

	COL A93	COL A94	COL A95	
	SCH VIIIB-2	SCH VIIIB-2	SCH VIIIB-2	
	REDUCTIONS	NR FY11-12	ANZ FY11-12	
POS	AMOUNT	POS	AMOUNT	POS
				AMOUNT
				CODES
MANAGEMENT SRVCS, DEPT OF				72000000
PGM: ADMINISTRATION PGM				72010000
EXECUTIVE DIR/SUPPORT SVCS				72010100
GOV OPERATIONS/SUPPORT				16
EXEC LEADERSHIP/SUPPRT SVC				1602.00.00.00
SCHEDULE VIIIB REDUCTIONS -				
OPERATING				33B0000
FIFTEEN PERCENT REDUCTION -				
OTHER PERSONAL SERVICE AND				33B7000
INFORMATION TECHNOLOGY SERVICES				030000
OTHER PERSONAL SERVICES				
ADMINISTRATIVE TRUST FUND -STATE	1,916-			2021 1
	=====	=====	=====	
DATA PROCESSING SERVICES				210000
SOUTHWOOD SRC				210021
ADMINISTRATIVE TRUST FUND -STATE	190,173-			2021 1
	=====	=====	=====	
TOTAL: FIFTEEN PERCENT REDUCTION -				33B7000
OTHER PERSONAL SERVICE AND				
INFORMATION TECHNOLOGY SERVICES				
TOTAL ISSUE.....	192,089-			
	=====	=====	=====	

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AGENCY ISSUE NARRATIVE:  
 SCH VIIIB-2 NARR 11-12 NARRATIVE:  
 PRIORITY #21

IT COMPONENT? NO

ISSUE SUMMARY: Division of Administration - Each agency is required to meet a 15% reduction target. After careful consideration of the operations of the program, it was determined that the following reduction would have the least impact on the customers we serve.

PROBLEM AND SOLUTION STATEMENT: To minimize the impact to our customers while still meeting the target 15% reduction, the program gave careful consideration to our operations while developing the proposed reduction.

Other Personal Services (OPS)

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 This issue requests to reduce the OPS appropriation by \$1,916 since our OPS graphics designer hours were reduced by approximately 50% in anticipation of a 15% reduction. This only leaves one OPS, who is our Desktop and Helpdesk Support person. He is one of two-person team that provides dedicated desktop and helpdesk support to approximately 520 employees. This OPS position is instrumental in provisioning and refreshing personal computers and laptops, tracking personal computer software licenses across the divisions, ensuring security and Operating System updates, maintaining electronic policies that enforce the department's security policies, distributing software updates for Microsoft Office and other productivity tools, and performing periodic Operating System version upgrades. This OPS position is also responsible for working helpdesk tickets, which average about 300 - 360 per month, to address problems ranging from

	COL A93	COL A94	COL A95	
	SCH VIIIB-2	SCH VIIIB-2	SCH VIIIB-2	
	REDUCTIONS	NR FY11-12	ANZ FY11-12	
POS	AMOUNT	POS	AMOUNT	POS
				AMOUNT
				CODES
MANAGEMENT SRVCS, DEPT OF				72000000
PGM: ADMINISTRATION PGM				72010000
EXECUTIVE DIR/SUPPORT SVCS				72010100
GOV OPERATIONS/SUPPORT				16
EXEC LEADERSHIP/SUPPRT SVC				1602.00.00.00
SCHEDULE VIIIB REDUCTIONS -				
OPERATING				33B0000
FIFTEEN PERCENT REDUCTION -				
OTHER PERSONAL SERVICE AND				
INFORMATION TECHNOLOGY SERVICES				33B7000

print, connectivity, passwords, encryption, hardware failures, additional equipment needs, etc.

Data Processing Services SSRC

This issue requests to reduce budget authority in the Data Processing Services Southwood Shared Resource Center (SSRC) category due to fluctuation in SSRC rates. This issue requests to reduce the Administrative Trust Fund by \$190,173. This reduction matches appropriations with current billings from the Southwood Shared Resource Center for data processing services. Charges for data processing services have been reduced.

FISCAL INFORMATION: This issue requests a reduction in \$1,916 in the OPS appropriation and \$190,173 in the Data Processing Services in Trust Fund SSRC appropriation.

Administrative Trust Fund (2021)			
Other Personal Services (030000)		( 1,916)	
Data Processing Services SSRC (210021)		(190,173)	
		-----	
		(192,089)	FSI=1
		=====	

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FIFTEEN PERCENT REDUCTION -			
OPERATING CAPITAL OUTLAY			33B7010
OPERATING CAPITAL OUTLAY			060000
ADMINISTRATIVE TRUST FUND -STATE	7,988-		2021 1
	=====		

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AGENCY ISSUE NARRATIVE:  
 SCH VIIIB-2 NARR 11-12 NARRATIVE: IT COMPONENT? NO  
 PRIORITY #22

ISSUE SUMMARY: Division of Administration - Each agency is required to meet a 15% reduction target. After careful consideration of the operations of the program, it was determined that the following reduction would have the least impact on the customers we serve.

COL A93		COL A94		COL A95		CODES
SCH VIII B-2		SCH VIII B-2		SCH VIII B-2		
REDUCTIONS		NR FY11-12		ANZ FY11-12		
POS	AMOUNT	POS	AMOUNT	POS	AMOUNT	
MANAGEMENT SRVCS, DEPT OF						72000000
PGM: ADMINISTRATION PGM						72010000
EXECUTIVE DIR/SUPPORT SVCS						72010100
GOV OPERATIONS/SUPPORT						16
EXEC LEADERSHIP/SUPPRT SVC						<u>1602.00.00.00</u>
SCHEDULE VIII B REDUCTIONS -						
OPERATING						33B0000
FIFTEEN PERCENT REDUCTION -						
OPERATING CAPITAL OUTLAY						33B7010

PROBLEM AND SOLUTION STATEMENT: To minimize the impact to our customers while still meeting the target 15% reduction, the program gave careful consideration to our operations while developing the proposed reduction.

This issue requests to reduce the Other Capital Outlay (OCO) appropriation by \$7,988. This would eliminate all of the OCO authority except for \$1,700 needed for applications management equipment. This category was primarily used for computer replacement; however, computers may be purchased using the Expenses category when funding is available.

FISCAL INFORMATION: This issue requests a reduction in \$7,988 in the OCO appropriation.

Administrative Trust Fund (2021)  
 Other Capital Outlay (060000) (7,988) FSI=1  
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FIFTEEN PERCENT REDUCTION -						
OTHER PERSONAL SERVICES AND						
CONTRACTED SERVICES						33B7020
EXPENSES						040000
ADMINISTRATIVE TRUST FUND -STATE	154,287-					2021 1
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AGENCY ISSUE NARRATIVE:  
 SCH VIII B-2 NARR 11-12 NARRATIVE: IT COMPONENT? NO  
 PRIORITY #23

ISSUE SUMMARY: Division of Administration - Each agency is required to meet a 15% reduction target. After careful consideration of the operations of the program, it was determined that the following reduction would have the least impact on the customers we serve.

PROBLEM AND SOLUTION STATEMENT: To minimize the impact to our customers while still meeting the target 15% reduction, the program gave careful consideration to our operations while developing the proposed reduction.

This issue requests to reduce the Expenses appropriation by \$154,287. This reduction would have a severe impact on

	COL A93	COL A94	COL A95	
	SCH VIIIIB-2	SCH VIIIIB-2	SCH VIIIIB-2	
	REDUCTIONS	NR FY11-12	ANZ FY11-12	
POS	AMOUNT	POS	AMOUNT	POS
				AMOUNT
				CODES
MANAGEMENT SRVCS, DEPT OF				72000000
PGM: ADMINISTRATION PGM				72010000
EXECUTIVE DIR/SUPPORT SVCS				72010100
GOV OPERATIONS/SUPPORT				16
EXEC LEADERSHIP/SUPPRT SVC				1602.00.00.00
SCHEDULE VIIIIB REDUCTIONS -				
OPERATING				33B0000
FIFTEEN PERCENT REDUCTION -				
OTHER PERSONAL SERVICES AND				
CONTRACTED SERVICES				33B7020

travel for the Office of the Secretary and assumes virtually no travel. Travel expenses for the Office of the Secretary and Administration would have to be paid by the Division that the travel applies to. This reduction would hold all Expenses purchases to mission critical status only. This reductions would leave us with little contingency for emergencies.

FISCAL INFORMATION: This issue requests a reduction in \$154,287 in the Expenses appropriation.

Administrative Trust Fund (2021)  
 Expenses (040000) (154,287) FSI=1  
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FIFTEEN PERCENT REDUCTION -				
SALARY AND BENEFITS -				
EMPLOYEE FURLOUGH				33B7180
SALARIES AND BENEFITS				010000
GENERAL REVENUE FUND -STATE	22,893-			1000 1
ADMINISTRATIVE TRUST FUND -STATE	773,755-			2021 1
TOTAL APPRO.....	796,648-			
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AGENCY ISSUE NARRATIVE:  
 SCH VIIIIB-2 NARR 11-12 NARRATIVE: IT COMPONENT? NO  
 PRIORITY# 57

ISSUE SUMMARY: Each agency is required to meet a 15% reduction target. Much of the agency's budget supports staff (people) resources to meet the mission of the organization. We are requesting furloughs be used to meet the salaries and benefits portion of the required reduction target. Furloughs provide the following operational and economic benefits: permits the gradual or immediate resumption of previous service levels as the fiscal shortfall subsides; saves recruitment and retraining costs to re-staff positions; no loss in experienced workforce; prevents an additional fiscal impact on state and local resources (unemployment compensation, food stamps, uninsured medical services, etc.) that would be caused by laid off employees seeking government services; and minimizes the negative economic impact on private sector

COL A93		COL A94		COL A95		CODES
SCH VIIIB-2		SCH VIIIB-2		SCH VIIIB-2		
REDUCTIONS		NR FY11-12		ANZ FY11-12		
POS	AMOUNT	POS	AMOUNT	POS	AMOUNT	
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>
SCHEDULE VIIIB REDUCTIONS -						
OPERATING						33B0000
FIFTEEN PERCENT REDUCTION -						
SALARY AND BENEFITS -						
EMPLOYEE FURLOUGH						33B7180

businesses that would result from fewer goods and services being purchased by laid off employees, loan defaults, etc.

PROBLEM STATEMENT: To minimize long-term negative customer service level impacts and negative state, local and private sector economic impacts, salary reductions would be handled through a 15% furlough which translates to an average of 47 days per employee for the fiscal year, rather than through layoffs.

STATUTE REFERENCE: The definition of furlough is contained in s. 110.107(3), F.S., and is: A temporary reduction in the regular hours of employment in a pay period, or temporary leave without pay for one or more pay periods, with a commensurate reduction in pay, necessitated by a projected deficit in any fund that supports salary and benefit appropriations. Section 110.1225, F.S., requires that when furloughs are utilized that all affected employees are subject to the same reduction of hours for the same number of pay periods with a commensurate reduction in pay.

PROGRAM IMPACTS:

Federal Property Assistance Program (FPA):

The following program impacts are for the Federal Property Assistance Program (FPA): FPA provides customer service to over 500 public agencies and private/nonprofit health and education organizations throughout the State of Florida. Responsibilities include acquiring federal surplus or excess military equipment from the federal government and transferring it to agencies to assist in deferring the cost of new equipment. The Bureau coordinates the distribution of \$5.5 million in donated federal property each year. This 15% reduction will have a significant negative impact on the program. With 100% of the employees taking a 15% reduction in pay, we can expect an increased risk of resignations of key personnel that have vast amount of subject matter expertise regarding the Federal Property Assistance program. Additionally, with 100% of the employees taking a 15% reduction in work hours, we expect to experience a significant decrease in work productivity and customer service. Public agencies and private/nonprofit health and education organizations would see a significant decrease in the capability for acquiring and distributing federally owned tangible personal property declared excess/surplus by the Federal Government. FPA would not have the capability of conducting utilization checks on millions of dollars of property already donated. Lastly, this 15% reduction will negatively impact the program if an employee resigns or retires and requires a leave payout.

Bureau of Motor Vehicles and Watercraft Management:

The following program impacts are for the Bureau of Motor Vehicles and Watercraft Management: The Bureau provides customer service to 30 State agencies. The Bureau reviews and approves agency acquisition requests to ensure fleet purchases are cost effective, fuel efficient and appropriate for stated purchase. Additionally, the Bureau tracks the assignment, use, and maintenance of mobile equipment and coordinates the disposal of state-owned mobile equipment. This 15% reduction will have a significant negative impact on the program. With 100% of the employees taking a 15% reduction

COL A93		COL A94		COL A95		CODES
SCH VIIIB-2		SCH VIIIB-2		SCH VIIIB-2		
REDUCTIONS		NR FY11-12		ANZ FY11-12		
POS	AMOUNT	POS	AMOUNT	POS	AMOUNT	
MANAGEMENT SRVCS, DEPT OF						72000000
PGM: ADMINISTRATION PGM						72010000
EXECUTIVE DIR/SUPPORT SVCS						72010100
GOV OPERATIONS/SUPPORT						16
EXEC LEADERSHIP/SUPPRT SVC						1602.00.00.00
SCHEDULE VIIIB REDUCTIONS -						
OPERATING						33B0000
FIFTEEN PERCENT REDUCTION -						
SALARY AND BENEFITS -						
EMPLOYEE FURLOUGH						33B7180

in pay, we can expect an increased risk of resignations of key personnel with over 46 years of subject matter expertise regarding the Equipment Management Information System (EMIS), acquisition and disposal of the State's fleet. These critical duties cannot be absorbed by other staff due to the high level expertise required to research, develop and implement mobile equipment technical specifications and replacement criteria. Additionally, with 100% of the employees taking a 15% reduction in work hours, we expect to experience a significant decrease in work productivity and customer service. The projected turnaround time for the acquisition and disposal approval process would be extended from 2 to 5 workdays. Lastly, this 15% reduction will negatively impact the Bureau if an employee resigns or retires and requires a leave payout.

Office of Supplier Diversity (OSD):

Furloughing staff will have a devastating effect on proving outreach service for the Department's customers. Furloughing will cause delays in certifying firms and providing the mandatory monthly reports required by statute, also due to the lack of outreach services there will be a reduction in the number of firms that will register in MyFloridaMarketPlace as vendors, which will also have an impact of the number of companies bidding on state and local government projects. A reduction in bidders on projects may result in the state and local governments paying a higher price for goods and services due to the lack of competition. The furloughing of staff will affect state agencies, universities, local governments and private contractors who depend on OSD to provide assurance that a company is a bonafide certified company. These entities depend on getting this information in a timely matter. If this information is delayed or not received will result in contracts not being bided and awarded in a timely manner. This can also lead to projects being stopped which causes mobilization to occur again which increases the price to the state and local government entities through change orders. All of these things cause services to the taxpaying citizens to be late, interrupted or not provided.

Building Construction:

To reduce staffing costs by 15%, Building Construction will need to furlough staff by approximately 47 days throughout the Fiscal Year. This reduction in staffing will reduce the oversight available for construction projects which may result in delays in completing projects when contractors need approvals for each phase of work, prior to review by permit authorities and approvals from DMS for work completed before proceeding to the next task. Such furloughs will also complicate communications with our client agencies regarding customers' needs and concerns. Delays in projects may result in continued degradation of DMS-managed facilities if faulty or failing equipment isn't replaced in a timely manner and physical plant problems aren't addressed before the situation worsens.

Human Resource Management

Policy Team

COL A93		COL A94		COL A95		CODES
SCH VIIIB-2		SCH VIIIB-2		SCH VIIIB-2		
REDUCTIONS		NR FY11-12		ANZ FY11-12		
POS	AMOUNT	POS	AMOUNT	POS	AMOUNT	
MANAGEMENT SRVCS, DEPT OF						72000000
PGM: ADMINISTRATION PGM						72010000
EXECUTIVE DIR/SUPPORT SVCS						72010100
GOV OPERATIONS/SUPPORT						16
EXEC LEADERSHIP/SUPPRT SVC						1602.00.00.00
SCHEDULE VIIIB REDUCTIONS -						
OPERATING						33B0000
FIFTEEN PERCENT REDUCTION -						
SALARY AND BENEFITS -						
EMPLOYEE FURLOUGH						33B7180

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 The State Personnel System (SPS) is part of the executive branch of state government and consists of 31 agencies that operate under a single set of employment laws, policies, and practices. These policies affect 105,031 FTE employees and 9,965 Other Personnel Services (OPS) employees, making the SPS the largest employer in state government.

The Division develops and administers core human resource (HR) policies, strategies, and practices for the State Personnel System and provides expertise and consultative services to ensure the lawful, effective and efficient implementation of human resource programs by the SPS agencies. As part of this role, the Division statutorily serves, on behalf of the Governor, as the Chief Labor Negotiator with six labor unions covering 13 collective bargaining units.

As a single employer, this Division is necessary to ensure an equitable and lawful system of employment, uniformity in application of core policies exist between agencies, the SPS remains a competitive employer capable of recruiting and retaining a highly competent workforce and Florida's citizens receive quality services.

This reduction equates to approximately a 2 day reduction in staff hours for each division employee for each two week pay period during the entire fiscal year. This 20% reduction in weekly staff hour availability will cause a severe disruption in the delivery of division services to the executive branch agencies and their employees, the Executive Office of the Governor, and legislative staff and will require that some activities be suspended or eliminated. Because division program areas are already minimally staffed, the necessary resources will not always be available on the same days due to staggered work schedules required by the furloughs. Additionally, the negative impact on productivity from normal absenteeism due to illness, etc., will be greatly magnified.

This overall loss of productivity will significantly impede the division and its customers from meeting statutory obligations and increase the potential for lawsuits and financial penalties.

Specifically, this reduction:

1. Jeopardizes the equitable and lawful administration of the State Personnel System by significantly impacting the agencies' ability to effectively manage agency operations and implement legislatively mandated programs due to:

Significant delays in providing critical policy directives to agencies related to numerous federal and state employment laws and rules, i.e., Fair Labor Standards Act (FLSA), Equal Employment Opportunity (EEO), Americans with Disabilities Act (ADA), the Family and Medical Leave Act (FMLA), employment and reemployment rights of veterans, and attendance and leave requirements, resulting in increased lawsuits by employees and the assessment of substantial financial penalties by the federal government;

Drastic increases in response time for analysis and approval of key agency HR operational actions such

COL A93		COL A94		COL A95		CODES
SCH VIIIIB-2		SCH VIIIIB-2		SCH VIIIIB-2		
REDUCTIONS		NR FY11-12		ANZ FY11-12		
POS	AMOUNT	POS	AMOUNT	POS	AMOUNT	
MANAGEMENT SRVCS, DEPT OF						72000000
PGM: ADMINISTRATION PGM						72010000
EXECUTIVE DIR/SUPPORT SVCS						72010100
GOV OPERATIONS/SUPPORT						16
EXEC LEADERSHIP/SUPPRT SVC						<u>1602.00.00.00</u>
SCHEDULE VIIIIB REDUCTIONS -						
OPERATING						33B0000
FIFTEEN PERCENT REDUCTION -						
SALARY AND BENEFITS -						
EMPLOYEE FURLOUGH						33B7180

as reorganization requests; reclassification of positions; establishment of new classes; special risk designations; workforce layoff plans; regular compensatory leave and extraordinary payment plans and pay additive requests; and

Reduced responsiveness to daily telephone and email requests for technical assistance on a myriad of HR issues.

- Severely impacts our ability to effectively represent the Governor as the State's chief labor negotiator, causing a significant reduction in collective bargaining unit contract oversight and delaying the processing of Step 3 grievances, and resulting in an escalation in disputes with labor organizations with commensurate increases in union filings of unfair labor practice claims.
- Eliminates our ability to administer and oversee the Florida State Employees' Charitable Campaign resulting in the suspension of the Campaign at a loss of approximately \$5 million per year to charitable organizations which provide direct services to the citizens of Florida.
- Reduces our ability to develop policy-driven business rules and operational requirements for the People First human resource information system; thereby impacting the system's ability to meet the needs of the State Personnel System.
- Reduces the content and timeliness of the Annual Workforce Report. This statutorily required report provides demographic and trend data regarding the State Personnel System workforce.
- Causes delays in meeting federal reporting requirements (EEO-4 Report).
- Eliminates our ability to provide training to agency HR staff on critical federal and state requirements.

People First Team

This reduction equates to approximately a 2 day reduction in staff hours for each People First Team employee for each two week pay period during the entire fiscal year. This reduction will cause a severe disruption in the delivery of services to all 240,000 users of the People First system, and will require that some activities be eliminated. People First users include executive branch agencies, State Courts System, Justice Administrative Commission, Lottery, Legislature, University System, and retirees. Job applicants will be impacted as well.

Specifically, this reduction:

- Weakens our ability to ensure effective day-to-day oversight and contract management activities of the outsourced



COL A93		COL A94		COL A95		CODES
SCH VIII B-2		SCH VIII B-2		SCH VIII B-2		
REDUCTIONS		NR FY11-12		ANZ FY11-12		
POS	AMOUNT	POS	AMOUNT	POS	AMOUNT	
MANAGEMENT SRVCS, DEPT OF						72000000
PGM: ADMINISTRATION PGM						72010000
EXECUTIVE DIR/SUPPORT SVCS						72010100
GOV OPERATIONS/SUPPORT						16
EXEC LEADERSHIP/SUPPRT SVC						1602.00.00.00
SCHEDULE VIII B REDUCTIONS -						
OPERATING						33B0000
FIFTEEN PERCENT REDUCTION -						
SALARY AND BENEFITS -						
EMPLOYEE FURLOUGH						33B7180

vendor (NorthgateArinso), which includes: monitoring the status of current contract deliverables and performance metrics; overseeing contract amendment and change order processes; coordinating the monthly business review meetings between the state and service provider; and monitoring NorthgateArinso's four subcontractors (i.e., PeopleClick Authoria (staffing module), Fringe Benefits Management Corporation (flexible spending account), Horizon Health / Aetna (EAP provider) and Wachovia (lockbox)).

2. Eliminates our ability to monitor service center performance to ensure accuracy of information provided, determine training or process improvement needs, and investigate concerns and complaints.

3. Weakens our ability to monitor NorthgateArinso's adherence to the security plan, review the semi-annual SAS 70 report, maintain the state of Florida security guidelines manual, monitor Level II background screening, monitor the annual business continuity plan exercise, and audit the two service centers for data security compliance.

4. Jeopardizes our ability to manage the system release life cycle for the additional system enhancements included in the renewal contract as well as any other system improvement or enhancements. Our role includes identifying the state's business requirements, providing the service provider with written confirmation of the requested change, reviewing and approving system technical specifications, coordinating and approving user acceptance testing, and overseeing the roll-out of the enhancements through employee training and communication.

5. Jeopardizes our ability to provide NorthgateArinso with Benefits Open Enrollment system changes and vendor oversight of the annual Open Enrollment process.

6. Eliminates our ability to effectively plan for the next generation HR solution (i.e., the contract with NorthgateArinso expires August 21, 2016), which includes researching best practices, reviewing lessons learned, analyzing trends, defining strengths and weaknesses of the current contract, and proactively planning for future success.

7. Reduces our ability to effectively manage and oversee the upcoming procurement process, which includes business case development, bid development, vendor selection, and contract negotiations. Coordinating procurement documents to prepare for the end of the current contract include the development of comprehensive transition, staffing, change management, training, interface, security, migration, and business continuity plans.

8. Eliminates our ability to serve our state agency customers by producing data for recurring report requests (e.g., OPS YTD Hours report, LASPBS Reconciliation reports, Pay Additive Monitoring reports, PAR data extracts, Workforce Reports, etc.), and inputting large amounts of data into the People First system via mass loads. All stakeholders will be required to run their own reports, and input large amounts of data into the People First system on a position by position basis.

COL A93		COL A94		COL A95		CODES
SCH VIIIB-2		SCH VIIIB-2		SCH VIIIB-2		
REDUCTIONS		NR FY11-12		ANZ FY11-12		
POS	AMOUNT	POS	AMOUNT	POS	AMOUNT	
MANAGEMENT SRVCS, DEPT OF						72000000
PGM: ADMINISTRATION PGM						72010000
EXECUTIVE DIR/SUPPORT SVCS						72010100
GOV OPERATIONS/SUPPORT						16
EXEC LEADERSHIP/SUPPRT SVC						1602.00.00.00
SCHEDULE VIIIB REDUCTIONS -						
OPERATING						33B0000
FIFTEEN PERCENT REDUCTION -						
SALARY AND BENEFITS -						
EMPLOYEE FURLOUGH						33B7180

9. Reduces our ability to respond to public records requests for personnel data in a timely basis.

10 Eliminates our ability to provide support and issue resolution to customers and timely communication to all stakeholders, as well as, our ability to provide training for user groups in a variety of mediums.

Private Prison Monitoring:

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 This is expected to have a detrimental impact on our program area. With 100% of the employees taking a 15% cut in pay, we can expect an increased risk of resignations, especially if employees were impacted by a furlough during FY 2010-2011. Additionally, with 100% of the employees taking a 15% reduction in work hours, we expect to experience a marked decrease in work productivity and customer service. More concerning, the diminished ability of our program area to monitor the state's private prison contractors has negative public safety implications. Our staff will no longer be able to adequately monitor physical plant preventative maintenance and repairs relative to security electronics that monitor fence integrity designed to prevent and alarm if people are attempting to enter/exit the facility unlawfully, monitor dormitory security and emergency safety systems designed to enhance officer/inmate safety and prevent escapes, and ensure support systems are in place, designed to provide for constitutional and statutory minimum standards of living for inmates relative to food service, medical and sanitary systems (laundry/sewage, etc). Further, the diminished presence or our monitors places greater risk on the Florida Department of Management Services and the Department of Corrections ability to withstand litigation that may result from poor vendor performance that impacts an inmate's liberty, constitutional or statutory rights. Statutory impact: Chapter 957 F.S.

Division of Telecommunications:

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 The Division of Telecommunications (DivTel) is statutorily charged to bring economies of scale, bulk purchasing leverage and interoperability to Florida's public sector telecommunications. Success requires tireless work and innovation given the perpetual rapid changes in the technology marketplace. By definition, if DivTel rests, it will become obsolete and unable to deliver cost savings to the State in the future.

In addition to maintaining \$110 million worth of telecommunications services demanded annually by our government customers, some examples of pending and upcoming projects that DivTel considers vital to its charge are:

Mobile Telecommunications consolidation to place all State mobile phones under a single "family plan" to achieve enterprise savings and establish accountability; Central Voice over IP (VoIP) management and coordination (known as Session Initiation Protocol Trunking) to enable as yet unrealized savings from this technology that is rapidly replacing traditional phone services; Improving competition and transparency of telephony hardware purchases that are common throughout State government under a contract known as SUNCOM Telephony Equipment Premise-Based Services or (STEPS); SUNCOM's Open and Shared Information System which empowers SUNCOM customers to effectively audit their bills, control

COL A93		COL A94		COL A95		CODES
SCH VIIIIB-2		SCH VIIIIB-2		SCH VIIIIB-2		
REDUCTIONS		NR FY11-12		ANZ FY11-12		
POS	AMOUNT	POS	AMOUNT	POS	AMOUNT	
MANAGEMENT SRVCS, DEPT OF						72000000
PGM: ADMINISTRATION PGM						72010000
EXECUTIVE DIR/SUPPORT SVCS						72010100
GOV OPERATIONS/SUPPORT						16
EXEC LEADERSHIP/SUPPRT SVC						<u>1602.00.00.00</u>
SCHEDULE VIIIIB REDUCTIONS -						
OPERATING						33B0000
FIFTEEN PERCENT REDUCTION -						
SALARY AND BENEFITS -						
EMPLOYEE FURLOUGH						33B7180

costs and automate SUNCOM processes;

Implementing telecommunications savings for the newly consolidated enterprise data centers per a mandate by law; and establishing an enterprise satellite telecommunications contract/service to achieve bulk purchase savings and standardization.

Clearly, many of these enterprise cost savings projects will be delayed or canceled for the fiscal year, given the complex challenges of each and the length of the proposed furloughs. And a new form of waste will be incurred from shelved work, disrupted efforts and triaged priorities. Furloughs will actually lead to increasing State costs rather than savings since no General Revenue can be returned and these DivTel enterprise cost savings projects will be impaired.

In addition, daily operations of DivTel have a direct impact on the daily operations of all State of Florida agencies. Telephone services to critical agencies such as the Department of Emergency Management, the Department of Environmental Protection, the Department of Children and Families, the Department of Law Enforcement, and the Department of Highway Safety, to name a few, are critical during times of urgent need and/or emergencies. DivTel is responsible for operating the SUNCOM Network Operations Center (NOC) which maintains these communications facilities. Furloughs will make it extremely difficult, if not impossible, for DivTel to provide a service level assuring 24x7 uninterrupted operations.

Another factor to consider in the event of furloughs is that the installation times associated with new and additional services will be significantly increased. Many requests for additional communications facilities are in response to an emergency situation or other immediate need for increased capacity. Furloughs will limit the ability for DivTel to respond to these emergency situations. It will also be necessary for all SUNCOM services to be re-evaluated with regard to time periods for engineering, ordering, and installing. Given that each day of increased time in that cycle represents an additional day of lost cost savings or lost services for an agency, the actual costs to the State may be significantly higher than any savings realized from furloughs.

Due to the fact that State agencies rely on the SUNCOM network for voice, video, and data services, DivTel provides staff 24x7 to respond to network outages. This coverage model requires both overtime pay and on-call pay. Furloughs will mandate either eliminating this coverage or distributing the costs onto other employees by decreasing their work hours even lower than the required furlough percentage. In either case, network outages may become more frequent and have longer durations. In the event that a repair begun by a service vendor requires SUNCOM NOC staff to complete, Service Level Agreements (SLA's) in the State contracts may become unenforceable resulting in the loss of monetary compensation to the State for prolonged down times.

In the area of public safety telecommunications, DivTel brings economies of scale to statewide mission critical communications systems which benefit state, county and local agencies by: Providing administrative oversight and coordination for the State's E911 Plan supporting the E911 Board in distributing \$120 million in fees received in accordance with FS 365.172 for 911 purposes; Managing and monitoring contract performance along with enhancement projects

COL A93		COL A94		COL A95		CODES
SCH VIIIB-2		SCH VIIIB-2		SCH VIIIB-2		
REDUCTIONS		NR FY11-12		ANZ FY11-12		
POS	AMOUNT	POS	AMOUNT	POS	AMOUNT	
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>
SCHEDULE VIIIB REDUCTIONS -						
OPERATING						33B0000
FIFTEEN PERCENT REDUCTION -						
SALARY AND BENEFITS -						
EMPLOYEE FURLOUGH						33B7180

for the Statewide Law Enforcement Radio System (SLERS) which provides secure encrypted voice communications to more than 7,500 law enforcement officers across 24 state agencies and 27 federal and local jurisdictions; and Coordinating and approving frequencies and technical specifications for state, county and local law enforcement and EMS communications systems.

Furloughs of our public safety bureau staff may significantly delay the engineering assistance DivTel provides to other state, county and local law enforcement agencies planning changes to their mission critical land mobile radio and E911 communications systems. Time spent on system, project and contract management for the Statewide Law Enforcement Radio System (SLERS), E911 Board, Florida Interoperability Network (FIN), Mutual Aid (M/A) frequencies and other interoperable communications projects will be reduced with a potential negative effect on system performance. Future grant opportunities and planning efforts to replace obsolete or aging communications systems with state of the art technologies such as next generation 911, P-25 radios, and statewide 700MHz Long Term Evolution (LTE) broadband for public safety may be lost.

Suggestions that some of the lost productivity from furloughs will be partially offset because staff might not take Annual Leave (i.e. since they will be out of work for nine weeks) should consider our most experienced and dedicated staff that are pushing maximum leave balances. They are unlikely to forgo using paid Annual Leave because they will otherwise lose it and are unwilling to contribute that loss in light of a compulsory furlough. If they don't take the leave however (as will be the case for most staff) the State will incur greater leave payouts in the future.

DivTel has an extraordinary share of dedicated professionals who are passionate about the value they bring to Florida citizens. The recent \$10 million in refunds DivTel provided, in spite of a series of preceding DivTel price reductions, are obvious fruits of their labors. More subtle are the more than \$50 million in cost avoidance they bring to the Florida enterprise every year.

DivTel's unusually low turnover is an expression of staff dedication. But their hidden contributions come from willingness to work through the night to finalize major projects (like the recent SSRC center upgrade), leaving their families during State emergencies, contributions of unpaid personal time to push projects to success, courage to stand firm against demands that compromise service to citizens and willingness to forgo private sector opportunities commensurate with their abilities. Under normal circumstances, it would be difficult to expect this kind of gracious commitment and passion from staff after they are furloughed. But given that they know their sacrifice will lead to increasing State costs rather than savings, morale will be devastated. Expecting staff to care, after extracting such a large pointless sacrifice from them, is a charade that cannot be sold.

Finally, DivTel also has a number of staff who will be unable to meet personal financial obligations after being furloughed for nine working weeks (the current proposal). They will be forced to seek other jobs in a local market where many others will be doing the same and local spending will be depressed. For many staff, extended furloughs will impose a genuine economic crisis rather than mere hardship.

COL A93		COL A94		COL A95		CODES
SCH VIII B-2		SCH VIII B-2		SCH VIII B-2		
REDUCTIONS		NR FY11-12		ANZ FY11-12		
POS	AMOUNT	POS	AMOUNT	POS	AMOUNT	
MANAGEMENT SRVCS, DEPT OF						72000000
PGM: ADMINISTRATION PGM						72010000
EXECUTIVE DIR/SUPPORT SVCS						72010100
GOV OPERATIONS/SUPPORT						16
EXEC LEADERSHIP/SUPPRT SVC						<u>1602.00.00.00</u>
SCHEDULE VIII B REDUCTIONS -						
OPERATING						33B0000
FIFTEEN PERCENT REDUCTION -						
SALARY AND BENEFITS -						
EMPLOYEE FURLOUGH						33B7180

Office of the Secretary/Administration:

Furloughs will significantly impact the Office of the Secretary/Division of Administration operations. This reduction will adversely impact the quality, timeliness, and level of services delivered by the Office of the Secretary/Division of Administration to our internal and external customers. As a shared support service provider for the agency, our divisions will suffer the impacts of delayed services in turn delaying their ability to provide adequate services to their customers.

This furlough program will also create a significant hardship for employees that will likely lead to difficulty in retaining the highest performing staff causing additional productivity losses and increasing costs for recruiting and training qualified personnel.

State Purchasing:

With procurement and contracting staff unavailable due to implementation of furloughs, the Department anticipates that there will be severe impacts to many of the core functions of the Department of Management Services, Division of State Purchasing.

First, the Department is responsible for establishing state term contract. These are often multi-million dollar contracts that all agencies are required to use and eligible users (e.g., counties, municipalities) may use. Commodities and services available under state term contracts include but are not limited to: information technology hardware; information technology and management consulting services; insurance; purchasing and fuel card services; automobile and trucks; and our e-procurement services contract (generally know as "MyFloridaMarketPlace"). Also, the Bureau of Departmental Purchasing is responsible for providing purchasing services to the following divisions of the Department: Administration; Human Resource Management; State Group Insurance, Telecommunications; Real Estate Management; Specialized Services; and Retirement. The commodities and services provided via the Department's state term and departmental contracts are used by all agencies of the State of Florida. The above-mentioned contracts are established via the competitive solicitation process found in chapter 287, Florida Statutes. If the Department instituted a furlough program, the number of the competitive solicitations the Division would be able to issue will decrease in an amount commensurate with the furlough(s). As such, it is anticipated that there will be a reduction in the number of contract the Department would be able to execute. It is estimated with the implementation of furloughs, it could cost the state \$46,716,896 in savings from state contracts by reducing work hours one day per biweekly pay period.

An important part of the competitive solicitation process includes conducting strategic sourcing activities and market research prior to issuance of the solicitation. If a furlough program were instituted, procurement and contracting staff will not have the opportunity to strategically source our contracts. This means that the division will have less time to

	COL A93	COL A94	COL A95	
	SCH VIII B-2	SCH VIII B-2	SCH VIII B-2	
	REDUCTIONS	NR FY11-12	ANZ FY11-12	
POS	AMOUNT	POS	AMOUNT	POS
				AMOUNT
				CODES
MANAGEMENT SRVCS, DEPT OF				72000000
PGM: ADMINISTRATION PGM				72010000
EXECUTIVE DIR/SUPPORT SVCS				72010100
GOV OPERATIONS/SUPPORT				16
EXEC LEADERSHIP/SUPPRT SVC				1602.00.00.00
SCHEDULE VIII B REDUCTIONS -				
OPERATING				33B0000
FIFTEEN PERCENT REDUCTION -				
SALARY AND BENEFITS -				
EMPLOYEE FURLOUGH				33B7180

develop solicitations, survey and research the market, and solicit feedback from our customers, thereby leading to less effective contracts that will not meet our customers' needs. With the Department less able to establish effective contracts agencies will likely have to develop their own agency-specific contracts. Division also administers its contracts. These duties include assisting customers with questions and issues regarding its contracts and addressing related contract performance concerns. Under a furlough program, procurement and contracting staff will not be as available to answer customer service questions in a timely manner thereby impacting customer service. Typically, when state term contract administrators receive questions from agency customers or other eligible user customers, a timely response is required. For example, the customer may want to purchase a commodity or service and may have specific questions about how a particular contract works. Delays in response due to furloughs will negatively impact our ability to provide excellent customer service. In addition, having fewer resources available will make it more difficult for the division to effectively monitor and manage vendor performance under a contract.

As State Purchasing conducts a number of competitive solicitations and administers a high volume of contract, we receive a number of public records requests. Although the Department takes its responsibilities under chapter 119, F.S., very seriously, if the Department were to institute a furlough program, response times for public records requests may be impacted. Such an impact would not only conflict with statutory requirements for public access to information, it would also have an adverse affect on the procurement protest process. Delays in information transmittal during the protest period may lead to increased litigation.

In addition to conducting competitive solicitations and administering and managing resulting contracts, the division is also responsible for providing a training program for state purchasers to attain and maintain purchasing education and skills. The goal of this program is to develop and certify public purchasing professionals, and to assure understanding and adherence to an unwavering code of ethical behavior, and the knowledge, skills and ability to effectively design, solicit, negotiate award and manage government contracts in Florida. Certifications offered through the program are Florida Certified Purchasing Agent (FCPA), Florida Certified Purchasing Manager (FCPM), Florida Certified Contract Negotiator (FCCN), and Florida Certified Contract Manager (FCCM). The training program also provides courses to assist participants with national certification such as the Certified Professional Public Buyer (CPPB), Certified Professional Public Officer (CPPO), and Project Management Professional (PMP). Florida Statute 287.057 requires that an FCCN negotiate contracts of \$1 million, and a certified PMP participate negotiate contracts in excess of \$10 million. The training program offers advanced recertification workshops to extend certification for an additional 5 year period. The training program would not be able to host the number of training courses to meet the demand for certification and recertification with the reduction in work hours due to the implementation of furloughs.

Lastly, it is uncertain what impact instituting a furlough program would have on current staffing in state purchasing. Although reducing the number of hours that state purchasing staff would be able to work would result in savings, it is possible that division employees would look for employment at other agencies or outside of the employment of the state in an attempt to compensate for difference between the salary once earned versus what they would earn under furlough

	COL A93	COL A94	COL A95	
	SCH VIIIIB-2	SCH VIIIIB-2	SCH VIIIIB-2	
	REDUCTIONS	NR FY11-12	ANZ FY11-12	
POS	AMOUNT	POS	AMOUNT	POS
				AMOUNT
				CODES
MANAGEMENT SRVCS, DEPT OF				72000000
PGM: ADMINISTRATION PGM				72010000
EXECUTIVE DIR/SUPPORT SVCS				72010100
GOV OPERATIONS/SUPPORT				16
EXEC LEADERSHIP/SUPPRT SVC				1602.00.00.00
SCHEDULE VIIIIB REDUCTIONS -				
OPERATING				33B0000
FIFTEEN PERCENT REDUCTION -				
SALARY AND BENEFITS -				
EMPLOYEE FURLOUGH				33B7180

program.

Facilities Management

To reduce staffing costs by 15%, Facilities will need to furlough staff by approximately 47 days throughout the Fiscal Year. This reduction in staffing will mean that one day a week, at pool facilities with a single Department of Management Services (DMS) support person, there may be no DMS employee on site in a DMS-managed building to address any building issues that arise and tenants will need to contact a remote staff person to report issues to be addressed on non-furlough days. Delays in maintenance may result in continued degradation of DMS-managed facilities if faulty or failing equipment isn't replaced in a timely manner and building problems aren't addressed before the situation worsens.

In addition to the staff furloughs, other budget categories were reduced to essential elements but that still left \$2.3 million in reductions needed to meet 15% target reduction. Therefore, additional reductions in Expenses, Utilities, Contracted Services and security (contracted and FDLE) necessitate the closure of 5-10% of our facilities' square footage. This will require current tenants to seek space elsewhere and incur moving and relocation expenses. With these closures, DMS will also have a loss of revenue for those buildings which reduces funding available for operations and maintenance of other buildings in the Florida Facilities Pool.

State Group Insurance:

Furloughs will significantly impact the DSGI's operations and will not allow the DSGI to perform their legislative responsibilities. This reduction will adversely impact the quality, timeliness, and level of services delivered by the DSGI to state employees, retirees, state agencies and universities, Executive Office of the Governor and the Legislature and staff. This reduction is expected to result in the suspension and outsourcing of key activities.

Specifically, this reduction: (1) Jeopardizes the administration of the State Employees' Group Insurance Program, (2) Severely impacts our ability to obtain best value and effectively manage and oversee procurement processes, such as the upcoming PBM and HMO procurements, which include bid development, vendor selection, and contract negotiations, (3) Diminishes our ability to monitor contract performance to ensure contract compliance and accuracy of information provided, and (4) Adversely impacts customer service and programs deliverables.

Retirement:

The impact from a 15% furlough program will decrease overall organizational performance, severely impeding the delivery of important services to more than 1 million participants in Florida's statewide retirement systems. Particularly affected will be: increasing turnaround time providing retirement estimates and information the members require for retirement planning; delaying the addition of new retirees to the retired payroll; processing change requests for those

	COL A93	COL A94	COL A95	
	SCH VIIIB-2	SCH VIIIB-2	SCH VIIIB-2	
	REDUCTIONS	NR FY11-12	ANZ FY11-12	
	POS	AMOUNT	POS	AMOUNT
				CODES
MANAGEMENT SRVCS, DEPT OF				72000000
PGM: ADMINISTRATION PGM				72010000
EXECUTIVE DIR/SUPPORT SVCS				72010100
GOV OPERATIONS/SUPPORT				16
EXEC LEADERSHIP/SUPPRT SVC				1602.00.00.00
SCHEDULE VIIIB REDUCTIONS -				
OPERATING				33B0000
FIFTEEN PERCENT REDUCTION -				
SALARY AND BENEFITS -				
EMPLOYEE FURLOUGH				33B7180

already on the retired payroll; reducing members' ability to reach retirement counselors by telephone; lengthening response time to analyze proposed legislation; and negating our ability to comply with statutory requirements to review all local retirement plan valuations on a triennial basis. Legislated performance measures relative to these services and others cannot be met and it can be expected that the percent of members, retirees and participating agencies satisfied with retirement services will plummet. This furlough program will create a significant hardship for employees that will likely lead to difficulty in retaining the highest performing staff causing additional productivity losses and increasing costs for recruiting and training qualified personnel. High employee turnover will further exasperate the timely delivery of services to more than one million members and 1,000 employing agencies of Florida's statewide retirement systems.

FISCAL INFORMATION: A 15% reduction of appropriations for salaries and benefits is over \$7 million dollars for DMS programs, excluding independent entities who are addressing reductions separately. To meet this reduction, each employee would have to be furloughed an average of 47 days. This is calculated by dividing the biweekly rate of employees by 10 to get a daily rate which is then multiplied by 47 days multiplied by 18.42% benefits. The benefits rate is calculated by combining 7.65% FICA and Retirement for 10.77%. Note: Employer contributions for health, life and disability insurance are not impacted by furloughs.

Division	15% S&B		
-----	Appropriation		
Administration	(796,648)		
General Revenue			
Salaries and Benefits (010000)	(22,893)	FSI=1	
Administrative Trust Fund (2021)			
Salaries and Benefits (010000)	(773,755)	FSI=1	
Total Issue	(796,648)	FSI=1	
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	COL A93	COL A94	COL A95	
	SCH VIIIIB-2	SCH VIIIIB-2	SCH VIIIIB-2	
	REDUCTIONS	NR FY11-12	ANZ FY11-12	
POS	AMOUNT	POS	AMOUNT	POS
				AMOUNT
				CODES
MANAGEMENT SRVCS, DEPT OF				72000000
PGM: ADMINISTRATION PGM				72010000
EXECUTIVE DIR/SUPPORT SVCS				72010100
GOV OPERATIONS/SUPPORT				16
EXEC LEADERSHIP/SUPPRT SVC				<u>1602.00.00.00</u>
SCHEDULE VIIIIB REDUCTIONS -				
OPERATING				33B0000
FIFTEEN PERCENT REDUCTION -				
SALARY AND BENEFITS -				
EMPLOYEE FURLOUGH				33B7180

POSITION DETAIL OF SALARIES AND BENEFITS:

	FTE	BASE RATE	ADDITIVES	BENEFITS	SUBTOTAL	LAPSE %	LAPSED SALARIES AND BENEFITS
A93 - SCH VIIIIB-2 REDUCTIONS							
CHANGES TO CURRENTLY AUTHORIZED POSITIONS							
OTHER SALARY AMOUNT							
1000 GENERAL REVENUE FUND							22,893-
2021 ADMINISTRATIVE TRUST FUND							773,755-
							-----
							796,648-
							=====
*****							
TOTAL: EXEC LEADERSHIP/SUPPRT SVC							<u>1602.00.00.00</u>
BY FUND TYPE							
GENERAL REVENUE FUND		22,893-					1000
TRUST FUNDS		1,128,119-					2000
		-----					
TOTAL PROG COMP.....		1,151,012-					
		=====					

	COL A93	COL A94	COL A95		
	SCH VIIIB-2	SCH VIIIB-2	SCH VIIIB-2		
	REDUCTIONS	NR FY11-12	ANZ FY11-12		
POS	AMOUNT	POS	AMOUNT	POS	
				AMOUNT	
				CODES	
MANAGEMENT SRVCS, DEPT OF					72000000
PGM: ADMINISTRATION PGM					72010000
STATE EMPLOYEE LEASING					72010300
GOV OPERATIONS/SUPPORT					16
GOVERNMENTAL OPERATIONS					1601.00.00.00
MANAGEMENT REDUCTIONS					33G0000
DELETE VACANT POSITIONS					33G0100
SALARIES AND BENEFITS					010000
ADMINISTRATIVE TRUST FUND -STATE	64,970-				2021 1

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POSITION DETAIL OF SALARIES AND BENEFITS:

	FTE	BASE RATE	ADDITIVES	BENEFITS	SUBTOTAL	LAPSE %	LAPSED SALARIES AND BENEFITS
A93 - SCH VIIIB-2 REDUCTIONS							
CHANGES TO CURRENTLY AUTHORIZED POSITIONS							
OTHER SALARY AMOUNT							
2021 ADMINISTRATIVE TRUST FUND							64,970-
							64,970-

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	COL A93	COL A94	COL A95	
	SCH VIIIIB-2	SCH VIIIIB-2	SCH VIIIIB-2	
	REDUCTIONS	NR FY11-12	ANZ FY11-12	
POS	AMOUNT	POS	AMOUNT	POS
				AMOUNT
				CODES
MANAGEMENT SRVCS, DEPT OF				72000000
PGM: FACILITIES PROGRAM				72400000
FACILITIES MANAGEMENT				72400100
GOV OPERATIONS/SUPPORT				16
GOVERNMENTAL OPERATIONS				1601.00.00.00
SCHEDULE VIIIIB REDUCTIONS -				
OPERATING				33B0000
FIFTEEN PERCENT REDUCTION -				
STATE CAPITOL - MAINTENANCE AND				
REPAIR				33B7040
SPECIAL CATEGORIES				100000
CAPITOL REPAIRS				108900
SUPERVISION TRUST FUND -STATE	50,000-			2696 1

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AGENCY ISSUE NARRATIVE:  
 SCH VIIIIB-2 NARR 11-12 NARRATIVE:  
 PRIORITY #34

IT COMPONENT? NO

ISSUE SUMMARY: Facilities Management - Each agency is required to meet a 15% reduction target. After careful consideration of the operations of the program, it was determined that the following reductions would have the least impact on the customers we serve. This issue requests the reductions as outlined below.

PROBLEM AND SOLUTION STATEMENT: To minimize the impact to our customers while still meeting the target 15% reduction, the program gave careful consideration to our operations while developing the proposed reductions.

FISCAL INFORMATION: The following details how we propose to meet this reduction.

State Capitol Maintenance and Repairs Proposed reduction of \$50,000 or 100%. This reduction would eliminate our ability to renovate the bathrooms in the State Capitol.

Supervision Trust Fund (2696)  
 Special Categories: State Capitol Maintenance and Repairs (108900) (50,000) FSI=1  
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	COL A93	COL A94	COL A95	
	SCH VIIIB-2	SCH VIIIB-2	SCH VIIIB-2	
	REDUCTIONS	NR FY11-12	ANZ FY11-12	
POS	AMOUNT	POS	AMOUNT	POS
				AMOUNT
				CODES
MANAGEMENT SRVCS, DEPT OF				72000000
PGM: FACILITIES PROGRAM				72400000
FACILITIES MANAGEMENT				72400100
GOV OPERATIONS/SUPPORT				16
GOVERNMENTAL OPERATIONS				1601.00.00.00
SCHEDULE VIIIB REDUCTIONS -				
OPERATING				33B0000
FIFTEEN PERCENT REDUCTION -				
TRANSFER TO FLORIDA DEPARTMENT OF				
LAW ENFORCEMENT				33B7080
SPECIAL CATEGORIES				100000
TR/FDLE-CAPITOL POLICE				100661
SUPERVISION TRUST FUND -STATE	900,794-			2696 1
DMS/FACILITIES SECURITY				100854
SUPERVISION TRUST FUND -STATE	134,991-			2696 1
TOTAL: FIFTEEN PERCENT REDUCTION -				33B7080
TRANSFER TO FLORIDA DEPARTMENT OF				
LAW ENFORCEMENT				
TOTAL ISSUE.....	1,035,785-			

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AGENCY ISSUE NARRATIVE:  
 SCH VIIIB-2 NARR 11-12 NARRATIVE: IT COMPONENT? NO  
 PRIORITY #36

ISSUE SUMMARY: Facilities Management - Each agency is required to meet a 15% reduction target. After careful consideration of the operations of the program, it was determined that the following reductions would have the least impact on the customers we serve. This issue requests the reductions as outlined below.

PROBLEM AND SOLUTION STATEMENT: To minimize the impact to our customers while still meeting the target 15% reduction, the program gave careful consideration to our operations while developing the proposed reductions.

FISCAL INFORMATION: The following details how we propose to meet this reduction.

Transfer to the Florida Department of Law Enforcement Capitol Police Proposed reduction of \$900,794 or 15.0% of the current Facilities Management appropriation. This reduction requires the Florida Department of Law Enforcement to revise its plans and operations for the Capitol Complex Security (Capitol and surrounding State buildings and the Capital Circle Office Complex). While the specific changes aren't known, it can be assumed that this reduction will result in reduced security for visitors, tenants and the buildings.

Provisions for Facilities Security Proposed reduction of \$134,991 or 11.8% of the current Facilities Management appropriation. This would result in the reduction of contracted security services for selected buildings. While the

	COL A93 SCH VIIIB-2 REDUCTIONS	COL A94 SCH VIIIB-2 NR FY11-12	COL A95 SCH VIIIB-2 ANZ FY11-12	CODES
POS	AMOUNT	POS	AMOUNT	
MANAGEMENT SRVCS, DEPT OF				72000000
PGM: FACILITIES PROGRAM				72400000
FACILITIES MANAGEMENT				72400100
GOV OPERATIONS/SUPPORT				16
GOVERNMENTAL OPERATIONS				1601.00.00.00
SCHEDULE VIIIB REDUCTIONS -				
OPERATING				33B0000
FIFTEEN PERCENT REDUCTION -				
TRANSFER TO FLORIDA DEPARTMENT OF				
LAW ENFORCEMENT				33B7080

specific changes aren't known, it can be assumed that this reduction will result in reduced security for visitors, tenants and the buildings.

Supervision Trust Fund (2696)  
 Special Categories: Transfer to FDLE Capitol Police (100661) (900,794)  
 Special Categories: DMS Provisions for Facilities Security (100854) (134,991)  
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 Total Issue (1,035,785) FSI=1  
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FIFTEEN PERCENT REDUCTION -				
OTHER PERSONAL SERVICES, OPERATING				
CAPITAL OUTLAY, DATA PROCESSING				
SERVICES				33B7090
OTHER PERSONAL SERVICES				030000
SUPERVISION TRUST FUND -STATE	17,000-			2696 1
OPERATING CAPITAL OUTLAY				060000
SUPERVISION TRUST FUND -STATE	8,666-			2696 1
DATA PROCESSING SERVICES				210000
SOUTHWOOD SRC				210021
SUPERVISION TRUST FUND -STATE	8,462-			2696 1
TOTAL: FIFTEEN PERCENT REDUCTION -				33B7090
OTHER PERSONAL SERVICES, OPERATING				
CAPITAL OUTLAY, DATA PROCESSING				
SERVICES				
TOTAL ISSUE.....	34,128-			

	COL A93	COL A94	COL A95	
	SCH VIIIB-2	SCH VIIIB-2	SCH VIIIB-2	
	REDUCTIONS	NR FY11-12	ANZ FY11-12	
POS	AMOUNT	POS	AMOUNT	POS
				AMOUNT
				CODES
MANAGEMENT SRVCS, DEPT OF				72000000
PGM: FACILITIES PROGRAM				72400000
FACILITIES MANAGEMENT				72400100
GOV OPERATIONS/SUPPORT				16
GOVERNMENTAL OPERATIONS				1601.00.00.00
SCHEDULE VIIIB REDUCTIONS -				
OPERATING				33B0000
FIFTEEN PERCENT REDUCTION -				
OTHER PERSONAL SERVICES, OPERATING				
CAPITAL OUTLAY, DATA PROCESSING				
SERVICES				33B7090

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AGENCY ISSUE NARRATIVE:  
 SCH VIIIB-2 NARR 11-12 NARRATIVE:  
 PRIORITY #35

IT COMPONENT? NO

ISSUE SUMMARY: Facilities Management - Each agency is required to meet a 15% reduction target. After careful consideration of the operations of the program, it was determined that the following reductions would have the least impact on the customers we serve. This issue requests the reductions as outlined below.

PROBLEM AND SOLUTION STATEMENT: To minimize the impact to our customers while still meeting the target 15% reduction, the program gave careful consideration to our operations while developing the proposed reductions.

FISCAL INFORMATION: The following details how we propose to meet this reduction.

Other Personal Services Proposed reduction of \$17,000 or 100% of the current Facilities Management appropriation. This reduction will eliminate all flexibility in staffing to meet temporary needs, whether for special projects or to provide services during vacancies in positions.

Operating Capital Outlay Proposed reduction of \$8,666 or 11.8% of the current Facilities Management appropriation. This reduction jeopardizes having the proper equipment to perform building repairs and perform building maintenance.

Data Processing Services Southwood Shared Resource Center Proposed reduction of \$8,462 or 5.0%. This reduction would impact our ability to pay for the data processing services we receive from the Statewide Shared Resource Center.

Supervision Trust Fund (2696)	
Other Personal Services (030000)	(17,000)
Operating Capital Outlay (060000)	(8,666)
Data Processing Services: Southwood Shared Resource Center (210021)	(8,462)
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Total Issue	(34,128) FSI=1
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	COL A93	COL A94	COL A95	
	SCH VIII B-2	SCH VIII B-2	SCH VIII B-2	
	REDUCTIONS	NR FY11-12	ANZ FY11-12	
POS	AMOUNT	POS	AMOUNT	POS
				AMOUNT
				CODES
MANAGEMENT SRVCS, DEPT OF				72000000
PGM: FACILITIES PROGRAM				72400000
FACILITIES MANAGEMENT				72400100
GOV OPERATIONS/SUPPORT				16
GOVERNMENTAL OPERATIONS				1601.00.00.00
SCHEDULE VIII B REDUCTIONS -				
OPERATING				33B0000
FIFTEEN PERCENT REDUCTION -				
EXPENSES, CONTRACTED SERVICES AND				
UTILITIES				33B7160
EXPENSES				040000
SUPERVISION TRUST FUND -STATE	561,797-			2696 1
=====				
SPECIAL CATEGORIES				100000
CONTRACTED SERVICES				100777
SUPERVISION TRUST FUND -STATE	788,815-			2696 1
=====				
STATE UTILITY PAYMENTS				103647
SUPERVISION TRUST FUND -STATE	3,917,638-			2696 1
=====				
TOTAL: FIFTEEN PERCENT REDUCTION -				33B7160
EXPENSES, CONTRACTED SERVICES AND				
UTILITIES				
TOTAL ISSUE.....	5,268,250-			
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AGENCY ISSUE NARRATIVE:

SCH VIII B-2 NARR 11-12 NARRATIVE:  
 PRIORITY #37

IT COMPONENT? NO

ISSUE SUMMARY: Facilities Management - Each agency is required to meet a 15% reduction target. After careful consideration of the operations of the program, it was determined that the following reductions would have the least impact on the customers we serve. This issue requests the reductions as outlined below.

PROBLEM AND SOLUTION STATEMENT: To minimize the impact to our customers while still meeting the target 15% reduction, the program gave careful consideration to our operations while developing the proposed reductions.

FISCAL INFORMATION: The following details how we propose to meet the reduction.

By the time the 5% reductions have been effected and 15% priorities #1-3 are in effect, there is no way to continue to operate the Department of Management Services (DMS) Facilities Pool without closing some buildings. At this point, there isn't enough funding to pay for utilities, security, contractual services (e.g. custodial, elevator maintenance,

	COL A93	COL A94	COL A95	
	SCH VIII B-2	SCH VIII B-2	SCH VIII B-2	
	REDUCTIONS	NR FY11-12	ANZ FY11-12	
POS	AMOUNT	POS	AMOUNT	POS
				AMOUNT
				CODES
MANAGEMENT SRVCS, DEPT OF				72000000
PGM: FACILITIES PROGRAM				72400000
FACILITIES MANAGEMENT				72400100
GOV OPERATIONS/SUPPORT				16
GOVERNMENTAL OPERATIONS				1601.00.00.00
SCHEDULE VIII B REDUCTIONS -				
OPERATING				33B0000
FIFTEEN PERCENT REDUCTION -				
EXPENSES, CONTRACTED SERVICES AND				
UTILITIES				33B7160

plumbing, generator maintenance, HVAC maintenance and repairs, trash, alarm service, pest control, cleaning, lawn care) and DMS building staff to keep the buildings open for our tenants. Closing facilities (approximately 7% of total square footage will have to be closed) means existing tenants will need to move to private sector space, probably pay a higher rental rate than pool rate, and also incur moving costs and some disruption of services.

Expenses Proposed reduction of \$561,797 or 11.8% Facilities Management appropriation. This reduction would have a major impact on our operations. It would impact our ability to perform general repairs and maintenance on our facilities, resulting in greater maintenance needs in the future.

Contracted Services Proposed reduction of \$788,815 or 9.0% of the current Facilities Management appropriation. This would result in the need for building closures.

State Utility Payments - Proposed reduction of \$3,917,638 or 19.4% of the current Facilities Management appropriation. This would result in the need for building closures.

Supervision Trust Fund (2696)				
Expenses (040000)			(561,797)	
Special Categories: Contracted Services (100777)			(788,815)	
Special Categories: State Utility Payments (103647)			(3,917,638)	
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Total Issue			(5,268,250)	FSI=1
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FIFTEEN PERCENT REDUCTION -				
SALARY AND BENEFITS -				
EMPLOYEE FURLOUGH				33B7180
SALARIES AND BENEFITS				010000
SUPERVISION TRUST FUND	-STATE	1,961,804-		2696 1
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	COL A93	COL A94	COL A95	
	SCH VIIIB-2	SCH VIIIB-2	SCH VIIIB-2	
	REDUCTIONS	NR FY11-12	ANZ FY11-12	
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MANAGEMENT SRVCS, DEPT OF				72000000
PGM: FACILITIES PROGRAM				72400000
FACILITIES MANAGEMENT				72400100
GOV OPERATIONS/SUPPORT				16
GOVERNMENTAL OPERATIONS				1601.00.00.00
SCHEDULE VIIIB REDUCTIONS -				
OPERATING				33B0000
FIFTEEN PERCENT REDUCTION -				
SALARY AND BENEFITS -				
EMPLOYEE FURLOUGH				33B7180
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AGENCY ISSUE NARRATIVE:

SCH VIIIB-2 NARR 11-12 NARRATIVE:  
 PRIORITY# 60

IT COMPONENT? NO

ISSUE SUMMARY: Each agency is required to meet a 15% reduction target. Much of the agency's budget supports staff (people) resources to meet the mission of the organization. We are requesting furloughs be used to meet the salaries and benefits portion of the required reduction target. Furloughs provide the following operational and economic benefits: permits the gradual or immediate resumption of previous service levels as the fiscal shortfall subsides; saves recruitment and retraining costs to re-staff positions; no loss in experienced workforce; prevents an additional fiscal impact on state and local resources (unemployment compensation, food stamps, uninsured medical services, etc.) that would be caused by laid off employees seeking government services; and minimizes the negative economic impact on private sector businesses that would result from fewer goods and services being purchased by laid off employees, loan defaults, etc.

PROBLEM STATEMENT: To minimize long-term negative customer service level impacts and negative state, local and private sector economic impacts, salary reductions would be handled through a 15% furlough which translates to an average of 47 days per employee for the fiscal year, rather than through layoffs.

STATUTE REFERENCE: The definition of furlough is contained in s. 110.107(3), F.S., and is: A temporary reduction in the regular hours of employment in a pay period, or temporary leave without pay for one or more pay periods, with a commensurate reduction in pay, necessitated by a projected deficit in any fund that supports salary and benefit appropriations. Section 110.1225, F.S., requires that when furloughs are utilized that all affected employees are subject to the same reduction of hours for the same number of pay periods with a commensurate reduction in pay.

PROGRAM IMPACTS:

Federal Property Assistance Program (FPA):

The following program impacts are for the Federal Property Assistance Program (FPA): FPA provides customer service to over 500 public agencies and private/nonprofit health and education organizations throughout the State of Florida. Responsibilities include acquiring federal surplus or excess military equipment from the federal government and transferring it to agencies to assist in deferring the cost of new equipment. The Bureau coordinates the distribution of \$5.5 million in donated federal property each year. This 15% reduction will have a significant negative impact on the program. With 100% of the employees taking a 15% reduction in pay, we can expect an increased risk of resignations of key personnel that have vast amount of subject matter expertise regarding the Federal Property Assistance program. Additionally, with 100% of the employees taking a 15% reduction in work hours, we expect to experience a significant decrease in work productivity and customer service. Public agencies and private/nonprofit health and education

	COL A93	COL A94	COL A95	
	SCH VIII B-2	SCH VIII B-2	SCH VIII B-2	
	REDUCTIONS	NR FY11-12	ANZ FY11-12	
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MANAGEMENT SRVCS, DEPT OF				72000000
PGM: FACILITIES PROGRAM				72400000
FACILITIES MANAGEMENT				72400100
GOV OPERATIONS/SUPPORT				16
GOVERNMENTAL OPERATIONS				1601.00.00.00
SCHEDULE VIII B REDUCTIONS -				
OPERATING				33B0000
FIFTEEN PERCENT REDUCTION -				
SALARY AND BENEFITS -				
EMPLOYEE FURLOUGH				33B7180

organizations would see a significant decrease in the capability for acquiring and distributing federally owned tangible personal property declared excess/surplus by the Federal Government. FPA would not have the capability of conducting utilization checks on millions of dollars of property already donated. Lastly, this 15% reduction will negatively impact the program if an employee resigns or retires and requires a leave payout.

Bureau of Motor Vehicles and Watercraft Management:

The following program impacts are for the Bureau of Motor Vehicles and Watercraft Management: The Bureau provides customer service to 30 State agencies. The Bureau reviews and approves agency acquisition requests to ensure fleet purchases are cost effective, fuel efficient and appropriate for stated purchase. Additionally, the Bureau tracks the assignment, use, and maintenance of mobile equipment and coordinates the disposal of state-owned mobile equipment. This 15% reduction will have a significant negative impact on the program. With 100% of the employees taking a 15% reduction in pay, we can expect an increased risk of resignations of key personnel with over 46 years of subject matter expertise regarding the Equipment Management Information System (EMIS), acquisition and disposal of the State's fleet. These critical duties cannot be absorbed by other staff due to the high level expertise required to research, develop and implement mobile equipment technical specifications and replacement criteria. Additionally, with 100% of the employees taking a 15% reduction in work hours, we expect to experience a significant decrease in work productivity and customer service. The projected turnaround time for the acquisition and disposal approval process would be extended from 2 to 5 workdays. Lastly, this 15% reduction will negatively impact the Bureau if an employee resigns or retires and requires a leave payout.

Office of Supplier Diversity (OSD):

Furloughing staff will have a devastating effect on proving outreach service for the Department's customers. Furloughing will cause delays in certifying firms and providing the mandatory monthly reports required by statute, also due to the lack of outreach services there will be a reduction in the number of firms that will register in MyFloridaMarketPlace as vendors, which will also have an impact of the number of companies bidding on state and local government projects. A reduction in bidders on projects may result in the state and local governments paying a higher price for goods and services due to the lack of competition. The furloughing of staff will affect state agencies, universities, local governments and private contractors who depend on OSD to provide assurance that a company is a bonafide certified company. These entities depend on getting this information in a timely matter. If this information is delayed or not received will result in contracts not being bided and awarded in a timely manner. This can also lead to projects being stopped which causes mobilization to occur again which increases the price to the state and local government entities through change orders. All of these things cause services to the taxpaying citizens to be late, interrupted or not provided.

Building Construction:

COL A93		COL A94		COL A95		CODES
SCH VIII B-2		SCH VIII B-2		SCH VIII B-2		
REDUCTIONS		NR FY11-12		ANZ FY11-12		
POS	AMOUNT	POS	AMOUNT	POS	AMOUNT	
MANAGEMENT SRVCS, DEPT OF						72000000
PGM: FACILITIES PROGRAM						72400000
FACILITIES MANAGEMENT						72400100
GOV OPERATIONS/SUPPORT						16
GOVERNMENTAL OPERATIONS						<u>1601.00.00.00</u>
SCHEDULE VIII B REDUCTIONS -						
OPERATING						33B0000
FIFTEEN PERCENT REDUCTION -						
SALARY AND BENEFITS -						
EMPLOYEE FURLOUGH						33B7180

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 To reduce staffing costs by 15%, Building Construction will need to furlough staff by approximately 47 days throughout the Fiscal Year. This reduction in staffing will reduce the oversight available for construction projects which may result in delays in completing projects when contractors need approvals for each phase of work, prior to review by permit authorities and approvals from DMS for work completed before proceeding to the next task. Such furloughs will also complicate communications with our client agencies regarding customers' needs and concerns. Delays in projects may result in continued degradation of DMS-managed facilities if faulty or failing equipment isn't replaced in a timely manner and physical plant problems aren't addressed before the situation worsens.

Human Resource Management  
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Policy Team  
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The State Personnel System (SPS) is part of the executive branch of state government and consists of 31 agencies that operate under a single set of employment laws, policies, and practices. These policies affect 105,031 FTE employees and 9,965 Other Personnel Services (OPS) employees, making the SPS the largest employer in state government.

The Division develops and administers core human resource (HR) policies, strategies, and practices for the State Personnel System and provides expertise and consultative services to ensure the lawful, effective and efficient implementation of human resource programs by the SPS agencies. As part of this role, the Division statutorily serves, on behalf of the Governor, as the Chief Labor Negotiator with six labor unions covering 13 collective bargaining units.

As a single employer, this Division is necessary to ensure an equitable and lawful system of employment, uniformity in application of core policies exist between agencies, the SPS remains a competitive employer capable of recruiting and retaining a highly competent workforce and Florida's citizens receive quality services.

This reduction equates to approximately a 2 day reduction in staff hours for each division employee for each two week pay period during the entire fiscal year. This 20% reduction in weekly staff hour availability will cause a severe disruption in the delivery of division services to the executive branch agencies and their employees, the Executive Office of the Governor, and legislative staff and will require that some activities be suspended or eliminated. Because division program areas are already minimally staffed, the necessary resources will not always be available on the same days due to staggered work schedules required by the furloughs. Additionally, the negative impact on productivity from normal absenteeism due to illness, etc., will be greatly magnified.

This overall loss of productivity will significantly impede the division and its customers from meeting statutory obligations and increase the potential for lawsuits and financial penalties.

	COL A93	COL A94	COL A95	
	SCH VIIIB-2	SCH VIIIB-2	SCH VIIIB-2	
	REDUCTIONS	NR FY11-12	ANZ FY11-12	
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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>
SCHEDULE VIIIB REDUCTIONS -				
OPERATING				33B0000
FIFTEEN PERCENT REDUCTION -				
SALARY AND BENEFITS -				
EMPLOYEE FURLOUGH				33B7180

Specifically, this reduction:

1. Jeopardizes the equitable and lawful administration of the State Personnel System by significantly impacting the agencies' ability to effectively manage agency operations and implement legislatively mandated programs due to:

Significant delays in providing critical policy directives to agencies related to numerous federal and state employment laws and rules, i.e., Fair Labor Standards Act (FLSA), Equal Employment Opportunity (EEO), Americans with Disabilities Act (ADA), the Family and Medical Leave Act (FMLA), employment and reemployment rights of veterans, and attendance and leave requirements, resulting in increased lawsuits by employees and the assessment of substantial financial penalties by the federal government;

Drastic increases in response time for analysis and approval of key agency HR operational actions such as reorganization requests; reclassification of positions; establishment of new classes; special risk designations; workforce layoff plans; regular compensatory leave and extraordinary payment plans and pay additive requests; and

Reduced responsiveness to daily telephone and email requests for technical assistance on a myriad of HR issues.

2. Severely impacts our ability to effectively represent the Governor as the State's chief labor negotiator, causing a significant reduction in collective bargaining unit contract oversight and delaying the processing of Step 3 grievances, and resulting in an escalation in disputes with labor organizations with commensurate increases in union filings of unfair labor practice claims.

3. Eliminates our ability to administer and oversee the Florida State Employees' Charitable Campaign resulting in the suspension of the Campaign at a loss of approximately \$5 million per year to charitable organizations which provide direct services to the citizens of Florida.

4. Reduces our ability to develop policy-driven business rules and operational requirements for the People First human resource information system; thereby impacting the system's ability to meet the needs of the State Personnel System.

5. Reduces the content and timeliness of the Annual Workforce Report. This statutorily required report provides demographic and trend data regarding the State Personnel System workforce.

6. Causes delays in meeting federal reporting requirements (EEO-4 Report).

7. Eliminates our ability to provide training to agency HR staff on critical federal and state requirements.

	COL A93	COL A94	COL A95	
	SCH VIII B-2	SCH VIII B-2	SCH VIII B-2	
	REDUCTIONS	NR FY11-12	ANZ FY11-12	
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PGM: FACILITIES PROGRAM				72400000
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GOV OPERATIONS/SUPPORT				16
<u>GOVERNMENTAL OPERATIONS</u>				<u>1601.00.00.00</u>
SCHEDULE VIII B REDUCTIONS -				
OPERATING				33B0000
FIFTEEN PERCENT REDUCTION -				
SALARY AND BENEFITS -				
EMPLOYEE FURLOUGH				33B7180

People First Team

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 This reduction equates to approximately a 2 day reduction in staff hours for each People First Team employee for each two week pay period during the entire fiscal year. This reduction will cause a severe disruption in the delivery of services to all 240,000 users of the People First system, and will require that some activities be eliminated. People First users include executive branch agencies, State Courts System, Justice Administrative Commission, Lottery, Legislature, University System, and retirees. Job applicants will be impacted as well.

Specifically, this reduction:

1. Weakens our ability to ensure effective day-to-day oversight and contract management activities of the outsourced vendor (NorthgateArinso), which includes: monitoring the status of current contract deliverables and performance metrics; overseeing contract amendment and change order processes; coordinating the monthly business review meetings between the state and service provider; and monitoring NorthgateArinso's four subcontractors (i.e., PeopleClick Authoria (staffing module), Fringe Benefits Management Corporation (flexible spending account), Horizon Health / Aetna (EAP provider) and Wachovia (lockbox)).
2. Eliminates our ability to monitor service center performance to ensure accuracy of information provided, determine training or process improvement needs, and investigate concerns and complaints.
3. Weakens our ability to monitor NorthgateArinso's adherence to the security plan, review the semi-annual SAS 70 report, maintain the state of Florida security guidelines manual, monitor Level II background screening, monitor the annual business continuity plan exercise, and audit the two service centers for data security compliance.
4. Jeopardizes our ability to manage the system release life cycle for the additional system enhancements included in the renewal contract as well as any other system improvement or enhancements. Our role includes identifying the state's business requirements, providing the service provider with written confirmation of the requested change, reviewing and approving system technical specifications, coordinating and approving user acceptance testing, and overseeing the roll-out of the enhancements through employee training and communication.
5. Jeopardizes our ability to provide NorthgateArinso with Benefits Open Enrollment system changes and vendor oversight of the annual Open Enrollment process.
6. Eliminates our ability to effectively plan for the next generation HR solution (i.e., the contract with NorthgateArinso expires August 21, 2016), which includes researching best practices, reviewing lessons learned, analyzing trends, defining strengths and weaknesses of the current contract, and proactively planning for future success.

	COL A93	COL A94	COL A95	
	SCH VIII B-2	SCH VIII B-2	SCH VIII B-2	
	REDUCTIONS	NR FY11-12	ANZ FY11-12	
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MANAGEMENT SRVCS, DEPT OF				72000000
PGM: FACILITIES PROGRAM				72400000
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GOV OPERATIONS/SUPPORT				16
<u>GOVERNMENTAL OPERATIONS</u>				<u>1601.00.00.00</u>
SCHEDULE VIII B REDUCTIONS -				
OPERATING				33B0000
FIFTEEN PERCENT REDUCTION -				
SALARY AND BENEFITS -				
EMPLOYEE FURLOUGH				33B7180

7. Reduces our ability to effectively manage and oversee the upcoming procurement process, which includes business case development, bid development, vendor selection, and contract negotiations. Coordinating procurement documents to prepare for the end of the current contract include the development of comprehensive transition, staffing, change management, training, interface, security, migration, and business continuity plans.

8. Eliminates our ability to serve our state agency customers by producing data for recurring report requests (e.g., OPS YTD Hours report, LASPBS Reconciliation reports, Pay Additive Monitoring reports, PAR data extracts, Workforce Reports, etc.), and inputting large amounts of data into the People First system via mass loads. All stakeholders will be required to run their own reports, and input large amounts of data into the People First system on a position by position basis.

9. Reduces our ability to respond to public records requests for personnel data in a timely basis.

10 Eliminates our ability to provide support and issue resolution to customers and timely communication to all stakeholders, as well as, our ability to provide training for user groups in a variety of mediums.

Private Prison Monitoring:

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 This is expected to have a detrimental impact on our program area. With 100% of the employees taking a 15% cut in pay, we can expect an increased risk of resignations, especially if employees were impacted by a furlough during FY 2010-2011. Additionally, with 100% of the employees taking a 15% reduction in work hours, we expect to experience a marked decrease in work productivity and customer service. More concerning, the diminished ability of our program area to monitor the state's private prison contractors has negative public safety implications. Our staff will no longer be able to adequately monitor physical plant preventative maintenance and repairs relative to security electronics that monitor fence integrity designed to prevent and alarm if people are attempting to enter/exit the facility unlawfully, monitor dormitory security and emergency safety systems designed to enhance officer/inmate safety and prevent escapes, and ensure support systems are in place, designed to provide for constitutional and statutory minimum standards of living for inmates relative to food service, medical and sanitary systems (laundry/sewage, etc). Further, the diminished presence or our monitors places greater risk on the Florida Department of Management Services and the Department of Corrections ability to withstand litigation that may result from poor vendor performance that impacts an inmate's liberty, constitutional or statutory rights. Statutory impact: Chapter 957 F.S.

Division of Telecommunications:

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 The Division of Telecommunications (DivTel) is statutorily charged to bring economies of scale, bulk purchasing leverage and interoperability to Florida's public sector telecommunications. Success requires tireless work and innovation given

	COL A93	COL A94	COL A95	
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	REDUCTIONS	NR FY11-12	ANZ FY11-12	
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MANAGEMENT SRVCS, DEPT OF				72000000
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GOV OPERATIONS/SUPPORT				16
<u>GOVERNMENTAL OPERATIONS</u>				<u>1601.00.00.00</u>
SCHEDULE VIIIB REDUCTIONS -				
OPERATING				33B0000
FIFTEEN PERCENT REDUCTION -				
SALARY AND BENEFITS -				
EMPLOYEE FURLOUGH				33B7180

the perpetual rapid changes in the technology marketplace. By definition, if DivTel rests, it will become obsolete and unable to deliver cost savings to the State in the future.

In addition to maintaining \$110 million worth of telecommunications services demanded annually by our government customers, some examples of pending and upcoming projects that DivTel considers vital to its charge are:

Mobile Telecommunications consolidation to place all State mobile phones under a single "family plan" to achieve enterprise savings and establish accountability; Central Voice over IP (VoIP) management and coordination (known as Session Initiation Protocol Trunking) to enable as yet unrealized savings from this technology that is rapidly replacing traditional phone services; Improving competition and transparency of telephony hardware purchases that are common throughout State government under a contract known as SUNCOM Telephony Equipment Premise-Based Services or (STEPS); SUNCOM's Open and Shared Information System which empowers SUNCOM customers to effectively audit their bills, control costs and automate SUNCOM processes; Implementing telecommunications savings for the newly consolidated enterprise data centers per a mandate by law; and establishing an enterprise satellite telecommunications contract/service to achieve bulk purchase savings and standardization.

Clearly, many of these enterprise cost savings projects will be delayed or canceled for the fiscal year, given the complex challenges of each and the length of the proposed furloughs. And a new form of waste will be incurred from shelved work, disrupted efforts and triaged priorities. Furloughs will actually lead to increasing State costs rather than savings since no General Revenue can be returned and these DivTel enterprise cost savings projects will be impaired.

In addition, daily operations of DivTel have a direct impact on the daily operations of all State of Florida agencies. Telephone services to critical agencies such as the Department of Emergency Management, the Department of Environmental Protection, the Department of Children and Families, the Department of Law Enforcement, and the Department of Highway Safety, to name a few, are critical during times of urgent need and/or emergencies. DivTel is responsible for operating the SUNCOM Network Operations Center (NOC) which maintains these communications facilities. Furloughs will make it extremely difficult, if not impossible, for DivTel to provide a service level assuring 24x7 uninterrupted operations.

Another factor to consider in the event of furloughs is that the installation times associated with new and additional services will be significantly increased. Many requests for additional communications facilities are in response to an emergency situation or other immediate need for increased capacity. Furloughs will limit the ability for DivTel to respond to these emergency situations. It will also be necessary for all SUNCOM services to be re-evaluated with regard to time periods for engineering, ordering, and installing. Given that each day of increased time in that cycle represents an additional day of lost cost savings or lost services for an agency, the actual costs to the State may be significantly higher than any savings realized from furloughs.

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SCH VIIIIB-2		SCH VIIIIB-2		SCH VIIIIB-2		
REDUCTIONS		NR FY11-12		ANZ FY11-12		
POS	AMOUNT	POS	AMOUNT	POS	AMOUNT	
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MANAGEMENT SRVCS, DEPT OF						72400000
PGM: FACILITIES PROGRAM						72400100
<u>FACILITIES MANAGEMENT</u>						16
GOV OPERATIONS/SUPPORT						<u>1601.00.00.00</u>
<u>GOVERNMENTAL OPERATIONS</u>						
SCHEDULE VIIIIB REDUCTIONS -						33B0000
OPERATING						
FIFTEEN PERCENT REDUCTION -						
SALARY AND BENEFITS -						
EMPLOYEE FURLOUGH						33B7180

Due to the fact that State agencies rely on the SUNCOM network for voice, video, and data services, DivTel provides staff 24x7 to respond to network outages. This coverage model requires both overtime pay and on-call pay. Furloughs will mandate either eliminating this coverage or distributing the costs onto other employees by decreasing their work hours even lower than the required furlough percentage. In either case, network outages may become more frequent and have longer durations. In the event that a repair begun by a service vendor requires SUNCOM NOC staff to complete, Service Level Agreements (SLA's) in the State contracts may become unenforceable resulting in the loss of monetary compensation to the State for prolonged down times.

In the area of public safety telecommunications, DivTel brings economies of scale to statewide mission critical communications systems which benefit state, county and local agencies by: Providing administrative oversight and coordination for the State's E911 Plan supporting the E911 Board in distributing \$120 million in fees received in accordance with FS 365.172 for 911 purposes; Managing and monitoring contract performance along with enhancement projects for the Statewide Law Enforcement Radio System (SLERS) which provides secure encrypted voice communications to more than 7,500 law enforcement officers across 24 state agencies and 27 federal and local jurisdictions; and Coordinating and approving frequencies and technical specifications for state, county and local law enforcement and EMS communications systems.

Furloughs of our public safety bureau staff may significantly delay the engineering assistance DivTel provides to other state, county and local law enforcement agencies planning changes to their mission critical land mobile radio and E911 communications systems. Time spent on system, project and contract management for the Statewide Law Enforcement Radio System (SLERS), E911 Board, Florida Interoperability Network (FIN), Mutual Aid (M/A) frequencies and other interoperable communications projects will be reduced with a potential negative effect on system performance. Future grant opportunities and planning efforts to replace obsolete or aging communications systems with state of the art technologies such as next generation 911, P-25 radios, and statewide 700MHz Long Term Evolution (LTE) broadband for public safety may be lost. Suggestions that some of the lost productivity from furloughs will be partially offset because staff might not take Annual Leave (i.e. since they will be out of work for nine weeks) should consider our most experienced and dedicated staff that are pushing maximum leave balances. They are unlikely to forgo using paid Annual Leave because they will otherwise lose it and are unwilling to contribute that loss in light of a compulsory furlough. If they don't take the leave however (as will be the case for most staff) the State will incur greater leave payouts in the future.

DivTel has an extraordinary share of dedicated professionals who are passionate about the value they bring to Florida citizens. The recent \$10 million in refunds DivTel provided, in spite of a series of preceding DivTel price reductions, are obvious fruits of their labors. More subtle are the more than \$50 million in cost avoidance they bring to the Florida enterprise every year.

DivTel's unusually low turnover is an expression of staff dedication. But their hidden contributions come from



	COL A93	COL A94	COL A95	
	SCH VIII B-2	SCH VIII B-2	SCH VIII B-2	
	REDUCTIONS	NR FY11-12	ANZ FY11-12	
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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>
SCHEDULE VIII B REDUCTIONS -				
OPERATING				33B0000
FIFTEEN PERCENT REDUCTION -				
SALARY AND BENEFITS -				
EMPLOYEE FURLOUGH				33B7180

willingness to work through the night to finalize major projects (like the recent SSRC center upgrade), leaving their families during State emergencies, contributions of unpaid personal time to push projects to success, courage to stand firm against demands that compromise service to citizens and willingness to forgo private sector opportunities commensurate with their abilities. Under normal circumstances, it would be difficult to expect this kind of gracious commitment and passion from staff after they are furloughed. But given that they know their sacrifice will lead to increasing State costs rather than savings, morale will be devastated. Expecting staff to care, after extracting such a large pointless sacrifice from them, is a charade that cannot be sold.

Finally, DivTel also has a number of staff who will be unable to meet personal financial obligations after being furloughed for nine working weeks (the current proposal). They will be forced to seek other jobs in a local market where many others will be doing the same and local spending will be depressed. For many staff, extended furloughs will impose a genuine economic crisis rather than mere hardship.

Office of the Secretary/Administration:

Furloughs will significantly impact the Office of the Secretary/Division of Administration operations. This reduction will adversely impact the quality, timeliness, and level of services delivered by the Office of the Secretary/Division of Administration to our internal and external customers. As a shared support service provider for the agency, our divisions will suffer the impacts of delayed services in turn delaying their ability to provide adequate services to their customers.

This furlough program will also create a significant hardship for employees that will likely lead to difficulty in retaining the highest performing staff causing additional productivity losses and increasing costs for recruiting and training qualified personnel.

State Purchasing:

With procurement and contracting staff unavailable due to implementation of furloughs, the Department anticipates that there will be severe impacts to many of the core functions of the Department of Management Services, Division of State Purchasing.

First, the Department is responsible for establishing state term contract. These are often multi-million dollar contracts that all agencies are required to use and eligible users (e.g., counties, municipalities) may use. Commodities and services available under state term contracts include but are not limited to: information technology hardware; information technology and management consulting services; insurance; purchasing and fuel card services; automobile and trucks; and our e-procurement services contract (generally know as "MyFloridaMarketPlace"). Also, the Bureau of Departmental Purchasing is responsible for providing purchasing services to the following divisions of the Department:

	COL A93	COL A94	COL A95	
	SCH VIII B-2	SCH VIII B-2	SCH VIII B-2	
	REDUCTIONS	NR FY11-12	ANZ FY11-12	
POS	AMOUNT	POS	AMOUNT	POS
				AMOUNT
				CODES
MANAGEMENT SRVCS, DEPT OF				72000000
PGM: FACILITIES PROGRAM				72400000
FACILITIES MANAGEMENT				72400100
GOV OPERATIONS/SUPPORT				16
GOVERNMENTAL OPERATIONS				1601.00.00.00
SCHEDULE VIII B REDUCTIONS -				
OPERATING				33B0000
FIFTEEN PERCENT REDUCTION -				
SALARY AND BENEFITS -				
EMPLOYEE FURLOUGH				33B7180

Administration; Human Resource Management; State Group Insurance, Telecommunications; Real Estate Management; Specialized Services; and Retirement. The commodities and services provided via the Department's state term and departmental contracts are used by all agencies of the State of Florida. The above-mentioned contracts are established via the competitive solicitation process found in chapter 287, Florida Statutes. If the Department instituted a furlough program, the number of the competitive solicitations the Division would be able to issue will decrease in an amount commensurate with the furlough(s). As such, it is anticipated that there will be a reduction in the number of contract the Department would be able to execute. It is estimated with the implementation of furloughs, it could cost the state \$46,716,896 in savings from state contracts by reducing work hours one day per biweekly pay period.

An important part of the competitive solicitation process includes conducting strategic sourcing activities and market research prior to issuance of the solicitation. If a furlough program were instituted, procurement and contracting staff will not have the opportunity to strategically source our contracts. This means that the division will have less time to develop solicitations, survey and research the market, and solicit feedback from our customers, thereby leading to less effective contracts that will not meet our customers' needs. With the Department less able to establish effective contracts agencies will likely have to develop their own agency-specific contracts. Division also administers its contracts. These duties include assisting customers with questions and issues regarding its contracts and addressing related contract performance concerns. Under a furlough program, procurement and contracting staff will not be as available to answer customer service questions in a timely manner thereby impacting customer service. Typically, when state term contract administrators receive questions from agency customers or other eligible user customers, a timely response is required. For example, the customer may want to purchase a commodity or service and may have specific questions about how a particular contract works. Delays in response due to furloughs will negatively impact our ability to provide excellent customer service. In addition, having fewer resources available will make it more difficult for the division to effectively monitor and manage vendor performance under a contract.

As State Purchasing conducts a number of competitive solicitations and administers a high volume of contract, we receive a number of public records requests. Although the Department takes its responsibilities under chapter 119, F.S., very seriously, if the Department were to institute a furlough program, response times for public records requests may be impacted. Such an impact would not only conflict with statutory requirements for public access to information, it would also have an adverse affect on the procurement protest process. Delays in information transmittal during the protest period may lead to increased litigation.

In addition to conducting competitive solicitations and administering and managing resulting contracts, the division is also responsible for providing a training program for state purchasers to attain and maintain purchasing education and skills. The goal of this program is to develop and certify public purchasing professionals, and to assure understanding and adherence to an unwavering code of ethical behavior, and the knowledge, skills and ability to effectively design, solicit, negotiate award and manage government contracts in Florida. Certifications offered through the program are Florida Certified Purchasing Agent (FCPA), Florida Certified Purchasing Manager (FCPM), Florida Certified Contract

	COL A93	COL A94	COL A95	
	SCH VIIIB-2	SCH VIIIB-2	SCH VIIIB-2	
	REDUCTIONS	NR FY11-12	ANZ FY11-12	
	POS	AMOUNT	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>
SCHEDULE VIIIB REDUCTIONS -				
OPERATING				33B0000
FIFTEEN PERCENT REDUCTION -				
SALARY AND BENEFITS -				
EMPLOYEE FURLOUGH				33B7180

Negotiator (FCCN), and Florida Certified Contract Manager (FCCM). The training program also provides courses to assist participants with national certification such as the Certified Professional Public Buyer (CPPB), Certified Professional Public Officer (CPPO), and Project Management Professional (PMP). Florida Statute 287.057 requires that an FCCN negotiate contracts of \$1 million, and a certified PMP participate negotiate contracts in excess of \$10 million. The training program offers advanced recertification workshops to extend certification for an additional 5 year period. The training program would not be able to host the number of training courses to meet the demand for certification and recertification with the reduction in work hours due to the implementation of furloughs.

Lastly, it is uncertain what impact instituting a furlough program would have on current staffing in state purchasing. Although reducing the number of hours that state purchasing staff would be able to work would result in savings, it is possible that division employees would look for employment at other agencies or outside of the employment of the state in an attempt to compensate for difference between the salary once earned versus what they would earn under furlough program.

