

**OFFICE OF LEGISLATIVE SERVICES  
ANALYSIS OF THE NEW JERSEY BUDGET  
FISCAL YEAR 2011-2012**

**BUDGET QUESTIONS FOR ALL DEPARTMENTS AND UNITS**

1. The FY 2011 budget required all departments to cope with reduced appropriations. In some instances these reductions could be handled through improved efficiency and operational adjustments. In other instances less money resulted in programmatic reductions, including both fewer recipients and reduced benefits. Please provide examples of operational improvements in your department that saved money in FY11 and provide examples where less government meant reduction in services.

**The Civil Service Commission continues to carefully manage the resources appropriated for the Commission's purposes in the FY 2011 Appropriations Act. As part of these ongoing management efforts for the first time the Commission along with all of the state's other major departments and agencies, are publishing data providing insight into agency priorities and performance, including how resources are allocated across the agency's core mission areas. In this regard, the Commission posts up-to-date performance data or metrics every month related to identified core mission areas, available at <http://www.yourmoney.nj.gov>. This performance measurement reporting is the first step in an ambitious, multi-year performance improvement and efficiency program known as the "governor's performance budgeting initiative." The goals of the initiative include ensuring that budget priorities align with departmental and agency missions, focusing managers on achieving positive results and outcomes for citizens, clients, and taxpayers, and building a culture of innovation and continuous improvement, while making government more transparent and accountable. More specifically, the Civil Service Commission has done the following:**

**1. Title Consolidation**

**Since taking Office, a top priority for Governor Christie has been to strengthen the state workforce, eliminate wasteful spending, and improve government operations. Classification reform is a key component to accomplishing the Governor's goals for a more effective government. Last year, the Civil Service Commission was tasked with reducing the approximately 8,000 State and Local job titles in its classification system.**

**The current system relies heavily on a narrow set of standards that are too rigid and cumbersome for today's human resource needs. The Title Consolidation Initiative involves reviewing titles with similar skills and competencies in an effort to combine as many titles as possible into more broadly defined classes. The goal is to eliminate the barriers that Civil Service jurisdictions currently face, and give them greater**

flexibility to manage their workforce based on changing organizational priorities, and provide a more cost effective service delivery to taxpayers.

These sweeping measures have not only required a significant effort by the Civil Service Commission, but also the support and participation of all stakeholders in the merit system, including state and local appointing authorities and the League of Municipalities. Great progress has been made with the Title Consolidation Project. Over 1100 titles have been eliminated or consolidated to date. Similar reviews and consolidations should yield significant reductions in titles as work continues with this ongoing effort.

## **2. Online Application System (OAS)**

March 2011 marked the beginning of a new era for the Civil Service Commission as it joined the vast number of public and private sector employers who have replaced the traditional, paper-based job applications with 21<sup>st</sup> century technology. The launching of the Online Application System (OAS) provides job applicants with a more convenient and efficient way to apply for State and Local government jobs. Technological advances have streamlined many processes over the years. With the widespread presence of computers, and job seekers flocking to the internet to find opportunities, it makes perfect sense that accepting job applications online has become the new standard practice.

For many months, internal resources have focused on the crucial planning and development stages of Phase I of this multi-phase project. Capitalizing on internal IT staff for system development has proved to be a cost effective way to achieve the customized system necessary to meet our agency's diverse selection practices. Phase I consists of several key features for job applicants, such as: 1) the ability to create a user-profile using e-mail and password; 2) the ability to electronically pay associated application processing fees; and 3) the immediate acknowledgment of application and payment.

Future system enhancements, which will be released in phases throughout the coming months, include, 1) the ability for applicants to upload accompanying support documentation (resumes, transcripts, certifications, licenses, etc.); 2) document management and electronic storage capabilities, 3) the inclusion of an online eligibility determination component; and 4) the ability for applicants to create an enhanced employment profile and history that can easily be retrieved when applying for multiple job announcements.

