

COL A93		
SCH VIIIIB-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		1602.00.00.00
PROGRAM REDUCTIONS		33V0000
REDUCE CONTRACTED LEGAL SERVICES		33V0620
SPECIAL CATEGORIES		100000
CONTRACTED LEGAL SERVICES		103884
ADMINISTRATIVE TRUST FUND -STATE	1,059,872-	2021 1

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AGENCY ISSUE NARRATIVE:

SCH VIIIIB-2 NARR 14-15 NARRATIVE:

IT COMPONENT? NO

ISSUE SUMMARY: The Department of Management Services, Office of the Secretary proposes a reduction of \$1,059,872 from the Contracted Legal Services appropriation category. This issue reduces the department's contracted legal services contingency budget from \$1,150,000 to \$90,128.

This appropriation is used by the Department to provide outside legal representation for potential litigations. In the event the remaining appropriation 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: To meet the five percent reduction exercise, 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) (\$1,059,872) FSI=1

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REDUCE EXPENDITURES WITHIN THE  
 OFFICE OF THE SECRETARY  
 EXPENSES

33V0820  
 040000

GENERAL REVENUE FUND -STATE 15,084-

1000 1

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AGENCY ISSUE NARRATIVE:

SCH VIIIIB-2 NARR 14-15 NARRATIVE:

IT COMPONENT? NO

PRIORITY #

ISSUE SUMMARY: The Department of Management Services, Office of the Secretary proposes a reduction of \$15,084 from the Expense appropriation category. This issue reduces the department's Expenses budget that is used to fund the MyFlorida.com portal from \$41,497 to \$26,413.

COL A93		
SCH VIII B-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

This appropriation is used by the Department to purchase software licenses, information technology equipment less than \$1,000 and to pay the rent and Centrex and SUNCOM bills for the MyFlorida.com Portal. With this reduction, the department will be unable to purchase the annual software licenses that are needed to maintain the Department's website.

FISCAL INFORMATION: To meet the five percent reduction exercise, the Office of the Secretary proposes a General Revenue reduction of \$15,084 by reducing the Expense appropriation category.

General Revenue (1000)  
 Expenses (040000) (\$15,084) FSI=1  
 =====

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TOTAL: EXEC LEADERSHIP/SUPPRT SVC		<u>1602.00.00.00</u>
BY FUND TYPE		
GENERAL REVENUE FUND	15,084-	1000
TRUST FUNDS	1,059,872-	2000
	-----	
TOTAL PROG COMP.....	1,074,956-	
	=====	

COL A93		
SCH VIIIIB-2		
REDUCTIONS		
POS	AMOUNT	CODES
MANAGEMENT SRVCS, DEPT OF		72000000
PGM: ADMINISTRATION PGM		72010000
STATE EMPLOYEE LEASING		72010300
GOV OPERATIONS/SUPPORT		16
GOVERNMENTAL OPERATIONS		1601.00.00.00
PROGRAM REDUCTIONS		33V0000
ELIMINATE VACANT POSITIONS -		
STATE EMPLOYEE LEASING		33V0330
SALARY RATE		000000
SALARY RATE.....	50,251-	
	=====	
SALARIES AND BENEFITS		010000
	1.00-	
ADMINISTRATIVE TRUST FUND -STATE	68,775-	2021 1
	=====	
TOTAL: ELIMINATE VACANT POSITIONS -		33V0330
STATE EMPLOYEE LEASING		
TOTAL POSITIONS.....	1.00-	
TOTAL ISSUE.....	68,775-	
TOTAL SALARY RATE.....	50,251-	
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AGENCY ISSUE NARRATIVE:

SCH VIIIIB-2 NARR 14-15 NARRATIVE:  
 PRIORITY #

IT COMPONENT? NO

Issue Summary: The State Employee Leasing program proposes a recurring reduction of 51,936 in rate and \$68,775 in Salaries and Benefits as a result of the leased employee position within the Black Business Investment Board becoming vacant.

Chapter 2007-157, Laws of Florida created the Florida Black Business Investment Board as an instrumentality within the Office of Tourism, Trade and Economic Development to assist in the development and expansion of black business enterprises. Furthermore, it directed the Department of Management Services to enter into an employee lease agreement with the Florida Black Business Investment Board (Corporation) and required that an employee of the board, as of June 30, 2002, retain her status as a state employee until such time as the employee voluntarily or involuntarily terminates her status with the Corporation.

The only employee eligible for this lease agreement with the Corporation resigned from her positions as an Operations and Maintenance Consultant II effective May 20, 2013; thereby, concluding the employee lease agreement between the Department of Management Services and the Florida Black Business Investment Board (Corporation).

FISCAL INFORMATION: The Secretary's budget request includes a reduction of 51,936 in rate and \$68,775 in Salaries and Benefits for Fiscal Year 2014-15 as a result of the leased employee position within the Florida Black Business Investment Board becoming vacant.

Administrative Trust Fund (2021)

COL A93 SCH VIIIIB-2 REDUCTIONS		CODES
POS	AMOUNT	
MANAGEMENT SRVCS, DEPT OF		72000000
PGM: ADMINISTRATION PGM		72010000
STATE EMPLOYEE LEASING		72010300
GOV OPERATIONS/SUPPORT		16
GOVERNMENTAL OPERATIONS		1601.00.00.00
PROGRAM REDUCTIONS		33V0000
ELIMINATE VACANT POSITIONS -		
STATE EMPLOYEE LEASING		33V0330

Rate (51,936)  
 Position (1)  
 Salaries and Benefits (010000) (\$68,775) FSI=1

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POSITION DETAIL OF SALARIES AND BENEFITS:

	FTE	BASE RATE	ADDITIVES	BENEFITS	SUBTOTAL	LAPSE %	LAPSED SALARIES AND BENEFITS
A93 - SCH VIIIIB-2 REDUCTIONS							
CHANGES TO CURRENTLY AUTHORIZED POSITIONS							
2236 GOVERNMENT OPERATIONS CONSULTANT II							
03345 001	1.00-	50,251-		18,524-	68,775-	0.00	68,775-
TOTALS FOR ISSUE BY FUND							
2021 ADMINISTRATIVE TRUST FUND							68,775-
	1.00-	50,251-		18,524-	68,775-		68,775-

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TOTAL: GOVERNMENTAL OPERATIONS							1601.00.00.00
BY FUND TYPE							
TRUST FUNDS.....	1.00-	68,775-					2000
SALARY RATE.....	50,251-						

COL A93			
SCH VIIIIB-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>
OUTSOURCING OF STATE PROGRAMS,			
SERVICES OR ACTIVITIES			33J0000
SAVINGS THROUGH OUTSOURCING			
CUSTODIAL SERVICES			33J0120
SALARY RATE			000000
SALARY RATE.....	550,226-		
	=====		
SALARIES AND BENEFITS			010000
	50.75-		
SUPERVISION TRUST FUND -STATE	1,198,351-		2696 1
	=====		
EXPENSES			040000
SUPERVISION TRUST FUND -STATE	118,521-		2696 1
	=====		
SPECIAL CATEGORIES			100000
CONTRACTED SERVICES			100777
SUPERVISION TRUST FUND -STATE	1,220,184		2696 1
	=====		
TR/DMS/HR SVCS/STW CONTRCT			107040
SUPERVISION TRUST FUND -STATE	17,458-		2696 1
	=====		
TOTAL: SAVINGS THROUGH OUTSOURCING			33J0120
CUSTODIAL SERVICES			
TOTAL POSITIONS.....	50.75-		
TOTAL ISSUE.....	114,146-		
TOTAL SALARY RATE.....	550,226-		
	=====		

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AGENCY ISSUE NARRATIVE:

SCH VIIIIB-2 NARR 14-15 NARRATIVE:

IT COMPONENT? NO

ISSUE SUMMARY: The Department of Management Services, Division of Real Estate Development and Management (REDM) proposes a recurring reduction of \$114,146 by outsourcing custodial services that are currently provided by 50.75 DMS employees to six facilities located within the Florida Facilities Pool (FFP). REDM is responsible for the operations and maintenance of 12.2 million gross square feet of space in the FFP. One responsibility is to provide custodial services, whether in-house or through outsourcing. REDM currently utilizes employees to provide custodial services at six of the

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SCH VIIIIB-2		
REDUCTIONS		
POS	AMOUNT	CODES
MANAGEMENT SRVCS, DEPT OF		72000000
PGM: FACILITIES PROGRAM		72400000
FACILITIES MANAGEMENT		72400100
<u>GOV OPERATIONS/SUPPORT</u>		16
<u>GOVERNMENTAL OPERATIONS</u>		<u>1601.00.00.00</u>
OUTSOURCING OF STATE PROGRAMS, SERVICES OR ACTIVITIES		33J0000
SAVINGS THROUGH OUTSOURCING CUSTODIAL SERVICES		33J0120

facilities and utilizes custodial vendors to provide these services at the other forty nine facilities that require custodial services. Based upon a recent analysis by REDM, it is anticipated that outsourcing this service at these six facilities will result in fiscal year savings of \$114,146. The annual savings would increase to \$347,754 in subsequent years. This action would complete the outsourcing of custodial services within the FFP that began several years ago. This issue requests a reduction of 50.75 FTEs associated with the custodial operations of the Capitol Complex (Tallahassee), R.A. Gray Building (Tallahassee), Mary L Singleton Regional Service Center (Jacksonville), Daniel Chappie James Building (Pensacola), Monroe County Regional Service Center (Marathon), and the Bob Martinez Center (Tallahassee). Essentially, this issue realigns the current budget authority by reducing Salaries and Benefits by (\$1,198,351), associated Expense used for the purchase of cleaning supplies by (\$118,521) and the Human Resource (HR) assessment cost by (\$17,458) and then offsetting these reductions by providing an increase of \$1,220,184 in Contracted Services for fiscal year cost savings of \$114,146. This reduction is achievable through the outsourcing of custodial services that are currently being provided in-house to six facilities within the FFP.

