

ANALYSIS OF THE NEW JERSEY FISCAL YEAR 2001 - 2002 BUDGET



DEPARTMENT OF PERSONNEL

PREPARED BY

OFFICE OF LEGISLATIVE SERVICES

NEW JERSEY LEGISLATURE

APRIL 2001

NEW JERSEY STATE LEGISLATURE

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DEPARTMENT OF PERSONNEL

Budget Pages..... C-11, C-19; D-369 to D-374

Fiscal Summary (\$000)

	Expended FY 2000	Adjusted. Appropriation FY 2001	Recommended FY 2002	Percent Change 2001-02
State Budgeted	\$32,828	\$29,735	\$29,735	0.0%
Federal Funds	170	0	0	—
<u>Other</u>	<u>0</u>	<u>3,703</u>	<u>3,753</u>	<u>1.4%</u>
Grand Total	\$32,998	\$33,438	\$33,488	0.2%

Personnel Summary - Positions By Funding Source

	Actual FY 2000	Revised FY 2001	Funded FY 2002	Percent Change 2001-02
State	413	424	432	1.9%
Federal	0	0	0	—
<u>Other</u>	<u>11</u>	<u>11</u>	<u>14</u>	<u>27.3%</u>
Total Positions	424	435	446	2.5%

FY 2000 (as of December) and revised FY 2001 (as of September) personnel data reflect actual payroll counts. FY 2002 data reflect the number of positions funded.

Introduction

The Department of Personnel administers the personnel system for all of State government and provides personnel services to 20 of New Jersey's 21 counties, 192 municipalities, and approximately 100 other autonomous public entities (e.g., authorities). Major responsibilities of the Department of Personnel are: (1) to develop and administer a comprehensive personnel system based on merit; (2) to offer cost-effective training and staff development services; (3) to assist State and local government agencies in filling staff vacancies with qualified candidates; and (4) to administer the State's Equal Employment Opportunity and Affirmative Action programs.

Key Points

- ! The FY 2002 recommended budget for the department is \$29.7 million, the same amount as the FY 2001 adjusted appropriation.
- ! There are no major budgetary changes or policy initiatives in the Department of Personnel's recommended budget.
- ! \$750,000 is again recommended for the Sexual Harassment Training Program. This program was initiated in FY 2001 with a \$750,000 appropriation and is conducted through the Human Resource Development Institute (HRDI) to provide training for all State departments and agencies, including specialized training for State Affirmative Action Officers.
- ! In addition to the recommended appropriation, \$3.75 million in "off budget" revenues from fees and service charges will also be available to the department, \$50,000 more than anticipated in FY 2001. Of this amount, it is estimated that \$1.4 million will be generated by the Human Resource Development Institute (HRDI), a \$251,000 increase over the amount estimated for FY 2001. Together, examination fees and shared service reimbursements are expected to generate approximately \$201,000 or 7.9 percent less than in FY 2001. Budget language allows these "off budget" revenues (including the excess over estimated amounts) to be retained and spent by the department, subject to approval by the Director of Budget and Accounting.
- ! According to the FY 2002 recommended budget, it is estimated that the department will abolish 3,000 titles in FY 2001 and 3,000 titles in FY 2002. In FY 2000, the department abolished 224 titles.
- ! Equal Employment Opportunity/Affirmative Action appeals increased from 129 in FY 1999 to an estimated 232 in FY 2002. The backlog of these appeals increased from 157 in FY 1999 to an estimated 257 in FY 2002.

Background Papers

- ! State Employee Payroll Count p. 12
- ! Human Resource Development Institute p. 14

Program Description and Overview

The Department of Personnel was established by the Civil Service Act (Title 11A), P.L.1986, Chapter 112.

