

COL A93		
SCH VIIIIB-2		
REDUCTIONS		
POS	AMOUNT	CODES

MANAGEMENT SRVCS, DEPT OF		72000000
PGM: ADMINISTRATION PGM		72010000
<u>EXECUTIVE DIR/SUPPORT SVCS</u>		72010100
GOV OPERATIONS/SUPPORT		16
<u>EXEC LEADERSHIP/SUPPRT SVC</u>		<u>1602.00.00.00</u>
PROGRAM REDUCTIONS		33V0000
REDUCE CONTRACTED LEGAL SERVICES		33V0620
SPECIAL CATEGORIES		100000
CONTRACTED LEGAL SERVICES		103884
ADMINISTRATIVE TRUST FUND -STATE	547,485-	2021 1
	=====	

AGENCY ISSUE NARRATIVE:

SCH VIIIIB-2 NARR 15-16 NARRATIVE: IT COMPONENT? NO
 ISSUE TITILE: Reduce Contracted Legal Services

Priority #20

ISSUE SUMMARY:

The Department of Management Services, Office of the Secretary proposes a reduction of (\$547,485) from the Contracted Legal Services appropriation category. This issue reduces the department's contracted legal services contingency budget from \$891,000 to \$343,515.

This appropriation is used by the Department to provide outside legal representation for potential litigations. In the event the remaining appropriation is not adequate, the department will have to request budget amendments to contract for legal services as needed, which is not as timely as sometimes required to appropriately and swiftly respond to lawsuits.

FISCAL INFORMATION:

To meet the five percent reduction exercise, the Office of the Secretary proposes a reduction in the Administrative Trust Fund from within the Special Categories: Contracted Legal Services appropriation category.

Administrative Trust Fund (2021)

Special Categories: Contracted Legal Services (103884) (\$547,485) FSI=1

REDUCE EXPENDITURES WITHIN THE		
OFFICE OF THE SECRETARY		33V0820
EXPENSES		040000

GENERAL REVENUE FUND	-STATE	16,238-	1000 1
		=====	

COL A93		
SCH VIIIIB-2		
REDUCTIONS		
POS	AMOUNT	CODES
		72000000
		72010000
		72010100
		16
		<u>1602.00.00.00</u>
		33V0000
		33V0820

MANAGEMENT SRVCS, DEPT OF
 PGM: ADMINISTRATION PGM
EXECUTIVE DIR/SUPPORT SVCS
 GOV OPERATIONS/SUPPORT
EXEC LEADERSHIP/SUPPRT SVC
 PROGRAM REDUCTIONS
 REDUCE EXPENDITURES WITHIN THE
 OFFICE OF THE SECRETARY

AGENCY ISSUE NARRATIVE:
 SCH VIIIIB-2 NARR 15-16 NARRATIVE: IT COMPONENT? YES
 ISSUE TITLE: Reduce Expenditures within the Office of the Secretary

PRIORITY: #4

SUMMARY:

The Department of Management Services, Office of the Secretary proposes a reduction of (\$16,238) from the Expenses appropriation category (040000). This issue reduces the department's Expenses budget that is used to fund the MyFlorida.com portal from \$41,497 to \$25,259.

WHAT IS THE IMPACT OF TAKING THIS REDUCTION:

This appropriation is used by the Department to purchase software licenses, information technology equipments and to pay the rent and Centrex and SUNCOM bills for the MyFlorida.com Portal. With this reduction, the department will be unable to purchase the annual software licenses that are needed to maintain the Department's website.

REDUCTION COST CALCULATION:

To meet the five percent reduction exercise, the Office of the Secretary proposes a General Revenue reduction of (\$16,238) by reducing the Expense appropriation category.

General Revenue Fund (1000)
 Expenses (040000) (\$16,238) FSI=1

TOTAL: EXEC LEADERSHIP/SUPPRT SVC		<u>1602.00.00.00</u>
BY FUND TYPE		
GENERAL REVENUE FUND	16,238-	1000
TRUST FUNDS	547,485-	2000

TOTAL PROG COMP.....	563,723-	
	=====	

COL A93			
SCH VIIIIB-2			
REDUCTIONS			
POS	AMOUNT		CODES

MANAGEMENT SRVCS, DEPT OF			72000000
PGM: FACILITIES PROGRAM			72400000
<u>FACILITIES MANAGEMENT</u>			72400100
GOV OPERATIONS/SUPPORT			16
<u>GOVERNMENTAL OPERATIONS</u>			<u>1601.00.00.00</u>
PROGRAM REDUCTIONS			33V0000
REDUCE THE FACILITIES MANAGEMENT			
OPERATING BUDGET			33V0760
SALARY RATE			000000
SALARY RATE.....	75,915-		
	=====		
SALARIES AND BENEFITS			010000
	4.50-		
SUPERVISION TRUST FUND -STATE	180,379-		2696 1
	=====		
OTHER PERSONAL SERVICES			030000
SUPERVISION TRUST FUND -STATE	17,000-		2696 1
	=====		
EXPENSES			040000
SUPERVISION TRUST FUND -STATE	376,108-		2696 1
	=====		
OPERATING CAPITAL OUTLAY			060000
SUPERVISION TRUST FUND -STATE	60,180-		2696 1
	=====		
SPECIAL CATEGORIES			100000
CONTRACTED SERVICES			100777
SUPERVISION TRUST FUND -STATE	834,341-		2696 1
	=====		
CAPITOL REPAIRS			108900
SUPERVISION TRUST FUND -STATE	50,000-		2696 1
	=====		
TOTAL: REDUCE THE FACILITIES MANAGEMENT			33V0760
OPERATING BUDGET			
TOTAL POSITIONS.....	4.50-		
TOTAL ISSUE.....	1,518,008-		
TOTAL SALARY RATE.....	75,915-		
	=====		

COL A93		
SCH VIIIIB-2		
REDUCTIONS		
POS	AMOUNT	CODES

MANAGEMENT SRVCS, DEPT OF		72000000
PGM: FACILITIES PROGRAM		72400000
<u>FACILITIES MANAGEMENT</u>		72400100
GOV OPERATIONS/SUPPORT		16
<u>GOVERNMENTAL OPERATIONS</u>		<u>1601.00.00.00</u>
PROGRAM REDUCTIONS		33V0000
REDUCE THE FACILITIES MANAGEMENT		
OPERATING BUDGET		33V0760

AGENCY ISSUE NARRATIVE:

SCH VIIIIB-2 NARR 15-16 NARRATIVE:

IT COMPONENT? NO

ISSUE TITLE: Reduce The Facilities Management Operating Budget

PRIORITY: #17

SUMMARY:

The Department of Management Services, Division of Real Estate Development and Management (REDM) proposes a reduction of \$1,518,008, which includes four and one-half positions, in various operating categories within the Supervision Trust Fund used in the operations and maintenance of the Florida Facilities Pool (FFP).

BACKGROUND:

Section 255.249, Florida Statutes, gives the Department of Management Services (DMS) the responsibility and authority to operate, maintain and repair buildings in the FFP. This responsibility is carried out through the use of both in-house staff as well as private service providers.

WHAT IS THE IMPACT OF TAKING THIS REDUCTION:

Salaries and Benefits:

This eliminates four full-time positions and one part-time position within the Bureau of Operations and Maintenance. The Bureau of Operations and Maintenance is responsible for the overall operations and maintenance of 108 facilities within the FFP, consisting of over 12.2 million gross square feet. The reduction will significantly affect the workload of the remaining employees within the Bureau of Operations and Maintenance and delay the customer service provided to the tenants of these buildings.

Other Personal Services (OPS):

This reduction will eliminate the entire recurring OPS budget; thereby, eliminating the division's ability to hire temporary employees in order to meet emergency staffing needs. There was an additional \$250,000 funded for fiscal year 2014-15 to assist with the increased Fixed Capital Outlay appropriation.

Expenses:

The division uses the expense budget to perform the general daily repairs and maintenance of the 108 facilities within the FFP. It will affect the ability to perform general repairs and maintenance on our facilities, resulting in greater maintenance needs in the future. This reduction will also greatly inhibit our ability to reduce energy consumption, which represents REDM's largest single cost in the operation of the FFP. REDM's energy strategy is implemented, to a large degree, through this appropriation category. The consumption of energy is directly related to the operating efficiency of building systems such as the Heating, Ventilation and Air Conditioning (HVAC) and lighting. This reduction will lessen the ability to maintain operating efficiency through preventive maintenance and repairs.

COL A93		
SCH VIIIIB-2		
REDUCTIONS		
POS	AMOUNT	CODES
MANAGEMENT SRVCS, DEPT OF		72000000
PGM: FACILITIES PROGRAM		72400000
<u>FACILITIES MANAGEMENT</u>		72400100
GOV OPERATIONS/SUPPORT		16
<u>GOVERNMENTAL OPERATIONS</u>		<u>1601.00.00.00</u>
PROGRAM REDUCTIONS		33V0000
REDUCE THE FACILITIES MANAGEMENT		
OPERATING BUDGET		33V0760

Operating Capital Outlay:

This reduction will significantly impact the operating capital outlay budget that is used to purchase the proper tools and equipment needed to perform building repairs and maintenance within the FFP.

Contracted Services:

This reduction will reduce the frequency of lawn care services at virtually all REDM managed facilities. This reduction will also add certain daytime custodial functions to existing building maintenance staff. The additional custodial services could be assumed by existing maintenance staff, and no reduction in custodial services will likely be felt by building tenants, but would undoubtedly affect other areas such as maintenance and repairs, and require that existing staff refocus. With less focus on maintenance and repairs, it will negatively affect the division's ability to proactively manage energy costs.

State Capitol - Maintenance and Repairs:

This will eliminate the division's ability to renovate restrooms in the State Capitol in order to comply with current codes, including the Americans with Disabilities Act (ADA).

REDUCTION COST CALCULATIONS:

To meet the five percent reduction exercise, REDM proposes a reduction of \$1,518,008 by reducing four and one-half (4.5) positions and the operating budget used to operate and maintain the FFP, and make upgrades and repairs to restrooms in the State Capitol.

Supervision Trust Fund (2696)

Positions	(4.5 FTE)
Salaries and Benefits (010000)	(\$180,379)
Other Personal Services (030000)	(\$17,000)
Expenses (040000)	(\$376,108)
Operating Capital Outlay (060000)	(\$60,180)
Special Categories: Contracted Services (100777)	(\$834,341)
Special Categories: State Capitol Maintenance and Repairs (108900)	(\$50,000)

TOTAL ISSUE: (1,518,008) FSI=1

COL A93		
SCH VIIIIB-2		
REDUCTIONS		
POS	AMOUNT	CODES

MANAGEMENT SRVCS, DEPT OF		72000000
PGM: FACILITIES PROGRAM		72400000
<u>BUILDING CONSTRUCTION</u>		72400200
GOV OPERATIONS/SUPPORT		16
<u>GOVERNMENTAL OPERATIONS</u>		<u>1601.00.00.00</u>
PROGRAM REDUCTIONS		33V0000
REDUCE BUILDING CONSTRUCTION		33V0860
EXPENSES		040000
ARCHITECTS INCIDENTAL TF -STATE	8,953-	2033 1
	=====	
SPECIAL CATEGORIES		100000
CONTRACTED SERVICES		100777
ARCHITECTS INCIDENTAL TF -STATE	37,341-	2033 1
	=====	
TOTAL: REDUCE BUILDING CONSTRUCTION		33V0860
TOTAL ISSUE.....	46,294-	
	=====	

AGENCY ISSUE NARRATIVE:

SCH VIIIIB-2 NARR 15-16 NARRATIVE:

IT COMPONENT? NO

ISSUE TITLE: Reduce Building Construction

PRIORITY: #5

SUMMARY:

The Department of Management Services, Division of Real Estate Development and Management (REDM) proposes a reduction of (\$46,294) in various operating categories within the Architects Incidental Trust Fund.

BACKGROUND:

Section 255.31, Florida Statutes, gives the Department of Management Services the authority to manage construction projects for state and local governments.

WHAT IS THE IMPACT OF TAKING THIS REDUCTION:

This reduction will require the division to reduce the purchase of office supplies and will also result in the reduction of travel. This will limit the division's ability to travel to and from job sites for project management oversight. This could result in an inferior work product being delivered.

