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**Testimony of
Joseph Fox
Vice-President**

**The New York State Public Employees
Federation**

**To The
Assembly Ways and Means and
Senate Finance Committees**

**Workforce Hearing
January 25, 2012**

Thank you for providing time in the budget process to hear from the people who provide critical services to the citizens of New York.

I am Joseph Fox, Vice-President of the Public Employees Federation. My members are the professionals, scientists and technical experts of New York State government.

A word that was heard a lot throughout the governor's budget presentation was "reform".

Among those reform proposals contained in the Executive budget were reforming the state's pension system, Civil Service reform, and reform of the way the state does business.

Sometimes when you call a proposal a "reform" it is nothing more than trying to put a positive spin on a very bad idea, hoping no one will look beyond the "reform" label and support it.

This fits the governor's call for pension "reform". This proposal is potentially the most destructive proposal to public service even though it does not affect current employees.

The governor claims this reform is long overdue, only affects the "unborn", that the state can no longer afford the pensions as they exist today.

Neglected in all this discussion is that the New York State and Local Pension fund is fully funded, that 83 cents of every dollar paid out in benefits is based on earnings from the fund, and that the average annual pension is only \$19,150. Most importantly is that the pension "reforms" will have little impact on current budget shortfalls.

The Governor would create a new pension tier – Tier 6 – for state workers and other public employees with dramatically reduced benefits and increased employee costs.

Cloaked in the guise of reform, this proposal is about politics and placating big business special interests, not sound public policy. This bill ignores the landmark Tier 5 pension reform enacted by the legislature less than two years ago which is estimated to save the state and local governments \$35 billion over 30 years. We don't need a new tier to cut costs, just let Tier 5 work as intended!

The Governor's plan would result in much smaller pensions and a loss of security for workers. It is a first step toward ending secure pensions entirely by introducing a 401K plan that is presented as "optional", but also cutting pension benefits to the point where a traditional pension is no longer a good option.

For most state workers this bill would **DOUBLE** the amount that they are required to have taken out of their paychecks. And this tax on workers paychecks could go even higher due to a

variable rate formula in the bill. If this formula was in effect today, many state workers would be required to contribute more than 10% of their salary to the pension fund.

Either way a new employee chooses they are virtually guaranteed to have a lower benefit than the person who held the job before them.

It will mean a lower standard of living for future retirees, reduce the ability to recruit individuals who see public service as a career and create a mercenary mentality where the commitment to public service no longer exists.

The governor chides the unions saying "We never said pensions were a lifetime legacy for future workers who aren't hired yet, we're only talking about future employees who may be hired by a union — I call them the unborn."

We disagree. Our society has an obligation to try to make the future better for those coming after us. The governor's proposal is symptomatic of the "I got mine mentality" that has allowed the wealthiest to continue to build their wealth at the expense of the 99 percent.

The Governor has proposed several civil service "reforms". These proposals are characterized as a way to reduce the costs by providing increased flexibility with respect to hiring and transferring State employees". We call it "The Teddy Roosevelt Rolling Over in His Grave Act". These proposals would allow the

- Certification of a new type of promotion list, called an "open promotion" list which would allow a state agency to hire a candidate from either an open competitive or promotion eligible list for the same title ***regardless of whether the candidate has a lower score than a candidate on the other eligible list.***
- Allow State agencies to utilize other State agency "interdepartmental promotion" eligible lists, irrespective of whether the hiring agency's existing interdepartmental list is exhausted. ***Once again this would enable an agency to hire a candidate that has a lower score than a candidate on the other eligible list.***
- Permit non-competitive State employees to participate in competitive promotional exams and allow non-competitive State employees to transfer into competitive positions, with the approval of Civil Service, provided the employees meet minimum qualifications. ***This will allow the State to hire an employee who has never taken a competitive examination into a competitive class position with no objective measure of their merit and fitness to fill the position.***

It should be noted that the Executive claims these reforms will allow them to expand diversity in the workforce. If by "diversity" the Governor means more politically connected people in upper-level management positions then we agree.

In fact, in 2006 the Legislature created a Commission to look specifically into how we can make the state workforce more diverse; none of their reports have recommended any of the civil service reforms that are included in the Executive Budget proposal.