The department administers the personnel system for all State executive branch departments and agencies, the Office of the Chief Executive, the Legislature, and the Judiciary. It also provides personnel services to 20 of New Jersey's 21 counties (Somerset County excluded) and more than 192 municipalities and numerous autonomous bodies. The department develops and implements policy governing all phases of personnel administration. This includes the recruitment and examination of qualified candidates; ensuring equitable treatment of employees through its classification and compensation programs; guaranteeing equal employment opportunities; providing for employee appeals procedures; promoting affirmative action; and furnishing selected training programs to employees.

The department is organized into five program classifications: Personnel Policy Development and General Administration; State and Local Government Operations; Merit Services; Equal Employment Opportunity and Affirmative Action; and the Human Resource Development Institute.

Personnel Policy Development and General Administration

Exercises overall direction and control of the department's operations; develops proposals for revised legislation governing the public career system; issues official rules and regulations which implement the Merit System statutes; develops, evaluates and adjusts personnel programs; and provides general administrative support.

State and Local Government Operations

Provides government agencies with support in organizational design, classification of job titles, and equitable compensation of staff; recruits applicants; plans, schedules and conducts examinations; prepares lists of eligible candidates for State and local government positions; administers all reductions in force in State and local government as well as the Senior Executive Service; administers performance appraisals; monitors and processes all new hires and promotions to ensure compliance with Merit System rules; develops and publishes job specifications for all classified titles in all levels of government; maintains employment records and monitors all personnel transactions to ensure compliance with Merit System law and department rules; and provides information processing support to the department and its appointing authorities.

Merit Services

Provides professional, technical and clerical support services for the Merit System Board and the Commissioner of Personnel; investigates and responds to appeals; maintains agendas and schedules Board meetings; resolves disputes by providing alternate avenues of resolution; prepares and reviews Merit System rules for inclusion in the New Jersey Administrative Code; and ensures compliance with laws and rules governing appointments and determinations.

Program Description and Overview (Cont'd)

Equal Employment Opportunity and Affirmative Action

Monitors affirmative action programs in State agencies for compliance with State law and regulations and the federal Americans with Disabilities Act (ADA); develops and implements programs which ensure appropriate representation of protected classes at all levels of responsibility in State government; identifies barriers to equal employment opportunity in the existing structure of the merit system; and distributes information on equal employment opportunity and affirmative action programs.

Human Resource Development Institute (HRDI)

Compiles information on the human resource development and training needs of State government; advises the Governor on human resources development and training plans, policies and programs; works with the State agencies to prepare human resource development and training plans and programs; presents formal training courses in both common tasks and agency-specific subjects to State government employees; determines the necessity for the use of training providers from outside State government, and obtains these services as required.

