

March 19, 2009

H 708. FURLOUGH OF STATE EMPLOYEES. Filed 3/19/09. *TO AUTHORIZE THE GOVERNOR, THE LEGISLATIVE SERVICES COMMISSION, AND THE CHIEF JUSTICE TO ORDER THE MANDATORY FURLOUGH OF EMPLOYEES IN ORDER TO EFFECT NECESSARY ECONOMIES IN STATE EXPENDITURES WHEN IT IS DETERMINED THAT A SIGNIFICANT BUDGET DEFICIT WILL OCCUR.*

Enacts a new GS 126-8.6 to provide that when the Governor determines that a significant budget deficit will occur for a fiscal period, the Governor, as a last resort, may effect necessary economies in state expenditures by ordering a furlough of state employees. *Furlough* is defined as a temporary mandatory period of leave from employment without pay up to a maximum of 20 days per fiscal year. Requires that the Governor, prior to ordering the furlough, (1) determine that a furlough program is reasonable and necessary to meet the important public purpose of balancing the budget and (2) consult with each agency head to determine whether to implement the furlough for the entire agency or within a designated department, division, or program of the agency. Allows the Governor to establish a salary threshold below which employees will not be furloughed, but in any case, no employee earning \$30,000 or less is subject to furlough. Provides that employers must continue to pay contributions to the Retirement Systems Division and the State Health Plan on behalf of the furloughed employee as though the employee remained in active service. Requires the State Personal Commission to adopt rules necessary for implementation of this section. Provides specific issues to be covered by the rules. To the extent possible, agencies must ensure that all furloughed employees are subject to the same rules. Also establishes definitions for *agency*, *essential positions*, and *nonessential positions*.

Amends GS 120-32 and GS 7A-343 to authorize that the Legislative Services Commission and the Chief Justice, respectively, may furlough employees as a last resort due to a significant budget deficit. Applies provisions in proposed GS 126-8.6 regarding implementation of the furlough.

Intro. by Rapp, Glazier.

GS 7A, 120, 126