Gregoire letter 080811

Dear Colleague:

Part of the key to fighting this recession is to continue working to get ahead of it. Today I asked state budget director Marty Brown to request that all state agencies prepare a plan in the event that state revenues continue to decline. For every two steps forward in the recovery, it seems we are taking one step back. Though our revenue collections have continued to show slight improvement this biennium, our near-term outlook has weakened. The uncertainty our state could experience as a result of downgraded credit ratings, federal debt concerns, European markets and the lingering effects of the tsunami in Japan, are causing us to be extra cautious.

In other words, should more bad news happen, we must be prepared.

Each state agency has been asked to submit plans for reductions of up to 10 percent — prioritized in 5 percent increments. Again, this is an effort to make sure we are prepared. We need to review our options across state government and assure we are taking cuts only where we can possibly take them. Agencies have been asked as they prepare this plan to think in terms of service outcomes, not just dollar amounts. As we focus on a smaller and more efficient state government, we must tighten our focus on our very highest priorities. I have recently met with the state treasurer, the state economic forecaster and the four legislative leaders to assure that, as a state, we are prepared to get through this by making smart decisions early on.

Trust me, I continually wish I had better news to share. But as those on the front line representing our state in these most difficult of circumstances, it is essential that you be informed of the challenges ahead of us. I also encourage you to continue sharing your ideas on how functions can be streamlined and expenses reduced.

Thank you,

Chris

[*Your feedback and ideas are important and do make a difference.*](http://www.governor.wa.gov/contact/default.asp)