



Appropriations Committee

Tuesday, January 10, 2012
1:30 PM – 4:00 PM
212 Knott Building

Meeting Packet

Dean Cannon
Speaker

Denise Grimsley
Chair



The Florida House of Representatives
Appropriations Committee

Dean Cannon
Speaker

Denise Grimsley
Chair

Meeting Agenda
Tuesday, January 10, 2012
212 Knott Building
1:30 PM – 4:00 PM

- I. Call to order/Roll Call
- II. Opening Remarks by Chair Grimsley
- III. Presentation of Governor's Recommended Budget for FY 2012-13
by Jerry McDaniel, Director, Office of Policy & Budget
- IV. Update on E-mail Consolidation by Committee Staff
- V. Closing Remarks and Adjournment

**Governor's Budget
Recommendations**

GOVERNOR RICK SCOTT

Fiscal Year 2012-2013



“By focusing on our commitment to education, we can ensure Floridians have the skills to gain employment.”

“By lowering taxes and reducing regulations, we can create a competitive advantage for Florida businesses, allowing them to grow and put more Floridians to work.”

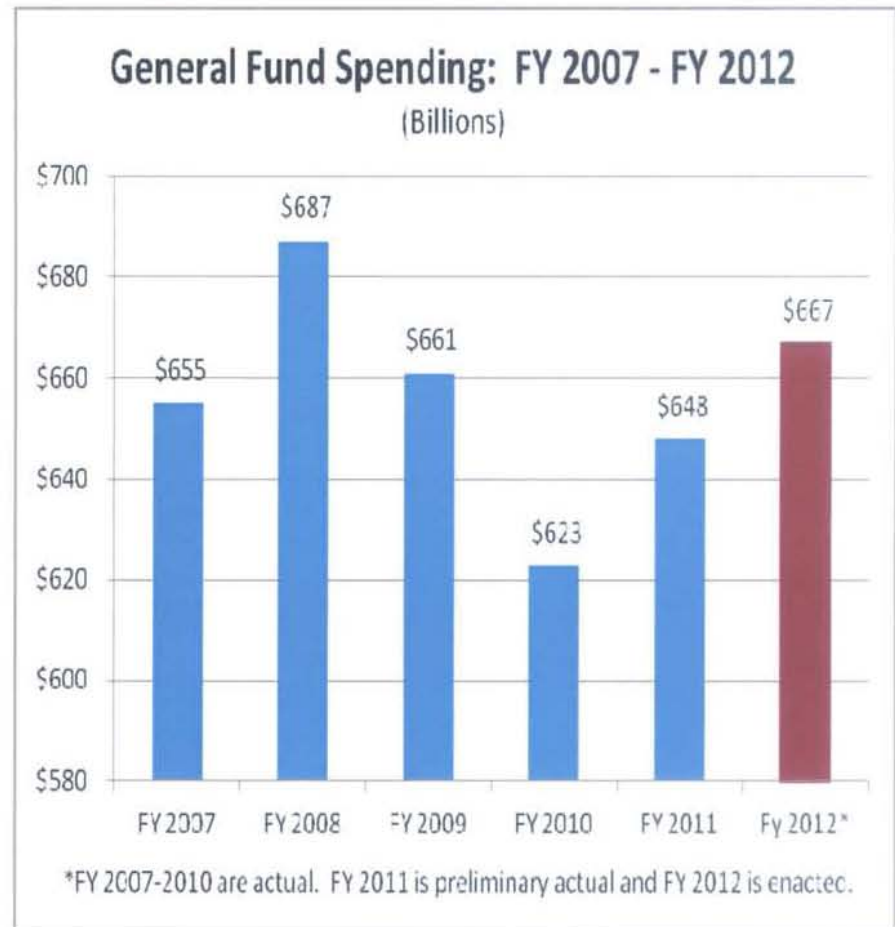
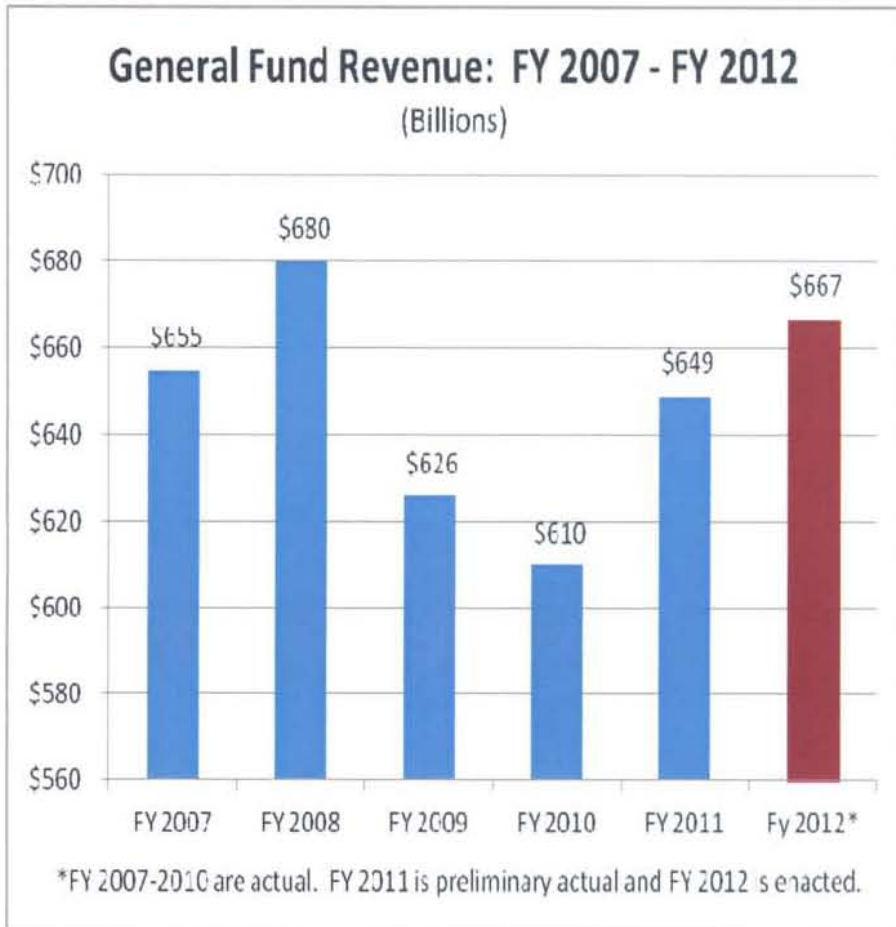
“By embracing the competitive spirit and principles of limited government, we can keep the cost of living low for Floridians.”

Policy and Budget Recommendations

State of the States

Revenue Remains Below Pre-Recession Levels

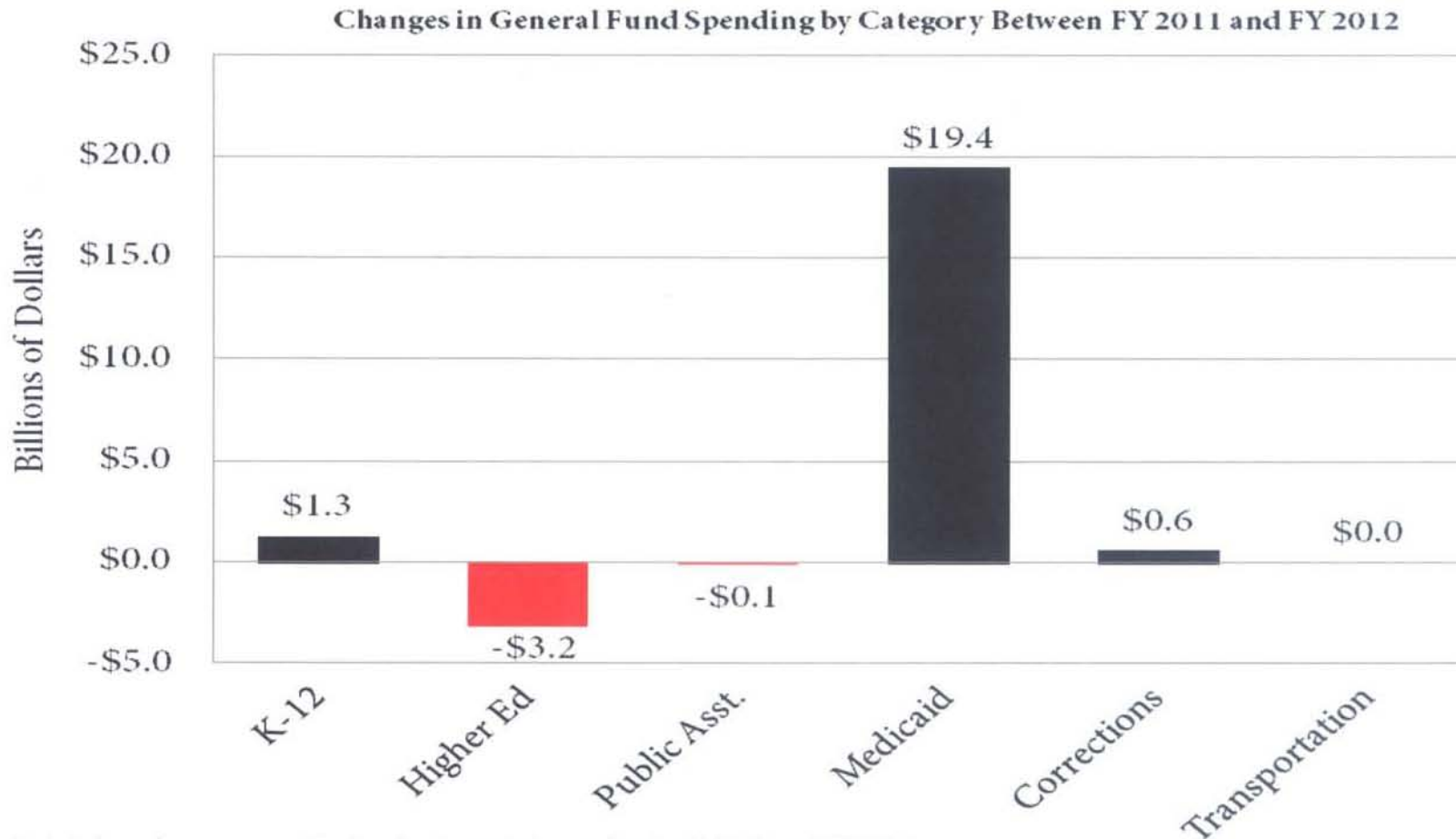
FY 2012 Spending Remains \$20 Billion below FY 2008



Source: National Association of State Budget Officers (NASBO)



Medicaid Spending Continues to Drive General Fund Spending Growth

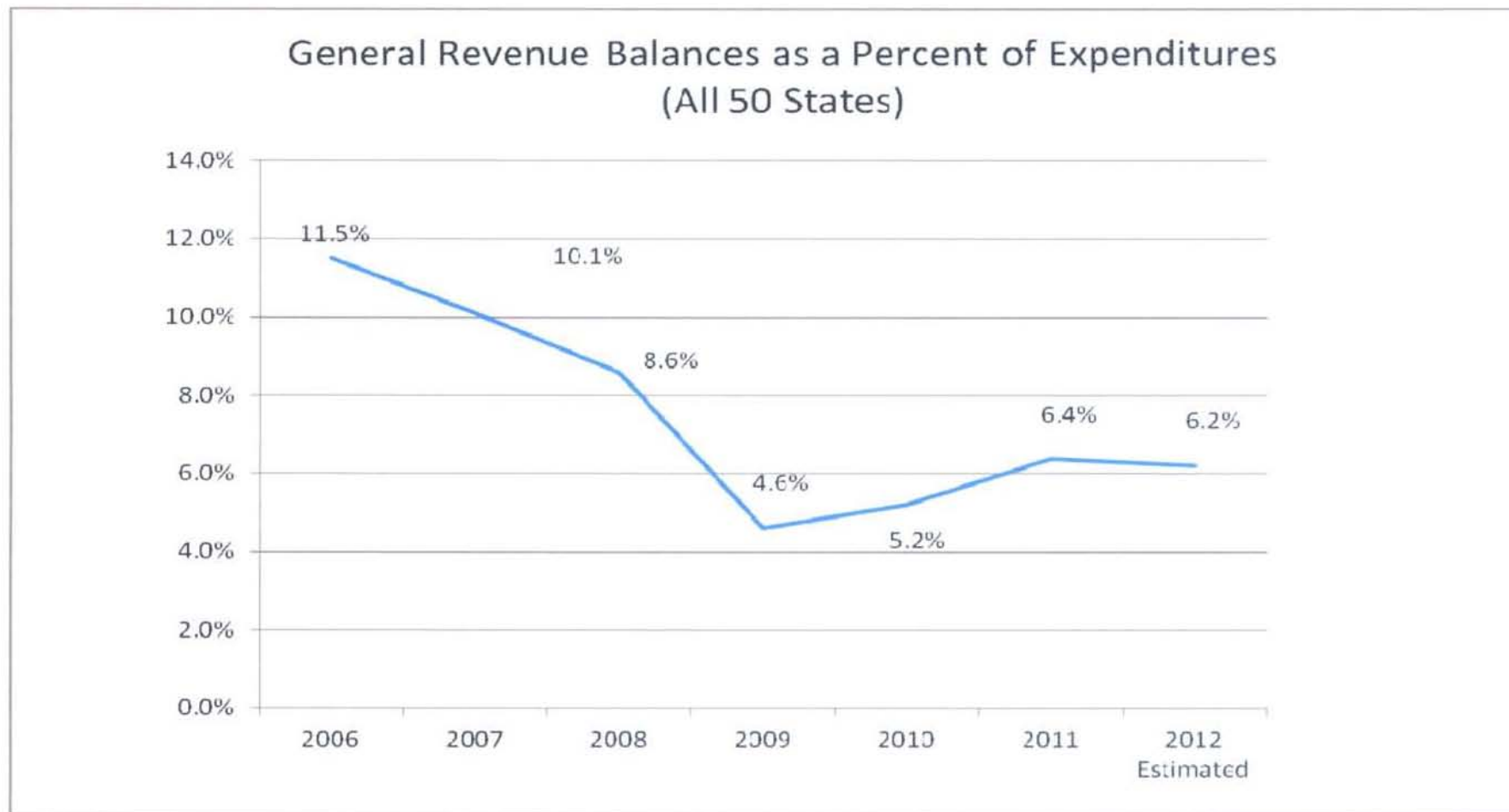


Data is based on comparative levels of enacted spending in FY 2011 and FY 2012

Source: National Association of State Budget Officers (NASBO)



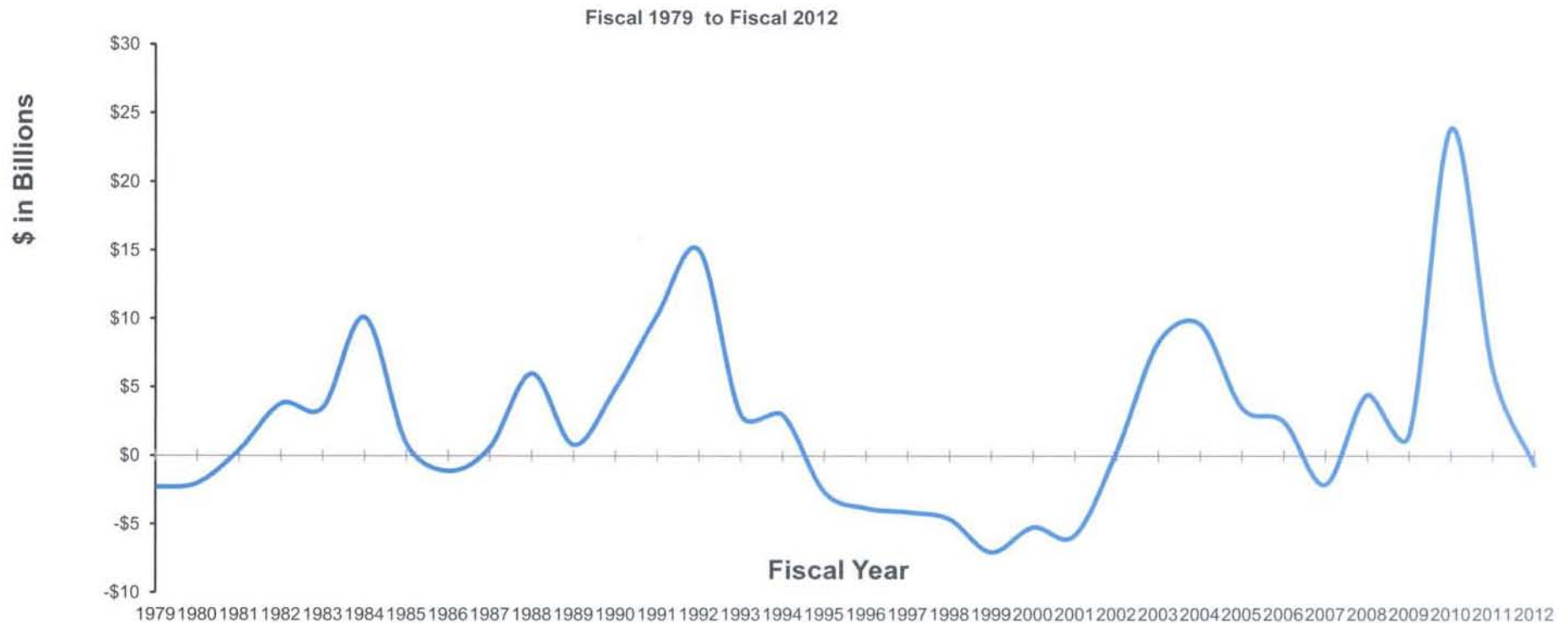
State of the States



Source: National Association of State Budget Officers (NASBO)



