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news release

FOR IMMEDIATE RELEASE

30 August 1990

SEQUESTRATION-GOVERNMENT FURLOUGHS

WASHINGTON, D C -- U S Rep Kika de la Garza today issued a statement from his Washington office to respond to a great many inquiries from concerned government employees about the possibility of a furlough without pay under a sequester order pursuant to the Balanced Budget & Emergency Deficit Control Act of 1985, PL 99-197 (commonly known as the Gramm-Rudman-Hollings Act). This is the Act which establishes the goal of balancing the federal budget.

Under a formula set forth in the GRH Act, a sequester is triggered when deficit targets are not met. Half the required outlay reductions must be made in defense programs and half in nondefense programs. For the most part, sequestration reductions are made uniformly across the range of accounts covered by the process and are made uniformly in programs, projects and activities within departments. The major exemptions from sequestration are Social Security, net interest on the debt, certain low income programs (such as Food Stamps) and federal retirement and disability programs. The President has also exercised an option available to him this year to exempt military personnel.

On 7 August 1990, the Office of Management & Budget informed agencies that an initial sequester order would be issued by the President. The amounts of funding sequestered pursuant to the initial order are required to be withheld from obligation or expenditure between 1 and 15 October 1990. On 15 October 1990, the President, if necessary, will issue a final sequester order.

The magnitude of this sequester, estimated to be 32%, requires that agencies begin now to make necessary personnel plans concerning all programs, projects and activities that will be subject to sequester. It is important to remember that these are preliminary plans and therefore speculative.

First and foremost, the south Texas Congressman said, "we must bear in mind that the question of a sequester is not yet a reality." This will only come about if a budget deficit reduction plan is not agreed to when work resumes next week and the President and Congressional leaders seek to develop a budget plan to avoid a sequester. By law the President needs to provide one month notification.

It is premature to think that this will happen. "There haven't been any federal furloughs since 1982," Rep de la Garza said, "and at that time the numbers were small."

The Office of Personnel Management has suggested an approach of initiating a furlough of up to 22 workdays per year. This is intended to provide agencies with the flexibility needed to meet changing circumstances. It should not be interpreted to mean that a 22 workday furlough will be necessary. Agencies may find that actual required furlough days will be less than 22. OPM has also encouraged agencies to take whatever actions possible that would reduce the need for and extent of possible furloughs.

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