

Weathering the Financial Storm Results March 1, 2010

| Contact Information | To Date, What Percentage has your state budget been cut? | Do you anticipate budget cuts (if no cuts have been made) or additional cuts to the state budget? | Have you used any cost saving options besides the traditional reduction in force, furlough, voluntary separation program, retirement incentive program or hiring freeze? | If Yes, please describe in detail these alternative cost savings option that are available | Further information/clarification regarding how your state is dealing with the financial crisis |
|--|---|--|--|--|--|
| Alabama Jackie Graham jackie.graham@personnel.alabama.gov <i>responses from Nov. 2008</i> | Zero % | Yes, cuts or more cuts are somewhat likely | No | | |
| Arizona Kathy Peckardt kathy.peckardt@azdoa.gov <i>responses from March 2009</i> | Varies by agency | <i>Comment:</i> Cuts were made to FY09 budget on January 31, 2009. | No response | | State agencies have began looking at impacts of further budget cuts at various levels (e.g. 5%, 10%, 15%, 20%) for FY10. Some agencies have suspended stipends. |
| California Elaine Smith elainesmth@dpa.ca.gov <i>responses from Sept. 2009</i> | Personnel Services were reduced by 13.85% as a result of 3 furlough days per month. | Yes, cuts or more cuts are very likely | Yes | Voluntary time reductions, limited personnel services, travel restrictions, program closures or reductions | |
| Colorado Tom Montoya tom.montoya@state.co.us <i>responses from Dec. 2009</i> | 6% | Yes, cuts or more cuts are very likely. <i>Comment:</i> 2.5% of the State contribution to the employee retirement fund (PERA) will be transferred to the employees in FY10-11. No increases in pay or benefits for FY 10-11 | Yes | Transfer of employer contribution into pension to the employees 2.5% | Reduced and deferred payments to Medicare and Medicaid. Increased auto registration fees. |
| Delaware Linda McCloskey linda.mccloskey@state.de.us <i>responses from Feb. 2010</i> | From FY09 to FY10, reduction totals \$256.3 million from the General Fund. This reduction is attributed to budget cuts, stimulus and switch funding to other revenue sources. | Yes, cuts or more cuts are somewhat unlikely | No | | Over 1,000 vacant positions have been cut. 2.5% pay reduction for FY10; Changed the elimination period for short term disability from 20 to 60 calendar days resulting in the projected decrease claims by over 50% and will save the State over \$3.45 million per year. FY11 recommended budget maintains the 2.5% pay reduction |
| Florida Sharon D. Larson Sharon.Larson@dms.myflorida.com <i>responses from Dec. 2009</i> | Varies by agency | Unknown at this time | Yes | Travel has been restricted to mission critical only. | |
| Georgia Lee Rudd lee.rudd@spa.ga.gov <i>responses from Dec. 2009</i> | 18% | Yes, cuts or more cuts are very likely | No | | |
| Indiana Daniel L. Hackler dhackler@spd.in.gov <i>responses from Nov. 2009</i> | 10% in FY09 and 10% in FY10 | | No | | FY09 ended on 6/30/09. In some instances, we anticipate additional targeted cuts for FY10 beyond the 10% reduction. |

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| Iowa Nancy Berggren nancy.berggren@iowa.gov responses from Jan. 2009 | 1.50% | Yes, cuts or more cuts are very likely | No | | |
| Kansas George Vega george.vega@da.ks.us responses from Dec. 2009 | 12.67% | Yes, cuts or more cuts are very likely. <i>Comment:</i> There will be another 5% cut next fiscal year. | No | | |
| Kentucky Nikki Jackson nikki.jackson@ky.gov responses from Nov. 2008 | Zero % | Yes, cuts or more cuts are very likely | Yes | The state made a change in the timing of health insurance premium payments. We switched from pre-paying the premium the month before to paying it during the current month. This resulted in a one time savings which was spread out over both fiscal years of the biennium. | An official revised revenue estimate is expected. Budget cut planning for the current fiscal year is currently underway in anticipation of a revenue shortfall. |
| Louisiana Shannon Templet shannon.templet@la.gov responses from Dec. 2009 | Varies by agency | Yes, cuts or more cuts are very likely | No | | |
| Maine Alicia Kellogg alicia.kellogg@maine.gov responses from Nov. 2009 | About 10% with more to come. | Yes, cuts or more cuts are very likely. | No | | |
| Maryland Cynthia Kollner ckollner@dbm.state.md.us responses from Jan. 2010 | \$4.6 Billion | Yes, cuts or more cuts are very likely. | Yes | Changes to co-pay structure for Rx to encourage the use of generic prescriptions; asking vendors to voluntarily reduce contract costs; eliminating the use of contractors in some areas. | |
| Massachusetts George Bibilos george.bibilos@massmail.state.ma.us responses from Feb. 2010 | Around 5% net cut | Yes, cuts or more cuts are very likely | No | | |
| Michigan Michelle Mann mann@michigan.gov responses from June 2009 | 4.00% | Yes, cuts or more cuts are very likely | Yes | Positions are filled provided legislative criteria has been met delivery of basic services or loss of revenue. | Six scheduled furlough days (shutdown for non-essential services) |

