

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	891,000-	2021 1

=====

AGENCY ISSUE NARRATIVE:

SCH VIIIIB-2 NARR 18-19 NARRATIVE:
 PRIORITY #22

IT COMPONENT? YES

SUMMARY:

The Department of Management Services, Executive Direction and Support Services proposes a reduction of (\$891,000) in the Executive Direction and Administration budget entity (72010100) from the Contracted Legal Services category (100777) within the Administrative Trust Fund (2021). This issue would remove all base budget authority for contracted legal services within the Executive Direction budget entity.

WHAT IS THE IMPACT OF TAKING THIS REDUCTION?

This appropriation is used by the Department to provide outside legal representation for potential litigation. In the event there is no appropriation, the department would have to rely on identifying budget authority from other areas and the processing of budget amendments to contract for legal services as needed, which is not as timely as sometimes required to appropriately and swiftly respond to litigation. As a result of this impact, the Department has ranked this reduction at the very bottom of its proposed reductions at 22 of 25 and ranks its level of impact as a Significant Impact.

The Department has proposed 25 reductions and has ranked order the proposed reductions from 1 to 25 with 1 having the lowest impact to 25 having the largest impact on operations and services. In addition, the department has ranked its proposed reductions with three levels of impact:

Minimal Impact - These proposed reductions reflect cost savings and/or efficiencies identified by the department that can be taken with little to no impact.

Moderate Impact - These proposed reductions reflect identified reductions that if taken could or will have an impact to operations or services.

Significant Impact - These proposed reductions will have a direct impact on operations and/or services.

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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
MYFLORIDA PORTAL REDUCTION			33V0960
EXPENSES			040000
GENERAL REVENUE FUND	-STATE	41,497-	1000 1
		=====	
SPECIAL CATEGORIES			100000
CONTRACTED SERVICES			100777
GENERAL REVENUE FUND	-STATE	51,680-	1000 1
		=====	
TOTAL: MYFLORIDA PORTAL REDUCTION			33V0960
TOTAL ISSUE.....		93,177-	
		=====	

AGENCY ISSUE NARRATIVE:

SCH VIIIIB-2 NARR 18-19 NARRATIVE:
 PRIORITY #23

IT COMPONENT? YES

SUMMARY:

The Department of Management Services, Executive Direction and Support Services proposes a reduction of (\$93,177) in General Revenue budget authority used to fund the MyFlorida.com portal.

WHAT IS THE IMPACT OF TAKING THIS REDUCTION?

This appropriation is used by the Department to purchase software licenses, to pay phone bills, for contractor support and to pay the Agency for State Technology for data center services 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 MyFlorida.com portal. As a result of this impact, the department has ranked this proposed reduction as 23 of 25 with a Significant Impact.

The Department has proposed 24 reductions and has ranked order the proposed reductions from 1 to 25 with 1 having the lowest impact to 25 having the largest impact on operations and services. In addition, the department has ranked its proposed reductions with three levels of impact:

Minimal Impact - These proposed reductions reflect cost savings and/or efficiencies identified by the department that can be taken with little to no impact.

Moderate Impact - These proposed reductions reflect identified reductions that if taken could or will have an impact to operations or services.

Significant Impact - These proposed reductions will have a direct impact on operations and/or services.

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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
REDUCTION OF THE TRAVEL MANAGEMENT SYSTEM		33V1100
SPECIAL CATEGORIES		100000
TRAVEL MANAGEMENT SYSTEM		100788
GENERAL REVENUE FUND	-STATE 180,000-	1000 1
	=====	

AGENCY ISSUE NARRATIVE:

SCH VIIIIB-2 NARR 18-19 NARRATIVE: IT COMPONENT? YES
 PRIORITY #25

SUMMARY:

The Department of Management Services, Executive Direction and Support Services proposes a reduction of (\$180,000) from the Executive Direction and Support Services budget entity (72010100) in the Travel Management System category (100788) within the General Revenue Fund (1000).

WHAT IS THE IMPACT OF TAKING THIS REDUCTION?

Licensing, support, and operating expenses for the travel system are expected to consume the full appropriation for Fiscal Year 2018-19. This will reduce the budget authority available to support the Travel Management System which may result in either a reduction of services or contract termination. As a result of these impacts, the department has ranked this proposed reduction as 25 of 25 with a Significant Impact.

The Department has proposed 25 reductions and has ranked order the proposed reductions from 1 to 25 with 1 having the lowest impact to 25 having the largest impact on operations and services. In addition, the department has ranked its proposed reductions with three levels of impact:

Minimal Impact - These proposed reductions reflect cost savings and/or efficiencies identified by the department that can be taken with little to no impact.

Moderate Impact - These proposed reductions reflect identified reductions that if taken could or will have an impact to operations or services.

Significant Impact - These proposed reductions will have a direct impact on operations and/or services.

BACKGROUND:

The Department is required to license, support and maintain the Statewide Travel Management System on behalf of the executive branch state agencies and the judiciary to automate the approval of travel expenses and reimbursements.

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SCH VIII B-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>
TOTAL: EXEC LEADERSHIP/SUPPRT SVC		<u>1602.00.00.00</u>
BY FUND TYPE		
GENERAL REVENUE FUND	273,177-	1000
TRUST FUNDS	891,000-	2000

TOTAL PROG COMP.....	1,164,177-	
	=====	

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
ELIMINATE SHARED SAVINGS ENERGY		
UPGRADE		33V0440
SPECIAL CATEGORIES		100000
SHARED SAV/ENERGY UPGRADE		104524
SUPERVISION TRUST FUND	-STATE	2696 1
	250,000-	
	=====	

AGENCY ISSUE NARRATIVE:

SCH VIIIIB-2 NARR 18-19 NARRATIVE:
 PRIORITY #2

IT COMPONENT? NO

SUMMARY:

The Department of Management Services, Division of Real Estate Development and Management proposes a total reduction of (\$250,000) in the Facilities Management budget entity (72400100). The proposed reduction of (\$250,000) is in the Shared Savings Payments for Energy Efficiency Upgrades category (104524) within the Supervision Trust Fund (2696) which can be used to establish contracts with vendors for installation of energy saving equipment into pool facilities that would reduced utility costs. The vendor would receive compensation through this shared savings.

WHAT IS THE IMPACT OF TAKING THIS REDUCTION?

There would be no immediate impact in taking this reduction as there are no contracts of this type established at this time. As a result of this impact, the department has ranked this proposed reduction as 2 of 25 with a Minimal Impact.

The Department has proposed 25 reductions and has ranked order the proposed reductions from 1 to 25 with 1 having the lowest impact to 25 having the largest impact on operations and services. In addition, the department has ranked its proposed reductions with three levels of impact:

Minimal Impact - These proposed reductions reflect cost savings and/or efficiencies identified by the department that can be taken with little to no impact.

Moderate Impact - These proposed reductions reflect identified reductions that if taken could or will have an impact to operations or services.

Significant Impact - These proposed reductions will have a direct impact on operations and/or services.

BACKGROUND:

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

		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
OTHER PERSONAL SERVICES				030000
SUPERVISION TRUST FUND	-STATE	150,000-		2696 1
		=====		
EXPENSES				040000
SUPERVISION TRUST FUND	-STATE	500,000-		2696 1
		=====		
OPERATING CAPITAL OUTLAY				060000
SUPERVISION TRUST FUND	-STATE	60,000-		2696 1
		=====		
SPECIAL CATEGORIES				100000
CONTRACTED SERVICES				100777
SUPERVISION TRUST FUND	-STATE	2,171,212-		2696 1
		=====		
DMS/FACILITIES SECURITY				100854
SUPERVISION TRUST FUND	-STATE	50,000-		2696 1
		=====		
CAPITOL REPAIRS				108900
SUPERVISION TRUST FUND	-STATE	50,000-		2696 1
		=====		
TOTAL: REDUCE THE FACILITIES MANAGEMENT				33V0760
OPERATING BUDGET				
TOTAL ISSUE.....		2,981,212-		
		=====		

AGENCY ISSUE NARRATIVE:
 SCH VIIIIB-2 NARR 18-19 NARRATIVE:
 PRIORITY #24

IT COMPONENT? NO

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

SUMMARY:

The Department of Management Services, Division of Real Estate Development and Management (REDM) proposes a total reduction of (\$2,981,212) in the Facilities Management budget entity (72400100). The proposed reduction of (\$2,981,212) is in various operating categories within the Supervision Trust Fund (2696) used in the operations and maintenance of the Florida Facilities Pool (FFP).

WHAT IS THE IMPACT OF TAKING THIS REDUCTION?

Other Personal Services (OPS):

This reduction will eliminate the majority of recurring OPS budget, leaving only \$117,000. This would impact the division's ability to hire temporary employees in order to meet emergency staffing needs.

Expenses:

The division uses the expense budget to perform the general daily repairs and maintenance of the 110 facilities within the FFP. This reduction will impact the division's ability to perform general repairs and maintenance on our facilities, resulting in greater maintenance needs in the future. This reduction will also greatly inhibit REDM's 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.

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 either reduce the frequency of contracted facility management services (custodial, lawn care, etc.) in DMS managed facilities, or transfer some of the burden to existing maintenance staff. This reduction would severely impact the delivery of custodial services at all REDM managed facilities. Some of the custodial services could be assumed by existing REDM maintenance staff; however, additional custodial responsibilities would undoubtedly impact other areas of responsibility, such as maintenance and repairs. The lessened focus on maintenance and repairs would ultimately lead to long term and costly deferred maintenance issues in the FFP.

Provisions for Facilities Security:

This reduction will necessitate the division to reduce the number of hours of manned security services that are being provided in various facilities in the FFP. This reduction in service could potentially result in decreased safety and security for staff and visitors.

State Capitol Maintenance and Repairs:

This reduction will eliminate the division's ability to renovate restrooms in the State Capitol in order to comply with

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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

current codes, including the Americans with Disabilities Act (ADA).

As a result of these impacts, the department has ranked this proposed reduction as 24 of 25 with a Significant Impact.

The Department has proposed 25 reductions and has ranked order the proposed reductions from 1 to 25 with 1 having the lowest impact to 25 having the largest impact on operations and services. In addition, the department has ranked its proposed reductions with three levels of impact:

Minimal Impact - These proposed reductions reflect cost savings and/or efficiencies identified by the department that can be taken with little to no impact.

