



EXECUTIVE CHAMBERS

HONOLULU

NEWS RELEASE

LINDA LINGLE
GOVERNOR

For Immediate Release: June 18, 2009

GOVERNOR LINGLE DETAILS FURLOUGH PLAN

HONOLULU – Governor Linda Lingle today announced details of the Administration's plan to furlough all state employees in the Executive Branch to help close the unprecedented \$2.7 billion revenue shortfall projected between now and June 30, 2011. The furlough plan represents the first time labor costs are being impacted to address the state's budget gap.

Starting July 1, 2009 and continuing through June 30, 2011, full-time employees in the Executive Branch will be placed on furlough for three days (24 hours) per month. Part-time employees will be placed on furlough on a pro-rated equivalent basis.

The statewide furlough plan will save an estimated \$688 million over the next two years and will avoid having to lay off employees at this time. In addition, furloughs will allow the state to continue to provide public services, maintain employee benefits and avoid recruitment and training costs for new employees when the economy recovers.

The furlough plan applies only to employees in the Executive Branch, including the Governor's Office, Lt. Governor's Office and 16 state departments and their attached agencies.

The plan does not affect the Department of Education, University of Hawai'i, or the Hawai'i Health Systems Corporation. These departments will see their budgets reduced by an amount equivalent to the three-day-per-month furlough, and the management and respective boards of the individual departments will determine how to implement the additional reductions. In addition, the furlough plan does not affect the Judiciary, the Legislature or the Office of Hawaiian Affairs.

"The primary goal in developing the furlough plans for each department was to achieve the required operational savings, while minimizing disruption to public services," said Governor Lingle. "I recognize the impact the furloughs will have on many employees and their families. This is not something we want to do, but something we have to do to balance the state budget. We appreciate the public's understanding and patience as our state employees adjust to the new schedules."

Since last summer, the Governor has taken a series of steps to close nearly \$2 billion of the projected revenue gap, including ordering spending restrictions of 8 percent on all state agencies; eliminating duplicate and inefficient programs; restructuring debt; imposing a freeze on new hires, out-of-state travel and the purchase of new equipment; using special funds and maximizing federal stimulus funds.

On May 28, the Council on Revenues revised its forecast by an additional \$730 million shortfall for the remainder of fiscal year 2009 which ends on June 30, 2009, and the two-year budget that begins July 1, 2009 and ends June 30, 2011, requiring the Administration to identify further savings.

Because employee salaries and fringe benefits account for 70 percent of the State's operating budget, it is now necessary to impose furloughs on State workers to help close the remaining gap in the State's budget. The furlough savings will account for 25 percent of the total of budget savings that the State must achieve to close the projected \$2.7 billion revenue gap.

If the furloughs are not implemented, the State would have to lay off at least 2,500 Executive Branch employees to make up for the projected revenue shortfall. Such layoffs could also result in the shut-down of entire programs and services. State executive departments are preparing layoff plans in the event that the public worker unions are successful in blocking the implementation of the furlough plan.

In addition to these layoffs, the Department of Education and the University of Hawai'i will have their general fund budgets reduced by \$278.4 million and \$106.8 million, respectively, as part of their share of the labor savings, which could result in additional layoffs.

Under the furlough plan, several departments will close all or portions of operations on specified days. The majority of the closures will take place on Fridays (attachment A).

To minimize the impact to the public, several offices will extend their hours to accommodate the public during furlough weeks. These offices include the Unemployment Insurance Claims Office, Workforce Development Office (job referral and assistance), and Benefit, Employment and Support Services Offices (food stamps, financial assistance, child care and related benefit eligibility determinations).

Some departments and agencies will modify their furlough schedules and remain open on certain days to ensure the public is able to conduct business and meet deadlines, such as when tax returns are due to the Department of Taxation, or when public housing rent collections are due to or housing assistance payments are made by the Hawai'i Public Housing Authority.

