



**LEGISLATIVE
BUDGET
COMMISSION**

**Commission Meeting Packet
for
Wednesday, June 18, 2003**

**(Please bring this packet to the committee meeting.
Duplicate materials will not be available.)**

LEGISLATIVE BUDGET COMMISSION AGENDA

June 18, 2003

6:15 – 7:45 pm

Room 212, Knott Building

Members:

Representative Bruce Kyle

Representative Gus Bilirakis

Representative Frederick Brummer

Representative Wilbert “Tee” Holloway

Representative Sandra Murman

Representative David Simmons

Representative Leslie Waters

Senator Ken Pruitt

Senator Lisa Carlton

Senator Dennis Jones

Senator Ron Klein

Senator Tom Lee

Senator Lesley Miller

Senator Rod Smith

I. Consideration of the following budget amendments:

- A. EOG B0023 – Department of Children and Families
- B. EOG B0739 – Department of Citrus
- C. EOG B0022 – Department of Health
- D. EOG B0024 – Department of Health
- E. EOG B0715 – Department of Health
- F. EOG B0698 - Department of Business and Professional Regulation
- G. EOG B0712 – Department of Business and Professional Regulation
- H. EOG B0727 - Department of Business and Professional Regulation

Budget amendments will be taken in order as determined by the Chair.

II. Technology Review Workgroup Recommendations and Reports

III. Other Business

- A. Adoption of Calendar
- B. Zero-Based Budgeting

Department: Children and Families

EOG Number: B0023

Problem Statement: For the 2003-2004 Fiscal Year, the Department of Children and Families' Persons with Disabilities Program received a lump sum appropriation, Specific Appropriation 313A, which placed budget in reserve for federal funding opportunities. Proviso attached to this specific appropriation requires that prior to release of this budget authority the department is to submit a plan containing documentation of the funding that is available to support the budget authority being requested and describing the proposed expenditure of funds. The budget in this lump sum previously had been identified by the department as unfunded. The department was awarded a grant by the Florida Developmental Disabilities Council in April 2003. This grant ends in March 2004. The grant provides funds for Other Personal Services staff and associated expenses to develop updated materials, guidebooks, policies and procedures associated with the developmental services support coordination system in Florida. These funds are intended to enhance the capabilities of support coordinators and to assure uniformity of support coordination services throughout Florida.

Agency Request: This action is requested to carry out the functions associated with this grant award. The department does not have sufficient budget in the Grants and Donations Trust Fund in the Other Personal Services and Expenses categories to expend these grant dollars. The department has provided a copy of the contract through which the funds will be provided, as well as a listing of the deliverables required of the grant. The request is to allocate \$147,250 of budget authority from the Lump Sum Reserve for Federal Funding Opportunities to Other Personal Services (\$112,250) and Expenses (\$35,000). If this action is not approved, the department would not be able utilize the grant funds from the Florida Developmental Disabilities Council in FY 2003-2004.

Governor's Recommendation: Recommend approval of the lump sum allocation and release of \$147,250 of budget authority from the Grants and Donations Trust Fund from Line Item #313A of the FY 2003-04 General Appropriations Act to provide budget authority to expend grant funds received from the Florida Developmental Disabilities Council, Inc., with an effective date of July 1,

Commission Staff Comments:

SENATE: Recommend approval by the Legislative Budget Commission as recommended by the Governor's Office.

HOUSE: Pending.

Senate Subcommittee: Health and Human Services Appropriations

Senate Analyst: Paul Belcher

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House Subcommittee: Human Services Appropriations

House Analyst: Lynn Ekholm

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Line Item	Budget Entity / Fund / Appropriation Category		REQUESTED BY AGENCY	RECOMMENDED BY GOVERNOR	APPROVED BY LEGISLATIVE COMMITTEE
No.	Title / LAS/PBS Account Number	CF	Appropriation	Appropriation	Appropriation
CHILDREN AND FAMILIES					
PERSONS WITH DISABILITIES					
<u>PROGRAM MANAGEMENT AND COMPLIANCE</u>					
313A	Grants and Donations Trust Fund				
	Reserve for Federal Funding Opportunities				
	60910404-090884-00-2339		(147,250)	(147,250)	
312	Expenses				
	60910404-040000-00-2339		35,000	35,000	
311	Other Personal Services				
	60910404-030000-00-2339		112,250	112,250	