Contracted Services:

This reduction will limit the division's ability to obtain outside legal representation for potential litigation. It will also affect the ability to use courier service to timely deliver contracts and pay requests.

REDUCTION COST CALCULATIONS:

REDM proposes a reduction of (\$46,294) through the following reductions:

COL A93		
SCH VIII B-2		
REDUCTIONS		
POS	AMOUNT	CODES

MANAGEMENT SRVCS, DEPT OF		72000000
PGM: FACILITIES PROGRAM		72400000
<u>BUILDING CONSTRUCTION</u>		72400200
GOV OPERATIONS/SUPPORT		16
<u>GOVERNMENTAL OPERATIONS</u>		<u>1601.00.00.00</u>
PROGRAM REDUCTIONS		33V0000
REDUCE BUILDING CONSTRUCTION		33V0860
Architects Incidental Trust Fund (2033)		
Expenses (040000)	(\$8,953)	
Special Categories: Contracted Services (100777)	(\$37,341)	
TOTAL REDUCTION ISSUE:	(\$46,294) FSI=1	

TOTAL: GOVERNMENTAL OPERATIONS		<u>1601.00.00.00</u>
BY FUND TYPE		
TRUST FUNDS.....	46,294-	2000
	=====	

COL A93			
SCH VIIIIB-2			
REDUCTIONS			
POS	AMOUNT		CODES
			72000000
			72600000
			72600400
			16
			<u>1601.00.00.00</u>
			33V0000
			33V0680
			100000
			104502
OPERATING TRUST FUND	-STATE	768,296-	2510 1

AGENCY ISSUE NARRATIVE:

SCH VIIIIB-2 NARR 15-16 NARRATIVE: IT COMPONENT? YES
 Issue Title: Reduce Funding Used To Support the Web Based E-Procurement System

PRIORITY: #14

SUMMARY:

The Department of Management Services, Division of State Purchasing proposes a reduction of \$768,296 from the Web Based E-Procurement System appropriation category.

BACKGROUND:

Section 287.057(22), Florida Statutes, directs the Department of Management Services (DMS) to develop a program for online procurement of commodities and contractual services to enable the state to promote open competition and to leverage its buying power. As result DMS developed the MyFloridaMarketPlace (MFMP) system.

The MFMP contract allows the Division to transition a service area upon 180 days' notice. This reduction of \$768,296 significantly impact the services provided to DMS, state agencies, and vendors that do business with the state. This reduction would likely require the Division to largely eliminate the billing and collections service area and reduce the MFMP Customer Service Desk.

WHAT IS THE IMPACT OF TAKING THIS REDUCTIONS

The elimination of the billing and collections service area would result in a significant decrease in the collection of transaction fees, totaling over \$20 million annually, which currently fund the Division of State Purchasing and the MyFloridaMarketPlace contract. The Division of State Purchasing does not have FTEs to support this activity.

In addition to billing and collections service area, a reduction to the services for the MFMP Customer Service Desk could seriously impact the services provided to vendors doing business with the state and DMS' ability to timely respond to the 32 state agencies who use MFMP. In addition, this would hinder the progress of the current MyFloridaMarketPlace Utilization Initiative to increase agency usage of the system, which is part of the Procurement Transformation Initiative.

REDUCTION COST CALCULATIONS:

The Division of State Purchasing proposes a reduction of \$768,296 from the Web Based E-Procurement System appropriation

COL A93		
SCH VIII B-2		
REDUCTIONS		
POS	AMOUNT	CODES

MANAGEMENT SRVCS, DEPT OF		72000000
PGM: SUPPORT PROGRAM		72600000
<u>PURCHASING OVERSIGHT</u>		72600400
GOV OPERATIONS/SUPPORT		16
<u>GOVERNMENTAL OPERATIONS</u>		<u>1601.00.00.00</u>
PROGRAM REDUCTIONS		33V0000
REDUCE FUNDING USED TO SUPPORT THE		
WEB BASED E-PROCUREMENT SYSTEM		33V0680

category.

Operating Trust Fund (2510)

Special Categories: Web Based E-Procurement System (104502)

(\$768,296) FSI=1

		COL A93	
		SCH VIII B-2	
		REDUCTIONS	
POS	AMOUNT		CODES

MANAGEMENT SRVCS, DEPT OF			72000000
PGM: SUPPORT PROGRAM			72600000
<u>PRIVATE PRISON MONITORING</u>			72600800
PUBLIC PROTECTION			12
<u>ADULT PRISONS</u>			<u>1206.00.00.00</u>
PROGRAM REDUCTIONS			33V0000
REDUCE EXPENDITURES IN THE PRIVATE			
PRISON MONITORING PROGRAM			33V0830
OTHER PERSONAL SERVICES			030000
GENERAL REVENUE FUND	-STATE	15,200-	1000 1
		=====	
EXPENSES			040000
GENERAL REVENUE FUND	-STATE	9,569-	1000 1
		=====	
OPERATING CAPITAL OUTLAY			060000
GENERAL REVENUE FUND	-STATE	3,890-	1000 1
		=====	
SPECIAL CATEGORIES			100000
CONTRACTED SERVICES			100777
GENERAL REVENUE FUND	-STATE	9,556-	1000 1
		=====	
CONTRACTED LEGAL SERVICES			103884
GENERAL REVENUE FUND	-STATE	23,169-	1000 1
		=====	
TOTAL: REDUCE EXPENDITURES IN THE PRIVATE			33V0830
PRISON MONITORING PROGRAM			
TOTAL ISSUE.....		61,384-	
		=====	

AGENCY ISSUE NARRATIVE:

SCH VIII B-2 NARR 15-16 NARRATIVE: IT COMPONENT? NO

ISSUE TITLE: Reduce Expenditures in the Private Prison Monitoring Program

PRIORITY #12

SUMMARY:

The Department of Management Services, Bureau of Private Prison Monitoring proposes a reduction of (\$61,384) from the General Revenue Fund by reducing the Other Personal Services (OPS), Expenses, Contracted Services, Contracted Legal

COL A93		
SCH VIIIIB-2		
REDUCTIONS		
POS	AMOUNT	CODES
		72000000
		72600000
		72600800
		12
		<u>1206.00.00.00</u>
		33V0000
		33V0830

MANAGEMENT SRVCS, DEPT OF
 PGM: SUPPORT PROGRAM
PRIVATE PRISON MONITORING
 PUBLIC PROTECTION
ADULT PRISONS
 PROGRAM REDUCTIONS
 REDUCE EXPENDITURES IN THE PRIVATE
 PRISON MONITORING PROGRAM

Services and Operating Capital Outlay (OCO) appropriations categories. This reduction will hinder the bureau's ability to meet the statutory requirements as required by Chapter 957, Florida Statutes.

BACKGROUND:

This would eliminate the entire funding for the Other Personal Services (OPS) positions which administratively supports the contract manager, allowing the contract manager to focus on programmatic responsibilities. It would also limit the bureau's ability to travel to and from facilities in order to provide the necessary oversight and training to the on-site monitors. This reduction will not allow bureau staff to be in compliance with the Department of Corrections Training Curriculum Standards.

It reduces the funds the bureau currently uses to pay the CENTREX/SUNCOM expenditures. This reduction would result in the bureau not having the ability to communicate with other departments or outside contractors in order to fulfill the monitoring requirements pursuant to Chapter 957, Florida Statutes. This reduction would leave the bureau with only \$3,500 in the contracted services appropriation category; thereby limiting its resources in the areas of information technology and software development (contractor monitoring software).

This reduction also eliminates the entire funding for the Contracted Legal Services; thereby leaving the bureau with no resources to address potential litigations. Furthermore, it eliminates the entire funding for the Operating Capital Outlay budget that the bureau plans to use to replace a monitoring tool server that is old and slow. A reduction in this area would prohibit the purchase of a new server associated with the upgrade of the monitoring tool.

REDUCTION COST CALCULATIONS:

To meet the five percent reduction exercise, the Bureau of Private Prison Monitoring proposes to reduce the General Revenue Fund from within the Other Personal Services (OPS), Expenses, Contracted Services, Contracted Legal Services and Operating Capital Outlay (OCO) appropriations categories. This reduction will hinder the bureau's ability to meet the statutory requirements as required by Chapter 957, Florida Statutes.

General Revenue (1000)	
Other Personal Services (030000)	(\$15,200)
Expenses (040000)	(\$9,569)
Operating Capital Outlay (060000)	(\$3,890)
Special Categories: Contracted Services (100777)	(\$9,556)
Special Categories: Contracted Legal Services (103884)	(\$23,169)

TOTAL REDUCTION ISSUE (\$61,384) FSI=1

COL A93		
SCH VIII B-2		
REDUCTIONS		
POS	AMOUNT	CODES

MANAGEMENT SRVCS, DEPT OF		72000000
PGM: SUPPORT PROGRAM		72600000
<u>PRIVATE PRISON MONITORING</u>		72600800
PUBLIC PROTECTION		12
<u>ADULT PRISONS</u>		<u>1206.00.00.00</u>
TOTAL: ADULT PRISONS		<u>1206.00.00.00</u>
BY FUND TYPE		
GENERAL REVENUE FUND.....	61,384-	1000
	=====	

COL A93		
SCH VIIIIB-2		
REDUCTIONS		
POS	AMOUNT	CODES
		72000000
		72750000
		72750200
		16
		<u>1601.00.00.00</u>
		33V0000
		33V0580
		100000
		101520
STATE EMPLY HEALTH INS TF -STATE	2,689,984-	2668 1

AGENCY ISSUE NARRATIVE:

SCH VIIIIB-2 NARR 15-16 NARRATIVE:

IT COMPONENT? NO

ISSUE TITLE: Reduction the Administrative Services Only Contract For Health Insurance

PRIORITY: #13

SUMMARY:

The Department of Management Services, Division of State Group Insurance (DSGI) proposes a reduction of \$2,689,984 from the Administrative Services Only (ASO) Contract for Health Insurance appropriation category (101520) within the State Employees Health Insurance Trust Fund.

BACKGROUND:

The DSGI entered into an Administrative Services Only Contracts with its self-insured health providers to obtain third-party administrative services, access to provider networks, claims adjudication/reporting, customer service, benefit and utilization management, and other services for the self-insured health plan and its participants. The contract for the preferred provider organization was awarded effective January 1, 2015 through December 31, 2018 and the four (4) health maintenance organizations contracts were awarded and later on renewed effective January 1, 2012 through December 31, 2015.

WHAT IS THE IMPACT OF TAKING THIS REDUCTION:

Based on contracted fees and projected plan enrollment, the estimated ASO Fee for Fiscal Year 2015-16 is \$51.1 million. To meet this reduction of \$2,689,984, the contracted ASO fee will have to be drastically reduced. This fee is based on a per contract per month fee. Since the ASO fee was recently negotiated and is considered a highly competitive rate, additional price concessions will necessitate a reduction in services. Contract services include claims processing and payment, customer service, network access, utilization and benefit management, and cost containment programs. All but the last service type (cost containment programs) are necessary for basic plan administration. However, eliminating cost containment programs is expected to result in a net increase in medical claims costs. A reduction of service level performance guarantees (i.e., service provider staff reductions) could yield a small adjustment to the ASO fee which may result in claims processing errors and increase member appeals, both causing additional program cost. Overall, contracted services are designed to provide basic plan administration and to prevent unnecessary claims cost. Medical claims costs are projected to be \$1,927.8 million for Fiscal Year 2015-16.

The ASO contract allows the service provider to terminate the contract upon 45 days' notice if the state fails to

COL A93		
SCH VIIIIB-2		
REDUCTIONS		
POS	AMOUNT	CODES
MANAGEMENT SRVCS, DEPT OF		72000000
WORKFORCE PROGRAMS		72750000
<u>PGM: INS BENEFITS ADMIN</u>		72750200
GOV OPERATIONS/SUPPORT		16
<u>GOVERNMENTAL OPERATIONS</u>		<u>1601.00.00.00</u>
PROGRAM REDUCTIONS		33V0000
REDUCE THE ADMINISTRATIVE SERVICES		
ONLY CONTRACT FOR HEALTH INSURANCE		33V0580

appropriate, for any fiscal year, sufficient funds for the department to perform its obligations under the contract. A reduction in the ASO fee would impact services currently provided to all Plan participants and would result in a breach of contract and constitute an Insolvency Event of Default on the part of the Department. To avoid a termination for non-appropriation, the department would first choose to request specific reductions in contract services in exchange for an equitable price reduction. Further analysis and future contract negotiations with the service provider will be necessary to determine which contracted services to eliminate or modify.

