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PUBLIC HEARING

before

ASSEMBLY STATE OPERATIONS AND PERSONNEL COMMITTEE

"Issues of State employee layoffs, changes in New Jersey government's departmental structure, and the realignment of State government"

February 5, 1991
Room 403
State House Annex
Trenton, New Jersey

MEMBERS OF COMMITTEE PRESENT:

Assemblyman Anthony J. "Skip" Cimino, Chairperson
Assemblyman Byron M. Baer

ALSO PRESENT:

Donald S. Margeson
Office of Legislative Services
Aide, Assembly State Operations
and Personnel Committee

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New Jersey State Legislature

ASSEMBLY STATE OPERATIONS
AND PERSONNEL COMMITTEE
STATE HOUSE ANNEX, CN-068
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COMMITTEE NOTICE

TO: MEMBERS OF THE ASSEMBLY STATE OPERATIONS AND
PERSONNEL COMMITTEE

FROM: ASSEMBLYMAN ANTHONY J. "SKIP" CIMINO,
CHAIRPERSON

SUBJECT: COMMITTEE MEETING - February 5, 1991

The Assembly State Operations and Personnel Committee will hold the second in a series of meetings on the issues of State employee layoffs, changes in New Jersey government's departmental structure, and the realignment of State government on Tuesday, February 5, 1991 at 10:00 a.m. in Room 403 of the State House Annex.

The meeting will focus on possible reductions in the State workforce in an effort to curb State personnel expenditures.

The committee has invited the Department of Personnel to address questions submitted to the department following the previous hearing and to present further testimony on State employee layoffs.

Anyone wishing to offer testimony concerning these topics at the meeting may contact Anne C. Raughley, Aide to the Committee, at (609) 292-9106.

Issued 1/30/91

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ASSEMBLYMAN ANTHONY J. "SKIP" CIMINO (Chairperson):
Ladies and gentlemen, we'd like to call to order the hearing of
the Assembly State Operations and Personnel Committee.

Assemblyman Baer should be joining us in a couple of
minutes. I appreciate everyone waiting. I did not want to
detain anyone any longer than we've already done, up to this
point. I appreciate everyone coming in this morning.

This is the second in a number of hearings that we
have been charged to follow through on. The first, of course,
was done on January 16 and was related to the issues of layoffs
and givebacks, with the Department of Personnel having appeared
at that point. Subsequently -- thereafter -- we sent off a
letter to the Department.

The purpose of the hearing today is to discuss the
information which the Department, itself, has provided to us.
In subsequent hearings, as well, we will deal with the early
retirement proposal, as well as consolidation proposals that
have been put forward by the administration.

The Department's responses to the questions that we
sent in our letter of January 17 to Acting Commissioner Scheuer
have, in fact, while providing some solutions, actually opened
up even more questions than what we had seen before. I would
like to ask Deputy Commissioner Linda Kassekert if she could
come forward?

Good morning. Linda, could you tell us who's with you
this morning?

D E P U T Y C O M M . L I N D A K A S S E K E R T :
Surely. In fact, I have a few opening remarks to make.

Good morning, Mr. Chairman, and members of the
Committee. I'm happy to be before you today. My name is Linda
Kassekert. I'm the Deputy Commissioner of the Department of
Personnel. With me is Robert Hartman, Assistant Commissioner
of the Department.

As Governor Florio said in his Budget Address last week, when it comes to government, New Jerseyans have made it clear that "smaller is better." This administration is committed to keeping the promise of making government smaller. To that end, the Governor has introduced a host of proposals. These proposals affect everyone who draws a State paycheck.

Governor Florio does not take any joy in the fact, and he has instructed the Department of Personnel to do all it can to ease the pain on State workers during this transition to a smaller, leaner government.

The Governor's proposals to make government smaller, as it relates to State workers, breaks up into roughly three areas: The first area concerns unclassified workers. As all of you well know, a change in administration means a large shift in unclassified workers. Last year we strived to reduce the number of unclassified employees. We succeeded. Nine-hundred-and-forty-four unclassifieds left State government and we replaced only 768. That's a reduction of 176.

Governor Florio has already announced that in the coming fiscal year we will reduce the number of unclassifieds by an additional 600. Eventually we plan to eliminate a total of 1000 unclassified positions. This will not be an easy task, for they include teachers in the State institutions, public defenders, law enforcement officers, and, of course, every staff member who works for the Legislature.

The second area of concern is Governor Florio's proposal to make government smaller by eliminating waste and duplication. These proposals match the biggest downsizing in the State government in 40 years and represent a real break from the past. The State audit has already found millions of dollars in savings. Governor Florio has also put forth a 28-point plan that will merge some departments and divisions, as well as eliminate many boards. These proposals are exactly

that -- proposals. They, of course, will be reviewed, debated, and likely changed.

The final area of concern is Governor Florio's effort to tighten State government's belt in the face of the national economic downturn. In that vein, all but three departments have proposed budgets that are actually smaller than last year's.

Layoffs are the least desirable alternative to accomplishing cuts. We're working to achieve as many job reductions as possible, by offering incentives for early retirement, and by not replacing workers who leave their jobs.

The early retirement proposal, developed by the administration, could result in an estimated \$57 million in savings. We have also recommended replacing only two workers for every three workers who leave. With an average turnover of 7000 jobs per year, this could result in a significant downsizing.

To avoid as many layoffs as possible, the Governor has asked State workers to forego some wage increases and benefits. This is not done happily, knowing that people depend on this income. Because Governor Florio does not believe in asking people to do something he would not do, he and his cabinet members will not accept the wage increase due them, as well.

We're encouraging all departments to investigate alternatives that will lessen the impact on civil servants. We share the Governor's concern that in this time of national fiscal distress, every option be explored before people lose their jobs, especially those in lower paid positions.

Governor Florio takes seriously his responsibility to preserve the financial integrity of this State, even in the midst of a national recession. The Personnel Department is doing all it can to help the Governor meet these goals, while at the same time being sensitive to the genuine concerns of

civil servants that cannot help but be affected by these changing times.

Thank you very much. We'd be happy to take your questions now.

ASSEMBLYMAN CIMINO: Thank you very much, Commissioner. With you is--

DEPUTY COMMISSIONER KASSEKERT: Assistant Commissioner, Bob Hartman.

ASSEMBLYMAN CIMINO: Okay. Is there anyone else from the Department with you?

DEPUTY COMMISSIONER KASSEKERT: There are several people here. We have Tom Gillen who works in our Management Information Unit, in case you have any particular questions about numbers. We have Henry Maurer -- you may remember from the last hearing -- who works in our Rules Unit.

ASSEMBLYMAN CIMINO: I certainly do, very well. And let me say good morning to Bob. It's nice to see you before this Committee again. And I know, from our previous experience in other sessions, certainly, the caliber of the individuals before us. I appreciate that.

I guess we want to start with a couple of questions that really come from your response of February 1, with regard to our questions as to the layoffs: Who would be impacted, and what plans have been submitted? On the top of page 2 of the response, in the first paragraph, it starts: "For these reasons it could be problematic if submitted plans are disseminated in advance of an actual layoff."

What thought was put into either the Department, or the administration's concern, that it was problematic to suggest that 10,000 layoffs, or \$400 million worth of givebacks were important? Didn't anyone consider that to be problematic when that kind of ultimatum was issued out to the employee representatives of this State, either 10,000 in layoffs or \$400 million in givebacks?

DEPUTY COMMISSIONER KASSEKERT: Well, I guess I could start by saying that, first of all, the discussions of givebacks and layoffs were just that. They were proposals that were put on the table. In terms of our response here, we are speaking about the specifics of the plans involved. We have a great deal of concern because once plans go through the process, and they are examined by the Department, they may change radically. We don't want to start any undue fear on the part of employees who may, you know, not want to read about their impending layoff in the newspaper, but may, instead, wish to be notified through the normal process.

And because these plans are so flexible -- I guess for lack of a better word -- until they're actually approved by the Department, nothing is set in stone. That was our only concern about giving copies of the plans. Once the plans are approved, we would have no problem, and I believe we've forwarded you copies of two of the plans already. So it wasn't merely to suggest that the information given was not-- I know there's some concern on the part of the Committee that we might be trying to hide something. That is not the case.

ASSEMBLYMAN CIMINO: No, we're not-- Please don't misunderstand. We're not trying to suggest that anyone is hiding anything, or trying to stonewall the Assembly or the Committee, or anything. That is not our intention.

The statement seemed to me to be almost ironic, inasmuch as it seemed to be equally problematic when one marches the heads of employee representative groups into an office and suggests an ultimatum of either 10,000 layoffs, or \$400 million in givebacks; yet one doesn't want to really disseminate the plans as part of public policy as to what, in fact, we're talking about. So, we're not suggesting that anyone is doing anything less than what they are directed to do in their official capacity for the State.

A S S T. C O M M. R O B E R T J. H A R T M A N: If I may-- Am I on?

ASSEMBLYMAN CIMINO: If you push that button, Bob-- That's it.

ASSISTANT COMMISSIONER HARTMAN: Thank you.

The plan actually targets a very much more narrow area. When you get to the point of looking at the plan, you're actually seeing titles of positions. You may even see individuals' names. But it is still-- We should remember the reason it is problematic, is that it is a plan. We do not know when that plan is submitted if, in fact, that's going to be the actual points that we cover at the end of that plan. The problem, in terms of being problematic, is if it becomes open communications, then individuals are going to know in advance of the final decision that their name may be targeted for a specific layoff. That's the reason we saw it as problematic.

ASSEMBLYMAN CIMINO: Well, let me ask this, then: If you're talking about this all being problematic -- and if I understand government, in my limited knowledge of government-- I don't say that facetiously, because I don't work in the government every day. I work in a full-time occupation; this is a part-time occupation. But my understanding of government is that the budget is the blueprint; it's the spending plan; it's the envisionment of the administration as to the direction that this government will go in the next year.

Is that an accurate assessment?

DEPUTY COMMISSIONER KASSEKERT: I'd say so. Yes.

ASSEMBLYMAN CIMINO: Okay. Then how do you define what the budget is, if, in fact, you don't know what the proposals are going to be for downsizing the government, and the proposals as to who, and what, are going to be laid off? I mean, it would seem to me that you'd have to make some pretty reasonable distinctions before the administration would, in fact, submit that plan. Would they not?

ASSISTANT COMMISSIONER HARTMAN: I would think it would be the other way around. I think the plan would be made on the basis of what the budget figure was actually placed at. I guess I'm saying I disagree in the sense that the driving force, yes-- The budget is the driving force for a given department to decide what things it must do, what things it can do, and what things it can do without. And the biggest chunk of that budget, in most departments, does come from the salary account, which is employees. Now if things happen during a budget year that cause the actual appropriated figure to come to the point of, perhaps, not being able to meet, then something does drive-- The department drives the budget in that sense, because you cannot go negative. But in terms of what we are coming up to, the layoffs plans I would not see as preceding the actual approval of a final budget figure. I think it would be the other way around. I would assume.

ASSEMBLYMAN CIMINO: But how do you-- I mean, you're then backing into the number for the department. In other words, what you've just said to me is that the department gets a number and that number is the department's budget allocation. Thereafter, what happens is the department has to back back into that number, and ultimately where that loss comes from in large measure is going to be the salary account.

