
 COL All
 SCH VIIIIB-2
 REDUCTIONS
 POS AMOUNT PRIORITY CODES

TRANSPORTATION, DEPT OF 55000000

PRIORITY SUMMARY NARRATIVE:

In light of the recent reduction in General Revenue estimates, the department was requested to propose \$81,395,517 of base budget that was appropriated for fiscal year 2009-10 that could be reduced in FY 2010-11.

It's important to note that the department's appropriation includes operating, fixed capital outlay work program, and fixed capital outlay buildings and grounds budget. The department operates on a cash flow and commitment basis. Commitments are made with the anticipation that revenues will be available to pay for those commitments when the payments are due. Section 339.135, Florida Statutes requires the department's budget and five year work program to be balanced to available revenues.

The forecasted revenues from the Revenue Estimating Conferences from November 2006 through March 2009, as well as the redirection and sweep of transportation revenues, has had a combined negative impact of \$9.5 billion in work program commitments. With the declining revenues, the department has had to reduce commitments.

The operating budget includes, but is not limited to, funding for the in-house costs associated with projects in the work program, toll collection costs, transportation disadvantaged services, the payment of Highway Patrol services along various portions of the transportation system, as well as administrative costs of the department. The department operates with only the minimum operating budget necessary to meet the department's mission to ensure the maximum dollars available are focused on the Work Program.

Further, the department's operating budget has seen significant reductions due to the elimination of over 28% of positions in the department since 1999. This included reductions in the salaries and benefit budget category as well as expense and operating capital outlay budget categories associated with each of the positions eliminated. The operating budget was further reduced in FY 2007-08 by a recurring \$3,684,187, by a recurring \$5,275,736 in FY 2008-09 and by a recurring \$18,994,547 in FY 2009-10. These reductions are coming at a time when fixed costs, such as fuel and utilities, have been increasing.

Projects are delivered with an effective mix of in-house and contracted resources. In-house resources are included in the operating section of the budget and most contracted resources are included in the work program section of the budget. Any scenarios which consider the reduction of the department's budget should examine the department's five year work program in addition to the recurring base operating budget.

It is important to note that the instructions for this schedule require the department to propose recurring reductions to the operating budget. The schedule does not allow the department to offer reductions to projects in the Five Year Adopted Work Program. As noted above, since the department already strives to keep the operating budget as low as possible, any further reductions to the operating budget would have a significant impact on services provided by the department as well as its ability to deliver the projects included in the work program. In addition, the reductions may result in services being provided in a manner which is not the most cost effective manner.

Finally, since many aspects of the department's operating budget are either statutorily or contractually directed, some form of contract change or contract modification will be required to implement the proposed changes.

SCHEDULE VIIIIB REDUCTIONS -
 OPERATING

REDUCE OTHER PERSONAL SERVICES BASE	001	33B0000	33B1600
TRUST FUNDS.....	2,000,000-		2000
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 SCHEDULE VIIIB REDUCTIONS -
 OPERATING 33B0000
 REDUCE OTHER PERSONAL SERVICES BASE 001 33B1600

SCH VIIIB-2 NARR 10-11 NOTES:

This item reduces temporary employment by \$2,000,000 or 47%. \$505,823 was reduced in FY 2007-08 and \$1,000,000 was reduced in FY 2009-10. The department uses OPS budget to provide support to structures research, the Construction Materials Qualifications Program and outside legal services to assist in acquiring property needed for transportation projects. This budget is also used to cover short term needs as they arise for office and administrative support. The department generally uses OPS budget to assist with more routine work that could be accomplished with lower paid staff. For example, the department hires law clerks to assist attorneys with legal research and the preparation of legal briefs, motions and orders. Without the law clerks, this work would have to be performed by attorneys at a higher cost and would result in fewer cases being resolved in a given period of time. Further reductions would result in additional cutbacks in these important programs.

