
 COL All
 SCH VIIIB-2
 REDUCTIONS
 POS AMOUNT PRIORITY CODES

MANAGEMENT SRVCS, DEPT OF 72000000
ADMIN HEARINGS 72970000

PRIORITY SUMMARY NARRATIVE:

 EXECUTIVE SUMMARY

The Division of Administrative Hearings (DOAH) is unique because it is a small, independent, quasi-judicial agency established within the Department of Management Services for the provision of support services only. The Division has only two programs: Adjudication of Disputes and Workers' Compensation Appeals. These programs are mutually exclusive, equally important to the State of Florida, and have good performance records. The Division's options for aligning its appropriations with the targeted reductions are therefore limited. Unlike larger agencies, DOAH cannot "hold harmless" either of its programs to meet its target. Thus, each program has been reduced by ten percent to meet the reduction calculation as provided by the Governor and Legislature.

Each eligible appropriation category was reviewed to identify reductions that could be taken while maintaining a responsible and balanced budget. The budget for the Adjudication of Disputes Program has been reduced by more than four percent during the last two years; the Workers' Compensation Appeals Program has been cut by less than one percent during that period. Because the Salaries and Benefits category is such a large percentage of the base budget being reduced (83% for Adjudication of Disputes and 74% for Workers' Compensation Appeals), DOAH had no choice but to cut additional positions to reach its target. Thus, a total of 25 positions (23 filled and 2 vacant), or nine percent of its workforce have been identified for elimination.

A budget reduction of ten percent will lengthen time frames for concluding cases, thus affecting the Division's ability to meet its performance standards. However, the Division will continue its mission to provide high-quality adjudication of disputes pursuant to Chapter 120, the Administrative Procedure Act, and Chapter 440, the Workers' Compensation Law. DOAH will also continue to seek ways to make the process more affordable to the citizens, agencies, and organizations it serves.

SCHEDULE VIIIB REDUCTIONS -
 OPERATING 33B0000
 REDUCE TEMPORARY EMPLOYMENT -
 ADJUDICATION OF DISPUTES 1 33B1040
 TRUST FUNDS..... 6,300- 2000
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SCH VIIIB-2 NARR 09-10 NOTES:

The Division proposes to reduce appropriations by \$(6,300), or (17)%, in the Other Personal Services (OPS) category. This category has been reduced by 89% since FY 2007-08, and further cuts will result in hiring fewer temporary administrative law judges (ALJs) and office staff. This program has recently been able to handle ALJ vacancies by reassigning cases to other judges. Therefore, the reduction in budget for temporary judges should have minimal impact on operations, but if an extraordinary need arises, it could adversely affect the Division's ability to handle cases in a timely manner. Likewise, the reduction in temporary office staff should have limited impact, unless multiple vacancies of permanent employees occur at one time. For these reasons, this issue has been assigned priority number one.

 COL All
 SCH VIIIB-2
 REDUCTIONS
 POS AMOUNT PRIORITY CODES

MANAGEMENT SRVCS, DEPT OF			72000000
<u>ADMIN HEARINGS</u>			72970000
SCHEDULE VIIIB REDUCTIONS -			
OPERATING			33B0000
REDUCE TEMPORARY EMPLOYMENT -			
ADJUDICATION OF DISPUTES	1		33B1040

This reduction affects this program's "Conduct Administrative Hearings and Proceedings" activity, and is calculated as follows:

Other Personal Services (OPS): Reduce budget for:
 \$(3,000) Temporary ALJ services
 (3,300) Temporary office staff

 \$(6,300) Reduce OPS by 17%
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REDUCE TEMPORARY EMPLOYMENT -			
WORKERS' COMPENSATION APPEALS	2		33B1090

TRUST FUNDS.....	196,275-	2000
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SCH VIIIB-2 NARR 09-10 NOTES:

The Division proposes to reduce appropriations by \$(196,275), or (85)%, in the Other Personal Services (OPS) category. This action will eliminate funding for temporary judges of compensation claims (JCCs) and mediators, and reduce funding for temporary clerical staff. This program has recently been able to handle JCC vacancies by reassigning cases to other judges. Therefore, the reduction in budget for temporary judges should have minimal impact on operations, but if an extraordinary need arises, it could adversely affect the Division's ability to handle cases in a timely manner. Likewise, the reduction in temporary staff in the district offices and clerk's office should have limited impact unless multiple vacancies of permanent employees occur at one time. For these reasons, this issue has been assigned priority number two.