The contracting of the custodial services at these six facilities will not only provide for a fiscal year cost savings estimated at \$114,146, but will also eliminate service related issues brought about due to staff turnover. Past turnovers have resulted in staff hours being re-directed to personnel hiring activities and constant training, rather than allowing the facility managers and maintenance staff to concentrate their efforts on customer service and the technical aspects of the facilities operations and maintenance. Additionally, the responsibility and associated costs for the continuous upgrade and replacement of equipment necessary to keep up with industry best practices would be shifted from REDM to a qualified vendor.

It is expected that the outsourcing of this service will result in the provision of a higher and more consistent service quality than is currently being realized. This is due to consistent statewide specifications of the vendors and also the fact that the REDM has a difficult time keeping the positions filled, resulting in a reduced service quality.

There will need to be a provision in the General Appropriations Act that will allow for the re-establishment of the positions in case the vendor is unable to perform. In the event the vendor is unable to perform, we will need the ability to use the positions and transfer the budget from Special Categories: Contracted Services back into Salaries and Benefits and Expenses.

FISCAL INFORMATION: The Secretary's budget request includes a fiscal year cost reduction of \$114,146 by eliminating 50.75 positions and then reducing the associated budget authority used for Salaries and Benefits (\$1,198,351), Expense used for cleaning supplies (\$118,521) and HR assessment cost (\$17,458) and then offsetting these reductions by providing an increase of \$1,220,184 in Contracted Services for a total cost savings of \$114,146. This reduction is achievable through the outsourcing of custodial services that are currently being provided in-house to six facilities within the Florida Facilities Pool.

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

COL A93 SCH VIII B-2 REDUCTIONS		CODES
POS	AMOUNT	
MANAGEMENT SRVCS, DEPT OF		72000000
PGM: FACILITIES PROGRAM		72400000
FACILITIES MANAGEMENT		72400100
GOV OPERATIONS/SUPPORT		16
GOVERNMENTAL OPERATIONS		1601.00.00.00
OUTSOURCING OF STATE PROGRAMS, SERVICES OR ACTIVITIES		33J0000
SAVINGS THROUGH OUTSOURCING CUSTODIAL SERVICES		33J0120

Supervision Trust Fund (2696)			
FTE	(50.75)		
Salaries and Benefits (010000)		(\$1,198,351)	
Expenses (040000)		(\$ 118,521)	
HR Statewide Contract (107040)		(\$ 17,458)	
Special Categories: Contracted Services (100777)		\$1,220,184	
Total Issue		(\$ 114,146)	FSI=1

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POSITION DETAIL OF SALARIES AND BENEFITS:

	FTE	BASE RATE	ADDITIVES	BENEFITS	SUBTOTAL	LAPSE %	LAPSED SALARIES AND BENEFITS
A93 - SCH VIII B-2 REDUCTIONS							
CHANGES TO CURRENTLY AUTHORIZED POSITIONS							
6526 CUSTODIAL WORKER							
C1003 001	50.75-	550,226-		648,125-	1,198,351-	0.00	1,198,351-
TOTALS FOR ISSUE BY FUND							
2696 SUPERVISION TRUST FUND							1,198,351-
	50.75-	550,226-		648,125-	1,198,351-		1,198,351-

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		COL A93		
		SCH VIII B-2		
		REDUCTIONS		
POS		AMOUNT		CODES
-----				
MANAGEMENT SRVCS, DEPT OF				72000000
PGM: FACILITIES PROGRAM				72400000
FACILITIES MANAGEMENT				72400100
GOV OPERATIONS/SUPPORT				16
GOVERNMENTAL OPERATIONS				1601.00.00.00
PROGRAM REDUCTIONS				33V0000
REDUCE THE FACILITIES MANAGEMENT				
OPERATING BUDGET				33V0760
SALARY RATE				000000
SALARY RATE.....	75,915-			
=====				
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	834,341-		2696 1
=====				
CAPITOL REPAIRS				108900
SUPERVISION TRUST FUND	-STATE	50,000-		2696 1
=====				
TOTAL: REDUCE THE FACILITIES MANAGEMENT				33V0760
OPERATING BUDGET				
TOTAL POSITIONS.....	4.50-			
TOTAL ISSUE.....		1,472,050-		
TOTAL SALARY RATE.....	75,915-			
=====				



COL A93		
SCH VIIIIB-2		
REDUCTIONS		
POS	AMOUNT	CODES
		72000000
		72400000
		72400100
		16
		1601.00.00.00
		33V0000
		33V0760

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

72000000  
 72400000  
 72400100  
 16  
 1601.00.00.00  
 33V0000  
 33V0760

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AGENCY ISSUE NARRATIVE:

SCH VIIIIB-2 NARR 14-15 NARRATIVE:

IT COMPONENT? NO

ISSUE SUMMARY: The Department of Management Services, Division of Real Estate Development Management (REDM) proposes a reduction of \$1,472,050 which includes four and half filled (4.5) positions and the operating budget used to operate and maintain the Florida Facilities Pool, and make upgrades and repairs to the restrooms in the State Capitol.

Salaries and Benefits:

This eliminates four full-time positions and one part-time position within the Bureau of Operations and Maintenance is responsible for the overall operations and maintenance of 108 facilities within the Pool consisting of over 12.2 million square feet. This reduction will significantly affect the workload of the remaining employees within the Bureau of Operations and Maintenance and delay the customer service provided to the tenants of these buildings.

Other Personal Services (OPS):

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. There was an additional \$500,000 funded for fiscal year 2013-14.

Expenses:

The division uses the expense budget to perform the general daily repairs and maintenance of the 108 facilities 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: This reduction will significantly impact the operating capital outlay budget that is used by the division to purchase the proper tools and equipment needed to perform building repairs and maintenance of Pool facilities.

Contracted Services:

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 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. With less focus on maintenance and repairs, it will negatively affect the division's ability to proactively manage energy costs.

State Capitol - Maintenance and Repairs:

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).

COL A93		
SCH VIIIIB-2		
REDUCTIONS		
POS	AMOUNT	CODES
MANAGEMENT SRVCS, DEPT OF		72000000
PGM: FACILITIES PROGRAM		72400000
FACILITIES MANAGEMENT		72400100
GOV OPERATIONS/SUPPORT		16
GOVERNMENTAL OPERATIONS		1601.00.00.00
PROGRAM REDUCTIONS		33V0000
REDUCE THE FACILITIES MANAGEMENT		
OPERATING BUDGET		33V0760

FISCAL INFORMATION: To meet the five percent reduction exercise, the Division of Real Estate Development Management (REDM) proposes a reduction of \$1,472,050 by reducing four and half filled (4.5) positions and the operating budget used to operate and maintain the Florida Facilities Pool, and make upgrades and repairs to the restrooms in the State Capitol.

