

Transcript Prepared By the Clerk of the Legislature
Transcriber's Office

Government, Military and Veterans Affairs Committee
November 10, 2009

[LR4]

The Committee on Government, Military and Veterans Affairs met at 1:30 p.m. on Tuesday, November 10, 2009, in Room 1507 of the State Capitol, Lincoln, Nebraska, for the purpose of conducting a public hearing on LR4. Senators present: Bill Avery, Chairperson; Robert Giese; Charlie Janssen; Russ Karpisek; Bob Krist; Scott Price; and Kate Sullivan. Senators absent: Rich Pahls. []

SENATOR AVERY: Good afternoon, folks. I am going to call this hearing to order. My name is Bill Avery, Chair of the Government, Military and Veterans Affairs Committee. We are convening today to hear testimony on LR4, designed to encourage state agencies to employ limited furloughs as a substitute for the elimination of state jobs to meet budgetary requirements. Before I proceed further, I'm going to introduce the members who are here. Senator Pahls has other commitments this afternoon and will not be here. Senator Janssen from Fremont is with us; Senator Giese from South Sioux City; Senator Krist, our newest member, from Omaha; committee counsel Christy Abraham on my immediate right. On my immediate left is Senator Russ Karpisek from Wilber, who will be acting as Vice Chair today; and Senator Scott Price from Bellevue; and Senator Kate Sullivan from Cedar Rapids. Our clerk is Sherry Shaffer and she will be accepting your sign-in sheets. Please, when you address the committee, I would ask that you would state your name clearly. Spell it for the record so that we have the record clear. We have sign-in sheets at both entrances. If you wish to testify, you will need to sign one of those sheets and turn it in to the committee clerk. If you are not going to testify but you wish to be on the record, either for or against this resolution, there is a sheet also at the tables at each entrance for you to fill out and we will take that into account later on. The only bill we have is LR4, so since it is my bill I will leave the table here...oh, I have one other thing. If you have any handouts, we need 12 copies. And we have with us an intern or page today. Blair, where are you? Here you are. Blair Gay from Columbus. [LR4]

SENATOR KARPISEK: Welcome, Senator Avery. Whenever you're ready. [LR4]

SENATOR AVERY: (Exhibit 1) Thank you, Senator Karpisek. For the record, my name is Bill Avery, spelled B-i-l-l A-v-e-r-y. I represent District 28. This resolution, LR4, proposes a very simple concept and that is it states that it is the Legislature's preference that furloughs be used in the event agencies are looking at layoffs as a way to achieve required budget reductions. It is not binding. It simply states the preference of the Legislature. It is the intent of the Legislature that furloughs will be used instead of layoffs. The reason why I'm doing this is that the impact of personnel layoffs is far greater on workers and families, and potentially on the economy of the state, than would be furloughs. Furloughed workers can retain their jobs and benefits. They can continue to pay taxes and make needed purchases and pay sales tax. It's less disruptive to the families. We have 18,600 employees in the state today. If we were to have a one-day

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furlough...you have a list of agencies and the total impact of furloughs. According to an estimate, some one-day furlough, a three-day furlough, compared to a five-day furlough. If we were to have a five-day furlough for the 18,600 employees, that would produce a savings of \$15.2 million. This table that you have before you is based on estimated average salaries per agency. It includes benefits. It does not include the university system nor the state college system, and does not include community college assistance in the form of student aid. The Department of Labor of the state of Nebraska...I believe it was the Department of Labor. It might not have been. But there was a figure released yesterday, I think, that estimated that if we were going to do layoffs, we would have to lay off about 400 employees in order to meet the needed budgetary reductions. That is just about what would be...the savings of about \$15 million to \$16 million is about what you would save if you furloughed those employees for five days. I think that's a far better way to go about it. At a minimum, I think this is an issue that ought to be debated on the floor, and I hope that you would agree with that and report this out. Thank you. [LR4]

SENATOR KARPISEK: Thank you, Senator Avery. Any questions? Senator...Senator Sullivan. [LR4]

SENATOR SULLIVAN: Sullivan. [LR4]

SENATOR KARPISEK: Thank you. Sorry, Senator Sullivan. [LR4]

SENATOR SULLIVAN: That's all right. Thank you. Thank you, Senator Avery. In your mind, how...clarify for me how you think a furlough works? Is it everyone at the same day or the employees choosing or the departments choosing? [LR4]

