

BPEADL01 LAS/PBS SYSTEM
BUDGET PERIOD: 2009-2023
STATE OF FLORIDA

SCHEDULE VIIIB-2
PRIORITY LISTING FOR POSSIBLE REDUCTION
FOR REQUEST YEAR

SP 09/15/2021 21:52 PAGE: 1
ERROR REPORT

| BUDGET ENTITY | D3A ISSUE CODE | COLUMN NUMBERS | CODE | ERROR MESSAGE | PAGE |
|---------------|----------------|----------------|------|---------------|------|
|---------------|----------------|----------------|------|---------------|------|

THERE WERE 0 ERRORS DETECTED

| COL A10 | | |
|-----------------------------------|---------|----------------------|
| SCH VIIIIB-2 | | |
| RED FY22-23 | | |
| 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 TO OPERATING CATEGORIES | | 33V0010 |
| OTHER PERSONAL SERVICES | | 030000 |
| ADMINISTRATIVE TRUST FUND -STATE | 30,000- | 2021 1 |

=====

AGENCY ISSUE NARRATIVE:

SCH VIIIIB-2 NARR 22-23 NARRATIVE:

IT COMPONENT? NO

ISSUE TITLE: Schedule VIII-B: Reduction in Other Personal Services (030000) Category - Moderate Impact

SUMMARY:

The Department of Management Services (department) proposes a reduction of \$30,000 in the Other Personal Services (OPS) (030000) category, Executive Direction and Support Services (72010100) budget entity, within the Administrative Trust Fund (2021).

IMPACT:

This reduction will impact the department's ability to hire temporary employees and interns to meet critical demands or workloads and emergency staffing needs.

As a result of this impact, the department has ranked this reduction at 5 of 22 and ranks its level of impact as Moderate.

The department has proposed 22 reductions and has ranked them from one to 22 with one having the lowest impact to 22 having the largest impact on operations and services. In addition, the department has ranked its proposed reductions with three levels of impact:

Minimal Impact - reductions reflect cost savings and/or efficiencies that can be reduced with little to no impact.

Moderate Impact - reductions reflect an impact to operations and/or services.

Significant Impact - reductions will have a direct impact on operations and services.

| COL A10 | | | |
|-----------------------------------|--------|----------|----------------------|
| SCH VIIIIB-2 | | | |
| RED FY22-23 | | | |
| 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 IN STATEWIDE TRAVEL | | | |
| MANAGEMENT SYSTEM - SIGNIFICANT | | | 33V1300 |
| SPECIAL CATEGORIES | | | 100000 |
| TRAVEL MANAGEMENT SYSTEM | | | 100788 |
| GENERAL REVENUE FUND | -STATE | 444,033- | 1000 1 |

AGENCY ISSUE NARRATIVE:

SCH VIIIIB-2 NARR 22-23 NARRATIVE:

IT COMPONENT? NO

ISSUE TITLE: Schedule VIII-B: Reduction of Statewide Travel Management System - Significant Impact

SUMMARY:

The Department of Management Services, Executive Direction and Support Services, proposes a recurring reduction in the General Revenue Fund (1000) from the Executive Direction and Support Services budget entity (72010100) in the Statewide Travel Management System (STMS) category (100788) of \$444,033.

IMPACT:

Licensing, support, and operating expenses for the travel system are expected to consume the full appropriation for Fiscal Year 2022-23. The system administration and system release life cycle (technology support, design, implementation, etc.) for the STMS system are managed through staff augmentation resources. To meet this reduction, staff augmentation hours would have to be significantly reduced resulting in limited support for the STMS system. This could lead to an increased security and system stability risk.

As a result of this impact, the department has ranked this reduction at 16 of 22 and ranks its level of impact as Significant.

The department has proposed 22 reductions and has ranked them from one to 22 with one having the lowest impact to 22 having the largest impact on operations and services. In addition, the department has ranked its proposed reductions with three levels of impact:

Minimal Impact - reductions reflect cost savings and/or efficiencies that can be reduced with little to no impact.

Moderate Impact - reductions reflect an impact to operations and/or services.

Significant Impact - reductions will have a direct impact on operations and services.

| COL A10 | | | |
|--|------------|--|----------------------|
| SCH VIIIIB-2 | | | |
| RED FY22-23 | | | |
| 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> |
| STATE FUNDING REDUCTIONS | | | 3300000 |
| REDUCTION IN ADMINISTRATION/ EXECUTIVE DIRECTION | | | 3300300 |
| SALARIES AND BENEFITS | | | 010000 |
| GENERAL REVENUE FUND -STATE | 179,606- | | 1000 1 |
| ADMINISTRATIVE TRUST FUND -STATE | 159,979- | | 2021 1 |
| | ----- | | |
| TOTAL APPRO..... | 339,585- | | |
| | ===== | | |
| EXPENSES | | | 040000 |
| GENERAL REVENUE FUND -STATE | 41,497- | | 1000 1 |
| ADMINISTRATIVE TRUST FUND -STATE | 20,000- | | 2021 1 |
| | ----- | | |
| TOTAL APPRO..... | 61,497- | | |
| | ===== | | |
| SPECIAL CATEGORIES | | | 100000 |
| CONTRACTED SERVICES | | | 100777 |
| GENERAL REVENUE FUND -STATE | 51,680- | | 1000 1 |
| | ===== | | |
| MAIL SERVICES | | | 101089 |
| ADMINISTRATIVE TRUST FUND -STATE | 50,000- | | 2021 1 |
| | ===== | | |
| CONTRACTED LEGAL SERVICES | | | 103884 |
| ADMINISTRATIVE TRUST FUND -STATE | 888,504- | | 2021 1 |
| | ===== | | |
| TOTAL: REDUCTION IN ADMINISTRATION/ EXECUTIVE DIRECTION | | | 3300300 |
| TOTAL ISSUE..... | 1,391,266- | | |
| | ===== | | |

AGENCY ISSUE NARRATIVE:
 SCH VIIIIB-2 NARR 22-23 NARRATIVE: IT COMPONENT? NO
 ISSUE TITLE: Schedule VIII-B: Reduction in Operating Categories - Significant Impact

| COL A10 | | |
|---|--------|----------------------|
| SCH VIIIIB-2 | | |
| RED FY22-23 | | |
| 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> |
| STATE FUNDING REDUCTIONS | | 3300000 |
| REDUCTION IN ADMINISTRATION/ EXECUTIVE DIRECTION | | 3300300 |

SUMMARY:

The Department of Management Services (department) proposes a reduction of (\$272,783) within the General Revenue Fund (1000) and (\$1,118,483) within the Administrative Trust Fund in multiple categories. All reductions within this issue impact the Executive Direction and Support Services budget entity (72010100).

IMPACT:

The reduction will have a significant impact and decrease all General Revenue funding within the Executive Direction and Support Services budget entity. This will impact the budget available for maintenance and support for the official portal of the State of Florida - MyFlorida.com, eliminate staff augmentation, website hosting, site support functions and the JavaScript developer.

The reductions in the Administrative Trust Fund have a significant impact to operations in the following manner: the reduction to Salaries and Benefits would limit the ability to maintain staff, the reduction to Expenses will impact the ability to obtain information technology licenses needed for staff to function and perform day-to-day responsibilities, the reduction to Mail Services would limit the ability for the mail vendor to provide full services and cause staff to make mail runs leading to liability issues, and the reduction to Contracted Legal Services would inhibit the General Counsel's Office from obtaining outside legal counsel when certain expertise is needed as legal issues arise.

As a result of this impact, the department has ranked this reduction at 14 of 22 and ranks its level of impact as Significant.

The department has proposed 22 reductions and has ranked them from one to 22 with one having the lowest impact to 22 having the largest impact on operations and services. In addition, the department has ranked its proposed reductions with three levels of impact:

Minimal Impact - reductions reflect cost savings and/or efficiencies that can be reduced with little to no impact.

Moderate Impact - reductions reflect an impact to operations and/or services.

Significant Impact - reductions will have a direct impact on operations and services.

| COL A10 SCH VIIIIB-2 RED FY22-23 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> |
| STATE FUNDING REDUCTIONS | 3300000 |
| REDUCTION IN ADMINISTRATION/ EXECUTIVE DIRECTION | 3300300 |

POSITION DETAIL OF SALARIES AND BENEFITS:

| FTE | BASE RATE | ADDITIVES | BENEFITS | SUBTOTAL | LAPSE % | LAPSED SALARIES AND BENEFITS |
|-----|-----------|-----------|----------|----------|---------|------------------------------|
|-----|-----------|-----------|----------|----------|---------|------------------------------|

A10 - SCH VIIIIB-2 RED FY22-23

CHANGES TO CURRENTLY AUTHORIZED POSITIONS
 OTHER SALARY AMOUNT

| | | | | | | |
|--------------------------------|--|--|--|--|--|----------|
| 1000 GENERAL REVENUE FUND | | | | | | 179,606- |
| 2021 ADMINISTRATIVE TRUST FUND | | | | | | 159,979- |
| | | | | | | ----- |
| | | | | | | 339,585- |
| | | | | | | ===== |

TOTAL: EXEC LEADERSHIP/SUPPRT SVC

1602.00.00.00

BY FUND TYPE

| | | |
|----------------------|------------|------|
| GENERAL REVENUE FUND | 716,816- | 1000 |
| TRUST FUNDS | 1,148,483- | 2000 |
| | ----- | |
| TOTAL PROG COMP..... | 1,865,299- | |
| | ===== | |

| | | COL A10 | | |
|--------------------------------|--------|--------------|--|----------------------|
| | | SCH VIIIIB-2 | | |
| | | RED FY22-23 | | |
| 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 OPERATING | | | | |
| CATEGORIES-FACILITIES | | | | 33V0770 |
| OTHER PERSONAL SERVICES | | | | 030000 |
| SUPERVISION TRUST FUND | -STATE | 268,917- | | 2696 1 |
| | | ===== | | |
| EXPENSES | | | | 040000 |
| SUPERVISION TRUST FUND | -STATE | 500,000- | | 2696 1 |
| | | ===== | | |
| OPERATING CAPITAL OUTLAY | | | | 060000 |
| SUPERVISION TRUST FUND | -STATE | 73,727- | | 2696 1 |
| | | ===== | | |
| SPECIAL CATEGORIES | | | | 100000 |
| ACQUISITION/MOTOR VEHICLES | | | | 100021 |
| SUPERVISION TRUST FUND | -STATE | 150,000- | | 2696 1 |
| | | ===== | | |
| CONTRACTED SERVICES | | | | 100777 |
| SUPERVISION TRUST FUND | -STATE | 2,639,320- | | 2696 1 |
| | | ===== | | |
| LEASE/PURCHASE/EQUIPMENT | | | | 105281 |
| SUPERVISION TRUST FUND | -STATE | 50,000- | | 2696 1 |
| | | ===== | | |
| CAPITOL REPAIRS | | | | 108900 |
| SUPERVISION TRUST FUND | -STATE | 250,000- | | 2696 1 |
| | | ===== | | |
| TOTAL: REDUCE OPERATING | | | | 33V0770 |
| CATEGORIES-FACILITIES | | | | |
| TOTAL ISSUE..... | | 3,931,964- | | |
| | | ===== | | |

| COL A10 | | |
|--------------|--------|----------------------|
| SCH VIIIIB-2 | | |
| RED FY22-23 | | |
| POS | AMOUNT | CODES |
| | | 72000000 |
| | | 72400000 |
| | | 72400100 |
| | | 16 |
| | | <u>1601.00.00.00</u> |
| | | 33V0000 |
| | | 33V0770 |

MANAGEMENT SRVCS, DEPT OF
 PGM: FACILITIES PROGRAM
FACILITIES MANAGEMENT
 GOV OPERATIONS/SUPPORT
GOVERNMENTAL OPERATIONS
 PROGRAM REDUCTIONS
 REDUCE OPERATING
 CATEGORIES-FACILITIES

AGENCY ISSUE NARRATIVE:

SCH VIIIIB-2 NARR 22-23 NARRATIVE:

IT COMPONENT? NO

ISSUE TITLE: Reduction of Services to the Florida Facilities Pool - Significant Impact

SUMMARY:

The Department of Management Services (department) proposes a reduction of (\$3,931,964) in the Facilities Management budget entity (72400100). The proposed reduction of is in various operating categories within the Supervision Trust Fund (2696) used in the operations and maintenance of the Florida Facilities Pool (FFP).

