

Committee Meeting

before

JOINT BUDGET OVERSIGHT COMMITTEE

"Discussion of Florio Administration layoff plans
and New Joint Budget Oversight Committee responsibilities"

LOCATION: Committee Room 12
Legislative Office Building
Trenton, New Jersey

DATE: July 16, 1992
11:15 a.m.

MEMBERS OF COMMITTEE PRESENT:

Senator Robert E. Littell, Co-Chairman
Assemblyman Rodney P. Frelinghuysen, Co-Chairman
Senator John H. Ewing
Assemblyman Anthony Improvuto
Assemblyman C. Richard Kamin

ALSO PRESENT:

Alan R. Kooney
Office of Legislative Services
Secretary/Legislative Budget and Finance Officer
Joint Budget Oversight Committee



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REVISED

COMMITTEE NOTICE

TO: MEMBERS OF THE JOINT BUDGET OVERSIGHT COMMITTEE

Honorable John H. Ewing
Honorable Robert Menendez
Honorable C. Richard Kamin
Honorable John S. Watson

FROM: Honorable Robert E. Littell, Chairman
Senate Budget and Appropriations Committee

Honorable Rodney P. Frelinghuysen, Chairman
Assembly Appropriations Committee

SUBJECT: MEETING - of July 16, 1992

The public may address comments and questions to Alan R. Kooney, Legislative Budget and Finance Officer, or make inquiries to Gloria Hendrickson, secretary, at (609) 292-1170.

The Joint Budget Oversight Committee will meet on Thursday, July 16, 1992 at 11:00 a.m., in *Committee Room 12, 2nd Floor, Legislative Office Building, 135 W. Hanover Street, Trenton, New Jersey.

The committee will meet for the following purposes:

1. Discussion of Florio Administration layoff plans
Commissioner of Personnel (invited)
2. New Joint Budget Oversight Committee responsibilities
3. Transfers pending

Issued 7/10/92

*Revised 7/15/92 (Room & Building change)

TABLE OF CONTENTS

Page

Anthony J. Cimino
Commissioner
New Jersey State
Department of Personnel

7

Dennis Reiter
Shop Steward and
Treasurer
Communications Workers of America
Local No. 1033, and
Planning Associate I
Division of Adult and
Occupational Education
New Jersey State
Department of Education

68

Rae Roeder
Shop Steward
Communications Workers of America
Local No. 1033, and
Coordinator II
Office of Equal Educational Opportunity
New Jersey State
Department of Education

69

Claudia E. Merkel-Keller, Ph.D.
Planning Associate I
Division of Adult and
Occupational Education
New Jersey State
Department of Education

71

APPENDIX:

Letter to
Anthony Cimino
Commissioner
Department of Personnel
from Senator Littell and
Assemblyman Frelinghuysen

1x

Statement, plus attachment
submitted by
Dennis Reiter

2x

TABLE OF CONTENTS (continued)

APPENDIX (continued):

	<u>Page</u>
Introductory statement submitted by Rae Roeder	5x
Statement submitted by Claudia E. Merkel-Keller, Ph.D.	6x
Attachments submitted by Dennis Reiter Rae Roeder Claudia E. Merkel-Keller, Ph.D.	12x

* * * * *

tca: 1-59
hw: 60-86

SENATOR ROBERT E. LITTELL (Co-Chairman): Good morning. This is the meeting of the Joint Budget Oversight Committee chaired by Assemblyman Frelinghuysen and myself. We are here for several important things today. The first thing that I wanted to point out was that we have a representative from OLS, Alan Kooney, who will give a report of the Legislative Budget and Finance Officer's responsibilities with regard to JBOC.

ASSEMBLYMAN RODNEY P. FRELINGHUYSEN (Co-Chairman): Maybe before we do that we need to introduce the members of the Committee, besides Chairman Littell. I Co-Chair the Committee with him, and my Vice-Chair on the Assembly Appropriations Committee is Dick Kamin, and substituting for John Watson, who's the Democratic budget officer, is Tony Impreveduto. And Tony, thank you very much for being with us.

SENATOR LITTELL: Here comes Senator Ewing.

ASSEMBLYMAN FRELINGHUYSEN: And better late than never, Senator Jack Ewing.

SENATOR EWING: Who sent out the notice of the changed room?

ASSEMBLYMAN FRELINGHUYSEN: We tried to make sure that you weren't invited to this meeting. (laughter)

SENATOR LITTELL: We thought the confusion would help.

ASSEMBLYMAN FRELINGHUYSEN: Unlike a lot of committees in the Legislature, this Committee has somewhat more informal proceedings than most, despite all of these microphones, and I must say that having sat on the Joint Appropriations -- on this Joint Budget Oversight Committee for nine years, this is the largest crowd we've ever had. For several years the Committee actually never met. So, we're pleased to get together for the purposes which are on the agenda. And we are in accordance -- are we, Alan? -- with the Open Public Meetings Act.

MR. KOONEY (Legislative Budget and Finance Officer): Yes, we are.

ASSEMBLYMAN FRELINGHUYSEN: All notices have been sent, and I believe Chairman Littell and I would like you to make some opening remarks. Do you want one of these microphones?

MR. KOONEY: I guess I'll steal Assemblyman Improveduto's.

Chairman Littell and Chairman Frelinghuysen: As Legislative Budget and Finance Officer, I'm also Secretary to the Joint Budget Oversight Committee, and very briefly what I've done is prepared for you a brief summary of responsibilities for the Budget Oversight Committee for Fiscal Year 1993, as contained in your packets. The majority of these responsibilities are derived from the P.L. 1992 Chapter 40, which is the Fiscal '93 Appropriations Act. However, the Joint Budget Oversight Committee also has responsibilities under other pieces of standing legislation, most commonly in bond acts and other pieces of legislation as well. So, there's a mixture of sources for the Committee's responsibilities.

The Committee itself was created pursuant to Joint Resolution No. 4 of 1986, which has the effect of law, and it's constituted pursuant to the joint rules of the Assembly and Senate. What you have here is a very brief summary of the responsibilities that the Committee will have during the upcoming year. I've summarized them from the language in the Appropriations Act. I have the actual language available, should any of you wish to have a longer version of the context in which these responsibilities are to be carried out.

But on the attached sheet here, you will see the major responsibilities listed have to do with transfers of appropriations among accounts, and the approval mechanism for certain types of transfers; those that are not the responsibility, primarily, of the Legislative Budget Officer but must have your approval. That is a major responsibility of the Committee.

Also, if you want me-- Mr. Chairman, I don't know whether you want me to go through this list or basically just acknowledge -- have you acknowledge that this has been received?

SENATOR LITTELL: You might give a couple of examples of the kinds of things, so that everybody in the room would understand the kinds of things that we're responsible for reviewing and approving.

MR. KOONEY: Transfers of appropriation are defined by the Appropriations Act itself, and there are many categories of them. The majority of them are either transfers that may be done by departments without legislative approval, or transfers which require some degree of legislative approval. The Legislative Budget Officer is given the authority to sign, on behalf of the Legislature, a number of these in certain categories. There are other types of transfers which must be approved by the Budget Oversight Committee. Those include transfers between departments and transfers between certain segments of the budget, such as State aid and capital construction.

The Committee may also direct the Legislative Budget and Finance Officer to approve or disapprove certain transfers in accordance with legislative intent. That's a primary responsibility. They also must approve certain transfers between projects and the Transportation Trust Fund.

Other types of responsibilities that are listed here include: receiving written notice and justification for certain types of employee reductions from the department heads this year, certain functions with regard to allocations of overtime reimbursement in the Department of Corrections; some approval mechanisms in the Department of Education; the Department of Health approval of appropriation of excess receipts from licenses, permits, and fees for departmental use; in the Department of Human Services approval of some spending plans for the Community Care Bridge Fund, appropriation of

increased cost recoveries pursuant to a departmental spending plan; in the Department of Law and Public Safety approval of the appropriation of fee receipts from the New Jersey Commercial Drivers License Act, approval of expenditure of funds from seizure, forfeiture, abandonment of property; in the Department of Treasury approval of the appropriation of access State Lottery receipts.

The Committee is the mechanism to receive information of certain changes in salary ranges provided by the Executive Branch as an information item, notification in the Health Department for funding awards to the AIDS Resource Centers, approval mechanism for New Jersey Transit to adjust fare levels or service levels, reports received from the Director of Local Government Services in the Department of Community Affairs on the Municipal Revitalization Program, approval of the issuance of short-term notes by the State Treasurer, and the receipt of other reports.

Those are all powers granted to the Committee under the 1993 Appropriations Act. Other responsibilities stemming from other pieces of legislation include the approval of certain transfers of bond funds, which are written into the bond acts themselves, the approval of refinancing of bonded indebtedness -- of general obligation of bonded indebtedness -- the approval of certain claims against the State, and the holding of hearings on Federal Block Grant allocations to New Jersey.

So, Mr. Chairman, those are the main responsibilities of the Committee during the current year.

SENATOR LITTELL: Thank you, Mr. Kooney.

I had him explain that because this is not a new Committee that we created, but rather one that's been in existence for some time. Next, I want to make a joint statement by Assemblyman Frelinghuysen and myself, and then we will get on with the hearing.

We're here today to continue the process that began January 14, when the new legislative session began, and we committed ourselves to controlling State spending and scrupulously exercising the legislative oversight process. Today, we're just as committed to exercising our oversight power as a coequal branch of government, and we are dedicated to ensuring that the administration implements this budget according to the intent of the law.

This Committee will not allow any efforts by the administration to circumvent the intent of our budget. We will not tolerate Governor Florio's effort to inflict unnecessary pain on the State's workforce and citizens in need of essential services, in order to achieve his political goals. We're tired of the little guy getting it in the neck. We were careful to use language in the budget that clearly protected jobs for those persons who perform essential services in New Jersey.

The Governor has indicated that he wants to implement our budget proposal in such a way that employees who deliver essential service to the State are protected, but the daily barrage of press releases indicates just the opposite, and it's time we put an end to that approach. We believe this publicity is designed to wage a campaign of fear and intimidation of State employees, and spread doom and gloom among the public.

It always was and continues to be our intention that the budget process be a give-and-take. If the Florio administration is unable to follow the law that we passed when we voted on the budget, officials should come back to the Legislature and ask for the changes that they believe are necessary to effectuate the budget.

We are sorry to say that up until this point that has not been the case. The administration consistently has shown an unwillingness to work with us. They insist on issuing press releases and holding press conferences to criticize and assign blame, but they will not cooperate. We're deeply disturbed

that the administration has chosen to govern by press release and scare tactics. This refusal to reach out, to work with the Legislature on any change or accommodations that have to be made that has resulted only in confusion. We hope today's meeting will begin to restore public confidence and control damage wrought by the administration and its misrepresentation of the budget's intent, and will begin to result in the implementation of the law in a manner in which it was intended. And I don't need to outline those things.

Commissioner Cimino, you and I talked briefly about some of the concerns: the closing of parks and beaches, the laying off of Marine Police, and the ABC, and the Communication Workers, the taking of the money for the motion picture industry, Commissioner, and so on and so forth, are all things that were not outlined in our budget reductions. And you and I both know that this business is a business of give and take. We never said that we were perfect. We have always said, if we've made a mistake that we will acknowledge it, and we will correct it. But that needs to be done in a give and take atmosphere. It needs to be worked out so that if you have a problem implementing what our intent was, that you tell us and that we either work something out or find a way to make it work.

I think that our intent is clear that we're here today to make sure that you and everybody in the administration knows that this budget was our intent to form a way to reduce and downsize spending and taxes in the State of New Jersey, while at the same time providing essential services. We certainly have made it clear that our cuts were aimed at one in five over \$50,000, and in the unclassified area first and then the classified area. I think all of those things are clear and defined in the Appropriation Act itself, and I would ask that you follow through by answering some of the things that we asked for in our letter to you. And I thank you for being here today--

COMMISSIONER ANTHONY J. CIMINO: My pleasure, Mr. Chairman.

SENATOR LITTELL: --to hopefully start the trend in the right direction.

ASSEMBLYMAN FRELINGHUYSEN: Good morning.

COMMISSIONER CIMINO: Good morning.

ASSEMBLYMAN FRELINGHUYSEN: Thank you for being with us.

COMMISSIONER CIMINO: Thank you very much. Assemblyman Frelinghuysen, Senator Littell, to those individuals on the Committee that I have known and had the opportunity and the pleasure to work with in the Senate and in the Assembly, Senator Ewing, Assemblyman Kamin, Assemblyman Imprevuto, I want to thank you and thank the Joint Budget Oversight Committee for the invitation to be here today. I must candidly, Mr. Chairman, express my regrets.

Mr. Chairman, quite frankly, this forum should have, and did not take place prior to the Legislature's enactment of the Fiscal Year 1993 budget. As you may recall, or at least some of your staff may recall, several cabinet members, including myself, sought the opportunity to testify at the one and only Appropriations Committee hearing and meeting that was held after the budget was introduced on June 18. Unfortunately, as Commissioner of Personnel responsible for insuring that layoff implementation plans are administered properly, I was denied that opportunity.

Now, be it a month later, and after the fact, I want to commend the Legislature -- and I mean that with all sincerity, Mr. Chairman -- for opening a dialogue on this new budget. Earlier this week the administration and the Legislature also engaged in a dialogue about the budget when the Commissioners of Environmental Protection and Energy, and Human Services, and myself addressed the Assembly State Government Committee. One of the most meaningful results of

that Committee meeting was a frank discussion among Committee members and cabinet members about some of the problems being encountered as the administration endeavors to operate within the parameters of the budget.

After Commissioner Weiner, and Commissioner Gibbs conveyed concerns that the budget language made false assumption about how their departments operated and how they were funded, I was encouraged when the Chairman of the Assembly State Government Committee, Assemblyman Robert Martin, acknowledged that the budget language -- in his words -- "were not absolute," and again in his words, "was open to legal question." I was especially encouraged by Assemblyman Kamin's willingness to resolve snafus in the DEPE budget as outlined Tuesday by Commissioner Weiner.

Without question, the Legislature's budget will have to be revisited. I sincerely hope that we can make whatever changes the administration and Legislature deem necessary in a spirit of cooperation. We need to put political theater and fingerpointing aside, and start concentrating on the task of making this budget work for the people who live in and are employed by the State of New Jersey.

With respect to the budget language, Mr. Chairman, let me say this: As you know, the Attorney General has raised constitutional questions with respect to requiring another branch of government to single out a certain class or group of workers for layoff, namely management and administrative personnel in the unclassified and classified service whose annual income exceeds \$50,000. Indeed cabinet officers were advised by the Attorney General that we were not legally obligated to implement workforce cuts in accordance with the budget language. However, I have been directed by Governor Florio to ensure that these cuts, point of fact, do not fall unduly hard on the rank and file workers of the workforce of the State of New Jersey.

The Governor, indeed, has instructed me to ensure that layoffs are fair, are equitable, across-the-board, and defensible; defensible in the public court, defensible in the court of the Legislature, and defensible in any other venue.

Mr. Chairman, let me reiterate that. From the moment that this budget was put forward by the Legislature, the direction from the Governor of the State of New Jersey was, to ensure that the cuts are fair, are equitable, and across-the-board. Governor Florio has said no less than that since June 18. Cabinet officers have been told both verbally and in written form by the Governor and myself to craft layoff plans which, to the greatest extent possible, are true to the spirit of the budget language, and concentrate first and foremost on management employees earning \$50,000 and above. I am, therefore, not going to approve a plan that lacks proportional continuity in the distribution of layoffs, and Mr. Chairman, in point of fact, we have rejected to this point nine plans.

I am not at liberty to elaborate on the specific details of layoff plans which have been submitted. Let me interject here that the layoff process is an internal administrative process, and let me add that the Attorney General, in a memo to me, has indicated that the layoff plans submitted by State agencies are to be treated as internal documents and should not become public record until they have been approved by the Department of Personnel.

Due to the tentative and internal nature of the layoff plans, I respectfully ask that this Committee honor the confidentiality of this highly sensitive process. Mr. Chairman, I must say to you, and I must say to the members of this Committee that we are dealing with people who will be adversely impacted here, and the fact of the matter is that we are dealing with people who are real people. This is not simply a faceless bureaucracy.

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Mr. Chairman, the most incredible thing about this process has been that if it is 1300, if it is 1400, if it is 2000, 4000, or 6000, if this was Eastman Kodak, or Squibb, or General Motors closing in the State of New Jersey, virtually every member of the Legislature and every member of the administration would be appealing to that company to keep its doors open. That's the fact of the matter. That's not occurring in this process.

Upon the plans' approval, I will be happy to share them with you and respond to any questions that you or any other member of this Committee, or any other member of this Legislature has. Until all layoff plans are approved, it will be neither possible nor prudent to estimate the number of layoffs which would be necessary, based on what has been submitted by the various departments. I can say that the number will not be zero, as was originally proposed in the January budget that Governor Florio submitted.

Let me reemphasize that, Mr. Chairman, that when Governor Florio submitted his budget in January the budget did not call for a single layoff. We put through and we suggested, and indeed the Legislature has sustained an ambitious and aggressive attrition program, a program that results in the loss of 50 jobs a week, 200 jobs a month. I can say as well that the Governor's budget proposal was a humane alternative to layoffs in a form of an aggressive program as I've indicated.

Now, let me go a step further, Mr. Chairman, if I can. There's been a lot of misinformation about what the Florio administration has done here in two year. We are down at this point by a net 4000 people. This administration went from a high watermark as it came into office of 908 project specialists. We are down to 328, and, indeed, we have a program to deal with the problem. This administration, when it came in, had a high watermark of 546 people in the SES. We are down to 121, with 105 having underlying job status rights.

This administration -- when it came in, there were over 5000 people in provisional titles. We are down to 300.

This administration has done an excellent job of cleaning up the bureaucratic mess that, in fact, had existed. We have moved towards that. We have done it humanely. We have done it through a hiring freeze. We have done it through attrition. We have done it through early retirement. Quite frankly, Mr. Chairman, we minimized the number of layoffs last year, and in point of fact, while there are those in the Legislature who do not believe this, the instruction from the Governor of the State of New Jersey to me has simply been, "Skip, minimize the layoffs. Do all that you can not to inflict this pain on the people who work for the State of New Jersey."

Whether the number of layoffs is necessitated by this Legislature's budget is 1300, 1400, 2000, 4000, or 6000, this is a point of fact, this is presidential in the history of this State, Mr. Chairman. This will be the single biggest layoff in the history of the State of New Jersey. As I've indicated to you earlier, cabinet officer have been instructed by Governor Florio and myself to follow, to the greatest extent possible, the spirit of the budget language so that the rank and file are not unfairly and unduly impacted by layoffs. That has been his direction from June 18. That was his direction in every subsequent follow-up memo. That was his direction again last week before I even rejected a single plan.

If these plans are not fair, and equitable, and across-the-board, my responsibility as the cabinet officer administering the layoffs is clear: reject the plans.

