



BILL LOCKYER
TREASURER
STATE OF CALIFORNIA

January 9, 2009

David A. Gilb, Director
Department of Personnel Administration
1515 "S" Street, North Building, Suite 400
Sacramento, CA 95811-7243

RE: State Employee Furlough per Governor's Executive Order S-16-08

Dear Mr. Gilb:

As acknowledged by representatives of the Governor's Office during a telephone call today with representatives of the constitutional officers, the Governor's Executive Order S-16-08 may not be imposed on the constitutional officers. After careful consideration of the Governor's Executive Order and a thorough review of the issues by our legal office, the State Treasurer's Office will not comply with the furlough program provided for in the Executive Order, including the most recent announcement regarding closing State offices on the first and third Friday of each month. Based on our legal review, we believe that the Governor has not established that he has the legal authority to impose furloughs and the related salary cuts on state employees.

This office is acutely aware of the serious financial issues facing the State of California. We have committed our resources, personnel, and energies to identifying ways in which the Treasurer's Office can conduct its business in the most efficient, cost effective manner possible, in addition to assisting the State's decision-makers in identifying various options to resolve the crisis, and we have worked successfully with the Department of Finance throughout the year to reduce our costs and increase our revenues. We will continue to do so and will continue to implement changes in how the Treasurer's Office performs its work to both reduce expenditures and contribute savings to the General Fund. However, we will not comply with an Executive Order that we are convinced does not rest on solid legal grounds and which would impose such a hardship on the backs of our employees.

Sincerely,

A handwritten signature in black ink that reads "Bill Lockyer". The signature is fluid and cursive, with the first letters of "Bill" and "Lockyer" being capitalized and prominent.

BILL LOCKYER
California State Treasurer

