

A REPORT BY THE NEW YORK STATE OFFICE OF THE STATE COMPTROLLER

**Alan G. Hevesi
COMPTROLLER**



DEPARTMENT OF CIVIL SERVICE

***STAFF STUDY
PLANNING FOR THE STATE'S WORKFORCE
NEEDS***

2002-D-4

DIVISION OF STATE SERVICES

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**Alan G. Hevesi
COMPTROLLER**

Report 2002-D-4

Mr. George Sinnott
Commissioner
NYS Department of Civil Service
Building #1, State Office Campus
Albany, NY 12239

Dear Mr. Sinnott:

The following is our report on the New York State Department of Civil Service's efforts to assist State agencies to identify and plan for their workforce needs.

This study was performed pursuant to the State Comptroller's authority as set forth in Article V, Section 1 of the State Constitution, and Article II, Section 8 of the State Finance Law. We list major contributors to this report in Appendix A.

*Office of the State Comptroller
Division of State Services*

October 29, 2003

EXECUTIVE SUMMARY

DEPARTMENT OF CIVIL SERVICE

STAFF STUDY – PLANNING FOR THE STATE’S WORKFORCE NEEDS

SCOPE OF STUDY

New York State, like other public and private sector employers, is entering a new era in which one of the largest components of its workforce - the baby boomer generation - is beginning to retire. As such, the State's workforce is getting older, with an average age of over 46 years. At the same time, the State is facing record budget deficits, which will be addressed, at least in part, through further reductions in the number of State employees. These conditions require State agencies to have strategies in place to offset the loss of experienced staff without compromising needed services to the public.

For the period April 1, 1999 through August 30, 2002, our study sought to answer the following questions:

- What is the current status of the State workforce in terms of age, length of service, and expected time until retirement?
- What efforts have the Department of Civil Service (Department), the Governor’s Office of Employee Relations (GOER), and other State agencies undertaken to identify and plan for the State’s future workforce needs?
- What actions have the Department, GOER, and individual State agencies taken to address identified workforce needs?
- How well have those actions worked to ensure the State maintains a workforce that can provide the necessary services to the public?

However, the scope of our study was significantly limited by GOER officials, who instructed agencies not to cooperate with our requests for information, citing concerns about pending union contract negotiations. As a result, while we were able to analyze the current status of the workforce, we were not able to achieve our other three objectives. We were not able to verify many of the planning efforts, actions, and accomplishments reported by the agencies, nor could we

consider the obstacles that they may have faced in implementing their programs or assess the level of help that the Department and GOER provided to them.

STUDY OBSERVATIONS AND CONCLUSIONS

Our analysis of workforce data indicates that many agencies could be facing critical shortages of necessary personnel in the near future. An impending wave of likely retirements, coupled with staffing reductions brought on by budget deficits and fiscal pressures, means that agencies that have not adequately planned to meet their workforce needs may find themselves unable to achieve their missions, goals, and objectives. While many agencies report they are addressing their workforce and succession planning issues, we found evidence that some reported initiatives might not actually be in place. We are concerned that the lack of direct oversight by the Department and GOER, at a time when agencies are faced with increasingly difficult budgetary decisions, increases the risk that agencies will face critical shortfalls.

Trends show that two-thirds of State employees who retire do so between the ages of 55 and 64. As of April 1, 2002, almost 39 percent of the State's workforce was age 50 or older. By 2007, 14 agencies will each have at least 1,000 employees eligible to retire, including two agencies that will have over 9,000. Several of these agencies are likely to lose over one-third of their current staff over the period. A New York State and Local Employees' Retirement System (ERS) analysis of the workforce data indicates that over 37 percent of employees, over 71,000 people, will be eligible to retire by 2007. Further, more than half of these employees, about 45,000, are likely to do so. This five-year total is almost as large as the 49,000 retirements in the preceding ten years - 1992 through 2001 - and could well increase due to retirement incentives and other budget cutting strategies. (See pp. 6-9)

