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July 1, 2019

Mr. Jason Stochak
South Broward Tag Agency, LLC
d/b/a South Broward Tag Agency of Hollywood
3387 Sheridan Street
Hollywood, FL 33021

VIA EMAIL

RE: License Plate Agency MOU
MyFloridaNetwork Circuit Cost

Dear Mr. Stochak:

As part of the Fiscal Year 2019-20 Legislative Budget Request (LBR) process, all state agencies were required to submit reduction issues totaling at least ten percent of their Fiscal Year 2018-19 recurring base budget. Our agency's number for this 10% requirement was \$44 million. As you can imagine, meeting the target reduction was a difficult task and required a review of all operating expenditures, including the elimination of entire program areas and full time equivalent staff.

Keeping pace with the increased costs of technology is always a challenge. To meet our required goal of \$44 million in reductions, the department had to take a hard look at everything including our information technology expenditures. The information technology reduction issues submitted as part of the \$44 million LBR requirement subtotaled \$3.8 million, which included reductions for the State Data Center, Cloud Solution managed services, Field Equipment Refresh, and MyFloridaNetwork (MFN). The Conference Report on Senate Bill 2500 which was passed by the Legislature included only \$1.4 million of the proposed \$3.8 million in technology related reductions.

The FY 2019-20 budget includes a network cost reduction that will impact both the FLHSMV and License Plate Agencies (LPA's) circuit costs. The department's spending authority was reduced by \$597,638, of which \$210,000 is related to FLHSMV's MyFloridaNetwork cost for state offices (not tax collectors), and \$387,688 related to LPA's MyFloridaNetwork costs which has traditionally been paid by the department.

Effective September 1, 2019, LPAs will be required to pay the \$793.05 per month in circuit costs for each location. This is based on the MFN1 rates used to calculate the budget reduction.

We want to emphasize that all other services provided to your agency by the department will remain in place. In addition, the Field Equipment Refresh (FRVIS) Project is scheduled to begin early next fiscal year, which comprises the replacement of all field equipment in state, tax collector and private license plate agent offices. The refresh includes the purchase and installation of servers, workstations, monitors, printers, and switches needed to replace the existing infrastructure. In addition, the department will continue to provide the maintenance of equipment and a limited supply of toner based on office transactions.

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To implement the budget reduction, we are amending the current Memorandum of Understanding to include language related to the required circuit costs and will be providing that document for your signature soon.

We recognize this new payment will certainly generate a lot of questions and we will be available to answer and address any concerns.

Additional information will be provided as to how the payments will be collected. The first payment will be due in early October for the month of September.

Please contact me if you have questions or need additional information.

Sincerely,



Sharon Watson
Program Manager, Tax Collector Support
Florida Department of Highway Safety and Motor Vehicles
Phone: (850)617-2983
Email: SharonWatson@flhsmv.gov

cc: Tom Kennedy
Broward County Tax Collector