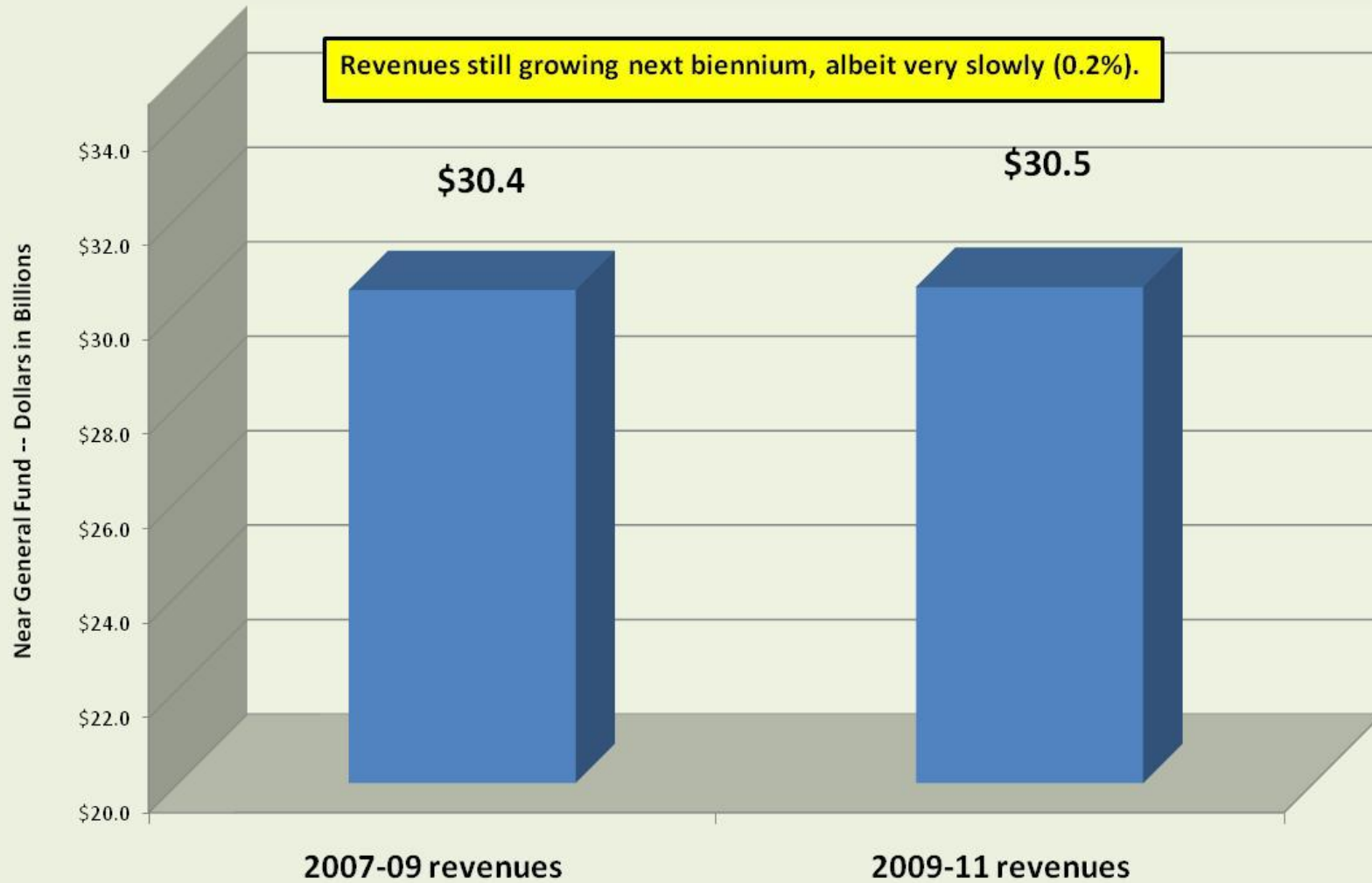


Yes, We Can Part I: The state is still collecting more money

Revenues still growing next biennium, albeit very slowly (0.2%).

