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COL All SCH VIIIB-2 REDUCTIONS			
POS	AMOUNT	PRIORITY	CODES
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MANAGEMENT SRVCS, DEPT OF			72000000
SCHEDULE VIIIB REDUCTIONS -			
OPERATING			33B0000
POTENTIAL BUDGET REDUCTION IN CASE			
OF REVENUE SHORTFALL - HMO RATE			
DECREASE		001	33B0900
TRUST FUNDS.....	1-		2000
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SCH VIIIB-2 NARR 09-10 NOTES:

Since this is appropriated through Administered Funds, we are only reflecting \$1 to force the narrative to appear.

Department of Management Services

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The Department of Management Services has renegotiated the Health Maintenance Organizations (HMO) rate for Calendar Year 2009 that will show a savings projection of \$230 million over the next four years.

1. For the past several years, the methodology used to negotiate annual HMO rate increased was to request certain financial information for each HMO. This information was compared to a benchmark analysis prepared by an actuarial consultant.
2. Under the prior methodology, the weighted average premium increase for Calendar Year 2007 and 2008 was 10.7% and 10.5% respectively.
3. For Calendar Year 2009, Insurance Benefits Administration modified its methodology. We required each HMO to submit an actuarial memorandum as outlined in Florida Statutes 690-191.055. This more detailed information allowed Insurance Benefits to examine each company's loss ratio, retention and actual-to-expected loss ratio for the previous years.
4. The revised methodology provided an opportunity to move each HMO into a reasonable and competitive position in terms of loss ratios, retention and trend, without jeopardizing operations.
5. The result was a 3.7% weighted average premium increase for Calendar Year 2009.
6. Because the rate trend used in the February 2008 Health Insurance Trust Fund Estimating Conference was 10.5%, the actual increase of 3.7% resulted in calendar year 2009 savings of \$55 million. This also set a new base for the future year increases, so that the savings projections from this effort total \$230 million over the next four years.

COL All SCH VIIIB-2 REDUCTIONS			
POS	AMOUNT	PRIORITY	CODES
MANAGEMENT SRVCS, DEPT OF			72000000
SCHEDULE VIIIB REDUCTIONS - OPERATING			33B0000
POTENTIAL BUDGET REDUCTION IN CASE OF REVENUE SHORTFALL - HMO RATE DECREASE		001	33B0900

We are continuing to review the operating budget and will be offering more reductions at a later date.

State Health Insurance Program  
 Projected Savings Resulting from HMO Negotiations  
 HMO Rates Effective January 2009 (1)  
 (in Millions \$)

By Calendar Year

	Projected HMO Premium Payments		Estimated Savings			
	Feb 2008	Jul 2008 (3)	State	Medicare Subscribers	Total Savings	Cumulative Savings
CY 2009	\$901.1	\$845.8	\$54.3	\$1.0	\$55.3	\$55.3
CY 2010 (2)	\$1,036.8	\$973.2	\$61.5	\$1.2	\$62.7	\$118.0
CY 2011 (2)	\$1,193.0	\$1,119.8	\$71.8	\$1.4	\$73.2	\$191.2

By Fiscal Year

	Projected HMO Premium Payments		Estimated Savings			
	Feb 2008	Jul 2008 (3)	State	Medicare Subscribers	Total Savings	Cumulative Savings
FY 2008-09	\$841.8	\$814.3	\$27.0	\$0.5	\$27.5	\$27.5
FY 2009-10 (2)	\$968.6	\$909.2	\$58.3	\$1.1	\$59.4	\$86.9

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 COL All  
 SCH VIIIB-2  
 REDUCTIONS  
 POS AMOUNT PRIORITY CODES  
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MANAGEMENT SRVCS, DEPT OF 72000000  
 SCHEDULE VIIIB REDUCTIONS -  
 OPERATING 33B0000  
 POTENTIAL BUDGET REDUCTION IN CASE  
 OF REVENUE SHORTFALL - HMO RATE  
 DECREASE 001 33B0900

FY 2010-11 (2)	\$1,114.5	\$1,046.2	\$67.0	\$1.3	\$68.3	\$155.2
FY 2011-12 (2)	\$1,279.4	\$1,200.8	\$77.0	\$1.6	\$78.6	\$233.8

- (1) Based on enrollment projections presented in the February 2008 Conference.
- (2) Assumes annual HMO premium rate increases of 10.5% (weighted-average) for calendar years 2010, 2011, and 2012.
- (3) July 2008 Conference report is in draft stage. Final report will be presented on July 24, 2008.