It is clear from the his desire to combine the Governor's Office of Employee Relations and the Department of Civil Service that core function of the Civil Service, to act as an oversight agency to ensure compliance of the *Civil Service Law*, could be subverted. Teddy Roosevelt did not create an independent Civil Service Commission and Department of Civil Service to be run by the Governor's appointment office.

We feel that there is a need for access and accountability in the services the state provides to its most vulnerable and that the state cannot abandon this basic responsibility. Nowhere is this difference as stark as the provision of services in the Office of Mental Health, Office of People with Developmental Disabilities, and in the Office of Children and Family Services.

Each one of these agencies is facing closures and consolidations that will eliminate service delivery options delivered by public servants who meet minimum qualifications to provide these services. With the proposed closure of Kingsboro Psychiatric Center, Central Brooklyn in fact all of Brooklyn will be without state operated in-patient mental health care.

Add to that the privatization of the Medicaid Service Coordination, the closures of Development Disability Service Offices, and the privatization of state operated group homes, and the ability to access quality programs that meet the needs of these vulnerable populations becomes more difficult. The "any door" approach to accessing services may not matter if you can't find a door.

Juvenile justice reform now means eliminating state custody of all but the most dangerous New York City juvenile delinquents. This proposal further removes the care of these youth from public scrutiny and restricts the discretion of Family Court judges. Private programs are ill equipped to deal with these troubled young offenders.

Additionally a common but not so apparent impact the reforms and the move to close facilities, consolidate and privatize is that the transparency that exists through the state is lost. The federal government recognized this when they sharply criticized New York's oversight of the developmentally disabled.

Finally we share your concerns about the Governor's proposed appropriation language which would give the executive virtually unlimited power to interchange State agency appropriations. In effect this would neuter the legislature's role in overseeing state agency operations. It would invalidate the compromise you agreed to with the executive as relates to implantation of the SAGE Commission recommendations and would allow the Executive to reorganize state agencies in any way they please.

That is not what the founding fathers had in mind when they created a co-equal legislative branch of government. Hopefully you can convince the Governor to remove this language.

A case can always be made for increased government efficiency. My members know the simplest and most direct way to do this is to reduce the state's reliance on consultants and reduce the layer after layer of political patronage appointments that has built up over the years.

Unfortunately, many of the Governor's proposals will do just the opposite. The Executive Budget shows that the state's spending on consultants will decrease in the current fiscal year. Regrettably expenditure data from the Office of the State Comptroller shows that consultant spending will increase in the current fiscal year.

Some of the Governor's proposals will aggravate the short staffing in agencies and drive them to use even more high priced consultants and per diem employees. **This makes no sense when the average consultant employee costs \$72.37 an hour or 47% more than the average hourly salary of the comparable state employees (\$49.29) which includes the cost of their benefits.** Others will make wholesale changes in the Civil Service system that will make it easier for untested and unqualified job applicants to leap frog career civil servants for jobs, making whom you know more important than what you know when it comes to hiring.

The members of the Public Employees Federation want New York State government to work and to work well. We have dedicated our lives to public service.

We welcome efforts to streamline and make government more efficient. But we should not be victimized by those who view the state's fiscal crisis as an opportunity to restructure the state workforce based on political ideology rather than fiscal necessity. If we are truly change government for the better we need the involvement and input of the stakeholders who receive services or the dedicated civil servants who provide them.

Attached is a more detailed explanation of PEF's concerns about the Executive Budget and a fact sheet on state agency consultant use.



Memo

TO: State Senators and Assemblymembers
DATE: January 24, 2012
RE: *SFY 2012-13 Budget Priorities of the Public Employees Federation*

PEF asks the Legislature to modify the Governor's budget in these areas:

OPPOSE TIER 6

The Governor would create a new pension tier – Tier 6 – for state workers and other public employees with dramatically reduced benefits and increased employee costs. Cloaked in the guise of reform, this proposal is about politics and placating big business special interests, not sound public policy. This bill ignores the landmark Tier 5 pension reform enacted by the legislature less than two years ago which is estimated to save the state and local governments \$35 billion over 30 years. We don't need a new tier to cut costs, just let Tier 5 work as intended!

