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 COL All  
 SCH VIIIB-2  
 REDUCTIONS  
 POS AMOUNT PRIORITY CODES  
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MANAGEMENT SRVCS, DEPT OF 72000000  
ADMIN HEARINGS 72970000

PRIORITY SUMMARY NARRATIVE:

EXECUTIVE SUMMARY

The Division of Administrative Hearings (DOAH) is unique because it is a small, independent, quasi-judicial agency established within the Department of Management Services for the provision of support services only. The Division has only two programs: Adjudication of Disputes and Workers' Compensation Appeals. These programs are mutually exclusive, equally important to the State of Florida, and have good performance records. The Division's options for aligning its appropriations with the targeted reductions are therefore limited. Unlike larger agencies, DOAH cannot "hold harmless" either of its programs to meet its target. Thus, each program has been reduced by ten percent to meet the reduction calculation as provided by the Governor and Legislature.

Each eligible appropriation category was reviewed to identify reductions that could be taken while maintaining a responsible and balanced budget. Since Fiscal Year (FY) 2003-04, the budget for the Adjudication of Disputes Program has been reduced by about 14%, and its workforce has been reduced by 15 percent. The budget for the Workers' Compensation Appeals Program has been cut by about one percent during that period. Because the Salaries and Benefits category is such a large percentage of the base budget being reduced (83% for Adjudication of Disputes and 75% for Workers' Compensation Appeals), DOAH had no choice but to cut additional positions to reach its target. Thus, a total of 28 filled positions, or eleven percent of its workforce have been identified for elimination.

A budget reduction of ten percent will lengthen time frames for concluding cases, thus affecting the Division's ability to meet its performance standards. However, the Division will continue its mission to provide high-quality adjudication of disputes pursuant to Chapter 120, the Administrative Procedure Act, and Chapter 440, the Workers' Compensation Law. DOAH will also continue to seek ways to make the process more affordable to the citizens, agencies, and organizations it serves.

SCHEDULE VIIIB REDUCTIONS -  
 OPERATING 33B0000  
 REDUCE ALLOCATION FOR EXPENDITURES  
 - ADJUDICATION OF DISPUTES 1 33B1050  
 TRUST FUNDS..... 1,585- 2000  
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SCH VIIIB-2 NARR 10-11 NOTES:

The Division proposes to reduce discretionary spending totaling \$(1,585) in the Expenses category. This reduction will have a minimal impact on the Division's operations. The Expenses category was reduced by five percent in FY 2008-09 and two percent in FY 2009-10. It is also important to note that the cost of privately-owned, leased office space comprises 51% of the Expenses category's allocations, thereby restricting the Division's efforts to identify budget cuts in this category. For these reasons, and because this reduction is small, this issue has been assigned priority number one.

This reduction affects this program's "Conduct Administrative Hearings and Proceedings" activity, and is calculated as

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SCHEDULE VIIIB REDUCTIONS -			
OPERATING			33B0000
REDUCE ALLOCATION FOR EXPENDITURES			
- ADJUDICATION OF DISPUTES		1	33B1050

follows:

Expenses: Reduce budget for:  
 \$( 397) furniture & equipment  
 ( 1,188) miscellaneous expenses

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 \$( 1,585) Reduce Expenses by .14%

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 \$( 1,585) Total issue  
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REDUCE ALLOCATION FOR EXPENDITURES			
- WORKERS' COMPENSATION APPEALS		2	33B1100

TRUST FUNDS.....	151,369-		2000
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SCH VIIIB-2 NARR 10-11 NOTES:

The Division proposes to reduce discretionary spending totaling \$(151,369) in four appropriation categories: Expenses by \$(124,768) or (4)%, Operating Capital Outlay by \$(2,880) or (10)%, Contracted Services by \$(22,500) or (2)%, and Contracted Legal Services by \$(1,221) or (49)%. This reduction will negatively impact the Division's operations. It is important to note that the cost of leased office space comprises 64% of the Expenses category's allocations, thereby restricting the Division's efforts to identify budget cuts in this category. Significant cutbacks of 50% in available appropriations for furniture and equipment would hinder the program's ability to replace aging or malfunctioning items. Allocations for freight have been reduced by 50%, and office supplies have been reduced by 31%. Contract reductions would hinder the program's ability to procure services such as mail delivery, document destruction, and data backup storage when needs arise. For these reasons, this issue has been assigned priority number two.

