

Weathering the Financial Storm
Responses as of July 27, 2009

| 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 in FY 09 | States' implementations in response to recent fiscal constraints | States' considerations in response to recent fiscal constraints |
|-------------------------------------------------------------------------------|----------------------------------------------------------|-----------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Alabama Jackie Graham jackie.graham@personnel.alabama.gov | Zero % | Yes, cuts or more cuts are somewhat likely | | Layoffs Hiring Freeze |
| Arizona Kathy Peckardt kathy.peckardt@azdoa.gov | Varies by agency | <i>Comment:</i> Cuts were made to FY09 budget on January 31, 2009. | Layoffs Hiring Freeze Furloughs Pay cuts <i>Comment:</i> Pay cuts: some agencies have suspended stipends | Layoffs Hiring Freeze Furloughs Pay Cuts <i>Comment:</i> Continuation of strategies already implemented. |
| California Elaine Smith elainesmith@dpa.ca.gov | 9.23% of personnel services in General Fund Departments | Yes, cuts or more cuts are very likely | Layoffs Hiring Freeze Furloughs Executive Order | Layoffs Elimination of vacant positions Hiring Freeze Furloughs |
| Colorado David Kaye david.kaye@state.co.us | 2.50% | No, it's highly unlikely we'll have cuts or more cuts. | Layoffs Elimination of vacant positions Hiring Freeze <i>Comment:</i> Only a few layoffs to date in small programs. Major staff impacts from prison facility closure and delayed new facility construction/opening are being absorbed through pre-existing 20% vacancy rate in Dept. of Corrections. | Layoffs Elimination of vacant positions Hiring Freeze Furloughs Retraction of previously planned pay raises <i>Comment:</i> Everything is on the table for FY2010. As of April 2009, only soft hiring freeze and elimination of vacant positions have been mandated system-wide. |
| Delaware Dana Jefferson Dana.Jefferson@state.de.us | Varies | Yes, cuts or more cuts are very likely | Elimination of vacant positions Hiring Freeze <i>Comment:</i> Freeze career ladder promotions | Elimination of vacant positions Hiring Freeze |
| Florida Sharon D. Larson Sharon.Larson@dms.myflorida.com | Varies by agencies, but each has a minimum 4% holdback | Yes, cuts or more cuts are somewhat likely | Layoffs Elimination of vacant positions Hiring Freeze Pay Cuts <i>Comment:</i> Not all hiring is frozen. Critical positions are still being filled. | Pay cuts |

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| Indiana Daniel L. Hackler dhackler@spd.in.gov | 10.00% | | Elimination of vacant positions Hiring Freeze Retraction of previously planned pay raises | |
| Iowa Nancy Berggren nancy.berggren@iowa.gov | 1.50% | Yes, cuts or more cuts are very likely | Hiring Freeze | Furloughs <i>Comment:</i> Layoffs will be a last resort. We are anticipating no new pay increases, but we have not discussed pay cuts. |
| Kansas George Vega george.vega@da.ks.us | 9.67% | Yes, cuts or more cuts are very likely <i>Comment:</i> The Governor ordered additional 2% cuts at the beginning of fiscal year which began July 1, and added that if revenues continue to fall short of projections, additional cuts will be ordered. Since the revenue forecast was made in April, revenues have fallen far short of projections each month. | Layoffs Elimination of vacant positions Hiring Freeze Retraction of previously planned pay raises <i>Comment:</i> Redeployment of employees to mission-critical areas. Voluntary change from full-time to part-time. Voluntary resignation or retirement (this is an individual decision, rather than be laid off or see others laid off). | Layoffs Elimination of vacant positions Hiring Freeze Retraction of previously planned pay raises <i>Comment:</i> Several agencies have raised the possibility of furloughs, none used this tool. We haven't heard it discussed recently. |
| Kentucky Carla Wright Carla.Wright@ky.gov | Zero % | Yes, cuts or more cuts are very likely | Layoffs Elimination of vacant positions Hiring Freeze | Elimination of vacant positions Hiring Freeze Furloughs |
| Louisiana Anne Soileau Anne.Soileau@la.gov | Zero % | <i>Comment:</i> Hiring Freeze Executive Order November 21, 2008 | Hiring Freeze | |
| Maine Alicia Kellogg alicia.kellogg@maine.gov | Across the board decrease of 10% for each department plus other significant program decreases. | Yes, cuts or more cuts are very likely <i>Comment:</i> There is still a \$30 million gap which Appropriations will address this summer. | Layoffs Elimination of vacant positions Hiring Freeze <i>Comment:</i> Retirement incentive for this summer (not an early retirement incentive) and Confidential employees did not receive a planned 4% increase in January 2009. Covered employees did receive it. | <i>Comment:</i> Effective July 1, 2009, Merit increases will be frozen for two years, there will be no Longevity payments for the next two years, there will be ten shutdown days per year, and employees will pay more for their insurance. |
| Massachusetts Larry Albert larry.albert@massmail.state.ma.us | 9.00% | Yes, cuts or more cuts are very likely | Elimination of vacant positions Hiring Freeze Furloughs Retraction of previously planned pay raises | Layoffs Elimination of vacant positions Hiring Freeze Furloughs |

