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Senate Office of Oversight and Outcomes Finds Furlough General Fund Savings Illusory in State Round the Clock Operations

(SACRAMENTO) – The Senate Office of Oversight and Outcomes today released a report on the administration’s furlough program that found that in round-the-clock state operations, furloughs create future fiscal liability, generate additional costs, complicate operations and create hardship for employees and their families.

“This report is further confirmation that the administration’s furlough program was poorly thought out and will not deliver long-term savings for the general fund,” said Senate President pro Tem Darrell Steinberg (D-Sacramento). “In round-the-clock operations like prisons and state developmental centers, the furlough program is not reducing hours over the long-term, it is simply deferring paychecks.”

To view the report in its entirety, click [here](#).

The report, entitled: “Furloughs in Round-the-Clock Operations: Savings are Illusory,” finds that the furlough savings are illusory for at least a third of the roughly 100,000 state employees paid from the general fund. For workers who do these jobs, the furlough policy simply pushes labor costs to future years – while adding potentially significant costs.

The report made the following other findings, based on analysis of payroll data from the State Controller’s Office and interviews with top prison, developmental services and mental health officials:

- In round-the-clock institutions, employees in positions that must be filled day and night are generally not taking off three days per month. Instead, while absorbing the 14% reduction in income, they are working furlough days and banking time to be taken off in the future.
- In the prison system, where 70 percent of all state workers paid by the general fund are employed, officials say the long-term cost of furloughs is greater than the savings. But corrections officials say they were told by the administration that short-term payroll savings are more important than future liabilities.

- Remarkably, correctional workers banked 1.5 million furlough hours between February and August 2009. Most are correctional officers. At a pay rate of \$34.91 an hour, those hours create a future liability of at least \$52 million.
- When correctional officers do take time off, they generally use furlough days, not vacation days. As a result, from February through August of 2009, the number of unused vacation days accrued by correctional officers jumped 500 percent. This massive buildup of vacation time will complicate prison staffing in the future. The accrued vacation will increase costs, because many workers will be at a higher pay rate when they finally do use their vacation hours.
- Furloughs fail to save the \$108 million projected by the administration in the prison healthcare system, according to the court-appointed agency operating inmate medical care. Instead, officials say, paying overtime and hiring private workers to fill in for furloughed employees will more than offset any savings.
- Furloughs are projected to increase costs within the prison health care system by \$37 million to \$47 million this year, according to the court-appointed receiver. They say furloughs also create a “management nightmare” and interfere with the court-mandated effort to improve inmate medical care.
- Employees in California’s dozen mental hospitals and developmental centers are also being forced to work furlough days. They are racking up large balances of furlough and vacation time.