Let me conclude, Mr. Chairman, by saying this: No one has a greater respect for the State worker than I do. Indeed, Mr. Chairman, as you know, and as Assemblyman Frelinghuysen knows, Senator Ewing, Assemblyman Kamin, Assemblyman Improveduto, I represented most of these people in the

Legislature. Forty percent of the workforce of this State works here in Mercer County. So, I know them, and quite frankly for me they are not faceless bureaucrats. They are my friends. I will gladly admit to that. They are people that I see in the grocery store. They are the people that I see on the baseball field when I watch my boy play baseball. That's what this group of people represents to me. They do other things as well, Mr. Chairman. They do other things as well, Mr. Chairman.

They take care of the people in our institutions. They paint bridges. They do law enforcement, in terms of policing activities. They prosecute criminals for the State of New Jersey, and they take care of the infirm that we have as well. But most importantly, Mr. Chairman, they need to put food on the table. They have mortgages. They have college payments, and they pay auto insurance just like the rest of us do. State workers are entitled to be treated with respect and sensitivity, especially now when the specter of job loss is very real and frightening, and it's a cloud hanging over their heads.

I've approached this layoff process in a very deliberative and careful manner. One of my underlying goals is to not only to minimize the layoffs, which has been the instruction from the Governor, but to minimize the anxiety that workers may feel prior to the final approval of layoff plans. I know that this Committee recognizes that there are lives behind the numbers, and shares my interest in making sure that the watch words for this process are sensitivity, fairness, and equity.

I'd like to thank the Committee for this opportunity to discuss the layoff process. I'd be happy to answer any questions, Mr. Chairman -- any questions that you may have, and indeed, those of the members of the Committee. Thank you very much, Senator.

SENATOR LITTELL: Thank you, Commissioner Cimino. Let me just say that there isn't anybody in this room, certainly not at this table, that takes any joy in anybody losing their job. And whether they be at IBM, Ford, AT&T, or Joe's Grocery Store, we don't like to see people lose their jobs. The fact of the matter is that the State of New Jersey is in some very difficult financial times. The economy, as you well know, and has been outlined by the administration through their Treasurer and through the Governor's comments, are afflicted not only by the State's economy but by the national economy.

The fact of the matter is that the cuts that we made this year in this budget exceed \$1.1 billion, and next year we face a shortfall. It can be as high or maybe higher, and that the facts are that unless the economy turns around, and if the income stream turns up, which I hope it will, and I believe it will-- I see some signs that indicate that it will, and I won't get into that because that's not the purpose of our meeting. But there are reasons that this situation is where it is, and the reason is that we don't have the money to spend, and you can't spend money that you don't have. And frankly, I think the people understand it, because I walk the streets, and I push my shopping cart in the Shop Rite, and I go in the diner, and I stop in the gas stations, and I talk to people.

I walk the streets, Commissioner. I do it just like you do, and I've been doing it for 25 years, and I understand what it's like to look people in the eye and hear about their problems, and understand, and have compassion. But I don't understand how Governor Florio can claim that he doesn't want any pain, and he's asked for a minimal amount of pain, and then we read in the paper that the Commissioner of the Department of the Public Advocate says, that he's going to close down all of the offices in Warren County, Sussex County, Morris County, and Bergen County. Is that retribution, or is that retribution?

COMMISSIONER CIMINO: Senator Littell, the Public Advocate's plan was not among those plans that has been accepted, sir. You know that, and I know that.

SENATOR LITTELL: I read in the paper that Commissioner Weiner is going to close down all parks in Sussex County with the exception of Stokes State Forest. Is that retribution?

COMMISSIONER CIMINO: And I'm happy-- Senator Littell, and I'm happy that the discussion that occurred at the Assembly State Government Committee the other day between Assemblyman Kamin and the Commissioner of the Environmental Protection was a dialogue that probably should have happened before the budget was passed, Senator.

I mean, I take some umbrage, Senator, in the fact that we're being chastised. We asked to appear before the Senate, and the Assembly for that purpose, in terms of the appropriation process. Indeed, Senator, I must tell you, I was given to understand when we appeared earlier in the year that that would happen. It never happened.

SENATOR LITTELL: And you know why it didn't happen. I explained that to you personally. I explained that to you personally. You know exactly why, and I don't need to rehash it, but if you want me to I'll tell everybody.

COMMISSIONER CIMINO: I don't think it's necessary for you to rehash anything.

ASSEMBLYMAN KAMIN: Mr. Chairman, as a point of order?

SENATOR LITTELL: Assemblyman Kamin.

ASSEMBLYMAN KAMIN: Mr. Chairman, as a point of order, and this was discussed on Tuesday as well in that meeting.

COMMISSIONER CIMINO: Absolutely.

ASSEMBLYMAN KAMIN: I can show this Committee and those appearing before the Committee today stacks of press clips like this that go back to the early part of the budget process, when Governor Florio initiated the budget, and when

the Republican majority started to respond to it, that showed there were going to be layoffs, with quotes from administrators, with quotes from people from the administration indicating substantial layoffs would, in fact, take place. So, it was no big surprise when it took place in June, that there were going to be cuts. And I would also like to point out for the record -- and this is my point of order -- that the only Commissioner who responded to the budget process with proposals for cuts was Commissioner Gibbs, who, in fact, offered up over \$100 million worth of cuts and savings which included cuts in personnel -- the only one.

SENATOR LITTELL: No, Fauver had some too.

ASSEMBLYMAN KAMIN: I'm sorry, that's correct. So, there was the opportunity from March, April, May, June for the administration, through its Commissioners and through the Governor's Office, to respond to the budget process, and they chose to ignore it.

COMMISSIONER CIMINO: That's not so. That's not so, Assemblyman.

ASSEMBLYMAN FRELINGHUYSEN: Well, let me say, I think you did choose to ignore it. I think the administration has hidden behind executive privilege for too long, and one of the reasons you're here today -- and I think we ought to read it into the record, Senator Littell -- the letter we sent you so we can in fact, perhaps, get down to the matter which has been so advertised, and this is directed to Commissioner Cimino:

"We respectfully request that you appear before the Joint Budget Oversight Committee," and that's today. "Please be prepared to provide the Committee with the following," and I'd just like to read this into the record--

COMMISSIONER CIMINO: Absolutely, Assemblyman.

ASSEMBLYMAN FRELINGHUYSEN: --because I think, certainly, there's some people here that may not be aware of,

specifically, why you are here. Certainly you've made a statement, which I under is substantially the same statement you made on Tuesday.

COMMISSIONER CIMINO: That's correct.

ASSEMBLYMAN FRELINGHUYSEN: And certainly that's your choice, but in terms of what we'd like you to respond to today I'd like to strike somewhat of a note of informality, because this Committee, I think, has had a history of that.

"Please be prepared to provide the Committee with the following," and I quote, "all department employee reduction plans, those that were rejected as well as those that were approved, and secondly a listing of all personnel actions involving the movements of personnel between job classifications, specifically the movement of unclassified employees to classified status in the last 60 days. Please be prepared to discuss with the Committee, on behalf of the administration, the consistency of your employee reduction plan with the budget language and the intent of the public law as represented by the 1993 budget recently adopted."

I think the basic question that I'd like to pose first is, whether you have that information to share with the Committee today?

COMMISSIONER CIMINO: We're not going to provide to the Committee, Assemblyman Frelinghuysen, as I've indicated-- Let me restate it again: We're not going to provide any administrative layoff plans. Those plans are undergoing review. There's not a single plan that has been approved yet.

I've been advised by the Attorney General that when those plans are approved, they are subject to public scrutiny; not a moment before. They are internal documents, because, quite frankly, things are changing. If there's an opportunity for there to be some sound fiscal creativity to preclude layoffs, then we're going to do that. If that doesn't exist, then the number, unfortunately, in a department is going to go up. So, we need to look at those, and we're doing that.

With regard to the second request of the Committee, I will tell you very succinctly, with response to that, there have been a total of seven people who have been moved in the last two months.

I've got to tell you something, Assemblyman. I take great, great umbrage with the fact that the integrity of the Department of Personnel would be called into question with regard to this. There are seven people who have been moved in two months. Nobody has been moved from an unclassified to classified title to hide them. Anyone who has been moved from unclassified to classified title is there in provisional status and must, under the statute known as Title 11A, take a test. We have done that. Some of those -- of the seven -- go back, their date of start of employment with this State is 1955 and 1977. What I'm simply saying, Assemblyman, is that the charges bandied about in the press are not doing the Legislature any good, and not doing the administration any good. And it's fine for members of the Legislature to want to haul this out and grandstand and do that, but the fact of the matter is that this has not happened.

ASSEMBLYMAN FRELINGHUYSEN: The specific answer, Commissioner, is what?

COMMISSIONER CIMINO: The specific answer is that there are seven people who have moved from the unclassified to the classified service in two months.

ASSEMBLYMAN FRELINGHUYSEN: All right. That's what we're looking for, the specific answer.

COMMISSIONER CIMINO: That's the specific answer.

ASSEMBLYMAN KAMIN: In which departments were they, if I may?

COMMISSIONER CIMINO: I can't give you the specific departments that they were, but let me tell you--

ASSEMBLYMAN FRELINGHUYSEN: Well, if there are only seven people, surely somebody must know where those seven people are?

COMMISSIONER CIMINO: Do we have that? (referring to aide in the audience)

ASSEMBLYMAN FRELINGHUYSEN: If it was 700 people there might be some problem outlining where they are, but surely seven--

COMMISSIONER CIMINO: Well, I take umbrage, Mr. Frelinghuysen, that people would suggest that this administration has attempted to hide people in classified titles.

ASSEMBLYMAN FRELINGHUYSEN: I don't think--

COMMISSIONER CIMINO: I understand the underlying comment.

ASSEMBLYMAN FRELINGHUYSEN: With all due respect, I have never used that expression.

COMMISSIONER CIMINO: I know you haven't, sir. There are members of the Legislature who have.

ASSEMBLYMAN FRELINGHUYSEN: You're categorizing--

COMMISSIONER CIMINO: There are members of the Legislature who have, sir.

ASSEMBLYMAN FRELINGHUYSEN: You're using comments-- I'm just asking you a plain question.

COMMISSIONER CIMINO: I'm not suggestion that either you or any member of this Committee has--

ASSEMBLYMAN FRELINGHUYSEN: Where are the seven people?

COMMISSIONER CIMINO: --but there are members of the Legislature who have done that, sir.

ASSEMBLYMAN FRELINGHUYSEN: Well, you settle those arguments with those members of the Legislature. This Committee--

COMMISSIONER CIMINO: But because of those issues and those questions that were raised, that's one of the reasons why we're here today, Mr. Frelinghuysen. You know that, and I know that.

ASSEMBLYMAN FRELINGHUYSEN: No, you're here because the Joint Budget Oversight Committee has a responsibility, and has asked you to be here to review personnel reductions, and to share with the Committee the plans. That's why you're here. I'd like the specific answer as to where the seven--

SENATOR LITTELL: While he's working on that may I use the time to ask you, Commissioner--

COMMISSIONER CIMINO: Yes, sir.

SENATOR LITTELL: --how do you separate the 2500 layoffs and the 1500 new hires from the other reduction in force that's brought about by the reduction in available funds?

COMMISSIONER CIMINO: The 1500 new hires in term of?

SENATOR LITTELL: You talked about 2500 that are being--

COMMISSIONER CIMINO: In the attrition program.

SENATOR LITTELL: --part of the attrition program.

COMMISSIONER CIMINO: Right.

SENATOR LITTELL: Now, you didn't add to that that there's 1500 or so new hires in the budget for Corrections and Human Services to staff the veterans' hospitals.

COMMISSIONER CIMINO: Currently, Mr. Chairman--

ASSEMBLYMAN KAMIN: And if I may, Mr. Chairman before the Commissioner answers that?

SENATOR LITTELL: Assemblyman Kamin.

ASSEMBLYMAN KAMIN: I understand that the attrition program under the normal actions of government takes place. Whether there's any action from the administration or the Legislature, attrition takes place at that rate, regardless. So, it's nothing new.

COMMISSIONER CIMINO: That's not accurate, Assemblyman.

SENATOR LITTELL: What I want to get at--

ASSEMBLYMAN KAMIN: It certainly is.

SENATOR LITTELL: I want to know how you keep them separate? How do you separate the attrition people from the--

COMMISSIONER CIMINO: Well, you ought to be aware, Mr. Chairman, that there is an absolute hiring freeze on at the moment; that there is no hiring going on at the moment, with exceptions -- and there are some exceptions -- where we have made a contractual arrangement with a particular individual and it would not be in the best interest of the State of New Jersey not to follow through on that contractual arrangement. But aside from that, there are no hirings going on. The only area where there may be an exemption to the hiring freeze may occur for direct care personnel in the area of Human Services. Other than that, Mr. Chairman, there is no hiring going on. There's an absolute freeze going on.

ASSEMBLYMAN FRELINGHUYSEN: You say, "There's an absolute hiring freeze."

COMMISSIONER CIMINO: That's correct. It was put in place on June 26.

ASSEMBLYMAN FRELINGHUYSEN: Do you have documentation to back that up?

COMMISSIONER CIMINO: I'm sorry?

ASSEMBLYMAN FRELINGHUYSEN: Do you have documentation to back that up?

COMMISSIONER CIMINO: We will submit to the Joint Budget Committee the memo that went from--

ASSEMBLYMAN FRELINGHUYSEN: Historically, there has always been the flexibility given to, certainly the prior administration, this administration, in terms of Corrections and Human Services, but you say, "There's an absolute freeze." Nobody has been hired from what point in time?

COMMISSIONER CIMINO: Let me restate that for you, Assemblyman, so that I do not mislead you. An absolute hiring freeze was ordered by Governor Florio on June 26. The gate came down on June 27, at the start of the pay period. There has been no hiring, with several exceptions. I will grant you there have been exceptions. Those exceptions have been where

we have made a commitment to the person who was to be employed and they were due to come on like June 27, June 29. Those exceptions have happened. The only area where there may be a possible exception to the hiring freeze in a broader context is in the area of Human Services, where we talk about direct care personnel. That is the only area.

ASSEMBLYMAN IMPREVEDUTO: Mr. Chairman?

COMMISSIONER CIMINO: And indeed, the fact of the matter is that, that freeze is going to have to stay on, and it will stay on because of the dilemmas that we have to deal with.

SENATOR LITTELL: Explain--

ASSEMBLYMAN FRELINGHUYSEN: Assemblyman Impreveduto wanted to--

SENATOR LITTELL: Wait. I didn't get an answer to my question.

ASSEMBLYMAN FRELINGHUYSEN: Oh, you didn't. All right.

SENATOR LITTELL: Explain how you separate the 2500 -- we'll get to you, Tony--

ASSEMBLYMAN IMPREVEDUTO: I'm sure you will, Bob.

SENATOR LITTELL: --the 2500 attrition situation. How do you separate that from the reduction in force? And you say you're not hiring the 1500, so we know--

COMMISSIONER CIMINO: Because the reduction in force comes across the broad scope of the government, the broad scope of the government. What we're attempting to do inside the connection of the reduction in force is still keep up the level of direct care that must go on in the institutions. If we fail to keep a level of direct care in the institutions we suffer serious accreditation problems. So, if there is any hiring that will go on, it may very well be in that area. There's no one else that is allowed to hire in the government whatsoever other than, in all candor, Senator, those people who got trapped in the pipeline, where a commitment had been made by the State of New Jersey to them in terms of a contractual relationship.

SENATOR LITTELL: What are we talking about, less than 100 people?

COMMISSIONER CIMINO: I couldn't say at the exact moment. We were looking at the exceptions. It's less than 100 as of this given moment in time. It's not a lot, I can tell you that. It's a minimal amount.

SENATOR LITTELL: So, we understand that. Now, when you give us these reports -- these layoff reports -- you're not going to be mixing in the normal attrition people that would be--

COMMISSIONER CIMINO: No. That's correct.

SENATOR LITTELL: You'll give us a--

COMMISSIONER CIMINO: It will be an aggregate, and we will explain all of that; that there will be a separate aggregate number for attrition above and beyond the layoffs that will, unfortunately, far transcend what it is that the Legislature has predicated will happen here.

SENATOR LITTELL: All right. Now, if you don't hire those 1500 new employees, what happens to the Corrections facilities that are supposed to open up, and what happens to the veterans' hospitals that are suppose to open up, and why aren't you dealing with those, because the funds are in the budget?

COMMISSIONER CIMINO: We're dealing with those issues. We're not suggesting that we are going to do anything that is inappropriate. We're trying to deal with those issues, but you've got to understand the document that you've given us. And the Governor has said we will work with the spirit of the language of the budget. He has said that.

The Attorney General has said that language is permissive. We're trying to work that out. It's a very delicate balancing act. No one is suggestion that we're not going to do what is appropriate here. We're trying to do all that is appropriate here, and at the same time we have to deal with the language that you've put in that is, in some ways, not

possible to be met. One of the clear instances is the discussion that went on between Commissioner Weiner and Assemblyman Kamin, which I thought was a fruitful discussion on Monday; that Commissioner Weiner will be able, if there's a change in the language within the budget, to revise and resubmit an appropriate layoff plan.

ASSEMBLYMAN KAMIN: That's not what he said, Mr. Chairman.

If I may, before Mr. Impreveduto gets a change to ask his question, what Commissioner Weiner in fact said, when we elicited from Commissioner Cimino an elaboration of the true spirit of the law, that the administration was now trying to respond to that.

That's quite a bit different in the positions taken since the adoption of the budget. That is a shift which we welcome, which I'm certain that the employees welcome, and what we discussed with Commissioner Weiner was the fact that his plan, which has been rejected as of last Friday--

COMMISSIONER CIMINO: That's correct.

ASSEMBLYMAN KAMIN: --because it was bottom heavy was being very narrowly focused based on, "a verbal interpretation," of communication with Commissioner Weiner and the Attorney General -- nothing in writing. And what we elaborated c was the fact that the budget language written in the opinion by the Attorney General said, very liberally interpret this section of the budget. So with that knowledge, Commissioner Weiner was rethinking his position to be more in line with in fact the budget language and the written opinion of the Attorney General which said for that section, do not take the cuts out of the 20 percent, but in fact the language that allowed for you to sweep the funds from the other 80 percent of DEPE's budget. So, that was quite a bit different.

COMMISSIONER CIMINO: Well, Assemblyman, I was under the clear impression--

ASSEMBLYMAN KAMIN: No, absolutely not.

COMMISSIONER CIMINO: --that needed to be some changes in the language to accomplish the goal.

ASSEMBLYMAN KAMIN: Well, where is the language? Did you get it, Commissioner?

COMMISSIONER CIMINO: I don't have the language, Assemblyman. I'm not responsible for the Department of Environmental Protection. I'm responsible as the Commissioner of Personnel.

ASSEMBLYMAN KAMIN: The budget language is the law, and we now know the Commissioner is going to try to work with us in that. I mean, that's why you've rejected nine plans, because this new direct--

COMMISSIONER CIMINO: That's not the only reason why we rejected nine plans.

ASSEMBLYMAN FRELINGHUYSEN: Well, we're going to find out what those reasons are in a few minutes, as to what's been accepted and what's been rejected, but Assemblyman Imprevduto has been very patient, and wants to get a word in edgewise, and I think Senator Ewing as well. Assemblyman?

