

## State of the Budget

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For more than a year North Carolina, along with many states, has felt the impact of the national recession, which many of you have already experienced first-hand.

In that time, our state's unemployment rate has almost doubled and now stands at 11.1 percent — 7th highest in the nation. Just as North Carolina's families have been hurt by the recession, so has our state's budget.

The General Assembly is working to finalize a budget that, because of a decrease in revenues, has a \$4.7 billion shortfall for the 2009-10 fiscal year and even more next year. It is one of the largest shortfalls in the country, and it is the largest in North Carolina's history.

Despite these monumental challenges, we have been able to achieve significant accomplishments in the last few months. Since taking office in January, I have worked to uphold the highest standards of accountability and transparency to ensure North Carolina's government is working in the best interest of its people, doing more with what little we have in these tough times.

This administration has streamlined policy-making and management in the public education system by appointing a CEO of public education. We have instituted more accountability and transparency in our state's mental health and probation systems, and we are taking the politics out of decision-making at the Department of Transportation.

Through my [JobsNOW](#) initiative, we are putting thousands of people to work, quickly investing federal recovery dollars and opening doors to new job opportunities. One example is my [12 in 6 program](#), a partnership with community colleges to retrain workers for high-demand jobs in less than six months.

Last month, I outlined a set of reforms and investments to establish this state as a leader in

green energy jobs and business. And in March, I presented a balanced budget that invested in job creation and education, priorities that establish a strong base for North Carolina's long-term economic growth.

Since that time, however, the state budget hole has increased by another \$1 billion.

As a result, budget proposals from legislators to date have included profound cuts to core government services.

**We are now at a crossroads: We can choose to protect core education, public safety and health care services, or we can allow the economic crisis to cripple our classrooms.**

Public education always has been, and always will be, the engine driving North Carolina's economy toward a future with secure, high-wage jobs. Gutting public education now would throw away decades of investment and would cut short our long-term economy.

As I work with legislators to finalize the budget in coming days, we will need to cut deeply. But while we must cut the fat, we must not cut to the bone.

I've traveled the state calling on legislators to raise the revenue necessary to protect public education. Now I need your help. The budget crisis threatens our classrooms and so many other vital services, including health care and public safety. But if we act now we can save thousands of jobs and protect our children's education.

The time has come for the General Assembly to step up its efforts to pass a budget quickly and with the revenue necessary to protect the classroom. Our children and our economic future depend on it.

Sincerely,

A handwritten signature in black ink, appearing to read "Bev Perdue", written in a cursive style.

Bev Perdue