

**Department of Personnel Administration
Memorandum**

TO: Personnel Management Liaisons (PML)

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| SUBJECT: Furlough Program – Effective August 2010 | REFERENCE NUMBER: 2010-015 |
| DATE ISSUED: 08/05/10 | SUPERSEDES: |

This memorandum should be forwarded to:

**Personnel Officers
Personnel Transactions Supervisors**

FROM: Department of Personnel Administration
Labor Relations Division

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Per Executive Order S-12-10, DPA has adopted a Furlough Program effective August 1, 2010 for all State employees, except those in State agencies and departments identified below.

Employees will have three furlough days on the 2nd, 3rd, and 4th Fridays of each pay period. The first furlough Friday is August 13, 2010.

Salaries will be reduced to reflect the furlough days, but benefits will remain the same (i.e., the furlough will not affect payouts for unused leave, service credit, health and retirement benefits, etc.)

All State agencies and departments subject to the furlough must take all necessary steps to ensure that employees take their three furlough days off within the pay period.

This Furlough Program will continue until there is a signed 2010-11 fiscal year budget in place and the Department of Finance determines that there is sufficient cash to allow the State to end the furlough.

Who does this Furlough Program apply to?

Except for the specific exemptions listed in the Executive Order, the Furlough Program applies to all State employees including retired annuitants appointed pursuant to Government Code Section 21228.

There is no exemption process under this Furlough Program.

Who is not under this Furlough Program?

- Board of Equalization
- Bureau of State Audits
- California Department of Fire and Forestry Protection (CalFIRE)
- California Earthquake Authority
- California Highway Patrol
- California Housing Finance Authority
- Employment Development Department (including California Unemployment Insurance Appeals Board)
- Franchise Tax Board
- Legislative Counsel Bureau
- Public Utilities Commission
- State Compensation Insurance Fund
- E25 employees
- Seasonal Employees designated CB/ID E
- Represented employees in Bargaining Units 5, 8, 12, 16, 18, and 19

How does this Furlough Program work?

Departments that will be closed on the 2nd, 3rd, and 4th Friday of each pay period but have employees in Bargaining Units 5, 8, 12, 16, 18, or 19 who are exempt from the Furlough Program need to develop a plan on how to provide supervision for these employees. Some examples of ways to provide supervision for these employees working on furlough days include:

- Supervisors can alternate furlough days within the same month to provide adequate supervision coverage.
- Employees exempt from furloughs who work in departments still subject to furloughs may use leave time on furlough days or opt to work a 4/10/40 work schedule (subject to departmental approval).

As a reminder, all employees covered by the furlough must use their accrued furlough days prior to using vacation, annual leave, personal holiday, holiday credit, personal leave program (PLP) credit, and compensating time off (CTO). With regard to sick leave, each employee and his or her supervisor must approve the use of furlough in lieu of using sick leave. Bargaining Unit 18 employees may not use furlough hours in lieu of sick leave.

In addition, departments are directed to minimize the use of overtime to preserve cash and reduce expenditures.

Furlough hours cannot be cashed out. Effective immediately, there is no longer an expiration date to previously accrued furlough hours.

Departments must continue to monitor and ensure that all accrued furlough hours are exhausted prior to termination, separation from State service (such as retirement) or instances such as rejection on probation or dismissal. On rare occasions, when an employee separates from State service and has accumulated unused furlough hours which cannot be used prior to the separation (e.g., death or AWOL), furlough hours must be paid at the time of the employee's separation.

Except for the changes identified above, the furlough administrative processes and procedures that were in place for the prior Furlough Program will be the same for this new Furlough Program.

Personnel Office staff with questions regarding this new Furlough Program may contact the Personnel Services Branch as shown above.

/s/Debbie Endsley

Director