The Governor's plan would result in much smaller pensions and a loss of security for workers. It is a first step toward ending secure pensions entirely by introducing a 401K plan that is presented as "optional", but also cutting pension benefits to the point where a traditional pension is no longer a good option. For most state workers this bill would double the amount that they are required to have taken out of their paychecks. And this tax on workers paychecks could go even higher due to a variable rate formula in the bill. If this formula was in effect today, many state workers would be required to contribute more than 10% of their salary to the pension fund.

Despite press reports to the contrary, public employee pensions are not overly generous. The average benefit for a member of the state and local employee retirement system is \$19,151. Pensions are not a gift or a special privilege. They are earned by many years of hard work. The pension system is a long term commitment that must not be abandoned for political gain. Reject Tier 6, Amend S6255/A9055 by deleting Part H.

OPPOSE CHANGES THAT UNDERMINE CIVIL SERVICE

The Executive proposes a menu of changes in civil service law that would allow politically appointed managers select favored individuals for jobs, while evading the normal competitive examination process. The proposals would allow state agencies to hire candidates with significantly lower scores than other candidates if they are on a different eligible list. They would also allow candidates who have not taken a competitive examination into a competitive class position with no objective measure of their merit and fitness to fill the position. The effect will be to increase patronage and reduce efficiency. It also disrespects the qualified long term state workers who play by the rules, do their jobs and serve the public. Those qualified workers will

be cut out of the opportunity for promotions in favor of cronies with dubious qualifications. Amend S6255/A9055 by deleting Part M.

STOP THE CLOSING OF KINGSBORO PSYCHIATRIC CENTER AND THE DOWNSIZING OF STATE MENTAL HEALTH SERVICES

The budget proposes language to allow the Office of Mental Health to close the Kingsboro Psychiatric Center. Kingsboro is the only state operated adult psychiatric hospital in Brooklyn, New York's largest borough. It provides essential services to patients and families. Closing it will deny access to care for patients and families and will cost the community hundreds of jobs. The budget also gives OMH the authority to consolidate children's psychiatric centers in Brooklyn, the Bronx and Queens, and it further gives OMH the authority to close or downsize any other mental health facility without giving the required 12 months notice. The legislature should reject OMH's plan to abandon the state's responsibilities to provide mental health services. Amend S6256/A9056 by deleting Part O.

STOP THE PRIVATIZATION OF JUVENILE JUSTICE

The Executive budget proposes a major withdrawal by the state from its responsibilities for the custody and rehabilitation of juvenile offenders. Under the label of juvenile justice reform, this bill enacts a plan for the state to turn over to a New York City agency the responsibility for the care of young offenders from New York City who are adjudicated to non-secure or limited secure OCFS facilities. The City plans to contract this responsibility out to private contractors. The bill goes even further and interferes with judicial discretion by prohibiting Family Court Judges from placing young offenders from NY City in OCFS facilities or other programs the court finds to be appropriate. As a result of these changes, many OCFS youth facilities will be closed, although the specific closures are not identified. These actions amount to the state abandoning its responsibility for the custody and rehabilitation of young offenders. Families and public safety are at risk if this plan is adopted. Amend S6257/A9057 by deleting Part G.

STOP THE PRIVATIZATION OF SERVICES FOR PEOPLE WITH DISABILITIES

The Office for People with Developmental Disabilities is moving ahead with a plan to privatize most of the direct services historically provided by the state to people with disabilities. The qualified professional state employees are being removed from direct work with consumers and their families, and the work is being assigned to private contractors. Many of these private agencies have staff who are sincere and dedicated but who lack the level of education and experience that OPWDD state employees bring to the job. The private providers often have a problem of high employee turnover, which can be disruptive to their ability to achieve positive results for their clients.

Although OPWDD management presents this change as a more community based service, it is actually an attempt by the state to step away from its responsibility to provide high quality care. Once these duties are outsourced, that state can more easily evade accountability and reduce resources. There is also a proposal to change the appointing authority structure of OPWDD which will affect workers rights and jeopardize job security. Send a message that privatization is not the right approach by amending S6256/A9056 to delete Part I and Part J.