BACKGROUND:

Section 255.249, Florida Statutes, gives the department the responsibility and authority to operate, maintain and repair buildings in the FFP. This responsibility is carried out using both in-house staff as well as private service providers.

IMPACT:

Other Personal Services (OPS):

This reduction will significantly impact the much-needed resources to assist with increased workload in all areas of operations.

Expenses:

The division uses the expense budget to perform the general daily repairs and maintenance of the 112 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 the division's ability to manage energy consumption, which represents the largest single cost in the operation of the FFP. To a large degree, the division's energy management is implemented 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 operating capital outlay budget that is used to purchase the proper tools and equipment needed to perform building repairs and maintenance within the FFP.

Acquisition of Motor Vehicles:

This reduction will eliminate the acquisition of motor vehicle budget, leaving the division unable to acquire vehicles and heavy equipment needed to replenish an aging fleet used in the provision of mission critical services.

Contracted Services:

This reduction will reduce the frequency of contracted facility management services (custodial, lawn care, etc.) in the

| COL A10 | | |
|--------------------------------|--------|----------------------|
| SCH VIIIIB-2 | | |
| RED FY22-23 | | |
| 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 OPERATING | | |
| CATEGORIES-FACILITIES | | 33V0770 |

department's managed facilities. This reduction would severely impact delivery of custodial services at all the division's managed facilities. Some of the custodial services could be assumed by existing division maintenance staff; however, additional custodial responsibilities would dilute our ability to manage day-to-day repairs, leading to increased deferred maintenance items and increase the need for Fixed Capital Outlay funding.

Provisions for Lease or Lease Purchase Equipment:

This reduction will significantly impact our ability to lease needed equipment when unexpected needs and emergencies arise.

State Capitol - Maintenance and Repairs:

This reduction will eliminate the division's ability to address maintenance and repairs in the State Capitol to comply with current building codes.

As a result of this impact, the department has ranked this reduction at 13 of 22 and ranks its level of impact as Significant.

The department has proposed 22 reductions and has ranked them from one to 22 with one having the lowest impact to 22 having the largest impact on operations and services. In addition, the department has ranked its proposed reductions with three levels of impact:

Minimal Impact - reductions reflect cost savings and/or efficiencies that can be reduced with little to no impact.

Moderate Impact - reductions reflect an impact to operations and/or services.

Significant Impact - reductions will have a direct impact on operations and services.

| | | |
|--------------------------------|------------|----------------------|
| TOTAL: GOVERNMENTAL OPERATIONS | | <u>1601.00.00.00</u> |
| BY FUND TYPE | | |
| TRUST FUNDS..... | 3,931,964- | 2000 |
| | ===== | |

| COL A10 | | | |
|-------------------------------------|--------|----------|----------------------|
| SCH VIIIIB-2 | | | |
| RED FY22-23 | | | |
| 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 | 82,040- | 2033 1 |
| | | ===== | |
| SPECIAL CATEGORIES | | | 100000 |
| CONTRACTED SERVICES | | | 100777 |
| ARCHITECTS INCIDENTAL TF | -STATE | 30,000- | 2033 1 |
| | | ===== | |
| CAPITOL REPAIRS | | | 108900 |
| ARCHITECTS INCIDENTAL TF | -STATE | 1,613- | 2033 1 |
| | | ===== | |
| TOTAL: REDUCE BUILDING CONSTRUCTION | | | 33V0430 |
| SERVICES | | | |
| TOTAL ISSUE..... | | 113,653- | |
| | | ===== | |

AGENCY ISSUE NARRATIVE:

SCH VIIIIB-2 NARR 22-23 NARRATIVE: IT COMPONENT? NO
 ISSUE TITLE: Reduce Building Construction Operating Budget - Minimal Impact

Schedule VIIIIB2

SUMMARY:

The Department of Management Services (department) proposes a total reduction of (\$113,653) in the Building Construction budget entity (72400200). The proposed reduction is (\$82,040) in the Expenses Category (040000), (\$30,000) in Contracted Services (100777), and (\$1,613) in Lease or Lease Purchase of Equipment (108900) within the Architects Incidental Trust Fund (2033).

BACKGROUND:

Section 255.31, Florida Statutes, gives the department the authority to manage construction projects for state and local governments.

IMPACT:

The Expenses reduction will require the division to eliminate travel and forego purchasing necessary IT equipment. Without the ability to travel, this will severely limit the division's ability to perform project management oversight.

| COL A10 | | |
|--------------------------------|--------|----------------------|
| SCH VIIIB-2 | | |
| RED FY22-23 | | |
| 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 |

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 deliver contracts and pay requests timely.

As a result of this impact, the department has ranked this reduction at 10 of 22 and ranks its level of impact as Minimal.

The department has proposed 22 reductions and has ranked them from one to 22 with one having the lowest impact to 22 having the largest impact on operations and services. In addition, the department has ranked its proposed reductions with three levels of impact:

Minimal Impact - reductions reflect cost savings and/or efficiencies that can be reduced with little to no impact.
 Moderate Impact - reductions reflect an impact to operations and/or services.
 Significant Impact - reductions will have a direct impact on operations and services.

| | | |
|--------------------------------|----------|----------------------|
| TOTAL: GOVERNMENTAL OPERATIONS | | <u>1601.00.00.00</u> |
| BY FUND TYPE | | |
| TRUST FUNDS..... | 113,653- | 2000 |
| | ===== | |

| COL A10 | | |
|--|---------|----------------------|
| SCH VIIIIB-2 | | |
| RED FY22-23 | | |
| POS | AMOUNT | CODES |
| ----- | | |
| MANAGEMENT SRVCS, DEPT OF | | 72000000 |
| PGM: SUPPORT PROGRAM | | 72600000 |
| <u>FEDERAL PROPERTY ASSIST</u> | | 72600200 |
| GOV OPERATIONS/SUPPORT | | 16 |
| <u>GOVERNMENTAL OPERATIONS</u> | | <u>1601.00.00.00</u> |
| PROGRAM REDUCTIONS | | 33V0000 |
| REDUCE SERVICES IN FEDERAL PROPERTY | | |
| ASSISTANCE | | 33V0090 |
| EXPENSES | | 040000 |
| SURPLUS PROPERTY REVOLV TF-STATE | 13,220- | 2699 1 |
| | ===== | |
| SPECIAL CATEGORIES | | 100000 |
| CONTRACTED SERVICES | | 100777 |
| SURPLUS PROPERTY REVOLV TF-STATE | 11,411- | 2699 1 |
| | ===== | |
| TOTAL: REDUCE SERVICES IN FEDERAL PROPERTY | | 33V0090 |
| ASSISTANCE | | |
| TOTAL ISSUE..... | 24,631- | |
| | ===== | |

AGENCY ISSUE NARRATIVE:

SCH VIIIIB-2 NARR 22-23 NARRATIVE:

IT COMPONENT? NO

ISSUE TITLE: Schedule VIII-B: Reduce Operating Categories in the Division of Specialized Services - Significant Impact

SUMMARY:

The Department of Management Services (department) proposes a reduction of (\$24,631), of which (\$13,220) is in the Expenses (040000) category and (\$11,411) is in the Contracted Services (100777) category, Federal Property Assistance (72600200) budget entity, within the Surplus Property Revolving Trust Fund (2699).

IMPACT:

A reduction would be detrimental to the department. The State Agency for Surplus Property and Law Enforcement Support Office programs are 100% self-sufficient and reliant solely on service fees received by customers for processing and handling of their request for surplus property. These service fees support the federal property programs by providing salaries, expenses, and contractual services. These programs are considered federal assistance to our customers. Funds will be required to market the programs, expand throughout Florida, and increase membership, which were requirements in the General Services Administration State Plan of Action. This reduction would not allow for the basic business needs of the programs to be met.

BACKGROUND:

Chapter 217, Florida Statutes, gives the department the responsibility and authority to acquire and distribute United States Department of Defense, and federally owned tangible personal property that is declared excess or surplus by the military and federal government. This reduction will have a critical impact on the department's ability to perform the federal requirements and general duties for the Federal Property Assistance Programs.

| COL A10 | | |
|-------------------------------------|--------|----------------------|
| SCH VIIIIB-2 | | |
| RED FY22-23 | | |
| POS | AMOUNT | CODES |
| MANAGEMENT SRVCS, DEPT OF | | 72000000 |
| PGM: SUPPORT PROGRAM | | 72600000 |
| <u>FEDERAL PROPERTY ASSIST</u> | | 72600200 |
| GOV OPERATIONS/SUPPORT | | 16 |
| <u>GOVERNMENTAL OPERATIONS</u> | | <u>1601.00.00.00</u> |
| PROGRAM REDUCTIONS | | 33V0000 |
| REDUCE SERVICES IN FEDERAL PROPERTY | | |
| ASSISTANCE | | 33V0090 |

As a result of this impact, the department has ranked this reduction at 9 of 22 and ranks its level of impact as Significant.

The department has proposed 22 reductions and has ranked them from one to 22 with one having the lowest impact to 22 having the largest impact on operations and services. In addition, the department has ranked its proposed reductions with three levels of impact:

Minimal Impact - reductions reflect cost savings and/or efficiencies that can be reduced with little to no impact.
 Moderate Impact - reductions reflect an impact to operations and/or services.
 Significant Impact - reductions will have a direct impact on operations and services.

| | | |
|--|-----------------|----------------------|
| TOTAL: GOVERNMENTAL OPERATIONS | | <u>1601.00.00.00</u> |
| BY FUND TYPE | | |
| TRUST FUNDS..... | 24,631- | 2000 |
| | ===== | |
| <u>MOTOR VEHIC/WATERCRAFT MGT</u> | | 72600300 |
| GOV OPERATIONS/SUPPORT | | 16 |
| <u>GOVERNMENTAL OPERATIONS</u> | | <u>1601.00.00.00</u> |
| PROGRAM REDUCTIONS | | 33V0000 |
| REDUCE MOTOR VEHICLE AND WATERCRAFT | | 33V0500 |
| SPECIAL CATEGORIES | | 100000 |
| CONTRACTED SERVICES | | 100777 |
| OPERATING TRUST FUND | -STATE 180,000- | 2510 1 |
| | ===== | |
| FLEET MANAGEMENT SYSTEM | | 100796 |
| OPERATING TRUST FUND | -STATE 6,603- | 2510 1 |
| | ===== | |
| TOTAL: REDUCE MOTOR VEHICLE AND WATERCRAFT | | 33V0500 |
| TOTAL ISSUE..... | 186,603- | |
| | ===== | |

| COL A10 | | |
|-------------------------------------|--------|----------------------|
| SCH VIIIIB-2 | | |
| RED FY22-23 | | |
| POS | AMOUNT | CODES |
| | | 72000000 |
| MANAGEMENT SRVCS, DEPT OF | | 72600000 |
| PGM: SUPPORT PROGRAM | | 72600300 |
| <u>MOTOR VEHIC/WATERCRAFT MGT</u> | | 16 |
| GOV OPERATIONS/SUPPORT | | <u>1601.00.00.00</u> |
| <u>GOVERNMENTAL OPERATIONS</u> | | 33V0000 |
| PROGRAM REDUCTIONS | | 33V0500 |
| REDUCE MOTOR VEHICLE AND WATERCRAFT | | |

AGENCY ISSUE NARRATIVE:

SCH VIIIIB-2 NARR 22-23 NARRATIVE: IT COMPONENT? NO

ISSUE TITLE: Schedule VIII-B: Reduction to Motor Vehicle/Watercraft Management Operating Budget in the Division of Specialized Services - Minimal Impact

SUMMARY:

The Department of Management Services (department) proposes a reduction of (\$186,603), of which (\$180,000) is in the Contracted Services (100777) category and (\$6,603) is in the Fleet Management System (100796) category, Motor Vehicle and Watercraft Management (72600300) budget entity, within the Operating Trust Fund (2510).

