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2007 AGENCY OVERVIEW

Facts and Figures

- In the past five years, 27,500 state employees have retired. In the next five years, another 33,000 employees – approximately 20% of the state workforce – are projected to retire.
- Health expenditures nationwide consume more than 17% of the nation's Gross Domestic Product, and that share is rising. Covering more than 1.2 million lives, the New York State Health Insurance Program currently costs more than \$6 billion.

1. The Department of Civil Service's Mission and Goals

As the central human resource management agency for Executive Department agencies, the Department of Civil Service is responsible for ensuring that the state selects workers based on their merit and fitness. Additionally, the Department administers the New York State Health Insurance Program (NYSHIP) so as to contain costs while delivering high-quality health care services for 1.2 million active and retired state and local government employees and their dependents.

2. The Department of Civil Service's Primary Policy Challenges

In the past five years, 27,500 state employees have retired. In the next five years, another 33,000 employees – approximately a fifth of the state workforce – are projected to retire. Decisions made today will affect New York State government for the next 30 years. Assembling a first-rate workforce is difficult under the best of conditions and becomes more daunting when resources are scarce, competition for top talent is intense, workforce turnover has accelerated, and past efforts have been fragmented. The state must assemble and retain this workforce under rules established by the State Constitution over 100 years ago.

The state's human resource management has for generations been divided between the Department of Civil Service and individual agency personnel offices. To become more competitive, especially at a time when two-thirds of the state's college graduates are leaving the state, New York must increase coordination between individual agencies and the Department, and must leverage the merit system to attract talented job-seekers.

Both the state and the nation also are challenged by continuing increases in the cost of healthcare. The cost of the New York State Health Insurance Program to state and local governments has risen to \$6 billion annually. Administering this plan, the third-largest in the nation, requires balancing what valued employees deserve with what hard-pressed taxpayers can afford.

3. Civil Service's Record of Actions and Results

i. DCS has improved the merit system

The Constitution generally requires that the merit and fitness of job candidates be assessed through competitive examination, and 81% of the 167,000 classified workforce positions currently are filled through the competitive process. Competitive exams are not required when they are not "practicable", for example, for certain medical positions that require licensure or credentialing by an outside agency.

The Department responded when agencies cited pressing needs for expedited hiring for projects such as auditing tax compliance, implementing the new Middle Class STAR Program, and addressing standards relating to sex offenders. Additionally, testing schedules were accelerated or expanded to meet the needs for Workers' Compensation examiners, computer operators, corrections officers and labor standards investigators. Employee Health Services accommodated a 40% increase in pre-employment medical examinations to meet pressing demands in Correctional Services, Parole, and Parks, Recreation and Historic Preservation.

ii. DCS has used technology to rationalize the recruitment and hiring processes

The Department launched an upgraded online application system for use by state employees to file for civil service examinations. The Department is developing an Integrated Testing System which will streamline business processes, improve customer access to examination-related information and provide secure web delivery of test content, improving the Department's capacity to meet staffing needs in a timely manner. Another new system, the Eligible List Maintenance System, will provide state agencies with the ability to request and receive eligible list certifications on-line and to report back the results of their canvasses, including appointments, as they occur.

iii. Quality health insurance is provided to public employees and their dependents

The Department undertook initiatives in the provision of NYSHIP health insurance:

- The Department expects to save an estimated \$110 million annually as a result of its recent re-bid of the four-year contract that provides prescription drugs under the Empire Plan.
- Enhanced Department oversight of the pharmacy and other Empire Plan contracts has generated an additional \$87 million in plan savings.

- The Department announced that NYSHIP expanded spousal benefits to include same-sex marriages that are legal in the jurisdiction where they were performed.
- A panel of physicians is advising the Empire Plan on ways to improve services and reimbursement practices.
- Employees may use a new web portal to register changes in health plan choices and personal information, saving clerical time.

4. The Department of Civil Service's Plan to Build on This Foundation

The Department will promote New York State government as an employer of choice and will recruit more aggressively. The Department will also focus its attention on further reducing the growth of health insurance costs. The Department will re-bid the Empire Plan's mental health/substance abuse component in an effort to achieve savings.

**President of the New York State Civil Service Commission and Commissioner of the Department of Civil Service
Nancy G. Groenwegen**

Commissioner Groenwegen has developed an expertise in public-sector employment law in her more than two decades of work in the public service. Prior to her appointment as Commissioner, Ms. Groenwegen served as an assistant attorney general in the New York State Department of Law. She also worked at the New York State School Boards Association as counsel for policy and employee relations services. Ms. Groenwegen held a variety of positions in the administration of Governor Mario Cuomo, including assistant counsel in the Governor's Office of Employee Relations, assistant counsel to the Governor for labor, public pension and economic development matters, and deputy commissioner and chief counsel in the Departments of Civil Service and Labor.