ASSEMBLYMAN IMPREVEDUTO: Yeah. As oftentimes as you know, Mr. Chairman, it's difficult to sit in when you know what's going on. Unfortunately, I haven't been part of this process, so I will ask you for a little leeway just to get some history from the Commissioner so that I understand a little better as to the effect of what's happening and what has happened.

I can understand the problem, I think, as well as anybody can. The budget calls for cuts in dollars, and as I clearly understand it, it calls for cuts in people in order to save those dollars. Skip, can you tell me, so I can get a history -- a little historical background here -- how many people were employed by the State in 1989?

COMMISSIONER CIMINO: In 1989, when Governor Florio took office there were in excess of 80,000 people employed by the State of New Jersey.

ASSEMBLYMAN IMPREVEDUTO: Okay. From 1989, 80,000. Today, this moment as we sit here?

COMMISSIONER CIMINO: We're down to about 74,600 people.

ASSEMBLYMAN IMPREVEDUTO: Okay. So, roughly we've had a--

COMMISSIONER CIMINO: About a net reduction--

ASSEMBLYMAN IMPREVEDUTO: --through attrition or whatever other method that you've used, we're down about 6000 people.

COMMISSIONER CIMINO: It's the biggest net reduction that has occurred in this century other than the Great Depression and World War II.

ASSEMBLYMAN IMPREVEDUTO: Okay. And this was done, basically, through attrition?

COMMISSIONER CIMINO: Through attrition, the hiring freeze, early retirement, a number of proposals that had been put forward by the Governor.

ASSEMBLYMAN IMPREVEDUTO: Okay. In the Governor's proposal, which did not call for layoffs as I understand it, but in fact said that we could achieve the goal of reducing State government -- the size of State government and its employees through attrition. How long would it take you to get to that point? If I'm not mistaken, \$80 million was the number that we were looking at, as far as salary reduction. Is that the number that was mentioned in the budget?

COMMISSIONER CIMINO: Eighty-one million point three, I think, was the amount of salary line item reductions that you put forward in your plan.

ASSEMBLYMAN IMPREVEDUTO: Skip, if we were to take it through the attrition plan, and not lay off a single person but

as you go, as they retire, through attrition, and through the hiring freeze, how long would it take us to reach that mark?

COMMISSIONER CIMINO: Well, it'd be hard to predicate. I mean, I don't think it's an achievable savings just through attrition. There's no way that what has been predicated here would be achievable through attrition.

ASSEMBLYMAN IMPREVEDUTO: My next question then is this: The language in the budget as I understand it requires that you RIF people in middle management positions making \$50,000 or above, correct?

COMMISSIONER CIMINO: That's correct.

ASSEMBLYMAN IMPREVEDUTO: And not to touch those below that category. And maybe this is very elementary, and maybe very simple, but I'm a simple kind of guy. If I'm that manager that's making \$55,000 a year, do I have a staff?

COMMISSIONER CIMINO: If you're a manager making \$55,000 a year, the answer to your question is, more than likely you have a staff of some kind.

ASSEMBLYMAN IMPREVEDUTO: I'd probably have a secretary?

COMMISSIONER CIMINO: Right.

ASSEMBLYMAN IMPREVEDUTO: And a data processor person, and someone else?

COMMISSIONER CIMINO: More than likely.

ASSEMBLYMAN IMPREVEDUTO: What happens to those people, if I'm no longer there?

COMMISSIONER CIMINO: Well, if those people are in the classified service, then they're affected by the action that has to occur here. I mean, they can be RIFed themselves, and forced into a layoff, and they themselves will be demoted or laterally moved in terms of the classified service.

ASSEMBLYMAN IMPREVEDUTO: This has been a problem that I've had from the beginning, Mr. Chairman. Just so I really, clearly--

SENATOR LITTELL: That's not the only alternative, you ought to know that.

ASSEMBLYMAN IMPREVEDUTO: Well, this is what I want to fully understand. If we RIF as many people as you can possibly RIF in that \$50,000 and above range who have staff, obviously that person is no longer there. The staff has no one to work for. So, then we must relocate those people somewhere else and they will proceed with bumping rights, I guess?

COMMISSIONER CIMINO: They can proceed with bumping rights if they can bump within the-- And the way the rules work since Governor Kean put forward the 1986 Reform Act, which was a good piece of legislation-- I give him credit for it. It was one of the hallmarks of the Kean administration. If you can bump to within a substantially similar job title, you can bump; if you can't do that, then you're subject to layoff.

ASSEMBLYMAN IMPREVEDUTO: So, at some point in time, as much as you don't want to touch the small guy -- you don't want to give it to him in the neck, -- it seems to me that you have to.

SENATOR LITTELL: No. That's not true. Assemblyman, let me--

ASSEMBLYMAN IMPREVEDUTO: Unless somebody can explain it to me, because I still can't understand it.

SENATOR LITTELL: Well, let me explain it to you, because very simply you're talking about one and five over \$50,000. That means, for five people that make \$50,000 or more you're only going to take out one of them. You still have four left, and you shift those responsibilities amongst the four remaining managers in that department or, however it works out, whoever can handle that responsibility. You don't necessarily have to wipe out all of the people that work for that individual. That happens every day in business.

ASSEMBLYMAN IMPREVEDUTO: Bob, excuse me. My--

SENATOR LITTELL: As a matter of fact when we took testimony--

ASSEMBLYMAN IMPREVEDUTO: If you had a secretary--

SENATOR LITTELL: Well, let me just finish that thought for you, Tony, because if you had sat in on the meetings and listened to the Chamber of Commerce, NJBIA, and other business organizations, they told us that the place to make the cuts was in the middle management over \$50,000. That is the typical step that's done in industry to downsize. They don't downsize all of the people that do all of the work, but they downsize the management.

ASSEMBLYMAN IMPREVEDUTO: I don't disagree with that.

SENATOR LITTELL: Well, that doesn't mean that just because the manager goes that everybody that works for him goes.

ASSEMBLYMAN IMPREVEDUTO: Here's the problem I have, if all of us around this table were middle management people making in that range, and each of us have a secretary--

SENATOR LITTELL: It's also in the Governor's Management Review Commission, I'm reminded. So, there's plenty of precedent for this type of reduction in the area of employees. What you have to understand is that management can be done by fewer people and be just as effective.

ASSEMBLYMAN IMPREVEDUTO: You haven't answered my question. Let me just phrase it again. There are areas from what I understand, and again, my knowledge is limited -- I have not been part of the budget process -- where entire projects have been wiped out for one reason or another. Those projects obviously had staff. So, if I was the manager of that project and I made \$55,000 or \$60,000 and I'm gone, the staff either has to go or we move that staff to somewhere else, to some other area of State government that needs a secretary, and I'm not so sure if there are people out there -- and maybe you might know this better than I do? -- are there people in our State government currently that need a secretary and don't have one?

SENATOR LITTELL: That's not our function. That's an administrative function.

ASSEMBLYMAN IMPREVEDUTO: Unfortunately, what we're saying is, we want to tell them what to do administratively but it's not our function to decide how these other things work.

SENATOR LITTELL: We don't the have the ability to tell Mr. Cimino what to do with his personnel. That's his responsibility, and we understand that. What we did was, we provided a directive for the administration to follow. We also provided some language in there that would allow them to go to OMB and to this Committee -- to JBOC -- if they find that it would be doing some irreparable harm.

Suppose, for instance, they were supposed to take out 10 people in the Department of Transportation, and they said they could only take out five because to take out five more would be five of their key engineers and it would do irreparable harm to the Department of Transportation. They could come to OMB and the JBOC and ask to transfer those cuts to some other part of their budget. They actually have the ability to do it. They don't even have to come and ask us. They can just come and tell us that that's what they're doing. That's the difference between what we're saying and what's being reported in the press.

I'll give you an example: We downsized in the Department of Commerce and Economic Development Travel and Tourism, and we told them to go out and raise half the money from the people that are in the tourist industry, the money for advertising. What the Commissioner over there has done is gone to the Motion Picture Commission and said that the \$200,000 budget that the Legislature provided is going to be taken away and used for something else, and there's no longer going to be a Motion Picture Commission in the State of New Jersey. That's not what the Legislature intended. We didn't write that in there. That's her decision to do that. We think it's wrong.

ASSEMBLYMAN IMPREVEDUTO: Did we write in the removal of the funds to fund the Public Advocate's Office?

SENATOR LITTELL: We eliminated \$1.6 million out of a \$50 million budget in the Department of the Public Advocate, and we transferred the--

ASSEMBLYMAN IMPREVEDUTO: But that was for Public Interest Advocacy, correct?

SENATOR LITTELL: We transferred the other part off-line so that it's paid for by the people that use that system through the--

ASSEMBLYMAN FRELINGHUYSEN: Rate setting.

SENATOR LITTELL: --rate setting process. That's all that happened in the Public Advocate's Office.

ASSEMBLYMAN FRELINGHUYSEN: We ought to give Senator Ewing an opportunity in a few minutes to give some comments, Assemblyman. Senator Ewing did you--

SENATOR EWING: Yeah. Skip, you say the absolute freeze, is that going on with Katzenbach, as well? They're not in Human Services, although the type their dealing with certainly is a tragedy.

COMMISSIONER CIMINO: Senator, we will look at an exception if there needs to be an exception to the freeze, but currently there's an absolute freeze.

SENATOR EWING: Well, do they understand that?

COMMISSIONER CIMINO: We have apprised everybody, through every cabinet officer that there is an absolute hiring freeze in place. Everyone has been apprised.

SENATOR EWING: If they're apprised of an absolute hiring freeze, and Katzenbach comes to whoever the Commissioner is down there in Education and says, "We need this person in this particular job for a blind, mentally retarded child." He's going to say, "Well, there's an absolute freeze."

COMMISSIONER CIMINO: No. He has, as has been the case so far with some of the commissioners-- I mean, whether there's a need for an exception, there can be an appeal.

SENATOR EWING: Was that in your note?

COMMISSIONER CIMINO: Yes. Yes. If there's a need for an exception there is an appeals process.

SENATOR EWING: Could we have a copy of that memo that went out?

COMMISSIONER CIMINO: Yeah. We'll get you a copy of the hiring freeze memo.

SENATOR EWING: I'd appreciate that very much.

COMMISSIONER CIMINO: I'm sure we can do that.

SENATOR EWING: That's what bothers me. What departments have been approved?

COMMISSIONER CIMINO: None.

SENATOR EWING: None. You were talking about nine that have been returned or something?

COMMISSIONER CIMINO: Have been outright rejected, yes -- denied, haven't been approved through everyone involved.

ASSEMBLYMAN FRELINGHUYSEN: Is it because they didn't meet certain guidelines? And will you share with the Committee what those guidelines would have been?

COMMISSIONER CIMINO: We have had in some of the departments what appeared to be -- and I use the term of art -- "bottom heavy" plans in terms of looking at the workforce. There have been-- There's discussions going on with those departments. Those departments know, effectively, who they are, and we have at the instruction of the front office advised them of that, and that's what we're looking at -- those particular problems -- and we're trying to deal with those problems.

SENATOR EWING: On the Education part--

COMMISSIONER CIMINO: Yes, sir.

SENATOR EWING: Why did Ellis-- Why did he go out and send out layoff notices to people?

COMMISSIONER CIMINO: Well, you know, Senator, in fairness to Commissioner Ellis--

SENATOR EWING: What?

COMMISSIONER CIMINO: I said, in fairness to Commissioner Ellis, first and foremost, unclassified -- unprotected-- In other words, if we could do everything that you said in this plan, then there wouldn't be any need for all of these little neat little bills: protect this one, protect that one, protect this one. Because if we could do what you said in your plan, those folks are gone. The 1300 folks that you predicated are gone in five minutes. That's not the case here. So, in fairness to Commissioner Ellis, there are those that are in the process who are unclassified -- unprotected.

Secondly, this is such a -- in a terrible way -- big event that this is relatively new in a lot of areas.

SENATOR EWING: So, why didn't other commissioners send out a lot of layoff notices?

COMMISSIONER CIMINO: I'm not sure why other commissioners didn't. I know that some others did. We've advised them--

ASSEMBLYMAN FRELINGHUYSEN: The question is, Commissioner, what were the guidelines? If Ellis is operating under his own set of guidelines, what are other people operating under?

COMMISSIONER CIMINO: The guidelines should have been--

ASSEMBLYMAN FRELINGHUYSEN: Should have been. Well, didn't the administration have some-- Was something sent out to the cabinet officers in terms of guidelines?

COMMISSIONER CIMINO: The guidelines-- Assemblyman, let me now go back to our original letter, which as we saw what you all were creating, we decided to send some instructions out. We had advised that all PMIS records be brought up to date in terms of seniority. That's an important aspect of this plan. We had advised that there be a dialogue with the bargaining units and the various departments, because that was an important part of the plan. We had advised that there would

be a clock of time that would happen. We had advised everybody to use all of the alternatives as are called for under Title 11A, and the rules that pertain to that statute with regard to what we call the alternatives to layoffs. We'd advised all of that. Given all of that--

ASSEMBLYMAN FRELINGHUYSEN: In what format was that?

COMMISSIONER CIMINO: We sent out letters to advise people of that.

SENATOR EWING: To the commissioners?

COMMISSIONER CIMINO: Well, to each cabinet member. As well, we have formulated--

SENATOR LITTELL: To the commissioners you said that went; not to us, right?

COMMISSIONER CIMINO: No. That went to the commissioners.

ASSEMBLYMAN FRELINGHUYSEN: Well, germane to this Committee's purpose here today is to understand what those guidelines were, and that relates directly to what-- If Ellis is doing something which appears to be diverting from the general guidelines that the administration put forward for layoffs, then I think we ought to know that.

COMMISSIONER CIMINO: Oh, I don't think that Commissioner Ellis-- Again, I understand there are people here from the Department of Education. I understand that.

SENATOR EWING: Who knows what went on.

COMMISSIONER CIMINO: Senator, this is a difficult task.

SENATOR EWING: Yeah, but you haven't answered my question. Why--

COMMISSIONER CIMINO: We're trying to--

SENATOR EWING: --did Ellis send out the notice, if you sent out--

COMMISSIONER CIMINO: If you'd like to give me the opportunity to finish the answer, gentlemen--

SENATOR EWING: Let me finish--

COMMISSIONER CIMINO: --before you cut me off, I'd be happy to do that.

SENATOR EWING: Excuse me, Skip. I'll talk over you anytime.

COMMISSIONER CIMINO: That's fine, sir.

SENATOR EWING: I want to know-- I'd like to see a copy of the memo that went out. And did you state in the memo to the cabinet members then that, do all of this work -- the groundwork that you're saying -- but give no layoff notices until your plan is approved?

COMMISSIONER CIMINO: We advised people that the plans had to be approved, yes.

SENATOR EWING: Before layoff notices went out?

COMMISSIONER CIMINO: We asked them not to involve anybody until such time as plans were approved.

SENATOR EWING: Well, then, what the hell is his excuse for doing it?

COMMISSIONER CIMINO: The fact of the matter is that they saw them as unclassified personnel. And unclassified personnel are in an entirely different category than classified personnel.

SENATOR EWING: Did you state that in your memo?

COMMISSIONER CIMINO: We stated a series of dates for people to be let go--

SENATOR EWING: When can we--

COMMISSIONER CIMINO: --based on a tentative union contract. Yes, sir?

SENATOR EWING: When can we have a copy of the memo?

COMMISSIONER CIMINO: I will check with the Attorney General. If you can, I will certainly provide it to you.

SENATOR EWING: Oh, come on. Wait a minute. That's a public document.

COMMISSIONER CIMINO: I'm sure that we can. I don't have any problem with that. It's a public document. Yeah, I'm sure you can have it.

SENATOR LITTELL: Commissioner, give me an example-- For instance, in your instruction to the Commissioner of the Department of Education -- Commissioner Ellis -- would you have notified him that the law prohibits him from laying off anybody in the County Superintendents' offices? Would that be part of your instructions to him -- to tell him that that's what the law says?

COMMISSIONER CIMINO: No. That would not be. I mean, we are not responsible--

SENATOR LITTELL: Why not, because that's in the law?

COMMISSIONER CIMINO: We are not responsible for the individual departments. As the Department of Personnel we are responsible to ensure that the layoff is administered properly.

ASSEMBLYMAN FRELINGHUYSEN: What do you-- This is not rhetorical. When you say you're not responsible for what the individual departments do in terms of personnel decisions, there's a certain part--

COMMISSIONER CIMINO: No. I didn't say that. I said, we're not responsible for each department's budget. If the direction had been that there be no layoffs, and we had seen that, we would have discussed it with Commissioner Ellis, if that were the case. Additionally, Assemblyman, if I may, the language of the budget is under a great deal of scrutiny from the Attorney General. I cannot overimpose my will on the legal advice to this administration from the Attorney General.

ASSEMBLYMAN FRELINGHUYSEN: But if there are individual personnel decisions going on in the departments and it was among several suggestions that you made to the appropriations process, in terms of affirmative action officers and the various personnel operations in those departments, the budget language, while it's been questioned by the Attorney

General, has raised some questions about that of being an invasion of Executive prerogative. But, indeed, those are recommendation that came out of your department that--

COMMISSIONER CIMINO: I agree.

ASSEMBLYMAN FRELINGHUYSEN: --in fact, we put into the budget. So, why in fact wouldn't you have some say about the development of guidelines which, in fact, would be similar from department to department, which gets to the Ellis question; whether he's operating under some other set of guidelines.

COMMISSIONER CIMINO: I don't think that I've said here that we haven't developed guidelines. I didn't say that.

SENATOR LITTELL: Well, you sent-- You sent some guidelines to the Commissioners.

COMMISSIONER CIMINO: I said that we sent general parameters, and general guidelines to follow under the statute, and we have done that.

SENATOR LITTELL: Why wouldn't it include the directions that the Legislature's intent was not to have any further reduction in the County Superintendents' offices, because that's clearly in the law?

COMMISSIONER CIMINO: That may be, Senator, but the fact is that we are not responsible for each department's budget. Furthermore, Assemblyman Frelinghuysen just alluded to language in the budget that has been rendered by the Attorney General-- The Attorney General says, "It is not language that is doable." He's declared it unconstitutional. So I'm trying to--

ASSEMBLYMAN FRELINGHUYSEN: You mean, he's taking-- He's saying that the idea that the Commissioner of Personnel suggested--

COMMISSIONER CIMINO: Under the budget language, it is inappropriate that the discretionary authority rests in Title 11A.

ASSEMBLYMAN FRELINGHUYSEN: --the good idea of combining all of those personnel -- individual personnel empires of various departments and putting them under your leadership, the Attorney General's suggesting that that consolidation is unacceptable?

COMMISSIONER CIMINO: Assemblyman, I'm not going to comment on that. I'm not going to comment on that, Assemblyman.

ASSEMBLYMAN IMPREVEDUTO: Mr. Chairman, if I may?

Skip, can you tell me when those guidelines were sent to the commissioners?

COMMISSIONER CIMINO: I'm trying to recall exact dates. We sent out guidelines as to the impending proposition of it coming. We, thereafter, followed up with a follow-up memo dealing with the dates that we would expect that the plans be back, and then August 7 is the date for unclassified/unprotected; August 8 -- August 21, excuse me -- was the date that it would have happened for unclassified and union represented, by virtue of the ratified contracts that exist; and then September 18, as the out date for classified service.

