

BPEADL01 LAS/PBS SYSTEM
BUDGET PERIOD: 2003-2014
STATE OF FLORIDA

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

SP 10/12/2012 17:03 PAGE: 1
EXHIBIT D-3A ERROR REPORT

BUDGET ENTITY	D3A ISSUE CODE	COLUMN NUMBERS	CODE	ERROR MESSAGE	PAGE
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THERE WERE 0 ERRORS DETECTED

COL A93		
SCH VIIIB-2		
REDUCTIONS		
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>
PROGRAM REDUCTIONS		33V0000
REDUCE EXPENDITURES WITHIN THE		
OFFICE OF THE SECRETARY		33V0820
SPECIAL CATEGORIES		100000
CONTRACTED LEGAL SERVICES		103884
ADMINISTRATIVE TRUST FUND -STATE	411,470-	2021 1
	=====	

AGENCY ISSUE NARRATIVE:

SCH VIIIB-2 NARR 13-14 NARRATIVE: IT COMPONENT? NO
 PRIORITY #3

ISSUE SUMMARY: Each agency is required to meet a five percent 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 served. This issue reduces the department's contracted legal services contingency budget of \$1,150,000 to \$738,530.

This appropriation is used to provide outside legal representation for potential litigation. If the remaining appropriation of just over \$700,000 is not adequate, the department will have to request budget amendments to contract for legal services as needed, which is not as timely as sometimes required to appropriately and swiftly respond to lawsuits.

FISCAL INFORMATION: The Office of the Secretary proposes a reduction in the Administrative Trust Fund from within the Special Categories: Contracted Legal Services appropriation category.

Administrative Trust Fund (2021)
 Special Categories: Contracted Legal Services (103884) (\$411,470) FSI=1
 =====

 COL A93
 SCH VIIIB-2
 REDUCTIONS
 POS AMOUNT

MANAGEMENT SRVCS, DEPT OF		72000000
PGM: ADMINISTRATION PGM		72010000
STATE EMPLOYEE LEASING		72010300
GOV OPERATIONS/SUPPORT		16
GOVERNMENTAL OPERATIONS		<u>1601.00.00.00</u>
PROGRAM REDUCTIONS		33V0000
REDUCE SALARIES AND BENEFITS WITHIN		
THE STATE EMPLOYEE LEASING PROGRAM		33V0810
SALARIES AND BENEFITS		010000
ADMINISTRATIVE TRUST FUND -STATE	11,368-	2021 1
	=====	

AGENCY ISSUE NARRATIVE:

SCH VIIIB-2 NARR 13-14 NARRATIVE: IT COMPONENT? NO
 Priority #15

The Department of Management Services (DMS) provides administrative support to the State Employee Leasing Program by merely processing the payroll for the remaining two employees. There are only two employees who remain within this program; one is located within the Black Business Investment Board and the other in Enterprise Florida.

DMS is required to offer a five percent target reduction to meet the Schedule VIIIB exercise. To accomplish this exercise, DMS is offering a five percent reduction to the program's Salaries and Benefits appropriation category as a double budget item. DMS has no jurisdiction over this program. Because this is a double budget issue, if this reduction is taken the same reduction will need to occur within the Department of Economic Opportunity's budget.

Administrative Trust Fund (2021)
 Salaries and Benefits (010000) (\$11,368) FSI=1
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POSITION DETAIL OF SALARIES AND BENEFITS:

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

CHANGES TO CURRENTLY AUTHORIZED POSITIONS
 OTHER SALARY AMOUNT
 2021 ADMINISTRATIVE TRUST FUND

11,368-

 11,368-
 =====

		COL A93	
		SCH VIIIB-2	
		REDUCTIONS	
	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>
PROGRAM REDUCTIONS			33V0000
REDUCE OPERATING EXPENDITURES			
WITHIN THE DIVISION OF FACILITIES			
MANAGEMENT			33V0530
SALARY RATE			000000
SALARY RATE.....	119,282-	=====	
SALARIES AND BENEFITS			010000
	4.50-		
SUPERVISION TRUST FUND	-STATE 180,379-	=====	2696 1
OTHER PERSONAL SERVICES			030000
SUPERVISION TRUST FUND	-STATE 17,000-	=====	2696 1
EXPENSES			040000
SUPERVISION TRUST FUND	-STATE 330,150-	=====	2696 1
OPERATING CAPITAL OUTLAY			060000
SUPERVISION TRUST FUND	-STATE 60,180-	=====	2696 1
SPECIAL CATEGORIES			100000
CONTRACTED SERVICES			100777
SUPERVISION TRUST FUND	-STATE 825,377-	=====	2696 1
CAPITOL REPAIRS			108900
SUPERVISION TRUST FUND	-STATE 50,000-	=====	2696 1
TOTAL: REDUCE OPERATING EXPENDITURES			33V0530
WITHIN THE DIVISION OF FACILITIES			
MANAGEMENT			
TOTAL POSITIONS.....	4.50-		
TOTAL ISSUE.....	1,463,086-		
TOTAL SALARY RATE.....	119,282-	=====	

COL A93 SCH VIIIB-2 REDUCTIONS		
POS	AMOUNT	CODES
MANAGEMENT SRVCS, DEPT OF		72000000
PGM: FACILITIES PROGRAM		72400000
<u>FACILITIES MANAGEMENT</u>		72400100
GOV OPERATIONS/SUPPORT		16
<u>GOVERNMENTAL OPERATIONS</u>		<u>1601.00.00.00</u>
PROGRAM REDUCTIONS		33V0000
REDUCE OPERATING EXPENDITURES		
WITHIN THE DIVISION OF FACILITIES		
MANAGEMENT		33V0530

AGENCY ISSUE NARRATIVE:

SCH VIIIB-2 NARR 13-14 NARRATIVE: IT COMPONENT? NO
 PRIORITY #12

ISSUE SUMMARY: Each agency is required to meet a five percent target reduction. After careful consideration of the program's operations, the Division of Real Estate Development Management (REDM) determined that the following reductions would have the least impact on the program and the customers served. To accomplish this REDM proposes to reduce the contracted services and maintenance and repairs budgets that allow the division to make upgrades and repairs to the restrooms in the State Capitol and provide lawn care services to the state office complex. This eliminates four full-time positions and one part-time position and reduces the overall operating budget (1.5 vacant and 3 filled). In addition, this significantly impacts the expense and operating capital outlay budgets that the division utilizes for building maintenance and repairs.

Salaries and Benefits - This will eliminate four (4) full-time positions and one (1) part-time position. Of the four full-time positions, three of the positions are filled and one is vacant. In addition, the one part-time position is vacant. The Bureau of Operations and Maintenance is responsible for the overall operations and maintenance of sixty-nine facilities within the Florida Facilities Pool (Pool), consisting of nearly 8.4 million square feet. This reduction will significantly impact the workload of the existing employees within the Bureau of Operations and Maintenance and delay the customer service that is provided to the tenants of these buildings.

Other Personal Services (OPS) appropriation category - This reduction will eliminate the entire OPS budget; thereby, eliminating the division's ability to hire temporary employees in order to meet emergency staffing needs.

State Capitol - Maintenance and Repairs appropriation category. This will eliminate the division's ability to renovate restrooms in the State Capitol in order to comply with the Americans with Disabilities Act (ADA).

Expenses appropriation category - The division uses the expense budget to perform the general daily repairs and maintenance of the sixty-nine facilities located within the Pool. The division has realized that through preventive maintenance and repairs the consumption of energy (heating, ventilation, air conditioning (HVAC) and lighting) is reduced. Energy consumption is the largest single cost in the operations of the Pool. This appropriation is used to a large degree to implement REDM's energy strategy.

Operating Capital Outlay appropriation category - This reduction will limit the division's ability to purchase the proper tools and equipment needed to perform building repairs and maintenance.

Contracted Services appropriation category - This reduction will reduce the frequency of lawn care services at virtually all REDM managed facilities. This reduction will also add certain daytime custodial functions to existing building

COL A93 SCH VIIIB-2 REDUCTIONS		
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>
PROGRAM REDUCTIONS		33V0000
REDUCE OPERATING EXPENDITURES		
WITHIN THE DIVISION OF FACILITIES		
MANAGEMENT		33V0530

maintenance staff. The existing maintenance staff could assume the additional custodial services, without a reduction in services to the building tenants. Although this reduction will undoubtedly affect the maintenance and repairs, and require that existing staff to refocus. No doubt, less focus on maintenance and repairs will negatively affect the division's ability to proactively manage energy costs.