Moderate Impact - These proposed reductions reflect identified reductions that if taken could or will have an impact to operations or services.

Significant Impact - These proposed reductions will have a direct impact on operations and/or services.

BACKGROUND:

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

TOTAL: GOVERNMENTAL OPERATIONS		<u>1601.00.00.00</u>
BY FUND TYPE		
TRUST FUNDS.....	3,231,212-	2000
	=====	

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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		
SERVICES		33V0430
EXPENSES		040000
ARCHITECTS INCIDENTAL TF -STATE	8,953-	2033 1
	=====	
SPECIAL CATEGORIES		100000
CONTRACTED SERVICES		100777
ARCHITECTS INCIDENTAL TF -STATE	37,438-	2033 1
	=====	
TOTAL: REDUCE BUILDING CONSTRUCTION		33V0430
SERVICES		
TOTAL ISSUE.....	46,391-	
	=====	

AGENCY ISSUE NARRATIVE:

SCH VIIIIB-2 NARR 18-19 NARRATIVE:
 PRIORITY #6

IT COMPONENT? NO

SUMMARY:

The Department of Management Services, Division of Real Estate Development and Management proposes a reduction of (\$46,391) in the Building Construction budget entity (72400200). The proposed reduction is (\$8,953) in the Expenses category (040000) and (\$37,438) in the Contracted Services category (100777) within the Architects Incidental Trust Fund (2033).

WHAT IS THE IMPACT OF TAKING THIS REDUCTION?

The Expenses reduction will require the division to reduce 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. The Contracted Services 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. As a result of this impact, the department has ranked this proposed reduction as 6 of 25 with a Moderate Impact.

The Department has proposed 25 reductions and has ranked order the proposed reductions from 1 to 25 with 1 having the lowest impact to 25 having the largest impact on operations and services. In addition, the department has ranked its proposed reductions with three levels of impact:

Minimal Impact - These proposed reductions reflect cost savings and/or efficiencies identified by the department that can be taken with little to no impact.

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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		
SERVICES		33V0430

Moderate Impact - These proposed reductions reflect identified reductions that if taken could or will have an impact to operations or services.

Significant Impact - These proposed reductions will have a direct impact on operations and/or services.

BACKGROUND:

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

TOTAL: GOVERNMENTAL OPERATIONS		<u>1601.00.00.00</u>
BY FUND TYPE		
TRUST FUNDS.....	46,391-	2000
	=====	

COL A93		
SCH VIIIIB-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
SPECIAL CATEGORIES		100000
WEB-BASED E-PROCUREMENT SYS		104502
OPERATING TRUST FUND	-STATE 1,626,868-	2510 1
	=====	

AGENCY ISSUE NARRATIVE:

SCH VIIIIB-2 NARR 18-19 NARRATIVE: IT COMPONENT? NO
 PRIORITY #21

SUMMARY:

The Department of Management Services (DMS), Division of State Purchasing proposes a reduction of (\$1,626,868) in the Purchasing Oversight budget entity (72600400) in the Web-Based E-Procurement System category (104502) within the Operating Trust Fund (2510).

WHAT IS THE IMPACT OF TAKING THIS REDUCTION?

The elimination of the Billing and Collections Management 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 (MFMP) contract. Additionally, the elimination of the Help Desk Management and Catalog Management service areas would be detrimental to services provided to vendors doing business with the state, as well as DMS' ability to provide technical assistance to the 32 state agencies that use MFMP. The Division does not have sufficient positions to support these activities. As a result of these impacts, the department has ranked this proposed reduction as 21 of 25 with a Significant Impact.

The Department has proposed 25 reductions and has ranked order the proposed reductions from 1 to 25 with 1 having the lowest impact to 25 having the largest impact on operations and services. In addition, the department has ranked its proposed reductions with three levels of impact:

Minimal Impact - These proposed reductions reflect cost savings and/or efficiencies identified by the department that can be taken with little to no impact.

Moderate Impact - These proposed reductions reflect identified reductions that if taken could or will have an impact to operations or services.

Significant Impact - These proposed reductions will have a direct impact on operations and/or services.

BACKGROUND:

Section 287.057(22), Florida Statutes, directs DMS to maintain a program for online procurement of commodities and contractual services. DMS developed the MFMP system to fulfill this statutory requirement. The MFMP contract allows DMS

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SCH VIIIIB-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

to transition a service area to the department with a 90-day notice. This reduction of (\$1,626,868) would require the Division to eliminate the Billing and Collections Management, Help Desk Management, and Catalog Management service areas. This reduction would significantly impact the services provided to DMS, state agencies, participating eligible users, and vendors that do business with the state.

		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
SALARY RATE				000000
SALARY RATE.....	24,000-			
	=====			
SALARIES AND BENEFITS				010000
	1.00-			
GENERAL REVENUE FUND	-STATE	51,217-		1000 1
	=====			
OTHER PERSONAL SERVICES				030000
GENERAL REVENUE FUND	-STATE	15,200-		1000 1
	=====			
EXPENSES				040000
GENERAL REVENUE FUND	-STATE	15,000-		1000 1
	=====			
OPERATING CAPITAL OUTLAY				060000
GENERAL REVENUE FUND	-STATE	3,890-		1000 1
	=====			
SPECIAL CATEGORIES				100000
CONTRACTED SERVICES				100777
GENERAL REVENUE FUND	-STATE	11,000-		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 POSITIONS.....	1.00-			
TOTAL ISSUE.....		119,476-		
TOTAL SALARY RATE.....	24,000-			
	=====			

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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

AGENCY ISSUE NARRATIVE:

SCH VIIIIB-2 NARR 18-19 NARRATIVE: IT COMPONENT? NO
 PRIORITY #17

SUMMARY:

The Department of Management Services, Bureau of Private Prison Monitoring proposes a reduction of (\$119,476) in the Private Prison Monitoring budget entity (72600800) in the General Revenue Fund (1000) that includes (1.00) Full Time Equivalent (FTE) position and (\$51,217) from the Salaries and Benefits categories (010000), (\$15,200) from the Other Personal Services category (030000), (\$15,000) from the Expenses category (040000), (\$3,890) from the Operating Capital Outlay category (060000), (\$11,000) from the Contracted Services category (100777) and (\$23,169) from the Contracted Legal Services category (103884).

WHAT IS THE IMPACT OF TAKING THIS REDUCTION?

This reduction will hinder the bureau's ability to meet the statutory requirements as required by Chapter 957, Florida Statutes (F.S.). As a result of this impact, the department has ranked this proposed reduction as 17 of 25 with a Minimal Impact.

The Department has proposed 25 reductions and has ranked order the proposed reductions from 1 to 25 with 1 having the lowest impact to 25 having the largest impact on operations and services. In addition, the department has ranked its proposed reductions with three levels of impact:

Minimal Impact - These proposed reductions reflect cost savings and/or efficiencies identified by the department that can be taken with little to no impact.

Moderate Impact - These proposed reductions reflect identified reductions that if taken could or will have an impact to operations or services.

Significant Impact - These proposed reductions will have a direct impact on operations and/or services.

BACKGROUND:

The reduction in salaries would eliminate 1.00 FTE and would adversely impact the Bureau's ability to carry out the agency's priority of contract/vendor oversight. Eliminating one on-site contract monitor would greatly diminish the ability of our program area to monitor the state's private prison contractors in accordance with F.S. 957.

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

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POS	AMOUNT	
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

POSITION DETAIL OF SALARIES AND BENEFITS:

	FTE	BASE RATE	ADDITIVES	BENEFITS	SUBTOTAL	LAPSE %	LAPSED SALARIES AND BENEFITS
A93 - SCH VIIIIB-2 REDUCTIONS							
NEW POSITIONS							
2239 OPERATIONS REVIEW SPECIALIST P0001 001	1.00-	24,000-		15,927-	39,927-	0.00	39,927-
TOTALS FOR ISSUE BY FUND							
1000 GENERAL REVENUE FUND							39,927-
	1.00-	24,000-		15,927-	39,927-		39,927-

TOTAL: ADULT PRISONS							<u>1206.00.00.00</u>
BY FUND TYPE							
GENERAL REVENUE FUND.....	1.00-	119,476-					1000
SALARY RATE.....	24,000-						
	=====						

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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 POST PAYMENT CLAIMS AUDIT		
SERVICES		33V0570
SPECIAL CATEGORIES		100000
POST PAYMENT CLAIMS/SVCS		100701
STATE EMPLOY HEALTH INS TRF -STATE	150,000-	2668 1
	=====	

AGENCY ISSUE NARRATIVE:

SCH VIIIIB-2 NARR 18-19 NARRATIVE:
 PRIORITY #11

IT COMPONENT? NO

SUMMARY:

The Department of Management Services, Division of State Group Insurance (DSGI) proposes a reduction of (\$150,000) in the Insurance Benefit Administration budget entity (72750200) from the Post Payment Claims Audit category (100701) within the State Employees Health Insurance Trust Fund (2668).

WHAT IS THE IMPACT OF TAKING THIS REDUCTION?

This reduction will cause the state to be in noncompliance with contract terms and conditions, and will limit the ability of the vendor to recover all over-payments identified through the project up to the reduced compensation amount. The contract between the state and the vendor establishes the payment methodology as a percentage of recovered over-payments. Current contract amount will allow the vendor to be compensated up to \$400,000 for recoveries. However, the compensation reduction to \$250,000 may limit potential recoveries and, as a result, a potential loss of funds to the state. As a result of these impacts, the department has ranked this proposed reduction as 11 of 25 with a Significant Impact.

The Department has proposed 25 reductions and has ranked order the proposed reductions from 1 to 25 with 1 having the lowest impact to 25 having the largest impact on operations and services. In addition, the department has ranked its proposed reductions with three levels of impact:

Minimal Impact - These proposed reductions reflect cost savings and/or efficiencies identified by the department that can be taken with little to no impact.

Moderate Impact - These proposed reductions reflect identified reductions that if taken could or will have an impact to operations or services.

Significant Impact - These proposed reductions will have a direct impact on operations and/or services.