SENATOR AVERY: Everybody at one time would be a government shutdown. I don't think that would be prudent and I don't think that's how we would do it. It would, however, be left up to the agencies, how they would carry out their furloughs. If I were an agency head, I would stagger it so I didn't have all my employees gone at one time. If I were an agency head, I would be more than happy to turn back a percentage of my salary, but I would probably not take the furlough myself. That's what I would hope agency heads will do, if we get to that point. I hope we don't have to do that. I hope we can manage these budget reductions with normal attrition. Simply not filling vacancies that exist. And we might be able to do it that way. But if we can't, I would not want to see large-scale layoffs. If your objective is the permanent reduction of state government, then you might want to see...you might see this as an opportunity to lay people off. But 18,600 employees is about where we were, I believe, 5-6 years ago in the number of employees. It's actually been going down over the past 3-4 years. [LR4]

SENATOR SULLIVAN: Do we know, of those 18,600 employees, if they are all state employees? Because the reason I ask, I was talking with a head of one of the

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state...one of the agencies. And this individual said that a large part of their vacancies in their department right now are tied to federal positions, and so there actually are no state monies involved in that. So is this number that you gave, actual state employees? [LR4]

SENATOR AVERY: I'm not so sure but what people who are funded by federal money could also be furloughed. I think they can. In fact, the numbers...if you look at the numbers here on the table that I have circulated, you'd look in the first...second column, after the name of the agency, you'll see the source of the money that funds the number of employees. General, Cash, Federal...so this table assumes that federally funded employees can be and would be furloughed. [LR4]

SENATOR SULLIVAN: Okay. [LR4]

SENATOR AVERY: And I would point out, too, that there is language in the labor contract that defines furloughs and does not forbid furloughs in the contract we have with the state employees. I know Julie is here. She may want to address that if she decides to testify. [LR4]

SENATOR SULLIVAN: Okay. Thank you. [LR4]

SENATOR KARPISEK: Thank you, Senator Sullivan. My apologies. I was so concerned about remembering our new Senator Krist's name, that I forgot everyone else's. I remembered yours but not Senator Sullivan's. Senator Price, you have a question. [LR4]

SENATOR PRICE: Senator Karpisek, thank you. Senator Avery, I have a couple of questions. One to follow on, a caveat, so to speak, to what Senator Sullivan said. And when you talk of the 18,600 positions...I mean, are these all positions currently with a person sitting in it, or are these...I mean, there's a difference between having a slot and having a person in a seat, for one. Second of all, this 18,600 does not include, you said, the universities and colleges. And is it your intention that all 18,600 would be furloughed? I wondered if you're going to furlough a position that's not a body, that's one question I have, you know. [LR4]

SENATOR AVERY: Let's back up and take them one at a time. [LR4]

SENATOR PRICE: All right. [LR4]

SENATOR AVERY: Your first question. Restate your first question again. [LR4]

SENATOR PRICE: First question. Are all these 18,600 actual people drawing a paycheck right now, or are some of the 18,600 just positions that are waiting to be

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filled? [LR4]

SENATOR AVERY: I wish I could answer that. [LR4]

SENATOR PRICE: Okay. [LR4]

SENATOR AVERY: Let me tell you, we do have a list of vacancies produced by the Department of Administrative Services. I've been watching it so I'm sure you have, the Appropriations Committee hearings, and that comes up every time somebody testifies, the same question comes up. And it's apparent that the list of vacancies is woefully inaccurate. So I don't know how many are vacancies. [LR4]

SENATOR PRICE: Okay. Given that, your assumption would be to make this \$15.2 million savings, that a five-day furlough would be applied to all 18,600. All right. [LR4]

SENATOR AVERY: Correct. [LR4]

SENATOR PRICE: Versus 400 employees. Now I did a little bit of calculation and I figure if we have 18,600 people who are furloughed for five days, that's 93,000 man-days or roughly 744,000 hours of furlough that we're talking about to get there. So I want to make sure we've actually split this and presented it as many ways as possible there. And finally, what is the position of the union on furloughs versus cuts? [LR4]

SENATOR AVERY: I hope they will testify and specify what their position is. I don't know. [LR4]

SENATOR PRICE: So you're not aware of it right now? [LR4]