REDUCTION COST CALCULATION:

To meet the five percent reduction exercise, the Division of State Group Insurance (DSGI) proposes a reduction of \$2,689,984 in the Administrative Services Only (ASO) for Health Insurance appropriation category.

State Employees' Health Insurance Trust Fund (2668)

Special Categories: Administrative Services Only

Contract for Health Insurance (101520)

(2,689,984) FSI=1

REDUCTION IN CONTRACTED BANK
 SERVICES
 SPECIAL CATEGORIES
 CONTRACTED BANK SERVICES

33V0720
 100000
 105032

STATE EMPLOY HEALTH INS TF -STATE 79,000-
 =====

2668 1

AGENCY ISSUE NARRATIVE:

SCH VIIIIB-2 NARR 15-16 NARRATIVE:

IT COMPONENT? NO

ISSUE TITLE: Reduction in Contracted Bank Services

PRIORITY: #3

SUMMARY:

The Department of Management Services, Division of State Group Insurance (DSGI) proposes a recurring reduction of \$79,000 from the Special Categories: Contracted Bank Services appropriation category (105032) within the State Employees' Health Insurance Trust Fund.

BACKGROUND:

COL A93		
SCH VIIIIB-2		
REDUCTIONS		
POS	AMOUNT	CODES
		72000000
		72750000
		72750200
		16
		<u>1601.00.00.00</u>
		33V0000
		33V0720

MANAGEMENT SRVCS, DEPT OF
 WORKFORCE PROGRAMS
PGM: INS BENEFITS ADMIN
 GOV OPERATIONS/SUPPORT
GOVERNMENTAL OPERATIONS
 PROGRAM REDUCTIONS
 REDUCTION IN CONTRACTED BANK
 SERVICES

Currently, the DSGI contracts with Capital City Bank for banking services. Banking services include but are not limited to, providing an interest bearing account to be used for the deposit of State funds and facilitating the payment of health claims by the Third Party Administrator. The contract was awarded effective April 2, 2010 through December 31, 2014. The DSGI entered into an Administrative Services Only (ASO) contract with a servicing agent, Blue Cross Blue Shield of Florida (BCBSF) in order to obtain third-party administrative services, access to a preferred provider network, claims adjudication/reporting, customer service, benefit and utilization management, and other services for the self-insured health plan and its participants. The contract was awarded effective January 1, 2015 through December 31, 2018. As a result of the new contract, banking services will be provided by BCBSF, thus creating a \$79,000 excess in budget authority in the Special Categories: Contracted Bank Services appropriation category (105032) within the State Employees' Health Insurance Trust Fund.

WHAT IS THE IMPACT OF TAKING THIS REDUCTION:

Due to the award of a new ASO contract to BCBSF, the DSGI program will have a reduction of the monthly contracted bank fees for Fiscal Year 2015-16. This reduction will have no negative impact on the DSGI's ability to meet the terms and conditions of the contract. The budget authority in the Contracted Bank Services appropriation category can be eliminated.

REDUCTION COST CALCULATION:

To meet the five percent reduction exercise, the Division of State Group Insurance (DSGI) proposes a reduction of \$79,000 from the Special Categories: Contracted Bank Services appropriation category (105032) within the State Employees' Health Insurance Trust Fund.

State Employees' Health Insurance Trust Fund (2668)

Special Categories: Contracted Bank Services (105032) (79,000) FSI=1

TOTAL: GOVERNMENTAL OPERATIONS		<u>1601.00.00.00</u>
BY FUND TYPE		
TRUST FUNDS.....	2,768,984-	2000
	=====	

COL A93			
SCH VIII B-2			
REDUCTIONS			
POS	AMOUNT		CODES

MANAGEMENT SRVCS, DEPT OF			72000000
WORKFORCE PROGRAMS			72750000
<u>PGM: RETIRE BENEFITS ADMIN</u>			72750300
GOV OPERATIONS/SUPPORT			16
<u>GOVERNMENTAL OPERATIONS</u>			<u>1601.00.00.00</u>
PROGRAM REDUCTIONS			33V0000
ELIMINATE CONTRACTED LEGAL SERVICES			33V0590
SPECIAL CATEGORIES			100000
CONTRACTED LEGAL SERVICES			103884
OPERATING TRUST FUND	-STATE	159,872-	2510 1
		=====	
REDUCTIONS RESULTING IN SAVINGS			
ACHIEVED FROM CONTACT CENTER			
INVESTMENT			33V0630
EXPENSES			040000
OPERATING TRUST FUND	-STATE	195,000-	2510 1
		=====	
OPERATING CAPITAL OUTLAY			060000
OPERATING TRUST FUND	-STATE	51,750-	2510 1
		=====	
SPECIAL CATEGORIES			100000
CONTRACTED SERVICES			100777
OPERATING TRUST FUND	-STATE	9,838-	2510 1
		=====	
TOTAL: REDUCTIONS RESULTING IN SAVINGS			33V0630
ACHIEVED FROM CONTACT CENTER			
INVESTMENT			
TOTAL ISSUE.....		256,588-	
		=====	

AGENCY ISSUE NARRATIVE:

SCH VIII B-2 NARR 15-16 NARRATIVE:

IT COMPONENT? NO

ISSUE TITLE: Reductions Resulting in Savings Achieved from Contact Center Investment

PRIORITY: #1

FLORIDA STRATEGIC PLAN FOR ECONOMIC DEVELOPMENT:

#25: Improve the efficiency and effectiveness of government agencies at all levels.

DEPARTMENT MANAGEMENT SERVICES LONG RANGE PROGRAM PLAN:

COL A93		
SCH VIIIIB-2		
REDUCTIONS		
POS	AMOUNT	CODES
		72000000
		72750000
		72750300
		16
		<u>1601.00.00.00</u>
		33V0000
		33V0630

MANAGEMENT SRVCS, DEPT OF
 WORKFORCE PROGRAMS
PGM: RETIRE BENEFITS ADMIN
 GOV OPERATIONS/SUPPORT
GOVERNMENTAL OPERATIONS

PROGRAM REDUCTIONS
 REDUCTIONS RESULTING IN SAVINGS
 ACHIEVED FROM CONTACT CENTER
 INVESTMENT

72000000
 72750000
 72750300
 16
1601.00.00.00
 33V0000

 33V0630

The Department of Management Services (DMS) provides shared services to state agencies and local governments allowing them to focus on their core mission. Our goal is to provide excellence in product and service delivery. GOAL #4: To administer efficient state retirement programs utilizing best technology. This issue impacts the Administer the Florida Retirement System activity.

SUMMARY:

The Department of Management Services, Division of Retirement requests a reduction of (\$195,000) in Expense (040000) and (\$9,838) in Contracted Services (100777) for a total of (\$204,838) from recurring budget authority in the Retirement Benefits Administration (72750300) within the Florida Retirement System (FRS) Operating Trust Fund (2510), resulting from savings achieved from investment in the division's Contact Center as appropriated in the fiscal year 2014-15 General Appropriations Act. Because \$51,750 was transferred to the Operating Capital Out category as non-recurring budget authority in fiscal year 2014-2015 it is immediately backed out in the fiscal year 2015-2016 base budget. Therefore the total reduction totals (\$256,588). (\$204,838) + (\$51,750) = (\$256,588)

PROBLEM STATEMENT:

The fiscal year 2014-2015 General Appropriations Act provided the authority to establish a Customer Center within the Division of Retirement as part of the establishment of the customer contact center a savings of (\$256,588) was to be implemented in fiscal year 2015-2016. \$51,750 was transferred to Operating Capital Outlay as non-recurring in the fiscal year 2014-15 General Appropriations Act (GAA) and is automatically backed out in fiscal year 2015-2016. Therefore, the division is requesting to reduce the balance equal to (\$204,838) through this issue request.

In fiscal year 2014-15, the entire investment in the Contact Center was funded from existing budget authority. This investment resulted in savings and created opportunities for cost avoidance while improving customer service.

BACKGROUND:

Previously the Division of Retirement handled call volumes by area of responsibilities through the Bureaus of Enrollment and Contributions, Retirement Calculations, and Benefit Payments. With the establishment of the Contact Center in fiscal 2014-15, efficiencies in production and customer service will be gained by focusing the division's call volume through the Contact Center. Under the division's previous process, staff increases were required to reduce the unanswered call volume to an acceptable level. Long-term cost avoidance will result from limiting the amount of new staff required to support the growing FRS membership as the expected efficiencies achieved through the Contact Center are realized.

WHAT BENEFITS WILL BE OBTAINED BY FUNDING THIS ISSUE:

Savings and opportunities for cost avoidance while improving customer service are achieved from the investment in the contact center.

WHAT IS THE IMPACT OF NOT FUNDING THIS ISSUE:

Savings and creating opportunities for cost avoidance will not be achieved and customer service will be negatively

COL A93		
SCH VIIIIB-2		
REDUCTIONS		
POS	AMOUNT	CODES
		72000000
		72750000
		72750300
		16
		<u>1601.00.00.00</u>
		33V0000
		33V0630

MANAGEMENT SRVCS, DEPT OF
 WORKFORCE PROGRAMS
PGM: RETIRE BENEFITS ADMIN
 GOV OPERATIONS/SUPPORT
GOVERNMENTAL OPERATIONS
 PROGRAM REDUCTIONS
 REDUCTIONS RESULTING IN SAVINGS
 ACHIEVED FROM CONTACT CENTER
 INVESTMENT

impacted.

COST CALCULATIONS:

Fiscal Year 2015-2016 budget reductions of (\$256,588) are possible. Because \$51,750 was transferred to the Operating Capital Out category as non-recurring budget authority in fiscal year 2014-2015 it is immediately backed out in the fiscal year 2015-2016 base budget. Therefore, the division requests a reduction in recurring budget authority of (\$195,000) in Expense (040000) and (\$9,838) in Contracted Services (100777) for a balance of (\$204,838) in recurring budget authority in the Retirement Benefits Administration (72750300) within the FRS Operating Trust Fund (2510).

Category:

	Fiscal Year	Nonrecurring
	2015-2016	2015-2016
Expenses (040000)	(\$195,000)	0
Contracted Services (100777)	(\$9,838)	0
Operational Capital Outlay (060000)	(\$51,750)	0

$(\$195,000) + (9,838) + (\$51,750) = (\$256,588)$

Note, if this reduction issue is picked up do not include the (51,750) reduction as it is already backed out under issue code (2103110) as a nonrecurring reduction for fiscal year 2015-2016.

Funding:

(FRS Operating Trust Fund, 2510, FSI=1)

Issue Total: (\$256,588)

REDUCE EXPENDITURES WITHIN THE
 DIVISION OF RETIREMENT BY
 IMPLEMENTING ON-LINE SERVICES
 EXPENSES

33V0650
 040000

OPERATING TRUST FUND -STATE 522,451-
 =====

2510 1

COL A93		
SCH VIIIIB-2		
REDUCTIONS		
POS	AMOUNT	CODES
MANAGEMENT SRVCS, DEPT OF		72000000
WORKFORCE PROGRAMS		72750000
<u>PGM: RETIRE BENEFITS ADMIN</u>		72750300
GOV OPERATIONS/SUPPORT		16
<u>GOVERNMENTAL OPERATIONS</u>		<u>1601.00.00.00</u>
PROGRAM REDUCTIONS		33V0000
REDUCE EXPENDITURES WITHIN THE		
DIVISION OF RETIREMENT BY		
IMPLEMENTING ON-LINE SERVICES		33V0650

AGENCY ISSUE NARRATIVE:

SCH VIIIIB-2 NARR 15-16 NARRATIVE: IT COMPONENT? YES
 ISSUE TITLE: Reduce Expenditures within the Division of Retirement by Implementing On-Line Services

PRIORITY: #8

SUMMARY:

The Department of Management Services, Division of Retirement proposes a reduction of \$522,451 by reducing printing and mailing costs and other expenses.

