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 (regardless of source of funding) 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