This issue impacts the "Operate and Maintain DMS Pool Facilities" activity.

Supervision Trust Fund (2696)		
(4.5 FTE)		
Salaries and Benefits (010000)	(180,379)	
Other Personal Services (030000)	(17,000)	
Expenses (040000)	(330,150)	
Operating Capital Outlay (060000)	(60,180)	
Special Categories: Contracted Services (100777)	(825,377)	
Special Categories: State Capitol - Maintenance and Repairs (108900)	(50,000)	
TOTAL REDUCTION ISSUE	(\$1,463,086)	FSI=1
	=====	

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							
P101 PROPOSED CLASS CODE							
C1001 001	4.50-	119,282-		61,097-	180,379-	0.00	180,379-

 COL A93
 SCH VIIIB-2
 REDUCTIONS
 POS AMOUNT

MANAGEMENT SRVCS, DEPT OF	72000000
PGM: FACILITIES PROGRAM	72400000
<u>FACILITIES MANAGEMENT</u>	72400100
GOV OPERATIONS/SUPPORT	16
<u>GOVERNMENTAL OPERATIONS</u>	<u>1601.00.00.00</u>
PROGRAM REDUCTIONS	33V0000
REDUCE OPERATING EXPENDITURES	
WITHIN THE DIVISION OF FACILITIES	
MANAGEMENT	33V0530

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							
TOTALS FOR ISSUE BY FUND							
2696 SUPERVISION TRUST FUND							180,379-
	4.50-	119,282-		61,097-	180,379-		180,379-
	=====	=====	=====	=====	=====		=====

 TOTAL: GOVERNMENTAL OPERATIONS 1601.00.00.00
 BY FUND TYPE

TRUST FUNDS.....	4.50-	1,463,086-					2000
SALARY RATE.....		119,282-					
	=====	=====					

COL A93 SCH VIIIB-2 REDUCTIONS			CODES
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>
PROGRAM REDUCTIONS			33V0000
REDUCE STATE PURCHASING DATA			
PROCESSING SERVICES EXPENDITURES			
AT THE SOUTHWOOD SHARED RESOURCE			
CENTER			33V0720
DATA PROCESSING SERVICES			210000
SOUTHWOOD SRC			210021
OPERATING TRUST FUND	-STATE	78,000-	2510 1
		=====	

AGENCY ISSUE NARRATIVE:
 SCH VIIIB-2 NARR 13-14 NARRATIVE:
 PRIORITY #6

IT COMPONENT? NO

ISSUE SUMMARY: Each agency is required to meet a five percent 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 served by Purchasing Oversight. This issue proposes a \$78,000 reduction in the Data Processing Services - Southwood Shared Resource Center appropriations category.

The division anticipates a reduction in data processing services for Fiscal Year 2013-14, due to a reduction in the cost of services at the Southwood Shared Resource Center (SSRC). This reduction is due to additional customers coming on board at the Southwood Shared Resource Center; thereby creating a cost savings to the existing customers. In addition to this cost savings, the division has reduced the number of data reports that are stored at the Southwood Shared Resource Center (SSRC). However, if this reduction is taken it will leave no contingency for unexpected rate increases in data processing services or for diminished data processing credits due to over billings or additional costs due to under billings. In addition, this cost is subject to change once the MyFloridaMarketplace solicitation is completed and the transition of services is made to the SSRC.

FISCAL INFORMATION: State Purchasing proposes a reduction in the Operating Trust Fund from within the Data Processing Services Southwood Shared Resource Center.

Operating Trust Fund (2510)
 Data Processing Services - SSRC (210021) (\$78,000) FSI=1
 =====

COL A93		
SCH VIIIB-2		
REDUCTIONS		
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>
PROGRAM REDUCTIONS		33V0000
REDUCE CONTRACTED SERVICES WITHIN		
THE OFFICE OF SUPPLIER DIVERSITY		33V0740
SPECIAL CATEGORIES		100000
CONTRACTED SERVICES		100777
OPERATING TRUST FUND	-STATE	2510 1
	19,050-	
	=====	

AGENCY ISSUE NARRATIVE:

SCH VIIIB-2 NARR 13-14 NARRATIVE: IT COMPONENT? NO
 PRIORITY #4

ISSUE SUMMARY: Each agency is required to meet a five percent 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 served by the Office of Supplier Diversity (OSD). This issue proposes a \$19,050 reduction in the Contracted Services appropriation category.

Due to a reduction in services, careful selection of basic services, and the possible transition of OSD to a self-funded Direct Support Organization (DSO), the Office of Supplier Diversity can realize a reduction in Contracted Services. A DSO would assist the Department of Management Services (DMS) in carrying out the Secretary's duties with respect to supplier diversity and small business development. DSO will provide OSD with more flexibility in carrying out its mission and responsibilities by enabling the office to seek private sector funds and grants. The division would reduce the majority of vendor provided services which primarily support the matchmaking mission of the office. Should the DSO be delayed the Office of Supplier Diversity may not be able to meet its communication and matchmaking criteria, without these valuable resources.

Also, the Department's Legislative Budget Request (LBR) currently consists of the following realignment issues (160F100 and 160F110) in order to better realign the program's budget with its needs if the DSO is not supported. If this reduction is taken the realignment of funds will not be feasible.

FISCAL INFORMATION: Office of Supplier Diversity proposes a reduction to the Operating Trust Fund within the Contracted Services appropriation category.

Operating Trust Fund (2510) Contracted Services (100777) \$19,050 FSI=1
 =====

		COL A93	
		SCH VIIIB-2	
		REDUCTIONS	
	POS	AMOUNT	CODES
MANAGEMENT SRVCS, DEPT OF			72000000
PGM: SUPPORT PROGRAM			72600000
PRIVATE PRISON MONITORING			72600800
PUBLIC PROTECTION			12
ADULT PRISONS			<u>1206.00.00.00</u>
PROGRAM REDUCTIONS			33V0000
REDUCE EXPENDITURES IN THE PRIVATE			
PRISON MONITORING PROGRAM			33V0830
OTHER PERSONAL SERVICES			030000
GENERAL REVENUE FUND	-STATE	15,200-	1000 1
		=====	
EXPENSES			040000
GENERAL REVENUE FUND	-STATE	7,349-	1000 1
		=====	
OPERATING CAPITAL OUTLAY			060000
GENERAL REVENUE FUND	-STATE	3,890-	1000 1
		=====	
SPECIAL CATEGORIES			100000
CONTRACTED SERVICES			100777
GENERAL REVENUE FUND	-STATE	9,556-	1000 1
		=====	
CONTRACTED LEGAL SERVICES			103884
GENERAL REVENUE FUND	-STATE	23,169-	1000 1
		=====	
TOTAL: REDUCE EXPENDITURES IN THE PRIVATE			33V0830
PRISON MONITORING PROGRAM			
TOTAL ISSUE.....		59,164-	
		=====	

AGENCY ISSUE NARRATIVE:
 SCH VIIIB-2 NARR 13-14 NARRATIVE: IT COMPONENT? NO
 PRIORITY #9

ISSUE SUMMARY: Each agency is required to meet a five percent reduction target. In order to achieve this exercise, the Bureau of Private Prison Monitoring will have to reduce the following expenditures which will leave the bureau with insufficient funds to meet the statutory requirements as required by Chapter 957, Florida Statutes.

This would eliminate the entire funding for the Other Personal Services (OPS) positions.

COL A93 SCH VIIIB-2 REDUCTIONS		CODES
POS	AMOUNT	
MANAGEMENT SRVCS, DEPT OF		72000000
PGM: SUPPORT PROGRAM		72600000
<u>PRIVATE PRISON MONITORING</u>		72600800
PUBLIC PROTECTION		12
<u>ADULT PRISONS</u>		<u>1206.00.00.00</u>
PROGRAM REDUCTIONS		33V0000
REDUCE EXPENDITURES IN THE PRIVATE		
PRISON MONITORING PROGRAM		33V0830

This position administratively supports the contract manager, allowing the contract manager to focus on programmatic responsibilities.