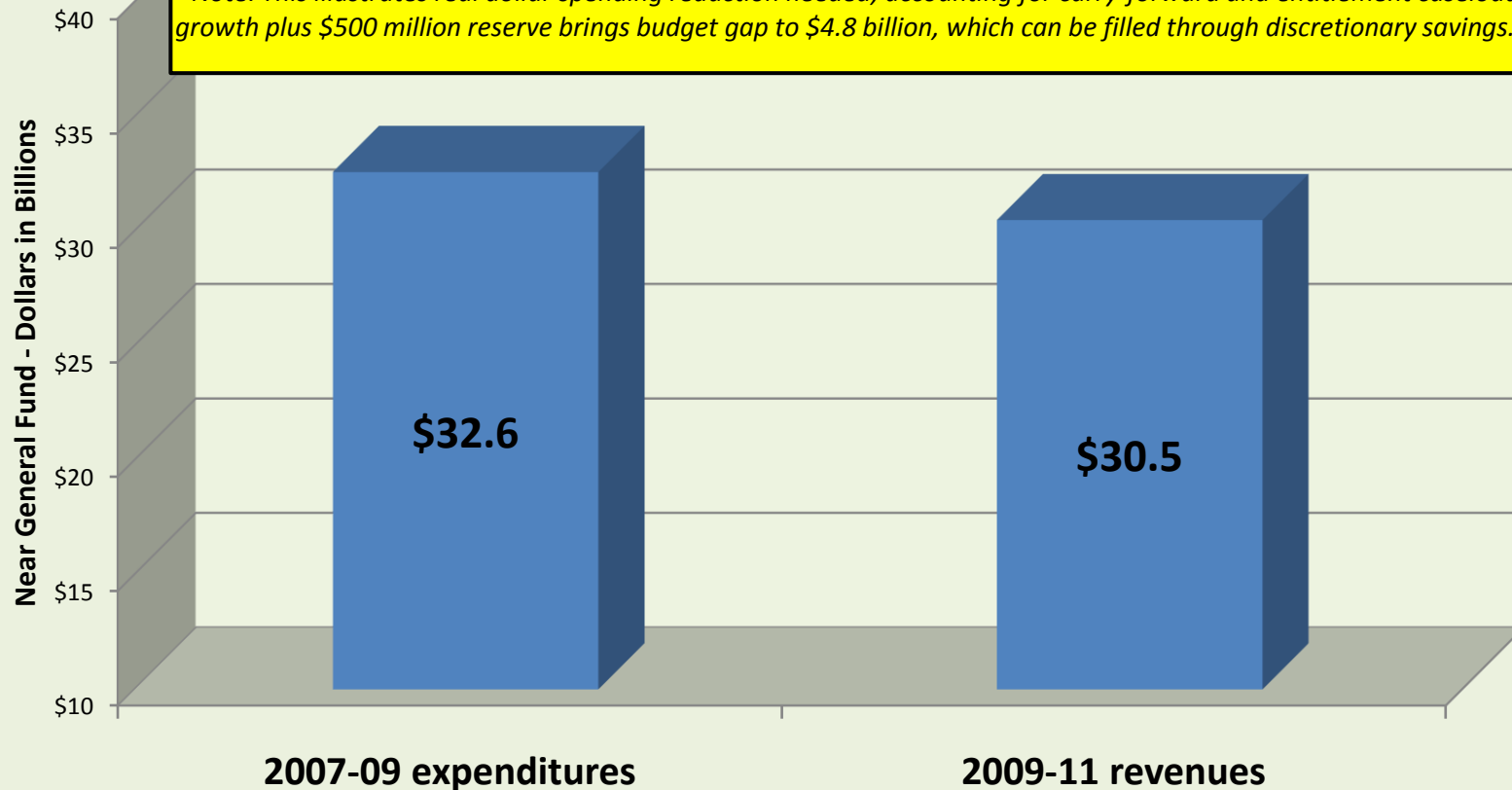


* Source: March Revenue Forecast (Near General Fund State)

Yes We Can, Part II: Marginal reductions from current spending level can solve problem