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POTENTIAL BUDGET REDUCTIONS IN CASE  
 OF REVENUE SHORTFALL - OPERATING  
 EFFICIENCIES 002 33B0200

GENERAL REVENUE FUND	573,331-	1000
TRUST FUNDS	12,636,169-	2000
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TOTAL POSITIONS.....	31.00-	
TOTAL ISSUE.....	13,209,500-	
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SCH VIIIB-2 NARR 09-10 NOTES:

Florida National Guard General Revenue - A pension for members of the Florida National Guard with 30 years of service in the Florida National Guard; normal retirement is at age 62 and early retirement is available starting at age 60. This benefit program has been administered by the Division since 1972, as provided by s 250.22 F.S. The retirement amount paid to an individual is one-half of the base pay of the highest rank attained while serving in the Florida National Guard or the federal military forces, reduced by the retirement pay received from the Federal Government for military service. Increases to the amount needed for this item are dependent upon changes to the federal military pay scales, cost-of-living adjustments on federal retirement benefits, and growth in the number of retired participants. A further reduction will result in the inability for the department to make payments as provided by law.

Salaries and Benefits Reductions various programs - The salaries and benefits reduction to various programs are being made through holding positions vacant and reducing the workforce. We expect services levels to decline impacting customer satisfaction.

Grant Program E-911 - Funding would have been used to continue the grant program to Florida counties to upgrade and sustain Public Safety Answering Point equipment, next generation 911 equipment and networks throughout the State of Florida pursuant to s. 365.172(6)(a)3.b. This reduction would impact additional equipment replacement and enhancements,

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 COL All  
 SCH VIIIIB-2  
 REDUCTIONS  
 POS AMOUNT PRIORITY CODES  
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MANAGEMENT SRVCS, DEPT OF 72000000  
 SCHEDULE VIIIIB REDUCTIONS -  
 OPERATING 33B0000  
 POTENTIAL BUDGET REDUCTIONS IN CASE  
 OF REVENUE SHORTFALL - OPERATING  
 EFFICIENCIES 002 33B0200

allowing for text messaging. There would still be the ability to receive 911 calls and location identification, but would not be able to receive content in different formats like photos, text and other real time information on the status of the event.

Payments to Counties and Providers E911 - These reductions will impact the ability to distribute revenues to counties and providers for the Emergency Communications Number E911 System program. With the enactment of the 2007 Legislation the E911 Board was granted authority to manage wireless and non-wireless including wireline revenues received from service providers.

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POTENTIAL BUDGET REDUCTION IN CASE  
 OF REVENUE SHORT FALL - OPERATING  
 EFFICIENCIES IN OFFICE OF EFFICIENT  
 GOVERNMENT 003 33B0210  
 TRUST FUNDS..... 4.00- 423,184- 2000  
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SCH VIIIIB-2 NARR 09-10 NOTES:

Reduction of the Council on Efficient Government -The Council on Efficient Government plays a vital role in state government by ensuring that sound business practices and financial decision making take place as state agencies focus on the efficient delivery of services while reducing the overall cost to the government. The Council reviews business cases for outsourcing and evaluates for fiscal responsibility, outsourcing justification, feasibility and likelihood of success, project planning, cost effectiveness, risk management, vendor performance monitoring and compliance with procurement law. The Council also educates agencies on industry standard best practices and lessons learned, and compiles data on outsourcing initiatives and innovative trends in the delivery of government services. Without the Council's efforts the state is exposed to increase risks including not meeting program objectives and timelines, vendor non-performance and litigation, cost overruns and program failure.

