

**Department of Personnel
Budget Testimony
New Jersey Assembly Budget and Appropriations
Committee**

April 7, 2005

Mr. Chairman, distinguished members of the Committee, I am Rolando Torres, Jr, Commissioner of the Department of Personnel (DOP), the human resource agency serving State, county and municipal agencies and approximately 190,000 public employees throughout New Jersey.

Thank you for inviting me to testify today. I am honored to present the Department of Personnel's proposed budget for your consideration, and as the new Commissioner of Personnel, I look forward to working with all of you on the issues facing our State.

THE UPCOMING FISCAL YEAR

In constructing our budget, the Department had Governor Codey's directives in mind—we have reduced our budget, and are focusing on redirecting our resources. Keeping in mind that the Governor's proposed budget calls for the largest reduction in government spending in the State's history, the Department stands ready to take the lead in reshaping the workforce and restoring fiscally sound management practices to government.

In particular, we are focused on working with all State Agencies to meet the Governor's call for the elimination of 500 jobs, without resorting to costly layoffs. We believe this can be done by consolidating programs, eliminating programs that are not statutorily required, and taking advantage of non-state funded positions whenever possible. These decisions will not be easy—but as the Governor said in his Budget Address—“Our State is facing a fiscal crisis,” It is up to all of us to do what we can to mitigate that crisis.

With this in mind, for Fiscal Year 2006, we are requesting an overall appropriation of 25.7 million dollars, which is a reduction of \$606,000 dollars from Fiscal Year 2005. This reduction is in addition to a cumulative 11.5 percent cut since January 2002, and it is with this budget cut that the Department must effectuate sound human resource policies for all State and Local workers.

At the Department of Personnel, the reality of budget cuts over the past few years have been deeply felt. In 1994 the Department had over 620 full time employees. Currently, we operate with approximately 400 full time employees. With this reduced staff, we continue to deliver the vital services that New Jersey's government operations depend upon.

In looking at the role of the Department of Personnel, I believe that there are three areas in which we bring much value to the State.

- First, the Department works closely with public employers to provide essential human resource tools;

- Next, the Department continually evaluates human resource programs to maximize effectiveness;
- Finally, and most importantly, the Department manages the human resource needs of an ever-evolving workforce.

During my tenure, I will continue to focus on these priorities, as well as put my own stamp on the Department.

BUILDING TOOLS FOR GOVERNMENT CUSTOMERS

By giving State and Local government customers access to the tools that they need to do their jobs, the Department continues to accomplish our volume of work by putting some of the power in the hands of our customers.

Creating a Local Government Personnel System: One of the Department's largest, most comprehensive undertakings is CAMPS--County and Municipal Personnel System. CAMPS, when fully implemented, eliminates thousands of forms that local governments currently send to the Department to be input. Instead, local governments can directly enter and access personnel transactions online. Last year at this time, we were in the testing phase of CAMPS, and we have now moved onto implementation. We are already receiving much positive feedback from the appointing authorities on the effectiveness of this tool.

Protecting Employee Records: The Department is responsible for maintaining personnel records for all active and past merit system employees. In the past, however, the

time spent maintaining and accessing these paper records was excessive. This Fiscal Year, we successfully imaged over 670,000 records—consisting of several million pages of documents. This conversion gives our clients quick access to these records, and ensures the protection of this information.

Cutting Bureaucracy: Another area in which we are empowering our clients is through job classification. A successful agency, public or private, must have an effectively classified workforce to accomplish its mission. To expedite the traditionally paper-driven classification process, we are developing a Web enabled Classification Support System. When fully implemented in the Fall of 2005, this system will provide more accurate title options for assigning employees, while enabling State agencies to complete requests in real-time.

EVALUATING PROGRAMS TO ENHANCE VALUE TO STATE

One of the most important roles of Department is ensuring fairness to employees and employers alike. In doing so, the Department must look at the policies and procedures that govern our workforce, and ensure that these policies are sound.

Expediting Employment Decisions: One of the main vehicles through which the Department ensures fairness is through the Merit System Board—a forum for appeals to be heard, and fair and impartial decisions to be rendered. In FY 04, the Department implemented a reorganization of the

division that supports this Board. The results have been quite impressive, with a 50 percent reduction in the number of written record appeals and a commensurate decrease in overall processing time. I am pleased to report that the backlog of appeals in areas such as sick leave injury, discrimination, exam eligibility and scoring, and other areas has been completely eliminated, and the processing time of public safety appeals has been significantly reduced.

Taking Preventative Actions: In looking at workforce issues, we must acknowledge that the relationship between employees and management can at times be contentious. Lengthy appeals and court cases drain public finances, and they also deplete morale and hurt productivity. To mitigate these costs, the Department participates in two preventative programs—Alternate Dispute Resolution-ADR-and the Early Settlement Program. Through ADR, the Department mediates appeals, guiding participants towards a solution that satisfies both parties. The Early Settlement Program, initiated in conjunction with the Office of Administrative Law, sends major discipline cases to Early Settlement Conferences prior to the scheduling of often costly OAL hearings. We intend to expand the use of these programs, to help form a more cooperative relationship between public employers and employees.

