
 COL All
 SCH VIIIB-2
 REDUCTIONS
 POS AMOUNT PRIORITY CODES

TRANSPORTATION, DEPT OF 55000000

PRIORITY SUMMARY NARRATIVE:

In light of the recent reduction in General Revenue estimates, the department was requested to propose \$81,192,628 of base budget that was appropriated for fiscal year 2008-09 that could be reduced in FY 2009-10.

It's important to note that the department's appropriation includes operating, fixed capital outlay work program, and fixed capital outlay buildings and grounds budget. The department operates on a cash flow and commitment basis. Commitments are made with the anticipation that revenues will be available to pay for those commitments when the payments are due. Section 339.135, Florida Statutes requires the department's budget and five year work program to be balanced to available revenues.

The forecasted revenues from the Transportation Revenue Estimating Conferences from November 2006 through August 2008 as well as the redirection of transportation revenues has had a combined negative impact of \$4.4 billion in work program commitments. With the declining revenues, the department has had to reduce commitments.

The operating budget includes, but is not limited to, funding for the in-house costs associated with projects in the work program, toll collection costs, transportation disadvantaged services, the payment of Highway Patrol services along various portions of the transportation system, as well as administrative costs of the department. The department operates with only the minimum operating budget necessary to meet the department's mission to ensure the maximum dollars available are focused on the Work Program.

Further, the department's operating budget has seen significant reductions due to the elimination of over 27% of positions in the department beginning in 1999. This included reductions in the salaries and benefit budget category as well as expense and operating capital outlay budget categories associated with each of the positions eliminated. The operating budget was further reduced in FY 2007-08 by a recurring \$3,684,187 and again in FY 2008-09 by a recurring \$5,275,736. These reductions are coming at a time when fixed costs, such as fuel and utilities, are increasing.

Projects are delivered with an effective mix of in-house and contracted resources. In-house resources are included in the operating section of the budget and most contracted resources are included in the work program section of the budget. Any scenarios which consider the reduction of the department's budget should examine the department's five year work program in addition to the recurring base operating budget.

It is important to note that the instructions for this schedule require the department to propose recurring reductions to the operating budget. The schedule does not allow the department to offer reductions to projects in the Five Year Adopted Work Program. As noted above, since the department already strives to keep the operating budget as low as possible, any reductions to the operating budget would have a significant impact on services provided by the department as well as its ability to deliver the projects included in the work program.

Finally, since many aspects of the department's operating budget are either statutorily or contractually directed, some form of contract change or contract modification will be required to implement the proposed changes.

SCHEDULE VIIIB REDUCTIONS -

OPERATING			33B0000
REDUCE OTHER PERSONAL SERVICES BASE		001	33B1600
TRUST FUNDS.....	2,000,000-		2000
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 SCHEDULE VIIIB REDUCTIONS -
 OPERATING 33B0000
 REDUCE OTHER PERSONAL SERVICES BASE 001 33B1600

SCH VIIIB-2 NARR 09-10 NOTES:

This item reduces temporary employment by \$2,000,000 or 35%. \$784,000 was reduced in FY 2007-08 (\$505,823 was a recurring reduction). The department generally uses OPS budget to assist with more routine work that could be accomplished with lower paid staff. For example, the department hires law clerks to assist attorneys with legal research and the preparation of legal briefs, motions and orders. Without the law clerks, this work would have to be performed by attorneys at a higher cost and would result in fewer cases being resolved in a given period of time. Reduced OPS budget would delay the statistical analysis of data collected on vehicle weights as well as the development and production of the City-County Mileage Report and distribution of Florida Highway Data.

REDUCE HUMAN RESOURCE 002 33B2200
 DEVELOPMENT BASE

TRUST FUNDS..... 2,000,000- 2000
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SCH VIIIB-2 NARR 09-10 NOTES:

This item reduces the department's training programs by \$2,000,000 or 53%. \$230,000 was reduced in FY 2007-08 (\$81,750 was a recurring reduction). This further reduction will result in less training opportunities being available for department employees. This will affect the ability of employees to keep up to date with new technology and processes and could have a longer term impact which results in reduced efficiency and expertise.