States Enact First Tax Decrease Since 2007



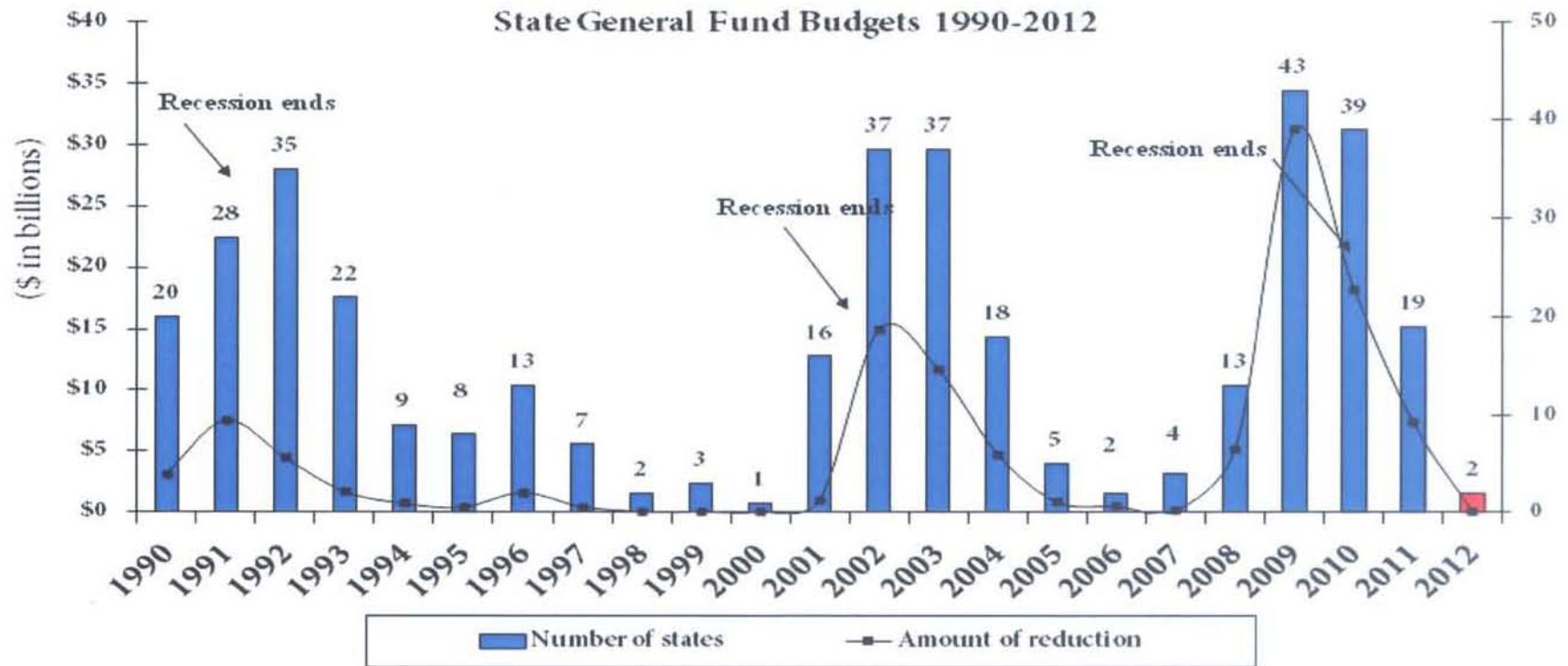
Source: National Association of State Budget Officers (NASBO)

5



7 Steps. 700,000 Jobs. 7 Years. — Let's Get to Work.

Mid-Year Budget Cuts Continue to Decline



*FY 2012 mid-year budget cuts are ongoing

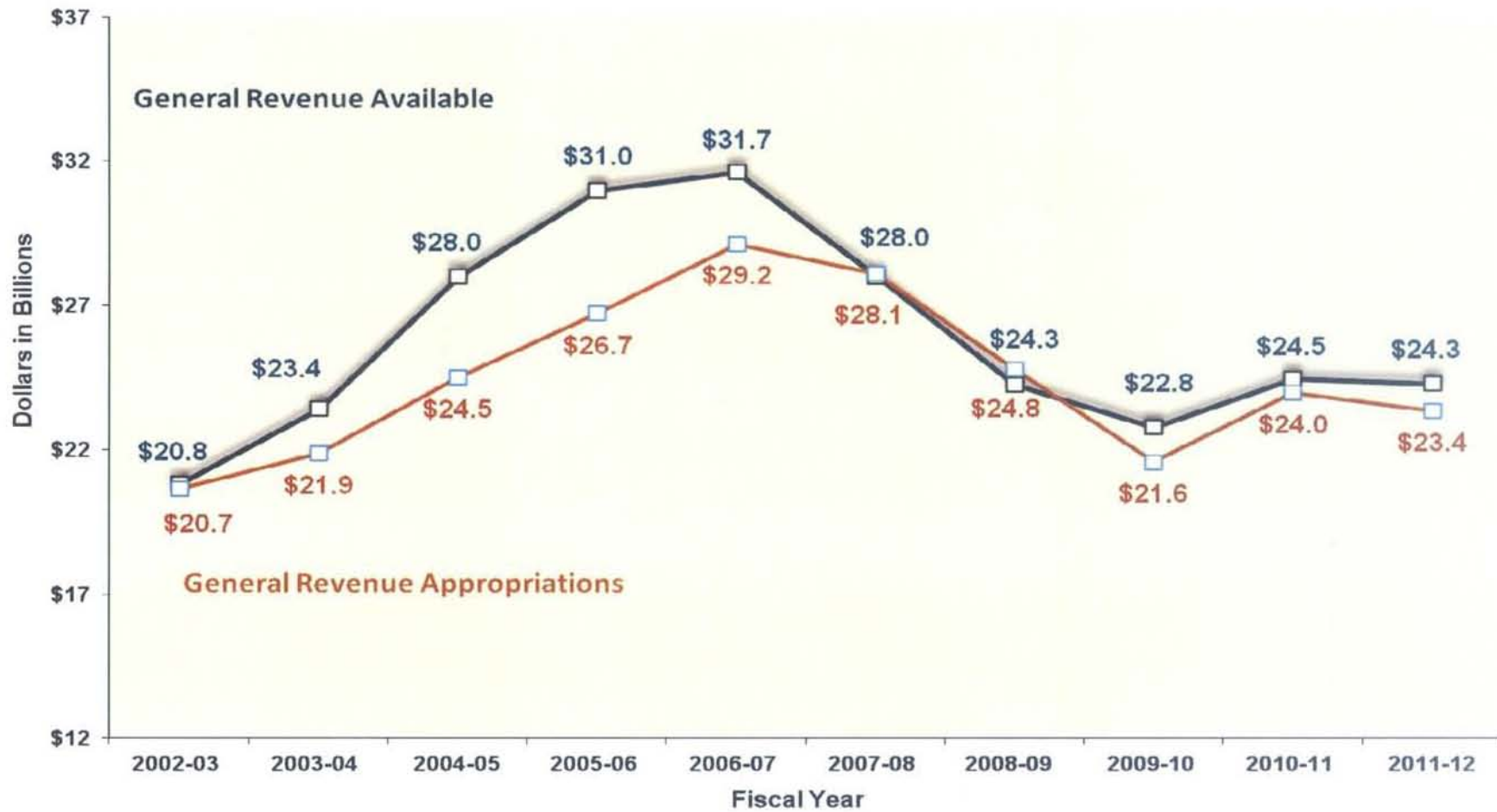
Source: National Association of State Budget Officers (NASBO)



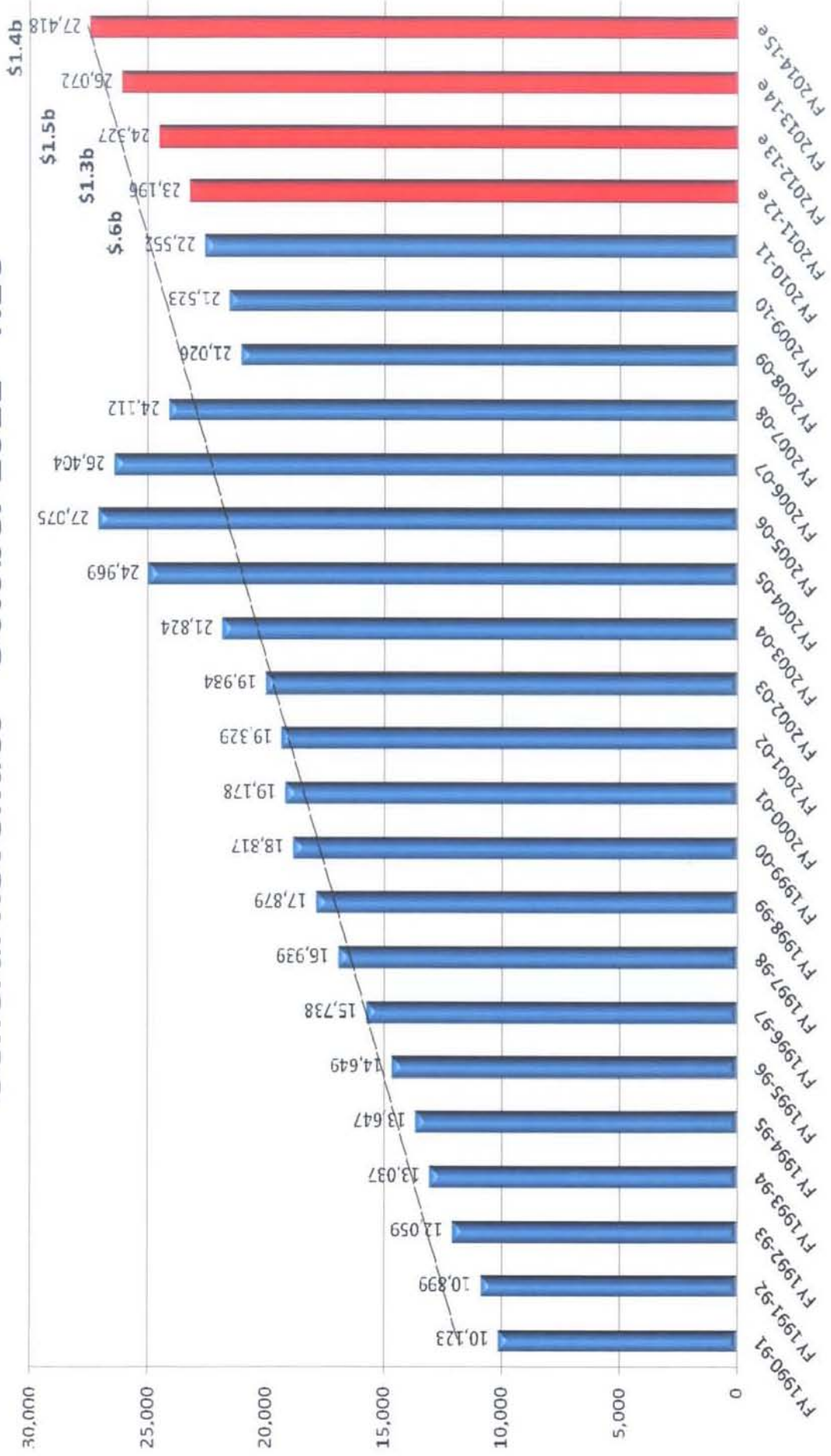
Florida

Ten-Year History of General Revenue Available compared to General Revenue Appropriations

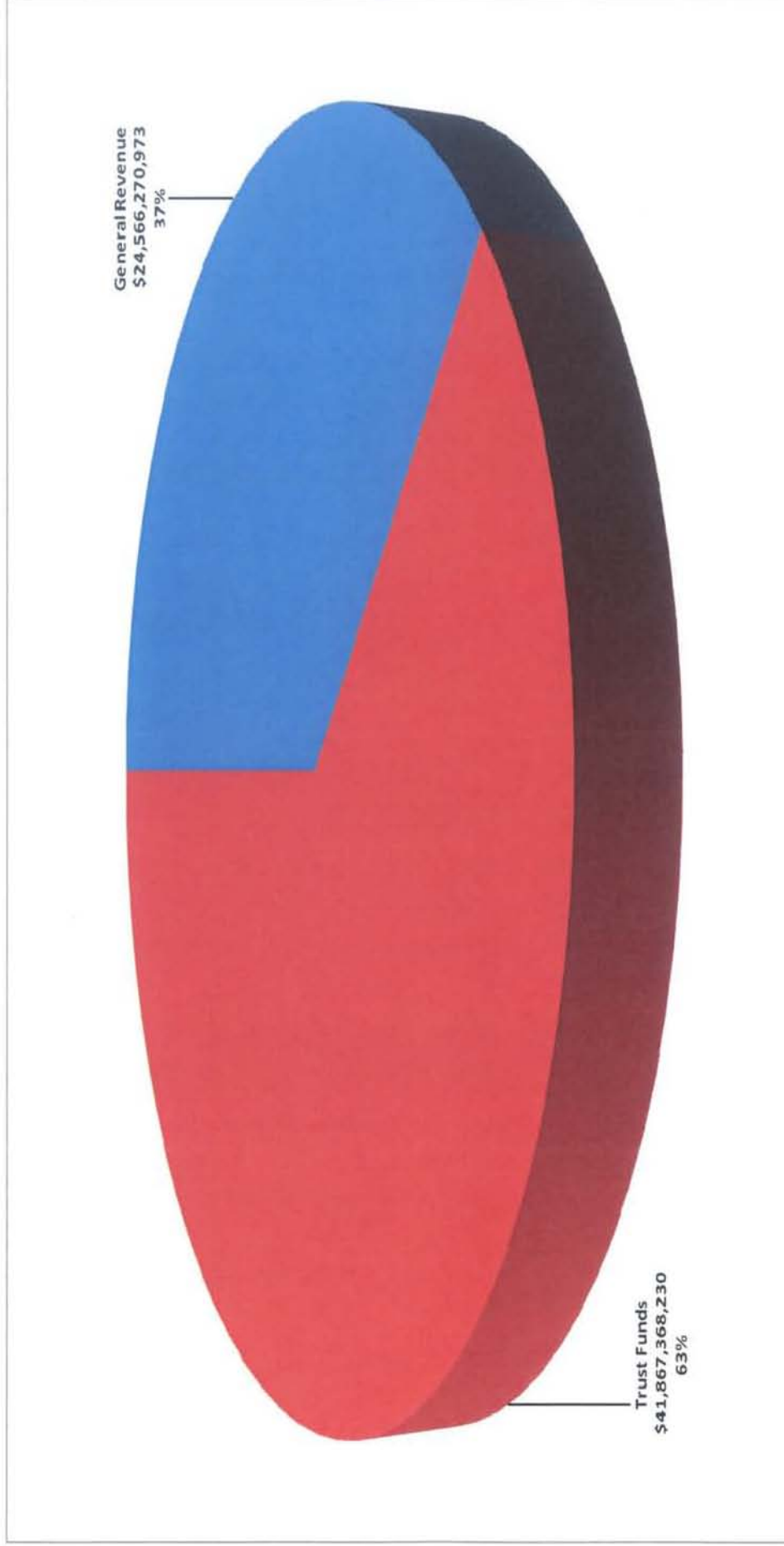
(Note: General Revenue Available includes the balance forward from prior fiscal year.)



