

100K N.J. public workers could be partially furloughed under plan proposed by state Senate

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State Senate President Stephen Sweeney unveiled a plan Monday to seize on federal unemployment benefits and reduce public workers' hours in New Jersey. Aristide Economopoulos | NJ Adva

By [Samantha Marcus | NJ Advance Media for NJ.com](#)

New Jersey would cut the hours and pay of 100,000 public workers under a plan unveiled Monday by state Senate President [Stephen Sweeney](#). But public employees would be able to collect payments that would exceed their regular wages because of the recent expansion in unemployment benefits, he said.

The proposal, which would have to be passed by the state Legislature and signed into law by the governor, would allow the state and local governments to save hundreds of millions of dollars by making workers take unemployment for several days a week over three months while also keeping their health benefits.

Sweeney, D-Gloucester, said his plan could stave off the drastic public-sector layoffs that the governor and local officials warn loom if tax revenues continue to plummet in response to the coronavirus crisis.

"I would much rather furlough workers and keep them whole on their benefits and income than lay them off," he said Monday. "We don't want to add any more problems to an already troubled economy."

The proposal capitalizes on federal aid for unemployed workers that increases weekly unemployment benefits by \$600 under the massive stimulus bill, called the CARES Act, passed by Congress and signed by

President Trump last month. With that additional unemployment compensation, many low- and middle-income New Jersey workers will collect more on unemployment than while working, Sweeney said.

A spokeswoman for Gov. Phil Murphy, Alyana Alfaro, declined to comment on the proposal specifically, but said Murphy "remains committed to ensuring that as many New Jerseyans as possible remain gainfully employed as we combat the COVID-19 pandemic."

Some state and local employees' work hours and wages would be reduced to 40% — essentially, working two days out of five — while unemployment insurance and the federal \$600 add-on would make up for the other 60% of lost wages, according to Sweeney. The \$600 add-on expires the end of July. In some cases, employees could make more than their regular salary, Sweeney said.

An employee making \$30,000 would actually collect an extra \$5,100 over three months while furloughed, while an employee making \$50,000 would come out \$3,300 ahead and someone with \$70,000 in income would make an extra \$1,008, according to Sweeney.

A worker earning \$76,500 would break even, according to Sweeney's office, which said the proposal would not affect employees' pension or health benefits.

The state's unemployment trust fund would not have to pick up the tab for these workers' unemployment benefits, because of a lesser-known provision of the federal CARES Act that says the federal government will finance unemployment benefits if public- and private-sector employers furlough workers rather than outright lay them off, Sweeney's office said.

"We're not hurting anybody, but we're increasing revenue from the federal pot," Sweeney said.

The Senate Majority Office estimated the state and local government employers would save \$750 million over three months by furloughing a quarter of the state's 400,000 public-sector workforce.

Three-quarters of the state's public workers make less than \$76,500, and are non-uniformed state, county, school and municipal government employees, according to Sweeney's office.

While some state and local agencies have seen demand for their services wane, not every government worker could be furloughed, as the workers in public safety, teaching, health and social services offices are badly needed on the job, the Senate president said.

Both the New Jersey League of Municipalities and the Association of Counties said the proposal has promise as a way to temporarily reduce spending.

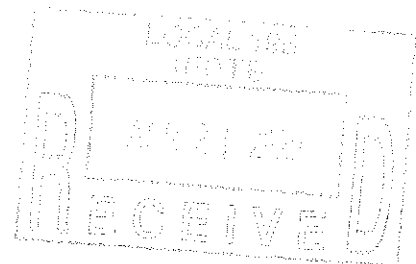
"The challenge is to make sure that vital services continue seamlessly and that other operations are maintained," said Michael Cerra, league deputy director.

"We're generally supportive of it," said John Donnadio, executive director of the counties association. "I think this is a creative way to look at a certain revenue problem in the state and one that really doesn't pose any potential harm to public employees."

Murphy on Saturday warned New Jersey was in store for "historic" layoffs of public workers if the federal government doesn't come through with billions of dollars more in aid or if state lawmakers don't back his plan to borrow up to \$9 billion from the Federal Reserve.

The governor has said state tax revenues "are falling off a cliff" as businesses are closed and residents stay home to stop the spread of the coronavirus.

School districts, counties and municipalities could face huge budget shortfalls if state funding ebbs and homeowners struggle to pay their property tax bills.



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