

OYA *In the Loop*

February 19, 2009

Cost Reductions Affecting Executive and Management Service Announced

This morning, Governor Kulongoski announced administrative actions he is taking to create savings in the state budget. These actions affect only management and executive service employees in most executive branch agencies including OYA.

For easy reference, I'll just group us together as "managers" in this message.

Furloughs:

Between March 1 and June 30, all managers must take some furlough days. The number depends on their salary ranges:

- Tier 1 – Salary Range 19 and below
 - 1 furlough day (1.2% pay cut during the 4 month period)
- Tier 2 – Salary Range 20-32
 - 2 furlough days (2.3% pay cut during the 4 month period)
- Tier 3 – Salary Range 33-37*
 - 3 furlough days (3.5% pay cut during the 4 month period)
- Tier 4 – Salary Range 38 and above*
 - 4 furlough days (4.7% pay cut during the 4 month period)

*Salary range 33 and above employees can choose to take an equivalent pay reduction in lieu of furlough

There will be no impact to health insurance, vacation, and sick leave. PERS contributions will be reduced proportionately. The furloughs apply statewide.

Salaries:

Between March 1 and June 30, managers' salaries will be frozen. Additionally, after February 28, no step increases will be given. Managers who received the new step 10 increase made effective July 2008, will see that rolled back to step 9 levels.

2009-2011 Biennium:

The Governor anticipates that it will be necessary to carry over into next biennium the types of administrative actions taken this biennium.

Although decisions on furloughs have not been made, it is expected that they will continue. Agencies will likely be asked to schedule full office closures rather than floating furlough days ordered this biennium. Agencies with 24/7 operations will have latitude to best accommodate furlough scheduling.

It is anticipated that a salary freeze will continue as well.

I am attaching a PowerPoint presentation used this morning in the meeting of agency heads. A link to the Governor's news release can be found [here](#).

Bobby