Facilities Management

To reduce staffing costs by 15%, Facilities will need to furlough staff by approximately 47 days throughout the Fiscal Year. This reduction in staffing will mean that one day a week, at pool facilities with a single Department of Management Services (DMS) support person, there may be no DMS employee on site in a DMS-managed building to address any building issues that arise and tenants will need to contact a remote staff person to report issues to be addressed on non-furlough days. Delays in maintenance may result in continued degradation of DMS-managed facilities if faulty or failing equipment isn't replaced in a timely manner and building problems aren't addressed before the situation worsens.

In addition to the staff furloughs, other budget categories were reduced to essential elements but that still left \$2.3 million in reductions needed to meet 15% target reduction. Therefore, additional reductions in Expenses, Utilities, Contracted Services and security (contracted and FDLE) necessitate the closure of 5-10% of our facilities' square footage. This will require current tenants to seek space elsewhere and incur moving and relocation expenses. With these closures, DMS will also have a loss of revenue for those buildings which reduces funding available for operations and maintenance of other buildings in the Florida Facilities Pool.

State Group Insurance:

Furloughs will significantly impact the DSGI's operations and will not allow the DSGI to perform their legislative responsibilities. This reduction will adversely impact the quality, timeliness, and level of services delivered by the DSGI to state employees, retirees, state agencies and universities, Executive Office of the Governor and the Legislature and staff. This reduction is expected to result in the suspension and outsourcing of key activities.

	COL A93	COL A94	COL A95	
	SCH VIII B-2	SCH VIII B-2	SCH VIII B-2	
	REDUCTIONS	NR FY11-12	ANZ FY11-12	
POS	AMOUNT	POS	AMOUNT	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>
SCHEDULE VIII B REDUCTIONS -				
OPERATING				33B0000
FIFTEEN PERCENT REDUCTION -				
SALARY AND BENEFITS -				
EMPLOYEE FURLOUGH				33B7180

Specifically, this reduction: (1) Jeopardizes the administration of the State Employees' Group Insurance Program, (2) Severely impacts our ability to obtain best value and effectively manage and oversee procurement processes, such as the upcoming PBM and HMO procurements, which include bid development, vendor selection, and contract negotiations, (3) Diminishes our ability to monitor contract performance to ensure contract compliance and accuracy of information provided, and (4) Adversely impacts customer service and programs deliverables.

Retirement:

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 The impact from a 15% furlough program will decrease overall organizational performance, severely impeding the delivery of important services to more than 1 million participants in Florida's statewide retirement systems. Particularly affected will be: increasing turnaround time providing retirement estimates and information the members require for retirement planning; delaying the addition of new retirees to the retired payroll; processing change requests for those already on the retired payroll; reducing members' ability to reach retirement counselors by telephone; lengthening response time to analyze proposed legislation; and negating our ability to comply with statutory requirements to review all local retirement plan valuations on a triennial basis. Legislated performance measures relative to these services and others cannot be met and it can be expected that the percent of members, retirees and participating agencies satisfied with retirement services will plummet. This furlough program will create a significant hardship for employees that will likely lead to difficulty in retaining the highest performing staff causing additional productivity losses and increasing costs for recruiting and training qualified personnel. High employee turnover will further exasperate the timely delivery of services to more than one million members and 1,000 employing agencies of Florida's statewide retirement systems.

FISCAL INFORMATION: A 15% reduction of appropriations for salaries and benefits is over \$7 million dollars for DMS programs, excluding independent entities who are addressing reductions separately. To meet this reduction, each employee would have to be furloughed an average of 47 days. This is calculated by dividing the biweekly rate of employees by 10 to get a daily rate which is then multiplied by 47 days multiplied by 18.42% benefits. The benefits rate is calculated by combining 7.65% FICA and Retirement for 10.77%. Note: Employer contributions for health, life and disability insurance are not impacted by furloughs.

Division	15% S&B
	Appropriation
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Facilities Management	(1,961,804)

Supervision Trust Fund (2696)

	COL A93	COL A94	COL A95		
	SCH VIIIB-2	SCH VIIIB-2	SCH VIIIB-2		
	REDUCTIONS	NR FY11-12	ANZ FY11-12		
POS	AMOUNT	POS	AMOUNT	POS	
				AMOUNT	
				CODES	
MANAGEMENT SRVCS, DEPT OF					72000000
PGM: FACILITIES PROGRAM					72400000
FACILITIES MANAGEMENT					72400100
GOV OPERATIONS/SUPPORT					16
GOVERNMENTAL OPERATIONS					<u>1601.00.00.00</u>
SCHEDULE VIIIB REDUCTIONS -					
OPERATING					33B0000
FIFTEEN PERCENT REDUCTION -					
SALARY AND BENEFITS -					
EMPLOYEE FURLOUGH					33B7180
Salaries and Benefits (010000)				(1,961,804)	FSI=1
					=====

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POSITION DETAIL OF SALARIES AND BENEFITS:

	FTE	BASE RATE	ADDITIVES	BENEFITS	SUBTOTAL	LAPSE %	LAPSED SALARIES AND BENEFITS
A93 - SCH VIIIB-2 REDUCTIONS							
CHANGES TO CURRENTLY AUTHORIZED POSITIONS							
OTHER SALARY AMOUNT							
2696 SUPERVISION TRUST FUND							1,961,804-
							-----
							1,961,804-
							=====
TOTAL: GOVERNMENTAL OPERATIONS							<u>1601.00.00.00</u>
BY FUND TYPE							
TRUST FUNDS.....		8,349,967-					2000
		=====					=====

	COL A93 SCH VIIIB-2 REDUCTIONS	COL A94 SCH VIIIB-2 NR FY11-12	COL A95 SCH VIIIB-2 ANZ FY11-12	CODES
	POS AMOUNT	POS AMOUNT	POS AMOUNT	
MANAGEMENT SRVCS, DEPT OF				72000000
PGM: FACILITIES PROGRAM				72400000
BUILDING CONSTRUCTION				72400200
GOV OPERATIONS/SUPPORT				16
GOVERNMENTAL OPERATIONS				1601.00.00.00
SCHEDULE VIIIB REDUCTIONS -				
OPERATING				33B0000
FIFTEEN PERCENT REDUCTION -				
EXPENSES, CONTRACTED SERVICES, AND				
DATA PROCESSING SERVICES				33B7070
EXPENSES				040000
ARCHITECTS INCIDENTAL TF -STATE	5,392-			2033 1
SPECIAL CATEGORIES				100000
CONTRACTED SERVICES				100777
ARCHITECTS INCIDENTAL TF -STATE	35,000-			2033 1
DATA PROCESSING SERVICES				210000
SOUTHWOOD SRC				210021
ARCHITECTS INCIDENTAL TF -STATE	3,173-			2033 1
TOTAL: FIFTEEN PERCENT REDUCTION -				33B7070
EXPENSES, CONTRACTED SERVICES, AND				
DATA PROCESSING SERVICES				
TOTAL ISSUE.....	43,565-			

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AGENCY ISSUE NARRATIVE:

SCH VIIIB-2 NARR 11-12 NARRATIVE:  
 PRIORITY #9

IT COMPONENT? NO

ISSUE SUMMARY: Building Construction - Each agency is required to meet a 15% reduction target. After careful consideration of the operations of the program, it was determined that the following reductions would have the least impact on the customers we serve. This issue requests the reductions as outlined below.

PROBLEM AND SOLUTION STATEMENT: To minimize the impact to our customers while still meeting the target 15% reduction, the program gave careful consideration to our operations while developing the proposed reductions.

FISCAL INFORMATION: The following details how we propose to meet this reduction.

Data Processing Services Southwood Shared Resource Center Proposed reduction of \$3,173 or 15.0% of the current Building Construction appropriation. This reduction would impact our ability to pay for the data processing services we

	COL A93	COL A94	COL A95	
	SCH VIIIB-2	SCH VIIIB-2	SCH VIIIB-2	
	REDUCTIONS	NR FY11-12	ANZ FY11-12	
POS	AMOUNT	POS	AMOUNT	POS
				AMOUNT
				CODES
MANAGEMENT SRVCS, DEPT OF				72000000
PGM: FACILITIES PROGRAM				72400000
BUILDING CONSTRUCTION				72400200
GOV OPERATIONS/SUPPORT				16
GOVERNMENTAL OPERATIONS				1601.00.00.00
SCHEDULE VIIIB REDUCTIONS -				
OPERATING				33B0000
FIFTEEN PERCENT REDUCTION -				
EXPENSES, CONTRACTED SERVICES, AND				
DATA PROCESSING SERVICES				33B7070

receive from the Statewide Shared Resource Center.

Expenses Proposed reduction of \$5,392 or 2.4% of the current Building Construction appropriation. This reduction can be achieved through savings in office supplies, travel and etc.

Contracted Services Proposed reduction of \$35,000 or 75.5% of the current Building Construction appropriation. This reduction would impact our ability to procure legal services in the event of a bid protest or other legal challenge in carrying out the functions of the program.

Architects Incidental Trust Fund (2033)				
Expenses (040000)			(5,392)	
Special Categories: Contracted Services (100777)			(35,000)	
Data Processing Services: Southwood Shared Resource Center (210021)			(3,173)	
			----	
Total Issue			(43,565)	FSI=1
			=====	

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FIFTEEN PERCENT REDUCTION -				
SALARY AND BENEFITS -				
EMPLOYEE FURLOUGH				33B7180
SALARIES AND BENEFITS				010000
ARCHITECTS INCIDENTAL TF -STATE	110,491-			2033 1
	=====	=====	=====	

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AGENCY ISSUE NARRATIVE:  
 SCH VIIIB-2 NARR 11-12 NARRATIVE: IT COMPONENT? NO  
 PRIORITY# 53

ISSUE SUMMARY: Each agency is required to meet a 15% reduction target. Much of the agency's budget supports staff (people) resources to meet the mission of the organization. We are requesting furloughs be used to meet the salaries and benefits portion of the required reduction target. Furloughs provide the following operational and economic benefits: permits the gradual or immediate resumption of previous service levels as the fiscal shortfall subsides; saves

COL A93		COL A94		COL A95		CODES
SCH VIII B-2		SCH VIII B-2		SCH VIII B-2		
REDUCTIONS		NR FY11-12		ANZ FY11-12		
POS	AMOUNT	POS	AMOUNT	POS	AMOUNT	
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>
SCHEDULE VIII B REDUCTIONS -						
OPERATING						33B0000
FIFTEEN PERCENT REDUCTION -						
SALARY AND BENEFITS -						
EMPLOYEE FURLOUGH						33B7180

recruitment and retraining costs to re-staff positions; no loss in experienced workforce; prevents an additional fiscal impact on state and local resources (unemployment compensation, food stamps, uninsured medical services, etc.) that would be caused by laid off employees seeking government services; and minimizes the negative economic impact on private sector businesses that would result from fewer goods and services being purchased by laid off employees, loan defaults, etc.

PROBLEM STATEMENT: To minimize long-term negative customer service level impacts and negative state, local and private sector economic impacts, salary reductions would be handled through a 15% furlough which translates to an average of 47 days per employee for the fiscal year, rather than through layoffs.

STATUTE REFERENCE: The definition of furlough is contained in s. 110.107(3), F.S., and is: A temporary reduction in the regular hours of employment in a pay period, or temporary leave without pay for one or more pay periods, with a commensurate reduction in pay, necessitated by a projected deficit in any fund that supports salary and benefit appropriations. Section 110.1225, F.S., requires that when furloughs are utilized that all affected employees are subject to the same reduction of hours for the same number of pay periods with a commensurate reduction in pay.

PROGRAM IMPACTS:

Federal Property Assistance Program (FPA):

The following program impacts are for the Federal Property Assistance Program (FPA): FPA provides customer service to over 500 public agencies and private/nonprofit health and education organizations throughout the State of Florida. Responsibilities include acquiring federal surplus or excess military equipment from the federal government and transferring it to agencies to assist in deferring the cost of new equipment. The Bureau coordinates the distribution of \$5.5 million in donated federal property each year. This 15% reduction will have a significant negative impact on the program. With 100% of the employees taking a 15% reduction in pay, we can expect an increased risk of resignations of key personnel that have vast amount of subject matter expertise regarding the Federal Property Assistance program. Additionally, with 100% of the employees taking a 15% reduction in work hours, we expect to experience a significant decrease in work productivity and customer service. Public agencies and private/nonprofit health and education organizations would see a significant decrease in the capability for acquiring and distributing federally owned tangible personal property declared excess/surplus by the Federal Government. FPA would not have the capability of conducting utilization checks on millions of dollars of property already donated. Lastly, this 15% reduction will negatively impact the program if an employee resigns or retires and requires a leave payout.

Bureau of Motor Vehicles and Watercraft Management:

The following program impacts are for the Bureau of Motor Vehicles and Watercraft Management: The Bureau provides customer service to 30 State agencies. The Bureau reviews and approves agency acquisition requests to ensure fleet



COL A93		COL A94		COL A95		CODES
SCH VIIIB-2		SCH VIIIB-2		SCH VIIIB-2		
REDUCTIONS		NR FY11-12		ANZ FY11-12		
POS	AMOUNT	POS	AMOUNT	POS	AMOUNT	
MANAGEMENT SRVCS, DEPT OF						72000000
PGM: FACILITIES PROGRAM						72400000
BUILDING CONSTRUCTION						72400200
GOV OPERATIONS/SUPPORT						16
GOVERNMENTAL OPERATIONS						1601.00.00.00
SCHEDULE VIIIB REDUCTIONS -						
OPERATING						33B0000
FIFTEEN PERCENT REDUCTION -						
SALARY AND BENEFITS -						
EMPLOYEE FURLOUGH						33B7180

purchases are cost effective, fuel efficient and appropriate for stated purchase. Additionally, the Bureau tracks the assignment, use, and maintenance of mobile equipment and coordinates the disposal of state-owned mobile equipment. This 15% reduction will have a significant negative impact on the program. With 100% of the employees taking a 15% reduction in pay, we can expect an increased risk of resignations of key personnel with over 46 years of subject matter expertise regarding the Equipment Management Information System (EMIS), acquisition and disposal of the State's fleet. These critical duties cannot be absorbed by other staff due to the high level expertise required to research, develop and implement mobile equipment technical specifications and replacement criteria. Additionally, with 100% of the employees taking a 15% reduction in work hours, we expect to experience a significant decrease in work productivity and customer service. The projected turnaround time for the acquisition and disposal approval process would be extended from 2 to 5 workdays. Lastly, this 15% reduction will negatively impact the Bureau if an employee resigns or retires and requires a leave payout.

Office of Supplier Diversity (OSD):

Furloughing staff will have a devastating effect on proving outreach service for the Department's customers. Furloughing will cause delays in certifying firms and providing the mandatory monthly reports required by statute, also due to the lack of outreach services there will be a reduction in the number of firms that will register in MyFloridaMarketPlace as vendors, which will also have an impact of the number of companies bidding on state and local government projects. A reduction in bidders on projects may result in the state and local governments paying a higher price for goods and services due to the lack of competition. The furloughing of staff will affect state agencies, universities, local governments and private contractors who depend on OSD to provide assurance that a company is a bonafide certified company. These entities depend on getting this information in a timely matter. If this information is delayed or not received will result in contracts not being bided and awarded in a timely manner. This can also lead to projects being stopped which causes mobilization to occur again which increases the price to the state and local government entities through change orders. All of these things cause services to the taxpaying citizens to be late, interrupted or not provided.

Building Construction:

To reduce staffing costs by 15%, Building Construction will need to furlough staff by approximately 47 days throughout the Fiscal Year. This reduction in staffing will reduce the oversight available for construction projects which may result in delays in completing projects when contractors need approvals for each phase of work, prior to review by permit authorities and approvals from DMS for work completed before proceeding to the next task. Such furloughs will also complicate communications with our client agencies regarding customers' needs and concerns. Delays in projects may result in continued degradation of DMS-managed facilities if faulty or failing equipment isn't replaced in a timely manner and physical plant problems aren't addressed before the situation worsens.

	COL A93	COL A94	COL A95	
	SCH VIIIIB-2	SCH VIIIIB-2	SCH VIIIIB-2	
	REDUCTIONS	NR FY11-12	ANZ FY11-12	
POS	AMOUNT	POS	AMOUNT	POS
				AMOUNT
				CODES
MANAGEMENT SRVCS, DEPT OF				72000000
PGM: FACILITIES PROGRAM				72400000
BUILDING CONSTRUCTION				72400200
GOV OPERATIONS/SUPPORT				16
GOVERNMENTAL OPERATIONS				1601.00.00.00
SCHEDULE VIIIIB REDUCTIONS -				
OPERATING				33B0000
FIFTEEN PERCENT REDUCTION -				
SALARY AND BENEFITS -				
EMPLOYEE FURLOUGH				33B7180

Human Resource Management

Policy Team

The State Personnel System (SPS) is part of the executive branch of state government and consists of 31 agencies that operate under a single set of employment laws, policies, and practices. These policies affect 105,031 FTE employees and 9,965 Other Personnel Services (OPS) employees, making the SPS the largest employer in state government.

The Division develops and administers core human resource (HR) policies, strategies, and practices for the State Personnel System and provides expertise and consultative services to ensure the lawful, effective and efficient implementation of human resource programs by the SPS agencies. As part of this role, the Division statutorily serves, on behalf of the Governor, as the Chief Labor Negotiator with six labor unions covering 13 collective bargaining units.

As a single employer, this Division is necessary to ensure an equitable and lawful system of employment, uniformity in application of core policies exist between agencies, the SPS remains a competitive employer capable of recruiting and retaining a highly competent workforce and Florida's citizens receive quality services.

This reduction equates to approximately a 2 day reduction in staff hours for each division employee for each two week pay period during the entire fiscal year. This 20% reduction in weekly staff hour availability will cause a severe disruption in the delivery of division services to the executive branch agencies and their employees, the Executive Office of the Governor, and legislative staff and will require that some activities be suspended or eliminated. Because division program areas are already minimally staffed, the necessary resources will not always be available on the same days due to staggered work schedules required by the furloughs. Additionally, the negative impact on productivity from normal absenteeism due to illness, etc., will be greatly magnified.

This overall loss of productivity will significantly impede the division and its customers from meeting statutory obligations and increase the potential for lawsuits and financial penalties.

Specifically, this reduction:

1. Jeopardizes the equitable and lawful administration of the State Personnel System by significantly impacting the agencies' ability to effectively manage agency operations and implement legislatively mandated programs due to:

Significant delays in providing critical policy directives to agencies related to numerous federal and state employment laws and rules, i.e., Fair Labor Standards Act (FLSA), Equal Employment Opportunity (EEO), Americans with Disabilities Act (ADA), the Family and Medical Leave Act (FMLA), employment and reemployment rights of veterans, and attendance and leave requirements, resulting in increased lawsuits

COL A93		COL A94		COL A95		CODES
SCH VIII B-2		SCH VIII B-2		SCH VIII B-2		
REDUCTIONS		NR FY11-12		ANZ FY11-12		
POS	AMOUNT	POS	AMOUNT	POS	AMOUNT	
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>
SCHEDULE VIII B REDUCTIONS -						
OPERATING						33B0000
FIFTEEN PERCENT REDUCTION -						
SALARY AND BENEFITS -						
EMPLOYEE FURLOUGH						33B7180

by employees and the assessment of substantial financial penalties by the federal government;

Drastic increases in response time for analysis and approval of key agency HR operational actions such as reorganization requests; reclassification of positions; establishment of new classes; special risk designations; workforce layoff plans; regular compensatory leave and extraordinary payment plans and pay additive requests; and

Reduced responsiveness to daily telephone and email requests for technical assistance on a myriad of HR issues.

2. Severely impacts our ability to effectively represent the Governor as the State's chief labor negotiator, causing a significant reduction in collective bargaining unit contract oversight and delaying the processing of Step 3 grievances, and resulting in an escalation in disputes with labor organizations with commensurate increases in union filings of unfair labor practice claims.

3. Eliminates our ability to administer and oversee the Florida State Employees' Charitable Campaign resulting in the suspension of the Campaign at a loss of approximately \$5 million per year to charitable organizations which provide direct services to the citizens of Florida.

4. Reduces our ability to develop policy-driven business rules and operational requirements for the People First human resource information system; thereby impacting the system's ability to meet the needs of the State Personnel System.

5. Reduces the content and timeliness of the Annual Workforce Report. This statutorily required report provides demographic and trend data regarding the State Personnel System workforce.

6. Causes delays in meeting federal reporting requirements (EEO-4 Report).

7. Eliminates our ability to provide training to agency HR staff on critical federal and state requirements.

People First Team

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 This reduction equates to approximately a 2 day reduction in staff hours for each People First Team employee for each two week pay period during the entire fiscal year. This reduction will cause a severe disruption in the delivery of services to all 240,000 users of the People First system, and will require that some activities be eliminated. People First users include executive branch agencies, State Courts System, Justice Administrative Commission, Lottery, Legislature, University System, and retirees. Job applicants will be impacted as well.

COL A93		COL A94		COL A95		CODES
SCH VIII B-2		SCH VIII B-2		SCH VIII B-2		
REDUCTIONS		NR FY11-12		ANZ FY11-12		
POS	AMOUNT	POS	AMOUNT	POS	AMOUNT	
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>
SCHEDULE VIII B REDUCTIONS -						
OPERATING						33B0000
FIFTEEN PERCENT REDUCTION -						
SALARY AND BENEFITS -						
EMPLOYEE FURLOUGH						33B7180

Specifically, this reduction:

1. Weakens our ability to ensure effective day-to-day oversight and contract management activities of the outsourced vendor (NorthgateArinso), which includes: monitoring the status of current contract deliverables and performance metrics; overseeing contract amendment and change order processes; coordinating the monthly business review meetings between the state and service provider; and monitoring NorthgateArinso's four subcontractors (i.e., PeopleClick Authoria (staffing module), Fringe Benefits Management Corporation (flexible spending account), Horizon Health / Aetna (EAP provider) and Wachovia (lockbox)).
2. Eliminates our ability to monitor service center performance to ensure accuracy of information provided, determine training or process improvement needs, and investigate concerns and complaints.
3. Weakens our ability to monitor NorthgateArinso's adherence to the security plan, review the semi-annual SAS 70 report, maintain the state of Florida security guidelines manual, monitor Level II background screening, monitor the annual business continuity plan exercise, and audit the two service centers for data security compliance.
4. Jeopardizes our ability to manage the system release life cycle for the additional system enhancements included in the renewal contract as well as any other system improvement or enhancements. Our role includes identifying the state's business requirements, providing the service provider with written confirmation of the requested change, reviewing and approving system technical specifications, coordinating and approving user acceptance testing, and overseeing the roll-out of the enhancements through employee training and communication.
5. Jeopardizes our ability to provide NorthgateArinso with Benefits Open Enrollment system changes and vendor oversight of the annual Open Enrollment process.
6. Eliminates our ability to effectively plan for the next generation HR solution (i.e., the contract with NorthgateArinso expires August 21, 2016), which includes researching best practices, reviewing lessons learned, analyzing trends, defining strengths and weaknesses of the current contract, and proactively planning for future success.
7. Reduces our ability to effectively manage and oversee the upcoming procurement process, which includes business case development, bid development, vendor selection, and contract negotiations. Coordinating procurement documents to prepare for the end of the current contract include the development of comprehensive transition, staffing, change management, training, interface, security, migration, and business continuity plans.
8. Eliminates our ability to serve our state agency customers by producing data for recurring report requests (e.g., OPS YTD Hours report, LASPBS Reconciliation reports, Pay Additive Monitoring reports, PAR data extracts, Workforce Reports, etc.), and inputting large amounts of data into the People First system via mass loads. All stakeholders will be

	COL A93	COL A94	COL A95	
	SCH VIIIIB-2	SCH VIIIIB-2	SCH VIIIIB-2	
	REDUCTIONS	NR FY11-12	ANZ FY11-12	
POS	AMOUNT	POS	AMOUNT	POS
				AMOUNT
				CODES
MANAGEMENT SRVCS, DEPT OF				72000000
PGM: FACILITIES PROGRAM				72400000
BUILDING CONSTRUCTION				72400200
GOV OPERATIONS/SUPPORT				16
GOVERNMENTAL OPERATIONS				1601.00.00.00
SCHEDULE VIIIIB REDUCTIONS -				
OPERATING				33B0000
FIFTEEN PERCENT REDUCTION -				
SALARY AND BENEFITS -				
EMPLOYEE FURLOUGH				33B7180

required to run their own reports, and input large amounts of data into the People First system on a position by position basis.

9. Reduces our ability to respond to public records requests for personnel data in a timely basis.

10 Eliminates our ability to provide support and issue resolution to customers and timely communication to all stakeholders, as well as, our ability to provide training for user groups in a variety of mediums.

Private Prison Monitoring:

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 This is expected to have a detrimental impact on our program area. With 100% of the employees taking a 15% cut in pay, we can expect an increased risk of resignations, especially if employees were impacted by a furlough during FY 2010-2011. Additionally, with 100% of the employees taking a 15% reduction in work hours, we expect to experience a marked decrease in work productivity and customer service. More concerning, the diminished ability of our program area to monitor the state's private prison contractors has negative public safety implications. Our staff will no longer be able to adequately monitor physical plant preventative maintenance and repairs relative to security electronics that monitor fence integrity designed to prevent and alarm if people are attempting to enter/exit the facility unlawfully, monitor dormitory security and emergency safety systems designed to enhance officer/inmate safety and prevent escapes, and ensure support systems are in place, designed to provide for constitutional and statutory minimum standards of living for inmates relative to food service, medical and sanitary systems (laundry/sewage, etc). Further, the diminished presence or our monitors places greater risk on the Florida Department of Management Services and the Department of Corrections ability to withstand litigation that may result from poor vendor performance that impacts an inmate's liberty, constitutional or statutory rights. Statutory impact: Chapter 957 F.S.

Division of Telecommunications:

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 The Division of Telecommunications (DivTel) is statutorily charged to bring economies of scale, bulk purchasing leverage and interoperability to Florida's public sector telecommunications. Success requires tireless work and innovation given the perpetual rapid changes in the technology marketplace. By definition, if DivTel rests, it will become obsolete and unable to deliver cost savings to the State in the future.

In addition to maintaining \$110 million worth of telecommunications services demanded annually by our government customers, some examples of pending and upcoming projects that DivTel considers vital to its charge are:

Mobile Telecommunications consolidation to place all State mobile phones under a single "family plan" to achieve enterprise savings and establish accountability; Central Voice over IP (VoIP) management and coordination (known as Session Initiation Protocol Trunking) to enable as yet unrealized savings from this technology that is rapidly replacing

COL A93		COL A94		COL A95		CODES
SCH VIII B-2		SCH VIII B-2		SCH VIII B-2		
REDUCTIONS		NR FY11-12		ANZ FY11-12		
POS	AMOUNT	POS	AMOUNT	POS	AMOUNT	
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>
SCHEDULE VIII B REDUCTIONS -						
OPERATING						33B0000
FIFTEEN PERCENT REDUCTION -						
SALARY AND BENEFITS -						
EMPLOYEE FURLOUGH						33B7180

traditional phone services; Improving competition and transparency of telephony hardware purchases that are common throughout State government under a contract known as SUNCOM Telephony Equipment Premise-Based Services or (STEPS); SUNCOM's Open and Shared Information System which empowers SUNCOM customers to effectively audit their bills, control costs and automate SUNCOM processes; Implementing telecommunications savings for the newly consolidated enterprise data centers per a mandate by law; and establishing an enterprise satellite telecommunications contract/service to achieve bulk purchase savings and standardization.

Clearly, many of these enterprise cost savings projects will be delayed or canceled for the fiscal year, given the complex challenges of each and the length of the proposed furloughs. And a new form of waste will be incurred from shelved work, disrupted efforts and triaged priorities. Furloughs will actually lead to increasing State costs rather than savings since no General Revenue can be returned and these DivTel enterprise cost savings projects will be impaired.

In addition, daily operations of DivTel have a direct impact on the daily operations of all State of Florida agencies. Telephone services to critical agencies such as the Department of Emergency Management, the Department of Environmental Protection, the Department of Children and Families, the Department of Law Enforcement, and the Department of Highway Safety, to name a few, are critical during times of urgent need and/or emergencies. DivTel is responsible for operating the SUNCOM Network Operations Center (NOC) which maintains these communications facilities. Furloughs will make it extremely difficult, if not impossible, for DivTel to provide a service level assuring 24x7 uninterrupted operations.

Another factor to consider in the event of furloughs is that the installation times associated with new and additional services will be significantly increased. Many requests for additional communications facilities are in response to an emergency situation or other immediate need for increased capacity. Furloughs will limit the ability for DivTel to respond to these emergency situations. It will also be necessary for all SUNCOM services to be re-evaluated with regard to time periods for engineering, ordering, and installing. Given that each day of increased time in that cycle represents an additional day of lost cost savings or lost services for an agency, the actual costs to the State may be significantly higher than any savings realized from furloughs.

Due to the fact that State agencies rely on the SUNCOM network for voice, video, and data services, DivTel provides staff 24x7 to respond to network outages. This coverage model requires both overtime pay and on-call pay. Furloughs will mandate either eliminating this coverage or distributing the costs onto other employees by decreasing their work hours even lower than the required furlough percentage. In either case, network outages may become more frequent and have longer durations. In the event that a repair begun by a service vendor requires SUNCOM NOC staff to complete, Service Level Agreements (SLA's) in the State contracts may become unenforceable resulting in the loss of monetary compensation to the State for prolonged down times.

In the area of public safety telecommunications, DivTel brings economies of scale to statewide mission critical

	COL A93	COL A94	COL A95	
	SCH VIIIIB-2	SCH VIIIIB-2	SCH VIIIIB-2	
	REDUCTIONS	NR FY11-12	ANZ FY11-12	
	POS	AMOUNT	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>
SCHEDULE VIIIIB REDUCTIONS -				
OPERATING				33B0000
FIFTEEN PERCENT REDUCTION -				
SALARY AND BENEFITS -				
EMPLOYEE FURLOUGH				33B7180

communications systems which benefit state, county and local agencies by: Providing administrative oversight and coordination for the State's E911 Plan supporting the E911 Board in distributing \$120 million in fees received in accordance with FS 365.172 for 911 purposes; Managing and monitoring contract performance along with enhancement projects for the Statewide Law Enforcement Radio System (SLERS) which provides secure encrypted voice communications to more than 7,500 law enforcement officers across 24 state agencies and 27 federal and local jurisdictions; and Coordinating and approving frequencies and technical specifications for state, county and local law enforcement and EMS communications systems.

Furloughs of our public safety bureau staff may significantly delay the engineering assistance DivTel provides to other state, county and local law enforcement agencies planning changes to their mission critical land mobile radio and E911 communications systems. Time spent on system, project and contract management for the Statewide Law Enforcement Radio System (SLERS), E911 Board, Florida Interoperability Network (FIN), Mutual Aid (M/A) frequencies and other interoperable communications projects will be reduced with a potential negative effect on system performance. Future grant opportunities and planning efforts to replace obsolete or aging communications systems with state of the art technologies such as next generation 911, P-25 radios, and statewide 700MHz Long Term Evolution (LTE) broadband for public safety may be lost.

Suggestions that some of the lost productivity from furloughs will be partially offset because staff might not take Annual Leave (i.e. since they will be out of work for nine weeks) should consider our most experienced and dedicated staff that are pushing maximum leave balances. They are unlikely to forgo using paid Annual Leave because they will otherwise lose it and are unwilling to contribute that loss in light of a compulsory furlough. If they don't take the leave however (as will be the case for most staff) the State will incur greater leave payouts in the future.

DivTel has an extraordinary share of dedicated professionals who are passionate about the value they bring to Florida citizens. The recent \$10 million in refunds DivTel provided, in spite of a series of preceding DivTel price reductions, are obvious fruits of their labors. More subtle are the more than \$50 million in cost avoidance they bring to the Florida enterprise every year.

DivTel's unusually low turnover is an expression of staff dedication. But their hidden contributions come from willingness to work through the night to finalize major projects (like the recent SSRC center upgrade), leaving their families during State emergencies, contributions of unpaid personal time to push projects to success, courage to stand firm against demands that compromise service to citizens and willingness to forgo private sector opportunities commensurate with their abilities. Under normal circumstances, it would be difficult to expect this kind of gracious commitment and passion from staff after they are furloughed. But given that they know their sacrifice will lead to increasing State costs rather than savings, morale will be devastated. Expecting staff to care, after extracting such a large pointless sacrifice from them, is a charade that cannot be sold.

Finally, DivTel also has a number of staff who will be unable to meet personal financial obligations after being

	COL A93	COL A94	COL A95	
	SCH VIII B-2	SCH VIII B-2	SCH VIII B-2	
	REDUCTIONS	NR FY11-12	ANZ FY11-12	
POS	AMOUNT	POS	AMOUNT	POS
				AMOUNT
				CODES
MANAGEMENT SRVCS, DEPT OF				72000000
PGM: FACILITIES PROGRAM				72400000
BUILDING CONSTRUCTION				72400200
GOV OPERATIONS/SUPPORT				16
GOVERNMENTAL OPERATIONS				1601.00.00.00
SCHEDULE VIII B REDUCTIONS -				
OPERATING				33B0000
FIFTEEN PERCENT REDUCTION -				
SALARY AND BENEFITS -				
EMPLOYEE FURLOUGH				33B7180

furloughed for nine working weeks (the current proposal). They will be forced to seek other jobs in a local market where many others will be doing the same and local spending will be depressed. For many staff, extended furloughs will impose a genuine economic crisis rather than mere hardship.

Office of the Secretary/Administration:

Furloughs will significantly impact the Office of the Secretary/Division of Administration operations. This reduction will adversely impact the quality, timeliness, and level of services delivered by the Office of the Secretary/Division of Administration to our internal and external customers. As a shared support service provider for the agency, our divisions will suffer the impacts of delayed services in turn delaying their ability to provide adequate services to their customers.

This furlough program will also create a significant hardship for employees that will likely lead to difficulty in retaining the highest performing staff causing additional productivity losses and increasing costs for recruiting and training qualified personnel.

State Purchasing:

With procurement and contracting staff unavailable due to implementation of furloughs, the Department anticipates that there will be severe impacts to many of the core functions of the Department of Management Services, Division of State Purchasing.

First, the Department is responsible for establishing state term contract. These are often multi-million dollar contracts that all agencies are required to use and eligible users (e.g., counties, municipalities) may use. Commodities and services available under state term contracts include but are not limited to: information technology hardware; information technology and management consulting services; insurance; purchasing and fuel card services; automobile and trucks; and our e-procurement services contract (generally know as "MyFloridaMarketPlace"). Also, the Bureau of Departmental Purchasing is responsible for providing purchasing services to the following divisions of the Department: Administration; Human Resource Management; State Group Insurance, Telecommunications; Real Estate Management; Specialized Services; and Retirement. The commodities and services provided via the Department's state term and departmental contracts are used by all agencies of the State of Florida. The above-mentioned contracts are established via the competitive solicitation process found in chapter 287, Florida Statutes. If the Department instituted a furlough program, the number of the competitive solicitations the Division would be able to issue will decrease in an amount commensurate with the furlough(s). As such, it is anticipated that there will be a reduction in the number of contract the Department would be able to execute. It is estimated with the implementation of furloughs, it could cost the state \$46,716,896 in savings from state contracts by reducing work hours one day per biweekly pay period.



	COL A93	COL A94	COL A95	
	SCH VIII B-2	SCH VIII B-2	SCH VIII B-2	
	REDUCTIONS	NR FY11-12	ANZ FY11-12	
POS	AMOUNT	POS	AMOUNT	POS
				AMOUNT
				CODES
MANAGEMENT SRVCS, DEPT OF				72000000
PGM: FACILITIES PROGRAM				72400000
BUILDING CONSTRUCTION				72400200
GOV OPERATIONS/SUPPORT				16
GOVERNMENTAL OPERATIONS				1601.00.00.00
SCHEDULE VIII B REDUCTIONS -				
OPERATING				33B0000
FIFTEEN PERCENT REDUCTION -				
SALARY AND BENEFITS -				
EMPLOYEE FURLOUGH				33B7180

An important part of the competitive solicitation process includes conducting strategic sourcing activities and market research prior to issuance of the solicitation. If a furlough program were instituted, procurement and contracting staff will not have the opportunity to strategically source our contracts. This means that the division will have less time to develop solicitations, survey and research the market, and solicit feedback from our customers, thereby leading to less effective contracts that will not meet our customers' needs. With the Department less able to establish effective contracts agencies will likely have to develop their own agency-specific contracts. Division also administers its contracts. These duties include assisting customers with questions and issues regarding its contracts and addressing related contract performance concerns. Under a furlough program, procurement and contracting staff will not be available to answer customer service questions in a timely manner thereby impacting customer service. Typically, when state term contract administrators receive questions from agency customers or other eligible user customers, a timely response is required. For example, the customer may want to purchase a commodity or service and may have specific questions about how a particular contract works. Delays in response due to furloughs will negatively impact our ability to provide excellent customer service. In addition, having fewer resources available will make it more difficult for the division to effectively monitor and manage vendor performance under a contract.

As State Purchasing conducts a number of competitive solicitations and administers a high volume of contract, we receive a number of public records requests. Although the Department takes its responsibilities under chapter 119, F.S., very seriously, if the Department were to institute a furlough program, response times for public records requests may be impacted. Such an impact would not only conflict with statutory requirements for public access to information, it would also have an adverse affect on the procurement protest process. Delays in information transmittal during the protest period may lead to increased litigation.

In addition to conducting competitive solicitations and administering and managing resulting contracts, the division is also responsible for providing a training program for state purchasers to attain and maintain purchasing education and skills. The goal of this program is to develop and certify public purchasing professionals, and to assure understanding and adherence to an unwavering code of ethical behavior, and the knowledge, skills and ability to effectively design, solicit, negotiate award and manage government contracts in Florida. Certifications offered through the program are Florida Certified Purchasing Agent (FCPA), Florida Certified Purchasing Manager (FCPM), Florida Certified Contract Negotiator (FCCN), and Florida Certified Contract Manager (FCCM). The training program also provides courses to assist participants with national certification such as the Certified Professional Public Buyer (CPPB), Certified Professional Public Officer (CPPO), and Project Management Professional (PMP). Florida Statute 287.057 requires that an FCCN negotiate contracts of \$1 million, and a certified PMP participate negotiate contracts in excess of \$10 million. The training program offers advanced recertification workshops to extend certification for an additional 5 year period. The training program would not be able to host the number of training courses to meet the demand for certification and recertification with the reduction in work hours due to the implementation of furloughs.

Lastly, it is uncertain what impact instituting a furlough program would have on current staffing in state purchasing.

	COL A93	COL A94	COL A95	
	SCH VIII B-2	SCH VIII B-2	SCH VIII B-2	
	REDUCTIONS	NR FY11-12	ANZ FY11-12	
	POS	AMOUNT	POS	AMOUNT
				AMOUNT
				CODES
MANAGEMENT SRVCS, DEPT OF				72000000
PGM: FACILITIES PROGRAM				72400000
BUILDING CONSTRUCTION				72400200
GOV OPERATIONS/SUPPORT				16
GOVERNMENTAL OPERATIONS				1601.00.00.00
SCHEDULE VIII B REDUCTIONS -				
OPERATING				33B0000
FIFTEEN PERCENT REDUCTION -				
SALARY AND BENEFITS -				
EMPLOYEE FURLOUGH				33B7180

Although reducing the number of hours that state purchasing staff would be able to work would result in savings, it is possible that division employees would look for employment at other agencies or outside of the employment of the state in an attempt to compensate for difference between the salary once earned versus what they would earn under furlough program.

Facilities Management

To reduce staffing costs by 15%, Facilities will need to furlough staff by approximately 47 days throughout the Fiscal Year. This reduction in staffing will mean that one day a week, at pool facilities with a single Department of Management Services (DMS) support person, there may be no DMS employee on site in a DMS-managed building to address any building issues that arise and tenants will need to contact a remote staff person to report issues to be addressed on non-furlough days. Delays in maintenance may result in continued degradation of DMS-managed facilities if faulty or failing equipment isn't replaced in a timely manner and building problems aren't addressed before the situation worsens.

In addition to the staff furloughs, other budget categories were reduced to essential elements but that still left \$2.3 million in reductions needed to meet 15% target reduction. Therefore, additional reductions in Expenses, Utilities, Contracted Services and security (contracted and FDLE) necessitate the closure of 5-10% of our facilities' square footage. This will require current tenants to seek space elsewhere and incur moving and relocation expenses. With these closures, DMS will also have a loss of revenue for those buildings which reduces funding available for operations and maintenance of other buildings in the Florida Facilities Pool.

State Group Insurance:

Furloughs will significantly impact the DSGI's operations and will not allow the DSGI to perform their legislative responsibilities. This reduction will adversely impact the quality, timeliness, and level of services delivered by the DSGI to state employees, retirees, state agencies and universities, Executive Office of the Governor and the Legislature and staff. This reduction is expected to result in the suspension and outsourcing of key activities.

Specifically, this reduction: (1) Jeopardizes the administration of the State Employees' Group Insurance Program, (2) Severely impacts our ability to obtain best value and effectively manage and oversee procurement processes, such as the upcoming PBM and HMO procurements, which include bid development, vendor selection, and contract negotiations, (3) Diminishes our ability to monitor contract performance to ensure contract compliance and accuracy of information provided, and (4) Adversely impacts customer service and programs deliverables.

Retirement:

The impact from a 15% furlough program will decrease overall organizational performance, severely impeding the delivery

COL A93		COL A94		COL A95		CODES
SCH VIIIB-2		SCH VIIIB-2		SCH VIIIB-2		
REDUCTIONS		NR FY11-12		ANZ FY11-12		
POS	AMOUNT	POS	AMOUNT	POS	AMOUNT	
MANAGEMENT SRVCS, DEPT OF						72000000
PGM: FACILITIES PROGRAM						72400000
BUILDING CONSTRUCTION						72400200
GOV OPERATIONS/SUPPORT						16
GOVERNMENTAL OPERATIONS						1601.00.00.00
SCHEDULE VIIIB REDUCTIONS -						
OPERATING						33B0000
FIFTEEN PERCENT REDUCTION -						
SALARY AND BENEFITS -						
EMPLOYEE FURLOUGH						33B7180

of important services to more than 1 million participants in Florida's statewide retirement systems. Particularly affected will be: increasing turnaround time providing retirement estimates and information the members require for retirement planning; delaying the addition of new retirees to the retired payroll; processing change requests for those already on the retired payroll; reducing members' ability to reach retirement counselors by telephone; lengthening response time to analyze proposed legislation; and negating our ability to comply with statutory requirements to review all local retirement plan valuations on a triennial basis. Legislated performance measures relative to these services and others cannot be met and it can be expected that the percent of members, retirees and participating agencies satisfied with retirement services will plummet. This furlough program will create a significant hardship for employees that will likely lead to difficulty in retaining the highest performing staff causing additional productivity losses and increasing costs for recruiting and training qualified personnel. High employee turnover will further exasperate the timely delivery of services to more than one million members and 1,000 employing agencies of Florida's statewide retirement systems.

FISCAL INFORMATION: A 15% reduction of appropriations for salaries and benefits is over \$7 million dollars for DMS programs, excluding independent entities who are addressing reductions separately. To meet this reduction, each employee would have to be furloughed an average of 47 days. This is calculated by dividing the biweekly rate of employees by 10 to get a daily rate which is then multiplied by 47 days multiplied by 18.42% benefits. The benefits rate is calculated by combining 7.65% FICA and Retirement for 10.77%. Note: Employer contributions for health, life and disability insurance are not impacted by furloughs.

Division 15% S&B  
 Appropriation  
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 Building Construction (110,491)

Architects Incidental Trust Fund (2033)  
 Salaries and Benefits (010000) (110,491) FSI=1  
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	COL A93	COL A94	COL A95	
	SCH VIIIB-2	SCH VIIIB-2	SCH VIIIB-2	
	REDUCTIONS	NR FY11-12	ANZ FY11-12	
POS	AMOUNT	POS	AMOUNT	POS
				AMOUNT
				CODES
MANAGEMENT SRVCS, DEPT OF				72000000
PGM: FACILITIES PROGRAM				72400000
BUILDING CONSTRUCTION				72400200
GOV OPERATIONS/SUPPORT				16
GOVERNMENTAL OPERATIONS				<u>1601.00.00.00</u>
SCHEDULE VIIIB REDUCTIONS -				
OPERATING				33B0000
FIFTEEN PERCENT REDUCTION -				
SALARY AND BENEFITS -				
EMPLOYEE FURLOUGH				33B7180

POSITION DETAIL OF SALARIES AND BENEFITS:

	FTE	BASE RATE	ADDITIVES	BENEFITS	SUBTOTAL	LAPSE %	LAPSED SALARIES AND BENEFITS
A93 - SCH VIIIB-2 REDUCTIONS							
CHANGES TO CURRENTLY AUTHORIZED POSITIONS							
OTHER SALARY AMOUNT							
2033 ARCHITECTS INCIDENTAL TF							110,491-
							-----
							110,491-
							=====
*****							
TOTAL: GOVERNMENTAL OPERATIONS							<u>1601.00.00.00</u>
BY FUND TYPE							
TRUST FUNDS.....		154,056-					2000
		=====					=====

	COL A93 SCH VIII B-2 REDUCTIONS	COL A94 SCH VIII B-2 NR FY11-12	COL A95 SCH VIII B-2 ANZ FY11-12	CODES
POS	AMOUNT	POS	AMOUNT	
MANAGEMENT SRVCS, DEPT OF				72000000
PGM: SUPPORT PROGRAM				72600000
AIRCRAFT MANAGEMENT				72600100
GOV OPERATIONS/SUPPORT				16
GOVERNMENTAL OPERATIONS				1601.00.00.00
SCHEDULE VIII B REDUCTIONS -				
OPERATING				33B0000
FIFTEEN PERCENT REDUCTION -				
AIRCRAFT MANAGEMENT PROGRAM				33B7170
SALARY RATE				000000
SALARY RATE.....	546,765-			
=====				
SALARIES AND BENEFITS				010000
GENERAL REVENUE FUND -STATE	11.00-	769,476-		1000 1
=====				
EXPENSES				040000
GENERAL REVENUE FUND -STATE		124,893-		1000 1
BUREAU OF AIRCRAFT TF -STATE		629,764-		2066 1
-----				
TOTAL APPRO.....		754,657-		
=====				
TOTAL: FIFTEEN PERCENT REDUCTION -				33B7170
AIRCRAFT MANAGEMENT PROGRAM				
TOTAL POSITIONS.....	11.00-			
TOTAL ISSUE.....		1,524,133-		
TOTAL SALARY RATE.....	546,765-			
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AGENCY ISSUE NARRATIVE:

SCH VIII B-2 NARR 11-12 NARRATIVE:  
 PRIORITY 30

IT COMPONENT? NO

ISSUE SUMMARY: The Aircraft Management Program (a.k.a., Executive Aircraft Pool) provides on-demand air transportation services to senior state executives and employees traveling on official state business. The program currently operates two business aircraft, an 8-seat Cessna Citation Bravo jet and a 9-seat Beechcraft King Air 350 turboprop, from a central facility located at the Tallahassee Regional Airport. The current program staffing includes 11 FTEs: six aircraft pilots, one aircraft mechanic supervisor, two aircraft mechanics and two administrative employees.

Frequently on-demand air transportation is the most practical, cost-effective, and time-effective transportation option available to meet the customer's official state business travel requirements. The Aircraft Management Program provides safe, reliable, secure and flexible on-demand business aircraft travel service for senior state executives and employees traveling on official state business. The following is a summary of the services provided by the Aircraft Management Program during the 3-year period, July 2007 to June 2010:

	COL A93	COL A94	COL A95	
	SCH VIIIIB-2	SCH VIIIIB-2	SCH VIIIIB-2	
	REDUCTIONS	NR FY11-12	ANZ FY11-12	
POS	AMOUNT	POS	AMOUNT	POS
				AMOUNT
				CODES
MANAGEMENT SRVCS, DEPT OF				72000000
PGM: SUPPORT PROGRAM				72600000
<u>AIRCRAFT MANAGEMENT</u>				72600100
<u>GOV OPERATIONS/SUPPORT</u>				16
<u>GOVERNMENTAL OPERATIONS</u>				<u>1601.00.00.00</u>
SCHEDULE VIIIIB REDUCTIONS -				
OPERATING				33B0000
FIFTEEN PERCENT REDUCTION -				
AIRCRAFT MANAGEMENT PROGRAM				33B7170

Total flight hours flown: 1,718  
 Total flight legs: 2,110  
 Average length of flight leg: 248 miles  
 Total number of passengers: 5,837  
 Total passenger miles flown: 1,389,434  
 Average number of passengers per flight leg: 3.4  
 Total number of different airports serviced: 113  
     Florida airports: 82  
     Non-Florida airports: 31  
 (Includes several military and restricted airports)

PROBLEM STATEMENT: Without General Revenue (GR) appropriation, the Aircraft Management Program will be eliminated; the Executive Aircraft Pool will cease operations; senior state executives and employees must obtain their continuing requirement for on-demand air transportation services by other means; 11 FTEs will be permanently laid off; both business aircraft must be sold (on 7/1/2011 the payoff balance on the jet's lease/loan will be \$3.25M); all property at the airport facility must be disposed of (e.g., tools, parts, equipment, etc.); and the use and control of the airport property facilities and buildings (including the T-hangar currently occupied by aircraft from Division of Forestry, FWC, DOT, and FHP) must be mitigated and/or renegotiated (see below for more details) with the City of Tallahassee.

As seen in Fiscal Year 2008-09, the Aircraft Management Program could not operate without GR appropriations. In Fiscal Year 2008-09 the Program was appropriated \$430,000 in GR. Most of the required budget, \$3.1M, was in Trust Fund appropriation. The resulting fiscal situation required a significant increase in chargeback rates, which in turn, resulted in a sharp decrease in utilization (due in part by a decrease in customer's travel budgets). In order to remain solvent through the end of Fiscal Year 2008-09, the Program was forced to sell one of its aircraft, a 1985 King Air 300, and use proceeds from the sale of the aircraft to help fund fixed and variable operating expenses.

STATUTE REFERENCE: If the Department of Management Services' Executive Aircraft Pool is eliminated, the Department will cease to provide air transportation services and will be void of personnel with aviation expertise. Therefore, the following Florida Statutes will need to be reviewed for required modification, reassignment, or deletion:

- Section 287.15 Purchase or lease of motor vehicles, watercraft, or aircraft; prior approval of the Department of Management Services
- Section 287.16 Powers and duties of department
- Section 287.161 Executive aircraft pool; assignment of aircraft; charge for transportation
- Section 287.17 Limitation on use of motor vehicles and aircraft
- Section 287.18 Repair and service of motor vehicles and aircraft
- Section 287.19 Transfer of funds
- Section 287.20 Applicability of this part

	COL A93	COL A94	COL A95	
	SCH VIII B-2	SCH VIII B-2	SCH VIII B-2	
	REDUCTIONS	NR FY11-12	ANZ FY11-12	
POS	AMOUNT	POS	AMOUNT	POS
				AMOUNT
				CODES
MANAGEMENT SRVCS, DEPT OF				72000000
PGM: SUPPORT PROGRAM				72600000
AIRCRAFT MANAGEMENT				72600100
GOV OPERATIONS/SUPPORT				16
GOVERNMENTAL OPERATIONS				1601.00.00.00
SCHEDULE VIII B REDUCTIONS -				
OPERATING				33B0000
FIFTEEN PERCENT REDUCTION -				
AIRCRAFT MANAGEMENT PROGRAM				33B7170

PROGRAM IMPACTS: (1) Lay off of all 11 employees. Depending on date of program termination, some GR funding may be required for residual personnel expenses such as leave payouts and unemployment compensation. Additionally, consideration should be given to funding a minimally staffed, temporary "sunset crew" to dispose of aircraft and other assets (tools, parts, equipment), disposition of facilities, close-out of accounts payable (AP) and accounts receivable (AR), archiving of official records, etc.

(2) Cancel all services, contracts, training, travel, utilities, subscriptions, etc. Request a credit for any unused bulk fuel from the local Tallahassee Fixed Base Operator (FBO), MillionAir.

(3) Sell both aircraft. On 7/1/2011 the payoff lease/loan balance for the Cessna Citation Bravo jet will be \$3.25M. The expected revenue resulting from the sale of the Citation Bravo is estimated to be \$2.75M. The expected revenue resulting from the sale of the King Air 350 is estimated to be \$1.25M. The balance in the Aircraft Trust Fund is estimated to be approximately \$400K.

The elimination of the Aircraft Management Program/Executive Aircraft Pool could result in the loss of use and forfeiture of all state buildings and facilities located on the 3.6 acres of airport property currently leased by DMS from the City of Tallahassee. The current airport property lease between the City of Tallahassee and the Florida Department of Management Services (formerly the Department of General Services) expires on December 31, 2024. The current term of the lease is for a period of 25 years (starting January 1, 2000) for a sum of one dollar (\$1.00). The lease stipulates that the premises is for, " the use, operation, and maintenance of an aircraft facility in connection with the State Motor Pool (a.k.a., Executive Aircraft Pool) ". Furthermore, the lease will be automatically terminated and cancelled if DMS ceases to use the premises, " for legitimate state motor pool purposes for a continuous period of two (2) years, ". The lease also states that DMS may not, without written consent of the Lessor (City of Tallahassee) assign the lease, " to any other board, commission or agency of the State of Florida".

FISCAL INFORMATION: This issue reflects the impact of deleting recurring General Revenue funding of \$894,369 and Trust Fund authority of \$629,764 needed to continue aircraft operations.

This issue impacts the "Operate and Maintain the Executive Aircraft Pool" activity.

General Revenue (1000)				
Rate (11.0) FTE	(546,765)			
Salaries and Benefits (010000)			(769,476)	
Expenses (040000)			(124,893)	
			-----	
Total General Revenue			(894,369)	FSI=1
			=====	

Bureau of Aircraft Trust Fund (2066)

	COL A93 SCH VIIIB-2 REDUCTIONS	COL A94 SCH VIIIB-2 NR FY11-12	COL A95 SCH VIIIB-2 ANZ FY11-12	CODES
	POS AMOUNT	POS AMOUNT	POS AMOUNT	
MANAGEMENT SRVCS, DEPT OF				72000000
PGM: SUPPORT PROGRAM				72600000
AIRCRAFT MANAGEMENT				72600100
GOV OPERATIONS/SUPPORT				16
GOVERNMENTAL OPERATIONS				<u>1601.00.00.00</u>
SCHEDULE VIIIB REDUCTIONS -				
OPERATING				33B0000
FIFTEEN PERCENT REDUCTION -				
AIRCRAFT MANAGEMENT PROGRAM				33B7170

Expenses (040000) (629,764) FSI=1  
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POSITION DETAIL OF SALARIES AND BENEFITS:

	FTE	BASE RATE	ADDITIVES	BENEFITS	SUBTOTAL	LAPSE %	LAPSED SALARIES AND BENEFITS
A93 - SCH VIIIB-2 REDUCTIONS							
CHANGES TO CURRENTLY AUTHORIZED POSITIONS							
RA02 RATE & SALARY ADJ - FTE - NO BENEFITS							
C1000 002	11.00-	769,476-			769,476-	0.00	769,476-
TOTALS FOR ISSUE BY FUND							
1000 GENERAL REVENUE FUND							769,476-
	11.00-	769,476-			769,476-		769,476-
RA06 RATE ADJ - NO FTE - NO SALARY - NO BENEFITS							
C1000 001		222,711					
TOTAL SALARY RATE		222,711					

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TOTAL: GOVERNMENTAL OPERATIONS							<u>1601.00.00.00</u>
BY FUND TYPE							
GENERAL REVENUE FUND		894,369-					1000
TRUST FUNDS		629,764-					2000
TOTAL POSITIONS.....	11.00-						
TOTAL PROG COMP.....		1,524,133-					
TOTAL SALARY RATE.....		546,765-					



	COL A93	COL A94	COL A95	
	SCH VIIIB-2	SCH VIIIB-2	SCH VIIIB-2	
	REDUCTIONS	NR FY11-12	ANZ FY11-12	
POS	AMOUNT	POS	AMOUNT	POS
				AMOUNT
				CODES
MANAGEMENT SRVCS, DEPT OF				72000000
PGM: SUPPORT PROGRAM				72600000
FEDERAL PROPERTY ASSIST				72600200
GOV OPERATIONS/SUPPORT				16
GOVERNMENTAL OPERATIONS				1601.00.00.00
SCHEDULE VIIIB REDUCTIONS -				
OPERATING				33B0000
FIFTEEN PERCENT REDUCTION -				
EXPENSES, CONTRACTED SERVICES, AND				
DATA PROCESSING SERVICES				33B7070
EXPENSES				040000
SURPLUS PROPERTY REVOLV TF-STATE	1,479-			2699 1
SPECIAL CATEGORIES				100000
CONTRACTED SERVICES				100777
SURPLUS PROPERTY REVOLV TF-STATE	5,100-			2699 1
DATA PROCESSING SERVICES				210000
SOUTHWOOD SRC				210021
SURPLUS PROPERTY REVOLV TF-STATE	4,650-			2699 1
TOTAL: FIFTEEN PERCENT REDUCTION -				33B7070
EXPENSES, CONTRACTED SERVICES, AND				
DATA PROCESSING SERVICES				
TOTAL ISSUE.....	11,229-			

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AGENCY ISSUE NARRATIVE:

SCH VIIIB-2 NARR 11-12 NARRATIVE:  
 PRIORITY #6

IT COMPONENT? NO

ISSUE SUMMARY: Federal Property Administration (FPA) - Each agency is required to meet a 15% reduction target. After careful consideration of the operations of the program, it was determined that the following reduction would have the least impact on the customers we serve. The reduction is being offered from the Expenses, Special Categories: Contacted Services, and Data Processing Services SSRC categories.

PROBLEM STATEMENT: To minimize the impact to our customers while still meeting the target 15% reduction, the program gave careful consideration to our operations while developing the proposed reduction. The reductions were taken from categories that would create the least impact to the program, employees and customer service.

PROGRAM IMPACTS: FPA provides customer service to over 500 public agencies and private/nonprofit health and education organizations throughout the State of Florida. Responsibilities include acquiring federal surplus or excess military

	COL A93	COL A94	COL A95	
	SCH VIIIIB-2	SCH VIIIIB-2	SCH VIIIIB-2	
	REDUCTIONS	NR FY11-12	ANZ FY11-12	
POS	AMOUNT	POS	AMOUNT	POS
				AMOUNT
				CODES
MANAGEMENT SRVCS, DEPT OF				72000000
PGM: SUPPORT PROGRAM				72600000
FEDERAL PROPERTY ASSIST				72600200
GOV OPERATIONS/SUPPORT				16
GOVERNMENTAL OPERATIONS				1601.00.00.00
SCHEDULE VIIIIB REDUCTIONS -				
OPERATING				33B0000
FIFTEEN PERCENT REDUCTION -				
EXPENSES, CONTRACTED SERVICES, AND				
DATA PROCESSING SERVICES				33B7070

equipment from the federal government and transferring it to agencies to assist in deferring the cost of new equipment. The Bureau coordinates the distribution of \$5.5 million in donated federal property each year. The program will be affected if expenditures in any of these categories exceed the revised appropriation due to unforeseen cost increases and/or unexpected incidents.

FISCAL INFORMATION: A 15% reduction for the Bureau of Federal Property Assistance is as follows:

Federal Surplus Property Revolving Trust Fund (2699)			
Expenses (040000)			(1,479)
Special Categories: Contracted Services (100777)			(5,100)
Data Processing Services SSRC (210021)			(4,650)
			-----
Total Issue			(11,688) FSI=1
			=====

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FIFTEEN PERCENT REDUCTION -			
SALARY AND BENEFITS -			
EMPLOYEE FURLOUGH			33B7180
SALARIES AND BENEFITS			010000

SURPLUS PROPERTY REVOLV TF-STATE 36,567- 2699 1

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AGENCY ISSUE NARRATIVE:

SCH VIIIIB-2 NARR 11-12 NARRATIVE:  
 PRIORITY# 50

IT COMPONENT? NO

ISSUE SUMMARY: Each agency is required to meet a 15% reduction target. Much of the agency's budget supports staff (people) resources to meet the mission of the organization. We are requesting furloughs be used to meet the salaries and benefits portion of the required reduction target. Furloughs provide the following operational and economic benefits: permits the gradual or immediate resumption of previous service levels as the fiscal shortfall subsides; saves recruitment and retraining costs to re-staff positions; no loss in experienced workforce; prevents an additional fiscal impact on state and local resources (unemployment compensation, food stamps, uninsured medical services, etc.) that would

	COL A93	COL A94	COL A95	
	SCH VIII B-2	SCH VIII B-2	SCH VIII B-2	
	REDUCTIONS	NR FY11-12	ANZ FY11-12	
POS	AMOUNT	POS	AMOUNT	CODES
MANAGEMENT SRVCS, DEPT OF				72000000
PGM: SUPPORT PROGRAM				72600000
FEDERAL PROPERTY ASSIST				72600200
GOV OPERATIONS/SUPPORT				16
GOVERNMENTAL OPERATIONS				1601.00.00.00
SCHEDULE VIII B REDUCTIONS -				
OPERATING				33B0000
FIFTEEN PERCENT REDUCTION -				
SALARY AND BENEFITS -				
EMPLOYEE FURLOUGH				33B7180

be caused by laid off employees seeking government services; and minimizes the negative economic impact on private sector businesses that would result from fewer goods and services being purchased by laid off employees, loan defaults, etc.

PROBLEM STATEMENT: To minimize long-term negative customer service level impacts and negative state, local and private sector economic impacts, salary reductions would be handled through a 15% furlough which translates to an average of 47 days per employee for the fiscal year, rather than through layoffs.

STATUTE REFERENCE: The definition of furlough is contained in s. 110.107(3), F.S., and is: A temporary reduction in the regular hours of employment in a pay period, or temporary leave without pay for one or more pay periods, with a commensurate reduction in pay, necessitated by a projected deficit in any fund that supports salary and benefit appropriations. Section 110.1225, F.S., requires that when furloughs are utilized that all affected employees are subject to the same reduction of hours for the same number of pay periods with a commensurate reduction in pay.

PROGRAM IMPACTS:

Federal Property Assistance Program (FPA):

The following program impacts are for the Federal Property Assistance Program (FPA): FPA provides customer service to over 500 public agencies and private/nonprofit health and education organizations throughout the State of Florida. Responsibilities include acquiring federal surplus or excess military equipment from the federal government and transferring it to agencies to assist in deferring the cost of new equipment. The Bureau coordinates the distribution of \$5.5 million in donated federal property each year. This 15% reduction will have a significant negative impact on the program. With 100% of the employees taking a 15% reduction in pay, we can expect an increased risk of resignations of key personnel that have vast amount of subject matter expertise regarding the Federal Property Assistance program. Additionally, with 100% of the employees taking a 15% reduction in work hours, we expect to experience a significant decrease in work productivity and customer service. Public agencies and private/nonprofit health and education organizations would see a significant decrease in the capability for acquiring and distributing federally owned tangible personal property declared excess/surplus by the Federal Government. FPA would not have the capability of conducting utilization checks on millions of dollars of property already donated. Lastly, this 15% reduction will negatively impact the program if an employee resigns or retires and requires a leave payout.

Bureau of Motor Vehicles and Watercraft Management:

The following program impacts are for the Bureau of Motor Vehicles and Watercraft Management: The Bureau provides customer service to 30 State agencies. The Bureau reviews and approves agency acquisition requests to ensure fleet purchases are cost effective, fuel efficient and appropriate for stated purchase. Additionally, the Bureau tracks the assignment, use, and maintenance of mobile equipment and coordinates the disposal of state-owned mobile equipment. This

COL A93		COL A94		COL A95		CODES
SCH VIII B-2		SCH VIII B-2		SCH VIII B-2		
REDUCTIONS		NR FY11-12		ANZ FY11-12		
POS	AMOUNT	POS	AMOUNT	POS	AMOUNT	
						72000000
MANAGEMENT SRVCS, DEPT OF						72600000
PGM: SUPPORT PROGRAM						72600200
FEDERAL PROPERTY ASSIST						16
GOV OPERATIONS/SUPPORT						1601.00.00.00
GOVERNMENTAL OPERATIONS						
SCHEDULE VIII B REDUCTIONS -						
OPERATING						33B0000
FIFTEEN PERCENT REDUCTION -						
SALARY AND BENEFITS -						
EMPLOYEE FURLOUGH						33B7180

15% reduction will have a significant negative impact on the program. With 100% of the employees taking a 15% reduction in pay, we can expect an increased risk of resignations of key personnel with over 46 years of subject matter expertise regarding the Equipment Management Information System (EMIS), acquisition and disposal of the State's fleet. These critical duties cannot be absorbed by other staff due to the high level expertise required to research, develop and implement mobile equipment technical specifications and replacement criteria. Additionally, with 100% of the employees taking a 15% reduction in work hours, we expect to experience a significant decrease in work productivity and customer service. The projected turnaround time for the acquisition and disposal approval process would be extended from 2 to 5 workdays. Lastly, this 15% reduction will negatively impact the Bureau if an employee resigns or retires and requires a leave payout.

Office of Supplier Diversity (OSD):

Furloughing staff will have a devastating effect on proving outreach service for the Department's customers. Furloughing will cause delays in certifying firms and providing the mandatory monthly reports required by statute, also due to the lack of outreach services there will be a reduction in the number of firms that will register in MyFloridaMarketPlace as vendors, which will also have an impact of the number of companies bidding on state and local government projects. A reduction in bidders on projects may result in the state and local governments paying a higher price for goods and services due to the lack of competition. The furloughing of staff will affect state agencies, universities, local governments and private contractors who depend on OSD to provide assurance that a company is a bonafide certified company. These entities depend on getting this information in a timely matter. If this information is delayed or not received will result in contracts not being bided and awarded in a timely manner. This can also lead to projects being stopped which causes mobilization to occur again which increases the price to the state and local government entities through change orders. All of these things cause services to the taxpaying citizens to be late, interrupted or not provided.

Building Construction:

To reduce staffing costs by 15%, Building Construction will need to furlough staff by approximately 47 days throughout the Fiscal Year. This reduction in staffing will reduce the oversight available for construction projects which may result in delays in completing projects when contractors need approvals for each phase of work, prior to review by permit authorities and approvals from DMS for work completed before proceeding to the next task. Such furloughs will also complicate communications with our client agencies regarding customers' needs and concerns. Delays in projects may result in continued degradation of DMS-managed facilities if faulty or failing equipment isn't replaced in a timely manner and physical plant problems aren't addressed before the situation worsens.

Human Resource Management

	COL A93	COL A94	COL A95	
	SCH VIIIIB-2	SCH VIIIIB-2	SCH VIIIIB-2	
	REDUCTIONS	NR FY11-12	ANZ FY11-12	
POS	AMOUNT	POS	AMOUNT	POS
				AMOUNT
				CODES
MANAGEMENT SRVCS, DEPT OF				72000000
PGM: SUPPORT PROGRAM				72600000
FEDERAL PROPERTY ASSIST				72600200
GOV OPERATIONS/SUPPORT				16
GOVERNMENTAL OPERATIONS				1601.00.00.00
SCHEDULE VIIIIB REDUCTIONS -				
OPERATING				33B0000
FIFTEEN PERCENT REDUCTION -				
SALARY AND BENEFITS -				
EMPLOYEE FURLOUGH				33B7180

Policy Team

The State Personnel System (SPS) is part of the executive branch of state government and consists of 31 agencies that operate under a single set of employment laws, policies, and practices. These policies affect 105,031 FTE employees and 9,965 Other Personnel Services (OPS) employees, making the SPS the largest employer in state government.

The Division develops and administers core human resource (HR) policies, strategies, and practices for the State Personnel System and provides expertise and consultative services to ensure the lawful, effective and efficient implementation of human resource programs by the SPS agencies. As part of this role, the Division statutorily serves, on behalf of the Governor, as the Chief Labor Negotiator with six labor unions covering 13 collective bargaining units.

As a single employer, this Division is necessary to ensure an equitable and lawful system of employment, uniformity in application of core policies exist between agencies, the SPS remains a competitive employer capable of recruiting and retaining a highly competent workforce and Florida's citizens receive quality services.

This reduction equates to approximately a 2 day reduction in staff hours for each division employee for each two week pay period during the entire fiscal year. This 20% reduction in weekly staff hour availability will cause a severe disruption in the delivery of division services to the executive branch agencies and their employees, the Executive Office of the Governor, and legislative staff and will require that some activities be suspended or eliminated. Because division program areas are already minimally staffed, the necessary resources will not always be available on the same days due to staggered work schedules required by the furloughs. Additionally, the negative impact on productivity from normal absenteeism due to illness, etc., will be greatly magnified.

This overall loss of productivity will significantly impede the division and its customers from meeting statutory obligations and increase the potential for lawsuits and financial penalties.

Specifically, this reduction:

1. Jeopardizes the equitable and lawful administration of the State Personnel System by significantly impacting the agencies' ability to effectively manage agency operations and implement legislatively mandated programs due to:

Significant delays in providing critical policy directives to agencies related to numerous federal and state employment laws and rules, i.e., Fair Labor Standards Act (FLSA), Equal Employment Opportunity (EEO), Americans with Disabilities Act (ADA), the Family and Medical Leave Act (FMLA), employment and reemployment rights of veterans, and attendance and leave requirements, resulting in increased lawsuits by employees and the assessment of substantial financial penalties by the federal government;

COL A93		COL A94		COL A95		CODES
SCH VIIIB-2		SCH VIIIB-2		SCH VIIIB-2		
REDUCTIONS		NR FY11-12		ANZ FY11-12		
POS	AMOUNT	POS	AMOUNT	POS	AMOUNT	
MANAGEMENT SRVCS, DEPT OF						72000000
PGM: SUPPORT PROGRAM						72600000
FEDERAL PROPERTY ASSIST						72600200
GOV OPERATIONS/SUPPORT						16
GOVERNMENTAL OPERATIONS						<u>1601.00.00.00</u>
SCHEDULE VIIIB REDUCTIONS -						
OPERATING						33B0000
FIFTEEN PERCENT REDUCTION -						
SALARY AND BENEFITS -						
EMPLOYEE FURLOUGH						33B7180

Drastic increases in response time for analysis and approval of key agency HR operational actions such as reorganization requests; reclassification of positions; establishment of new classes; special risk designations; workforce layoff plans; regular compensatory leave and extraordinary payment plans and pay additive requests; and

Reduced responsiveness to daily telephone and email requests for technical assistance on a myriad of HR issues.

2. Severely impacts our ability to effectively represent the Governor as the State's chief labor negotiator, causing a significant reduction in collective bargaining unit contract oversight and delaying the processing of Step 3 grievances, and resulting in an escalation in disputes with labor organizations with commensurate increases in union filings of unfair labor practice claims.

3. Eliminates our ability to administer and oversee the Florida State Employees' Charitable Campaign resulting in the suspension of the Campaign at a loss of approximately \$5 million per year to charitable organizations which provide direct services to the citizens of Florida.

4. Reduces our ability to develop policy-driven business rules and operational requirements for the People First human resource information system; thereby impacting the system's ability to meet the needs of the State Personnel System.

5. Reduces the content and timeliness of the Annual Workforce Report. This statutorily required report provides demographic and trend data regarding the State Personnel System workforce.

6. Causes delays in meeting federal reporting requirements (EEO-4 Report).

7. Eliminates our ability to provide training to agency HR staff on critical federal and state requirements.

People First Team

This reduction equates to approximately a 2 day reduction in staff hours for each People First Team employee for each two week pay period during the entire fiscal year. This reduction will cause a severe disruption in the delivery of services to all 240,000 users of the People First system, and will require that some activities be eliminated. People First users include executive branch agencies, State Courts System, Justice Administrative Commission, Lottery, Legislature, University System, and retirees. Job applicants will be impacted as well.

Specifically, this reduction:

	COL A93	COL A94	COL A95	
	SCH VIIIIB-2	SCH VIIIIB-2	SCH VIIIIB-2	
	REDUCTIONS	NR FY11-12	ANZ FY11-12	
POS	AMOUNT	POS	AMOUNT	POS
				AMOUNT
				CODES
MANAGEMENT SRVCS, DEPT OF				72000000
PGM: SUPPORT PROGRAM				72600000
FEDERAL PROPERTY ASSIST				72600200
GOV OPERATIONS/SUPPORT				16
GOVERNMENTAL OPERATIONS				1601.00.00.00
SCHEDULE VIIIIB REDUCTIONS -				
OPERATING				33B0000
FIFTEEN PERCENT REDUCTION -				
SALARY AND BENEFITS -				
EMPLOYEE FURLOUGH				33B7180

1. Weakens our ability to ensure effective day-to-day oversight and contract management activities of the outsourced vendor (NorthgateArinso), which includes: monitoring the status of current contract deliverables and performance metrics; overseeing contract amendment and change order processes; coordinating the monthly business review meetings between the state and service provider; and monitoring NorthgateArinso's four subcontractors (i.e., PeopleClick Authoria (staffing module), Fringe Benefits Management Corporation (flexible spending account), Horizon Health / Aetna (EAP provider) and Wachovia (lockbox)).
2. Eliminates our ability to monitor service center performance to ensure accuracy of information provided, determine training or process improvement needs, and investigate concerns and complaints.
3. Weakens our ability to monitor NorthgateArinso's adherence to the security plan, review the semi-annual SAS 70 report, maintain the state of Florida security guidelines manual, monitor Level II background screening, monitor the annual business continuity plan exercise, and audit the two service centers for data security compliance.
4. Jeopardizes our ability to manage the system release life cycle for the additional system enhancements included in the renewal contract as well as any other system improvement or enhancements. Our role includes identifying the state's business requirements, providing the service provider with written confirmation of the requested change, reviewing and approving system technical specifications, coordinating and approving user acceptance testing, and overseeing the roll-out of the enhancements through employee training and communication.
5. Jeopardizes our ability to provide NorthgateArinso with Benefits Open Enrollment system changes and vendor oversight of the annual Open Enrollment process.
6. Eliminates our ability to effectively plan for the next generation HR solution (i.e., the contract with NorthgateArinso expires August 21, 2016), which includes researching best practices, reviewing lessons learned, analyzing trends, defining strengths and weaknesses of the current contract, and proactively planning for future success.
7. Reduces our ability to effectively manage and oversee the upcoming procurement process, which includes business case development, bid development, vendor selection, and contract negotiations. Coordinating procurement documents to prepare for the end of the current contract include the development of comprehensive transition, staffing, change management, training, interface, security, migration, and business continuity plans.
8. Eliminates our ability to serve our state agency customers by producing data for recurring report requests (e.g., OPS YTD Hours report, LASPBS Reconciliation reports, Pay Additive Monitoring reports, PAR data extracts, Workforce Reports, etc.), and inputting large amounts of data into the People First system via mass loads. All stakeholders will be required to run their own reports, and input large amounts of data into the People First system on a position by position basis.

COL A93		COL A94		COL A95		CODES
SCH VIIIIB-2		SCH VIIIIB-2		SCH VIIIIB-2		
REDUCTIONS		NR FY11-12		ANZ FY11-12		
POS	AMOUNT	POS	AMOUNT	POS	AMOUNT	
MANAGEMENT SRVCS, DEPT OF						72000000
PGM: SUPPORT PROGRAM						72600000
FEDERAL PROPERTY ASSIST						72600200
GOV OPERATIONS/SUPPORT						16
GOVERNMENTAL OPERATIONS						1601.00.00.00
SCHEDULE VIIIIB REDUCTIONS -						
OPERATING						33B0000
FIFTEEN PERCENT REDUCTION -						
SALARY AND BENEFITS -						
EMPLOYEE FURLOUGH						33B7180

9. Reduces our ability to respond to public records requests for personnel data in a timely basis.

10 Eliminates our ability to provide support and issue resolution to customers and timely communication to all stakeholders, as well as, our ability to provide training for user groups in a variety of mediums.

Private Prison Monitoring:

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 This is expected to have a detrimental impact on our program area. With 100% of the employees taking a 15% cut in pay, we can expect an increased risk of resignations, especially if employees were impacted by a furlough during FY 2010-2011. Additionally, with 100% of the employees taking a 15% reduction in work hours, we expect to experience a marked decrease in work productivity and customer service. More concerning, the diminished ability of our program area to monitor the state's private prison contractors has negative public safety implications. Our staff will no longer be able to adequately monitor physical plant preventative maintenance and repairs relative to security electronics that monitor fence integrity designed to prevent and alarm if people are attempting to enter/exit the facility unlawfully, monitor dormitory security and emergency safety systems designed to enhance officer/inmate safety and prevent escapes, and ensure support systems are in place, designed to provide for constitutional and statutory minimum standards of living for inmates relative to food service, medical and sanitary systems (laundry/sewage, etc). Further, the diminished presence or our monitors places greater risk on the Florida Department of Management Services and the Department of Corrections ability to withstand litigation that may result from poor vendor performance that impacts an inmate's liberty, constitutional or statutory rights. Statutory impact: Chapter 957 F.S.

Division of Telecommunications:

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 The Division of Telecommunications (DivTel) is statutorily charged to bring economies of scale, bulk purchasing leverage and interoperability to Florida's public sector telecommunications. Success requires tireless work and innovation given the perpetual rapid changes in the technology marketplace. By definition, if DivTel rests, it will become obsolete and unable to deliver cost savings to the State in the future.

In addition to maintaining \$110 million worth of telecommunications services demanded annually by our government customers, some examples of pending and upcoming projects that DivTel considers vital to its charge are:

Mobile Telecommunications consolidation to place all State mobile phones under a single "family plan" to achieve enterprise savings and establish accountability; Central Voice over IP (VoIP) management and coordination (known as Session Initiation Protocol Trunking) to enable as yet unrealized savings from this technology that is rapidly replacing traditional phone services; Improving competition and transparency of telephony hardware purchases that are common throughout State government under a contract known as SUNCOM Telephony Equipment Premise-Based Services or (STEPS);



COL A93		COL A94		COL A95		CODES
SCH VIIIIB-2		SCH VIIIIB-2		SCH VIIIIB-2		
REDUCTIONS		NR FY11-12		ANZ FY11-12		
POS	AMOUNT	POS	AMOUNT	POS	AMOUNT	
MANAGEMENT SRVCS, DEPT OF						72000000
PGM: SUPPORT PROGRAM						72600000
FEDERAL PROPERTY ASSIST						72600200
GOV OPERATIONS/SUPPORT						16
GOVERNMENTAL OPERATIONS						<u>1601.00.00.00</u>
SCHEDULE VIIIIB REDUCTIONS -						
OPERATING						33B0000
FIFTEEN PERCENT REDUCTION -						
SALARY AND BENEFITS -						
EMPLOYEE FURLOUGH						33B7180

SUNCOM's Open and Shared Information System which empowers SUNCOM customers to effectively audit their bills, control costs and automate SUNCOM processes;  
 Implementing telecommunications savings for the newly consolidated enterprise data centers per a mandate by law; and establishing an enterprise satellite telecommunications contract/service to achieve bulk purchase savings and standardization.

Clearly, many of these enterprise cost savings projects will be delayed or canceled for the fiscal year, given the complex challenges of each and the length of the proposed furloughs. And a new form of waste will be incurred from shelved work, disrupted efforts and triaged priorities. Furloughs will actually lead to increasing State costs rather than savings since no General Revenue can be returned and these DivTel enterprise cost savings projects will be impaired.

In addition, daily operations of DivTel have a direct impact on the daily operations of all State of Florida agencies. Telephone services to critical agencies such as the Department of Emergency Management, the Department of Environmental Protection, the Department of Children and Families, the Department of Law Enforcement, and the Department of Highway Safety, to name a few, are critical during times of urgent need and/or emergencies. DivTel is responsible for operating the SUNCOM Network Operations Center (NOC) which maintains these communications facilities. Furloughs will make it extremely difficult, if not impossible, for DivTel to provide a service level assuring 24x7 uninterrupted operations.

Another factor to consider in the event of furloughs is that the installation times associated with new and additional services will be significantly increased. Many requests for additional communications facilities are in response to an emergency situation or other immediate need for increased capacity. Furloughs will limit the ability for DivTel to respond to these emergency situations. It will also be necessary for all SUNCOM services to be re-evaluated with regard to time periods for engineering, ordering, and installing. Given that each day of increased time in that cycle represents an additional day of lost cost savings or lost services for an agency, the actual costs to the State may be significantly higher than any savings realized from furloughs.

Due to the fact that State agencies rely on the SUNCOM network for voice, video, and data services, DivTel provides staff 24x7 to respond to network outages. This coverage model requires both overtime pay and on-call pay. Furloughs will mandate either eliminating this coverage or distributing the costs onto other employees by decreasing their work hours even lower than the required furlough percentage. In either case, network outages may become more frequent and have longer durations. In the event that a repair begun by a service vendor requires SUNCOM NOC staff to complete, Service Level Agreements (SLA's) in the State contracts may become unenforceable resulting in the loss of monetary compensation to the State for prolonged down times.

In the area of public safety telecommunications, DivTel brings economies of scale to statewide mission critical communications systems which benefit state, county and local agencies by: Providing administrative oversight and coordination for the State's E911 Plan supporting the E911 Board in distributing \$120 million in fees received in

COL A93		COL A94		COL A95		CODES
SCH VIII B-2		SCH VIII B-2		SCH VIII B-2		
REDUCTIONS		NR FY11-12		ANZ FY11-12		
POS	AMOUNT	POS	AMOUNT	POS	AMOUNT	
MANAGEMENT SRVCS, DEPT OF						72000000
PGM: SUPPORT PROGRAM						72600000
FEDERAL PROPERTY ASSIST						72600200
GOV OPERATIONS/SUPPORT						16
GOVERNMENTAL OPERATIONS						<u>1601.00.00.00</u>
SCHEDULE VIII B REDUCTIONS -						
OPERATING						33B0000
FIFTEEN PERCENT REDUCTION -						
SALARY AND BENEFITS -						
EMPLOYEE FURLOUGH						33B7180

accordance with FS 365.172 for 911 purposes; Managing and monitoring contract performance along with enhancement projects for the Statewide Law Enforcement Radio System (SLERS) which provides secure encrypted voice communications to more than 7,500 law enforcement officers across 24 state agencies and 27 federal and local jurisdictions; and Coordinating and approving frequencies and technical specifications for state, county and local law enforcement and EMS communications systems.

Furloughs of our public safety bureau staff may significantly delay the engineering assistance DivTel provides to other state, county and local law enforcement agencies planning changes to their mission critical land mobile radio and E911 communications systems. Time spent on system, project and contract management for the Statewide Law Enforcement Radio System (SLERS), E911 Board, Florida Interoperability Network (FIN), Mutual Aid (M/A) frequencies and other interoperable communications projects will be reduced with a potential negative effect on system performance. Future grant opportunities and planning efforts to replace obsolete or aging communications systems with state of the art technologies such as next generation 911, P-25 radios, and statewide 700MHz Long Term Evolution (LTE) broadband for public safety may be lost.

Suggestions that some of the lost productivity from furloughs will be partially offset because staff might not take Annual Leave (i.e. since they will be out of work for nine weeks) should consider our most experienced and dedicated staff that are pushing maximum leave balances. They are unlikely to forgo using paid Annual Leave because they will otherwise lose it and are unwilling to contribute that loss in light of a compulsory furlough. If they don't take the leave however (as will be the case for most staff) the State will incur greater leave payouts in the future.

DivTel has an extraordinary share of dedicated professionals who are passionate about the value they bring to Florida citizens. The recent \$10 million in refunds DivTel provided, in spite of a series of preceding DivTel price reductions, are obvious fruits of their labors. More subtle are the more than \$50 million in cost avoidance they bring to the Florida enterprise every year.

DivTel's unusually low turnover is an expression of staff dedication. But their hidden contributions come from willingness to work through the night to finalize major projects (like the recent SSRC center upgrade), leaving their families during State emergencies, contributions of unpaid personal time to push projects to success, courage to stand firm against demands that compromise service to citizens and willingness to forgo private sector opportunities commensurate with their abilities. Under normal circumstances, it would be difficult to expect this kind of gracious commitment and passion from staff after they are furloughed. But given that they know their sacrifice will lead to increasing State costs rather than savings, morale will be devastated. Expecting staff to care, after extracting such a large pointless sacrifice from them, is a charade that cannot be sold.

Finally, DivTel also has a number of staff who will be unable to meet personal financial obligations after being furloughed for nine working weeks (the current proposal). They will be forced to seek other jobs in a local market where many others will be doing the same and local spending will be depressed. For many staff, extended furloughs will impose

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	REDUCTIONS	NR FY11-12	ANZ FY11-12	
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				CODES
MANAGEMENT SRVCS, DEPT OF				72000000
PGM: SUPPORT PROGRAM				72600000
FEDERAL PROPERTY ASSIST				72600200
GOV OPERATIONS/SUPPORT				16
GOVERNMENTAL OPERATIONS				1601.00.00.00
SCHEDULE VIIIIB REDUCTIONS -				
OPERATING				33B0000
FIFTEEN PERCENT REDUCTION -				
SALARY AND BENEFITS -				
EMPLOYEE FURLOUGH				33B7180

a genuine economic crisis rather than mere hardship.

Office of the Secretary/Administration:

Furloughs will significantly impact the Office of the Secretary/Division of Administration operations. This reduction will adversely impact the quality, timeliness, and level of services delivered by the Office of the Secretary/Division of Administration to our internal and external customers. As a shared support service provider for the agency, our divisions will suffer the impacts of delayed services in turn delaying their ability to provide adequate services to their customers.

This furlough program will also create a significant hardship for employees that will likely lead to difficulty in retaining the highest performing staff causing additional productivity losses and increasing costs for recruiting and training qualified personnel.

State Purchasing:

With procurement and contracting staff unavailable due to implementation of furloughs, the Department anticipates that there will be severe impacts to many of the core functions of the Department of Management Services, Division of State Purchasing.

First, the Department is responsible for establishing state term contract. These are often multi-million dollar contracts that all agencies are required to use and eligible users (e.g., counties, municipalities) may use. Commodities and services available under state term contracts include but are not limited to: information technology hardware; information technology and management consulting services; insurance; purchasing and fuel card services; automobile and trucks; and our e-procurement services contract (generally know as "MyFloridaMarketPlace"). Also, the Bureau of Departmental Purchasing is responsible for providing purchasing services to the following divisions of the Department: Administration; Human Resource Management; State Group Insurance, Telecommunications; Real Estate Management; Specialized Services; and Retirement. The commodities and services provided via the Department's state term and departmental contracts are used by all agencies of the State of Florida. The above-mentioned contracts are established via the competitive solicitation process found in chapter 287, Florida Statutes. If the Department instituted a furlough program, the number of the competitive solicitations the Division would be able to issue will decrease in an amount commensurate with the furlough(s). As such, it is anticipated that there will be a reduction in the number of contract the Department would be able to execute. It is estimated with the implementation of furloughs, it could cost the state \$46,716,896 in savings from state contracts by reducing work hours one day per biweekly pay period.

An important part of the competitive solicitation process includes conducting strategic sourcing activities and market research prior to issuance of the solicitation. If a furlough program were instituted, procurement and contracting staff

COL A93		COL A94		COL A95		CODES
SCH VIIIB-2	SCH VIIIB-2	SCH VIIIB-2	NR FY11-12	ANZ FY11-12	ANZ FY11-12	
REDUCTIONS	REDUCTIONS	REDUCTIONS	REDUCTIONS	REDUCTIONS	REDUCTIONS	
POS	AMOUNT	POS	AMOUNT	POS	AMOUNT	
MANAGEMENT SRVCS, DEPT OF						72000000
PGM: SUPPORT PROGRAM						72600000
FEDERAL PROPERTY ASSIST						72600200
GOV OPERATIONS/SUPPORT						16
GOVERNMENTAL OPERATIONS						1601.00.00.00
SCHEDULE VIIIB REDUCTIONS -						
OPERATING						33B0000
FIFTEEN PERCENT REDUCTION -						
SALARY AND BENEFITS -						
EMPLOYEE FURLOUGH						33B7180

will not have the opportunity to strategically source our contracts. This means that the division will have less time to develop solicitations, survey and research the market, and solicit feedback from our customers, thereby leading to less effective contracts that will not meet our customers' needs. With the Department less able to establish effective contracts agencies will likely have to develop their own agency-specific contracts. Division also administers its contracts. These duties include assisting customers with questions and issues regarding its contracts and addressing related contract performance concerns. Under a furlough program, procurement and contracting staff will not be as available to answer customer service questions in a timely manner thereby impacting customer service. Typically, when state term contract administrators receive questions from agency customers or other eligible user customers, a timely response is required. For example, the customer may want to purchase a commodity or service and may have specific questions about how a particular contract works. Delays in response due to furloughs will negatively impact our ability to provide excellent customer service. In addition, having fewer resources available will make it more difficult for the division to effectively monitor and manage vendor performance under a contract.

As State Purchasing conducts a number of competitive solicitations and administers a high volume of contract, we receive a number of public records requests. Although the Department takes its responsibilities under chapter 119, F.S., very seriously, if the Department were to institute a furlough program, response times for public records requests may be impacted. Such an impact would not only conflict with statutory requirements for public access to information, it would also have an adverse affect on the procurement protest process. Delays in information transmittal during the protest period may lead to increased litigation.

In addition to conducting competitive solicitations and administering and managing resulting contracts, the division is also responsible for providing a training program for state purchasers to attain and maintain purchasing education and skills. The goal of this program is to develop and certify public purchasing professionals, and to assure understanding and adherence to an unwavering code of ethical behavior, and the knowledge, skills and ability to effectively design, solicit, negotiate award and manage government contracts in Florida. Certifications offered through the program are Florida Certified Purchasing Agent (FCPA), Florida Certified Purchasing Manager (FCPM), Florida Certified Contract Negotiator (FCCN), and Florida Certified Contract Manager (FCCM). The training program also provides courses to assist participants with national certification such as the Certified Professional Public Buyer (CPPB), Certified Professional Public Officer (CPPO), and Project Management Professional (PMP). Florida Statute 287.057 requires that an FCCN negotiate contracts of \$1 million, and a certified PMP negotiate contracts in excess of \$10 million. The training program offers advanced recertification workshops to extend certification for an additional 5 year period. The training program would not be able to host the number of training courses to meet the demand for certification and recertification with the reduction in work hours due to the implementation of furloughs.

