Executive Office for Administration & Finance
COMMONWEALTH OF MASSACHUSETTS
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CHARLES D. BAKER
GOVERNOR

KARYN E. POLITO
LIEUTENANT GOVERNOR

KRISTEN LEPORE
SECRETARY

January 8, 2016

His Excellency Charles D. Baker, Governor
Executive Office
State House, Room 360
Boston, Massachusetts 02133

Dear Governor Baker:

Pursuant to the provisions of Section 9C of Chapter 29 of the Massachusetts General Laws, I hereby notify you that available revenues for Fiscal Year 2016 are projected to be insufficient to meet authorized expenditures. We have estimated the probable deficiency at $320 million.

The majority of the projected deficiency, approximately $205 million, derives from shortfalls in budgeted non-tax revenue. Another substantial proportion reflects probable non-discretionary spending obligations not accommodated in the FY16 General Appropriation Act. These include private counsel compensation costs, human service caseload exposures and settlement and judgment costs.

We have identified revenue measures that may be available to reduce this gap. However, such measures alone will be insufficient to close the gap. Upon your direction, I will implement allotment reductions under Section 9C of Chapter 29 and take such other steps as necessary to close this projected deficiency.

Sincerely,

Kristen Lepore
Secretary

Cc: Chairs, Ways and Means Committees