FY 2002 Budget Overview

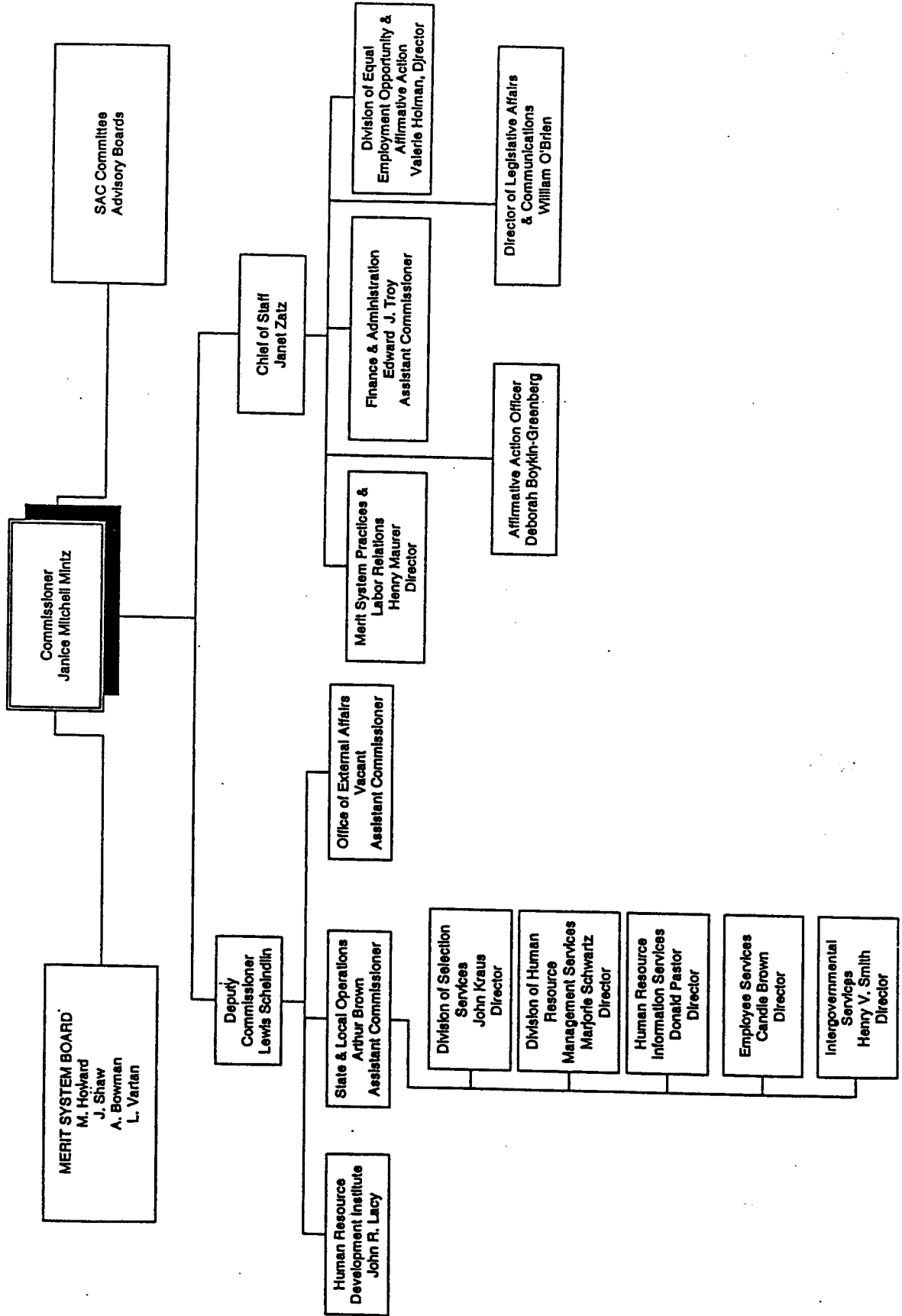
The FY 2002 recommended budget for the department is \$29.7 million, the same amount as the FY 2001 adjusted appropriation.

Off-Budget Items for FY 2002

In addition to the FY 2002 recommended appropriation, \$3.75 million in "off budget" revenues from fees and services charges will also be available to the department, \$50,000 more than anticipated in FY 2001. Of this amount, it is estimated that \$1.4 million will be generated by the Human Resource Development Institute (HRDI), a \$251,000 increase over the amount anticipated for FY 2001. Examination fees and shared service reimbursements are expected to generate approximately \$201,000 less than in FY 2001. Budget language allows additional revenues collected from these sources to be appropriated to the department.

Organization Chart

DEPARTMENT OF PERSONNEL



Fiscal and Personnel Summary

AGENCY FUNDING BY SOURCE OF FUNDS (\$000)