This reduction affects this program's "Adjudicate and Hear Workers' Compensation Disputes" and "Facilitate Mediation of Workers' Compensation Disputes" activities. It is calculated as follows:

Expenses: Reduce budget for:  
 \$( 43,741) Office supplies by 31%  
 ( 9,000) Freight by 50%  
 ( 49,478) Furniture and equipment by 50%  
 ( 20,625) Miscellaneous expenses by 1%  
 ( 1,924) Reduce travel by 2%

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REDUCE ALLOCATION FOR EXPENDITURES			
- WORKERS' COMPENSATION APPEALS	2		33B1100

\$(124,768) Reduce Expenses by 4%

Operating Capital Outlay (OCO): Reduce budget for:  
 \$ ( 2,880) Furniture and equipment

\$ ( 2,880) Reduce OCO by 10%

Contracted Services: Reduce budget for:  
 \$ (13,000) Mail delivery services  
 ( 9,500) Miscellaneous services

\$( 22,500) Reduce Contracted Services by 2%

Contracted Legal Services: Reduce budget for:  
 \$ (1,221) Legal services

\$ (1,221) Reduce Contracted Legal Services by 49%

\$(151,369) Total Issue

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ELIMINATE SECURITY GUARD OVERTIME -			
WORKERS' COMPENSATION APPEALS	3		33B1110

TRUST FUNDS.....		127,860-	2000
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SCH VIIIB-2 NARR 10-11 NOTES:

The Division proposes to eliminate funding for security guard overtime hours from the Contracted Services category. This issue reduces this category by \$(127,860) or (11)%, and will negatively impact the Division's operations by restricting the security guards in the seventeen district offices to work no more than 40 hours per week. If a hearing or mediation continues beyond 5:00 p.m. or into a weekend, the security guard would not be available. This could result in the hearing or mediation being postponed, or pose a security risk to the parties. For these reasons, this issue is assigned priority number three.

This reduction affects this program's "Adjudicate and Hear Workers' Compensation Disputes" and "Facilitate Mediation of

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SCHEDULE VIIIB REDUCTIONS -			
OPERATING			33B0000
ELIMINATE SECURITY GUARD OVERTIME -			
WORKERS' COMPENSATION APPEALS		3	33B1110

Workers' Compensation Disputes" activities. It is calculated as follows:

Contracted Services: Reduce budget for:

Overtime Rate	Hours	Total Reduction
\$28.502	(4,486)	\$(127,860)
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WORKFORCE REDUCTION - ADJUDICATION OF DISPUTES		4	33B1070
TRUST FUNDS.....	6.00-	845,318-	2000
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SCH VIIIB-2 NARR 10-11 NOTES:

The Division proposes to reduce this program's workforce by nine percent by deleting six positions: five administrative law judges (ALJs) and one support staff. This reduction of \$(845,318) will negatively impact the Division's operations and will significantly limit its ability to fulfill its mission of impartially adjudicating disputes in a timely fashion. With fewer judges and staff, the cases will be processed more slowly, thereby adversely affecting the Division's ability to meet performance objectives, which it has successfully strived to achieve over the past eight years. Moreover, many of the agencies who use the Division to adjudicate their disputes will not be able to fulfill their objectives of a just and speedy resolution, at an affordable cost, of public disputes. For these reasons, this issue was assigned priority number four.

