

**GOVERNOR'S  
MANAGEMENT  
REVIEW  
COMMISSION**

**WORK FORCE REDUCTION**

**September 14, 1990**

## GOVERNOR'S MANAGEMENT REVIEW COMMISSION

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THE HONORABLE JIM FLORIO  
GOVERNOR  
STATE OF NEW JERSEY



STATE OF NEW JERSEY  
OFFICE OF THE GOVERNOR

**GOVERNOR'S MANAGEMENT REVIEW COMMISSION**

**JIM FLORIO**  
GOVERNOR

CN-001  
TRENTON, NEW JERSEY  
08625

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**HOWARD J. WILLIAMS**

**MEMORANDUM**

**TO:** Members, Governor's Management Review Commission

**FROM:** Michael J. Scheiring *[Signature]*

**DATE:** August 28, 1990

**SUBJECT:** Work Force Reduction

The Governor's Management Review Commission in its deliberations has discussed the need to establish an institutionalized process to continually focus on the work operations of state government and the functions performed by the state's personnel.

At the Commission's May meeting we reviewed the present growth of state government from 1978 to 1988 which showed an increase of 24% over this 10 year period from 62,613 employees in 1978 to 78,217 in 1988 (attachment 1). The Commission also examined the growth of state employees by Department which illustrated the employee increases and decreases that had occurred (attachment 2). The Center for Public Affairs noted in its February, 1990 Focus Issue that New Jersey's state government work force grew by 19.6% from October of 1980 to October of 1988. It noted that New Jersey growth rate in state employees was at a higher rate than the average state growth rate nationwide of 16% for the 50 states.

The Center for Public Affairs further noted that the Commonwealth of Pennsylvania had reduced its full-time equivalent workforce by 1.4% during this period. Our review of Pennsylvania's efforts indicated that this was accomplished through attrition and a systematic effort to eliminate unfilled budgeted positions. In addition, as positions became vacant they were required to provide justification for their continuation. Pennsylvania's efforts resulted in the elimination of more than 13,000 positions.

Members, Governor's Management Review Commission

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August 28, 1990

Controlling the growth of state employees and reducing the number of state positions is critical to any effort to insure an economical and effective state government in New Jersey.

Treasurer Berman in his August 15, 1990 memorandum to the cabinet (attachment 3) has initiated a review of excess state positions to identify vacant positions for abolishment. The elimination of excess positions that do not have funding authorization is a prudent action that will aid to control personnel growth and costs.

Commission staff, in discussions with the Department of Personnel, have discussed the need for an on-going review of all positions that become vacant to determine the continuing need for the position and the functions that it performs. Commissioner Weber has suggested that a Work Force Evaluation Board should be established as an on-going mechanism to examine the estimated 7,500 position vacancies that occur annually. This Board would provide a systematic on-going examination of the functions, work-load and need for state positions. It is estimated that a 4% reduction of positions through this on-going review could potentially eliminate 3,000 positions over a three year period at a savings including fringe benefits totaling \$172 million.

This proposal was discussed with the Governor and he has requested the Commission to determine its viability and merit.

The Governor's Management Review Commission staff concurs with the proposal to establish a Work Force Evaluation Board with the caveat that the review must be completed within thirty days to insure unwarranted delays in filling positions.

In our judgement this is a prudent and employee sensitive way to manage and reduce, where warranted, the state's work force.

MJS/sem-134

Attachment

**STATEWIDE EMPLOYEE COUNT REPORT,  
DEPARTMENT OF THE TREASURY - PAYROLL REPORT  
FALL QUARTERLY REPORT**

<u>FULL TIME EMPLOYEES</u>	<u>STATE FUNDED</u>	<u>FEDERAL FUNDED</u>	<u>PRIVATE FUNDED</u>	<u>FULL TIME TOTAL</u>
1988	64,145	12,303	1,769	78,217
1987	61,737	12,078	746	74,561
1986	60,146	12,405	487	73,038
1985	58,003	12,390	471	70,864
1984	55,518	11,911	498	67,927
1983	53,794	11,789	808	66,391
1982	52,461	13,509	757	66,727
1981	49,346	16,761	734	66,841
1980	48,357	17,702	557	66,616
1979	47,133	18,902	555	66,590
1978	46,343	15,768	504	62,613