There is no denying that the internet has revolutionized the traditional methods of recruiting and hiring job applicants. The Online Application System is a key initiative to provide innovative, efficient and responsive service delivery to appointing authorities and job seekers.

### **3. Call Center**

In an ongoing effort to reevaluate current business practices aimed at increasing customer service satisfaction, the Civil Service Commission's call center is one area being explored because of its vital role in carrying out a core mission of providing valuable human resources delivery services to its customers. The call center serves as the main point of contact with the public and responds to approximately 40,000 calls annually. Whether responding to questions from an applicant seeking a job, or providing assistance to a government employee who has been affected by a layoff, these tough economic times are ever-increasing the need to provide quality customer service in a timely and efficient manner.

The Commission is in the process of seeking approval to replace the current telephone system with the preferred solution for NJ State government, an Avaya CMS solution. The current phone system was purchased approximately six years ago and presents several challenges for the Commission ranging from high annual maintenance costs to obsolete and unsupported technology. This has caused the Commission to explore alternative options for a more cost effective, integrated call management system. Avaya's Call Management System offers the necessary management tools to make significant improvements to call center operations and to increase public access and improve response times.

2. The FY 2011 budget included reductions requiring Federal approvals, waivers or similar actions in order to achieve the projected savings. Please identify each such reduction in your FY 2011 budget, and indicate whether approvals/waivers have been obtained. If not, please explain whether approvals are still expected in this case, and if so, why. If federal approval is not received, what alternative actions may have to be taken to achieve savings of comparable value?

**There were no activities which required any federal action or consideration.**

3. The revised budget plan for Fiscal Year 2011 requires appropriation lapses of \$605 million to achieve a balanced budget and an ending surplus. Please list all appropriation items and amounts in your agency's chart of accounts that have been identified to contribute to that lapse target. Please describe the impact of each lapse on the nature, breadth or level of service or benefit provided by each appropriation, and identify and quantify the population that may be affected. Please also identify the amount of FY 2012 funding, if any, recommended to restore, in part or in full, the lapsed amount.

**OMB will provide the response to this question for all agencies.**

4. The FY 2011 Appropriation Act assumed savings of \$50 million from privatization initiatives. Please describe all privatization initiatives undertaken/to be undertaken by your department, and specify the effective date, the amount of savings in FY 2011 and

FY 2012, respectively, and the reduction in positions, filled and vacant. Please also indicate the private vendor(s) involved in the initiative, and the quantity and quality of services required of the vendor(s) relative to the quantity and quality provided by the department prior to privatization.

**It has been a top priority of the administration that all state departments and independent authorities carefully explore a variety of opportunities to improve efficiency, reduce the cost of government services, and right-size government's footprint in New Jersey. Among those opportunities are those that would privatize, outsource or otherwise make available a service previously provided by government employees via the private sector – but only if it can be done more efficiently and less expensively.**

**Following the issuance of the findings contained in the Zimmer Commission Report, numerous recommendations, either identified in that report or by the administration before and after the release of that report, have been in various degrees of implementation. For example, some of the RFPs that have already been released include:**

- The Department of Corrections has released an RFP for a vendor to run a pilot food services project at one adult correctional facility as a way to determine if it can save substantially and provide healthier food service options throughout the correctional facility system.**
- The Department of Environmental Protection has released an RFP to find a private operator and manager of the Spring Meadow Golf Course.**
- The Department of State has released an RFP to find a private operator and manager of the Trenton War Memorial.**
- The New Jersey Turnpike Authority has accepted numerous bids, the result of an RFP, for a private company to provide cash toll collections on its two roads. The South Jersey Transportation Authority, which operates the Atlantic City Expressway, has done the same.**

**The Administration also is moving responsibly in other areas of government to reform a variety of enterprises, whose operation can be provided by the private sector, including:**

- The Department of the Treasury, after a task force involving both the executive branch and the legislature agreed to the initiative, is working to turn NJN into a private, non-profit broadcasting entity with no state subsidy.**
- Leases with private vendors for the operation of Monmouth Park and the Meadowlands Racetrack are currently being negotiated.**

**The Civil Service Commission has no activities included in the \$50 million specified in the FY2011 budget.**

5. For each line item reduction in the department's or unit's FY 2012 budget, specify the change, if any, in the nature, breadth or level of service or benefit that will be provided and identify and quantify the population that may be affected.