Is that a fair assessment of what we just said?

ASSISTANT COMMISSIONER HARTMAN: That could be, but that's also-- That is the scenario that takes place every year. Every year you are given a figure that hits you somewhere towards the end of the previous fiscal year, for you to take a shot at July 1. Yes, the overwhelming number, or amount of dollars, is expended on salary. There's no question about that. But you do have other options. You do have the option of looking at other accounts. Individual departments have the option of looking at other accounts and, perhaps, doing things in terms of reprioritizing programs -- looking at

things such as postage, printing, equipment, data processing, any number of accounts, with the idea in mind that they may not have to lay off people, or that they may be able to get through any given budget year, not just this year, with the staff intact to perform the services that they want to perform.

I don't know if I'm answering your question--

ASSEMBLYMAN CIMINO: Well, I think you are, but I think this is good to follow through, though, Bob, in all sincerity. I mean, the budget is not built in a month. The budget is built over an extended period of time. And it's just that we get down to the point where the Governor releases it, the administration releases it, and what have you. It would seem to me, in the course of discussion, there had to be some reasonable amount of discussion within the departments with regard to the layoffs: Who would be affected by that when we talk about development of the budget? It would just seem to make sense to me that that would, in fact, occur.

DEPUTY COMMISSIONER KASSEKERT: There may be discussions, but I think what normally happens within a department is that directors of administration and fiscal people look at every option before introducing the layoff. You may have, in any given year, more people retire than you expect to. You may have other things occur, such as a change in the retirement program. So there are a lot of other factors, and I think that that's really the last option that any department looks at.

ASSEMBLYMAN CIMINO: I want to note that Assemblyman Baer has joined us.

Thank you, Byron. I appreciate your coming in this morning.

ASSEMBLYMAN BAER: Mr. Chairman.

ASSEMBLYMAN CIMINO: Byron, we're going through the responses that have come in from the Department, and at any point, if you would like to jump in, please feel free to.

ASSEMBLYMAN BAER: Thank you.

ASSEMBLYMAN CIMINO: With regard to question two: Can you advise us what, and you speak specifically there with regard to the Department of Personnel-- First let me ask you: Have any departments sought out your advice with regard to pre-layoff plans?

ASSISTANT COMMISSIONER HARTMAN: We have had, besides those that we have identified to you, I believe, three that have submitted their actual 30-day plans. There was an additional department which, in all honesty I forgot about, but it happened back in the early part of the summer. Agriculture did lay off. I believe it ended up as five people, so it wasn't part of that mix-up. So we've actually had four departments which include Agriculture, ourselves, PUC -- if we count them as a department -- and now the Department of Law and Public Safety has submitted a 30-day plan. We have had unofficial meetings, and talked about procedural ideas and things that can be talked about relative to what they must do in advance of their 30-day notice, with three other departments.

ASSEMBLYMAN CIMINO: Let me back up for a moment to the answer to question one, wherein you submitted to us the plans of your own Department, BPU, and the plan of Law and Public Safety which is currently undergoing review and accordingly, as you said, it may change. Let me turn to the memorandums that you have provided. How do you view the impact of this? I understand that the Department cannot cite specific demographics; I understand that. However, when you talk about the impact here, do you suspect that the impact will be more -- when you look through these plans-- Will this impact fall more on minorities and women than it will on, let's say, white males?

ASSISTANT COMMISSIONER HARTMAN: It really would be dependent on where that particular layoff was targeted. I'll go to one extreme first. If it's targeted at, say, a group that employs primarily professional engineers or professional

level data processing programmers -- that type of thing -- then my answer to you would be: I think I could safely say no, that would not be the case.

If you targeted that at some of the areas that were defined in the 30-day plan for Law and Public Safety -- in the one particular area, that group of individuals -- it would not involve females at all, if you know the area that I'm talking about. I prefer not to discuss it.

ASSEMBLYMAN CIMINO: Right.

ASSISTANT COMMISSIONER HARTMAN: It was the second part of the second largest one. Now the minority/nonminority distribution, I don't know. I don't know what that would be there. My guess is that it would either be-- It would not be in the area where we would see a disparate impact on minorities.

Jumping up to the other area, the area that has been talked about relative to inspections and things like that where, obviously, everyone is expecting something to happen: If you got into an area that employed primarily high-level technical people, paraprofessionals, and clerical, then the odds change quite differently than they would for programmers and for engineers. Then, I would say that knowing the even distribution-- It's a very even distribution between males and females. It could go either way at any point in time depending on where you're targeting.

In terms of the minority distribution, it's a guess, and I couldn't say at that point, but even with the fact that we now have new concepts in how layoffs are actually performed, we still don't know who will end up leaving the State as a result of the layoffs. So that's the reason why, and until you get to that point, you really can't make the count. You can make the count on the basis of what's submitted and planned for, but they're the people that are identified whose positions have been targeted; they are not the people who will be

leaving. That's why we have the problem between giving the two figures.

ASSEMBLYMAN CIMINO: Bob, do you have the memo from William Parikas in front of you, January 9, 1991 where it talks about the elimination of nine permanent employees within the Department?

DEPUTY COMMISSIONER KASSEKERT: Within our Department?

ASSEMBLYMAN CIMINO: Within the Department of Personnel, yes, ma'am.

ASSISTANT COMMISSIONER HARTMAN: Yes, I do have it.

ASSEMBLYMAN CIMINO: Let me ask you first, have these individuals been notified?

ASSISTANT COMMISSIONER HARTMAN: At this point these individuals have been given a general notice, as all individuals in the Department were. That would be the notice required by rule, a 45-day notice. These individuals do not know of their specific rights as of this point.

ASSEMBLYMAN CIMINO: And they are scheduled for layoff as of March 8, 1991?

ASSISTANT COMMISSIONER HARTMAN: Yes.

ASSEMBLYMAN CIMINO: Now of the nine permanent employees listed here, is it my understanding in counting, that seven of them are women?

ASSISTANT COMMISSIONER HARTMAN: That's right.

ASSEMBLYMAN CIMINO: Seven of the nine will be women.

ASSISTANT COMMISSIONER HARTMAN: Yes, that's right.

ASSEMBLYMAN CIMINO: Okay. In terms of the follow-up page on that memorandum on nonpermanent employees -- on the second page of the memorandum, down, I guess, on the fifth line, it talks about all hourlies. Within that category as well, when we talked about the nonpermanent people who will effectively be laid off, don't we run into the same problem?

ASSISTANT COMMISSIONER HARTMAN: It's close. In that area, that's close to even. I think it's 5 to 4.

Here, if I may, you're actually targeting or zeroing in on the very thing that I mentioned. The females in this particular area, many of them are very senior people that have been around for a long, long time. They're high-level, technical, paraprofessional types.

ASSEMBLYMAN CIMINO: These are senior type people? What years of service are we talking about here?

ASSISTANT COMMISSIONER HARTMAN: Probably in the vicinity of maybe anywhere from 13, to as high as 20 to 25 years.

ASSEMBLYMAN CIMINO: In the group of nine permanent employees?

ASSISTANT COMMISSIONER HARTMAN: Yes. That's true.

ASSEMBLYMAN CIMINO: So we're going almost to 25 years of service and laying people off?

DEPUTY COMMISSIONER KASSEKERT: These are not the actual people. These individuals have not received their bumping rights yet. They will most probably bump within the Department. They will bump people who are less senior.

ASSISTANT COMMISSIONER HARTMAN: What we did, in looking at the Department -- and this is for this year so that we can balance our accounts for Fiscal '91-- We looked at a number of areas, and what we decided was that we had two areas in local government that were doing the same thing as two areas in State government were doing. One area that is being done in State government has been automated. The other area in State government actually cannot be considered for layoff because in addition to duplicating what's done in the area we laid off, they do something in addition. So we looked at that and said they are the highest priority of items in terms of organizational units that we can look at and say we can do without, and absorb it into other operating units. So really what we did was, we looked at the units, and they just happened

to be the people in there. They will not be the people that go out the door.

ASSEMBLYMAN CIMINO: It says a list of all employees and positions identified-- "The following is a list of all employees and positions identified for elimination." So we're not eliminating those people; we're eliminating those positions.

ASSISTANT COMMISSIONER HARTMAN: No. The key was, you said it: positions.

ASSEMBLYMAN CIMINO: We're eliminating those positions and those people will affect people. Who ultimately will be the people that will be affected then, and what range of salary would they be at?

ASSISTANT COMMISSIONER HARTMAN: It's hard to say. There's one professional -- I would assume that given the fact that he is in a series -- that conceivably-- The individual that leaves would be the lowest level professional we have in that particular title series, because you do have title bumping down to the least senior. That would also hold for the clerical series as well. So as to the clerical series, I would assume that if we have some -- and I do believe we have -- a few clerk-typists may go; a few senior clerk-typists might go. I don't think it will rise above that.

ASSEMBLYMAN CIMINO: There is a group of, apparently, trainers as well-- The statement is made that, "There are no benefits or savings" -- unclassified trainers, I might add -- "to the Department at this time if we terminate their employment." What does the Department mean by that when it talks about that specific plan?

ASSISTANT COMMISSIONER HARTMAN: They're paid as a result-- We perform a training service and charge for it, and the charge that we get pays for that.

ASSEMBLYMAN CIMINO: So it's a revenue that comes back?

ASSISTANT COMMISSIONER HARTMAN: It's a revolving account.

ASSEMBLYMAN CIMINO: In the plan submitted by President Weiner of the BPU, he has effectively submitted a plan which, I guess, eliminates some positions, as well. Is that an accurate-- Has he effectuated his layoffs yet?

ASSISTANT COMMISSIONER HARTMAN: He has issued the 45-day notice. He hasn't effected it yet.

ASSEMBLYMAN CIMINO: In his letter of December 18-- I'm not sure if this is a draft letter or this was his final letter; it doesn't really clarify it. It said, "It is my belief that employees will not bump other employees. I have previously offered you another position consistent with duties and responsibilities assigned to you." Now that was a letter going out to each employee. What did he mean by that?

ASSISTANT COMMISSIONER HARTMAN: I'm not really sure. We did not approve this particular letter. We sent back-- This gets back to why we don't want to go and say this is the final plan. We did not approve of this 45-day letter and, unfortunately, I don't have the other letter, but I'd be happy to get it to you as quickly as tomorrow.

ASSEMBLYMAN CIMINO: Can you tell us why it wasn't included in the packet of information?

ASSISTANT COMMISSIONER HARTMAN: This is the original packet that I grabbed when that was submitted. It's not the one-- Normally when we do this, we don't prepare a final package. We go back to them and say, "You have to do this," or, "You have to take that action." In other words, we don't take the plan and--

ASSEMBLYMAN CIMINO: I understand. Would you be kind enough to provide the Committee with the final 45-day layoff notice?

ASSISTANT COMMISSIONER HARTMAN: I'd be happy to. Yes.

ASSEMBLYMAN CIMINO: Byron, do you have any questions at this point?

ASSEMBLYMAN BAER: Well, just generally, going back to the questions relative to the demographic aspect.

