



Florida Department of Revenue

**2011
ANNUAL REPORT**

FY 2010-2011

Message from the Executive Director

The state fiscal year that ended on June 30, 2011, was another year of high unemployment, slow economic growth, and reduced state revenues. The Department of Revenue is committed to doing everything we can to meet the needs of our customers and our state in this difficult financial environment. Making compliance as easy as possible, reaching out to help individuals avoid potential problems, and providing prompt help with existing problems, are especially important when our customers are experiencing increased financial stress. So is making the best possible use of the resources available to us by cutting costs and becoming more efficient.

Through their dedication and innovation, Revenue employees continued to accomplish more, reduce expenses, and manage growing workloads throughout Fiscal Year 2010-11.

The Child Support Enforcement Program increased collections to \$1.58 billion, 7.7 percent more than the previous year—Florida’s percentage growth in distributed collections was fourth in the nation during the federal fiscal year ended September 30, 2010.

The General Tax Administration Program’s audits brought in \$323 million for the state fiscal year, a 25.7 percent increase over FY 2009-10, not only bringing in revenues owed to the State, but also educating taxpayers and helping to ensure a level playing field for Florida businesses.

Our Property Tax Oversight Program received the 2011 Davis Productivity Eagle Award in recognition of its effective implementation of new property tax laws without additional resources, ensuring that property owners receive the benefit of property tax reforms enacted by the Legislature.

I am proud of the achievements of Revenue’s employees during FY 2010-11, and of their ongoing efforts to improve our service and effectiveness. In the spring of 2011, as we do before the end of each fiscal year, we revised our strategies, and developed new ones to meet the challenges of FY 2011-12 and beyond. In the “Strategies” section of this report, we explain how we plan to continue improving service and productivity over the next few years. Department of Revenue employees are committed to learning and growing through the challenges, as we focus on serving the people of Florida.

On behalf of all Revenue employees, thank you for the privilege of serving you.

Lisa Vickers

Executive Director

Florida Department of Revenue

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Overview of the Department of Revenue

Florida's Department of Revenue is entrusted with three primary areas of responsibility: the collection and distribution of child support payments for Florida families, the administration of state taxes, and the oversight of Florida's locally administered property tax.

Child Support Enforcement

Each state is required by the federal government to operate a child support enforcement program as a condition for receiving the Temporary Assistance for Needy Families federal block grant. The purpose of the program is to help children get the financial support they need when it is not received from one or both parents. To accomplish this purpose, Revenue locates parents, establishes paternity, establishes and enforces child support orders, and receives and distributes child support payments.

A parent or caregiver who applies for or is receiving temporary cash assistance, Medicaid, or food assistance on behalf of a child is automatically referred to the Department of Revenue for assistance. Most of the child support payments collected by the Department are disbursed to the parent or caregiver of the child. Payments are also used to reimburse the federal and state governments for the amount of temporary cash assistance the family received. Any parent can request Revenue's child support services, even if the family is not receiving public assistance.

Our Mission: Serve citizens with respect, concern and professionalism; make complying with tax and child support laws easy and understandable; administer the laws fairly and consistently; provide excellent service efficiently and at the lowest possible cost.

General Tax Administration

The purpose of Revenue's General Tax Administration Program is to collect and distribute state taxes accurately and efficiently. The Department administers 32 taxes and fees, including sales and use tax, corporate income tax, motor fuel tax, documentary stamp tax, communications services tax, unemployment tax, and insurance premium tax. Revenue is responsible for registering taxpayers and processing tax payments, and for using education, collection, dispute resolution, investigation, and enforcement methods to bring taxpayers into compliance with the law, resulting in the collection of taxes that are owed to the State.

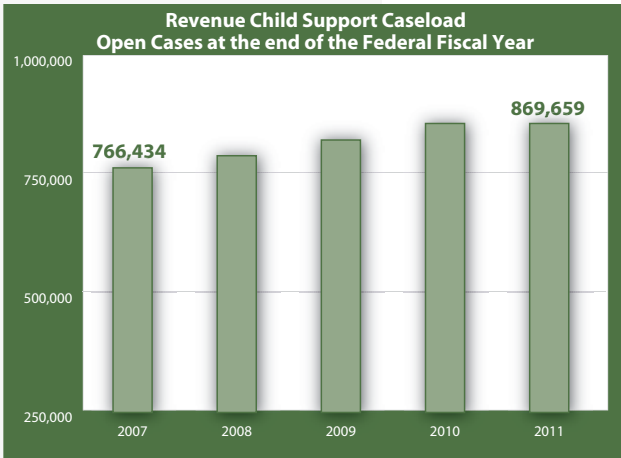
Businesses are Revenue's partners in tax administration, collecting most of the state's taxes and remitting them to the Department. Revenue strives to promote voluntary compliance by making compliance as easy as possible, assisting taxpayers, and enforcing the law fairly and effectively.

Property Tax Oversight

Local governments administer Florida's property tax, including assessment, tax collection, and dispute resolution. Revenue's Property Tax Oversight Program is charged with overseeing this process. The Department's key responsibility is the review and approval of all county tax rolls to ensure that they are uniform and equitable, within each county and across the state.

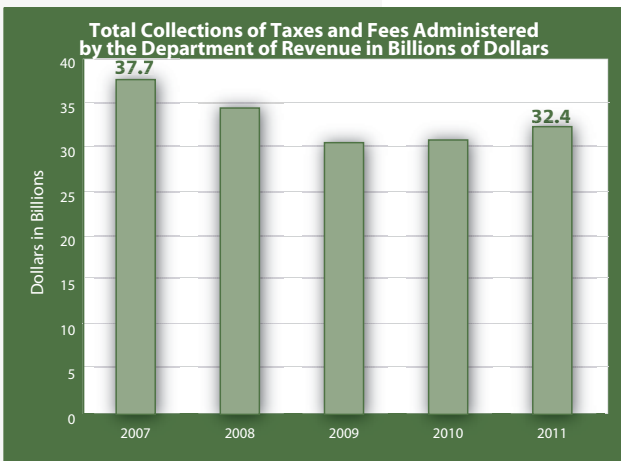
Revenue oversees local governments' compliance with constitutional and statutory requirements for property valuation, classification and exemptions, Truth in Millage (TRIM) and millage levying, refunds and tax certificate cancellations, value adjustment board proceedings, and annual budgets. Revenue also offers technical and legal assistance to local governments, provides education and certification for property tax officials, and coordinates statewide efforts such as mapping and aerial photography for Florida's Geographic Information System.

Quick Facts about the Florida Department of Revenue

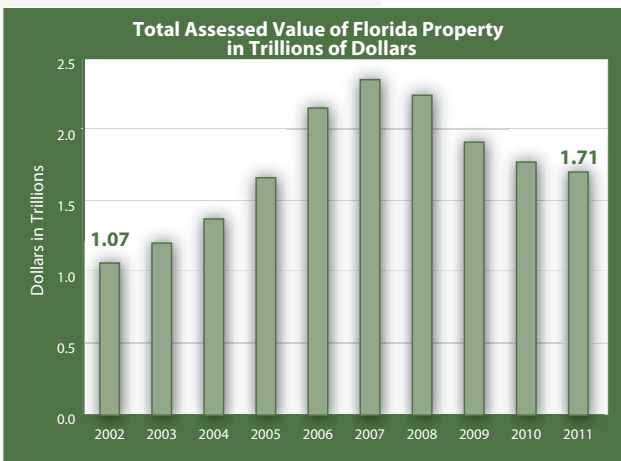


- Works on behalf of more than a million children to establish and collect child support.
- Collects and distributes more than \$1.5 billion a year in child support payments.
- Helps establish paternity for more than 90,000 children a year.

- Responds annually through our toll-free help lines to approximately 1.75 million calls from child support customers and 800,000 from taxpayers. (calls handled by call center agents)



- Collects over \$32 billion a year in taxes and fees.
- Processes over \$5 billion in receipts for other state agencies annually.
- Processes more than 9.4 million tax filings annually.
- Distributes over a billion dollars in discretionary sales surtax collections each year to 235 local jurisdictions, including counties, cities, and school districts.



- Oversees the local assessment and collection of \$25 billion in taxes on more than 11 million parcels of property with a total market value of approximately \$1.85 trillion.
- Reviews the property tax roll for each of Florida's 67 counties every year, ensuring accuracy and equity within counties and across the state.
- Provides education, assistance and certification to 841 local government entities every year.

Our Workforce

Teamwork

Although the secretary specialist to the Port Richey Tax Audit Group has a full workload of administrative duties, she decided to help her auditors be more productive by doing background research for each upcoming audit. She gathers information on operations and related entities and provides this information to the auditors.

She also helps the auditors by sending out weekly schedule reminders and proofreading audit correspondence. Knowing that they can rely on the secretary for these tasks enables the auditors to focus on direct audit activities and complete more audits, educating taxpayers and identifying any taxes owed to the State.

Revenue employs a diverse group of individuals from many different professions and backgrounds. Their job duties also vary widely, depending on which program and process they work in. Whether they are guiding parents through the paternity establishment process, issuing child support income deduction orders, receiving and depositing tax payments, investigating tax fraud, reviewing property tax rolls or any of the hundreds of other tasks the Department is responsible for—they are all working to improve the financial well-being of our state and its citizens.

Another thing Revenue employees have in common—they do more than the jobs they were hired to do. They willingly change or add job duties when doing so means getting more money to Florida's children, collecting the correct amount of state taxes, or ensuring that property tax is administered fairly. Their jobs evolve as the world changes around them, as they gain more experience and knowledge, and as they innovate to meet new challenges. Revenue employees are always looking for ways to better meet the needs of our customers. Because of the commitment, creativity, and teamwork of Revenue employees, the Department is able to accomplish more with fewer resources, continually improving our service, and our results.

