

As you know, the State is facing a General Fund deficiency of approximately \$30 million in the current fiscal year and \$36 million in the 1969 fiscal year which has necessitated these decisions. The Governor expects every department to do all in its power to implement these policy decisions and practice every economy in its operations. Any exception must be justified in writing to the Department of Budget and Procurement.

Very truly yours,

James P. Slicher
Director
Department of Budget and
Procurement

All right gentlemen, I am ready for questions.

(Fiscal Situation)

Q. Governor, how will these economy measures affect the State's participation in the summer job program?

A. I'm not exactly sure at the moment, but I could say almost definitely that there will be a curtailment in this as in every line of the filling of new positions. Today Mr. Slicher is meeting with a special emergency fiscal committee which was appointed by me the same day I received — I met with the legislative leaders — the committee consisting of Dr. Cooper, three members of the Comptroller's office — Mr. Marsh, Mr. Young and Mr. Nossel — Mr. Lauber and Mr. Slicher to make recommendations concerning the implementation of a broad policy of cutbacks in spending. I expect that we will make these decisions sometime within the next two weeks. Some of them will be made earlier than that.

Q. How about the Medicaid program, Governor?

A. That will be part of our consideration and of course, as you know, that's a very serious problem to us based on the present situation as far as money goes. We do have the recommendations of the Nelson Committee and I assume that by implementing those and possibly some additional restrictive measures we should be able to work out our problem in that respect — not to the satisfaction of anyone, including myself, but based on the exigencies of the situation.

Q. Governor, is there any possibility at all that these 27,000 medically indigent persons can be placed on the program?