

**MEMORANDUM**

September 21, 2009

TO: County Council

FROM: Craig Howard, Legislative Analyst  
Sarah Downie, Research Associate  
Office of Legislative Oversight

SUBJECT: **Public Sector Furloughs: Additional Information**

In April 2009, the Office of Legislative Oversight provided the Council with a research brief that reviewed furloughs and buyouts as two strategies being used during the current recession to reduce compensation costs without turning to employee layoffs. The furlough chapter included:

- An overview of the commonly-cited advantages and downsides of furloughs;
- Examples of the experiences of other jurisdictions in implementing furloughs;
- A review of the Personnel Regulations governing furloughs in County Government; and
- A summary of furlough “lessons learned” from the reported experiences of other public sector employers.

The complete memorandum report from April (OLO Report 2009-9, *A Research Brief on Furloughs and Buyouts*) is available online at <http://www.montgomerycountymd.gov/olo>.

This Addendum to OLO Report 2009-9 updates the Council on recent developments related to public sector furloughs. In particular, it provides information about the use of furloughs this fiscal year by the State of Maryland and other Maryland counties, and presents some examples of school districts across the country that are furloughing employees this year.

<b>Section A</b> reports on the use of furloughs during FY10 by the State of Maryland, State of Virginia, Prince George’s County, Harford County, and Howard County.	Page 3
<b>Section B</b> describes different furlough structures adopted by a number of local school districts across the country.	Page 8

**General Update on the Increased Use of Furloughs.** Since April, there have been several notable developments related to furloughs in the public sector. First, as the fiscal situation for most state and local governments remains stressed, the use of furloughs has become more prevalent. Just two months into FY10, 20 states (including Maryland and Virginia) have already announced or enacted furlough plans that will impact over one million employees nationwide.<sup>1</sup>

Second, some local school districts have adopted furlough plans or are considering furloughs of staff, including teachers. A September 2009 article written by an Associated Press reporter and published in the *Baltimore Sun* noted that furloughs are occurring in individual school districts across the country, often in response to reductions in state education funding.<sup>2</sup>

Third, there have been several recent judicial decisions stemming from lawsuits filed by employee unions over furloughs. While many jurisdictions have implemented furloughs without incurring lawsuits, grievances and related lawsuits are a common response to furloughs.

As of this writing, court cases regarding furloughs are ongoing in California, Hawaii, Maryland, Rhode Island, New Jersey, and Pennsylvania, among other places. As summarized below, recent court rulings regarding furloughs implemented by both state and local governments have varied; many of the initial court decisions are under appeal and final outcomes could change.

- **California.** In January 2009, a state court upheld the Governor of California's authority to order a furlough during a fiscal emergency; this was followed by a decision that upheld the Governor's authority to furlough employees of independently elected constitutional officers. In September 2009, a state court ruled that State Compensation Insurance Fund employees are exempt from furloughs under the state insurance code.
- **Hawaii.** In July 2009, a state judge struck down the Governor of Hawaii's plan to furlough state employees by ruling that implementing furloughs would change wages and therefore violate employees' right to collectively bargain under the state constitution.
- **Prince George's County.** In August 2009, the U.S. District Court decided that Prince George's County violated the U.S. Constitution's prohibition against impairment of contracts by furloughing employees for 10 days in FY09.<sup>3</sup>

Finally, some economists recently have raised questions about the bottom line costs and savings of furloughs when examined from a broad economic perspective. For example, some possible "costs" of furloughs that may not be included in the calculation of net savings include a decline in spending by government employees, reduced tax revenue collections, and potential inefficiencies in government operations.<sup>4</sup>

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<sup>1</sup> Vestal, Christine, "Budget Cuts Test State Personnel Policies", August 27, 2009. <http://www.stateline.org>.

<sup>2</sup> Turner, Dorie, "School Districts Across the Country Furlough Teachers to Reduce Spending Amid Budget Cuts", Associated Press, September 1, 2009. <http://www.baltimoresun.com>.

<sup>3</sup> U.S. District Court Memorandum Opinion, *Fraternal Order of Police, et. al. v. Prince George's County*, filed August 18, 2009. See the August 21, 2009 Memorandum from Michael Faden to Councilmembers titled *FOP v. Prince George's County (furlough) case – relevance to Montgomery County* for further details and analysis.