REDUCE CONSULTANT FEES BASE 003 33B1700

TRUST FUNDS..... 1,000,000- 2000
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SCH VIIIB-2 NARR 09-10 NOTES:

This item reduces consultant fees by \$1,000,000 or 6%. The department reduced its workforce by more than 27% between fiscal years 2000-01 and 2006-07. A portion of the workforce reduction was moved to consultants to provide these services. \$364,017 was reduced in FY 2007-08 (\$241,433 was a recurring reduction). This further reduction may cause projects to be delayed and will result in less services being provided by the department in a timely manner. Examples of the impacts include: the department may not be able to complete certain planning tools such as congestion management and process mapping; response time for traffic reviews will increase; administrative tasks and responsibilities to support

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 OPERATING 33B0000
 REDUCE CONSULTANT FEES BASE 003 33B1700

eminent domain active lawsuits could be delayed; drainage permit applications may take longer to process, impacting customer service; development of traffic computer modeling courses for the districts and MPOs that help develop transportation solutions will be delayed or eliminated.

REDUCE OPERATING CAPITAL OUTLAY
 BASE 004 33B1900
 TRUST FUNDS..... 3,000,000- 2000
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SCH VIIIB-2 NARR 09-10 NOTES:

This item reduces the purchase of operating capital outlay items by \$3,000,000 or 42%. \$791,293 was reduced in FY 2007-08 (\$381,857 was a recurring reduction). This category was reduced by a recurring \$3 million in the General Appropriations Act for FY 2008-09. Planned replacement purchases of major equipment will be entirely eliminated. Aging equipment will become more costly in operation and maintenance cost and if the equipment breaks it will definitely affect the delivery of services.

REDUCE CONTRACTED SERVICES BASE 005 33B2100
 TRUST FUNDS..... 8,000,000- 2000
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SCH VIIIB-2 NARR 09-10 NOTES:

This item reduces contracted services by \$8,000,000 or 17%. \$93,454 was reduced in FY 2007-08 (\$73,358 was a recurring reduction). Contracts for security services have already been reduced in hours of coverage in many areas throughout the state. A reduction in contracts with vendors providing expert training in many areas will be reduced, delayed, or entirely eliminated. Examples of the impacts include: reduced assistance to transit agencies regarding operational analysis and performance review; reduced production of the Florida Aeronautical Chart and Airport Directory; reduced maintenance of GPS sites; reduced maintenance of the materials lab (which evaluates the materials used in construction projects).

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 SCHEDULE VIIIB REDUCTIONS -
 OPERATING 33B0000
 REDUCE OVERTIME BASE 006 33B2300

TRUST FUNDS..... 1,000,000- 2000
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SCH VIIIB-2 NARR 09-10 NOTES:

This item reduces overtime by \$1,000,000 or 30%. \$231,002 was reduced in FY 2007-08 (\$200,194 was a recurring reduction). Use of overtime would be limited to on-call and incident response situations. Reductions in the number of people who are authorized to be on-call could impact response times to incidents and would delay the clearing of accidents and the subsequent opening of the road to traffic. Further, the level of security provided at rest areas would have to be reduced.

REDUCE ACQUISITION OF MOTOR 007 33B2000
 VEHICLES BASE

TRUST FUNDS..... 2,000,000- 2000
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SCH VIIIB-2 NARR 09-10 NOTES:

This item reduces the purchase of vehicles and heavy equipment by \$2,000,000. The department's fleet replacement program will be impacted causing an already aging fleet (as determined by a recent study for DMS) to grow even older. Also, the reduction will require the department to spend additional resources on operation and maintenance costs and supplies to maintain its already aging existing fleet.

REDUCE G/A-TRANSPORTATION 008 33B1800
 DISADVANTAGED BASE

TRUST FUNDS..... 4,039,571- 2000
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SCH VIIIB-2 NARR 09-10 NOTES:

This item reduces funding for transportation disadvantaged by \$4,039,571 or 10%. Budget in this category provides transportation for citizens who because of physical or mental disability, income status, or age are unable to transport themselves or to purchase transportation. The budget reduction would reduce by over 200,000 the number of trips the Commission for the Transportation Disadvantaged is able to provide.

