



Government Operations Appropriations Subcommittee Meeting Packet

**October 6, 2015
12:00 p.m. – 3:00 p.m.
Morris Hall**



AGENDA

Government Operations Appropriations Subcommittee
October 6, 2015
12:00 p.m. – 3:00 p.m.
Morris Hall

- I. Call to Order/Roll Call
- II. Opening Remarks
- III. Fiscal Year 2016-17 Legislative Budget Requests

Fiscal Year 2016-17 Priority Listing of Agency Budget Issues for Possible Reduction

Department of Business and Profession Regulation

Secretary Ken Lawson

Department of Management Services

Secretary Chad Poppell

Department of the Lottery

Interim Secretary Tom Delacenserie

Department of Revenue

Executive Director Marshall Stranburg

Agency for State Technology

Chief Financial Officer Jean Whitten

Florida Commission of Human Relations

Executive Director Michelle Wilson

Public Service Commission

Executive Director Braulio Baez

Division of Administrative Hearings

Budget Director Cindy Ardoin

Public Employees Relations Commission

Chief Operations Officer Mary Ann Burns

IV. Closing Remarks/Adjournment

Florida Department of
Business
Professional
Regulation

License efficiently. Regulate fairly.

Ken Lawson
Secretary



Fiscal Year 2016-17 Legislative Budget Request

House Government Operations
Appropriations Subcommittee
October 6, 2015



Guiding Principles at DBPR

- Smart De-Regulation
 - Working to identify and remove rules that get in the way of businesses.
- Fair But Strong Enforcement
 - The goal is always to get businesses into compliance. Enforcement will be strong but fair, and our licensees deserve to have a voice in the enforcement process.
- Open Door Policy
 - I have met with and will continue to meet with anyone who walks through the door.

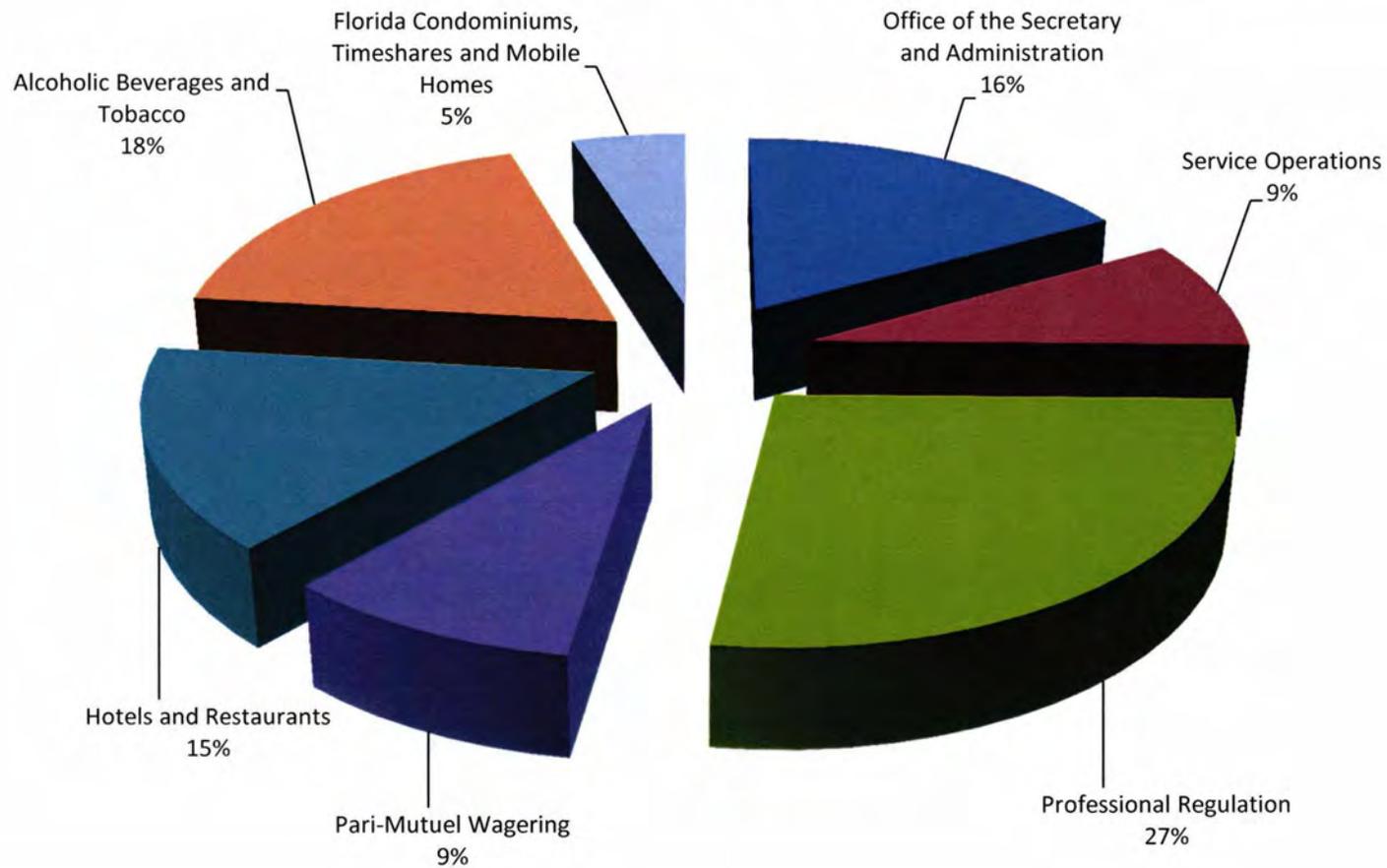
Department Statistics

- **CUSTOMERS:** More than **1.4 million** licensed businesses and professionals
- **Fiscal Year 2015-16 BUDGET:** \$151.1 million
- **STAFFING:** 1,620.25 Full Time Employees
- **REVENUE SOURCES:**
 - Nearly 100% State Trust Funded
 - Collect approximately \$2.5 billion in licenses, fees and taxes that is contributed to General Revenue and other agencies

Fiscal Year 2015-16 Appropriation by Program

Program	FTE	General Revenue	State Trust Funds	Federal Funds	Total
Office of the Secretary and Administration	212.50	\$1,812,822	\$23,694,180	-	\$25,507,002
Service Operations	200.50	-	\$12,734,328	-	\$12,734,328
Professional Regulation	344.00	\$326,527	\$40,485,112	-	\$40,811,639
Pari-Mutuel Wagering	115.00	-	\$14,064,751	-	\$14,064,751
Hotels and Restaurants	308.00	-	\$23,128,348	-	\$23,128,348
Alcoholic Beverages and Tobacco	330.25	-	\$27,030,089	\$549,585	\$27,579,674
Florida Condominiums, Timeshares, and Mobile Homes	110.00	-	\$7,302,405	-	\$7,302,405
Total	1,620.25	\$2,139,349	\$148,439,213	\$549,585	\$151,128,147

Fiscal Year 2015-16 Appropriation by Program



Fiscal Year 2016-17 Legislative Budget Request

- Total Request – \$152,656,574 and 1,620.25 FTE
 - \$2,062,797 in General Revenue
 - \$150,361,923 in State Trust Funds
 - \$231,854 in Federal Trust Funds

Priority Budget Issues

- Division Hotels and Restaurants
 - Requests \$1,922,418 in additional budget authority to implement a performance based incentive plan to increase the retention of food and lodging inspection employees
 - Recurring funding request
 - Funding Source – Hotels and Restaurants Trust Fund

Priority Budget Issues

- Division of Alcoholic Beverages and Tobacco
 - Requests \$1,239,780 in additional budget authority to complete the upgrade of the Division's Electronic Data Submission (EDS) System
 - \$13,100 recurring, \$1,226,680 non-recurring
 - Funding Source – Alcoholic Beverages and Tobacco Trust Fund

Priority Budget Issues

- Florida Boxing Commission
 - Requests \$303,528 in General Revenue funding to sustain operations of the Commission
 - \$117,148 recurring, \$186,380 non-recurring
 - Funding Source – General Revenue
- Division of Drugs, Devices and Cosmetics
 - Requests \$740,000 in General Revenue funding to sustain operations of the Division
 - \$640,000 recurring, \$100,000 non-recurring
 - Funding Source – General Revenue

Priority Budget Issues

- Division of Hotels and Restaurants
 - Request for \$175,738 in additional budget authority to refresh food and lodging inspection field technology
 - Non-recurring
 - Fund Source – Hotel and Restaurant Trust Fund
- Division of Drugs, Devices and Cosmetics
 - Request for \$297,752 to hire 4 Other Personal Services (OPS) Medical Gas Inspectors
 - \$208,832 recurring, \$88,920 non-recurring
 - Funding Source – Professional Regulation Trust Fund

Priority Budget Issues

- Division of Real Estate
 - Requests \$400,000 in Unlicensed Activity specifically for the Division to use for enforcement efforts
 - Recurring
 - Funding Source – Professional Regulation Trust Fund
- Division of Regulation
 - Requests \$153,500 of additional budget authority in Expenses
 - Recurring
 - Funding Source – Professional Regulation Trust Fund

Priority Budget Issues

- Division of Alcoholic Beverages and Tobacco
 - Requests \$231,854 in budget authority to utilize federal forfeiture funds for equipment, training, and travel related to complex investigations
 - Non-recurring
 - Funding Source – Federal Law Enforcement Trust Fund

Schedule VIIB

Proposed Reductions for Fiscal Year 2016-17

- Reduction Target: (\$7,230,318)
- Reductions identified across all Programs:
 - Minimal: (16.00) FTE and (\$1,112,668)
 - Moderate: (1.00) FTE and (\$496,795)
 - Significant: (66.00) FTE and (\$5,620,855)
- Total: (83.00) FTE and (\$7,230,318)