FUNDING FOR THE ROSWELL PARK CANCER INSTITUTE

The Roswell Park Cancer Institute is a nationally recognized medical research center and an important part of Buffalo's growing bio-medical academic and research industry. State investments in RPCI not only advance cancer research, they help build the critical mass that creates jobs in related industries and services. Yet the budget contains language that would require a cutoff of state funds in about two years. This could place at risk RPCI's status as a leading research hospital, followed by the loss of jobs and health care services. Not a good choice if the state wants to boost the Western New York economy. Amend S6256/A9056 by deleting Part B.

DEPARTMENT OF CIVIL SERVICE/GOER MERGER

The budget proposes to merge the Department of Civil Service and the Governor's Office of Employee Relations into a new combined agency. While both deal with employee issues, they have very different roles. GOER is the labor relations and negotiating arm of the Governor's administration, and as such they are advocates for the Governor's agenda. Civil Service is responsible for insuring the integrity and fairness of the merit based civil service system. It is supposed to exercise independent oversight to make sure that all agencies play by the rules. One of the main reasons we have a civil service system is to curb the tendency of politically appointed officials to fill jobs based on patronage or cronyism. Merging these two agencies may tend to undermine that vital role. Amend S6260/A9060 by deleting Part B.

BELLEAYRE MOUNTAIN SKI CENTER

The Belleayre Ski Center has long been run by the Department of Environmental Conservation. The budget proposes to transfer it to the Olympic Regional Development Authority, a public authority whose base of operations is more than two hundred miles away. This won't improve efficiency or create any jobs, but it may disrupt the careers of long term workers. We oppose it. Amend S6260/A9060 by deleting Part C.

REJECT A REDUCTION IN PASSENGER BUS INSPECTIONS

The budget proposes to eliminate a legal requirement that passenger buses be inspected at least once every six months. The substitute is a vague "risk-based" policy. In light of the recent experience with serious tour bus accidents, this seems like an unwise decision. Safety should be a primary concern and should not be diminished for minor budget savings. Amend S6258/9058 by deleting Part C.

CONTINUE REPORTING AND OVERSIGHT OF EFC FUNDING

The budget contains language that would eliminate appropriations from state operating funds of certain funding in the Environmental Facilities Corporation. This would tend to diminish public accountability since EFC is a public authority. Amend S6258/A9058 by deleting Part K.

REJECT PRIVATIZATION OF RACING AND WAGERING OVERSIGHT

The budget proposes to privatize functions currently performed by the State Racing and Wagering Board by allowing racetrack operators to employ the starters and judges. The jobs of the current state-employed officials would be abolished. The role of the Racing and Wagering Board is to insure the integrity of the racing industry. It is hard to see how privatizing these jobs is consistent with that responsibility. Amend S6258/A9058 by deleting Part Y.

HEALTH BENEFIT EXCHANGE- NO MORE PUBLIC AUTHORITIES

The Governor proposes to establish a new public authority to operate a health benefit exchange as required by the Federal health care reform law. PEF supports the creation of a health exchange because it will increase access to health insurance and reduce costs. But we oppose the creation of any more unaccountable public authorities. The health exchange could be run more efficiently by an existing state agency such as the Department of Health or Department of Financial Services. Amend S6256/A9056 by modifying Part E.

FURTHER PRIVATIZATION OF MENTAL HYGIENE SERVICES

The budget proposes a first step toward combining the functions of OMH, OMRDD, OASAS and DOH, although it does not merge these agencies. This move should be subject to extensive study before being initiated. These agencies serve very different needs for different groups of people. Amend S6256/A9056 by deleting Part L.

Language in the bill proposes several changes in the Sex Offender Management and Treatment Act. If approved, it would allow OMH to contract out to private agencies the treatment and custody of very dangerous sex offenders who are confined under this law. This is an inherently governmental function. Turning it over to private contractors puts public safety at risk. Amend S6256/A9056 by deleting or amending Part P.

The Article 7 bill also proposes a long term plan for the state to take over from counties the administration of the Medicaid program. This may be a good idea. But the bill contains a major flaw in that it authorizes DOH to contract out the administration of this program in whole or part to private contractors. This would be a huge mistake. The state would lose the ability to control costs and quality, and confidential personal and medical information would be placed in the hands of the employees of private contractors. Amend S6256/A9056 by modifying Part F.