STATE OF NEW JERSEY  
DEPARTMENT OF THE TREASURY  
OFFICE OF MANAGEMENT AND BUDGET  
CN 206  
TRENTON, NEW JERSEY 08625-0206

JIM FLORIO  
GOVERNOR

RICHARD F. KEEVEY  
DIRECTOR  
AND STATE COMPTROLLER

DOUGLAS C. BERMAN  
STATE TREASURER

TO: Commissioner  
Director of Administration  
Chief Personnel Officer

FROM: Douglas C. Berman, State Treasurer

DATE: August 13, 1990

SUBJECT: Reduction of Position Complement Consistent with  
Authorization to Staff

BACKGROUND

A Full Time Employee (FTE) target represents the number of paychecks an organization can afford to issue to full time employees based upon available salary resources. It is synonymous with authorization to staff or funded positions.

Spending reductions recently imposed upon agencies hiring coupled with program changes over the years have resulted in many organizations currently having significantly more positions than they have authorization to staff.

Maintaining an excess of positions is bad Budget practice, limits proper fiscal controls, creates false expectations with regard to hiring, and increases monitoring and system operation costs.

POLICY/PROCEDURE

Therefore, I have directed OMB to review each agency's staffing authorization (FTE) in relationship to its position complement to eliminate excess positions.

The objective of this Position Review Project is to reduce an agency's position complement to 107 percent of its staffing authorization. Additional adjustments will be made for employees on leave and for certain special service employees. This seven percent cushion will provide your agency with adequate flexibility to process personnel and position transactions.

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This process will be implemented in stages by department over the summer/fall of 1990. The process will be as follows:

- o Position listings will be generated for each target unit and position types requiring reduction.
- o In cases where an agency has excess state positions, the following logic will be applied at the account number level: Abolish all temporary positions, before considering abolition of budgeted position. If there are vacant budgeted positions, transfer employees from a temporary position into a vacant comparably titled budgeted position and eliminate the temporary.
- o OMB will send the listing to the Appointing Authority to allow them to indicate which positions are to be abolished.
- o OMB will review the listings with the Agencies and recommend which vacant budgeted are to be abolished. These will be abolished during the fall/winter of 1990 and will appear in the Position Reconciliation Report issued in February 1991.

dma






STATE OF NEW JERSEY  
DEPARTMENT OF PERSONNEL  
ANDREW WEBER, COMMISSIONER  
CN 317  
TRENTON, N.J. 08625

August 13, 1990

M E M O R A N D U M

TO: Governor Jim Florio  
FROM: Commissioner Andrew Weber   
SUBJECT: Reduction in Workforce

In order to provide for a thorough review of any and all positions vacated in State government, and with an eye towards providing for greater economy and efficiency, I am recommending the establishment of a Workforce Evaluation Board. This Board, as is the case with the Salary Adjustment Committee, would consist of myself, the OMB Director and a representative of the Governor's Office. As you know, the SAC process has been extremely successful in holding down the number of increases in salaries for certain employees. With the same diligence, this Board could be just as successful in reducing the workforce.

On the average, 7,500 positions become vacant for various reasons during the course of any year. The Workforce Evaluation Board will be charged with the review of these vacated positions, with a goal toward eliminating those not essential to the operation of State government thus providing for substantial savings.

Additionally, I propose that this Board review all existing vacant positions using the same criteria prior to determining whether these positions are necessary and as a precondition to allowing departments to hire new employees.

The reduction in the number of State employees through this initiative would be significant. Attached you will find a chart illustrating projected reductions of 2%, 4% and 6% (1,500; 3,000; and 4,500 employees respectively). In addition, the savings derived from this initiative would be considerable. Potentially, under this reduction plan, the State would realize a three year savings of \$86,163,750; \$172,327,500 and \$258,491,250 respectively.