I listened to your answer to Assemblyman Cimino, and you indicated that depending on how these layoffs were targeted, you could make some determinations, and you gave examples of areas of targeting where you felt there would not be any particular disproportionate impact on women and minorities. I noticed that you didn't give any examples where you thought that there might be any, in fact, or you would expect to have any impact, and that this whole area seemed to be surrounded by uncertainty because of the bumping and other things involved.

But I'm still puzzled why there has to be such uncertainty? Why it is that you haven't been able to identify areas where targeting might generate this concern? Why haven't you been able to project any types of models from which you could gauge some impact as to what happens through bumping? I noticed in subsequent answers your response was, in one particular area, that you thought the ultimate effect would be with clerk-typists. I'm wondering whether you had any thoughts about what the impact would be there?

I know I haven't raised a specific question here, but I'd like you to respond, if you could, as to why it hasn't been possible to get a better handle on this, or whether there has been any real effort to get a handle in advance and determine what likely outcomes might result; whether there's any concern about them; whether you feel this should have any role whatsoever in the planning process?

ASSISTANT COMMISSIONER HARTMAN: There are some areas, and I apologize for not giving both sides -- the flip side, as well, to the coin. If you were looking at a title series that involved clerk-typists and clerk-stenographers, ultimately, yes, the impact on the female population would be very high; the percentage would be extremely high. I'm sure there are

other title classifications where we could probably make the same statement. It is difficult without getting into a name-by-name distribution to see what that distribution would be in any title series relative to minorities.

I guess I have to say from-- It's going to sound somewhat cold, but it is a seniority-based system. So that in terms of applying it -- even to the extent that we now apply it -- it's somewhat blind. Have we done things in the rules to accommodate the impact on demographic groups? Not in specifics will you see them in the rules. Could we do something, and should we? We haven't really had too much experience. Should it be part? We can make it part. It's not a problem with that. If you take a look at the demographics -- and even in our premeetings with individuals, which we are still to go through for the majority of the Department -- we can address this issue.

The problem that I see is addressing the issue, and having no place left to go relative to the Department, saying, "This is where my priorities lie," or, "where I've decided my priorities will go," and knowing that we have to apply a seniority-based system. If there is an effect demographically that is not particularly good-looking, what do we do from that point? That's a problem that we face, and I don't have an answer for that, unfortunately.

ASSEMBLYMAN BAER: Well, I realize that there may be some dilemmas since it's a seniority-based system, but since this is a subject matter of some concern, I would think that you would want to, at the very least, develop a mechanism by which you could gauge, roughly, the potential impact of different policies and approaches. Then, at least policymakers at a higher level would have an opportunity to consider what the expected impact would be, and deliberate on whether or not there was anything that they wanted to, or could do, about it, as opposed to an approach in which the information only comes

out after the fact when all the decisions are made, and there are no decision-making options left.

And I wanted to ask -- knowing how ingeniously and thorough the planning process has applied to so many other levels -- whether or not you feel that it's within your capability to develop a way of roughly gauging these impacts in advance, so that policymakers are aware in advance of what's likely to happen and can at least consider this as part of the decision-making process, and the initial onset when they make decisions, and also, whether there are any supplemental actions that they would wish to consider relating to this that they might not even be considering, were they not aware where things are headed. Could you respond to the part of that in terms of whether you have the ability and desire to develop a way of gauging this roughly in advance?

ASSISTANT COMMISSIONER HARTMAN: Based on what you've just said, I would have to say yes. Yes, we can do that. We can start that as part of our process. Have we done it? No, we haven't done it. I know I didn't think of it. I don't know if anybody else in the process had thought of doing it until we came to this particular hearing. But, in terms of going out -- and most of the departments we have scheduled for procedural sessions-- Yes, we can bring that up, advise them that we do want them to take a look at this, assess the impact, and give us some indication of whether or not there's anything that can be done to lessen that impact. We can include that as part of the plan from this point on. Perhaps we can even go back and take a look and see if maybe it was addressed by individual departments. The only big one -- from the standpoint of size -- that has been submitted has been the most recent one that hasn't started their 45 days yet; that was Law and Public Safety. We have time to go back and review that question with them. Yes, we'd be happy to do that.

ASSEMBLYMAN BAER: Good. Well, I think it would be helpful if you would submit to the Chairman information relative to that since that's something you're going to be undertaking.

ASSEMBLYMAN CIMINO: Who's going to be supervising the layoffs? From the Department of Personnel, who is going to be the administrator or the supervisor of this broad layoff plan for the State?

ASSISTANT COMMISSIONER HARTMAN: I guess that falls on me. I supervise the unit within the Department that administers the layoffs.

ASSEMBLYMAN CIMINO: Let me ask you this: What's the total number of layoffs that have been affected by the three plans that effectively are before us? What's the total number of layoffs?

ASSISTANT COMMISSIONER HARTMAN: The total number of positions, I believe -- with permanent employees now; I'm not talking about some of the individuals who may be hourlies like in our own Department which we let go-- Let's say the permanent positions being abolished looks, to me, to be somewhere in the vicinity of about 490.

ASSEMBLYMAN CIMINO: Four-hundred-and-ninety so far.

ASSISTANT COMMISSIONER HARTMAN: Permanent positions. Now, only a very small portion of those have actually entered the final 45-day notice phase. One of them is getting close to it.

ASSEMBLYMAN CIMINO: In the opening statement, Commissioner, you responded that the administration had effectively-- I think you said that they had laid off-- They had hired 768, but had laid off 944--

DEPUTY COMMISSIONER KASSEKERT: Or, were not replaced.

ASSEMBLYMAN CIMINO: Were not replaced -- 944. How did you not replace 944 individuals?

DEPUTY COMMISSIONER KASSEKERT: They were positions that were either not filled positions where people left and there was a decision made not to fill-- I know the 768 number raised a great deal of concern. Those individuals that came on were part of the new administration. For example, the Governor was one of those individuals; he replaced another individual. The Commissioner of Human Services replaced another Commissioner. So, that is essentially where that 768 number came from.

In addition, a number of people left the past administration and we chose not to fill those positions. That was basically done on a department-by-department basis. The Department of Personnel did not oversee any of that. It just came through from each department.

ASSEMBLYMAN CIMINO: In terms of that, you submitted this document to us that's called -- and we appreciate this -- the "Unclassified Employees Hired During 1981 Through 1990." That document, if I understand it correctly, totals by year--

DEPUTY COMMISSIONER KASSEKERT: Right.

ASSEMBLYMAN CIMINO: Do you have a copy of that?

DEPUTY COMMISSIONER KASSEKERT: Yes, I do.

I'd also note that Acting Commissioner Bill Scheuer is here.

ASSEMBLYMAN CIMINO: Good morning. How are you, Bill? Good to see you. Would you care to come up and join Assistant Commissioner Hartman and Deputy Commissioner Kassekert? You're certainly welcome to.

A C T I N G C O M M . W I L L I A M G . S C H E U E R :
I'd like to apologize for being delayed, but there was a board meeting this morning.

ASSEMBLYMAN CIMINO: We understand.

This document, if I read it correctly, totals the number of unclassified employees hired from 1981 to 1990.

DEPUTY COMMISSIONER KASSEKERT: Yes.

ASSEMBLYMAN CIMINO: And if I understand it correctly--

ASSEMBLYMAN BAER: Who are still--

ASSEMBLYMAN CIMINO: These are people who are still on the State payroll.

DEPUTY COMMISSIONER KASSEKERT: Correct.

ASSEMBLYMAN CIMINO: And as of right now, we have 6025 unclassified workers?

DEPUTY COMMISSIONER KASSEKERT: Yes. Let me explain, first of all, the way that particular run was done, because there are all different ways of looking at the numbers. Our run we left out of that mix just for purposes of providing some information that was more easily readable. We left out the Legislature, for example. Those individuals are unclassified. We left out the judiciary, since the executive branch does not have control over whom the judiciary hires. In addition, we left out the State Police. So that list reflects those people in the 19 departments and BPU, excluding the Legislature, judiciary, and State Police.

ASSEMBLYMAN CIMINO: So in total, how many unclassified personnel do we have in the State?

DEPUTY COMMISSIONER KASSEKERT: Twelve-thousand-fifty-five.

ASSEMBLYMAN CIMINO: Twelve-thousand-fifty-five. Six-thousand-twenty-five then work for the executive branch of government -- absent the judiciary, State Police, and the Legislature-- They work for the executive branch of government.

DEPUTY COMMISSIONER KASSEKERT: Correct.

ASSEMBLYMAN CIMINO: In the course of the hire, as you look through the statistical data, 1990 is effectively the third highest year of hires under the unclassified. That's due to the change of administration?

DEPUTY COMMISSIONER KASSEKERT: Change in administration, yes.

ASSEMBLYMAN CIMINO: That's why the Florio administration had 768 hires?

DEPUTY COMMISSIONER KASSEKERT: Yes. I would also note, too, some of the individuals you may notice have titles next to them, and I would point out that unclassified does not necessarily mean-- It includes people such as teachers in State institutions and includes chaplains in health care facilities, so there's a whole gambit. I would point out that just because someone is unclassified doesn't necessarily mean that they are a project specialist, or don't have particular assigned duties.

ASSEMBLYMAN CIMINO: No, I understand that. What I'm trying to get a handle on is, how many unclassified people actually work for the State, and of that group, how many of them actually work in the executive branch, so that we can have some sense-- When, if I'm not mistaken, Beth and Henry were here at the last meeting, they told us that effectively the attrition rate in the State of New Jersey is approximately about 8% of the State payroll per year, so I'm just trying to put some perspective on the numbers with regard to that. (Chairperson consults with Assemblyman Baer)

Assemblyman Baer wants to know if that includes autonomous agencies, as well?

DEPUTY COMMISSIONER KASSEKERT: No, it does not.

ASSEMBLYMAN CIMINO: Do you have any idea of how many unclassifieds are in autonomous agencies?

DEPUTY COMMISSIONER KASSEKERT: They are not in our system. They are not in the PMIS system. They are each their own individual appointing authority, so we don't have records.

ASSEMBLYMAN CIMINO: So we really don't have a handle on how many people really work for the State of New Jersey. Agencies are part of the State. I mean, we give them a nice name, and we separate them for bonding purposes, but we really don't know how many people work for the State of New Jersey,

and get a government paycheck by virtue of State taxpayers or users of the State system.

DEPUTY COMMISSIONER KASSEKERT: That's correct. I will be honest with you, that's very correct. It's basically because we don't have any control over the appointments of those autonomous agencies that they are each their own appointing authority.

ASSEMBLYMAN CIMINO: On the list of project specialists that you were kind enough to submit to us, it appears that there are 404 project specialists in the State. It appears, unless I am incorrect, that the administration hired more project specialists last year than any year of the Kean administration, except one; that being 1988. Is that accurate?

DEPUTY COMMISSIONER KASSEKERT: Yes.

ASSEMBLYMAN CIMINO: Why?

DEPUTY COMMISSIONER KASSEKERT: I think largely we were entering a new era in government last year. We had a lot of new programs that came on. We use the project specialist title really as a short-term position in terms of having someone who has a specific project, who has specific funding. We look for ways to move these individuals. If these individuals should be in classified titles, we examine that in our Department. We carefully scrutinize every time there's any sort of request for a project specialist. I cannot speak specifically for each department. You might want to question them specifically in terms of their numbers, but generally--

ASSEMBLYMAN CIMINO: Let me tell you what I'm having difficulty with.

