



March 18, 2008

To: All Department Heads and CFOs  
From: Nani Coloretti  
Re: Additional Budget Instruction

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As you may know, the budget shortfall we released last year has grown significantly. We will be publishing the new number in the Joint Report, scheduled to be released in late March. In the meantime, in order to give the city as much time as possible to close this shortfall, we are issuing an additional budget instruction. We will need your submittal by Friday, March 28<sup>th</sup>.

***Instruction: All General Fund departments are required to submit a proposed additional 8% on-going salary reduction. All Enterprise departments are required to submit up to an 8% on-going salary reduction.***

Departments may consider deleting both currently vacant and/or filled positions to meet this instruction. We would like to see salary reductions across all levels of your organization (i.e., management and non-management positions). General Fund departments should offer reductions that lower their General Fund support. All Departments should propose reductions that, to the extent possible, prioritize direct services to the public.

Any elimination of filled positions should be entered on new Budget Form 9.1 (attached). Where layoffs are proposed, budget submissions should reflect an **August 22, 2008 layoff date**. This means any full-time position being eliminated must be budgeted at **0.15 FTE** in the budget year. Reductions in vacant positions should be reflected as a full 1.0 FTE decrease. Position details should be provided as indicated and total dollar value per position should include fringe calculations. Departments should use these columns to detail budget year and annualized reductions in both positions and FTEs. We will work with your budget staff to make any new entries into BPREP. Your analyst will also be reviewing all vacancies in your department in order to determine whether they should be deleted as part of this target.

Please note that the Early Retirement Program is no longer in effect for FY 2008-2009.

Additional analyses are being performed on specific job classes and will be discussed with departments in the near future. Your additional department cuts will be considered in light of our shortfall and will also take into account your department's compliance with previous instructions seeking on-going reductions, and your department's contingency plan.

Contact your department's analyst in the Mayor's Budget Office for questions or clarification.