Governor Jim Florio

August 13, 1990

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Reduction in Workforce - (cont'd)

Implementation of a review/evaluation procedure, as proposed, would ensure that decisions to hire and/or continue position complement would be based on personnel management, classification, organization, workload and impact criteria in lieu of indiscriminate reduction of the workforce by establishing numerical targets. In addition, in the review/evaluation process, layoffs, establishment of bumping rights and other associated problems are avoided. Crucial programs or positions would be reviewed and could be granted exemptions. The number of employees would be reduced gradually (but significantly) allowing departments to adjust based on priorities. The Department of Personnel would work closely with each of the departments to provide coordination and guidance in this effort.

A similar initiative was created by then-Governor Kean in 1982. Known as the Vacancy Review Board, it was charged with reviewing positions vacated only as a result of retirement. Because of this and because there was no incentive to reduce, the success rate in cancelling these vacated positions was very low (in 1989, only 7 positions, or 1% out of 672 retirees reviewed, were cancelled). The Workforce Evaluation Board would have a much wider scope, since it would review positions vacated due to termination, resignation, retirement or any other reason.

A similar proposal, which would have expanded the powers of this Vacancy Review Board, is also pending in the Legislature. A-3288 (Franks)/S-789 (Zimmer) provided for the review of all vacancies in State government with an eye towards elimination, reclassification or a transferring of positions.

Another measure introduced in the Kean Administration was the creation through OMB circular of the Employee Review Board. This board was in existence for a one-year period (1988 to 1989) to review exemptions for new hires under the hiring freeze. This board is no longer in existence. It never properly functioned, partly due to its membership and mostly due to the lack of incentive and leadership required to reduce the workforce. I anticipate, however, that this newly created Board will be as successful as the present Salary Adjustment Committee in carrying out your initiatives to reduce the costs of government.

Governor Jim Florio  
August 13, 1990  
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Reduction in Workforce -(cont'd)

I would recommend that the establishment of the Workforce Evaluation Board be best accomplished through Executive Order (draft attached). This Executive Order would establish the Board and set out clear responsibilities. The Department of Personnel would be charged with developing the necessary procedures to effectuate the purposes of the Order. I would also recommend that all existing vacant temporary positions in the various departments, which are not funded, be eliminated.

These efforts must occur concurrently so as to ensure that the growth of State government is controlled and subjected to continued indepth review and evaluation.

I believe this initiative would offer an immediate opportunity for substantial savings and a real reduction in the number of State employees. It is clear that if the workforce is to be reduced, while maintaining a high level of acceptable operational service, it cannot be through the budget process alone, as such decisions must and should be qualitative as opposed to quantitative. I welcome your thoughts and comments and, if appropriate, would be happy to assist you in this endeavor.

AW:LMK:cnw  
Attachment

## APPENDIX

- Separations from State Employment - FY '90
- Separations from State Employment - FY '89
- Advantages
- Three Year Savings Projection
- Draft Executive Order
- Exemptions
- Sample Titles for Exemptions