	Expended FY 2000	Adj. Approp. FY 2001	Recom. FY 2002	Percent Change	
				2000-02	2001-02
General Fund					
Direct State Services	\$32,828	\$29,735	\$29,735	(9.4)%	0.0%
Grants-In-Aid	0	0	0	0.0%	0.0%
State Aid	0	0	0	0.0%	0.0%
Capital Construction	0	0	0	0.0%	0.0%
Debt Service	0	0	0	0.0%	0.0%
Sub-Total	\$32,828	\$29,735	\$29,735	(9.4)%	0.0%
Property Tax Relief Fund					
Direct State Services	\$0	\$0	\$0	0.0%	0.0%
Grants-In-Aid	0	0	0	0.0%	0.0%
State Aid	0	0	0	0.0%	0.0%
Sub-Total	\$0	\$0	\$0	0.0%	0.0%
Casino Revenue Fund	\$0	\$0	\$0	0.0%	0.0%
Casino Control Fund	\$0	\$0	\$0	0.0%	0.0%
State Total	\$32,828	\$29,735	\$29,735	(9.4)%	0.0%
Federal Funds	\$170	\$0	\$0	(100.0)%	0.0%
Other Funds	\$0	\$3,703	\$3,753	----	1.4%
Grand Total	\$32,998	\$33,438	\$33,488	1.5%	0.2%

PERSONNEL SUMMARY - POSITIONS BY FUNDING SOURCE

	Actual FY 2000	Revised FY 2001	Funded FY 2002	Percent Change	
				2000-02	2001-02
State	413	424	432	4.6%	1.9%
Federal	0	0	0	0.0%	0.0%
All Other	11	11	14	27.3%	27.3%
Total Positions	424	435	446	5.2%	2.5%

FY 2000 (as of December) and revised FY 2001 (as of September) personnel data reflect actual payroll counts. FY 2002 data reflect the number of positions funded.

AFFIRMATIVE ACTION DATA

Total Minority Percent	32.7%	31.4%	32.3%	----	----
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Significant Changes/New Programs (\$000)

<u>Budget Item</u>	<u>Adj. Approp. FY 2001</u>	<u>Recomm. FY 2002</u>	<u>Dollar Change</u>	<u>Percent Change</u>	<u>Budget Page</u>
<u>All Other Funds</u>					
State and Local Government Operations	\$2,549	\$2,348	(\$201)	(7.9%)	D-374
Human Resource Development Institute	\$1,154	\$1,405	\$251	21.7%	D-374

- ! Of the \$3.75 million in estimated revenues for FY 2002 from other funds, \$1.4 million is attributable to fees for services provided by the Human Resource Development Institute (HRDI), an increase of \$251,000, or 21.7%, from FY 2001. \$2.35 million in estimated revenues is attributable to fees from State and Local government operations, a decrease of \$201,000, or 7.9%, from FY 2001. This decrease is primarily due to a decline in revenues expected from examination fees. No entry level firefighter examinations will be administered in FY 2002.

Language Provisions

2001 Appropriations Handbook

B-170

Receipts derived from fees charged to applicants for open competitive or promotional examinations and the unexpended fee balance as of June 30, 2000 not to exceed \$600,000 collected from fire fighter examination receipts are appropriated subject to the approval of the Director of the Division of Budget and Accounting.

2002 Budget Recommendations

D-374

The same language.

Explanation

This language allows the department to appropriate, subject to the approval of the Director of the Division of Budget and Accounting, the revenue derived from fees charged for open competitive and promotional civil service examinations, including firefighter examination receipts. In addition, the unexpended fee balance as of June 30, 2001, not to exceed \$600,000, collected from firefighter examination receipts is carried forward into FY 2002, subject to the approval of the director.

Current law allows the department to charge application fees for open competitive and promotional civil service examinations, including firefighter exams. According to Schedules I and II of the Budget (p. C-11, p. C-19), the department received \$1.58 million in examination fee revenues in FY 2000 and expects to receive \$1.7 million in FY 2001 and \$1.6 million in FY 2002 .



2001 Appropriations Handbook

B-170

The Director of the Division of Budget and Accounting is authorized to transfer or credit to the Department of Personnel all or part of any appropriation made to any account to fund the State's unemployment insurance liability for the purpose of creating a "displaced workers pool" and funding the salaries of State employees scheduled to be laid off.

