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Governor

# NEWS

## Office of the Governor

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### Frequently Asked Questions

#### **What is a “Shutdown Day”?**

*A Shutdown Day is a day on which state offices and buildings will be officially closed. Unless specifically exempted, employees shall not report to work on days designated as unpaid Shutdown Days.*

#### **Why did the Governor shutdown state government?**

*This decision was not made lightly. The Administration is required to reduce spending by \$68 million dollars in Fiscal Year 2010 as a result of undistributed savings that were contained in the budget enacted by the General Assembly. In addition, the State continues to see deterioration in its revenue stream, presenting a severe fiscal crisis which requires immediate measures in Fiscal Year 2010.*

*It is the constitutional and statutory obligation of the Governor and the Administration to maintain expenditures of the executive branch of state government within the established annual state budget and to reduce, where appropriate, the cost of the executive branch to achieve that objective.*

*Despite efforts to avoid adverse impacts to state employees, the size and nature of the current fiscal crisis make this measure unavoidable and this is one of the few ways to reduce expenditures without curtailing the State's continuing ability to meet its statutory obligations to the citizens of Rhode Island.*

#### **What will each shutdown day save the state?**

*Total savings are expected to be \$21.6 million. The anticipated general revenue savings achieved from each shutdown day is approximately \$1.4 million, \$17.3 million in total savings for all twelve.*

*A state employee who stays home on all 12 shutdown days, will take home about 4.6 percent less. In addition, the Higher Education system will achieve \$4.3 million in general revenue savings in*

*a manner consistent with the delivery of student services over the school year. This brings the total savings to \$21.6 million.*

**What days will state government be shut down?**

*We have designated twelve days during the present fiscal year. The designated days are as follows:*

<i>Friday, 9/4/09*</i>	<i>Friday, 2/15/10</i>
<i>Friday, 10/9/09</i>	<i>Friday, 3/12/10</i>
<i>Friday, 10/30/09*</i>	<i>Friday, 4/2/10*</i>
<i>Friday, 11/27/09*</i>	<i>Friday, 4/23/10</i>
<i>Thursday, 12/24/09*</i>	<i>Friday, 5/28/10*</i>
<i>Friday, 1/15/10</i>	<i>Friday, 6/11/10*</i>

*\*We are aware that these dates are pay days. We have made arrangements with Accounts & Controls and the Treasurer's Office to have the checks available for distribution on the day before the designated shutdown day in that week.*

*All state offices will be closed on each shutdown day.*

*We chose days that bump up against state and federal holidays, which traditionally have lighter staffing levels and fewer state service transactions.*

**Are all branches of government – including the other General Officers, the Courts and the Legislature participating?**

*The \$21.6 million in savings assumes the full cooperation and participation from all branches of government, including all General Officers, the Courts and the Legislature.*

*This is too great a burden to be borne by a few and we need participation from all branches of state government in order to achieve the most savings.*

**What if they don't participate?**

*In order to achieve the \$21.6 million in savings, we need the full participation of the other branches of government. If one, or more, does not participate, it will impact the achievable savings, and possibly, the number of shutdown days. This is too big of a burden for it to be borne by only some employees.*

**What state agencies will be open and what will be closed.**

*All state agencies and all state offices will be closed on each shutdown day. If you have questions regarding specific agencies, please contact them directly.*

**Will State parks and beaches be closed those days?**

*Parks will be open for passive use during all shut down days. Restrooms will be open where available. No ancillary services (naturalist, education, training) will be available.*

*The Goddard Park Golf Course will be closed to patrons. Beaches and campground operations will be minimally staffed to accommodate patrons and operations.*

*Limited access to services such as sanitary pump outs are expected. All campground reservations made through our vendor Reserve America so staff will be reduced to the minimum expected to service occupancy.*

*On September 4<sup>th</sup>, lifeguards **will be on duty** at state beaches and parks. Beaches, parks and campgrounds will not be staffed during off season. Environmental Police will provide security details.*

**Will the DMV be closed?**

*All DMV facilities (including headquarters, all branches, Operator Control office, and the safety and inspection garage) will be closed, with no services available including the AAASNE branch offices. On-site construction of the new DMV facility and new computer system development, testing, training, and implementation will not be conducted. On-line services for automobile dealerships will not available on any day that the DMV is not open.*

*A limited number of DMV services are available on-line. These would continue to be accessible, including registration renewal, ordering of vanity plates, ordering a driving abstract, applying for and printing over-size and over-weight commercial permits, title inquiries by banks, and banks adding security interest information to loans.*

*Enforcement and police access to DMV databases will continue to be available. DMV enforcement officers will be available on-call for fatal accident investigations, as necessary.*

*Road tests scheduled and bus inspections for shutdown days will need to be rescheduled.*