For more information, contact the PEF Legislative Department • 800-724-4997 • Fax 518-432-7739

CONTRACTING OUT AND CONTRACT DISCLOSURE IN THE SFY 2012-13 EXECUTIVE BUDGET

The Executive Budget provides detailed reporting on the State's use of outside consulting services by State agency. Chart 3 (located at the end of the memo) outlines the SFY 2011-12 and SFY 2012-13 estimated disbursements for consulting contracts for each State agency, the estimated number of employees and full-time equivalent (FTE) employees employed under these consulting contracts, and the average annual cost per FTE contract employee. This data is self-reported by state agencies. This makes it impossible to do accurate comparisons to state employee salaries.

Chart 3 shows that State agencies employed an estimated 6,755.3 FTE contract employees (a total of 23,481 contract employees) under consultant contracts in SFY 2011-12 at an estimated cost of \$792.772 million. It is estimated that the number of FTE contract employees employed under consultant contracts will decrease to 6,367.5 FTE employees in SFY 2012-13, a decrease of 387.8 contract employees (a 5.7% decrease). Contract employees will be paid an estimated \$69.347 million in SFY 2012-13 (a 13% decrease from SFY 2011-12).

Unfortunately the self reported data on consultant contracts contained in the Executive Budget has proven to be inconsistent with consultant expenditure data reported by the Office of State Comptroller (OSC) in their CTL 470 reports and the Form Bs filed by consultants as contained in the annual Procurement Services Act Report. These reports show that the number of consultants and the amount of contracting out of consultant services reported by State agencies in the Executive Budget is significantly less than reported by State agencies to OSC. For example Chart 3 reports only \$792.722 million in total disbursements to consultants by state agencies in SFY 2011-12. However the CTL reports on consultant expenditures filed by State agencies with OSC *for just the first nine months of SFY 2011-12 show that consultant spending totaled \$810.339 million*. If consultant spending in the last quarter of SFY 2011-12 is the same as the average consultant spending over the previous nine months then *OSC will report \$1.103 billion in consultant spending for SFY 2011-12, or \$220.2 million more in consultant spending than reported by the Executive Budget* (see Table1).

It is important to note that this data and estimate *excludes* the "Other Services" and "Alterations to Existing Facilities" categories of consultant spending that the Division of Budget believes contains spending that is wrongly coded as consultant spending. Our examination of the underlying contracts include in the "Other Services" category shows that 18% of those contracts are for consultant work that can be done by state employees. Based on data from the Office for General Services' (OGS) own design and construction consultant spending tracking system, a significant portion of the "Alterations to Existing Facilities" category is also for engineering consultant work that can be done by state employees, particularly in OGS. We estimate that total state agency consultant spending in SFY 2011-12 will total at least \$1.418 billion when you account for the consultant spending in these categories or \$625 million more than reported by state agencies for SFY 2011-12 in the SFY 2012-13 Executive Budget.

