COMMONWEALTH OF KENTUCKY

OFFICE OF THE STATE TREASURER
TODD HOLLENBACH

1050 US 127 South • Suite 100 • Frankfort, Kentucky 40601 • (502) 564-4722 • FAX (502) 564-6545

Visit our web site at www.kytreasury.com

September 15, 2010

Secretary Nikki Jackson
Personnel Cabinet
501 High Street, 3rd Floor
Frankfort KY 40601

RE: Supplemental Furlough Plan

Dear Secretary Jackson:

Please find enclosed, per 101 KAR 5:015E, the Kentucky State Treasury' supplemental furlough plan for fiscal year 2010-2011. You previously approved the agency's furlough plan for the September 3, 2010 shut-down date, and the agency respectfully requests that you review and approve the enclosed supplemental plan which addresses the remaining furlough dates for fiscal year 2011.

Enclosed within these documents are the following:

- The designation of any additional individuals responsible for the oversight and administration of these furloughs with enclosed designation forms that were not previously approved in the September 3, 2010 plan
- The proposed manner of how furloughs will be applied to all employees, classified and unclassified
- Any specific flexibility considerations or requests with appropriate justification
- Certifications that furloughs will be applied in compliance with the requirements established by 101 KAR 5:015E
- A copy of the sample notice that each employee will receive at least seven (7) days prior to any period of furlough

If you have any questions regarding this material, the lead contact for the Sample Cabinet's proposed furlough plan is Eugene Harrell at Kentucky State Treasury.

Sincerely,

Maurice McDaniel
Chief of Staff
Kentucky State Treasury

II. APPLICATION OF FURLOUGH DATES

Three (3) Mandated Shut-down Days
September 3, 2010; November 12, 2010; May 27, 2011

A complete shut down on the (3) mandatory furlough days for the Kentucky State Treasury will not be a feasible option to the agency or to the public. Since the Division of Child Support has been approved to be in operation on the mandated furlough days, Treasury will require (1) one employee from the Computer Operations Section, Information Systems Branch, Division of General Administration and Support to execute Treasury's role in the child support payment process. It is anticipated the employee will be required to work approximately 4.0 hours in order to complete the check printing job. After the check writer file has been received and loaded, the check operator will need to remain on site to ensure the print job has completed without error. Then the checks are sorted for pick up by Finance Postal Services. This exception to the furlough plan will be necessary to ensure the recipients of child support will receive their payments timely.

The employees who will be working on the mandated shut down days will receive a notification form within the 7 day notice requirement.
All other Treasury full time employees and contract workers will be furloughed on each mandated furlough day. All of these employees and workers have and will receive appropriate notice within the 7 day requirement.

* * * * *

Three (3) Non-Designated Months
First Pay Periods in October 2010, March 2011, and April 2011

On the three (3) non-designated months, the Kentucky State Treasury Agency Plan includes the furlough of all employees during the first pay periods of the required months.

The Kentucky State Treasury Agency Plan addresses the manner in which the assignment of employee furlough hours/days will be made.

	# of Employees	Pay Period Dates per month	Employees request specific furlough days, assign furlough days or a combination of both?	Is overtime or comp time accrual a concern during these furlough periods for these units? If yes, explain in detail and how it will be monitored.
Division of General Administration and Support	13 1 contract worker	First pay period of each non designated month	Assign	No

Division of Disbursements and Accounting	11	First pay period of each non designated month	Assign	Yes. For the Non-Designated Month of April. The employees of Receipts and Deposit Section comp accrual is possible.
Division of Unclaimed Property	6 2 contract workers	First pay period of each non designated month	Request	No

The month of April is a very busy time for the Accounting and Disbursements Division due to the receipt of taxes. During this month, all state agencies have an increase of receipts which ultimately increases the workload at Treasury. This includes functions such as: processing tax receipts for deposit, processing stop payments and the re-issuance of checks. The Receipts and Deposit Section currently has 3 full-time employees. However, during the month of April we supplement this number with 1 or 2 employees from other branches of the division to assist with the workload. It is anticipated, as always, that employees may accrue compensatory or overtime due to this increased workload. This accrual will be appropriately monitored.

The Kentucky State Treasury will provide written notice to the employees of these non-designated furlough dates at least seven (7) calendar days in advance of the furlough. The manner by which the Kentucky State Treasury will notify its employees is to submit written notice. A copy of the sample notice is enclosed with these documents.

* * * *

III. CONTRACT WORKERS

The Kentucky State Treasury will implement a reduction of 7.5 hours worked for all contract workers for the (3) Mandated Shut Down dates. Contract workers will be furloughed on the (3) mandated days.

* * * *

IV. REQUIRED CERTIFICATIONS

Please certify, by initial of Cabinet or Independent Agency head, that the statements are true:

We will not involuntarily furlough any employee more than twenty-four (24) work hours in a six (6) month calendar period, as provided in this subsection:

- Employees regularly assigned to a 40-hour work schedule shall be involuntarily furloughed no more than three (3) work days or twenty-four (24) work hours;
- Employees regularly assigned to a 37.5-hour work schedule shall be involuntarily furloughed no more than three (3) work days or twenty-two and one-half (22.5) work hours, which is the equivalent reduction of hours and corresponding pay; and
- All remaining employees on different work schedules shall be involuntarily furloughed in a manner to achieve an equivalent reduction of hours and corresponding pay, which shall be set forth in the furlough plan provided by the Cabinet Secretary or Independent Agency head and approved by the Secretary of Personnel.

MM
(INITIALS)

We will not involuntarily furlough any employee more than 20 percent of an employee's scheduled work hours in any one work week.

MM
(INITIALS)

Employees will not be permitted to utilize accrued leave balances in lieu of a temporary reduction of hours without pay.

MM
(INITIALS)

During the period of furlough, no contractor will receive either additional duties typically performed by a furloughed employee or work additional hours due to the furlough of a state employee.

MM
(INITIALS)

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[Sample]

Date

Employee Name
Employee Address

Re: Notice of Furlough Date

Dear Employee Name:

Pursuant to 101 KAR 5:015E, this correspondence shall serve as official notice that you are to be furloughed on _____ in lieu of _____ (mandated shut-down date). Therefore, your hours will be temporarily reduced without pay on this date and you should not report to work.

As provided in 101 KAR 5:015E, this is not an appealable action.

If you have any questions regarding the above-referenced information, please feel free to contact Rebecca Comley.

Sincerely,

Todd Hollenbach
State Treasurer
Kentucky State Treasury

CC: Personnel Employee

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[Sample]

DATE

Employee Name
Employee Address

RE: Notice of Furlough Date

Dear Employee Name:

Pursuant to 101 KAR 5:015E, this correspondence shall serve as official notice that you are to be furloughed on _____. Therefore, your hours will be temporarily reduced without pay on this date and you should not report to work.

As provided in 101 KAR 5:015E, this is not an appealable action.

If you have any questions regarding the above-referenced information, please feel free to contact Rebeca Comley.

Sincerely,

Appointing Authority

CC: Personnel File