

Weathering the Financial Storm: Week 24  
Responses as of April 20, 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' <b>implementations</b> in response to recent fiscal constraints	States' <b>considerations</b> in response to recent fiscal constraints
<b>Alabama</b> <b>Jackie Graham</b> jackie.graham@personnel.alabama.gov	Zero %	Yes, cuts or more cuts are somewhat likely		Layoffs Hiring Freeze
<b>Arizona</b> <b>Kathy Peckardt</b> 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.
<b>California</b> <b>Elaine Smith</b> 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
<b>Colorado</b> <b>David Kaye</b> 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.
<b>Delaware</b> <b>Dana Jefferson</b> 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
<b>Florida</b> <b>Sharon D. Larson</b> Sharon.Larson@dms.myflorida.com	Varies by agencies, but each has a minimum 4% holdback	Yes, cuts or more cuts are very likely	Layoffs Elimination of vacant positions Hiring Freeze <i>Comment:</i> Not all hiring is frozen. Critical positions are still being filled.	Furlough Pay cuts

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<b>Indiana</b> <b>Daniel L. Hackler</b> dhackler@spd.in.gov	10.00%		Elimination of vacant positions Hiring Freeze Retraction of previously planned pay raises	
<b>Iowa</b> <b>Nancy Berggren</b> 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.
<b>Kansas</b> <b>George Vega</b> george.vega@da.ks.us	4.25%	No, it's somewhat unlikely we'll have cuts or more cuts <i>Comment:</i> In April, when new revenue forecasts are scheduled, if revenues are worse than expected it is possible we will take additional cuts.	Layoffs Elimination of vacant positions Hiring Freeze <i>Comment:</i> Some employees have agreed to reduce their hours of work - they were full-time and are now part-time.	Layoffs Elimination of vacant positions Hiring Freeze Furloughs <i>Comment:</i> 1. I didn't check the "buyout" box, but we may try a pilot buyout program. 2. We will likely ask if any employee will volunteer to resign, retire or reduce their hours. We have some employees who are retired from other careers and some of these may be willing to leave or reduce their hours voluntarily.
<b>Kentucky</b> <b>Carla Wright</b> 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
<b>Louisiana</b> <b>Anne Soileau</b> Anne.Soileau@la.gov	Zero %	<i>Comment:</i> Hiring Freeze Executive Order November 21, 2008	Hiring Freeze	
<b>Maine</b> <b>Alicia Kellogg</b> alicia.kellogg@maine.gov	FY 10/11: 10% Proposed	Yes, cuts or more cuts are very likely	Layoffs Elimination of vacant positions Hiring Freeze	Layoffs Elimination of vacant positions Hiring Freeze Early retirement incentives Retraction of previously planned pay raises <i>Comment:</i> Retraction of pay raises for confidential employees only. Also considering increasing the employee share of health insurance.
<b>Massachusetts</b> <b>Larry Albert</b> 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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<b>Michigan</b> <b>Michelle Mann</b> mannm@michigan.gov	1.75%	Yes, cuts or more cuts are very likely	<i>Comment:</i> Freeze Performance Pay Awards	Layoffs Elimination of vacant positions Hiring Freeze
<b>Missouri</b> <b>Chester White</b> 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.
<b>Montana</b> <b>Randy Morris</b> ramorris@mt.gov	Zero %	Don't Know		
<b>New Mexico</b> <b>Sandra Perez</b> sandra.perez@state.nm.us	n/a working on a 5% savings plan	Don't Know <i>Comment:</i> Agencies were asked to compose a 5% savings plan in addition to a hiring freeze and unnecessary reclassifications and/or out of cycle pay increases.	Hiring Freeze <i>Comment:</i> 5% savings plan, unnecessary upward reclassifications freeze and out of cycle pay increases freeze.	
<b>North Carolina</b> <b>Linda Coleman</b> Linda.Coleman@osp.nc.gov	New Governor, budget has not been released yet	Yes, cuts or more cuts are very likely	Will know in a few days what the plans are in response to the deficit.	Don't know yet
<b>Oklahoma</b> <b>Oscar B. Jackson, Jr.</b> oscar.jackson@opm.ok.gov	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.	Yes, cuts or more cuts are very likely	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 Hiring Freeze Furloughs
<b>Oregon</b> <b>Diana Foster</b> 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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<b>Pennsylvania</b> <b>James A. Honchar, SPHR</b> 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
<b>South Carolina</b> <b>Sam Wilkins</b> 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
<b>Tennessee</b> <b>Deborah Story</b> 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
<b>Utah</b> <b>Jeff Herring</b> 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.
<b>Washington</b> <b>Eva Santos</b> 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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<b>West Virginia</b> <b>Otis G. Cox</b> 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
<b>Wisconsin</b> <b>Jennifer Donnelly</b> 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.	
<b>Wyoming</b> <b>Dean Fausset</b> dfauss@state.wy.us	Zero %	Yes, cuts or more cuts are somewhat likely <i>Comment:</i> Governor has request agency submit proposed 5% and 10% budgets no later than May 5, 2009.	Hiring Freeze <i>Comment:</i> Effective 4/7/09, Wyoming has implemented "Hiring Reductions," and deferring reclassifications & promotions. He asks for limited non-essential expenses such as travel, purchases of supplies, equipment and contractual services. Agencies are to conserve more on energy.	Layoffs Elimination of vacant positions Furloughs