ASSEMBLYMAN IMPREVEDUTO: Would those letters had been sent before June 22?

COMMISSIONER CIMINO: Those letters were sent-- I think one of them was sent prior -- was sent after the introduction of the budget, or thereabouts in that time frame, as we saw what was beginning to happen, and then the other one, with regard to the dates, was sent after--

ASSEMBLYMAN IMPREVEDUTO: The reason that I ask that question, specifically, is because, if the Chairman recalls, the cuts to the County Superintendents were in the original bill and were amended out, in fact, on the 22nd of June -- on that Monday. So, if your letter was sent before the 22nd, okay, County Superintendents at that point were going to have a reduction in staff. That was in your original bill. The

amendment to that budget bill, on the 22nd of June, on a Monday, protected the County Superintendents' offices.

SENATOR LITTELL: I stand corrected on that, but I don't think you're absolutely right, Assemblyman, because I think there was a question as to whether the language was clear, and that's why it was amended. It was always our intention not to further reduce the County Superintendents' offices'.

ASSEMBLYMAN IMPREVEDUTO: It might not have been your intention, but as I understood it, the language was there to give that indication, and it wasn't amended until the morning of the 22nd, to clearly state what your intention was.

SENATOR LITTELL: Well, then that's why we amended it--

ASSEMBLYMAN IMPREVEDUTO: Well, I understand that.

SENATOR LITTELL: --to straighten that out.

ASSEMBLYMAN IMPREVEDUTO: But to say that something was done intentionally on the--

SENATOR LITTELL: But it was not intended to reduce that.

ASSEMBLYMAN IMPREVEDUTO: I understand what you're saying, but to say that something was intentionally done by Commissioner Ellis, I think that that goes beyond what's necessary, only because--

SENATOR LITTELL: Well, Commissioner Ellis--

ASSEMBLYMAN IMPREVEDUTO: --as you say, your language wasn't clear in the beginning, and it wasn't until the 22nd of June that it was amended.

SENATOR LITTELL: Commissioner Ellis couldn't have done anything until we adopted the budget, and then overrode the Governor's veto. We certainly knew and understood what we intended.

ASSEMBLYMAN IMPREVEDUTO: But a memo could not have been sent by the Chairman -- by the Commissioner, I'm sorry -- if in fact-- A memo was sent, obviously, before this date--

COMMISSIONER CIMINO: In the planning process, I'm not-- Let me ask if anybody remembers? Linda--

SENATOR EWING: It would be helpful to have a copy of the memo.

COMMISSIONER CIMINO: Excuse me. Do you recall the dates?

UNIDENTIFIED SPEAKER FROM THE AUDIENCE: It was all according to the last review in June. I mean, it was all within that time frame. I think the initial memo went out prior to June 22. When you talked about updating PMIS records, making sure everything was in order--

SENATOR LITTELL: But that's just an internal document that you're talking about updating the PMIS records, making sure that all the longevity is brought up-to-date so that your records are clean, so that if you had to start a bumping process that you would know exactly--

COMMISSIONER CIMINO: Discussions with bargaining units--

SENATOR LITTELL: --where to go, and how to go there. That had nothing to do with your directive that you're talking about, that you sent out after the adoption of the budget. That's a separate memo, isn't that clear?

COMMISSIONER CIMINO: That's correct.

SENATOR LITTELL: And that memo is the memo that we're talking about. What involvement did you have in drafting that memo? Is that your memo alone, or is it a memo from the administration collectively, and done in part with the Attorney General's advice? Is it done in part with the Governor and his staff's advice, or is just done by you, sir?

COMMISSIONER CIMINO: The memo was-- Senator, it was a memo from the Department of Personnel to talk about the dates that would be necessary to proceed with for layoffs.

SENATOR LITTELL: That's the one that we read about in the newspaper, so I guess we can have a copy of that?

COMMISSIONER CIMINO: Yes. And that particular memo dealt with the need to get people off the payroll as quickly as possible, because for every day that they are on, the greater the deficit, the more people will have to go.

SENATOR LITTELL: All right. Was that 10,000 people, or had it come down to 6000 by the time that went out?

COMMISSIONER CIMINO: Senator, you know, we never said 10,000. We never said 10,000 layoffs, and if everybody listened accurately, we said that it could be upwards of 10,000 people having to go, including attrition. Never once have we indicated that there would be 10,000 layoffs. We said 2500 of that would be attrition. Now, thankfully, you all decided to put the increment back. That took 1700 bodies off the table, when you did that. I commend you for it, because 1700 less people will have to feel some aggravation and some pain here. So, that was done. And we have, as well, been able, through some of your actions to close up some other gaps.

We are looking at things from a fiscal perspective, and from a personnel perspective. Those things that can be done that are fiscally responsible, we will do, and we will continue to try and reduce the number of layoffs.

SENATOR LITTELL: But you understand-- You understand the same as I do that the reason that we're in this jam, is the decertification of all of the funds that were certified in the budget document when it was delivered on January 28. The decertification is what caused all of the problems in this budget.

COMMISSIONER CIMINO: Senator, I'm not here to comment on the decertification. I'm not the State Treasurer. I'm not the Commissioner of Education. I'm not the Commissioner of Environment Protection. I'm the Commissioner of Personnel, and I've got a single responsibility from the Governor, to administer this layoff fairly, equitably, across-the-board, to preclude any difficulties for the Legislature, as well as the

Executive Branch of government in this process, because of what can result in terms of actions if we do not do this properly. I can't answer for other areas of the government. I'm not responsible for the fiscal affairs of the government.

ASSEMBLYMAN FRELINGHUYSEN: Relative to the nine plans which you characterized as being bottom heavy, what specific directions, or instructions have you given those departments to ensure that the new plans are less so weighty?

COMMISSIONER CIMINO: Assemblyman, with all due respect, they're internal communications between myself, members of the cabinet, between members of the Layoff Task Force, and the Department of Personnel, and those who are trying to do the job in planning out in the departments. I'm not going to go into those discussions.

ASSEMBLYMAN FRELINGHUYSEN: So, in terms of specific instructions or directions, you cannot share those with--

COMMISSIONER CIMINO: I don't think it's appropriate, Assemblyman, because of the sensitivity, and the humaneness of which we are trying to move through this process. We're trying to do this in a humane way and sensitive way, and I don't think it's appropriate for us to get into the discussions of what is happening internally.

You know, this is a pretty gruesome process, unfortunately. I mean, every time we have to talk about this, we have to talk about 250 people going back on the table, or 250 people maybe we can take them off the table. That's not a pleasant process. It has not been a pleasant four weeks, I will tell you that. Because every time we have to deal with this, we're talking about people, their lives, and their families.

There is a major spin-off effect here, and I understand that it is your desire, and I understand it is your intention in this process, for it to be 1300 people. I'm

trying to tell you as nicely, as succinctly, and as much of a gentleman as possible, it will not be 1300 people. It is beyond that.

ASSEMBLYMAN FRELINGHUYSEN: Well, it certainly will be closer to that figure if, in fact, you obey the intent of the Legislature.

COMMISSIONER CIMINO: We are doing all that we can, as the Governor has said. And the Governor has said publicly we will do all that we can to implement this law. We will do all that we can. But given that, Assemblyman Frelinghuysen, there are parameters that we cannot achieve -- that are not achievable.

ASSEMBLYMAN KAMIN: Let me ask, if I may, Mr. Chairman, a couple of questions. Am I to understand that the proposal that was suggested by you, Commissioner, to consolidate the personnel function of the different departments into your Department is not going to happen?

COMMISSIONER CIMINO: I didn't say that, Assemblyman. I did not say that. I said, that within the framework of the budget language the Attorney General has ruled that you cannot, through the Appropriations Act, utilize the Appropriations Act to institute that consolidation. That there is language within the statute of Title 11A that gives the Commissioner of Personnel discretionary authority to implement that. That issue is still before the cabinet, is still before the Governor, and, indeed, before the Department of Personnel.

ASSEMBLYMAN KAMIN: Is that a move that you still support at this time: to consolidate the personnel function of all of the different departments into yours?

COMMISSIONER CIMINO: I have said, and I have said to you, I've said to the cabinet, I've said publicly, I think that that is an appropriate move, to consolidate the issues of classification, compensation, and workforce research within the Department of Personnel. It would not be appropriate to take

in hiring, recruitment, employee relations. Those issues would not be appropriate to be in the Department of Personnel. They belong with the specific cabinet departments that are out there.

ASSEMBLYMAN KAMIN: Does the Governor support that intent?

COMMISSIONER CIMINO: It is my understanding that there is a feeling that this might be something that is appropriate to look at and do. That will occur with the discussions that are going on with the cabinet right now. There will be more discussions with the cabinet, with regard to the personnel consolidation piece.

ASSEMBLYMAN KAMIN: So, through you, Mr. Chairman, to the Commissioner, the Governor's indicated that it may be appropriate, but he hasn't signed on to the process?

COMMISSIONER CIMINO: I'm not saying that he hasn't signed on to the process. The discussion with this occurred last week. The Governor has been out of town. I've not had an opportunity to have that sit down discussion with the Governor to the extent that it is yes or no.

ASSEMBLYMAN KAMIN: All right. One of-- If I may, Mr. Chairman, continue with some other questions. This is a revisit on an issue we discussed on Tuesday.

We established, through you, Mr. Chairman, Commissioner, that there is now a new policy about the record keeping, if you will, or the information trail, going through your office about hiring -- the hiring freeze -- and how it's implemented, and that prior to June of this year those exemptions from the hiring freeze, that has been in place for the last 30 months of Florio administration, that you weren't -- or the Department of Personnel was not always privy to those exemptions, and to the hiring, and the numbers, and being able to keep track. But that has changed, is that correct?

COMMISSIONER CIMINO: We were privy to those facts, after the fact. If the allocation was there and OMB said the

allocation was there within the budget, that's who gave-- The position control rested with the Office of Management and Budget.

ASSEMBLYMAN KAMIN: But as I understood our conversation -- through you, Mr. Chairman -- on Tuesday, is that, you now are advised to that prior?

COMMISSIONER CIMINO: I'm given to understand that we will be involved in that process from this point forward.

ASSEMBLYMAN KAMIN: That's a significant change, and I think it's important for us to note. One of the questions that was also asked on Tuesday was, Commissioner, how many State workers earn over \$50,000? Do you recall what your answer was, about that, at that point?

COMMISSIONER CIMINO: I think, if I'm not mistaken, Assemblyman Kamin, I was asked that question, and I said--

ASSEMBLYMAN KAMIN: I think it was Assemblyman Russo, that was asking you some of these questions.

COMMISSIONER CIMINO: Yeah. Assemblyman, I think that the fact of the matter is that there are 5700 people who are in -- and this is the interesting-- This is one of those little interesting deceptions of myth, that all of the unclassified personnel of the State make over \$50,000, and the classified, you know, do not. Five-thousand-seven-hundred people who are in the classified service make in excess of \$50,000 a year, 4000 in the unclassified make in excess of \$50,000 a year. So, I guess it's about 9000 that make above \$50,000 a year, out of a workforce of about 74,000 people.

ASSEMBLYMAN KAMIN: So, numbers we were able to obtain indicated that some 16,833 earned over \$50,000, and that about 5121 were people that were in unclassified and couldn't return to the classified positions. And I think then, there was a follow-up question that Assemblyman Russo asked, and you indicated how many of those had been targeted. At this point I think it was 470-something, was the number you gave out?

COMMISSIONER CIMINO: There are 11,148 people who are in the unclassified service of the State of New Jersey.

ASSEMBLYMAN KAMIN: Okay.

COMMISSIONER CIMINO: Eleven thousand one hundred forty eight.

ASSEMBLYMAN KAMIN: And of the 11,148--

COMMISSIONER CIMINO: Of the 11,148, 495 have underlying job rights back to the classified service.

ASSEMBLYMAN KAMIN: Which leaves in excess of 4000 unclassified people who can't get into classified slots and therefore are to some degree making over \$50,000, that are targets of the budget.

COMMISSIONER CIMINO: I'm not sure of that.

ASSEMBLYMAN KAMIN: Maybe that's a huge number that the administration should be looking at -- to go back to the true spirit of this budget document and be looking at the targets rather than the bottom heavy problem which has caused you to reject so many of these layoff plans.

COMMISSIONER CIMINO: The fact of the matter is, Assemblyman, as we've tried to indicate to this Committee and to a number of other committees, when you get into the unclassified service, we are talking about the judiciary; we are talking about Marine Police; we're talking about the State Police; we're talking about attorneys, and the aggregate -- and I don't have the exact number with me -- when you bring all of that together, the balance of your unclassified service is going to be extremely small.

I mean, those are the areas where the unclassified -- and for good reason-- I mean, we don't need a classified investigator. We need them really to be in the unclassified service. We don't need a classified State Police officer. We don't need a classified-- I'd be hard-pressed to classify lawyers, you know.

ASSEMBLYMAN FRELINGHUYSEN: Well, some might not be, but-- (laughter)

COMMISSIONER CIMINO: I won't get into that.

ASSEMBLYMAN KAMIN: But lawyers get classified often enough for other reasons.

ASSEMBLYMAN IMPREVEDUTO: Skip, if I can, just to jump in a second, on those 4000 that Assemblyman Kamin is talking about, you said judiciary. These are over 50,000 unclassified?

COMMISSIONER CIMINO: I'm not sure how they all fall.

ASSEMBLYMAN IMPREVEDUTO: Yeah. I'm just saying, but it would be judiciary, legislative--

COMMISSIONER CIMINO: I would suggest that the judiciaries is probably above \$50,000.

ASSEMBLYMAN IMPREVEDUTO: I would think so too. Legislative staff?

ASSEMBLYMAN FRELINGHUYSEN: You voted on that, didn't you?

COMMISSIONER CIMINO: Last time I checked, Assemblyman, I think I voted-- I don't think I voted on that one Rodney. I think I abstained.

ASSEMBLYMAN IMPREVEDUTO: Physicians, psychiatrists, commissioners--

COMMISSIONER CIMINO: Physicians, psychiatrists, commissioners, deputy commissioners--

ASSEMBLYMAN FRELINGHUYSEN: You're putting the psychiatrists together with the commissioners? (laughter)

ASSEMBLYMAN IMPREVEDUTO: We can do that later.

And attorneys you talked about. Do you have any idea-- Those are unclassified certainly over \$50,000.

COMMISSIONER CIMINO: Right.

ASSEMBLYMAN IMPREVEDUTO: Of that 4000 do we know what's left?

COMMISSIONER CIMINO: We could probably run the computers and tell you.

ASSEMBLYMAN IMPREVEDUTO: A significant number?

COMMISSIONER CIMINO: I don't think it's that significant.

I have to tell you honestly, one of the things that Jim Florio has gotten criticized from his own party is, that he hasn't done enough political hiring. I mean, I don't think that's a secret you know, and that's a fact. There are not a lot of "political hires," by Governor Florio in his administration.

I have to tell you another thing that I have found absolutely reprehensible, is the discussion of how many former Kean hires that are still in the government, and the assertions that the first people I ought to fire are the Kean hires. I'm not going to get into that. I don't think that's an appropriate position for the Commissioner of the Department of Personnel, and indeed there are a significant number of people who are left over from Governor Kean's tenure as the Governor of the State of New Jersey. But again, I don't think it's my place to sit here and to target who it is that ought to be going out the door.

SENATOR LITTELL: There's probably some from Brendan Byrne. There's probably some from Cahill. There's probably some from Dick Hughes.

COMMISSIONER CIMINO: I would say there probably are. I wouldn't doubt that.

ASSEMBLYMAN KAMIN: My point, Mr. Chairman, is, even in light of the response of the Commissioner, that many of these 4000 we're talking about are there for legitimate purposes. We're only asking for a quarter of those to be looked at -- say 1000 of those employees -- that can be legitimately cut.

Bear in mind -- I realize we've talked, and it's a difficult thing to discuss, or to put in the proper context -- the numbers you referred to: 1300, 1400, 2000, 4000, or 6000, whatever that number might be, it's the largest single layoff in the history of the State of New Jersey. And I counted on Tuesday, and I'll say again: This comes at the same time when

we've had the destruction of 350,000 jobs here in the State of New Jersey over the last two years, which is the largest single destruction of jobs since the Great Depression. And those jobs, and those people have families to support, and spouses to take care of, and mortgages to pay as well.

COMMISSIONER CIMINO: I don't disagree with you about that, Assemblyman.

ASSEMBLYMAN KAMIN: And the revenue from those folks who pay taxes was the revenue that used to run a larger government.

COMMISSIONER CIMINO: Assemblyman, I don't disagree with you.

ASSEMBLYMAN KAMIN: And that's why we're downsizing.

COMMISSIONER CIMINO: I don't disagree with you about that. What we're simply saying, Assemblyman -- and I'm sure not anyone is going to like this -- we've tried to do this in a humane way.

ASSEMBLYMAN KAMIN: Well, I understand that, and I understand the Governor's letter to all of the employees, reminding us, that as of July 16, that his budget didn't cut anybody. His budget was compassionate. Compassionate for who? We're trying to balance, as a Legislature, compassion for the State employees and the taxpayers in the State of New Jersey, and that means a little balance, a little bit of give-and-take. And I did think on Tuesday we had made some progress, and I didn't want to get back -- take two steps backward, which I thought to some degree, Commissioner, with all due respect, your opening remarks was a instant replay of the first half hour on Tuesday.

So, now we're passed that. Now, we're working together. And now we've got the Attorney General with language that's more flexible in the interpretation of that. We've got the administration saying, "We're going to work with a budget that's in the true spirit of the budget document."

COMMISSIONER CIMINO: Assemblyman Kamin, I would like to sit here and think that I sat here in a vacuum, as we started this process, in this delivery today, but it seems to me, if you want to throw a stone at me, I came here, sat down, and I listened.

ASSEMBLYMAN KAMIN: I'm not throwing a stone at you, Commissioner, at this point.

COMMISSIONER CIMINO: I listened to the opening statement from the Committee itself. Now, I am going to tell you that I am going to sit here, and I am going to defend this administration and its activity with regard to this process. That is one of the roles that I have to ensure that it is fair and equitable. I'm not going to sit here, and I'm not going to listen to people, or to statements, that characterize this Governor as trying to do anything other than that, because his direction to me, Assemblyman, from day one of your introduction, has been that it be fair, that it be equitable, that it be across-the-board, that, in point of fact, we do what we could within the spirit of the context of the language, and indeed that has been my instruction.

Now, for the first time in the history of this State we rejected plans the other day, for the first time in the history of this State. I have to tell you honestly -- there's no point in hiding anything -- that that doesn't make me a favorite with the other members of the cabinet.

ASSEMBLYMAN KAMIN: That's exactly the point, Commissioner.

COMMISSIONER CIMINO: But the fact of the matter is, is that they are trying to do their job as well. They're working very hard, because this is a very difficult process. I understand why they are upset. They have-- They're stretching to meet the commitments, to deliver services, and at the same time they're doing it under tremendous pressure. There are a lot of difficulties here. So, if we want to talk about

lowering the fingerpointing, if we want to talk about lowering the rhetoric, I think we're willing to do that. But we need the same thing on the other side.

