



# Office of the Governor

JIM GIBBONS  
GOVERNOR

January 15, 2009

To All State Employees,

Let me begin by thanking each and every one of you for the hard work that you do for the people of Nevada. Whether it's through the Department of Motor Vehicles, the Department of Public Safety, or the state's education system, government touches the life of every Nevadan. You are the ambassadors of our government, and I truly appreciate what you do to improve the lives of our citizens.

It is no secret that the state is going through a very difficult time. Our people, our businesses, and our state are struggling through a major economic downturn.

Legislators and I worked together last year to balance a \$1.5 billion revenue shortfall. Although the task was daunting, we accomplished it with minimal layoffs, and we retained the COLAs, longevity pay, and step increases for state workers that were in the budget.

Unfortunately, we are facing even more drastic revenue declines in the upcoming budget cycle. The budget deficit we face going into the upcoming legislative session stands at \$2.3 billion. As Governor, I am bringing a number of potential solutions to the table and plan to work with legislative leaders to ensure that the solutions we create will be the best possible ones for all Nevadans.

There are some measures that we will not take to balance this budget. We cannot simply release prisoners, shorten the school day, or refuse to fund medical care for needy children. Nor do I wish to begin massive layoffs of state employees.

However, with over half of the entire state budget going to payroll, trimming salaries will go far toward solving our shortfall without causing severe hardship. I firmly believe that a temporary reduction in salaries is preferable to large-scale layoffs. Therefore, the budget that I

January 15, 2009

Page 2

have submitted to the Legislature includes a 6% salary reduction for all state employees. I will also take that same salary reduction and have asked the other Constitutional Officers and other branches of government to do the same.

I am also proposing a temporary freeze on all step increases and on longevity pay for state employees in the upcoming biennium. I find it impossible to support pay raises for anyone during this fiscal crisis.

Employees in the private sector are already making many of these same sacrifices, while others are facing worse outcomes.

Salary reductions are never easy, and I do not take this step lightly. Unfortunately, we have reached a point in this economic cycle where we cannot continue to avoid layoffs while maintaining all jobs, benefits, and salaries at current levels.

Regardless of these tough but necessary actions, I do give my pledge to each of you that as soon as economic conditions permit, I will ask the Legislature to immediately restore salaries.

Again, I thank you for all of your hard work on behalf of Nevadans and want you to know that I appreciate all that you do for our state. I regret the need to ask more of you, but strongly hope that you will understand our state's request for your help in getting us through this fiscal crisis.

Respectfully,

A handwritten signature in blue ink that reads "Jim Gibbons". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

JIM GIBBONS  
Governor