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

Supervision Trust Fund (2696)		
Positions	(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)		(\$ 834,341)
Special Categories: State Capitol Maintenance and Repairs (108900)		(\$ 50,000)
TOTAL REDUCTION ISSUE		(\$1,472,050) FSI=1

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POSITION DETAIL OF SALARIES AND BENEFITS:

	FTE	BASE RATE	ADDITIVES	BENEFITS	SUBTOTAL	LAPSE %	LAPSED SALARIES AND BENEFITS
A93 - SCH VIIIIB-2 REDUCTIONS							
CHANGES TO CURRENTLY AUTHORIZED POSITIONS							
6526 CUSTODIAL WORKER							
B0001 001	4.50-	75,915-		61,430-	137,345-	0.00	137,345-

COL A93 SCH VIIIIB-2 REDUCTIONS		CODES
POS	AMOUNT	
MANAGEMENT SRVCS, DEPT OF		72000000
PGM: FACILITIES PROGRAM		72400000
FACILITIES MANAGEMENT		72400100
GOV OPERATIONS/SUPPORT		16
GOVERNMENTAL OPERATIONS		1601.00.00.00
PROGRAM REDUCTIONS		33V0000
REDUCE THE FACILITIES MANAGEMENT		
OPERATING BUDGET		33V0760

POSITION DETAIL OF SALARIES AND BENEFITS:

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

CHANGES TO CURRENTLY AUTHORIZED POSITIONS

TOTALS FOR ISSUE BY FUND  
 2696 SUPERVISION TRUST FUND

						137,345-
4.50-	75,915-		61,430-	137,345-		137,345-

OTHER SALARY AMOUNT  
 2696 SUPERVISION TRUST FUND

43,034-
180,379-

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TOTAL: GOVERNMENTAL OPERATIONS		1601.00.00.00
BY FUND TYPE		
TRUST FUNDS.....	55.25-	
SALARY RATE.....	1,586,196-	2000
	626,141-	
	=====	

COL A93		
SCH VIIIIB-2		
REDUCTIONS		
POS	AMOUNT	CODES
MANAGEMENT SRVCS, DEPT OF		72000000
PGM: SUPPORT PROGRAM		72600000
PURCHASING OVERSIGHT		72600400
GOV OPERATIONS/SUPPORT		16
GOVERNMENTAL OPERATIONS		1601.00.00.00
PROGRAM REDUCTIONS		33V0000
REDUCE FUNDING USED TO SUPPORT THE		
WEB BASED E-PROCUREMENT SYSTEM		33V0680
SPECIAL CATEGORIES		100000
WEB-BASED E-PROCUREMENT SYS		104502
OPERATING TRUST FUND	-STATE 606,295-	2510 1

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AGENCY ISSUE NARRATIVE:

SCH VIIIIB-2 NARR 14-15 NARRATIVE: IT COMPONENT? NO  
 PRIORITY #

ISSUE SUMMARY: The Department of Management Services, Division of State Purchasing proposes a reduction of \$606,295 from the Web Based E-Procurement System appropriation category.

Section 287.057(22), Florida Statutes, directs the Department of Management Services (DMS) to "develop a program for online procurement of commodities and contractual services to enable the state to promote open competition and to leverage its buying power DMS developed the MyFloridaMarketPlace (MFMP) system.

In 2012, DMS competitively re-procured the MyFloridaMarketPlace contract resulting in a savings of over \$3 million annually, as presented to the Legislative Budget Committee in January 2013. In addition to the savings, the new contract included stricter service level expectations with strengthened financial penalties.

The MFMP contract allows the Division to reduce the service levels agreement upon 180 days' notice. This reduction of \$606,295 significantly impacts the services provided to DMS, state agencies, and vendors that do business with the state. This reduction would likely require the Division to reduce the billing and collections service area and reduce the MFMP Customer Service Desk.

Reduction to the "billing and collections service area" would result in a decrease in the collection of transaction fees which currently fund the Division of State Purchasing, Fleet Management, The Office of Supplier Diversity, DMS Administration, transfers to the Department of Financial Services, and the MyFloridaMarketPlace contract. DMS would enter into negotiations with the service provider to secure basic billing and collections services through the reduction of other service areas. The Division of State Purchasing does not have FTEs to support this activity.

Reductions to the "MFMP Customer Service Desk service area" would result in a reduction of services provided to vendors doing business with the state and DMS' ability to timely respond to the 32 state agencies who use MFMP. It is likely that this would hinder the progress of the current MyFloridaMarketPlace Utilization Initiative to increase agency usage of the system, which is part of the Procurement Transformation Initiative.

FISCAL INFORMATION: To meet the five percent reduction exercise, the Division of State Purchasing proposes a reduction

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REDUCTIONS		
POS	AMOUNT	CODES
MANAGEMENT SRVCS, DEPT OF		72000000
PGM: SUPPORT PROGRAM		72600000
PURCHASING OVERSIGHT		72600400
<u>GOV OPERATIONS/SUPPORT</u>		16
<u>GOVERNMENTAL OPERATIONS</u>		<u>1601.00.00.00</u>
PROGRAM REDUCTIONS		33V0000
REDUCE FUNDING USED TO SUPPORT THE		
WEB BASED E-PROCUREMENT SYSTEM		33V0680

of \$606,295 from the Web Based E-Procurement System appropriation category.

Operating Trust Fund (2510)

Special Categories: Web Based E-Procurement System (104502)

(\$606,295) FSI=1

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COL A93			
SCH VIII B-2			
REDUCTIONS			
POS	AMOUNT		CODES
MANAGEMENT SRVCS, DEPT OF			72000000
PGM: SUPPORT PROGRAM			72600000
PRIVATE PRISON MONITORING			72600800
PUBLIC PROTECTION			12
ADULT PRISONS			1206.00.00.00
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 9,569-		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.....	61,384-		
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AGENCY ISSUE NARRATIVE:  
 SCH VIII B-2 NARR 14-15 NARRATIVE:  
 PRIORITY #

IT COMPONENT? NO

ISSUE SUMMARY: The Department of Management Services, Bureau of Private Prison Monitoring proposes a reduction of \$61,384 from the General Revenue Fund by reducing the Other Personal Services (OPS), Expenses, Contracted Services, Contracted Legal Services and Operating Capital Outlay (OCO) appropriations categories. This reduction will hinder the bureau's ability to meet the statutory requirements as required by Chapter 957, Florida Statutes.

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

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

This reduction also eliminates the entire funding for the Contracted Legal Services; thereby leaving the bureau with no resources to address potential 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: To meet the five percent reduction exercise, 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. This reduction will hinder the bureau's ability to meet the statutory requirements as required by Chapter 957, Florida Statutes.

General Revenue (1000)		
Other Personal Services (030000)	(\$15,200)	
Expenses (040000)	(\$ 9,569)	
Operating Capital Outlay (060000)	(\$ 3,890)	
Special Categories: Contracted Services (100777)	(\$ 9,556)	
Special Categories: Contracted Legal Services (103884)	(\$23,169)	
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TOTAL REDUCTION ISSUE	(\$61,384)	FSI=1
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COL A93		
SCH VIII B-2		
REDUCTIONS		
POS	AMOUNT	CODES
-----		
MANAGEMENT SRVCS, DEPT OF		72000000
PGM: SUPPORT PROGRAM		72600000
<u>PRIVATE PRISON MONITORING</u>		72600800
<u>PUBLIC PROTECTION</u>		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.....	61,384-	1000
	=====	



COL A93		
SCH VIIIIB-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 POST PAYMENT CLAIMS AUDIT		
SERVICES		33V0570
SPECIAL CATEGORIES		100000
POST PAYMENT CLAIMS/SVCS		100701
STATE EMPLY HEALTH INS TF -STATE	400,000-	2668 1
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AGENCY ISSUE NARRATIVE:

SCH VIIIIB-2 NARR 14-15 NARRATIVE:  
 PRIORITY #

IT COMPONENT? NO

ISSUE SUMMARY: The Department of Management Services, Division of State Group Insurance (DSGI) proposes a reduction of \$400,000 from the Post Payment Claims Audit Services appropriation category.

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 (HMS), Inc. to conduct a post-payment claims review of the State Employees' Health Insurance Preferred Provider Organization (PPO) plan established according to section 110.123, and 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. DSGI renewed the contract with HMS for one (1) year, from May 1, 2013 through April 30, 2014.

The division has taken a highly aggressive approach in reviewing its recurring expenditures in an effort to maximize the best use of resources, while minimizing the overall cost. The Division could take a reduction of \$400,000 in the post payment claims audit services appropriation category. This reduction will have no negative impact on the Division's ability to meet the terms and conditions of the contract nor will it impact the impact the ability to recover claim overpayments.

Pursuant to the law being repealed and the implementation of the Health Insurance Management Information System, DSGI could perform the post-payment claims audit services in-house with existing staff rather than through vendor services. This reduction is the result of vendor audit findings yielding less than projected. If legislation does not change the requirements, we would need to retain about \$100,000 to continue to pay a vendor for these services; lowering this reduction from \$400,000 down to \$300,000 with accompanying proviso to allow for increase amendments as needed.

FISCAL INFORMATION: The Division of State Group Insurance proposes a reduction from within the Special Categories: Post Payment Claims Audit Services appropriation category.

This issue impacts the Administer the Health Insurance Program activity.