The State has chosen to take a decentralized approach to workforce and succession planning by making each State agency responsible for identifying its own workforce needs and developing its own plan to meet them. The Department and GOER coordinate the process, but do not set performance goals or otherwise monitor agency progress, opting instead to serve more of a supportive role by providing information and sharing best practices among the agencies. While several agencies report that they have at least begun identifying mission critical positions and developing strategies to ensure an adequate workforce, GOER officials prevented us from discussing these matters with responsible agency officials. At the two agencies we were able to visit (the State Education Department and the Department of Correctional Services), we found some progress had indeed been made in identifying critical positions and devising strategies. However, some of the reported initiatives were not actually in place due to budgetary and other constraints, which had yet to be overcome. These issues raise serious concerns about the effectiveness of agency efforts to

date, the obstacles they have faced in implementing their programs, and the level of help the Department and GOER have provided to them. (See pp. 10-13)

We also reviewed the workforce planning efforts of 13 other states and the Federal government. Like New York, each of the 13 states is currently addressing its workforce and succession planning issues and has made these issues a high priority within the last two years. In contrast, the Federal Office of Personnel Management has taken a more active approach since 1995, establishing performance standards for agencies, measuring performance against these standards, and instituting several centralized recruitment and retention initiatives. We believe that the Department and GOER need to consider taking a similar, more active role to help ensure comprehensive planning and implementation during this critical period. (See pp. 13-14)

COMMENTS OF DEPARTMENT OFFICIALS

Department officials agreed to further analyze the issues contained in this report. They point out that their decision to decentralize workforce planning efforts results from careful consideration, while acknowledging the need to monitor these efforts and intervene, if necessary. A complete copy of the Department's response is included as Appendix B.

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INTRODUCTION

Background

New York State has the oldest merit-based civil service system in the nation, dating to 1883. The system is rooted in Constitutional provisions (Article V, Section 6) that require, wherever practicable, that appointments and promotions be made according to merit and fitness as measured by competitive examination. The Department of Civil Service (Department) administers the system through its staff of about 665 employees with a 2002-03 budget of \$65.8 million.

Public and private employers throughout the nation are coming to terms with demographic changes and shifts in workplace culture. Issues like the aging of the “baby boomer” generation and the impending wave of retirements, a more transient workforce, and labor shortages in specific skill areas have increased competition with private industry and threatened the public sector’s ability to attract and retain a qualified workforce. The Governor has called for workforce reductions of 5,000 people in each of the two fiscal years ending March 31, 2004. The budget for the 2002-03 fiscal year contained an early retirement option to help agencies meet the Governor’s workforce reduction goals. These workforce reductions will require many agencies to develop methodologies for offsetting the loss of experienced staff without compromising their abilities to provide needed services to the public.

The State, which began its workforce and succession planning efforts in early 2001, has taken a decentralized approach whereby each agency is responsible for identifying its workforce needs and developing plans to meet them. The Department and the Governor’s Office of Employee Relations (GOER) provide agencies with tools and guidance, both through a website and through direct interaction.

Study Scope, Objectives, and Methodology

We studied the State's workforce planning efforts for the period April 1, 1999 through August 30, 2002. The objectives of this study were to assess the current status of the State workforce; identify what efforts the Department, GOER, and State agencies have taken to identify and address the future workforce needs of State agencies; and assess how effective those efforts have been in helping to ensure that the State maintains a workforce that can provide the necessary services to the public.

To accomplish our study objectives, we analyzed data on active and retired employees provided by the Department and by the New York State and Local Employees' Retirement System (ERS). We interviewed officials from the Department, GOER, ERS, and two other State agencies, as well as members of various interagency workgroups assigned to study aspects of workforce and succession planning. We contacted officials from five other states and the Federal government to discuss their workforce and succession planning efforts and we obtained information about activities in eight other states and the Federal government through their websites.

The scope of our study was significantly limited when GOER officials prevented us from interviewing responsible officials at State agencies by circulating a memorandum to all State agency heads. The memorandum emphasized that, because workforce and succession planning efforts were ongoing, agencies should re-direct all of our inquiries to GOER. In subsequent discussions, GOER officials indicated that they were also concerned that discussion of agency efforts could affect pending contract negotiations with public employees. As a result of this action, all but two of the agencies we selected for review either cancelled their meetings with us or refused to schedule a meeting at all. Since we could not interview officials from 12 of the 14 agencies we selected, we were unable to determine whether these agencies have:

- experienced any workforce and succession planning problems;
- identified their mission critical positions;

- developed strategies to ensure they have an effective workforce in the future; and
- encountered any problems in trying to implement various strategies.