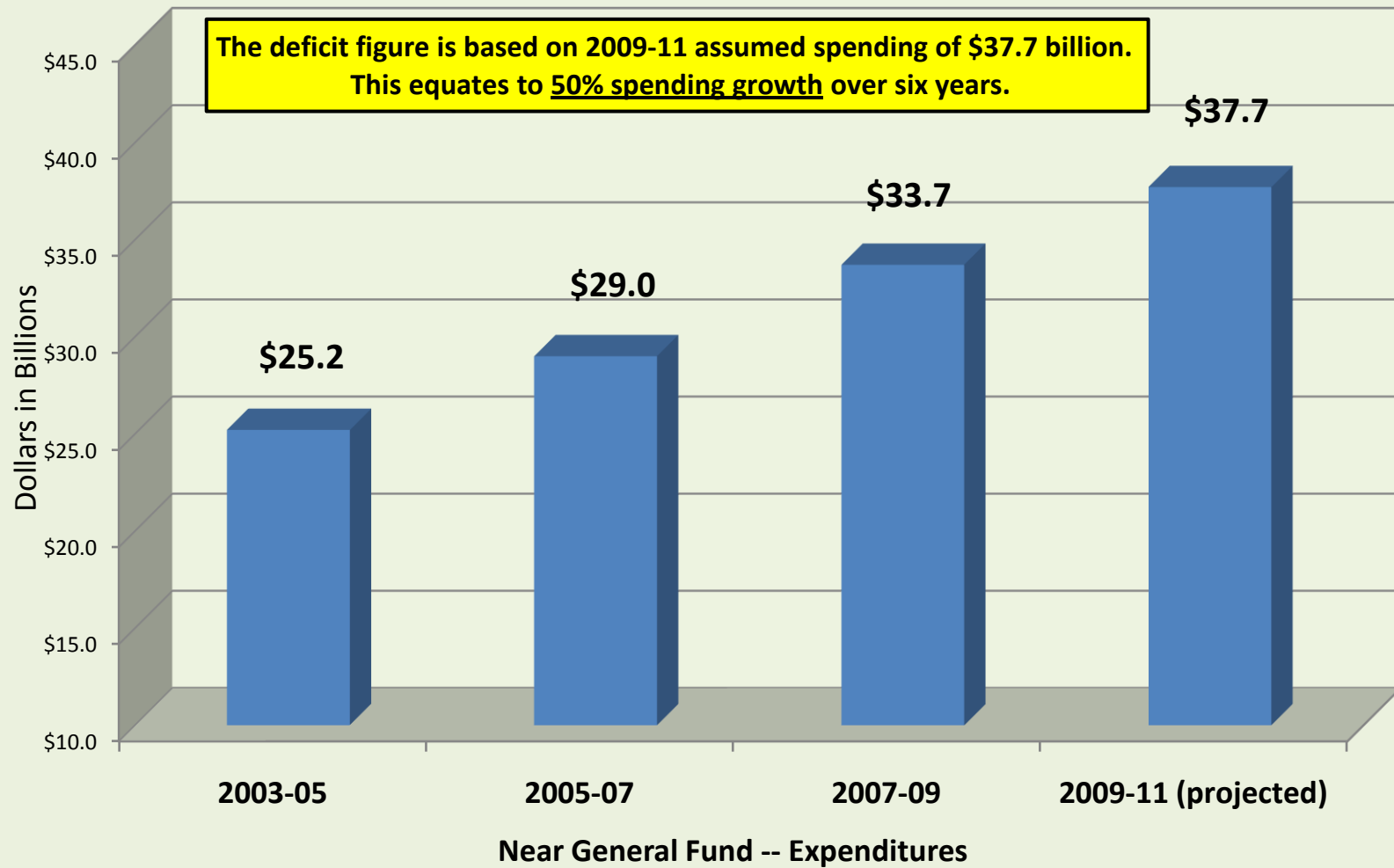
**Current spending is \$33.7 billion, but must be reduced to \$32.6 billion to end biennium in "black".
Once that reduction is made, another \$2.1 billion in reduced spending would solve problem.**

**Note: This illustrates real dollar spending reduction needed; accounting for carry-forward and entitlement caseload growth plus \$500 million reserve brings budget gap to \$4.8 billion, which can be filled through discretionary savings.*



* \$4.8 billion is comprised of \$2.1 billion gap between expenditures and revenues once balance 2007-09 budget, \$500 million reserve, \$1.1 billion in carryforward costs, plus \$1.1 billion in mandatory caseload adjustments.

Yes We Can, Part III: "Deficit" figure based on historically untenable spending growth



Source: LEAP (2003-05 based on 2004 supp.; 2005-07 based on actual spending; 2007-09 from 2008 supp)