A number of divisions and offices will maintain their current hours of operations and remain open during regular state government business hours (7:45 a.m. to 4:30 p.m., Monday through Friday). These include the Governor's office, Lt. Governor's office, Department of Defense, Hawai'i Tourism Authority and the Kaua'i Family Guidance Center. Furlough days will be staggered to ensure public access during normal business hours.

Other agencies and divisions which have hours different from regular government business hours will maintain their current hours of operations and stagger or rotate their furlough days to minimize the impacts on their operations. These include State Civil Defense; Highways, Airports and Harbors Divisions; Natural Resource Conservation and Enforcement; Foreign Trade Zone #9; Information and Communications Services Division (provides state information services, internet and computer support); Public Works Division; Halawa Animal Quarantine Station; Honolulu International Airport Animal Quarantine Holding Facility; Plant Quarantine Inspections; Aloha Stadium; and geothermal drilling engineering.

Operations that require round-the-clock coverage due to the clientele they serve and responsibilities they handle will remain operational throughout the year on a 24-hour basis. These include the Kalaupapa, Moloka'i and Hale Mohalu Hospital operated for Hansen's disease patients, Hawai'i State Hospital, Hawai'i Youth Correctional Facility; and correctional facilities and community correctional facilities statewide. The furlough plans and schedules for personnel working at these facilities are still being finalized.

The detailed furlough plan can be found on the Governor's Web site (www.hawaii.gov/gov). In addition, each department will post modified hours of operations for their respective divisions and attached agencies on their web sites.

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STATE OF HAWAI'I FURLOUGH PLAN

Background

The State of Hawai'i is facing an unprecedented decline in projected revenues totaling \$2.73 billion between now and June 30, 2011.

Faced with this challenge, the Governor has been compelled to take a series of steps to close this budget gap including ordering cuts of 8% imposed on all state agencies, securing reductions in interest rates on borrowed funds, eliminating duplicate and inefficient programs, and imposing restrictions on travel and the purchase of goods and equipment, using special funds, and maximizing federal stimulus money. These steps have been instrumental in closing nearly \$2 billion of the \$2.73 billion total.

Because salaries and fringe benefits account for 70% of the State operating budget and because reductions have been undertaken in all other areas of the state government's operational expenses, it is now necessary to institute furloughs of State workers in order to close the remaining shortfall in the State budget. The furlough savings will account for 25% of the total budget savings that must be achieved between now and the middle of 2011 in order to balance the State budget.

While reductions in government employee work hours will necessitate adjustments, furloughs allow the State to continue to carry out its mission and ensure public services are maintained to the greatest extent possible in a cost effective manner. Furloughs avoid the necessity of having to close additional programs, avert employee layoffs that will add more unemployment, allow employees to maintain benefits and will minimize recruitment and training costs for new employees when the economy recovers.

Because furloughs will affect the overall level of government services, the patience and understanding of the public and the state workforce is needed as adjustments are made to schedules and operations during this furlough period. The best of Hawai'i's spirit of aloha will be needed during this difficult time of unprecedented fiscal difficulty, recognizing that the adjustments are necessary to enable our state to withstand the current downturn in our economy while allowing us to emerge stronger as our economy rebounds in the years to come.

Plan Summary

For the purposes of this plan, a furlough is defined as the placement of an employee temporarily and involuntarily in a non-pay and non-duty status for a limited number of work days per month.

Full time State Executive Branch employees under the authority of the Governor will be placed on three days (24 hours) of furlough each month starting July 1, 2009 through June 30, 2011. This equates to 36 days (288 hours) per fiscal year (July 1-June 30).

Part-time employees will be placed on furlough on a pro-rated equivalent. For example those who work 20 hours per week will be placed on 12 hours of furlough per month.

Attachment A provides a listing of the State government departments covered by the furlough plan, inclusive of the agencies administratively and statutorily attached to these departments.

State government departmental operating schedules reflect the specific context in which each department operates and the nature of their services. Some State government offices offer over-the-counter services while others allow the public to access services electronically. Some offices have homogeneous customer groups while others serve a broader audience. Some offices have fewer staff while others are large enough to absorb reduced employee hours and still remain open. The aim of these schedules is to achieve the required operational savings with the least disruption of services to the public.