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| Minnesota Judy Plante judy.plante@state.mn.us <i>responses from Nov. 2009</i> | 7.5 | Yes, cuts or more cuts are somewhat likely | Yes | No achievement awards or other incentive awards; limited travel; voluntary time reductions (salary savings leave); individual departments using operating expense reductions to meet spending reductions | |
| Missouri Chester White chester.white@oa.mo.gov <i>responses from Nov. 2008</i> | None to date | Yes, cuts or more cuts are somewhat likely | No | | Fiscal shortfall discussions have started. |
| Montana Randy Morris ramorris@mt.gov <i>responses from Nov. 2009</i> | Zero % | Don't Know | Yes | Reduced out of state travel budget by 35% | Montana will continue to monitor revenue projections and adjust expenditures as needed. |
| Nevada Shelley Blotter sblotter@dop.nv.gov <i>responses from Dec. 2009</i> | General fund appropriations decreased by 3.7% | Don't Know Comment: The economy continues to decline but it is still uncertain how the State will address the shortfall. | No | | Committees appointed by the Legislature are reviewing funding sources and restructuring the tax system. |
| New Hampshire Karen Hutchins Karen.Hutchins@nh.gov <i>responses from Nov. 2009</i> | | Yes, cuts or more cuts are somewhat likely | Yes | No out of state travel, reduced equipment purchases | |
| New Jersey Jeffrey J. Richter jeff.richter@csc.state.nj.us <i>responses from Feb. 2010</i> | 16.8 | Don't Know | Yes | Promotion freeze; management salary freeze | |
| New Mexico Sandra Perez sandra.perez@state.nm.us <i>responses from Nov. 2009</i> | | Yes, cuts or more cuts are somewhat likely. | Yes | Freeze existing capitol outlay projects totaling \$150 million. Change in Return-to-Work retirement provisions. Changed State/EE retirement contributions - EE will contribute 1.5% more and State will contribute 1.5% less to fund for two years. Changed from a 25 to 30 year normal retirement option for new hires effective 7/1/10. Cut unclassified executive governor's exempt employees salaries by 2%. | Special session in October resulted in Governor signing certain pieces of legislation, vetoed Legislative budget cuts and signed an Executive order that set five furlough days and further cut state agency budgets by an average 7% for the budget year. Imposed holds on non-critical travel, increased emphasis on agency energy saving initiatives. Established a task force to thoroughly review and scrutinize new revenue options as well as seek public input on the options before the regular legislative session gets underway in January. |
| North Carolina Linda Coleman Linda.Coleman@osp.nc.gov <i>responses from Dec 2009</i> | 14% | Yes, cuts or more cuts are very likely | No | | |