Department: Citrus

EOG Number: B0739

Problem Statement: The Department of Citrus’ primary sources of funding are excise taxes collected pursuant to sections 601.15 and 601.155, Florida Statutes. The “box tax”, established when the department was created in 1935, is levied on the citrus growers in the state on each box of processed citrus. It generates revenues of \$45 to \$50 million annually. A grower pays 15 cents for every 90-pound box of oranges and 20 cents for every 85-pound box of grapefruit. The imports tax, or “equalization tax” as it is commonly referred to, was established in 1970 and is assessed on producers of citrus juice that import foreign juices and products. The tax generates annual revenues of \$2.5 to \$5 million. The funds are used to pay for citrus research, marketing to promote Florida citrus, and the operations of the department.

Five entities that import foreign juice have filed suit challenging the constitutionality of the equalization tax. A settlement agreement has been proposed in Case #2002-CA-4686, Tampa Juice Service, Inc., et. al. vs. Florida Department of Citrus that provides: \$1.5 million for initial payment to the five plaintiffs, \$2 million to be paid in four equal installments annually beginning July 1, 2004 (contingent upon future legislative action) and that the processors help the department in two other legal challenges. The plaintiffs would encourage Brazil to dismiss an international challenge and agree not to assist in another lawsuit brought by several Florida growers challenging the box tax.

This budget amendment only contemplates moving \$1.5 million from the Agriculture Products Marketing category to the Expenses category to allow the department to move forward on the initial payment to the plaintiffs.

Agency Request: The department requests use of uncommitted spending authority in the Citrus Advertising Trust Fund as follows:

<u>Appropriations Category</u>	<u>2002-03</u>
Paid Advertising/Promotions	(\$1,500,000)
Expenses	\$1,500,000

Governor's Recommendation:

Recommend approval to transfer \$1.5 million of budget authority from the Paid Advertising/Promotion category to the Expenses category within the Citrus Advertising Trust Fund to allow for the settlement payment of consolidated case #2002-CA-4686.

Commission Staff Comments:

SENATE: Recommend approval by the Legislative Budget Commission as recommended by the Governor's Office.

HOUSE: Pending.

Senate Subcommittee: General Government Appropriations

Senate Analyst: Sandra Blizzard

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House Subcommittee: Agriculture & Environment Appropriations

House Analyst: Diane Sneed

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BUDGET AMENDMENT FORM

Line Item No.	Budget Entity / Fund / Appropriation Category Title		REQUESTED BY AGENCY	RECOMMENDED BY GOVERNOR	APPROVED BY THE LEGISLATIVE BUDGET COMMISSION
	LAS/PBS Account Number	CF	Appropriation	Appropriation	Appropriation
CITRUS					
2452	Agriculture Products Marketing Citrus Advertising Trust Fund Paid Advertising/Promotions 57030000-102380-00-2090		(1,500,000)	(1,500,000)	
2451	Agriculture Products Marketing Citrus Advertising Trust Fund Expenses 57030000-040000-00-2090		1,500,000	1,500,000	