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| Michigan Michelle Mann mannm@michigan.gov | 4.00% | Yes, cuts or more cuts are very likely | Furloughs <i>Comment:</i> 6 scheduled furlough days (shutdown for non-essential services) | Layoffs Elimination of vacant positions Hiring Freeze |
| Missouri Chester White chester.white@oa.mo.gov | None to date | Yes, cuts or more cuts are somewhat likely | <i>Comment:</i> Nothing yet but fiscal shortfall discussions have started | <i>Comment:</i> Again, nothing to date but I do expect actions in the future. |
| Montana Randy Morris ramorris@mt.gov | Zero % | Don't Know | | |
| New Mexico Sandra Perez sandra.perez@state.nm.us | Agency budgets were cut by 1.5% to 4.0% depending on the state initiative | No, it's somewhat unlikely we'll have cuts or more cuts <i>Comment:</i> No additional budget cuts have been made or are planned for the rest of this year after the legislature reduced the FY09 budget by 1.5% to 4.0% | Hiring Freeze Pay cuts <i>Comment:</i> Unclassified executive employees in the governor's exempt pay plan had their salaries reduced by 2%. | |
| North Carolina Linda Coleman Linda.Coleman@osp.nc.gov | 9% | Yes, cuts or more cuts are very likely | Elimination of vacant positions Hiring Freeze Furloughs | Elimination of vacant positions Hiring Freeze Furloughs |
| Oklahoma Oscar B. Jackson, Jr. oscar.jackson@opm.ok.gov | 7% for FY 2010 | No, it's highly unlikely we'll have cuts or more cuts. | Hiring Freeze by Governor's Executive Order <i>Comment:</i> A state hiring freeze has been in effect since 1992. | Layoffs Buyouts Elimination of vacant positions Furloughs |
| Oregon Diana Foster Diana.L.Foster@ das.state.or.us | 18% | Yes, cuts or more cuts are somewhat likely | Layoffs Elimination of vacant positions Furloughs Retraction of previously planned pay raises Pay Cuts | Layoffs Elimination of vacant positions Furloughs Retraction of previously planned pay raises Pay Cuts |