It would also limit the bureau's ability to travel to and from facilities in order to provide the necessary oversight and training to the on-site monitors. This reduction will not allow bureau staff to be in compliance with the Department of Corrections Training Curriculum Standards.

It reduces the funds the bureau currently uses to pay the CENTREX/SUNCOM expenditures. This reduction would result in the bureau not having the ability to communicate with other departments or outside contractors in order to fulfill the monitoring requirements pursuant to Chapter 957, Florida Statutes.

This reduction would leave the bureau with only \$3,500 in the contracted services appropriation category; thereby limiting its resources in the areas of information technology and software development (contractor monitoring software). It is recommended we retain this resource.

This reduction also eliminates the entire funding for the Contracted Legal Services; thereby leaving the bureau with no resources to address litigations.

Furthermore, it eliminates the entire funding for the Operating Capital Outlay budget that the bureau plans to use to replace a monitoring tool server that is old and slow. A reduction in this area would prohibit the purchase of a new server associated with the upgrade of the monitoring tool.

FISCAL INFORMATION: The Bureau of Private Prison Monitoring proposes to reduce the General Revenue Fund from within the Other Personal Services (OPS), Expenses, Contracted Services, Contracted Legal Services and Operating Capital Outlay (OCO) appropriations categories.

General Revenue (1000)

Other Personal Services (030000)	(\$15,200)
Expenses (040000)	(\$7,349)
Operating Capital Outlay (060000)	(\$3,890)
Special Categories: Contracted Services (100777)	(\$9,556)
Special Categories: Contracted Legal Services (103884)	(\$23,169)

TOTAL REDUCTION ISSUE (\$59,164) FSI=1

COL A93 SCH VIIIB-2 REDUCTIONS		CODES
POS	AMOUNT	

MANAGEMENT SRVCS, DEPT OF		72000000
PGM: SUPPORT PROGRAM		72600000
<u>PRIVATE PRISON MONITORING</u>		72600800
PUBLIC PROTECTION		12
<u>ADULT PRISONS</u>		<u>1206.00.00.00</u>
TOTAL: ADULT PRISONS		<u>1206.00.00.00</u>
BY FUND TYPE		
GENERAL REVENUE FUND.....	59,164-	1000
	=====	
WORKFORCE PROGRAMS		72750000
<u>PGM: INS BENEFITS ADMIN</u>		72750200
GOV OPERATIONS/SUPPORT		16
<u>GOVERNMENTAL OPERATIONS</u>		<u>1601.00.00.00</u>
PROGRAM REDUCTIONS		33V0000
REDUCE THE OPERATING EXPENDITURES		
WITHIN THE DIVISION OF INSURANCE		
BENEFITS ADMINISTRATION		33V0540
OTHER PERSONAL SERVICES		030000
PRETAX BENEFITS TRUST FUND-STATE	125-	2570 1
STATE EMPLOY HEALTH INS TF -STATE	71,343-	2668 1

TOTAL APPRO.....	71,468-	
	=====	
EXPENSES		040000
PRETAX BENEFITS TRUST FUND-STATE	2,442-	2570 1
STATE EMPLOY HEALTH INS TF -STATE	14,742-	2668 1

TOTAL APPRO.....	17,184-	
	=====	
OPERATING CAPITAL OUTLAY		060000
PRETAX BENEFITS TRUST FUND-STATE	2,000-	2570 1
STATE EMPLOY HEALTH INS TF -STATE	2,000-	2668 1

TOTAL APPRO.....	4,000-	
	=====	

COL A93 SCH VIIIB-2 REDUCTIONS		CODES
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
PROGRAM REDUCTIONS		33V0000
REDUCE THE OPERATING EXPENDITURES		
WITHIN THE DIVISION OF INSURANCE		
BENEFITS ADMINISTRATION		33V0540
DATA PROCESSING SERVICES		210000
SOUTHWOOD SRC		210021
PRETAX BENEFITS TRUST FUND-STATE	526-	2570 1
STATE EMPLY LIFE INS TF -STATE	212-	2667 1
STATE EMPLY HEALTH INS TF -STATE	1,321-	2668 1
STATE EMPLOYEES DIS INS TF-STATE	350-	2671 1
TOTAL APPRO.....	2,409-	
TOTAL: REDUCE THE OPERATING EXPENDITURES		33V0540
WITHIN THE DIVISION OF INSURANCE		
BENEFITS ADMINISTRATION		
TOTAL ISSUE.....	95,061-	

AGENCY ISSUE NARRATIVE:

SCH VIIIB-2 NARR 13-14 NARRATIVE:
 PRIORITY #5

IT COMPONENT? NO

ISSUE SUMMARY: Each agency is required to meet a five percent 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 served by the Division of State Group Insurance (DSGI). The DSGI proposes a reduction of \$95,061 from its operating budget.

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 also 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 2011-12 reversions was performed across appropriation 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,

COL A93 SCH VIIIB-2 REDUCTIONS		CODES
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>
PROGRAM REDUCTIONS		33V0000
REDUCE THE OPERATING EXPENDITURES		
WITHIN THE DIVISION OF INSURANCE		
BENEFITS ADMINISTRATION		33V0540

other personal services, operating capital outlay and data processing services, the reduction of operating expenditures will not affect either the quality or timeliness of the services provided by DSGI.

This reduction represents excess budget authority 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. This reduction will not impact the division's ability to administer its statutory responsibilities.

FISCAL INFORMATION: The Division of Insurance Benefits Administration proposes a reduction to the State Employees' Health Insurance Trust Fund, Pre-tax Benefits Trust Fund, State Employees' Life Insurance Trust Fund and State Employees' Disability Trust Fund from within various appropriation categories.

This issue impacts the "Administer the Health Insurance Program" activity, "Administer the Supplemental Insurance Program" activity, "Administer the Life Insurance Program" activity, and the "Administer the Disability Benefits Program" activities.

Appropriation Category	5% Appropriation
Other Personnel Services	(71,468)
Expenses	(17,184)
Operating Capital Outlay	(4,000)
Data Processing Services - SSRC	(2,409)
State Employees' Health Insurance Trust Fund (2668)	
Other Personnel Services (030000)	(\$71,343)
Expenses (040000)	(\$14,742)
Operating Capital Outlay (060000)	(\$2,000)
Data Processing Services - SSRC (210021)	(\$1,321)
Pre-tax Benefits Trust Fund (2570)	
Other Personnel Services (030000)	(\$125)
Expenses (040000)	(\$2,442)
Operating Capital Outlay (060000)	(\$2,000)
Data Processing Services - SSRC (210021)	(\$526)
State Employees' Life Insurance Trust Fund (2667)	
Data Processing Services - SSRC (210021)	(\$212)

 COL A93
 SCH VIIIB-2
 REDUCTIONS
 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
 PROGRAM REDUCTIONS 33V0000
 REDUCE THE OPERATING EXPENDITURES
 WITHIN THE DIVISION OF INSURANCE
 BENEFITS ADMINISTRATION 33V0540

State Employees' Disability Trust Fund (2671)
 Data Processing Services - SSRC (210021) (\$350)

Total Issue (\$95,061) FSI=1

REDUCE POST PAYMENT CLAIMS AUDIT 33V0570
 SERVICES 100000
 SPECIAL CATEGORIES 100701
 POST PAYMENT CLAIMS/SVCS
 STATE EMPLY HEALTH INS TF -STATE 900,000- 2668 1
 =====

AGENCY ISSUE NARRATIVE:
 SCH VIIIB-2 NARR 13-14 NARRATIVE: IT COMPONENT? NO
 PRIORITY #2

ISSUE SUMMARY: Each agency is required to meet a five percent 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 served by the Division of State Group Insurance (DSGI). The DSGI proposes a reduction of \$900,000 from Post Payment Claims Audit Services.

Chapter 2010-150, Laws of Florida, required the Division of State Group Insurance (DSGI) to competitively procure post-payment claims audit services during Fiscal Year 2010-11 for the state group insurance plans. As a result of this procurement, DSGI entered into a two-year Post-Payment Claims Audit Services contract with Health Management Services, Inc. (HMS) to conduct a post-payment claims review of the State Employees' Health Insurance Preferred Provider Organization (PPO) plan established according to section 110.123, Florida Statutes. The law requires the vendor be compensated, based on a percentage of the total amount collected, for claim overpayments on or on behalf of the health plans. The contract was awarded with an effective date of June 16, 2011 through April 31, 2013. This issue proposes to decrease budget authority in the amount of \$900,000 (see Schedule VIII-A duplicative issue #3300640) in the Post Payment Claims Audit Services appropriation category.