This reduction affects this program's "Conduct Administrative Hearings and Proceedings" activity, and is calculated as follows:

Salaries and Benefits:

\$(765,811) Delete five filled ALJ positions  
 ( 39,449) Delete one filled administrative secretary position

\$(805,260) Delete six positions (9%) and Salaries and Benefits by 11%

Expenses:

\$(32,540) 5 professional standard recurring Expenses packages, \$6,508 each  
 ( 5,124) 1 support standard recurring Expenses package

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SCHEDULE VIIIB REDUCTIONS -			
OPERATING			33B0000
WORKFORCE REDUCTION - ADJUDICATION			
OF DISPUTES	4		33B1070

\$ (37,664) Reduce Expenses by 3%

Statewide Human Resource Services Contract:  
\$ (2,394) 6 standard packages, \$399 each

\$ (2,394) Reduce Statewide Human Resources Services Contract

\$(845,318) Total Issue  
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WORKFORCE REDUCTION - WORKERS'		5	33B1120
COMPENSATION APPEALS			
	22.00-		
TRUST FUNDS.....	1,512,192-		2000
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SCH VIIIB-2 NARR 10-11 NOTES:

The Division proposes to reduce this program's workforce by eleven percent by deleting 22 positions: three judges of compensation claims (JCCs), three mediators, and sixteen support staff. This reduction of \$(1,512,192) will negatively impact the Division's operations and will significantly limit its ability to fulfill its mission of impartially adjudicating and mediating workers' compensation disputes. With fewer judges and staff, cases will be processed more slowly, thereby adversely affecting the Division's ability to meet performance objectives. Already, due to the substantial number of cases in the system, the statutory requirements for scheduling, mediation, and hearing workers' compensation appeals are not met in all districts. The Division has made significant strides through the use of electronic filing, reallocation of judges to high volume districts on temporary assignments, and intense training and re-training of key personnel to carry out the daily functions of the office. A reduction in the number of judges and mediators will impair or eliminate the excellent trends toward compliance with the time mandates that have been achieved through a monumental cooperative effort between the individuals staffing the district offices and the claimants, attorneys and employer/carriers who bring their cases to the Division for adjudication. The result will be greater delays in the resolution of workers' compensation matters and, ultimately, in the payment of benefits to injured workers who are entitled to receive them. The goal of workers' compensation, to return the injured worker to employment after receiving necessary and appropriate medical treatment and benefits to which he or she is entitled, will be severely undermined by the called for reductions. For these reasons, this issue was assigned priority number five.

It is important to note that the budget of the Office of the Judges of Compensation Claims is funded by the Workers' Compensation Administration Trust Fund of the Department of Financial Services. This fund is supported by insurance

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WORKFORCE REDUCTION - WORKERS'			
COMPENSATION APPEALS		5	33B1120

carrier assessments; Section 440.51, Florida Statutes, specifically sets forth the formula for calculating these assessments. Insurance companies pay only that amount necessary to fund the administration of Chapter 440, Florida Statutes, including programs within the Office of the Judges of Compensation Claims, the Division of Workers' Compensation, the Department of Education and others.

This reduction affects this program's "Adjudicate and Hear Workers' Compensation Disputes" and "Facilitate Mediation of Workers' Compensation Disputes" activities. It is calculated as follows:

Salaries and Benefits:

- \$ (471,012) Delete three filled JCC positions
- (297,500) Delete three filled mediator positions
- (134,351) Delete three filled deputy clerk positions
- (167,906) Delete five filled administrative secretary positions
- ( 35,429) Delete one filled administrative assistant II position
- (116,615) Delete three filled executive secretary positions
- ( 73,111) Delete two filled secretary specialist positions
- ( 44,479) Delete one filled distributed computer systems specialist position
- ( 35,059) Delete one filled staff assistant position

\$(1,375,462) Delete 22 positions (11%) and Salaries and Benefits by 10%

Expenses:

- \$ ( 71,588) 11 professional standard recurring Expenses packages, \$6,508 each
- ( 56,364) 11 support standard recurring Expenses packages, \$5,124 each

\$ (127,952) Reduce Expenses by 4%

Statewide Human Resource Services Contract:

\$ (8,778) 22 standard packages, \$399 each

\$ (8,778) Reduce Statewide Human Resource Services Contract

\$(1,512,192) Total Issue

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TOTAL: ADMIN HEARINGS			72970000
BY FUND TYPE			
TRUST FUNDS.....	28.00-		
	2,638,324-		2000
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