COL A93		
SCH VIIIIB-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 POST PAYMENT CLAIMS AUDIT		
SERVICES		33V0570

State Employees' Health Insurance Trust Fund (2668)  
 Special Categories: Post Payment Claims Audit Services (100701) (\$400,000) FSI=1

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REDUCE THE ADMINISTRATIVE SERVICES		
ONLY CONTRACT FOR HEALTH INSURANCE		33V0580
SPECIAL CATEGORIES		100000
ASO CONTRACT/HEALTH INS		101520

STATE EMPLOY HEALTH INS TF -STATE 2,380,003- 2668 1

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AGENCY ISSUE NARRATIVE:

SCH VIIIIB-2 NARR 14-15 NARRATIVE:

IT COMPONENT? NO

PRIORITY #

ISSUE SUMMARY: The Department of Management Services, Division of State Group Insurance (DSGI) proposes a reduction of \$2,380,003 from the Administrative Services Only (ASO) appropriation category. This reduction 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 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 \$2,380,003.

Based on contracted fees and projected plan enrollment, the estimated ASO Fee for Fiscal Year 2014-15 is \$52.7 million. To meet this reduction of \$2,380,003, the contracted ASO fee will have to be drastically reduced. This fee is based on a per contract per month fee. Since the ASO fee was recently negotiated and is considered a highly competitive rate, additional price concessions 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

COL A93		
SCH VIIIIB-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 THE ADMINISTRATIVE SERVICES		
ONLY CONTRACT FOR HEALTH INSURANCE		33V0580

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 \$1,189 million for Fiscal Year 2014-15.

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: To meet the five percent reduction exercise, the Division of State Group Insurance (DSGI) proposes to reduce the Administrative Services Only (ASO) appropriation category that is used to obtain third-party administrative services to provide 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.

State Employees' Health Insurance Trust Fund (2668)  
 Special Categories: Administrative Services Only  
 Contract for Health Insurance (101520) (\$2,380,003) FSI=1

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TOTAL: GOVERNMENTAL OPERATIONS		<u>1601.00.00.00</u>
BY FUND TYPE		
TRUST FUNDS.....	2,780,003-	2000
	=====	

COL A93			
SCH VIII B-2			
REDUCTIONS			
POS	AMOUNT		CODES
MANAGEMENT SRVCS, DEPT OF			72000000
WORKFORCE PROGRAMS			72750000
PGM: RETIRE BENEFITS ADMIN			72750300
GOV OPERATIONS/SUPPORT			16
GOVERNMENTAL OPERATIONS			1601.00.00.00
PROGRAM REDUCTIONS			33V0000
ELIMINATE CONTRACTED LEGAL SERVICES			33V0590
SPECIAL CATEGORIES			100000
CONTRACTED LEGAL SERVICES			103884

OPERATING TRUST FUND -STATE 159,872- 2510 1  
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AGENCY ISSUE NARRATIVE:

SCH VIII B-2 NARR 14-15 NARRATIVE: IT COMPONENT? NO  
 PRIORITY #

ISSUE SUMMARY: The Department of Management Services, Division of Retirement proposes eliminating \$159,872 from the Contracted Legal Services appropriation category.

This issue will eliminate all Contracted Legal Services funding that is used to provide outside legal representation. In the event there is litigation involving the division, a budget amendment will be required to fund the contract for legal services and would require timely processing to be able to respond to a lawsuit appropriately.

FISCAL INFORMATION: To meet the five percent reduction exercise, the Division of Retirement proposes eliminating all funding from the Contracted Legal Services appropriation category.

Operating Trust Fund (2510)  
 Special Categories: Contracted Legal Services (103884) (\$159,872) FSI=1  
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REDUCE EXPENDITURES WITHIN THE  
 DIVISION OF RETIREMENT BY  
 IMPLEMENTING ON-LINE SERVICES  
 EXPENSES

33V0650  
 040000

OPERATING TRUST FUND -STATE 421,285- 2510 1  
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AGENCY ISSUE NARRATIVE:

SCH VIII B-2 NARR 14-15 NARRATIVE: IT COMPONENT? NO  
 PRIORITY #

ISSUE SUMMARY: The Department of Management Services, Division of Retirement proposes a reduction of \$421,285 by

COL A93		
SCH VIIIIB-2		
REDUCTIONS		
POS	AMOUNT	CODES
MANAGEMENT SRVCS, DEPT OF		72000000
WORKFORCE PROGRAMS		72750000
PGM: RETIRE BENEFITS ADMIN		72750300
GOV OPERATIONS/SUPPORT		16
GOVERNMENTAL OPERATIONS		1601.00.00.00
PROGRAM REDUCTIONS		33V0000
REDUCE EXPENDITURES WITHIN THE		
DIVISION OF RETIREMENT BY		
IMPLEMENTING ON-LINE SERVICES		33V0650

reducing printing and mailing costs and other expenses.

The division routinely sends out educational materials to the members of the Florida Retirement System (FRS). This issue will reduce expenditures used to fund the printing and distribution of the FRS Bulletin for active members and Member Annual Statements. This issue also reduces other services and expenditures used to purchase office supplies for employees.

Members will receive electronic notification to access publications either from the division's website or from their FRS Online account and will no longer receive a hard copy.

FISCAL INFORMATION: To meet the five percent reduction exercise, the Division of Retirement proposes to reduce the funding used to print and mail educational material to the members of the FRS.

Operating Trust Fund (2510)  
 Expenses (040000) (\$421,285) FSI=1  
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REDUCE SALARIES AND BENEFITS		33V0670
SALARY RATE		000000
SALARY RATE.....	32,035-	
	=====	
SALARIES AND BENEFITS		010000
GENERAL REVENUE FUND -STATE	36,713-	1000 1
	=====	
TOTAL: REDUCE SALARIES AND BENEFITS		33V0670
TOTAL ISSUE.....	36,713-	
TOTAL SALARY RATE.....	32,035-	
	=====	

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AGENCY ISSUE NARRATIVE:  
 SCH VIIIIB-2 NARR 14-15 NARRATIVE:  
 PRIORITY #X

IT COMPONENT? NO

COL A93 SCH VIIIIB-2 REDUCTIONS		CODES
POS	AMOUNT	
MANAGEMENT SRVCS, DEPT OF		72000000
WORKFORCE PROGRAMS		72750000
PGM: RETIRE BENEFITS ADMIN		72750300
GOV OPERATIONS/SUPPORT		16
GOVERNMENTAL OPERATIONS		1601.00.00.00
PROGRAM REDUCTIONS		33V0000
REDUCE SALARIES AND BENEFITS		33V0670

ISSUE SUMMARY: The Department of Management Services, Division of Retirement proposes a reduction of \$36,713 in Salaries and Benefits and 32,035 in associated rate within the General Revenue by offering up a portion of the contingency that is used to subsidize the Police and Firefighters Premium Tax Trust Fund in the event there is shortfall in investment earnings.

Section 185.10, Florida Statutes, directs the Department of Management Services to use the interest earnings from the funds deposited into the Police and Firefighters Premium Tax Trust Fund to fund the division's daily oversight and monitoring responsibilities of the local government retirement plans. Funds deposited into this trust fund are collected on behalf of each municipality and special fire control district; however, in recent years the interest earnings from the Police and Firefighters Premium Tax Trust Fund have not been sufficient enough to fund the division's daily oversight and monitoring responsibilities. Therefore, this funding is generally subsidized by the General Revenue contingency fund. This issue will reduce a portion of the contingency funding that is used to subsidize the division's daily operating cost for the oversight and monitoring of the police officers' retirement plan.

FISCAL INFORMATION:  
 To meet the five percent reduction exercise, the Division of Retirement proposes reducing a portion of the General Revenue contingency funding that is used to offset potential shortfalls in the Police and Firefighters Premium Tax Trust Fund.