BACKGROUND:

The division routinely sends out educational materials to the members of the Florida Retirement System (FRS). This issue will reduce expenditures used to fund the printing and distribution of the FRS Bulletin for active members and mailing of notices to Members to verify changes of address, bank accounts, and passwords. This issue also reduces costs of other services such as the presentation of FRS member seminars and expenditures used to purchase office supplies for employees.

WHAT IS THE IMPACT OF TAKING THIS REDUCTION:

The most significant impact of these reductions is that members will receive only electronic notification to access publications either from the division's website or from their FRS Online account along with a reduction in the availability of information presented to FRS members in retirement seminars held at various employer locations around the state.

REDUCTION COST CALCULATIONS:

To meet the five percent reduction exercise, the Division of Retirement proposes to reduce the funding used to print and mail educational material to the members of the FRS along with other service and expenditure reductions.

Category: Fiscal Year
 2015-2016

Expenses(040000) (\$522,451)

Funding:
 (FRS Operating Trust Fund, 2510, FSI=1)

Issue Total: (\$522,451)

COL A93		
SCH VIIIIB-2		
REDUCTIONS		
POS	AMOUNT	CODES

MANAGEMENT SRVCS, DEPT OF		72000000
WORKFORCE PROGRAMS		72750000
<u>PGM: RETIRE BENEFITS ADMIN</u>		72750300
GOV OPERATIONS/SUPPORT		16
<u>GOVERNMENTAL OPERATIONS</u>		<u>1601.00.00.00</u>
PROGRAM REDUCTIONS		33V0000
REDUCE SALARIES AND BENEFITS		33V0670
SALARY RATE		000000
SALARY RATE.....	40,130-	
	=====	
SALARIES AND BENEFITS		010000
GENERAL REVENUE FUND	-STATE	40,130-
		=====
TOTAL: REDUCE SALARIES AND BENEFITS		33V0670
TOTAL ISSUE.....	40,130-	
TOTAL SALARY RATE.....	40,130-	
	=====	

AGENCY ISSUE NARRATIVE:

SCH VIIIIB-2 NARR 15-16 NARRATIVE:

IT COMPONENT? NO

ISSUE TITLE: Reduce Salaries and Benefits

PRIORITY: #6

SUMMARY:

The Department of Management Services, Division of Retirement proposes a reduction of (\$40,130) in Salaries and Benefits (010000) in the General Revenue Fund (1000) by offering up a portion of the contingency that is used to subsidize the Police and Firefighters Premium Tax Trust Fund in the event there is shortfall in investment earnings.

BACKGROUND:

Section 185.10, Florida Statutes, directs the Department of Management Services to use the interest earnings from the funds deposited into the Police and Firefighters Premium Tax Trust Fund to fund the division's daily oversight and monitoring responsibilities of local government retirement plans. Funds deposited into this trust fund are collected on behalf of each municipality and special fire control district; however, in recent years the interest earnings from the Police and Firefighters Premium Tax Trust Fund have not been sufficient enough to fund the division's daily oversight and monitoring responsibilities. Therefore, this funding is generally subsidized by the General Revenue contingency fund. This issue will reduce a portion of the contingency funding that is used to subsidize the division's daily operating cost for the oversight and monitoring of the police officers' retirement plan.

WHAT IS THE IMPACT OF TAKING THIS REDUCTION:

This issue would eliminate five percent of General Revenue Salaries and Benefits available to supplement the Police and Firefighter's Premium Tax Trust Fund in the event of a shortfall in investment earnings which may result in a staff reduction in this activity.

REDUCTION COST CALCULATIONS:

COL A93 SCH VIIIIB-2 REDUCTIONS		CODES
POS	AMOUNT	
MANAGEMENT SRVCS, DEPT OF		72000000
WORKFORCE PROGRAMS		72750000
<u>PGM: RETIRE BENEFITS ADMIN</u>		72750300
GOV OPERATIONS/SUPPORT		16
<u>GOVERNMENTAL OPERATIONS</u>		<u>1601.00.00.00</u>
PROGRAM REDUCTIONS		33V0000
REDUCE SALARIES AND BENEFITS		33V0670

The Division of Retirement proposes reducing a portion of the General Revenue contingency funding that is used to offset potential shortfalls in the Police and Firefighters Premium Tax Trust Fund.

Category: Fiscal Year
 2015-2016

Salaries and Benefits (010000) (\$40,130)

Funding:
 (General Revenue, 1000, FSI=1)

Issue Total: (\$40,130)

POSITION DETAIL OF SALARIES AND BENEFITS:

	FTE	BASE RATE	ADDITIVES	BENEFITS	SUBTOTAL	LAPSE %	LAPSED SALARIES AND BENEFITS
A93 - SCH VIIIIB-2 REDUCTIONS							
CHANGES TO CURRENTLY AUTHORIZED POSITIONS							
RA00 RATE AND SALARY ADJ - NO FTE/BENEFITS							
C1001 001	0.00	40,130-			40,130-	0.00	40,130-
TOTALS FOR ISSUE BY FUND							
1000 GENERAL REVENUE FUND							
	0.00	40,130-			40,130-		40,130-

COL A93		
SCH VIIIIB-2		
REDUCTIONS		
POS	AMOUNT	CODES

MANAGEMENT SRVCS, DEPT OF		72000000
WORKFORCE PROGRAMS		72750000
<u>PGM: RETIRE BENEFITS ADMIN</u>		72750300
GOV OPERATIONS/SUPPORT		16
<u>GOVERNMENTAL OPERATIONS</u>		<u>1601.00.00.00</u>
PROGRAM REDUCTIONS		33V0000
REDUCE INFORMATION TECHNOLOGY		33V0880
SPECIAL CATEGORIES		100000
CONTRACTED SERVICES		100777
OPERATING TRUST FUND	-STATE 35,000-	2510 1
	=====	

AGENCY ISSUE NARRATIVE:

SCH VIIIIB-2 NARR 15-16 NARRATIVE:

IT COMPONENT? YES

ISSUE TITLE: Reduce Information Technology

PRIORITY: #7

SUMMARY:

The Department of Management Services, Division of Retirement (division) proposes a reduction of \$35,000 from the Contracted Services appropriation category, a portion of which is used to support Information Technology (IT) services.

BACKGROUND:

Among the Information Technology purposes of this category is hiring a third party contractor to assist the division in monitoring the outsourced IT services provider responsible for providing modification, programs and data access and physical and environmental safeguards to the division's proprietary Integrated Retirement Information System (IRIS). Auditor General Report No. 2004-143 recommended that the Department contract with a third party for an independent review of the outsourced IT services provider's activities and to ensure that the accuracy of the data and the contract deliverables sufficiently met the service level agreement.

WHAT IS THE IMPACT OF TAKING THIS REDUCTION:

This reduction would eliminate the division's ability to comply with the Auditor General's recommendations of hiring a third party vendor with expertise in the area of information technology to monitor the aforementioned activities of the outsourced IT services provider for the IRIS.

REDUCTION COST CALCULATIONS:

The Division of Retirement proposes a reduction in the Operating Trust Fund (2510) from within the Contracted Services appropriation category.

Category: Fiscal Year
 2015-2016

Contracted Services (100777) (\$35,000)

Funding:
 (FRS Operating Trust Fund, 2510, FSI=1)

COL A93		
SCH VIII B-2		
REDUCTIONS		
POS	AMOUNT	CODES
MANAGEMENT SRVCS, DEPT OF		72000000
WORKFORCE PROGRAMS		72750000
<u>PGM: RETIRE BENEFITS ADMIN</u>		72750300
GOV OPERATIONS/SUPPORT		16
<u>GOVERNMENTAL OPERATIONS</u>		<u>1601.00.00.00</u>
PROGRAM REDUCTIONS		33V0000
REDUCE INFORMATION TECHNOLOGY		33V0880

Issue Total: (\$35,000)

TOTAL: GOVERNMENTAL OPERATIONS		<u>1601.00.00.00</u>
BY FUND TYPE		
GENERAL REVENUE FUND	40,130-	1000
TRUST FUNDS	973,911-	2000

TOTAL PROG COMP.....	1,014,041-	
TOTAL SALARY RATE.....	40,130-	
	=====	

COL A93		
SCH VIIIIB-2		
REDUCTIONS		
POS	AMOUNT	CODES

MANAGEMENT SRVCS, DEPT OF		72000000
WORKFORCE PROGRAMS		72750000
<u>PRG: ST PERSON POLICY ADMN</u>		72750400
GOV OPERATIONS/SUPPORT		16
<u>GOVERNMENTAL OPERATIONS</u>		<u>1601.00.00.00</u>
PROGRAM REDUCTIONS		33V0000
REDUCE CONTRACTED LEGAL SERVICES		33V0620
SPECIAL CATEGORIES		100000
CONTRACTED LEGAL SERVICES		103884
STATE PERSONNEL SYSTEM TF -STATE	81,141-	2678 1
	=====	

AGENCY ISSUE NARRATIVE:

SCH VIIIIB-2 NARR 15-16 NARRATIVE:

IT COMPONENT? NO

ISSUE TITLE: Reduce Contracted Legal Services

PRIORITY: #18

SUMMARY:

The Department of Management Services, Division of Human Resource Management (HRM) proposes a reduction of \$81,141 in the State Personnel Policy Administration budget entity (72750400) in the Contracted Legal Services Category (103884) within the State Personnel System Trust Fund (2678) for contracted legal services.

BACKGROUND:

Section 20.22(3) provides The duties of the Chief Labor Negotiator shall be determined by the Secretary of Management Services, and must include, but need not be limited to, the representation of the Governor as the public employer in collective bargaining negotiations pursuant to the provisions of chapter 447.

Florida is a right to work state; therefore, the right of an individual to work cannot be denied based on membership or non-membership in any labor union or organization. To ensure the orderly and uninterrupted operations and functions of government, Florida's state employees do not have the right to strike. Currently, there are six labor organizations representing State Personnel System employees whose classes are assigned to one of 13 collective bargaining units. The Department of Management Services has two contracts with Allen, Norton and Blue P.A., where they serve as the Chief Labor Negotiator for the states' Collective Bargaining contract and provides legal advice under the General Employment Law contract.

WHAT IS THE IMPACT OF TAKING THIS REDUCTION:

The Contracted Legal Services Category appropriation is currently \$100,000. Once the reduction is implemented, the remaining appropriation would be \$18,859. This would reduce the states billable hours from approximately 541 to 102, at the negotiated hourly rate of \$185.

Once the appropriated funds are exhausted, litigation would have to be handled by the Department of Management Services General Counsel's office, which has limited legal expertise in the collective bargaining and general employment law subject areas. This will significantly increase the workload for the General Counsel's office without the benefit of additional resources. In addition, this will impede the state's ability to timely and lawfully respond to new or unexpected issues that may arise during the year.

COL A93		
SCH VIII B-2		
REDUCTIONS		
POS	AMOUNT	CODES
MANAGEMENT SRVCS, DEPT OF		72000000
WORKFORCE PROGRAMS		72750000
<u>PRG: ST PERSON POLICY ADMN</u>		72750400
GOV OPERATIONS/SUPPORT		16
<u>GOVERNMENTAL OPERATIONS</u>		<u>1601.00.00.00</u>
PROGRAM REDUCTIONS		33V0000
REDUCE CONTRACTED LEGAL SERVICES		33V0620

These functions are governed by Sections 20.22(3) and 287.059 and Chapters 110 and 447, Florida Statutes. This recurring reduction could negatively impact the state if the legal requirements are not properly met as required by statute.

REDUCTION COST CALCULATIONS:

To meet the five percent reduction exercise, the Division of Human Resource Management proposes a reduction of \$81,141 to the State Personnel System Trust fund within the Contracted Legal Services appropriation category.