SEPARATIONS FROM STATE EMPLOYMENT DURING FY 1990

DEPARTMENT	RETIRED	DIED	LAID OFF	OTHER *	RESIGNED GOOD STANDING	RESIGNED NOT IN GOOD STANDING	REMOVED **	RELEASED AFTER TEST PERIOD	TERMINATED ***	TOTAL	TOTAL ACTIVE EMPLOYEES	PERCENT OF TOTAL EMPLOYEES SEPARATED
AGRICULTURE	4	1	0	2	8	0	0	0	8	23	241	9.54%
OFFICE OF ADMINISTRATIVE LAW	0	0	0	1	8	0	1	1	14	23	183	12.57%
BANKING	5	0	0	2	1	0	0	0	3	11	148	7.43%
COMMUNITY AFFAIRS	14	0	0	10	30	0	2	0	37	83	1048	8.87%
CASINO CONTROL COMMISSION	3	0	0	0	5	0	0	0	21	29	485	5.88%
COMMERCE & ECONOMIC DEVELOPMENT	10	0	0	3	7	0	0	1	40	61	181	33.70%
CORRECTIONS	61	16	0	153	203	25	73	13	161	705	9924	7.10%
PERSONNEL	5	0	0	1	9	1	0	0	15	31	523	5.93%
MILITARY & VETERANS AFFAIRS	20	8	0	58	67	16	3	8	40	218	1474	14.79%
EDUCATION	27	0	0	2	41	2	0	3	110	185	1318	14.04%
ENVIRONMENTAL PROTECTION	31	8	0	54	170	1	1	1	26	282	3905	7.48%
GOVERNOR'S OFFICE	1	0	0	0	1	0	0	0	117	119	202	58.91%
HIGHER EDUCATION	70	12	0	87	152	18	10	5	84	438	3658	11.35%
HEALTH	25	5	0	13	51	0	0	0	28	122	1707	7.15%
HUMAN SERVICES	268	63	0	438	1148	260	74	60	497	2808	23493	11.95%
INSURANCE	4	3	0	0	12	0	1	0	18	38	438	8.68%
LABOR	71	17	0	74	97	5	0	2	36	302	4274	7.07%
LAW & PUBLIC SAFETY	163	19	0	56	282	2	5	7	243	777	9486	8.19%
PUBLIC ADVOCATE	8	3	0	39	2	0	0	0	31	83	1058	7.84%
PUBLIC BROADCASTING AUTHORITY	0	1	0	9	2	0	0	0	18	30	212	14.15%
BOARD OF PUBLIC UTILITIES	1	2	0	3	23	1	1	0	18	49	392	12.50%
STATE PAROLE BOARD	0	0	0	0	4	0	0	0	10	14	185	8.48%
STATE	5	1	0	2	17	1	0	1	35	62	318	19.50%
TRANSPORTATION	102	13	0	15	111	8	8	0	26	281	5462	5.14%
TREASURY	89	14	14	71	184	11	3	8	87	458	5638	8.14%
GRAND TOTAL	967	186	14	1083	2633	349	182	108	1723	7253	76144	
PERCENT OF TOTAL (%)	13.33%	2.58%	0.19%	15.07%	36.30%	4.81%	2.51%	1.48%	23.76%			

\* DISCONTINUATION OF PROBATIONARY APPT OR INCOMPLETE WORKING TEST PERIOD  
 DISCONTINUATION OF SES APPOINTMENT  
 MASS SEPARATION  
 TRANSFER TO AN AGENCY OUTSIDE OF PMIS

\*\* FOR CAUSE

SEPARATIONS FROM STATE EMPLOYMENT DURING FY 1989

DEPARTMENT	RETIRED	DIED	LAID OFF	OTHER	RESIGNED GOOD STANDING	RESIGNED NOT IN GOOD STANDING	REMOVED	RELEASED AFTER TEST PERIOD	TERMINATED	TOTAL
AGRICULTURE	9	0	0	4	15	0	1	0	11	40
OFFICE OF ADMINISTRATIVE LAW	0	0	0	0	6	0	0	0	15	21
BANKING	3	0	0	1	4	0	0	0	1	9
COMMUNITY AFFAIRS	16	6	0	21	31	1	2	0	31	108
CASINO CONTROL COMMISSION	1	0	0	0	4	0	0	0	11	16
COMMERCE & ECONOMIC DEVELOPMENT	5	0	0	1	5	0	0	0	33	44
CORRECTIONS	58	17	0	125	182	35	98	5	152	672
PERSONNEL	9	0	0	8	15	0	0	0	11	43
MILITARY & VETERANS AFFAIRS	29	4	0	55	85	22	1	3	46	225
EDUCATION	24	6	0	6	47	0	0	1	100	184
ENVIRONMENTAL PROTECTION	32	3	0	60	177	12	4	2	37	327
GOVERNOR'S OFFICE	1	0	0	0	0	0	0	0	27	28
HIGHER EDUCATION	96	10	0	3908	183	20	9	6	232	4464
HEALTH	11	0	0	21	70	2	4	0	65	173
HUMAN SERVICES	357	66	0	537	1255	373	132	56	557	3333
INSURANCE	5	0	0	2	7	0	0	0	8	22
LABOR	79	8	0	13	97	5	3	3	19	227
LAW & PUBLIC SAFETY	148	26	0	155	303	23	9	3	276	943
PUBLIC ADVOCATE	10	2	0	56	5	1	0	0	35	109
PUBLIC BROADCASTING AUTHORITY	0	1	0	1	7	0	0	0	26	35
BOARD OF PUBLIC UTILITIES	5	4	0	4	15	1	1	0	11	41
STATE PAROLE BOARD	0	1	0	0	5	1	0	0	5	12
STATE	0	0	0	10	35	4	0	1	25	75
TRANSPORTATION	118	11	0	43	143	35	11	0	47	408
TREASURY	59	13	0	96	206	18	8	0	37	437