IMPACT:

This is budget that is no longer necessary due to the new procurement and better reflects the operations of the program.

BACKGROUND:

287.16, Florida Statutes, gives the department the responsibility to obtain the most effective and efficient use of motor vehicles, watercraft, and aircraft for state purposes and the authority to require any state agency to keep records and make reports regarding aircraft and motor vehicles. Maintenance and support for the fleet management system will be provided by the Bureau of Fleet Management (bureau) and the Office of Information Technology (OIT), within the department, therefore funds appropriated for staff augmentation for these services are no longer needed. The proposed reduction for the Fleet Management System category is due to an annual rate decrease of 1.43 percent for the fleet management system.

As a result of this impact, the department has ranked this reduction at 1 of 22 and ranks its level of impact as Minimal.

The department has proposed 22 reductions and has ranked them from one to 22 with one having the lowest impact to 22 having the largest impact on operations and services. In addition, the department has ranked its proposed reductions with three levels of impact:

Minimal Impact - reductions reflect cost savings and/or efficiencies that can be reduced with little to no impact.

Moderate Impact - reductions reflect an impact to operations and/or services.

Significant Impact - reductions will have a direct impact on operations and services.

| | | |
|--------------------------------|----------|----------------------|
| TOTAL: GOVERNMENTAL OPERATIONS | | <u>1601.00.00.00</u> |
| BY FUND TYPE | | |
| TRUST FUNDS..... | 186,603- | 2000 |
| | ===== | |

| COL A10 | | |
|-----------------------------------|---------|----------------------|
| SCH VIIIIB-2 | | |
| RED FY22-23 | | |
| 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 STATE PURCHASING OPERATING | | |
| BUDGET | | 33V0980 |
| SPECIAL CATEGORIES | | 100000 |
| CONTRACTED LEGAL SERVICES | | 103884 |
| OPERATING TRUST FUND | -STATE | 2510 1 |
| | 30,000- | |
| | ===== | |

AGENCY ISSUE NARRATIVE:

SCH VIIIIB-2 NARR 22-23 NARRATIVE: IT COMPONENT? NO

ISSUE TITLE: Schedule VIII-B: Contracted Legal Services Funding Reduction - Moderate Impact

SUMMARY:

The Department of Management Services (department), Division of State Purchasing proposes a reduction of (\$30,000) in the Purchasing Oversight budget entity (72600400) in the Contracted Legal Services category (103884) within the Operating Trust Fund (2510). This appropriation is used by the department to provide outside legal representation for potential litigation.

IMPACT:

The reduction will eliminate the base budget authority in the Contracted Legal Services category needed to provide outside legal representation for potential litigation. If outside legal representation is needed, the department will need to use funds from the Contracted Services (100777) category, resulting in the reduction or elimination of services currently funded in the Contracted Services category.

As a result of this impact, the department has ranked this reduction at 4 of 22 and ranks its level of impact as Moderate.

The department has proposed 22 reductions and has ranked them from one to 22 with one having the lowest impact to 22 having the largest impact on operations and services. In addition, the department has ranked its proposed reductions with three levels of impact:

Minimal Impact - reductions reflect cost savings and/or efficiencies that can be reduced with little to no impact.

Moderate Impact - reductions reflect an impact to operations and/or services.

Significant Impact - reductions will have a direct impact on operations and services.

| COL A10 | | | |
|-------------------------------------|--------|------------|----------------------|
| SCH VIIIIB-2 | | | |
| RED FY22-23 | | | |
| 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> |
| STATE FUNDING REDUCTIONS | | | 3300000 |
| REDUCE MYFLORIDA MARKETPLACE (MFMP) | | | |
| CONTRACT | | | 3300610 |
| SPECIAL CATEGORIES | | | 100000 |
| WEB-BASED E-PROCUREMENT SYS | | | 104502 |
| OPERATING TRUST FUND | -STATE | 1,585,150- | 2510 1 |
| | | ===== | |

AGENCY ISSUE NARRATIVE:

SCH VIIIIB-2 NARR 22-23 NARRATIVE:

IT COMPONENT? NO

ISSUE TITLE: Schedule VIII-B: Web-Based E-Procurement System Funding Reduction - Significant Impact

SUMMARY:

The Department of Management Services (department) proposes a reduction of (\$1,585,150) in the Web-based E-Procurement System (104502) category, Purchasing Oversight (72600400) budget entity, within the Operating Trust Fund (2510).

IMPACT:

This reduction will require the department to eliminate MyFloridaMarketPlace (MFMP) billing and collection services and training services. There will also be a reduction to the MFMP service center operations and testing/release management services. This reduction will impact services provided by the department to state agencies, eligible users, and vendors that do business with the state. The elimination of billing and collection services will result in a significant decrease in the collection of transaction fees, totaling over \$18 million annually, which currently fund the Division of State Purchasing and the MFMP contract. The elimination of training services and reduction in service center operations and testing/release management services will be detrimental to services provided to vendors doing business with the state, as well as the department's ability to provide training and technical assistance to the state agencies that use MFMP. These services are provided by a contracted service provider; the department does not have sufficient positions to support these activities.

As a result of this impact, the department has ranked this reduction at 17 of 22 and ranks its level of impact as Significant.

The department has proposed 22 reductions and has ranked them from one to 22 with one having the lowest impact to 22 having the largest impact on operations and services. In addition, the department has ranked its proposed reductions with three levels of impact:

Minimal Impact - reductions reflect cost savings and/or efficiencies that can be reduced with little to no impact.

Moderate Impact - reductions reflect an impact to operations and/or services.

Significant Impact - reductions will have a direct impact on operations and services.

| | | COL A10 | |
|---|-----------------|--------------|----------------------|
| | | SCH VIIIIB-2 | |
| | | RED FY22-23 | |
| 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> |
| TOTAL: GOVERNMENTAL OPERATIONS | | | <u>1601.00.00.00</u> |
| BY FUND TYPE | | | |
| TRUST FUNDS..... | 1,615,150- | ===== | 2000 |
| <u>PRIVATE PRISON MONITORING</u> | | | 72600800 |
| PUBLIC PROTECTION | | | 12 |
| <u>ADULT PRISONS</u> | | | <u>1206.00.00.00</u> |
| STATE FUNDING REDUCTIONS | | | 3300000 |
| REDUCE PRIVATE PRISON MONITORING | | | 3308020 |
| SALARIES AND BENEFITS | | | 010000 |
| GENERAL REVENUE FUND | -STATE 286,048- | | 1000 1 |
| OPERATING TRUST FUND | -STATE 9,450- | | 2510 1 |
| TOTAL APPRO..... | 295,498- | ===== | |
| EXPENSES | | | 040000 |
| GENERAL REVENUE FUND | -STATE 18,000- | | 1000 1 |
| OPERATING TRUST FUND | -STATE 2,356- | | 2510 1 |
| TOTAL APPRO..... | 20,356- | ===== | |
| SPECIAL CATEGORIES | | | 100000 |
| CONTRACTED LEGAL SERVICES | | | 103884 |
| GENERAL REVENUE FUND | -STATE 23,169- | ===== | 1000 1 |
| ADMINISTRATIVE OVERHEAD | | | 105002 |
| GENERAL REVENUE FUND | -STATE 142,823- | ===== | 1000 1 |
| TOTAL: REDUCE PRIVATE PRISON MONITORING | | | 3308020 |
| TOTAL ISSUE..... | 481,846- | ===== | |

| COL A10 | | |
|----------------------------------|--------|----------------------|
| SCH VIIIIB-2 | | |
| RED FY22-23 | | |
| 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> |
| STATE FUNDING REDUCTIONS | | 3300000 |
| REDUCE PRIVATE PRISON MONITORING | | 3308020 |

AGENCY ISSUE NARRATIVE:

SCH VIIIIB-2 NARR 22-23 NARRATIVE:

IT COMPONENT? NO

ISSUE TITLE: Schedule VIII-B: Reduction of Services to Private Prison Monitoring in the Division of Specialized Services
 - Significant Impact

SUMMARY:

The Department of Management Services (department) proposes a reduction of (\$481,846) in the Private Prison Monitoring (72600800) budget entity, of which (\$286,048) is in the Salaries and Benefits (010000) category, (\$18,000) is in the Expenses (040000) category, (\$23,169) is in the Contracted Legal Services (103884) category, and (\$142,823) is in the Administrative Overhead (105002) category, within the General Revenue Fund (1000) and (\$9,450) is in the Salaries and Benefits (010000) category and (\$2,356) is in the Expenses (040000) category, within the Operating Trust Fund (2510).

IMPACT:

A reduction in the Salaries and Benefits operating category will result in the loss of personnel which will critically impact the department's ability to perform statutorily required duties. This reduction will affect the ability to perform the day-to-day operations of the Bureau of Private Prison Monitoring. The seven on-site contract monitors will no longer travel to other facilities (monthly) to provide additional oversight and monitor contract compliance as recommended in the department's private prison monitoring audit findings. The supervisors will no longer be able to conduct on-site quarterly audits. These reductions will result in critically reducing the monitoring requirements pursuant to Chapter 957, Florida Statutes. This will also remove the ability for subscriptions and dues. A reduction in administrative overhead will have a critical impact with the loss of all the administrative services provided by the department. A reduction in contracted legal services will impact the ability to obtain outside legal representation.

As a result of this impact, the department has ranked this reduction at 15 of 22 and ranks its level of impact as Significant.

The department has proposed 22 reductions and has ranked them from one to 22 with one having the lowest impact to 22 having the largest impact on operations and services. In addition, the department has ranked its proposed reductions with three levels of impact:

Minimal Impact - reductions reflect cost savings and/or efficiencies that can be reduced with little to no impact.

Moderate Impact - reductions reflect an impact to operations and/or services.

Significant Impact - reductions will have a direct impact on operations and services.

| COL A10 | | CODES |
|----------------------------------|--------|----------------------|
| 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> |
| STATE FUNDING REDUCTIONS | | 3300000 |
| REDUCE PRIVATE PRISON MONITORING | | 3308020 |

POSITION DETAIL OF SALARIES AND BENEFITS:

| | FTE | BASE RATE | ADDITIVES | BENEFITS | SUBTOTAL | LAPSE % | LAPSED SALARIES AND BENEFITS |
|---|-----|-----------|-----------|----------|----------|---------|------------------------------|
| A10 - SCH VIIIIB-2 RED FY22-23 | | | | | | | |
| CHANGES TO CURRENTLY AUTHORIZED POSITIONS | | | | | | | |
| OTHER SALARY AMOUNT | | | | | | | |
| 1000 GENERAL REVENUE FUND | | | | | | | 286,048- |
| 2510 OPERATING TRUST FUND | | | | | | | 9,450- |
| | | | | | | | ----- |
| | | | | | | | 295,498- |
| | | | | | | | ===== |

| | | | | | | | |
|----------------------|--|----------|--|--|--|--|----------------------|
| TOTAL: ADULT PRISONS | | | | | | | <u>1206.00.00.00</u> |
| BY FUND TYPE | | | | | | | |
| GENERAL REVENUE FUND | | 470,040- | | | | | 1000 |
| TRUST FUNDS | | 11,806- | | | | | 2000 |
| | | ----- | | | | | |
| TOTAL PROG COMP..... | | 481,846- | | | | | ===== |

| COL A10 | | |
|------------------------------------|----------|----------------------|
| SCH VIIIIB-2 | | |
| RED FY22-23 | | |
| POS | AMOUNT | CODES |
| | | 72000000 |
| | | 72750000 |
| | | 72750200 |
| | | 16 |
| | | <u>1601.00.00.00</u> |
| | | 33V0000 |
| | | |
| | | 33V0570 |
| | | 100000 |
| | | 100701 |
| | | |
| STATE EMPLOY HEALTH INS TRF -STATE | 200,000- | 2668 1 |

AGENCY ISSUE NARRATIVE:

SCH VIIIIB-2 NARR 22-23 NARRATIVE: IT COMPONENT? NO

ISSUE TITLE: Schedule VIII-B: Reduction in Post Payment Claims Audit Services - Minimal Impact

SUMMARY:

The Department of Management Services (department), Division of State Group Insurance (DSGI) proposes a reduction of (\$200,000) from the Special Categories: Post Payment Claims Audit appropriation category (100701) within the State Employees' Group Health Insurance Trust Fund.