SENATOR AVERY: I think, though, a prudent position would be if we are going to have to choose between layoffs which could be permanent, layoffs or furloughs, we will choose furloughs, because it eases the pain and spreads it around and everybody shares it. I would hope that no agency would say, okay, we're going to shut down our agency for five days. I would like to see it phased-in. You do a portion of your work force for five days, or maybe you would stagger it. You would do it three days and two, and you do that over a period of time and still achieve the same savings. [LR4]

SENATOR PRICE: And then finally, do you have a reason why we're not going to do with the university--just help me out--why the universities aren't included and why they wouldn't experience... [LR4]

SENATOR AVERY: They are quasi-autonomous agencies that have their own governing structure, and therefore they are normally given the authority and the flexibility to decide how they will achieve their cuts and reductions. [LR4]

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SENATOR PRICE: All right, thank you. [LR4]

SENATOR KARPISEK: Thank you, Senator Price. Any...Senator Krist. [LR4]

SENATOR KRIST: Thank you, Senator Karpisek. Not a question for you, Senator Avery, but a question for Chair and Vice. I understand we're running against a backstop with the Education Committee meeting after this at 2:30. Can we reserve at least ten minutes for Executive Session in the event that... [LR4]

SENATOR AVERY: We will. Yeah. [LR4]

SENATOR KRIST: Okay. Thank you very much. [LR4]

SENATOR AVERY: It's my hope that we won't go beyond one hour. [LR4]

SENATOR KARPISEK: Senator Janssen. I remember everybody else. [LR4]

SENATOR JANSSEN: Thank you, Senator Karpisek. Actually I've got a lot of questions here and I'm not certain where to start. I just wonder out loud...I guess when you said if your objective is to lessen government--I don't think you put it that way. [LR4]

SENATOR AVERY: If the objective is to permanently cut the size of government. [LR4]

SENATOR JANSSEN: I think my objective is to lessen and streamline government. So sometimes you butt heads when you talk with furloughs, and I kind of gleaned that you said, you know, this eases the pain. But sometimes doesn't it just prolong the suffering in agencies? And shouldn't we really take advantage of a bad situation and make the tough decisions now and make some layoffs or cuts in certain agencies, not all across the board? So, you know, we just don't kind of struggle through and then hope that things rebound, and then just, you know, it's happy days again? [LR4]

SENATOR AVERY: Yeah, I understand your question. I'll use a metaphor to explain what I mean. The butcher versus the surgeon. The butcher takes a meat ax and lops off major pieces of meat. The surgeon takes a great deal of skill to excise and trim and to do it in a rational and presumably a more efficient manner, in a manner that produces a better result. That's what I would like to see if you're going to do layoffs, then let's not do them at the point of a gun in a budgetary crisis. Let's do it rationally, over time, and do it right. [LR4]

SENATOR JANSSEN: With that said, sometimes you don't need a butcher or a surgeon to hit the treadmill or go out and run and exercise and cut some fat off of yourself, and I think this would be an opportunity maybe for us to get healthy and we'd be a little bit

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healthier if we made some tough decisions at this point in time. And I know it's not easy. I own a business and if we don't have enough money, you know, we don't have the option. And we're playing with the people's money here and we're saying we're going to keep benefits alive, we're going to keep these agencies alive. Shouldn't we be looking at these...you know, there's multiple agencies here. I'm not sure all of them need to be furloughed. I'm not certain. I haven't been through every one. But, you know, I just...I hate to take the easy way out. [LR4]

SENATOR AVERY: Furloughs are painful, too, Senator. [LR4]

SENATOR JANSSEN: They are and they aren't. I mean, if one agency gets a furlough, the other agency is mad. They don't get the unpaid time off too. I mean, I have employees in Fremont that would love to have a day off without pay, and when they're out of vacation days after that. So taking a real world look at this...and not that you aren't. I don't mean to imply that, Senator Avery, especially since you're the Chair of the committee and I need to get some bills out every once in a while. I just...it's a great discussion to have and I'm just not certain where I'd be at (inaudible). [LR4]

SENATOR AVERY: Well, part of the objective here, too, is to preserve benefits for those families that...particularly, in an economic downturn like we're in. And we're about to experience the harshest part of that in the state of Nebraska, it appears. You would want to provide as much benefits for these families as you can. And furloughs will do that and layoffs would not. [LR4]

SENATOR JANSSEN: Thank you, Senator Avery. [LR4]