This reduction affects this program's "Adjudicate and Hear Workers' Compensation Disputes" and "Facilitate Mediation of Workers' Compensation Disputes" activities. It is calculated as follows:

Other Personal Services (OPS): Reduce budget for:
 \$(171,275) Temporary JCCs, mediators, and Clerk's Office staff
 (25,000) Temporary staff in district Offices

 \$(196,275) Reduce OPS by 85%
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COL All SCH VIIIB-2 REDUCTIONS			
POS	AMOUNT	PRIORITY	CODES

MANAGEMENT SRVCS, DEPT OF			72000000
<u>ADMIN HEARINGS</u>			72970000
SCHEDULE VIIIB REDUCTIONS -			
OPERATING			33B0000
REDUCE ALLOCATION FOR EXPENDITURES			
- ADJUDICATION OF DISPUTES		3	33B1050
TRUST FUNDS.....	30,583-		2000
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SCH VIIIB-2 NARR 09-10 NOTES:

The Division proposes to reduce discretionary spending totaling \$(30,583) in two appropriation categories: Expenses by \$(26,831) or (2)%, and Contracted Services by \$(3,752) or (2)%. This reduction will negatively impact the Division's operations, especially considering that the Expenses category was reduced by four percent in FY 2008-09. It is also important to note that the cost of privately-owned, leased office space comprises 49% of the Expenses category's allocations, thereby restricting the Division's efforts to identify budget cuts in this category. Significant cutbacks in available appropriations for furniture and equipment were made in FY 2008-09, and further cuts of 17% would hinder the program's ability to replace aging or malfunctioning items. Allocations for freight have been reduced by 14%, and office supplies have been reduced by 20%. Contract reductions would hinder the program's ability to procure services such as information technology support, mail delivery, and repair and maintenance of equipment when needs arise. For these reasons, this issue has been assigned priority number three.

This reduction affects this program's "Conduct Administrative Hearings and Proceedings" activity, and is calculated as follows:

Expenses: Reduce budget for:
 \$(1,972) out-of-state travel/training by 25%
 (9,550) office supplies by 20%
 (1,000) freight by 14%
 (5,000) furniture & equipment by 17%
 (9,309) miscellaneous expenses by 1%

 \$(26,831) Reduce Expenses by 2%

Contracted Services: Reduce budget for:
 \$ (703) Information technology support services
 (773) Mail delivery services
 (460) Repair and maintenance services
 (1,816) Miscellaneous services

 \$ (3,752) Reduce Contracted Services by 2%

 \$(30,583) Total issue
 =====

COL All SCH VIIIB-2 REDUCTIONS			
POS	AMOUNT	PRIORITY	CODES

MANAGEMENT SRVCS, DEPT OF			72000000
<u>ADMIN HEARINGS</u>			72970000
SCHEDULE VIIIB REDUCTIONS -			
OPERATING			33B0000
REDUCE ALLOCATION FOR EXPENDITURES			
- WORKERS' COMPENSATION APPEALS		4	33B1100
TRUST FUNDS.....	215,814-		2000
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SCH VIIIB-2 NARR 09-10 NOTES:

The Division proposes to reduce discretionary spending totaling \$(215,814) in four appropriation categories: Expenses by \$(169,050) or (5)%, Operating Capital Outlay by \$(2,880) or (10)%, Contracted Services by \$(41,884) or (4)%, and Contracted Legal Services by \$(2,000) or (80)%. This reduction will negatively impact the Division's operations. It is important to note that the cost of privately-owned, leased office space comprises 47% of the Expenses category's allocations, thereby restricting the Division's efforts to identify budget cuts in this category. Significant cutbacks of 90% in available appropriations for furniture and equipment would hinder the program's ability to replace aging or malfunctioning items. Allocations for freight have been reduced by 70%, and office supplies have been reduced by 39%. Contract reductions would hinder the program's ability to procure services such as information technology support, mail delivery, and repair and maintenance of equipment when needs arise. For these reasons, this issue has been assigned priority number four.

This reduction affects this program's "Adjudicate and Hear Workers' Compensation Disputes" and "Facilitate Mediation of Workers' Compensation Disputes" activities. It is calculated as follows:

Expenses: Reduce budget for:

- \$ (55,575) Office supplies by 39%
- (9,000) Freight by 70%
- (44,730) Furniture and equipment by 90%
- (28,800) Information technology equipment by 90%
- (30,945) Miscellaneous expenses by 6%

 \$(169,050) Reduce Expenses by 5%

Operating Capital Outlay (OCO): Reduce budget for:

- \$ (2,880) Furniture and equipment

 \$ (2,880) Reduce OCO by 10%

Contracted Services: Reduce budget for:

- \$(1,966) Court reporting services
- (9,094) Information technology support services
- (17,100) Mail delivery services
- (4,050) Repair and maintenance services
- (9,674) Miscellaneous services