Without this information, we could not verify many of the planning efforts, actions, and accomplishments reported by the State agencies, nor could we assess whether these efforts have been successful in ensuring that the State is better prepared to meet its future workforce needs.

Response of Department Officials to Study

A draft copy of this report was provided to Department Officials for their review and comment. Their comments have been considered in preparing this report and are included as Appendix B.

Within 90 days after final release of this study, we request the Commissioner of the Department to report to the Governor, the State Comptroller, and the leaders of the Legislative and fiscal committees, advising what actions were taken by the Department in response to the observations made and issues raised in the study.

SUMMARY OF RESULTS

New York State, as well as other public and private sector employers, is entering a new era in which the baby boomer generation is retiring from the workforce. As such, the State's workforce is getting older, with an average age of over 46 years old. ERS officials estimate that over 71,000 State employees, or almost 37 percent of the workforce, will be eligible to retire by 2007 and that over 45,000 of these people are likely to do so. In addition, as a result of record budget deficits, the Governor has called for workforce reductions totaling 10,000 employees for the two fiscal years ending March 31, 2004. Therefore, State agencies must perform workforce and succession planning to ensure they can continue to provide necessary services to their customers. Those agencies that do not adequately address their workforce needs may find themselves unable to achieve their missions, goals, and objectives.

New York State did not begin its workforce and succession planning efforts until early in 2001. The State has chosen a decentralized approach by making each agency responsible for its own workforce and succession planning efforts, while the Department and GOER provide various tools to the agencies to aid them in their efforts. While many agencies have reported progress on these issues through information contained on Internet sites, GOER officials prevented us from discussing these issues with responsible agency officials. At the two agencies we were able to visit, we found evidence that some of these reported initiatives may not actually be in place due to budgetary and other constraints.

We reviewed the workforce planning efforts of 13 other states and the Federal government. We found that New York and the other states began their efforts around the same time. All states face the same problems, including budget deficits that place further demands on governments to reduce the size of their workforces through early retirement plans and layoffs. In addition, budgetary constraints have forced some of these states to curtail or abandon certain workforce planning initiatives. In contrast to New York and other states, the Federal government began its workforce planning in 1995 and has taken

a more active approach. Our report raises items for the Department, in conjunction with GOER, to consider in its workforce and succession planning efforts.

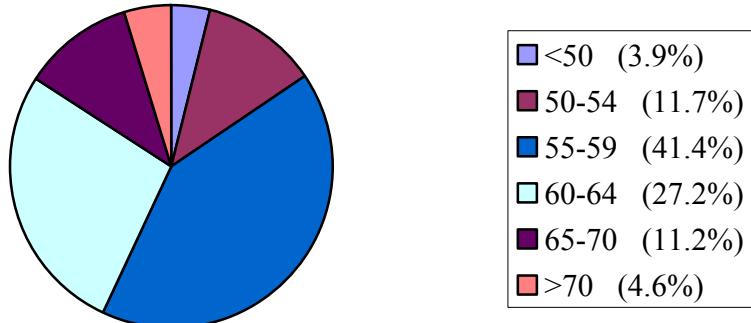
Data Analysis

The State's workforce must be adequate to provide necessary services. We analyzed four databases from the Department and ERS containing historical retirement data and State workforce data to answer the following questions: What are the historical trends for separations (retirements and all other terminations)? What are the current demographics of the State's workforce? Which agencies could face workforce issues in the near future?

We attempted to quantify historical trends in both retirement and non-retirement separations, and to analyze these by demographics, such as age at separation, length of service, final average salary, and agency. We asked Department officials to provide us with demographic information regarding non-retirement separations. However, Department officials did not provide this information, indicating they were concerned about the accuracy of their data. ERS provided us with historical data on employee retirements. From this data, we determined that over 68 percent of State employees who retire do so between the ages of 55 and 64. Further, the average age of people who retired during the ten years ended December 31, 2001 was 59 and their average length of service was 23 years.