Alongside the text of this year's report, we are highlighting examples of employee initiatives that have increased productivity or reduced costs. Revenue's management team is proud of these accomplishments, and of the accomplishments of all employees, as they carry out their challenging daily tasks and as they take on new challenges.

Supporting Employee Achievement

Communication

To encourage employee commitment and involvement, Revenue emphasizes knowledge-sharing and two-way communication. Through emails, biweekly newsletters, and monthly "Key Communications," senior managers keep employees updated on internal and external developments that affect their work and their employment. And employees can share their concerns, questions, or suggestions through several feedback channels, including:

- Staff meetings, at least monthly
- Anonymous 360 degree evaluations of supervisors and managers
- Special email accounts for strategy or process improvement ideas

- Suggestions to the executive director by email
- Anonymous online question and answer database for personnel-related questions
- Online “Listening to You” program for submitting questions on any subject

Feedback from all these sources is reviewed and compiled to identify possible new strategies, as well as trends in employee concerns. Leaders report to employees on the actions taken in response to employee input.

Education

Effective in-house employee education is critical in a knowledge-intensive and technologically sophisticated working environment. Because resources are limited and workloads are increasing, training must be cost-effective and provided without delay.

Revenue continues to develop online learning opportunities and provides training by WebEx, eliminating travel for those courses and making it possible to offer classes more frequently. Many online courses have been developed by Revenue subject matter experts—Employees can take these courses at their workstations, at a time that fits into their work schedule. An online learning management system keeps track of all employees’ completion of training, both required and voluntary. This online training transcript is available to all employees and their supervisors.

Recognition

Revenue believes that good performance and dedication should be reinforced through recognition at every level, from a spontaneous “job well done” from supervisors and co-workers, to more formal recognition from the agency, to awards from respected external organizations. Revenue’s strong recognition program supports and encourages all of these types of recognition.

Criteria for agency-level recognition include innovating to improve customer service or a work process, and producing measurable increases in productivity. The individual and team accomplishments appearing throughout this report were encouraged and celebrated through our recognition program.

This year, 1,577 Revenue employees received agency recognition for their achievements. A total of 467 employees received a 2011 Davis Productivity Award, external validation of their above-and-beyond contributions to our state and its citizens.

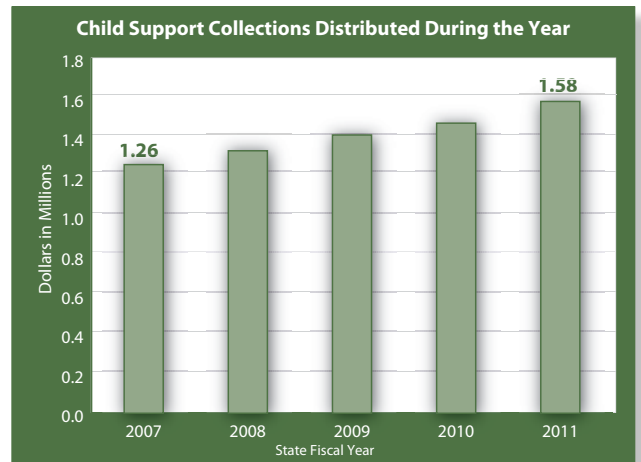
Accomplishments FY 2010-11

Over the past several years, despite budget reductions, Revenue's productivity in key areas has continued to increase. The Department has achieved this result by applying the following key planning principles: strategy development, efficient resource allocation, automation, streamlining of processes, and the elimination of less productive functions. In FY 2010-11, Revenue achieved new milestones in productivity, improved customer service, and received recognition from external organizations.

Child Support Enforcement

\$1.58 billion collected for Florida families

The Child Support Enforcement Program collected and distributed \$1.58 billion in State Fiscal Year 2010-11, an increase of 7.7 percent over the previous year.



Fourth in the nation in increasing collections

For Federal Fiscal Year (FFY) 2010 (ending September 30, 2010), Florida's Child Support Enforcement Program collected and distributed \$1.48 billion, an increase of 5.0 percent over the prior year, while the eight other largest

states (in population) realized a 0.2 percent increase and the nation as a whole increased by 0.7 percent. Florida's percentage growth in distributed collections was fourth highest in the nation.

Child Support Enforcement		
Percentage Increase in Collections FFY 2009 – FFY 2010		
Florida	Large States	All States
5.0 %	0.2 %	0.7 %

More Support Orders

In January 2010, focusing on the child support program's priority of establishing more support orders, the Fort Pierce child support service center reassigned several employees from the compliance process to the establishment process. Over the next 18 months, the Establishment Team established 1,921 new support orders, a 44% increase over the 18 months preceding the staffing changes.

At the same time, with its reduced staff, the Compliance Team increased the amount of current support collected and distributed to families by 7.7%. The team used an improved targeted mailing strategy to reach more noncustodial parents and facilitate their compliance with their payment obligations.

More Money to Families

Revenue has nominated the Clearwater Payment Processing and Fund Distribution Team for a 2012 Davis Productivity Award. The Team reduced the amount of undistributable child support collections in its service area by 56% in a seven-month time period that began in January 2011.

The manager of this team realigned duties to better fit members' abilities, established performance goals, and tracked monthly progress, as the team tackled the service center's backlog of undistributable payments. In the seven month period, team members reviewed over 6,700 cases associated with these payments. Because of their efforts, Revenue was able to send payments totaling \$156,232.00 to the Florida families and noncustodial parents who were entitled to them.

Increasing order establishment

Although all steps in the child support process are important to each case, resource limitations make it necessary to focus on tasks that have the greatest potential to increase collections. Establishing child support orders, one of the most labor-

intensive tasks in the child support process, prepares cases for a number of collection activities, many of which are automated. Without a child support order, no money can be collected.

The child support program used several strategies to increase the number of new orders established, including the following:

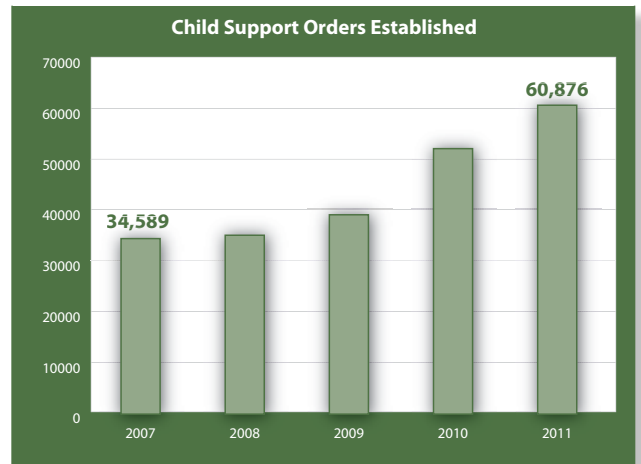
- Setting challenging goals for the program, each region, and each service center
- Temporarily reassigning employees to order establishment
- Establishing orders administratively, rather than through the courts, when possible

In Federal Fiscal Year (FFY) 2010-11, the Department established 60,876 new support orders, a 16.4 percent increase from the previous year's total of 52,319 and a 47.4 percent increase from two years ago. The percentage of cases with an active support order has increased from 73.5 percent in FFY 2009-10 to 75.7 percent at the end of FFY 2010-11. This is one of the measures the federal government uses to determine whether the State receives additional funding.

Reducing undistributable collections

Each month, the Child Support Enforcement Program receives support payments that cannot be immediately distributed to the family because of missing or inaccurate information. The information needed for our automated process to assign the payment to a case may not be provided, or we may not have a mailing address for the parent who should receive the payment. Each of these undistributable payments has to be researched individually to fill in the missing information so we can send the funds to the person who is entitled to them.

Over the past several years, the Department has made reducing its balance of unresolved undistributed collections a priority. Between State Fiscal Year (FY) 2008-09 and FY 2010-11, the unresolved balance was reduced from \$14.7 million to \$5.9 million, putting \$8.8 million more into the hands of Florida families.



Out-of-State Audits

The General Tax Administration Program's Region 6 received a Davis Productivity Award in 2011 for increasing audit collections by 58 percent, from \$137 million in FY 2009-10 to \$217 million in FY 2010-11. Auditors in Revenue's seven out-of-state offices, referred to as "Region 6," improved the quality of their audits and the efficiency of their audit process. These improvements, along with the Program's improved audit selection process, resulted in this dramatic increase.

In FY 2010-11, the Region again increased collections, assisted by the three-month tax amnesty authorized by the Legislature, collecting a total of \$274 million for the year.

Improving customer service through technology

To provide better, more responsive service within current staffing levels, the Child Support Enforcement Program is using technology to focus customer service more effectively and to offer customers more self-service options. During the past year, the Department implemented two new systems for giving customers access to the information they need. The first of these is a new call center system that has advanced capabilities for increasing efficiency. It provides more tools to manage call volumes, deal with emergency situations, and provide quality assurance through automated call recording. The system has further capabilities that we expect to implement over the next few years, such as skill-based routing. By providing a better service experience for the caller and enabling the resolution of more issues on first contact, our new call center system enables us to provide improved service and increase productivity.

The second customer service system implemented in FY 2010-11 is our first child support e-Services portal, through which parents can update their personal information and obtain case information. At its initial implementation in August of 2010, e-Services were available to approximately 442,000 customers. In May 2011, access was made available to an additional 225,000 customers. At the end of the fiscal year, more than 70,000 customers had signed up for e-Services.