Lastly, it is uncertain what impact instituting a furlough program would have on current staffing in state purchasing. Although reducing the number of hours that state purchasing staff would be able to work would result in savings, it is possible that division employees would look for employment at other agencies or outside of the employment of the state in

	COL A93	COL A94	COL A95	
	SCH VIIIIB-2	SCH VIIIIB-2	SCH VIIIIB-2	
	REDUCTIONS	NR FY11-12	ANZ FY11-12	
	POS	AMOUNT	POS	AMOUNT
				CODES
MANAGEMENT SRVCS, DEPT OF				72000000
PGM: SUPPORT PROGRAM				72600000
FEDERAL PROPERTY ASSIST				72600200
GOV OPERATIONS/SUPPORT				16
GOVERNMENTAL OPERATIONS				1601.00.00.00
SCHEDULE VIIIIB REDUCTIONS -				
OPERATING				33B0000
FIFTEEN PERCENT REDUCTION -				
SALARY AND BENEFITS -				
EMPLOYEE FURLOUGH				33B7180

an attempt to compensate for difference between the salary once earned versus what they would earn under furlough program.

Facilities Management

To reduce staffing costs by 15%, Facilities will need to furlough staff by approximately 47 days throughout the Fiscal Year. This reduction in staffing will mean that one day a week, at pool facilities with a single Department of Management Services (DMS) support person, there may be no DMS employee on site in a DMS-managed building to address any building issues that arise and tenants will need to contact a remote staff person to report issues to be addressed on non-furlough days. Delays in maintenance may result in continued degradation of DMS-managed facilities if faulty or failing equipment isn't replaced in a timely manner and building problems aren't addressed before the situation worsens.

In addition to the staff furloughs, other budget categories were reduced to essential elements but that still left \$2.3 million in reductions needed to meet 15% target reduction. Therefore, additional reductions in Expenses, Utilities, Contracted Services and security (contracted and FDLE) necessitate the closure of 5-10% of our facilities' square footage. This will require current tenants to seek space elsewhere and incur moving and relocation expenses. With these closures, DMS will also have a loss of revenue for those buildings which reduces funding available for operations and maintenance of other buildings in the Florida Facilities Pool.

State Group Insurance:

Furloughs will significantly impact the DSGI's operations and will not allow the DSGI to perform their legislative responsibilities. This reduction will adversely impact the quality, timeliness, and level of services delivered by the DSGI to state employees, retirees, state agencies and universities, Executive Office of the Governor and the Legislature and staff. This reduction is expected to result in the suspension and outsourcing of key activities.

Specifically, this reduction: (1) Jeopardizes the administration of the State Employees' Group Insurance Program, (2) Severely impacts our ability to obtain best value and effectively manage and oversee procurement processes, such as the upcoming PBM and HMO procurements, which include bid development, vendor selection, and contract negotiations, (3) Diminishes our ability to monitor contract performance to ensure contract compliance and accuracy of information provided, and (4) Adversely impacts customer service and programs deliverables.

Retirement:

The impact from a 15% furlough program will decrease overall organizational performance, severely impeding the delivery of important services to more than 1 million participants in Florida's statewide retirement systems. Particularly affected will be: increasing turnaround time providing retirement estimates and information the members require for

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SCH VIII B-2		SCH VIII B-2		SCH VIII B-2		
REDUCTIONS		NR FY11-12		ANZ FY11-12		
POS	AMOUNT	POS	AMOUNT	POS	AMOUNT	
MANAGEMENT SRVCS, DEPT OF						72000000
PGM: SUPPORT PROGRAM						72600000
FEDERAL PROPERTY ASSIST						72600200
GOV OPERATIONS/SUPPORT						16
GOVERNMENTAL OPERATIONS						1601.00.00.00
SCHEDULE VIII B REDUCTIONS -						
OPERATING						33B0000
FIFTEEN PERCENT REDUCTION -						
SALARY AND BENEFITS -						
EMPLOYEE FURLOUGH						33B7180

retirement planning; delaying the addition of new retirees to the retired payroll; processing change requests for those already on the retired payroll; reducing members' ability to reach retirement counselors by telephone; lengthening response time to analyze proposed legislation; and negating our ability to comply with statutory requirements to review all local retirement plan valuations on a triennial basis. Legislated performance measures relative to these services and others cannot be met and it can be expected that the percent of members, retirees and participating agencies satisfied with retirement services will plummet. This furlough program will create a significant hardship for employees that will likely lead to difficulty in retaining the highest performing staff causing additional productivity losses and increasing costs for recruiting and training qualified personnel. High employee turnover will further exasperate the timely delivery of services to more than one million members and 1,000 employing agencies of Florida's statewide retirement systems.

FISCAL INFORMATION: A 15% reduction of appropriations for salaries and benefits is over \$7 million dollars for DMS programs, excluding independent entities who are addressing reductions separately. To meet this reduction, each employee would have to be furloughed an average of 47 days. This is calculated by dividing the biweekly rate of employees by 10 to get a daily rate which is then multiplied by 47 days multiplied by 18.42% benefits. The benefits rate is calculated by combining 7.65% FICA and Retirement for 10.77%. Note: Employer contributions for health, life and disability insurance are not impacted by furloughs.

Division 15% S&B  
 Appropriation  
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 Federal Property Assistance (36,567)

Federal Surplus Property Revolving Trust Fund (2699)  
 Salaries and Benefits (010000) (36,567) FSI=1

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	COL A93	COL A94	COL A95	
	SCH VIIIB-2	SCH VIIIB-2	SCH VIIIB-2	
	REDUCTIONS	NR FY11-12	ANZ FY11-12	
POS	AMOUNT	POS	AMOUNT	POS
				AMOUNT
				CODES
MANAGEMENT SRVCS, DEPT OF				72000000
PGM: SUPPORT PROGRAM				72600000
FEDERAL PROPERTY ASSIST				72600200
GOV OPERATIONS/SUPPORT				16
GOVERNMENTAL OPERATIONS				<u>1601.00.00.00</u>
SCHEDULE VIIIB REDUCTIONS -				
OPERATING				33B0000
FIFTEEN PERCENT REDUCTION -				
SALARY AND BENEFITS -				
EMPLOYEE FURLOUGH				33B7180

POSITION DETAIL OF SALARIES AND BENEFITS:

	FTE	BASE RATE	ADDITIVES	BENEFITS	SUBTOTAL	LAPSE %	LAPSED SALARIES AND BENEFITS
A93 - SCH VIIIB-2 REDUCTIONS							
CHANGES TO CURRENTLY AUTHORIZED POSITIONS							
OTHER SALARY AMOUNT							
2699 SURPLUS PROPERTY REVOLV TF							36,567-
							<u>36,567-</u>
							=====
*****							
TOTAL: GOVERNMENTAL OPERATIONS							<u>1601.00.00.00</u>
BY FUND TYPE							
TRUST FUNDS.....		47,796-					2000
		=====					=====

	COL A93		COL A94		COL A95		CODES
	POS	AMOUNT	POS	AMOUNT	POS	AMOUNT	
MANAGEMENT SRVCS, DEPT OF							72000000
PGM: SUPPORT PROGRAM							72600000
MOTOR VEHIC/WATERCRAFT MGT							72600300
GOV OPERATIONS/SUPPORT							16
GOVERNMENTAL OPERATIONS							1601.00.00.00
SCHEDULE VIIIIB REDUCTIONS -							
OPERATING							33B0000
FIFTEEN PERCENT REDUCTION -							
EXPENSES							33B7050
EXPENSES							040000
OPERATING TRUST FUND	-STATE	30,000-					2510 1

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AGENCY ISSUE NARRATIVE:

SCH VIIIIB-2 NARR 11-12 NARRATIVE: IT COMPONENT? NO  
 PRIORITY 3

ISSUE SUMMARY: Motor Vehicles & Watercraft Management - The Each agency is required to meet a 15% reduction target. After careful consideration of the operations of the program, it was determined that the following reductions would have the least impact on the customers we serve. The reduction is being offered from the Expenses category and necessary to maintain the fund's positive balance in Fiscal Year 2011-12.

PROBLEM STATEMENT: Budget authority is available for reduction in the Expenses appropriation. Reducing costs through efficiencies and the frugal manner in which the Program is managed has realized an excess in budget authority in the Expenses category.

FISCAL INFORMATION: This issue requests to reduce the Expenses appropriation by \$30,000 as a result of efficiencies. This reduction is necessary to maintain the fund's positive balance in Fiscal Year 2011-12.

Operating Trust Fund (2510)  
 Expenses (040000) (30,000) FSI=1

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FIFTEEN PERCENT REDUCTION -							
SALARY AND BENEFITS -							
EMPLOYEE FURLOUGH							33B7180
SALARIES AND BENEFITS							010000
OPERATING TRUST FUND	-STATE	86,498-					2510 1



	COL A93	COL A94	COL A95	
	SCH VIIIIB-2	SCH VIIIIB-2	SCH VIIIIB-2	
	REDUCTIONS	NR FY11-12	ANZ FY11-12	
POS	AMOUNT	POS	AMOUNT	POS
				AMOUNT
				CODES
MANAGEMENT SRVCS, DEPT OF				72000000
PGM: SUPPORT PROGRAM				72600000
MOTOR VEHIC/WATERCRAFT MGT				72600300
GOV OPERATIONS/SUPPORT				16
GOVERNMENTAL OPERATIONS				1601.00.00.00
SCHEDULE VIIIIB REDUCTIONS -				
OPERATING				33B0000
FIFTEEN PERCENT REDUCTION -				
SALARY AND BENEFITS -				
EMPLOYEE FURLOUGH				33B7180
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AGENCY ISSUE NARRATIVE:

SCH VIIIIB-2 NARR 11-12 NARRATIVE:  
 PRIORITY# 51

IT COMPONENT? NO

ISSUE SUMMARY: Each agency is required to meet a 15% reduction target. Much of the agency's budget supports staff (people) resources to meet the mission of the organization. We are requesting furloughs be used to meet the salaries and benefits portion of the required reduction target. Furloughs provide the following operational and economic benefits: permits the gradual or immediate resumption of previous service levels as the fiscal shortfall subsides; saves recruitment and retraining costs to re-staff positions; no loss in experienced workforce; prevents an additional fiscal impact on state and local resources (unemployment compensation, food stamps, uninsured medical services, etc.) that would be caused by laid off employees seeking government services; and minimizes the negative economic impact on private sector businesses that would result from fewer goods and services being purchased by laid off employees, loan defaults, etc.

PROBLEM STATEMENT: To minimize long-term negative customer service level impacts and negative state, local and private sector economic impacts, salary reductions would be handled through a 15% furlough which translates to an average of 47 days per employee for the fiscal year, rather than through layoffs.

STATUTE REFERENCE: The definition of furlough is contained in s. 110.107(3), F.S., and is: A temporary reduction in the regular hours of employment in a pay period, or temporary leave without pay for one or more pay periods, with a commensurate reduction in pay, necessitated by a projected deficit in any fund that supports salary and benefit appropriations. Section 110.1225, F.S., requires that when furloughs are utilized that all affected employees are subject to the same reduction of hours for the same number of pay periods with a commensurate reduction in pay.

PROGRAM IMPACTS:

Federal Property Assistance Program (FPA):

The following program impacts are for the Federal Property Assistance Program (FPA): FPA provides customer service to over 500 public agencies and private/nonprofit health and education organizations throughout the State of Florida. Responsibilities include acquiring federal surplus or excess military equipment from the federal government and transferring it to agencies to assist in deferring the cost of new equipment. The Bureau coordinates the distribution of \$5.5 million in donated federal property each year. This 15% reduction will have a significant negative impact on the program. With 100% of the employees taking a 15% reduction in pay, we can expect an increased risk of resignations of key personnel that have vast amount of subject matter expertise regarding the Federal Property Assistance program. Additionally, with 100% of the employees taking a 15% reduction in work hours, we expect to experience a significant decrease in work productivity and customer service. Public agencies and private/nonprofit health and education

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	SCH VIII B-2	SCH VIII B-2	SCH VIII B-2	
	REDUCTIONS	NR FY11-12	ANZ FY11-12	
POS	AMOUNT	POS	AMOUNT	POS
				AMOUNT
				CODES
MANAGEMENT SRVCS, DEPT OF				72000000
PGM: SUPPORT PROGRAM				72600000
MOTOR VEHIC/WATERCRAFT MGT				72600300
GOV OPERATIONS/SUPPORT				16
GOVERNMENTAL OPERATIONS				1601.00.00.00
SCHEDULE VIII B REDUCTIONS -				
OPERATING				33B0000
FIFTEEN PERCENT REDUCTION -				
SALARY AND BENEFITS -				
EMPLOYEE FURLOUGH				33B7180

organizations would see a significant decrease in the capability for acquiring and distributing federally owned tangible personal property declared excess/surplus by the Federal Government. FPA would not have the capability of conducting utilization checks on millions of dollars of property already donated. Lastly, this 15% reduction will negatively impact the program if an employee resigns or retires and requires a leave payout.

Bureau of Motor Vehicles and Watercraft Management:

The following program impacts are for the Bureau of Motor Vehicles and Watercraft Management: The Bureau provides customer service to 30 State agencies. The Bureau reviews and approves agency acquisition requests to ensure fleet purchases are cost effective, fuel efficient and appropriate for stated purchase. Additionally, the Bureau tracks the assignment, use, and maintenance of mobile equipment and coordinates the disposal of state-owned mobile equipment. This 15% reduction will have a significant negative impact on the program. With 100% of the employees taking a 15% reduction in pay, we can expect an increased risk of resignations of key personnel with over 46 years of subject matter expertise regarding the Equipment Management Information System (EMIS), acquisition and disposal of the State's fleet. These critical duties cannot be absorbed by other staff due to the high level expertise required to research, develop and implement mobile equipment technical specifications and replacement criteria. Additionally, with 100% of the employees taking a 15% reduction in work hours, we expect to experience a significant decrease in work productivity and customer service. The projected turnaround time for the acquisition and disposal approval process would be extended from 2 to 5 workdays. Lastly, this 15% reduction will negatively impact the Bureau if an employee resigns or retires and requires a leave payout.

Office of Supplier Diversity (OSD):

Furloughing staff will have a devastating effect on proving outreach service for the Department's customers. Furloughing will cause delays in certifying firms and providing the mandatory monthly reports required by statute, also due to the lack of outreach services there will be a reduction in the number of firms that will register in MyFloridaMarketPlace as vendors, which will also have an impact of the number of companies bidding on state and local government projects. A reduction in bidders on projects may result in the state and local governments paying a higher price for goods and services due to the lack of competition. The furloughing of staff will affect state agencies, universities, local governments and private contractors who depend on OSD to provide assurance that a company is a bonafide certified company. These entities depend on getting this information in a timely matter. If this information is delayed or not received will result in contracts not being bided and awarded in a timely manner. This can also lead to projects being stopped which causes mobilization to occur again which increases the price to the state and local government entities through change orders. All of these things cause services to the taxpaying citizens to be late, interrupted or not provided.

Building Construction:

COL A93		COL A94		COL A95		CODES
SCH VIII B-2		SCH VIII B-2		SCH VIII B-2		
REDUCTIONS		NR FY11-12		ANZ FY11-12		
POS	AMOUNT	POS	AMOUNT	POS	AMOUNT	
MANAGEMENT SRVCS, DEPT OF						72000000
PGM: SUPPORT PROGRAM						72600000
MOTOR VEHIC/WATERCRAFT MGT						72600300
GOV OPERATIONS/SUPPORT						16
GOVERNMENTAL OPERATIONS						<u>1601.00.00.00</u>
SCHEDULE VIII B REDUCTIONS -						
OPERATING						33B0000
FIFTEEN PERCENT REDUCTION -						
SALARY AND BENEFITS -						
EMPLOYEE FURLOUGH						33B7180

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 To reduce staffing costs by 15%, Building Construction will need to furlough staff by approximately 47 days throughout the Fiscal Year. This reduction in staffing will reduce the oversight available for construction projects which may result in delays in completing projects when contractors need approvals for each phase of work, prior to review by permit authorities and approvals from DMS for work completed before proceeding to the next task. Such furloughs will also complicate communications with our client agencies regarding customers' needs and concerns. Delays in projects may result in continued degradation of DMS-managed facilities if faulty or failing equipment isn't replaced in a timely manner and physical plant problems aren't addressed before the situation worsens.

Human Resource Management

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 Policy Team  
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The State Personnel System (SPS) is part of the executive branch of state government and consists of 31 agencies that operate under a single set of employment laws, policies, and practices. These policies affect 105,031 FTE employees and 9,965 Other Personnel Services (OPS) employees, making the SPS the largest employer in state government.

The Division develops and administers core human resource (HR) policies, strategies, and practices for the State Personnel System and provides expertise and consultative services to ensure the lawful, effective and efficient implementation of human resource programs by the SPS agencies. As part of this role, the Division statutorily serves, on behalf of the Governor, as the Chief Labor Negotiator with six labor unions covering 13 collective bargaining units.

As a single employer, this Division is necessary to ensure an equitable and lawful system of employment, uniformity in application of core policies exist between agencies, the SPS remains a competitive employer capable of recruiting and retaining a highly competent workforce and Florida's citizens receive quality services.

This reduction equates to approximately a 2 day reduction in staff hours for each division employee for each two week pay period during the entire fiscal year. This 20% reduction in weekly staff hour availability will cause a severe disruption in the delivery of division services to the executive branch agencies and their employees, the Executive Office of the Governor, and legislative staff and will require that some activities be suspended or eliminated. Because division program areas are already minimally staffed, the necessary resources will not always be available on the same days due to staggered work schedules required by the furloughs. Additionally, the negative impact on productivity from normal absenteeism due to illness, etc., will be greatly magnified.

This overall loss of productivity will significantly impede the division and its customers from meeting statutory obligations and increase the potential for lawsuits and financial penalties.

	COL A93	COL A94	COL A95	
	SCH VIIIB-2	SCH VIIIB-2	SCH VIIIB-2	
	REDUCTIONS	NR FY11-12	ANZ FY11-12	
POS	AMOUNT	POS	AMOUNT	POS
				AMOUNT
				CODES
MANAGEMENT SRVCS, DEPT OF				72000000
PGM: SUPPORT PROGRAM				72600000
MOTOR VEHIC/WATERCRAFT MGT				72600300
GOV OPERATIONS/SUPPORT				16
GOVERNMENTAL OPERATIONS				<u>1601.00.00.00</u>
SCHEDULE VIIIB REDUCTIONS -				
OPERATING				33B0000
FIFTEEN PERCENT REDUCTION -				
SALARY AND BENEFITS -				
EMPLOYEE FURLOUGH				33B7180

Specifically, this reduction:

1. Jeopardizes the equitable and lawful administration of the State Personnel System by significantly impacting the agencies' ability to effectively manage agency operations and implement legislatively mandated programs due to:

Significant delays in providing critical policy directives to agencies related to numerous federal and state employment laws and rules, i.e., Fair Labor Standards Act (FLSA), Equal Employment Opportunity (EEO), Americans with Disabilities Act (ADA), the Family and Medical Leave Act (FMLA), employment and reemployment rights of veterans, and attendance and leave requirements, resulting in increased lawsuits by employees and the assessment of substantial financial penalties by the federal government;

Drastic increases in response time for analysis and approval of key agency HR operational actions such as reorganization requests; reclassification of positions; establishment of new classes; special risk designations; workforce layoff plans; regular compensatory leave and extraordinary payment plans and pay additive requests; and

Reduced responsiveness to daily telephone and email requests for technical assistance on a myriad of HR issues.

2. Severely impacts our ability to effectively represent the Governor as the State's chief labor negotiator, causing a significant reduction in collective bargaining unit contract oversight and delaying the processing of Step 3 grievances, and resulting in an escalation in disputes with labor organizations with commensurate increases in union filings of unfair labor practice claims.

3. Eliminates our ability to administer and oversee the Florida State Employees' Charitable Campaign resulting in the suspension of the Campaign at a loss of approximately \$5 million per year to charitable organizations which provide direct services to the citizens of Florida.

4. Reduces our ability to develop policy-driven business rules and operational requirements for the People First human resource information system; thereby impacting the system's ability to meet the needs of the State Personnel System.

5. Reduces the content and timeliness of the Annual Workforce Report. This statutorily required report provides demographic and trend data regarding the State Personnel System workforce.

6. Causes delays in meeting federal reporting requirements (EEO-4 Report).

7. Eliminates our ability to provide training to agency HR staff on critical federal and state requirements.

COL A93		COL A94		COL A95		CODES
SCH VIII B-2		SCH VIII B-2		SCH VIII B-2		
REDUCTIONS		NR FY11-12		ANZ FY11-12		
POS	AMOUNT	POS	AMOUNT	POS	AMOUNT	
						72000000
MANAGEMENT SRVCS, DEPT OF						72600000
PGM: SUPPORT PROGRAM						72600300
MOTOR VEHIC/WATERCRAFT MGT						16
GOV OPERATIONS/SUPPORT						1601.00.00.00
GOVERNMENTAL OPERATIONS						
SCHEDULE VIII B REDUCTIONS -						
OPERATING						33B0000
FIFTEEN PERCENT REDUCTION -						
SALARY AND BENEFITS -						
EMPLOYEE FURLOUGH						33B7180

People First Team

This reduction equates to approximately a 2 day reduction in staff hours for each People First Team employee for each two week pay period during the entire fiscal year. This reduction will cause a severe disruption in the delivery of services to all 240,000 users of the People First system, and will require that some activities be eliminated. People First users include executive branch agencies, State Courts System, Justice Administrative Commission, Lottery, Legislature, University System, and retirees. Job applicants will be impacted as well.

Specifically, this reduction:

1. Weakens our ability to ensure effective day-to-day oversight and contract management activities of the outsourced vendor (NorthgateArinso), which includes: monitoring the status of current contract deliverables and performance metrics; overseeing contract amendment and change order processes; coordinating the monthly business review meetings between the state and service provider; and monitoring NorthgateArinso's four subcontractors (i.e., PeopleClick Authoria (staffing module), Fringe Benefits Management Corporation (flexible spending account), Horizon Health / Aetna (EAP provider) and Wachovia (lockbox)).
2. Eliminates our ability to monitor service center performance to ensure accuracy of information provided, determine training or process improvement needs, and investigate concerns and complaints.
3. Weakens our ability to monitor NorthgateArinso's adherence to the security plan, review the semi-annual SAS 70 report, maintain the state of Florida security guidelines manual, monitor Level II background screening, monitor the annual business continuity plan exercise, and audit the two service centers for data security compliance.
4. Jeopardizes our ability to manage the system release life cycle for the additional system enhancements included in the renewal contract as well as any other system improvement or enhancements. Our role includes identifying the state's business requirements, providing the service provider with written confirmation of the requested change, reviewing and approving system technical specifications, coordinating and approving user acceptance testing, and overseeing the roll-out of the enhancements through employee training and communication.
5. Jeopardizes our ability to provide NorthgateArinso with Benefits Open Enrollment system changes and vendor oversight of the annual Open Enrollment process.
6. Eliminates our ability to effectively plan for the next generation HR solution (i.e., the contract with NorthgateArinso expires August 21, 2016), which includes researching best practices, reviewing lessons learned, analyzing trends, defining strengths and weaknesses of the current contract, and proactively planning for future success.

COL A93		COL A94		COL A95		CODES
SCH VIIIB-2		SCH VIIIB-2		SCH VIIIB-2		
REDUCTIONS		NR FY11-12		ANZ FY11-12		
POS	AMOUNT	POS	AMOUNT	POS	AMOUNT	
						72000000
MANAGEMENT SRVCS, DEPT OF						72600000
PGM: SUPPORT PROGRAM						72600300
MOTOR VEHIC/WATERCRAFT MGT						16
GOV OPERATIONS/SUPPORT						1601.00.00.00
GOVERNMENTAL OPERATIONS						
SCHEDULE VIIIB REDUCTIONS -						
OPERATING						33B0000
FIFTEEN PERCENT REDUCTION -						
SALARY AND BENEFITS -						
EMPLOYEE FURLOUGH						33B7180

7. Reduces our ability to effectively manage and oversee the upcoming procurement process, which includes business case development, bid development, vendor selection, and contract negotiations. Coordinating procurement documents to prepare for the end of the current contract include the development of comprehensive transition, staffing, change management, training, interface, security, migration, and business continuity plans.

8. Eliminates our ability to serve our state agency customers by producing data for recurring report requests (e.g., OPS YTD Hours report, LASPBS Reconciliation reports, Pay Additive Monitoring reports, PAR data extracts, Workforce Reports, etc.), and inputting large amounts of data into the People First system via mass loads. All stakeholders will be required to run their own reports, and input large amounts of data into the People First system on a position by position basis.

9. Reduces our ability to respond to public records requests for personnel data in a timely basis.

10 Eliminates our ability to provide support and issue resolution to customers and timely communication to all stakeholders, as well as, our ability to provide training for user groups in a variety of mediums.

Private Prison Monitoring:

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 This is expected to have a detrimental impact on our program area. With 100% of the employees taking a 15% cut in pay, we can expect an increased risk of resignations, especially if employees were impacted by a furlough during FY 2010-2011. Additionally, with 100% of the employees taking a 15% reduction in work hours, we expect to experience a marked decrease in work productivity and customer service. More concerning, the diminished ability of our program area to monitor the state's private prison contractors has negative public safety implications. Our staff will no longer be able to adequately monitor physical plant preventative maintenance and repairs relative to security electronics that monitor fence integrity designed to prevent and alarm if people are attempting to enter/exit the facility unlawfully, monitor dormitory security and emergency safety systems designed to enhance officer/inmate safety and prevent escapes, and ensure support systems are in place, designed to provide for constitutional and statutory minimum standards of living for inmates relative to food service, medical and sanitary systems (laundry/sewage, etc). Further, the diminished presence or our monitors places greater risk on the Florida Department of Management Services and the Department of Corrections ability to withstand litigation that may result from poor vendor performance that impacts an inmate's liberty, constitutional or statutory rights. Statutory impact: Chapter 957 F.S.

Division of Telecommunications:

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 The Division of Telecommunications (DivTel) is statutorily charged to bring economies of scale, bulk purchasing leverage and interoperability to Florida's public sector telecommunications. Success requires tireless work and innovation given

	COL A93	COL A94	COL A95	
	SCH VIIIB-2	SCH VIIIB-2	SCH VIIIB-2	
	REDUCTIONS	NR FY11-12	ANZ FY11-12	
	POS	AMOUNT	POS	AMOUNT
				CODES
MANAGEMENT SRVCS, DEPT OF				72000000
PGM: SUPPORT PROGRAM				72600000
MOTOR VEHIC/WATERCRAFT MGT				72600300
GOV OPERATIONS/SUPPORT				16
GOVERNMENTAL OPERATIONS				1601.00.00.00
SCHEDULE VIIIB REDUCTIONS -				
OPERATING				33B0000
FIFTEEN PERCENT REDUCTION -				
SALARY AND BENEFITS -				
EMPLOYEE FURLOUGH				33B7180

the perpetual rapid changes in the technology marketplace. By definition, if DivTel rests, it will become obsolete and unable to deliver cost savings to the State in the future.

In addition to maintaining \$110 million worth of telecommunications services demanded annually by our government customers, some examples of pending and upcoming projects that DivTel considers vital to its charge are:

Mobile Telecommunications consolidation to place all State mobile phones under a single "family plan" to achieve enterprise savings and establish accountability; Central Voice over IP (VoIP) management and coordination (known as Session Initiation Protocol Trunking) to enable as yet unrealized savings from this technology that is rapidly replacing traditional phone services; Improving competition and transparency of telephony hardware purchases that are common throughout State government under a contract known as SUNCOM Telephony Equipment Premise-Based Services or (STEPS); SUNCOM's Open and Shared Information System which empowers SUNCOM customers to effectively audit their bills, control costs and automate SUNCOM processes; Implementing telecommunications savings for the newly consolidated enterprise data centers per a mandate by law; and establishing an enterprise satellite telecommunications contract/service to achieve bulk purchase savings and standardization.

Clearly, many of these enterprise cost savings projects will be delayed or canceled for the fiscal year, given the complex challenges of each and the length of the proposed furloughs. And a new form of waste will be incurred from shelved work, disrupted efforts and triaged priorities. Furloughs will actually lead to increasing State costs rather than savings since no General Revenue can be returned and these DivTel enterprise cost savings projects will be impaired.

In addition, daily operations of DivTel have a direct impact on the daily operations of all State of Florida agencies. Telephone services to critical agencies such as the Department of Emergency Management, the Department of Environmental Protection, the Department of Children and Families, the Department of Law Enforcement, and the Department of Highway Safety, to name a few, are critical during times of urgent need and/or emergencies. DivTel is responsible for operating the SUNCOM Network Operations Center (NOC) which maintains these communications facilities. Furloughs will make it extremely difficult, if not impossible, for DivTel to provide a service level assuring 24x7 uninterrupted operations.

Another factor to consider in the event of furloughs is that the installation times associated with new and additional services will be significantly increased. Many requests for additional communications facilities are in response to an emergency situation or other immediate need for increased capacity. Furloughs will limit the ability for DivTel to respond to these emergency situations. It will also be necessary for all SUNCOM services to be re-evaluated with regard to time periods for engineering, ordering, and installing. Given that each day of increased time in that cycle represents an additional day of lost cost savings or lost services for an agency, the actual costs to the State may be significantly higher than any savings realized from furloughs.

COL A93		COL A94		COL A95		CODES
SCH VIIIIB-2		SCH VIIIIB-2		SCH VIIIIB-2		
REDUCTIONS		NR FY11-12		ANZ FY11-12		
POS	AMOUNT	POS	AMOUNT	POS	AMOUNT	
						72000000
MANAGEMENT SRVCS, DEPT OF						72600000
PGM: SUPPORT PROGRAM						72600300
MOTOR VEHIC/WATERCRAFT MGT						16
GOV OPERATIONS/SUPPORT						1601.00.00.00
GOVERNMENTAL OPERATIONS						
SCHEDULE VIIIIB REDUCTIONS -						
OPERATING						33B0000
FIFTEEN PERCENT REDUCTION -						
SALARY AND BENEFITS -						
EMPLOYEE FURLOUGH						33B7180

Due to the fact that State agencies rely on the SUNCOM network for voice, video, and data services, DivTel provides staff 24x7 to respond to network outages. This coverage model requires both overtime pay and on-call pay. Furloughs will mandate either eliminating this coverage or distributing the costs onto other employees by decreasing their work hours even lower than the required furlough percentage. In either case, network outages may become more frequent and have longer durations. In the event that a repair begun by a service vendor requires SUNCOM NOC staff to complete, Service Level Agreements (SLA's) in the State contracts may become unenforceable resulting in the loss of monetary compensation to the State for prolonged down times.

In the area of public safety telecommunications, DivTel brings economies of scale to statewide mission critical communications systems which benefit state, county and local agencies by: Providing administrative oversight and coordination for the State's E911 Plan supporting the E911 Board in distributing \$120 million in fees received in accordance with FS 365.172 for 911 purposes; Managing and monitoring contract performance along with enhancement projects for the Statewide Law Enforcement Radio System (SLERS) which provides secure encrypted voice communications to more than 7,500 law enforcement officers across 24 state agencies and 27 federal and local jurisdictions; and Coordinating and approving frequencies and technical specifications for state, county and local law enforcement and EMS communications systems.

Furloughs of our public safety bureau staff may significantly delay the engineering assistance DivTel provides to other state, county and local law enforcement agencies planning changes to their mission critical land mobile radio and E911 communications systems. Time spent on system, project and contract management for the Statewide Law Enforcement Radio System (SLERS), E911 Board, Florida Interoperability Network (FIN), Mutual Aid (M/A) frequencies and other interoperable communications projects will be reduced with a potential negative effect on system performance. Future grant opportunities and planning efforts to replace obsolete or aging communications systems with state of the art technologies such as next generation 911, P-25 radios, and statewide 700MHz Long Term Evolution (LTE) broadband for public safety may be lost. Suggestions that some of the lost productivity from furloughs will be partially offset because staff might not take Annual Leave (i.e. since they will be out of work for nine weeks) should consider our most experienced and dedicated staff that are pushing maximum leave balances. They are unlikely to forgo using paid Annual Leave because they will otherwise lose it and are unwilling to contribute that loss in light of a compulsory furlough. If they don't take the leave however (as will be the case for most staff) the State will incur greater leave payouts in the future.

DivTel has an extraordinary share of dedicated professionals who are passionate about the value they bring to Florida citizens. The recent \$10 million in refunds DivTel provided, in spite of a series of preceding DivTel price reductions, are obvious fruits of their labors. More subtle are the more than \$50 million in cost avoidance they bring to the Florida enterprise every year.

DivTel's unusually low turnover is an expression of staff dedication. But their hidden contributions come from



COL A93		COL A94		COL A95		CODES
SCH VIII B-2		SCH VIII B-2		SCH VIII B-2		
REDUCTIONS		NR FY11-12		ANZ FY11-12		
POS	AMOUNT	POS	AMOUNT	POS	AMOUNT	
MANAGEMENT SRVCS, DEPT OF						72000000
PGM: SUPPORT PROGRAM						72600000
MOTOR VEHIC/WATERCRAFT MGT						72600300
GOV OPERATIONS/SUPPORT						16
GOVERNMENTAL OPERATIONS						<u>1601.00.00.00</u>
SCHEDULE VIII B REDUCTIONS -						
OPERATING						33B0000
FIFTEEN PERCENT REDUCTION -						
SALARY AND BENEFITS -						
EMPLOYEE FURLOUGH						33B7180

willingness to work through the night to finalize major projects (like the recent SSRC center upgrade), leaving their families during State emergencies, contributions of unpaid personal time to push projects to success, courage to stand firm against demands that compromise service to citizens and willingness to forgo private sector opportunities commensurate with their abilities. Under normal circumstances, it would be difficult to expect this kind of gracious commitment and passion from staff after they are furloughed. But given that they know their sacrifice will lead to increasing State costs rather than savings, morale will be devastated. Expecting staff to care, after extracting such a large pointless sacrifice from them, is a charade that cannot be sold.

Finally, DivTel also has a number of staff who will be unable to meet personal financial obligations after being furloughed for nine working weeks (the current proposal). They will be forced to seek other jobs in a local market where many others will be doing the same and local spending will be depressed. For many staff, extended furloughs will impose a genuine economic crisis rather than mere hardship.

Office of the Secretary/Administration:

Furloughs will significantly impact the Office of the Secretary/Division of Administration operations. This reduction will adversely impact the quality, timeliness, and level of services delivered by the Office of the Secretary/Division of Administration to our internal and external customers. As a shared support service provider for the agency, our divisions will suffer the impacts of delayed services in turn delaying their ability to provide adequate services to their customers.

This furlough program will also create a significant hardship for employees that will likely lead to difficulty in retaining the highest performing staff causing additional productivity losses and increasing costs for recruiting and training qualified personnel.

State Purchasing:

With procurement and contracting staff unavailable due to implementation of furloughs, the Department anticipates that there will be severe impacts to many of the core functions of the Department of Management Services, Division of State Purchasing.

First, the Department is responsible for establishing state term contract. These are often multi-million dollar contracts that all agencies are required to use and eligible users (e.g., counties, municipalities) may use. Commodities and services available under state term contracts include but are not limited to: information technology hardware; information technology and management consulting services; insurance; purchasing and fuel card services; automobile and trucks; and our e-procurement services contract (generally know as "MyFloridaMarketPlace"). Also, the Bureau of Departmental Purchasing is responsible for providing purchasing services to the following divisions of the Department:

	COL A93	COL A94	COL A95	
	SCH VIII B-2	SCH VIII B-2	SCH VIII B-2	
	REDUCTIONS	NR FY11-12	ANZ FY11-12	
POS	AMOUNT	POS	AMOUNT	POS
				AMOUNT
				CODES
MANAGEMENT SRVCS, DEPT OF				72000000
PGM: SUPPORT PROGRAM				72600000
MOTOR VEHIC/WATERCRAFT MGT				72600300
GOV OPERATIONS/SUPPORT				16
GOVERNMENTAL OPERATIONS				1601.00.00.00
SCHEDULE VIII B REDUCTIONS -				
OPERATING				33B0000
FIFTEEN PERCENT REDUCTION -				
SALARY AND BENEFITS -				
EMPLOYEE FURLOUGH				33B7180

Administration; Human Resource Management; State Group Insurance, Telecommunications; Real Estate Management; Specialized Services; and Retirement. The commodities and services provided via the Department's state term and departmental contracts are used by all agencies of the State of Florida. The above-mentioned contracts are established via the competitive solicitation process found in chapter 287, Florida Statutes. If the Department instituted a furlough program, the number of the competitive solicitations the Division would be able to issue will decrease in an amount commensurate with the furlough(s). As such, it is anticipated that there will be a reduction in the number of contract the Department would be able to execute. It is estimated with the implementation of furloughs, it could cost the state \$46,716,896 in savings from state contracts by reducing work hours one day per biweekly pay period.

An important part of the competitive solicitation process includes conducting strategic sourcing activities and market research prior to issuance of the solicitation. If a furlough program were instituted, procurement and contracting staff will not have the opportunity to strategically source our contracts. This means that the division will have less time to develop solicitations, survey and research the market, and solicit feedback from our customers, thereby leading to less effective contracts that will not meet our customers' needs. With the Department less able to establish effective contracts agencies will likely have to develop their own agency-specific contracts. Division also administers its contracts. These duties include assisting customers with questions and issues regarding its contracts and addressing related contract performance concerns. Under a furlough program, procurement and contracting staff will not be as available to answer customer service questions in a timely manner thereby impacting customer service. Typically, when state term contract administrators receive questions from agency customers or other eligible user customers, a timely response is required. For example, the customer may want to purchase a commodity or service and may have specific questions about how a particular contract works. Delays in response due to furloughs will negatively impact our ability to provide excellent customer service. In addition, having fewer resources available will make it more difficult for the division to effectively monitor and manage vendor performance under a contract.

As State Purchasing conducts a number of competitive solicitations and administers a high volume of contract, we receive a number of public records requests. Although the Department takes its responsibilities under chapter 119, F.S., very seriously, if the Department were to institute a furlough program, response times for public records requests may be impacted. Such an impact would not only conflict with statutory requirements for public access to information, it would also have an adverse affect on the procurement protest process. Delays in information transmittal during the protest period may lead to increased litigation.

In addition to conducting competitive solicitations and administering and managing resulting contracts, the division is also responsible for providing a training program for state purchasers to attain and maintain purchasing education and skills. The goal of this program is to develop and certify public purchasing professionals, and to assure understanding and adherence to an unwavering code of ethical behavior, and the knowledge, skills and ability to effectively design, solicit, negotiate award and manage government contracts in Florida. Certifications offered through the program are Florida Certified Purchasing Agent (FCPA), Florida Certified Purchasing Manager (FCPM), Florida Certified Contract

COL A93		COL A94		COL A95		CODES
SCH VIIIB-2		SCH VIIIB-2		SCH VIIIB-2		
REDUCTIONS		NR FY11-12		ANZ FY11-12		
POS	AMOUNT	POS	AMOUNT	POS	AMOUNT	
MANAGEMENT SRVCS, DEPT OF						72000000
PGM: SUPPORT PROGRAM						72600000
MOTOR VEHIC/WATERCRAFT MGT						72600300
GOV OPERATIONS/SUPPORT						16
GOVERNMENTAL OPERATIONS						1601.00.00.00
SCHEDULE VIIIB REDUCTIONS -						
OPERATING						33B0000
FIFTEEN PERCENT REDUCTION -						
SALARY AND BENEFITS -						
EMPLOYEE FURLOUGH						33B7180

Negotiator (FCCN), and Florida Certified Contract Manager (FCCM). The training program also provides courses to assist participants with national certification such as the Certified Professional Public Buyer (CPPB), Certified Professional Public Officer (CPPO), and Project Management Professional (PMP). Florida Statute 287.057 requires that an FCCN negotiate contracts of \$1 million, and a certified PMP participate negotiate contracts in excess of \$10 million. The training program offers advanced recertification workshops to extend certification for an additional 5 year period. The training program would not be able to host the number of training courses to meet the demand for certification and recertification with the reduction in work hours due to the implementation of furloughs.

Lastly, it is uncertain what impact instituting a furlough program would have on current staffing in state purchasing. Although reducing the number of hours that state purchasing staff would be able to work would result in savings, it is possible that division employees would look for employment at other agencies or outside of the employment of the state in an attempt to compensate for difference between the salary once earned versus what they would earn under furlough program.

Facilities Management

To reduce staffing costs by 15%, Facilities will need to furlough staff by approximately 47 days throughout the Fiscal Year. This reduction in staffing will mean that one day a week, at pool facilities with a single Department of Management Services (DMS) support person, there may be no DMS employee on site in a DMS-managed building to address any building issues that arise and tenants will need to contact a remote staff person to report issues to be addressed on non-furlough days. Delays in maintenance may result in continued degradation of DMS-managed facilities if faulty or failing equipment isn't replaced in a timely manner and building problems aren't addressed before the situation worsens.

In addition to the staff furloughs, other budget categories were reduced to essential elements but that still left \$2.3 million in reductions needed to meet 15% target reduction. Therefore, additional reductions in Expenses, Utilities, Contracted Services and security (contracted and FDLE) necessitate the closure of 5-10% of our facilities' square footage. This will require current tenants to seek space elsewhere and incur moving and relocation expenses. With these closures, DMS will also have a loss of revenue for those buildings which reduces funding available for operations and maintenance of other buildings in the Florida Facilities Pool.

State Group Insurance:

Furloughs will significantly impact the DSGI's operations and will not allow the DSGI to perform their legislative responsibilities. This reduction will adversely impact the quality, timeliness, and level of services delivered by the DSGI to state employees, retirees, state agencies and universities, Executive Office of the Governor and the Legislature and staff. This reduction is expected to result in the suspension and outsourcing of key activities.

	COL A93	COL A94	COL A95	
	SCH VIII B-2	SCH VIII B-2	SCH VIII B-2	
	REDUCTIONS	NR FY11-12	ANZ FY11-12	
POS	AMOUNT	POS	AMOUNT	POS
				AMOUNT
				CODES
MANAGEMENT SRVCS, DEPT OF				72000000
PGM: SUPPORT PROGRAM				72600000
MOTOR VEHIC/WATERCRAFT MGT				72600300
GOV OPERATIONS/SUPPORT				16
GOVERNMENTAL OPERATIONS				1601.00.00.00
SCHEDULE VIII B REDUCTIONS -				
OPERATING				33B0000
FIFTEEN PERCENT REDUCTION -				
SALARY AND BENEFITS -				
EMPLOYEE FURLOUGH				33B7180

Specifically, this reduction: (1) Jeopardizes the administration of the State Employees' Group Insurance Program, (2) Severely impacts our ability to obtain best value and effectively manage and oversee procurement processes, such as the upcoming PBM and HMO procurements, which include bid development, vendor selection, and contract negotiations, (3) Diminishes our ability to monitor contract performance to ensure contract compliance and accuracy of information provided, and (4) Adversely impacts customer service and programs deliverables.

Retirement:

The impact from a 15% furlough program will decrease overall organizational performance, severely impeding the delivery of important services to more than 1 million participants in Florida's statewide retirement systems. Particularly affected will be: increasing turnaround time providing retirement estimates and information the members require for retirement planning; delaying the addition of new retirees to the retired payroll; processing change requests for those already on the retired payroll; reducing members' ability to reach retirement counselors by telephone; lengthening response time to analyze proposed legislation; and negating our ability to comply with statutory requirements to review all local retirement plan valuations on a triennial basis. Legislated performance measures relative to these services and others cannot be met and it can be expected that the percent of members, retirees and participating agencies satisfied with retirement services will plummet. This furlough program will create a significant hardship for employees that will likely lead to difficulty in retaining the highest performing staff causing additional productivity losses and increasing costs for recruiting and training qualified personnel. High employee turnover will further exasperate the timely delivery of services to more than one million members and 1,000 employing agencies of Florida's statewide retirement systems.

FISCAL INFORMATION: A 15% reduction of appropriations for salaries and benefits is over \$7 million dollars for DMS programs, excluding independent entities who are addressing reductions separately. To meet this reduction, each employee would have to be furloughed an average of 47 days. This is calculated by dividing the biweekly rate of employees by 10 to get a daily rate which is then multiplied by 47 days multiplied by 18.42% benefits. The benefits rate is calculated by combining 7.65% FICA and Retirement for 10.77%. Note: Employer contributions for health, life and disability insurance are not impacted by furloughs.

Division 15% S&B  
 Appropriation  
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 Motor Vehicles & Watercraft Management (86,498)

Operating Trust Fund (2510)

COL A93		COL A94		COL A95		CODES
SCH VIIIB-2		SCH VIIIB-2		SCH VIIIB-2		
REDUCTIONS		NR FY11-12		ANZ FY11-12		
POS	AMOUNT	POS	AMOUNT	POS	AMOUNT	
MANAGEMENT SRVCS, DEPT OF						72000000
PGM: SUPPORT PROGRAM						72600000
MOTOR VEHIC/WATERCRAFT MGT						72600300
GOV OPERATIONS/SUPPORT						16
GOVERNMENTAL OPERATIONS						1601.00.00.00
SCHEDULE VIIIB REDUCTIONS -						
OPERATING						33B0000
FIFTEEN PERCENT REDUCTION -						
SALARY AND BENEFITS -						
EMPLOYEE FURLOUGH						33B7180
Salaries and Benefits (010000)					(86,498)	FSI=1

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POSITION DETAIL OF SALARIES AND BENEFITS:

FTE	BASE RATE	ADDITIVES	BENEFITS	SUBTOTAL	LAPSE %	LAPSED SALARIES AND BENEFITS
A93 - SCH VIIIB-2 REDUCTIONS						
CHANGES TO CURRENTLY AUTHORIZED POSITIONS						
OTHER SALARY AMOUNT						
2510	OPERATING TRUST FUND					86,498-
						86,498-

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FIFTEEN PERCENT REDUCTION -						
SALE OF AGENCY VEHICLES						33B7210
SPECIAL CATEGORIES						100000
PAY/EXP/SALE OF AGENCY VEH						107260
OPERATING TRUST FUND	-STATE	174,379-				2510 1

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AGENCY ISSUE NARRATIVE:

SCH VIIIB-2 NARR 11-12 NARRATIVE: IT COMPONENT? NO  
 PRIORITY #7

ISSUE SUMMARY: Motor Vehicles & Watercraft Management (MVWC) - Each agency is required to meet a 15% reduction target. After careful consideration of the operations of the program, it was determined that the following reduction would have the least impact on the customers we serve. The reduction is being offered from the Expenses from Sale of Agency

	COL A93	COL A94	COL A95	
	SCH VIII B-2	SCH VIII B-2	SCH VIII B-2	
	REDUCTIONS	NR FY11-12	ANZ FY11-12	
POS	AMOUNT	POS	AMOUNT	POS
				AMOUNT
				CODES
MANAGEMENT SRVCS, DEPT OF				72000000
PGM: SUPPORT PROGRAM				72600000
MOTOR VEHIC/WATERCRAFT MGT				72600300
GOV OPERATIONS/SUPPORT				16
GOVERNMENTAL OPERATIONS				<u>1601.00.00.00</u>
SCHEDULE VIII B REDUCTIONS -				
OPERATING				33B0000
FIFTEEN PERCENT REDUCTION -				
SALE OF AGENCY VEHICLES				33B7210

Vehicles category.

PROBLEM STATEMENT: To minimize any negative impacts on our program, the reduction was taken from the category that would create the least impact to the program, employees and customer service.

PROGRAM IMPACTS: The bureau provides customer service to 30 state agencies. The bureau tracks the assignment, use and maintenance of 26,000 pieces of equipment (valued at billion dollars) and coordinates the disposal of state-owned mobile equipment. This reduction will significantly impact 30 state agencies. From July 1, 2007, to June 30, 2010, the bureau has disposed/auctioned approximately 6,222 (2,074 annual average) pieces of mobile equipment. Scheduled monthly auctions would be reduced from 12 to four annually, a 33% decrease in auction sales and towing services. This translates into approximately 684 pieces of mobile equipment eligible for replacement will not be delivered to the auction site to be sold, thus delaying state agencies in purchasing needed new equipment.

FISCAL INFORMATION: This issue offers a 15% reduction from the Expenses from Sale of Agency Vehicles category.

Operating Trust Fund (2510)  
 Special Categories: Expenses from Sale of Agency Vehicles (107260) (174,379) FSI=1  
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TOTAL: GOVERNMENTAL OPERATIONS				<u>1601.00.00.00</u>
BY FUND TYPE				
TRUST FUNDS.....	290,877-			2000
	=====	=====	=====	

	COL A93	COL A94	COL A95	
	SCH VIIIIB-2	SCH VIIIIB-2	SCH VIIIIB-2	
	REDUCTIONS	NR FY11-12	ANZ FY11-12	
POS	AMOUNT	POS	AMOUNT	POS
				AMOUNT
				CODES
MANAGEMENT SRVCS, DEPT OF				72000000
PGM: SUPPORT PROGRAM				72600000
PURCHASING OVERSIGHT				72600400
<u>PUBLIC PROTECTION</u>				12
<u>ADULT PRISONS</u>				<u>1206.00.00.00</u>
SCHEDULE VIIIIB REDUCTIONS -				
OPERATING				33B0000
FIFTEEN PERCENT REDUCTION -				
MAINTENANCE AND REPAIR				
REIMBURSEMENT				33B7140
SPECIAL CATEGORIES				100000
PRIVATE PRISON-MAINT/REPAI				105554
OPERATING TRUST FUND	-STATE	143,938-		2510 1

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AGENCY ISSUE NARRATIVE:  
 SCH VIIIIB-2 NARR 11-12 NARRATIVE: IT COMPONENT? NO  
 PRIORITY #16

ISSUE SUMMARY: Private Prison Monitoring - Each agency is required to meet a 15% reduction target. After careful consideration of the operations of the program, it was determined that the following reductions would have the least impact on the customers we serve. This issue requests a non-recurring reduction of \$143,938 in the Special Categories: Private Prison Maintenance and Repairs category.

PROBLEM AND SOLUTION STATEMENT: To minimize the impact to our customers while still meeting the target 5% reduction, the program gave careful consideration to our operations while developing the proposed reductions. A reduction in spending authority of the Major Maintenance and Repair Fund raises public safety concerns over the secure operations of the private correctional facilities.

This is expected to have a negative impact on the program's Major Maintenance & Repair Fund. With requests for repairs exceeding the current year's spending authority and the facilities requiring more repairs as they age, further restrictions on the ability to use this money will put public safety at risk. The Department of Management Services is required by the Trustee of the bond holder to have the ability to provide funds to cover necessary repairs, pursuant to the bond covenant. The reductions will also have a negative impact if any of the other areas needs exceed available funds, particularly those physical plant repairs needed that have public safety implications; security electronics that monitor fence integrity designed to prevent and alarm if people are attempting to enter and exit the facility unlawfully, dormitory security monitoring and emergency safety systems designed to enhance officer and inmate safety and prevent escapes, and support infrastructure designed to provide for constitutional and statutory minimum standards of living for inmates relative to food service, medical and sanitary systems (laundry, sewage, etc).

FISCAL INFORMATION: This issue requests a reduction of \$143,938 in the Special Categories: Private Prison Maintenance and Repairs category.

Operating Trust Fund (2510)  
 Special Categories: Private Prison Maintenance and Repairs (105554) (143,938) FSI=1

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				CODES
MANAGEMENT SRVCS, DEPT OF				72000000
PGM: SUPPORT PROGRAM				72600000
PURCHASING OVERSIGHT				72600400
PUBLIC PROTECTION				12
ADULT PRISONS				1206.00.00.00
SCHEDULE VIIIB REDUCTIONS -				
OPERATING				33B0000
FIFTEEN PERCENT REDUCTION -				
MAINTENANCE AND REPAIR				
REIMBURSEMENT				33B7140

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FIFTEEN PERCENT REDUCTION -				
SALARY AND BENEFITS -				
EMPLOYEE FURLOUGH				33B7180
SALARIES AND BENEFITS				010000
GENERAL REVENUE FUND	-STATE	138,586-		1000 1

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AGENCY ISSUE NARRATIVE:  
 SCH VIIIB-2 NARR 11-12 NARRATIVE: IT COMPONENT? NO  
 PRIORITY# 55

ISSUE SUMMARY: Each agency is required to meet a 15% reduction target. Much of the agency's budget supports staff (people) resources to meet the mission of the organization. We are requesting furloughs be used to meet the salaries and benefits portion of the required reduction target. Furloughs provide the following operational and economic benefits: permits the gradual or immediate resumption of previous service levels as the fiscal shortfall subsides; saves recruitment and retraining costs to re-staff positions; no loss in experienced workforce; prevents an additional fiscal impact on state and local resources (unemployment compensation, food stamps, uninsured medical services, etc.) that would be caused by laid off employees seeking government services; and minimizes the negative economic impact on private sector businesses that would result from fewer goods and services being purchased by laid off employees, loan defaults, etc.

PROBLEM STATEMENT: To minimize long-term negative customer service level impacts and negative state, local and private sector economic impacts, salary reductions would be handled through a 15% furlough which translates to an average of 47 days per employee for the fiscal year, rather than through layoffs.

STATUTE REFERENCE: The definition of furlough is contained in s. 110.107(3), F.S., and is: A temporary reduction in the regular hours of employment in a pay period, or temporary leave without pay for one or more pay periods, with a commensurate reduction in pay, necessitated by a projected deficit in any fund that supports salary and benefit appropriations. Section 110.1225, F.S., requires that when furloughs are utilized that all affected employees are subject to the same reduction of hours for the same number of pay periods with a commensurate reduction in pay.

PROGRAM IMPACTS:



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				CODES
MANAGEMENT SRVCS, DEPT OF				72000000
PGM: SUPPORT PROGRAM				72600000
<u>PURCHASING OVERSIGHT</u>				72600400
<u>PUBLIC PROTECTION</u>				12
<u>ADULT PRISONS</u>				<u>1206.00.00.00</u>
SCHEDULE VIIIB REDUCTIONS -				
OPERATING				33B0000
FIFTEEN PERCENT REDUCTION -				
SALARY AND BENEFITS -				
EMPLOYEE FURLOUGH				33B7180

Federal Property Assistance Program (FPA):

The following program impacts are for the Federal Property Assistance Program (FPA): FPA provides customer service to over 500 public agencies and private/nonprofit health and education organizations throughout the State of Florida. Responsibilities include acquiring federal surplus or excess military equipment from the federal government and transferring it to agencies to assist in deferring the cost of new equipment. The Bureau coordinates the distribution of \$5.5 million in donated federal property each year. This 15% reduction will have a significant negative impact on the program. With 100% of the employees taking a 15% reduction in pay, we can expect an increased risk of resignations of key personnel that have vast amount of subject matter expertise regarding the Federal Property Assistance program. Additionally, with 100% of the employees taking a 15% reduction in work hours, we expect to experience a significant decrease in work productivity and customer service. Public agencies and private/nonprofit health and education organizations would see a significant decrease in the capability for acquiring and distributing federally owned tangible personal property declared excess/surplus by the Federal Government. FPA would not have the capability of conducting utilization checks on millions of dollars of property already donated. Lastly, this 15% reduction will negatively impact the program if an employee resigns or retires and requires a leave payout.

Bureau of Motor Vehicles and Watercraft Management:

The following program impacts are for the Bureau of Motor Vehicles and Watercraft Management: The Bureau provides customer service to 30 State agencies. The Bureau reviews and approves agency acquisition requests to ensure fleet purchases are cost effective, fuel efficient and appropriate for stated purchase. Additionally, the Bureau tracks the assignment, use, and maintenance of mobile equipment and coordinates the disposal of state-owned mobile equipment. This 15% reduction will have a significant negative impact on the program. With 100% of the employees taking a 15% reduction in pay, we can expect an increased risk of resignations of key personnel with over 46 years of subject matter expertise regarding the Equipment Management Information System (EMIS), acquisition and disposal of the State's fleet. These critical duties cannot be absorbed by other staff due to the high level expertise required to research, develop and implement mobile equipment technical specifications and replacement criteria. Additionally, with 100% of the employees taking a 15% reduction in work hours, we expect to experience a significant decrease in work productivity and customer service. The projected turnaround time for the acquisition and disposal approval process would be extended from 2 to 5 workdays. Lastly, this 15% reduction will negatively impact the Bureau if an employee resigns or retires and requires a leave payout.

Office of Supplier Diversity (OSD):

Furloughing staff will have a devastating effect on proving outreach service for the Department's customers. Furloughing will cause delays in certifying firms and providing the mandatory monthly reports required by statute, also due to the

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PUBLIC PROTECTION						12
<u>ADULT PRISONS</u>						<u>1206.00.00.00</u>
SCHEDULE VIIIB REDUCTIONS -						
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SALARY AND BENEFITS -						
EMPLOYEE FURLOUGH						33B7180

lack of outreach services there will be a reduction in the number of firms that will register in MyFloridaMarketPlace as vendors, which will also have an impact of the number of companies bidding on state and local government projects. A reduction in bidders on projects may result in the state and local governments paying a higher price for goods and services due to the lack of competition. The furloughing of staff will affect state agencies, universities, local governments and private contractors who depend on OSD to provide assurance that a company is a bonafide certified company. These entities depend on getting this information in a timely matter. If this information is delayed or not received will result in contracts not being bided and awarded in a timely manner. This can also lead to projects being stopped which causes mobilization to occur again which increases the price to the state and local government entities through change orders. All of these things cause services to the taxpaying citizens to be late, interrupted or not provided.

Building Construction:

To reduce staffing costs by 15%, Building Construction will need to furlough staff by approximately 47 days throughout the Fiscal Year. This reduction in staffing will reduce the oversight available for construction projects which may result in delays in completing projects when contractors need approvals for each phase of work, prior to review by permit authorities and approvals from DMS for work completed before proceeding to the next task. Such furloughs will also complicate communications with our client agencies regarding customers' needs and concerns. Delays in projects may result in continued degradation of DMS-managed facilities if faulty or failing equipment isn't replaced in a timely manner and physical plant problems aren't addressed before the situation worsens.

Human Resource Management

Policy Team

The State Personnel System (SPS) is part of the executive branch of state government and consists of 31 agencies that operate under a single set of employment laws, policies, and practices. These policies affect 105,031 FTE employees and 9,965 Other Personnel Services (OPS) employees, making the SPS the largest employer in state government.

The Division develops and administers core human resource (HR) policies, strategies, and practices for the State Personnel System and provides expertise and consultative services to ensure the lawful, effective and efficient implementation of human resource programs by the SPS agencies. As part of this role, the Division statutorily serves, on behalf of the Governor, as the Chief Labor Negotiator with six labor unions covering 13 collective bargaining units.

As a single employer, this Division is necessary to ensure an equitable and lawful system of employment, uniformity in application of core policies exist between agencies, the SPS remains a competitive employer capable of recruiting and retaining a highly competent workforce and Florida's citizens receive quality services.

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MANAGEMENT SRVCS, DEPT OF						72000000
PGM: SUPPORT PROGRAM						72600000
<u>PURCHASING OVERSIGHT</u>						72600400
PUBLIC PROTECTION						12
<u>ADULT PRISONS</u>						<u>1206.00.00.00</u>
SCHEDULE VIIIB REDUCTIONS -						
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This reduction equates to approximately a 2 day reduction in staff hours for each division employee for each two week pay period during the entire fiscal year. This 20% reduction in weekly staff hour availability will cause a severe disruption in the delivery of division services to the executive branch agencies and their employees, the Executive Office of the Governor, and legislative staff and will require that some activities be suspended or eliminated. Because division program areas are already minimally staffed, the necessary resources will not always be available on the same days due to staggered work schedules required by the furloughs. Additionally, the negative impact on productivity from normal absenteeism due to illness, etc., will be greatly magnified.

This overall loss of productivity will significantly impede the division and its customers from meeting statutory obligations and increase the potential for lawsuits and financial penalties.

Specifically, this reduction:

1. Jeopardizes the equitable and lawful administration of the State Personnel System by significantly impacting the agencies' ability to effectively manage agency operations and implement legislatively mandated programs due to:

Significant delays in providing critical policy directives to agencies related to numerous federal and state employment laws and rules, i.e., Fair Labor Standards Act (FLSA), Equal Employment Opportunity (EEO), Americans with Disabilities Act (ADA), the Family and Medical Leave Act (FMLA), employment and reemployment rights of veterans, and attendance and leave requirements, resulting in increased lawsuits by employees and the assessment of substantial financial penalties by the federal government;

Drastic increases in response time for analysis and approval of key agency HR operational actions such as reorganization requests; reclassification of positions; establishment of new classes; special risk designations; workforce layoff plans; regular compensatory leave and extraordinary payment plans and pay additive requests; and

Reduced responsiveness to daily telephone and email requests for technical assistance on a myriad of HR issues.

2. Severely impacts our ability to effectively represent the Governor as the State's chief labor negotiator, causing a significant reduction in collective bargaining unit contract oversight and delaying the processing of Step 3 grievances, and resulting in an escalation in disputes with labor organizations with commensurate increases in union filings of unfair labor practice claims.

3. Eliminates our ability to administer and oversee the Florida State Employees' Charitable Campaign resulting in the

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<u>PURCHASING OVERSIGHT</u>						72600400
PUBLIC PROTECTION						12
<u>ADULT PRISONS</u>						<u>1206.00.00.00</u>
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suspension of the Campaign at a loss of approximately \$5 million per year to charitable organizations which provide direct services to the citizens of Florida.

4. Reduces our ability to develop policy-driven business rules and operational requirements for the People First human resource information system; thereby impacting the system's ability to meet the needs of the State Personnel System.
5. Reduces the content and timeliness of the Annual Workforce Report. This statutorily required report provides demographic and trend data regarding the State Personnel System workforce.
6. Causes delays in meeting federal reporting requirements (EEO-4 Report).
7. Eliminates our ability to provide training to agency HR staff on critical federal and state requirements.

People First Team

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 This reduction equates to approximately a 2 day reduction in staff hours for each People First Team employee for each two week pay period during the entire fiscal year. This reduction will cause a severe disruption in the delivery of services to all 240,000 users of the People First system, and will require that some activities be eliminated. People First users include executive branch agencies, State Courts System, Justice Administrative Commission, Lottery, Legislature, University System, and retirees. Job applicants will be impacted as well.

Specifically, this reduction:

1. Weakens our ability to ensure effective day-to-day oversight and contract management activities of the outsourced vendor (NorthgateArinso), which includes: monitoring the status of current contract deliverables and performance metrics; overseeing contract amendment and change order processes; coordinating the monthly business review meetings between the state and service provider; and monitoring NorthgateArinso's four subcontractors (i.e., PeopleClick Authoria (staffing module), Fringe Benefits Management Corporation (flexible spending account), Horizon Health / Aetna (EAP provider) and Wachovia (lockbox)).
2. Eliminates our ability to monitor service center performance to ensure accuracy of information provided, determine training or process improvement needs, and investigate concerns and complaints.
3. Weakens our ability to monitor NorthgateArinso's adherence to the security plan, review the semi-annual SAS 70 report, maintain the state of Florida security guidelines manual, monitor Level II background screening, monitor the annual business continuity plan exercise, and audit the two service centers for data security compliance.

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MANAGEMENT SRVCS, DEPT OF						72000000
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<u>ADULT PRISONS</u>						<u>1206.00.00.00</u>
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4. Jeopardizes our ability to manage the system release life cycle for the additional system enhancements included in the renewal contract as well as any other system improvement or enhancements. Our role includes identifying the state's business requirements, providing the service provider with written confirmation of the requested change, reviewing and approving system technical specifications, coordinating and approving user acceptance testing, and overseeing the roll-out of the enhancements through employee training and communication.

5. Jeopardizes our ability to provide NorthgateArinso with Benefits Open Enrollment system changes and vendor oversight of the annual Open Enrollment process.

6. Eliminates our ability to effectively plan for the next generation HR solution (i.e., the contract with NorthgateArinso expires August 21, 2016), which includes researching best practices, reviewing lessons learned, analyzing trends, defining strengths and weaknesses of the current contract, and proactively planning for future success.

7. Reduces our ability to effectively manage and oversee the upcoming procurement process, which includes business case development, bid development, vendor selection, and contract negotiations. Coordinating procurement documents to prepare for the end of the current contract include the development of comprehensive transition, staffing, change management, training, interface, security, migration, and business continuity plans.

8. Eliminates our ability to serve our state agency customers by producing data for recurring report requests (e.g., OPS YTD Hours report, LASPBS Reconciliation reports, Pay Additive Monitoring reports, PAR data extracts, Workforce Reports, etc.), and inputting large amounts of data into the People First system via mass loads. All stakeholders will be required to run their own reports, and input large amounts of data into the People First system on a position by position basis.

9. Reduces our ability to respond to public records requests for personnel data in a timely basis.

10 Eliminates our ability to provide support and issue resolution to customers and timely communication to all stakeholders, as well as, our ability to provide training for user groups in a variety of mediums.

Private Prison Monitoring:

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 This is expected to have a detrimental impact on our program area. With 100% of the employees taking a 15% cut in pay, we can expect an increased risk of resignations, especially if employees were impacted by a furlough during FY 2010-2011. Additionally, with 100% of the employees taking a 15% reduction in work hours, we expect to experience a marked decrease in work productivity and customer service. More concerning, the diminished ability of our program area to monitor the state's private prison contractors has negative public safety implications. Our staff will no longer be able to adequately monitor physical plant preventative maintenance and repairs relative to security electronics that monitor

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MANAGEMENT SRVCS, DEPT OF				72000000
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SCHEDULE VIIIB REDUCTIONS -				
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SALARY AND BENEFITS -				
EMPLOYEE FURLOUGH				33B7180

fence integrity designed to prevent and alarm if people are attempting to enter/exit the facility unlawfully, monitor dormitory security and emergency safety systems designed to enhance officer/inmate safety and prevent escapes, and ensure support systems are in place, designed to provide for constitutional and statutory minimum standards of living for inmates relative to food service, medical and sanitary systems (laundry/sewage, etc). Further, the diminished presence or our monitors places greater risk on the Florida Department of Management Services and the Department of Corrections ability to withstand litigation that may result from poor vendor performance that impacts an inmate's liberty, constitutional or statutory rights. Statutory impact: Chapter 957 F.S.

Division of Telecommunications:

The Division of Telecommunications (DivTel) is statutorily charged to bring economies of scale, bulk purchasing leverage and interoperability to Florida's public sector telecommunications. Success requires tireless work and innovation given the perpetual rapid changes in the technology marketplace. By definition, if DivTel rests, it will become obsolete and unable to deliver cost savings to the State in the future.

In addition to maintaining \$110 million worth of telecommunications services demanded annually by our government customers, some examples of pending and upcoming projects that DivTel considers vital to its charge are:

Mobile Telecommunications consolidation to place all State mobile phones under a single "family plan" to achieve enterprise savings and establish accountability; Central Voice over IP (VoIP) management and coordination (known as Session Initiation Protocol Trunking) to enable as yet unrealized savings from this technology that is rapidly replacing traditional phone services; Improving competition and transparency of telephony hardware purchases that are common throughout State government under a contract known as SUNCOM Telephony Equipment Premise-Based Services or (STEPS); SUNCOM's Open and Shared Information System which empowers SUNCOM customers to effectively audit their bills, control costs and automate SUNCOM processes; Implementing telecommunications savings for the newly consolidated enterprise data centers per a mandate by law; and establishing an enterprise satellite telecommunications contract/service to achieve bulk purchase savings and standardization.

Clearly, many of these enterprise cost savings projects will be delayed or canceled for the fiscal year, given the complex challenges of each and the length of the proposed furloughs. And a new form of waste will be incurred from shelved work, disrupted efforts and triaged priorities. Furloughs will actually lead to increasing State costs rather than savings since no General Revenue can be returned and these DivTel enterprise cost savings projects will be impaired.

In addition, daily operations of DivTel have a direct impact on the daily operations of all State of Florida agencies. Telephone services to critical agencies such as the Department of Emergency Management, the Department of Environmental Protection, the Department of Children and Families, the Department of Law Enforcement, and the Department of Highway

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MANAGEMENT SRVCS, DEPT OF				72000000
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<u>ADULT PRISONS</u>				<u>1206.00.00.00</u>
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Safety, to name a few, are critical during times of urgent need and/or emergencies. DivTel is responsible for operating the SUNCOM Network Operations Center (NOC) which maintains these communications facilities. Furloughs will make it extremely difficult, if not impossible, for DivTel to provide a service level assuring 24x7 uninterrupted operations.

Another factor to consider in the event of furloughs is that the installation times associated with new and additional services will be significantly increased. Many requests for additional communications facilities are in response to an emergency situation or other immediate need for increased capacity. Furloughs will limit the ability for DivTel to respond to these emergency situations. It will also be necessary for all SUNCOM services to be re-evaluated with regard to time periods for engineering, ordering, and installing. Given that each day of increased time in that cycle represents an additional day of lost cost savings or lost services for an agency, the actual costs to the State may be significantly higher than any savings realized from furloughs.

Due to the fact that State agencies rely on the SUNCOM network for voice, video, and data services, DivTel provides staff 24x7 to respond to network outages. This coverage model requires both overtime pay and on-call pay. Furloughs will mandate either eliminating this coverage or distributing the costs onto other employees by decreasing their work hours even lower than the required furlough percentage. In either case, network outages may become more frequent and have longer durations. In the event that a repair begun by a service vendor requires SUNCOM NOC staff to complete, Service Level Agreements (SLA's) in the State contracts may become unenforceable resulting in the loss of monetary compensation to the State for prolonged down times.

In the area of public safety telecommunications, DivTel brings economies of scale to statewide mission critical communications systems which benefit state, county and local agencies by: Providing administrative oversight and coordination for the State's E911 Plan supporting the E911 Board in distributing \$120 million in fees received in accordance with FS 365.172 for 911 purposes; Managing and monitoring contract performance along with enhancement projects for the Statewide Law Enforcement Radio System (SLERS) which provides secure encrypted voice communications to more than 7,500 law enforcement officers across 24 state agencies and 27 federal and local jurisdictions; and Coordinating and approving frequencies and technical specifications for state, county and local law enforcement and EMS communications systems.

Furloughs of our public safety bureau staff may significantly delay the engineering assistance DivTel provides to other state, county and local law enforcement agencies planning changes to their mission critical land mobile radio and E911 communications systems. Time spent on system, project and contract management for the Statewide Law Enforcement Radio System (SLERS), E911 Board, Florida Interoperability Network (FIN), Mutual Aid (M/A) frequencies and other interoperable communications projects will be reduced with a potential negative effect on system performance. Future grant opportunities and planning efforts to replace obsolete or aging communications systems with state of the art technologies such as next generation 911, P-25 radios, and statewide 700MHz Long Term Evolution (LTE) broadband for public safety may be lost.

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MANAGEMENT SRVCS, DEPT OF						72000000
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Suggestions that some of the lost productivity from furloughs will be partially offset because staff might not take Annual Leave (i.e. since they will be out of work for nine weeks) should consider our most experienced and dedicated staff that are pushing maximum leave balances. They are unlikely to forgo using paid Annual Leave because they will otherwise lose it and are unwilling to contribute that loss in light of a compulsory furlough. If they don't take the leave however (as will be the case for most staff) the State will incur greater leave payouts in the future.

DivTel has an extraordinary share of dedicated professionals who are passionate about the value they bring to Florida citizens. The recent \$10 million in refunds DivTel provided, in spite of a series of preceding DivTel price reductions, are obvious fruits of their labors. More subtle are the more than \$50 million in cost avoidance they bring to the Florida enterprise every year.

DivTel's unusually low turnover is an expression of staff dedication. But their hidden contributions come from willingness to work through the night to finalize major projects (like the recent SSRC center upgrade), leaving their families during State emergencies, contributions of unpaid personal time to push projects to success, courage to stand firm against demands that compromise service to citizens and willingness to forgo private sector opportunities commensurate with their abilities. Under normal circumstances, it would be difficult to expect this kind of gracious commitment and passion from staff after they are furloughed. But given that they know their sacrifice will lead to increasing State costs rather than savings, morale will be devastated. Expecting staff to care, after extracting such a large pointless sacrifice from them, is a charade that cannot be sold.

Finally, DivTel also has a number of staff who will be unable to meet personal financial obligations after being furloughed for nine working weeks (the current proposal). They will be forced to seek other jobs in a local market where many others will be doing the same and local spending will be depressed. For many staff, extended furloughs will impose a genuine economic crisis rather than mere hardship.

Office of the Secretary/Administration:

Furloughs will significantly impact the Office of the Secretary/Division of Administration operations. This reduction will adversely impact the quality, timeliness, and level of services delivered by the Office of the Secretary/Division of Administration to our internal and external customers. As a shared support service provider for the agency, our divisions will suffer the impacts of delayed services in turn delaying their ability to provide adequate services to their customers.

This furlough program will also create a significant hardship for employees that will likely lead to difficulty in retaining the highest performing staff causing additional productivity losses and increasing costs for recruiting and training qualified personnel.



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MANAGEMENT SRVCS, DEPT OF				72000000
PGM: SUPPORT PROGRAM				72600000
PURCHASING OVERSIGHT				72600400
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<u>ADULT PRISONS</u>				<u>1206.00.00.00</u>
SCHEDULE VIIIIB REDUCTIONS -				
OPERATING				33B0000
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EMPLOYEE FURLOUGH				33B7180

State Purchasing:

With procurement and contracting staff unavailable due to implementation of furloughs, the Department anticipates that there will be severe impacts to many of the core functions of the Department of Management Services, Division of State Purchasing.

First, the Department is responsible for establishing state term contract. These are often multi-million dollar contracts that all agencies are required to use and eligible users (e.g., counties, municipalities) may use. Commodities and services available under state term contracts include but are not limited to: information technology hardware; information technology and management consulting services; insurance; purchasing and fuel card services; automobile and trucks; and our e-procurement services contract (generally know as "MyFloridaMarketPlace"). Also, the Bureau of Departmental Purchasing is responsible for providing purchasing services to the following divisions of the Department: Administration; Human Resource Management; State Group Insurance, Telecommunications; Real Estate Management; Specialized Services; and Retirement. The commodities and services provided via the Department's state term and departmental contracts are used by all agencies of the State of Florida. The above-mentioned contracts are established via the competitive solicitation process found in chapter 287, Florida Statutes. If the Department instituted a furlough program, the number of the competitive solicitations the Division would be able to issue will decrease in an amount commensurate with the furlough(s). As such, it is anticipated that there will be a reduction in the number of contract the Department would be able to execute. It is estimated with the implementation of furloughs, it could cost the state \$46,716,896 in savings from state contracts by reducing work hours one day per biweekly pay period.

An important part of the competitive solicitation process includes conducting strategic sourcing activities and market research prior to issuance of the solicitation. If a furlough program were instituted, procurement and contracting staff will not have the opportunity to strategically source our contracts. This means that the division will have less time to develop solicitations, survey and research the market, and solicit feedback from our customers, thereby leading to less effective contracts that will not meet our customers' needs. With the Department less able to establish effective contracts agencies will likely have to develop their own agency-specific contracts. Division also administers its contracts. These duties include assisting customers with questions and issues regarding its contracts and addressing related contract performance concerns. Under a furlough program, procurement and contracting staff will not be as available to answer customer service questions in a timely manner thereby impacting customer service. Typically, when state term contract administrators receive questions from agency customers or other eligible user customers, a timely response is required. For example, the customer may want to purchase a commodity or service and may have specific questions about how a particular contract works. Delays in response due to furloughs will negatively impact our ability to provide excellent customer service. In addition, having fewer resources available will make it more difficult for the division to effectively monitor and manage vendor performance under a contract.

As State Purchasing conducts a number of competitive solicitations and administers a high volume of contract, we receive

	COL A93	COL A94	COL A95	
	SCH VIIIIB-2	SCH VIIIIB-2	SCH VIIIIB-2	
	REDUCTIONS	NR FY11-12	ANZ FY11-12	
POS	AMOUNT	POS	AMOUNT	POS
				AMOUNT
				CODES
MANAGEMENT SRVCS, DEPT OF				72000000
PGM: SUPPORT PROGRAM				72600000
<u>PURCHASING OVERSIGHT</u>				72600400
PUBLIC PROTECTION				12
<u>ADULT PRISONS</u>				<u>1206.00.00.00</u>
SCHEDULE VIIIIB REDUCTIONS -				
OPERATING				33B0000
FIFTEEN PERCENT REDUCTION -				
SALARY AND BENEFITS -				
EMPLOYEE FURLOUGH				33B7180

a number of public records requests. Although the Department takes its responsibilities under chapter 119, F.S., very seriously, if the Department were to institute a furlough program, response times for public records requests may be impacted. Such an impact would not only conflict with statutory requirements for public access to information, it would also have an adverse effect on the procurement protest process. Delays in information transmittal during the protest period may lead to increased litigation.

In addition to conducting competitive solicitations and administering and managing resulting contracts, the division is also responsible for providing a training program for state purchasers to attain and maintain purchasing education and skills. The goal of this program is to develop and certify public purchasing professionals, and to assure understanding and adherence to an unwavering code of ethical behavior, and the knowledge, skills and ability to effectively design, solicit, negotiate award and manage government contracts in Florida. Certifications offered through the program are Florida Certified Purchasing Agent (FCPA), Florida Certified Purchasing Manager (FCPM), Florida Certified Contract Negotiator (FCCN), and Florida Certified Contract Manager (FCCM). The training program also provides courses to assist participants with national certification such as the Certified Professional Public Buyer (CPPB), Certified Professional Public Officer (CPPO), and Project Management Professional (PMP). Florida Statute 287.057 requires that an FCCN negotiate contracts of \$1 million, and a certified PMP participate negotiate contracts in excess of \$10 million. The training program offers advanced recertification workshops to extend certification for an additional 5 year period. The training program would not be able to host the number of training courses to meet the demand for certification and recertification with the reduction in work hours due to the implementation of furloughs.

Lastly, it is uncertain what impact instituting a furlough program would have on current staffing in state purchasing. Although reducing the number of hours that state purchasing staff would be able to work would result in savings, it is possible that division employees would look for employment at other agencies or outside of the employment of the state in an attempt to compensate for difference between the salary once earned versus what they would earn under furlough program.

Facilities Management

To reduce staffing costs by 15%, Facilities will need to furlough staff by approximately 47 days throughout the Fiscal Year. This reduction in staffing will mean that one day a week, at pool facilities with a single Department of Management Services (DMS) support person, there may be no DMS employee on site in a DMS-managed building to address any building issues that arise and tenants will need to contact a remote staff person to report issues to be addressed on non-furlough days. Delays in maintenance may result in continued degradation of DMS-managed facilities if faulty or failing equipment isn't replaced in a timely manner and building problems aren't addressed before the situation worsens.

In addition to the staff furloughs, other budget categories were reduced to essential elements but that still left \$2.3 million in reductions needed to meet 15% target reduction. Therefore, additional reductions in Expenses, Utilities,

	COL A93	COL A94	COL A95	
	SCH VIIIB-2	SCH VIIIB-2	SCH VIIIB-2	
	REDUCTIONS	NR FY11-12	ANZ FY11-12	
POS	AMOUNT	POS	AMOUNT	POS
				AMOUNT
				CODES
MANAGEMENT SRVCS, DEPT OF				72000000
PGM: SUPPORT PROGRAM				72600000
PURCHASING OVERSIGHT				72600400
<u>PUBLIC PROTECTION</u>				12
<u>ADULT PRISONS</u>				<u>1206.00.00.00</u>
SCHEDULE VIIIB REDUCTIONS -				
OPERATING				33B0000
FIFTEEN PERCENT REDUCTION -				
SALARY AND BENEFITS -				
EMPLOYEE FURLOUGH				33B7180

Contracted Services and security (contracted and FDLE) necessitate the closure of 5-10% of our facilities' square footage. This will require current tenants to seek space elsewhere and incur moving and relocation expenses. With these closures, DMS will also have a loss of revenue for those buildings which reduces funding available for operations and maintenance of other buildings in the Florida Facilities Pool.

State Group Insurance:

Furloughs will significantly impact the DSGI's operations and will not allow the DSGI to perform their legislative responsibilities. This reduction will adversely impact the quality, timeliness, and level of services delivered by the DSGI to state employees, retirees, state agencies and universities, Executive Office of the Governor and the Legislature and staff. This reduction is expected to result in the suspension and outsourcing of key activities.

Specifically, this reduction: (1) Jeopardizes the administration of the State Employees' Group Insurance Program, (2) Severely impacts our ability to obtain best value and effectively manage and oversee procurement processes, such as the upcoming PBM and HMO procurements, which include bid development, vendor selection, and contract negotiations, (3) Diminishes our ability to monitor contract performance to ensure contract compliance and accuracy of information provided, and (4) Adversely impacts customer service and programs deliverables.

Retirement:

The impact from a 15% furlough program will decrease overall organizational performance, severely impeding the delivery of important services to more than 1 million participants in Florida's statewide retirement systems. Particularly affected will be: increasing turnaround time providing retirement estimates and information the members require for retirement planning; delaying the addition of new retirees to the retired payroll; processing change requests for those already on the retired payroll; reducing members' ability to reach retirement counselors by telephone; lengthening response time to analyze proposed legislation; and negating our ability to comply with statutory requirements to review all local retirement plan valuations on a triennial basis. Legislated performance measures relative to these services and others cannot be met and it can be expected that the percent of members, retirees and participating agencies satisfied with retirement services will plummet. This furlough program will create a significant hardship for employees that will likely lead to difficulty in retaining the highest performing staff causing additional productivity losses and increasing costs for recruiting and training qualified personnel. High employee turnover will further exasperate the timely delivery of services to more than one million members and 1,000 employing agencies of Florida's statewide retirement systems.

FISCAL INFORMATION: A 15% reduction of appropriations for salaries and benefits is over \$7 million dollars for DMS programs, excluding independent entities who are addressing reductions separately. To meet this reduction, each employee would have to be furloughed an average of 47 days. This is calculated by dividing the biweekly rate of employees by 10

	COL A93 SCH VIIIB-2 REDUCTIONS POS	COL A94 SCH VIIIB-2 NR FY11-12 POS	COL A95 SCH VIIIB-2 ANZ FY11-12 POS	AMOUNT	AMOUNT	AMOUNT	CODES
MANAGEMENT SRVCS, DEPT OF							72000000
PGM: SUPPORT PROGRAM							72600000
PURCHASING OVERSIGHT							72600400
<u>PUBLIC PROTECTION</u>							12
<u>ADULT PRISONS</u>							<u>1206.00.00.00</u>
SCHEDULE VIIIB REDUCTIONS - OPERATING							33B0000
FIFTEEN PERCENT REDUCTION - SALARY AND BENEFITS - EMPLOYEE FURLOUGH							33B7180

to get a daily rate which is then multiplied by 47 days multiplied by 18.42% benefits. The benefits rate is calculated by combining 7.65% FICA and Retirement for 10.77%. Note: Employer contributions for health, life and disability insurance are not impacted by furloughs.

Division 15% S&B  
 Appropriation  
 -----  
 Private Prison Monitoring (138,586)

General Revenue (1000)  
 Salaries and Benefits (010000) (138,586) FSI=1  
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POSITION DETAIL OF SALARIES AND BENEFITS:

	FTE	BASE RATE	ADDITIVES	BENEFITS	SUBTOTAL	LAPSE %	LAPSED SALARIES AND BENEFITS
A93 - SCH VIIIB-2 REDUCTIONS							
CHANGES TO CURRENTLY AUTHORIZED POSITIONS							
OTHER SALARY AMOUNT							
1000 GENERAL REVENUE FUND							138,586-
							-----
							138,586-
							=====

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	COL A93	COL A94	COL A95	
	SCH VIIIB-2	SCH VIIIB-2	SCH VIIIB-2	
	REDUCTIONS	NR FY11-12	ANZ FY11-12	
POS	AMOUNT	POS	AMOUNT	POS
				AMOUNT
				CODES
MANAGEMENT SRVCS, DEPT OF				72000000
PGM: SUPPORT PROGRAM				72600000
PURCHASING OVERSIGHT				72600400
PUBLIC PROTECTION				12
ADULT PRISONS				1206.00.00.00
SCHEDULE VIIIB REDUCTIONS -				
OPERATING				33B0000
FIFTEEN PERCENT REDUCTION -				
OTHER PERSONAL SERVICES, EXPENSES,				
OPERATING CAPITAL OUTLAY, CONTRACTED				
SERVICES, CONTRACTED LEGAL SERVICES				33B7220
OTHER PERSONAL SERVICES				030000
GENERAL REVENUE FUND -STATE	2,980-			1000 1
EXPENSES				040000
GENERAL REVENUE FUND -STATE	8,525-			1000 1
OPERATING CAPITAL OUTLAY				060000
GENERAL REVENUE FUND -STATE	3,890-			1000 1
SPECIAL CATEGORIES				100000
CONTRACTED SERVICES				100777
GENERAL REVENUE FUND -STATE	1,000-			1000 1
CONTRACTED LEGAL SERVICES				103884
GENERAL REVENUE FUND -STATE	50,000-			1000 1
TOTAL: FIFTEEN PERCENT REDUCTION -				33B7220
OTHER PERSONAL SERVICES, EXPENSES,				
OPERATING CAPITAL OUTLAY, CONTRACTED				
SERVICES, CONTRACTED LEGAL SERVICES				
TOTAL ISSUE.....	66,395-			

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AGENCY ISSUE NARRATIVE:  
 SCH VIIIB-2 NARR 11-12 NARRATIVE:  
 PRIORITY #17

IT COMPONENT? NO

	COL A93	COL A94	COL A95	
	SCH VIIIB-2	SCH VIIIB-2	SCH VIIIB-2	
	REDUCTIONS	NR FY11-12	ANZ FY11-12	
POS	AMOUNT	POS	AMOUNT	POS
				AMOUNT
				CODES
MANAGEMENT SRVCS, DEPT OF				72000000
PGM: SUPPORT PROGRAM				72600000
<u>PURCHASING OVERSIGHT</u>				72600400
PUBLIC PROTECTION				12
<u>ADULT PRISONS</u>				<u>1206.00.00.00</u>
SCHEDULE VIIIB REDUCTIONS -				
OPERATING				33B0000
FIFTEEN PERCENT REDUCTION -				
OTHER PERSONAL SERVICES, EXPENSES,				
OPERATING CAPITAL OUTLAY, CONTRACTED				
SERVICES, CONTRACTED LEGAL SERVICES				33B7220

ISSUE SUMMARY: Private Prison Monitoring (PPM) - Each agency is required to meet a 15% reduction target. After careful consideration of the operations of the program, it was determined that the following reduction would have the least impact on the customers we serve. These reductions would be made in the Other Personal Services (OPS), Expenses, Operating Capital Outlay (OCO), Special Categories: Contracted Services, and Special Categories: Contracted Legal Services appropriations.

PROBLEM STATEMENT: To minimize the impact to our customers while still meeting the target 15% reduction, the program gave careful consideration to our operations while developing the proposed reduction.

STATUTE REFERENCE: Chapter 957 F.S.

PROGRAM IMPACTS: The diminished ability to utilize OPS staffing to assist in administrative contract monitoring from the central office, compounded with reduced appropriations in the Expenses, OCO, Special Categories: Contracted Services, and Special Categories: Contracted Legal Services appropriations places a greater risk on the Department of Management Services and the Department of Corrections ability to withstand litigation that may result from poor vendor performance that impacts an inmate's liberty, constitutional or statutory rights.

FISCAL INFORMATION: A 15% reduction of appropriations for OPS, Expenses, OCO, Special Categories: Contracted Services, and Special Categories: Contracted Legal Services is \$66,395 for the PPM Program.

General Revenue (1000)		
Other Personal Services (030000)	( 2,980)	
Expenses (040000)	( 8,525)	
Operating Capital Outlay (060000)	( 3,890)	
Special Categories: Contracted Services (100777)	( 1,000)	
Special Categories: Contracted Legal Services (103884)	(50,000)	
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Total Issue	(66,395)	FSI=1
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	COL A93	COL A94	COL A95	
	SCH VIIIB-2	SCH VIIIB-2	SCH VIIIB-2	
	REDUCTIONS	NR FY11-12	ANZ FY11-12	
	POS	AMOUNT	POS	AMOUNT
				AMOUNT
				CODES
MANAGEMENT SRVCS, DEPT OF				72000000
PGM: SUPPORT PROGRAM				72600000
<u>PURCHASING OVERSIGHT</u>				72600400
PUBLIC PROTECTION				12
<u>ADULT PRISONS</u>				<u>1206.00.00.00</u>
TOTAL: ADULT PRISONS				<u>1206.00.00.00</u>
BY FUND TYPE				
GENERAL REVENUE FUND		204,981-		1000
TRUST FUNDS		143,938-		2000
TOTAL PROG COMP.....		348,919-		

	COL A93	COL A94	COL A95	
	SCH VIIIIB-2	SCH VIIIIB-2	SCH VIIIIB-2	
	REDUCTIONS	NR FY11-12	ANZ FY11-12	
POS	AMOUNT	POS	AMOUNT	POS
				AMOUNT
				CODES
MANAGEMENT SRVCS, DEPT OF				72000000
PGM: SUPPORT PROGRAM				72600000
PURCHASING OVERSIGHT				72600400
GOV OPERATIONS/SUPPORT				16
GOVERNMENTAL OPERATIONS				1601.00.00.00
SCHEDULE VIIIIB REDUCTIONS -				
OPERATING				33B0000
FIFTEEN PERCENT REDUCTION -				
SALARY AND BENEFITS -				
EMPLOYEE FURLOUGH				33B7180
SALARIES AND BENEFITS				010000
OPERATING TRUST FUND				2510 1
-STATE	443,260-			

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AGENCY ISSUE NARRATIVE:

SCH VIIIIB-2 NARR 11-12 NARRATIVE:  
 PRIORITY# 59

IT COMPONENT? NO

ISSUE SUMMARY: Each agency is required to meet a 15% reduction target. Much of the agency's budget supports staff (people) resources to meet the mission of the organization. We are requesting furloughs be used to meet the salaries and benefits portion of the required reduction target. Furloughs provide the following operational and economic benefits: permits the gradual or immediate resumption of previous service levels as the fiscal shortfall subsides; saves recruitment and retraining costs to re-staff positions; no loss in experienced workforce; prevents an additional fiscal impact on state and local resources (unemployment compensation, food stamps, uninsured medical services, etc.) that would be caused by laid off employees seeking government services; and minimizes the negative economic impact on private sector businesses that would result from fewer goods and services being purchased by laid off employees, loan defaults, etc.