Table 1 OSC Reports Greater Consultant Spending than DOB - FY 2011-12

Agency	Estimated DOB Disbursements	Estimated OSC Expenditures	Difference
Aging, Office for the	\$59,000	\$166,732	\$107,732
Agriculture and Markets, Dept of	\$896,678	\$5,121,112	\$4,224,434
Alcoholic Beverage Control, Division of	\$283,200	\$434,813	\$151,613
Alcoholism & Substance Abuse, Office of	\$3,215,238	\$3,889,987	\$674,749
Audit & Control, Dept of	\$9,368,801	\$17,872,639	\$8,503,838
Budget, Division of	\$6,279,250	\$3,038,813	(\$3,240,437)
Children & Family Svces, Office of	\$12,739,000	\$75,942,822	\$63,203,822
City University	\$16,450,000	\$0	(\$16,450,000)
Civil Service Dept	\$1,341,410	\$948,495	(\$392,915)
Correctional Services and Community Supervision, Dept of	\$8,858,100	\$131,805,657	\$122,947,557
Criminal Justice Services, Div of	\$20,647,700	\$16,277,257	(\$4,370,443)
Deferred Compensation Board	\$12,000	\$0	(\$12,000)
Economic Development Dept of	\$2,514,690	\$742,925	(\$1,771,765)
Education Dept	\$41,652,475	\$10,195,967	(\$31,456,508)
Elections State Board of	\$2,450,000	\$374,303	(\$2,075,697)
Employee Relations, Governor's Office of	\$5,100,000	\$0	(\$5,100,000)
Environmental Conservation, Dept of	\$35,142,000	\$29,833,796	(\$5,308,204)
Environmental Facilities Corp	\$85,000	\$0	(\$85,000)
Executive Chamber	\$303,500	\$0	(\$303,500)
Financial Services, Department of	\$2,937,100	\$3,360,300	\$423,200
General Services, Office of	\$7,155,000	\$882,965	(\$6,272,035)
Health, Dept of	\$80,544,953	\$41,960,936	(\$38,584,017)
Higher Education Services Corp	\$240,000	\$5,187,456	\$4,947,456
Homeland Security and Emergency Services, Office of	\$2,953,365	\$4,804,994	\$1,851,629
Housing & Community Renewal, Div of	\$435,000	\$774,666	\$339,666
Human Rights, Division of	\$300,000	\$64,585	(\$235,415)
Interest on Lawyer Account	\$180,000	\$0	(\$180,000)
Labor, Dept of	\$23,773,471	\$28,216,792	\$4,443,321
Law, Dept of	\$2,500,000	\$11,015,641	\$8,515,641
Lottery, Div of	\$800,000	\$564,761	(\$235,239)
Medicaid Inspector General, Office of the	\$3,682,722	\$3,849,572	\$166,850
Mental Health, Office of	\$51,715,000	\$36,823,001	(\$14,891,999)
Motor Vehicles, Dept of	\$4,380,215	\$20,467,222	\$16,087,007
Parks, Rec & Historic Preservation, Office of	\$5,639,567	\$4,136,306	(\$1,503,261)
Persons With Developmental Disabilities, Office of	\$19,160,000	\$23,920,446	\$4,760,446
Prevention of Domestic Violence, Office for the	\$29,000	\$1,510	(\$27,490)
Public Service, Department of	\$884,000	\$829,248	(\$54,752)
State Police, Department of	\$2,969,914	\$7,502,095	\$4,532,181
State University of New York	\$78,315,200	\$141,407,393	\$63,092,193
State, Dept of	\$2,525,000	\$3,290,174	\$765,174
Statewide Financial System	\$84,068,015	\$9,637,099	(\$74,430,916)
Tax & Finance, Dept of	\$8,358,000	\$10,971,814	\$2,613,814
Technology, Office for	\$25,277,000	\$36,876,583	\$11,599,583
Temporary & Disability Assistance, Office of	\$32,528,800	\$45,255,029	\$12,726,229
Transportation, Dept of	\$174,983,000	\$259,852,373	\$84,869,373
Victims Services, Office of	\$90,000	\$123,500	\$33,500
Workers Compensation Board	\$8,900,000	\$14,502,269	\$5,602,269
Totals	\$792,722,364	\$1,012,924,046	\$220,201,682

Chart 3 shows that eight State agencies spent \$200,000 or more per FTE contract employee in SFY 2011-12 which include:

- The Statewide Financial System, which employed 107 FTE contract employees at an average cost of \$785,682 per FTE contract employee and in SFY 2012-13 will employ 62 FTE contract employees at an average cost of \$303,401 per employee.
- The State Board of Elections, which employed 5 FTE contract employees at an average cost of \$490,000 per FTE contract employee and in SFY 2012-13 will employ 5 FTE contract employees at an average cost of \$300,000 per employee.
- The Department of Civil Service which employed 5.2 FTE contract employees at an average cost of \$257,963 per FTE contract employee and in SFY 2012-13 will employ 6.7 FTE contract employees at an average cost of \$298,276 per employee
- The Department of Taxation and Finance, which employed 41 FTE contract employees at an average cost of \$203,854 per employee and in SFY 2012-13 will employ the same 41 FTE contract employees at the same average cost per employee.
- The Department of Labor, which employed 115.3 FTE contract employees at an average cost of \$206,188 per employee and in SFY 2012-13 will employ 110.4 contract employees at an average cost of \$146,800 per employee