State Personnel System Trust Fund (2678)

Special Categories: Contracted Legal Services (103884) (81,141) FSI=1

COL A93		
SCH VIIIIB-2		
REDUCTIONS		
POS	AMOUNT	CODES

MANAGEMENT SRVCS, DEPT OF		72000000
WORKFORCE PROGRAMS		72750000
<u>PRG: PEOPLE FIRST</u>		72750500
GOV OPERATIONS/SUPPORT		16
<u>GOVERNMENTAL OPERATIONS</u>		<u>1601.00.00.00</u>
PROGRAM REDUCTIONS		33V0000
REDUCE THE PEOPLE FIRST CONTRACT		33V0690
SPECIAL CATEGORIES		100000
HUMAN RES SVC/STW CONTRACT		107080
STATE PERSONNEL SYSTEM TF -STATE	1,804,649-	2678 1
	=====	

AGENCY ISSUE NARRATIVE:

SCH VIIIIB-2 NARR 15-16 NARRATIVE:

IT COMPONENT? YES

ISSUE TITLE: Reduce the People First Contract

PRIORITY: #16

Issue Summary:

The Department of Management Services, People First Team proposes a reduction of \$1,804,649 from the Special Categories: Human Resource Services/Statewide Contract Appropriation Category. This will reduce the annual payment for the People First contract which may result in a reduction of services or contract termination.

Section 110.116, Florida Statutes, requires the Department of Management Services to establish and maintain, in coordination with the payroll system of the Department of Financial Services (DFS), a complete Human Resource Information System (HRIS) for all authorized and established positions in state service. The department may also contract with a vendor to provide the HRIS. Sections 215.93 and 215.94, Florida Statutes, direct the department to be the functional owner of the system.

The department pays its service provider (NorthgateArinso) on a monthly basis for providing the state with a self-service, secure, web-based HRIS, and an enterprise-wide suite of human resource services (known as People First). On December 8, 2009, the department executed an agreement to renew the contract with the service provider through August 2016, which resulted in a cost reduction of \$45 million over the remaining life of the contract.

The proposed \$1.8m reduction will either result in a reduction of services or contract termination. Section 7.2.3 of the People First contract allows either party to terminate the contract within 60 days' notice if the state fails to appropriate for any fiscal year sufficient funds for the department to perform its obligations under the contract. A 60-day termination notice would leave the department and all 222,000 system users in an untenable position to maintain a very complex enterprise-wide HRIS and associated services. The department estimates between 12 and 18 months to effectively transition to a new service provider.

To avoid a termination for non-appropriation, the department would first choose to request specific reductions in contract services and deliverables in exchange for an equitable price reduction. A preliminary analysis of contract services to eliminate or modify did not provide or identify the cost reductions necessary to reach the five percent request. Further analysis and future contract negotiations with the service provider will be necessary to determine which contract services to eliminate or modify. The state has positioned itself to have the intellectual rights to a fully

COL A93		
SCH VIIIIB-2		
REDUCTIONS		
POS	AMOUNT	CODES

MANAGEMENT SRVCS, DEPT OF		72000000
WORKFORCE PROGRAMS		72750000
<u>PRG: PEOPLE FIRST</u>		72750500
GOV OPERATIONS/SUPPORT		16
<u>GOVERNMENTAL OPERATIONS</u>		<u>1601.00.00.00</u>
PROGRAM REDUCTIONS		33V0000
REDUCE THE PEOPLE FIRST CONTRACT		33V0690

functional, comprehensive HRIS meeting the needs of 222,000 users. Recent surveys indicate a significant improvement in customer satisfaction, since 2007. But eliminating or modifying system enhancements, services, or performance metrics would result in a significant drop in customer service, and put the state at risk of not meeting the human resource needs of its customers.

FISCAL INFORMATION:

To meet the 5% budget reduction exercise, it is necessary for the People First Team to propose a reduction of \$1,804,649 from the State Personnel System Trust Fund within the Special Categories: Human Resources Services/Statewide Contract appropriation category. This will reduce the annual payment for the People First contract which may result in either a reduction of services or contract termination.

State Personnel System Trust Fund (2678)

Human Resources Services/Statewide Contract appropriations category (107080) (1,804,649) FSI=1

REDUCE PEOPLE FIRST OPERATING EXPENDITURES		33V0750
SALARY RATE		000000
SALARY RATE.....	44,177-	
	=====	
SALARIES AND BENEFITS		010000
STATE PERSONNEL SYSTEM TF -STATE	1.00- 62,001-	2678 1
	=====	
EXPENSES		040000
STATE PERSONNEL SYSTEM TF -STATE	10,225-	2678 1
	=====	
SPECIAL CATEGORIES		100000
CONTRACTED SERVICES		100777
STATE PERSONNEL SYSTEM TF -STATE	1,129-	2678 1
	=====	

COL A93		
SCH VIIIIB-2		
REDUCTIONS		
POS	AMOUNT	CODES
MANAGEMENT SRVCS, DEPT OF		72000000
WORKFORCE PROGRAMS		72750000
<u>PRG: PEOPLE FIRST</u>		72750500
GOV OPERATIONS/SUPPORT		16
<u>GOVERNMENTAL OPERATIONS</u>		<u>1601.00.00.00</u>
PROGRAM REDUCTIONS		33V0000
REDUCE PEOPLE FIRST OPERATING		
EXPENDITURES		33V0750
DATA PROCESSING SERVICES		210000
STATE DATA CENTER - AST		210001
STATE PERSONNEL SYSTEM TF -STATE	469-	2678 1
	=====	
TOTAL: REDUCE PEOPLE FIRST OPERATING		33V0750
EXPENDITURES		
TOTAL POSITIONS.....	1.00-	
TOTAL ISSUE.....	73,824-	
TOTAL SALARY RATE.....	44,177-	
	=====	

AGENCY ISSUE NARRATIVE:

SCH VIIIIB-2 NARR 15-16 NARRATIVE:

IT COMPONENT? NO

ISSUE TITLE: Reduce People First Operating Expenditures

PRIORITY: #15

ISSUE SUMMARY:

The Department of Management Services, People First Team proposes a total reduction of \$73,824 of which \$62,001 is from Salaries and Benefits, \$1,129 from Contracted Services, \$10,225 from Expenses, and \$469 from Southwood Shared Resource Center. This reduction will impact the team's ability to move forward with the upcoming re-procurement of the People First initiative.

The People First Team manages the State of Florida Human Resource (HR) business process outsourcing (BPO) contract and oversees the performance of the service provider, NorthgateAriso. The HR BPO initiative includes appointments and status, attendance and leave, benefits administration, classification and organizational management, payroll preparation, performance management, recruitment, and reporting, with an external data warehouse component. As part of this HR BPO initiative, the service provider builds and maintains a human resource information system known as People First. This system is a large enterprise-wide Enterprise Resources Planning (ERP) that supports four pay cycles, 8 Collective Bargaining Units, eight work schedule variations, 600 interfaces, and over seven terabytes of data.

The People First Team acts as the contract manager to oversee performance and ensure service provider compliance with contract provisions, including agreed-upon performance metrics and delivery of quality services to job applicants and 222,000 system users (state employees and state retirees). The team is a very small but efficient unit and has three distinct and important roles: contract management, project management, and agency support. In addition to its normal contract oversight and operational responsibilities, over the next two years the People First Team will be responsible for the critical activity of planning for contract expiration (e.g., procurement planning and oversight, and potential transition to a new vendor).

COL A93		
SCH VIIIIB-2		
REDUCTIONS		
POS	AMOUNT	CODES
MANAGEMENT SRVCS, DEPT OF		72000000
WORKFORCE PROGRAMS		72750000
<u>PRG: PEOPLE FIRST</u>		72750500
GOV OPERATIONS/SUPPORT		16
<u>GOVERNMENTAL OPERATIONS</u>		<u>1601.00.00.00</u>
PROGRAM REDUCTIONS		33V0000
REDUCE PEOPLE FIRST OPERATING		
EXPENDITURES		33V0750

This reduction of \$73,824 would cause a disruption in the delivery of services to job applicants and to all 222,000 users of the People First system. People First users include state agencies, State Courts System, Justice Administrative Commission, Lottery, Legislature, University System, and state retirees. The People First Team is already minimally staffed, and since 2007, the People First Team staffing number has been reduced by 32 percent. Further staff reductions (through a reduction to the Salary and Benefits Category) would hamper the team's ability to effectively provide service provider oversight, coordinate benefits open enrollment and plan for contract expiration.

A budgetary reduction to the contract and expense categories would lessen the team's ability to remain current with the latest technological advances to the underlying software (SAP). A reduction would also lessen the Team's ability to keep current with the Project Management Professional, and Florida Certified Contract Manager and Negotiation certifications, which is crucial with the upcoming re-procurement of the People First initiative. Florida Statute Section 287.057 (16)(b) requires a Florida Certified Contract Negotiator to participate on all Invitation to Negotiate (ITN) negotiation teams when the procuring agency expects the value of the acquisition to exceed \$1 million annually. When an agency expects the ITN to result in one or more contracts worth \$10 million, the negotiation team must include a Project Management Professional certified by the Project Management Institute. The re-procurement is expected to exceed \$10 million.

FISCAL INFORMATION:
 To meet the 5% reduction exercise, the People First Team proposes a reduction of \$73,824 from the State Personnel System Trust Fund from within the Salaries and Benefits, Contracted Services, and Expenses appropriation categories. This reduction will impact the Team's ability to move forward with the upcoming re-procurement of the People First initiative.

State Personnel System Trust Fund (2678)

Rate	(44,177)
Positions	(1.00)
Salaries and Benefits (010000)	(62,001)
Special Categories: Contracted Services (100777)	(1,129)
Expense (040000)	(10,225)
State Data Center (210001)	(469)

Issue Total: (73,824)

COL A93 SCH VIIIIB-2 REDUCTIONS		CODES
POS	AMOUNT	
MANAGEMENT SRVCS, DEPT OF		72000000
WORKFORCE PROGRAMS		72750000
<u>PRG: PEOPLE FIRST</u>		72750500
GOV OPERATIONS/SUPPORT		16
<u>GOVERNMENTAL OPERATIONS</u>		<u>1601.00.00.00</u>
PROGRAM REDUCTIONS		33V0000
REDUCE PEOPLE FIRST OPERATING		
EXPENDITURES		33V0750

POSITION DETAIL OF SALARIES AND BENEFITS:

	FTE	BASE RATE	ADDITIVES	BENEFITS	SUBTOTAL	LAPSE %	LAPSED SALARIES AND BENEFITS
A93 - SCH VIIIIB-2 REDUCTIONS							
CHANGES TO CURRENTLY AUTHORIZED POSITIONS							
2224 GOVERNMENT ANALYST I							
P0001 001	1.00-	44,177-		17,824-	62,001-	0.00	62,001-
TOTALS FOR ISSUE BY FUND							
2678 STATE PERSONNEL SYSTEM TF							62,001-
	1.00-	44,177-		17,824-	62,001-		62,001-

TOTAL: GOVERNMENTAL OPERATIONS							<u>1601.00.00.00</u>
BY FUND TYPE							
TRUST FUNDS.....	1.00-						2000
SALARY RATE.....		1,878,473-					
		44,177-					
	=====						

COL A93			
SCH VIIIIB-2			
REDUCTIONS			
POS	AMOUNT		CODES
			72000000
			72900000
			72900100
			16
			<u>1603.00.00.00</u>
			33V0000
			33V0790
			040000
WIRELESS COMM E911 TF	-STATE 300,000-		2344 1
	=====		
			100000
			103884
WIRELESS COMM E911 TF	-STATE 57,725-		2344 1
	=====		
TOTAL: REDUCE THE OPERATING BUDGET			33V0790
SUPPORTING THE EMERGENCY			
COMMUNICATIONS NUMBER E911			
TOTAL ISSUE.....	357,725-		
	=====		

AGENCY ISSUE NARRATIVE:

SCH VIIIIB-2 NARR 15-16 NARRATIVE:

IT COMPONENT? YES

ISSUE TITLE: Reduce the Operating Budget Supporting the Emergency Communications Number E911

PRIORITY: #11

SUMMARY:

The Department of Management Services, Division of Telecommunications proposes reductions in budget entity (72900100) in the Emergency Communications Number E911 System Trust Fund (2344), in two categories: \$300,000 in the Expenses Category (040000) and \$57,725 in the Special Categories: Contracted Legal Services (103884). The total reduction in the Emergency Communications Number E911 Trust Fund is \$357,725.

BACKGROUND:

Subsection 365.173(2)(f), Florida Statutes, states that one percent of the moneys in the E911 Trust Fund shall be retained by the board to be applied to the costs and expenses incurred for the purposes of managing, administering, and overseeing the receipts and disbursements from the fund and other activities as defined in s.265.172(6). Through cost containment actions, the Department has limited travel and training costs and reduced the cost of accounting services through the competitive procurement of accounting services.