COL A93 SCH VIIIB-2 REDUCTIONS		
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>
PROGRAM REDUCTIONS		33V0000
REDUCE POST PAYMENT CLAIMS AUDIT		
SERVICES		33V0570

A review of Fiscal Year 2011-12 reversions was performed across appropriation 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 vendor's audit findings, which have yielded lower than projected amounts of claim overpayments, the reduction will not cause the state to be in noncompliance with contract terms and conditions and will not limit the ability of HMS to recover all overpayments identified through the project.

FISCAL INFORMATION: The Division of State Group Insurance proposes a reduction to the State Employees' Health Insurance Trust Fund from within the Post Payment Claims Audit Services appropriation categories.

This issue impacts the "Administer the Health Insurance Program" activity.

State Employees' Health Insurance Trust Fund (2668)

Special Categories: Post Payment Claims Audit Services (100701) (\$900,000) FSI=1
 =====

REDUCE THE ADMINISTRATIVE SERVICES		
ONLY CONTRACT FOR HEALTH INSURANCE		33V0580
SPECIAL CATEGORIES		100000
ASO CONTRACT/HEALTH INS		101520
STATE EMPLY HEALTH INS TF -STATE	2,555,000-	2668 1
	=====	

AGENCY ISSUE NARRATIVE:

SCH VIIIB-2 NARR 13-14 NARRATIVE: IT COMPONENT? NO
 PRIORITY #11

ISSUE SUMMARY: Each agency is required to meet a five percent reduction target. In order to meet this reduction, the Division of State Group Insurance (DSGI) will have to reduce the Administrative Services Only (ASO) appropriation category, which will cause the State to be in noncompliance of contract terms and conditions and will significantly impact services currently provided to Plan participants.

The DSGI program entered into an Administrative Services Contracts with its self-insured health providers to obtain third-party administrative services, access to provider networks, claims adjudication/reporting, customer service, benefit and utilization management, and other services for the self-insured health plan and its participants. The

COL A93 SCH VIIIB-2 REDUCTIONS		CODES
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
PROGRAM REDUCTIONS		33V0000
REDUCE THE ADMINISTRATIVE SERVICES		
ONLY CONTRACT FOR HEALTH INSURANCE		33V0580

contracts for four (4) health maintenance organizations were awarded effective January 1, 2012 through December 31, 2013, with an option to renew. After careful consideration of the operations of the program, this issue proposes to decrease the budget authority in the Administrative Services Only (ASO) appropriation category by \$2,555,000.

Based on contracted fees and projected plan enrollment, the estimated ASO Fee for Fiscal Year 2013-14 is \$51 million. An additional \$2.6 million reduction will result in a reduction in services. Since the ASO fee was recently negotiated and is considered a highly competitive rate, additional price concessions will necessitate a reduction in services. Contract services include claims processing and payment, customer service, network access, utilization and benefit management, and cost containment programs. All but the last service type (cost containment programs) are necessary for basic plan administration. However, eliminating cost containment programs is expected to result in a net increase in medical claims costs. A reduction of service level performance guarantees (i.e., service provider staff reductions) could yield a small adjustment to the ASO fee which may result in claims processing errors and increase member appeals, both causing additional program cost. Overall, contracted services are designed to provide basic plan administration and to prevent unnecessary claims cost. Medical claims costs are projected to be \$1,267.3 million for Fiscal Year 2013-14.

A five percent reduction in the ASO appropriation category is over \$2.5 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. A reduction in the ASO fee would impact services currently provided to all Plan participants and would result in a breach of contract and constitute an Insolvency Event of Default on the part of the Department. The ASO contract allows the service provider to terminate the contract upon 45 days' notice if the state fails to appropriate, for any fiscal year, sufficient funds for the department to perform its obligations under the contract. To avoid a termination for non-appropriation, the department would first choose to request specific reductions in contract services in exchange for an equitable price reduction. Further analysis and future contract negotiations with the service provider will be necessary to determine which contracted services to eliminate or modify.

FISCAL INFORMATION: The department proposes to reduce the State Employees' Health Insurance Trust Fund from within the ASO appropriation category.

State Employees' Health Insurance Trust Fund (2668)
 Special Categories: Administrative Services Only
 Contract for Health Insurance (101520)

(\$2,555,000) FSI=1
 =====

COL A93			
SCH VIIIB-2			
REDUCTIONS			
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>
TOTAL: GOVERNMENTAL OPERATIONS			<u>1601.00.00.00</u>
BY FUND TYPE			
TRUST FUNDS.....	3,550,061-		2000
	=====		
PGM: RETIRE BENEFITS ADMIN			72750300
GOV OPERATIONS/SUPPORT			16
GOVERNMENTAL OPERATIONS			<u>1601.00.00.00</u>
PROGRAM REDUCTIONS			33V0000
REDUCE EXPENDITURES WITHIN THE			
DIVISION OF RETIREMENT BY			
IMPLEMENTING ON-LINE SERVICES			33V0650
EXPENSES			040000
OPERATING TRUST FUND	-STATE 424,902-		2510 1
OPTIONAL RETIREMENT PRG TF-STATE	907-		2517 1
POL/FIREMEN PREMIUM TAX TF-STATE	13,837-		2532 1
RET HLTH INS SUBSIDY TF	-STATE 2,069-		2583 1

TOTAL APPRO.....	441,715-		
	=====		
SPECIAL CATEGORIES			100000
OVERTIME			102331
OPERATING TRUST FUND	-STATE 100,000-		2510 1
	=====		
TOTAL: REDUCE EXPENDITURES WITHIN THE			33V0650
DIVISION OF RETIREMENT BY			
IMPLEMENTING ON-LINE SERVICES			
TOTAL ISSUE.....	541,715-		
	=====		

AGENCY ISSUE NARRATIVE:
 SCH VIIIB-2 NARR 13-14 NARRATIVE: IT COMPONENT? NO
 PRIORITY #7

ISSUE SUMMARY: Each agency is required to meet a five percent reduction target. After careful consideration of the operations of the program, the reductions listed below were determined to allow the Division of Retirement to meet this goal and maintain a high level of customer support. The Division of Retirement proposes to reduce its operating cost by limiting its current one-on-one services with its members and replacing these services with more online support. This

COL A93 SCH VIIIB-2 REDUCTIONS		
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>
PROGRAM REDUCTIONS		33V0000
REDUCE EXPENDITURES WITHIN THE		
DIVISION OF RETIREMENT BY		
IMPLEMENTING ON-LINE SERVICES		33V0650

includes the electronic submittal of one of the two annual newsletters sent to retirees and the annual bulletin sent to active members.

This reduction will minimize many of the services that are provided to active and retired members of the Florida Retirement System and their employing agencies. Proposed reductions include eliminating: outside support and system upgrades used to administer the Automated Call Distribution (ACD) system which helps the division manage over 650,000 incoming and outgoing telephone calls per year and certain toll free lines. This will eliminate the distribution of one of the two annual newsletters mailed to retirees and the only annual bulletin sent to active members. In addition this will limit the distribution of retirement guides sent to active members, supplies and materials needed by employees, five percent reserve maintained for unforeseen expenditures and substantially reduce the amount of overtime available to maintain the current service level provided to the Florida Retirement System membership and their employing agencies during seasonal fluctuations in workload.

FISCAL INFORMATION: The Division of Retirement proposes to reduce the Operating Trust Fund, the Optional Retirement Program Trust Fund, the Police and Firefighters Premium Tax Trust Fund and the Health Insurance Subsidy Trust Fund all from within the Expenses appropriation category.

