



**MARYLAND**  
DEPARTMENT OF  
BUDGET & MANAGEMENT

*MARTIN O'MALLEY*  
Governor

*ANTHONY BROWN*  
Lieutenant Governor

*T. ELOISE FOSTER*  
Secretary

*DAVID C. ROMANS*  
Deputy Secretary

August 24, 2009

Mr. Patrick Moran  
Area Director  
AFSCME Maryland  
190 W. Ostend Street, Suite 101  
Baltimore, MD 21230

Dear Mr. Moran:

Thank you for engaging in negotiations with the State concerning painful but necessary budget reductions. Your participation in those bargaining sessions over the past few weeks is much appreciated.

The Administration and the exclusive representatives have discussed the State's continuing fiscal crisis and the urgent need to yet again take prompt and decisive action to achieve reductions in spending. Our extensive discussions have thoroughly considered all realistic options for addressing the budget problem in a timely manner. Enclosed is a copy of the State's final salary reduction plan which, as you know, is a critical part of any resolution to the currently projected fiscal year 2010 budget shortfall. The plan incorporates suggestions made by AFSCME and the other exclusive bargaining representatives, such as: ensuring that higher-earning employees are affected in proportion to their salaries; spreading the impact of salary reductions over the remainder of the fiscal year to mitigate the impact; permitting individual employees the option to seek voluntary furloughs or the adoption of a 35-hour work week; protecting pensions, annual leave payout upon separation, and overtime rates; and, adopting union suggestions for the selection of days during which the State will reduce operations.

As we discussed, in order to effectuate a cost-savings plan of this magnitude, and because our plan involves a State-wide reduction of operations on September 4, time is of the essence. Therefore, due to the exigencies of the State's economic position and the administrative necessities of implementing this proposal, the State must immediately move forward to responsibly address the fiscal realities of the State budget.

We anticipate that at some as yet undetermined future date, the national and State economies will recover. When those better days finally arrive, it is our intent to give appropriate consideration in future negotiations to the sacrifices made by State employees during times of

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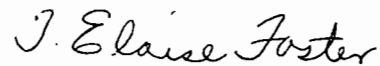
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economic stress. While we are obligated to take into account the State's fiscal constraints at the time of any collective bargaining negotiations, we will be willing to consider additional cost of living increases, paid leave days, or other similar enhancements.

Thank you for your continued understanding during these difficult times, and for remaining our partners in providing Maryland's citizens with the best possible public service.

Sincerely,



T. Eloise Foster  
Secretary

Enclosure

cc: Matt Gallagher, Deputy Chief of Staff, Governor's Office  
Peggy Watson, Deputy Chief of Staff, Governor's Office