IMPACT:

Based on the vendor's audit findings, which have yielded lower than projected amounts of claim overpayments, excess budget is available in the post payment claims audit appropriation category. This reduction will not cause the state to be in noncompliance with contract terms and conditions and will not limit the ability of the vendor to recover all overpayments identified through the project.

As a result of this impact, the department has ranked this reduction at 2 of 22 and ranks its level of impact as Minimal.

The department has proposed 22 reductions and has ranked them from one to 22 with one having the lowest impact to 22 having the largest impact on operations and services. In addition, the department has ranked its proposed reductions with three levels of impact:

Minimal Impact - reductions reflect cost savings and/or efficiencies that can be reduced with little to no impact.

Moderate Impact - reductions reflect an impact to operations and/or services.

Significant Impact - reductions will have a direct impact on operations and services.

| COL A10 | | |
|------------------------------------|------------|----------------------|
| SCH VIIIIB-2 | | |
| RED FY22-23 | | |
| 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 |
| SPECIAL CATEGORIES | | 100000 |
| ASO CONTRACT/HEALTH INS | | 101520 |
| STATE EMPLY HEALTH INS TF -STATE | 6,347,317- | 2668 1 |

AGENCY ISSUE NARRATIVE:

SCH VIIIIB-2 NARR 22-23 NARRATIVE:

IT COMPONENT? NO

ISSUE TITLE: Schedule VIII-B: Reduce the Administrative Service Only Contract for Health Insurance - Significant

SUMMARY:

The Department of Management Services (department), Division of State Group Insurance (DSGI) proposes a non-recurring reduction of budget authority in the amount of \$6,347,317 from the Administrative Services Only (ASO) Contract for Health Insurance category (101520) in the State Employees' Group Health Insurance Trust Fund (2668) within the Insurance Benefits Administration budget entity (72750200).

IMPACT:

If taken, this reduction would significantly impact services currently provided to all Plan participants, if the vendor agrees to modify the existing contract. To meet this reduction, 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. In addition to the above-referenced ASO services, cost containment programs are included. 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. Medical claims costs are projected to be \$2.3 billion for Fiscal Year 2022-23 with dropping containment programs this amount could increase significantly. This reduction could also potentially result in a reduction of service level performance guarantees (i.e., service provider staff reductions) which may result in claims processing errors and increased member appeals, both costly to the program.

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. 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 reduction at 21 of 22 and ranks its level of impact as Significant.

The department has proposed 22 reductions and has ranked them from one to 22 with one having the lowest impact to 22 having the largest impact on operations and services. In addition, the department has ranked its proposed reductions with

| COL A10 | | |
|------------------------------------|--------|----------------------|
| SCH VIIIIB-2 | | |
| RED FY22-23 | | |
| 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 |

three levels of impact:

Minimal Impact - reductions reflect cost savings and/or efficiencies that can be reduced with little to no impact.

Moderate Impact - reductions reflect an impact to operations and/or services.

Significant Impact - reductions will have a direct impact on operations and services.

| | | |
|--------------------------------|------------|----------------------|
| TOTAL: GOVERNMENTAL OPERATIONS | | <u>1601.00.00.00</u> |
| BY FUND TYPE | | |
| TRUST FUNDS..... | 6,547,317- | 2000 |
| | ===== | |

| | | |
|-----------------------------------|----------|----------------------|
| <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 |
| SALARIES AND BENEFITS | | 010000 |
| GENERAL REVENUE FUND | -STATE | 1000 1 |
| | 226,831- | |
| | ===== | |

AGENCY ISSUE NARRATIVE:

SCH VIIIIB-2 NARR 22-23 NARRATIVE:

IT COMPONENT? NO

ISSUE TITLE: Schedule VIII-B: Reduce Salaries and Benefits - General Revenue - Significant

SUMMARY:

The Department of Management Services (department) proposes Salaries and Benefits reductions of \$226,831 in General Revenue by offering up a portion of the contingency that is used to subsidize the Police and Firefighters Premium Tax Trust Fund in the event there is shortfall in investment earnings.

IMPACT:

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.

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

| COL A10 SCH VIIIIB-2 RED FY22-23 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 |

department'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 were not sufficient to fund the department's daily oversight and monitoring responsibilities. Therefore, the department received funding in General Revenue to subsidize the shortfall in the Police and Firefighters Premium Tax Trust Fund.

As a result of this impact, the department has ranked this reduction at 11 of 22 and ranks its level of impact as Significant.

The department has proposed 22 reductions and has ranked them from one to 22 with one having the lowest impact to 22 having the largest impact on operations and services. In addition, the department has ranked its proposed reductions with three levels of impact:

- Minimal Impact - reductions reflect cost savings and/or efficiencies that can be reduced with little to no impact.
- Moderate Impact - reductions reflect an impact to operations and/or services.
- Significant Impact - reductions will have a direct impact on operations and services.

POSITION DETAIL OF SALARIES AND BENEFITS:

| | FTE | BASE RATE | ADDITIVES | BENEFITS | SUBTOTAL | LAPSE % | LAPSED SALARIES AND BENEFITS |
|---|-----|-----------|-----------|----------|----------|---------|------------------------------|
| A10 - SCH VIIIIB-2 RED FY22-23 | | | | | | | |
| CHANGES TO CURRENTLY AUTHORIZED POSITIONS | | | | | | | |
| OTHER SALARY AMOUNT | | | | | | | |
| 1000 GENERAL REVENUE FUND | | | | | | | 226,831- |
| | | | | | | | ----- |
| | | | | | | | 226,831- |
| | | | | | | | ===== |

| COL A10 | | | |
|--------------------------------------|----------|--|----------------------|
| SCH VIIIIB-2 | | | |
| RED FY22-23 | | | |
| 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 OPERATING CATEGORIES - | | | |
| RETIREMENT | | | 33V0740 |
| EXPENSES | | | 040000 |
| OPERATING TRUST FUND -STATE | 83,161- | | 2510 1 |
| OPTIONAL RETIREMENT PRG TF-STATE | 2,801- | | 2517 1 |
| POL/FIREMEN PREMIUM TAX TF-STATE | 10,714- | | 2532 1 |
| | ----- | | |
| TOTAL APPRO..... | 96,676- | | |
| | ===== | | |
| OPERATING CAPITAL OUTLAY | | | 060000 |
| OPERATING TRUST FUND -STATE | 100,000- | | 2510 1 |
| | ===== | | |
| SPECIAL CATEGORIES | | | 100000 |
| LEASE/PURCHASE/EQUIPMENT | | | 105281 |
| OPERATING TRUST FUND -STATE | 3,357- | | 2510 1 |
| | ===== | | |
| TOTAL: REDUCE OPERATING CATEGORIES - | | | 33V0740 |
| RETIREMENT | | | |
| TOTAL ISSUE..... | 200,033- | | |
| | ===== | | |

AGENCY ISSUE NARRATIVE:

SCH VIIIIB-2 NARR 22-23 NARRATIVE:

IT COMPONENT? NO

ISSUE TITLE: Schedule VIII-B: Reductions to Operating Categories - Various Trust Funds - Moderate

SUMMARY:

The Department of Management Services (department) proposes recurring reductions to the Division of Retirement Operations consisting of \$200,033 in various trust funds.

IMPACT:

This reduction eliminates the recurring Expense budget appropriated in the Fiscal Year 2020-21 General Appropriations Act for the onboarding of 13 full-time equivalent (FTE) in the department's Contact Center as well as reduces funding for office supplies and toner in several trust funds. In addition, this issue eliminates Operating Capital Outlay (OCO) budget, three-quarters of which the department intends to transfer to Expense in its Fiscal Year 2022-23 Legislative Budget Request pursuant to the recent increase to the Operating Capital Outlay threshold from \$1,000 to \$5,000. If the OCO reduction is taken, the department will not be able to utilize those funds appropriated within the Operating Capital

| COL A10 | | |
|-----------------------------------|--------|----------------------|
| SCH VIIIIB-2 | | |
| RED FY22-23 | | |
| 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 OPERATING CATEGORIES - | | |
| RETIREMENT | | 33V0740 |

Outlay category due to the threshold increase.

In accordance with chapters 121, 175, and 185, Florida Statutes, as well as sections 112.05, 112.363, and 250.22, Florida Statutes, the department administers the state retirement plans, including the Florida Retirement System (FRS). The FRS is the fourth-largest public state retirement system in the nation, one that is comprised of more than one million active and retired employees of more than 1,000 agencies with the state, counties, district school boards, universities, community colleges, cities, metropolitan planning organizations, charter schools, and special districts. The department also administers the State University System Optional Retirement Program, the Senior Management Service Optional Annuity Program, the Retiree Health Insurance Subsidy Program, and the Municipal Police and Firefighters' Premium Tax Program. Additionally, the department provides supplemental retirement benefit payments of approximately \$16.3 million to 730 Florida National Guard retirees, maintains oversight of the actuarially sound funding of 489 local government retirement systems, pursuant to Part. VII, Chapter 112, Florida Statutes, and distributes approximately \$171 million annually to participating police and fire pension plans under Chapters 175 & 185, Florida Statutes.

As a result of this impact, the department has ranked this reduction at 7 of 22 and ranks its level of impact as Moderate.

The department has proposed 22 reductions and has ranked them from one to 22 with one having the lowest impact to 22 having the largest impact on operations and services. In addition, the department has ranked its proposed reductions with three levels of impact:

Minimal Impact - reductions reflect cost savings and/or efficiencies that can be reduced with little to no impact.

Moderate Impact - reductions reflect an impact to operations and/or services.

Significant Impact - reductions will have a direct impact on operations and services.

| | | |
|------------------------------------|----------|---------|
| REDUCTION TO RETIREMENT OPERATIONS | | |
| SIGNIFICANT | | 33V0780 |
| SALARIES AND BENEFITS | | 010000 |
| POL/FIREMEN PREMIUM TAX TF-STATE | 174,844- | 2532 1 |
| | ===== | |

| | | COL A10 | |
|---|--------|--------------|----------------------|
| | | SCH VIIIIB-2 | |
| | | RED FY22-23 | |
| 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 |
| REDUCTION TO RETIREMENT OPERATIONS | | | |
| SIGNIFICANT | | | 33V0780 |
| EXPENSES | | | 040000 |
| OPERATING TRUST FUND | -STATE | 872,872- | 2510 1 |
| | | ===== | |
| SPECIAL CATEGORIES | | | 100000 |
| CONTRACTED SERVICES | | | 100777 |
| GENERAL REVENUE FUND | -STATE | 65,500- | 1000 1 |
| OPERATING TRUST FUND | -STATE | 609,409- | 2510 1 |
| OPTIONAL RETIREMENT PRG TF | -STATE | 26,000- | 2517 1 |
| POL/FIREMEN PREMIUM TAX TF | -STATE | 217,605- | 2532 1 |
| RET HLTH INS SUBSIDY TF | -STATE | 40,000- | 2583 1 |
| | | ----- | |
| TOTAL APPRO..... | | 958,514- | |
| | | ===== | |
| CONTRACTED LEGAL SERVICES | | | 103884 |
| OPERATING TRUST FUND | -STATE | 148,891- | 2510 1 |
| | | ===== | |
| TOTAL: REDUCTION TO RETIREMENT OPERATIONS | | | 33V0780 |
| SIGNIFICANT | | | |
| TOTAL ISSUE..... | | 2,155,121- | |
| | | ===== | |

AGENCY ISSUE NARRATIVE:

SCH VIIIIB-2 NARR 22-23 NARRATIVE:

IT COMPONENT? NO

ISSUE TITLE: Schedule VIII-B: Reductions to Operating Categories - General Revenue and Various Trust Funds - Significant

SUMMARY:

The Department of Management Services (department) proposes recurring reductions to Division of Retirement Operations consisting of \$65,500 General Revenue and \$2,089,621 in various trust funds.