Department: Health

EOG Number: B0022

<i>Problem Statement:</i> <p>The Conference Report on Senate Bill 2-A deleted 908 authorized full time equivalent positions in the Office of Disability Benefits Determination budget entity. These positions are funded 100 percent by federal funds from the Social Security Administration, which are not affected by the position deletion. Authorizing legislation needed to exempt the positions from appropriation was inadvertently dropped from the Conference Report on Senate Bill 4-A.</p>	
<i>Agency Request:</i> <p>The Department of Health requests the restoration of 908 positions to carry out the duties and responsibilities of disability benefits determination for the Social Security Administration.</p>	
<i>Governor's Recommendation:</i> <p>Recommend approval to establish 908 full-time positions in excess of the number fixed by the Legislature in the Office of Disability Determination to reestablish positions that were deleted in the FY 2003-04 General Appropriations Act without exempting them from s. 216.262, Florida Statutes, which requires all positions to be appropriated.</p>	
<i>Commission Staff Comments:</i> <p><i>SENATE:</i> Recommend approval by the Legislative Budget Commission as recommended by the Governor's Office. <i>HOUSE:</i> Pending.</p>	
<i>Senate Subcommittee:</i> Health & Human Services Appropriations <i>Senate Analyst:</i> Paul Belcher <i>Phone Number:</i> (850) 487-5140 or SunCom 277-5140 <i>E-mail Address:</i> paul.belcher@laspbs.state.fl.us	<i>House Subcommittee:</i> Health Appropriations <i>House Analyst:</i> Stephanie Massengale <i>Phone Number:</i> (850) 488-6204 or SunCom 278-6204 <i>E-mail Address:</i> stephanie.massengale@laspbs.state.fl.us

Line Item No.	Budget Entity / Fund / Appropriation Category Title		REQUESTED BY AGENCY	RECOMMENDED BY GOVERNOR	APPROVED BY THE LEGISLATIVE BUDGET COMMISSION
	LAS/PBS Account Number	CF	Appropriation	Appropriation	Appropriation
602	<p>HEALTH</p> <p>Disability Benefits Determination</p> <p>Positions</p> <p>Salary Rate</p>		<p>908.0</p> <p>0</p>	<p>908.0</p> <p>0</p>	

Department: Health

EOG Number: B0024

Problem Statement:

The Office of Disability Determinations has developed an increasing backlog of applications for disability benefits for the Social Security Administration (SSA). On June 3, 2003, the Department of Health received a letter from the Atlanta region SSA approving an additional 45 positions and corresponding funding based on the projected number of application receipts for Federal Fiscal Year 2004.

Agency Request:

The Department of Health requests an additional 40 positions, 1,447,000 in salary rate and \$2,558,372 in United States Trust Fund budget authority to process disability benefits applications.

Governor's Recommendation:

Recommend approval to increase budget authority by \$2,558,372 in the United States Trust Fund and establish an additional 40 positions in excess of the number fixed by the Legislature and 1,447,000 salary rate to offset an increasing backlog of applications for disability benefits.

Commission Staff Comments:

SENATE: Recommend approval by the Legislative Budget Commission as recommended by the Governor's Office.
HOUSE: Pending.

Senate Subcommittee: Health & Human Services Appropriations

Senate Analyst: Paul Belcher

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House Subcommittee: Health Appropriations

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Line Item No.	Budget Entity / Fund / Appropriation Category Title	REQUESTED BY AGENCY	RECOMMENDED BY GOVERNOR	APPROVED BY THE LEGISLATIVE BUDGET COMMISSION
	LAS/PBS Account Number	CF Appropriation	Appropriation	Appropriation
HEALTH				
Disability Benefits Determination				
	Positions	40.0	40.0	
	Salary Rate	1,447,000	1,447,000	
602	United States Trust Fund Salaries and Benefits 64500100-010000-00-2738		1,930,720	1,930,720
604	Expenses 64500100-040000-00-2738		553,720	553,720
605	Operating Capital Outlay 64500100-060000-00-2738		60,000	60,000
607	Transfer to DMS - Human Resources Contract 64500100-107040-00-2738		13,932	13,932