DEPUTY COMMISSIONER KASSEKERT: Sure.

ASSEMBLYMAN CIMINO: We hired a significant number of unclassified people, 768, and that was the third largest amount in the past 10 years. We hired the second largest amount of project specialists in the last 10 years last year, and yet we

did that when we were told in the Legislature that we were approaching a budget deficit of close to \$600 million, and we did that in light of a \$2.8 billion tax increase, \$1.4 billion of which went to balance this budget. So, I'm having difficulty understanding why we needed to hire so many people and now, the following year, we're looking at thousands -- probably the single biggest layoff contemplated by any level of government in this country in 50 years. I don't understand the dichotomy.

DEPUTY COMMISSIONER KASSEKERT: I would note, first of all, that the number of project specialists hired are included in the 768.

ASSEMBLYMAN CIMINO: So they're inside here?

DEPUTY COMMISSIONER KASSEKERT: Yes.

ASSEMBLYMAN CIMINO: Okay.

DEPUTY COMMISSIONER KASSEKERT: (Deputy Commissioner Kassekert consults with member of her staff) Okay. Maybe I can ask Tom Gillen--

T H O M A S G I L L E N: (speaking from audience) It's not necessarily true, Assemblyman, that it's the highest number hired in the past nine years. That 401 project specialists represent those who have been hired since 1981. There are even some who are still working today.

ASSEMBLYMAN CIMINO: These are new hires now, Tom, the 401?

MR. GILLEN: Four-hundred-and-one is the number that are working today, that were hired since 1981. The number of unclassifieds, 768, the prior number per year again are the ones that are represented today. We don't have a record of how many were hired by year that have since left, for example. So clearly, since the 786 are recent hires, it's unlikely that they would have left as soon as, perhaps, earlier unclassifieds who were hired in previous administrations.

DEPUTY COMMISSIONER KASSEKERT: I would also point out, as well, out of the 768, again, many of those were replacements. Many of those were commissioners who left and were replaced by another commissioner. The Governor replaced a Governor, so that it's not-- It shouldn't be taken in the context that we went out and hired 768 new people that were just immediately added on top of the payroll. Many of these were replacements.

ASSEMBLYMAN CIMINO: How many of these will now be eliminated? The Governor has now announced that 600 positions will go. How many of these 768, for instance, will go?

DEPUTY COMMISSIONER KASSEKERT: I do not know at this point. I know the Governor's Office is working on a plan. I have not been part of that process as of yet.

ASSEMBLYMAN CIMINO: When we approach-- I understand we are talking about in excess of 1000 positions.

DEPUTY COMMISSIONER KASSEKERT: That's what I read in the papers.

ASSEMBLYMAN CIMINO: Does that now mean-- What I'm trying to get a handle on is, we brought on 768 by virtue of filling-- We're talking about filling vacancies here, okay? I understand that. Then we now announce that 600 people are going to go. Three days later we announce that 1000 people are going to go. I mean, who are the 1000 people? Where do they come from? Were they recently hired by the administration? Are they longtime State employees? Where do these people come from?

DEPUTY COMMISSIONER KASSEKERT: I do not know at this point where they have come from. The Governor's Office, I believe, has formulated a plan for looking at the types of jobs people are doing; looking at where positions could be eliminated.

ASSEMBLYMAN CIMINO: Well, you know, my distress with all that is that I keep hearing, "Well, we don't know," "Well,

we don't know," "Well, we don't know." And I'm not finding fault with the Department per se about this. I mean, you are charged with the responsibility here, but we've got a lot of people in this State in a high level of anxiety, in a recessionary time, not knowing whether they're going to have a paycheck.

That's not just in the classified service. We're talking about unclassified service, and we're also talking about them not knowing whether they're going to have health benefits down the road. When do we tell the people of the State of New Jersey, as well as the adversely affected people, what the impact on their lives are?

DEPUTY COMMISSIONER KASSEKERT: I think the Governor's Office is attempting to accomplish this as quickly as possible. I know that they have contacted each of the departments to ask them to justify the unclassifieds within the department, and I'm sure that they are compiling that information.

ASSEMBLYMAN CIMINO: Let me move on and ask, how is it that you plan to manage these layoffs? How is it that you intend to do that, Bob?

ASSISTANT COMMISSIONER HARTMAN: For the first time since I've been with the Department-- I can go back to experiencing the biggest one that we've had that I can remember, which was in '74 and exceeded 1000. We had been involved in literally shutting operations down within the Department.

What we have done this year is put together a task force that actually resides in our building. Half of that task force are individuals from other departments -- from operating State departments -- and the other half are individuals that we have taken from areas that did not normally handle layoffs. So essentially what we have done, is compile a 35-person task force that will allow us to handle, under the new rules, just

about anything that comes down the pike relative to layoffs, without disturbing our day-to-day operations. We have two sides to that particular task force: One is to go through the administrative machinations of performing the layoff, and the second side of it is to try to accommodate some of those individuals -- or all of those individuals who ultimately get laid off -- in some type of process which would allow them to find out things about their reemployment rights generally -- where they might go to get an interview for a job outside the State, what happens to their health benefits, all of the things that could be addressed by individual departments, but might not be.

Even resume writing-- We're even getting into things like that, so we are actually in position and at the point where we have completed the training of the task force, and we are literally waiting for things to happen at this point. But the good news is that we will not be shutting down our own Department; the bad news is that these people will be doing the layoffs.

ASSEMBLYMAN CIMINO: When you talk about the reduction in force task force, is that what we're talking about?

ASSISTANT COMMISSIONER HARTMAN: Yes.

ASSEMBLYMAN CIMINO: Who's the chairperson of that?

ASSISTANT COMMISSIONER HARTMAN: The chairperson of that is a lone executive from the Department of Law and Public Safety. His name is Thomas Barber.

ASSEMBLYMAN CIMINO: He's going to chair the--

ASSISTANT COMMISSIONER HARTMAN: He chairs the task force, yes.

ASSEMBLYMAN CIMINO: And when you talk about the 35 people, from whence do they come? All from your Department?

ASSISTANT COMMISSIONER HARTMAN: Fifteen of them have been reassigned from divisions and units from our own

Department. The remainder have been loaned to us by the individual operating departments.

ASSEMBLYMAN CIMINO: Additionally, you've also indicated in that memo, that there's going to be a personnel advisory board. Now the personnel advisory board is to be represented by the Departments of Transportation, Agriculture, Environmental Protection, Labor, and Personnel. Would those be the departments that we're talking about, with the most substantive layoffs?

ASSISTANT COMMISSIONER HARTMAN: No. Those people have suggested -- they actually made the suggestion -- that we add another dimension to layoffs by putting together this group I referred to a minute ago, that actually is going to get in and talk to employees, counsel employees, and try to give them as much help as they can, as they exit State government. It has nothing to do with the departments they represent. They just happened to come forward and volunteer, and the commissioners were good enough to let them go.

ASSEMBLYMAN CIMINO: So, it has no-- I mean, we're not going to talk about a large number of layoffs in Transportation?

ASSISTANT COMMISSIONER HARTMAN: At this point we have no information on that. We have not had any pre-layoff meetings. We have not had any pre-30-day meetings with Transportation.

ASSEMBLYMAN CIMINO: If you've got to do all this in a-- I mean, we're talking about having this all done and in place for the budget for Fiscal Year 1992, are we not?

ASSISTANT COMMISSIONER HARTMAN: It's conceivable, but I don't know that every department will be in a position.

ASSEMBLYMAN CIMINO: How are you all going to be able to do this, when we talk about the massive number of people that we're talking about affecting here, in time for the budget

to be in place, and in time to let the Legislature know from a policy perspective that this is doable? How are you going to do that?

ASSISTANT COMMISSIONER HARTMAN: I believe it is doable with the task force that we have. Let me back up. The task force that we have in place is a first for us. This task force administers the layoff; they're not going to do it. The departments will do their own layoffs. We will administer the layoff for them. Let me differentiate. Differentiating between the two is that we did all of the administrative work prior to this. We did everything. We notified the people; we counseled the people; we talked to the people; we compiled the seniority. We did not have the option of doing that.

I might mention that we have had no experience, with the exception of five people in Agriculture, to take advantage of the automated employee system that we now have. All of the seniority listings done prior to what's going to happen were done manually. We now have in place an automated system which, with the help of the individual departments, will be done very quickly in terms of seniority.

We have been doing title rights. In other words, without a layoff, we have taken a series of titles and made decisions as to where those titles have lateral rights to, and where they have demotional rights to. We've been doing this for months in anticipation of something, so we are very much in place for being able to accommodate just about anything that can happen, at this point.

ASSEMBLYMAN CIMINO: How many people, Assistant Commissioner, are you going to have to notify to do this kind of a massive move? How many people in the government are you going to have to notify?

ASSISTANT COMMISSIONER HARTMAN: Well, I don't know what the actual-- As Linda said, I see different numbers in the papers. If we're talking 8000 people, conceivably we could

be notifying all of State government that are in classified positions, depending on where the layoff falls and how it falls. Up until this year and up until recent times, anytime the departments have a layoff, the easy piece with the 45-day notice was to use the scattergun approach. If you shoot at everybody then you don't have to worry about those that you wanted to hit that you forgot about.

There is a number-- If you were going to lay off below a certain level, you did not notify everybody. If you were going to lay off in a specific agency that has titles, that is very title specific, you would not have to notify everybody, but when you're talking about 8000, it is very difficult not to envision a lot of general layoff notices going out.

ASSEMBLYMAN BAER: Relative to some of these statistics, I had some questions. On the issue of unclassified, I'd like to ask whether there have been records-- Well I guess there have been records kept. I'd like, if you could provide us with records that would indicate the percentage of unclassifieds over this span of the last several years that we've been looking at, and how that has varied over the years. Have we been greatly increasing the percentage of unclassifieds in the State or in particular departments? What has been the trend there? Perhaps you can give that both in terms of numbers and as a percentage and also, perhaps, in terms of payroll expenses so we can see what that trend has been. Likewise, since the two categories are not identical, if you could give that, relative to project specialists?

DEPUTY COMMISSIONER KASSEKERT: I'm sorry, Assemblyman, I don't think we have the ability as our computer system currently stands to do that. We did not enter the PMIS system, which is the Personnel Management Information System, until 1987. So let me just check with Tom Gillen.

MR. GILLEN: (speaking from audience) That would be correct. The conversions for some departments such as Treasury, were not complete until 1988. So, we can't necessarily say, at this point in time, that prior to '87 and '88 there were "X" number of unclassifieds versus classifieds.

ASSEMBLYMAN BAER: Well, I understand that some of this may have been recently computerized, but I assume precomputers there were, nonetheless, management techniques involving paper that must have made it possible to keep track of something as fundamental as this, and to determine, at least as generic classes, percentage trends in numbers and in the amount of money going out. I assume that this would be fundamental to management to know what's going on. Wouldn't that be possible to derive from the paper records?

MR. GILLEN: Well, we get over 100,000 personnel transactions per year towards the agency's 70-some-odd-thousand State government employees, Assemblyman, and it would be, I imagine, somewhat onerous to try and go back and reconstruct unclassifieds to classifieds. We do have numbers on total numbers of State employees. We maintain that. The payroll system, I'm sure, could provide the total salary for State employees for at least 10 years. Beyond that we have some bargaining unit information, but not--

ASSEMBLYMAN BAER: But not broken down by classifieds or unclassifieds?