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POTENTIAL BUDGET REDUCTION IN CASE  
 OF REVENUE SHORT FALL - OPERATING  
 EFFICIENCIES IN FEDERAL PROPERTY  
 ASSISTANCE 004 33B0220  
 TRUST FUNDS..... 5.00- 289,356- 2000  
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 COL All  
 SCH VIIIB-2  
 REDUCTIONS  
 POS AMOUNT PRIORITY CODES  
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MANAGEMENT SRVCS, DEPT OF			72000000
SCHEDULE VIIIB REDUCTIONS -			
OPERATING			33B0000
POTENTIAL BUDGET REDUCTION IN CASE			
OF REVENUE SHORT FALL - OPERATING			
EFFICIENCIES IN FEDERAL PROPERTY			
ASSISTANCE		004	33B0220

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SCH VIIIB-2 NARR 09-10 NOTES:

Federal Property Assistance - In accordance with 40 U.S.C. 484, the Administrator of General Services or Secretary of the Department of Defense determines the personal property is excess, it can only be transferred without cost to the "appropriate State Agency" for distribution. 40 U.S.C. 484. Federal law requires the state administer this program with a single point of contact. This individual will coordinate activities with Defense Logistics Agency and the Law Enforcement Support Office.

The Florida State Agency for Surplus Property (FLSASP), Department of Management Services, was formed in its present concept in 1965 by Chapter 217, Florida Statutes, as amended. It has been in operation under various forms since 1945. Its purpose is to procure and distribute Federal surplus property through the Federal Surplus Property Donation Program in accordance with the Federal Property and Administrative Services Act of 1949, as amended.

Federal Property Assistance (FPA): 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.

Federal Surplus Property Donation Program  
 Excess Property Program for Law Enforcement

Impacts:

If you eliminate the FPA program, citizens of Florida through public agencies and private/nonprofit health and education organizations will not have the capability of acquiring federally owned tangible personal property declared excess/surplus by the Federal Government. Acquisition of federal surplus equipment and supplies by eligible organizations results in major cost avoidance in asset procurement, which saves tax dollars.

Also, State of Florida law enforcement agencies will not have the capability of acquiring U.S. Department of Defense owned tangible personal property declared excess by the military and approved for the State of Florida for the benefit of state and local law enforcement agencies. Acquisition of military excess by state and local law enforcement agencies through the program results in major cost avoidance, which saves tax dollars. The program enables agencies to have equipment they may otherwise not have the resources to purchase. Many law enforcement agencies have become dependent on this program to acquire this property.

Citizens of Florida through public agencies and private/nonprofit health and education organizations will not have single point of contact for acquiring federally owned personal property at a major cost savings. For FY 07/08 the savings to the citizens of Florida was \$515, 668.

If the program were abolished, over 4300 pieces of acquired excess property (property valued \$4,200,000) would have to be returned to the federal government at the state's expense.

If the program were abolished, there would not be the capability of conducting utilization checks (audit) on tens of millions of dollars of property already donated to public agencies and private/nonprofit health and education organizations, and law enforcement agencies.

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COL All SCH VIIIB-2 REDUCTIONS			
POS	AMOUNT	PRIORITY	CODES
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MANAGEMENT SRVCS, DEPT OF			72000000
SCHEDULE VIIIB REDUCTIONS -			
OPERATING			33B0000
POTENTIAL BUDGET REDUCTION IN CASE			
OF REVENUE SHORT FALL - OPERATING			
EFFICIENCIES IN MOTOR VEHICLES AND			
WATERCRAFT MANAGEMENT		005	33B0230
TRUST FUNDS.....	8.00- 1,721,264-		2000
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SCH VIIIB-2 NARR 09-10 NOTES:

Fleet Management - The impact of decentralizing Fleet Administration is the loss of efficiencies gained by centralization and increased cost to the state. If Fleet Administration was lost, the duties and responsibilities currently centralized at DMS would be dispersed to 30 different agencies.

Each individual agency would now be responsible for the following duties:

Manage the acquisition, operation, maintenance, and disposal of their fleet's motor vehicles and watercraft. Note: the state's fleet includes approximately 27,000 units; the fleet includes automobiles & light trucks, medium & heavy trucks, construction & industrial equipment, tractors & mowers, and small utility, motorcycles & ATVs.

A representative from each agency would need to be granted authority to administer vehicle/equipment titles to the public.

Develop policies and practices for effective and efficient acquisition, assignment, use, maintenance and disposal of vehicles and watercraft for their agency. In addition, current DMS Fleet Management determines which motor vehicles and watercraft to be included on state contracts. Impact: Each agency would have to coordinate with State Purchasing their technical bid specifications, develop equipment purchase approval guidelines, develop fleet replacement criteria, and be accountable to the state's federally mandated fueled vehicles program.

