



## State of North Carolina Office of the Governor

Beverly Eaves Perdue  
Governor

Fellow state employees,

As you know, families and businesses across North Carolina are facing the effects of the national economic crisis. While I am confident that North Carolina can meet the challenges ahead, the current crisis has not spared state government. Since I became governor in January, I have taken aggressive steps to meet my constitutional obligation to balance the budget.

This week I received information that the budget shortfall for the current fiscal year will exceed \$3 billion. This news forced me to implement measures I had hoped to avoid.

Today I signed an executive order announcing a flexible furlough plan for teachers and state employees – a decision I made after careful thought and consideration of all the options available to me for balancing the state's budget.

All teachers' and state employees' compensation will be reduced by an annualized amount equivalent to 0.5 percent for the remainder of the fiscal year. In return, each employee will receive 10 hours of flexible time off. I have asked the General Assembly to pass legislation ensuring that your unused leave, service credit and health and retirement benefits are held harmless, as well as any longevity pay for which you may be eligible.

The commitment and dedication you show every day to your agencies and to your state are much appreciated. I regret that circumstances force me to make this difficult decision.

I will ensure that North Carolina continues to pay its bills and provide essential services to our citizens. Working together, I know that we will get through these tough times and position North Carolina for a bright future.

Sincerely,

A handwritten signature in black ink, appearing to read "Bev Perdue".

Bev Perdue