MR. GILLEN: Not since we've started our automated system.

ASSEMBLYMAN BAER: Throughout all these years through the prior administration there was never any maintaining of this fundamental information?

MR. GILLEN: It may have been in some annual reports, but--

ASSEMBLYMAN BAER: Excuse me?

MR. GILLEN: Excuse me. I believe it may have been in some annual reports years ago, but it has not been in all annual reports submitted by the Department.

ASSEMBLYMAN BAER: Well, if it was maintained years ago, why on earth was it discontinued?

MR. GILLEN: I've only been at the Department for the past few years, and, you know, I'm not really sure of the answer.

ASSEMBLYMAN BAER: You're not really exactly sure. Could you please look into this and try to find out why it was discontinued, and what records there are available without pouring through tens of thousands of individual personnel records? There must be some mechanism to get a handle on this. I'm really astonished. Now was that also true relative to project specialists, or have we got the ability to have a handle on this? It's amazing during this period of apparent huge growth there was no system of tracking this. Maybe the two are not unrelated. Maybe the huge growth was somehow connected to the fact that nobody in the system was aware of what was going on, or wanted to be aware. I don't know.

MR. GILLEN: I believe both the Personnel systems and the Treasury systems have had, over the past 10 years that I'm aware of, some limited to-store capability. The previous Personnel system prior to our new PMIS system, had very limited to-store capability. The payroll system, in and of itself, only keeps, I believe, two years of information on-line available at any one point in time. The rest is archived to tapes, and so forth. We are moving in a direction so that we may quote that information from now on, at least in the Personnel system, and we could provide '88, '89, and '90 information.

ASSEMBLYMAN CIMINO: Commissioner?

ACTING COMMISSIONER SCHEUER: Thank you, Mr. Chairman. I'm not sure I can add a whole lot of light to what

Tom's saying. He's accurate in that we don't have good electronic records that go back, and it might be a very insightful observation you made about the relationship. I'm not sure. I wasn't there then, but I do know that right now we're trying to keep a very accurate record of the unclassifieds, project specialists, and classifieds. And for the future, at least, those records will be available.

When you were talking, though, I was trying to remember just what was in annual reports. We were talking among ourselves here, and I think that we do have-- We might not have the payroll information; in fact, I'm pretty sure we don't. There might even be a gap in it. It might have been discontinued two or three years ago. But I remember old annual reports that showed the number of classified versus unclassified employees, and I think we do have that. I know we do have a complete set, that goes back to early times in the Department, of annual reports. And to the extent that we can access that information from them, we'll provide it to you, Assemblyman.

ASSEMBLYMAN BAER: Well, that would be very helpful, and I'm particularly curious about whatever you can dig up around the circumstances for the discontinuance of records--

ACTING COMMISSIONER SCHEUER: You've got me curious, too.

ASSEMBLYMAN BAER: --that would seem to be essential and very valuable, and, unlike individual personnel records, would not, because of their bulk, be necessary to archive.

Now let me ask you in terms of classifications that you use to differentiate between management level positions, or middle management, and levels of responsibility below that: What's the principal categorical system that you use to differentiate between, let's say, middle management and above, including above middle management, and that below? Is there some simple categorical standard? I've asked some other

sources and they've suggested monetary thresholds, but I assume there must be something other than that, that you go by. I wanted to ask that because I wanted to follow up relative to that.

ASSISTANT COMMISSIONER HARTMAN: One of the first thresholds that we hit is the difference between, I guess what we'll call, a line worker and a supervisor. The first distinction is a supervisor who is essentially someone who has the responsibility in the general course of his or her duties, to rate the performance of individuals. That's the first threshold. Beyond that, it is linked to compensation but not necessarily in the amount of dollars you make. It's linked to a number of items that are weighted to come up with a figure of compensation:

One would be the relative know-how that you must have in order to perform that function. Another would be your accountability. What is your accountability? Are you accountable to three levels down, or are you accountable directly to a commissioner? Are you accountable for a large budget, or are you accountable for a small budget? A third would be the relative degree of problem solving that would be required of you in the normal course of your duties. Those are the three main points that are considered.

ASSEMBLYMAN BAER: I can see that those three criteria, which each may measure a continuum of-- It could get pretty complicated. Can you suggest for me some threshold higher than the threshold between line worker and supervisor that is, perhaps, one of the easier to find major break points that you would use in categories, as opposed to the things that just follow a continuum gradually of greater responsibility?

ACTING COMMISSIONER SCHEUER: We wrestled with this problem, Assemblyman, on a number of issues, and there isn't a clean answer on it. It's not just the State of New Jersey that doesn't have a clean answer; Johnson & Johnson doesn't either.

It's real easy to pinpoint those people who rate the performance of other people at the one end of the supervisory spectrum, and you could say the Cabinet officers -- or the Cabinet officers and their assistants -- are the top management of the organization.

The big gray part, that you're probably most interested in, is the part that is hardest to rate. When we designed the Certified Public Managers Program, it was a bi-level program; one level aimed at the "supervisors," and the other aimed at the "managers." We were forced to define what we meant by "manager" there, and still, that wasn't a real clean definition. What we did do that might be helpful -- I'm not sure where you're leading -- is in defining them for Certified Public Manager purposes, we said a manager is somebody that not only has a group of employees under him or her, but also has responsibility for a budget, for very discreet objectives.

In other words, they might be responsible for the inspection program or the food distribution program at Agriculture -- if such a thing exists -- so they would have a total program under their control. They would have people under their control. They would have discretionary power with the budget, and essentially, the power to hire people and fire people, given some parameters. I mean it's not total flexibility, obviously. But that's how we defined them for Certified Public Manager purposes.

If you were to pick out a salary range -- and the State has most of the titles assigned a range -- you'd probably be looking at a range like thirty-five. It's not a real clean definition either, because in that, you have physicians and other people who are highly technical, who are up in that range because of the need to pay them a salary like that.

ASSEMBLYMAN BAER: All right. Well, that's helpful. I'd like to then follow up and ask a similar question relative

to these categories that I asked relative to the project specialists and unclassifieds so that we can get a handle on trends that have been occurring in past years -- whether there has been any shift in proportion between these different categories that you've defined here -- between the line worker, the supervisors, the managers, as you've defined them, above and below the salary range of \$35,000 perhaps, which you may or may not wish to adjust over the years with some inflationary indicator, if you wish to. That would be, also, very interesting to get a handle on what's been happening, because naturally, we're concerned if there has been a disproportionate swelling at the other levels. Obviously, that's what we're looking for. Did I say other or upper? I meant upper, anyway. We want to try to get a handle on this.

Another area that I'm interested in gaining an understanding on relative to the plans for achieving economies that have been submitted through layoffs, deferrals on increases, leaves, furloughs, all the different techniques that have been discussed here, and-- Let's see, somewhere in our material was a breakdown that indicated amounts to be saved totally. (consults with Committee aide) The total number of millions of dollars that would be achieved-- Oh yes, here it is. I guess this is something that we prepared internally.

But, I'm interested in your giving us information that would reflect a breakdown of savings, whether through attrition, early retirement, layoffs -- all the other different things -- broken down according to these categories that I've just been asking about. How much of it is going to be occurring at the management level? How much of it is going to be occurring at the supervisor level, the line worker, unclassified, project specialists, etc.? How much above and below \$35,000? And when I say how much, I'm not just interested in the dollar amounts, because I realize that these categories may, themselves, involve disproportionate amounts of

money but, also, express relative to the total amounts involved in those categories, the total budgets involved in those categories, so we can see whether the ax is cutting closer to the bone in one category than the other, even though we may be talking about a larger or smaller organism. That would be very helpful if you could provide that type of breakdown, through the Chairman.

DEPUTY COMMISSIONER KASSEKERT: In addition, Assemblyman, you may want to ask that question of Treasury, as well, since they formulate the budgets, and it might be better asked there.

ASSEMBLYMAN CIMINO: Let me spin to that for a moment, if I could, Byron?

ASSEMBLYMAN BAER: Yes.

ASSEMBLYMAN CIMINO: We've talked about layoffs; we've talked about the impacts of layoffs; we've talked about the savings. Has the Department been in any kind of dialogue with OMB?

DEPUTY COMMISSIONER KASSEKERT: In terms of numbers of layoffs, or in terms of the budget?

ASSEMBLYMAN CIMINO: In terms of the number of layoffs, in terms of savings accrual, anything? We asked some questions. We copied OMB. Did you, at all, work in dialogue with OMB on the questions that we asked?

DEPUTY COMMISSIONER KASSEKERT: No, we did not.

ASSEMBLYMAN CIMINO: You did not?

DEPUTY COMMISSIONER KASSEKERT: No.

ASSEMBLYMAN CIMINO: Would you not talk to OMB?

DEPUTY COMMISSIONER KASSEKERT: We've been working with OMB, in terms of some of the numbers, because there's been such a confusion in terms of the number of State employees. But yes, we would, under most circumstances, talk to OMB. We try to talk to them.

ASSEMBLYMAN CIMINO: Apparently the Civil Service positions were listed in the budget for a number of years. That policy was discontinued, I understand, about eight years ago. Would it not be to the administration's advantage to reinstitute that policy?

DEPUTY COMMISSIONER KASSEKERT: It's probably something that should be absolutely taken under consideration.

ASSEMBLYMAN CIMINO: But you do still keep a record of the Civil Service list? I mean, you still have a record of all the Civil Service positions?

DEPUTY COMMISSIONER KASSEKERT: Yes.

ASSEMBLYMAN CIMINO: You do. Okay.

Let me go back now to this issue of-- Why do you think it was taken out eight years ago?

DEPUTY COMMISSIONER KASSEKERT: To be honest with you, I have no idea. I wasn't around eight years ago. I don't know if anyone is here who has a historical perspective?

ASSEMBLYMAN CIMINO: Bob?

ASSISTANT COMMISSIONER HARTMAN: I'm not sure what you're referring to.

ASSEMBLYMAN CIMINO: Well, in the past Budget Messages, the budget object detail would, in fact, show the Civil Service and the number of authorized Civil Service positions each year. That was cut out approximately eight years ago. Why was that done? Any idea?

ASSISTANT COMMISSIONER HARTMAN: I think it's still in there. The number of positions associated with each activity, I believe, is still part of the general Message.

ACTING COMMISSIONER SCHEUER: It's part of the handbook, I know that.

T H O M A S P. G A L L A G H E R: (speaking from audience) It's in the big budget book, but not the small one that's passed out.

ASSEMBLYMAN CIMINO: It's not in the small book that's passed out?

MR. GALLAGHER: It's not in the small book that's passed out, but in the big book, the authorized positions are listed.

ASSEMBLYMAN CIMINO: You're sure?

MR. GALLAGHER: Yes.

ASSISTANT COMMISSIONER HARTMAN: Yes, it's in the handbook by activity--

ACTING COMMISSIONER SCHEUER: It's by activity within the department.

ASSEMBLYMAN CIMINO: So you have to actually go to the department and--

ACTING COMMISSIONER SCHEUER: You don't have to go to the department for it. It's in the general handbook.