In addition to the amount appropriated hereinabove, receipts in excess of the amount anticipated attributable to changes in the fee structure or fee increases charged to applicants for open competitive or promotional examinations for a "displaced worker pool" are appropriated for this purpose for State employees scheduled to be laid off.

2002 Budget Recommendations

D-374

No comparable language.

No comparable language.

Language Provisions (Cont'd)

Explanation

N.J.S.A.11A:4-1.1 provides that in addition to other fees, the Commissioner of Personnel shall establish a \$5 fee for each application for an open competitive or promotional examination in State service. Receipts derived from this fee will be used for the costs of a displaced workers pool program. This fee will not be assessed and collected unless the commissioner implements a displaced workers pool program. If the program is terminated, the assessment and collection of this fee will also be terminated. There is currently no displaced workers pool program and, consequently, no need for the budget language.



2001 Appropriations Handbook

2002 Budget Recommendations

B-170

D-374

Receipts derived from training services and any unexpended balance as of June 30, 2000 are appropriated subject to the approval of the Director of the Division of Budget and Accounting.

The same language.

Receipts derived from Employee Advisory Services are appropriated subject to the approval of the Director of the Division of Budget and Accounting.

The same language.

Explanation

The department charges State agencies and local governments for providing training programs and employee counseling (EAS) programs (e.g., drug and alcohol abuse programs) through the Human Resource Development Institute. According to Schedules I and II of the Budget (p. C-11, p. C-19), the Institute received \$3.2 million in fees in FY 2000 and has estimated \$1.15 million in fees in FY 2001 and \$1.4 million in FY 2002. It is likely that revenues for FY 2001 and FY 2002 have been underestimated, considering that the department's budget reflects an increase in training workload data and does not anticipate reduction in fees charged for training.



Language Provisions (Cont'd)2001 Appropriations Handbook2002 Budget Recommendations**B-170****D-374**

Notwithstanding the provisions of N.J.S.A.11A:6-32, cash awards for suggestions shall be paid from the operating budget of the agency from savings generated by the suggestion, subject to the approval of the Director of the Division of Budget and Accounting.

The same language.

Explanation

N.J.S.A.11A:6-32 provides that suggestion awards will be paid from State funds appropriated for that purpose. This language specifies that the award will be paid from the budget of the agency from savings generated by the suggestion, subject to the approval of the Director of the Division of Budget and Accounting.



Discussion Points

1. The Human Resource Development Institute (HRDI) provides training services for State and local government employees, as well as training on behalf of some private employers. The FY 2002 recommended appropriation for the HRDI consists of \$6.1 million in Direct State Services, the same amount appropriated in FY 2001. In addition, \$1.4 million is anticipated in FY 2002 from fees received for training State, local and other employees, a \$251,000 increase above the amount anticipated for FY 2001. However, \$3.2 million was received in FY 2000. In that year, the HRDI trained almost 38,000 persons with over 250,000 contact hours. For FY 2002, over 45,000 persons and 275,000 contact hours are anticipated.

- **Question:** Since the number of trainees and contact hours anticipated in FY 2002 exceed the amount in FY 2000, please discuss why training revenues of \$1.4 million are expected in FY 2002 when FY 2000 actual revenues totaled \$3.2 million. The Governor's budget document would suggest that HRDI's proposed FY 2002 budget will be \$7.5 million - - \$6.1 million as a direct appropriation and \$1.4 million in training and consultant fees. Is this a correct interpretation?

2. The FY 2000 appropriations act included \$800,000 for consultant fees to study the revision of the merit system for State employees. The study was to propose a new classification and compensation system that reduced the number of job titles and established a merit-based pay system. Buck Consultants was selected for this project and it was expected that the study would be completed by the summer of 2000.

- **Question:** What is the current status of plans to revise the classification and compensation system?

Please provide a copy of the report.

3. According to the evaluation data, in both FY 2001 and FY 2002 approximately 3,000 job titles are to be abolished. In FY 2000, 224 job titles were abolished, although earlier budget estimates predicted 3,000 abolishments in that year also.