Minimal Impacts

Reduction by Program	FTE	Budget Impact
Reduce Executive Direction and Administration FTE and Expenditures	(3.50)	(\$89,513)
Reduce Service Operations FTE and Expenditures	(1.00)	(\$21,689)
Reduce Professional Regulation FTE and Expenditures	(4.00)	(\$143,760)
Reduce Pari-Mutuel Wagering FTE and Expenditures	(1.00)	(\$712,540)
Reduce Hotels and Restaurants FTE	(3.00)	0
Reduce Alcoholic Beverages and Tobacco FTE and Expenditures	(3.00)	(\$145,167)
Reduce Florida Condominiums, Timeshares, and Mobile Homes - Office of the Condominium Ombudsman Staff and Expenditures	(.50)	0
Total	(16.00)	(\$1,112,668)

Moderate Impacts

Reduction by Program	FTE	Budget Impact
Reduce Professional Regulation Expenditures		(\$455,311)
Reduce Florida Condominiums, Timeshares, and Mobile Homes - Office of the Condominium Ombudsman FTE and Expenditures	(1.00)	(\$41,484)
Total	(1.00)	(\$496,795)

Significant Impacts

Reduction by Program	FTE	Budget Impact
Reduce Executive Direction/Support Services FTE and Expenditures	(8.00)	(\$1,181,985)
Reduce Service Operations FTE and Expenditures	(.50)	(\$629,364)
Reduce Professional Regulation FTE and Expenditures	(3.50)	(\$1,189,350)
Reduce Hotels and Restaurants FTE and Expenditures	(31.00)	(\$1,178,990)
Reduce Alcoholic Beverages and Tobacco FTE and Expenditures	(17.00)	(\$1,102,294)
Reduce Florida Condominiums, Timeshares, and Mobile Homes FTE and Expenditures	(6.00)	(\$338,872)
Total	(66.00)	(\$5,620,855)

Reductions by Program for Schedule VIIB Exercise

Program	FTE	General Revenue	State Trust Funds	Federal Funds	Total
Executive Direction/Support Services	(11.50)	(\$34,606)	(\$1,236,891)	-	(\$1,271,497)
Service Operations	(1.50)	-	(\$651,053)	-	(\$651,053)
Professional Regulation	(7.50)	(\$16,326)	(\$1,772,095)	-	(\$1,788,421)
Pari-Mutuel Wagering	(1.00)	-	(\$712,540)	-	(\$712,540)
Hotels and Restaurants	(34.00)	-	(\$1,178,990)	-	(\$1,178,990)
Alcoholic Beverages and Tobacco	(20.00)	-	(\$1,247,461)	-	(\$1,247,461)
Florida Condominiums, Timeshares, and Mobile Homes	(7.50)	-	(\$380,356)	-	(\$380,356)
Total	(83.00)	(\$50,932)	(\$7,179,386)	-	(\$7,230,318)



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Contact Information

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FLORIDA DEPARTMENT of

management
SERVICES

We serve those who serve Florida

Chad Poppell, Secretary

The Department of Management Services (DMS) serves those who serve Florida by providing administrative and operational support to Florida's state government.

The department provides administrative support services, management oversight, and state-wide executive policies, practices and guidance.

Through the efficient provision of services, state agencies can direct their resources to their core missions.

Fixed Capital Outlay (FCO)

Fixed Capital Outlay (FCO) Projects

- American with Disability Act (ADA)- \$1.2M (restroom renovations, elevator lobby modifications, outdoor entry upgrades, sidewalk improvements, etc.)
- Life Safety Deficiencies - \$1.6 million (fire sprinklers, fire alarms, elevators and smoke control systems.)
- General Building Repairs - \$5.5 million (electrical, roofing and plumbing.)

Aging Infrastructure Assessment

- Aging Government Facilities
Infrastructure Assessment - \$772,655

State Law Enforcement Radio System

- Statewide Law Enforcement Radio System (SLERS) Staff Augmentation - \$933,800

Fleet Administration

- Acquire Fleet Management Information System - \$1.6 million

Fiscal Year 2016-17 Legislative Budget Request

FY 2015-16 Appropriation	FY 2016-17 Legislative Budget Request	Difference
\$597,662,118	\$555,787,096	(\$41,875,022)

Other Facilities Management Issues

- Master Lease Tenant Space - \$177,655
- Florida Facilities Pool Tenant Space Refurbishment - \$1,932,577
- Debt Service Adjustment – (\$7.8) million

Other Telecommunications and Information Technology Requests

- MyFloridaNet2 (MFN2) Migration Staff Augmentation - \$349,440
- Florida Interoperability Network (FIN) and Mutual Aid Build-Out (MAB) - \$2.5 million
- Recurring Maintenance Local Area Network Equipment Upgrades - \$66,422

Workforce Operations

- Procurement Support for Rebidding IT Operations in the Division of Retirement - \$435,000
- Transfer of Salaries and Benefits budget authority to Other Personal Services Division of Retirement Customer Contact Center – Net Zero
- People First Next Generation Transition
- Dependent Eligibility Verification Audit - \$1.0 million
- Special Pension and Benefit Payments – (\$730,197)

5% Reductions Target (\$10.5 million)

Minimal Impact Reductions

- Savings Through Custodial Services
(33.25) FTE

5% Reductions Target (\$10.5 million)

Moderate Impact Reductions

- Transfer Hard Copy Mailers for Retirees To Electronic Delivery
- Other Operational Savings

5% Reductions Target (\$10.5 million)

Significant Impact Reductions

- Large Contract Reductions
 - People First
 - MyFloridaMarketPlace
 - Statewide Law Enforcement Radio
 - Division of State Group Insurance
- Other Operational Savings



FLORIDA DEPARTMENT of

management
SERVICES

We serve those who serve Florida

Chad Poppell, Secretary

Florida Lottery FY 2016-17

LEGISLATIVE BUDGET REQUEST



Department Background

- In 1986, Florida voters authorized a lottery through a constitutional amendment that would use its proceeds to enhance public education in Florida.
- The Florida Lottery was established with the mission of maximizing revenues for education to allow the people of Florida to benefit from significant additional monies while providing the best lottery games available.
- In FY 2014-15, lottery ticket sales totaled \$5.58 billion, and transfer to education exceeded \$1.47 billion. The life-to-date transfer amount exceeds \$28 billion.



FY 2016-17

Possible Reductions

(VIII B-2 Issues)

- **Total amount proposed - \$8,229,822, including:**
 - Instant Ticket Vendor Fee - \$4,049,384
 - Terminal Games Vendor Fee - \$2,180,438
 - Advertising and Promotion - \$2,000,000
- **Reduction in any proposed category above will result in less sales and less in transfer to education.**



FY 2016-17

Legislative Budget Issues

Sales Incentive Plan	\$761,000
IT and Security Equipment Replacement	\$948,900
Statewide Network Capacity Increase	\$142,081
Email Archiving System Update	\$70,000
Draw Machine Replacement	\$119,700
Instant Ticket Vendor Fee	\$6,136,022
Terminal Games Vendor Fee	\$960,103
Advertising Agency Fee	\$480,994
TOTAL	<u>\$9,618,800</u>



FY 2016-17

Legislative Budget Issues

- **Sales Incentive Plan**
 - To increase the sale of lottery tickets and revenue to be transferred to education
 - Consists of tiers based on levels of responsibility and accountability
 - Eligibility contingent on achievement of annual sales goal and instant goal
 - Incentive amount not included in base salary
 - Nonrecurring funding for first year



FY 2016-17

Legislative Budget Issues

- **Information Technology Request**
 - IT and Security Equipment Replacement
 - Needed for equipment at the end of useful life
 - Critical for the Lottery's integrity and operations
 - Statewide Network Capacity Increase
 - Needed to address over-saturation between the Lottery's network and statewide network
 - Capacity increase recommended by DMS
 - Email Archiving System Update
 - Needed to more efficiently manage, retrieve, and store emails
 - Must be secured separately from other agencies due to sensitive proprietary information



FY 2016-17

Legislative Budget Issues

- **Draw Machine Replacement**
 - Replacement machines are for:
“Florida Lotto” and *“Lucky Money”* games.
 - Draw machines are mission critical for the Lottery’s operations.
 - Six machines purchased between 1995-1999 are near the end of useful life.



FY 2016-17

Legislative Budget Issues

- **Vendor Fees**

- By contract, Instant Ticket and Terminal Games Vendors are paid based on a percentage of respective sales.
- July 2015 Revenue Estimating Conference projected a 2.1% increase in instant ticket sales and a 0.2% increase in terminal game sales.
- The increase in vendor fees is needed to cover the contracted obligations for the projected increase in sales.



FY 2016-17

Legislative Budget Issues

- **Advertising Agency Fee**
 - Advertising agencies are paid based on a percentage of amount spent on advertising and promotion.
 - This request is to ensure sufficient budget is available for the agency fee based on the appropriated budget for advertising and promotion.