General Tax Administration

Over \$277 million collected through tax amnesty program

From July 1 through September 30, 2010, the Department of Revenue conducted a tax amnesty program authorized by the 2010 Legislature. Through the end of the fiscal year, the Department collected over \$277 million in payments under amnesty agreements and paved the way for additional increases in tax collections by registering more than 2,800 businesses to pay taxes or fees on an ongoing basis.

Accounts receivable percentage beats the industry standard

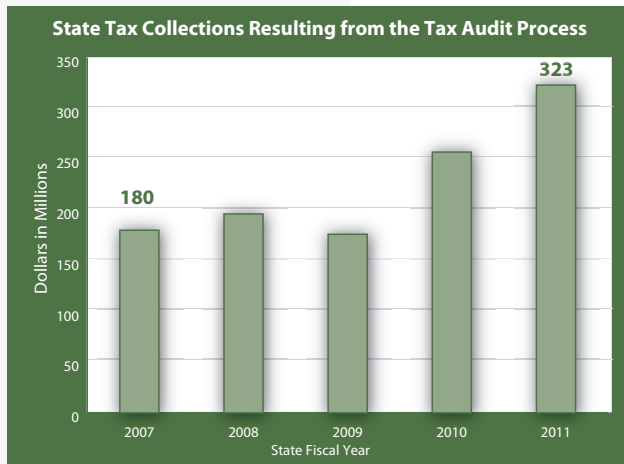
At the end of FY 2010-11, Revenue's accounts receivable were approximately 1.4 percent of annual revenues, significantly better than the financial industry standard of 2 percent, and an improvement over the previous year's percentage of 1.95. The accounts receivable balance at the end of FY 2010-11 was approximately \$148 million (21.4 percent) less than the prior year.

Electronic deposit gets tax money in the bank four to five days sooner

During FY 2010-11, the Department implemented remote deposit of checks via ICL (image cash letter) technology for sales tax at 16 in-state service center and headquarters locations. Over 140,000 deposits exceeding \$125.5 million were processed using this technology. The State began earning interest on these funds four to five days earlier because checks were deposited on the day received instead of being bundled and mailed to Tallahassee for deposit.

Record audit collections

Collections resulting from audits totaled \$323 million in FY 2010-11, a record for the General Tax Administration Program and a 25.7 percent increase over the prior year's amount of \$257 million. The 2010 tax amnesty program and improvements in the audit process contributed to the increase.



Criminal investigation collections up 33 percent

Revenue's General Tax Administration Criminal Investigation Process collected a total of \$6.23 million in FY 2010-11, up 33 percent from \$4.67 million the year before. Specifically, collections associated with the Tax Collection Enforcement Diversion Program (TCEDP) increased by 30 percent from the prior fiscal year. This amount does not include the significant sums directly or indirectly collected through our non-prosecution dispositions.

For the second year in a row, Revenue's Criminal Investigation Process achieved a 99 percent favorable disposition rate on its prosecution referrals, a significant improvement over our historical benchmark of 93-95 percent. An important but unmeasurable effect of the success of Revenue's Criminal Investigation Process is as a deterrent to deliberate noncompliance.

Property Tax Oversight

Increased equity and uniformity

With improved oversight and assistance from the Department, Florida's 67 county property appraisers achieved an estimated 99.6 percent statewide average level of assessment in 2011.

Greater uniformity in assessments results in more equitable tax burdens across property types, and the appropriate amount of revenue for public schools and other vital services.

Statewide Average Level of Assessment

2008	2009	2010	2011
96.8%	96.8%	96.2%	99.6%* <small>*estimated</small>

Streamlined TRIM review process through online submission

E-TRIM is the first e-portal developed for property tax. The system performs automatic error checks as data is entered by a local official, eliminating most of the errors that can occur with paper documents. Twenty counties are currently using the E-TRIM system and, as resources permit, we plan to expand its use to the other counties. With full implementation, we expect to reduce cycle time for the review of TRIM and millage levying information by 50 percent.

Resolving Delinquencies

At the end of September 2009, the Clearwater Service Center had 213 chronically delinquent accounts (those having failed to file and pay taxes for six or more reporting periods). The service center manager asked all employees in the collections process to focus on bringing these accounts into compliance, collecting the tax dollars that were owed to the State. The team focused on providing excellent customer service to encourage taxpayers not only to pay what they owed but to avoid future delinquencies. By the end of FY 2010-11, the service center had just one delinquent account.

Improving Audits

Dramatic increases in assessments by the General Tax Administration's Alachua Audit Team resulted from improved audit selection and the increased productivity of the audit team. In FY 2009-10, the team assessed \$2.15 million through their audits of sales tax and communications services tax. In FY 2010-11, they assessed \$3.9 million.

Received Davis "Eagle" Exemplary Agency Award

Since 2007, the Department of Revenue's Property Tax Oversight Program has successfully guided the implementation of 12 reform initiatives that saved Florida citizens approximately \$2.4 billion in property taxes between 2008 and 2010. For this accomplishment, the Property Tax Oversight Program was awarded the 2011 Davis Productivity "Eagle" award, which is the highest award in the Sustained Exemplary Performance category.

Florida ranked one of the top five states in property tax fairness

In 2010, the Council On State Taxation (COST), an association of approximately 600 multistate corporations, conducted a study on the fairness of the property tax systems of all 50 states.

The only one of the nation's five most populous states to be ranked among the top five is Florida. Florida and three other states received a B+; only the State of Maryland achieved a higher grade. COST's criteria for fairness include efficient, standardized filing, remittance, and appeal procedures throughout the state; centralized oversight of local property tax procedures (when the tax is administered locally); an independent appeals process; and a property tax burden that is balanced and uniform.

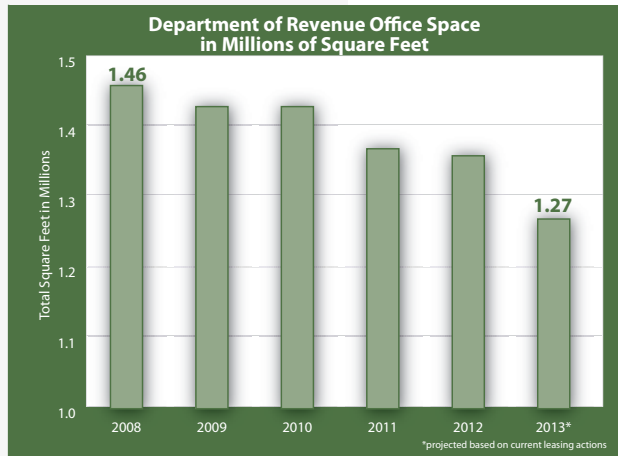
Top Five States		
State	Grade	Rank
Maryland	A-	1
Oregon	B+	2
Georgia	B+	3
Florida	B+	4
Kentucky	B+	5

Executive Direction and Support Services

National recognition for facilities management

The Department of Revenue is one of two state agencies nationwide to receive recognition in the 2011 Innovation Awards competition of the National Association of State Facilities Administrators. The Innovation Award recognizes a state facilities organization for establishing an innovative program that produces cost savings and measurable improvements, and that could serve as a model for other state agencies.

The Department was awarded “Honorable Mention” for reengineering its management of leases of privately-owned facilities. Using the new lease management process, Revenue has negotiated more favorable lease terms and reduced the total square footage of its service centers. By the end of FY 2010-11, the cost avoidance achieved through this process was projected to be over \$4.5 million. (More information on Revenue’s efforts to reduce leasing costs is provided in the “Strategies” section of this report.)



Saving money on copying and printing

By evaluating copying and printing practices for efficiency, implementing new, consistent guidelines for leasing copiers, and negotiating new copier contracts, the Department has reduced its copier lease costs by approximately \$289,000.

Additional savings are being realized through the elimination of desktop printers, setting defaults to duplex, and converting paper processes to electronic.

Realizing savings from consolidation of Tallahassee offices

Now that the State’s new Revenue facilities at the Capital Circle Office Center in Tallahassee have been fully occupied for more than six months, the Department is beginning to realize the savings projected for this move. Leasing cost for housing these approximately 2,000 employees has been reduced from approximately \$7.9 million to \$6.6 million; \$415,000 in annual utilities costs has been eliminated, and additional cost reductions are being achieved through increased efficiency and resource sharing.

Information Services Program

Saving money on hardware

In August 2011, we replaced the hardware platform for our Child Support Enforcement Automated Management System with hardware that is much less expensive to maintain. This transition will save the Department approximately \$295,000 per year in the costs of hardware replacement, electricity, software licenses, and maintenance.

Incident reporting and tracking

During the past year, we expanded our use of Hewlett Packard's Service Manager 7 to include incident reporting and service requests to the Northwest Regional Data Center, which now is using Service Manager 7 to track Department of Revenue requests within the Data Center. This system automates the requesting, assigning, routing, and tracking of work assignments and enables reporting to evaluate process effectiveness. Both the Data Center and the Department of Revenue are saving time through increased efficiency.

The Child Support Enforcement Automated Management System transition will save the Department approximately \$295,000 per year in the costs of hardware replacement, electricity, software licenses, and maintenance.

Increasing productivity with low cost application development

The Department completed the development of several SharePoint applications, including a major internal document-sharing, workflow, and approval environment for the Property Tax Oversight Program. This application streamlines content management and automates workflows among six different groups, enabling employees to use their time more productively. Several content sites have also recently been completed, including a site for employee reporting of possible workplace problems, an ITSM (Information Technology Service Management) document library, and multiple replacements for internal forms and workflows used by the Office of Workforce Management.