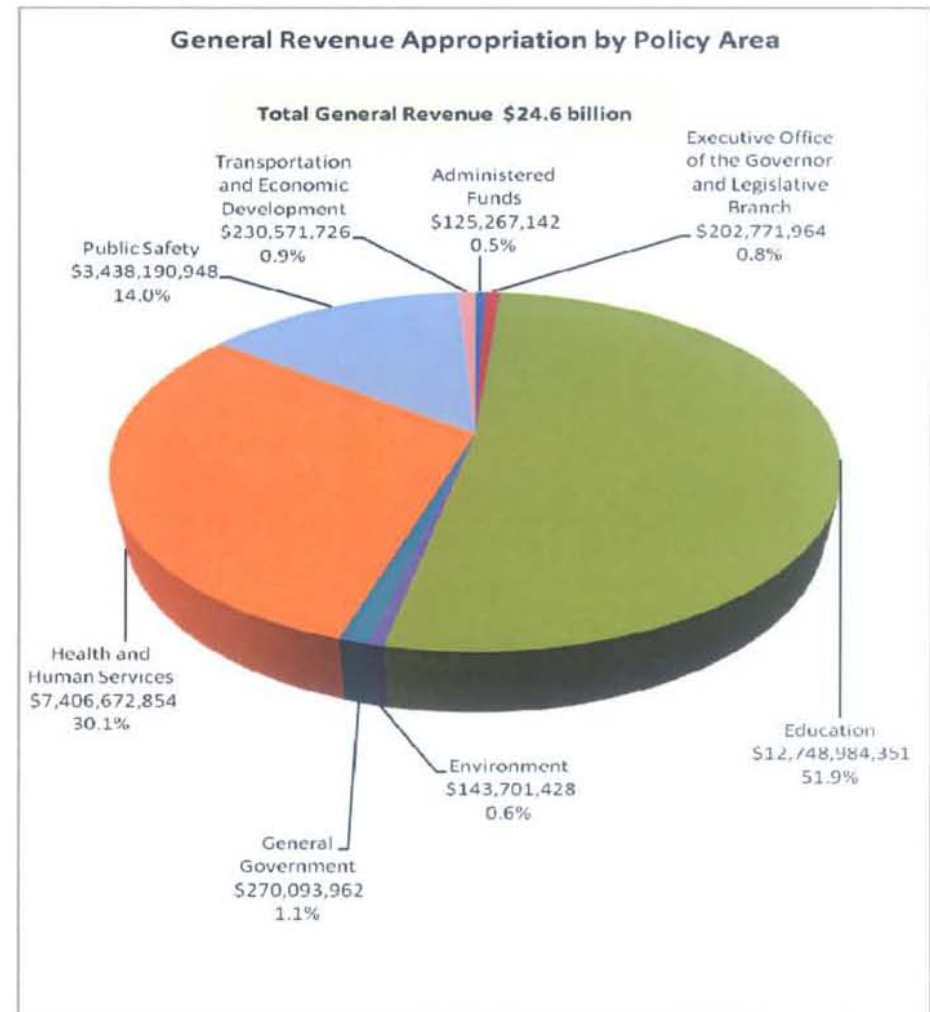
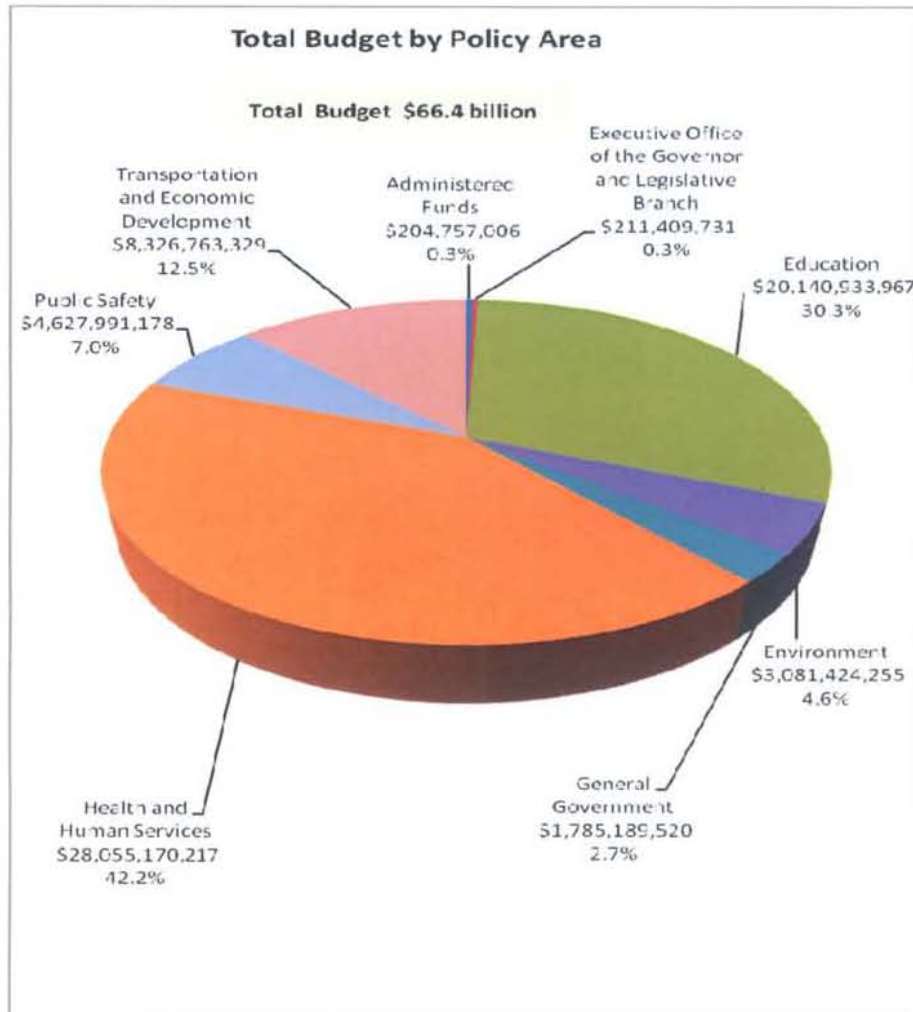
General Revenues - October 2011 - REC



Fiscal Year 2012-13 Governor's Recommendation - \$66.4 billion

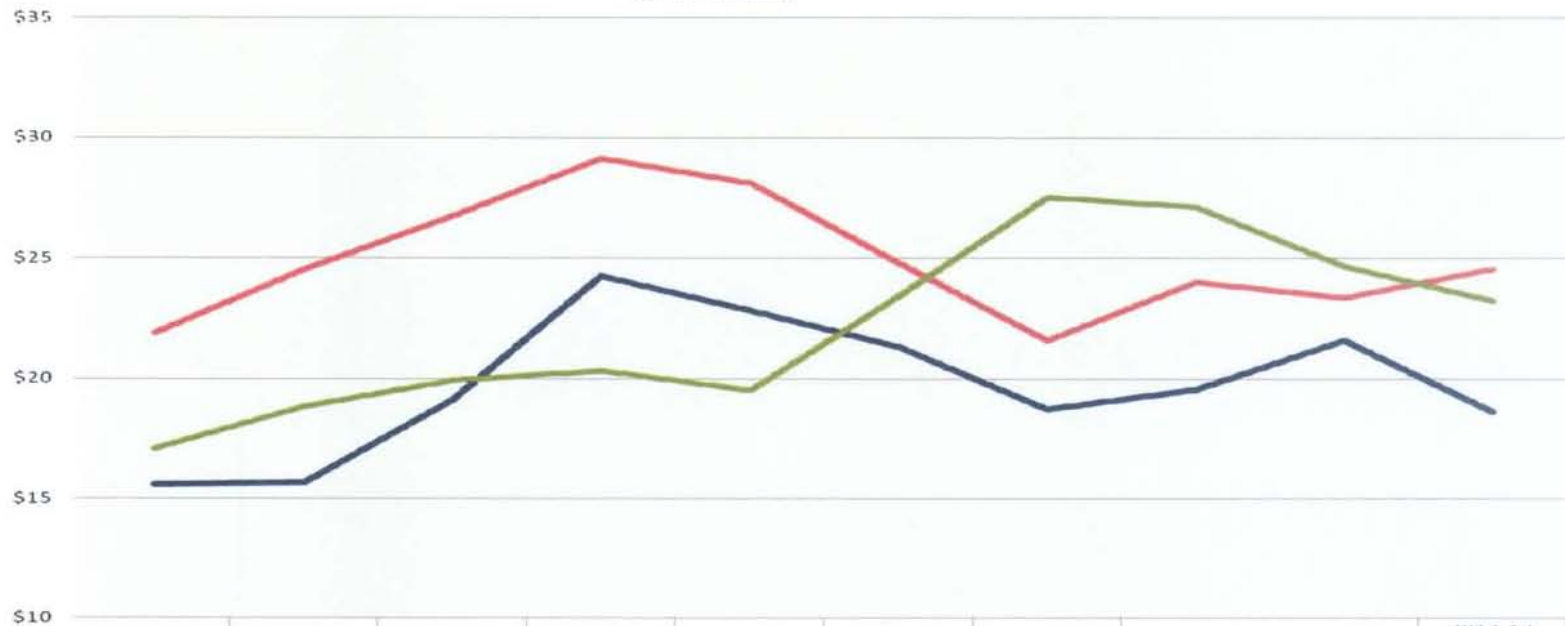


Budget by Policy Area – FY 2012-13



Fiscal Year 2012-13 Governor's Recommendation - \$66.4 billion

Ten Year Comparison of General Revenue, State Trust Funds and Federal Fund
(\$ in Billions)



	2003 04	2004 05	2005 06	2006 07	2007 08	2008 09	2009 10	2010 11	2011 12	2012 13 Proposed
General Revenue	\$21.90 ^{10%}	\$24.52 ^{42%}	\$26.74 ^{41%}	\$29.15 ^{40%}	\$28.13 ^{40%}	\$24.80 ^{36%}	\$21.60 ^{32%}	\$24.00 ^{34%}	\$23.36 ^{34%}	\$24.57 ^{37%}
State Trust Funds	\$15.57 ^{29%}	\$15.64 ^{26%}	\$19.10 ^{29%}	\$24.27 ^{37%}	\$22.82 ^{32%}	\$21.31 ^{30%}	\$18.72 ^{27%}	\$19.54 ^{28%}	\$21.58 ^{31%}	\$18.63 ^{28%}
Federal Funds	\$17.07 ^{31%}	\$18.81 ^{32%}	\$19.90 ^{30%}	\$20.32 ^{28%}	\$19.50 ^{28%}	\$23.44 ^{34%}	\$27.55 ^{41%}	\$27.11 ^{38%}	\$24.67 ^{35%}	\$23.24 ^{35%}
Total All Funds	\$54.54	\$58.97	\$65.74	\$73.76	\$70.45	\$69.55	\$67.87	\$70.65	\$69.61	\$66.44

American Recovery and Reinvestment Act of 2009 included above

\$4.8 b

\$5.5 b

\$2.6 b

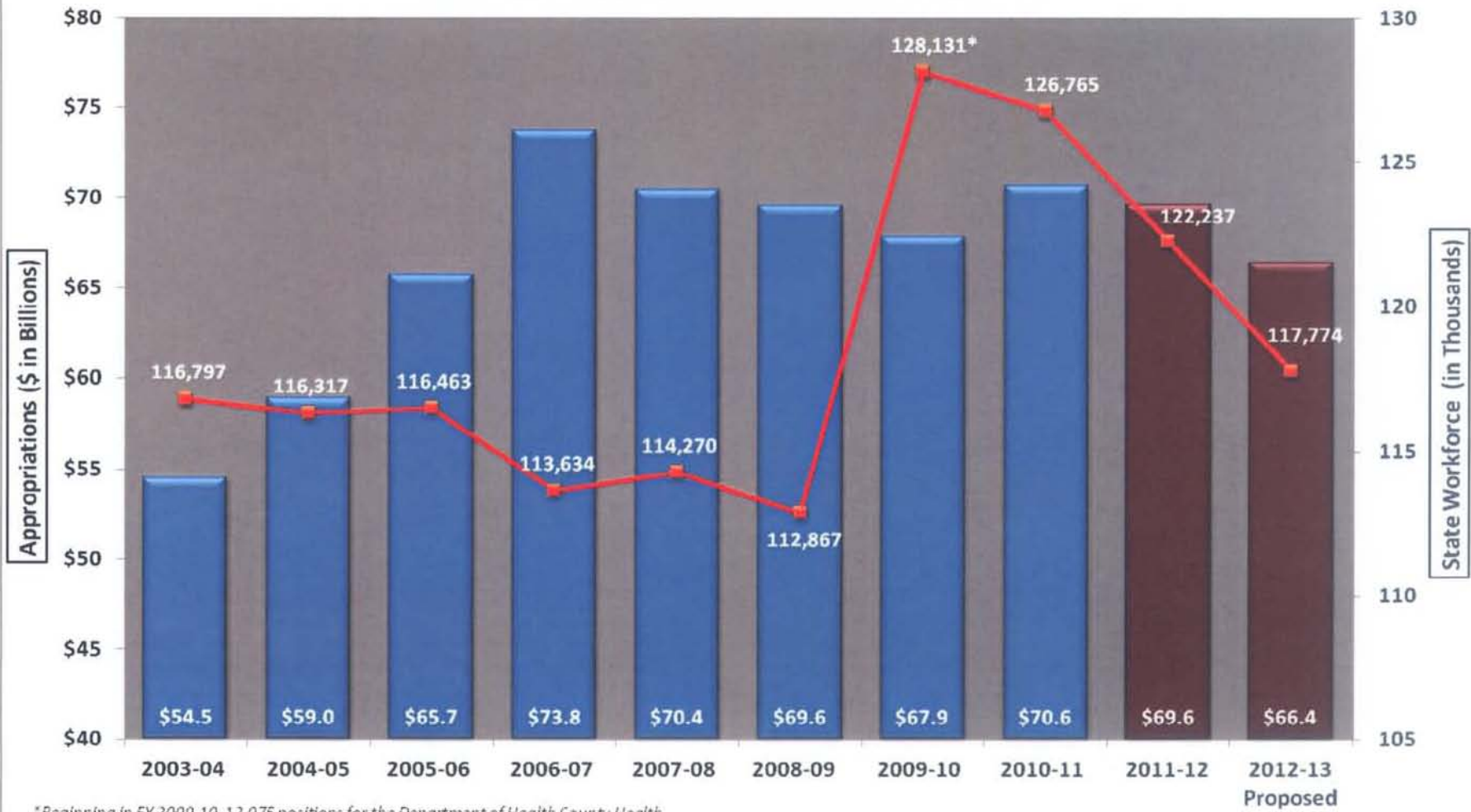
\$353 m

\$272 m

Note: Does not include unexpended appropriations carried forward from the prior fiscal year.



History of Appropriations and State Workforce



* Beginning in FY 2009-10, 12,075 positions for the Department of Health County Health Departments and 1,203 positions for the Department of Health Disability Benefits Determination Program, that were previously accounted for through the county personnel systems, started being carried in the state system.

Fiscal Year



Budget Comparison FY 2000 - 2013

<i>Per Capita, Nominal and Real</i>						<i>Employees</i>
Fiscal Year	Pop (1,000's)	Budget (\$b)	Budget per capita (nominal \$'s)	Real budget per capita	State Workers/ 1,000 residents	
1999-00	15,881.5	48.7	\$3,063.9	\$3,063.9	8.0	
2000-01	16,228.0	51.9	\$3,198.8	\$3,093.3	7.7	
2001-02	16,551.2	48.2	\$2,913.4	\$2,768.3	7.3	
2002-03	16,892.0	50.3	\$2,980.1	\$2,770.6	7.0	
2003-04	17,273.8	54.5	\$3,156.8	\$2,871.6	6.8	
2004-05	17,677.3	59.0	\$3,335.9	\$2,946.0	6.6	
2005-06	18,062.2	64.7	\$3,584.3	\$3,050.1	6.4	
2006-07	18,378.2	73.8	\$4,012.9	\$3,328.3	6.2	
2007-08	18,578.9	70.4	\$3,790.9	\$3,031.7	6.2	
2008-09	18,671.4	69.6	\$3,724.9	\$2,937.8	6.0	
2009-10	18,770.7	67.9	\$3,615.2	\$2,823.4	6.1	
2010-11	18,880.2	70.3	\$3,721.4	\$2,849.7	6.0	
2011-12	18,982.9	69.6	\$3,666.5	\$2,740.3	5.7	
2012-13	19,123.4	66.4	\$3,472.2	\$2,553.7	5.5	
FY 13/ FY 07			-13%	-23%	-11%	
FY 13/ FY 00			13%	-17%	-31%	

Note: the state employees number has been adjusted by legislative transfers of county health departments (12,075) and the office of disability determination (1,204).



