

FB 2021-23 PROGRAM REVIEW COSTING ASSUMPTIONS

In order to ensure that similar costing assumptions are used when determining FY 22 and FY 23 savings to be generated by proposed eliminations and reductions, please use the following guidelines (FY 23 savings should be for the full year):

1. Programs, services or activities to be eliminated or reduced which do not require statutory changes.
 - a. Programs, services or activities to be eliminated or reduced which involve positions.
 - Assume termination of program, service or activity by December 31, 2021.
 - Positions – Assume 5 ½ months of salary savings less vacation payouts (for up to 90 days vacation, as applicable) for filled positions and 12 months of salary savings for vacant positions.
 - Other operating costs – Assume 6 months of savings or more, if appropriate. Discontinuation of operations (including contracts) should coincide with position elimination dates or may be scheduled sooner, as practical.
 - b. Programs, services or activities to be eliminated or reduced which do not involve positions.
 - Assume termination of program, service or activity as soon as practical but no later than December 31, 2021.
 - All operating costs – Discontinuation of operations (including contracts) should be scheduled as soon as practical. Savings should be determined based on applicable dates.
2. Programs, services or activities to be eliminated or reduced which require statutory changes.
 - a. Programs, services or activities to be eliminated or reduced which involve positions.
 - Assume termination of program, service or activity by December 31, 2021.
 - Positions – Assume 5 ½ months of salary savings less vacation payouts (up to number of vacation days which may be taken in 1 month, as applicable) for filled positions and 12 months of salary savings for vacant positions. Net savings may not be less than \$0.

- Other operating costs – Assume 6 months of savings or more, if appropriate. Discontinuation of operations (including contracts) should coincide with position elimination dates or sooner, as practical.
- b. Programs, services or activities to be eliminated or reduced which do not involve positions.
- Assume termination of program, service or activity by December 31, 2021.
 - All operating costs – Assume 6 months of estimated savings or more, if appropriate. Discontinuation of operations (including contracts) should be by December 31, 2021, as practical.
3. Programs, services or activities to be converted from general funds to special funds (or other means of financing).
- a. Assume no savings in FY 22 and full savings in FY 23.
- b. Salary amounts for positions to be converted to special funds should include 60% fringe benefits.
- c. Financial plans to support conversion proposals shall be submitted, as applicable.