

# All Central Services employees to be furloughed

As part of a continuing effort to close an operating budget gap, archdiocesan officials announced April 16 that all Central Services employees will be furloughed for five days between April and June.

The belt-tightening measure, which will affect 180 people at the Catholic Center in downtown Baltimore, is expected to save about \$200,000.

"I appreciate that this is going to be difficult for some folks," said Len Strom, executive director of the archdiocesan human resources department. "We remain committed to the objective of trying to avoid layoffs."

Mr. Strom said employees may declare earned vacation and earned personal days for their furlough days. The furloughs do not affect employees of Catholic Charities or The Catholic Review.

The archdiocese's Central Services suffered a \$20.6 million loss last year due to declining investment values and unexpected emergency expenses. In January, officials announced a plan to cut \$1.5 million from the budget.

John Matera, controller for the Archdiocese of Baltimore, said the plan has succeeded in saving about \$1 million.

"However, that's on the operating side," Mr. Matera said. "When you look at the investment side, we are reporting right now a \$10.7 million loss and that does not include adjustments that we'll have to put in for our retirement programs."

The archdiocese will still likely suffer a loss of more than \$20 million by the end of the year, Mr. Matera said.

Among the cost-cutting measures that have been introduced, Central Services has reduced copier use by 38 percent or about 500,000 sheets annually. Shipping and postage costs have gone down 28 percent, and costs associated with travel and

meetings have gone down 38 percent.

The elimination of a phone answering service saved \$25,000, and changes to building services saved \$34,000. Capital projects have been deferred, and the archdiocese is saving money by using one vendor for all office supplies at the Catholic Center, Mr. Matera said.

The archdiocese is also saving money by not automatically filling vacant positions, implementing energy-saving measures at the Catholic Center and not providing cost-of-living adjustments.

Mr. Matera emphasized that the archdiocese is not suffering a cash-flow problem. The difficulty lies in the effect the economy is having on balance sheets and financial ratios that must be maintained to allow for the continued interest rate terms associated with long-term borrowings, he said.

"Our patrimony is stable," Mr. Matera said. "Our long-term assets are still stable. We're at \$31 million at this point."

Monsignor Richard Woy, chief operating officer of the Catholic Center, said the archdiocese hopes to cut \$2.1 million from the next budget year. Archdiocesan officials acknowledged that additional furlough days are possible if the economy doesn't improve.

On hearing news of implementation of the current furlough plan, many employees said they believed the step was fair given the difficult economy.

"Furloughs are tough, but it's better than getting laid off," said William Fleming, special education coordinator in the department of evangelization and catechesis. "It really strikes me that they're demonstrating compassion in trying not to lay people off. That to me is foremost."

Other dioceses, including St. Louis and Yakima, Wash., have made steep cuts in their workforces.

The furlough days are April 24, May 8, May 22, May 26 and June 19.