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<b>Alabama</b> <b>Jackie Graham</b> jackie.graham@personnel.alabama.gov	No		
<b>Arizona</b> <b>Kathy Peckardt</b> 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
<b>California</b> <b>Elaine Smith</b> elainesmith@dpa.ca.gov	No		
<b>Colorado</b> <b>David Kaye</b> 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.
<b>Delaware</b> <b>Dana Jefferson</b> 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.
<b>Florida</b> <b>Sharon D. Larson</b> Sharon.Larson@dms.myflorida.com	Yes	Travel has been restricted to mission critical only.	

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<b>Indiana</b> <b>Daniel L. Hackler</b> 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.
<b>Iowa</b> <b>Nancy Berggren</b> nancy.berggren@iowa.gov	No		
<b>Kansas</b> <b>George Vega</b> george.vega@da.ks.us	No		One juvenile correction facility and two adult correctional camps closed. At least one other correctional facility will close. More layoffs are being planned. A commission is being appointed to look at closing a DD facility, MH facility and another juvenile correctional facility.
<b>Kentucky</b> <b>Carla Wright</b> 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 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.
<b>Louisiana</b> <b>Anne Soileau</b> Anne.Soileau@la.gov	No		
<b>Maine</b> <b>Alicia Kellogg</b> alicia.kellogg@maine.gov	No		
<b>Massachusetts</b> <b>Larry Albert</b> larry.albert@massmail.state.ma.us	No		

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<b>Michigan</b> <b>Michelle Mann</b> mannm@michigan.gov	Yes	Positions are filled provided legislative criteria has been met delivery of basic services or loss of revenue.	
<b>Missouri</b> <b>Chester White</b> chester.white@oa.mo.gov	No		
<b>Montana</b> <b>Randy Morris</b> ramorris@mt.gov	Yes	Energy Conservation Initiative Efficiency in government initiatives	Fiscal conservation and maintaining 'rainy day' funds with previous and projected budget surplus.
<b>New Mexico</b> <b>Sandra Perez</b> sandra.perez@state.nm.us	Yes	State agencies are to identify how they will save 5% in their current budget and FY10 budget plans.	The plans were due Nov. 7, after review of those plans we will know more.
<b>North Carolina</b> <b>Linda Coleman</b> Linda.Coleman@osp.nc.gov	No		
<b>Oklahoma</b> <b>Oscar B. Jackson, Jr.</b> oscar.jackson@opm.ok.gov	No		
<b>Oregon</b> <b>Diana Foster</b> Diana.L.Foster@ das.state.or.us	No		



