Notification sent to Idaho Health & Welfare employees on Monday afternoon:

The Department's Personnel Budget Holdback Plan

In his budget recommendations that were released today, Idaho Governor Otter announced personnel budget holdbacks for both the current fiscal year and SFY 2011. The Governor announced a 2 percent general fund personnel reduction for SFY 2010 and a 4 percent personnel reduction for SFY 2011.

The Department is moving quickly on plans for the 2 percent reduction because the savings must be realized by June 11th, which is the last employee pay period of SFY 2010. "We have reached a point where we have stretched our personnel resources just about as far as we can," Director Armstrong says. "The cold reality is we cannot continue to provide the same level of service with these personnel reductions. We are going to have to close our offices every other Friday afternoon for the remainder of the fiscal year to meet the objective."

A 2 percent personnel budget reduction is equivalent to six days of furlough for Department employees. The Department's plan closes DHW offices for a half day, every other Friday, for the next 11 pay periods. This will generate savings to realize the largest portion of the holdback, but additional strategies will be necessary. These could include operational reductions and holding additional positions vacant.

"There are details to work out, for there will have to be some exceptions to the office closure furloughs, such as at our institutions," the Director said. "But the majority of our workforce should begin planning now to take four hours of furlough every other Friday afternoon."

The plan calls for Department offices to close at noon on the following Fridays:

- January 22
- February 5 and 19
- March 5 and 19
- April 2, 16 and 30
- May 14 and 28
- June 11

The office closure furloughs are in addition to the four furlough days Department employees are required to take that were announced last June. Direct care staff or other positions that may be exempt from furlough requirements will be notified by their program managers.

Having a holdback midway through the fiscal year presents challenges for state agencies. Saving 2 percent of the total budget with less than six months left in the fiscal year results in an actual reduction of more than 4 percent for the remainder of the fiscal year. In the Department, closing offices for 11 half-days will save an equivalent of 130 positions; people who would have to be laid off without the additional furlough.

“I know more furlough is going to be hard for many of our workers and their families, and I am sorry for that,” Director Armstrong said. “Our employee performance has been exceptional during these demanding times, which makes asking for additional furlough difficult. But I think we all realize that we have some tough times ahead of us before we get through this.”

Director Armstrong will work with Division Administrators in the coming months to develop a plan for the 4 percent reduction for SFY 2011. Those plans will be shared with employees when they are finalized.