

ULSTER COUNTY
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Comptroller



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Deputy Comptroller

MEMORANDUM

To: County Executive Patrick Ryan
Legislative Chairman David Donaldson

From: March Gallagher, Comptroller

Date: April 28, 2020

Re: Salary Shift: Temporary Layoffs

**Salary Shift Approach:
Temporary Layoffs**

Projections are that Ulster County will see a 17% (\$25 million) decline in sales tax revenue and decline in State Aid of at least 17% (\$9.21 million) if not more as a result of the COVID Pandemic. Together these are 10% of the Ulster County budget. These estimates are far from certain and a second wave COVID closures could restrict revenues even further. The County has requested 10% across the board cuts from departments.

Ulster County should consider temporary layoffs to shift the salary of certain county employees to federal and state budgets through unemployment insurance. The increased Federal Pandemic Unemployment Compensation Program (PUAC) benefit of \$600 per week means that County employees earning less than \$62,150 would make at least their salary on Unemployment Insurance than they do in regular pay. Other counties including Schuyler, Franklin and Sullivan Counties have instituted layoffs. Schuyler and Franklin Counties allowed employees to keep health insurance and accruing vacation and sick time.

Since the implementation of NY on PAUSE local governments including Ulster County have had to move to 50% density of employees on site. Those Ulster County employees that can work from home are doing so. Those employees at home but unable to work for any amount of their regular work week bill to a COVID code.

During NY on Pause Ulster County billed substantial sums to the COVID code including a total of 49,115 hours of time for which employees were paid \$1,287,906.59.

COVID BILLED	Hours	Amount Paid
Week ended 3/27/20 (Warrant 2012)	1,160	\$27,078.96
Week ended 4/3/20 (bi-weekly Warrant 2013)	19,514	\$520,357.22
Week ended 4/10/20 (Warrant 2015)	1,968	\$45,456.08
Week ended 4/17/20 (bi-weekly Warrant 2016)	24,641	\$652,567.53
Week ended 4/24/20 (Warrant 2017)	1,832	\$42,500.80
Total	49,115	\$1,287,960.59

Not all these hours can be shifted to unemployment as the COVID payroll code is currently being used for employees who are also still working regular hours part of the week. Our Office recommends supervisors consider any employee who has billed more than 50% of their time in a pay period who earns less than \$62,150 per year as potentially eligible for salary shifting to Unemployment Insurance.

There are 472 employees that billed at least 35 hours to the COVID code in one of the pay periods since the NY on PAUSE Order went into effect. Of these employees billing COVID, 347 employees earn \$62,150 or less. If Ulster County shifts their salaries to Unemployment Insurance through July 31, 2020, it could save Ulster County \$3.1 million which includes the employer share of FICA/MED. Even if only half of these positions could be salary shifted because of job sharing or essential workforce considerations the savings to Ulster County would be more than \$1.5 million over 8 weeks.

There may be other costs associated with the salary shift that need to be considered such as Ulster County's Unemployment Insurance premium. The CARES Act temporarily reduced the employer's share of unemployment premiums. Collective bargaining and seniority will need to be considered.

Ulster County can achieve a significant savings by shifting the salaries of certain employees to Unemployment Insurance. Given the short duration of the federal supplement to unemployment benefits consideration of this option is time dependent and should be considered immediately.