General Revenue (1000)  
 Salaries and Benefits (010000) (\$36,713) FSI 1  
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POSITION DETAIL OF SALARIES AND BENEFITS:

	FTE	BASE RATE	ADDITIVES	BENEFITS	SUBTOTAL	LAPSE %	LAPSED SALARIES AND BENEFITS
A93 - SCH VIIIIB-2 REDUCTIONS							
CHANGES TO CURRENTLY AUTHORIZED POSITIONS							
RA01 RATE & SALARY ADJ - BENEFITS NO FTE							
C1001 001	0.00	32,035-		4,677-	36,712-	0.00	36,712-

COL A93 SCH VIIIIB-2 REDUCTIONS		CODES
POS	AMOUNT	
MANAGEMENT SRVCS, DEPT OF		72000000
WORKFORCE PROGRAMS		72750000
PGM: RETIRE BENEFITS ADMIN		72750300
GOV OPERATIONS/SUPPORT		16
GOVERNMENTAL OPERATIONS		1601.00.00.00
PROGRAM REDUCTIONS		33V0000
REDUCE SALARIES AND BENEFITS		33V0670

POSITION DETAIL OF SALARIES AND BENEFITS:

	FTE	BASE RATE	ADDITIVES	BENEFITS	SUBTOTAL	LAPSE %	LAPSED SALARIES AND BENEFITS
A93 - SCH VIIIIB-2 REDUCTIONS							
CHANGES TO CURRENTLY AUTHORIZED POSITIONS							
TOTALS FOR ISSUE BY FUND							
1000 GENERAL REVENUE FUND							36,712-
	0.00	32,035-		4,677-	36,712-		36,712-
OTHER SALARY AMOUNT							
1000 GENERAL REVENUE FUND							1-
							36,713-

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REDUCE ACTUARIAL SERVICES	33V0770
SPECIAL CATEGORIES	100000
CONTRACTED SERVICES	100777

OPERATING TRUST FUND	-STATE	200,000-	2510	1
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AGENCY ISSUE NARRATIVE:

SCH VIIIIB-2 NARR 14-15 NARRATIVE:

IT COMPONENT? NO

ISSUE SUMMARY: The Department of Management Services, Division of Retirement proposes a reduction of \$200,000 from the Contracted Services appropriation category by reducing actuarial services.

Actuarial services are provided to members upon their request in order to better inform the members of the plans cost differentials. This reduction will limit the number of requests that can be processed by the consulting agency for members who request the cost of transferring between the Pension Plan and the Investment Plan. In addition, this issue would reduce the budget that is provided for actuarial special studies for proposed or enacted legislation. Budget

COL A93		
SCH VIII B-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 ACTUARIAL SERVICES		33V0770

amendments may be required to for the approval of special studies of proposed or enacted retirement changes, or if the number of requests for membership transfers exceed the remaining budget.

FISCAL INFORMATION: To meet the five percent reduction exercise, the Division of Retirement proposes a reduction in the Operating Trust Fund from within the Contracted Services appropriation category by reducing actuarial services.

Operating Trust Fund (2510)  
 Special Categories: Contracted Services (100777) (\$200,000) FSI = 1

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TOTAL: GOVERNMENTAL OPERATIONS		<u>1601.00.00.00</u>
BY FUND TYPE		
GENERAL REVENUE FUND	36,713-	1000
TRUST FUNDS	781,157-	2000
	-----	
TOTAL PROG COMP.....	817,870-	
TOTAL SALARY RATE.....	32,035-	
	=====	



COL A93		
SCH VIII B-2		
REDUCTIONS		
POS	AMOUNT	CODES
MANAGEMENT SRVCS, DEPT OF		72000000
WORKFORCE PROGRAMS		72750000
PRG: PEOPLE FIRST		72750500
GOV OPERATIONS/SUPPORT		16
GOVERNMENTAL OPERATIONS		1601.00.00.00
PROGRAM REDUCTIONS		33V0000
REDUCE THE PEOPLE FIRST CONTRACT		33V0690
SPECIAL CATEGORIES		100000
HUMAN RES SVC/STW CONTRACT		107080
STATE PERSONNEL SYSTEM TF -STATE	1,804,649-	2678 1
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AGENCY ISSUE NARRATIVE:

SCH VIII B-2 NARR 14-15 NARRATIVE:  
 PRIORITY #

IT COMPONENT? NO

Issue Summary: The Department of Management Services, People First team proposes a reduction of \$1,804,649 from the Special Categories: Human Resource Services/Statewide Contract appropriation category. This will reduce the annual payment for the People First contract which may result in a reduction of 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 human resource information system for all authorized and established positions in state service. The department may also contract with a vendor to provide the human resource information system. Sections 215.93 and 215.94, Florida Statutes, directs 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 human resource 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.

However, an additional reduction of \$1,804,649 is not in the best interest of the state. This reduction will either result in a reduction of 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 213,000 system users in an untenable position to maintain a very complex enterprise-wide human resource information system and associated services. The department estimates between 12 to 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 human resource information system meeting the needs of 213,000 users. Recent surveys indicate a

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

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: To meet the five percent budget reduction exercise, it is necessary for the People First team to propose a reduction of \$1,804,649 from the State Personnel System Trust Fund within the Special Categories: Human Resource Services/Statewide Contract appropriation category. This will reduce the annual payment for the People First contract which may result in either a reduction of services or contract termination.

State Personnel System Trust Fund (2678)  
 Human Resources Services/Statewide Contract  
 appropriations category (107080) (\$1,804,649) FSI=1  
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REDUCE PEOPLE FIRST OPERATING EXPENDITURES		33V0750
SALARY RATE		000000
SALARY RATE..... 44,431-		
=====		
SALARIES AND BENEFITS		010000
STATE PERSONNEL SYSTEM TF -STATE 1.00- 58,584-		2678 1
=====		
EXPENSES		040000
STATE PERSONNEL SYSTEM TF -STATE 4,407-		2678 1
=====		
SPECIAL CATEGORIES		100000
CONTRACTED SERVICES		100777
STATE PERSONNEL SYSTEM TF -STATE 8,000-		2678 1
=====		

COL A93		
SCH VIIIIB-2		
REDUCTIONS		
POS	AMOUNT	CODES
-----		
MANAGEMENT SRVCS, DEPT OF		72000000
WORKFORCE PROGRAMS		72750000
PRG: PEOPLE FIRST		72750500
GOV OPERATIONS/SUPPORT		16
GOVERNMENTAL OPERATIONS		1601.00.00.00
PROGRAM REDUCTIONS		33V0000
REDUCE PEOPLE FIRST OPERATING		
EXPENDITURES		33V0750
TOTAL: REDUCE PEOPLE FIRST OPERATING		33V0750
EXPENDITURES		
TOTAL POSITIONS.....	1.00-	
TOTAL ISSUE.....	70,991-	
TOTAL SALARY RATE.....	44,431-	
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AGENCY ISSUE NARRATIVE:

SCH VIIIIB-2 NARR 14-15 NARRATIVE: IT COMPONENT? NO

ISSUE SUMMARY: The Department of Management Services, People First team proposes a total reduction of \$70,991 of which \$58,584 is from Salaries and Benefits, \$8,000 Contracted Services and \$4,407 from Expenses. This reduction will impact the Team's ability to move forward with the upcoming re-procurement of the People First initiative.

The People First Team manages the State of Florida human resource (HR) business process outsourcing contract (BPO) and oversees the performance of the service provider, NorthgateArinso. The HR BPO initiative includes payroll preparation, attendance and leave, benefits administration, recruitment, performance management, human resource administration and data warehouse report querying. As part of this HR BPO initiative, the service provider built and maintains a human resource information system known as People First. This system is a large enterprise-wide Enterprise Resources Planning (ERP) that supports four pay cycles, eight collective bargaining units, nine work schedule variations, 588 interfaces, and over seven terabytes of data.

The People First Team acts as the contract manager to oversee performance and ensure service provider compliance with contract provisions, including agreed-upon performance metrics and delivery of quality services to job applicants and 213,000 system users (state employees and state retirees). The Team is a very small but efficient unit and has three distinct and important roles: contract management, project management, and agency support. In addition to its normal contract oversight and operational responsibilities, the People First Team is responsible for three critical activities spanning the next three years: benefits Open Enrollment, deployment of the Affordable Healthcare Act regulations, and planning for contract expiration (e.g., business case, procurement, and potential transition to a new vendor).

This reduction of \$70,991 would cause a disruption in the delivery of services to job applicants and to all 213,000 users of the People First system. People First users include state agencies, State Courts System, Justice Administrative Commission, Lottery, Legislature, University System, and state retirees. The People First Team is already minimally staffed, and since 2007, the People First Team staffing number has been reduced by 32 percent. Further staff reductions (through a reduction to the Salary and Benefits Category) would hamper the team's ability to effectively provide service provider oversight, coordinate benefits open enrollment, and plan for contract expiration.

A budgetary reduction to the contract and expense categories would lessen the Team's ability to remain current with the latest technological advances to the underlying software (SAP). A reduction would also lessen the team's ability to keep

COL A93		
SCH VIIIIB-2		
REDUCTIONS		
POS	AMOUNT	CODES
MANAGEMENT SRVCS, DEPT OF		72000000
WORKFORCE PROGRAMS		72750000
PRG: PEOPLE FIRST		72750500
GOV OPERATIONS/SUPPORT		16
GOVERNMENTAL OPERATIONS		1601.00.00.00
PROGRAM REDUCTIONS		33V0000
REDUCE PEOPLE FIRST OPERATING		
EXPENDITURES		33V0750

current with the Project Management Professional (PMP), Florida Certified Contract Manager (FCCM), and Florida Certified Contract Negotiation (FCCN) certifications, which is crucial with the upcoming re-procurement of the People First initiative. Florida Statute Section 287.057(16)(b) requires a Florida Certified Contract Negotiator to participate on all Invitation to Negotiate (ITN) negotiation teams when the procuring agency expects the value of the acquisition to exceed \$1 million annually. When an agency expects the ITN to result in one or more contracts worth \$10 million, the negotiation team must include a Project Management Professional certified by the Project Management Institute. The re-procurement is expected to exceed \$10 million.