Operating Trust Fund (2510)		
Expenses (040000)		(\$424,902)
Special Categories: Overtime (102331)		(\$100,000)

Total Operating Trust Fund (2510)		(\$524,902)
Optional Retirement Program Trust Fund (2517)		
Expenses (040000)		(\$907)
Police & Firefighters Premium Tax Trust Fund (2532)		
Expenses (040000)		(\$13,837)
Health Insurance Subsidy Trust Fund (2583)		
Expenses (040000)		(\$2,069)

TOTAL REDUCTION ISSUE		(\$541,715) FSI=1
		=====

		COL A93	
		SCH VIIIB-2	
		REDUCTIONS	
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>
PROGRAM REDUCTIONS			33V0000
REDUCE CONTINGENCY FUND USED TO			
SUPPORT ACTUARIAL SERVICES			
WITHIN THE DIVISION OF RETIREMENT			33V0660
SALARIES AND BENEFITS			010000
GENERAL REVENUE FUND	-STATE	34,709-	1000 1
OPERATING TRUST FUND	-STATE	200,000-	2510 1

TOTAL APPRO.....		234,709-	
		=====	
SPECIAL CATEGORIES			100000
CONTRACTED LEGAL SERVICES			103884
OPERATING TRUST FUND	-STATE	27,668-	2510 1
		=====	
TOTAL: REDUCE CONTINGENCY FUND USED TO			33V0660
SUPPORT ACTUARIAL SERVICES			
WITHIN THE DIVISION OF RETIREMENT			
TOTAL ISSUE.....		262,377-	
		=====	

AGENCY ISSUE NARRATIVE:

SCH VIIIB-2 NARR 13-14 NARRATIVE: IT COMPONENT? NO
 PRIORITY #8

ISSUE SUMMARY: Each agency is required to meet a five percent 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 proposes to reduce a portion of the available appropriation used for contingencies in the Salaries and Benefits and Contracted Legal Services appropriation categories.

This reduction will limit the division's reserve in the Salaries and Benefits appropriation category created by maintaining a consistent policy of hiring replacement personnel at the minimum for the position. The division uses this reserve to transfer funds to support unanticipated increases in expenditures that have resulted from the additional need for Actuarial Services, Information Technology (IT) or special correspondence to the nearly one million members served by the division. Reducing this surplus may inhibit the timely completion of special actuarial studies requested by the Legislature and could delay the IT development and correspondence necessary to inform membership and accommodate significant changes in statutes affecting the division. This reduction also eliminates the contingency reserve maintained for legal services.

FISCAL INFORMATION: The Division of Retirement proposes to reduce the General Revenue Fund from within the Salaries and

COL A93 SCH VIIIB-2 REDUCTIONS		CODES
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>
PROGRAM REDUCTIONS		33V0000
REDUCE CONTINGENCY FUND USED TO		
SUPPORT ACTUARIAL SERVICES		
WITHIN THE DIVISION OF RETIREMENT		33V0660

Benefits appropriation category and the Operating Trust Fund from within the Salaries and Benefits and Contracted Legal Services appropriation categories.

General Revenue (1000)		
Salaries and Benefits (010000)		(\$34,709)
Operating Trust Fund (2510)		
Salaries and Benefits (010000)		(\$200,000)
Special Categories: Contracted Legal Services (103884)		(\$27,668)
Operating Trust Fund (2510)	(227,668)	
TOTAL REDUCTION ISSUE		(\$262,377) FSI=1
		=====

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						34,709-
2510 OPERATING TRUST FUND						200,000-

						234,709-
						=====

COL A93 SCH VIIIB-2 REDUCTIONS		CODES
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>
TOTAL: GOVERNMENTAL OPERATIONS		<u>1601.00.00.00</u>
BY FUND TYPE		
GENERAL REVENUE FUND	34,709-	1000
TRUST FUNDS	769,383-	2000
TOTAL PROG COMP.....	804,092-	
PRG: PEOPLE FIRST		72750500
GOV OPERATIONS/SUPPORT		16
GOVERNMENTAL OPERATIONS		<u>1601.00.00.00</u>
PROGRAM REDUCTIONS		33V0000
REDUCE THE PEOPLE FIRST CONTRACT		33V0690
SPECIAL CATEGORIES		100000
HUMAN RES SVC/STW CONTRACT		107080
STATE PERSONNEL SYSTEM TF -STATE	1,826,993-	2678 1

AGENCY ISSUE NARRATIVE:
 SCH VIIIB-2 NARR 13-14 NARRATIVE:
 PRIORITY #14

IT COMPONENT? NO

Issue Summary: This issue proposes a \$1,826,993 reduction to the annual payment appropriated for the People First contract for Fiscal Year 2013-14, to meet the five percent target reduction. A reduction of \$446,892 will have no negative impact since there is a planned reduction due to contract renegotiations (see Schedule VIII-A issue #3300110). Reducing the annual contract payment by another \$1,380,101 to meet the target, however, is not in the best interest of the state and would result in either a reduction in services or contract termination.

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.

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 remaining life of the contract.

COL A93 SCH VIIIB-2 REDUCTIONS		CODES
POS	AMOUNT	
MANAGEMENT SRVCS, DEPT OF		72000000
WORKFORCE PROGRAMS		72750000
PRG: PEOPLE FIRST		72750500
GOV OPERATIONS/SUPPORT		16
GOVERNMENTAL OPERATIONS		<u>1601.00.00.00</u>
PROGRAM REDUCTIONS		33V0000
REDUCE THE PEOPLE FIRST CONTRACT		33V0690

The original annual contract payment to NorthgateArinso was \$44,153,424, which was reduced \$4,250,000 to \$39,903,424 for Fiscal Year 2010-11, and further reduced \$1,708,333 to \$38,195,090 for Fiscal Year 2011-12 and \$1,655,226 to \$36,539,863 for Fiscal Year 2012-13. The contract payment was again reduced \$446,892 to \$36,092,970 for Fiscal Year 2013-14, for a total cost reduction of \$8,060,453 or 18 percent, when compared to the original annual contract payment. Section 4.1 of the People First renegotiated contract stipulates a decreased contract obligation of \$446,892 for Fiscal Year 2013-14. The remaining \$1,380,101 is in addition to the existing Fiscal Year 2013-14 cost reductions already stipulated in the contract to reach the five percent target of \$1,826,993.

Reaching the remaining \$1,380,101 through additional cost reductions, however, is not in the best interest of the state and would result in either a reduction in services or contract termination. 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 216,000 system users in an untenable position to maintain a very complex enterprise-wide personnel information system and associated services. The department estimates 18 months to effectively transition to a new vendor.

To avoid a termination for non-appropriation, the department would first choose to request specific reductions in contract services and deliverables in exchange for an equitable price reduction. A preliminary analysis of contract services to eliminate or modify did not provide or identify the cost reductions necessary to reach the five percent request. Further analysis and future contract negotiations with the service provider will be necessary to determine which contract services to eliminate or modify. The state has positioned itself to have the intellectual rights to a fully functional, comprehensive personnel information system meeting the needs of 216,000 users. Recent surveys indicate a significant improvement in customer satisfaction, since 2007. But eliminating or modifying system enhancements, services, or performance metrics would result in a significant drop in customer service, and put the state at risk of not meeting the human resource needs of its customers.

FISCAL INFORMATION: In order to meet the target reduction exercise, the department proposes to further reduce the State Personnel System Trust Fund from within the Human Resources Services/Statewide Contract appropriation category.

State Personnel System Trust Fund (2678)
 Human Resources Services/Statewide Contract appropriations category (107080) (\$1,826,993) FSI=1
 =====

COL A93		
SCH VIIIB-2		
REDUCTIONS		
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
PROGRAM REDUCTIONS		33V0000
ELIMINATE SUNCOM INFORMATION OPERATORS		33V0630
SPECIAL CATEGORIES		100000
CONTRACTED SERVICES		100777
COMMUNICATIONS WKG CAP TF -STATE	227,725-	2105 1

COMMUNICATIONS WKG CAP TF -STATE 227,725-
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AGENCY ISSUE NARRATIVE:

SCH VIIIB-2 NARR 13-14 NARRATIVE: IT COMPONENT? NO
 PRIORITY #10

ISSUE SUMMARY: Each agency is required to meet a five percent 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 served. The Division of Telecommunication proposes to reduce its contracted services appropriation category by eliminating six contracted SUNCOM information operators.

This service is currently required in section 282.703(4), Florida Statutes. The department uses these funds to contract with a private vendor for these telecommunications staff augmentation services in order to provide statewide information operator services to the calling public. In addition to providing operator services, the contractor provides one full-time employee whose responsibilities consist of maintaining the on-line 411 directory and lobby receptionists for checking in visitors to two buildings located in the Capital Center Office Complex for the Department of Management Services. The elimination of this contract would reduce the ability of the calling public to obtain state agency SUNCOM telephone numbers, building locations, etc. The department would also have to identify other sources for providing reception duties such as checking in visitors. The general public could access the on-line directory; however not all Florida citizens have access to the Internet.

