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## Office of Governor Steve Sisolak

June 11, 2020

To all Nevada State Employees,

As your Governor, I'd like to take a moment to write to you directly, to thank you for the tremendous work you've done helping Nevadans during the COVID-19 pandemic, and to share with you with some of the realities of our current budget situation.

None of us could have predicted a pandemic of this magnitude and the global economic crisis that has followed. As a State, we have done tremendous work to flatten the curve and to preserve the health, safety and lives of our fellow Nevadans. Every day, I am overwhelmed with respect and gratitude for the thousands of professionals employed by the State who quickly adapted and adjusted to a new style of work and have continued providing services around the clock. All of this exceptional work has not gone unnoticed.

As you aware, prior to the pandemic, the State had begun the momentous task of formulating ways to implement a child, family and community-centered Nevada government. The economic crisis caused by the COVID-19 pandemic has forced us to take a different direction with our state budget to respond to this new economic reality. Believe me, I wish we weren't faced with this difficult situation, and I wish I didn't have to write this letter.

It's important that you receive this message from me directly, as your Governor. I wanted you to hear from me the proposed budget reductions for Fiscal Year 2021 that impact you most directly. Preliminary estimates indicate approximately a \$900 million General Fund shortfall, when combined with the Distributive School Account, the revenue shortfall increases to \$1.3 billion in Fiscal Year 2021. The estimated revenue shortfall represents a significant percentage of the state's overall \$4.5 billion operating appropriations for the fiscal year.

The projected shortfall may change as we continue to receive and analyze new economic data, but I have the responsibility for developing the proposals to address the Fiscal Year 2021 shortfall based on what we know today. I want to thank all of the cabinet members for working closely with the Governor's Finance Office to identify the necessary reductions in a manner that limits to the maximum extent possible the impact on critical functions, including health, safety and education throughout the state and puts us on a path toward both a physical and economic recovery. These areas and so many others are all impacted in ways that none of us would advocate for under

normal circumstances, but I appreciate the continuing hard work on fiscally responsible proposals to end the year with a balanced budget.

For state employees, I've asked my team and state agencies to build the proposals with the goal of limiting the number of possible layoffs in the state, to the maximum extent possible. You, our state employees are what make this state run day in and day out. You are the ones that provide critical services to Nevadans. State agencies will be keeping hundreds of positions vacant in Fiscal Year 2021 to preserve existing positions and employees.

We have worked diligently to reduce the number of anticipated layoffs from more than 450 to less than 50 expected at this time. Employees who may be impacted will be notified by Department of Administration, State Human Resource Management.

I am also proposing one furlough day a month for all state employees beginning in July, and a freeze on merit salary increases for Fiscal Year 2021.

I am not proposing any changes to your health insurance or retirement benefits.

It is with a heavy heart I must propose these actions. I know for many state employees, layoffs, furloughs, and budgets cuts are all too familiar and create tremendous hurdles in the work of serving our State.

As your Governor, I will continue to work with our congressional delegation to strongly advocate for financial relief from the federal government to states to preserve vital services and protect our states' economies and workforce. As Nevadans and with your hard work and partnership, we will reinvent, reinvest and reenergize our State for future success.

Thank you,



Governor Steve Sisolak  
State of Nevada