Unfortunately the average annual salary per FTE contract employee as calculated from data reported in the SFY 2012-13 Executive Budget is inconsistent with the data reported by consultants to OSC on their Form Bs. **According to the SFY 2012-13 Executive Budget data the average FTE contract employee cost the state \$117,353 annually in SFY 2011-12.** Unfortunately OSC Form B data for SFY 2011-12 will not be available until September 2012. However OSC Form B data is available for SFY 2010-11 and it shows that **the average FTE contract employee cost the state \$150,530 annually or 28% more than the average annual FTE contract employee cost as reported in the SFY 2012-13 Executive Budget.** Assuming the same 28% difference, the average cost per FTE contract employee for SFY 2012-13 will increase from \$108,897 as estimated in the Executive Budget, to \$139,386 per FTE contract employee.

Consulting Service Contracts FY2011-12 to FY2012-13

Agency	Estimated Disbursements		Estimated Number of FTE Contract Employees		Estimated Cost Per FTE Contract Employee		Disbursement Difference	% Change
	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13		
	Aging, Office for the	\$59,000	\$53,000	1.3	1.3	\$45,385		
Agriculture and Markets, Dept of	\$896,678	\$274,178	18.9	2.0	\$47,443	\$137,089	(\$622,500)	-69%
Alcoholic Beverage Control, Division of	\$283,200	\$100,000	8.5	2.5	\$33,318	\$40,000	(\$183,200)	-65%
Alcoholism & Substance Abuse, Office of	\$3,215,238	\$3,370,069	24.6	23.9	\$130,701	\$141,007	\$154,831	5%
Audit & Control, Dept of	\$9,368,801	\$8,370,499	172.0	171.0	\$54,470	\$48,950	(\$998,302)	-11%
Budget, Division of	\$6,279,250	\$5,073,700	28.0	24.3	\$224,259	\$208,794	(\$1,205,550)	-19%
Children & Family Svcs, Office of	\$12,739,000	\$9,195,000	128.0	128.0	\$99,523	\$71,836	(\$3,544,000)	-28%
City University	\$16,450,000	\$16,685,500	241.0	245.0	\$68,257	\$68,104	\$235,500	1%
Civil Service Dept	\$1,341,410	\$1,998,451	5.2	6.7	\$257,963	\$298,276	\$657,041	49%
Correctional Services and Community Supervision, Dept of	\$8,858,100	\$7,016,741	47.0	41.0	\$188,470	\$171,140	(\$1,841,359)	-21%
Criminal Justice Services, Div of	\$20,647,700	\$19,523,700	117.0	101.0	\$176,476	\$193,304	(\$1,124,000)	-5%
Deferred Compensation Board	\$12,000	\$15,000	1.0	1.0	\$12,000	\$15,000	\$3,000	25%
Economic Development Dept of	\$2,514,690	\$2,774,340	24.3	25.8	\$103,485	\$107,533	\$259,650	10%
Education Dept	\$41,652,475	\$54,442,914	233.8	273.3	\$178,154	\$199,206	\$12,790,439	31%
Elections State Board of	\$2,450,000	\$1,500,000	5.0	5.0	\$490,000	\$300,000	(\$950,000)	-39%
Employee Relations, Governor's Office of	\$5,100,000	\$4,900,000	226.0	219.0	\$22,566	\$22,374	(\$200,000)	-4%
Environmental Conservation, Dept of	\$35,142,000	\$33,305,690	235.0	222.0	\$149,540	\$150,026	(\$1,836,310)	-5%
Environmental Facilities Corp	\$85,000	\$91,100	0.4	0.3	\$212,500	\$303,667	\$6,100	7%
Executive Chamber	\$303,500	\$200,000	0.8	0.5	\$379,375	\$400,000	(\$103,500)	-34%
Financial Services, Department of	\$2,937,100	\$2,697,100	42.0	34.0	\$69,931	\$79,326	(\$240,000)	-8%
General Services, Office of	\$7,155,000	\$4,065,000	53.2	33.2	\$134,492	\$122,440	(\$3,090,000)	-43%
Health, Dept of	\$80,544,953	\$80,615,000	965.0	965.0	\$83,466	\$83,539	\$70,047	0%
Higher Education Services Corp	\$240,000	\$940,000	3.5	5.3	\$68,571	\$177,358	\$700,000	292%
Homeland Security and Emergency Services, Office of	\$2,953,365	\$3,554,300	36.0	30.0	\$82,038	\$118,477	\$600,935	20%
Housing & Community Renewal, Div of	\$435,000	\$409,000	21.1	19.0	\$20,616	\$21,526	(\$26,000)	-6%
Human Rights, Division of	\$300,000	\$300,000	4.0	4.0	\$75,000	\$75,000	\$0	0%
Interest on Lawyer Account	\$180,000	\$200,000	5.0	5.0	\$36,000	\$40,000	\$20,000	11%
Labor, Dept of	\$23,773,471	\$16,206,754	115.3	110.4	\$206,188	\$146,800	(\$7,566,717)	-32%
Law, Dept of	\$2,500,000	\$2,500,000	20.0	17.0	\$125,000	\$147,059	\$0	0%
Lottery, Div of	\$800,000	\$1,034,332	5.5	5.5	\$145,455	\$188,060	\$234,332	29%
Medicaid Inspector General, Office of the	\$3,682,722	\$5,358,522	37.5	47.9	\$98,206	\$111,869	\$1,675,800	46%
Mental Health, Office of	\$51,715,000	\$37,707,000	539.0	392.0	\$95,946	\$96,191	(\$14,008,000)	-27%
Motor Vehicles, Dept of	\$4,380,215	\$7,287,109	22.0	36.0	\$199,101	\$202,420	\$2,906,894	66%
Parks, Rec & Historic Preservation, Office of	\$5,639,567	\$5,639,567	80.0	80.0	\$70,495	\$70,495	\$0	0%
Persons With Developmental Disabilities, Office of	\$19,160,000	\$19,884,000	246.5	216.1	\$77,728	\$92,013	\$724,000	4%
Prevention of Domestic Violence, Office for the	\$29,000	\$0	1.0	0.0	\$29,000	\$0	(\$29,000)	100%
Public Service, Department of	\$884,000	\$1,073,000	3.6	4.1	\$245,556	\$261,707	\$189,000	100%
State Police, Department of	\$2,969,914	\$2,969,914	22.0	22.0	\$134,996	\$134,996	\$0	0%
State University of New York	\$78,315,200	\$71,621,300	1,293.4	1,240.9	\$60,550	\$57,717	(\$6,693,900)	-9%

