

**Informational Sheet**  
**Governor's Work Furlough Proposal**  
**February 26, 2009**

**The following questions/answers are based on current information:**

**What is the proposal?**

Governor Kulongoski has announced a plan to require executive service and management service employees of all state agencies including OUS to participate in a work furlough (leave without pay) program for the duration of the current biennium ( Mar '09 – June '09). OUS is currently evaluating if and how this program would apply to OUS and is in discussions with the Governor's Office. This program is to begin in March and would conclude in June 30, 2009. Additionally, the Governor is proposing furloughs for 2009-11, although the details of this proposal are not yet clear.

**Why This Proposal?**

The proposal is one of many strategies the Governor and legislators are now crafting to meet a much escalated current shortfall in State revenue, projected to be \$855m for this biennium; and a \$3b shortfall in the upcoming 2009-11 biennium.

**What Is the Program Structure?**

The Governor's proposal is for up to 4 days of furlough (leave without pay) depending on income level of the employee. For example, employees with pay between \$63,000 and \$87,000 would take 3 days leave, those at \$25,000 to \$37,000, 1 day. The program includes executives and management service employees in State agencies. It is important to note that the scope of implementation with respect to employee groups in OUS is still under discussion. Further, this is an issue which requires bargaining for represented employees. SEIU is currently in bargaining with the State on this issue.

Our understanding is that in the Governor's proposal, the furlough days will not impact eligibility for health benefits; but contributions for PERS and the Optional Retirement Plan would be reduced for those days.

Leave dates have been specified for the State agencies, but should OUS approve implementation, it may choose an alternative approach to specifying the actual furlough dates (or hours).

It is expected that the issue will be discussed and guidance to the campuses will be provided at the OUS Board meeting next week.

It is important to understand that the administration and legalities in connection with handling furloughs is complex. This necessitates that they be handled in conjunction with OUS, and designed on a university

wide basis. Should the program be implemented, the guidelines for process and compliance will be provided to the campus. Individual units may not create furlough programs separate from the university wide programs.

Alternative means of achieving the same goal (salary savings) are also under discussion; i.e. campus closures or reduced time.

### **What Will Occur with the Salary Savings?**

The OUS system and Portland State have recently completed budget reduction exercises which represent approximately 5% of our biennial State appropriation. The campus is clearly contributing its share to address the very serious economic crisis and precipitous reduction in State revenues. It is unclear at this time what the expectation is for the use of these further salary savings, but it is possible that they may be needed to meet further declines in current year revenues or next biennial revenues.

**WE EXPECT TO KEEP YOU FULLY INFORMED AS THIS DISCUSSION UNFOLDS AND AS THE OUS BOARD DELIBERATES**