**In developing the FY 2012 budget, the Civil Service Commission worked cooperatively with the Treasurer and Treasury staff to identify core departmental mission areas and, consistent with law, to allocate limited budget resources with reference to those core priorities. Developing the budget in this manner, from the bottom up, recognizes fiscal realities while at the same time focusing available funding on key priorities and mission areas.**

**More specifically, as outlined in the budget summary and in regards to the Civil Service Commission, reductions taken in the FY 2012 will be offset by the service enhancements and improvements from the Title Consolidation Project, Online Application System and new Call Center described in Question 1. Both appointing authorities and job seekers will benefit from the service improvements and the Commission will benefit through the redeployment of resources to other statutorily mandated functions.**

6. For each line item reduction in the department's or unit's FY 2012 budget, please indicate the number of positions (budgeted, funded and filled or unfilled) that will be eliminated and the number of individuals whose employment will be ended. Please also indicate areas where funded and/or filled positions are projected to significantly increase, and the justification (s) for those increases.

**OMB will provide the response to this question for all agencies.**

7. In his budget address, the Governor stated that "Zero-based budgeting...has finally come to New Jersey." This would mark a change from budget processes used in other years. Please provide examples of how the recommended budget for your department is substantively different than it would have been if the budget had been developed by the procedures used in prior years.

**Although New Jersey experimented with a form of zero-based budgeting in the 1970s under Governor Byrne, more recent budgets were constructed primarily in an incremental manner. This process typically involved almost automatic acceptance of most if not all of the previous year's expenditure levels and then incrementally increasing or decreasing them to correspond with available revenues, without regard to performance. Rather than layering new upon old, zero-based budgeting requires a comprehensive system of planning, analysis, and control requiring assessment, reassessment, and justification of CSC operations and spending priorities from the ground up. Zero-based budgeting is primarily a management tool as opposed to an accounting method, and focuses on whether current departmental activities are**

**efficient and effective in delivering timely, high quality services within core mission areas.**

**The Civil Service Commission's budget process included taking a bottom up approach to ensure that all activities were justified and in direct support of our mission. Furthermore, we challenged our assumptions and ensured that performance measurements were established. Finally, as mentioned above, service level improvements are being initiated for reasons of efficiency and modernization as outlined in Question #1.**

8. Please identify any reductions in the department's or unit's FY 2012 budget that constitute one-time savings that are not likely to recur in Fiscal Year 2013.

**OMB will provide the response to this question for all agencies.**

9. Are any of the appropriations recommended for FY 2012 required to compensate for the effects of Fiscal Year 2010 or FY 2011 reductions? If so, please identify and explain.

**OMB will provide the response to this question for all agencies.**

10. Please list any anticipated increase in fees, fares or co-payments that are reflected in the FY 2012 budget recommendation, including the amount of revenue or cost reduction, and the intended effective date.

**The FY 2012 proposed budget does not anticipate any new or increased fees, fares or co-payments.**

11. Please identify proposed FY 2012 budget reductions which require Federal approvals, waivers or similar actions, and the timetable for seeking and obtaining approvals in order to achieve the projected savings. Please indicate whether approvals/waivers have been previously sought and not obtained, and explain why approvals should be expected in this case. If federal approval is not received, what alternative actions may have to be taken to achieve savings of comparable value? Please also identify proposed budget reductions that may reduce the receipt of federal funds, and the estimated loss of federal funds that would result from such reductions.

**There are no reductions which require federal approval or action in the Commission's budget.**