PROBLEM STATEMENT: To minimize long-term negative customer service level impacts and negative state, local and private sector economic impacts, salary reductions would be handled through a 15% furlough which translates to an average of 47 days per employee for the fiscal year, rather than through layoffs.

STATUTE REFERENCE: The definition of furlough is contained in s. 110.107(3), F.S., and is: A temporary reduction in the regular hours of employment in a pay period, or temporary leave without pay for one or more pay periods, with a commensurate reduction in pay, necessitated by a projected deficit in any fund that supports salary and benefit appropriations. Section 110.1225, F.S., requires that when furloughs are utilized that all affected employees are subject to the same reduction of hours for the same number of pay periods with a commensurate reduction in pay.

PROGRAM IMPACTS:

Federal Property Assistance Program (FPA):

The following program impacts are for the Federal Property Assistance Program (FPA): FPA provides customer service to over 500 public agencies and private/nonprofit health and education organizations throughout the State of Florida. Responsibilities include acquiring federal surplus or excess military equipment from the federal government and transferring it to agencies to assist in deferring the cost of new equipment. The Bureau coordinates the distribution of \$5.5 million in donated federal property each year. This 15% reduction will have a significant negative impact on the



COL A93		COL A94		COL A95		CODES
SCH VIIIB-2		SCH VIIIB-2		SCH VIIIB-2		
REDUCTIONS		NR FY11-12		ANZ FY11-12		
POS	AMOUNT	POS	AMOUNT	POS	AMOUNT	
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>
SCHEDULE VIIIB REDUCTIONS -						
OPERATING						33B0000
FIFTEEN PERCENT REDUCTION -						
SALARY AND BENEFITS -						
EMPLOYEE FURLOUGH						33B7180

program. With 100% of the employees taking a 15% reduction in pay, we can expect an increased risk of resignations of key personnel that have vast amount of subject matter expertise regarding the Federal Property Assistance program. Additionally, with 100% of the employees taking a 15% reduction in work hours, we expect to experience a significant decrease in work productivity and customer service. Public agencies and private/nonprofit health and education organizations would see a significant decrease in the capability for acquiring and distributing federally owned tangible personal property declared excess/surplus by the Federal Government. FPA would not have the capability of conducting utilization checks on millions of dollars of property already donated. Lastly, this 15% reduction will negatively impact the program if an employee resigns or retires and requires a leave payout.

Bureau of Motor Vehicles and Watercraft Management:

The following program impacts are for the Bureau of Motor Vehicles and Watercraft Management: The Bureau provides customer service to 30 State agencies. The Bureau reviews and approves agency acquisition requests to ensure fleet purchases are cost effective, fuel efficient and appropriate for stated purchase. Additionally, the Bureau tracks the assignment, use, and maintenance of mobile equipment and coordinates the disposal of state-owned mobile equipment. This 15% reduction will have a significant negative impact on the program. With 100% of the employees taking a 15% reduction in pay, we can expect an increased risk of resignations of key personnel with over 46 years of subject matter expertise regarding the Equipment Management Information System (EMIS), acquisition and disposal of the State's fleet. These critical duties cannot be absorbed by other staff due to the high level expertise required to research, develop and implement mobile equipment technical specifications and replacement criteria. Additionally, with 100% of the employees taking a 15% reduction in work hours, we expect to experience a significant decrease in work productivity and customer service. The projected turnaround time for the acquisition and disposal approval process would be extended from 2 to 5 workdays. Lastly, this 15% reduction will negatively impact the Bureau if an employee resigns or retires and requires a leave payout.

Office of Supplier Diversity (OSD):

Furloughing staff will have a devastating effect on proving outreach service for the Department's customers. Furloughing will cause delays in certifying firms and providing the mandatory monthly reports required by statute, also due to the lack of outreach services there will be a reduction in the number of firms that will register in MyFloridaMarketPlace as vendors, which will also have an impact of the number of companies bidding on state and local government projects. A reduction in bidders on projects may result in the state and local governments paying a higher price for goods and services due to the lack of competition. The furloughing of staff will affect state agencies, universities, local governments and private contractors who depend on OSD to provide assurance that a company is a bonafide certified company. These entities depend on getting this information in a timely matter. If this information is delayed or not received will result in contracts not being bided and awarded in a timely manner. This can also lead to projects being stopped which causes mobilization to occur again which increases the price to the state and local government entities

COL A93		COL A94		COL A95		CODES
SCH VIII B-2		SCH VIII B-2		SCH VIII B-2		
REDUCTIONS		NR FY11-12		ANZ FY11-12		
POS	AMOUNT	POS	AMOUNT	POS	AMOUNT	
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>
SCHEDULE VIII B REDUCTIONS -						
OPERATING						33B0000
FIFTEEN PERCENT REDUCTION -						
SALARY AND BENEFITS -						
EMPLOYEE FURLOUGH						33B7180

through change orders. All of these things cause services to the taxpaying citizens to be late, interrupted or not provided.

Building Construction:

To reduce staffing costs by 15%, Building Construction will need to furlough staff by approximately 47 days throughout the Fiscal Year. This reduction in staffing will reduce the oversight available for construction projects which may result in delays in completing projects when contractors need approvals for each phase of work, prior to review by permit authorities and approvals from DMS for work completed before proceeding to the next task. Such furloughs will also complicate communications with our client agencies regarding customers' needs and concerns. Delays in projects may result in continued degradation of DMS-managed facilities if faulty or failing equipment isn't replaced in a timely manner and physical plant problems aren't addressed before the situation worsens.

Human Resource Management

Policy Team

The State Personnel System (SPS) is part of the executive branch of state government and consists of 31 agencies that operate under a single set of employment laws, policies, and practices. These policies affect 105,031 FTE employees and 9,965 Other Personnel Services (OPS) employees, making the SPS the largest employer in state government.

The Division develops and administers core human resource (HR) policies, strategies, and practices for the State Personnel System and provides expertise and consultative services to ensure the lawful, effective and efficient implementation of human resource programs by the SPS agencies. As part of this role, the Division statutorily serves, on behalf of the Governor, as the Chief Labor Negotiator with six labor unions covering 13 collective bargaining units.

As a single employer, this Division is necessary to ensure an equitable and lawful system of employment, uniformity in application of core policies exist between agencies, the SPS remains a competitive employer capable of recruiting and retaining a highly competent workforce and Florida's citizens receive quality services.

This reduction equates to approximately a 2 day reduction in staff hours for each division employee for each two week pay period during the entire fiscal year. This 20% reduction in weekly staff hour availability will cause a severe disruption in the delivery of division services to the executive branch agencies and their employees, the Executive Office of the Governor, and legislative staff and will require that some activities be suspended or eliminated. Because division program areas are already minimally staffed, the necessary resources will not always be available on the same days due to staggered work schedules required by the furloughs. Additionally, the negative impact on productivity from normal absenteeism due to illness, etc., will be greatly magnified.

	COL A93	COL A94	COL A95	
	SCH VIII B-2	SCH VIII B-2	SCH VIII B-2	
	REDUCTIONS	NR FY11-12	ANZ FY11-12	
POS	AMOUNT	POS	AMOUNT	POS
				AMOUNT
				CODES
MANAGEMENT SRVCS, DEPT OF				72000000
PGM: SUPPORT PROGRAM				72600000
PURCHASING OVERSIGHT				72600400
GOV OPERATIONS/SUPPORT				16
GOVERNMENTAL OPERATIONS				1601.00.00.00
SCHEDULE VIII B REDUCTIONS -				
OPERATING				33B0000
FIFTEEN PERCENT REDUCTION -				
SALARY AND BENEFITS -				
EMPLOYEE FURLOUGH				33B7180

This overall loss of productivity will significantly impede the division and its customers from meeting statutory obligations and increase the potential for lawsuits and financial penalties.

Specifically, this reduction:

1. Jeopardizes the equitable and lawful administration of the State Personnel System by significantly impacting the agencies' ability to effectively manage agency operations and implement legislatively mandated programs due to:

Significant delays in providing critical policy directives to agencies related to numerous federal and state employment laws and rules, i.e., Fair Labor Standards Act (FLSA), Equal Employment Opportunity (EEO), Americans with Disabilities Act (ADA), the Family and Medical Leave Act (FMLA), employment and reemployment rights of veterans, and attendance and leave requirements, resulting in increased lawsuits by employees and the assessment of substantial financial penalties by the federal government;

Drastic increases in response time for analysis and approval of key agency HR operational actions such as reorganization requests; reclassification of positions; establishment of new classes; special risk designations; workforce layoff plans; regular compensatory leave and extraordinary payment plans and pay additive requests; and

Reduced responsiveness to daily telephone and email requests for technical assistance on a myriad of HR issues.

2. Severely impacts our ability to effectively represent the Governor as the State's chief labor negotiator, causing a significant reduction in collective bargaining unit contract oversight and delaying the processing of Step 3 grievances, and resulting in an escalation in disputes with labor organizations with commensurate increases in union filings of unfair labor practice claims.

3. Eliminates our ability to administer and oversee the Florida State Employees' Charitable Campaign resulting in the suspension of the Campaign at a loss of approximately \$5 million per year to charitable organizations which provide direct services to the citizens of Florida.

4. Reduces our ability to develop policy-driven business rules and operational requirements for the People First human resource information system; thereby impacting the system's ability to meet the needs of the State Personnel System.

5. Reduces the content and timeliness of the Annual Workforce Report. This statutorily required report provides demographic and trend data regarding the State Personnel System workforce.

COL A93		COL A94		COL A95		CODES
SCH VIII B-2		SCH VIII B-2		SCH VIII B-2		
REDUCTIONS		NR FY11-12		ANZ FY11-12		
POS	AMOUNT	POS	AMOUNT	POS	AMOUNT	
						72000000
MANAGEMENT SRVCS, DEPT OF						72600000
PGM: SUPPORT PROGRAM						72600400
<u>PURCHASING OVERSIGHT</u>						16
GOV OPERATIONS/SUPPORT						<u>1601.00.00.00</u>
<u>GOVERNMENTAL OPERATIONS</u>						
SCHEDULE VIII B REDUCTIONS -						33B0000
OPERATING						
FIFTEEN PERCENT REDUCTION -						
SALARY AND BENEFITS -						33B7180
EMPLOYEE FURLOUGH						

- Causes delays in meeting federal reporting requirements (EEO-4 Report).
- Eliminates our ability to provide training to agency HR staff on critical federal and state requirements.

People First Team

This reduction equates to approximately a 2 day reduction in staff hours for each People First Team employee for each two week pay period during the entire fiscal year. This reduction will cause a severe disruption in the delivery of services to all 240,000 users of the People First system, and will require that some activities be eliminated. People First users include executive branch agencies, State Courts System, Justice Administrative Commission, Lottery, Legislature, University System, and retirees. Job applicants will be impacted as well.

Specifically, this reduction:

- Weakens our ability to ensure effective day-to-day oversight and contract management activities of the outsourced vendor (NorthgateArinso), which includes: monitoring the status of current contract deliverables and performance metrics; overseeing contract amendment and change order processes; coordinating the monthly business review meetings between the state and service provider; and monitoring NorthgateArinso's four subcontractors (i.e., PeopleClick Authoria (staffing module), Fringe Benefits Management Corporation (flexible spending account), Horizon Health / Aetna (EAP provider) and Wachovia (lockbox)).
- Eliminates our ability to monitor service center performance to ensure accuracy of information provided, determine training or process improvement needs, and investigate concerns and complaints.
- Weakens our ability to monitor NorthgateArinso's adherence to the security plan, review the semi-annual SAS 70 report, maintain the state of Florida security guidelines manual, monitor Level II background screening, monitor the annual business continuity plan exercise, and audit the two service centers for data security compliance.
- Jeopardizes our ability to manage the system release life cycle for the additional system enhancements included in the renewal contract as well as any other system improvement or enhancements. Our role includes identifying the state's business requirements, providing the service provider with written confirmation of the requested change, reviewing and approving system technical specifications, coordinating and approving user acceptance testing, and overseeing the roll-out of the enhancements through employee training and communication.
- Jeopardizes our ability to provide NorthgateArinso with Benefits Open Enrollment system changes and vendor oversight of the annual Open Enrollment process.

COL A93		COL A94		COL A95		CODES
SCH VIII B-2		SCH VIII B-2		SCH VIII B-2		
REDUCTIONS		NR FY11-12		ANZ FY11-12		
POS	AMOUNT	POS	AMOUNT	POS	AMOUNT	
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>
SCHEDULE VIII B REDUCTIONS -						
OPERATING						33B0000
FIFTEEN PERCENT REDUCTION -						
SALARY AND BENEFITS -						
EMPLOYEE FURLOUGH						33B7180

6. Eliminates our ability to effectively plan for the next generation HR solution (i.e., the contract with NorthgateArinso expires August 21, 2016), which includes researching best practices, reviewing lessons learned, analyzing trends, defining strengths and weaknesses of the current contract, and proactively planning for future success.

7. Reduces our ability to effectively manage and oversee the upcoming procurement process, which includes business case development, bid development, vendor selection, and contract negotiations. Coordinating procurement documents to prepare for the end of the current contract include the development of comprehensive transition, staffing, change management, training, interface, security, migration, and business continuity plans.

8. Eliminates our ability to serve our state agency customers by producing data for recurring report requests (e.g., OPS YTD Hours report, LASPBS Reconciliation reports, Pay Additive Monitoring reports, PAR data extracts, Workforce Reports, etc.), and inputting large amounts of data into the People First system via mass loads. All stakeholders will be required to run their own reports, and input large amounts of data into the People First system on a position by position basis.

9. Reduces our ability to respond to public records requests for personnel data in a timely basis.

10 Eliminates our ability to provide support and issue resolution to customers and timely communication to all stakeholders, as well as, our ability to provide training for user groups in a variety of mediums.

Private Prison Monitoring:

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 This is expected to have a detrimental impact on our program area. With 100% of the employees taking a 15% cut in pay, we can expect an increased risk of resignations, especially if employees were impacted by a furlough during FY 2010-2011. Additionally, with 100% of the employees taking a 15% reduction in work hours, we expect to experience a marked decrease in work productivity and customer service. More concerning, the diminished ability of our program area to monitor the state's private prison contractors has negative public safety implications. Our staff will no longer be able to adequately monitor physical plant preventative maintenance and repairs relative to security electronics that monitor fence integrity designed to prevent and alarm if people are attempting to enter/exit the facility unlawfully, monitor dormitory security and emergency safety systems designed to enhance officer/inmate safety and prevent escapes, and ensure support systems are in place, designed to provide for constitutional and statutory minimum standards of living for inmates relative to food service, medical and sanitary systems (laundry/sewage, etc). Further, the diminished presence or our monitors places greater risk on the Florida Department of Management Services and the Department of Corrections ability to withstand litigation that may result from poor vendor performance that impacts an inmate's liberty, constitutional or statutory rights. Statutory impact: Chapter 957 F.S.

	COL A93	COL A94	COL A95	
	SCH VIIIIB-2	SCH VIIIIB-2	SCH VIIIIB-2	
	REDUCTIONS	NR FY11-12	ANZ FY11-12	
	POS	AMOUNT	POS	AMOUNT
				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>
SCHEDULE VIIIIB REDUCTIONS -				
OPERATING				33B0000
FIFTEEN PERCENT REDUCTION -				
SALARY AND BENEFITS -				
EMPLOYEE FURLOUGH				33B7180

Division of Telecommunications:

The Division of Telecommunications (DivTel) is statutorily charged to bring economies of scale, bulk purchasing leverage and interoperability to Florida's public sector telecommunications. Success requires tireless work and innovation given the perpetual rapid changes in the technology marketplace. By definition, if DivTel rests, it will become obsolete and unable to deliver cost savings to the State in the future.

In addition to maintaining \$110 million worth of telecommunications services demanded annually by our government customers, some examples of pending and upcoming projects that DivTel considers vital to its charge are:

Mobile Telecommunications consolidation to place all State mobile phones under a single "family plan" to achieve enterprise savings and establish accountability; Central Voice over IP (VoIP) management and coordination (known as Session Initiation Protocol Trunking) to enable as yet unrealized savings from this technology that is rapidly replacing traditional phone services; Improving competition and transparency of telephony hardware purchases that are common throughout State government under a contract known as SUNCOM Telephony Equipment Premise-Based Services or (STEPS); SUNCOM's Open and Shared Information System which empowers SUNCOM customers to effectively audit their bills, control costs and automate SUNCOM processes; Implementing telecommunications savings for the newly consolidated enterprise data centers per a mandate by law; and establishing an enterprise satellite telecommunications contract/service to achieve bulk purchase savings and standardization.

Clearly, many of these enterprise cost savings projects will be delayed or canceled for the fiscal year, given the complex challenges of each and the length of the proposed furloughs. And a new form of waste will be incurred from shelved work, disrupted efforts and triaged priorities. Furloughs will actually lead to increasing State costs rather than savings since no General Revenue can be returned and these DivTel enterprise cost savings projects will be impaired.

In addition, daily operations of DivTel have a direct impact on the daily operations of all State of Florida agencies. Telephone services to critical agencies such as the Department of Emergency Management, the Department of Environmental Protection, the Department of Children and Families, the Department of Law Enforcement, and the Department of Highway Safety, to name a few, are critical during times of urgent need and/or emergencies. DivTel is responsible for operating the SUNCOM Network Operations Center (NOC) which maintains these communications facilities. Furloughs will make it extremely difficult, if not impossible, for DivTel to provide a service level assuring 24x7 uninterrupted operations.

Another factor to consider in the event of furloughs is that the installation times associated with new and additional services will be significantly increased. Many requests for additional communications facilities are in response to an emergency situation or other immediate need for increased capacity. Furloughs will limit the ability for DivTel to respond to these emergency situations. It will also be necessary for all SUNCOM services to be re-evaluated with regard

COL A93		COL A94		COL A95		CODES
SCH VIII B-2		SCH VIII B-2		SCH VIII B-2		
REDUCTIONS		NR FY11-12		ANZ FY11-12		
POS	AMOUNT	POS	AMOUNT	POS	AMOUNT	
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>
SCHEDULE VIII B REDUCTIONS -						
OPERATING						33B0000
FIFTEEN PERCENT REDUCTION -						
SALARY AND BENEFITS -						
EMPLOYEE FURLOUGH						33B7180

to time periods for engineering, ordering, and installing. Given that each day of increased time in that cycle represents an additional day of lost cost savings or lost services for an agency, the actual costs to the State may be significantly higher than any savings realized from furloughs.

Due to the fact that State agencies rely on the SUNCOM network for voice, video, and data services, DivTel provides staff 24x7 to respond to network outages. This coverage model requires both overtime pay and on-call pay. Furloughs will mandate either eliminating this coverage or distributing the costs onto other employees by decreasing their work hours even lower than the required furlough percentage. In either case, network outages may become more frequent and have longer durations. In the event that a repair begun by a service vendor requires SUNCOM NOC staff to complete, Service Level Agreements (SLA's) in the State contracts may become unenforceable resulting in the loss of monetary compensation to the State for prolonged down times.

In the area of public safety telecommunications, DivTel brings economies of scale to statewide mission critical communications systems which benefit state, county and local agencies by: Providing administrative oversight and coordination for the State's E911 Plan supporting the E911 Board in distributing \$120 million in fees received in accordance with FS 365.172 for 911 purposes; Managing and monitoring contract performance along with enhancement projects for the Statewide Law Enforcement Radio System (SLERS) which provides secure encrypted voice communications to more than 7,500 law enforcement officers across 24 state agencies and 27 federal and local jurisdictions; and Coordinating and approving frequencies and technical specifications for state, county and local law enforcement and EMS communications systems.

Furloughs of our public safety bureau staff may significantly delay the engineering assistance DivTel provides to other state, county and local law enforcement agencies planning changes to their mission critical land mobile radio and E911 communications systems. Time spent on system, project and contract management for the Statewide Law Enforcement Radio System (SLERS), E911 Board, Florida Interoperability Network (FIN), Mutual Aid (M/A) frequencies and other interoperable communications projects will be reduced with a potential negative effect on system performance. Future grant opportunities and planning efforts to replace obsolete or aging communications systems with state of the art technologies such as next generation 911, P-25 radios, and statewide 700MHz Long Term Evolution (LTE) broadband for public safety may be lost.

Suggestions that some of the lost productivity from furloughs will be partially offset because staff might not take Annual Leave (i.e. since they will be out of work for nine weeks) should consider our most experienced and dedicated staff that are pushing maximum leave balances. They are unlikely to forgo using paid Annual Leave because they will otherwise lose it and are unwilling to contribute that loss in light of a compulsory furlough. If they don't take the leave however (as will be the case for most staff) the State will incur greater leave payouts in the future.

DivTel has an extraordinary share of dedicated professionals who are passionate about the value they bring to Florida citizens. The recent \$10 million in refunds DivTel provided, in spite of a series of preceding DivTel price reductions,

COL A93		COL A94		COL A95		CODES
SCH VIIIIB-2		SCH VIIIIB-2		SCH VIIIIB-2		
REDUCTIONS		NR FY11-12		ANZ FY11-12		
POS	AMOUNT	POS	AMOUNT	POS	AMOUNT	
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>
SCHEDULE VIIIIB REDUCTIONS -						
OPERATING						33B0000
FIFTEEN PERCENT REDUCTION -						
SALARY AND BENEFITS -						
EMPLOYEE FURLOUGH						33B7180

are obvious fruits of their labors. More subtle are the more than \$50 million in cost avoidance they bring to the Florida enterprise every year.

DivTel's unusually low turnover is an expression of staff dedication. But their hidden contributions come from willingness to work through the night to finalize major projects (like the recent SSRC center upgrade), leaving their families during State emergencies, contributions of unpaid personal time to push projects to success, courage to stand firm against demands that compromise service to citizens and willingness to forgo private sector opportunities commensurate with their abilities. Under normal circumstances, it would be difficult to expect this kind of gracious commitment and passion from staff after they are furloughed. But given that they know their sacrifice will lead to increasing State costs rather than savings, morale will be devastated. Expecting staff to care, after extracting such a large pointless sacrifice from them, is a charade that cannot be sold.

Finally, DivTel also has a number of staff who will be unable to meet personal financial obligations after being furloughed for nine working weeks (the current proposal). They will be forced to seek other jobs in a local market where many others will be doing the same and local spending will be depressed. For many staff, extended furloughs will impose a genuine economic crisis rather than mere hardship.

Office of the Secretary/Administration:

Furloughs will significantly impact the Office of the Secretary/Division of Administration operations. This reduction will adversely impact the quality, timeliness, and level of services delivered by the Office of the Secretary/Division of Administration to our internal and external customers. As a shared support service provider for the agency, our divisions will suffer the impacts of delayed services in turn delaying their ability to provide adequate services to their customers.

This furlough program will also create a significant hardship for employees that will likely lead to difficulty in retaining the highest performing staff causing additional productivity losses and increasing costs for recruiting and training qualified personnel.

State Purchasing:

With procurement and contracting staff unavailable due to implementation of furloughs, the Department anticipates that there will be severe impacts to many of the core functions of the Department of Management Services, Division of State Purchasing.

First, the Department is responsible for establishing state term contract. These are often multi-million dollar contracts that all agencies are required to use and eligible users (e.g., counties, municipalities) may use. Commodities



	COL A93	COL A94	COL A95	
	SCH VIII B-2	SCH VIII B-2	SCH VIII B-2	
	REDUCTIONS	NR FY11-12	ANZ FY11-12	
POS	AMOUNT	POS	AMOUNT	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>
SCHEDULE VIII B REDUCTIONS -				
OPERATING				33B0000
FIFTEEN PERCENT REDUCTION -				
SALARY AND BENEFITS -				
EMPLOYEE FURLOUGH				33B7180

and services available under state term contracts include but are not limited to: information technology hardware; information technology and management consulting services; insurance; purchasing and fuel card services; automobile and trucks; and our e-procurement services contract (generally know as "MyFloridaMarketPlace"). Also, the Bureau of Departmental Purchasing is responsible for providing purchasing services to the following divisions of the Department: Administration; Human Resource Management; State Group Insurance, Telecommunications; Real Estate Management; Specialized Services; and Retirement. The commodities and services provided via the Department's state term and departmental contracts are used by all agencies of the State of Florida. The above-mentioned contracts are established via the competitive solicitation process found in chapter 287, Florida Statutes. If the Department instituted a furlough program, the number of the competitive solicitations the Division would be able to issue will decrease in an amount commensurate with the furlough(s). As such, it is anticipated that there will be a reduction in the number of contract the Department would be able to execute. It is estimated with the implementation of furloughs, it could cost the state \$46,716,896 in savings from state contracts by reducing work hours one day per biweekly pay period.

An important part of the competitive solicitation process includes conducting strategic sourcing activities and market research prior to issuance of the solicitation. If a furlough program were instituted, procurement and contracting staff will not have the opportunity to strategically source our contracts. This means that the division will have less time to develop solicitations, survey and research the market, and solicit feedback from our customers, thereby leading to less effective contracts that will not meet our customers' needs. With the Department less able to establish effective contracts agencies will likely have to develop their own agency-specific contracts. Division also administers its contracts. These duties include assisting customers with questions and issues regarding its contracts and addressing related contract performance concerns. Under a furlough program, procurement and contracting staff will not be as available to answer customer service questions in a timely manner thereby impacting customer service. Typically, when state term contract administrators receive questions from agency customers or other eligible user customers, a timely response is required. For example, the customer may want to purchase a commodity or service and may have specific questions about how a particular contract works. Delays in response due to furloughs will negatively impact our ability to provide excellent customer service. In addition, having fewer resources available will make it more difficult for the division to effectively monitor and manage vendor performance under a contract.

As State Purchasing conducts a number of competitive solicitations and administers a high volume of contract, we receive a number of public records requests. Although the Department takes its responsibilities under chapter 119, F.S., very seriously, if the Department were to institute a furlough program, response times for public records requests may be impacted. Such an impact would not only conflict with statutory requirements for public access to information, it would also have an adverse affect on the procurement protest process. Delays in information transmittal during the protest period may lead to increased litigation.

In addition to conducting competitive solicitations and administering and managing resulting contracts, the division is also responsible for providing a training program for state purchasers to attain and maintain purchasing education and

COL A93		COL A94		COL A95		CODES
SCH VIIIB-2		SCH VIIIB-2		SCH VIIIB-2		
REDUCTIONS		NR FY11-12		ANZ FY11-12		
POS	AMOUNT	POS	AMOUNT	POS	AMOUNT	
						72000000
MANAGEMENT SRVCS, DEPT OF						72600000
PGM: SUPPORT PROGRAM						72600400
<u>PURCHASING OVERSIGHT</u>						16
GOV OPERATIONS/SUPPORT						<u>1601.00.00.00</u>
<u>GOVERNMENTAL OPERATIONS</u>						
SCHEDULE VIIIB REDUCTIONS -						
OPERATING						33B0000
FIFTEEN PERCENT REDUCTION -						
SALARY AND BENEFITS -						
EMPLOYEE FURLOUGH						33B7180

skills. The goal of this program is to develop and certify public purchasing professionals, and to assure understanding and adherence to an unwavering code of ethical behavior, and the knowledge, skills and ability to effectively design, solicit, negotiate award and manage government contracts in Florida. Certifications offered through the program are Florida Certified Purchasing Agent (FCPA), Florida Certified Purchasing Manager (FCPM), Florida Certified Contract Negotiator (FCCN), and Florida Certified Contract Manager (FCCM). The training program also provides courses to assist participants with national certification such as the Certified Professional Public Buyer (CPPB), Certified Professional Public Officer (CPPO), and Project Management Professional (PMP). Florida Statute 287.057 requires that an FCCN negotiate contracts of \$1 million, and a certified PMP participate negotiate contracts in excess of \$10 million. The training program offers advanced recertification workshops to extend certification for an additional 5 year period. The training program would not be able to host the number of training courses to meet the demand for certification and recertification with the reduction in work hours due to the implementation of furloughs.

Lastly, it is uncertain what impact instituting a furlough program would have on current staffing in state purchasing. Although reducing the number of hours that state purchasing staff would be able to work would result in savings, it is possible that division employees would look for employment at other agencies or outside of the employment of the state in an attempt to compensate for difference between the salary once earned versus what they would earn under furlough program.

Facilities Management

To reduce staffing costs by 15%, Facilities will need to furlough staff by approximately 47 days throughout the Fiscal Year. This reduction in staffing will mean that one day a week, at pool facilities with a single Department of Management Services (DMS) support person, there may be no DMS employee on site in a DMS-managed building to address any building issues that arise and tenants will need to contact a remote staff person to report issues to be addressed on non-furlough days. Delays in maintenance may result in continued degradation of DMS-managed facilities if faulty or failing equipment isn't replaced in a timely manner and building problems aren't addressed before the situation worsens.

In addition to the staff furloughs, other budget categories were reduced to essential elements but that still left \$2.3 million in reductions needed to meet 15% target reduction. Therefore, additional reductions in Expenses, Utilities, Contracted Services and security (contracted and FDLE) necessitate the closure of 5-10% of our facilities' square footage. This will require current tenants to seek space elsewhere and incur moving and relocation expenses. With these closures, DMS will also have a loss of revenue for those buildings which reduces funding available for operations and maintenance of other buildings in the Florida Facilities Pool.

State Group Insurance:

Furloughs will significantly impact the DSGI's operations and will not allow the DSGI to perform their legislative

COL A93		COL A94		COL A95		CODES
SCH VIII B-2		SCH VIII B-2		SCH VIII B-2		
REDUCTIONS		NR FY11-12		ANZ FY11-12		
POS	AMOUNT	POS	AMOUNT	POS	AMOUNT	
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>
SCHEDULE VIII B REDUCTIONS -						
OPERATING						33B0000
FIFTEEN PERCENT REDUCTION -						
SALARY AND BENEFITS -						
EMPLOYEE FURLOUGH						33B7180

responsibilities. This reduction will adversely impact the quality, timeliness, and level of services delivered by the DSGI to state employees, retirees, state agencies and universities, Executive Office of the Governor and the Legislature and staff. This reduction is expected to result in the suspension and outsourcing of key activities.

Specifically, this reduction: (1) Jeopardizes the administration of the State Employees' Group Insurance Program, (2) Severely impacts our ability to obtain best value and effectively manage and oversee procurement processes, such as the upcoming PBM and HMO procurements, which include bid development, vendor selection, and contract negotiations, (3) Diminishes our ability to monitor contract performance to ensure contract compliance and accuracy of information provided, and (4) Adversely impacts customer service and programs deliverables.

Retirement:  
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The impact from a 15% furlough program will decrease overall organizational performance, severely impeding the delivery of important services to more than 1 million participants in Florida's statewide retirement systems. Particularly affected will be: increasing turnaround time providing retirement estimates and information the members require for retirement planning; delaying the addition of new retirees to the retired payroll; processing change requests for those already on the retired payroll; reducing members' ability to reach retirement counselors by telephone; lengthening response time to analyze proposed legislation; and negating our ability to comply with statutory requirements to review all local retirement plan valuations on a triennial basis. Legislated performance measures relative to these services and others cannot be met and it can be expected that the percent of members, retirees and participating agencies satisfied with retirement services will plummet. This furlough program will create a significant hardship for employees that will likely lead to difficulty in retaining the highest performing staff causing additional productivity losses and increasing costs for recruiting and training qualified personnel. High employee turnover will further exasperate the timely delivery of services to more than one million members and 1,000 employing agencies of Florida's statewide retirement systems.

FISCAL INFORMATION: A 15% reduction of appropriations for salaries and benefits is over \$7 million dollars for DMS programs, excluding independent entities who are addressing reductions separately. To meet this reduction, each employee would have to be furloughed an average of 47 days. This is calculated by dividing the biweekly rate of employees by 10 to get a daily rate which is then multiplied by 47 days multiplied by 18.42% benefits. The benefits rate is calculated by combining 7.65% FICA and Retirement for 10.77%. Note: Employer contributions for health, life and disability insurance are not impacted by furloughs.

Division 15% S&B  
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 Appropriation  
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	COL A93	COL A94	COL A95	
	SCH VIIIB-2	SCH VIIIB-2	SCH VIIIB-2	
	REDUCTIONS	NR FY11-12	ANZ FY11-12	
POS	AMOUNT	POS	AMOUNT	POS
				AMOUNT
				CODES
MANAGEMENT SRVCS, DEPT OF				72000000
PGM: SUPPORT PROGRAM				72600000
PURCHASING OVERSIGHT				72600400
GOV OPERATIONS/SUPPORT				16
GOVERNMENTAL OPERATIONS				1601.00.00.00
SCHEDULE VIIIB REDUCTIONS -				
OPERATING				33B0000
FIFTEEN PERCENT REDUCTION -				
SALARY AND BENEFITS -				
EMPLOYEE FURLOUGH				33B7180
State Purchasing		(443,260)		
Operating Trust Fund (2021)				
Salaries and Benefits (010000)			(443,260)	FSI=1

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POSITION DETAIL OF SALARIES AND BENEFITS:

	FTE	BASE RATE	ADDITIVES	BENEFITS	SUBTOTAL	LAPSE %	LAPSED SALARIES AND BENEFITS
A93 - SCH VIIIB-2 REDUCTIONS							
CHANGES TO CURRENTLY AUTHORIZED POSITIONS							
OTHER SALARY AMOUNT							
2510 OPERATING TRUST FUND							443,260-
							443,260-

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FIFTEEN PERCENT REDUCTION -							
WEB BASED E-PROCUREMENT SYSTEM							33B7230
SPECIAL CATEGORIES							100000
WEB-BASED E-PROCUREMENT SYS							104502
OPERATING TRUST FUND -STATE		1,922,916-					2510 1

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AGENCY ISSUE NARRATIVE:  
 SCH VIIIB-2 NARR 11-12 NARRATIVE: IT COMPONENT? NO  
 Priority #33

COL A93		COL A94		COL A95		CODES
SCH VIII B-2		SCH VIII B-2		SCH VIII B-2		
REDUCTIONS		NR FY11-12		ANZ FY11-12		
POS	AMOUNT	POS	AMOUNT	POS	AMOUNT	
						72000000
MANAGEMENT SRVCS, DEPT OF						72600000
PGM: SUPPORT PROGRAM						72600400
<u>PURCHASING OVERSIGHT</u>						16
GOV OPERATIONS/SUPPORT						<u>1601.00.00.00</u>
<u>GOVERNMENTAL OPERATIONS</u>						
SCHEDULE VIII B REDUCTIONS -						33B0000
OPERATING						
FIFTEEN PERCENT REDUCTION -						33B7230
WEB BASED E-PROCUREMENT SYSTEM						

ISSUE SUMMARY: State Purchasing - Each agency is required to meet a 15% reduction target. After careful consideration of the operations of the program, it was determined that the following reduction would have the least impact on the customers we serve. This issue requests a recurring reduction of \$1,922,916 in the Special Categories: Web Based E-Procurement System.

PROBLEM AND SOLUTION STATEMENT: To minimize the impact to our customers while still meeting the target 15% reduction, the program gave careful consideration to our operations while developing the proposed reduction. Florida Statute 287.057(22) directs the Department to "develop a program for online procurement of commodities and contractual services. To enable the state to promote open competition and to leverage its buying power " Reducing the contract would prevent the Department from providing the services, which are statutorily mandated.

The Department of Management Services (DMS) recently renegotiated the terms of the MyFloridaMarketPlace (MFMP) contract (July 2009) and significantly exceeded the recommendations outlined in the Office of Program Policy Analysis and Government Accountability (OPPAGA)/BCP International Study of the Contract as presented in January 2009 to the Legislature. The renegotiations resulted in the State retaining \$4.4 million in excess transaction fees in Fiscal Year 2009-10.

The State received substantial savings in the renegotiation. The contract provides an estimated annual \$2.5 million to \$4 million in cost avoidance from 7/1/09 through 12/8/12. Actual cost avoidance value is variable based on revenue. Contractor absorbs billing and collection services costs of more than \$500,000. These billing and collections services collected over \$25 million in Fiscal Year 2009-10. Major software and hardware upgrade valued at \$3.2 million will be completed during contract term at no cost to the State. Contractor will provide nearly 4,000 additional information technology work hours for future system improvements.

Section 8.4 of Modification 6 to the eProcurement contract removes the State's right to terminate the contract for convenience after November 9, 2010.

Section 8.5.3(C) of Modification 6 to the eProcurement contract requires the department to reimburse the contract \$4.2M if the contract is terminated.

FISCAL INFORMATION: State Purchasing is requesting a reduction of \$1,922,916 in the Special Categories: Web Based E-Procurement System.

Operating Trust Fund (2510)  
 Special Categories: Web Based E-Procurement System (104502) (1,922,916) FSI=1

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	COL A93	COL A94	COL A95	
	SCH VIIIIB-2	SCH VIIIIB-2	SCH VIIIIB-2	
	REDUCTIONS	NR FY11-12	ANZ FY11-12	
POS	AMOUNT	POS	AMOUNT	POS
				AMOUNT
				CODES
MANAGEMENT SRVCS, DEPT OF				72000000
PGM: SUPPORT PROGRAM				72600000
PURCHASING OVERSIGHT				72600400
GOV OPERATIONS/SUPPORT				16
GOVERNMENTAL OPERATIONS				1601.00.00.00
SCHEDULE VIIIIB REDUCTIONS -				
OPERATING				33B0000
FIFTEEN PERCENT REDUCTION -				
POTENTIAL EXCESS DATA PROCESSING				
BUDGET DUE TO CREDITS				33B7260
DATA PROCESSING SERVICES				210000
SOUTHWOOD SRC				210021
OPERATING TRUST FUND	-STATE	297,084-		2510 1

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AGENCY ISSUE NARRATIVE:  
 SCH VIIIIB-2 NARR 11-12 NARRATIVE:  
 PRIORITY #32

IT COMPONENT? NO

ISSUE SUMMARY: State Purchasing - Each agency is required to meet a 15% reduction target. After careful consideration of the operations of the program, it was determined that the following reduction would have the least impact on the customers we serve. This issue requests a reduction of \$297,084 in the Data Processing Services SSRC category.

PROBLEM AND SOLUTION STATEMENT: To minimize the impact to our customers while still meeting the target 15% reduction, the program gave careful consideration to our operations while developing the proposed reduction. The Southwood Shared Resource Center reconciles its' cost verses its' billings for the prior year, then presents invoices for those under or over billings to be paid or credited from current appropriation. This Program receives data processing credits each month. However, we do not know how long the credits will continue to be issued. This reduction would leave us with little contingency for increased data processing rates or diminished credits due to over billings or additional costs due to under billings.

FISCAL INFORMATION: State Purchasing is requesting a reduction in the Data Processing Services SSRC category of \$297,084.

Operating Trust Fund (2510)  
 Data Processing Services SSRC (210021) (297,084) FSI=1

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	COL A93	COL A94	COL A95	
	SCH VIIIB-2	SCH VIIIB-2	SCH VIIIB-2	
	REDUCTIONS	NR FY11-12	ANZ FY11-12	
POS	AMOUNT	POS	AMOUNT	POS
				AMOUNT
				CODES
MANAGEMENT SRVCS, DEPT OF				72000000
PGM: SUPPORT PROGRAM				72600000
PURCHASING OVERSIGHT				72600400
GOV OPERATIONS/SUPPORT				16
GOVERNMENTAL OPERATIONS				<u>1601.00.00.00</u>
SCHEDULE VIIIB REDUCTIONS -				
OPERATING				33B0000
FIFTEEN PERCENT REDUCTION -				
DATA PROCESSING SERVICES - EXCESS				
BUDGET AUTHORITY				33B7270
DATA PROCESSING SERVICES				210000
SOUTHWOOD SRC				210021
OPERATING TRUST FUND	-STATE	302,916-		2510 1

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AGENCY ISSUE NARRATIVE:  
 SCH VIIIB-2 NARR 11-12 NARRATIVE: IT COMPONENT? NO  
 PRIORITY #31

ISSUE SUMMARY: State Purchasing - Each agency is required to meet a 15% reduction target. After careful consideration of the operations of the program, it was determined that the following reduction would have the least impact on the customers we serve. This issue requests a reduction of \$302,916 in the Data Processing Services SSRC category.

PROBLEM AND SOLUTION STATEMENT: To minimize the impact to our customers while still meeting the target 15% reduction, the program gave careful consideration to our operations while developing the proposed reduction. Due to a reduction in Services, State Purchasing does not anticipate the data processing services expenditures to be as much as the prior fiscal years. The division has closed the State Term Contract production account. This account previously housed an older version of State Term Contracts before it was moved to eZPublish.

FISCAL INFORMATION: State Purchasing is requesting a reduction in the Data Processing Services SSRC category of \$302,916.

Operating Trust Fund (2510)  
 Data Processing Services SSRC (210021) (302,916) FSI=1  
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TOTAL: GOVERNMENTAL OPERATIONS				<u>1601.00.00.00</u>
BY FUND TYPE				
TRUST FUNDS.....		2,966,176-		2000
		=====		

	COL A93	COL A94	COL A95	
	SCH VIII B-2	SCH VIII B-2	SCH VIII B-2	
	REDUCTIONS	NR FY11-12	ANZ FY11-12	
	POS	AMOUNT	POS	AMOUNT
				AMOUNT
				CODES
MANAGEMENT SRVCS, DEPT OF				72000000
PGM: SUPPORT PROGRAM				72600000
PURCHASING OVERSIGHT				72600400
TOTAL: PURCHASING OVERSIGHT				72600400
BY FUND TYPE				
GENERAL REVENUE FUND		204,981-		1000
TRUST FUNDS		3,110,114-		2000
TOTAL BUREAU.....		3,315,095-		



	COL A93	COL A94	COL A95	
	SCH VIIIB-2	SCH VIIIB-2	SCH VIIIB-2	
	REDUCTIONS	NR FY11-12	ANZ FY11-12	
POS	AMOUNT	POS	AMOUNT	POS
				AMOUNT
				CODES
MANAGEMENT SRVCS, DEPT OF				72000000
PGM: SUPPORT PROGRAM				72600000
OFFICE OF SUPPLIER DIVERSI				72600500
GOV OPERATIONS/SUPPORT				16
GOVERNMENTAL OPERATIONS				1601.00.00.00
SCHEDULE VIIIB REDUCTIONS -				
OPERATING				33B0000
FIFTEEN PERCENT REDUCTION -				
EXPENSES				33B7050
EXPENSES				040000
OPERATING TRUST FUND	-STATE	6,508-		2510 1

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AGENCY ISSUE NARRATIVE:

SCH VIIIB-2 NARR 11-12 NARRATIVE: IT COMPONENT? NO  
 PRIORITY #10

ISSUE SUMMARY: Office of Supplier Diversity - Each agency is required to meet a 15% reduction target. After careful consideration of the operations of the program, it was determined that the following reduction would have the least impact on the customers we serve. This issue requests a reduction of \$8,398 in the Special Categories Contracted Services category. This issue requests a reduction of \$6,508 in the Expenses category.

PROBLEM AND SOLUTION STATEMENT: To minimize the impact to our customers while still meeting the target 15% reduction, the program gave careful consideration to our operations while developing the proposed reduction.

The Office of Supplier Diversity (OSD) was established within the Department of Management Services to assist minority, women and service-disabled veterans' business enterprises in becoming suppliers of goods and services to state agencies, universities, local governments and private businesses. OSD provides leadership and guidance on state certification and registration of the aforementioned vendors. The certification of these vendors qualifies them to bid and work on state and local projects promoting diversity in contracting and ensuring minority participation in the economic life of these companies in the state contracting process. OSD also serves as the clearinghouse for information and resources for the aforementioned companies in the State of Florida by providing this service. The 5% reduction in the Expenses category will have a debilitating effect on OSD's ability to provide outreach service for the Department's customers. The reduced outreach services may in turn decrease the number of firms that register in MyFloridaMarketPlace as vendors which could impact the number of companies bidding on state and local government projects. A reduction in bidders on projects may result in the state and local governments paying a higher price for goods and services due to the lack of competition. State agencies, universities, local governments and private contractors depend on OSD to provide assurance that a company is a bona fide, certified company, thus resulting in less lawsuits being filed against them.

FISCAL INFORMATION: This issue is requesting a reduction of \$6,508 in the Expenses category.

Operating Trust Fund (2510)  
 Expenses (040000) (6,508) FSI=1  
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COL A93		COL A94		COL A95		CODES
SCH VIIIIB-2		SCH VIIIIB-2		SCH VIIIIB-2		
REDUCTIONS		NR FY11-12		ANZ FY11-12		
POS	AMOUNT	POS	AMOUNT	POS	AMOUNT	
MANAGEMENT SRVCS, DEPT OF						72000000
PGM: SUPPORT PROGRAM						72600000
OFFICE OF SUPPLIER DIVERSI						72600500
GOV OPERATIONS/SUPPORT						16
GOVERNMENTAL OPERATIONS						1601.00.00.00
SCHEDULE VIIIIB REDUCTIONS -						
OPERATING						33B0000
FIFTEEN PERCENT REDUCTION -						
SALARY AND BENEFITS -						
EMPLOYEE FURLOUGH						33B7180
SALARIES AND BENEFITS						010000
OPERATING TRUST FUND						2510 1
	-STATE		47,398-			

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AGENCY ISSUE NARRATIVE:  
 SCH VIIIIB-2 NARR 11-12 NARRATIVE:  
 PRIORITY# 52

IT COMPONENT? NO

ISSUE SUMMARY: Each agency is required to meet a 15% reduction target. Much of the agency's budget supports staff (people) resources to meet the mission of the organization. We are requesting furloughs be used to meet the salaries and benefits portion of the required reduction target. Furloughs provide the following operational and economic benefits: permits the gradual or immediate resumption of previous service levels as the fiscal shortfall subsides; saves recruitment and retraining costs to re-staff positions; no loss in experienced workforce; prevents an additional fiscal impact on state and local resources (unemployment compensation, food stamps, uninsured medical services, etc.) that would be caused by laid off employees seeking government services; and minimizes the negative economic impact on private sector businesses that would result from fewer goods and services being purchased by laid off employees, loan defaults, etc.

PROBLEM STATEMENT: To minimize long-term negative customer service level impacts and negative state, local and private sector economic impacts, salary reductions would be handled through a 15% furlough which translates to an average of 47 days per employee for the fiscal year, rather than through layoffs.

STATUTE REFERENCE: The definition of furlough is contained in s. 110.107(3), F.S., and is: A temporary reduction in the regular hours of employment in a pay period, or temporary leave without pay for one or more pay periods, with a commensurate reduction in pay, necessitated by a projected deficit in any fund that supports salary and benefit appropriations. Section 110.1225, F.S., requires that when furloughs are utilized that all affected employees are subject to the same reduction of hours for the same number of pay periods with a commensurate reduction in pay.

PROGRAM IMPACTS:

Federal Property Assistance Program (FPA):

The following program impacts are for the Federal Property Assistance Program (FPA): FPA provides customer service to over 500 public agencies and private/nonprofit health and education organizations throughout the State of Florida. Responsibilities include acquiring federal surplus or excess military equipment from the federal government and transferring it to agencies to assist in deferring the cost of new equipment. The Bureau coordinates the distribution of \$5.5 million in donated federal property each year. This 15% reduction will have a significant negative impact on the

COL A93		COL A94		COL A95		CODES
SCH VIII B-2		SCH VIII B-2		SCH VIII B-2		
REDUCTIONS		NR FY11-12		ANZ FY11-12		
POS	AMOUNT	POS	AMOUNT	POS	AMOUNT	
MANAGEMENT SRVCS, DEPT OF						72000000
PGM: SUPPORT PROGRAM						72600000
OFFICE OF SUPPLIER DIVERSI						72600500
GOV OPERATIONS/SUPPORT						16
GOVERNMENTAL OPERATIONS						1601.00.00.00
SCHEDULE VIII B REDUCTIONS -						
OPERATING						33B0000
FIFTEEN PERCENT REDUCTION -						
SALARY AND BENEFITS -						
EMPLOYEE FURLOUGH						33B7180

program. With 100% of the employees taking a 15% reduction in pay, we can expect an increased risk of resignations of key personnel that have vast amount of subject matter expertise regarding the Federal Property Assistance program. Additionally, with 100% of the employees taking a 15% reduction in work hours, we expect to experience a significant decrease in work productivity and customer service. Public agencies and private/nonprofit health and education organizations would see a significant decrease in the capability for acquiring and distributing federally owned tangible personal property declared excess/surplus by the Federal Government. FPA would not have the capability of conducting utilization checks on millions of dollars of property already donated. Lastly, this 15% reduction will negatively impact the program if an employee resigns or retires and requires a leave payout.

Bureau of Motor Vehicles and Watercraft Management:

The following program impacts are for the Bureau of Motor Vehicles and Watercraft Management: The Bureau provides customer service to 30 State agencies. The Bureau reviews and approves agency acquisition requests to ensure fleet purchases are cost effective, fuel efficient and appropriate for stated purchase. Additionally, the Bureau tracks the assignment, use, and maintenance of mobile equipment and coordinates the disposal of state-owned mobile equipment. This 15% reduction will have a significant negative impact on the program. With 100% of the employees taking a 15% reduction in pay, we can expect an increased risk of resignations of key personnel with over 46 years of subject matter expertise regarding the Equipment Management Information System (EMIS), acquisition and disposal of the State's fleet. These critical duties cannot be absorbed by other staff due to the high level expertise required to research, develop and implement mobile equipment technical specifications and replacement criteria. Additionally, with 100% of the employees taking a 15% reduction in work hours, we expect to experience a significant decrease in work productivity and customer service. The projected turnaround time for the acquisition and disposal approval process would be extended from 2 to 5 workdays. Lastly, this 15% reduction will negatively impact the Bureau if an employee resigns or retires and requires a leave payout.

Office of Supplier Diversity (OSD):

Furloughing staff will have a devastating effect on proving outreach service for the Department's customers. Furloughing will cause delays in certifying firms and providing the mandatory monthly reports required by statute, also due to the lack of outreach services there will be a reduction in the number of firms that will register in MyFloridaMarketPlace as vendors, which will also have an impact of the number of companies bidding on state and local government projects. A reduction in bidders on projects may result in the state and local governments paying a higher price for goods and services due to the lack of competition. The furloughing of staff will affect state agencies, universities, local governments and private contractors who depend on OSD to provide assurance that a company is a bonafide certified company. These entities depend on getting this information in a timely matter. If this information is delayed or not received will result in contracts not being bided and awarded in a timely manner. This can also lead to projects being stopped which causes mobilization to occur again which increases the price to the state and local government entities

COL A93		COL A94		COL A95		CODES
SCH VIII B-2		SCH VIII B-2		SCH VIII B-2		
REDUCTIONS		NR FY11-12		ANZ FY11-12		
POS	AMOUNT	POS	AMOUNT	POS	AMOUNT	
MANAGEMENT SRVCS, DEPT OF						72000000
PGM: SUPPORT PROGRAM						72600000
OFFICE OF SUPPLIER DIVERSI						72600500
GOV OPERATIONS/SUPPORT						16
GOVERNMENTAL OPERATIONS						<u>1601.00.00.00</u>
SCHEDULE VIII B REDUCTIONS -						
OPERATING						33B0000
FIFTEEN PERCENT REDUCTION -						
SALARY AND BENEFITS -						
EMPLOYEE FURLOUGH						33B7180

through change orders. All of these things cause services to the taxpaying citizens to be late, interrupted or not provided.

Building Construction:

To reduce staffing costs by 15%, Building Construction will need to furlough staff by approximately 47 days throughout the Fiscal Year. This reduction in staffing will reduce the oversight available for construction projects which may result in delays in completing projects when contractors need approvals for each phase of work, prior to review by permit authorities and approvals from DMS for work completed before proceeding to the next task. Such furloughs will also complicate communications with our client agencies regarding customers' needs and concerns. Delays in projects may result in continued degradation of DMS-managed facilities if faulty or failing equipment isn't replaced in a timely manner and physical plant problems aren't addressed before the situation worsens.

Human Resource Management

Policy Team

The State Personnel System (SPS) is part of the executive branch of state government and consists of 31 agencies that operate under a single set of employment laws, policies, and practices. These policies affect 105,031 FTE employees and 9,965 Other Personnel Services (OPS) employees, making the SPS the largest employer in state government.

The Division develops and administers core human resource (HR) policies, strategies, and practices for the State Personnel System and provides expertise and consultative services to ensure the lawful, effective and efficient implementation of human resource programs by the SPS agencies. As part of this role, the Division statutorily serves, on behalf of the Governor, as the Chief Labor Negotiator with six labor unions covering 13 collective bargaining units.

As a single employer, this Division is necessary to ensure an equitable and lawful system of employment, uniformity in application of core policies exist between agencies, the SPS remains a competitive employer capable of recruiting and retaining a highly competent workforce and Florida's citizens receive quality services.

This reduction equates to approximately a 2 day reduction in staff hours for each division employee for each two week pay period during the entire fiscal year. This 20% reduction in weekly staff hour availability will cause a severe disruption in the delivery of division services to the executive branch agencies and their employees, the Executive Office of the Governor, and legislative staff and will require that some activities be suspended or eliminated. Because division program areas are already minimally staffed, the necessary resources will not always be available on the same days due to staggered work schedules required by the furloughs. Additionally, the negative impact on productivity from normal absenteeism due to illness, etc., will be greatly magnified.

COL A93		COL A94		COL A95		CODES
SCH VIIIIB-2		SCH VIIIIB-2		SCH VIIIIB-2		
REDUCTIONS		NR FY11-12		ANZ FY11-12		
POS	AMOUNT	POS	AMOUNT	POS	AMOUNT	
MANAGEMENT SRVCS, DEPT OF						72000000
PGM: SUPPORT PROGRAM						72600000
OFFICE OF SUPPLIER DIVERSI						72600500
GOV OPERATIONS/SUPPORT						16
GOVERNMENTAL OPERATIONS						<u>1601.00.00.00</u>
SCHEDULE VIIIIB REDUCTIONS -						
OPERATING						33B0000
FIFTEEN PERCENT REDUCTION -						
SALARY AND BENEFITS -						
EMPLOYEE FURLOUGH						33B7180

This overall loss of productivity will significantly impede the division and its customers from meeting statutory obligations and increase the potential for lawsuits and financial penalties.

Specifically, this reduction:

1. Jeopardizes the equitable and lawful administration of the State Personnel System by significantly impacting the agencies' ability to effectively manage agency operations and implement legislatively mandated programs due to:

Significant delays in providing critical policy directives to agencies related to numerous federal and state employment laws and rules, i.e., Fair Labor Standards Act (FLSA), Equal Employment Opportunity (EEO), Americans with Disabilities Act (ADA), the Family and Medical Leave Act (FMLA), employment and reemployment rights of veterans, and attendance and leave requirements, resulting in increased lawsuits by employees and the assessment of substantial financial penalties by the federal government;

Drastic increases in response time for analysis and approval of key agency HR operational actions such as reorganization requests; reclassification of positions; establishment of new classes; special risk designations; workforce layoff plans; regular compensatory leave and extraordinary payment plans and pay additive requests; and

Reduced responsiveness to daily telephone and email requests for technical assistance on a myriad of HR issues.

2. Severely impacts our ability to effectively represent the Governor as the State's chief labor negotiator, causing a significant reduction in collective bargaining unit contract oversight and delaying the processing of Step 3 grievances, and resulting in an escalation in disputes with labor organizations with commensurate increases in union filings of unfair labor practice claims.

3. Eliminates our ability to administer and oversee the Florida State Employees' Charitable Campaign resulting in the suspension of the Campaign at a loss of approximately \$5 million per year to charitable organizations which provide direct services to the citizens of Florida.

4. Reduces our ability to develop policy-driven business rules and operational requirements for the People First human resource information system; thereby impacting the system's ability to meet the needs of the State Personnel System.

5. Reduces the content and timeliness of the Annual Workforce Report. This statutorily required report provides demographic and trend data regarding the State Personnel System workforce.

COL A93		COL A94		COL A95		CODES
SCH VIII B-2		SCH VIII B-2		SCH VIII B-2		
REDUCTIONS		NR FY11-12		ANZ FY11-12		
POS	AMOUNT	POS	AMOUNT	POS	AMOUNT	
MANAGEMENT SRVCS, DEPT OF						72000000
PGM: SUPPORT PROGRAM						72600000
OFFICE OF SUPPLIER DIVERSI						72600500
GOV OPERATIONS/SUPPORT						16
GOVERNMENTAL OPERATIONS						<u>1601.00.00.00</u>
SCHEDULE VIII B REDUCTIONS -						
OPERATING						33B0000
FIFTEEN PERCENT REDUCTION -						
SALARY AND BENEFITS -						
EMPLOYEE FURLOUGH						33B7180

- Causes delays in meeting federal reporting requirements (EEO-4 Report).
- Eliminates our ability to provide training to agency HR staff on critical federal and state requirements.

People First Team

This reduction equates to approximately a 2 day reduction in staff hours for each People First Team employee for each two week pay period during the entire fiscal year. This reduction will cause a severe disruption in the delivery of services to all 240,000 users of the People First system, and will require that some activities be eliminated. People First users include executive branch agencies, State Courts System, Justice Administrative Commission, Lottery, Legislature, University System, and retirees. Job applicants will be impacted as well.

Specifically, this reduction:

- Weakens our ability to ensure effective day-to-day oversight and contract management activities of the outsourced vendor (NorthgateArinso), which includes: monitoring the status of current contract deliverables and performance metrics; overseeing contract amendment and change order processes; coordinating the monthly business review meetings between the state and service provider; and monitoring NorthgateArinso's four subcontractors (i.e., PeopleClick Authoria (staffing module), Fringe Benefits Management Corporation (flexible spending account), Horizon Health / Aetna (EAP provider) and Wachovia (lockbox)).
- Eliminates our ability to monitor service center performance to ensure accuracy of information provided, determine training or process improvement needs, and investigate concerns and complaints.
- Weakens our ability to monitor NorthgateArinso's adherence to the security plan, review the semi-annual SAS 70 report, maintain the state of Florida security guidelines manual, monitor Level II background screening, monitor the annual business continuity plan exercise, and audit the two service centers for data security compliance.
- Jeopardizes our ability to manage the system release life cycle for the additional system enhancements included in the renewal contract as well as any other system improvement or enhancements. Our role includes identifying the state's business requirements, providing the service provider with written confirmation of the requested change, reviewing and approving system technical specifications, coordinating and approving user acceptance testing, and overseeing the roll-out of the enhancements through employee training and communication.
- Jeopardizes our ability to provide NorthgateArinso with Benefits Open Enrollment system changes and vendor oversight of the annual Open Enrollment process.

COL A93		COL A94		COL A95		CODES
SCH VIIIIB-2		SCH VIIIIB-2		SCH VIIIIB-2		
REDUCTIONS		NR FY11-12		ANZ FY11-12		
POS	AMOUNT	POS	AMOUNT	POS	AMOUNT	
MANAGEMENT SRVCS, DEPT OF						72000000
PGM: SUPPORT PROGRAM						72600000
OFFICE OF SUPPLIER DIVERSI						72600500
GOV OPERATIONS/SUPPORT						16
GOVERNMENTAL OPERATIONS						<u>1601.00.00.00</u>
SCHEDULE VIIIIB REDUCTIONS -						
OPERATING						33B0000
FIFTEEN PERCENT REDUCTION -						
SALARY AND BENEFITS -						
EMPLOYEE FURLOUGH						33B7180

6. Eliminates our ability to effectively plan for the next generation HR solution (i.e., the contract with NorthgateArinso expires August 21, 2016), which includes researching best practices, reviewing lessons learned, analyzing trends, defining strengths and weaknesses of the current contract, and proactively planning for future success.

7. Reduces our ability to effectively manage and oversee the upcoming procurement process, which includes business case development, bid development, vendor selection, and contract negotiations. Coordinating procurement documents to prepare for the end of the current contract include the development of comprehensive transition, staffing, change management, training, interface, security, migration, and business continuity plans.

8. Eliminates our ability to serve our state agency customers by producing data for recurring report requests (e.g., OPS YTD Hours report, LASPBS Reconciliation reports, Pay Additive Monitoring reports, PAR data extracts, Workforce Reports, etc.), and inputting large amounts of data into the People First system via mass loads. All stakeholders will be required to run their own reports, and input large amounts of data into the People First system on a position by position basis.

9. Reduces our ability to respond to public records requests for personnel data in a timely basis.

10 Eliminates our ability to provide support and issue resolution to customers and timely communication to all stakeholders, as well as, our ability to provide training for user groups in a variety of mediums.

Private Prison Monitoring:

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 This is expected to have a detrimental impact on our program area. With 100% of the employees taking a 15% cut in pay, we can expect an increased risk of resignations, especially if employees were impacted by a furlough during FY 2010-2011. Additionally, with 100% of the employees taking a 15% reduction in work hours, we expect to experience a marked decrease in work productivity and customer service. More concerning, the diminished ability of our program area to monitor the state's private prison contractors has negative public safety implications. Our staff will no longer be able to adequately monitor physical plant preventative maintenance and repairs relative to security electronics that monitor fence integrity designed to prevent and alarm if people are attempting to enter/exit the facility unlawfully, monitor dormitory security and emergency safety systems designed to enhance officer/inmate safety and prevent escapes, and ensure support systems are in place, designed to provide for constitutional and statutory minimum standards of living for inmates relative to food service, medical and sanitary systems (laundry/sewage, etc). Further, the diminished presence or our monitors places greater risk on the Florida Department of Management Services and the Department of Corrections ability to withstand litigation that may result from poor vendor performance that impacts an inmate's liberty, constitutional or statutory rights. Statutory impact: Chapter 957 F.S.

COL A93		COL A94		COL A95		CODES
SCH VIIIIB-2		SCH VIIIIB-2		SCH VIIIIB-2		
REDUCTIONS		NR FY11-12		ANZ FY11-12		
POS	AMOUNT	POS	AMOUNT	POS	AMOUNT	
						72000000
MANAGEMENT SRVCS, DEPT OF						72600000
PGM: SUPPORT PROGRAM						72600500
OFFICE OF SUPPLIER DIVERSI						16
GOV OPERATIONS/SUPPORT						1601.00.00.00
GOVERNMENTAL OPERATIONS						
SCHEDULE VIIIIB REDUCTIONS -						
OPERATING						33B0000
FIFTEEN PERCENT REDUCTION -						
SALARY AND BENEFITS -						
EMPLOYEE FURLOUGH						33B7180

Division of Telecommunications:

The Division of Telecommunications (DivTel) is statutorily charged to bring economies of scale, bulk purchasing leverage and interoperability to Florida's public sector telecommunications. Success requires tireless work and innovation given the perpetual rapid changes in the technology marketplace. By definition, if DivTel rests, it will become obsolete and unable to deliver cost savings to the State in the future.

In addition to maintaining \$110 million worth of telecommunications services demanded annually by our government customers, some examples of pending and upcoming projects that DivTel considers vital to its charge are:

Mobile Telecommunications consolidation to place all State mobile phones under a single "family plan" to achieve enterprise savings and establish accountability; Central Voice over IP (VoIP) management and coordination (known as Session Initiation Protocol Trunking) to enable as yet unrealized savings from this technology that is rapidly replacing traditional phone services; Improving competition and transparency of telephony hardware purchases that are common throughout State government under a contract known as SUNCOM Telephony Equipment Premise-Based Services or (STEPS); SUNCOM's Open and Shared Information System which empowers SUNCOM customers to effectively audit their bills, control costs and automate SUNCOM processes; Implementing telecommunications savings for the newly consolidated enterprise data centers per a mandate by law; and establishing an enterprise satellite telecommunications contract/service to achieve bulk purchase savings and standardization.

Clearly, many of these enterprise cost savings projects will be delayed or canceled for the fiscal year, given the complex challenges of each and the length of the proposed furloughs. And a new form of waste will be incurred from shelved work, disrupted efforts and triaged priorities. Furloughs will actually lead to increasing State costs rather than savings since no General Revenue can be returned and these DivTel enterprise cost savings projects will be impaired.

In addition, daily operations of DivTel have a direct impact on the daily operations of all State of Florida agencies. Telephone services to critical agencies such as the Department of Emergency Management, the Department of Environmental Protection, the Department of Children and Families, the Department of Law Enforcement, and the Department of Highway Safety, to name a few, are critical during times of urgent need and/or emergencies. DivTel is responsible for operating the SUNCOM Network Operations Center (NOC) which maintains these communications facilities. Furloughs will make it extremely difficult, if not impossible, for DivTel to provide a service level assuring 24x7 uninterrupted operations.

Another factor to consider in the event of furloughs is that the installation times associated with new and additional services will be significantly increased. Many requests for additional communications facilities are in response to an emergency situation or other immediate need for increased capacity. Furloughs will limit the ability for DivTel to respond to these emergency situations. It will also be necessary for all SUNCOM services to be re-evaluated with regard



COL A93		COL A94		COL A95		CODES
SCH VIII B-2		SCH VIII B-2		SCH VIII B-2		
REDUCTIONS		NR FY11-12		ANZ FY11-12		
POS	AMOUNT	POS	AMOUNT	POS	AMOUNT	
MANAGEMENT SRVCS, DEPT OF						72000000
PGM: SUPPORT PROGRAM						72600000
OFFICE OF SUPPLIER DIVERSI						72600500
GOV OPERATIONS/SUPPORT						16
GOVERNMENTAL OPERATIONS						<u>1601.00.00.00</u>
SCHEDULE VIII B REDUCTIONS -						
OPERATING						33B0000
FIFTEEN PERCENT REDUCTION -						
SALARY AND BENEFITS -						
EMPLOYEE FURLOUGH						33B7180

to time periods for engineering, ordering, and installing. Given that each day of increased time in that cycle represents an additional day of lost cost savings or lost services for an agency, the actual costs to the State may be significantly higher than any savings realized from furloughs.

Due to the fact that State agencies rely on the SUNCOM network for voice, video, and data services, DivTel provides staff 24x7 to respond to network outages. This coverage model requires both overtime pay and on-call pay. Furloughs will mandate either eliminating this coverage or distributing the costs onto other employees by decreasing their work hours even lower than the required furlough percentage. In either case, network outages may become more frequent and have longer durations. In the event that a repair begun by a service vendor requires SUNCOM NOC staff to complete, Service Level Agreements (SLA's) in the State contracts may become unenforceable resulting in the loss of monetary compensation to the State for prolonged down times.

In the area of public safety telecommunications, DivTel brings economies of scale to statewide mission critical communications systems which benefit state, county and local agencies by: Providing administrative oversight and coordination for the State's E911 Plan supporting the E911 Board in distributing \$120 million in fees received in accordance with FS 365.172 for 911 purposes; Managing and monitoring contract performance along with enhancement projects for the Statewide Law Enforcement Radio System (SLERS) which provides secure encrypted voice communications to more than 7,500 law enforcement officers across 24 state agencies and 27 federal and local jurisdictions; and Coordinating and approving frequencies and technical specifications for state, county and local law enforcement and EMS communications systems.

Furloughs of our public safety bureau staff may significantly delay the engineering assistance DivTel provides to other state, county and local law enforcement agencies planning changes to their mission critical land mobile radio and E911 communications systems. Time spent on system, project and contract management for the Statewide Law Enforcement Radio System (SLERS), E911 Board, Florida Interoperability Network (FIN), Mutual Aid (M/A) frequencies and other interoperable communications projects will be reduced with a potential negative effect on system performance. Future grant opportunities and planning efforts to replace obsolete or aging communications systems with state of the art technologies such as next generation 911, P-25 radios, and statewide 700MHz Long Term Evolution (LTE) broadband for public safety may be lost.

Suggestions that some of the lost productivity from furloughs will be partially offset because staff might not take Annual Leave (i.e. since they will be out of work for nine weeks) should consider our most experienced and dedicated staff that are pushing maximum leave balances. They are unlikely to forgo using paid Annual Leave because they will otherwise lose it and are unwilling to contribute that loss in light of a compulsory furlough. If they don't take the leave however (as will be the case for most staff) the State will incur greater leave payouts in the future.

DivTel has an extraordinary share of dedicated professionals who are passionate about the value they bring to Florida citizens. The recent \$10 million in refunds DivTel provided, in spite of a series of preceding DivTel price reductions,

COL A93		COL A94		COL A95		CODES
SCH VIII B-2		SCH VIII B-2		SCH VIII B-2		
REDUCTIONS		NR FY11-12		ANZ FY11-12		
POS	AMOUNT	POS	AMOUNT	POS	AMOUNT	
						72000000
MANAGEMENT SRVCS, DEPT OF						72600000
PGM: SUPPORT PROGRAM						72600500
OFFICE OF SUPPLIER DIVERSI						16
GOV OPERATIONS/SUPPORT						1601.00.00.00
GOVERNMENTAL OPERATIONS						
SCHEDULE VIII B REDUCTIONS -						
OPERATING						33B0000
FIFTEEN PERCENT REDUCTION -						
SALARY AND BENEFITS -						
EMPLOYEE FURLOUGH						33B7180

are obvious fruits of their labors. More subtle are the more than \$50 million in cost avoidance they bring to the Florida enterprise every year.

DivTel's unusually low turnover is an expression of staff dedication. But their hidden contributions come from willingness to work through the night to finalize major projects (like the recent SSRC center upgrade), leaving their families during State emergencies, contributions of unpaid personal time to push projects to success, courage to stand firm against demands that compromise service to citizens and willingness to forgo private sector opportunities commensurate with their abilities. Under normal circumstances, it would be difficult to expect this kind of gracious commitment and passion from staff after they are furloughed. But given that they know their sacrifice will lead to increasing State costs rather than savings, morale will be devastated. Expecting staff to care, after extracting such a large pointless sacrifice from them, is a charade that cannot be sold.

Finally, DivTel also has a number of staff who will be unable to meet personal financial obligations after being furloughed for nine working weeks (the current proposal). They will be forced to seek other jobs in a local market where many others will be doing the same and local spending will be depressed. For many staff, extended furloughs will impose a genuine economic crisis rather than mere hardship.

Office of the Secretary/Administration:

Furloughs will significantly impact the Office of the Secretary/Division of Administration operations. This reduction will adversely impact the quality, timeliness, and level of services delivered by the Office of the Secretary/Division of Administration to our internal and external customers. As a shared support service provider for the agency, our divisions will suffer the impacts of delayed services in turn delaying their ability to provide adequate services to their customers.

This furlough program will also create a significant hardship for employees that will likely lead to difficulty in retaining the highest performing staff causing additional productivity losses and increasing costs for recruiting and training qualified personnel.

State Purchasing:

With procurement and contracting staff unavailable due to implementation of furloughs, the Department anticipates that there will be severe impacts to many of the core functions of the Department of Management Services, Division of State Purchasing.

First, the Department is responsible for establishing state term contract. These are often multi-million dollar contracts that all agencies are required to use and eligible users (e.g., counties, municipalities) may use. Commodities

COL A93		COL A94		COL A95		CODES
SCH VIIIIB-2		SCH VIIIIB-2		SCH VIIIIB-2		
REDUCTIONS		NR FY11-12		ANZ FY11-12		
POS	AMOUNT	POS	AMOUNT	POS	AMOUNT	
MANAGEMENT SRVCS, DEPT OF						72000000
PGM: SUPPORT PROGRAM						72600000
OFFICE OF SUPPLIER DIVERSI						72600500
GOV OPERATIONS/SUPPORT						16
GOVERNMENTAL OPERATIONS						<u>1601.00.00.00</u>
SCHEDULE VIIIIB REDUCTIONS -						
OPERATING						33B0000
FIFTEEN PERCENT REDUCTION -						
SALARY AND BENEFITS -						
EMPLOYEE FURLOUGH						33B7180

and services available under state term contracts include but are not limited to: information technology hardware; information technology and management consulting services; insurance; purchasing and fuel card services; automobile and trucks; and our e-procurement services contract (generally know as "MyFloridaMarketPlace"). Also, the Bureau of Departmental Purchasing is responsible for providing purchasing services to the following divisions of the Department: Administration; Human Resource Management; State Group Insurance, Telecommunications; Real Estate Management; Specialized Services; and Retirement. The commodities and services provided via the Department's state term and departmental contracts are used by all agencies of the State of Florida. The above-mentioned contracts are established via the competitive solicitation process found in chapter 287, Florida Statutes. If the Department instituted a furlough program, the number of the competitive solicitations the Division would be able to issue will decrease in an amount commensurate with the furlough(s). As such, it is anticipated that there will be a reduction in the number of contract the Department would be able to execute. It is estimated with the implementation of furloughs, it could cost the state \$46,716,896 in savings from state contracts by reducing work hours one day per biweekly pay period.

An important part of the competitive solicitation process includes conducting strategic sourcing activities and market research prior to issuance of the solicitation. If a furlough program were instituted, procurement and contracting staff will not have the opportunity to strategically source our contracts. This means that the division will have less time to develop solicitations, survey and research the market, and solicit feedback from our customers, thereby leading to less effective contracts that will not meet our customers' needs. With the Department less able to establish effective contracts agencies will likely have to develop their own agency-specific contracts. Division also administers its contracts. These duties include assisting customers with questions and issues regarding its contracts and addressing related contract performance concerns. Under a furlough program, procurement and contracting staff will not be as available to answer customer service questions in a timely manner thereby impacting customer service. Typically, when state term contract administrators receive questions from agency customers or other eligible user customers, a timely response is required. For example, the customer may want to purchase a commodity or service and may have specific questions about how a particular contract works. Delays in response due to furloughs will negatively impact our ability to provide excellent customer service. In addition, having fewer resources available will make it more difficult for the division to effectively monitor and manage vendor performance under a contract.

As State Purchasing conducts a number of competitive solicitations and administers a high volume of contract, we receive a number of public records requests. Although the Department takes its responsibilities under chapter 119, F.S., very seriously, if the Department were to institute a furlough program, response times for public records requests may be impacted. Such an impact would not only conflict with statutory requirements for public access to information, it would also have an adverse affect on the procurement protest process. Delays in information transmittal during the protest period may lead to increased litigation.

In addition to conducting competitive solicitations and administering and managing resulting contracts, the division is also responsible for providing a training program for state purchasers to attain and maintain purchasing education and

COL A93		COL A94		COL A95		CODES
SCH VIIIIB-2		SCH VIIIIB-2		SCH VIIIIB-2		
REDUCTIONS		NR FY11-12		ANZ FY11-12		
POS	AMOUNT	POS	AMOUNT	POS	AMOUNT	
MANAGEMENT SRVCS, DEPT OF						72000000
PGM: SUPPORT PROGRAM						72600000
OFFICE OF SUPPLIER DIVERSI						72600500
GOV OPERATIONS/SUPPORT						16
GOVERNMENTAL OPERATIONS						<u>1601.00.00.00</u>
SCHEDULE VIIIIB REDUCTIONS -						
OPERATING						33B0000
FIFTEEN PERCENT REDUCTION -						
SALARY AND BENEFITS -						
EMPLOYEE FURLOUGH						33B7180

skills. The goal of this program is to develop and certify public purchasing professionals, and to assure understanding and adherence to an unwavering code of ethical behavior, and the knowledge, skills and ability to effectively design, solicit, negotiate award and manage government contracts in Florida. Certifications offered through the program are Florida Certified Purchasing Agent (FCPA), Florida Certified Purchasing Manager (FCPM), Florida Certified Contract Negotiator (FCCN), and Florida Certified Contract Manager (FCCM). The training program also provides courses to assist participants with national certification such as the Certified Professional Public Buyer (CPPB), Certified Professional Public Officer (CPPO), and Project Management Professional (PMP). Florida Statute 287.057 requires that an FCCN negotiate contracts of \$1 million, and a certified PMP participate negotiate contracts in excess of \$10 million. The training program offers advanced recertification workshops to extend certification for an additional 5 year period. The training program would not be able to host the number of training courses to meet the demand for certification and recertification with the reduction in work hours due to the implementation of furloughs.

Lastly, it is uncertain what impact instituting a furlough program would have on current staffing in state purchasing. Although reducing the number of hours that state purchasing staff would be able to work would result in savings, it is possible that division employees would look for employment at other agencies or outside of the employment of the state in an attempt to compensate for difference between the salary once earned versus what they would earn under furlough program.

Facilities Management

To reduce staffing costs by 15%, Facilities will need to furlough staff by approximately 47 days throughout the Fiscal Year. This reduction in staffing will mean that one day a week, at pool facilities with a single Department of Management Services (DMS) support person, there may be no DMS employee on site in a DMS-managed building to address any building issues that arise and tenants will need to contact a remote staff person to report issues to be addressed on non-furlough days. Delays in maintenance may result in continued degradation of DMS-managed facilities if faulty or failing equipment isn't replaced in a timely manner and building problems aren't addressed before the situation worsens.

In addition to the staff furloughs, other budget categories were reduced to essential elements but that still left \$2.3 million in reductions needed to meet 15% target reduction. Therefore, additional reductions in Expenses, Utilities, Contracted Services and security (contracted and FDLE) necessitate the closure of 5-10% of our facilities' square footage. This will require current tenants to seek space elsewhere and incur moving and relocation expenses. With these closures, DMS will also have a loss of revenue for those buildings which reduces funding available for operations and maintenance of other buildings in the Florida Facilities Pool.

State Group Insurance:

Furloughs will significantly impact the DSGI's operations and will not allow the DSGI to perform their legislative

COL A93		COL A94		COL A95		CODES
SCH VIIIB-2		SCH VIIIB-2		SCH VIIIB-2		
REDUCTIONS		NR FY11-12		ANZ FY11-12		
POS	AMOUNT	POS	AMOUNT	POS	AMOUNT	
MANAGEMENT SRVCS, DEPT OF						72000000
PGM: SUPPORT PROGRAM						72600000
OFFICE OF SUPPLIER DIVERSI						72600500
GOV OPERATIONS/SUPPORT						16
GOVERNMENTAL OPERATIONS						<u>1601.00.00.00</u>
SCHEDULE VIIIB REDUCTIONS -						
OPERATING						33B0000
FIFTEEN PERCENT REDUCTION -						
SALARY AND BENEFITS -						
EMPLOYEE FURLOUGH						33B7180

responsibilities. This reduction will adversely impact the quality, timeliness, and level of services delivered by the DSGI to state employees, retirees, state agencies and universities, Executive Office of the Governor and the Legislature and staff. This reduction is expected to result in the suspension and outsourcing of key activities.

Specifically, this reduction: (1) Jeopardizes the administration of the State Employees' Group Insurance Program, (2) Severely impacts our ability to obtain best value and effectively manage and oversee procurement processes, such as the upcoming PBM and HMO procurements, which include bid development, vendor selection, and contract negotiations, (3) Diminishes our ability to monitor contract performance to ensure contract compliance and accuracy of information provided, and (4) Adversely impacts customer service and programs deliverables.

Retirement:  
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The impact from a 15% furlough program will decrease overall organizational performance, severely impeding the delivery of important services to more than 1 million participants in Florida's statewide retirement systems. Particularly affected will be: increasing turnaround time providing retirement estimates and information the members require for retirement planning; delaying the addition of new retirees to the retired payroll; processing change requests for those already on the retired payroll; reducing members' ability to reach retirement counselors by telephone; lengthening response time to analyze proposed legislation; and negating our ability to comply with statutory requirements to review all local retirement plan valuations on a triennial basis. Legislated performance measures relative to these services and others cannot be met and it can be expected that the percent of members, retirees and participating agencies satisfied with retirement services will plummet. This furlough program will create a significant hardship for employees that will likely lead to difficulty in retaining the highest performing staff causing additional productivity losses and increasing costs for recruiting and training qualified personnel. High employee turnover will further exasperate the timely delivery of services to more than one million members and 1,000 employing agencies of Florida's statewide retirement systems.

FISCAL INFORMATION: A 15% reduction of appropriations for salaries and benefits is over \$7 million dollars for DMS programs, excluding independent entities who are addressing reductions separately. To meet this reduction, each employee would have to be furloughed an average of 47 days. This is calculated by dividing the biweekly rate of employees by 10 to get a daily rate which is then multiplied by 47 days multiplied by 18.42% benefits. The benefits rate is calculated by combining 7.65% FICA and Retirement for 10.77%. Note: Employer contributions for health, life and disability insurance are not impacted by furloughs.

Division 15% S&B  
 ----- Appropriation  
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	COL A93	COL A94	COL A95	
	SCH VIIIB-2	SCH VIIIB-2	SCH VIIIB-2	
	REDUCTIONS	NR FY11-12	ANZ FY11-12	
POS	AMOUNT	POS	AMOUNT	POS
				AMOUNT
				CODES
MANAGEMENT SRVCS, DEPT OF				72000000
PGM: SUPPORT PROGRAM				72600000
OFFICE OF SUPPLIER DIVERSI				72600500
GOV OPERATIONS/SUPPORT				16
GOVERNMENTAL OPERATIONS				1601.00.00.00
SCHEDULE VIIIB REDUCTIONS -				
OPERATING				33B0000
FIFTEEN PERCENT REDUCTION -				
SALARY AND BENEFITS -				
EMPLOYEE FURLOUGH				33B7180
Office of Supplier Diversity		(47,398)		
Operating Trust Fund (2510)				
Salaries and Benefits (010000)			(47,398)	FSI=1

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POSITION DETAIL OF SALARIES AND BENEFITS:

	FTE	BASE RATE	ADDITIVES	BENEFITS	SUBTOTAL	LAPSE %	LAPSED SALARIES AND BENEFITS
A93 - SCH VIIIB-2 REDUCTIONS							
CHANGES TO CURRENTLY AUTHORIZED POSITIONS							
OTHER SALARY AMOUNT							
2510 OPERATING TRUST FUND							47,398-
							47,398-

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FIFTEEN PERCENT REDUCTION -							
CONTRACTED SERVICES							33B7200
SPECIAL CATEGORIES							100000
CONTRACTED SERVICES							100777
OPERATING TRUST FUND	-STATE	8,398-					2510 1

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AGENCY ISSUE NARRATIVE:  
 SCH VIIIB-2 NARR 11-12 NARRATIVE: IT COMPONENT? NO  
 PRIORITY #8

	COL A93	COL A94	COL A95	
	SCH VIIIIB-2	SCH VIIIIB-2	SCH VIIIIB-2	
	REDUCTIONS	NR FY11-12	ANZ FY11-12	
POS	AMOUNT	POS	AMOUNT	POS
				AMOUNT
				CODES
MANAGEMENT SRVCS, DEPT OF				72000000
PGM: SUPPORT PROGRAM				72600000
OFFICE OF SUPPLIER DIVERSI				72600500
GOV OPERATIONS/SUPPORT				16
GOVERNMENTAL OPERATIONS				<u>1601.00.00.00</u>
SCHEDULE VIIIIB REDUCTIONS -				
OPERATING				33B0000
FIFTEEN PERCENT REDUCTION -				
CONTRACTED SERVICES				33B7200

ISSUE SUMMARY: Office of Supplier Diversity - Each agency is required to meet a 15% reduction target. After careful consideration of the operations of the program, it was determined that the following reduction would have the least impact on the customers we serve. This issue requests a reduction of \$8,398 in the Special Categories Contracted Services category.

PROBLEM AND SOLUTION STATEMENT: To minimize the impact to our customers while still meeting the target 15% reduction, the program gave careful consideration to our operations while developing the proposed reduction.

The Office of Supplier Diversity (OSD) was established within the Department of Management Services to assist minority, women and service-disabled veterans' business enterprises in becoming suppliers of goods and services to state agencies, universities, local governments and private businesses. OSD provides leadership and guidance on state certification and registration of the aforementioned vendors. The certification of these vendors qualifies them to bid and work on state and local projects promoting diversity in contracting and ensuring minority participation in the economic life of these companies in the state contracting process. OSD also serves as the clearinghouse for information and resources for the aforementioned companies in the State of Florida by providing this service. The 5% reduction in the Special Contractual Services category will have a debilitating effect on OSD's ability to provide outreach service for the Department's customers. The reduced outreach services may in turn decrease the number of firms that register in MyFloridaMarketPlace as vendors which could impact the number of companies bidding on state and local government projects. A reduction in bidders on projects may result in the state and local governments paying a higher price for goods and services due to the lack of competition. State agencies, universities, local governments and private contractors depend on OSD to provide assurance that a company is a bona fide, certified company, thus resulting in less lawsuits being filed against them.

FISCAL INFORMATION: This issue requests a reduction of \$8,398 in the Special Categories: Contracted Services appropriation.

Operating Trust Fund (2510)  
 Special Categories: Contracted Services (100777) (8,398) FSI=1  
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TOTAL: GOVERNMENTAL OPERATIONS				<u>1601.00.00.00</u>
BY FUND TYPE				
TRUST FUNDS.....	62,304-			2000
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	COL A93 SCH VIIIB-2 REDUCTIONS	COL A94 SCH VIIIB-2 NR FY11-12	COL A95 SCH VIIIB-2 ANZ FY11-12	CODES
POS	AMOUNT	POS	AMOUNT	
MANAGEMENT SRVCS, DEPT OF				72000000
WORKFORCE PROGRAMS				72750000
PGM: HUMAN RESOURCE MGT				72750100
GOV OPERATIONS/SUPPORT				16
GOVERNMENTAL OPERATIONS				1601.00.00.00
SCHEDULE VIIIB REDUCTIONS -				
OPERATING				33B0000
FIFTEEN PERCENT REDUCTION -				
EXPENSES				33B7050
EXPENSES				040000
STATE PERSONNEL SYSTEM TF -STATE	63,756-			2678 1

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AGENCY ISSUE NARRATIVE:

SCH VIIIB-2 NARR 11-12 NARRATIVE:  
 PRIORITY #11

IT COMPONENT? NO

ISSUE SUMMARY: Human Resource Management - Each agency is required to meet a 15% reduction target. After careful consideration of the operations of the program, it was determined that the following reduction would have the least impact on the customers we serve. This issue requests a reduction in the Expenses category of \$63,756.

PROBLEM AND SOLUTION STATEMENT: To minimize the impact to our customers while still meeting the target 15% reduction, the program gave careful consideration to our operations while developing the proposed reduction.

The State Personnel System (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 compasses 31 agencies in the Executive branch of government with 115,000 employees in the Career Service, Selected Exempt Service and Senior Management Service pay plans and other personal services (OPS) employees. The Division of Human Resource Management (HRM) oversees the human resource infrastructure for the SPS. 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 entities within the SPS. The division has taken a highly aggressive approach in reviewing its recurring expenditures in an effort to maximize use of our resources, while minimizing cost wherever possible. The division deactivated 3 blackberry and cellular phones assigned for division use. This produced a \$2,160 annual savings. The Multifunctional Copier contract was renegotiated which produced a \$3,000 annual savings. A five year furniture lease has ended, producing a \$16,884 annual savings. The division discontinued paying internet bandwidth for other state agencies to access the People First system, and now the agencies use MyFlorida.Net and pay for their own internet access. This has produced a \$41,712 annual savings. These savings removed from our appropriation in the Expenses category will drastically impact delivery of the Program services. With such large overall category reductions, we would be unable to sustain or further improve our current level of services in providing human resource policies, practices and strategies, strategic expertise on human resource issues, training and development opportunities for human resource personnel, productivity improvements and enhancements to human resource technological applications. These products and services are to ensure a lawful, efficient and effective human resource infrastructure. Chapter 110 and Sections 216.011(1)(c)(2) and (1)(n), F.S., authorize these functions. Individual reductions will not have a statutory impact.

FISCAL INFORMATION: As noted, these reductions in our appropriation will drastically impact delivery of the Program



	COL A93	COL A94	COL A95	
	SCH VIIIB-2	SCH VIIIB-2	SCH VIIIB-2	
	REDUCTIONS	NR FY11-12	ANZ FY11-12	
POS	AMOUNT	POS	AMOUNT	POS
				AMOUNT
				CODES
MANAGEMENT SRVCS, DEPT OF				72000000
WORKFORCE PROGRAMS				72750000
PGM: HUMAN RESOURCE MGT				72750100
GOV OPERATIONS/SUPPORT				16
GOVERNMENTAL OPERATIONS				1601.00.00.00
SCHEDULE VIIIB REDUCTIONS -				
OPERATING				33B0000
FIFTEEN PERCENT REDUCTION -				
EXPENSES				33B7050

services. The reduction offered in the Expenses category totals \$63,756.

State Personnel System Trust Fund (2678)  
 Expenses (040000)

(63,756) FSI=1  
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FIFTEEN PERCENT REDUCTION -				
CONTRACTED LEGAL SERVICES				33B7120
SPECIAL CATEGORIES				100000
CONTRACTED LEGAL SERVICES				103884
STATE PERSONNEL SYSTEM TF -STATE	10,000-			2678 1
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AGENCY ISSUE NARRATIVE:

SCH VIIIB-2 NARR 11-12 NARRATIVE:  
 PRIORITY #14

IT COMPONENT? NO

ISSUE SUMMARY: Human Resource Management - Each agency is required to meet a 15% reduction target. After careful consideration of the operations of the program, it was determined that the following reduction would have the least impact on the customers we serve. This issue requests a reduction in the Special Categories: Contracted Legal Services category of \$10,000.

PROBLEM AND SOLUTION STATEMENT: To minimize the impact to our customers while still meeting the target 15% reduction, the program gave careful consideration to our operations while developing the proposed reduction.

