

Reduction Categories – 5% Reduction Plans, 2020-21 Biennium

REDUCTION ITEM CATEGORIES – PROGRAMS AND SERVICES	
CATEGORY	EXAMPLES
Service Reductions (Contracted)	Consultants, contracted services and adjunct faculty Contracted residential facilities
Service Reductions (FTEs-Hiring Freeze)	Reductions due to not filling current and/or future vacancies – salary freeze, including suspending merit pay.
Service Reductions (FTEs-Layoffs)	Reductions that result in actual job losses.
Service Reduction (Other)	Program travel, consumables, marketing and promotion and other operating expenses Student financial aid Basic civil legal services
Reimbursements and Rate Reductions	Hospitals, physicians Long term care facilities Higher Education Group Insurance (HEGI)
Grant, Loan or Pass-through Reductions	Local governmental entities including COGs, cities and counties Nonprofits Local park grants Behavioral health programs are exempt from the 5% reduction plans. This exemption presumably extends to grants for community mental health and substance abuse services – regardless of the setting in which the services are provided – county jails, LMHA/LBHAs, residential facilities.
Delayed Program Implementation	New or expanded programs that will not be implemented or be deferred beyond the original planned time frame. New college degree plans
Delayed or Deferred Capital Projects	Capital items and projects such as computers and other IT-related items, real estate, facilities, vehicles, furnishings and equipment, telecommunications equipment, deferred maintenance projects and facility renovations and rehabilitation
Method of Finance Swap	Use of federal funds in place of General Revenue for stimulus-related programs or services Use of non-General Revenue related state funds or local funds in place of General Revenue Receipt of additional stimulus federal funds that frees up General Revenue for other purposes/reductions Billing Medicaid for certain Medicaid-eligible services results in additional federal funds that frees up General Revenue for other purposes/reduction
Lapse (No Service Reduction)	Savings that have already been realized. Savings resulting from efficiencies. Updated estimates of reduced service demands, grants or contracted programs that leave General Revenue unspent.
REDUCTION ITEM CATEGORIES – ADMINISTRATIVE	
CATEGORY	EXAMPLES
FTEs / Hiring and Salary Freeze	Reductions due to not filling current and/or future administrative vacancies. Salary freeze, including suspending merit pay for administrative personnel
FTEs / Layoffs	Reductions that result in actual administrative job losses.
Travel	Expenses related to administrative personnel travel.
Contracted Administrative Services	Contracts and consultants providing the same internal services identified above in place of agency staff – payroll, human resources, data centers, Enterprise Resource Planning (ERP).
Operating Expenses	Expenses related to fuels, supplies, utilities, rental of buildings and/or machinery, and capital items and projects.
REDUCTION ITEM CATEGORIES – ACROSS THE BOARD REDUCTIONS	
CATEGORY	EXAMPLES
Across the Board Reductions	Percentage reduction to direct programs and services. Percentage reduction to agency internal operations.

The Across the Board Reductions category is for smaller agencies with plans that consist of both reductions to direct programs and services as well as its own internal operations.