

Schedule VIII B-2: Priority Listing of Agency Budget Issues for Possible Reduction in the Event of Revenue Shortfalls for Legislative Budget Request Year

Purpose

The purpose of the Schedule VIII B-2 is to identify recurring budget reductions that can be made in Fiscal Year 2021-22 in the event that budget reductions are necessary. Agencies are required to submit a Schedule VIII B-2 that contains reduction issues for Fiscal Year 2021-22, totaling at least 10 percent of their 2020-21 recurring general revenue funds and at least 10 percent of their 2020-21 recurring state trust funds, for consideration in developing the 2021-22 budget.

Authority

Article III, section 19 of the Florida Constitution, requires departments and agencies to provide a "...prioritized listing of planned expenditures for review and possible reduction in the event of revenue shortfalls." Section 216.221(5), Florida Statutes, provides guidelines for a plan of action to prevent general revenue deficits.

Format

The Schedule VIII B-2 displays each reduction issue. Agencies must assign a priority number for each reduction issue and include the priority number in the issue narrative. The format is similar to the Exhibit D-3A format and must include narrative justification which should also reference any nonrecurring and annualization amounts associated with each reduction issue.

Guidelines for Reduction Issues

The Office of Policy and Budget (OPB) will provide target reduction amounts to agencies for the Schedule VIII B-2 by separate memo. The target amount for reductions will be calculated from recurring appropriations included in the Fiscal Year 2020-21 General Appropriations Act as adjusted for vetoes, supplemental appropriations and failed contingencies. Reduction target amounts will be adjusted for appropriate exclusions, such as, federally restricted funds (Funding Source Identifiers (FSI) 3 and 9), recurring debt service expenditures, certain double budgeted items and certain pass-through items. A target reduction amount for the Social Services Block Grant Trust Fund and the Welfare Transition Trust Fund may be provided to the appropriate state agencies. Agencies must follow the following guidelines when preparing the Schedule VIII B-2:

1. Fiscal Year 2020-21 Schedule VIII B-1 recurring reductions can be included for Fiscal Year 2021-22 including annualizations, if applicable.
2. **While recurring reductions are required**, one-time reductions of recurring budget issues are allowed. Justification must be provided to explain the one-time reduction that addresses how this one-time reduction is feasible and any impacts on the agency's mission and services.
3. Reductions must be program/issue specific and cannot simply be across-the-board percentage reductions to achieve the target. **IMPORTANT NOTE: Agencies that do not adhere to**

this guideline will be asked to redo this schedule. To the extent that broader programmatic reductions are included, the agency must provide an explanation of how this reduction is feasible while maintaining critical agency operations.

4. Agencies should evaluate all programs and services. Agencies should seriously consider reducing programs and services that do not achieve a sufficient level of performance.
5. Agencies should consider if programs administered by other agencies can be combined to yield a net cost reduction. Coordinate with other agency regarding these types of reductions.
6. Trust fund reductions that yield cash savings, such that funds are available to be transferred to the General Revenue Fund or used for other purposes can be included to meet the target reduction total. Correspondingly, reductions of unfunded trust fund authority cannot be used to meet the reduction targets for the Schedule VIII B-2 submission. (These reduction issues should be included in the agency's Exhibit D-3A Legislative Budget Request.)

The redirection of revenue to the General Revenue Fund can be counted toward the general revenue target reduction total, provided the agency explains the feasibility of maintaining critical agency operations and indicates if a statutory change is required.

7. Issues that were excluded from the target calculation [e.g., federally restricted (Funding Source Identifiers 3 and 9) funds, recurring debt service expenditures, certain double budget items, and certain pass-through items.] may not be submitted as reduction issues in the Schedule VIII B-2 submission.
8. Reductions to requested increases in funding for Fiscal Year 2021-22 cannot be counted toward the target total (i.e., an agency would have requested a 15 percent increase and instead requests a 5 percent increase). Reductions must be from recurring Fiscal Year 2020-21 appropriations that OPB used to calculate the agency's target amounts for reduction.

LAS/PBS Input Instructions for Schedule VIII B-2

The Schedule VIII B-2 will be prepared from LAS/PBS using unique negative issues, pursuant to instructions below. Column A10 and Narrative Set A5 will be used for Schedule VIII B-2 reduction issues for Fiscal Year 2021-22. Agencies must:

1. Determine each recurring reduction issue and identify the key elements for each issue, including titles and codes for the department, budget entity, program component, issue, fund and FSI.
2. Create unique D-3A issue codes under the appropriate summary issue codes as defined in Section 3: The Budget Structure. Agencies are no longer permitted to use D-3A issue code 33BXXXX series— Schedule VIII B Reductions.
3. To account for proposed redirection of revenue to the General Revenue Fund (see guidelines #6), or potential savings from programmatic efficiencies in coordination with another agency (see guidelines #5): create unique D-3A issue codes and use Appropriation Category