WHAT IS THE IMPACT OF TAKING THIS REDUCTION: (review and revise as you see fit)

The reduction in the Expenses appropriation category for Emergency Communications Number E911 System Trust Funds can be achieved by further restricting travel and training along with restricting technology refresh purchases. Travel is

COL A93		
SCH VIIIIB-2		
REDUCTIONS		
POS	AMOUNT	CODES
		72000000
		72900000
		72900100
		16
		<u>1603.00.00.00</u>
		33V0000
		33V0790

MANAGEMENT SRVCS, DEPT OF
 PGM: TECHNOLOGY PROGRAM
TELECOMMUNICATIONS SVCS
 GOV OPERATIONS/SUPPORT
INFORMATION TECHNOLOGY
 PROGRAM REDUCTIONS
 REDUCE THE OPERATING BUDGET
 SUPPORTING THE EMERGENCY
 COMMUNICATIONS NUMBER E911

72000000
 72900000
 72900100
 16
1603.00.00.00
 33V0000

 33V0790

mission critical for E911 support. E911 Board meetings are scheduled for two 1/2 days to review the E911 grant applications, wireless service provider cost recovery proposals and invoices, E911 fee revenue allocation and percentages, and the E911 Board Annual report.

The E911 Board has the authority under sections 365.172 and 365.173, Florida Statutes, to use the Expenses appropriation category for discretionary purchases and projects required for the E911 Board administration. This reduction would restrict these discretionary purchases.

In the event any future lawsuits should arise, the Department would have to rely on the Departments' Office of General Counsel, creating a significant increase in workload. The Florida E911 Board, as established in section 365.172, Florida Statutes has the same power as a corporate body and is authorized in subsection 6 (a) and 8 to secure the services of an independent, private attorney. The law states that the E911 Board may sue and be sued, and appear and defend in all actions and proceedings, in its corporate name to the same extent as a natural person. The E911 Board deals with a number of issues which may require the services of an independent attorney. However, in the past few years, the E911 Board has not required extensive legal intervention. Currently, the E911 Board has several pending issues that could require extensive legal intervention, requiring the use of a full-time attorney. If this reduction is taken, the E911 Board would be left without the proper funding to defend any legal actions brought forward and would be dependent on an already over-burdened DMS General Counsel's office.

REDUCTION COST CALCULATIONS:

To meet the five percent reduction exercise, the Division of Telecommunications proposes a reduction of \$300,000 from the Expenses appropriation category and \$57,725 in the Special Categories: Contracted Legal Services Category.

Emergency Communications Number E911 Trust Fund (2344)	
Expenses Category (040000)	(\$300,000)
Special Categories: Contracted Legal Services (103884)	(\$57,725)

TOTAL ISSUE: (\$357,725) FSI = 1

COL A93		
SCH VIIIIB-2		
REDUCTIONS		
POS	AMOUNT	CODES

MANAGEMENT SRVCS, DEPT OF		72000000
PGM: TECHNOLOGY PROGRAM		72900000
<u>TELECOMMUNICATIONS SVCS</u>		72900100
GOV OPERATIONS/SUPPORT		16
<u>INFORMATION TECHNOLOGY</u>		<u>1603.00.00.00</u>
PROGRAM REDUCTIONS		33V0000
REDUCE TRAVEL AND TRAINING		33V0910
EXPENSES		040000
COMMUNICATIONS WKG CAP TF -STATE	142,503-	2105 1
	=====	

AGENCY ISSUE NARRATIVE:

SCH VIIIIB-2 NARR 15-16 NARRATIVE:

IT COMPONENT? YES

ISSUE TITLE: Reduce Travel and Training

PRIORITY: #10

SUMMARY:

The Department of Management Services, Division of Telecommunications proposes a reduction of \$142,503 in the Telecommunications Services budget entity (72900100) in the Expenses category (040000) within the Communications Working Capital Trust fund (2105).

BACKGROUND:

The Department of Management Services (DMS) provides shared services to state agencies and local governments allowing them to focus on their core mission. Our goal (GOAL # 12) in the Department of Management Services Long Range Program Plan is to deliver and promote the development of high quality, innovative, cost efficient communication technology services, and provide support to state agencies and other eligible users in achieving their core missions and goals. In addition to the agency's' Long Range Program Plan, the Division of Telecommunications' obligations under Section 282.703 Florida Statutes are to provide a comprehensive and diverse telecommunications enterprise network to state and local governments known as SUNCOM. The Division is tasked with the design and operation of this network.

WHAT IS THE IMPACT OF TAKING THIS REDUCTION:

The reduction in the Expenses category would be achieved by restricting travel and training along with extending technology refresh schedules. Travel is mission critical in support of some SUNCOM services such as the Telecommunications Infrastructure Projects Services (TIPS). This service requires that the engineer travel to the worksite in order to inspect work being done by the contractor. Technology training is essential for the engineers in order to continue to design and operate an enterprise, statewide telecommunications network. The division is also in need of network software upgrades in order to provide an acceptable level of customer service. This reduction could leave us without the funding for these anticipated upgrades.

Section 282.703 Florida Statutes requires that the Division provide a comprehensive and diverse telecommunications enterprise network to state and local governments, known as SUNCOM. The Division is tasked with the design and operation of this network. The ability to do this could be impaired with the elimination of funds for mission critical travel, training and technology refresh.

REDUCTION COST CALCULATIONS:

COL A93		
SCH VIII B-2		
REDUCTIONS		
POS	AMOUNT	CODES
MANAGEMENT SRVCS, DEPT OF		72000000
PGM: TECHNOLOGY PROGRAM		72900000
<u>TELECOMMUNICATIONS SVCS</u>		72900100
GOV OPERATIONS/SUPPORT		16
<u>INFORMATION TECHNOLOGY</u>		<u>1603.00.00.00</u>
PROGRAM REDUCTIONS		33V0000
REDUCE TRAVEL AND TRAINING		33V0910

To meet the five percent reduction exercise, the Division of Telecommunications proposes a reduction of \$142,503 from the Expenses appropriation category.

Communications Working Capital Trust Fund (2105)
 Expenses (040000) (\$142,503) FSI=1

TOTAL: INFORMATION TECHNOLOGY		<u>1603.00.00.00</u>
BY FUND TYPE		
TRUST FUNDS.....	500,228-	2000
	=====	

COL A93		
SCH VIIIIB-2		
REDUCTIONS		
POS	AMOUNT	CODES

MANAGEMENT SRVCS, DEPT OF		72000000
PGM: TECHNOLOGY PROGRAM		72900000
<u>WIRELESS SERVICES</u>		72900200
GOV OPERATIONS/SUPPORT		16
<u>INFORMATION TECHNOLOGY</u>		<u>1603.00.00.00</u>
PROGRAM REDUCTIONS		33V0000
ELIMINATE EXCESS BUDGET AUTHORITY -		
COMMUNICATIONS WORKING CAPITAL		
TRUST FUND		33V0350
EXPENSES		040000
COMMUNICATIONS WKG CAP TF -STATE	7,723-	2105 1
	=====	

AGENCY ISSUE NARRATIVE:

SCH VIIIIB-2 NARR 15-16 NARRATIVE: IT COMPONENT? YES
 ISSUE TITLE: Eliminate Excess Budget Authority - Communications Working Capital Trust Fund

PRIORITY: #2

SUMMARY:

The Department of Management Services (DMS), Division of Telecommunications proposes a reduction of \$7,723 in the Wireless Services budget entity (72900200) in the Expenses Category (040000) within the Communications Working Capital Trust Fund (CWCTF) (2105).

BACKGROUND:

Under Part I of Chapter 401, the Department of Management Services is assigned the duty of planning the statewide system of regional emergency medical telecommunications. Without such coordination, mutual aid of Emergency Medical Services (EMS) services cannot be assured throughout the state. The ability to communicate between emergency medical providers and with other public safety personnel is critical in major disasters when EMS resources from several jurisdictions come together in one location and when patients are transported between jurisdictions, as with helicopter transport to trauma hospitals.

The position and associated salaries and benefits were cut in Fiscal Year 2013; however the expense appropriation was not. The funds are no longer needed and there is no cash to support this function. This funding is in the Communications Working Capital Trust Fund.

Historically, the Department of Management Services negotiated agreements with the Department of Health (DOH) who provided partial funding from the Emergency Medical Services Trust Fund. DOH now, however, has discontinued payments to DMS.

WHAT IS THE IMPACT OF TAKING THIS REDUCTION:

Because the position and associated salaries and benefits were cut in Fiscal Year 2013 and there is no cash to support this function, there is no impact to the agency.

REDUCTION COST CALCULATIONS:

The Division of Telecommunications proposes a reduction of (\$7,723) in the Wireless Services budget entity (72900200) from

COL A93		
SCH VIIIIB-2		
REDUCTIONS		
POS	AMOUNT	CODES
		72000000
		72900000
		72900200
		16
		<u>1603.00.00.00</u>
		33V0000
		33V0350

MANAGEMENT SRVCS, DEPT OF
 PGM: TECHNOLOGY PROGRAM
WIRELESS SERVICES
GOV OPERATIONS/SUPPORT
INFORMATION TECHNOLOGY

PROGRAM REDUCTIONS
 ELIMINATE EXCESS BUDGET AUTHORITY -
 COMMUNICATIONS WORKING CAPITAL
 TRUST FUND

the Expense Category (040000) within the Communications Working Capital Trust Fund (2105).

Communications Working Capital Trust Fund (2105)
 Expenses Category (040000) (\$7,723) FSI=1

REDUCE STATEWIDE LAW ENFORCEMENT
 RADIO CONTRACT
 SPECIAL CATEGORIES
 SW LAW ENF RADIO CONTR PMT

33V0640
 100000
 104486

LAW ENFORCEMENT RADIO TF -STATE 1,043,670-
 =====

2432 1

AGENCY ISSUE NARRATIVE:

SCH VIIIIB-2 NARR 15-16 NARRATIVE:

IT COMPONENT? YES

ISSUE TITLE: Reduce Statewide Law Enforcement Radio Contract

PRIORITY: #9

SUMMARY:

The Department of Management Services, Division of Telecommunications proposes a reduction of \$1,043,670 in the Wireless Services budget entity (72900200) in the Statewide Law Enforcement Radio System Contract Payments Category (104486) within the Statewide Law Enforcement Radio System Trust Fund (SLERS) (2432).

BACKGROUND:

Section 282.709, Florida Statutes, requires the Department of Management Services to design, engineer, acquire, implement, operate, and maintain the statewide radio communications system to serve law enforcement units of state agencies and local law enforcement agencies. The Department pays its service provider on a quarterly basis for providing the state with access to a statewide radio communication system with uptime greater than or equal to 99.8%.

Per the contract, the Department remits quarterly payments to the vendor in arrears in the amount of all Trust Fund Net Proceeds deposited during the term. "Trust Fund Net Proceeds" is defined as the gross proceeds from the \$1 surcharge authorized by 328.72(9), Florida Statutes, less (i) the 8% General Revenue Surcharge, (ii) any funds required to maintain the 5% statutory reserve, and (iii) a \$100,000 administrative charge. As is clear from this language, the total amount paid to the vendor each year fluctuates to the same extent that revenues fluctuate. This contract is a 20 year contract

COL A93		
SCH VIIIIB-2		
REDUCTIONS		
POS	AMOUNT	CODES
MANAGEMENT SRVCS, DEPT OF		72000000
PGM: TECHNOLOGY PROGRAM		72900000
<u>WIRELESS SERVICES</u>		72900200
GOV OPERATIONS/SUPPORT		16
<u>INFORMATION TECHNOLOGY</u>		<u>1603.00.00.00</u>
PROGRAM REDUCTIONS		33V0000
REDUCE STATEWIDE LAW ENFORCEMENT		
RADIO CONTRACT		33V0640

through June 30, 2021. Over the past five years, payments have averaged \$16,907,272 with an annual appropriation of \$18,220,000.

WHAT IS THE IMPACT OF TAKING THIS REDUCTION:

Over the last several years revenues have declined, resulting in excess budget authority in the category established for payments to the vendor. This is why a reduction in budget authority alone would not constitute an Event of Non-Appropriation nor would it constitute an Event of Default .

