



14. State Workforce

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. There are 180,119 State employees employed in Executive agencies, the SUNY and CUNY systems and in the Offices of the Attorney General and State Comptroller. Between December 2010 and the end of 2015-16, positions in Executive-controlled agencies will have been reduced by 6.5 percent.

Approximately 94 percent of the State workforce is unionized – there are 10 employee unions and 14 negotiating units. In addition, approximately 10,800 unrepresented employees are designated Management/Confidential (M/C).

State employees receive an average compensation (salary and other pay) of \$68,001 plus fringe benefits, totaling \$107,720. The largest State employers are:

Agency	Workforce (3/31/15 Estimate)
State University of New York	43,576
Department of Corrections and Community Supervision	28,821
Office for People With Developmental Disabilities	18,605
Office of Mental Health	14,380

Maintaining a Cost-Effective State Workforce

Closing Excess Facilities

Hundreds of millions of dollars have been saved by closing unnecessary or redundant State facilities. State employee jobs have been protected through a job placement initiative for employees impacted by facility closures and restructurings. Since 2011, the reduction of 5,519 prison beds and closure of 13 underutilized prisons has resulted in an estimated \$162 million in annual savings for New York taxpayers. In addition, the Office of Children and Family Services has closed 13 residential facilities, one group home, and three Day Placement/Evening Reporting Center programs, and has downsized four of its remaining 12 facilities. This

has resulted in a reduction of 531 beds and nearly \$50 million in savings. The Office for People with Developmental Disabilities and the Office for Mental Health have transitioned over 1,000 individuals from State institutions to more integrated community-based settings and closed five under-utilized facilities without layoffs. The roughly \$150 million in annual Mental Hygiene savings from these efforts have been reinvested to ensure that individuals with developmental disabilities and mental illness can live safely in the community, provided for a significant expansion of community services, and supported salary increases for State and not-for-profit workers.

Collective Bargaining

The Executive Budget reflects a series of historic collective bargaining agreements with 97 percent of employees in agencies subject to direct Executive control. These agreements have saved the State hundreds of millions of dollars during one of the most difficult economic periods in our nation's history. A new round of bargaining will commence in 2015-16 with expiring contracts associated with employees represented by the New York State Public Employees

Federation (PEF) and the Police Benevolent Association of New York State.

Across all previously settled unions, the last round of bargaining agreements included significant wage and benefit concessions, including:

- A two-year reduction in employee compensation which temporarily saved \$300 million;
- Increases to employee/retiree health benefit premium shares, copays, out-of-network deductibles and coinsurance that save nearly \$230 million annually; and
- No general salary increases for three years (2011-12 through 2013-14).

Represented employees received job security during the recession and a two percent general salary increase in 2014-15. Additionally, employees whose contracts continue in 2015-16 will receive another two percent increase -- this group includes commissioned and non-commissioned officers in the Division of State Police and employees represented by CSEA, NYSCOPBA, Council 82, UUP, GSEM and DC-37 (Housing).

Pension Reform

In 2012-13, the State enacted Tier VI pension reform to help control escalating retirement costs for State government, local governments and school

districts. As of April 1, 2012, all newly hired public employees belong to Tier VI. This new pension tier requires employees to contribute, depending upon annual salary, between 3 percent and 6 percent of their salary toward their pension; raises the retirement age for non-uniformed employees from 62 to 63; reduces the pension multiplier so that, for example, a 30-year employee, will have a 55 percent pension benefit instead of a 60 percent benefit; extends the Final Average Salary period from 3 to 5 years; and places a cap on overtime factored in the calculation of 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 significantly diminish long-term pension costs, saving the State, local governments and school districts more than \$80 billion over the next 30 years.

The New York State Health Insurance Program

The State's employee and retiree health plan, the Empire Plan, is now self-insured. The medical component of the Plan became self-insured on January 1, 2013, and the hospital, prescription drug and mental

health components became self-insured on January 1, 2014. Previously, the State paid a set annual premium to its health insurance carriers to fund benefit claims. Under the new arrangement, the State assumes full responsibility for the payment of benefit claims. This allows the State, local governments and public authorities (and their employees and retirees) to avoid paying annual New York State and certain Federal Affordable Care Act taxes, fees and assessments.

Proposed 2015-16 Budget Actions

- **NYSHIP Dependent Eligibility Audit.** The Department of Civil Service will oversee an external audit of dependent eligibility in the employee and retiree health plan (NYSHIP). The removal of ineligible dependents (e.g., ex-spouses) from NYSHIP could save the State \$13 million annually or more if savings from public authorities and local governments are included. Importantly, the Executive Budget provides legislation for a special amnesty period which would protect employees who voluntarily identify ineligible dependents during the amnesty period.
- **General Salary Increases for Management/Confidential Employees.** The Executive Budget advances legislation to gradually increase the salaries of M/C employees over the next four State fiscal years to provide for previously authorized increases that were withheld, and to

reach parity with unionized employees. Cumulatively, these increases will total 7.18 percent and will be absorbed within agencies' existing budgets so as not to represent a new cost to taxpayers.

- **Commission on Executive and Legislative Compensation.** The Executive Budget advances legislation to establish a commission to examine, evaluate and make recommendations with respect to adequate levels of compensation and non-salary benefits for the Governor, Lieutenant Governor, Attorney General, State Comptroller, Commissioners and Agency Heads as well as Legislators.
- **One-Time Payments for Information Technology Skills and LEAN Certification.** To develop high-demand skills within the State workforce and to better compete with the private sector for such skilled employees, the Executive Budget authorizes one-time payments to employees in the Office of Information Technology Services with specific, high-demand technical certifications. Additionally, to improve business processes in the State, the Executive Budget authorizes one-time payments to individuals with LEAN certifications significantly engaged in agency sponsored LEAN projects. The costs of these payments will be offset in the long-term by reduced reliance on consultants and greater productivity.

Workforce Summary

Category	2015-16				Change	
	3/31/15 Est.	Attrition	New Fills	3/31/16 Est.	#	%
Workforce Subject to Direct Executive Control	118,304	(1,887)	2,743	119,160	856	0.72
University Systems	57,339	0	0	57,339	0	0.00
Departments of Law and Audit and Control	4,476	(10)	0	4,466	(10)	(0.22)
Grand Total	180,119	(1,897)	2,743	180,965	846	0.47

Other State Workforce Actions

Minimal job growth is expected next year, as follows:

- The Department of Health, the Office of Mental Health, and the Office for People with Developmental Disabilities will reduce overtime expenses by continuing to enhance efforts that ensure there is sufficient staffing in locations which account for the majority of such expenses.
- The Office of Mental Health and the Department of Corrections and Community Supervision will collaborate to improve the provision of mental health treatment at both DOCCS and OMH facilities and transitional living residences.
- The Office for People with Developmental Disabilities and the Civil Service Employees Association will expand pilot programs which will utilize State staff to provide person-centered,

community-integrated service models to individuals with developmental disabilities.

- The Department of Health will be staffed to continue the take-over of Medicaid Administration from the counties.
- The Office of General Services will be staffed to support human resource and finance operations for agencies through the Business Services Center.