Performance Measures and Standards FY 2010-11

Measure	Approved FY 2010-11 Standard	FY 2010-11 Actual	Meets Standard?	Approved FY 2011-12 Standard
Child Support Enforcement Program (CSE)				
Percent of IV-D cases missing critical data elements necessary for next appropriate action	16.0%	14.8%	Exceeds	15.5%
Percent of State Disbursement Unit collections disbursed within 2 business days of receipt	98.0%	99.2%	Exceeds	98.0%
Percent of IV-D cases with an order for support*	75.5%	75.5%	Meets	74.5%
Percent of current support collected*	54.0%	53.3%	Below**	53.0%
General Tax Administration Program (GTA)				
Percent of tax returns reconciled within 30 days	99.0%	97.9%	Below***	Request for Deletion
Percent of tax returns reconciled within 25 days	Approved for FY 2011-12	N/A	N/A	98.0%
Percent of educational information/assistance rendered meeting or exceeding taxpayers' expectations	96.0%	88.0%	Below****	88.0%
Percent of tax compliance examinations resulting in an adjustment to a taxpayer's account	65.0%	61.0%	Below*****	65.0%
Percent of collection cases resolved in less than 90 days	66.0%	60.3%	Below*****	66.0%
Property Tax Oversight Program (PTO)				
Percent of classes/subclasses studied (for in-depth counties) & found to have a level of assessment of at least 90%	90.0%	90.7%	Exceeds	Request for Deletion
Statewide Level of Assessment	Approved for FY 2011-12	96.2%	N/A	96.8%
Percent of users of PTO Compliance Assistance satisfied with the services provided	90.8%	95.3%	Exceeds	94.0%

* Federal definition. Estimated performance level; final data will be available in January 2012.

** CSE – Florida's unemployment rate averaged 11% during the state fiscal year. Due to the high unemployment rate as well as the effects of the Deepwater Horizon Oil Spill, business partners ordered to provide child support were not able to meet their full obligation. These events had an adverse effect on this measure. Income Deduction is the most reliable way to get support payments timely. The Program initiated several strategies to close the gaps in our income withholding process. In an effort to increase payments through income deduction, the Program sent notices to employers who are not complying with new hire reporting laws. In addition, the Program targeted income sources such as unemployment in other states and pending Social Security benefits to ensure income withholding is initiated for all available income types.

The Program initiated monthly reviews of cases with a current support obligation and no payments in one, two and three years. These reviews generated various actions, some of which resulted in support payments.

The Child Support Enforcement Automated Management System (CAMS) is scheduled to be operational in February of 2012. The Program will then be able to implement projects to enhance enforcement activities.

*** GTA – A delay in processing unemployment compensation tax (UCT) first quarter 2011 returns impacted the performance measure outcome. The delay was a result of the Department's decision to hold these returns for processing until resolution regarding the potential legislative rate change was finalized. The Department submitted a budget amendment during the 2010-11 fiscal year requesting a new measure reducing the number of days for reconciling returns from 30 to 25 to demonstrate increased timeliness and performance.

**** GTA – Implementation of a new phone system at the beginning of FY 2010-11 altered the Department's survey process by automating the phone surveys, which resulted in fewer participants. The Department continues to explore options for improving our survey tools.

***** GTA – Performance for compliance examinations resulting in an adjustment to a taxpayer's account, although improved from last year's 57% performance, needs further improvement to reach the desired level in FY 2011-12. Enhanced case selection techniques (data mining, use of third-party data) are being put in place to reduce the number of nonproductive examinations. Performance for collection cases resolved in less than 90 days is near the desired standard. GTA received additional funding and has contracted with a private vendor to implement a collection analytics system that is anticipated to substantially improve performance in this area. GTA's efforts to resolve collection cases in a timely fashion has reduced the accounts receivable balance to 1.4% of annual revenues, exceeding the financial industry standard of 2%.

Strategies FY 2011-12 and Beyond

The Department of Revenue's planning process is based on an annual environmental assessment, identification of upcoming challenges, and evaluation of operational effectiveness. All employees are encouraged to share improvement ideas and participate in strategy development. The Strategic Leadership Board, which includes Revenue's Deputy Executive Director, Chief of Staff (who serves as program director for the Executive Direction and Support Services Program), and four program directors, reviews proposed strategies and projects and makes recommendations to the Executive Director.

Our biggest challenge for the next several years is to find ways to improve performance and cost-effectiveness without decreasing the quality of our service. The Department has developed four basic criteria for strategy development within our current operating environment:

- Reduce costs.
- Increase performance through process improvement and more effective use of technology.
- Improve customer service within existing resources.
- Maintain a skilled, effective workforce.

Each of Revenue's five programs has developed many specific strategies for the next five years, each of which is based on one or more of these criteria. Below are listed each program's key strategies.

Reduce costs. Increase performance. Improve customer service. Maintain an effective workforce.

Child Support Enforcement Strategies

Understanding the impact of the current economic climate on customers and resource availability, the Child Support Enforcement Program has identified four critical areas of strategic focus for the next five years.

- Implement the Child Support Enforcement Automated Management System (CAMS).
- Increase establishment of new support orders.
- Increase performance on current support and total collections.
- Implement new service delivery models.

Implement CAMS

For the next two to three years, increasing productivity through the implementation and refinement of CAMS will be Revenue's highest priority for the Child Support Enforcement Program. Several years ago, the Department realized that an effective automated system would be critical for the ongoing management of its ever-increasing workload (869,659 cases as of the end of FFY 2010-11). The legacy system Revenue has been using to manage child support was created in 1991, and is inefficient and inflexible compared to computer systems being developed today. User action is required for hundreds of routine tasks and modifying or improving the system is difficult and costly.

The first phase of CAMS was implemented in 2006. It supports the processes of compliance determination, enforcement, location activities, and customer service for enforcement.

The development of the second phase of CAMS began in February 2008. Implementation is planned for early in calendar year 2012. This phase will support case creation, paternity establishment, support order establishment and modification, payment processing, and funds distribution activities. With the completion of this second phase, CAMS will replace the child support automated system that is currently part of the Florida Online Recipient Integrated Data Access (FLORIDA) system, which is managed by the Department of Children and Families.

The full implementation of CAMS is expected to produce the following results:

- Automate routine tasks to free up staff time for more complex tasks.
- Increase collections.
- Improve data integrity and reporting.
- Improve performance on federal incentive measures to increase the potential for additional federal funding.
- Increase customer access to services.
- Reduce expense and difficulty of implementing modifications to accommodate changes in federal and state requirements.

The performance of CAMS will be systematically analyzed and improved to ensure that the Child Support Enforcement Program meets performance requirements for receiving federal incentive funding, and that the children and the State are receiving the most benefit possible from this system.

Increase new support order establishments

Many enforcement and collection activities are being automated through CAMS. But before child support can be collected, a support order must be established. To take full advantage of CAMS' enforcement automation, we must establish support orders as quickly as possible.

Paternity Day

In October 2010, the Crestview Paternity Establishment Team set up a special day for parents and children to come in together to establish paternity in a convenient, one-time appointment. The team gained permission to use space in a county government building, arranged to offer genetic testing on site, and invited parents to set up appointments. During the day, genetic testing and stipulation of paternity were completed for 26 children, and an additional four children had paternity established.

Thanks to the creativity and extra effort of the team, these 30 children were one step closer to receiving the child support they need and deserve.

Collecting Lump Sums

The month of March 2011 was exceptionally busy and productive for the Port Richey Enforcement Walk-In Team. The team held three separate appointment days for parents with child support obligations, inviting customers in to discuss their cases, update case records, and negotiate payments. Over 200 of those invited came into the office and met with staff.

For the month of March, the team collected over \$100,000 in lump sum payments, money that will help to meet the needs of the children.

Strategies for increasing new support order establishments:

- Improve the efficiency of judicial referrals by changing the workflow of business processes leading up to initial judicial filing. These changes will reduce the number of judicial filings that result in dismissal.
- Increase the number of judicial referrals available for new order establishment by focusing resources on the business process and by continuing new performance measures and incentives implemented in FY 2010-11.

Increase performance on current support and total collections

To help families become and remain self-sufficient, Revenue strives to improve the reliability of child support payments. During FFY 2009-10, collections of current support increased 6.3 percent over the previous year. With increased support order establishment and more than 15,000 new service requests annually for enforcement of an existing order, the Program is committed to increasing the regular payment of support obligations. Our strategies include:

- Maximize the use of both automation and manual intervention through staff awareness and understanding of the CAMS design for compliance activities.
- Develop a standard communication approach that will maximize the effectiveness of staff interactions with parents who are not paying as ordered.
- Improve the income withholding process.
- Study the impact of policy decisions on performance.

Improve the way we provide service

An important component of increasing productivity is handling customer service requests more effectively. The Department is implementing new service delivery models for the three main types of customer interactions: online, by phone, and in person.

Next steps for implementing new service delivery models:

- Expand the e-Services portal to include all customer types, case actions, and employers.
- Implement a new walk-in service delivery model that includes walk-up customer service stations and self-service computer terminals where customers can access the e-Services portal.
- Pilot web-chat service delivery using federal grant funds.
- Improve contact center performance by implementing skills-based routing that aligns with the CAMS system.

Helping Parents Comply

Seven Child Support Enforcement employees in Lakeland volunteered to set aside a Saturday in September 2010 to help parents comply with their child support obligations and avoid enforcement actions.

The team sent out 329 appointment letters on delinquent cases that were eligible for enforcement action. Sixty-seven customers came in on Saturday and another 67 contacted the office in response to the letter. These parents made payments totaling \$13,424.02 at a time that was convenient for them, avoiding potential enforcement action.