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| <p>Oklahoma Oscar B. Jackson, Jr. oscar.jackson@opm.ok.gov responses from Jan. 2010</p> | <p>6%/\$729.4 Million projected revenue failure for FY2010 through 6/30/10.</p> | <p>Yes, cuts or more cuts are likely. <i>Comment:</i> Thus far, all state appropriated budgets have been reduced by the amount of the monthly revenue shortfalls (5% monthly Aug. - Nov., 10% montly Dec. - Jan., and 5% projected for Feb. - June); however, when the Legislature convenes on Feb. 1, 2010, it is anticipated there will be targeted cuts to protect</p> | | | <p>The State Equalization Board met 12/21/09 and certified that the Oklahoma Legislature will have 20%/1.3 Billion less to appropriate for FY2011 beginning 7/1/10, which may be reduced by rainy day funds or stimulus funds.</p> |
| <p>Oregon Diana Foster Diana.L.Foster@ das.state.or.us responses from April 2009</p> | <p>18%</p> | <p>Yes, cuts or more cuts are somewhat likely</p> | <p>No</p> | | |
| <p>Pennsylvania Kate Yohn kyohn@state.pa.us responses from Dec. 2009</p> | <p>1-2% reductions were requested from agencies in Dec. 2009. These cuts are likely to be reflected in the next FY budget.</p> | <p>No it's somewhat unlikely we'll have cuts or more cuts</p> | <p>Yes</p> | <p>Restrictions on out of state travel, reduction or elimination of discretionary spending, prohibition on the purchase of new vehicles for the state's fleet.</p> | |
| <p>Rhode Island Anthony A. Bucci anthonyb@hr.ri.gov responses from Dec. 2009</p> | <p>8.4% (FY09 enacted to FY10 enacted)</p> | <p>Yes, cuts or more cuts are very likely</p> | <p>Yes</p> | <p>Furlough days in exchange for additional vacation credits. For example, pay deferral - 12 days of furlough in exchange for 15 vacation days</p> | |
| <p>South Carolina Sam Wilkins swilkins@ohr.sc.gov responses from Dec. 2008</p> | <p>Cuts have ranged from 10% - 18%</p> | <p>Yes, Cuts or more cuts are somewhat likely</p> | <p>Yes</p> | <p>SC is eliminating positions that are not covered by the Employee Grievance Procedure Act because those employees have no grievance rights and, therefore, no administrative remedy for review of the termination. SC also has suspended use of tuition assistance programs and leave transfer programs to create cost savings. Agencies are also looking at an increase in the use of teleworking.</p> | <p>By legislation, SC has voluntary and mandatory furloughs available to address budget cuts.</p> |
| <p>Tennessee Deborah Story deborah.story@state.tn.us responses from Dec. 2008</p> | <p>Zero %</p> | <p>Yes, cuts or more cuts are very likely</p> | <p>Yes</p> | <p>Travel Freeze Mandated use of state park facilities for employee group meeting versus using non-state facilities (hotels, conference centers, etc.)</p> | |

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| Utah Jeff Herring jherring@utah.gov <i>responses from Dec. 2009</i> | 18.10% | Yes, cuts or more cuts are very likely. <i>Comment:</i> The Governor has mandated 3% cut in personnel services budget. Legislative approp.committee has voted for an additional 4% budget cut. | Yes | Health insurance premiums and co-pays have been increased for employees. Travel and other current expense has been reduced. Agencies have cut back on overtime allowed. Facilities maintenance contracts have been re-negotiated. Educational assistance policies have been revised requiring employees to pay more of the cost. We are piloting a 4 day 10 hour work week. | |
| Washington Eva Santos evas@dop.wa.gov <i>responses from Feb. 2010</i> | ~2% last July 2009. Supplemental budget discussions in progress. | Yes, cuts or more cuts are very likely. The State is facing a 2.9B gap in the supplemental budget. Central HR has reduced budget by 10% with elimination of 22 positions. | No | | The 2010 Legislature that still in session, passed and the Governor signed into law bills that extend the salary freeze for managers until June 2011 and prohibits monetary incentives awards to employees. In addition there is freezes for travel out of state, and personal services contracts. A furlough bill is in consideration at this point. the Governor issued a shared services directive in 2008 and we continue to explore a new service delivery model for HR, IT, and property management. |
| West Virginia Sara P. Walker sara.p.walker@wv.gov <i>responses from March 2009</i> | 2% per agency | Yes, cuts or more cuts are very likely | No | | We are taking every step possible not to have layoffs. |
| Wisconsin Sheila Conroy sheila.conroy@wisconsin.gov <i>responses from Jan. 2009</i> | 6-11% dependent on the agency | No response | No response | | A centralized position review process continues. |
| Wyoming Dean Fausset dfauss@state.wy.us <i>responses from June 2009</i> | 10% | Yes, cuts or more cuts are very likely | No | | On 6/04/09 Governor announced \$231.6 million cuts in agency budgets for the fiscal year which begins next month. Agencies have been mandated a 10% reduction in budget. 22 vacant positions have been cut from budgets. Hiring & Reclassification Restriction remains in place. |

