



**WISCONSIN DEPARTMENT OF
ADMINISTRATION**

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Date: January 24, 2008
To: State Agency Heads
From: Michael L. Morgan *MLM*
Secretary
Subject: Administrative Actions to Address Anticipated State Operations Reductions.

As you are aware, a slowdown in the nation's economy is underway. Several key economic indicators are signaling a possible recession. The impact of a national recession on Wisconsin's economy is difficult to ascertain at this time, but it is expected to reduce state general fund revenue estimates below amounts used in developing 2007 Wisconsin Act 20 (the 2007-09 biennial budget). As such, it is critical that all state agencies maximize lapses in fiscal year 2007-08 and begin to plan for state operations funding reductions in fiscal year 2008-09 in addition to amounts required under 2007 Act 20.

Governor Doyle has directed that we 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

State agencies are directed to avoid filling all non-essential vacancies. Agency heads must approve all state hires and report them to the State Budget Office quarterly. Previous guidance sent on the hiring freeze for attorneys is still applicable.

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 April 1, 2008. 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.

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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. In addition, it is possible that agencies will not receive space supplements and should plan accordingly.

State government faces a considerable challenge over the next eighteen months. The measures described above will help set the stage for the additional reductions necessary to balance the state budget.

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