on  
4 recent input, the Department is postponing a  
5 discussion of this topic. Sometime in the future,  
6 I will be coming back to you with a specific  
7 proposal and request any needed approvals.

8 GOVERNOR SCOTT: All right. Is there a motion  
9 to accept the legislative budget request?

10 ATTORNEY GENERAL BONDI: Move to accept.

11 GOVERNOR SCOTT: Is there a second?

12 CFO ATWATER: Second.

13 GOVERNOR SCOTT: Florida law requires the  
14 Governor to independently submit a budget proposal.  
15 Accordingly, I am abstaining from a vote of this  
16 item, and the record should reflect my abstention.

17 Any objection to accepting the legislative  
18 budget request?

19 Hearing none, the motion is approved with one  
20 abstention.

21 Thank you, Julie.

22

23

24

25

1           GOVERNOR SCOTT: All right. Now, I would like  
2           to recognize Commissioner Jerry Bailey of the  
3           Florida Department of Law Enforcement.

4           MR. BAILEY: Good morning, Governor and  
5           Cabinet. I have -- FDLE has three items on their  
6           agenda this morning, the first of which is the  
7           minutes of our April 24, 2012 Cabinet meeting.

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

10          ATTORNEY GENERAL BONDI: So moved.

11          GOVERNOR SCOTT: Is there a second?

12          CFO ATWATER: Second.

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

15          MR. BAILEY: Our second item is our third  
16          quarter and annual fiscal year 2011-12 performance  
17          reports and contracts over \$100,000.

18                 You will see that the Department maintained a  
19                 high level of performance during this year, but I  
20                 would like to briefly highlight several benchmarks.  
21                 We announced the lowest crime rate in 41 years, and  
22                 in just a few days, we'll be prepared to release  
23                 the 2012 midterm report. Those numbers are now  
24                 being audited, but tentatively I can tell you it's  
25                 more good news for Florida's crime rate.

1           We coordinated the statewide prescription drug  
2           strike force resulting in the arrest of 2,500  
3           individuals, including 35 doctors, and the seizure  
4           of 540,000 pills and \$4.8 million. That was last  
5           year. I'll fast-forward to today, and there have  
6           been 3,400 arrests, including 61 doctors, 785,000  
7           pharmaceutical pills seized, 106 vehicles, 530  
8           weapons, and \$10 million, and 254 pain clinics have  
9           been shut down.

10           ATTORNEY GENERAL BONDI: Thank you.

11           GOVERNOR SCOTT: So you've gotten \$10 million  
12           in cash?

13           MR. BAILEY: Yes, sir. Mostly small bills.

14           ATTORNEY GENERAL BONDI: There was a Ferrari  
15           that was parked in the back of one of these pill  
16           mills. That was in Broward County, actually.

17           GOVERNOR SCOTT: That's fascinating that you  
18           got \$10 million cash.

19           MR. BAILEY: I'm sorry?

20           GOVERNOR SCOTT: It's just fascinating that  
21           they would -- that the cash would be sitting around  
22           somewhere.

23           ATTORNEY GENERAL BONDI: Governor, if I may,  
24           that's why these pill mills sometimes have armed  
25           guards at the door. It's because they always deal

1           in cash. It's 250 to \$300 cash, and it's just a  
2           mill. There are lines around the building. That's  
3           all they deal in, cash. It's unbelievable. That's  
4           why they're driving Ferraris.

5           GOVERNOR SCOTT: But you would think -- it  
6           doesn't make sense.

7           MR. BAILEY: Governor, it ranged from neat  
8           stacks in closets to loose bills in black garbage  
9           bags.

10          ATTORNEY GENERAL BONDI: Yeah.

11          GOVERNOR SCOTT: What you hope is that it  
12          would also mean we -- when we started, we had --  
13          what was it? 7.4 people dying, a little over seven  
14          people dying a day in the state, so hopefully we've  
15          cut back on that.

16          MR. BAILEY: And that you should mention that,  
17          we're doing the final computations now on the  
18          numbers have been submitted to FDLE by medical  
19          examiners commissioned on the drugs identified in  
20          deceased persons. That annual report will be  
21          released tomorrow, and I can tell you now that  
22          there will be a significant impact on oxycodone  
23          deaths in our state.

24          We partnered with the chiefs, sheriffs, and  
25          prosecutors to develop and adopt new standards to

1           ensure neutrality and consistency in eyewitness  
2           identification.