The current DMS Fleet Management administers the Equipment Management Information System (EMIS) which is the centralized fleet management and reporting system. EMIS provides the management and cost information required to effectively and efficiently manage the state's fleet. EMIS also provides accountability of equipment use and expenditures. Impact: Should Fleet Management be removed from DMS, EMIS (a centralized system) would not exist. Each agency would have to develop their own method of tracking equipment use and expenditures. It is anticipated that the electronic management in lieu of EMIS would be done in each individual agency, through Commercial Off The Shelf (COTS) software or other commercial products, up to and including hardcopy papered spread sheets (depending on the size of the agency's Fleet). Each agency would be responsible for adhering to Governor and Legislative mandates. Note: recent legislative and Governor mandates, i.e. HB 7135, and EO 07126 direct Fleet Management's involvement via EMIS to ensure mandates are adhered to.

Without a centralized system, each agency would have to develop an in-house expertise of fleet related data and information. Many agencies don't have personnel with fleet management expertise. Data integrity issues would likely develop between the different agencies. There would be parity issues with data when compared to different agencies managing their own Fleet.

Timely reporting would now suffer for some, if not all Legislative and Governor inquiries on the state's fleet of vehicles. Each branch of government would now require contacts at each agency to answer fleet related questions (rather than a single contact that currently exists).

Industry best practice says that a fleet the size of the State of Florida's should be maintained in a centralized system administered by a central authority.

Each agency would now be responsible for tracking and reporting rental vehicle accidents. Currently, DMS Fleet

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 COL All  
 SCH VIIIB-2  
 REDUCTIONS  
 POS AMOUNT PRIORITY CODES  
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MANAGEMENT SRVCS, DEPT OF 72000000  
 SCHEDULE VIIIB REDUCTIONS -  
 OPERATING 33B0000  
 POTENTIAL BUDGET REDUCTION IN CASE  
 OF REVENUE SHORT FALL - OPERATING  
 EFFICIENCIES IN MOTOR VEHICLES AND  
 WATERCRAFT MANAGEMENT 005 33B0230

Management utilizes one point of contact to police and verify all accidents for all AVIS rental vehicles.

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POTENTIAL BUDGET REDUCTION IN CASE  
 OF REVENUE SHORTFALL - FLORIDA  
 COMMISSION ON HUMAN RELATIONS 006 33B0670

GENERAL REVENUE FUND 570,656- 1000  
 TRUST FUNDS 3,400- 2000  
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 TOTAL ISSUE..... 574,056-  
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SCH VIIIB-2 NARR 09-10 NOTES:

Florida Commission on Human Relations  
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Priority #1  
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The Florida Commission on Human Relations (Commission) believes that Department of Administered Hearings (DOAH) related costs should not appear in its annual appropriation and therefore we suggest eliminating this funding source from the Commission's annual appropriation. In Cause cases, we give the complainant the option to either file an administrative case within 35 days, or to go to circuit court within a year. In No Cause cases, we only notify the complainant of their right, if they so choose, and on their own, to request an administrative review of the finding with DOAH. The Commission is not considered to be a party to these actions. The complainant and the respondent are the parties. The legal style of the case is petitioner versus respondent. The Commission does not get involved at all in the cases, makes no appearance, and cannot intervene in the proceedings because the Commission is charged with the responsibility of reviewing the Recommended Order from the Court or DOAH, and either accepting it, rejecting it, or modifying it. That constitutes final agency action and the parties have the right to take our decision to the District Court of Appeals where again, the Commission is not a party to the case. The Commission is only the funnel through which the request is processed. A Party requests an Administrative Hearing, addressing the request to the Commission, as the initial decision maker. The Commission only sends the complaint filed by the petitioner to DOAH if he/she chooses that route. The Commission never hears about the case again until DOAH issues a recommended order. The Commission does not receive notices of the hearing or appear, or provide any other documents or information. In fact, the Commission's determination that is the basis of the Party requesting a DOAH hearing is the ONLY document out of our entire investigative file and records that can be taken into evidence, and only for the purpose of establishing jurisdiction to hear the case. It is, in essence, a trial de novo of the entire case where the parties present evidence and witnesses to support their