<sup>4</sup> Dornhelm, Rachel. "Furloughs May Not Save As Much As States Hope", September 10, 2009. <http://www.npr.org>.

**A. State and Local Government Furlough Plans in Maryland and Virginia: FY10**

This section summarizes the FY10 furlough plans adopted by the State of Maryland, State of Virginia, Prince George’s County, Harford County, and Howard County. The State of Maryland and Prince George’s County both had implemented furloughs in FY09 that were reviewed in OLO’s April 2009 Research Brief.<sup>5</sup>

**1. State of Maryland**

<b>State of Maryland’s FY10 Furlough Plan</b>	
<b>Voluntary or Mandatory</b>	Mandatory
<b>Amount of Furlough Time</b>	3 to 10 days (depending on salary)
<b>Fixed or Rolling Furlough Days</b>	Fixed and rolling furloughs days
<b>Employee Exemptions</b>	Employees of 24/7 operations will not take rolling or fixed furlough days but will have a salary reduction equivalent to 3 or 5 days of pay (depending on salary)

In FY09, the State of Maryland implemented a furlough and temporary salary reduction plan that required four or five furlough days for employees, depending on salary level. On August 25, 2009, the Governor of Maryland signed an Executive Order to create an FY10 furlough and “temporary salary reduction plan” for State employees. The State estimates a savings of approximately \$34 million from the furlough and salary reduction plan.

The FY10 furlough plan is similar to the FY09 plan, with the primary difference being an increase in the number of furlough days required. The FY10 furlough plan requires state employees to take three to five rolling furlough days, depending on each employee’s salary. In addition, what the plan refers to as a “temporary salary reduction” is essentially fixed furlough days: employees will have a salary reduction equivalent to three to five days of pay, depending on salary level, and work five fewer days when the State government is closed (September 4, November 25, December 24, December 21, and May 28).

The specific FY10 furlough requirements based on salary level are listed below:

- **Employees earning less than \$40,000** are exempt from the rolling furlough days but must take three fixed furlough days as a temporary salary reduction. For the remaining two days that State facilities will be closed, these employees may choose to use annual leave or take voluntary furlough days.
- **Employees earning \$40,000 to \$49,999** will have three rolling furlough days plus the five fixed furlough days when State facilities are closed for a total of eight furlough days.

<sup>5</sup> See pages 16-21 of OLO Memorandum Report 2009-9.

- **Employees earning \$50,000 to \$99,999** will have four rolling furlough days plus five fixed furlough days when State facilities are closed for a total of nine furlough days.
- **Employees earning \$100,000 or more** will have five rolling furlough days plus five fixed furlough days when State facilities are closed for a total of ten furlough days.
- **Employees in 24/7 service positions** do not have to take rolling furlough days but will have a temporary salary reduction equivalent to three days of pay if they earn less than \$40,000 or five days if they earn \$40,000 or more. These employees will continue to work on the fixed furlough days, when most other government operations will be closed.

As with FY09, the Executive Order on furloughs for FY10 does not apply to the Legislative Branch, the Judicial Branch, Public Officers, or employees of the University System of Maryland, St. Mary’s College of Maryland, Morgan State University, and Baltimore City Community College. However, the Executive Order states that “each university appropriation shall be reduced to reflect the amount of savings that would be achieved by implementing a furlough plan at each university in accordance with its rules and regulations and subject to approval of its governing board.”

**2. State of Virginia**

<b>State of Virginia’s FY10 Furlough Plan</b>	
<b>Voluntary or Mandatory</b>	Mandatory
<b>Amount of Furlough Time</b>	1 day
<b>Fixed or Rolling Furlough Days</b>	Fixed furlough day; affected agencies must develop alternate furlough schedules for essential employees
<b>Employee Exemptions</b>	None (although furlough only applies to Executive Branch employees)

In September 2009, the Governor of Virginia announced an FY10 Spending Reduction Plan that includes a mandatory, one-day furlough for all Executive Branch state employees. The State estimates that the one-day furlough will save approximately \$9.3 million.