3           We added 75,000 samples to the DNA database,  
4           bringing that number of samples to 840,000. We got  
5           3,500 hits on that database last year, and as of  
6           today, we have 45,000 samples unknown in that  
7           database waiting for future crimes, criminals, and  
8           crime scenes.

9           With existing FDLE resources and resources  
10          from the Attorney General, we expanded the  
11          Department's role in cyber/tech crime, and we now  
12          have six squads in our seven offices. We have one  
13          to go.

14          We have launched an online firearm eligibility  
15          system. Today, 37 percent of background requests  
16          for those seeking to buy firearms are handled  
17          through the new online system. We targeted the  
18          high volume dealers first and are adding new  
19          dealers daily to do this online rather than  
20          telephonically, as we had done in the past.

21          Last year on Friday, November 25th, our  
22          firearms purchase program hit a new single day  
23          record by doing backgrounds on 4,400 firearms  
24          purchasers in our state.

25          After changes in the concealed weapons law, we



1 began clearing permitted weapons into the Capitol.  
2 That program is ongoing, and we are clearing  
3 roughly five concealed weapons into the Capitol per  
4 quarter.

5 We activated the State's 500th Silver Alert.  
6 We are pretty good at planning at FDLE, but we  
7 sorely underestimated the need and usage for the  
8 State's Silver Alert system.

9 We have updated to increase both capacity and  
10 speed on the Rapid ID system. That's the  
11 two-finger fingerprint readers. There are 5,600  
12 now in place in the state. We have a 24-second  
13 response time, and in that 24 seconds, those  
14 readers will check 5.4 million criminal fingerprint  
15 files.

16 We're getting about 1,400 transactions a day  
17 with the Rapid ID system. They're being used for  
18 roadside stops, domestic security, sex offender  
19 reregistration, DNA verifications, jail intakes and  
20 releases, and probationer identification. The top  
21 users of that system in order are the sheriffs, the  
22 Florida Highway Patrol, police departments, and our  
23 Department of Corrections.

24 We conducted a number of high profile public  
25 investigations, including the I-75 Paynes Prairie

1 review, the FAMU investigations, and more than 100  
2 officer-involved shootings.

3 We handled 3,300 calls for assistance through  
4 the electronic surveillance support teams, which  
5 represents a 1,200 percent increase since the  
6 inception of this service.

7 And we implemented a new fingerprint system  
8 for licenses and applicant applications.

9 Additionally, I want to mention the fine work  
10 our men and women did during the recent Republican  
11 National Convention. Those national conventions  
12 are only second to the Olympics, and each of you  
13 had an opportunity to see what we were doing there.

14 And over the course of the week, more than 200  
15 Department members worked the convention detail.  
16 We protected a number of governors and partnered  
17 with the FBI, Secret Service, and intelligence  
18 teams. You'll recall all this was going on as  
19 Hurricane Isaac was threatening our state. From a  
20 security point of view, there were very few, if  
21 any, real issues of significance.

22 And I want to thank you for the accolades that  
23 you offered to FDLE and other state law enforcement  
24 for our service during the convention.

25 I'll be happy to answer any of your questions

1 on Item 2.

2 GOVERNOR SCOTT: All right. Is there a motion  
3 to accept the report?

4 ATTORNEY GENERAL BONDI: Move to approve.

5 CFO ATWATER: Second.

6 GOVERNOR SCOTT: Any objections or comments?

7 All right. Hearing none, the motion is  
8 approved.

9 MR. BAILEY: Our final item is our  
10 Department's '12-13 performance contract. The  
11 specified standards that you see there track what  
12 we used this past fiscal year. And I would be  
13 happy to answer any questions on that contract.

14 GOVERNOR SCOTT: Is there a motion to accept  
15 the item?

16 ATTORNEY GENERAL BONDI: So moved.

17 GOVERNOR SCOTT: Is there a second?

18 CFO ATWATER: Second.

19 GOVERNOR SCOTT: Any objection or comments?

20 Hearing none, the motion is approved.

21 I just want to thank everyone at FDLE. You're  
22 very professional. You've got a great  
23 organization, and you do a great job for the State,  
24 so thank you very much. We appreciate all you do.

25 MR. BAILEY: Thank you very much.

1                   GOVERNOR SCOTT: All right. This concludes  
2                   our Cabinet. Our next meeting be December 11th at  
3                   9:00 a.m. in Tallahassee. We are adjourned.

4                   (Proceedings concluded at 11:28 a.m.)

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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 84 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 26th day of November, 2012.

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