FISCAL INFORMATION: To meet the five percent reduction exercise, the People First team proposes a reduce of \$70,991 from the State Personnel System Trust Fund from within the Salaries and Benefits, Contracted Services, and Expenses appropriation categories. This reduction will impact the team's ability to move forward with the upcoming re-procurement of the People First initiative.

State Personnel System Trust Fund (2678)

Rate	(44,431)	
Positions	-1	
Salaries and Benefits (010000)		(\$58,584)
Special Categories: Contracted Services (100777)		(\$ 8,000)
Expense (040000)		(\$ 4,407)
		=====
		(\$70,991) FSI=1

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COL A93		
SCH VIIIIB-2		
REDUCTIONS		
POS	AMOUNT	CODES
MANAGEMENT SRVCS, DEPT OF		72000000
WORKFORCE PROGRAMS		72750000
PRG: PEOPLE FIRST		72750500
GOV OPERATIONS/SUPPORT		16
GOVERNMENTAL OPERATIONS		1601.00.00.00
PROGRAM REDUCTIONS		33V0000
REDUCE PEOPLE FIRST OPERATING		
EXPENDITURES		33V0750

POSITION DETAIL OF SALARIES AND BENEFITS:

	FTE	BASE RATE	ADDITIVES	BENEFITS	SUBTOTAL	LAPSE %	LAPSED SALARIES AND BENEFITS
A93 - SCH VIIIIB-2 REDUCTIONS							
CHANGES TO CURRENTLY AUTHORIZED POSITIONS							
2224 GOVERNMENT ANALYST I							
P0001 001	1.00-	44,431-		17,675-	62,106-	0.00	62,106-
TOTALS FOR ISSUE BY FUND							
2678 STATE PERSONNEL SYSTEM TF							62,106-
	1.00-	44,431-		17,675-	62,106-		62,106-
OTHER SALARY AMOUNT							
2678 STATE PERSONNEL SYSTEM TF							3,522
							58,584-

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TOTAL: GOVERNMENTAL OPERATIONS							1601.00.00.00
BY FUND TYPE							
TRUST FUNDS.....	1.00-			1,875,640-			2000
SALARY RATE.....		44,431-					

=====

COL A93		
SCH VIIIIB-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 EXCESS BUDGET AUTHORITY -		
COMMUNICATIONS WORKING CAPITAL		
TRUST FUND		33V0350
EXPENSES		040000
COMMUNICATIONS WKG CAP TF -STATE	7,723-	2105 1

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AGENCY ISSUE NARRATIVE:

SCH VIIIIB-2 NARR 14-15 NARRATIVE: IT COMPONENT? NO

ISSUE SUMMARY: The Department of Management Services, Division of Telecommunication proposes a reduction of \$7,723 from the Expenses budget that is used to support the Emergency Medical Services (EMS).

In Part I of Chapter 401, the Department of Management Services (DMS) is assigned the duty of planning the statewide system of regional emergency medical telecommunications. Without such coordination, mutual aid of EMS services cannot be assured throughout the state. This ability to communicate between emergency medical providers and with other public safety personnel is critical in major disasters when EMS resources from several jurisdictions come together in one location and when patients are transported between jurisdictions, as with helicopter transport to trauma hospitals.

During the Fiscal Year 2012-13 Legislative Session, the Legislature eliminated this position along with the Salaries and Benefits and associated rate. However, when this position was eliminated the expense budget associated with this position was not. Due to the elimination of the position this budget authority is no longer needed.

Historically, DMS negotiated agreements with the Department of Health (DOH) through which DOH provided partial funding from the Emergency Medical Services Trust Fund. DOH now however, has discontinued payments to DMS.

FISCAL INFORMATION: To meet the five percent reduction exercise, the Division of Telecommunications Wireless Services proposes a reduction in the Communications Working Capital Trust fund from within the Expenses appropriation category.

This issue impacts the Technology Program Network Operations activity.

Communications Working Capital Trust Fund (2105)  
 Expenses (040000) (\$7,723) FSI=1

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COL A93			
SCH VIIIIB-2			
REDUCTIONS			
POS	AMOUNT		CODES
			72000000
			72900000
			72900100
			16
			1603.00.00.00
			33V0000
			33V0730
			100000
			100777
WIRELESS COMM E911 TF	-STATE 170,000-		2344 1

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AGENCY ISSUE NARRATIVE:

SCH VIIIIB-2 NARR 14-15 NARRATIVE:

IT COMPONENT? NO

ISSUE SUMMARY: The Department of Management Services, Division of Telecommunications proposes a reduction of \$170,000 to operating budget used to support the Emergency Communication Number E911.

This issue proposes to eliminate excess budget authority in the Contracted Services appropriation category. These funds were originally appropriated to enable the program to meet the federal match requirement for the ENHANCE 911 Grant Act. This grant expired on September 30, 2012; therefore, these funds are no longer required.

FISCAL INFORMATION: To meet the five percent reduction exercise, the Division of Telecommunication proposes to reduce the Emergency Communications Number E911 System Trust Fund from within Expenses, Contracted Services and Contracted Legal Services appropriation categories.

This issue impacts the Information Technology Network Operations activity.

Wireless Communication E911 Trust Fund (2344)

Special Categories: Contracted Services (100777)

(\$170,000) FSI=1

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REDUCE THE OPERATING BUDGET  
 SUPPORTING THE EMERGENCY  
 COMMUNICATIONS NUMBER E911  
 EXPENSES

33V0790  
 040000

WIRELESS COMM E911 TF -STATE 259,108-  
 =====

2344 1

COL A93		
SCH VIIIIB-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 THE OPERATING BUDGET		
SUPPORTING THE EMERGENCY		
COMMUNICATIONS NUMBER E911		33V0790
SPECIAL CATEGORIES		100000
CONTRACTED LEGAL SERVICES		103884
WIRELESS COMM E911 TF	-STATE 50,000-	2344 1
	=====	
TOTAL: REDUCE THE OPERATING BUDGET		33V0790
SUPPORTING THE EMERGENCY		
COMMUNICATIONS NUMBER E911		
TOTAL ISSUE.....	309,108-	
	=====	

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AGENCY ISSUE NARRATIVE:

SCH VIIIIB-2 NARR 14-15 NARRATIVE:

IT COMPONENT? NO

ISSUE SUMMARY: The Department of Management Services, Division of Telecommunications proposes a reduction of \$309,108 to operating budget used to support the Emergency Communication Number E911.

This issue proposes \$50,000 in reductions to the Contracted Legal Services appropriation category. 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, the Board has not required extensive legal intervention in recent years. The pending sunset of the moratorium on the collection of 911 fee on prepaid wireless service is an issue that could potentially require extensive legal intervention, requiring the use of a full-time attorney. If this reduction is taken, the Board would be left without the necessary budget authority to defend legal actions brought forward and would be dependent on an already over burdened DMS General Counsel's office.

The division also proposes to reduce the Expenses appropriation category by \$259,108. The division uses this budget to travel to and from the different job sites in order to provide assistance to counties in response to the migration strategies and system design requirements for E911 emergency communications. With the pending FCC rule requiring the telecommunications industry to provide text-to-911, it is possible that many of the Florida counties will be requesting additional support in these areas. If this reduction is taken, the Board will be unable to adequately support these requests.

If achieving this budget reduction includes a sweep of the cash generated from the state imposed 911 fee on communications services, the state will be required to refund more than \$1.5M in federal grant dollars used to develop next generation 911 standards and may lose the right to impose the 911 fee on wireless services.



COL A93		
SCH VIIIIB-2		
REDUCTIONS		
POS	AMOUNT	CODES
MANAGEMENT SRVCS, DEPT OF		72000000
PGM: TECHNOLOGY PROGRAM		72900000
TELECOMMUNICATIONS SVCS		72900100
GOV OPERATIONS/SUPPORT		16
INFORMATION TECHNOLOGY		<u>1603.00.00.00</u>
PROGRAM REDUCTIONS		33V0000
REDUCE THE OPERATING BUDGET		
SUPPORTING THE EMERGENCY		
COMMUNICATIONS NUMBER E911		33V0790

FISCAL INFORMATION: To meet the five percent reduction exercise, the Division of Telecommunication proposes to reduce the Emergency Communications Number E911 System Trust Fund from within Expenses, and Contracted Legal Services appropriation categories.

This issue impacts the Information Technology Network Operations activity.