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 SCH VIIIB-2
 REDUCTIONS
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MANAGEMENT SRVCS, DEPT OF 72000000
ADMIN HEARINGS 72970000
 SCHEDULE VIIIB REDUCTIONS -
 OPERATING 33B0000
 REDUCE ALLOCATION FOR EXPENDITURES
 - WORKERS' COMPENSATION APPEALS 4 33B1100

\$ (41,884) Reduce Contracted Services by 4%

Contracted Legal Services: Reduce budget for:

\$ (2,000) Legal services

\$ (2,000) Reduce Contracted Legal Services by 80%

\$ (215,814) Total Issue

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ELIMINATE SECURITY GUARD OVERTIME
 - ADJUDICATION OF DISPUTES 5 33B1060

TRUST FUNDS..... 7,805- 2000

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SCH VIIIB-2 NARR 09-10 NOTES:

The Division proposes to eliminate funding for security guard overtime hours from the Contracted Services category. This issue reduces this category by \$(7,805) or (4)%, and will negatively impact the Division's operations by restricting the security guard covering its headquarters in Tallahassee to work no more than 40 hours per week. If a hearing continues beyond 5:00 p.m. or into a weekend, the security guard would not be available. This could result in the hearing being postponed, or pose a security risk to the parties. For these reasons, this issue is assigned priority number five.

This reduction affects this program's "Conduct Administrative Hearings and Proceedings" activity, and is calculated as follows:

Contracted Services: Reduce budget for:

Overtime Rate	Hours	Total Reduction
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\$30.02	(260)	\$(7,805)
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 COL All
 SCH VIIIB-2
 REDUCTIONS
 POS AMOUNT PRIORITY CODES

MANAGEMENT SRVCS, DEPT OF 72000000
ADMIN HEARINGS 72970000
 SCHEDULE VIIIB REDUCTIONS -
 OPERATING 33B0000
 ELIMINATE SECURITY GUARD OVERTIME -
 WORKERS' COMPENSATION APPEALS 6 33B1110
 TRUST FUNDS..... 140,329- 2000
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SCH VIIIB-2 NARR 09-10 NOTES:

The Division proposes to eliminate funding for security guard overtime hours from the Contracted Services category. This issue reduces this category by \$(140,329) or (12)%, and will negatively impact the Division's operations by restricting the security guards in the seventeen district offices to work no more than 40 hours per week. If a hearing or mediation continues beyond 5:00 p.m. or into a weekend, the security guard would not be available. This could result in the hearing or mediation being postponed, or pose a security risk to the parties. For these reasons, this issue is assigned priority number six.

This reduction affects this program's "Adjudicate and Hear Workers' Compensation Disputes" and "Facilitate Mediation of Workers' Compensation Disputes" activities. It is calculated as follows:

Contracted Services: Reduce budget for:

Overtime Rate	Hours	Total Reduction
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\$30.0684	(4,667)	\$(140,329)
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WORKFORCE REDUCTION - ADJUDICATION
 OF DISPUTES

6.00- 7 33B1070
 TRUST FUNDS..... 821,768- 2000
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SCH VIIIB-2 NARR 09-10 NOTES:

The Division proposes to reduce this program's workforce by (9)% by deleting six positions: five administrative law judges (ALJs) and one support staff. This reduction of \$(821,768) will negatively impact the Division's operations and will significantly limit its ability to fulfill its mission of impartially adjudicating disputes in a timely fashion. With fewer judges and staff, the cases will be processed more slowly, thereby adversely affecting the Division's ability to meet performance objectives, which it has successfully strived to achieve over the past eight years. Moreover, many of the agencies who use the Division to adjudicate their disputes will not be able to fulfill their objectives of a just and speedy resolution, at an affordable cost, of public disputes. For these reasons, this issue was assigned priority

COL All SCH VIIIB-2 REDUCTIONS			
POS	AMOUNT	PRIORITY	CODES

MANAGEMENT SRVCS, DEPT OF			72000000
<u>ADMIN HEARINGS</u>			72970000
SCHEDULE VIIIB REDUCTIONS -			
OPERATING			33B0000
WORKFORCE REDUCTION - ADJUDICATION			
OF DISPUTES		7	33B1070

number seven.