ASSEMBLYMAN KAMIN: Let me applaud then, you, Commissioner, for the rejection of those nine plans that were bottom heavy, and let me applaud the role of the Governor to tell you to abide by the true spirit of the budget document. And now, finally, perhaps, some of the commissioners, and I'll specifically name Commissioner Ellis, and I'll specifically name the initial first visit of the budget by Commissioner Weiner as being mean spirited responses to the budget document. Maybe that's why your rejection of those plans is going to give a more cooperative spirit.

I'm not saying that you as Commissioner or the Governor is saying that. It's been some of the entrenched bureaucrats within some of these other departments that have been reluctant to go along with the new direction of this State government. That's what's different. So, from here we go on.

SENATOR LITTELL: I think we all understand where we're going. Commissioner, your staff person was working on those seven names. Does he have them for you?

COMMISSIONER CIMINO: Yes, sir, I do. What was that about an hour ago, Senator Littell? (laughter)

ASSEMBLYMAN FRELINGHUYSEN: He's got a memory like an elephant, but he wasn't going to let you out of here without getting--

COMMISSIONER CIMINO: Is there some kind of association there, memory like an elephant, Assemblyman? (laughter)

ASSEMBLYMAN FRELINGHUYSEN: You're right. It says something about the process.

COMMISSIONER CIMINO: One in Law and Public Safety, one in Corrections, one in Human Services, one in the Department of Military and Veterans' Affairs, one in the Department of Treasury, and two in the Department of State.

SENATOR LITTELL: Thank you. Senator Ewing has one question, and then I'll come back to a question that I want to ask you, if you don't mind.

SENATOR EWING: Back in the Education area--

COMMISSIONER CIMINO: Yes, sir.

SENATOR EWING: If a job is federally funded--

COMMISSIONER CIMINO: Yes.

SENATOR EWING: --does that mean anything or not?

COMMISSIONER CIMINO: If a job is federally funded, does it mean anything? The answer to your question is, it does if it's a recurring Federal revenue. If it's a one-shot deal it doesn't do us any good, but if it's a recurring Federal revenue indeed that's one of the things we're looking at, in terms of the fiscal creativity. If it's a recurring revenue, and we can shift people, and save people, we're going to try and do that.

SENATOR EWING: No, but the person who is federally funded, does that give them any greater protection or not?

COMMISSIONER CIMINO: I wouldn't necessarily-- Senator, I wouldn't necessarily say that it would necessarily give somebody greater protection if the person who could bump into that substantially similar title has greater seniority.

SENATOR EWING: The money-- Okay. I see what you're saying. The final question is on Ellis, with his giving out the layoff notices, what did you say to him about that?

COMMISSIONER CIMINO: We have simply advised the Department of Education that for their unclassified and unprotected that is fine. Under the tentative agreement, and under the title -- under the Administrative Code Title 4 -- we are suggesting to every department that the clock for those who are unclassified and are of a protected union status does not start until the plans are approved.

SENATOR EWING: Thank you.

SENATOR LITTELL: Commissioner, there's \$279 million in the--

COMMISSIONER CIMINO: Interdepartmentals?

SENATOR LITTELL: --interdepartmental, about \$45 million or \$48 million of that is savings projected in the information that the administration gave to us. How much of that is being applied to layoffs instead of being applied to travel, material, supplies, consultants, and so on?

COMMISSIONER CIMINO: That's a question you're going to have to ask the State Treasurer, Senator. I don't have the answer to that. That's not--

SENATOR LITTELL: They haven't allocated any of that to you to reduce--

COMMISSIONER CIMINO: I think that all of the allocations have occurred with regard to the interdepartmental accounts to all of the departments of government, but I would be less than candid with you if I told you that I understood each piece of that.

SENATOR LITTELL: So, it went directly to the department, not to you? In other words, if it's for personnel in the Department of Transportation, it would go to Commissioner Downs?

COMMISSIONER CIMINO: That's correct.

SENATOR LITTELL: You would administer that, but the actual direction from the Treasurer for that account would go directly--

COMMISSIONER CIMINO: To the department.

SENATOR LITTELL: --to the department?

COMMISSIONER CIMINO: Yes.

SENATOR LITTELL: Okay. Have any of the members got any--

ASSEMBLYMAN IMPREVEDUTO: I just have one final question, Mr. Chairman.

SENATOR LITTELL: Go ahead, Assemblyman.

ASSEMBLYMAN IMPREVEDUTO: Skip, I'm going to cut right to the quick.

COMMISSIONER CIMINO: Sure.

ASSEMBLYMAN IMPREVEDUTO: In your best opinion, your best guess, can you meet the letter of this budget law by doing exactly what the language calls for, just RIFing those unclassified in the \$50,000 range or more?

COMMISSIONER CIMINO: If we can't meet the letter of the law, we're going to try and meet the spirit of the law. But even as we try to meet the spirit of the law, what is going to occur here is going to be devastating to the people of the State of New Jersey who work for it, and indeed for those who live in it. There's no question about that. I'm sorry that that is, in point of fact, what is going to happen. I hope that the dialogue that has gone on -- that we can build the bridges to preclude that from happening, but, in point of fact, as it stands right now it is devastating.

ASSEMBLYMAN IMPREVEDUTO: And my one final question, which wasn't fully answered by Senator Littell, I'm going to turn to you to see if you can answer it for me: In areas that were completely cut, like in Public Advocacy -- not Rate Setting, Public Advocacy -- what happens to those data input people, those secretaries? Where do they go?

COMMISSIONER CIMINO: Well, again, if you can bump into-- If you are in the classified service--

ASSEMBLYMAN IMPREVEDUTO: In the classified service.

COMMISSIONER CIMINO: --and you are moving within a substantially similar title within your department -- unlike prior to 1986 where you could bump anywhere departmentally, but you've got to be in a substantially similar title within your department -- you can bump.

ASSEMBLYMAN IMPREVEDUTO: Okay. So, you bump somebody. That person bumps someone else. That person bumps someone else. The last person-- The person with the least amount of seniority, at the bottom of the totem pole, eventually is out of a job?

COMMISSIONER CIMINO: That's correct, and that's why we are saying there will be more layoffs, because to fill the dollar hole, when you get done with the process, you need a quarter of a year, and I think that's important to note.

We're supposed to come back here October 1, and indeed we will be here to the Legislature. I mean, I've always honored that request. But we will look at that. What we are talking right now, quite frankly, is the number of layoffs. We haven't talked about the number of lateral or demotional moves that will need to occur when we start talking about the impact on the classified service. We can't talk about that until we understand where the separation comes from unclassified to classified, in the aggregate; how many over here and how many over here.

ASSEMBLYMAN IMPREVEDUTO: Then you will have a whole procedure as to who bumped where, and what went out, and why in fact if there are people at the bottom, which I can't see how there cannot be--

COMMISSIONER CIMINO: There will be people at the bottom who will go, unfortunately.

ASSEMBLYMAN IMPREVEDUTO: --and why they left?

COMMISSIONER CIMINO: That's correct.

ASSEMBLYMAN IMPREVEDUTO: Thank you. I have no further questions.

SENATOR LITTELL: Assemblyman Kamin.

ASSEMBLYMAN KAMIN: Thank you, Mr. Chairman. I have a series of questions. One of the changes we made in the budget was the consolidation of State laboratories in the Department of Health.

COMMISSIONER CIMINO: Yes, sir.

ASSEMBLYMAN KAMIN: It's our understanding-- If you can give us an update as to what the status of that consolidation is that's taking place?

COMMISSIONER CIMINO: I don't know the answer to that question, Assemblyman Kamin. You'd probably have to bring Commissioner Dunston in for the purposes of discussion of that issue.

ASSEMBLYMAN KAMIN: Was that part of the layoff plan that the Commissioner of Health submitted to you, as this is one of the consolidations that was taking place?

SENATOR LITTELL: He said, he can't answer those questions.

COMMISSIONER CIMINO: I can't answer those questions. I've not been able to get into the detail of that.

ASSEMBLYMAN KAMIN: Did you reject Commissioner Dunston's layoff plan?

COMMISSIONER CIMINO: The answer to that question is, yes.

ASSEMBLYMAN KAMIN: Okay. And you don't recall if that was in any part of it, at all?

COMMISSIONER CIMINO: Assemblyman, I can't get into the details of those internal documents.

ASSEMBLYMAN FRELINGHUYSEN: What were the other departments that -- whose plans were rejected?

COMMISSIONER CIMINO: Corrections, Education, Health, Law and Public Safety, the Public Advocate, Transportation, Human Services, DEPE, and there's one more. There were nine all together. I'm trying to remember.

SENATOR LITTELL: How about the Public Advocate?

COMMISSIONER CIMINO: I included that, Senator.

ASSEMBLYMAN IMPREVEDUTO: Higher Ed?

COMMISSIONER CIMINO: No. That's one of those that appears to be moving towards the approval process. There's one additional department.

ASSEMBLYMAN IMPREVEDUTO: Commerce?

COMMISSIONER CIMINO: No, not Commerce.

UNIDENTIFIED SPEAKER FROM THE AUDIENCE: Military and Veterans' Affairs.

COMMISSIONER CIMINO: Military and Veterans' Affairs, thank you very much.

SENATOR LITTELL: Excuse me, Assemblyman Kamin.

ASSEMBLYMAN KAMIN: Let me ask a question about the interdepartmental accounts. The health care benefits savings that we had earmarked to be determined by the Labor Management Health Care Cost Containment Committee, has that Committee been formed as yet?

COMMISSIONER CIMINO: I don't have the specific answer to that, but the savings were taken as of July 1. That Committee is not up and running. I mean, it may very well be moving towards that. I don't have the answer to that question.

ASSEMBLYMAN KAMIN: Well, let me point out why this is important, and that's because the unions have indicated and have identified this, and offered this as a savings in the health benefits plan. We're talking \$45 million that the employees have offered up, and I think this should be a front-burner item for the administration.

COMMISSIONER CIMINO: Assemblyman I would think that the administration would agree with you in terms of cost containment, getting health care costs under control, but you're a pretty erudite smart businessman as well, Assemblyman, and let me express to you that \$45 million was taken on July 1.

Now, you're a businessman like I'm a businessman. You don't get \$45 million day one of start-up. This needs to start up. I'm sure there may be some savings. I'm sure as it moves forward that there will be savings, but it's not going to be any aggregate, that kind of money because we're talking day one -- July 1 -- and it's going to take time. I mean any business takes time to get started and move. I wish my business would have grown--

SENATOR LITTELL: That was the number that they gave us to put in the budget for this year. So, it may be more than that that they're actually saving.

ASSEMBLYMAN IMPREVEDUTO: Bob, who gave you that number?

SENATOR LITTELL: The Treasurer.

COMMISSIONER CIMINO: That may very well be. I mean, hopefully it will come to that amount, but we haven't--

ASSEMBLYMAN KAMIN: Would you advise us, through the Chair, would you advise us when that Committee is formed, or the status, please?

COMMISSIONER CIMINO: Be happy to do so.

ASSEMBLYMAN KAMIN: If I may, Mr. Chairman, I understand that there were some 11 new agents hired in the Department of Labor, primarily for--

COMMISSIONER CIMINO: Probably into federally funded positions, because of the rise in unemployment.

ASSEMBLYMAN KAMIN: The agents, as I understand it, were also given the charge of monitoring construction jobs throughout the State. Why is there now renewed emphasis on that program?

COMMISSIONER CIMINO: There may very well be a renewed desire to do that, because, unfortunately, there are a lot of people in the private sector who are not meeting their obligations to employees, and so for Bramucci -- I would suggest you'd want to reach out to Commissioner Bramucci and speak to him about that issue -- but I would think if they have not come in under federally funded positions it's for that purpose, that we have, unfortunately, some people who are trying to avoid the law.

ASSEMBLYMAN KAMIN: Well, through the Chair, I'd like to view the status of those 11 agents. As I understand it they were hired for that purpose, and I would like to see the justification for it.

ASSEMBLYMAN FRELINGHUYSEN: And let me also ask, through the Chair, to the Commissioner, do you have any knowledge on the layoff targets from the Department of

Education? There's a program called the Academy for the Advancement of Teaching and Management -- Academy for Professional Development, as it's now called -- targeted five people, a mathematics trainer, a reading trainer, and a couple of other jobs, that are their job and their function as State mandated programs. There's no other way to implement this, and yet this is through Commissioner Ellis' offices into the counties, and there are three offices throughout the State that implement this. Any knowledge of that? Is it part of the plan--

COMMISSIONER CIMINO: Assemblyman, again, I don't mean to be obstreperous, but the fact of the matter is that you're asking me about what our internal communications that are currently going on, on a plan that has not been approved. I will be happy to come back here and talk to the Committee at the point where we have approved plans, but I'm not going to get into any discussions about anything that is tentative or tenuous at this point.

ASSEMBLYMAN FRELINGHUYSEN: So, it's fair to say that in terms of the Department of Education and the other plans that have been disapproved and sent back for reworking, in terms of those that are bottom heavy in terms of layoffs, that in fact now you are going to put your -- really put it to those departments in terms of what you consider to be a layoff program, which indeed is more fair and equitable than they've put forward?

COMMISSIONER CIMINO: I wouldn't use the term, "Put it to anybody," Assemblyman.

ASSEMBLYMAN FRELINGHUYSEN: Well, how would you characterize it?

COMMISSIONER CIMINO: I mean, not the choice of words-- What I would say to you, as I have said from day one, the direction that I have had, the criteria that the Governor has indicated to me is, fairness, equity, across-the-board, and minimize the layoffs to the extent possible, and--

ASSEMBLYMAN FRELINGHUYSEN: But the fact that these plans were submitted and you found them to be bottom heavy in terms of layoffs, must mean that they're not as fair and equitable as either you personally, felt they should be, or for that matter, perhaps, you as the Governor's surrogate.

COMMISSIONER CIMINO: As I've said, they have the appearance of being bottom heavy. And quite frankly, Assemblyman, I'm not going to get into any greater detail about it, because these are internal communications. It's a sensitive area, and I'm not going to go any deeper than what we have characterized the plans to date.

ASSEMBLYMAN IMPREVEDUTO: And they were rejected--

ASSEMBLYMAN KAMIN: One phrase--

ASSEMBLYMAN IMPREVEDUTO: Why are we spending so much time on plans that were rejected?

ASSEMBLYMAN KAMIN: One phrase that just caught my ear was the "across-the-board" phrase -- fair, equitable, and across-the-board, I think was the phrase the Commissioner just used. We're not looking for across-the-board cuts.

COMMISSIONER CIMINO: What I'm saying to you, Assemblyman, is, with all due respect to you and to the other members of this Committee who I've grown to like and admire over the years because of their honesty and their integrity, the fact of the matter is that we can't do what was propounded to be done in the budget. We will do all that we can to deal with that in as permissive a way as we can. We have been told to deal with the spirit of it. We will deal with it. We will do the very best we can.

At some point, you're going to have to, I'm sure, make your own judgments of when the plans become public knowledge, and I'm sure that you will. But I am telling you that that is the dilemma that faces us.

ASSEMBLYMAN KAMIN: With 4000 unclassified to choose from, you're indicating that you're not going to be able to do it?

COMMISSIONER CIMINO: Assemblyman, I am telling you that the number of 1300 that is in this document is unachievable.

ASSEMBLYMAN KAMIN: Well, we'll see. And I hope that's not also an indication that if you can't meet those goals that we have, that that's an indication that the administration is intending to take the Legislature to court over this budget.

COMMISSIONER CIMINO: I don't think that the administration has indicated in any sense that it is seeking to be in the courtroom or in a litigatory stance. I stand by my statements about the Governor's instructions about fairness, equity, and the spirit of the language.

ASSEMBLYMAN KAMIN: Okay. Well, thank you, Commissioner. The real point is there's 4000 of those individuals to choose from, and I would just hope that there's a refocusing by the administration and different departments to look at that target number and those job classifications to use.

One final point, if I might: Commissioner, if you could indicate to us how many people in the different departments are working out of title?

COMMISSIONER CIMINO: Those who are working out of title have been--

ASSEMBLYMAN KAMIN: On a department by department basis, could you share that information with this Committee?

COMMISSIONER CIMINO: We would have to do a computer run.

Wouldn't we have to do a run? (speaking to an aide in audience)

UNIDENTIFIED AIDE IN AUDIENCE: It would be difficult. There may be people who are misclassified that each department is not aware of. Some people work out of title because in this specific situation, they're willing to take on more work. I do know it's very difficult.

COMMISSIONER CIMINO: You see what we--

ASSEMBLYMAN KAMIN: Is misclassified and out of title the same?

UNIDENTIFIED AIDE IN AUDIENCE: I would define them as the same, yes.

COMMISSIONER CIMINO: Yes.

ASSEMBLYMAN KAMIN: Sometimes I know our language is confusing.

COMMISSIONER CIMINO: No. No, no, no.

ASSEMBLYMAN KAMIN: In this case this is not--

COMMISSIONER CIMINO: You're saying it correctly. You really are.

ASSEMBLYMAN KAMIN: How soon might we be able to expect that run?

COMMISSIONER CIMINO: We'll see what we can do about running it for you, Assemblyman. We're running a lot of other things right now.

ASSEMBLYMAN KAMIN: I know you are.

COMMISSIONER CIMINO: We're trying.

ASSEMBLYMAN KAMIN: Thank you, Commissioner.

ASSEMBLYMAN FRELINGHUYSEN: Thank you, Assemblyman.

I had a question relative-- In Fiscal Year '92, you realized, I think, \$6.5 million in savings from the furlough program. Do you anticipate savings in Fiscal Year '93--

COMMISSIONER CIMINO: Yes, I think that--

ASSEMBLYMAN FRELINGHUYSEN: --and how much?

COMMISSIONER CIMINO: I think that's a good question, Assemblyman. And I think it's one of the positive things that we have implemented. We actually had a savings, to the accurate dollar amount of \$5.92 million, if you will. That was for a 10-month period of time, because it effectively took us a couple of months to get it up off the ground. I implemented that program for Fiscal Year '93, and we expect that we will have an achievable savings. We have indicated to the

departments that they ought to be able, based on last year's dollar amount that they saved, that ought to be an anticipatory revenue as an offset with regard to the interdepartmental hit, if you will. They can use that as a credit.

Do you know what I'm saying? A savings--

ASSEMBLYMAN FRELINGHUYSEN: So the anticipated savings from the furlough program could be applied to avert layoffs?

COMMISSIONER CIMINO: Yes, that's correct. That's correct.

ASSEMBLYMAN FRELINGHUYSEN: And what would that sum be estimated for '93?

COMMISSIONER CIMINO: We expect that that will probably be somewhere-- This year, because of the two months of the summer that we will be able to utilize, it will probably be somewhere about \$7.2 million.

But even with that, Assemblyman, in all candor, we're still talking a substantial problem here that goes beyond anything that anybody ever comprehended or thought of back in January.