GRAND TOTAL	1075	178	0	5127	2882	553	283	80	1818	11996
PERCENT OF TOTAL SEPARATIONS	8.96%	1.48%		42.74%	24.02%	4.61%	2.36%	0.67%	15.18%	

\* includes 3822 employees of Higher Education removed from central systems due to autonomy



### ADVANTAGES

The creation of this Board to examine and decrease the workforce in a coordinated fashion has a number of advantages over the usual methods for accomplishing a reduction.

- o Mandates a significant and constant reduction in the workforce;
- o Centralizes control regulation and coordination with OMB and the Governor's Office as opposed to decentralization among many;
- o Allows for prioritization of programs and services by permitting the departments to work with the Board to shift and reassign personnel;
- o Eliminates problems associated with a layoff, including bumping, a decrease in the actual amount of money saved over the anticipated, the concerned expressed by unions;
- o Provides for a more "humane" review, since vacancies will be eliminated only after the employee leaves State government;
- o Alleviate problems such as those experienced by DMV;
- o Provides for decisionmaking in a personnel management environ, including classification, organizational and workload criteria; and,
- o Through the Department of Personnel's extensive advisory board system, provides for needed contact and input by the various units of government, including personnel officers and representatives of labor.

### THREE YEAR SAVINGS PROJECTION

6% REDUCTION IN EXECUTIVE BRANCH EMPLOYEES	NUMBER OF POSITIONS ABOLISHED	AVERAGE SALARY	TOTAL SALARY	FIRST YEAR SAVINGS	SECOND YEAR SAVINGS	THIRD YEAR SAVINGS	TOTAL SALARY SAVINGS	TOTAL SAVINGS INCLUDING FRINGE BENEFITS
FIRST YEAR	1,500	\$30,000	\$45,000,000	\$22,500,000	\$45,000,000	\$45,000,000	\$112,500,000	\$143,606,250
SECOND YEAR	1,500	30,000	45,000,000		22,500,000	45,000,000	67,500,000	86,163,750
THIRD YEAR	1,500	30,000	45,000,000			22,500,000	22,500,000	28,721,250
THREE YEAR TOTALS	4,500	\$30,000	\$135,000,000	\$22,500,000	\$67,500,000	\$112,500,000	\$202,500,000	\$258,491,250

4% REDUCTION IN EXECUTIVE BRANCH EMPLOYEES	NUMBER OF POSITIONS ABOLISHED	AVERAGE SALARY	TOTAL SALARY	FIRST YEAR SAVINGS	SECOND YEAR SAVINGS	THIRD YEAR SAVINGS	TOTAL SALARY SAVINGS	TOTAL SAVINGS INCLUDING FRINGE BENEFITS
FIRST YEAR	1,000	\$30,000	\$30,000,000	\$15,000,000	\$30,000,000	\$30,000,000	\$75,000,000	\$95,737,500
SECOND YEAR	1,000	30,000	30,000,000		15,000,000	30,000,000	45,000,000	57,442,500
THIRD YEAR	1,000	30,000	30,000,000			15,000,000	15,000,000	19,147,500
THREE YEAR TOTALS	3,000	\$30,000	\$90,000,000	\$15,000,000	\$45,000,000	\$75,000,000	\$135,000,000	\$172,327,500

2% REDUCTION IN EXECUTIVE BRANCH EMPLOYEES	NUMBER OF POSITIONS ABOLISHED	AVERAGE SALARY	TOTAL SALARY	FIRST YEAR SAVINGS	SECOND YEAR SAVINGS	THIRD YEAR SAVINGS	TOTAL SALARY SAVINGS	TOTAL SAVINGS INCLUDING FRINGE BENEFITS
FIRST YEAR	500	\$30,000	\$15,000,000	\$7,500,000	\$15,000,000	\$15,000,000	\$37,500,000	\$47,868,750
SECOND YEAR	500	30,000	15,000,000		7,500,000	15,000,000	22,500,000	28,721,250
THIRD YEAR	500	30,000	15,000,000			7,500,000	7,500,000	9,573,750
THREE YEAR TOTALS	1,500	\$30,000	\$45,000,000	\$7,500,000	\$22,500,000	\$37,500,000	\$67,500,000	\$86,163,750

