

**BILL No. 3**

**AN ACT**

To amend Tennessee Code Annotated to implement a temporary state employee furlough plan

**BE IT ENACTED BY THE 2009 4-H CONGRESS:**

**SECTION 1:** A temporary furlough plan for the State of Tennessee employees would be implemented for fiscal years 2009-2010 and 2010-2011.

**SECTION 2:** During fiscal year 2008-2009, the State of Tennessee, like other states in our nation, experienced significant revenue shortfalls, which have necessitated significant reductions in the fiscal year 2008-2009 budget.

**SECTION 3:** The State's fiscal crisis has been exacerbated by a national economic downturn that has become a recession, declines in sales tax revenue, and a forecast of continued reductions in sales tax revenue, has contributed to a projected deficit for the fiscal year 2009-2010 budget.

**SECTION 4:** Forecast budget deficits are projected to be over \$250 million for the State of Tennessee for fiscal year 2009-2010.

**SECTION 5:** It is impossible to achieve reductions in spending of this magnitude without some action affecting employees. Substantial savings may be achieved without undue interruption of state services if state employees are required to participate in a carefully managed furlough plan. A carefully managed furlough plan for state employees is preferable to layoffs during these difficult economic times. Any cost containment plan ought to be progressive and place more of the financial burden on higher paid employees.

**SECTION 6:** This furlough plan has the potential to save the State of Tennessee slightly over 27 million annually during each of the next 2 fiscal years.

**SECTION 7:** The furlough plan would be implemented by the following schedule:

- Employees with a salary of \$30,000 or less would not be required to take any time off,
- Employees with a salary of \$30,001 to \$50,000 would be required to take 2 days off,
- Employees with a salary of \$50,001 to \$100,000 would be required to take 5 days off,
- Employees with a salary of \$100,001 or greater would be required to take 7 days off.

**SECTION 8:** These groups of employees are exempt from this bill:

- Direct care employees in health, juvenile services, and correctional facilities,
- Police officers employed by the State,
- Other employees designated by the Secretary of Budget and Management who work on a shift schedule providing services as part of a 24-hour operation,
- Employees who secure and maintain state facilities on a 24-hour per day basis.

**SECTION 9:** Furlough time cannot be exchanged for annual leave, sick leave or holidays.

**SECTION 10:** All benefits currently being provided for employees will not be affected.

**SECTION 11:** This act expires at the conclusion of the 2010-2011 fiscal year.

**SECTION 12:** This act shall become effective upon passage by the legislature and approval by the Governor or upon its otherwise becoming a law.

Passed: \_\_\_\_\_

\_\_\_\_\_  
Speaker of the Senate  
Tennessee 4-H Congress

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Speaker of the House of Representatives  
Tennessee 4-H Congress

Approved: \_\_\_\_\_

\_\_\_\_\_  
Governor  
Tennessee 4-H Congress