

State Workforce

I. Overview

State employees deliver services to the public and manage a range of facilities and provider networks. They oversee and administer billions of dollars in program funding and capital projects.

Approximately 94 percent of the State workforce is unionized. Most of the nine employee unions and 14 negotiating units have collective bargaining contracts that expire in 2011. There are also approximately 12,000 Management/Confidential (M/C) employees, who are not represented by a union.

State employees receive an average compensation (salary & other pay) of \$66,600 plus fringe benefits, totaling \$98,854.

The largest State employers are:

Agency	Workforce (3/31/11 Estimate)
State University of New York	41,815
Department of Correctional Services	29,878
Office for People With Developmental Disabilities	21,367
Office of Mental Health	15,760

II. History/Context

Over the past four years, State employee salaries for most unionized employees increased by at least 14 percent pursuant to contracts negotiated in 2007. The current employee contracts expire on April 1, 2011 (July 1, 2011 for staff represented by the United University Professions at the State University of New York).

A number of actions have been implemented to achieve workforce savings, including: implementing a hiring freeze on non-essential positions, aggressive attrition efforts, eliminating funded vacant positions, offering a one-time \$20,000 severance payment to select employees, a Retirement Incentive program, and limited layoffs. These actions have reduced the State workforce by 11,000 positions in agencies controlled by the Executive since 2007-08.

In addition, in 2010-11, a new pension tier (Tier 5) was created to reduce pension costs associated with members of the New York State and Local Retirement System and the Teachers Retirement System hired after January 1, 2010. This reform will reduce future costs for the State and local governments and school districts outside of New York City by billions of dollars over a 30-year period.

III. Proposed 2011-12 Budget Actions

As part of the Governor's effort to rightsize government to deliver critical services to New Yorkers in a more effective and efficient manner, agency management will evaluate all options to help achieve 10 percent General Fund reductions. The Executive Budget also proposes to reduce Executive Branch payroll and fringe benefit expenses through a labor-management partnership achieved through negotiation. Workforce actions are not expected to exceed 9,800 layoffs with the addition of attrition necessary to achieve \$550 million in savings.

- **Rightsizing.** Initiatives to close or consolidate facilities with excess capacity, merge State agencies, and other actions will be implemented to streamline targeted operations and reduce workforce costs. These will be taken in response to recommendations of task forces and through careful analysis of vacancy rates, service utilization and other factors. In recognition of the economic impact these changes can have on communities, economic development funding will be available for communities to adapt to prison and youth facility closures.
- **Negotiations.** The Governor, through a partnership with State employees, will seek negotiated agreements with State employee unions to achieve the remaining savings while minimizing the number of layoffs to the extent possible. Savings will be obtained from management, as well as unionized employees.

IV. Workforce Summary

Category	2010-11 3/31/11 Est.	Layoffs*	Attritions/ Other	Net Change	Change	
					2011-12 3/31/12 Est.	Percent
Workforce Subject to Direct Executive Control	126,634	(29)	(238)	(267)	126,367	0
University Systems	54,920	0	400	400	55,320	1
Off Budget Agencies	4,612	(23)	0	(23)	4,589	0
Independently Elected Agencies	4,299	0	(23)	(23)	4,276	(1)
Adjustment	0	(9,748)	(1,762)	(11,510)	(11,510)	N/A
Grand Total	190,465	(9,800)	(1,623)	(11,423)	179,042	(6)

* This table reflects layoffs that may be necessary in the absence of negotiated workforce savings.

V. Major Initiatives

Gap-closing Actions

Proposal	2011-12 (\$ in millions)	2012-13 (\$ in millions)
Rightsizing Government	100	100
Labor Management Partnership	450	450
Total	550	550

- **Rightsizing Government.** The Governor will propose closures, consolidations and mergers that will eliminate excess capacity, streamline government operations and reduce workforce costs (*2011-12 Value: \$100 million; 2012-13 Value: \$100 million*).
- **Labor Management Partnership.** Governor Cuomo is committed to working cooperatively with the labor unions that represent 94 percent of all State employees to achieve necessary reductions in the cost of the State workforce in a manner that causes the least disruption to State employees while ensuring the continued provision of necessary services for the citizens of New York. The Governor is open to a variety of options to achieve those goals (*2011-12 Value: \$450 million; 2012-13 Value: \$450 million*).

Other State Workforce Actions

The Executive Budget proposes to rightsize facilities based on capacity in the areas of youth, Mental Hygiene and prisons through facility consolidations and closures, as well as agency mergers to reduce bureaucracy and increase efficiency.

- **Facilities.** Governor Cuomo will create a task force by Executive Order that will recommend the specific prisons to be closed. If the task force does not recommend rightsizing, the Commissioner of Correctional Services would be empowered to implement facility closures. It is projected that there currently are at least 3,500 excess beds in medium and minimum security facilities. Communities impacted by the closures would receive assistance from the Governor's new Regional Economic Development Councils, with up to \$100 million available to help communities end their reliance on incarceration as a major source of employment and economic sustainability.

The Governor will work with agency administrators to identify excess capacity and opportunities for efficiencies through the closure and consolidation of youth facilities, a number of which currently operate at 50 percent capacity. He will also work to identify opportunities for greater efficiencies in State-operated mental health facility inpatient capacity to better reflect current census patterns and to encourage more effective community-based care.

- **Mergers.** To increase efficiency and cut bureaucracy, the Executive Budget consolidates and merges several State agencies and public benefit corporations. These include:
 - The Department of Correctional Services and the Division of Parole into the new Department of Corrections and Community Supervision to coordinate offender programs throughout the period of incarceration and reintegration into the community, helping offenders re-enter society better prepared and with more consistent support and thereby lowering their risk of recidivism.
 - Building on the recent consolidation of the Division of Probation and Correctional Alternatives into the Division of Criminal Justice Services (DCJS), the 2011-12 Executive Budget proposes merging the Office for the Prevention of Domestic Violence, the Office of Victim Services, and the State Commission of Correction into DCJS to maximize shared operations and funding sources while safeguarding the critical missions of each agency.
 - To improve the State's regulation of the financial industry and strengthen consumer protections on financial products, the Executive Budget also merges the Banking and Insurance departments and a portion of the Consumer Protection Board into a new Department of Financial Regulation.
 - To better align economic development programs, the budget consolidates the New York State Foundation for Science, Technology and Innovation into the Empire State Development Corporation.

Collective Bargaining

There are no collective bargaining agreements in place for 2011-12 or beyond and no funding has been set aside for new contract agreements. There are increased wage costs associated with performance advances and longevity payments. Governor Cuomo has committed to partnering with public employee unions to achieve future ongoing savings.