SENATOR KARPISEK: Thank you, Senator Janssen. An other questions? Senator Giese. [LR4]

SENATOR GIESE: Thank you, Senator Karpisek. Senator Avery, just a thought as you're talking about furloughs versus layoffs. Have you ever given any thought to the idea of maybe if you voluntarily take a furlough, would you maybe then qualify at a different level than somebody that didn't? I mean, I'm just throwing that idea out there. [LR4]

SENATOR AVERY: The problem is...here, let me explain. The first objective is not to have to use either furloughs or layoffs. That's the first objective. Do it with attrition, not filling new vacancies. And I know that's how the university does it, frequently. I've gone through many budget cuts there. But the...if you have to...if you do get to the point where you don't have those less painful choices, then furloughs would be preferable to layoffs. And if you then say, okay, we're going to let people who voluntarily take furloughs, my guess is you wouldn't get enough participation to capture the savings that you need. [LR4]

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SENATOR GIESE: Oh, I don't know. I would tend to not disagree, but I think when times are tough and people are faced with a decision of voluntarily or involuntarily taking a furlough, I think if that option was made available I think people would do it. And so I was just...and the only reason I'm bringing it up is because in any situation, if you can get somebody to come to the table and say, let's work this out, you know. And I think we owe that...we have a lot of great state employees and a lot of employees throughout the state that aren't state employees, that faced with the possible layoff or furlough, I just think that the voluntary portion of it would be a viable part of the equation. [LR4]

SENATOR AVERY: Yeah. I would think that agency heads could devise a policy of furloughs that would allow for voluntary participation and then retain the flexibility. If it didn't achieve the goal, then you'd have to have some involuntary furloughs as well. That could be done independently by agency heads. [LR4]

SENATOR GIESE: Thank you. [LR4]

SENATOR KARPISEK: Thank you, Senator Giese. Any other questions? I'll swing my butcher's axe around here a little bit. What about the people who are salaried, Senator? Would you just...? [LR4]

SENATOR AVERY: It's assumed that they are a part of this, these estimates. [LR4]

SENATOR KARPISEK: And so they just would get, in one paycheck, one...? [LR4]

SENATOR AVERY: It would be prorated. I mean you could figure it out. [LR4]

SENATOR KARPISEK: Prorated out. Okay. Would any of these furloughs, in your thought process, would they affect your benefits? [LR4]

SENATOR AVERY: I am expecting that the union contract would not be nullified by this financial crisis. The contract does define furloughs and it does allow for furloughs when you have an extreme financial crisis. And I would hope that we will have testimony after I sit down to answer that. Contracts, however, do state...I'm pretty sure the contracts states that if you do have furloughs, that the furloughs should not affect benefits. That is to say, if you go below full-time status because of furloughs, you would not lose your health insurance or your retirement benefits. And I believe...I'm not sure, but I believe the Appropriations Committee is considering authorizing in their bills, specifically authorizing the use of furloughs, and that would allow for the protection of benefits. [LR4]

SENATOR KARPISEK: Very good. Thank you. Any other questions? Seeing none, thank you, Senator Avery. Do we have anyone in support of the LR? Is that how you

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want to do it, Bill? Go ahead. [LR4]

SENATOR AVERY: Just who I was hoping would come up. [LR4]

JULIE DAKE ABEL: I'm stuck now, aren't I. [LR4]

SENATOR AVERY: Um-hum. Welcome. State your name for the record. [LR4]