ASSEMBLYMAN CIMINO: Let me go back to the question of-- You have three plans in-house, two of which you've shared with us, one of which you cannot share with us, okay? Now there are 16 -- maybe 16 departments of government under the new budget. There are 19 currently. Once you get a package in, you go through the time lines with us as to the length of time it takes to do something--

ASSISTANT COMMISSIONER HARTMAN: If the department has an indication that they are going to have to proceed with the layoffs, they would come in to us and say, "We would like to talk informally because we are anticipating putting together a plan." That could take place anywhere from 30 to 60 days out of submission of that 30-day plan. During that period of time we would be asking them to review their seniority listings. We would be asking them to meet with the respective bargaining unit heads, the unions. We would be asking them to start looking at the alternatives to layoffs, and anything that is a pre-layoff condition that they could effect, and actually involving them in procedural training for how to go about that;

giving them the benefit of what we have learned from the other departments, and essentially leaving it at that point.

We have a couple of things that we have developed we can leave. We have put together a videotape for them to view, to go over this in case they forget after we leave. We've done a number of things to get them ready. Seventy-five days in advance of the effective date -- that's the minimum; it could be more -- they are required to submit a 30-day plan. In that plan they give us a number of things, including whatever they did to avoid the layoff, and whatever they did as pre-layoff types of activities.

Normally they would have had a proposed general notice of layoff, which probably will not be part of that anymore since we pretty much designed one that comes across less harshly to employees, which they can use in a more general sense, and still satisfies the rules. In other words, they won't get title, unit, or person specific in their layoff.

Other things that we would be looking at, is for them to designate their final pick for liaison person, and essentially tell them basically what's needed. Tell them to identify who is going to be involved, what position is going to be involved, and identify for us what vacant positions they will agree to fill with some of the people that would normally have been laid off. In other words they'll dedicate positions and say, "We will be willing to fill them as part of the bumping process." That is submitted 30 days in advance of the effective date, minimal.

There is an option in the rules for the Commissioner of Personnel to waive some portion of that 30-day plan. It has not been done as of this point. Frankly, we've only had one request from a department -- which goes back some amount of time when the Federal budget was in jeopardy -- when Gramm-Rudman was expected to kick in on a Monday, and we were leaving on a Thursday or Friday night: Would it be possible to

do that if a layoff did occur? That did not happen, so we didn't do it. That kind of thing we'd have to, obviously, give some consideration to. But other than that we have not had any requests to waive that 30-day period.

At the end of that 30-day period, or during that 30-day period, we would go back to the department with any discrepancies we found, anything we did not agree with, and advise them to accommodate what we had advised them to do. At the end of that period, the general notice -- 45-day layoff notice -- would go out to individuals. During that 45-day period, we would then be looking at and compiling the individual title rights, the lateral bumping rights, and the demotional bumping rights of individuals who are actually being affected, by name. We would accumulate all of the rights to those individuals and we would also identify the individual who ultimately leaves the service.

ASSEMBLYMAN CIMINO: Bob, let me back up one second.

ASSISTANT COMMISSIONER HARTMAN: Yes, go ahead.

ASSEMBLYMAN CIMINO: You need 30 to 60 days to look this all over?

ASSISTANT COMMISSIONER HARTMAN: Well, 30 days is the plan. We need 30 days to have a final plan--

ASSEMBLYMAN CIMINO: Now is that 30 within the 75 or--

ASSISTANT COMMISSIONER HARTMAN: Yes. That 30 is within the 75. The 30 preceding that is informal and can happen at any time.

ASSEMBLYMAN CIMINO: All right, I'm sorry. I didn't mean to interrupt you. I was confused.

ASSISTANT COMMISSIONER HARTMAN: Once we're in the 45-day period, we're actually identifying what happens to you, and what your rights are relative to lateral and demotional bumping. At least 10 days before the effective date, you are notified of exactly what those rights are as an individual. And during that period, you can now get into two things, like

selecting the job site that you will be willing to work at -- that is, the geographical location -- and at that point it works on least senior, and the individual who is the least senior, unfortunately, walks. That would be effectively on the 45th day. The 46th day, everybody that is affected would be expected to assume new duties or whatever duties had been laid off. Now, it does not have to happen on that 45th day. It has to happen, I believe, within 120 days of that 45-day notice. Once that period is over, and unless an extension has been granted, it will happen, but you can extend it out. If you do not meet certain limits, then you can start the process all over again.

ASSEMBLYMAN CIMINO: So, again I go back to-- So then we're talking about a capsule of time of about 75 days--

ASSISTANT COMMISSIONER HARTMAN: Seventy-five days is the point where things are official.

ASSEMBLYMAN CIMINO: --where things are official? So that means if today you began layoff plans with these departments, effectively the people in those departments would not really know anything until probably around May 1, if we took a 75-day period of time.

ASSISTANT COMMISSIONER HARTMAN: That's correct. They would not know the effect on them as individuals, yes.

ASSEMBLYMAN CIMINO: And it may stretch out to-- I'm sorry, Commissioner, you wanted to add something?

ACTING COMMISSIONER SCHEUER: I was just going to say on this, backing down from the 75th day, that's the fastest time possible. You're going through the 45-day period. During that 45-day to zero they will know that they're affected, and they're the one that's going to be out of a job.

Yes?

ASSISTANT COMMISSIONER HARTMAN: Maybe I mislead. It has to be at least 10 days before the end of that 45-day period, but in many cases, you're going to know after that

45-day period -- within a few weeks -- exactly the effect on you, because you have to make choices.

ASSEMBLYMAN CIMINO: I guess my dilemma is what the choice becomes for the Legislature? I mean, we've now begun to compress the time in which the Legislature, which should have a significant period of time to talk about formulation of policy, and people are policy-- I guess the concern becomes: To what extent does the Legislature have enough time to react to what is going to occur when we talk about this kind of massive layoff, and to what extent the Legislature is going to be able to work in an appropriate time frame in terms of documentation with the budget?

You're telling me 75 days minimum. You're also saying at the other end, it may very well be 120 days before people would have to assume those positions. If we live by that scenario, we are past the start of a new budget year, and the Legislature hasn't had an opportunity to digest and understand the implications.

ASSISTANT COMMISSIONER HARTMAN: If you are talking about an effective date of July 1, without any preliminary meetings with the departments, you would have to get inside this process in the first few weeks of May. Now that does not allow us any time. That's an effective date of July 1, say. That's 45 days backwards.

ASSEMBLYMAN CIMINO: Bob, how do you handle the rush when it comes? I mean, we're talking about 19 departments of government. We're talking about one of the most massive corporations in the world. How do you handle this rush?

ASSISTANT COMMISSIONER HARTMAN: We're talking about 19 departments participating with us, as well.

ASSEMBLYMAN CIMINO: I'm sorry?

ASSISTANT COMMISSIONER HARTMAN: Those 19 departments are also going to be participating with us in this endeavor. I mean, we have a task force inside there's also-- The web goes

out in 19 directions; folks out there that are going to be doing the same thing with us. But, without the final budget figure, it almost seems like somewhat of a catch-22. Many of the departments did not know the final budget figure at this point. Until you know that, I would assume your plans cannot be finalized in terms of what it is that you may be forced to -- or you may want to recommend for a cut. So there's a very small window in there in which to work.

ASSEMBLYMAN CIMINO: When do people look at losing paychecks under this scenario?

ASSISTANT COMMISSIONER HARTMAN: If you're talking about next year -- affecting it in next year's budget -- then the department, a given department or agency, must effect the layoff from the first day of that fiscal year. They must do it then. That's the date that you're looking at. Now that is not to say that an 8% cut in the salary account of a department will necessitate them laying off people on the 1st of July. They may have salary moneys to carry them through under that 8% up until a portion of them -- or all of them -- up until September, say, until the next quarter. But it doesn't necessarily mean that everybody walks on July 1, I wouldn't think.

ASSEMBLYMAN BAER: By the way, if I might interject? By May, normally, Appropriations Committees have voted their budgets, you know -- when you talk about the time squeeze on this problem -- which very rarely get changed after that point.

ASSISTANT COMMISSIONER HARTMAN: And that hasn't occurred yet, even. That's true, yes.

ASSEMBLYMAN CIMINO: Well, I want to thank the Department for coming in today. I appreciate the length of time and the sincerity and the forthrightness with which you've answered our questions.

The only thing I would say in conclusion to the Department -- and we'd like to reserve the right to call you

back, if we may, as this thing unfolds -- is that it appears to me, with all due respect, that there are a lot of unanswered questions. There are a significant number of instances where people are going to be affected here, and it doesn't appear to me that we have thought this through completely as to what the adverse impacts are on the people, in terms of who the employees are and the delivery of service. I would only hope, inasmuch as we can, that that is thought through even clearer.

I don't envy the task in front of the Department of Personnel, particularly when it's being considered for consolidation. I don't envy you. I think you've got probably the most difficult job within this government if you are to appropriately effectuate what the alternatives to layoff rules are -- do this in an appropriate way, and not adversely affect people in a rush to judgment.

So, I would hope we could call you back. I want to thank you for taking the opportunity to come in. We'd like to call you back at the point where we talk about early retirements and when we talk about consolidation, in particular as it affects your Department.

Commissioner, Deputy Commissioner, Assistant Commissioner, thank you.

Byron, any comments?

ASSEMBLYMAN BAER: No. Thank you very much. I'll be looking forward to that information. I know I asked for a number of things to be put to the Commissioner. Most of them are very specific in terms of numbers. But I want to emphasize on this question of the discontinuance of information, of collect keeping this information, I'm also particularly interested to have you submit to the Chairman when that decision was made and who made that decision.

Thank you.

DEPUTY COMMISSIONER KASSEKERT: We'll try to trace that.

ASSEMBLYMAN CIMINO: Thank you, very much.

Next, we'll hear from Mr. Pursell from CWA.

R O B E R T W. P U R S E L L: Assemblyman Cimino, Assemblyman Baer, again, thanks for the opportunity of addressing your forum.

Let me just preface my comments by saying that it's very difficult for us under the circumstances, after having supported Governor Florio's political career for 15 years. I'm just going to make a general political statement. We now find ourselves having to go into a severe battle with the Governor. You know, he talks quite a bit about "priming the pump" of the economy, and the massive numbers of layoffs of State workers that are being talked about literally rips the plumbing out from under that pump. To the extent that he believes that he's going to revive the economy, given the recession that we're in, by laying 10,000 of our members-- It's rapidly becoming a pipe dream; that he'll be able to "prime the pump" that way.

What I want to do is go through some of my points in the written testimony and hit on some responses to some of the presentation from this morning.

It's further difficult because we have some personal relationships with Bill Scheuer and others in the administration, and we're now finding that we have to set aside some of our personal relationships. The labor organizations, as a whole, are rapidly shifting to protecting its membership, and I think you're going to be seeing in the next few months that to the extent that it was ever taken for granted, that the labor movement was an appendage to the Democratic Party-- You're rapidly seeing that come to a close if these contract concessions and layoffs are forced upon the rank and file that we represent.