If, however, achieving this budget reduction includes a sweep of the cash generated to fund this contract, the result would be severe and would not be in the best interest of state and local law enforcement agencies. Our options would include reducing current levels of service or contract termination. Section 7.4 of the SLERS contract allows the Department to terminate the contract upon 30 days' notice in the event the state fails to appropriate sufficient funds for the payments due to the vendor in the succeeding fiscal year. A 30-day termination notice would leave the state (23 state law enforcement agencies and 43 local public safety entities) without a statewide radio communication system. The department projects that the development of an ITN and the ensuing procurement process would take up to 48 months, or more.

To avoid a termination for non-appropriation, the Department would first choose to request specific reductions in service levels in exchange for an equitable price reduction. Further analysis and future contract negotiations with the service provider will be necessary to determine which services or service levels to eliminate or modify. This is an incredibly sensitive issue as any reduction in service levels associated with the Statewide Law Enforcement Radio Communication System could absolutely endanger the safety of state and local law enforcement, local emergency responders as well as the citizens of Florida.

Please note that the current contract requires mobile radio (i.e. vehicle mounted) coverage in 98% of the state and portable radio (i.e. handheld) coverage in defined areas of the state, leaving more than 1,000 square miles of the state currently without mobile radio coverage and more than 11,000 square miles of the state currently without portable radio coverage.

REDUCTION COST CALCULATIONS:

To meet the five percent reduction exercise, the Division of Telecommunications proposes a reduction of \$1,043,670 from the Statewide Law Enforcement Radio System Contract Payments category (104486) within the Statewide Law Enforcement Radio System Trust Fund (SLERS) (2432).

Statewide Law Enforcement Radio System Trust Fund (2432)

Statewide Law Enforcement Radio System Contract Payments category (104486) (\$1,043,670) FSI=1

COL A93		
SCH VIII B-2		
REDUCTIONS		
POS	AMOUNT	CODES

MANAGEMENT SRVCS, DEPT OF		72000000
PGM: TECHNOLOGY PROGRAM		72900000
<u>WIRELESS SERVICES</u>		72900200
GOV OPERATIONS/SUPPORT		16
<u>INFORMATION TECHNOLOGY</u>		<u>1603.00.00.00</u>
TOTAL: INFORMATION TECHNOLOGY		<u>1603.00.00.00</u>
BY FUND TYPE		
TRUST FUNDS.....	1,051,393-	2000
	=====	

COL A93			
SCH VIIIIB-2			
REDUCTIONS			
POS	AMOUNT		CODES

MANAGEMENT SRVCS, DEPT OF			72000000
PGM: PERC			72920000
<u>PUBLIC EMPLOYEES RELATIONS</u>			72920100
ECONOMIC OPPORTUNITIES			11
<u>WORKFORCE SERVICES</u>			<u>1102.00.00.00</u>
PROGRAM REDUCTIONS			33V0000
REDUCE OPERATING EXPENDITURES			
WITHIN THE PUBLIC EMPLOYEES			
RELATIONS COMMISSION			33V0900
SALARY RATE			000000
SALARY RATE.....	79,860-		
	=====		
SALARIES AND BENEFITS			010000
	2.00-		
GENERAL REVENUE FUND	-STATE	115,519-	1000 1
		=====	
OTHER PERSONAL SERVICES			030000
GENERAL REVENUE FUND	-STATE	55,562-	1000 1
		=====	
TOTAL: REDUCE OPERATING EXPENDITURES			33V0900
WITHIN THE PUBLIC EMPLOYEES			
RELATIONS COMMISSION			
TOTAL POSITIONS.....	2.00-		
TOTAL ISSUE.....		171,081-	
TOTAL SALARY RATE.....	79,860-		
	=====		

AGENCY ISSUE NARRATIVE:

SCH VIIIIB-2 NARR 15-16 NARRATIVE:

IT COMPONENT? NO

ISSUE TITLE: Reduce Operating Expenditures Within The Public Employees Relations Commission

OVERVIEW OF AGENCY: The Public Employees Relations Commission (PERC) is a small, independent, quasi-judicial agency which adjudicates public sector labor and employment disputes, registers labor organizations (unions), and conducts secret ballot elections throughout Florida for state and local government employees voting for or against establishing or maintaining union representation. PERC provides two constitutionally required functions and other statutorily mandated functions, with an exceptional performance record.

PERC was originally staffed with forty-two (42) full-time equivalents with a single jurisdiction of labor disputes and its funding was predominantly General Revenue (ninety-eight percent.) Currently PERC has twenty-six (26) positions, is responsible for seven (7) employment law jurisdictions and funding is split between General Revenue and PERC Trust funds. In summary, since its inception PERC has reduced its workforce by thirty-eight percent (38%), while absorbing six (6) new employment law jurisdictions and still has maintained superior results in timely case handling which is reflected in its annual performance standard measurements.

COL A93		
SCH VIIIIB-2		
REDUCTIONS		
POS	AMOUNT	CODES

MANAGEMENT SRVCS, DEPT OF		72000000
PGM: PERC		72920000
<u>PUBLIC EMPLOYEES RELATIONS</u>		72920100
ECONOMIC OPPORTUNITIES		11
<u>WORKFORCE SERVICES</u>		<u>1102.00.00.00</u>
PROGRAM REDUCTIONS		33V0000
REDUCE OPERATING EXPENDITURES		
WITHIN THE PUBLIC EMPLOYEES		
RELATIONS COMMISSION		33V0900

Unlike other agencies, PERC has a single program which is to adjudicate and facilitate mediation of labor and employment disputes. The agency has absorbed past budget reductions and revenue shortfalls by reorganizing staff, consolidating positions and leased space, cutting non-essential travel and significantly reducing administrative overhead.

ISSUE SUMMARY: In compliance with the direction to submit a five percent (5%) reduction plan the Public Employees Relations Commission proposes a reduction of (\$171,081) from the General Revenue Fund by reducing the Salaries and Benefits and Other Personal Services (OPS) appropriations categories. Over seventy-five percent (75%) of PERC's budget supports staff resources necessary to meet the mission of the organization. Taking that into consideration, a five percent (5%) reduction in both the General Revenue and Trust funds will, by necessity, come primarily from the Salaries and Benefits category resulting in the deletion of two positions, or eight percent (8%) of the workforce and a reduction of four percent(4%) in the Salaries and Benefits category.

PROBLEM STATEMENT: It is difficult to predict the gravity of the impact of further staff reductions. At a minimum, the elimination of additional positions may adversely affect PERC's ability to meet its legislatively imposed deadlines for adjudicating cases. Resolving labor disputes as expeditiously as possible is critical to maintaining labor harmony and stability, and preventing strikes as well as saving expenses or costs associated with prolonged disputes. The costs associated with a work stoppage, while impossible to calculate for this exercise, are potentially immense. These costs in conjunction with the potential threat to public safety make it imperative to resolve disputes expeditiously and avoid harm to Florida's citizens. Reduction in staff could substantially impair PERC's quality and expeditious resolution of labor and employment disputes which in turn could cause significant disruptions to public services, including police, fire, corrections, health care and teachers.

STATUTORY REFERENCE: Specific Authority: Article I, Section 6 and Article III, Section 14, Florida Constitution; Chapter 447, Part II and Sections 110.124, 110.227, 112.044, 112.0455, 112.31895, 295.11, Florida Statutes. A statutory change is not required to implement this reduction.

PROGRAM IMPACT: The proposed reduction could significantly impact the agency to the point it may require the Commission to request that the Legislature extend the established time lines (performance based budgeting standards) for resolution of cases. This action would eliminate thirty-one percent (31%) of the Other Personal Services (OPS) category which is currently used to staff public sector collective bargaining elections and convert microfilm to electronic form for storage in archival databases and prevent the Commission from handling cases in a timely and efficient manner. There is a threshold for every agency where further reductions in funding or staffing will not only negatively impact the performance of the agency but will also have an adverse impact on efficiency therefore, resulting in increased costs all of which are very difficult to quantify. In consideration of the facts stated above and in the spirit of fiscal responsibility the Commission offers the following reductions for consideration. The Commission will continue to streamline the organization and identify and explore new and creative ways to increase efficiency, improve services to the citizens of the State of Florida and save taxpayer dollars.

COL A93 SCH VIIIIB-2 REDUCTIONS		CODES
POS	AMOUNT	
MANAGEMENT SRVCS, DEPT OF		72000000
PGM: PERC		72920000
<u>PUBLIC EMPLOYEES RELATIONS</u>		72920100
ECONOMIC OPPORTUNITIES		11
<u>WORKFORCE SERVICES</u>		<u>1102.00.00.00</u>
PROGRAM REDUCTIONS		33V0000
REDUCE OPERATING EXPENDITURES WITHIN THE PUBLIC EMPLOYEES RELATIONS COMMISSION		33V0900

FISCAL INFORMATION: This issue reflects distribution of the five percent (5%) reduction target of (\$171,081) in the General Revenue Fund.
 General Revenue (1000)

Salaries and Benefits (010000):
 (\$ 72,085) Delete 1 vacant Senior Attorney position
 (21,717) Delete .5 vacant Commission Deputy Clerk II position
 (21,717) Delete .5 vacant Commission Deputy Clerk II position

 (\$115,519)

Other Personal Services (030000):
 (\$55,562) Reduce Other Personal Services

TOTAL ISSUE REDUCTION (\$171,081)

POSITION DETAIL OF SALARIES AND BENEFITS:

	FTE	BASE RATE	ADDITIVES	BENEFITS	SUBTOTAL	LAPSE %	LAPSED SALARIES AND BENEFITS
A93 - SCH VIIIIB-2 REDUCTIONS							
CHANGES TO CURRENTLY AUTHORIZED POSITIONS							
7689 COMMISSION DEPUTY CLERK II							
03320 001	0.50-	14,017-		7,700-	21,717-	0.00	21,717-
03815 001	0.50-	14,017-		7,700-	21,717-	0.00	21,717-
7738 SENIOR ATTORNEY							
03317 001	1.00-	51,826-		20,259-	72,085-	0.00	72,085-

COL A93 SCH VIIIIB-2 REDUCTIONS		CODES
POS	AMOUNT	
MANAGEMENT SRVCS, DEPT OF		72000000
PGM: PERC		72920000
<u>PUBLIC EMPLOYEES RELATIONS</u>		72920100
ECONOMIC OPPORTUNITIES		11
<u>WORKFORCE SERVICES</u>		<u>1102.00.00.00</u>
PROGRAM REDUCTIONS		33V0000
REDUCE OPERATING EXPENDITURES		
WITHIN THE PUBLIC EMPLOYEES		
RELATIONS COMMISSION		33V0900

POSITION DETAIL OF SALARIES AND BENEFITS:

FTE	BASE RATE	ADDITIVES	BENEFITS	SUBTOTAL	LAPSE %	LAPSED SALARIES AND BENEFITS
A93 - SCH VIIIIB-2 REDUCTIONS						
CHANGES TO CURRENTLY AUTHORIZED POSITIONS						
TOTALS FOR ISSUE BY FUND						
						115,519-
1000 GENERAL REVENUE FUND						115,519-
2.00-	79,860-		35,659-	115,519-		115,519-
=====	=====	=====	=====	=====		=====

TOTAL: WORKFORCE SERVICES						<u>1102.00.00.00</u>
BY FUND TYPE						
GENERAL REVENUE FUND.....	2.00-	171,081-				1000
SALARY RATE.....	79,860-					
	=====					

COL A93			
SCH VIIIIB-2			
REDUCTIONS			
POS	AMOUNT		CODES
MANAGEMENT SRVCS, DEPT OF			72000000
PGM: COMM ON HUMAN RELAT			72950000
<u>HUMAN RELATIONS</u>			72950100
GOV OPERATIONS/SUPPORT			16
<u>GOVERNMENTAL OPERATIONS</u>			<u>1601.00.00.00</u>
PROGRAM REDUCTIONS			33V0000
REDUCE EXPENSES IN THE COMMISSION			
ON HUMAN RELATIONS			33V0560
EXPENSES			040000
OPERATING TRUST FUND	-STATE	6,781-	2510 1
		=====	

AGENCY ISSUE NARRATIVE:

SCH VIIIIB-2 NARR 15-16 NARRATIVE: IT COMPONENT? NO

ISSUE TITLE: REDUCE EXPENSES IN THE COMMISSION ON HUMAN RELATIONS

SUMMARY:

In compliance with the reduction exercise the Commission on Human Relations proposes a recurring reduction of (\$6,781) in the expense category of the Operating Trust Fund. Should this reduction be implemented, it would impede the Commission's ability to cover travel expenses associated with needed/required training. The Commission utilizes training to educate its investigative and legal staff on investigative procedures and updates on legal matters associated both Federal and State laws relating to employment and housing discrimination. Without such ongoing training, the quality of service to the citizens of Florida will greatly deteriorate.