BACKGROUND:

Chapter 2010-150, Laws of Florida, required the Division of State Group Insurance (DSGI) to competitively procure post-payment claims audit services during Fiscal Year 2014-15 for the state group insurance plans. As a result of this procurement, DSGI entered into a three-year Post-Payment Claims Audit Services contract with a vendor to conduct a

COL A93		
SCH VIIIIB-2		
REDUCTIONS		
POS	AMOUNT	CODES
		72000000
		72750000
		72750200
		16
		<u>1601.00.00.00</u>
		33V0000
		33V0570

MANAGEMENT SRVCS, DEPT OF
 WORKFORCE PROGRAMS
PGM: INS BENEFITS ADMIN
 GOV OPERATIONS/SUPPORT
GOVERNMENTAL OPERATIONS
 PROGRAM REDUCTIONS
 REDUCE POST PAYMENT CLAIMS AUDIT
 SERVICES

post-payment claims review of the State Employees' Health Insurance Preferred Provider Organization plan established according to section 110.123, Florida Statutes. The law requires the vendor be compensated, based on a percentage of the total amount collected, for claim over-payments on or on behalf of the health plans. The contract was awarded with an effective date of July 29, 2015 through July 30, 2018. This issue proposes to decrease budget authority in the amount of \$150,000 in the Post Payment Claims Audit Services appropriation category.

REDUCE THE ADMINISTRATIVE SERVICES		
ONLY CONTRACT FOR HEALTH INSURANCE		33V0580
SPECIAL CATEGORIES		100000
ASO CONTRACT/HEALTH INS		101520
STATE EMPLOY HEALTH INS TF -STATE	4,937,968-	2668 1

=====

AGENCY ISSUE NARRATIVE:
 SCH VIIIIB-2 NARR 18-19 NARRATIVE:
 PRIORITY #10

IT COMPONENT? NO

SUMMARY:

The Department of Management Services, Division of State Group Insurance (DSGI) proposes a reduction of (\$4,937,968) in the Insurance Benefits Administration budget entity (72750200) from the Administrative Services Only (ASO) Contract for Health Insurance category (101520) within the State Employees Health Insurance Trust Fund (2668).

WHAT IS THE IMPACT OF TAKING THIS REDUCTION?

Based on contracted fees and projected plan enrollment, the estimated ASO Fee for Fiscal Year 2018-19 is \$47.5 million. To meet this reduction of \$4,937,968, 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 may necessitate a reduction in services. Contracted services include claims processing, customer service, network access, utilization and benefits 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 increased member appeals, both costly to the program. Overall, contracted services are designed to provide basic plan administration and prevent unnecessary claims costs. Medical claims costs are projected to be \$1.5 billion for Fiscal Year 2018-19.

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

The ASO contract allows the service provider to terminate the contract upon 45 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 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 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 providers will be necessary to determine which contracted services to eliminate or modify.

As a result of this impact, the department has ranked this proposed reduction as 10 of 25 with a Significant Impact.

The Department has proposed 25 reductions and has ranked order the proposed reductions from 1 to 25 with 1 having the lowest impact to 25 having the largest impact on operations and services. In addition, the department has ranked its proposed reductions with three levels of impact:

Minimal Impact - These proposed reductions reflect cost savings and/or efficiencies identified by the department that can be taken with little to no impact.

Moderate Impact - These proposed reductions reflect identified reductions that if taken could or will have an impact to operations or services.

Significant Impact - These proposed reductions will have a direct impact on operations and/or services.

BACKGROUND:

DSGI entered into ASO Contracts with its self-insured health providers to obtain third-party administrative services, access to provider networks, claims adjudication/reporting, customer service and call center support, benefits 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, with an option to renew for up to four years and the self-insured health maintenance organizations' contracts were awarded effective January 1, 2018.

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
REDUCTION RESULTING IN SAVINGS TO		
THE ADMINISTRATIVE SERVICES ONLY		
CONTRACT		33V1000
SPECIAL CATEGORIES		100000
ASO CONTRACT/HEALTH INS		101520
STATE EMPLOY HEALTH INS TF -STATE	700,000-	2668 1

=====

AGENCY ISSUE NARRATIVE:

SCH VIIIIB-2 NARR 18-19 NARRATIVE:
 PRIORITY #1

IT COMPONENT? NO

SUMMARY:

The Department of Management Services, Division of State Group Insurance (DSGI) proposes a reduction of (\$700,000) in the Insurance Benefits Administration budget entity (72750200) from the Administrative Services Only (ASO) Contract for Health Insurance category (101520) within the State Employees' Group Health Insurance Trust Fund (2668).

WHAT IS THE IMPACT OF TAKING THIS REDUCTION?

Due to the award of new Health Maintenance Organization contracts and the Preferred Provider Organization contract renewal negotiations, the DSGI will have excess budget authority available in the ASO Contract for Health Insurance appropriation category. The budget authority in the Administrative Services Only Contract for Health Insurance category can be reduced by \$700,000, due to cost savings that will be realized starting Plan Year 2018. This reduction is requested to better align budget authority with the expenditure forecast per current enrollment projections. As a result of this impact, the department has ranked this proposed reduction as 1 of 25 with a Minimal Impact.

The Department has proposed 25 reductions and has ranked order the proposed reductions from 1 to 25 with 1 having the lowest impact to 25 having the largest impact on operations and services. In addition, the department has ranked its proposed reductions with three levels of impact:

Minimal Impact - These proposed reductions reflect cost savings and/or efficiencies identified by the department that can be taken with little to no impact.

Moderate Impact - These proposed reductions reflect identified reductions that if taken could or will have an impact to operations or services.

Significant Impact - These proposed reductions will have a direct impact on operations and/or services.

BACKGROUND:

The Division of State Group Insurance entered into ASO contracts with its self-insured health providers to obtain third-party administrative services, access to provider networks, claims adjudication/reporting, customer service and

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
REDUCTION RESULTING IN SAVINGS TO		
THE ADMINISTRATIVE SERVICES ONLY		
CONTRACT		33V1000
<p>call center support, benefits 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, with an option to renew for up to four years and the self-insured health maintenance organizations' contracts were awarded effective January 1, 2018.</p> <p>*****</p>		
TOTAL: GOVERNMENTAL OPERATIONS		<u>1601.00.00.00</u>
BY FUND TYPE		
TRUST FUNDS.....	5,787,968-	2000
	=====	

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			
DIVISION OF RETIREMENT			33V0240
OPERATING CAPITAL OUTLAY			060000
OPERATING TRUST FUND	-STATE	50,000-	2510 1
		=====	
SPECIAL CATEGORIES			100000
CONTRACTED SERVICES			100777
OPERATING TRUST FUND	-STATE	42,097-	2510 1
POL/FIREMEN PREMIUM TAX TF-STATE		20,700-	2532 1

TOTAL APPRO.....		62,797-	
		=====	
TOTAL: REDUCE INFORMATION TECHNOLOGY			33V0240
DIVISION OF RETIREMENT			
TOTAL ISSUE.....		112,797-	
		=====	

AGENCY ISSUE NARRATIVE:

SCH VIIIIB-2 NARR 18-19 NARRATIVE:
 PRIORITY #14

IT COMPONENT? NO

SUMMARY:

The Department of Management Services, Division of Retirement proposes a reduction of (\$112,797) in the Retirement Benefits Administration budget entity (72750300) of which (\$50,000) is in the Operating Capital Outlay category (060000), (\$42,091) is in the Contracted Services category (100777) within the Operating Trust Fund (2510) and (\$20,700) is in the Contracted Services category (100777) within the Municipal Police and Firefighters Premium Tax Trust Fund (2532). This budget authority is utilized to support Information Technology (IT) support within the Division of Retirement.

WHAT IS THE IMPACT OF TAKING THIS REDUCTION?

This reduction would make it necessary to expand the life cycle of IT equipment beyond industry standards, eliminate certain software licenses impacting system functionality and the quality of the user experience (FRS Members, Participating Agencies and Retirement staff). Finally, the division would no longer be able to maintain its electronic reporting system for Local Governments. As a result of these impacts, the department has ranked this proposed reduction as 14 of 25 with a Significant Impact.

The Department has proposed 25 reductions and has ranked order the proposed reductions from 1 to 25 with 1 having the lowest impact to 25 having the largest impact on operations and services. In addition, the department has ranked its proposed reductions with three levels of impact:

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		
DIVISION OF RETIREMENT		33V0240

Minimal Impact - These proposed reductions reflect cost savings and/or efficiencies identified by the department that can be taken with little to no impact.

Moderate Impact - These proposed reductions reflect identified reductions that if taken could or will have an impact to operations or services.

Significant Impact - These proposed reductions will have a direct impact on operations and/or services.

BACKGROUND:

The Division of Retirement maintains three core applications to administer the Florida Retirement System. These applications include the internal line of business application (Integrated Retirement Information System (IRIS)), the online self-service website (FRS Online) and the customer relationship management application. Funding is used to maintain these applications including hardware and software replacements and upgrades based on recommended lifecycle standards, and the renewal of necessary software and user licenses. Maintenance and hosting of these applications requires funding from the categories listed below to purchase the necessary software, licenses, equipment and related system services.

ELIMINATE CONTRACTED LEGAL SERVICES		33V0590
SPECIAL CATEGORIES		100000
CONTRACTED LEGAL SERVICES		103884
OPERATING TRUST FUND	-STATE	148,891-
		=====
		2510 1

AGENCY ISSUE NARRATIVE:

SCH VIIIIB-2 NARR 18-19 NARRATIVE:
 PRIORITY #12

IT COMPONENT? NO

SUMMARY:

The Department of Management Services, Division of Retirement proposes eliminating (\$148,891) in the Retirement Benefits Administration budget entity (72750300) from the Contracted Legal Services category (103884) within the Operating Trust Fund (2510).

WHAT IS THE IMPACT OF TAKING THIS REDUCTION?

This reduction would seriously impede the division's ability to be timely in the handling of legal matters. Therefore, in

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
ELIMINATE CONTRACTED LEGAL SERVICES		33V0590

the event there is any litigation involving the division, a budget amendment will be required to fund the contract for legal services as well as any payments to petitioners as determined by the State Retirement Commission. As a result of these impacts, the department has ranked this proposed reduction as 12 of 25 with a Significant Impact.

