



DEPARTMENT OF SOCIAL
AND REHABILITATION SERVICES

Don Jordan, Secretary

House Appropriations Committee

April 29, 2009

State Employee Furloughs

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House Appropriations Committee State Employee Furloughs

Chairman Yoder and members of the committee, thank you for the opportunity to testify regarding the possible furlough of state employees. Furloughs have been proposed as a way to save money across state agencies. However, for several reasons I would ask that the Legislature give agency heads discretion to manage any reductions.

SRS anticipated revenue shortfalls and began closely managing positions in January 2008. Hiring decisions received more scrutiny, positions were held open, and overtime was reduced. By spring 2008, deputy secretaries were approving all hiring decisions. In November 2008, we implemented an agency-wide hiring freeze, exempting direct care positions at the state hospitals. As of April 24, SRS has 6,428 approved positions and 925 vacancies, including state hospitals.

Since January of 2008, vacant positions at SRS have increased by more than 50%:

January 2008	June 2008	January 2009	April 2009
591	874	882	925

Federal funds finance a significant proportion of the salaries in SRS. Some positions are 100 percent federally funded, while others are paid through a mix of federal and state funds. In the aggregate, 44 percent of the salary funding in SRS is from the State General Fund.

Fifty eight percent of our workforce provide direct services. Direct services include determining eligibility for programs, distributing benefits, responding to reports of abuse and neglect, and providing direct care in the state hospitals.

- State hospitals operate around the clock, every day of the year and must meet minimum staff ratios to ensure safe and effective care.
- Child Protective Services staff must respond to reports of abuse and neglect quickly. Thirty five percent of reports require a same-day investigation and another 42 percent require an investigation within 72 hours.
- Caseworkers need to process benefits in a timely manner to ensure that families who need food or cash assistance receive it, and to comply with federal regulations. Failure to meet guidelines for accuracy and timeliness can result in penalties or the loss of federal matching dollars. These workers are dealing with a 19 percent increase in the food assistance caseload over the past year, which will further increase as unemployment benefits begin to run out. The agency also projects there will be a 15 percent increase in Temporary Assistance to Families (TAF) cases in FY 2010.

Furloughs create challenges in all of the above areas. One employee's absence greatly increases the likelihood that another will have to put in overtime because the work cannot wait. Employees working overtime choose whether to receive compensatory time or pay, at a time-and-a-half rate.

When it is not cost-effective to furlough some employees, it creates questions of equity and morale for other employees who face a mandatory five percent reduction in pay. I would ask, in lieu of furloughs, that agency heads be given the discretion to manage reductions to our budgets, including any reductions in salaries and wages. I believe this is necessary to distribute the workload and workforce in a way that ensures critical services are maintained.