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| Pennsylvania James A. Honchar, SPHR jhonchar@state.pa.us | FY-2008-2009 by 4.25% excluding other state-wide measures in place to mitigate an estimated \$2.3 billion revenue shortfall | Don't Know <i>Comment:</i> Additional cuts will be necessary for FY09-10 | Elimination of vacant positions Hiring Freeze Retraction of previously planned pay raises <i>Comment:</i> Out-of-state travel freeze, reduction or elimination of discretionary spending, reduction or freeze of purchasing and reduction of vehicles from the state's fleet. | Layoffs Elimination of vacant positions Hiring Freeze Furloughs Retraction of previously planned pay raises Suspension or elimination of state programs |
| South Carolina Sam Wilkins swilkins@ohr.sc.gov | Cuts have ranged from 10% - 18% | Yes, Cuts or more cuts are somewhat likely | Layoffs Buyouts Elimination of vacant positions Hiring freeze Furloughs Early retirement incentives Pay cuts <i>Comment:</i> By legislation, SC has voluntary and mandatory furloughs available to address budget cuts. | Layoffs Buyouts Elimination of vacant positions Hiring Freeze Furloughs Early retirement incentives |
| Tennessee Deborah Story deborah.story@state.tn.us | Zero % | Yes, cuts or more cuts are very likely | Buyouts Elimination of vacant positions Hiring Freeze Retraction of previously planned pay raises | Elimination of vacant positions Hiring Freeze |
| Utah Jeff Herring jherring@utah.gov | FY09: Average of 9.1% FY10: Average of 7.5% | Yes, cuts or more cuts are somewhat likely | Layoffs Elimination of vacant positions Hiring Freeze Furloughs Early Retirement Incentives <i>Comment:</i> Agencies will use the above in a variety of combinations to absorb the budget cuts. | Layoffs Elimination of vacant positions Hiring Freeze Furloughs Early Retirement Incentives <i>Comment:</i> The 2009 legislative session just ended. As the budget numbers are analyzed, we expect to see more of the above. |
| Washington Eva Santos evas@dop.wa.gov | | Yes, cuts or more cuts are very likely | Layoffs Elimination of vacant positions Hiring Freeze Retraction of previously planned pay raises <i>Comment:</i> Freeze on personal service contracts, freeze on travel and training out of state, freeze on purchases over \$5,000, and a freeze on all management pay raises until February 2010. | Layoffs Elimination of vacant positions Hiring Freeze Furloughs Retraction of previously planned pay raises Pay cuts <i>Comment:</i> There is a legislative bill that bifurcates premiums for benefits (medical, life) depending on salary level. |

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| West Virginia Otis G. Cox otis.g.cox@wv.gov | 2% per agency | Yes, cuts or more cuts are very likely | Unknown <i>Comment:</i> Contemplating elimination of contracted out of services. | Hiring Freeze |
| Wisconsin Jennifer Donnelly jennifer.donnelly@wisconsin.gov | ~4% | Yes, cuts or more cuts are very likely <i>Comment:</i> 12.5% cut plans have been requested. | Hiring Freeze <i>Comment:</i> Implemented a 'centralized position review' with a requirement to create 3,500 vacancies by June 30, 2009. | |
| Wyoming Dean Fausset dfauss@state.wy.us | 10% | Yes, cuts or more cuts are very likely | Elimination of vacant positions Hiring Freeze <i>Comment:</i> On 6/4/09 Governor's 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. | |

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|-------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Alabama Jackie Graham jackie.graham@personnel.alabama.gov | No | | |
| Arizona Kathy Peckardt kathy.peckardt@azdoa.gov | | | State agencies have began looking at impacts of further budget cuts at various levels (e.g. 5%, 10%, 15%, 20%) for FY10 |
| California Elaine Smith elain smith@dpa.ca.gov | No | | |
| Colorado David Kaye david.kaye@state.co.us | Yes | Individual departments are using operating expense reductions or freezes to meet or exceed 2.5% current year reductions (e.g. travel, official functions, professional licenses, dues, memberships). | \$208 million General Fund (GF) shortfall FY2009 is covered by 2.5% department reductions, use of statutory reserve and transfers from cash funds to GF. FY2010 budget with \$923 million GF shortfall (approx. 15% of total GF) is still under legislative debate. Departments submitted 10% base budget reductions for FY2010. Proposed \$300 million cut to higher education may cause closure of some community colleges. Furloughs previously dropped from consideration are back on the tabel for FY2010. Further layoffs are possible. |
| Delaware Dana Jefferson Dana.Jefferson@state.de.us | Yes | Reviewing Purchas Orders over \$2,500 including credit cards--Discontinuing critical reclassifications | The Governor has proposed for FY 2010 an 8 percent across the board pay cut. He has also proposed changing to floating holidays (for 3 of the holidays) and to make changes in our short-term disability program. Also, there is to be a reduction of ten percent in expenditures for contractors, consultants and employment services. Step increases would be suspended for employees like teachers who still get step increases. There will be a reduction in the use of casual/seasonal employees as well. It also appears that we will have significant changes to our health insurance program. All of these items still need to be approved by the legislature. |
| Florida Sharon D. Larson Sharon.Larson@dms.myflorida.com | Yes | Travel has been restricted to mission critical only. | The Florida Legislature passed the following appropriations bill for FY09/10 (still pending the Governor's approval): Effective July 1, 2009, the annual base rate of pay in excess of \$45,000 shall be reduced by 2%; however, in no instance shall the employees's annual base rate of pay be reduced below \$45,000. On May 28, 2009, Governor Charile Crist vetoed the 2 percent pay cut. |

