STATE OF CONNECTICUT
OFFICE OF POLICY AND MANAGEMENT
OFFICE OF THE SECRETARY

To: Agency Heads

From: Robert L. Genuario, Secretary

Date: April 21, 2009

Subject: Personal Services Reduction Plans

As previously indicated in my letter of April 9, 2009, the due date for submission of your personal services reduction plans was moved back until April 24, 2009 and we would be issuing some further clarifications on your required submission. Given ongoing developments, there are significant changes in what we are requesting from you in developing your plan. You should still prepare a plan for the five percent personal services reduction option and then expand upon it to develop plans for the seven percent and ten percent options. But at this point in time, rather than utilizing layoffs, you should assume the implementation of a retirement incentive plan and continued enforcement of the hiring freeze. You should consider programmatic and structural changes necessary to accommodate this anticipated reduction in your agency workforce. With regard to the retirement incentive plan, no refill ratios should be assumed. Rather you should consider prioritizing needs, programs and functions given the reduced workforce. The primary focus of proposed savings should still be in the personal services area, however, programmatic or structural changes may yield other savings as well. Agencies should concentrate on ways to reduce personal services costs through whatever measures that are possible including a review of overtime usage in their agencies.

Questions arose from agencies as to how to base reduction plan percentages on the recommended Personal Services appropriation for your agency in the Governor's proposed budget for the upcoming biennium when substantial program initiatives including restructuring had been proposed for some agencies. Based on these concerns, agencies, as has been previously clarified by the Budget and Financial Management Division, should use the current services for the budget as the base. The initial application sent out to agencies by the Budget and Financial Management Division to be used as an aide in developing your reductions contained roster information. We have omitted any link to an employee roster in the revised application. All personal services paid out of any appropriated funds as well any personal services paid from revolving funds or any other fund which is supported by state revenue should be included in your submission. Further directions on how to submit your reduction plans including how to interface with the Budget and Financial Management Division's ADS system can be obtained from the Budget Division. Given the changes that have been made, we are moving back the due date for the submission of your plan until April 29, 2009. If you have any questions, please contact your budget analyst. I thank you for your continued assistance.

Phone: (860) 418-6500 Fax: (860) 418-6487
450 Capitol Avenue-MS# 55SEC Hartford, Connecticut 06106-1379