Departments and Offices Closing on Specified Days

The following State departments and offices will be closed as noted in Attachment B. Most closures will take place on Fridays with the exception of two dates in December 2009. The Departments will resume regular operations the following Monday. Members of the public or others wishing to contact these offices should consider these offices closed on the furlough day, similar to Saturdays, Sundays, or holidays.

1. Department of Budget and Finance including the Public Utilities Commission, Employees Retirement System, Office of the Public Defender, and Hawai'i Employer-Union Health Benefits Trust Fund Office.
2. Department of the Attorney General including the Child Support Enforcement Agency, State Identification (ID) Issuance Office, and Hawai'i Criminal Justice Data Center.
3. Department of Hawaiian Home Lands
4. Department of Human Resources Development
5. Department of Labor and Industrial Relations (Note: The Unemployment Insurance Division and the Workforce Development Division will extend their public access hours to 7:30 AM to 6:00 PM on Mondays through Thursdays of furlough weeks to assist members of the public who need to file unemployment claims or obtain job placement services).
6. Department of Commerce and Consumer Affairs
7. Office of Information Practices within the Office of the Lieutenant Governor

Modified Departmental Closures

The following departments and agencies will close their offices observing the schedule in Attachment B, but with some offices operating on modified schedules as described.

1. All offices in the Department of Accounting and General Services with the exception of Aloha Stadium.
2. All offices in the Department of Agriculture with the exception of Plant Quarantine, Animal Quarantine, and certain irrigation field offices. (Note: Department of Agriculture Irrigation Field Offices in Waimanalo, Waimea and Moloka'i will post closure days by July 1, 2009.)
3. All offices in the Department of Business, Economic Development and Tourism, with the exception of the Hawai'i Tourism Authority and Foreign Trade Zone. (Note: The Natural Energy Laboratory of Hawai'i (NELHA) in Kona will be open to tenants during furlough days. The Mānoa Innovation Center on O'ahu will be open to tenants during furlough days.)
4. All offices in the Department of Health with the exception of the Hawai'i State Hospital, Community Mental Health Centers, the Kaua'i Family Guidance Center, the Mental Health Access Line, Kalaupapa, and the Hale Mohalu Hospital.
5. All offices of the Department of Human Services with the exception of the Hawai'i Youth Correctional Facility and the Hawai'i Public Housing Authority. (Note: The Benefit, Employment and Support Services Division that handles food stamps, financial assistance, child care and related benefit eligibility determinations will extend its public access hours to 7:45 AM to 4:30 PM on Monday through Thursday. Also, the Child Abuse and Neglect Hotline will continue 24/7.)
6. All offices of the Department of Land and Natural Resources with the exception of the Chairperson's office, the Bureau of Conveyances, conservation and resource enforcement activities, and certain engineering crews.
7. All offices of the Department of Public Safety with the exception of certain operations such as security, health care, and food services within the Community Correctional Facilities and the Community Correctional Centers, and a portion of the Sheriff Division operations at the Honolulu International Airport and State Capitol.
8. All offices in the Department of Transportation with the exception of the Airports Division operational and shift workers, Aircraft Rescue Firefighting Personnel, Harbors Division District Offices, Harbor's Division vessel traffic control and enforcement units, and certain Highways Division operations associated with traffic control.

Special Closure Schedules

The following State offices and agencies will be closed on days other than those listed on Attachment B.

1. State Foundation on Culture and the Arts and the state museum will be closed on Mondays as shown on Attachment C.
2. State Department of Taxation will adhere to a modified furlough schedule as shown in Attachment D that reflect dates when tax returns are due and when taxpayers transact a higher volume of business with its offices.
3. State Department of Land and Natural Resources small boat harbors and state parks will operate with reduced staff or be furloughed mid-week. Small boat harbors and most parks will remain open to tenants and the public during furlough days.
4. Hawai'i Public Housing Authority will adhere to a modified furlough schedule as shown in Attachment E to ensure it is open on those dates when rent collections are due and housing assistance payments are made.
5. Community Mental Health Centers, except on O'ahu, will close on Wednesdays as shown at Attachment F. Community Mental Health Centers on O'ahu will rotate their furlough days to ensure at least one facility is open on O'ahu each day. The 24-Hour Mental Health Access Line will remain operational.