The Department has proposed 25 reductions and has ranked order the proposed reductions from 1 to 25 with 1 having the lowest impact to 25 having the largest impact on operations and services. In addition, the department has ranked its proposed reductions with three levels of impact:

Minimal Impact - These proposed reductions reflect cost savings and/or efficiencies identified by the department that can be taken with little to no impact.

Moderate Impact - These proposed reductions reflect identified reductions that if taken could or will have an impact to operations or services.

Significant Impact - These proposed reductions will have a direct impact on operations and/or services.

BACKGROUND:

Contracted Legal Services funding is used to provide outside legal representation.

REDUCE EXPENDITURES WITHIN THE		
DIVISION OF RETIREMENT BY		
IMPLEMENTING ON-LINE SERVICES		33V0650
EXPENSES		040000
OPERATING TRUST FUND -STATE	420,025-	2510 1
OPTIONAL RETIREMENT PRG TF-STATE	11,878-	2517 1
RET HLTH INS SUBSIDY TF -STATE	17,817-	2583 1
TOTAL APPRO.....	449,720-	
	=====	
SPECIAL CATEGORIES		100000
CONTRACTED SERVICES		100777
OPERATING TRUST FUND -STATE	44,000-	2510 1
OPTIONAL RETIREMENT PRG TF-STATE	25,000-	2517 1
POL/FIREMEN PREMIUM TAX TF-STATE	5,728-	2532 1

COL A93		
SCH VIIIIB-2		
REDUCTIONS		
POS	AMOUNT	CODES
		72000000
		72750000
		72750300
		16
		<u>1601.00.00.00</u>
		33V0000
		33V0650
		100000
		100777
	74,728-	
	=====	
TOTAL: REDUCE EXPENDITURES WITHIN THE		33V0650
DIVISION OF RETIREMENT BY		
IMPLEMENTING ON-LINE SERVICES		
TOTAL ISSUE.....	524,448-	
	=====	

AGENCY ISSUE NARRATIVE:

SCH VIIIIB-2 NARR 18-19 NARRATIVE:
 PRIORITY #15

IT COMPONENT? NO

SUMMARY:

The Department of Management Services, Division of Retirement proposes a reduction of (\$524,448) in the Retirement Benefits Administration budget entity (72750300) of which (\$420,025) is in the Expenses category (040000) and (\$44,000) is in the Contracted Services category (100777) within the Operating Trust Fund (2510). The proposed reduction also includes a reduction of (\$11,878) in the Expenses category (040000) and (\$25,000) in the Contracted Services category (100777) within the Optional Retirement Program Trust Fund (2517). The final part of the proposed reduction includes a reduction of (\$17,817) in the Expenses category (040000) within the Health Insurance Subsidy Trust Fund (2583) and (\$5,728) in the Expenses category (040000) within the Municipal Police and Firefighters Premium Tax Trust Fund (2532). This reduction will reduce printing and mailing costs and other expenses related to hardcopy mailers sent to members of the Florida Retirement System.

WHAT IS THE IMPACT OF TAKING THIS REDUCTION?

This reduction would eliminate the funding to provide security verification notices to members by mail alerting them that their personal identifying information has been changed online. Additionally, approximately 12,000 retirees would no longer receive paper warrants in the mail and would instead receive their benefit payments electronically. Other service reductions include the printing and distribution of retirement related information including: Florida Retirement System (FRS) retiree newsletters, retirement guides, brochures, and booklets; the FRS member and employer seminars held at various locations around the state; on-site audits of employing agencies; and all 400,000+ retirees would receive only electronic notifications to access publications either through the division's website or their FRS Online account. The division would also no longer have the funds to obtain services that allow the division to benchmark performance against retirement agency peers around the world. This issue would reduce funding for office supplies and toner for division employees significantly impacting the ability of employees to complete their work and quality of employee's work products. Further, the FRS would not be properly reimbursed for work that the FRS does on behalf of the Optional Retirement Program and Health Insurance Subsidy Program. Finally, this issue eliminates funding for Investment

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

Consultants for the State University System Optional Retirement Program (SUSORP). By eliminating this funding, the division would not have the SUSORP 403(b) program investment regulatory compliance expertise on-hand which provide highly specialized knowledge and assistance to the division in maintaining oversight of the program. As a result of these impacts, the department has ranked this proposed reduction as 15 of 25 with a Significant Impact.

The Department has proposed 25 reductions and has ranked order the proposed reductions from 1 to 25 with 1 having the lowest impact to 25 having the largest impact on operations and services. In addition, the department has ranked its proposed reductions with three levels of impact:

Minimal Impact - These proposed reductions reflect cost savings and/or efficiencies identified by the department that can be taken with little to no impact.

Moderate Impact - These proposed reductions reflect identified reductions that if taken could or will have an impact to operations or services.

Significant Impact - These proposed reductions will have a direct impact on operations and/or services.

BACKGROUND:

The division routinely sends out paper warrants, notices and other material to the members of the Florida Retirement System and other state-administered retirement systems.

REDUCE SALARIES AND BENEFITS			33V0670
SALARIES AND BENEFITS			010000
GENERAL REVENUE FUND	-STATE	43,480-	1000 1
OPERATING TRUST FUND	-STATE	86,933-	2510 1
TOTAL APPRO.....		130,413-	
		=====	

AGENCY ISSUE NARRATIVE:

SCH VIIIIB-2 NARR 18-19 NARRATIVE:
 PRIORITY #8

IT COMPONENT? NO

SUMMARY:

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

The Department of Management Services, Division of Retirement proposes a reduction of (\$130,413) in the Salaries and Benefits category (010000) consisting of (\$43,480) from 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 (2532) in the event there is shortfall in investment earnings and (\$86,933) in the Operating Trust Fund (2510).

WHAT IS THE IMPACT OF TAKING THIS REDUCTION?

This issue would reduce the General Revenue Salaries and Benefits budget available to supplement the Police and Firefighter' s Premium Tax Trust Fund in the event of a shortfall in investment earnings. This issue also reduces the Operating Trust Fund Salaries and Benefits which could make it necessary for the division to hold positions vacant longer. As a result of these impacts, the department has ranked this proposed reduction as 8 of 25 with a Moderate Impact.

The Department has proposed 25 reductions and has ranked order the proposed reductions from 1 to 25 with 1 having the lowest impact to 25 having the largest impact on operations and services. In addition, the department has ranked its proposed reductions with three levels of impact:

Minimal Impact - These proposed reductions reflect cost savings and/or efficiencies identified by the department that can be taken with little to no impact.

Moderate Impact - These proposed reductions reflect identified reductions that if taken could or will have an impact to operations or services.

Significant Impact - These proposed reductions will have a direct impact on operations and/or services.

BACKGROUND:

Salaries and Benefits for the eight employees in the Bureau of Local Retirement are paid from the Police and Firefighter' s Premium Tax Trust Fund. 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 to fund the division's daily oversight and monitoring responsibilities. Therefore, the division received funding in General Revenue to subsidize the shortfall in the Police and Firefighters Premium Tax Trust Fund.

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

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						
OTHER SALARY AMOUNT						
1000	GENERAL REVENUE FUND					43,480-
2510	OPERATING TRUST FUND					86,933-

						130,413-
						=====

REDUCE CONTRACTED SERVICES		33V0820
SPECIAL CATEGORIES		100000
CONTRACTED SERVICES		100777
OPERATING TRUST FUND	-STATE	616,725-
		=====
		2510 1

AGENCY ISSUE NARRATIVE:

SCH VIIIIB-2 NARR 18-19 NARRATIVE: IT COMPONENT? NO
 PRIORITY #5

SUMMARY:

The Department of Management Services, Division of Retirement proposes a reduction of (\$616,725) in the Retirement Benefit Administration budget entity (72750300) in the Contracted Services category (100777) within the Operating Trust Fund (2510). The Division of Retirement was appropriated \$2,092,936 in Fiscal Year 2017-2018 to address an anticipated increase to the Information Technology support contract. The contract was negotiated and the need for additional budget authority was less than appropriated.

WHAT IS THE IMPACT OF TAKING THIS REDUCTION?

The Department of Management Services, Division of Retirement, submitted a budget amendment requesting \$1,476,211 in recurring budget authority to be released from un-budgeted reserve in the Contracted Services category (100777) of the Florida Retirement System (FRS) Operating Trust Fund (2510) to provide additional funding for a new contract for

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 CONTRACTED SERVICES		33V0820

Information Technology Operation and Maintenance Services. The Division of Retirement will enter into a contract with a vendor for a five-year period from September 1, 2017 through August 31, 2022 with a total agreement amount of \$21,563,125, or \$4,312,625 annually. The Fiscal Year 2016-17 base budget amount for Information Technology support services was \$2,836,414. Therefore, the division is requesting a reduction of \$616,725 (\$2,092,936 - \$1,476,211= \$616,725).

As a result of this impact, the department has ranked this proposed reduction as 5 of 25 with a Minimal Impact.

The Department has proposed 25 reductions and has ranked order the proposed reductions from 1 to 25 with 1 having the lowest impact to 25 having the largest impact on operations and services. In addition, the department has ranked its proposed reductions with three levels of impact:

Minimal Impact - These proposed reductions reflect cost savings and/or efficiencies identified by the department that can be taken with little to no impact.

Moderate Impact - These proposed reductions reflect identified reductions that if taken could or will have an impact to operations or services.

Significant Impact - These proposed reductions will have a direct impact on operations and/or services.

REDUCE ACTUARIAL SERVICES		33V0920
SPECIAL CATEGORIES		100000
CONTRACTED SERVICES		100777
OPERATING TRUST FUND -STATE	359,314-	2510 1
POL/FIREMEN PREMIUM TAX TF-STATE	139,000-	2532 1
TOTAL APPRO.....	498,314-	
	=====	

AGENCY ISSUE NARRATIVE:

SCH VIIIIB-2 NARR 18-19 NARRATIVE:

IT COMPONENT? NO

PRIORITY #9

SUMMARY:

The Department of Management Services, Division of Retirement, proposes a reduction of (\$498,314) in the Retirement Benefits Administration budget entity (72750300) in the Contracted Services category (100777) with (\$359,314) from within

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 ACTUARIAL SERVICES		33V0920

the Operating Trust Fund (2510) and (\$139,000) from within the Municipal Police and Firefighters Premium Tax Trust Fund (2532) used to support actuarial services contracted out by the Division of Retirement.