REDUCE HUMAN RESOURCE DEVELOPMENT BASE 002 33B2200

TRUST FUNDS..... 2,000,000- 2000
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SCH VIIIB-2 NARR 10-11 NOTES:

This item reduces the department's training programs by \$2,000,000 or 57%. \$81,750 was reduced in FY 2007-08 and \$191,944 was reduced in FY 2009-10. This category provides training for the school crossing guard program, traffic education program, weight inspectors, bridge inspection, bridge load rating, investigative technique training for Motor Carrier Compliance Officers, computer assisted drafting and design (CADD), construction materials qualification program and for intelligent transportation systems. In addition, the category provides required training on maintenance of traffic, environmental and water pollution issues, land use, earthwork, construction inspection, roadway design and affirmative action/sexual harassment. By providing this training in-house with operating budget, the department is able to more effectively and efficiently address its training requirements. Maintenance staff are responsible for inspecting and maintaining bridges, sign structures and roads. Training ensures they are current with most recent and cost-effective practices, meeting current standards, with safety protocols and in methods that support the preservation of the system. This further reduction will result in less training opportunities being available for department employees. A reduction in training would jeopardize the cost-effective and safe preservation of the state's infrastructure investment. While the department has made improvements in training delivery, further reductions could not be absorbed through improved practices. This will affect the ability of employees to keep up to date with new technology and processes and could have a longer term impact which results in reduced efficiency and expertise.

It is also important to note that the Federal Highway Administration requires state departments of transportation to have a verification testing program and independent verification testing program to validate contractor quality control results. The programs require FDOT personnel to be certified in certain material sampling and testing criteria. If the

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SCHEDULE VIIIB REDUCTIONS -			
OPERATING			33B0000
REDUCE HUMAN RESOURCE			
DEVELOPMENT BASE		002	33B2200

department is not current in its training and certifications, FDOT personnel would not be allowed to provide testing on federally funded projects. Currently, all independent verification testing is done by in-house Materials and Testing personnel.

REDUCE HIGHWAY BEAUTIFICATION			
GRANTS BASE		003	33B2900

TRUST FUNDS.....	500,000-		2000
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SCH VIIIB-2 NARR 10-11 NOTES:

This item eliminates funding (\$500,000) for litter prevention activities. Each year the department is provided with funding from the Department of Environmental Protection, Solid Waste Management Trust Fund, for litter prevention and control programs through certified Keep America Beautiful affiliates at the local level. In the past, this funding has provided for 37 local community prevention education grants, which are matched by the local organizations.

REDUCE OPERATING CAPITAL OUTLAY			
BASE		004	33B1900

TRUST FUNDS.....	3,200,000-		2000
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SCH VIIIB-2 NARR 10-11 NOTES:

This item reduces the purchase of operating capital outlay items by \$3,200,000 or 51%. \$381,857 was reduced in FY 2007-08. This category was reduced by a recurring \$3,000,000 in the General Appropriations Act for FY 2008-09 and by another \$841,044 for FY 2009-10. This category provides funding for equipment needed to support field operations of the department, such as: tire changers; vehicle code readers; mobile radio communications equipment; portable truck scales; crash attenuators; mowers; saws for cutting concrete samples, etc. This category also provides for the replacement of certain pieces of equipment used by the materials labs throughout the state to ensure contractors are constructing roads and bridges in accordance with the specifications. The department has already been deferring the replacement of major equipment. Continuing to delay the replacement of old and obsolete equipment will eventually result in the breakdown of the equipment and the department's employees will be unable to successfully perform their jobs. Currently, parts from other pieces of equipment are being used to repair needed existing equipment. This practice leads to additional breakdowns and extended hours to keep making the same repairs, which results in longer downtime of needed equipment. In

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 OPERATING 33B0000
 REDUCE OPERATING CAPITAL OUTLAY
 BASE 004 33B1900

addition, this practice could have the unintended consequence of the department spending more to temporarily repair a piece of equipment than it would cost to replace the equipment.