Notable Differences When Comparing 2011-12 Budget to 2012-13 Governor's Recommended Budget

I s s u e	A m o u n t
Retirement Contributions (Normal Costs/UAL)	\$301.6 million
Kindergarten-12 th Grade Increased Funding	\$ 1,000.0 million
Medicaid Increased Caseload	
General Revenue Increase	\$932.9 million
Trust Fund Decrease	(\$528.7) million
Medicaid Program	(\$2,100.0) million
Deep Water Horizon	(\$100) million
Voluntary Pre-Kindergarten Double Budget	(\$385) million
Transportation Work Program (Lower Tax Receipts)	(\$1,200.0) million



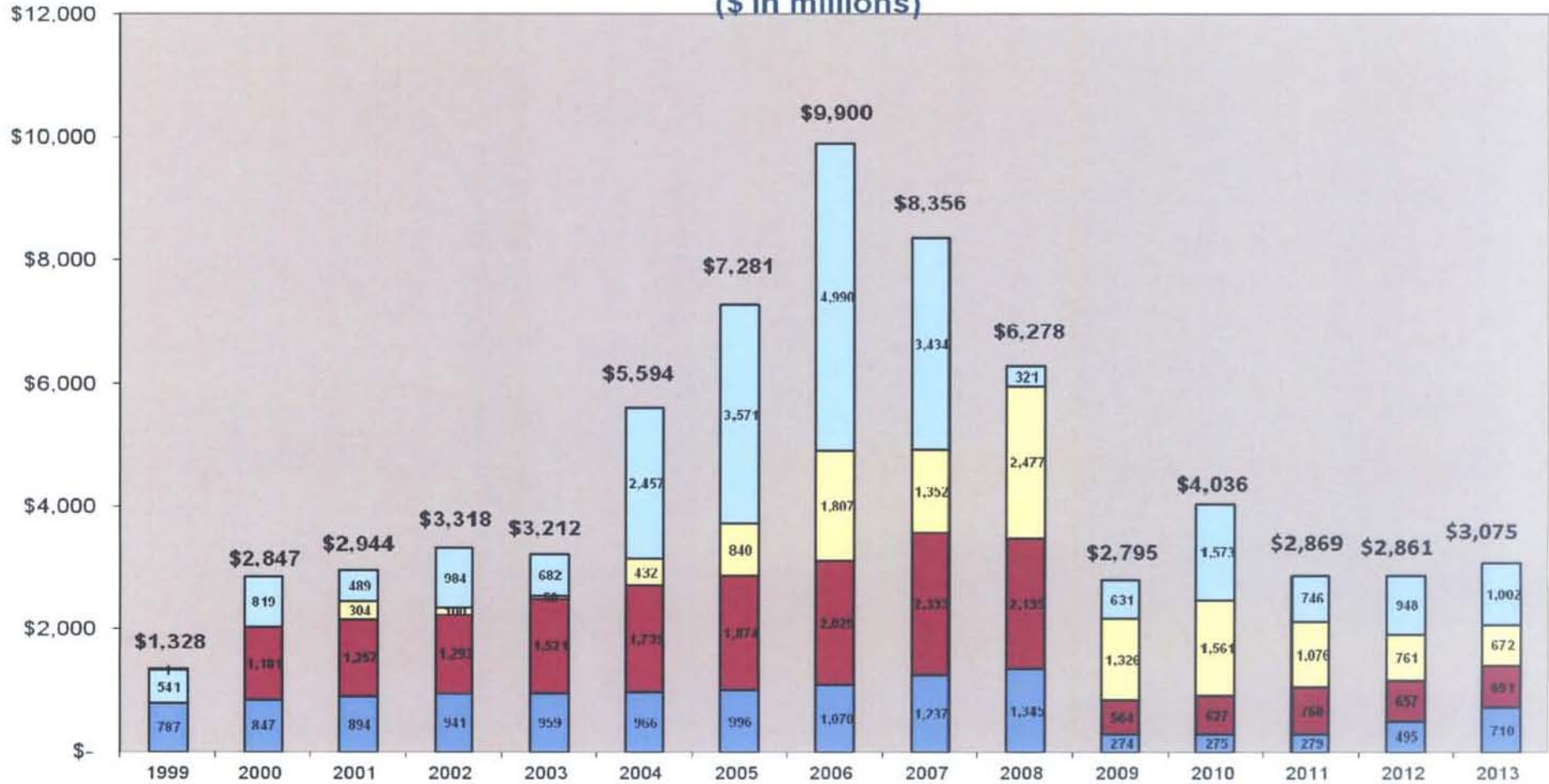
General Revenue Balance Sheet (millions)

1	Revenue Estimate - October 11, 2011	25,569.4
2	Adjustments to Revenues	
a	Trust Fund Sweeps	147.4
b	Corporate Tax Due Date Glitch	100.0
c	Tax Fairness Reform (Business and Machinery & Equipment)	(29.4)
d	Exempt Clerk of Court from Service Charge to GR in FY 2012-13	(34.3)
e	Agency Efficiencies	9.3
f	DCF Reversion	9.2
3	Total Revenues Available	25,771.6
4	Uses of Funds	
a	Recurring Expenditures	22,785.6
b	Current Year Deficits	198.8
c	Medicaid	932.9
d	Education	793.8
e	Reductions	(785.5)
f	Other Spending	629.8
g	Repay Budget Stabilization Fund	214.5
5	Total Uses of Funds	24,770.0
6	Balance	1,001.6



Florida Reserves

(\$ in millions)



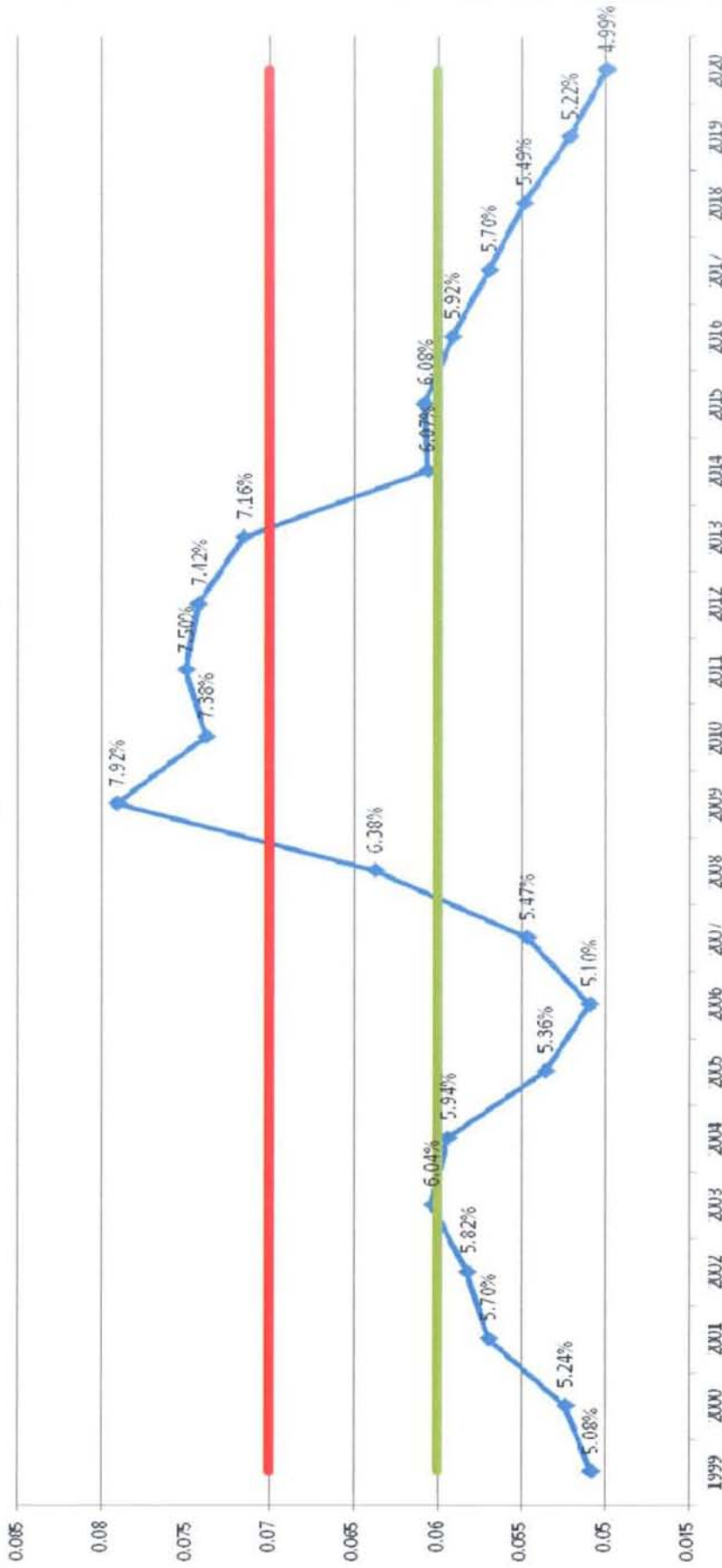
Rating Agencies Desire a Reserve of 5%



Rating Agencies Desire a Reserve of 5%



Benchmark Ratio Projection Change



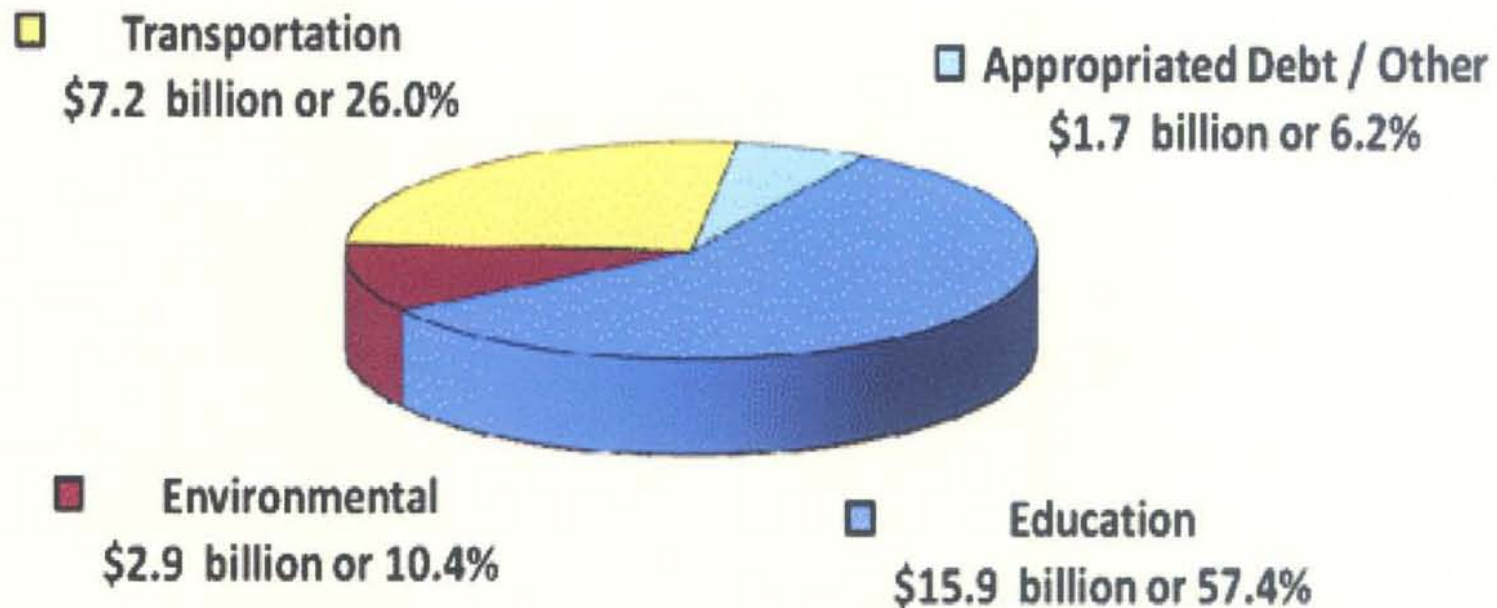
October 2011 Projection

Revenue \$11,079.9 \$22,263.1 \$22,876.6 \$23,301.1 \$24,174.3 \$27,286.4 \$31,117.0 \$34,125.4 \$32,934.5 \$28,371.8 \$25,125.6 \$27,799.8 \$18,687.8 \$29,326.6 \$31,354.6 \$32,997.3 \$34,233.8 \$34,177.8 \$34,368.9 \$34,379.2 \$34,217.4 \$34,320.9
 Debt Service \$ 1,071.7 \$ 1,166.2 \$ 1,305.4 \$ 1,357.1 \$ 1,459.5 \$ 1,551.9 \$ 1,584.3 \$ 1,680.9 \$ 1,787.9 \$ 1,897.5 \$ 2,057.9 \$ 2,095.1 \$ 2,206.4 \$ 2,331.4 \$ 2,290.7 \$ 2,096.5 \$ 2,117.4 \$ 2,145.2 \$ 2,161.2 \$ 2,105.9 \$ 2,133.9 \$ 2,110.9



Debt Outstanding by Program

June 30, 2011

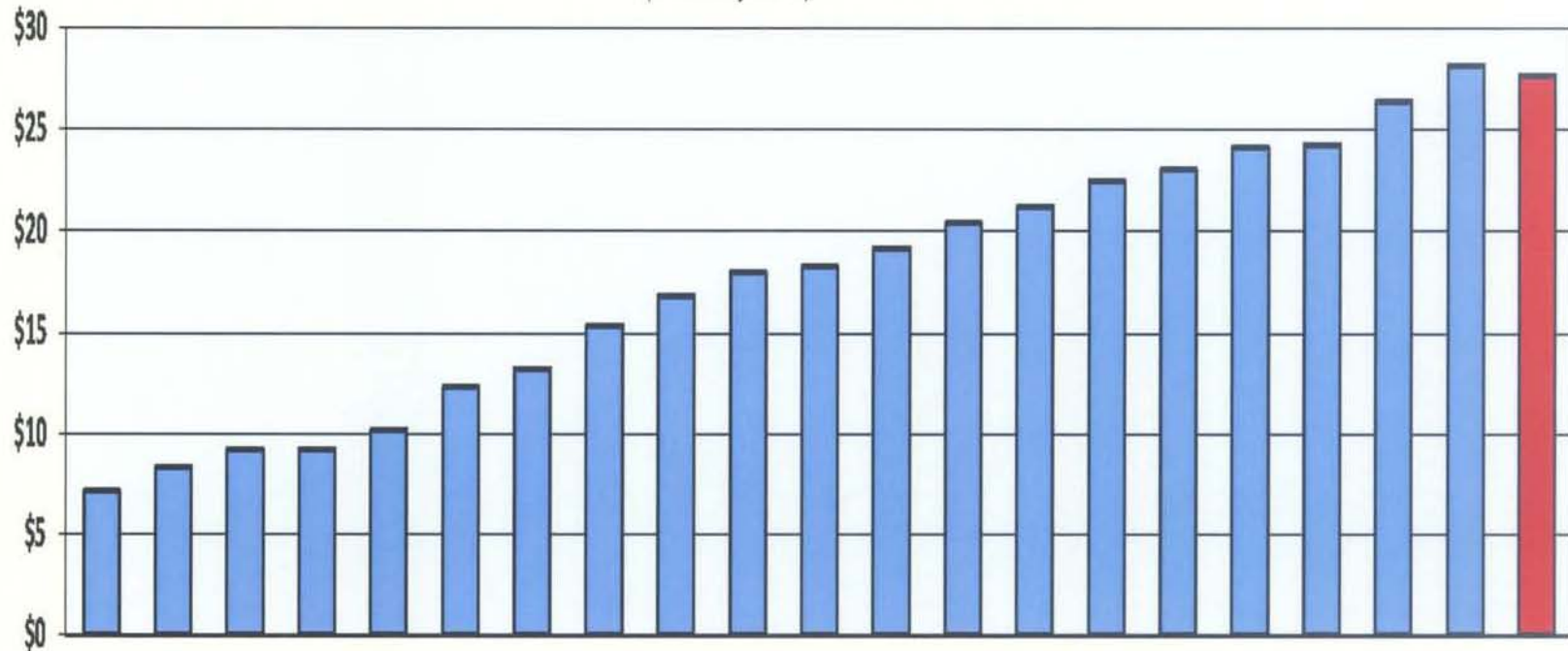


Total Debt Outstanding: \$27.7 billion



Historical Total Debt Outstanding Fiscal Years 1991 through 2011

(in Billions of Dollars)



	<u>1991</u>	<u>1992</u>	<u>1993</u>	<u>1994</u>	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Debt Outstanding	\$7.12	\$8.32	\$9.23	\$9.20	\$10.15	\$12.30	\$13.24	\$15.40	\$16.83	\$17.96	\$18.27	\$19.22	\$20.38	\$21.20	\$22.46	\$23.03	\$24.09	\$24.26	\$26.41	\$28.17	\$27.68
Percentage Change	-	16.8%	11.0%	-0.3%	10.3%	21.2%	7.6%	16.3%	9.3%	6.7%	1.7%	5.2%	6.1%	4.0%	6.0%	2.5%	4.6%	0.7%	8.8%	6.7%	(1.7)%



Governor Scott's Solution

1. Accountability Budgeting

2. Reduce Government Spending

3. Regulatory Reform

4. Focus on Job Growth and Retention

5. World Class Education

6. Reduce Taxes

7. Phase Out Florida's Business Tax



Goals and Guiding Principles

- Promote Job Creation
- Eliminate Unnecessary Regulation
- Provide Tax Fairness
- Reduce Reliance on short term or non-recurring Federal Funding that would assume continued state funding
- Maintain or Enhance Funding for Kindergarten-12 Education
- Eliminate Duplication and Wasteful Spending
- Use Performance Metrics to Measure Agency Success (Pilot Agencies)



1. Accountability Budgeting

- **Pilot Three Agencies:**
 - *Department of Revenue*
 - *Office of Financial Regulation within Department of Financial Services*
 - *Department of Law Enforcement*
- **General Appropriations Act:**
 - *Roll-up Traditional Categories*
 - *Provide Service Description*
 - *Provide Performance Measurement*
- **Budget Implementing Legislation:**
 - *Track Measures and Report Progress*
 - *Develop Improvement Plans*
 - *Provide Incentives and Disincentives for Progress or Failure*



2. Reduce Government Spending

Policy Area	Reductions	
	Amount	Positions
Statewide Decreases – State Group Health Insurance Program – Uniform Premiums and People First Contract Reductions	(\$48,016,513)	
Private Colleges and Universities	(\$20,401,062)	
Loss of Federal Funds – Early Learning Program	(\$30,227,891)	
Other Education	(\$25,773,228)	(78)
Environment	(\$29,398,918)	(368)
General Government	(\$34,577,359)	(274)
Medicaid - Limit Hospital Inpatient Days and Emergency Room Visits	(\$168,804,234)	
Medicaid – Rate Bands for Hospital Reimbursements	(\$1,853,064,253)	
Medicaid – Limit Services in the Medically Needy Program	(\$48,531,191)	
Other Health and Human Services	(\$168,183,821)	(921)
Consolidate Prisons	(\$67,479,486)	(1,138)
Privatize Inmate Health Services	(\$22,976,081)	
Clerk of Court Funding	(\$17,803,212)	
Other Public Safety	(\$51,649,032)	(1,583)
Transportation and Economic Development	(\$29,461,900)	(129)
Grand Total	(\$2,616,348,181)	(4,491)



