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Michael K. Smith, Secretary

MEMORANDUM

TO: Agency Secretaries, Commissioners and Deputies, Business Managers
FROM: Michael K. Smith, Secretary of Administration
DATE: September 10, 2007
RE: Fiscal Year 2009 Budget Process

Once again, it is time to begin our annual budget building process for the Governor's FY 2009 Budget Recommendations.

We concluded FY 2007 successfully, ending the year with a balanced budget and full stabilization reserves; facts that contributed greatly to Vermont achieving a Triple-A bond rating. We achieved this without raising taxes and by carefully controlling and monitoring our spending. FY 2008 also looks secure, albeit a challenge with revenue growth lower than it has been in recent years.

The Administration will once again present the Legislature with another fiscally responsible budget for FY 2009. We will continue to resist efforts to increase taxes and will match spending to available revenues.

You will be asked to develop another well-scrubbed FY 2009 budget scenario this year. At the annual Business Managers' Meeting on September 11, 2007, Finance & Management Commissioner Jim Reardon will provide you with more detailed budget instructions, including a timetable. As was the case last year, your response must be submitted through the Budget Development System (BDS) with additional documentation and information submitted electronically to the Secretary of Administration's public mail folder ADM-BUDGET@state.vt.us, by October 9, 2007. Please include details on how your proposed budget will impact your department's mission and programs. We know you will provide a well thought out and reasoned response to the budget instructions.

Please review any and all statutory changes or legislative action required to implement your proposed FY 2009 budget to assure their inclusion in your response. Your response should also include any current fiscal year budget changes that you would like included in the FY 2008 Budget Adjustment Act (BAA) and how you intend to address the funding of such adjustments. Finance & Management will consider all submissions in compiling the FY 2008 BAA recommendation.

We will not be able to meet the fiscal challenges of another sustainable budget without your continuing efforts and your dedication to financial responsibility on behalf of Vermont's taxpayers. I thank you in advance for your efforts.