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| Indiana Daniel L. Hackler dhackler@spd.in.gov | No | | The State of Indiana is planning to hold the line on all spending for 2009/2010 to actual revenues. No new spending is planned. |
| Iowa Nancy Berggren nancy.berggren@iowa.gov | No | | |
| Kansas George Vega george.vega@da.ks.us | Yes | Closed correctional and juvenile corrections facilities. Considering closing other facilities. Moved evening shift to day shift so utilities can be turned off. Redeployment of staff to mission-critical or seasonal work has been frequently used. | |
| Kentucky Carla Wright Carla.Wright@ky.gov | 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 ina 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 Anne Soileau Anne.Soileau@la.gov | No | | |
| Maine Alicia Kellogg alicia.kellogg@maine.gov | No | | We continue with collective bargaining. |
| Massachusetts Larry Albert larry.albert@massmail.state.ma.us | No | | |

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| Michigan Michelle Mann mannm@michigan.gov | Yes | Positions are filled provided legislative criteria has been met delivery of basic services or loss of revenue. | |
| Missouri Chester White chester.white@oa.mo.gov | No | | |
| Montana Randy Morris ramorris@mt.gov | Yes | Energy Conservation Initiative Efficiency in government initiatives | Fiscal conservation and maintaining 'rainy day' funds with previous and projected budget surplus. |
| New Mexico Sandra Perez sandra.perez@state.nm.us | Yes | Increased emphasis on Energy Saving Initiatives. | |
| North Carolina Linda Coleman Linda.Coleman@osp.nc.gov | No | | |
| Oklahoma Oscar B. Jackson, Jr. oscar.jackson@opm.ok.gov | No | | From previous results: Key budget negotiators indicated April 5th that federal stimulus money could take care of half of the state's \$900 million budget hole. Of the \$2.6 billion in federal money earmarked for Oklahoma over the next two years, indications are about \$500 million can be used for budget stabilization and programs for the 2010 fiscal year. |
| Oregon Diana Foster Diana.L.Foster@ das.state.or.us | No | | |