ASSEMBLYMAN FRELINGHUYSEN: Well, talking about those numbers -- and this will be my last comment and question -- as the rhetoric heated up towards the end of the budget process, layoff figures were attributed to you that range from -- some of those figures that we have heard earlier -- from 2000 up to 10,000. Quite honestly, I don't--

COMMISSIONER CIMINO: I never said 10,000 layoffs, Assemblyman.

ASSEMBLYMAN FRELINGHUYSEN: I don't know what, in fact, you said, at any given point in time--

COMMISSIONER CIMINO: Sure.

ASSEMBLYMAN FRELINGHUYSEN: --but certainly people went to you, because you represented, probably, the person who would be at the helm of administering this layoff reduction program -- you would be at that helm. If you were mentioning a

figure back in the middle of June or towards the end of June, which obviously grabbed some headlines, what figure are you mentioning here in the middle of July as an estimate? You seem to have some comfort with a figure between--

COMMISSIONER CIMINO: Well.

ASSEMBLYMAN FRELINGHUYSEN: --some of the ones mentioned, 2000 to 6000, this morning. What do you anticipate would be the figure?

COMMISSIONER CIMINO: If I can take some time, Senator Littell, to answer that question. (common address to Senator Littell)

I think it's important to note a couple of things. When we first spoke about this and the figure of 10,000, 2500 of the 10,000 was for attrition purposes. Thereafter, through the Legislature's wisdom, they funded the increment. That was at \$32 million, that if it had not been funded, that would have been another 1700 people who would have had to have been laid off because the money to fund the increment, which we would have had to have funded, would have had to come from the salary account. So that's 2500; that's 1700 more.

What we can't get a handle on at all at this point is the higher education community. We have had no response whatsoever from the higher education community with respect to the interdepartmental cuts that have been attributed to the higher education community.

They have one of two choices, I would assume. They can either raise fees and raise tuition over there, or they can talk about having to lay people off. We haven't heard anything.

What the Office of Management and Budget attributed to the higher education community in terms of layoffs was about 1700. So that's what it came out of in terms of the overall number. Director Keevey the other day said, and he may be pretty close to accurate, that we're now looking in terms of this, anywhere from 3000 to 5000. I hesitate to say what it is

because as the departments' plans come in, and if it is not fiscally sound in what people would like to do, that has to be rejected, and, ultimately, that hole needs to be filled, unfortunately, with people who will be targeted for layoffs.

It is an inexact science at this point until such time as we have the overall global perspective, and then we'll be able to give you a number. And we will tell you exactly. Hopefully on October 1, we will tell you, "This number of unclassified went, this number of underlying status went, this number of unclassified and protected went, and this number of classified went." And then, aside from that, we'll be able to tell you the demotional aspects of this layoff.

ASSEMBLYMAN FRELINGHUYSEN: But the acknowledgement that some of the plans submitted to date were bottom heavy--

COMMISSIONER CIMINO: Yes.

ASSEMBLYMAN FRELINGHUYSEN: Certainly you've made a commitment to make them less bottom heavy, but some people, in fact, don't have the luxury of waiting for your October, let's say, revelations in terms of reporting back to the Legislature -- in terms of the overall impact.

Some people have already started to receive their notice, and the general feeling is is that you are, indeed, impacting on those of lower rank. I'm not saying, "You."

COMMISSIONER CIMINO: No, I understand.

ASSEMBLYMAN FRELINGHUYSEN: I'm saying, even though the layoff plans have been rejected, people are getting notices, and there seems to be some question as to what the rationale is behind that?

COMMISSIONER CIMINO: Well, Assemblyman, let me be very clear about this, and I will tell you exactly what I have discussed with the organized work force of the State of New Jersey. The fact of the matter is, if this is where you're going, and I don't know, maybe not-- There are those who are unionized who are above the \$50,000 line. For instance, we

have members of the CWA who are doctors, who are psychiatrists, who make a hundred grand in this government -- they are unionized -- who may, in fact, get hit in a reduction in force. There are others who may be educators, who may be unionized, who are above the \$50,000 line, who may be hit in a reduction of force of this magnitude. That may happen. I'm not going to sit here and tell you that it's not, because it may.

ASSEMBLYMAN FRELINGHUYSEN: All I'm saying is that in the beginning of August, a lot of people -- and some people, as you've said, have already departed -- a lot of people will be off the payroll. And I think that there's some need for the Legislature to know, sooner rather than later, what the rationale was on a department by department basis as to what led to the removal of those people from the payroll.

I get the feeling that these plans have been submitted, that there's been a fair amount of autonomy on the part of a variety of commissioners, and now it's recognized that autonomy has led to bottom heavy projections. You've rejected those bottom heavy projections. You have somewhat as a result rejected the autonomy and the personnel actions of respective departments. Now you're trying to pull back and make the system far more humane and compassionate, as difficult as it is. And for that matter, you're getting closer to what the Legislature intended originally, which is to go into the upper ranks rather than to affect those in lower paying jobs.

Thank you.

SENATOR LITTELL: Commissioner, you talked about the consolidation of Personnel. There's also the consolidation of Affirmative Action within your Department. Have you got any idea when all that's going to start to take place?

COMMISSIONER CIMINO: There will be further discussions with the cabinet, Senator Littell, and I suspect that those discussions will occur quickly once Governor Florio returns.

SENATOR LITTELL: And you expect that we will be getting some information from you on all of this stuff--

COMMISSIONER CIMINO: I will be happy to--

SENATOR LITTELL: --within a week, or what time frame are we talking about?

COMMISSIONER CIMINO: I would say, you know, maybe-- You know, we're trying to deal with this other problem. Perhaps within 10 days.

SENATOR LITTELL: I'm not just talking about that. I'm talking about the other problem, too, the department by department plans. In other words, within a week or 10 days?

COMMISSIONER CIMINO: Well, yeah, I'm sorry, Senator. Well, look, once we've made the announcement as to the approvals, I mean, it's certainly within the discretion of the Legislature to ask us to come back. And I will--

SENATOR LITTELL: Will you be sending us the information?

COMMISSIONER CIMINO: Sure, they're public plans at that point. I mean, we will be happy to provide those plans, as we should.

SENATOR LITTELL: At the same time that you release it. Just so we have an understanding of what to expect.

COMMISSIONER CIMINO: I think we ought to do that. I don't have any difficulty with doing that.

SENATOR LITTELL: All right.

COMMISSIONER CIMINO: What I'm simply saying is, that if you choose to invite us back, obviously, we will be back. I mean, in the first 150 days of this job, I think I've been before the Legislature about 12 or 13 times. It's like I've never left, which is fine.

SENATOR LITTELL: You've been a very cooperative Commissioner.

COMMISSIONER CIMINO: Thank you, Senator.

SENATOR LITTELL: I commend you for a very tough job. I want you to know that I don't enjoy rehashing all of the things that have gone on, but I think it's necessary to rehash what went on in order for the last paragraph in our opening statement to have meaning; and that is, that we hope today's meeting will begin to restore public confidence and control the damage wrought by the administration and its misrepresentation of the budget's intent, and will begin to result in the implementation of the law in the manner in which it was intended. Our whole purpose is to tell you if there is a problem, which you indicated several times today that there are problems, that you ought to be discussing those problems with us and say, "We think this is a problem and we'd like you to address it, Legislature."

The court does that all the time. They just issued a ruling on something the other day and they gave the--

COMMISSIONER CIMINO: Yes.

SENATOR LITTELL: --stay to the order until January, in case the Legislature wanted to change the law.

I think that's the kind of understanding that I'm trying to get at with you and with the administration, and let you know that this JBOC Committee is here to work with you and to interact on a give-and-take basis with regard to the needs.

I want to thank you on behalf of the Committee and the public, and to tell you that we appreciate you supplying us with whatever information that you said you would today.

COMMISSIONER CIMINO: Absolutely. Thank you, Senator.

SENATOR LITTELL: Thank you very much.

COMMISSIONER CIMINO: Thank you, Assemblyman. Thank you, members of the Committee.

ASSEMBLYMAN FRELINGHUYSEN: Thank you, Commissioner. We appreciate you being here.

SENATOR EWING: You'll give us those memos we're looking for?

COMMISSIONER CIMINO: Yes, sir.

SENATOR LITTELL: Now, I want to make a statement here, because this Committee does not normally take testimony other than from people in the administration with regard to transfers and money matters. But because this budget that has been adopted has a large impact on the employees of the State of New Jersey, we've been asked to hear from four individuals. So I would call -- and they're bracketed here. I would assume these three people are coming up speaking together: Dennis Reiter, Claudia Merkel-Keller, and Rae Roeder. Is that correct? Are the three of you coming up?

D E N N I S R E I T E R: Yes.

SENATOR LITTELL: There are two chairs, and there may be three.

ASSEMBLYMAN FRELINGHUYSEN: Would somebody get another chair there, please?

SENATOR LITTELL: Would you please identify yourselves, so that everybody knows who you are.

MR. REITER: Yes, thank you. Honorable Senators and Assemblypeople of the Joint Appropriation Oversight Committee--

SENATOR LITTELL: Excuse me. Could you identify yourself so that everybody knows that you're State employees, what departments you work for. Let's clear the air so that the press doesn't have any doubts about who you are.

MR. REITER: Okay. Thank you, Senator.

We are unclassified State employees. To my left is Ms. Rae Roeder, a CWA shop steward, an unclassified, 12-year, career service employee working for the Office of Equal Educational Opportunity. To my right is Dr. Claudia Merkel-Keller, a CWA member, Department of Education, unclassified, 15-year career service employee from the Division of Adult and Occupational Education. This employee has received her layoff notice on July 7, 1992, effective August 21, 1992.

Myself, my name is Dennis Reiter. I am a CWA shop steward and Treasurer of CWA Local No. 1033, a Department of Education unclassified, 22-year career service, nonmanagerial employee from the Division of Adult and Occupational Education. I received my layoff notice on July 7, 1992 and my last day is August 21, 1992.

Before we go into our statements, I think it's necessary for Ms. Rae Roeder to read into the minutes some of the items that you are looking at, Senator, right there on the front. Rae?

R A E R O E D E R: Before we make any statements or provide you with any information, we'd like to read the following:

We wish to assure this Committee and the citizens of the State of New Jersey that the following is, indeed, true:

One, we are not political appointees. We are career service workers.

Two, we are not here on State time of any kind. We are here on vacation time. We are here on our own time.

Three, we have compiled the information that we are about to give you on our own time, not on State time.

Four, we are here so that we might shed light upon those layoffs that have taken place at the State Department of Education.

Five, we are here in a sincere belief that we speak for the unclassified career service, bargaining unit employees in the Department of Education, and we are here because we are the people who do the work. We are the people who are here through all the changes of management, through all the various governors who have come and gone, through all the various Legislatures. We are the people who do the work.

Last of all, we are also the people, the only people in the State of New Jersey -- 46 of us -- who are unclassified union members. These two people to my right have received layoff notices. I have not. I am currently representing them.

These employees' last day is August 21, and since these layoff notices have not-- Contrary to what you have heard, they have not been rescinded. And I say that to you in sincerity, because if you will flip over to the page behind you, you will see an exact copy of the layoff notice that these two persons, and other persons in the audience have received. There has been--

And this starts a 45-day clock. As of today, these persons only have 36 days left on the payroll.

MR. REITER: Thank you, Rae.

I'd like to continue. I apologize for the-- We have to fumble around a little bit with the-- We had to do this in our home on our own, and some of the things don't exactly flow as far as what you have in your hands.

We want to thank you for the opportunity to address this Joint Committee. We understand it's unique, and we consider it an honor to be able to present some facts, clarify misconceptions due to misinterpretation of figures, offer some possible reductions, and hopefully, clarify the needs of a department of this government that spends over 35 percent of the revenue generated by the State for the education of the children towards the 21st century.

We, the presenters, represent the Education unclassified, nonmanagerial, career service workers; people with 22, 15, and 12 years of providing State, direct, educational services to local school districts. We would like to present some facts as we perceive them, to correct the appropriation to the Department of Education.

This is something that was indicated in the speeches of the Speaker of the House, Chuck Haytaian, and the President of the Senate, Don DiFrancesco. I apologize if I mispronounce their names.

This correction is necessary to give the services mandated by the Federal government and our State government,

statutes and codes. We have provided copies of our presentation, and as I said, I apologize if they are a little bit disjointed. We truly wanted to make sure you got all the information to hopefully establish some credibility in the Department of Education as far as changes.

I'm going to ask you, if you would not mind, to put on Claudia Merkel-Keller, who I'm going to put on next. Her presentation is by itself, and I'm going to, if you don't mind, please, change seats.

C L A U D I A E. M E R K E L - K E L L E R, Ph. D.: Thank you, Denny.

Good afternoon, ladies and gentlemen. Being an educator, of course, I'm used to speaking in front of groups without paperwork. I like to do training, and I have comfort, but today forgive me if I take my text in hand and read this verbatim into the record.

Good afternoon, ladies and gentlemen, Assemblyman Frelinghuysen and Senator Littell, who are Co-Chairs of this Committee, and also the honorable members of the New Jersey Legislature, colleagues from the New Jersey State Department of Education, and indeed, colleagues in State government. As you've heard, my name is Dr. Claudia Merkel-Keller, and I am a Planning Associate in the Division of Adult and Occupational Education, New Jersey State Department of Education.

I, indeed, thank you for the opportunity to provide testimony to the Joint Budget Oversight Committee today on behalf of myself, a career civil servant of 15 years service in the New Jersey State Department of Education. And, of course, on behalf of my colleagues, whom I would like to name who are also Planning Associates with senior service in the Division of Adult and Occupational Education. These colleagues are here with me today. On my right, Dennis Reiter, Planning Associate I, 22 years of State service; Dr. Sandra Streeter, Planning Associate I, 13 years of State service; Linda Petry, Planning

Associate II on a Federal line, 9 years of State service; John Knapp, Planning Associate II on a Federal line, 14 years of State service; Terry Luxenberg, Planning Associate II on a Federal line, 5 years of State service, who has resigned; Frederick Cappello, Planning Associate I, also on the Federal line, 18 years of Federal service, recently retired; Renee Finkle, Planning Associate II, 16 years of State service; myself, I am also on a Federal line.

I would also like to cite for the record a colleague who is here, William Cervini, Planning Associate I, 18 years of State service, and Ann Hansen, 4 years of State service.

Of the staff I just mentioned, five, Petry, Knapp, Luxenberg, Cappello, and myself are paid through Federal dollars under the Carl D. Perkins Vocational and Applied Technology Act, which, for the record is P.L. 101-392. As Senator Ewing pointed out already, this will be an important point later on.

Thank you, Senator, for reading that into the record before.

I have had many opportunities, as I mentioned, to speak to audiences before on educational issues: The nation at risk; preparing the work force to take its rightful place in the international marketplace and competition; educational standards; educational policy; etc. Today, however, I come before you to discuss a severe budget crisis in State government necessitating layoffs of career civil servants in the unclassified and classified State service, covered by the bargaining unit, who have longevity, seniority, and tremendous expertise, and whose jobs and functions must be maintained.

At this point this crisis can only be addressed in a bipartisan way to minimize the disruption of services to the State, and must be conducted, as Commissioner Cimino has already reiterated, in a fair, open, and equitable manner, in concert with the intention of the legislation.

It is my sincere belief that Governor Florio and this Legislature wish to act in a humane, fair, and equitable and open fashion in conducting this reduction in force, or layoff. It is evident that there will be pain and hardships to face for those State servants who find themselves on a reduction of force list, or a layoff list.

I would like to bring the abstract notion of layoff to the concrete, and present some facts for your understanding, consideration, and information that may be unknown to you regarding the overall structure of the jobs in government service, the methodology the Department of Education used in the layoff procedures, and ancillary information which needs to be brought to this table.

Number one: In the New Jersey State Department of Education there are classified employees under State Civil Service. Unclassified career service employees who are in the CWA bargaining unit titles in the P, R, and S units. There are management, confidential, and project specialist staff who are also unclassified and have the designation of M, X, and Y and consequently are not in the bargaining units covered by the CWA contract. In this management, confidential, and project specialist grouping we find the political appointments in the Department of Education.

Point number two: The Department of Education was the only department in State government to have been issued layoff notices. We are here today since we are among those who received layoff notices from Commissioner Ellis terminating our employment effective August 21, 1992. No alternative plans were offered. Why the haste?

Point Number three: The Department of Education is one of the departments in State government having the largest number of unclassified, nonmanagement, professional staff in State government.

Point Number four: The Department of Education has hired well over 100 new staff in the last year. Does this show prudent management with a sense of reality about an impending fiscal crisis in State government?

Point Number five: The cuts proposed by the New Jersey Department of Education dig deeply into the ranks of unclassified career service and skim the ranks of management. Allegedly, percent reductions of force were calculated for the management staff after removing resignations and terminations from the list, while percent reductions of force were calculated for the professional unclassified staff by keeping the number of resignations and terminations in the pool.

Point Number six: The layoffs in the Department of Education were not in keeping with the spirit of the legislation; five years in a title, ten years of State service.

Point Number seven: The Department of Education did not honor cross-departmental seniority in conducting the layoffs. The Assistant Commissioner in the Division of Adult and Occupational Education, Dr. Thomas Henry, was the most flagrant violator of seniority.

Point Number eight: Federal positions were cut by the Department of Education. This is, in fact, a loss of dollars to the State.

I would now like to quickly paint the vignette of the layoff crisis which transpires specifically in the Division of Adult and Occupational Education.

Point Number one: Assistant Commissioner, Dr. Thomas Henry, of the Division of Adult and Occupational Education, put eight of the most senior of his unclassified career staff holding the title of Planning Associate on the layoff list. Career service spans from four years to twenty-two years, with most of the staff having ten years of more of seniority.

Two: Five of the abolished positions, or lines, are on Federal dollar sources.

Point Number three: All of the functions that these career servants perform are either mandated by Federal law and code, or New Jersey State Administrative Code. These functions, Dr. Henry admitted to me, must continue. A brief overview of the functions include: competitive and noncompetitive grant administration; accountability and oversight for Federal dollars received under the Carl D. Perkins Vocational and Applied Technology Act, P.L. 101-392; preparation of the State plan for vocational education, which secures the Division's Federal dollars from the United States Department of Education, a sum of \$25 million or more -- this is our contract with the Federal government; preparation of the Annual Vocational Education Performance Report, required by the Federal government to document fiscal and programmatic outcomes; monitoring for fiscal and programmatic compliance, entitlement and discretionary funds, as prescribed by Federal and State laws and codes; and administrative code preparation for vocational and technical education in New Jersey as we prepare the work force for the year 2000.

In my own case, I am also the New Jersey State Department of Education spokeswoman for America 2000 -- or New Jersey 2000, as we call it here -- the national education reform agenda endorsed by the President and our nations' governors, including Governor Florio.

Point four: And this is most critical. It is the fact that within the last 10 months, the Assistant Commissioner, Dr. Henry, has hired 13 new employees in the Division of Adult and Occupational Education -- our own division -- nine unclassified Civil Service positions, three classified Civil Service positions, and one management position. A greater majority of these new hires were within the last two to three months, while the new manager was hired as recently as four to five weeks ago. I could read that statement again, but I think the point has been made.

We are requesting:

1) Your immediate inquiry into this unethical targeting of staff in the bargaining unit who are unclassified, career employees in the Department of Education.