**Will schools be closed on shutdown days (RIDE)?**

*State-run schools (The School for the Deaf and Davies High School) will be open on all shutdown days, unless a designated shutdown day falls on a scheduled school vacation day.*

*There is no impact on municipal-run public schools – they will remain open.*

**Will RIPTA buses run?**

*Yes, the shutdown days will not impact RIPTA schedules for those days.*

**Will the Airport remain open?**

*Yes, the shutdown days will have no impact on airport operations.*

**Will the landfill remain open?**

*Yes, the shutdown days will not impact Resource Recovery operations.*

**Will there be a reduction in law enforcement and public safety operations?**

*NO. While some administrative functions provided by the various law enforcement agencies will not be available, there will be NO impact of public safety.*

**Will E-911 operate as normal?**

*Yes, E-911 is a critical component of the state's public safety functions. The shutdown days will not impact E-911 operations.*

**What if there is a statewide emergency, like a hurricane?**

*Emergency personnel will respond to any and all emergencies, as normal.*

**Why will some employees work while others do not?**

*All state employees in the Executive Branch of government, union and nonunion employees, including but not limited to full time, part-time, temporary, seasonal, state funded, federally funded or any combination thereof, are subject to the shutdown days with limited exception.*

*Since public health and safety requirements compel us to continue to staff certain programs and jobs even during a fiscal crisis, only those employees needed for continuous operation functions in agencies or sections of agencies that cannot be shutdown for reasons relating to the health and safety of the public will be exempt from the shutdown. These employees will be notified by their respective Department Director if they are exempt from the unpaid shutdown days.*

**For those state employees who work on a shutdown day, will they be paid overtime, double time or other incentive pay?**

*Employees that work on a shutdown day – as identified by their agency director and as approved by the Director of Administration – will be paid at the “straight time” rate or regularly hourly rate for that day.*

**Will those employees who work on a shutdown day be required to take a pay cut, or a day off without pay, to make it fair for all state employees?**

*No*

**Will employees be compensated for these days at a later date?**

*No. During a shutdown day, those employees who do not work experience leave without pay.*

*Those employees who are required/directed to work by the Appointing Authority due to their "critical" need/function will be compensated at the straight time rate of compensation as part of their normal standard work week.*

*Holiday rules and regulations do not come into play. Overtime should be utilized only if a critical/emergency staffing shortage occurs (i.e. hospitals, prison, law enforcement/public safety).*

**Will employees receive the pension contributions for the uncompensated days?**

*Retirement contributions are paid as a percentage of pay for hours worked, not including overtime hours, and will be reduced. For those who seek to retire and sustained a loss in salary, RIGL 36-1-10.4 allows them to purchase that amount of salary in order to establish their highest three/five consecutive year's final average salary.*

**What if employees have scheduled vacation day on the scheduled shutdown day?**

*An employee may not discharge paid leave accruals on designated shutdown days. This includes employees who are on authorized leave and would be otherwise be discharging paid leave on those dates.*

**I pay a healthcare co-share contribution based on salary level. Will my co-share contribution be affected by this reduction in pay?**

*No. You will continue to receive full healthcare benefits and therefore your co-share contributions will not be affected.*

**Will Shutdown Days affect the accrual rate for vacation leave, sick leave and or personal leave?**

*Vacation/Sick Accrual: No. Vacation and sick leave accruals will be adjusted for that pay period to credit the required accrual rates.*

*Personal Leave Accrual: No. Personal leave hours are credited in full at the beginning of the calendar year or date of hire and are not based on a pay period accrual. The shutdown days do not affect the amount of personal leave hours credited.*

**What affect will this have on my overtime rate of pay if I work overtime in that pay period?**

*None. Your overtime rate of pay will not be reduced by unpaid shutdown days.*

**What is the difference between a shutdown day, and a pay reduction day, and what is the estimated cost savings for each? Wouldn't it be more effective to do pay reduction days versus shutdown days?**

*For a pay reduction day, employees would report to work but would experience a reduction in pay. This occurred in June 2009 for one day. For a shut down day, government is shut down and employees do not report to work unless that are directed by their appointing authority to due so because they are part of a continuous operations plan. A shutdown day saves the state \$1.8, and an unpaid leave day saves the state \$2.2.*

*The State has met with union officials for the past several weeks in hopes of reaching a consensual agreement to achieve the savings through pay reduction days, similar to the one day pay reduction we implemented last fiscal year, rather than shutdown days. Pay reduction days would achieve greater savings, and afford us more flexibility, while providing employees with an additional personal day to be taken at a later date.*

*However, pay reduction days cannot be mandated; they must be agreed to by the unions who represent state employees.*

**Will state employees be able to collect unemployment for the shutdown days?**

*We have been advised by DLT that there is no impact on unemployment unless there are two unpaid days within one pay period.*