IMPACT:

Salaries and Benefits

This issue reduces Salaries and Benefits in the Municipal Police and Firefighters Premium Tax Trust Fund which would reduce the department's ability to maintain appropriate staffing levels during peak seasons. With these reductions, the department would not be able to timely provide oversight of the actuarially sound funding of 489 local government

| COL A10 | | |
|------------------------------------|--------|----------------------|
| SCH VIIIIB-2 | | |
| RED FY22-23 | | |
| 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 |
| REDUCTION TO RETIREMENT OPERATIONS | | |
| SIGNIFICANT | | 33V0780 |

retirement systems.

Postage and Printing

Approximately 18,000 retirees would no longer receive paper warrants in the mail, who, if they did not sign up for direct deposit, would not receive their benefit payments. This reduction would also impact the printing and distribution of retirement related information including: The mailing of the Internal Revenue Service's Form 1099-R for retirement distributions to over 450,000 retirees, Florida Retirement System (FRS) retiree newsletters, retirement guides, brochures, and booklets. This reduction would also impact the daily mailings of the department of more than 24,000 retiree packets, 73,000 security letters, 4,900 Deferred Retirement Option Program (DROP) Termination packets, and 2,600 Required Minimum Distribution letters, as well as the daily outgoing responses to membership for the department.

SUNCOM Billing

The department's telephony, VOIP, and Contact Center integrated technologies would be severely impacted.

Actuarial and Investment Consulting Services

The department contracts with a vendor to perform the annual FRS actuarial valuation and special actuarial studies requested by the Legislature, general actuarial consulting services for the FRS, and to assist in reviewing each Local Government plan on a triennial basis as required by Florida Statute. The department also contracts with a vendor to perform actuarial valuations and general consulting services for municipal police and firefighter pension plans that participate under the strict provisions of Chapters 175 & 185, F.S. The reduction to this category would reduce the department's ability to conduct special actuarial studies which may be requested by the legislature related to proposed or enacted retirement program changes. Failure to produce actuarially determined contribution rates could affect the bond rating for the State of Florida if the rating agencies and bond underwriters view the change as a trend. Failure to produce pension financial statements that are compliant with generally accepted accounting principles (GAAP) means that the State of Florida and all other public employers' financial statements could not comply with the Governmental Accounting Standards Board (GASB) requirements creating a basis for a qualified audit opinion that could result in public employers being unable to rely upon their financial statements for bonding, federal reporting, and other requirements. This reduction would impact the ability of the department to review all Local Government Plans at least once every three years as required by statute. This issue reduces budget used for actuarial valuations and general consulting services for municipal police and firefighter pension plans that participate under the strict provisions of Chapters 175 & 185, F.S. Finally, the department would not be able to contract with a firm that does quarterly and annual investment reviews of and ad-hoc consulting for the State University System Optional Retirement Program (SUSORP) and the Senior Management Service Optional Annuity Program (SMSOAP) provider investment options.

Information Technology Services

In fiscal year 2019-20, the department procured Independent Verification and Validation (IV&V) consulting services, and Security Vulnerability Assessment consulting services to oversee IT projects and initiatives and to assess the security of IRIS and its integrated systems. The intent of the department was to continue these services into future fiscal years. This issue would reduce necessary funding to continue IV&V and Security Vulnerability Assessment consulting services.

| COL A10 SCH VIIIIB-2 RED FY22-23 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 |
| REDUCTION TO RETIREMENT OPERATIONS | |
| SIGNIFICANT | 33V0780 |

This reduction in IT services would inhibit the department's ability to implement statutorily required changes, deploy IT enhancements, and provide contractual oversight thereby creating a significant reduction in customer service and put the state at risk of not meeting the retirement needs to over one million customers.

Contracted Legal Services

This reduction would seriously impede the department's ability to be timely in the handling of legal matters. Therefore, in the event there is any litigation involving the department, 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 this impact, the department has ranked this reduction at 18 of 22 and ranks its level of impact as Significant.

The department has proposed 22 reductions and has ranked them from one to 22 with one having the lowest impact to 22 having the largest impact on operations and services. In addition, the department has ranked its proposed reductions with three levels of impact:

- Minimal Impact - reductions reflect cost savings and/or efficiencies that can be reduced with little to no impact.
- Moderate Impact - reductions reflect an impact to operations and/or services.
- Significant Impact - reductions will have a direct impact on operations and services.

POSITION DETAIL OF SALARIES AND BENEFITS:

| FTE | BASE RATE | ADDITIVES | BENEFITS | SUBTOTAL | LAPSE % | LAPSED SALARIES AND BENEFITS |
|---|-----------|-----------|----------|----------|---------|------------------------------|
| A10 - SCH VIIIIB-2 RED FY22-23 | | | | | | |
| CHANGES TO CURRENTLY AUTHORIZED POSITIONS | | | | | | |
| OTHER SALARY AMOUNT | | | | | | |
| 2532 POL/FIREMEN PREMIUM TAX TF | | | | | | 174,844- |
| | | | | | | ----- |
| | | | | | | 174,844- |
| | | | | | | ===== |

| COL A10 | | |
|--|------------|----------------------|
| SCH VIIIIB-2 | | |
| RED FY22-23 | | |
| 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 | 292,331- | 1000 |
| TRUST FUNDS | 2,289,654- | 2000 |
| | ----- | |
| TOTAL PROG COMP..... | 2,581,985- | |
| | ===== | |
| <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 |
| EXPENSES | | 040000 |
| STATE PERSONNEL SYSTEM TF -STATE | 73,136- | 2678 1 |
| | ===== | |
| SPECIAL CATEGORIES | | 100000 |
| CONTRACTED SERVICES | | 100777 |
| STATE PERSONNEL SYSTEM TF -STATE | 17,696- | 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..... | 190,832- | |
| | ===== | |

AGENCY ISSUE NARRATIVE:
 SCH VIIIIB-2 NARR 22-23 NARRATIVE: IT COMPONENT? NO
 ISSUE TITLE: Schedule VIII-B: Reductions to Operating Categories - Significant

SUMMARY:
 The Department of Management Services (department) proposes a reduction of (\$73,136) in the Expenses (040000) Category, (\$17,696) in the Contracted Services (100777) Category, and (\$100,000) in the Contracted Legal Services (103884)

| COL A10 | | |
|-----------------------------------|--------|----------------------|
| SCH VIIIIB-2 | | |
| RED FY22-23 | | |
| 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 |

Category. All categories are within the State Personnel Policy Administration (72750400) budget entity and State Personnel System Trust Fund (2678).

IMPACT:

A Reduction of this amount in Contracted Legal Services Category in the Division of State Human Resource Management (HRM) would eliminate this appropriation in its entirety. This recurring reduction would negatively impact the state if the legal requirements are not properly met as required by statute.

Reducing the Expense Category in the Division of State Human Resource Management will drastically impact delivery of the Program services, as almost 50 percent of the appropriation is allocated for office rent.

Reducing Contracted Services Category in the Division of State Human Resource Management will drastically impact delivery of the Program services, as the remaining balance 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.

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 106,160 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.

HRM has taken a highly aggressive approach in reviewing its recurring expenditures to maximize the use of resources, while minimizing the overall cost. The current level of appropriations only provides for a minimum level of services to agencies, legislative staff, and Governor's Office staff on human resource issues and to establish and maintain an equitable and lawful employment system for the State of Florida.

In addition, section 20.22(3) provides that "The duties of the Chief Labor Negotiator shall be determined by the Secretary of Management Services, and must include, but need not be limited to, the representation of the Governor as the public employer in collective bargaining negotiations pursuant to the provisions of Chapter 447." HRM serves in this capacity negotiating the wages, hours, and terms and conditions of employment and managing 10 collective bargaining contracts accordingly. There are five labor organizations representing employees whose positions are assigned to one of 13 collective bargaining units within the State Personnel System. To assist with these responsibilities, the Department of Management Services contracts with a local law firm which is paid from the Special Categories - Contracted Legal Services.

As a result of this impact, the department has ranked this reduction at 12 of 22 and ranks its level of impact as

| COL A10 | | |
|-----------------------------------|--------|----------------------|
| SCH VIIIIB-2 | | |
| RED FY22-23 | | |
| 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 |

Significant.

The department has proposed 22 reductions and has ranked them from one to 22x with one having the lowest impact to 22 having the largest impact on operations and services. In addition, the department has ranked its proposed reductions with three levels of impact:

Minimal Impact - reductions reflect cost savings and/or efficiencies that can be reduced with little to no impact.

Moderate Impact - reductions reflect an impact to operations and/or services.

Significant Impact - reductions will have a direct impact on operations and services.

| | | |
|--------------------------------------|----------|----------------------|
| TOTAL: GOVERNMENTAL OPERATIONS | | <u>1601.00.00.00</u> |
| BY FUND TYPE | | |
| TRUST FUNDS..... | 190,832- | 2000 |
| | ===== | |
| <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 |
| OTHER PERSONAL SERVICES | | 030000 |
| STATE PERSONNEL SYSTEM TF -STATE | 8,000- | 2678 1 |
| | ===== | |
| EXPENSES | | 040000 |
| STATE PERSONNEL SYSTEM TF -STATE | 12,300- | 2678 1 |
| | ===== | |
| TOTAL: REDUCE PEOPLE FIRST OPERATING | | 33V0750 |
| EXPENDITURES | | |
| TOTAL ISSUE..... | 20,300- | |
| | ===== | |

| COL A10 SCH VIIIIB-2 RED FY22-23 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 22-23 NARRATIVE:

IT COMPONENT? NO

ISSUE TITLE: Schedule VIII-B: Reduction of People First Operations - Significant Impact

SUMMARY:

The Department of Management Services proposes a recurring reduction in the State Personnel System Trust Fund (2678) in the People First budget entity (72750500) of \$20,300 of which \$8,000 is from Other Personal Services (030000) and \$12,300 is from Expenses (040000). This reduction will impact the division's ability to move forward with overseeing critical project planning activities associated with the major system projects as well as overseeing service provider performance and contract compliance.

IMPACT:

This reduction of \$20,300 would cause a disruption in the delivery of services to job applicants and to all 230,000 users of the People First system. People First users include the state personnel system agencies, State Courts System, Justice Administrative Commission, Lottery, Legislature, State University System, State Board of Administration, other small employers, state retirees and other participants (e.g., COBRA, Layoff).

A budgetary reduction to these categories would lessen the team's ability to remain current with the latest technological advancements 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 division'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 this impact, the department has ranked this reduction at 8 of 22 and ranks its level of impact as Significant.

The department has proposed 22 reductions and has ranked them from one to 22 with one having the lowest impact to 22 having the largest impact on operations and services. In addition, the department has ranked its proposed reductions with three levels of impact:

Minimal Impact - reductions reflect cost savings and/or efficiencies that can be reduced with little to no impact.

Moderate Impact - reductions reflect an impact to operations and/or services.

Significant Impact - reductions will have a direct impact on operations and services.

| COL A10 | | |
|----------------------------------|------------|----------------------|
| SCH VIIIIB-2 | | |
| RED FY22-23 | | |
| 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 HUMAN | | |
| RESOURCES SERVICES - STATEWIDE | | |
| CONTRACT | | 33V1350 |
| SPECIAL CATEGORIES | | 100000 |
| HUMAN RES SVC/STW CONTRACT | | 107080 |
| STATE PERSONNEL SYSTEM TF -STATE | 3,125,219- | 2678 1 |

=====

AGENCY ISSUE NARRATIVE:

SCH VIIIIB-2 NARR 22-23 NARRATIVE:

IT COMPONENT? NO

ISSUE TITLE: Schedule VIII-B: People First Contract Cost & Services Reduction- Significant Impact

SUMMARY:

The Department of Management Services proposes a recurring reduction in the State Personnel System Trust Fund (2678) in the People First budget entity (72750500) from the Human Resources Services/Statewide Contract category (107080) of \$3,125,219.