JULIE DAKE ABEL: My name is Julie Dake Abel, J-u-l-i-e D-a-k-e A-b-e-l, and I'm executive director of the Nebraska Association of Public Employees Local 61, and we represent approximately 10,500 state employees. We represent the bulk of the direct care state employees; also including the support staff of the state colleges. So today I wanted to talk to you briefly about LR4. And one of the things that I did want to bring up is about contract negotiations. While we are not here to negotiate any of our contracts, I know it has been brought up before in other situations about some sort of forgoing pay raises. We do not believe that would be a good idea because we did negotiate our contract in good faith with the Governor. The Governor does have, as Senator Avery pointed out, the ability to furlough employees under our contract, and there's ways that that can be accomplished, and that was put in there for when the state is in some sort of a fiscal crisis, that that can happen. I also wanted to point out that unfortunately, as there have been talks about, you know, is there too much fat in state government, so to speak, that many state services are already operating at a minimum. There's a number of services that are at critical lows. Shortages of caseworkers at DHHS, with some of the caseworkers already having double the caseloads they had just a few years ago. Staffing in 24-hour-care facilities continues to be difficult and some are still plagued with overtime problems, even with the current economy. We're very much aware of what happens if you don't provide necessary staff, resources and oversight, as many of you know, with the situations we've had down in Beatrice. There were small cuts in Beatrice over long periods of time, and it resulted in federal sanctions. So we can ill afford to make those kind of cuts now, cuts that are going to become permanent and put ourselves in more of a long-term crisis situation. We do appreciate Senator Avery bringing up this option, and we are supportive that if there has to be cuts in state government, that we are also asking that noncontract employees take their fair share of the cuts, including management, in which I appreciate Senator Avery also looking at that as well. We believe there are middle management and upper management positions that can be cut that will also be even more of a cost-savings because of the amount of monies that they are paid. We have already lost positions in current places such as HHS in Omaha, where they have already lost workers and actually they just didn't replace the positions at all. They're not filling some supervisory positions, but yet administrative positions are still there. And that's hard for workers, especially when those are the workers with the real high caseloads. So if cuts for the union-covered employees become necessary, then we believe that temporary furloughs would be best. You know, if we're saying that we're hoping the economy is going to recover and we've

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been put in a special session to look at this, you know, temporary crisis, so to speak, whether it be a year or two, we don't see that it is necessary then to make permanent layoffs. Because those jobs don't come back. At least historically, those jobs don't come back to state government. One of the things that we have looked at, we have a little different perspective maybe than Senator Avery does on this, but, you know, if employees take a couple days off a year and shut down some of the state facilities, everybody take one Friday off every couple of months, that you could actually save energy costs on that, as well, especially when you're looking at state office buildings and those of the such. And spread out over a long period of time, we believe that that would minimize the impact, because I know there is a concern obviously to services for the public and the citizens of the Nebraska. But we hope that you would consider, if it becomes absolutely necessary to look at either layoffs or furloughs, that you will consider the furloughs. We have state employees that work very hard for this state and have increasingly demanding and difficult jobs. And we believe their services are crucial to the citizens of Nebraska, so. And I'd be happy to answer any questions anybody has. [LR4]

SENATOR AVERY: Thank you. Any questions? Senator Price. [LR4]

SENATOR PRICE: Senator, thank you. Ma'am, thank you very much for coming and clarifying the position for the union. I just want to make sure I got a couple parts on that. You said it was okay to cut...if you were going to have to cut people in departments, cut the management, middle and upper management, versus the workers. And secondly, it was okay to cut...it was preferable to cut services at a given point in time than it was to reduce services, like you said, one day out of a month, shut it all down so that day there would be no services available. [LR4]

JULIE DAKE ABEL: Well, let me clarify a few things as far as that goes. Okay, as far as management goes, middle level, upper management, I think we need to look at that first. In other words, as we have lost employees through attrition or positions have been lost, you know, are we also looking at doing that at middle and upper management? Okay, if we are and we truly are, then that's okay. I do have some questions about whether that's happening in HHS, but if we are, that's okay. If not, then we need to look at that. Once we've looked at that and determined that, then we look at something for everybody. I'm not targeting administration out, but there has to be...everybody has to do their fair share as far as that goes. As far as shutting buildings down, I do think that's something that could be looked at. Is that possible everywhere? Probably not. You know, for instance, we're going to have to be very careful when we're looking at 24-hour-care facilities. You know, obviously, they're going to have to be spared as much as possible. You can't close down the Veterans' Home or the Beatrice State Developmental Center, or the prisons as well. Does that help clarify? [LR4]

SENATOR PRICE: Great, because that was a great segue into how you would see this

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furlough process across certain agencies, the table that was provided by Senator Avery we can see in some areas obviously there aren't as many people working and doing. But like when you brought up the Department of Corrections... [LR4]

JULIE DAKE ABEL: Right. [LR4]

SENATOR PRICE: ...and Health and Human Services. And having been out there and sat on a community foster care review board and seeing how much the workload is out there, I mean, I don't think they can afford a five-day furlough versus picking up work. I mean, it's very dicey either way. [LR4]

JULIE DAKE ABEL: Yes, it is. [LR4]