Offices That Will Maintain Their Current Hours of Operation

The following offices will maintain their current hours of operation and will stagger or rotate furlough days to minimize impacts on their operations:

1. Airports Division operational staff and shift workers will shorten their work day to 6.8 hours per day, focusing coverage during those times when air traffic is the heaviest. Aircraft rescue fire fighting will continue 24/7 operations.
2. Aloha Stadium
3. Correctional Facilities and Community Correctional Centers including O'ahu Community Correctional Center, Hawai'i Community Correctional Center, Kaua'i Community Correctional Center, Maui Community Correctional Center, Women's Community Correctional Center, Halawa Correctional Facility, Waiawa Correctional Facility, and Kulani Correctional Facility.
4. Department of Defense including the Office of Veterans Services.
5. The Kaua'i Family Guidance Center operated by the State Department of Health.
6. Foreign Trade Zone #9 will continue client warehouse operations on its current schedule.
7. Geothermal drilling engineering staff will be available for 24/7 coverage when drilling activities occur.
8. Halawa Animal Quarantine Station and Honolulu International Airport Animal Holding Facility will remain open seven days per week, retaining their current hours of operation.

9. Harbors Division District Offices will maintain normal business hours of 7:45 AM to 4:30 PM Monday through Friday. Traffic Control Units and Harbor Enforcement sections will continue 24/7 operations. The staff at the Port Allen and Kaunakakai harbors will not be present on the dates listed on Attachment B, but these harbors will remain open.
10. Hawai'i State Hospitals (including Kalaupapa, Moloka'i and Hale Mohalu Hospital)
11. Hawai'i Tourism Authority
12. Hawai'i Youth Correctional Facility, O'ahu
13. Highways Division staff responsible for lane coning, zipper lane, freeway patrol operations and the H-3 tunnel monitoring will maintain current service schedules.
14. Information and Communications Services Division
15. Land and Natural Resource Conservation and Enforcement
16. Office of the Governor, except for Neighbor Island Liaison Offices which will close on those furlough days designated on Attachment B.
17. Office of the Lieutenant Governor
18. Plant Quarantine Inspections at State harbors and airports (Note: reduced night cargo inspections at Honolulu International Airport.)
19. State Civil Defense

Improving Public Access to State Services

To augment efforts to minimize the impact on the public, the State of Hawai'i is taking the following additional steps during the period of July 1, 2009 through June 30, 2011:

1. Hours of operation for each department and office with frequent public contact will be posted on the State website and on the websites of each of the sixteen (16) State agencies affected by the furlough program.
2. As noted above, the Department of Human Services, Benefit, Employment & Support Services Division will expand the hours they are open to the public.
3. To the extent possible, the State is moving to place additional services on-line including first-time unemployment insurance claims.
4. The State will continue to utilize its network of outreach workers and specialists to augment services to the public such as the issuance of marriage licenses, veterinary services for animals entering the State, and Medicaid eligibility determinations.

The State furlough implementation plan will be evaluated and adjusted as deemed necessary on an ongoing basis. Furlough schedules are subject to change. A review of the necessity for maintaining the plan will be conducted at the end of the first year, in the event the State's financial picture improves over the next 12 months.