The State Personnel System (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 encompasses 31 agencies in the Executive branch of government with 115,000 employees in the Career Service, Selected Exempt Service and Senior Management Service pay plans and other personal services (OPS) employees. The Division of Human Resource Management (HRM) oversees the human resource infrastructure for the SPS. 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 entities within the SPS. The division has taken a highly aggressive approach in reviewing its recurring expenditures in an effort to maximize use of our resources, while minimizing cost

	COL A93	COL A94	COL A95	
	SCH VIIIIB-2	SCH VIIIIB-2	SCH VIIIIB-2	
	REDUCTIONS	NR FY11-12	ANZ FY11-12	
POS	AMOUNT	POS	AMOUNT	POS
				AMOUNT
				CODES
MANAGEMENT SRVCS, DEPT OF				72000000
WORKFORCE PROGRAMS				72750000
PGM: HUMAN RESOURCE MGT				72750100
GOV OPERATIONS/SUPPORT				16
GOVERNMENTAL OPERATIONS				1601.00.00.00
SCHEDULE VIIIIB REDUCTIONS -				
OPERATING				33B0000
FIFTEEN PERCENT REDUCTION -				
CONTRACTED LEGAL SERVICES				33B7120

wherever possible. The division will reduce the contract between the Department of Management Services (DMS) and Allen, Norton and Blue by \$10,000. This contract provides legal services regarding employment law issues. The reduction corresponds with our recent contractual billings experience for employment law related issues. The current billing rate is \$175/hour, which would leave the State with funding for 371.42 billable hours. Once the contract funds are exhausted, litigation would have to be handled by the Department of Management Services General Counsel's office, which has very limited legal expertise and staffing in this subject area. This will also increase the workload for that office without the benefit of additional resources. Reducing this appropriation to meet only current needs severely reduces the agency's ability to timely and lawfully respond to new or unexpected employment law issues that may arise during the year. The current billing rate, under this contract, is very competitive. Chapter 110 and Section 287.059, F.S., authorize this function. This reduction would have a statutory impact if legal requirements are not met.

FISCAL INFORMATION: This reduction directly corresponds with a \$10,000 reduction in the contract between DMS and Allen, Norton and Blue for legal services regarding employment law issues. The reduction offered in the Special Categories: Contracted Legal Services category totals \$10,000.

State Personnel System Trust Fund (2678)  
 Special Categories: Contracted Legal Services (103884) (10,000) FSI=1  
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FIFTEEN PERCENT REDUCTION -				
SALARY AND BENEFITS -				
EMPLOYEE FURLOUGH				33B7180
SALARIES AND BENEFITS				010000
STATE PERSONNEL SYSTEM TF -STATE	500,046-			2678 1
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AGENCY ISSUE NARRATIVE:  
 SCH VIIIIB-2 NARR 11-12 NARRATIVE: IT COMPONENT? NO  
 PRIORITY# 54

ISSUE SUMMARY: Each agency is required to meet a 15% reduction target. Much of the agency's budget supports staff (people) resources to meet the mission of the organization. We are requesting furloughs be used to meet the salaries and benefits portion of the required reduction target. Furloughs provide the following operational and economic benefits:

	COL A93	COL A94	COL A95	
	SCH VIII B-2	SCH VIII B-2	SCH VIII B-2	
	REDUCTIONS	NR FY11-12	ANZ FY11-12	
POS	AMOUNT	POS	AMOUNT	POS
				AMOUNT
				CODES
MANAGEMENT SRVCS, DEPT OF				72000000
WORKFORCE PROGRAMS				72750000
PGM: HUMAN RESOURCE MGT				72750100
GOV OPERATIONS/SUPPORT				16
GOVERNMENTAL OPERATIONS				1601.00.00.00
SCHEDULE VIII B REDUCTIONS -				
OPERATING				33B0000
FIFTEEN PERCENT REDUCTION -				
SALARY AND BENEFITS -				
EMPLOYEE FURLOUGH				33B7180

permits the gradual or immediate resumption of previous service levels as the fiscal shortfall subsides; saves recruitment and retraining costs to re-staff positions; no loss in experienced workforce; prevents an additional fiscal impact on state and local resources (unemployment compensation, food stamps, uninsured medical services, etc.) that would be caused by laid off employees seeking government services; and minimizes the negative economic impact on private sector businesses that would result from fewer goods and services being purchased by laid off employees, loan defaults, etc.

PROBLEM STATEMENT: To minimize long-term negative customer service level impacts and negative state, local and private sector economic impacts, salary reductions would be handled through a 15% furlough which translates to an average of 47 days per employee for the fiscal year, rather than through layoffs.

STATUTE REFERENCE: The definition of furlough is contained in s. 110.107(3), F.S., and is: A temporary reduction in the regular hours of employment in a pay period, or temporary leave without pay for one or more pay periods, with a commensurate reduction in pay, necessitated by a projected deficit in any fund that supports salary and benefit appropriations. Section 110.1225, F.S., requires that when furloughs are utilized that all affected employees are subject to the same reduction of hours for the same number of pay periods with a commensurate reduction in pay.

PROGRAM IMPACTS:

Federal Property Assistance Program (FPA):

The following program impacts are for the Federal Property Assistance Program (FPA): FPA provides customer service to over 500 public agencies and private/nonprofit health and education organizations throughout the State of Florida. Responsibilities include acquiring federal surplus or excess military equipment from the federal government and transferring it to agencies to assist in deferring the cost of new equipment. The Bureau coordinates the distribution of \$5.5 million in donated federal property each year. This 15% reduction will have a significant negative impact on the program. With 100% of the employees taking a 15% reduction in pay, we can expect an increased risk of resignations of key personnel that have vast amount of subject matter expertise regarding the Federal Property Assistance program. Additionally, with 100% of the employees taking a 15% reduction in work hours, we expect to experience a significant decrease in work productivity and customer service. Public agencies and private/nonprofit health and education organizations would see a significant decrease in the capability for acquiring and distributing federally owned tangible personal property declared excess/surplus by the Federal Government. FPA would not have the capability of conducting utilization checks on millions of dollars of property already donated. Lastly, this 15% reduction will negatively impact the program if an employee resigns or retires and requires a leave payout.

Bureau of Motor Vehicles and Watercraft Management:

The following program impacts are for the Bureau of Motor Vehicles and Watercraft Management: The Bureau provides

	COL A93	COL A94	COL A95	
	SCH VIIIB-2	SCH VIIIB-2	SCH VIIIB-2	
	REDUCTIONS	NR FY11-12	ANZ FY11-12	
	POS	AMOUNT	POS	AMOUNT
				CODES
MANAGEMENT SRVCS, DEPT OF				72000000
WORKFORCE PROGRAMS				72750000
PGM: HUMAN RESOURCE MGT				72750100
GOV OPERATIONS/SUPPORT				16
GOVERNMENTAL OPERATIONS				<u>1601.00.00.00</u>
SCHEDULE VIIIB REDUCTIONS -				
OPERATING				33B0000
FIFTEEN PERCENT REDUCTION -				
SALARY AND BENEFITS -				
EMPLOYEE FURLOUGH				33B7180

customer service to 30 State agencies. The Bureau reviews and approves agency acquisition requests to ensure fleet purchases are cost effective, fuel efficient and appropriate for stated purchase. Additionally, the Bureau tracks the assignment, use, and maintenance of mobile equipment and coordinates the disposal of state-owned mobile equipment. This 15% reduction will have a significant negative impact on the program. With 100% of the employees taking a 15% reduction in pay, we can expect an increased risk of resignations of key personnel with over 46 years of subject matter expertise regarding the Equipment Management Information System (EMIS), acquisition and disposal of the State's fleet. These critical duties cannot be absorbed by other staff due to the high level expertise required to research, develop and implement mobile equipment technical specifications and replacement criteria. Additionally, with 100% of the employees taking a 15% reduction in work hours, we expect to experience a significant decrease in work productivity and customer service. The projected turnaround time for the acquisition and disposal approval process would be extended from 2 to 5 workdays. Lastly, this 15% reduction will negatively impact the Bureau if an employee resigns or retires and requires a leave payout.

Office of Supplier Diversity (OSD):

Furloughing staff will have a devastating effect on proving outreach service for the Department's customers. Furloughing will cause delays in certifying firms and providing the mandatory monthly reports required by statute, also due to the lack of outreach services there will be a reduction in the number of firms that will register in MyFloridaMarketPlace as vendors, which will also have an impact of the number of companies bidding on state and local government projects. A reduction in bidders on projects may result in the state and local governments paying a higher price for goods and services due to the lack of competition. The furloughing of staff will affect state agencies, universities, local governments and private contractors who depend on OSD to provide assurance that a company is a bonafide certified company. These entities depend on getting this information in a timely matter. If this information is delayed or not received will result in contracts not being bided and awarded in a timely manner. This can also lead to projects being stopped which causes mobilization to occur again which increases the price to the state and local government entities through change orders. All of these things cause services to the taxpaying citizens to be late, interrupted or not provided.

Building Construction:

To reduce staffing costs by 15%, Building Construction will need to furlough staff by approximately 47 days throughout the Fiscal Year. This reduction in staffing will reduce the oversight available for construction projects which may result in delays in completing projects when contractors need approvals for each phase of work, prior to review by permit authorities and approvals from DMS for work completed before proceeding to the next task. Such furloughs will also complicate communications with our client agencies regarding customers' needs and concerns. Delays in projects may result in continued degradation of DMS-managed facilities if faulty or failing equipment isn't replaced in a timely manner and physical plant problems aren't addressed before the situation worsens.

	COL A93	COL A94	COL A95	
	SCH VIII B-2	SCH VIII B-2	SCH VIII B-2	
	REDUCTIONS	NR FY11-12	ANZ FY11-12	
POS	AMOUNT	POS	AMOUNT	POS
				AMOUNT
				CODES
MANAGEMENT SRVCS, DEPT OF				72000000
WORKFORCE PROGRAMS				72750000
PGM: HUMAN RESOURCE MGT				72750100
GOV OPERATIONS/SUPPORT				16
GOVERNMENTAL OPERATIONS				1601.00.00.00
SCHEDULE VIII B REDUCTIONS -				
OPERATING				33B0000
FIFTEEN PERCENT REDUCTION -				
SALARY AND BENEFITS -				
EMPLOYEE FURLOUGH				33B7180

Human Resource Management

Policy Team

The State Personnel System (SPS) is part of the executive branch of state government and consists of 31 agencies that operate under a single set of employment laws, policies, and practices. These policies affect 105,031 FTE employees and 9,965 Other Personnel Services (OPS) employees, making the SPS the largest employer in state government.

The Division develops and administers core human resource (HR) policies, strategies, and practices for the State Personnel System and provides expertise and consultative services to ensure the lawful, effective and efficient implementation of human resource programs by the SPS agencies. As part of this role, the Division statutorily serves, on behalf of the Governor, as the Chief Labor Negotiator with six labor unions covering 13 collective bargaining units.

As a single employer, this Division is necessary to ensure an equitable and lawful system of employment, uniformity in application of core policies exist between agencies, the SPS remains a competitive employer capable of recruiting and retaining a highly competent workforce and Florida's citizens receive quality services.

This reduction equates to approximately a 2 day reduction in staff hours for each division employee for each two week pay period during the entire fiscal year. This 20% reduction in weekly staff hour availability will cause a severe disruption in the delivery of division services to the executive branch agencies and their employees, the Executive Office of the Governor, and legislative staff and will require that some activities be suspended or eliminated. Because division program areas are already minimally staffed, the necessary resources will not always be available on the same days due to staggered work schedules required by the furloughs. Additionally, the negative impact on productivity from normal absenteeism due to illness, etc., will be greatly magnified.

This overall loss of productivity will significantly impede the division and its customers from meeting statutory obligations and increase the potential for lawsuits and financial penalties.

Specifically, this reduction:

1. Jeopardizes the equitable and lawful administration of the State Personnel System by significantly impacting the agencies' ability to effectively manage agency operations and implement legislatively mandated programs due to:

Significant delays in providing critical policy directives to agencies related to numerous federal and state employment laws and rules, i.e., Fair Labor Standards Act (FLSA), Equal Employment Opportunity (EEO), Americans with Disabilities Act (ADA), the Family and Medical Leave Act (FMLA), employment and

	COL A93	COL A94	COL A95	
	SCH VIIIB-2	SCH VIIIB-2	SCH VIIIB-2	
	REDUCTIONS	NR FY11-12	ANZ FY11-12	
POS	AMOUNT	POS	AMOUNT	POS
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				CODES
MANAGEMENT SRVCS, DEPT OF				72000000
WORKFORCE PROGRAMS				72750000
PGM: HUMAN RESOURCE MGT				72750100
GOV OPERATIONS/SUPPORT				16
GOVERNMENTAL OPERATIONS				1601.00.00.00
SCHEDULE VIIIB REDUCTIONS -				
OPERATING				33B0000
FIFTEEN PERCENT REDUCTION -				
SALARY AND BENEFITS -				
EMPLOYEE FURLOUGH				33B7180

reemployment rights of veterans, and attendance and leave requirements, resulting in increased lawsuits by employees and the assessment of substantial financial penalties by the federal government;

Drastic increases in response time for analysis and approval of key agency HR operational actions such as reorganization requests; reclassification of positions; establishment of new classes; special risk designations; workforce layoff plans; regular compensatory leave and extraordinary payment plans and pay additive requests; and

Reduced responsiveness to daily telephone and email requests for technical assistance on a myriad of HR issues.

2. Severely impacts our ability to effectively represent the Governor as the State's chief labor negotiator, causing a significant reduction in collective bargaining unit contract oversight and delaying the processing of Step 3 grievances, and resulting in an escalation in disputes with labor organizations with commensurate increases in union filings of unfair labor practice claims.
3. Eliminates our ability to administer and oversee the Florida State Employees' Charitable Campaign resulting in the suspension of the Campaign at a loss of approximately \$5 million per year to charitable organizations which provide direct services to the citizens of Florida.
4. Reduces our ability to develop policy-driven business rules and operational requirements for the People First human resource information system; thereby impacting the system's ability to meet the needs of the State Personnel System.
5. Reduces the content and timeliness of the Annual Workforce Report. This statutorily required report provides demographic and trend data regarding the State Personnel System workforce.
6. Causes delays in meeting federal reporting requirements (EEO-4 Report).
7. Eliminates our ability to provide training to agency HR staff on critical federal and state requirements.

People First Team

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 This reduction equates to approximately a 2 day reduction in staff hours for each People First Team employee for each two week pay period during the entire fiscal year. This reduction will cause a severe disruption in the delivery of services to all 240,000 users of the People First system, and will require that some activities be eliminated. People First users include executive branch agencies, State Courts System, Justice Administrative Commission, Lottery, Legislature, University System, and retirees. Job applicants will be impacted as well.

COL A93		COL A94		COL A95		CODES	
SCH VIIIIB-2	REDUCTIONS	SCH VIIIIB-2	NR FY11-12	SCH VIIIIB-2	ANZ FY11-12		
POS	AMOUNT	POS	AMOUNT	POS	AMOUNT		
MANAGEMENT SRVCS, DEPT OF							72000000
WORKFORCE PROGRAMS							72750000
PGM: HUMAN RESOURCE MGT							72750100
GOV OPERATIONS/SUPPORT							16
GOVERNMENTAL OPERATIONS							<u>1601.00.00.00</u>
SCHEDULE VIIIIB REDUCTIONS -							
OPERATING							33B0000
FIFTEEN PERCENT REDUCTION -							
SALARY AND BENEFITS -							
EMPLOYEE FURLOUGH							33B7180

Specifically, this reduction:

1. Weakens our ability to ensure effective day-to-day oversight and contract management activities of the outsourced vendor (NorthgateArinso), which includes: monitoring the status of current contract deliverables and performance metrics; overseeing contract amendment and change order processes; coordinating the monthly business review meetings between the state and service provider; and monitoring NorthgateArinso's four subcontractors (i.e., PeopleClick Authoria (staffing module), Fringe Benefits Management Corporation (flexible spending account), Horizon Health / Aetna (EAP provider) and Wachovia (lockbox)).
2. Eliminates our ability to monitor service center performance to ensure accuracy of information provided, determine training or process improvement needs, and investigate concerns and complaints.
3. Weakens our ability to monitor NorthgateArinso's adherence to the security plan, review the semi-annual SAS 70 report, maintain the state of Florida security guidelines manual, monitor Level II background screening, monitor the annual business continuity plan exercise, and audit the two service centers for data security compliance.
4. Jeopardizes our ability to manage the system release life cycle for the additional system enhancements included in the renewal contract as well as any other system improvement or enhancements. Our role includes identifying the state's business requirements, providing the service provider with written confirmation of the requested change, reviewing and approving system technical specifications, coordinating and approving user acceptance testing, and overseeing the roll-out of the enhancements through employee training and communication.
5. Jeopardizes our ability to provide NorthgateArinso with Benefits Open Enrollment system changes and vendor oversight of the annual Open Enrollment process.
6. Eliminates our ability to effectively plan for the next generation HR solution (i.e., the contract with NorthgateArinso expires August 21, 2016), which includes researching best practices, reviewing lessons learned, analyzing trends, defining strengths and weaknesses of the current contract, and proactively planning for future success.
7. Reduces our ability to effectively manage and oversee the upcoming procurement process, which includes business case development, bid development, vendor selection, and contract negotiations. Coordinating procurement documents to prepare for the end of the current contract include the development of comprehensive transition, staffing, change management, training, interface, security, migration, and business continuity plans.
8. Eliminates our ability to serve our state agency customers by producing data for recurring report requests (e.g., OPS YTD Hours report, LASPBS Reconciliation reports, Pay Additive Monitoring reports, PAR data extracts, Workforce Reports,

COL A93		COL A94		COL A95		CODES
SCH VIII B-2		SCH VIII B-2		SCH VIII B-2		
REDUCTIONS		NR FY11-12		ANZ FY11-12		
POS	AMOUNT	POS	AMOUNT	POS	AMOUNT	
MANAGEMENT SRVCS, DEPT OF						72000000
WORKFORCE PROGRAMS						72750000
PGM: HUMAN RESOURCE MGT						72750100
GOV OPERATIONS/SUPPORT						16
GOVERNMENTAL OPERATIONS						<u>1601.00.00.00</u>
SCHEDULE VIII B REDUCTIONS -						
OPERATING						33B0000
FIFTEEN PERCENT REDUCTION -						
SALARY AND BENEFITS -						
EMPLOYEE FURLOUGH						33B7180

etc.), and inputting large amounts of data into the People First system via mass loads. All stakeholders will be required to run their own reports, and input large amounts of data into the People First system on a position by position basis.

9. Reduces our ability to respond to public records requests for personnel data in a timely basis.

10 Eliminates our ability to provide support and issue resolution to customers and timely communication to all stakeholders, as well as, our ability to provide training for user groups in a variety of mediums.

Private Prison Monitoring:

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 This is expected to have a detrimental impact on our program area. With 100% of the employees taking a 15% cut in pay, we can expect an increased risk of resignations, especially if employees were impacted by a furlough during FY 2010-2011. Additionally, with 100% of the employees taking a 15% reduction in work hours, we expect to experience a marked decrease in work productivity and customer service. More concerning, the diminished ability of our program area to monitor the state's private prison contractors has negative public safety implications. Our staff will no longer be able to adequately monitor physical plant preventative maintenance and repairs relative to security electronics that monitor fence integrity designed to prevent and alarm if people are attempting to enter/exit the facility unlawfully, monitor dormitory security and emergency safety systems designed to enhance officer/inmate safety and prevent escapes, and ensure support systems are in place, designed to provide for constitutional and statutory minimum standards of living for inmates relative to food service, medical and sanitary systems (laundry/sewage, etc). Further, the diminished presence or our monitors places greater risk on the Florida Department of Management Services and the Department of Corrections ability to withstand litigation that may result from poor vendor performance that impacts an inmate's liberty, constitutional or statutory rights. Statutory impact: Chapter 957 F.S.

Division of Telecommunications:

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 The Division of Telecommunications (DivTel) is statutorily charged to bring economies of scale, bulk purchasing leverage and interoperability to Florida's public sector telecommunications. Success requires tireless work and innovation given the perpetual rapid changes in the technology marketplace. By definition, if DivTel rests, it will become obsolete and unable to deliver cost savings to the State in the future.

In addition to maintaining \$110 million worth of telecommunications services demanded annually by our government customers, some examples of pending and upcoming projects that DivTel considers vital to its charge are:

Mobile Telecommunications consolidation to place all State mobile phones under a single "family plan" to achieve enterprise savings and establish accountability; Central Voice over IP (VoIP) management and coordination (known as



COL A93		COL A94		COL A95		CODES
SCH VIII B-2		SCH VIII B-2		SCH VIII B-2		
REDUCTIONS		NR FY11-12		ANZ FY11-12		
POS	AMOUNT	POS	AMOUNT	POS	AMOUNT	
MANAGEMENT SRVCS, DEPT OF						72000000
WORKFORCE PROGRAMS						72750000
PGM: HUMAN RESOURCE MGT						72750100
GOV OPERATIONS/SUPPORT						16
GOVERNMENTAL OPERATIONS						<u>1601.00.00.00</u>
SCHEDULE VIII B REDUCTIONS -						
OPERATING						33B0000
FIFTEEN PERCENT REDUCTION -						
SALARY AND BENEFITS -						
EMPLOYEE FURLOUGH						33B7180

Session Initiation Protocol Trunking) to enable as yet unrealized savings from this technology that is rapidly replacing traditional phone services; Improving competition and transparency of telephony hardware purchases that are common throughout State government under a contract known as SUNCOM Telephony Equipment Premise-Based Services or (STEPS); SUNCOM's Open and Shared Information System which empowers SUNCOM customers to effectively audit their bills, control costs and automate SUNCOM processes; Implementing telecommunications savings for the newly consolidated enterprise data centers per a mandate by law; and establishing an enterprise satellite telecommunications contract/service to achieve bulk purchase savings and standardization.

Clearly, many of these enterprise cost savings projects will be delayed or canceled for the fiscal year, given the complex challenges of each and the length of the proposed furloughs. And a new form of waste will be incurred from shelved work, disrupted efforts and triaged priorities. Furloughs will actually lead to increasing State costs rather than savings since no General Revenue can be returned and these DivTel enterprise cost savings projects will be impaired.

In addition, daily operations of DivTel have a direct impact on the daily operations of all State of Florida agencies. Telephone services to critical agencies such as the Department of Emergency Management, the Department of Environmental Protection, the Department of Children and Families, the Department of Law Enforcement, and the Department of Highway Safety, to name a few, are critical during times of urgent need and/or emergencies. DivTel is responsible for operating the SUNCOM Network Operations Center (NOC) which maintains these communications facilities. Furloughs will make it extremely difficult, if not impossible, for DivTel to provide a service level assuring 24x7 uninterrupted operations.

Another factor to consider in the event of furloughs is that the installation times associated with new and additional services will be significantly increased. Many requests for additional communications facilities are in response to an emergency situation or other immediate need for increased capacity. Furloughs will limit the ability for DivTel to respond to these emergency situations. It will also be necessary for all SUNCOM services to be re-evaluated with regard to time periods for engineering, ordering, and installing. Given that each day of increased time in that cycle represents an additional day of lost cost savings or lost services for an agency, the actual costs to the State may be significantly higher than any savings realized from furloughs.

Due to the fact that State agencies rely on the SUNCOM network for voice, video, and data services, DivTel provides staff 24x7 to respond to network outages. This coverage model requires both overtime pay and on-call pay. Furloughs will mandate either eliminating this coverage or distributing the costs onto other employees by decreasing their work hours even lower than the required furlough percentage. In either case, network outages may become more frequent and have longer durations. In the event that a repair begun by a service vendor requires SUNCOM NOC staff to complete, Service Level Agreements (SLA's) in the State contracts may become unenforceable resulting in the loss of monetary compensation to the State for prolonged down times.

COL A93		COL A94		COL A95		CODES
SCH VIIIIB-2		SCH VIIIIB-2		SCH VIIIIB-2		
REDUCTIONS		NR FY11-12		ANZ FY11-12		
POS	AMOUNT	POS	AMOUNT	POS	AMOUNT	
MANAGEMENT SRVCS, DEPT OF						72000000
WORKFORCE PROGRAMS						72750000
PGM: HUMAN RESOURCE MGT						72750100
GOV OPERATIONS/SUPPORT						16
GOVERNMENTAL OPERATIONS						1601.00.00.00
SCHEDULE VIIIIB REDUCTIONS -						
OPERATING						33B0000
FIFTEEN PERCENT REDUCTION -						
SALARY AND BENEFITS -						
EMPLOYEE FURLOUGH						33B7180

In the area of public safety telecommunications, DivTel brings economies of scale to statewide mission critical communications systems which benefit state, county and local agencies by: Providing administrative oversight and coordination for the State's E911 Plan supporting the E911 Board in distributing \$120 million in fees received in accordance with FS 365.172 for 911 purposes; Managing and monitoring contract performance along with enhancement projects for the Statewide Law Enforcement Radio System (SLERS) which provides secure encrypted voice communications to more than 7,500 law enforcement officers across 24 state agencies and 27 federal and local jurisdictions; and Coordinating and approving frequencies and technical specifications for state, county and local law enforcement and EMS communications systems.

Furloughs of our public safety bureau staff may significantly delay the engineering assistance DivTel provides to other state, county and local law enforcement agencies planning changes to their mission critical land mobile radio and E911 communications systems. Time spent on system, project and contract management for the Statewide Law Enforcement Radio System (SLERS), E911 Board, Florida Interoperability Network (FIN), Mutual Aid (M/A) frequencies and other interoperable communications projects will be reduced with a potential negative effect on system performance. Future grant opportunities and planning efforts to replace obsolete or aging communications systems with state of the art technologies such as next generation 911, P-25 radios, and statewide 700MHz Long Term Evolution (LTE) broadband for public safety may be lost.

Suggestions that some of the lost productivity from furloughs will be partially offset because staff might not take Annual Leave (i.e. since they will be out of work for nine weeks) should consider our most experienced and dedicated staff that are pushing maximum leave balances. They are unlikely to forgo using paid Annual Leave because they will otherwise lose it and are unwilling to contribute that loss in light of a compulsory furlough. If they don't take the leave however (as will be the case for most staff) the State will incur greater leave payouts in the future.

DivTel has an extraordinary share of dedicated professionals who are passionate about the value they bring to Florida citizens. The recent \$10 million in refunds DivTel provided, in spite of a series of preceding DivTel price reductions, are obvious fruits of their labors. More subtle are the more than \$50 million in cost avoidance they bring to the Florida enterprise every year.

DivTel's unusually low turnover is an expression of staff dedication. But their hidden contributions come from willingness to work through the night to finalize major projects (like the recent SSRC center upgrade), leaving their families during State emergencies, contributions of unpaid personal time to push projects to success, courage to stand firm against demands that compromise service to citizens and willingness to forgo private sector opportunities commensurate with their abilities. Under normal circumstances, it would be difficult to expect this kind of gracious commitment and passion from staff after they are furloughed. But given that they know their sacrifice will lead to increasing State costs rather than savings, morale will be devastated. Expecting staff to care, after extracting such a large pointless sacrifice from them, is a charade that cannot be sold.

	COL A93	COL A94	COL A95	
	SCH VIII B-2	SCH VIII B-2	SCH VIII B-2	
	REDUCTIONS	NR FY11-12	ANZ FY11-12	
POS	AMOUNT	POS	AMOUNT	POS
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				CODES
MANAGEMENT SRVCS, DEPT OF				72000000
WORKFORCE PROGRAMS				72750000
PGM: HUMAN RESOURCE MGT				72750100
GOV OPERATIONS/SUPPORT				16
GOVERNMENTAL OPERATIONS				1601.00.00.00
SCHEDULE VIII B REDUCTIONS -				
OPERATING				33B0000
FIFTEEN PERCENT REDUCTION -				
SALARY AND BENEFITS -				
EMPLOYEE FURLOUGH				33B7180

Finally, DivTel also has a number of staff who will be unable to meet personal financial obligations after being furloughed for nine working weeks (the current proposal). They will be forced to seek other jobs in a local market where many others will be doing the same and local spending will be depressed. For many staff, extended furloughs will impose a genuine economic crisis rather than mere hardship.

Office of the Secretary/Administration:

Furloughs will significantly impact the Office of the Secretary/Division of Administration operations. This reduction will adversely impact the quality, timeliness, and level of services delivered by the Office of the Secretary/Division of Administration to our internal and external customers. As a shared support service provider for the agency, our divisions will suffer the impacts of delayed services in turn delaying their ability to provide adequate services to their customers.

This furlough program will also create a significant hardship for employees that will likely lead to difficulty in retaining the highest performing staff causing additional productivity losses and increasing costs for recruiting and training qualified personnel.

State Purchasing:

With procurement and contracting staff unavailable due to implementation of furloughs, the Department anticipates that there will be severe impacts to many of the core functions of the Department of Management Services, Division of State Purchasing.

First, the Department is responsible for establishing state term contract. These are often multi-million dollar contracts that all agencies are required to use and eligible users (e.g., counties, municipalities) may use. Commodities and services available under state term contracts include but are not limited to: information technology hardware; information technology and management consulting services; insurance; purchasing and fuel card services; automobile and trucks; and our e-procurement services contract (generally know as "MyFloridaMarketPlace"). Also, the Bureau of Departmental Purchasing is responsible for providing purchasing services to the following divisions of the Department: Administration; Human Resource Management; State Group Insurance, Telecommunications; Real Estate Management; Specialized Services; and Retirement. The commodities and services provided via the Department's state term and departmental contracts are used by all agencies of the State of Florida. The above-mentioned contracts are established via the competitive solicitation process found in chapter 287, Florida Statutes. If the Department instituted a furlough program, the number of the competitive solicitations the Division would be able to issue will decrease in an amount commensurate with the furlough(s). As such, it is anticipated that there will be a reduction in the number of contract the Department would be able to execute. It is estimated with the implementation of furloughs, it could cost the state \$46,716,896 in savings from state contracts by reducing work hours one day per biweekly pay period.

COL A93		COL A94		COL A95		CODES
SCH VIII B-2		SCH VIII B-2		SCH VIII B-2		
REDUCTIONS		NR FY11-12		ANZ FY11-12		
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MANAGEMENT SRVCS, DEPT OF						72000000
WORKFORCE PROGRAMS						72750000
PGM: HUMAN RESOURCE MGT						72750100
GOV OPERATIONS/SUPPORT						16
GOVERNMENTAL OPERATIONS						1601.00.00.00
SCHEDULE VIII B REDUCTIONS -						
OPERATING						33B0000
FIFTEEN PERCENT REDUCTION -						
SALARY AND BENEFITS -						
EMPLOYEE FURLOUGH						33B7180

An important part of the competitive solicitation process includes conducting strategic sourcing activities and market research prior to issuance of the solicitation. If a furlough program were instituted, procurement and contracting staff will not have the opportunity to strategically source our contracts. This means that the division will have less time to develop solicitations, survey and research the market, and solicit feedback from our customers, thereby leading to less effective contracts that will not meet our customers' needs. With the Department less able to establish effective contracts agencies will likely have to develop their own agency-specific contracts. Division also administers its contracts. These duties include assisting customers with questions and issues regarding its contracts and addressing related contract performance concerns. Under a furlough program, procurement and contracting staff will not be as available to answer customer service questions in a timely manner thereby impacting customer service. Typically, when state term contract administrators receive questions from agency customers or other eligible user customers, a timely response is required. For example, the customer may want to purchase a commodity or service and may have specific questions about how a particular contract works. Delays in response due to furloughs will negatively impact our ability to provide excellent customer service. In addition, having fewer resources available will make it more difficult for the division to effectively monitor and manage vendor performance under a contract.

As State Purchasing conducts a number of competitive solicitations and administers a high volume of contract, we receive a number of public records requests. Although the Department takes its responsibilities under chapter 119, F.S., very seriously, if the Department were to institute a furlough program, response times for public records requests may be impacted. Such an impact would not only conflict with statutory requirements for public access to information, it would also have an adverse affect on the procurement protest process. Delays in information transmittal during the protest period may lead to increased litigation.

In addition to conducting competitive solicitations and administering and managing resulting contracts, the division is also responsible for providing a training program for state purchasers to attain and maintain purchasing education and skills. The goal of this program is to develop and certify public purchasing professionals, and to assure understanding and adherence to an unwavering code of ethical behavior, and the knowledge, skills and ability to effectively design, solicit, negotiate award and manage government contracts in Florida. Certifications offered through the program are Florida Certified Purchasing Agent (FCPA), Florida Certified Purchasing Manager (FCPM), Florida Certified Contract Negotiator (FCCN), and Florida Certified Contract Manager (FCCM). The training program also provides courses to assist participants with national certification such as the Certified Professional Public Buyer (CPPB), Certified Professional Public Officer (CPPO), and Project Management Professional (PMP). Florida Statute 287.057 requires that an FCCN negotiate contracts of \$1 million, and a certified PMP participate negotiate contracts in excess of \$10 million. The training program offers advanced recertification workshops to extend certification for an additional 5 year period. The training program would not be able to host the number of training courses to meet the demand for certification and recertification with the reduction in work hours due to the implementation of furloughs.

	COL A93	COL A94	COL A95	
	SCH VIIIB-2	SCH VIIIB-2	SCH VIIIB-2	
	REDUCTIONS	NR FY11-12	ANZ FY11-12	
POS	AMOUNT	POS	AMOUNT	POS
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MANAGEMENT SRVCS, DEPT OF				72000000
WORKFORCE PROGRAMS				72750000
PGM: HUMAN RESOURCE MGT				72750100
GOV OPERATIONS/SUPPORT				16
GOVERNMENTAL OPERATIONS				1601.00.00.00
SCHEDULE VIIIB REDUCTIONS -				
OPERATING				33B0000
FIFTEEN PERCENT REDUCTION -				
SALARY AND BENEFITS -				
EMPLOYEE FURLOUGH				33B7180

Lastly, it is uncertain what impact instituting a furlough program would have on current staffing in state purchasing. Although reducing the number of hours that state purchasing staff would be able to work would result in savings, it is possible that division employees would look for employment at other agencies or outside of the employment of the state in an attempt to compensate for difference between the salary once earned versus what they would earn under furlough program.

Facilities Management

To reduce staffing costs by 15%, Facilities will need to furlough staff by approximately 47 days throughout the Fiscal Year. This reduction in staffing will mean that one day a week, at pool facilities with a single Department of Management Services (DMS) support person, there may be no DMS employee on site in a DMS-managed building to address any building issues that arise and tenants will need to contact a remote staff person to report issues to be addressed on non-furlough days. Delays in maintenance may result in continued degradation of DMS-managed facilities if faulty or failing equipment isn't replaced in a timely manner and building problems aren't addressed before the situation worsens.

In addition to the staff furloughs, other budget categories were reduced to essential elements but that still left \$2.3 million in reductions needed to meet 15% target reduction. Therefore, additional reductions in Expenses, Utilities, Contracted Services and security (contracted and FDLE) necessitate the closure of 5-10% of our facilities' square footage. This will require current tenants to seek space elsewhere and incur moving and relocation expenses. With these closures, DMS will also have a loss of revenue for those buildings which reduces funding available for operations and maintenance of other buildings in the Florida Facilities Pool.

State Group Insurance:

Furloughs will significantly impact the DSGI's operations and will not allow the DSGI to perform their legislative responsibilities. This reduction will adversely impact the quality, timeliness, and level of services delivered by the DSGI to state employees, retirees, state agencies and universities, Executive Office of the Governor and the Legislature and staff. This reduction is expected to result in the suspension and outsourcing of key activities.

Specifically, this reduction: (1) Jeopardizes the administration of the State Employees' Group Insurance Program, (2) Severely impacts our ability to obtain best value and effectively manage and oversee procurement processes, such as the upcoming PBM and HMO procurements, which include bid development, vendor selection, and contract negotiations, (3) Diminishes our ability to monitor contract performance to ensure contract compliance and accuracy of information provided, and (4) Adversely impacts customer service and programs deliverables.

Retirement:

COL A93		COL A94		COL A95		CODES
SCH VIII B-2		SCH VIII B-2		SCH VIII B-2		
REDUCTIONS		NR FY11-12		ANZ FY11-12		
POS	AMOUNT	POS	AMOUNT	POS	AMOUNT	
MANAGEMENT SRVCS, DEPT OF						72000000
WORKFORCE PROGRAMS						72750000
PGM: HUMAN RESOURCE MGT						72750100
GOV OPERATIONS/SUPPORT						16
GOVERNMENTAL OPERATIONS						1601.00.00.00
SCHEDULE VIII B REDUCTIONS -						
OPERATING						33B0000
FIFTEEN PERCENT REDUCTION -						
SALARY AND BENEFITS -						
EMPLOYEE FURLOUGH						33B7180

The impact from a 15% furlough program will decrease overall organizational performance, severely impeding the delivery of important services to more than 1 million participants in Florida's statewide retirement systems. Particularly affected will be: increasing turnaround time providing retirement estimates and information the members require for retirement planning; delaying the addition of new retirees to the retired payroll; processing change requests for those already on the retired payroll; reducing members' ability to reach retirement counselors by telephone; lengthening response time to analyze proposed legislation; and negating our ability to comply with statutory requirements to review all local retirement plan valuations on a triennial basis. Legislated performance measures relative to these services and others cannot be met and it can be expected that the percent of members, retirees and participating agencies satisfied with retirement services will plummet. This furlough program will create a significant hardship for employees that will likely lead to difficulty in retaining the highest performing staff causing additional productivity losses and increasing costs for recruiting and training qualified personnel. High employee turnover will further exasperate the timely delivery of services to more than one million members and 1,000 employing agencies of Florida's statewide retirement systems.

FISCAL INFORMATION: A 15% reduction of appropriations for salaries and benefits is over \$7 million dollars for DMS programs, excluding independent entities who are addressing reductions separately. To meet this reduction, each employee would have to be furloughed an average of 47 days. This is calculated by dividing the biweekly rate of employees by 10 to get a daily rate which is then multiplied by 47 days multiplied by 18.42% benefits. The benefits rate is calculated by combining 7.65% FICA and Retirement for 10.77%. Note: Employer contributions for health, life and disability insurance are not impacted by furloughs.

Division 15% S&B  
 Appropriation  
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 Human Resource Management (500,046)

State Personnel Trust Fund (2678)  
 Salaries and Benefits (010000) (500,046) FSI=1

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	COL A93	COL A94	COL A95	
	SCH VIIIB-2	SCH VIIIB-2	SCH VIIIB-2	
	REDUCTIONS	NR FY11-12	ANZ FY11-12	
POS	AMOUNT	POS	AMOUNT	POS
				AMOUNT
				CODES
MANAGEMENT SRVCS, DEPT OF				72000000
WORKFORCE PROGRAMS				72750000
PGM: HUMAN RESOURCE MGT				72750100
GOV OPERATIONS/SUPPORT				16
GOVERNMENTAL OPERATIONS				1601.00.00.00
SCHEDULE VIIIB REDUCTIONS -				
OPERATING				33B0000
FIFTEEN PERCENT REDUCTION -				
SALARY AND BENEFITS -				
EMPLOYEE FURLOUGH				33B7180

POSITION DETAIL OF SALARIES AND BENEFITS:

	FTE	BASE RATE	ADDITIVES	BENEFITS	SUBTOTAL	LAPSE %	LAPSED SALARIES AND BENEFITS
A93 - SCH VIIIB-2 REDUCTIONS							
CHANGES TO CURRENTLY AUTHORIZED POSITIONS							
OTHER SALARY AMOUNT							
2678 STATE PERSONNEL SYSTEM TF							500,046-
							500,046-
							=====
*****							
FIFTEEN PERCENT REDUCTION -							
CONTRACTED SERVICES							33B7200
SPECIAL CATEGORIES							100000
CONTRACTED SERVICES							100777
STATE PERSONNEL SYSTEM TF -STATE	7,569-						2678 1
	=====	=====	=====	=====	=====		
*****							

AGENCY ISSUE NARRATIVE:

SCH VIIIB-2 NARR 11-12 NARRATIVE: IT COMPONENT? NO  
 PRIORITY #15

ISSUE SUMMARY: Human Resource Management - Each agency is required to meet a 15% reduction target. After careful consideration of the operations of the program, it was determined that the following reduction would have the least impact on the customers we serve. This issue requests a reduction in the Special Categories: Contracted Services category of \$7,569.

PROBLEM AND SOLUTION STATEMENT: To minimize the impact to our customers while still meeting the target 15% reduction, the program gave careful consideration to our operations while developing the proposed reduction.

	COL A93	COL A94	COL A95	
	SCH VIIIB-2	SCH VIIIB-2	SCH VIIIB-2	
	REDUCTIONS	NR FY11-12	ANZ FY11-12	
POS	AMOUNT	POS	AMOUNT	POS
				AMOUNT
				CODES
MANAGEMENT SRVCS, DEPT OF				72000000
WORKFORCE PROGRAMS				72750000
PGM: HUMAN RESOURCE MGT				72750100
GOV OPERATIONS/SUPPORT				16
GOVERNMENTAL OPERATIONS				1601.00.00.00
SCHEDULE VIIIB REDUCTIONS -				
OPERATING				33B0000
FIFTEEN PERCENT REDUCTION -				
CONTRACTED SERVICES				33B7200

The State Personnel System (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 encompasses 31 agencies in the Executive branch of government with 115,000 employees in the Career Service, Selected Exempt Service and Senior Management Service pay plans and other personal services (OPS) employees. The Division of Human Resource Management (HRM) oversees the human resource infrastructure for the SPS. 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 entities within the SPS. The division has taken a highly aggressive approach in reviewing its recurring expenditures in an effort to maximize use of our resources, while minimizing cost wherever possible. A reduction is offered for \$7,569. This reduction is associated with the elimination of the Divisions' ability to obtain any outside contractual services to assist with emerging human resource policy issues. This could result in the Division's inability to be timely and responsive to key stakeholder inquiries and needs. Secondly, this would also discontinue activities associated with the Division's Annual Human Resource (HR) Conference. The reduction for this event will eliminate keynote addresses by experts in the areas of human resource federal and state laws and who also provide information related to emerging trends, best practices, strategic approaches, and broader HR applications. Chapter 110 and Section 216.011(1)(c)(11), F.S., authorize this function. This reduction would have a statutory impact if policy issues are not properly addressed or administered by the agencies.

FISCAL INFORMATION: This reduction eliminates the division's ability to obtain outside services on emerging federal and state HR policy issues. The reduction offered in the Special Categories: Contracted Services category totals \$7,569.

State Personnel System Trust Fund (2678)  
 Special Categories: Contracted Services (100777) (7,569) FSI=1  
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FIFTEEN PERCENT REDUCTION -				
PEOPLE FIRST				33B7240
SPECIAL CATEGORIES				100000
HUMAN RES SVC/STW CONTRACT				107080
STATE PERSONNEL SYSTEM TF -STATE	1,708,333-			2678 1
	=====	=====	=====	



COL A93		COL A94		COL A95		CODES
SCH VIIIIB-2		SCH VIIIIB-2		SCH VIIIIB-2		
REDUCTIONS		NR FY11-12		ANZ FY11-12		
POS	AMOUNT	POS	AMOUNT	POS	AMOUNT	
						72000000
						72750000
						72750100
						16
						<u>1601.00.00.00</u>
						33B0000
						33B7240

MANAGEMENT SRVCS, DEPT OF  
 WORKFORCE PROGRAMS  
 PGM: HUMAN RESOURCE MGT  
 GOV OPERATIONS/SUPPORT  
 GOVERNMENTAL OPERATIONS  
 SCHEDULE VIIIIB REDUCTIONS -  
 OPERATING  
 FIFTEEN PERCENT REDUCTION -  
 PEOPLE FIRST

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AGENCY ISSUE NARRATIVE:

SCH VIIIIB-2 NARR 11-12 NARRATIVE:  
 PRIORITY #5

IT COMPONENT? NO

Issue Summary: Human Resource Management- People First Contract - Each agency is required to meet a 15% reduction target. After careful consideration of the operations of the program, it was determined that the following reduction would have the least impact on the customers we serve. This issue is requesting a \$1,708,333 cost reduction to the annual payment appropriated to the Department of Management Services for the People First contract for Fiscal Year 2011-12, as part of the larger 15 percent cost reduction (\$5,985,514) request. The remaining \$4,277,181 is described in a separate issue summary.

The Department pays its service provider (NorthgateArinso) on a monthly basis for providing the State with a self-service, secure, web-based personnel information system and an enterprise-wide suite of human resource services (known as People First). On December 8, 2009, the Department executed an agreement to renew the contract with the service provider through August 2016, which resulted in a cost reduction of \$45 million over the life of the contract. The negotiated renewal agreement reduces the contact payment to the service provider every month, starting in January 2010 and extending through August 2016.

Problem and Solution Statement: Section 110.116, Florida Statutes, requires the Department of Management Services to establish and maintain, in coordination with the payroll system of the Department of Financial Services, a complete personnel information system for all authorized and established positions in state service. The Department may also contract with a vendor to provide the personnel information system. Sections 215.93-94, Florida Statutes, direct the Department to be the functional owner of the system.

On August 21, 2002, the Department contracted with Convergys Customer Management Group, Inc. to provide the State with a self-service, secure, web-based personnel information system and an enterprise-wide suite of human resource services (known as People First). Convergys was recently acquired by NorthgateArinso, Inc., on June 2, 2010, and will be hereafter referred to as "NorthgateArinso". The contract with NorthgateArinso expires August 21, 2016.

The system streamlines and automates the state's human resource functions, such as payroll preparation, attendance and leave, staffing, benefits administration, human resource administration, organizational management, and data warehouse report querying. NorthgateArinso also maintains two People First Service Centers (located in Tallahassee and Jacksonville) that provides a wide array of services, including, benefits enrollment, appeals, refunds, reinstatements, job postings, job application assistance, system technical and navigational assistance, password resets, etc.

The Legislature approved funds from Specific Appropriation 2874 for the Office of Program Policy Analysis and Government Accountability (OPPAGA) to conduct an independent study of People First. OPPAGA released their People First study on

	COL A93		COL A94		COL A95		CODES
	POS	AMOUNT	POS	AMOUNT	POS	AMOUNT	
MANAGEMENT SRVCS, DEPT OF							72000000
WORKFORCE PROGRAMS							72750000
PGM: HUMAN RESOURCE MGT							72750100
GOV OPERATIONS/SUPPORT							16
GOVERNMENTAL OPERATIONS							<u>1601.00.00.00</u>
SCHEDULE VIIIB REDUCTIONS -							
OPERATING							33B0000
FIFTEEN PERCENT REDUCTION -							
PEOPLE FIRST							33B7240

January 22, 2009, to the Governor, Senate and House. The primary recommendation was for the Department to continue the contract with the service provider through renegotiation (all currently outsourced components remain outsourced). On December 8, 2009, the Department executed an agreement to renew the contract with the service provider through August 2016.

Highlights of the main achievements from the negotiation include:

1. Reduces contact cost by \$45 million over the life of the contract. The contract savings begin January 2010 and exceed OPPAGA's maximum expected cost savings of \$40.25 million.
2. Avoids annual escalation costs.
3. Improves services at the People First Service Center, improves People First system performance and strengthens the vendor's performance metrics.
4. Avoids significant risk of service disruption to more than 240,000 users.
5. Avoids significant implementation and transition costs.

The negotiated renewal agreement reduces the annual contact payment every year through 2016, as follows:

Renewal Contract Payment & Annual Savings by Fiscal Years

Beginning	Through	# of Months	Renewal Payments	Savings	Annualized Savings
1/1/2010	6/30/2010	6.00	\$20,201,712.00	\$1,875,000.00	
7/1/2010	6/30/2011	12.00	\$39,903,424.02	\$4,249,999.98	
7/1/2011	6/30/2012	12.00	\$38,195,090.22	\$5,958,333.78	
7/1/2012	6/30/2013	12.00	\$36,539,863.62	\$7,613,560.38	
7/1/2013	8/20/2016	37.67	\$113,301,850.96	\$25,303,105.88	\$8,060,453.16
Totals		79.67	\$248,141,940.82	\$45,000,000.02	

Total Payments (with Renewals)	\$248,141,940.82
Total Payments (without renewals)	\$293,141,940.84
Savings	\$ 45,000,000.02
Original Fiscal Year Contract Payment	\$44,153,424.00

The original annual contract payment to NorthgateArinso was \$44,153,424, which was reduced \$4,250,000 to \$39,903,424 or

	COL A93	COL A94	COL A95	
	SCH VIII B-2	SCH VIII B-2	SCH VIII B-2	
	REDUCTIONS	NR FY11-12	ANZ FY11-12	
POS	AMOUNT	POS	AMOUNT	POS
				AMOUNT
				CODES
MANAGEMENT SRVCS, DEPT OF				72000000
WORKFORCE PROGRAMS				72750000
PGM: HUMAN RESOURCE MGT				72750100
GOV OPERATIONS/SUPPORT				16
GOVERNMENTAL OPERATIONS				1601.00.00.00
SCHEDULE VIII B REDUCTIONS -				
OPERATING				33B0000
FIFTEEN PERCENT REDUCTION -				
PEOPLE FIRST				33B7240

9.6% for Fiscal Year 2010-11. The annual contract payment was further reduced \$1,708,334 for \$38,195,090 for Fiscal Year 2011-12. This additional reduction results in a total cost reduction of \$5,958,333 or 13.5% for Fiscal Year 2011-12 when compared to the original annual contract payment. Section 4.1 of the People First renegotiated contract stipulates the monthly payments, and \$1,708,333 is a planned reduction for Fiscal Year 2011-12. This reduction is included as part of the larger 15 percent cost reduction (\$5,985,514) request. The remaining \$4,277,181 is described in a separate issue summary.

FISCAL INFORMATION: The Department is requesting a cost reduction of \$1,708,333 for Fiscal Year 2011-12.

State Personnel System Trust Fund (2678)  
 Special Categories: HR Statewide Contract Payment (107080) (1,708,333) FSI=1  
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FIFTEEN PERCENT REDUCTION -				
POTENTIAL EXCESS DATA PROCESSING				
BUDGET DUE TO CREDITS				33B7260
DATA PROCESSING SERVICES				210000
SOUTHWOOD SRC				210021
STATE PERSONNEL SYSTEM TF -STATE	13,688-			2678 1
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AGENCY ISSUE NARRATIVE:  
 SCH VIII B-2 NARR 11-12 NARRATIVE: IT COMPONENT? NO  
 PRIORITY #13

ISSUE SUMMARY: Human Resource Management - Each agency is required to meet a 15% reduction target. After careful consideration of the operations of the program, it was determined that the following reduction would have the least impact on the customers we serve. This issue requests a reduction in the Data Processing Services: Southwood Shared Resource Center (SSRC) category of \$13,688.

PROBLEM AND SOLUTION STATEMENT: To minimize the impact to our customers while still meeting the target 15% reduction, the program gave careful consideration to our operations while developing the proposed reduction.

COL A93		COL A94		COL A95		CODES
SCH VIIIB-2		SCH VIIIB-2		SCH VIIIB-2		
REDUCTIONS		NR FY11-12		ANZ FY11-12		
POS	AMOUNT	POS	AMOUNT	POS	AMOUNT	
						72000000
						72750000
						72750100
						16
						<u>1601.00.00.00</u>
						33B0000
						33B7260

MANAGEMENT SRVCS, DEPT OF  
 WORKFORCE PROGRAMS  
 PGM: HUMAN RESOURCE MGT  
 GOV OPERATIONS/SUPPORT  
 GOVERNMENTAL OPERATIONS  
 SCHEDULE VIIIB REDUCTIONS -  
 OPERATING  
 FIFTEEN PERCENT REDUCTION -  
 POTENTIAL EXCESS DATA PROCESSING  
 BUDGET DUE TO CREDITS

The State Personnel System (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 encompasses 31 agencies in the Executive branch of government with 115,000 employees in the Career Service, Selected Exempt Service and Senior Management Service pay plans and other personal services (OPS) employees. The Division of Human Resource Management (HRM) oversees the human resource infrastructure for the SPS. 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 entities within the SPS. The division has taken a highly aggressive approach in reviewing its expenditures in an effort to maximize use of our resources, while minimizing cost wherever possible. The appropriation for Data Processing Services - SSRC has an undesignated balance of \$13,688 for the current fiscal year. We identified this balance as a reserve amount for the category since this amount exceeds our current fiscal year planned needs. However, in the past, these funds have been used to pay unplanned under billings from the prior fiscal year, which are billed in the current fiscal year. The Southwood Shared Resource Center reconciles its' cost verses its' billings for the prior year, then presents invoices for those under billings to be paid from our current appropriation. The under billing invoice for Fiscal Year 2008-09 was delivered in May 2010 and paid from the Fiscal Year 2009-10 appropriation for \$25,382. If this practice continues, a permanent reduction in this appropriation will deliver an annual recurring category shortfall. Chapter 110 and Section 216.011(1)(j), F.S., authorize this function. This reduction will not have a statutory impact.

FISCAL INFORMATION: As noted, these funds have been used to cover unplanned under billings from the previous fiscal years. If the under-billing practice continues by the SSRC, a permanent reduction in this appropriation will result in an annual recurring category shortfall. The reduction offered in the Data Processing Services: Southwood Shared Resource Center (SSRC) category totals \$13,688.

State Personnel System Trust Fund (2678)  
 Data Processing Services - SSRC (210021)

(13,688) FSI=1

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	COL A93	COL A94	COL A95	
	SCH VIIIB-2	SCH VIIIB-2	SCH VIIIB-2	
	REDUCTIONS	NR FY11-12	ANZ FY11-12	
POS	AMOUNT	POS	AMOUNT	POS
				AMOUNT
				CODES
MANAGEMENT SRVCS, DEPT OF				72000000
WORKFORCE PROGRAMS				72750000
PGM: HUMAN RESOURCE MGT				72750100
GOV OPERATIONS/SUPPORT				16
GOVERNMENTAL OPERATIONS				1601.00.00.00
SCHEDULE VIIIB REDUCTIONS -				
OPERATING				33B0000
FIFTEEN PERCENT REDUCTION -				
STATE EMPLOYEE'S CHARITABLE				
CAMPAIGN				33B7290
SPECIAL CATEGORIES				100000
ST EMP CHARITABLE CAMPAIGN				107777
GENERAL REVENUE FUND				
-STATE	2,550-			1000 1

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AGENCY ISSUE NARRATIVE:  
 SCH VIIIB-2 NARR 11-12 NARRATIVE: IT COMPONENT? NO  
 PRIORITY #12

ISSUE SUMMARY: Human Resource Management - Each agency is required to meet a 15% reduction target. After careful consideration of the operations of the program, it was determined that the following reduction would have the least impact on the customers we serve. This issue requests a reduction in the Special Categories: Florida State Employees' Charitable Campaign (FSECC) appropriation of \$2,550.

PROBLEM AND SOLUTION STATEMENT: To minimize the impact to our customers while still meeting the target 15% reduction, the program gave careful consideration to our operations while developing the proposed reduction.

The Florida State Employees' Charitable Campaign (FSECC) provides an organized and efficient method by which state employees can donate to the charities of their choice, either through payroll deduction or a one-time gift. The FSECC is the only authorized solicitation of state employees allowed at the workplace during work hours. Employee contributions to the annual FSECC are entirely voluntary and averages just under \$5 million per year. Employees' generosity funds as many as 1,400 FSECC-approved charitable organizations, which provide services and programs to meet basic human or environmental needs throughout Florida and around the world. The Department of Management Services (DMS) has statutory authority to administer the charitable campaign and to contract with a fiscal agent. The Division of Human Resource Management (HRM) has been delegated the responsibility of administering the program in its entirety. HRM administers the rules and provides rule interpretations; prepares correspondence on behalf of the Governor and oversees content for the campaign brochures; develops, distributes, receives, and reviews campaign applications and enters data into a centralized database; responds to inquiries from organizations regarding the application process, charitable registrations, and criteria for participation in the FSECC; staffs the FSECC State Steering Committee; chairs the FSECC Steering Committee and coordinates meetings; extracts and reformats data to get a usable report for Steering Committee determinations regarding participants; produces reports of rejected organizations; notifies rejected organizations; compiles informal appeals information; verifies agencies' solicitations of contributions registrations with the Division of Consumer Services, Department of Agriculture and Consumer Service; compiles and provides campaign coordinator data to the fiscal agent; oversees activities related to pledge forms processing and computer runs to create pre-printed pledge forms; responds to inquiries from the fiscal agent, organizations and state employees' regarding campaign administration and organizations participating in the campaign; and oversees the petition process by which over 2,500 claims are annually

COL A93		COL A94		COL A95		CODES
SCH VIII B-2		SCH VIII B-2		SCH VIII B-2		
REDUCTIONS		NR FY11-12		ANZ FY11-12		
POS	AMOUNT	POS	AMOUNT	POS	AMOUNT	
MANAGEMENT SRVCS, DEPT OF						
WORKFORCE PROGRAMS						
PGM: HUMAN RESOURCE MGT						
GOV OPERATIONS/SUPPORT						
GOVERNMENTAL OPERATIONS						
SCHEDULE VIII B REDUCTIONS -						
OPERATING						
FIFTEEN PERCENT REDUCTION -						
STATE EMPLOYEE'S CHARITABLE						
CAMPAIGN						
						72000000
						72750000
						72750100
						16
						<u>1601.00.00.00</u>
						33B0000
						33B7290

evaluated by the State Steering Committee for allocating undesignated funds collected by the campaign. HRM develops and implements periodic Request for Proposals (RFP) to secure a fiscal agent and manages the fiscal agent contract. This service contract requires extensive oversight due to the accounting and remittance process being decentralized in 26 fiscal agent areas. The department receives an annual appropriation of \$17,000 to compensate for the administrative tasks outlined above. The division has taken a highly aggressive approach in reviewing its expenditures in an effort to maximize use of our resources, while minimizing cost wherever possible. A reduction is offered for \$2,550. This reduction is associated with the Division's ability to cover certain fixed costs of the FSECC such as public noticing requirements, certified mailings, etc., that must be paid from this appropriation. Adjustments would have to be made to the number of Other Personal Services (OPS) hours available to support administration and the production of detailed reports on the large volume of data that the Statewide Steering Committee must analyze. This would mean that completion of data entry and screening of over 1,400 annual applications from charitable organizations to participate in FSECC would be heavily dependent on the availability of FTE staff (support and professional), which would drastically slow down the analysis process and the subsequent activities related to final determinations of the eligibility of each charity to participate and to receive an allocation of undesignated funds. The Statewide Steering Committee will have to rely solely on electronic means to review data to meet their due diligence as required by rule, which means individually inspecting each actual application in lieu of relying on coordinated analysis and evaluation. This will negatively impact their ability to effectively and efficiently render recommendations to the division on eligibility of charitable organizations. This reduction will have a drastic impact on delivery of Program services and the timeliness of critical campaign activities. Section 110.181, F.S., authorizes this function. This reduction would impact the statutory requirements, if the effectiveness of the campaign is impacted by slower processing of all activities.

FISCAL INFORMATION: As noted, this reduction will have a drastic impact on the delivery of Program services. The reduction offered in the Special Categories: Florida State Employee's Charitable Campaign (FSECC) totals \$2,550.

General Revenue (1000)

Special Categories: Florida State Employee's Charitable Campaign (FSECC) (107777) (2550) FSI=1

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COL A93		COL A94		COL A95		CODES
SCH VIII B-2		SCH VIII B-2		SCH VIII B-2		
REDUCTIONS		NR FY11-12		ANZ FY11-12		
POS	AMOUNT	POS	AMOUNT	POS	AMOUNT	
MANAGEMENT SRVCS, DEPT OF						72000000
WORKFORCE PROGRAMS						72750000
PGM: HUMAN RESOURCE MGT						72750100
GOV OPERATIONS/SUPPORT						16
GOVERNMENTAL OPERATIONS						<u>1601.00.00.00</u>
SCHEDULE VIII B REDUCTIONS -						
OPERATING						33B0000
FIFTEEN PERCENT REDUCTION -						
PEOPLE FIRST - CONTRACT						
NONCOMPLIANCE						33B7300
SPECIAL CATEGORIES						100000
HUMAN RES SVC/STW CONTRACT						107080
STATE PERSONNEL SYSTEM TF -STATE						
	4,277,181-					2678 1

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AGENCY ISSUE NARRATIVE:  
 SCH VIII B-2 NARR 11-12 NARRATIVE: IT COMPONENT? NO  
 PRIORITY #49

Issue Summary: Human Resource Management- People First Contract - Each agency is required to meet a 15% reduction target. After careful consideration of the operations of the program, it was determined that the following reduction would have the least impact on the customers we serve. This issue is requesting a \$4,277,181 cost reduction to the annual payment appropriated to the Department of Management Services for the People First contract for Fiscal Year 2011-12, as part of the 15 percent cost reduction (\$5,985,514) request. The remaining \$1,708,333 is described in a separate issue summary. Reducing the annual contract payment by \$4,277,180 through additional cost reductions, however, is not in the best interests of the state and could result in contract termination and elimination of system intellectual property rights.

The Department pays its service provider (NorthgateArinso) on a monthly basis for providing the State with a self-service, secure, web-based personnel information system and an enterprise-wide suite of human resource services (known as People First). On December 8, 2009, the Department executed an agreement to renew the contract with the service provider through August 2016, which resulted in a cost reduction of \$45 million over the life of the contract. The negotiated renewal agreement reduces the contact payment to the service provider every month, starting in January 2010 and extending through August 2016.

Problem and Solution Statement: Section 110.116, Florida Statutes, requires the Department of Management Services to establish and maintain, in coordination with the payroll system of the Department of Financial Services, a complete personnel information system for all authorized and established positions in state service. The Department may also contract with a vendor to provide the personnel information system. Sections 215.93-94, Florida Statutes, direct the Department to be the functional owner of the system.

On August 21, 2002, the Department contracted with Convergys Customer Management Group, Inc. to provide the State with a self-service, secure, web-based personnel information system and an enterprise-wide suite of human resource services (known as People First). Convergys was recently acquired by NorthgateArinso, Inc., on June 2, 2010, and will be hereafter referred to as "NorthgateArinso". The contract with NorthgateArinso expires August 21, 2016.

	COL A93	COL A94	COL A95	
	SCH VIII B-2	SCH VIII B-2	SCH VIII B-2	
	REDUCTIONS	NR FY11-12	ANZ FY11-12	
POS	AMOUNT	POS	AMOUNT	POS
				AMOUNT
				CODES
MANAGEMENT SRVCS, DEPT OF				72000000
WORKFORCE PROGRAMS				72750000
PGM: HUMAN RESOURCE MGT				72750100
GOV OPERATIONS/SUPPORT				16
GOVERNMENTAL OPERATIONS				1601.00.00.00
SCHEDULE VIII B REDUCTIONS -				
OPERATING				33B0000
FIFTEEN PERCENT REDUCTION -				
PEOPLE FIRST - CONTRACT				
NONCOMPLIANCE				33B7300

The system streamlines and automates the state's human resource functions, such as payroll preparation, attendance and leave, staffing, benefits administration, human resource administration, organizational management, and data warehouse report querying. NorthgateArinso also maintains two People First Service Centers (located in Tallahassee and Jacksonville) that provides a wide array of services, including, benefits enrollment, appeals, refunds, reinstatements, job postings, job application assistance, system technical and navigational assistance, password resets, etc.

The Legislature approved funds from Specific Appropriation 2874 for the Office of Program Policy Analysis and Government Accountability (OPPAGA) to conduct an independent study of People First. OPPAGA released their People First study on January 22, 2009, to the Governor, Senate and House. The primary recommendation was for the Department to continue the contract with the service provider through renegotiation (all currently outsourced components remain outsourced). On December 8, 2009, the Department executed an agreement to renew the contract with the service provider through August 2016.

Highlights of the main achievements from the negotiation include:

1. Reduces contact cost by \$45 million over the life of the contract. The contract savings begin January 2010 and exceed OPPAGA's maximum expected cost savings of \$40.25 million.
2. Avoids annual escalation costs.
3. Improves services at the People First Service Center, improves People First system performance and strengthens the vendor's performance metrics.
4. Avoids significant risk of service disruption to more than 240,000 users.
5. Avoids significant implementation and transition costs.

The negotiated renewal agreement reduces the annual contact payment every year through 2016, as follows:

Renewal Contract Payment & Annual Savings by Fiscal Years

Beginning	Through	# of Months	Renewal Payments	Savings	Annualized Savings
1/1/2010	6/30/2010	6.00	\$20,201,712.00	\$1,875,000.00	
7/1/2010	6/30/2011	12.00	\$39,903,424.02	\$4,249,999.98	
7/1/2011	6/30/2012	12.00	\$38,195,090.22	\$5,958,333.78	
7/1/2012	6/30/2013	12.00	\$36,539,863.62	\$7,613,560.38	
7/1/2013	8/20/2016	37.67	\$113,301,850.96	\$25,303,105.88	\$8,060,453.16
Totals		79.67	\$248,141,940.82	\$45,000,000.02	



	COL A93	COL A94	COL A95	
	SCH VIIIIB-2	SCH VIIIIB-2	SCH VIIIIB-2	
	REDUCTIONS	NR FY11-12	ANZ FY11-12	
POS	AMOUNT	POS	AMOUNT	POS
				AMOUNT
				CODES
MANAGEMENT SRVCS, DEPT OF				72000000
WORKFORCE PROGRAMS				72750000
PGM: HUMAN RESOURCE MGT				72750100
GOV OPERATIONS/SUPPORT				16
GOVERNMENTAL OPERATIONS				1601.00.00.00
SCHEDULE VIIIIB REDUCTIONS -				
OPERATING				33B0000
FIFTEEN PERCENT REDUCTION -				
PEOPLE FIRST - CONTRACT				
NONCOMPLIANCE				33B7300
Total Payments (with Renewals)	\$248,141,940.82			
Total Payments (without renewals)	\$293,141,940.84			
Savings	\$ 45,000,000.02			
Original Fiscal Year Contract Payment	\$44,153,424.00			

The original annual contract payment to NorthgateAriso was \$44,153,424, which was reduced \$4,250,000 to \$39,903,424 or 9.6% for Fiscal Year 2010-11. The annual contract payment was further reduced \$1,708,333 to \$38,195,090 for Fiscal Year 2011-12. This additional reduction results in a total cost reduction of \$5,958,333 or 13.5% for Fiscal Year 2011-12 when compared to the original annual contract payment. Section 4.1 of the People First renegotiated contract stipulates the monthly payments, and \$1,708,333 is a planned reduction for Fiscal Year 2011-12. The remaining \$4,277,181 is in addition to the existing Fiscal Year 2011-12 cost reductions already stipulated in the contract to reach the 15 percent cost reduction (\$5,985,514) request.

Reaching the remaining \$4,277,181 through additional cost reductions, however, is not in the best interests of the state and could result in contract termination and elimination of system intellectual property rights. Section 7.2.3 of the People First contract allows either party to terminate the contract upon 60 days notice if the State fails to appropriate for any fiscal year sufficient funds for the Department to perform its obligations under the contract. A 60 day termination notice would leave the Department and all 240,000 system users in an untenable position to maintain a very complex enterprise-wide personnel information system and associated services. The Department estimates 24 months to effectively transition to a new vendor. In addition, the Department would not be entitled to a workable license to use the People First system (no intellectual property).

In order to avoid a termination for non-appropriation, the Department could choose to request specific reductions in contract services and deliverables in exchange for an equitable price reduction. A preliminary analysis of contract services to eliminate or modify did not turn up the cost reductions necessary to reach the 15% target. In addition, eliminating or modifying system enhancements, services, or performance metrics would likely result in a significant drop in customer service and an incomplete personnel information system. The State has positioned itself to have the intellectual rights to a fully functional, comprehensive personnel information system meeting the needs of 240,000 users. Recent surveys indicate a significant improvement in customer satisfaction since 2007. But reductions in contract services and deliverables would jeopardize the many improvements, and put the State at risk of not meeting the human resource needs of its customers as well as not meeting the intent of sections 110.116, 215.93-94, Florida Statutes.

FISCAL INFORMATION: The Department is requesting a reduction of \$4,277,181 for Fiscal Year 2011-12.

	COL A93	COL A94	COL A95	
	SCH VIIIB-2	SCH VIIIB-2	SCH VIIIB-2	
	REDUCTIONS	NR FY11-12	ANZ FY11-12	
POS	AMOUNT	POS	AMOUNT	POS
				AMOUNT
				CODES
MANAGEMENT SRVCS, DEPT OF				72000000
WORKFORCE PROGRAMS				72750000
PGM: HUMAN RESOURCE MGT				72750100
GOV OPERATIONS/SUPPORT				16
GOVERNMENTAL OPERATIONS				1601.00.00.00
SCHEDULE VIIIB REDUCTIONS -				
OPERATING				33B0000
FIFTEEN PERCENT REDUCTION -				
PEOPLE FIRST - CONTRACT				
NONCOMPLIANCE				33B7300
State Personnel System Trust Fund (2678)				
Special Categories: HR Statewide Contract Payment (107080)				
			(4,277,181)	FSI=1
*****				
FIFTEEN PERCENT REDUCTION -				
BUDGET AUTHORITY IN OPERATING				33B7630
APPROPRIATION CATEGORIES				010000
SALARIES AND BENEFITS				
GENERAL REVENUE FUND	-STATE	43,379-		1000 1
=====				
EXPENSES				040000
GENERAL REVENUE FUND	-STATE	11,562-		1000 1
OPERATING TRUST FUND	-STATE	16,114-		2510 1
-----				
TOTAL APPRO.....		27,676-		
=====				
SPECIAL CATEGORIES				100000
CONTRACTED SERVICES				100777
GENERAL REVENUE FUND	-STATE	7,907-		1000 1
=====				
ADMINISTRATIVE OVERHEAD				105002
GENERAL REVENUE FUND	-STATE	4,311-		1000 1
=====				

	COL A93 SCH VIII B-2 REDUCTIONS	COL A94 SCH VIII B-2 NR FY11-12	COL A95 SCH VIII B-2 ANZ FY11-12	CODES
	POS	AMOUNT	POS	AMOUNT
MANAGEMENT SRVCS, DEPT OF				72000000
WORKFORCE PROGRAMS				72750000
PGM: HUMAN RESOURCE MGT				72750100
GOV OPERATIONS/SUPPORT				16
GOVERNMENTAL OPERATIONS				<u>1601.00.00.00</u>
SCHEDULE VIII B REDUCTIONS -				
OPERATING				33B0000
FIFTEEN PERCENT REDUCTION -				
BUDGET AUTHORITY IN OPERATING				
APPROPRIATION CATEGORIES				33B7630
DATA PROCESSING SERVICES				210000
SOUTHWOOD SRC				210021
GENERAL REVENUE FUND -STATE		2,663-		1000 1
TOTAL: FIFTEEN PERCENT REDUCTION -				33B7630
BUDGET AUTHORITY IN OPERATING				
APPROPRIATION CATEGORIES				
TOTAL ISSUE.....		85,936-		

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POSITION DETAIL OF SALARIES AND BENEFITS:

	FTE	BASE RATE	ADDITIVES	BENEFITS	SUBTOTAL	LAPSE %	LAPSED SALARIES AND BENEFITS
A93 - SCH VIII B-2 REDUCTIONS							
CHANGES TO CURRENTLY AUTHORIZED POSITIONS							
OTHER SALARY AMOUNT							
1000 GENERAL REVENUE FUND							43,379-
							43,379-
							=====
TOTAL: GOVERNMENTAL OPERATIONS							<u>1601.00.00.00</u>
BY FUND TYPE							
GENERAL REVENUE FUND		72,372-					1000
TRUST FUNDS		6,596,687-					2000
TOTAL PROG COMP.....		6,669,059-					=====

	COL A93	COL A94	COL A95	
	SCH VIII B-2	SCH VIII B-2	SCH VIII B-2	
	REDUCTIONS	NR FY11-12	ANZ FY11-12	
POS	AMOUNT	POS	AMOUNT	POS
				AMOUNT
				CODES
MANAGEMENT SRVCS, DEPT OF				72000000
WORKFORCE PROGRAMS				72750000
PGM: INS BENEFITS ADMIN				72750200
GOV OPERATIONS/SUPPORT				16
GOVERNMENTAL OPERATIONS				1601.00.00.00
SCHEDULE VIII B REDUCTIONS -				
OPERATING				33B0000
FIFTEEN PERCENT REDUCTION -				
SALARY AND BENEFITS -				
EMPLOYEE FURLOUGH				33B7180
SALARIES AND BENEFITS				010000
PRETAX BENEFITS TRUST FUND-STATE	64,242-			2570 1
STATE EMPLY LIFE INS TF -STATE	3,144-			2667 1
STATE EMPLY HEALTH INS TF -STATE	198,558-			2668 1
STATE EMPLOYEES DIS INS TF-STATE	4,116-			2671 1
TOTAL APPRO.....	270,060-			

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AGENCY ISSUE NARRATIVE:

SCH VIII B-2 NARR 11-12 NARRATIVE: IT COMPONENT? NO  
 PRIORITY# 61

ISSUE SUMMARY: Each agency is required to meet a 15% reduction target. Much of the agency's budget supports staff (people) resources to meet the mission of the organization. We are requesting furloughs be used to meet the salaries and benefits portion of the required reduction target. Furloughs provide the following operational and economic benefits: permits the gradual or immediate resumption of previous service levels as the fiscal shortfall subsides; saves recruitment and retraining costs to re-staff positions; no loss in experienced workforce; prevents an additional fiscal impact on state and local resources (unemployment compensation, food stamps, uninsured medical services, etc.) that would be caused by laid off employees seeking government services; and minimizes the negative economic impact on private sector businesses that would result from fewer goods and services being purchased by laid off employees, loan defaults, etc.

PROBLEM STATEMENT: To minimize long-term negative customer service level impacts and negative state, local and private sector economic impacts, salary reductions would be handled through a 15% furlough which translates to an average of 47 days per employee for the fiscal year, rather than through layoffs.

STATUTE REFERENCE: The definition of furlough is contained in s. 110.107(3), F.S., and is: A temporary reduction in the regular hours of employment in a pay period, or temporary leave without pay for one or more pay periods, with a commensurate reduction in pay, necessitated by a projected deficit in any fund that supports salary and benefit appropriations. Section 110.1225, F.S., requires that when furloughs are utilized that all affected employees are subject to the same reduction of hours for the same number of pay periods with a commensurate reduction in pay.

PROGRAM IMPACTS:

Federal Property Assistance Program (FPA):

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	COL A93	COL A94	COL A95	
	SCH VIII B-2	SCH VIII B-2	SCH VIII B-2	
	REDUCTIONS	NR FY11-12	ANZ FY11-12	
POS	AMOUNT	POS	AMOUNT	POS
				AMOUNT
				CODES
MANAGEMENT SRVCS, DEPT OF				72000000
WORKFORCE PROGRAMS				72750000
PGM: INS BENEFITS ADMIN				72750200
GOV OPERATIONS/SUPPORT				16
GOVERNMENTAL OPERATIONS				1601.00.00.00
SCHEDULE VIII B REDUCTIONS -				
OPERATING				33B0000
FIFTEEN PERCENT REDUCTION -				
SALARY AND BENEFITS -				
EMPLOYEE FURLOUGH				33B7180

The following program impacts are for the Federal Property Assistance Program (FPA): FPA provides customer service to over 500 public agencies and private/nonprofit health and education organizations throughout the State of Florida. Responsibilities include acquiring federal surplus or excess military equipment from the federal government and transferring it to agencies to assist in deferring the cost of new equipment. The Bureau coordinates the distribution of \$5.5 million in donated federal property each year. This 15% reduction will have a significant negative impact on the program. With 100% of the employees taking a 15% reduction in pay, we can expect an increased risk of resignations of key personnel that have vast amount of subject matter expertise regarding the Federal Property Assistance program. Additionally, with 100% of the employees taking a 15% reduction in work hours, we expect to experience a significant decrease in work productivity and customer service. Public agencies and private/nonprofit health and education organizations would see a significant decrease in the capability for acquiring and distributing federally owned tangible personal property declared excess/surplus by the Federal Government. FPA would not have the capability of conducting utilization checks on millions of dollars of property already donated. Lastly, this 15% reduction will negatively impact the program if an employee resigns or retires and requires a leave payout.

Bureau of Motor Vehicles and Watercraft Management:

The following program impacts are for the Bureau of Motor Vehicles and Watercraft Management: The Bureau provides customer service to 30 State agencies. The Bureau reviews and approves agency acquisition requests to ensure fleet purchases are cost effective, fuel efficient and appropriate for stated purchase. Additionally, the Bureau tracks the assignment, use, and maintenance of mobile equipment and coordinates the disposal of state-owned mobile equipment. This 15% reduction will have a significant negative impact on the program. With 100% of the employees taking a 15% reduction in pay, we can expect an increased risk of resignations of key personnel with over 46 years of subject matter expertise regarding the Equipment Management Information System (EMIS), acquisition and disposal of the State's fleet. These critical duties cannot be absorbed by other staff due to the high level expertise required to research, develop and implement mobile equipment technical specifications and replacement criteria. Additionally, with 100% of the employees taking a 15% reduction in work hours, we expect to experience a significant decrease in work productivity and customer service. The projected turnaround time for the acquisition and disposal approval process would be extended from 2 to 5 workdays. Lastly, this 15% reduction will negatively impact the Bureau if an employee resigns or retires and requires a leave payout.

Office of Supplier Diversity (OSD):

Furloughing staff will have a devastating effect on proving outreach service for the Department's customers. Furloughing will cause delays in certifying firms and providing the mandatory monthly reports required by statute, also due to the lack of outreach services there will be a reduction in the number of firms that will register in MyFloridaMarketPlace as vendors, which will also have an impact of the number of companies bidding on state and local government projects. A reduction in bidders on projects may result in the state and local governments paying a higher price for goods and

COL A93		COL A94		COL A95		CODES
SCH VIII B-2		SCH VIII B-2		SCH VIII B-2		
REDUCTIONS		NR FY11-12		ANZ FY11-12		
POS	AMOUNT	POS	AMOUNT	POS	AMOUNT	
						72000000
						72750000
						72750200
						16
						<u>1601.00.00.00</u>
						33B0000
						33B7180

MANAGEMENT SRVCS, DEPT OF  
 WORKFORCE PROGRAMS  
 PGM: INS BENEFITS ADMIN  
 GOV OPERATIONS/SUPPORT  
 GOVERNMENTAL OPERATIONS  
 SCHEDULE VIII B REDUCTIONS -  
 OPERATING  
 FIFTEEN PERCENT REDUCTION -  
 SALARY AND BENEFITS -  
 EMPLOYEE FURLOUGH

services due to the lack of competition. The furloughing of staff will affect state agencies, universities, local governments and private contractors who depend on OSD to provide assurance that a company is a bonafide certified company. These entities depend on getting this information in a timely matter. If this information is delayed or not received will result in contracts not being bided and awarded in a timely manner. This can also lead to projects being stopped which causes mobilization to occur again which increases the price to the state and local government entities through change orders. All of these things cause services to the taxpaying citizens to be late, interrupted or not provided.

Building Construction:

To reduce staffing costs by 15%, Building Construction will need to furlough staff by approximately 47 days throughout the Fiscal Year. This reduction in staffing will reduce the oversight available for construction projects which may result in delays in completing projects when contractors need approvals for each phase of work, prior to review by permit authorities and approvals from DMS for work completed before proceeding to the next task. Such furloughs will also complicate communications with our client agencies regarding customers' needs and concerns. Delays in projects may result in continued degradation of DMS-managed facilities if faulty or failing equipment isn't replaced in a timely manner and physical plant problems aren't addressed before the situation worsens.

Human Resource Management

Policy Team

The State Personnel System (SPS) is part of the executive branch of state government and consists of 31 agencies that operate under a single set of employment laws, policies, and practices. These policies affect 105,031 FTE employees and 9,965 Other Personnel Services (OPS) employees, making the SPS the largest employer in state government.

The Division develops and administers core human resource (HR) policies, strategies, and practices for the State Personnel System and provides expertise and consultative services to ensure the lawful, effective and efficient implementation of human resource programs by the SPS agencies. As part of this role, the Division statutorily serves, on behalf of the Governor, as the Chief Labor Negotiator with six labor unions covering 13 collective bargaining units.

As a single employer, this Division is necessary to ensure an equitable and lawful system of employment, uniformity in application of core policies exist between agencies, the SPS remains a competitive employer capable of recruiting and retaining a highly competent workforce and Florida's citizens receive quality services.

This reduction equates to approximately a 2 day reduction in staff hours for each division employee for each two week pay period during the entire fiscal year. This 20% reduction in weekly staff hour availability will cause a severe

COL A93		COL A94		COL A95		CODES
SCH VIII B-2		SCH VIII B-2		SCH VIII B-2		
REDUCTIONS		NR FY11-12		ANZ FY11-12		
POS	AMOUNT	POS	AMOUNT	POS	AMOUNT	
MANAGEMENT SRVCS, DEPT OF						72000000
WORKFORCE PROGRAMS						72750000
PGM: INS BENEFITS ADMIN						72750200
GOV OPERATIONS/SUPPORT						16
GOVERNMENTAL OPERATIONS						<u>1601.00.00.00</u>
SCHEDULE VIII B REDUCTIONS -						
OPERATING						33B0000
FIFTEEN PERCENT REDUCTION -						
SALARY AND BENEFITS -						
EMPLOYEE FURLOUGH						33B7180

disruption in the delivery of division services to the executive branch agencies and their employees, the Executive Office of the Governor, and legislative staff and will require that some activities be suspended or eliminated. Because division program areas are already minimally staffed, the necessary resources will not always be available on the same days due to staggered work schedules required by the furloughs. Additionally, the negative impact on productivity from normal absenteeism due to illness, etc., will be greatly magnified.

This overall loss of productivity will significantly impede the division and its customers from meeting statutory obligations and increase the potential for lawsuits and financial penalties.

Specifically, this reduction:

1. Jeopardizes the equitable and lawful administration of the State Personnel System by significantly impacting the agencies' ability to effectively manage agency operations and implement legislatively mandated programs due to:

Significant delays in providing critical policy directives to agencies related to numerous federal and state employment laws and rules, i.e., Fair Labor Standards Act (FLSA), Equal Employment Opportunity (EEO), Americans with Disabilities Act (ADA), the Family and Medical Leave Act (FMLA), employment and reemployment rights of veterans, and attendance and leave requirements, resulting in increased lawsuits by employees and the assessment of substantial financial penalties by the federal government;

Drastic increases in response time for analysis and approval of key agency HR operational actions such as reorganization requests; reclassification of positions; establishment of new classes; special risk designations; workforce layoff plans; regular compensatory leave and extraordinary payment plans and pay additive requests; and

Reduced responsiveness to daily telephone and email requests for technical assistance on a myriad of HR issues.

2. Severely impacts our ability to effectively represent the Governor as the State's chief labor negotiator, causing a significant reduction in collective bargaining unit contract oversight and delaying the processing of Step 3 grievances, and resulting in an escalation in disputes with labor organizations with commensurate increases in union filings of unfair labor practice claims.

3. Eliminates our ability to administer and oversee the Florida State Employees' Charitable Campaign resulting in the suspension of the Campaign at a loss of approximately \$5 million per year to charitable organizations which provide direct services to the citizens of Florida.

COL A93		COL A94		COL A95		CODES
SCH VIII B-2		SCH VIII B-2		SCH VIII B-2		
REDUCTIONS		NR FY11-12		ANZ FY11-12		
POS	AMOUNT	POS	AMOUNT	POS	AMOUNT	
MANAGEMENT SRVCS, DEPT OF						72000000
WORKFORCE PROGRAMS						72750000
PGM: INS BENEFITS ADMIN						72750200
GOV OPERATIONS/SUPPORT						16
GOVERNMENTAL OPERATIONS						<u>1601.00.00.00</u>
SCHEDULE VIII B REDUCTIONS -						
OPERATING						33B0000
FIFTEEN PERCENT REDUCTION -						
SALARY AND BENEFITS -						
EMPLOYEE FURLOUGH						33B7180

4. Reduces our ability to develop policy-driven business rules and operational requirements for the People First human resource information system; thereby impacting the system's ability to meet the needs of the State Personnel System.
5. Reduces the content and timeliness of the Annual Workforce Report. This statutorily required report provides demographic and trend data regarding the State Personnel System workforce.
6. Causes delays in meeting federal reporting requirements (EEO-4 Report).
7. Eliminates our ability to provide training to agency HR staff on critical federal and state requirements.

People First Team  
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This reduction equates to approximately a 2 day reduction in staff hours for each People First Team employee for each two week pay period during the entire fiscal year. This reduction will cause a severe disruption in the delivery of services to all 240,000 users of the People First system, and will require that some activities be eliminated. People First users include executive branch agencies, State Courts System, Justice Administrative Commission, Lottery, Legislature, University System, and retirees. Job applicants will be impacted as well.

Specifically, this reduction:

1. Weakens our ability to ensure effective day-to-day oversight and contract management activities of the outsourced vendor (NorthgateArinso), which includes: monitoring the status of current contract deliverables and performance metrics; overseeing contract amendment and change order processes; coordinating the monthly business review meetings between the state and service provider; and monitoring NorthgateArinso's four subcontractors (i.e., PeopleClick Authoria (staffing module), Fringe Benefits Management Corporation (flexible spending account), Horizon Health / Aetna (EAP provider) and Wachovia (lockbox)).
2. Eliminates our ability to monitor service center performance to ensure accuracy of information provided, determine training or process improvement needs, and investigate concerns and complaints.
3. Weakens our ability to monitor NorthgateArinso's adherence to the security plan, review the semi-annual SAS 70 report, maintain the state of Florida security guidelines manual, monitor Level II background screening, monitor the annual business continuity plan exercise, and audit the two service centers for data security compliance.
4. Jeopardizes our ability to manage the system release life cycle for the additional system enhancements included in the renewal contract as well as any other system improvement or enhancements. Our role includes identifying the state's business requirements, providing the service provider with written confirmation of the requested change, reviewing and



	COL A93	COL A94	COL A95	
	SCH VIII B-2	SCH VIII B-2	SCH VIII B-2	
	REDUCTIONS	NR FY11-12	ANZ FY11-12	
POS	AMOUNT	POS	AMOUNT	POS
				AMOUNT
				CODES
MANAGEMENT SRVCS, DEPT OF				72000000
WORKFORCE PROGRAMS				72750000
PGM: INS BENEFITS ADMIN				72750200
GOV OPERATIONS/SUPPORT				16
GOVERNMENTAL OPERATIONS				1601.00.00.00
SCHEDULE VIII B REDUCTIONS -				
OPERATING				33B0000
FIFTEEN PERCENT REDUCTION -				
SALARY AND BENEFITS -				
EMPLOYEE FURLOUGH				33B7180

approving system technical specifications, coordinating and approving user acceptance testing, and overseeing the roll-out of the enhancements through employee training and communication.

5. Jeopardizes our ability to provide NorthgateArinso with Benefits Open Enrollment system changes and vendor oversight of the annual Open Enrollment process.

6. Eliminates our ability to effectively plan for the next generation HR solution (i.e., the contract with NorthgateArinso expires August 21, 2016), which includes researching best practices, reviewing lessons learned, analyzing trends, defining strengths and weaknesses of the current contract, and proactively planning for future success.

7. Reduces our ability to effectively manage and oversee the upcoming procurement process, which includes business case development, bid development, vendor selection, and contract negotiations. Coordinating procurement documents to prepare for the end of the current contract include the development of comprehensive transition, staffing, change management, training, interface, security, migration, and business continuity plans.

8. Eliminates our ability to serve our state agency customers by producing data for recurring report requests (e.g., OPS YTD Hours report, LASPBS Reconciliation reports, Pay Additive Monitoring reports, PAR data extracts, Workforce Reports, etc.), and inputting large amounts of data into the People First system via mass loads. All stakeholders will be required to run their own reports, and input large amounts of data into the People First system on a position by position basis.

9. Reduces our ability to respond to public records requests for personnel data in a timely basis.

10 Eliminates our ability to provide support and issue resolution to customers and timely communication to all stakeholders, as well as, our ability to provide training for user groups in a variety of mediums.

Private Prison Monitoring:

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 This is expected to have a detrimental impact on our program area. With 100% of the employees taking a 15% cut in pay, we can expect an increased risk of resignations, especially if employees were impacted by a furlough during FY 2010-2011. Additionally, with 100% of the employees taking a 15% reduction in work hours, we expect to experience a marked decrease in work productivity and customer service. More concerning, the diminished ability of our program area to monitor the state's private prison contractors has negative public safety implications. Our staff will no longer be able to adequately monitor physical plant preventative maintenance and repairs relative to security electronics that monitor fence integrity designed to prevent and alarm if people are attempting to enter/exit the facility unlawfully, monitor dormitory security and emergency safety systems designed to enhance officer/inmate safety and prevent escapes, and ensure support systems are in place, designed to provide for constitutional and statutory minimum standards of living for

	COL A93	COL A94	COL A95	
	SCH VIII B-2	SCH VIII B-2	SCH VIII B-2	
	REDUCTIONS	NR FY11-12	ANZ FY11-12	
	POS	AMOUNT	POS	AMOUNT
				AMOUNT
				CODES
MANAGEMENT SRVCS, DEPT OF				72000000
WORKFORCE PROGRAMS				72750000
PGM: INS BENEFITS ADMIN				72750200
GOV OPERATIONS/SUPPORT				16
GOVERNMENTAL OPERATIONS				1601.00.00.00
SCHEDULE VIII B REDUCTIONS -				
OPERATING				33B0000
FIFTEEN PERCENT REDUCTION -				
SALARY AND BENEFITS -				
EMPLOYEE FURLOUGH				33B7180

inmates relative to food service, medical and sanitary systems (laundry/sewage, etc). Further, the diminished presence or our monitors places greater risk on the Florida Department of Management Services and the Department of Corrections ability to withstand litigation that may result from poor vendor performance that impacts an inmate's liberty, constitutional or statutory rights. Statutory impact: Chapter 957 F.S.

Division of Telecommunications:

The Division of Telecommunications (DivTel) is statutorily charged to bring economies of scale, bulk purchasing leverage and interoperability to Florida's public sector telecommunications. Success requires tireless work and innovation given the perpetual rapid changes in the technology marketplace. By definition, if DivTel rests, it will become obsolete and unable to deliver cost savings to the State in the future.

