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GOVERNOR

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SECRETARY

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**Date:** January 10, 2003  
**To:** Agency Heads  
**From:** Marc J. Marotta  
Secretary  
**Subject:** Actions to Address Fiscal Year 2002-03 Deficit

As you are aware, the state is facing enormous deficits in the current fiscal year and in the two years of the next biennium. Given the magnitude of this shortfall and the very difficult times ahead of us for this fiscal year and in the next biennium, Governor Doyle has directed that I take several actions to position state government for significant austerity measures in the months ahead. Accordingly, I am directing state agencies to take the following actions:

**Position Vacancy Savings**

Governor Doyle is committed to making significant and substantive reductions in the number of positions in state government. As a first step toward that goal, state agencies are directed to avoid filling vacancies to the extent practicable. Agency salary budgets will be reduced by \$7 million all-funds to reflect this action.

**Prohibitions on Out-of-State Travel**

Effective immediately, all agencies must place strict limitations on the use of out-of-state travel. Agency heads must approve all out-of-state travel and make quarterly reports on any approved trips to the State Budget Office. The first report is due March 15, 2003. Agencies should seek lower cost alternatives, such as video conferencing, to address training and travel needs. Programmatic responsibilities that require out-of-state travel should be limited to as few individuals as possible and technology alternatives should be substituted wherever suitable

**Reductions in Discretionary Spending**

Agencies are directed to identify savings in the current operating budget that can be lapsed to the general fund. These reductions will equal 0.5% of GPR state operations budgets and are estimated to save \$4 million GPR this year.

**Review of All State Building Projects**

Effective immediately, all proposed state building projects that are not contractually obligated to continue are placed on hold pending a comprehensive review and analysis by the Department of Administration.

**Moratorium on New Space Requests and Lease Renewals**

Until further notice, a moratorium is placed on both new space requests and on renewals of existing leases. Current leases up for renewal will be carefully examined by the Department of Administration, and where possible, continued on a month-to-month basis.

State government faces a considerable challenge over the next few months. The measures described above will help set the stage for the additional reductions necessary to balance the state budget. Additional instructions will be forwarded to you from the State Budget Office regarding implementation of these actions.

Please contact me or the State Budget Director, David Riemer, with any questions. Thank you for your efforts.

CC: Governor Jim Doyle  
David Riemer