General Tax Administration Strategies

To improve effectiveness in collecting the tax dollars owed to the State in the current economic environment, Revenue's General Tax Administration Program is focusing on strategies in four key areas:

- Focus resources and staff time effectively through data analysis.
- Increase efficiency by automating processes.
- Make compliance easier for taxpayers through internet technology.
- Use data analysis to increase tax collections.

SUNTAX (Florida's unified tax administration system) was designed to make data available for reporting and analysis, so Revenue can allocate resources in a more effective manner. Tools must be added to the system to evaluate, analyze, and report on the data. Currently, through a contract with a consultant, Revenue is developing collection analytics tools to work with SUNTAX. These tools use the historical account information in SUNTAX to prioritize collections work and assign staff to cases with the highest potential for collecting more of the tax money owed to the State. The 2009 Revenue Estimating Conference (REC) projected additional revenues of about \$16.3 million annually through the use of collection analytics.

Use data from external sources to improve collections

Revenue will continue reviewing and evaluating data from external sources to help us direct our resources more effectively. For example, Revenue is now authorized to receive reports from wholesalers and distributors of alcoholic beverages and tobacco products regarding their sales to dealers in Florida. By comparing a retailer's net wholesale purchases of alcohol and tobacco products with the amount of sales and use tax the retailer reports, the Department will identify retailers that are underreporting sales and use tax on these products. Other external sources of data that may help us collect taxes owed to the State include financial institutions and the Internal Revenue Service.

Create one-stop registration for Florida businesses

One-stop registration for all business activities regulated by the State is the next logical step in making it easier for businesses to identify and comply with their obligations. Revenue has implemented online and paper one-stop registration for all the taxes and fees it administers, and looks forward to working with the Department of State, the Department of Business and Professional Regulation, the Florida Lottery, and others to expand this concept to all of state government.

Increase the number of e-filers

When taxpayers register, file, and pay electronically, errors and processing costs are reduced and tax payments are deposited into state bank accounts sooner. Revenue continues to promote the use of e-registration and e-filing and to improve the online experience for taxpayers. Although by law only businesses that pay over \$20,000 of tax annually are required to file and pay electronically, Revenue encourages all taxpayers to use this method. Of all taxpayers who filed electronically in 2010-11, 69 percent did so voluntarily, up from 62 percent the previous year.

Cutting Costs

By evaluating forms and publications, eliminating unnecessary printed materials, and determining the most cost-effective way to deliver each required communication, the General Tax Communication Team reduced printing and postage costs by more than \$90,000 a year.

Although some tax notices must be mailed to specific taxpayers, the Team identified others that can be eliminated or sent electronically. They made more print-on-demand forms available on our website and made it easier to find and download brochures, so taxpayers will need fewer printed materials. For each print product, the Team compared the cost to print in-house with the cost of using an outside print shop. Printing costs are further reduced through closer monitoring of inventories, limiting the waste that occurs when documents become obsolete.

Increase the use of electronic communication

The Department continues to explore ways to use electronic communication to increase the efficiency of agency operations. Currently the Department is piloting the use of social media to communicate tax information relevant to taxpayers. Our first Twitter message directed taxpayers to information about the August 12-14, 2011, sales tax holiday.

Expand remote deposit

Electronic deposit of checks from remote locations improves security, saves labor and postage costs, and increases the interest the State receives on tax payments. In FY 2010-11, Revenue implemented remote deposit of sales tax checks through Image Cash Letter technology at 16 in-state service center and headquarters locations.

The Department plans to expand remote deposit to the nine remaining General Tax Administration locations, including out-of-state service centers, during FY 2011-12. The goal for the next several years is to continue adding specific taxes until all checks are deposited by Image Cash Letter technology.

Ensuring Fairness

Each year, the Property Tax Oversight Program conducts ratio studies on the tax rolls of all counties, comparing each county's property valuations to values the Program determines for those properties. These studies help ensure fair and consistent property valuations. With fewer properties changing hands, less sales data is available now for use in ratio study samples. In 2010, the Department was only able to acquire a reliable sample for 65% of Florida's property classifications.

During FY 2010-11, a team of Property Tax Oversight employees developed cutting-edge, time-trending econometric models that significantly increase the statistical representativeness and reliability of the Department's ratio studies. When used in the review of the 2011 tax roll, these models produced a reliable sample for 83% of classifications, a 27.6% increase over the previous year.

Property Tax Oversight Strategies

Use low-cost technology solutions to increase productivity

Revenue's Property Tax Program currently is allocated 176 positions. This is approximately the same number of positions as before the Program's responsibilities were significantly increased through four years of legislative changes. To continue to keep pace with the demand for services and to maintain diligence in overseeing critical property tax activities, Revenue must use technology to streamline or automate work processes, improve communication with local officials, and make data easier to access and analyze.

Elements of this strategy include:

- Develop a comprehensive system for the storage and analysis of property tax data
- Establish additional e-portals for submission of documents by local officials
- Improve internal workflows through automation

Enhance tax roll review and analysis

Revenue continues to focus on the improvement of our most critical oversight responsibility: tax roll evaluation. With more than eleven million parcels of property statewide, we must rely on statistical sampling to verify the level of assessment of each county's tax roll. The Department continues to implement state of the art mass appraisal and statistical sampling best practices endorsed by the International Association of Assessing Officers (IAAO).

Provide required training to county officials cost-effectively

Revenue recognizes the need to provide up-to-date information and training to local officials, but also understands that property appraisers and tax collectors need to reduce spending. Revenue is developing online training and certification courses, which enable local governments to reduce travel and training costs while still obtaining the continuing education and professional certifications they need to fulfill their responsibilities.

Executive Direction and Support Services Strategies

Identify opportunities to reduce costs through shared administrative services

The Governor has asked all agencies to review their administrative processes to determine which could be efficiently administered centrally, reducing overall costs for state government. Revenue's Executive Direction and Support Services Program is actively participating in this effort.

Maintain a skilled, effective workforce

Revenue's success in achieving its mission depends on the participation of skilled, motivated, and engaged employees. One of our most important strategies for improving productivity throughout the Department is to improve processes for managing and meeting the needs of our workforce.

Over the next few years, we plan to:

- Evaluate our classification and compensation system and provide more accurate pay and benefit information by position and geographic area
- Decrease the time and cost of filling vacancies
- Ensure consistency in human resource-related policies
- Expand agency tools for accessing training and other related resources

One of our most important strategies for improving productivity throughout the Department is to improve processes for managing and meeting the needs of our workforce.

Reduce leasing costs

Using the new leasing process implemented in FY 2009-10, Revenue will continue decreasing the amount of square footage it occupies and obtaining more favorable lease terms, mitigating projected increases in lease costs. At the end of FY 2010-11, Revenue had reduced the projected cost of its private leases by approximately \$4.5 million over the next five years.

As we continue working to decrease leasing costs now, we are also assessing future space needs in anticipation of changes in how Revenue conducts business. The Department's progress toward a paperless environment; implementation of additional technology, including web self-service; and continued improvements in efficiency will affect office space needs. We continue to evaluate the use of alternate work programs that decrease office space requirements, such as telework (working from a home office or other remote location) and "hoteling." In "hoteling," two or more staff members share the same office space, coming into the office on different days, alternating their time in the office with their off-site work. We will continue to implement alternate work arrangements in situations where they will enhance employee and Department effectiveness.

Improve financial management

The Office of Financial Management within the Executive Direction and Support Services Program coordinates and aligns Revenue's budget, purchasing, facilities, and accounting functions to ensure that the Department manages resources consistent with the Legislature's intent, avoids waste and fraud, and continually identifies opportunities to increase efficiency and save money. Key strategies for improving the management of Revenue's finances include the following.

- Make meaningful financial data more accessible to decision-makers
- Improve payment processing
- Prevent waste by increasing the effectiveness of review processes
- Ensure accountability by improving consistency and reporting for contracts
- Decrease costs through effective asset management

Information Services Strategies

The role of the people who create, manage, and maintain computer systems has evolved from a support function to a critical part of business process management. Revenue's Information Services Program strives to support and improve business effectiveness through the delivery of quality information technology services that are aligned with and responsive to business needs. The Program's strategies for accomplishing this include:

Plan effectively to support business results

The Information Services Program has developed a technology infrastructure plan that includes information about systems architecture, technological direction, future acquisitions, standards, migration strategies, and contingency planning. The plan is constantly updated to provide an accurate picture of Revenue's information technology systems, providing immediate access to all the information needed for informed planning.

Help achieve the State's goals for information technology

Over the past few years, the Florida Legislature has passed several measures that require the centralization of many of the information technology functions of state agencies. The Department of Revenue fully supports these initiatives, and assisting in their success is one of the key goals of Revenue's Information Services Program.

With the Agency for Enterprise Information Technology taking the lead, the State has selected Microsoft Outlook as the single email service for all state agencies. The Department of Revenue is included in Phase One of the implementation, which is scheduled for completion by the end of calendar year 2011. Revenue will be transitioning from Novell GroupWise to Outlook.

Improve information technology security

The Department continually reviews and improves systems for protecting the confidential information of our employees and the citizens we serve. The Information Services Program is implementing Data Loss Prevention technologies to monitor the movement of sensitive data. Additionally, the Program is implementing web application security testing on external web applications.

The Program will also update policies and procedures to meet new legal requirements and ensure that all employees receive regular training and information to help them effectively safeguard information.