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COL All  
SCH VIIIB-2  
REDUCTIONS  
POS AMOUNT PRIORITY CODES  
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MANAGEMENT SRVCS, DEPT OF 72000000  
SCHEDULE VIIIB REDUCTIONS -  
OPERATING 33B0000  
POTENTIAL BUDGET REDUCTION IN CASE  
OF REVENUE SHORTFALL - FLORIDA  
COMMISSION ON HUMAN RELATIONS 006 33B0670

respective positions. And, as stated, the Commission reviews what comes out of DOAH to ensure that the Civil and Constitutional rights of the parties are protected according to law, which is why the Commission gets the right to review, modify, accept or reject the Order. Having this power, it appears almost a conflict of interest for the Commission to bear the entire expense of a proceeding that the Commission has the statutory authority to accept or reject and take absolutely no part in. The Commission does not pay any cost, charge or expense if the parties choose to go to Circuit Court instead of DOAH, or the District Court of Appeals. Therefore, the Commission should not be burdened with an expense for a similar proceeding before DOAH. DOAH can offset the reduction by charging both parties for its services.

General Revenue (1000)  
Special Categories:  
Transfer to the Division of Administrative Hearings (100565) (483,685) FSI=1  
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Priority #2  
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The Commission offers an efficiency reduction in General Revenue budget for court reporter costs. Rules 28-106.214 1 and 2 FAC are the cause for the court reporter assignment. However, the Commission does not have to use a Court Reporter. Section 1 provides for the use of recording instruments in lieu of Court reporters. Section 2 of that rule states that the Commission must notify the parties 10 days before the hearing what method will be used, and if not a reporter, then the party (the Commission is not a party) if they so choose may provide the court reporter. So the Commission can use recording devices in the place of a reporter.

The Commission does not receive transcripts in all cases. Under Chapter 760, the Commission only needs to get the Recommended Order from the Administrative Law Judge, and act on it.

If a person appeals to the District Court of Appeals, the Commission sends any transcript it may have of the proceedings as part of the record, which should not be our responsibility as the Final Agency action is challenged, not the Administrative Law Judge's part, so it is a hugely unnecessary expense.

General Revenue (1000)  
Special Categories: Contracted Services (100777) (19,800) FSI=1  
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Priority #3  
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The commission is committed to streamlining its operating expenditures related to cell phones and postage costs.

General Revenue (1000)  
Expenses (040000) (6,500) FSI=1  
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 COL All  
 SCH VIIIB-2  
 REDUCTIONS  
 POS AMOUNT PRIORITY CODES  
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MANAGEMENT SRVCS, DEPT OF 72000000  
 SCHEDULE VIIIB REDUCTIONS -  
 OPERATING 33B0000  
 POTENTIAL BUDGET REDUCTION IN CASE  
 OF REVENUE SHORTFALL - FLORIDA  
 COMMISSION ON HUMAN RELATIONS 006 33B0670

Priority #4  
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To provide additional General Revenue during Fiscal Year 2009-10 to other state priorities, the Commission offers to place salaries and benefits for position number 002974, Investigator Supervisor SES, in reserve. The incumbent is currently on active military status and will not be returning to this position during Fiscal Year 2009-10.

General Revenue (1000)  
 Salaries and Benefits (010000) (60,270)  
 HR Services (107040) (401)  
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 (60,671) FSI=1  
 =====

Priority #5  
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The Commission offers a reduction of \$3,400 which is related to the portion of the Operating Trust Fund budget that is supported by the revenues collected and interest earnings.

Operating Trust (2510)  
 Expenses (040000) (3,400) FSI=1  
 =====

Total Reductions:  
 General Revenue (1000) (570,656)  
 Trust Fund (2510) (3,400)  
 -----  
 (574,056)  
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POTENTIAL BUDGET REDUCTION IN CASE  
 OF REVENUE SHORTFALL - SOUTHWOOD  
 SHARED RESOURCE CENTER 007 33B0650  
 TRUST FUNDS..... 1,175,275-  
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 COL All  
 SCH VIIIIB-2  
 REDUCTIONS  
 POS AMOUNT PRIORITY CODES  
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MANAGEMENT SRVCS, DEPT OF 72000000  
 SCHEDULE VIIIIB REDUCTIONS -  
 OPERATING 33B0000  
 POTENTIAL BUDGET REDUCTION IN CASE  
 OF REVENUE SHORTFALL - SOUTHWOOD  
 SHARED RESOURCE CENTER 007 33B0650  
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SCH VIIIIB-2 NARR 09-10 NOTES:  
 Southwood Shared Resource Center  
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10% Target Amount 1,175,275 Trust Fund

This issue reflects a partial distribution of the 10 percent target reduction amount of 1,175,275. The amounts listed below represent spending authority that could be reduced without a major impact for the Southwood Shared Resource Center (SSRC) to provide information technology services to customers. However, with the passing of Senate Bill 1892, mandating data center consolidation, the totality of future financial needs of the SSRC are not known.

