

**From:** Governor Christine Gregoire [mailto:Governor.ChristineGregoire@GOVERNOR.WA.GOV]  
**Sent:** Thursday, June 18, 2009 3:07 PM  
**To:** ALL-STATE-EMPLOYEES@LISTSERV.WA.GOV  
**Subject:** Today's Revenue Forecast

Dear Fellow State Employee:

Today we learned that the revenue forecast for Washington projects state revenue to decrease \$686 million. Although there are encouraging signs in the national and state economy, the size of the revenue reduction requires me to further slow spending.

First, I want to acknowledge the responsible steps you've taken to reduce spending. They are making a real difference. When I called for belt-tightening across state government last summer, you answered the call and your actions made a difference. I also understand the reductions we are making will require everyone to make difficult sacrifices. I know that cuts this size will have real effects on you and the people we serve.

The projected decrease of \$686 million leaves us with a negative balance. The forecast does not include the new caseload forecast which we expect to increase given the severity of the recession. Therefore, I am asking executive Cabinet agencies to decrease their General Fund employee costs by two percent from what was budgeted. This means there is a hiring cap in place, which may necessitate furloughs, reductions in force or reductions in overtime, or not filling vacancies.

Without question, agencies can hire employees where needed to accomplish their core business and enact the reforms I'm requesting, but they cannot exceed the cap I'm instituting today.

I'm also directing agency directors to continue their stewardship of controlling spending on equipment purchases, out-of-state-travel and personal service contracts.

In addition to the requested cuts I'm announcing today, I'll be working diligently with you, stakeholders and the Legislature to determine the next best steps before the September revenue forecast.

The latest estimates are that 42 states continue to experience declines in revenue. But, I'm extremely confident that we will get through this if we work together. In fact, forecasters predict that because of our business sectors and the actions we've taken, Washington WILL emerge better and stronger than most other states, and perhaps come out of recession earlier than other states.

As a state employee, your commitment and dedication helps make our state what it is today. I never underestimate your value and your contributions. I appreciate everything you do in providing the best service possible to the citizens of our great state.

In my inaugural address in January I said there were two words that will define us as we confront the challenges and seize the opportunities we face in this great recession. Those words were courage and generosity. I also challenged all Washingtonians to give at least one hour a month

to help those in need. As I travel across the state I have been visiting staff in state agencies. I am struck by their dedication and care for the people they serve, as well as each other. Working together, I am confident we will get through these tough times, and come out stronger.

As always, I welcome your ideas. Please send them to me at this e-mail address. I have confidence that we are going to get through this recession because of you.

Thank you.

Chris