Department: Health

EOG Number: B0715

<i>Problem Statement:</i> <p>The county health departments (CHDs) have obtained additional funding from local county commissions and non-state agencies to provide staff to carry out their operations pursuant to s. 216.341, F.S.; therefore, costs for positions have increased throughout the year. The CHDs, however, do not have sufficient budget authority in the Salaries and Benefits category to expend this revenue.</p>	
<i>Agency Request:</i> <p>The Department of Health requests an additional \$6,158,330 in County Health Department Trust Fund budget authority and release in the Salaries and Benefits category for the county health departments to meet their financial obligations.</p>	
<i>Governor's Recommendation:</i> <p>Recommend approval to increase budget authority by \$6,158,330 in the County Health Department Trust Fund to align the budget with the plans agreed upon by the county authorities.</p>	
<i>Commission Staff Comments:</i> <p><i>SENATE:</i> Recommend approval by the Legislative Budget Commission as recommended by the Governor's Office. <i>HOUSE:</i> Pending.</p>	
<i>Senate Subcommittee:</i> Health & Human Services Appropriations <i>Senate Analyst:</i> Paul Belcher <i>Phone Number:</i> (850) 487-5140 or SunCom 277-5140 <i>E-mail Address:</i> paul.belcher@laspbs.state.fl.us	<i>House Subcommittee:</i> Health Appropriations <i>House Analyst:</i> Stephanie Massengale <i>Phone Number:</i> (850) 488-6204 or SunCom 278-6204 <i>E-mail Address:</i> stephanie.massengale@laspbs.state.fl.us

Line Item No.	Budget Entity / Fund / Appropriation Category Title		REQUESTED BY AGENCY	RECOMMENDED BY GOVERNOR	APPROVED BY THE LEGISLATIVE BUDGET COMMISSION
	LAS/PBS Account Number	CF	Appropriation	Appropriation	Appropriation
DEPARTMENT OF HEALTH					
565	<u>County Health Departments/Local Health Needs</u> County Health Department Trust Fund Salaries and Benefits 64200700-010000-00-2141		6,158,330	6,158,330	

Department: Business and Professional Regulation

EOG Number: B0698

Problem Statement: In February 2001, the Department of Business and Professional Regulation (DBPR) contracted with Accenture LLP to design, build and maintain a single licensing application and web portal system. The new licensing system (known as LicenseEase) is available 24-hours a day, seven days a week for on-line services. The contract provides that the Department will utilize Accenture LLP to provide all maintenance and support services for the system. During FY 2002-03, Accenture LLP is being paid a monthly amount of \$.39 per license to maintain and support the licensing system.

Historically, the Technology Resource Center (TRC) at the Department of Management Services (DMS) hosted DBPR's licensing data. DBPR began the transfer of licensing data from the TRC-DMS system to the newly created LicenseEase system in August 2001. The migration of DBPR licensing data from the TRC-DMS system to LicenseEase was completed in February 2003. The Department of Financial Services has requested that DBPR pay all licensure costs to Accenture LLP from the Other Data Processing category. DBPR has exhausted the budget authority within the Other Data Processing category and lacks the necessary budget to process the LicenseEase application management fees for March – June 2003. Realignment of current data processing budget authority is needed.

The 2003-04 General Appropriations Act provides sufficient budget authority in the Other Data Processing category.

Agency Request: DBPR requests the transfer of \$1,636,868 from TRC-DMS Data Processing categories across various budget entities (\$1,398,338), and Expenses category (\$238,530) in Information Technology to the Other Data Processing category to allow payment of application management invoices projected for the months of March – June 2003. Non-approval of the budget amendment will prevent DBPR from paying application management fees, which are a contractual obligation, for the remainder of FY 2002-03.

Department Wide	Other DP	TRC-DMS DP	Expenses IT
Approved budget	\$2,232,284	\$2,371,969	\$1,838,560
Actual expenditures	(2,206,900)	(653,397)	(1,010,861)
Projected expenditures	(1,662,252)	(181,827)	(319,900)
Budget transfer	1,636,868	(1,398,338)	(238,530)
Projected 6/30/2003 balances	\$0	\$138,407	\$269,269

Governor's Recommendation: Recommend approval to transfer \$1,636,868 of budget authority from various trust funds to the Administrative Trust Fund to pay application management fees associated with the LicenseEase system for the remainder of Fiscal Year 2002-03.

Commission Staff Comments:

SENATE: Recommend approval by the Legislative Budget Commission as recommended by the Governor's Office.
HOUSE: Pending.

