

March 18, 2011

## Proposed Amendment to Reduce Selected State Employees Salaries

### State Officers

- In FY 2012 reduce salaries of the state officers by 7.5 percent for the entire fiscal year. State officers include:
  - Legislators;
  - Justices and judges;
  - State-wide elected officials; and
  - Statutory agency heads.

### All Other Employees

- For all other employees whose salaries are in excess of \$100,000, their salaries will be reduced 7.5 percent for the entire year. Only the State General Fund portion of the individual's salary will be reduced from the respective agency budget.
- For all employees who earn less than \$40,000 there will be no reduction in their salary. For all employees who earn over \$40,000, but less than \$100,000 their salary will be reduced in a "straight line" of zero reduction at \$40,000 up to a 7.5 percent reduction at \$100,000. This straight line methodology helps bring equity to the reduction with those individuals earning less, will have a smaller reduction than those individuals who are earning substantial salaries.
- The savings where possible in the Executive Branch will be captured from the State General Fund. Any State General Fund savings within the Judicial Branch or Legislative Branch will remain with those agencies to meet operating needs as determined by those respective agencies. Any savings in special revenue funds, fee funds, federal funds, grants, etc. will also remain with the agencies.
- Require the Director of the Budget to consult with the Director of the Legislative Research Department on the amount of the State General

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Fund lapse in each state agency for the pay reduction and then certify such amount to the Director of Accounts and Reports.

- The estimated State General Fund savings for this entire amendment are \$19.0 million in FY 2012.

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