

DATE: June 23, 2009

TO: Agency Heads

FROM: Michael L. Morgan, Secretary
Department of Administration

SUBJECT: Agency Furlough Plans

The national economic crisis has required drastic and unprecedented measures to close a \$6.6 billion state budget deficit. As a result, this week the Legislature is poised to finish work on the 2009-2011 biennial budget bill, which limits funding for many critical state services and programs. State employees are not immune to the impact of this budget shortfall.

Since the announcement of employee furloughs last month, you and your employees have been patient as we have worked to develop a program that can be applied in a fair manner across state service.

Today, the Office of State Employment Relations (OSER) is providing agencies and employees with materials that will serve as the basis of the furlough program. Could you please share the enclosed message, along with the attached OSER materials, with your employees as soon as possible this afternoon? Thank you for your cooperation and for your patience.

Please share the following message and attachments with your employees.

The State of Wisconsin needs to close a \$6.6 billion deficit and given that salaries and benefits of state employees account for over 50% of the operating budget, furloughs and other personnel actions became a necessity.

Please know that Wisconsin is not alone. There are at least 21 other states that are currently considering or implementing furloughs. These range from an annual low of three days in Connecticut, to a high of 36 days in Hawaii. (See the attached chart for specific states' information.)

Effective immediately, state agencies will begin development of plans to administer a furlough program for the next two fiscal years. Furloughs and other personnel actions will contribute \$224 million towards the \$6.6 billion deficit. Furloughs are an action intended to reduce state spending, not a punitive action against employees. With furloughs, permanent layoffs will be reduced but not avoided. Without furloughs the number of permanent layoffs would probably double from the current estimate of 1,400.

Following these General Principles state agency furlough plans will:

- **Balance the need to reduce state spending with the administration of a fair and equitable furlough plan.** Fair means that the program will be free from favoritism or bias and equitable means that the furloughs will be applied equally across state service.

- **Provide a level of certainty for state employees and citizens affected by the furlough program.** Four out of the eight days each year will be designated furlough days. Wherever possible, State agencies will be closed for business on these days:
 - Monday, October 12, 2009, Columbus Day
 - Friday, November 27, 2009, Day after Thanksgiving
 - Monday, February 15, 2010, Presidents' Day
 - Friday, May 28, 2010, Friday before Memorial Day
 - Monday, October 11, 2010, Columbus Day
 - Friday, November 26, 2010, Day after Thanksgiving
 - Monday, February 21, 2011, Presidents' Day
 - Friday, May 27, 2011, Friday before Memorial Day

- **Provide flexibility to accommodate different operational needs and limit the need for increased overtime.**

- **Comply with federal and state laws and collective bargaining agreements.**

Please know that the Office of State Employment Relations and your agency management will be working to develop plans and communicate with you as soon as reasonably possible. Please find additional materials attached that will help you understand the new program; a copy of the Executive Order issued today, a three-year calendar showing designated furlough days and already scheduled holidays, and a memo with additional furlough information.

Also, please continue to check the OSER website for updated FAQs and information regarding the furlough program: <http://oser.state.wi.us/furloughs>. This website will be continually updated as information becomes available.

Finally, any further questions you may have should be directed to your agency HR Manager.

Thank you in advance for your cooperation as we work through this difficult economic time.

cc: Deputy Secretaries
Executive Assistants

Attachments