- **Question:** Please discuss the status of the reduction in job titles, including the number and type of titles that have been abolished. What is happening with regard to the department's efforts to "broadband" job titles?

4. According to the evaluation data, it is estimated that there will be a backlog of 257 Equal Employment Opportunity/Affirmative Action appeals in FY 2002 as compared to a backlog of 157 appeals in FY 1999.

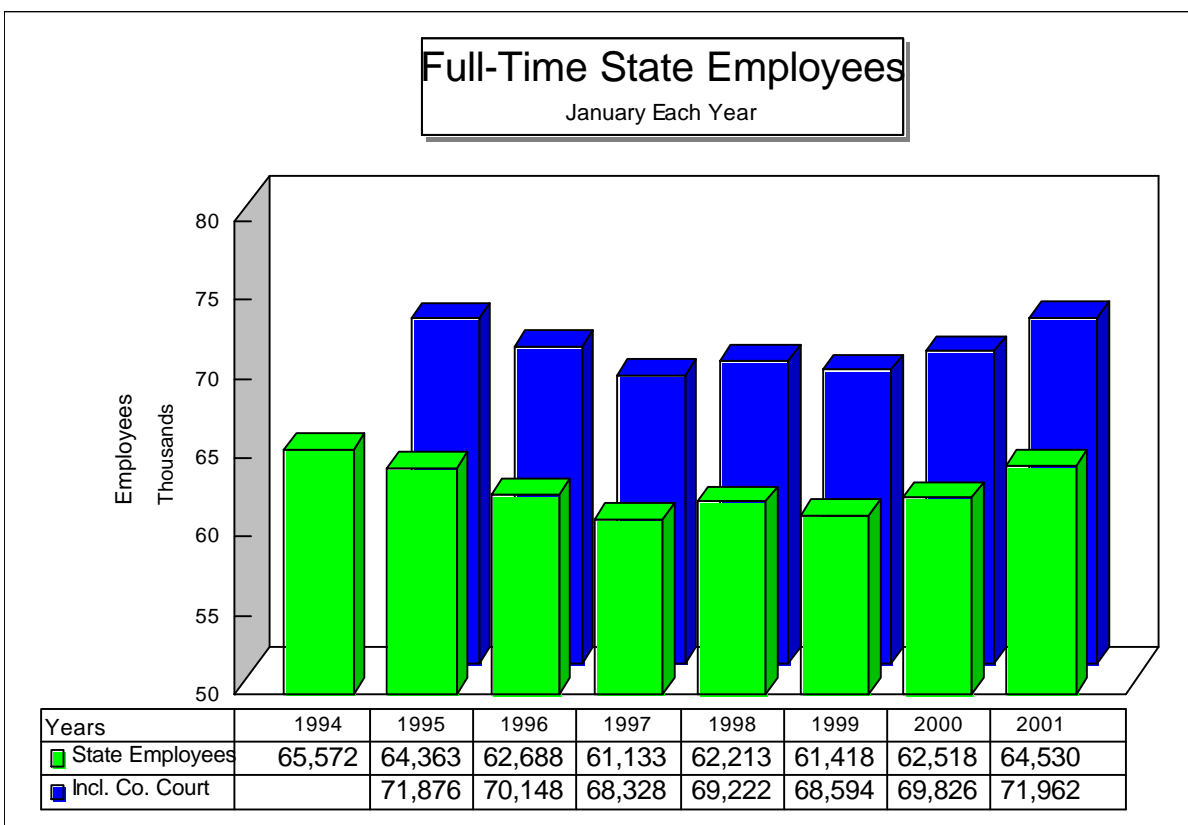
- **Question:** Please explain why there has been an increase in the backlog of Equal Employment Opportunity /Affirmative Action appeals? What can be done to reduce the backlog?