FY 2016-17

Legislative Budget Request

- **Total budget requested: \$176.5 million**
 - Provides funding for department operations at Headquarters and 9 district offices
 - Includes base budget of \$166.9 million and new issues totaling \$9.6 million
 - Represents 3% of projected sales revenue (consistent with FY 2015-16 request of 3%)



July 30, 2015 Revenue Estimating Conference (REC)

FY 2016-17 Projection

INSTANT TICKET SALES	\$3,919,500,000
TERMINAL TICKET SALES	\$1,851,900,000
TOTAL SALES	\$5,771,400,000
TRANSFER TO EDUCATION FROM LOTTERY RECEIPTS	\$1,517,700,000



FLORIDA DEPARTMENT OF REVENUE

FLORIDA HOUSE OF REPRESENTATIVES

GOVERNMENT OPERATIONS APPROPRIATIONS SUBCOMMITTEE

OCTOBER 6, 2015

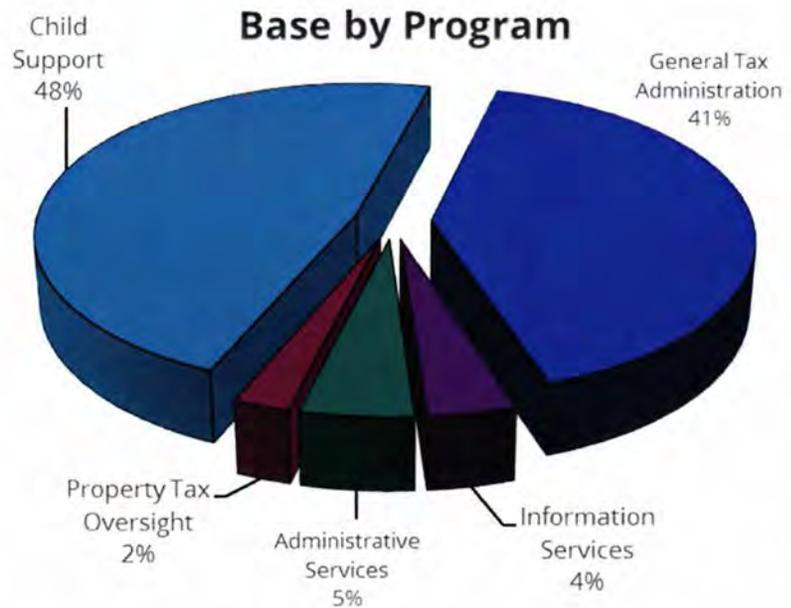
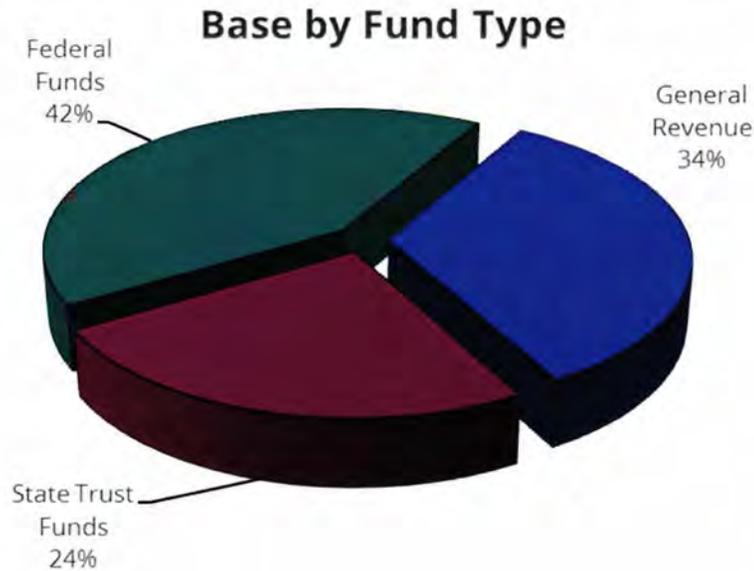


Presented by
Marshall Stranburg, Executive Director

DEPARTMENT OF REVENUE

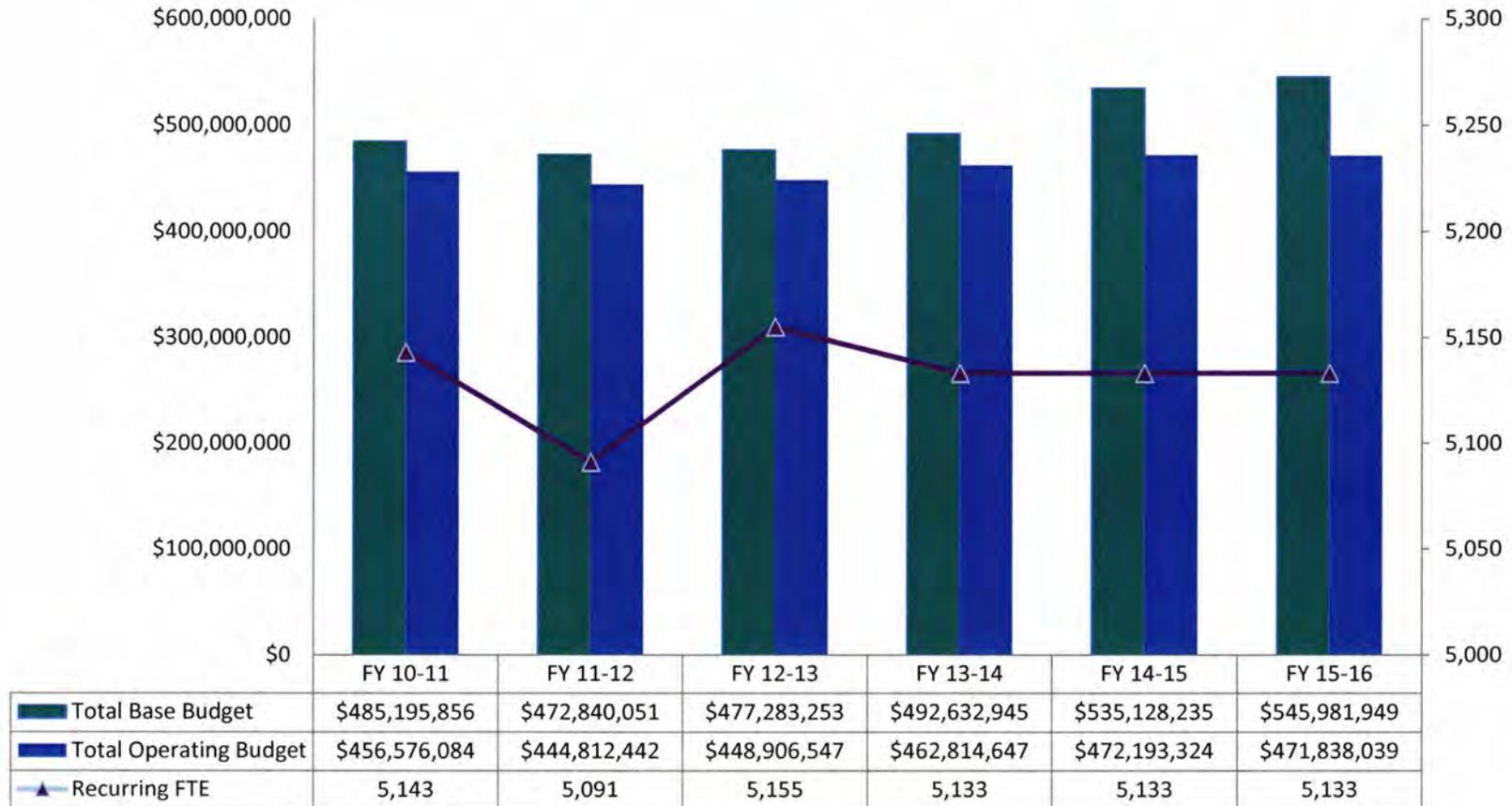
Agency Summary - Fiscal Year 2015-16 Base Budget Review

Program	FTE	General Revenue	State Trust Funds	Federal Funds	Total
Administrative Services	263	\$ 13,235,495	\$ 5,559,567	\$ 8,511,180	\$ 27,306,242
Property Tax Oversight	169	\$ 11,987,650	\$ 1,569,404		\$ 13,557,054
Child Support	2,287	\$ 66,338,979	\$ 3,860,723	\$ 189,497,682	\$ 259,697,384
General Tax Administration	2,244	\$ 86,460,054	\$ 112,189,263	\$ 25,455,371	\$ 224,104,688
Information Services	170	\$ 5,683,865	\$ 10,763,461	\$ 4,869,255	\$ 21,316,581
Total	5,133	\$ 183,706,043	\$ 133,942,418	\$ 228,333,488	\$ 545,981,949



DEPARTMENT OF REVENUE

Historical Perspective for Fiscal Years 2010-11 to 2015-16



Notes:

- Total operating budget equals total base budget less "pass through" appropriation categories.
- Decrease from FY 10-11 to FY 11-12 is due to agency-wide decreases in Salaries and Benefits, primarily from the decrease for Florida Retirement Contribution and adjustments for agency workforce reduction.
- Increase from FY 12-13 to FY 13-14 is predominantly due to funding provided for state retirement cost increase, October 1 pay increases, and state health insurance cost increases.
- Increase in base budget from FY 13-14 to FY 14-15 and from FY 14-15 to FY 15-16 is predominantly due to the Clerks of Court TF Appropriation in the General Tax Administration Program.

DEPARTMENT OF REVENUE

Programs



General Tax Administration



Child Support



Property Tax Oversight



Information Services



Executive Direction & Support Services



GENERAL TAX ADMINISTRATION

The Program collects, processes, and distributes state taxes and fees accurately and efficiently. While other state agencies collect certain revenues related to their respective responsibilities, the Department of Revenue partners with businesses statewide to fairly and efficiently collect most state taxes.

Services & Benefits Provided to Citizens

- Register taxpayers and processes tax payments
- Distribute revenue to state and local governments
- Provide taxpayer education and assistance through its call center, service centers, and website, including web-based tutorials
- Use collection, audit, dispute resolution, and investigations to assure taxpayers are in compliance with the law

Performance

- Administer **34 taxes and fees**
- Collect over **\$38.9 billion** in taxes and fees and reconcile over **8 million tax returns**
- Process **\$5 billion** in receipts for other state agencies and the Clerks of Court
- Perform over **41,000 tax distributions** in excess of **\$37.7 billion** to state funds and local governments representing over **700 local jurisdictions**
- Receive nearly **1 million calls** through its central call center
- Provide approximately **8 million taxpayers** with direct assistance or education



CHILD SUPPORT

The Program helps children get the financial support they need when it is not received from one or both parents. The federal government requires each state to operate a child support program as a condition for receiving the Temporary Assistance for Needy Families (TANF) federal block grant. The Department of Revenue is the state agency for Florida that operates this program.

