

**From:** Sole, Michael  
**To:** all-dep-employees  
**Cc:**

**Sent:** Tue 7/3/2007 11:13 AM

**Subject:** Revenue Projection Shortfall for FY 2007-08

**Attachments:**

Dear Colleagues:

Based on revenue collections since the March Revenue Estimating Conference, it is anticipated that the revenue for FY 2007-08 will not be enough to support appropriations for this year. The Governor's Office of Policy and Budget, Senate Fiscal Policy and Calendar Committee, and the House Policy and Budget Council have provided guidance to all agencies regarding projected revenue shortfalls for FY 2007-08. As a result, we are required to do two things: reduce discretionary spending now and submit proposed budget reductions by August 8.

Agencies have been instructed to take action now to reduce discretionary spending such as travel and equipment purchases, fill only essential vacant positions, and postpone the implementation of new or improved programs until the decision on the reductions is final. I have asked the Department's senior management team to take immediate steps to comply with this directive as you make spending decisions. Travel is an obvious area for saving money. You should submit any travel requests 30 days in advance to your supervisor to provide an opportunity for careful consideration of its necessity. Proposed travel such as attendance at conferences and DEP meetings that require a number of staff to travel for participation should receive extra scrutiny.

The agency will receive target amounts for both General Revenue and Trust Funds later this month and must develop a plan for meeting the required targets. I have asked senior management to begin thinking about potential reductions in their programs' operating and recurring appropriations.

If you have any suggestions for immediate spending reductions or ideas for the agency's proposed spending reduction plan, please submit them to your management team for consideration. This effort is important and not just another budget reduction "exercise", so I ask you to take it seriously.

Thank you.

Mike Sole