WHAT IS THE IMPACT OF TAKING THIS REDUCTION?

The reduction to this category would severely impact the division's ability to conduct special actuarial studies which may be requested by the Legislature related to proposed or enacted retirement program changes. This would also severely impact the division's ability to calculate costs related to the cost of members transferring between the Pension Plan and the Investment Plan, and eliminate funding for the Florida Retirement System Experience Study. Finally, this reduction would impact the ability of the division to review all Local Government Plans every three years as required by statute. As a result of these impacts, the department has ranked this proposed reduction as 9 of 25 with a Significant Impact.

The Department has proposed 25 reductions and has ranked order the proposed reductions from 1 to 25 with 1 having the lowest impact to 25 having the largest impact on operations and services. In addition, the department has ranked its proposed reductions with three levels of impact:

Minimal Impact - These proposed reductions reflect cost savings and/or efficiencies identified by the department that can be taken with little to no impact.

Moderate Impact - These proposed reductions reflect identified reductions that if taken could or will have an impact to operations or services.

Significant Impact - These proposed reductions will have a direct impact on operations and/or services.

BACKGROUND:

The division contracts with a vendor to perform the annual Florida Retirement System (FRS) actuarial valuation and special actuarial studies requested by the Legislature, general actuarial consulting services for the FRS, and to review all Local Government plan on a triennial basis as required by Florida Statute. The current annual contract value for work paid from the FRS Operating Trust Fund is \$850,000 and work paid from the Municipal Police and Firefighters Premium Tax Trust Fund is \$139,000.

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 OVERTIME			33V0930
SPECIAL CATEGORIES			100000
OVERTIME			102331
OPERATING TRUST FUND	-STATE	122,571-	2510 1
		=====	

AGENCY ISSUE NARRATIVE:

SCH VIIIIB-2 NARR 18-19 NARRATIVE: IT COMPONENT? NO
 PRIORITY #13

SUMMARY:

The Department of Management Services, Division of Retirement proposes eliminating (\$122,571) from the Retirement Benefits Administration budget entity (72750300) in the Overtime category (102331) within the Operating Trust fund (2510).

WHAT IS THE IMPACT OF TAKING THIS REDUCTION?

This reduction will eliminate the ability to pay Overtime to division employees. This would cause a delay in service to members and significantly impact the division's ability to meet processing time frames for Long Range Program Plan performance measures, departmental Key Performance Indicators, processing Deferred Retirement Option Program pay outs within the statutorily required time frame, meeting IRS qualification requirements relating to required minimum distributions, timely processing federal tax withholdings from pension payments, and performing essential data cleanup. As a result of these impacts, the department has ranked this proposed reduction as 13 of 25 with a Significant Impact.

The Department has proposed 25 reductions and has ranked order the proposed reductions from 1 to 25 with 1 having the lowest impact to 25 having the largest impact on operations and services. In addition, the department has ranked its proposed reductions with three levels of impact:

Minimal Impact - These proposed reductions reflect cost savings and/or efficiencies identified by the department that can be taken with little to no impact.

Moderate Impact - These proposed reductions reflect identified reductions that if taken could or will have an impact to operations or services.

Significant Impact - These proposed reductions will have a direct impact on operations and/or services.

BACKGROUND:

Overtime funding is used for processing work accumulated during high volume times, including finalizing retirement and Deferred Retirement Option Program (DROP) applications, processing estimate and other information requests, and processing DROP terminations and distributions.

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>
TOTAL: GOVERNMENTAL OPERATIONS		<u>1601.00.00.00</u>
BY FUND TYPE		
GENERAL REVENUE FUND	43,480-	1000
TRUST FUNDS	2,110,679-	2000

TOTAL PROG COMP.....	2,154,159-	
	=====	

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
ELIMINATE OTHER PERSONAL SERVICES		33V0450
OTHER PERSONAL SERVICES		030000
STATE PERSONNEL SYSTEM TF -STATE	3,500-	2678 1

AGENCY ISSUE NARRATIVE:
 SCH VIIIIB-2 NARR 18-19 NARRATIVE:
 PRIORITY #4

IT COMPONENT? NO

SUMMARY:

The Department of Management Services, Division of Human Resource Management (HRM), proposes a reduction of (\$3,500) in the Other Personal Services category (030000) in the State Personnel Policy Administration budget entity (72750400) within the State Personnel System Trust Fund (2678).

WHAT IS THE IMPACT OF TAKING THIS REDUCTION?

The Other Personal Services category appropriation is currently \$3,500. Implementing this reduction would have minimal impact; however should the need arise HRM will lose the means to supplement the work of our human resource (HR) consultants on all HRM issues. As a result of this impact, the department has ranked this proposed reduction as 4 of 25 with a Minimal Impact.

The Department has proposed 25 reductions and has ranked order the proposed reductions from 1 to 25 with 1 having the lowest impact to 25 having the largest impact on operations and services. In addition, the department has ranked its proposed reductions with three levels of impact:

Minimal Impact - These proposed reductions reflect cost savings and/or efficiencies identified by the department that can be taken with little to no impact.

Moderate Impact - These proposed reductions reflect identified reductions that if taken could or will have an impact to operations or services.

Significant Impact - These proposed reductions will have a direct impact on operations and/or services.

BACKGROUND:

Human Resource Management has the responsibility to establish an equitable and lawful employment system and provide the leadership and direction for human resource programs and policies to the 31 entities within the State Personnel System (SPS) as provided in Chapter 110, Florida Statutes. The SPS is the system of personnel administration for authorized Career Service, Selected Exempt Service and Senior Management Service positions and is the largest of the six primary personnel systems in Florida's state government. The SPS includes 106,606 positions in the Career Service, Selected Exempt Service and Senior Management Service pay plans and other personal services (OPS) employment in the Executive branch of government.

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 OPERATING BUDGET FOR HUMAN		
RESOURCE MANAGEMENT		33V0990
SALARIES AND BENEFITS		010000
STATE PERSONNEL SYSTEM TF -STATE	15,621-	2678 1
	=====	
EXPENSES		040000
STATE PERSONNEL SYSTEM TF -STATE	21,741-	2678 1
	=====	
SPECIAL CATEGORIES		100000
CONTRACTED SERVICES		100777
STATE PERSONNEL SYSTEM TF -STATE	20,000-	2678 1
	=====	
CONTRACTED LEGAL SERVICES		103884
STATE PERSONNEL SYSTEM TF -STATE	100,000-	2678 1
	=====	
TOTAL: REDUCE OPERATING BUDGET FOR HUMAN		33V0990
RESOURCE MANAGEMENT		
TOTAL ISSUE.....	157,362-	
	=====	

AGENCY ISSUE NARRATIVE:

SCH VIIIIB-2 NARR 18-19 NARRATIVE:
 PRIORITY #20

IT COMPONENT? NO

SUMMARY:

The Department of Management Services, Division of Human Resource Management (HRM), proposes several reductions in the State Personnel Policy Administration budget entity (72750400) within the State Personnel System Trust Fund (2678) for a total reduction of (\$157,362). These include a reduction of: (\$100,000) in the Contracted Legal Services category (103884); (\$21,741) in the Expense category (040000); (\$20,000) in the Contracted Services category (100777); and (\$15,621) in the Salaries and Benefits category (010000).

WHAT IS THE IMPACT OF TAKING THIS REDUCTION?

The Contracted Legal Services category appropriation is currently \$100,000. Implementing this reduction would eliminate this appropriation in its entirety. A budget amendment will be required to fund the contracts for legal services. These

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 OPERATING BUDGET FOR HUMAN		
RESOURCE MANAGEMENT		33V0990

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

The Expense category appropriation is currently \$128,005. Implementing a reduction of (\$21,741) will drastically impact delivery of the Program services, as almost 50 percent of the appropriation is allocated for office rent. With such a large overall category reduction, HRM would be unable to sustain or further improve our current level of services in providing human resource policies, practices and strategies, strategic expertise on human resource issues, training and development opportunities for the agency's human resource personnel, productivity improvements and enhancements to human resource technological applications. These products and services are provided to ensure a lawful, efficient and effective human resource infrastructure. Chapter 110, Florida Statutes, authorizes this function.

The Contracted Services category appropriation is currently \$22,576. Implementing a reduction of (\$20,000) will drastically impact delivery of the Program services, as the remaining \$2,576 will cover basic costs related to the department's website, building security, and Florida Administrative Register postings related to personnel rules. This reduction is associated with the elimination of HRM's ability to obtain any outside contractual services to assist with emerging HR policy issues. This will result in HRM's inability to be timely and responsive to key stakeholder inquiries and needs. This recurring reduction would have a statutory impact if policy issues are not properly addressed or administered by agencies.

Implementing a reduction of (\$15,621) in the Salaries and Benefits category removes the ability of HRM to recruit and retain subject matter experts to provide technical assistance and consultative services to the agencies, legislative staff, and Governor's Office staff on human resource policies, practices and strategies, strategic expertise on human resource issues, training and development opportunities for the agency's human resource personnel, productivity improvements and enhancements to human resource technological applications. These products and services are provided to ensure a lawful, efficient and effective human resource infrastructure. Chapter 110, Florida Statutes, authorizes this function. As a result of these impacts, the department has ranked this proposed reduction as 20 of 25 with a Significant Impact.

The Department has proposed 25 reductions and has ranked order the proposed reductions from 1 to 25 with 1 having the lowest impact to 25 having the largest impact on operations and services. In addition, the department has ranked its proposed reductions with three levels of impact:

Minimal Impact - These proposed reductions reflect cost savings and/or efficiencies identified by the department that can be taken with little to no impact.

Moderate Impact - These proposed reductions reflect identified reductions that if taken could or will have an impact to operations or services.

Significant Impact - These proposed reductions will have a direct impact on operations and/or services.