IMPACT:

The proposed \$3,123,283 will either result in a significant reduction of services (if the Service Provider agrees to provide reduced services, for a reduced price) or contract termination. Section 7.1.2 (Termination for State's Non-Appropriation of Funds) of the People First contract allows the contract to be terminated with a 60-day notice if the state fails to appropriate for any fiscal year sufficient funds for the department to perform its obligations under the contract. Contract termination notice would leave the department and over 229,000 system users in an untenable position to maintain a very complex enterprise-wide Human Resource Information System (HRIS) and associated services, and to procure enterprise software licenses for the HRIS and the talent management system. The department estimates at least 12 to 18 months, and a transition cost of approximately \$32 million to effectively transition to a new service provider.

To achieve long-term savings, the department was able to negotiate an annual savings of \$2.4 million per year, starting with the 2020-21 Fiscal Year. These long-term savings also represent that the People First Service Provider contract cannot absorb any additional reductions without a significant reduction in services.

To avoid a termination for insufficient appropriation, the department would first request specific reductions in contract services and deliverables in exchange for an equitable price reduction. If services could not be sufficiently reduced to provide the necessary cost reductions, then further analysis and contract negotiations with the service provider, Employee Assistance Program (EAP) vendor and Independent Validation & Verification (IV &V) vendor will be necessary to determine which additional contract services could be eliminated or modified to meet the required cost reduction. Recent surveys indicate a significant improvement in customer satisfaction since 2007. However, eliminating or modifying system enhancements, services, or performance metrics would likely result in a significant drop-in customer service and put the state at risk of not meeting the human resource needs of its customers.

| COL A10 | | |
|---------------------------------|--------|----------------------|
| SCH VIIIIB-2 | | |
| RED FY22-23 | | |
| 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 HUMAN | | |
| RESOURCES SERVICES - STATEWIDE | | |
| CONTRACT | | 33V1350 |

As a result of this impact, the department has ranked this reduction at 19 of 22 and ranks its level of impact as Significant.

The department has proposed 22 reductions and has ranked them from one to 22 with one having the lowest impact to 22 having the largest impact on operations and services. In addition, the department has ranked its proposed reductions with three levels of impact:

Minimal Impact - reductions reflect cost savings and/or efficiencies that can be reduced with little to no impact.

Moderate Impact - reductions reflect an impact to operations and/or services.

Significant Impact - reductions will have a direct impact on operations and services.

| | | |
|--------------------------------|------------|----------------------|
| TOTAL: GOVERNMENTAL OPERATIONS | | <u>1601.00.00.00</u> |
| BY FUND TYPE | | |
| TRUST FUNDS..... | 3,145,519- | 2000 |
| | ===== | |

| | | |
|----------------------------------|--------|----------------------|
| 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 CONTRACTED LEGAL SERVICES | | 33V0620 |
| SPECIAL CATEGORIES | | 100000 |
| CONTRACTED LEGAL SERVICES | | 103884 |
| WIRELESS COMM E911 TF | -STATE | 30,000- |
| | | 2344 1 |
| | ===== | |

AGENCY ISSUE NARRATIVE:

SCH VIIIIB-2 NARR 22-23 NARRATIVE:

IT COMPONENT? YES

ISSUE TITLE: Reduction of Telecommunications Administrative Costs - Minimal Impact

SUMMARY:

The Department of Management Services (department) proposes (\$30,000) of recurring Emergency Communications E911 System Trust Fund (2344) authority in the Telecommunications Services budget entity (72900100) in the Contracted Legal Services (103884) category.

| COL A10 | | |
|--------------|--------|----------------------|
| SCH VIIIIB-2 | | |
| RED FY22-23 | | |
| POS | AMOUNT | CODES |
| | | 72000000 |
| | | 72900000 |
| | | 72900100 |
| | | 16 |
| | | <u>1603.00.00.00</u> |
| | | 33V0000 |
| | | 33V0620 |

MANAGEMENT SRVCS, DEPT OF
 PGM: TECHNOLOGY PROGRAM
TELECOMMUNICATIONS SVCS
 GOV OPERATIONS/SUPPORT
INFORMATION TECHNOLOGY
 PROGRAM REDUCTIONS
 REDUCE CONTRACTED LEGAL SERVICES

IMPACT:

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 several 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 department General Counsel's office's ability to handle new caseloads.

The methodology used to calculate the legal reduction is forty-five percent of the prior four years reversions.

As a result of this impact, the department has ranked this reduction at 3 of 22 and ranks its level of impact as Minimal.

The department has proposed 22 reductions and has ranked them from one to 22 with one having the lowest impact to 22 having the largest impact on operations and services. In addition, the department has ranked its proposed reductions with three levels of impact:

Minimal Impact - reductions reflect cost savings and/or efficiencies that can be reduced with little to no impact.

Moderate Impact - reductions reflect an impact to operations and/or services.

Significant Impact - reductions will have a direct impact on operations and services.

| COL A10 | | |
|----------------------------------|------------|----------------------|
| SCH VIIIIB-2 | | |
| RED FY22-23 | | |
| 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 SYSTEM CONTRACT CATEGORY | | 33V1380 |
| SPECIAL CATEGORIES | | 100000 |
| SW LAW ENF RADIO CONTR PMT | | 104486 |
| LAW ENFORCEMENT RADIO TF -STATE | 3,762,279- | 2432 1 |

AGENCY ISSUE NARRATIVE:

SCH VIIIIB-2 NARR 22-23 NARRATIVE:

IT COMPONENT? YES

ISSUE TITLE: Reduce Statewide Law Enforcement Radio System Contract - Significant Impact

SUMMARY:

The Department of Management Services (department) proposes a reduction of (\$3,762,279) of recurring budget authority in the Wireless Services budget entity (72900200) in the Statewide Law Enforcement Radio System Contract Payments Category (104486) in the Statewide Law Enforcement Radio System Trust Fund (2432).

BACKGROUND:

Section 282.709, Florida Statutes, requires the department 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 executed Contract No. DMS-20/21-162 to acquire and administer a statewide radio communications system to serve law enforcement units of state agencies, and to serve local law enforcement agencies through mutual aid. Payment will be made monthly, for one-twelfth of Nineteen Million Dollars (\$19,000,000) for the annual operations, maintenance, and support services compensation for the fifteen-year initial Term of the Contract. These monthly payments will be construed as progress payments. On every third invoice (i.e., quarterly), the Department shall review the Contractor's performance for the time period covered by that invoice and the previous two (2) invoices and make any adjustments to payment in accordance with the Contract.

IMPACT:

The State's performance and obligation to pay under this Contract is contingent upon an annual appropriation by the Legislature. In the event of non-appropriation, this Contract shall expire upon the last date of the State fiscal year for which funding is provided and the Contractor shall be paid for all work performed through the last date of the State fiscal year for which funding is provided to the extent permitted by this Contract

If 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. Departmental options would include service contract termination which would leave the state (23 state law enforcement agencies and 43 local public safety entities) without a statewide radio communication system.

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

| COL A10 SCH VIIIIB-2 RED FY22-23 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 SYSTEM CONTRACT CATEGORY | 33V1380 |

responders as well as the citizens of Florida.

The methodology used to calculate this reduction is the balance needed to meet the department's target reduction less all other department Schedule VIIIIB reductions.

As a result of this impact, the department has ranked this reduction at 22 of 22 and ranks its level of impact as a Significant Impact.

The department has proposed 22 reductions and has ranked them from one to 22 with one having the lowest impact to 22 having the largest impact on operations and services. In addition, the department has ranked its proposed reductions with three levels of impact:

Minimal Impact - reductions reflect cost savings and/or efficiencies that can be reduced with little to no impact.
 Moderate Impact - reductions reflect an impact to operations and/or services.
 Significant Impact - reductions will have a direct impact on operations and services.

| | |
|----------------------------------|----------------------|
| <u>STATE DATA CENTER</u> | 72900600 |
| GOV OPERATIONS/SUPPORT | 16 |
| <u>INFORMATION TECHNOLOGY</u> | <u>1603.00.00.00</u> |
| PROGRAM REDUCTIONS | 33V0000 |
| REDUCE MAINFRAME AS A SERVICE | |
| CONTRACT CATEGORY | 33V1390 |
| SPECIAL CATEGORIES | 100000 |
| DEFERRED-PAY COM CONTRACTS | 105280 |
| WORKING CAPITAL TRUST FUND-STATE | 2792 1 |
| 5,295,332- | |
| ===== | |

AGENCY ISSUE NARRATIVE:

SCH VIIIIB-2 NARR 22-23 NARRATIVE: IT COMPONENT? YES

ISSUE TITLE: Schedule VIII-B: State Data Center Reduction - Significant Impact

SUMMARY:

The Department of Management Services (department) proposes a reduction of (\$5,295,332) within the Working Capital Trust Fund (2792) in the Mainframe category (105305) in the State Data Center (72900600) budget entity.

| COL A10 | | |
|-------------------------------|--------|----------------------|
| SCH VIIIB-2 | | |
| RED FY22-23 | | |
| POS | AMOUNT | CODES |
| MANAGEMENT SRVCS, DEPT OF | | 72000000 |
| PGM: TECHNOLOGY PROGRAM | | 72900000 |
| <u>STATE DATA CENTER</u> | | 72900600 |
| GOV OPERATIONS/SUPPORT | | 16 |
| <u>INFORMATION TECHNOLOGY</u> | | <u>1603.00.00.00</u> |
| PROGRAM REDUCTIONS | | 33V0000 |
| REDUCE MAINFRAME AS A SERVICE | | |
| CONTRACT CATEGORY | | 33V1390 |

IMPACT:

This reduction will result in a contract termination. Section 1.3 of the contract between Northwest Regional Data Center and the department DMS-20/21-069 (NWRM0274) states "The services outlined in this Agreement will be provided to Customer for four (4) years with automatic one-year renewals, unless either party notifies the other in writing that they wish to discontinue the Agreement a minimum of 180 days before the termination date." The contract does not contain any language allowing the department to reduce services. Contract termination would leave the four customer agencies in an untenable position to maintain the systems and applications that utilize mainframe services. Contract termination would leave the four customer agencies in an untenable position to maintain the systems and applications that utilize mainframe services.

To achieve long-term savings, the department was able to implement Mainframe as a Service and avoid additional costs related to IBM hardware leases of approximately \$2.7 million annually. Additionally, by outsourcing this service a budget reduction for Fiscal Year 2021-2022 was provided in Salaries and Benefits of \$345,217. It is estimated that there may be additional cost savings realized after the implementation of Phase 4. The department cannot absorb any additional reductions without a significant reduction in services.

The department currently provides data center services to state agencies pursuant to Section 282.201, Florida Statutes. The SDC provides both on premises hosted services and externally managed services as agencies continue to migrate to externally managed services offered by cloud service providers. The menu of services complies with applicable state and federal laws, regulations, and policies, including all security, privacy, and auditing requirements. These services include Backup and Recovery, Cloud, Database, Data Center Facility and Operations, Mainframe, Managed Applications, Network, Open Systems, Storage, Windows, Direct Service Offerings, and Cloud-Based Custom Support.

Four state agency customers currently receive mainframe services through this contract with the Northwest Regional Data Center (NWRDC). Mainframe services provide compute, storage, and scheduling functionality for critical applications relied on by Department of Children and Families, Department of Transportation, Department of Highway Safety and Motor Vehicles, and Florida Department of Corrections for their core business functions.

The reduction or elimination of mainframe services will be detrimental to customer agency operations, including potential impacts such as service interruptions, longer timeframes for resumption of services following an outage, and an inability to recover after a disaster. There is a high risk of potential impact to health and safety for employees and Floridians receiving government services if there are service disruptions impacting mainframe customers that are health care agencies, law enforcement agencies, and other critical government service providers. Customers running commercial software packages would lose support and the rights to use that software, leading to lost functionality and system failures.

As a result of this impact, the department has ranked this reduction at 20 of 22 and ranks its level of impact as a Significant Impact.

