

Schedule VIII B-1 – Priority List of Recurring Budget Issues for Possible Reduction

Purpose

The purpose of the Schedule VIII B-1 is to identify recurring reductions from Fiscal Year 2007-2008 recurring appropriations which could be used to address a probable revenue shortfall for Fiscal Year 2008-2009. Maintaining a balanced budget could require as much as a 4% reduction in recurring appropriations through Fiscal Year 2008-2009. Agencies are therefore being required to submit a Schedule VIII B-1 that contains reduction issues for Fiscal Year 2007-2008 appropriations, totaling at least 10% of their recurring General Revenue and at least 10% of their recurring state trust funds, for consideration in addressing the expected shortfall.

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." Subsection 216.221(5), F.S., provides guidelines for a plan of action to prevent General Revenue deficits.

Format

The Schedule VIII B-1 shall display each reduction issue and its assigned priority number with the lowest number for the highest priority to consider as a reduction. The total negative amounts and positions are provided by fund type (General Revenue and Trust Fund). The reduction issue narrative is displayed following each issue. Only those issues that are prioritized through the Web Priority Issue Narrative function and have dollars will appear on the Schedule VIII B-1 reports.

Guidelines for Reduction Issues

The Office of Policy and Budget will provide target reduction amounts to agencies for the Schedule VIII B-1 by July 16, 2007. The target amount for recurring reductions will be calculated from the Fiscal Year 2007-2008 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, recurring debt service expenditures, double budgeted items and certain pass-throughs. The following guidelines should be adhered to in preparing the Schedule VIII B-1:

1. Reductions must be program/issue specific and cannot simply be across-the board percentage reductions to achieve the target.
2. Agencies should evaluate all programs and services. Agencies should seriously consider reducing programs and services which do not achieve a sufficient level of performance.

Schedule VIII B-1 – Priority List of Recurring Budget Issues for Possible Reduction

3. Trust fund reductions must yield cash savings, so that funds are made available to be re-directed to General Revenue or to be utilized for other purposes.
4. Trust fund reductions that, in effect, eliminate the commensurate revenue source shall not be counted toward the ten percent threshold. Reductions of unfunded trust authority shall not be counted toward the target.
5. Issues reducing appropriations which were excluded from the target as outlined in the July 16 memo may not be submitted as reduction issues.

LASPBS Input Instructions for Schedule VIII B -1

The Schedule VIII B-1 will be prepared from LAS/PBS using unique 33BXXX0 coded negative issues, pursuant to instructions below. A separate column will be used for Schedule VIII B-1 reduction issues.

1. Determine each recurring reduction issue and identify the key elements for each, which includes titles and codes for the department, budget entity, program component, issue, fund and FSI.
2. Create unique D-3A issue codes under the summary issue code. *Note: It is not necessary to create the unique 33BXXX0 issues in sequence such that the lowest priority issues are the lowest issue code number.*
3. Input the key elements for each priority reduction issue into the LAS/PBS via the Budget Detail Data Entry (BDD) transaction. For the Schedule VIII B-1, enter negative amounts in LAS/PBS Column A10 for the current year budget, FY 2007-08. Refer to the LAS/PBS User's Manual for instructions on the data entry transactions.
4. Input the key elements for each reduction issue into the LAS/PBS Web via the Priority Issue Narrative New function for the Schedule VIII B-1. The total General Revenue and Trust Funds by department for the indicated issue code will be displayed.
5. Assign a *unique* priority number for each reduction issue in Column A10. Use the lowest number for the lowest priority issue (i.e., those which should be reduced first in the event of a revenue shortfall). Each priority number may only be assigned once per schedule; there may not be multiple issues with the same priority number assignment.

Schedule VIII B-1 – Priority List of Recurring Budget Issues for Possible Reduction

6. Enter narrative explaining each reduction issue, priority and why it was chosen as a low priority, and if appropriate, indicate which activities are affected by these possible reductions. If the reduction necessitates a statutory change, the modification to the specific statute(s) must be noted in the narrative. Across-the-board percentage reductions may not serve as the rationale for reductions.
7. Using the Web Priority Issue Narrative function and selecting ‘Summary Narrative’ Schedule Option, enter a narrative executive summary describing the agency-wide approach to the reduction plan. This should include any guiding principles governing the reductions and prioritization thereof. It should also detail why certain programs or issues were selected over others that may have been held harmless.

Narrative Guidelines

- i. All narrative should be written in plain language. Acronyms should only be used after the acronym is spelled out and identified (i.e., Office of Policy and Budget (OPB)). Do not use other program, technical, or budget jargon.
- ii. All narrative should be written in short, distinct paragraphs. Agencies must clearly articulate how the reduction will impact clients, agency operations, other program areas, etc. Such explanations should be made in clear, succinct descriptions.
- iii. Provide calculation methodologies for reduction issues. For instance, if an agency outlines a reduction to reduce \$1 million in contract service payments, explain how the \$1 million was calculated.
- iv. Provide distribution methodologies used for reduction issues that will be distributed to other entities such as school districts, county health departments, community based care organizations, etc.

To order a Schedule VIII B-1

The Schedule VIII B-1 can be ordered for the current year and the legislative budget request year through the LAS/PBS using the Statewide Report Request Menu (STAM) transaction and selecting SAVE ID “S8B1 and TRAN ID “EADR”. Reference the LAS/PBS User’s Manual if more information is needed.

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APPENDIX B: GLOSSARY

Schedule VIII B-1 Priority Listing of Agency Budget Issues for Possible Reduction: Expenditures from the current year budget for potential reductions in case of a revenue shortfall. Expenditures are displayed in lowest priority order first at the department level.

Exhibits and Schedules – Summary Chart

Exhibit/Schedule Title	Description	Manual/ Automated
Schedule VIII B-1: Priority Listing of Agency Budget Issues for Possible Reduction	Identifies expenditures from the FY 2007-08 Current Year budget for potential reductions in case of a revenue shortfall. It displays these expenditures in lowest priority order first at the department level.	SAVE = S8B1 TRAN = EADR