Senate Subcommittee: General Government Appropriations
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House Subcommittee: Commerce & Local Affairs
Appropriations
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Line Item No.	Budget Entity / Fund / Appropriation Category Title	CF	REQUESTED BY AGENCY	RECOMMENDED BY GOVERNOR	APPROVED BY THE LEGISLATIVE BUDGET COMMISSION
	LAS/PBS Account Number		Appropriation	Appropriation	Appropriation
BUSINESS AND PROFESSIONAL REGULATION					
Office of Secretary/Administration					
<u>Information Technology</u>					
2335	Other Data Processing Services Administrative Trust Fund 79010300-210014-00-2021		1,636,868	1,636,868	
2330	Expenses Administrative Trust Fund 79010300-040000-2021		(238,530)	(238,530)	
2334	Data Processing - TRC-DMS Administrative Trust Fund 79010300-210010-00-2021		(390,000)	(390,000)	
Professional Regulation					
<u>Standards & Licensure</u>					
2358	Data Processing - TRC-DMS Professional Regulation Trust Fund 79050200-210010-00-2547		(602,839)	(602,839)	
Hotels and Restaurants					
<u>Standards & Licensure</u>					
2395	Data Processing - TRC-DMS Hotels and Restaurants Trust Fund 79200200-210010-00-2375		(222,882)	(222,882)	
Alcoholic Beverages & Tobacco					
<u>Standards & Licensure</u>					
2412	Data Processing - TRC-DMS Alcoholic Beverages & Tobacco Trust Fund 79400200-210010-00-2022		(182,617)	(182,617)	

Department: Business and Professional Regulation

EOG Number: B0712

Problem Statement: In the 2002-03 General Appropriations Act (GAA), the department was provided \$466,920 in trust fund spending authority to implement permanent salary increases supported by savings associated with eliminated positions. This action was based upon the statutory provisions of s. 216.262 (1) (c) 3.b., F. S., allowing an agency to retain 20 percent of the salary dollars associated with the elimination of authorized positions. The GAA, in issue #33G3000, eliminated 58 positions and salaries and benefits budget authority totaling \$2,334,597 related to savings associated with the re-engineering of the agency's business processes.

Proviso language in specific appropriation 2320 states:

“From funds in Specific Appropriation 2320, prior to the release of funds for permanent salary increases authorized by s. 216.262 (1) (c) 3.b., Florida Statutes, the department shall submit eligibility criteria utilized to award the proposed salary increases to the Chair of the Senate Appropriations Committee and the Chair of the House Fiscal Responsibility Council subject to the notice and review process of s. 216.177, Florida Statutes.”

The department's eligibility criteria guidelines:

- Employees can be recommended for a salary increase if the employee has been required to assume additional workload and/or additional duties;
- Any recommended increase that exceeds 3% must have justification;
- SMS employees are excluded and Bureau Chief position must have justification;
- Do not recommend small across the board increases. Use this as an opportunity to reward team players that have accepted additional duties and responsibilities and are performing them very well;
- Take into consideration that some staff may have already received a merit increase due to re-engineering;
- Employees must be full-time state employees (no OPS).

To implement permanent salary increases to 287 eligible employees throughout the department, a redistribution of budget authority is required. Implementation of the pay increases during the current fiscal year will utilize \$30,187 of the funds appropriated. The increases are recurring and will have a \$466,920 recurring budget impact.

Agency Request: The department requests release and allocation of \$466,920 in trust fund budget for permanent pay increases.

Governor's Recommendation: Recommend approval to allocate and release \$466,920 in budget authority for permanent pay increases based on 20 percent retention of savings pursuant to Specific Appropriation #2320, Chapter 2002-394, Laws of Florida.

Commission Staff Comments:

SENATE: Recommend approval by the Legislative Budget Commission as recommended by the Governor's Office.

HOUSE: Pending.