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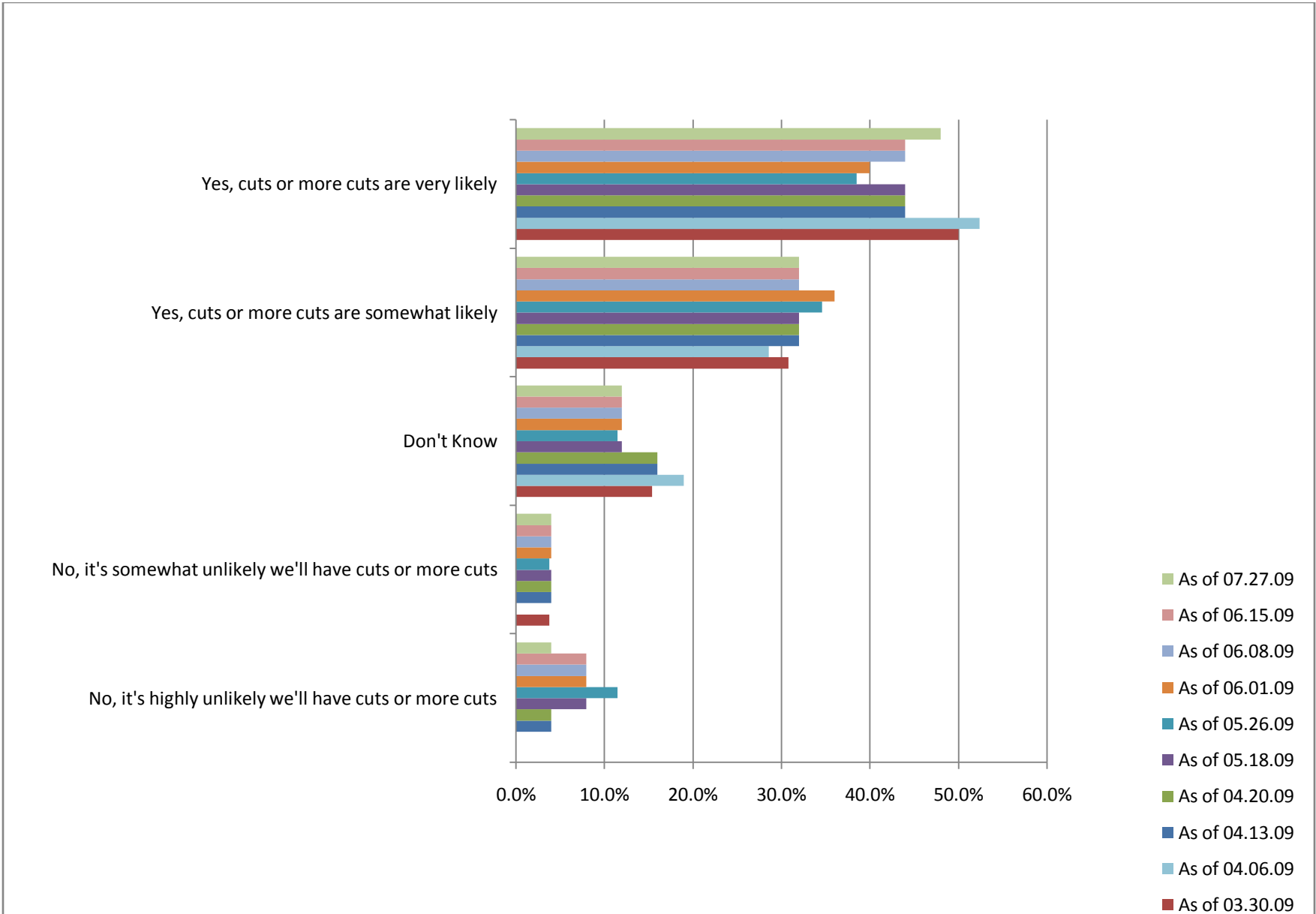
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| Pennsylvania James A. Honchar, SPHR jhonchar@state.pa.us | Yes | See other comments withing the answers. Also, pursuit of consolidation/sharing of services across agency lines (HR, IT, Administration) | Continue to evaluate and research all options/alternatives |
| South Carolina Sam Wilkins swilkins@ohr.sc.gov | Yes | 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. | |
| Tennessee Deborah Story deborah.story@state.tn.us | Yes | Travel Freeze Mandated use of state park facilities for employee group meeting versus using non-state facilities (hotels, conference centers, etc.) | |
| Utah Jeff Herring jherring@utah.gov | 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. | Because of uncertain revenue estimates, the Governor and legislastors are holding open the possibility for a special session later in the year to deal with possible shortfalls. |
| Washington Eva Santos evas@dop.wa.gov | Yes | Piloting 4/10 schedule in state owned facilities. Pilot to end in March 2009. Measuring energy consumption, customer serviced issues, availability to public. | Governor announced "Government Reform" on 2/9/09. It includes a 1/3 reduction of boards and commissions, elimination of programs, reduction of 26 liscensed offices, and the merger of some agencies. The Governor has a directive to all agencies to work with central support agencies in a shared services model for IT, HR, facilities management, and motor pools to improve efficiencies and customor service. The directive requires that service level agrrements be created. The "State Stimulus" package was approved by the Leg and signed into law, including such things as initiating transportattion projects to increase or maintain jobs, increase unemployment insurance by \$45/week. Currently assessing the "federal stimulus" package and establishing reporting mechanisms from the state to the federal government. A new website for economic recovery was established. Next revenue forecast due 3/19/09 expected to increase the gap. |

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| West Virginia Otis G. Cox otis.g.cox@wv.gov | No | | We are taking every step possible not to have layoffs. |
| Wisconsin Jennifer Donnelly jennifer.donnelly@wisconsin.gov | Yes | In addition to the cut plans, agencies are requested to lapse approximately 4% to the general fund for each year of the biennium. | |
| Wyoming Dean Fausset dfauss@state.wy.us | No | | Recently the Wyoming Revenue Forecast group announced revenue forecasts are not as bleak as previously predicted. Governor is not as optimistic and will be discussing with Legislature in a few weeks next steps for state government. |

Question 3: Do you anticipate cuts (if no cuts have been made) or additional cuts to the state budget in FY 09?

ANTICIPATED BUDGET CUTS FOR FY09



Question 4: Has your state implemented any of the following in response to recent fiscal constraints?

IMPLEMENTATIONS TO RECENT FISCAL CONSTRAINTS

