



## COUNTY ADMINISTRATIVE OFFICE

COUNTYWIDE MESSAGE

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County Administrative Officer

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**TO:** Those Who Responded with Budget Suggestions **DATE:** July 1, 2010

**FROM:** County Administrative Office

**SUBJECT: BUDGET COMMENTS RESPONSE**

Friends, thank you for your many thoughts and ideas regarding the budget.

I would like to respond to the most frequent suggestion by far, furloughs. The suggestion generally is stated as, "Can we absorb the budget reductions by having mandatory furloughs for everyone?" The answer is sure, but it can't be equitably applied.

It's been commented that furloughs are the answer to employees taking salary reductions and thereby avoiding missed mortgage, rent, or vehicle payments. To be clear furloughs are salary reductions just as pay cuts are. The distinction is that under furloughs, the employee takes the time off associated with the salary reduction.

From a bigger perspective, it's important to remember that we're talking about a net General Fund budget gap. So, if employees in Mental Health, Employers' Training Resource, Child Support Services, Environmental Health, or other similarly federal/state/ fee funded departments take furloughs, those savings don't impact the county's General Fund. What is more, the big departments that rely most heavily on the county's General Fund also have a large number of employees on 24/7 shift work which effectively precludes these employees from participating in the furloughs. For example, if we require firefighters to furlough, those positions must be backfilled with other firefighters being paid overtime, actually costing more money than being saved by the furlough. This constraint also applies to many Sheriff and Probation employees and even employees in some other departments. So this leaves some of the smaller more General Fund dependent departments to shoulder a greatly disproportionate share of the budget gap burden through the use of furloughs.

Next is the impact to service delivery. One day a month of furlough equates to about 5% of an employee's pay. Because this is a multi-year problem, these furloughs would need to be for multiple years. Additionally, the Board has been clear about not wanting to reduce service levels. Either there would be a long term impact to service levels which is currently unacceptable or there wouldn't be an impact to services, meaning that 5% of employees could be eliminated without a disruption of services.

Some have mentioned a desire for department specific mandatory furloughs. For hypothetical example, you could have the Assessor, Department of Human Services, Parks Department on mandatory furlough and the Auditor-Controller, Clerk of the Board, and County Counsel not furloughing. While this may be in the range of possibility, it would likely be a nightmare to administer and may fuel equity between department complaints.

Of course, mandatory furloughs are subject to meet and confer requirements with the employee associations.

Generally, furloughs are often considered a solution to a discrete, short term budget problem. Unfortunately we are suffering from a long term budget problem in a government setting that isn't well suited for the use of furloughs. However, I'm certainly interested in creative solutions to these constraints.

One final point, is that voluntary furloughs remain a department specific options and are not subject to meet and confer requirements.

I look forward to responding to more employee suggestions in the near future.