Background Paper: State Employee Payroll Count

The charts included below provide information on the State employee payroll. These numbers represent the actual number of checks issued to full-time State employees from all sources (i.e., State, federal or other funds). These figures do not include vacant positions, part-time positions, or higher education employees, such as employees of Rutgers University, the University of Medicine and Dentistry (UMDNJ), and the New Jersey Institute of Technology (NJIT) and the State colleges.

In January 1995, 7,513 former County Court employees were added to the State payroll system as a result of P.L. 1994, c.162, "The Judicial Employees Unification Act". Excluding the former County Court employees, the number of State employees has decreased from 65,572 in January 1994 to 64,530 in January 2001, a decrease of 1,042, or 1.6 percent.

Table I illustrates in graphic form the year-to-year change in the number of full-time State employees based on the number of actual checks issued. Table II provides a breakdown of current full-time State employees (as of January 2001) by department and funding source.



Background Paper: State Employee Payroll Count (Cont'd)

FULL-TIME STATE EMPLOYEE COUNT - ALL FUNDING SOURCES

As Of January 2001

Department/ Agency	Total	Employee Counts*			
		General Funds	Dedicated Funds	Federal Funds	Non-State
Agriculture	255	164	0	45	46
Banking and Insurance	502	104	393	0	5
Chief Executive's Office	122	122	0	0	0
Community Affairs	1,086	246	448	266	126
Corrections	9,465	8,995	0	38	432
- Parole Board	183	183	0	0	0
Education	915	439	48	242	186
Environmental Protection	3,312	2,268	851	99	94
Health	1,581	503	32	685	361
- Senior Services	455	291	0	141	23
Human Services*	18,001	12,590	0	4,882	529
- Management and Budget	448	305	0	128	15
- Medical Assistance	589	191	0	398	0
- Family Development	445	241	0	204	0
- Commission For The Blind	278	184	0	94	0
- DYFS	3,338	2,665	0	648	25
- Division Of The Deaf	5	5	0	0	0
- Developmental Disabilities	8,349	4,486	0	3,408	455
- Mental Health Services	4,549	4,513	0	2	34
Labor	3,524	201	442	2,874	7
- PERC	38	38	0	0	0
Law And Public Safety	6,841	4,299	945	134	1,463
- ELEC	49	49	0	0	0
- VCCB	47	47	0	0	0
- ECES	6	6	0	0	0
- Juvenile Justice	1,529	1,114	0	52	363
Military And Veterans' Affairs	1,458	1,309	0	149	0
Personnel	426	413	0	0	13
State	199	132	6	4	57
- Commission On Higher Education	24	23	0	1	0
- PBA	153	114	0	0	39
- Student Assistance	197	31	0	151	15
Transportation	4,095	3,031	0	1,064	0
- DMV	1,336	1,140	123	73	0
Treasury - (Balance Of)	3,686	3,239	0	0	447
- Casino Control	333	0	0	0	333
- Commerce & Economic Growth	119	109	0	0	10
- Displaced Worker's Pool	0	0	0	0	0
- OAL	111	101	0	0	10
- Office Of Information Technology	1,015	0	0	0	1,015
- Public Defender	927	925	0	0	2
- Science & Technology	9	9	0	0	0
- BPU	290	0	274	16	0
Miscellaneous Executive Commissions	2	2	0	0	0
Sub-Total	62,291	42,237	3,562	10,916	5,576
Legislature	505	505	0	0	0
Judiciary	1,734	1,470	0	90	174
Statewide Total	64,530	44,212	3,562	11,006	5,750
County Court	7,432	6,178	0	1,245	9
Grand Total	71,962	50,390	3,562	12,251	5,759

*Number excludes full-time employees that received pay checks; excluding Higher Education

Excludes special services and summer seasonal for all agencies except Human Services

Source - Office of Management and Budget, Payroll Reports

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Individuals wishing information and committee schedules on the FY 2002 budget are encouraged to contact:

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