	FY 08-09 4% Reductions	Additional Reductions	Total
	-----	-----	-----
Salaries and Benefits	(113,914)		(113,914)
OPS Other Personal Services	( 19,425)		( 19,425)
Expenses	( 84,646)		( 84,646)
Operating Capital Outlay	( 9,143)		( 9,143)
Special Categories: Contracted Services	(163,908)		(163,908)
Special Categories: Applications Management Contracts for Data Center	( 19,200)	(415,800)	(435,000)
Special Categories: DP Contracts for Data Center	( 66,498)		( 66,498)
	-----	-----	-----
	(476,734)	(415,800)	(892,534)

The amounts listed below reflect the remainder of the 10 percent target reduction amount of 1,175,275. In the event that it became necessary to cut the items listed below the SSRC would have to eliminate all spending reserves identified in spend plans. The SSRC would then be in a position of submitting budget amendments requesting spending authority for any unforeseen expenditures which would result in the cash not being recovered in our rates. In addition, the SSRC's ability to bring in new customers or expand or improve services would be impaired by the elimination of the reserve spending authority. Also, the SSRC would have to eliminate all training and travel for its' staff.

Expenses	(216,000)
Special Categories: Contracted Services	( 65,741)
DP Services STO *	( 1,000)
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	(282,741)

\*The SSRC does not use this category.

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 COL All  
 SCH VIIIB-2  
 REDUCTIONS  
 POS AMOUNT PRIORITY CODES  
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MANAGEMENT SRVCS, DEPT OF 72000000  
 SCHEDULE VIIIB REDUCTIONS -  
 OPERATING 33B0000  
 POTENTIAL BUDGET REDUCTION IN CASE  
 OF REVENUE SHORTFALL - SOUTHWOOD  
 SHARED RESOURCE CENTER 007 33B0650

Working Capital Trust Fund (2792)  
 Salaries and Benefits (010000) (113,914)  
 Other Personal Services (030000) (19,425)  
 Expenses (040000) (300,646)  
 Operating Capital Outlay (060000) (9,143)  
 Special Categories: Contracted Services (100777) (229,649)  
 Special Categories: Applications Management Contracts for Data Center (105240) (435,000)  
 Special Categories: DP Contracts for Data Center (105241) (66,498)  
 DP Services STO (210018) (1,000)  
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 Total Issue (1,175,275) FSI=1  
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POTENTIAL BUDGET REDUCTION IN CASE  
 OF REVENUE SHORTFALL - PUBLIC  
 EMPLOYEES RELATIONS COMMISSION 008 33B0640

GENERAL REVENUE FUND 137,208- 1000  
 TRUST FUNDS 176,932- 2000  
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 TOTAL ISSUE..... 314,140-  
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SCH VIIIB-2 NARR 09-10 NOTES:

Public Employees Relations Commission  
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GENERAL REVENUE FUND (137,208)

While the narrative below contains a brief explanation as to the impact of a 10% reduction, it is imperative to provide some insight regarding the Public Employees Relations Commission's (PERC) historical actions in support of previous reduction requests and the Commission's efforts to independently exercise economic options for a more efficient government. Due to these actions, the Commission has become so lean that it is unable to absorb additional reductions without significant adverse consequences. The Commission is a quasi-judicial agency with a total budget of \$3.3 million. It was created in 1975 with the single "activity" of insuring compliance with the constitutionally required mission to regulate labor organizations and promote harmonious and cooperative relationships between government and its employees. The Commission was originally staffed with 42 full-time equivalents and funding was predominantly General Revenue. PERC