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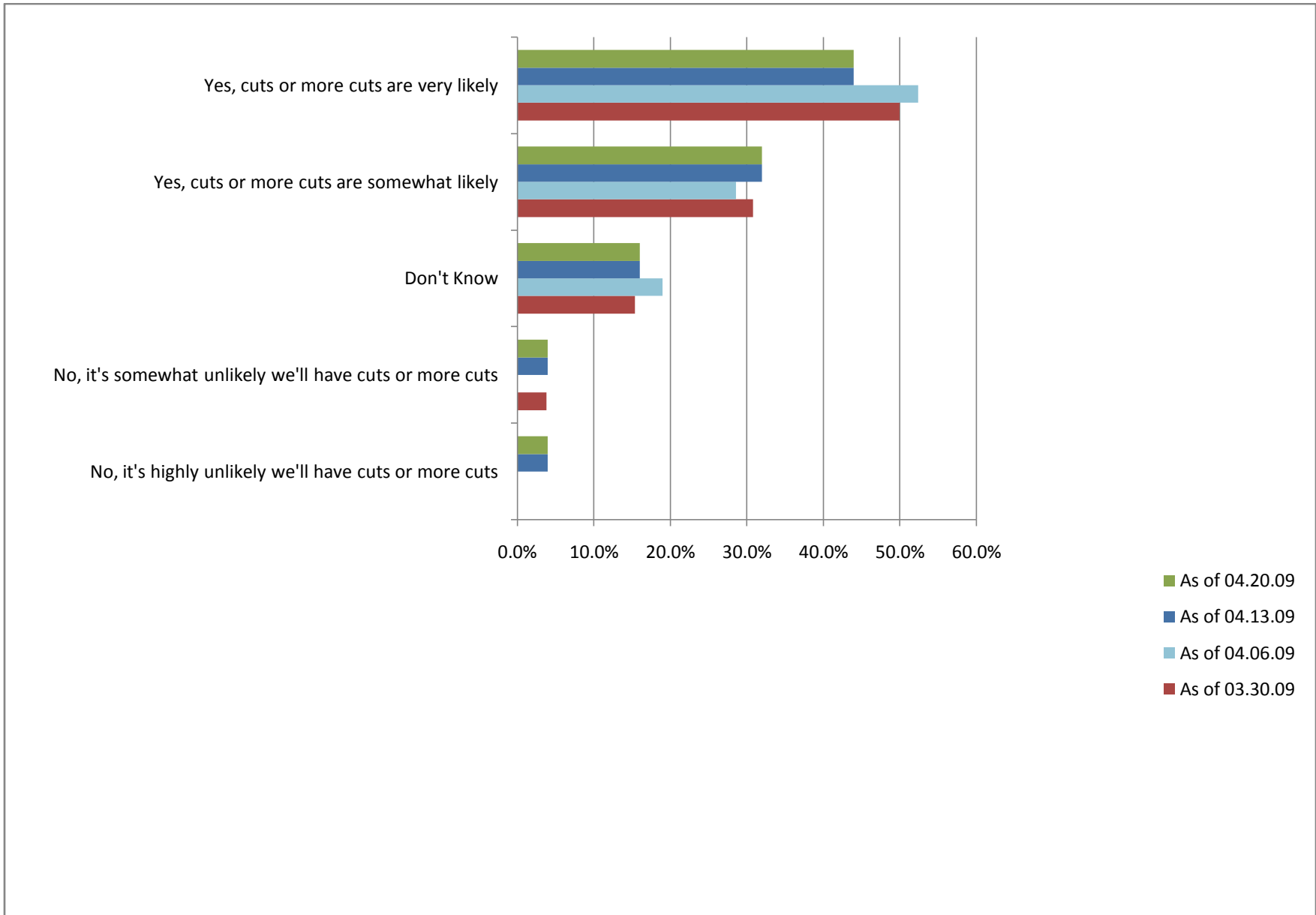
Contact Information	Have you used any cost saving options besides the traditional reduction in force, furlough, voluntary separation program, retirement incentive program or hiring freeze?	If Yes, please describe in detail these alternative cost savings option that are available	Further informatin/clarification regarding how your state is dealing with the financial crisis
<b>Pennsylvania</b> <b>James A. Honchar, SPHR</b> 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
<b>South Carolina</b> <b>Sam Wilkins</b> 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.	
<b>Tennessee</b> <b>Deborah Story</b> 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.)	
<b>Utah</b> <b>Jeff Herring</b> 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.
<b>Washington</b> <b>Eva Santos</b> 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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<b>West Virginia</b> <b>Otis G. Cox</b> otis.g.cox@wv.gov	No		We are taking every step possible not to have layoffs.
<b>Wisconsin</b> <b>Jennifer Donnelly</b> 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.	
<b>Wyoming</b> <b>Dean Fausset</b> dfauss@state.wy.us	No		Due to declining revenue forecasts, this week the Governor announced Wyoming may be facing \$300 to \$320 million in cuts to its budget for the next year. That amount would exceed the 10% cuts he has already asked agencies to identify. He may now be considering a hiring and reclassification freeze and preparing for deeper cuts.

