

OFFICE OF THE GOVERNOR
BUDGET AND PROGRAM PLANNING
STATE OF MONTANA



BRIAN SCHWEITZER
GOVERNOR

PO Box 200802
HELENA, MONTANA 59620-0802

January 8, 2010

Representative Dennis Himmelberger, Chairman, Legislative Council
Senator Mitch Tropila, Chairman, Legislative Audit Committee
Representative Llew Jones, Chairman, Legislative Finance Committee

Honorable Chairmen:

I write to advise you that on behalf of Governor Schweitzer, I today wrote the Executive Branch agencies requesting they submit plans to reduce their general fund expenditures by 5% in anticipation that an ending fund balance "deficit" for the 2011 biennium will be projected to exist, as provided in § 17-7-140, MCA.

We have asked the Executive Branch agencies to submit their 5% spending reduction plans to OBPP by January 29, the date we also intend to provide formal notice of the projected deficit to the Revenue and Transportation Interim Committee, as required by law. These dates were set in order to coordinate the statutorily-required notice provisions to the Legislative Fiscal Analyst and the RAT Committee with previously scheduled meetings of the committees (LFC and RAT). Continued monitoring of state revenue receipts, and our consideration of the recommendations of the RAT Committee, which is scheduled to meet on February 18 and 19, will determine the level of reductions that will actually be implemented. This Office plans to submit its formal spending reduction recommendations to the LFC and the Governor on February 19.

While the Legislative Branch of government is exempt from the mandatory spending reductions required of the Executive under 17-7-140, we ask the Legislative Agencies to consider joining the Executive in implementing voluntary reductions. Additionally, we request that you apprise us of any spending reduction decisions by the Legislative agencies in order that we have the best indication of our revenue picture as we prepare to implement 17-7-140.

Thank you for your consideration of this request. While Montana remains in the black and is fairing far better than most other states, Governor Schweitzer understands the importance of taking precautionary measures now so that we can continue to live within our means.

For your information, enclosed are copies of memos sent to the Executive Branch agencies and to all members of the Sixty-first Legislative Assembly. I look forward to discussing our state plans with you in the near future.

Sincerely,

A handwritten signature in cursive script, appearing to read "D. Ewer".

David Ewer
Budget Director

Enclosures

cc: Susan Fox, Executive Director, Legislative Services Division
Amy Carlson, Legislative Fiscal Analyst
Tori Hunthausen, Legislative Auditor