

Council Comments:

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Downsizing The State Classified Work Force

One of the major goals of the current state administration is to downsize state government. One measure of the success of this effort is the change in the number of classified state employees during calendar 1991. The Department of Civil Service reported by agency the number of state classified employees as of December 22, 1990, and December 21, 1991. These figures are summarized in **Table 1**. There was a reduction of 4,058 or six percent of total classified employees in 1991.

Table 1

Classified FTE Employees by Department*

<u>Department</u>	<u>Dec. 22, 1990</u>	<u>Dec. 21, 1991</u>	<u>Change</u>
Agriculture	565	493	(72)
Attorney General	509	488	(21)
Auditor General	155	147	(8)
Civil Rights	215	192	(23)
Civil Service	324	310	(14)
Commerce (Licensing and Regulation)	2,793	2,591	(202)
Corrections	14,051	13,795	(256)
Education	11,951	1,969	18
Executive Office	48	57	9
Labor	1,006	907	(99)
Employment Security Commission	2,408	2,811	403
Management & Budget	1,440	1,310	(130)
Mental Health	9,199	7,982	(2,009)
Military Affairs	276	834**	558**
Natural Resources	3,010	2,956	(54)
Public Health	2,039	1,377**	(662)**
Social Services	14,251	13,254	(997)
State	1,984	1,896	(88)
State Police	3,258	3,086	(172)
Transportation	3,910	3,893	(17)
Treasury	1,585	1,363	(222)
Lottery	231	231	0
Statewide FTE Totals	66,000	61,942	(4,058)

* Data is reported on the basis of full-time equated positions (FTE)

** Reflects a transfer of 540 employees from Public Health to Military Affairs

Source: Department of Civil Service.

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The 1991 Experience

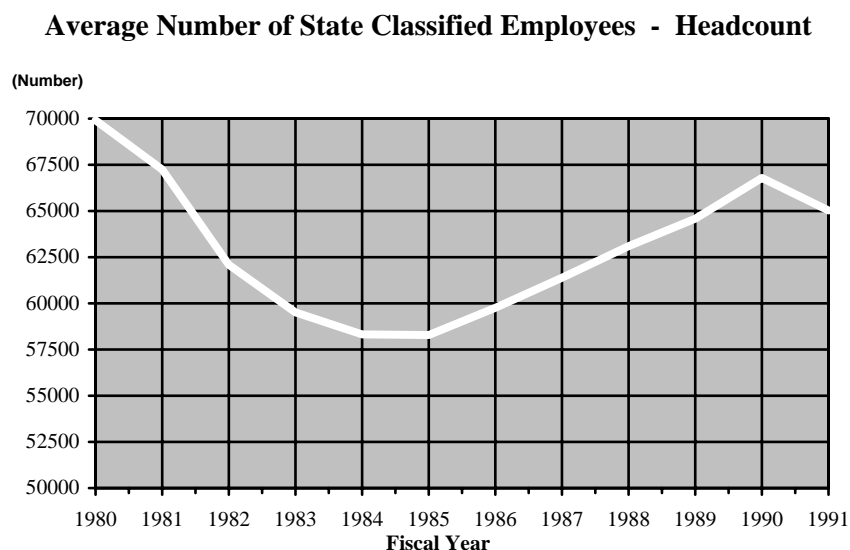
The reported data relates to state classified civil servants. Employees of higher education institutions, the state judiciary, the executive branch exempt from civil service, and legislative staff positions, except for the Auditor General's staff, are not included in **Table 1** figures. The figures represent all classified employees regardless of funding source. For example, Michigan Employment Security Commission operations are funded 100 percent by the federal government, and the 403 employee increase in 1991 results from the application of a federal staffing formula to service an increase in the number of unemployed persons.

Although most state agencies experienced a reduction in staff during 1991, Mental Health and Social Services combined accounted for approximately 75 percent of the reduction. The Social Services reduction reflects a general policy not to fill vacancies as they occur due to budget constraints, rather than elimination of specific programs. Mental Health experienced a decline of 2,000 employees, a 20 percent reduction which included about 1,800 layoffs. The decline is the result of accelerating an existing policy to meet the needs of the majority of mental health clients through community-based programs rather than institutionalizing them. During calendar 1991, four institutions were closed and another four facilities were downsized.