Services & Benefits Provided to Citizens

- Establish paternity
- Establish and modifies child support orders
- Monitor and take action to help parents comply with child support orders
- Receive and distribute child support payments
- Locate parents and assets
- Educate and assist parents and the public
- Partner with other state, federal and county entities to carry out critical steps in the child support process

Performance

- Provide services for over **989,000 children**
- Maintain over **1 million** child support cases annually
- Assist in establishing paternity annually for more than **90,000 children** statewide
- Collect 81% of the child support due in the year it is due. A total of over **\$1.5 billion** was collected and distributed last state fiscal year
- **91%** of payments result from actions taken by the Program
- Deposit approximately **\$15 million annually to General Revenue** from retained child support collections
- Earn over **\$33 million in federal** performance incentives



PROPERTY TAX OVERSIGHT

The Program ensures that all Florida counties administer property taxes equitably and uniformly. The Program accomplishes this through oversight, aid, and assistance.

Services & Benefits Provided to Citizens

- Ensure that Florida's local levying authorities comply with millage levying procedures and public disclosure laws
- Provide technical guidance to local officials
- Review property tax claims for refunds
- Provide training to elected officials and levying authorities
- Transmit annual level of assessment calculation to the Department of Education to be used in the Florida Education Finance Program Calculation
- Coordinate statewide mapping and aerial photography for Florida's Geographic Information System (GIS)

Performance

- In 2014, Florida's local governments and taxing authorities levied more than **\$26.5 billion** in taxes on **10 million parcels** of real and 1.2 million tangible personal property accounts, with a total market value of **\$2.05 trillion**
- Reviewed and approved **property tax rolls** for each of Florida's **67 counties**
- Reviewed **544 budget and budget amendment submissions** from property appraisers and tax collectors in FY 2014-15
- Mapped over **14,610 square miles** using aerial photography in FY 2014-15
- Distributed **\$22.7 million** to 29 fiscally constrained counties in FY 2014-15

FISCAL YEAR 2016-17 LEGISLATIVE BUDGET REQUEST



General Tax Administration

- **\$1,100,000 – Continuation of Emergency Distribution to Counties**
 - *Recurring Half Cent Local Sales Tax Trust Fund*
- **\$0 – Realignment of Budget Authority from Expense to Contracted Services**
 - *Existing Recurring General Revenue - \$1,200,000*

FISCAL YEAR 2016-17 LEGISLATIVE BUDGET REQUEST



Child Support

- **\$0 – Realignment of Budget Authority from Expense to Purchase of Services**
 - *Existing Recurring General Revenue and Federal Grants Trust Fund - \$1,245,740*
- **\$31,397 – Increase in Double Budget for Partner Agency – Office of State Courts Administrator**
 - *Recurring General Revenue and Federal Grants Trust Fund*
- **\$153,801 – Unamortized Tenant Improvements**
 - *Nonrecurring General Revenue*

FISCAL YEAR 2016-17 LEGISLATIVE BUDGET REQUEST



Property Tax Oversight

- **\$35,000 – Small County Aerial Photography/Mapping**
 - *Nonrecurring General Revenue*
- **\$60,000 – Vehicle Replacement for Agricultural Appraisers**
 - *Nonrecurring General Revenue*

FISCAL YEAR 2016-17 LEGISLATIVE BUDGET REQUEST



Information Services

- **\$2,300,000 – Managed Security Service Provider Assessment and Monitoring**
 - *Recurring General Revenue*

FISCAL YEAR 2016-17 SCHEDULE VIII-B

Possible Reductions for Request Year

Line #	Program	Issue	FTE	GR	State Trust	Fed Trust	Total
1	CSP	Savings Due to Additional Reduction in Hold Time on 1-800 Number		(102,000)		(198,000)	(300,000)
2	CSP	Child Support Office Operations Costs		(46,682)		(90,618)	(137,300)
3	CSP	Reduce Unfunded Budget in the Clerk of the Court Child Support Enforcement Collection System Trust Fund			(52,855)		(52,855)
4	EXE	Reduce Position Salaries and Benefits	(1.00)	(42,000)			(42,000)
5	GTA	Discontinue Mailing Corporate Income Tax Returns		(27,280)			(27,280)
6	GTA	Postal Savings for Notice of Levy for Bank Garnishments		(62,500)			(62,500)
7	CSP	Replace 1-800 KIDS Line with a Local Phone Number		(114,240)		(221,760)	(336,000)
8	GTA	Increase Administrative Costs Retained for Discretionary Sales Tax		(4,700,000)	4,700,000		0
9	CSP	Eliminate Cooperation Requirement for Food Assistance Only Applicants	(15.00)	(200,002)		(388,239)	(588,241)
10	CSP	Postal Savings with Statutory Changes		(64,193)		(124,610)	(188,803)
11	EXE	Reduce Expense Funding through Operational Efficiencies		(52,000)			(52,000)
12	GTA	Require Reemployment Tax and Corporate Income Tax Returns to be Filed Electronically	(18.00)	(693,492)			(693,492)
13	CSP	Child Support OPS Reduction		(102,000)		(198,000)	(300,000)
14	GTA	Eliminate the 1-800 Telephone Call Number		(163,901)			(163,901)
15	CSP	Limit Volume of Outbound Mail (Tied to New Issue: Realignment of CSE Budget)		(714,000)		(1,386,000)	(2,100,000)
16	CSP	Limit Public and Private Providers		(1,230,800)		(2,389,200)	(3,620,000)
17	CSP	Child Support Salaries and Benefits Reduction		(530,355)	(142,845)	(1,306,800)	(1,980,000)
Total			(34.00)	(8,845,445)	4,504,300	(6,303,227)	(10,644,372)



Innovative • Customer Focused • Cost Effective



Legislative Budget Request Fiscal Year 2016-17

House of Representatives
Government Operations Appropriations Subcommittee
October 6, 2015



The Agency for State Technology was established in 2014 by the Florida Legislature to provide oversight of the state's essential information technology projects.



Focus of the AST Budget Request

- Meet the needs of the customer agencies by addressing growth
- Enhance information technology security
- Continue to address remediation and standardization
- Staff Resources



Legislative Budget Request Fiscal Year 2016-17

Budget Entity:	FTE	Budget
Executive Direction/Support Svcs	25	\$ 4,485,630
Data Center Administration	42	\$ 4,460,469
State Data Center	<u>174</u>	<u>\$63,730,107</u>
Total FY 2016-17 Request	<u>241</u>	<u>\$72,676,206</u>



Budget Request by Budget Entity and Category

FISCAL YEAR 2016-17 REQUEST	DATA CENTER ADMINISTRATION	STATE DATA CENTER	TOTAL TRUST FUNDS	EXECUTIVE DIRECTION (GR)	TOTAL AST
	42.0	174.0	216.0	25.0	241.0
Salaries & Benefits	\$ 3,303,310	\$ 13,646,825	\$ 16,950,135	\$ 2,852,608	\$ 19,802,743
Other Personal Services	195,594	434,221	629,815	-	629,815
Expenses	758,046	5,459,400	6,217,446	615,894	6,833,340
OCO	27,000	91,334	118,334	10,000	128,334
Contracted Services	147,129	20,922,459	21,069,588	864,627	21,934,215
Cloud Services	-	2,500,000	2,500,000	-	2,500,000
Risk Management Insurance	7,800	108,653	116,453	3,483	119,936
Administrative Overhead	-	-	-	115,000	115,000
Deferred Pmt Commodities Contracts	-	5,505,252	5,505,252	-	5,505,252
Lease/Purchase/Equipment	7,102	4,744,246	4,751,348	-	4,751,348
Disaster Recovery Services	-	4,527,033	4,527,033	-	4,527,033
DMS HR Services	14,488	61,199	75,687	8,594	84,281
Data Processing Services - DCF	-	52,000	52,000	-	52,000
Other Data Processing Services AST	-	-	-	15,424	15,424
Data Processing Services - SSRC	-	5,677,485	5,677,485	-	5,677,485
	\$ 4,460,469	\$ 63,730,107	\$ 68,190,576	\$ 4,485,630	\$ 72,676,206



Legislative Budget Request Comparison

FY 2015-16 Appropriation	\$ 71,257,697
FY 2016-17 Base Budget	\$ 68,621,780
FY 2016-17 New Issue Request	\$ 4,054,426
Recurring	\$2,035,957
Non-Recurring	\$2,018,469
FY 2016-17 Request	<u>\$ 72,676,206</u>
Percent Increase Over Current Year	2.0%
Percent Increase Over Base Budget	5.9%



Legislative Budget Request - New Issues

I. Providing for Customer Agency Growth

Monitoring and Management Tool True-up	\$ 172,440
Enterprise Data Protection Services License True-up	\$ 100,000
Power Buildout	\$ 321,680

II. Information Technology Security

Managed Security Services	\$ 772,125
Security Training	\$ 220,000

III. State Data Center Staffing Resources

\$ 297,000

VI. Remediation & Compliance Information Technology Licensing

\$ 732,816

V. End Of Service Life Hardware/Software Replacement

Hardware	\$ 145,685
Software	\$ 168,000



Schedule VIIIB – 5% Reductions

I. 72980100 Executive Direction - General Revenue			
Administrative Overhead	105,000		
Expense	26,178		
OCO	5,000		
Contract Services	42,000	\$	178,178
II. 72980200 Data Center Administration - WCTF			
OPS	30,000		
OCO	13,000	\$	43,000
III. 72980500 State Data Center - WCTF			
Data Processing Services-DCF	12,000		
OCO	11,334	\$	23,334
IV. 72980500 State Data Center - WCTF			
Expense	992,122		
Contract Services	1,092,122		
Other Data Processing Services	1,092,123	\$	3,176,367
Total 5 Percent Target			
General Revenue	178,178		
Working Capital Trust Fund	3,242,701	\$	<u>3,420,879</u>



