



The City of New York
Office of Management and Budget
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Mark Page
Director

MEMO TO: Agency Heads

FROM: Mark Page

A handwritten signature in dark ink, appearing to read "Mark Page".

SUBJECT: FY 2008 Executive Budget

DATE: March 19, 2007

Although the City's economy has done quite well over the last three years, prudence would suggest that we recognize that the good times do not last forever and plan accordingly. Multi-billion dollar budget gaps remain in the out-years of the Financial Plan. It would be particularly imprudent in these circumstances to dismantle the careful measures in our 2008 Preliminary Budget, which begin to address balance in FY 2009 and to further move toward appropriate funding of our retiree health benefits.

On January 25th the Mayor presented his update for the current fiscal year and the Preliminary Budget for 2008, both of which were in balance. Since that time, it appears that the national economy has begun to slow, the stock market seems to have become more volatile and we have entered into a tentative labor agreement with the firefighters.

To be available if necessary to offset these potential costs and possible new initiatives, the Mayor has requested that agencies review their budgets and submit reduction proposals equal to 1.5% of their City-funded budgets in 2007 and 4% in 2008. These reductions should be achieved through productivity initiatives, administrative and overhead reductions, and other management actions that result in minimal or no impact on direct services to the public.

Each agency must meet their reduction targets. The setting of targets is important for the purpose of identifying the consequences of reductions in each agency and comparing the impact across agencies. This process will allow the administration to make informed decisions on specific policy options. These targets do not indicate that final decisions have been made about the level of reductions that will be imposed on each agency.

The targets for your agency are attached. Your proposals should achieve the target for both FY 2007 and FY 2008 and generate recurring savings in the out-years of the Financial Plan.

As a general guideline, you must submit proposals that meet your target in total. The target can be met by reductions in personal service costs or other than personal service costs. The programs and areas to be cut and the resulting level of services that will be provided should be indicated in the descriptions of your proposals. Your proposals should be prioritized in order of preferred implementation. (One should reflect the top ranked proposal.)

Your proposals to meet your agency's target must be returned to OMB no later than March 28, 2007.

The City's financial management system (FMS) provides the capability to submit your proposals electronically rather than via paper forms.

Instructions on the submission of your proposals are attached.

c: Mayor Michael R. Bloomberg
First Deputy Mayor Patricia E. Harris
Deputy Mayor Daniel Doctoroff
Deputy Mayor Linda Gibbs
Deputy Mayor Carol A. Robles-Roman
Deputy Mayor Kevin Sheekey
Deputy Mayor Edward Skyler
Deputy Mayor Dennis M. Walcott