Senate Subcommittee: General Government Appropriations

Senate Analyst: Jamie DeLoach

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House Subcommittee: Commerce & Local Affairs Appropriations

House Analyst: Marsha Belcher

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Line Item No.	Budget Entity / Fund / Appropriation Category Title		REQUESTED BY AGENCY	RECOMMENDED BY GOVERNOR	APPROVED BY THE LEGISLATIVE BUDGET COMMISSION
	LAS/PBS Account Number	CF	Appropriation	Appropriation	Appropriation
BUSINESS AND PROFESSIONAL REGULATION					
OFFICE OF THE SECRETARY & ADM					
Boxing Commission					
Professional Regulation Trust Fund					
Salaries and Benefits					
2315	79010100-010000-00-2547		2,429	2,429	
Office of the Secretary					
Administrative Trust Fund					
Salaries and Benefits					
2320	79010200-010000-00-2021		(386,436)	(386,436)	
Information Technology					
Administrative Trust Fund					
Salaries and Benefits					
2328	79010300-010000-00-2021		47,751	47,751	
SERVICE OPERATION PROGRAM					
Customer Contact Center					
Administrative Trust Fund					
Salaries and Benefits					
2335A	79040100-010000-00-2021		27,477	27,477	

Line Item No.	Budget Entity / Fund / Appropriation Category Title LAS/PBS Account Number	REQUESTED BY AGENCY	RECOMMENDED BY GOVERNOR	APPROVED BY THE LEGISLATIVE BUDGET COMMISSION
		CF	Appropriation	Appropriation
BUSINESS AND PROFESSIONAL REGULATION				
SERVICE OPERATION PROGRAM (Continued)				
2335D	Central Intake Administrative Trust Fund Salaries and Benefits 79040200-010000-00-2021		31,275	31,275
2335G	Testing/Cont. Education Administrative Trust Fund Salaries and Benefits 79040300-010000-00-2021		13,572	13,572
PROFESSIONAL REGULATION PROGRAM				
2336	Compliance and Enforcement Professional Regulation Trust Fund Salaries and Benefits 79050100-010000-00-2547		31,751	31,751
2347	Standards and Licensure Professional Regulation Trust Fund Salaries and Benefits 79050200-010000-00-2547		2,105	2,105
INSPECTION AND COMPLIANCE PROGRAM				
2358A	Inspections Administrative Trust Fund Salaries and Benefits 79070100-010000-00-2021		19,117	19,117
2358F	Unlicensed Activities Administrative Trust Fund Salaries and Benefits 79070200-010000-00-2021		1,481	1,481
2358J	Investigations Administrative Trust Fund Salaries and Benefits 79070300-010000-00-2021		18,872	18,872

Line Item No.	Budget Entity / Fund / Appropriation Category Title LAS/PBS Account Number	REQUESTED BY AGENCY	RECOMMENDED BY GOVERNOR	APPROVED BY THE LEGISLATIVE BUDGET COMMISSION
		CF	Appropriation	Appropriation
BUSINESS AND PROFESSIONAL REGULATION				
INSPECTION AND COMPLIANCE PROGRAM (Continued)				
	Mediation Administrative Trust Fund Salaries and Benefits			
2358P	790705000-010000-00-2021	792	792	
PARI-MUTUEL WAGERING PROGRAM				
	Compliance and Enforcement Pari-Mutuel Wagering Trust Fund Salaries and Benefits			
2359	79100100-010000-00-2520	10,388	10,388	
	Standards and Licensure Pari-Mutuel Wagering Trust Fund Salaries and Benefits			
2365	79100200-010000-00-2520	8,278	8,278	
	Tax Collection Pari-Mutuel Wagering Trust Fund Salaries and Benefits			
2375	79100300-010000-00-2520	16,687	16,687	
HOTELS AND RESTAURANTS PROGRAM				
	Compliance and Enforcement Hotels and Restaurants Trust Fund Salaries and Benefits			
2383	79200100-010000-00-2375	38,911	38,911	
	Standards and Licensure Hotels and Restaurants Trust Fund Salaries and Benefits			
2391	79200200-010000-00-2375	1,277	1,277	
ALCOHOLIC BEVERAGES AND TOBACCO PROGRAM				
	Compliance and Enforcement Alcoholic Beverages and Tobacco Trust Fund Salaries and Benefits			
2396	79400100-010000-00-2022	40,187	40,187	