3. Regulatory Reform

- Agencies have identified more than 1,000 rules for repeal
 - Agencies have repealed **150** rules
 - Agencies have started the repeal process on **457** rules
 - Agencies will begin the repeal process on **205** rules before the end of 2011
 - With the help of the Legislature, we will repeal **274** rules during the 2012 session
- Agencies have identified more than 1,300 rule revisions
 - Agencies are revising rules to reduce regulatory burdens while implementing statutory directives
 - Agencies are continuing to identify potential rule revisions that could reduce regulatory burdens
- Create an environment in Florida that will allow business to operate with fewer unnecessary regulations
 - Through www.FloridaHasARightToKnow.com we have provided an avenue for the public to review and comment on agency rules at all times, not just during the rulemaking process
 - We are fostering more dialogue between agencies and the people affected by agency regulation
 - We are raising public awareness of the ability to help the Governor effectuate change in Florida's regulatory structure



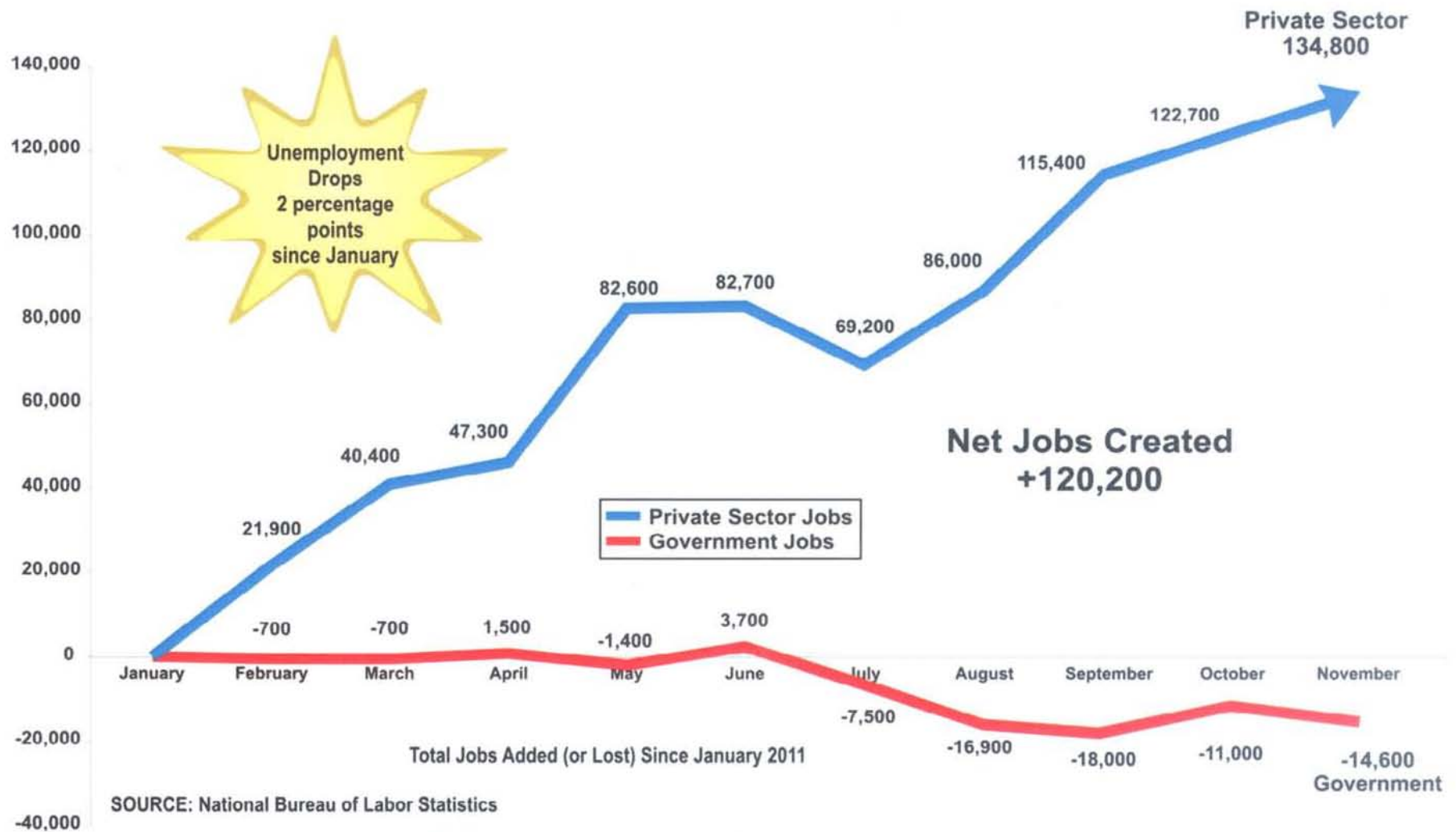
4. Focus on Job Growth and Retention

- 2012 Job Creation and Economic Growth Agenda
 - Step 1: Streamlining Business Permitting and Eliminating Burdensome Rules and Regulations
 - Step 2: Provide Tax Relief and Reform for Florida's Working Families and Businesses
 - Step 3: Reforming Florida's Unemployment System to Create a Reemployment System
 - Step 4: Restoring Accountability and Credibility to Florida's Workforce Boards
 - Step 5: Prioritizing Vital Transportation Projects to Facilitate Economic Development Opportunities
 - Step 6: Offering Stability to Florida Businesses by Balancing the Budget without Raising Taxes
 - Step 7: Prioritizing Science, Technology, Engineering and Mathematics in Education



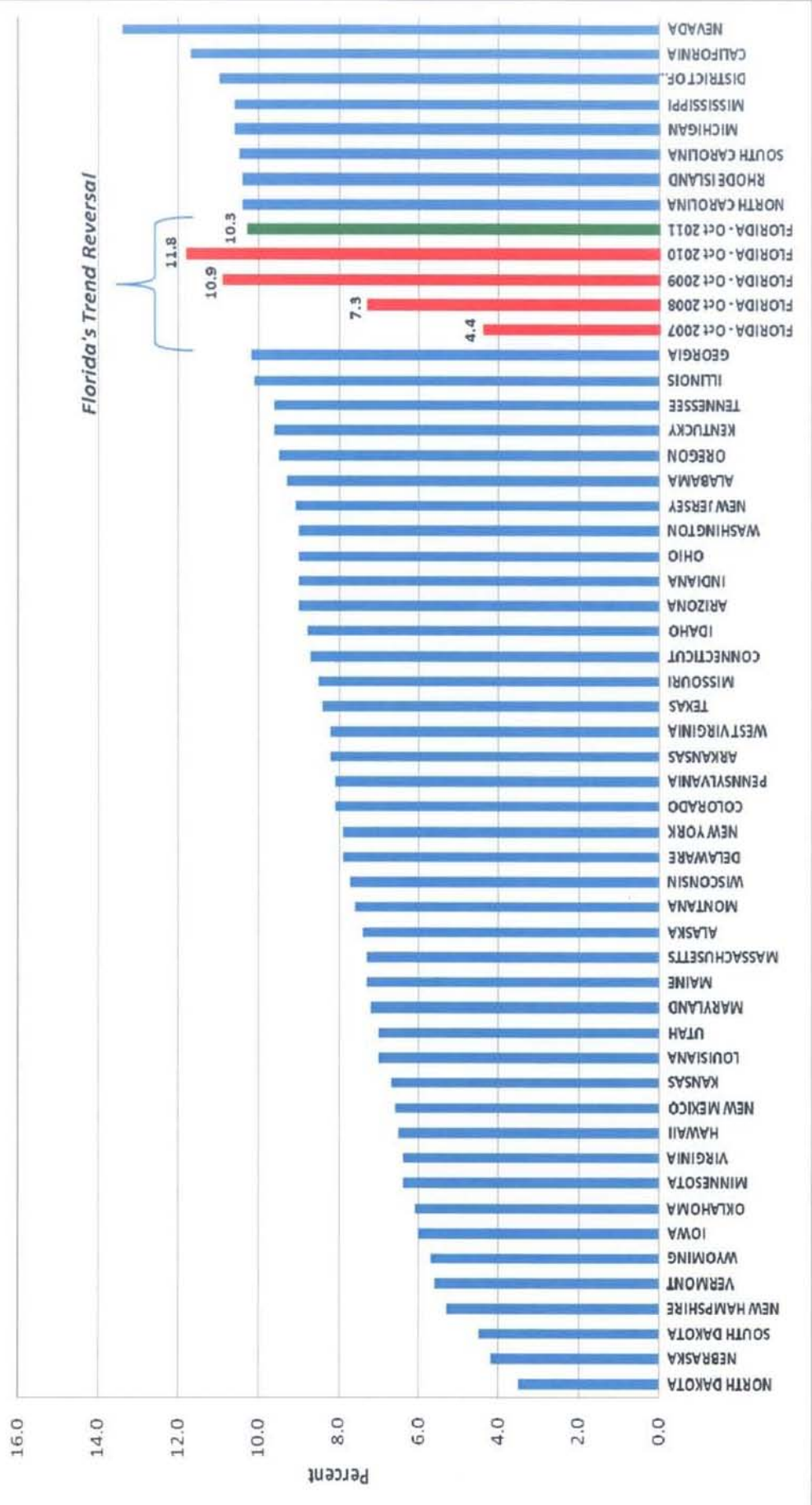
HEADED IN THE RIGHT DIRECTION

Florida Job Creation: Private Sector vs. Government



7 Steps. 700,000 Jobs. 7 Years. — Let's Get to Work.

Unemployment Rates By State As of October 2011



5. *World Class Education*

- Increase state funding in Kindergarten-12 by \$1 BILLION
- Prioritize Science, Technology, Engineering and Mathematics in Education to ensure graduates can get jobs
- The Governor's budget recommends level funding for State Universities, State Colleges, and School District Workforce Programs – and NO tuition increases
- Letter to University Presidents seeking accountability by our State Universities



6. Reduce Taxes

- Reduce the Tangible Personal Property Tax to incentivize businesses to grow and to create jobs
- Provide Sales Tax Exemption for Businesses Purchasing Machinery & Equipment
- Stop PIP Fraud
- Review special taxing districts to ensure a return on taxpayers' money
 - Hospital Districts
 - Executive Order Examining Special Districts

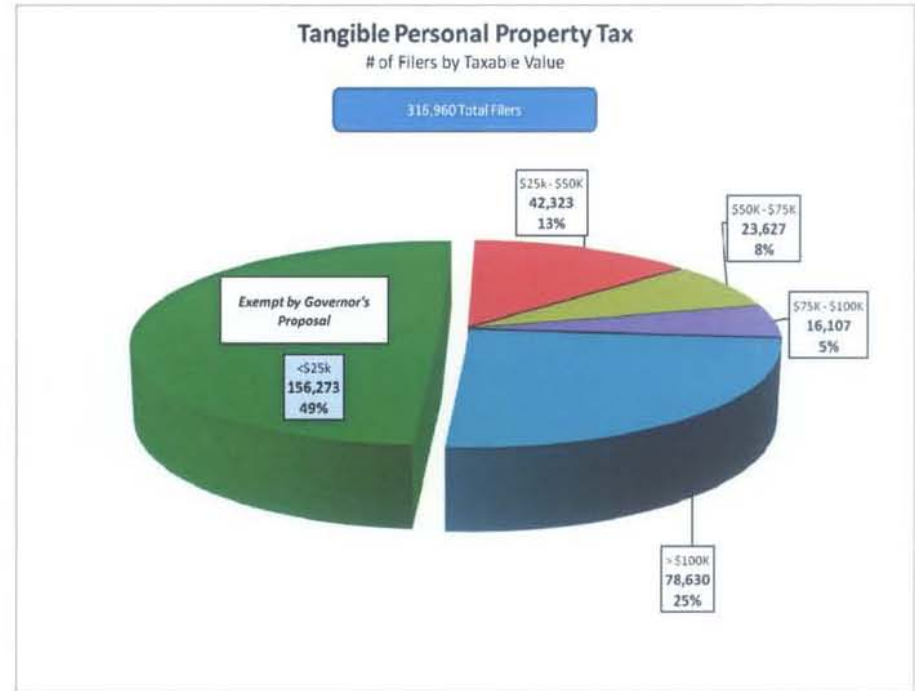
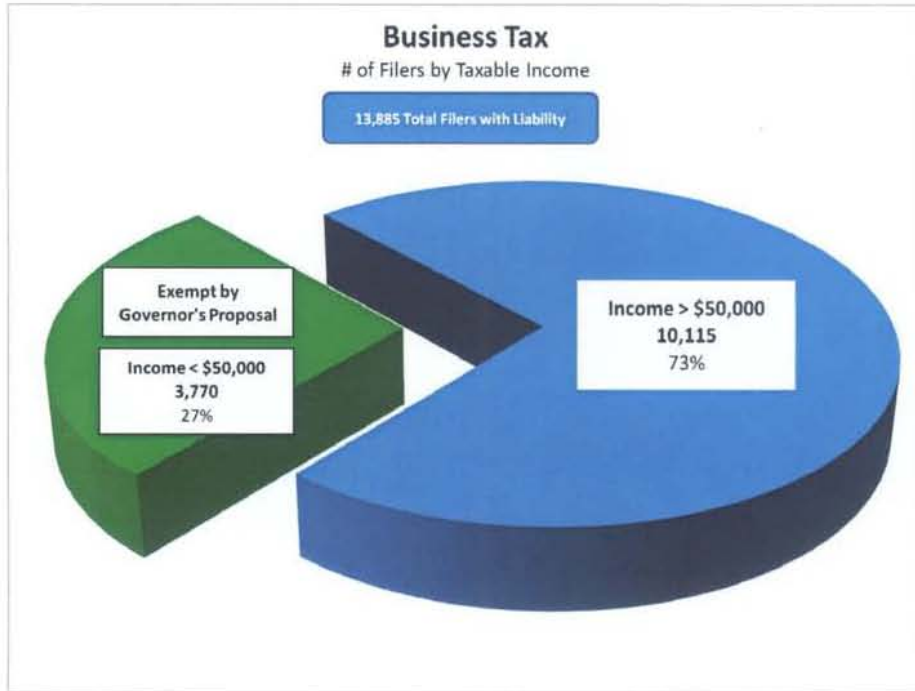


7. Phase Out Florida's Business Tax

- Provide tax relief to our families and business
- Increase business tax exemption to \$50,000 to help grow jobs
- Eliminates the tax for another 27% of businesses



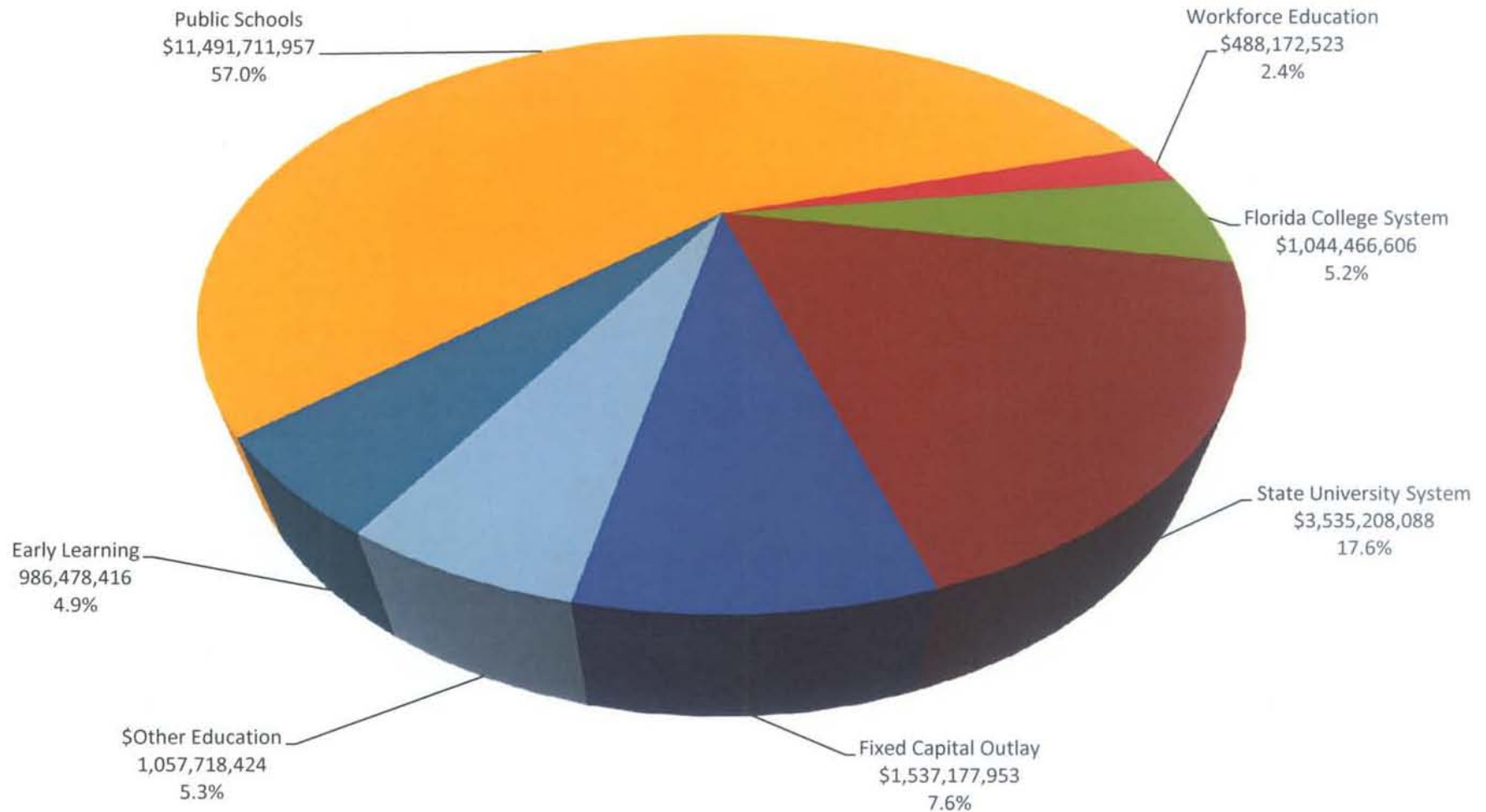
Tax Reform



Machinery and Equipment Sales Tax...