FISCAL INFORMATION: The Division of Telecommunication proposes to reduce the Communications Working Capital Trust Fund from within the Contracted Services appropriation category.

This issue impacts the "Information Technology-Network Operations" activity.

Communications Working Capital Trust Fund (2105)
 Special Categories: Contracted Services (100777)

(\$227,725) FSI=1

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COL A93			
SCH VIIIB-2			
REDUCTIONS			
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
PROGRAM REDUCTIONS			33V0000
REDUCE FUNDING FOR THE EMERGENCY			
COMMUNICATION NUMBER E911			33V0840
SPECIAL CATEGORIES			100000
CONTRACTED SERVICES			100777
WIRELESS COMM E911 TF	-STATE	171,282-	2344 1
		=====	
CONTRACTED LEGAL SERVICES			103884
WIRELESS COMM E911 TF	-STATE	57,725-	2344 1
		=====	
TOTAL: REDUCE FUNDING FOR THE EMERGENCY			33V0840
COMMUNICATION NUMBER E911			
TOTAL ISSUE.....		229,007-	
		=====	

AGENCY ISSUE NARRATIVE:
 SCH VIIIB-2 NARR 13-14 NARRATIVE:
 PRIORITY #1

IT COMPONENT? NO

ISSUE SUMMARY: Each agency is required to meet a five percent 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 served. The Division of Telecommunication proposes to reduce its operating budget that is used to support the Emergency Communication Number E911.

This issue proposes reductions to two different appropriation categories. The first reduction eliminates excess budget authority in the Contracted Services appropriation category that is no longer needed. These funds were originally appropriated to enable the program to meet the federal match that was required in order to receive the ENHANCE 911 Grant Act. This grant will expire on September 30, 2012; therefore, these funds will no longer be needed for this purpose.

Secondly, the division proposes to reduce the Contracted Legal Services appropriation category. In the event any future lawsuits should arise, the division would have to rely on the department's General Counsel's office that is already currently short staffed. The Florida E911 Board, as established in section 365.172, Florida Statutes has the same power as a corporate body and is authorized in subsection 6 (a) and 8 to secure the services of an independent, private attorney. The law states that the board may sue and be sued, and appear and defend in all actions and proceedings, in its corporate name to the same extent as a natural person. The Board deals with a number of issues which may require the services of an independent attorney. However, in the past few years, the Board has not required extensive legal intervention. Currently, the Board has several pending issues that could require extensive legal intervention, requiring the use of a full-time attorney. If this reduction is taken, the Board would be left without the proper funding to defend any legal actions brought forward and would be dependent on an already overburdened DMS General Counsel's office.

COL A93 SCH VIIIB-2 REDUCTIONS		CODES
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>
PROGRAM REDUCTIONS		33V0000
REDUCE FUNDING FOR THE EMERGENCY		
COMMUNICATION NUMBER E911		33V0840

FISCAL INFORMATION: The Division of Telecommunication proposes to reduce the Emergency Communications Number E911 System Trust Fund from within Contracted Services and Contracted Legal Services appropriation categories.

This issue impacts the "Information Technology-Network Operations" activity.

Wireless Communications E911 Trust Fund (2344)		
Special Categories: Contracted Services (100777)		(\$171,282)
Special Categories: Contracted Legal Services (103884)		(\$57,725)

Total Amount of Reduction		(\$229,007) FSI=1
		=====

TOTAL: INFORMATION TECHNOLOGY		<u>1603.00.00.00</u>
BY FUND TYPE		
TRUST FUNDS.....	456,732-	2000
	=====	
WIRELESS SERVICES		72900200
GOV OPERATIONS/SUPPORT		16
INFORMATION TECHNOLOGY		<u>1603.00.00.00</u>
PROGRAM REDUCTIONS		33V0000
REDUCE STATEWIDE LAW ENFORCEMENT		
RADIO CONTRACT		33V0640
SPECIAL CATEGORIES		100000
SW LAW ENF RADIO CONTR PMT		104486
LAW ENFORCEMENT RADIO TF -STATE	911,000-	2432 1
	=====	

AGENCY ISSUE NARRATIVE:
 SCH VIIIB-2 NARR 13-14 NARRATIVE: IT COMPONENT? NO
 PRIORITY #13

Issue Summary: This issue proposes a \$911,000 reduction to the annual payment appropriated for the Statewide Law Enforcement Radio Systems (SLERS) contract to Harris Corporation for Fiscal Year 2013-14, to meet the five percent target

COL A93 SCH VIIIB-2 REDUCTIONS		
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>
PROGRAM REDUCTIONS		33V0000
REDUCE STATEWIDE LAW ENFORCEMENT		
RADIO CONTRACT		33V0640

reduction. A reduction in budget authority of \$911,000 will have no negative impact as the existing appropriation exceeds the revenue generated to fund this contract. If, however, \$911,000 in cash is also swept from the SLERS Trust Fund, the result would be either a reduction in services or contract termination.

Section 282.709, Florida Statutes, requires the Department of Management Services to design, engineer, acquire, implement, operate, and maintain the statewide radio communications system to serve law enforcement units of state agencies, and local law enforcement agencies. The department pays its service provider (Harris Corporation) on a quarterly basis for providing the state with access to a statewide radio communication system with uptime greater than or equal to 99.8%.

Per the contract, the Department remits quarterly payments to Harris in arrears in the amounts of all Trust Fund Net Proceeds deposited during the term. "Trust Fund Net Proceeds" is defined as the gross proceeds from the \$1 surcharge authorized by 328.72(9), Florida Statutes, less (i) the 8% General Revenue Surcharge, (ii) any funds required to maintain the 5% statutory reserve, and (iii) a \$100,000 administrative charge. As is clear from this language, the total amount paid to Harris each year fluctuates to the same extent that revenues fluctuate. Over the last several years revenues have declined, resulting in excess budget authority in the category established for payments to Harris. This is why a reduction in budget authority alone would not constitute an Event of Non-Appropriation nor would it constitute an Event of Default.

If, however, achieving this budget reduction includes a sweep of the cash generated to fund this contract, the result would be severe and certainly not in the best interest of state and local law enforcement agencies. Our options would include reducing current levels of service or contract termination. Section 7.4 of the SLERS contract allows the Department to terminate the contract upon 30 days notice in the event the state fails to appropriate sufficient funds for the payments due to Harris in the succeeding fiscal year. A 30-day termination notice would leave the entire state (23 state law enforcement agencies and 43 local public safety entities) without a statewide radio communication system effective July 1, 2013. The department projects that development of an ITN and the ensuing procurement process would take up to 24 months, or more.

To avoid a termination for non-appropriation, the department would first choose to request specific reductions in service levels in exchange for an equitable price reduction. Further analysis and future contract negotiations with the service provider will be necessary to determine which services or service levels to eliminate or modify. This is an incredibly sensitive issue as any reduction in service levels associated with the Statewide Law Enforcement Radio Communication System could absolutely endanger the safety of state and local law enforcement, local emergency responders as well as the citizens of Florida. Please note that the current contract requires mobile radio (i.e. vehicle mounted) coverage in 98% of the state and portable radio (i.e. handheld) coverage in defined areas of the state per the contract; that leaves more than 1,000 square miles of the state currently without mobile radio coverage and more than 11,000 square miles of the state currently without portable radio coverage.

FISCAL INFORMATION: The department proposes to reduce the Statewide Law Enforcement Radio System Trust Fund from within

COL A93
 SCH VIIIB-2
 REDUCTIONS
 POS AMOUNT

MANAGEMENT SRVCS, DEPT OF	72000000
PGM: TECHNOLOGY PROGRAM	72900000
WIRELESS SERVICES	72900200
GOV OPERATIONS/SUPPORT	16
INFORMATION TECHNOLOGY	<u>1603.00.00.00</u>
PROGRAM REDUCTIONS	33V0000
REDUCE STATEWIDE LAW ENFORCEMENT	
RADIO CONTRACT	33V0640

the Statewide SLERS Contract Payment appropriation category.