Wireless Communication E911 Trust Fund (2344)		
Expenses (040000)		(\$259,108)
Special Categories: Contracted Legal Services (103884)		(\$ 50,000)
		-----
Total Amount of Reduction		\$ (309,108) FSI=1
		=====

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TOTAL: INFORMATION TECHNOLOGY		<u>1603.00.00.00</u>
BY FUND TYPE		
TRUST FUNDS.....	486,831-	2000
	=====	

COL A93		
SCH VIIIIB-2		
REDUCTIONS		
POS	AMOUNT	CODES
-----		
MANAGEMENT SRVCS, DEPT OF		72000000
PGM: TECHNOLOGY PROGRAM		72900000
WIRELESS SERVICES		72900200
GOV OPERATIONS/SUPPORT		16
INFORMATION TECHNOLOGY		1603.00.00.00
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
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AGENCY ISSUE NARRATIVE:

SCH VIIIIB-2 NARR 14-15 NARRATIVE:  
 PRIORITY #

IT COMPONENT? NO

ISSUE SUMMARY: The Department of Management Services, Division of Telecommunications - Wireless Services proposes a reduction of \$911,000 from the Statewide Law Enforcement Radio System (SLERS) Contract Payment appropriation category.

Section 282.709, Florida Statutes, requires the Department of Management Services to design, engineer, acquire, implement, operate, and maintain the statewide radio communications system in order 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%.

Section 320.0802, Florida Statutes, imposes a \$1.00 annual surcharge on registrations of motor vehicles and vessels. This surcharge provides funding for the SLERS radio systems' 20 year contract with Harris Corporation; a unique public private partnership. Annual payments to Harris Corporation fluctuate to the same extent that annual receipts from this surcharge fluctuate. In recent years declining receipts have resulted in lower payments, thus a reduced need for spending authority in this category. As such, this reduction will not reduce the payments made to Harris Corporation required by the Service and Access Agreement (contract) for the SLERS; this issue merely aligns the budget authority with the actual expenditures.

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. In the event the funds are sweep, this would require 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 funding. 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, 2014. The department projects that development of an ITN and the ensuing procurement process would take up to 24 months, or more. Aside from contract termination, any reduction in the current levels of service will affect the State Law Enforcement Agencies by reducing the quality and coverage area of the radio system. Reductions may also result in undesirable levels of radio queuing or busy signals preventing public safety mission critical voice transmissions from being transmitted and received.

COL A93		
SCH VIII B-2		
REDUCTIONS		
POS	AMOUNT	CODES
MANAGEMENT SRVCS, DEPT OF		72000000
PGM: TECHNOLOGY PROGRAM		72900000
WIRELESS SERVICES		72900200
<u>GOV OPERATIONS/SUPPORT</u>		16
<u>INFORMATION TECHNOLOGY</u>		<u>1603.00.00.00</u>
PROGRAM REDUCTIONS		33V0000
REDUCE STATEWIDE LAW ENFORCEMENT		
RADIO CONTRACT		33V0640

The reduction in appropriation used to pay this contact may result in a dispute or default of the contract with Harris Corporation if future receipts warrant higher payments.

FISCAL INFORMATION: To meet the five percent reduction exercise, the Division of Telecommunications - Wireless Services proposes a reduction to the Statewide SLERS Contract Payment appropriation category.

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

Statewide Law Enforcement Radio Systems Trust Fund (2432)  
 Special Categories: Statewide SLERS Contract Payment (104486) (\$911,000) FSI=1  
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		COL A93	
		SCH VIII B-2	
		REDUCTIONS	
POS		AMOUNT	CODES
		-----	
MANAGEMENT SRVCS, DEPT OF			72000000
PGM: PERC			72920000
PUBLIC EMPLOYEES RELATIONS			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
SALARY RATE			000000
SALARY RATE.....	89,517-		
	=====		
SALARIES AND BENEFITS			010000
	2.00-		
GENERAL REVENUE FUND	-STATE	127,530-	1000 1
		=====	
OTHER PERSONAL SERVICES			030000
GENERAL REVENUE FUND	-STATE	7,500-	1000 1
PERC TRUST FUND	-STATE	7,500-	2558 1
		-----	
TOTAL APPRO.....		15,000-	
		=====	
OPERATING CAPITAL OUTLAY			060000
GENERAL REVENUE FUND	-STATE	6,300-	1000 1
PERC TRUST FUND	-STATE	700-	2558 1
		-----	
TOTAL APPRO.....		7,000-	
		=====	
SPECIAL CATEGORIES			100000
CONTRACTED SERVICES			100777
GENERAL REVENUE FUND	-STATE	6,715-	1000 1
PERC TRUST FUND	-STATE	6,715-	2558 1
		-----	
TOTAL APPRO.....		13,430-	
		=====	
ADMINISTRATIVE OVERHEAD			105002
GENERAL REVENUE FUND	-STATE	5,875-	1000 1
		=====	

COL A93		
SCH VIIIIB-2		
REDUCTIONS		
POS	AMOUNT	CODES
MANAGEMENT SRVCS, DEPT OF		72000000
PGM: PERC		72920000
PUBLIC EMPLOYEES RELATIONS		72920100
ECONOMIC OPPORTUNITIES		11
WORKFORCE SERVICES		1102.00.00.00
PROGRAM REDUCTIONS		33V0000
REDUCE OPERATING EXPENDITURES		
WITHIN THE PUBLIC EMPLOYEES		
RELATIONS COMMISSION		33V0900
DATA PROCESSING SERVICES		210000
SOUTHWOOD SRC		210021
PERC TRUST FUND	-STATE 266-	2558 1
=====		
TOTAL: REDUCE OPERATING EXPENDITURES		33V0900
WITHIN THE PUBLIC EMPLOYEES		
RELATIONS COMMISSION		
TOTAL POSITIONS.....	2.00-	
TOTAL ISSUE.....	169,101-	
TOTAL SALARY RATE.....	89,517-	
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AGENCY ISSUE NARRATIVE:

SCH VIIIIB-2 NARR 14-15 NARRATIVE:

IT COMPONENT? NO

OVERVIEW OF AGENCY: The Public Employees Relations Commission (PERC) is a small, independent, quasi-judicial agency which adjudicates public sector labor and employment disputes, registers labor organizations (unions), and conducts secret ballot elections throughout Florida for state and local government employees voting for or against establishing or maintaining union representation. PERC provides two constitutionally required functions and other statutorily mandated functions, with an exceptional performance record.

PERC was originally staffed with forty-two (42) full-time equivalents with a single jurisdiction of labor disputes and its funding was predominantly General Revenue (98 percent). Currently PERC has twenty-six (26) positions and is responsible for seven (7) employment law jurisdictions. PERC's funding is now split between General Revenue and the PERC Trust Fund. In summary, since its inception PERC has reduced its workforce by 38 percent, while absorbing six new employment law jurisdictions and significant growth in its annual caseload, and still has maintained excellent results as reflected in its performance standard measurements.

PERC HISTORICAL FUNDING: A primary source of PERC's funding is the PERC Trust Fund, which is funded through a 0.1 percent distribution from the Local Government Half-cent Sales Tax Clearing Trust Fund, less a \$5,000 deduction each month for a program unrelated to PERC. Prior to the creation of the Trust Fund, PERC was funded exclusively by General Revenue. At the outset of the Trust Fund in Fiscal Year 2004-2005, PERC's appropriation was approximately \$1.8 million in General Revenue and \$1.5 million in Trust. Over time, legislative reductions to General Revenue shifted more of the burden to the Trust Fund to meet PERC's legislative appropriation.

The Trust Fund has been insufficient to meet PERC's legislative appropriation since its creation, with the exception of Fiscal Year 2005-2006. The significant decline in sales tax collections over time reduced the cash balance in the Trust Fund to a critical level. Projections from the Revenue Estimating Conference indicate that while sales tax receipts will

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

improve gradually over the next several years, they are not anticipated to meet PERC's legislative appropriation until the 2014-15 fiscal year projections.

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.

ISSUE SUMMARY: Each agency is required to meet a five percent (five percent) reduction target. Over 75 percent of PERC's 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 the deletion of two positions, or eight percent (eight percent) of the workforce and a reduction of five (five percent) in the Salaries and Benefits category. In addition, this five percent reduction would also require cuts in Other Personal Services (OPS); Operating Capital Outlay; Data Processing Services; 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 may 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. Reduction in staff could substantially impair PERC's quality and expeditious resolution of labor and employment disputes which in turn could cause significant disruptions to public services, including police, fire, corrections, healthcare and teachers.

STATUTE REFERENCE: Specific Authority: Article I, Section 6 and Article III, Section 14, Florida Constitution; Chapter 447, Part II and Sections 110.124, 110.227, 112.044, 112.0455, 112.31895, 295.11, Florida Statutes.