Budget Issue Summary

Priority	Category	FY 2016-17 Request	Non-Recurring	Description
I Providing for Customer Agency Growth				
1 Enterprise Monitoring and Management Tool True-up (36151C0)				
	Expense	172,440	137,952	Additional licensing is required for the State Data Center (SDC) to maintain compliance with the number of licenses being utilized for the management of SDC assets. As customer needs and utilization increase throughout the year, the new systems must incorporate the monitoring and patching software necessary for proper management of the state's systems. These tools are used for various monitoring needs and for the collection of utilization for cost allocation. The software tools are installed as needed, licensed based on capacity, and then reconciled annually with the vendors to ensure proper licensing on all products. The true-up process is of great benefit to the state as it eliminates the need for upfront investment in unused license capacity to ensure license compliance for potential growth.
	Total	172,440	137,952	
2 Enterprise Data Protection Services License True-up (36152C0)				
	Expense	100,000	80,000	Additional licensing is required for the State Data Center (SDC) to maintain compliance with the number of licenses utilized to manage the enterprise backup solution. The Agency for State Technology (AST) has implemented a common Enterprise Backup solution, which has enabled staff to efficiently complete backups required to protect customer data. The components used within this environment (Networker, Data Domain, Data Protection Advisor, and Avamar) are used as needed, licensed based on capacity, and reconciled annually with the vendors to ensure proper licensing of all products.
	Total	100,000	80,000	
3 Power Buildout for Agency Customer's Growth (36153C0)				
	Contract Svcs	200,000	200,000	Power consumption also grows as the utilization of services increase. Unlike software licenses, power infrastructure is added in a planned, proactive manner to ensure that services are never interrupted due to a power failure and that new services requested by the agencies are not refused due to lack of available power capacity. The additional power capacity is also a necessary prerequisite for the physical consolidation of the SDC facilities into a single site. This issue requests the funds to procure and install a 250-500kW scalable Uninterruptable Power Source (UPS) and upgrade the existing 350kW generator to a 750kW generator that will support existing load and the new UPS. This will complete the final phase of the Southwood data center's power build out and provide additional power to support the facilities expected future growth.
	CEFP	121,600		
	Total	321,600	200,000	
	Total	\$ 594,040	\$ 417,952	
II Information Technology Security				
4 Managed Security Services (36157C0)				
	Contract Svcs	772,125	88,117	Florida is responsible for protecting information technology (IT) resources which support diverse state missions. The Agency for State Technology (AST) is responsible for establishing security initiatives for state agencies and adhering to stringent security requirements for State Data Center customers. State systems contain valuable information, which include Personally Identifiable Information (PII), Protected Health Information (PHI), Criminal Justice Information (CJI), Federal Tax Information (FTI), and Payment Card Information (PCI). The state is responsible for protecting the confidentiality, integrity, and availability of this valuable information, as well as the systems supporting the delivery of services to businesses and citizens in the state. The issue allows AST to obtain managed security services which promote enhanced detection capabilities for malicious network traffic and anomalies that indicate a possible compromise and support protecting the confidentiality, integrity, and availability of state IT resources. The request covers monitoring certain traffic in the state data center.
9 Security Training (36158C0)				
	Expense (GR)	220,000	220,000	AST is responsible for providing security training to state agency IT security staff in support of protecting the confidentiality, integrity, and availability of state IT resources. AST will identify IT security training and educational opportunities to assist state agencies in assessing, securing, and hardening State of Florida IT systems. This issue will provide for a security training programs required per section 282.318, Florida Statutes for all state agency IT security staff in support of protecting the confidentiality, integrity, and availability of state IT resources. Training will be delivered by certified training providers.
	Total	\$ 992,125	\$ 308,117	



Budget Issue Summary

Priority	Category	FY 2016-17 Request	Non-Recurring	Description
III State Data Center Staffing Resources (3614AC0)				
5	Salary & Benefits	297,000	-	Request for salary and benefit budget to support data center operations, the current budget is not sufficient to support the necessary on-call, overtime, and leave payouts and be able fill the vacant positions in the state data center. To resolve the staffing deficiency salary and benefit budget will be transferred from DCA (\$150,000), an on-call category will be requested from budget reserve (\$300,000) and an additional \$297,000 will be needed. (Rate will be transferred from Data Center Administration). Over the next few years the data centers will be merging into one physical location as well as replacing outdated equipment and standardizing licenses and applications, this will generate workload beyond the normal data center operations. Agency business requirements dictate the level of system availability and SDC staffing is aligned with agency business requirements and service level agreements. There are a wide variety hardware and software infrastructure support components in the SDC and many customers have systems that must be available 24/7/365. Since system outages are very costly, SDC staff with the expertise to support those application components must also be available 24/7/365. This coverage represents SDC on-call costs. Overtime costs are generated by outages (emergency on-site response to system failures), patching (applying software fixes to identified security flaws) and maintenance activities (either SDC maintenance or the support of Agency requirements for maintenance). The SDC has over 5,000 devices that require monitoring, patching and scheduled maintenance. Due to the merger and increased workload from the physical move and agency services growth it is imperative that positions can be filled to provide the resources necessary for on-going and increasing service requests.
Total		\$ 297,000	\$ -	
IV Remediation & Compliance Information Technology Licensing (36147C0)				
6	Expense	562,800	562,800	Database Access and Database Monitoring Licenses
	Contract Svcs	170,016	-	This issue is to true up the database and database monitoring licenses currently in use at the Agency for State Technology (AST) State Data Center (SDC) in support of multiple customer agencies. The consolidation of the two data centers has provided additional visibility to the quantity and type of licenses inherited from customers through initial Data Center Consolidation. These additional licenses are needed to remain compliant with manufacturer licensing
Total		\$ 732,816	\$ 562,800	
V End Of Service Life Hardware & Software Replacement (24010C0)				
7	Expense	35,000	35,000	Hardware Replacement
	OCO	30,000	30,000	This issue is to replace data center hardware and software that have reached or passed their useful service life. Failure to replace these items may result in increased support costs, decreased service availability to the agencies, increased potential for data loss, as well as increased exposure to security vulnerabilities. During FY 2016-17, approximately 15 UNIX servers, will be over 6 years old and will be past their useful service life according to industry norms. Also included is the cost of specialized configuration, operating system licenses and maintenance and support of the new systems.
	CEFP	46,125	-	
	Contract Svcs	34,560	-	
Total		168,000	117,600	
	Expense	168,000	117,600	SQL Licensing Capacity
This issue provides licensing that enables a subset of customers running EOS SQL database platforms to upgrade to supported versions. These SQL instances are no longer patched and are subject to security vulnerabilities. Additionally, issues related to performance as well as errors that occur during production operations are unable to be resolved by the manufacture due to the product not being supported. This provides enough license capacity to replace all SQL 2000 and 10% of SQL 2005 licenses.				
Total		\$ 313,685	\$ 182,600	



Budget Issue Summary

Priority	Category	FY 2016-17 Request	Non-Recurring	Description
VI Enterprise IT Initiatives				
10 Security and Project Management Training Coordinator (36112C0)				
	Contract Svcs (GR)	130,000	130,000	This issue requests Staff Augmentation to retain a Training Coordinator to facilitate IT Security and IT Project Management training as required per sections 282.318 and 282.0051, F.S. This resource will coordinate the security training programs for all state agency IT security staff in support of protecting the confidentiality, integrity, and availability of state IT resources. Similarly, this resource will coordinate project management training for resources assigned to the state's IT projects. Training will be delivered by Agency for State Technology (AST) staff as well as certified training providers.
11 Senior Project Manager (36113C0)				
	Contract Svcs (GR)	200,000	200,000	This issue also requests a Senior Project Manager to perform project management responsibilities for the Executive Direction and Support offices of the agency. These responsibilities include, but are not limited to: managing internal projects and those identified in law or proviso, mentoring staff, developing and/or reviewing templates and training in support of the rule, and leveling out periods of transition should turn-over occur. This resource will ensure that AST is in compliance with the Project Management and Oversight Rule (74-1, F.A.C.).
12 IT Governance and Project Management Monitoring Tool (36114C0)				
	Expense	143,000		This issue also requests an IT governance and project monitoring tool. This tool will enhance AST's performance of its statutorily-defined project oversight duties by automating the exchange of information, thereby enhancing efficient and timely communication between agencies and AST. The tool will provide coordinated and automated capabilities (both to the AST staff and the agency project staff) that will facilitate the management and reporting of Florida's IT projects. Additionally, project stakeholders and executive staff of the agencies will gain greater insight into the performance of critical state IT projects and a better understanding of the issues and risks that need management action before serious problems occur.
	Contract Svcs (GR)	217,000	217,000	
	Total	\$ 560,000	\$ 417,000	
VII Reapproval of Expansion of Virtual Backup Storage (36149C0)				
8	CEFP	434,760	-	In the FY 2014-15 budget (Issue 36162C0) CEFP was requested for Backup expansion. The budget was requested as recurring however was funded non-recurring. The project was initiated last year, recurring budget authority will be necessary for FY 2016-17. The payments for FY 2015-16 will be made from new CEFP appropriation that will not be used due to the timing of the purchases and acceptance of the equipment. This will be recurring through FY 2018-19.
	Total	\$ 434,760	\$ -	

Total By Category		
Salary/Benefits	297,000	-
Expense	1,401,240	1,153,352
OCO	30,000	30,000
CEFP	602,485	-
Contract Svcs	1,723,701	835,117
Total	\$ 4,054,426	\$ 2,018,469



Legislative Budget Request

QUESTIONS?

Jason M. Allison, Executive Director/State CIO
Agency For State Technology
4050 Esplanade Way, Suite 115
Tallahassee, FL 32399
850.412.6050



FLORIDA COMMISSION ON HUMAN RELATIONS

Michelle Wilson, Executive Director

October 6, 2015

Government Operations Appropriations Subcommittee



STATUTORY OBLIGATION

Chapter 760, Florida Statutes

The Florida Commission on Human Relations investigates allegations of discrimination in employment, housing, public accommodations (hotels & restaurants) and allegations of retaliation made by state government employees who file whistle-blower complaints.



