April 28, 2009

Governor Beverly Perdue has ordered the implementation of a furlough program for all State employees that will reduce annual salaries by one-half of one percent between now and June 30, 2009.  Employees will receive 10 hours of time off in exchange for the loss in pay.  This action is part of a larger plan to cover the budget shortfall at fiscal year end that is now projected to be $3 billion.

At this point, there are many more questions than answers; however, since this action is being reported in newspapers across the state we want to share with you our understanding.  We believe salaries will be reduced in May and June by an equal amount to generate the one-half of one percent salary reduction; however, we do not have specific guidelines at this time.

The Office of State Budget and Management has indicated that the furlough program will not impact longevity pay, payouts for unused leave, service credit, or health and retirement benefits.  The furlough program applies to all full-time, part-time, temporary and contractual employees regardless of the source of funds from which the salary is paid.

There will be more information to report over the next few days and we will provide additional information as it becomes available.  Please contact the provost, vice chancellor, or chief of staff if you have questions.  Please share this information with those who do not have access to email.  Documents that mandate the furlough program are attached.  The following link will take you to a video of the Governors’ press conference. <http://www.wral.com/news/video/5037749/>

Thank you,

John W. Bardo

Chancellor