Education - \$20.1 Billion



Note: The following is excluded in this chart: 1) local funds in the amount of \$7.7 billion; 2) K-12 Workforce Tuition revenue in the amount \$41 million; and 3) Community College Tuition Revenues in the amount of \$907.8 million.



Ten Year History of School Funding



Additional State Funding for Education

Restore one-time funding from the current fiscal year (nonrecurring)

\$224 million

Replace loss of school property taxes as a result of a 3.23% decrease in property values.

\$220 million

\$ 1 Billion

Cost for 30,567 additional students (FTE) at current year amount of \$6,230.40 per student (FTE)

\$190 million

\$381 million

Cost for additional per-student funding which includes:
- doubling the funding for Reading Instruction;
- returning the School Recognition Program to \$100 per student from \$70 per student in the current year.



Education Highlights

Major Issues Funded	Amount
Florida Education Finance Program (FEFP)	\$1.02 billion

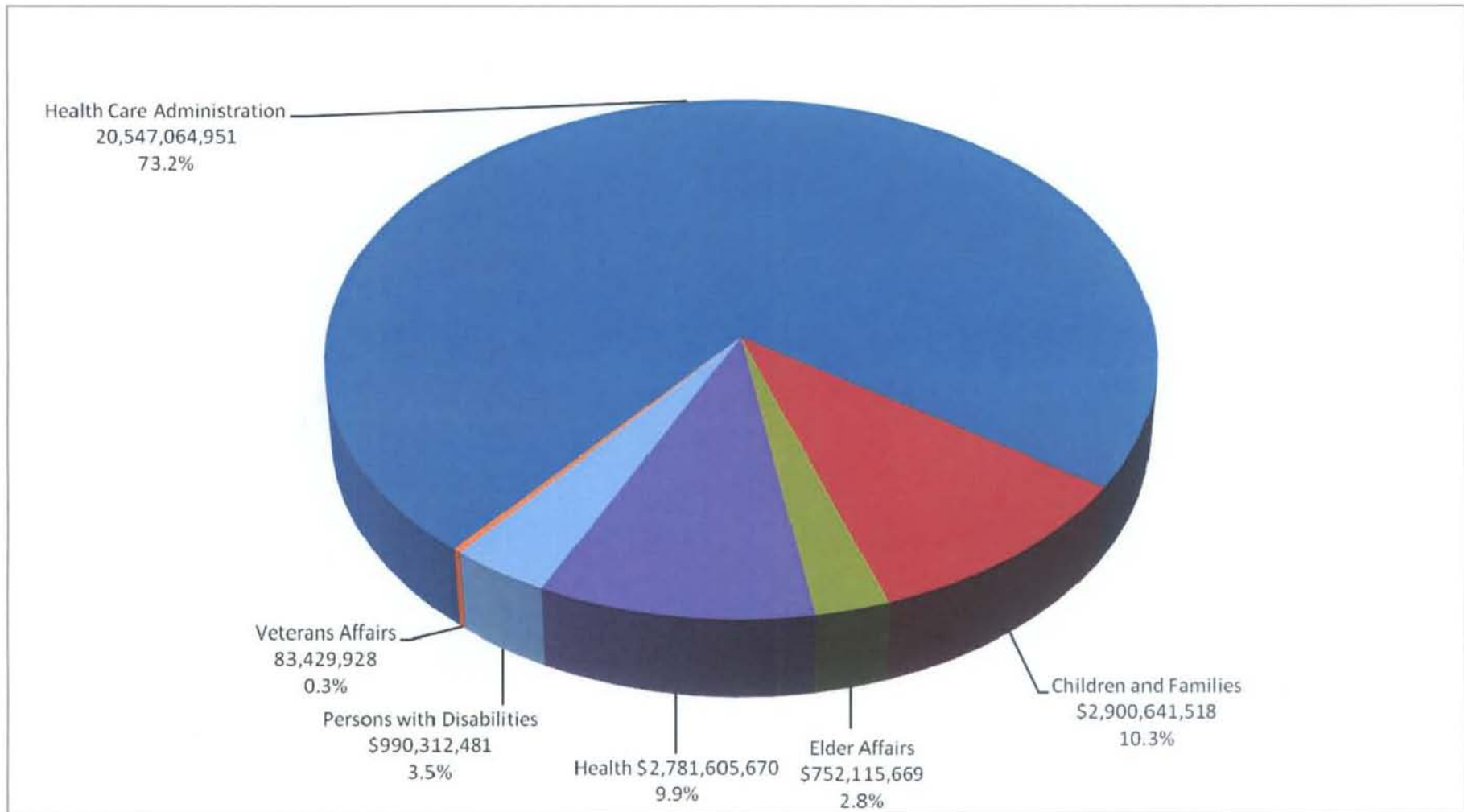
Major Decreases	Amount
Private Colleges and Universities	(\$20.4) million

Higher Education Funding	Amount
State University System (E & G Level Funded)	\$2.03 billion
Florida College System (Program Fund Level Funded)	\$1.04 billion
School District Workforce Education (Level Funded)	\$488.2 million

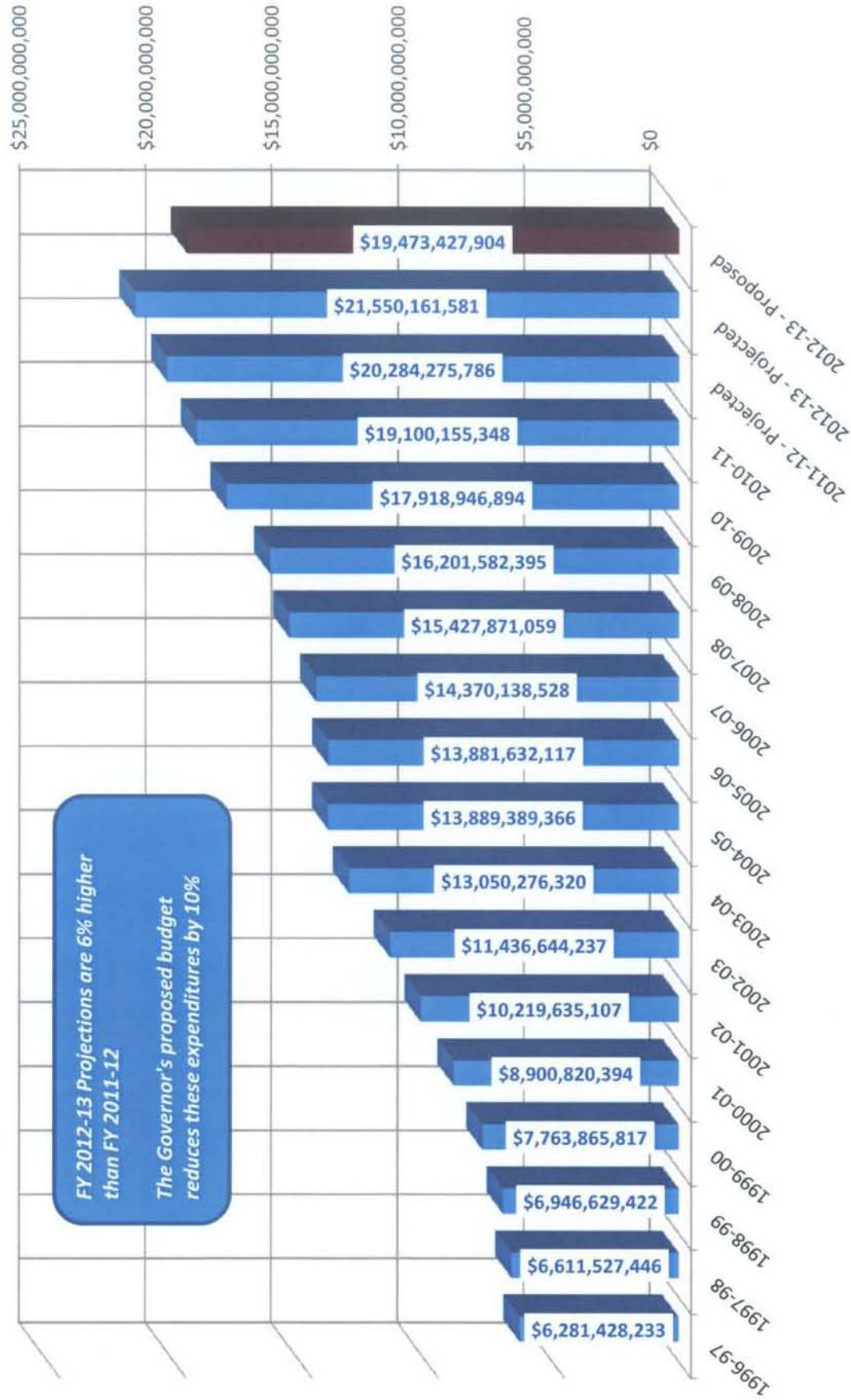
The Governor's budget recommends a zero percent tuition increase for State Universities, State Colleges, and School District Workforce Programs



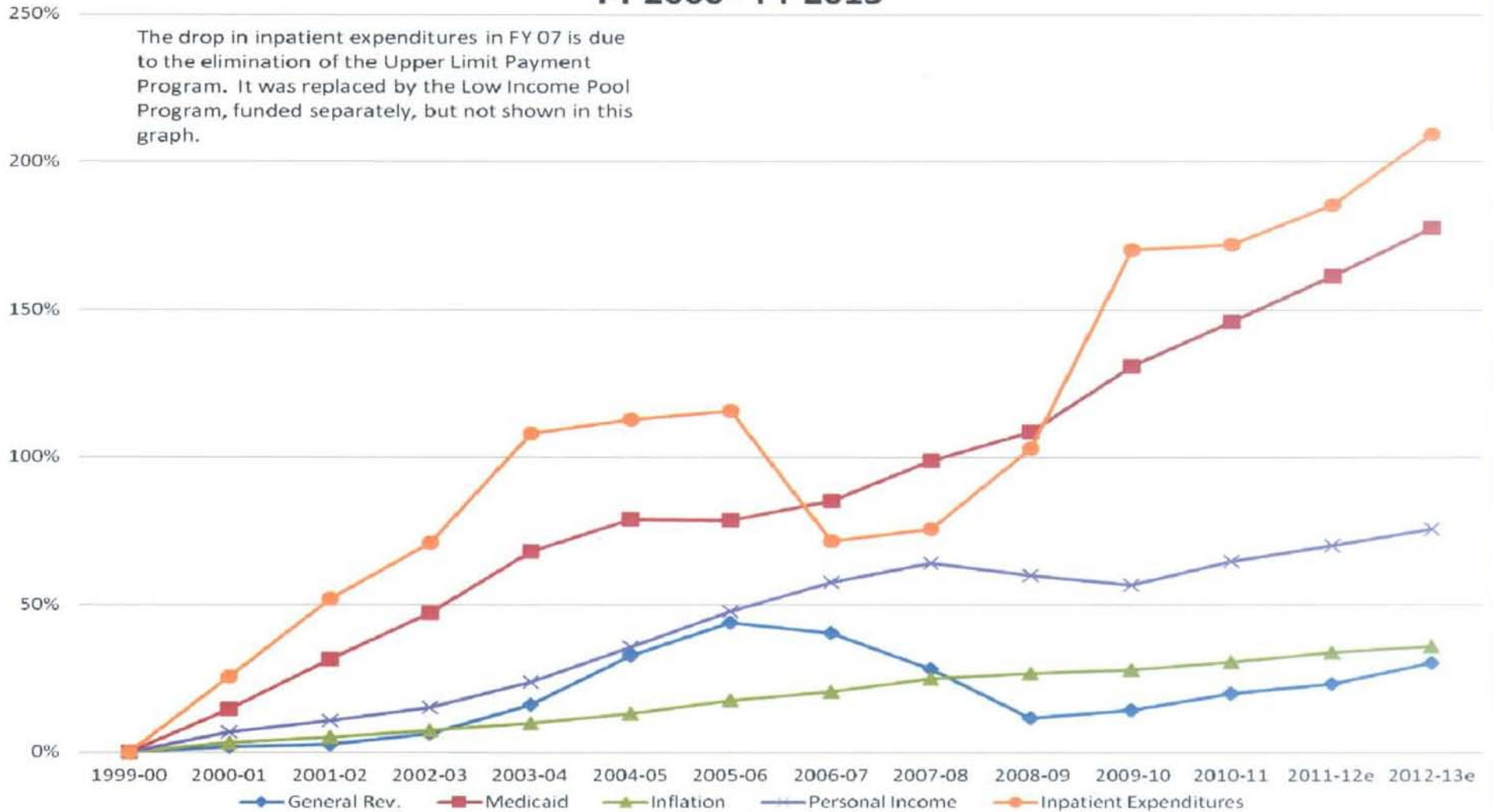
Health and Human Services Unit - \$28.1 Billion



