



## Talking Points for Leadership Mandatory Furloughs

- The nation is in the midst of the worst economic downturn since 2008. Although Colorado is better off economically than most states, it is not immune from budgetary shortfalls. The slowing economy and pandemic has resulted in increased unemployment and declining consumer spending, which, in turn, have adversely impacted State revenues. In light of falling revenues and in order to keep the State's budget in balance, the administration is undertaking aggressive budget cutting measures in the current fiscal year, and those budget cutting measures include reducing the State's personal services expenditures.
- Agencies were charged with finding General Fund personal services cuts totalling 5% that don't impact the service Coloradans depend on while making every effort to protect programs and its employees. Even with these cuts, the state is still facing a large shortfall. To make up for this, over the next year, most employees will be furloughed for up to five days.
- These decisions were made based on the economic downturn's impact on the budget and may change with future forecasts. Agency leadership and the Governor's Office are working with subject matter experts across the workforce to identify additional creative ways to address the budget shortfall without dramatically affecting State Employees or the public they serve.
- Some offices cannot be entirely shut down on a designated mandatory furlough day without imposing a substantial hardship on or adversely impacting the health or safety of the citizens of the State or because doing so would substantially impair the ability of the office to meet its legal obligations. Because of these limitations, the Governor granted each Executive Director the flexibility to determine whether it is necessary and in the best interest of the State to permit certain employees subject to mandatory furlough to take their furlough days on days other than those designated above. Such flexibility is necessary to ensure that the State continues to meet its obligations during the furloughs. Those employees occupying positions that cannot be furloughed on

the designated furlough days will take their furlough days on alternative dates determined by their Executive Director.

- These days will be spread throughout the year and will coincide with state holidays to minimize the impact.
- On two days, most non-essential State Government offices will be closed. These mandatory furlough days are being ordered to meet a portion of the revenue shortfall projected for this fiscal year. The State will continue to employ all of the tools at its disposal to find additional personal services savings, including but not limited to vacancy savings and voluntary furloughs, separations, and retirements.
- The Governor's Office will continue to work with the executive directors, the State Personnel Director, other elected officials, certified employee organizations, and frontline employees to reduce the budget with the smallest possible reduction in services and minimal impact on the citizens. But the fact remains that the size of the projected budget shortfall in the current fiscal year will require real sacrifice on the part of everyone. As a result, additional mandatory furlough days may be required in this or following fiscal years.
- Some employees will be exempt from these furlough days, including those in job categories that provide essential, around-the-clock services, and certain programs in high-demand because of the economic downturn.
- The basis for the Governor's exemption of employees performing particular job functions is that these employees are necessary to perform critical business functions and a furlough exemption is necessary to maintain critical staffing levels throughout the year. Indeed, many of the exempt employees are in 24/7 positions, and furloughing those employees would result in overtime or the need to hire additional employees, thus defeating the purpose of the furlough plan. Other furlough-exempt employees are performing job functions that are in particularly high demand during the economic downturn, and furloughing those employees will unacceptably exacerbate the difficulty of providing these services at a time of peak demand. In order to effectively provide state services, managers of furlough-exempt employees need the flexibility to continue to manage their furlough-exempt workforce with consistency even during furlough weeks.
- On the days employees are furloughed:

- Employees will be placed on leave without pay.
- No paid leave of any kind, except for jury duty leave required by statute, may be granted to any employee.
- Employees will still earn sick and annual leave while on mandatory furlough.
- State and employee contributions to insurance premiums will still be paid during furlough days.
- Employees may not conduct any work on furlough days.