| | Layoffs | Buyouts | Elimination of vacant positions | Hiring Freeze | Furloughs | Early Retirement Incentives | Retraction of previously planned pay raises | Pay cuts |
|---------------|-----------|----------|---------------------------------|---------------|-----------|-----------------------------|---|----------|
| States | | | | | | | | |
| AL | | | | | | | | |
| AZ | X | | | X | X | | | X |
| CA | X | | X | X | X | | X | |
| CO | X | | X | X | | | | |
| DE | | | X | | | | | X |
| GA | X | | X | X | X | | X | |
| FL | X | | X | | | | | |
| IN | | | | | | | | |
| IA | | | | X | | | | |
| KS* | X | X | X | X | X | X | | |
| KY | X | | X | X | X | | | |
| LA* | X | | X | X | X | | | |
| ME* | X | X | X | X | | | X | |
| MD* | X | | X | X | X | | | |
| MA | X | | X | | X | X | X | |
| MI | | | | | X | | | |
| MN* | X | | X | | | | | |
| MO | | | | | | | | |
| MT | | | | | | | | |
| NV* | X | | X | X | X | | | |
| NH | X | | X | X | | | | |
| NJ | | | | X | X | X | X | |
| NM | | | X | X | X | | | X |
| NC | | | X | X | X | | | |
| OK* | X | X | X | X | X | | | |
| OR | X | | X | | X | | X | X |
| PA | X | | X | X | | | X | |
| RI | | | X | X | | | X | X |
| SC | X | X | X | X | X | X | | X |
| TN | | X | X | X | | | X | |
| UT | X | | X | X | X | X | | |
| WA | X | | X | X | X | X | X | |
| WV | | | | | | | | |
| WI | X | | | | X | | X | |
| WY | | | X | X | | | | |
| Totals | 35 | 5 | 25 | 23 | 19 | 6 | 11 | 6 |

*KS: Only universities have used this tool.

LA: withholding of annual merit increases

ME: Previously planned pay increase retracted for confidential employees only - bargaining unit employees received it (3%). Employees paying more for health insurance as of 10/09

MN: Hiring restrictions in place: voluntary time reductions in use: wages bargained for FY10 and 11 with zero increase.

NV: Merit salary increases and longevity pay were discontinued for the biennium.

OK: Each state agency is authorized to take appropriate actions in light of their specific budget circumstances. This budget situation primarily impacts state agencies where state appropriations are their primary revenue source.

MD: Temporary pay reductions

| | Layoffs | Buyouts | Elimination of vacant positions | Hiring Freeze | Furloughs | Early Retirement Incentives | Retraction of previously planned pay raises | Pay cuts |
|---------------|-----------|----------|---------------------------------|---------------|-----------|-----------------------------|---|----------|
| States | | | | | | | | |
| AL | X | | | X | | | | |
| AZ | X | | | X | X | | | X |
| CA | X | | X | X | X | | X | |
| CO | X | | X | X | X | | | |
| DE | | | X | | | | | |
| GA | X | X | X | X | X | X | | |
| FL | | | | | | | | |
| IN | | | X | X | | | X | |
| IA | | | | | X | | | |
| KS* | X | X | X | X | X | X | X | X |
| KY | | | X | X | X | | | |
| LA* | X | | X | X | X | | | |
| ME | X | | X | X | X | | | |
| MD* | X | | X | X | X | | | |
| MA | X | | X | | X | X | X | |
| MI | X | | X | X | | | | |
| MN | | | | | | | | |
| MO | | | | | | | | |
| MT | | | | | | | | |
| NV | | | | | | | | |
| NH | | | | | | | | |
| NJ | | | | | | | | |
| NM | | | | | | | | |
| NC | | | | | | | | |
| OK | X | X | X | X | X | | | |
| OR | X | | X | | X | | X | X |
| PA | X | | X | X | X | | | |
| RI | | | X | X | | | X | X |
| SC | X | X | X | X | X | X | | |
| TN | | | X | X | | | | |
| UT | X | | X | X | X | X | | |
| WA | X | | X | X | X | | X | X |
| WV | | | | X | | | | |
| WI | X | | | | | | | |
| WY | | | | | | | | |
| Totals | 35 | 4 | 20 | 20 | 17 | 5 | 7 | 5 |

***KS:** With another 3% cut this year and 5% next year, agencies are looking at all of these options. Only universities are looking at buyouts and early retirement incentives.

LA: The Streamlining Commission is reviewing the feasibility of buyouts and early retirement incentives.

MD: Temporary pay reductions