Line Item No.	Budget Entity / Fund / Appropriation Category Title		REQUESTED BY AGENCY	RECOMMENDED BY GOVERNOR	APPROVED BY THE LEGISLATIVE BUDGET COMMISSION
	LAS/PBS Account Number	CF	Appropriation	Appropriation	Appropriation
BUSINESS AND PROFESSIONAL REGULATION					
ALCOHOLIC BEVERAGES AND TOBACCO PROGRAM					
Continued					
Standards and Licensure					
Alcoholic Beverages and Tobacco Trust Fund					
Salaries and Benefits					
2405	79400200-010000-00-2022		29,520	29,520	
Tax Collection					
Alcoholic Beverages and Tobacco Trust Fund					
Salaries and Benefits					
2413	79400300-010000-00-2022		25,032	25,032	
FLORIDA LAND SALES, CONDOMINIUMS AND MOBILE HOMES PROGRAM					
Compliance and Enforcement					
Fl Land Sales, Condo, and Mbl Home Trust Fund					
Salaries and Benefits					
2418	79800100-010000-00-2289		9,388	9,388	
Standards and Licensure					
2	Fl Land Sales, Condo, and Mbl Home Trust Fund				
Salaries and Benefits					
2426	79800200-010000-00-2289		10,146	10,146	

Department: Business and Professional Regulation

EOG Number: B0727

Problem Statement: The Department of Business and Professional Regulation (DBPR) is under contractual agreement to pay Accenture LLP, through a benefit-share arrangement, for services rendered pursuant to State Contract No. 00-00243-00. The department contracted with Accenture LLP to provide for the design, build and maintenance of a single licensing application to replace the many fragmented systems throughout the department. In addition, the contract provided for the establishment of a department-wide call center, reengineering of the department's business processes and integration services to implement the call center and assist in realizing the organizational changes that will drive cost savings.

A flat fee is established in the contract for the design, build and installation of the single licensing system and Internet portal portion of the contract. This was funded by a \$10 million dollar appropriation in Fiscal Year 2000-01 and another \$10 million dollar appropriation in Fiscal Year 2001-02. The establishment of a department-wide call center and the reengineering of the department's business processes are to be paid for by calculated savings realized by the department under the shared benefit portion of the contract.

Compensation for the reengineering and Call Center Services are based on shared cost savings resulting from call center operations, data entry, and field office consolidation, and other "real dollar" cost savings that are identified as part of this initiative. Accenture invoices DBPR for projected savings benefits at 6-month intervals, which are payable on December 1 and June 1. The estimates are based on cumulative salary and expense savings estimated for the succeeding six months. On an annual basis the estimated savings are trued up based on a process developed and agreed to by the vendor and department. Appropriation categories and spending object codes have been identified as included or excluded for benefit sharing. Detailed calculations are made based on actual spending identified in year end financial (FLAIR) reports compared to the baseline year and adjusted for excluded expenditures.

During the 2002 legislative session the required contract deliverable that would finalize the calculations in the payment methodology was not accepted and the amounts due the vendor were not known. Due to the lack of agreement between the department and the vendor an appropriation was not requested in the FY 2002-03 Legislative Budget Request. The benefit share projection payments due for the benefit share obligation were paid from the Fiscal Year 2001-02 \$10 million appropriation. The vendor, Accenture, has rendered a bill for the Benefit Share Projection for July 1, 2003 – December 31, 2003, in the amount of \$2,443,955. The bill has been analyzed and validated by department staff and is due for payment June 30, 2003. The Department does not have budget authority in the appropriate category necessary for payment of the invoice.

If payment in the amount of \$2,443,955 is not made by June 30, 2003, interest and penalties will begin to accrue and be payable pursuant to s. 215.422, F.S. The Department would be in default of the terms of the contract and subject to legal remedy from the vendor.

Agency Request: The Department is requesting to realign appropriations, in the amount of \$2,443,955, from the Salaries & Benefits category in various budget entities to the special category "Technology Solutions for DBPR" to provide spending authority for the Department to meet the contractual obligation.