Implementing Cost Saving Recommendations: Along these same lines, I believe we can make a significant impact in a program that is currently of great cost to the State—the Sick Leave Injury program. We are in the

process of implementing the recommendations provided through the 2003 OLS audit report, and I believe we can go even further. I have made an evaluation of this program a top priority for my Director of Workforce Initiatives, and I will work closely with him to help realize savings.

STRENGTHENING THE WORKFORCE

In the past few years, the Department has made a shift towards being more customer service oriented. In doing so, we have increased our focus on finding ways to strengthen our public workforce.

Creating Recruitment Programs: To aid Merit System Agencies in staffing hard-to-fill positions, the Department creates agency-specific recruitment programs. For instance, Treasury was experiencing difficulty in competing with the private sector for entry-level professionals. To help Treasury compete, the Department developed a program to expedite the recruitment and hiring process. This program is an example of how the Department works in consultation with client agencies.

Increasing Access to Work/Life Resource: One of the central objectives of the Department is to be there for our employees in times of need. The Employee Advisory Service provides counseling and referral services to government employees and their families, and is an essential tool for both employees and management. To further enhance this program, the Department has contracted with the University of Medicine and Dentistry of

New Jersey. This contract will allow 24/7 access to EAS services, and allow employees to ask for help at anytime, day or night.

Providing High-Quality Training: In order to have a strong workforce in the public sector, that workforce must be well-trained. The Department's Human Resource Development Institute provides high quality training and organizational development services to State and local agencies. HRDI works closely with clients to tailor courses that are specific to their needs. For instance, to help firefighters advance in their careers, HRDI developed the "Moving Up the Ladder" prep course. I believe that HRDI can yield tremendous benefits to our State workforce, and I intend to focus on revitalizing this resource.

Applying HR Expertise: In managing the State workforce, the Department must continually help the workforce adapt to any new personnel needs that are created. Consider: the formation of the Office of Bioterrorism and the Office of Counterrorism; or bringing motor vehicle agency workers back into the State fold with the newly formed Motor Vehicles Commission; or the urgent need to fill critical child protective services positions in order to meet Federal Court Mandates.

With each of these initiatives, workforce needs were created. The Department must understand those needs, and readily assist impacted agencies in fulfilling new staffing requirements.

LOOKING FORWARD: MANAGING WORKFORCE NEEDS

While meeting current personnel needs is vital, the importance of workforce planning is often lost. In FY06, the Department of Personnel will shift our focus into helping plan for the future of our public workforce.

Investing in Prevention: Over the next year, healthcare costs for current and retired State workers will run over \$1 Billion Dollars. At the same time, the median age of our workforce is 45 years old—a point in life where there are increased risks for cancer, diabetes, heart disease, and the like. By promoting a healthy lifestyle—encouraging our employees to quit smoking, get active, eat right, and get screened for any diseases they are at risk for—we can help our employees to be healthy and ready to perform on the job.

I have already met with Commissioner Jacobs at the Department of Health and Senior Services to discuss a partnership, and we look forward to working with Governor Codey, members of the Legislature and fellow Cabinet members to bring a comprehensive, statewide wellness program to our State workers, and in the future, to our Local workforce.

Managing the State Workforce: Of great interest to you all is the status of our workforce.

In January 2002 there were 66,648 full-time employees. In January 2005, there were 70,260 full-time employees.

Looking just at the numbers, there appears to be a growth of 3,612 employees. But that number does not show the story behind the workforce. Consider that since January 2002:

- Over 500 employees were added to the State payroll after legislation brought the Motor Vehicles Commission back under State oversight;
- More than 1,500 hires have been in support of Child Welfare Reform Plan; and
- Over 50 positions were added as a result of the September 11th tragedies to enhance the safety and security of our State.

I bring up the story behind the numbers because it is something we must consider. New initiatives and programs have personnel consequences. We cannot have true Child Welfare Reform without hiring the right people to carry out this responsibility. We cannot focus on the safety and security of our State, without hiring the staff to make that work a reality. Conversely, we cannot make a decision to cut staff without thinking about the service impact.

In working with my fellow Cabinet members to streamline the workforce, I have been asked by Governor Codey to consider how to best redirect staff into essential programs, and reduce concentration in non-essential programs. These decisions will be carefully considered.

Facing the Challenges: In the next decade, our public workforce will face many challenges, and it is up to the Department to prepare the workforce to face these

challenges. As many of our top workers will be retiring over the next two decades, we must invest in succession planning, knowledge transfer, and comprehensive training—all strategies towards ensuring that there are no skill gaps. The focus of my tenure as Commissioner will be to address these public policy concerns, work with our stakeholders, including our unions, and achieve a stronger, better deployed workforce that renders great value to the State.

CONCLUSION

This budget reflects Governor Codey's commitment to New Jersey's public sector employees and a dedication to increasing quality while controlling costs. I look forward to working with you and our Governor as we continually evaluate the needs of our ever-changing public workforce.