SENATOR PRICE: But how you peanut butter it, if we said everybody does it, well, a cut across the board impacts different agencies different ways. So you'd have to...it's not...none of this is going to be easy, but there are better places I think, at times, to take it out of hide, so to speak, or out of what we have to, than it does, like, Corrections, some areas in Health and Human Services. And so given that, the approach has to be a little more sophisticated, I think, than just peanut butter spread. Thank you for clarifying. [LR4]

JULIE DAKE ABEL: And I agree with that, that we do have to look hard at the 24-hour facilities or some of the other places where there's, you know, where there's crucial workers or crucial services to where, you know, it's just not responsible maybe to do furloughs. [LR4]

SENATOR PRICE: All right. Thank you. [LR4]

SENATOR AVERY: Senator Sullivan. [LR4]

SENATOR SULLIVAN: Thank you, Senator Avery. Julie, could you clarify...did you say when you first started your remarks that your contract also includes staff from state colleges? [LR4]

JULIE DAKE ABEL: They are actually under a separate labor contract which does not provide for furloughs. We represent the state colleges but they are not under the state master contract. Their contract is negotiated separate. [LR4]

SENATOR SULLIVAN: Okay. Thank you. [LR4]

SENATOR AVERY: Senator Janssen. [LR4]

SENATOR JANSSEN: Thank you, Senator Avery. Thanks, Julie. Thanks for coming

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here. I had a question about your contract and the unions. Having had a dad that was a union truck driver, retired, which surprises some people, I'm curious...and he got laid off several times and, you know, that's what unemployment benefits were for and we utilized those and whatnot. But how is the contract written for you guys when it comes to layoffs? I mean, obviously, in the freight industry, if there wasn't enough freight, they laid off their labor pool. Is there anything in your contract, in...? [LR4]

JULIE DAKE ABEL: Yes, we do have layoff in our contract. To go through the process would probably take much more time than what we have, because it is a very complicated process. Typically, they have to give...you know, they have to look and say that, okay, it's not financially feasible for us to have this position. We're going to eliminate. In other words, maybe an entire job classification. And then each agency sets parameters as far as how they're going to do it. They could do it geographic; they could do it statewide. They have to give the union notification. We sit down and have a meeting with them to discuss any concerns. Then they send notification out to employees. And then there's also a whole bumping right section based upon an employee's seniority, to where you can actually go in and you can bump other employees that you may have...say, you're laid off in Norfolk and there's a position open in Lincoln, you may be able to go through and bump that person in Lincoln. I'd like to give you a clearer answer, but it's a fairly lengthy process for the layoff process under the union contract. [LR4]

SENATOR JANSSEN: Would that be...? And that's a good enough watered down. I was just kind of curious how that was in there or whatnot. And that's in the case of...are you talking about...we talked layoffs. I guess I'm looking at sometimes layoff is a permanent thing. I mean, you're basically being terminated. Or a layoff is...I guess in my dad's case, well, there's more freight to be hauled so we need our drivers back. Is...? [LR4]

JULIE DAKE ABEL: Well, I can tell you that I'm, then if I understand your question correctly, is that I've been with the union for about six years now. I've never known of a layoff to not be permanent, which is where one of my concerns comes in as far as layoffs goes. [LR4]

SENATOR JANSSEN: So we're just kind of easing the pain on people, calling it a layoff, and really they're being terminated? Is that pretty much it? [LR4]

JULIE DAKE ABEL: Yes. Yes. [LR4]

SENATOR JANSSEN: Okay. So we probably shouldn't ease the pain. We should just tell them that they're actually being terminated in those cases? [LR4]

JULIE DAKE ABEL: Well, I mean, you know, there's a possibility of them being recalled or coming back to the position, but it's very rare that that would happen. [LR4]

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SENATOR JANSSEN: And then I always tell people to ask for blue, because I'll be the one holding my breath when they call them back on that, because that just usually doesn't happen. So thank you very much. Appreciate that. Thank you. [LR4]

SENATOR AVERY: Senator Krist. [LR4]

SENATOR KRIST: Thank you, Senator. Thanks for coming. I have a couple of questions for you. In your contract, what happens to your vacation time? Is it held over? Do you have to use it within a certain period of time? How is the contract written? [LR4]

JULIE DAKE ABEL: Are you talking in general or as part of the furlough process? Or you're just talking in general? [LR4]

SENATOR KRIST: Let me give you an example and then you can address it. [LR4]

JULIE DAKE ABEL: Okay. [LR4]