The department has proposed 22 reductions and has ranked them from one to 22 with one having the lowest impact to 22

| COL A10 | | |
|-------------------------------|--------|---------------|
| SCH VIIIIB-2 | | |
| RED FY22-23 | | |
| POS | AMOUNT | CODES |
| MANAGEMENT SRVCS, DEPT OF | | 72000000 |
| PGM: TECHNOLOGY PROGRAM | | 72900000 |
| STATE DATA CENTER | | 72900600 |
| GOV OPERATIONS/SUPPORT | | 16 |
| INFORMATION TECHNOLOGY | | 1603.00.00.00 |
| PROGRAM REDUCTIONS | | 33V0000 |
| REDUCE MAINFRAME AS A SERVICE | | |
| CONTRACT CATEGORY | | 33V1390 |

having the largest impact on operations and services. In addition, the department has ranked its proposed reductions with three levels of impact:

- Minimal Impact - reductions reflect cost savings and/or efficiencies that can be reduced with little to no impact.
- Moderate Impact - reductions reflect an impact to operations and/or services.
- Significant Impact - reductions will have a direct impact on operations and services.

| | | |
|----------------------------------|----------|---------------|
| OFFICE OF THE STATE CIO | | 72900700 |
| GOV OPERATIONS/SUPPORT | | 16 |
| INFORMATION TECHNOLOGY | | 1603.00.00.00 |
| PROGRAM REDUCTIONS | | 33V0000 |
| REDUCE OPERATING BUDGET FOR THE | | |
| OFFICE OF THE STATE CHIEF | | |
| INFORMATION OFFICER | | 33V1230 |
| SPECIAL CATEGORIES | | 100000 |
| CONTRACTED SERVICES | | 100777 |
| WORKING CAPITAL TRUST FUND-STATE | 253,612- | 2792 1 |

=====

AGENCY ISSUE NARRATIVE:

SCH VIIIIB-2 NARR 22-23 NARRATIVE: IT COMPONENT? YES
 ISSUE TITLE: Schedule VIII-B: Reduction of Administrative Costs - Moderate Impact

SUMMARY:

The Department of Management Services (department) proposes a reduction of (\$253,612) in the Contracted Services (100777) category, Office of the State Chief Information Officer (72900700) budget entity, within the Working Capital Trust Fund (2792).

IMPACT:

This reduction will affect the enterprise's Gartner Research and Advisory Services membership. This reduction will have a moderate impact on the Florida Digital Services as the enterprise is tasked with spending \$30 million to lead the state's cybersecurity resiliency initiative as well as deploy robotic processing automation services. These endeavors require a vast amount of knowledge and expertise to ensure the right approach is taken and ensure a smooth deployment.

As a result of this impact, the department has ranked this reduction at 6 of 22 and ranks its level of impact as

| COL A10 | | |
|---------------------------------|--------|----------------------|
| SCH VIIIIB-2 | | |
| RED FY22-23 | | |
| POS | AMOUNT | CODES |
| MANAGEMENT SRVCS, DEPT OF | | 72000000 |
| PGM: TECHNOLOGY PROGRAM | | 72900000 |
| <u>OFFICE OF THE STATE CIO</u> | | 72900700 |
| GOV OPERATIONS/SUPPORT | | 16 |
| <u>INFORMATION TECHNOLOGY</u> | | <u>1603.00.00.00</u> |
| PROGRAM REDUCTIONS | | 33V0000 |
| REDUCE OPERATING BUDGET FOR THE | | |
| OFFICE OF THE STATE CHIEF | | |
| INFORMATION OFFICER | | 33V1230 |

Moderate.

The department has proposed 22 reductions and has ranked them from one to 22 with one having the lowest impact to 22 having the largest impact on operations and services. In addition, the department has ranked its proposed reductions with three levels of impact:

Minimal Impact - reductions reflect cost savings and/or efficiencies that can be reduced with little to no impact.

Moderate Impact - reductions reflect an impact to operations and/or services.

Significant Impact - reductions will have a direct impact on operations and services.

| | | | |
|-----------------------------------|--------|----------------------|--------|
| 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 | | 33V0490 | |
| OTHER PERSONAL SERVICES | | 030000 | |
| GENERAL REVENUE FUND | -STATE | 137,000- | 1000 1 |
| PERC TRUST FUND | -STATE | 39,800- | 2558 1 |
| TOTAL APPRO..... | | 176,800- | |
| EXPENSES | | | 040000 |
| GENERAL REVENUE FUND | -STATE | 6,940- | 1000 1 |
| PERC TRUST FUND | -STATE | 132,923- | 2558 1 |
| TOTAL APPRO..... | | 139,863- | |

| COL A10 | | | |
|--------------------------------------|--------|----------|----------------------|
| SCH VIIIIB-2 | | | |
| RED FY22-23 | | | |
| 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 | | | 33V0490 |
| OPERATING CAPITAL OUTLAY | | | 060000 |
| GENERAL REVENUE FUND | -STATE | 17,525- | 1000 1 |
| | | ===== | |
| SPECIAL CATEGORIES | | | |
| CONTRACTED SERVICES | | | 100000 |
| | | | 100777 |
| GENERAL REVENUE FUND | -STATE | 22,000- | 1000 1 |
| PERC TRUST FUND | -STATE | 11,449- | 2558 1 |
| | | ----- | |
| TOTAL APPRO..... | | 33,449- | |
| | | ===== | |
| TOTAL: REDUCE OPERATING EXPENDITURES | | | 33V0490 |
| WITHIN THE PUBLIC EMPLOYEES | | | |
| RELATIONS COMMISSION | | | |
| TOTAL ISSUE..... | | 367,637- | |
| | | ===== | |

AGENCY ISSUE NARRATIVE:

SCH VIIIIB-2 NARR 22-23 NARRATIVE:

IT COMPONENT? NO

ISSUE TITLE: Reduce Operating Expenditures within the Public Employees Relations Commission - Significant Impact

OVERVIEW OF AGENCY: The Public Employees Relations Commission (PERC) is a small, independent, quasi-judicial agency which adjudicates and facilitates 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.

SUMMARY: Each agency is required to meet a ten percent (10%) reduction target. The Public Employees Relations Commission proposes a reduction of (\$183,465) 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 (\$184,172) from the PERC Trust Fund in the Other Personal Services (030000), Expenses (040000), and Contracted Services (100777) categories.

| COL A10 | | |
|-----------------------------------|--------|----------------------|
| SCH VIIIIB-2 | | |
| RED FY22-23 | | |
| 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 | | 33V0490 |

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

PROGRAM IMPACT: Significant Impact. The funding for Other Personal Services is predominately used to secure temporary staffing for operational support for both information technology and conducting public sector collective bargaining elections; to accommodate law school students who participate in the Externship Program between PERC and the Florida State University College of Law to promote interest in Public Sector Labor Law; and conversion of microfilm to electronic form for storage in archival databases. The inability to secure adequate staffing will likely result in the need for a budget amendment and will negatively impact the conduct of our elections within legislatively mandated standards. Reduced funding in the OPS category will also result in the Commissions' inability to accommodate law school externs to promote Labor Law through the established Externship Program. 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. Operating Capital Outlay: This proposal will reduce the funding available to purchase equipment, which is already at minimal levels. Contracted Services: Contracted Services reductions will negatively affect the Commission's ability to contract with court reporters, 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.

FISCAL INFORMATION: This issue reflects distribution of the ten percent (10%) reduction target of \$ 183,465 in General Revenue, and \$ 184,172 in the PERC Trust Fund.

As a result of this impact, the commission has ranked this reduction at 01 of 01 and ranks its level of impact as a Significant Impact.

The department has proposed 01 reductions and has ranked them from one to 01 with one having the lowest impact to 01 having the largest impact on operations and services. In addition, the department has ranked its proposed reductions with three levels of impact:

Minimal Impact - reductions reflect cost savings and/or efficiencies that can be reduced with little to no impact.

Moderate Impact - reductions reflect an impact to operations and/or services.

Significant Impact - reductions will have a direct impact on operations and services.

| COL A10 | | | |
|---------------------------------------|----------|----------|----------------------|
| SCH VIIIIB-2 | | | |
| RED FY22-23 | | | |
| 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> |
| TOTAL: WORKFORCE SERVICES | | | <u>1102.00.00.00</u> |
| BY FUND TYPE | | | |
| GENERAL REVENUE FUND | 183,465- | | 1000 |
| TRUST FUNDS | 184,172- | | 2000 |
| | ----- | | |
| TOTAL PROG COMP..... | 367,637- | | |
| | ===== | | |
| | | | |
| 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> |
| STATE FUNDING REDUCTIONS | | | 3300000 |
| REDUCE THE COMMISSION ON HUMAN | | | |
| RELATIONS | | | 3308070 |
| SALARY RATE | | | 000000 |
| SALARY RATE..... | 395,254- | | |
| | ===== | | |
| | | | |
| SALARIES AND BENEFITS | | | 010000 |
| | 6.00- | | |
| GENERAL REVENUE FUND | -STATE | 395,254- | 1000 1 |
| | | ===== | |
| TOTAL: REDUCE THE COMMISSION ON HUMAN | | | 3308070 |
| RELATIONS | | | |
| TOTAL POSITIONS..... | 6.00- | | |
| TOTAL ISSUE..... | 395,254- | | |
| TOTAL SALARY RATE..... | 395,254- | | |
| | ===== | | |

AGENCY ISSUE NARRATIVE:

SCH VIIIIB-2 NARR 22-23 NARRATIVE: IT COMPONENT? NO
 ISSUE TITLE: REDUCE OPERATING EXPENDITURES WITHIN THE FLORIDA COMMISSION ON HUMAN RELATIONS - Significant Impact

SUMMARY:

The Florida Commission on Human Relations (FCHR) proposes a recurring reduction of \$395,254 in budget authority in budget entity (72950100) in the General Revenue Fund (1000) FY 2022-2023. This would remove 6.00 Full Time Equivalent (FTE) positions and \$395,254 in the Salaries and Benefits category (010000), \$0 in the Expenses (040000) category and \$0 in the Human Resources Services (107040) category.

BACKGROUND:

| COL A10 | | |
|--------------------------------|--------|----------------------|
| SCH VIIIIB-2 | | |
| RED FY22-23 | | |
| 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> |
| STATE FUNDING REDUCTIONS | | 3300000 |
| REDUCE THE COMMISSION ON HUMAN | | |
| RELATIONS | | 3308070 |

The FCHR relies primarily on General Revenue from the state to conduct its core functions as described in Chapter 760, Florida Statutes (F.S.). The FCHR also receives approximately 20% of its annual appropriation from federal funds from the United States Equal Employment Opportunity Commission (EEOC) and the United States Department of Housing and Urban Development (HUD) for employment and housing cases, respectively, the FCHR investigates and closes. The federal receipts from the EEOC and HUD provide the revenue for the FCHR's Federal Grant Trust Fund. The number of cases referred to and closed by the FCHR varies each year; therefore, the revenue received from the federal government by the FCHR fluctuates annually and can be unpredictable. In addition, the FCHR is not compensated on a fixed schedule (such as quarterly or bi-annually) as the federal agencies undergo administrative changes or experience funding issues.

REDUCTION IMPACT:

Section 760.03(7), F.S. allows the Executive Director, within budgetary limitations, to employ personnel as may be necessary to adequately perform the functions of the FCHR. All the positions identified in this proposed reduction are necessary to achieve the agency's' core mission. The 6.00 FTEs identified are the crucial professional functions of the FCHR and quality control. These losses would leave the FCHR without any representation in these areas.

The removal of the Director of External and Legislative Affairs position would impede the FCHR's ability to: provide knowledgeable and timely research and analysis on legislation impacting the FCHR 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 FCHR's position papers, research reports, and publications.