PROGRAM IMPACT: Significant Impact. This reduction action could significantly impact the agency to the point it may require the Commission to request that the Legislature extend the established timelines (performance based budgeting standards) for resolution of cases. These reductions would eliminate the only Information Technology position and leave the Commission without desktop, software or case management support leaving the Commission extremely vulnerable to issues that could effectively stop operations and prevent the Commission from handling cases in a timely manner. 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 efficiency therefore, resulting in increased costs and the Commission may reach that tipping point with the proposed reductions. In consideration of the facts stated above and in the spirit of fiscal responsibility the Commission offers the following reductions for consideration. However, if the Commission were allowed to maintain current funding levels and receive funding 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.

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

FISCAL INFORMATION: This issue reflects distribution of the five percent reduction target of \$ 153,920 in General Revenue and \$ 15,181 in the PERC Trust Fund.

General Revenue (1000)			
Positions	-2		
Salaries and Benefits (010000)		(\$127,530)	
(Senior Attorney and Operations and Management Consultant II)			
Other Personal Services (030000)		(\$ 7,500)	
Operating Capital Outlay (060000)		(\$ 6,300)	
Special Categories: Contracted Services (10777)		(\$ 6,715)	
Special Categories: Administrative Overhead (105002)		(\$ 5,875)	
PERC Trust Fund (2558)			
Other Personal Services (030000)		(\$ 7,500)	
Operating Capital Outlay (060000)		(\$ 700)	
Data Processing Services (210021)		(\$ 266)	
Special Categories: Contracted Services (10777)		(\$ 6,715)	
		-----	
TOTAL ISSUE REDUCTION		(\$169,101)	FSI=1
		=====	

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COL A93 SCH VIII B-2 REDUCTIONS		CODES
POS	AMOUNT	
MANAGEMENT SRVCS, DEPT OF		72000000
PGM: PERC		72920000
PUBLIC EMPLOYEES RELATIONS		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

POSITION DETAIL OF SALARIES AND BENEFITS:

	FTE	BASE RATE	ADDITIVES	BENEFITS	SUBTOTAL	LAPSE %	LAPSED SALARIES AND BENEFITS
A93 - SCH VIII B-2 REDUCTIONS							
CHANGES TO CURRENTLY AUTHORIZED POSITIONS							
2236 OPERATIONS & MGMT CONSULTANT II - SES							
03304 001	1.00-	37,691-		17,972-	55,663-	0.00	55,663-
7738 SENIOR ATTORNEY							
03317 001	1.00-	51,826-		20,041-	71,867-	0.00	71,867-
TOTALS FOR ISSUE BY FUND							
1000 GENERAL REVENUE FUND							127,530-
	2.00-	89,517-		38,013-	127,530-		127,530-

*****							
TOTAL: WORKFORCE SERVICES							<u>1102.00.00.00</u>
BY FUND TYPE							
GENERAL REVENUE FUND		153,920-					1000
TRUST FUNDS		15,181-					2000
-----							
TOTAL POSITIONS.....	2.00-						
TOTAL PROG COMP.....					169,101-		
TOTAL SALARY RATE.....		89,517-					
=====							



COL A93			
SCH VIII B-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
PROGRAM REDUCTIONS			33V0000
REDUCE EXPENSES IN THE COMMISSION			
ON HUMAN RELATIONS			33V0560
EXPENSES			040000
OPERATING TRUST FUND	-STATE	6,781-	2510 1
		=====	

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AGENCY ISSUE NARRATIVE:

SCH VIII B-2 NARR 14-15 NARRATIVE:

IT COMPONENT? NO

In compliance with the reduction exercise the Commission on Human Relations proposes a recurring reduction of \$6,781 in the expense category of the Operating Trust Fund. Should this reduction be implemented, it would impede the Commission's ability to cover travel expenses associated with needed/required training. The Commission utilizes training to educate its investigative and legal staff on investigative procedures and updates on legal matters associated both Federal and State laws relating to employment and housing discrimination. Without such ongoing training, the quality of service to the citizens of Florida will greatly deteriorate.

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FUND SHIFT			3400000
FLORIDA COMMISSION ON HUMAN			
RELATIONS - TRANSFER FROM			
GENERAL REVENUE TO OPERATING			
TRUST FUND - DEDUCT			3400190
SALARY RATE			000000
SALARY RATE.....		87,666-	
		=====	
SALARIES AND BENEFITS			010000
		2.00-	
GENERAL REVENUE FUND	-STATE	125,408-	1000 1
		=====	
TOTAL: FLORIDA COMMISSION ON HUMAN			3400190
RELATIONS - TRANSFER FROM			
GENERAL REVENUE TO OPERATING			
TRUST FUND - DEDUCT			
TOTAL POSITIONS.....		2.00-	
TOTAL ISSUE.....		125,408-	
TOTAL SALARY RATE.....		87,666-	
		=====	

COL A93		
SCH VIIIIB-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

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AGENCY ISSUE NARRATIVE:

SCH VIIIIB-2 NARR 14-15 NARRATIVE:

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 and associated rate. 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.

General Revenue Fund (1000)  
 Rate (87,666)  
 Salaries and Benefits (010000) (\$125,408) FSI=1

Operating Trust Fund (2510)  
 Rate 87,666  
 Salaries and Benefits(010000) \$125,408 FSI=1

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COL A93 SCH VIIIIB-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 VIIIIB-2 REDUCTIONS							
CHANGES TO CURRENTLY AUTHORIZED POSITIONS							
8354 INVESTIGATOR SUPERVISOR - SES							
02725 001	1.00-	41,106-		18,472-	59,578-	0.00	59,578-
9119 OPERATIONS MANAGER C-SES							
02727 001	1.00-	46,560-		19,270-	65,830-	0.00	65,830-
TOTALS FOR ISSUE BY FUND							
1000 GENERAL REVENUE FUND							125,408-
	2.00-	87,666-		37,742-	125,408-		125,408-

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FLORIDA COMMISSION ON HUMAN  
 RELATIONS - TRANSFER FROM  
 GENERAL REVENUE TO OPERATING  
 TRUST FUND - ADD

SALARY RATE		3400200
SALARY RATE.....	87,666	000000

SALARIES AND BENEFITS		010000
OPERATING TRUST FUND -FEDERL	2.00	125,408
		2510 3

COL A93		
SCH VIIIIB-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 - ADD		3400200
TOTAL: FLORIDA COMMISSION ON HUMAN		3400200
RELATIONS - TRANSFER FROM		
GENERAL REVENUE TO OPERATING		
TRUST FUND - ADD		
TOTAL POSITIONS.....	2.00	
TOTAL ISSUE.....		125,408
TOTAL SALARY RATE.....	87,666	

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AGENCY ISSUE NARRATIVE:

SCH VIIIIB-2 NARR 14-15 NARRATIVE:

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 and associated rate. 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.

General Revenue Fund (1000)  
 Rate (87,666)  
 Salaries and Benefits (010000) (\$125,408) FSI=1

COL A93 SCH VIIIIB-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

Operating Trust Fund (2510)  
 Rate 87,666  
 Salaries and Benefits(010000) \$125,408 FSI=1

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POSITION DETAIL OF SALARIES AND BENEFITS:

	FTE	BASE RATE	ADDITIVES	BENEFITS	SUBTOTAL	LAPSE %	LAPSED SALARIES AND BENEFITS
A93 - SCH VIIIIB-2 REDUCTIONS							
CHANGES TO CURRENTLY AUTHORIZED POSITIONS							
8354 INVESTIGATOR SUPERVISOR - SES							
02733 001	1.00	41,106		18,472	59,578	0.00	59,578
9119 OPERATIONS MANAGER C-SES							
02727 001	1.00	46,560		19,270	65,830	0.00	65,830
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TOTALS FOR ISSUE BY FUND							
2510 OPERATING TRUST FUND							125,408
	2.00	87,666		37,742	125,408		125,408
	=====	=====	=====	=====	=====		=====

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TOTAL: GOVERNMENTAL OPERATIONS							1601.00.00.00
BY FUND TYPE							
GENERAL REVENUE FUND		125,408-					1000
TRUST FUNDS		118,627					2000
		-----					
TOTAL PROG COMP.....		6,781-					
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COL A93		
SCH VIII B-2		
REDUCTIONS		
POS	AMOUNT	CODES
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MANAGEMENT SRVCS, DEPT OF		72000000
TOTAL: MANAGEMENT SRVCS, DEPT OF		72000000
BY FUND TYPE		
GENERAL REVENUE FUND	392,509-	1000
TRUST FUNDS	10,052,323-	2000
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TOTAL POSITIONS.....	59.25-	
TOTAL DEPARTMENT.....	10,444,832-	
TOTAL SALARY RATE.....	842,375-	
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