REDUCE OVERTIME BASE 005 33B2300
 TRUST FUNDS..... 1,700,000- 2000
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SCH VIIIB-2 NARR 10-11 NOTES:

This item reduces overtime by \$1,700,000 or 50%. \$200,194 was reduced in FY 2007-08 and \$124,881 was reduced in FY 2009-10. Use of overtime would be limited to on-call and incident response situations. Reductions in the number of people who are authorized to be on-call could impact response times to incidents and would delay the clearing of accidents and the subsequent opening of the road to traffic. Further, the level of security provided at rest areas would have to be reduced, if not eliminated. Overtime budget is critical to ensuring weight enforcement can be maintained at optimal levels without additional staffing. Without sufficient coverage of weigh stations, they will be forced to close for certain periods which will increase the opportunity to violators to exceed their legal weight, which causes accelerated damage to Florida's roads and bridges.

Overtime budget is also spent on construction inspection. When a contractor is performing certain activities an FDOT inspector is required to be present. The department has taken action to minimize overtime by staggering shifts, and sending inspectors home when weather conditions shut down projects. Further reductions could impact the department's ability to properly inspect construction work which would result in projects being delayed.

REDUCE ACQUISITION OF MOTOR 006 33B2000
 VEHICLES BASE
 TRUST FUNDS..... 3,000,000- 2000
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SCH VIIIB-2 NARR 10-11 NOTES:

This item reduces the purchase of vehicles and heavy equipment by \$3,000,000 or 38%. \$3,114,596 was reduced in FY 2009-10. The department delivers the work program with a mix of in-house and contracted forces. The heavy equipment and vehicles purchased in this category are used by in-house forces to perform maintenance work on the highway system. To perform that work it is necessary to have dump trucks, graders, mowers, etc. In addition, the department uses vehicles

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SCHEDULE VIIIB REDUCTIONS -			
OPERATING			33B0000
REDUCE ACQUISITION OF MOTOR			
VEHICLES BASE		006	33B2000

to travel to job sites to inspect projects and respond to incidents. The department is already operating with vehicles that are old and experiencing the need for extended maintenance. The department will be required to spend additional resources on operation and maintenance costs as well as supplies to maintain its fleet. Maintenance costs for many of the older vehicles have become excessive. Reductions in this category would increase the need for expense and transportation materials and equipment (TME) budget to maintain the vehicles. If the department does not have the equipment necessary to perform work with in-house forces, it would need to increase the amount of contracted work. The ability to respond to emergencies in a timely manner would be significantly impacted as a result of not having necessary equipment available.

REDUCE TRANSFER/CONTRACTED			
DISPATCH SERVICES BASE		007	33B3100
TRUST FUNDS.....	81,883-		2000

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SCH VIIIB-2 NARR 10-11 NOTES:

Each agency is being asked to show a 10% reduction in their recurring base budget. This item reduces the amount the department would transfer to the Department of Highway Safety and Motor Vehicles for contracted dispatch services by \$81,883 or 10%. The Department of Highway Safety and Motor Vehicles provides 24 hour a day, seven days a week dispatch services for the Office of Motor Carrier Compliance. These services are critical to officer safety. A reduction of budget in this category would prevent the department from fully reimbursing DHSMV for these services.

REDUCE DATA PROCESSING SERVICES			
SOUTHWOOD SHARED RESOURCE			
CENTER BASE		008	33B3200

TRUST FUNDS.....	653,390-		2000
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SCH VIIIB-2 NARR 10-11 NOTES:

Each agency is being asked to show a 10% reduction in their recurring base budget. This item reduces the amount the department would transfer to the Southwood Shared Resource Center by \$653,390 or 10%. This reduction would impact the Southwood Shared Resource Center and their ability to provide services for state agencies. Since a significant amount of the department's activities are based upon and rely on technology (CADD, GIS, Survey & Mapping, financial management,

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TRANSPORTATION, DEPT OF			55000000
SCHEDULE VIIIB REDUCTIONS -			
OPERATING			33B0000
REDUCE DATA PROCESSING SERVICES			
SOUTHWOOD SHARED RESOURCE			
CENTER BASE		008	33B3200

contract management, etc), a reduction in services of an IT nature has the potential to significantly impact the department's ability to properly manage state and federal funds, engineer and design projects, and effectively contract for transportation work.