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 POS AMOUNT PRIORITY CODES

TRANSPORTATION, DEPT OF 55000000
 SCHEDULE VIIIB REDUCTIONS -
 OPERATING 33B0000
 REDUCE G/A - TRANSPORTATION
 DISADVANTAGED MEDICAID BASE 009 33B1810
 TRUST FUNDS..... 7,293,951- 2000
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SCH VIIIB-2 NARR 09-10 NOTES:

This item reduces funding for transportation disadvantaged - medicaid by \$7,293,951 or 10%. Budget in this category provides non-emergency transportation services for eligible Medicaid recipients and is funded through a contract between the Commission for the Transportation Disadvantaged and the Agency for Health Care Administration (AHCA). Any reduction to this category will result in the Commission having insufficient budget to comply with the provisions of the contract with AHCA.

REDUCE EXPENSES BASE 010 33B1200
 TRUST FUNDS..... 12,000,000- 2000
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SCH VIIIB-2 NARR 09-10 NOTES:

This item reduces expenses by \$12,000,000 or 16%. This reduction will significantly affect the department's ability to fund routine operations. The department will not have sufficient budget to pay for items such as: materials for public involvement activities; maintenance of technical equipment; buildings and grounds maintenance; janitorial services; utility bills; and postage. In addition, the reduction will impact the department's ability to respond to and clear incidents on the highways. As first responders, materials such as fuel, construction supplies, repair parts and minor tools are necessary to quickly and effectively deal with such incidents.

REDUCE TOLL OPERATION CONTRACTS
 BASE 011 33B2600

TRUST FUNDS..... 10,000,000- 2000
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SCH VIIIB-2 NARR 09-10 NOTES:

This item reduces Toll Operation Contracts by \$10,000,000 or 13%. Budget in this category provides funding for privatized toll collection staffing, both for cash toll collection as well as electronic toll collection in the form of

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TRANSPORTATION, DEPT OF			55000000
SCHEDULE VIIIB REDUCTIONS -			
OPERATING			33B0000
REDUCE TOLL OPERATION CONTRACTS			
BASE		011	33B2600

customer service representatives in the SunPass call centers. A substantial reduction of budget in this category would significantly impact customer service levels, but more importantly could jeopardize the Department's ability to adequately collect toll revenues state-wide as required by various bond covenants the Turnpike System, the Department, and various toll authorities the Department collects tolls for are bound by. The reduction will have a direct impact on the number of people available to physically collect tolls, causing delays on toll roads. The reduction will also result in fewer people staffing the SunPass call centers which will cause customers to experience lengthy wait times when trying to get issues resolved.

REDUCE TRANSPORTATION, MATERIALS & EQUIPMENT BASE		012	33B2400
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TRUST FUNDS.....	5,000,000-		2000
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SCH VIIIB-2 NARR 09-10 NOTES:

This item reduces the purchase of Transportation, Materials and Equipment by \$5,000,000 or 14%. The department will not be able to pay the utility costs for all the lights on the state highway system and will have to turn many of them off. Further, the department's ability to purchase materials will be significantly limited which will reduce the department's productivity, efficiency, and effectiveness to timely respond to sign repairs, shoulder washouts, pothole repairs, vegetation growth, etc. The ability to purchase fuel on a timely basis and keep available adequate supplies of fuel will be impacted which could cause safety concerns and the department's ability to respond in a timely manner during emergencies.

REDUCE PAYMENT TO EXPRESSWAY AUTHORITIES BASE		013	33B2500
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TRUST FUNDS.....	9,297,681-		2000
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SCH VIIIB-2 NARR 09-10 NOTES:

This item assumes the elimination of (\$9,297,681) the advance (loan) the department provides to the Orlando-Orange County Expressway Authority (OOCEA) for operations and maintenance costs on selected toll facilities owned and operated by OOCEA. This budget is reflected in the Payment to Expressway Authorities appropriation category (100902).