Reduce information technology costs

As technology evolves, it is vital to continually evaluate newly available hardware and software, and reevaluate existing systems. Dramatic savings can be achieved while maintaining or improving effectiveness. The Information Services Program will continue to migrate systems to less expensive hardware and software, and to use commercial off-the-shelf software solutions that can be adapted to many uses, rather than developing single-purpose applications or purchasing proprietary systems. This strategy not only saves initial costs, but also helps build a standard operating environment that requires less maintenance and can be managed by fewer dedicated staff persons.

Adopt best practices for information technology

Revenue applies the Information Technology Service Management (ITSM) model to its implementation and management of information resources. ITSM focuses on enabling an organization to achieve its business outcomes by providing services that are aligned with and responsive to business needs.

Revenue is in the fourth year of its five year plan to roll out ITIL (Information Technology Infrastructure Library) best practices for the management of information technology infrastructure and is also on track to achieve International Organization for Standardization (ISO) 20000 certification by 2012. Adopting ITIL and ISO standards is helping the Department ensure that shrinking technology resources are used in the most efficient way possible.

Appendix 1:
Program Data and Financial Highlights

Department of Revenue Budget Summary*

(not including pass-throughs)

Fiscal Year 2010-11 All information is unaudited.	FY 2010-11 Appropriation	FY 2010-11 Expenditures	Line item total as a percentage of the category total	Category total as a percentage of total expenditures
Personnel Costs				
Salaries & Benefits (5,189 FTE)	\$262,471,454	\$258,094,663		
Other Personal Services (OPS)	1,708,794	1,189,379		
Personnel Category Total	\$264,180,248	\$259,284,042		51%
Expenses (ongoing costs that must be paid every year)				
Rent		\$26,073,015	51%	
Postage & Other Mailing Costs		5,787,802	11%	
Telephone Service		5,361,513	10%	
Office Supplies		3,090,701	6%	
Travel		2,177,772	4%	
Information Technology Supplies		4,177,904	8%	
Printing & Copying		1,462,376	3%	
Utilities		256,942	1%	
Miscellaneous Expenses		2,838,579	6%	
Expense Category Total	\$55,705,706	\$51,226,604	100%	10%
Operating Capital Outlay (costs for equipment and other items that do not have to be purchased every year)	\$9,721,916	\$7,810,637		2%
Contracted Services (external service providers)				
CAMS - Automated CSE System (development, maintenance)		\$41,592,092	23%	
Clerks of the Circuit Court		23,883,351	13%	
Miami-Dade Child Support Enforcement		21,613,940	12%	
Legal Services		18,294,013	10%	
State Disbursement Unit (disbursement of payments)		17,898,473	10%	
DCF Data Center/Northwood Shared Resource Center		12,435,842	7%	
Office of State Court Administrator		6,025,558	3%	
Manatee Co. Child Support Enforcement		3,360,889	2%	
Information Technology Services		2,389,105	1%	
Sheriff Service of Process		2,222,352	1%	
Applications Software		2,065,598	1%	
Intercepts (information for intercepts of payments)		2,587,403	1%	
Electronic Funds Transfer		1,496,953	1%	
Intercepts (information for intercepts of payments)		1,963,689	1%	
SUNTAX - Integrated Tax System (maintenance)		2,266,849	1%	
Depository Cost Analysis		516,978	Δ	
State Case Registry		370,977	Δ	
Mailing and Delivery Service		103,869	Δ	
Other Contracts		18,273,288	10%	
Contracted Services Category Total	\$187,586,086	\$177,138,867	100%	35%
Other Appropriation Categories	\$14,344,931	\$11,134,681		2%
Total Expenditures	\$531,538,887	\$506,594,832		100%

* The \$555,809,657 budget appropriation for the Department of Revenue includes \$16,760,000 to be distributed directly to municipalities and counties by the General Tax Administration Program and \$23,200,000 to be distributed directly to municipalities and counties by the Property Tax Oversight Program. Those amounts are not included in this budget summary.

Δ less than 0.5%

Child Support Enforcement Program Data

Federal Fiscal Year 2006-07 through 2010-11

FFY	2007	2008	2009	2010	2011
Child Support Cases					
Cases with no court order in effect	196,972	207,116	223,973	227,959	211,597
Cases with court order in effect	569,462	584,953	601,293	632,224	658,062
Total cases	766,434	792,069	825,266	860,183	869,659
Collections in Millions of Dollars					
Total received	\$1,262.1	\$1,403.9	\$1,392.7	\$1,476.0	\$1,630.9
Total disbursed	\$1,268.9	\$1,381.0	\$1,409.5	\$1,481.2	\$1,630.7
Paternity Establishment **					
Children born out of wedlock in this state for whom paternity was established	95,389	96,108	99,327	99,310	99,807
Percentage of children with paternity established	98.1%	90.7%	90.0%	91.5%	94.4%

* Fiscal years are designated by the year they end in. For example, Fiscal Year 2011 begins in 2010 and ends in 2011. The federal fiscal year begins on October 1 and ends on September 30.

** Numbers are for paternitys established during the previous calendar year.

Child Support Enforcement Budget Summary

Fiscal Year 2010-11 All information is unaudited.	FY 2010-11 Appropriation	FY 2010-11 Expenditures	Line item total as a percentage of the category total	Category total as a percentage of total expenditures
Personnel Costs				
Salaries & Benefits (2,309 FTE)	\$102,340,303	\$101,880,338		
Other Personal Services (OPS)	1,182,779	896,042		
Total Personnel Costs	\$103,523,082	\$102,776,380		35%
Expenses (ongoing costs that must be paid every year)				
Rent		\$12,785,054	55%	
Postage & Other Mailing Costs		3,224,592	14%	
Telephone Usage		3,071,881	13%	
Office Supplies		1,092,952	5%	
Information Technology Supplies		1,312,805	6%	
Printing & Copying		425,843	2%	
Travel		366,764	2%	
Miscellaneous Expenses		950,780	4%	
Total Expenses	\$23,558,904	\$23,230,671	100%	8%
Operating Capital Outlay (costs for equipment and other items that do not have to be purchased every year)	\$2,377,214	\$2,227,900		1%
Contracted Services (external service providers)				
CAMS - Automated System (development, maintenance) *		\$41,592,092	26%	
Clerks of the Circuit Court - Depositories		23,883,351	15%	
Miami-Dade Child Support Enforcement		21,613,940	13%	
State Disbursement Unit (disbursement of payments)		17,898,473	11%	
Legal Services Providers		16,861,507	10%	
DCF Data Center/Northwood Shared Resource Center		12,435,842	8%	
State Court Administrator - hearing officers		6,025,558	4%	
Manatee Co. Child Support Enforcement		3,360,889	2%	
Sheriff Service of Process		2,065,598	1%	
Intercepts (information for intercepts of payments)		1,963,689	1%	
Depository Cost Analysis		516,978	Δ	
State Case Registry		370,977	Δ	
Mailing and Delivery Service		103,869	Δ	
Other Contracts		14,356,968	9%	
Total Contracted Services*	\$168,761,111	\$163,049,730	100%	56%
Southwood Shared Resource Center (SSRC)	\$75,306	\$22,553		Δ
Northwest Regional Data Center (NWRDC)	\$645,908	\$617,105		Δ
Other Appropriation Categories	\$1,890,376	\$1,629,674		1%
Total	\$300,831,901	\$293,554,013		100%

* CAMS budget was supplemented with \$4,165,350 base budget funding for deliverables received in advance of schedule.

** Includes DCF Data Processing and Northwood Shared Resource Center (NSRC) appropriation

Δ less than 0.5%

General Tax Administration Program Data

FY 2006-07 through FY 2010-11

(\$ Millions)

	Actual Deposits				
	2006-07	2007-08	2008-09	2009-10	2010-11
General Revenue Sources					
1 Sales and Use Tax	\$22,854.6	\$21,518.0	\$19,227.7	\$18,537.0	\$19,352.98
2 Communications Services Tax	\$2,420.8	\$2,507.2	\$2,516.9	\$2,419.2	\$2,307.05
3 Corporate Income and Excise Tax	\$2,442.5	\$2,211.8	\$1,836.6	\$1,793.2	\$1,869.87
4 Documentary Stamp Tax	\$3,064.5	\$1,977.5	\$1,128.4	\$1,093.6	\$1,176.82
5 Insurance Premium Tax	\$785.9	\$714.7	\$651.3	\$667.8	\$698.11
6 Intangible Tax B & D (annual)	\$40.0	\$2.1	\$0.8	\$0.7	\$0.32
7 Intangible Tax C	\$726.7	\$436.5	\$199.9	\$158.9	\$162.47
8 Estate Tax	\$43.4	\$12.2	\$4.8	\$3.3	\$1.12
9 Severance Tax - Oil & Gas	\$9.4	\$12.8	\$8.0	\$3.9	\$10.06
10 Severance Tax - Solid Mineral	\$36.5	\$43.2	\$73.3	\$67.1	\$48.96
11 Audit Clearing Account	\$129.2	\$107.3	\$123.0	\$116.7	\$165.57
12 Warrant Clearing Account	\$0.5	\$0.4	\$0.1	\$0.0	\$0.00
13 GR Sources - Refunds	(\$360.5)	(\$460.9)	(\$596.8)	(\$536.5)	(\$319.70)
Subtotal: General Revenue	\$32,193.4	\$29,082.8	\$25,173.8	\$24,324.9	\$25,473.62
Other Tax Sources					
14 Governmental Leasehold Tax	\$0.5	\$0.4	\$0.7	\$0.9	\$0.95
15 Fuel-Related Taxes and Fees	\$3,427.7	\$3,392.0	\$3,287.0	\$3,330.1	\$3,335.68
16 Gross Receipts Tax - Utility	\$603.1	\$648.3	\$653.2	\$660.0	\$639.45
17 Solid Waste Return Taxes	\$185.7	\$187.6	\$166.1	\$160.8	\$172.88
18 Warranty Fee (Lemon Law)	\$2.3	\$2.1	\$1.5	\$1.3	\$1.62
19 Lakebelt Mitigation Fee	\$4.5	\$5.0	\$4.5	\$4.3	\$4.67
20 Lakebelt Plant Upgrade Fee	\$2.8	\$5.4	\$3.4	\$2.7	\$2.86
21 Clerk of Court - DOR	\$152.6	\$169.6	\$287.8	\$198.9	\$190.70
22 Clerk of Court - Other Agencies	\$149.1	\$153.2	\$174.8	\$1,027.1	\$831.78
23 Miscellaneous	\$2.1	\$5.4	\$3.9	\$9.2	\$66.05
24 Other Sources - Refunds	(\$52.0)	(\$54.7)	(\$61.1)	(\$59.5)	(\$63.00)
25 Unemployment Tax	\$1,047.4	\$885.8	\$900.7	\$1,184.2	\$1,699.24
Subtotal: Other Tax Sources	\$5,525.7	\$5,400.0	\$5,422.6	\$6,520.0	\$6,882.87
Total Revenue Administered Taxes	\$37,719.1	\$34,482.8	\$30,596.4	\$30,844.9	\$32,356.50
Annual Percent Change	-3.4%	-8.6%	-11.3%	0.8%	4.9%
Distributions					
General Revenue	\$24,427.9	\$22,292.4	\$19,687.5	\$19,018.8	\$19,856.30
State Trust Funds	\$6,176.4	\$5,728.3	\$4,863.6	\$5,669.6	\$5,521.00
Local	\$6,357.5	\$6,092.6	\$5,769.8	\$5,500.4	\$5,579.00
Admin Trust Funds	\$37.3	\$49.1	\$49.7	\$54.1	\$49.80
Total Distributions	\$36,999.1	\$34,162.4	\$30,370.6	\$30,242.9	\$31,006.10