COMMISSIONERS

- 12 individuals appointed by the Governor and confirmed by the Senate
- Broadly representative of groups in Florida
- At least one member must be 60 years of age or older
- Serve 2-year terms
- Non-salaried



CURRENT APPROPRIATIONS

Positions: **51.5 FTEs/4 OPS**

General Revenue: **\$2.9 Million**

Trust Fund: **\$1.6 Million**

Federal Receipts

- Federal Equal Employment Opportunity Commission (EEOC)
- Federal Housing & Urban Development (HUD)



FY 2014-15 STATISTICS

- ❖ Cases (all types) received: **1,372**
- ❖ Average time to resolved cases: **148 days**
- ❖ Percent of cases resolved within 180 days: **71%**
- ❖ Average number of cases assigned at any point in time to an employment investigator: **39**
- ❖ Average amount of time an employment investigator spends on one case: **23 hours, 20 minutes (2010 study)**



FY 2014-15 STATISTICS

❖ Case resolutions (all cases):

- No Cause: 64%
- Cause: 9%
- Administrative: 27%

❖ Top 5 bases (all cases):

- Race
- Sex
- National origin
- Religion
- Retaliation



FY 2015-16 LBR PRIORITIES

- **Fund Shift from Operating Trust Fund to General Revenue - \$990,994**
 - Anticipated revenues will not cover Trust Fund appropriation

- **Increase Salaries and Benefits - \$285,000**
 - Increase investigator retention

- **Case Management System Replacement - \$250,000**

- **DMS Administrative Overhead OIG Services - \$7,977**

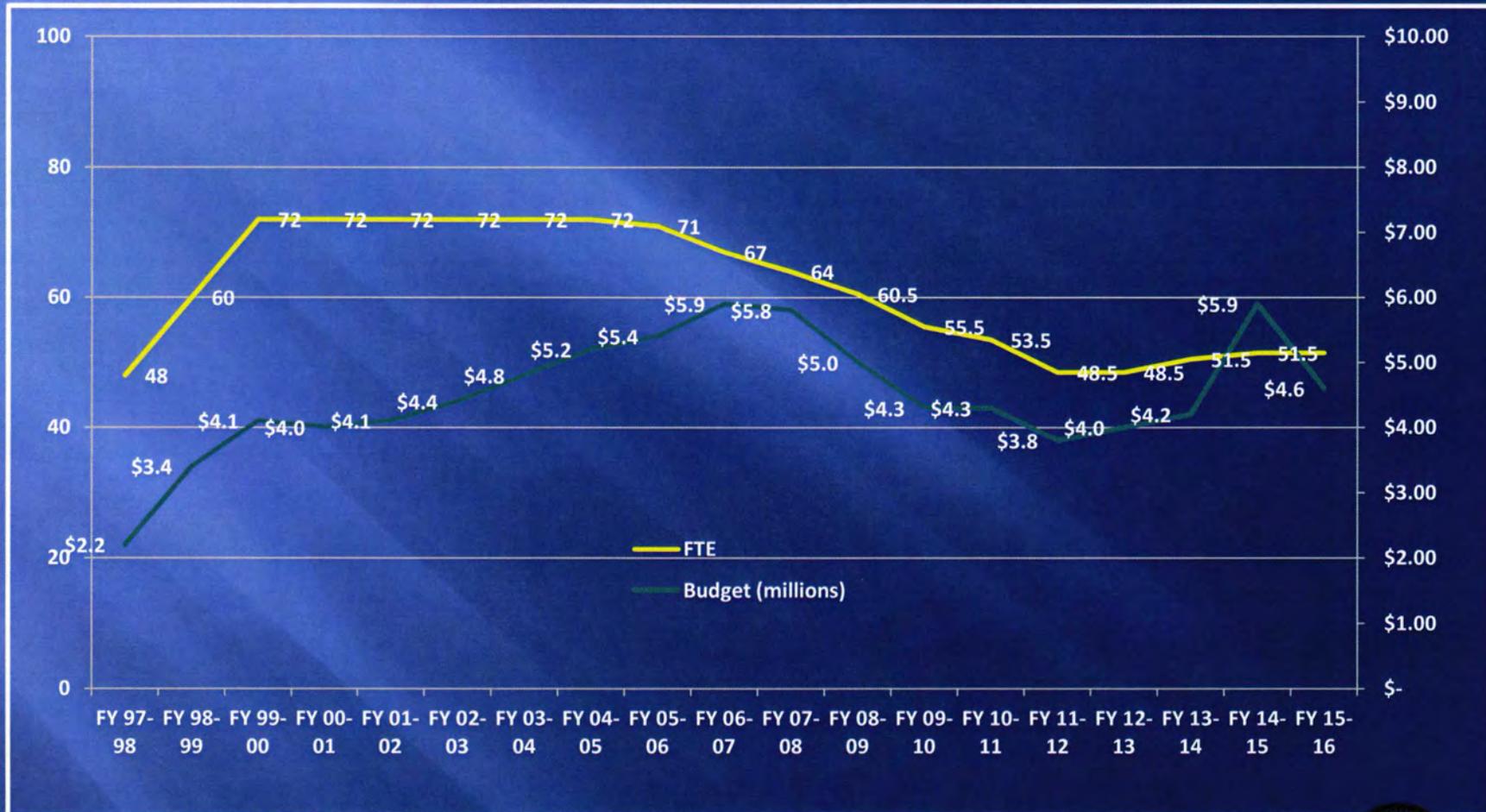


REDUCTION ISSUES

- Fund shift positions (GR: \$122,856 - 2 FTEs)
- Reduce operating expense (Trust: \$6,781)
- **TOTAL: \$129,637 (Target: \$129,637)**



FCHR FUNDING HISTORY



QUESTIONS?

Contact Information

Florida Commission on Human Relations
4075 Esplanade Way, Suite 110
Tallahassee, FL 32399-7020

Phone : 850-488-7082
Toll Free: 1-800-342-8170
Fax: 850-488-5291
Web: <http://fchr.state.fl.us>





**Public Service Commission
Presentation of FY 2016-17
LBR & Schedule VIII B-2**

**The Florida House of Representatives
Government Operations Appropriations
Subcommittee**

**Braulio L. Baez
Executive Director
October 6, 2015**



Overview

- The Public Service Commission (PSC) has responsibilities over the state's investor-owned utilities (IOUs).
- Electricity, Natural Gas, and Water and Wastewater:
 - The PSC regulates the electric and gas IOUs in the state and the water and wastewater IOUs in those counties that have given us jurisdiction.
 - The PSC also has limited authority over publicly-owned municipal and rural cooperative utilities.
- Telecommunications:
 - The PSC has regulatory authority over the wholesale relationships of the state's various telecommunications companies, and over certain retail programs such as Lifeline and Relay.



Funding

The PSC is committed to making sure that Florida's consumers receive some of their most essential services – electric, gas, water and wastewater, and telephone – in a safe, affordable, and reliable manner.

- **The PSC is funded by Regulatory Assessment Fees**
- **Current Budget for FY 2015-16**
 - **\$25,109,863**
 - **280 FTE**



Legislative Budget Request Fiscal Year 2016-17

Operational Efficiencies

Issue	Description	Issue Amount	FTE Reduction
3 FTE Reduction	Increased efficiency has created vacant positions that can be eliminated without impacting the Commission's ability to carry out its statutory duties.	(\$198,237)	(3)
Non-recurring Funding	<p>Requesting non-recurring funds to replace two or more vehicles that have reached mileage in excess of 150,000.</p> <p><i>Section 287.14(3), Florida Statutes</i></p>	\$60,000	



Summary of Schedule VIII B-2 Reduction Issues

By Key Areas

Rate Base / Economic Regulation – involves analyzing requested rate changes and conducting earnings surveillance to ensure that regulated utilities are not exceeding their authorized rates of return.

- Streamline Approval of Municipal and Cooperative Electric Utilities Tariffs
- Reduce Federal and State Interagency Activity

Safety, Reliability, and Consumer Protection – involves electric and gas safety inspections, ensuring electric, gas, and water reliability, determining the need for additional power plants, oversight of conservation programs and responding to consumer contacts regarding utility matters.

- Convert Hard Copy System and Territory Maps to Electronic Format
- Reduction in Field Audit Staff
- Eliminate Staff Review of Index and Pass Through Filings
- Reduction in Water Certification Review Staff (General Revenue Fund)
- Reduce Customer Complaint Resolution Staff
- Eliminate Staff Review of Index and Pass Through Filings



Summary of Schedule VIII B-2 Reduction Issues

By Key Areas

Competitive Market Oversight – entails facilitating the function of existing telecommunication markets, resolving disputes and investigating allegations of anti-competitive behavior, while ensuring low-income and hard of hearing citizens have access to telephone service.

- Elimination of Jurisdiction for Pay Telephone Service Providers
- Reduce Outreach for the Lifeline Program
- Elimination of Three Telecommunication Annual Reports



Summary of Schedule VIIB-2 Reduction Issues

By Key Areas

Public Service Commission 5% Reduction Target \$1,247,729

Category	Reduction Amount	FTE Reduction
Rate Base / Economic Regulation	\$237,930	4
Safety, Reliability, and Consumer Protection	\$352,838	7
Competitive Market Oversight	\$165,972	3
Operational Efficiencies & Administrative Support	\$490,989	8
Totals	\$1,247,729	22



Summary

- **Legislative Agency**
- **99.1% Trust Funded, Less than 1% General Revenue Footprint**
- **Legislative Budget Request FY 2016-17**
 - 2 Agency Issues
 - 3 FTE Reduction
 - Non-Recurring Funds for Vehicle Replacement
- **Schedule VIII B-2**
 - 5% Target - \$1.25M
 - 16 Issues with a Corresponding 22 FTE Reduction

DIVISION OF ADMINISTRATIVE HEARINGS

Presentation to:

**House Government Operations Appropriations
Subcommittee**



**Robert S. Cohen, Director and Chief Judge
David M. Maloney, Deputy Chief Judge
Cindy Ardoin, Budget Director**

October 6, 2015



DOAH Mission:

To provide a uniform and impartial forum for the trial and resolution of disputes in an efficient and timely manner.

ADJUDICATION OF DISPUTES

- Authorized by Chapter 120, F.S.
- Resolves disputes between private citizens and organizations and agencies of the state.
- Jurisdiction includes professional licensure, child support, paternity, Medicaid waiver, Baker Act cases and Senate Claim bills.