You would think that the administration would have provided us with relevant data concerning the layoffs. Unfortunately, to date, we have not received much information

concerning the layoffs that are being contemplated or some of which are taking place. We have had some discussion with the Board of Public Utilities. Unfortunately, Military and Veterans' Affairs, to the best of my knowledge, has not contacted the union about their plans for layoffs. The Department of Law and Public Safety has not contacted us. We have a meeting set up with them Thursday morning, where we have learned through the grapevine -- which is unfortunately where the bulk of our information comes from these days -- that 500 workers are going to be announced for layoff.

Now, today, we heard that the 30-day plan has been submitted to the Department of Personnel. I don't believe that's been produced, and I believe there might be some interesting information in that that should be shared with the labor unions since the administration is not sharing that with us.

Our contract between the State and the union requires that the administration provide us with relevant data concerning layoffs as far in advance as possible. I think what we're finding is that our contracts are not being complied with. The Administrative Code, as well, requires that any consultations with the appointing authorities be documented in their 30-day plan, submitted to the Department of Personnel. It's going to be interesting to see how these 30-day plans address what consultation, if any, they've had with these unions. We would like to see the administration, through the Department of Personnel, advising and urging the various appointing authorities to consult with the labor unions about their plans.

We've had a chance to review some of the material that has been submitted to your Committee. I believe that what we're finding is-- First of all, we find it distressing that statements are made in the cover letter to you that privacy and other concerns dictate against divulging information concerning

layoff plans. As I believe you noted, it was almost an event when 10,000 layoffs were announced. I was at a press briefing where Doug Berman actually couldn't even contain himself putting forth the administration's plans for downsizing government and putting people out of work. Yet now, when we need the relevant data concerning what kind of plans they have, all of a sudden, privacy and other concerns dictate against releasing that information to the unions and to the Legislature and to the communities who are going to be affected by this as well. It's not quite clear what other concerns they have in mind.

The list of unclassifieds that was presented to the Committee, unfortunately, is not in a format that is very useful. First of all, it contains the names of rank and file union members who are unclassified by statute; they're either teachers, professionals in the Department of Education, or doctors. What I would suggest is that the Committee, instead of asking for a list of unclassifieds, request a list of names, titles -- the title code is important because that tells you what type of work people are supposed to be performing -- payroll numbers, check distribution numbers, and what status these people currently have, as well as the date of hire for all managerial executive employees and exempt employees. That would give you -- and I would not limit it to -- the period between 1981 and the present. I think what you need is the general picture as to how big the unrepresented work force is, and that would enable you to look into the vast number of positions that were created under the Kean administration years, where layers of bureaucracy in management levels were created that probably are the areas that should be looked at now in properly downsizing government.

You know, it's sort of -- in our view -- hypocrisy on the part of the Florio administration to be publicly talking about how proud they are of downsizing government, and at the

same time prior to coming to this meeting, Bill Scheuer, who is also a member of the Merit System Board, was at a meeting of the Merit System Board and approved the creation of four more confidential assistant positions at quite exorbitant salaries. And if you'll look through that testimony that's in front of you, since December 1990, 15 confidential assistants and confidential secretary positions were created at a total salary of \$802,000. To that, you add another 30% on as fringe benefits. Here you have in the last month-and-a-half, when the deficit was at its worst level ever, the administration creating another \$1 million in salaries and benefits for positions that you'd have to question as to why these positions are being filled. You can see through the list that you'll recognize some of the names, and there are currently 72 confidential assistants and 56 confidential secretaries throughout government. This is another area of expanding bureaucracy that you'd have to question in light of the Governor's purported commitment to downsizing government.

One other area that needs to be looked at with the confidential assistants and secretaries is: Title 11A, when it was passed in '86, prohibited the appointment of more than one confidential agent or secretary per employer. Yet here, on this list alone, you see three for the Department of Environmental Protection and three for the Department of Transportation. I'd like to see the rationale that is being used to create all these confidential assistant and secretarial positions, and compare that against the statute to see whether or not the statute is being violated.

It was mentioned earlier that contract concessions are being sought. It's not quite clear just how that contributes to the downsizing in government. Taking away raises that were negotiated in good faith, and decimating a standard of living for the remaining State workers, hardly contributes to the downsizing of government. I should point out that our unions

already lost 2500 members through attrition, and it seems that the bulk, or the burden of balancing the budget is falling on the ranks of the unionized work force. While an announcement has been made to remove somewhere around 1000 management or unclassified positions, I think you're right in asking for a list to see just who they are considering eliminating.

Again, I think you're going to find -- and the press release from the Governor's Office supports this -- that many of those people on that list are going to be union members -- unclassified members that we represent; not the elimination of project specialists and other management positions that should be targeted.

The Department of Personnel claims that they're going to be able to administer massive numbers of layoffs under their existing structure. They've created a 35-member task force. By the way, I think it would be useful to see a list of the names and titles of the people that serve on that task force, to see just how the resources are being developed. It's also interesting to note that the union -- none of the unions were asked to provide input into the formation of this task force. To the extent that we're all parties in this, I believe it's kind of hard to fathom why the labor unions have not been sought out for their input into how alternatives to layoffs and pre-layoff actions should be put together and administered.

Based on our past experience with the Department of Personnel administering layoffs, I believe it is highly unlikely that they're on top of any of this; that if you ask for a list of the appointments in the managerial and exempt categories with the date of hire, you're going to find significant errors -- probably 60% to 70% error rates -- in the dates of hire for those employees.

I don't think the data base that they're using, and it's unfortunate that millions of dollars have been appropriated to the Department for developing the computer

system-- It is a tragedy, that after all these years of pouring money into developing a computer system, we can't even get an accurate list of the provisional employees we represent, and their dates of hire. Any list that we are provided by the Department of Personnel has no dates prior to 1986. They don't know, or they don't have accurate dates, as to when provisional appointments were effectuated. I just find it extremely hard to believe that if they're laying off people with 25 years of service, that they're going to be able to anywhere near construct an accurate seniority list to properly administer the layoff rights under Title 11A and 4A, chapter 8. And, I believe--

ASSEMBLYMAN CIMINO: Let me ask you something, Mr. Pursell. You obviously represent New Jersey. The Communications Workers of America represents a number of other states. Do they represent other states?

MR. PURSELL: Yes.

ASSEMBLYMAN CIMINO: Have any of the other area representatives or State level representatives experienced this kind of reduction in force previously?

MR. PURSELL: No, nowhere near it. We've never seen anything like this proposed or intended to be implemented. The scale of this is, the magnitude is just-- It's almost ludicrous to think that it could ever be implemented as they envision it.

ASSEMBLYMAN CIMINO: How much of the State work force works here in Mercer County? As a representative of--

MR. PURSELL: Well, we don't have access to the management and exempt employees. We have close to 11,000 members in and around the Mercer County area, so how many of them actually work in Mercer County-- I believe we have about 11,000 living in the Mercer County area.

ASSEMBLYMAN CIMINO: And that would not include those who would not be represented by the union. That would not include unclassified service or project specialist people, as well.

MR. PURSELL: Right. There are thousands more.

ASSEMBLYMAN CIMINO: There are thousands more.

MR. PURSELL: The impact on the economy is going to be devastating.

ASSEMBLYMAN BAER: Can I follow up? Just in terms-- Since your experience involves other states, have you encountered in other states record keeping problems of this magnitude?

MR. PURSELL: You know, I have enough trouble keeping on top of what we're doing in New Jersey. We have a meeting taking place down in Washington where we're compiling that information. I don't have that readily available. I would imagine the record keeping is not as significant in those other areas, but I don't know. I haven't heard it raised as a problem in those areas when I have had discussions.

ASSEMBLYMAN BAER: And what about the relative growth of project specialists and the proportion of that, or their equivalent terminology in other states?

MR. PURSELL: In other states? I have no information about that.

Where I was leading is, the Department of Personnel is not going to be able to handle layoffs of the magnitude that are being talked about here. And we have confirmed, through a number of sources, that under consideration is an attempt to, either through emergency regulation or some kind of fiat, declare a state of imminent peril and abrogate the seniority provisions under Title 11A and Title 4A, the Administrative Code that implements Title 11A -- chapter 8 is the layoff rules -- and just lay off people wholesale without regard to their seniority. Frankly, for layoffs of this magnitude, they would

have to begin now in order to accomplish layoffs as of July 1, the timetable that they were talking about. Our experience is that at best, an employer can do maybe 20 or 25 interviews -- 30 at the max -- of employees a day, advising them that they are being affected, and that they have rights to bump into the least senior position. Just calculating by, you know, regular math, you're not going to be able to lay off thousands of people, if it takes a day to go through the interviews for 30 people. We have some very serious concerns that the layoff rights that we fought long and hard for -- and were put into place after the lengthy hearings on the Administrative Code -- are about to be thrown out the window, and the seniority provisions of our members are just going to be decimated.

ASSEMBLYMAN CIMINO: Well, Mr. Maurer assured this Committee at the original hearing that the rules that are in place are the rules that will be followed by this administration. If there is a move to abolish those rules through imminent peril, I don't know what the imminent peril is, inasmuch as everybody saw this coming. I mean, as I understood the discussion, there was acknowledgement that there's been some discussion along these lines, that, in fact, three departments have submitted formal plans. So we are led to understand in the Legislature, that, in fact, the existing rules -- alternatives for layoffs -- are what will be followed.

MR. PURSELL: Yes, and Doug Berman also stated that they intend to abide by the layoff rules. However, it's very disturbing to discover behind-the-scenes discussions taking place at the Cabinet level, of their intent to declare an imminent peril and just abrogate the seniority positions of our members. So I think it needs to be kept in mind.

ASSEMBLYMAN CIMINO: The Committee will write to the Governor and ask him if that is the intention of the administration, again, so that we can get clarity.

MR. PURSELL: That would be good.

Not much was spent on the proposals to consolidate, first of all the Department of Personnel under the Department of the Treasury. We'd like to go on record as opposing that, and while there will be the proper opportunity to discuss that -- under whatever forum is established to discuss that -- I have to note that in that consolidation plan that was put out by Brenda Bacon, one of the boards that was recommended for elimination was the Labor Advisory Board. A number of the unions, some of which are present here, sit on that Board along with me, and frankly, not one of us was talked to about whether it should be eliminated, or whether it was a good idea. It's very disturbing, you know. You sit on a Board, and you find out through a press release, that a Board that has been fairly productive and served the purposes under the statute that it was created for, is slated for elimination.

You know, it's just another example of how the administration is just running roughshod and trampling the information processing that normally should be taking place. Yet, you have the project specialists, and Andrew Weber, when he was Commissioner of Personnel, on July 26 last year, issued a memorandum that indicates the criteria for establishing and maintaining project specialist positions. Frankly, I don't think any of the positions currently being occupied by people in project specialist titles meet the criteria under his own memorandum, yet hundreds of those project specialists continue to be employed at a time when it would be best if they were separated as soon as possible from the payroll, to save, in many cases, vast amounts of salary that are being expended.

The criteria are: The positions have to be established for one year or less. Here you have admission that 400 of them have been in existence since 1981. Right there, 400 of them don't meet the criteria under the former Personnel Commissioner's directives. The second criteria is, they have to be totally funded by grant moneys. Is there any

understanding, among you, that all of these project specialists are funded by grant moneys? I think you're going to find very few of them are funded by grant moneys. The third criteria is that no other appropriate title exists for them to be classified under. You have a system right now where there's 9000 job titles in existence. It's very inconceivable that out of 9000 job titles, they can't find an appropriate title and place those who perform a useful function in one of those appropriate job titles.