General Tax Administration Budget Summary*

(not including pass-throughs)

Fiscal Year 2010-11 All information is unaudited.	FY 2010-11 Appropriation	FY 2010-11 Expenditures	Line item total as a percentage of the category total	Category total as a percentage of total expenditures
Personnel Costs				
Salaries & Benefits (2,256 FTE)	\$121,238,471	\$118,053,558		
Other Personal Services (OPS)	253,593	73,094		
Total Personnel Costs	\$121,492,064	\$118,126,653		79%
Expenses (ongoing costs that must be paid every year)				
Rent		\$10,066,633	47%	
Postage & Other Mailing Costs		2,553,961	12%	
Travel		1,696,499	8%	
Telephone Usage		1,597,012	7%	
Office Supplies		1,203,194	6%	
Printing & Copying		958,768	4%	
Utilities		256,942	1%	
Information Technology Supplies		1,683,027	8%	
Miscellaneous Expenses		1,450,786	7%	
Total Expenses	\$24,931,572	\$21,466,822	100%	14%
Operating Capital Outlay (costs for equipment and other items that do not have to be purchased every year)	\$1,339,338	\$1,097,956		1%
Contracted Services (external service providers)				
Electronic Funds Transfer		\$1,496,953	23%	
SUNTAX - Integrated Tax System (operations and maintenance)		2,266,849	35%	
Information Technology Services		717,800	11%	
Tax Return Processing Server Maintenance		297,601	5%	
Banking Fees		286,156	4%	
Application Software Maintenance		91,518	1%	
Data Processing - Disaster Recovery		82,260	1%	
Other Contracts		1,324,253	20%	
Total Contracted Services	\$10,520,052	\$6,563,391	100%	4%
Southwood Shared Resource Center (SSRC)	\$6,137	\$6,137		Δ
Other Appropriation Categories	\$2,789,299	\$1,679,558		1%
Total	\$161,078,462	\$148,940,517		100%

* The \$177,838,462 budget appropriation for the Department of Revenue's General Tax Administration Program includes \$16,760,000 to be distributed directly to counties. That amount is included in the distributions reported on the GTA program data page, and is not included in this budget summary.

Δ less than 0.5%

Property Tax Oversight Program Data 2007 - 2011 (Calendar Years)

	2007	2008	2009	2010**	2011**
Just (market) value of Florida real, personal and centrally assessed property	\$2.66 Trillion	\$2.57 Trillion	\$2.21 Trillion	\$1.94 Trillion	\$1.85 Trillion
Percentage increase over previous year	9.30%	-3.40%	-14.27%	-11.91%	-4.51%
Real property assessment differential value of homestead capped parcels	\$427.45 Billion	\$313.81 Billion	168.17 Billion	84.47 Billion	67.53 Billion
Percentage increase over previous year	5.60%	-26.60%	-46.41%	-49.77%	-20.06%
Value of homestead exemptions to Florida taxpayers	\$111.71 Billion	\$206.99 Billion*	\$204.02 Billion*	\$199.27 Billion*	\$193.81 Billion*
Percentage increase over previous year	2.40%	85.29%	-1.40%	-2.36%	-2.74%
Property taxes levied by counties, cities, school boards and other taxing districts	\$31.04 Billion	\$30.21 Billion	\$27.84 Billion	\$25.80 Billion	\$24.45 Billion
Percentage increase over previous year	2.20%	-2.67%	-7.85%	-7.30%	-5.25%

* Reflects implementation of additional \$25,000 Homestead Exemption

** Based on Final Summary data received 11-17-11 from Property Appraisers

Source publication: *2011 Preliminary Florida Ad Valorem Valuation & Tax Data*

Property Tax Oversight Budget Summary*

(not including pass-throughs)

Fiscal Year 2010-11 All information is unaudited.	FY 2010-11 Appropriation	FY 2010-11 Expenditures	Line item total as a percentage of the category total	Category total as a percentage of total expenditures
Personnel Costs				
Salaries & Benefits (176 FTE)	\$10,819,946	\$10,629,078		
Other Personal Services (OPS)	22,170	16,821		
Total Personnel Costs	\$10,842,116	\$10,645,899		84%
Expenses (ongoing costs that must be paid every year)				
Rent		\$522,066	58%	
Travel		83,332	9%	
Office Supplies		72,593	8%	
Telephone Usage		60,672	7%	
Printing & Copying		28,873	3%	
Information Technology Supplies		36,366	4%	
Postage		9,249	1%	
Miscellaneous Expenses		80,298	9%	
Total Expenses	\$1,055,019	\$893,449	100%	7%
Operating Capital Outlay (costs for equipment and other items that do not have to be purchased every year)	\$56,012	\$42,536		Δ
Contracted Services (external service providers)				
Consulting		\$53,032	32%	
Information Technology Services		27,833	17%	
Applications Software		31,910	19%	
Appraisal Services		0	0%	
Instruction (Instructors for required training for local officials)		158	Δ	
Other Contracts		54,437	33%	
Total Contracted Services	\$484,977	\$167,370	100%	1%
Southwood Shared Resource Center (SSRC)	\$3,469	\$931		Δ
Certification Trust Fund Spending Authority**	\$1,361,266	\$312,091		2%
Other Appropriation Categories	\$897,915	\$560,034		4%
Total	\$14,700,774	\$12,622,310		100%

* The \$38,498,407 budget for the Department of Revenue's Property Tax Oversight Program includes \$23,797,633 to be distributed directly to municipalities and counties. That amount is not included in this budget summary.

** The Certification Program Trust Fund is funded from fees collected from property appraisers and tax collectors to cover the cost of training to upgrade assessment and collection skills, and the cost of aerial photographs for certain property appraisers. The total amount of Spending Authority appropriated was \$1,565,576, of which \$204,310 was in Salaries and Benefits. The Certification Trust Fund expenditure in Salaries & Benefits was \$194,461.16.

Δ less than 0.5%

Executive Direction and Support Services Budget Summary

Fiscal Year 2010-11 All information is unaudited.	FY 2010-11 Appropriation	FY 2010-11 Expenditures	Line item total as a percentage of the category total	Category total as a percentage of total expenditures
Personnel Costs				
Salaries & Benefits (265 FTE)	\$17,815,310	\$17,545,453		
Other Personal Services (OPS)	168,740	149,712		
Total Personnel Costs	\$17,984,050	\$17,695,165		58%
Expenses (ongoing costs that must be paid every year)				
Rent		\$1,828,859	63%	
Office Supplies		576,791	20%	
Telephone Usage		108,369	4%	
Information Technology Supplies		46,599	2%	
Printing & Copying		48,892	2%	
Travel		25,631	1%	
Miscellaneous Expenses		246,105	9%	
Total Expenses	\$3,208,702	\$2,881,246	100%	9%
Operating Capital Outlay (costs for equipment and other items that do not have to be purchased every year)	\$5,429,338	\$4,006,361		13%
Contracted Services (external service providers)				
Legal Services		\$1,432,506	85%	
Other Contracts		261,508	15%	
Total Contracted Services	\$1,918,579	\$1,694,014	100%	6%
Transfer to Division of Administrative Hearings (approximately 98% is for administrative paternity establishment for child support enforcement)	\$2,363,909	\$2,363,909		8%
Human Resources Contract	\$1,858,567	\$1,858,567		6%
Other Appropriation Categories	\$208,628	\$208,624		1%
Total	\$32,971,773	\$30,707,886		100%