Consulting Service Contracts FY2011-12 to FY2012-13

Agency	Estimated Disbursements		Estimated Number of FTE Contract Employees		Estimated Cost Per FTE Contract Employee		Disbursement Difference	% Change
	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13		
State, Dept of	\$2,525,000	\$1,775,000	9.9	12.5	\$255,051	\$142,000	(\$750,000)	-30%
Statewide Financial System	\$84,068,015	\$18,810,844	107.0	62.0	\$785,682	\$303,401	(\$65,257,171)	-78%
Tax & Finance, Dept of	\$8,358,000	\$8,358,000	41.0	41.0	\$203,854	\$203,854	\$0	0%
Technology, Office for	\$25,277,000	\$25,277,000	157.0	157.0	\$161,000	\$161,000	\$0	0%
Temporary & Disability Assistance, Office of	\$32,528,800	\$23,668,181	199.0	198.0	\$163,461	\$119,536	(\$8,860,619)	-27%
Transportation, Dept of	\$174,983,000	\$173,496,000	1,140.0	1,074.0	\$153,494	\$161,542	(\$1,487,000)	-1%
Victims Services, Office of	\$90,000	\$110,000	1.0	1.0	\$90,000	\$110,000	\$20,000	22%
Workers Compensation Board	\$8,900,000	\$8,900,000	67.0	61.0	\$132,836	\$145,902	\$0	0%
Totals	\$792,722,364	\$693,346,805	6,755.3	6,367.5			(\$99,375,559)	-13%

