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NC STATE UNIVERSITY

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April 30, 2009

TO:

Executive Officers and Deans

FROM:

Larry A. Nielsen, Provost and Executive Vice Chancellor

Charles D. Leffler, Vice Chancellor for Finance and Business

SUBJECT:

Governor's Executive Order #11 (Revised)

Implementation of Flexible Furlough Program

As you know the Governor has enacted Executive Order #11 which mandates a flexible furlough program for all state employees. While we are working diligently on a number of questions through UNC-General Administration, Office of State Personnel (OSP) and the Office of State Budget Management (OSBM), we wanted to share with you important provisions of the message.

- 1. All employees (<u>regardless of source of funding</u>) will receive a reduction in salary equivalent to 0.5% of their annualized salary over the remainder of this fiscal year.
- 2. We anticipate the salary reductions to take place in May and June payrolls.
- 3. Employees will be given 10 hours of "flexible" time off which is to be used from June 1, 2009 through December 31, 2009 (pro-rated for part time employees).
- 4. Benefits will not be affected by the furlough. The reduction in salary will not impact longevity pay, payouts for unused leave, service credit, or health and retirement benefits.

We will provide additional information once we have clarification from OSBM and develop a strategy for accomplishing this directive. Please understand that we may receive additional or changed directions from the Governor's office as the information occurs. We appreciate your patience and cooperation during these difficult times.

cc: Chancellor James L. Oblinger
University Budget Advisory Committee
University Business Officers