In addition to maintaining \$110 million worth of telecommunications services demanded annually by our government customers, some examples of pending and upcoming projects that DivTel considers vital to its charge are:

Mobile Telecommunications consolidation to place all State mobile phones under a single "family plan" to achieve enterprise savings and establish accountability; Central Voice over IP (VoIP) management and coordination (known as Session Initiation Protocol Trunking) to enable as yet unrealized savings from this technology that is rapidly replacing traditional phone services; Improving competition and transparency of telephony hardware purchases that are common throughout State government under a contract known as SUNCOM Telephony Equipment Premise-Based Services or (STEPS); SUNCOM's Open and Shared Information System which empowers SUNCOM customers to effectively audit their bills, control costs and automate SUNCOM processes; Implementing telecommunications savings for the newly consolidated enterprise data centers per a mandate by law; and establishing an enterprise satellite telecommunications contract/service to achieve bulk purchase savings and standardization.

Clearly, many of these enterprise cost savings projects will be delayed or canceled for the fiscal year, given the complex challenges of each and the length of the proposed furloughs. And a new form of waste will be incurred from shelved work, disrupted efforts and triaged priorities. Furloughs will actually lead to increasing State costs rather than savings since no General Revenue can be returned and these DivTel enterprise cost savings projects will be impaired.

In addition, daily operations of DivTel have a direct impact on the daily operations of all State of Florida agencies. Telephone services to critical agencies such as the Department of Emergency Management, the Department of Environmental Protection, the Department of Children and Families, the Department of Law Enforcement, and the Department of Highway Safety, to name a few, are critical during times of urgent need and/or emergencies. DivTel is responsible for operating the SUNCOM Network Operations Center (NOC) which maintains these communications facilities. Furloughs will make it extremely difficult, if not impossible, for DivTel to provide a service level assuring 24x7 uninterrupted operations.

	COL A93	COL A94	COL A95	
	SCH VIIIIB-2	SCH VIIIIB-2	SCH VIIIIB-2	
	REDUCTIONS	NR FY11-12	ANZ FY11-12	
POS	AMOUNT	POS	AMOUNT	POS
				AMOUNT
				CODES
MANAGEMENT SRVCS, DEPT OF				72000000
WORKFORCE PROGRAMS				72750000
PGM: INS BENEFITS ADMIN				72750200
GOV OPERATIONS/SUPPORT				16
GOVERNMENTAL OPERATIONS				1601.00.00.00
SCHEDULE VIIIIB REDUCTIONS -				
OPERATING				33B0000
FIFTEEN PERCENT REDUCTION -				
SALARY AND BENEFITS -				
EMPLOYEE FURLOUGH				33B7180

Another factor to consider in the event of furloughs is that the installation times associated with new and additional services will be significantly increased. Many requests for additional communications facilities are in response to an emergency situation or other immediate need for increased capacity. Furloughs will limit the ability for DivTel to respond to these emergency situations. It will also be necessary for all SUNCOM services to be re-evaluated with regard to time periods for engineering, ordering, and installing. Given that each day of increased time in that cycle represents an additional day of lost cost savings or lost services for an agency, the actual costs to the State may be significantly higher than any savings realized from furloughs.

Due to the fact that State agencies rely on the SUNCOM network for voice, video, and data services, DivTel provides staff 24x7 to respond to network outages. This coverage model requires both overtime pay and on-call pay. Furloughs will mandate either eliminating this coverage or distributing the costs onto other employees by decreasing their work hours even lower than the required furlough percentage. In either case, network outages may become more frequent and have longer durations. In the event that a repair begun by a service vendor requires SUNCOM NOC staff to complete, Service Level Agreements (SLA's) in the State contracts may become unenforceable resulting in the loss of monetary compensation to the State for prolonged down times.

In the area of public safety telecommunications, DivTel brings economies of scale to statewide mission critical communications systems which benefit state, county and local agencies by: Providing administrative oversight and coordination for the State's E911 Plan supporting the E911 Board in distributing \$120 million in fees received in accordance with FS 365.172 for 911 purposes; Managing and monitoring contract performance along with enhancement projects for the Statewide Law Enforcement Radio System (SLERS) which provides secure encrypted voice communications to more than 7,500 law enforcement officers across 24 state agencies and 27 federal and local jurisdictions; and Coordinating and approving frequencies and technical specifications for state, county and local law enforcement and EMS communications systems.

Furloughs of our public safety bureau staff may significantly delay the engineering assistance DivTel provides to other state, county and local law enforcement agencies planning changes to their mission critical land mobile radio and E911 communications systems. Time spent on system, project and contract management for the Statewide Law Enforcement Radio System (SLERS), E911 Board, Florida Interoperability Network (FIN), Mutual Aid (M/A) frequencies and other interoperable communications projects will be reduced with a potential negative effect on system performance. Future grant opportunities and planning efforts to replace obsolete or aging communications systems with state of the art technologies such as next generation 911, P-25 radios, and statewide 700MHz Long Term Evolution (LTE) broadband for public safety may be lost. Suggestions that some of the lost productivity from furloughs will be partially offset because staff might not take Annual Leave (i.e. since they will be out of work for nine weeks) should consider our most experienced and dedicated staff that are pushing maximum leave balances. They are unlikely to forgo using paid Annual Leave because they will

	COL A93	COL A94	COL A95	
	SCH VIIIIB-2	SCH VIIIIB-2	SCH VIIIIB-2	
	REDUCTIONS	NR FY11-12	ANZ FY11-12	
POS	AMOUNT	POS	AMOUNT	POS
				AMOUNT
				CODES
MANAGEMENT SRVCS, DEPT OF				72000000
WORKFORCE PROGRAMS				72750000
PGM: INS BENEFITS ADMIN				72750200
GOV OPERATIONS/SUPPORT				16
GOVERNMENTAL OPERATIONS				1601.00.00.00
SCHEDULE VIIIIB REDUCTIONS -				
OPERATING				33B0000
FIFTEEN PERCENT REDUCTION -				
SALARY AND BENEFITS -				
EMPLOYEE FURLOUGH				33B7180

otherwise lose it and are unwilling to contribute that loss in light of a compulsory furlough. If they don't take the leave however (as will be the case for most staff) the State will incur greater leave payouts in the future.

DivTel has an extraordinary share of dedicated professionals who are passionate about the value they bring to Florida citizens. The recent \$10 million in refunds DivTel provided, in spite of a series of preceding DivTel price reductions, are obvious fruits of their labors. More subtle are the more than \$50 million in cost avoidance they bring to the Florida enterprise every year.

DivTel's unusually low turnover is an expression of staff dedication. But their hidden contributions come from willingness to work through the night to finalize major projects (like the recent SSRC center upgrade), leaving their families during State emergencies, contributions of unpaid personal time to push projects to success, courage to stand firm against demands that compromise service to citizens and willingness to forgo private sector opportunities commensurate with their abilities. Under normal circumstances, it would be difficult to expect this kind of gracious commitment and passion from staff after they are furloughed. But given that they know their sacrifice will lead to increasing State costs rather than savings, morale will be devastated. Expecting staff to care, after extracting such a large pointless sacrifice from them, is a charade that cannot be sold.

Finally, DivTel also has a number of staff who will be unable to meet personal financial obligations after being furloughed for nine working weeks (the current proposal). They will be forced to seek other jobs in a local market where many others will be doing the same and local spending will be depressed. For many staff, extended furloughs will impose a genuine economic crisis rather than mere hardship.

Office of the Secretary/Administration:

Furloughs will significantly impact the Office of the Secretary/Division of Administration operations. This reduction will adversely impact the quality, timeliness, and level of services delivered by the Office of the Secretary/Division of Administration to our internal and external customers. As a shared support service provider for the agency, our divisions will suffer the impacts of delayed services in turn delaying their ability to provide adequate services to their customers.

This furlough program will also create a significant hardship for employees that will likely lead to difficulty in retaining the highest performing staff causing additional productivity losses and increasing costs for recruiting and training qualified personnel.

State Purchasing:

With procurement and contracting staff unavailable due to implementation of furloughs, the Department anticipates that

	COL A93	COL A94	COL A95	
	SCH VIIIIB-2	SCH VIIIIB-2	SCH VIIIIB-2	
	REDUCTIONS	NR FY11-12	ANZ FY11-12	
POS	AMOUNT	POS	AMOUNT	POS
				AMOUNT
				CODES
MANAGEMENT SRVCS, DEPT OF				72000000
WORKFORCE PROGRAMS				72750000
PGM: INS BENEFITS ADMIN				72750200
GOV OPERATIONS/SUPPORT				16
GOVERNMENTAL OPERATIONS				1601.00.00.00
SCHEDULE VIIIIB REDUCTIONS -				
OPERATING				33B0000
FIFTEEN PERCENT REDUCTION -				
SALARY AND BENEFITS -				
EMPLOYEE FURLOUGH				33B7180

there will be severe impacts to many of the core functions of the Department of Management Services, Division of State Purchasing.

First, the Department is responsible for establishing state term contract. These are often multi-million dollar contracts that all agencies are required to use and eligible users (e.g., counties, municipalities) may use. Commodities and services available under state term contracts include but are not limited to: information technology hardware; information technology and management consulting services; insurance; purchasing and fuel card services; automobile and trucks; and our e-procurement services contract (generally know as "MyFloridaMarketPlace"). Also, the Bureau of Departmental Purchasing is responsible for providing purchasing services to the following divisions of the Department: Administration; Human Resource Management; State Group Insurance, Telecommunications; Real Estate Management; Specialized Services; and Retirement. The commodities and services provided via the Department's state term and departmental contracts are used by all agencies of the State of Florida. The above-mentioned contracts are established via the competitive solicitation process found in chapter 287, Florida Statutes. If the Department instituted a furlough program, the number of the competitive solicitations the Division would be able to issue will decrease in an amount commensurate with the furlough(s). As such, it is anticipated that there will be a reduction in the number of contract the Department would be able to execute. It is estimated with the implementation of furloughs, it could cost the state \$46,716,896 in savings from state contracts by reducing work hours one day per biweekly pay period.

An important part of the competitive solicitation process includes conducting strategic sourcing activities and market research prior to issuance of the solicitation. If a furlough program were instituted, procurement and contracting staff will not have the opportunity to strategically source our contracts. This means that the division will have less time to develop solicitations, survey and research the market, and solicit feedback from our customers, thereby leading to less effective contracts that will not meet our customers' needs. With the Department less able to establish effective contracts agencies will likely have to develop their own agency-specific contracts. Division also administers its contracts. These duties include assisting customers with questions and issues regarding its contracts and addressing related contract performance concerns. Under a furlough program, procurement and contracting staff will not be as available to answer customer service questions in a timely manner thereby impacting customer service. Typically, when state term contract administrators receive questions from agency customers or other eligible user customers, a timely response is required. For example, the customer may want to purchase a commodity or service and may have specific questions about how a particular contract works. Delays in response due to furloughs will negatively impact our ability to provide excellent customer service. In addition, having fewer resources available will make it more difficult for the division to effectively monitor and manage vendor performance under a contract.

As State Purchasing conducts a number of competitive solicitations and administers a high volume of contract, we receive a number of public records requests. Although the Department takes its responsibilities under chapter 119, F.S., very seriously, if the Department were to institute a furlough program, response times for public records requests may be impacted. Such an impact would not only conflict with statutory requirements for public access to information, it would

	COL A93	COL A94	COL A95	
	SCH VIII B-2	SCH VIII B-2	SCH VIII B-2	
	REDUCTIONS	NR FY11-12	ANZ FY11-12	
POS	AMOUNT	POS	AMOUNT	POS
				AMOUNT
				CODES
MANAGEMENT SRVCS, DEPT OF				72000000
WORKFORCE PROGRAMS				72750000
PGM: INS BENEFITS ADMIN				72750200
GOV OPERATIONS/SUPPORT				16
GOVERNMENTAL OPERATIONS				1601.00.00.00
SCHEDULE VIII B REDUCTIONS -				
OPERATING				33B0000
FIFTEEN PERCENT REDUCTION -				
SALARY AND BENEFITS -				
EMPLOYEE FURLOUGH				33B7180

also have an adverse affect on the procurement protest process. Delays in information transmittal during the protest period may lead to increased litigation.

In addition to conducting competitive solicitations and administering and managing resulting contracts, the division is also responsible for providing a training program for state purchasers to attain and maintain purchasing education and skills. The goal of this program is to develop and certify public purchasing professionals, and to assure understanding and adherence to an unwavering code of ethical behavior, and the knowledge, skills and ability to effectively design, solicit, negotiate award and manage government contracts in Florida. Certifications offered through the program are Florida Certified Purchasing Agent (FCPA), Florida Certified Purchasing Manager (FCPM), Florida Certified Contract Negotiator (FCCN), and Florida Certified Contract Manager (FCCM). The training program also provides courses to assist participants with national certification such as the Certified Professional Public Buyer (CPPB), Certified Professional Public Officer (CPPO), and Project Management Professional (PMP). Florida Statute 287.057 requires that an FCCN negotiate contracts of \$1 million, and a certified PMP participate negotiate contracts in excess of \$10 million. The training program offers advanced recertification workshops to extend certification for an additional 5 year period. The training program would not be able to host the number of training courses to meet the demand for certification and recertification with the reduction in work hours due to the implementation of furloughs.

Lastly, it is uncertain what impact instituting a furlough program would have on current staffing in state purchasing. Although reducing the number of hours that state purchasing staff would be able to work would result in savings, it is possible that division employees would look for employment at other agencies or outside of the employment of the state in an attempt to compensate for difference between the salary once earned versus what they would earn under furlough program.

Facilities Management

To reduce staffing costs by 15%, Facilities will need to furlough staff by approximately 47 days throughout the Fiscal Year. This reduction in staffing will mean that one day a week, at pool facilities with a single Department of Management Services (DMS) support person, there may be no DMS employee on site in a DMS-managed building to address any building issues that arise and tenants will need to contact a remote staff person to report issues to be addressed on non-furlough days. Delays in maintenance may result in continued degradation of DMS-managed facilities if faulty or failing equipment isn't replaced in a timely manner and building problems aren't addressed before the situation worsens.

In addition to the staff furloughs, other budget categories were reduced to essential elements but that still left \$2.3 million in reductions needed to meet 15% target reduction. Therefore, additional reductions in Expenses, Utilities, Contracted Services and security (contracted and FDLE) necessitate the closure of 5-10% of our facilities' square footage. This will require current tenants to seek space elsewhere and incur moving and relocation expenses. With these closures, DMS will also have a loss of revenue for those buildings which reduces funding available for operations and

	COL A93	COL A94	COL A95	
	SCH VIIIIB-2	SCH VIIIIB-2	SCH VIIIIB-2	
	REDUCTIONS	NR FY11-12	ANZ FY11-12	
POS	AMOUNT	POS	AMOUNT	POS
				AMOUNT
				CODES
MANAGEMENT SRVCS, DEPT OF				72000000
WORKFORCE PROGRAMS				72750000
PGM: <u>INS BENEFITS ADMIN</u>				72750200
GOV OPERATIONS/SUPPORT				16
<u>GOVERNMENTAL OPERATIONS</u>				<u>1601.00.00.00</u>
SCHEDULE VIIIIB REDUCTIONS -				
OPERATING				33B0000
FIFTEEN PERCENT REDUCTION -				
SALARY AND BENEFITS -				
EMPLOYEE FURLOUGH				33B7180

maintenance of other buildings in the Florida Facilities Pool.

State Group Insurance:

Furloughs will significantly impact the DSGI's operations and will not allow the DSGI to perform their legislative responsibilities. This reduction will adversely impact the quality, timeliness, and level of services delivered by the DSGI to state employees, retirees, state agencies and universities, Executive Office of the Governor and the Legislature and staff. This reduction is expected to result in the suspension and outsourcing of key activities.

Specifically, this reduction: (1) Jeopardizes the administration of the State Employees' Group Insurance Program, (2) Severely impacts our ability to obtain best value and effectively manage and oversee procurement processes, such as the upcoming PBM and HMO procurements, which include bid development, vendor selection, and contract negotiations, (3) Diminishes our ability to monitor contract performance to ensure contract compliance and accuracy of information provided, and (4) Adversely impacts customer service and programs deliverables.

Retirement:

The impact from a 15% furlough program will decrease overall organizational performance, severely impeding the delivery of important services to more than 1 million participants in Florida's statewide retirement systems. Particularly affected will be: increasing turnaround time providing retirement estimates and information the members require for retirement planning; delaying the addition of new retirees to the retired payroll; processing change requests for those already on the retired payroll; reducing members' ability to reach retirement counselors by telephone; lengthening response time to analyze proposed legislation; and negating our ability to comply with statutory requirements to review all local retirement plan valuations on a triennial basis. Legislated performance measures relative to these services and others cannot be met and it can be expected that the percent of members, retirees and participating agencies satisfied with retirement services will plummet. This furlough program will create a significant hardship for employees that will likely lead to difficulty in retaining the highest performing staff causing additional productivity losses and increasing costs for recruiting and training qualified personnel. High employee turnover will further exasperate the timely delivery of services to more than one million members and 1,000 employing agencies of Florida's statewide retirement systems.

FISCAL INFORMATION: A 15% reduction of appropriations for salaries and benefits is over \$7 million dollars for DMS programs, excluding independent entities who are addressing reductions separately. To meet this reduction, each employee would have to be furloughed an average of 47 days. This is calculated by dividing the biweekly rate of employees by 10 to get a daily rate which is then multiplied by 47 days multiplied by 18.42% benefits. The benefits rate is calculated by combining 7.65% FICA and Retirement for 10.77%. Note: Employer contributions for health, life and disability insurance are not impacted by furloughs.

	COL A93	COL A94	COL A95	
	SCH VIIIB-2	SCH VIIIB-2	SCH VIIIB-2	
	REDUCTIONS	NR FY11-12	ANZ FY11-12	
POS	AMOUNT	POS	AMOUNT	POS
				AMOUNT
				CODES
MANAGEMENT SRVCS, DEPT OF				72000000
WORKFORCE PROGRAMS				72750000
PGM: INS BENEFITS ADMIN				72750200
GOV OPERATIONS/SUPPORT				16
GOVERNMENTAL OPERATIONS				<u>1601.00.00.00</u>
SCHEDULE VIIIB REDUCTIONS -				
OPERATING				33B0000
FIFTEEN PERCENT REDUCTION -				
SALARY AND BENEFITS -				
EMPLOYEE FURLOUGH				33B7180

Division 15% S&B  
 -----  
 Appropriation  
 -----  
 State Group Insurance (270,060)

State Employees Health Insurance Trust Fund (2668)  
 Salaries and Benefits (010000) (198,558)  
 Pre-Tax Benefits Trust Fund (2570)  
 Salaries and Benefits (010000) ( 64,242)  
 State Employees Life Insurance Trust Fund (2667)  
 Salaries and Benefits (010000) ( 3,144)  
 State Employees Disability Insurance Trust Fund (2671)  
 Salaries and Benefits (010000) ( 4,116)  
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 Total Issue (270,060) FSI=1  
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	COL A93	COL A94	COL A95	
	SCH VIIIB-2	SCH VIIIB-2	SCH VIIIB-2	
	REDUCTIONS	NR FY11-12	ANZ FY11-12	
	POS	AMOUNT	POS	AMOUNT
				AMOUNT
MANAGEMENT SRVCS, DEPT OF				72000000
WORKFORCE PROGRAMS				72750000
PGM: INS BENEFITS ADMIN				72750200
GOV OPERATIONS/SUPPORT				16
GOVERNMENTAL OPERATIONS				1601.00.00.00
SCHEDULE VIIIB REDUCTIONS -				
OPERATING				33B0000
FIFTEEN PERCENT REDUCTION -				
SALARY AND BENEFITS -				
EMPLOYEE FURLOUGH				33B7180

POSITION DETAIL OF SALARIES AND BENEFITS:

	FTE	BASE RATE	ADDITIVES	BENEFITS	SUBTOTAL	LAPSE %	LAPSED SALARIES AND BENEFITS
A93 - SCH VIIIB-2 REDUCTIONS							
CHANGES TO CURRENTLY AUTHORIZED POSITIONS							
OTHER SALARY AMOUNT							
2570 PRETAX BENEFITS TRUST FUND							64,242-
2667 STATE EMPLOY LIFE INS TF							3,144-
2668 STATE EMPLOY HEALTH INS TF							198,558-
2671 STATE EMPLOYEES DIS INS TF							4,116-
							270,060-
							=====

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FIFTEEN PERCENT REDUCTION -							
CONTRACTED SERVICES							33B7200
SPECIAL CATEGORIES							100000
CONTRACTED SERVICES							100777
PRETAX BENEFITS TRUST FUND-STATE		35,395-					2570 1
STATE EMPLOY HEALTH INS TF -STATE		30,471-					2668 1
TOTAL APPRO.....		65,866-					
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AGENCY ISSUE NARRATIVE:

SCH VIIIB-2 NARR 11-12 NARRATIVE: IT COMPONENT? NO  
 PRIORITY #39

ISSUE SUMMARY: The Division of State Group Insurance (DSGI) administers a package of health and welfare insurance benefits, including flexible spending and health savings accounts, which allows active and retired state employees and

	COL A93	COL A94	COL A95	
	SCH VIIIIB-2	SCH VIIIIB-2	SCH VIIIIB-2	
	REDUCTIONS	NR FY11-12	ANZ FY11-12	
POS	AMOUNT	POS	AMOUNT	POS
				AMOUNT
				CODES
MANAGEMENT SRVCS, DEPT OF				72000000
WORKFORCE PROGRAMS				72750000
PGM: INS BENEFITS ADMIN				72750200
GOV OPERATIONS/SUPPORT				16
GOVERNMENTAL OPERATIONS				1601.00.00.00
SCHEDULE VIIIIB REDUCTIONS -				
OPERATING				33B0000
FIFTEEN PERCENT REDUCTION -				
CONTRACTED SERVICES				33B7200

surviving spouses the option to choose pre-tax and post-tax benefit plans that best suit their individual needs. The DSGI is responsible for the purchase and administration of insurance benefits for active and retired state employees. Contracts are entered into with third party administrators and pharmacy benefit managers to administer the medical and drug components of the State Employees' PPO Plans, Health Maintenance Organization (HMO) Plans, insurance companies offering life and accidental death and dismemberment benefits, disability benefits, dental benefits, vision benefits and other miscellaneous supplemental benefits plans.

DSGI has planned to use the contracted services budget for actuarial and consulting services associated with the procurement of the Pharmacy Benefit Manager (PBM) and Health Maintenance Organizations (HMO), actuarial analyses requested by the Legislature, required Department of Financial Services (DFS) audits and other consulting needs. This issue is decreasing the budget authority in the amount of \$65,866 in the Special Categories: Contracted Services appropriation.

PROBLEM AND SOLUTION STATEMENT: Each agency is required to meet a 15% reduction target. After careful consideration of the operations of the program, it was determined that the following reduction would have the least impact on the customers we serve. However, a reduction of \$65,866 in the Special Categories: Contracted Services will severely impact DSGI's ability to obtain the best value and effectively manage and oversee procurement processes, such as the upcoming PBM and HMO procurements, which include bid development, vendor selection, and contract negotiations. Furthermore, this reduction will not allow the DSGI to comply with all data requests where actuarial services are needed and the timeliness and accuracy of information requested by stakeholders might be jeopardized due to lack of funds to retain consultants.

FISCAL INFORMATION: A reduction in the Special Categories: Contracted Services appropriation will adversely limit the DSGI to use outside expertise for actuarial analyses, audits, and other consulting needs for Fiscal Year 2011-12. Therefore, a reduction of \$65,866 in budget authority weakens DSGI's ability to use consultants to evaluate the options available to align its plan options, contributions and incentives to promote competition, mitigate expenditure increases, while continuing to provide valuable benefits to state employees and retirees.

State Employees' Health Insurance Trust Fund (2668)		
Contracted Services (100777)	(30,471)	
Pre-tax Benefits Trust Fund (2570)		
Contracted Services (100777)	(35,395)	
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Total Issue	(65,866)	FSI=1
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	COL A93	COL A94	COL A95	
	SCH VIIIIB-2	SCH VIIIIB-2	SCH VIIIIB-2	
	REDUCTIONS	NR FY11-12	ANZ FY11-12	
POS	AMOUNT	POS	AMOUNT	POS
				AMOUNT
				CODES
MANAGEMENT SRVCS, DEPT OF				72000000
WORKFORCE PROGRAMS				72750000
PGM: INS BENEFITS ADMIN				72750200
GOV OPERATIONS/SUPPORT				16
GOVERNMENTAL OPERATIONS				1601.00.00.00
SCHEDULE VIIIIB REDUCTIONS -				
OPERATING				33B0000
FIFTEEN PERCENT REDUCTION -				
CONTRACTED BANK SERVICES				33B7330
SPECIAL CATEGORIES				100000
CONTRACTED BANK SERVICES				105032
STATE EMPLOY HEALTH INS TF -STATE	16,580-			2668 1

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AGENCY ISSUE NARRATIVE:

SCH VIIIIB-2 NARR 11-12 NARRATIVE:  
 PRIORITY #1

IT COMPONENT? NO

ISSUE SUMMARY: The Division of State Group Insurance (DSGI) entered into a four-year banking services contract with a contractor, Capital City Bank (CCB). Banking services include but are not limited to, providing an interest bearing account to be used for the deposit of State funds and facilitating the payment of health claims by the Third Party Administrator (TPA). The contract was awarded effective April 2, 2010 through December 31, 2014. As a result of the new contract, the monthly contracted bank fees were reduced. Therefore, there is an excess in budget authority in the Special Categories: Contracted Bank Services category. This issue requests a decrease of \$16,580 in budget authority in Special Categories: Contracted Bank Services of the State Employees' Health Insurance Trust Fund. This budget issue does not have a fiscal impact to the State Employees' Group Health Self-Insurance Trust Fund.

PROBLEM AND SOLUTION STATEMENT: Excess budget authority is available in the Special Categories: Contracted Bank Services category due to the reduction of the monthly contracted bank fees. The budget authority in the Contracted Bank Services category can be reduced by \$16,580, from \$60,580 to \$44,000. This reduction is requested to better align budget authority with the expenditures forecasted for Fiscal Year 2011-2012. Therefore, this issue offers a reduction in excess budget authority in the amount of \$16,580 in the Special Categories: Contracted Bank Services category in the State Employees' Health Insurance Trust Fund.

FISCAL INFORMATION: As a result of the new contract effective April 2, 2010, the DSGI program will have a reduction in the monthly contracted bank fees for Fiscal Year 2011-12. The Insurance Benefits Administration program has a current appropriation of \$60,580 for Fiscal Year 2010-11; therefore the program can offer a reduction of \$16,580 in budget authority in the Special Categories: Contracted Bank Services.

FY 2010-2011		FY 2011-2012 Requirement		Excess Authority
\$60,580	-	\$44,000	=	\$16,580

This issue impacts the "Administer the Health Insurance Program" activity.

State Employees' Health Insurance Trust Fund (2668)  
 Special Categories: Contracted Bank Services (105032)

(16,580) FSI=1

	COL A93	COL A94	COL A95		
	SCH VIIIB-2	SCH VIIIB-2	SCH VIIIB-2		
	REDUCTIONS	NR FY11-12	ANZ FY11-12		
POS	AMOUNT	POS	AMOUNT	POS	
				AMOUNT	
				CODES	
MANAGEMENT SRVCS, DEPT OF					72000000
WORKFORCE PROGRAMS					72750000
PGM: INS BENEFITS ADMIN					72750200
GOV OPERATIONS/SUPPORT					16
GOVERNMENTAL OPERATIONS					1601.00.00.00
SCHEDULE VIIIB REDUCTIONS -					
OPERATING					33B0000
FIFTEEN PERCENT REDUCTION -					
CONTRACTED BANK SERVICES					33B7330

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FIFTEEN PERCENT REDUCTION -					
EXPENSES, OTHER PERSONAL SERVICES,					
OPERATING CAPITAL OUTLAY, AND DATA					
PROCESSING SERVICES					33B7340
OTHER PERSONAL SERVICES					030000
PRETAX BENEFITS TRUST FUND-STATE	1,500-				2570 1
STATE EMPLOY HEALTH INS TF -STATE	1,500-				2668 1
TOTAL APPRO.....	3,000-				
=====					
EXPENSES					040000
PRETAX BENEFITS TRUST FUND-STATE	31,795-				2570 1
STATE EMPLOY LIFE INS TF -STATE	1,500-				2667 1
STATE EMPLOY HEALTH INS TF -STATE	40,000-				2668 1
STATE EMPLOYEES DIS INS TF-STATE	2,500-				2671 1
TOTAL APPRO.....	75,795-				
=====					
OPERATING CAPITAL OUTLAY					060000
PRETAX BENEFITS TRUST FUND-STATE	7,000-				2570 1
STATE EMPLOY HEALTH INS TF -STATE	7,000-				2668 1
TOTAL APPRO.....	14,000-				
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	COL A93	COL A94	COL A95	
	SCH VIIIB-2	SCH VIIIB-2	SCH VIIIB-2	
	REDUCTIONS	NR FY11-12	ANZ FY11-12	
POS	AMOUNT	POS	AMOUNT	POS
				AMOUNT
				CODES
MANAGEMENT SRVCS, DEPT OF				72000000
WORKFORCE PROGRAMS				72750000
PGM: INS BENEFITS ADMIN				72750200
GOV OPERATIONS/SUPPORT				16
GOVERNMENTAL OPERATIONS				1601.00.00.00
SCHEDULE VIIIB REDUCTIONS -				
OPERATING				33B0000
FIFTEEN PERCENT REDUCTION -				
EXPENSES, OTHER PERSONAL SERVICES,				
OPERATING CAPITAL OUTLAY, AND DATA				
PROCESSING SERVICES				33B7340
DATA PROCESSING SERVICES				210000
SOUTHWOOD SRC				210021
PRETAX BENEFITS TRUST FUND-STATE	22,639-			2570 1
STATE EMPLY LIFE INS TF -STATE	5,099-			2667 1
STATE EMPLY HEALTH INS TF -STATE	18,561-			2668 1
STATE EMPLOYEES DIS INS TF-STATE	12,006-			2671 1
TOTAL APPRO.....	58,305-			
TOTAL: FIFTEEN PERCENT REDUCTION -				33B7340
EXPENSES, OTHER PERSONAL SERVICES,				
OPERATING CAPITAL OUTLAY, AND DATA				
PROCESSING SERVICES				
TOTAL ISSUE.....	151,100-			

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AGENCY ISSUE NARRATIVE:

SCH VIIIB-2 NARR 11-12 NARRATIVE:  
 PRIOROTY #38

IT COMPONENT? NO

ISSUE SUMMARY: The Division of State Group Insurance (DSGI) administers a package of health and welfare insurance benefits, including flexible spending and health savings accounts, which allows active and retired state employees and surviving spouses the option to choose pre-tax and post-tax benefit plans that best suit their individual needs. The DSGI is responsible for the purchase and administration of insurance benefits for active and retired state employees. Contracts are entered into with third party administrators and pharmacy benefit managers to administer the medical and drug components of the State Employees' PPO Plans, Health Maintenance Organization (HMO) Plans, insurance companies offering life and accidental death and dismemberment benefits, disability benefits, dental benefits, vision benefits and other miscellaneous supplemental benefits plans.

A review of Fiscal Year 2009-10 reversions was performed across appropriate categories to analyze the actual level of expenditures as compared to the appropriated amounts. For those categories where the amount expended was lower than the amount appropriated, an analysis of the category items was conducted to determine the causes of the lower than appropriated expenditures. It was determined that as a result of the decreased use of travel and training expenses, other personnel services, operating capital outlay and data processing services, the reduction of operating expenditures will not affect either the quality and timeliness of the services provided by the DSGI. The DSGI is offering a reduction

	COL A93	COL A94	COL A95	
	SCH VIII B-2	SCH VIII B-2	SCH VIII B-2	
	REDUCTIONS	NR FY11-12	ANZ FY11-12	
POS	AMOUNT	POS	AMOUNT	POS
				AMOUNT
				CODES
MANAGEMENT SRVCS, DEPT OF				72000000
WORKFORCE PROGRAMS				72750000
PGM: INS BENEFITS ADMIN				72750200
GOV OPERATIONS/SUPPORT				16
GOVERNMENTAL OPERATIONS				1601.00.00.00
SCHEDULE VIII B REDUCTIONS -				
OPERATING				33B0000
FIFTEEN PERCENT REDUCTION -				
EXPENSES, OTHER PERSONAL SERVICES,				
OPERATING CAPITAL OUTLAY, AND DATA				
PROCESSING SERVICES				33B7340

from its operating budget in the amount of \$151,100.

PROBLEM AND SOLUTION STATEMENT: Each agency is required to meet a 15% reduction target. After careful consideration of the operations of the program, it was determined that the following reduction would have the least impact on the customers we serve. Excess budget authority is available in the DSGI's operating budget due to administrative changes that promote smarter, better, and faster services. Operational efficiencies have been gained through the best use of technology and better alignment of human resources. These operational efficiencies provide the DSGI with the capability to administer its statutory responsibilities with a permanent reduction in its operating budget of \$151,000.

FISCAL INFORMATION: This issue requests a reduction in budget authority of \$151,000 in the following appropriations

Appropriation Category	15% Appropriation
Other Personnel Services	( 3,000)
Expenses	(75,795)
Operating Capital Outlay	(14,000)
Data Processing Services SSRC	(58,305)
State Employees' Health Insurance Trust Fund (2668)	
Other Personnel Services (030000)	( 1,500)
Expenses (040000)	(40,000)
Operating Capital Outlay (060000)	( 7,000)
Data Processing Services-SSRC (210021)	(18,561)
Pre-tax Benefits Trust Fund (2570)	
Other Personnel Services (030000)	( 1,500)
Expenses (040000)	(31,795)
Operating Capital Outlay (060000)	( 7,000)
Data Processing Services-SSRC (210021)	(22,639)
State Employees' Life Insurance Trust Fund (2667)	
Expenses (040000)	( 1,500)
Data Processing Services-SSRC (210021)	( 5,099)

	COL A93	COL A94	COL A95	
	SCH VIII B-2	SCH VIII B-2	SCH VIII B-2	
	REDUCTIONS	NR FY11-12	ANZ FY11-12	
POS	AMOUNT	POS	AMOUNT	POS
				AMOUNT
				CODES
MANAGEMENT SRVCS, DEPT OF				72000000
WORKFORCE PROGRAMS				72750000
PGM: INS BENEFITS ADMIN				72750200
GOV OPERATIONS/SUPPORT				16
GOVERNMENTAL OPERATIONS				1601.00.00.00
SCHEDULE VIII B REDUCTIONS -				
OPERATING				33B0000
FIFTEEN PERCENT REDUCTION -				
EXPENSES, OTHER PERSONAL SERVICES,				
OPERATING CAPITAL OUTLAY, AND DATA				
PROCESSING SERVICES				33B7340
State Employees' Disability Trust Fund (2671)				
Expenses (040000)			( 2,500)	
Data Processing Services-SSRC (210021)			(12,006)	

Total Issue

(151,000) FSI=1

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FIFTEEN PERCENT REDUCTION -				
PRESCRIPTION DRUG CLAIMS				33B7360
ADMINISTRATION				100000
SPECIAL CATEGORIES				101530
PRESCRIPTION DRUG CLMS AD				
STATE EMPLY HEALTH INS TF -STATE	33,600-			2668 1

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AGENCY ISSUE NARRATIVE:

SCH VIII B-2 NARR 11-12 NARRATIVE:

IT COMPONENT? NO

PRIORITY #4

ISSUE SUMMARY: The Division of State Group Insurance (DSGI) entered into a four-year Pharmacy Benefit Management (PBM) contract with a servicing agent (Caremark, LLC) to administer the pharmacy benefits offered by the State Employees' Preferred Provider Organization Plans. PBM services include but are not limited to, prescription drug card and mail order services, participant eligibility verification, retail pharmacy network, retail and mail dispensing of drugs, claims processing and adjudication, customer service, drug utilization review and related reporting services, prescription drug pricing, and quality assurance. The contract was awarded with an effective date of January 1, 2007 through December 31, 2010, with an option to renew. As a result of renewal negotiations, the contract was extended through December 31, 2011 and fees were reduced. This issue is decreasing the budget authority of \$33,600 in the Special Categories: Prescription Drug Claims Administration appropriation.

PROBLEM AND SOLUTION STATEMENT: Each agency is required to meet a 15% reduction target. After careful consideration of the operations of the program, it was determined that the following reduction would have the least impact on the

COL A93		COL A94		COL A95		CODES
SCH VIIIB-2		SCH VIIIB-2		SCH VIIIB-2		
REDUCTIONS		NR FY11-12		ANZ FY11-12		
POS	AMOUNT	POS	AMOUNT	POS	AMOUNT	
MANAGEMENT SRVCS, DEPT OF						72000000
WORKFORCE PROGRAMS						72750000
PGM: INS BENEFITS ADMIN						72750200
GOV OPERATIONS/SUPPORT						16
GOVERNMENTAL OPERATIONS						1601.00.00.00
SCHEDULE VIIIB REDUCTIONS -						
OPERATING						33B0000
FIFTEEN PERCENT REDUCTION -						
PRESCRIPTION DRUG CLAIMS						
ADMINISTRATION						33B7360

customers we serve. However, a reduction of \$33,600 in the Special Categories: Prescription Drug Claims Administration appropriation might cause the State to be in noncompliance of contract terms and conditions and may ultimately impact services currently provided to the PPO Plan participants. Although fees were reduced as a result of renewal negotiations, the savings received is not enough to compensate for a 15% reduction in budget authority. A corresponding issue in the amount of \$16,800 is being submitted through the LBR process for the amount of savings that will be realized due to contract renegotiations.

FISCAL INFORMATION: A reduction of appropriations in the Special Categories: Prescription Drug Claims Administration category will not allow the State to meet its PBM's contractual obligations for administrative and clinical management services for Fiscal Year 2011-12. Therefore, a reduction of \$33,600 in budget authority will result in the reduction of services currently provided to PPO Plan participants.

State Employees' Health Insurance Trust Fund (2668)  
 Special Categories: Prescription Drug Claims Administration (101530) (33,600) FSI=1  
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FIFTEEN PERCENT REDUCTION -						
HEALTH SAVINGS ACCOUNT EMPLOYER						33B7370
CONTRIBUTIONS						100000
SPECIAL CATEGORIES						105001
PMT/EMPL CON/HSA CUSTODIAN						
STATE EMPLY HEALTH INS TF -STATE	117,966-					2668 1
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AGENCY ISSUE NARRATIVE:  
 SCH VIIIB-2 NARR 11-12 NARRATIVE: IT COMPONENT? NO  
 PRIORITY #40

ISSUE SUMMARY: The Division of State Group Insurance (DSGI) is authorized by Florida law to administer the State Employees' Health Insurance Program. The law provides that the State Group Health Insurance High Deductible Plan and the state-contracted Health Maintenance Organization High Deductible Plan shall include a Health Savings Account (HSA) feature. The HSA is a vehicle, which allows the participant and their employer to make a contribution into an employee



	COL A93	COL A94	COL A95	
	SCH VIIIB-2	SCH VIIIB-2	SCH VIIIB-2	
	REDUCTIONS	NR FY11-12	ANZ FY11-12	
POS	AMOUNT	POS	AMOUNT	POS
				AMOUNT
				CODES
MANAGEMENT SRVCS, DEPT OF				72000000
WORKFORCE PROGRAMS				72750000
PGM: INS BENEFITS ADMIN				72750200
GOV OPERATIONS/SUPPORT				16
GOVERNMENTAL OPERATIONS				1601.00.00.00
SCHEDULE VIIIB REDUCTIONS -				
OPERATING				33B0000
FIFTEEN PERCENT REDUCTION -				
HEALTH SAVINGS ACCOUNT EMPLOYER				
CONTRIBUTIONS				33B7370

owned account to pay for qualified health care expenses. The contribution must be transferred from the State Employees' Health Insurance Trust Fund to the HSA custodian for disbursement into the participant's account. This issue does not have a fiscal impact to the State Employees' Group Health Self-Insurance Trust Fund.

PROBLEM STATEMENT: Each agency is required to meet a 15% reduction target. After careful consideration of the operations of the program, it was determined that the following reduction would have the least impact on the customers we serve. However, a reduction of \$117,966 in budget authority in the Special Categories: Payment of Employer's Contribution to HSA Custodian of the State Employees' Health Insurance Trust Fund for the transfer of health savings account contributions to the HSA custodian will cause employers to be in noncompliance with the General Appropriations Act (GAA) and Program design. Employer contributions toward the HSA of those employees electing to enroll in the Health Investor Health Plan (HIHP) have been kept at the same level since the offering of the HIHP in January 2006, \$41.66 for single coverage and \$83.33 for family coverage. If employers cannot contribute towards the employees' HSA, employees might choose to move to the Standard Plan, which is more costly to the trust fund.

FISCAL INFORMATION: The employer shall make a monthly contribution to a participant's HSA up to \$41.66 for individual coverage (\$500 per year) and \$83.33 for family coverage (\$1,000 per year). The participant is allowed to make additional contributions into a HSA not to exceed Plan and Internal Revenue Service contribution maximum limits. Average enrollment as of August 31, 2010 reflects approximately 1,387 enrollees in a Health Investor Plan. The vast majority of the subscribers representing this enrollment are entitled to apply for a HSA, or entitled to continue participation in an active account, if the application process has been previously completed. In the spirit of conservatism, it is assumed that all Health Investor Plan subscribers are entitled to a HSA. Therefore, a decrease of \$117,966 in budget authority would not enable employers to contribute toward the HSA contributions for the employees electing to enroll in the HIHP.

State Employees' Health Insurance Trust Fund (2668)  
 Special Categories: Payment of Employer Contributions to Health  
 Savings Account Custodian (105001) (117,966) FSI=1

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	COL A93	COL A94	COL A95	
	SCH VIII B-2	SCH VIII B-2	SCH VIII B-2	
	REDUCTIONS	NR FY11-12	ANZ FY11-12	
POS	AMOUNT	POS	AMOUNT	POS
				AMOUNT
				CODES
MANAGEMENT SRVCS, DEPT OF				72000000
WORKFORCE PROGRAMS				72750000
PGM: INS BENEFITS ADMIN				72750200
GOV OPERATIONS/SUPPORT				16
GOVERNMENTAL OPERATIONS				1601.00.00.00
SCHEDULE VIII B REDUCTIONS -				
OPERATING				33B0000
FIFTEEN PERCENT REDUCTION -				
ADMINISTRATIVE SERVICES ONLY				
CONTRACT				33B7380
SPECIAL CATEGORIES				100000
ASO CONTRACT/HEALTH INS				101520
STATE EMPLOY HEALTH INS TF -STATE	3,015,000-			2668 1

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AGENCY ISSUE NARRATIVE:  
 SCH VIII B-2 NARR 11-12 NARRATIVE: IT COMPONENT? NO  
 PRIORITY #41

ISSUE SUMMARY: The Division of State Group Insurance (DSGI) program entered into a four-year Administrative Services Contract with a servicing agent (Blue Cross Blue Shield of Florida (BCBSFL)) in order to obtain third-party administrative services, access to a preferred provider network, claims adjudication/reporting, customer service, benefit and utilization management, and other services for the self-insured health plan and its participants. The contract was awarded effective January 1, 2007 through December 31, 2010, with an option to renew. As a result of renewal negotiations, the contract was extended through December 31, 2014 and the negotiated rate was reduced by 7.7%.

PROBLEM STATEMENT: Each agency is required to meet a 15% reduction target. After careful consideration of the operations of the program, it was determined that the following reduction would have the least impact on the customers we serve. However, the Administrative Services Only (ASO) Contract, \$20.1 million legislative appropriation already reflects a 7.7% negotiated rate reduction achieved with the last contract renewal action. Based on contacted fees and projected Preferred Provider Organization (PPO) Plan enrollment, the estimated ASO Fee for Fiscal Year 2010-11 is \$19.9 million. An additional \$3.0 million reduction will cause the State to be in noncompliance of contract terms and conditions and will impact services. Services provided include claims cost containment measures. A service reduction could result in increased claims cost. Claims costs are projected to be \$629.8 million for FY 10-11.

FISCAL INFORMATION: A 15% reduction of appropriations in the ASO category is over \$3.0 million dollars for the DSGI program. To meet this reduction, the contracted ASO fee would have to be drastically reduced. The contracted ASO fee is based on a per contract per month fee. For Calendar Year 2010, the fee is \$17.50 and \$18.50 thereafter through December 2014. A reduction in the ASO fee would impact services currently provided by PPO Plan participants and would result in a breach of contract.

State Employees' Health Insurance Trust Fund (2668)  
 Special Categories: Administrative Services Only  
 Contract for Health Insurance (101520) (3,015,000) FSI=1

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	COL A93	COL A94	COL A95	
	SCH VIIIB-2	SCH VIIIB-2	SCH VIIIB-2	
	REDUCTIONS	NR FY11-12	ANZ FY11-12	
	POS	AMOUNT	POS	AMOUNT
				AMOUNT
				CODES
MANAGEMENT SRVCS, DEPT OF				72000000
WORKFORCE PROGRAMS				72750000
PGM: <u>INS BENEFITS ADMIN</u>				72750200
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.....		3,670,172-		2000
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	COL A93	COL A94	COL A95	
	SCH VIIIB-2	SCH VIIIB-2	SCH VIIIB-2	
	REDUCTIONS	NR FY11-12	ANZ FY11-12	
POS	AMOUNT	POS	AMOUNT	POS
				AMOUNT
				CODES
MANAGEMENT SRVCS, DEPT OF				72000000
WORKFORCE PROGRAMS				72750000
PGM: RETIRE BENEFITS ADMIN				72750300
GOV OPERATIONS/SUPPORT				16
GOVERNMENTAL OPERATIONS				1601.00.00.00
SCHEDULE VIIIB REDUCTIONS -				
OPERATING				33B0000
FIFTEEN PERCENT REDUCTION -				
EXPENSES				33B7050
EXPENSES				040000
OPERATING TRUST FUND	-STATE	352,814-		2510 1

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AGENCY ISSUE NARRATIVE:

SCH VIIIB-2 NARR 11-12 NARRATIVE: IT COMPONENT? NO  
 PRIORITY #46

ISSUE SUMMARY: Each agency is required to meet a 15% reduction target. After careful consideration of the operations of the program, it was determined that the following reduction would have the least impact on the customers we serve. The Division of Retirement is requesting to reduce various expenditures in the Expenses category by \$352,814.

PROBLEM AND SOLUTION STATEMENT: To minimize the impact to our customers while still meeting the target 15% reduction, the program gave careful consideration to our operations while developing the proposed reduction.

Lowering expenditures will result in many service reductions for active and retired members and their employing agencies. The reductions needed to achieve the 15% goal requires the Division to eliminate: one of two annual newsletters mailed to retirees, one of two conferences provided for the benefit of Local government (non-FRS) trustees and much of the travel, professional training, supplies and materials needed by employees to maintain the current service level provided the FRS membership and other statewide retirement programs and their employing agencies.

FISCAL INFORMATION: The Division of Retirement is requesting to reduce various expenditures in the Expenses category by \$352,814.

Operating Trust Fund (2510)  
 Expenses (040000) (352,814) FSI=1

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	COL A93	COL A94	COL A95	
	SCH VIIIB-2	SCH VIIIB-2	SCH VIIIB-2	
	REDUCTIONS	NR FY11-12	ANZ FY11-12	
POS	AMOUNT	POS	AMOUNT	POS
				AMOUNT
				CODES
MANAGEMENT SRVCS, DEPT OF				72000000
WORKFORCE PROGRAMS				72750000
PGM: RETIRE BENEFITS ADMIN				72750300
GOV OPERATIONS/SUPPORT				16
GOVERNMENTAL OPERATIONS				1601.00.00.00
SCHEDULE VIIIB REDUCTIONS -				
OPERATING				33B0000
FIFTEEN PERCENT REDUCTION -				
SALARIES AND BENEFITS				33B7130
SALARIES AND BENEFITS				010000
OPERATING TRUST FUND	-STATE	300,000-		2510 1

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AGENCY ISSUE NARRATIVE:

SCH VIIIB-2 NARR 11-12 NARRATIVE: IT COMPONENT? NO  
 PRIORITY #42

ISSUE SUMMARY: Each agency is required to meet a 15% reduction target. After careful consideration of the operations of the program, it was determined that the following reduction would have the least impact on the customers we serve. The Division of Retirement is requesting to reduce a portion of the available appropriation in Salary & Benefits category.

PROBLEM AND SOLUTION STATEMENT: To minimize the impact to our customers while still meeting the target 15% reduction, the program gave careful consideration to our operations while developing the proposed reduction.

The Division requests to reduce that portion of the appropriation no longer needed to pay Salary & Benefits (including leave payouts) that is available from maintaining a consistent policy of hiring replacement personnel at the minimum for the position.

FISCAL INFORMATION: The Division of Retirement is requesting to reduce a portion of the available appropriation in Salary & Benefits category.

Operating Trust Fund (2510)  
 Salaries and Benefits (010000) (300,000) FSI=1  
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	COL A93		COL A94		COL A95		CODES
	SCH VIIIB-2	REDUCTIONS	SCH VIIIB-2	NR FY11-12	SCH VIIIB-2	ANZ FY11-12	
	POS	AMOUNT	POS	AMOUNT	POS	AMOUNT	
MANAGEMENT SRVCS, DEPT OF							72000000
WORKFORCE PROGRAMS							72750000
PGM: RETIRE BENEFITS ADMIN							72750300
GOV OPERATIONS/SUPPORT							16
GOVERNMENTAL OPERATIONS							1601.00.00.00
SCHEDULE VIIIB REDUCTIONS -							
OPERATING							33B0000
FIFTEEN PERCENT REDUCTION -							
SALARIES AND BENEFITS							33B7130

POSITION DETAIL OF SALARIES AND BENEFITS:

	FTE	BASE RATE	ADDITIVES	BENEFITS	SUBTOTAL	LAPSE %	LAPSED SALARIES AND BENEFITS
A93 - SCH VIIIB-2 REDUCTIONS							
CHANGES TO CURRENTLY AUTHORIZED POSITIONS							
OTHER SALARY AMOUNT							
2510 OPERATING TRUST FUND							300,000-
							300,000-
							=====

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FIFTEEN PERCENT REDUCTION -							
SALARY AND BENEFITS -							
EMPLOYEE FURLOUGH							33B7180
SALARIES AND BENEFITS							010000
OPERATING TRUST FUND -STATE		1,480,082-					2510 1
OPTIONAL RETIREMENT PRG TF-STATE		21,059-					2517 1
POL/FIREMEN PREMIUM TAX TF-STATE		118,601-					2532 1
RET HLTH INS SUBSIDY TF -STATE		6,197-					2583 1
TOTAL APPRO.....		1,625,939-					=====

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AGENCY ISSUE NARRATIVE:

SCH VIIIB-2 NARR 11-12 NARRATIVE: IT COMPONENT? NO  
 PRIORITY# 62

ISSUE SUMMARY: Each agency is required to meet a 15% reduction target. Much of the agency's budget supports staff (people) resources to meet the mission of the organization. We are requesting furloughs be used to meet the salaries and benefits portion of the required reduction target. Furloughs provide the following operational and economic benefits: permits the gradual or immediate resumption of previous service levels as the fiscal shortfall subsidies; saves

COL A93		COL A94		COL A95		CODES
SCH VIII B-2		SCH VIII B-2		SCH VIII B-2		
REDUCTIONS		NR FY11-12		ANZ FY11-12		
POS	AMOUNT	POS	AMOUNT	POS	AMOUNT	
MANAGEMENT SRVCS, DEPT OF						72000000
WORKFORCE PROGRAMS						72750000
PGM: RETIRE BENEFITS ADMIN						72750300
GOV OPERATIONS/SUPPORT						16
GOVERNMENTAL OPERATIONS						<u>1601.00.00.00</u>
SCHEDULE VIII B REDUCTIONS -						
OPERATING						33B0000
FIFTEEN PERCENT REDUCTION -						
SALARY AND BENEFITS -						
EMPLOYEE FURLOUGH						33B7180

recruitment and retraining costs to re-staff positions; no loss in experienced workforce; prevents an additional fiscal impact on state and local resources (unemployment compensation, food stamps, uninsured medical services, etc.) that would be caused by laid off employees seeking government services; and minimizes the negative economic impact on private sector businesses that would result from fewer goods and services being purchased by laid off employees, loan defaults, etc.

PROBLEM STATEMENT: To minimize long-term negative customer service level impacts and negative state, local and private sector economic impacts, salary reductions would be handled through a 15% furlough which translates to an average of 47 days per employee for the fiscal year, rather than through layoffs.

STATUTE REFERENCE: The definition of furlough is contained in s. 110.107(3), F.S., and is: A temporary reduction in the regular hours of employment in a pay period, or temporary leave without pay for one or more pay periods, with a commensurate reduction in pay, necessitated by a projected deficit in any fund that supports salary and benefit appropriations. Section 110.1225, F.S., requires that when furloughs are utilized that all affected employees are subject to the same reduction of hours for the same number of pay periods with a commensurate reduction in pay.

PROGRAM IMPACTS:

Federal Property Assistance Program (FPA):

The following program impacts are for the Federal Property Assistance Program (FPA): FPA provides customer service to over 500 public agencies and private/nonprofit health and education organizations throughout the State of Florida. Responsibilities include acquiring federal surplus or excess military equipment from the federal government and transferring it to agencies to assist in deferring the cost of new equipment. The Bureau coordinates the distribution of \$5.5 million in donated federal property each year. This 15% reduction will have a significant negative impact on the program. With 100% of the employees taking a 15% reduction in pay, we can expect an increased risk of resignations of key personnel that have vast amount of subject matter expertise regarding the Federal Property Assistance program. Additionally, with 100% of the employees taking a 15% reduction in work hours, we expect to experience a significant decrease in work productivity and customer service. Public agencies and private/nonprofit health and education organizations would see a significant decrease in the capability for acquiring and distributing federally owned tangible personal property declared excess/surplus by the Federal Government. FPA would not have the capability of conducting utilization checks on millions of dollars of property already donated. Lastly, this 15% reduction will negatively impact the program if an employee resigns or retires and requires a leave payout.

Bureau of Motor Vehicles and Watercraft Management:

The following program impacts are for the Bureau of Motor Vehicles and Watercraft Management: The Bureau provides customer service to 30 State agencies. The Bureau reviews and approves agency acquisition requests to ensure fleet

COL A93		COL A94		COL A95		CODES
SCH VIIIB-2		SCH VIIIB-2		SCH VIIIB-2		
REDUCTIONS		NR FY11-12		ANZ FY11-12		
POS	AMOUNT	POS	AMOUNT	POS	AMOUNT	
MANAGEMENT SRVCS, DEPT OF						72000000
WORKFORCE PROGRAMS						72750000
PGM: RETIRE BENEFITS ADMIN						72750300
GOV OPERATIONS/SUPPORT						16
GOVERNMENTAL OPERATIONS						<u>1601.00.00.00</u>
SCHEDULE VIIIB REDUCTIONS -						
OPERATING						33B0000
FIFTEEN PERCENT REDUCTION -						
SALARY AND BENEFITS -						
EMPLOYEE FURLOUGH						33B7180

purchases are cost effective, fuel efficient and appropriate for stated purchase. Additionally, the Bureau tracks the assignment, use, and maintenance of mobile equipment and coordinates the disposal of state-owned mobile equipment. This 15% reduction will have a significant negative impact on the program. With 100% of the employees taking a 15% reduction in pay, we can expect an increased risk of resignations of key personnel with over 46 years of subject matter expertise regarding the Equipment Management Information System (EMIS), acquisition and disposal of the State's fleet. These critical duties cannot be absorbed by other staff due to the high level expertise required to research, develop and implement mobile equipment technical specifications and replacement criteria. Additionally, with 100% of the employees taking a 15% reduction in work hours, we expect to experience a significant decrease in work productivity and customer service. The projected turnaround time for the acquisition and disposal approval process would be extended from 2 to 5 workdays. Lastly, this 15% reduction will negatively impact the Bureau if an employee resigns or retires and requires a leave payout.

Office of Supplier Diversity (OSD):

Furloughing staff will have a devastating effect on proving outreach service for the Department's customers. Furloughing will cause delays in certifying firms and providing the mandatory monthly reports required by statute, also due to the lack of outreach services there will be a reduction in the number of firms that will register in MyFloridaMarketPlace as vendors, which will also have an impact of the number of companies bidding on state and local government projects. A reduction in bidders on projects may result in the state and local governments paying a higher price for goods and services due to the lack of competition. The furloughing of staff will affect state agencies, universities, local governments and private contractors who depend on OSD to provide assurance that a company is a bonafide certified company. These entities depend on getting this information in a timely matter. If this information is delayed or not received will result in contracts not being bided and awarded in a timely manner. This can also lead to projects being stopped which causes mobilization to occur again which increases the price to the state and local government entities through change orders. All of these things cause services to the taxpaying citizens to be late, interrupted or not provided.

Building Construction:

To reduce staffing costs by 15%, Building Construction will need to furlough staff by approximately 47 days throughout the Fiscal Year. This reduction in staffing will reduce the oversight available for construction projects which may result in delays in completing projects when contractors need approvals for each phase of work, prior to review by permit authorities and approvals from DMS for work completed before proceeding to the next task. Such furloughs will also complicate communications with our client agencies regarding customers' needs and concerns. Delays in projects may result in continued degradation of DMS-managed facilities if faulty or failing equipment isn't replaced in a timely manner and physical plant problems aren't addressed before the situation worsens.



COL A93		COL A94		COL A95		CODES
SCH VIIIIB-2		SCH VIIIIB-2		SCH VIIIIB-2		
REDUCTIONS		NR FY11-12		ANZ FY11-12		
POS	AMOUNT	POS	AMOUNT	POS	AMOUNT	
MANAGEMENT SRVCS, DEPT OF						72000000
WORKFORCE PROGRAMS						72750000
PGM: RETIRE BENEFITS ADMIN						72750300
GOV OPERATIONS/SUPPORT						16
GOVERNMENTAL OPERATIONS						<u>1601.00.00.00</u>
SCHEDULE VIIIIB REDUCTIONS -						
OPERATING						33B0000
FIFTEEN PERCENT REDUCTION -						
SALARY AND BENEFITS -						
EMPLOYEE FURLOUGH						33B7180

Human Resource Management

Policy Team

The State Personnel System (SPS) is part of the executive branch of state government and consists of 31 agencies that operate under a single set of employment laws, policies, and practices. These policies affect 105,031 FTE employees and 9,965 Other Personnel Services (OPS) employees, making the SPS the largest employer in state government.

The Division develops and administers core human resource (HR) policies, strategies, and practices for the State Personnel System and provides expertise and consultative services to ensure the lawful, effective and efficient implementation of human resource programs by the SPS agencies. As part of this role, the Division statutorily serves, on behalf of the Governor, as the Chief Labor Negotiator with six labor unions covering 13 collective bargaining units.

As a single employer, this Division is necessary to ensure an equitable and lawful system of employment, uniformity in application of core policies exist between agencies, the SPS remains a competitive employer capable of recruiting and retaining a highly competent workforce and Florida's citizens receive quality services.

This reduction equates to approximately a 2 day reduction in staff hours for each division employee for each two week pay period during the entire fiscal year. This 20% reduction in weekly staff hour availability will cause a severe disruption in the delivery of division services to the executive branch agencies and their employees, the Executive Office of the Governor, and legislative staff and will require that some activities be suspended or eliminated. Because division program areas are already minimally staffed, the necessary resources will not always be available on the same days due to staggered work schedules required by the furloughs. Additionally, the negative impact on productivity from normal absenteeism due to illness, etc., will be greatly magnified.

This overall loss of productivity will significantly impede the division and its customers from meeting statutory obligations and increase the potential for lawsuits and financial penalties.

Specifically, this reduction:

1. Jeopardizes the equitable and lawful administration of the State Personnel System by significantly impacting the agencies' ability to effectively manage agency operations and implement legislatively mandated programs due to:

Significant delays in providing critical policy directives to agencies related to numerous federal and state employment laws and rules, i.e., Fair Labor Standards Act (FLSA), Equal Employment Opportunity (EEO), Americans with Disabilities Act (ADA), the Family and Medical Leave Act (FMLA), employment and reemployment rights of veterans, and attendance and leave requirements, resulting in increased lawsuits

COL A93		COL A94		COL A95		CODES
SCH VIIIIB-2		SCH VIIIIB-2		SCH VIIIIB-2		
REDUCTIONS		NR FY11-12		ANZ FY11-12		
POS	AMOUNT	POS	AMOUNT	POS	AMOUNT	
MANAGEMENT SRVCS, DEPT OF						72000000
WORKFORCE PROGRAMS						72750000
PGM: RETIRE BENEFITS ADMIN						72750300
GOV OPERATIONS/SUPPORT						16
GOVERNMENTAL OPERATIONS						<u>1601.00.00.00</u>
SCHEDULE VIIIIB REDUCTIONS -						
OPERATING						33B0000
FIFTEEN PERCENT REDUCTION -						
SALARY AND BENEFITS -						
EMPLOYEE FURLOUGH						33B7180

by employees and the assessment of substantial financial penalties by the federal government;

Drastic increases in response time for analysis and approval of key agency HR operational actions such as reorganization requests; reclassification of positions; establishment of new classes; special risk designations; workforce layoff plans; regular compensatory leave and extraordinary payment plans and pay additive requests; and

Reduced responsiveness to daily telephone and email requests for technical assistance on a myriad of HR issues.

2. Severely impacts our ability to effectively represent the Governor as the State's chief labor negotiator, causing a significant reduction in collective bargaining unit contract oversight and delaying the processing of Step 3 grievances, and resulting in an escalation in disputes with labor organizations with commensurate increases in union filings of unfair labor practice claims.

3. Eliminates our ability to administer and oversee the Florida State Employees' Charitable Campaign resulting in the suspension of the Campaign at a loss of approximately \$5 million per year to charitable organizations which provide direct services to the citizens of Florida.

4. Reduces our ability to develop policy-driven business rules and operational requirements for the People First human resource information system; thereby impacting the system's ability to meet the needs of the State Personnel System.

5. Reduces the content and timeliness of the Annual Workforce Report. This statutorily required report provides demographic and trend data regarding the State Personnel System workforce.

6. Causes delays in meeting federal reporting requirements (EEO-4 Report).

7. Eliminates our ability to provide training to agency HR staff on critical federal and state requirements.

People First Team

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 This reduction equates to approximately a 2 day reduction in staff hours for each People First Team employee for each two week pay period during the entire fiscal year. This reduction will cause a severe disruption in the delivery of services to all 240,000 users of the People First system, and will require that some activities be eliminated. People First users include executive branch agencies, State Courts System, Justice Administrative Commission, Lottery, Legislature, University System, and retirees. Job applicants will be impacted as well.

COL A93		COL A94		COL A95		CODES
SCH VIIIIB-2		SCH VIIIIB-2		SCH VIIIIB-2		
REDUCTIONS		NR FY11-12		ANZ FY11-12		
POS	AMOUNT	POS	AMOUNT	POS	AMOUNT	
MANAGEMENT SRVCS, DEPT OF						72000000
WORKFORCE PROGRAMS						72750000
PGM: RETIRE BENEFITS ADMIN						72750300
GOV OPERATIONS/SUPPORT						16
GOVERNMENTAL OPERATIONS						<u>1601.00.00.00</u>
SCHEDULE VIIIIB REDUCTIONS -						
OPERATING						33B0000
FIFTEEN PERCENT REDUCTION -						
SALARY AND BENEFITS -						
EMPLOYEE FURLOUGH						33B7180

Specifically, this reduction:

1. Weakens our ability to ensure effective day-to-day oversight and contract management activities of the outsourced vendor (NorthgateArinso), which includes: monitoring the status of current contract deliverables and performance metrics; overseeing contract amendment and change order processes; coordinating the monthly business review meetings between the state and service provider; and monitoring NorthgateArinso's four subcontractors (i.e., PeopleClick Authoria (staffing module), Fringe Benefits Management Corporation (flexible spending account), Horizon Health / Aetna (EAP provider) and Wachovia (lockbox)).
2. Eliminates our ability to monitor service center performance to ensure accuracy of information provided, determine training or process improvement needs, and investigate concerns and complaints.
3. Weakens our ability to monitor NorthgateArinso's adherence to the security plan, review the semi-annual SAS 70 report, maintain the state of Florida security guidelines manual, monitor Level II background screening, monitor the annual business continuity plan exercise, and audit the two service centers for data security compliance.
4. Jeopardizes our ability to manage the system release life cycle for the additional system enhancements included in the renewal contract as well as any other system improvement or enhancements. Our role includes identifying the state's business requirements, providing the service provider with written confirmation of the requested change, reviewing and approving system technical specifications, coordinating and approving user acceptance testing, and overseeing the roll-out of the enhancements through employee training and communication.
5. Jeopardizes our ability to provide NorthgateArinso with Benefits Open Enrollment system changes and vendor oversight of the annual Open Enrollment process.
6. Eliminates our ability to effectively plan for the next generation HR solution (i.e., the contract with NorthgateArinso expires August 21, 2016), which includes researching best practices, reviewing lessons learned, analyzing trends, defining strengths and weaknesses of the current contract, and proactively planning for future success.
7. Reduces our ability to effectively manage and oversee the upcoming procurement process, which includes business case development, bid development, vendor selection, and contract negotiations. Coordinating procurement documents to prepare for the end of the current contract include the development of comprehensive transition, staffing, change management, training, interface, security, migration, and business continuity plans.
8. Eliminates our ability to serve our state agency customers by producing data for recurring report requests (e.g., OPS YTD Hours report, LASPBS Reconciliation reports, Pay Additive Monitoring reports, PAR data extracts, Workforce Reports, etc.), and inputting large amounts of data into the People First system via mass loads. All stakeholders will be

COL A93		COL A94		COL A95		CODES
SCH VIIIB-2		SCH VIIIB-2		SCH VIIIB-2		
REDUCTIONS		NR FY11-12		ANZ FY11-12		
POS	AMOUNT	POS	AMOUNT	POS	AMOUNT	
MANAGEMENT SRVCS, DEPT OF						72000000
WORKFORCE PROGRAMS						72750000
PGM: RETIRE BENEFITS ADMIN						72750300
GOV OPERATIONS/SUPPORT						16
GOVERNMENTAL OPERATIONS						<u>1601.00.00.00</u>
SCHEDULE VIIIB REDUCTIONS -						
OPERATING						33B0000
FIFTEEN PERCENT REDUCTION -						
SALARY AND BENEFITS -						
EMPLOYEE FURLOUGH						33B7180

required to run their own reports, and input large amounts of data into the People First system on a position by position basis.

9. Reduces our ability to respond to public records requests for personnel data in a timely basis.

10 Eliminates our ability to provide support and issue resolution to customers and timely communication to all stakeholders, as well as, our ability to provide training for user groups in a variety of mediums.

Private Prison Monitoring:

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 This is expected to have a detrimental impact on our program area. With 100% of the employees taking a 15% cut in pay, we can expect an increased risk of resignations, especially if employees were impacted by a furlough during FY 2010-2011. Additionally, with 100% of the employees taking a 15% reduction in work hours, we expect to experience a marked decrease in work productivity and customer service. More concerning, the diminished ability of our program area to monitor the state's private prison contractors has negative public safety implications. Our staff will no longer be able to adequately monitor physical plant preventative maintenance and repairs relative to security electronics that monitor fence integrity designed to prevent and alarm if people are attempting to enter/exit the facility unlawfully, monitor dormitory security and emergency safety systems designed to enhance officer/inmate safety and prevent escapes, and ensure support systems are in place, designed to provide for constitutional and statutory minimum standards of living for inmates relative to food service, medical and sanitary systems (laundry/sewage, etc). Further, the diminished presence or our monitors places greater risk on the Florida Department of Management Services and the Department of Corrections ability to withstand litigation that may result from poor vendor performance that impacts an inmate's liberty, constitutional or statutory rights. Statutory impact: Chapter 957 F.S.

Division of Telecommunications:

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 The Division of Telecommunications (DivTel) is statutorily charged to bring economies of scale, bulk purchasing leverage and interoperability to Florida's public sector telecommunications. Success requires tireless work and innovation given the perpetual rapid changes in the technology marketplace. By definition, if DivTel rests, it will become obsolete and unable to deliver cost savings to the State in the future.

In addition to maintaining \$110 million worth of telecommunications services demanded annually by our government customers, some examples of pending and upcoming projects that DivTel considers vital to its charge are:

Mobile Telecommunications consolidation to place all State mobile phones under a single "family plan" to achieve enterprise savings and establish accountability; Central Voice over IP (VoIP) management and coordination (known as Session Initiation Protocol Trunking) to enable as yet unrealized savings from this technology that is rapidly replacing

COL A93		COL A94		COL A95		CODES
SCH VIIIIB-2		SCH VIIIIB-2		SCH VIIIIB-2		
REDUCTIONS		NR FY11-12		ANZ FY11-12		
POS	AMOUNT	POS	AMOUNT	POS	AMOUNT	
MANAGEMENT SRVCS, DEPT OF						72000000
WORKFORCE PROGRAMS						72750000
PGM: RETIRE BENEFITS ADMIN						72750300
GOV OPERATIONS/SUPPORT						16
GOVERNMENTAL OPERATIONS						<u>1601.00.00.00</u>
SCHEDULE VIIIIB REDUCTIONS -						
OPERATING						33B0000
FIFTEEN PERCENT REDUCTION -						
SALARY AND BENEFITS -						
EMPLOYEE FURLOUGH						33B7180

traditional phone services; Improving competition and transparency of telephony hardware purchases that are common throughout State government under a contract known as SUNCOM Telephony Equipment Premise-Based Services or (STEPS); SUNCOM's Open and Shared Information System which empowers SUNCOM customers to effectively audit their bills, control costs and automate SUNCOM processes; Implementing telecommunications savings for the newly consolidated enterprise data centers per a mandate by law; and establishing an enterprise satellite telecommunications contract/service to achieve bulk purchase savings and standardization.

Clearly, many of these enterprise cost savings projects will be delayed or canceled for the fiscal year, given the complex challenges of each and the length of the proposed furloughs. And a new form of waste will be incurred from shelved work, disrupted efforts and triaged priorities. Furloughs will actually lead to increasing State costs rather than savings since no General Revenue can be returned and these DivTel enterprise cost savings projects will be impaired.

In addition, daily operations of DivTel have a direct impact on the daily operations of all State of Florida agencies. Telephone services to critical agencies such as the Department of Emergency Management, the Department of Environmental Protection, the Department of Children and Families, the Department of Law Enforcement, and the Department of Highway Safety, to name a few, are critical during times of urgent need and/or emergencies. DivTel is responsible for operating the SUNCOM Network Operations Center (NOC) which maintains these communications facilities. Furloughs will make it extremely difficult, if not impossible, for DivTel to provide a service level assuring 24x7 uninterrupted operations.

Another factor to consider in the event of furloughs is that the installation times associated with new and additional services will be significantly increased. Many requests for additional communications facilities are in response to an emergency situation or other immediate need for increased capacity. Furloughs will limit the ability for DivTel to respond to these emergency situations. It will also be necessary for all SUNCOM services to be re-evaluated with regard to time periods for engineering, ordering, and installing. Given that each day of increased time in that cycle represents an additional day of lost cost savings or lost services for an agency, the actual costs to the State may be significantly higher than any savings realized from furloughs.

Due to the fact that State agencies rely on the SUNCOM network for voice, video, and data services, DivTel provides staff 24x7 to respond to network outages. This coverage model requires both overtime pay and on-call pay. Furloughs will mandate either eliminating this coverage or distributing the costs onto other employees by decreasing their work hours even lower than the required furlough percentage. In either case, network outages may become more frequent and have longer durations. In the event that a repair begun by a service vendor requires SUNCOM NOC staff to complete, Service Level Agreements (SLA's) in the State contracts may become unenforceable resulting in the loss of monetary compensation to the State for prolonged down times.

In the area of public safety telecommunications, DivTel brings economies of scale to statewide mission critical

COL A93		COL A94		COL A95		CODES
SCH VIIIIB-2	SCH VIIIIB-2	SCH VIIIIB-2	SCH VIIIIB-2	SCH VIIIIB-2	SCH VIIIIB-2	
REDUCTIONS	NR FY11-12	ANZ FY11-12	ANZ FY11-12	ANZ FY11-12	ANZ FY11-12	
POS	AMOUNT	POS	AMOUNT	POS	AMOUNT	
MANAGEMENT SRVCS, DEPT OF						72000000
WORKFORCE PROGRAMS						72750000
PGM: RETIRE BENEFITS ADMIN						72750300
GOV OPERATIONS/SUPPORT						16
GOVERNMENTAL OPERATIONS						1601.00.00.00
SCHEDULE VIIIIB REDUCTIONS -						
OPERATING						33B0000
FIFTEEN PERCENT REDUCTION -						
SALARY AND BENEFITS -						
EMPLOYEE FURLOUGH						33B7180

communications systems which benefit state, county and local agencies by: Providing administrative oversight and coordination for the State's E911 Plan supporting the E911 Board in distributing \$120 million in fees received in accordance with FS 365.172 for 911 purposes; Managing and monitoring contract performance along with enhancement projects for the Statewide Law Enforcement Radio System (SLERS) which provides secure encrypted voice communications to more than 7,500 law enforcement officers across 24 state agencies and 27 federal and local jurisdictions; and Coordinating and approving frequencies and technical specifications for state, county and local law enforcement and EMS communications systems.

Furloughs of our public safety bureau staff may significantly delay the engineering assistance DivTel provides to other state, county and local law enforcement agencies planning changes to their mission critical land mobile radio and E911 communications systems. Time spent on system, project and contract management for the Statewide Law Enforcement Radio System (SLERS), E911 Board, Florida Interoperability Network (FIN), Mutual Aid (M/A) frequencies and other interoperable communications projects will be reduced with a potential negative effect on system performance. Future grant opportunities and planning efforts to replace obsolete or aging communications systems with state of the art technologies such as next generation 911, P-25 radios, and statewide 700MHz Long Term Evolution (LTE) broadband for public safety may be lost.

Suggestions that some of the lost productivity from furloughs will be partially offset because staff might not take Annual Leave (i.e. since they will be out of work for nine weeks) should consider our most experienced and dedicated staff that are pushing maximum leave balances. They are unlikely to forgo using paid Annual Leave because they will otherwise lose it and are unwilling to contribute that loss in light of a compulsory furlough. If they don't take the leave however (as will be the case for most staff) the State will incur greater leave payouts in the future.

DivTel has an extraordinary share of dedicated professionals who are passionate about the value they bring to Florida citizens. The recent \$10 million in refunds DivTel provided, in spite of a series of preceding DivTel price reductions, are obvious fruits of their labors. More subtle are the more than \$50 million in cost avoidance they bring to the Florida enterprise every year.

DivTel's unusually low turnover is an expression of staff dedication. But their hidden contributions come from willingness to work through the night to finalize major projects (like the recent SSRC center upgrade), leaving their families during State emergencies, contributions of unpaid personal time to push projects to success, courage to stand firm against demands that compromise service to citizens and willingness to forgo private sector opportunities commensurate with their abilities. Under normal circumstances, it would be difficult to expect this kind of gracious commitment and passion from staff after they are furloughed. But given that they know their sacrifice will lead to increasing State costs rather than savings, morale will be devastated. Expecting staff to care, after extracting such a large pointless sacrifice from them, is a charade that cannot be sold.

Finally, DivTel also has a number of staff who will be unable to meet personal financial obligations after being

COL A93		COL A94		COL A95		CODES
SCH VIII B-2		SCH VIII B-2		SCH VIII B-2		
REDUCTIONS		NR FY11-12		ANZ FY11-12		
POS	AMOUNT	POS	AMOUNT	POS	AMOUNT	
						72000000
						72750000
						72750300
						16
						<u>1601.00.00.00</u>
						33B0000
						33B7180

MANAGEMENT SRVCS, DEPT OF  
 WORKFORCE PROGRAMS  
 PGM: RETIRE BENEFITS ADMIN  
 GOV OPERATIONS/SUPPORT  
 GOVERNMENTAL OPERATIONS  
 SCHEDULE VIII B REDUCTIONS -  
 OPERATING  
 FIFTEEN PERCENT REDUCTION -  
 SALARY AND BENEFITS -  
 EMPLOYEE FURLOUGH

furloughed for nine working weeks (the current proposal). They will be forced to seek other jobs in a local market where many others will be doing the same and local spending will be depressed. For many staff, extended furloughs will impose a genuine economic crisis rather than mere hardship.

Office of the Secretary/Administration:

Furloughs will significantly impact the Office of the Secretary/Division of Administration operations. This reduction will adversely impact the quality, timeliness, and level of services delivered by the Office of the Secretary/Division of Administration to our internal and external customers. As a shared support service provider for the agency, our divisions will suffer the impacts of delayed services in turn delaying their ability to provide adequate services to their customers.

This furlough program will also create a significant hardship for employees that will likely lead to difficulty in retaining the highest performing staff causing additional productivity losses and increasing costs for recruiting and training qualified personnel.

State Purchasing:

With procurement and contracting staff unavailable due to implementation of furloughs, the Department anticipates that there will be severe impacts to many of the core functions of the Department of Management Services, Division of State Purchasing.

First, the Department is responsible for establishing state term contract. These are often multi-million dollar contracts that all agencies are required to use and eligible users (e.g., counties, municipalities) may use. Commodities and services available under state term contracts include but are not limited to: information technology hardware; information technology and management consulting services; insurance; purchasing and fuel card services; automobile and trucks; and our e-procurement services contract (generally know as "MyFloridaMarketPlace"). Also, the Bureau of Departmental Purchasing is responsible for providing purchasing services to the following divisions of the Department: Administration; Human Resource Management; State Group Insurance, Telecommunications; Real Estate Management; Specialized Services; and Retirement. The commodities and services provided via the Department's state term and departmental contracts are used by all agencies of the State of Florida. The above-mentioned contracts are established via the competitive solicitation process found in chapter 287, Florida Statutes. If the Department instituted a furlough program, the number of the competitive solicitations the Division would be able to issue will decrease in an amount commensurate with the furlough(s). As such, it is anticipated that there will be a reduction in the number of contract the Department would be able to execute. It is estimated with the implementation of furloughs, it could cost the state \$46,716,896 in savings from state contracts by reducing work hours one day per biweekly pay period.

	COL A93	COL A94	COL A95	
	SCH VIII B-2	SCH VIII B-2	SCH VIII B-2	
	REDUCTIONS	NR FY11-12	ANZ FY11-12	
POS	AMOUNT	POS	AMOUNT	POS
				AMOUNT
				CODES
MANAGEMENT SRVCS, DEPT OF				72000000
WORKFORCE PROGRAMS				72750000
PGM: RETIRE BENEFITS ADMIN				72750300
GOV OPERATIONS/SUPPORT				16
GOVERNMENTAL OPERATIONS				1601.00.00.00
SCHEDULE VIII B REDUCTIONS -				
OPERATING				33B0000
FIFTEEN PERCENT REDUCTION -				
SALARY AND BENEFITS -				
EMPLOYEE FURLOUGH				33B7180

An important part of the competitive solicitation process includes conducting strategic sourcing activities and market research prior to issuance of the solicitation. If a furlough program were instituted, procurement and contracting staff will not have the opportunity to strategically source our contracts. This means that the division will have less time to develop solicitations, survey and research the market, and solicit feedback from our customers, thereby leading to less effective contracts that will not meet our customers' needs. With the Department less able to establish effective contracts agencies will likely have to develop their own agency-specific contracts. Division also administers its contracts. These duties include assisting customers with questions and issues regarding its contracts and addressing related contract performance concerns. Under a furlough program, procurement and contracting staff will not be available to answer customer service questions in a timely manner thereby impacting customer service. Typically, when state term contract administrators receive questions from agency customers or other eligible user customers, a timely response is required. For example, the customer may want to purchase a commodity or service and may have specific questions about how a particular contract works. Delays in response due to furloughs will negatively impact our ability to provide excellent customer service. In addition, having fewer resources available will make it more difficult for the division to effectively monitor and manage vendor performance under a contract.

As State Purchasing conducts a number of competitive solicitations and administers a high volume of contract, we receive a number of public records requests. Although the Department takes its responsibilities under chapter 119, F.S., very seriously, if the Department were to institute a furlough program, response times for public records requests may be impacted. Such an impact would not only conflict with statutory requirements for public access to information, it would also have an adverse affect on the procurement protest process. Delays in information transmittal during the protest period may lead to increased litigation.

In addition to conducting competitive solicitations and administering and managing resulting contracts, the division is also responsible for providing a training program for state purchasers to attain and maintain purchasing education and skills. The goal of this program is to develop and certify public purchasing professionals, and to assure understanding and adherence to an unwavering code of ethical behavior, and the knowledge, skills and ability to effectively design, solicit, negotiate award and manage government contracts in Florida. Certifications offered through the program are Florida Certified Purchasing Agent (FCPA), Florida Certified Purchasing Manager (FCPM), Florida Certified Contract Negotiator (FCCN), and Florida Certified Contract Manager (FCCM). The training program also provides courses to assist participants with national certification such as the Certified Professional Public Buyer (CPPB), Certified Professional Public Officer (CPPO), and Project Management Professional (PMP). Florida Statute 287.057 requires that an FCCN negotiate contracts of \$1 million, and a certified PMP participate negotiate contracts in excess of \$10 million. The training program offers advanced recertification workshops to extend certification for an additional 5 year period. The training program would not be able to host the number of training courses to meet the demand for certification and recertification with the reduction in work hours due to the implementation of furloughs.

Lastly, it is uncertain what impact instituting a furlough program would have on current staffing in state purchasing.



	COL A93	COL A94	COL A95	
	SCH VIIIB-2	SCH VIIIB-2	SCH VIIIB-2	
	REDUCTIONS	NR FY11-12	ANZ FY11-12	
	POS	AMOUNT	POS	AMOUNT
				AMOUNT
				CODES
MANAGEMENT SRVCS, DEPT OF				72000000
WORKFORCE PROGRAMS				72750000
PGM: RETIRE BENEFITS ADMIN				72750300
GOV OPERATIONS/SUPPORT				16
GOVERNMENTAL OPERATIONS				1601.00.00.00
SCHEDULE VIIIB REDUCTIONS -				
OPERATING				33B0000
FIFTEEN PERCENT REDUCTION -				
SALARY AND BENEFITS -				
EMPLOYEE FURLOUGH				33B7180

Although reducing the number of hours that state purchasing staff would be able to work would result in savings, it is possible that division employees would look for employment at other agencies or outside of the employment of the state in an attempt to compensate for difference between the salary once earned versus what they would earn under furlough program.

Facilities Management

To reduce staffing costs by 15%, Facilities will need to furlough staff by approximately 47 days throughout the Fiscal Year. This reduction in staffing will mean that one day a week, at pool facilities with a single Department of Management Services (DMS) support person, there may be no DMS employee on site in a DMS-managed building to address any building issues that arise and tenants will need to contact a remote staff person to report issues to be addressed on non-furlough days. Delays in maintenance may result in continued degradation of DMS-managed facilities if faulty or failing equipment isn't replaced in a timely manner and building problems aren't addressed before the situation worsens.

In addition to the staff furloughs, other budget categories were reduced to essential elements but that still left \$2.3 million in reductions needed to meet 15% target reduction. Therefore, additional reductions in Expenses, Utilities, Contracted Services and security (contracted and FDLE) necessitate the closure of 5-10% of our facilities' square footage. This will require current tenants to seek space elsewhere and incur moving and relocation expenses. With these closures, DMS will also have a loss of revenue for those buildings which reduces funding available for operations and maintenance of other buildings in the Florida Facilities Pool.

State Group Insurance:

Furloughs will significantly impact the DSGI's operations and will not allow the DSGI to perform their legislative responsibilities. This reduction will adversely impact the quality, timeliness, and level of services delivered by the DSGI to state employees, retirees, state agencies and universities, Executive Office of the Governor and the Legislature and staff. This reduction is expected to result in the suspension and outsourcing of key activities.

Specifically, this reduction: (1) Jeopardizes the administration of the State Employees' Group Insurance Program, (2) Severely impacts our ability to obtain best value and effectively manage and oversee procurement processes, such as the upcoming PBM and HMO procurements, which include bid development, vendor selection, and contract negotiations, (3) Diminishes our ability to monitor contract performance to ensure contract compliance and accuracy of information provided, and (4) Adversely impacts customer service and programs deliverables.

Retirement:

The impact from a 15% furlough program will decrease overall organizational performance, severely impeding the delivery

	COL A93	COL A94	COL A95	
	SCH VIII B-2	SCH VIII B-2	SCH VIII B-2	
	REDUCTIONS	NR FY11-12	ANZ FY11-12	
POS	AMOUNT	POS	AMOUNT	POS
				AMOUNT
				CODES
MANAGEMENT SRVCS, DEPT OF				72000000
WORKFORCE PROGRAMS				72750000
PGM: RETIRE BENEFITS ADMIN				72750300
GOV OPERATIONS/SUPPORT				16
GOVERNMENTAL OPERATIONS				1601.00.00.00
SCHEDULE VIII B REDUCTIONS -				
OPERATING				33B0000
FIFTEEN PERCENT REDUCTION -				
SALARY AND BENEFITS -				
EMPLOYEE FURLOUGH				33B7180

of important services to more than 1 million participants in Florida's statewide retirement systems. Particularly affected will be: increasing turnaround time providing retirement estimates and information the members require for retirement planning; delaying the addition of new retirees to the retired payroll; processing change requests for those already on the retired payroll; reducing members' ability to reach retirement counselors by telephone; lengthening response time to analyze proposed legislation; and negating our ability to comply with statutory requirements to review all local retirement plan valuations on a triennial basis. Legislated performance measures relative to these services and others cannot be met and it can be expected that the percent of members, retirees and participating agencies satisfied with retirement services will plummet. This furlough program will create a significant hardship for employees that will likely lead to difficulty in retaining the highest performing staff causing additional productivity losses and increasing costs for recruiting and training qualified personnel. High employee turnover will further exasperate the timely delivery of services to more than one million members and 1,000 employing agencies of Florida's statewide retirement systems.

FISCAL INFORMATION: A 15% reduction of appropriations for salaries and benefits is over \$7 million dollars for DMS programs, excluding independent entities who are addressing reductions separately. To meet this reduction, each employee would have to be furloughed an average of 47 days. This is calculated by dividing the biweekly rate of employees by 10 to get a daily rate which is then multiplied by 47 days multiplied by 18.42% benefits. The benefits rate is calculated by combining 7.65% FICA and Retirement for 10.77%. Note: Employer contributions for health, life and disability insurance are not impacted by furloughs.

Division	15% S&B	
	Appropriation	
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Retirement	(1,625,939)	
Operating Trust Fund (2510)		
Salaries and Benefits (010000)		(1,480,082)
Optional Retirement Trust Fund (2517)		
Salaries and Benefits (010000)		(21,059)
Police & Firemen Premium Tax Trust Fund (2532)		
Salaries and Benefits (010000)		(118,601)
Retiree Health Insurance Subsidy Trust Fund (2583)		
Salaries and Benefits (010000)		(6,197)
		-----
Total Issue	(1,625,939)	FSI=1

	COL A93	COL A94	COL A95	
	SCH VIIIB-2	SCH VIIIB-2	SCH VIIIB-2	
	REDUCTIONS	NR FY11-12	ANZ FY11-12	
POS	AMOUNT	POS	AMOUNT	POS
				AMOUNT
				CODES
MANAGEMENT SRVCS, DEPT OF				72000000
WORKFORCE PROGRAMS				72750000
PGM: RETIRE BENEFITS ADMIN				72750300
GOV OPERATIONS/SUPPORT				16
GOVERNMENTAL OPERATIONS				1601.00.00.00
SCHEDULE VIIIB REDUCTIONS -				
OPERATING				33B0000
FIFTEEN PERCENT REDUCTION -				
SALARY AND BENEFITS -				
EMPLOYEE FURLOUGH				33B7180

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POSITION DETAIL OF SALARIES AND BENEFITS:

	FTE	BASE RATE	ADDITIVES	BENEFITS	SUBTOTAL	LAPSE %	LAPSED SALARIES AND BENEFITS
A93 - SCH VIIIB-2 REDUCTIONS							
CHANGES TO CURRENTLY AUTHORIZED POSITIONS							
OTHER SALARY AMOUNT							
2510 OPERATING TRUST FUND							1,480,082-
2517 OPTIONAL RETIREMENT PRG TF							21,059-
2532 POL/FIREMEN PREMIUM TAX TF							118,601-
2583 RET HLTH INS SUBSIDY TF							6,197-
							-----
							1,625,939-
							=====

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FIFTEEN PERCENT REDUCTION -							
CONTRACTED SERVICES							33B7200
SPECIAL CATEGORIES							100000
CONTRACTED SERVICES							100777
OPERATING TRUST FUND	-STATE	157,452-					2510 1

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AGENCY ISSUE NARRATIVE:

SCH VIIIB-2 NARR 11-12 NARRATIVE: IT COMPONENT? NO  
 PRIORITY # 44

ISSUE SUMMARY: Each agency is required to meet a 15% reduction target. After careful consideration of the operations of

	COL A93	COL A94	COL A95	
	SCH VIIIB-2	SCH VIIIB-2	SCH VIIIB-2	
	REDUCTIONS	NR FY11-12	ANZ FY11-12	
POS	AMOUNT	POS	AMOUNT	POS
				AMOUNT
				CODES
MANAGEMENT SRVCS, DEPT OF				72000000
WORKFORCE PROGRAMS				72750000
PGM: RETIRE BENEFITS ADMIN				72750300
GOV OPERATIONS/SUPPORT				16
GOVERNMENTAL OPERATIONS				1601.00.00.00
SCHEDULE VIIIB REDUCTIONS -				
OPERATING				33B0000
FIFTEEN PERCENT REDUCTION -				
CONTRACTED SERVICES				33B7200

the program, it was determined that the following reduction would have the least impact on the customers we serve. The Division of Retirement is requesting a reduction in the costs of outsourced information technology (IT) management services plus implement several other small reductions in Special Categories: Contracted Services category by \$157,452.