Statewide Law Enforcement Radio System Trust Fund (2432)
 Special Category; Statewide SLERS Contract Payment (104486) (\$911,000) FSI=1
 =====

PGM: PERC	72920000
<u>PUBLIC EMPLOYEES RELATIONS</u>	72920100
ECONOMIC OPPORTUNITIES	11
WORKFORCE SERVICES	<u>1102.00.00.00</u>
PROGRAM REDUCTIONS	33V0000
REDUCE OPERATING EXPENDITURES	
WITHIN THE PUBLIC EMPLOYEES	
RELATIONS COMMISSION	33V0900
SALARIES AND BENEFITS	010000

GENERAL REVENUE FUND	-STATE	112,680-	1000	1
=====				

OTHER PERSONAL SERVICES 030000

GENERAL REVENUE FUND	-STATE	9,277-	1000	1
PERC TRUST FUND	-STATE	9,800-	2558	1

TOTAL APPRO.....		19,077-		
=====				

SPECIAL CATEGORIES 100000
 CONTRACTED SERVICES 100777

GENERAL REVENUE FUND	-STATE	8,630-	1000	1
PERC TRUST FUND	-STATE	5,000-	2558	1

TOTAL APPRO.....		13,630-		
=====				

COL A93			
SCH VIIIIB-2			
REDUCTIONS			
POS	AMOUNT		CODES
MANAGEMENT SRVCS, DEPT OF			72000000
PGM: PERC			72920000
<u>PUBLIC EMPLOYEES RELATIONS</u>			72920100
ECONOMIC OPPORTUNITIES			11
<u>WORKFORCE SERVICES</u>			<u>1102.00.00.00</u>
PROGRAM REDUCTIONS			33V0000
REDUCE OPERATING EXPENDITURES			
WITHIN THE PUBLIC EMPLOYEES			
RELATIONS COMMISSION			33V0900
SPECIAL CATEGORIES			100000
ADMINISTRATIVE OVERHEAD			105002
GENERAL REVENUE FUND	-STATE	7,306-	1000 1
		=====	
TOTAL: REDUCE OPERATING EXPENDITURES			33V0900
WITHIN THE PUBLIC EMPLOYEES			
RELATIONS COMMISSION			
TOTAL ISSUE.....		152,693-	
		=====	

AGENCY ISSUE NARRATIVE:
 SCH VIIIIB-2 NARR 13-14 NARRATIVE: IT COMPONENT? NO
 PRIORITY #16

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 forty-two (42) full-time equivalents with a single jurisdiction of labor disputes and its funding was predominantly General Revenue (98%). PERC currently has twenty-six (26) positions (twenty-five full-time and two half-time Commissioner positions) due to successive budget cuts, six additional employment law jurisdictions, and its funding is currently split 46% from General Revenue and 54% from the PERC Trust Fund. PERC's staff has been reduced 38% during a time when its caseload continued to increase.

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 FY 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 \$1.6 million in Trust.

The Trust Fund has been insufficient to meet PERC's legislative appropriation since its creation, with the exception of FY 2005-06. The significant decline in sales tax collections over time has reduced the cash balance in the Trust Fund to a critical level.

COL A93		
SCH VIIIB-2		
REDUCTIONS		
POS	AMOUNT	CODES
MANAGEMENT SRVCS, DEPT OF		72000000
PGM: PERC		72920000
<u>PUBLIC EMPLOYEES RELATIONS</u>		72920100
ECONOMIC OPPORTUNITIES		11
<u>WORKFORCE SERVICES</u>		<u>1102.00.00.00</u>
PROGRAM REDUCTIONS		33V0000
REDUCE OPERATING EXPENDITURES		
WITHIN THE PUBLIC EMPLOYEES		
RELATIONS COMMISSION		33V0900

Unlike other agencies, PERC only has one "program." The agency has absorbed past budget reductions and shortfalls due to 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 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 2012-13 projections. Absent a modification in its funding structure or a strong economic recovery and an increase in revenue receipts, PERC may be forced to make a reduction in staff over and above any legislatively imposed reductions related to this exercise.

ISSUE SUMMARY: Each agency is required to meet a five percent (5%) reduction target. Over 80% of the Public Employees Relations Commission's (PERC) budget supports staff resources necessary to meet the mission of the organization. Taking that into consideration, a five percent reduction in both the General Revenue and Trust funds will, by necessity, come primarily from the Salaries and Benefits category resulting in a staffing reduction of eight percent (8%) or two positions. This issue will also include reductions in Other Personal Services (OPS) (the proposed reduction in this category will completely eliminate OPS funds in the General Revenue category); Special Categories: Contracted Services and Special Categories: Administrative Overhead.

PROBLEM STATEMENT: 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 as well as saving expenses or costs of disputes. The costs associated with a work stoppage, while impossible to calculate for this exercise, are potentially immense. These costs associated with the potential threat to public safety make it imperative to resolve these disputes expeditiously to avoid harm to Florida's citizens. At the extreme, staff reductions at this level will render PERC unable to perform its constitutionally required and statutorily mandated functions. Simply put, any further reduction in staff is predicted to substantially impair PERC's quality and expeditious resolution of labor and employment disputes and may result in significant disruptions to public services, including police, fire, corrections, healthcare and teachers.
 STATUTE REFERENCE: Specific Authority: Art. I, s.6 and Art. III, s.14, Florida Constitution; Chapter 447, Part II and Sections 110.124, 110.227, 112.044, 112.0455, 112.31895, 295.07-11, Florida Statutes.

PROGRAM IMPACT: Significant Impact. This reduction action will severely impact the agency to the point it will require the Commission to request that the Legislature extend the established timelines (performance based budgeting standards) for resolution of cases. Difficult economic times foster labor unrest so it is anticipated that case filings will continue to increase. Given the current economic crisis both statewide and nationally more employees are using the services of PERC to protect their job status. There is a threshold for every agency where further reductions in funding or staffing will not only negatively impact the performance of the agency but will also have an adverse impact on

COL A93 SCH VIIIB-2 REDUCTIONS		CODES
POS	AMOUNT	
MANAGEMENT SRVCS, DEPT OF		72000000
PGM: PERC		72920000
<u>PUBLIC EMPLOYEES RELATIONS</u>		72920100
ECONOMIC OPPORTUNITIES		11
<u>WORKFORCE SERVICES</u>		<u>1102.00.00.00</u>
PROGRAM REDUCTIONS		33V0000
REDUCE OPERATING EXPENDITURES		
WITHIN THE PUBLIC EMPLOYEES		
RELATIONS COMMISSION		33V0900

efficiency, therefore resulting in increased costs and the Commission will reach that tipping point with the proposed reductions. 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 reductions for consideration. However, if the Commission were allowed to maintain current funding levels and receive funding for a one time or non-recurring issue to improve technology assets (software and hardware) we could continue to streamline the organization and identify and explore new and creative ways to increase efficiency, improve services to the citizens of the State of Florida and save taxpayer dollars.

FISCAL INFORMATION: This issue reflects distribution of the five percent reduction target of \$ 71,193 in PERC General Revenue and \$ 82,870 in the PERC Trust Fund.

General Revenue (1000)		
Salaries and Benefits (010000)	(\$112,680)	
(Senior Attorney and Commission Deputy Clerk II)		
Other Personal Services (030000)	(\$9,277)	
Special Categories: Contracted Services (10777)	(\$8,630)	
Special Categories: Administrative Overhead (105002)	(\$7,306)	
PERC Trust Fund (2558)		
Other Personal Services (030000)	(\$9,800)	
Special Categories: Contracted Services (10777)	(\$5,000)	

TOTAL ISSUE REDUCTION	(\$152,693)	FSI=1
	=====	

COL A93
 SCH VIIIB-2
 REDUCTIONS
 POS AMOUNT

CODES
 72000000
 72920000
 72920100
 11
 1102.00.00.00
 33V0000
 33V0900

MANAGEMENT SRVCS, DEPT OF
 PGM: PERC
 PUBLIC EMPLOYEES RELATIONS
 ECONOMIC OPPORTUNITIES
 WORKFORCE SERVICES
 PROGRAM REDUCTIONS
 REDUCE OPERATING EXPENDITURES
 WITHIN THE PUBLIC EMPLOYEES
 RELATIONS COMMISSION

POSITION DETAIL OF SALARIES AND BENEFITS:

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

CHANGES TO CURRENTLY AUTHORIZED POSITIONS
 OTHER SALARY AMOUNT
 1000 GENERAL REVENUE FUND

112,680-

 112,680-
 =====

 TOTAL: WORKFORCE SERVICES 1102.00.00.00
 BY FUND TYPE
 GENERAL REVENUE FUND 137,893-
 TRUST FUNDS 14,800-

 TOTAL PROG COMP..... 152,693-
 =====

COL A93		
SCH VIIIB-2		
REDUCTIONS		
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
FUND SHIFT		3400000
FLORIDA COMMISSION ON HUMAN		
RELATIONS - TRANSFER FROM		
GENERAL REVENUE TO OPERATING		
TRUST FUND - DEDUCT		3400190
SALARIES AND BENEFITS		010000
GENERAL REVENUE FUND	-STATE 97,006-	1000 1

AGENCY ISSUE NARRATIVE:
 SCH VIIIB-2 NARR 13-14 NARRATIVE:
 PRIORITY #17

IT COMPONENT? NO

Issue Summary: In an effort to help reduce the state General Revenue deficit the Florida Commission on Human Relations (FCHR) is proposing a fund shift from the General Revenue Fund to the Operating Trust Fund in Salaries and Benefits. The Commission receives federal funds from the United States Equal Employment Opportunity Commission (EEOC) and the United States Housing and Urban Development (HUD) for employment and housing cases 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.