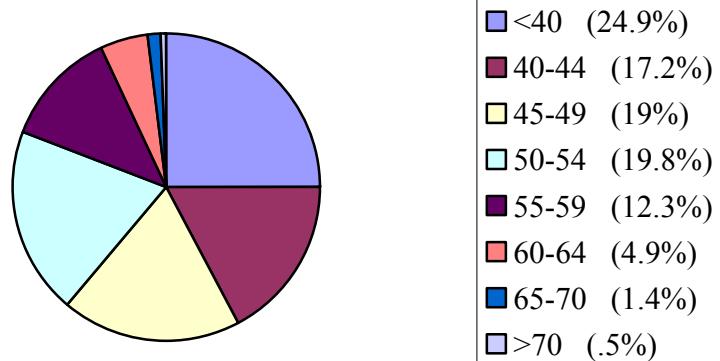
The following chart shows total employee retirements by age group for the ten years ended December 31, 2001, according to the ERS database:

ERS Retirements by Age 1992-2001



We also analyzed the State's workforce as of April 1, 2002 to obtain the demographics of the workforce. The average age of the workforce was 46 and the average length of service was 15 years. We found that almost 39 percent of the employees were age 50 or older and thus were either approaching or were already at the age when they will be eligible to retire (see chart below).

State's Workforce by Age April 1, 2002



ERS periodically analyzes its membership enrollment for actuarial purposes. We obtained the analysis completed as of April 1, 2002, which indicates that over 71,000 State employees will be over 55 years old and thus eligible to retire by 2007. ERS officials estimate that over 45,000 of these employees are likely to retire by that time, based upon age and length of service. This compares with the total of over 49,000 employee retirements during the ten years ended December 31, 2001.

From this analysis, we identified 14 agencies that each had more than 1,000 employees eligible to retire by 2007. These agencies may face serious challenges maintaining effective workforces to accomplish their missions, goals, and objectives and provide proper levels of services to their customers. The 14 agencies have over 73 percent of the State's ERS enrollment and 10 of these agencies have 1,000 or more employees likely to retire by 2007. The Office of Mental Health will have over 9,400 employees eligible to retire by 2007, and over 6,200 of them are likely to do so. In addition, over 4,600 people are likely to retire from the Department of Correctional Services (DOCS) by 2007. This compares with just over 4,100 people who retired from DOCS during the ten years ended December 31, 2001, or over a 112 percent increase. Similarly, almost 5,400 people are likely to retire from the Office of Mental Retardation and Developmental Disabilities (OMRDD) by 2007 as compared to about 5,700 people who retired from OMRDD during the ten years ended December 31, 2001, or an almost 100 percent increase. Furthermore, 35 percent or more of the workforces at the Department of Labor, the Office of Temporary and Disability Assistance, and the State Education Department are also likely to retire by 2007. These statistics indicate that State agencies will need strategies to offset the loss of experienced staff to avoid compromising services to the public (see the chart that follows).

Agencies with More Than 1,000 Employees Eligible to Retire by 2007

Agency	Total Employees April 1, 2002	Eligible to Retire By 2007	Percent of Total Employees	Likely to Retire By 2007	Percent of Total Employees
OMH ¹	19,496	9,434	48%	6,218	32%
DOCS ²	33,959	9,001	27%	4,625	14%
OMRDD ³	24,319	8,654	36%	5,380	22%
SUNY ⁴	18,347	6,493	35%	3,830	21%
DOT ⁵	11,274	4,107	36%	2,907	26%
DOH ⁶	6,170	2,803	45%	1,826	30%
Labor ⁷	4,737	2,558	54%	1,800	38%
Tax ⁸	5,758	2,303	40%	1,670	29%
OCFS ⁹	5,132	1,694	33%	976	19%
SED ¹⁰	3,005	1,501	50%	1,059	35%
DEC ¹¹	3,756	1,427	38%	1,014	27%
DMV ¹²	3,549	1,349	38%	852	24%
OTDA ¹³	2,639	1,346	51%	924	35%
Parole ¹⁴	2,406	1,035	43%	650	27%
Totals	144,547	53,705	37%	33,731	23%