PROBLEM AND SOLUTION STATEMENT: To minimize the impact to our customers while still meeting the target 15% reduction, the program gave careful consideration to our operations while developing the proposed reduction.

The request anticipates a significant cost reduction of outsourced IT management services available through increased cost-sharing along with more conservative spending over several small expenditures.

FISCAL INFORMATION: The Division of Retirement is requesting to reduce expenditures in the Special Categories: Contracted Services category by \$157,452.

Operating Trust Fund (2510)  
 Special Categories: Contracted Services (100777) (157,452) FSI=1  
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FIFTEEN PERCENT REDUCTION -				
DATA PROCESSING SERVICES - EXCESS				
BUDGET AUTHORITY				33B7270
DATA PROCESSING SERVICES				210000
SOUTHWOOD SRC				210021
OPERATING TRUST FUND	-STATE	70,484-		2510 1
		=====		

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AGENCY ISSUE NARRATIVE:  
 SCH VIIIB-2 NARR 11-12 NARRATIVE: IT COMPONENT? NO  
 PRIORITY #43

ISSUE SUMMARY: Each agency is required to meet a 15% reduction target. After careful consideration of the operations of the program, it was determined that the following reduction would have the least impact on the customers we serve. The Division of Retirement is requesting to reduce charges from Data Processing Services - Southwood Shared Resource Center (SSRC) category by \$70,484.

	COL A93	COL A94	COL A95	
	SCH VIIIIB-2	SCH VIIIIB-2	SCH VIIIIB-2	
	REDUCTIONS	NR FY11-12	ANZ FY11-12	
POS	AMOUNT	POS	AMOUNT	POS
				AMOUNT
				CODES
MANAGEMENT SRVCS, DEPT OF				72000000
WORKFORCE PROGRAMS				72750000
PGM: RETIRE BENEFITS ADMIN				72750300
GOV OPERATIONS/SUPPORT				16
GOVERNMENTAL OPERATIONS				<u>1601.00.00.00</u>
SCHEDULE VIIIIB REDUCTIONS -				
OPERATING				33B0000
FIFTEEN PERCENT REDUCTION -				
DATA PROCESSING SERVICES - EXCESS				
BUDGET AUTHORITY				33B7270

PROBLEM AND SOLUTION STATEMENT: To minimize the impact to our customers while still meeting the target 15% reduction, the program gave careful consideration to our operations while developing the proposed reduction.

Savings will be achieved through anticipated reduced costs of email and other charges.

FISCAL INFORMATION: The Division of Retirement is requesting to reduce charges from Data Processing - Southwood Shared Resource Center (SSRC) category by \$70,484.

Operating Trust Fund (2510)  
 Data Processing Services - SSRC (210021) (70,484) FSI=1  
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FIFTEEN PERCENT REDUCTION -				
CONTRACTED SERVICES - FLORIDA				33B7310
NATIONAL GUARD				100000
SPECIAL CATEGORIES				100777
CONTRACTED SERVICES				
GENERAL REVENUE FUND	-STATE	35,519-		1000 1
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AGENCY ISSUE NARRATIVE:  
 SCH VIIIIB-2 NARR 11-12 NARRATIVE: IT COMPONENT? NO  
 PRIORITY #2

ISSUE SUMMARY: Each agency is required to meet a 15% reduction target. After careful consideration of the operations of the program, it was determined that the following reduction would have the least impact on the customers we serve. The Division of Retirement is requesting to reduce General Revenue by \$35,519 in the Special Categories: Contracted Services appropriation. The funding allocated for actuarial valuations to determine the liability reporting required under Governmental Accounting Standards Board (GASB) Statements 25 and 27 for general revenue funded pensions is no longer needed.

COL A93		COL A94		COL A95		CODES
SCH VIII B-2		SCH VIII B-2		SCH VIII B-2		
REDUCTIONS		NR FY11-12		ANZ FY11-12		
POS	AMOUNT	POS	AMOUNT	POS	AMOUNT	
MANAGEMENT SRVCS, DEPT OF						72000000
WORKFORCE PROGRAMS						72750000
PGM: RETIRE BENEFITS ADMIN						72750300
GOV OPERATIONS/SUPPORT						16
GOVERNMENTAL OPERATIONS						1601.00.00.00
SCHEDULE VIII B REDUCTIONS -						
OPERATING						33B0000
FIFTEEN PERCENT REDUCTION -						
CONTRACTED SERVICES - FLORIDA						
NATIONAL GUARD						33B7310

PROBLEM AND SOLUTION STATEMENT: To minimize the impact to our customers while still meeting the target 15% reduction, the program gave careful consideration to our operations while developing the proposed reduction.

The Office of the Auditor General determined that general revenue funded pensions for Florida National Guard retirees, disability retirement of judges or justices ordered by the Supreme Court, public officers under s. 112.05, F.S., and teacher special pensions under s. 238.171, F.S., are not material for accounting purposes in the state's Consolidated Annual Financial Report. Only material liabilities are subject to the reporting requirements of GASB Statements 25 and 27. Therefore, the funding allocated for actuarial valuations to determine the liability reporting required under GASB Statements 25 and 27 for general revenue funded pensions is no longer needed.

FISCAL INFORMATION: The Division of Retirement is requesting to reduce General Revenue in Special Categories: Contracted Services by \$35,519.

General Revenue Fund (1000)  
 Special Categories: Contracted Services (100777) (35,519) FSI=1

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FIFTEEN PERCENT REDUCTION -						
EXPENSES - INFORMATION TECHNOLOGY						33B7350
PURCHASES LESS THAN \$1,000						060000
OPERATING CAPITAL OUTLAY						
OPERATING TRUST FUND	-STATE	65,854-				2510 1

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AGENCY ISSUE NARRATIVE:  
 SCH VIII B-2 NARR 11-12 NARRATIVE: IT COMPONENT? NO  
 PRIORITY #45

ISSUE SUMMARY: Each agency is required to meet a 15% reduction target. After careful consideration of the operations of the program, it was determined that the following reduction would have the least impact on the customers we serve. The Division of Retirement is requesting to reduce purchase of computers and monitors by \$65,854.

COL A93		COL A94		COL A95		CODES
SCH VIIIB-2		SCH VIIIB-2		SCH VIIIB-2		
REDUCTIONS		NR FY11-12		ANZ FY11-12		
POS	AMOUNT	POS	AMOUNT	POS	AMOUNT	
MANAGEMENT SRVCS, DEPT OF						72000000
WORKFORCE PROGRAMS						72750000
PGM: RETIRE BENEFITS ADMIN						72750300
GOV OPERATIONS/SUPPORT						16
GOVERNMENTAL OPERATIONS						1601.00.00.00
SCHEDULE VIIIB REDUCTIONS -						
OPERATING						33B0000
FIFTEEN PERCENT REDUCTION -						
EXPENSES - INFORMATION TECHNOLOGY						
PURCHASES LESS THAN \$1,000						33B7350

PROBLEM AND SOLUTION STATEMENT: To minimize the impact to our customers while still meeting the target 15% reduction, the program gave careful consideration to our operations while developing the proposed reduction.

Savings will be achieved through delaying the purchase of replacement computers and monitors by extending the lifetime of information technology (IT) equipment beyond suggested standards.

FISCAL INFORMATION: The Division of Retirement is requesting to reduce purchase of computers and monitors by \$65,854.

Operating Trust Fund (2510)  
 Operating Capital Outlay (060000) (65,854) FSI=1  
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BUDGET REDUCTIONS						33H0000
BUDGET REDUCTIONS BASED ON RELEASE						
HOLDBACK REVIEW						33H0400
SALARIES AND BENEFITS						010000
OPERATING TRUST FUND	-STATE	236,518-				2510 1

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POSITION DETAIL OF SALARIES AND BENEFITS:

	FTE	BASE RATE	ADDITIVES	BENEFITS	SUBTOTAL	LAPSE %	LAPSED SALARIES AND BENEFITS
A93 - SCH VIIIB-2 REDUCTIONS							
CHANGES TO CURRENTLY AUTHORIZED POSITIONS							
OTHER SALARY AMOUNT							
2510 OPERATING TRUST FUND							236,518-
							-----
							236,518-
							=====

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	COL A93	COL A94	COL A95	
	SCH VIII B-2	SCH VIII B-2	SCH VIII B-2	
	REDUCTIONS	NR FY11-12	ANZ FY11-12	
	POS	AMOUNT	POS	AMOUNT
				AMOUNT
				CODES
MANAGEMENT SRVCS, DEPT OF				72000000
WORKFORCE PROGRAMS				72750000
PGM: RETIRE BENEFITS ADMIN				72750300
GOV OPERATIONS/SUPPORT				16
GOVERNMENTAL OPERATIONS				<u>1601.00.00.00</u>
TOTAL: GOVERNMENTAL OPERATIONS				<u>1601.00.00.00</u>
BY FUND TYPE				
GENERAL REVENUE FUND		35,519-		1000
TRUST FUNDS		2,809,061-		2000
TOTAL PROG COMP.....		2,844,580-		
		=====		



	COL A93	COL A94	COL A95	
	SCH VIIIB-2	SCH VIIIB-2	SCH VIIIB-2	
	REDUCTIONS	NR FY11-12	ANZ FY11-12	
POS	AMOUNT	POS	AMOUNT	POS
				AMOUNT
				CODES
MANAGEMENT SRVCS, DEPT OF				72000000
PGM: TECHNOLOGY PROGRAM				72900000
TELECOMMUNICATIONS SVCS				72900100
GOV OPERATIONS/SUPPORT				16
INFORMATION TECHNOLOGY				1603.00.00.00
SCHEDULE VIIIB REDUCTIONS -				
OPERATING				33B0000
FIFTEEN PERCENT REDUCTION -				
EXPENSES AND DATA PROCESSING				33B7100
EXPENSES				040000
COMMUNICATIONS WKG CAP TF -STATE	100,000-			2105 1
WIRELESS COMM E911 TF -STATE	100,000-			2344 1
TOTAL APPRO.....	200,000-			
DATA PROCESSING SERVICES				210000
SOUTHWOOD SRC				210021
COMMUNICATIONS WKG CAP TF -STATE	121,733-			2105 1
TOTAL: FIFTEEN PERCENT REDUCTION -				33B7100
EXPENSES AND DATA PROCESSING				
TOTAL ISSUE.....	321,733-			

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AGENCY ISSUE NARRATIVE:  
 SCH VIIIB-2 NARR 11-12 NARRATIVE: IT COMPONENT? NO  
 PRIORITY #29

ISSUE SUMMARY: Each agency is required to meet a 15% reduction target. After careful consideration of the operations of the program, it was determined that the following reductions would have the least impact on the customers we serve. This issue requests the reductions as outlined below.

This issue requests the reduction for the Data Processing Services-SSRC category in the Communications Working Capital Trust Fund of \$121,733 and in the Communications Working Capital Trust Fund of \$100,000, and for the Expenses category in the Emergency Communications Number E911 System Fund of \$100,000.

PROBLEM AND SOLUTION STATEMENT: The Data Processing funds are used to pay the Southwood Shared Resource Center (SSRC) for data processing services associated with SUNCOM Services. This reduction is possible due to the SSRC's rate reductions. However, if rates increase or if SUNCOM utilization increases, this authority will be required.

The reduction in the Expenses category would be achieved by further restricting travel and training along with restricting technology refresh purchases. Travel is mission critical in support of some SUNCOM services such as the Telecommunications Infrastructure Projects Services (TIPS). This service requires that the engineer travel to the worksite in order to inspect work being done by the vendor. The Division of Telecommunications obligations under Section

	COL A93	COL A94	COL A95	
	SCH VIII B-2	SCH VIII B-2	SCH VIII B-2	
	REDUCTIONS	NR FY11-12	ANZ FY11-12	
POS	AMOUNT	POS	AMOUNT	POS
				AMOUNT
				CODES
MANAGEMENT SRVCS, DEPT OF				72000000
PGM: TECHNOLOGY PROGRAM				72900000
TELECOMMUNICATIONS SVCS				72900100
GOV OPERATIONS/SUPPORT				16
INFORMATION TECHNOLOGY				1603.00.00.00
SCHEDULE VIII B REDUCTIONS -				
OPERATING				33B0000
FIFTEEN PERCENT REDUCTION -				
EXPENSES AND DATA PROCESSING				33B7100

282.703 Florida Statutes to provide a comprehensive and diverse telecommunications enterprise network to state and local governments, known as SUNCOM could be impaired with the elimination of funds for mission critical travel, training and technology refresh. The Division was recently awarded a Federal grant that will require some matching funds from the Expenses category. A reduction to this category could impair our ability to meet that match.

FISCAL INFORMATION: This issue requests the reduction for the Data Processing Services-SSRC category in the Communications Working Capital Trust Fund of \$121,733 and in the Communications Working Capital Trust Fund of \$100,000, and for the Expenses category in the Emergency Communications Number E911 System Fund of \$100,000. The state has accepted federal grant funds that restrict the use of 911 funds. Use of the Emergency Communications Number E911 System Fund for other purposes may result in forfeiture of the federal grant funds.

Communications Working Capital Trust Fund (2105)				
Expenses (040000)				(100,000)
Data Processing Services-SSRC (210021)				(121,733)
Total				(221,733)
Emergency Communications Number E911 System Fund (2344)				
Expenses (040000)				(100,000)
Total Issue				(321,733) FSI=1

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FIFTEEN PERCENT REDUCTION -				
SALARY AND BENEFITS -				
EMPLOYEE FURLOUGH				33B7180
SALARIES AND BENEFITS				010000
COMMUNICATIONS WKG CAP TF -STATE	743,346-			2105 1
WIRELESS COMM E911 TF -STATE	65,169-			2344 1
TOTAL APPRO.....	808,515-			

	COL A93	COL A94	COL A95	
	SCH VIIIIB-2	SCH VIIIIB-2	SCH VIIIIB-2	
	REDUCTIONS	NR FY11-12	ANZ FY11-12	
POS	AMOUNT	POS	AMOUNT	POS
				AMOUNT
				CODES
MANAGEMENT SRVCS, DEPT OF				72000000
PGM: TECHNOLOGY PROGRAM				72900000
TELECOMMUNICATIONS SVCS				72900100
GOV OPERATIONS/SUPPORT				16
INFORMATION TECHNOLOGY				1603.00.00.00
SCHEDULE VIIIIB REDUCTIONS -				
OPERATING				33B0000
FIFTEEN PERCENT REDUCTION -				
SALARY AND BENEFITS -				
EMPLOYEE FURLOUGH				33B7180
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AGENCY ISSUE NARRATIVE:

SCH VIIIIB-2 NARR 11-12 NARRATIVE:  
 PRIORITY# 58

IT COMPONENT? NO

ISSUE SUMMARY: Each agency is required to meet a 15% reduction target. Much of the agency's budget supports staff (people) resources to meet the mission of the organization. We are requesting furloughs be used to meet the salaries and benefits portion of the required reduction target. Furloughs provide the following operational and economic benefits: permits the gradual or immediate resumption of previous service levels as the fiscal shortfall subsides; saves recruitment and retraining costs to re-staff positions; no loss in experienced workforce; prevents an additional fiscal impact on state and local resources (unemployment compensation, food stamps, uninsured medical services, etc.) that would be caused by laid off employees seeking government services; and minimizes the negative economic impact on private sector businesses that would result from fewer goods and services being purchased by laid off employees, loan defaults, etc.

PROBLEM STATEMENT: To minimize long-term negative customer service level impacts and negative state, local and private sector economic impacts, salary reductions would be handled through a 15% furlough which translates to an average of 47 days per employee for the fiscal year, rather than through layoffs.

STATUTE REFERENCE: The definition of furlough is contained in s. 110.107(3), F.S., and is: A temporary reduction in the regular hours of employment in a pay period, or temporary leave without pay for one or more pay periods, with a commensurate reduction in pay, necessitated by a projected deficit in any fund that supports salary and benefit appropriations. Section 110.1225, F.S., requires that when furloughs are utilized that all affected employees are subject to the same reduction of hours for the same number of pay periods with a commensurate reduction in pay.

PROGRAM IMPACTS:

Federal Property Assistance Program (FPA):

The following program impacts are for the Federal Property Assistance Program (FPA): FPA provides customer service to over 500 public agencies and private/nonprofit health and education organizations throughout the State of Florida. Responsibilities include acquiring federal surplus or excess military equipment from the federal government and transferring it to agencies to assist in deferring the cost of new equipment. The Bureau coordinates the distribution of \$5.5 million in donated federal property each year. This 15% reduction will have a significant negative impact on the program. With 100% of the employees taking a 15% reduction in pay, we can expect an increased risk of resignations of key personnel that have vast amount of subject matter expertise regarding the Federal Property Assistance program. Additionally, with 100% of the employees taking a 15% reduction in work hours, we expect to experience a significant decrease in work productivity and customer service. Public agencies and private/nonprofit health and education

COL A93		COL A94		COL A95		CODES
SCH VIII B-2		SCH VIII B-2		SCH VIII B-2		
REDUCTIONS		NR FY11-12		ANZ FY11-12		
POS	AMOUNT	POS	AMOUNT	POS	AMOUNT	
MANAGEMENT SRVCS, DEPT OF						72000000
PGM: TECHNOLOGY PROGRAM						72900000
TELECOMMUNICATIONS SVCS						72900100
GOV OPERATIONS/SUPPORT						16
INFORMATION TECHNOLOGY						1603.00.00.00
SCHEDULE VIII B REDUCTIONS -						
OPERATING						33B0000
FIFTEEN PERCENT REDUCTION -						
SALARY AND BENEFITS -						
EMPLOYEE FURLOUGH						33B7180

organizations would see a significant decrease in the capability for acquiring and distributing federally owned tangible personal property declared excess/surplus by the Federal Government. FPA would not have the capability of conducting utilization checks on millions of dollars of property already donated. Lastly, this 15% reduction will negatively impact the program if an employee resigns or retires and requires a leave payout.

Bureau of Motor Vehicles and Watercraft Management:

The following program impacts are for the Bureau of Motor Vehicles and Watercraft Management: The Bureau provides customer service to 30 State agencies. The Bureau reviews and approves agency acquisition requests to ensure fleet purchases are cost effective, fuel efficient and appropriate for stated purchase. Additionally, the Bureau tracks the assignment, use, and maintenance of mobile equipment and coordinates the disposal of state-owned mobile equipment. This 15% reduction will have a significant negative impact on the program. With 100% of the employees taking a 15% reduction in pay, we can expect an increased risk of resignations of key personnel with over 46 years of subject matter expertise regarding the Equipment Management Information System (EMIS), acquisition and disposal of the State's fleet. These critical duties cannot be absorbed by other staff due to the high level expertise required to research, develop and implement mobile equipment technical specifications and replacement criteria. Additionally, with 100% of the employees taking a 15% reduction in work hours, we expect to experience a significant decrease in work productivity and customer service. The projected turnaround time for the acquisition and disposal approval process would be extended from 2 to 5 workdays. Lastly, this 15% reduction will negatively impact the Bureau if an employee resigns or retires and requires a leave payout.

Office of Supplier Diversity (OSD):

Furloughing staff will have a devastating effect on proving outreach service for the Department's customers. Furloughing will cause delays in certifying firms and providing the mandatory monthly reports required by statute, also due to the lack of outreach services there will be a reduction in the number of firms that will register in MyFloridaMarketPlace as vendors, which will also have an impact of the number of companies bidding on state and local government projects. A reduction in bidders on projects may result in the state and local governments paying a higher price for goods and services due to the lack of competition. The furloughing of staff will affect state agencies, universities, local governments and private contractors who depend on OSD to provide assurance that a company is a bonafide certified company. These entities depend on getting this information in a timely matter. If this information is delayed or not received will result in contracts not being bided and awarded in a timely manner. This can also lead to projects being stopped which causes mobilization to occur again which increases the price to the state and local government entities through change orders. All of these things cause services to the taxpaying citizens to be late, interrupted or not provided.

Building Construction:

COL A93		COL A94		COL A95		CODES
SCH VIIIB-2	SCH VIIIB-2	SCH VIIIB-2	SCH VIIIB-2	SCH VIIIB-2	SCH VIIIB-2	
REDUCTIONS	NR FY11-12	NR FY11-12	NR FY11-12	ANZ FY11-12	ANZ FY11-12	
POS	AMOUNT	POS	AMOUNT	POS	AMOUNT	
MANAGEMENT SRVCS, DEPT OF						72000000
PGM: TECHNOLOGY PROGRAM						72900000
TELECOMMUNICATIONS SVCS						72900100
GOV OPERATIONS/SUPPORT						16
INFORMATION TECHNOLOGY						1603.00.00.00
SCHEDULE VIIIB REDUCTIONS -						
OPERATING						33B0000
FIFTEEN PERCENT REDUCTION -						
SALARY AND BENEFITS -						
EMPLOYEE FURLOUGH						33B7180

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 To reduce staffing costs by 15%, Building Construction will need to furlough staff by approximately 47 days throughout the Fiscal Year. This reduction in staffing will reduce the oversight available for construction projects which may result in delays in completing projects when contractors need approvals for each phase of work, prior to review by permit authorities and approvals from DMS for work completed before proceeding to the next task. Such furloughs will also complicate communications with our client agencies regarding customers' needs and concerns. Delays in projects may result in continued degradation of DMS-managed facilities if faulty or failing equipment isn't replaced in a timely manner and physical plant problems aren't addressed before the situation worsens.

Human Resource Management

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 Policy Team  
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The State Personnel System (SPS) is part of the executive branch of state government and consists of 31 agencies that operate under a single set of employment laws, policies, and practices. These policies affect 105,031 FTE employees and 9,965 Other Personnel Services (OPS) employees, making the SPS the largest employer in state government.

The Division develops and administers core human resource (HR) policies, strategies, and practices for the State Personnel System and provides expertise and consultative services to ensure the lawful, effective and efficient implementation of human resource programs by the SPS agencies. As part of this role, the Division statutorily serves, on behalf of the Governor, as the Chief Labor Negotiator with six labor unions covering 13 collective bargaining units.

As a single employer, this Division is necessary to ensure an equitable and lawful system of employment, uniformity in application of core policies exist between agencies, the SPS remains a competitive employer capable of recruiting and retaining a highly competent workforce and Florida's citizens receive quality services.

This reduction equates to approximately a 2 day reduction in staff hours for each division employee for each two week pay period during the entire fiscal year. This 20% reduction in weekly staff hour availability will cause a severe disruption in the delivery of division services to the executive branch agencies and their employees, the Executive Office of the Governor, and legislative staff and will require that some activities be suspended or eliminated. Because division program areas are already minimally staffed, the necessary resources will not always be available on the same days due to staggered work schedules required by the furloughs. Additionally, the negative impact on productivity from normal absenteeism due to illness, etc., will be greatly magnified.

This overall loss of productivity will significantly impede the division and its customers from meeting statutory obligations and increase the potential for lawsuits and financial penalties.

	COL A93	COL A94	COL A95	
	SCH VIIIB-2	SCH VIIIB-2	SCH VIIIB-2	
	REDUCTIONS	NR FY11-12	ANZ FY11-12	
POS	AMOUNT	POS	AMOUNT	POS
				AMOUNT
				CODES
MANAGEMENT SRVCS, DEPT OF				72000000
PGM: TECHNOLOGY PROGRAM				72900000
TELECOMMUNICATIONS SVCS				72900100
GOV OPERATIONS/SUPPORT				16
INFORMATION TECHNOLOGY				1603.00.00.00
SCHEDULE VIIIB REDUCTIONS -				
OPERATING				33B0000
FIFTEEN PERCENT REDUCTION -				
SALARY AND BENEFITS -				
EMPLOYEE FURLOUGH				33B7180

Specifically, this reduction:

1. Jeopardizes the equitable and lawful administration of the State Personnel System by significantly impacting the agencies' ability to effectively manage agency operations and implement legislatively mandated programs due to:

Significant delays in providing critical policy directives to agencies related to numerous federal and state employment laws and rules, i.e., Fair Labor Standards Act (FLSA), Equal Employment Opportunity (EEO), Americans with Disabilities Act (ADA), the Family and Medical Leave Act (FMLA), employment and reemployment rights of veterans, and attendance and leave requirements, resulting in increased lawsuits by employees and the assessment of substantial financial penalties by the federal government;

Drastic increases in response time for analysis and approval of key agency HR operational actions such as reorganization requests; reclassification of positions; establishment of new classes; special risk designations; workforce layoff plans; regular compensatory leave and extraordinary payment plans and pay additive requests; and

Reduced responsiveness to daily telephone and email requests for technical assistance on a myriad of HR issues.

2. Severely impacts our ability to effectively represent the Governor as the State's chief labor negotiator, causing a significant reduction in collective bargaining unit contract oversight and delaying the processing of Step 3 grievances, and resulting in an escalation in disputes with labor organizations with commensurate increases in union filings of unfair labor practice claims.

3. Eliminates our ability to administer and oversee the Florida State Employees' Charitable Campaign resulting in the suspension of the Campaign at a loss of approximately \$5 million per year to charitable organizations which provide direct services to the citizens of Florida.

4. Reduces our ability to develop policy-driven business rules and operational requirements for the People First human resource information system; thereby impacting the system's ability to meet the needs of the State Personnel System.

5. Reduces the content and timeliness of the Annual Workforce Report. This statutorily required report provides demographic and trend data regarding the State Personnel System workforce.

6. Causes delays in meeting federal reporting requirements (EEO-4 Report).

7. Eliminates our ability to provide training to agency HR staff on critical federal and state requirements.

COL A93		COL A94		COL A95		CODES
SCH VIIIIB-2		SCH VIIIIB-2		SCH VIIIIB-2		
REDUCTIONS		NR FY11-12		ANZ FY11-12		
POS	AMOUNT	POS	AMOUNT	POS	AMOUNT	
MANAGEMENT SRVCS, DEPT OF						72000000
PGM: TECHNOLOGY PROGRAM						72900000
TELECOMMUNICATIONS SVCS						72900100
GOV OPERATIONS/SUPPORT						16
INFORMATION TECHNOLOGY						<u>1603.00.00.00</u>
SCHEDULE VIIIIB REDUCTIONS -						
OPERATING						33B0000
FIFTEEN PERCENT REDUCTION -						
SALARY AND BENEFITS -						
EMPLOYEE FURLOUGH						33B7180

People First Team

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 This reduction equates to approximately a 2 day reduction in staff hours for each People First Team employee for each two week pay period during the entire fiscal year. This reduction will cause a severe disruption in the delivery of services to all 240,000 users of the People First system, and will require that some activities be eliminated. People First users include executive branch agencies, State Courts System, Justice Administrative Commission, Lottery, Legislature, University System, and retirees. Job applicants will be impacted as well.

Specifically, this reduction:

1. Weakens our ability to ensure effective day-to-day oversight and contract management activities of the outsourced vendor (NorthgateArinso), which includes: monitoring the status of current contract deliverables and performance metrics; overseeing contract amendment and change order processes; coordinating the monthly business review meetings between the state and service provider; and monitoring NorthgateArinso's four subcontractors (i.e., PeopleClick Authoria (staffing module), Fringe Benefits Management Corporation (flexible spending account), Horizon Health / Aetna (EAP provider) and Wachovia (lockbox)).
2. Eliminates our ability to monitor service center performance to ensure accuracy of information provided, determine training or process improvement needs, and investigate concerns and complaints.
3. Weakens our ability to monitor NorthgateArinso's adherence to the security plan, review the semi-annual SAS 70 report, maintain the state of Florida security guidelines manual, monitor Level II background screening, monitor the annual business continuity plan exercise, and audit the two service centers for data security compliance.
4. Jeopardizes our ability to manage the system release life cycle for the additional system enhancements included in the renewal contract as well as any other system improvement or enhancements. Our role includes identifying the state's business requirements, providing the service provider with written confirmation of the requested change, reviewing and approving system technical specifications, coordinating and approving user acceptance testing, and overseeing the roll-out of the enhancements through employee training and communication.
5. Jeopardizes our ability to provide NorthgateArinso with Benefits Open Enrollment system changes and vendor oversight of the annual Open Enrollment process.
6. Eliminates our ability to effectively plan for the next generation HR solution (i.e., the contract with NorthgateArinso expires August 21, 2016), which includes researching best practices, reviewing lessons learned, analyzing trends, defining strengths and weaknesses of the current contract, and proactively planning for future success.

	COL A93	COL A94	COL A95	
	SCH VIIIIB-2	SCH VIIIIB-2	SCH VIIIIB-2	
	REDUCTIONS	NR FY11-12	ANZ FY11-12	
	POS	AMOUNT	POS	AMOUNT
				AMOUNT
				CODES
MANAGEMENT SRVCS, DEPT OF				72000000
PGM: TECHNOLOGY PROGRAM				72900000
TELECOMMUNICATIONS SVCS				72900100
GOV OPERATIONS/SUPPORT				16
INFORMATION TECHNOLOGY				1603.00.00.00
SCHEDULE VIIIIB REDUCTIONS -				
OPERATING				33B0000
FIFTEEN PERCENT REDUCTION -				
SALARY AND BENEFITS -				
EMPLOYEE FURLOUGH				33B7180

7. Reduces our ability to effectively manage and oversee the upcoming procurement process, which includes business case development, bid development, vendor selection, and contract negotiations. Coordinating procurement documents to prepare for the end of the current contract include the development of comprehensive transition, staffing, change management, training, interface, security, migration, and business continuity plans.

8. Eliminates our ability to serve our state agency customers by producing data for recurring report requests (e.g., OPS YTD Hours report, LASPBS Reconciliation reports, Pay Additive Monitoring reports, PAR data extracts, Workforce Reports, etc.), and inputting large amounts of data into the People First system via mass loads. All stakeholders will be required to run their own reports, and input large amounts of data into the People First system on a position by position basis.

9. Reduces our ability to respond to public records requests for personnel data in a timely basis.

10 Eliminates our ability to provide support and issue resolution to customers and timely communication to all stakeholders, as well as, our ability to provide training for user groups in a variety of mediums.

Private Prison Monitoring:

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 This is expected to have a detrimental impact on our program area. With 100% of the employees taking a 15% cut in pay, we can expect an increased risk of resignations, especially if employees were impacted by a furlough during FY 2010-2011. Additionally, with 100% of the employees taking a 15% reduction in work hours, we expect to experience a marked decrease in work productivity and customer service. More concerning, the diminished ability of our program area to monitor the state's private prison contractors has negative public safety implications. Our staff will no longer be able to adequately monitor physical plant preventative maintenance and repairs relative to security electronics that monitor fence integrity designed to prevent and alarm if people are attempting to enter/exit the facility unlawfully, monitor dormitory security and emergency safety systems designed to enhance officer/inmate safety and prevent escapes, and ensure support systems are in place, designed to provide for constitutional and statutory minimum standards of living for inmates relative to food service, medical and sanitary systems (laundry/sewage, etc). Further, the diminished presence or our monitors places greater risk on the Florida Department of Management Services and the Department of Corrections ability to withstand litigation that may result from poor vendor performance that impacts an inmate's liberty, constitutional or statutory rights. Statutory impact: Chapter 957 F.S.

Division of Telecommunications:

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 The Division of Telecommunications (DivTel) is statutorily charged to bring economies of scale, bulk purchasing leverage and interoperability to Florida's public sector telecommunications. Success requires tireless work and innovation given



	COL A93	COL A94	COL A95	
	SCH VIIIB-2	SCH VIIIB-2	SCH VIIIB-2	
	REDUCTIONS	NR FY11-12	ANZ FY11-12	
	POS	AMOUNT	POS	AMOUNT
				AMOUNT
				CODES
MANAGEMENT SRVCS, DEPT OF				72000000
PGM: TECHNOLOGY PROGRAM				72900000
TELECOMMUNICATIONS SVCS				72900100
GOV OPERATIONS/SUPPORT				16
INFORMATION TECHNOLOGY				<u>1603.00.00.00</u>
SCHEDULE VIIIB REDUCTIONS -				
OPERATING				33B0000
FIFTEEN PERCENT REDUCTION -				
SALARY AND BENEFITS -				
EMPLOYEE FURLOUGH				33B7180

the perpetual rapid changes in the technology marketplace. By definition, if DivTel rests, it will become obsolete and unable to deliver cost savings to the State in the future.

In addition to maintaining \$110 million worth of telecommunications services demanded annually by our government customers, some examples of pending and upcoming projects that DivTel considers vital to its charge are:

Mobile Telecommunications consolidation to place all State mobile phones under a single "family plan" to achieve enterprise savings and establish accountability; Central Voice over IP (VoIP) management and coordination (known as Session Initiation Protocol Trunking) to enable as yet unrealized savings from this technology that is rapidly replacing traditional phone services; Improving competition and transparency of telephony hardware purchases that are common throughout State government under a contract known as SUNCOM Telephony Equipment Premise-Based Services or (STEPS); SUNCOM's Open and Shared Information System which empowers SUNCOM customers to effectively audit their bills, control costs and automate SUNCOM processes; Implementing telecommunications savings for the newly consolidated enterprise data centers per a mandate by law; and establishing an enterprise satellite telecommunications contract/service to achieve bulk purchase savings and standardization.

Clearly, many of these enterprise cost savings projects will be delayed or canceled for the fiscal year, given the complex challenges of each and the length of the proposed furloughs. And a new form of waste will be incurred from shelved work, disrupted efforts and triaged priorities. Furloughs will actually lead to increasing State costs rather than savings since no General Revenue can be returned and these DivTel enterprise cost savings projects will be impaired.

In addition, daily operations of DivTel have a direct impact on the daily operations of all State of Florida agencies. Telephone services to critical agencies such as the Department of Emergency Management, the Department of Environmental Protection, the Department of Children and Families, the Department of Law Enforcement, and the Department of Highway Safety, to name a few, are critical during times of urgent need and/or emergencies. DivTel is responsible for operating the SUNCOM Network Operations Center (NOC) which maintains these communications facilities. Furloughs will make it extremely difficult, if not impossible, for DivTel to provide a service level assuring 24x7 uninterrupted operations.

Another factor to consider in the event of furloughs is that the installation times associated with new and additional services will be significantly increased. Many requests for additional communications facilities are in response to an emergency situation or other immediate need for increased capacity. Furloughs will limit the ability for DivTel to respond to these emergency situations. It will also be necessary for all SUNCOM services to be re-evaluated with regard to time periods for engineering, ordering, and installing. Given that each day of increased time in that cycle represents an additional day of lost cost savings or lost services for an agency, the actual costs to the State may be significantly higher than any savings realized from furloughs.

COL A93		COL A94		COL A95		CODES
SCH VIIIIB-2		SCH VIIIIB-2		SCH VIIIIB-2		
REDUCTIONS		NR FY11-12		ANZ FY11-12		
POS	AMOUNT	POS	AMOUNT	POS	AMOUNT	
MANAGEMENT SRVCS, DEPT OF						72000000
PGM: TECHNOLOGY PROGRAM						72900000
TELECOMMUNICATIONS SVCS						72900100
GOV OPERATIONS/SUPPORT						16
INFORMATION TECHNOLOGY						1603.00.00.00
SCHEDULE VIIIIB REDUCTIONS -						
OPERATING						33B0000
FIFTEEN PERCENT REDUCTION -						
SALARY AND BENEFITS -						
EMPLOYEE FURLOUGH						33B7180

Due to the fact that State agencies rely on the SUNCOM network for voice, video, and data services, DivTel provides staff 24x7 to respond to network outages. This coverage model requires both overtime pay and on-call pay. Furloughs will mandate either eliminating this coverage or distributing the costs onto other employees by decreasing their work hours even lower than the required furlough percentage. In either case, network outages may become more frequent and have longer durations. In the event that a repair begun by a service vendor requires SUNCOM NOC staff to complete, Service Level Agreements (SLA's) in the State contracts may become unenforceable resulting in the loss of monetary compensation to the State for prolonged down times.

In the area of public safety telecommunications, DivTel brings economies of scale to statewide mission critical communications systems which benefit state, county and local agencies by: Providing administrative oversight and coordination for the State's E911 Plan supporting the E911 Board in distributing \$120 million in fees received in accordance with FS 365.172 for 911 purposes; Managing and monitoring contract performance along with enhancement projects for the Statewide Law Enforcement Radio System (SLERS) which provides secure encrypted voice communications to more than 7,500 law enforcement officers across 24 state agencies and 27 federal and local jurisdictions; and Coordinating and approving frequencies and technical specifications for state, county and local law enforcement and EMS communications systems.

Furloughs of our public safety bureau staff may significantly delay the engineering assistance DivTel provides to other state, county and local law enforcement agencies planning changes to their mission critical land mobile radio and E911 communications systems. Time spent on system, project and contract management for the Statewide Law Enforcement Radio System (SLERS), E911 Board, Florida Interoperability Network (FIN), Mutual Aid (M/A) frequencies and other interoperable communications projects will be reduced with a potential negative effect on system performance. Future grant opportunities and planning efforts to replace obsolete or aging communications systems with state of the art technologies such as next generation 911, P-25 radios, and statewide 700MHz Long Term Evolution (LTE) broadband for public safety may be lost. Suggestions that some of the lost productivity from furloughs will be partially offset because staff might not take Annual Leave (i.e. since they will be out of work for nine weeks) should consider our most experienced and dedicated staff that are pushing maximum leave balances. They are unlikely to forgo using paid Annual Leave because they will otherwise lose it and are unwilling to contribute that loss in light of a compulsory furlough. If they don't take the leave however (as will be the case for most staff) the State will incur greater leave payouts in the future.

DivTel has an extraordinary share of dedicated professionals who are passionate about the value they bring to Florida citizens. The recent \$10 million in refunds DivTel provided, in spite of a series of preceding DivTel price reductions, are obvious fruits of their labors. More subtle are the more than \$50 million in cost avoidance they bring to the Florida enterprise every year.

DivTel's unusually low turnover is an expression of staff dedication. But their hidden contributions come from

COL A93		COL A94		COL A95		CODES
SCH VIII B-2		SCH VIII B-2		SCH VIII B-2		
REDUCTIONS		NR FY11-12		ANZ FY11-12		
POS	AMOUNT	POS	AMOUNT	POS	AMOUNT	
MANAGEMENT SRVCS, DEPT OF						72000000
PGM: TECHNOLOGY PROGRAM						72900000
TELECOMMUNICATIONS SVCS						72900100
GOV OPERATIONS/SUPPORT						16
INFORMATION TECHNOLOGY						<u>1603.00.00.00</u>
SCHEDULE VIII B REDUCTIONS -						
OPERATING						33B0000
FIFTEEN PERCENT REDUCTION -						
SALARY AND BENEFITS -						
EMPLOYEE FURLOUGH						33B7180

willingness to work through the night to finalize major projects (like the recent SSRC center upgrade), leaving their families during State emergencies, contributions of unpaid personal time to push projects to success, courage to stand firm against demands that compromise service to citizens and willingness to forgo private sector opportunities commensurate with their abilities. Under normal circumstances, it would be difficult to expect this kind of gracious commitment and passion from staff after they are furloughed. But given that they know their sacrifice will lead to increasing State costs rather than savings, morale will be devastated. Expecting staff to care, after extracting such a large pointless sacrifice from them, is a charade that cannot be sold.

Finally, DivTel also has a number of staff who will be unable to meet personal financial obligations after being furloughed for nine working weeks (the current proposal). They will be forced to seek other jobs in a local market where many others will be doing the same and local spending will be depressed. For many staff, extended furloughs will impose a genuine economic crisis rather than mere hardship.

Office of the Secretary/Administration:

Furloughs will significantly impact the Office of the Secretary/Division of Administration operations. This reduction will adversely impact the quality, timeliness, and level of services delivered by the Office of the Secretary/Division of Administration to our internal and external customers. As a shared support service provider for the agency, our divisions will suffer the impacts of delayed services in turn delaying their ability to provide adequate services to their customers.

This furlough program will also create a significant hardship for employees that will likely lead to difficulty in retaining the highest performing staff causing additional productivity losses and increasing costs for recruiting and training qualified personnel.

State Purchasing:

With procurement and contracting staff unavailable due to implementation of furloughs, the Department anticipates that there will be severe impacts to many of the core functions of the Department of Management Services, Division of State Purchasing.

First, the Department is responsible for establishing state term contract. These are often multi-million dollar contracts that all agencies are required to use and eligible users (e.g., counties, municipalities) may use. Commodities and services available under state term contracts include but are not limited to: information technology hardware; information technology and management consulting services; insurance; purchasing and fuel card services; automobile and trucks; and our e-procurement services contract (generally know as "MyFloridaMarketPlace"). Also, the Bureau of Departmental Purchasing is responsible for providing purchasing services to the following divisions of the Department:

	COL A93	COL A94	COL A95	
	SCH VIII B-2	SCH VIII B-2	SCH VIII B-2	
	REDUCTIONS	NR FY11-12	ANZ FY11-12	
POS	AMOUNT	POS	AMOUNT	POS
				AMOUNT
				CODES
MANAGEMENT SRVCS, DEPT OF				72000000
PGM: TECHNOLOGY PROGRAM				72900000
TELECOMMUNICATIONS SVCS				72900100
GOV OPERATIONS/SUPPORT				16
INFORMATION TECHNOLOGY				1603.00.00.00
SCHEDULE VIII B REDUCTIONS -				
OPERATING				33B0000
FIFTEEN PERCENT REDUCTION -				
SALARY AND BENEFITS -				
EMPLOYEE FURLOUGH				33B7180

Administration; Human Resource Management; State Group Insurance, Telecommunications; Real Estate Management; Specialized Services; and Retirement. The commodities and services provided via the Department's state term and departmental contracts are used by all agencies of the State of Florida. The above-mentioned contracts are established via the competitive solicitation process found in chapter 287, Florida Statutes. If the Department instituted a furlough program, the number of the competitive solicitations the Division would be able to issue will decrease in an amount commensurate with the furlough(s). As such, it is anticipated that there will be a reduction in the number of contract the Department would be able to execute. It is estimated with the implementation of furloughs, it could cost the state \$46,716,896 in savings from state contracts by reducing work hours one day per biweekly pay period.

An important part of the competitive solicitation process includes conducting strategic sourcing activities and market research prior to issuance of the solicitation. If a furlough program were instituted, procurement and contracting staff will not have the opportunity to strategically source our contracts. This means that the division will have less time to develop solicitations, survey and research the market, and solicit feedback from our customers, thereby leading to less effective contracts that will not meet our customers' needs. With the Department less able to establish effective contracts agencies will likely have to develop their own agency-specific contracts. Division also administers its contracts. These duties include assisting customers with questions and issues regarding its contracts and addressing related contract performance concerns. Under a furlough program, procurement and contracting staff will not be as available to answer customer service questions in a timely manner thereby impacting customer service. Typically, when state term contract administrators receive questions from agency customers or other eligible user customers, a timely response is required. For example, the customer may want to purchase a commodity or service and may have specific questions about how a particular contract works. Delays in response due to furloughs will negatively impact our ability to provide excellent customer service. In addition, having fewer resources available will make it more difficult for the division to effectively monitor and manage vendor performance under a contract.

As State Purchasing conducts a number of competitive solicitations and administers a high volume of contract, we receive a number of public records requests. Although the Department takes its responsibilities under chapter 119, F.S., very seriously, if the Department were to institute a furlough program, response times for public records requests may be impacted. Such an impact would not only conflict with statutory requirements for public access to information, it would also have an adverse affect on the procurement protest process. Delays in information transmittal during the protest period may lead to increased litigation.

In addition to conducting competitive solicitations and administering and managing resulting contracts, the division is also responsible for providing a training program for state purchasers to attain and maintain purchasing education and skills. The goal of this program is to develop and certify public purchasing professionals, and to assure understanding and adherence to an unwavering code of ethical behavior, and the knowledge, skills and ability to effectively design, solicit, negotiate award and manage government contracts in Florida. Certifications offered through the program are Florida Certified Purchasing Agent (FCPA), Florida Certified Purchasing Manager (FCPM), Florida Certified Contract

	COL A93	COL A94	COL A95	
	SCH VIIIB-2	SCH VIIIB-2	SCH VIIIB-2	
	REDUCTIONS	NR FY11-12	ANZ FY11-12	
	POS	AMOUNT	POS	AMOUNT
				CODES
MANAGEMENT SRVCS, DEPT OF				72000000
PGM: TECHNOLOGY PROGRAM				72900000
TELECOMMUNICATIONS SVCS				72900100
GOV OPERATIONS/SUPPORT				16
INFORMATION TECHNOLOGY				1603.00.00.00
SCHEDULE VIIIB REDUCTIONS -				
OPERATING				33B0000
FIFTEEN PERCENT REDUCTION -				
SALARY AND BENEFITS -				
EMPLOYEE FURLOUGH				33B7180

Negotiator (FCCN), and Florida Certified Contract Manager (FCCM). The training program also provides courses to assist participants with national certification such as the Certified Professional Public Buyer (CPPB), Certified Professional Public Officer (CPPO), and Project Management Professional (PMP). Florida Statute 287.057 requires that an FCCN negotiate contracts of \$1 million, and a certified PMP participate negotiate contracts in excess of \$10 million. The training program offers advanced recertification workshops to extend certification for an additional 5 year period. The training program would not be able to host the number of training courses to meet the demand for certification and recertification with the reduction in work hours due to the implementation of furloughs.

Lastly, it is uncertain what impact instituting a furlough program would have on current staffing in state purchasing. Although reducing the number of hours that state purchasing staff would be able to work would result in savings, it is possible that division employees would look for employment at other agencies or outside of the employment of the state in an attempt to compensate for difference between the salary once earned versus what they would earn under furlough program.

Facilities Management

To reduce staffing costs by 15%, Facilities will need to furlough staff by approximately 47 days throughout the Fiscal Year. This reduction in staffing will mean that one day a week, at pool facilities with a single Department of Management Services (DMS) support person, there may be no DMS employee on site in a DMS-managed building to address any building issues that arise and tenants will need to contact a remote staff person to report issues to be addressed on non-furlough days. Delays in maintenance may result in continued degradation of DMS-managed facilities if faulty or failing equipment isn't replaced in a timely manner and building problems aren't addressed before the situation worsens.

In addition to the staff furloughs, other budget categories were reduced to essential elements but that still left \$2.3 million in reductions needed to meet 15% target reduction. Therefore, additional reductions in Expenses, Utilities, Contracted Services and security (contracted and FDLE) necessitate the closure of 5-10% of our facilities' square footage. This will require current tenants to seek space elsewhere and incur moving and relocation expenses. With these closures, DMS will also have a loss of revenue for those buildings which reduces funding available for operations and maintenance of other buildings in the Florida Facilities Pool.

State Group Insurance:

Furloughs will significantly impact the DSGI's operations and will not allow the DSGI to perform their legislative responsibilities. This reduction will adversely impact the quality, timeliness, and level of services delivered by the DSGI to state employees, retirees, state agencies and universities, Executive Office of the Governor and the Legislature and staff. This reduction is expected to result in the suspension and outsourcing of key activities.

COL A93		COL A94		COL A95		CODES
SCH VIIIIB-2		SCH VIIIIB-2		SCH VIIIIB-2		
REDUCTIONS		NR FY11-12		ANZ FY11-12		
POS	AMOUNT	POS	AMOUNT	POS	AMOUNT	
MANAGEMENT SRVCS, DEPT OF						72000000
PGM: TECHNOLOGY PROGRAM						72900000
TELECOMMUNICATIONS SVCS						72900100
GOV OPERATIONS/SUPPORT						16
INFORMATION TECHNOLOGY						1603.00.00.00
SCHEDULE VIIIIB REDUCTIONS -						
OPERATING						33B0000
FIFTEEN PERCENT REDUCTION -						
SALARY AND BENEFITS -						
EMPLOYEE FURLOUGH						33B7180

Specifically, this reduction: (1) Jeopardizes the administration of the State Employees' Group Insurance Program, (2) Severely impacts our ability to obtain best value and effectively manage and oversee procurement processes, such as the upcoming PBM and HMO procurements, which include bid development, vendor selection, and contract negotiations, (3) Diminishes our ability to monitor contract performance to ensure contract compliance and accuracy of information provided, and (4) Adversely impacts customer service and programs deliverables.

Retirement:

The impact from a 15% furlough program will decrease overall organizational performance, severely impeding the delivery of important services to more than 1 million participants in Florida's statewide retirement systems. Particularly affected will be: increasing turnaround time providing retirement estimates and information the members require for retirement planning; delaying the addition of new retirees to the retired payroll; processing change requests for those already on the retired payroll; reducing members' ability to reach retirement counselors by telephone; lengthening response time to analyze proposed legislation; and negating our ability to comply with statutory requirements to review all local retirement plan valuations on a triennial basis. Legislated performance measures relative to these services and others cannot be met and it can be expected that the percent of members, retirees and participating agencies satisfied with retirement services will plummet. This furlough program will create a significant hardship for employees that will likely lead to difficulty in retaining the highest performing staff causing additional productivity losses and increasing costs for recruiting and training qualified personnel. High employee turnover will further exasperate the timely delivery of services to more than one million members and 1,000 employing agencies of Florida's statewide retirement systems.

FISCAL INFORMATION: A 15% reduction of appropriations for salaries and benefits is over \$7 million dollars for DMS programs, excluding independent entities who are addressing reductions separately. To meet this reduction, each employee would have to be furloughed an average of 47 days. This is calculated by dividing the biweekly rate of employees by 10 to get a daily rate which is then multiplied by 47 days multiplied by 18.42% benefits. The benefits rate is calculated by combining 7.65% FICA and Retirement for 10.77%. Note: Employer contributions for health, life and disability insurance are not impacted by furloughs.

Division	15% S&B
	Appropriation
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Telecommunications Services	(808,515)

Communication Working Capital Trust Fund (2105)

	COL A93 SCH VIIIB-2 REDUCTIONS POS	COL A94 SCH VIIIB-2 NR FY11-12 POS	COL A95 SCH VIIIB-2 ANZ FY11-12 POS	AMOUNT	AMOUNT	AMOUNT	CODES
MANAGEMENT SRVCS, DEPT OF							72000000
PGM: TECHNOLOGY PROGRAM							72900000
TELECOMMUNICATIONS SVCS							72900100
GOV OPERATIONS/SUPPORT							16
INFORMATION TECHNOLOGY							1603.00.00.00
SCHEDULE VIIIB REDUCTIONS - OPERATING							33B0000
FIFTEEN PERCENT REDUCTION - SALARY AND BENEFITS - EMPLOYEE FURLOUGH							33B7180
Salaries and Benefits (010000)						(743,346)	
Emergency Communication Number E911 System Trust Fund (2344)						( 65,169)	
Salaries and Benefits (010000)						-----	
Total Issue						(808,515)	FSI=1
						=====	

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POSITION DETAIL OF SALARIES AND BENEFITS:

	FTE	BASE RATE	ADDITIVES	BENEFITS	SUBTOTAL	LAPSE %	LAPSED SALARIES AND BENEFITS
A93 - SCH VIIIB-2 REDUCTIONS							
CHANGES TO CURRENTLY AUTHORIZED POSITIONS							
OTHER SALARY AMOUNT							
2105 COMMUNICATIONS WKG CAP TF							743,346-
2344 WIRELESS COMM E911 TF							65,169-
							-----
							808,515-
							=====

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FIFTEEN PERCENT REDUCTION - CONTRACTED SERVICES							33B7200
SPECIAL CATEGORIES							100000
CONTRACTED SERVICES							100777
COMMUNICATIONS WKG CAP TF -STATE		21,810-					2105 1
		=====					

	COL A93	COL A94	COL A95	
	SCH VIIIIB-2	SCH VIIIIB-2	SCH VIIIIB-2	
	REDUCTIONS	NR FY11-12	ANZ FY11-12	
POS	AMOUNT	POS	AMOUNT	POS
				AMOUNT
				CODES
MANAGEMENT SRVCS, DEPT OF				72000000
PGM: TECHNOLOGY PROGRAM				72900000
TELECOMMUNICATIONS SVCS				72900100
GOV OPERATIONS/SUPPORT				16
INFORMATION TECHNOLOGY				1603.00.00.00
SCHEDULE VIIIIB REDUCTIONS -				
OPERATING				33B0000
FIFTEEN PERCENT REDUCTION -				
CONTRACTED SERVICES				33B7200

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AGENCY ISSUE NARRATIVE:

SCH VIIIIB-2 NARR 11-12 NARRATIVE: IT COMPONENT? NO  
 PRIORITY #25

ISSUE SUMMARY: Each agency is required to meet a 15% reduction target. After careful consideration of the operations of the program, it was determined that the following reductions would have the least impact on the customers we serve. This issue requests the reductions as outlined below.

This issue requests the reduction of \$21,810 in the Special Categories: Contracted Services category. These funds are currently used to pay for the ability to obtain research on telecommunications issues that affect the services we provide

PROBLEM AND SOLUTION STATEMENT: The contract with Gartner enables the Division Director to research pertinent telecommunications issues. This aids in decision making when developing services. If this reduction is accepted, the Division Director will have to find another way to obtain this type of information. This reduction would result in the loss of expert advice in the development of services and strategies that the Telecommunications Services Program currently receives.

FISCAL INFORMATION: This issue requests a reduction in the Communications Working Capital Trust Fund of \$21,810 in the Special Categories: Contracted Services category.

Communications Working Capital Trust Fund (2105)  
 Special Categories: Contracted Services (100777) (21,810) FSI=1

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FIFTEEN PERCENT REDUCTION -				
EXPENSES - 911 BOARD MEETINGS				33B7520
EXPENSES				040000
WIRELESS COMM E911 TF	-STATE	80,000-		2344 1
		=====		



	COL A93	COL A94	COL A95	
	SCH VIII B-2	SCH VIII B-2	SCH VIII B-2	
	REDUCTIONS	NR FY11-12	ANZ FY11-12	
POS	AMOUNT	POS	AMOUNT	POS
				AMOUNT
				CODES
MANAGEMENT SRVCS, DEPT OF				72000000
PGM: TECHNOLOGY PROGRAM				72900000
TELECOMMUNICATIONS SVCS				72900100
GOV OPERATIONS/SUPPORT				16
INFORMATION TECHNOLOGY				1603.00.00.00
SCHEDULE VIII B REDUCTIONS -				
OPERATING				33B0000
FIFTEEN PERCENT REDUCTION -				
EXPENSES - 911 BOARD MEETINGS				33B7520

AGENCY ISSUE NARRATIVE:

SCH VIII B-2 NARR 11-12 NARRATIVE: IT COMPONENT? NO  
 PRIORITY #26

ISSUE SUMMARY: Each agency is required to meet a 15% reduction target. After careful consideration of the operations of the program, it was determined that the following reductions would have the least impact on the customers we serve. This issue requests the reductions as outlined below.

This issue requests the reduction of \$80,000 in the Expenses category. Currently, there are nine E911 Board members and 4 Telecommunications Program staff members who travel monthly to attend Board Meetings. Board meetings are advertised in the Florida Administrative Weekly and are open to the public. This means that sometimes there maybe 30 to 40 participants. This issue proposes that the Board meet face to face quarterly instead of monthly. All other meetings would be conducted through teleconference.

PROBLEM AND SOLUTION STATEMENT: It is required by Florida Statute for the Board to meet monthly in the most efficient and most cost effective manner. This can include telephonically when practical. If this reduction is accepted, the E911 Board would meet through teleconference monthly and attend face to face meetings quarterly. Teleconference meetings may create difficulties for the E911 Board members setting aside uninterrupted "in-office" time for the two consecutive day meetings. These teleconference type meetings will reduce the oversight and attention to detail provided by the Board.

FISCAL INFORMATION: This issue requests a reduction in trust fund authority of \$80,000 in the Expenses category. The state has accepted federal grant funds that restrict the use of 911 funds. Use of the Emergency Communications Number E911 System Fund for other purposes may result in forfeiture of the federal grant funds.

Emergency Communications Number E911 System Fund (2344)  
 Expenses (040000) (80,000) FSI=1

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	COL A93	COL A94	COL A95	
	SCH VIIIB-2	SCH VIIIB-2	SCH VIIIB-2	
	REDUCTIONS	NR FY11-12	ANZ FY11-12	
POS	AMOUNT	POS	AMOUNT	POS
				AMOUNT
				CODES
MANAGEMENT SRVCS, DEPT OF				72000000
PGM: TECHNOLOGY PROGRAM				72900000
TELECOMMUNICATIONS SVCS				72900100
GOV OPERATIONS/SUPPORT				16
INFORMATION TECHNOLOGY				1603.00.00.00
SCHEDULE VIIIB REDUCTIONS -				
OPERATING				33B0000
FIFTEEN PERCENT REDUCTION -				
EXPENSES - RENT				33B7530
EXPENSES				040000
COMMUNICATIONS WKG CAP TF -STATE	4,295-			2105 1

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AGENCY ISSUE NARRATIVE:

SCH VIIIB-2 NARR 11-12 NARRATIVE: IT COMPONENT? NO  
 PRIORITY #27

ISSUE SUMMARY: Each agency is required to meet a 15% reduction target. After careful consideration of the operations of the program, it was determined that the following reductions would have the least impact on the customers we serve. This issue requests the reductions as outlined below.

This issue requests the reduction of \$4,295 in the Expenses category. These funds are currently used to pay for office space for field staff located in the Orlando area.

PROBLEM AND SOLUTION STATEMENT: The Communications Working Capital Trust Fund (CWCTF) funded one Telecommunications Systems Consultant in the Orlando area. This staff was housed in a state facility. When the position became vacant, it was moved to another area of the state to provide coverage in the Sarasota area. The new employee is currently telecommuting; therefore rent is not required for this position.

FISCAL INFORMATION: This issue requests a reduction in trust fund authority in the Expenses category of \$4,295. This issue has no fiscal impact on the division at this time.

Communications Working Capital Trust Fund (2105)  
 Expenses (040000) (4,295) FSI=1  
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	COL A93	COL A94	COL A95	
	SCH VIIIIB-2	SCH VIIIIB-2	SCH VIIIIB-2	
	REDUCTIONS	NR FY11-12	ANZ FY11-12	
POS	AMOUNT	POS	AMOUNT	POS
				AMOUNT
				CODES
MANAGEMENT SRVCS, DEPT OF				72000000
PGM: TECHNOLOGY PROGRAM				72900000
TELECOMMUNICATIONS SVCS				72900100
GOV OPERATIONS/SUPPORT				16
INFORMATION TECHNOLOGY				1603.00.00.00
SCHEDULE VIIIIB REDUCTIONS -				
OPERATING				33B0000
FIFTEEN PERCENT REDUCTION -				
CONTRACTED SERVICE - CONTRACT STAFF				
FURLOUGHS				33B7610
SPECIAL CATEGORIES				100000
CONTRACTED SERVICES				100777
COMMUNICATIONS WKG CAP TF -STATE	299,301-			2105 1
WIRELESS COMM E911 TF -STATE	24,247-			2344 1
TOTAL APPRO.....	323,548-			

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AGENCY ISSUE NARRATIVE:  
 SCH VIIIIB-2 NARR 11-12 NARRATIVE:  
 PRIORITY #28

IT COMPONENT? NO

ISSUE SUMMARY: Each agency is required to meet a 15% reduction target. After careful consideration of the operations of the program, it was determined that the following reductions would have the least impact on the customers we serve. This issue requests the reductions as outlined below.

This issue requests the reduction of \$299,301 in the Communications Working Capital Trust Fund and \$24,247 in the Emergency Communications Number 911 System Fund for the Special Categories: Contracted Services category. These funds are currently used to pay telecommunications staff augmentation services and 911 accounting services and staff augmentation.

PROBLEM AND SOLUTION STATEMENT: This issue proposes that if the issue to furlough Department of Management Services employees is accepted, that all contracted employees also be furloughed. Placing our contracted personnel on furlough will have the same effect as placing our state employees on furlough. These contractors work side by side with our engineers to keep the network running. The Division of Telecommunications (DivTel) is statutorily charged to bring economies of scale, bulk purchasing leverage and interoperability to Florida's public sector telecommunications. Success requires tireless work and innovation given the perpetual rapid changes in the technology marketplace. By definition, if DivTel rests, it will become obsolete and unable to deliver cost savings to the State in the future.

In addition to maintaining \$110 million worth of telecommunications services demanded annually by our government customers, some examples of pending and upcoming projects that DivTel considers vital to its charge are:

Mobile Telecommunications consolidation to place all State mobile phones under a single "family plan" to achieve enterprise savings and establish accountability;

Central Voice over IP (VoIP) management and coordination (known as Session Initiation Protocol Trunking) to enable as yet

COL A93		COL A94		COL A95		CODES
SCH VIIIIB-2		SCH VIIIIB-2		SCH VIIIIB-2		
REDUCTIONS		NR FY11-12		ANZ FY11-12		
POS	AMOUNT	POS	AMOUNT	POS	AMOUNT	
MANAGEMENT SRVCS, DEPT OF						72000000
PGM: TECHNOLOGY PROGRAM						72900000
TELECOMMUNICATIONS SVCS						72900100
GOV OPERATIONS/SUPPORT						16
INFORMATION TECHNOLOGY						1603.00.00.00
SCHEDULE VIIIIB REDUCTIONS -						
OPERATING						33B0000
FIFTEEN PERCENT REDUCTION -						
CONTRACTED SERVICE - CONTRACT STAFF						
FURLOUGHS						33B7610

unrealized savings from this technology that is rapidly replacing traditional phone services;  
 Improving competition and transparency of telephony hardware purchases that are common throughout State government under  
 a contract known as SUNCOM Telephony Equipment Premise-Based Services or (STEPS);

SUNCOM's Open and Shared Information System which empowers SUNCOM customers to effectively audit their bills, control  
 costs and automate SUNCOM processes;

Implementing telecommunications savings for the newly consolidated enterprise data centers per a mandate by law; and

Establishing an enterprise satellite telecommunications contract/service to achieve bulk purchase savings and  
 standardization.

Clearly, many of these enterprise cost savings projects will be delayed or canceled for the fiscal year, given the  
 complex challenges of each and the length of the proposed furloughs. And a new form of waste will be incurred from  
 shelved work, disrupted efforts and triaged priorities. Furloughs will actually lead to increasing State costs rather  
 than savings since DivTel enterprise cost savings projects will be impaired.

Another factor to consider in the event of furloughs is that the installation times associated with new and additional  
 services will be significantly increased. Many requests for additional communications facilities are in response to an  
 emergency situation or other immediate need for increased capacity. Furloughs will limit the ability for DivTel to  
 respond to these emergency situations. It will also be necessary for all SUNCOM services to be re-evaluated with regard  
 to time periods for engineering, ordering, and installing. Given that each day of increased time in that cycle  
 represents an additional day of lost cost savings or lost services for an agency, the actual costs to the State may be  
 significantly higher than any savings realized from furloughs.

Due to the fact that State agencies rely on the SUNCOM network for voice, video, and data services, DivTel provides staff  
 24x7 to respond to network outages. This coverage model requires both overtime pay and on-call pay. Furloughs will  
 mandate either eliminating this coverage or distributing the costs onto other employees by decreasing their work hours  
 even lower than the required furlough percentage. In either case, network outages may become more frequent and have  
 longer durations. In the event that a repair begun by a service vendor requires SUNCOM staff to complete, Service Level  
 Agreements (SLA's) in the State contracts may become unenforceable resulting in the loss of monetary compensation to the  
 State for prolonged down times.

Contract staff in the Emergency Communications Number E911 System Fund is used to provide accounting and technical  
 support for receipt, processing and accounting for the 911 fee collections from the wireless and non-wireless service  
 providers throughout the state's 67 counties. If these contractors are furloughed, full time staff will spend additional  
 time performing necessary administrative processing tasks related to 911 fee collections which will cause scheduling

	COL A93	COL A94	COL A95	
	SCH VIIIB-2	SCH VIIIB-2	SCH VIIIB-2	
	REDUCTIONS	NR FY11-12	ANZ FY11-12	
POS	AMOUNT	POS	AMOUNT	POS
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MANAGEMENT SRVCS, DEPT OF				72000000
PGM: TECHNOLOGY PROGRAM				72900000
TELECOMMUNICATIONS SVCS				72900100
GOV OPERATIONS/SUPPORT				16
INFORMATION TECHNOLOGY				<u>1603.00.00.00</u>
SCHEDULE VIIIB REDUCTIONS -				
OPERATING				33B0000
FIFTEEN PERCENT REDUCTION -				
CONTRACTED SERVICE - CONTRACT STAFF				
FURLOUGHS				33B7610

delays in completing other assignments responsibilities. This would have a negative impact on the division's ability to deliver current services, which would compromise our high level of customer satisfaction and could adversely affect public safety (911).

FISCAL INFORMATION: This issue requests the reduction of \$299,301 in the Communications Working Capital Trust Fund and \$24,247 in the Emergency Communications Number E911 System Fund for the Special Categories: Contracted Services category. The state has accepted federal grant funds that restrict the use of 911 funds. Use of the Emergency Communications Number E911 System Fund for other purposes may result in forfeiture of the federal grant funds.

Communications Working Capital Trust Fund (2105)	
Special Categories: Contracted Services (100777)	(299,301)
Emergency Communications Number E911 System Fund (2344)	
Special Categories: Contracted Services (100777)	( 24,247)
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Total Issue	(323,548) FSI=1
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TOTAL: INFORMATION TECHNOLOGY		<u>1603.00.00.00</u>
BY FUND TYPE		
TRUST FUNDS.....	1,559,901-	2000
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	SCH VIIIIB-2	SCH VIIIIB-2	SCH VIIIIB-2	
	REDUCTIONS	NR FY11-12	ANZ FY11-12	
POS	AMOUNT	POS	AMOUNT	POS
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MANAGEMENT SRVCS, DEPT OF				72000000
PGM: TECHNOLOGY PROGRAM				72900000
WIRELESS SERVICES				72900200
GOV OPERATIONS/SUPPORT				16
INFORMATION TECHNOLOGY				1603.00.00.00
SCHEDULE VIIIIB REDUCTIONS -				
OPERATING				33B0000
FIFTEEN PERCENT REDUCTION -				
SALARY AND BENEFITS -				
EMPLOYEE FURLOUGH				33B7180
SALARIES AND BENEFITS				010000
COMMUNICATIONS WKG CAP TF -STATE	13,453-			2105 1
LAW ENFORCEMENT RADIO TF -STATE	160,699-			2432 1
TOTAL APPRO.....	174,152-			

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AGENCY ISSUE NARRATIVE:

SCH VIIIIB-2 NARR 11-12 NARRATIVE:  
 PRIORITY# 56

IT COMPONENT? NO

ISSUE SUMMARY: Each agency is required to meet a 15% reduction target. Much of the agency's budget supports staff (people) resources to meet the mission of the organization. We are requesting furloughs be used to meet the salaries and benefits portion of the required reduction target. Furloughs provide the following operational and economic benefits: permits the gradual or immediate resumption of previous service levels as the fiscal shortfall subsides; saves recruitment and retraining costs to re-staff positions; no loss in experienced workforce; prevents an additional fiscal impact on state and local resources (unemployment compensation, food stamps, uninsured medical services, etc.) that would be caused by laid off employees seeking government services; and minimizes the negative economic impact on private sector businesses that would result from fewer goods and services being purchased by laid off employees, loan defaults, etc.

PROBLEM STATEMENT: To minimize long-term negative customer service level impacts and negative state, local and private sector economic impacts, salary reductions would be handled through a 15% furlough which translates to an average of 47 days per employee for the fiscal year, rather than through layoffs.

STATUTE REFERENCE: The definition of furlough is contained in s. 110.107(3), F.S., and is: A temporary reduction in the regular hours of employment in a pay period, or temporary leave without pay for one or more pay periods, with a commensurate reduction in pay, necessitated by a projected deficit in any fund that supports salary and benefit appropriations. Section 110.1225, F.S., requires that when furloughs are utilized that all affected employees are subject to the same reduction of hours for the same number of pay periods with a commensurate reduction in pay.

PROGRAM IMPACTS:

Federal Property Assistance Program (FPA):

The following program impacts are for the Federal Property Assistance Program (FPA): FPA provides customer service to over 500 public agencies and private/nonprofit health and education organizations throughout the State of Florida.

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REDUCTIONS		NR FY11-12		ANZ FY11-12		
POS	AMOUNT	POS	AMOUNT	POS	AMOUNT	
MANAGEMENT SRVCS, DEPT OF						72000000
PGM: TECHNOLOGY PROGRAM						72900000
WIRELESS SERVICES						72900200
GOV OPERATIONS/SUPPORT						16
INFORMATION TECHNOLOGY						1603.00.00.00
SCHEDULE VIIIB REDUCTIONS -						
OPERATING						33B0000
FIFTEEN PERCENT REDUCTION -						
SALARY AND BENEFITS -						
EMPLOYEE FURLOUGH						33B7180

Responsibilities include acquiring federal surplus or excess military equipment from the federal government and transferring it to agencies to assist in deferring the cost of new equipment. The Bureau coordinates the distribution of \$5.5 million in donated federal property each year. This 15% reduction will have a significant negative impact on the program. With 100% of the employees taking a 15% reduction in pay, we can expect an increased risk of resignations of key personnel that have vast amount of subject matter expertise regarding the Federal Property Assistance program. Additionally, with 100% of the employees taking a 15% reduction in work hours, we expect to experience a significant decrease in work productivity and customer service. Public agencies and private/nonprofit health and education organizations would see a significant decrease in the capability for acquiring and distributing federally owned tangible personal property declared excess/surplus by the Federal Government. FPA would not have the capability of conducting utilization checks on millions of dollars of property already donated. Lastly, this 15% reduction will negatively impact the program if an employee resigns or retires and requires a leave payout.

Bureau of Motor Vehicles and Watercraft Management:

The following program impacts are for the Bureau of Motor Vehicles and Watercraft Management: The Bureau provides customer service to 30 State agencies. The Bureau reviews and approves agency acquisition requests to ensure fleet purchases are cost effective, fuel efficient and appropriate for stated purchase. Additionally, the Bureau tracks the assignment, use, and maintenance of mobile equipment and coordinates the disposal of state-owned mobile equipment. This 15% reduction will have a significant negative impact on the program. With 100% of the employees taking a 15% reduction in pay, we can expect an increased risk of resignations of key personnel with over 46 years of subject matter expertise regarding the Equipment Management Information System (EMIS), acquisition and disposal of the State's fleet. These critical duties cannot be absorbed by other staff due to the high level expertise required to research, develop and implement mobile equipment technical specifications and replacement criteria. Additionally, with 100% of the employees taking a 15% reduction in work hours, we expect to experience a significant decrease in work productivity and customer service. The projected turnaround time for the acquisition and disposal approval process would be extended from 2 to 5 workdays. Lastly, this 15% reduction will negatively impact the Bureau if an employee resigns or retires and requires a leave payout.

Office of Supplier Diversity (OSD):

Furloughing staff will have a devastating effect on proving outreach service for the Department's customers. Furloughing will cause delays in certifying firms and providing the mandatory monthly reports required by statute, also due to the lack of outreach services there will be a reduction in the number of firms that will register in MyFloridaMarketPlace as vendors, which will also have an impact of the number of companies bidding on state and local government projects. A reduction in bidders on projects may result in the state and local governments paying a higher price for goods and services due to the lack of competition. The furloughing of staff will affect state agencies, universities, local governments and private contractors who depend on OSD to provide assurance that a company is a bonafide certified

	COL A93	COL A94	COL A95	
	SCH VIIIB-2	SCH VIIIB-2	SCH VIIIB-2	
	REDUCTIONS	NR FY11-12	ANZ FY11-12	
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				CODES
MANAGEMENT SRVCS, DEPT OF				72000000
PGM: TECHNOLOGY PROGRAM				72900000
WIRELESS SERVICES				72900200
GOV OPERATIONS/SUPPORT				16
INFORMATION TECHNOLOGY				1603.00.00.00
SCHEDULE VIIIB REDUCTIONS -				
OPERATING				33B0000
FIFTEEN PERCENT REDUCTION -				
SALARY AND BENEFITS -				
EMPLOYEE FURLOUGH				33B7180

company. These entities depend on getting this information in a timely matter. If this information is delayed or not received will result in contracts not being bided and awarded in a timely manner. This can also lead to projects being stopped which causes mobilization to occur again which increases the price to the state and local government entities through change orders. All of these things cause services to the taxpaying citizens to be late, interrupted or not provided.

Building Construction:

To reduce staffing costs by 15%, Building Construction will need to furlough staff by approximately 47 days throughout the Fiscal Year. This reduction in staffing will reduce the oversight available for construction projects which may result in delays in completing projects when contractors need approvals for each phase of work, prior to review by permit authorities and approvals from DMS for work completed before proceeding to the next task. Such furloughs will also complicate communications with our client agencies regarding customers' needs and concerns. Delays in projects may result in continued degradation of DMS-managed facilities if faulty or failing equipment isn't replaced in a timely manner and physical plant problems aren't addressed before the situation worsens.

Human Resource Management

Policy Team

The State Personnel System (SPS) is part of the executive branch of state government and consists of 31 agencies that operate under a single set of employment laws, policies, and practices. These policies affect 105,031 FTE employees and 9,965 Other Personnel Services (OPS) employees, making the SPS the largest employer in state government.

The Division develops and administers core human resource (HR) policies, strategies, and practices for the State Personnel System and provides expertise and consultative services to ensure the lawful, effective and efficient implementation of human resource programs by the SPS agencies. As part of this role, the Division statutorily serves, on behalf of the Governor, as the Chief Labor Negotiator with six labor unions covering 13 collective bargaining units.

As a single employer, this Division is necessary to ensure an equitable and lawful system of employment, uniformity in application of core policies exist between agencies, the SPS remains a competitive employer capable of recruiting and retaining a highly competent workforce and Florida's citizens receive quality services.

This reduction equates to approximately a 2 day reduction in staff hours for each division employee for each two week pay period during the entire fiscal year. This 20% reduction in weekly staff hour availability will cause a severe disruption in the delivery of division services to the executive branch agencies and their employees, the Executive Office of the Governor, and legislative staff and will require that some activities be suspended or eliminated. Because



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	SCH VIIIIB-2	SCH VIIIIB-2	SCH VIIIIB-2	
	REDUCTIONS	NR FY11-12	ANZ FY11-12	
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MANAGEMENT SRVCS, DEPT OF				72000000
PGM: TECHNOLOGY PROGRAM				72900000
WIRELESS SERVICES				72900200
GOV OPERATIONS/SUPPORT				16
INFORMATION TECHNOLOGY				1603.00.00.00
SCHEDULE VIIIIB REDUCTIONS -				
OPERATING				33B0000
FIFTEEN PERCENT REDUCTION -				
SALARY AND BENEFITS -				
EMPLOYEE FURLOUGH				33B7180

division program areas are already minimally staffed, the necessary resources will not always be available on the same days due to staggered work schedules required by the furloughs. Additionally, the negative impact on productivity from normal absenteeism due to illness, etc., will be greatly magnified.

This overall loss of productivity will significantly impede the division and its customers from meeting statutory obligations and increase the potential for lawsuits and financial penalties.

Specifically, this reduction:

1. Jeopardizes the equitable and lawful administration of the State Personnel System by significantly impacting the agencies' ability to effectively manage agency operations and implement legislatively mandated programs due to:

Significant delays in providing critical policy directives to agencies related to numerous federal and state employment laws and rules, i.e., Fair Labor Standards Act (FLSA), Equal Employment Opportunity (EEO), Americans with Disabilities Act (ADA), the Family and Medical Leave Act (FMLA), employment and reemployment rights of veterans, and attendance and leave requirements, resulting in increased lawsuits by employees and the assessment of substantial financial penalties by the federal government;

Drastic increases in response time for analysis and approval of key agency HR operational actions such as reorganization requests; reclassification of positions; establishment of new classes; special risk designations; workforce layoff plans; regular compensatory leave and extraordinary payment plans and pay additive requests; and

Reduced responsiveness to daily telephone and email requests for technical assistance on a myriad of HR issues.

2. Severely impacts our ability to effectively represent the Governor as the State's chief labor negotiator, causing a significant reduction in collective bargaining unit contract oversight and delaying the processing of Step 3 grievances, and resulting in an escalation in disputes with labor organizations with commensurate increases in union filings of unfair labor practice claims.

3. Eliminates our ability to administer and oversee the Florida State Employees' Charitable Campaign resulting in the suspension of the Campaign at a loss of approximately \$5 million per year to charitable organizations which provide direct services to the citizens of Florida.

4. Reduces our ability to develop policy-driven business rules and operational requirements for the People First human resource information system; thereby impacting the system's ability to meet the needs of the State Personnel System.

COL A93		COL A94		COL A95		CODES
SCH VIII B-2		SCH VIII B-2		SCH VIII B-2		
REDUCTIONS		NR FY11-12		ANZ FY11-12		
POS	AMOUNT	POS	AMOUNT	POS	AMOUNT	
						72000000
MANAGEMENT SRVCS, DEPT OF						72900000
PGM: TECHNOLOGY PROGRAM						72900200
WIRELESS SERVICES						16
GOV OPERATIONS/SUPPORT						1603.00.00.00
INFORMATION TECHNOLOGY						
SCHEDULE VIII B REDUCTIONS -						
OPERATING						33B0000
FIFTEEN PERCENT REDUCTION -						
SALARY AND BENEFITS -						
EMPLOYEE FURLOUGH						33B7180

5. Reduces the content and timeliness of the Annual Workforce Report. This statutorily required report provides demographic and trend data regarding the State Personnel System workforce.
6. Causes delays in meeting federal reporting requirements (EEO-4 Report).
7. Eliminates our ability to provide training to agency HR staff on critical federal and state requirements.

People First Team

This reduction equates to approximately a 2 day reduction in staff hours for each People First Team employee for each two week pay period during the entire fiscal year. This reduction will cause a severe disruption in the delivery of services to all 240,000 users of the People First system, and will require that some activities be eliminated. People First users include executive branch agencies, State Courts System, Justice Administrative Commission, Lottery, Legislature, University System, and retirees. Job applicants will be impacted as well.

Specifically, this reduction:

1. Weakens our ability to ensure effective day-to-day oversight and contract management activities of the outsourced vendor (NorthgateArinso), which includes: monitoring the status of current contract deliverables and performance metrics; overseeing contract amendment and change order processes; coordinating the monthly business review meetings between the state and service provider; and monitoring NorthgateArinso's four subcontractors (i.e., PeopleClick Authoria (staffing module), Fringe Benefits Management Corporation (flexible spending account), Horizon Health / Aetna (EAP provider) and Wachovia (lockbox)).
2. Eliminates our ability to monitor service center performance to ensure accuracy of information provided, determine training or process improvement needs, and investigate concerns and complaints.
3. Weakens our ability to monitor NorthgateArinso's adherence to the security plan, review the semi-annual SAS 70 report, maintain the state of Florida security guidelines manual, monitor Level II background screening, monitor the annual business continuity plan exercise, and audit the two service centers for data security compliance.
4. Jeopardizes our ability to manage the system release life cycle for the additional system enhancements included in the renewal contract as well as any other system improvement or enhancements. Our role includes identifying the state's business requirements, providing the service provider with written confirmation of the requested change, reviewing and approving system technical specifications, coordinating and approving user acceptance testing, and overseeing the roll-out of the enhancements through employee training and communication.

COL A93		COL A94		COL A95		CODES
SCH VIII B-2		SCH VIII B-2		SCH VIII B-2		
REDUCTIONS		NR FY11-12		ANZ FY11-12		
POS	AMOUNT	POS	AMOUNT	POS	AMOUNT	
MANAGEMENT SRVCS, DEPT OF						72000000
PGM: TECHNOLOGY PROGRAM						72900000
WIRELESS SERVICES						72900200
GOV OPERATIONS/SUPPORT						16
INFORMATION TECHNOLOGY						1603.00.00.00
SCHEDULE VIII B REDUCTIONS -						
OPERATING						33B0000
FIFTEEN PERCENT REDUCTION -						
SALARY AND BENEFITS -						
EMPLOYEE FURLOUGH						33B7180

5. Jeopardizes our ability to provide NorthgateArinso with Benefits Open Enrollment system changes and vendor oversight of the annual Open Enrollment process.

6. Eliminates our ability to effectively plan for the next generation HR solution (i.e., the contract with NorthgateArinso expires August 21, 2016), which includes researching best practices, reviewing lessons learned, analyzing trends, defining strengths and weaknesses of the current contract, and proactively planning for future success.

7. Reduces our ability to effectively manage and oversee the upcoming procurement process, which includes business case development, bid development, vendor selection, and contract negotiations. Coordinating procurement documents to prepare for the end of the current contract include the development of comprehensive transition, staffing, change management, training, interface, security, migration, and business continuity plans.

8. Eliminates our ability to serve our state agency customers by producing data for recurring report requests (e.g., OPS YTD Hours report, LASPBS Reconciliation reports, Pay Additive Monitoring reports, PAR data extracts, Workforce Reports, etc.), and inputting large amounts of data into the People First system via mass loads. All stakeholders will be required to run their own reports, and input large amounts of data into the People First system on a position by position basis.

9. Reduces our ability to respond to public records requests for personnel data in a timely basis.

10 Eliminates our ability to provide support and issue resolution to customers and timely communication to all stakeholders, as well as, our ability to provide training for user groups in a variety of mediums.

Private Prison Monitoring:

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 This is expected to have a detrimental impact on our program area. With 100% of the employees taking a 15% cut in pay, we can expect an increased risk of resignations, especially if employees were impacted by a furlough during FY 2010-2011. Additionally, with 100% of the employees taking a 15% reduction in work hours, we expect to experience a marked decrease in work productivity and customer service. More concerning, the diminished ability of our program area to monitor the state's private prison contractors has negative public safety implications. Our staff will no longer be able to adequately monitor physical plant preventative maintenance and repairs relative to security electronics that monitor fence integrity designed to prevent and alarm if people are attempting to enter/exit the facility unlawfully, monitor dormitory security and emergency safety systems designed to enhance officer/inmate safety and prevent escapes, and ensure support systems are in place, designed to provide for constitutional and statutory minimum standards of living for inmates relative to food service, medical and sanitary systems (laundry/sewage, etc). Further, the diminished presence of our monitors places greater risk on the Florida Department of Management Services and the Department of Corrections

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SCH VIII B-2		SCH VIII B-2		SCH VIII B-2		
REDUCTIONS		NR FY11-12		ANZ FY11-12		
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MANAGEMENT SRVCS, DEPT OF						72900000
PGM: TECHNOLOGY PROGRAM						72900200
WIRELESS SERVICES						16
GOV OPERATIONS/SUPPORT						1603.00.00.00
INFORMATION TECHNOLOGY						
SCHEDULE VIII B REDUCTIONS -						33B0000
OPERATING						
FIFTEEN PERCENT REDUCTION -						
SALARY AND BENEFITS -						
EMPLOYEE FURLOUGH						33B7180

ability to withstand litigation that may result from poor vendor performance that impacts an inmate's liberty, constitutional or statutory rights. Statutory impact: Chapter 957 F.S.

Division of Telecommunications:

The Division of Telecommunications (DivTel) is statutorily charged to bring economies of scale, bulk purchasing leverage and interoperability to Florida's public sector telecommunications. Success requires tireless work and innovation given the perpetual rapid changes in the technology marketplace. By definition, if DivTel rests, it will become obsolete and unable to deliver cost savings to the State in the future.

In addition to maintaining \$110 million worth of telecommunications services demanded annually by our government customers, some examples of pending and upcoming projects that DivTel considers vital to its charge are:

- Mobile Telecommunications consolidation to place all State mobile phones under a single "family plan" to achieve enterprise savings and establish accountability;
- Central Voice over IP (VoIP) management and coordination (known as Session Initiation Protocol Trunking) to enable as yet unrealized savings from this technology that is rapidly replacing traditional phone services;
- Improving competition and transparency of telephony hardware purchases that are common throughout State government under a contract known as SUNCOM Telephony Equipment Premise-Based Services or (STEPS);
- SUNCOM's Open and Shared Information System which empowers SUNCOM customers to effectively audit their bills, control costs and automate SUNCOM processes;
- Implementing telecommunications savings for the newly consolidated enterprise data centers per a mandate by law; and
- establishing an enterprise satellite telecommunications contract/service to achieve bulk purchase savings and standardization.

Clearly, many of these enterprise cost savings projects will be delayed or canceled for the fiscal year, given the complex challenges of each and the length of the proposed furloughs. And a new form of waste will be incurred from shelved work, disrupted efforts and triaged priorities. Furloughs will actually lead to increasing State costs rather than savings since no General Revenue can be returned and these DivTel enterprise cost savings projects will be impaired.

In addition, daily operations of DivTel have a direct impact on the daily operations of all State of Florida agencies. Telephone services to critical agencies such as the Department of Emergency Management, the Department of Environmental Protection, the Department of Children and Families, the Department of Law Enforcement, and the Department of Highway Safety, to name a few, are critical during times of urgent need and/or emergencies. DivTel is responsible for operating the SUNCOM Network Operations Center (NOC) which maintains these communications facilities. Furloughs will make it extremely difficult, if not impossible, for DivTel to provide a service level assuring 24x7 uninterrupted operations.

Another factor to consider in the event of furloughs is that the installation times associated with new and additional

COL A93		COL A94		COL A95		CODES
SCH VIII B-2		SCH VIII B-2		SCH VIII B-2		
REDUCTIONS		NR FY11-12		ANZ FY11-12		
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INFORMATION TECHNOLOGY						1603.00.00.00
SCHEDULE VIII B REDUCTIONS -						
OPERATING						33B0000
FIFTEEN PERCENT REDUCTION -						
SALARY AND BENEFITS -						
EMPLOYEE FURLOUGH						33B7180

services will be significantly increased. Many requests for additional communications facilities are in response to an emergency situation or other immediate need for increased capacity. Furloughs will limit the ability for DivTel to respond to these emergency situations. It will also be necessary for all SUNCOM services to be re-evaluated with regard to time periods for engineering, ordering, and installing. Given that each day of increased time in that cycle represents an additional day of lost cost savings or lost services for an agency, the actual costs to the State may be significantly higher than any savings realized from furloughs.

Due to the fact that State agencies rely on the SUNCOM network for voice, video, and data services, DivTel provides staff 24x7 to respond to network outages. This coverage model requires both overtime pay and on-call pay. Furloughs will mandate either eliminating this coverage or distributing the costs onto other employees by decreasing their work hours even lower than the required furlough percentage. In either case, network outages may become more frequent and have longer durations. In the event that a repair begun by a service vendor requires SUNCOM NOC staff to complete, Service Level Agreements (SLA's) in the State contracts may become unenforceable resulting in the loss of monetary compensation to the State for prolonged down times.

In the area of public safety telecommunications, DivTel brings economies of scale to statewide mission critical communications systems which benefit state, county and local agencies by: Providing administrative oversight and coordination for the State's E911 Plan supporting the E911 Board in distributing \$120 million in fees received in accordance with FS 365.172 for 911 purposes; Managing and monitoring contract performance along with enhancement projects for the Statewide Law Enforcement Radio System (SLERS) which provides secure encrypted voice communications to more than 7,500 law enforcement officers across 24 state agencies and 27 federal and local jurisdictions; and Coordinating and approving frequencies and technical specifications for state, county and local law enforcement and EMS communications systems.

Furloughs of our public safety bureau staff may significantly delay the engineering assistance DivTel provides to other state, county and local law enforcement agencies planning changes to their mission critical land mobile radio and E911 communications systems. Time spent on system, project and contract management for the Statewide Law Enforcement Radio System (SLERS), E911 Board, Florida Interoperability Network (FIN), Mutual Aid (M/A) frequencies and other interoperable communications projects will be reduced with a potential negative effect on system performance. Future grant opportunities and planning efforts to replace obsolete or aging communications systems with state of the art technologies such as next generation 911, P-25 radios, and statewide 700MHz Long Term Evolution (LTE) broadband for public safety may be lost.

Suggestions that some of the lost productivity from furloughs will be partially offset because staff might not take Annual Leave (i.e. since they will be out of work for nine weeks) should consider our most experienced and dedicated staff that are pushing maximum leave balances. They are unlikely to forgo using paid Annual Leave because they will otherwise lose it and are unwilling to contribute that loss in light of a compulsory furlough. If they don't take the leave however (as will be the case for most staff) the State will incur greater leave payouts in the future.

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	SCH VIII B-2	SCH VIII B-2	SCH VIII B-2	
	REDUCTIONS	NR FY11-12	ANZ FY11-12	
	POS	AMOUNT	POS	AMOUNT
				AMOUNT
				CODES
MANAGEMENT SRVCS, DEPT OF				72000000
PGM: TECHNOLOGY PROGRAM				72900000
WIRELESS SERVICES				72900200
GOV OPERATIONS/SUPPORT				16
INFORMATION TECHNOLOGY				1603.00.00.00
SCHEDULE VIII B REDUCTIONS -				
OPERATING				33B0000
FIFTEEN PERCENT REDUCTION -				
SALARY AND BENEFITS -				
EMPLOYEE FURLOUGH				33B7180

DivTel has an extraordinary share of dedicated professionals who are passionate about the value they bring to Florida citizens. The recent \$10 million in refunds DivTel provided, in spite of a series of preceding DivTel price reductions, are obvious fruits of their labors. More subtle are the more than \$50 million in cost avoidance they bring to the Florida enterprise every year.

DivTel's unusually low turnover is an expression of staff dedication. But their hidden contributions come from willingness to work through the night to finalize major projects (like the recent SSRC center upgrade), leaving their families during State emergencies, contributions of unpaid personal time to push projects to success, courage to stand firm against demands that compromise service to citizens and willingness to forgo private sector opportunities commensurate with their abilities. Under normal circumstances, it would be difficult to expect this kind of gracious commitment and passion from staff after they are furloughed. But given that they know their sacrifice will lead to increasing State costs rather than savings, morale will be devastated. Expecting staff to care, after extracting such a large pointless sacrifice from them, is a charade that cannot be sold.

Finally, DivTel also has a number of staff who will be unable to meet personal financial obligations after being furloughed for nine working weeks (the current proposal). They will be forced to seek other jobs in a local market where many others will be doing the same and local spending will be depressed. For many staff, extended furloughs will impose a genuine economic crisis rather than mere hardship.