2) We are requesting your support in targeting for layoffs of managerial staff, especially those hired within recent months or those managing a small number of staff.

3) We implore your consideration of a supplemental appropriation for the New Jersey State Department of Education.

4) We ask your oversight and review of the revised layoff plan for the New Jersey State Department of Education, which will be presented to Commissioner of Personnel, Anthony Cimino, next week.

5) We urge your support and assistance in reinstating all classified titles in the bargaining unit in the Department of Education.

I would also like to read into the record a paraphrase of what, I believe, Commissioner Cimino's response was in remarks-- The remarks were in response to a question which Senator Ewing asked. Basically, Commissioner Cimino indicated that Federal positions funded through Federal revenues are protected, and the clock for the layoffs doesn't begin until the plan is approved. That would seem to mean the classified career service and the unclassified career service. We were very delighted to hear that, and I would like to read that into the record.

We thank you, collectively, for your indulgence for allowing us the time to present this. I personally thank you very much.

I will now turn to my colleague on my left, Ms. Rae Roeder, who is a career service employee, and also--

SENATOR LITTELL: Before you do that, may I ask you a question?

DR. MERKEL-KELLER: Yes.

SENATOR LITTELL: In your testimony you talked about 13 new employees, nine of whom are unclassified, three classified, one management position, and many of them recent hires?

DR. MERKEL-KELLER: Yes.

SENATOR LITTELL: None of those folks got any notice?

DR. MERKEL-KELLER: No, they did not. They were not targeted.

SENATOR LITTELL: Not even one of them?

MS ROEDER: Not one.

SENATOR LITTELL: Okay. And then you talked about the fact that five of you -- I think, five out of eight -- were federally funded?

DR. MERKEL-KELLER: Right.

SENATOR LITTELL: Your whole salary is paid for by the Federal government?

DR. MERKEL-KELLER: Yes, it is, Senator.

SENATOR LITTELL: Well, I'd like to take credit for cutting the Federal budget, but-- (laughter)

DR. MERKEL-KELLER: You're ambitious.

SENATOR LITTELL: --we can't take credit for that.

DR. MERKEL-KELLER: Senator, may I ask your indulgence? Some of the questions that you're bringing to the table will be covered by Rae on my left and Dennis on my right. So maybe we should hear the entire broad breadth testimony, and then we can jump into specific questions?

SENATOR LITTELL: All right. I just wanted to get that clear in my head.

DR. MERKEL-KELLER: If that would be all right?

ASSEMBLYMAN FRELINGHUYSEN: Before you proceed, is there anybody here from the Department of Education, from Commissioner Ellis' office? (no response) I'm not sure I saw any hands, so let me ask the question. Is there anybody here from -- a staff person. Yes?

UNIDENTIFIED MEMBER OF AUDIENCE: I'm not submitting a statement.

ASSEMBLYMAN FRELINGHUYSEN: I wasn't necessarily looking for a statement. I was just wondering if there was somebody here from the Commissioner's Office monitoring the testimony.

Excuse me. Why don't you proceed. Thank you for being with us.

MS. ROEDER: You're very welcome. I prepared-- If you will take this out of your packet. (witness indicates) We tried to keep this as succinct as possible, and to give you the kind of information that would be helpful to you in terms of specificity.

First of all, I ask you to turn to the front page, which is, in fact, that 46 individuals in the Department of Education, who are unclassified, bargaining unit, career service employees were, indeed, laid off. The letter that you have attached to the statement of who we are is the exact letter that persons on both sides of me received, and other people in the audience, totaling 46 individuals.

Now, all of these are members of the bargaining unit. There are 46 in number, and they are members of CWA Local No. 1033. When they received the notices, you can see in the notice that they have 45 days from the date of receipt until the termination of their State service, so their last day in State service is August 21. The notices have not been rescinded, because our understanding is-- The only thing we have in writing is that they exist. We have asked, as union representatives, as shop stewards of these two individuals, and as district and staff persons of our Local, for rescission notice, and we have been advised that none are forthcoming and that the plan, indeed, is still in effect. Therefore, as of today, we have 36 days left for the people who are here.

If I add up all the service of time that these persons have made, and you can see by the time I get through with the presentation, it represents a total of 242 collective years of career services to the citizens of New Jersey. That is through the following governors: Hughes, Cahill, Kean, Florio, and Byrne.

The gentleman on my right started in State service when Governor Hughes was in office. That represents, to my roughest calculations, about 11 changes in the legislative leadership, given every two years that you have elections during those periods of time. So, roughly, it represents 11 Senate Presidents and 11 Speakers of the Assembly.

We took a look at these layoffs, and we wanted to get specific as to how we felt there were inconsistencies in relationship to the budget and the budget document that you passed.

In S-1000, the first inconsistency that we located was that of the 46 unclassified, bargaining unit, career service employees receiving layoffs on July 7, 25 make less than \$50,000. In order to-- If you wish, we will provide you with the names, but we provide you with the title and position numbers, because when they're gone, the position numbers disappear, and those numbers are recorded at the Department of Personnel. There are 25 individuals for your records.

If you look on there you can tell which one of those are federally funded positions, because the "9" in front of the number tells you that that position is federally funded. You can count just as well as I can and see the number "9" pop up consistently down the line.

The next inconsistency with S-1000 is that of these 46 employees, 15 of these persons have at least five years of service. You can see there, these are the position numbers of those individuals, and their State career service. If I add up those numbers, those 15 people represent 171 total years that

they have served the State of New Jersey as unclassified, bargaining unit, career service, nonpolitical appointees. We are here doing the work despite the change in Legislature, the change in government. We are the people who remain, who do the work, who carry out the mandates of the Legislature, and the direction of the Governor's Office.

The third inconsistency, and a very glaring one, is that 10 of the unclassified, bargaining unit employees that have greater than 10 years of service to the State, there are 10 of those persons. And if you can see there, the list. For the record I read the numbers: 22 years service -- the gentleman on my right -- 15 years, 10 years, 18 years, 16 years, 10 years, 15 years, 12, 11, and 18. That represents 147 years of services to the citizens of the State of New Jersey, regardless of what political parties are in control, regardless of how the Legislature changes, and how the Governor's Office.

Finally, the last inconsistency we find in relation to S-1000 is that all the 46 layoffs of unclassified, bargaining unit, career service employees provide direct statutory services for the residents of the State of New Jersey. And if you go down the list of 46 again, all you have to do is take your pen and you see where the number "9" is that indicates to you that that is a federally funded position.

And from where did this list come? All of our union members were called into the Commissioner's office on July 7, and at that particular time we were each given a copy of the list of the layoffs of the specificity that included the information of their titles and their names. All we had to do then was to look up the pay and all the rest of it that went with it. So, it was given to us as a matter of public record, to the union.

Now I'll turn this back over to Dennis.

MR. REITER: Senators and Assemblypeople, we would like to beg your indulgence. The remaining part is going to be

relatively brief. The next thing, and we heard in your testimony and your questions to Commissioner Cimino, that you were, in fact, looking for some figures and looking for some numbers. The first chart that you have in my presentation is this. If you would detach that and listen to my presentation, hopefully we can give you some feel for the Department of Education, where we came from, and where we're going.

Dr. Claudia Merkel-Keller has presented the problems that have been created by misconceptions and misinterpretations. While functions can be moved to other personnel, there's a loss of expertise and a denial of direct service to the 500-plus schools in the State. Services will definitely be hurt.

Ms. Rae Roeder has addressed the need to correct the current reductions, if the need for the total reductions is necessary after clarifying some of the items on my chart.

The S-1000 budget language was used without explicit definitions, which in turn led to an inordinate amount of layoffs in the unclassified area, and I might add, potentially the classified area, as well.

The attached chart lists the managerial positions and salaries, numbers of classified and unclassified personnel, contains information taken from public documents, school directories from 1989 and '90 when Saul Cooperman was the Commissioner, school directory from 1991, '92, when, in fact, Dr. Ellis is Commissioner, from the legislative red book -- which provides the salaries of every managerial position -- and from the budget which you have presented. We compiled these figures -- some might be slightly off, because all the salaries were not listed in the legislative red book -- however, while the Department -- if you look at the columns -- while the Department has already reduced the number of divisions from 14 in 1990, which are not shown on there, they were collapsed down into the 12 that are presented there. Those particular

divisions that you see on that left-hand side are the current divisions in the Department of Education.

You will note that the number of management positions did, in fact, decrease from 151 to 117 over the two years. That was due, in part, to the collapsing of the different divisions and then, in fact, reducing the bureau managers and the assistant commissioners upon that level, saving money.

The rank and file also decreased over that time because of early retirement and attrition. In fact, we had 118 people retire and take the early out last year. A lot of those positions hadn't been filled.

There is also a significant number of Federal positions, and I think that this is a fact that might have been overlooked because you weren't provided, necessarily, with all the figures. If you look over in the rank and file classified and unclassified, you will see that in the classified ranks there are 124 people who are paid for with Federal money. In the unclassified area, there is 165 people who are paid for with Federal money. Of that 165, 74 of that 165 are over \$50,000.

These represent people like myself. I'm deviating a little bit from my presentation. But, these represent people like myself who came here in 1969 making \$11,100 and now, in fact, make over \$60,000. If you take the number of years, you'll see that it's basically a normal raise going through the ranks. But the idea is, the 124 and 165 Federal positions represent over \$6 million in salaries. While we have not had the opportunity to amass them, I would be more than happy to work with somebody to amass how many actual dollars there are in Federal money, because that Federal money in a lot of cases is matching, and in other cases is maintenance. For instance, in the Division of Adult and Occupational Education -- we just merged -- it's dollar for dollar; Federal position, has to be a State position, has to have some money matched to it. In

Special Education it's a maintenance effort. Therefore you have, if you would break out the special education people -- the 57 unclassified -- you would find that there would be approximately 35 of those are Federal positions to get down to that 165 total.

Again, there is a key in government, with everybody's position. If it's an "09" it's Federal money, and it's very easy to calculate out how much money, in fact, is due.

The Federal programs affected include: special education serving 175,000 students; school nutritional programs providing 600,000 meals per day to hungry students; bilingual education programs serving 70,000 students; adult and occupational education serving more than 700,000 students, and the list goes on. Your line item reduction at the bottom of the chart, which is a figure you established -- line item reduction, \$4,480,000 which was part of the, I believe, \$81 million you were talking about in overall reductions across the State -- should be revisited, perhaps, taking into account the 124 classified and 165 unclassified Federal positions.

Perhaps in not being told or not having the figures for that, perhaps the \$4,480,000 is somewhat high because, in fact, we are being reimbursed by the Federal government for those particular points. We believe that this consideration will reduce that line item.

State matching in maintenance of Federal funds is also required. I am reemphasizing that.

When you visit your line-item reductions, it is possible that additional moneys might be required to prevent any layoffs in the Department. However, as we pointed out in our testimony today, the Department has been downsized to a point where the Federal mandates and the mandates of State statutes and codes cannot be completed. As you, the Legislature, also have stated, appropriations-- We are prepared to work with the Appropriations Committee to develop

ways of creating savings without layoffs. We know that there are ideas in the Department for savings, such as further consolidations of bureaus and divisions; charging fees for services; laying off provisionals and temporaries; and continuing voluntary furloughs -- I'm going to interject here that there could be credit for that within each department -- and eliminating consultant line items. The list of savings we're sure could be expanded.

We hope that our presentation has demonstrated that the reductions will: severely handicap direct services to school districts, jeopardize millions of Federal dollars flowing into the State and our willingness to comply with State mandated efficiencies and savings.

Thank you again for your time and consideration, and we'll now entertain any questions that you have.

SENATOR LITTELL: We're not going to get into that because that's a little beyond where we ought to be going. We took your testimony and it's on the record. This is all recorded. I'm going to ask Senator Ewing, who is the Chairman of the Senate Education Committee, to follow up on these allegations, and he will do that for you. So if you would stay in touch with him and keep him informed.

Who's the Chairman in the Assembly?

ASSEMBLYMAN FRELINGHUYSEN: John Rocco.

SENATOR LITTELL: John Rocco, in the Assembly-- Senator Ewing will keep him posted, and you should keep him directly apprised of your work here.

I think you've done a lot of good work, and I think it will ultimately be effective. I can't tell you what all the answers are, but we're trying to help you.

MS. ROEDER: We really appreciate that. And as the person who is not the person who is going to be laid off, but who is representing the people who are, I want to put the question on the table again, that we need your immediate help

with. While we are working to try to make the savings, and try to make suggestions, and working with you to try to make those savings, we have a clock ticking; a clock that Mr. Cimino says is not ticking, but we have letters that say it is. What we are asking and begging someone to hear us is, please, can't we get some kind of rescission of those -- and stoppage in writing -- of that 45-day clock so that we can get a breather here, and figure out the direction that we're trying to go in?

SENATOR LITTELL: Well, what you're saying is that because they're unclassified it falls in the jurisdiction of the Commissioner to rescind-- Not the Commissioner of Personnel, but the Commissioner of Education? Am I correct?

MS. ROEDER: Correct. Absolutely.

SENATOR LITTELL: Senator Ewing will follow up on that. He's been around here for 25 years, so he knows his way around.

DR. MERKEL-KELLER: That's great.

MS. ROEDER: Thank you very much.

MR. REITER: Excuse me, Senator and Assemblyman, Co-Chairs? One other thing: It's really a twofold thing. We think there can be some savings here, but if, in fact, there can't, we would hope that you would be willing to consider a little bit of an appropriation to cover Federal, matching, and State mandated programs if we, in fact, can do some savings, as well.

SENATOR LITTELL: Well, I don't understand at all why you would take out any Federal jobs. That doesn't make any sense to me. I think that Senator Ewing will press them hard on that. I think he's going to want to know why that money that comes from the Federal government is going to be eliminated? It sounds to me like they're using that process to get to somebody who's paid by the State, and they have to take out some people who are paid by the Federal government in order to get to them. Now I don't have any proof that that's the way, but you seem to be nodding your head.

MR. REITER: We really do appreciate the precedent, thank you.

SENATOR LITTELL: Thank you.

DR. MERKEL-KELLER: Thank you very much.

SENATOR LITTELL: We have Carolyn Wade, CWA representative?

UNIDENTIFIED MEMBER OF AUDIENCE: She's not here, Senator.

SENATOR LITTELL: We're going to take a 10 minute recess, and we'll be right back.

(MEETING CONCLUDED AT 1:45 P.M.)

APPENDIX



New Jersey Senate

TRENTON

July 10, 1992

**Anthony Cimino, Commissioner
Department of Personnel
215 East State Street
Trenton, NJ 08625**

Commissioner Cimino:

We respectfully request that you appear before the Joint Budget Oversight Committee on July 16, 1992. The meeting will held in room 319 in the State House, at 11:00 a.m..

Please be prepared to provide the Committee with the following:

All department employee reductions plans, those that were rejected as well as those that were approved;

Listing of all personnel actions involving the movements of personnel between job classifications, specifically the movement of unclassified employees to classified status in the last 60 days.

Please be prepared to discuss with the Committee, on behalf of the Administration, the consistency of your employee reduction plans with the budget language and intent of P.L. 1992, c.40.

Sincerely,

/s/

**Senator Littell
Chairman Senate Budget
Committee**

/s/

**Assemblyman Frelinghuysen
Chairman Assembly Budget
Committee**

IX

REITER PRESENTATION/SUMMATION

CLAUDIA HAS PRESENTED PROBLEMS THAT HAVE BEEN CREATED BY MISCONCEPTIONS AND MISINTERPRETATIONS. WHILE "FUNCTIONS" CAN BE MOVED TO OTHER PERSONNEL, THERE IS A LOSS OF EXPERTISE AND A DENIAL OF DIRECT SERVICES TO THE 500 PLUS SCHOOL DISTRICTS IN THE STATE. SERVICES WILL BE HURT.

RAE HAS ADDRESSED THE NEED TO CORRECT THE CURRENT REDUCTIONS -- IF THE NEED FOR THE TOTAL REDUCTIONS IS NECESSARY AFTER CLARIFYING SOME OF THE ITEMS ON MY CHART. THE S-1000 BUDGET LANGUAGE WAS USED WITHOUT THE EXPLICIT DEFINITIONS WHICH IN TURN LED TO A INORDINATE AMOUNT OF LAYOFFS IN THE UNCLASSIFIED AREA.

THE ATTACHED CHART "LIST OF MANAGERIAL POSITIONS & SALARIES, NUMBERS OF CLASSIFIED AND UNCLASSIFIED PERSONNEL" CONTAINS INFORMATION TAKEN FROM PUBLIC DOCUMENTS - - SCHOOL DIRECTORIES FROM 1989-1990 AND 1991-1992; FROM THE LEGISLATIVE RED BOOK; AND FROM THE BUDGET.

WHILE THE DEPARTMENT HAS ALREADY REDUCED THE NUMBER OF DIVISIONS FROM 14 IN 1990 TO THE 12 PRESENTED ON THIS DOCUMENT - REDUCED THE NUMBER OF POSITIONS IN BOTH MANAGEMENT (From 151 to 117) and the RANK (A DECREASE OF OVER 100 DUE TO EARLY RETIREMENT AND ATTRITION), THERE ARE ALSO A SIGNIFICANT NUMBER OF FEDERAL POSITIONS - - A FACT THAT MIGHT HAVE BEEN OVERLOOKED. THESE FEDERAL POSITIONS REPRESENT OVER \$6,000,000 IN SALARIES THAT DOES NOT COME FROM THE STATE TREASURY. THESE FEDERAL POSITIONS HAVE TO PROVIDE MANDATED SERVICES TO THE STUDENTS AND SCHOOL DISTRICTS OF THIS STATE.

THE FEDERAL PROGRAMS AFFECTED INCLUDE SPECIAL EDUCATION (SERVING 175,000 STUDENTS), SCHOOL NUTRITIONAL PROGRAMS (PROVIDING 600,000 MEALS PER DAY TO HUNGRY STUDENTS), BILINGUAL EDUCATION PROGRAMS (SERVING 70,000 STUDENTS), ADULT/OCCUPATIONAL EDUCATION (SERVING MORE THAN 700,000 STUDENTS), AND THE LIST GOES ON.

YOUR LINE ITEM REDUCTION AT THE BOTTOM OF THE CHART (4,480,000) - - WE BELIEVE - - SHOULD BE REVISITED TAKING THE FEDERAL POSITIONS (124 CLASSIFIEDS) AND (165 UNCLASSIFIEDS) INTO ACCOUNT. WE BELIEVE THAT THIS CONSIDERATION WILL REDUCE THE LINE ITEM REDUCTION. STATE MATCHING AND MAINTENANCE OF FEDERAL FUNDS IS ALSO REQUIRED.

WHEN YOU REVISIT YOUR LINE ITEM REDUCTIONS, IT IS POSSIBLE THAT ADDITIONAL MONIES MIGHT BE REQUIRED TO PREVENT ANY LAYOFFS IN THE DEPARTMENT. HOWEVER - - - - AS WE POINTED OUT IN OUR TESTIMONY TODAY, THE DEPARTMENT HAS BEEN DOWNSIZED TO A POINT WHERE FEDERAL MANDATES AND THE MANDATES OF THE STATE STATUTES AND CODES CANNOT BE COMPLETED.