¹ OMH - Office of Mental Health

² DOCS - Department of Correctional Services

³ OMRDD - Office of Mental Retardation and Developmental Disabilities

⁴ SUNY - State University of New York

⁵ DOT - Department of Transportation

⁶ DOH - Department of Health

⁷ Labor - Department of Labor

⁸ Tax - Department of Taxation and Finance

⁹ OCFS - Office of Children and Family Services

¹⁰ SED - State Education Department

¹¹ DEC - Department of Environmental Conservation

¹² DMV - Department of Motor Vehicles

¹³ OTDA - Office of Temporary and Disability Assistance

¹⁴ Parole - Division of Parole

Statewide Workforce Planning Efforts

The State, which began addressing workforce and succession planning issues in Spring 2001, has taken a decentralized approach whereby each agency is responsible for identifying its workforce needs and developing plans to meet them. The Department and GOER coordinate the process, but do not set performance goals or otherwise monitor agency progress, opting instead to serve more of a supportive role by providing information and sharing best practices among the agencies. GOER started the process by conducting a Commissioner's Meeting in March 2001 to raise each agency's awareness of the importance of and the need for workforce and succession planning. To further these efforts, the Department and/or GOER have done the following:

- Produced the *Workforce and Succession Planning Guide* (Guide) to aid agencies in identifying mission critical positions and positions at risk, and in developing strategies to ensure they maintain the necessary workforce and knowledge to meet their various missions.
- Created a website for the accumulation of workforce and succession planning information for agencies to use as a resource. The website contains the following information: the Guide; Agency Initiatives, which is a compilation of best practices as reported by various agencies; Areas of Interest, which contains a compilation of information on ten topics related to workforce planning; and Tools and Resources, which provides details and actual forms for agencies to implement the topics covered on the website.
- Coordinated the work of eight interagency workgroups charged with researching various workforce-planning topics, such as mentoring and rotation, employee recruitment and retention, and knowledge transfer and management. The groups reported this information to GOER for inclusion on the website.
- Summarized the workforce and succession planning efforts reported by each State agency. (The Governor required every agency to submit a report by April 2002.)

- Began work on a “Year 2015” project that will provide a framework for the re-engineering of State programs and services to meet the public’s needs in the future.

We attempted to determine how well State agencies are identifying and addressing their future workforce needs. We selected 14 agencies that may have workforce and succession planning issues in the near future. The agencies we identified were: the Department, OCFS, OTDA, DOCS, SED, DEC, DOH, Labor, OMH, DMV, OMRDD, Tax, DOT, and the Office of General Services. These agencies account for over 64.5 percent of the State's workforce and have historically accounted for about 62.5 percent of the State's retirements. Twelve of these 14 agencies will have at least 1,000 employees eligible to retire by 2007.¹⁵

We reviewed the information each agency posted to the Agency Initiatives section of the GOER website to determine what workforce planning efforts each agency had reportedly undertaken. Most of these agencies reported that they have begun addressing various workforce and succession planning issues. For example, 11 of the 14 agencies indicated they have reviewed the demographics of their workforces and have identified their mission critical positions. Thirteen agencies indicated they have processes in place to plan for their future workforce needs. Ten agencies reported they have developed strategic plan initiatives that include workforce planning actions, such as recruitment and hiring plans, training programs, and retention plans for their skilled personnel. In addition, some agencies have reportedly begun “shadow” programs so they can transfer knowledge from incumbents to new employees before the incumbents leave State service.

We attempted to arrange meetings with officials from these 14 agencies to determine the effectiveness of their workforce and succession planning efforts and to ascertain any obstacles they have encountered in their efforts. GOER officials prevented these interviews by circulating a memorandum to all State

¹⁵ To identify the agencies for this part of our study, we analyzed ERS data on historical retirement trends and Department data on current workforce demographics, such as age and years of service. At the time, we did not have the ERS analysis. Nevertheless, 12 of the 14 agencies we selected match the ERS analysis (see the chart on page 9). The remaining two agencies we selected, the Department and the Office of General Services, while not having over 1,000 employees eligible to retire by 2007, both had significant percentages (55 and 45 percent, respectively) of employees eligible to retire by 2007.

agencies indicating that workforce and succession planning efforts were ongoing and that our inquiries should be directed to GOER. As a result of this memorandum, all but two of the agencies either cancelled their meetings with us or refused to schedule a meeting.

We interviewed officials from two agencies, SED and DOCS. Both of these agencies have begun addressing their workforce and succession planning issues. SED has identified its mission critical positions and has begun developing strategies to ensure it maintains an adequate workforce in these positions. For example, SED has identified a specific employee title (Vocational Rehabilitation Counselor) and one group of salary grades (22 through 26) as its mission critical positions. SED has developed shadow and internship programs to transfer knowledge and recruit people into these positions. However, budget constraints have at least temporarily halted these programs.