Virginia’s furlough day is scheduled for May 28, 2010, which is the Friday before Memorial Day weekend. The furlough plan requires agencies or departments with “critical or emergency personnel” to develop alternate furlough schedules for its staff to ensure that “essential staffing” is maintained on the fixed furlough day.

**3. Prince George’s County, Maryland**

<b>Prince George’s County FY10 Furlough Plan</b>	
<b>Voluntary or Mandatory</b>	Mandatory
<b>Amount of Furlough Time</b>	80 hours (prorated for part-time or non-100% County-funded positions)
<b>Fixed or Rolling Furlough Days</b>	Rolling furloughs days
<b>Employee Exemptions</b>	Certain non-General Fund positions exempt

In FY09, Prince George’s County implemented a furlough plan requiring each employee to take up to 80 hours of furlough time. On July 21, 2009, the Prince George’s County Council adopted a resolution to approve a formal furlough plan submitted by the County Executive for FY10. The County expects its FY10 furlough plan to save \$18 million.

The amount of required furlough time is the same as the FY09 furlough plan; however, in FY10 the furloughs extend to positions funded by the Solid Waste Enterprise Fund. Positions that are 100% funded from sources other than the County’s General Fund, Internal Service Funds, and the Solid Waste Enterprise Fund do not have to participate. Employees whose salaries/wages are partially funded by other sources must take a prorated amount of furlough time.

Individual department/agency heads are responsible for preparing an Employee Furlough Leave Plan for each employee to ensure that they take the required furlough time while maintaining core services. As in FY09, employees who choose to take the furlough hours on designated holidays can receive an equivalent amount of annual leave credit up to 24 hours.

The furlough plan also requires the Office of Management and Budget to report cost savings to the County Executive and County Council at the end of each quarter and recommend whether the furlough plan needs to be continued.

**FY09 Furlough Lawsuit.** In September 2008, several labor unions representing Prince George’s County employees filed a lawsuit against the County Government seeking to overturn the FY09 furlough plan. In August 2009, the U.S. District Court ruled that the furloughs violated the U.S. Constitution’s prohibition against impairment of contracts and ordered the County to repay union employees for the salary loss due to furloughs.<sup>6</sup> The County has requested a stay of this judgment and appealed the ruling to the U.S. Court of Appeals.

In July 2009, labor unions representing Prince George’s County public safety employees filed an Unfair Labor Practice Complaint against the County for adopting an FY10 furlough plan without bargaining with labor organizations. As of this writing, this complaint is pending resolution.

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<sup>6</sup> U.S. District Court, *Fraternal Order of Police, et. al. v. Prince George’s County*, filed August 18, 2009. See the August 21, 2009 Memorandum from Michael Faden to Councilmembers titled *FOP v. Prince George’s County (furlough) case – relevance to Montgomery County* for further details and analysis.

#### 4. Harford County, Maryland

<b>Harford County FY10 Furlough Plan</b>	
<b>Voluntary or Mandatory</b>	Mandatory
<b>Amount of Furlough Time</b>	5 days
<b>Fixed or Rolling Furlough Days</b>	Fixed furlough days for most employees; rolling furlough days for employees of certain 24/7 operations
<b>Employee Exemptions</b>	None
<b>Scheduling Salary Loss</b>	In the pay period that the furlough days are taken

The Harford County Executive recommended and the County Council approved five fixed furlough days as part of the County's adopted FY10 operating budget. According to Harford County staff, the County turned to furloughs "to offset local government funding cuts imposed by the State of Maryland,"<sup>7</sup> and avoid layoffs.

Harford County selected five fixed furlough days during FY10: July 24, September 4, October 12, December 24, and April 5. On these five days, most County Government offices will be closed and Harford County transit buses will not operate. All County employees must participate in the furlough plan. However, rather than being furloughed on the five fixed days, employees who work at the 24/7 water and waste water operations or the Emergency Operations Center staff must take five rolling furlough days during FY10. Employees in the Sheriff's Office, the primary law enforcement agency in Harford County, are not County employees and are not participating in the furlough plan.