COL A93 SCH VIIIIB-2 REDUCTIONS		CODES
POS	AMOUNT	
MANAGEMENT SRVCS, DEPT OF		72000000
WORKFORCE PROGRAMS		72750000
PRG: ST PERSON POLICY ADMN		72750400
GOV OPERATIONS/SUPPORT		16
GOVERNMENTAL OPERATIONS		<u>1601.00.00.00</u>
PROGRAM REDUCTIONS		33V0000
REDUCE OPERATING BUDGET FOR HUMAN		
RESOURCE MANAGEMENT		33V0990

BACKGROUND:

HRM has the responsibility to establish an equitable and lawful employment system and provide the leadership and direction for human resource programs and policies to the 31 entities within the State Personnel System (SPS) as provided in Chapter 110, Florida Statutes. The SPS is the system of personnel administration for authorized Career Service, Selected Exempt Service and Senior Management Service positions and is the largest of the six primary personnel systems in Florida's state government. The SPS includes 106,606 positions in the Career Service, Selected Exempt Service and Senior Management Service pay plans and other personal services (OPS) employment in the Executive branch of government.

POSITION DETAIL OF SALARIES AND BENEFITS:

FTE	BASE RATE	ADDITIVES	BENEFITS	SUBTOTAL	LAPSE %	LAPSED SALARIES AND BENEFITS
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A93 - SCH VIIIIB-2 REDUCTIONS

CHANGES TO CURRENTLY AUTHORIZED POSITIONS
 OTHER SALARY AMOUNT
 2678 STATE PERSONNEL SYSTEM TF

15,621-

 15,621-
 =====

TOTAL: GOVERNMENTAL OPERATIONS		<u>1601.00.00.00</u>
BY FUND TYPE		
TRUST FUNDS.....	160,862-	2000
	=====	

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
REDUCTION IN PEOPLE FIRST CONTRACT		
SERVICES		33V0710
SPECIAL CATEGORIES		100000
HUMAN RES SVC/STW CONTRACT		107080
STATE PERSONNEL SYSTEM TF -STATE	3,248,781-	2678 1

=====

AGENCY ISSUE NARRATIVE:

SCH VIIIIB-2 NARR 18-19 NARRATIVE:
 PRIORITY #18

IT COMPONENT? NO

SUMMARY:

The Department of Management Services, People First Team proposes a reduction of (\$3,248,781) from the People First budget entity (72750500) in the Human Resource Services/Statewide Contract category (107080) within the State Personnel System Trust Fund (2678). This will reduce the annual payment for the People First contract which may result in a reduction of services or contract termination.

WHAT IS THE IMPACT OF TAKING THIS REDUCTION?

The proposed reduction of (\$3,248,781) 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 226,000 system users in an untenable position to maintain a very complex enterprise-wide Human Resource Information System 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 ten percent request. Further analysis and future contract negotiations with the service provider, Employee Assistance Program (EAP) vendor and IV and V consultant will be necessary to determine which contract services to eliminate or modify. 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.

This will reduce the annual payment for the People First contract which may result in either a reduction of services or contract termination. As a result of these impacts, the department has ranked this proposed reduction as 18 of 25 with a Significant Impact.

The Department has proposed 25 reductions and has ranked order the proposed reductions from 1 to 25 with 1 having the lowest impact to 25 having the largest impact on operations and services. In addition, the department has ranked its

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
REDUCTION IN PEOPLE FIRST CONTRACT		
SERVICES		33V0710

proposed reductions with three levels of impact:

Minimal Impact - These proposed reductions reflect cost savings and/or efficiencies identified by the department that can be taken with little to no impact.

Moderate Impact - These proposed reductions reflect identified reductions that if taken could or will have an impact to operations or services.

Significant Impact - These proposed reductions will have a direct impact on operations and/or services.

BACKGROUND:

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, 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. In August 2002, the Department contracted to provide the State with a HRIS and an enterprise-wide suite of HR services known as People First. The Department conducted an open and competitive procurement and awarded a new five-year contract to continue providing the state with a self-service, secure, web-based HRIS comprised of modular technologies that support a scope of services ranging from:

- o Appointments and status
- o Attendance and leave
- o Benefits administration
- o Classification and organizational management
- o Payroll preparation
- o Performance management
- o Recruitment, and
- o Reporting

In addition, the service provider implemented the following new system enhancements in 2017: new applicant and recruitment site, and performance management module. The Service Provider will implement the following future system enhancements in the following years: portal upgrade (Spring 2018), new Business Objects reporting tool (Fall 2018), new onboarding functionality (Fall 2019), and a new comprehensive learning management system (Fall 2019). The new five year contract will result in a recurring budget reduction of \$27,506,300 over the five-year contract term.

This appropriation category also includes: 1) the Employee Assistance Program (EAP), which was historically provided under the People First contract, but is now procured by the Division of State Group Insurance, and 2) independent verification and validation (IV and V) services. The Department procured an IV and V consultant to assist the Department in ensuring valuable insight into service provider business processes and system/security risk as well as driving

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
REDUCTION IN PEOPLE FIRST CONTRACT		
SERVICES		33V0710

improved performance, increased standardization, less system customizations and greater efficiencies (e.g., ensure conformance to performance standards, schedule and reasonable use of system enhancement hours).

REDUCE PEOPLE FIRST OPERATING		
EXPENDITURES		33V0750
SALARY RATE		000000
SALARY RATE.....	20,462-	
	=====	
SALARIES AND BENEFITS		010000
STATE PERSONNEL SYSTEM TF -STATE	.50- 30,039-	2678 1
	=====	
EXPENSES		040000
STATE PERSONNEL SYSTEM TF -STATE	16,249-	2678 1
	=====	
OPERATING CAPITAL OUTLAY		060000
STATE PERSONNEL SYSTEM TF -STATE	1,500-	2678 1
	=====	
SPECIAL CATEGORIES		100000
CONTRACTED SERVICES		100777
STATE PERSONNEL SYSTEM TF -STATE	19,350-	2678 1
	=====	
TOTAL: REDUCE PEOPLE FIRST OPERATING		33V0750
EXPENDITURES		
TOTAL POSITIONS.....	.50-	
TOTAL ISSUE.....	67,138-	
TOTAL SALARY RATE.....	20,462-	
	=====	

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

AGENCY ISSUE NARRATIVE:

SCH VIIIIB-2 NARR 18-19 NARRATIVE:
 PRIORITY #19

IT COMPONENT? NO

SUMMARY:

The Department of Management Services, People First Team proposes a total reduction of (\$67,138) from the People First budget entity (70750500) of which (\$30,039) is from the Salaries and Benefits category (01000), (\$19,350) from the Contracted Services category (100777), (\$1,500) is from the Operating Capital Outlay category (060000) and (\$16,249) is from the Expenses category (040000). This reduction will impact the team's ability to move forward with overseeing critical project planning activities associated with the major system projects that will be deployed over the next few years as well as overseeing service provider performance and contract compliance.

WHAT IS THE IMPACT OF TAKING THIS REDUCTION?

This reduction of (\$75,099) would cause a disruption in the delivery of services to job applicants and to all 226,000 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, manage major system projects, and coordinate benefits open enrollment.

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). The reduction would also not allow for crucial travel to perform vendor oversight activities (data center, service center and subcontractor data security and contract compliance reviews). In addition, a reduction would lessen the Team's ability to keep current with the Project Management Professional, and Florida Certified Contract Manager and Negotiation certifications, which is crucial. As a result of these impacts, the department has ranked this proposed reduction as 19 of 25 with a Significant Impact.

The Department has proposed 25 reductions and has ranked order the proposed reductions from 1 to 25 with 1 having the lowest impact to 25 having the largest impact on operations and services. In addition, the department has ranked its proposed reductions with three levels of impact:

Minimal Impact - These proposed reductions reflect cost savings and/or efficiencies identified by the department that can be taken with little to no impact.

Moderate Impact - These proposed reductions reflect identified reductions that if taken could or will have an impact to operations or services.

Significant Impact - These proposed reductions will have a direct impact on operations and/or services.

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

BACKGROUND:

The People First Team manages the State of Florida Human Resource Outsourcing (HRO) contract and oversees the performance of the service provider. The HRO contract includes appointments and status, attendance and leave, benefits administration, classification and organizational management, payroll preparation, performance management, recruitment, and reporting. As part of this HRO contract, 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, 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 226,000 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, the PF team will be overseeing critical project planning activities associated with the major system projects that will be deployed over the next few years (e.g., SAP portal upgrade, new Business Objects reporting tool, new onboarding functionality, and new comprehensive learning management system).

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							
0004 SENIOR CLERK							
02395 001	0.25-	5,404-		3,889-	9,293-	0.00	9,293-
1025 PEOPLE FIRST BUSINESS CONSULTANT - SES							
02350 001	0.25-	15,058-		5,688-	20,746-	0.00	20,746-
TOTALS FOR ISSUE BY FUND							
2678 STATE PERSONNEL SYSTEM TF							30,039-
	0.50-	20,462-		9,577-	30,039-		30,039-

COL A93		
SCH VIII B-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>
TOTAL: GOVERNMENTAL OPERATIONS		<u>1601.00.00.00</u>
BY FUND TYPE		
	.50-	
TRUST FUNDS.....	3,315,919-	2000
SALARY RATE.....	20,462-	
	=====	

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 EXPENSES -		
TELECOMMUNICATIONS SERVICES		33V0420
EXPENSES		040000
COMMUNICATIONS WKG CAP TF -STATE	50,000-	2105 1
WIRELESS COMM E911 TF -STATE	75,000-	2344 1
TOTAL APPRO.....	125,000-	

AGENCY ISSUE NARRATIVE:
 SCH VIIIIB-2 NARR 18-19 NARRATIVE:
 PRIORITY #3

IT COMPONENT? YES

SUMMARY:

The Department of Management Services, Division of Telecommunications (DivTel) proposes a reduction of (\$125,000) in the Telecommunications Services budget entity (72900100) which includes a reduction of (\$50,000) from the Expenses category (040000) in the Communications Working Capital Trust Fund (2105); and a reduction of (\$75,000) from the Expenses category (040000); within the Emergency Communications E911 System Trust Fund (2344) used in the operations of the Telecommunications Division.

WHAT IS THE IMPACT OF TAKING THIS REDUCTION?

This eliminates Expenses budget authority within DivTel that is no longer needed due to cost efficiencies implemented regarding travel. As a result of this impact, the department has ranked this proposed reduction as 3 of 25 with a Minimal Impact.

The Department has proposed 25 reductions and has ranked order the proposed reductions from 1 to 25 with 1 having the lowest impact to 25 having the largest impact on operations and services. In addition, the department has ranked its proposed reductions with three levels of impact:

Minimal Impact - These proposed reductions reflect cost savings and/or efficiencies identified by the department that can be taken with little to no impact.