REDUCE PAYMENT TO EXPRESSWAY			
AUTHORITIES BASE		009	33B2500

TRUST FUNDS.....	8,657,198-		2000
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SCH VIIIB-2 NARR 10-11 NOTES:

This item assumes the elimination of (\$8,657,198) the advance (loan) the department provides to the Orlando-Orange County Expressway Authority (OOCEA) for operations and maintenance costs on selected toll facilities owned and operated by OOCEA. This budget is reflected in the Payment to Expressway Authorities appropriation category (100902).

The Orlando-Orange County Expressway Authority is an agency of the state created by Part V of Chapter 348, Florida Statutes. The Authority has five members, three appointed by the Governor, the Chair of the Orange County Commission and the FDOT District 5 Secretary. The Authority has developed a series of toll roads in the Orlando-Orange County area over a number of years beginning in the 1960s.

Under the current Bond Resolution and Lease Purchase Agreement, FDOT is legally obligated to pay the Cost of Operations and Maintenance (O&M) on an annual basis for several OOCEA facilities, including cost of maintenance on the Beeline Expressway (now termed the Beachline Expressway) and the cost of operations and maintenance on the East-West Expressway and the Airport Interchange Toll Plaza. These costs are paid by FDOT up front and are to be reimbursed in a subordinated basis after the payment of senior and junior debt, renewal and replacement costs and pay-as-you-go expressway authority projects.

At June 30, 2009, the cumulative balance owed to the State Transportation Trust Fund (STTF) for these costs is \$219 million. It is important to note that since 1995 FDOT by agreement delegated the responsibilities for the performance of O&M on the facilities to OOCEA, effective June 30, 1995. The annual O&M payment must be made to meet the requirements of the Bond Resolution and Lease Purchase agreement. OOCEA is a financially viable entity that receives over \$200 million in toll revenues and the payment of the annual O&M today simply provides the ability for OOCEA to further leverage the toll revenues of the Authority by subordinating these costs below the payment of bonded debt service. OOCEA at the discretion of their Board could rebate the annual O&M costs paid by the department back to the FDOT on an annual basis. This will require some form of contractual change.

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TRANSPORTATION, DEPT OF			55000000
SCHEDULE VIIIIB REDUCTIONS -			
OPERATING			33B0000
REDUCE TRANSFER TO SFWMD/ EVERGLADES RESTORATION BASE		010	33B2800
TRUST FUNDS.....	2,000,000-		2000

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SCH VIIIIB-2 NARR 10-11 NOTES:

This item eliminates funding (\$2,000,000) the department provides to the South Florida Water Management District for Everglades Restoration. This may require some form of statutory (s. 338.26, F.S.)/contractual change.

REDUCE CONSULTANT FEES BASE		011	33B1700
TRUST FUNDS.....	2,000,000-		2000

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SCH VIIIIB-2 NARR 10-11 NOTES:

This item reduces consultant fees by \$2,000,000 or 19%. The department reduced its workforce by more than 28% between fiscal years 2000-01 and 2009-10. With these staff reductions, the department has depended on consultants to help provide in-house project management support. In addition, budget in this category was reduced by \$241,433 in FY 2007-08 and \$2,963,934 in FY 2009-10. Examples of activities funded with consultant fee budget include but are not limited to: structures research; highway safety public awareness and education; Geographic Information System (GIS) support; support associated with the accelerated pavement tester; outdoor advertising activities; traffic statistics software support; maintenance of the Florida Standard Planning Model; maintenance of aviation software; aeronautical chart updates; support for the I-95 managed lanes project; and support for disadvantaged business enterprises. Consultant fee budget is also used to support construction and bridge maintenance electronic document management system (EDMS) efforts. EDMS allows for the efficient and cost saving management of documents and ultimately ensures man hours needed to retrieve documents are reduced.