Harford County projects a general fund savings of approximately \$700,000 in FY10 from the furlough plan. However, County staff report that the actual savings will likely be somewhat less. On July 24, 2009, the County's first furlough day, some furloughed employees were called in to work to address an emergency IT problem. According to County staff, this need for unanticipated overtime, due to extreme weather or other emergencies, is common on holidays and could occur on the other furlough days as well.

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<sup>7</sup> Harford County Government Press Release, "Harford County Announces Employee Furlough Dates," June 24, 2009.

**5. Howard County, Maryland**

<b>Howard County FY10 Furlough Plan</b>	
<b>Voluntary or Mandatory</b>	Mandatory
<b>Amount of Furlough Time</b>	4 days
<b>Fixed or Rolling Furlough Days</b>	Fixed furlough days from December 28 to December 31
<b>Employee Exemptions</b>	Most public safety employees
<b>Scheduling Salary Loss</b>	1.5% salary reduction from all paychecks during the fiscal year

The Howard County Code authorizes the furlough of employees under certain circumstances, including if the County Executive determines that a revenue shortfall requires a reduction in compensation levels. On May 20, 2009, the Howard County Council adopted Resolution No. 24-2009 to approve a furlough plan submitted by the County Executive. The plan furloughs 1,815 employees for four days during FY10; the estimated savings is \$1.8 million.

The four fixed furlough days will be from December 28-31, 2009, which will allow the County to close non-essential facilities from December 25, 2009 until January 3, 2010. County libraries will remain open.

By closing government operations for ten consecutive days, Howard County anticipates cost savings on energy, custodial services, and general office expenditures. Part-time employees will take a prorated number of furlough days. The salary loss for all furloughed employees is being spread out by subtracting 1.5% from each paycheck that employees receive during the fiscal year. The County Code states that the salary loss can be no more than one furlough day per two-week period (unless an employee requests otherwise).

To avoid a potential increase in overtime costs, Howard County’s furlough plan exempts the following employees: 911 dispatchers, emergency communications operators, police officers below the rank of sergeant, firefighters below the rank of captain, and correctional officers.

The County is offering an alternate furlough plan for employees who cannot take four consecutive days off from their duties without impacting the delivery of essential services. These employees must take four rolling furlough time during the fiscal year. The County also reached an agreement with one employee union (Howard County Local 3085, represented by the American Federation of State, County and Municipal Employees) that members may choose to take four rolling furlough days instead of the fixed furlough days.

## B. SCHOOL DISTRICT FURLOUGHS

The use of furloughs by public school districts has expanded in recent months as a response to the economic downturn, and in many cases, to substantial state budget cuts to education. This section provides examples of the structure and experiences of selected public school districts that are implementing furloughs. Furlough information is provided for:

- Anne Arundel County Public Schools (Maryland);
- Gwinnett County Public Schools (Georgia);
- Fulton County School System (Georgia);
- Fayette County School System (Georgia);
- Lynwood Unified School District (California); and
- Charleston County School District (South Carolina).

OLO limited its research to local public school districts (K-12) that implemented furloughs during FY09 or FY10; this section does not include information on State university systems subject to furloughs.

OLO's April 2009 Research Brief on furloughs identified several recurring themes or lessons learned from furlough plans implemented by other public sector jurisdictions. While these generally apply to school district furloughs as well, OLO identified some additional themes or common characteristics of furloughs specific to school systems.

- **Nearly all school districts reviewed included teachers as part of their furlough plan.** In the past, teachers tended to be a group excluded from furloughs. However, exempting teachers substantially limits the savings achieved from a school system furlough and more school systems are now structuring furloughs to include all staff.
- **School districts have been able to implement furloughs without decreasing the number of student instructional days.** A common strategy among school furlough plans is to identify fixed furloughs on days originally scheduled as staff workdays when school is not in session, e.g., teacher planning days, staff development days. Some districts scheduled their furlough days to occur during the week(s) before the start of the new school year.
- **Approval and authority for the school district furloughs reviewed rests with the local school boards.** In all of the school districts reviewed, while furloughs may have been enacted due to funding cuts at the state or county level, the authority to adopt a final furlough plan for school employees rests with the school board. However, in some cases, state approval was required to reduce the number of teacher work days.
- **Some school districts negotiated furloughs with employee unions, while others did not.** OLO found examples of both negotiated furloughs and furloughs imposed without any negotiated agreement. In some cases, unions agreed to furloughs under the condition that the school district avoid and/or rescind planned layoffs of union members.