WORKERS' COMPENSATION APPEALS

- Authorized by Sections 440.25 and 440.45, F.S.
- Resolves disputes between workers and their private or public employers arising from job-related injuries.
- Jurisdiction includes withholding child support arrearages from workers' compensation settlements.

* Per Section 120.65, Florida Statutes, the Division of Administrative Hearings is administratively attached to the Department of Management Services (DMS), but is not subject to the control, supervision, or direction by DMS in any manner, including, but not limited to, personnel, purchasing, transactions involving real or personal property, and budgetary matters.

ADJUDICATION OF DISPUTES PROGRAM

➤ ORGANIZATION

65 FTE:

- 1 Director and Chief Judge
- 1 Deputy Chief Judge
- 31 Administrative Law Judges
- 32 Staff

➤ LOCATION

This program is located in Tallahassee. The Administrative Law Judges travel or utilize video teleconferencing to conduct hearings throughout Florida.

➤ **FY 16-17 CONTINUATION BUDGET REQUEST: \$8,355,526**

- 100% Trust Funded
- Only 5% of the agency's budget supports administrative activities.
- Funded through transfers from state agencies, contracts with outside entities, and an administrative assessment from the Workers' Compensation Appeals Program.

WORKERS' COMPENSATION APPEALS PROGRAM

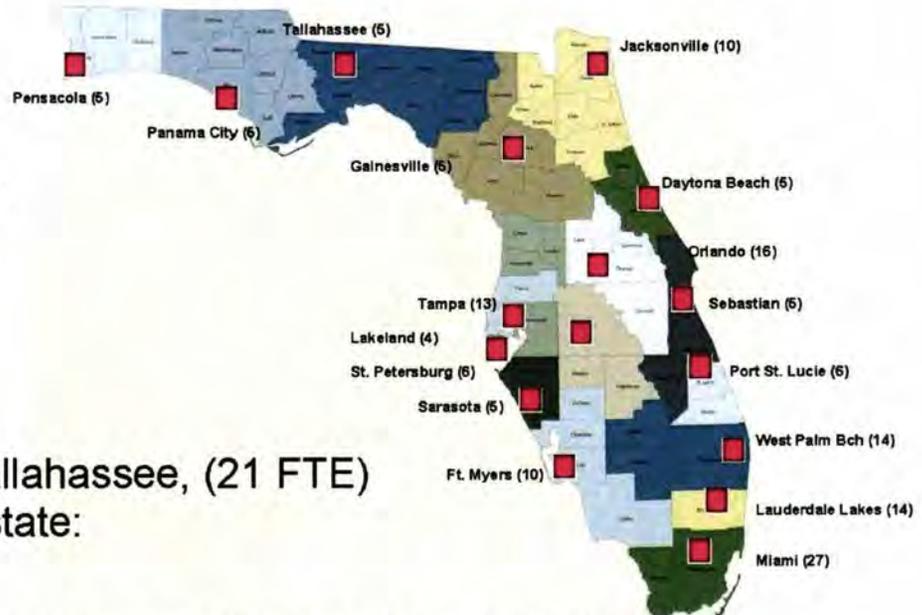
➤ ORGANIZATION

176 FTE:

- 1 Deputy Chief Judge
- 31 Judges of Compensation Claims
- 28 Mediators
- 116 Staff

➤ LOCATION

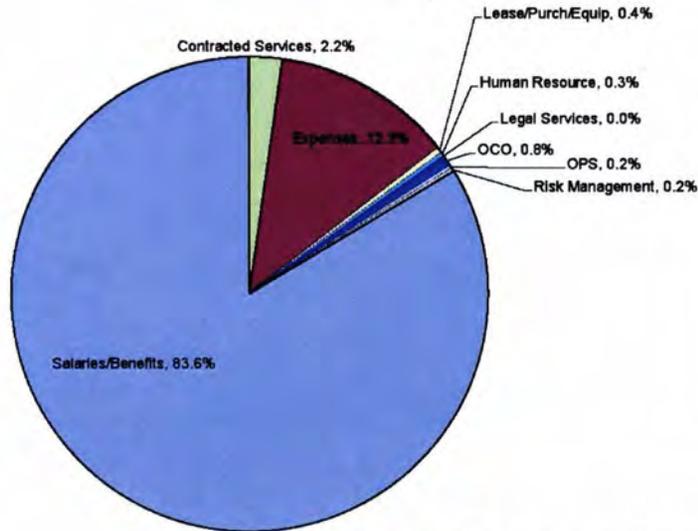
This program's headquarters are in Tallahassee, (21 FTE) with 17 district offices throughout the state:



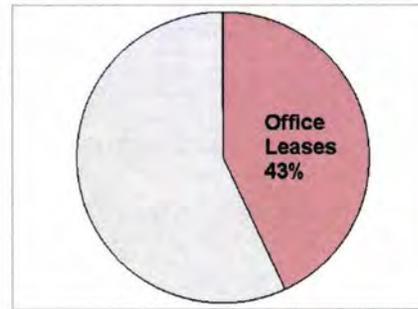
➤ FY 16-17 CONTINUATION BUDGET REQUEST: \$17,447,265

- 100% Trust Funded
- Funded through transfers from the Workers' Compensation Administration Trust Fund (WCATF), of the Department of Financial Services. The WCATF is supported by a 1.43 percent assessment rate on insurance premiums.

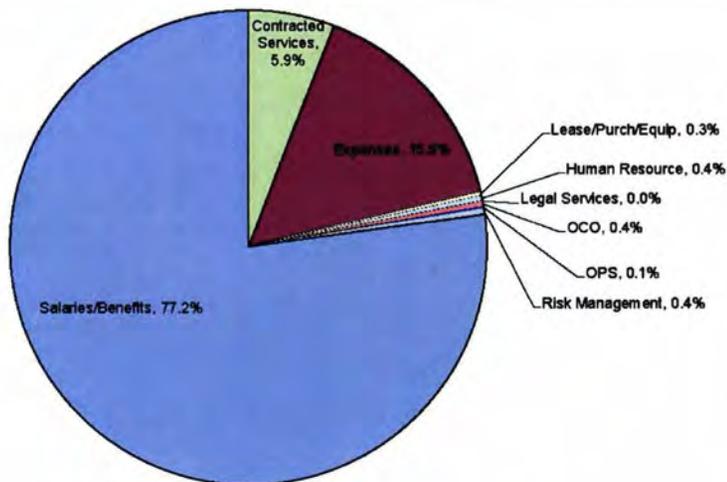
Division of Administrative Hearings FY 2016-17 BASE BUDGET Adjudication of Disputes Program



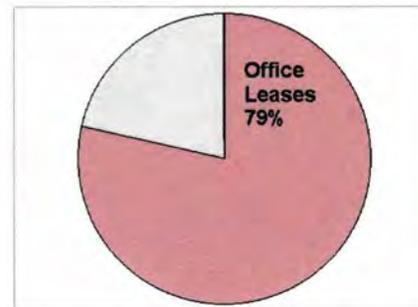
Expenses Breakout



Workers' Compensation Appeals Program



Expenses Breakout



**Division of Administrative Hearings
 FY 2016-17 Budget Reduction Proposals
 5% Target Amount: \$0 GR \$1,281,409 TF**

<i>Issue</i>	<i>FTE</i>	Recurring General Revenue	Recurring Trust Fund Amount	Issue	Impact
1	-3	0	-272,282	Workforce Reduction - Adjudication of Disputes	Minimum impact on this program's operations. Deletes Deputy Chief Judge position plus two staff.
2	-3	0	-324,023	Workforce Reduction - Workers' Compensation Appeals	Minimum impact on this program's operations. Deletes 3 positions in the Ft. Myers district office.
3	-5	0	-541,619	Close Port St. Lucie Office	Moderate impact on this program's ability to fulfill its mission. Closes the district office in Port St. Lucie.
4	0	0	-143,485	Reduce Allocation for Expenditures – Adjudication of Disputes	Significant impact on this program's ability to fulfill its mission. Reduces expenses, contracted services and lease/purchase equipment.
-11		0	-1,281,409		

**DIVISION OF ADMINISTRATIVE HEARINGS CUTS
(FY 2003-04 to FY 2015-16)**

	<u>FTE</u>	<u>AMOUNT</u>
FY 2003-04	(2.0)	(\$194K)
FY 2004-05	(3.0)	(\$231K)
FY 2005-06	(7.0)	(\$291K)
FY 2006-07	(1.0)	(\$31K)
FY 2007-08	(2.0)	(\$291K)
FY 2008-09	(1.0)	(\$234K)
FY 2009-10	0.0	(\$514K)
FY 2010-11	0.0	(\$153K)
FY 2011-12	(17.0)	(\$922K)
FY 2012-13	(7.0)	(\$738K)
FY 2013-14	(1.0)	(\$104K)
FY 2014-15	0.0	(\$40K)
FY 2015-16	0.0	\$0
TOTAL RECURRING CUTS	<u>(41.0)</u>	<u>(\$3.74M)</u>

PERC AGENCY OVERVIEW



**Prepared for the
HOUSE GOVERNMENT OPERATIONS
APPROPRIATIONS SUBCOMMITTEE
October 6, 2015**

MISSION

The Public Employees Relations Commission is a small quasi-judicial agency created to resolve public sector labor and employment disputes and to otherwise effectuate the state's labor policy to promote harmonious and cooperative relationships between government and its employees, both collectively and individually, and to protect the public by assuring the orderly and uninterrupted operations and functions of government as prescribed by the Florida Constitution and state statutes.

The Commission serves over 600,000 employees and has jurisdiction over all state and local governments, including cities, counties, school boards and special taxing districts.