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TRANSPORTATION, DEPT OF			55000000
SCHEDULE VIIIB REDUCTIONS -			
OPERATING			33B0000
REDUCE PAYMENT TO EXPRESSWAY			
AUTHORITIES BASE	013		33B2500

The Orlando-Orange County Expressway Authority is an agency of the state created by Part V of Chapter 348, Florida Statutes. The Authority has five members, three appointed by the Governor, the Chair of the Orange County Commission and the FDOT District 5 Secretary. The Authority has developed a series of toll roads in the Orlando-Orange County area over a number of years beginning in the 1960s.

Under the current Bond Resolution and Lease Purchase Agreement, FDOT is legally obligated to pay the Cost of Operations and Maintenance (O&M) on an annual basis for several OOCEA facilities, including cost of maintenance on the Beeline Expressway (now termed the Beachline Expressway) and the cost of operations and maintenance on the East-West Expressway and the Airport Interchange Toll Plaza. These costs are paid by FDOT up front and are to be reimbursed in a subordinated basis after the payment of senior and junior debt, renewal and replacement costs and pay-as-you-go expressway authority projects.

At June 30, 2008, the cumulative balance owed to the State Transportation Trust Fund (STTF) for these costs is \$210.7 million. It is important to note that since 1995 FDOT by agreement delegated the responsibilities for the performance of O&M on the facilities to OOCEA, effective June 30, 1995. The annual O&M payment must be made to meet the requirements of the Bond Resolution and Lease Purchase agreement. OOCEA is a financially viable entity that receives over \$200 million in toll revenues and the payment of the annual O&M today simply provides the ability for OOCEA to further leverage the toll revenues of the Authority by subordinating these costs below the payment of bonded debt service. OOCEA at the discretion of their Board could rebate the annual O&M costs paid by the department back to the FDOT on an annual basis. This will require some form of contractual change.

REDUCE TRANSFER TO SFWMD/ EVERGLADES RESTORATION BASE		014	33B2800
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TRUST FUNDS.....	2,000,000-		2000
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SCH VIIIB-2 NARR 09-10 NOTES:

This item eliminates funding the department provides to the South Florida Water Management District for Everglades Restoration. This may require some form of statutory/contractual change.

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TRANSPORTATION, DEPT OF			55000000
SCHEDULE VIIIB REDUCTIONS -			
OPERATING			33B0000
REDUCE FLORIDA HIGHWAY PATROL			
SERVICES BASE		015	33B2700
TRUST FUNDS.....	3,000,000-		2000
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SCH VIIIB-2 NARR 09-10 NOTES:

This item reduces the funding the department provides to the Department of Highway Safety and Motor Vehicles for the patrol of the Turnpike by \$3,000,000 or 16%. Budget in this category provides funding to the Florida Highway Patrol (FHP) to cover the cost of trooper salaries, benefits, patrol cars, fuel, and communication devices. Troop K of the FHP patrols the Turnpike Mainline to provide law enforcement, respond to accidents, perform maintenance of traffic in emergency situations, provide for customer safety, and other critical services. FHP plays a key role during emergency situations and when an evacuation takes place in anticipation of severe storms and hurricanes. A substantial reduction of budget in this category would prevent the Department from reimbursing FHP for needed services.

REDUCE SALARY AND BENEFITS BASE		016	33B1100
TRUST FUNDS.....	9,561,425-		2000
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SCH VIIIB-2 NARR 09-10 NOTES:

This item reduces salaries and benefits budget by \$9,561,425 or 2%. Considering the fact that vacant positions do not consume budget, the department would need to eliminate at least 120 filled positions to implement this budget reduction. This would limit the department's ability to achieve its mission and would likely result in additional outsourcing of work which may not be able to be funded with work program budget. If this was to occur, projects would then be delayed, further impacting customer service to the people of Florida.

TOTAL: TRANSPORTATION, DEPT OF			55000000
BY FUND TYPE			
TRUST FUNDS.....	81,192,628-		2000
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