Medicaid Services Expenditures



Medicaid and Inpatient Growth vs. Economic Measures - FY 2000 - FY 2013

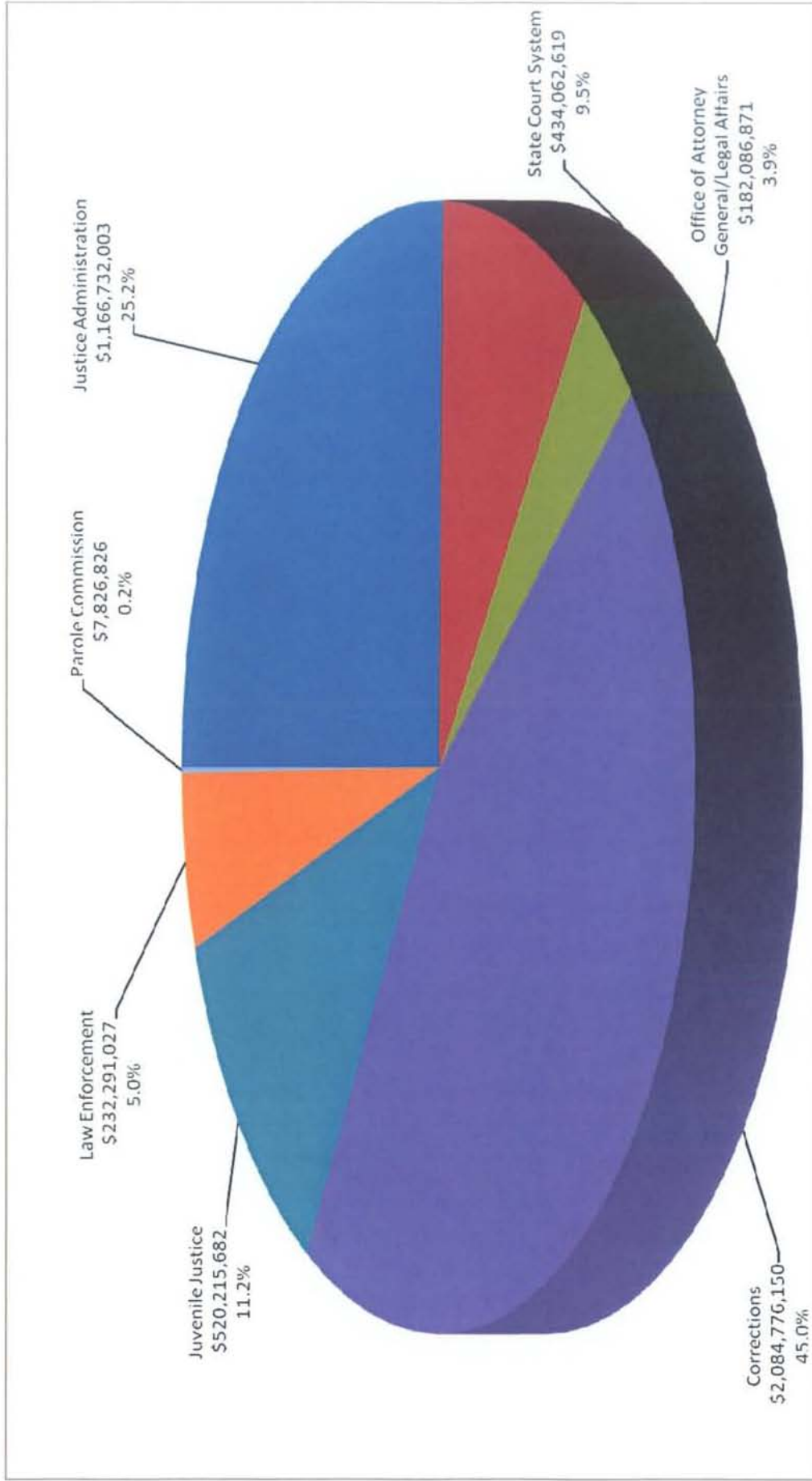


Health and Human Services Highlights

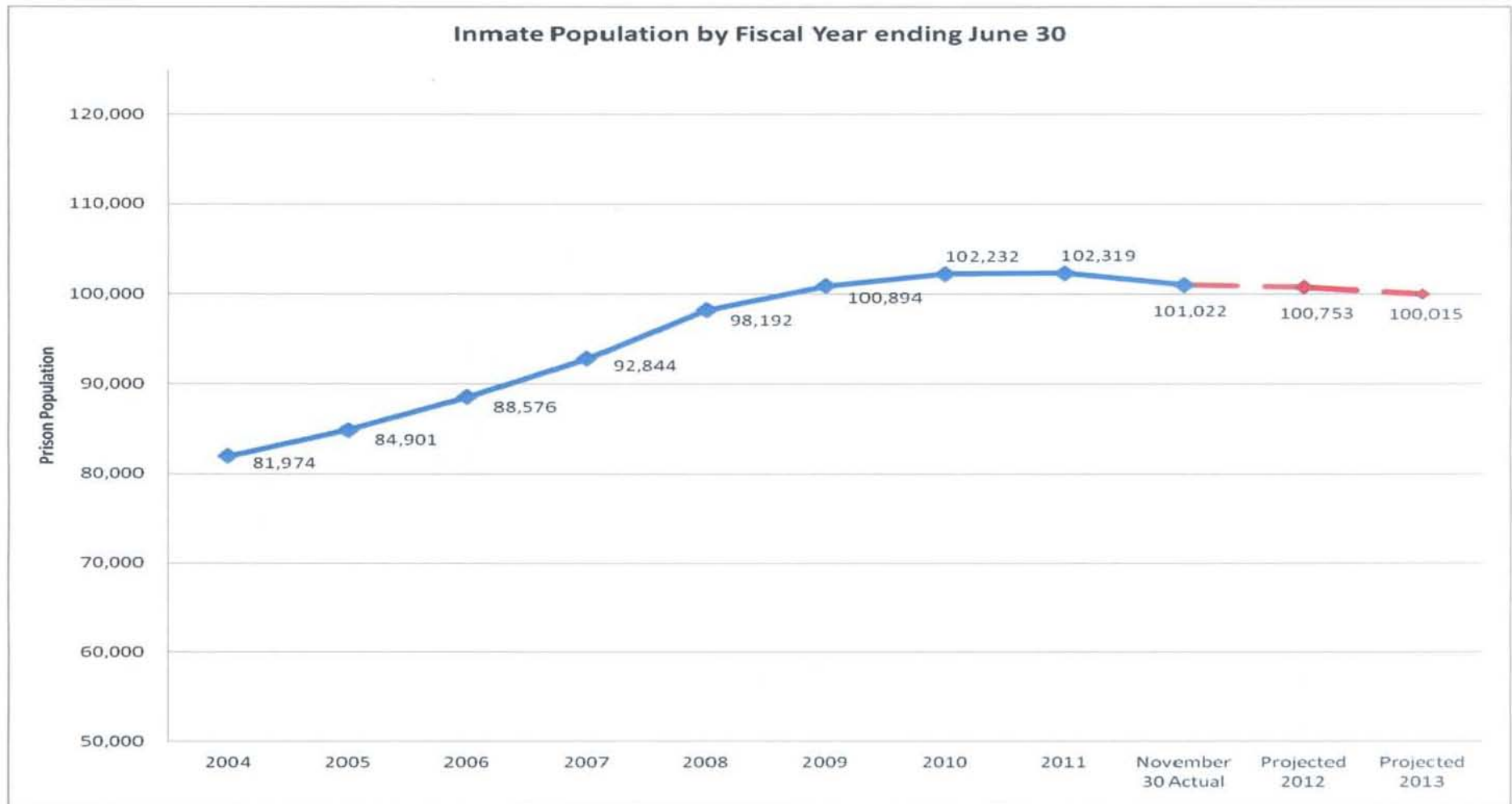
Major Issues Funded	Amount
Medicaid Program – Workload and Price Level	
General Revenue Increase	\$932.9 million
Trust Fund Decrease	(\$528.7) million
Medicaid Electronic Health Record Program	\$237.8 million
Enhance Technology to Increase Program Efficiencies	\$126.2 million
Substance Abuse and Mental Health	\$43.0 million
Biomedical Research	\$29.5 million
APD Waiver	\$10.0 million
Adoption Subsidies	\$15.7 million
Minority Health Initiative	\$12.0 million
DCF Child Protective Services	\$9.9 million
Major Decrease	Amount
Medicaid Program	(\$2.1) billion



Public Safety Unit - \$4.6 Billion



Criminal Justice Reform



Public Safety Highlights

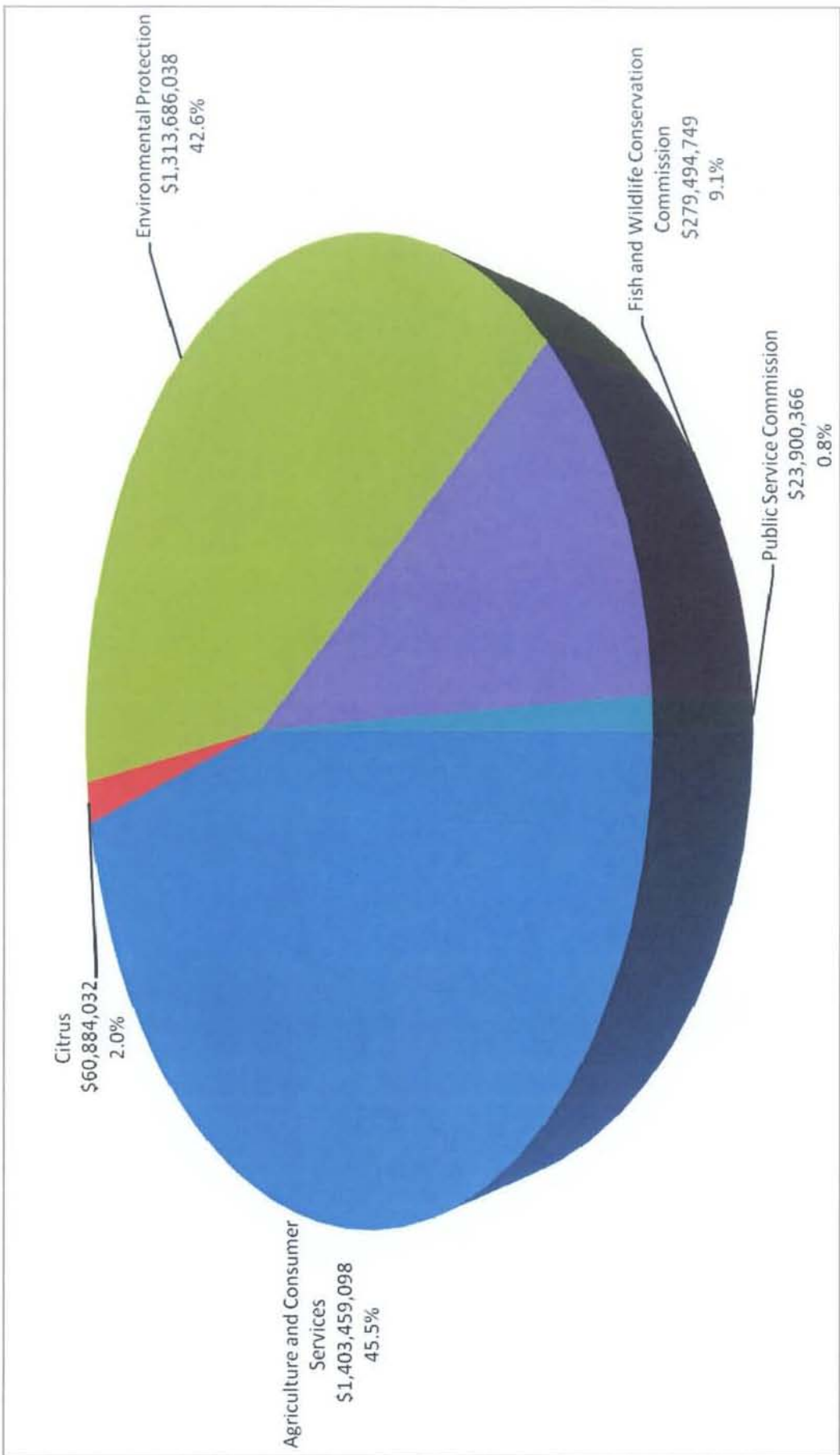
Major Issues Funded	Amount
Prevention and Diversion Programs for At-Risk Youth	\$5.6 million
Substance Abuse Treatment for Offenders and Inmates	\$3.9 million
Irrigation Systems for Expansion of Crops at Prisons	\$2.5 million

Major Decreases	Amount
Consolidate Prison Beds	(\$67.4) million
Savings through Public-Private Partnerships	(\$24.4) million
Correctional Operational Efficiencies	(\$16.5) million
Clerks of Court	(\$17.8) million
Reduce Excess Juvenile Residential Beds	(\$6.9) million

Major Fund Shift	Amount
State Courts from Trust Fund to General Revenue	\$280.0 million



Environment Unit- \$3.1 Billion



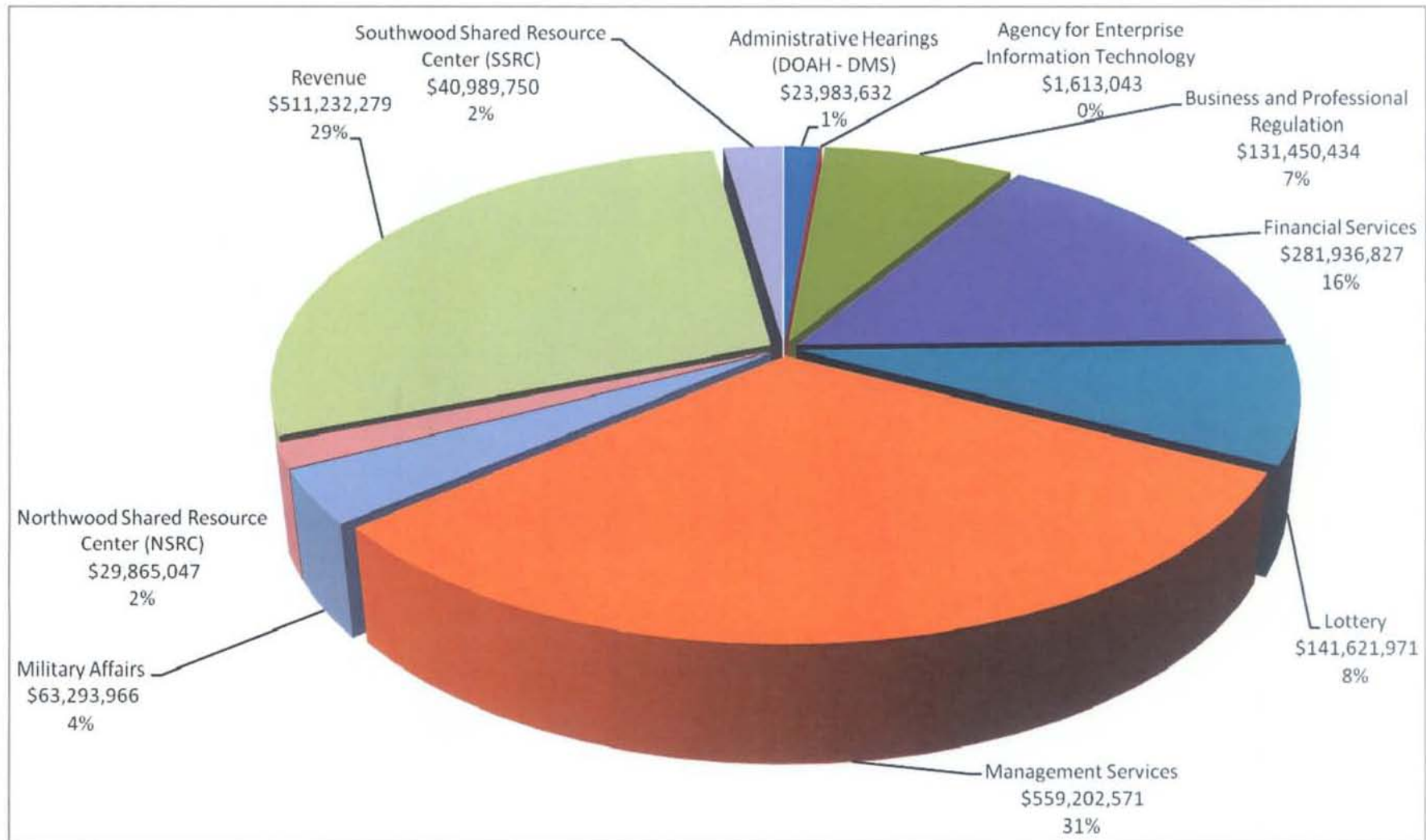
Environment Highlights

Major Issues Funded	Amount
Waste Water Facilities Construction Loan Program	\$131.8 million
Petroleum Storage Tanks Cleanup	\$128.0 million
Drinking Water Facilities Construction Loan Program	\$68.0 million
Everglades Restoration	\$40.0 million
Florida Forever	\$15.0 million

Major Decreases	Amount
Various Program Reductions	(\$29.4) million



General Government Unit - \$1.8 Billion



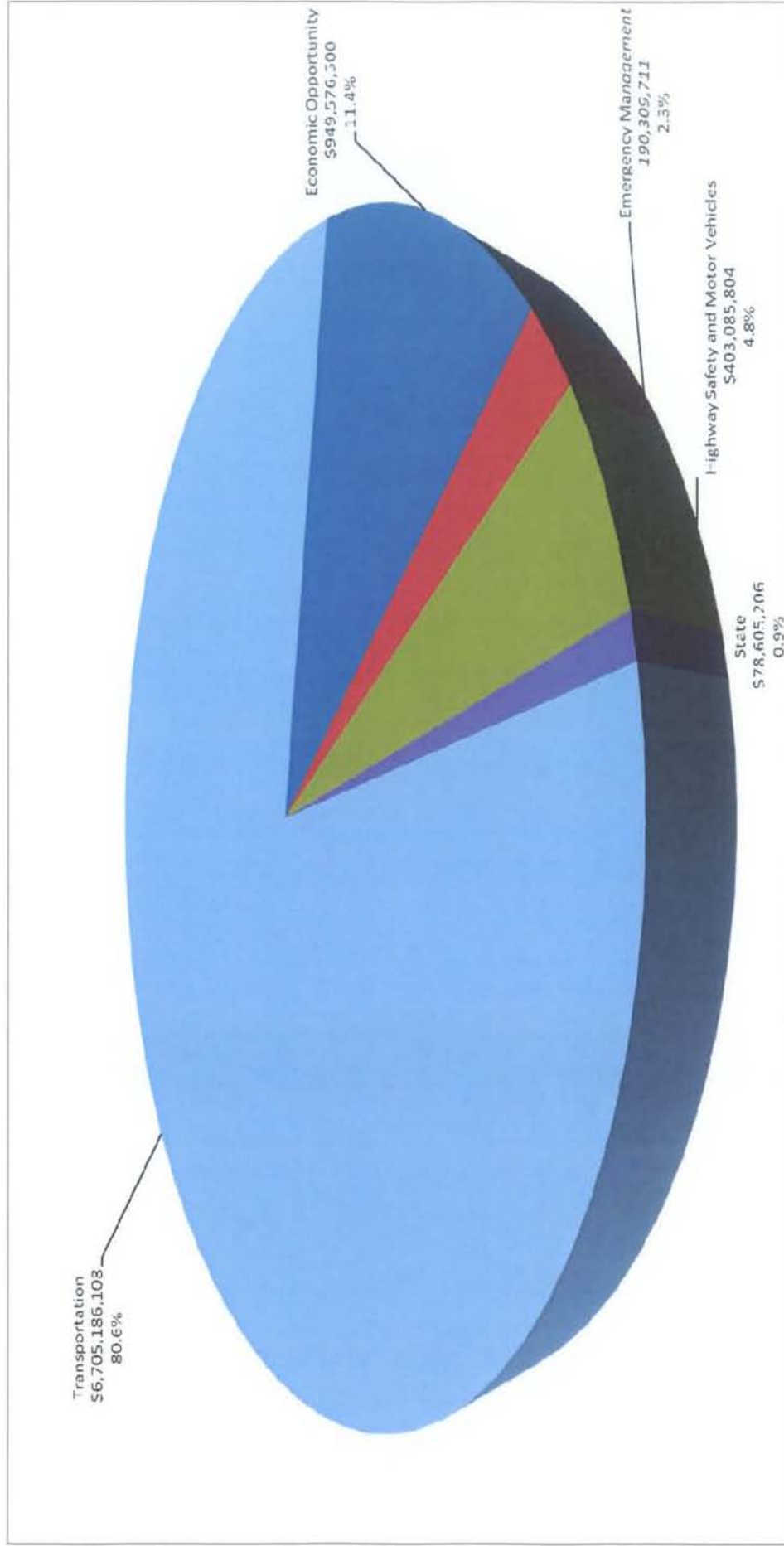
General Government Highlights

Major Issues Funded	Amount
Upgrade DBPR Licensing System	\$1.9 million
Statewide Enterprise Email Services	\$12.0 million
Armory Repair and Renovations & New Explosive Ordnance Disposal Facility	\$6.0 million
Lottery Ticket Vending Machines & Terminals	\$5.2 million
One Stop Business Registration Portal	\$3.0 million
PIP Fraud Investigators	\$.7 million
FLAIR Replacement	\$.3 million
Major Decreases	Amount
Various Program Reductions	(\$34.6) million