While many of these programs have had their budget reduced, further reductions may cause projects to be delayed and will result in less services being provided by the department in a timely manner. Examples of the impacts include: the department may not be able to complete certain planning tools such as congestion management and process mapping; response time for traffic reviews will increase; administrative tasks and responsibilities to support eminent domain active lawsuits could be delayed; drainage permit applications may take longer to process, impacting customer service; development of traffic computer modeling courses for the districts and MPOs that help develop transportation solutions will be delayed or eliminated.

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 SCH VIII B-2
 REDUCTIONS
 POS AMOUNT PRIORITY CODES

TRANSPORTATION, DEPT OF 55000000
 SCHEDULE VIII B REDUCTIONS -
 OPERATING 33B0000
 REDUCE EXPENSES BASE 012 33B1200

TRUST FUNDS..... 15,000,000- 2000
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SCH VIII B-2 NARR 10-11 NOTES:

This item reduces expenses by \$15,000,000 or 21%. This reduction will significantly affect the department's ability to fund routine operations. It is important to note that the department continues to look for ways to save money. Travel has been limited and has only been approved when it is deemed mission critical. Videoconferencing and teleconferencing have been used as much as possible in lieu of travel. Carpooling websites have been created and employees have been using them to arrange travel between offices and job sites. The department encourages its employees to recycle paper, turn off lights and computers when not in use and has installed night watchman programs to automatically shut down computers. Energy efficient bulbs are being used in many of the buildings and thermostat settings are controlled to save energy. Motion sensors are being used for lights in offices, restrooms and common areas. These improvements and efforts to save energy have already occurred. Further reductions in the expense budget would result in the department not having sufficient budget to pay for items such as: building leases; rental of equipment; materials for public involvement activities; maintenance of technical equipment; toll facility insurance; utility bills; office supplies; and postage.

REDUCE CONTRACTED SERVICES BASE 013 33B2100

TRUST FUNDS..... 5,000,000- 2000
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SCH VIII B-2 NARR 10-11 NOTES:

This item reduces contracted services by \$5,000,000 or 12%. \$73,358 was reduced in FY 2007-08 and \$5,134,835 was reduced in FY 2009-10. Examples of activities funded with budget in this category include but are not limited to: calibration and maintenance of certain pieces of equipment in the materials lab; security services for buildings and operations centers; Intelligent Transportation System support; support for the I-95 managed lanes project; court reporter fees; legal fees; employment, legal and promotional advertising; professional medical fees; fire extinguisher/alarm system inspection and maintenance; equipment repairs and maintenance; support for the SunPass processing center; payment of credit card fees associated with toll collections; elevator maintenance contracts; janitorial contracts; and preventive maintenance HVAC contracts. Many of the activities funded in this category are mandatory. Contracts for discretionary services such as security services, janitorial and certain preventive maintenance contracts have already been reduced in many areas throughout the state. Further reductions would result in reductions to many of the necessary activities noted above.

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TRANSPORTATION, DEPT OF                                55000000
SCHEDULE VIIIB REDUCTIONS -
OPERATING                                             33B0000
REDUCE TRANSPORTATION, MATERIALS
& EQUIPMENT BASE                                014      33B2400

TRUST FUNDS.....                                5,000,000-      2000
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SCH VIIIB-2 NARR 10-11 NOTES:

This item reduces the purchase of Transportation, Materials and Equipment by \$5,000,000 or 12%. This category provides budget for fuel, utilities and materials (such as guardrail, fencing and asphalt) needed for repairs and maintenance of the state's roadway system. A reduction of budget in this category would result in the lights on some highways being turned off. In addition, the department will have to delay many maintenance needs of aging equipment. Further, the department's ability to purchase materials will be significantly limited which will reduce the department's productivity, efficiency, and effectiveness to timely respond to and perform roadside safety related work such as: sign repairs, shoulder washouts, pothole repairs, guardrail repairs, etc. The ability to purchase fuel on a timely basis and keep available an inventory of adequate supplies will be impacted which would create safety concerns and the department's ability to respond in a timely manner during emergencies. In addition, the reduction will impact the department's ability to respond to and clear incidents on the highways. As first responders, materials such as fuel, construction supplies, repair parts and minor tools are necessary to quickly and effectively deal with such incidents.