NOTE - FRINGE BENEFITS CALCULATED AT 27.65% OF SALARY

DRAFT

WHEREAS, New Jersey State Government is committed to promoting the efficiency and effectiveness of its workforce; and

WHEREAS, positions in State Government become vacant each year through retirement, resignation, employee movement, or a variety of other means; and

WHEREAS, positions which are vacated should be systematically reviewed to consider their continued need and proper classification to ensure appropriate utilization of resources; and

WHEREAS, procedures should be established to effectuate such a review process;

NOW, THEREFORE, I, JAMES J. FLORIO, Governor of the State of New Jersey, by virtue of the authority vested in me by the Constitution and laws of the State of New Jersey, do hereby ORDER and DIRECT:

1. A Workforce Evaluation Board is hereby established to review the duties of and continued need for positions in the Executive Branch of State Government that become vacant to determine

whether these positions should be eliminated, continued, reclassified or transferred. The Board shall establish guidelines and procedures necessary to implement this process.

2. The Workforce Evaluation Board shall consist of the Commissioner of Personnel, the Director, Division of Budget and Accounting, and a representative of the Governor's Office, or their respective designees.

3. The Workforce Evaluation Board shall be located in the Department of Personnel and that Department shall provide necessary personnel and assistance to the Board.

4. All agencies of the Executive Branch of State Government are directed to cooperate fully with the Workforce Evaluation Board to effectuate this Order and to provide information and documentation as required to the Board.

5. Executive Order No. 10 (1982) of Governor Thomas H. Kean and any subsequent executive order issued in conjunction therewith are rescinded, and any regulations adopted and promulgated thereunder shall be null and void.

6. This Order shall take effect immediately.

SEPARATIONS FROM STATE EMPLOYMENT DURING FY 1990

DEPARTMENT	TOTAL SEPARATIONS	SEPARATIONS EXEMPT UNDER PROPOSED BOARD	POSITIONS AVAILABLE FOR ABOLISHMENT	TOTAL ACTIVE EMPLOYEES
AGRICULTURE	23	0	23	241
OFFICE OF ADMINISTRATIVE LAW	23	0	23	183
BANKING	11	0	11	148
COMMUNITY AFFAIRS	93	0	93	1048
CASINO CONTROL COMMISSION	29	0	29	495
COMMERCE & ECONOMIC DEVELOPMENT	61	0	61	181
CORRECTIONS	705	143	562	9924
PERSONNEL	31	0	31	523
MILITARY & VETERANS AFFAIRS	218	141	77	1474
EDUCATION	185	3	182	1318
ENVIRONMENTAL PROTECTION	292	0	292	3905
GOVERNOR'S OFFICE	119	0	119	202
HIGHER EDUCATION	438	0	438	3859
HEALTH	122	4	118	1707
HUMAN SERVICES	2808	1604	1204	23493
INSURANCE	38	0	38	438
LABOR	302	0	302	4274
LAW & PUBLIC SAFETY	777	1	776	9486
PUBLIC ADVOCATE	83	0	83	1058
PUBLIC BROADCASTING AUTHORITY	30	0	30	212
BOARD OF PUBLIC UTILITIES	49	0	49	392
STATE PAROLE BOARD	14	0	14	165
STATE	62	0	62	318
TRANSPORTATION	281	0	281	5462
TREASURY	459	10	449	5638
GRAND TOTAL	7253	1906	5347	76144

## SAMPLE TITLES EXEMPT FROM PROPOSED BOARD

TITLE	NUMBER OF SEPARATIONS
HEAD NURSE 12 MONTHS	134
PRACTICAL NURSE	133
SENIOR FOOD SERVICE WORKER 12 MONTHS	214
YOUTH WORKER	73
SENIOR YOUTH WORKER	8
HUMAN SERVICES ASSISTANT	655
HUMAN SERVICES TECHNICIAN	74
COTTAGE TRAINING TECHNICIAN	175
COTTAGE TRAINING SUPERVISOR	34
SENIOR PROGRAM THERAPY ASSISTANT	22
	1522