The Employment Pattern 1980 to 1991

During the 1980s the state population was stable, but the state classified work force fluctuated. From a high of almost 70,000 employees in 1979-80, the trend was downward reaching a low of 58,000 in the mid-1980s (see **Figure 1**). Then classified employment began to increase, reaching 67,000 in 1989-90 before declining to 65,000 in 1990-91.

Figure 1



Source: Department of Civil Service

The Department of Civil Service reports annual average number of classified employees by headcount. The numbers in **Figure 1** reflect headcount and include full-time, part-time., intermittent and seasonal employees. Other staffing figures included in this analysis are based on full time equated (FTE) positions that include the equating of overtime.

During the 12 year period, the most dramatic changes occurred in the corrections and mental health areas. Beginning in 1984, the state undertook a comprehensive prison expansion program. At that time there were nine state prisons; today there are 35 including two under construction, although three are vacant because of a lack of operating funds. In order to staff this prison expansion, the Department of Corrections grew from 5,400 employees in 1980 to almost 13,800 staff members in 1991 or an increase of 156 percent. (see **Table 2**)

Table 2
Classified FTE Employees for Select Departments

<u>Department</u>	<u>December 1980</u>	<u>December 1991</u>	<u>Change</u>	<u>Percent of Total 1980</u>	<u>Percent of Total 1991</u>
Corrections	5,373	13,795	8,422	8.0	22.3
Mental Health	14,935	7,982	(6,953)	22.3	12.9
Social Services	15,841	13,254	(2,587)	23.6	21.4
All Other	<u>30,961</u>	<u>26,911</u>	<u>(4,050)</u>	46.1	43.4
Total	67,110	61,942	(5,168)		

Source: Department of Civil Service.

Because of the emphasis on community-based programs the reverse was occurring in the Department of Mental Health. In 1980, the Department employed 15,000 FTE's; by 1991 the number dropped to 8,000 or a reduction of 47 percent. Another agency that experienced a significant change was the Department of Labor, including the employment security commission. The department declined from 6,811 positions in 1980 to 3,718 positions in 1991, a reduction of 45 percent. The difference in the staffing levels for the two years primarily is explained by the higher unemployment in the state in 1980 than was experienced in 1991, resulting in higher staffing levels for the employment security commission in 1980.

The departments of Corrections, Mental Health and Social Services combined accounted for the majority of state employment in both 1980 and 1991. In 1980, the three departments accounted for 54 percent of total state classified employment, and by 1991 the figure for the three agencies increased to 57 percent. This occurred even though the absolute number and percentage of state employees declined for both the Department of Mental Health and the Department of Social Services.

Citizen Research Council - 1991 Publications

Council Comments

<u>No.</u>	<u>Date</u>	<u>Title</u>
1002	12/91	Legislative Apportionment in Michigan
1001	10/91	Enforcement of the Fifty Mill Limit
1000	9/91	An Analysis of Selected Issues Regarding the Regulation of Public Utilities in Michigan
999	6/91	Fiscal Trends of the City of Detroit
998	6/91	Higher Education Financing: How Michigan Compares With Other States
997	4/91	Income, Spending, and Taxation -- Michigan Compared to the U.S. Average
996	3/91	The Single Business Tax and the Capital Acquisition Deduction

Reports

<u>No.</u>	<u>Date</u>	<u>Title</u>
303	12/91	Legislative Apportionment in Michigan, 28 pp.
302	8/91	An Analysis of Selected Issues Regarding the Regulation of Public Utilities in Michigan, 69 pp.
301	6/91	1991 Michigan Tax Climate, 96 pp.
300	6/91	Fiscal Trends of the City of Detroit, 81 pp.
299	5/91	Outline of the Michigan Tax System, Sixteenth Edition, 19 pp.