This reduction affects this program's "Conduct Administrative Hearings and Proceedings" activity, and is calculated as follows:

Salaries and Benefits:

\$(612,420) Delete four filled ALJ positions
 (106,314) Delete one vacant ALJ position
 (61,702) Delete one filled administrative assistant I position

 \$(780,436) Delete six positions (9%) and Salaries and Benefits by 11%

Expenses:

\$ (33,500) 5 professional standard recurring Expenses packages, \$6,700 each
 (5,426) 1 support standard recurring Expenses package

 \$ (38,926) Reduce Expenses by 3%

Statewide Human Resource Services Contract:

\$ (2,406) 6 standard packages, \$401 each

 \$ (2,406) Reduce Statewide Human Resources Services Contract

 \$(821,768) Total Issue
 =====

WORKFORCE REDUCTION - WORKERS'			
COMPENSATION APPEALS		8	33B1120
	19.00-		
TRUST FUNDS.....	1,258,233-		2000
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SCH VIIIB-2 NARR 09-10 NOTES:

The Division proposes to reduce this program's workforce by (10)% by deleting 19 positions: two judges of compensation claims (JCCs), three mediators, and fourteen support staff. This reduction of \$(1,258,233) will negatively impact the Division's operations and will significantly limit its ability to fulfill its mission of impartially adjudicating and mediating workers' compensation disputes. With fewer judges and staff, cases will be processed more slowly, thereby

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POS	AMOUNT	PRIORITY	CODES

MANAGEMENT SRVCS, DEPT OF			72000000
<u>ADMIN HEARINGS</u>			72970000
SCHEDULE VIIIB REDUCTIONS -			
OPERATING			33B0000
WORKFORCE REDUCTION - WORKERS'			
COMPENSATION APPEALS		8	33B1120

adversely affecting the Division's ability to meet performance objectives. Already, due to the substantial number of cases in the system, the statutory requirements for scheduling, mediation, and hearing workers' compensation appeals are not met in all districts. The Division has made significant strides through the use of electronic filing, reallocation of judges to high volume districts on temporary assignments, and intense training and re-training of key personnel to carry out the daily functions of the office. A reduction in the number of judges and mediators will impair or eliminate the excellent trends toward compliance with the time mandates that have been achieved through a monumental cooperative effort between the individuals staffing the district offices and the claimants, attorneys and employer/carriers who bring their cases to the Division for adjudication. The result will be greater delays in the resolution of workers' compensation matters and, ultimately, in the payment of benefits to injured workers who are entitled to receive them. The goal of workers' compensation, to return the injured worker to employment after receiving necessary and appropriate medical treatment and benefits to which he or she is entitled, will be severely undermined by the called for reductions. For these reasons, this issue was assigned priority number eight.

It is important to note that the budget of the Office of the Judges of Compensation Claims is funded by the Workers' Compensation Administration Trust Fund of the Department of Financial Services. This fund is supported by insurance carrier assessments; Section 440.51, Florida Statutes, specifically sets forth the formula for calculating these assessments. Insurance companies pay only that amount necessary to fund the administration of Chapter 440, Florida Statutes, including programs within the Office of the Judges of Compensation Claims, the Division of Workers' Compensation, the Department of Education and others.

This reduction affects this program's "Adjudicate and Hear Workers' Compensation Disputes" and "Facilitate Mediation of Workers' Compensation Disputes" activities. It is calculated as follows:

Salaries and Benefits:

- \$ (155,124) Delete one vacant JCC position
- (155,872) Delete one filled JCC position
- (295,847) Delete three filled mediator positions
- (92,755) Delete two filled deputy clerk positions
- (154,880) Delete five filled administrative secretary positions
- (52,567) Delete one filled administrative assistant I position
- (35,429) Delete one filled administrative assistant II position
- (79,363) Delete two filled executive secretary positions
- (68,763) Delete two filled secretary specialist positions
- (44,180) Delete one filled distributed computer systems specialist position

 \$(1,134,780) Delete 19 positions (10%) and Salaries and Benefits by 8%

Expenses:

- \$ (67,000) 10 professional standard recurring Expenses packages, \$6,700 each
 - (48,834) 9 support standard recurring Expenses packages, \$5,426 each
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 SCH VIIIB-2
 REDUCTIONS
 POS AMOUNT PRIORITY CODES

MANAGEMENT SRVCS, DEPT OF			72000000
<u>ADMIN HEARINGS</u>			72970000
SCHEDULE VIIIB REDUCTIONS -			
OPERATING			33B0000
WORKFORCE REDUCTION - WORKERS'			
COMPENSATION APPEALS		8	33B1120

\$ (115,834) Reduce Expenses by 4%

Statewide Human Resource Services Contract:
 \$ (7,619) 19 standard packages, \$401 each

 \$ (7,619) Reduce Statewide Human Resource Services Contract

 \$(1,258,233) Total Issue
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TOTAL: ADMIN HEARINGS			72970000
BY FUND TYPE			

TRUST FUNDS.....	25.00-		
	2,677,107-		2000
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