Moderate Impact - These proposed reductions reflect identified reductions that if taken could or will have an impact to operations or services.

Significant Impact - These proposed reductions will have a direct impact on operations and/or services.

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
REDUCTION OF TELECOMMUNICATIONS		
ADMINISTRATIVE COSTS		33V0980
EXPENSES		040000
COMMUNICATIONS WKG CAP TF -STATE	50,000-	2105 1
WIRELESS COMM E911 TF -STATE	125,000-	2344 1
TOTAL APPRO.....	175,000-	
SPECIAL CATEGORIES		100000
CONTRACTED LEGAL SERVICES		103884
WIRELESS COMM E911 TF -STATE	50,000-	2344 1
TOTAL: REDUCTION OF TELECOMMUNICATIONS		33V0980
ADMINISTRATIVE COSTS		
TOTAL ISSUE.....	225,000-	

AGENCY ISSUE NARRATIVE:

SCH VIIIIB-2 NARR 18-19 NARRATIVE:
 PRIORITY #7

IT COMPONENT? YES

SUMMARY:

The Department of Management Services, Division of Telecommunications (DivTel) proposes a reduction of (\$225,000) in the Telecommunications Services budget entity (72900100) which includes: a reduction of (\$50,000) from the Expenses category (040000) within the Communications Working Capital Trust Fund (2105); a reduction of (\$125,000) from the Expenses category (040000) and (\$50,000) from Contracted Legal Services category (103884) within the Emergency Communications E911 System Trust Fund (2344); and a reduction of (\$25,000) in the Wireless Services budget entity (72900200) which includes a reduction of (\$25,000) from the Expenses category (040000) within the Statewide Law Enforcement Radio System Trust Fund (2432). This budget authority is used in the operations of the Telecommunications Division.

WHAT IS THE IMPACT OF TAKING THIS REDUCTION?

Expenses:

This eliminates expense dollars within DivTel that are no longer needed due to cost efficiencies implemented regarding travel.

Contracted Legal Services:

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

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
REDUCTION OF TELECOMMUNICATIONS		
ADMINISTRATIVE COSTS		33V0980

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. 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 the General Counsel's office ability to handle new caseloads.

As a result of these impacts, the department has ranked this proposed reduction as 7 of 25 with a Moderate Impact .

The Department has proposed 25 reductions and has ranked order the proposed reductions from 1 to 25 with 1 having the lowest impact to 25 having the largest impact on operations and services. In addition, the department has ranked its proposed reductions with three levels of impact:

Minimal Impact - These proposed reductions reflect cost savings and/or efficiencies identified by the department that can be taken with little to no impact.

Moderate Impact - These proposed reductions reflect identified reductions that if taken could or will have an impact to operations or services.

Significant Impact - These proposed reductions will have a direct impact on operations and/or services.

BACKGROUND:

Section 282.703, Florida Statutes, gives the Department of Management Services the responsibility and authority for providing local and long-distance communications services to state agencies, political subdivisions of the state, municipalities, and nonprofit corporations. This responsibility is carried out using both in-house staff as well as private service providers. Section 282.709, Florida Statutes, gives the Department of Management Services the responsibility and authority for providing acquiring and administering a statewide radio communications system to serve law enforcement units of state agencies, and to serve local law enforcement agencies through mutual aid channels.

TOTAL: INFORMATION TECHNOLOGY		<u>1603.00.00.00</u>
BY FUND TYPE		
TRUST FUNDS.....	350,000-	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
REDUCE STATEWIDE LAW ENFORCEMENT		
RADIO CONTRACT		33V0640
SPECIAL CATEGORIES		100000
SW LAW ENF RADIO CONTR PMT		104486
LAW ENFORCEMENT RADIO TF -STATE	3,310,718-	2432 1
	=====	

AGENCY ISSUE NARRATIVE:

SCH VIIIIB-2 NARR 18-19 NARRATIVE: IT COMPONENT? YES
 PRIORITY #16

SUMMARY:

The Department of Management Services, Division of Telecommunications proposes a reduction of (\$3,310,718) 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 (SLERS) Trust Fund (2432).

WHAT IS THE IMPACT OF TAKING THIS REDUCTION?

When the revenue falls short of the budget authority, excess budget authority in the category established for payments results. A reduction in budget authority alone would not constitute an Event of Non-Appropriation nor would it constitute an Event of Default under the contract.

If, however, achieving this budget reduction includes a sweep of the cash generated to fund this contract, the result would negatively impact 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 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 a procurement 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. hand-held) 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. As a result of these impacts, the department has ranked this proposed reduction as 16 of 25 with a Significant

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

Impact.

The Department has proposed 25 reductions and has ranked order the proposed reductions from 1 to 25 with 1 having the lowest impact to 25 having the largest impact on operations and services. In addition, the department has ranked its proposed reductions with three levels of impact:

Minimal Impact - These proposed reductions reflect cost savings and/or efficiencies identified by the department that can be taken with little to no impact.

Moderate Impact - These proposed reductions reflect identified reductions that if taken could or will have an impact to operations or services.

Significant Impact - These proposed reductions will have a direct impact on operations and/or services.

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 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 320.0802 and 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 each year fluctuates to the same extent that revenues fluctuate. This contract is a 20 year contract through June 30, 2021. Over the past five years, payments have averaged \$17,412,907 with an annual appropriation of \$18,220,000.

REDUCTION OF TELECOMMUNICATIONS		
ADMINISTRATIVE COSTS		33V0980
EXPENSES		040000
LAW ENFORCEMENT RADIO TF -STATE	25,000-	2432 1
	=====	

COL A93		
SCH VIIIIB-2		
REDUCTIONS		
POS	AMOUNT	CODES
		72000000
		72900000
		72900200
		16
		<u>1603.00.00.00</u>
		33V0000
		33V0980

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

PROGRAM REDUCTIONS
 REDUCTION OF TELECOMMUNICATIONS
 ADMINISTRATIVE COSTS

AGENCY ISSUE NARRATIVE:

SCH VIIIIB-2 NARR 18-19 NARRATIVE:
 PRIORITY #7

IT COMPONENT? YES

SUMMARY:

The Department of Management Services, Division of Telecommunications (DivTel) proposes a reduction of (\$225,000) in the Telecommunications Services budget entity (72900100) which includes: a reduction of (\$50,000) from the Expenses category (040000) within the Communications Working Capital Trust Fund (2105); a reduction of (\$125,000) from the Expenses category (040000) and (\$50,000) from Contracted Legal Services category (103884) within the Emergency Communications E911 System Trust Fund (2344); and a reduction of (\$25,000) in the Wireless Services budget entity (72900200) which includes a reduction of (\$25,000) from the Expenses category (040000) within the Statewide Law Enforcement Radio System Trust Fund (2432). This budget authority is used in the operations of the Telecommunications Division.

WHAT IS THE IMPACT OF TAKING THIS REDUCTION?

Expenses:

This eliminates expense dollars within DivTel that are no longer needed due to cost efficiencies implemented regarding travel.

Contracted Legal Services:

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. 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 the General Counsel's office ability to handle new caseloads.

As a result of these impacts, the department has ranked this proposed reduction as 7 of 25 with a Moderate Impact.

The Department has proposed 25 reductions and has ranked order the proposed reductions from 1 to 25 with 1 having the lowest impact to 25 having the largest impact on operations and services. In addition, the department has ranked its proposed reductions with three levels of impact:

Minimal Impact - These proposed reductions reflect cost savings and/or efficiencies identified by the department that can be taken with little to no impact.

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
REDUCTION OF TELECOMMUNICATIONS		
ADMINISTRATIVE COSTS		33V0980

Moderate Impact - These proposed reductions reflect identified reductions that if taken could or will have an impact to operations or services.

Significant Impact - These proposed reductions will have a direct impact on operations and/or services.

BACKGROUND:

Section 282.703, Florida Statutes, gives the Department of Management Services the responsibility and authority for providing local and long-distance communications services to state agencies, political subdivisions of the state, municipalities, and nonprofit corporations. This responsibility is carried out using both in-house staff as well as private service providers. Section 282.709, Florida Statutes, gives the Department of Management Services the responsibility and authority for providing acquiring and administering a statewide radio communications system to serve law enforcement units of state agencies, and to serve local law enforcement agencies through mutual aid channels.

TOTAL: INFORMATION TECHNOLOGY		<u>1603.00.00.00</u>
BY FUND TYPE		
TRUST FUNDS.....	3,335,718-	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
OTHER PERSONAL SERVICES				030000
GENERAL REVENUE FUND	-STATE	125,749-		1000 1
PERC TRUST FUND	-STATE	37,500-		2558 1

TOTAL APPRO.....		163,249-		
		=====		
EXPENSES				040000
GENERAL REVENUE FUND	-STATE	4,000-		1000 1
PERC TRUST FUND	-STATE	126,158-		2558 1

TOTAL APPRO.....		130,158-		
		=====		
OPERATING CAPITAL OUTLAY				060000
GENERAL REVENUE FUND	-STATE	18,000-		1000 1
		=====		
SPECIAL CATEGORIES				100000
CONTRACTED SERVICES				100777
GENERAL REVENUE FUND	-STATE	25,000-		1000 1
PERC TRUST FUND	-STATE	10,000-		2558 1

TOTAL APPRO.....		35,000-		
		=====		
TOTAL: REDUCE OPERATING EXPENDITURES				33V0900
WITHIN THE PUBLIC EMPLOYEES				
RELATIONS COMMISSION				
TOTAL ISSUE.....		346,407-		
		=====		

AGENCY ISSUE NARRATIVE:
 SCH VIIIIB-2 NARR 18-19 NARRATIVE:
 PRIORITY #01

IT COMPONENT? NO

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

ISSUE SUMMARY:

The Public Employees Relations Commission (PERC) proposes a reduction of (\$172,749) from the General Revenue Fund in the Other Personal Services (030000), Expenses (040000), Operating Capital Outlay (060000), and the Contracted Services (100777) categories. In addition, PERC proposes a reduction of (\$173,658) from the PERC Trust Fund in the Other Personal Services (030000), Expenses (040000), and Contracted Services (100777) categories.

