LAYOFFS AND POSITION CUTS PLANNED BY VIRGINIA GOVERNOR

Virginia Governor Tim Kaine (D) announces the elimination of 929 executive branch positions, including laying off 593 employees, as part of a fiscal year budget reduction plan. “The Commonwealth is continuing to manage the worst economic downturn since the Great Depression both responsibly and transparently. There’s no question we remain in the midst of the toughest economy in a generation. But we also remain confident that Virginia will weather the storm and emerge stronger than ever before.”

The 593 layoffs do not include those that may occur in higher education, which will as part of the reduction plan experience a net 7.7 percent cut after receiving federal stimulus funding. Individual institutions will have to decide how to deal with reduced revenues, which may or may not include layoffs and that while some laid-off employees might be able to find other state employment, the additional freezing of vacant positions may make it difficult. Kaine stresses that “we’re not cutting anything from K-12” education, one of the main goals of this FY 2010 budget reduction plan, and that the net cuts to state and local government funding are less than $50 million out of the total $1.3 billion budget reduction.

During the first three quarters of FY 2010, the state only will contribute three-quarters of its regular share into the state employees’ retirement fund, making no contribution during the fourth quarter. As the fund is solvent, “this will not jeopardize or affect anyone’s retirement benefits,” Kaine says. He adds that Virginia is unusual in that it pays both the employer and employee share into the retirement fund. The governor is looking at changing this structure in the near future so that state employees will begin to take on some of their contributions.

The reduction plan also includes one furlough day for all executive branch employees, most of whom will be required to stay home the Friday before Memorial Day.

The plan announced on September 8, is the latest round of budget cuts by the Kaine administration, which started reductions more than two years ago. The governor’s last announcement came in December, when he unveiled a two-year budget plan to eliminate a total of 1,833 positions through the end of FY 2010. An earlier plan for FY 2009 laid off 567 employees and eliminated over 800 vacant positions.