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REDUCE TOLL OPERATION CONTRACTS
BASE                                015      33B2600

TRUST FUNDS.....                                10,000,000-      2000
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SCH VIIIB-2 NARR 10-11 NOTES:

This item reduces Toll Operation Contracts by \$10,000,000 or 13%. Budget in this category provides funding for privatized toll collection staffing, both for cash toll collection as well as electronic toll collection in the form of customer service representatives in the SunPass call centers. Budget in this category is also used for electronic violation enforcement where vehicle and license plate photos of toll violators are processed. A substantial reduction of budget in this category would significantly impact customer service levels, but more importantly could jeopardize the department's ability to adequately collect toll revenues state-wide as required by various bond covenants. The reduction will have a direct impact on the number of people available to physically collect tolls, causing delays on toll roads. The reduction will also result in fewer people staffing the SunPass call centers which will cause customers to experience lengthy wait times when trying to get issues resolved. The reduction would also limit the department's ability to collect from toll violators.

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TRANSPORTATION, DEPT OF			55000000
SCHEDULE VIIIIB REDUCTIONS -			
OPERATING			33B0000
REDUCE G/A-TRANSPORTATION			
DISADVANTAGED BASE		016	33B1800
TRUST FUNDS.....	4,039,571-		2000

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SCH VIIIIB-2 NARR 10-11 NOTES:

This item reduces funding for transportation disadvantaged by \$4,039,571 or 10%. Budget in this category provides transportation for citizens who because of physical or mental disability, income status, or age are unable to transport themselves or to purchase transportation. The budget reduction would reduce by over 200,000 the number of trips the Commission for the Transportation Disadvantaged is able to provide. Transportation providers will focus available remaining funds to provide trips for medical purpose but will have to eliminate trips for other purposes such as employment. According to a recent study by Florida State University, each dollar spent on transportation for employment trips equals about \$5.71 of return to the overall state economy. If 200,000 employment related trips are eliminated the overall impact to Florida's economy would be a loss of more than \$23 million of spending power from its most vulnerable citizens.

REDUCE FLORIDA HIGHWAY PATROL			
SERVICES BASE		017	33B2700
TRUST FUNDS.....	4,000,000-		2000

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SCH VIIIIB-2 NARR 10-11 NOTES:

This item reduces the funding the department provides to the Department of Highway Safety and Motor Vehicles for the patrol of the Turnpike and Alligator Alley by \$4,000,000 or 21%. Budget in this category provides funding to the Florida Highway Patrol (FHP) to cover the cost of trooper salaries, benefits, patrol cars, fuel, and communication devices. FHP patrols the Turnpike and Alligator Alley to provide law enforcement, respond to accidents, perform maintenance of traffic in emergency situations, provide for customer safety, and other critical services. FHP plays a key role during emergency situations and when an evacuation takes place in anticipation of severe storms and hurricanes. A substantial reduction of budget in this category would prevent the department from reimbursing FHP for needed services.

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TRANSPORTATION, DEPT OF			55000000
SCHEDULE VIIIB REDUCTIONS -			
OPERATING			33B0000
REDUCE SALARY AND BENEFITS BASE		018	33B1100
TRUST FUNDS.....	12,563,475-		2000

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SCH VIIIB-2 NARR 10-11 NOTES:

This item reduces salaries and benefits budget by \$12,563,475 or 3%. Considering the fact that vacant positions do not consume budget, the department would need to eliminate at least 190 filled positions to implement this budget reduction. This would limit the department's ability to achieve its mission and would likely result in additional outsourcing of work which may not be able to be funded with work program budget. If this was to occur, projects would then be delayed, further impacting customer service to the people of Florida.

TOTAL: TRANSPORTATION, DEPT OF			55000000
BY FUND TYPE			
TRUST FUNDS.....	81,395,517-		2000

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