OVERVIEW OF AGENCY

The Public Employees Relations Commission (PERC) was originally staffed with forty-two full-time equivalents with a single jurisdiction of labor disputes and its funding was predominantly General Revenue (98%). Currently PERC has twenty-four positions and is responsible for seven employment law jurisdictions and funding is now split equally between General Revenue and the PERC Trust Fund. In summary, since its inception PERC has reduced its workforce by forty-three percent (43%), while absorbing six new employment law jurisdictions and still has maintained excellent results as reflected in its performance standard measurements.

Unlike other agencies, PERC has a single program. The agency has absorbed past budget reductions and shortfalls due to changes in funding structure by reorganizing staff, consolidating positions and leased space, cutting non-essential travel and significantly reducing administrative overhead.

For Fiscal Year 2016-2017 PERC submitted a continuation Legislative Budget Request with no Legislative Budget Issues.

JURISDICTION AND AUTHORITY

Labor Cases

Public employees in the State of Florida have the constitutional right to collectively bargain. "Public employees" means employees of the state, counties, school boards, municipalities and special taxing districts. This includes all fire, police, corrections, school teachers and support personnel, attorneys, medical personnel, state troopers, toll collectors, sanitation employees and clerical, etc. It is estimated that there are well over 600,000 public employees in bargaining units throughout the State of Florida. The Commission holds hearings and resolves disputes about the composition of bargaining units and alleged unfair labor practices.

Employment Cases

PERC has jurisdiction over career service appeals in the State of Florida. There are state employees who have civil service privileges under the Florida Constitution concerning discipline, such as discharge, demotion and suspensions, etc. They have the right to appeal these actions to the Commission, which will appoint a hearing officer to hold an evidentiary hearing to determine if there was cause for the discipline and, in certain cases, whether the discipline should be mitigated.

JURISDICTION AND AUTHORITY

LABOR

- **Unfair Labor Practice Complaints**
 - Art. I, s. 6, Fla. Const.
 - Ch. 447, Part II, Fla. Stat.
- **Other Labor Functions**
 - Employee Organization (Union) Registrations
 - Representation (Union) Elections
 - Collective Bargaining Impasse Resolution

EMPLOYMENT

- **Career Service Appeals**
 - Art. III, s. 14, Fla. Const.
 - ss. 110.227, 447.207, Fla. Stat.
- **Other Employment Cases**
 - Veterans' Preference Complaints
 - Drug-Free Workplace Act Appeals
 - Age Discrimination Complaints
 - Forced Retirement Appeals
 - Whistle Blower Act Complaints

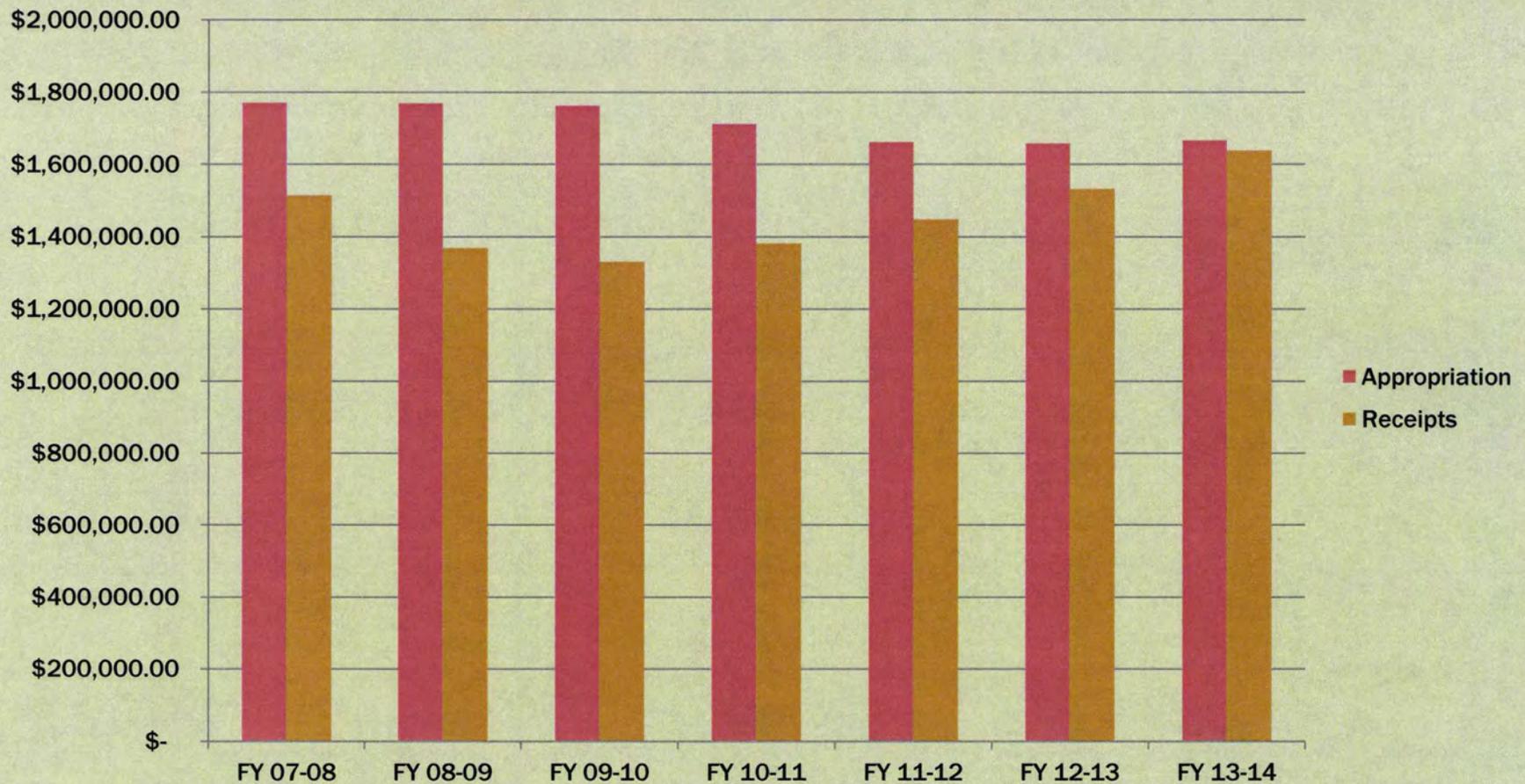
PERFORMANCE RESULTS

- **99%:** Percent of timely labor dispositions
- **98%:** Percent of timely employment dispositions
- **92%:** Percent of appealed dispositions affirmed or dismissed/withdrawn

(Commission decision affirmed by the appellate courts or cases dismissed/withdrawn by parties on appeal)



TRUST FUND: APPROPRIATIONS VS. REVENUE RECEIPTS



Actual revenues fell below estimates



PUBLIC EMPLOYEES RELATIONS COMMISSION BUDGET REDUCTION PROPOSAL

2016-2017 Base Budget

GENERAL REVENUE	CATEGORY	TRUST FUND
\$ 1,377,427 (80%)	SALARIES/ BENEFITS	\$ 1,265,024 (73%)
\$ 149,277	OPS	\$ 53,628
\$ 57,094	EXPENSES	\$ 345,814 (20%)
\$ 37,399	OCO	\$ 5,721
\$ 35,070	Special Category CONTRACTED SRVCS	\$ 32,500
\$ 5,247	Special Category RISK MANAGEMENT	\$ 7,951
\$ 34,314	Special Category ADMIN. OVERHEAD	\$ —
\$ 5,642	Special Category HR SERVICES	\$ 5,377
\$ 13,965	Special Category DP SERVICES	\$ 14,190
\$ 1,715,435	TOTAL	\$ 1,730,205

2016-2017 Fiscal Year

Total Budget: \$3,445,640

Target Reduction (\$171,731)

- Reduce Other Personal Services 70%
\$142,905 – temporary staffing
- Reduce Operating Capital Outlay 38% -
\$ 16,326
- Reduce Contracted Services 18% -
\$12,500

PROGRAM IMPACT

Program Impact: Moderate.

A reduction of seventy percent (70%) in temporary staffing (Other Personal Services) may result in an inability to secure adequate staffing for public sector elections and prevent the conduct of those elections within legislatively mandated standards. It will also reduce efficiencies and cost savings created by the conversion of data to electronic form.

Reduce by forty-four percent (44%) the funding available to purchase equipment (Operating Capital Outlay), which is already at minimal levels.

Contracted Services reductions will affect the Commission's ability to pursue modifications or upgrades to existing technological resources such as the case management system and web access functions or to launch new initiatives designed to improve access and service to our customers.

This proposal was based on operational needs with the intent to minimize adverse impact on the Commission and those served by the agency.

MATTERS OF INTEREST

- Trust Funding comes primarily from a distribution from the Local Government Half Cent Sales Tax. Historically, declining sales tax revenues have resulted in Trust Fund shortfalls. As a result of an improving economy, revenues met estimates in Fiscal Year 2014-2015 for the first time since Fiscal Year 2006-2007.
- In the last five fiscal years staffing has been reduced by 14% and overall by 43%.
- Position reductions have resulted in minimal staffing levels and no “back up” provisions. This leaves the Commission particularly vulnerable to an inability to perform its mission. Currently two members of the leadership team are scheduled to exit DROP within the next eight months and several hearing officers will follow in the next three to five years. Due to minimal staffing levels, we do not have an internal succession plan which would provide for a smooth and efficient transition and the continuation of optimal operational levels.
- Technology – hardware and software. The Commission has several projects in progress including replacement of hardware to meet current requirements and future needs. We are also exploring the possibility of providing videoconferencing facilities as a hearing option that may initially require an investment in equipment to support the infrastructure but will reduce travel related costs for all parties. Software initiatives include maintenance, system related upgrades and enhancements to the Case Management System and Electronic Filing portal. Similar systems are currently in place at other judicial agencies and allow us to provide easier and more efficient access to those we serve as well as savings related to the reduction of paper and postage costs.
- Leased space. The Commission negotiated space and relocated to a facility that was designed specifically to optimize efficiencies and customer service. The rental rate for the new facility is \$14.25 per square foot decreasing to \$13.62 over the life of the lease. This rate is below current state rates, resulting in a savings to the State of Florida.