Office of the Secretary/Administration:

Furloughs will significantly impact the Office of the Secretary/Division of Administration operations. This reduction will adversely impact the quality, timeliness, and level of services delivered by the Office of the Secretary/Division of Administration to our internal and external customers. As a shared support service provider for the agency, our divisions will suffer the impacts of delayed services in turn delaying their ability to provide adequate services to their customers.

This furlough program will also create a significant hardship for employees that will likely lead to difficulty in retaining the highest performing staff causing additional productivity losses and increasing costs for recruiting and training qualified personnel.

State Purchasing:

With procurement and contracting staff unavailable due to implementation of furloughs, the Department anticipates that there will be severe impacts to many of the core functions of the Department of Management Services, Division of State Purchasing.

	COL A93	COL A94	COL A95	
	SCH VIIIB-2	SCH VIIIB-2	SCH VIIIB-2	
	REDUCTIONS	NR FY11-12	ANZ FY11-12	
POS	AMOUNT	POS	AMOUNT	POS
				AMOUNT
				CODES
MANAGEMENT SRVCS, DEPT OF				72000000
PGM: TECHNOLOGY PROGRAM				72900000
WIRELESS SERVICES				72900200
GOV OPERATIONS/SUPPORT				16
INFORMATION TECHNOLOGY				1603.00.00.00
SCHEDULE VIIIB REDUCTIONS -				
OPERATING				33B0000
FIFTEEN PERCENT REDUCTION -				
SALARY AND BENEFITS -				
EMPLOYEE FURLOUGH				33B7180

First, the Department is responsible for establishing state term contract. These are often multi-million dollar contracts that all agencies are required to use and eligible users (e.g., counties, municipalities) may use. Commodities and services available under state term contracts include but are not limited to: information technology hardware; information technology and management consulting services; insurance; purchasing and fuel card services; automobile and trucks; and our e-procurement services contract (generally know as "MyFloridaMarketPlace"). Also, the Bureau of Departmental Purchasing is responsible for providing purchasing services to the following divisions of the Department: Administration; Human Resource Management; State Group Insurance, Telecommunications; Real Estate Management; Specialized Services; and Retirement. The commodities and services provided via the Department's state term and departmental contracts are used by all agencies of the State of Florida. The above-mentioned contracts are established via the competitive solicitation process found in chapter 287, Florida Statutes. If the Department instituted a furlough program, the number of the competitive solicitations the Division would be able to issue will decrease in an amount commensurate with the furlough(s). As such, it is anticipated that there will be a reduction in the number of contract the Department would be able to execute. It is estimated with the implementation of furloughs, it could cost the state \$46,716,896 in savings from state contracts by reducing work hours one day per biweekly pay period.

An important part of the competitive solicitation process includes conducting strategic sourcing activities and market research prior to issuance of the solicitation. If a furlough program were instituted, procurement and contracting staff will not have the opportunity to strategically source our contracts. This means that the division will have less time to develop solicitations, survey and research the market, and solicit feedback from our customers, thereby leading to less effective contracts that will not meet our customers' needs. With the Department less able to establish effective contracts agencies will likely have to develop their own agency-specific contracts. Division also administers its contracts. These duties include assisting customers with questions and issues regarding its contracts and addressing related contract performance concerns. Under a furlough program, procurement and contracting staff will not be as available to answer customer service questions in a timely manner thereby impacting customer service. Typically, when state term contract administrators receive questions from agency customers or other eligible user customers, a timely response is required. For example, the customer may want to purchase a commodity or service and may have specific questions about how a particular contract works. Delays in response due to furloughs will negatively impact our ability to provide excellent customer service. In addition, having fewer resources available will make it more difficult for the division to effectively monitor and manage vendor performance under a contract.

As State Purchasing conducts a number of competitive solicitations and administers a high volume of contract, we receive a number of public records requests. Although the Department takes its responsibilities under chapter 119, F.S., very seriously, if the Department were to institute a furlough program, response times for public records requests may be impacted. Such an impact would not only conflict with statutory requirements for public access to information, it would also have an adverse affect on the procurement protest process. Delays in information transmittal during the protest period may lead to increased litigation.

	COL A93	COL A94	COL A95	
	SCH VIII B-2	SCH VIII B-2	SCH VIII B-2	
	REDUCTIONS	NR FY11-12	ANZ FY11-12	
POS	AMOUNT	POS	AMOUNT	POS
				AMOUNT
				CODES
MANAGEMENT SRVCS, DEPT OF				72000000
PGM: TECHNOLOGY PROGRAM				72900000
WIRELESS SERVICES				72900200
GOV OPERATIONS/SUPPORT				16
INFORMATION TECHNOLOGY				1603.00.00.00
SCHEDULE VIII B REDUCTIONS -				
OPERATING				33B0000
FIFTEEN PERCENT REDUCTION -				
SALARY AND BENEFITS -				
EMPLOYEE FURLOUGH				33B7180

In addition to conducting competitive solicitations and administering and managing resulting contracts, the division is also responsible for providing a training program for state purchasers to attain and maintain purchasing education and skills. The goal of this program is to develop and certify public purchasing professionals, and to assure understanding and adherence to an unwavering code of ethical behavior, and the knowledge, skills and ability to effectively design, solicit, negotiate award and manage government contracts in Florida. Certifications offered through the program are Florida Certified Purchasing Agent (FCPA), Florida Certified Purchasing Manager (FCPM), Florida Certified Contract Negotiator (FCCN), and Florida Certified Contract Manager (FCCM). The training program also provides courses to assist participants with national certification such as the Certified Professional Public Buyer (CPPB), Certified Professional Public Officer (CPPO), and Project Management Professional (PMP). Florida Statute 287.057 requires that an FCCN negotiate contracts of \$1 million, and a certified PMP participate negotiate contracts in excess of \$10 million. The training program offers advanced recertification workshops to extend certification for an additional 5 year period. The training program would not be able to host the number of training courses to meet the demand for certification and recertification with the reduction in work hours due to the implementation of furloughs.

Lastly, it is uncertain what impact instituting a furlough program would have on current staffing in state purchasing. Although reducing the number of hours that state purchasing staff would be able to work would result in savings, it is possible that division employees would look for employment at other agencies or outside of the employment of the state in an attempt to compensate for difference between the salary once earned versus what they would earn under furlough program.

Facilities Management

To reduce staffing costs by 15%, Facilities will need to furlough staff by approximately 47 days throughout the Fiscal Year. This reduction in staffing will mean that one day a week, at pool facilities with a single Department of Management Services (DMS) support person, there may be no DMS employee on site in a DMS-managed building to address any building issues that arise and tenants will need to contact a remote staff person to report issues to be addressed on non-furlough days. Delays in maintenance may result in continued degradation of DMS-managed facilities if faulty or failing equipment isn't replaced in a timely manner and building problems aren't addressed before the situation worsens.

In addition to the staff furloughs, other budget categories were reduced to essential elements but that still left \$2.3 million in reductions needed to meet 15% target reduction. Therefore, additional reductions in Expenses, Utilities, Contracted Services and security (contracted and FDLE) necessitate the closure of 5-10% of our facilities' square footage. This will require current tenants to seek space elsewhere and incur moving and relocation expenses. With these closures, DMS will also have a loss of revenue for those buildings which reduces funding available for operations and maintenance of other buildings in the Florida Facilities Pool.



	COL A93	COL A94	COL A95	
	SCH VIIIB-2	SCH VIIIB-2	SCH VIIIB-2	
	REDUCTIONS	NR FY11-12	ANZ FY11-12	
POS	AMOUNT	POS	AMOUNT	POS
				AMOUNT
				CODES
MANAGEMENT SRVCS, DEPT OF				72000000
PGM: TECHNOLOGY PROGRAM				72900000
WIRELESS SERVICES				72900200
GOV OPERATIONS/SUPPORT				16
INFORMATION TECHNOLOGY				1603.00.00.00
SCHEDULE VIIIB REDUCTIONS -				
OPERATING				33B0000
FIFTEEN PERCENT REDUCTION -				
SALARY AND BENEFITS -				
EMPLOYEE FURLOUGH				33B7180

State Group Insurance:

Furloughs will significantly impact the DSGI's operations and will not allow the DSGI to perform their legislative responsibilities. This reduction will adversely impact the quality, timeliness, and level of services delivered by the DSGI to state employees, retirees, state agencies and universities, Executive Office of the Governor and the Legislature and staff. This reduction is expected to result in the suspension and outsourcing of key activities.

Specifically, this reduction: (1) Jeopardizes the administration of the State Employees' Group Insurance Program, (2) Severely impacts our ability to obtain best value and effectively manage and oversee procurement processes, such as the upcoming PBM and HMO procurements, which include bid development, vendor selection, and contract negotiations, (3) Diminishes our ability to monitor contract performance to ensure contract compliance and accuracy of information provided, and (4) Adversely impacts customer service and programs deliverables.

Retirement:

The impact from a 15% furlough program will decrease overall organizational performance, severely impeding the delivery of important services to more than 1 million participants in Florida's statewide retirement systems. Particularly affected will be: increasing turnaround time providing retirement estimates and information the members require for retirement planning; delaying the addition of new retirees to the retired payroll; processing change requests for those already on the retired payroll; reducing members' ability to reach retirement counselors by telephone; lengthening response time to analyze proposed legislation; and negating our ability to comply with statutory requirements to review all local retirement plan valuations on a triennial basis. Legislated performance measures relative to these services and others cannot be met and it can be expected that the percent of members, retirees and participating agencies satisfied with retirement services will plummet. This furlough program will create a significant hardship for employees that will likely lead to difficulty in retaining the highest performing staff causing additional productivity losses and increasing costs for recruiting and training qualified personnel. High employee turnover will further exasperate the timely delivery of services to more than one million members and 1,000 employing agencies of Florida's statewide retirement systems.

FISCAL INFORMATION: A 15% reduction of appropriations for salaries and benefits is over \$7 million dollars for DMS programs, excluding independent entities who are addressing reductions separately. To meet this reduction, each employee would have to be furloughed an average of 47 days. This is calculated by dividing the biweekly rate of employees by 10 to get a daily rate which is then multiplied by 47 days multiplied by 18.42% benefits. The benefits rate is calculated by combining 7.65% FICA and Retirement for 10.77%. Note: Employer contributions for health, life and disability insurance are not impacted by furloughs.

	COL A93 SCH VIIIB-2 REDUCTIONS	COL A94 SCH VIIIB-2 NR FY11-12	COL A95 SCH VIIIB-2 ANZ FY11-12	CODES
POS	AMOUNT	POS	AMOUNT	
MANAGEMENT SRVCS, DEPT OF				72000000
PGM: TECHNOLOGY PROGRAM				72900000
WIRELESS SERVICES				72900200
GOV OPERATIONS/SUPPORT				16
INFORMATION TECHNOLOGY				1603.00.00.00
SCHEDULE VIIIB REDUCTIONS -				
OPERATING				33B0000
FIFTEEN PERCENT REDUCTION -				
SALARY AND BENEFITS -				
EMPLOYEE FURLOUGH				33B7180

Division 15% S&B  
 -----  
 Appropriation  
 -----  
 Wireless Services (174,152)

Communications Working Capital Trust Fund (2105)  
 Salaries and Benefits (010000) (13,453)  
 Law Enforcement Radio Trust Fund (2432)  
 Salaries and Benefits (010000) (160,699)  
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 Total Issue (174,152) FSI=1  
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POSITION DETAIL OF SALARIES AND BENEFITS:

	FTE	BASE RATE	ADDITIVES	BENEFITS	SUBTOTAL	LAPSE %	LAPSED SALARIES AND BENEFITS
A93 - SCH VIIIB-2 REDUCTIONS							
CHANGES TO CURRENTLY AUTHORIZED POSITIONS							
OTHER SALARY AMOUNT							
2105 COMMUNICATIONS WKG CAP TF							13,453-
2432 LAW ENFORCEMENT RADIO TF							160,699-
							-----
							174,152-
							=====

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	COL A93	COL A94	COL A95	
	SCH VIIIB-2	SCH VIIIB-2	SCH VIIIB-2	
	REDUCTIONS	NR FY11-12	ANZ FY11-12	
POS	AMOUNT	POS	AMOUNT	POS
				AMOUNT
				CODES
MANAGEMENT SRVCS, DEPT OF				72000000
PGM: TECHNOLOGY PROGRAM				72900000
WIRELESS SERVICES				72900200
GOV OPERATIONS/SUPPORT				16
INFORMATION TECHNOLOGY				1603.00.00.00
SCHEDULE VIIIB REDUCTIONS -				
OPERATING				33B0000
FIFTEEN PERCENT REDUCTION -				
PEOPLE FIRST - CONTRACT				
NONCOMPLIANCE				33B7300
SPECIAL CATEGORIES				100000
CONTRACTED SERVICES				100777
LAW ENFORCEMENT RADIO TF -STATE	444,423-			2432 1

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AGENCY ISSUE NARRATIVE:  
 SCH VIIIB-2 NARR 11-12 NARRATIVE: IT COMPONENT? NO  
 PRIORITY #19

ISSUE SUMMARY: Each agency is required to meet a 15% reduction target. After careful consideration of the operations of the program, it was determined that the following reductions would have the least impact on the customers we serve. This issue requests the reductions as outlined below.

This issue requests the reduction of \$444,423 in the Special Categories: Contracted Services category. These funds are currently used to pay for enhancements to the Statewide Law Enforcement Radio System (SLERS).

PROBLEM AND SOLUTION STATEMENT: Chapter 318.18(17), Florida Statutes imposes a \$3.00 surcharge on all traffic and criminal traffic violations. This \$3.00 surcharge is used to pay for enhancements made to the SLERS as approved by the Joint Task Force (State Law Enforcement Agencies). The annual appropriation is \$3,000,000. Reduction of \$444,423 will indefinitely postpone all projects to improve queuing and portable radio coverage. These projects include the Mossy Head site for Okaloosa/Walton County, the Apalachicola National Forrest site, the Boca Raton Site, and the Interlachen/Keystone Heights site.

FISCAL INFORMATION: This issue requests a reduction in trust fund authority of \$444,423 in the Statewide Law Enforcement Radio Systems Trust Fund for the Special Categories: Contracted Services category.

Statewide Law Enforcement Radio Systems Trust Fund (2432)  
 Special Categories: Contracted Services (100777) (444,423) FSI=1

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	COL A93	COL A94	COL A95	
	SCH VIIIB-2	SCH VIIIB-2	SCH VIIIB-2	
	REDUCTIONS	NR FY11-12	ANZ FY11-12	
POS	AMOUNT	POS	AMOUNT	POS
				AMOUNT
				CODES
MANAGEMENT SRVCS, DEPT OF				72000000
PGM: TECHNOLOGY PROGRAM				72900000
WIRELESS SERVICES				72900200
GOV OPERATIONS/SUPPORT				16
INFORMATION TECHNOLOGY				1603.00.00.00
SCHEDULE VIIIB REDUCTIONS -				
OPERATING				33B0000
FIFTEEN PERCENT REDUCTION -				
STATEWIDE LAW ENFORCEMENT RADIO				
SYSTEM (SLERS)				33B7600
SPECIAL CATEGORIES				100000
CONTRACTED LEGAL SERVICES				103884
LAW ENFORCEMENT RADIO TF -STATE	20,000-			2432 1

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AGENCY ISSUE NARRATIVE:  
 SCH VIIIB-2 NARR 11-12 NARRATIVE: IT COMPONENT? NO  
 PRIORITY #18

ISSUE SUMMARY: Each agency is required to meet a 15% reduction target. After careful consideration of the operations of the program, it was determined that the following reductions would have the least impact on the customers we serve. This issue requests the reductions as outlined below.

This issue requests the reduction in the amount of \$20,000 in the Special Categories: Contracted Legal Services category.

PROBLEM AND SOLUTION STATEMENT: The Bureau of Public Safety contracts with outside legal counsel with communications and engineering expertise to represent the State before the Federal Communications Commission (FCC) on the issue of offset frequency protection for the Statewide Law Enforcement Radio System (SLERS). The reduction of \$20,000 in this category will result in the state working with Harris Corporation to resolve issues with the FCC. The Department could assign inside legal counsel when needed. This reduction would have a negligible impact to the SLERS project.

FISCAL INFORMATION: This issue requests a reduction in trust fund authority of \$20,000 in the Special Categories: Contracted Legal Services category.

Statewide Law Enforcement Radio Systems Trust Fund (2432)  
 Special Categories: Contracted Legal Services (103884) (20,000) FSI=1  
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	COL A93	COL A94	COL A95	
	SCH VIIIB-2	SCH VIIIB-2	SCH VIIIB-2	
	REDUCTIONS	NR FY11-12	ANZ FY11-12	
POS	AMOUNT	POS	AMOUNT	POS
				AMOUNT
				CODES
MANAGEMENT SRVCS, DEPT OF				72000000
PGM: TECHNOLOGY PROGRAM				72900000
WIRELESS SERVICES				72900200
GOV OPERATIONS/SUPPORT				16
INFORMATION TECHNOLOGY				1603.00.00.00
SCHEDULE VIIIB REDUCTIONS -				
OPERATING				33B0000
FIFTEEN PERCENT REDUCTION -				
CONTRACTED SERVICE - CONTRACT STAFF				
FURLOUGHS				33B7610
SPECIAL CATEGORIES				100000
CONTRACTED SERVICES				100777
LAW ENFORCEMENT RADIO TF -STATE	36,750-			2432 1

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AGENCY ISSUE NARRATIVE:  
 SCH VIIIB-2 NARR 11-12 NARRATIVE: IT COMPONENT? NO  
 PRIORITY #20

ISSUE SUMMARY: Each agency is required to meet a 15% reduction target. After careful consideration of the operations of the program, it was determined that the following reductions would have the least impact on the customers we serve. This issue requests the reductions as outlined below.

This issue requests the reduction of \$36,750 in the Special Categories: Contracted Services category. These funds are currently used to pay Public Safety project management and project administration. Staff is also used to continue the efforts to convey remaining tower sites.

PROBLEM AND SOLUTION STATEMENT: This issue proposes that if the issue to furlough Department of Management Services employees is accepted, that all contracted employees also be furloughed. Placing our contracted personnel on furlough will have a negative impact on the division's ability to deliver services, which would compromise our high level of customer satisfaction and could adversely affect public safety (Statewide Law Enforcement Radio System (SLERS), Radio Interoperability and EMS). No additional sites would be built to improve the SLERS communications system coverage. There are still approximately 1,160 square miles with no mobile (vehicle) radio coverage and 11,250 square miles with no portable (handheld) radio coverage. This could endanger officer and citizen safety in areas of poor to no radio coverage. Section 282.709, 282.7101 and 401.015, Florida Statutes will be affected.

FISCAL INFORMATION: This issue requests a reduction in trust fund authority of \$36,750 in the Special Categories: Contracted Services category.

Statewide Law Enforcement Radio Systems Trust Fund (2432)  
 Special Categories: Contracted Services (100777) (36,750) FSI=1

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	COL A93	COL A94	COL A95	
	SCH VIIIB-2	SCH VIIIB-2	SCH VIIIB-2	
	REDUCTIONS	NR FY11-12	ANZ FY11-12	
	POS	AMOUNT	POS	AMOUNT
	POS	AMOUNT	POS	AMOUNT
				CODES
MANAGEMENT SRVCS, DEPT OF				72000000
PGM: TECHNOLOGY PROGRAM				72900000
WIRELESS SERVICES				72900200
GOV OPERATIONS/SUPPORT				16
INFORMATION TECHNOLOGY				<u>1603.00.00.00</u>
TOTAL: INFORMATION TECHNOLOGY				<u>1603.00.00.00</u>
BY FUND TYPE				
TRUST FUNDS.....		675,325-		2000

	COL A93 SCH VIII B-2 REDUCTIONS	COL A94 SCH VIII B-2 NR FY11-12	COL A95 SCH VIII B-2 ANZ FY11-12	CODES
POS	AMOUNT	POS	AMOUNT	
MANAGEMENT SRVCS, DEPT OF				72000000
PGM: PERC				72920000
<u>PUBLIC EMPLOYEES RELATIONS</u>				72920100
<u>ECONOMIC OPPORTUNITIES</u>				11
<u>WORKFORCE SERVICES</u>				<u>1102.00.00.00</u>
SCHEDULE VIII B REDUCTIONS - OPERATING				33B0000
FIFTEEN PERCENT REDUCTION - OTHER PERSONAL SERVICES AND CONTRACTED SERVICES				33B7020
OTHER PERSONAL SERVICES				030000
GENERAL REVENUE FUND      -STATE	1,277-			1000 1
	=====	=====	=====	
SPECIAL CATEGORIES				100000
CONTRACTED SERVICES				100777
GENERAL REVENUE FUND      -STATE	2,975-			1000 1
	=====	=====	=====	
TOTAL: FIFTEEN PERCENT REDUCTION - OTHER PERSONAL SERVICES AND CONTRACTED SERVICES				33B7020
TOTAL ISSUE.....	4,252-			
	=====	=====	=====	

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AGENCY ISSUE NARRATIVE:  
 SCH VIII B-2 NARR 11-12 NARRATIVE:  
 PRIORITY# 70

IT COMPONENT? NO

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

PERC was originally staffed with 42 full-time equivalents (FTEs) with a single jurisdiction of labor disputes and its funding was predominantly General Revenue (98%). PERC currently has 28 FTEs due to successive budget cuts (one third reduction in staff), 6 additional employment law jurisdictions, and its funding is currently split 46% from General Revenue and 54% from the PERC Trust Fund. In the last four years alone, PERC's staff has been reduced 20% while its caseload has increased 39%.

PERC HISTORICAL FUNDING: The primary source of PERC's funding is the PERC Trust Fund, which is funded through a 0.1% distribution from the Local Government Half-cent Sales Tax Clearing Trust Fund, less a \$5,000 deduction each month for a program unrelated to PERC. Prior to the creation of the Trust Fund, PERC was funded exclusively by General Revenue. At the outset of the Trust Fund in Fiscal Year 2004-05, PERC's appropriation was approximately \$1.8 million in General Revenue and \$1.5 million in Trust. Over time, legislative reductions to General Revenue have shifted more of the burden

	COL A93	COL A94	COL A95	
	SCH VIIIIB-2	SCH VIIIIB-2	SCH VIIIIB-2	
	REDUCTIONS	NR FY11-12	ANZ FY11-12	
	POS	AMOUNT	POS	AMOUNT
				CODES
MANAGEMENT SRVCS, DEPT OF				72000000
PGM: PERC				72920000
<u>PUBLIC EMPLOYEES RELATIONS</u>				72920100
<u>ECONOMIC OPPORTUNITIES</u>				11
<u>WORKFORCE SERVICES</u>				<u>1102.00.00.00</u>
SCHEDULE VIIIIB REDUCTIONS -				
OPERATING				33B0000
FIFTEEN PERCENT REDUCTION -				
OTHER PERSONAL SERVICES AND				
CONTRACTED SERVICES				33B7020

to the Trust Fund to meet PERC's legislative appropriation. This fiscal year, PERC's recurring appropriation is approximately \$1.4 million in General Revenue and \$1.7 million in Trust.

The Trust Fund has been insufficient to meet PERC's legislative appropriation since its creation, with the exception of Fiscal Year 2005-06. The significant decline in sales tax collections in the last two years has reduced the cash balance in the Trust Fund to a critical level. During the 2010 legislative session, PERC was allocated a one-time cash infusion of \$400,000 in General Revenue to compensate for the trust shortfall.

Unlike other agencies, PERC only has one "program." The agency has absorbed past budget reductions and shortfalls from the change in PERC's funding structure by reorganizing staff, consolidating positions and leased space, cutting non-essential travel and significantly reducing administrative overhead.

Projections from the Revenue Estimating Conference as of August 12, 2010, indicate that while sales tax receipts will improve gradually over the next several years, they are not anticipated to meet PERC's current legislative appropriation at any time through its Fiscal Year 2012-13 projections. Absent a modification in its funding structure, PERC will be forced to make a significant reduction in staff over and above any legislatively imposed reductions related to this exercise.

In General Revenue, 92% of PERC's budget is allocated for Salaries & Benefits; 2% for Special Categories: Contracted Services; 2% for Expenses, Other Personal Services (OPS) and Other Capital Outlay collectively; and 4% for non-discretionary spending.

In the PERC Trust Fund, over 70% of PERC's budget is allocated for Salaries & Benefits; 21% to Expenses (the largest portion of which (58%) is rent to Department of Management Services for a state-owned facility); 4% to Other Personal Services; 3% for non-discretionary spending; 2% for Contracted Services (primarily used for equipment and case management system maintenance and modifications) and less than 1% for Other Capital Outlay.

ISSUE SUMMARY: Each agency is required to meet a 15% reduction target. The Commission proposes to reduce discretionary spending in OPS and Special Categories: Contracted Services.

PROBLEM STATEMENT: With consideration of the facts stated above and in the spirit of fiscal responsibility in the face of potential revenue shortfalls the Commission offers the following reduction for consideration. All proposals were developed based on operational needs and to minimize adverse impact on the Commission and those served by the program.

PROGRAM IMPACT: Moderate Impact. Given the agency's lean staffing, OPS support is necessary to assist with clerical and administrative support during peak work times. In addition, temporary support is required to secure database consulting related to the E-Filing project launch and other technological initiatives and to staff multi-site statewide elections.



	COL A93	COL A94	COL A95	
	SCH VIIIB-2	SCH VIIIB-2	SCH VIIIB-2	
	REDUCTIONS	NR FY11-12	ANZ FY11-12	
POS	AMOUNT	POS	AMOUNT	POS
				AMOUNT
				CODES
MANAGEMENT SRVCS, DEPT OF				72000000
PGM: PERC				72920000
<u>PUBLIC EMPLOYEES RELATIONS</u>				72920100
<u>ECONOMIC OPPORTUNITIES</u>				11
<u>WORKFORCE SERVICES</u>				<u>1102.00.00.00</u>
SCHEDULE VIIIB REDUCTIONS -				
OPERATING				33B0000
FIFTEEN PERCENT REDUCTION -				
OTHER PERSONAL SERVICES AND				
CONTRACTED SERVICES				33B7020

The funding for Contracted Services is predominately used to secure the services of court reporters for Commission evidentiary hearings. In an effort to reduce the cost of this service the Commission has consulted with similar agencies and has purchased digital recording systems to record the proceedings. This action will produce efficiencies as it will provide immediate access to the record for the hearing officer and eliminate the use of court reporting services. The impact of this reduction will not be determined until the recording project has been implemented and tested. If implementation is unsuccessful the Commission will be forced to continue to retain the services of court reporters and will therefore require available funds. Contracted Services reductions would also affect the Commissions' ability to pursue modifications or upgrades to existing technological resources such as the case management system and web access functions or to launch new initiatives designed to improve access and service to our customers. The Commission is in the process of launching phase one of an E-filing project and information technology support is imperative to the success of the project.

FISCAL INFORMATION: Reduce appropriations in OPS by \$1,277 or (14%) and in Special Categories Contracted Services by \$2,975 or (8%).

General Revenue (1000)		
Other Personal Services (030000)	(1,277)	
Special Categories: Contracted Services (100777)	(2,975)	
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Total Issue	(4,252)	FSI=1
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FIFTEEN PERCENT REDUCTION -			
ADMINISTRATIVE OVERHEAD			33B7110
SPECIAL CATEGORIES			100000
ADMINISTRATIVE OVERHEAD			105002
GENERAL REVENUE FUND	-STATE	6,968-	1000 1
	=====	=====	

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AGENCY ISSUE NARRATIVE:  
 SCH VIIIB-2 NARR 11-12 NARRATIVE: IT COMPONENT? NO  
 PRIORITY# 69

	COL A93	COL A94	COL A95	
	SCH VIIIIB-2	SCH VIIIIB-2	SCH VIIIIB-2	
	REDUCTIONS	NR FY11-12	ANZ FY11-12	
	POS	AMOUNT	POS	AMOUNT
				CODES
MANAGEMENT SRVCS, DEPT OF				72000000
PGM: PERC				72920000
<u>PUBLIC EMPLOYEES RELATIONS</u>				72920100
<u>ECONOMIC OPPORTUNITIES</u>				11
<u>WORKFORCE SERVICES</u>				<u>1102.00.00.00</u>
SCHEDULE VIIIIB REDUCTIONS -				
OPERATING				33B0000
FIFTEEN PERCENT REDUCTION -				
ADMINISTRATIVE OVERHEAD				33B7110

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

PERC was originally staffed with 42 full-time equivalents (FTEs) with a single jurisdiction of labor disputes and its funding was predominantly General Revenue (98%). PERC currently has 28 FTEs due to successive budget cuts (one third reduction in staff), 6 additional employment law jurisdictions, and its funding is currently split 46% from General Revenue and 54% from the PERC Trust Fund. In the last four years alone, PERC's staff has been reduced 20% while its caseload has increased 39%.

PERC HISTORICAL FUNDING: The primary source of PERC's funding is the PERC Trust Fund, which is funded through a 0.1% distribution from the Local Government Half-cent Sales Tax Clearing Trust Fund, less a \$5,000 deduction each month for a program unrelated to PERC. Prior to the creation of the Trust Fund, PERC was funded exclusively by General Revenue. At the outset of the Trust Fund in Fiscal Year 2004-05, PERC's appropriation was approximately \$1.8 million in General Revenue and \$1.5 million in Trust. Over time, legislative reductions to General Revenue have shifted more of the burden to the Trust Fund to meet PERC's legislative appropriation. This fiscal year, PERC's recurring appropriation is approximately \$1.4 million in General Revenue and \$1.7 million in Trust.

The Trust Fund has been insufficient to meet PERC's legislative appropriation since its creation, with the exception of Fiscal Year 2005-06. The significant decline in sales tax collections in the last two years has reduced the cash balance in the Trust Fund to a critical level. During the 2010 legislative session, PERC was allocated a one-time cash infusion of \$400,000 in General Revenue to compensate for the trust shortfall.

Unlike other agencies, PERC only has one "program." The agency has absorbed past budget reductions and shortfalls from the change in PERC's funding structure by reorganizing staff, consolidating positions and leased space, cutting non-essential travel and significantly reducing administrative overhead.

Projections from the Revenue Estimating Conference as of August 12, 2010, indicate that while sales tax receipts will improve gradually over the next several years, they are not anticipated to meet PERC's current legislative appropriation at any time through its Fiscal Year 2012-13 projections. Absent a modification in its funding structure, PERC will be forced to make a significant reduction in staff over and above any legislatively imposed reductions related to this exercise.

In General Revenue, 92% of PERC's budget is allocated for Salaries & Benefits; 2% for Special Categories: Contracted

	COL A93	COL A94	COL A95	
	SCH VIII B-2	SCH VIII B-2	SCH VIII B-2	
	REDUCTIONS	NR FY11-12	ANZ FY11-12	
POS	AMOUNT	POS	AMOUNT	POS
				AMOUNT
				CODES
MANAGEMENT SRVCS, DEPT OF				72000000
PGM: PERC				72920000
<u>PUBLIC EMPLOYEES RELATIONS</u>				72920100
<u>ECONOMIC OPPORTUNITIES</u>				11
<u>WORKFORCE SERVICES</u>				<u>1102.00.00.00</u>
SCHEDULE VIII B REDUCTIONS -				
OPERATING				33B0000
FIFTEEN PERCENT REDUCTION -				
ADMINISTRATIVE OVERHEAD				33B7110

Services; 2% for Expenses, Other Personal Services and Other Capital Outlay collectively; and 4% for non-discretionary spending.

In the PERC Trust Fund, over 70% of PERC's budget is allocated for Salaries & Benefits; 21% to Expenses (the largest portion of which (58%) is rent to Department of Management Services for a state-owned facility); 4% to Other Personal Services; 3% for non-discretionary spending; 2% for Special Categories: Contracted Services (primarily used for equipment and case management system maintenance and modifications) and less than 1% for Other Capital Outlay.

ISSUE SUMMARY: Each agency is required to meet a 15% reduction target. The Commission proposes to reduce Special Categories: Administrative Overhead.

PROBLEM STATEMENT: With consideration of the facts stated above and in the spirit of fiscal responsibility in the face of potential revenue shortfalls the Commission offers the following reduction for consideration. All proposals were developed based on operational needs and to minimize adverse impact on the Commission and those served by the program.

PROGRAM IMPACT: This reduction will have minimal impact on the Commission as it is excess budget authority based on the executed Memorandum of Understanding for Fiscal Year 2010-11.

FISCAL INFORMATION: Reduce appropriation in Special Categories: Administrative Overhead by \$6,968 or (20%).

General Revenue (1000)			
Special Categories: Administrative Overhead (105002)		(6,968)	FSI=1
		=====	

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FIFTEEN PERCENT REDUCTION -				
SALARIES AND BENEFITS				33B7130
SALARIES AND BENEFITS				010000
GENERAL REVENUE FUND	-STATE	252,530-		1000 1
PERC TRUST FUND	-STATE	183,447-		2558 1
		-----		
TOTAL APPRO.....		435,977-		
		=====		

	COL A93	COL A94	COL A95	
	SCH VIIIIB-2	SCH VIIIIB-2	SCH VIIIIB-2	
	REDUCTIONS	NR FY11-12	ANZ FY11-12	
POS	AMOUNT	POS	AMOUNT	POS
				AMOUNT
				CODES
MANAGEMENT SRVCS, DEPT OF				72000000
PGM: PERC				72920000
<u>PUBLIC EMPLOYEES RELATIONS</u>				72920100
<u>ECONOMIC OPPORTUNITIES</u>				11
<u>WORKFORCE SERVICES</u>				<u>1102.00.00.00</u>
SCHEDULE VIIIIB REDUCTIONS -				
OPERATING				33B0000
FIFTEEN PERCENT REDUCTION -				
SALARIES AND BENEFITS				33B7130

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AGENCY ISSUE NARRATIVE:

SCH VIIIIB-2 NARR 11-12 NARRATIVE: IT COMPONENT? NO  
 PRIORITY# 74

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

PERC was originally staffed with 42 full-time equivalents (FTEs) with a single jurisdiction of labor disputes and its funding was predominantly General Revenue (98%). PERC currently has 28 FTEs due to successive budget cuts (one third reduction in staff), 6 additional employment law jurisdictions, and its funding is currently split 46% from General Revenue and 54% from the PERC Trust Fund. In the last four years alone, PERC's staff has been reduced 20% while its caseload has increased 39%.

PERC HISTORICAL FUNDING: The primary source of PERC's funding is the PERC Trust Fund, which is funded through a 0.1% distribution from the Local Government Half-cent Sales Tax Clearing Trust Fund, less a \$5,000 deduction each month for a program unrelated to PERC. Prior to the creation of the Trust Fund, PERC was funded exclusively by General Revenue. At the outset of the Trust Fund in Fiscal Year 2004-05, PERC's appropriation was approximately \$1.8 million in General Revenue and \$1.5 million in Trust. Over time, legislative reductions to General Revenue have shifted more of the burden to the Trust Fund to meet PERC's legislative appropriation. This fiscal year, PERC's recurring appropriation is approximately \$1.4 million in General Revenue and \$1.7 million in Trust.

The Trust Fund has been insufficient to meet PERC's legislative appropriation since its creation, with the exception of Fiscal Year 2005-06. The significant decline in sales tax collections in the last two years has reduced the cash balance in the Trust Fund to a critical level. During the 2010 legislative session, PERC was allocated a one-time cash infusion of \$400,000 in General Revenue to compensate for the trust shortfall.

Unlike other agencies, PERC only has one "program." The agency has absorbed past budget reductions and shortfalls from the change in PERC's funding structure by reorganizing staff, consolidating positions and leased space, cutting non-essential travel and significantly reducing administrative overhead.

Projections from the Revenue Estimating Conference as of August 12, 2010, indicate that while sales tax receipts will improve gradually over the next several years, they are not anticipated to meet PERC's current legislative appropriation at any time through its Fiscal Year 2012-13 projections. Absent a modification in its funding structure, PERC will be forced to make a significant reduction in staff over and above any legislatively imposed reductions related to this

	COL A93	COL A94	COL A95	
	SCH VIIIIB-2	SCH VIIIIB-2	SCH VIIIIB-2	
	REDUCTIONS	NR FY11-12	ANZ FY11-12	
POS	AMOUNT	POS	AMOUNT	POS
				AMOUNT
				CODES
MANAGEMENT SRVCS, DEPT OF				72000000
PGM: PERC				72920000
<u>PUBLIC EMPLOYEES RELATIONS</u>				72920100
<u>ECONOMIC OPPORTUNITIES</u>				11
<u>WORKFORCE SERVICES</u>				<u>1102.00.00.00</u>
SCHEDULE VIIIIB REDUCTIONS -				
OPERATING				33B0000
FIFTEEN PERCENT REDUCTION -				
SALARIES AND BENEFITS				33B7130

exercise.

ISSUE SUMMARY: Each agency is required to meet a 15% reduction target. Over 82% of the Public Employees Relations Commission's (PERC) budget supports staff resources necessary to meet the mission of the organization. Taking that into consideration, along with previous reductions in staff, PERC is requesting furloughs be used to meet the salaries and benefits portion of the required reduction target in lieu of drastic staff layoffs which would effectively halt agency operations. Furloughs provide the following operational and economic benefits: permits the gradual or immediate resumption of previous service levels as the fiscal shortfall subsides; saves recruitment and retraining impact on state and local resources (unemployment compensation, food stamps, uninsured medical services, etc.) that would be caused by laid off employees seeking government services; and minimizes the negative economic impact on private sector businesses that would result from fewer goods and services being purchased by laid off employees, loan defaults, etc.

PROBLEM STATEMENT: To minimize long-term negative customer service level impacts and negative state, local and private sector economic impacts, salary reductions would be handled through a 15% furlough which translates to approximately 53 days per employee for the fiscal year, rather than through layoffs. Each employee would be furloughed at least one day per workweek. In order to implement a furlough of this magnitude given the small size of PERC's workforce (28 FTEs), it would be necessary to furlough all employees on the same day each week, resulting in a four day workweek for the agency.

STATUTE REFERENCE: The definition of furlough is contained in s. 110.107(3), F.S., and is: A temporary reduction in the regular hours of employment in a pay period, or temporary leave without pay for one or more pay periods, with a commensurate reduction in pay, necessitated by a projected deficit in any fund that supports salary and benefit appropriations. Section 110.1225, F.S., requires that when furloughs are utilized that all affected employees are subject to the same reduction of hours for the same number of pay periods with a commensurate reduction in pay.

PROGRAM IMPACT: Significant Impact. This reduction action will have a significant impact on agency operations. In order to implement a furlough of this magnitude, given the small size (28 FTEs) of PERC's workforce, the agency proposes furloughing all employees on the same day each week (for a total of 53 days per employee for the fiscal year), resulting in a four day work week.

If furloughs are not an option, it is difficult to predict the gravity of the impact of further staff reductions. At a minimum, the elimination of additional positions will adversely affect PERC's ability to meet its legislatively imposed deadlines for adjudicating cases. These deadlines are important because resolving labor disputes as expeditiously as possible is critical to maintaining labor stability and preventing strikes. At the extreme, staff reductions at the level of a 15% budget reduction will effectively halt agency operations and render PERC unable to perform its constitutionally required and statutorily mandated functions.

In General Revenue, 92% of PERC's budget is allocated for Salaries & Benefits; 2% for Special Categories: Contracted Services; 2% for Expenses, Other Personal Services and Other Capital Outlay collectively; and 4% for non-discretionary

	COL A93	COL A94	COL A95	
	SCH VIIIB-2	SCH VIIIB-2	SCH VIIIB-2	
	REDUCTIONS	NR FY11-12	ANZ FY11-12	
POS	AMOUNT	POS	AMOUNT	POS
				AMOUNT
				CODES
MANAGEMENT SRVCS, DEPT OF				72000000
PGM: PERC				72920000
<u>PUBLIC EMPLOYEES RELATIONS</u>				72920100
<u>ECONOMIC OPPORTUNITIES</u>				11
<u>WORKFORCE SERVICES</u>				<u>1102.00.00.00</u>
SCHEDULE VIIIB REDUCTIONS -				
OPERATING				33B0000
FIFTEEN PERCENT REDUCTION -				
SALARIES AND BENEFITS				33B7130

spending. A 15% reduction in General Revenue will, by necessity, result in the layoff of employees if the option to furlough is eliminated from consideration. To achieve the necessary savings (without the ability to consider furloughs as an option), PERC would be required to layoff 4 of its 28 FTEs, each of whom perform essential and non-duplicative agency operations. These layoffs would include an attorney Hearing Officer, two Commission Deputy Clerks and the Special Magistrate/Impasse Coordinator/Commission Secretary.

In the PERC Trust Fund, over 70% of PERC's budget is allocated for Salaries & Benefits; 21% to Expenses (the largest portion of which (58%) is rent to Department of Management Services for a state-owned facility); 4% to Other Personal Services; 3% for non-discretionary spending; 2% for Special Categories: Contracted Services (primarily used for equipment and case management system maintenance and modifications) and less than 1% for Other Capital Outlay. A 15% reduction in the Trust Fund will, by necessity, come primarily from Salaries and Benefits. To achieve the necessary savings (without the ability to consider furloughs as an option), PERC would be required to layoff 2 additional FTEs, including an attorney Hearing Officer and the agency's only Management Analyst II. These layoffs, combined with the layoffs proposed in General Revenue, would result in a 21% reduction in staff (over and above the 20% staff reduction PERC absorbed in the last four fiscal years), leaving PERC with an untenable workforce of 22 FTEs.

FISCAL INFORMATION: A 15% reduction of appropriations for Salaries and Benefits is \$435,977 for PERC. To meet this reduction, each employee (including the Chair and Commissioners) would have to be furloughed 53 days, or a minimum of one day every week. This is calculated by dividing the biweekly rate of employees by 10 to get a daily rate which is then multiplied by 53 days multiplied by 18.42% benefits. The benefits rate is calculated by combining 7.65% FICA and Retirement for 10.77%. Note: Employer contributions for health, life and disability insurance are not impacted by furloughs.

General Revenue (1000)		
Salaries and Benefits (010000)	(252,530)	
PERC Trust Fund (2558)		
Salaries and Benefits (010000)	(183,447)	
	-----	
Total Issue	(435,977)	FSI=1
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	COL A93		COL A94		COL A95		CODES
	SCH VIIIB-2	REDUCTIONS	SCH VIIIB-2	NR FY11-12	SCH VIIIB-2	ANZ FY11-12	
POS	AMOUNT	POS	AMOUNT	POS	AMOUNT		
MANAGEMENT SRVCS, DEPT OF							72000000
PGM: PERC							72920000
<u>PUBLIC EMPLOYEES RELATIONS</u>							72920100
<u>ECONOMIC OPPORTUNITIES</u>							11
<u>WORKFORCE SERVICES</u>							<u>1102.00.00.00</u>
SCHEDULE VIIIB REDUCTIONS -							
OPERATING							33B0000
FIFTEEN PERCENT REDUCTION -							
SALARIES AND BENEFITS							33B7130

POSITION DETAIL OF SALARIES AND BENEFITS:

	FTE	BASE RATE	ADDITIVES	BENEFITS	SUBTOTAL	LAPSE %	LAPSED SALARIES AND BENEFITS
A93 - SCH VIIIB-2 REDUCTIONS							
CHANGES TO CURRENTLY AUTHORIZED POSITIONS							
OTHER SALARY AMOUNT							
1000 GENERAL REVENUE FUND							252,530-
2558 PERC TRUST FUND							183,447-
							<u>435,977-</u>
							=====

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FIFTEEN PERCENT REDUCTION -							
EXPENSES AND CONTRACTED SERVICES							33B7150
EXPENSES							040000
PERC TRUST FUND -STATE		5,000-					2558 1
		=====					
SPECIAL CATEGORIES							100000
CONTRACTED SERVICES							100777
PERC TRUST FUND -STATE		2,500-					2558 1
		=====					
TOTAL: FIFTEEN PERCENT REDUCTION -							33B7150
EXPENSES AND CONTRACTED SERVICES							
TOTAL ISSUE.....		7,500-					
		=====					

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AGENCY ISSUE NARRATIVE:  
 SCH VIIIB-2 NARR 11-12 NARRATIVE:  
 PRIORITY# 71

IT COMPONENT? NO

	COL A93	COL A94	COL A95	
	SCH VIIIB-2	SCH VIIIB-2	SCH VIIIB-2	
	REDUCTIONS	NR FY11-12	ANZ FY11-12	
	POS	AMOUNT	POS	AMOUNT
				CODES
MANAGEMENT SRVCS, DEPT OF				72000000
PGM: PERC				72920000
<u>PUBLIC EMPLOYEES RELATIONS</u>				72920100
<u>ECONOMIC OPPORTUNITIES</u>				11
<u>WORKFORCE SERVICES</u>				<u>1102.00.00.00</u>
SCHEDULE VIIIB REDUCTIONS -				
OPERATING				33B0000
FIFTEEN PERCENT REDUCTION -				
EXPENSES AND CONTRACTED SERVICES				33B7150

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

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PERC HISTORICAL FUNDING: The primary source of PERC's funding is the PERC Trust Fund, which is funded through a 0.1% distribution from the Local Government Half-cent Sales Tax Clearing Trust Fund, less a \$5,000 deduction each month for a program unrelated to PERC. Prior to the creation of the Trust Fund, PERC was funded exclusively by General Revenue. At the outset of the Trust Fund in Fiscal Year 2004-05, PERC's appropriation was approximately \$1.8 million in General Revenue and \$1.5 million in Trust. Over time, legislative reductions to General Revenue have shifted more of the burden to the Trust Fund to meet PERC's legislative appropriation. This fiscal year, PERC's recurring appropriation is approximately \$1.4 million in General Revenue and \$1.7 million in Trust.

The Trust Fund has been insufficient to meet PERC's legislative appropriation since its creation, with the exception of Fiscal Year 2005-06. The significant decline in sales tax collections in the last two years has reduced the cash balance in the Trust Fund to a critical level. During the 2010 legislative session, PERC was allocated a one-time cash infusion of \$400,000 in General Revenue to compensate for the trust shortfall.

Unlike other agencies, PERC only has one "program." The agency has absorbed past budget reductions and shortfalls from the change in PERC's funding structure by reorganizing staff, consolidating positions and leased space, cutting non-essential travel and significantly reducing administrative overhead.

Projections from the Revenue Estimating Conference as of August 12, 2010, indicate that while sales tax receipts will improve gradually over the next several years, they are not anticipated to meet PERC's current legislative appropriation at any time through its Fiscal Year 2012-13 projections. Absent a modification in its funding structure, PERC will be forced to make a significant reduction in staff over and above any legislatively imposed reductions related to this exercise.

In General Revenue, 92% of PERC's budget is allocated for Salaries & Benefits; 2% for Special Categories: Contracted



	COL A93	COL A94	COL A95	
	SCH VIIIIB-2	SCH VIIIIB-2	SCH VIIIIB-2	
	REDUCTIONS	NR FY11-12	ANZ FY11-12	
POS	AMOUNT	POS	AMOUNT	POS
				AMOUNT
				CODES
MANAGEMENT SRVCS, DEPT OF				72000000
PGM: PERC				72920000
<u>PUBLIC EMPLOYEES RELATIONS</u>				72920100
<u>ECONOMIC OPPORTUNITIES</u>				11
<u>WORKFORCE SERVICES</u>				<u>1102.00.00.00</u>
SCHEDULE VIIIIB REDUCTIONS -				
OPERATING				33B0000
FIFTEEN PERCENT REDUCTION -				
EXPENSES AND CONTRACTED SERVICES				33B7150

Services; 2% for Expenses, Other Personal Services and Other Capital Outlay collectively; and 4% for non-discretionary spending.

In the PERC Trust Fund, over 70% of PERC's budget is allocated for Salaries & Benefits; 21% to Expenses (the largest portion of which (58%) is rent to Department of Management Services (DMS) for a state-owned facility); 4% to Other Personal Services; 3% for non-discretionary spending; 2% for Special Categories: Contracted Services (primarily used for equipment and case management system maintenance and modifications) and less than 1% for Other Capital Outlay.

ISSUE SUMMARY: Each agency is required to meet a 15% reduction. The Commission proposes to reduce discretionary spending in Expenses and Special Categories: Contracted Services.

PROBLEM STATEMENT: With consideration of the facts stated above and in the spirit of fiscal responsibility in the face of potential revenue shortfalls the Commission offers the following reduction for consideration. All proposals were developed based on operational needs and to minimize adverse impact on the Commission and those served by the program.  
 PROGRAM IMPACT: Moderate Impact. The reduction in Expenses will be achieved by implementation of a space consolidation plan and reduction of leased space. The projected savings gained by the leased space reduction for this fiscal year were intended to fund pending renovation projects necessary to complete the consolidation plan. The most critical of these projects is to convert existing space (one large conference/oral argument room) into two smaller hearing rooms. Additional hearing room space is required due to a 39% increase in case filings. It is important to note that rent costs represent 58% of the expenditures in the Expenses category. The funding for Contracted Services is predominately used to secure the services of court reporters for Commission evidentiary hearings. In an effort to reduce the cost of this service the Commission has consulted with similar agencies and has purchased digital recording systems to record the proceedings. This action will produce efficiencies as it will provide immediate access to the record for the hearing officer and eliminate the use of court reporting services. The impact of this reduction will not be determined until the recording project has been implemented and tested. If implementation is unsuccessful the Commission will be forced to continue to retain the services of court reporters and will therefore require available funds. Special Categories: Contracted Services reductions would also affect the Commissions' ability to pursue modifications or upgrades to existing technological resources such as the case management system and web access functions or to launch new initiatives designed to improve access and service to our customers. The Commission is in the process of launching phase one of an E-filing project and information technology support is imperative to the success of the project.

FISCAL INFORMATION: Reduce appropriations in Expenses by \$5,000 and Special Categories: Contracted Services by \$2,500.

PERC Trust Fund (2558)	
Expenses (040000)	(5,000)
Special Categories: Contracted Services (100777)	(2,500)
	-----

	COL A93	COL A94	COL A95	
	SCH VIII B-2	SCH VIII B-2	SCH VIII B-2	
	REDUCTIONS	NR FY11-12	ANZ FY11-12	
POS	AMOUNT	POS	AMOUNT	POS
				AMOUNT
				CODES
MANAGEMENT SRVCS, DEPT OF				72000000
PGM: PERC				72920000
PUBLIC EMPLOYEES RELATIONS				72920100
ECONOMIC OPPORTUNITIES				11
WORKFORCE SERVICES				1102.00.00.00
SCHEDULE VIII B REDUCTIONS -				
OPERATING				33B0000
FIFTEEN PERCENT REDUCTION -				
EXPENSES AND CONTRACTED SERVICES				33B7150
Total Issue			(7,500)	FSI=1
			=====	
*****				
FIFTEEN PERCENT REDUCTION -				
OTHER PERSONAL SERVICES AND				
OPERATING CAPITAL OUTLAY				33B7250
OTHER PERSONAL SERVICES				030000
PERC TRUST FUND -STATE	6,844-			2558 1
	=====			
OPERATING CAPITAL OUTLAY				060000
PERC TRUST FUND -STATE	1,721-			2558 1
	=====			
TOTAL: FIFTEEN PERCENT REDUCTION -				33B7250
OTHER PERSONAL SERVICES AND				
OPERATING CAPITAL OUTLAY				
TOTAL ISSUE.....	8,565-			
	=====			
*****				

AGENCY ISSUE NARRATIVE:  
 SCH VIII B-2 NARR 11-12 NARRATIVE:  
 PRIORITY# 72

IT COMPONENT? NO

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

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	COL A93	COL A94	COL A95	
	SCH VIII B-2	SCH VIII B-2	SCH VIII B-2	
	REDUCTIONS	NR FY11-12	ANZ FY11-12	
POS	AMOUNT	POS	AMOUNT	POS
				AMOUNT
				CODES
MANAGEMENT SRVCS, DEPT OF				72000000
PGM: PERC				72920000
<u>PUBLIC EMPLOYEES RELATIONS</u>				72920100
<u>ECONOMIC OPPORTUNITIES</u>				11
<u>WORKFORCE SERVICES</u>				<u>1102.00.00.00</u>
SCHEDULE VIII B REDUCTIONS -				
OPERATING				33B0000
FIFTEEN PERCENT REDUCTION -				
OTHER PERSONAL SERVICES AND				
OPERATING CAPITAL OUTLAY				33B7250

caseload has increased 39%.

PERC HISTORICAL FUNDING: The primary source of PERC's funding is the PERC Trust Fund, which is funded through a 0.1% distribution from the Local Government Half-cent Sales Tax Clearing Trust Fund, less a \$5,000 deduction each month for a program unrelated to PERC. Prior to the creation of the Trust Fund, PERC was funded exclusively by General Revenue. At the outset of the Trust Fund in Fiscal Year 2004-05, PERC's appropriation was approximately \$1.8 million in General Revenue and \$1.5 million in Trust. Over time, legislative reductions to General Revenue have shifted more of the burden to the Trust Fund to meet PERC's legislative appropriation. This fiscal year, PERC's recurring appropriation is approximately \$1.4 million in General Revenue and \$1.7 million in Trust.

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In the PERC Trust Fund, over 70% of PERC's budget is allocated for Salaries & Benefits; 21% to Expenses (the largest portion of which (58%) is rent to Department of Management Services for a state-owned facility); 4% to Other Personal Services; 3% for non-discretionary spending; 2% for Contracted Services (primarily used for equipment and case management system maintenance and modifications) and less than 1% for Other Capital Outlay.

ISSUE SUMMARY: Each agency is required to meet a 15% reduction target. The Commission proposes to reduce discretionary spending in the Other Personal Services and Operating Capital Outlay categories.

	COL A93	COL A94	COL A95	
	SCH VIII B-2	SCH VIII B-2	SCH VIII B-2	
	REDUCTIONS	NR FY11-12	ANZ FY11-12	
	POS	AMOUNT	POS	AMOUNT
				CODES
MANAGEMENT SRVCS, DEPT OF				72000000
PGM: PERC				72920000
<u>PUBLIC EMPLOYEES RELATIONS</u>				72920100
<u>ECONOMIC OPPORTUNITIES</u>				11
<u>WORKFORCE SERVICES</u>				<u>1102.00.00.00</u>
SCHEDULE VIII B REDUCTIONS -				
OPERATING				33B0000
FIFTEEN PERCENT REDUCTION -				
OTHER PERSONAL SERVICES AND				
OPERATING CAPITAL OUTLAY				33B7250

PROBLEM STATEMENT: With consideration of the facts stated above and in the spirit of fiscal responsibility in the face of potential revenue shortfalls the Commission offers the following reduction for consideration. All proposals were developed based on operational needs and to minimize adverse impact on the Commission and those served by the program.

PROGRAM IMPACT: Significant Impact. Given the agency's lean staffing, Other Personal Services support is necessary to assist with clerical and administrative support during peak work times. For example, the Commission received a public records request from a publisher requesting thousands of documents from Commission cases that spanned a period in excess of ten years. That request has required the services of a full-time employee in excess of a year and the project is ongoing. In addition, temporary services are required to support information technology initiatives such as E-Filing and other related initiatives to staff multi-site statewide elections. The size and duration of elections are determined by factors such as the number and type of eligible voters, geographical dispersion, complexity and various other considerations. Failure to provide necessary temporary staffing may compromise the agency's ability to perform a constitutionally required function and delay implementation of initiatives that would create operational efficiencies and improve services. Operating Capital Outlay funds are required to replace aging equipment for agency operations. Due to funding challenges the Commission purchases all equipment outright and has already expanded the lifetime of all information technology (IT) equipment beyond suggested standards and as such is very vulnerable to equipment failure and replacement requirements. The base appropriation for Operating Capital Outlay is \$5,721 therefore; any reduction to this category is significant and will adversely affect operations.

FISCAL INFORMATION: Reduce appropriations in Other Personal Services by \$6,844 or (8%) and Operating Capital Outlay by \$1,721 or (30%).

PERC Trust Fund (2558)		
Other Personal Services (030000)	(6,844)	
Operating Capital Outlay (060000)	(1,721)	
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Total Issue	(8,565)	FSI=1
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	COL A93	COL A94	COL A95	
	SCH VIIIB-2	SCH VIIIB-2	SCH VIIIB-2	
	REDUCTIONS	NR FY11-12	ANZ FY11-12	
POS	AMOUNT	POS	AMOUNT	POS
				AMOUNT
				CODES
MANAGEMENT SRVCS, DEPT OF				72000000
PGM: PERC				72920000
<u>PUBLIC EMPLOYEES RELATIONS</u>				72920100
<u>ECONOMIC OPPORTUNITIES</u>				11
<u>WORKFORCE SERVICES</u>				<u>1102.00.00.00</u>
SCHEDULE VIIIB REDUCTIONS -				
OPERATING				33B0000
FIFTEEN PERCENT REDUCTION -				
EXPENSES AND OPERATING CAPITAL				
OUTLAY				33B7280
EXPENSES				040000
GENERAL REVENUE FUND -STATE	3,445-			1000 1
OPERATING CAPITAL OUTLAY				060000
GENERAL REVENUE FUND -STATE	1,399-			1000 1
TOTAL: FIFTEEN PERCENT REDUCTION -				33B7280
EXPENSES AND OPERATING CAPITAL				
OUTLAY				
TOTAL ISSUE.....	4,844-			

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AGENCY ISSUE NARRATIVE:

SCH VIIIB-2 NARR 11-12 NARRATIVE:  
 PRIORITY# 73

IT COMPONENT? NO

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

PERC was originally staffed with 42 full-time equivalents (FTEs) with a single jurisdiction of labor disputes and its funding was predominantly General Revenue (98%). PERC currently has 28 FTEs due to successive budget cuts (one third reduction in staff), 6 additional employment law jurisdictions, and its funding is currently split 46% from General Revenue and 54% from the PERC Trust Fund. In the last four years alone, PERC's staff has been reduced 20% while its caseload has increased 39%.

PERC HISTORICAL FUNDING: The primary source of PERC's funding is the PERC Trust Fund, which is funded through a 0.1% distribution from the Local Government Half-cent Sales Tax Clearing Trust Fund, less a \$5,000 deduction each month for a program unrelated to PERC. Prior to the creation of the Trust Fund, PERC was funded exclusively by General Revenue. At the outset of the Trust Fund in Fiscal Year 2004-05, PERC's appropriation was approximately \$1.8 million in General Revenue and \$1.5 million in Trust. Over time, legislative reductions to General Revenue have shifted more of the burden to the Trust Fund to meet PERC's legislative appropriation. This fiscal year, PERC's recurring appropriation is

COL A93		COL A94		COL A95		CODES
SCH VIIIIB-2		SCH VIIIIB-2		SCH VIIIIB-2		
REDUCTIONS		NR FY11-12		ANZ FY11-12		
POS	AMOUNT	POS	AMOUNT	POS	AMOUNT	
MANAGEMENT SRVCS, DEPT OF						72000000
PGM: PERC						72920000
<u>PUBLIC EMPLOYEES RELATIONS</u>						72920100
<u>ECONOMIC OPPORTUNITIES</u>						11
<u>WORKFORCE SERVICES</u>						<u>1102.00.00.00</u>
SCHEDULE VIIIIB REDUCTIONS -						
OPERATING						33B0000
FIFTEEN PERCENT REDUCTION -						
EXPENSES AND OPERATING CAPITAL						
OUTLAY						33B7280

approximately \$1.4 million in General Revenue and \$1.7 million in Trust.

The Trust Fund has been insufficient to meet PERC's legislative appropriation since its creation, with the exception of Fiscal Year 2005-06. The significant decline in sales tax collections in the last two years has reduced the cash balance in the Trust Fund to a critical level. During the 2010 legislative session, PERC was allocated a one-time cash infusion of \$400,000 in General Revenue to compensate for the trust shortfall.

Unlike other agencies, PERC only has one "program." The agency has absorbed past budget reductions and shortfalls from the change in PERC's funding structure by reorganizing staff, consolidating positions and leased space, cutting non-essential travel and significantly reducing administrative overhead.

Projections from the Revenue Estimating Conference as of August 12, 2010, indicate that while sales tax receipts will improve gradually over the next several years, they are not anticipated to meet PERC's current legislative appropriation at any time through its Fiscal Year 2012-13 projections. Absent a modification in its funding structure, PERC will be forced to make a significant reduction in staff over and above any legislatively imposed reductions related to this exercise.

In General Revenue, 92% of PERC's budget is allocated for Salaries & Benefits; 2% for Special Categories: Contracted Services; 2% for Expenses, Other Personal Services and Other Capital Outlay collectively; and 4% for non-discretionary spending.

In the PERC Trust Fund, over 70% of PERC's budget is allocated for Salaries & Benefits; 21% to Expenses (the largest portion of which (58%) is rent to Department of Management Services for a state-owned facility); 4% to Other Personal Services; 3% for non-discretionary spending; 2% for Special Categories: Contracted Services (primarily used for equipment and case management system maintenance and modifications) and less than 1% for Other Capital Outlay.

ISSUE SUMMARY: Each agency is required to meet a 15% reduction. The Commission proposes to reduce discretionary spending in Expenses and Operating Capital Outlay.

PROBLEM STATEMENT: With consideration of the facts stated above and in the spirit of fiscal responsibility in the face of potential revenue shortfalls the Commission offers the following reduction for consideration. All proposals were developed based on operational needs and to minimize adverse impact on the Commission and those served by the program.

PROGRAM IMPACT: Significant Impact. The reduction in Expenses will be achieved by eliminating the expenditure for professional dues (Florida Bar) for attorney members of the Commission and continuing restrictions on expenditures for travel and office supplies. However, based on the increase in caseload (39%) it is likely that additional funds will be

	COL A93	COL A94	COL A95	
	SCH VIII B-2	SCH VIII B-2	SCH VIII B-2	
	REDUCTIONS	NR FY11-12	ANZ FY11-12	
POS	AMOUNT	POS	AMOUNT	POS
				AMOUNT
				CODES
MANAGEMENT SRVCS, DEPT OF				72000000
PGM: PERC				72920000
<u>PUBLIC EMPLOYEES RELATIONS</u>				72920100
<u>ECONOMIC OPPORTUNITIES</u>				11
<u>WORKFORCE SERVICES</u>				<u>1102.00.00.00</u>
SCHEDULE VIII B REDUCTIONS -				
OPERATING				33B0000
FIFTEEN PERCENT REDUCTION -				
EXPENSES AND OPERATING CAPITAL				
OUTLAY				33B7280

required for costs associated with mission critical travel and telecommunication costs associated with the conduct of telephonic or video hearings. Operating Capital Outlay funds are required to replace aging equipment for agency operations. Due to funding challenges the Commission purchases all equipment outright and has expanded the lifetime of all information technology (IT) equipment beyond suggested standards and as such is very vulnerable to equipment failure and replacement requirements. The base appropriation for Expenses is \$27,587 and Operating Capital Outlay is \$7,399 therefore, any reduction to these categories is significant and will adversely affect operations.

FISCAL INFORMATION: Reduce appropriations in Expenses by \$3,445 or (12%) and Operating Capital Outlay by \$1,399 or (19%).

General Revenue (1000)	
Expenses (040000)	(3,445)
Operating Capital Outlay (060000)	(1,399)
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Total Issue	(4,844) FSI=1
	=====

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TOTAL: WORKFORCE SERVICES		<u>1102.00.00.00</u>
BY FUND TYPE		
GENERAL REVENUE FUND	268,594-	1000
TRUST FUNDS	199,512-	2000
	-----	
TOTAL PROG COMP.....	468,106-	
	=====	

	COL A93	COL A94	COL A95	
	SCH VIIIB-2	SCH VIIIB-2	SCH VIIIB-2	
	REDUCTIONS	NR FY11-12	ANZ FY11-12	
POS	AMOUNT	POS	AMOUNT	POS
				AMOUNT
				CODES
MANAGEMENT SRVCS, DEPT OF				72000000
PGM: COMM ON HUMAN RELAT				72950000
HUMAN RELATIONS				72950100
GOV OPERATIONS/SUPPORT				16
GOVERNMENTAL OPERATIONS				1601.00.00.00
SCHEDULE VIIIB REDUCTIONS -				
OPERATING				33B0000
FIFTEEN PERCENT REDUCTION -				
EXPENSES				33B7050
EXPENSES				040000
OPERATING TRUST FUND	-STATE	5,100-		2510 1

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AGENCY ISSUE NARRATIVE:

SCH VIIIB-2 NARR 11-12 NARRATIVE: IT COMPONENT? NO  
 Priority #63

In the event of a shortfall during Fiscal Year 2010-11, \$5,100 can be deducted from the Commission's Operating Trust Fund. The revenue associated with this reduction item is derived from the 55 and older program pursuant to the Federal Register 24 CFT part 100 and ss. 760.24-760.37, F.S.

Operating Trust Fund (2510)  
 Expenses (040000) (5,100) FSI=1  
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FIFTEEN PERCENT REDUCTION -				
EXPENSES - GENERAL REVENUE				33B7060
EXPENSES				040000

GENERAL REVENUE FUND -STATE 52,670- 1000 1

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AGENCY ISSUE NARRATIVE:

SCH VIIIB-2 NARR 11-12 NARRATIVE: IT COMPONENT? NO  
 Priority #65

Without the General Revenue Expenses appropriation, the Commission would no longer be able to cover critical operating costs and would face multiple audit violations. During the last six years, the Commission has implemented many efficiency measures in order to save costs, including reduced leased office space and negotiating a lower per square footage rate with its private landlord instead of renting space at a more costly, state-owned building. The Commission currently occupies 6,000 square feet compared to 18,000 square feet during Fiscal Year 2008-09 (a 67% reduction in office space needs). Many of the Commission's employees now share office space and the Commission has resorted to using



	COL A93	COL A94	COL A95		
	SCH VIIIB-2	SCH VIIIB-2	SCH VIIIB-2		
	REDUCTIONS	NR FY11-12	ANZ FY11-12		
POS	AMOUNT	POS	AMOUNT	POS	
				AMOUNT	
				CODES	
MANAGEMENT SRVCS, DEPT OF					72000000
PGM: COMM ON HUMAN RELAT					72950000
HUMAN RELATIONS					72950100
GOV OPERATIONS/SUPPORT					16
GOVERNMENTAL OPERATIONS					1601.00.00.00
SCHEDULE VIIIB REDUCTIONS -					
OPERATING					33B0000
FIFTEEN PERCENT REDUCTION -					
EXPENSES - GENERAL REVENUE					33B7060

telecommuting (almost 30% of its employees) in order to alleviate the impact of the reduced space. Other efficiency measures implemented by the Commission over the past several years include: reduction in the number of multifunctional copiers; decreased purchases of office supplies; elimination of most wireless devices and cell phones; no out-sourced printing (all documents are now web-based or on CD); no travel reimbursements; elimination of Comcast cable subscriptions; and only internally-provided staff training. With such a limited discretionary Expenses budget, further reductions will render the Commission virtually inoperable.

General Revenue (1000)  
 Expenses (040000) (52,670) FSI=1

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FIFTEEN PERCENT REDUCTION -					
SALARIES AND BENEFITS					33B7130
SALARY RATE					000000
SALARY RATE.....	36,420-				
	=====	=====	=====		
SALARIES AND BENEFITS					010000
GENERAL REVENUE FUND	-STATE	1.00-	52,562-		1000 1
		=====	=====	=====	
TOTAL: FIFTEEN PERCENT REDUCTION -					33B7130
SALARIES AND BENEFITS					
TOTAL POSITIONS.....	1.00-				
TOTAL ISSUE.....		52,562-			
TOTAL SALARY RATE.....	36,420-				
	=====	=====	=====		

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AGENCY ISSUE NARRATIVE:  
 SCH VIIIB-2 NARR 11-12 NARRATIVE: IT COMPONENT? NO  
 Priority #66

The Commission receives federal funds from the U.S. Equal Employment Opportunity Commission (EEOC) and the U.S. Housing and Urban Development (HUD) for employment and housing cases the Commission investigates and closes. The number of cases

	COL A93	COL A94	COL A95	
	SCH VIII B-2	SCH VIII B-2	SCH VIII B-2	
	REDUCTIONS	NR FY11-12	ANZ FY11-12	
POS	AMOUNT	POS	AMOUNT	POS
				AMOUNT
				CODES
MANAGEMENT SRVCS, DEPT OF				72000000
PGM: COMM ON HUMAN RELAT				72950000
HUMAN RELATIONS				72950100
GOV OPERATIONS/SUPPORT				16
GOVERNMENTAL OPERATIONS				1601.00.00.00
SCHEDULE VIII B REDUCTIONS -				
OPERATING				33B0000
FIFTEEN PERCENT REDUCTION -				
SALARIES AND BENEFITS				33B7130

referred to the Commission varies each year and, therefore, the amount annually reimbursed to the Commission fluctuates from year to year. In addition, the date the Commission actually receives the federal reimbursements is unpredictable, as the federal agencies undergo administrative changes or experience funding issues.

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

The transfer of funding positions from the operating trust fund rather than General Revenue may further exacerbate a recurring risk of insufficient cash flow beyond the Commission's control and will contribute to the decline of this fund. The Commission's budget has been reduced significantly. Reduction alternatives have been exhausted.

This issue requests the reduction side of a fund shift from General Revenue to Operating Trust Fund for 1.00 FTE and associated Salaries and Benefits.

Position #	Class Title	Class Code	Pay Grade	FTE	Rate	Salaries Benefits Budget
002732	Deputy Clerk - SES	7686	08	(1.0)	(36,420)	(52,562)

General Revenue (1000)						
Rate (1.00) FTE	(36,420)					
Salaries and Benefits (010000)					(52,562)	FSI=1
					=====	

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	COL A93		COL A94		COL A95		CODES
	SCH VIII B-2	REDUCTIONS	SCH VIII B-2	NR FY11-12	SCH VIII B-2	ANZ FY11-12	
	POS	AMOUNT	POS	AMOUNT	POS	AMOUNT	
MANAGEMENT SRVCS, DEPT OF							72000000
PGM: COMM ON HUMAN RELAT							72950000
HUMAN RELATIONS							72950100
GOV OPERATIONS/SUPPORT							16
GOVERNMENTAL OPERATIONS							1601.00.00.00
SCHEDULE VIII B REDUCTIONS -							
OPERATING							33B0000
FIFTEEN PERCENT REDUCTION -							
SALARIES AND BENEFITS							33B7130

POSITION DETAIL OF SALARIES AND BENEFITS:

	FTE	BASE RATE	ADDITIVES	BENEFITS	SUBTOTAL	LAPSE %	LAPSED SALARIES AND BENEFITS
A93 - SCH VIII B-2 REDUCTIONS							
CHANGES TO CURRENTLY AUTHORIZED POSITIONS							
7686 DEPUTY CLERK							
C2732 001	1.00-	36,420-		16,142-	52,562-	0.00	52,562-
TOTALS FOR ISSUE BY FUND							
1000 GENERAL REVENUE FUND							52,562-
	1.00-	36,420-		16,142-	52,562-		52,562-

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FIFTEEN PERCENT REDUCTION -							
SALARIES AND BENEFITS - CRITICAL							
NEEDS							33B7190
SALARY RATE							000000
SALARY RATE.....	174,886-						
SALARIES AND BENEFITS							010000
GENERAL REVENUE FUND -STATE	5.00-	254,269-					1000 1
TOTAL: FIFTEEN PERCENT REDUCTION -							33B7190
SALARIES AND BENEFITS - CRITICAL							
NEEDS							
TOTAL POSITIONS.....	5.00-						
TOTAL ISSUE.....		254,269-					
TOTAL SALARY RATE.....	174,886-						

COL A93		COL A94		COL A95		CODES
SCH VIIIIB-2		SCH VIIIIB-2		SCH VIIIIB-2		
REDUCTIONS		NR FY11-12		ANZ FY11-12		
POS	AMOUNT	POS	AMOUNT	POS	AMOUNT	
MANAGEMENT SRVCS, DEPT OF						72000000
PGM: COMM ON HUMAN RELAT						72950000
HUMAN RELATIONS						72950100
GOV OPERATIONS/SUPPORT						16
GOVERNMENTAL OPERATIONS						1601.00.00.00
SCHEDULE VIIIIB REDUCTIONS -						
OPERATING						33B0000
FIFTEEN PERCENT REDUCTION -						
SALARIES AND BENEFITS - CRITICAL						
NEEDS						33B7190
*****						

AGENCY ISSUE NARRATIVE:

SCH VIIIIB-2 NARR 11-12 NARRATIVE:  
 Priority # 68

IT COMPONENT? NO

The Commission is the state agency charged with enforcing the Florida Civil Rights Act and Florida's Fair Housing Act (Part I and Part II, Chapter 760, F.S., respectively). The purpose of these laws is to protect the people of Florida from discrimination based on race, color, religion, sex, national origin, age, disability, marital status or familial status. The Commission serves as a resource for the people of Florida in directly addressing discrimination issues which impact each and every one of us. In addition, the Commission is responsible for investigating complaints of state employee retaliation under the Whistle-blower Act (s. 112.31895, F.S.).

The following issue includes the reduction of five (5) FTE positions and \$227,353 in Salaries and Benefits. The Commission's workforce has already been reduced by 26% over the past several years. Many of the Commission's staff has assumed additional responsibilities and some managerial positions have been combined in order to remain in compliance with state law, maintain operational effectiveness and meet the increased level of customer demand the Commission is currently facing. Redirecting additional responsibilities and workload that will be created by the elimination of these five positions to existing staff will be very limited and, in most instances, impossible. Because the Commission has no other expense categories to cut, the Commission is forced to offer up these positions (currently filled) and associated salaries and benefits to meet the Legislative Budget Request instructions requiring the submission of a reduction plan of 15 percent. Should the revenue shortfall be less than currently estimated, the Commission would prefer to retain all of the positions listed in the proposal as they are all critical to the overall operation of the Commission.

Investigative Specialist I: The loss of this investigative position will impact the Commission's ability to resolve cases timely, which could ultimately result in the Commission issuing more rights to sue. This would have an adverse impact on the state's court system as a result of increased lawsuits being filed. Office of Program Policy Analysis and Government Accountability (OPPAGA), in its Report No. 06-09, stated: "The need to file discrimination cases with the courts likely would increase costs to both citizens and the state" because shifting these cases to the court system would create a need for additional judges, court staff and courtroom space. By reducing the Commission's staff, the state may realize a net financial loss - not only because of an additional workload for the courts but because cases heard in court are much more costly. With the passage of amendments to federal discrimination and employment laws (Americans with Disabilities Act, which expands the definition of disability; and Lily Ledbetter Equal Pay Act, which extends the time frame an employee can file a employment complaint), the Commission anticipates that even more complaints will be forthcoming. Given these recent federal law changes and the adverse economic conditions (job losses, home foreclosures, etc.) being faced by the State of Florida, the Commission anticipates that the number of complaints received by the Commission will continue to increase. It will be difficult enough for Commission staff to meet the statutory obligations with the potential increase in complaints being filed with the staff that it currently has. Additional budget cuts and/or FTE losses will

	COL A93	COL A94	COL A95	
	SCH VIIIIB-2	SCH VIIIIB-2	SCH VIIIIB-2	
	REDUCTIONS	NR FY11-12	ANZ FY11-12	
POS	AMOUNT	POS	AMOUNT	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>
SCHEDULE VIIIIB REDUCTIONS -				
OPERATING				33B0000
FIFTEEN PERCENT REDUCTION -				
SALARIES AND BENEFITS - CRITICAL				
NEEDS				33B7190

essentially "gut" the Commission, making it virtually impossible to meet its statutory requirements for timely completing investigations and effectively serving its customers.

Education and Training Specialist: According to s. 110.1099, F.S., this position fills a critical need for Commission staff and for the public. The incumbent serves in two roles: training coordinator and public assistance liaison. As a result of budget cuts and no expense dollars, providing contracted training for staff is not possible. Provision of any training for job responsibilities, computer applications, ethics training, new employee orientation and policy and procedure refresher courses must be conducted internally and developed in-house. This position develops training materials, employee handbooks, demonstration models, multimedia visual aids, computer tutorials and reference materials. With limited office space, no centralized meeting room or available conference room space and a large number of telecommuters, the Commission must use highly innovative means of delivering training to its staff at no cost. As part of this effort, this position is responsible for developing and maintaining the Commission's telecommuting network, which provides a technology-based forum to provide support and guidance to telecommuters in order to raise morale, boost productivity and enhance the quality of work. This position, along with the MIS Director, creates training modules that can be viewed at the employee's desk, saving time and money while providing beneficial training to employees. Without this position, the Commission will not be able to provide any training to its employees. In addition, this position is responsible for providing essential information to the public on Commission services, civil rights laws and legal rights and responsibilities to ensure full access to the Commission and a vast understanding of afforded protections. The incumbent assists with public assistance activities, including updating and maintaining the Commission's website; supporting the investigative units in providing outreach, public education and technical assistance; responding to public inquiries and requests; assisting with the development and dissemination of press releases, Public Service Announcements, educational articles and promotional materials; media tracking; collaborating with staff, communities and other private and public partners on community events; and providing internal communications, such as the employee quarterly newsletter and staff emails. Lastly, this position coordinates monthly staff meetings, oversees the employee recognition of excellence program and Commission-sponsored employee events. Without this position, the dissemination of critical public information and assistance would be greatly reduced.

Community Assistant Specialist: During 2009 (Special Session and Regular Session), the Legislature took five (5) positions from the Commission. The loss of these positions resulted in the abolishment of the Commission's Community Relations Services (CRS) unit, which provided outreach, education and training to its customers throughout the state (employers, employees, state and local governmental entities, communities, private organizations and associations, housing industry entities, mortgage companies, realtors, real estate brokers, landlords, senior citizens groups, etc.). Since the abolishment of the CRS unit (June 2009), the Commission has assigned one employee to meet the needs of the entire state with regard to training and education on a very limited basis. This position provides much needed education and outreach to businesses and individuals, informing them of their rights and responsibilities under Florida's civil rights laws. It is the philosophy of the Commission that in order to prevent discrimination and reduce costs to businesses and the state, education and information is key. Although the CRS unit no longer exists, the requests for

COL A93		COL A94		COL A95		CODES
SCH VIII B-2		SCH VIII B-2		SCH VIII B-2		
REDUCTIONS		NR FY11-12		ANZ FY11-12		
POS	AMOUNT	POS	AMOUNT	POS	AMOUNT	
						72000000
MANAGEMENT SRVCS, DEPT OF						72950000
PGM: COMM ON HUMAN RELAT						72950100
<u>HUMAN RELATIONS</u>						16
GOV OPERATIONS/SUPPORT						<u>1601.00.00.00</u>
<u>GOVERNMENTAL OPERATIONS</u>						
SCHEDULE VIII B REDUCTIONS -						
OPERATING						33B0000
FIFTEEN PERCENT REDUCTION -						
SALARIES AND BENEFITS - CRITICAL						
NEEDS						33B7190

educational services are continuing to grow. Statutorily (s. 760.06, F.S.), the Commission is mandated to promote the creation of, and to provide continuing technical assistance to, local commissions on human relations and to cooperate with individuals and state, local, and other agencies, both public and private, including agencies of the federal government and of other states to recommend methods for the elimination of discrimination and intergroup tensions and to use its best efforts to secure compliance with its recommendations. Without this position, no outreach education would be available to businesses and individuals in this state, resulting in more widespread discrimination in this state. In addition, the responsibilities for this position have been expanded to include investigative support for the legal and investigation units regarding whistle-blower retaliation cases.

Administrative Assistant II: Like other state entities, the Commission is responsible for the oversight, management, maintenance and coordination of its assigned state property, computer equipment and telecommunications equipment. This position serves as the Commission's property custodian, complying with all requirements of the Property Asset Management (PAM) policies and procedures set forth by the Department of Management Services (DMS), affording maximum utilization and tracking of state property in compliance with Florida law. The Commission complies with the state's policy that establishes requirements for accountability, control and transfer of all tangible personal property owned by the Commission pursuant to Chapter 273, F.S. More than 50% of the Commission's staff currently telecommutes; the tracking of equipment at off-site locations is absolutely critical and requires constant oversight by the Commission's property custodian. Historically, this has been one of the primary areas targeted for external audit reviews at the Commission. In addition, this position is responsible for all purchasing of office supplies, acquisition of equipment and furniture from the state's surplus property program and copier vendor agreement verification and reporting (required by vendor contract). Lastly, this position is responsible for building safety and maintenance issues, such as developing safety and evacuation policies and procedures, coordinating fire drills, ensuring that security devices operate adequately and arranging for the repair and maintenance of all state-owned and state-leased equipment at the Commission. Without this position, the Commission would no longer be in compliance with state law and mandated policy and would be subject to future Auditor General criticism regarding the management of state property.

Human Resources Manager: As an independent entity, the Commission, as statutorily required by s. 760.04, F.S., is assigned to DMS for organizational and administrative purposes. However, the Commission is not subject to the control, supervision or direction by DMS. While DMS provides some assistance to the Commission's human resources (HR) responsibilities, the DMS cannot provide 100% of the necessary support. The Commission's human resources position is responsible for more than 80% of the Commission's personnel functions. These include recruitment, selection and hiring; timesheet preparation and approval; Personnel Action Requests utilizing the People First System; employee exit interviews; new employee orientation sessions; internal grievance management and resolution; coordination of annual and semi-annual performance reviews; and the development of Commission-specific personnel policies and procedures. The HR position also serves as the liaison between DMS and the Commission to ensure that the Commission remains in compliance with human resource policies and procedures as established by the State of Florida personnel system. Without this position, the Commission would have no means of providing personnel resources or support for its employees.

	COL A93 SCH VIIIB-2 REDUCTIONS	COL A94 SCH VIIIB-2 NR FY11-12	COL A95 SCH VIIIB-2 ANZ FY11-12	CODES
POS	AMOUNT	POS	AMOUNT	
MANAGEMENT SRVCS, DEPT OF				72000000
PGM: COMM ON HUMAN RELAT				72950000
HUMAN RELATIONS				72950100
GOV OPERATIONS/SUPPORT				16
GOVERNMENTAL OPERATIONS				1601.00.00.00
SCHEDULE VIIIB REDUCTIONS -				
OPERATING				33B0000
FIFTEEN PERCENT REDUCTION -				
SALARIES AND BENEFITS - CRITICAL				
NEEDS				33B7190

Position #	Class Title	Class Code	Pay Grade	FTE	Rate	Salaries Benefits Budget
003213	Investigation Specialist I - SES	8315	08	(1.0)	(28,052)	(42,653)
002730	Education & Training Specialist SES	1328	08	(1.0)	(31,233)	(46,420)
003185	Community Assistant Specialist SES	2506	08	(1.0)	(34,632)	(50,445)
002740	Administrative Assistant II SES	0712	08	(1.0)	(32,593)	(48,030)
002745	Human Resources Manager SES	2236	08	(1.0)	(48,376)	(66,721)

General Revenue (1000)  
 Rate (5.00) FTE (174,886)  
 Salaries and Benefits (010000) (254,269) FSI=1

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POSITION DETAIL OF SALARIES AND BENEFITS:

	FTE	BASE RATE	ADDITIVES	BENEFITS	SUBTOTAL	LAPSE %	LAPSED SALARIES AND BENEFITS
A93 - SCH VIIIB-2 REDUCTIONS							
CHANGES TO CURRENTLY AUTHORIZED POSITIONS							
0712 ADMINISTRATIVE ASSISTANT II							
C1001 004	1.00-	32,593-		15,437-	48,030-	0.00	48,030-
1328 EDUCATION AND TRAINING SPECIALIST							
C1001 002	1.00-	31,233-		15,187-	46,420-	0.00	46,420-
2236 GOVERNMENT OPERATIONS CONSULTANT II							
C1001 005	1.00-	48,376-		18,345-	66,721-	0.00	66,721-
2506 COMMUNITY ASSISTANCE SPECIALIST II							
C1001 003	1.00-	34,632-		15,813-	50,445-	0.00	50,445-
3213 PLANNING & RESEARCH ECONOMIST							

	COL A93 SCH VIIIIB-2 REDUCTIONS	COL A94 SCH VIIIIB-2 NR FY11-12	COL A95 SCH VIIIIB-2 ANZ FY11-12	
	POS AMOUNT	POS AMOUNT	POS AMOUNT	CODES
MANAGEMENT SRVCS, DEPT OF				72000000
PGM: COMM ON HUMAN RELAT				72950000
HUMAN RELATIONS				72950100
GOV OPERATIONS/SUPPORT				16
GOVERNMENTAL OPERATIONS				1601.00.00.00
SCHEDULE VIIIIB REDUCTIONS -				
OPERATING				33B0000
FIFTEEN PERCENT REDUCTION -				
SALARIES AND BENEFITS - CRITICAL				
NEEDS				33B7190

POSITION DETAIL OF SALARIES AND BENEFITS:

	FTE	BASE RATE	ADDITIVES	BENEFITS	SUBTOTAL	LAPSE %	LAPSED SALARIES AND BENEFITS
A93 - SCH VIIIIB-2 REDUCTIONS							
CHANGES TO CURRENTLY AUTHORIZED POSITIONS							
C1001 001	1.00-	28,052-		14,601-	42,653-	0.00	42,653-
TOTALS FOR ISSUE BY FUND							
1000 GENERAL REVENUE FUND							254,269-
	5.00-	174,886-		79,383-	254,269-		254,269-

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FIFTEEN PERCENT REDUCTION -							
OTHER PERSONAL SERVICES							33B7410
OTHER PERSONAL SERVICES							030000
GENERAL REVENUE FUND -STATE		21,002-					1000 1

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AGENCY ISSUE NARRATIVE:  
 SCH VIIIIB-2 NARR 11-12 NARRATIVE: IT COMPONENT? NO  
 Priority #64

The elimination of the Other Personal Services (OPS) category funding will affect the Commission's ability to pay Commissioner honoraria as statutorily required (s. 760.03(6), F.S.). In addition, critical administrative roles will be jeopardized. The Commission must effectively address the findings found in Auditor General Report No. 2009-078, which stated that there should be a separation of duties regarding the collection, recording, depositing and reconciliation of collected revenues at the Commission. State Purchasing Card rules require each state entity to separate the duties



	COL A93	COL A94	COL A95	
	SCH VIIIB-2	SCH VIIIB-2	SCH VIIIB-2	
	REDUCTIONS	NR FY11-12	ANZ FY11-12	
POS	AMOUNT	POS	AMOUNT	POS
				AMOUNT
				CODES
MANAGEMENT SRVCS, DEPT OF				72000000
PGM: COMM ON HUMAN RELAT				72950000
HUMAN RELATIONS				72950100
GOV OPERATIONS/SUPPORT				16
GOVERNMENTAL OPERATIONS				1601.00.00.00
SCHEDULE VIIIB REDUCTIONS -				
OPERATING				33B0000
FIFTEEN PERCENT REDUCTION -				
OTHER PERSONAL SERVICES				33B7410

associated with charging on the state purchasing card and the reconciliation of those charges. If the OPS category funding is eliminated, the Commission would need to replace the OPS position with either an FTE position or contracted services in order to comply with the "separation of responsibility" audit findings. The Commission has suffered a 26% workforce reduction in the past several years due to the budget cuts resulting from state revenue shortfalls. Because of these cuts, the Commission has had to rely heavily on OPS funding to provide support to both investigative units and management information systems unit. Staff turnover tends to be high in the investigative units caused by low salaries, increasingly heavy workloads and the stressful nature of the job. Because of the Commission's ability to hire temporary OPS staff, the investigation units have been able to cope with workload challenges during periods of staff turnover, investigator training and learning curves and larger caseloads resulting from increased number of complaints. Without the ability to cover critical workload needs, the Commission's performance will be adversely affected and statutory timelines for completing investigations will be difficult, if not impossible, to meet. Delays in timely completing investigations can result in increased issuance of rights to sue to complainants, who in turn, lead to an increased burden on and cost to the state's court system; increased costs to businesses (attorney fees, court awards) and increased costs to the state for state employee discrimination claims.

General Revenue (1000)  
 Other Personal Services (030000) (21,002) FSI=1  
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FIFTEEN PERCENT REDUCTION -				
FEDERAL GRANTS TRUST FUND IN THE				
FLORIDA COMMISSION ON HUMAN				
RELATIONS PROGRAM				33B7640
SALARY RATE				000000
SALARY RATE.....	36,420			
	=====	=====	=====	
SALARIES AND BENEFITS				010000
OPERATING TRUST FUND -STATE	1.00			
		52,562		2510 1
	=====	=====	=====	
TOTAL: FIFTEEN PERCENT REDUCTION -				33B7640
FEDERAL GRANTS TRUST FUND IN THE				
FLORIDA COMMISSION ON HUMAN				
RELATIONS PROGRAM				
TOTAL POSITIONS.....	1.00			
TOTAL ISSUE.....		52,562		

POS	COL A93	COL A94	COL A95	CODES
	SCH VIII B-2 REDUCTIONS	SCH VIII B-2 NR FY11-12	SCH VIII B-2 ANZ FY11-12	
POS	AMOUNT	POS	AMOUNT	
MANAGEMENT SRVCS, DEPT OF				72000000
PGM: COMM ON HUMAN RELAT				72950000
HUMAN RELATIONS				72950100
GOV OPERATIONS/SUPPORT				16
GOVERNMENTAL OPERATIONS				1601.00.00.00
SCHEDULE VIII B REDUCTIONS -				
OPERATING				33B0000
FIFTEEN PERCENT REDUCTION -				
FEDERAL GRANTS TRUST FUND IN THE				
FLORIDA COMMISSION ON HUMAN				
RELATIONS PROGRAM				33B7640

TOTAL SALARY RATE..... 36,420

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AGENCY ISSUE NARRATIVE:

SCH VIII B-2 NARR 11-12 NARRATIVE:  
 Priority #67

IT COMPONENT? NO

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

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

The transfer of funding positions from the operating trust fund rather than General Revenue may further exacerbate a recurring risk of insufficient cash flow beyond the Commission's control and will contribute to the decline of this fund. The Commission's budget has been reduced significantly. Reduction alternatives have been exhausted.

This issue requests to fund shift to Operating Trust Fund from General Revenue for 1.00 FTE and associated Salaries and Benefits.

Position #	Class Title	Class Code	Pay Grade	FTE	Rate	Salaries Benefits Budget
002732	Deputy Clerk - SES	7686	08	1.0	36,420	52,562