The specific furlough plans for the six schools districts reviewed are detailed below.

**1. Anne Arundel County Public Schools (Maryland)**

<b>Anne Arundel County Public Schools Furlough Plan</b>	
<b>Voluntary or Mandatory</b>	Mandatory
<b>Amount of Furlough Time</b>	2 to 5 days (depending on job class); 3 days for teachers
<b>Fixed or Rolling Furlough Days and When Taken</b>	<ul style="list-style-type: none"> <li>• Fixed furloughs days prior to and during school year</li> <li>• Specific days vary by job class</li> <li>• No furloughs taken on student instruction days</li> </ul>
<b>Employee Exemptions</b>	Bus drivers and aides are exempt
<b>Other Details of Note</b>	<ul style="list-style-type: none"> <li>• Salary loss spread out over the entire year</li> <li>• Paid holidays cannot be used as furlough days</li> <li>• Staff not authorized to report to work or work from home on furlough days</li> <li>• Staff received no COLA and no increments for FY10</li> </ul>

Anne Arundel County Public Schools enrolls approximately 75,000 students and employs 9,200 staff; the annual operating budget for the current school year (2009-2010) is about \$936 million.

In June 2009, the Anne Arundel County School Board adopted a furlough plan requiring between two and five furlough days for all employees in FY10, except for bus drivers and aides. The Board set the number of required furlough days by job class, with more senior and/or higher-paid employees incurring a higher number of furlough days.

The School Board adopted the furlough through amendments to its contracts with employee unions. In June, the Board negotiated agreements with three of the school district’s four unions for a set number of furlough days. The exception was the Teachers Association of Anne Arundel County (TAAAC), which later came to a tentative agreement on furlough days and other contract revisions that will be brought to the union membership and the School Board for approval this fall. The tentative agreement states that TAAAC members will take three furlough days, but that the Board and union will first jointly request a supplemental appropriation from the County Executive to avoid the furloughs.

Teachers in Anne Arundel already took one furlough day on August 17, previously a teacher workday scheduled before the start of the new school year. The other two furlough days for teachers are scheduled in October and January. Executive staff, professional support staff, and principals (12 month positions) took most of their required furlough days last July.

Anne Arundel Public Schools anticipates a savings of \$7.7 million from its FY10 furlough plan, with \$5.6 million (73%) of that total coming from the three days of teacher furloughs.

**2. Multiple School Systems in the State of Georgia**

In July 2009, the Governor of Georgia announced budget cuts to local school systems and requested that school districts reduce funding by furloughing all employees, including teachers, for three days. The Governor does not have direct authority to furlough school system employees; however, teachers in Georgia are paid under a formula that includes “considerable” state funds.<sup>8</sup>

Georgia state law requires teachers to work 190 days each year: 180 instructional days and 10 planning/training days. To accommodate the Governor’s furlough request, the State Board of Education approved a blanket waiver to allow school systems to furlough teachers and other staff for any or all of the 10 planning/training days during the 2009-10 school year.

176 of the 180 school systems in Georgia have responded to the Governor’s request by implementing furlough plans for employees; the other four districts have decided against furloughs and instead have responded to the funding reductions by using reserve funds or in some cases employee layoffs.<sup>9</sup> Below are three examples of Georgia school districts that are implementing furloughs this year.

**a. Gwinnett County Public Schools**

<b>Gwinnett County Public Schools Furlough Plan</b>	
<b>Voluntary or Mandatory</b>	Mandatory
<b>Amount of Furlough Time</b>	3 days for all staff
<b>Fixed or Rolling Furlough Days and When Taken</b>	<ul style="list-style-type: none"> <li>• Fixed furlough days prior to and during the school year</li> <li>• Specific days differ for school- and non-school-based staff</li> <li>• No furloughs taken on student instruction days</li> </ul>
<b>Employee Exemptions</b>	None

Gwinnett County Public Schools (GCPS) enrolls approximately 160,000 students and employs 8,000 staff; the annual operating budget for the current school year (2009-2010) is about \$1.9 billion. In July 2009, GCPS announced plans for a three-day furlough of all employees. GCPS anticipates a savings of \$12 million from its FY10 furlough plan.