SENATOR KRIST: In general terms, if you're a DoD employee, you accrue so much leave in a given fiscal year. You either have to use it or lose it. [LR4]

JULIE DAKE ABEL: Correct. [LR4]

SENATOR KRIST: Do you have the same...? [LR4]

JULIE DAKE ABEL: Yes, we do. Up to a certain amount. [LR4]

SENATOR KRIST: And how does that work? [LR4]

JULIE DAKE ABEL: You can either use or lose it. When you've accrued...and I'd have to look to tell you the exact amount. I apologize. [LR4]

SENATOR KRIST: That's okay. An arbitrary number is fine. [LR4]

JULIE DAKE ABEL: When you accrue up to so many hours, then you're usually notified at the beginning of December, and you either have to use it or you lose it. [LR4]

SENATOR KRIST: Would it be acceptable in your contract to allow people to give back, as opposed to sell back or carry over? If you had 30 hours and you could...you were going to lose 15 by the end of the year and you were going to use it, could you give it back in terms of offset of costs? Is that permissible within the contract? [LR4]

JULIE DAKE ABEL: No, I don't believe that it is. [LR4]

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SENATOR KRIST: Okay. Could you look at that for me and get an answer for us at a later date? [LR4]

JULIE DAKE ABEL: I sure can. [LR4]

SENATOR KRIST: The specific question is, your leave is...your vacation time is worth money to you. If I'm asking you to take a voluntary furlough, would you give up 30 days or a 2:1 or however that might be. And so going down that road, is it acceptable within the contract? Because if it's not, then it's going to carry with it a fiscal note that we don't want to get into, just like you're talking to Senator Janssen about the cost of doing a layoff is going to be prohibitive for us to lay off, rehire, lay off, rehire, I would think in the long term. I'm interested in getting the answer to that, legally, in terms of the contract. The second thing is an excellent thought on the taking time off as a group, particularly on long weekends. I think we should encourage department heads in the long term, to say if we are considering layoffs, look at Thanksgiving and Friday is a mandatory work day, to give them a long weekend and shut down operations. It works well and it's good for the group and it's good for recharging your batteries. And if there has to be a furlough day, I agree with you, because it saves utilities. And it's another factor. The citizens are giving back a little, too, in this whole process. They understand if they don't want to be taxed, then services are going to have to be afforded...less services are going to be afforded. So this day off was to offset our deficit, and if you can't get a driver's license on this day, that's the reason why. I'm just using that as a quick example. [LR4]

JULIE DAKE ABEL: Sure. [LR4]

SENATOR KRIST: The last part of it was you talked about furloughs for management level, let's use upper management in this case. Could you elaborate in terms of the contract? If we are talking about a salary employee as Senator Avery said, he was hoping that department heads would give back or management would give back, but they would be at work. I mean, that's essentially what we're looking at. In some of your salary cases, do you represent in the union salaried positions? [LR4]

JULIE DAKE ABEL: Very few. Very few. [LR4]

SENATOR KRIST: Okay. Well, that's not a fair question, so I'll just withdraw that. All right, thank you. Thank you very much, Julie. [LR4]

SENATOR AVERY: Any more questions? Senator Karpisek. [LR4]

SENATOR KARPISEK: Thank you, Senator Avery. You brought up a very good point about the electricity, all those costs. And I realize you're not the one to talk to, but I've

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had more than a few people say, on cutting costs, if you're not supposed to be there on Sunday, don't be there on Sunday. I've had quite a few people say people are coming in on Sunday to get some hours made up so they can leave next Friday early for a vacation or to go to the game, whatever. So I realize, again, you're not the one to talk to, but I wanted to bring that up because it seems that that may be going on more than we know. And again, it is using all of the electricity and everything that we don't need to be. So thank you. Thank you, Senator Avery. [LR4]

SENATOR AVERY: Senator Price. [LR4]

SENATOR PRICE: Senator Avery, thank you. A real quick question because I think we touched all around it. I don't know how to grasp it real quick. Is there an additional cost to the state to go through a layoff process? I mean, we all have the hours billed. We all know our man-hours so we use it. Is there an additional cost to the state to go through this function, or is it part and parcel of the workday? [LR4]

