




North Carolina Department of Health and Human Services
Division of Budget and Analysis
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Beverly Eaves Perdue, Governor
Lanier Cansler, Secretary

James B. Slate, Jr., Director

May 8, 2009

Memorandum #2009-04

TO: Division Directors and Budget Officers
FROM: Jim Slate 
RE: Additional Appropriation Reductions for SFY 08-09

Due to continued declining revenues at the state level, OSBM has informed this Department that additional appropriation reductions will be necessary for the 08-09 SFY. Specifically, the Department has been notified that appropriation allotments will need to be reduced by an additional \$24M Department-wide. Given that we are closing in on the end of the SFY, our options to meet this target are limited. We have worked at the Department level to identify \$18.8M in appropriations to contribute toward this reduction.

This leaves a remaining \$5.1M balance to reduce. We are confident that even with all of the reductions that we have taken throughout SFY 08-09, that there will be some amount of funds which will naturally revert. We are hopeful that these will be sufficient to cover the needed \$5.1M balance. If reversions are not equal to this amount, we will need to meet any remaining balance of need by delaying the payment of SFY 08-09 bills and carrying these into SFY 09-10. As we get closer to the end of SFY 09-10, we will work with Divisions to examine how reversions are adding up and will provide additional guidance regarding payment amounts which may need to be delayed. In the meantime please continue your efforts to minimize expenditures to the greatest degree possible.

Obviously, these ongoing budget reductions have been a challenge and we do appreciate your continued assistance in working toward meeting these requirements. If you have any questions related to this latest round of reductions, please feel free to contact your analyst in this office.

Thanks.

JBSjr:gg

cc: Budget Analysts