The furlough plan assigned teachers and most other school-based staff two furlough days during August before the start of school (previously designated as teacher planning days) and one furlough day in October (previously designated a staff development day). Non-school-based staff are assigned the same October furlough day as teachers, plus two additional days previously scheduled as paid holidays.

<sup>8</sup> Newman Times-Herald, July 27, 2009. [www.times-herald.com/printerFriendly/Are-teacher-furloughs-legal-815058](http://www.times-herald.com/printerFriendly/Are-teacher-furloughs-legal-815058).

<sup>9</sup> Turner, Dorie, September 1, 2009.

**b. Fulton County School System**

<b>Fulton County School System Furlough Plan</b>	
<b>Voluntary or Mandatory</b>	Mandatory
<b>Amount of Furlough Time</b>	<ul style="list-style-type: none"> <li>• 15 days for a subset of positions (e.g., counselors and psychologists)</li> <li>• 3 days for all other staff</li> </ul>
<b>Fixed or Rolling Furlough Days and When Taken</b>	<ul style="list-style-type: none"> <li>• Fixed furloughs days</li> <li>• Furlough days for teachers taken prior to school year</li> <li>• Furlough days for non-teaching staff taken during first semester as determined by principal or supervisor</li> <li>• No furloughs taken on student instruction days</li> </ul>
<b>Employee Exemptions</b>	None
<b>Other Details of Note</b>	<ul style="list-style-type: none"> <li>• Salary loss spread out over three pay periods</li> <li>• Paid holidays cannot be used as furlough days</li> </ul>

The Fulton County School System enrolls approximately 90,000 students and employs 12,000 staff; the annual operating budget for the current school year (2009-2010) is about \$1.1 billion.

The Fulton County Board of Education has approved two different sets of furloughs for FY10. In January, the Board approved a reduction in the workday calendar for counselors, graduation coaches, psychologists, and social workers from 205 days to 190 days. This action aligned the total number of workdays for these positions with the 190 workday calendars of teachers and other school-based staff. Since this reduction only applies to the 2009-10 school year, it is equivalent to a 15-day furlough for these positions.

In July 2009, the Board of Education approved three furlough days for all teachers and other staff not affected by the previous workday reduction. Teachers were required to take all three furlough days during a pre-planning week in August before school started. Each school’s principal was allowed to schedule the furlough days within that week to allow flexibility for any activities already scheduled. Non-teaching staff are required to take all three furlough days within the first semester, with specific days determined by each employee’s supervisor.

The Fulton County School System anticipates savings of \$2 million from the workday reduction and \$6 million from the three-day furlough in FY10.

**c. Fayette County School System**

<b>Fayette County School System Furlough Plan</b>	
<b>Voluntary or Mandatory</b>	Mandatory and Voluntary in FY09; Mandatory in FY10
<b>Amount of Furlough Time</b>	<ul style="list-style-type: none"> <li>• FY09: 2 mandatory days or 4/5 voluntary days</li> <li>• FY10: 3 mandatory days</li> </ul>
<b>Fixed or Rolling Furlough Days and When Taken</b>	<ul style="list-style-type: none"> <li>• FY09: Rolling furloughs days</li> <li>• FY10: Fixed furlough days prior to and during the school year</li> </ul>
<b>Employee Exemptions</b>	Teachers exempt from FY09 furlough; bus drivers and food service employees exempt from FY10 furlough

The Fayette County School System enrolls approximately 22,000 students and employs 3,000 staff; the annual operating budget for the current school year (2009-2010) is about \$183 million.

The Fayette County Board of Education adopted furlough plans in both FY09 and FY10. In FY09, the Board of Education approved a mid-year furlough plan in January that included both mandatory and voluntary furloughs. All non-contract staff (including school custodians, secretaries, office staff, maintenance employees, and bus shop staff) were required to take two furlough days prior to June 30. Administrative staff (including superintendents, principals, and department directors) were asked to take either four or five voluntary furlough days before June 30. Teachers were exempt from both the mandatory and voluntary furloughs in FY09.