JULIE DAKE ABEL: Boy, it's hard to answer that question. I think it would be time spent...it's going to be time spent by DAS; it's going to be time spent by the agency. Then also they usually have some sort of reemployment program that the workers or employees can go through. So, you know, if you equate the time into money, as far as any of the outside monies I really don't think so, but I really cannot tell you that for sure. [LR4]

SENATOR PRICE: Okay. I just wanted to make sure we knew all the costs going into something, whether we're doing a furlough versus a layoff versus (inaudible) and if it costs money to save money, we need to know that too. [LR4]

JULIE DAKE ABEL: Right. [LR4]

SENATOR PRICE: Thank you. [LR4]

JULIE DAKE ABEL: Sure. [LR4]

SENATOR AVERY: Thank you. Senator Giese. [LR4]

SENATOR GIESE: Thank you. You mentioned, I guess, a question with the layoffs. And if I'm laid off, how long am I laid off before I don't have a job anymore? Is it...if I'm off for six months or am I just laid off indefinitely? How does that work? [LR4]

JULIE DAKE ABEL: You're laid off indefinitely. And then what would happen is that then if there's positions that come open, they may contact you for that within a period. You know, within like a year-and-a-half period, two-year period. Then they may contact you as far as saying, okay, we have these positions; would this be something you'd be

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interested in? And they have, like a reemployment program that helps monitor that, and I... [LR4]

SENATOR GIESE: But is it a year and a half then, or do you get to that point where you're not going to get the call? I mean, just for a point of reference. [LR4]

JULIE DAKE ABEL: Yes, you do. Yes, you do. [LR4]

SENATOR GIESE: There is a time that you just go away? [LR4]

JULIE DAKE ABEL: Yes, and I can just give you that real quick here. They do have a reemployment program that you can enroll in. Then I will...let me look that up for you, because I wasn't as prepared to talk about layoffs as I was furloughs. [LR4]

SENATOR GIESE: That's fine. That's fine. But there is a day. There is a time frame. [LR4]

JULIE DAKE ABEL: Yes, I'm pretty sure there is. [LR4]

SENATOR GIESE: Okay. That's really all I need to know. [LR4]

SENATOR AVERY: Okay. You'll get those questions answered and get the information to us later? [LR4]

JULIE DAKE ABEL: Yes, I will. [LR4]

SENATOR AVERY: Okay. Everybody has had a chance to ask a question. I think we will excuse you now and see if there are other people who wish to testify. [LR4]

JULIE DAKE ABEL: Actually, I can answer the Senator's question real briefly, Senator Giese. [LR4]

SENATOR AVERY: Go ahead. [LR4]

JULIE DAKE ABEL: Twenty four months, so it's two years. And then I'll get the answer to the other questions for the committee. [LR4]

SENATOR AVERY: Thank you. Anyone else wish to speak in support of this resolution, LR4? Anyone wish to speak against it? [LR4]

RICHARD HALVORSEN: I can answer Senator Krist's question on the... [LR4]

SENATOR AVERY: Would you please come forward and take the chair? [LR4]

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RICHARD HALVORSEN: (Inaudible) I suppose it would be testimony, but as a former state employee who has lost vacation time. [LR4]

SENATOR AVERY: Please state your name and spell it. [LR4]

RICHARD HALVORSEN: Richard Halvorsen, H-a-l-v-o-r-s-e-n. Again, like I say, the process...again, I'm not a current state employee, but I don't think the contract changed. You could accrue up to 200 hours vacation. At the end of that 200 hours, it's use it or lose it. At the end of the year, if you've got 20 hours, if you haven't used it, you just flat out lose it. And there was a provision, I think it's still in the contract, though you could donate that to a sick leave bank. I don't know if you can donate all of it. I think it's half. In other words, if you had 20, you could donate 10 to the sick leave bank... [LR4]

SENATOR AVERY: And that bank could be drawn on by other employees. [LR4]

RICHARD HALVORSEN: Right. By other employees within your agency. But like I say, if you didn't use it, it was just flat out gone. You couldn't sell it back. It was gone. [LR4]

SENATOR AVERY: Thank you for that. [LR4]

RICHARD HALVORSEN: Okay. All right. [LR4]

SENATOR AVERY: Seeing no other people wishing to testify, we will end the hearing on LR4 and I'll ask the committee to stay for a few minutes of Exec Session. Thank you for coming. [LR4]

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Disposition of Bills:

LR4 - Reported to the Legislature for further consideration.

Chairperson

Committee Clerk