\* THIS REPRESENTS 80% OF SEPARATIONS WHICH WERE EXEMPT



**1979-1986**

# **Reducing the Cost of State Government**



**A Report on Cost Reductions  
to the  
Taxpayers of Pennsylvania**

**COMMONWEALTH OF PENNSYLVANIA**

**DICK THORNBURGH  
GOVERNOR**

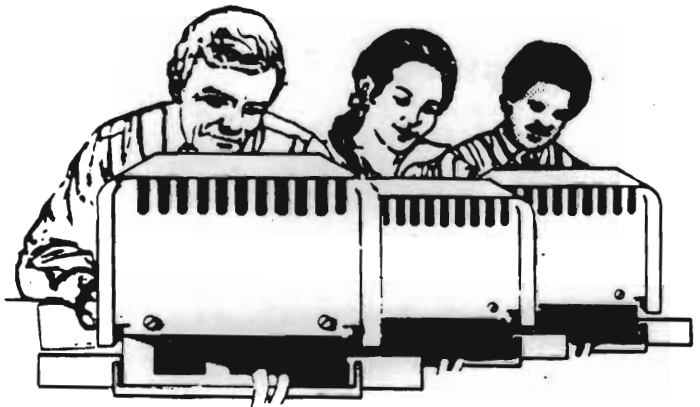
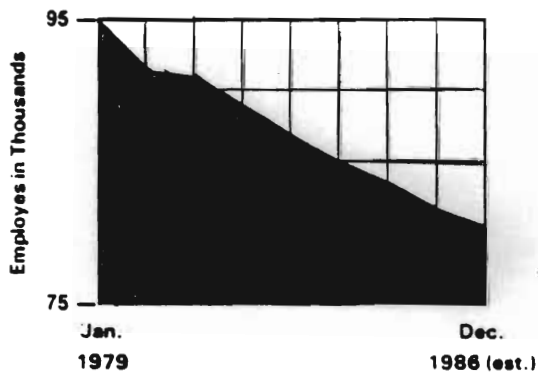
# **\$1.6 Billion**

## **IN**

# **PERSONNEL SAVINGS**



**94,866 employees**  
**January 1979**



**80,500 employees**  
**December 1986 (est.)**

As of January 1986, the state salaried work force has been reduced by 13,281, or 14%, since 1979. It is expected to be 80,500 or less by December 1986. The Thornburgh administration has accomplished this by the divestiture, consolidation and reorganization of agencies, programs and facilities and by the increased use of computers, word processors, etc. to achieve maximum efficiency and productivity without reduction in essential services.

## PERSONNEL

Since 1979, personnel costs to the Commonwealth have been reduced by a cumulative total of \$1.6 billion. This is equal to about 60 percent of the annual collections of the personal income tax.

Most of this saving has resulted from the elimination of more than 13,000 unnecessary filled salaried positions in state government, most of them by attrition.

In some cases, the positions became unnecessary because obsolete and underutilized state institutions were closed. These included youth development centers, state mental hospitals and regional offices in various departments whose functions could be performed more efficiently out of a central office.

In addition to the elimination of unnecessary filled salaried positions, state agencies have been required to provide more and better justification for the filling of vacancies, in contrast to the longtime practice of virtual automatic filling of vacancies and of carrying unfilled but budgeted positions on the overall state personnel complement.

The effort to reduce personnel costs is continuing, including a program to divest the Commonwealth of its general hospitals and to turn those institutions over to private or community organizations.

Further personnel cost reduction has resulted from:

- A concentrated effort to reduce sick leave use and to restrict overtime pay.
- Greater use of the Commonwealth's self-insurance program.
- Establishment of an automated leave accounting system by the Office of Administration; and
- Labor negotiations with public employee unions in 1985 which produced contracts which cut back on the number of state holidays and on the amount of annual leave time granted to new employees and which held pay raises within the projected rate of inflation. The elimination of the primary and general election days as state holidays did away with the need for a midweek shutdown of all state offices, helping improve productivity and providing more continuous service to the public.

