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MEMORANDUM

TO: Agency Heads
Agency Chief Financial Officers

FROM: Brenda Hart, Interim Director

SUBJECT: FY 2014-15 First Quarter Deficit Monitoring Review

At the end of September the Executive Budget Office will begin our deficit monitoring review for the first quarter of FY 2014-15. In addition to reviewing expenditure patterns year-to-date, your Budget Analyst will be contacting your agency during the first part of October regarding your budget status and the agency's internal budget projections. We request that your agency respond by e-mail on the status of your agency's general fund budget at that time. Please include a brief explanation as to any measures your agency is taking to avoid an operating deficit. If you are projecting the likelihood of a general fund deficit then the agency **must** take immediate action to prepare a management plan to eliminate or minimize the deficit.

Deficit monitoring is mandated by Section 1-11-495 (B) (C) and Proviso 117.86 attached. These applicable statutes and provisos outline the responsibility of the agency to manage its appropriations to avoid an operating deficit. In addition, Proviso 118.10 requires the Comptroller General or Executive Budget Office to provide written notification to each member of the General Assembly if a report is made to the Budget and Control Board concerning an agency's potential deficit. If your agency's internal estimates indicate the likelihood that a deficit exists, the agency shall submit to the Executive Budget Office within fourteen days a plan to minimize or eliminate the projected deficit.

Thank you for your cooperation.

Attachment

Cc: Marcia Adams
Josh Baker