The removal of the Human Resource Consultant position would significantly impact the FCHR's ability to: complete the onboarding of new staff, respond to personnel action requests, address attendance, and leave questions (FMLA/FSWP), and perform leave audits, transfers, and payouts. The position also facilitates classification and compensation pay instructions, drafting and implementing employment policies and programs, such as the employee handbook, personnel records, telework program, drug testing, etc. The position is responsible for addressing EEOC/Affirmative Action (employment of individuals with disabilities; personnel forms; labor relations; learning and development; payroll and invoicing. The position maintains People First information and updates, assisting managers with performance evaluations, and the recruitment and selection processes of potential new hires. The position also responds to inquiries from the public for human resources references and background checks and is charged with the development of required annual training.

The Budget Analyst C position serves to support the FCHR in the planning of budget and fiscal integrity, to deliver quality services to the FCHR. This position is essential for preparing the agency's budget requests, Long Range Program Plan, spending plans, budget amendments and other financial reports, prepares weekly, monthly, and annual reports that assess unit processes and business operations within the FCHR to determine efficiency and statutory compliance. The incumbent manages the financial and business operations unit performing and processing major fiscal functions, general services, and budget functions. They assist staff in developing methodologies for trend analysis and conducts unit cost

| COL A10 SCH VIIIIB-2 RED FY22-23 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> |
| STATE FUNDING REDUCTIONS | 3300000 |
| REDUCE THE COMMISSION ON HUMAN RELATIONS | 3308070 |

and cost/benefits analyses, also reported for legislative measures. In addition, the position has oversight of the operations of the facilities, procurement for goods and services, processes invoices, security of the building, COOP lead coordinator, safety coordinator, as well as physical keys to door accesses. Currently, the FCHR has only one position responsible for HRM and one position for Operations. These staff administration of an equitable and lawful system of employment, budget, financial, revenue, procurement, and facility oversight; to maintain uniformity in the application of human resources and operations policies; to provide competitive human resources and operations programs which assist the managers and support the FCHR's leadership; and to address the changing needs of the State of Florida, the State Personnel System, the FCHR, and the employees who serve Florida.

Finally, eliminating these positions would require the Department of Management Services to accept these functions, if willing, thereby creating a fiscal impact in the agency's Administrative Overhead category. This category would require General Revenue to cover those additional costs for services under a MOU.

Background: Section 760.04, Florida Statutes, provides that (i) the FCHR is to be assigned to DMS, and (ii) in the performance of its duties pursuant to the Florida Civil Rights Act of 1992, the FCHR shall not be subject to control, supervision, or direction by DMS.

Additional FTE reductions would occur in the legal, information systems, and case intake units.

The legal staff would lose an Attorney position which would further impede the investigation process to close cases within statutory timeframes. Employment, public accommodation, and whistle-blower retaliation must be resolved within 180 days of the filing date. The legislative standard for meeting statutory compliance for case resolution is 75%.

An FTE reduction in the Management Information Systems (MIS) unit is a 50% reduction in the IT staff. The Distributed Computer Systems Specialist position is 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. The position analyses and resolves hardware and software issues using diagnostic tools, troubleshooting techniques and research and must install, configure, and support all software in use by the FCHR and support state government required software and all commercially produced software that enhances FCHR operations. Without sufficient and reliable technical support, the FCHR will not be equipped to conduct business for the state since the case management system and its accompanying programs are the very core of how the FCHR operates.

The loss of a Senior Clerk position in the Intake unit will cause a significant backlog. The Senior Clerk prevents delays in docketing cases within the statutory timeframes as per Chapter 760, F.S. Docketing delays result in resolution delays which could further expose the FCHR to performance deficiencies and result in an additional fiscal and resource burden on Florida's judicial system.

As a result of this impact, the commission has ranked this reduction at 001 of 001 and ranks its level of impact as a

| COL A10 SCH VIIIIB-2 RED FY22-23 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> |
| STATE FUNDING REDUCTIONS | 3300000 |
| REDUCE THE COMMISSION ON HUMAN RELATIONS | 3308070 |

Significant Impact.

The department has proposed 001 reductions and has ranked them from one to 001 with one having the lowest impact to 001 having the largest impact on operations and services. In addition, the department has ranked its proposed reductions with three levels of impact:

Minimal Impact - reductions reflect cost savings and/or efficiencies that can be reduced with little to no impact.

Moderate Impact - reductions reflect an impact to operations and/or services.

Significant Impact - reductions will have a direct impact on operations and services.

POSITION DETAIL OF SALARIES AND BENEFITS:

| | FTE | BASE RATE | ADDITIVES | BENEFITS | SUBTOTAL | LAPSE % | LAPSED SALARIES AND BENEFITS |
|--|-------|-----------|-----------|----------|----------|---------|------------------------------|
| A10 - SCH VIIIIB-2 RED FY22-23 | | | | | | | |
| CHANGES TO CURRENTLY AUTHORIZED POSITIONS | | | | | | | |
| RA02 RATE & SALARY ADJ - FTE - NO BENEFITS | | | | | | | |
| C1006 001 | 6.00- | 395,254- | | | 395,254- | 0.00 | 395,254- |
| TOTALS FOR ISSUE BY FUND | | | | | | | |
| 1000 GENERAL REVENUE FUND | | | | | | | 395,254- |
| | 6.00- | 395,254- | | | 395,254- | | 395,254- |

| | | | | | | | |
|--------------------------------|-------|----------|--|--|--|--|----------------------|
| TOTAL: GOVERNMENTAL OPERATIONS | | | | | | | <u>1601.00.00.00</u> |
| BY FUND TYPE | | | | | | | |
| GENERAL REVENUE FUND..... | 6.00- | 395,254- | | | | | 1000 |
| SALARY RATE..... | | 395,254- | | | | | |
| ===== | | | | | | | |

| COL A10 | | |
|----------------------------------|-------------|----------|
| SCH VIIIIB-2 | | |
| RED FY22-23 | | |
| POS | AMOUNT | CODES |
| ----- | | |
| MANAGEMENT SRVCS, DEPT OF | | 72000000 |
| TOTAL: MANAGEMENT SRVCS, DEPT OF | | 72000000 |
| BY FUND TYPE | | |
| GENERAL REVENUE FUND | 2,057,906- | 1000 |
| TRUST FUNDS | 28,731,007- | 2000 |
| ----- | | |
| TOTAL POSITIONS..... | 6.00- | |
| TOTAL DEPARTMENT..... | 30,788,913- | |
| TOTAL SALARY RATE..... | 395,254- | |
| ===== | | |

```

*****
* BPEADL01                               STATISTICAL INFORMATION                09/15/2021 21:52:33 *
* BUDGET PERIOD: 2009-2023                EXHIBIT A, D AND D-3A LIST REQUEST        MBH 72      SP      *
* COMPILE DATE: 09/16/2015                COMPILE TIME: 09:40:41                    PAGE:      1      *
*****
*                                     SAVE INITIALS:          SAVE DEPARTMENT: 07      SAVE ID: S8B2
* -----
* SELECT CODES AND ACCUMULATION LEVELS WHERE ALLOWED.  WHEN NO CODE IS SELECTED, ALL CODES WILL BE REPORTED.
* ITEMIZATION OF EXPENDITURE:                IOE ACCUMULATION LEVEL: 0 (1=OPER/FCO, 2=IOE, 0=MERGED)
* MERGE GROUPS (Y/N): Y
* BUDGET ENTITY OR GROUP/ACCUMULATION LEVEL (DEP, DIV, BUR, SUB, LBE, MRG):
*   1-7: DMS          LBE
*   8-14:
*   15-21:
*   22-27:
* EXCLUDE:
*
* PROGRAM COMPONENT/ACCUMULATION LEVEL (1, 2, 3, 4 OR 5 FOR 2, 4, 6, 8 OR 10 DIGITS, 6=MERGE POLICY, 0=MERGED):
*   5
*
* APPROPRIATION CATEGORY OR GROUP/ACCUMULATION LEVEL (1=MAJOR, 2=MINOR, 0=MERGED):
*   2
*
* FUND GROUPS SET:          OR FUND:                FUNDING SOURCE IDENTIFIER:          MERGE FSI (Y/N): N
* FCO (Y/N): Y          FTE (Y/N): Y                SALARY RATE (Y/N): Y
* -----
* ISSUE CODE OR GROUP/ACCUMULATION LEVEL (1, 2 OR 3 FOR 1, 3 OR 7 CHARACTERS, 0=MERGED):
*   3
*
* REPORT OPTION: 1          COLUMN SELECTION: A10          CODES
* 1=EAD REPORT
* 2=SCHEDULE IV/IT ISSUES          REPORT COLUMNS WITH CALCULATION DIFFERENCE ONLY (Y/N): N THAT EXCEED:
* 3=STATEWIDE ISSUES
* 4=SCHEDULE VIIIA ISSUES
* SCHEDULE VIIIA ISSUES SPREADSHEET (Y/N): N
*
* LEVELS OF TOTALS: (N=NO TOTAL, L=LINE TOTAL, T=BY FUND TYPE, D=BY DETAIL FUND, B=BY DETAIL FUND AND FUND TYPE,
* G=FUND GROUP LINE TOTALS, E=BY DETAIL FUND AND FUND GROUP)
* RUN: N          ITEM OF EXP: N          GROUP: N          DEPARTMENT: T          DIVISION: N          BUREAU: N
* SUB-BUREAU: N          LBE: T          POLICY AREA: N          PROG COMP: T          D3A SUM ISSUE: N          D3A DETAIL ISSUE: L
* MAJOR APP CAT: N          MINOR APP CAT: D
*
* APPROPRIATION CATEGORY TITLES: S (S=SHORT, L=LONG)          REPORT SEQUENCE: DEPT/BUDGET ENTITY: N A=ALPHABETICAL
*                                     PROGRAM COMPONENT: N N=NUMERICAL
* -----
* DEPARTMENT NARRATIVE SET:
* BUDGET ENTITY NARRATIVE SET:          PROGRAM COMPONENT NARRATIVE (Y/N): N
*
* ISSUE/ACTIVITY NARRATIVE SET: A5          PRIORITY ISSUE NARRATIVE SET (1-9):
*
* INCLUDE POSITION DATA (Y/N): Y
*
* INCLUDE COLUMN CODES (Y/N): Y
*
* OUTPUT FORMAT: L          PAGE BREAKS:
* L=LANDSCAPE          (IOE, GRP, DEP, DIV,          REPORT HEADING:          SCHEDULE VIIIB-2
* P=PORTRAIT          BUR, SUB, LBE, PRC,          PRIORITY LISTING FOR POSSIBLE REDUCTION
*                                     SIS, ISC)          FOR REQUEST YEAR
* -----

```



```

*****
* BPEADL01                               STATISTICAL INFORMATION                09/15/2021 21:52:33 *
* BUDGET PERIOD: 2009-2023              EXHIBIT A, D AND D-3A LIST REQUEST        MBH 72      SP      *
* COMPILE DATE: 09/16/2015              COMPILE TIME: 09:40:41                    PAGE:      2      *
*****
*
* TOTAL RECORDS READ FROM SORT:          67                                          *
* TOTAL RECORDS READ FROM CARD:          43                                          *
* TOTAL PAF RECORDS READ:                 1                                          *
* TOTAL OAF RECORDS READ:                 6                                          *
* TOTAL IEF RECORDS READ:                 0                                          *
* TOTAL BGF RECORDS READ:                 0                                          *
* TOTAL BEF RECORDS READ:                 42                                         *
* TOTAL PCF RECORDS READ:                 34                                         *
* TOTAL ICF RECORDS READ:                 43                                         *
* TOTAL INF RECORDS READ:                 925                                        *
* TOTAL ACF RECORDS READ:                 21                                         *
* TOTAL FCF RECORDS READ:                 16                                         *
* TOTAL FSF RECORDS READ:                 10                                         *
* TOTAL PCN RECORDS READ:                 0                                          *
* TOTAL BEN RECORDS READ:                 0                                          *
* TOTAL DPC RECORDS READ:                 2                                          *
* TOTAL RECORDS IN ERROR:                 0                                          *
*
*****
*
* BUDGET ENTITIES SELECTED:
*   1-9: 7201      7240      7260      7275      7290      7292      7295      7298
*   10-18:
*   19-27:
*
*****

```