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 2009 in order to avoid staff layoffs and continue operating until the end of the fiscal year. Almost 30 percent of the FCHR'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 timely deposits of federal funds, 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 Fund may further exacerbate a recurring risk of insufficient cash flow beyond the Commission's control and will contribute to the decline of the Operating Trust Fund. Over the past years, the Commission's budget has significantly been reduced and all reduction alternatives have been exhausted.

COL A93 SCH VIIIB-2 REDUCTIONS		CODES
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
FUND SHIFT		3400000
FLORIDA COMMISSION ON HUMAN		
RELATIONS - TRANSFER FROM		
GENERAL REVENUE TO OPERATING		
TRUST FUND - DEDUCT		3400190

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						97,006-
						97,006-
						=====

FLORIDA COMMISSION ON HUMAN						
RELATIONS - TRANSFER FROM						
GENERAL REVENUE TO OPERATING						
TRUST FUND - ADD						3400200
SALARIES AND BENEFITS						010000
OPERATING TRUST FUND	-STATE	97,006				2510 1
		=====				

AGENCY ISSUE NARRATIVE:

SCH VIIIB-2 NARR 13-14 NARRATIVE: IT COMPONENT? NO
 PRIORITY #18

Issue Summary: In an effort to help reduce the state General Revenue deficit the Florida Commission on Human Relations (FCHR) is proposing a fund shift from the General Revenue Fund to the Operating Trust Fund in Salaries and Benefits. The Commission receives federal funds from the United States Equal Employment Opportunity Commission (EEOC) and the United States Housing and Urban Development (HUD) for employment and housing cases 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.

COL A93 SCH VIIIB-2 REDUCTIONS		CODES
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
FUND SHIFT		3400000
FLORIDA COMMISSION ON HUMAN		
RELATIONS - TRANSFER FROM		
GENERAL REVENUE TO OPERATING		
TRUST FUND - ADD		3400200

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 2009 in order to avoid staff layoffs and continue operating until the end of the fiscal year. Almost 30 percent of the FCHR'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 timely deposits of federal funds, 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 Fund may further exacerbate a recurring risk of insufficient cash flow beyond the Commission's control and will contribute to the decline of the Operating Trust Fund. Over the past years, the Commission's budget has significantly been reduced and all reduction alternatives have been exhausted.

POSITION DETAIL OF SALARIES AND BENEFITS:

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

CHANGES TO CURRENTLY AUTHORIZED POSITIONS
 OTHER SALARY AMOUNT
 2510 OPERATING TRUST FUND

97,006

 97,006
 =====

COL A93		
SCH VIIIB-2		
REDUCTIONS		
POS	AMOUNT	CODES

MANAGEMENT SRVCS, DEPT OF		72000000
PGM: COMM ON HUMAN RELAT		72950000
<u>HUMAN RELATIONS</u>		72950100
GOV OPERATIONS/SUPPORT		16
<u>GOVERNMENTAL OPERATIONS</u>		<u>1601.00.00.00</u>
TOTAL: GOVERNMENTAL OPERATIONS		<u>1601.00.00.00</u>
BY FUND TYPE		
GENERAL REVENUE FUND	97,006-	1000
TRUST FUNDS	97,006	2000

TOTAL PROG COMP.....	=====	

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* BUDGET PERIOD: 2003-2014                 EXHIBIT A, D AND D-3A LIST REQUEST                               CCM 72 SP *
* COMPILE DATE: 05/04/2012                 COMPILE TIME: 12:44:00                                           PAGE: 1 *
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*                                     SAVE INITIALS:           SAVE DEPARTMENT: 07       SAVE ID: S8B2
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* SELECT CODES AND ACCUMULATION LEVELS WHERE ALLOWED.  WHEN NO CODE IS SELECTED, ALL CODES WILL BE REPORTED.
* ITEMIZATION OF EXPENDITURE:                               IOE ACCUMULATION LEVEL: 0 (1=OPER/FCO, 2=IOE, 0=MERGED)
* MERGE GROUPS (Y/N): Y
* BUDGET ENTITY OR GROUP/ACCUMULATION LEVEL (DEP, DIV, BUR, SUB, LBE, MRG):
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*   8-14:
*   15-21:
*   22-27:
* EXCLUDE:
*
* PROGRAM COMPONENT/ACCUMULATION LEVEL (1, 2, 3, 4 OR 5 FOR 2, 4, 6, 8 OR 10 DIGITS, 6=MERGE POLICY, 0=MERGED):
*   5
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* APPROPRIATION CATEGORY OR GROUP/ACCUMULATION LEVEL (1=MAJOR, 2=MINOR, 0=MERGED):
*   2
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* FUND GROUPS SET:           OR FUND:           FUNDING SOURCE IDENTIFIER:           MERGE FSI (Y/N): N
* FCO (Y/N): Y           FTE (Y/N): Y           SALARY RATE (Y/N): Y
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* 1=EAD REPORT
* 2=SCHEDULE IV/IT ISSUES           COLUMN SELECTION: A93           CODES
* 3=STATEWIDE ISSUES
* 4=SCHEDULE VIIIA ISSUES           REPORT COLUMNS WITH CALCULATION DIFFERENCE ONLY (Y/N): N THAT EXCEED:
*
* LEVELS OF TOTALS: (N=NO TOTAL, L=LINE TOTAL, T=BY FUND TYPE, D=BY DETAIL FUND, B=BY DETAIL FUND AND FUND TYPE,
* G=FUND GROUP LINE TOTALS, E=BY DETAIL FUND AND FUND GROUP)
* RUN: N           ITEM OF EXP: N           GROUP: N           DEPARTMENT: N           DIVISION: N           BUREAU: N
* SUB-BUREAU: N           LBE: T           POLICY AREA: N           PROG COMP: T           D3A SUM ISSUE: N           D3A DETAIL ISSUE: L
* MAJOR APP CAT: N           MINOR APP CAT: D
*
* APPROPRIATION CATEGORY TITLES: S (S=SHORT, L=LONG)           REPORT SEQUENCE: DEPT/BUDGET ENTITY: N A=ALPHABETICAL
*                                     PROGRAM COMPONENT: N N=NUMERICAL
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* PRINT COLUMN CODES (Y/N): Y
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* PAGE BREAKS:
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* BUR, SUB, LBE, PRC,           PRIORITY LISTING FOR POSSIBLE REDUCTION
* SIS, ISC)           FOR REQUEST YEAR
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* BPEADL01                               STATISTICAL INFORMATION                10/12/2012 17:03:45 *
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* COMPILE DATE: 05/04/2012                COMPILE TIME: 12:44:00                      PAGE:      2   *
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* TOTAL BGF RECORDS READ:                  0                                           *
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* TOTAL PCF RECORDS READ:                  26                                          *
* TOTAL ICF RECORDS READ:                  31                                          *
* TOTAL INF RECORDS READ:                  687                                         *
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* TOTAL BEN RECORDS READ:                  0                                           *
* TOTAL DPC RECORDS READ:                  2                                           *
* TOTAL RECORDS IN ERROR:                  0                                           *
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* 10-18:
* 19-27:
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