State Workforce

Overview

The Executive Budget reflects recent collective bargaining agreements with the majority of the State workforce, resulting in two-year deficit reduction savings of $241 million and on-going health benefit savings of $230 million. The size of the State workforce is expected to be relatively stable in 2013-14, following a significant period of contraction.

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. There are 180,565 State employees employed in Executive agencies, the SUNY and CUNY systems and in the Office of the Attorney General and State Comptroller. In agencies directly controlled by the Executive, the number of positions has declined by 18,802 (14.0 percent) since 2007-08, from 137,680 to 118,878 as of the end of CY 2012.

Approximately 94 percent of the State workforce is unionized; there are ten employee unions and 14 negotiating units. There are approximately 11,000 Management/Confidential (M/C) employees, who are not represented by a union.

State employees receive an average compensation (salary and other pay) of $68,900 plus fringe benefits, totaling $104,508.

The largest State employers are:

Agency	Workforce (3/31/13 Estimate)
State University of New York	43,249
Department of Corrections and Community Supervision	29,337
Office for People With Developmental Disabilities	19,834
Office of Mental Health	14,453

Efficient and Effective State Government

The State has settled new collective bargaining agreements with three-quarters of the entire workforce and nearly all of the workforce that is subject to direct Executive control. These agreements yielded significant wage and benefit concessions, including:

- No general salary increases for three years (2011-12 through 2013-14);
- 2 percent general salary increases in 2014-15, as well as in 2015-16 for CSEA, NYSCOPBA and Council 82; and,
- A two year temporary reduction in employee compensation.

In 2012-13, the State enacted Tier VI pension reform to help control the increasing cost of fringe benefits for the State, local governments and schools. As of April 1, 2012, all newly hired public employees belong to Tier VI. This new pension tier requires employees to contribute between 3 percent and 6 percent towards their pensions depending upon their annual salary; raises the retirement age from 62 to 63 (for non-uniformed employees); reduces the pension multiplier so that a 30 year employee, for example, will have a 55 percent pension benefit instead of a 60 percent benefit; changes the Final Average Salary period from 3 to 5 years; and places a $15,000 cap on overtime factored in Final Average Salary. In addition, Tier VI provides new employees who do not belong to a bargaining unit and earn more than $75,000 per year the option of enrolling in a defined contribution plan. It is estimated this reform will save the State, local governments and school districts more than $80 billion over the next 30 years, significantly diminishing long-term pension costs.

Proposed 2013-14 Budget Actions to Implement the Governor's State of the State and Other Initiatives

- **Tier VI Refinancing Plan.** While pension relief for local governments and schools will continue to grow over time as more employees enter the new Tier VI, these entities continue to face recurring and significant increases in employer contribution rates resulting from the 2008 market crash and the subsequent recession. The Executive Budget offers local governments and schools a bridge to the long-term savings of Tier VI, as well as greater predictability, through a Tier VI Refinancing plan which offers a stable pension contribution option.

  Local governments and school districts would be given the option to "lock in" long-term, stable rate pension contributions for a period of years determined by the Comptroller and the Teachers' Retirement System (TRS) in order to achieve full funding in each system. The stable rates would be less than the scheduled contribution rates (inclusive of Group Life Insurance) of 20.9 percent for the New York State Employees' Retirement System (ERS), 16.5 percent for TRS, and 28.9 percent for the Police and Fire Retirement System (PFRS).

- **Facility Closures and Realignments.** Actions at the Office of Children and Family Services (OCFS) and the Office of Mental Health (OMH) will impact 1,172 jobs, of which 704 would be eliminated through attrition. Additionally, closure of two Department of Corrections and Community Supervision (DOCCS) facilities will impact 273 positions, all of which can be absorbed in the current system. These closures will activate the Agency Reduction Transfer List (ARTL) process. ARTL allows for the transfer of impacted employees in "targeted titles" to the same or comparable positions in "hiring" agencies. For those not placed through ARTL, $5 million will be made available to retrain employees for new opportunities in State service.

- **Income Related Medicare Adjustment Amounts (IRMAA) Reimbursement.** The State currently reimburses the full cost of State retirees' Medicare Part B premium charge ($104.90 per month in 2013). In 2007, the Federal government imposed an additional Medicare Part B premium on wealthy Medicare retirees – the Income Related Medicare Adjustment Amounts (IRMAA) –with the goal of having high-income retirees pay more into the Medicare system. The State currently provides full reimbursement for this additional premium as well. The Executive Budget proposes to eliminate reimbursement of this additional premium for high-income State retirees. This would affect less than five percent of State retirees with health coverage. The change will take effect on January 1, 2013, resulting in partial first-year savings of $2.3 million, and growing substantially in later years.

Workforce Summary

Category	2012-13 3/31/13 Est.	Other Placements*	Attritions/ New Fills	2013-14 3/31/14 Est.	Change	
					Number	Percent
Workforce Subject to Direct Executive Control	119,728	(608)	481	119,601	(127)	(0.11)
University Systems	56,425	0	0	56,425		0.00
Departments of Law and Audit and Control	4,412	0	0	4,412		0.00
Grand Total	**180,565**	**(608)**	**481**	**180,438**	**(127)**	**(0.07)**

*Other Placements – 468 associated with 2013-14 initiatives and 140 associated with 2012-13 initiatives.

Other State Workforce Actions

- **Mergers and Consolidations.** The Executive Budget reflects the implementation of recent State agency consolidations and enterprise shared services actions, and includes new proposals for further coordination and consolidations. Over 3,300 Information Technology professionals were transferred to the Office of Information Technology Services to improve services and meet emerging needs. By the end of 2013-14, the Finance and/or Human Resources transactional activities of over 50 agencies will have been consolidated into the Business Services Center within the Office of General Services. New efficiency actions in the Executive Budget include:

    - Streamlining State Medicaid Administration activities (i.e., rate setting, negotiation of managed care contracts, claims processing) within the Department of Health.

    - Transitioning the operations of the Commission on Quality of Care and Advocacy for Persons to Disabilities to the recently created Justice Center for the Protection of People with Special Needs.

    - Merging the Office of the Welfare Inspector General with the Office of the Inspector General.

    - Transferring the Homeless Housing Assistance program from the Office of Temporary and Disability Assistance to the Division of Homes and Community Renewal.

    - Merging the Governor's Office of Employee Relations (GOER) with the Department of Civil Service to create a single State Employee Workforce Development Center.

    - Coordinating and consolidating statewide lab functions.

    - Coordinating health insurance purchasing between the Department of Health and the Department of Civil Service.

    - Merging several agency print shops into four "anchor" agencies.

    - Consolidating State warehouse functions beginning with new policies to ensure a sound and reliable inventory system.