REDUCTION COST CALCULATIONS:

Operating Trust Fund (2510)
 Expenses (040000) (\$6,781) FSI=3

FUND SHIFT			3400000
FLORIDA COMMISSION ON HUMAN			
RELATIONS - TRANSFER FROM			
GENERAL REVENUE TO OPERATING			
TRUST FUND - DEDUCT			3400190
SALARY RATE			000000
SALARY RATE.....	87,666-		
	=====		
SALARIES AND BENEFITS			010000
GENERAL REVENUE FUND	-STATE	2.00- 125,776-	1000 1
		=====	

COL A93		
SCH VIIIIB-2		
REDUCTIONS		
POS	AMOUNT	CODES

MANAGEMENT SRVCS, DEPT OF		72000000
PGM: COMM ON HUMAN RELAT		72950000
<u>HUMAN RELATIONS</u>		72950100
GOV OPERATIONS/SUPPORT		16
<u>GOVERNMENTAL OPERATIONS</u>		<u>1601.00.00.00</u>
FUND SHIFT		3400000
FLORIDA COMMISSION ON HUMAN		
RELATIONS - TRANSFER FROM		
GENERAL REVENUE TO OPERATING		
TRUST FUND - DEDUCT		3400190
TOTAL: FLORIDA COMMISSION ON HUMAN		3400190
RELATIONS - TRANSFER FROM		
GENERAL REVENUE TO OPERATING		
TRUST FUND - DEDUCT		
TOTAL POSITIONS.....	2.00-	
TOTAL ISSUE.....	125,776-	
TOTAL SALARY RATE.....	87,666-	
	=====	

AGENCY ISSUE NARRATIVE:

SCH VIIIIB-2 NARR 15-16 NARRATIVE:

IT COMPONENT? NO

ISSUE TITLE:

FLORIDA COMMISSION ON HUMAN RELATIONS - TRANSFER FROM GENERAL REVENUE TO OPERATING TRUST FUND - DEDUCT

SUMMARY:

The Florida Commission on Human Relations (FCHR) is proposing a fund shift from the General Revenue Fund to the Operating Trust Fund in Salaries and Benefits and associated rate to reduce General Revenue (1000) budget authority within FCHR's annual budget.

BACKGROUND:

The Commission receives federal funds from the United States Equal Employment Opportunity Commission (EEOC) and the United States Housing and Urban Development (HUD) for employment and housing cases the Commission investigates and closes. The number of cases referred to the Commission varies each year and, therefore, the amount annually reimbursed to the Commission fluctuates from year to year. In addition, the date the Commission actually receives the federal reimbursements is unpredictable, as the federal agencies undergo administrative changes or experience funding issues.

These factors have contributed to the rapid decline of the Commission's trust fund balance over the past few years. The trust fund balance reached its lowest point ever (\$12,000) during the 4th quarter of Fiscal Year 2008-09, forcing the Commission to "borrow" funds (approximately \$300,000) from another state agency in April 2009 in order to avoid staff layoffs and continue operating until the end of the fiscal year. Almost 30 percent of the FCHR's budget over the last five years has come from trust fund dollars. Given the variation in the annual amounts reimbursed and the uncertainty of timely deposits of federal funds, relying on trust fund dollars to continue to substantially support the Commission's operations is not feasible.

WHAT IS THE IMPACT OF TAKING THIS REDUCTION:

The transfer of funding positions from the operating trust fund rather than General Revenue Fund may further exacerbate a

COL A93 SCH VIIIIB-2 REDUCTIONS		CODES
POS	AMOUNT	
MANAGEMENT SRVCS, DEPT OF		72000000
PGM: COMM ON HUMAN RELAT		72950000
<u>HUMAN RELATIONS</u>		72950100
GOV OPERATIONS/SUPPORT		16
<u>GOVERNMENTAL OPERATIONS</u>		<u>1601.00.00.00</u>
FUND SHIFT		3400000
FLORIDA COMMISSION ON HUMAN		
RELATIONS - TRANSFER FROM		
GENERAL REVENUE TO OPERATING		
TRUST FUND - DEDUCT		3400190

recurring risk of insufficient cash flow beyond the Commission' s control and will contribute to the decline of the Operating Trust Fund.

REDUCTION COST CALCULATIONS:

General Revenue Fund (1000)
 Rate (87,666)
 Salaries and Benefits (010000) (\$125,776) FSI=1

Operating Trust Fund (2510)
 Rate 87,666
 Salaries and Benefits(010000) \$125,776 FSI=3

POSITION DETAIL OF SALARIES AND BENEFITS:

	FTE	BASE RATE	ADDITIVES	BENEFITS	SUBTOTAL	LAPSE %	LAPSED SALARIES AND BENEFITS
A93 - SCH VIIIIB-2 REDUCTIONS							
CHANGES TO CURRENTLY AUTHORIZED POSITIONS							
8354 INVESTIGATOR SUPERVISOR - SES							
02725 001	1.00-	41,106-		18,645-	59,751-	0.00	59,751-
9119 OPERATIONS MANAGER C-SES							
02727 001	1.00-	46,560-		19,465-	66,025-	0.00	66,025-

TOTALS FOR ISSUE BY FUND							
1000 GENERAL REVENUE FUND							125,776-
	2.00-	87,666-		38,110-	125,776-		125,776-
	=====	=====	=====	=====	=====		=====

COL A93			
SCH VIIIIB-2			
REDUCTIONS			
POS	AMOUNT		CODES

MANAGEMENT SRVCS, DEPT OF			72000000
PGM: COMM ON HUMAN RELAT			72950000
<u>HUMAN RELATIONS</u>			72950100
GOV OPERATIONS/SUPPORT			16
<u>GOVERNMENTAL OPERATIONS</u>			<u>1601.00.00.00</u>
FUND SHIFT			3400000
FLORIDA COMMISSION ON HUMAN			
RELATIONS - TRANSFER FROM			
GENERAL REVENUE TO OPERATING			
TRUST FUND - ADD			3400200
SALARY RATE			000000
SALARY RATE.....	87,666		
	=====		
SALARIES AND BENEFITS			010000
	2.00		
OPERATING TRUST FUND	-FEDERL	125,776	2510 3
	=====		
TOTAL: FLORIDA COMMISSION ON HUMAN			3400200
RELATIONS - TRANSFER FROM			
GENERAL REVENUE TO OPERATING			
TRUST FUND - ADD			
TOTAL POSITIONS.....	2.00		
TOTAL ISSUE.....		125,776	
TOTAL SALARY RATE.....	87,666		
	=====		

AGENCY ISSUE NARRATIVE:

SCH VIIIIB-2 NARR 15-16 NARRATIVE:

IT COMPONENT? NO

ISSUE TITLE:

FLORIDA COMMISSION ON HUMAN RELATIONS - TRANSFER FROM GENERAL REVENUE TO OPERATING TRUST FUND - ADD

SUMMARY:

The Florida Commission on Human Relations (FCHR) is proposing a fund shift from the General Revenue Fund to the Operating Trust Fund in Salaries and Benefits and associated rate to reduce General Revenue (1000) budget authority within FCHR's annual budget.

BACKGROUND:

The Commission receives federal funds from the United States Equal Employment Opportunity Commission (EEOC) and the United States Housing and Urban Development (HUD) for employment and housing cases the Commission investigates and closes. The number of cases referred to the Commission varies each year and, therefore, the amount annually reimbursed to the Commission fluctuates from year to year. In addition, the date the Commission actually receives the federal reimbursements is unpredictable, as the federal agencies undergo administrative changes or experience funding issues.

These factors have contributed to the rapid decline of the Commission's trust fund balance over the past few years. The trust fund balance reached its lowest point ever (\$12,000) during the 4th quarter of Fiscal Year 2008-09, forcing the Commission to "borrow" funds (approximately \$300,000) from another state agency in April 2009 in order to avoid staff

COL A93		
SCH VIIIIB-2		
REDUCTIONS		
POS	AMOUNT	CODES
MANAGEMENT SRVCS, DEPT OF		72000000
PGM: COMM ON HUMAN RELAT		72950000
<u>HUMAN RELATIONS</u>		72950100
GOV OPERATIONS/SUPPORT		16
<u>GOVERNMENTAL OPERATIONS</u>		<u>1601.00.00.00</u>
FUND SHIFT		3400000
FLORIDA COMMISSION ON HUMAN		
RELATIONS - TRANSFER FROM		
GENERAL REVENUE TO OPERATING		
TRUST FUND - ADD		3400200

layoffs and continue operating until the end of the fiscal year. Almost 30 percent of the FCHR's budget over the last five years has come from trust fund dollars. Given the variation in the annual amounts reimbursed and the uncertainty of timely deposits of federal funds, relying on trust fund dollars to continue to substantially support the Commission's operations is not feasible.

WHAT IS THE IMPACT OF TAKING THIS REDUCTION:

The transfer of funding positions from the operating trust fund rather than General Revenue Fund may further exacerbate a recurring risk of insufficient cash flow beyond the Commission's control and will contribute to the decline of the Operating Trust Fund.

REDUCTION COST CALCULATIONS:

General Revenue Fund (1000)
 Rate (87,666)
 Salaries and Benefits (010000) (\$125,776) FSI=1

Operating Trust Fund (2510)
 Rate 87,666
 Salaries and Benefits(010000) \$125,776 FSI=3

POSITION DETAIL OF SALARIES AND BENEFITS:

	FTE	BASE RATE	ADDITIVES	BENEFITS	SUBTOTAL	LAPSE %	LAPSED SALARIES AND BENEFITS
A93 - SCH VIIIIB-2 REDUCTIONS							
CHANGES TO CURRENTLY AUTHORIZED POSITIONS							
8354 INVESTIGATOR SUPERVISOR - SES							
02725 001	1.00	41,106		18,645	59,751	0.00	59,751
9119 OPERATIONS MANAGER C-SES							
02727 001	1.00	46,560		19,465	66,025	0.00	66,025

COL A93 SCH VIIIIB-2 REDUCTIONS		CODES
POS	AMOUNT	
MANAGEMENT SRVCS, DEPT OF		72000000
PGM: COMM ON HUMAN RELAT		72950000
<u>HUMAN RELATIONS</u>		72950100
GOV OPERATIONS/SUPPORT		16
<u>GOVERNMENTAL OPERATIONS</u>		<u>1601.00.00.00</u>
FUND SHIFT		3400000
FLORIDA COMMISSION ON HUMAN		
RELATIONS - TRANSFER FROM		
GENERAL REVENUE TO OPERATING		
TRUST FUND - ADD		3400200

POSITION DETAIL OF SALARIES AND BENEFITS:

FTE	BASE RATE	ADDITIVES	BENEFITS	SUBTOTAL	LAPSE %	LAPSED SALARIES AND BENEFITS
A93 - SCH VIIIIB-2 REDUCTIONS						
CHANGES TO CURRENTLY AUTHORIZED POSITIONS						
TOTALS FOR ISSUE BY FUND						
2510 OPERATING TRUST FUND						125,776
2.00	87,666		38,110	125,776		125,776

TOTAL: GOVERNMENTAL OPERATIONS		1601.00.00.00
BY FUND TYPE		
GENERAL REVENUE FUND	125,776-	1000
TRUST FUNDS	118,995	2000
TOTAL PROG COMP.....	6,781-	
=====		
TOTAL: MANAGEMENT SRVCS, DEPT OF		72000000
BY FUND TYPE		
GENERAL REVENUE FUND	414,609-	1000
TRUST FUNDS	10,015,218-	2000
TOTAL POSITIONS.....	7.50-	
TOTAL DEPARTMENT.....	10,429,827-	
TOTAL SALARY RATE.....	240,082-	
=====		