WHAT WILL HAPPEN IF THIS REDUCTION IS TAKEN?

It will result in a significant impact. The funding for Other Personal Services is predominately used to secure temporary staffing for operational support for information technology, public sector collective bargaining elections and conversion of microfilm to electronic form for storage in archival databases. The proposed reduction will eliminate eighty-percent (80%) of the Other Personal Services (OPS) category. The inability to secure adequate staffing will likely result in the need for a budget amendment and will negatively impact the conduct of elections within legislatively mandated standards. Conversion of data produces efficiencies as it provides immediate access to data and eliminates the cost associated with storage outside of the agency. Expenses: A reduction in the Expenses category will negatively impact operational flexibility ranging from postage, data processing, rent and legal ads to name a few at a rate of thirty-two percent (32%). Operating Capital Outlay: This proposal will reduce by forty-two percent (42%) the funding available to purchase equipment, which is already at minimal levels. Contracted Services: Contracted Services reductions will affect the Commission's ability by almost fifty-two percent (52%) the ability to pursue modifications or upgrades to existing technological resources such as the case management system and web access functions or to launch new initiatives designed to improve access and service to our customers. In consideration of the facts stated above, and in the spirit of fiscal responsibility, the Commission offers the following reductions for consideration. All proposals were developed based on operational needs and to minimize adverse impact on the Commission and those served by the program. 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.

OVERVIEW OF AGENCY:

The Public Employees Relations Commission (PERC) is a small, independent, quasi-judicial agency with a single program which is to adjudicate and facilitate mediation of public sector labor and employment disputes. PERC also performs other essential non-adjudicatory functions such as registering labor organizations (unions) and conducting secret ballot elections throughout Florida for state and local government employees voting for or against establishing or maintaining union representation.

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. PERC provides two constitutionally required functions and other statutorily mandated functions with an exceptional performance record.

STATUTORY REFERENCE: Specific Authority: Article I, Section 6 and Article III, Section 14, Florida Constitution;

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

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.

TOTAL: WORKFORCE SERVICES		<u>1102.00.00.00</u>
BY FUND TYPE		
GENERAL REVENUE FUND	172,749-	1000
TRUST FUNDS	173,658-	2000

TOTAL PROG COMP.....	346,407-	
	=====	

COL A93		
SCH VIIIIB-2		
REDUCTIONS		
POS	AMOUNT	CODES
		72000000
MANAGEMENT SRVCS, DEPT OF		72950000
PGM: COMM ON HUMAN RELAT		72950100
<u>HUMAN RELATIONS</u>		16
GOV OPERATIONS/SUPPORT		<u>1601.00.00.00</u>
<u>GOVERNMENTAL OPERATIONS</u>		33V0000
PROGRAM REDUCTIONS		
REDUCE OPERATING EXPENDITURES		
WITHIN THE FLORIDA COMMISSION ON		
HUMAN RELATIONS		33V0910
SALARY RATE		000000
SALARY RATE.....	243,245-	
	=====	
SALARIES AND BENEFITS		010000
	6.00-	
GENERAL REVENUE FUND	-STATE 356,595-	1000 1
	=====	
TOTAL: REDUCE OPERATING EXPENDITURES		33V0910
WITHIN THE FLORIDA COMMISSION ON		
HUMAN RELATIONS		
TOTAL POSITIONS.....	6.00-	
TOTAL ISSUE.....	356,595-	
TOTAL SALARY RATE.....	243,245-	
	=====	

AGENCY ISSUE NARRATIVE:
 SCH VIIIIB-2 NARR 18-19 NARRATIVE:
 PRIORITY #01

IT COMPONENT? NO

SUMMARY:

The Florida Commission on Human Relations (FCHR) proposes a reduction of (6.00) Full Time Equivalent (FTE) positions and \$356,595 in budget authority from the Human Relations budget entity (72950100) in the Salaries and Benefits category (010000) within the General Revenue Fund (1000).

WHAT IS THE IMPACT OF TAKING THIS REDUCTION?

Section 760.03(7), Florida Statutes (F.S.). allows the Executive Director, with commission approval and within budgetary limitations, to employ personnel as may be necessary to adequately perform the functions of the commission.

Three of the 6.00 FTE reductions would leave FCHR without any representation in the crucial professional functions of legislative affairs, communications and quality control.

The loss of the sole legislative affairs position would impede the commissions' ability to: provide knowledgeable and timely research and analysis on legislation impacting the commission; provide updates on Governance Policy, Ends Priorities and the Executive Director's annual compliance assessment; and provide timely and comprehensive responses to legislators, legislative staff, the Office of Program Policy Analysis and Government Accountability (OPPAGA), the Auditor General, the Governor's Office and other entities and stakeholders upon request. In addition to the legislative responsibilities, this position also develops the commission's operating policies, assists FCHR staff in developing

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 OPERATING EXPENDITURES		
WITHIN THE FLORIDA COMMISSION ON		
HUMAN RELATIONS		33V0910

standard operating procedures and conducts all manner of research for development of position papers, research reports and publications.

The loss of the sole communications office position would hamper the commissions ability to: respond to inquiries from the news media and the general public; coordinate research, writing, editing, layout and production of all materials (print, audio and visual) for the commission; or develop public relations strategies to promote the cost saving attributes of the commission and to make the public and key state, local, federal, and private sector officials aware of the commission' s programs and benefits to the citizens of Florida.

The quality control position prepares weekly, monthly and annual reports that assess unit processes' within the commission to determine efficiency and statutory compliance. It makes recommendations for process improvement based upon assessment and prepares or coordinates the preparation of statistical reports used for reporting the commission' s legislative measures and published annual report. It assists staff in developing methodologies for trend analysis and conducts unit cost and cost/benefits analyses, also reported for legislative measures. The loss of the technical expertise would leave the commission susceptible to reporting erroneous data.

Additional FTE reductions would occur in legal, information systems, and case load in-take.

The legal staff would lose a position which would reinforce the continued struggle with meeting statutory time frames. Employment and public accommodation complaints must be resolved within 180 days of the filing date and whistle-blower retaliation complaints must be resolved within 90 days of the filing date. The standard set by the legislature requires that the commission close 75% of all of its cases within statutory time frames, but the commission has been compliant only 56% to 71% of the time during the past three years.

The Management Information Systems (MIS) position would lose the position responsible for maintaining all desktop computer systems for staff use, including desktop computers, monitors, printers, and other peripheral devices. Maintenance performed on this equipment includes installation of software and hardware, software upgrades, repairs and replacements. It analyses and resolves hardware and software issues through the use of diagnostic tools, troubleshooting techniques and research. It must install, configure and support all software in use by the commission and support state government required software and all commercially produced software that enhances FCHR operations. Without sufficient and reliable technical support, the commission will not be equipped to conduct business for the state since the Case Management System (CMS) and its accompanying programs are the very core of how the commission operates.

The loss of a position in Customer Service and Intake would delay recording acknowledgement and inputting case information into CMS and delivering completed documents to the appropriate EEOC offices. Not closing these cases timely will result in the parties' right to file a lawsuit in a civil court, which would result in an additional fiscal and resource burden on Florida's judicial system as it adds to the case load of the courts.

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>
PROGRAM REDUCTIONS		33V0000
REDUCE OPERATING EXPENDITURES		
WITHIN THE FLORIDA COMMISSION ON		
HUMAN RELATIONS		33V0910

A statutory change is not required to implement this reduction.

BACKGROUND

The Florida Commission on Human Relations relies primarily on General Revenue from the state to conduct the commission's core functions as described in Chapter 760, Florida Statutes (F.S.). The commission also 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, respectively, the commission investigates and closes. The federal receipts from the EEOC and HUD provide the revenue for the commission's Operating Trust Fund. The number of cases referred to and closed by the commission varies each year; therefore, the amount received from the federal government by the commission fluctuates annually and can be highly unpredictable. In addition, the commission is not compensated on a fixed schedule (such as quarterly) as the federal agencies undergo administrative changes or experience funding issues.

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							
0004 SENIOR CLERK							
N0001 001	1.00-	22,616-		15,711-	38,327-	0.00	38,327-
2041 OFFICE AUTOMATION SPECIALIST I							
N0002 001	1.00-	34,087-		17,498-	51,585-	0.00	51,585-
2225 GOVERNMENT ANALYST II							
N0003 001	1.00-	48,667-		19,767-	68,434-	0.00	68,434-
2234 GOVERNMENT OPERATIONS CONSULTANT I							
N0004 001	1.00-	47,200-		19,539-	66,739-	0.00	66,739-
3742 PUBLIC INFORMATION DIRECTOR - SES							
N0005 001	1.00-	48,747-		20,950-	69,697-	0.00	69,697-
7736 ATTORNEY							
N0006 001	1.00-	41,928-		19,885-	61,813-	0.00	61,813-

COL A93 SCH VIII B-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>
PROGRAM REDUCTIONS		33V0000
REDUCE OPERATING EXPENDITURES		
WITHIN THE FLORIDA COMMISSION ON		
HUMAN RELATIONS		33V0910

POSITION DETAIL OF SALARIES AND BENEFITS:

FTE	BASE RATE	ADDITIVES	BENEFITS	SUBTOTAL	LAPSE %	LAPSED SALARIES AND BENEFITS
A93 - SCH VIII B-2 REDUCTIONS						
CHANGES TO CURRENTLY AUTHORIZED POSITIONS						
TOTALS FOR ISSUE BY FUND						
						356,595-
1000	GENERAL REVENUE FUND					356,595-
6.00-	243,245-		113,350-	356,595-		356,595-
=====	=====	=====	=====	=====		=====

*****						1601.00.00.00
TOTAL: GOVERNMENTAL OPERATIONS						1601.00.00.00
BY FUND TYPE						
GENERAL REVENUE FUND.....	6.00-	356,595-				1000
SALARY RATE.....	243,245-					
	=====					
TOTAL: MANAGEMENT SRVCS, DEPT OF						72000000
BY FUND TYPE						
GENERAL REVENUE FUND		965,477-				1000
TRUST FUNDS		21,030,275-				2000

TOTAL POSITIONS.....	7.50-					
TOTAL DEPARTMENT.....		21,995,752-				
TOTAL SALARY RATE.....	287,707-					
	=====					