SED has also started some programs aimed at retaining current employees. These include a leadership development program for managers and supervisors, a mentoring program for supervisors, and the College at Work Program. Officials indicate that they also constantly monitor workforce demographics to identify potential employment gaps and to develop strategies to prevent them. However, officials also report that budget constraints have greatly reduced SED's travel budget for recruiting, thus reducing their ability to close these gaps.

DOCS officials have identified several workforce and succession planning issues facing them, along with strategies for resolving these problems. They cited issues such as retention, recruitment, and knowledge transfer and highlighted medical professionals as a mission critical position. Most of these strategies require legislative changes, budget increases, modifications of collective bargaining agreements, or reclassification of civil service titles. As a result, DOCS has been unable to implement most of these strategies.

While some efforts have been made to address the State's future workforce needs, we were unable to adequately assess the effectiveness of these efforts in ensuring the State maintains a workforce that can provide the necessary services to the public in the future. We found that GOER had not posted the

results of four of the eight interagency workgroups, as of December 2002, despite an August 2002 reporting deadline. By February 2003, three of these reports were still not available. Thus, the website may not contain information vital to some agencies in their workforce planning efforts.

In addition, GOER officials refused to provide us with either their summary of agency workforce planning efforts or the actual reports each agency submitted to the Governor. As a result, we were unable to validate the progress agencies reported they have made in the workforce planning efforts. Furthermore, since we were unable to interview officials from 12 of 14 agencies, we have no assurance their website information is accurate and that the programs are in use. We also could not determine whether these 12 agencies were encountering problems similar to those experienced by SED and DOCS in implementing their initiatives. As a result, we have serious concerns about the effectiveness of agency efforts to date, the obstacles they have faced in implementing their programs, and the level of help the Department and GOER have provided to them.

Workforce and Succession Planning Activities of Other States and the Federal Government

We selected 13 states based on their size, workforce and population demographics, and location to determine how successful their workforce and succession-planning efforts have been and what obstacles they have encountered in their efforts. We visited the Internet websites of these states and we spoke directly with representatives from five of the states. Similar to New York, each state we surveyed began identifying workforce and succession planning issues as priorities within the last two years. These states face similar problems as well. The five states we contacted (California, Ohio, Wisconsin, Illinois and Utah) are experiencing hiring freezes due to budget deficits. These states also share a concern about hiring health care professionals. Each state indicated that these positions have been very difficult to fill because of the financial premiums offered in the private sector. Most of the 13 states acknowledged the need to recruit many people into state service over the next five to ten years. Several reported they used methods such as on-line testing and application processes to streamline their recruiting efforts. However, because of hiring

freezes and budgetary constraints, many states indicated their recruitment goals might be difficult to accomplish.

Unlike New York and other states, the Federal Office of Personnel Management (OPM) has recognized and prioritized workforce and succession planning issues since 1995. OPM's approach combines central oversight, establishment of standards, performance measurement, and implementation of several recruitment and retention initiatives. As part of its central oversight of agencies, OPM requires that agencies report annually on their workforce planning efforts. To enable Federal agencies to share this information, OPM describes these efforts on its website.

To measure Federal agencies' human resource performance, OPM developed several strategic standards and, in 2000, created the Human Capital Scorecard to evaluate agencies' achievements across five dimensions. OPM uses the Scorecard to measure each agency's performance with respect to each dimension in three ways: against the strategic standards, relative to other Federal agencies, and relative to its own past performance.

We conclude that the State is likely on par with other states in confronting workforce and succession planning challenges. However, the Federal government appears to have both identified the workforce planning issues earlier and taken a more active approach in meeting these challenges than have the states, including New York. The State should consider incorporating aspects of the Federal approach in its workforce and succession planning efforts.

Issues for Further Consideration

1. Have State agencies developed effective strategies to identify and address their workforce needs?
2. Do these strategies properly consider the obstacles posed by budgetary and legislative constraints?

Issues for Further Consideration (Cont'd)

3. Is the State's current decentralized approach the best method to address workforce and succession planning issues or should the State consider incorporating aspects of the Federal approach such as: providing central oversight of agencies' human resource processes; establishing performance standards; and developing methods to measure agencies' performances against these standards?

(Department officials agreed to further analyze the issues contained in the report.)