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COL All			
SCH VIIIB-2			
REDUCTIONS			
POS	AMOUNT	PRIORITY	CODES
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MANAGEMENT SRVCS, DEPT OF			72000000
SCHEDULE VIIIB REDUCTIONS -			
OPERATING			33B0000
POTENTIAL BUDGET REDUCTION IN CASE			
OF REVENUE SHORTFALL - PUBLIC			
EMPLOYEES RELATIONS COMMISSION		008	33B0640

now has 30 full-time equivalents as a result of budget reduction requests. In 1986, the Commission assumed jurisdiction of employment cases related to Career Service system employees which resulted in a 100% increase in caseload with no additional funding or positions. In 2001, in an effort to reduce spending the Commission relocated from a private sector lease to a state owned facility, with an accompanying reduction of 4000 square feet (approximately 25%.) In 2003, Commission funding was changed from primarily General Revenue (98%) to split funding (56% General Revenue and 44% Trust Fund). This funding change caused a cash flow problem during the implementation stage which was essentially a reduction in funding as the initial transfer of funds was not received until December. This caused the Commission to operate with only the quarterly General Revenue releases for the first six months of the fiscal year. While the regularity of the transfers is now somewhat stabilized, the issues we continue to face with this process are that the distributions may not be adequate to match the appropriations and the lag time for receipt of May and June (May is not received until the end of June and June is not received until July). The only way the Commission has been able to manage these shortfalls is by carefully monitoring spending and creating a cash balance in the Trust Fund that can be rolled from year to year to avoid deficit.

The Commission respectfully requests that it be exempted from this additional 10% reduction exercise as further reductions would be devastating to this small agency. The Commission has offered reduction budgets during the past several years without objection, absorbed all increases in caseloads and significantly shortened processing times as required by legislative change (Service First) without requesting additional funding or suffering a decline in performance or service standards. In the previous few years PERC has relinquished 29% of its staff through budget reductions, including a 15% reduction in staff during Fiscal Year 2007-2008. The Commission is keenly aware of its responsibility to the citizens of the State of Florida and is committed to providing the highest level of service at the least possible cost. The Commission is responsible for labor and employment activities throughout the State of Florida and conducts its mission in a timely manner (98% timeliness rate for FY 2007-2008) with efficiency and pride. However, an additional 10% reduction could render us unable to support the Commission's constitutionally mandated program at the current level. Elimination of the program would require changes to Chapters 447, Part II, and 110, Florida Statutes and s. 6, Article 1 of the State Constitution.

With consideration of the facts stated above and in the spirit of fiscal responsibility in the face of revenue shortfalls, the following represents a distribution of the 10% reductions to the Public Employees Relations Commission and associated constitutionally required activities. The Commission has offered budget reductions for the past several years and further reductions would result in severe, adverse impact on the Commission.

GENERAL REVENUE FUND (137,208)

In the event that the required amount of General Revenue funds is unavailable, and the Commission is forced to absorb a reduction, the Commission has no other alternative than to recommend reductions in the Salaries and Benefits and Data Processing Services categories. This action could result in the loss of (2) full-time equivalents.

General Revenue Fund (1000)

Salaries and Benefits	(130,406)
Special Categories: HR Statewide Contract (107040)	( 802)
DP Services STO (210018)	( 6,000)

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 COL All  
 SCH VIIIB-2  
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MANAGEMENT SRVCS, DEPT OF 72000000  
 SCHEDULE VIIIB REDUCTIONS -  
 OPERATING 33B0000  
 POTENTIAL BUDGET REDUCTION IN CASE  
 OF REVENUE SHORTFALL - PUBLIC  
 EMPLOYEES RELATIONS COMMISSION 008 33B0640

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 (137,208) FSI=1  
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TRUST FUND (314,140)

This reduction could result in the loss of (2) full-time equivalents. At the time of this submission, the Commission's General Counsel position is being held vacant pending assumption of duties by the new Chair. It is not being considered as a part of this reduction package; however it may have significant impact on the Commission's salaries and benefits budget.

PERC Trust Fund (2558)  
 Salaries and Benefits (010000) (149,804)  
 Other Personal Services (030000) ( 5,200)  
 Expenses (040000) ( 12,126)  
 Special Categories: HR Statewide Contract (107040) ( 802)  
 DP Services STO (210018) ( 9,000)

Total Issue (176,932) FSI=1  
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Total Reductions:  
 General Revenue (1000) (137,208)  
 Trust Fund (2558) (176,932)  
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 (314,140)  
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TOTAL: MANAGEMENT SRVCS, DEPT OF 72000000  
 BY FUND TYPE  
 GENERAL REVENUE FUND 1,281,195- 1000  
 TRUST FUNDS 16,425,581- 2000  
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 TOTAL POSITIONS..... 48.00-  
 TOTAL DEPARTMENT..... 17,706,776-  
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