



Commonwealth of Kentucky
Office of the Governor

FOR IMMEDIATE RELEASE

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Personnel Cabinet presents furlough regulation to Personnel Board

State employees to be furloughed six days in FY11, preventing more than 400 layoffs

FRANKFORT, Ky. (July 9, 2010) – Kentucky Personnel Cabinet Secretary Nikki Jackson today presented a regulation to the State Personnel Board as the state prepares to furlough state government workers a total of six days in Fiscal Year 2011, as authorized by the 2010-12 biennial budget passed by the General Assembly.

“In order to achieve the savings required by the budget passed by the General Assembly, legislators authorized the administration to implement a furlough plan for state employees,” said Sec. Jackson. “Today we are presenting an outline of the plan to the State Personnel Board – a plan that has been developed with an eye toward minimizing impact to state employees and the disruption of delivery of state services to Kentucky citizens.”

Combination of closure of state offices and non-designated furlough days

The six days include three common days during which state offices will be closed that are adjacent to existing state holiday weekends – Friday, September 3, 2010 (Labor Day weekend) ; Friday, November 12, 2010 (Veterans Day weekend); and Friday, May 27, 2011 (Memorial Day weekend). The closure of state offices for the three common days will serve to increase operational savings by decreasing energy and other operational costs. In addition, employees will be furloughed for one day in each of the months of October, March and June. Agencies will schedule employees to be off work in a manner that minimizes the impact to the public, and will be submitting plans to the Secretary of the Personnel Cabinet to describe how they will implement the furlough days that are non-designated. Several state agencies that operate 24-hour/7 day-a-week facilities, including mental health and correctional facilities and law

enforcement functions, may submit plans requesting additional flexibility on how to implement the furloughs.

Furloughs will achieve savings and prevent many layoffs

As a key component to solving a \$1.5 billion shortfall, the 2010-12 biennial budget passed by the General Assembly requires that the state achieve \$131 million in expenditure reductions in FY 11 and \$169 million in FY 12, on top of 3.5 percent cuts and 4.5 percent cuts for most state agencies, respectively. The six days outlined today by Sec. Jackson will achieve a savings of approximately \$24 million for the first year of the biennium. Sec. Jackson also noted that, based on an average fulltime salary of \$58,066 including fringe benefits, the six-day furlough plan will prevent 413 state employees from being laid off.

Both non-merit and merit system employees are included in the plan

Both non-merit employees and merit system employees, full-time and part-time, including the Governor and all cabinet secretaries, regardless of salary, will be furloughed the same number of days, as will contract workers. In addition to furloughing non-merit system employees, the administration will reduce the number of non-merit system employees in order to achieve further savings; decisions about non-merit system employee reductions are still under discussion. The Governor, all cabinet secretaries and members of the Governor's senior staff have already taken and continue to take voluntary 10 percent pay reductions as part of cost-savings measures in balancing the budget.

Other states have furloughed workers

Facing a global recession, many states have furloughed or proposed to furlough state employees:

- California has furloughed employees 46 days since February 2009;
- Hawaii has proposed furloughing employees 42 days; and
- Maine and Washington are also furloughing employees.

Communications sent to state employees and cabinet secretaries

Email communications were sent to both state employees as well as executive branch cabinet secretaries to inform them of the plan. State employees who have further questions about the implementation of the plan can visit <http://personnel.ky.gov/furlough> to find frequently asked questions and answers, and are encouraged to speak with their agency's human resources administrator.

Next steps

Following the filing of the administrative regulation, Cabinets will propose implementation plans to Secretary Jackson. The Personnel Cabinet will then issue suggestions to state agencies for the implementation of the plans.

Please find attached copy of the letter sent to state employees.

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