

CHRISTINE O. GREGOIRE
Governor



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OFFICE OF THE GOVERNOR

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November 23, 2010

Dear Senate Majority Leader Brown:

We continue to experience challenging economic conditions, as evidenced by last week's revenue forecast. To help us all reach a speedy and thoughtful resolution of our shortfall, I am taking unprecedented steps. Attached is an outline of Washington's fiscal position for the remainder of this biennium, in addition to a series of proposals, including across-the-board cuts already imposed, to solve our current **deficit of \$1.14 billion**. Not included in the material is the reopening of the collective bargaining agreements now in place for the rest of the biennium.

I will soon share this information with your members, then distribute it to the media and others by the end of the day. The proposals I have listed included the estimated savings, effective date of the change needed to secure the savings, notice requirements to meet the effective date and whether legislative action is needed. As you will see, we need swift action on many of these proposals to meet the notice requirements, which may require cancelling contracts.

I fully understand and appreciate the difficult nature of making quick decisions on these budget and associated policy changes which will result in significant effects on many lives. I heard from many when I imposed the across-the-board cuts of 6.3 percent in October.

I now need your help. Another round of across-the-board cuts will not get it done. For example, I cannot make additional cuts at the Department of Corrections without posing significant risks to public safety. We need to make sustainable policy and budget decisions that are reflective of current revenue. We need decisions that meet our immediate need and those that will provide direction for the 2011-13 biennium. There are only seven months left in the biennium, and delay will result in deeper cuts and additional harm. Frankly, we all have run out of time.

I know each of your caucuses is putting together lists of budget ideas. I plan on meeting with you and the budget leaders as soon as we find agreement on extremely tough but essential changes.

Thank you for your assistance and work during these difficult times on behalf of the people we all serve. Please contact Marty Brown or Jim Justin if you have any questions on these proposals.

Sincerely,

A handwritten signature in cursive script that reads "Chris Gregoire".

Christine O. Gregoire
Governor

Attachment