Transportation and Economic Development Unit

\$8.3 Billion



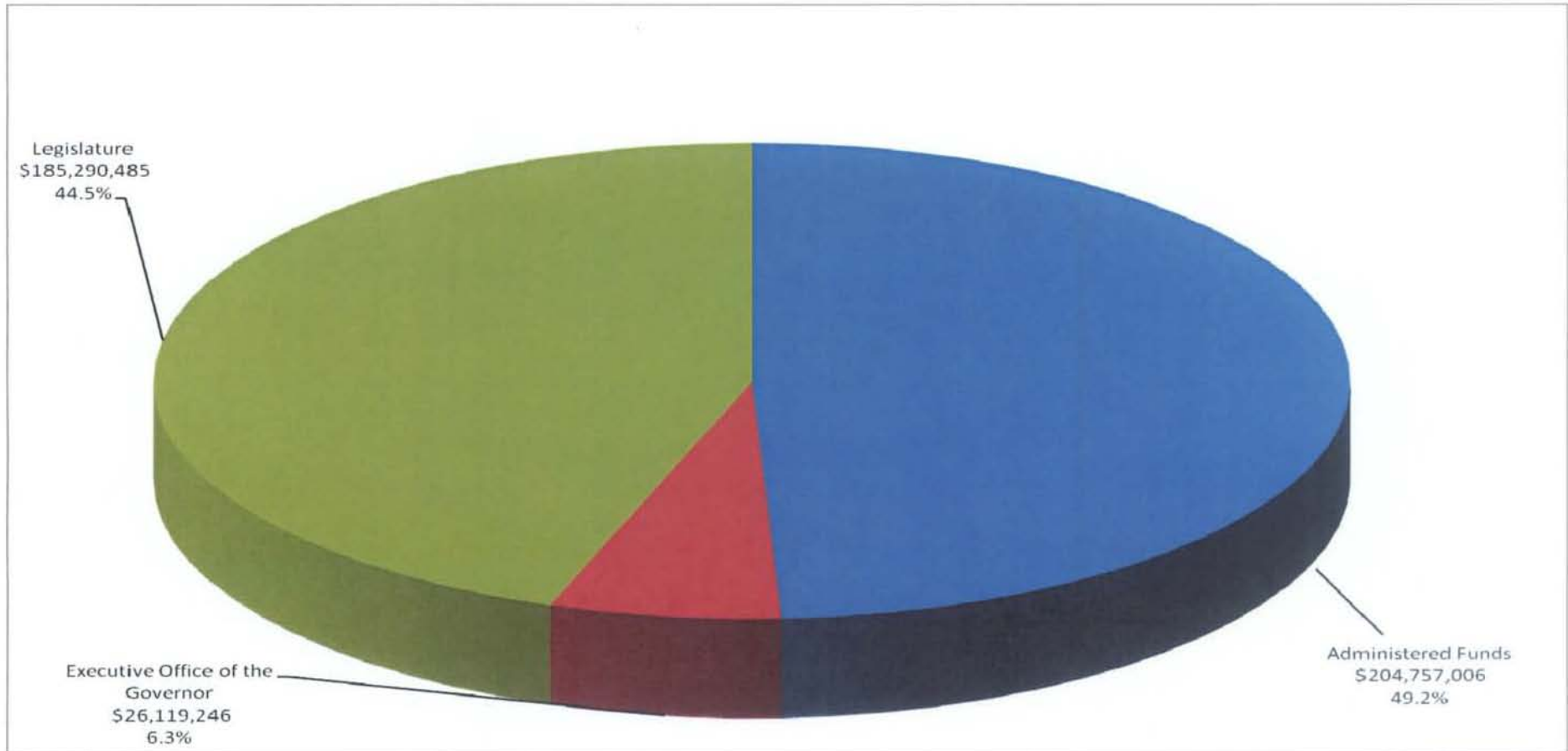
Transportation & Economic Dev Highlights

Major Issues Funded	Amount
State Transportation Work Program	\$5.7 billion
Economic Development Tools and Incentives	\$225.0 million
Federally Declared Disaster Funding	\$133.1 million
Small Business Credit Initiative	\$33.2 million
Affordable House Programs	\$29.6 million
State Aid to Libraries	\$21.3 million
Highway Patrol Cars	\$13.8 million
Motor Carrier Safety Assistance Program	\$12.4 million

Major Decreases	Amount
Various Program Reductions	(\$29.1) million



Administered Funds, Governor's Office and Legislative Branch \$416.2 Million



Administered Funds and Governor's Office Highlights

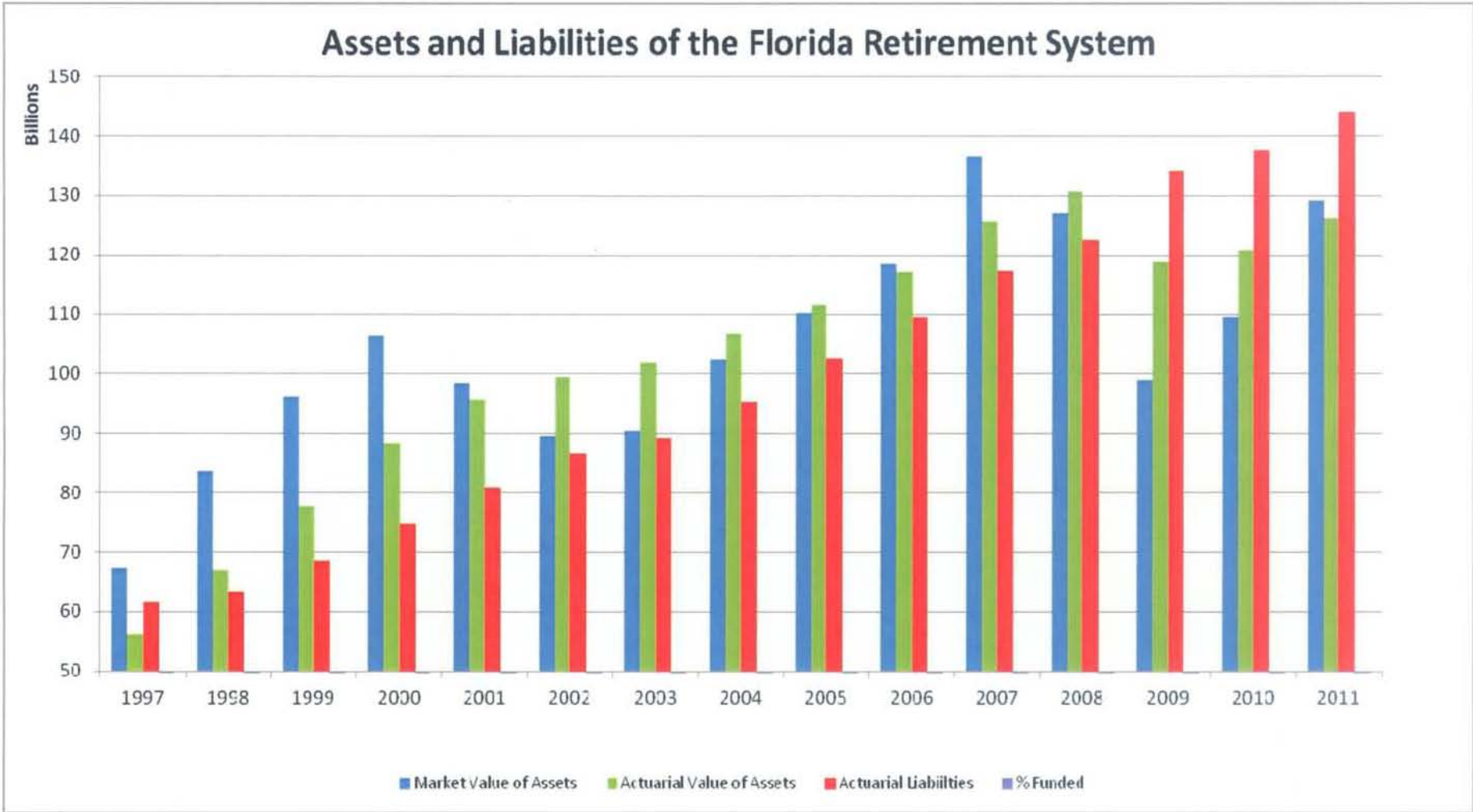
Major Issues Funded	Amount
Florida Retirement System	
Normal Cost	\$179.1 million
Unfunded Actuarial Liability	\$122.6 million
State Employee Discretionary Bonuses	\$126.5 million
Risk Management Premiums	\$ 13.3 million
Reestablish Correctional Medical Authority	\$.6 million

Major Decreases	Amount
State Group Health Insurance Program – Uniform Premiums	(\$46.3) million
People First System Contract	(\$ 1.6) million

Additional Note: Phasing in Actuarially Sound Rates for Retirees in the State Group Health Insurance Program.

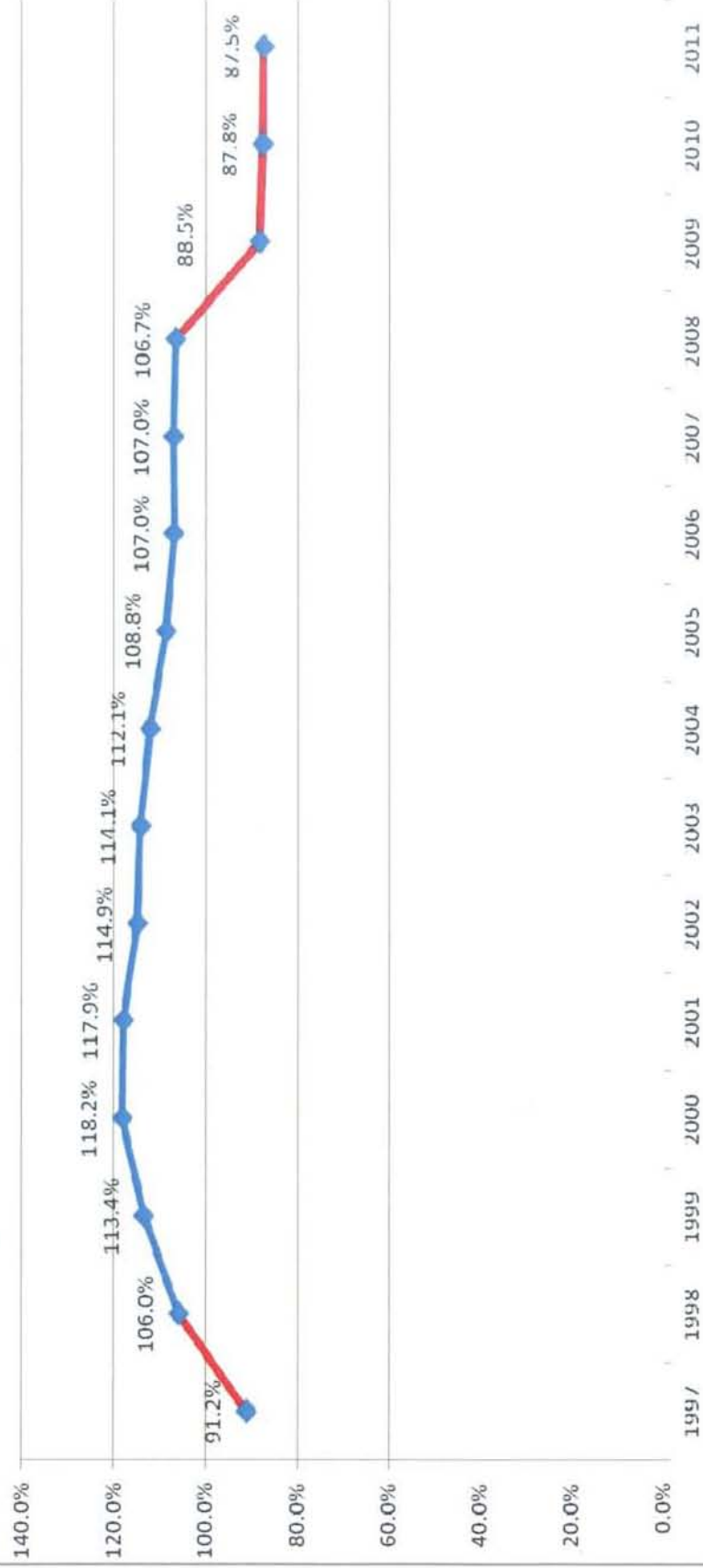


Pension Fund



Pension Fund

Funding Levels of the Florida Retirement System



Update on E-mail Consolidation

January 10, 2012



Appropriations Committee
Denise Grimsley, Chair

Background

- **Section 282.34 establishes e-mail as a statewide IT service that must:**
 - **Reduce the state's cost of its current e-mail operations**
 - **Eliminate need for agencies to maintain their e-mail staff**
- **Agency for Enterprise IT (AEIT) required to submit proposed plan for consideration by the LBC for migration of all agencies to the statewide e-mail service.**
- **AEIT submitted plan at the June 24, 2011 LBC meeting and the LBC approved.**
- **Contract executed between Southwood Shared Resource Center and the service provider on June 29, 2011.**

Agency for Enterprise IT (AEIT) Projected Cost Savings

Fiscal Year	AEIT Projected Savings 6/24/11 LBC Amendment	AEIT Projected Savings 10/6/11 House Appropriations Presentation	Governor's Recommended FY 12-13 Budget (Numbers Provided by AEIT)
2011-12	(\$735,422)	(\$25,389)	
GR	(\$546,035)	(\$704,315)	
State TF	(\$23,515)	\$233,253	
Federal TK	(\$165,872)	\$444,896	
2012-13	(\$217,833)	(\$494,462)	\$676,964
GR	\$350,624	(\$44,536)	\$399,005
State TF	(\$654,155)	(\$711,660)	\$699,217
Federal TF	\$85,698	\$261,834	(\$421,258)
2013-14	(\$1,488,044)	(\$784,336)	(\$967,528)
GR	(\$412,966)	(\$1,318,996)	(\$33,410)
State TF	(\$643,978)	\$884,441	(\$288,527)
Federal TF	(\$431,100)	(\$349,781)	(\$645,591)

- **FY 2011-12** – no revised cost savings projections provided since 10/6/11; however, cost savings appear unlikely.
- **FY 2012-13** – **cost increase** with net GR impact of **\$399,005**. **\$1,123,120** in **GR adjustments** needed to cover email costs across all agencies.
- **FY2013-14** – net savings is \$967,528 annually, mainly in federal trust funds.

Migration Schedule

Month	# Agencies Migrated 6/24/11 LBC Amendment	# Agencies Migrated 10/6/11 House Appropriations Presentation	As of 1/10/12
FY 11-12			
Oct 2011	5	0	0
Nov 2011	5	2	0
Dec 2011	5	3	0
Jan 2012	5	4	0
Feb 2012	1	6	
March 2012	4	5	
April 2012	4	2	
May 2012	3	4	
June 2012	1	2	
FY 12-13			
July 2012		4	
Aug 2012			
Sept 2012			
Oct 2012		1	

- **June 2011 LBC amendment:**
 - **All agencies** migrated to statewide e-mail service **by June 2012**
 - **15 agencies** migrated **by Dec 2011**
- **As of January 10, 2012:**
 - **No agencies** have migrated
 - **Pilot migrations planned** mid-week of January 10th

Contract Amendments

#	Description	Status	Fiscal Impact
1	Changed data center hosting statewide e-mail service; price per mailbox included provider's cost to build out Tallahassee data center. Location changed to private data center in Tampa.	Completed 8/30/11	None realized
2	Eliminated tiered pricing structure for migrating mailboxes (\$0.67 to \$0.85 per mailbox)	Completed 12/14/11	\$8,500 savings
	Clarified how partial billings would be calculated		No fiscal impact
3	Allow agencies to migrate to non-criminal justice information security (CJIS) compliant mailbox	Completed 1/9/12	Non-CJIS compliant mailbox \$0.03 less per mailbox (\$5.40 instead of \$5.43 or 0.55%)
	Modify changes to service level agreement & performance metrics		No fiscal impact

Current Status of E-mail Consolidation

- **Project is currently not on schedule.**
- **Contract amendments significantly alter original scope without providing significant additional savings.**
- **Cost savings for FY 2011-2012 unlikely.**
- **Increased cost for FY 2012-13**
- **Future savings to state uncertain because agency costs potentially under-reported:**
 - **E-mail archiving capacity under-estimated; additional agency costs range from approximately \$500,000 to \$5.25 million.**
 - **All e-mail options do not appear to be included.**
 - **Statewide e-mail service does not cover agency applications that include an e-mail notification function; fiscal impact to agencies ranges from unknown to \$1.29 million.**