Information Services Program Budget Summary

Fiscal Year 2010-11 All information is unaudited.	FY 2010-11 Appropriation	FY 2010-11 Expenditures	Line item total as a percentage of the category total	Category total as a percentage of total expenditures
Personnel Costs				
Salaries & Benefits (183 FTE)	\$10,257,424	\$9,986,236		
Other Personal Services (OPS)	81,512	53,710		
Total Personnel Costs	\$10,338,936	\$10,039,946		48%
Expenses (ongoing costs that must be paid every year)				
Rent		\$870,403	32%	
Information Technology Supplies		1,099,107	40%	
Telephone Usage		523,579	19%	
Office Supplies		145,171	5%	
Travel		5,546	Δ	
Miscellaneous Expenses		110,610	4%	
Total Expenses	\$2,951,509	\$2,754,416	100%	13%
Operating Capital Outlay (costs for equipment and other items that do not have to be purchased every year)				
	\$520,014	\$435,884		2%
Contracted Services (external service providers)				
Information Technology Services		\$1,643,472	29%	
Applications Software		2,463,975	43%	
Other Contracts		1,556,915	27%	
Total Contracted Services	\$5,901,367	\$5,664,362	100%	27%
Southwood Shared Resource Center (SSRC)	\$1,833,708	\$1,652,209		8%
Northwest Regional Data Center (NWRDC)	\$382,994	\$196,551		1%
Other Appropriation Categories	\$27,449	\$26,740		Δ
Total	\$21,955,977	\$20,770,107		100%

Δ less than 0.5%

Appendix 2:
Department of Revenue Programs

For more information

Revenue's Child Support Web Page
<http://dor.myflorida.com/dor/childsupport/>

For assistance
Customer Service: 800-622-5437

Mailing address:
Department of Revenue
Child Support Enforcement
P. O. Box 8030
Tallahassee, FL 32314-8030

[More Contact Information](#)
can be accessed from our web page

Child Support Enforcement Program

What we do

We serve Florida's families by helping children receive the support they deserve.

We continually review and improve our services to help parents support their children.

How we do it

Find parents

Establish paternity

Establish child support orders

Enforce child support orders

Receive and distribute child support payments

Our customers

Parents: Any parent or other person who cares for a child may receive child support services. Parents or caregivers who receive public assistance through the Florida Department of Children and Families are automatically referred to us for child support services.

Parents who are required to pay child support: Parents can also ask for our help in arranging a convenient way to pay child support.

Possible fathers: A man who has been identified as a possible father can ask for genetic testing to determine if he is the father of the child.

Children: Our primary purpose is to help children receive the financial support they need and deserve. When a child does not have a legal father, we help establish paternity.

We provide full child support services to families in all but two Florida counties:

In *Miami-Dade County*, the State Attorney's Office provides child support services.

In *Manatee County*, the Clerk of Court provides child support services.

Our partners

The federal government, Florida's courts, the state Attorney General's office, local law enforcement, financial institutions, employers, other state agencies, and child support agencies in other states and countries are our partners in child support enforcement. We rely on their assistance to get child support to Florida's children.

For more information

Revenue's General Tax Web Page
<http://dor.myflorida.com/dor/gta.html>

For assistance
Customer Service: 800-352-3671

Mailing address:
Department of Revenue
General Tax Administration
5050 West Tennessee Street
Tallahassee, FL 32399-0100

[More Contact Information](#)
can be accessed from our web page

General Tax Administration Program

What we do

We administer 32 taxes and fees, including sales and use tax, unemployment tax, communications services tax, corporate income tax, and fuel taxes.

We collect the money that pays for state and local government services Floridians depend on.

We continually improve our technology and customer service to make reporting and paying taxes as convenient and easy as possible.

How we do it

Register businesses for the collection of taxes

Receive and deposit tax dollars

Review tax returns and notify taxpayers of errors

Help taxpayers with questions and problems

Audit taxpayers to ensure compliance with the law

Investigate tax fraud

Collect overdue taxes

Process tax refunds

Distribute funds to state accounts and local governments

Receive and process payments made to several state agencies

Our customers

State government, local governments, and the people of Florida are our customers. To meet the needs of the state, its communities, and its citizens, we maintain and continually improve an efficient system for administering Florida taxes.

Our partners

Florida's businesses make the state's tax system work. Businesses calculate, collect, and transmit the tax money that funds state government and the services it provides. An overwhelming majority of Florida's businesses voluntarily and conscientiously carry out these responsibilities, keeping the state's tax collection costs low.

We provide a unified tax system so businesses can resolve issues related to many different taxes through a single contact with us. We provide an electronic filing and payment system to save time and reduce errors. To protect our business partners from unfair competition, we also identify businesses that are not fulfilling their tax obligations and bring them into compliance.

For more information

Revenue's Property Tax Web Page
<http://dor.myflorida.com/dor/property/>

For assistance

Florida's property tax is administered by local officials.

Contact Information for [Property Appraisers](#) and [Tax Collectors](#) can be accessed from our web page

Revenue's Property Tax Oversight program: 850-717-6570

Mailing address:

Department of Revenue
Property Tax Oversight
P. O. Box 3000
Tallahassee, FL 32315-3000

Property Tax Oversight Program

What we do

We ensure that the county property taxes that fund local governments and schools are assessed, levied, collected, and appealed in accordance with Florida law.

We review county tax rolls and the operations of property appraiser offices to ensure fair, uniform, and accurate property assessments throughout the state.

We continually improve our methods, data systems, and services so we can better assist local governments in fulfilling their property tax responsibilities.

How we do it

Review and approve the property tax roll of each of Florida's 67 counties every year.

Review and audit property appraiser, tax collector, and value adjustment board procedures and practices.

Ensure that local governments comply with maximum millage levying and public disclosure laws.

Review and approve property appraiser and tax collector budgets.

Review each tax sale certificate correction and all property tax refund applications in excess of \$2,500.

Respond to questions from the public about the property tax process.

Provide education and assistance to property appraisers, tax collectors, levying authorities, and their staffs; and to value adjustment board members, attorneys, and special magistrates.

Our customers

Local governments: In addition to our oversight role, we provide technical assistance, training, and professional certifications to local officials responsible for the assessment, levying, and collection of property taxes, and for handling appeals.

Property owners: We serve property owners by continually improving the accuracy, uniformity, and fairness of Florida's local property tax system. We also answer property owners' questions about property tax, explaining their rights and the steps they may take to exercise those rights.

Florida's public schools: We provide the property tax information School Boards need to determine school millage rates and local effort funding requirements.

The people of Florida: The tax system we oversee provides the funds for local government services and schools.



Our partners

Property owners and local governments are not only our customers, but also our partners in the property tax system. We seek their input in problem solving and rule development, and their cooperation is essential in making improvements to the state's property tax system.

For more information

Department of Revenue Website
www.myflorida.com/dor

For assistance
Executive Director's Office:
850-617-8600

Mailing address:
Department of Revenue
5050 West Tennessee Street
Tallahassee, FL 32399-0100

Executive Direction and Support Services Program

What we do

The Executive Direction and Support Services Program provides the vision and direction for all agency functions, while also allocating and managing human and financial resources. The Program's purpose is to enable the operational programs—General Tax Administration, Child Support Enforcement, Property Tax Oversight—to achieve their objectives.

Employees within the Executive Direction and Support Services Program ensure that the Department fulfills its legal responsibilities, manages its resources wisely, identifies and meets challenges proactively, and continually improves its performance.

How we do it

Receive direction from the Governor and Cabinet and the Legislature, and communicate this direction throughout the agency.

Develop strategies for increasing effectiveness and decreasing costs.

Manage Revenue's financial and human resource processes.

Encourage, receive, and act on communications from employees.

Provide legal guidance and services for the agency.

Provide technical tax guidance to taxpayers, tax practitioners, and the General Tax Administration Program.

Assist customers who have disagreements with the Department, through both informal and formal dispute resolution programs.

Evaluate the Department's effectiveness, identify gaps, and make corrections.

Report to the Governor and Cabinet and the Legislature on Revenue's activities, results, and financial management.

Our customers

The Executive Direction and Support Services Program serves the customers of all of Revenue's programs, including child support clients, taxpayers, local governments, and all Floridians. In addition, the other Revenue programs and all Revenue employees are customers of the executive program.

Our partners

The Executive Direction and Support Services Program partners with other state agencies in the administration of its programs. These agencies include the Agency for Workforce Innovation, the Attorney General's Office, the Division of Emergency Management, and the Departments of Children and Families, Financial Services, and Management Services.

Information Services Program

What we do

Each of Revenue's other programs depends on technology solutions developed and supported by the Information Services Program. The Program supports and improves Revenue's effectiveness through the delivery of quality information technology services that are cost-effective and sustainable.

How we do it

Provide, manage, and maintain the operating environment, which includes servers, platforms, and networks.

Provide user services, such as account set-up, access to secure applications, installation of hardware and software, and help with computer problems.

Develop and modify business applications.

Minimize service disruptions by proactively identifying and preventing problems.

Select, implement, and support software that will provide the best value to the Department.

Restore normal operations quickly when problems occur.

Maintain the security of the information in the Department's computer systems so information is not lost or improperly released.

Continually improve the Program's effectiveness through adoption of information technology best practices.

Our customers

As a support program, the Information Services Program provides services directly to the other *Department of Revenue programs and individual employees*. By making Revenue more effective, the Program serves all of the Department's customers, including *child support clients, taxpayers, local governments, and all Floridians*.

Our partners

As Florida government centralizes many information technology functions, we are working closely with the state's Agency for Enterprise Information Technology to ensure the success of this transition. The Agency for Enterprise Information Technology, Florida's Shared Resource Centers, and Revenue's Information Services Program will be partners in meeting the Department of Revenue's technology needs now and in the future.