In July 2009, the Board of Education approved three furlough days for all staff in FY10 except for bus drivers and food service workers. The Board scheduled one furlough day in August, before the start of school, and two after the new school year started. Each of the furlough days was previously scheduled as a teacher work day or staff development day.

The Fayette County School System anticipates furlough savings of \$2.3 million in FY10.

**3. Lynwood Unified School District (California)**

<b>Lynwood Unified School District Furlough Plan</b>	
<b>Voluntary or Mandatory</b>	Mandatory
<b>Amount of Furlough Time</b>	<ul style="list-style-type: none"> <li>• FY09: 4 furlough days</li> <li>• FY10: 1 furlough day</li> </ul>
<b>Fixed or Rolling Furlough Days and When Taken</b>	Fixed furloughs days
<b>Employee Exemptions</b>	<ul style="list-style-type: none"> <li>• FY09: Teachers exempt</li> <li>• FY10: None</li> </ul>
<b>Other Details of Note</b>	<ul style="list-style-type: none"> <li>• FY10 also includes a 3% reduction in pay</li> <li>• For both years, agreements for furloughs with unions included promise to forgo or rescind employee layoffs during that year</li> </ul>

The Lynwood Unified School District is located within the Los Angeles metro area. In the 2008-09 school year, the district enrolled approximately 17,000 students; the annual operating budget was about \$146 million.

The Lynwood School Board enacted furlough plans in both FY09 and FY10. In FY09, the School Board implemented four furlough days for all employees except for teachers. In March 2009, the Board reached a furlough agreement with two unions, Service Employees International Union (SEIU) Local 99 and the California School Employees Association (CSEA). The agreements required employees to take one furlough day per month for the remainder of the 2008-09 school year; in exchange, the Board agreed not to lay off any SEIU-Local 99 or CSEA member during that time.

In June 2009, the School Board came to an agreement with all employee unions for a 3% salary reduction in FY10 along with one furlough day. The Lynwood School District anticipates salary reduction and furlough savings of \$2.8 million in FY10.

The furlough day is to be taken on the first pupil-free work day of the school year. The Board’s agreements with the unions state that the 3% salary reduction is for FY10 only, and will be added back to the employee salary schedule for FY11. In exchange for the Lynwood Teacher’s Association (LTA) agreement to the pay reduction and furlough day, the district agreed to rescind 94 layoff notices that had been issued to LTA members.

**4. Charleston County School District (South Carolina)**

<b>Charleston County School District Furlough Plan</b>	
<b>Voluntary or Mandatory</b>	Voluntary followed by mandatory
<b>Amount of Furlough Time</b>	<ul style="list-style-type: none"> <li>• Voluntary: up to 3 furlough days</li> <li>• Mandatory: 4 furlough days</li> </ul>
<b>Fixed or Rolling Furlough Days and When Taken</b>	Fixed furloughs days during winter and spring break
<b>Employee Exemptions</b>	Teachers exempted
<b>Other Details of Note</b>	All non-exempt employees required to take mandatory furloughs, even if they had taken voluntary furlough days

During the 2008-09 school year, the Charleston County School District enrolled approximately 43,000 students and employed 5,500 staff; the annual operating budget was about \$310 million.

In FY09, the Charleston County School Board approved two different sets of furloughs. Both furlough plans applied only to 12-month positions (e.g., principals, district-based officials, maintenance and IT staff, etc.) and exempted teachers.

The initial furlough plan was voluntary. For three days of winter break that were previously scheduled as paid holidays, 12-month employees were required to choose between taking furlough days or using vacation time. The district estimated a savings of up to \$500,000 with the voluntary furloughs, but only ended up saving around \$50,000.

The second furlough plan was mandatory. It required that all 12-month employees (again exempting teachers) take four furlough days during the district’s spring break, previously scheduled as paid holidays. All applicable employees had to take the mandatory furloughs, even if they have taken voluntary furlough days previously.

The Charleston County School District saved approximately \$650,000 from the two furlough plans combined together.

**ADDITIONAL UPDATES ON FURLOUGHS**

OLO will continue to monitor the public sector’s use of furloughs during FY10 so that we can respond to further Council requests for related information. Please contact Craig (7-7985) or Sarah (7-7877) if you have any questions.