Governor's Recommendation: Recommend approval to transfer \$2,443,955 in several trust funds from the Salaries and Benefits category in various budget entities to the "Technology Solutions for DBPR" category for contract vendor payments for the benefit share obligation projected for July 1, 2003 through December 31, 2003.

Commission Staff Comments:

SENATE: Recommend approval by the Legislative Budget Commission as recommended by the Governor's Office.

HOUSE: Pending.

Senate Subcommittee: General Government Appropriations

Senate Analyst: Jamie DeLoach

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House Subcommittee: Commerce & Local Affairs Appropriations

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Line Item No.	Budget Entity / Fund / Appropriation Category Title LAS/PBS Account Number	CF	REQUESTED BY AGENCY	RECOMMENDED BY GOVERNOR	APPROVED BY THE LEGISLATIVE BUDGET COMMISSION
			Appropriation	Appropriation	Appropriation
BUSINESS AND PROFESSIONAL REGULATION					
PROGRAM: OFFICE OF THE SECRETARY AND ADMINISTRATION					
Administrative Trust Fund					
Executive Direction & Support Services					
2320	Salaries & Benefits 79010200-010000-00-2021		(243,955)	(243,955)	
N/A	Technology Solutions for DBPR 79010200-106150-00-2021		411,290	411,290	
<u>Information Technology</u>					
2332	Technology Solutions for DBPR 79010300-106150-00-2021		73,088	73,088	
PROGRAM: SERVICE OPERATION					
Administrative Trust Fund					
<u>Customer Contact Center</u>					
2335A	Salaries & Benefits 79040100-010000-00-2021		(1,800,000)	(1,800,000)	
<u>Central Intake</u>					
2335D	Salaries & Benefits 79040200-010000-00-2021		(250,000)	(250,000)	
PROGRAM: PROFESSIONAL REGULATION					
Professional Regulation Trust Fund					
<u>Compliance & Enforcement</u>					
N/A	Technology Solutions for DBPR 79050100-106150-00-2547		148,285	148,285	

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	LAS/PBS Account Number	CF	Appropriation	Appropriation	Appropriation
BUSINESS AND PROFESSIONAL REGULATION					
PROGRAM: PARI-MUTUEL WAGERING					
Pari-Mutuel Wagering Trust Fund					
Compliance & Enforcement					
N/A	Technology Solutions for DBPR 79100100-106150-00-2520		5,622	5,622	
Standards & Licensure					
N/A	Technology Solutions for DBPR 79100200-106150-00-2520		64,165	64,165	
Tax Collection					
N/A	Technology Solutions for DBPR 79100300-106150-00-2520		5,676	5,676	
PROGRAM: HOTELS & RESTAURANTS					
Hotels & Restaurant Trust Fund					
Compliance & Enforcement					
N/A	Technology Solutions for DBPR 79200100-106150-00-2375		528,708	528,708	
Standards & Licensure					
N/A	Technology Solutions for DBPR 79200200-106150-00-2375		45,449	45,449	
PROGRAM: ALCOHOLIC BEVERAGES AND TOBACCO					
Alcoholic Beverage and Tobacco Trust Fund					
Compliance & Enforcement					
N/A	Technology Solutions for DBPR 79400100-106150-00-2022		433,364	433,364	
Standards & Licensure					
N/A	Technology Solutions for DBPR 79400200-106150-00-2022		209,240	209,240	
Tax Collection					
N/A	Technology Solutions for DBPR 79400300-106150-00-2022		134,603	134,603	

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			Appropriation	Appropriation	Appropriation
BUSINESS AND PROFESSIONAL REGULATION					
	PROGRAM: FLORIDA LAND SALES, CONDOMINIUMS & MOBILE HOMES				
	Florida Land Sales, Condominiums & Mobile Homes Trust fund				
	<u>Compliance & Enforcement</u>				
2418	Salaries & Benefits 79800100-010000-00-2289		(150,000)	(150,000)	
N/A	Technology Solutions for DBPR 79800100-106150-00-2289		324,873	324,873	
	<u>Standards & Licensure</u>				
N/A	Technology Solutions for DBPR 79800200-106150-00-2289		59,592	59,592	