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To Save Money, States Turn to Furloughs



Amanda Rivkin for The New York Times

In Iowa City, the Johnson County Courthouse will be closed every other Friday because of cutbacks in the state budget.

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Licenses for [same-sex marriages](#) were supposed to be issued in Iowa starting this Friday. But because of a crimped state budget, court employees will be on mandatory furlough that day and the courts will be closed. Gay couples cannot start filing for their licenses until Monday.

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As they try to cope with gaping budget deficits, at least 15 states from every region — like Georgia in the South; Arizona, California and Washington in the West; and Massachusetts, New Hampshire and New York in the Northeast — are in various stages of considering or carrying out furloughs.

“This may very well be the most widespread use, or consideration of use, at least since the emergence of the post-World War II economic boom,” Robert Bruno, professor of labor relations at the [University of Illinois](#), Chicago, said of furloughs.

But furloughs can be a problem for states in a way they may not be for a private company where demand for a product has dropped. Government services remain in even greater demand in a weak economy. Furloughs often mean fewer workers handling a larger load. For instance, there are already signs of disability claims piling up in seven states.

“The word ‘furlough’ sounds nice and fluffy, like, ‘This isn’t painful, we aren’t doing layoffs,’ ” said Hetty Rosenstein, director of the largest state-worker union in New Jersey. There, an appeals court last week upheld a plan to make state workers take two furlough days by June 30, the end of the fiscal year, and 12 more in the next fiscal year.

“But,” Ms. Rosenstein added, “furloughs are fundamentally a cut in pay. And furloughs are a cut in service. If you don’t have people working, the work isn’t going to magically get done.”

Private companies, too, are increasingly turning to furloughs as they try to ride out the recession. A Watson Wyatt survey released this week found that 17 percent of 141 companies surveyed had imposed furloughs in April, up from 11 percent in February.

Furloughs of public employees can affect critical services like police and fire protection, prison guard duty and hospital care. **Unions in Minnesota say that proposed furloughs there would have cost more than they would have saved, due in part to lost services.**

For the most part, it is too soon to judge the impact of furloughs on the delivery of public services. But there are early signs of a ripple effect.

One stark example is at the [Social Security Administration](#), a program paid for by the federal government but administered by state workers. Officials said this month that in seven states, 2,700 of those workers had been furloughed, further delaying the processing of tens of thousands of disability claims, which already take an average of 488 days to resolve.

Services in several California counties were already curbed because of layoffs before the state instituted furloughs for the first time in its history in February, when it ordered 90 percent of its 238,000 employees to take off two days of unpaid leave per month.

Now, for example, at the Orange County Social Services Agency, Herman Martinez, an eligibility specialist and president of the local unit of the [American Federation of State, County and Municipal Employees](#), said the agency could not keep up with applications for public assistance, which have only grown in the economic downturn. "It's a whole can of worms for us to try to service the most needy and vulnerable clients," Mr. Martinez said.

In Iowa, furloughs have delayed the start of same-sex marriages by only one business day but they have also reduced the time that the public has access to the courts. All courts are closed every other Friday through June, which means clerks are falling behind in their caseloads. To help them make up for lost time, their offices are closed to the public early on Tuesdays and Thursdays.

"That gives them an opportunity to catch up with paperwork," said Steve Davis, a spokesman for the state's [Supreme Court](#), "but it further limits access of the public to the court."

Furloughs allow companies and agencies to keep valued employees, are easier and faster to start than layoffs and are not as demoralizing, analysts say. Workers often accept them because they are presented as the only alternative to layoffs, and in some cases, they have no choice.

In New Jersey, the state worker unions are angry that they did not have the chance to negotiate the state's cost-savings package, which was imposed unilaterally, as it was in California. In New York, Gov. [David A. Paterson](#) has said that if the state employee unions do not agree to concessions, [he will lay off about 9,000 of the state's 200,000 workers.](#)

“Conditions have gotten so hard that employees who would have been less inclined to accept furloughs have a sense that there's a permanent economic restructuring going on, something deeper and more lasting, and that means employees have fewer options,” said Mr. Bruno, the labor relations professor. “The power has shifted to the employer, and employees are more desperate.”

While employees often worry that furloughs will not actually prevent layoffs, some have been able to negotiate better job security. State union leaders in Connecticut have tentatively agreed to unpaid furloughs as part of a package that would guarantee no layoffs for two years.

Utah has found an alternative to furloughs, one already used by many city and county governments. Utah's state workers have been on a mandatory four-day workweek since August in a program started as a way to try to reduce energy costs. Salaries have not been cut because offices are open an hour earlier and close an hour later.

“We're just repacking how we do the 40 hours,” said Jeff Herring, Utah's executive director of human resources.

But Mr. Herring said the move had reduced costs in many ways: overtime payments and absenteeism are down, for example, and online services have been expanded, which has cut the waiting time at places like the Division of Motor Vehicles. Employee morale is up, internal surveys say, but the energy savings have not been as great as anticipated.

[President Obama's](#) economic stimulus package could eventually relieve some of the pressure on state budgets. But for now, states are relying more on furloughs, though their long-term value is still being assessed.

“Furloughs can save you money and help you avoid layoffs, at least initially,” said Alan Ehrenhalt, editor of [Governing](#) magazine. “But employees do lose income, services are disrupted, and it turns out you can’t really close all the things on Friday you thought you could.

“So the savings aren’t as great. And you’re not solving any long-term problem.”

An earlier version of this article stated incorrectly that Gov. David A. Paterson of New York was considering furloughs as part of the concessions he is seeking from state workers. Furloughs have not been part of the public discussions.

This article has been revised to reflect the following correction:

Correction: April 27, 2009

An article on Friday about states that have considered furloughs or have imposed them on their employees misstated the status of such action in Alabama. Furloughs there have been blocked by a legislative committee; they have not gone into effect.