I'm going to just close by saying I think that what we're witnessing is the failure of the Civil Service Act of 1986. There is, in our opinion, no way that the Department of Personnel can administer massive numbers of layoffs in the amounts that they're talking about. As you're aware, we're going to be fighting extremely vehemently to ensure the full funding of the collective bargaining agreements that were negotiated in good faith and signed by Governor Florio, in our case less than 10 months ago.

We will viciously fight cutbacks in health benefits. The CWA in New York took a four-and-a-half month strike with the NYNEX Corporation over health benefits, alone. We will not stand by and see an additional \$1200 in health care costs shifted to the backs of the work force. When you look at that, it's a very regressive cost shifting because lower paid people are, percentage-wise, affected the worst by the cost shifting.

And the same with the pension shifts. The pension benefit has existed for over 25 years. We will viciously fight the gutting of our wage and benefit packages that we currently enjoy. At the same time, we will work, bending over backwards, with the committees, and the Legislature, to ensure that alternatives to these cuts and wage concessions are found.

I believe there are numerous ways that the budget can be balanced without the regressive proposals that the Florio

administration has advanced. We stand ready and willing to work with the Legislature to ensure that there's a fair funding of the budget this year.

Thank you.

ASSEMBLYMAN CIMINO: Bob, a question: Seventy-five days goes forward, layoff effectively is to become permanent. What avenue is open to the CWA at that point?

MR. PURSELL: Well, as I said earlier, during the layoff hearing process we fought very hard to ensure that alternatives to layoffs and pre-layoff actions are implemented prior to the layoff of any permanent employee. Frankly, I don't think you're going to be able to convince us that they've taken every step possible under the books to ensure that alternatives to layoffs have been put into place, and that pre-layoff actions have taken place. Frankly, when you see a million dollars worth of confidential assistants put on the payroll, at a time--

Some of these departments are affected. At Health, we got a notice the other day that 30 of our members are going to be laid off April 28, yet they have enough funds to put a \$55,000 confidential assistant on the payroll. We will fight with the various appointing authorities to ensure that alternatives are exercised prior to the exiting from the door of any one of our members. I don't know whether that's going to entail fighting with them to remove project specialists or whoever, but the first step is for them to sit down and meet with us.

Now, as I said, Thursday we sit down with Law and Public Safety. If they intend to eliminate 500 jobs, I think what we're going to be arguing is that 138 of them better be Deputy Attorney Generals, because that's how many they hired in the last four years. And you can't tell me that in the last four years, there's been a need to hire another 138 lawyers in the Attorney General's Office. I think we're in for some major

battles with the administration if they think we're going to sit back idly, and let rank and file workers be put out of work while these high paid attorneys, project specialists, and Senior Executive Service appointees are either continued on the payroll, or in some cases, expanded on the payroll.

You know, just in the Senior Executive Service, you're now beginning to see conversion of the senior executive service appointees back to their previously held titles. Frankly, I don't know what kind of procedure they're using to convert them back to their previously held titles, but I'll bet you it doesn't entail a cut in pay for those people who took -- and in many cases got -- \$5000 bonuses going into the Senior Executive Service. I'll bet you they're retaining that money and going back to their previously held permanent titles. Frankly, there's something wrong with a system that allows highly paid management people to go back and forth, getting raises and other perks, while rank and file members are expected to take wage concessions and suffer the pangs of layoffs.

ASSEMBLYMAN CIMINO: What happens to the SES who's been in a SES job, and the title that they are in is abolished? What happens to them?

MR. PURSELL: I don't know. That would be a question better asked of Bill Scheuer who is, from my understanding, charged with developing a plan for returning the SES people back to their previously held titles. Or, in the case of titles that were abolished, I would imagine that if it was one of our members, they'd be forced to take a demotion into their last previously held permanent title that still exists. It'll be interesting to see what happens with that.

ASSEMBLYMAN CIMINO: Thank you very much.

MR. PURSELL: Thank you.

ASSEMBLYMAN BAER: Thank you.

ASSEMBLYMAN CIMINO: Is there anyone else who wishes to come before the Committee? Mr. Philippi?

D O N A L D R. P H I L I P P I: Good afternoon, Mr. Chairman, members of the Committee. My name is Donald Philippi, Business Manager for Local No. 195, International Federation of Professional Technical Engineers, representing some 8000 operation, maintenance, and crafts employees. With me is Nicholas DeFuria, the President of Local No. 518, Motor Vehicle Service employees International Union, whose group of some 680 employees is due to be laid off.

The most important thing that was said at this hearing this morning, was said by you, Mr. Chairman. And that is, "Nobody's worried about the feelings of the employees." Let me tell you, I was here during the '74 layoffs, and I wasn't sitting in an ivory tower like Bob Hartman. I was in with the people getting laid off. People get sick, all right; they get distressed; the morale is down. Nobody's even talking about that. Most important, he's talking 80,000 layoff notices have to go out.

Let me tell you, plenty of people in this State, and in your district, are plenty worried and it's more than just about the money, all right? I don't see them have one counselor, not one counselor, all right? Did he even mention that he got a counselor, or the team in the Department of Labor -- the team they send out to plant closings and other things? I don't know their exact name, but I know it's a team they have and it's a small staff of four people.

But, don't they care about their workers? That's what I'm seeing. They don't care about them; nobody who would do these things cares. And we've seen some serious cases of sickness during the period of layoffs. I think that's one of the most important things that you mentioned. What happens to the employees? How do they feel? What happens to their families? How do they feel?

The second thing is: I happened to be at the Merit Board meeting this morning, you know, and the height of-- As

Robert Pursell mentioned, somebody in Community Affairs appointed a \$55,000 confidential aide, and another one in the Department of Transportation, \$71,000. That probably would save three of my employees. My people, some of the women that clean these buildings, and the guards, are due to be laid off. You know, four more confidential appointments and-- When they tell you that they're going to touch the higher people, they're not doing it. They're not touching the higher people. Who's gone? Right now I could tell you that we've been told probably 150 jobs are going to go in Law and Public Safety. What Bob said is right. There are 600 lawyers over there in Law and Public Safety, and they didn't have one who could meet with the unions. They had to go out and pay \$250 an hour for Mr. Dorf. So what do you need all those lawyers over there for, if you go out and hire an outsider?

Now I won't be too long. There are just a few other things. There's a report out on the SES. I only have one copy here. I think you should ask for a copy of this. But I can just tell you briefly that some of the numbers-- They are, in fact, returning back to some of the spots they came for, and there's been maneuvering, even amongst them to swing them into different slots and different departments. But the figures they give, as of December 3, 1990: 14 participating departments, 554 positions, and 493 employees in the SES. There's a whole report you should look at.

I just want to say a few words on the proposed consolidation of the Department of Personnel and the Department of the Treasury. We strongly oppose -- and all the unions that are in the Public Employee Council that met oppose -- the power play they're trying to do. If anything, we would rather see a bill put in to have-- First of all, let me tell you why, all right? Always, the Department of Civil Service, no matter what things have been done, there's always been some kind of a neutral, all right? People from the outside go up there and

they ask questions about getting jobs, taking tests, and so forth. If that went ever out-- If they're having that authority of being somewhat neutral with the employees and with management-- We're dealing with the other department going to Treasury that's going to be a regulation-making department just like any other department, and it'll be buried in there. Maybe that's where they want them to be buried. But we strongly oppose it. We think that there's many good things being done, and I'd like to see other things, in fact, merged in with them to build a stronger department. I just hope that something like that might take place.

The other thing was -- I happen to be on the Labor Advisory Board with Bob. We were very resentful the way Brenda Bacon presented that report, and took us off the Board. We did a hell of a lot of good things, this Board, for the workers of this State; a lot of good things, in making the rules, in protecting the workers. We do it at every meeting. Tom Murphy from the PBA serves on there with us and Pete Smith from the fire fighters, and we do a lot of good work. And we aren't interested in a free lunch, if that's what they're worried about. In fact, the last letter I got we told them, "Don't buy us a free lunch, if you're so worried. We'll buy our own lunch. We didn't ask you to buy us a lunch. We'll buy our own lunch." But, not to come to us and somebody say, "Hey, you know, why are they going to do away with the Board? What do you guys do on a Board? Nothing; just eliminate the Board." And really, under the statute, they really couldn't do it. So I don't know what their attempt was, anyway.

The last thing, Nick DeFuria is with me from Local No. 518, and there have been some serious moves over there within the last week to make the public get mad at the workers, purposely. All right? They reduced us about Deptford, and if nothing, it was one of the best regional centers and, in fact, a model where the people of South Jersey could go and get a

number of transactions done. Now they have to come to Trenton. In Freehold, they reduced the staff down, and they did it in Wayne, up in the northern area. And in Eatontown, they just spent almost a million dollars for a new facility they now say is not going to open. I mean this is like the Human Services Department paying for empty space. I mean, who's watching the store? So, we just want to let you know, if the calls come in from the public, and they get mad at the workers, it's not the workers that made that decision to reduce Deptford, reduce Wayne, to not open Eatontown. Nick will explain this for a few minutes. They've got another proposal supposedly to cut down the lines, and it's not going to do it, which has to do with their lunch break.

Nick, do you want to speak?

N I C H O L A S D e F U R I A: Yes. What they're proposing now is a three-hour lunch break which would mean 63 layoffs of our people. By going with a three-hour lunch they're going to lay off 63 people. I have a meeting on Thursday, and that's when they're going to tell us about this. They figure around March 15, sometime in March, 63 of our people will be laid off. And, by laying off 63 people, you're going to create longer lines because our personnel is short the way it is now. Laying off these additional 63 people is going to create longer lines. The public is going to get mad at us, like during the summer when they cut the budget, and we had these long lines.

They're also asking our people to give up all these benefits just until their demise in July. Why should we do all this? If we're going to go out in July, you're asking us to give up benefits, work harder, give up our break time? For what reason? You know, all they're going to do is create more sick-outs, because our membership is ready to use their sick time. You're going to have more sick-outs. You're going to have longer lines. The public's going to come down on everybody. There's no reason for it.

EPA supplies millions of dollars for new equipment. In the past, DEP bought all our analyzing machines. Now they get millions of dollars and instead of buying the analyzers, they want to go private. A private company isn't going to do it as cheaply as we do it. All we need is, instead of cutting us down with the employees, give us more employees, and we'll do it. There won't be any lines. The public will be happy. We'll be serving the public.

MR. PHILIPPI: I just want to thank you and your Committee, Mr. Chairman, for looking into these matters. I think you're bringing many things to light for the citizens of New Jersey. Thank you.

ASSEMBLYMAN CIMINO: Thank you, both, very much.

MR. DeFURIA: I'd just like to say, I don't have the experience that Mr. Philippi's got. I'm new at this. I just want to thank the Committee, and especially you. I think you're doing a good job, a great job. From what I hear and see out there, I think you're doing a wonderful job. Thank you.

ASSEMBLYMAN CIMINO: Thank you for coming before us today. We appreciate it.

That will conclude today's hearing. We will announce at some future point when the next one will be with regard to the issue. Thank you, everyone, for coming out today.

(HEARING CONCLUDED)