**Who determined which employees work and don't work on a shutdown day?**

*Since public health and safety requirements compel us to continue to staff certain programs and jobs even during a fiscal crisis, only those employees needed for continuous operation functions in agencies or sections of agencies that cannot be shutdown for reasons relating to the health and safety of the public will be exempt from the shutdown.. Employees will be deemed part of a continuous operations plan by their agency director and approved by the Director of Administration. These employees will be notified by their respective Department Director if they are exempt from the unpaid shutdown days.*

**Are 100 percent federally funded, or partially federally funded employees, required to participate in the shutdown? Why? There are no state revenues being used?**

*Yes, even non general revenue funded positions are impacted by the shutdown. Determining who is allowed to work based upon the position's funding source would be difficult to execute and inequitable for employees.*

**How will shutdown days affect the public, especially those who need important state services during these difficult economic times, such as people applying for unemployment, food stamps or welfare?**

*While State offices will be closed on those days, we have made every effort to select dates that will have minimal impact on services to the public.*

*These are extraordinary times that require extraordinary measures. We encourage all Rhode Islanders to be aware of the dates for the shutdown days and make the necessary arrangements if they may require state services.*

**How were the specific dates chosen?**

*Dates were chosen in consultation with Department Directors and consideration was given to select dates that will have minimal impact on services to the public. We chose days that bump up against state and federal holidays, which traditionally have lighter staffing levels and fewer state service transactions. We have made every effort to select dates that will have minimal impact on services to the public.*

**The unions are expected to sue. Do you think the Courts will allow you to move forward with the shutdown days?**

*When faced with a similar situation in 1991, Governor Sundlun announced a plan to shut down for 10 days in about three month period. The Rhode Island Supreme Court refused to block the plan. We believe what we are doing is legal and appropriate under our collective bargaining agreements. At the end of the day, we believe the courts will agree with us. Of course, its always preferable to resolve disputes like this out of court so we'd be happy to continue our dialogue with the unions in the an effort to achieve the savings the General Assembly has directed us to achieve in a different way.*

*We have been in serious discussions with the labor unions for several weeks, and it is our intentions to continue those conversations. We hope that we can come up with an agreement that allows the State to achieve the same cost savings and has less of an impact on State employees.*

*But, we cannot wait another day. Each day that goes back without an agreement with the labor unions, makes it that much more impossible for the state to realize the savings.*

**Will a lawsuit delay the implementation of this plan?**

*We cannot comment on a suit that ha not been filed, but we have every confidence that the courts will do what they did in 1991 and not stop us from shutting down state government on September 4<sup>th</sup>, and designated shutdown days thereafter.*

**What happens if the Courts rule against you?**

*Given that the Courts refused to block Governor Sundlun's plan, we have every confidence that that won't happen.*

### **Why not just raise taxes?**

*This would not only be unwise, it would be disastrous, taking money out of the economy at a time when businesses and individuals can least afford it, and when capital is needed to jumpstart financial activity. The Governor will not support any move to raise taxes.*

### **Why not layoff state employees?**

*The State is currently operating at the lowest employee levels in 20 years. The Administration made significant personnel reforms in the past two years, including layoffs and changes in the retiree health plans, causing a significant increase in retirements. Each department and agency has been extremely prudent in hiring to backfill vacant positions. Additional layoffs would have a severe impact on the state's ability to provide services which are currently provided.*

*The June and July monthly revenue reports show that the State is already down approximately \$65 million from the May Revenue Estimating conference. There is a very good chance that revenues will continue to slip. That is why it is critical the General Assembly provide the Governor with the flexibility and the tools he needs to balance the budget and manage through this fiscal crisis.*

### **Each shutdown day saves the State \$1.8 million, for a total of \$21.6million for the 12 shutdown days. How will the Administration come up with the remainder?**

*The Governor recognizes that the entire \$68 million cannot be achieved from shutdown days.*

*The Department of Administration has identified approximately \$17.1 million in savings from several areas, including:*

- *\$5.2 million from reducing consultant contracts by 10 percent, limiting or eliminating seminars, conference and training for state employees.*
- *\$8.9 million from a heightened level of scrutiny on all non essential expenditures, including out of state travel, fees and subscriptions, printing, advertising and other departmental expenses.*
- *\$3 million in employee health insurance savings.*

*In addition, the Governor is seeking the legislative authority to withhold appropriations, giving him the flexibility to manage through this economic crisis. With the authority to withhold appropriations, the Governor intends to withhold the 4<sup>th</sup> quarter vehicle tax payment to cities and towns. This amounts to approximately \$32.5 million.*

### **Isn't this simply shifting the burden to the local level, which means higher property taxes?**

*We cannot continue to funnel money to the cities and towns without their participation in the state's budget conversation. Local aid is more than \$1 billion, or one third of the state's total budget, for FY 2010.*

*We cannot sustain spending at this level if the cities and towns don't make the same difficult choices on the local level, as we have done on the state level.*