WE ARE PREPARED TO WORK WITH THE COMMITTEE TO DEVELOP WAYS OF CREATING SAVINGS WITHOUT LAYOFFS. WE KNOW THAT THERE ARE IDEAS IN THE DEPARTMENT FOR SAVINGS, SUCH AS FURTHER CONSOLIDATION OF BUREAUS AND DIVISIONS; CHARGING FEES FOR SERVICES; LAYING OFF PROVISIONALS AND TEMPORARIES; AND CONTINUING VOLUNTARY FURLONGHS.

WE HOPE THAT OUR PRESENTATION HAS DEMONSTRATED THAT THE REDUCTIONS WILL:

- SEVERELY HANDICAPPED DIRECT SERVICES TO SCHOOL DISTRICTS.
- JEOPARDIZING MILLIONS OF FEDERAL DOLLARS FOLLOWING INTO THE STATE.

AND

- OUR WILLINGNESS TO COMPLY WITH STATE MANDATED EFFICIENCIES AND SAVINGS.

16-Jul-92

DEPARTMENT OF EDUCATION
LIST OF MANAGERIAL POSITIONS & SALARIES; CLASSIFIED & UNCLASSIFIED PERSONNEL

	1990 Mgmt. Staff Level	1992 Mgmt. Staff Level	1992 Mgmt. Staff Salaries	AVERAGE Mgmt. Staff Salaries	Rank & File Classified Unclassified	
Commissioner's Office	6	3	\$245,875	\$81,958	5	
Administration	10	6	395,215	65,869	69	10
Adult/Occupational Educ.	11	7	414,581	59,226	37	60
Compliance	6	5	338,996	67,799	23	10
Co/Regional Svcs.	58	49	3,591,330	73,292	16	75
Direct Services	9	4	226,857	56,714	38	4
Educ. Pgms./Student Svc	14	7	456,340	65,191	27	69
Executive Svcs.	11	9	504,981	56,109	11	9
Finance	14	11	669,225	60,839	50	36
Special Educ.	7	9	579,033	64,337	33	57
State Library	Insufficient Data But Safe Harmless					
Teacher Prep/Certification	5	3	199,487	66,496	17	12
Urban Educ.	<u>N/A</u>	<u>4</u>	<u>345,926</u>	<u>86,482</u>	<u>10</u>	<u>27</u>
TOTAL	<u>151</u>	<u>117</u>	<u>\$7,967,846</u>	<u>\$68,101</u>	<u>336</u>	<u>369</u>
Line Item Reduction *			\$4,480,000	FEDERAL	124	165
Interdepartmental Reductions			<u>1,507,000</u>	STATE	<u>212</u>	<u>204</u>
Total			\$5,987,000		336	369

* If only out of Management result, @ \$50,000, would be 89 people.

INTRODUCTION

HONORABLE SENATORS AND ASSEMBLYPEOPLE OF THE JOINT APPROPRIATIONS
OVERSIGHT COMMITTEE.

THANK YOU FOR THE OPPORTUNITY TO ADDRESS THIS JOINT COMMITTEE. WE
CONSIDER IT A HONOR TO BE ABLE TO PRESENT SOME FACTS, CLARIFY MISCONCEPTIONS
DUE TO THE MISINTERPRETATION OF FIGURES, AND HOPEFULLY CLARIFY THE NEEDS
OF A DEPARTMENT IN THIS GOVERNMENT THAT SPENDS OVER 35% OF THE REVENUE
GENERATED BY THE STATE FOR THE EDUCATION OF THE CHILDREN TOWARD THE
21st CENTURY.

WE, THE PRESENTORS, REPRESENT THE EDUCATION UNCLASSIFIED CAREER
SERVICE WORKERS - - - PEOPLE WITH 22, 15, AND 12 YEARS OF PROVIDING STATE
DIRECT EDUCATIONAL SERVICES TO LOCAL SCHOOL DISTRICTS.

WE WOULD LIKE TO PRESENT SOME FACTS, AS WE PERCIEVE THEM, TO CORRECT
THE APPROPRIATION TO THE DEPARTMENT OF EDUCATION. THIS CORRECTION IS
NECESSARY TO GIVE THE SERVICES MANDATED BY THE FEDERAL GOVERNMENT AND OUR
STATE GOVERNMENT STATUTES AND CODES.

TO MY IMMEDIATE LEFT IS CLAUDIA MERKEL-KELLER, A RIF'D OVER \$50,000
DIRECT EDUCATION SERVICES PERSON, AND NEXT IS RAE ROEDER, CWA SHOP STEWARD,
DOE UNCLASSIFIED 12 YEAR CAREER SERVICE EMPLOYEE WORKING FOR THE OFFICE OF
EQUAL EDUCATIONAL OPPORTUNITY.

WE HAVE PROVIDED COPIES OF OUR PRESENTATION FOR YOUR LATER REFERENCE.

I WOULD NOW LIKE TO INTRODUCE DR. CLAUDIA MERKEL-KELLER FOR HER
PRESENTATION.

TESTIMONY BEFORE THE JOINT BUDGET
OVERSIGHT COMMITTEE

Thursday-July 16, 1992

Dr. Claudia E. Merkel-Keller
New Jersey State Department of Education

Good morning/afternoon ladies and gentlemen, Honorable Members of the New Jersey Legislature, colleagues from the New Jersey State Department of Education and colleagues in state government. My name is Dr. Claudia Merkel-Keller and I am a Planning Associate in the Division of Adult and Occupational Education, New Jersey State Department of Education. I thank you for the opportunity to provide testimony to the Joint Budget Oversight Committee today on behalf of myself, a career civil servant of 15 years service in the New Jersey State Department of Education and on behalf of my colleagues whom I would like to name who are also Planning Associates with senior service in the Division of Adult and Occupational Education:

Dennis Reiter, Planning Associate I	22 years of state service
Dr. Sandra Streeter, Planning Associate I	13 years of state service
Linda Petry, Planning Associate II (federal)	9 years of state service
John Knapp, Planning Associate II (federal)	14 years of state service
Terry Luxenberg, Planning Associate II (federal) (resignation)	5 years of state service
Frederick Cappello, Planning Associate I (federal) (retirement)	18 years of state service
Renee Finkle, Planning Associate II (retirement)	16 years of state service
Dr. Claudia Merkel-Keller, Planning Associate I (federal)	15 years of state service

Of the staff I just mentioned, 5 (Petry, Knapp, Luxenberg, Cappello and myself) are paid through federal dollars under the Carl D. Perkins Vocational

6X

and Applied Technology Education Act (P.L. 101-392). This will be an important point a bit later on.

I have had many opportunities to speak with audiences before on educational issues--the nation at risk, preparing the workforce to take its rightful place in the international marketplace, standards, educational policy, etc. Today, however, I come before you to discuss a severe budget crisis in state government necessitating layoffs of career civil servants in the unclassified and classified state service covered by the bargaining unit who have longevity, seniority and tremendous expertise and whose jobs and functions must be maintained. At this point in time, this crisis can only be addressed in a bipartisan way to minimize the disruption of services to the state and must be conducted in a fair, open and equitable manner in concert with the intention of the legislation. It is my sincere belief that Governor Florio and this Legislature wish to act in a humane, fair, equitable and open fashion in conducting this reduction in force.

It is evident that there will be pain and hardships to face for those state servants who find themselves on a reduction in force list.

I would like to bring the abstract notion of layoffs to the concrete and present some facts for your understanding, consideration and information that may be unknown to you regarding the overall structure of the jobs in government service, the methodology the Department of Education used in the layoff procedures and ancillary information which needs to be brought to the table.

1. In the New Jersey State Department of Education there are:
 - .classified employees under state civil service;
 - .unclassified career service employees who are in the CWA bargaining unit titles in the P, R, and S units;
 - .management, confidential and project specialist staff who are also unclassified and have the designation of M, X, and Y and are not in the bargaining units covered in the CWA contract. In this management, confidential and project specialist grouping we find the political appointments in the Department of Education.
2. The Department of Education was the only department in state government to have issued layoff notices to its staff. We are here today since we are among those who received layoff notices from Commissioner Ellis terminating our employment as of August 21, 1992. No alternative plans were offered. Why the haste?
3. The Department of Education is one of the departments having the largest number of unclassified (non-management) professional staff in state government.
4. The Department of Education has hired well over 100 new staff in the last year. Does this show prudent management with a sense of reality about an impending fiscal crisis in state government?
5. The cuts proposed by the New Jersey Department of Education dig deeply into the ranks of unclassified career service and skim the ranks of management. Allegedly, percent reductions of force were calculated for the management staff after removing resignations/terminations from the list; while percent reductions of force were calculated for the professional unclassified staff by keeping the number of resignations/terminations in the pool.

6. The layoffs in the Department of Education were not in keeping with the spirit of the legislation--5 years in a title, 10 years of state service.
7. The Department of Education did not honor across department seniority in conducting the layoffs. The Assistant Commissioner in the Division of Adult and Occupational Education, Dr. Thomas Henry, was the most flagrant violator of seniority.
8. Federal positions were cut by the Department of Education. This in fact is a loss of dollars for the state.

I would now like to quickly paint the vignette of the layoff crisis which transpired in the Division of Adult and Occupational Education.

1. Assistant Commissioner, Dr. Thomas Henry, of the Division of Adult and Occupational Education put 8 of the most senior of his unclassified career staff holding the title of Planning Associate on the layoff list. Career service spans from 4 to 22 years, with most of the staff having 10 years or more of seniority.
2. Five of the abolished positions (lines) are federal.
3. All of the functions that these career servants perform are either mandated by federal law and code or New Jersey State Administrative Code. These functions, Dr. Henry admitted to me, must continue.

9X

A brief overview of the functions include:

- .competitive/noncompetitive grant administration, accountability and oversight for federal dollars received under the Carl D. Perkins Vocational and Applied Technology Education Act (P.L. 101-392);
- .preparation of the State Plan for Vocational Education which secures the division's federal dollars from the United States Department of Education - \$25 million plus;
- .preparation of the annual Vocational Education Performance Report required by the federal government to document fiscal and programmatic outcomes;
- .monitoring for fiscal and programmatic compliance, entitlement and discretionary funds as prescribed by federal and state laws and code; and,
- .administrative code preparation for vocational technical education in New Jersey.

In my own case, I am also the New Jersey State Department of Education's spokeswoman for AMERICA 2000/NEW JERSEY 2000 the national education reform agenda endorsed by the President and the nation's governors.

4. Most critical however is the fact that within the last 10 months the Assistant Commissioner, Dr. Henry, has hired 13 new employees in the Division of Adult and Occupational Education:
- 9 unclassified civil service positions
 - 3 classified civil service positions
 - 1 management position

A greater majority of these new hires were within the last 2-3 months, while the new manager was hired as recently as 4-5 weeks ago.

We are requesting:

1. your immediate inquiry into this unethical targeting of staff in the bargaining unit who are unclassified career employees in the

10X

Department of Education

2. your support in targeting for layoffs, managerial staff, especially those hired within recent months or those managing a small number of staff;
3. your consideration of a supplemental appropriation for the New Jersey State Department of Education;
4. your oversight and review of the revised layoff plan for the New Jersey State Department of Education which will be presented to Commissioner of Personnel, Anthony Cimino, next week; and,
5. your support and assistance in reinstating all Unclassified titles in the bargaining unit in the Department of Education.

Our collective thanks and appreciation for the opportunity to have been able to present this information to you.

Thank you very much!

FOR FURTHER QUESTIONS OR INFORMATION CALL: 609-292-5822 (Dr. Merkel-Keller)
609-984-5900 (Dr. Streeter)

DEPARTMENT OF EDUCATION LAY OFFS

- **46 DOE UNCLASSIFIED, BARGAINING UNIT,
CAREER SERVICE EMPLOYEES WERE LAID OFF.**
- **ALL 46 ARE REPRESENTED BY CWA, LOCAL 1033.**

45 DAY LAY OFF NOTICES WERE GIVEN ON JULY 7, 1992

**Last day of work will be August 21st.
Notices have NOT been rescinded as of July 16, 1992.
Clock is still ticking.
As of today these employees have 36 days left.**

- **THESE LAY OFFS REPRESENT**

**242 collective years of career service
to the citizens of New Jersey**

DOE LAY OFFS INCONSISTENT WITH S1000

\$1000 INCONSISTENCY #1:

25 of 46 Unclassified, bargaining unit, career service employees receiving lay off notices on July 7, 1992 make less than \$50,000.

The following are the position numbers of these 25 employees:

- 1. 012136**
- 2. 071715**
- 3. 051772**
- 4. 069825**
- 5. 012181**
- 6. 012142**
- 7. 051804**
- 8. 012120**
- 9. 933677**
- 10. 012143**
- 11. 927789**
- 12. 914380**
- 13. 903698**
- 14. 043245**
- 15. 903922**
- 16. 051835**
- 17. 914496**
- 18. 943937**
- 19. 011972**
- 20. 051700**
- 21. 044454**
- 22. 011883**
- 23. 067128**
- 24. 051821**
- 25. 012640**

DOE LAY OFFS

81000 INCONSISTENCY #2:

15 of 46 Unclassified, bargaining unit, career service employees have at least 5 years in their titles.

The position numbers of these employees are:

1.	012031	22 years service
2.	903795	15 years service
3.	012018	10 years service
4.	903805	16 years service
5.	012057	10 years service
6.	908893	5 years service
7.	943640	5 years service
8.	065718	7 years service
9.	071715	5 years service
10.	012144	5 years service
11.	012175	15 years service
12.	051785	15 years service
13.	904096	12 years service
14.	011883	11 years service
15.	012025	18 years service

This represents 171 total years that these Unclassified, bargaining unit, career employees have served the citizens of New Jersey.

DOE LAY OFFS

\$1000 INCONSISTENCY #3:

10 of 46 Unclassified, bargaining unit employees have greater than 10 years or more of State service.

The position numbers of these 10 employees are:

- | | | |
|------------|---------------|-------------------------|
| 1. | 012031 | 22 years service |
| 2. | 903795 | 15 years service |
| 3. | 012018 | 10 years service |
| 4. | 903805 | 18 years service |
| 5. | 012057 | 16 years service |
| 6. | 908893 | 10 years service |
| 7. | 051785 | 15 years service |
| 8. | 904096 | 12 years service |
| 9. | 011883 | 11 years service |
| 10. | 012025 | 18 years service |

These 10 Unclassified, bargaining unit, career employees represent a total of 147 years of service to the citizens of New Jersey.

DOE LAY OFFS

\$1000 INCONSISTENCY #4:

All 46 laid off Unclassified, bargaining unit, career service employees provide direct statutory services for the residents of the State of New Jersey.

The position numbers of these 46 employees are:

- | | |
|------------|------------|
| 1. 012136 | 26. 012031 |
| 2. 071715 | 27. 903795 |
| 3. 051772 | 28. 012018 |
| 4. 069825 | 29. 903805 |
| 5. 012181 | 30. 012057 |
| 6. 012142 | 31. 906893 |
| 7. 051804 | 32. 903699 |
| 8. 012120 | 33. 943640 |
| 9. 933677 | 34. 065718 |
| 10. 012143 | 35. 012208 |
| 11. 927789 | 36. 012148 |
| 12. 914380 | 37. 012144 |
| 13. 903698 | 38. 012175 |
| 14. 043245 | 39. 051809 |
| 15. 903922 | 40. 904096 |
| 16. 051835 | 41. 012696 |
| 17. 914496 | 42. 012178 |
| 18. 943937 | 43. 058686 |
| 19. 011972 | 44. 012025 |
| 20. 051780 | 45. 012143 |
| 21. 044454 | 46. 011972 |
| 22. 011883 | |
| 23. 047128 | |
| 24. 051821 | |
| 25. 012610 | |

All of these employees are:

UNCLASSIFIED, REPRESENTED BY CWA, LOCAL 1033 AND ARE CAREER SERVICE EMPLOYEES.

**CWA, DOE, UNCLASSIFIED STATE EMPLOYEES TESTIMONY BEFORE
THE JOINT SENATE/ASSEMBLY BUDGET OVERSIGHT COMMITTEE
JULY 16, 1992**

Today, the following CWA, DOE, unclassified career service employees will be testifying before the Joint Budget Oversight Committee. They are:

**Rae Roeder, CWA Shop Steward, DOE unclassified
12 year career service employee working
for the Office of Equal Educational
Opportunity.**

**Dennis Reiter, CWA Shop Steward, Treasurer of
CWA Local 1033, DOE unclassified, 22
year career service employee from the
Division of Adult and Occupational Ed.
This employee has received his lay off
notice on July 7, 1992.**

**Claudia Merkel-Keller, CWA member, DOE
unclassified, 15 year career service
employee from the Division of Adult
and Occupational Education. This
employee has received her lay off
notice on July 7, 1992.**

**Before we make any statements and provide the committee with
information we wish to assure the committee and citizens of the
State of New Jersey of the following:**

- 1. We are not political appointees. We are
career service workers.**
- 2. We are not here on state time. We are here
on vacation time.**
- 3. We have compiled the information that
we are providing for you on our own time.**
- 4. We are here so that we might shed light upon
those lay offs that have taken place at the
State Department of Education.**
- 5. We are here in the sincere belief that we
speak for the unclassified career service
employees in the DOE as CWA members.**

6. We are here to let you know that it is our belief that we have been laid off in a manner inconsistent with S 1000 and that we have been targeted for Union activities and our honesty and integrity in performing services to the citizens of New Jersey.
7. We are here to let you know that our 46 lay offs at the DOE are real.

46 unclassified, union members received notices on July 7, 1992.

These employees last day is August 21, 1992.

Since these 46 lay offs have not been rescinded we are here to ask for your help.

The information that we will present to you will cover the following areas:

1. Lack of Information provided in the Budget process (Dennis Reiter)
2. Hurt services because of lack of "experience" (Claudia Merkel-Keller)
3. Distribution of the lay offs at DOE (Dennis Reiter)
4. Inconsistencies of the lay off with S 1000 (Rae Roeder)
5. Savings that can be offered as an alternative to lay offs. (Dennis Reiter)



STATE OF NEW JERSEY
DEPARTMENT OF EDUCATION
CN 500
TRENTON NJ 08625 0500

OFFICE OF THE COMMISSIONER

July 7, 1992

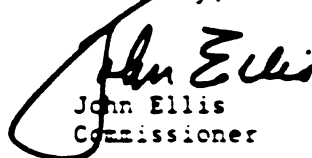
Due to continuing fiscal constraints and programmatic changes within the Department of Education, I deeply regret to inform you that your unclassified or provisional position must be vacated effective the close of business August 21, 1992. Unfortunately, that will be your last day of service with the department.

I empathize with the difficulties this action may present to you and your family. Please be assured that we will do everything in our power to minimize the adverse impact this action may cause.

In order to assist you, our personnel office is arranging for representatives from unemployment, pensions, outplacement and health benefit services to meet with you. Further details will be forthcoming.

I would be remiss if I did not thank you for the service you have provided enabling us to fulfill our mission to the New Jersey citizenry. You will be missed.

Sincerely,


John Ellis
Commissioner

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