ATTACHMENT A

State Government Departments (Includes Attached Agencies)

Office of the Governor (GOV)
Office of the Lieutenant Governor (LTG)
Department of Accounting & General Services (DAGS)
Department of Agriculture (DOA)
Department of the Attorney General (AG)
Department of Budget and Finance (B&F)
Department of Business, Economic Development and Tourism (DBEDT)
Department of Commerce and Consumer Affairs (DCCA)
Department of Defense (DOD)
Department of Hawaiian Home Lands (DHHL)
Department of Health (DOH)
Department of Human Resources Development (DHRD)
Department of Human Services (DHS)
Department of Labor and Industrial Relations (DLIR)
Department of Land and Natural Resources (DLNR)
Department of Public Safety (DPS)
Department of Taxation (TAX)
Department of Transportation (DOT)

ATTACHMENT B

Furlough Calendar for: DAGS, DOA, AG, B&F, DBEDT, DCCA, DHHL, DLNR, DOH, DHRD, DHS, DLIR, DPS, DOT, OIP *

July 2009						
Su	M	T	W	Th	F	Sa
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

Holiday: July 3
Independence Day

August 2009						
Su	M	T	W	Th	F	Sa
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

Holiday: August 21
Statehood Day

September 2009						
Su	M	T	W	Th	F	Sa
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30			

Holiday: September 7
Labor Day

October 2009						
Su	M	T	W	Th	F	Sa
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

Holiday: None

November 2009						
Su	M	T	W	Th	F	Sa
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30					

Holiday: November 11 & 26
Veterans' Day & Thanksgiving

December 2009						
Su	M	T	W	Th	F	Sa
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

Holiday: December 25
Christmas

January 2010						
Su	M	T	W	Th	F	Sa
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

Holiday: January 1 & 18
New Year's Day & Dr. Martin Luther King, Jr. Day

February 2010						
Su	M	T	W	Th	F	Sa
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28						

Holiday: February 15
President's Day

March 2010						
Su	M	T	W	Th	F	Sa
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

Holiday: March 26
Prince Jonah Kuhio Kalaniana'ole Day

April 2010						
Su	M	T	W	Th	F	Sa
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	

Holiday: April 2
Good Friday

May 2010						
Su	M	T	W	Th	F	Sa
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

Holiday: May 31
Memorial Day

June 2010						
Su	M	T	W	Th	F	Sa
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30			

Holiday: June 11
King Kamehameha I Day

- = Furlough day when office will be closed
- = State Holiday

* The scheduled Fridays will apply to the administrative offices and almost all staff within these departments. However a limited number of programs within a few departments will use alternate scheduled furlough days to minimize disruption of their unique public services. These programs with alternate days will be posted on each department's furlough schedule.

ATTACHMENT B

Furlough Calendar for: DAGS, DOA, AG, B&F, DBEDT, DCCA, DHHL, DLNR, DOH, DHRD, DHS, DLIR, DPS, DOT, OIP *

July 2010						
Su	M	T	W	Th	F	Sa
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

Holiday: July 5
Independence Day

August 2010						
Su	M	T	W	Th	F	Sa
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

Holiday: August 20
Statehood Day

September 2010						
Su	M	T	W	Th	F	Sa
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30		

Holiday: September 6
Labor Day

October 2010						
Su	M	T	W	Th	F	Sa
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

Holiday: None

November 2010						
Su	M	T	W	Th	F	Sa
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30				

Holiday: November 2, 11 & 25
General Election Day,
Veterans' Day & Thanksgiving

December 2010						
Su	M	T	W	Th	F	Sa
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

Holiday: December 24 & 31
Christmas & New Year's Day

January 2011						
Su	M	T	W	Th	F	Sa
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

Holiday: January 17
Dr. Martin Luther King, Jr. Day

February 2011						
Su	M	T	W	Th	F	Sa
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28					

Holiday: February 21
President's Day

March 2011						
Su	M	T	W	Th	F	Sa
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

Holiday: March 25
Prince Jonah Kuhio
Kalaniana'ole Day

April 2011						
Su	M	T	W	Th	F	Sa
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30

Holiday: April 22
Good Friday

May 2011						
Su	M	T	W	Th	F	Sa
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

Holiday: May 30
Memorial Day

June 2011						
Su	M	T	W	Th	F	Sa
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30		

Holiday: June 10
King Kamehameha I Day

- = Furlough day when office will be closed
- = State Holiday

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