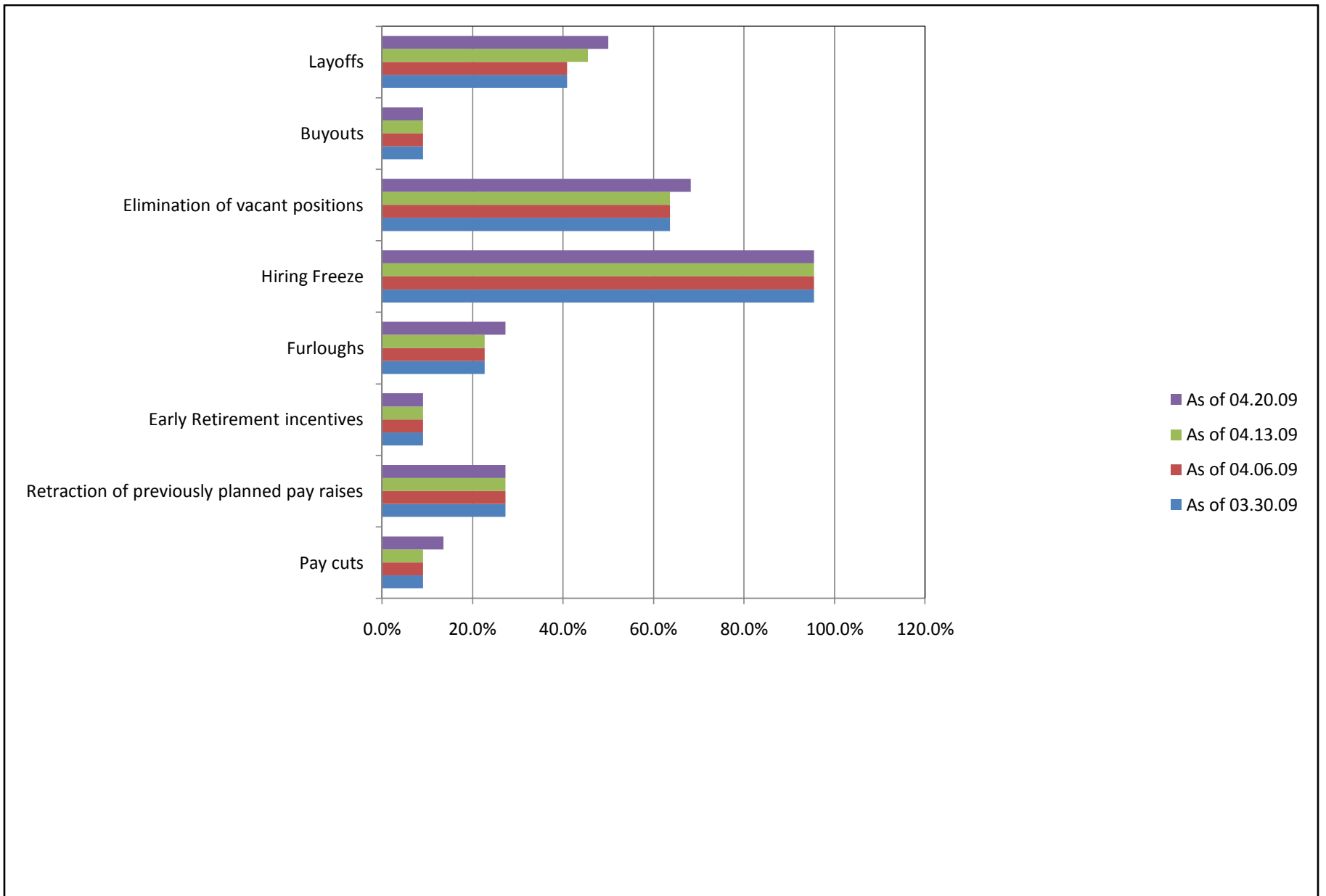
Question 3: Do you anticipate cuts (if no cuts have been made) or additional cuts to the state budget in FY 09?

### 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



Question 5: Is your state considering any of the following in response to recent fiscal constraints?

### CONSIDERATIONS TO RECENT FISCAL RESTRAINTS