MAJOR CONTRIBUTORS TO THIS REPORT

Frank Houston

John Buyce

Joel Biederman

Greg Petschke

Kevin Kissane

Mike Durkin

Stephen Capozza

ShaDina Currie

Paul Bachman



GEORGE E. PATAKI
GOVERNOR

STATE OF NEW YORK
DEPARTMENT OF CIVIL SERVICE
THE STATE CAMPUS
ALBANY, NEW YORK 12239
www.cs.state.ny.us

GEORGE C. SINNOTT
COMMISSIONER

DANIEL E. WALL
EXECUTIVE
DEPUTY COMMISSIONER

June 12, 2003

Mr. Frank J. Houston
Audit Director
Office of the State Comptroller
State Audit Bureau
123 William Street – 21st Floor
New York, NY 10038

RE: Report 2002-D-4

Dear Mr. Houston:

On behalf of the Department of Civil Service, enclosed please find our response to Report 2002-D-4, Study of New York's Workforce for the Future.

It is my understanding the Governor's Office of Employee Relations will be submitting a separate response to the Report.

Please feel free to contact me if you have any questions.

Sincerely,

A handwritten signature in cursive ink that reads "Regina M. DuBois".

Regina M. DuBois
Director of Internal Audit

Enc.

Response to Findings
Study of New York State's Workforce for the Future
Report 2002-D-4

June 2003

This is in response to the report entitled "Department of Civil Service: Staff Study Planning for the State's Workforce Needs." While we the Department acknowledge the study's recognition of the problems that have already been identified by DCS, there are several inconsistencies and inaccuracies within the report which must be brought to your attention.

The portion of the study devoted to the workforce planning efforts of State agencies fails to capture the State's comprehensive approach to these efforts. The partnership of the Department of Civil Service and the Governor's Office of Employee Relations was initiated by a directive from the Governor's Office of State Operations in 2000. We were charged with coordinating all human resources efforts towards workforce and succession planning and with providing agencies with the tools they need to carry out successful recruitment, retention and knowledge transfer in the coming years. The State is continuing many workforce planning activities which have been ongoing for many years and which are not mentioned in the study. In particular, we would note the production of the annual Workforce Management Plan which is a statistical analysis of the workforce, including information on crucial occupations. In addition, there have been several initiatives in the past five years designed to address long term workforce planning issues. For example, a Recruitment Unit was established in 2000 in the Division of Staffing Services to reach out to prospective employees. Under the Professional Entry Program (PEP) initiative, which was established in 1997, progressive recruitment strategies were implemented for several hard to fill titles. In 2001, the State opened a Computer Based Test Center (CBTC) in Albany. Candidates take their exam on a PC and receive their scores immediately after finishing the exam. For many examinations, the Department now accepts on-line exam applications and soon we will begin accepting credit card payments for application fees. A future agency initiative is to locate another CBTC in the New York City area to assist in the recruitment of individuals from the Metropolitan Region. These, and other major initiatives undertaken in the past few years, were part of a comprehensive plan to position the State for the anticipated changes in the State's workforce.

With regard to the activities of other states as well as the Federal Government, we must point out that any approach to the problem of Baby Boomer retirements is an experiment whose success will be unknown for many years. We recognize a predilection in the comments of the study for a centralized control of the workforce planning process. This is the path that the Federal government and some states have chosen. A decision was made in New York State to intentionally decentralize the effort

to the agencies and to provide significant support as the agencies identify their particular problems and develop solutions to their problems. This does not mean that the State will not be monitoring the situation nor that it will not step in, if necessary. The role of GOER and the Department is to assess the issues facing the State's workforce, and to work with agencies to resolve workforce planning issues, including those caused by the upcoming "baby-boomer" retirements. To the best of our recollection, that topic was not discussed in the single, brief discussion held by your staff with the Director of Workforce and Occupational Planning. In summary, OCS and GOER have given careful consideration to the State's approach to workforce and succession planning—a fact that is not adequately or appropriately recognized in this report.

The partnership between the Department and GOER has been very successful. Our plan is to continue working with the agencies to address their particular needs, and to have an open dialogue with the Division of the Budget to ensure critical functions are maintained.

Although we did not respond to the preliminary draft of the results of this study, we do note that there are significant changes in the content, if not the conclusions, of the study.

We will ask staff to further analyze the three issues contained in the report.